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

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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).

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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.

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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.

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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.





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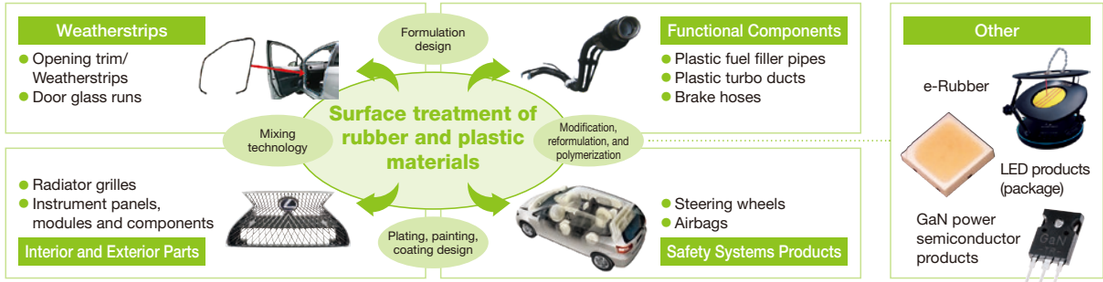
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Our Competitive Advantages

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.

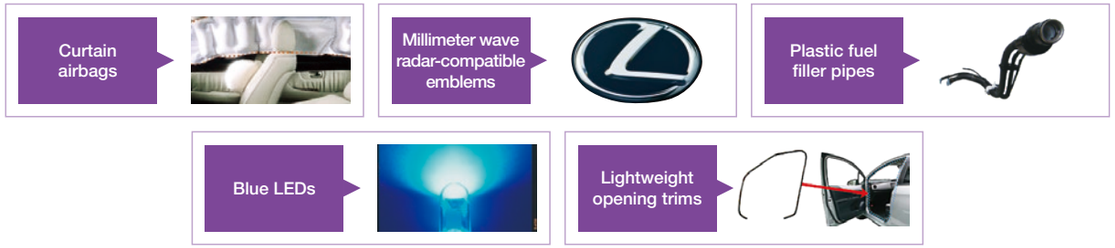


Experience in developing new businesses

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.

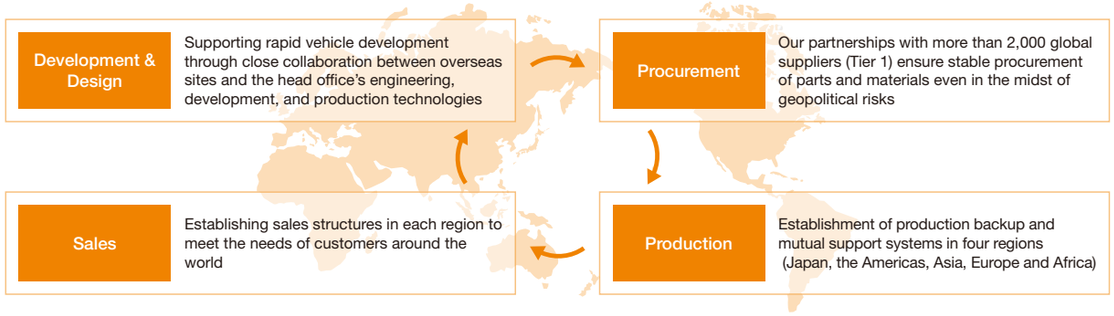
Taking on Challenges to Create World Firsts



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.



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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** — Diverse human resources to support value creation » P.13
- **Manufacturing Capital** — Global network to realize a variety of solutions » P.13
- **Intellectual Capital** — Knowledge and technology base to transform business models and build competitive advantages » P.13
- **Social and Relationship Capital** — Engagement with stakeholders » P.13
- **Natural Capital** — Global management aimed at creating a positive impact » P.13
- **Financial Capital** — Strong financial base » P.13

Business Model

Company Creed/Management Philosophy » P.3

Materiality » P.14

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

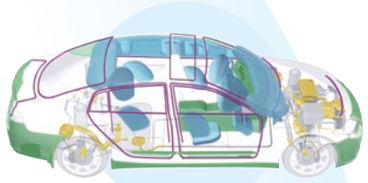


TG Spirit/Sincerity, Activeness, Unity » P.3

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

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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 m^3

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= Operating profit / (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)

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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

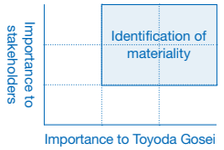
Consultation with outside directors, executives, and investors on identified material issues to evaluate the appropriateness of materiality

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	Timeframe: Medium	Timeframe: 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

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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