

TOYODA GOSEI REPORT 2025

Become a company that pursues the possibilities of polymers to contribute to a future of better mobility and living

Company Creed

Boundless Creativity and Social Contribution

Management Philosophy

Good Corporate Citizenship

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

Sustainable Growth

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

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.

Proper Business Operation

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

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.

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.

TG Spirit

The TG Spirit is the common set of values that unites us as members of the Toyoda Gosei Group. As the way people work continues to diversify and values change, the TG Spirit plays a vital role in binding together as one team the almost 40,000 Group employees—from different nationalities, ages, genders, and walks of life—working in 15 countries and regions around the world.

The world around us continues to change in almost unimaginable ways. Amidst this, we will continue to pass on the same attitudes and mindsets that have been passed down to us, and which will guide us towards sustainable growth and evolution into the future.

Customer Oriented

Think from the customer's perspective

How can we help customers get what they want?

Ownership

Be responsible and proactive

Each and every TG employee is encouraged to feel a sense of ownership for the products that leave our doors.

Respect

Respect for individuals and their perspectives

We will maintain respect for the individuality and perspectives of each person, be humble in our dealings with others regardless of nationality, gender, or rank, and always try to learn from each other.

Challenge

Aim high, be resolute in the face of difficulties

We will aim high, set ambitious goals and work relentlessly toward achieving them no matter what the difficulties may be.

Continuous Kaizen

Never be satisfied; improvement never ends

Using the approaches of genchi-genbutsu (go and see) and genjitsu (activities based on the actual situation) and asking why five times, we will constantly strive to bring our operations and products to the next highest level.

Teamwork

Help each other, grow as a team

We will combine our strengths within teams, between departments, and between Toyoda Gosei Group companies to make One TG a reality.

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Editorial Policy

This report was prepared for the purpose of enabling shareholders, investors, and other stakeholders to gain a deeper understanding of the Toyota Gosei Group. The report presents the Toyota Gosei Group's strategies and initiatives for creating medium- and long-term value. When creating this report, we referred to frameworks such as the "Integrated Reporting Framework" proposed by the IFRS Foundation, the "Integrated Disclosure and Dialogue Guidance for Value Co-creation" by the Ministry of Economy, Trade and Industry, and the "Intellectual Property and Intangible Assets Governance Guidelines" by the Cabinet Office. We strive to create concise and easily understandable content. For more detailed information on financial and non-financial information, please visit the Investor Relations page or the Sustainability page on our official website.

Reporting Period

April 1, 2024 to March 31, 2025
(Past initiatives and recent information are included where necessary to facilitate understanding of the disclosed information.)

Scope of Report

As a general rule, the report covers the 58 companies of the Toyota Gosei Group, consisting of Toyota Gosei Co., Ltd. and its subsidiaries and affiliates in Japan and overseas. (For some items, the scope is outlined individually.)

Date of Issue

September 2025
(Previous edition issued in October 2024, published annually)

Positioning of This Report

Financial Information

Investor Relations

<https://www.toyoda-gosei.com/ir/>



Financial statements,
Annual Securities Reports,
etc.

Non-Financial Information

Sustainability

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



Environment, social,
governance, etc.

Toyota Gosei Report

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



Glossary

ICE: Internal combustion engine
BEV: Battery electric vehicle
HEV: Hybrid electric vehicle
PHEV: Plug-in hybrid electric vehicle
FCEV: Fuel cell electric vehicle
CASE: Term coined from the initial letters of Connected, Autonomous, Shared & Services, and Electric
CN: Carbon neutrality
CE: Circular economy
OEM: In the automotive industry, this refers to automobile manufacturers
ADAS: Advanced driver-assistance systems

Disclaimer

While every effort has been made to ensure the accuracy of the information contained in this report, we do not guarantee the accuracy or timing of updates, and are not liable for any problems, losses, or damages arising from updates, errors, or other issues in the provided information.

Toyoda Gosei at a Glance

Since our establishment in 1949, we have worked closely with stakeholders in development, design, procurement, production, and sales to deliver high-performance, high-quality products and services built on our expertise in synthetic rubber and plastics, and the technical know-how for synthesizing them.



Founding

76 years

Toyoda Automatic Loom Works established a Rubber Research Department in 1934, from which Toyoda Gosei's predecessor, Nagoya Rubber, was born in 1949. Over more than 70 years, we have provided value to society centered on rubber and plastics technology.

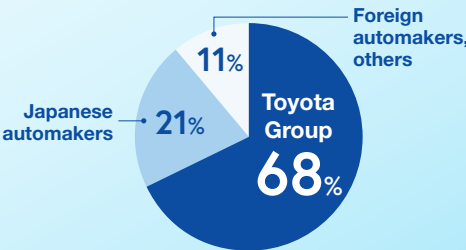


Number of employees (Global)

39,192



Customer sales ratio



Airbag share

Global 18%

Toyoda Gosei makes 18% of the world's airbags. We are one of four companies that together have a global share of about 90%. Toyoda Gosei is always one of the top four.

* As of March 2025; based on Toyoda Gosei survey



Production locations (Global)

58

(As of June 30, 2025)



Revenue (IFRS)

¥1,059.7 bn



Overseas sales ratio

61.8%



Credit rating (R&I)

A⁺

(As of October 2, 2024)

Business Overview

Safety Systems (SS)

Safety Systems

Since starting mass production of driver-side airbags in 1989, we have introduced various airbags to the market, achieving full 360° coverage that protects occupants against impacts from different directions. In addition to producing pedestrian protection devices, we are actively developing next-generation technologies, such as preventive safety.



Airbags



Pop-up hood actuators



Steering wheels (with built-in airbags)

Interior and Exteriors (IE)

Interior and Exteriors

We offer a wide range of interior parts, including instrument panels and console boxes that enhance interior comfort, as well as exterior parts like radiator grilles that contribute to vehicle design. Often positioned in prominent locations, our products offer not only exceptional functional performance, they are also aesthetically appealing.



Instrument panels and components



Console boxes



Radiator grilles



Luminescent emblems

Functional Components (FC)

Functional Components

Our fuel and brake-related components are essential for supporting the fundamental functions of “driving,” “turning,” and “stopping.” Alongside exceptional quality, we pursue weight reduction and compact design, maintaining a world-class market share over many years.



Plastic fuel filler pipes



Brake hoses



High-pressure hydrogen tanks



Plastic turbo ducts

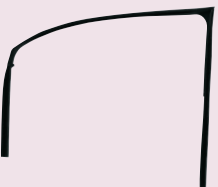


Oil pumps

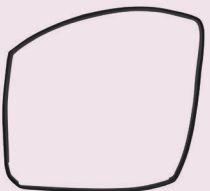
Weatherstrips (WS)

Weatherstrips

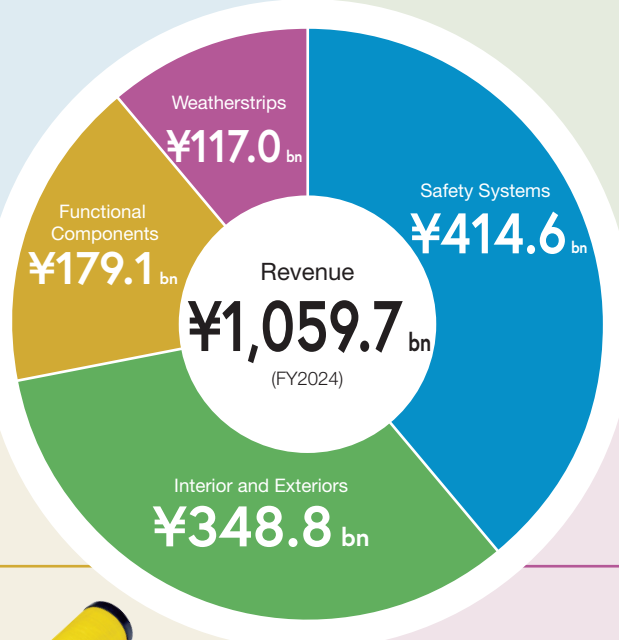
Products like door and window seals protect interiors from rain, wind, and noise, while also aiding smooth opening and closing of doors and windows. These products hold a top market share globally and are supplied from production bases both in Japan and internationally.



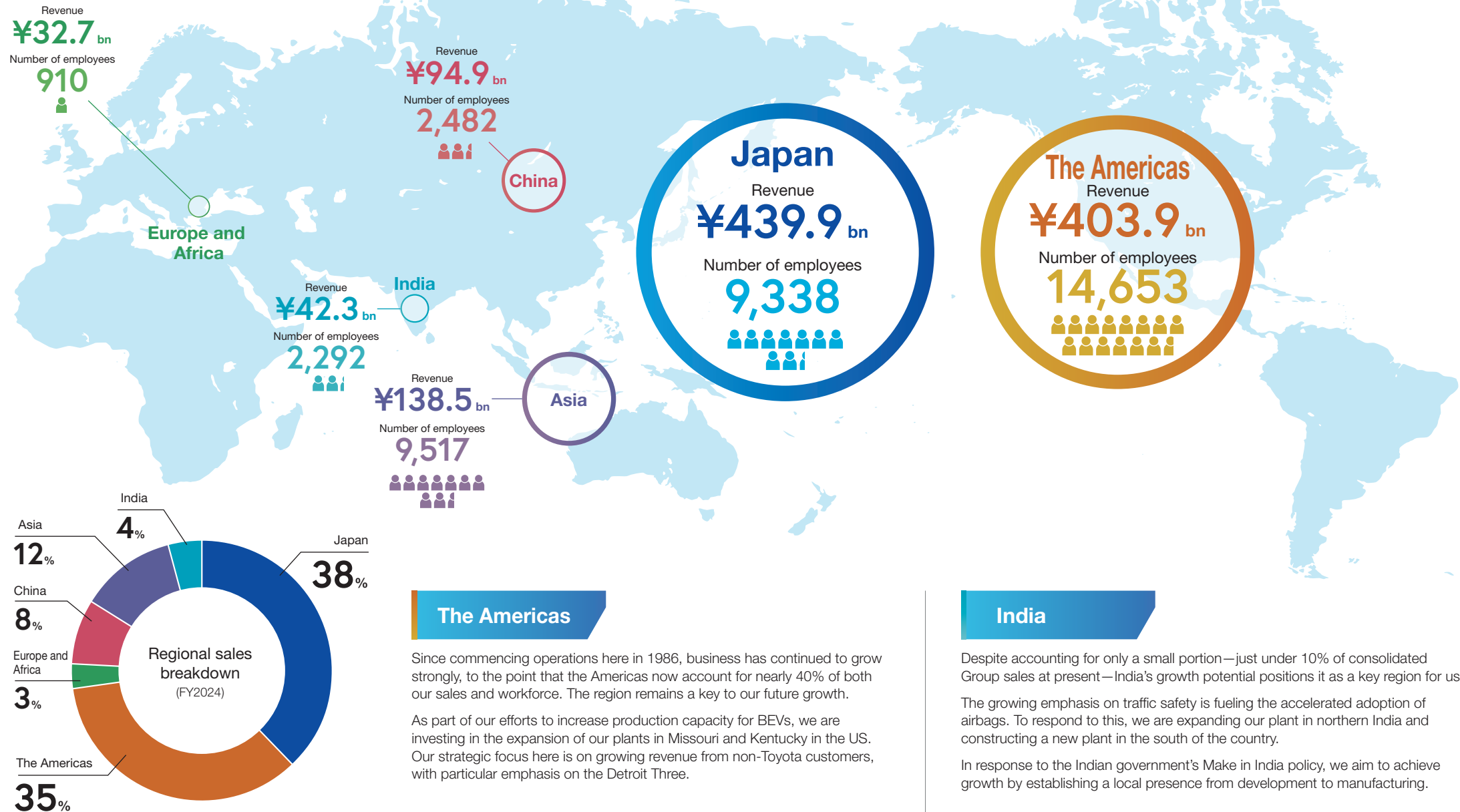
Door glass runs



Opening trim weatherstrips



Regional Overview





Message from the CEO

Staying agile amid a changing world.

Driving contributions to safety, comfort, and decarbonization.

Continuing to maximize our corporate value.

Katsumi Saito

President, CEO

Message from the CEO

1—The Business Environment

One of the first orders of business when I assumed the role of president in June 2023 was to formulate our medium- to long-term business plan, the 2030 Business Plan, which we completed in August of the same year. Two years have passed since then and the business landscape in the automotive industry has changed dramatically. In response, we have thoroughly revised our assessment of the business

environment that served as the basis for the plan. In China, the world's largest automotive market, the shift to battery electric vehicles (BEVs) is advancing rapidly. Local Chinese automakers are becoming more and more competitive, and Japanese automakers are struggling to keep pace.

Globally, although the shift toward BEVs is expected to continue over the medium to long term, the pace of adoption is slowing down compared to initial projections. We are also seeing the impact of changes to government policies, particularly in the United States.

Geopolitical risks, notably US tariff policies, have become more pronounced, adding to the growing complexity of the business landscape in the automotive industry. In spite of the growing challenges, we remain steadfast in pressing forward with the 2030 Business Plan. We have added South America, and specifically the key market of Brazil, to the Americas and India as key regions on which to focus our efforts. By doing so, we are aiming to grow our business at a pace above organic market growth.

2—Vision & Delivered Value

Our 2030 Business Plan envisions us as a company that pursues the possibilities of polymers to contribute to a future of better mobility and living. Our value proposition is to deliver the safety and comfort solutions that will underpin the realization of new forms of mobility, and in particular BEVs. By leveraging our technical prowess in the polymer technologies behind advanced rubbers and plastics, we have a part to play in realizing a decarbonized world. Generating economic

value while at the same time delivering benefits to society as a whole should translate into the sustainable development of our business.

Beginning with how we can contribute to safety, despite the fact that vehicles in developed countries have more airbags installed and are safer than ever before, around 1.2 million people worldwide still die in traffic accidents each year. We will continue to develop more sophisticated safety products to help save lives and reduce the tragic toll of accidents. In developing countries, installation of airbags is still lagging behind and many lives are lost unnecessarily as a result. In India, which has the highest number of traffic fatalities in the world, the road toll has become a particularly pressing societal issue. To help reduce the rising number of traffic accident fatalities, we are moving quickly to expand our production capacity of airbags and other products in our Safety Systems lineup. We will promote and build a safe mobility society in India by encouraging the adoption of our products by leading non-Toyota automakers, such as Maruti Suzuki.

As a leading company in the critical field of airbag technology for collision safety, we also participate in international symposiums on automotive safety systems where we present our latest research findings and engage in discussions with safety experts. At a symposium held in Germany in November 2024, we presented research findings utilizing computer simulations (CAE technology) that reproduce human bodily movements and injuries during traffic accidents. By staying abreast of cutting-edge technological trends in safety and incorporating them into new product development, we will help build even safer cars. To deliver on this promise of safety for a new mobility society, we are also advancing the development



Message from the CEO

of safety products compatible with a whole range of other modes of transportation, including motorcycles.

In the new mobility society, our interior and exterior components can help make vehicle surroundings more comfortable. Our intent is to introduce new products that enhance the comfort of vehicles in distinctive and unique ways, such as by combining LED-based illumination and safety technology to create passenger cabins that feel like something from the future. In May 2025, we developed a new steering wheel to accommodate next-generation steering systems. The steering wheel for steer-by-wire systems, featuring an advanced design that delivers comfortable driving, has been installed in Toyota Motor Corporation's new BEV, the Lexus RZ.

As exterior components evolve to reflect changing vehicle aesthetics, we will refine our decorative technologies to develop products that not only express brand identity but also function as signage. Leveraging our strength as a Tier 1 supplier manufacturing genuine products, we will accelerate product development tailored to end-user needs by expanding into the aftermarket, broadening our contribution to user comfort.

We have designated the Americas as a key region and are advancing the development of new products and strengthening production capacity for non-Toyota automakers, particularly the Detroit Three, to deliver our comfort value proposition to more customers. We are expanding the production capacity of our two US subsidiaries and advancing the development of our supply system while also establishing a system capable of supplying a wide variety of products to meet the needs of diverse vehicles, including BEVs.

While accelerating growth strategies in key businesses

and regions, we are also taking steps to turn unprofitable businesses around. In China, where the business landscape has shifted dramatically, we are moving forward with urgent structural reforms to address shifting customer trends and the changing competitive environment.

Profitability of our weatherstrips business is trending upward as we promote our superior sound insulation performance and consistent quality and supply capabilities to customers. In our functional components business, we had planned to transition away from the fuel system business. However, considering the trend toward BEV adoption, meeting a broad range of customer needs will help to generate cash that can be used to fund growth in other key areas. We continue to respond to the changing business landscape with agility and attention to detail as we work to optimize our business portfolio.

Being a business that creates products from polymer materials puts us in a unique position to help address the urgent global need for decarbonization. In our 2030 Business Plan, we pledged to commercialize recycling from the perspective of utilizing internal waste materials. Commercialization involves converting waste materials, including those from outside our company, back into raw materials for use in our own products, and then selling the recycled materials to other companies.

In May 2025, we achieved the world's first practical application of automotive interior parts made with 50% recycled plastic sourced from end-of-life vehicles as part of our plastic recycling business initiative. Traditionally, recycling waste plastics from automobiles has been challenging because impurities make it difficult to achieve performance equivalent to new materials. This has led to the common practices of incineration for heat

recovery (thermal recycling) or reuse in lower-performance applications (downcycling). In collaboration with Isono Co., Ltd. (head office: Nagoya; president: Masayuki Isono), we have developed recycled plastic containing 50% post-consumer plastic (polypropylene) recovered from end-of-life vehicles. This material maintains performance equivalent to virgin plastic by securing high-quality recycled raw materials and utilizing our proprietary material modification technology. It has been successfully applied in automotive parts that meet industry quality standards. This technology will accelerate adoption of horizontal recycling, which entails reusing parts within the same component, and helps to reduce CO₂ emissions.

Plastics are not the only focus for us. We are also pursuing opportunities to commercialize the recycling of rubber. In the automotive industry, recycling of resources such as steel and plastic is advancing, but rubber-based products are difficult to recycle and are mostly incinerated (for thermal energy recovery). We have been developing technology to utilize waste materials generated during product manufacturing by operating a recycling process since FY2021, using our proprietary devulcanization recycling technology that can convert rubber products into high-quality raw materials.

In October 2024, we expanded this devulcanization and recycling facility, doubling our production capacity. We are proceeding with a plan to utilize 1,200 tons of recycled rubber annually by FY2030. Our research indicates that this product is top of its class in EPDM rubber recycling volume, thanks to the higher quality achieved via a distinct recycling method unmatched by competitors. We are already providing new value, such as meeting rigorous standards even with 20% recycled material blended into our automotive products. By

Message from the CEO

continuing to drive forward our efforts to commercialize this technology beyond internal use, expand the types of target rubber, and beginning external supply, we will lead the industry in the field of rubber recycling.

3—Sustainability & ESG

Our approach to decarbonization is founded on our company's longstanding commitment to protecting the environment. In 1993, we began packaging our initiatives as the 1st Environmental Action Plan, and have continuously and comprehensively pursued decarbonization through to the formulation of our 8th Plan in 2025.

The 2030 Business Plan sets carbon neutrality as a goal to contribute to decarbonization. When we announced our business plan in August 2023, we moved up the target date for achieving carbon neutrality for Scope 1 and 2 emissions by 20 years, from 2050 to 2030. In addition to energy savings achieved by the routine improvements we have been implementing, we aim to achieve this through innovations in production technology. The primary sources of CO₂ emissions in our production processes are the painting, plating, rubber extrusion molding, and plastic injection molding stages and it is on these areas that we are focusing our efforts to develop innovative production techniques.

Additionally, we are promoting the use of renewable energy, and have recently constructed a solar power plant that makes use of idle land at TG Missouri, our main US facility. The renewable energy utilization rate in the Americas region exceeds 40%, accelerating CO₂ reduction efforts that include

the application of renewable energy.

To further improve our governance, we are promoting efforts to enhance outside directors' understanding of our business with the aim of revitalizing the Board of Directors. Every month, we hold an outside officer liaison meeting to exchange views with relevant internal departments on the progress of key initiatives and topics of special interest. This initiative also provides opportunities for participants to directly engage with our company's human resources and organizational culture (human capital), such as assigning explanatory roles not only to members at the department head level, who are close to the Board of Directors, but also to young leaders who will bear the responsibility of the next generation. The effectiveness of the Board of Directors is evaluated with a focus on outside officers, whose perspectives are not tied to the industry and whose opinions are utilized in management. These initiatives, as well as our approach to management in general, have been well received by our outside directors.

4—Human Capital

Human resources are the most critical management resource for achieving our 2030 Business Plan. To help our people maximize their potential, we are pursuing the following three initiatives.

- Nurturing and developing each individual's unique personality, abilities, and skills
- Securing resources for business growth and development
- Valuing dialogue, enhancing communication, and connecting people and organizations



To aid in the successful restructuring of our business operations, we are also working to optimize our talent portfolio. We have identified 15 distinct talent types that will be essential for implementing our strategies. We have defined the necessary requirements in each category and are working towards hiring the right people. We have clarified the personnel requirements and headcount for each area: business-related fields such as safety systems, interior/exterior components, and polymer materials; and functional organization areas such as development, sales, and digital transformation (DX) that underpin these businesses. We also conducted a review of our current workforce and compiled individual skill maps. We will fulfill the human capital requirements needed going forward over the next three years through internal personnel reassignments, departmental development, and external recruitment, thereby driving the optimization of our business

Message from the CEO



portfolio.

To drive progress, DX initiatives such as human capital visualization and harnessing the power of AI are essential. One initiative to cultivate the digital talent supporting DX is what we call “citizen development.” Previously, small-scale systems required for business operations were usually developed by the IT department. Our new model will be to encourage those employees who know the ins and outs of actual operations to be the ones to develop the systems and applications that they need. We will achieve DX not only by streamlining operations but also by fostering a culture of mutual growth through enhanced cross-organizational communication that promotes

information sharing, thereby maximizing the value of human capital.

5—Increasing Our Corporate Value

Alongside our growth toward one trillion yen in sales, we are seeing tangible results in the steady growth of profits. While our stock price is currently trending upward, we take seriously the fact that we still trade at a price-to-book ratio (PBR) of less than 1.0. Achieving a PBR of at least 1.0 as soon as possible and striving to further enhance corporate value is one of my key roles in the company.

Profit growth in the short-term will primarily be achieved via the optimization of our automotive parts business portfolio. By pushing ahead with strategic investments in new businesses (including alliances and corporate venture capital) with an eye toward growth beyond 2030, we will balance current profitability with future growth potential and maintain a profitable growth trajectory.

In addition to sustaining profit growth, we are also turning our attention to enhancing our financial policies. In line with our disclosed cash allocation policy, we will continue to increase returns to shareholders while maintaining sufficient cash reserves to drive growth. In addition to conducting share buybacks, our dividend policy has also been revised with the aim of delivering consistently growing dividend payouts. The previous target of a payout ratio of 30% or higher has been revised to a minimum target dividend on equity (DOE) of 2.5%, raising the level of cash dividends. To accelerate company-wide efforts to

enhance corporate value, we introduced restricted stock (RS) for employees in June 2024, following the implementation of RS for executives.

6—To Our Stakeholders

The 2030 Business Plan sets forth our vision of becoming a company that pursues the possibilities of polymers to contribute to a future of better mobility and living. The plan defines a basic policy of focusing on fields that balance social and economic value. Now into the third year since it was officially announced, we are entering a crucial growth phase on the road towards our 2030 targets. We will advance the optimization of our business portfolio while working together as a unified organization to expand the value we provide in safety, comfort, and decarbonization.

We are committed to pursuing continuous innovation and service improvement to respond to increasingly diverse values and needs, ensuring we remain the company of choice for all stakeholders: our customers, partner companies, employees, local communities, and shareholders.

We will continue to work alongside our stakeholders to create new value and develop Toyoda Gosei into a company we can be proud of on the global stage.

I would like to take this opportunity to thank you for your support and interest in our Company. We look forward to continuing to deliver for you.

History of Our Business Evolution and Value Creation

Through manufacturing that leverages our unique technological capabilities in the rubber and plastic fields that we have cultivated since our founding, we respond to the needs of the times and provide new value to the world.

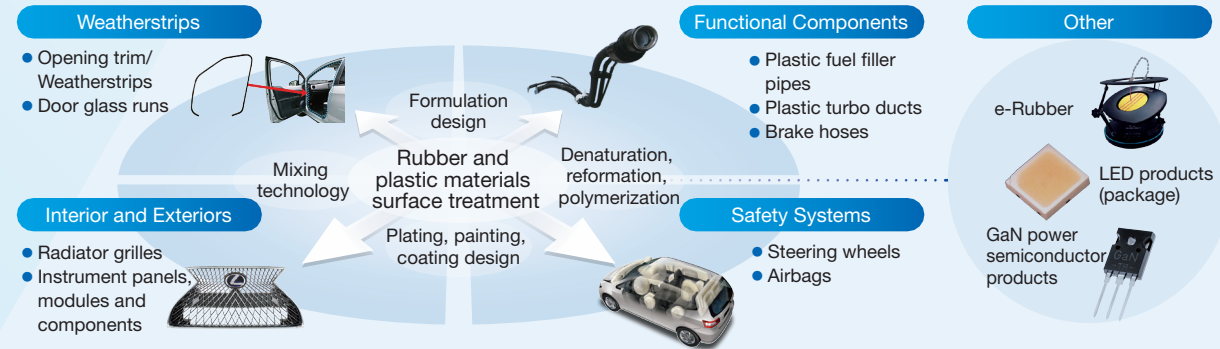


Our Competitive Advantages

Knowledge in the fields of rubber and plastics

Materials, manufacturing methods, and mold technology that give our products an edge

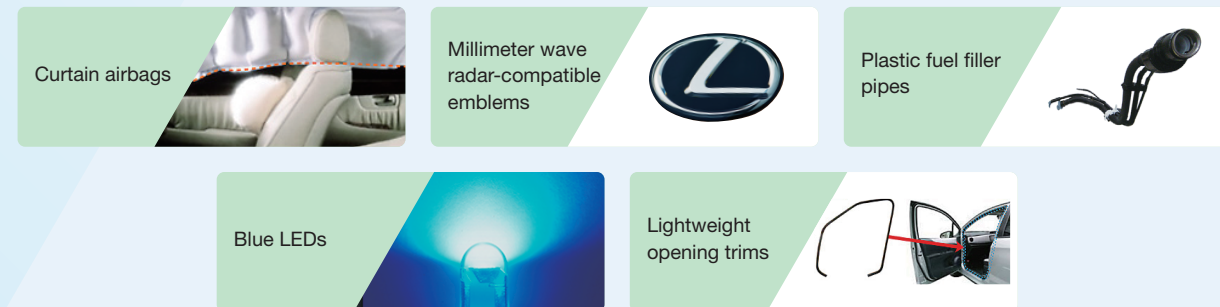
We are leveraging our foundations in basic research, which have been ongoing for multiple generations since the Rubber Research Department was established by Kiichiro Toyota, the founder of Toyota Motor Corporation, to create materials and manufacturing methods that anticipate the needs of our customers and the times for enhancing our competitive advantage.



Experience in developing new businesses

Innovative products

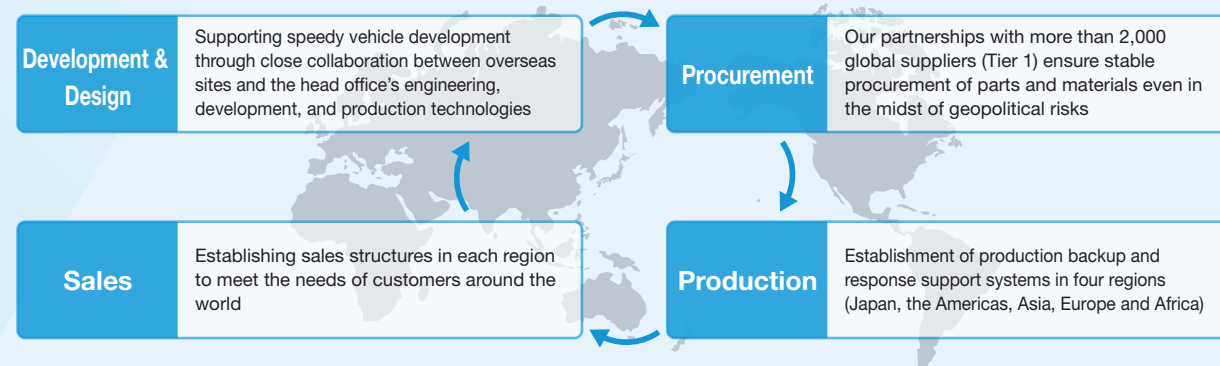
Under our Company Creed of "Boundless Creativity and Social Contribution," we have had many successes over our 70-year history of quickly anticipating the needs of the times in areas such as safety and the environment, and developing suitable products. These experiences form the basis for our mindset of taking on challenges, as set out in the TG Spirit. We treasure this mindset that has been passed down to us by our predecessors, and will continue to evolve as a company by taking on the challenges of social issues.



Global network

Value chain that leverages our network of 58 Group companies in 15 countries/regions

Following our entry into the global car market, we have established more than 40 Group companies in about 20 years. Utilizing this global network, we deliver reliable technology and quality in a timely manner based on an optimal production system that takes into account customer needs and political conditions.



Value Creation Process

With the Company Creed of “Boundless Creativity and Social Contribution,” the Toyoda Gosei Group leverages its knowledge in the fields of rubber and plastics, its global network, and its experience in developing new businesses. We will continuously meet social needs by providing automotive products and other innovations.

Input

Societal demands/Social issues from Toyoda Gosei's perspective

- Achieving both innovations in automotive technology (electrification and intelligence) and a safer mobility society
- Changes in company competitiveness due to accelerating digital/IT transformation
- Increasingly serious problems in the global environment
- Business transformation due to climate change and resource shortages
- Demographic changes (declining birthrate and aging population)
- Changing values and diversifying work styles
- BCP risks
- Rising geopolitical risks

Management Base and Sources of Competitiveness

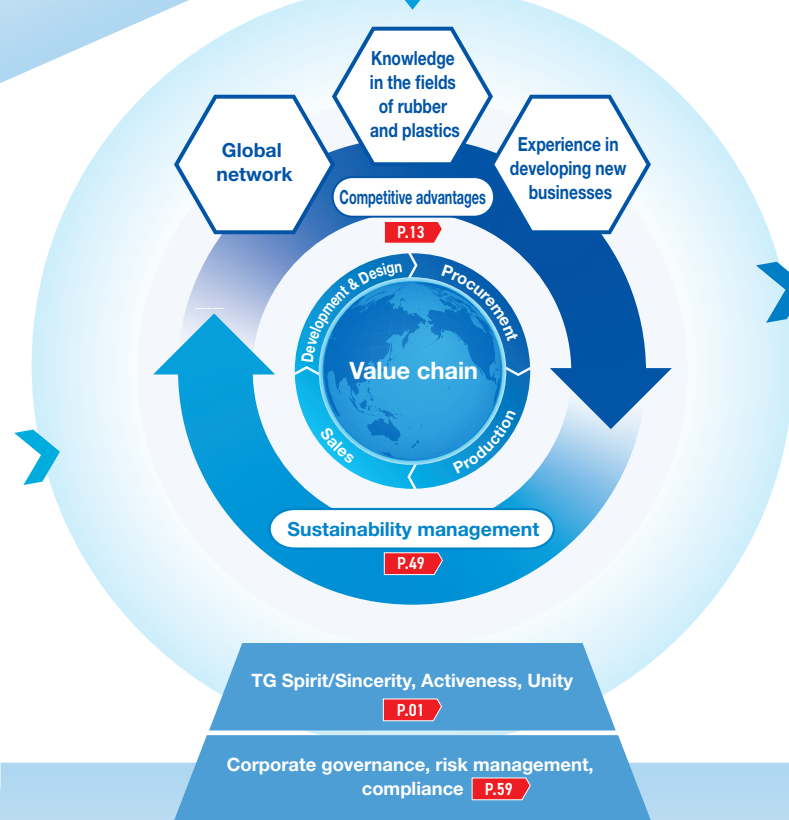
- Human Capital** P.15
Diverse human resources to support value creation
- Manufacturing Capital** P.15
Global network to realize a variety of solutions
- Intellectual Capital** P.15
Knowledge and technology platform to transform business models and build competitive advantages
- Social and Relationship Capital** P.15
Engagement with stakeholders
- Natural Capital** P.15
Global management for transformation to positive impact
- Financial Capital** P.15
Strong financial base

Business Model

Company Creed/ Management Philosophy P.01

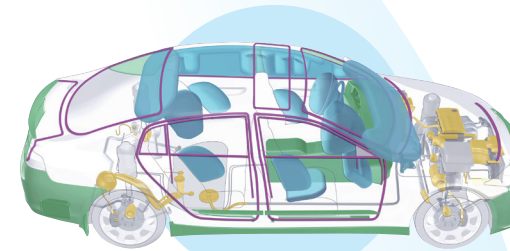
Materiality P.16

Medium-Term Business Plan “2030 Business Plan” P.18



Output

Businesses, Products



Automotive parts

- Safety Systems P.25
- Interior and Exteriors P.28
- Functional Components P.31
- Weatherstrips P.34

Other

- General Industry Products, LED/ e-Rubber, Re-S ethical brand
- Re-S Online Shop

Outcome

Our Vision

What we aspire to be

Become a company that pursues the possibilities of polymers to contribute to a future of better mobility and living

Delivered value

“Safety,” “Comfort,” and “Decarbonization”

Basic policy

Focus on fields that balance social value and economic value

Providing value to stakeholders and society

- Natural environment**
 - Prompt response to climate change (Contributing to carbon neutrality, circular societies)
- Shareholders, investors**
 - Stable, sustainable shareholder returns
 - Providing transparent IR information
- Employees**
 - Active participation of a diverse workforce
 - Stimulating and pleasant workplace environment
- Customers**
 - Contributing to business growth, purpose realization
 - Providing safe and reliable products
 - Flexible response to business transformation
- Suppliers**
 - Sustainable, equitable and fair business dealings
 - Mutual development based on mutual trust
- Local communities, government**
 - Achieving a safer and more comfortable mobility society
 - Contributing to stable community development

Driving sustainable corporate value growth through iterative cycles of value creation

Toyota Gosei's Management Capital Management capital cultivated over our 76-year history

Management capital is an important source of sustainable enhancement of corporate value. Toyota 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 while taking into account 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 unparalleled 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
Toyota Gosei operates in 15 countries and regions around the world with 58 Group companies. We aim to achieve sustainable evolution and growth by becoming a dynamic polymer-like organization that brings out the individuality and potential 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 rooted in 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 76 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 automotive industry is undergoing rapid changes in market structure and shifts in the competitive landscape, while uncertainty and unpredictability in the business environment are increasingly intensifying. 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 1st Environmental Action Plan, and have been vigorously implementing various initiatives for more than 30 years. Natural capital is the source of both materiality (key issues) and outcomes. We will further evolve our accumulated environmental conservation knowledge and technology and our competitive advantage in rubber and plastic expertise, aiming to efficiently deploy natural capital to reduce environmental impact while simultaneously preserving the global environment and resources as well as creating 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 39,192 Ratio of overseas employees 76.2% National staff in executive positions (%) 37% Women in management positions (non-consolidated) 41 Mid-career hires in management positions (%) (non-consolidated) 33% Employee engagement (non-consolidated) 59%	Production locations 58 (As of June 30, 2025) Capital expenditure ¥57.4 bn FY2025 CO₂ emissions reduction (non-consolidated) -39.6% (Compared to FY ended March 31, 2015)	R&D expenses ¥41.9 bn FY2025 Development and engineering staff (non-consolidated) 2,222 Number of patents held Japan 2,354 overseas 2,045	Number of suppliers (non-consolidated) Approx. 600 Research partnerships Nagoya University Osaka University Tohoku University No. of individual meetings with analysts and institutional investors 179 times	Total energy input 2.082 million GJ* * Gigajoule = 1,000,000,000 J Total material input 44,448 t Water resource input 985,000 m³ Renewable energy input 25,000 GJ Plant ISO 14001 certification rate 100% Environmental Management Systems	TG-ROIC* 13.7% (FY2024) * TG-ROIC = $\frac{\text{Operating profit}}{\text{Fixed assets} + \text{Inventories}}$ ROE 6.8% FY2025 Credit rating (R&I) A⁺ (As of October 2, 2024)

Materiality (Key Issues)

With “Boundless Creativity and Social Contribution” as our Company Creed, we aim to contribute to the realization of a sustainable society through our growth by achieving both social value and economic value. In order to realize the vision for the Company and the delivered value set forth in the 2030 Business Plan, we have designated and worked on several key areas as “materiality” where we can make a particular contribution from among various social issues, such as social forecasts and SDGs, taking into consideration the changing business environment.

Materiality Identification Process

1 Selection of materiality candidates

Selection of issues to be considered (59 items) by sustainability implementation members with reference to social issues, market and social trends, GRI standards, SDGs, and the materiality of other companies etc.

2 Evaluation and analysis of materiality candidates

Analysis and evaluation based on our materiality (management philosophy, management capital, interaction with competitive advantages and strengths, etc.) and the materiality of our stakeholders (contribution to social issues, promotion of ESG activities, etc.)

