

## Growth Strategy Overview

Message from the COO

**We will execute our 2030 Business Plan to pave the way for sustainable growth at Toyoda Gosei.**

**Hiroshi Yasuda**  
Executive Vice President, COO



## New Medium-Term Business Plan 2030 Business Plan

2030 Business Plan

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

### Overview of the 2030 Business Plan

The 2030 Business Plan sets forth our vision of becoming a company that pursues the possibilities of polymers to contribute to a future of better mobility and living, and we aim

to further enhance our strengths by expanding our business domain using polymer technologies such as rubber and plastics. The manufacturing of parts rooted in polymer technology is our original business, and at the same time, it is the business we carried on from the rubber research

**Vision for the company**

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

**Delivered value**

Through safety systems

**Safety**

Through interior & exteriors

**Comfort**

Through new businesses for polymer materials

**Decarbonization**

**Basic policy**

- Focus on fields that balance social value and economic value. (business portfolio reshuffling)

**Priority measures**

- Restructure for growth from priority businesses, regions, and customers (expand sales in safety systems, interior/exterior, and materials businesses to local automobile manufacturers in North America, India, and China)
- Forge strategic alliances to accelerate growth globally and strategically reinforce development and intellectual properties (IP).
- Revamp management with a "polymer-like organization" that organically binds people and the organization.

**FY2030 management targets**

**Revenue**  
¥1,200.0 bn

**Operating profit**  
¥100.0 bn

**Operating profit ratio**  
8%

**ROE**  
10%

department of our predecessor, Toyota Industries Corporation. We view this as our strength and a source of profits, and we are strongly committed to expanding our business into new areas while maintaining and developing our wealth of knowledge and advanced technological capabilities. Our specific growth areas are (1) safety, (2) comfort, and (3) decarbonization, and we aim to achieve sustainable business development by focusing on areas that combine social and economic value. We aim to achieve revenue of 1,200 billion yen, operating profit of 100 billion yen, operating profit ratio of 8%, and ROE of 10% by increasing our economic value while enhancing our presence value. To achieve these goals, we will implement structural reforms for priority businesses (safety systems, interior and exterior components), regions, and customer service, as well as forge strategic alliances to accelerate growth globally and strategically reinforce development and intellectual properties (IP). At the same time, we will implement the invigoration of our people and organizations. By evolving into a “polymer-like organization,” in which people and departments work closely together and demonstrate high creativity and productivity, we will be able to respond to changes in the environment while freely changing the shape of the organization and create new value.

## Enhancing Social and Economic Value

Mobility will change in 2030 due to advances in CASE and decarbonization, and that people's relationships with cars will also change significantly. The first change is the acceleration in resource recycling. We envision the creation of a social system that will create a large cycle, including the final disposal of ELVs (End-of-Life Vehicles). The second change is the proliferation of clean energy. As the energy mix is rapidly changing, there is expected to be a need to improve energy efficiency, including fuel efficiency, in mobility as well. In addition to the environment, the concept of mobility is shifting from a means of transportation to a space for relaxation. The trend toward viewing mobility as something that provides more values, such as relaxation or entertainment will accelerate. The final change is human coexistence with new forms of mobility. As various forms of mobility are created, functions for communication between cars and between cars and pedestrians will be required. As the automobile industry and other companies work to implement the mobility society of the future, and as vehicle manufacturing changes, we also will support new vehicle manufacturing while reexamining what our products should offer.

