





TOYODA GOSEI

TOYODA GOSEI REPORT 2026











Editorial Policy/Positioning of This Report

Editorial Policy

This report has been prepared to help shareholders, investors, and other stakeholders to gain a deeper understanding of the Toyoda Gosei Group. The report presents the Toyoda 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" issued 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 financial and non-financial information, please visit the Investor Relations page or the Sustainability page on our official website.

Reporting Period

April 1, 2025 to March 31, 2026 (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 71 companies of the Toyoda Gosei Group, consisting of Toyoda Gosei Co., Ltd. and its subsidiaries and affiliates in Japan and overseas. (For some items, the scope is outlined individually.)

Date of Issue

September 2026 (Previous edition issued in September 2025, published annually)

Positioning of This Report



Terminology Used in This Report

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 timeliness of updates, and are not liable for any problems, losses, or damages arising from updates, errors, or other issues in the provided information.

Overview of Value Creation/Table of Contents

Overview of Value Creation

The Company creates social value and economic value through business activities based on its Management Philosophy.
By enhancing these two forms of value in a mutually reinforcing manner, we aim to sustainably enhance corporate value and contribute to the sustainable development of society.



FAQs from Stakeholders

Q What distinguishes Toyoda Gosei's corporate culture and values?
▶ **About Toyoda Gosei**

Q What kind of value does Toyoda Gosei create, and how is it created?
▶ **Value Creation Story**

Q How will Toyoda Gosei enhance corporate value?
▶ **Value Creation Strategy**

Q What mechanisms and functions enable Toyoda Gosei to sustainably enhance corporate value?
▶ **Foundation of Value Creation**

Q What kind of governance systems does Toyoda Gosei have in place to support management decision-making?
▶ **Corporate Governance**

Q What kind of results has Toyoda Gosei achieved to date?
▶ **Data**

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Company Creed/Management Philosophy/TG Spirit

2030 Business Plan Vision for the Company

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.

Proper Business Operation

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

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.

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.

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.

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 nearly 40,000 Group employees as one team—from different nationalities, ages, genders, and walks of life—working in 16 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?

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.

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.

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.

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.

Teamwork

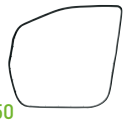
Help each other, grow as a team
We will combine our strengths within teams, between departments, and between Toyoda Gosei Group companies to make One TG a reality.

History of Our Business Evolution and Value Creation

Through manufacturing that leverages the unique expertise in rubber and plastics we have cultivated since our founding, we respond to the needs of each era and deliver new value to the world.

1949 » 1960 » 1970 » 1980 » 1990 » 2000 » 2010 » 2020

Expertise in rubber and plastics



1950 Weatherstrips



1954 Injection-molded plastic steering wheels

1977 Constant-velocity joint boots

1982 Sound-insulating glass runs

1982 Plastic fuel filler caps



1953 Brake hoses

1961 Piston cups



1974 Instrument panels





1989 Driver-side airbags

1997 Rubber recycling technology



1998 Curtain airbags



2003 Millimeter wave radar-compatible emblem



2008 Plastic fuel filler pipes



2010 Lightweight opening trim weatherstrips



2017 Large radiator grilles

2019 Plastic turbo ducts/ Battery cases

2020 Extra-large spindle grilles



2020 High-pressure hydrogen tanks



2021 Driver-side airbags for better protection in angled frontal collisions/Pedestrian protection airbags

2022 CNF-reinforced plastic



2023 Topcoat-less hot-stamped grilles

2023 Millimeter wave radar-compatible emblem that emits light



2025 Steer-by-wire system steering wheel

2025 Glove box containing 50% recycled plastic

2025 Weatherstrip with a high recycled-rubber content

Experience in developing new businesses

The challenge of developing plastic injection steering wheels

In 1952, at the suggestion of Toyota Motor Co., Ltd., we made a company-defining investment in a 48-ounce injection molding machine manufactured by Watson-Stillman Co. of the United States. This marked the beginning of the era of plastic automotive parts.



Rubber Research Department, Toyoda Automatic Loom Works



Injection molding machine



1986 Start of R&D for blue LED

The challenge of developing airbags

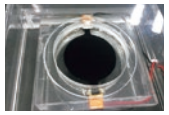
Toyoda Gosei boasts the top share in the Japanese airbag market. This position was achieved by boldly taking on fierce development competition to win the business for Toyota Motor Corporation's first airbag.

1991 Successful development of blue LEDs is certified



World first! Successful development of blue LEDs

In 1991, under the guidance of Professor Isamu Akasaki of Nagoya University's Faculty of Engineering and with the cooperation of Toyota Central R&D Labs, we successfully developed a blue LED based on gallium nitride (GaN). The challenge of pursuing development deemed impossible was a continuous series of uncertainties and obstacles.



2007 Start of R&D for e-Rubber



2019 Development with EBM Corp. of the SupeR BEAT heart surgery simulator that uses e-Rubber



2010 Start of R&D for GaN power semiconductors



2020 UV-C space disinfectors, which use UV-C (deep UV) LEDs, are launched. UV-C (deep UV) LEDs are confirmed to be highly effective in inactivating the novel coronavirus



2021 UV-C LED high-speed surface disinfectors



2021 Smart insoles

2022 Successful development of large-diameter GaN substrates for next-generation power semiconductors

2023 Wireless power supply receiver for smartphones

2024 Portable hydrogen cartridge

Global network



1949 Nagoya Rubber Co., Ltd. established as a spin-off of the Rubber Research Division of Toyota Motor Co., Ltd.

1957 Haruhi Plant begins operation

1967 Inazawa Plant begins operation

1973 Company name changed to Toyoda Gosei Co., Ltd.

1976 Morimachi Plant begins operation

1977 US Office established in Illinois



1980 Head office relocated to present location (Kiyosu, Aichi Prefecture)

1982 Bisai Plant begins operation

1989 TG Missouri Corporation established



1995 Kitajima Technical Center established

1999 Toyoda Gosei North America Corporation established

2000 Toyoda Gosei Europe N.V. established

2001 Toyoda Gosei Asia Co., Ltd. established



2006 Toyoda Gosei (Shanghai) Co., Ltd. established

2008 Toyoda Gosei Minda India Pvt. Ltd. established



2009 Miwa Technical Center established

2013 Toyoda Gosei East Japan Co., Ltd. established

2013 GDBR Industria e Comercio de Componentes Quimicos e de Borracha Ltda. established

2014 Toyoda Gosei Irapuato Mexico, S.A. de C.V. established

2018 PT Toyoda Gosei Indonesia established

2020 Inabe Plant begins operation



2023 Toyoda Gosei Technical Center India established



2026 Ashimori Industry Co., Ltd. made a wholly owned subsidiary

TG 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 polymer technologies (synthetic rubber and plastics, and our compounding expertise).

Number of employees (Global)
41,304

Number of countries of operation
16

The Americas region
Five-year average operating margin
5.9% (Average across 13 industry peers*3: 2.3%)

India region
Sales CAGR for the past four years
17.6% (Indian Market CAGR*4: 5.0%)

*3 Average value for FY2021 to FY2025 of 13 major automotive parts manufacturers who disclose their operating margin in the Americas or North America

*4 Compound annual growth rate in automobile production volume in India from 2022 to 2025. Calculated by the Company based on data from Mobility Global

Revenue by Business

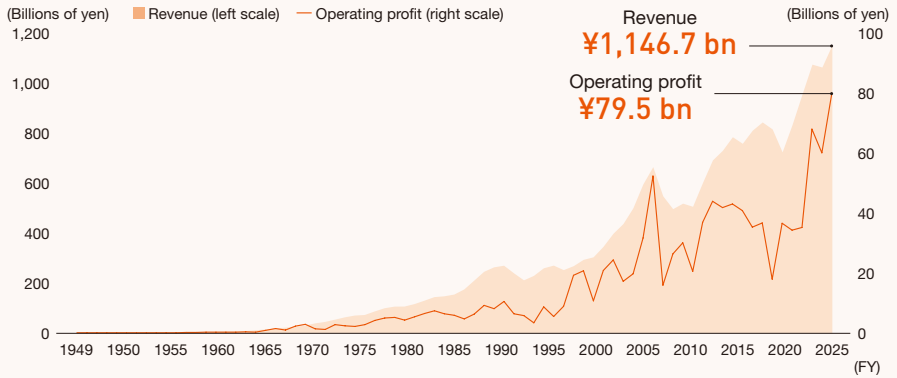
Safety Systems Products (SS) Business
¥457.6 bn

Interior and Exterior Parts (IE) Business
¥369.1 bn

Functional Components (FC) Business
¥188.9 bn

Weatherstrips (WS) Business
¥121.2 bn

Revenue and operating profit trends



Airbag share
Global 18% (Third largest)*1

*1 Based on the Company's research as of the end of March 2025

Lives saved
14,500*2

*2 Calculated by the Company based on the number of four-wheel-vehicle accidents involving threats to occupant life, taking into account airbag fitment rates, protective performance, and the Company's market share

Operating margin	ROE	Shareholders' equity ratio	Total assets	Cash flow from operating activities
6.9%	11.2%	57.3%	¥992.9 bn	¥131.6 bn

* Unless otherwise stated, results are for the fiscal year ended March 31, 2026, and data on financial position and number of employees, etc. are as of March 31, 2026.

Message from the CEO



In the TG Spirit of Bold Enterprise, We Will Turn Change into Strength and Leverage Toyoda Gosei's Unique Value to Drive Our Next Phase of Growth

The automotive industry is currently undergoing a major period of transformation, in what could be called a 'tectonic shift.' We see various changes all happening at the same time, including electrification, stricter safety and environmental regulation, the rise of new manufacturers, and increasing protectionism and geopolitical risks. However, the direction and speed of change is not uniform, with differences across regions emerging in terms of market growth potential, the emergence of societal challenges and the value expected of companies.

Precisely because future conditions are so uncertain, we believe that now is the time for us to leverage the strengths we have cultivated: our expertise in rubber and plastics, accumulated over many years; a global network with deep roots in every region worldwide; and the experience needed to develop new businesses that create truly original value. By turning change into opportunities for growth, we are committed to steadily developing Toyoda Gosei into a company that will contribute to a future of better mobility and living.

Representative Director, President, CEO

Katsumi Saito

Message from the CEO

Differentiating Our Position in a Diversifying Mobility Sector

While the automotive market continues to head down the path of electrification, the speed of transition and powertrain selections are varying by region, based on factors such as government policy, energy markets, infrastructure, and customer needs. This has made a “multi-pathway” approach increasingly important—offering multiple options suited to the characteristics of each region rather than focusing on a single powertrain.

We continue to develop a broad range of automotive products that includes Safety Systems Products, Interior and Exterior Parts, Functional Components, and Weatherstrips. While our business is affected by the general trends in the automotive market and customer mix factors, one of our strengths in an environment where the outlook is particularly uncertain is the fact that most of our key products are not reliant on specific powertrains. Our focus is on accurately identifying regional and customer differences so we can apply our technical expertise and insights to development of proposals for how to address specific challenges.

A strong earnings base as the primary funding source for growth investments is essential for us to continue addressing challenges faced by local communities and customers. Although we have faced headwinds since announcing the 2030 Business Plan in August 2023, we have made steady progress in reforming the earnings structure and business portfolio. We expect cumulative operating cash flow from 2023 to 2030 to reach 850 billion yen, comfortably exceeding the initial target of 650 billion yen.

We will allocate the cash we generate in a balanced manner among growth investments in R&D, facilities, and human capital; support for suppliers in strengthening their business foundations; and shareholder returns, thereby achieving sustainable growth.

Worldwide Growth Opportunities

We designate priority regions for different business segments according to regional differences, while pursuing growth strategies tailored to the conditions and specific requirements of each market.

For example, in the Safety Systems business, our key growth regions are the Americas and India. Within the Americas, the mature North American market is characterized by demand for increasingly advanced safety performance. We are proposing solutions to meet such needs, to deepen ties with existing customers and secure orders from new ones. Meanwhile, in South America, we are developing our business to meet regional needs amid growth in the automotive market and increased adoption of safety equipment. In the fast-growing Indian market, the number of airbags installed per vehicle continues to increase as the automotive market expands alongside stricter safety regulations. As these two growth drivers combine, we expect the growth in regional demand for airbags in India to exceed that of vehicle production volumes by a significant margin going forward.

In Europe, the global leader in automotive safety standards, we are participating in rulemaking for safety assessment standards covering a diverse range of accident scenarios. By leveraging the insights gained in this process in our product development so we can create safety products that anticipate the needs of different regions worldwide, we aim to expand our business while also helping to create a society free of road traffic accident casualties.

Expanding the customer base is another growth axis for us. Our efforts to secure orders from automakers other than our major customers have translated into an increase in revenue from these customers of around 18% over the past three years. Currently, we are accelerating efforts to strengthen relationships with overseas and local automakers, most notably in India and North America.

While we have a proven track record with our major clientele, establishing trust with new customers is not a simple process. It requires tenacious accumulation of step-by-step successes by listening to customers on site, proposing solutions that satisfy needs, and making product improvements—all based on our core foundations of quality, technology, and reliable supply capacity. We believe this steady, methodical approach is the most important factor in building the trust needed for new relationships to flourish.

While increasing sales, expanding the customer base also provides opportunities to gain new insights from various markets and customers. By leveraging these insights to enhance the value of proposals we make to our major customers, we create a virtuous growth cycle that can be shared with every customer.



Continually Honing Our Three Competitive Advantages

Our three main competitive advantages are expertise in the fields of rubber and plastics; a global network with strong roots across all regions; and experience in developing new businesses that create genuinely original value. Moreover, the ability to combine all these strengths enhances our unique value-creation capabilities as a company.

In addition to the way the materials are combined, the performance of rubber and plastic is extremely dependent on product design, production processes, operating conditions, and other variables. Over the years, we have accumulated extensive technical expertise and know-how across the value chain, from the development of materials and product design to engineering technology and performance testing. It is this knowledge gained over many years that provides the basis of our technical capabilities, something that cannot be reproduced easily by installing equipment. Our recycling technology is one example of this. Recycling rubber products is a difficult challenge, but we have developed proprietary technology that enables us to manufacture high-quality recycled materials with a short turnaround time and increase the proportion of recycled material to 20% of the total material. We have also developed a recycled plastic with the same functional properties as virgin material and a plastic content of 50% sourced via end-of-life vehicles. We were the first in the world to put this material into practical use in automotive interior parts requiring high impact resistance (according to Toyoda Gosei research as of the end of April 2025).

Message from the CEO

Our ability to combine resource recycling with the mass-production of automotive components offering standard function and quality has been acclaimed by various external organizations.

Our global network is also not simply an extended series of production sites. By understanding varied regional needs, regulations, and business practices based on proximity to customers worldwide, we have integrated our production with development and local supply capabilities. The global sharing of these insights and manufacturing capabilities and their use in creating new products and developing proposals is another strength that we have cultivated over many years. This concept is expressed in the slogan “One Team, One TG.”

We also possess a spirit dedicated to the challenges of creating the world-first products that can help to address the unresolved issues posed by society and customers. Today a mainstay, our Safety Systems business began life as a venture into a new domain. With world-first innovations such as curtain airbags, we have since grown into a leading global supplier of automotive safety systems, competing globally in a market with high barriers to entry. It is our ability to create unique value, develop businesses globally, and continually hone our technical edge that remains the source of our competitive advantage.

Connecting Mobility and Lifestyle Improvements with the Future

In the Safety Systems sector, since 2021 we have pursued collaboration with Ashimori Industry Co., Ltd. through a capital and business alliance. In March 2026, building on the strong trust foundations laid to date, we embarked on a new chapter together after making the company a wholly owned subsidiary. A technical leader for many years in seatbelts and airbags, Ashimori Industry has developed a strong track record in these areas.

Beyond combining our technologies and facilities, we believe that realizing the full potential of this integration depends on bringing together the insights and strengths of both companies, grounded in employees’ mutual respect for each company’s history and culture. By combining our expertise in airbags with Ashimori’s technical expertise in seatbelts, we believe that integrated development programs will contribute not only to improvements in the functionality of individual products, but also to the optimization of entire passenger protection systems. Our aim is to develop and provide optimized passenger protection solutions for a wide range of occupants and seating postures anticipated in the emerging mobility society.

Our initiatives to create value beyond the confines of stand-alone parts are not limited to Safety Systems. Looking at the entire vehicle, we see development of products in terms of how best to create greater value through the combination of various individual parts and technologies.

Leveraging the technical insights and expertise we have developed in plastics, we are achieving weight reduction by converting traditionally metal parts to plastic. We are also helping to reduce the production cost of vehicles by integrating peripheral parts into a single structural component, which cuts the number of parts and required production steps. Lower vehicle weight leads to improved fuel and energy efficiency, extending driving range or cutting the frequency of refueling or recharging. In turn, this helps to enhance user convenience and comfort. Moreover, integration of components can also help customers become more cost-competitive by simplifying the production steps.

I believe this concept provides us with major growth opportunities as we seek to apply our engineering and technology expertise to enhance the total value delivered by vehicles.

The future of mobility holds an increasing diversity of forms, from motorcycles to new forms of air mobility such as flying cars. As the exact form of transportation changes, the requirements for safety and comfort will evolve as well. The question will be how to protect safety in these new forms of mobility while enriching the time spent using them. I find the technical development prospects genuinely exciting because this new evolution in mobility will lead to new opportunities for us to utilize the technologies we have cultivated to date in areas such as polymer materials, occupant protection, and interior and exterior parts.

Yet the value that we aim to deliver goes beyond the mobility sector. The conversion of Ashimori Industry into a 100% subsidiary has extended our business base to include living infrastructure. Ashimori’s PALTEM trenchless pipeline rehabilitation method contributes to addressing the societal issue of maintaining vital underground infrastructure such as aging water and sewage pipe networks. Rather than just pursuing a broad range of possibilities, we plan to leverage the technologies and insights developed by both sides to identify areas where we can grow the business while also addressing societal issues.

By addressing these various challenges, we aim to “become a company that pursues the possibilities of polymers to contribute to a future of better mobility and living,” as stated in our 2030 Business Plan.



CEO in dialogue with employees

Fostering an Open Organizational Culture That Embraces Challenge

So far, I have discussed the technology that we have developed and the expanding business opportunities that change is creating for us in the future. However, technology and strategy are not enough on their own to create new value. This requires understanding the issues faced by society and customers; connecting all the different technologies and insights; and acting beyond organizational boundaries. Ultimately, it is people who drive change. Everything starts with the ideas and drive of individuals, whether developing whole-vehicle proposals that go beyond stand-alone components, or creating new products and businesses that can generate truly original value.

Yet we must also recognize that simply urging people to ‘take on challenges’ is not necessarily motivating. We need a corporate culture that supports people taking the initiative, based on an honest exchange of views regardless of status or division, backed by respect for differing opinions. I have been working to transform our culture based on this approach since heading up Human Resources, with the aim being to foster a culture where people can show their potential, think for themselves, and take on challenges. My thinking has not changed now that I am CEO. We will build an organization where fresh challenges are created in every work site, from Planning and Development to Manufacturing and Sales.

Message from the CEO

The spirit of taking on challenges is a legacy of this company's roots. These originated in the 1930s, when the founder of Toyota Motor Corporation, Kiichiro Toyoda, set up a new Rubber Research Department inside the automotive division of Toyoda Automatic Loom Works. The passion for research was inherited by our predecessor Nagoya Rubber Co., Ltd., which was established in 1949. Subsequently, we expanded the technical scope of R&D from rubber to include plastics. With our research and mass-production of blue LEDs, a product many thought too difficult to develop, we also displayed the ability to create new and unprecedented value. The path forged by our predecessors shapes the Company we are today.

To pass on this spirit to the next generation, it is vital that we create an environment where employees can take on challenges in their day-to-day work, without paying mere lip service to the philosophy. Managers hold the key to this. Their role goes beyond simply supervising operational progress and results. It is also important to engage with the individual; understand what they offer in terms of skills and experience, and what they want to do in the future; and create an environment where these capabilities can be fully utilized. It is the employees with frontline positions who are the first to grasp workplace challenges. Managers must listen to feedback and devise solutions with employees so that the necessary support exists for task delegation, offering encouragement where challenges meet with initial hesitation. Even if the results do not fully meet expectations, the lessons learnt should be utilized in what comes next. Over time, these daily interactions by managers will cumulatively help to foster an open organizational culture where employees feel secure enough to take that first step with confidence.



Besides supporting the members of the organization, the role of managers is also to guide the company in the right direction. I want our managers to adopt a four-dimensional perspective in terms of (1) setting higher goals, (2) grasping the broader industry and societal trends, (3) delving deeper into the essential nature and cause of issues, and (4) making decisions with a view to the longer term. I see the critical role of managers as drawing out the motivation and skills of team members and helping to develop employees who can think and act autonomously, while keeping the four-part perspective outlined above. I believe the two elements working together that will drive our transformation are an empowering management style coupled with the ability to lead the organization with a future-oriented vision.

In 2013, to help embed such thinking in our culture, we formalized it as a common set of Group values known as the "TG Spirit" to express the passion for work and mindset that have been passed down since the Company was founded. Later, in 2016, we set out the determination of executives to change behavior in a declaration entitled "Five Articles for Officers." This included commitments to listen to what team members said until finished speaking, to back those taking on challenges, and to assume responsibility. To supplement ongoing management training, we also established the Well-Being Labor-Management Committee in partnership with the labor union to hold discussions on how best to foster a workplace culture that empowers team members to take on new challenges through daily interactions with managers. This recognizes that organizational culture requires daily workplace implementation for proper effect, and not just expression in words and systems.

My personal preference is to create opportunities for direct dialogue with team members across various workplaces. From those working in frontline roles, I want to know what they feel are the main issues, and what they hope to achieve. I believe it is valuable to get their feedback to help forge connections between frontline perspectives and the strategic direction of the Company. When individual employees can feel the connection between their work, the growth of the Company, and their contribution to society, I believe that the Company will earn the trust of stakeholders and be an employer of choice. This, in turn, will help attract more talent and create fresh challenges. And it is the succession of challenges that will lead to the growth of Toyoda Gosei.

Autonomous Management and Building Corporate Value

In 2025, after discussions with Toyota Motor Corporation, Toyota's equity shareholding in Toyoda Gosei was revised down, from around 43% to approximately 20%. This move did not signify any weakening in our relationship with Toyota. Moving forward, as a member of the Toyota Group, we will continue to value highly the relationships we have built to date in a variety of aspects. The significance of the revision lies in further enhancing our management autonomy and accountability, based on a shareholder structure that is better aligned with our growth strategy. By significantly improving the levels of management decision-making transparency and accountability, we aim to achieve the goals of the 2030 Business Plan and enhance corporate value sustainably while at the same time balancing growth investments and capital efficiency.

Further elevation of the quality of deliberations by the Board of Directors is essential to enhancing both our management autonomy and accountability. The Board currently has nine members, including four outside directors. We strive to facilitate effective deliberations by providing the outside directors with information in advance of meetings and by providing opportunities for outside directors to visit worksites to gain a better understanding of our business, both in Japan and overseas. At Board meetings, outside directors offer frank and, at times, challenging views to help re-evaluate the assumptions and decisions made by executives. This places the onus on the executive Board members to explain the basis for decisions and to engage in deliberations on the strategic direction. I believe the constructive tension that characterizes the discussions based on this approach helps to enhance the quality of management decisions and to support autonomous management.

Our basic policy is to deliver stable and continuous dividend increases while targeting DOE of 3.5%, supplemented by flexible share buybacks. We have also reduced the minimum share trading unit through a 5-for-1 stock split, which aims to make our shares more accessible to a wider range of people so we can benefit from a broader base of investor support over the long term. We will continue to engage in investor relations (IR) activities to promote dialogue with all shareholders and investors; to help deepen mutual understanding; and to incorporate investor feedback into management. We will build strong relationships based on trust by ensuring the fruits of growth are reflected in steady returns.

Message from the CEO

Decision-Making and Collaboration to Support Next Phase of Growth

I think the role of CEO is to indicate the way forward for the Company, decide how best to allocate limited management resources, and take responsibility for the results. When I became CEO, I set for myself a commitment to orient management decision-making along a three-part axis called “attack/protect/review.” This refers to a management style based on orienting for growth while strengthening business foundations and then re-evaluating any initiatives or conventional business practices that may no longer be useful in line with how conditions have changed. Based on this stance, we will make steady progress towards achieving the 2030 Business Plan by expanding in priority regions and developing the customer base; by developing new products and technologies; and by reinforcing the competitiveness of our existing businesses. Rather than targeting everywhere at the same time, it is important that we are selective by just focusing on areas where we can leverage our strengths. The especially critical themes influencing our future growth are expanding the product range for use in FCEVs; developing customers in priority markets such as the Americas and India; and putting resources into new technical domains. As CEO, I will focus on creating a path towards business commercialization and growth by participating in the critical discussions to ensure we make the appropriate decisions relating to setting investment priorities and other management issues.

In May 2026, I was appointed Chairman of the Japan Auto Parts Industries Association (JAPIA). The increasingly complex issues facing the automotive industry cannot be addressed by companies acting on their own. Protecting the breadth and depth of the supply chain and increasing its resilience are crucial roles for JAPIA, in my view. To that end, I will be striving to deepen our collaborative efforts with government and with other industry groups, notably the Japan Automobile Manufacturers Association (JAMA), as we seek to bolster the competitiveness of the Japanese automotive industry.

Leveraging change to power value creation unique to Toyoda Gosei will be the source of our next phase of growth. We will prioritize the necessary decisions and advance our business to ensure we realize this aim. In closing, I respectfully ask all stakeholders for their continued support.

Personal Reflection

Believing in the potential of polymers

I grew up surrounded by cars and the smell of motor oil from a young age. My family ran an auto repair shop, and my earliest memories are of being in the garage, or of riding in the passenger seat as my father drove to the testing center or to deliver a vehicle to a customer. Looking back at what was a daily routine, cars were always at the center of my life, and I was naturally attracted to their appeal. When it came time to find a job, without hesitation I wanted to work in the automotive industry. Yet I also remember feeling anxious about the industry’s prospects at the time amid the rapid appreciation of the yen and increasing trade friction with the United States. With all that happening, my interest was drawn to the Company’s polymer technology, which had potential not only in automobiles, but also in a wide variety of fields. My conviction grew that this technology could enable us to deliver sustained value to society, irrespective of the changing times. It was this conviction that led me to bet on those possibilities and join Toyoda Gosei.

More than 30 years on, what strikes me afresh is how our polymer technology and varied related expertise remain one of our major strengths. The unwavering pursuit of these possibilities is still the embodiment of the spirit cultivated since the Company was born. I am deeply committed to utilizing the assets, tangible and intangible, that our predecessors developed, and to ensuring that we also develop them appropriately for the next generation to inherit.

Although I am not an engineer, I love listening to product development discussions by frontline teams. Hearing about the role that our products play within overall vehicles, and not just as isolated components, helps to rekindle my fascination with manufacturing and automaking. It is vitally important all employees, including those in accounting and HR, keep products and customers in mind when performing their duties. I believe it is this sense of connection that provides a source of passion for our work.

If I were to describe myself in a phrase, it would be “authentic and unpretentious.” I have always valued interacting with others in a relaxed way and keeping dialogue open and honest. My overseas assignments gave me direct experience of working alongside colleagues holding very different views and perspectives and of learning to acknowledge and respect such differences while striving towards a common goal. For me, it is about continuing to take on the challenge of better manufacturing by working with colleagues, based on an affection for cars, the high expectations for our technology, and a general trust in people.



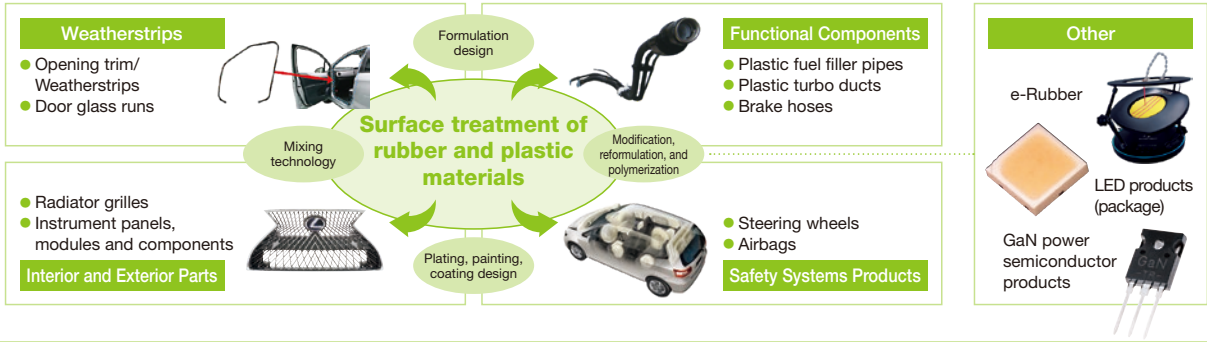


Our Competitive Advantages

Expertise in rubber and plastics

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

We are leveraging our foundations in basic research, which date back to the Rubber Research Department established by Kiichiro Toyoda, the founder of Toyota Motor Corporation, to create materials and manufacturing methods that anticipate customer needs and the changing times, thereby strengthening our competitive advantage.

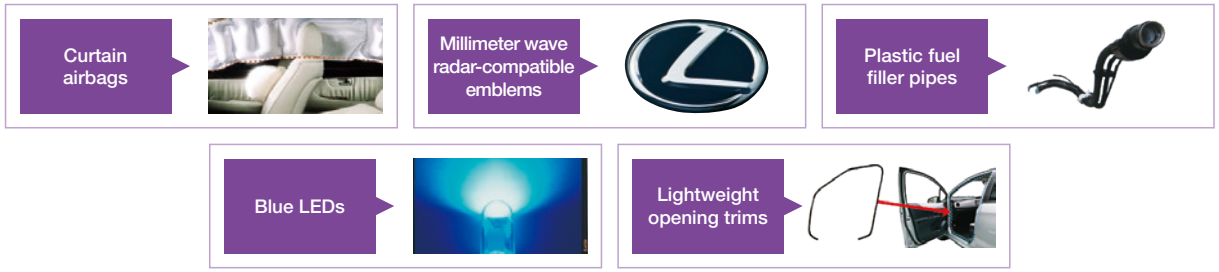


Experience in developing new businesses

Innovative products

Under our Company Creed of “Boundless Creativity and Social Contribution,” we have had many successes over our 77-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 challenge of addressing societal issues.

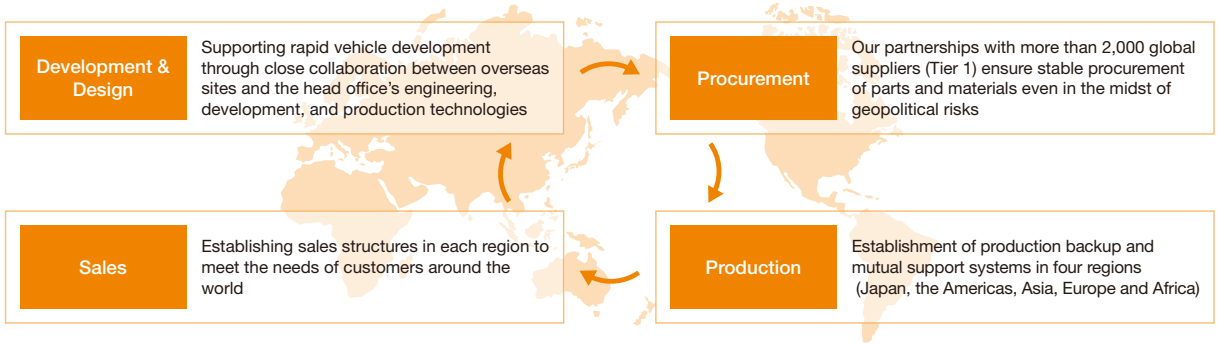
Taking on Challenges to Create World Firsts



Global network

Value chain that leverages our network of 71 Group companies in 16 countries/regions

Following our participation in global strategic vehicle programs, 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 and geopolitical 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 intelligent technologies) 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 Foundation and Sources of Competitiveness

Human Capital » P.13
Diverse human resources to support value creation

Manufacturing Capital » P.13
Global network to realize a variety of solutions

Intellectual Capital » P.13
Knowledge and technology base to transform business models and build competitive advantages

Social and Relationship Capital » P.13
Engagement with stakeholders

Natural Capital » P.13
Global management aimed at creating a positive impact

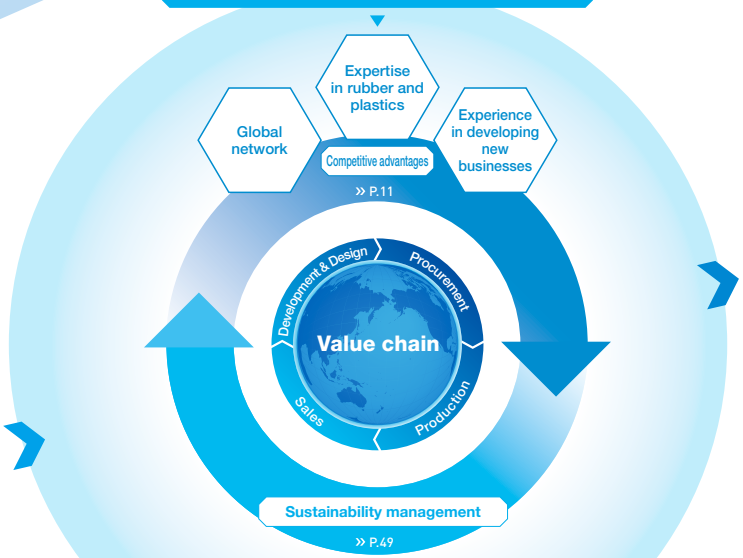
Financial Capital » P.13
Strong financial base

Business Model

Company Creed/Management Philosophy » P.3

Materiality » P.14

Medium-Term Business Plan “2030 Business Plan” » P.16

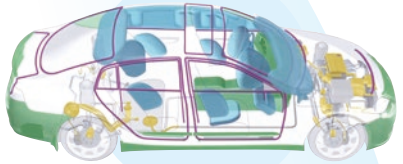


TG Spirit/Sincerity, Activeness, Unity » P.3

Corporate governance, risk management, compliance » P.58

Output

Businesses and Products



Automotive parts

Safety Systems Products » P.28

Interior and Exterior Parts » P.31

Functional Components » P.33

Weatherstrips » P.35

Other

General and Industrial 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 and a circular economy

Shareholders, investors
- Stable, sustainable shareholder returns
- Providing transparent IR information

Employees
- Active participation of a diverse workforce
- Vibrant and supportive workplace culture

Customers
- Contributing to business growth and the realization of customers’ purpose
  - Providing safe and reliable products
  - Flexible response to business transformation

Suppliers
- Sustainable, fair, and equitable business relationships
- Mutual development based on mutual trust

Local communities, government
- Achieving a safer and more comfortable mobility society
- Contributing to sustainable local communities

Sustainably enhancing corporate value through the value creation cycle

Toyoda Gosei's Management Capital Management capital cultivated over our 77-year history

Management capital is an important source of sustainable corporate value enhancement. Toyoda Gosei builds management capital through a cycle of value creation based on our management philosophy, and invests capital at the appropriate time while anticipating business opportunities and risks.