3 Assessment of appropriateness by management

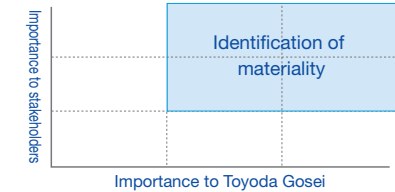
Interviews with outside directors, executives, and investors on identified material issues to evaluate the appropriateness of materiality

4 Identification of materiality

Selection of priority topics to be addressed through deliberations by the Management Council

5 Review

Review of initiatives linked to corporate policies, confirmation at Sustainability Council, and periodic review of materiality



Business Operations	Social Issues/Megatrends	Opportunities and Risks	Timeframe			Corporate Impact	
			Short	Medium	Long	Positive (Opportunities)	Negative (Risks)
Business Operations	- Achieving both innovations in automotive technology (electrification and intelligence) and a safer mobility society - Changes in company competitiveness due to accelerating digital/IT transformation	Expansion of CASE (BEV/FCEV) market	Strategic market entry of new technologies and products driven by BEV adoption (OEM and supply chain evolution)			● ● ●	↑↑ ↓↓
			Expansion of BEV-leading markets and the rise of BEV-leading OEMs (shifts in market and power dynamics)			● ● ●	↑ ↓↓
			Increased demand for environmentally friendly HEVs and PHEVs			● ● ●	↑↑↑ ↓↓
			Expansion of FCEV market			● ● ●	↑↑↑↑
			Advancement of technology for preventing traffic accidents			● ● ●	↑↑↑
			Reduced demand for fuel system components			● ● ●	↓↓↓
	- Increasingly serious problems in the global environment - Business transformation due to climate change and resource shortages (tighter regulations)	Expansion of MaaS market	Changes in user values on vehicle and vehicle usage (development of transportation infrastructure, demand for a more comfortable cabin environment)			● ● ●	↑↑ ↓↓
			Automotive market expansion due to infrastructure improvements and laws and regulations in emerging countries			● ● ●	↑↑↑
		Market changes	Optimization from production to delivery (real-time monitoring, predictive maintenance, automation, etc.)			● ● ●	↑↑↑
			Market expansion in new fields through green technology* and green transformation			● ● ●	↑↑↑ ↓↓
Management Base	- Demographic changes (declining birthrate and aging population) - Changing values and diversifying work styles	Environment and resources	Change in competitiveness due to adoption of carbon pricing			● ● ●	↑↑↑ ↓↓
			Full utilization of rubber and plastic materials and development of materials (recycled materials, lighter weight, material replacement, and new materials)			● ● ●	↑↑↑ ↓↓
			Large-scale disasters due to extreme weather conditions			● ● ●	↑↑↑ ↓↓
			Promotion of energy efficiency and renewable energy (reducing energy costs, GHG emissions)			● ● ●	↑↑↑
		Human capital	DE&I promotion for diversification of thinking, skills, and experience			● ● ●	↑↑↑
			Human resource portfolios for efficient use of human capital			● ● ●	↑↑↑
	- BCP risks - Rising geopolitical risks	Supply chain	Rising labor costs, hiring difficulties			● ● ●	↓↓↓
			Fluctuations in production, disrupted supply chains, and human casualties due to escalating national/regional conflicts, infectious diseases, and natural disasters			● ● ●	↑↑ ↓↓↓
			Shortages and rising costs of parts and raw materials, along with increasing logistics costs			● ● ●	↓↓↓
			Serious quality issues and recalls			(●) (●) (●)	↓↓↓
		Governance	Cyberattacks and scam emails			(●) (●) (●)	↓↓↓
			Leakage of confidential information			(●) (●) (●)	↓↓↓
Management Base	- Demographic changes (declining birthrate and aging population) - Changing values and diversifying work styles	Environment and resources	Antitrust law violations (bid rigging and cartels)			(●) (●) (●)	↓↓↓
						(●) (●) (●)	↓↓↓
						(●) (●) (●)	↓↓↓
						(●) (●) (●)	↓↓↓
		Human capital				(●) (●) (●)	↓↓↓
						(●) (●) (●)	↓↓↓
	- BCP risks - Rising geopolitical risks	Supply chain				(●) (●) (●)	↓↓↓
						(●) (●) (●)	↓↓↓
						(●) (●) (●)	↓↓↓
						(●) (●) (●)	↓↓↓
		Governance				(●) (●) (●)	↓↓↓
						(●) (●) (●)	↓↓↓

* Green technology:
Technologies and products that solve or mitigate environmental problems (e.g., technologies and products that contribute to more lightweight designs and decarbonization)

Short term: Within 3 years
Medium term: Up to 2029
Long term: After 2030

↑: Positive impact
↓: Negative impact

TOYODA GOSEI REPORT 2025

Materiality (Key Issues)

	Key Sustainability Issues (Materiality)	Main Initiatives (Social Issues/Opportunities and Risks to Be Addressed)	KPIs and Medium- to Long-term Targets (FY2030)	Relevant SDGs Most Important Areas
Business Operations	- Responding to the changing nature of cars - Reducing traffic fatalities for realizing a safer and more comfortable mobility society	- Development of new products for BEVs - Expanding sales to BEV leading markets and OEMs	BEV-related share of revenue: 40% Target Setting Formula BEV production volume/Car production volume * Based on S&P Global Information	 Achieving a safer and more comfortable mobility society
	Creating new businesses utilizing core technologies	- Expanding new businesses by leveraging experience in new business development - Deployment of corporate venture capital - Business innovation through the promotion of digitalization	Based on cash allocation (Allocating funds mainly for R&D, human resources, and strategic investments with the aim of expanding fields that contribute to safety, comfort, and decarbonization)	 Solving social issues by creating innovations
	- Creating a decarbonized society by reducing CO₂ and greenhouse gas emissions - Creating a recycling-oriented society through waste reduction and water risk reduction	- Creating environmentally-friendly businesses by leveraging our knowledge in the rubber and plastics fields - Globally integrated operations to achieve carbon neutrality - Contribution to a recycling-oriented society (Car-to-car recycling)	- Scopes 1 and 2: Carbon neutral - Scope 3: -27.5% (compared to 2019) - Renewable energy adoption rate: 100% - Waste volume (total) (non-consolidated): -50% (compared to 2012) - Waste volume (unit) (overseas): -55% (compared to 2015) - Development of technology for more lightweight designs: -5.0 kg or more per unit - Utilization of recycled rubber (non-consolidated): 1,200 tons/year of commercial production	 Realizing a decarbonized, recycling-oriented society
Management Base	- Living together with local communities - Use of diverse human resources and respect for human rights	- Initiatives rooted in local communities (local self-reliant management, Center of Excellence) - Diversity, equity & inclusion - Safety and health management - Enhancing quality and supply chain to support sustainability management - Responding to geopolitical and economic risks	- Percentage of employees receiving training on human rights: 100% - Employee engagement affirmation rate (non-consolidated): 75% - Ratio of national staff in executive positions (vice presidents and above) at overseas locations: 60% or more - Number (ratio) of female managers (non-consolidated): 100 (8.8%) - Ratio of mid-career hires in management positions (non-consolidated): 30% or more - Number of serious accidents: 0 - Percentage of suppliers implementing sustainability activities: 100% - Talent portfolio: Fulfillment rate of 15 required talent types (non-consolidated): 100% - Number of people trained in citizen development (non-consolidated): 2000 (cumulative) "Health Challenge 8" average score* (non-consolidated): 6.1 * Average scores for healthy weight, exercise, alcohol consumption, abstaining from smoking, eating breakfast, snacking, sleep, and stress	 Sustainable growth through diverse workforce
	- Corporate governance as a company with integrity - Ensuring compliance	- Enhancing of BCP resilience - Enhancing of internal controls	- Number of major legal violations: 0 - Major cyber security incidents: 0	 Fair and transparent corporate governance system

Growth Strategy Overview

Message from the COO

We will steadily implement our 2030 Business Plan and work toward further enhancing the corporate value of Toyoda Gosei.



Hiroshi Yasuda
Executive Vice President, COO

Medium- to Long-term Business Plan: The 2030 Business Plan

In August 2023, Toyoda Gosei prepared the 2030 Business Plan as our medium- to long-term management plan to achieve sustainable business growth in the future by providing social value in response to changes in the mobility society. Our goal is to become a company that pursues the possibilities of polymers to contribute to a future of better mobility and living, and we will deliver safety through safety systems, comfort through interior and exteriors, and decarbonization to society through the development of new businesses based on polymer materials.

Outline of the 2030 Business Plan

The 2030 Business Plan sets forth our vision of becoming a company that pursues the possibilities of polymers to contribute to a future of better mobility and living, and we aim to further enhance our strengths by expanding our business domains using polymer technologies such as rubber and plastics. The manufacturing of parts derived from polymer technology is the origin of our business, carried on since the times of our original incarnation as the Rubber Research Department of Toyoda Automatic Loom Works. We regard this as a core competency and source of profitability, and remain deeply committed to maintaining and continuing to develop our cutting-edge technical

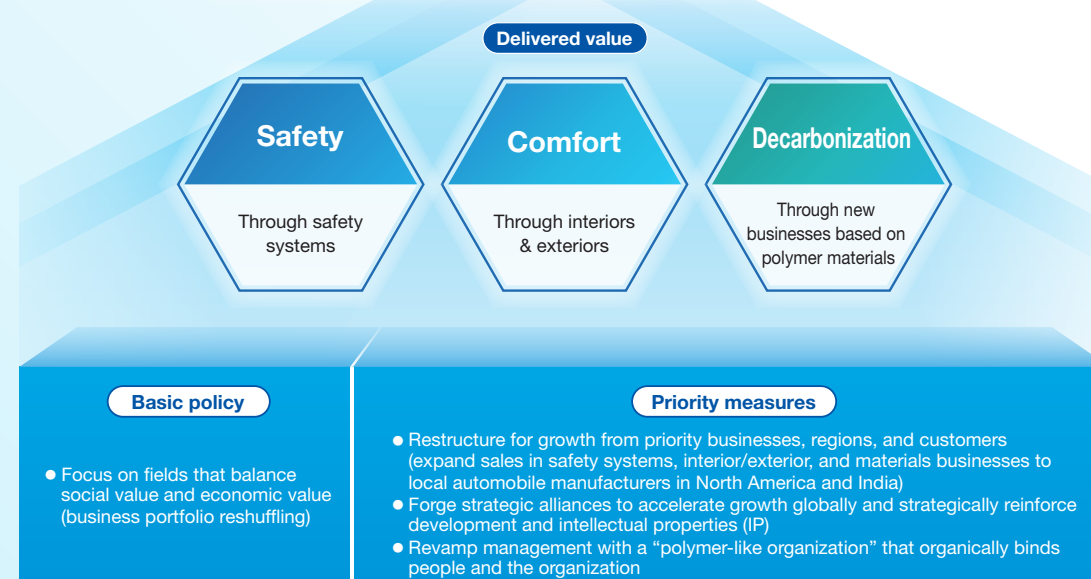
expertise as we pursue opportunities in new business domains.

Our specific growth areas are (1) safety, (2) comfort, and (3) decarbonization, and we aim to achieve sustainable business development by focusing on areas that combine social and economic value. We have set ourselves numerical targets of 1,200 billion yen in revenue, operating profit of 100 billion yen, an 8% operating profit margin, and ROE of 10%. But it is not just our value measured in economic terms that we want to increase—we also seek to enhance the overall value of our presence.

To achieve these ambitious goals, we will implement structural reforms for priority businesses, regions, and customer service, as well as forge strategic alliances to accelerate growth globally and strategically reinforce development and intellectual properties (IP).

Vision for the company

**Become a company that pursues the possibilities of polymers
to contribute to a future of better mobility and living**



FY2030 management targets

Revenue
¥1,200.0 bn

Operating profit
¥100.0 bn

Operating profit ratio
8%

ROE
10%

Growth Strategy Overview

Enhancing Social and Economic Value

By 2030, we expect that mobility will look completely different to today, thanks to advancements in CASE and decarbonization initiatives. The first expected change is the acceleration in resource recycling. We envision the creation of a social system that will create a large cycle, including the final disposal of ELVs (end-of-life vehicles).

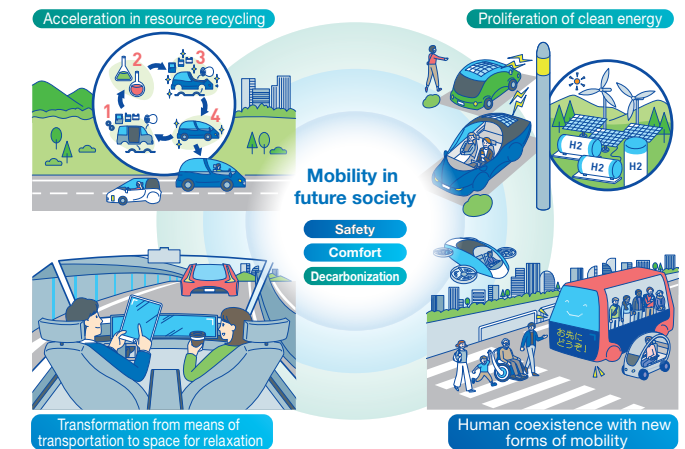
The second change is the proliferation of clean energy. As the energy mix is rapidly changing, there is expected to be a need to improve energy efficiency, including fuel efficiency, in mobility as well.

In addition to the environment, the concept of mobility is

being redefined from a means of transportation to a space for relaxation. The trend toward viewing mobility as something that provides greater value, such as relaxation or entertainment, will accelerate.

The final change is human coexistence with new forms of mobility. As various forms of mobility are created, functions for communication between cars themselves and between cars and pedestrians will be required. As the automobile industry and other companies work to implement the mobility society of the future, and as vehicle manufacturing changes, we also will support new vehicle manufacturing while reevaluating what our products should offer.

Mobility Society Envisioned in 2030: Advances in CASE and Decarbonization

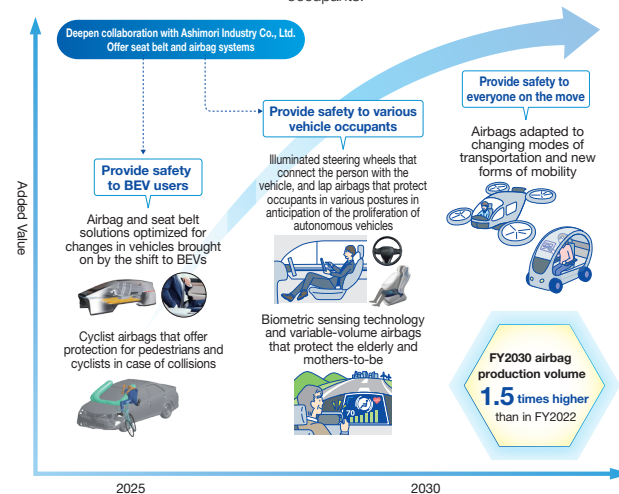


Value Delivered by Toyota Gosei

Contributing to Safety

Through safety systems

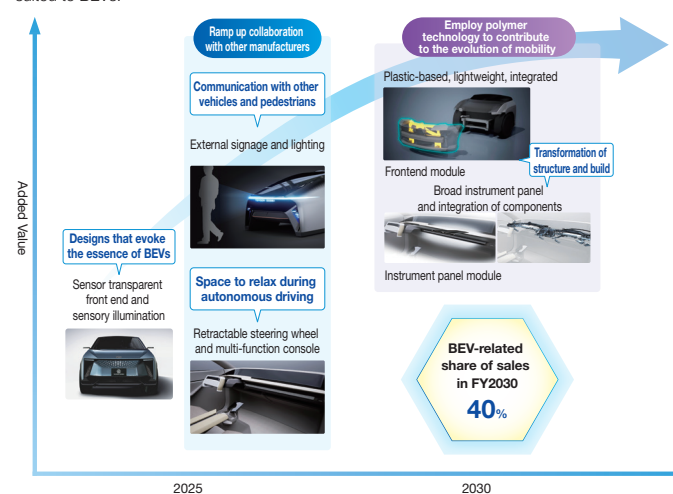
- Over the years, we have reduced road deaths by supplying airbags of various types.
- As BEVs and autonomous vehicles proliferate, our next task is to develop and bring to market sophisticated products for protecting vehicle occupants.



Contributing to Comfort

Through interiors & exteriors

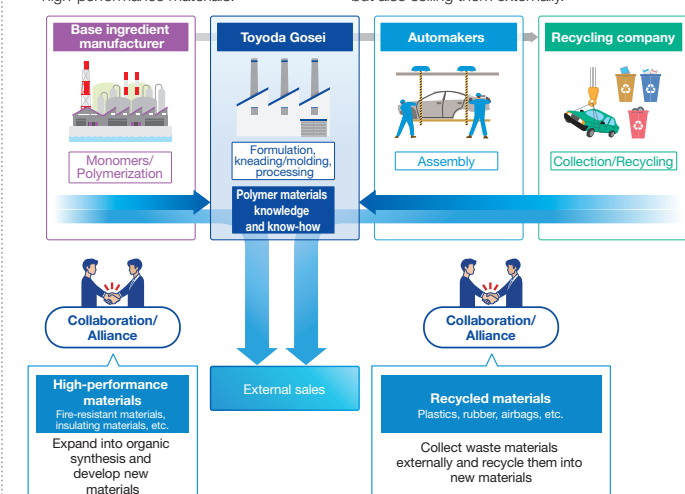
- By integrating safety systems and illuminated products into interior and exteriors, we will offer new functionality suited to BEVs.
- With our polymer technology, we will also upgrade car designs and manufacturing to bring about new forms of mobility.



Contributing to Decarbonization

Through new businesses based on polymer materials

- Harness our knowledge of polymer materials (formulation, kneading) to focus on development and recycling of high-performance materials.
- Contribute to decarbonization and recycling promotion in society at large by not only utilizing the materials ourselves but also selling them externally.



Growth Strategy Overview

Restructuring Our Business Portfolio

In keeping with the basic policy of the 2030 Business Plan, we will promote the optimization of our business portfolio and focus on fields that balance social value and economic value. Our fields of focus include safety systems, interior and exterior components, polymer materials, the Americas, and India, and we will prioritize allocation of resources to these fields. In addition, for each business and region, we will set high targets that reflect our commitment to growth while unlocking the full potential of each business unit.

We are enhancing production capacity at TG Missouri Corporation, which is our main US location, as well as in northern and southern India. These investments are aimed at expanding sales not only to Toyota but also local automakers. Meanwhile, we are continuing structural reforms in line with the changing business environment. In March 2025 in China, we transferred our equity interest in TG Zheng Ao through a business transfer, and for TG Star Light, we ended production at the end of July 2025 and completed the transfer of production to another company.

For fuel system components, in anticipation of future declines in demand, we are optimizing production in each country and region in line with the pace of BEV adoption, while simultaneously expanding sales of currently strong HEVs and controlling investment. Progress is being made in installing hydrogen tanks not only in passenger vehicles but also in commercial vehicles, industrial machinery, and ships. In addition, we are working to expand sales of weatherstrips in high-growth regions such as Brazil. Beyond the weatherstrip business, we also recognize substantial growth opportunities in Brazil and are working to expand production capacity to a level that will enable us to double current output.

In the polymer materials field, which is our specialty, we have doubled production capacity of our rubber recycling process. We are investing heavily in the commercialization of materials, such as initiatives to recycle nearly all waste from Morimachi Plant, which is our main domestic weatherstrip plant. We have positioned new business development outside the materials field as a key growth area and are allocating resources here accordingly. For example, in the energy field that contributes to decarbonization, we are

focusing on the development of highly energy-efficient products, and we are developing technologies such as microwave electricity supply, perovskite solar cells, and power semiconductors.

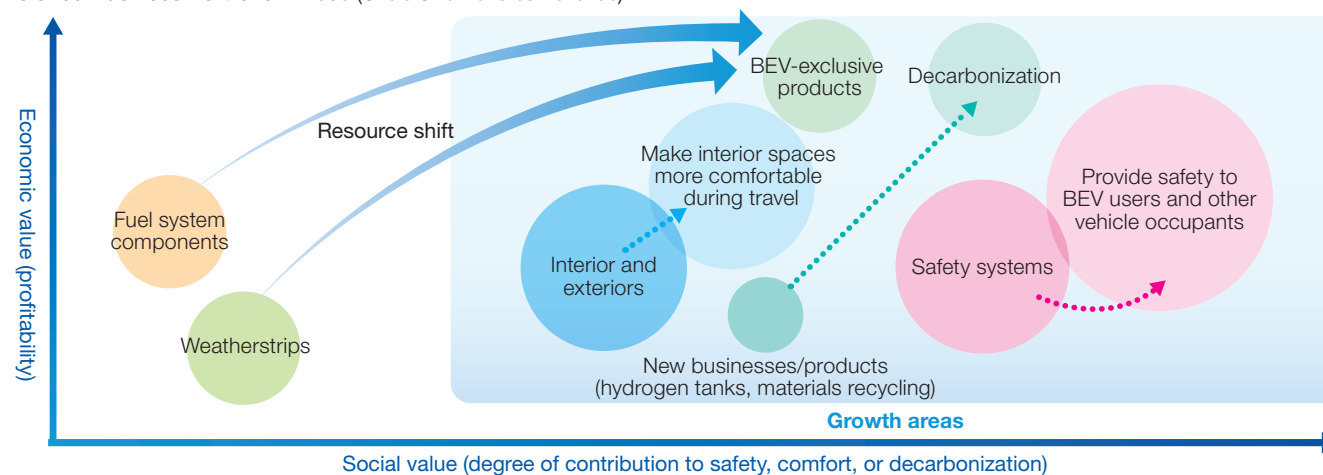
Business Management with an Awareness of Capital Efficiency

By utilizing TG-ROIC, a simplified capital efficiency indicator designed for easier application at the business unit level, we are shifting from a profit-and-loss-driven management toward a management framework with greater emphasis on efficiency. From a business portfolio perspective, we review capital efficiency by region and business, and verify the appropriateness of our plans to ensure that by 2030 we will have a financial structure capable of generating profits in priority businesses and regions. We use this information to create profit and resource plans in line with our desired business portfolio.

For accelerated investments in the Americas and India, we are also applying TG-ROIC to ensure future capital efficiency, while ensuring that capital expenditure remains disciplined to avoid overinvestment. Regarding non-current assets, we break them down into indicators such as equipment utilization and yield, and based on the ROIC reverse-tree approach, we are promoting the mindset of capital efficiency all the way to the manufacturing front line.

For inventories, the impact of the safety stock accumulated during the COVID-19 pandemic has led to a tendency toward overstocking, and the inventory turnover ratio has exceeded pre-pandemic levels. We will continue to optimize safety stock and procurement lots so as to optimize inventories for each region and business. These initiatives allow us to not only utilize TG-ROIC as a financial indicator for business portfolio management but also as a tool to transform the Company's overall structure toward one that emphasizes capital efficiency.

Envisioned Business Portfolio in 2030 (Circle Size Denotes Revenue)



Development Strategy

Message from the CTO

Anticipating social challenges beyond 2030, we are accelerating technological development, contributing to the realization of a prosperous society.

Mitsuhiro Nawashiro
Director, Corporate Officer, CTO



Development Policy toward the 2030 Business Plan

We are developing products to expand our car-centered technologies into diverse fields, aiming to contribute to the overall progress of future society. Our 2030 Business Plan focuses on delivering value through three key initiatives: "Safety" based on our safety systems, "Comfort" grounded in interior and exterior components, and "Decarbonization" through new businesses in high-performance polymer materials. To achieve the 2030 Business Plan and address social challenges with an eye to 2035 and beyond, we are driving forward three policies:

1. Expanding safety products to eliminate traffic fatalities and developing comfort-oriented products with a focus on autonomous driving
2. Developing technologies that lead the way in carbon neutrality and circular economy

3. Focusing on solutions in the key areas of Healthcare, Smart Homes, and Energy

Expanding Safety Products to Achieve Zero Traffic Fatalities

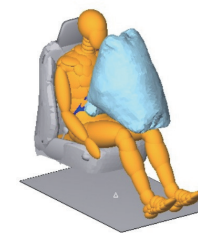
Globally, traffic accidents claim around 1.2 million lives annually, and efforts across industry, government, and academia are being strengthened to try to achieve zero traffic fatalities.

As an airbag manufacturer, we are working to develop airbags that respond to various types of collision accidents based on our abundant experience and technological capabilities to contribute to reducing the number of traffic fatalities. We promote the development of innovative safety technology based on the key concepts of safety and comfort, as a company that handles safety products such as steering wheels and airbags.

By analyzing traffic accidents in regions around the world, we are implementing forward-looking measures and responding to safety issues from a global perspective. We will anticipate these needs and work to expand preventative safety technologies addressing collision safety issues in conjunction with autonomous driving and ADAS. Specifically, by installing sensing technology and HMI notification technology in steering wheels and instrument panels, we are able to enhance safety according to individual driver conditions.



Biometric sensing steering wheel (such as to detect alcohol)



Lap airbag

For example, by using technology to monitor the driver's condition through biometric sensing, provide driving support tailored to the driver's physical state, and prevent drunk driving, enhanced safety can be achieved. Furthermore, seat-integrated safety devices, such as lap airbags, can create a safe vehicle interior and provide new value and safety space. In addition, regarding new mobility safety other than vehicles, we will pursue even greater safety by evolving the safety technologies accumulated to date and utilizing them in drone crashes, new forms of mobility, and other applications.



Airbag for drones



Specified small motorized scooter as a new form of mobility (airbag)



Wearable airbag

Looking ahead to future challenges in a mobility society, we are changing the broad concept of providing safety to everyone on the move into concrete solutions, and by proposing products that exceed expectations, we will contribute to achieving zero traffic fatalities.

Providing Comfortable Spaces for Autonomous Driving

Autonomous driving technology is advancing rapidly, with research and development ongoing in regions such as Japan, China, and Western countries, and regulatory frameworks for autonomous driving have also begun in various countries. Going forward, efforts to expand practical applications from demonstration tests are expected to accelerate further. As autonomous driving technology becomes more widespread, there will be a focus on diversifying ways to utilize in-vehicle spaces, and we will work on planning and developing various

Development Strategy

elemental technologies to create safe spaces with personalized comfort.

By tracking the rapid evolution brought by CASE from a practical and technical perspective in regions around the world, making accurate future predictions, and anticipating shifts in people's values, we aim to develop products from a global perspective. Toyota Gosei will leverage this strength as one of the few manufacturers that handle both safety systems, such as steering wheels, and interior and exterior components.

Specifically, we aim to create overwhelmingly convenient spaces by combining modular technologies for components such as the steering wheel, instrument panel, and center console. In addition, by harmonizing sensory elements—such as light, sound, and fragrance—that appeal to all five senses, we believe we can provide comfortable spaces with new value.



Toyota Gosei's vision of the cockpit beyond 2030

Anticipating the value expected in future forms of mobility, we are changing the broad concept of spaces and mobility into concrete solutions, while contributing to the future of mobility by proposing products that exceed customer expectations.

Contributing to Society through Plastic Structural Components

As the trend for vehicle development progresses, lightweighting to enhance driving performance and modularization to simplify manufacturing have become key development themes.

While plastic replacement of metal parts is one solution to reducing weight, our approach focuses on enhancing strength and rigidity through material development, structural design, and manufacturing capabilities. By taking advantage of the freedom of design of plastic to integrate surrounding components, consolidate functions, streamline processes, and incorporate peripheral components such as wire harnesses, we propose structural components that contribute to labor savings during vehicle assembly. These technologies also offer enhanced freedom of design, with the potential to realize vehicle-transforming architecture and create a spacious interior.

Through these initiatives, we will improve fuel efficiency through weight reduction, increase freedom of design through functional integration, and change logistics, processes, and work styles through modularization, thereby contributing to the future of vehicles, the environment, and society.



Achieving expansive space through the use of plastic-based structures (instrument panel reinforcement)

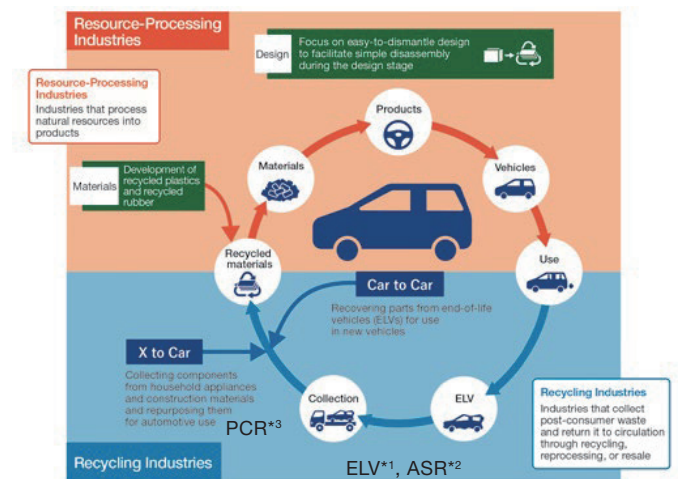
Carbon Neutrality/Circular Economy

As a manufacturer specializing in rubber and plastic polymer materials, we are promoting carbon neutrality and circular economy initiatives worldwide. One such goal is to reduce Scope 3 (Category 1) CO₂ emissions by 27.5% compared to 2019 levels (SBT criteria) by 2030. To achieve this target, we will steadily advance our efforts by incorporating items that contribute to reducing emissions into our design specifications based on the three pillars of utilizing recycled materials, reducing material use, and utilizing bio-derived materials. Specifically, the use of recycled materials is a key pillar of our

circular economy initiatives.

We are developing recycled plastics and rubbers, and have introduced ELV*¹-derived recycled polypropylene (PP) into the market for interior and exterior products ahead of the rest of the world. Going forward, we will continue to develop lower-cost, high-performance materials to expand their application on a component-by-component basis.

We announced that we will use 1,200 tons of recycled rubber annually, and will continue to develop higher-quality materials, including our own waste materials as well as waste materials from other companies and materials recovered from the market. In an effort to integrate upstream and downstream operations, we will strengthen external partnerships and ensure the quality of recycled materials by securing recycled resources and developing new technologies. In this way, we aim to further contribute to society in the areas of carbon neutrality and circular economy as an environmental leader.



*1 ELV: End-of-life vehicle; a vehicle that has reached the end of its usable life

*2 ASR: Automobile shredder residue

*3 PCR: Post-consumer recycled material

Development Strategy

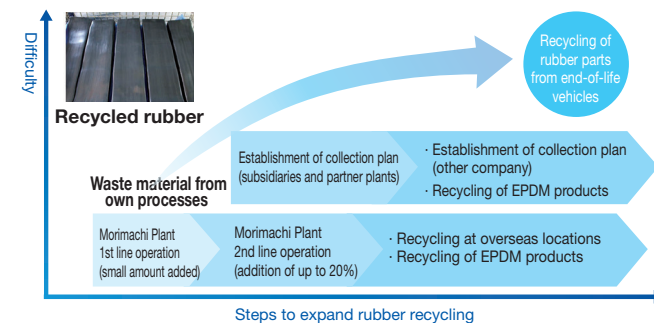
Building Stronger External Partnerships

To realize a recycling society, we are accelerating our efforts through proactive external partnerships. Through collaboration with the Japan Auto Parts Industries Association (JAPIA) and the Japan Automobile Manufacturers Association, Inc. (JAMA), we contribute to establishing rules for the use of recycled materials and promote industry standardization.

In developing materials, we aim to establish an integrated circular system, from raw material procurement to automotive application and recovery, through collaboration between upstream and downstream sides. Furthermore, by leveraging government subsidy projects, we have begun developing next-generation recycling technologies, such as easy vehicle disassembly techniques and application of X-to-car materials. In addition to our own efforts, we will promote the realization of a recycling society through co-creation involving industry and society as a whole.

Recycled Rubber Initiatives

In October 2024, we began operation of our second rubber devulcanization and recycling line, doubling our production capacity to 1,200 tons per year. In addition, we announced to the Ministry of Economy, Trade and Industry's Circular Partners that full production will be achieved by 2030. To realize this target, we are expanding the range of waste materials utilized and are examining waste materials from partner plants, functional components such as hoses, and processes at other companies. Going forward, development will proceed with an eye on recycling natural rubber such as from ELV-recovered weatherstrips and tires.

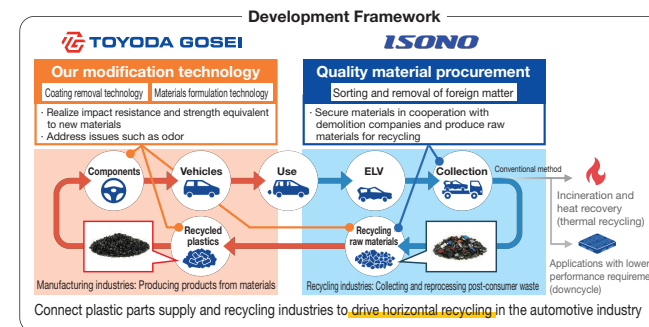


In addition, we have developed devulcanization technology that significantly increases the recycled rubber content from the conventional level around 5% to 20%, and it has been selected for use in vehicles for mass production by the end of 2025. We will continue to lead the rubber recycling industry in developing the technologies of the future.

Recycled Plastic Initiatives

We are focusing on the development of recycled plastic materials to enhance circularity and reduce CO₂ emissions throughout the entire vehicle lifecycle. Raw materials for recycling collected on the market often contain various foreign substances, making them unsuitable for direct use in automotive parts. Through collaboration with recycled material manufacturers, we are working on the development of high-quality recycled polypropylene (PP) materials suitable for automotive parts by utilizing technologies for removal of foreign substances and modification of polymer materials. Products developed last fiscal year in collaboration with Isono Co., Ltd. using recycled PP materials derived from ELVs have already been approved for use.

Going forward, we will expand their application to future vehicle models and other interior and exterior components, thereby advancing the application of recycled materials. In FY2025, we will promote the development of recycled materials using automotive shredder residue (ASR) and post-consumer recycled (PCR) material from other industries.



For initiative details, refer to our website.

New Businesses

Creating New Businesses to Enhance Corporate Value and Resolve Social Issues

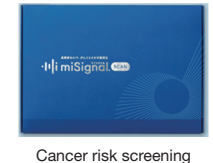
In January 2025, we established the New Value Business Division, consolidating previously dispersed new business functions to accelerate the process from business creation to commercialization.

In addition to semiconductor businesses, such as LEDs and power devices, we will promote the development of solutions in the key areas of healthcare, smart homes, and energy that aim to solve societal challenges.

Healthcare: Preventive Health

As a health management company, we focus on the healthcare field, especially prevention, to help extend the healthy lifespan of employees and their families. Collaborating with startups funded by corporate venture capital, we started providing employees cancer risk screenings, a blood sugar management program, and other services through the health insurance union. After completing in-house demonstrations, we aim to expand similar health management solutions to other companies through the development of new businesses.

In addition, we will provide local governments a short-distance walking analysis service using our smart insole developed in-house to support the health promotion of the elderly and promote its commercialization.



Development Strategy

Energy: Perovskite Solar Cells

We believe that maximizing the use of renewable energy is essential to achieving carbon neutrality and a decarbonized society. As such, in January 2023, we leveraged our corporate venture capital function to invest in EneCoat Technologies Co., Ltd., a startup engaged in the development of perovskite solar cells, and began developing applied products using this next-generation solar cell technology.

One such applied product is a smartwear prototype, in which an EneCoat solar cell is affixed to clothing to provide cooling and heating using the generated electricity. Utilizing our high-frequency power supply control technology, we developed a power control unit that stores electricity generated by solar cells. In addition, we established a technology that integrates solar cells into clothing without wiring, by combining sewing technology with Viscotecs, the proprietary technology of our partner company Seiren Co., Ltd. With the aim of accelerating development toward commercialization, we collaborated with private pavilion exhibitors at the 2025 World Exposition, held from April 13 to October 13, 2025, to conduct demonstration tests of durability and other factors.

We have also conducted field verification of perovskite solar cells installed outdoors and have begun societal demonstrations using applications at golf courses as a use case. Going forward, we will consider installation of the technology on exterior walls of houses and buildings to realize further development.

[For initiative details, refer to our website.](#)

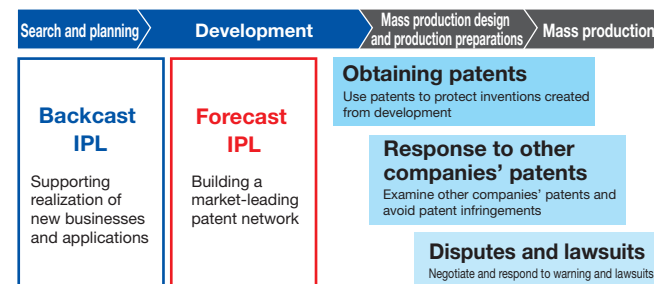


Social demonstration of perovskite solar cells

Intellectual Capital Strategy

Implementation System

Intellectual capital is a source of sustainable growth. We have established an Intellectual Property Department to create and properly manage intellectual property that supports our business activities utilizing our human resources, technology, organizational capabilities, and other strengths. As a key initiative under the IP Landscape Project, we are promoting both Backcast IPL and Forecast IPL. These initiatives are submitted to the Board of Directors, ensuring appropriate oversight.



Details of IP Landscape Activities

Backcast IPL: Supporting the Creation of New Businesses

The goals of Backcast IPL are to contribute to rapid commercialization of new initiatives and support sustainable growth. To ensure the early implementation of new businesses using technologies such as perovskite solar cells, microwave electricity supply, GaN-based power devices, and plastic and rubber recycling, we are conducting overview and analysis of internal and external technologies, brainstorming ideas, and providing support for enhancing relationships with external partners.

Forecast IPL: Building a Market-Leading Patent Network

Forecast IPL is an initiative to transform intellectual capital in existing business areas in response to the future market and evolving values and needs, in anticipation of these changes.

For each initiative, we provide proposals on key points where intellectual property rights should be secured using intellectual property information.

Management of Intellectual Property Rights

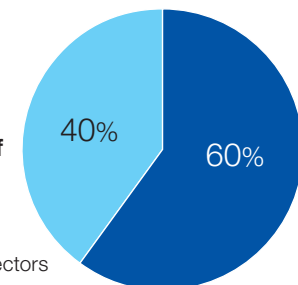
The number of patents registered in FY2024 was 213 in Japan and 104 outside Japan, and the total number of patents held as of March 31, 2025 is 2,354 in Japan and 2,045 outside Japan. In our patent portfolio, domestic patents account for 60% in the automotive sector and 40% in non-automotive sectors. We carry out development to achieve our business plans and protect the outcomes as patents, thereby strategically building a patent portfolio based on our vision, and through this approach, we contribute to realizing our business objectives. In this way, we promote and manage the acquisition of technologies, contributing to enhancing the corporate value we aim to achieve.

Taking into account future sales and profits of each business area, as well as competitor trends in the industry, we optimize the number and proportion of patents held by each business across the Company. To achieve this, we review the number of patent applications in each year as a KPI. This is a two-pronged initiative involving acquiring necessary patents and releasing unnecessary patents.

[For initiative details, refer to our website.](#)

Percentage of patent rights held by field as of March 31, 2025

■ Automotive sector
■ Non-automotive sectors



Business Strategy | Safety Systems (SS)

Message from Corporate Officers

We promote high-performance safety products globally, contributing to reducing traffic fatalities.

Tadashi Yamamoto
Corporate Officer, Chief of
SS Business Headquarters



Safety Systems Business Policy

Around 1.2 million people worldwide die in traffic accidents each year. As a safety-related business, the Safety Systems (SS) business creates safer products and encourages more people to use them, thereby contributing to reducing traffic fatalities.

Our SS business accounts for around 40% of the Company's sales. To achieve the company-wide 2030 Business Plan, the SS business is aiming for sales exceeding 500 billion yen and to further enhance profitability by FY2030.

Review of FY2024

In FY2024, we achieved record-high sales thanks to the increased global production output of our main clients. In addition, higher production volumes in Japan, efforts to reduce variable costs, and improved sales ratio of steering wheels with functions such as grip detection and heating led to improved profitability. As efforts toward future development, we announced our research results on future safety at Airbag 2024, an international symposium on automotive safety, where we were also able to communicate our thoughts on future safety issues.

Regarding mass production, amid the strengthening of safety assessments in India, we began production of side impact airbags, which are now being installed, and expanded the Neemrana Plant in northern India to increase airbag installation capacity, with operations now underway. In addition, we enhanced production capacity at existing facilities to meet local procurement needs in Brazil.

Future Growth Initiatives

The following are the three strategy pillars to achieve the vision of the SS business policy:

1. Strengthen global competitiveness

Lead by head office, we will collaborate with overseas locations and partner companies to establish a global strategy and enhance our competitiveness.