### Mobility Society Envisioned in 2030: Advances in CASE and Decarbonization



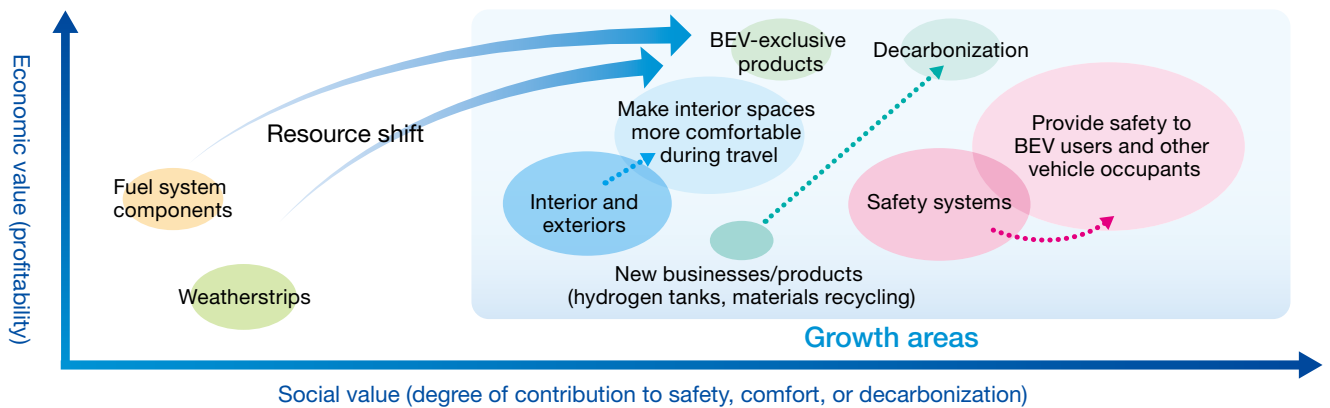
## Growth Strategy Overview

### Business Portfolio Restructuring for Growth

We will shift our resources to growth areas that deliver both social and economic value. We currently have four main product areas: safety systems, interior and exterior components, functional components, and weatherstrips. While restructuring these businesses, we will shift and expand our

business domain to contribute to the improvement of safety and comfort of society. Also, we will develop new businesses and products, such as hydrogen tanks and material recycling, to contribute to decarbonization. In restructuring of our business portfolio, we will adopt TG-ROIC management and invest efficiently for each region and business.