Human Capital

Transformation into a dynamic organization that supports corporate evolution and growth

Toyoda Gosei operates in 16 countries and regions around the world with 71 Group companies. We aim to bring out the individuality and potential of individual employees with diverse values and talents, including different nationalities, genders, ages, and lifestyles, and generate new creativity and power through organically linking them. By creating a virtuous cycle that channels that power to achieve business results, then reinvests the results into human resource development and new challenges, we will enhance the vitality of our organization and aim to achieve its sustainable evolution and growth.

Number of employees
41,304

Ratio of overseas employees
71.7%

Locally hired employees in executive positions (%)
41%
2030 target: 60%

Women in management positions (non-consolidated)
46
2030 target: 100

Mid-career hires in management positions (%) (non-consolidated)
33%
2030 target: 30% or more

Employee engagement (non-consolidated)
62%
2030 target: 75%

Manufacturing Capital

Providing safety, comfort, and decarbonization to customers around the world by leveraging our global network and expertise in rubber and plastics

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 innovating our manufacturing methods and production equipment based on our knowledge of rubber and plastics cultivated for 77 years. Additionally, we have adopted Internal Carbon Pricing (ICP) and reflect both CO_2 reduction effects and economic viability in our investment decisions.

Production locations
71
(As of June 30, 2026)

Capital expenditure
¥58.5 bn
Percentage of revenue: 5.1%
(FY2025)

CO_2 emissions reduction (non-consolidated)
−40.7%
(Compared to FY2016)

Intellectual Capital

Pursuing the possibilities of polymers and refining our unparalleled R&D capabilities to further enhance our competitive advantages

It is important for us to anticipate the needs of society and our customers, and to focus on the future of mobility to continue refining our technological capability to propose new value. R&D capabilities are the source of our corporate growth, and we have invested over 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 strengthening our competitive advantages by utilizing IP landscaping and other techniques to enhance the quality and speed of decision-making for new business development.

R&D expenses
¥44.6 bn
Percentage of revenue: 3.9%
(FY2025)

Development and engineering staff (non-consolidated)
2,222
Percentage of non-consolidated employees: 33.4%
(FY2025)

Number of patents held
Japan **2,354**
Overseas **1,797**
(As of March 31, 2026)

Social and Relationship Capital

Building strong relationships with stakeholders through careful dialogue

The automotive industry is undergoing rapid changes in market structure and shifts in the competitive landscape, while uncertainty in the business environment is increasing further. In order to realize our management vision, effective collaboration with a wide range of stakeholders is essential. 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.

Number of suppliers (non-consolidated)
2,000 or more

Research partnerships
Nagoya University
Osaka University
Tohoku University

No. of individual meetings with analysts and institutional investors
269

Natural Capital

Initiatives to address climate change and promote resource circularity by leveraging the environmental technologies and knowledge we have developed

In 1993, we started promoting environmental initiatives with the 1st Environmental Action Plan, and have continued for more than 30 years. Natural capital is the vital foundation supporting both business activities and value creation. We will further evolve our accumulated environmental conservation knowledge and technology and our competitive advantage in expertise in rubber and plastics, responding to climate change and promoting resource recycling with the aim of reducing environmental impact while simultaneously creating economic value.

Total energy input (non-consolidated)
2.058 million GJ*
* Gigajoule = 1,000,000,000 J

Total material input (non-consolidated)
43,733 t

Water resource input (non-consolidated)
987,000 m³

Renewable energy input (non-consolidated)
27,000 GJ

ISO 14001 certification rate at production sites
100%
(Environmental Management Systems)

Financial Capital

Sound financial management to support sustainable growth and enhance corporate value

We aim to achieve sustainable growth and enhance corporate value by balancing the three financial priorities of growth, 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 pursue more multifaceted financial management.

TG-ROIC*
16.1%
2030 target: 20%
* TG-ROIC= $\frac{\text{Operating profit}}{\text{Property, plant and equipment + Inventories}}$
(FY2025)

ROE
11.2%
2030 target: 10%
(FY2025)

Credit rating
A⁺ (R&I)
AA⁻ (JCR)
(As of January 29, 2026)

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, including projected social trends and the 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 members responsible for promoting sustainability 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 their importance to Toyoda Gosei (including links to the Management Philosophy, management capital, and competitive advantages) and their importance to stakeholders (contribution to social issues, promotion of ESG activities, etc.)

3 Assessment of appropriateness by management

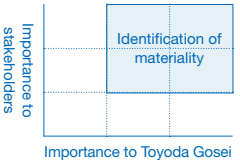
Consultation with outside directors, executives, and investors on identified material issues to evaluate the appropriateness of materiality

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 by the Sustainability Council, and periodic review of materiality



Business Operations

Management Base

Social Issues/Megatrends	Opportunities and Risks		Timeframe (Short / Medium / Long)	Corporate Impact: Positive (Opportunities)	Corporate Impact: Negative (Risks)
● Achieving both innovations in automotive technology (electrification and intelligent technologies) and a safer mobility society ● Changes in company competitiveness due to accelerating digital/IT transformation	Responding to diverse powertrains	Strategic launch of new technologies and products in response to BEV adoption (OEM and supply chain evolution)	● ● ●	↑↑	↓↓
		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	● ●		↓↓
	Expansion of MaaS market	Changes in user values on vehicle and vehicle usage (development of transportation infrastructure, demand for a more comfortable cabin environment)	● ● ●	↑↑	↓↓
	Market changes	Automotive market expansion due to infrastructure improvements and laws and regulations in emerging countries	● ● ●	↑↑↑	
	Accelerate adoption of digitalization, IoT, and DX	Optimization from production to delivery (real-time monitoring, predictive maintenance, automation, etc.)	● ● ●	↑↑↑	
● Increasingly serious problems in the global environment ● Business transformation due to climate change and resource shortages (tighter regulations)	Environment and resources	Market expansion in new fields through green technology* and green transformation	● ● ●	↑↑↑	↓↓
		Change in competitiveness due to adoption of carbon pricing	● ●	↑↑↑	↓↓↓
		Effective use 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)	● ● ●	↑	
● Demographic changes (declining birthrate and aging population) ● Changing values and diversifying work styles	Human capital	DE&I promotion for diversification of thinking, skills, and experience	● ● ●	↑↑↑	
		Human resource portfolios for efficient use of human capital	● ● ●	↑↑↑	
		Rising labor costs, hiring difficulties	● ● ●		↓↓
● BCP risks ● Rising geopolitical risks	Supply chain	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	(●) (●) (●)		↓↓
		Antitrust law violations (bid rigging and cartels)	(●) (●) (●)		↓↓

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

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

↑: Positive impact
↓: Negative impact

Materiality (Key Issues)

Business Operations

Management Base

Key Sustainability Issues (Materiality)	Main Initiatives (Social Issues/Opportunities and Risks to Be Addressed)	KPIs and Medium- to Long-term Targets (FY2030) For FY2025 results, please refer to non-financial highlights on P. 77.	Relevant SDGs Most Important Areas
● Responding to the changing nature of automobiles ● Realizing a safe, secure, and comfortable mobility society by reducing traffic fatalities	● Development and sales expanded of airbag products to deliver safety and comfort to all	● Estimated number of lives saved annually by safety products: 20,000	 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 CO_2 and greenhouse gas emissions ● Creating a circular economy through waste reduction and water risk reduction	● Creating environmentally friendly businesses by leveraging our expertise in rubber and plastics ● 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): -18% (compared to 2024) ● Waste volume (unit) (overseas): -6% (compared to 2024) ● 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
● Coexisting with local communities ● Promoting the active participation of diverse talent 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 locally hired employees in executive positions (vice presidents and above) at overseas locations: 60% ● 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): 2,000 (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 a diverse workforce
● Corporate governance as a company with integrity ● Ensuring compliance	● Enhancing BCP resilience ● Strengthening internal controls	● Number of major legal violations: 0 ● Major cyber security incidents: 0	 A fair and transparent corporate governance system

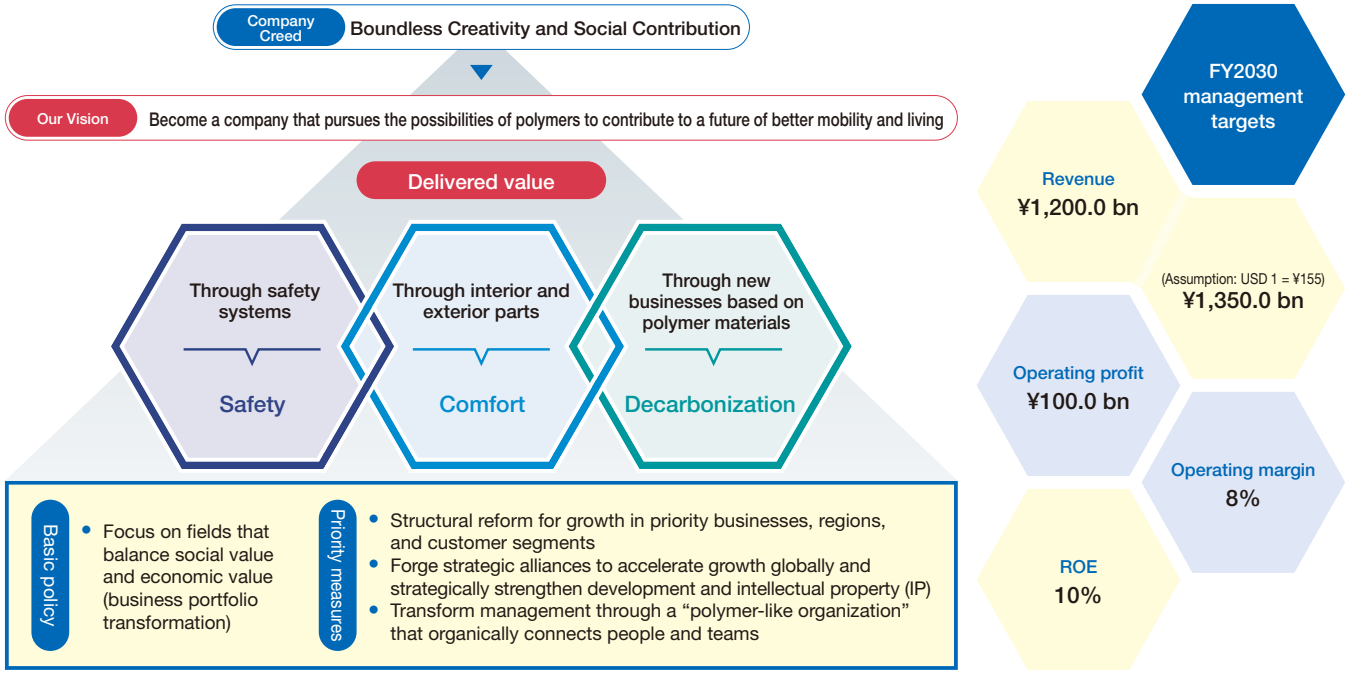
Growth Strategy Overview



Hiroshi Yasuda

Representative Director, Executive Vice President, COO

To realize the 2030 Business Plan, we will strengthen our business foundation and drive value creation.



Drawing strength from a changing environment to drive the next stage of growth

Outline of the 2030 Business Plan

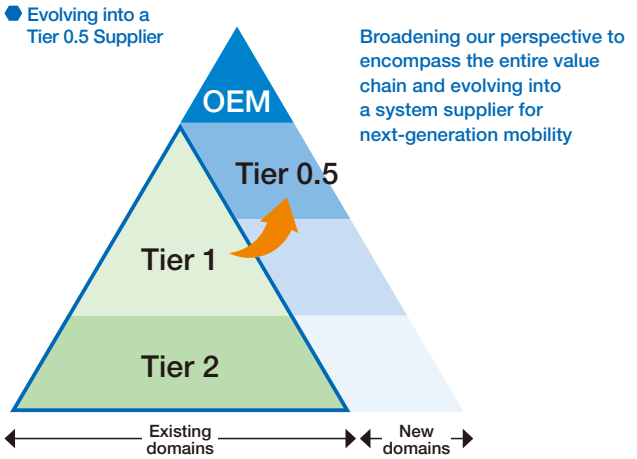
Under our Company Creed of "Boundless Creativity and Social Contribution" and our spirit of self-direction and autonomy, we will quickly identify the future needs and latent challenges of society, end users, and automakers, and turn our expertise in rubber and plastics—our core strength—into new value. Through such value creation, we will help solve the challenges of a mobility society and, beyond that, contribute to the sustainable value creation of the entire Toyota Group. The 2030 Business Plan charts our path toward realizing this vision.

The specific growth areas we will focus on are safety, comfort, and decarbonization, which also represent the value we provide. We will concentrate management resources on fields that deliver both social and economic value, and so enhance corporate value over the medium to long term. Going forward, we will further enhance our earning power. To achieve an operating margin of 8% or higher, we will steadily turn the initiatives we have pursued so far into profits. At the same time, we will strengthen our business foundation around priority businesses, regions, and customers, forge strategic alliances, and enhance development and intellectual property. We will channel the profits we generate into the next stage of growth.

By building on these efforts, we will establish a business foundation that supports not only the achievement of our 2030 targets but also further growth beyond 2030.

Responding to a Changing Market

The business environment in the automotive industry is now changing at an unprecedented pace, driven by rising geopolitical risks, increasingly complex social issues, and the rise of emerging manufacturers. As the major markets of Japan and the United States reach maturity, Japanese automakers are advancing reforms to regain ground, and we recognize that the industry stands at a major turning point. To turn these changes in the environment into new growth opportunities, it is essential that we



Growth Strategy Overview

read them accurately, identify priority regions and businesses, and allocate investment and resources with clear priorities.

Over the past few years, conflicts around the world and the spread of protectionism have significantly changed the business environment, with a major impact on corporate management. In light of chronic inflation, logistics disruptions, and the risk of supply chain interruptions, a stable supply system is more important than ever. Drawing on our global production system, a key strength, we will optimize our production sites and diversify the supply chain to build a supply system that is resilient to changes in the environment.

In addition, with the pace of and approaches to achieving carbon neutrality differing by region, multi-pathway strategies are advancing that use a variety of powertrains, including BEVs, HEVs, PHEVs, CNG vehicles, and biofuel-compatible vehicles. Taking into account policies, energy conditions, infrastructure, and other factors in each region, we will develop products that meet the needs of each market.

Emerging manufacturers are also strengthening their presence in the global market on the strength of overwhelming speed and cost competitiveness. In particular, their expansion into growth markets such as Southeast Asia and Latin America is accelerating. Given these dramatic changes in the competitive environment, we will enhance our competitiveness and accelerate business expansion in growth markets by strengthening our marketing capabilities and rolling out products closely matched to market conditions and regional needs.

Strengthening Our Business Foundation for Growth

To prevail in a rapidly changing market environment and achieve the 2030 Business Plan, we will build a stronger earnings structure centered on four measures. We will reinvest the cash generated through highly profitable and highly efficient manufacturing into the next stage of growth to cultivate new sources of competitiveness. By reliably keeping this value creation cycle running, we will sustainably enhance corporate value.

Creating Value-Added Products

We will focus on developing products that meet the market needs of each region, centered on the value we provide: safety, comfort, and decarbonization. In particular, we will draw on our strengths in rubber and plastics and in new business development, where we have produced world-first products, to create high-value-added new technologies and products such as safety technologies, environmental technologies, and high-performance materials.

» Development Strategy (P.19)

Strategic Investment in Priority Regions

With improving investment efficiency as our basic principle, we are making strategic investments in priority regions to achieve growth that outpaces the market. In particular, in India, where growth is strong, we will expand our customer base and drive future growth by investing ahead of demand and moving swiftly to expand production capacity and launch new products.

» Regional Strategy (P.37), Financial Strategy (P.45)

Maximizing the Earning Power of Existing Businesses

Growth in BEV demand has entered a temporary plateau. Energy conditions and regulations differ by region, and we expect a market environment in which diverse powertrains will continue to coexist.

While maximizing the profitability of fuel-system components for which we anticipate demand, notably those for HEVs, we will make effective use of existing resources and expand our business into next-generation markets such as those for BEVs, FCEVs, and CNG vehicles. We will also flexibly review our business portfolio in response to changes in the business environment, based on future growth potential and profitability, to improve capital efficiency.

» Business Strategy (P.27)

Cutting Fixed Costs and Production Costs

We expect competition to intensify further as emerging manufacturers expand globally. To counter the cost competitiveness and development speed of emerging manufacturers, reform across the entire value chain, not simply cost reduction, is essential. Under the banner of reducing production preparation lead time by 30% and halving production lead time, we will reform manufacturing across the entire value chain to make it highly efficient. This includes using AI and digital technologies to bring drawings and processes to a high level of completion at an early stage, stabilizing processes through predictive management, optimizing inventory planning, and shortening information lead times. We will also streamline indirect operations to build a lean business foundation that is resilient to change.

» Manufacturing Strategy (P.23)



We will pursue these initiatives in an integrated manner, accelerate the virtuous cycle of earnings and growth, and sustainably enhance corporate value

Growth Strategy Overview

Steady Execution of Growth Strategies

Initiatives in Growth Businesses

To deliver safety and security, the first value we provide, around the world, we held discussions with stakeholders in European automotive safety assessments during the previous fiscal year. Drawing on these discussions to track future assessment trends, we put forward proposals for occupant protection systems that are both safe and easy to adopt. By making Ashimori Industry a wholly owned subsidiary, we have also accelerated development that combines airbags and seat belts to further enhance occupant protection technologies. Building on these efforts, we will apply our safety technology expertise to actively participate in discussions on the latest safety assessments and rulemaking, and lead the way in raising safety levels in mobility worldwide.

» Business Strategy: Safety Systems Products (SS) (P.28)

Next, to pursue comfort, our second delivered value, we have been developing products with refined design and texture and enhanced functionality that enrich the mobility experience. Our initiatives have included developing light-transmission technologies that support signage functions and new coating technologies that enhance exterior styling, as well as reducing weight for a comfortable ride and extended driving range. In weight reduction in particular, we are pursuing a technological innovation that overturns conventional wisdom: making the vehicle frame from plastic. We aim to create new value for next-generation mobility.

» Business Strategy: Interior and Exterior Parts (IE) (P.31)

Finally, to achieve our third delivered value, decarbonization, we have established advanced recycling technologies by leveraging our core expertise in rubber and plastics. These technologies have earned high acclaim from outside the Company. By applying our established recycling technologies to turn waste materials into new products, we will accelerate product development that meets tightening environmental regulations, particularly in Europe, and lead the world with advanced technologies that support resource circulation.

» Development Strategy (P.19), Business Strategy: Weatherstrips (WS) (P.35)

Through these three delivered values, we will strengthen our market competitiveness, help automakers become more competitive, and grow our business as a result. To make these efforts more effective, we are investing strategically, with clear priorities tailored to the characteristics of each region.

In India, a market showing particularly strong growth, we are drawing on the business foundation we have built over more than 30 years to make forward-looking investments that anticipate the future tightening of safety regulations as well as regional needs. In addition to expanding production capacity, we are strengthening our local development framework to reliably capture growing demand and achieve further share gains and earnings growth.

» Regional Strategy: India (P.39)

Meanwhile, in North America, which underpins the Company's earnings base, we are accelerating efforts to automate existing lines, apply digital transformation more widely, and expand production capacity to capture the growth of key customers, with the aim of further improving productivity and profitability.

» Regional Strategy: The Americas (P.38)

We also use TG-ROIC as a guide for investment decisions. With disciplined resource allocation that keeps capital efficiency in mind, we pursue both growth initiatives and efficiency improvements according to regional characteristics to improve profitability globally.

» Financial Strategy (P.45)

Business growth to 2030
(prepared based on Mobility Global's production volume forecast)

Region \ Business Domain	SS Safety Systems Products	IE Interior and Exterior Parts	FC Functional Components	WS Weatherstrips
Japan	◎	○	○	△
The Americas	◎	○	○	○
China	△	△	△	△
India	◎	◎	○	○
ASEAN	△	○	△	△
Europe and South Africa	◎		△	△

◎ Above market growth, ○ In line with market growth, △ Maintain current level

Business Process Reform

We have newly appointed a CDXO and are renewing core systems for accounting, production control, human resources, and other functions to achieve lasting improvements in the efficiency and productivity of indirect operations. We view AI and digital technologies as a critical management foundation that determines corporate competitiveness, and are strengthening AI education and the development of digital talent to shift administrative functions toward higher value-added work. By embedding the use of digital technologies across the Company, we will build a management foundation that anticipates change and enables rapid decision-making.

» DX Strategy (P.44)

Expanding Value Creation Areas

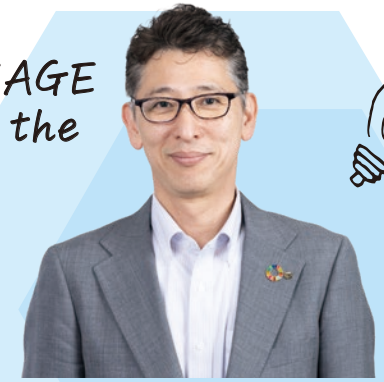
We will advance four initiatives in unison to enhance the competitiveness and profitability of our businesses: creating value-added products, making strategic investments in priority regions, maximizing the earning power of existing businesses, and reducing fixed costs and production costs. We will read changes in the business environment accurately and strengthen the business foundation for sustainable value creation while making our strategies more effective.

We will also anticipate changes in markets and customers and, by proposing solutions that draw on the strengths we have built up, expand the role we play and create new business opportunities.

We will aim not just to formulate strategies, but to execute them and deliver solid results. By turning change into opportunity and steadily leading the way in making this a reality, we will sustainably enhance Toyoda Gosei's corporate value.

Development Strategy

MESSAGE from the CTO



Mitsuhiro Nawashiro

Director, Corporate Officer, CTO

We will accelerate technology development with an eye to social challenges beyond 2030 and contribute to creating a prosperous society.

Policy for Achieving the 2030 Business Plan

We are developing products that apply the technologies we have cultivated through automobiles to a broad range of fields, aiming to contribute to the overall progress of future society.

Our 2030 Business Plan focuses on delivering value through three key initiatives: “Safety and Security” centered on Safety Systems Products, “Comfort” built on Interior and Exterior Parts, and “Decarbonization” through new businesses leveraging 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 help reduce traffic accident fatalities and injuries.

We promote the development of innovative safety technology based on the key concepts of safety, security, 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 preventive safety technologies linked with autonomous driving and ADAS, extending our focus beyond collision safety.



Biometric-sensing steering wheel (such as to detect alcohol)



Lap airbag

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.

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.

In addition, seat-integrated safety devices, such as lap airbags, can create a safe vehicle interior and provide a new form of value: a safe vehicle interior.

We will continue to develop technologies for collision safety assessments, which are set to become increasingly stringent, to reduce the traffic fatalities that conventional technologies have yet to prevent. We also aim to engage in new rulemaking. To this end, we are strengthening collaboration with research institutions closely involved in these assessments through personnel exchanges, including seconding additional staff to Europe.



Safety Summit 2025

Providing Comfortable Spaces for Autonomous Driving

Contributing to Society through Plastic Structural Components

In vehicle development, reducing weight to enhance driving performance and integrating components to simplify vehicle manufacturing are key priorities.

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

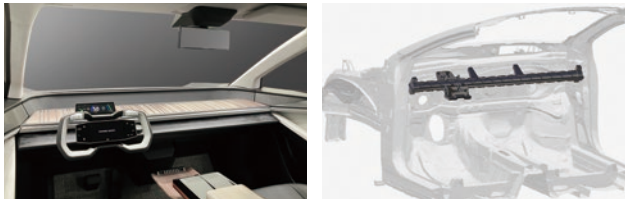
Development Strategy

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*1 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.

*1 Architecture: A design philosophy for combining more efficient development and production with “making ever-better cars”



Achieving a Spacious Interior Through the Use of Plastic-Based Structures (Instrument Panel Reinforcement)

Carbon Neutrality/Circular Economy

As a manufacturer specializing in polymer materials such as rubber and plastics, we are promoting carbon neutrality and circular economy initiatives worldwide. One such goal is to reduce Scope 3 (Category 1) CO_2 emissions by 27.5% compared to 2019 levels (SBTi-validated target) 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. The following achievements in utilizing recycled materials, an area of particular focus, received high praise.

In rubber, we raised the recycled rubber content from 5% to 20% and received the Minister of Economy, Trade and Industry Award at the 39th Chunichi Industrial Technology Awards. In plastics, we achieved mass production of interior components containing 50% polypropylene recovered from end-of-life vehicles and received the “Japan Power (Nippon Brand)” award at the 22nd “Cho” Monodzukuri Innovative Parts and Components Awards. Going forward, we will continue to accelerate the practical application of circular materials, including “X to Car,” and contribute to achieving carbon neutrality (CN) and a circular economy (CE).

Recycled Rubber Initiatives

With our proprietary rubber devulcanization and recycling technology at the core, we aim to produce and use 1,200 tons of recycled rubber by 2030.

To achieve this goal, we are pursuing two initiatives: collaborating with partner plants and using waste materials from other companies.

In our collaboration with partner plants, we collect EPDM waste materials generated by Toyoda Gosei East Japan Co., Ltd. and are working to mass-produce recycled rubber at our Morimachi Plant. To make use of waste materials from other companies, we are running a rubber recycling initiative involving 22 member companies of the Chubu Rubber Manufacturers Association. With the coordinating company taking the lead, we are devulcanizing and recycling in-process waste materials from EPDM and other rubber types and testing the technology with varying ratios of recycled rubber added to virgin rubber. We showcased these initiatives at the Automotive Engineering Exposition 2026 in Yokohama and Nagoya, where they drew a strong response. Going forward, we will set priorities based on each company’s demand volume and work to establish efficient collection methods.



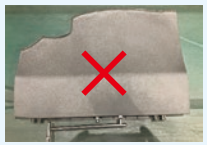
TG’s recycle-themed booth, Automotive Engineering Exposition 2026 Nagoya

Recycled Plastic Initiatives

In Europe, the ELV*1 Regulation is expected to require the use of ELV-derived materials and PCR*2 materials as recycled content in automotive parts from 2032. In light of this regulatory trend, we are focusing on developing recycled plastic materials to improve circularity and reduce CO_2 emissions across the entire vehicle life cycle. In FY2024, we partnered with recycled materials manufacturer Isono Co., Ltd. to establish proprietary foreign matter removal and polymer modification technologies for ELV-derived polypropylene (PP) materials, and brought these materials into mass production.

In addition, to accelerate material development using PCR materials, we are strengthening collaboration between the upstream and downstream sides of the material flow through the Cabinet Office’s Cross-ministerial Strategic Innovation Promotion Program (SIP). In testing to date, we have confirmed that a recycled material content of around 30% could meet the initial performance requirements of interior components. Going forward, we will push development further with a view to practical application.

*1 ELV: End-of-life vehicle
*2 PCR: Post-consumer recycled material

Target	Modified recycled material 30%	Recycled material 100%
No noticeable difference in appearance	No noticeable difference 	Visible foreign matter or molding defects 

PCR Materials: Product Evaluation Results

Development Strategy

Strengthening Advanced Development through Comprehensive External Partnerships

In July 2026, we established the Co-Creation Research Center for Functional Materials Contributing to Safety, Comfort and Decarbonization with Tohoku University, strengthening our advanced development capabilities through comprehensive external partnerships.

In addition to our polymer materials technologies, we will use the university's advanced technologies for analyzing mechanisms at the atomic and molecular levels to plan and develop innovative functional materials across a broad range of fields and create functional materials for future mobility and other applications.

New Businesses

Creating New Value to Enhance Corporate Value and Address Social Issues

To accelerate the process from creating new businesses to commercialization, we established the New Value Business Headquarters in January 2025. We aim to enhance corporate value and achieve sustainable growth by balancing social and economic value and making existing and new businesses the twin engines of growth.

One of the initiatives for achieving this is our CVC activities. Through them, we invest in five priority areas under a policy of favoring fields that offer strong synergies with our core technologies (automotive-related technologies such as plastics, rubber, airbags, and hydrogen tanks, and GaN-based semiconductor technologies such as blue LEDs). We are also pursuing joint development and other initiatives with startups we invest in, developing new products that combine technologies from different industries and opening up new markets.

As one of these efforts, we invested in ElevationSpace Inc., a Tohoku University startup developing artificial satellites capable of returning to Earth using atmospheric reentry technology, to explore fields in which our technologies can be applied and deepen our knowledge of the space sector. The small satellites the company develops use special materials to withstand the intense heat of atmospheric reentry, enabling a safe return to Earth. Drawing on our polymer materials technologies, we will explore the potential for creating functional materials that can withstand the harsh environment of space, and contribute to realizing a future mobility society.

Energy: Perovskite Solar Cells

To help achieve carbon neutrality and a decarbonized society, we are working with startups we invest in to develop products that use perovskite solar cells.

As one such application, we built a system combining these thin, lightweight, and flexible cells with an in-house power control unit that efficiently stores generated electricity in storage batteries, and prototyped smartwear that can be used to protect against heat. Through demonstration tests at Expo 2025 Osaka, Kansai, Japan and on golf courses, we are collecting and analyzing data on power generation efficiency and durability in outdoor environments and identifying specific issues for practical use. In this way, we are making improvements toward commercialization.

We are now considering test sales targeting outdoor workers and continuing improvements that reflect customer feedback.

Going forward, we will also begin developing products for other uses based on the system, established through demonstration tests, that combines the perovskite solar cell panels and the power control unit. In this way, we aim to accelerate the adoption of next-generation energy and achieve early commercialization and practical application.



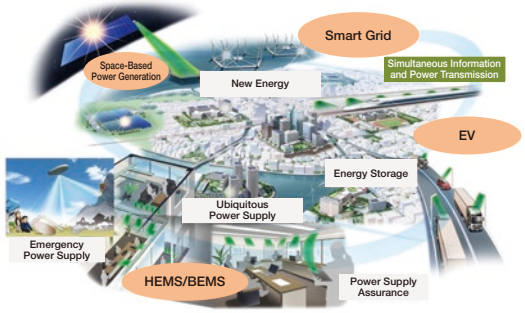
Smartwear prototype and power control unit



Field Demonstration of Perovskite Solar Cells

Energy: Wireless Power Transfer

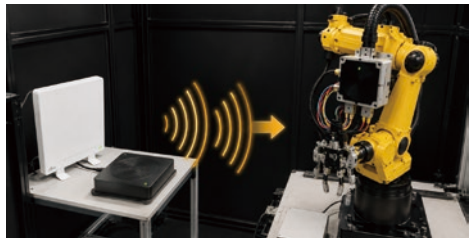
As one of our development projects in the energy field, we are currently working in-house on microwave-based next-generation wireless power transfer technology. We have been advancing development using the 5.75 GHz frequency band permitted in Japan. In March 2026, we conducted trial sales of factory-IoT prototypes to two companies.



A next-generation energy society based on wireless power transfer and other technologies

In addition, we are accelerating validation of the technology's maturity and its value to customers through demonstration tests at our manufacturing plants.

Going forward, we will focus development on this technology as a foundation for physical AI systems. By providing an AI- and robotics-enabled society with wire-free operation, charging wherever needed, and safety and security, we will support the evolution of manufacturing processes and create a sustainable and prosperous future.



Wireless power transfer to robot hands

Intellectual Capital Strategy



Mitsuhiro Nawashiro

Director, Corporate Officer, CTO

Through proactive and defensive intellectual property activities centered on IP landscape (IPL), we will strengthen existing businesses and create new ones to achieve sustainable business growth.

Policy for Achieving the 2030 Business Plan

We promote IP landscape (IPL) through two approaches: “Forecast IPL” to build patent portfolios that can compete effectively with rivals in key development themes in each business and region, and “Backcast IPL” for creating new businesses.

Details of IP Landscape Activities

Forecast IPL

a. Building a market-leading patent network
By clearly identifying our competitors, obtaining stronger patents, and avoiding patent infringement, we are building a market-leading patent network that lets us outperform them.

b. Differentiating ourselves in priority areas
We are evolving IPL so that it anticipates technological changes in response to market trends and helps create the core and differentiating technologies that will support our future business portfolio.

Backcast IPL

a. Supporting the realization of new businesses
We support the realization of new businesses such as perovskite solar cells, microwave wireless power transfer, and GaN-based power devices by generating ideas and helping strengthen external relationships, among other activities.

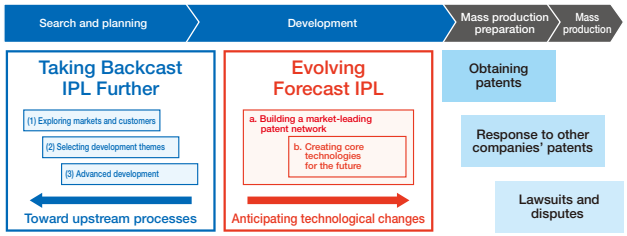
b. Collaborating from upstream development stages to create new development themes
To create new businesses, we are taking IPL further by strengthening collaboration between planning/advanced development and intellectual property, and by feeding IP information into development from the concept stage.

Specifically, our activities center on the following three points.

(1) Integrating IP information into market and customer analysis
We identify social challenges and end-user needs by analyzing patent information together with technology trends, and improve the precision with which we select promising areas.

(2) Establishing uniqueness and superiority early when selecting development themes
From an IP perspective, we propose concepts with strong technical superiority and uniqueness, and link them to “winning formulas” that will become future sources of earnings.