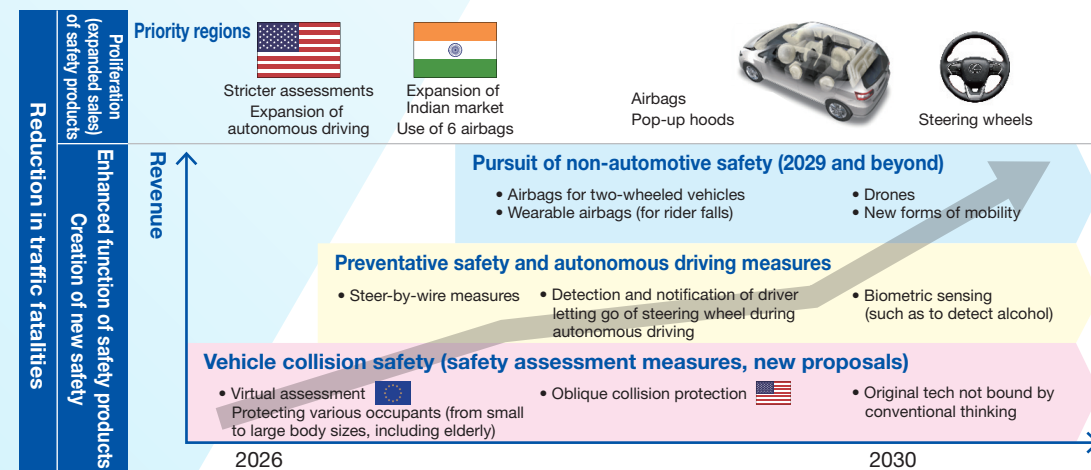
2. Expand sales by identifying priority regions and customers

We will focus on regions with growth opportunities due to environmental changes and aim to expand sales to both existing customers and new customers.

3. Develop new products to reduce traffic fatalities

We will enhance the functionality of automotive airbags and steering wheels, and develop new products that contribute to safety in non-automotive fields as well, helping further reduce traffic fatalities.

Leveraging Our SS Business Strategy to Achieve Our Vision



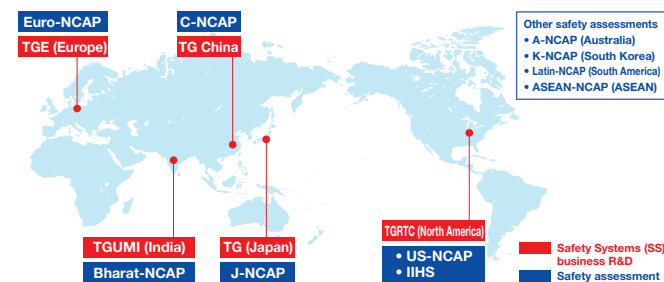
Business Strategy | Safety Systems (SS)

Strengthening Global Competitiveness

Currently, a high proportion of SS segment sales are to non-Toyota OEMs and in overseas markets. It is important to standardize SS products as much as possible, despite the challenges of addressing the varying requirements of customers and safety assessments tailored to the traffic conditions of different regions around the world. In addition, many of the materials and components used in SS products are purchased, so supply chain strategies are also important. Head office develops strategies for product specifications, production technology, supply chains and more, tailored to these target customers and regions, and then shares these with each location, promoting business plans globally.

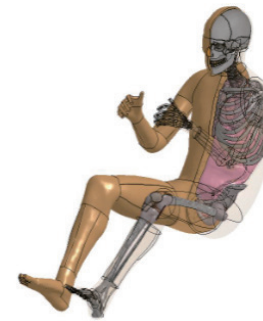
Accident investigation and safety assessments are also important to the development of new products. Through “antenna activities” coordinated with our global R&D, we participate in conferences in each region, gather information from related organizations, share it globally, and use this knowledge to drive new product development.

Major Assessments of Our R&D Bases and Regions



Through medical and engineering collaboration with medical schools, both in Japan and around the world, and by leveraging computer simulation technology using the THUMS virtual human body model software program, we will evaluate damage to internal organs, which has still not been adequately studied, and use this information to propose further improvements to

automotive safety.



THUMS* virtual human body model

* Total HUMAN Model for Safety

Expanding Sales by Focusing on Priority Regions and Customers

North America

In the SS business, North America is the second largest market after Japan. Furthermore, North America, along with Europe and China, leads the world in automotive safety assessment and autonomous driving technology. The market environment is also changing, with increasing demand for greater functionality in airbags and steering wheels. Amid this background, we are aiming to expand sales while focusing on the North American market. Regarding Japanese-affiliated OEMs, we will expand sales to existing businesses as well as to new models. For North American OEMs, by strengthening our R&D in North America, we are now better positioned to propose specifications that meet the expectations of US OEMs, and to ensure that these customers recognize our ability to address their technical requirements, as we aim to further accelerate sales in these markets. In terms of products, we will expand sales in conjunction with existing products, focusing on new airbags in response to stricter safety assessments specific to North America and HMI steering wheels for autonomous driving.

Challenges facing production include securing production capacity due to increased volume and manufacturing at low cost in response to rising labor costs. We believe that automation technology is the key to solving these issues, but to avoid excessive investment, we are aiming for efficient manufacturing with low investment by combining smart manufacturing techniques, such as mechanisms and methods developed over the years.

India

In India, a growth market for automobiles, Japanese-affiliated OEMs, who are our main customers, make up around 40% of the local market, and our SS products account for approximately half of the market share, making it a key market. The country also has the most traffic fatalities in the world, making it a social challenge.

In addition to the mandatory introduction of frontal impact airbags, side impact airbags were also introduced in order to obtain high scores in safety assessments that were revised in 2023.

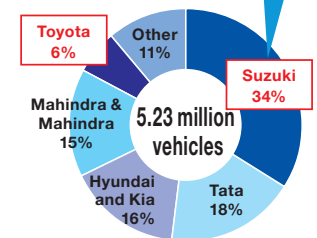
At the same time, demand for local development has increased, and in 2023, we relocated and expanded our technical center to strengthen the development framework, enabling us to integrate prototyping, product evaluation, and computer simulations. Through these initiatives, we will actively propose technology, including to local OEMs such as Tata.

Going forward, we expect the number of Safety Systems units sold in India to increase from approximately 6.5 million in FY2024 to around 10 million in FY2030. To secure the necessary capacity, we plan to begin operations of a new plant in Halohalli in southern India in 2026. Furthermore, in addition to in-house processing, we will promote local procurement of materials and components based on shared strategies with partner companies, thereby strengthening our competitiveness.

OEM Share of Indian market

Source: MarkLines Co., Ltd., Sales of automobiles in India by manufacturer and brand, FY2024

- Toyota Gosei airbag share: Approx. 50%
- Increased installation rate of side impact airbags



Toyota Gosei Technical Center India (TGTCI)



50 employees, 1,200 m² area

Developing New Products to Reduce Traffic Fatalities

Protecting Various Occupants

Until now, automobile crash tests have used dummies equipped with various sensors that replicate the structure of the human body, in order to evaluate human body behavior and injury levels during collisions. This has improved occupant protection performance, but actual machine tests using dummies face challenges in increasing the number of tests and types based on physique, age, gender, and other factors. In the future, we will begin virtual assessments that recreate occupants of various sizes using computer simulations, creating opportunities for further evolution of the airbag.

At Toyoda Gosei, we are developing contoured airbags that provide greater safety to occupants of all sizes, from small to large. In addition, with the spread of autonomous driving, ensuring occupant safety during changes in seating position, such as seat sliding or reclining, has become a key issue. We are responding by developing variable-capacity and variable-venting technologies to optimize airbag size and cushioning.

Technology Under Development

Crash Safety (Various Occupants)	Preventative Safety and Autonomous Driving	Non-automotive Safety
 2026 target Contoured airbag Protects occupants of all sizes, from small to large	 2028 target HMI steering wheel Detects when the driver lets go of the steering wheel during autonomous driving and alerts using lights	 2029 target Airbags for two-wheeled vehicles Protects riders of two-wheeled vehicles during collisions
 2029 target Variable-capacity and variable-venting airbags Controls the airbag size and cushioning according to changes in seating position, such as reclining	 Equipped in LEXUS RZ550e F SPORT Steer-by-wire system steering wheel	 Actual vehicle collision test

Technology for Autonomous Driving and Preventative Safety

With the advancement of autonomous driving technology, the adoption of Level 2 autonomous vehicles (partial automation) is becoming more widespread. However, there are still situations in which the system cannot respond, making it necessary for the driver to constantly grip the steering wheel and intervene for emergency operations. We provide steering wheels equipped with functions that detect the driver's grip and alert the driver to driving hazards detected by the vehicle through vibrations and lights. In the future, this technology will contribute not only to crash safety but also to preventative safety.

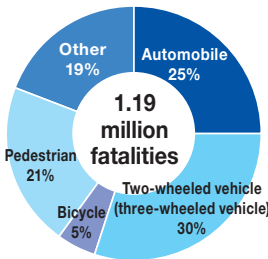
In addition, with steer-by-wire technology, which enables electronic steering control, there are now vehicles that no longer require multiple rotations of the steering wheel, and we have begun mass production of non-circular steering wheels compatible with steer-by-wire systems. Going forward, we will respond to diverse steering wheel needs through both form and function.

Initiatives to Further Reduce Traffic Fatalities

Although the evolution and spread of safety technology are expected to reduce automobile-related traffic fatalities, reducing traffic fatalities associated with other modes of transportation remains a challenge. In particular, there are many traffic fatalities involving two-wheeled vehicles mainly in ASEAN countries and India, and in response, we are developing airbags to protect riders of these vehicles.

Breakdown of Global Traffic Fatalities

Source: WHO, Global status report on road safety 2023



We are also developing new products to provide safety to pedestrians, bicycles, drones, and various other new forms of mobility. In developing new products, we conduct accident investigations in collaboration with global R&D bases and advance development efficiently by combining real-world and virtual evaluations.

Ensuring Competitiveness through Collaborative Synergy

As we compete globally, we may encounter challenges that exceed the capabilities of our current technologies and resources when enhancing the functionality of existing products or developing entirely new products. By leveraging collaborative synergies with partner companies that possess deep expertise in areas such as seat belts, electronic components, propellants, and base fabric, we aim to overcome these challenges.

We will continue to further promote our safety products and develop new products, thereby contributing to further reducing traffic fatalities.

Business Strategy | Interior and Exteriors (IE)

We identify the needs of end users and customers and work sincerely and unwaveringly to develop products and enhance our manufacturing competitiveness.

Kenji Hayashi

Corporate Officer, Chief of
IE Business Headquarters



Interior and Exteriors Business Policy

By anticipating changes in society, the environment, and the automotive market, and by accurately identifying the needs of our customers and end users, we aim to create a better mobility society through high-value-added interior and exterior components. Looking ahead to the expansion of next-generation vehicles, we aim to provide end users with safer, more comfortable interior spaces through new lighting and air conditioning functions. For exterior components, we will create new value by integrating form and function through technologies such as luminescence, radar transparency, and novel decorative techniques.

In addition, we will reduce the weight of our products and expand the use of recyclable materials, thereby reducing their environmental impact. We will also decarbonize our manufacturing processes, increase the use of renewable energy, and reduce CO₂ emissions across the supply chain, contributing to the realization of a sustainable society.

Interior Components

As autonomous driving technology has become more widespread in recent years, the nature of in-vehicle spaces is changing dramatically. In addition to the driving experience, there is growing demand for greater cabin comfort, with increasing expectations for mobility comfort and sensory experiences. In ultra-quiet BEVs, interior experience elements, such as lighting, acoustics, and climate control, are becoming increasingly important.

In response to these changes, interior components, such as the instrument panel, consoles, registers, and lighting, are evolving with a focus on the end-user experience. For example, lighting is designed with color temperature and distribution based on human-centric engineering to evoke a sense of security and comfort, while also being able to provide safety alerts. The console provides a user-friendly storage space that is both ergonomic and practical. The register provides personal climate control that delivers airflow only to areas where the occupant needs it, achieving both enhanced comfort and improved energy efficiency.

Going forward, we will accelerate the evolution of interior components that contribute to carbon neutrality while pursuing improved electric power efficiency through the use of eco-friendly materials and weight reduction.

Creating Comfortable In-car Spaces



Meeting expectations for comfortable and immersive mobility experiences



Lighting



Consoles



Register

Exterior Components

Exterior components represent “the face of the brand,” and their importance as functional components that support autonomous driving is increasing. As it becomes increasingly important for us to adequately address each of our customers’ business strategies and model life management, there is growing demand for flexible development and design capabilities that can accommodate any design—regardless of the model, grade, or customization requirements.

In response, exterior components, such as lighting grilles, luminous emblems, and body-colored millimeter-wave transparent panels, are evolving in terms of both form and function. For example, it is possible to engineer parts that can both function as “signage,” expressing brand image with lighting or communicating information to people outside the vehicle, while simultaneously enabling sensing functionality, such as millimeter wave radar. In addition, we are utilizing decorative technology, such as eco-friendly in-mold painting and hot stamping, which achieve an attractive appearance without the need for painting, thereby contributing to creating a sustainable society.

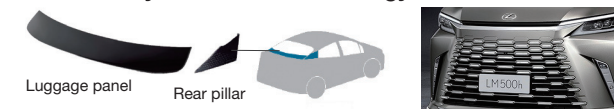
Going forward, we will contribute to carbon neutrality by leveraging eco-friendly materials and innovating our manufacturing processes, while developing products that deliver diverse value in form, function, safety, and environmental performance.

Realizing Diverse Designs



Brand expression and signage that achieve both form and function

Eco-friendly Decorative Technology



Luggage panel

Rear pillar

In-mold painting

Hot-stamping

Business Strategy | Interior and Exteriors (IE)

Plastic Recycled Materials

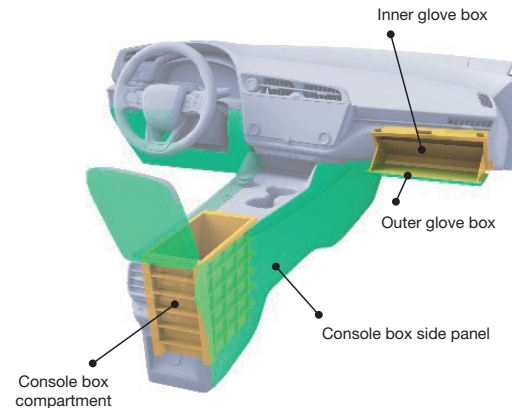
In Europe, the ELV Directive proposes that 25% of all plastics used in automobiles be recycled materials, of which 25% must come from end-of-life vehicles. In Japan, too, efforts to recycle plastics for automobiles are in full swing, and automobile manufacturers are actively considering adopting recycled materials.

Amid this background, Toyoda Gosei, as an automotive parts manufacturer, has established breakthrough plastics recycling technology with the aim of contributing to a circular economy and a decarbonized society. Of particular note, we have successfully developed high-strength recycled material containing 50% waste-derived content for polypropylene, which is the most widely used material in automotive interior and exterior components.

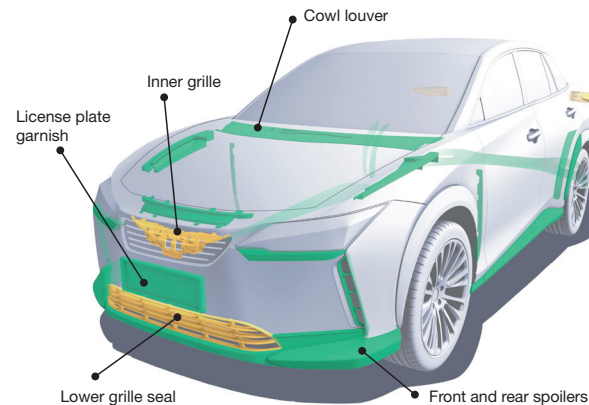
In developing this innovation, we leveraged our proprietary technology to address the challenges of foreign matter contamination and deterioration of physical properties, which have long been issues with recycled materials. Specifically, we developed a technology for efficiently removing paint from recycled bumpers and material mix design technology that realizes physical properties similar to virgin materials. In this way, we realized the practical application of automotive parts that require high quality.

Our achievements as the world's first to apply this technology for interior use and the first to have it adopted on Toyota vehicles is more evidence of our technical prowess. Looking ahead, we aim to further expand applications, including design parts, and increase the use of recycled materials, fulfilling our responsibilities as a plastic parts manufacturer to reduce environmental impact in the automotive industry and support the realization of a circular economy.

Interior Component Applications



Exterior Component Applications



■ Parts made from recycled materials ■ Future applications

Accessories Strategy

As the popularity of customizations increases, sales in the automotive parts market are expected to grow. Accordingly, we are following a strategy of providing OEMs with a range of accessories to enable end users to customize their own vehicles.

Demand for aerodynamic parts for SUVs in particular is high, and we are actively developing differentiated, high-value-added aerodynamic parts, such as new decorations and lighting. In addition, we will align with each OEM's strategy to provide services spanning from new vehicles to end-of-life vehicles, and through our accessories strategy, which also anticipates expansion into the aftermarket, we will engage directly with end users, rapidly bring newly developed products to market, and propose new products tailored to each automaker's new vehicles.

Accessories (Representative Products)



Business Strategy | Interior and Exteriors (IE)

Global Strategy

With the increase in EVs and other next-generation vehicles in recent years, there is growing interest around the globe in our specialized plastic products that support innovative design and further lightweighting to extend driving range. Through our Interior and Exteriors segment, we are strategically establishing and expanding locations for technological development and production around the world, including in Japan, North and South America, China, Thailand, and India. This global framework will enable us to develop products tailored to local market needs and realize stable product supply, while playing an important role in the global supply chain of major automakers.

Looking ahead, we will press forward with planned capital expenditure and new product launches while developing local talent in priority regions that are key to the 2030 Business Plan: the Americas, which has achieved high sales volume and steady growth, and India, which is experiencing remarkable market expansion.

Revenue by Region

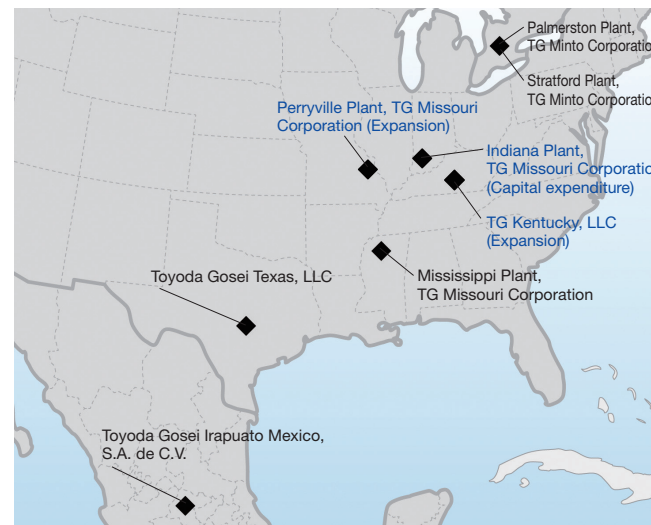


The Americas

In the Americas, where the shift to BEVs is accelerating, market competitiveness is increasing with the introduction of new products. High-value-added products are entering the market, such as body-colored grille covers with radar-penetrating technology and console boxes with a refrigerator, which contribute to the creation of comfortable interior spaces.

In addition, in response to expanded BEV production at our major customers, we made significant investments last year to expand the production footprints at TG Missouri Corporation and TG Kentucky, LLC. Going forward, we will leverage our technological development sites in the US with the aim of expanding business not only at existing customers but also at Detroit's "Big Three" automakers to achieve further growth.

Interior and Exteriors Production Footprint in North America



India

India is a rapidly growing automotive market. The passenger vehicle market is expanding particularly quickly, with annual sales projected to grow from the current four million units to approximately seven million units by FY2030. Our customers' vehicle production volumes are also forecast to grow significantly. We view India as an important market for business expansion.

In the Interior and Exteriors segment, we are promoting newly developed products for next-generation automobiles at local new product exhibitions, while actively implementing sales promotion activities targeting both existing and new customers. At the same time, we are actively investing in resources and capital, and expanding local development and production, with the aim of enhancing competitiveness and delivering consistently high-quality products, while ensuring sustainable growth in India through the technological innovations accumulated to date.

Items Exhibited at the Bharat Mobility Global Expo 2025 in India



Business Strategy | Functional Components (FC)

Message from Corporate Officers

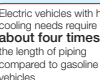
We are promoting an all-around strategy to contribute to the spread of new forms of mobility while aiming for further growth.

Yutaka Ogasawara
Corporate Officer,
Chief of FC and
WS Business Headquarters



Priority Initiatives for FY2024

As the electrification of mobility transforms functional components (FC) that support the basic automobile functions of driving, turning, and stopping, we are proceeding with a comprehensive strategy that can flexibly address market trends and the multi-pathway strategic needs of OEMs.

Powertrains	Gasoline vehicles	HEV PHEV	BEV	FCEV
Functions				
Storage Control Supply	 Fuel tank peripheral parts		 High-pressure hydrogen tanks	 Battery cases
	 Plastic fuel filler pipes		 FC stack manifolds	
Cooling	 Cooling piping		 Cooling piping	 Electric vehicles with high cooling needs require about four times the length of piping compared to gasoline vehicles

Initiatives for Gasoline Vehicles, HEVs, and PHEVs

In recent years, regulations on fuel evaporative emissions (evaporation gases) have been tightened in various countries and regions worldwide to prevent global warming and improve air quality. There are also growing demands to address volatile organic compounds (VOCs), which are released into the atmosphere from vehicle fuel tanks and pipes. In response to these tightening regulations, we are developing products to control the evaporative emissions and expanding our product lineup. Specifically, the core fuel system products in the FC business, including plastic fuel filler pipes, fuel caps, and fuel valves, play a central role in our technology.

To address the diverse regulation requirements in the global market, we are building a framework to carefully research and analyze legal and regulatory trends and reflect these in future product design. Through these initiatives, we are able to rapidly provide products that conform with evaporative emission regulations in major markets and meet customer needs.

India

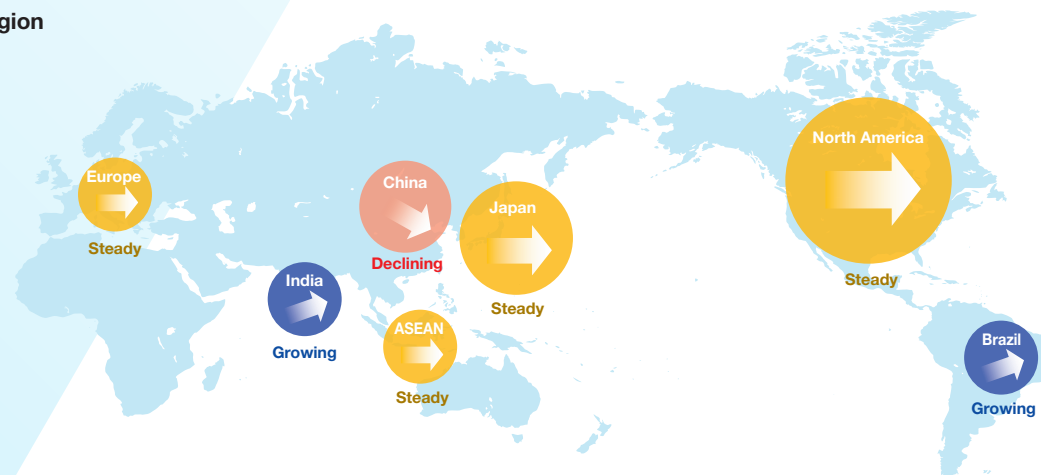
In recent years, the automotive market has expanded rapidly against the background of strong economic growth and the expansion of the middle class, becoming a growth market that has drawn worldwide attention. Along with this market expansion, environmental regulations have also gradually been strengthened, such as with the introduction of the Bharat Stage VI (BS-VI) emission standards. Taking into account market trends in India, we are strengthening our production system in anticipation of continued demand for fuel system products.

Brazil

As the largest economic player in South America, Brazil has an automotive market that continues to grow strongly against the backdrop of stable economic growth and robust consumer demand. In addition, internal combustion engine vehicles still make up more than 90% of the market, and while electric vehicles are becoming more widespread, they are still in a transitional phase.

Taking this market environment into account, we have determined that demand for automotive fuel system products will remain strong in Brazil, and are working to strengthen our production system and optimize the supply chain.

Revenue by Region



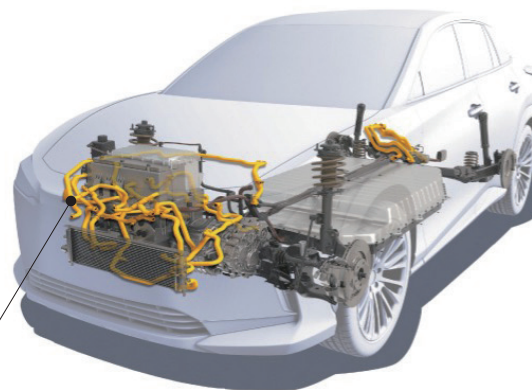
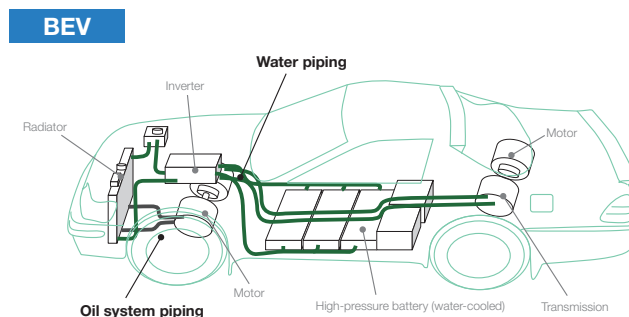
Business Strategy | Functional Components (FC)

Initiatives for BEVs

As BEVs become more widespread globally, vehicle thermal management technology is becoming increasingly important. The batteries in these vehicles generate heat while driving and rapid charging, making stable thermal management an important element in determining vehicle performance, stability, and reliability. With this in mind, we are strengthening efforts to develop thermal control products, with the aim of establishing technologies that contribute to a society built on next-generation mobility.

Cooling Piping

We are applying the materials technology, molding technology, and design expertise accumulated over the years in the field of fluid control components, such as rubber hoses and plastic tubes, to promote optimal product development for BEV cooling systems. In particular, for battery cooling, in addition to making piping parts lighter and more durable to improve coolant circulation efficiency, there is increasing demand for flexible layouts to allow greater freedom in vehicle design. In addition to battery pack cooling, our products are also used in the thermal control of electric units such as inverters and motors, contributing to enhancing overall thermal management of BEVs.



Cooling Piping

Maintaining optimal battery temperature increases battery life and extends the driving range of the vehicle.



Global Expansion

To meet growing global demand for BEVs, we are focusing on strengthening development and production systems. To enable product design tailored to the needs and vehicle specifications of different automakers in different regions, we will continue to expand our development bases and build local production systems to optimize quality, cost, and delivery times. Through these initiatives, we intend to establish stable supply systems for BEV products in the major markets of North America and Europe to realize global business expansion.

Going forward, we will continue to develop products by fusing materials, molding, and fluid control technologies to effectively meet the increasingly sophisticated thermal management requirements arising from the evolution of BEVs. In addition, by providing thermal management solutions that both reduce environmental impact and enhance reliability, we will contribute to realizing a sustainable mobility society. As mobility becomes increasingly electrified, we will continue to challenge ourselves to create new value as a partner that does not simply supply components but also enhances overall vehicle performance and value.

Business Strategy | Functional Components (FC)

Initiatives for FCEVs

Amid the global trend toward realizing a carbon neutral society, we at Toyoda Gosei are focusing on the utilization of hydrogen, which is attracting attention as a next-generation energy source, and strengthening initiatives in hydrogen-related fields starting with FCEVs. Hydrogen is a clean energy source that emits no CO₂ when used. When combined with other renewable energy sources, it enables decarbonization throughout the entire process from manufacturing to utilization, and is therefore expected to play a central role in the future energy infrastructure.

Against this backdrop, we are strengthening our systems to prepare for the realization and expansion of a hydrogen society. In particular, with regard to the development and manufacturing of high-pressure hydrogen tanks for FCEVs, we are leveraging our many years of experience with polymer materials and molding technologies to deliver products that are exceptionally safe, lightweight, and durable. These tanks are used not only in automobiles, but also in hydrogen fuel systems for ships and detachable portable hydrogen cartridges, contributing to the diversity of mobility and expanding the possibilities for hydrogen utilization.

Large High-pressure Hydrogen Tank

These are mainly used in commercial vehicles and ships and can be filled with approximately eight times as much hydrogen as a passenger vehicle.



With the tightening of international emissions regulations in the shipping industry, hydrogen's potential as a zero-emission fuel is seeing it trialed in various situations, and our high-pressure hydrogen tanks are gaining attention for their safety during navigation and fuel supply efficiency. Meanwhile, portable hydrogen cartridges allow for the safe and easy transport of hydrogen and can be attached to various types of equipment, enabling the use of hydrogen energy in a wide range of applications, including as a power source that combines fuel cells with hydrogen-fueled cooking appliances. Through these products, we aim to expand hydrogen utilization in the mobility sector while contributing to the transformation of society's overall energy mix.

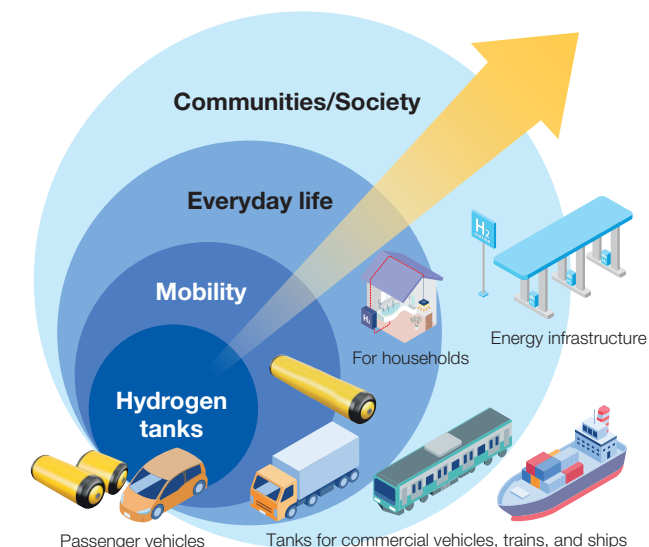
Looking ahead, we will continue to innovate and expand our product lineup while strengthening our production system to meet growing global demand. By providing these tanks to support hydrogen utilization across various forms of mobility and fields in everyday life, we will continue contributing to the realization of a hydrogen-based society.

Passenger Ship "Hanaria" Equipped with Hydrogen Tank



(Photo sourced from MOTENA-Sea website)

Expansion of Hydrogen Tank Business



Portable Hydrogen Cartridge (Provided by Toyota Motor Corporation)



For Japan



For Europe

Business Strategy | Weatherstrips (WS)

Through customer satisfaction and technological innovation, we are creating the future of the weatherstrip business.

Yutaka Ogasawara
Corporate Officer,
Chief of FC and
WS Business Headquarters



Review of FY2024

FY2024 was a year of building the foundation for future growth of the weatherstrip business. Through various improvement activities on the frontlines, such as reducing material cost loss and enhancing productivity, we built a more efficient production system.

In addition, with advances in the electrification of mobility and the spread of ADAS, there is growing demand for quiet, comfortable in-car spaces, and weatherstrip products have an increasingly important role to play. We are also working to develop carbon neutral products and new technologies to support future mobility. We are making steady progress in ensuring we are ready to address future market needs.

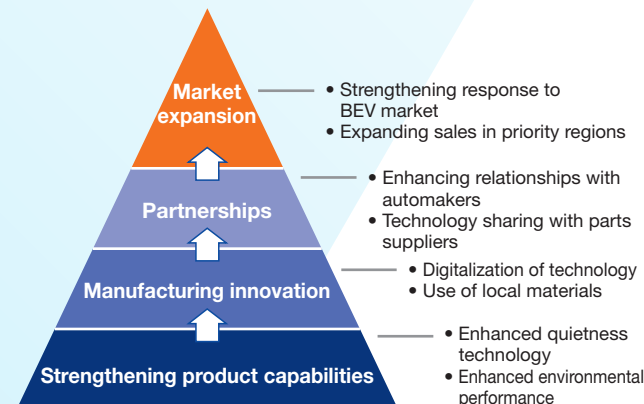
Driven by the spirit of innovation and challenge in FY2025, we will contribute to the future of a mobility society through our weatherstrip business.

Sales Expansion Strategy

Our weatherstrip products have excellent quality and durability, and are widely acclaimed by global automakers. We will implement the following measures as part of our future sales expansion strategy.

First, we will focus on new product development and resources in regions where growth is expected. By assessing market prices and implementing pricing strategies to add value to existing products, we can achieve higher customer satisfaction and sustainable growth.

Next, we will accelerate our sales expansion in emerging markets. In particular, we are strengthening our presence in India, Brazil, and other emerging markets with significant scope for growth in the automotive industry, which will enhance our overall global business foundation. We expect sales of weatherstrips to continue to grow strongly in these regions. We will develop products tailored to local needs and enhance our competitiveness. In addition, we will strengthen our cooperative relationship with local automakers and aim to expand our market share.



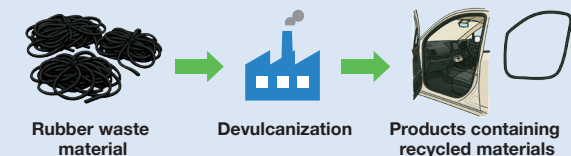
Furthermore, we will actively participate in exhibitions and industry events to widely promote the appeal and added value of our products. Through these initiatives, we aim to strengthen product recognition and stimulate purchase intent. We will also continue to provide product information in a timely manner and further enhance communication with our customers.

Finally, we will strengthen our partnerships. We will deepen cooperation with domestic and overseas automakers and parts suppliers and promote collaborative development and technology sharing. In this way, we aim to increase the added value of our products and expand our market share. In particular, we will strengthen our presence in the BEV market, and propose weatherstrips with outstanding quietness and environmental performance.

Through these measures, we will work together as a business division to improve customer satisfaction. By pursuing innovation and growth, we will create new value through the weatherstrip business and continue to lead the world.

Rubber Recycling Business

We devulcanize waste rubber generated during the manufacturing process and recycle it into new products. By leveraging our ISCC PLUS certification, we are promoting the expanded sales of products incorporating recycled materials that enhance both environmental value and competitiveness.



ISCC PLUS certification
Our commitment to environmental
value and competitiveness

Business Strategy | Weatherstrips (WS)

Development Strategy

We are constantly pursuing technological innovations in our weatherstrip products to achieve both high quality and environmental performance. Our development strategy for the future aims to realize a sustainable society and maximize business value, based on the four pillars of reducing environmental impact, improving comfort, incorporating smart technology, and expanding globally.

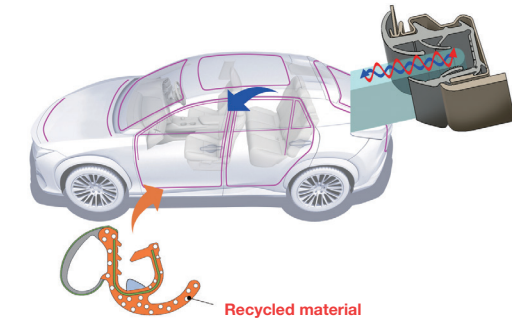
Reducing Environmental Impact

First, we will accelerate the development of materials that have reduced environmental impact. We are forging ahead with initiatives to take full advantage of our rubber devulcanization and recycling technologies, too. In October 2024, we began operation of our second rubber devulcanization and recycling line at Morimachi Plant in Shizuoka Prefecture, doubling our production capacity to 1,200 tons per year. Our technology enables the production of high-quality recycled rubber that retains its elasticity

and strength, whilst also significantly reducing odors compared to conventional methods. In FY2025, we increased the proportion of recycled content in new materials to 20% and began making use of them in more of our products. Going forward, we will expand this approach to non-EPDM rubbers and other components, and develop technologies aimed at recovering and recycling waste parts, contributing to the establishment of a resource-recycling society.

Improving Comfort

Next, we will develop technology to enhance product performance. In particular, strengthening quietness technology is important with the growth of the BEV market. We continue to develop products, such as vibration-reducing glass runs, which uses impedance matching technology, and opening trims that reduce wind noise, which set us apart from the competition in terms of quietness. These products efficiently reduce mid- to high-frequency noise, contributing to realizing a comfortable in-car space. In addition, in conjunction with other Toyota Group



companies, we are offering quietness solutions across the entire door structure and optimizing the sealing structure to suit the performance characteristics of each vehicle. Looking ahead, we will also propose new solutions that make vehicles spaces comfortable and relaxing, even when on the move, by applying sound management technology throughout the entire vehicle.

Incorporating Smart Technology

We are also actively working to transform our manufacturing plants into smart factories with cutting-edge technologies such as IoT and AI at the core. By incorporating these technologies, we will digitalize tasks that had previously relied on human experience and intuition, enabling more accurate and efficient process management.

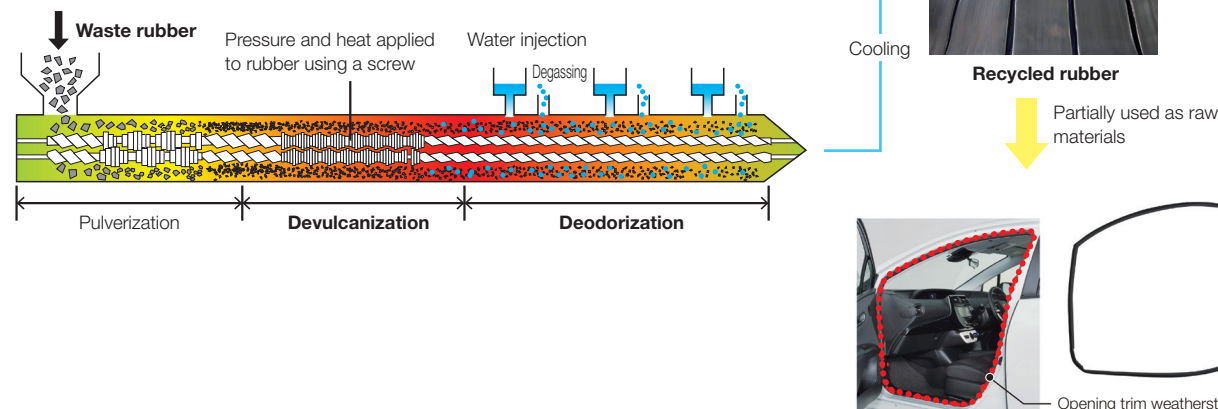
Expanding Globally

Finally, we will strengthen technological development globally. We will concentrate development functions in Japan while developing product specifications and process design tailored to the characteristics of each region. In particular, in India and Brazil, we will develop competitive products by utilizing local materials and increasing line capacity.

Through these initiatives, we will not only supply parts but also strengthen our role in contributing to the overall performance of vehicles and user experience while further deepening trust with our customers. We will continue to develop the rubber technologies we have cultivated since our foundation, address social challenges, and enhance corporate value, thereby maintaining a strong presence in the mobility society of the future.

Our Rubber Recycling Technology

By applying optimal pressure and heat, molecular bonds that give rubber its elasticity are broken, **enabling fast recycling of waste into high-quality rubber**



Regional Strategy

As we expand the weatherstrip business globally, we will conduct flexible business operations tailored to the market environment and customer needs in each region. In FY2025 and beyond, we aim to strengthen product development and our production system by harnessing the unique characteristics of each region. Our main focus will be on Japan, North America, India, and Brazil.

