

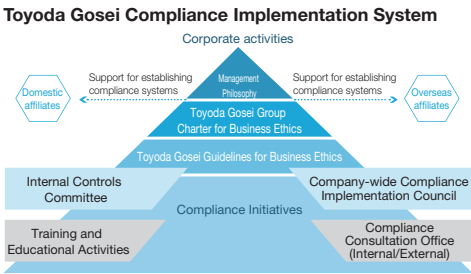
Compliance

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	For each level	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
	For each risk	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