(3) Accelerating advanced development and reducing IP risks
From an IP perspective, we identify what differentiates our development and reduce risks, building strong barriers to entry by the time of market launch.

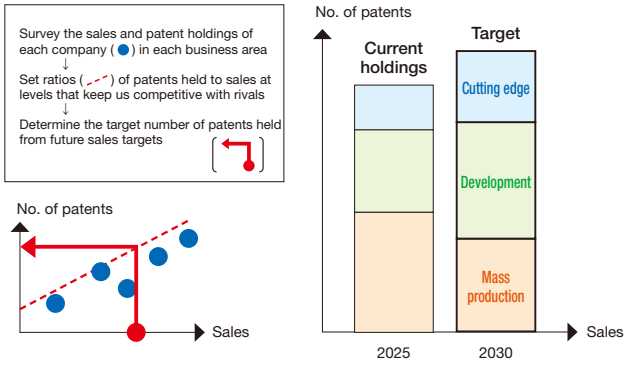


Patent portfolio management

The number of patents registered in FY2025 was 200 in Japan and 94 outside Japan. The total numbers of patents held as of March 31, 2026 are 2,354 in Japan and 1,797 outside Japan.

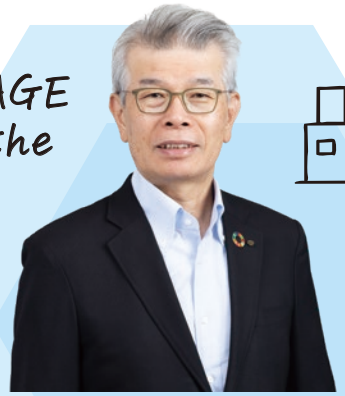
Considering trends among other companies in each business area, we define our vision for our patent portfolio to optimize the number of patents held relative to future sales. We take a strategic, medium- to long-term approach to filing, registering, and maintaining (or abandoning) patent rights to achieve our business plans and enhance corporate value.

» For details of these initiatives, please visit our website.
https://www.toyoda-gosei.com/csr/governance/chizai/



Manufacturing Strategy

MESSAGE from the CMO



Hiroshi Yasuda

Representative Director, Executive Vice President, CMO

We are transforming every process to be self-directed and autonomous, thereby achieving both shorter lead times and greater well-being so that we can respond rapidly to change.

Responding to Accelerating Change

Across countries and regions worldwide, alongside an accelerating decline in the working-age population, various factors are causing drastic change. Demand for electric and gasoline-powered vehicles is diversifying, shaped by geopolitical risks and wide-ranging energy backdrops. AI technology is not only changing work processes, but in some cases replacing what workers do.

For example, in addressing labor shortages and skills transfers, we need everyone to be instantly productive yet also maintain high levels of quality. This makes it essential to construct a framework that can codify and utilize the vast pool of historic frontline data, expertise of skilled workers, and other information. In responding to rapidly changing vehicle trends worldwide, we cannot afford to delay, but neither can we stop delivering the value to satisfy customer needs.

To address these challenges promptly and create the manufacturing systems to deliver high-value-added products to customers, we are transforming processes across our entire supply chain.

Transforming Processes to Be Self-Directed and Autonomous

Despite increasingly complex conditions, we must also be able to respond immediately to any kind of change while continuing to deliver customers just the required quantity of items at the required time.

To achieve this aim, we are deploying digital and AI technology to gather and analyze the information from across the entire supply chain so we can dramatically shorten the time required to acquire such multifaceted, evidence-based insights. By allowing people to make rapid, optimized, data-led decisions, we will transform all manufacturing processes so that people think and act on their own initiative to create new value.

For example, building a framework to integrate and analyze real-time information from every step of the process—from procurement to forming, fabrication, assembly and delivery—enables us to centralize not only data from facility operation such as temperature, pressure and vibration, but also bottlenecks in the flow of materials and information, such as work-in-process inventory and time spent waiting for instructions. While revealing any points in the process that require improvement, this approach also enables elimination of waste and informed decision-making on preventive maintenance, based on analysis of equipment trends before faults occur. Overall, this yields a continuous production process generating zero defects that still allows us to react instantly to changes in conditions or to evolving customer needs.

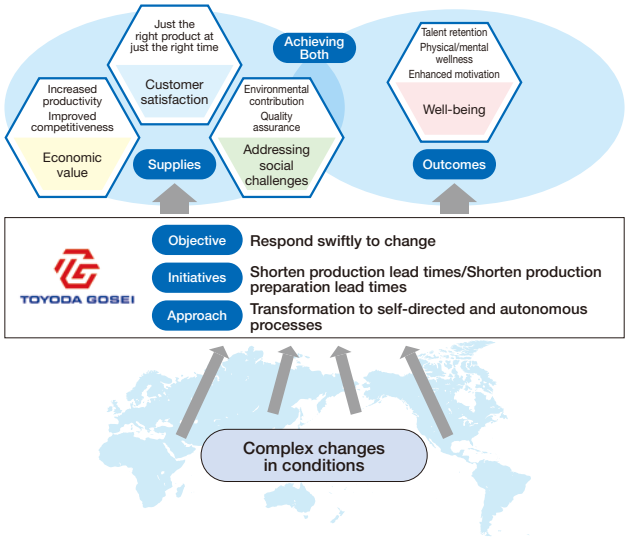
These initiatives also free people from cumbersome data compilation and analysis and from physically and mentally demanding frontline tasks, enabling them to shift to work that makes use of their individual creativity.

Achieving corporate growth while addressing social issues

In transforming systems to shorten lead times in ways that promote well-being, we are not just targeting more economic value from higher productivity and gains in competitiveness. Achieving shorter lead times through thorough elimination of waste and other losses allows us to maintain stable production even when securing energy is more challenging, resulting in an approach to manufacturing that contributes to the environment by minimizing energy consumption.

Moreover, creating a workplace where everyone feels motivated and energetic promotes physical and mental wellness, which ultimately can help people find a true sense of fulfillment from their work by taking ownership of their work.

To realize these goals starting from the TPS-based concept of total waste elimination, we are focused on achieving dramatic increases in productivity through Smart Plant initiatives that engineer the evolution of the factory by utilizing the latest digital tools and AI technologies. By maintaining this virtuous cycle, we will deliver sustained value for all our stakeholders by increasing our manufacturing competitiveness while at the same time creating value in the form of becoming a corporate partner of choice.



Manufacturing Strategy

Transforming Processes to Be Self-Directed and Autonomous

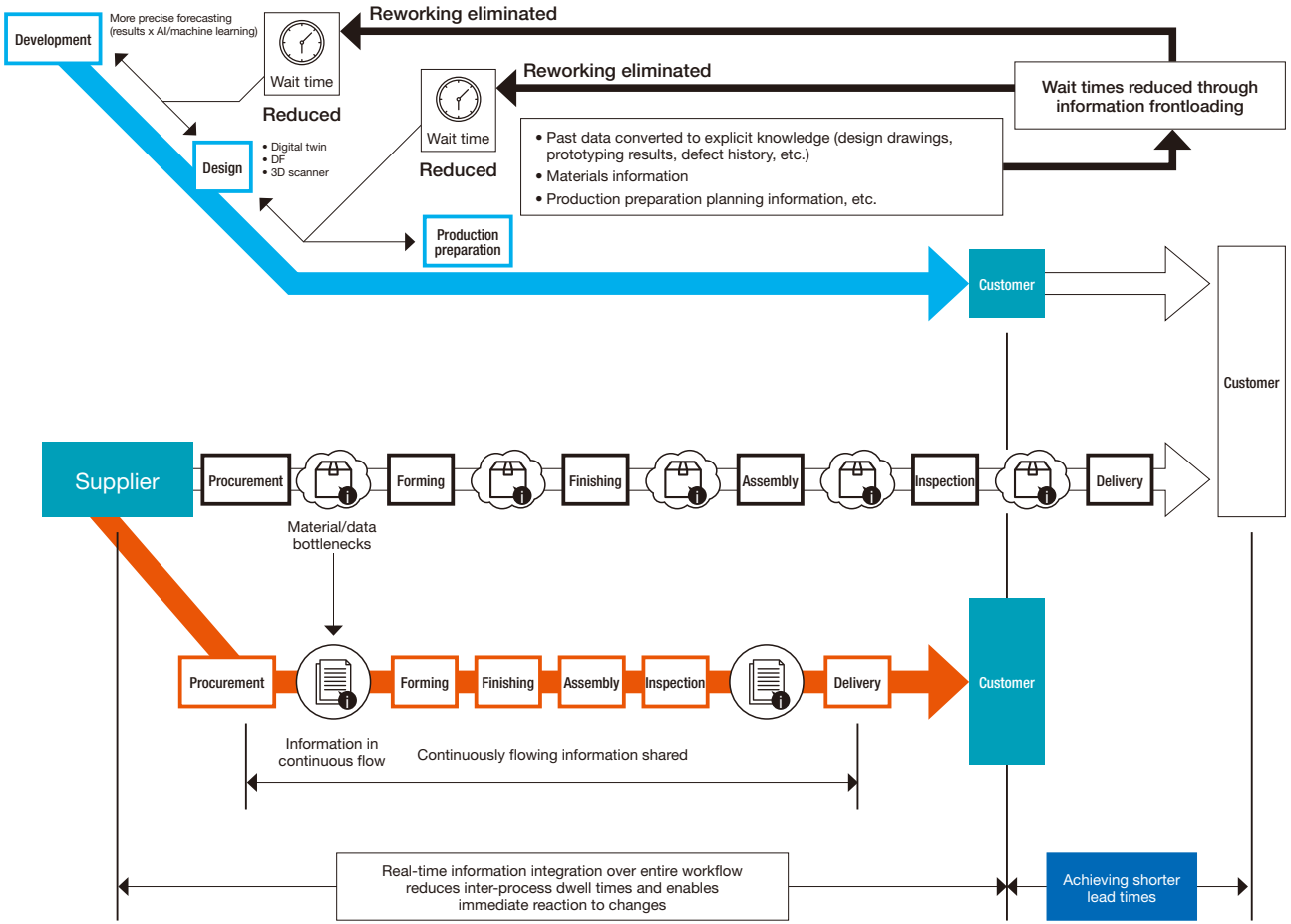
Reforming every step of manufacturing

The autonomous process framework we are targeting goes beyond the adoption of automation. It seeks to empower frontline operators to make quick decisions and take immediate action. Within a fast-changing environment, the time spent waiting for decisions can cause people to misjudge the direction or else lead to loss of competitiveness. When each frontline employee independently makes decisions and responds based on real-time data, while digital and AI technologies autonomously control processes, lead times are shortened and customer needs can be met promptly.

Engineering Chain

Frontloading of information

We are utilizing digital technologies to codify all past data and frontload this information across processes, including design knowledge, status of pre-production preparations, and historical defect data. Utilizing this system, downstream constraints are resolved upstream and reworking is eliminated, while drastically cutting wait times due to information bottlenecks. With all the information required for operators to judge situations available instantly, operating and approval times are lowered significantly, all of which translates to shorter lead times.



Supply Chain

Full information integration across processes

Previously, we managed information within processes using a partially optimized approach. By sharing our real-time information across the entire workflow, we can drastically reduce any in-process materials or data blockages while enabling employees to make optimal, on-the-spot decisions to de-bottleneck downstream processes. This creates a more resilient manufacturing set-up capable of reacting instantly to any changes in conditions.

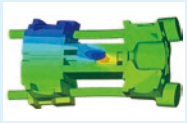
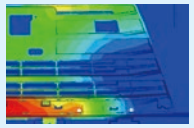
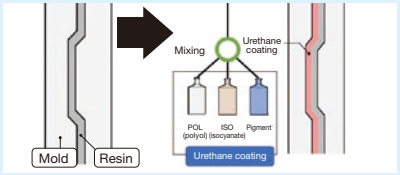
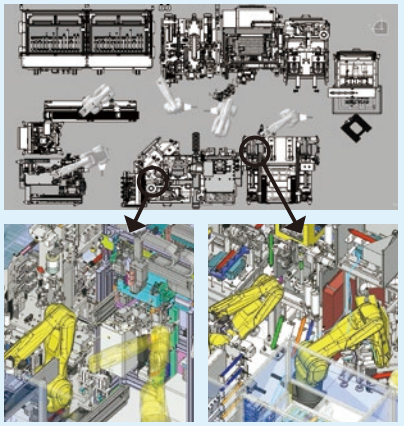
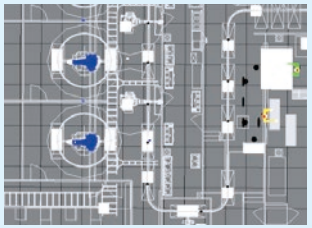
Initiatives to Reform Core Process Flows

Examples of specific technologies for each process

To deliver to every customer what is needed, when it is needed, and in the quantity needed, we must build processes that shorten lead times and respond immediately to changing needs. However, it is difficult to satisfy all these demands by developing technologies that simply extend our existing approach.

To this end, we are developing core technologies to facilitate a fundamentally different approach, in which equipment and processes evolve to operate in a self-directed and autonomous manner. Our aim is to achieve shorter lead times by improving the overall process flow to save time across each step.

Furthermore, by extending these technologies once fully established to our overseas bases, we will meet the needs of customers globally with a manufacturing set-up that delivers consistent product quality.

Steps	Forming	Finishing	Machining/assembly	Transport
Specific examples / Detail of process reforms	**[Structural analysis of equipment/dies]**  Molding equipment structural analysis  Mold internal flow analysis • Engineering hours reduced and variation in human design decisions eliminated using AI and CAE analysis **[Mold precision machining technology]**  • Expert polishing techniques reproduced through nano-machining technology	**[High-efficiency paint booth]**  • Coordinating the movements of robots and painting jigs improves transfer efficiency and minimizes the range of motion, enabling a more compact booth **[In-mold forming technology]**  Urethane coating injected onto surface of part inside mold • Complete forming and coating of part inside mold achieves significant reduction in lead-time while also saving space	**[Pre-production simulation]** Optimization of complete process flow layout  Checks for interference zones during robot motion • Planning stage simulations minimize adjustments or fine-tuning needed during equipment installation and other losses at start-up	**[Autonomous conveyance technology]**   Autonomous Mobile Robot (AMR) route verification • Production management system integration enables autonomous response to changes in production status
Core tech and value added / Economic	**[Structural analysis]** Achieved via preparatory simulations: • Analysis lead-time down 75% • Mold size reduced by 8% **[Precision machining]** Higher machining efficiency, extended tool life, lower machining costs	**[Paint booth]** Tilting spray technology optimizes paint distance and angle, reducing space required by 45% and reducing painting defects **[In-mold forming]** Lead-times reduced by 80% by integrating forming and painting into single step	Verifying range of motion and interference potential of robots prior to machine design translates to: • Cycle time reduction of 30% • Reduced use of space • Fewer adjustment/rework losses at equipment installation	Integration with sequential delivery systems enables delivery of the required quantity of products when customers need them • Intermediate inventory space reduced by 950m^2 • Logistics lead times minimized
Core tech and value added / Social	**[Structural analysis]** Machining energy minimized using zero-waste design for more compact mold **[Precision machining]** Automation of skilled techniques enables anyone to achieve high-quality manufacturing	**[Paint booth]** • CO_2 emissions reduced by 57% due to increased paint transfer efficiency **[In-mold forming]** • CO_2 emissions reduced by 60% due to elimination of drying process • Improved working conditions for skilled employees through a paint-free process	• Online-based work means production preparations can be supported remotely across borders and time zones • Centralization of results on common platform enables decision-making by anyone using latest information	• Physical strain reduced due to freedom from heavy physical labor and repetitive tasks, freeing up workers for high-creativity jobs and contributing to well-being enhancement

Manufacturing Strategy

Balancing Shorter Lead Times and Well-Being

Maximizing Factory Evolution and Human Value

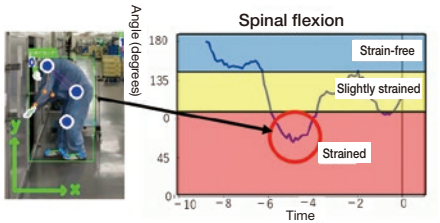
As we implement our Smart Plant initiatives to reform processes to operate on a 'full autonomy' model, the value of tasks only humans can perform increases in relative terms. For instance, it is the non-automatable qualities such as judgment, creativity and initiative that are needed to solve the most persistent production process bottlenecks. Hence, maximizing the value delivered to customers is directly related to continuously enhancing each employee's insight and capacity for original thinking on an ongoing basis.

Promoting well-being accelerates this cycle. Creating a workplace that reduces physical and mental burdens and provides employees with a sense of security helps people perform to their full potential and strengthens teamwork, thereby accelerating decision-making. Moreover, a technology-supported skills environment helps to expand the sense of possibility by boosting self-esteem and the willingness to take on challenges, which in turn raises productivity further and lays the groundwork for completely new ways of working.

Higher productivity
Shorter lead times

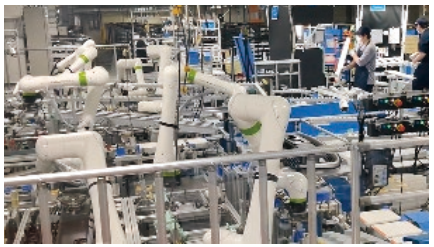
Creating Smart Plants

Onsite IoT adoption



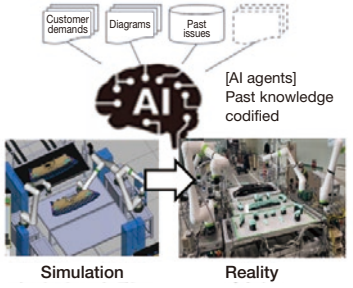
[AI-based skeletal detection]
Human workload quantified

IoT/digital integration



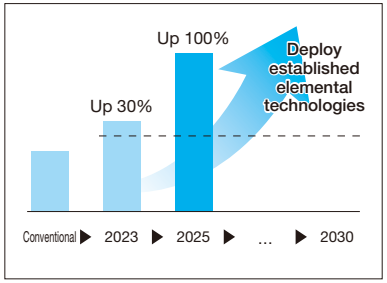
[Robot technologies]
Fully automated assembly

AI deployment

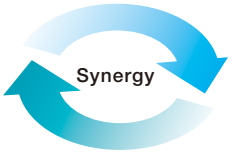


[AI agents]
Past knowledge codified

[AI simulation]
Fully digital verification



[Productivity gain from Smart Plants]



[Benefits of Well-being achievements]

Well-being

Safe places where employees feel they belong



Renovated break room



Holiday childcare

Platforms where everyone can thrive



Full ergonomic process design



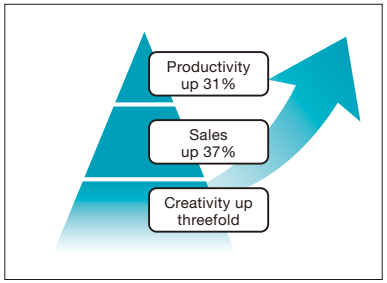


Workplaces made for everybody

Value added to work



Shift from routine tasks to applying individual capabilities



Source: Diamond Harvard Business Review, May 2012

Future

~2025

Business Strategy | Overview

Products used regardless of powertrain type

Safety Systems Products (SS)

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, including preventive safety technologies.


Airbags

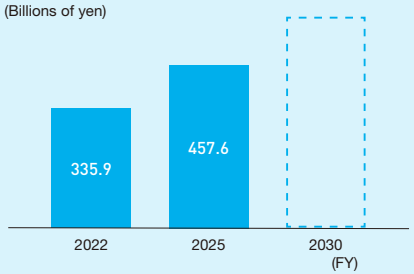

Pop-up hood actuators


Steering wheels (with built-in airbags)

Targeting further growth to achieve the No. 2 global market share

We aim to achieve the No. 2 global market share by expanding the business through growth in sales and development of products that deliver safety and peace of mind.

2030 Sales Targets



Interior and Exterior Parts (IE)

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 combine excellent functionality with strong aesthetic appeal.


Instrument panels and components


Console boxes

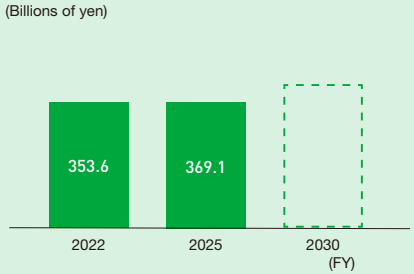

Radiator grilles


Illuminated emblems

Profit growth by delivering compelling customer experiences

We aim to raise profits by delivering greater value to customers through enhanced comfort and design.

2030 Sales Targets



Weatherstrips (WS)

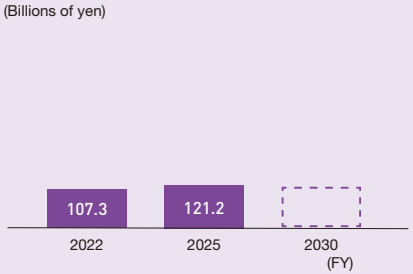
Products like door and window seals protect interiors from rain, wind, and noise, while also aiding smooth opening and closing of doors and windows. These products command one of the world's leading market shares and are supplied from production bases both in Japan and internationally.



Improved profitability due to added value from acoustic performance and recyclability

We aim to improve profitability by adding value through enhanced acoustic performance and recyclability.

2030 Sales Targets



Products with inherent flexibility

Functional Components (FC)

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, and have maintained a world-class market share for many years.


Plastic fuel filler pipes


Brake hoses


High-pressure hydrogen tanks

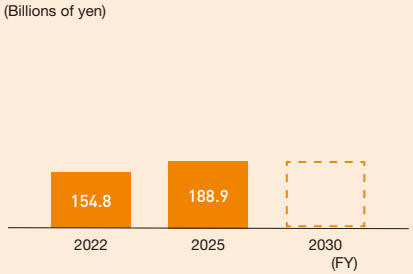

Plastic turbo ducts


Oil pumps

Expanding sales by addressing needs of regional markets through a multi-pathway approach

We aim to expand our business by addressing the needs of customers based on regional characteristics.

2030 Sales Targets



Business Strategy | Safety Systems (SS)

Message from Corporate Officers



Tadashi Yamamoto

Corporate Officer, Chief of SS Business Headquarters

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

Business Conditions

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

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 to achieve sales of more than ¥500 billion and further improve profitability by FY2030.

Opportunities & Risks

- Stricter safety assessment standards
- Growth of the Indian automotive market and the shift to six airbags per vehicle
- Rising demand for HMI functions and value-added needs due to adoption of autonomous driving
- Declining market share of major customers in China
- Rising labor costs and tariffs

Strengths

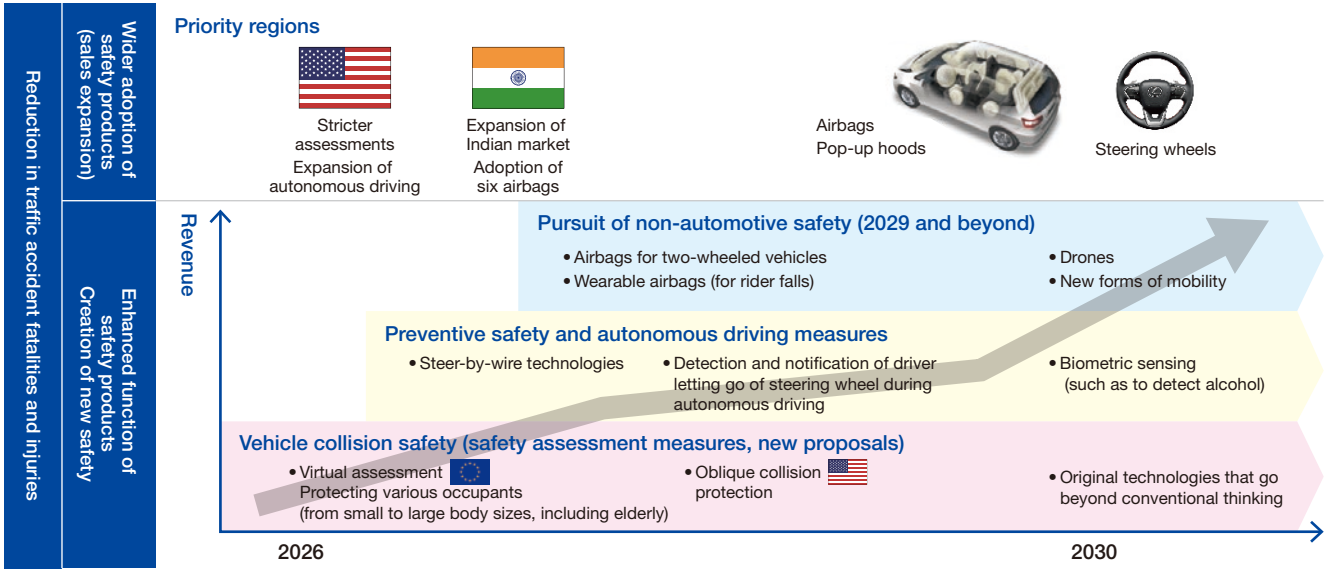
- Cost competitiveness and reliable quality from use of well-crafted standard designs
- Industry-leading computer-based collision safety analysis
- Strong development and production engineering capabilities supporting the continued evolution of steering wheels, a product in which we have a long history and a high market share

Strategies to Achieve the 2030 Business Plan

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

1. Strengthen global competitiveness
   Led 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 accident fatalities and injuries
   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 accident fatalities and injuries.

Leveraging Our SS Business Strategy to Achieve Our Vision



Business Strategy | Safety Systems (SS)

Key Initiatives 1: 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.

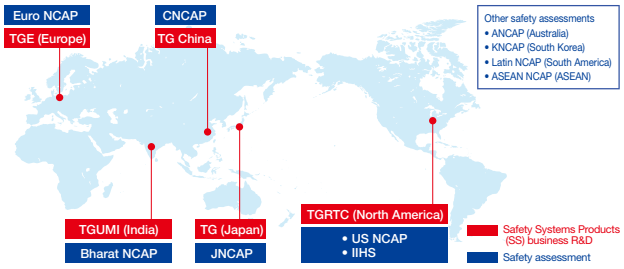
Compliance with regional accident investigation and safety assessment standards is also an important part of new product development. Coordinated through our global R&D function, we run intelligence-gathering programs to participate in relevant conferences at the regional level, gather information from organizations to share globally, and incorporate this knowledge into new product development. To accelerate this further, we will begin dispatching employees in 2026 to research institutions closely involved in European safety assessments. Looking ahead, we aim to contribute to improved safety and help ensure TG views on critical automotive safety requirements are utilized fully by gaining greater involvement in the rule-making process for assessment standards.

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 injuries to internal organs and other areas not yet covered by safety assessments, and use this information to propose further improvements to automotive safety.



THUMS*
virtual human body model
* Total HUman Model for Safety

Major Assessments of Our R&D Bases and Regions



Key Initiatives 2: Expanding Sales by Focusing on Priority Regions and Customers

North America

In the SS business, North America has the second-highest sales 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 our existing business and win business for new vehicle 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 North American 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 methods, including the karakuri techniques we have cultivated over the years.

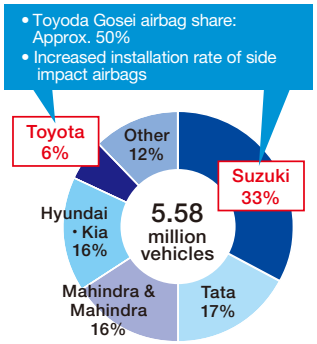
India

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 hold a share of approximately 50% within that segment, making India 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 our production volume of Safety Systems Products in India to increase from approximately 6.5 million in FY2024 to around 10 million in FY2030. As part of developing the required production capacity, operations at our new plant in Halohalli in southern India began 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



By local OEM brand in India
Source: Toyoda Gosei, based on automobile sales data for 2025 from MarkLines Co., Ltd.

New TG Group factory in Halohalli, southern India (operations commenced in 2026)



Key Initiatives 3: 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 physical tests using dummies face challenges in increasing the number of tests and types of dummies representing differences in body size, age, sex, and other attributes. In the future, we will begin virtual assessments that recreate occupants of various sizes using computer simulations, creating opportunities to further advance airbag technology.

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 for Autonomous Driving and Preventive 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 preventive 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.

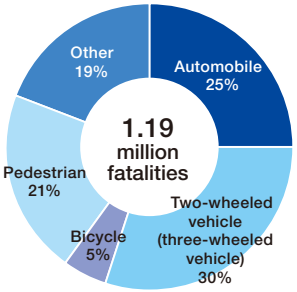
Initiatives to Further Reduce Traffic Fatalities

Although advances in and the wider adoption of safety technologies are expected to reduce automobile-related traffic accident fatalities and injuries, reducing traffic fatalities associated with other modes of transportation remains a challenge.

In particular, traffic accident fatalities and injuries involving two-wheeled vehicles are particularly numerous in ASEAN countries and India, and in response, we are developing airbags to protect riders of these vehicles. We are also developing new products to protect pedestrians and cyclists and enhance the safety of drones and various 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.

Breakdown of Global Traffic Fatalities



Source: WHO, Global status report on road safety 2023

Enhancing Competitiveness through Collaboration Synergies

In a globally competitive sector, challenges can arise to add functionality to existing products or to create entirely new products that we cannot address utilizing just in-house technology and resources. To overcome these issues, we work in collaborative partnerships with companies specializing in areas such as seatbelts, electronic components, pyrotechnic materials, and airbag fabrics. Ashimori Industry, which has joined the TG Group, is a good example of our collaborative synergy in action.

We will continue to further promote our safety products and develop new products, thereby contributing to further reductions in traffic accident fatalities and injuries.

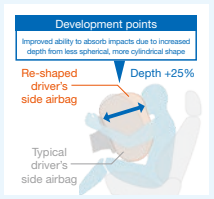
Technology Under Development

Crash Safety (Various Occupants)



2029 target

Variable-capacity and variable-venting airbags
Controls the airbag size and cushioning according to changes in seating position, such as reclining





Fitted to LEXUS ES

Greater protection for large/heavy drivers or fracture-prone seniors from new airbags with new structure

Preventive Safety and Autonomous



2028 target

HMI steering wheel
Detects when the driver lets go of the steering wheel during autonomous driving and alerts using lights



Adopted for the Lexus RZ550e F SPORT

Steer-by-wire system steering wheel

Driving Non-automotive Safety



2029 target

Airbags for two-wheeled vehicles
Protects riders of two-wheeled vehicles during collisions



Actual vehicle collision test

Business Strategy | Interior and Exterior Parts (IE)

Message from Corporate Officers



Kenji Hayashi

Corporate Officer, Chief of IE Business Headquarters

Identifying evolving end-user/customer needs, we will work sincerely and unwaveringly to develop products and enhance manufacturing competitiveness.

Business Conditions

With the shift to BEVs and autonomous driving, the needs of automotive market customers and end-users in the IE domain are evolving towards an emphasis on greater freedom of choice for finishes and design elements; more functional integration; and a desire for vehicle interiors that enhance convenience.

Moreover, as the industry strives to achieve carbon neutrality to comply with stricter environmental regulations, expanded utilization of recycled plastics and fuel-efficiency initiatives are increasingly seen as priority issues.

Our focus is to accurately address these challenges, strengthening our competitiveness through strategic product development and efforts to bolster reliable supply capacity.

Opportunities & Risks

We see changes in vehicle design driven by BEV adoption and growing demand for recycled plastics amid tightening environmental regulations as major growth opportunities that will drive technological innovation and a transition to circular business models.

Strengths

Our advanced development and design capabilities founded on core technologies in materials, molding, and molds allow us to create and propose new high-value-added products that match design requirements and deliver value that exceeds expectations, often eliciting an enthusiastic reaction from customers.

Strategies to Achieve the 2030 Business Plan

To help realize sustainable growth and reinforce our competitiveness, we will pursue the strategies outlined below to achieve the 2030 Business Plan.

In both interior and exterior parts, we aim to leverage our integrated capabilities across materials, manufacturing methods and mold technologies to develop high-value-added products to precisely meet diverse customer needs that we have identified in a timely manner. We are accelerating efforts to boost profitability and expand sales channels by strategically launching these products in global markets.

Since sustainability is at the core of our business, we are actively targeting greater utilization of recycled materials as a strategic way of securing orders while also contributing to the environment. By building innovative business models based on the recycling of resources, we hope to contribute to the realization of a sustainable circular economy.

Using vehicle accessories, we are accelerating new product development cycles to achieve early adoption in production vehicles to help increase sales. Bringing these accessories to market quickly allows us to create compelling customer proposals for next-generation vehicle development as we seek to secure more orders from OEMs.

People are the key resource for all these initiatives. We are promoting a strategic shift in HR to focus on fostering globally capable staff and next-generation leaders by creating opportunities for cross-border career experiences. Under rapidly shifting global market conditions, we are harnessing TG Group resources to address the challenge of constructing a robust organizational foundation that can create new value on a sustained basis so that Toyoda Gosei remains the supplier of choice for customers worldwide.

Key Initiatives 1: Interior Parts

Interior Parts That Create Human-Centered Value in Cabin Spaces

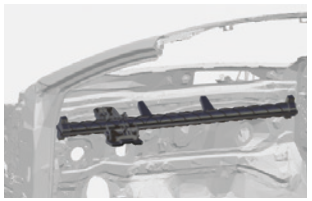
The value attached to in-vehicle spaces has changed significantly in recent years with advances in autonomous driving, the growing adoption of electrified vehicles, and increasingly diverse user values and lifestyles. Besides greater comfort and convenience on the move, expectations are also rising for experiential and spatial value tailored to individual usage scenarios. In ultra-quiet EVs, the combination of various interior elements such as lighting, acoustics, and climate control is also gaining in importance.

In response to these trends, besides offering value as individual products, interior parts such as the instrument panel, consoles, air vents, and lighting, are evolving as factors that contribute to enhancing the overall experiential value of in-vehicle space for end-users. Besides developing products that offer greater comfort, convenience and aesthetic appeal, this business is focused on delivering an enriched mobility experience by proposing cabin spaces that are tailored to the preferences and usage patterns of individuals.

We are also leveraging plastic structural technologies to create more design flexibility for vehicle interiors with new comfort-enhancing



Next-generation in-vehicle space



Plastic structural frame



Lighting



Personal climate control (air vent)



Consoles



Pleasant textures and decorative finishes

features or integrated functional products. These initiatives are helping to evolve vehicle interiors into spaces for satisfying the various needs of drivers and passengers, enabling new approaches to value creation based on diverse end-user usage preferences.