Japan

Taking advantage of the technical capabilities and quality control know-how we have built up over the years, we are proceeding with the development of products that excel in comfort and environmental performance. One of our main areas of focus is BEVs, for which we are developing sealing structures that improve quietness and eco-friendly products utilizing recycled materials. Head office will take the lead in providing technical support to global production locations, as well as spearheading development initiatives. In addition, we will leverage IoT and AI to advance automation and labor-

Revenue by Region



saving processes at manufacturing sites, thereby ensuring stable quality and improving production efficiency.

North America

While maintaining stable order volumes, we will continue to make improvements to address issues related to manufacturing costs and logistics. By optimizing product specifications to meet local needs and streamlining production layouts, we will make supply systems even more competitive. We are working to enhance customer satisfaction by introducing products that are eco-friendly and improve comfort.

India

We recognize India as an important market with expected future growth, and we will develop competitive products by utilizing local materials and strengthening line capacity. We will advance product development to meet local needs with an emphasis on balancing quality, cost, and delivery time, and aim to build a stable production system that meets global

standards.

Brazil

We have earned high acclaim for our product quality, and are expanding our business based on trust built with local customers. In addition to utilizing local materials and expanding production capacity in order to meet the local procurement needs of our customers, we will build a sustainable product supply system by incorporating environmentally-friendly technology. Looking ahead, we will create further added value by utilizing recycled materials and developing new products.

In other regions, we will continue to operate our business in accordance with local market conditions. For example, in Europe, where compliance with environmental regulations is emphasized, we are advancing the use of recycled materials and renewable energy. In the ASEAN region, we continue efficient business operations focusing on selective ordering utilizing existing facilities. In China, we are considering restructuring our business to respond to changes in the market environment.

Our regional strategies are connected to the enhancement of corporate value by improving the comfort, environmental performance, and productivity of our products. Through optimal resource allocation worldwide, we aim to achieve sustainable growth and stable business operations. By building a business foundation rooted in each region and creating value through innovations in technology, our weatherstrip business will continue to contribute to the mobility societies around the world.

Manufacturing Strategy

Message from the CMO

We are committed to shortening all manufacturing lead times to respond swiftly to change.



Hiroshi Yasuda
Executive Vice President, CMO

Responding to Accelerating Environmental Changes

With growing geopolitical risks in various countries and regions, the strengthening of laws and regulations related to safety standards and carbon neutrality, and accelerating changes such as a shrinking workforce, it has become necessary to respond comprehensively, not only within our Company but also throughout the supply chain. For example, the development of HEVs requires a multi-pathway approach to continue the production of fuel system components, as the adoption of HEVs varies by region depending on national policies and the progress of charging infrastructure development.

In addition, in the key region of the Americas, where automobile demand is expected to remain strong and local production is projected to expand in response to tariff policies, there is a growing need for short production preparation times and labor-saving initiatives.

Furthermore, in India, strengthened safety regulations for protecting vehicle occupants are leading to rapid demand for airbags, and there is increasing need for rapid production startups that place the highest priority on quality. Addressing these challenges and meeting customer demand while continuing to strengthen competitiveness at the same time requires a timely response to changes.

The Shortest Possible Lead Times

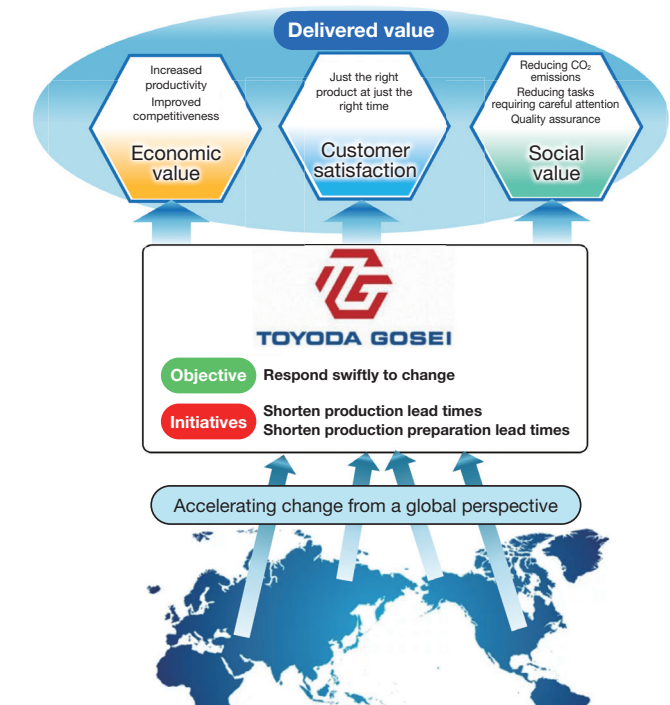
To achieve this, and to deliver high-quality products to all customers when needed and in the required quantities without being affected by environmental changes, we must remain committed to shortening both production lead times and production preparation periods, and rapidly launch highly agile production processes.

For example, in the Americas, by digitally implementing highly precise process and equipment design, robot simulations, and other measures in advance, we can reduce losses during actual process installation and achieve high-quality production readiness quickly with a small number of engineers.

We will realize this by thoroughly eliminating waste based on the Toyota Production System (TPS) philosophy, which we have cultivated over the years, and through groundbreaking new value creation and productivity improvements via innovations in production technology, as well as smart factories that combine the latest technologies for IoT and automation. In India, by utilizing IoT technology and traceability systems that produce and ship products to meet customer needs, we will realize a production system that can quickly respond to fluctuations while ensuring quality. This requires shortening lead times throughout the supply chain including suppliers and delivery destinations and building a connection between goods and information.

Addressing Social Challenges

The benefits of our efforts to shorten lead times extend beyond improving productivity and strengthening competitiveness. Simple and streamlined processes that can instantly respond to changes create new value and help address social challenges, such as reducing the burden on technicians, minimizing energy consumption, and ensuring quality through data utilization. By realizing the TG Advanced Factory Concept, proposed last year, we aim to provide stakeholders with enhanced corporate value.



Manufacturing Strategy

Priority Efforts to Shorten Lead Times Using Production Technology Innovation

Using In-mold Painting to Shorten Production Lead Times

By utilizing plastic injection molding—one of our core technical competencies—we have developed in-mold painting technology that significantly shortens lead times in our conventional process from molding to painting, realizes smooth decorative surfaces that cannot be achieved with paint, and reduces CO₂ emissions during parts manufacturing. Integrating molding and painting within a single mold eliminates conventional steps such as separate painting and drying, halving the number of processes, reducing the lead time by 80%, cutting CO₂ emissions by approximately 60%, and significantly improving the working environment for technicians.

In terms of quality, we realized a highly glossy decorative surface that is integrated with glass or other surfaces. In addition, by leveraging our proprietary mold design and equipment control technology, along with material development in collaboration with a paint manufacturer, we are able to apply this even to large, highly complex products. This technology not only shortens lead times but also contributes to carbon

In-mold Painting Product: Luggage Panel

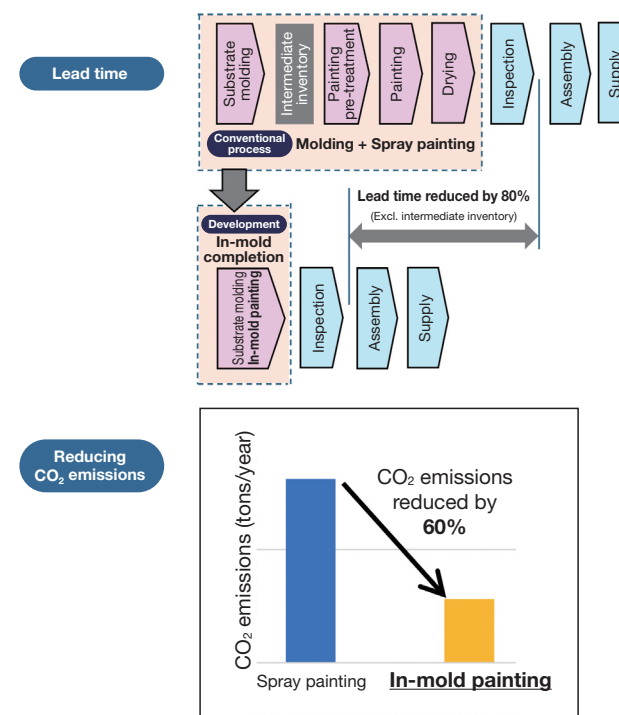


Vehicle installation location



neutrality, addressing a key social challenge while responding to the needs of all stakeholders.

Effects



DX Technology Transforming Operational Processes

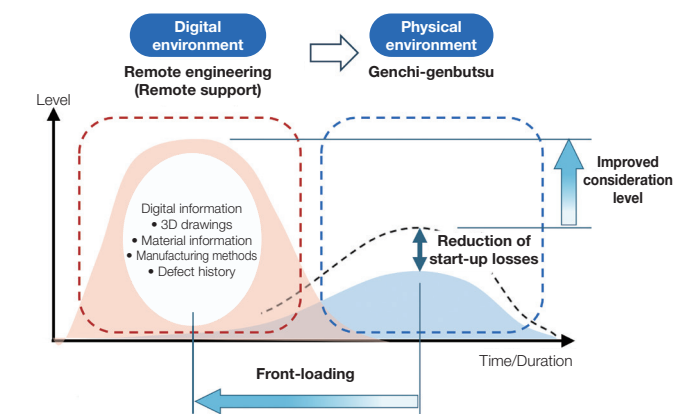
(Shortening Production Preparation Lead Times)

To achieve short, high-quality production preparation and continually improve competitiveness, it is key to conduct highly accurate validation from the early stages of development by utilizing digitized data and front loading in which confirmation and adjusting work are implemented ahead of schedule. This enables us to reduce startup losses such as adjustments and rework in the real environment while further enhancing verification accuracy using the resources gained.

In addition, by using 3D point cloud data of the entire plant to simulate process layouts and robot operations in a digital twin environment, we can verify work paths and cycles in advance and build agile processes.

These digital initiatives enable remote support for production preparation regardless of location or time difference, thereby shortening the production preparation period. Furthermore, by centrally managing manufacturing information on a common platform, production locations around the world can always make swift decisions based on the latest information. We will incorporate these activities into all processes, from parts procurement to mold and equipment development, manufacturing, and shipping, and promote the transformation of production preparation processes utilizing digital technology.

Transformation of the Production Preparation Process



Manufacturing Strategy

Building Advanced Plants with IoT and Automation Technologies

Realizing TG Smart Factories

To produce and deliver a wide variety components in line with customer demand, it is essential to have plants that combine the latest IoT and automation technologies to enhance process agility, as well as plants that enable data-driven, preemptive decision-making and can swiftly respond to change. Since starting up a model smart plant at Miyagi Ohira Plant in 2022, we have introduced technology to our existing Seto Plant in 2024, and have been gradually expanding the expertise we have cultivated in Japan to address challenges facing global regions and production bases.

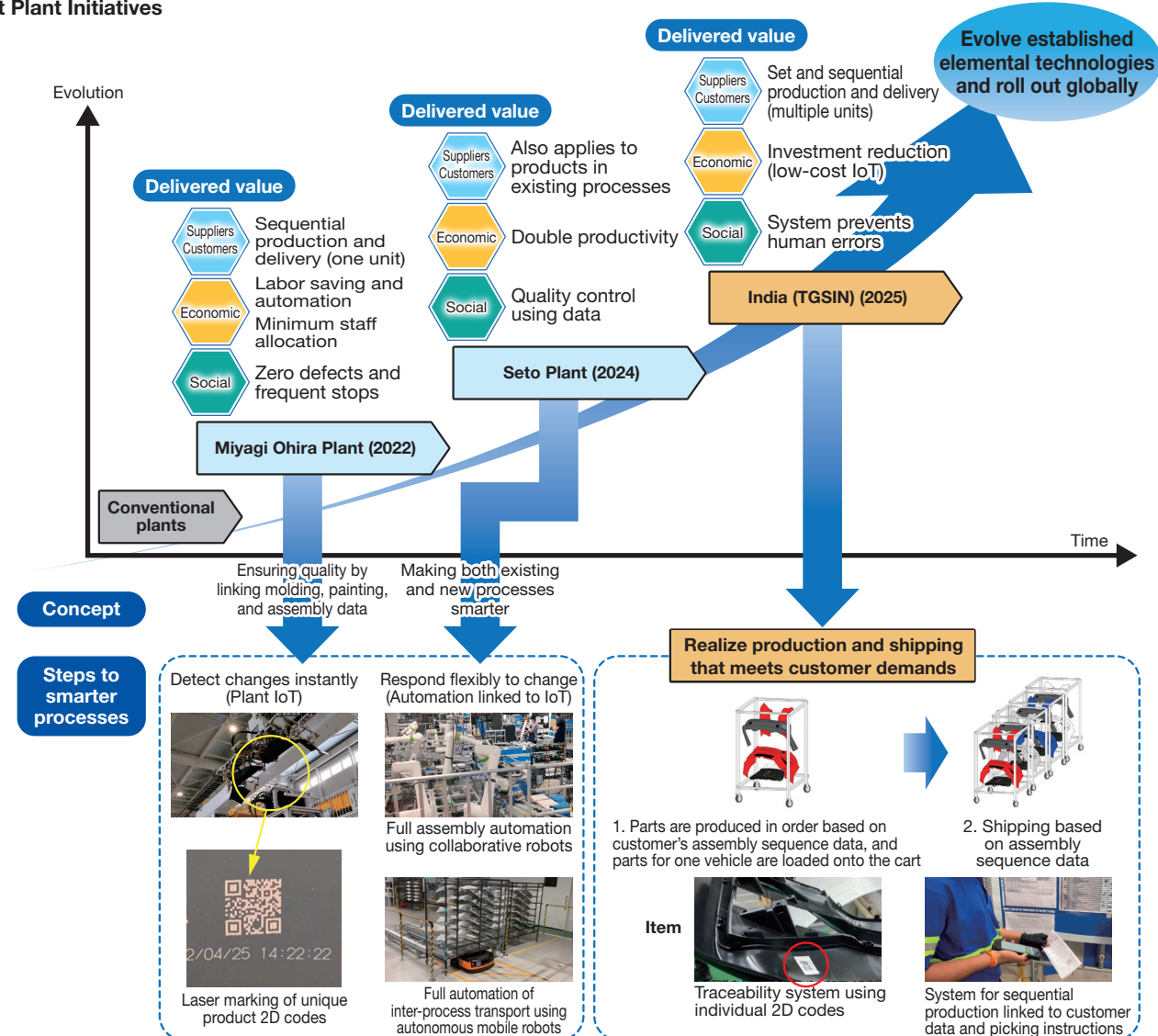
Smart Plant That Contributes to Resolving Customer Challenges at Toyota Gosei South India (TGSIN)

When customers continuously produce vehicles with varying specifications, the exterior components produced and supplied by TGSIN, our subsidiary in the south of India, are large, and keeping all component types in stock would lead to wasted inventory space and inefficient transportation for both customers and TGSIN.

To address this challenge, we have developed an individual 2D codes traceability system that uses IoT technology to prevent color mismatches as well as a sequential production and picking instruction system using IoT technology, thereby realizing sequential production and delivery according to the customer assembly sequence. Through efficient production tailored to orders, we have minimized in-plant inventory for both customers and TGSIN, enhancing space efficiency. As a result, we achieved shorter total lead time and prevented human errors.

In addition, we reduced CO₂ emissions by lowering transport frequency, thereby contributing to solving social challenges.

Smart Plant Initiatives



Manufacturing Strategy

Shortening Lead Times Across the Supply Chain

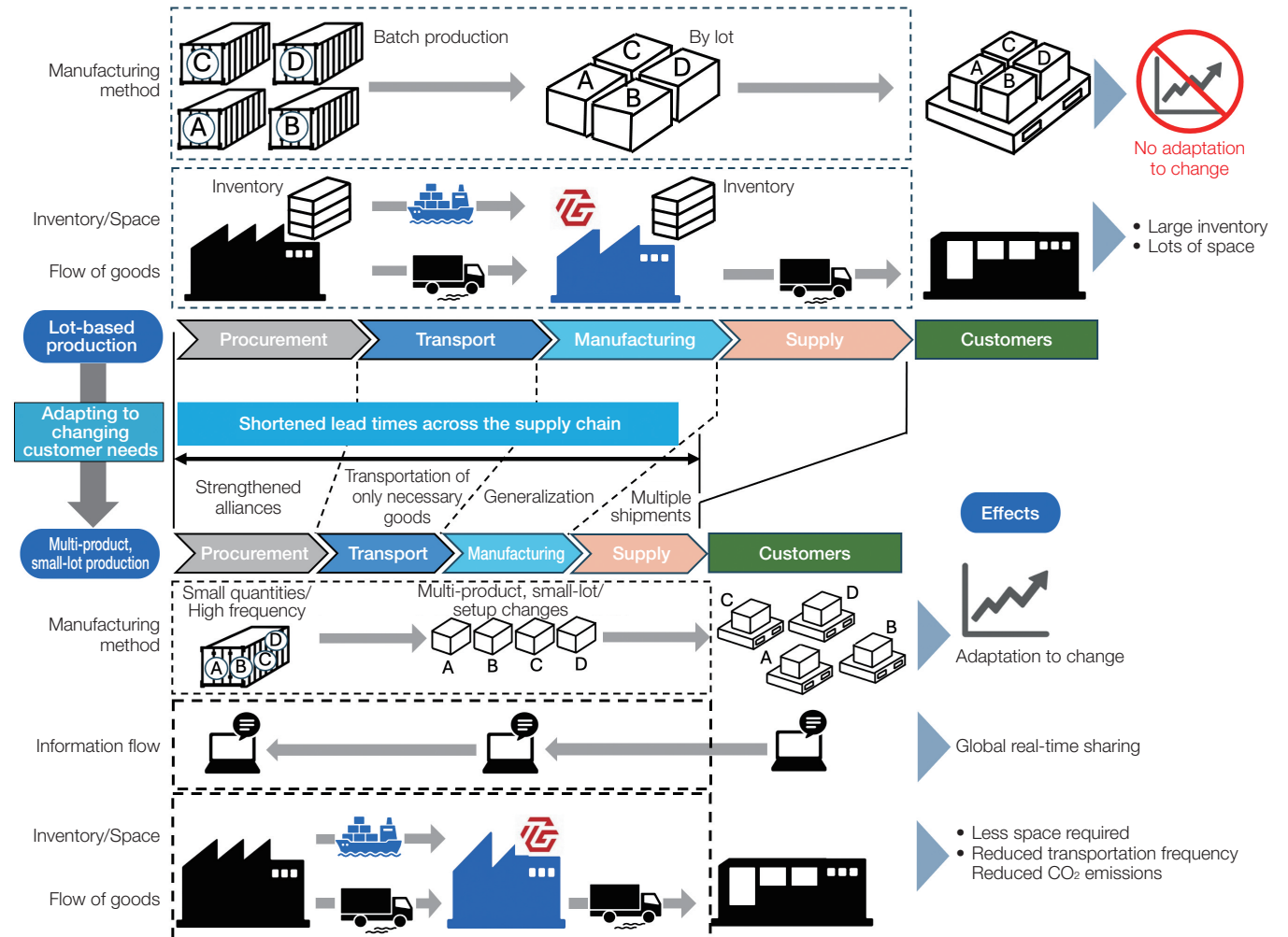
To respond swiftly to fluctuations in order volume and changes to specifications from our customers around the globe, it is essential that we shorten lead times across the supply chain, from procurement and transportation to assembly and delivery. To that end, we are coordinating with domestic and overseas suppliers to enable more flexible manufacturing to meet the delivery formats and timings demanded by our customers, while also reducing excess inventory and redundant work.

In addition, it is important to optimize the flow of information in line with the flow of goods. Digitizing information in the supply chain and sharing that globally in real-time enables everyone to make swift decisions based on up-to-date information.

In this way, we can optimize both the flow of goods and the flow of information, and establish a framework that enables our global production locations to work together as if they were a single plant, allowing us to respond quickly to customer needs anywhere, anytime.

Furthermore, through these initiatives, we will improve our production technology and realize higher quality and more efficient manufacturing, thereby delivering the benefit of shorter lead times to our customers.

Manufacturing That Adapts to Change



Human Resource Strategy

Message from the CHRO

We will strive to create a workplace environment where everyone can thrive, and improve the well-being of our employees, who are the ones that will deliver sustainable corporate growth.

Masashi Umeda

Chief of General Administration and
Human Resources Headquarters, CHRO



Human Resource Strategy for Achieving the 2030 Business Plan

To realize the 2030 Business Plan, while advancing reforms to our business structure, we aim to adapt flexibly to environmental changes and foster a “polymer-like organization” capable of continually creating new economic and social value, thereby invigorating both people and the organization.

The foundation of the value we provide to society lies in our people. We combine the specialized expertise in rubber, plastics, and other polymer technologies we have accumulated over many years with the organizational capabilities and teamwork to transform that expertise into products. To drive the business growth and structural reforms outlined in the 2030 Business Plan, we are advancing our human resource strategies based on the following two key themes.

1. Realizing Well-Being for a Diverse Workforce

The labor market is changing at an unprecedented pace, driven by a shrinking workforce due to a declining birthrate and aging population, along with increasingly diverse work styles and evolving values. Given these circumstances, we aim to promote the well-being of our diverse workforce, ensuring that our company remains attractive and a place that people want to join and continue to work for the long term.

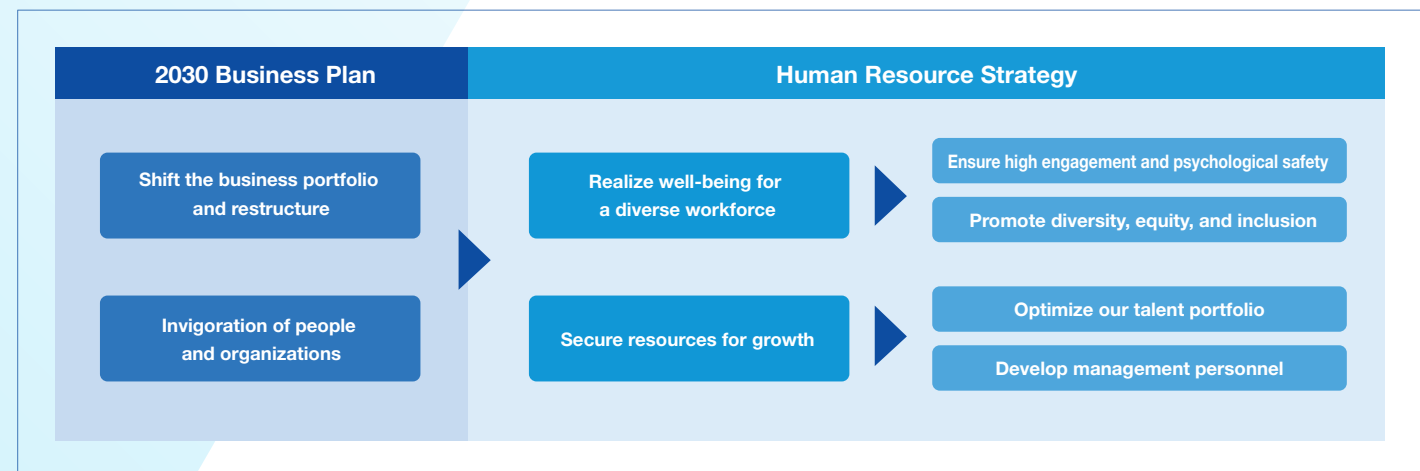
Based on the two pillars of creating safe spaces for employees to feel secure and providing platforms where everyone can thrive, we will promote initiatives that ensure psychological safety and enhance engagement through human resource development, foster a sense of unity, and encourage two-way communication. We will also advance DE&I activities to promote the advancement of women, expand opportunities for diverse talent, including people with disabilities, and create an environment where everyone can safely take on challenges, grow, and maximize their potential. Through these efforts, we aim to achieve the well-being of a diverse workforce while enhancing both economic and social value.

2. Securing Resources for Growth

While promoting initiatives to achieve the well-being of a diverse workforce, we recognize that securing the human resources necessary to realize new technologies and address priority themes looking to the future is a key factor in achieving the 2030 Business Plan.

We are developing a talent portfolio that systematically organizes the types of talent and expertise required for the future. As part of our goal to achieve a 100% talent fulfillment rate by 2030, we will assess and visualize our employees' skills, promote planned development based on these insights, place the right people in the right roles, and strategically hire as needed.

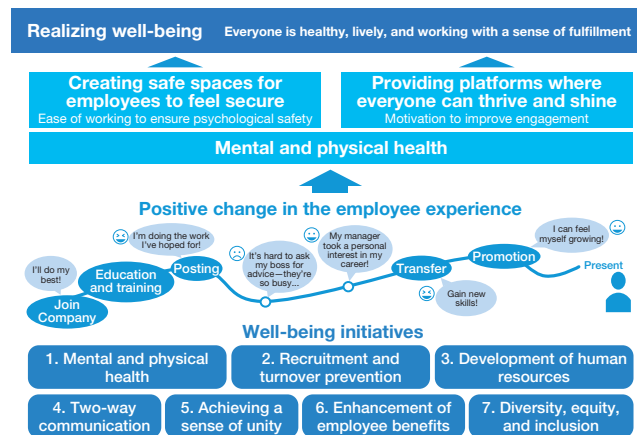
In addition, to ensure a stable pipeline of management personnel who will support our future management foundation, we will conduct succession planning, steadily develop human resources including systematic assignment of talent in management positions at both domestic and overseas affiliates, and strengthen the human resource base in order to support sustainable corporate growth.



Human Resource Strategy

Realizing Well-Being for a Diverse Workforce

Based on two pillars—creating safe spaces for employees to feel secure and providing platforms where everyone can thrive—we will promote seven initiatives, including mental and physical health, development of human resources, and two-way communication, while encouraging employees to take action with a positive mindset, fostering new value creation.



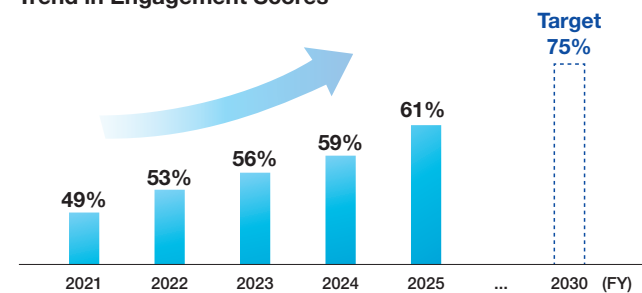
Creating Safe Spaces for Employees to Feel Secure: Initiatives for Improving Psychological Safety

Creating safe spaces for employees to feel secure means fostering a psychologically safe workplace with open communication and active dialogue. To create a workplace where employees feel safe to speak openly, we are promoting various initiatives emphasizing dialogue and two-way communication. These include a three-year “Empathy-Driven OMOIYARI Communication Training” conducted by a psychiatrist to promote change among management, well-being seminars led by external experts, and support for in-departmental social events to foster workplace communication (Community Support Activities), as well as efforts to stimulate labor-management dialogue.

Providing Platforms Where Everyone Can Thrive: Initiatives for Improving Engagement

Providing platforms where everyone can thrive means fostering a highly engaged workplace where employees are aligned with the Company's vision, proactive in taking on challenges, and grow as individuals. Since 2021, we have conducted engagement surveys covering all employees, including those on international and domestic assignments. By analyzing the survey results across workplaces, identifying issues between labor and management, establishing countermeasures, and implementing iterative improvements, there has been a steady improvement in scores to date.

Trend in Engagement Scores



Vision Alignment

To enhance employees' intrinsic motivation and help them understand the significance of their daily work, in FY2019, we began “Management Declarations” in which division managers outlined the vision and mission of the workplace. In FY2022, we launched the “Workplace Vision and My Thoughts” initiative in which division and department managers discuss the thinking behind the workplace vision. With the launch of the 2030 Business Plan, all division chiefs have also begun “Sharing Our Vision” sessions to communicate their own aspirations for realizing the company vision, thereby enhancing employees' understanding and engagement with the vision.



Sharing Our Vision session

Career Fulfillment

Another key to enhancing engagement is helping employees to achieve their career goals. Although we have implemented many HRD initiatives over the years, survey results indicate that these have not always achieved the desired outcomes in terms of career fulfillment.

This issue was raised by young and mid-career members of the Human Resources Department through our business idea contest as the CareeArch career autonomy initiative with the theme of “taking ownership of one's career.” We have decided to give this initiative top priority as it directly contributes to improving engagement and realizing well-being.

Specific initiatives include creating an environment where employees can envision their own future through dialogue with supervisors, such as by holding career training sessions that encourage employees to proactively consider their career paths and hosting departmental information sessions. In addition, each department is engaging in detailed discussions to develop its human resource development plans and launch initiatives aimed at aligning the Company's business needs with employee's career aspirations.

We have also introduced frameworks such as the 10-Year Development Program for Young Employees and open rotation programs to expand opportunities for employees to take on challenges to achieve their career goals, thereby strengthening the framework to support their individual growth. We will continue to create an environment where employees can independently plan their careers and take on challenges to achieve them, which we believe will lead to improved engagement.



We created the CareeArch logo and mascots Carrie and Archie to promote the career development initiatives with an approachable image.

Human Resource Strategy



Creating Spaces Where
Diverse Individuals Feel They Belong, Providing Platforms
for Them to Shine, and Highlighting Their Contributions



We recognize the promotion of DE&I as an essential element for sustainable corporate growth, and we are working to create a workplace culture in which all diverse talent can thrive and demonstrate their abilities. We believe that these initiatives will foster dialogue from diverse perspectives and a flexible mindset, serving as a driving force for new value creation and, ultimately, corporate growth.



Hiroko Ando
Chief Diversity Officer

Key Initiatives for Diversity, Equity, and Inclusion (DE&I)

Regarding DE&I initiatives, we actively promote support, education, system development, and workplace improvements to enable our diverse talent, including women, people with disabilities, and senior employees, to fully utilize their abilities.

Women's Empowerment	Administrative and technical roles	• Support female managers and strengthen their mindsets/skill sets
	Skilled roles	• Create a pleasant workplace environment • Support career development to become leaders
People with Disabilities	• Build a workplace environment that encourages long-term employment • Expand workplaces and job categories where employees with disabilities can thrive	
Senior Employees	• Promote the creation of a workplace where employees can thrive regardless of age • Enhance education for post-retirement life	

Promoting Women's Empowerment

In the manufacturing industry, the proportion of female employees tends to be low, and workplace environments

are often designed with male employees as the default. This, combined with a lack of female role models, has delayed the promotion and development of female managers in the Company. To address this, we have set a target of reaching 100 female managers by 2030 (we are currently at 41), accelerating initiatives to support women's empowerment.

Administrative and Technical Roles

For administrative and technical roles, we offer the Advance Program, which identifies employees' own developmental challenges for management roles and hones their skill sets to become management candidates, as well as the Encourage Program for young and mid-level employees with a focus on mindsets for managers, in which participants better understand themselves and envision leadership roles that align with their strengths.

In addition, this year we introduced an executive mentorship program as a follow-up measure after promotion to a managerial position. Going forward, we will promote various initiatives to enable individuals to better plan their careers, such as training and lectures to foster awareness of career advancement for female employees and encourage the building of networks both inside and outside the Company.



Seminar

Skilled Roles

For skilled roles, in FY2024, we began Heart Link, a project in which women selected from each plant identify workplace environment and operational challenges and work to promote their resolution. We proactively hold networking events with other companies, including the Toyota Group to provide opportunities for awareness, empathy, and learning through an information exchange on women's work styles and workplace challenges, thereby encouraging more active roles by women as future leaders. We also actively promote workplace kaizen activities by female leaders and case presentations at conferences both inside and outside the Company, and our



Speech at TPM Ladies Competition

case study presentation won the excellence award at the TPM Ladies Competition for manufacturing presentations.

Support for Work-Life Balance

To support a balance between work and family life, we are improving our systems and environment by incorporating feedback from those involved, such as by establishing special childcare leave, a flexible system of reduced working hours, and an on-site daycare center on holidays. In addition to promoting initiatives for female employees, we are also encouraging male employees to take childcare leave.

Promoting the Employment of People with Disabilities

For people with disabilities, we conduct pre-employment internships in collaboration with special support schools to help alleviate concerns about working in a manufacturing environment. To ensure long-term employee satisfaction, we have assigned life consultants at each business site. These consultants conduct regular care meetings to address concerns and help create a more supportive and accommodating workplace environment. In addition, from FY2024, we are enhancing our efforts to hire office and engineering workers. This includes expanding the range of job categories available and actively participating in job fairs. These efforts aim to position the Company as an employer of choice.

Initiatives for Empowering Senior Employees

We promote the creation of a workplace where employees can continue to thrive regardless of age, even after the mandatory retirement age of 65. For employees at age 55, we offer training that includes future work styles, health promotion, and building assets for post-retirement life. We are also promoting new opportunities for employees to thrive in the workplace by introducing a support program at suppliers that enables them to make use of their accumulated career experience. Looking ahead, we will use opinion exchange meetings and survey results from employees under 60 years old to support work styles that enable senior employees to actively demonstrate their abilities.

Human Resource Strategy

Securing Resources for Growth

In addition to promoting initiatives aimed at realizing well-being for diverse talent, we are working to develop and assign talent that will support business growth and enhance our business foundation to help achieve the 2030 Business Plan.

Optimizing Our Talent Portfolio

In FY2024, we reassessed company-wide priority focus areas and personnel requirements. By organizing these into a talent portfolio aligned with our business portfolio, we were not only able to manage workforce size, we were also able to improve the management of workforce quality. To clarify the types of talent we wish to cultivate for achieving the 2030 Business Plan, we have defined the “Three Pillars of Talent” within our talent portfolio.

The Three Pillars of Talent

- Talent for advancing key businesses: Personnel responsible for themes directly tied to the key businesses of the 2030 Business Plan
- Talent for strengthening management base: Personnel who enhance management foundations across all operations
- Next-generation management talent: Next-generation leaders and overseas site heads who will lead the two types of personnel above

Examples of Required Talent

	Initiatives to Achieve the 2030 Business Plan	Required Talent
Talent for advancing key businesses	Development of new forms and functions as well as airbags for new forms of mobility	Next-generation airbag development talent
	Development of interiors to create surroundings unique to BEVs	Next-generation spatial design talent
	Commercialization of recycled rubber and plastic materials for a decarbonized, circular society	Recycled materials commercialization talent
	Creation of new businesses, including the expansion of renewable energy	New value creation talent
Talent for strengthening management base	Establishment of a global sales policy and marketing strategy	Global marketing talent
	Promotion of collaboration with other companies in automotive and non-automotive businesses	Alliance promotion talent

These pillars are further divided into 15 distinct talent types. By identifying gaps between our current talent and the talent needed to achieve the 2030 Business Plan, we are developing strategic plans for talent acquisition, allocation, and development.

Furthermore, to support the career development and personal growth of our employees, we are using the talent portfolio to clarify career aspirations and facilitate the acquisition of necessary expertise.

When employees are interested in taking advantage of opportunities such as open rotation programs to pursue personal growth toward their desired career goals, their supervisors support their challenges by engaging in thorough dialogue. Through these career development initiatives, we are working to align employees’ aspirations with company needs, thereby contributing to securing resources necessary for future growth.

Acquiring and Developing Next-Generation Management Talent

To systematically develop future leaders, we have clarified the key requirements for executive positions essential to executing management strategies. We are also implementing a succession planning system to select candidates, plan their development, and assign them to challenging roles (tough assignments). Efforts are also underway to develop human resources by appointing and training national staff executives at overseas sites. To accelerate these proactive appointments in various regions, we established a basic policy and targets for appointing national staff executives (vice president-level and above) in FY2021. Each business unit is actively working toward achieving these goals.

We are aiming to achieve a 60% ratio of national staff executives by 2030. To this end, we are progressing with evaluating and developing high-potential talent across all regions. Key initiatives include the “Leadership Development Academy,” “Basic Management Skills Training,” and other training programs for developing local executive candidates. We are also holding regional succession committees (RSC) in the Americas, China, and other regions to share updates on development and recruitment activities for executive successors, as well as to discuss challenges.



Financial Strategy

Message from the CFO

We endeavor to increase our value as an enterprise by supporting growth through a balance of growth potential, financial soundness, and efficiency.



Masayoshi Hachisuka
Director, Corporate Officer, CFO

Review of FY2024 and Forecast for FY2025

In FY2024, revenue and profit unfortunately declined due to lower customer production volumes. In China, which experienced a dramatic change in environment, Japanese automakers continued to struggle, and prospects for recovery in the near future look bleak. Although we recorded losses mainly due to the business transfer of one affiliate and impairment of non-current assets, we worked quickly to implement structural reforms.

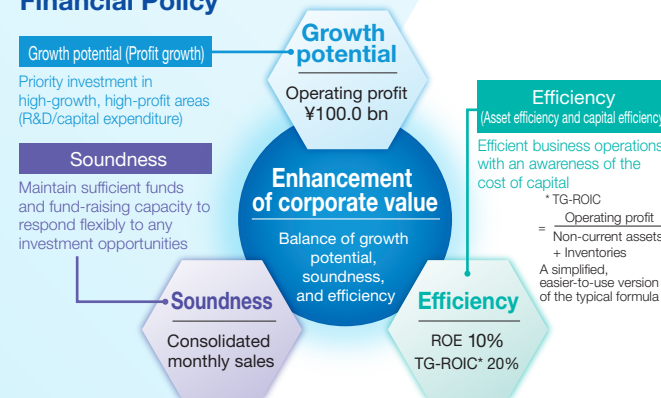
FY2025 saw increased production in Japan and the Americas and a temporary rebound and initially, we expected profits to increase. However, the automotive industry will inevitably be significantly impacted by the policies of the new US administration. We forecast a decrease in revenue and profits due to future US tariffs and other risks.

Financial Policy

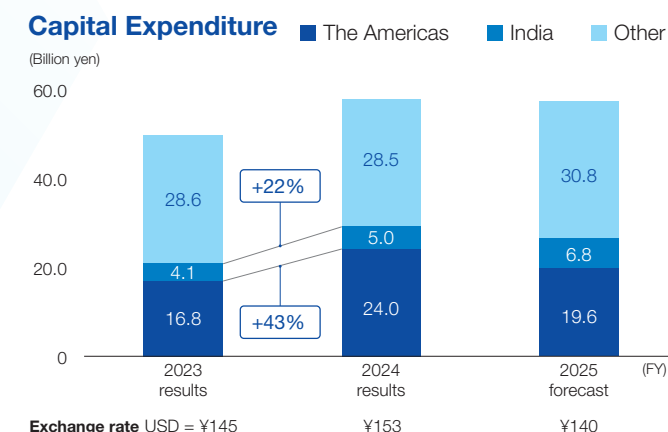
This section outlines our financial policy. This policy sets a new financial framework aligned with the 2030 Business Plan, based on the business environment and plan details. We aim to enhance corporate value by pursuing growth potential through priority investment in high-growth, high-profit areas, ensuring a financial base and soundness that enables us to respond flexibly to any investment opportunity, and efficient business operations with an awareness of the cost of capital.