#### Envisioned Business Portfolio in 2030 (circle size denotes revenue)

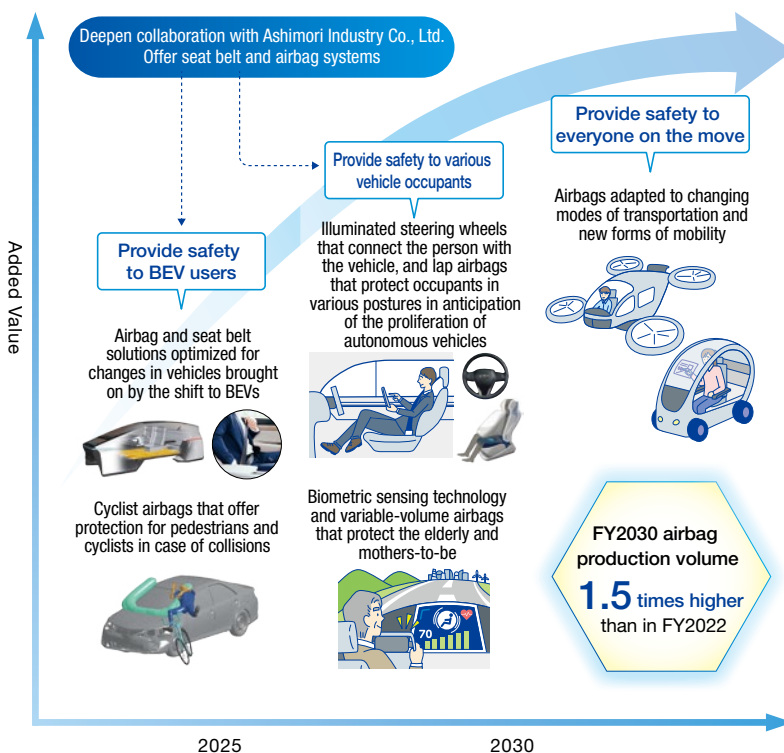


## Value Delivered by Toyota Gosei

Through safety systems

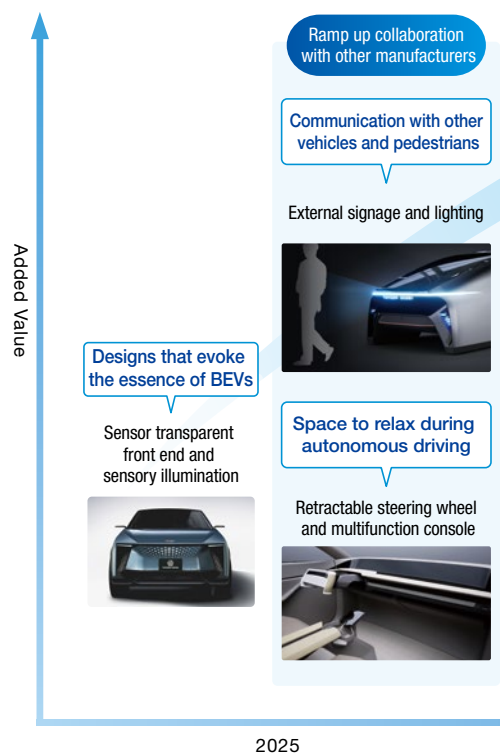
### Contributing to Safety

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



Through interior & exteriors

- By integrating safety systems and illuminated products into interior and exteriors, we will offer new functionality suited to BEVs.



## Progress of the 2030 Business Plan

A year has passed since the announcement of the Plan, and the environment surrounding Toyoda Gosei remains challenging:

- Geopolitical risks remain high, including protectionist trade policies in various countries and ongoing conflicts in the Middle East and between Russia and Ukraine
- Japanese automobile manufacturers are struggling in China, while Chinese automakers are making significant gains globally
- The trend toward Battery Electric Vehicles (BEVs) is slowing down, with automobile manufacturers shifting away from a BEV-only approach and considering a broader range of powertrain options.

While there may be regional differences in emphasis, we recognize these changes and maintain the core strategy behind our business portfolio restructuring outlined in the 2030 Business Plan.

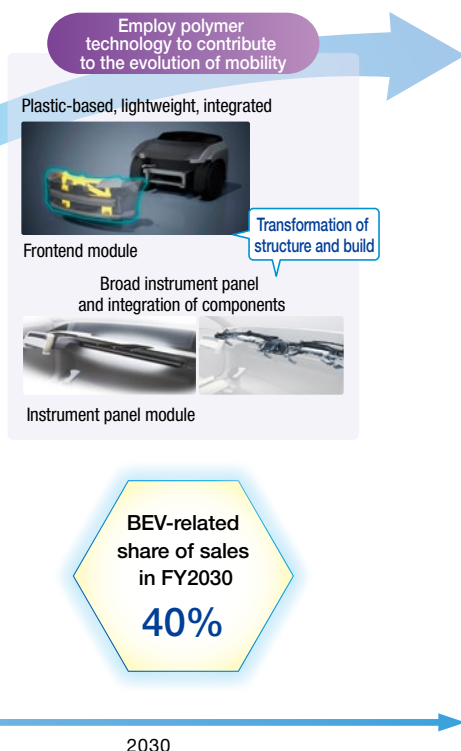
As part of our commitment to safety, we have enhanced our

development framework by establishing a technical center in India to expand the sales of our safety systems in the region. In terms of production, we have not only boosted our production capacity but have also implemented localization of parts procurement, advancing our “Make in India” initiative. In addition, as part of our commitment to enhancing comfort, we are expanding our production capacity for interior and exteriors in North America.

Furthermore, as a strategic alliance to accelerate the structuring of our business portfolio, we increased our investment ratio in Ashimori Industry Co., Ltd., reinforcing the partnership between the two companies. By combining Ashimori Industry’s main product, seat belts, with our airbags, we aim to grow our safety systems business. Additionally, as part of our review of unprofitable businesses, we have completed the closure of our U.K. operations. We will continue to steadily implement our 2030 Business Plan and work towards further enhancing the corporate value of Toyoda Gosei.

## Contributing to Comfort

- With our polymer technology, we will also upgrade car designs and manufacturing to bring about new forms of mobility.



Through new businesses for polymer materials

## Contributing to Decarbonization

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