Going forward, while prioritizing environmental considerations, we aim to contribute to an enriched mobility experience by further enhancing comfort and functionality in ways that create human-centric value from in-vehicle spaces.

Key Initiatives 2: Exterior Parts

Exterior parts supporting brand expression and enhanced vehicle value

In recent years, automakers have increasingly opted for multi-pathway strategies that incorporate HEVs, PHEVs and FCEVs alongside BEV adoption. The spread of autonomous driving and advanced safety systems has also significantly transformed the roles demanded of exterior parts. Market needs are becoming increasingly diverse, driven by variation in regional preferences, different brand strategies, and the need to support broad model ranges.

These changes are turning exterior parts from the traditional items that define a vehicle's external appearance to products for delivering value through an integrated combination of design, function and quality. In this business, our products increase the value of the vehicle by boosting both its appeal and functionality, fusing the expression of the brand with advanced sensing functionality through products such as illuminated front grilles, luminescent emblems, and millimeter-wave radar-transparent panels.

In addition, while addressing more diverse design requirements, we are developing more products with integrated sensing functionality. This helps to augment the creative freedom of designers while at the same time enabling increased incorporation of advanced technologies.

Going forward, alongside proposing varied aesthetic solutions to regional and customer needs, we will continue to upgrade globally deployable finishing technologies. In addition, while further enhancing the quality and reliability of sensing functions, we will accelerate development of exterior components that combine a range of high-level qualities in terms of design, functionality, safety and environmental performance.



Combining Brand Expression with Sensing Functionality



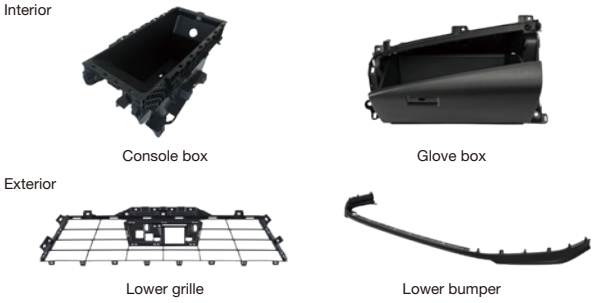
Chic Sports Modern

Key Initiatives 3: Recycled Plastic Materials

In Europe, the ELV Regulation has been formally adopted, requiring recycled materials to account for 25% of the plastics used in new vehicles, with 20% of these (5% of the total) being derived from end-of-life vehicles. In Japan, where moves to use recycled materials are accelerating as well, we are leading the automotive parts manufacturing sector in working to establish innovative recycling technology that will develop the circular economy and realize the decarbonization of society.

Our efforts have focused on polypropylene, the most widely used plastic in vehicles. We have developed a recycled material that retains high strength even at 50% ELV-derived content. Our in-house technology overcomes the longstanding issues of impurities and deterioration in material properties by efficiently removing layers of paint from the recovered bumpers and applying a precise material formulation design. The quality of the recycled plastic is comparable with that of virgin material, enabling its utilization in automotive parts that need to satisfy rigorous quality standards.

We have successfully applied this technology, both in interior parts (a world-first) and in exterior parts supplied to Toyota Motor Corporation. In the future, we aim to recycle polypropylene from sources other than ELVs; develop the technology further; and then expand its application to other products. Through the construction of an innovative model to support the recycling of resources, we hope to contribute to the realization of a sustainable circular economy.



Parts made from recycled materials

Key Initiatives 4: Accessories

We are pursuing an accessories strategy in which we seek to introduce new products to market quickly as accessories before building on this track record to target standard inclusion in later vehicle models.

The strategy involves sourcing feedback directly from end-users in collaboration with automotive dealerships and analyzing the survey data in depth. This approach allows product development to meet latent market needs precisely. It also works from a model life management perspective because we can propose timely upgrades for new vehicle models from various OEMs with items that consistently improve the appeal and market competitiveness of vehicles.

This initiative is also not limited to new vehicles. By developing a similar approach for vehicles already on the road as well as secondhand vehicles, we aim to deliver new technologies quickly to a wider range of customers while enhancing the value of vehicles over the duration of ownership.



Application example: Toyota RAV4 front bumper garnish with METEOCOAT finish

Business Strategy | Functional Components (FC)

Message from Chief



Junya Furuta

Chief of FC and WS Business Headquarters

We will realize sustained growth
by pursuing an all-around strategy
to build on our existing technologies
and expand into growth domains.

Business Conditions

While the electrification of mobility continues to progress, there has been a marked slowdown in the uptake of BEVs and FCEVs, and we expect demand to persist going forward for fuel system components for HEV and PHEV applications. Amid accelerating OEM adoption of multi-pathway strategies, the need is for FC products that support the basic vehicle functions of driving, steering, and braking to deliver higher levels of both reliability and environmental performance, alongside compatibility with a broad range of powertrains. By accurately grasping these shifts in market conditions, we are flexibly pursuing a comprehensive strategy that aims to build on existing technologies while responding to needs generated by electrification trends.

Opportunities & Risks

We are responding to changes in market conditions through a comprehensive strategy. Sustained demand for fuel system components is an opportunity, but we also recognize the uncertainty surrounding the timing of growth in demand for products used in BEVs and FCEVs. Going forward, we plan to maintain flexible business operations while also monitoring powertrain-related trends.

Strengths

- Global production network providing reliable supply capabilities to address customer needs worldwide
- Utilizing expertise in rubber and plastic materials, strong development capabilities for products with enhanced durability, reliability and environmental performance
- Manufacturing prowess offering high quality with minimal quality variance, based on integrated set-up spanning design, production and quality assurance

Strategies to Achieve the 2030 Business Plan

In response to the ongoing electrification of mobility, we are pursuing a comprehensive strategy with two pillars: expanding earnings from existing businesses and developing next-generation businesses. To achieve the 2030 Business Plan, we are working to expand our market share and bolster the earnings power of existing businesses, mainly in areas with robust projected demand such as products for use in internal combustion engine (ICE) vehicles, HEVs and PHEVs. One specific area we are targeting particularly is emerging markets, where we aim to expand further by leveraging our global production network to address customer needs promptly.

Based on longer-term electrification developments, we continue to strengthen business foundations and focus on technical development of next-generation products such as thermal management systems for BEVs and high-pressure hydrogen tanks for FCEVs. While responding flexibly to any changes in market conditions, we are accelerating the development of future growth domains by leveraging our existing technologies, product quality, and customer base. We aim to sustainably enhance corporate value and achieve the 2030 Business Plan through these initiatives, which balance short-term earnings with investments for longer-term expansion.

Key Initiatives 1: Initiatives for ICE, HEVs, and PHEVs

With the global trend toward tighter environmental regulations, in addition to better fuel efficiency and lower exhaust emissions, demand is growing each year in the ICE, HEV and PHEV sectors for fuel system components that can restrict evaporative emissions. One area where national and regional regulations are tightening with exhaust emissions is for the volatile organic compounds (VOCs) emitted from vehicle fuel tanks and associated piping. Demand is rising for products with high environmental performance in this specific area.

Utilizing the technical expertise we have developed over many years in rubber and plastics as well as our development know-how in fuel system components, we are focused on developing and expanding sales of products designed to curb evaporative emissions. Our core products such as plastic fuel filler pipes, fuel caps and fuel valves play a significant role in boosting environmental performance and supporting regulatory compliance across various markets.

Comprising bases in multiple countries operating to a shared quality standard using advanced production technology, we have developed a global production network that can reliably supply products tailored to local regulatory requirements and specific customer needs. Furthermore, we are constantly working to raise productivity in our manufacturing operations so that our products remain competitive in terms of both quality and cost, enabling reinforcement of our earnings base in the ICE, HEV and PHEV sectors.

Going forward, besides targeting business expansion in emerging markets and other countries with strong growth potential, we will focus on further building up our earnings base in the ICE, HEV and PHEV sectors via development of products to meet stricter environmental regulations and customer needs.

Business Strategy | Functional Components (FC)

Key Initiatives 2: Initiatives for BEVs

While we are seeing a slowdown in adoption in the BEV market in the short term, electrification is still a steady medium- to long-term trend. We regard the current period as an important time for developing technology and strengthening business foundations ahead of the market's future expansion.

Thermal management technology is assuming more importance for BEVs since appropriately controlling the heat generated during driving or rapid charging is a vital element in extending range, maintaining charging performance, and in improving safety and reliability. We are prioritizing the development of products for the thermal management sector with a view to creating new value for the next-generation mobility society.

Utilizing the technical and design expertise we have cultivated to date in rubber and plastics, molding, and product design from fuel-system and fluid-control components, we are making progress in the development of products optimized for use with BEV cooling systems. The solutions that we offer for piping components used in battery cooling not only reduce weight and increase durability, but also allow for greater freedom in vehicle layout design.

In line with the projected growth of the BEV market, we are focused on developing thermal management technology and building the competitiveness of our products. While leveraging the technical assets that we have cultivated in our existing business, we aim to establish Toyoda Gosei as an essential supplier of next-generation mobility products.

Key Initiatives 3: Initiatives for FCEVs

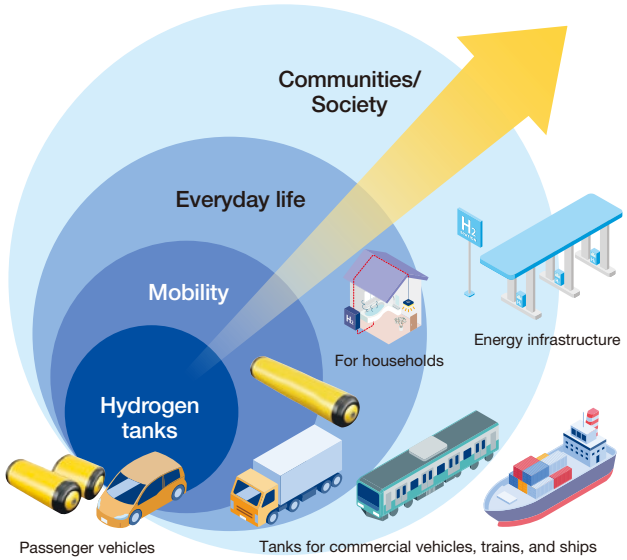
We are fully engaged in the hydrogen sector, which we view as a growth domain amid worldwide efforts to achieve a carbon-neutral society. Because hydrogen emits no CO_2 at the point of use, it is expected to serve as a clean energy carrier that can play an important decarbonization role in combination with renewable energy sources.

While the timing of full-scale FCEV adoption is still difficult to predict, we are continuing to develop hydrogen-related technology and strengthen our base of related operations on the long-term assumption that a hydrogen-based society will materialize. One area of particular focus is high-pressure hydrogen tanks for FCEV applications, where we are working to develop products that are safe, lightweight, and durable by leveraging technical expertise cultivated over many years in polymer materials and molding.

Besides automotive applications, we are developing high-pressure hydrogen tanks to contribute through a widening range of uses, including hydrogen fuel systems for ships and as portable hydrogen cartridges. By seeking to commercialize the technology for various uses, we are targeting improvements in technical performance and quality. At the same time, broader opportunities for utilizing hydrogen technology will create new value in mobility and other aspects of daily life while contributing to greater peace of mind and lifestyle comfort.

Looking ahead, by utilizing our strengths in polymer materials and manufacturing expertise, we will stay focused on developing products and technology that help to expand potential uses of hydrogen. Our aim is to be a supplier to a future decarbonized society, supporting the adoption and expanded application of hydrogen as an energy source across mobility and a wide range of areas in daily life.

Expansion of Hydrogen Tank Business



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 tank for a passenger vehicle.



Portable Hydrogen Cartridge (Provided by Toyota Motor Corporation)



For Japan



For Europe

Business Strategy | Weatherstrips (WS)

Message from Chief



Junya Furuta
Chief of FC and WS Business Headquarters

We are targeting sustained global growth with WS products, vital for soundproofing cabins by blocking out rain, wind, noise, and vibration.

Business Conditions

Electrification is driving demand for greater cabin soundproofing since quieter engines make the noise from the wind or road contact more intrusive. At the same time, on top of fluctuating raw material prices and intense market competition, we must address emerging challenges such as carbon neutrality and the circular economy. Utilizing rubber technologies we have developed over many years, our focus is on developing and expanding sales of high-value-added products that offer enhanced noise-reduction performance, while using recycled rubber to reduce environmental impact. Through these efforts, we aim to increase product value, profitability, and environmental value.

Opportunities & Risks

The need for seals to ensure cabin comfort remains constant even as electrification progresses. The need for a broad range of technical capabilities creates high barriers to entry, while customers also place a strong emphasis on reliable supply.
However, as requirements for weight reduction, material substitution, and cost reduction increase, maintaining competitiveness using only conventional products and technologies is becoming more challenging.

Strengths

1) Core Performance and Technological Innovation in Automotive Sealing Products
While meeting core performance requirements at a high level, we continue to innovate so that our mass-produced products deliver both consistent quality and improved environmental performance.

2) Extensive proprietary technology base
We have accumulated expertise in designing flexible components that function through deformation, together with rubber production technologies spanning material formulation through manufacturing.

3) Stable Regional Production Network
In each region, broad expertise in materials, design, and manufacturing limits competition and new entry. Our stable quality and production systems enable us to meet customer needs for reliable supply.

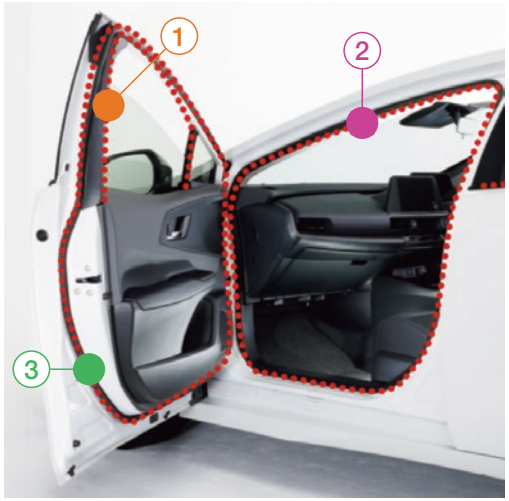
Strategies to Achieve the 2030 Business Plan

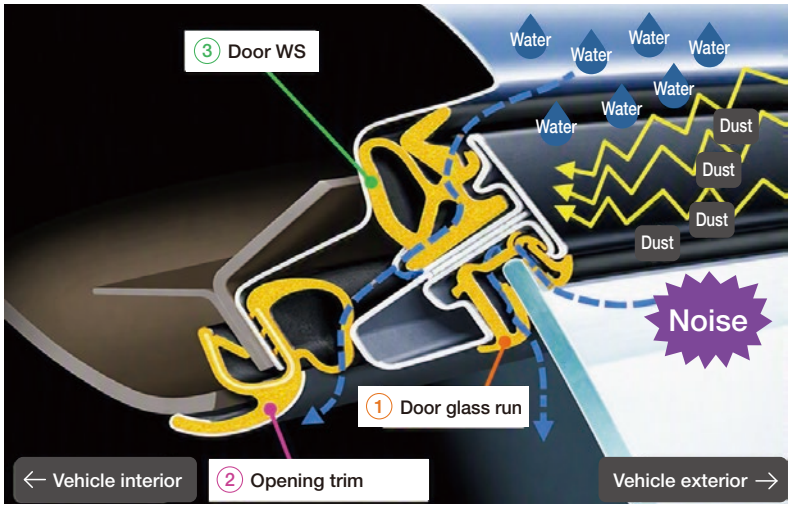
To achieve the 2030 Business Plan, we are working to enhance existing product value while improving profitability through the three strategies of boosting product appeal, raising productivity, and reducing environmental impact.

[1] To enable better cabin soundproofing, we are improving performance and expanding application of our door glass runs, which utilize our proprietary vibration-damping technology to suppress external noise. [2] We are reducing environmental impact by expanding the range of vehicle models using a blend of recycled and virgin raw materials for the opening trim, while also seeking to increase productivity by streamlining processes. [3] In door WS products, we are targeting steady growth in our existing business franchise as well as expanding in markets where we can leverage our strengths, based on assessing regional market conditions and competitive dynamics.

We are also upgrading manufacturing capabilities by streamlining production processes based on product characteristics and developing advanced production technology. While raising quality and productivity, we also seek to enhance their reliability, by further refining our integrated technical capabilities spanning materials and design through manufacturing, thereby ensuring consistent quality and productivity.

Main products in WS domain





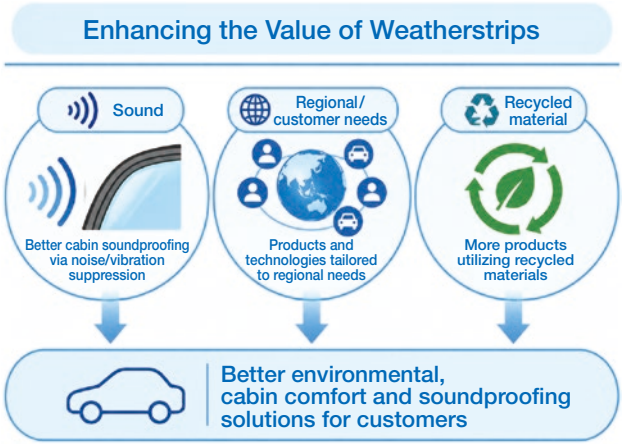
Business Strategy | Weatherstrips (WS)

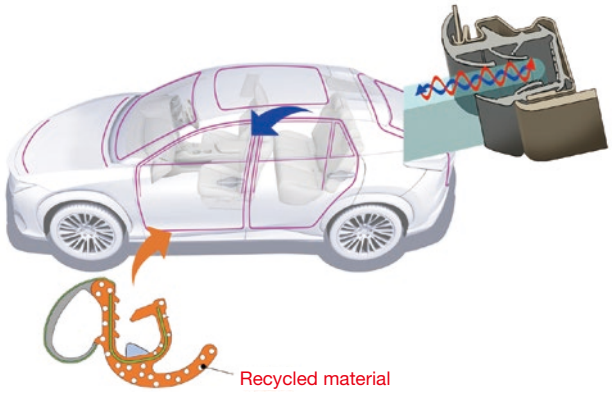
Key Initiatives 1: Improving products to better meet customer needs

Leveraging our longstanding technical expertise in materials, design and production, we are developing and proposing weatherstrip (WS) products to meet customer needs, which are essential for vehicles regardless of powertrain type. With the trend towards electrification driving greater demand for better cabin soundproofing, we are especially using our vibration-damping, evaluation, and prediction technologies to develop and expand the sales of WS products that contribute to a quieter cabin.

Moreover, by grasping customer needs based on the specific regional market conditions, we are focused on supplying products and technologies tailored to regional requirements and offering improvements in terms of environmental performance, including by using recycled materials. While addressing varied soundproofing, regional and environmental needs, we aim to enhance the comfort and environmental value delivered by our WS products so that Toyoda Gosei is the supplier of choice for customers.

Alongside our product development programs, we are rapidly working to strengthen our manufacturing capabilities, targeting quality and productivity gains through efforts to streamline and improve products and processes.





Key Initiatives 2: Creating Value through Noise-Reduction Technology

Ongoing BEV adoption is steadily building demand for quiet, comfortable interiors. To improve cabin soundproofing across every vehicle segment, we are developing WS products that can enhance quietness, primarily by utilizing vibration-damping glass runs. We are also leveraging our advanced evaluative and predictive technologies to strengthen our capabilities in the development of solution proposals.

Utilizing simulation technology, we can predict the performance characteristics of specific models from the earliest stages of development to help us create proposals for optimizing WS product specifications. While increasing the efficiency of prototyping and evaluation, this approach also helps us reduce total development time and boost product performance.

We are also combining our longstanding expertise in rubber materials with design know-how to develop products that can reduce wind noise and road noise in the cabin. Going forward, we aim to help our customers create mobility environments that offer greater comfort by further improving soundproofing technology for WS products, while at the same time expanding their range of application.

Key Initiatives 3: Expanding Our Rubber Recycling Initiatives

We are steadily increasing our resource recycling, applying proprietary devulcanization technology to produce recycled rubber for incorporation into our WS products. We began supplying these parts for Toyota RAV4 models in FY2025 as the initial step in the full-scale application of high-quality recycled rubber materials to actual vehicle production.

As we develop our resource recycling framework, we have also expanded the sources from which we collect waste rubber to include Toyoda Gosei Group companies. The development of operational infrastructure for waste-rubber collection, including collection logistics and our own quality standards for incoming materials, helps lay the foundations for the future expansion of this recycling network.

In addition, we are steadily increasing the proportion of recycled material used in our products through quality-enhancing process improvements. This helps us broaden the range of customer proposals we can develop for adding environmental value. Looking ahead, we plan to widen the scope of vehicle models and target sites so that we can make an increased contribution to realizing a circular economy and reducing CO_2 emissions.

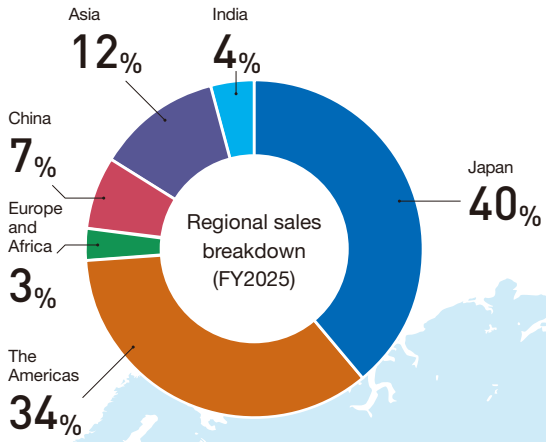
Topic: Rubber Recycling Initiatives

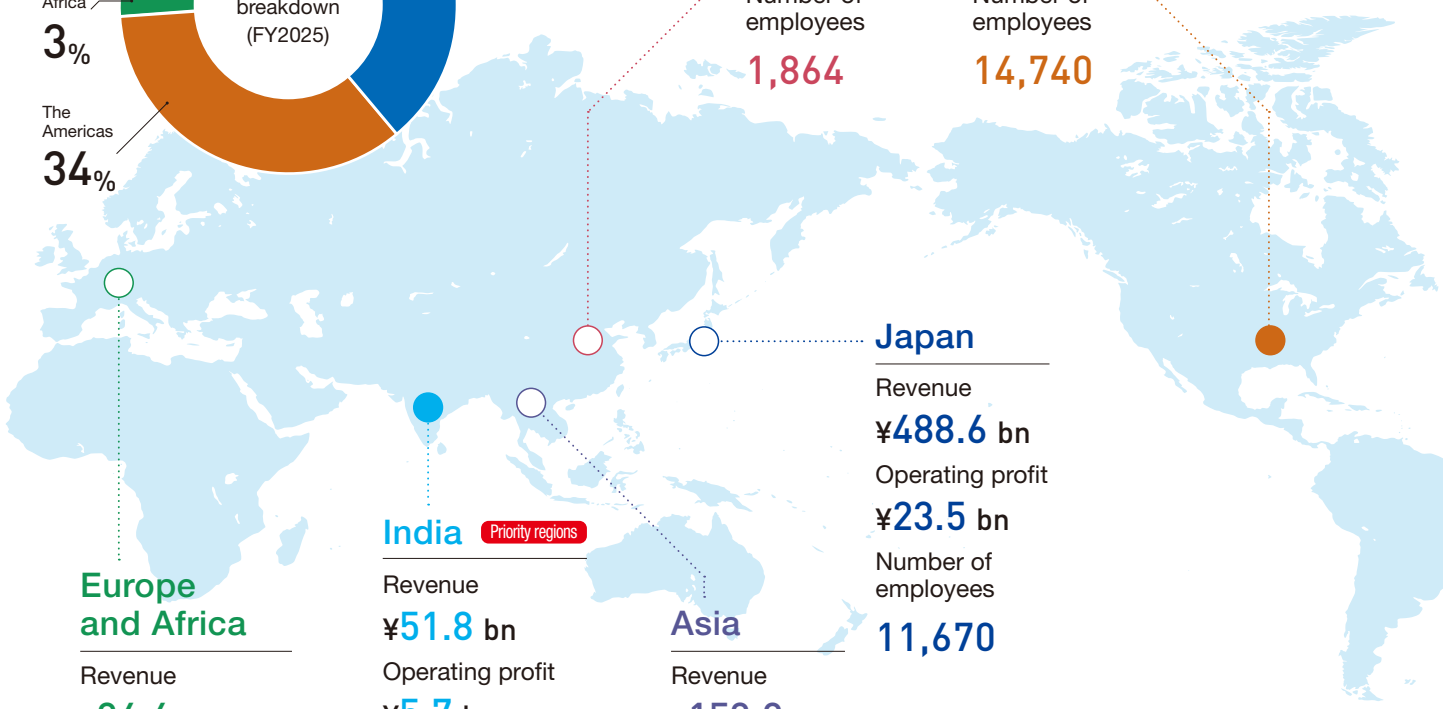
We devulcanize waste rubber generated during the manufacturing process and recycle it into new products. By leveraging our ISCC PLUS certification, we are promoting the expanded sales of products incorporating recycled materials that enhance both environmental value and competitiveness.



Certificate Holder ISCC

Regional Strategy | Overview





China

Revenue
¥90.8 bn
Operating loss
¥2.0 bn
Number of employees
1,864

The Americas Priority regions

Revenue
¥428.3 bn
Operating profit
¥34.9 bn
Number of employees
14,740

Japan

Revenue
¥488.6 bn
Operating profit
¥23.5 bn
Number of employees
11,670

India Priority regions

Revenue
¥51.8 bn
Operating profit
¥5.7 bn
Number of employees
2,747

Asia

Revenue
¥153.9 bn
Operating profit
¥14.9 bn
Number of employees
9,319

Europe and Africa

Revenue
¥34.6 bn
Operating profit
¥2.6 bn
Number of employees
964

* Sales composition percentages are calculated using figures prior to any consolidation adjustments and have been rounded to add up to 100%.

Japan

Serving as the TG Group's core base, this region hosts our next-generation R&D for safety and environmental technologies as well as the development of production engineering. In the challenging environment of a mature market, we are strengthening the earnings base through fundamental streamlining of production processes via automation and reducing reliance on specialized skills. Global application of advanced manufacturing expertise we have cultivated in Japan supports greater operational competitiveness worldwide.

The Americas

This region is a priority target for expansion ahead of 2030 through increasing sales to a diverse range of customers, building on our stable base in North America. While deepening our contribution to our major customer, Toyota Motor Corporation, we are expanding sales to Japanese, European, and North American automakers and launching new high-value-added products. By expanding supply capacity in Mexico and strategically ensuring compliance with the USMCA, we aim to build regional operations that remain highly profitable amid uncertainty.

Europe and Africa

This is a region where we can demonstrate our technological leadership by responding to advanced Euro NCAP safety assessments. Our focus is on stabilizing earnings amid modest market growth. Led by our base in the Czech Republic, we seek to maximize production efficiency while upgrading our information-gathering capabilities for advances in safety technology to generate feedback for product development globally. The ability to respond quickly to changes in environmental regulations is helping us to establish a solid presence across niche market segments.

China

In this region, we are targeting radical optimization in response to drastic shifts in market conditions and customer composition. As the Japanese OEMs struggle and local supplier competition intensifies, we are selectively focusing on product areas with strict safety and quality requirements where we can play to our strengths. By restructuring operations to achieve greater streamlining, we aim to create a sustainable business set-up to withstand uncertain conditions while promoting organizational reforms to build the dynamism needed to respond rapidly to future market changes.

Asia

This region hosts critical sites for our global supply chain and provides the model for improvements to production. In Thailand, we are refining shopfloor kaizen capabilities and expertise in improving asset efficiency built up over many years to help deploy automated robots and karakuri systems across our other regional production sites. In Vietnam, we seek to reinforce our centralized production capabilities for airbag-related components to optimize the Group's supply set-up across ASEAN and worldwide. With a diverse customer base that extends beyond Toyota Motor Corporation, we are working to grow sales while keeping a close eye on trends at Chinese OEMs to ensure a robust regional earnings base and fulfillment of our responsibilities as a reliable supplier.

India

This region is a growth driver in the 2030 Business Plan. Our business is expanding as the automobile market grows in India and as the number of airbags installed per vehicle increases amid the adoption of stricter safety standards. Building on the deep trust cultivated with customers such as Maruti Suzuki and Toyota Motor Corporation, we are expanding supply capacity close to our customers and strengthening our development set-up within the region to help realize profitable growth.

Regional Strategy | The Americas

Message from Corporate Officers



Makoto Hasegawa

Corporate Officer, Chief of Americas Regional Headquarters

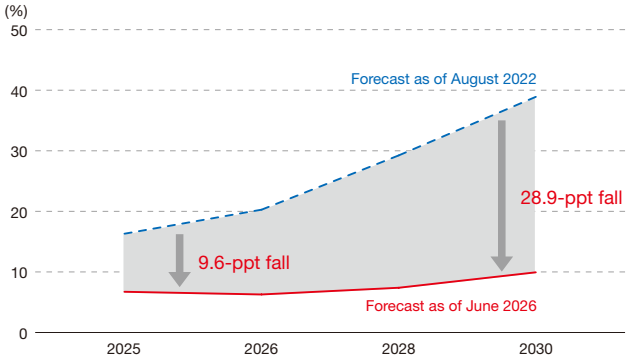
We are targeting sustained growth in profits through high-value-added products offering higher margins and diversification of our customer base.

Business Conditions, Opportunities and Risks: Responding to the Multi-Pathway Trend

The North American market faces a challenging and uncertain business environment due to the rollback of environmental regulations, uncertainties about tariff policy following the change in administration, and rising labor costs driven by inflation. At the same time, slower BEV adoption and the re-evaluation of HEVs and PHEVs have led to powertrain diversification as automakers pursue so-called "multi-pathway" strategies. We continue to offer solutions tailored to North American market needs with our broad product range, including Safety Systems Products (SS) and Interior and Exterior Parts (IE). We also supply products tailored to the required specifications of best-selling regional vehicles such as pickup trucks and large SUVs.

To address geopolitical risks, we have established a regional structure that meets the high local-content requirements of the United States-Mexico-Canada Agreement (USMCA), giving us a structural advantage over competitors.

Proportion of BEVs in North American production by volume



Source: Toyoda Gosei, based on vehicle production data from Mobility Global

Our Strengths and Way Forward: Focus on Localized Development and Product Synergies

Our key strength is our locally embedded development and production structure. We are currently upgrading R&D capabilities in North America to localize development further so that local engineers can take the lead in incorporating North American customers' design preferences and needs, as well as local safety regulations (covering issues such as pedestrian protection) into product designs. This approach shortens lead times while also enhancing our ability to secure orders as customers recognize our technical expertise. On the product front, we are crafting new proposals based on our SS and IE technologies, as well as developing products that combine functionality with aesthetic appeal, such as steering wheels with decorative trim. In other areas, our surface treatment technologies with reduced environmental impact, including PVD finishes* and hexavalent chromium -free plating, have received positive feedback from customers.

* Physical Vapor Deposition (PVD) finish: A surface treatment technology yielding a high-quality metallic appearance with a reduced environmental impact

Strategies to Achieve the 2030 Business Plan: Targeting Growth and Efficiency

Under the 2030 Business Plan, we will continue to focus on expanding sales to a diverse customer base in the Americas region while seeking to maintain and strengthen the stable regional earnings base.

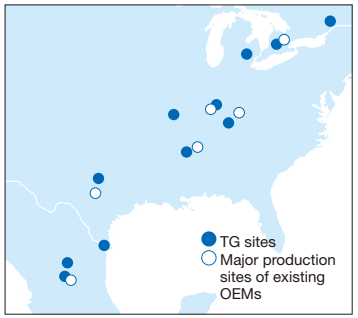
Our first strategy involves ongoing efforts to deepen relationships with existing customers to build sales. While maintaining our business foundation through steady adherence to serving the needs of our major customer, Toyota Motor Corporation, we are also targeting more medium- to long-term opportunities for securing new orders from Japanese, European, and North American automakers by creating proposals for high-value-added products such as advanced steering wheels for ADAS and highly styled large front grilles.

Our second strategy is to streamline and strengthen our production set-up and supply capabilities. Our new TAPEX plant in Monterrey, Mexico, is a hub facility for airbag production. Currently, we are working to boost productivity by introducing automation and implementing measures to enhance logistical efficiency and monitor equipment utilization. These improvements will help build a stable supply set-up while mitigating the impact of rising labor costs, a critical issue in North America.

Our third strategy is to reinforce our management foundation in the region. The transfer of functions and related delegation of authority to Toyoda Gosei North America (TGNA), our regional headquarters, is underway. At management level, we are working on streamlining based on integrating or eliminating duplicated functions within the region. We are also standardizing policies and procedures and seeking to strengthen regional governance and management led by TGNA, notably across accounting, HR, and IT.

Based on these strategies as we head towards 2030, we are working to ensure sustained growth in profits through delivering greater value to customers.

Locations of TG and OEM production sites in North America



Regional Strategy | India

Message from Corporate Officers



Bijay Krishna Shrestha

Corporate Officer, Chief of India Regional Headquarters

We aim to drive the Group's growth by building sales and reinforcing local supply capabilities to expand TG's business in India faster than the market.

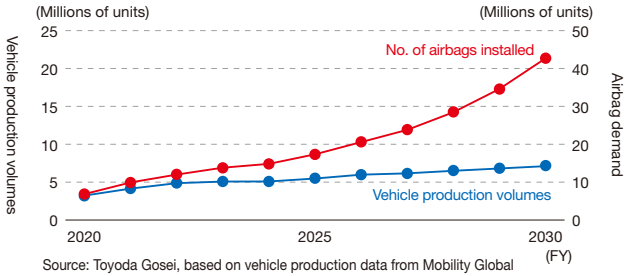
Business Conditions, Opportunities and Risks: The Potential of and Changes in a Growing Market

Safety awareness is rising in the Indian market due to growth in demand driven by expansion of the middle class and factors such as the government's introduction of the Bharat NCAP safety assessment program. The rapid growth in the number of airbags installed per vehicle—from the traditional level of two to as many as six—represents a major growth opportunity for our Safety Systems Products (SS) business. Many growth opportunities are also appearing in multiple product segments that are areas of strength for us. Emerging trends such as weight reduction, more stylish designs across interiors and exteriors, and a shift towards vehicles that run on compressed natural gas (CNG) are creating broad-based opportunities for growth.