The management targets of the 2030 Business Plan include 1,200 billion yen in revenue, 100 billion yen in operating profit, an 8% operating profit ratio, and an ROE of 10% or more, consistently surpassing the 7-8% cost of equity for shareholders. To achieve an ROE of 10%, we are enhancing balance sheet management to improve asset and capital efficiency. Changes in the external market, such as material market conditions, salary increases, and the current impact of tariffs, are having a greater impact on business performance than ever before. To prioritize and respond quickly and accurately to environmental changes, we will renew our ERP system while continuing to improve our management. The three pillars of our financial strategy are outlined in the following sections.

Financial Policy



Financial Policy: Growth Potential



First, let us take a look at capital expenditure. When allocating investment resources, priority will be given to areas where high growth and profitability can be expected, aiming to grow our business at a pace above organic market growth. Regionally, we will prioritize the Americas and India. In terms of business areas, we will focus on our Safety Systems and Interior and Exteriors segments. In India, which is a priority region, greater safety improvements are needed amid an increase in traffic accidents due to the rapid spread of vehicles, and the installation of airbags into vehicles is accelerating with the introduction of laws, regulations, and assessments.

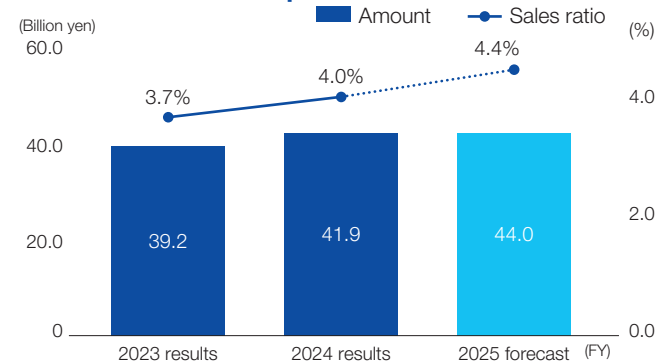
In response to this, we expanded our Neemrana Plant in northern India in September 2024. Meanwhile, the Harohalli Plant in a suburb of Bangalore in southern India is expected to begin operations in January 2026. These are just some of the ways, we continue to build a production system to serve the expanding Indian market.

In the Americas, we have established a system capable of supplying a wide variety of large painted components for the front and rear sections of vehicles. We will continue to expand sales of interior and exterior products in the Americas, another key region for us.

Financial Strategy

Financial Policy: Growth Potential

Research and Development



Next, let us look at R&D. To achieve the 2030 Business Plan, we are strengthening our advanced development field and investing resources in priority areas. As the above graph shows, in recent years we have increased investment by approximately 3.0 billion yen year on year. The auto industry is undergoing a major transformation as evidenced by the advances in electrification. We see this change in mobility as a great opportunity to adopt new products. For example, BEVs are equipped with large-capacity batteries, which increase the vehicle weight, making it necessary to further reduce the weight to extend driving range. Although most front structural components are currently made of steel, we are developing new products that use some plastic components.

We are also making proactive investments in future growth areas, such as initiatives to commercialize material recycling, which contributes to realizing carbon neutrality and a circular economy, as well as efforts to create new business.

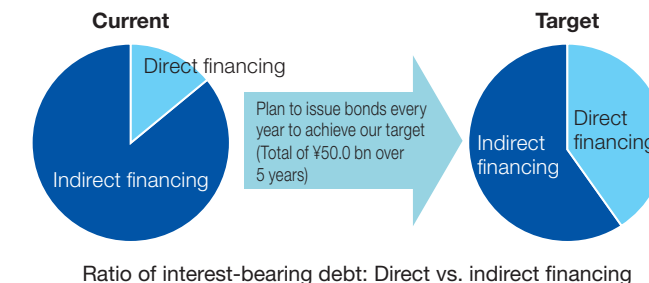
Financial Policy: Soundness

In order not to miss out on growth opportunities, we are aiming to ensure that we have sufficient funds and the fund-raising capacity to respond flexibly to any investment opportunities, while also diversifying our funding sources.

In January 2025, following on from the previous fiscal year, we issued impact bonds utilizing the Sustainable & Positive Impact Finance Framework*1 formulated in October 2023. These bonds represent Japan's first public offering structured under a scheme that emphasizes not only disclosure of the use of proceeds, but also the promotion of positive impacts and mitigation of negative impacts. Going forward, we will continue to utilize this scheme to enhance engagement with institutional investors and ensure stable funding through the continued issuance of bonds.

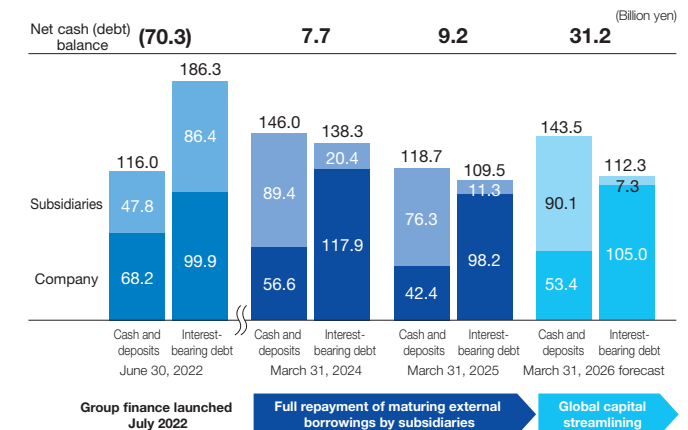
Specifically, we plan to issue 10 billion yen in five-year bonds annually, with the goal of raising the share of bonds within interest-bearing debt to approximately 40%. In addition, we will increase the proportion of short-term borrowings relative to long-term borrowing to enable more flexible repayment.

*1 This sustainable finance framework complies with the Green Bond Principles and Social Bond Principles established by the International Capital Market Association (ICMA). Furthermore, as the first domestic impact finance framework, it aligns with the Positive Impact Finance Principles (PIF Principles) defined by the United Nations Environment Programme Finance Initiative (UNEP FI).



Furthermore, with the implementation of global Group financing led by our head office to optimize fund efficiency, we worked to reduce external borrowings by subsidiaries and curbed the outflow of funds.

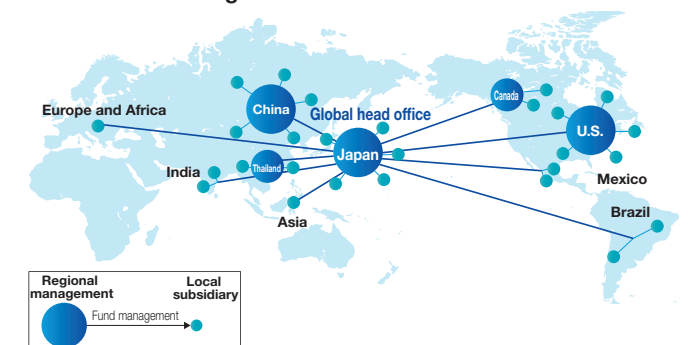
Cash and Deposits vs. Interest-Bearing Debt



In FY2022, we established a cash pooling framework to enhance fund transfers between domestic subsidiaries and the head office, and in July 2024, operations commenced in Japan. This has enabled us to centralize funds at the head office while establishing a system that allows for flexible lending.

Looking ahead, we will build a framework for global cash pooling to further enhance efficiency of funds within the Group.

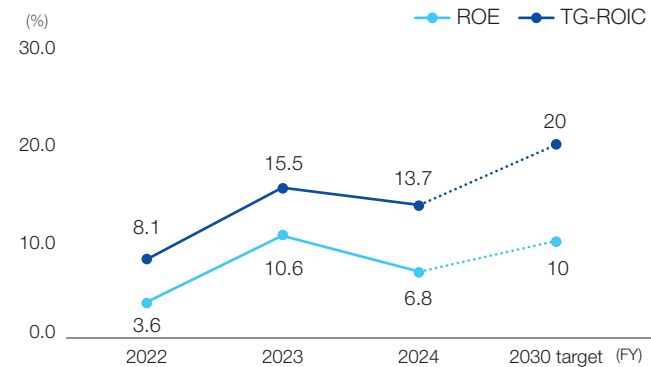
Global Fund Management Framework



Financial Strategy

Financial Policy: Efficiency

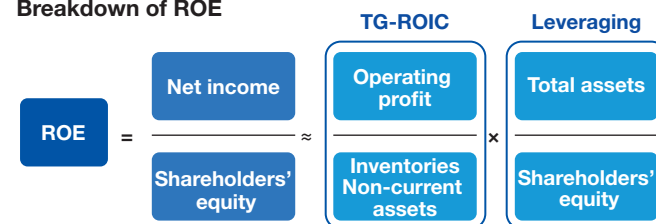
1. ROE



Under the 2030 Business Plan, one of our management targets is an ROE of 10% or more, consistently surpassing the 7-8% cost of equity for shareholders. To achieve an ROE of 10%, we are pursuing growth potential through focused investment in high-growth, high-profit areas, and enhancing balance sheet management to improve asset and capital efficiency.

As shown below, by breaking down ROE into TG-ROIC, a proprietary indicator, and leveraging, we have distinguished efforts that are rooted at the operational level (TG-ROIC) from efforts led by the head office functions (leveraging).

Breakdown of ROE



Rather than using the conventional ROIC, we revised it to a unit manageable at the operational level to improve asset efficiency while internally managing performance using TG-ROIC.

Our leveraging efforts have focused on reducing cross-shareholdings as a means of decreasing total assets. To improve capital efficiency, we have strengthened returns to shareholders and conducted share buybacks. Details of each are described later.

2. TG-ROIC

Efforts to improve TG-ROIC, our unique internal metric, are ongoing. Here, we outline some of our initiatives to reduce the TG-ROIC denominator—inventories and non-current assets. We aim to optimize inventories at each location by identifying asset stagnation points within plants using a goods and information flowchart as well as by setting goals. We are also promoting a global TPS member training project to ensure that initiatives led by the head office are implemented quickly and firmly at each region and site. (The number of overseas participants increased from 18 in FY2024 to 34 in FY2025.)

For non-current assets, although the payback period for new equipment investments has been shortened compared with conventional levels, we are working to further shorten and tighten it for efficiency-focused investments in particular, strengthening advance reviews of planned content and payback periods through internal review meetings. In addition, we have set investment guidelines linked to TG-ROIC targets and promote overall investment restraint by effectively utilizing existing assets while prioritizing allocation of new investment funds.

In addition to TG-ROIC, we are working to accelerate cost planning initiatives. In the automotive parts industry, the profitability of each product varies significantly depending on the timing of new models and model changes. To make the most of this opportunity, we must enhance added value at the development and design stages, thereby improving profitability.

Looking at initiatives to spread awareness within the Company, from March 17 to 19, 2025, we held the Financial Accounting (FA) Summit for the first time. A total of 90 people, including local heads and assignees from the accounting functions of 37 domestic and overseas affiliates, gathered together to share activities from various regions centered on financial policies, exchange best practices, and engage in active discussions. In addition, with the cooperation of the Production Research Division and the Automotive Business Management Division, we achieved a common understanding of the initiatives to reduce inventories and non-current assets, which form the TG-ROIC denominator, thereby promoting further deepening and embedding of TG-ROIC activities going forward.



Financial Accounting (FA) Summit

Financial Strategy

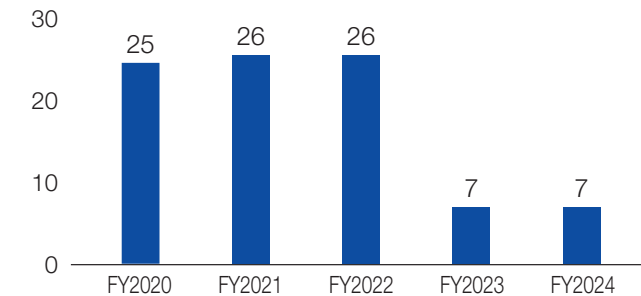
3. Leveraging

Cross-shareholdings

Reducing cross-shareholdings is one of the main ways we are working to improve our balance sheet management. Previously, we held shares in around 30 companies, but by the end of the previous fiscal year, we had reduced this to seven, including shares we hold in Toyota Group companies.

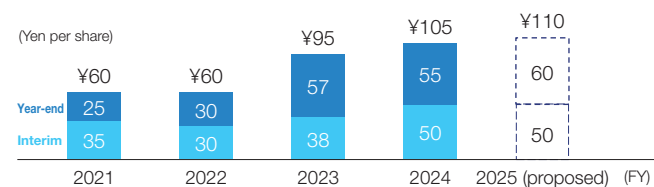
Number of Stocks Held

(Number of companies)



Enhancing Returns to Shareholders

For dividends, in line with our financial policy of ensuring consistent dividend growth, we have set a minimum target dividend on equity (DOE: Dividends/Shareholders' equity (consolidated)) of 2.5%. Also, we will conduct share buybacks when opportune to do so to optimize our capital structure. We have significantly reduced cross-shareholdings and used the proceeds for share buybacks. Through these shareholder return initiatives, we aim to enhance capital efficiency more than ever before and improve Total Shareholder Return (TSR) that exceeds our cost of equity in a stable and long-term manner.



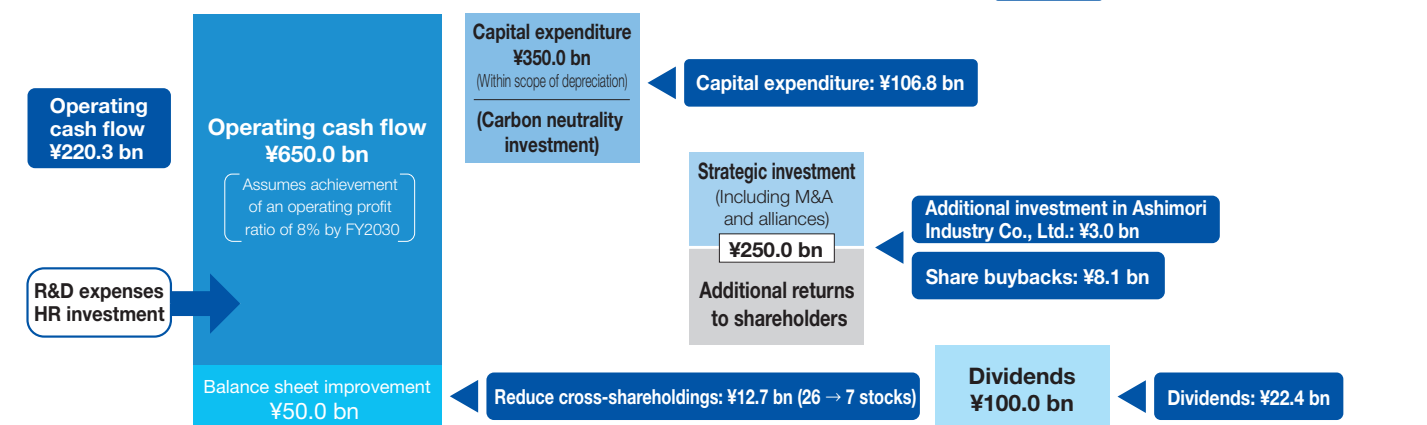
Cash Allocation

Assuming that we achieve the management targets of the 2030 Business Plan, we estimate that the operating cash flow generated from FY2023 until FY2030 will be approximately 650 billion yen. At the same time, we will promote efficiency using TG-ROIC as a key performance indicator and further reduce cross-shareholdings.

We will invest 350 billion yen in capital expenditure mainly in our priority businesses and regions. For shareholder returns, as explained earlier, we have earmarked at least 100 billion yen as a source of funds to ensure consistent dividend increases. With the remaining 250 billion yen, we will make additional investments in highly profitable projects, as well as in discontinuous growth areas such as M&A and alliances, depending on the business environment and growth opportunities. In the absence of such investment opportunities, we will strategically allocate the cash to be used for additional shareholder returns from the perspective of improving capital efficiency.

The operating cash flow for the last two years exceeded the initial plan due to the strong performance of our current operations. Based on the aforementioned financial policy, we have also worked to reduce cross-shareholdings and use the proceeds for share buybacks.

Cash Allocation



Sustainability Management

Basic Approach to Sustainability Initiatives

Toyota Gosei's Company Creed of "Boundless Creativity and Social Contribution" was formulated based on the Five Main Principles of Toyota, and has been passed down from generation to generation as the basis of Toyota Gosei's management. This thinking is also seen in our sustainability concept of contributing to solving environmental and social issues through our business activities.

To continue to be a company that is trusted and valued by stakeholders and society, we will pursue management that integrates key sustainability issues with our medium- to long-term business plan, aiming for the sustainable development of society and sustainable growth of Toyota Gosei in line with the changing times.

Examples of our major products that contribute to resolving environmental and social issues



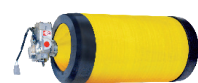
Examples of our major products that contribute to resolving issues

Energy-saving LED technology is also used to contribute to hygiene by disinfecting air and surfaces and purifying water



Safety system products (such as airbags)

Contributes globally to reducing the number of traffic fatalities and injuries

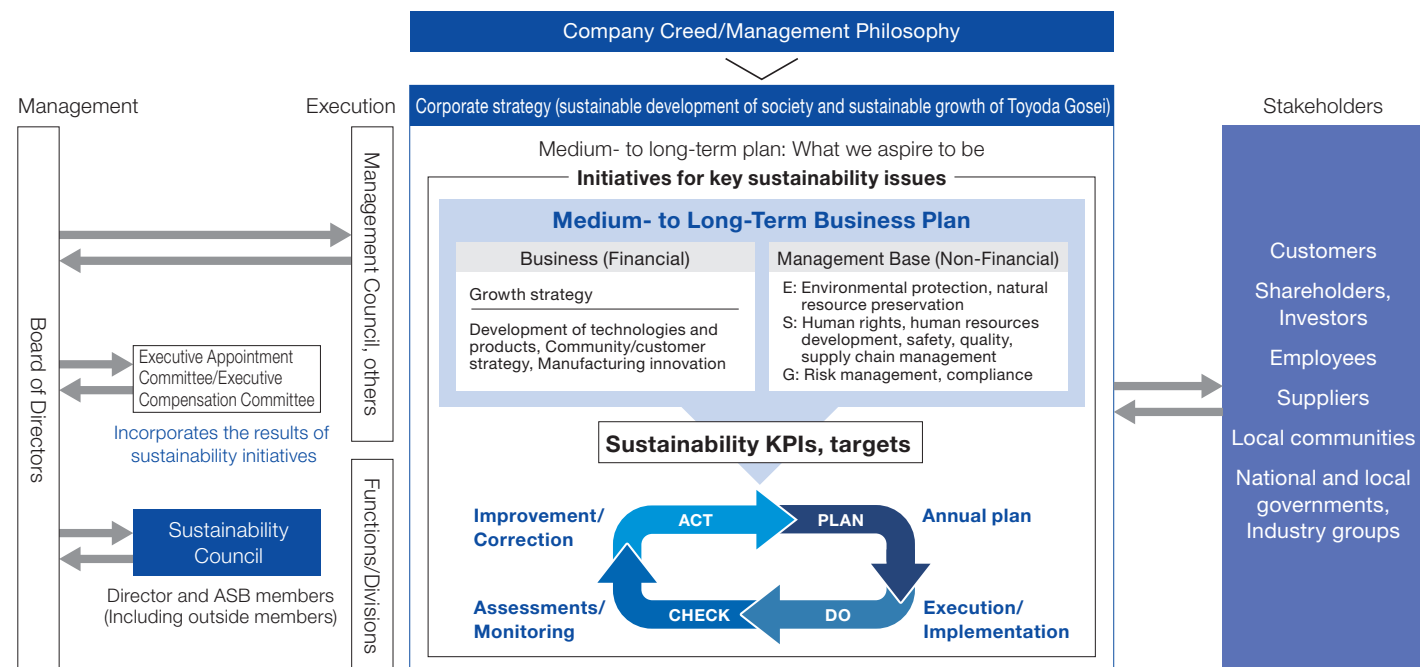


FCEV products (hydrogen tanks)

Contributes to achieving a "hydrogen society" for carbon neutrality and reduced environmental impact

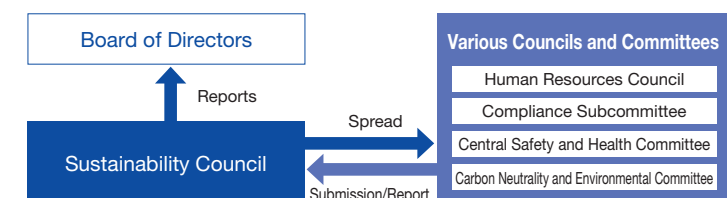
Implementation System

We have built a management system to further efforts for the sustainable development of society and sustainable growth of Toyota Gosei through business activities based on our Company Creed and Management Philosophy. Emphasis is placed on repeated dialogue with all of our stakeholders, establishment of KPIs and targets to achieve our medium-term business plan, and performing the PDCA cycle.



Sustainability Council

In this Council, in order to accelerate our sustainability initiatives, we have established the structure shown on the right to deliberate and decide on priority issues and confirm the status of implementation.



Quality Assurance

Through Collective Effort, Striving to Be Recognized as the “Quality TG” by All Global Customers

Makoto Kawase

Chief of Quality Assurance Headquarters



Our Commitment to Quality Assurance

TQM*¹ Initiatives for Enhancing Corporate Structure

Based on the basic principles of TQM, we are implementing TQM initiatives throughout the company to enhance product and work quality and human and organizational vitality to create a flexible and strong corporate structure. In addition to traditional improvement initiatives such as the Workplace Management Improvement Initiative and Global Small Group Initiatives, we have established a new TQM philosophy based on the concept of anticipating change and changing how we do work, and are taking action accordingly. We are also working on fostering a corporate culture and developing the kind of people that will drive reforms and innovation in response to an evolving business environment.

*¹ Total Quality Management

Establishing a Quality Mindset of Customer First and Quality First

In response to the Global Safety and Quality Declaration issued by the president, all employees make a Declaration of Thought and Action to put Customer First and Quality First in their respective positions and jobs while regularly reflecting on their own actions and utilizing the Quality Learning Center as an educational venue for instilling a quality mindset.

Greater Adaptation of Global Small Group Initiatives

We are promoting the invigoration of small group initiatives, with a focus on China and the ASEAN region. We have resumed the TG Global Small Group Initiatives Convention after a six-year hiatus and are working to promote the exchange of ideas and know-how.



Global Small Group Initiatives Convention

Ensuring Manufacturing Quality and Continuous Improvement Initiatives

In order to deliver safe and reliable products to our customers around the world, we are working toward self-contained processes*², particularly in the production process of safety parts, which are directly related to the basic performance (driving, turning, stopping) and safety of vehicles.

Furthermore, to create manufacturing sites that are resilient in times of change, we are implementing Quality Assurance Declaration Activities led primarily by manufacturing section managers. These activities focus on three pillars: Developing People, Developing Processes, and Preventing Recurrences. Once the targets are achieved, section managers issue a declaration of assurance to the president and area managers.

*² Based on the philosophy of “Quality is built into the process,” we will not produce or pass on defective products in any of our processes.



On-site confirmation meeting by the president and chiefs of division

Strengthening Governance for Better Regulatory Compliance

To ensure that regulatory certification operations can act more independently and with more robust auditing capabilities, we transferred these operations from the Development Division to the Quality Assurance Headquarters, and in June 2025, we launched the Regulatory Compliance Division. To communicate the importance of regulations to all employees globally, we are working to strengthen governance by promoting regulatory education and establishing regulatory compliance frameworks. In addition, company executives personally visit worksites to hear firsthand about issues such as operational challenges and are continually promoting initiatives to address them.

Quality Assurance System Adapted to New Technologies and Newly Developed Products

We have obtained ISO 9001/IATF 16949 certification, and have established a quality management system. We are also building quality into new products using an Initial Management System that checks the degree of completion of each process from planning to design to production. We are continuously improving the Initial Management System to flexibly adapt to new technologies and newly-developed products driven by innovations such as CASE and CN/CE, as well as emerging business areas like software, service-based businesses, collaborations with new customers and alliance partners, and short-term development projects.

Promoting Flexible Human Resource Development for a Changing Environment

The continued advancement of DX means that it has become essential to cultivate talent capable of leveraging AI and big data to efficiently reform work processes. Therefore, we are enhancing practical education so that it can incorporate Statistical Quality Control (SQC) and Machine Learning (ML). We are also promoting Value Creation Community Activities with the aim of fostering a corporate culture that allows us to meet challenges in value creation head-on.



Value Creation Community Activities in session

Environment

We will dedicate our concerted strength to taking on the challenges of carbon neutrality, a circular economy, and being nature positive.

Hiroshi Yasuda

Chief of Carbon Neutrality and Environment Promotion Division



Contributing to Environmental Preservation through All Our Business Activities

Toyoda Gosei Charter for Global Environmental Conduct

We will strive to conduct business activities in a way that takes into account and contributes to the preservation of the environment throughout the entire product lifecycle, from materials procurement to disposal, in order to achieve carbon neutrality, a circular economy, and nature positivity.

We will also maintain an environmentally-conscious mindset as a member of the local community and collaborate with stakeholders to undertake conservation activities.

TG2050 Environmental Challenge

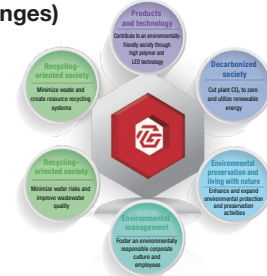
The Toyoda Gosei Group specializes in the field of rubber and plastic polymers. Our symbol is the benzene ring, a hexagonal hydrocarbon structure that is the starting point for polymers. Borrowing from the six sides of the benzene ring, the TG2050 Environmental Challenge sets six challenges to enhance our environmental efforts with a long-term view to the year 2050.

As a roadmap to achieve that, we have formulated a five-year Environmental Action Plan and are actively working toward its implementation. Furthermore, in August 2023, we announced our decision to accelerate the achieving of carbon neutrality (Scopes 1 and 2) from 2050 to 2030 to enhance our response to climate change issues.

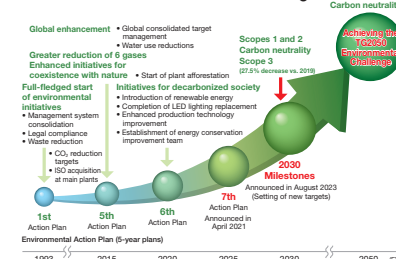
Environmental Code of Conduct

1. Promote business activities that take into account and contribute to the preservation of the environment
2. Promote environmental management and compliance with environmental laws and regulations
3. Collaborate with stakeholders in environmental initiatives
4. Proactively disclose information in accordance with global standards

TG2050 Environmental Challenge (6 Challenges)

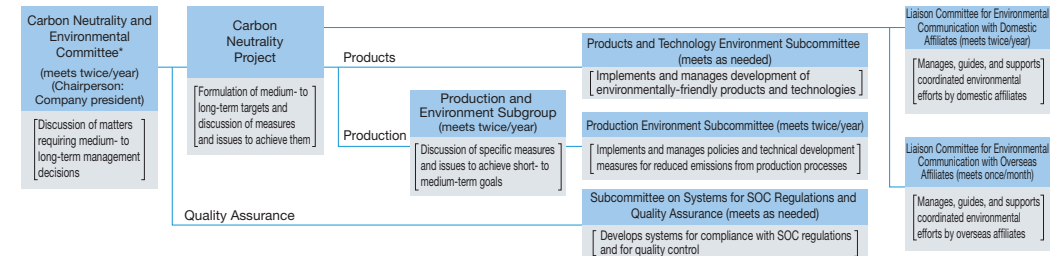


Medium- to Long-Term Scenarios for Achieving the TG2050 Environmental Challenge



Environmental Organization

Environmental Organizational Structure

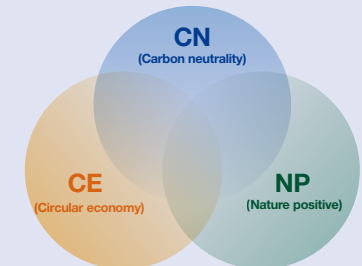


* The Carbon Neutrality and Environmental Committee is positioned within the organization as shown in the Corporate Governance System chart (see p. 59), and the deployment of policies from the Carbon Neutrality and Environmental Committee, the Production and Environment Subgroup, and the respective subcommittees to plants and other operations is done by establishing expert committees in accordance with the ISO 14001 system at each plant.

Recent News

Formulation of the 8th Action Plan Now Underway

Now that we have established a clear path to achieving the goals of the 7th Environmental Action Plan, we are currently formulating the 8th Environmental Action Plan for the period from 2026 to 2030. This plan aims to accelerate the achievement of carbon neutrality, a circular economy, and being nature positive.



High Marks from CDP: Working to Further Enhance Environmental Activities

We received our first-ever "A" score, the highest possible rating, in the corporate survey conducted by CDP^{*1}, an international environmental non-profit organization. In supplier engagement evaluations, we were selected for the Leaderboard, a distinction reserved for those with the highest assessments, for the sixth year running. We also received a Leadership Level^{*2} rating of A- (A minus) in the area of Water Security.

To further enhance our environmental activities, we identify issues, make improvements, and strive for a higher level of overall performance.



*1 A UK-based non-profit organization (NPO) that has major companies and cities around the world disclose information on how they are addressing issues such as climate change and water management, which it then analyzes and evaluates. The organization conducts its investigations with the support of institutional investors and is one of the most trusted rating organizations among investors.

*2 Four evaluation levels are defined based on ratings: A and A- (Leadership Level), B and B- (Management Level), C and C- (Awareness Level), and D and D- (Disclosure Level).

Environment

Building a Decarbonized Society

In order to achieve the Paris Agreement's goal of limiting the global average temperature increase to 1.5°C above pre-industrial levels, greenhouse gas emissions must be reduced to virtually zero by 2050. Toyota Gosei recognizes societal demands for transitioning to a decarbonized society, supports the climate change countermeasures established under the Paris Agreement, and is working to bolster its environmental initiatives accordingly.

Disclosure of Strategy and Other Information Based on TCFD Recommendations

In May 2019, we expressed our endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and conducted a scenario analysis of risks, opportunities, and responses based on the Guide. We are accelerating our efforts across our business activities and proactively disclosing relevant information, including incorporating the results in our 2030 Business Plan and reviewing our TG2050 Environmental Challenge and 2030 milestones.



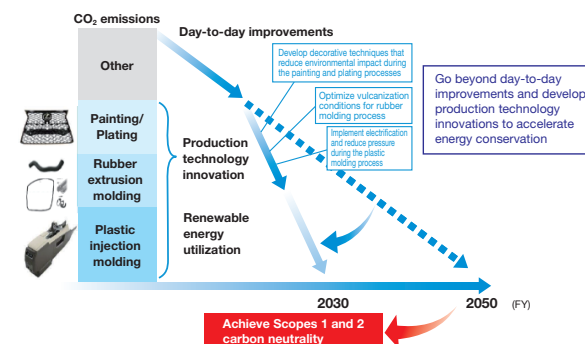
For initiative details, refer to our website.

Initiatives to Achieve Carbon Neutrality

In 2023, we formulated an action plan to achieve carbon neutrality for CO₂ emissions (Scopes 1 and 2) we produce through our production and other activities, with the goal of realizing net zero CO₂ emissions throughout the entire value chain by 2050. To achieve this, we are accelerating daily improvements and production technology innovations to minimize energy consumption. When updating equipment, we are actively making environmental investments by introducing Internal Carbon Pricing (ICP) to facilitate the transition to a decarbonized society.

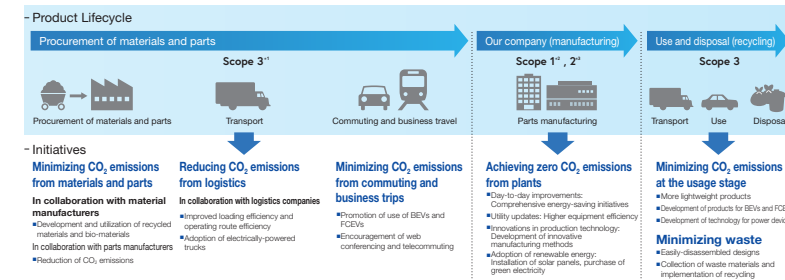
Also, we are utilizing renewable energy sources, such as green power, to meet necessary energy demands. We are reducing CO₂ emissions throughout the entire product lifecycle (Scopes 1, 2, and 3) by improving the productivity and efficiency of logistics, in addition to more lightweight designs for products leading to even higher vehicle fuel efficiency.

Initiatives to Achieve Carbon Neutrality



Initiatives to Reduce CO₂ Emissions in the Value Chain

— Toward Carbon Neutrality in the Value Chain by 2050 —

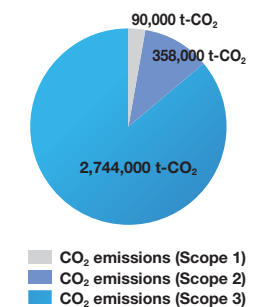


*1 GHG emissions in the supply chain indirectly emitted by the company (e.g., raw material production, transportation, business trips, commuting)

*2 GHG emissions directly emitted by the company itself (e.g., fossil fuels, natural gas)

*3 GHG emissions indirectly emitted by the company (e.g., purchased electricity)

CO₂ emissions for FY2023 Global



Collaborations with Suppliers

We have formulated our medium- to long-term goals so that they are in line with achieving carbon neutrality by 2050, and we are focusing on helping approximately 125 key domestic suppliers make progress on their own carbon neutrality roadmaps.

In FY2024, we held individual briefing sessions for approximately 30 suppliers whose carbon neutrality progress had fallen behind schedule, and visited seven key suppliers to discuss issues and provide support. We have also begun expanding our initiatives in Japan to a global scale, sharing information and providing support through monthly regular meetings as we work toward decarbonization across our entire supply chain.



Obtained International Certification for Decarbonization (SBT Certification)

In November 2023, we obtained certification from the Science Based Targets initiative (SBTi), an international initiative, recognizing our 2030 targets as being aligned with the Paris Agreement's objectives.



SBT Certification Targets Our FY2030 CO ₂ Reduction Targets (Compared to FY2019 levels)		SBT Standard
Scopes 1 + 2	-46.5%*1	-46.2% or more (1.5°C level)*2
Scope 3 (Category 1)	-27.5%	-27.5% or more (WB2°C level)*2

*1 The 2030 target aims to achieve carbon neutrality by combining renewable energy and other measures.

*2 Refers to CO₂ reduction levels aligned with global warming targets, where "1.5°C level" means keeping temperature increases below 1.5°C, and "WB2°C level" means well below 2°C.

Environment

Building a Recycling-Oriented Society

In order to mitigate resource depletion and water risks, we not only take measures for defects and yield, which are the focus of our manufacturing divisions, but also work on emission control and recycling involving material and production technologies in the sourcing divisions for contributing to the attainment of a recycling-oriented society. For water, we identify risks in each location where we conduct business globally while also striving to reduce risks by reducing water usage, recycling water, and returning cleaner wastewater to the community.

Risks and Opportunities Related to Resource Recycling

We consider risks and opportunities related to resource recycling as important management issues, and we are working on them company-wide as one of our priority issues to be addressed.

Issue	Risks	Opportunities	Measures
Resource depletion (shortage)	Reduced earnings and production hindered by difficulty in procurement of raw materials and price hikes	- Improved earnings through recycling technology and reduced material usage volume - Improved corporate value through development of the above-mentioned technologies	- Development of more lightweight products - Development of recycling technology for raw materials - Expanding the use of plant-derived biomaterials and recycled materials
Water risk (quantity and quality)	- Production hindered by difficulty in securing water necessary for production - Drop in product quality due to deterioration in water quality - Production hindered by water damage	- Improved earnings through reuse of water and reduced water usage - Improved corporate value through development of the above-mentioned technologies	- Development of water reuse technology - Expanding the use of rainwater - Review of production system and installation locations of electrical facilities

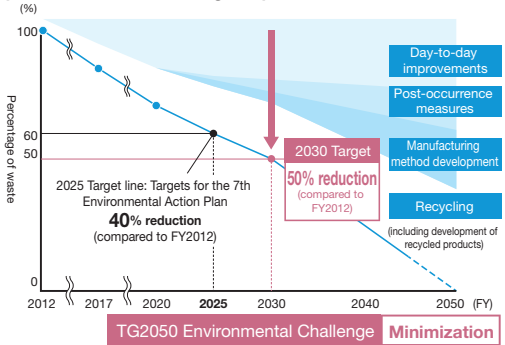
Reduction of Industrial Waste

Establishment of 2030 Milestones

To minimize waste volumes by 2050, we have set a medium-term target of halving waste by 2030 and are taking action accordingly.

Specifically, we are working to reduce industrial waste through measures such as curbing emissions, addressing sources of waste, recycling rubber and plastic scraps, and ensuring thorough sorting to maximize resource utilization.

Scenario for Minimizing Amount of Industrial Waste (Waste Reduction Diagram) (Non-consolidated)



Milestones for Minimizing Waste Volume (Global)

Item	2025	2030	2050 (FY)
Toyoda Gosei	Compared to FY2012: 40% reduction	Compared to FY2012: 50% reduction	Minimization of waste volume
Overseas affiliates	Compared to FY2015: 50% reduction	Compared to FY2015: 55% reduction	

Development of Product Recycling Technology

We develop and design easily-recyclable products and materials by taking into consideration the entire lifecycle of automobiles. We are also developing recycling technology for waste material and ELV parts.

Technology Development for Recycling ELV*1 Parts

Key Item	Measures Implemented
New recycling	- Composite material separation technology - New recycling technology (high-quality material recycling)
Use of recycled materials in vehicles	- Devulcanization technology for waste materials and ELV parts - Development of uses for recycled materials
Design of easily-recyclable products	- Product design for easy dismantling - Materials and composition changes for easy recycling

*1 ELV: End-of-life vehicle

Effective Use of Resources

We are developing products that make effective use of scraps and waste materials, such as those from airbags and cowhide, which are necessarily generated in the course of production activities. We have also launched Re-S (pronounced “reez”) as the brand under which the products developed through these efforts are sold.

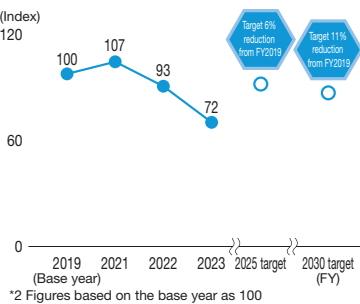


Reducing Water Risks

In terms of water necessary for business activities, we comply with the laws and regulations established by each country. Also, we are assessing risks in both water usage and water quality in Japan and international locations, and making improvements at high-risk locations.

Even at low-risk sites, we are working to reduce water intake amounts by implementing measures such as utilizing rainwater. We are also working to systematically upgrade our wastewater treatment facilities to produce even cleaner wastewater.

