

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

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.

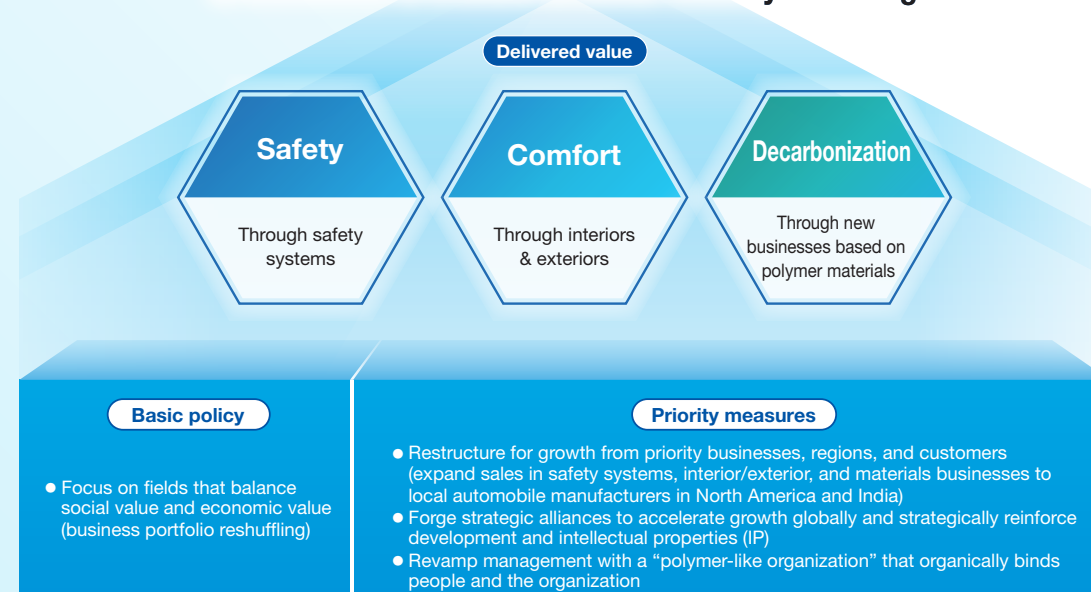
To achieve these ambitious goals, we will implement structural reforms for priority businesses, regions, and customer service, as well as forge strategic alliances to accelerate growth globally and strategically reinforce development and intellectual properties (IP).

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.

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).

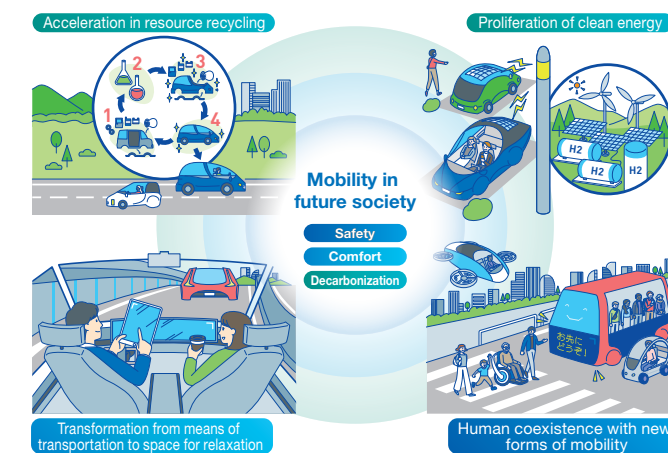
The second change is the proliferation of clean energy. As the energy mix is rapidly changing, there is expected to be a need to improve energy efficiency, including fuel efficiency, in mobility as well.

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

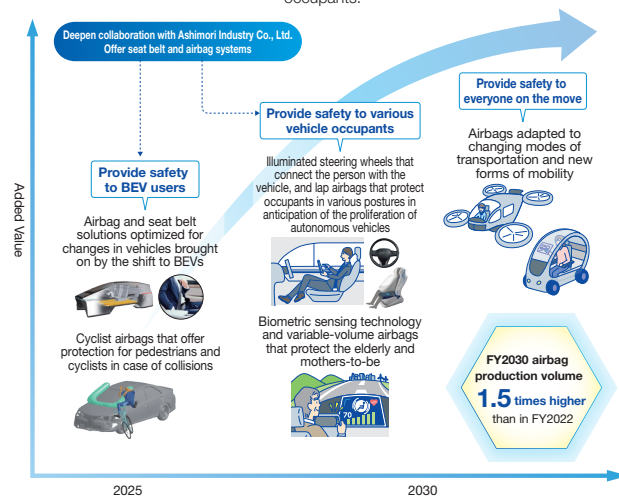


Value Delivered by Toyota Gosei

Contributing to Safety

Through safety systems

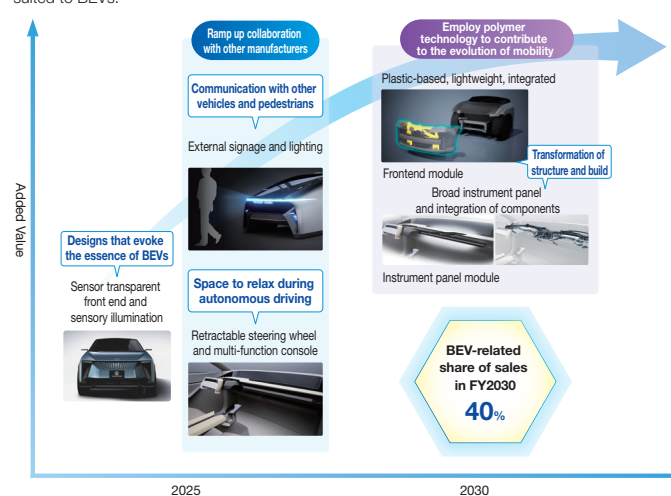
- Over the years, we have reduced road deaths by supplying airbags of various types.
- As BEVs and autonomous vehicles proliferate, our next task is to develop and bring to market sophisticated products for protecting vehicle occupants.



Contributing to Comfort

Through interiors & exteriors

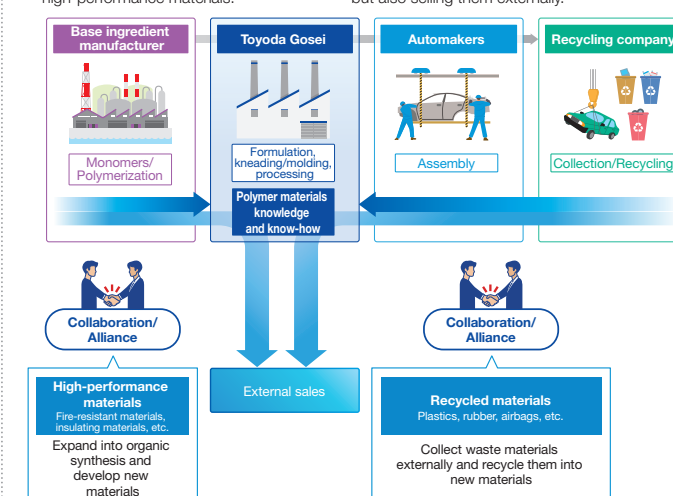
- By integrating safety systems and illuminated products into interior and exteriors, we will offer new functionality suited to BEVs.
- With our polymer technology, we will also upgrade car designs and manufacturing to bring about new forms of mobility.



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)