However, business conditions remain challenging due to increasingly intense price-based competition, both with European mega-suppliers and the rapidly emerging local supplier base.

Moreover, as we target business expansion, we face complex issues in recruiting and retaining talented personnel while staying competitive in cost terms. We view these challenges as a good opportunity to raise our business fundamentals to the next level by accelerating investments alongside structural reform programs.

Vehicle production volumes and numbers of airbags installed



Source: Toyoda Gosei, based on vehicle production data from Mobility Global

Our Strengths and Way Forward: Customer-Focused Development and Supply Capabilities Backed by Proprietary Technologies

The principal strength of Toyoda Gosei in India is a customer-focused business model that involves deep involvement from the planning and development stages in the vehicle programs of Maruti Suzuki, Toyota Kirloskar Motor (TKM), and other automakers in India. We have built our supply infrastructure in proximity to the major customer production sites to facilitate just-in-time delivery of products, including bumpers, instrument panels and other large components. This approach has helped us to reduce lead times while keeping our logistics costs down.

On the product front, we are developing proposals to reduce vehicle weight and enhance environmental performance by leveraging technologies in plastics and rubber that we have cultivated over many years. With demand rising in the Indian market for greater fuel efficiency and cost competitiveness, we are looking to expand the business by strengthening our ability to develop and supply products tailored to local needs. In the SS business, we are utilizing our global network linking India with Japan to provide timely proposals for cost-competitive airbags and steering wheels that are designed for local road conditions. In addition, at our R&D facilities in India, local engineers are taking the lead in strengthening our development and evaluation structure so that we can develop products faster while also reducing costs.

Strategies to Achieve the 2030 Business Plan: Improving Supply Capabilities and Cost Competitiveness

We are focused on executing the following strategies to ensure the region realizes its designated role as a growth driver in the 2030 Business Plan.

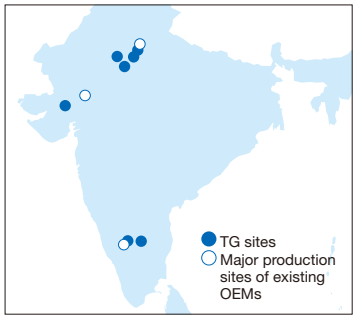
First, we are focused on ensuring we can secure the necessary supply capacity. We have positioned the SS business as a key pillar of growth amid advancing local safety standards, with typical numbers of airbags installed per vehicle rapidly increasing from two to six.

Second, we are pursuing fundamental strengthening of our manufacturing capabilities to ensure we stay competitive on cost. Besides accelerating our efforts to raise local content ratios under the government's "Make in India" initiative, we are progressively introducing low-cost automation technologies from Japan onto key production lines to raise productivity and shorten lead-times. In a challenging local HR environment, this will help us absorb rapidly rising labor costs while maintaining reliably high quality and productivity. Overall, we aim to achieve a good balance between growth and profitability.

Third, we are introducing new products and looking to expand into high-value-added areas with proposals for items that anticipate electrification of the Indian market, including cooling system components and illuminated grilles for interior and exterior applications. We aim to upgrade our product portfolio ahead of the evolving market.

Fourth, we aim to contribute to greater sustainability in terms of carbon neutrality (CN) and the circular economy (CE). Our initiatives aim to sustainably enhance corporate value by anticipating regulatory developments in India on the environmental front, such as examining how to use recycled materials in bumper production.

Locations of TG and OEM production sites in India



Human Resource Strategy

MESSAGE from the CHRO



Masashi Umeda

Chief of General Administration and Human Resources Headquarters, CHRO

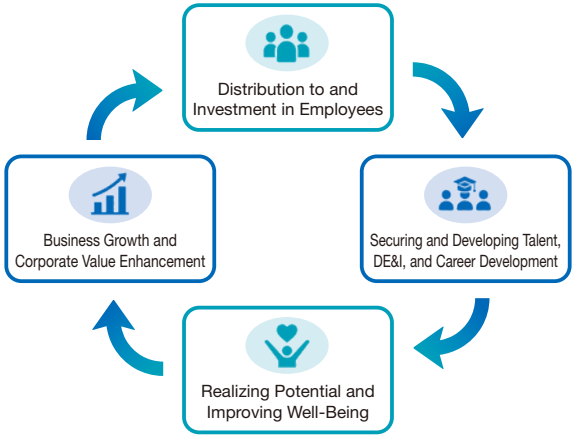
We will strive to create a workplace environment where everyone can thrive, and improve employee well-being, thereby contributing to the Company's sustainable growth.

Achieving the 2030 Business Plan and Driving Further Growth Beyond 2030

To realize the 2030 Business Plan, we are working to invigorate our people and organization so that we attract highly motivated people with a strong sense of well-being who can sustainably create new economic and social value.

The source of added value and business growth lies in our people. Guided by the belief that manufacturing is about developing people, we have always had faith in the potential of our people and worked to develop our people and build our corporate culture. In recent years, there has been growing recognition that investment in people is the source of corporate value creation, and we are once again reminded of its importance. By reinvesting the added value generated through our business activities in developing our people and strengthening our organizational capabilities, we will sustain a virtuous cycle that generates new added value. At the same time, we will drive reform of both our people and our organization to achieve the 2030 Business Plan and grow beyond it.

Added Value Creation Cycle



1. Realizing Well-Being for a Diverse Workforce

Employee well-being is essential to the sustainable growth of our business. To this end, we are working to enhance engagement by giving employees a clear view of how to achieve their career goals and what growth opportunities are available, and by creating a comfortable workplace with open communication, safe spaces for employees to feel secure, and platforms where everyone can thrive.

With two-way communication as the foundation, we are also encouraging more active dialogue between labor and management and with executives, department heads, and supervisors, to create a workplace where employees feel safe to speak openly.

We will also promote DE&I and make the most of diverse values to create an environment where everyone is counted on and able to take on challenges. This will boost organizational vitality and generate innovation.

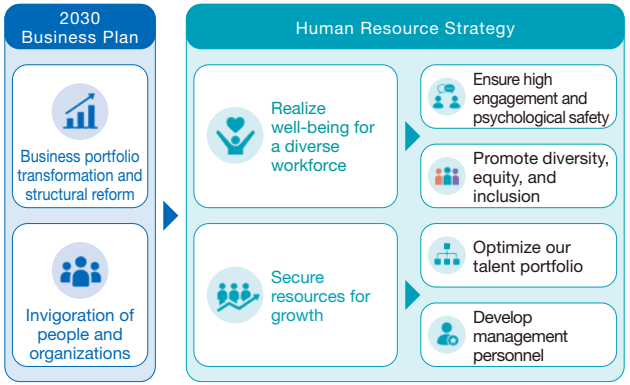
2. Securing Resources for Growth

To achieve the 2030 Business Plan, we are also focusing on developing and placing talent that directly supports business growth and a stronger business foundation.

We have formulated a talent portfolio that systematically organizes required talent types and necessary expertise. Aiming 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.

We are also establishing succession plans to develop executive talent who will support our future management foundation. We will steadily implement systematic assignments and development measures for executive positions, including those at domestic and overseas affiliates. These steps will ensure a stronger talent base to underpin the Company's sustainable growth.

Human Resource Strategy Roadmap

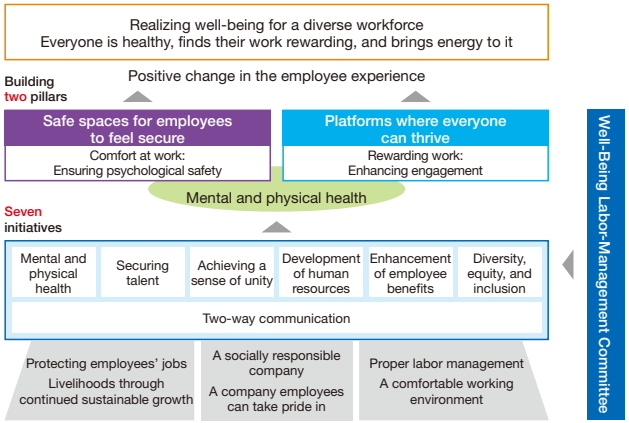


Human Resource Strategy

Realizing Well-Being for a Diverse Workforce

To realize well-being, we are promoting seven initiatives, including mental and physical health, development of human resources, and two-way communication, based on two pillars: safe spaces for employees to feel secure and platforms where everyone can thrive. To drive these efforts, the Company and the labor union have established a Well-Being Labor-Management Committee to assess workplace conditions and decide which topics to address. In FY2026, we are rolling out a health promotion app company-wide to help employees build exercise habits and improve their mental and physical health. To address the challenges long-serving employees face in career fulfillment, we are also encouraging a change in mindset through lectures and other events featuring external experts. Labor and management will advance these initiatives together to encourage changes in employee behavior grounded in a positive mindset and turn those changes into new value.

Overview of Efforts to Realize Well-Being for a Diverse Workforce



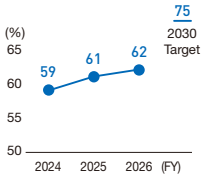
Creating Safe Spaces for Employees to Feel Secure: Initiatives for Improving Psychological Safety

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 four-year "Empathy-Driven OMOIYARI Communication Training" conducted by a psychiatrist to promote change among management; holding well-being seminars led by external experts; supporting in-departmental social events to foster workplace communication (Community Support Activities); and exploring how each department can ensure that employees have time to communicate with their supervisors.

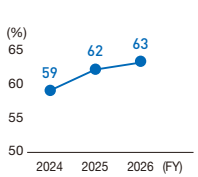
Providing Platforms Where Everyone Can Thrive: Initiatives for Improving Engagement

Providing platforms where everyone can thrive means fostering a highly engaged workplace where employees are aligned with the Company's vision, and can take on challenges and grow on their own initiative. We conduct an engagement survey covering all employees, and each department analyzes the results. Labor and management then work through a rigorous cycle of identifying issues, planning measures, and implementing them, which is steadily raising scores.

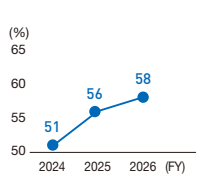
Trend in Engagement Scores



Trend in Psychological Safety Scores



Trend in Career Goals Achievement 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 to each employee. Division chiefs directly explain their commitment to safety and quality and the initiatives of each business and function toward realizing the 2030 Business Plan. As a result, employees increasingly share the vision, and the survey score for "expectations for the future" has risen for two consecutive years, reaching 62%.

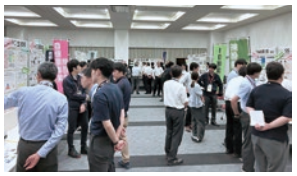
Career Fulfillment

Another area we focus on to enhance engagement is helping employees to achieve their career goals. Although we had implemented human resource development initiatives continuously over the years, positive survey responses regarding career fulfillment had been slow to grow.

To address this issue, young and mid-career members of the Human Resources Department proposed "CareeArch," a career autonomy initiative, through our business idea contest, and since 2025 we have made it a top-priority measure directly linked to raising engagement and achieving well-being.

Specifically, we hold CareeArch Events introducing each department, which 900 administrative and technical employees attended in 2025. We also give employees opportunities to think about their own careers through CareeArch Roundtables with colleagues who have gained a wide range of experience and through in-house and external career consulting sessions, while continuing to provide career interview training for supervisors. These initiatives have led each department to discuss and formulate concrete human resource development plans, and under the open rotation program, 24 of the 41 transfers planned by departments were carried out.

Going forward, under the 10-Year Development Program for Young Employees, we will increase the number of employees in their third to tenth year who transfer to other departments from the current 70 to 100, while also working to systematize development plans for skilled roles. In doing so, 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.



Department introduction events

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 have strengthened the management of not only workforce size but also workforce quality. We are developing and placing "talent for advancing key businesses," responsible for the priority themes of the 2030 Business Plan, and "talent for strengthening the management base," responsible for strengthening that base across businesses. This will help us produce the next generation of leaders who will manage the Company in the future.

We have also divided the talent portfolio into 15 talent types and are using them to formulate measures for systematically securing, placing, and developing human resources. The fulfillment rate of the 15 required talent types has steadily improved, from 50% previously to 70% in FY2025. To reach a 100% fulfillment rate and achieve the 2030 Business Plan, we are also encouraging internal rotation through open rotation programs linked to "CareeArch" and strengthening mid-career hiring.

To help employees develop their careers and grow, we are using the talent portfolio to encourage employees to clarify their career goals and acquire the necessary expertise. Within our career development measures, we are working to balance employee aspirations with the Company's needs, so that these efforts also help secure resources for growth.

● Required Talent (15 talent types)

	Initiatives to Achieve the 2030 Business Plan	Required Talent (15 talent types)
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 the 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

Securing and Developing Next-Generation Management Talent

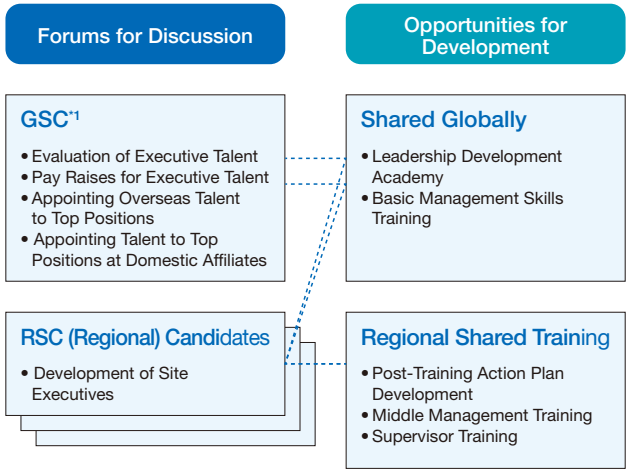
To systematically develop future leaders, we have clarified the key requirements for executive positions essential to executing management strategies. We are also implementing a succession planning system to select candidates, plan their development, and assign them to challenging roles (tough assignments).

To accelerate the development and promotion of executive talent among locally hired employees at overseas operations, we also established basic policies and targets in FY2021 for promoting locally hired employees to executive positions (vice president or above).

We aim to raise the share of executive positions held by locally hired employees to 60% by 2030, and to that end each overseas business unit is evaluating, developing, and promoting high-potential talent.

We also regularly hold RSC (Regional Succession Committee) meetings in the Americas, China, and other locations, where participants share challenges and discuss solutions to challenges in selecting, developing, and recruiting candidates for executive positions.

● Developing Next-Generation Management Talent



*1 GSC: Global Succession Committee

Human Resource Strategy

DE&I

DE&I みんなで進もう 多彩な未来へ

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

We regard promoting DE&I as a management strategy essential to sustainable growth. We believe that incorporating diverse perspectives into management and frontline operations will strengthen our ability to respond in a rapidly changing environment and help create new added value.

In particular, as part of promoting the advancement of women, we have set a target of 100 or more female managers by FY2030 and are actively appointing women to management positions. In employing people with disabilities, too, we aim not merely to fulfill a social responsibility but to create an environment where each individual is respected and can thrive by making full use of their individuality and strengths.



We are convinced that building a workplace environment and culture where diverse individuals can perform at their best and thrive is key to supporting the Company's growth, and we will advance these efforts across the entire Group.

Hiroko Ando
Chief Diversity Officer

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

We are actively developing a wide range of support programs, training, systems, and workplace environments that enable diverse individuals to perform at their best regardless of attributes such as gender, disability, or age.

In promoting the advancement of women, we provide development and support tailored to job type and career stage. For administrative and technical roles, we formulate individual development plans with a view to promotion to management positions and carry out systematic development and training. For skilled roles, we work to develop next-generation leaders by improving the work environment and supporting career development.

In promoting the employment of people with disabilities, we work to build an environment where they can feel secure and keep working, and to expand job roles that make the most of each individual's abilities and aptitudes. As of June 30, 2026, the Group's employment rate for people with disabilities was 2.83%, meeting the statutory employment rate of 2.7%.

We also provide career support for long-serving employees and improve their work environment so they can continue to thrive by making the most of their experience and expertise. By promoting cross-generational dialogue and skills transfer, we are building a corporate culture where different generations help one another grow.

Promoting the Advancement of Women

The promotion of female managers has lagged due to factors such as workplace environments where male employees are the norm, a low ratio of female employees, and a lack of role models. The Company has set a target of 100 female managers by 2030 (currently 46) and is accelerating its efforts.

Administrative and Technical Roles

For management candidates, we run the Advance Program, which aims to deepen understanding of roles, build skills, and boost motivation to take on challenges. For younger and mid-career employees, we also run the Encourage Program, which prompts them to consider taking on management roles.

Our efforts also span the full cycle, from developing management candidates to helping them thrive after promotion. They include support for building networks with senior management and with female employees inside and outside the Company, and a sponsorship program in which executives support employees after they are promoted to management.



Scenes from networking events (Encourage Program)

Skilled Roles

In FY2024, we launched Heart Link, a project in which female representatives at each plant work to resolve workplace issues. To date, the project has proposed and implemented improvements to create a workplace where everyone can work comfortably, including reviewing the name of menstrual leave, introducing sanitary product dispensers, and improving processes to account for differences in physique. We also create opportunities to interact with Toyota Group companies and other companies. These expose employees to diverse values and insights and help them build external networks. Through these experiences, we encourage participants to broaden their perspectives and grow into future leaders.

For supervisors, we hold lectures by an Executive Vice President to deepen their understanding of the advancement of women, and are working across the Company to foster a culture in which all employees, including women, can make full use of their abilities in their own way.



Speech at TPM Ladies Competition



Aichi Women's Shine Company Excellence Award

These initiatives have received high external recognition, including the Aichi Women's Shine Company Excellence Award and the ONE CAREER Review Award.

Support for Work-Life Balance

To help employees balance work and family, we are putting in place arrangements that meet their needs, such as a flexible system of reduced working hours and an on-site childcare center that operates on public holidays.

We also actively support men's involvement in childcare, continuing to operate the pre-childcare leave program (an awareness initiative that starts with a short, hands-on period of childcare leave) and providing individual follow-up. As a result, the percentage of male employees taking childcare leave rose from 64% in the previous year to 83%. We will work to foster a workplace culture where men, as well as women, can take childcare leave as a matter of course.

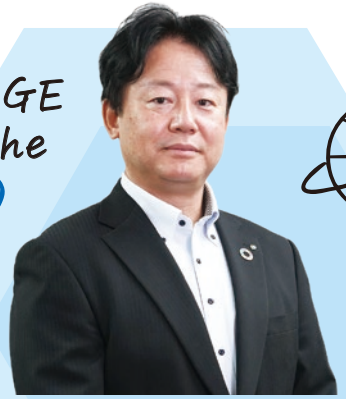
Promoting the Employment of People with Disabilities

In promoting the employment of people with disabilities, we have established a support system that enables employees to feel secure and keep working, including pre-employment internships and regular meetings with daily-life counselors. Since FY2024, in addition to skilled roles, we have been strengthening recruitment for administrative and technical roles. By actively participating in job fairs, we are helping more people understand the Company and expanding our contact with diverse talent.

Group companies, led by our special subsidiary, are also working together on recruitment and on improving workplace environments. Across the Group, we are working to create an environment where employees with disabilities can thrive.

DX Strategy

MESSAGE from the CDXO



Tetsuya Ogata

Chief of IT Digital Headquarters, CDXO

We are driving the transformation of workplaces, businesses, and management by developing digital platforms and providing digital solutions.

Policies for Achieving the 2030 Business Plan

1. Management that prioritizes capital efficiency and business process transformation that supports manufacturing innovation
2. Strengthening digital platforms that support transformation and developing the next generation of digital talent

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

We are undertaking company-wide business process reforms aimed at bolstering business competitiveness and creating new value.

Utilizing systems based on digitized information and centralized management, information such as vehicle development schedules and product orders is automatically linked to downstream processes such as product design and production preparation. This is helping to boost efficiency and shorten lead times across the entire engineering chain.

In manufacturing, we are contributing to enhanced productivity at production sites as well as shorter lead times through collection and use of performance data, quality traceability systems, and digitalization of maintenance operations. These kinds of data are also playing an increasing role in manufacturing cost analysis.

In logistics, we are automating materials conveyance and using AI-based load-volume measurement to improve loading efficiency. Other initiatives to help optimize logistics include using RFID to track the circulation of returnable containers and introducing vehicle dispatch management systems.

Within back-office operations, we are reforming our business processes such as production management, accounting, and HR through the renewal of outdated legacy systems. We are also utilizing historic data to enable detailed cost analysis so we can understand quickly how profits are influenced by factors such as raw material price increases and changes in labor costs.

To improve capital efficiency, these multifaceted initiatives are speeding up efforts to streamline and refine our core operations while also helping to cut production lead times.



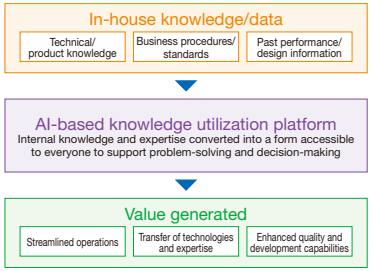
RFID tracking system for reusable plastic containers

Development of Digital Platforms Supporting the Promotion of DX

We are advancing infrastructure development and talent development in tandem to transform operations and create value through digital technologies. By creating an environment for data utilization and developing digital talent, we are streamlining operations, enhancing decision-making, and creating new value.

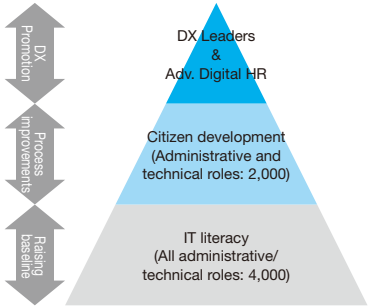
1. Harnessing the Power of Generative AI

We are creating an environment that enables all our employees to use generative AI services safely and effectively, while providing related education. We are also building a retrieval-augmented generation (RAG) platform linked to accumulated internal knowledge and data to make effective use of knowledge, improve the quality of operations, and support rapid decision-making.



2. Digital Talent Development

To support DX, we are rolling out company-wide training programs in areas such as cloud services, data analysis, and cybersecurity. We are also promoting a “citizen development” program to support frontline-driven process improvement and automation based on the utilization of generative AI and low-code or no-code digital tools.



3. Cybersecurity Measures

Recognizing cyberattacks as a critical management risk, we are working to upgrade our global cybersecurity governance and improve security across the entire supply chain. We are also building a framework that enables a rapid response and early recovery, including monitoring, vulnerability management, training drills, and the development of cyber business continuity plans (BCPs).

Financial Strategy



Masayoshi Hachisuka

Director, Corporate Officer, CFO

We aim for a sustainable increase in added value and corporate value, while maintaining a balance among growth, financial soundness, and efficiency.

Business Performance and Changes in Shareholder Composition

Progress toward the 2030 Business Plan

In FY2025, revenue was 1,146.7 billion yen and operating profit was 79.5 billion yen, for an operating margin of 6.9% and ROE of 11.2%. Revenue and operating profit were both higher than the previous fiscal year, mainly due to higher sales and cost improvements, which offset a temporary increase in costs due to the impact of tariffs and structural reforms in China. Revenue, operating profit, pre-tax profit and net profit all reached new record highs.

In FY2026, we are forecasting revenue of 1,200.0 billion yen and operating profit of 80.0 billion yen. While we recognize risks such as the situation in the Middle East and increasing raw material costs, we plan to secure operating profit on par with the previous fiscal year through continued efforts to strengthen our earnings capacity.

In the 2030 Business Plan, we have set targets for revenue of 1,200.0 billion yen, operating profit of 100.0 billion yen, operating margin of 8%, and ROE of 10%. Due to a difference from the foreign exchange rate assumption, our recent results reflect the positive effect of yen depreciation; however, in terms of the overall plan, we are progressing ahead of our initial expectations. Revenue has been steady overall, while the challenge with operating profit is to increase profitability a step further to achieve the 8% operating margin target. In FY2025, we achieved record-high results, including for operating profit, which reflected growth in our priority businesses and steady results from manufacturing improvements. Going forward, we will focus our management resources in our priority businesses and regions, while expanding business with a wide range of customers and introducing high-value-added products with the aim of further increasing earnings to achieve the 2030 Business Plan.
(Exchange rate assumptions:
FY2026 forecast: USD 1 = ¥155; 2030 Business Plan: USD 1 = ¥125)

● Comparison of FY2025 results, FY2026 plan, FY2030 target

	FY2025 results	FY2026 forecasts		FY2030 targets
Revenue	¥1,146.7 bn	¥1,200.0 bn		¥1,200.0 bn
Operating profit	¥79.5 bn	¥80.0 bn	Strong progress	¥100.0 bn
Operating margin	6.9%	6.7%	Challenge of lifting profitability to achieve operating margin of 8%	8.0%
ROE	11.2%	9.7%		10.0%
Exchange rate (JPY/USD)	¥151/USD	¥155/USD		¥125/USD

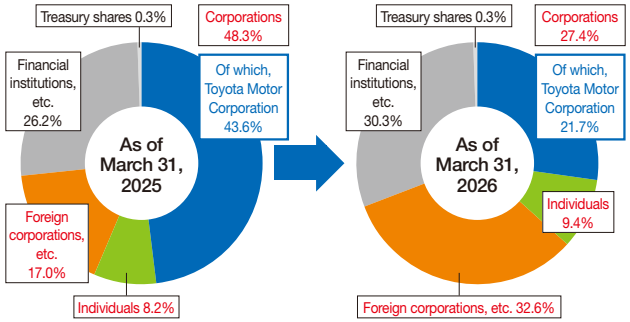
Significant Change in Shareholder Composition

In FY2025, Toyota Motor Corporation and other shareholders conducted a secondary offering of their holdings in the Company. While maintaining our relationship as a member of the Toyota Group, the offering was intended to promote autonomous management and expansion of business with a wide range of customers, while expanding and diversifying the Company's shareholder composition, increasing the liquidity of its shares, and dispelling concerns about a potential share overhang.

Toyota's ownership stake changed from 43.6% before the secondary offering to 21.7% at the end of March 2026. Moreover, to mitigate the impact on the supply-demand balance for the Company's shares due to the offering, and to strengthen shareholder returns and improve capital efficiency, we conducted a share buyback of 10 million shares for a total of around 45.0 billion yen, and cancelled all of them.

Going forward, we aim to achieve a well-balanced shareholder composition that attracts the medium- to long-term support of a diverse shareholder base, including domestic and overseas institutional investors and individual investors.

● Shareholder Composition

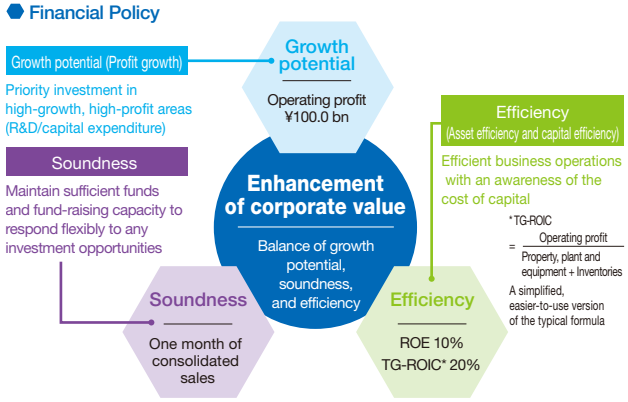


Financial Policy

Our financial policy is to emphasize the balance between growth potential, financial soundness, and efficiency. We will retain a strong financial base and seek to enhance the efficiency of business assets, while allocating the cash generated to areas that will drive future growth to sustainably increase corporate value.

Financial Strategy

Financial Policy



Growth Potential—Linking Growth Investments to Create New Added Value

In terms of growth potential, we will prioritize allocation of management resources in high-growth, high-profit businesses and regions. We will pursue strategic investments such as capital expenditure, R&D investment, M&A, and alliances, focusing on our priority businesses, which are the Safety Systems Products (SS) and Interior and Exterior Parts (IE) Businesses, and our priority regions, namely the Americas and India.

In our investments in business, we will focus on creating future sources of competitiveness, such as development of new technologies and products, and creation of new businesses. We will also enhance our earning power, building a highly profitable and efficient manufacturing system by optimizing equipment specifications, making effective use of existing equipment, and advancing automation and productivity gains.

In addition, we will ensure appropriate allocation to, and investments in our employees, who will carry out these initiatives, enhancing their expertise and frontline capability, and creating an environment where they can fully demonstrate their potential and take on challenges. By promoting investments in business and manufacturing along with investments in human capital, and reinvesting the resulting gains into subsequent investments, we will continuously build our competitive and earning capabilities.

Topic: Turning Growth in Added Value into Further Growth—Distribution and Investment through the Distribution Statement

For a company to grow sustainably, it is important to generate added value through business activities, distribute that appropriately to each stakeholder and invest for future growth, and to pursue further increases in added value. To achieve this, the Company makes use of a distribution statement (DS)*, which summarizes in actual figures how the added value generated through business activities is distributed to and invested in employees, executives, society, shareholders, and the Company itself.

In the DS, the added value created inside the Company is calculated by starting from revenue, which is the consideration for value provided to customers, and deducting payments for value produced outside the Company, such as raw material expenses and outsourcing expenses. Then the recipients of the resulting distributions and investments of that calculated added value are presented as employees, executives, society, shareholders, and business reinvestment retained within the Company.

In other words, the DS is a new financial statement for assessing the production, distribution, and investment of added value in a single document, and monitoring and managing medium- to long-term growth in added value and its appropriate distribution and investment.

Toyoda Gosei's added value increased approximately 1.5-fold over the five years from FY2021 to FY2025. During this period, distributions to employees increased approximately 1.3-fold, and the amount distributed per employee rose on both a consolidated and non-consolidated basis. Distributions to shareholders increased approximately 2.4-fold, distributions to society approximately 1.9-fold, and business reinvestment approximately 2.7-fold. In this way, we have steadily expanded distributions to employees, shareholder returns, distributions to society, and business reinvestment for future growth, funded by growth in added value.

Toyoda Gosei's Distribution Statement

(Unit: Million yen)

Items	FY2021	FY2022	FY2023	FY2024	FY2025	FY2025 as a Percentage of FY2021
Revenue	841,660	960,295	1,086,487	1,071,558	1,169,651	139%
Expenses paid externally	601,115	707,918	778,979	769,981	819,067	136%
Added-value amount (production)	240,545	252,377	307,509	301,578	350,584	146%
Distribution to employees	199,851	213,794	232,271	238,689	256,530	128%
Distribution to executives	865	855	946	1,003	1,163	134%
Distribution to society	13,095	16,680	15,966	18,943	24,731	189%
Distribution to shareholders	10,475	10,476	16,266	18,336	24,909	238%
Internal reserves (business reinvestment)	16,259	10,572	42,060	24,606	43,250	266%
Added-value amount (distribution)	240,545	252,377	307,509	301,578	350,584	146%

(Unit: Thousand yen)

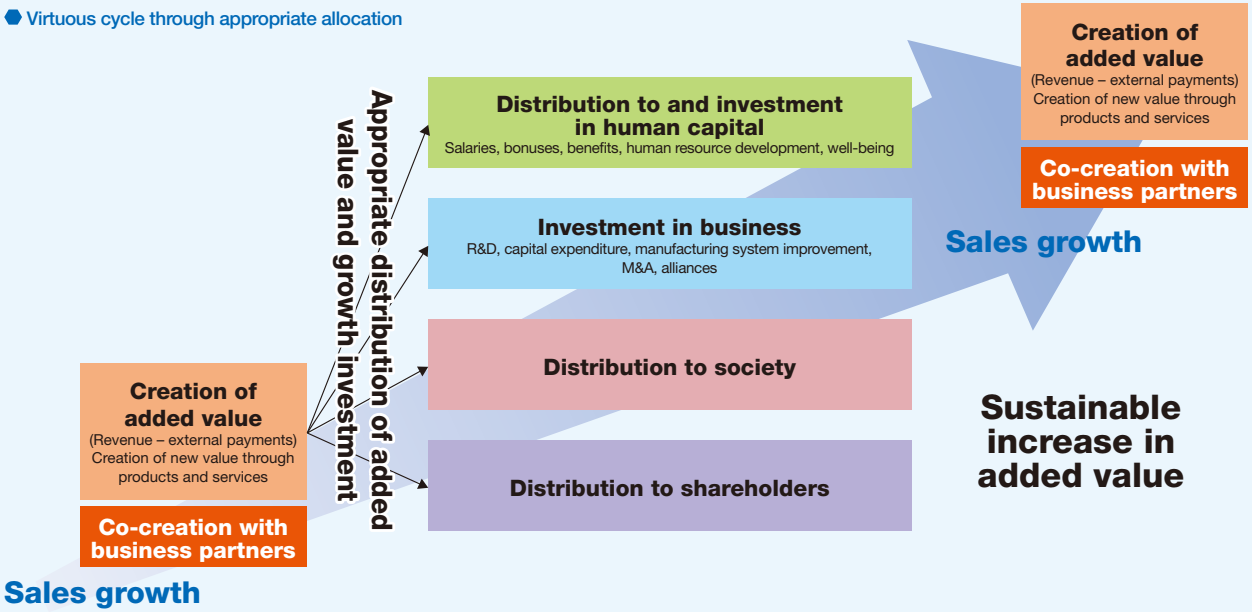
Distribution per employee	Consolidated	5,058	5,490	5,963	6,090	6,211	123%
	Non-consolidated	7,048	7,092	7,679	7,862	8,374	119%

Financial Strategy

Using a DS to confirm the status and results of distribution and investment, we constantly pursue an appropriate balance according to the business environment and growth stage. Through investment in equipment, R&D, strategy, and human capital, we create high-value-added products and businesses, and then distribute the added value we create to stakeholders and allocate it to the next round of growth investment. This virtuous cycle increases our corporate value over the medium to long term and drives the continuous growth of shareholder returns.

* The Distribution Statement is based on an approach advocated by the Tomo Suzuki Research Group of Waseda University.

● Virtuous cycle through appropriate allocation



Financial Soundness—Financial Base and Fundraising Capacity to Support Growth Opportunities

The Company focuses on the soundness of its financial position as a base supporting the stable continuity of its operations and enabling us to steadily capture growth opportunities. So that we can respond to changes in the business environment and funding needs, we reserve liquidity on hand equivalent to about one month's worth of consolidated sales, and have established a structure that enables us to allocate funds flexibly to necessary growth investments.