Water intake per unit sales (index*2) (Non-consolidated)



Milestones for Minimizing Water Risk (Global)

Item	2025	2030	2050 (FY)
High-risk areas	Water quality (4 sites) Measures implemented at 2 sites	Measures implemented at 4 sites (all sites)	Minimization of water risk
	Water intake amount (7 sites) Measures implemented at 3 sites	Measures implemented at 7 sites (all sites)	
Low-risk areas	Compared to FY2019: Water intake per sales unit: 6% reduction	Compared to FY2019: Water intake per sales unit: 11% reduction	

Environment

Environmental Preservation and Building Environmentally-Friendly Societies

To develop products and processes that are people- and planet-friendly, we are stepping up efforts to improve how we select and manage chemical substances while working to enhance our environmental management practices in accordance with ISO 14001, such as by ensuring compliance with domestic and international laws and regulations and meeting customer standards. Based on the “nature positive” concept, we have set coexistence with local communities as one of the key issues (materiality) to conserve biodiversity, and are working on woodlands creation, building of biotopes, and conservation initiatives for tidal flats.

Environmental Preservation

Management of Environmentally-Impactful Substances

We manage substances subject to laws and regulations in each country and region, substances subject to voluntary restrictions by automakers, and other substances independently restricted by Toyota Gosei by classifying them into three levels: Prohibited, Reduced, and Managed. We are also putting in place a framework that enables us to effectively keep pace with trends in evolving regulations such as the EU REACH Regulation*1 and the EU RoHS Directive*2.

*1 “Registration, Evaluation, Authorisation and Restriction of Chemicals,” a regulation concerning chemical substances and their safe use, handling, and applications *2 “Restriction of Hazardous Substances,” a directive that restricts the use of certain hazardous substances in electrical and electronic equipment

Trends in Environmental Regulations

Regulations and rules governing chemical substances are being expanded and strengthened to reduce the risks to human health and the environment posed by their manufacture and use, and to support the transition to a circular economy.

	1990s and earlier	2000s	2010s	2020s	2030 and beyond
	Hazard management (Use prohibitions and restrictions)	Risk management (Preventive measures based on the combined assessment of hazard and exposure)	Efforts toward a recycling-oriented economy (Information disclosure and registration obligations)		
Europe	★ 67/548/EEC ★ 76/769/EEC	★ European ELV Directive ★ EU POPs Regulation ★ REACH Regulation	★ BPR Regulation	★ EU POPs Regulation revisions	★ European ELV Regulation
North America	★ TSCA (USA) ★ CEPA (Canada)	★ Proposition 65 (California) ★ CEPA (Canada) revisions	★ TSCA (USA) revisions ★ Flame retardant regulations (California)	★ Proposition 65 (California) revisions ★ Act to Stop PFAS Pollution (Maine)	
Asia	★ Enactment of Chemical Substances Control Law (Japan) ★ Revisions of Chemical Substances Control Law (Japan) ★ Toxic Chemicals Control Act (South Korea) ★ Hazardous Substance Act (Thailand)	★ Revisions of Chemical Substances Control Law (Japan) ★ 4SOC/JAMA targets (Japan) ★ ELV regulations (South Korea and China)	★ Act on Preventing Mercury Pollution of the Environment (Japan) ★ Taiwan/Korea REACH	★ BIS Standards (India)	

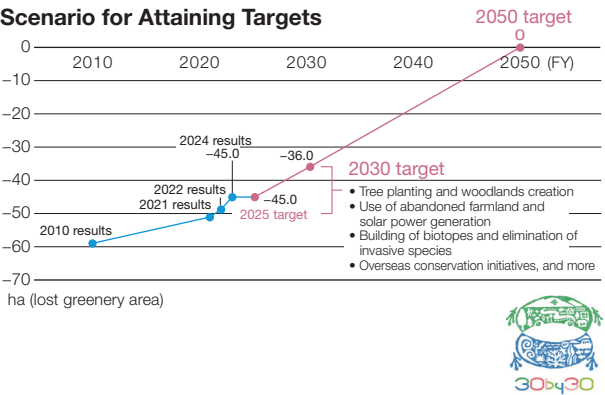
Compliance and “Zero Abnormalities, Zero Complaints” Environmental Initiatives

Our environmental inspections are conducted on a regular basis by specialized divisions. We are also carrying out preventive initiatives as risk countermeasures, such as holding Environmental Conservation Working Group meetings. In addition, we analyze cases of problems that have occurred at other companies and conduct inspections of our own equipment that is similar to the equipment in these cases, including at our domestic and overseas affiliates, to ensure such incidents do not occur within our own operations. There were no environmental abnormalities in FY2024.

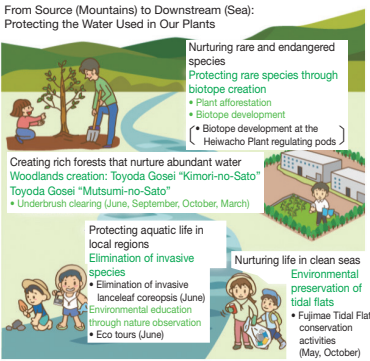
Environmentally-Friendly Societies

Conservation Initiatives

We have set a “No Net Loss of Greenery” goal of restoring 59 hectares of greenery by 2050, which is equivalent to the area of our plants, and are conducting initiatives to achieve this goal. Specifically, under the slogan “Connecting Activities with Water, the Source of Life,” we are conducting initiatives in the areas of mountains, rivers, and oceans. Among these efforts, the biotope maintained on the Company premises has been recognized as a biodiversity conservation area, designated as a “Nature Coexistence Site” by the Ministry of the Environment.



Connecting Activities with Water, the Source of Life



Disclosure of Strategy and Other Information Based on TNFD Recommendations

In June 2025, following a framework based on the recommendations of the TNFD (Taskforce on Nature-related Financial Disclosures, an international initiative for the conservation of biodiversity), we disclosed on our website the risks, opportunities, and actions taken related to the natural environment that arise from our business activities. We have also registered on the TNFD website as a company that has declared its intention to disclose information in line with the TNFD’s recommendations (a “TNFD Adopter”), and we will continue to strive toward more transparent disclosure of information related to our environmentally-conscious business activities.

For initiative details, refer to our website.



DX

We are taking the lead in the transformation of workplaces, businesses, and management through the development of IT and digital platforms and the provision of digital solutions.

Masayoshi Hachisuka
Chief of IT Digital Headquarters



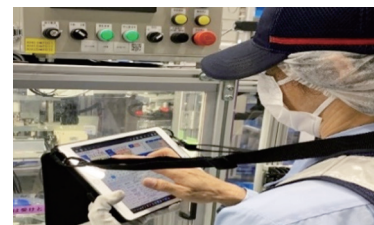
Development of IT and Digital Solutions Driving Transformation of Core Business Processes

We are working to renew the core processes of our engineering and supply chains while promoting the digitalization and application of all information, including sales, design, production preparation, procurement, manufacturing, logistics, and quality control information. For example, we have used product orders as a trigger to enable centralized management of development schedules, product specifications, drawings (3D models), and more on a global scale, achieving significant improvements in operational efficiency and freeing up resources for redeployment.

As a new initiative, we are systematizing operational processes for product design reviews and working to improve design quality and shorten lead times for production readiness. In logistics, we are automating on-site materials conveyance and using AI-leveraged load measurement to streamline loading and other processes. We are also leveraging production performance data and quality traceability systems to improve productivity and shorten lead times at our manufacturing sites. Another of our new initiatives is digitalizing our equipment maintenance operations, aimed at shifting toward predictive maintenance that enables us to take action before failures occur.

In our back-office operations, we are renewing processes such as production management, accounting, and human resources management through the modernization of outdated legacy systems. We have begun an across-the-board reconstruction of our financial and management accounting systems to curtail inefficiencies in indirect administrative work and reduce managerial workloads. These efforts are also expected to enable us to better analyze costs related to material market conditions, labor expenses, and other challenges that have become more significant in recent years, and to refine the detail and precision of ROIC indicators.

Through these multifaceted initiatives, we are accelerating the streamlining and refinement of our core operations, enabling fast, data-driven decision-making and more strategic resource allocation.



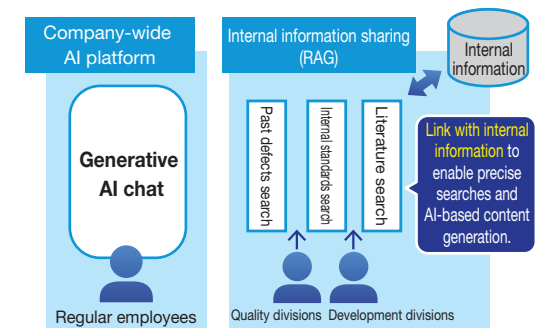
Digitalized inspections for more efficient maintenance

Development of IT and Digital Platforms Supporting the Promotion of DX

1. Harnessing the Power of Generative AI

We are working to improve operational productivity by creating an environment in which all employees can use generative AI services and providing education to foster their effective utilization. We are also developing a retrieval-augmented generation (RAG) platform to more effectively leverage internal data and knowledge with generative AI.

Through these initiatives we are focusing on improving the quality of our operations by, for example, enabling the high-precision extraction of information from R&D data amassed over time and the efficient gathering of necessary information.



2. Digital Human Resources Development

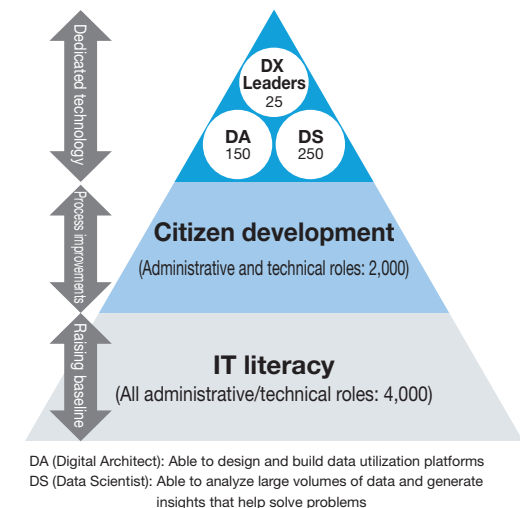
With an eye toward cultivating human resources capable of using digital technologies and data at an advanced level, we are rolling out companywide education programs to improve IT literacy, including familiarity with generative AI, in addition to specialized training in cloud technologies and data science.

We have developed a structured curriculum and learning environment and proactively support the study efforts of our employees so that they are always learning. We are also focusing on the “citizen development” aspect of developing our people and supporting employees to automate and streamline their own work. These are just some of the examples of how we are harnessing the power of digital technology to increase workplace productivity.

3. Cybersecurity Measures

With the risk of information leaks and production or shipment stoppages caused by increasingly sophisticated and severe cyberattacks escalating by the day, cybersecurity is a major risk to company operations. We are bolstering countermeasures across the entire supply chain, including suppliers, while also conducting training and establishing frameworks as part of our cyber business continuity planning (BCP) efforts to ensure a rapid response in the event of an attack.

Conceptual Overview of Digital HRD



Supply Chain Management

We aim to enhance our connections with suppliers and work together as one to achieve mutual sustainable growth.

Shuji Watanabe

Chief of Purchasing Headquarters



Basic Procurement Policy

Toyoda Gosei has set a [Basic Procurement Policy](#) structured around three pillars and based on the concept of coexistence and co-prosperity with our suppliers. We aim to deepen our partnerships with suppliers—of which there are around 600 in Japan and a total of more than 2,000 worldwide—to achieve sustainable growth for all parties.

1. Globally Optimized Procurement | 2. Mutual Development Based on Mutual Trust | 3. Efforts for a Sustainable Society

Stronger Collaboration for Globally Optimized Procurement

To achieve the goals of our 2030 Business Plan, we have been working to enhance our global procurement collaboration. We hold regular meetings and conduct site visits, focusing on formulating global strategies for key items decided in alignment with each region and business headquarters, enhancing procurement functions, ensuring the widespread adoption of sustainability initiatives, supporting the execution of local strategies, and identifying potential risks.

Support for Suppliers So That We Can Grow Together

We provide support for the initiatives of the Kyowa-kai, which is organized by suppliers for the purpose of mutual learning and the horizontal sharing of best practices, helping to build momentum for the efforts of its three committees to achieve goals such as carbon neutrality.

Since 2022, the Winning (Value) Technology Exhibition has been hosted by the Kyowa-kai with the aim of enhancing competitiveness. More than 30 suppliers have participated, and this has resulted in an increasing number of collaborative achievements in FY2024, including partnerships between suppliers. We also support our suppliers by implementing various initiatives from the perspective of SQDC. Particularly in terms of safety, we implement fire prevention inspections for production equipment and proactive prevention initiatives based on risk assessments. For quality and production, we pursue reforms and improvements on-site through manufacturing innovation initiatives, all while linking these efforts to talent development support.

We conduct annual evaluations of all suppliers and audit those that meet certain criteria. In FY2024, we visited ten suppliers to provide hands-on support for improvement efforts.

Sustainability Initiatives

In FY2024, we formulated the [Supplier Sustainability Guidelines](#), which set forth policies on areas such as human rights, labor, the environment, and compliance, with content tailored to the particular conditions of each region, and are rolling them out globally. Suppliers are asked to endorse the guidelines and to carry out initiatives such as conducting self-assessments to enhance sustainability, thereby promoting efforts toward improvement.

As part of our efforts to ensure responsible sourcing of resources and raw materials, we conduct an annual survey on conflict minerals with the cooperation of all our suppliers. We are also helping our employees better understand this issue by providing education for procurement staff through introductory training and regular departmental meetings. Toyoda Gosei is taking the necessary action to ensure sustainable growth across our entire supply chain in a way that responds to the changing expectations of society in general.

Ensuring Fair Transactions

Toyoda Gosei conducts open, fair, and appropriate transactions and engages in responsible procurement with its suppliers, never engaging in dealings in a way that takes advantage of its superior position as a purchaser of goods and services.

We are also working to ensure fair transactions based on our [Declaration of Partnership Building](#), with the aim of increasing added value across the entire supply chain and promoting mutual growth and prosperity with our suppliers.

Recent News

Global Meeting

In FY2024, we visited our sites in the Americas, Europe, ASEAN, China, and India to review regional procurement strategies and discuss key issues such as priority items and sustainability with local members. We visited more than 20 local suppliers in India, Thailand, and Vietnam, which have been identified as countries with a high risk of human rights problems, to conduct human rights risk assessments.



Scene from a meeting in Europe

Support for Carbon Neutrality Initiatives

We have set Scope 1 and 2 targets for suppliers and are working with them to cut down on emissions. Our framework, which rather than merely calculating CO₂ emissions also encompasses support for developing plans and roadmaps for cutting emissions, was recognized at the Partnership Building Symposium organized by the Ministry of Economy, Trade and Industry (METI), where we were honored with the Partnership Building Award's Special Thematic Prize (GX Award).



Receiving our award at the Symposium

[For initiative details, refer to our website.](#)

Human Rights Initiatives

Basic Philosophy

The Toyoda Gosei Group respects and supports the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and other international norms. The Toyoda Gosei Group Charter for Business Ethics lays out our basic principles of “respecting human rights and the diversity, character, and individuality of each person and striving to create workplaces that are free of discrimination and harassment and always healthy, pleasant, and safe, based on labor-management cooperation.” This policy expressly prohibits all forms of harassment, forced labor, and child labor, as well as promoting fair hiring practices and respect for human rights and individual dignity.

Toyoda Gosei Group Human Rights Policy and Initiatives System

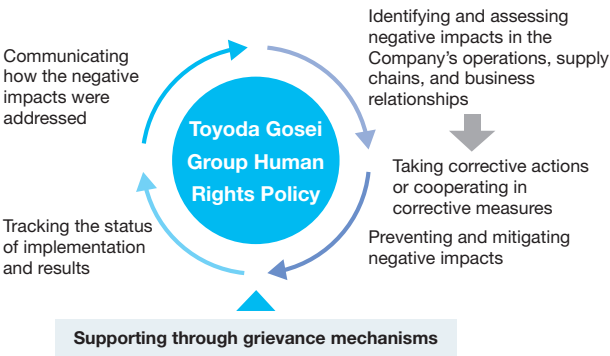
In April 2022, “Toyoda Gosei Group Human Rights Policy” was formulated. This policy was developed with input from external experts, deliberated on in the Sustainability Council with participation from all executives and division heads, and approved by the Board of Directors. To enhance management’s commitment to human rights efforts, the Sustainability Council receives biannual progress reports on these initiatives.

[For our Human Rights Policy, refer to our website.](#)

Human Rights Due Diligence

In alignment with the “UN Guiding Principles on Business and Human Rights,” the Group began implementing human rights due diligence in 2022. Human rights due diligence refers to a series of processes that identify negative human rights impacts in a company’s operations, supply chain, and other business relationships; prevent or mitigate those negative impacts; track implementation and results; and communicate how the negative impacts have been addressed.

Overall Framework for Initiatives Related to Human Rights



Human Rights Impact Assessment

The Group conducted a human rights impact assessment in collaboration with external experts, covering both Toyoda Gosei and its suppliers, to identify priority human rights issues. A preliminary study was conducted to establish a comprehensive understanding of human rights risks related to the business activities, products, and services of both the Group and its suppliers. In addition to the survey, we conducted a questionnaire, and in countries and regions with higher risks, we held interviews to assess the actual status of initiatives and identify challenges.

Significant Human Rights Issues (Within Our Group)

Significant Human Rights Issues	Affected Stakeholders	Description
Harassment	• Workers within our Group • External parties such as business partners and suppliers	All forms of harassment not only harm the dignity of victims but also cause the working environment to deteriorate. Therefore, we will enhance preventive measures and establish corrective and remediation mechanisms.
Migrant workers	• Foreign workers within our Group	Since migrant workers (especially technical trainees domestically) tend to be particularly vulnerable, we will review their working and living conditions, aiming to prevent human rights abuses and establish corrective and remediation mechanisms.
DE&I	• Workers within our Group	A lack of understanding, consideration, and efforts regarding DE&I can result in lost career advancement opportunities, harassment, and discrimination. Therefore, we will enhance DE&I initiatives and build an environment where diverse talent can thrive.

Consultation and Relief Services

We provide internal and external consultation channels accessible to employees of the Company and domestic affiliates. These services allow for anonymous consultations and reports, ensuring that no employee faces adverse treatment for seeking advice or reporting issues. Additionally, since April 2024, we have participated in JP-MIRAI Assist, which supports multilingual services and offers a specialized consultation system for foreign technical trainees.



Recent News

Overseas Supply Chain Initiatives

We conducted risk assessments of our overseas supply chains that take into account the particularities of each region and country, and identified child labor, forced labor, and migrant labor as priority risks. In March and April 2025, we visited 23 suppliers in India, Thailand, and Vietnam, where the risk of these human rights issues arising is particularly high. Suppliers conducted self-assessments in advance of our visits, after which we reviewed regulations and other documents, and carried out on-site activities such as workplace inspections. We provided support for immediate rectification of deficiencies that were identified as a result of these visits, and confirmed that there were no major issues that could pose risks to human rights. Going forward, we will continue to prevent and rectify human rights risks through self-assessment tools and other means.

Health and Safety

Basic Philosophy on Health and Safety

The Toyoda Gosei Group considers employee safety and mental and physical health to be one of the most important management issues, and we do our best to ensure safe, comfortable workplace environments for all business activities.

Health and Safety Initiatives

Based on the Basic Philosophy above, the Toyoda Gosei Group has formulated and rolled out a Safety and Health Declaration for our health and safety activities.

Safety and Health Declaration	1. We will comply with all laws and company regulations and standards related to safety and health.
	2. We will keep in mind that “Safety takes priority over everything else” and ensure that each and every one of us acts in a “safety-first” manner.
	3. We will engage in initiatives with a sense of ownership, and strive to foster a culture of safety in which all employees participate and are mutually enlightened.

Targets and Achievements (Global)

We believe it is the Company’s responsibility to ensure that everyone who works for us returns home in the same good health as when they arrived at work. We have implemented various measures to achieve our goal of zero critical*1, severe*2, and STOP7*3 accidents on a global basis aimed at a zero-accident, zero-incident workplace.

	Results	Evaluation
No. of critical accidents	0	0 ✓
No. of severe STOP7 accidents	0	4 ×

*1 Critical: Death
*2 Severe: Victim loses part of body (or function)
*3 STOP7: Seven events that may cause serious injury: (1) Crushing or entanglement, (2) Heavy object, (3) Drop or fall, (4) Electric shock, (5) Vehicle, (6) Hot object, explosion, or gas, (7) Amputation

In FY2024, we achieved the global goal of zero critical accidents, although four serious STOP7 accidents involving “crushing or entanglement” occurred at our own facilities and at domestic and overseas subsidiaries.

To prevent a recurrence of such accidents, we are comprehensively reviewing our safety initiatives and promoting measures such as revising lockout procedures and introducing risk assessments for machinery.



A machinery and equipment risk assessment training session

For initiative details, refer to our website.

Health Management Initiatives

We conduct health management activities so that all people working in the Toyoda Gosei Group can continue working in both mental and physical health.

Health Declaration: To Achieve “Boundless Creativity and Social Contribution”

- 1. We believe the health of our employees is an important management resource and will strive to foster a corporate culture that puts safety and mental and physical health first.
- 2. We will strive to create positive and lively workplaces where employees can work energetically, and develop our personnel.
- 3. To help improve the health of employees and their families, we will raise health awareness for disease prevention.

KPIs and Initiative Details

We have established the “Health Challenge 8” (weight, breakfast, alcohol consumption, snacking, non-smoking, exercise, sleep, and stress) as our KPIs for employee health, and are rolling out a diverse array of health promotion initiatives. Key health initiatives include seminars for employees aged 55 and 60 to help them continue to work in good physical condition even as they age and supporting healthy behaviors by hosting experiential events that encourage each individual to take responsibility for their own health.



An experiential health event

External Evaluations

We are certified as a Health & Productivity Management Organization (White 500) under a program promoted by the Ministry of Economy, Trade and Industry and as a Sports Yell Company 2025 Bronze Plus by the Japan Sports Agency. We have also been recognized by the Ministry of Health, Labour and Welfare for corporate excellence in cancer control.



Governance

▶ Establishing and Operating Transparent Management Systems to Further Enhance Group-wide Corporate Governance

To continue to be a trusted company, we are working to enhance corporate governance throughout the Toyoda Gosei Group. We are improving the appropriateness and efficiency of our operations by developing and operating internal control systems to create a fair and transparent corporate governance system, while we ensure its effectiveness through management supervision and audits by outside directors and outside Audit & Supervisory Board members. Furthermore, we are also implementing legal compliance, corporate ethics, and risk management activities.

Basic Philosophy

We believe improving and strengthening corporate governance in order to ensure robust, efficient business management is essential to achieving sustainable growth. Accordingly, we are building and maintaining fair and transparent management and organizational systems that can respond effectively to a changing business environment. Additionally, Toyoda Gosei pursues consummate corporate governance by voluntarily implementing a range of policies in accord with the letter and spirit of the ideals and principles in Japan's Corporate Governance Code, formulated by the Financial Services Agency and the Tokyo Stock Exchange.

Corporate Governance System

Toyoda Gosei has chosen an audit and supervisory board company 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 ten directors and holds regular meetings on a monthly basis (extraordinary meetings held as needed), where matters prescribed by law or in the Articles of Incorporation and important matters such as strategies related to corporate management are reported and resolved.

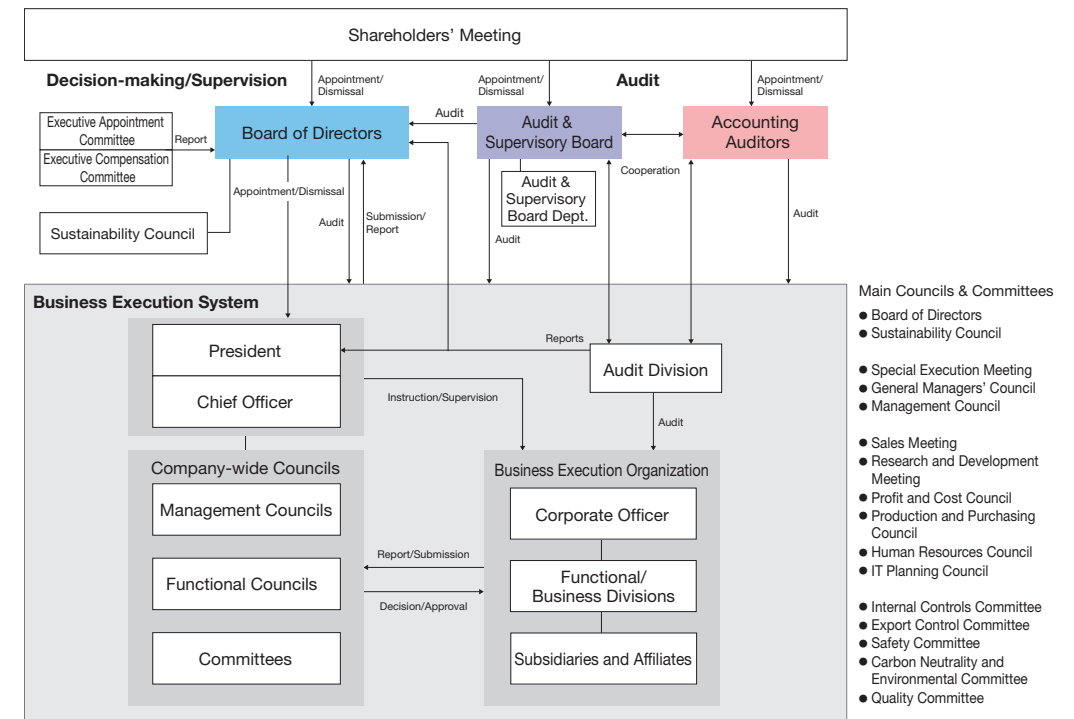
A system of corporate officers is used to speed up decision-making and business execution. Furthermore, by introducing the Chief Officer System in June 2023 and transferring some of the president's authority and responsibilities to the Chief Officers, we intend to achieve global optimization of priority functions, transcending regional and business boundaries in order to realize strategically driven operations that are executed with speed. Additionally, in June 2024, we delegated part of the Board of Directors' decision-making authority to the executive side. Through this, we aim to enrich the discussion of management strategies in the Board of Directors, establish new Special Execution Meetings on important matters, and enhance execution speed and autonomous management.

Moreover, for important business matters, decision-making meetings on important matters, General Managers' Council and Management Council meetings are held monthly. Functional meetings and committee meetings relevant to key areas such as safety, quality, environment, technology, revenue, and personnel are also held as needed to ensure appropriate 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. The Company uses 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.

Also, in order to enhance the supervisory function of the Board of Directors and to increase the objectivity and transparency of the decision-making process, we have established the Executive Compensation Committee and Executive Appointment Committee under the Board of Directors as non-mandatory advisory committees.

Corporate Governance System



Governance

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 on important matters, 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 initiative to improve and reinforce them. In April 2023, we revised the basic policy with the aim of enhancing and operating internal controls, including those for subsidiary management. In June 2025, to further reinforce our framework for legal and regulatory compliance, we will transfer the Regulatory Compliance Office, established in June 2023, from the Development Division to the Quality Assurance Headquarters and elevate its organizational standing from an Office to a Division. This will allow our regulatory certification operations to act more independently and with stronger auditing capabilities.

Regarding Group management, to cultivate a healthy internal controls environment at Toyoda Gosei and its subsidiaries, all Group companies are guided by our common Management Philosophy. Shared compliance guidelines, the Toyoda Gosei Group Charter for Business Ethics, have also been instituted and rolled out to subsidiaries. While respecting the independence of subsidiary management, we 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.

Executive Compensation Committee and Executive Appointment Committee

Toyoda Gosei's Executive Compensation Committee and Executive Appointment Committee are composed of members of which more than half are outside directors. The chair of both committees is appointed from outside directors to further enhance transparency and objectivity.

Name	Role	Members	Attendance (FY2024)
Executive Compensation Committee (Number of meetings in FY2024: 1)	Deliberates and reports on the compensation system for directors and their individual compensation (restricted stock-based compensation, etc.)	Naoki Miyazaki, chairman	1/1
		Katsumi Saito, president	1/1
		Mayumi Matsumoto, outside director (chairperson)	1/1
		Takashi Wada, outside director	1/1
		Masanori Furukawa, outside director	1/1
		Shigeki Maeda, outside director	1/1
		Makoto Aou, outside director	1/1

Name	Role	Members	Attendance (FY2024)
Executive Appointment Committee (Number of meetings in FY2024: 1)	Deliberates and reports on proposals regarding the appointment and dismissal of directors and Audit & Supervisory Board members (appointment of the president, etc.)	Naoki Miyazaki, chairman	1/1
		Katsumi Saito, president	1/1
		Mayumi Matsumoto, outside director (chairperson)	1/1
		Takashi Wada, outside director	1/1
		Masanori Furukawa, outside director	1/1
		Shigeki Maeda, outside director	1/1
		Makoto Aou, outside director	1/1

Sustainability Council

We established our Sustainability Council, which convenes twice a year, with the aim of achieving sustainable corporate growth, improving corporate value, and contributing to the sustainable development of society. In this Council, we carefully discuss and decide on key action items related to sustainability in line with the times and confirm how the initiatives are progressing with a sense of urgency. Chaired by the president, the Council consists of all directors, including those from outside the company, Audit & Supervisory Board members, and general managers of divisions, including those in overseas regions, and implements balanced sustainability measures with a high degree of objectivity and transparency.

Policies and Procedures to Appoint and Remove Senior Officers and Nominate Candidates for Directors and Audit & Supervisory Board Members

Nominations of candidates for directors and Audit & Supervisory Board members are made after deliberation and reporting by the Executive Appointment Committee, followed by a resolution of the Board of Directors and a subsequent Shareholders' Meeting. Senior officer and director candidates are appointed on the basis of a comprehensive evaluation of their ability to quickly make correct judgments, the respect in which they are held by others, and their fulfillment of legal and ethical obligations, while also ensuring that the management team and Board of Directors as a whole possesses the appropriate balance of knowledge, experience, and capabilities.

The nomination policy for Audit & Supervisory Board member candidates is to nominate candidates from a comprehensive perspective of putting the right person in the right position while ensuring a balance through diverse perspectives on corporate management, including knowledge of finance, accounting, and legal affairs, and understanding of the Company's business. If a candidate for senior officer or director is found to have committed any fraudulent act or seriously violated any law or regulation, or the Articles of Incorporation, we will take procedures for their dismissal.

Governance

Skills Matrix

- The following table shows the expected fields of expertise of each director and Audit & Supervisory Board member based on their past experience.
- The composition of our Board of Directors and Audit & Supervisory Board as a whole takes into consideration the balance of knowledge, experience, and abilities, as well as the diversity and number of members.

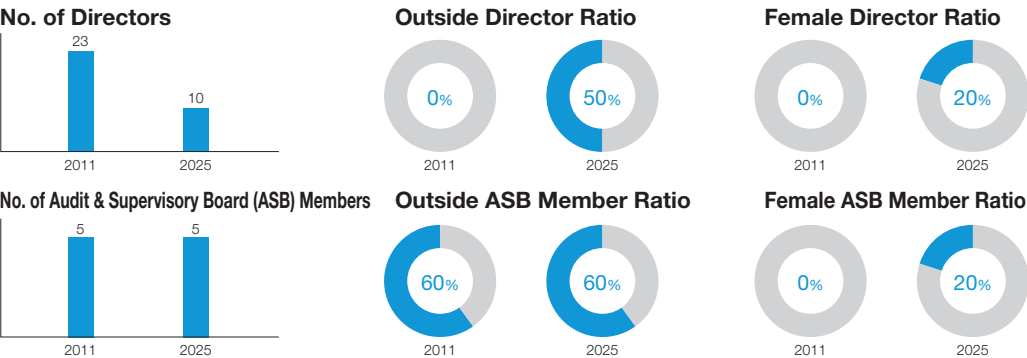
Position	Directors										Audit & Supervisory Board members					Skill Selection Reasons/Definitions
Name	Naoki Miyazaki	Katsumi Saito	Hiroshi Yasuda	Mitsuhito Nawashiro	Masayoshi Hachisuka	Mayumi Matsumoto	Takeshi Wada	Masanori Furukawa	Shigeki Maeda	Makoto Aou	Kenji Oiso	Yoshiyuki Fujita	Chika Kako	Hitoshi Kuwayama	Masahiko Yokoi	
						Outside Independent	Outside Independent	Outside Independent	Outside Independent	Outside Independent			Outside Independent	Outside Independent	Outside Independent	
Skills																Skills required by the Board of Directors and Audit & Supervisory Board are selected to implement the medium- to long-term business plan with the aim of achieving sustainable growth and increasing the corporate value of the Company.
Corporate management	●	●	●	●	●		●			●		●			●	
Global	●	●	●	●	●				●			●				
Finance/Accounting	●	●	●		●						●					
Legal/Risk management	●	●			●			●	●					●	●	
Technology/Development			●	●								●	●			
Manufacturing (Production/Quality management)			●	●			●					●	●			
Sales				●								●				
Environment/Energy	●		●			●							●			
Personnel	●	●				●	●	●	●	●					●	
DX	●	●	●	●	●		●		●	●						
New business (non-automotive)	●			●			●	●		●						
Executive Compensation Committee (◎ indicates chairperson)	○	○				◎	○	○	○	○						
Executive Appointment Committee (◎ indicates chairperson)	○	○				◎	○	○	○	○						
Attendance at Board of Directors' meetings (FY2024)	13/13	13/13	13/13	13/13	— ^{*1}	10/13	13/13	11/11 ^{*2}	11/11 ^{*2}	11/11 ^{*2}	13/13	— ^{*1}	13/13	13/13	13/13	
Attendance at Audit & Supervisory Board meetings (FY2024)	—	—	—	—	—	—	—	—	—	—	13/13	— ^{*1}	13/13	13/13	13/13	

*1 Appointed June 2025 *2 Attendance since June 2024

Governance

Changes in Numbers of Directors and Audit & Supervisory Board Members

In 2011, Toyoda Gosei downsized its Board of Directors from 23 to nine, and in 2012 adopted a system of corporate officers. It appointed its first outside director in 2015. The Board currently comprises ten directors, five of whom are outside directors, accounting for 50% of the total number of directors. Two of the outside directors are women. The outside director appointments have increased the Board's objectivity and diversity.



Major Initiatives to Enhance the Governance Structure

	2012	2015	2019	2020	2021	2022	2023	2024
Board of Directors and Audit & Supervisory Board	Reduced number of appointed directors		- Changed ratio of outside directors to 33% (1 in 3) - Established Executive Compensation Committee and Executive Appointment Committee - Appointed a female director	- Appointed an independent outside director as chairperson of each committee - Appointed a female Audit & Supervisory Board member				- Changed ratio of outside directors to 50% - Changes to Board of Directors' decision-making authority (delegation of partial authority to the executive side)
Operational frameworks	Adopted a corporate officer system	- Reduced the number of corporate officers - Started implementation of Japan's Corporate Governance Code					Adopted the Chief Officer System	
Councils and committees	- Corporate Conduct Ethics Committee - Environmental Committee		Changed name to Compliance and Risk Management Committee		Established the Sustainability Council	Changed name to Internal Controls Committee		Changed name to Carbon Neutrality and Environmental Committee

Board of Directors

The Board of Directors deliberates on the direction of management, including management and business strategies, from many different perspectives, then reports, discusses and makes resolutions on progress as necessary. In this way, the Board supervises from a number of different viewpoints on whether management strategies are being executed appropriately. To enrich strategy discussions and ensure ample time for in-depth debate, we established Special Execution Meetings on important matters on the executive side and delegated the authority to make certain decisions. In addition to enhancing the Company's internal control systems and risk management systems, in recent years the Board of Directors has been working to achieve sustainable corporate growth amid a volatile business environment characterized by shifting market conditions, and worsening economic security, geopolitical risks, and environmental problems.

Main Agenda Items and Reports by the Board of Directors in FY2024

Topic	Main Agenda Items and Reports
Management/ Business strategies	- Medium- to long-term business strategy - New business strategies - Annual management plan - Domestic and overseas subsidiaries' business strategies (expansions, mergers, downsizing) - Business execution reports (results, production, quality, safety, technology/development, intellectual property, priority risk management, etc.) - Progress report on matters resolved by the Board - Cross-shareholdings - Issuance of bonds
Corporate	- Financial results, etc. - Appointment of directors and Audit & Supervisory Board members, appointment of executives, executive compensation - Sustainability measures - Internal control systems, internal audit department reports
Investment and loan projects	- Investment in buildings and facilities for expansion of domestic and overseas production bases - Financing for domestic and overseas subsidiaries

Number of Agenda Items and Reports by the Board of Directors in FY2024

	Q1	Q2	Q3	Q4	Total
Agenda items	20	4	6	13	43
Reports	11	9	12	10	42
Total	31	13	18	23	85

Governance

Evaluation of the Effectiveness of the Board of Directors

Effective functioning of corporate governance is essential for the Company’s sustainable growth, to enhance corporate value, and to contribute to the sustainable development of society. Therefore, to ensure the effectiveness of the roles and responsibilities of the Board of Directors, each year members of the Board are asked to share their opinions and assessments. The Board of Directors then analyzes, evaluates, and deliberates on measures for improvement.

In FY2024, debriefings with all ten directors and all five Audit & Supervisory Board members were conducted to assess their performance. As a result, Toyoda Gosei found improvements in each area of its assessments and concluded that the Board continues to function effectively. In particular, the Company continued to receive high ratings for the composition and scope of its Board of Directors, its openness and candid discussions, and the support for outside directors. We believe that questions and opinions from outside officers are important for our decision-making process, and we will continue these efforts.

Regarding the discussion of medium- to long-term strategies identified as an issue in the FY2023 effectiveness evaluation, discussions commenced in FY2024 on initiatives (directional approaches) linked to the 2030 Business Plan and organized by business and function. However, some suggested that there was a need to improve the quality of strategic discussions, so we worked to improve the effectiveness of the Board of Directors. This involved refining the agenda by delegating authority to the executive side and revising submission criteria, thereby securing time for long-term and strategic discussions. To help outside directors and outside Audit & Supervisory Board members develop a more thorough understanding of our current situation, challenges, and strategies, we provided additional information through activities such as outside officer liaison meetings, pre-meeting explanations, and site visits. The result of these efforts was that participants felt strategies were now debated adequately and changes in the business environment were incorporated into discussions in a timely manner. We will work to further improve the effectiveness of the Board in the current fiscal year.

Board Effectiveness Evaluation Process

Evaluation Method	Debriefing Items (Main Items)
Interviews: Ten directors and five Audit & Supervisory Board members Evaluation process: Analysis of interviews and debriefing results to ensure anonymity	• Roles and responsibilities of directors • Deliberations within the Board • Supervisory function of the Board • Support for outside officers Note: More detailed sub-items are laid out under the main items of the debriefing to allow for a well-rounded evaluation.

