

Compliance system

Toyoda Gosei has established the Compliance and Risk Management Committee with the Company's president serving as chairman and all company officers as members. Together with compliance advocates in each division, the committee works for thorough compliance with a unified approach between management and the workplace.

In Japan, regular compliance liaison conferences are held with Group companies. Group companies in other countries have established compliance committees, appointed compliance advocates, or set up other compliance systems suited to the circumstances in their region and company. Compliance activities are carried out in coordination with Toyoda Gosei.

Specific efforts

● Compliance consultation office

To identify and resolve compliance problems at an early stage, Toyoda Gosei has established internal and external compliance consultation services offices and an internal harassment consultation office.

Group companies in Japan have their own consultation offices, in addition to which they have established a joint external compliance consultation office together with Toyoda Gosei. Group companies in other countries have established external or internal consultation offices.

● Compliance activity checks and *kaizen*

Toyoda Gosei conducts compliance entrenchment questionnaires of all employees each year to confirm penetration of compliance transparency and whether there are signs of violations. *Kaizen* activities are then conducted based on the results.

For Group companies in Japan and other countries, a voluntary check sheet is used to check their basic policy and systems for compliance, the status of compliance with important laws including anti-trust laws and bribery and corruption laws, and risks in key areas such as human resources, finance, sales, procurement, safety, and quality. Based on the results, *kaizen* activities are conducted.

Risk management

Basic philosophy

With the aims of preventing risks that could have grave consequences for management and minimizing damage in the event that adverse events do occur, we identify risks in each function and make decisions on how to respond in the Compliance and Risk Management Committee and general meetings.

Compliance



● Efforts to prevent violations of anti-trust laws

Toyoda Gosei has prepared guidelines for Japan and key regions where Group companies are located (United States, EU, China, Thailand, India, Brazil, and others), and is undertaking efforts globally to prevent anti-competitive acts at Toyoda Gosei Group companies.

Specific behavioral guidelines that Toyoda Gosei expects employees to follow in various business activities, especially sales activities, are embodied in the Codes of Conduct for Antitrust Law Compliance in the Company's internal regulations, and thorough compliance is expected of employees.

Continuing education activities are also conducted through special training in competition laws and regular compliance training for each level within the Company.

● Anti-bribery efforts

Toyoda Gosei has formulated Global Anti-Bribery Guidelines as a common guide to conducting transparent and sound business activities globally, and is doing its utmost to prevent bribery and corruption at all Toyoda Gosei Group companies. Education activities are continuously conducted for employees through training for each level and risk.



Compliance training

For each type of risk in safety, quality, and the environment, the department in charge has established regulations and key points and conducts proper business management, such as implementing measures as needed based on assessments of operational status.

Moreover, Risk Management and Response Guidelines

have been established. These guidelines summarize basic matters related to risks and show the behaviors to adopt

to prevent potential risks and to respond appropriately and quickly in the event that problems occur.

Crisis Management Project in anticipation of large-scale earthquake disasters

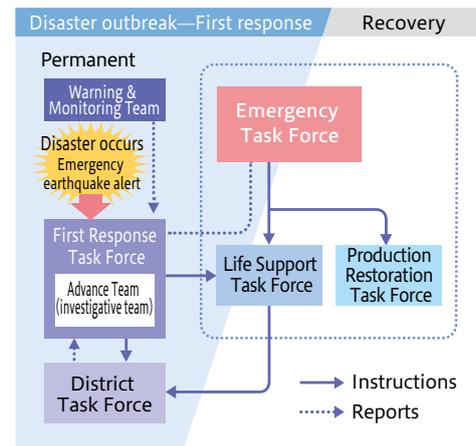
Earthquakes occur frequently in Japan, and we have put into place a crisis management system in the event of a massive earthquake based on the principles of human life first, community support, and early recovery. Specifically, in addition to infrastructure and system measures based on the project, we have conducted resilience training more than 100 times for directors and members of anti-disaster departments since fiscal 2013. These efforts are based on our belief that improving the skills of response personnel is essential. We have also established specific procedures for the recovery of affected buildings, facilities, and processes

and for alternative production in a production recovery system. 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 strengthen crisis management not only in our own companies but also at affiliates and suppliers are conducted regularly. Assessments using anti-earthquake measures implementation status check sheets, clarification of weak points with graphs, introduction of responses taken at Toyoda Gosei and other companies, and cooperative preparation of business continuation plans (BCPs) are carried out.

Efforts to date

Classification	Measures
Facility and equipment measures	<ul style="list-style-type: none"> • Earthquake resistance measures for buildings and facilities • Establishment of a disaster prevention center to serve as an operations base for the entire company for antidisaster department operations • Equipping all locations with a multi-channel access radio system (which is used in Japan for various purposes, from daily work to emergency and disaster situations) and satellite phones • Installment of a crisis management server (earthquake-resistant structure) and emergency power generators • Operation of a disaster recovery system for restoration of damaged systems and data centers (special facilities equipped with and operating computers, data communications, and other devices)
System measures	<ul style="list-style-type: none"> • Introduction of site and building safety decisions • Maintenance of supply chain information • Teleconference system for multiple locations using tablet computers • Earthquake bulletin and employee safety information system training • Employee safety follow-up system incorporating arrival and departure times at company and business trip data • Preparation of a BCP

Disaster response



Strengthening information security measures and raising awareness

To strengthen the control of confidential information, annual checks of the compliance status of each division based on company confidentiality management regulations are conducted together with onsite audits. Self-inspections are also done at Group companies in Japan and overseas business bases. Confidentiality officers

are assigned in all departments, and confidentiality education activities are conducted based on information system security operating standards and a confidential information management manual. Security control education is also conducted for new employees.

Enhanced measures

Classification	Measures
Prevention of leaks from negligence	Tangible measures <ul style="list-style-type: none"> • Printing restrictions with ID card authentication on multifunction machines and dedicated drawing printers
	Intangible measures <ul style="list-style-type: none"> • Data encryption of all PCs • Security measures when sending emails out of the Company (cc to superiors and encryption of attached files)
Prevention of malicious unauthorized leaks	Tangible measures <ul style="list-style-type: none"> • Increased surveillance cameras • Installation of wire locks to prevent PC theft
	Intangible measures <ul style="list-style-type: none"> • Confidentiality pledge • Stricter applications for taking items from premises • Restricted file server access
Educational activities (ethics)	<ul style="list-style-type: none"> • New employee education • Company-wide security control voluntary inspections using check sheets