It is important not only to reserve cash on hand, but also to utilize it effectively across the entire Group. The global cash pooling framework that we started in FY2022 has now been largely implemented, and all remaining connections are expected to be completed during FY2026. By centrally monitoring cash positions in Japan and overseas, we will reduce cash imbalances across the Group, while flexibly financing Group companies that require cash to promote group-wide cash utilization.

We are also making progress on diversifying our methods of raising funds from outside the Group, such as continuously issuing corporate bonds in addition to bank loans. In accordance with the Sustainable & Positive Impact Finance Framework formulated in October 2023, in September 2026 we issued our third Sustainable & Positive Impact Bond for 10.0 billion yen. The funds raised through the bond will be allocated to the development of Safety Systems Products and expansion of their production and capital expenditure to reduce CO_2 and waste emissions. Through this kind of fundraising, we will stably procure the necessary funding for growth investments and communicate the Company's sustainability initiatives.

The Company has obtained an issuer rating of "A+/Stable" from Rating and Investment Information (R&I). Moreover, in January 2026, we obtained a new long-term issuer rating of "AA-/Stable" from Japan Credit Rating Agency (JCR). Looking ahead, we will continue aiming for a shareholders' equity ratio of around 60%, and strive to maintain a robust and flexible financial base to support the stable continuity of business and future growth investment.

Efficiency—Improving the Efficiency of Business Assets through TG-ROIC

Our basic approach to management that is conscious of the cost of capital is to maintain and increase a positive spread between return on invested capital (ROIC) and the weighted average cost of capital (WACC), ultimately aiming to stably achieve ROE of 10%. To support this goal from the frontlines, we introduced our own management indicator, TG-ROIC, which encourages employees at manufacturing sites to focus on the profits and assets that they can manage and improve themselves.

TG-ROIC is calculated by dividing operating profit by inventories and property, plant and equipment. We use it as an indicator that enables each region and location to identify its own issues and drive daily improvements to enhance asset efficiency. In FY2030, we aim to reach TG-ROIC of 20%.

With regard to inventories, we assess the flows not only of physical stocks, but also information and visualize bottlenecks in logistics processes or inside plants, as well as setting target inventory levels for each location. By reviewing ordering frequency and devising processes and manufacturing methods in response to production fluctuations, we aim to increase inventory turnover while securing the necessary levels.

Financial Strategy

For property, plant and equipment, we ensure effective utilization of existing equipment, and optimize the specifications of equipment by examining the required functions and capabilities to reduce excessive investment. Moreover, we are proceeding with low-investment automation using karakuri devices and collaborative robots to enhance productivity while restraining investment. In our large-scale investments underway in the Americas and India, we will steadily work to expand sales and capture profits to increase property, plant and equipment turnover.

Through these activities, we will foster a manufacturing culture where employees on site have a comprehensive grasp of the assets they use and the profit they create. The way that equipment and inventories are held or used will be a target for daily improvement, and the results will be realized in both profits and asset efficiency. In this way we will aim for TG-ROIC of 20%, and look to increase company-wide ROIC and achieve ROE of 10%.

Capital Efficiency

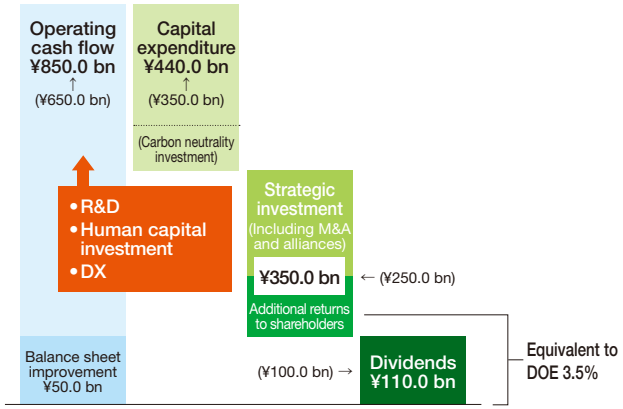
	FY2021	FY2022	FY2023	FY2024	FY2025
TG-ROIC	8.2%	8.1%	15.5%	13.7%	16.1%
ROIC	4.4%	3.6%	9.1%	7.3%	9.3%
ROE	5.7%	3.6%	10.6%	6.8%	11.2%

Current hurdle rate WACC: 7–8% Cost of equity: 8–9%

Cash Allocation and Capital Policy

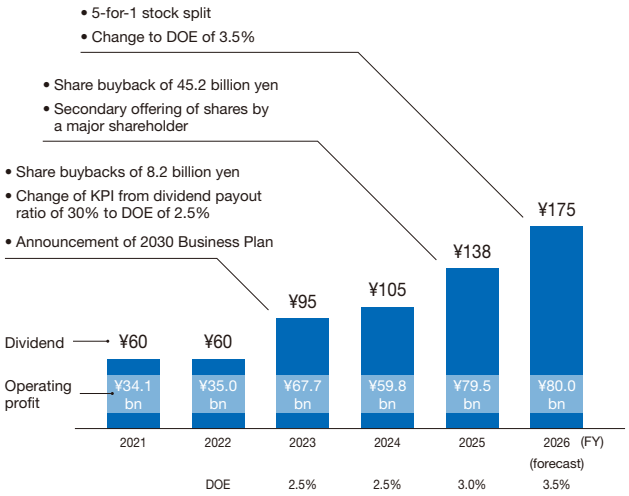
For the eight-year period from FY2023, when the 2030 Business Plan was announced, through FY2030, cumulative operating cash flow is forecast to reach approximately 850.0 billion yen, exceeding the initial estimate of approximately 650.0 billion yen by about 200.0 billion yen. Based on our progress to date and business growth going forward, we will allocate the cash generated appropriately among growth investments, the maintenance and strengthening of our financial base, and shareholder returns. Together with growth investments in businesses and manufacturing, we will strengthen investment in human capital to enhance employees' expertise and frontline capabilities. By promoting investment in both businesses and manufacturing, as well as in people, we will create high-value-added products and businesses, and a virtuous cycle that increases our cash generation capability.

Review of Cash Allocation 2030 Business Plan (FY2023–FY2030)



* The figure was used in the March business briefing. As described in the text, the shareholder return policy has been updated to target DOE of around 3.5%.

Shareholder Returns



With regard to shareholder returns, we have revised our previous policy, which set DOE of 2.5% as a lower limit, upward to a policy aiming for DOE of around 3.5%. Our basic policy is to deliver stable and continuous dividend increases, while also implementing additional shareholder returns flexibly after comprehensively considering factors such as the capital position, investment opportunities, and stock price. While maintaining an appropriate balance with shareholder returns, we will prioritize allocation to capital expenditure, including strategic investments, looking to increase the certainty of achieving the 2030 Business Plan, while maintaining a shareholders' equity ratio of around 60% through disciplined capital allocation with a focus on capital efficiency.

Increasing Corporate Value through Sustainable Growth

Toward achieving the 2030 Business Plan, we will further sharpen our business portfolio priorities, concentrating management resources in priority businesses and regions, undertaking structural reforms in underperforming businesses and regions, expanding business with a wide range of customers, and introducing high-value-added products with the aim of driving business growth that outpaces the market while improving profitability.

We will also create a virtuous cycle of sustainable growth by appropriately distributing the added value created by our business activities among stakeholders and allocating it to the next round of growth investment.

Moreover, to make it easier for individual investors to hold the Company's shares, we have conducted a five-for-one stock split, reducing the amount per investment unit and increasing the liquidity of the Company's shares. In conjunction, we will also introduce a shareholder benefit program, and we will provide opportunities for investors to deepen their understanding of the Company's manufacturing.

We will continue to enhance dialogue with investors and analysts, passing their opinions back to management and raising awareness of corporate value among our individual employees as we work to sustainably enhance corporate value.

Sustainability Management

Basic Approach to Sustainability Initiatives

Toyoda Gosei's Company Creed of "Boundless Creativity and Social Contribution" was formulated based on the Five Main Principles of Toyoda, and has been passed down from generation to generation as the basis of Toyoda 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 Toyoda 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 Systems Products (such as airbags)

Contributes globally to reducing the number of traffic fatalities and injuries

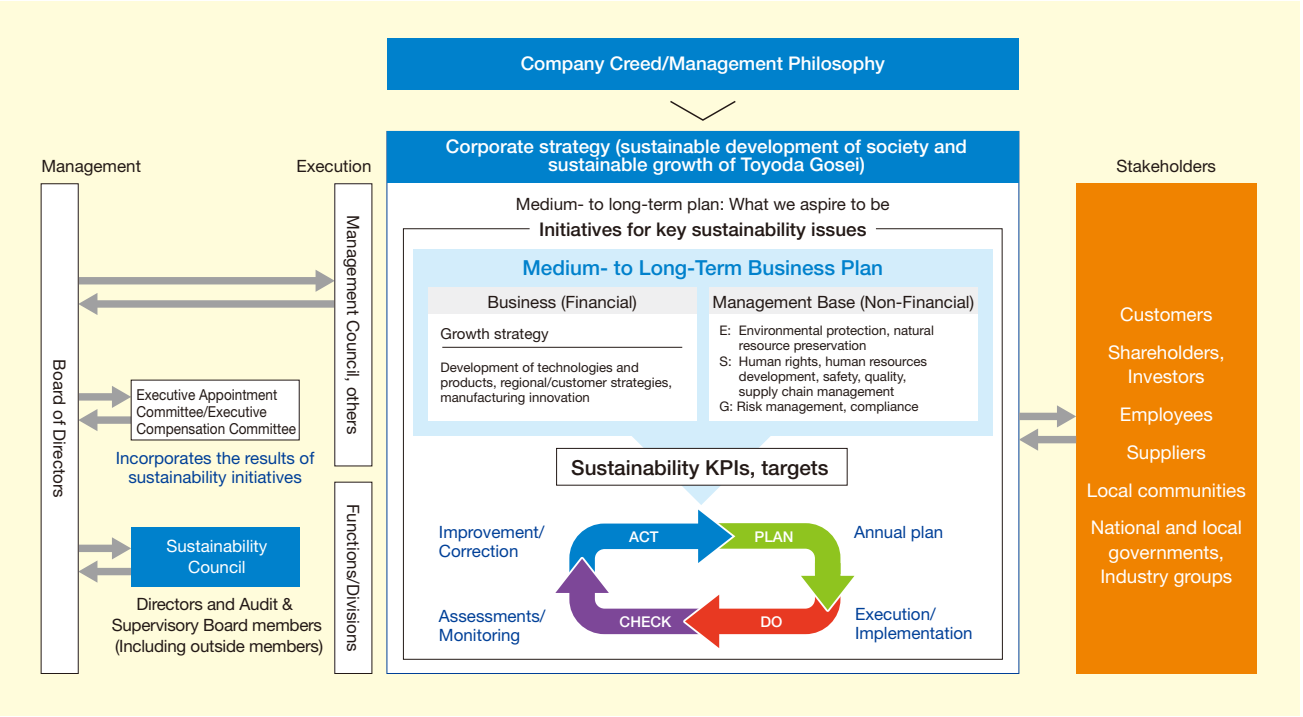


FCEV products (hydrogen tanks)

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

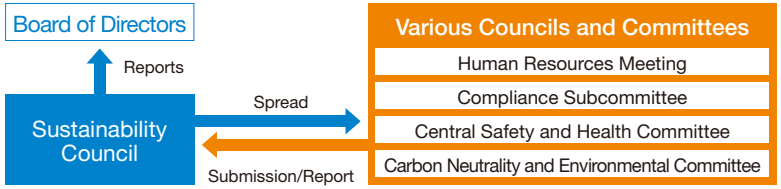
Implementation System

We have built a management system to further efforts for the sustainable development of society and sustainable growth of Toyoda 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



To bring smiles to customers around the world, we will pursue the highest-quality products and services through proactive, proposal-driven quality initiatives and contribute to the development of a sustainable society and to greater corporate value.

Makoto Kawase Chief of Quality Assurance Headquarters

Our Commitment to Quality Assurance

TQM*1 Initiatives for Strengthening the Corporate Foundation

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 the Workplace Management Improvement Initiative and Global Small Group Initiatives, we have developed a new TQM philosophy—anticipating change and transforming how work is done—and are putting it into practice. 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 roles and workplaces, and regularly reflect on their actions. We also use the Quality Learning Center as a place of learning to foster a company-wide quality mindset and pass it on to the next generation.

Promoting Flexible Human Resource Development for a Changing Environment

As DX expands, we are stepping up efforts to develop talent who can use statistical quality control (SQC) and machine learning (ML) to efficiently reform how work is done. We are also promoting Value Creation Community Activities to foster a corporate culture in which people take on the challenge of creating value in unexplored areas.



Value Creation Community Activities in session

Strengthening Governance for Regulatory Compliance

To strengthen the independence and audit function of regulatory certification operations, we launched the Regulatory Compliance Division in June last year and are working globally to prevent regulatory non-compliance. We are strengthening governance by promoting regulatory education for all employees and building systems for regulatory compliance, while top management continues to hear about workplace issues firsthand and act on them promptly.

Quality Assurance System Adapted to New Technologies and Newly Developed Products

Based on a quality management system conforming to ISO 9001/IATF 16949, we use the Initial Management System to build quality into new products. We are continuously improving our systems so that we can respond flexibly to new fields such as CASE and CN/CE, new businesses including software and service-based business, and the associated new laws and short-term development needs.

Advancing the Smart Standard Activity (SSA*2) to Optimize Quality Standards

The Company works with OEMs and parts manufacturers to advance the Smart Standard Activity (SSA), an industry-wide effort to optimize quality standards. By upholding safety and reliability and pursuing appropriate standards that match customers' expectations and their need for safety and peace of mind, we are raising productivity and making effective use of resources. Rather than simply cutting costs, these initiatives lead to sustainable improvement in profitability and stronger competitiveness across the industry.

*2 Smart Standard Activity



SSA activities under way

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*3, particularly in the production process of safety parts, which are directly related to the basic performance (driving, turning, stopping) and safety of vehicles.

To build strong manufacturing sites that can withstand change, we also run Quality Assurance Declaration Activities, in which manufacturing section managers declare directly to the president and the general managers of divisions that they have achieved their targets for Developing People, Developing Processes, and Preventing Recurrences.

*3 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 divisions

Environment



Using Toyoda Gosei's unique technologies, we will take 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

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

Toyoda Gosei formulated its 1st Environmental Action Plan in 1993 and has since worked to address environmental issues. In February 2016, we announced our long-term targets, the TG2050 Environmental Challenge, and set targets to be reached by 2030 as milestones. We have also formulated a five-year action plan that sets out action items and targets, and are working to protect the environment. In April 2025, in light of environmental trends in society, Toyoda Gosei revised its Environmental Policy and established it as the Toyoda Gosei Group Charter for Environmental Conduct. Going forward, we will continue to pursue these initiatives by drawing on our product strengths and manufacturing capabilities, in collaboration with our affiliates in Japan and overseas as well as government agencies, customers, and suppliers.

TG2050 Environmental Challenge

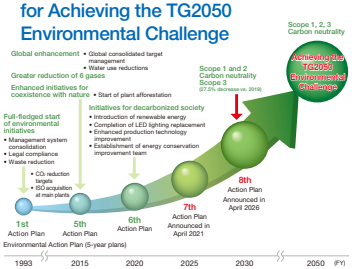
The Toyoda Gosei Group specializes in the field of rubber and plastic polymers. Our symbol is the benzene ring, a hexagonal hydrocarbon structure that is the starting point for polymers. Borrowing from the six sides of the benzene ring, the TG2050 Environmental Challenge sets six challenges to enhance 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 (Scope 1 and 2) from 2050 to 2030 to enhance our response to climate change issues.

TG2050 Environmental Challenge (6 Challenges)

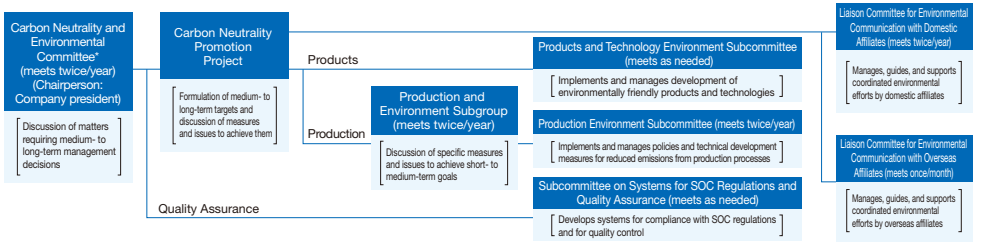


Medium- to Long-Term Scenarios for Achieving the TG2050 Environmental Challenge



Environmental Organization

Environmental Organizational Structure



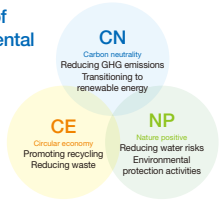
* The Carbon Neutrality and Environmental Committee is positioned within the organization as shown in the Corporate Governance System chart (see page 62), and the deployment of policies from the Carbon Neutrality and Environmental Committee, the Production and Environment Subgroup, and the respective subcommittees to plants and other operations is done by establishing expert committees in accordance with the ISO 14001 system at each plant.

8th Environmental Action Plan

To meet the targets (such as achieving carbon neutrality) set out in the TG2050 Environmental Challenge, our long-term environmental vision, Toyoda Gosei formulated its 8th Environmental Action Plan as a five-year action plan through 2030.

We will carry out the new Environmental Action Plan around three pillars: carbon neutrality (CN), circular economy (CE), and nature-positive outcomes (NP). As climate change progresses rapidly, the three elements CN, CE, and NP are interrelated: achieving carbon neutrality (CN) requires accelerating resource recycling (CE), and a rich natural environment (NP) contributes to climate change mitigation. With this in mind, we will take an integrated approach to all three.

The three pillars of the 8th Environmental Action Plan (6 Challenges)



8th Environmental Action Plan (2030 Target)

		Scope	Target values
CN Carbon neutrality	Scope 1 and 2	Global	**Carbon neutrality** (GHG emissions)
	Renewable energy	Global	Renewable energy share: **100%**
	Scope 3 (Category 1)	Global	Compared with FY2019 **27.5%** reduction (CO_2 emissions)
CE Circular economy	Amount of recycled materials used	Toyoda Gosei	Amount of recycled rubber used: **1,200 t**
	Waste	Toyoda Gosei	Industrial waste volume **18%** reduction from FY2024 (69% reduction from FY2012)
		Overseas affiliates	Industrial waste volume per unit of sales **6%** reduction from FY2024 (82% reduction from FY2015)
	Plastic waste	Toyoda Gosei	**6%** reduction from FY2024
	Logistics	Toyoda Gosei	Reducing logistics packaging materials
NP Nature positive	Water intake	Global	Water withdrawal per unit of sales **6%** reduction from FY2024
	Water intake High-risk sites	Sites identified as having high water withdrawal risk (India, Mexico)	Water intake **6%** reduction from FY2024
	Water quality High-risk sites	Sites identified as having high water quality risk (Japan)	Nitrogen and phosphorus: within **80%** of regulatory limits
	Environmental protection activities	Toyoda Gosei	Area under conservation: **35%** or more
		Global	Conservation activities Each site: **1** or more per year
	Contributing through our business	Global	Making and supplying products that contribute to conservation activities using our products and technologies

Topic

In the corporate survey conducted by CDP, an international rating organization, Toyoda Gosei earned the highest rating in the Climate Change and Water Security categories. We earned the highest rating in Climate Change for the second consecutive year and in Water Security for the first time.

Latest results by category

Category	Rating	
Climate Change	A	For the second consecutive year
Water Security	A	Selected for the first time
Forests (Cattle Products)	B-	

CDP A List 2025

Environment

Building a Decarbonized Society (CN: Carbon neutrality)

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. We recognize society's call for this transition to a decarbonized society and support what was agreed under the Paris Agreement to combat global warming. In August 2023, we set a new target of achieving carbon neutrality for CO_2 emissions from our production activities and other operations (Scope 1 and 2) by 2030, 20 years earlier than the previous 2050 target, and set a target for CO_2 emissions associated with activities such as the procurement of materials, parts, and products (Scope 3). We have also obtained validation by the Science Based Targets initiative (SBTi), an international climate initiative, and are taking action across the entire value chain.

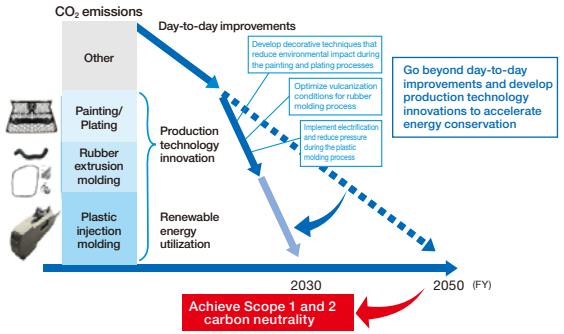
Disclosure of Strategy and Other Information Based on TCFD Recommendations

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.

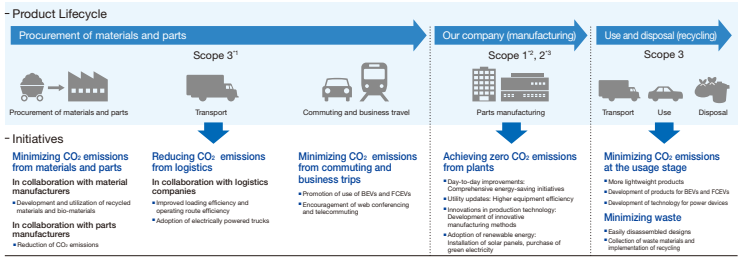
Initiatives to Achieve Carbon Neutrality

In 2023, we set a new target of achieving carbon neutrality for CO_2 emissions from our production activities and other operations (Scope 1 and 2) by 2030, 20 years earlier than the previous 2050 target. 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. We will also utilize renewable energy sources, such as green power, to meet necessary energy demands.

Initiatives to Achieve Carbon Neutrality

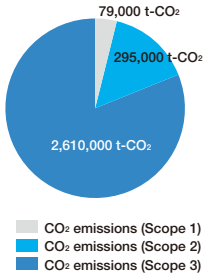


Initiatives to Reduce CO_2 Emissions in the Value Chain



*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)

CO_2 emissions for FY2025 Global



Collaborations with Suppliers

To achieve the decarbonization goals of the 2030 Business Plan, we believe reducing Scope 3 emissions, which account for 70% of our GHG emissions, is essential. We work with 140 major suppliers of product parts and of equipment and dies, and maintain close communication with them based on an understanding of their circumstances and challenges. Specifically, to help each supplier identify its own reduction projects, we share our collection of energy-saving case studies, hold study sessions at our energy-saving workshop, and lend out various measuring instruments. We also focus on supporting each supplier in formulating a roadmap toward our medium- to long-term targets of a 27% reduction in emissions by FY2030 and carbon neutrality by FY2050. As part of these efforts, we hold the CN Activity Promotion Meeting twice a year, where suppliers share information through group discussions, exhibitions of energy-saving products, and other means, and work through the problems they face. In FY2024, we also began extending our efforts in Japan to other regions, and we will continue working toward decarbonization across the entire supply chain.



Energy-saving workshop tours (over 400 visitors from 100 companies)



CN Activity Promotion Meeting

Environment

Obtained Validation from the Science Based Targets initiative (SBTi)

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

SBTi-Validated Targets Our FY2030 CO_2 Reduction Targets (Compared to FY2019 levels)		SBT Standard
Scope 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

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

*1 The 2030 target aims to achieve carbon neutrality by combining renewable energy and other measures.
*2 Refers to CO_2 reduction levels aligned with global warming targets, where "1.5°C level" means keeping temperature increases below 1.5°C, and "well-below 2°C level" means well below 2°C.

Building a Circular Economy (CE: Circular Economy)

To reduce resource depletion and waste, we will work on curbing emissions and on recycling, not only through the defect and yield improvements led by the manufacturing divisions but also by involving the upstream materials technology and production engineering divisions. To use limited resources effectively, we will also contribute to a circular economy by designing products that are easy to recycle and by developing recycled materials and expanding their use.

Risks and Opportunities Related to Resource Recycling

We regard the risks and opportunities associated with resource circulation as important management issues and address them company-wide as a priority.

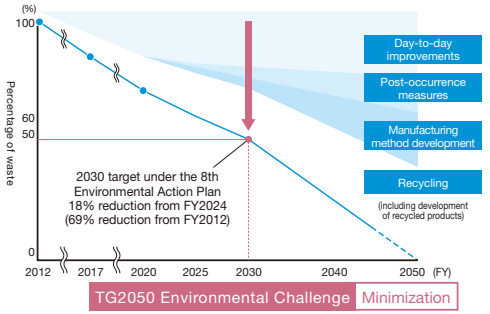
Issue	Risks	Opportunities	Measures
Resource depletion (shortage)	• Lower earnings and production disruptions due to difficulties in procuring raw materials and rising prices	• Improved earnings through recycling technology and reduced material usage volume • Improved corporate value through development 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

Reduction of Industrial Waste

Establishment of 2030 Milestones

To minimize waste volumes by 2050, we have set a medium-term target 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	2030	2050 (FY)
Toyoda Gosei (industrial waste volume)	18% reduction from FY2024 (69% reduction from FY2012)	Minimization of waste volume
Overseas affiliates (waste volume per unit of sales)	6% reduction from FY2024 (82% reduction from FY2015)	

Development of Product Recycling Technology

We develop and design easily recyclable products and materials by taking into consideration the entire life cycle of automobiles. We are also developing recycling technology for waste material and ELV parts. In particular, we will apply recycling technologies for rubber, which is considered difficult to recycle, to make more effective use of resources and help reduce resource consumption.

2030 target for expanding the use of recycled rubber [non-consolidated]

Amount of recycled rubber used	1,200 t/year

Technology Development for Recycling ELV* 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

* 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.





Building a Society in Coexistence with Nature (NP: Nature Positive)

We support the principles of the Kunming-Montreal Global Biodiversity Framework and are working to put nature on a path to recovery. We have identified “coexistence with local communities” as one of our material issues, and we conserve biodiversity through woodlands creation and other efforts to coexist with nature, while also working to reduce water risks.

Reducing Water Risks

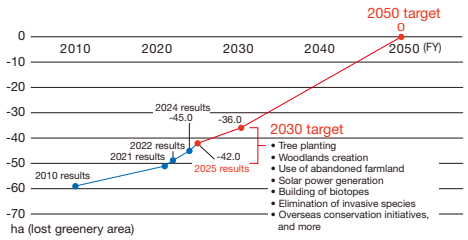
In our use of water for business activities, we comply with the laws and regulations of each country and assess water quantity and water quality risks at our sites in Japan and overseas. In addition to improving high-risk sites, we are reducing water intake even at low-risk sites through measures such as utilizing rainwater. We also maintain strict water quality control by systematically renewing wastewater treatment facilities and setting internal standards stricter than legal requirements.

Item		2030	2050 (FY)
High-risk areas	Water quality (4 sites)	Nitrogen and phosphorus: within 80% of regulatory limits	Minimization of water risk
	Water intake amount (7 sites)	Water intake: 6% reduction from FY2024	
Global		Water intake per unit of sales: 6% reduction from FY2024	

Conservation of Biodiversity

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 and company-owned woodlands maintained on the Company premises have been recognized as a biodiversity conservation area, designated as a “Nature Coexistence Site” by the Ministry of the Environment.

Scenario for Attaining Targets



Topic: Environmental contribution through business activities

To prevent erosion of forest work roads by heavy rain, a challenge for forest conservation, we developed rubber water barriers made from reused rubber waste generated in our business activities. After trial use by a forest owners’ association in Gifu Prefecture, we commercialized the product and will first work to expand its adoption within Gifu Prefecture.



Disclosure of Strategy and Other Information Based on TNFD Recommendations

Since June 2025, we have been disclosing on our website the risks and opportunities related to the natural environment that arise from our business activities, along with our responses. The framework for this is based on the recommendations of the TNFD (Taskforce on Nature-related Financial Disclosures, an international initiative for the conservation of biodiversity). We have also registered on the TNFD website as a TNFD Adopter, a company that declares its intention to disclose information, and going forward will work toward more transparent disclosure of information related to our environmentally conscious business activities.

Taskforce on Nature-related Financial Disclosures

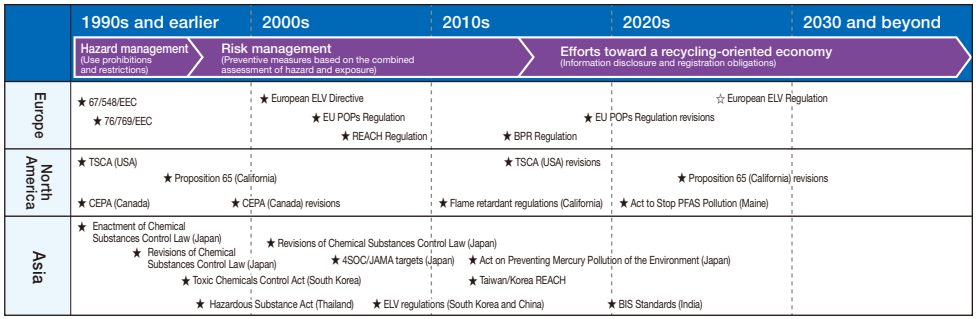
» For initiative details, refer to our website.
https://www.toyoda-gosei.com/csr/environmental/report11/

Environmental Preservation

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 Toyoda 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



Compliance and “Zero Abnormalities, Zero Complaints” Environmental Initiatives

To achieve “Zero Abnormalities, Zero Complaints,” specialized divisions conduct regular environmental inspections, and we rigorously manage legal compliance, including by setting internal standards stricter than legal requirements. As a risk countermeasure, we also undertake preventive activities, including convening an Environmental Protection Working Group. 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 FY2025.

Supply Chain Management



We aim to strengthen our relationships with suppliers and work together to achieve sustainable growth for both parties.

Shuji Watanabe Chief of Purchasing Headquarters

Basic Procurement Policy

The Group 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 determined in consultation 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.

Collaborative Framework with Suppliers for Mutual Development

To maintain and develop relationships of mutual trust with suppliers, we hold annual procurement policy briefings and supplier awards (quality, cost, CN, etc.) for approximately 250 major domestic suppliers to promote mutual understanding.

In addition, we have established a dedicated department within Purchasing Division and, alongside our long-standing hands-on support in resolving the manufacturing problems suppliers face, have also launched activities to strengthen their fundamentals by helping them diagnose and improve their systems for the foundations of manufacturing: safety and fire prevention, site management, and production preparation.

Going forward, we will continue to work closely alongside our suppliers to further enhance competitiveness.

» For environmental details, see “Collaborations with Suppliers” on page 52.

Efforts for a Sustainable Society

Sustainability Initiatives with Suppliers

To help build a sustainable society across the entire supply chain, the Group has formulated the Supplier Sustainability Guidelines, which set out policies on areas such as human rights, labor, the environment, and compliance, tailored to the characteristics of each region, and is rolling them out globally. As part of our efforts to drive improvement, we ask suppliers to endorse the guidelines and to carry out an annual self-assessment to enhance sustainability. In FY2025, we conducted on-site surveys of approximately 30 domestic and overseas suppliers screened for risk under our own standards, and worked with them on improvements through dialogue.

» For details, see “Human Rights Initiatives” on page 56.

Efforts toward Responsible Procurement

As business becomes more global, supply chains are becoming increasingly global and diverse. However, around the world, situations still arise where workers’ rights are not respected, including forced labor and work in poor conditions. Against this backdrop, the Company regards conflict minerals mined under poor labor conditions as a key issue in its supply chain and conducts an annual survey of all relevant suppliers on conflict minerals such as 3TG.

In addition, the Company has established Green Procurement Guidelines and asks suppliers to build environmental management systems, comply with environmental laws and regulations, and manage chemical substances rigorously.

To strengthen the resilience of its supply chain base globally, the Company has also formulated a business continuity plan (BCP) and regularly identifies risks and confirms response measures, taking into account geopolitics and security in each region.

Ensuring Fair Transactions

Based on its Declaration of Partnership Building, the Company engages in open, fair, and appropriate transactions and responsible procurement with suppliers, and does not engage in transactions that take advantage of its superior position as a purchaser of goods and services.

The Company has also set up a consultation service open to all suppliers, which receives reports on compliance violations and other issues involving Company officers and employees.

As another initiative, the Company trained approximately 3,600 domestic employees (over 50% of all employees) on the Act on Proper Transactions with Small and Medium-Sized Entrusted Business Operators, the amended version of the former Subcontract Act that took effect in January 2026, to make sure its content is fully understood.

Human Rights Initiatives

Basic Philosophy

The 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.

Human Rights Due Diligence and Risk Assessment

Based on the UN Guiding Principles on Business and Human Rights, the Company introduced a human rights due diligence framework in 2022.

» For our Human Rights Policy and initiatives system, refer to our website.
https://www.toyoda-gosei.com/csr/social/report2/

Risk Assessment and Efforts to Respect Human Rights at Group Companies

Risk Assessment

First, we identified human rights risks across the Group’s value chain through desk research. Based on those results, we conducted written surveys of each Group company and, in countries and regions judged to be high risk, held interviews to examine conditions and issues in detail. Through these processes, we assessed and prioritized each human rights issue and identified the Group’s significant human rights issues.

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.

Conducting Self-Assessments at Group Companies in Japan and Overseas

Since 2017, we have been conducting self-assessments at Group companies in Japan and overseas to confirm their compliance with personnel and labor laws and regulations in each country and with the Toyoda Gosei Group Charter for Business Ethics. To raise human rights awareness across the Group, we also regularly provide training and run awareness campaigns on human rights, harassment, and DE&I.

Risk Assessment and Efforts to Respect Human Rights in the Supply Chain

To build a sustainable supply chain, we work to prevent human rights violations and avoid complicity in them, not only within the Company but also at our suppliers. Based on the same process used for Group companies, we conducted written surveys and interviews and identified the following as human rights risks to be addressed on a priority basis.

We have also formulated the Supplier Sustainability Guidelines, which include principles on respecting human rights, and suppliers around the world have endorsed them. Based on these guidelines, we ask suppliers to conduct regular self-assessments, and we analyze the results and rigorously manage risk through on-site surveys both in Japan and overseas.