Issues Evaluated in FY2023 for Board Effectiveness and Initiatives in FY2024

FY2023 Effectiveness Evaluation Issues	Initiatives in FY2024
Expansion of discussions concerning strategy is necessary	<u>Review of Agenda Items:</u> • Reported on strategies (business, regional, functional) and expanded discussions on target direction and overall objectives (financial objectives) <u>Ensuring Sufficient Time for Discussion:</u> • Introduced a written reporting system • Reports on the progress of business execution and resolution items changed to detailed reports at the outside officer liaison meetings • Partial delegation of authority (Increasing the monetary threshold for Board of Directors resolutions and transferring authority to meetings for deciding important matters, etc.)
Provision of opportunities for outside directors to recognize next-generation executive candidates is necessary	• Corporate officers and below served as presenters at the Board of Directors, pre-meeting explanations, and outside officer liaison meeting to identify next-generation leadership candidates
A system design for executive compensation that addresses social issues is necessary	• Established a system that links social needs and incentives by setting non-financial evaluation items as E (CO₂ emissions) and S (number of female managers, engagement score), and expanding the range of variation based on target achievement levels

FY2024 Board Effectiveness Evaluation Results (Issues)

Issues Identified	Measures
Further discussions are required regarding overall optimization (prioritization and strategic focus of business areas across the entire company and within regions)	Deepen discussions that take into account the allocation of resources (business × regional priorities)
Opportunities for information exchange between outside and internal officers outside of the Board of Directors would be beneficial	Utilize outside director networking events to foster communication between internal and outside officers

Governance

Expected Roles of and Support for Outside Directors

We have appointed five outside directors, each with a wealth of experience and keen insight, primarily in areas such as corporate management, manufacturing, environment and energy, international affairs, public administration, advanced IT, DX, new business creation, talent development, and organizational management. To further promote diversity on the Board of Directors and the advancement of women, we have appointed two female directors. The five outside directors adeptly fulfill monitoring and advisory roles in addition to actively participating in Board discussions. In their monitoring role, they receive support in the form of departmental briefings on business operations and challenges and direct access to frontline operations through site visits to domestic and overseas subsidiaries to better understand the actual state of operations. Additionally, they are briefed in advance on the content and background of resolutions to be voted on at Board meetings to facilitate sound decision-making.

At the same time, the outside directors advise on management and business challenges. Advisory opportunities include regularly scheduled liaison meetings attended by all outside officers and outside Audit & Supervisory Board members, each of whom attends various other meetings also, including the Sustainability Council, Carbon Neutrality and Environmental Committee meetings.

Outside Directors and Outside Audit & Supervisory Board Members

At the Ordinary General Meeting of Shareholders, held on June 19, 2025, Mayumi Matsumoto, Takashi Wada, Masanori Furukawa, Shigeki Maeda, and Makoto Aou were appointed as outside directors. For outside Audit & Supervisory Board members, Chika Kako was appointed, joining Hitoshi Kuwayama and Masahiko Yokoi, for a total of three outside auditors.

Appointment of Independent Outside Directors and Independent Outside Audit & Supervisory Board Members

Role	Name	Independent Director/Auditor	Reason for Appointment
Outside director	Mayumi Matsumoto	○	Toyoda Gosei benefits from Mayumi Matsumoto's management oversight and advice based on her extensive experience and high-level insight as a news anchor and researcher in the broad fields of social issues, environment, and energy. Ms. Matsumoto has been designated as an independent auditor because she meets the requisite criteria and is deemed free of potential conflicts of interest with regular shareholders.
	Takashi Wada	○	Takashi Wada contributes management oversight and advice based on his extensive experience and expertise running manufacturing companies over many years. Mr. Wada has been designated as an independent auditor because he meets the requisite criteria and is deemed free of potential conflicts of interest with regular shareholders.
	Masanori Furukawa	○	Masanori Furukawa, with a background as a city council member and mayor, devoted nine terms (36 years) to local government and municipal administration. His extensive experience and high level of insight are expected to provide valuable oversight and advice for the Company's management. Mr. Furukawa has been designated as an independent auditor because he meets the requisite criteria and is deemed free of potential conflicts of interest with regular shareholders.
	Shigeki Maeda	○	Shigeki Maeda brings rich international experience from years of overseas assignments and a broad network within government agencies and the business world, supported by his role as a JETRO board member overseeing organizational operations and management. Drawing on this wealth of experience and deep insight, he provides supervision and advice on our Company's management. Mr. Maeda has been designated as an independent auditor because he meets the requisite criteria and is deemed free of potential conflicts of interest with regular shareholders.
	Makoto Aou	○	Makoto Aou has an entrepreneurial and managerial background in advanced IT business, as well as experience supporting companies in new business creation, DX, and diversity promotion. Her extensive experience and insight contribute valuable oversight and advice to the Company's management. Ms. Aou has been designated as an independent auditor because she meets the requisite criteria and is deemed free of potential conflicts of interest with regular shareholders.
Outside Audit & Supervisory Board member	Chika Kako		Chika Kako's wealth of experience and keen insight gained from her career at Toyota Motor Corporation, where she served mainly in vehicle development and materials development roles and was involved in management as a managing officer, are expected to enhance the auditing of the Company.
	Hitoshi Kuwayama	○	Hitoshi Kuwayama's extensive experience and deep insight as a lawyer are expected to enhance the auditing of the Company. Mr. Kuwayama has been designated as an independent auditor because he meets the requisite criteria and is deemed free of potential conflicts of interest with regular shareholders.
	Masahiko Yokoi	○	Masahiko Yokoi's extensive experience and deep insight as a manager are expected to enhance the auditing of the Company. Mr. Yokoi has been designated as an independent auditor because he meets the requisite criteria and is deemed free of potential conflicts of interest with regular shareholders.

Executive Compensation

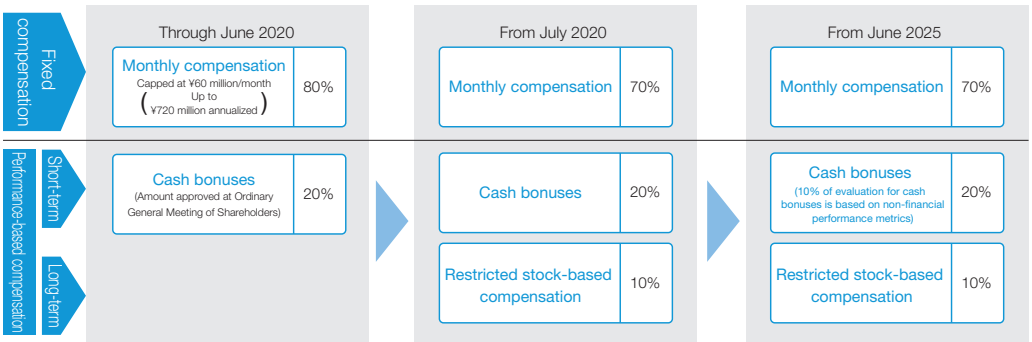
Directors' compensation consists of monthly fixed compensation and performance-based compensation in the form of cash bonuses (short-term incentive) and stock-based compensation (long-term incentive) based on the idea that directors should be appropriately incentivized to pursue sustained growth in Toyoda Gosei's value. Directors' compensation is split roughly 70:20:10 among monthly compensation, cash bonuses, and stock-based compensation, respectively.

Governance

Monthly compensation is set at a fixed amount that reflects the recipient’s job responsibilities and experience as well as compensation levels at other companies. Cash bonuses are based primarily on fiscal yearly consolidated operating profit. Secondary variables that factor into their determination include the degree to which fiscal yearly plans are attained, employees’ bonus levels, bonus levels at other companies, medium- to long-term earnings, previously paid bonus amounts, and contributions to ESG management. Regarding the key issues identified in the FY2023 feasibility assessment, namely the executive compensation system addressing social issues, a revised system design incorporating increased non-financial evaluation items and weightings was completed and put into effect starting in FY2025.

Stock-based compensation is intended as an incentive to promote sustained growth in Toyoda Gosei’s value. It is paid in the form of restricted stock-based compensation to promote greater alignment with the objectives of other shareholders.

Director Compensation Scheme



Directors’ aggregate annual cash compensation (monthly compensation plus bonuses) is capped at 650 million yen (outside directors’ share included). Directors’ aggregate annual restricted stock-based compensation is capped at 100 million yen (outside directors are not eligible for restricted stock-based compensation). The compensation caps were approved at the Ordinary General Meeting of Shareholders on June 12, 2020. The total compensation for outside directors has been revised to a maximum annual limit of 100 million yen, as resolved at the Ordinary General Meeting of Shareholders held on June 14, 2024.

Outside directors and Audit & Supervisory Board members receive only fixed monthly compensation because their role is to oversee and audit management from an independent vantage point. Individual directors’ compensation is set in accord with the above policies following a fair and transparent review/reporting process by the majority-independent Executive Compensation Committee. During the FY2024 Executive Compensation Committee, discussions were held regarding the review of non-financial evaluation criteria, and the results were integrated into the compensation system.

Total Compensation for Each Officer Class, Total by Each Type of Compensation, and Number of Officers Receiving the Compensation

Officer Class	Total Executive Compensation (Million yen)	Total Amount by Type of Compensation (Million yen)			Officers Applicable to (People)
		Fixed Compensation	Performance-based Compensation	Non-cash Compensation	
		Monthly Compensation	Cash Bonuses	Stock-based Compensation	
Director (excluding outside directors)	355	206	117	31	5
Audit & Supervisory Board members (excluding outside members)	77	77	—	—	2
Outside officers	87	87	—	—	9

Notes: 1 The cash bonus represents the provisions for FY2024.
2 The above number of officers includes one outside officer who retired upon the conclusion of the 101st Ordinary General Meeting of Shareholders held on June 14, 2024.

Internal Audits, Audit & Supervisory Board Members’ Audits, and Accounting Audits

We have set up the Audit Division to handle internal audits. With the aims of achieving financial objectives and preventing misconduct and errors of judgment, 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, Special Execution Meeting on Important Matters, General Managers’ Council, and Management Council, 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 Audit & Supervisory Board members’ audits. The certified public accountants who performed the FY2024 accounting audit of Toyoda Gosei were Satoko Nakatani and Kosaku Kawahara of PricewaterhouseCoopers Japan 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.

Dialogue with Outside Directors

We want to see a proactive management approach, embracing change and moving swiftly to create sustainable value



Masanori Furukawa

Appointed 2024
Previously served as a member
of the Gifu Prefectural Assembly
and Mayor of Tajimi City

Makoto Aou

Appointed 2024
Founder and CEO of
LEO Co., Ltd.

Takashi Wada

Appointed 2023
President and Representative
Director (previously Chairman) of
Sanken Electric Co., Ltd.

Shigeki Maeda

Appointed 2024
Previous positions include
Executive Director of JETRO and
Ambassador Extraordinary and
Plenipotentiary to the Kyrgyz
Republic

» Governance systems have evolved over the past year.
Speed and diversity remain issues.

Wada: Looking back over the two years since I became an outside director in 2023, I feel that both internal controls and internal audit systems have become very well established. However, there are still instances where I feel things could be done a little more quickly, and amid significant annual capital expenditures, cases have arisen where verifying the appropriateness of asset management has become rather complicated. If I were to rate the governance system out of 100, I would give it an 80.

Going forward, I believe it will be crucial to harness the power of DX to streamline the management process and further strengthen governance. In today's world, a company's greatest weapons are speed and adaptability. Since last year, we have been transferring authority to the executive side to accelerate the pace of execution, and we intend to continue supporting swift decision-making moving forward. To that end, a relationship of trust between us outside directors and the executive side is crucial.

Furukawa: I would probably give it an 85 out of 100. Having observed the company for a year since becoming an outside director last year, I feel its governance structure is of a high standard for a trillion-yen enterprise employing almost 40,000 people worldwide. I don't believe any organization can achieve a perfect score of 100/100, but if pressed to identify the remaining 15 points, that is the areas where we fall short, one would be speed, as Director Wada also pointed out. Another factor is diversity, I suppose.

What is needed to strengthen governance is not just systems

Dialogue with Outside Directors

as such, but also flexible thinking and diverse perspectives. Toyoda Gosei had a culture reminiscent of an all-boys school,



but with female corporate officers being appointed, I'm optimistic that the greater diversity will translate into even better governance.

Aou: I would have to give it an 85, too. Our assessment is that governance functions adequately in the context of protection. Internal controls, internal audits, and compliance are extremely robust. And it's quite open as a corporation, isn't it? It's easy to think of the manufacturing industry as conservative, but Toyoda Gosei is different. As an outside director, there is emotional safety in being able to frankly admit, "If I don't understand something, I don't understand it." This has helped me express my opinions based on a correct understanding.

For instance, after board meetings, I often find myself in discussions with corporate officers, and they'll ask me quite directly "What exactly do you think we should do?" about a particular situation. I believe these kinds of candid, forthright conversations show a willingness to embrace change and try to improve.

When it comes to the aggressive part of building new businesses, speed is certainly important, but DE&I is also vital. We should be more proactive in hiring diverse talent such as foreign nationals, LGBTQ individuals, and people with disabilities, not to mention women, and thus creating new businesses for a new era.

Maeda: For me, I would rate the overall management as an 80, not just the governance. Toyoda Gosei is a subsidiary of the world's largest automobile manufacturer group, offering absolute stability backed up by its history, proven track record, product strength, and technological development capabilities. They form the very core of corporate value.

On the other hand, I sometimes feel that there is a tendency to be somewhat insensitive to changes happening around us and to opt for maintaining the status quo instead.

We outside directors believe our mission is to identify issues within what is considered commonplace at Toyoda Gosei from an external perspective and provide suggestions on where we should go next, such as, "Shouldn't we approach this along these lines?"

For example, in the year since being appointed, I have pointed out issues such as: "There's room for a bit more flexibility in personnel policies. We shouldn't be held back by norms." and "Our products are world class in terms of function and performance. Why aren't we more active in promoting them to the general public?" Such proposals have recently been put into action in a proper manner. I feel the pace within the Company has clearly changed.

As outside directors, we should act as catalysts rather than mere overseers. This means fostering chemical reactions within the company from various perspectives and encouraging employees to develop an awareness of change. To achieve this, it is essential to carefully communicate any observations

or feelings of concern that arise in daily conversations and adopt an attitude of thinking about them as a team.

Aou: Actually, I often hear the same thing from various people. That is to say, Toyoda Gosei's outside directors truly possess diverse backgrounds.

Furukawa: I agree. The outside directors at Toyoda Gosei, myself included, do not simply recite what's written in books or quote the words of economists. Instead, we each offer individual, specific opinions based on our experiences from entirely different backgrounds. Toyoda Gosei has a mindset of actively listening to external opinions and striving to effect change. I feel that awareness has grown stronger over the past year.

Maeda: Reinforcing governance systems is essential to prevent misconduct. It is imperative that every employee adheres to compliance standards and that management conducts business with the interests of all stakeholders in mind. To achieve this, everyone must work collectively as a united team and build a strong community. Toyoda Gosei's Company Creed and Management Philosophy permeate the entire company. Under the slogan "ONE TEAM, ONE TG," it is crucial that employees understand this philosophy and apply it to their daily work and I personally feel that Toyoda Gosei is succeeding in this regard.

What changes are now required of Toyoda Gosei?

Wada: I'd like to talk about how I feel about the compensation system. I believe it is necessary to increase the proportion of variable compensation in the current executive compensation structure. Numerical targets for variable compensation should include multiple specific goals disclosed externally, such as profit and loss results (PL), ESG, and ROIC. Meet these targets

Dialogue with Outside Directors

and you will be rewarded. Fail to do so and you can expect your compensation to be affected. I believe that this sort of balance and transparency are an essential part of governance.

Aou: Toyota Gosei is a formidable manufacturer, with a proven track record of “monozukuri” and technological breakthroughs. Going forward, we need to increase external exchanges in order to create new value. Currently, members of the New



Value Business Division are focusing their efforts on listening directly to the market. It may take some time, but I expect that shifting from closed innovation to open innovation could open up new markets for us.

Wada: “Not clinging to past policies” is the key point. It’s acceptable to make changes on the fly. China’s regulations changed, US policies shifted, and exchange rates have fluctuated significantly. In these situations, flexibility is vital to allow for immediate adjustments to policy as needed. Staying wedded to plans slows down progress.

The ability to adapt flexibly, even if it means challenging one’s own assumptions, is essential in the times ahead. One of my favorite sayings is the Serenity Prayer. It contains the phrase:

“God, grant me the serenity to accept the things I cannot change, the courage to change the things I can, and the wisdom to know the difference.” While there are things that shouldn’t be changed, everyone should embrace the mindset that things that can be changed should be. Trends such as these are beginning to emerge, but management must constantly assess the situation and remain unafraid of change.

Furukawa: Modern corporate management must adapt flexibly to changes in the external environment. For example, even if a prepared agenda list exists for the Board of Directors, important current events such as the merger of automobile manufacturers or trends in US tariffs should naturally take priority for discussion. And this is how things are actually being handled currently. I believe things are changing substantially.

Aou: I agree. Things have changed significantly. We actively engage in personnel exchanges with external organizations, and we’ve developed a flexibility that allows us to work alongside people who bring new cultures and values to the table.

However, I still don’t think it’s enough. When it comes to DX initiatives, it seems there’s too much insistence on trying to do everything in house. We’re pouring a lot of time and effort into developing digital talent, like generative AI specialists, but it’s not translating into results quickly enough. Our company has many members with technical backgrounds, and their intellectual curiosity about technology is impressive. However, it is also necessary to advance our efforts by enlisting the support of external expertise. The lack of cross-functional coordination, with DX initiatives being driven solely at headquarters, is resulting in missed opportunities.

Maeda: Perhaps we haven’t fully clarified what we aim to achieve with DX. The goal seems to be to streamline operations in order to reduce indirect costs and increase profits, but that

is not the essence of digital transformation. DX is simply a tool for business transformation. We need to develop a mindset focused on how to streamline overall management using digital tools. From that perspective, if DX initiatives remain isolated and organizations fragmented, the desired outcomes will not be achieved. It is extremely difficult to accomplish digital transformation solely with internal personnel.

Wada: The business environment is undergoing rapid change right now. Issues of carbon neutrality, well-being, economic security, and more. One challenge after another demands our attention. To respond swiftly to such changes, we must constantly make choices: discard what needs discarding and pursue what needs pursuing. And this is where DX comes in, as it can enable us to streamline the management process.

Appropriate information disclosure from the executive side is crucial for balancing monitoring and advice

Maeda: Outside directors have two roles: supervisor and advisor. Overemphasizing monitoring can undermine operational flexibility, while excessive reliance on advice risks



Dialogue with Outside Directors

weakening the board's oversight function. We provide more in-depth advice when necessary, and as a result, I feel this leads to more effective monitoring.

Aou: Securing global talent is an urgent priority. With overseas sales accounting for at least 50% of Toyoda Gosei's revenue, global talent is now required in Japan as well. After presenting my opinion at the Board of Directors, we decided to hire several foreign nationals in Japan with an eye toward market growth. I believe this is an example of monitoring and advice working in tandem.

Wada: I feel that the quality of monitoring has improved over the past few years. Accurate information sharing is essential for monitoring, but the executive side has disclosed a great deal of information to us. We also regularly review progress on the 2030 Business Plan, with explanations provided on the current status and future challenges. This allows us to monitor progress as well, creating a situation where it's easier to offer advice such as, "This project doesn't appear very feasible," or "Perhaps we should explore a different direction."

> By leveraging our cultivated management foundation and technological capabilities, we anticipate further growth

Furukawa: Among Toyoda Gosei's competitive advantages is its rubber and plastic recycling technology. In particular, our rubber devulcanization and regeneration technology is among the most prominent in Japan. Embracing the trend of environmentally-sound manufacturing and delivering it to the market in high-value-added forms is sure to be a major growth driver for Toyoda Gosei. This technology can help meet the needs of diverse fields beyond the automobile manufacturing industry. Going forward, we plan to strengthen our resources for recycled materials, so expectations are high. Toyoda Gosei

also possesses world-leading technology in manufacturing hydrogen tanks, which could become a significant advantage for the future.

Aou: Toyoda Gosei has a culture of embracing challenges throughout its history. Originally founded on rubber and plastic operations, this company has faced numerous challenges and setbacks, yet continues to venture into new fields, such as LED technology, which hold a lot of promise. I believe it to be a company with a strong sense of entrepreneurship. The Internal Business Idea Contest to create new value has been held since 2021, and this year, the first and second place teams were led by women. The fact that many women are volunteering to take on challenges driven by an intrinsic desire to create new businesses and bring about change in the world represents significant potential for Toyoda Gosei. Expectations are high that they will build the next generation of revenue-generating capabilities.

On the matter of DE&I, I think another unique feature is the factory's thoughtful designs that accommodate a wide range of people. For example, there are production lines designed especially for pregnant women to work comfortably, making them highly gender-neutral. We should communicate more widely outside the company that it's easy for women to work here and thrive. I hope that Toyoda Gosei will emerge as a leader in DE&I within the next decade.

Maeda: It also holds significant potential for global business growth. There's no doubt that India will become a key market for the automobile manufacturing industry in the future. Toyoda Gosei entered the Indian market in 1998 and already has six production sites there, with construction of a new factory underway. We've been aggressive in pitching our products to Japanese and local automakers in the region and it is now our fastest growing market. North America also possesses a robust local production network and is actively expanding sales

to US automobile manufacturers, making it another market with promising growth prospects.

Wada: I hope the stock price will surpass the all-time high it recorded during the peak of the LED business. To achieve this, we must improve management with greater awareness of corporate value while ensuring that each employee understands how their daily work connects to that value. It is important to expand the scale of our non-automotive businesses alongside the growth of our automotive operations.

A broad range of corporate venture capital investments alone is not going to be enough. I believe there is tremendous potential for Toyoda Gosei to grow new businesses out of our unique technical competencies—GaN semiconductors, horizontal recycling of plastic, rubber devulcanization, and the like. Further refining these techniques offers us a realistic growth pathway, but we must continue challenging ourselves to create new value, and DE&I will undoubtedly play a vital role in that. Toyoda Gosei is now developing that corporate culture. I believe the Company's future is bright, but it rests on the shoulders of management and each and every employee.



Risk Management

Contributing to Sustainable Corporate Value Enhancement by Transforming Risks into Opportunities and Controlling Risks

Risks the Company Faces

Amid significant changes in the external environment—from shifts in international affairs and rising geopolitical risks to the increasing prevalence of cyberattacks—as well as growing expectations of respect for human rights and environmental regulations, the business landscape is undergoing substantial transformation. Within the automotive industry specifically, a surge in protectionism is manifesting itself via the imposition of tariffs, while the pace of the spread of electric vehicles has become more subdued. In such a challenging business environment, characterized by a broad range of risks and unpredictable changes, achieving sustainable corporate value enhancement requires proactive adaptation to changes and the implementation of risk management on a global scale.

Furthermore, in recent years, the automotive industry has faced a series of certification fraud incidents, undermining trust in product quality. In addition, compliance issues arising from improper transactions within supply chains have also emerged. The importance of risk management is greater than ever as we strive to remain a trusted “company of choice” in the eyes of stakeholders and society.

Risk Management Activities for Achieving the 2030 Business Plan

Fundamental Initiatives

The Company makes use of methods such as PEST^{*1} and 3C^{*2} to enhance information gathering and analysis. Through this analysis, we classify risks into two categories: Business Strategy Risks, which are viewed as opportunities for business growth, and Management Foundation Risks, which aim to minimize losses in the event of occurrence. Under the leadership of the CRO, we actively work to reduce each type of risk across the Group.

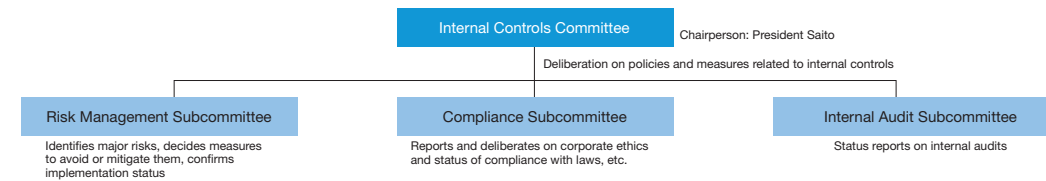
Specifically, the Internal Controls Committee, chaired by the president, meets twice annually. Within this committee, the Risk Management Subcommittee discusses key risks and follows up on risk mitigation measures. Key risks are selected annually through an analysis of external and internal environments, with risks evaluated based on their potential impact on management and the likelihood of occurrence.

For Business Strategy Risks, we formulate and execute plans for risk countermeasures, focusing on key initiatives aligned with our 2030 Business Plan. These plans are organized from both backcasting and forecasting perspectives. As part of this process, we revise strategies and apply them to our annual policies to drive further business growth. On the other hand, for Management Foundation Risks, we identify elements affecting sustainable management for each function and implement risk mitigation measures accordingly.

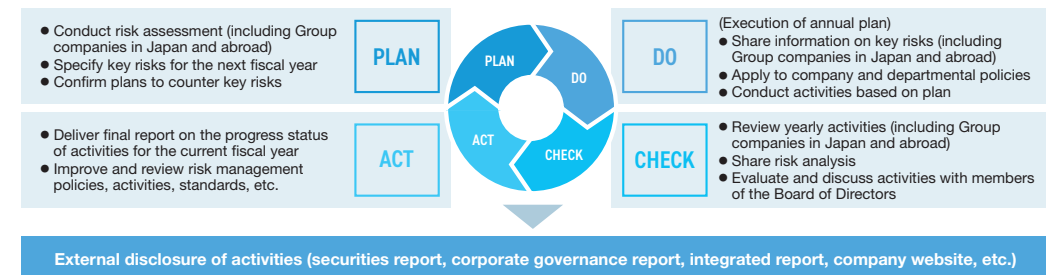
^{*1} An analytical method that categorizes the external environment into four factors—political, economic, social, and technological—to assess their impact on a company

^{*2} An analytical method that interprets the market environment from the perspectives of customers, competitors, and the company itself

Internal Controls Committee Organizational Diagram



Key Risk Management Activities



Review of FY2024

For Business Strategy Risks, we incorporated changes in the business environment, such as global economic conditions, tariff trends in major countries, the slowdown in BEV adoption, and the rise of Chinese automobile manufacturers, into each strategy to increase the certainty of achieving our 2030 Business Plan. For Management Foundation Risks, we continued our efforts to address quality certification issues in the automotive industry by enhancing organizational structures and reforming workplace culture. Specific initiatives included identifying workplace challenges while also elevating the independent organization for regulatory certification management from an office to a division in June 2025. In addition, we enhanced communication with suppliers to ensure compliance with antitrust and subcontracting laws.

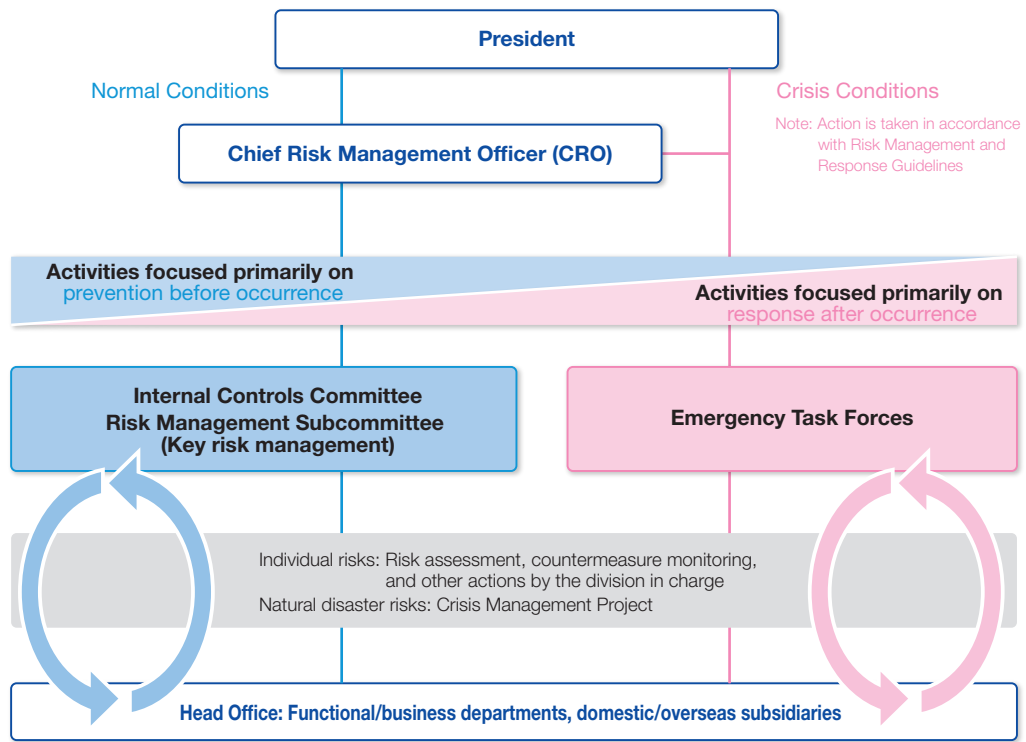
Risk Management

Among the key risks, those with significant global impact were shared with Group companies both domestically and internationally. Throughout the year, we implemented the PDCA cycle for risk mitigation measures. Particular attention was paid to compliance efforts in areas under public scrutiny, such as quality certification and transaction optimization. Matters pertaining to economic security are being addressed through a working group that reflects domestic and international trends.

We have reorganized internal functions and roles related to risk management to more effectively coordinate and manage the risk mitigation activities and post-occurrence responses that have been identified as priority initiatives for FY2024. In addition, we invited experts to provide crisis management training for officers.

Furthermore, we created the Risk Management and Response Guidelines that outline the fundamental actions to be taken in the event of a risk materializing. These guidelines specify the necessary steps to ensure swift and appropriate action if such a situation arises.

Company-wide Risk Management System



Future Initiatives

For FY2025, we have selected four key Business Strategy Risks. Among these are the risk of failing to properly work toward achieving carbon neutrality and the circular economy, and the risk of being unable to build a value chain that keeps pace with trends in the growing adoption of BEVs, including the establishment of supply chains and production systems capable of adapting to fluctuations in BEV demand. Based on this situation, we have incorporated these risks into specific business activities, such as strategic investments and product development, to drive progress.

For Management Foundation Risks, we have selected risk factors that include, the need to respond to US-China trade tensions and US-government policies, with tariffs of particular concern, as well as potential supply chain disruptions arising from inadequate responses to national regulations such as export restrictions on critical minerals. We selected a total of eight key risks, including these additions, and are working on specific measures to mitigate these risks. The selected key risks are shared with both domestic and international Group companies. Each company conducts risk assessments and independent inspection activities in collaboration with head office, implementing a group-wide PDCA cycle. In terms of economic security, the working group established in FY2023 continues to implement measures addressing legal trends in various countries. Also, in response to the changing environment and evolving requirements, we are enhancing the supply chain to ensure stable procurement of raw materials and components.

Furthermore, discussions on key risks, including those related to economic security and sudden risks arising from political instability, are held at Board meetings. Through these discussions, we continuously implement improvements that align with changing circumstances.

Examples of Key Risks

Classification		Main Key Risks
Size of risk	Large	• Addressing carbon neutrality and the circular economy (including matters pertaining to carbon pricing and rubber/plastic materials)
		• Large-scale disasters (e.g., abnormal weather)
Impact on operations (financial impact, etc.) × Possibility of occurrence (frequency)	Medium	• US-China trade frictions (and other geopolitical risks)
		• Tariffs and other US-government policies
		• Supply chain disruptions arising from inadequate responses to national regulations
		• Injuries and operation shutdowns due to serious work accidents
		• Recalls due to serious quality issues
		• Cyberattacks and scam emails
		• Responding to BEV transition (including the launch of new products for the BEV market and addressing declining demand for fuel-related components)
		• Fires or explosions leading to an interruption of business operations

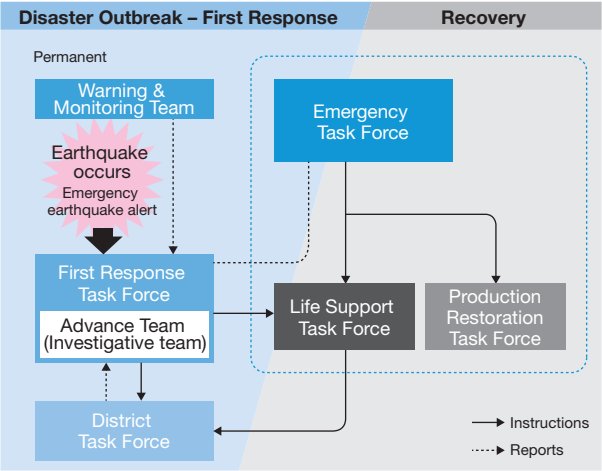
Risk Management

Examples of Risk Response

Crisis Management Project in Anticipation of Large-Scale Earthquake Disasters

A crisis management system has been put in place in the event of a massive disaster, such as the predicted Nankai Trough earthquake or natural disasters due to climate change. This system is based on the principles of human life first, community support, and early recovery. Specifically, in addition to infrastructure and system measures based on the Crisis Management Project, resilience training has been conducted more than 240 times for directors and members of disaster response departments since FY2013. These efforts are based on the Company's belief that improving the skills of response personnel is essential. Specific procedures for the recovery of affected buildings, facilities, and processes have also been established, and for alternative production in a production recovery system.

Schematic of Response in a Large-Scale Disaster



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 enhance crisis management not only in Toyoda Gosei but also at Group companies and suppliers are conducted regularly. Assessments using earthquake preparedness measure checklists, clarification of weak points with graphs, presentation of responses taken at Toyoda Gosei and other companies, and collaborative preparation of business continuation plans (BCP) are carried out.

Initiatives to Date

Classification	Measures
Facility and equipment measures	• Earthquake resistance measures for buildings and facilities • Establishment of a disaster preparedness center to serve as an operations base for the entire company in the event of a disaster • Equipping all locations with multi-channel access (MCA) radio system*1 and satellite phones • Deployment of Starlink to the First Response and Production Restoration Task Forces • Installation of crisis management servers (earthquake-resistant structure) and emergency power generators • Operation of a DR*2 system and DCs*3
System measures	• Implementation of site and building safety assessments • Training in operation of earthquake early warning systems and employee safety information systems • Preparation and visualization of supply chain information • Preparation of a business continuity plan (BCP)
Skills	• Ongoing resilience training (disaster simulation exercises)

*1 Radio system used in Japan for various purposes, from daily operations to emergencies and disasters

*2 Disaster Recovery: System for restoring and repairing damaged systems

*3 Data Center: General term for special facilities equipped with operating computers, data communications, and other equipment

Cybersecurity Countermeasures

We recognize the importance of information in corporate activities and the elevated risks associated with it, so we regard comprehensive management of confidential information and strengthened cybersecurity as key issues in risk management and are implementing countermeasures accordingly. In January 2025, we established a Security Promotion Team of specialists that will work to accelerate these countermeasures.

To ensure proper management of confidential information, we conduct yearly company-wide inspections in accordance with our confidentiality management regulations to confirm that each division is in compliance with confidentiality rules. Self-inspections and on-site audits are also conducted at Group companies in Japan and overseas to ensure that the confidentiality management framework is firmly embedded throughout the organization.

Specifically, we promote comprehensive initiatives across the entire supply chain, encompassing our head office, Group companies, and suppliers. We place particular priority on safety verification at high-risk sites and suppliers, with the order of priority determined by the degree of risk they pose to production and shipments. As a key initiative going forward, we are planning to put in place the operating environment (i.e., have the necessary tools at the ready) and conduct response drills based on realistic incident scenarios so that the relevant personnel can act swiftly in an emergency. We are also working to raise the baseline level of security for the Group as a whole through global security awareness activities and worldwide meetings. The implementation status of these initiatives is regularly reported and discussed at company-wide meetings, and we continually refine our security measures in response to changing circumstances and other factors.

Main Cybersecurity Initiatives

Classification		Measures (domestic and international Group companies and suppliers respond in accordance with the size of the impact)
Prevent leakage due to negligence	Facility and equipment measures	• Data encryption on personal computers • USB device connection controls
	System measures	• Security measures when sending emails out of the Company (mandatory cc to superior's email address, encryption of attached files)
Prevent leakage and damage due to malicious intent	Facility and equipment measures	• Installation of computer anti-virus software • Firewalls to control communication with outside parties • Constant monitoring of unauthorized communication • Detecting and preventing tampering with systems open to the public outside the Company • Prevention of unauthorized connections to the network
	System measures	• Confidentiality pledge • Restricted access to file servers • Stricter standards for allowing items to be taken from premises
Measures to improve corporate ethics		• Security training for employees • Training in responding to targeted email attacks • Company-wide confidentiality controls inspections and on-site audits using check sheets

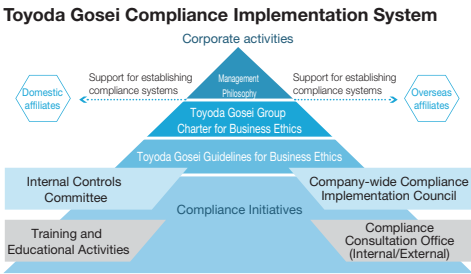
Compliance

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.” Together with highly ethical and fair business practices, 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 a code of conduct for the entire Toyoda Gosei Group. Group companies in Japan and other countries then formulate and implement a code of conduct based on the Charter. We have also established the Toyoda Gosei Guidelines for Business Ethics, which all employees are expected to follow, and worked to ensure all employees are familiar with these guidelines.

Compliance Implementation System

All company officers at Toyoda Gosei serve on the Internal Controls Committee, which reports on and discusses the status of compliance with business ethics, laws, and regulations. The items reported on and discussed in the Committee are shared with the compliance advocates selected from each department in the Company-wide Compliance Implementation Council so that the necessary standards will be incorporated into the activities of each workplace. The Committee works for thorough compliance with a unified approach between management and the workplace.



Specific Compliance Initiatives

1. Training and Educational Activities

Toyoda Gosei conducts various training and education activities with the aim of raising compliance awareness in every employee. We provide level-specific training for newly appointed executives, newly appointed managers, employees newly joining the company, and other personnel, as well as workshops tailored to specific risks such as those related to the antitrust law. We have also developed educational materials that use recent compliance violations as case studies to raise awareness and are working to ensure rigorous compliance among our employees.

List of Workshops at Toyoda Gosei

Category	Workshop Name	Recipients	Main Content	Frequency
Workshops	Workshops/Study sessions for officers	Company officers	Company law, fiduciary duty, etc.	As needed
	New manager training	New managers	Compliance, mindset as a manager, antitrust laws, bribery, including anti-bribery in general	1 time/year
	Legal affairs/Compliance training	General employees (mid-level)	Compliance, contracts, internal company regulations, laws (antitrust laws and bribery including anti-bribery in general)	1 time/year
	Fifth-year employee training	General employees (skilled roles)	Compliance in manufacturing settings	1 time/year
	New employee training	New employees	Compliance, laws	When joining the company
	Pre-overseas assignment training	Management/General employees	Key points on compliance in other countries (antitrust laws and bribery including anti-bribery in general)	As needed
	Antitrust law training	Management/General employees (sales)	Laws, internal company regulations	1 time/year
	Product liability law training	Management/General employees (technical)	Laws, internal company regulations	1 time/year
	Training for sports clubs	Management/General employees (athletes, staff)	Compliance in general	1 time/year

2. Compliance Awareness Surveys and Self-Inspections

To ascertain the degree to which compliance awareness has been incorporated into the Company and whether there are any signs of problems, we conduct an annual compliance implementation questionnaire for all employees. Each workplace engages in improvement activities that are based on feedback reports from employee surveys. Group companies in Japan and overseas conduct annual self-inspections covering key functional risks, such as whether the companies are complying with critical laws or engaging in any corrupt practices. Based on these results, our functional departments guide each company in rule-setting and training, continuously reinforcing compliance across the Group by implementing the PDCA cycle.

