



TSE Prime Market; Securities Code: 3116

FY2023 (Year ending March 2023)

Business Briefing

Date: May 15, 2023

Place: Station Conference Tokyo

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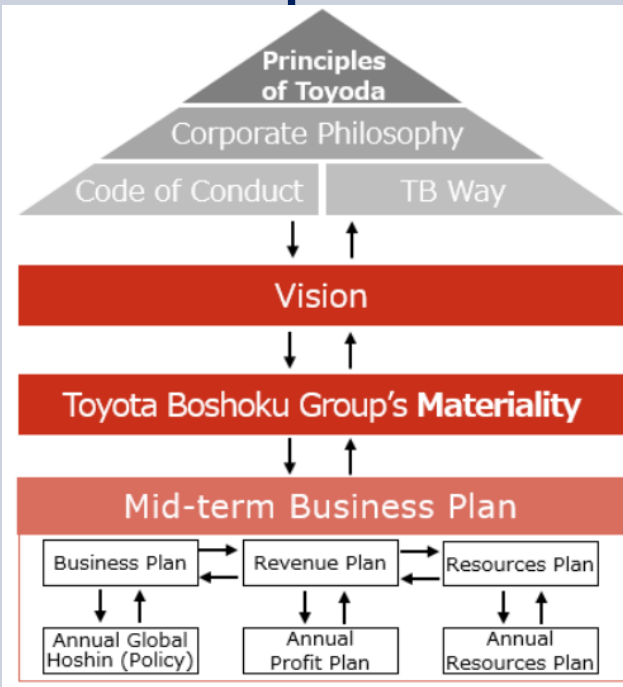
- ◆ Hello, everyone. Thank you very much for attending this meeting.
I am Masayoshi Shirayanagi, President of Toyota Boshoku.
- ◆ In fiscal 2023, while many countries eased restrictions on economic activity with the recovery from the COVID-19 crisis, concerns intensified over an economic slowdown due to rising energy costs, accelerating inflation, and rising interest rates in each country.
The automobile industry was significantly affected by fluctuations in the production volume due to the prolonged shortage of semiconductors and the continuously high raw materials and distribution costs.
- ◆ Under such circumstances, I would like to explain the initiatives we have implemented toward achieving our 2025 Target “As an interior system supplier, become a company that serves as “Home” and secures competitiveness that can surpass global suppliers.”

1. Management Concept

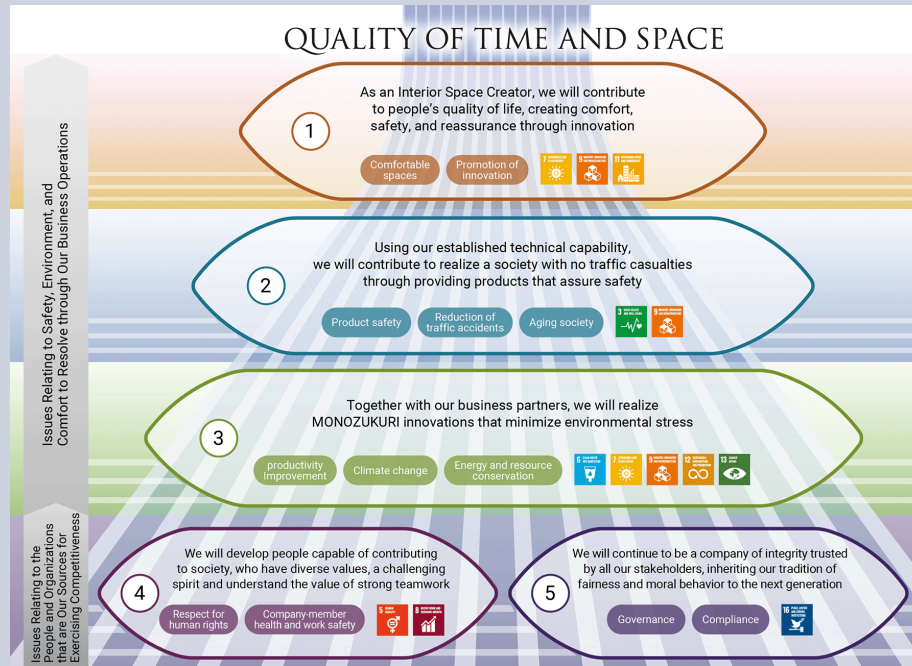
CSV management that pursues both social value and economic value

Sustainability Policy

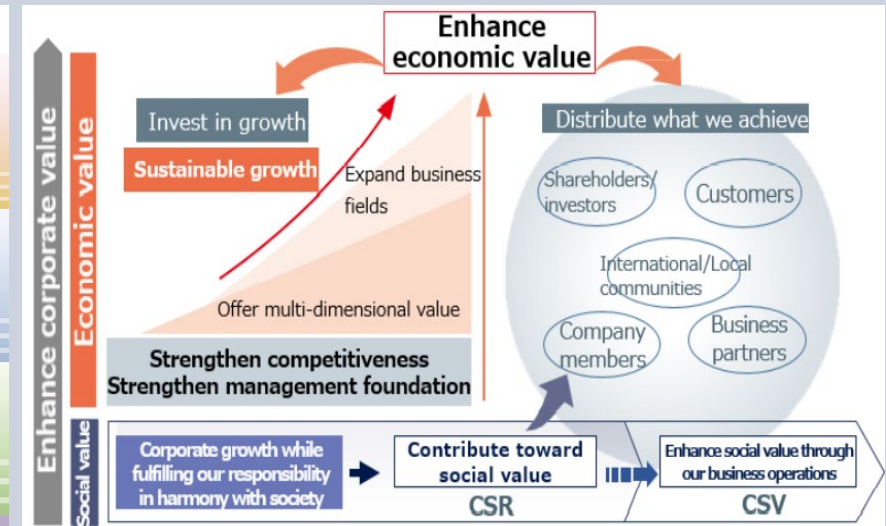
1. Management Concept



2. Materiality



3. The management structure we aim to become



Promoting initiatives to become a company that solves social issues in the world and is needed by society