Identified Human Rights Risks

Classification	Significant Human Rights Issues
Overseas suppliers	• Child labor • Forced labor • Migrant labor
Domestic suppliers	• Harassment • Migrant workers (foreign technical trainees) • DE&I

On-Site Surveys of Overseas Suppliers

Based on a human rights risk survey (covering 14 items such as wages, DE&I, working hours, child labor, and freedom of association) of 328 companies, including major suppliers, we identified forced labor, child labor, and securing the human rights of migrant workers as the highest-priority issues.

In response, the purchasing and human resources departments at our head office and local sites worked together from March to April 2025 to directly visit and survey 23 Tier 1 and Tier 2 suppliers in Thailand, Vietnam, and India, the three countries we judged to be particularly high risk.

On-Site Surveys of Domestic Suppliers

In Japan as well, as part of efforts to enhance the effectiveness of human rights due diligence, in March 2026 we conducted on-site surveys of eight major suppliers selected through human rights risk screening based on our standards, and worked with them on improvements through dialogue.

Survey Results and Next Steps

While these surveys in Japan and overseas found no serious human rights violations requiring immediate remediation, some areas needed improvement, such as multilingual plant signage and better communication of how to use the internal reporting hotline, and these have already been remediated with support from the Company.

Going forward, we will continue working to build a sustainable supply chain and to prevent human rights violations and complicity in them across our supply chain.

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	0	○

*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 FY2025, we achieved the global goal of zero critical accidents.

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 under way

» For initiative details, refer to our website.
https://www.toyoda-gosei.com/csr/social/report2/#SafetyHealth

Health Management Initiatives

We conduct health management activities so that all people working in the Toyoda Gosei Group can continue working with both sound 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 on how to stay healthy and keep working as they age, as well as hands-on events combining physical function and body composition measurements with health advice. These help each employee become more health-conscious and change their behavior.



An experiential health event

External Evaluations

We were certified as a 2026 Outstanding Organization of KENKO Investment for Health (KENKO Investment for Health Stock) by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi, certified as a Sports Yell Company 2026 Bronze Plus by the Japan Sports Agency, and recognized for corporate excellence in cancer control under a program promoted by the Ministry of Health, Labour and Welfare.

Dialogue: Securities Analyst × Outside Directors

Toward Realizing Independent Management to Maximize Corporate Value



Tairiku Sakaguchi
Senior Analyst, Equities Research Division
Mizuho Securities Co., Ltd.

Since 2006, conducted dedicated research analysis on the automobile industry, with a primary focus on the automotive parts sector

Ranked No. 1 in the Nikkei Veritas Analyst Ranking for the automotive parts sector for two consecutive years (2025–2026)

Takashi Wada
Outside Director

Appointed 2023
Previously President and Representative Director and Chairman of Sanken Electric Co., Ltd.

Shigeki Maeda
Outside Director

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

Respond to Market Discipline and Embark on Independent Management

Toyota Motor Corporation's equity stake has decreased, creating an opportunity for Toyoda Gosei to gain more direct exposure to the discipline of the market. As we pivot toward independent management, our outside directors are encouraging a transformation in decision making and employee awareness focused on corporate value.

Sakaguchi: Today, I would like to ask about discussions by the Board of Directors toward increasing corporate value, and the involvement of outside directors. First, I would like to hear about the biggest change, which is Toyota's reduction of its ownership stake. How do you view this change in capital structure from a governance perspective?

Wada: A reduction in Toyota's ownership stake to around 20% is more than a simple change in capital structure; it means that Toyoda Gosei must become a truly independent listed company, and transition to a management structure that engages directly with market discipline. Previously, the Company's stock price was not a focus of internal discussion, and for the most part, it went unnoticed. With the reduction in ownership stake, we have awoken to the risk of being abandoned by the market if we do not become strongly aware of our stock price and corporate value and are unable to independently increase corporate value. Each employee needs to reflect for themselves on what corporate value is, and why we must increase it. We recognize that the role of the outside directors is to indicate the essential discussion points and direction of initiatives for the Company to increase its corporate value, and to maximize the effectiveness of governance.

Maeda: In recent governance reforms, the principle that the primary role of outside directors is monitoring remains unchanged. However, it should be highly effective monitoring that increases the quality of risk-taking for medium- to long-term growth.

Meanwhile, as they also serve as a voice for shareholders, it is important that outside directors not only supervise, but also utilize their insight and communicate their views clearly to the executive side. While recognizing the principles of governance, we must also be prepared to step deliberately into an advisory role. We engage in Board of Directors discussions with this commitment in mind.

Dialogue: Securities Analyst × Outside Directors

The reduction in Toyota's ownership stake is a major turning point in the Company's ambition to achieve independent growth. Discussions have become more active as the Company seeks to break free from its passive mindset and pursue a proactive growth strategy, examining how to approach non-Toyota customers and nonautomotive parts markets, with a focus on corporate value.

Sakaguchi: The market is also watching to see how, following this change, Toyoda Gosei will make its own decisions about expanding into business with non-Toyota customers and markets outside the automotive parts sector.

Wada: Up until now, Toyoda Gosei has been supported by a strong foundational business relationship with Toyota and the growth of the automotive industry, which has enabled it to steadily accumulate earnings. However, it is true that this stable environment has allowed us to grow comfortable in some ways. Recently, there has been a growing awareness, particularly among younger employees, that we need to break free from long-held assumptions and stand on our own feet. However, further reforms in mindset are needed before individual employees will adopt a strong determination to develop future businesses and put this into concrete action. As an outside director, I intend to encourage this change in mindset across the entire organization through the management team.

Maeda: That's right. Also, to make mindset reforms even more effective, it is essential to adopt the perspective of capital efficiency—that is, how to invest in which fields, and how to recover the investment. We will engage in deeper discussion to maximize profits through optimal resource allocation and use this to drive increased corporate value.



Improving the Quality of Judgment to Support Risk-Taking

A major step toward further growth has been the conversion of Ashimori Industry Co., Ltd. into a wholly owned subsidiary. Outside directors verified multiple aspects regarding the appropriateness of the procedures, the protection of minority shareholders, and the effectiveness of the post-merger integration (PMI) process. This has enhanced the quality of management decisions and the Company's ability to explain those decisions to the market, thereby supporting disciplined, autonomous risk-taking.

Sakaguchi: The conversion of Ashimori Industry Co., Ltd. into a wholly owned subsidiary, completed in March 2026, drew attention from the market. In making the decision, what kind of discussion was conducted by the Board of Directors from the perspectives of protecting minority shareholders, ensuring procedural fairness, and carrying out an effective PMI process?

Wada: Ashimori Industry has strengths in the safety domain, and making it a wholly owned subsidiary had immense strategic significance in terms of expanding our customer base and creating synergies, while also being a big step toward Toyoda Gosei's independent growth. The risk of doing nothing was far greater, and the decision to acquire the company was necessary in my opinion. In the Board of Directors, we examined key considerations for proceeding with the M&A, such as the strategic significance of making it a wholly owned subsidiary, shareholder interests, and the protection of minority shareholders. We focused on determining whether management's decision was sound.

Maeda: The Board of Directors conducted thorough discussions about the appropriateness of the acquisition procedures and the legitimacy of the decision-making process. When the conditions were changed, we examined the entire process to confirm how the Board would be accountable to the markets. Looking ahead, the Company must meet the market expectations reflected in the rise in its stock price following the announcement by delivering strong business results, and create a virtuous cycle that realizes further increase in corporate value. PMI will be important in this regard.

Wada: Yes, that's right. The M&A does not end simply with the acquisition. The key to its success lies in the effectiveness of the PMI process that the Company will engage in going forward. In my own past experience, I have been involved in cases that took 15 years for synergy effects to emerge. Internally, there is a mood of relief at having made Ashimori Industry a subsidiary, but at Board meetings, we have sought to temper this mood and repeatedly discussed the effectiveness of the PMI. Persistent communication with respect for Ashimori Industry's culture will enable the Company to achieve a true harmonious integration, and we will continuously monitor to ensure the maximization of synergies.

Sakaguchi: With regard to the M&A process, there have been some market participants who questioned whether the transaction could have been completed sooner. What are your opinions about the decision-making process and validity of the decision?

Maeda: In the roadmap from our 2021 capital and business alliance, conversion into an equity-method associate, the appointment of management personnel, and on to consolidation as a wholly owned subsidiary, we examined the results and risks at each phase, then determined whether it was appropriate to proceed before moving forward. By moving through the steps, I believe we built a more reliable process that enables us to be accountable.

Wada: I view it the same way. In one sense, it was an unfamiliar, large-scale M&A, and it is true that we spent time going through it carefully. However, our governance functioned at each stage, and I think that we increased the speed of our independent, reliable decision making compared with the past.

Sakaguchi: Thank you. It is clear to see that the outside directors are not simply functioning as brakes, but that they enable management to take risks confidently and appropriately by examining the strategic rationale, the enhancement of shareholder value, consideration for minority shareholders, and the effectiveness of PMI, to enhance the quality of decision-making. I feel even more certain that this has led to the increase in stock price over the past year.

Dialogue: Securities Analyst × Outside Directors

Global Strategy Pursuing the Factors That Will Enable the Company to Win

Toyoda Gosei's global strategy has traditionally been to formulate strategy passively in reaction to customer demand and the Company's situation. The Company is now evolving to proactive strategy formulation that shows the path to winning based on comparison with its competition and market data. The outside directors have called for rigorous data validation and helped embed competitive benchmarking in the decision-making processes of each business division.

Sakaguchi: The competitive landscape is becoming much more intense with the emergence of Chinese manufacturers and other factors. In this situation, why has Toyoda Gosei been able to distinguish itself from other companies and establish a strong position in the growth markets of India and North America? What kind of discussions are taking place at Board of Directors meetings?

Wada: India and North America require different approaches to achieving growth. In India, where the Company has already made progress on localization, the key is to develop business with local automakers. For this, it is essential to take a market-led approach that is closely attuned to local product-development priorities, and the Company is accelerating initiatives to build structures and develop human resources who can support proposals that respond to local needs.

In North America, on the other hand, the Company has expanded mainly through Toyota, and most of the work of localization lies ahead. If the Company is to seek business with non-Toyota customers in North America, it needs to undertake a complete renewal of its organization looking ahead to 2030, including its policy on the use of human resources.

Maeda: I believe that success in the global market requires localization of five essential aspects: production; products, including procurement; technology development; human resources; and management. From this perspective, the Company is only halfway there in North America. It has started to focus on developing global talent, such as external assignments and training of junior employees, but I believe it needs to accelerate these efforts further.

Sakaguchi: Maeda-san, as an outside director with diverse overseas experience and an objective viewpoint, what kind of changes did you call for in the Company's decision making on investment in growth markets such as India?

Maeda: At the time of my appointment as advisor in 2023, I was aware that there were significant issues with the insufficient volume of primary data to form the assumptions for a global strategy proposal, and with the low resolution of that data. I repeatedly stated that we needed to thoroughly gather basic data and to feed that into marketing. As a result, the strategy development process has changed dramatically. Competitive benchmarking is now a regular feature of each business division's materials, and the Company's market share and target markets are clearly identified. Toyoda Gosei's global strategy has evolved into a strategy that shows the path to winning based not on customer requests or the Company's own circumstances, but on competitive analysis and market data. Now more than ever, as the competitive environment becomes more intense with the emergence of Chinese manufacturers and other factors, the Board of Directors is also drawing on data to rigorously pursue the factors that will enable the Company to win.

Sakaguchi: In accelerating your global strategy, what kind of issues need to be addressed with the current head office-led governance structure and the management structure at overseas locations? How do you think these should be changed going forward?

Maeda: Ensuring the success of the global strategy requires a fundamental reform of the management structure at the Company's overseas locations, by which I mean localization of management. Up until now, the Company has had a complete hub-and-spoke structure, but going forward it needs to shift to management that emphasizes initiatives in each region. In India it already has local human resources in top management, who play key roles in management decision making. Using successful examples like these as model cases and applying them in other regions is an important challenge going forward.



Visualizing the Human Capital Who Will Execute Growth Strategies

The effectiveness of the Company's global strategy depends on the development of local management personnel who can make rapid decisions and next-generation leaders who can take on challenges across business domains. Outside directors have called strongly for identification and dynamic placement of next-generation leaders through the Executive Appointment Committee to ensure that human capital does not become a bottleneck for strategy execution.

Sakaguchi: To lead the global strategy to success, development of management personnel and next-generation leaders who will support the strategy execution is a major challenge. In the automotive parts industry, amid challenges such as the concentration of overseas experience among a limited group of employees, how is Toyoda Gosei monitoring the development of its global talent?

Wada: After my appointment as outside director, when I reviewed the management structure at overseas locations I was surprised to learn that locations where local human resources serve as top management are only in India. In my previous role in the semiconductor industry, around 80% of locations had local talent

Dialogue: Securities Analyst × Outside Directors

serving as top management, so I recognized that this situation was a serious issue for global management. Local talent who are able to hold their own when dealing with local customers are essential for executing global strategy. We outside directors are constantly calling for the identification of talent for the next generation through the governance framework, such as the Executive Appointment Committee. At this point, we do not yet have a clear picture of the next generation of leaders, but going forward we will encourage further disclosure of the evaluation criteria and development processes, and continuously monitor the effectiveness of human capital governance.

Maeda: Actually, last year there were more new employees who wanted to work in a global setting than we had expected, which I found very encouraging. However, it remains to be seen whether they can maintain that aspiration and actually take on the challenge of an overseas posting. We outside directors have noted with concern that there is a tendency for existing business domains to lock their human resources in, which could become a barrier to their development. To remove this barrier and develop multi-skilled human resources who are able to operate across business domains, all outside directors will make a united call for promoting HR system reforms to increase mobility and strengthening the human capital needed to support strategy execution.

Sakaguchi: Mobility across business domains is also directly linked to the development of future management personnel. I often visit Toyoda Gosei's Thailand operation, and each time I see local employees taking the lead on improvement activities deeply grounded in the conditions on site. I hope these independent efforts will produce tangible results, including their adoption across the Group's global operations.

Creating a Management Framework That Will Realize the Sustainable Increase of Corporate Value

Achieving a PBR of above 1.0x is not the final goal, but the starting line for sustainably increasing corporate value. To enhance portfolio management that links the turnaround of underperforming businesses with growth investment, the Company is developing systems that link governance directly with management decision-making, including reforms of the executive compensation system.

Sakaguchi: The current executive compensation still has a high ratio of fixed compensation, with stock-based compensation making up only around 10%. To increase management's commitment to sustainably increasing corporate value, what consideration is being given to compensation systems that incentivize the management team to change, for example linking capital efficiency indicators, such as TG-ROIC, and TSR with executive compensation assessment indicators?

Wada: KPIs for executive compensation are internal and external indicators of what the Company is aiming to achieve. At the Executive Compensation Committee, we are reviewing the KPIs to find an optimal balance between short- and long-term targets, and between fixed- and variable compensation. Specifically, in addition to TG-ROIC and ROE, as well as TSR, we are also considering non-financial indicators such as CO_2 reduction and the percentage of female managers, as we work to develop highly effective systems to promote change.

Sakaguchi: With a large number of automobile parts manufacturers currently facing the issue of having a PBR below 1.0x, the Company has recently attracted attention in the market for achieving a PBR above 1.0x. However, this level is not the final goal, but merely the starting line for further increasing corporate value. To make the corporate value increase sustainable, what challenges need to be overcome?

Maeda: Having achieved a PBR above 1.0x, a strong consensus is forming inside the Company that it must maintain and develop this, and never allow the PBR to fall below this level. To ensure this, the Company must link it with sustainable growth and increase in corporate value by optimizing its business portfolio and further accelerating growth investment going forward. This will also help to realize the independent management that can achieve the Company's goal of maximizing corporate value.

Wada: That's right. The Company's main challenges are moving beyond the growth trajectory it has been on so far and turning around or restructuring underperforming businesses and products, as well as enhancing the earning capability of core businesses and increasing the sophistication of portfolio management by using the resources generated in this way to invest in the next generation of growth. It needs to look beyond the 2030 Business Plan, and clearly show the market its long-term growth scenario to explain how it will



engage with existing and new business domains, and how it will deal with Toyota and non-Toyota businesses.

By building frameworks that can support people in taking on challenges, even with a risk of failure, such as the Company's next-generation GaN power semiconductor technology, the Company can achieve further enhancement of corporate value.

Maeda: As Wada-san has said, the first task is to optimize the business portfolio and maximize investment efficiency through rigorous selection and concentration, including a clear assessment of underperforming businesses. As outside directors, we will further strengthen our monitoring function to ensure that this initiative proceeds in a highly effective manner in line with market discipline, and contribute to the sustainable enhancement of Toyoda Gosei's corporate value.

Sakaguchi: Thank you for your answers. With ROE approaching the 10% level in the forecast for this fiscal year also, investors are calling for the Company to move up to a higher stage.

Through today's discussion, you have shown clearly that as outside directors you raise key points regarding management decision-making from a market perspective to drive transformation. Going forward, I will continue to watch closely to see how these discussions will translate into concrete results.

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 promoting strict legal compliance and corporate ethics, as well as 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 enhances corporate governance by voluntarily implementing a range of policies in accord with the letter and spirit of the ideals and principles in the Corporate Governance Code of Japan, formulated by the Financial Services Agency and the Tokyo Stock Exchange.

Corporate Governance System

Toyoda Gosei has adopted the structure of a company with an Audit & Supervisory Board 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 control systems, including an internal audit function. The Board of Directors consists of nine directors and holds regular meetings on a monthly basis (extraordinary meetings held as needed), at which matters prescribed by laws and regulations or the Articles of Incorporation, as well as important management matters such as corporate strategy, 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.

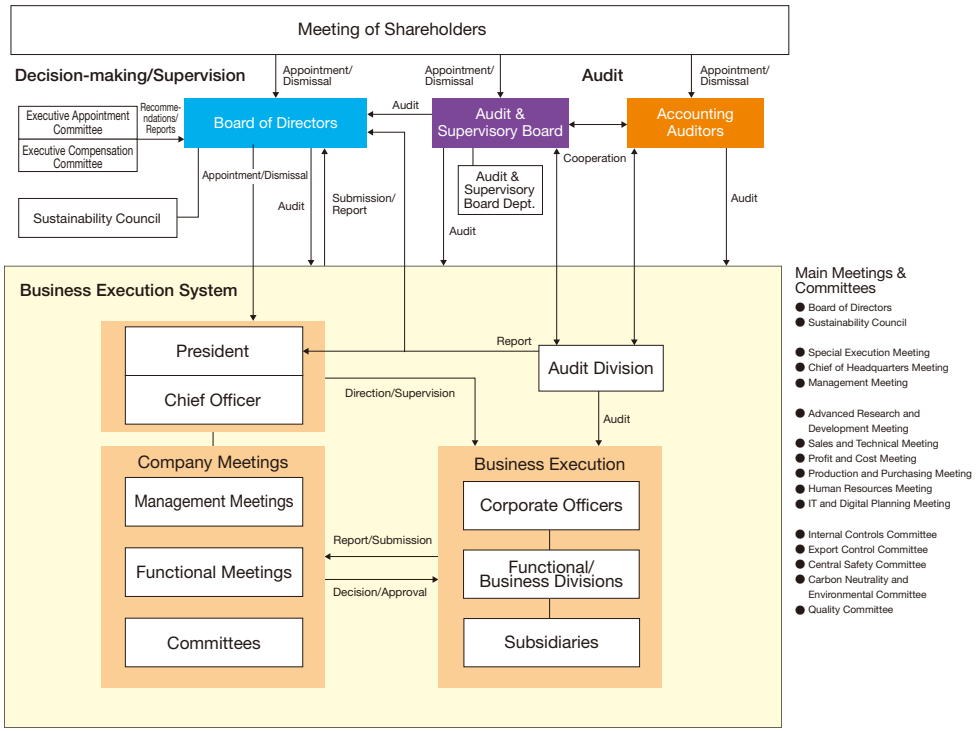
Moreover, for important business matters, decision-making meetings on important matters, Headquarters General Managers' Meetings and Management Meetings are held monthly. Functional meetings and committee meetings relevant to key areas such as safety, quality, environment, technology, revenue, and personnel 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 management oversight function. Together with audits by the accounting auditor, an external auditor, these activities ensure an independent and impartial audit system.

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 voluntary advisory committees.

Corporate Governance Chart



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 transferred the Regulatory Compliance Office, established in June 2023, from the Development Division to the Quality Assurance Headquarters and elevated its organizational standing from an Office to a Division. This strengthened the independence of regulatory certification operations and their audit function.

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 have a majority of outside directors. Each committee is chaired by an outside director to further enhance transparency and objectivity.

Name	Role	Members	Attendance (FY2025)
Executive Compensation Committee (Number of meetings in FY2025: 3)	Deliberates and decides on the compensation system for directors and their individual compensation (restricted stock-based compensation, etc.)	Naoki Miyazaki, chairman Katsumi Saito, president Takashi Wada, outside director (chairperson) Masanori Furukawa, outside director Shigeki Maeda, outside director Makoto Aou, outside director	3/3 3/3 3/3 3/3 3/3 3/3
Executive Appointment Committee (Number of meetings in FY2025: 2)	Discusses proposals regarding the appointment and dismissal of directors and Audit & Supervisory Board members (appointment of the president, etc.)	Naoki Miyazaki, chairman Katsumi Saito, president Takashi Wada, outside director (chairperson) Masanori Furukawa, outside director Shigeki Maeda, outside director Makoto Aou, outside director	2/2 2/2 2/2 2/2 2/2 2/2

Sustainability Council

We have established the 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 based on the result of discussion by the Executive Appointment Committee, followed by a resolution of the Board of Directors and approval at the General Meeting of Shareholders.

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				
Name / Skills	Naoki Miyazaki	Katsumi Saito	Hiroshi Yasuda	Mitsuhiro Nawashiro	Masayoshi Hachisuka	Takashi Wada (Outside, Independent)	Masanori Furukawa (Outside, Independent)	Shigeki Maeda (Outside, Independent)	Makoto Aou (Outside, Independent)	Kenji Oiso	Yoshiyuki Fujita	Chika Kako (Outside)	Hitoshi Kuwayama (Outside, Independent)	Masahiko Yokoi (Outside, Independent)
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 (FY2025)	17/17	17/17	17/17	17/17	15/15 *1	17/17	17/17	17/17	17/17	17/17	15/15 *1	17/17	17/17	17/17
Attendance at Audit & Supervisory Board meetings (FY2025)	–	–	–	–	–	–	–	–	–	13/13	10/10 *1	13/13	13/13	13/13

Skill Selection Reasons/Definitions

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	To make appropriate management decisions that contribute to Toyoda Gosei's sustainable growth and enhancement of corporate value based on experience and a proven track record in corporate management in the drastically changing global business landscape.
Global	To grow our business globally by utilizing overseas business experience and knowledge of overseas business environments and business management practices.
Finance/Accounting	To establish an accurate financial reporting system and a solid financial foundation, to invest in growth to achieve sustainable growth and increase corporate value, and to realize appropriate shareholder returns.
Legal/Risk management	To implement the establishment of a governance structure based on legal compliance and appropriate risk management, to build a foundation for sustainable growth and increased corporate value, and to improve the effectiveness of supervision.
Technology/Development	To achieve business growth as indicated in the medium- to long-term business plan through technological innovation using advanced technology and through skills and expertise in medium- to long-term product planning and development.
Manufacturing (Production/Quality management)	To adopt innovative production technologies and improve manufacturing sites and to maintain and improve product quality as a company with its main focus on the automotive parts manufacturing and sales business.
Sales	To expand sales globally in response to changing customers' needs and to continue to provide high-value-added products based on skills and knowledge in preparation of sales strategies and information gathering through smooth communication with customers.
Environment/Energy	To accelerate and implement initiatives integrated with business operations in areas requiring environmental consideration and other such fields and to fulfill our social responsibility.
Personnel	To develop and maximize the abilities of each and every employee by utilizing knowledge of diversity, inclusion, respect for human rights, and well-being.
DX	To implement business transformation and establish a corporate culture utilizing digital technology, which is necessary to enhance the Company's management foundation and build new businesses.
New business (non-automotive)	To plan and implement medium- to long-term plans to search for, develop, and launch new businesses in non-automotive fields, and to expand new businesses in the future.

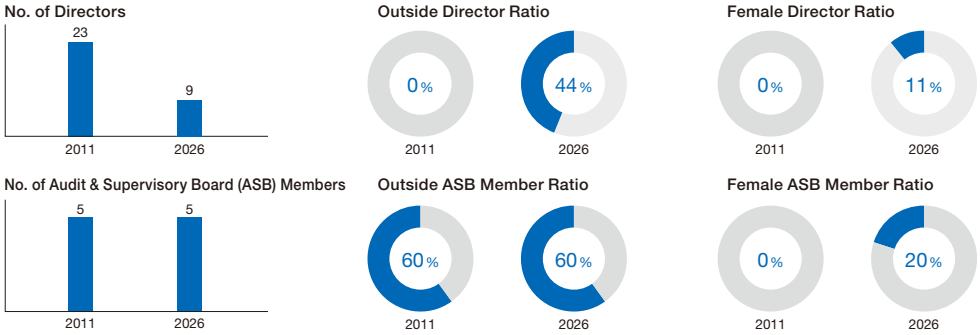
*1 Attendance since June 2025

Governance

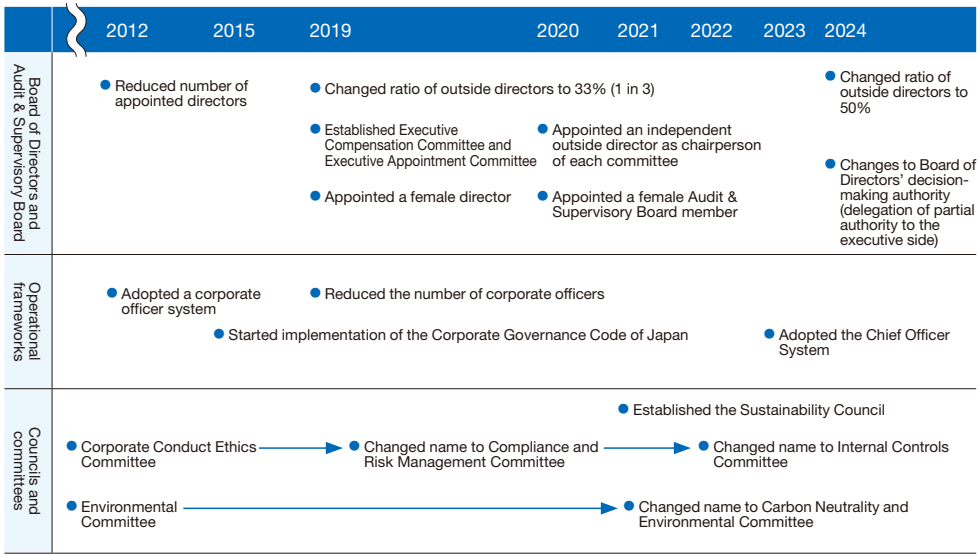
Changes in Numbers of Directors and Audit & Supervisory Board Members

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 nine directors, four of whom are outside directors, accounting for 44% of the total number of directors. There is one female outside director. The outside director appointments have increased the Board's objectivity and diversity.



Major Initiatives to Enhance the Governance Structure



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 FY2025

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 FY2025

	Q1	Q2	Q3	Q4	Total
Agenda items	15	5	9	13	42
Reports	12	10	15	15	52
Total	27	15	24	28	94

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 FY2025, debriefings with all nine 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.

Regarding the discussion of medium- to long-term strategies, which was identified as an issue, in FY2025, we developed the business, regional, and functional strategies that have been discussed since FY2024 into a cross strategy discussion combining the business and regional themes. In the India business, where we aim to achieve growth that exceeds market growth, we promoted exploration of priority strategies through on-site observation by outside directors, and increased the certainty of strategy execution. Issues raised included the need to deepen strategic discussion looking beyond 2030, and to have discussion regarding increasing corporate value with an awareness of stakeholders. Based on these improvement points, we will work to further increase the effectiveness of the Board of Directors.

Board Effectiveness Evaluation Process

Evaluation Method	Debriefing Items (Main Items)
Interviews: Nine 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 FY2024 for Board Effectiveness and Initiatives in FY2025

FY2024 Effectiveness Evaluation Issues	Initiatives in FY2025
Further discussions are required regarding overall optimization (prioritization and strategic focus of business areas across the entire company and within regions)	• Started cross strategy discussion combining business and regional themes Discussed strategy in priority markets of the Americas and India, centered on the Safety Systems Products and Interior and Exterior Parts businesses, which are growth drivers. In the India business in particular, explored priority strategies through on-site observation
Opportunities for information exchange between outside and internal officers outside of the Board of Directors	• Enhanced communication between internal and outside officers Use of outside officer liaison meeting (three times)

FY2025 Board Effectiveness Evaluation Results (Issues)

Issues Identified	Measures
Deepen strategic discussion looking beyond 2030	Plan opportunities for broad exchanges of views, not limited to the Board of Directors' meeting
Discussion on increasing corporate value with awareness of stakeholders	
Improvement of Board of Directors meeting materials	Efficient operation through preparation of materials that clearly lay out target discussion points and risks

Governance

Expected Roles of and Support for Outside Directors

We have appointed four outside directors, each with a wealth of experience and keen insight, primarily in areas such as corporate management, manufacturing, 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 one female director.

The four 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 24, 2026, we appointed four outside directors: Takashi Wada, Masanori Furukawa, Shigeki Maeda, and Makoto Aou.

We also appointed three outside Audit & Supervisory Board members: Chika Kako, Hitoshi Kuwayama, and Masahiko Yokoi.

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

Role	Name	Independent Director/Auditor	Reason for Appointment
Outside director	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 director 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 director 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 director 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 director 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 has experience gained from her career at Toyota Motor Corporation, where she served mainly in vehicle development and materials development roles, as well as experience being involved in management as a managing officer at the same company. Her wealth of experience and keen insight 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 officer 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 officer because he meets the requisite criteria and is deemed free of potential conflicts of interest with regular shareholders.

Executive Compensation

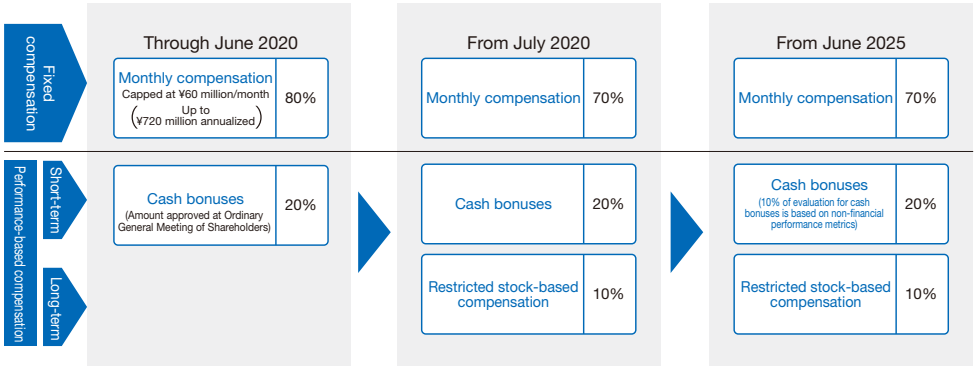
Directors' compensation consists of monthly fixed compensation and performance-based compensation in the form of cash bonuses (short-term incentive) and stock-based compensation (long-term incentive) based on the idea that directors should be appropriately incentivized to pursue sustained growth in Toyoda 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 Board effectiveness evaluation, 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 discussion by the majority-independent Executive Compensation Committee. In February 2026, the Board of Directors resolved to revise the policy on determining the details of individual directors' compensation. Accordingly, the policy was changed so that, based on a delegation resolution by the Board of Directors, the details of individual directors' compensation will be determined by the Executive Compensation Committee, which is chaired by an outside director and composed of a majority of outside directors.

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)	395	210	153	31	6
Audit & Supervisory Board members (excluding outside members)	78	78	—	—	3
Outside officers	90	90	—	—	8

Notes: 1 The cash bonus represents the provisions for FY2025.
2 The above number of officers includes one director and one Audit & Supervisory Board member who retired upon the conclusion of the 102nd Ordinary General Meeting of Shareholders held on June 19, 2025, and one outside director who retired on November 30, 2025.

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

We have set up the Audit Division composed of nine members to handle internal audits. Based on an internal audit plan reported to the Board of Directors at the start of the fiscal year, the division conducts internal audits across the overall business from a perspective of legal compliance and rationality with the aims of achieving management objectives and preventing fraud and errors. Each functional department develops internal controls in accordance with its respective function, and the Audit Division's internal audit activities include monitoring the status of their development and implementation.

The results of internal audit activities are reported to management, the Board of Directors, the Audit & Supervisory Board, and the Internal Controls Committee. In addition, audited departments are given recommendations for improvements based on the audit results, and the effectiveness of internal audits is increased by checking their improvement plans and results. Moreover, the internal audit plan is created through exchange of opinions with the Audit & Supervisory Board members. Furthermore, the execution status and audit results of internal audit activities are reported to the Audit & Supervisory Board members as they become available to share information.

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 FY2025 accounting audit of Toyoda Gosei were Masahide Kobayashi and Hiroki Kawamagari 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.

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, such as in the Middle East, to the growing threat of cyberattacks—as well as growing external demands regarding respect for human rights and compliance with 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 electrification has slowed. 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

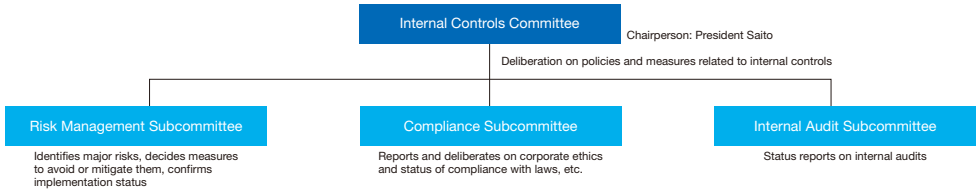
Fundamental Initiatives

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, for which we seek to minimize losses if they materialize. 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 back-casting 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.