3. Initiatives for the Prevention of Antitrust and Competition Law Violations

The Group Charter for Business Ethics states that the Toyoda Gosei Group will conduct business activities with a spirit of “fair and free competition” (compliance with antitrust and competition laws). We have formulated the Codes of Conduct for Antitrust Law Compliance as guidelines and are working to ensure thorough compliance by employees through training and educational activities. Compliance manuals are prepared based on the laws of the countries where Group companies are located, and in all areas that we operate globally.

4. Initiatives to Prevent Corruption

Toyoda Gosei Group clearly states in its Group Charter for Business Ethics that it prohibits corrupt practices, including bribery involving government agencies, political parties, and public officials (such as unduly collusive relationships or improper favoritism), and is committed to maintaining sound and transparent relationships. We have also formulated Global Anti-Bribery Guidelines as a common guide for global activities, which clearly prohibit bribery, facilitation payments, accounting fraud, and other forms of corruption, and ensured that all employees are aware of them. In addition, we conduct local training tailored to specific regional risk profiles and are working to prevent corruption with the utmost diligence. These initiatives are reported to the Internal Controls Committee, in which all directors participate.

5. Early Detection and Correction of Problems Through an Internal Reporting System

We have established compliance consultation offices both inside and outside the company for the purpose of early detection and correction of issues such as compliance violations. Outside lawyers are in charge of the external offices to deal with problems from an objective standpoint. This system ensures that individuals who report concerns will not be treated unfairly because of their report. We have also established external contacts that are available to all Group companies in Japan. Overseas Group companies also have external or internal contacts. In FY2024, as a result of making the consultation offices known to all and having built trust, 68 reports were received from within the company and its domestic affiliates.

These cases were promptly investigated, and appropriate corrective action was taken.

No. of Compliance Consultations/Reports (Japan)

FY	2021	2022	2023	2024
No. of cases	42	66	84	68

Officers

(As of September 30, 2025)



Naoki Miyazaki

Chairman

Apr. 1980 Joined Toyota Motor Co., Ltd.
June 2008 Managing Officer, Toyota Motor Corp.
Apr. 2013 Senior Managing Officer, Toyota Motor Corp.
Apr. 2014 Advisor, Toyoda Gosei
June 2014 Executive Vice President, Toyoda Gosei
June 2015 President, Toyoda Gosei
June 2020 Chairman, Toyoda Gosei
June 2021 Director, Toyoda Gosei
June 2024 Chairman, Toyoda Gosei (current)
Note: Also concurrently serves as Outside Audit & Supervisory Board member, Hino Motors, Ltd.



Katsumi Saito

President, CEO

Apr. 1988 Joined Toyoda Gosei
June 2018 Corporate Officer, Toyoda Gosei (Retired in June 2019 due to a change in the board system)
June 2022 Corporate Officer, Toyoda Gosei
June 2023 President, Toyoda Gosei (current)



Hiroshi Yasuda

Executive Vice President, COO, CMO

Apr. 1982 Joined Toyoda Gosei
June 2012 Corporate Officer, Toyoda Gosei
June 2016 Director, Managing Officer, Toyoda Gosei
June 2018 Director, Senior Managing Officer, Toyoda Gosei
June 2019 Director, Corporate Officer, Toyoda Gosei
June 2023 Executive Vice President, Toyoda Gosei (current)



Mitsuhiro Nawashiro

Director, Corporate Officer, CTO

Sep. 1997 Joined Toyoda Gosei
June 2018 Corporate Officer, Toyoda Gosei (Retired in June 2019 due to a change in the board system)
June 2021 Corporate Officer, Toyoda Gosei
June 2023 Director, Corporate Officer, Toyoda Gosei (current)



Masayoshi Hachisuka

Director, Corporate Officer, CFO

Apr. 1990 Joined The Long-Term Credit Bank of Japan, Ltd.
Apr. 1999 Joined Toyota Motor Corp.
Jan. 2016 Project Senior Manager, Accounting Div., Toyota Motor Corp.
Sep. 2021 General Manager, Capital Strategy & Affiliated Companies Finance Div., Toyota Motor Corp.
Jan. 2023 General Manager, Finance & Accounting Division, Toyoda Gosei
June 2024 Corporate Officer, Toyoda Gosei
June 2025 Director, Corporate Officer, Toyoda Gosei (current)



Mayumi Matsumoto

Outside Director

Oct. 1987 Contract newscaster, TV Asahi Corporation
Apr. 1993 Contract newscaster, Japan Broadcasting Corporation
July 2003 Freelance announcer, Horipro Inc.
May 2008 Collaborative Researcher, Research Center for Advanced Science and Technology, The University of Tokyo
May 2009 Project Researcher, Research Center for Advanced Science and Technology, The University of Tokyo
Apr. 2011 Director, Principal Researcher, International Environment and Economy Institute (current)
Apr. 2013 Visiting Associate Professor, Special Division of Environmental and Energy Science, Komaba Organization for Educational Excellence (KOMEX), The University of Tokyo (current)
July 2017 Director, Japan Council for Renewable Energy (current)
June 2019 Director, Toyoda Gosei (current)



Takashi Wada

Outside Director

Apr. 1979 Joined Sanken Electric Co., Ltd.
Apr. 2007 General Manager, Production Division, Production Headquarters, Sanken Electric
June 2007 Corporate Officer, Sanken Electric
Apr. 2009 Head, Production Headquarters, Sanken Electric
June 2009 Director and Senior Vice President, Sanken Electric
June 2012 Director and Executive Vice President, Sanken Electric
Apr. 2015 President and Representative Director, Sanken Electric
June 2021 Chairman and Representative Director, Sanken Electric
June 2022 Senior Advisor, Sanken Electric
June 2023 Director, Toyoda Gosei (current)



Masanori Furukawa

Outside Director

Apr. 1977 Joined Tajimi City Hall
Apr. 1987 Tajimi City Council Member
Apr. 1999 Gifu Prefectural Assembly Member
Apr. 2007 Mayor of Tajimi City
Apr. 2023 Advisor, Tajimi City Hospital (current)
June 2024 Director, Toyoda Gosei (current)

Officers (As of September 30, 2025)



Shigeki Maeda
Outside Director

Apr. 1981 Joined the Japan External Trade Promotion Agency (currently the Japan External Trade Organization (JETRO), an independent administrative agency)

Aug. 1998 Deputy Director, JETRO New York Office

Dec. 2001 Principal Officer, Planning Department, JETRO Headquarters

Apr. 2006 Manager, Export Promotion Division, Market Development Department, JETRO Headquarters

Apr. 2008 Deputy Director, Research Planning Department, JETRO Institute of Developing Economies

Apr. 2010 Director, JETRO Singapore Office

Aug. 2013 Director, Japan Inbound Investment Department, JETRO Headquarters

Aug. 2015 Executive Director, JETRO

Sep. 2019 Ambassador Extraordinary and Plenipotentiary to the Kyrgyz Republic

Apr. 2023 Advisor, Toyoda Gosei

June 2024 Director, Toyoda Gosei (current)



Makoto Aou
Outside Director

June 2012 Corporate Officer, Pasona Tech Inc.

Feb. 2016 Founded ExalIntelligence Inc., Director and COO, ExalIntelligence Inc.

June 2016 Director, Pasona Tech Inc.

Oct. 2019 Project and Operations Producer for the Entrepreneur Support Facility "Nagano Campus" (current)

Oct. 2020 Founded LEO Co., Ltd., Representative Director & CEO (current)

June 2024 Director, Toyoda Gosei (current)



Kenji Oiso
Audit & Supervisory Board Member

Apr. 1980 Joined Sumitomo Metal Industries, Ltd.

June 2002 Deputy Manager, Finance & Accounting Div., Sumitomo Metal Ind., Ltd.

June 2004 Joined Mitsubishi Sumitomo Silicon, Co., Ltd.

Mar. 2006 General Manager, Finance & Accounting Division, SUMCO Corp.

Apr. 2011 Corporate Officer, SUMCO Corp.

Apr. 2014 Functional Officer, Yokogawa Sumikin Bridge Corp.

Jan. 2016 Joined Miraial Co., Ltd.

Feb. 2016 General Manager, Finance & Accounting Division, Miraial Co., Ltd.

Apr. 2017 Project General Manager, Finance & Accounting Division, Toyoda Gosei

Apr. 2019 Managing Director, Toyoda Gosei Corporate Pension Fund

June 2020 Audit & Supervisory Board Member, Toyoda Gosei (current)



Yoshiyuki Fujita
Audit & Supervisory Board Member

Apr. 1983 Joined Toyoda Gosei

Jan. 2008 General Manager, Engineering Division 1, Safety Systems Business Unit, Toyoda Gosei

June 2014 Corporate Officer, Toyoda Gosei

Apr. 2016 President, Toyoda Gosei North America Corporation

June 2017 Managing Officer, Toyoda Gosei

June 2019 Corporate Officer, Toyoda Gosei (Due to a change in the board system)

June 2023 President, Toyoda Gosei (China) Investment Co., Ltd.

June 2025 Audit & Supervisory Board Member, Toyoda Gosei (current)



Chika Kako
Outside Audit & Supervisory Board Member

Apr. 1989 Joined Toyota Motor Corp.

Jan. 2015 Chief Engineer, Lexus International ZL, Toyota Motor Corp.

Jan. 2018 Managing Officer, Toyota Motor Corp.

Jan. 2019 Field General Manager, Material Technology Field, Advanced R&D and Engineering Company, Toyota Motor Corp.

Jan. 2020 Senior General Manager, Material Technology Field, Advanced R&D and Engineering Company, Toyota Motor Corp.

June 2020 Audit & Supervisory Board Member, Toyoda Gosei (current)

Apr. 2025 Executive Vice President, Senior General Manager, Material Technology Field, Advanced R&D and Engineering Company, Toyota Motor Corp. (current); General Manager, Toyota Technical Center Higashi-Fuji, Toyota Motor Corp. (current)



Hitoshi Kuwayama
Outside Audit & Supervisory Board Member

Apr. 1990 Registered as an attorney Joined Midosuji LPC

Apr. 1997 Partner at Midosuji LPC

May 2011 Outside Company Auditor, Maxvalu Nishinoh Co., Ltd.

Apr. 2012 Vice Chairman, Osaka Bar Association

Apr. 2013 Part-time Lecturer, Kyoto University Law School

May 2015 Outside Director, Maxvalu Nishinoh Co., Ltd.

Apr. 2020 Senior Partner, Midosuji LPC (current)

June 2020 Outside Director, Zett Corporation (Audit and Supervisory Committee Member) (current)

June 2022 Audit & Supervisory Board Member, Toyoda Gosei (current)



Masahiko Yokoi
Outside Audit & Supervisory Board Member

Apr. 1978 Joined the Asahi Shimbun Company

June 2010 Director, Representative of Osaka Head Office of the Asahi Shimbun Company

June 2013 Director, Nagoya Broadcasting Network Co., Ltd.

June 2014 President and Representative Director, Nagoya Broadcasting Network

June 2019 Chairman and Representative Director, Nagoya Broadcasting Network

June 2022 Advisor, Nagoya Broadcasting Network

June 2023 Audit & Supervisory Board Member, Toyoda Gosei (current)

Corporate Officers

Yutaka Ogasawara

Tadashi Yamamoto

Makoto Hasegawa

Kenji Hayashi

Nobuhisa Tanaka

Katsufumi Otani

Bijay Krishna Shrestha

Yasushi Okada

Hiroko Ando

Shuji Watanabe

Makoto Kawase

Hiromi Hyuga

Consolidated 10-Year Financial Summary

(Unit: Million yen; amounts rounded down to nearest million yen)

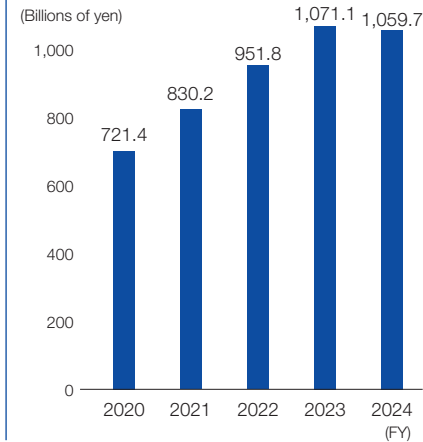
Japanese GAAP		FY2015 (FY ended March 31, 2016)	FY2016 (FY ended March 31, 2017)	FY2017 (FY ended March 31, 2018)	International Financial Reporting Standards (IFRS)		FY2017 (FY ended March 31, 2018)	FY2018 (FY ended March 31, 2019)	FY2019 (FY ended March 31, 2020)	FY2020 (FY ended March 31, 2021)	FY2021 (FY ended March 31, 2022)	FY2022 (FY ended March 31, 2023)	FY2023 (FY ended March 31, 2024)	FY2024 (FY ended March 31, 2025)
Management Results	Sales	781,886	755,601	806,938	Revenue		807,958	840,714	812,937	721,498	830,243	951,877	1,071,107	1,059,798
	Operating profit	42,824	40,675	41,136	Operating profit		35,179	36,525	17,888	36,479	34,172	35,069	67,703	59,844
	Ordinary profit	41,490	39,007	43,200										
	Profit before income taxes and other adjustments	36,710	31,288	35,775	Pre-tax profit		35,507	37,356	16,106	37,301	37,696	35,323	71,801	59,168
	Net profit attributable to owners of parent	20,255	16,233	21,175	Profit attributable to owners of parent		21,361	23,309	11,226	35,205	23,352	16,004	51,454	36,331
Financial State	Cash and cash equivalents	78,388	97,553	104,309	Cash and cash equivalents		97,991	107,311	127,930	134,003	109,145	105,268	146,000	118,769
	Current assets	281,212	305,273	328,524	Current assets		357,666	382,106	359,565	380,578	425,165	419,108	455,187	438,148
	Property, plant and equipment	241,408	245,666	259,537	Property, plant and equipment		241,581	257,728	273,479	290,246	316,901	327,838	341,789	338,243
	Non-current assets	306,160	315,425	333,819	Non-current assets		321,819	326,023	349,619	394,577	434,137	446,192	478,160	474,890
	Total assets	587,373	620,699	662,388	Total assets		679,485	708,129	709,185	775,155	859,302	865,300	933,347	913,039
	Short-term borrowings*	21,073	31,762	43,722	Bonds and borrowings		43,722	32,396	44,657	42,835	43,924	32,906	38,937	19,067
	Current liabilities	162,592	170,574	189,075	Current liabilities		195,392	194,309	180,653	185,535	209,396	196,047	216,906	185,715
	Bonds payable	–	–	10,000										
	Long-term borrowings	44,691	57,261	54,458	Bonds and borrowings		64,511	93,089	103,399	109,379	129,772	130,116	99,441	90,458
	Fixed liabilities	96,937	110,663	119,403	Non-current liabilities		118,435	133,674	158,256	169,164	187,111	182,885	149,706	138,920
	Total liabilities	259,530	281,237	308,479	Total liabilities		313,828	327,983	338,909	354,700	396,508	378,932	366,612	324,635
	Shareholders' equity	301,756	311,127	324,890	Equity attributable to owners of parent									
	Reference: Interest-bearing debt	65,765	89,023	108,181	Reference: Interest-bearing debt		108,233	125,486	148,057	152,215	173,696	163,022	138,378	109,526
Cash Flow	Cash flow from operating activities	77,765	60,401	60,848	Cash flow from operating activities		44,004	57,463	65,247	67,247	27,658	53,973	128,368	92,011
	Cash flow from investing activities	(56,261)	(82,131)	(39,201)	Cash flow from investing activities		(21,832)	(55,491)	(54,174)	(49,949)	(59,427)	(31,952)	(40,686)	(71,823)
	Cash flow from financing activities	(24,736)	14,794	6,541	Cash flow from financing activities		5,966	7,749	12,525	(13,065)	2,206	(28,558)	(53,066)	(50,680)
Key Indicators	Ratio of net profit to sales (%)	2.6	2.1	2.6	Ratio of profit to revenue (%)		2.6	2.8	1.4	4.9	2.8	1.7	4.8	3.4
	Total asset turnover (times)	1.31	1.25	1.26	Total asset turnover (times)		1.23	1.21	1.15	0.97	1.02	1.10	1.19	1.16
	Equity ratio (%)	51.7	50.7	49.6	Ratio of equity attributable to owners of parent (%)		50.1	50.0	48.7	50.5	49.9	51.8	56.0	59.4
	ROE (%)	6.6	5.2	6.6	ROE (%)		6.4	6.7	3.2	9.6	5.7	3.6	10.6	6.8
	Capital investment	54,498	55,218	64,816	Capital investment		53,411	46,891	41,835	46,589	49,749	48,897	49,409	57,416
	Depreciation and amortization	44,462	40,902	44,037	Depreciation and amortization		32,545	32,927	35,323	35,527	38,499	44,814	47,995	50,353
	R&D expenses	28,409	27,164	27,864	R&D expenses		27,684	30,025	31,374	31,000	33,543	34,254	39,295	41,938
	Number of employees at end of term (consolidated)	35,903	36,679	38,234	Number of employees at end of term (consolidated)		38,234	39,429	39,403	38,823	39,511	38,942	38,951	39,192
Per Share Information	Dividend per share (yen)	56.00	53.00	56.00	Dividend per share (yen)		56.00	60.00	60.00	60.00	60.00	60.00	95.0	105.00
	Basic earnings per share (EPS) (yen)	156.49	125.42	163.60	Basic earnings per share (EPS) (yen)		165.04	180.09	86.74	271.99	180.39	123.62	400.22	286.00
	Dividend payout ratio (%)	35.79	42.26	34.23	Dividend payout ratio (%)		33.93	33.32	69.17	22.06	33.26	48.55	23.64	36.75

* Including current portion of long-term borrowings and current portion of bonds payable

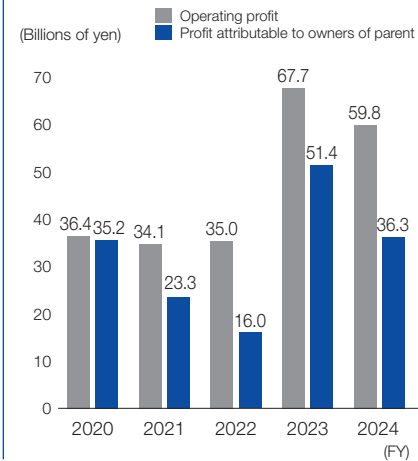
Financial Highlights

Note: The Toyota Gosei Group has used IFRS since the first quarter of the consolidated fiscal year ended March 31, 2019.

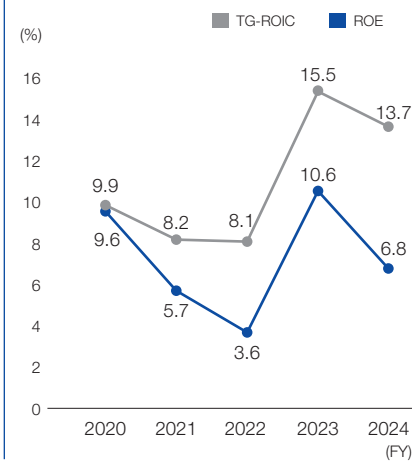
Revenue



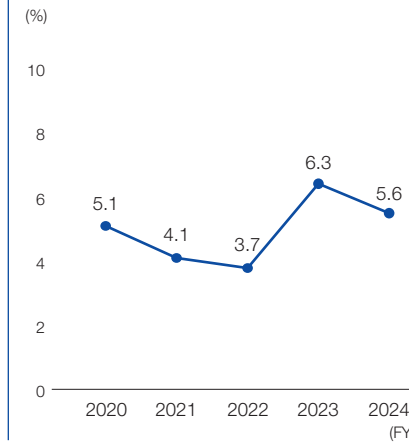
Operating profit/Profit attributable to owners of parent



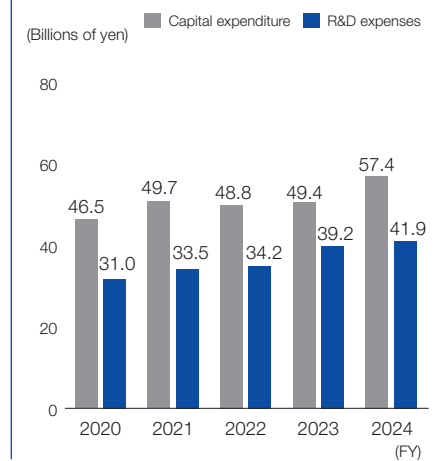
ROE/TG-ROIC



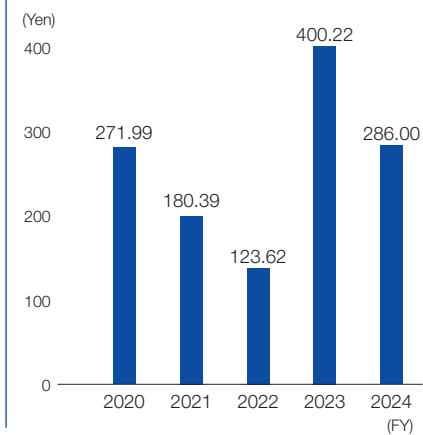
Operating profit ratio



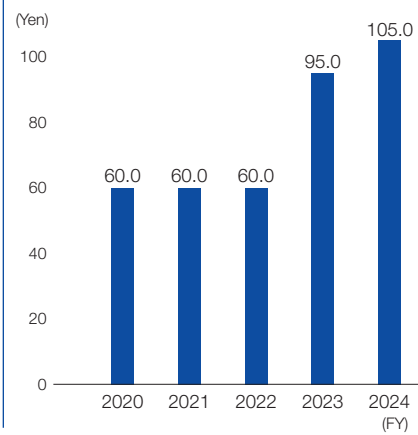
Capital expenditure/R&D expenses



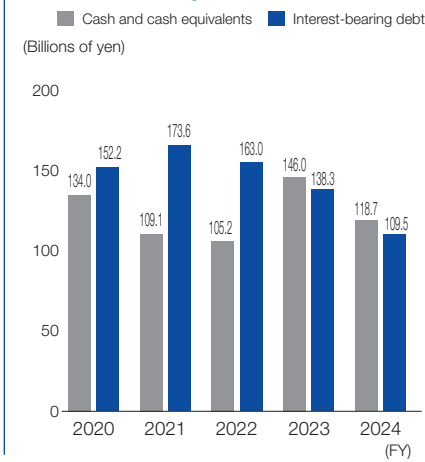
Basic net income per share



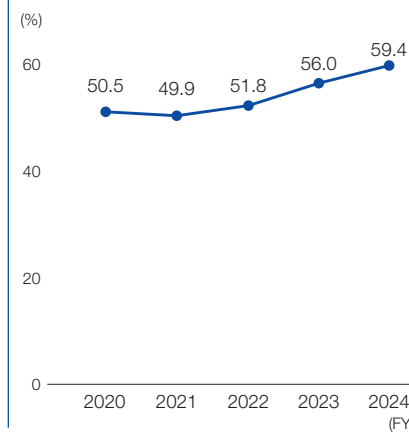
Dividend per share



Cash and cash equivalents/Interest-bearing debt



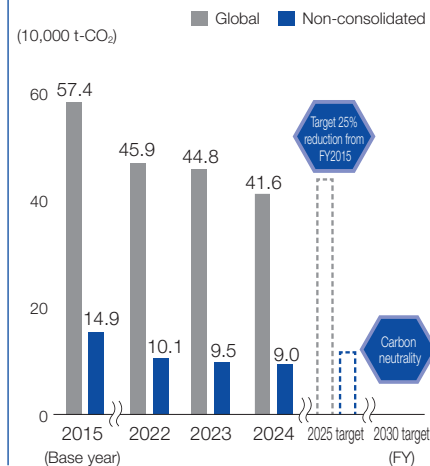
Ratio of equity attributable to owners of parent



Non-Financial Highlights

Environment

CO₂ emissions (Scopes 1 and 2)

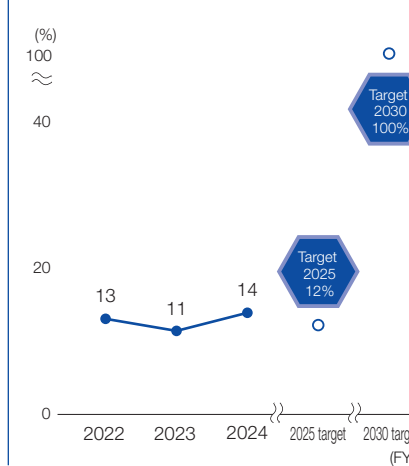


CO₂ emissions by Scope 3 Category (FY2024 Results) (Global)

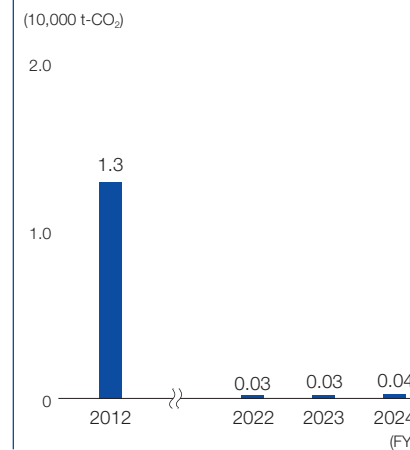
Emissions (10,000 tons)					
FY2024 Result	CO ₂ emissions (by Scope 3 Category)				Total: 277.3
Category 1	Products and services purchased	217.3	Category 9	Downstream logistics	0.1
Category 2	Capital goods	18.8	Category 10	Processing of sold products	6.1
Category 3	Fuel and energy related activities (Not included in Scopes 1 and 2)	6.5	Category 11	Usage of sold products	0.0
Category 4	Upstream logistics	16.2	Category 12	Disposal of sold products	1.2
Category 5	Waste generated from business activities	3.3	Category 13	Downstream leased assets	(See note)
Category 6	Business travel	1.2	Category 14	Franchise	(See note)
Category 7	Employee commuting	4.6	Category 15	Investments	1.1
Category 8	Upstream leased assets	0.3			
2030 target	27.5% reduction*1				

Note: Not applicable *1 27.5% reduction from FY2019 (Category 1)

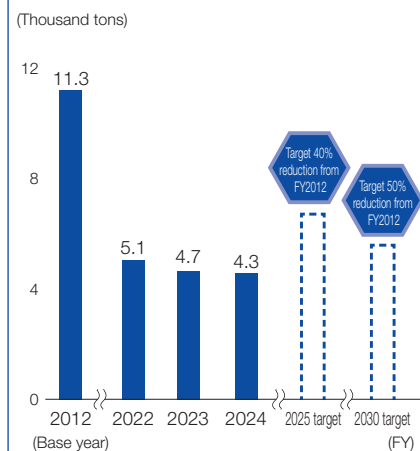
Renewable energy adoption rate (Global)



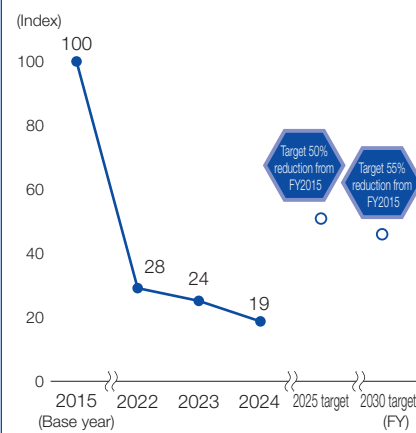
Greenhouse gas (6 gases) emissions (CO₂ equivalent) (Non-consolidated)



Industrial waste volume (Non-consolidated)

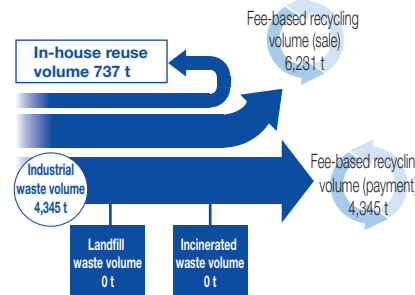


Waste volume per unit sales (index*2) (Overseas affiliates)

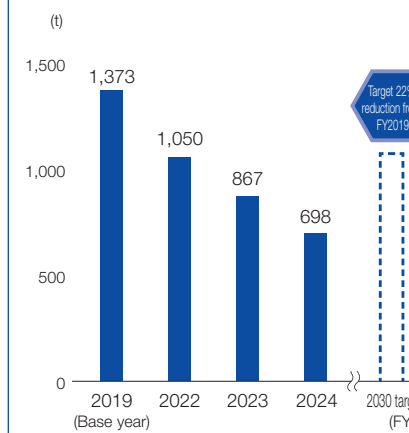


*2 Figures based on the base year as 100

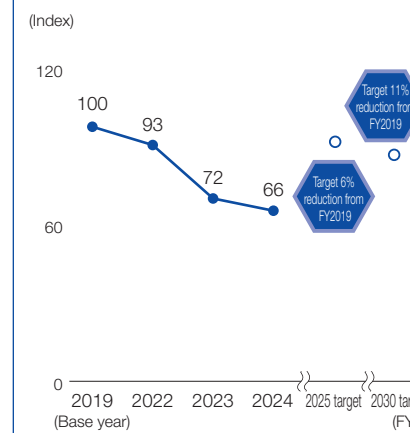
Waste generation and disposal (FY2024) (Non-consolidated)



Plastic industrial waste volume (Non-consolidated)



Water intake per unit sales (index*3) (Non-consolidated)



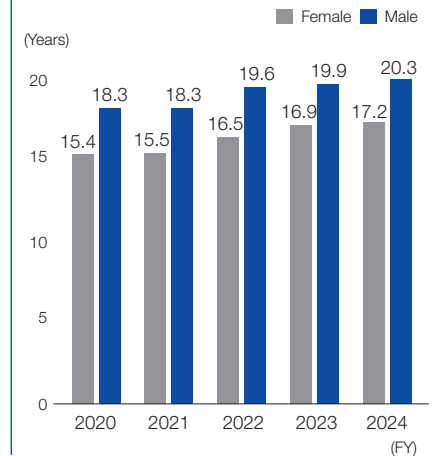
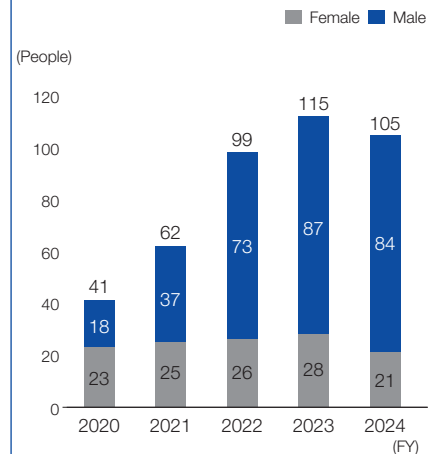
*3 Figures based on the base year as 100

Non-Financial Highlights

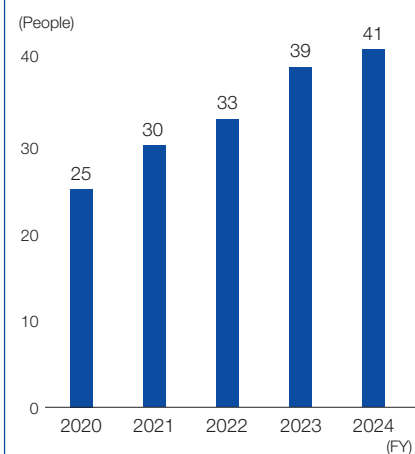
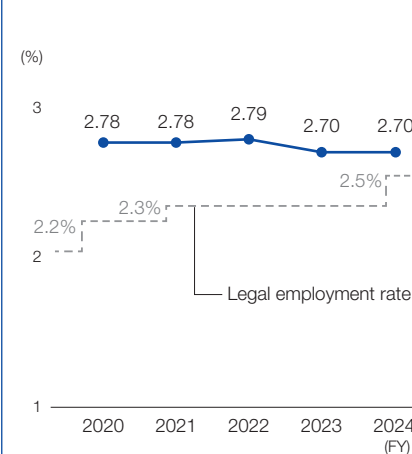
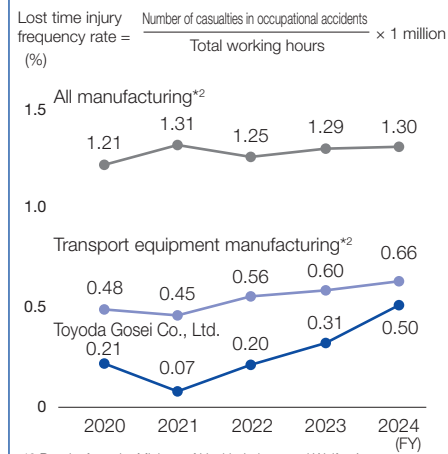
Social

Results of Key Items in FY2024 and Targets for FY2025 and FY2030 (Non-consolidated)

Key Item	FY2024 Result	FY2025 Target	FY2030 Target
Number of DX staff trained	325	270	400
Number of female managers	41 (3.6%)	45 (4.0%)	100 (8.8%)
Ratio of national staff in executive positions (Vice presidents and above at overseas affiliates)	37% (Global)	40% or more (Global)	60%
Ratio of mid-career hires in management positions	33%	30% or more	30% or more
Employment of people with disabilities	2.70% (Domestic affiliates)	Achievement of legally mandated employment ratio (Domestic affiliates)	—
Engagement survey results (Positive evaluation)	59%	70% or more	75% or more
Average overtime hours	15.1 hr/month/person	10.0 hr/month/person or less	—
Percentage of employees taking paid vacations	94%	95% or more	—
Percentage of male employees taking childcare leave	63.6%	75%	100%
Wage difference between men and women	79.1%	77%	82%

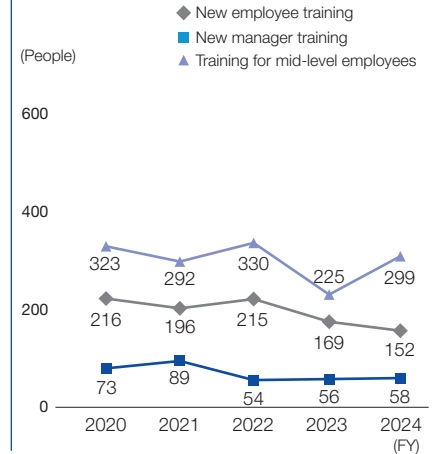
Average years of service by gender
(Non-consolidated)Number of employees taking childcare
leave by gender (Non-consolidated)*1

*1 Number of employees who started childcare leave during the fiscal year

Number of women in management
positions (Non-consolidated)Employment rate of persons with
disabilities (Domestic affiliates)Occupational accident rate (lost time injury
frequency rate) (Non-consolidated)

*2 Results from the Ministry of Health, Labour and Welfare's survey on occupational accident trends (Survey period: January to December)

Governance

Number of employees receiving compliance
training (Non-consolidated)

IR Activities

We place great importance on dialogue with investors, analysts, and other stakeholders, and actively provide feedback to management for enhancing corporate value.

Initiative	FY2022	FY2023	FY2024
No. of individual meetings with analysts and institutional investors	127	145	179
No. of financial results briefings for analysts and institutional investors	4	4	4
No. of business briefings and facility tours for analysts and institutional investors	3	2	2
No. of conferences sponsored by securities firms	2	3	4
No. of briefings for individual investors	1	1	2

External Recognition

Major Indices Where Toyota Gosei Has Been Selected as a Constituent Stock

JPX Nikkei Index 400		FTSE Blossom Japan Sector Relative Index https://www.iiseg.com/en/ftse-russell/indices/blossom-japan	 FTSE Blossom Japan Sector Relative Index
FTSE4Good Index Series https://www.iiseg.com/en/ftse-russell/indices/ftse4good	 FTSE4Good	S&P/JPX Carbon Efficient Index	
FTSE Blossom Japan Index https://www.iiseg.com/en/ftse-russell/indices/blossom-japan	 FTSE Blossom Japan Index	SOMPO Sustainability Index	 2025 Sompo Sustainability Index

External Recognition of Sustainability

Nikkei SDGs Management Survey 2024		Health & Productivity Management Outstanding Organization (White 500)	
CDP Climate Change 2024 Score: A Supplier Engagement 2024 Score: A Water Security 2024 Score: A- Forest (Cattle Products) 2024 Score: B-		Sports Yell Company 2025 Bronze Plus	
Ministry of the Environment 30by30 Heiwacho Plant biotope certified as a site for coexistence with nature		Cancer Control Promotion Excellent Company	
Ministry of Health, Labour and Welfare Platinum Kurumin Certification mark as company that provides childcare support			

Company Information (As of March 31, 2025)

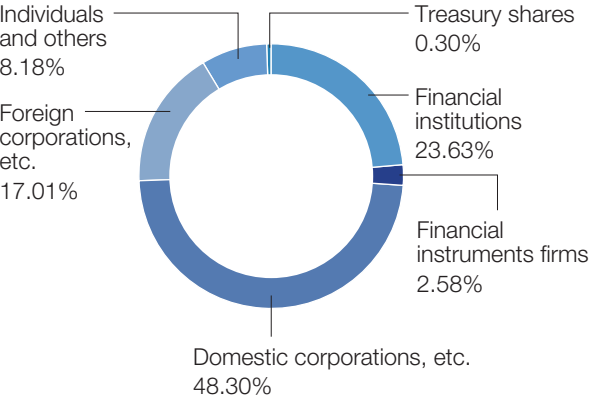
Head office address	1 Haruhinagahata, Kiyosu, Aichi, 452-8564, Japan
Date of establishment	June 15, 1949
Capital stock	¥28.1 bn
Number of consolidated subsidiaries	52 (Domestic: 12, Overseas: 40)
Number of equity method affiliates	6 (Domestic: 3, Overseas: 3)
Number of employees	Consolidated: 39,192 Non-consolidated: 6,635

Investor Information (As of March 31, 2025)

Total number of shares	Total number of authorized shares: 200,000,000 Total number of shares issued and outstanding: 127,237,240 (excluding 376,907 shares of treasury stock)
Number of shareholders	16,764
Stock exchange listings	Tokyo Stock Exchange and Nagoya Stock Exchange

Administrator of shareholders' register and account management institution for special accounts	Mitsubishi UFJ Trust and Banking Corporation
Securities code	7282

Shareholder Distribution



Major Shareholders

Name of Shareholder	Number of Shares	Ratio
Toyota Motor Corporation	55,459 Thousand shares	43.58%
The Master Trust Bank of Japan, Ltd. (Trust account)	10,466	8.22
Custody Bank of Japan, Ltd. (Trust account)	8,132	6.39
Sumitomo Mitsui Banking Corporation	4,207	3.30
State Street Bank and Trust Company 505001	2,402	1.88
Toyoda Gosei Employee Stockholding Association	2,227	1.75
Nippon Life Insurance Company	1,592	1.25
The Dai-ichi Life Insurance Company, Limited	1,381	1.08
Morgan Stanley MUFG Securities Co., Ltd.	1,287	1.01
Custody Bank of Japan, Ltd. (Trust account 4)	1,049	0.82

Note: The ratio is calculated after deducting treasury stock.