Internal Controls Committee Organizational Diagram



Key Risk Management Activities



Review of FY2025

For Business Strategy Risks, we incorporated changes in the business environment, such as global economic conditions, tariff trends in major countries, projections for diverse powertrains, and the rise of Chinese automobile and parts manufacturers overseas, 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 response to the situation in the Middle East, we conducted a review of our supply chain to secure materials for which we have concerns regarding supply, and collaborated with our customers to allocate available supplies appropriately. We also took steps to enhance communication with suppliers in order to comply with the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade and the Act on Ensuring Proper Transactions Involving Specified Entrusted Business Operators. In addition, as an initial response when risks materialize, we clarified practical procedures for the initial response to a cyberattack and conducted tabletop exercises for geopolitical risk scenarios.

*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

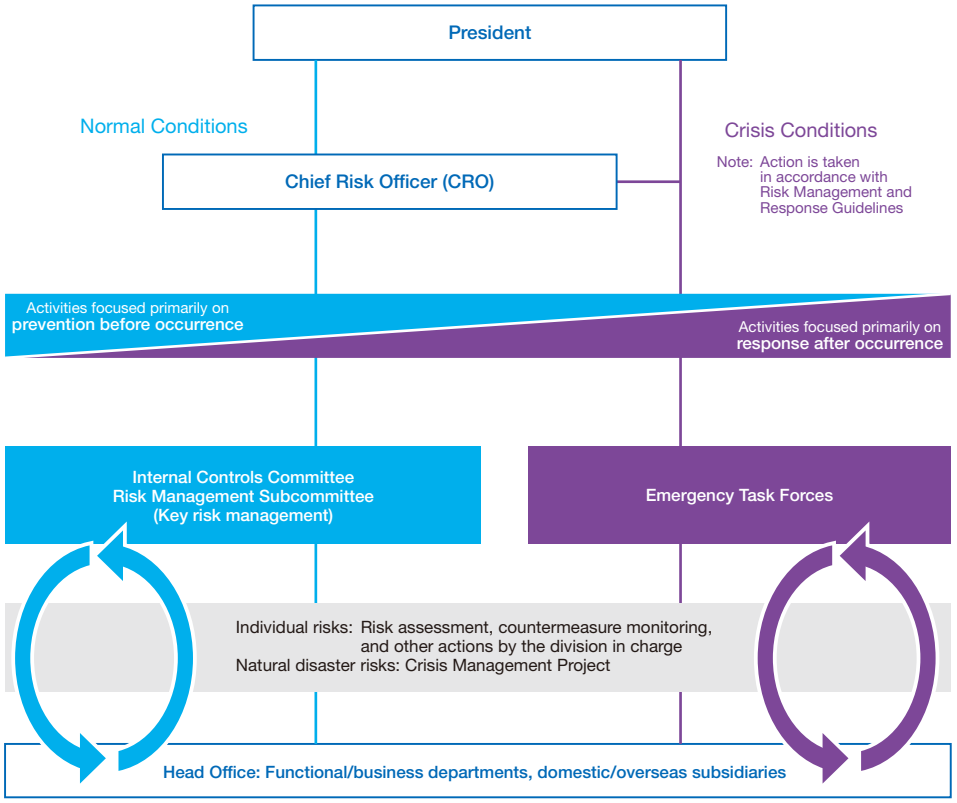
Risk Management

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 fair business transactions. Matters pertaining to economic security are being addressed through a working group that reflects domestic and international trends.

We appointed risk management officers for each region in FY2025 to strengthen risk management globally.

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 FY2026, we have selected five key Business Strategy Risks. These are the risk of failing to properly work toward achieving carbon neutrality, the circular economy, and nature-positive outcomes, the risk of being unable to build a value chain that keeps pace with various powertrain trends (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, and high materials prices due to the conflict in the Middle East. We selected a total of nine 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 Impact on operations (financial impact, etc.) × Possibility of occurrence (frequency)	Large	• Addressing carbon neutrality, the circular economy, and nature positive initiatives (including matters pertaining to carbon pricing and rubber/plastic materials) • Large-scale disasters (e.g., abnormal weather) • Response to US government policies (and other geopolitical risks) • Supply chain disruptions arising from national regulations • Injuries and operation shutdowns due to serious work accidents • Recalls due to serious quality issues • Cyberattacks • Ensuring proper transactions
	Medium	• Fires or explosions leading to an interruption of business operations

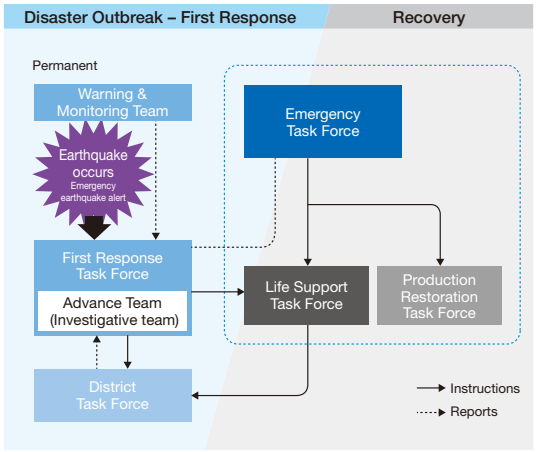
Risk Management

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 260 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. We have also established specific procedures for restoring affected buildings, facilities, and processes, as well as a production recovery system that provides for alternative production.

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 continuity plans (BCPs) 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

The Company considers information security and management of confidential information to be priority issues for management, given the advance of digitalization, the increasing sophistication of cyberattacks, and the increase in attacks targeting supply chains, among others. In addition to protecting information assets and systems that support our business activities, we are also working to strengthen security globally with the aim of ensuring the continuity of critical operations such as procurement, production, shipping, and financial closing.

In particular, with regard to our supply chain, including head office, affiliates in Japan and overseas, and suppliers, based on business impact and risk assessment results, we are working to increase overall cyber resilience by conducting safety assessments and improvements, starting from critical sites and business partners.

In addition, to realize rapid responses and early recovery following an incident, we have strengthened the system for coordination across our global locations, and continuously conduct incident response drills, including management. We are also working to increase security awareness and response capabilities across the entire Group through global security meetings, including overseas sites.

The status of these activities and risk assessment results are reported regularly to management, and we are promoting continuous improvements taking account of the changing threat landscape and business environment. We will strive to sustainably increase corporate value and uphold stakeholder trust by protecting information assets and ensuring business continuity.

Main Cybersecurity Initiatives

Classification	Main initiatives
Prevention	• PC encryption • Measures against accidental email transmission • Access control • EDR implementation • Firewall installation • Enhanced defense against suspicious emails
Monitoring	• Unauthorized communication monitoring • Vulnerability monitoring
Recovery	• Incident response drills • Enhanced data backup and preservation
Education and awareness raising	• Targeted email drills • Group company audits • Supplier evaluation • Global awareness raising activities

Compliance

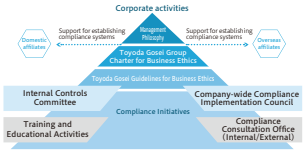
Basic Philosophy

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 work to ensure that all employees understand and follow 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 coordinators 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.

Toyoda Gosei Compliance Implementation System



Specific Compliance Initiatives

» For initiative details, please visit our website.
https://www.toyoda-gosei.com/csr/governance/compliance/

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, new employees, and other personnel, as well as workshops tailored to specific risks such as those related to antitrust law.

List of Workshops at Toyoda Gosei

Category		Workshop Name	Recipients	Main Content	Frequency
Work-shops	For each level	Workshops/Study sessions for officers	Company officers	Companies Act, duty of due care, etc.	As needed
		New manager training	New managers	Compliance, mindset as a manager, antitrust laws, anti-corruption including anti-bribery	Once a year
		Legal affairs/Compliance training	General employees (mid-level)	Compliance, contracts, internal company regulations, laws (antitrust laws and anti-corruption including anti-bribery)	Once a year
		Fifth-year employee training	General employees (skilled roles)	Compliance in manufacturing settings	Once a 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 anti-corruption including anti-bribery)	As needed
		Antitrust law training	Management/General employees (sales)	Laws, internal company regulations	Once a year
		Product liability law training	Management/General employees (technical)	Laws, internal company regulations	Once a year
		Training for sports clubs	Management/General employees (athletes, staff)	Compliance in general	Once a 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 such as misconduct or violations of antimonopoly laws, we conduct an annual compliance implementation questionnaire for all employees, and 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. These activities are reported to the Internal Controls Committee, on which all company officers serve.

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, to prevent anticompetitive conduct throughout our global operations.

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, and we operate the system appropriately to ensure that individuals who report concerns will not be treated unfairly because of their report. External contacts that are available to all Group companies in Japan are staffed by external lawyers who deal with problems from an objective standpoint. Overseas Group companies also have external or internal contacts. In FY2025, as a result of making the consultation offices known to all and having built trust, 79 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	2022	2023	2024	2025
No. of cases	66	84	68	79

Officers (As of September 30, 2026)



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)



Katsumi Saito

Director, 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
June 2026	Director, President, CEO, Toyoda Gosei (current)



Hiroshi Yasuda

Director, 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
June 2026	Director, Executive Vice President, COO, CMO, 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)



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)



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)

Officers



Makoto Aou

Outside Director

June 2012	Corporate Officer, Pasona Tech Inc.
Feb. 2016	Founded ExaIntelligence Inc., Director and COO, ExaIntelligence Inc.
June 2016	Director, Pasona Tech Inc.
Oct. 2019	Project and Operations Producer for the Entrepreneur Support Facility “Nagono 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 Nishinihon Co., Ltd.
Apr. 2012	Vice Chairman, Osaka Bar Association
Apr. 2013	Part-time Lecturer, Kyoto University Law School
May 2015	Outside Director, Maxvalu Nishinihon 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
Mikine Hayashi

Consolidated 10-Year Financial Summary

(Unit: Million yen; amounts of less than one million yen have been truncated)

Japanese GAAP		FY2016 (FY ended March 31, 2017)	FY2017 (FY ended March 31, 2018)
Operating Results	Sales	755,601	806,938
	Operating profit	40,675	41,136
	Ordinary profit	39,007	43,200
	Profit before income taxes and other adjustments	31,288	35,775
	Net profit attributable to owners of parent	16,233	21,175
Financial Position	Cash and cash equivalents	97,553	104,309
	Current assets	305,273	328,524
	Property, plant and equipment	245,666	259,537
	Non-current assets	315,425	333,819
	Total assets	620,699	662,388
	Short-term borrowings*	31,762	43,722
	Current liabilities	170,574	189,075
	Bonds payable	–	10,000
	Long-term borrowings	57,261	54,458
	Fixed liabilities	110,663	119,403
	Total liabilities	281,237	308,479
	Shareholders' equity	311,127	324,890
	Reference: Interest-bearing debt	89,023	108,181
Cash Flow	Cash flow from operating activities	60,401	60,848
	Cash flow from investing activities	(82,131)	(39,201)
	Cash flow from financing activities	14,794	6,541
Key Indicators	Ratio of net profit to sales (%)	2.1	2.6
	Total asset turnover (times)	1.25	1.26
	Equity ratio (%)	50.7	49.6
	ROE (%)	5.2	6.6
	Capital expenditure	55,218	64,816
	Depreciation and amortization	40,902	44,037
	R&D expenses	27,164	27,864
	Number of employees at fiscal year-end (consolidated)	36,679	38,234
Per Share Information	Dividend per share (yen)	53.00	56.00
	Basic earnings per share (EPS) (yen)	125.42	163.60
	Dividend payout ratio (%)	42.26	34.23

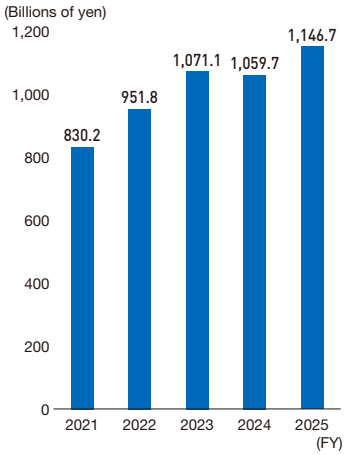
International Financial Reporting Standards (IFRS)	FY2017 (FY ended March 31, 2018)	FY2018 (FY ended March 31, 2019)	FY2019 (FY ended March 31, 2020)	FY2020 (FY ended March 31, 2021)	FY2021 (FY ended March 31, 2022)	FY2022 (FY ended March 31, 2023)	FY2023 (FY ended March 31, 2024)	FY2024 (FY ended March 31, 2025)	FY2025 (FY ended March 31, 2026)
Revenue	807,958	840,714	812,937	721,498	830,243	951,877	1,071,107	1,059,798	**1,146,772**
Operating profit	35,179	36,525	17,888	36,479	34,172	35,069	67,703	59,844	**79,551**
Pre-tax profit	35,507	37,356	16,106	37,301	37,696	35,323	71,801	59,168	**90,221**
Profit attributable to owners of parent	21,361	23,309	11,226	35,205	23,352	16,004	51,454	36,331	**62,009**
Cash and cash equivalents	97,991	107,311	127,930	134,003	109,145	105,268	146,000	118,769	**131,814**
Current assets	357,666	382,106	359,565	380,578	425,165	419,108	455,187	438,148	**486,926**
Property, plant and equipment	241,581	257,728	273,479	290,246	316,901	327,838	341,789	338,243	**379,884**
Non-current assets	321,819	326,023	349,619	394,577	434,137	446,192	478,160	474,890	**505,981**
Total assets	679,485	708,129	709,185	775,155	859,302	865,300	933,347	913,039	**992,907**
Bonds and borrowings	43,722	32,396	44,657	42,835	43,924	32,906	38,937	19,067	**46,810**
Current liabilities	195,392	194,309	180,653	185,535	209,396	196,047	216,906	185,715	**248,732**
Bonds and borrowings	64,511	93,089	103,399	109,379	129,772	130,116	99,441	90,458	**76,527**
Non-current liabilities	118,435	133,674	158,256	169,164	187,111	182,885	149,706	138,920	**129,013**
Total liabilities	313,828	327,983	338,909	354,700	396,508	378,932	366,612	324,635	**377,746**
Total equity attributable to owners of parent	340,546	354,120	345,070	391,083	428,804	448,413	522,337	542,625	**568,563**
Reference: Interest-bearing debt	108,233	125,486	148,057	152,215	173,696	163,022	138,378	109,526	**123,338**
Cash flow from operating activities	44,004	57,463	65,247	67,247	27,658	53,973	128,368	92,011	**131,691**
Cash flow from investing activities	(21,832)	(55,491)	(54,174)	(49,949)	(59,427)	(31,952)	(40,686)	(71,823)	**(49,646)**
Cash flow from financing activities	5,966	7,749	12,525	(13,065)	2,206	(28,558)	(53,066)	(50,680)	**(70,894)**
Ratio of profit to revenue (%)	2.6	2.8	1.4	4.9	2.8	1.7	4.8	3.4	**5.4**
Total asset turnover (times)	1.23	1.21	1.15	0.97	1.02	1.10	1.19	1.16	**1.20**
Ratio of equity attributable to owners of parent (%)	50.1	50.0	48.7	50.5	49.9	51.8	56.0	59.4	**57.3**
ROE (%)	6.4	6.7	3.2	9.6	5.7	3.6	10.6	6.8	**11.2**
Capital expenditure	53,411	46,891	41,835	46,589	49,749	48,897	49,409	57,416	**58,528**
Depreciation and amortization	32,545	32,927	35,323	35,527	38,499	44,814	47,995	50,353	**51,068**
R&D expenses	27,684	30,025	31,374	31,000	33,543	34,254	39,295	41,938	**44,613**
Number of employees at fiscal year-end (consolidated)	38,234	39,429	39,403	38,823	39,511	38,942	38,951	39,192	**41,304**
Dividend per share (yen)	56.00	60.00	60.00	60.00	60.00	60.00	95.00	105.00	**138.00**
Basic earnings per share (EPS) (yen)	165.04	180.09	86.74	271.99	180.39	123.62	400.22	286.00	**494.11**
Dividend payout ratio (%)	33.93	33.32	69.17	22.06	33.26	48.55	23.64	36.75	**26.90**

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

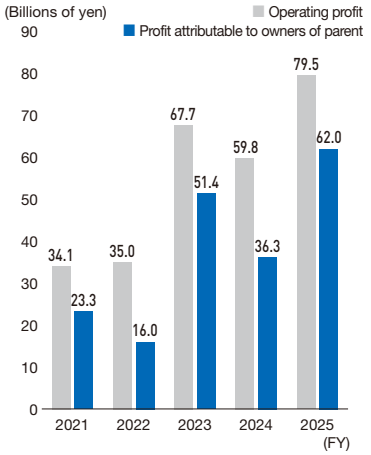
Financial Highlights

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

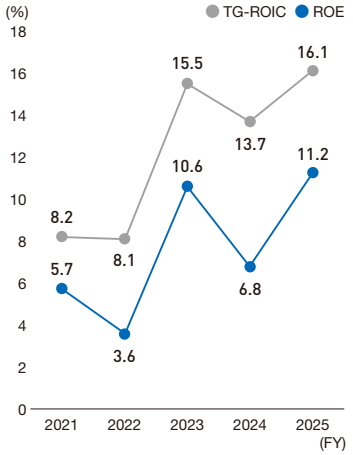
Revenue



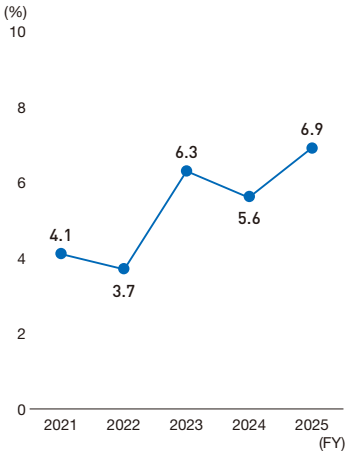
Operating profit/Profit attributable to owners of parent



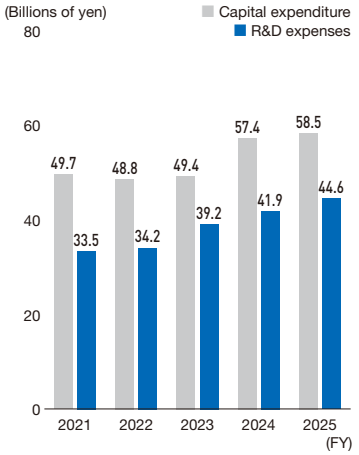
ROE/TG-ROIC



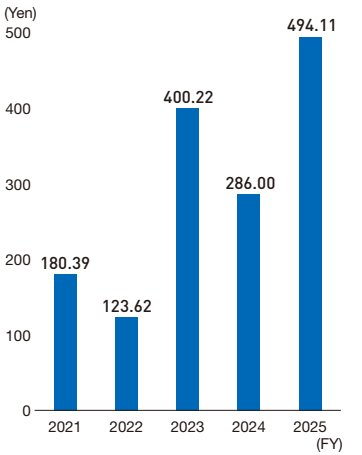
Operating margin



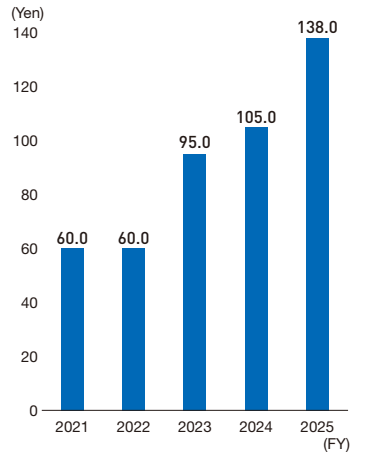
Capital expenditure/R&D expenses



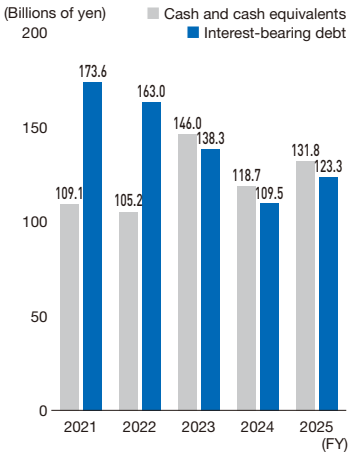
Basic earnings per share



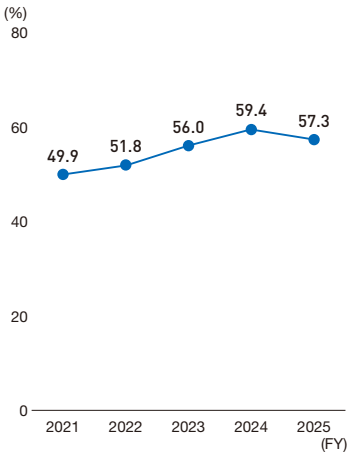
Dividend per share



Cash and cash equivalents/ Interest-bearing debt



Ratio of equity attributable to owners of parent



Non-Financial Highlights

Environment

CO_2 emissions (Scopes 1 and 2)



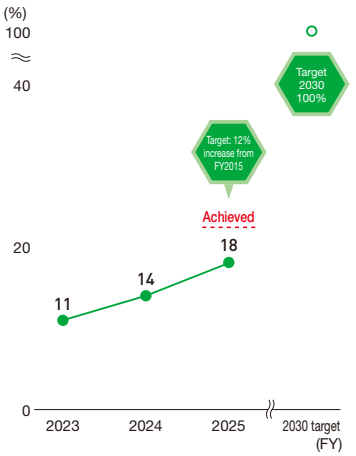
CO_2 emissions by Scope 3 category (FY2025 Results) (Global)

Emissions (10,000 tons)

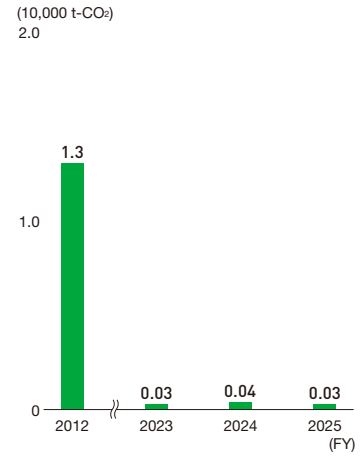
FY2025 result	CO_2 emissions (by Scope 3 category)			Total: 261.0
Category 1	Products and services purchased	201.3	Category 9	Downstream logistics	0.3
Category 2	Capital goods	18.8	Category 10	Processing of sold products	5.9
Category 3	Fuel and energy-related activities (Not included in Scopes 1 and 2)	6.5	Category 11	Use of sold products	0.0
Category 4	Upstream logistics	15.1	Category 12	End-of-life treatment of sold products	1.3
Category 5	Waste generated from business activities	3.5	Category 13	Downstream leased assets	(See note)
Category 6	Business travel	2.6	Category 14	Franchise	(See note)
Category 7	Employee commuting	4.2	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)

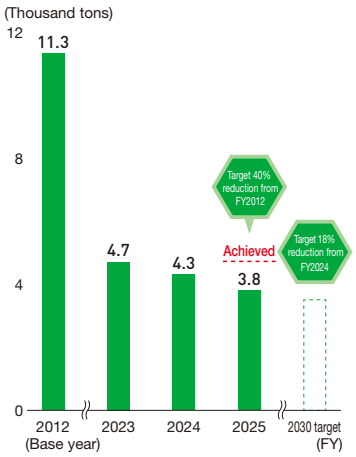
Renewable energy adoption rate (Global)



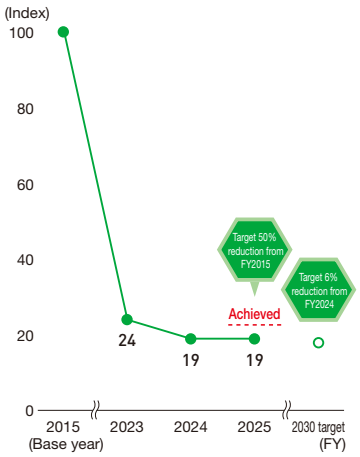
Greenhouse gas (6 gases) emissions (CO_2 equivalent) (Non-consolidated)



Industrial waste volume (Non-consolidated)

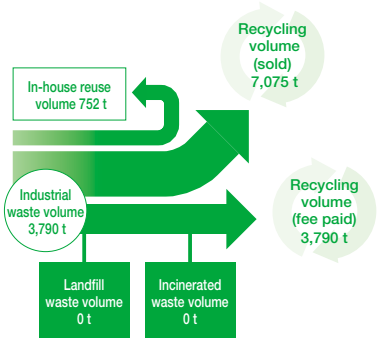


Waste volume per unit of sales (index*2) (Overseas affiliates)

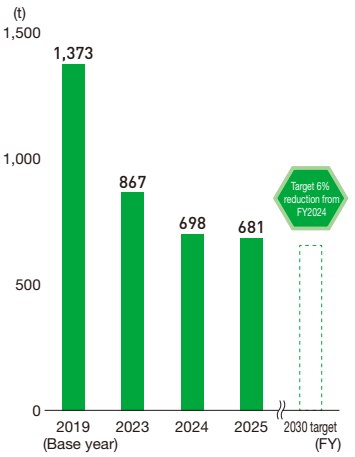


*2 Index with the base year set at 100

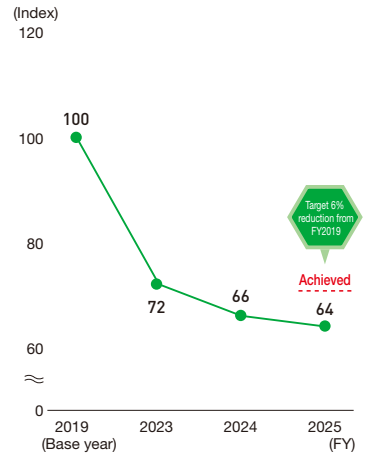
Waste generation and disposal (FY2025) (Non-consolidated)



Plastic industrial waste volume (Non-consolidated)



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



*3 Index with the base year set at 100

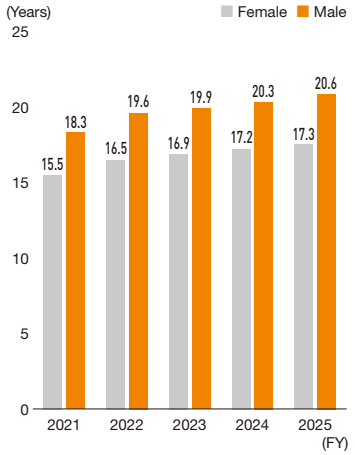
Non-Financial Highlights

Social

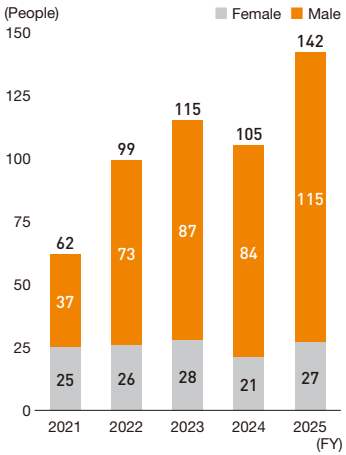
Results of Key Items in FY2025 and Targets for FY2026 and FY2030 (Non-consolidated)

Key Item	FY2025 result	FY2026 Target	FY2030 Target
Number of DX staff trained	325	270	400
Number of female managers	46 (4.0%)	49 (4.2%)	100 (8.8%)
Share of executive positions held by locally hired employees (vice president level or above at overseas affiliates)	41% (Global)	44% or more (Global)	60%
Ratio of mid-career hires in management positions	33%	(Not set)	30%
Employment of people with disabilities	2.86% (Domestic affiliates)	2.7%	—
Engagement survey results (Positive evaluation)	61%	64%	75%
Average overtime hours	15.9 hr/month/person	(Not set)	—
Percentage of employees taking paid vacations	94%	(Not set)	—
Percentage of male employees taking childcare leave	82.7%	85%	100%
Wage difference between men and women	79.1%	80%	82%

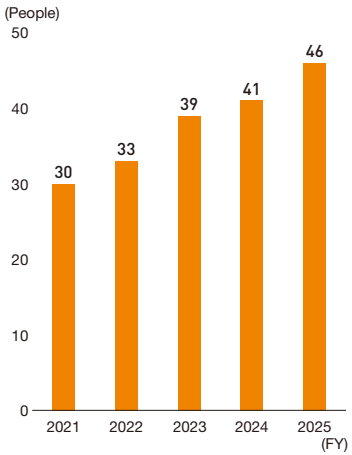
Average years of service by gender (Non-consolidated)



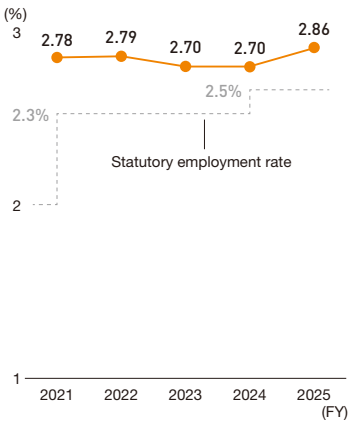
Number of employees taking childcare leave by gender (Non-consolidated)*1



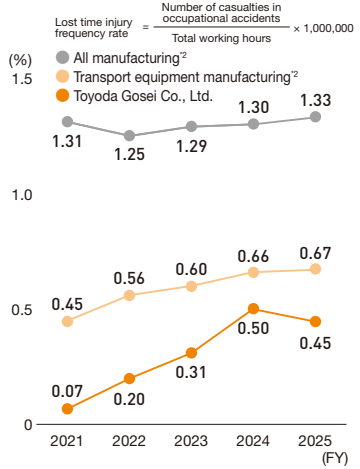
Number of female managers (Non-consolidated)



Employment rate of people with disabilities (Domestic affiliates)



Occupational accident rate (lost time injury frequency rate) (Non-consolidated)



Social

Number of employees receiving compliance training (Non-consolidated)



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

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

IR Activities and Investor Information

IR Activities

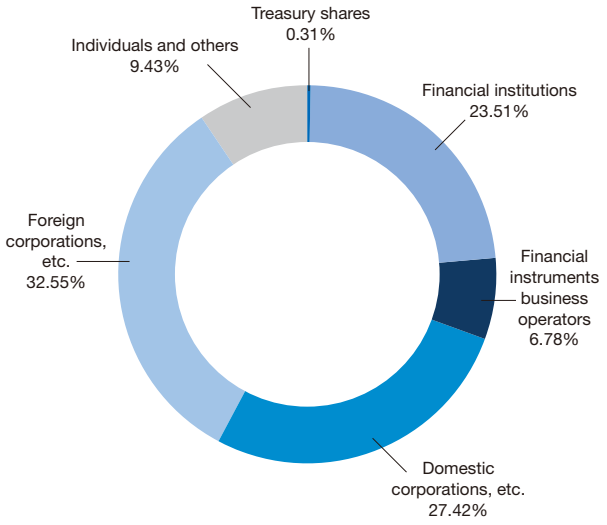
We place great importance on dialogue with investors, analysts, and other stakeholders, and actively provide feedback to management to enhance corporate value.

Initiative	FY2022	FY2023	FY2024	FY2025
No. of individual meetings with analysts and institutional investors	127	145	179	269
No. of financial results briefings for analysts and institutional investors	4	4	4	4
No. of business briefings and facility tours for analysts and institutional investors	3	2	2	3
No. of conferences sponsored by securities firms	2	3	4	4
No. of briefings for individual investors	1	1	2	6

Investor Information (As of March 31, 2026)

Total number of shares	Total number of authorized shares: 200,000,000
	Total number of shares issued and outstanding: 117,252,860 (excluding 361,287 shares of treasury stock)
Number of shareholders	17,233
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	Ownership percentage
Toyota Motor Corporation	25,459 thousand shares	21.71%
The Master Trust Bank of Japan, Ltd. (Trust account)	11,447	9.76
Custody Bank of Japan, Ltd. (Trust account)	8,331	7.10
State Street Bank and Trust Company 505001	3,066	2.61
STATE STREET BANK AND TRUST COMPANY 505223	2,704	2.30
Morgan Stanley MUFG Securities Co., Ltd.	2,357	2.01
Toyoda Gosei Employee Stockholding Association	2,223	1.89
Goldman Sachs Japan, Co., Ltd. BNYM	2,186	1.86
Custody Bank of Japan, Ltd. (Trust account 4)	1,967	1.67
Nippon Life Insurance Company	1,592	1.35

Note: Ownership percentages are calculated excluding treasury stock.

Company Information and External Recognition

Company Information

(As of March 31, 2026)

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	65 (Domestic: 20, Overseas: 45)
Number of equity-method affiliates	5 (Domestic: 3, Overseas: 2)
Number of employees	Consolidated: 41,304 Non-consolidated: 6,657

External Recognition

Major Indices That Include Toyoda Gosei as a Constituent

JPX Nikkei Index 400	JPX-NIKKEI 400	FTSE Blossom Japan Sector Relative Index https://www.lseg.com/en/ftse-russell/indices/blossom-japan	FTSE JPX Blossom Japan Sector Relative Index
FTSE4Good Index Series https://www.lseg.com/en/ftse-russell/indices/ftse4good	FTSE4Good	S&P/JPX Carbon Efficient Index	S&P/JPX カーボン エフィシェント 指数
FTSE Blossom Japan Index https://www.lseg.com/en/ftse-russell/indices/blossom-japan	FTSE JPX Blossom Japan Index	SOMPO Sustainability Index	2026 Sompo Sustainability Index

External Recognition of Sustainability

Nikkei SDGs Management Survey 2025	NIKKEI SDGs 経営調査 2025 ★★★★	Sports Yell Company 2026 Bronze Plus	SPORTS YELL COMPANY 2026+
CDP Climate Change 2025 Score: A Supplier Engagement 2025 Score: A Water Security 2025 Score: A Forest (Cattle Products) 2025 Score: B-	CDP A List 2025 CDP 2025	Cancer Control Promotion Excellent Company	
Ministry of the Environment 30by30 Sites for coexistence with nature (Heiwacho Plant biotope and Morimachi Plant company-owned forest (Mutsumi-no-Sato))	30by30	Hataraku Yell 2026 “Company Promoting Employee Welfare”	ハタラクエール2026
Ministry of Health, Labour and Welfare Platinum Kurumin certification as a company that supports childcare	プラチナくるみん	Ministry of Agriculture, Forestry and Fisheries Outstanding Company Practicing Shokuiku (Food and Nutrition Education)	2026 食育実践優良法人
Outstanding Organizations of KENKO Investment for Health 2026 (White 500)	2026 健康経営銘柄		