- ◆ We believe it is necessary to make faithful efforts to solve social issues for the world and for people, and aim to “become a sustainable company that is needed by society”.
- ◆ We have established the Toyota Boshoku’s Materiality based on the Principles of Toyoda and clarified the CSV management concept of returning the achievements in social value and economic value to our stakeholders while investing the earnings in growth fields, thereby enhancing corporate value. And in December 2021, we announced our Sustainability Policy, which consists of the “Management Concept,” “Materiality,” and “The management structure we aim to become.”
- ◆ Based on this policy, we promote initiatives to become a company that solves social issues and is needed by society.

2. Actions for FY2023

FY2023 financial results

(100 million yen)

	FY2022 results		FY2023 results		Change	
Revenue	14,214	100.0%	16,040	100.0%	1,825	12.8%
Operating profit	602	4.2%	476	3.0%	(126)	(20.9%)
Profit before income taxes	645	4.5%	522	3.3%	(122)	(19.0%)
Profit*	392	2.8%	146	0.9%	(245)	(62.6%)

* Profit attributable to owners of the parent

Earnings per share		210.15 yen	78.57 yen	
Exchange rate	USD	112 yen	135 yen	+23 yen
	EUR	131 yen	141 yen	+10 yen

Revenue

Revenue increased due to an increase in global production and the effects of foreign exchange.

Operating profit

Despite the effects of production increase, profit decreased due to deterioration of model mix and an increase in overhead costs, as well as the recording of expenses as a result of the termination of the Russia business.

- ◆ Regarding the results of fiscal 2023, I would like to explain about the financial results first, and then the non-financial results.
- ◆ In fiscal 2023, revenue increased by 182.5 billion yen from the previous year to 1,604 billion yen.
Operating profit was 47.6 billion yen, a 12.6 billion yen decrease from the previous year, with an operating margin of 3.0%.
- ◆ Despite our efforts in the second year of the Mid-term Business Plan, profit decreased from the previous year due mainly to the impact of changes in the external environment.
- ◆ Under such circumstances, we conducted activities to respond to the changes in the external environment, which I will explain later.

2. Actions for FY2023

FY2023 non-financial results (Summary of ESG activities)

(1) E <Environment>

Toward achievement of 2050 Environmental Vision

1) CDP survey

(1) Selected as an “A List” company in the climate change and water security sections.



CLIMATE WATER

(2) Selected also as a Supplier Engagement Leader.



2) Commitment to obtaining SBT certification (October 2022)

3) Joining the 30by30 Alliance for Biodiversity (October 2022)



(2) S <Society>

1) Launch of Innovative Ability Enhancement Program



私たち (We) の冒険 (Adventure) で
トヨタ紡織の未来を織りなす (Weave)



Presentation of
achievements by the
11 devoted members

2) Certified as an Excellent Enterprise of Health and Productivity Management 2023 (White 500)



(3) G <Governance>

1) Launch of human rights due diligence

2) Certification as a company that responds to the “Digital Governance Code” (DX certified company) (May 2022)

While accelerating ESG-related activities, held the first ESG Briefing (November 2022)

Script

- ◆ Next, as the non-financial results of fiscal 2023, I would like to explain the status of our ESG activities.
- ◆ In (1) Environment, we were selected as an “A List,” the highest-rank, company in both the climate change and water security sections in the CDP survey. We were also selected as a Supplier Engagement Leader.
We think that our environmental actions in collaboration with our business partners were highly evaluated.
- ◆ In (2) Society, we launched the Innovative Ability Enhancement Program to develop human resources for expanding business fields and creating new businesses.
- ◆ In (3) Governance, we started human rights due diligence on Toyota Boshoku and its Japanese suppliers.
- ◆ In November 2022, we held our first ESG Briefing as part of our efforts to communicate information on our ESG activities.

2. Actions for FY2023

Actions for FY2023

- 1 Acquire MONOZUKURI competitiveness**
- 2 Optimal production and supply system**
- 3 Restructuring of seat frame mechanism component business**
- 4 Promote order-taking activities to our strategic OEMs**

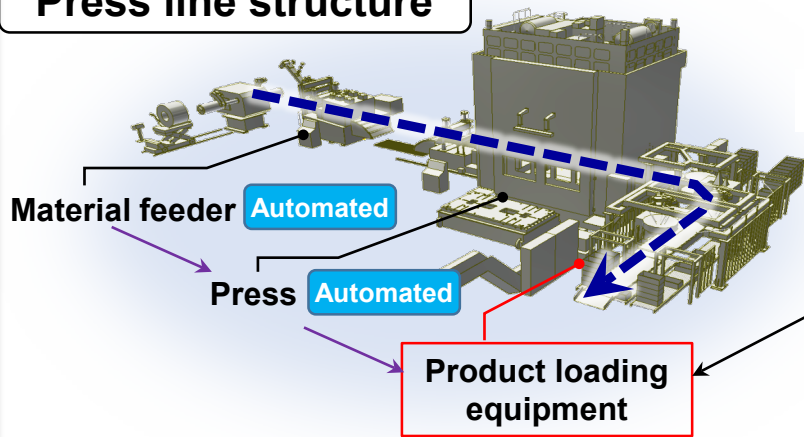
- ◆ Now, I would like to explain about specific actions for fiscal 2023 in the following pages.

2. Actions for FY2023

1 Acquire MONOZUKURI competitiveness

(1) Establishing a pressing model line (Sanage Plant)

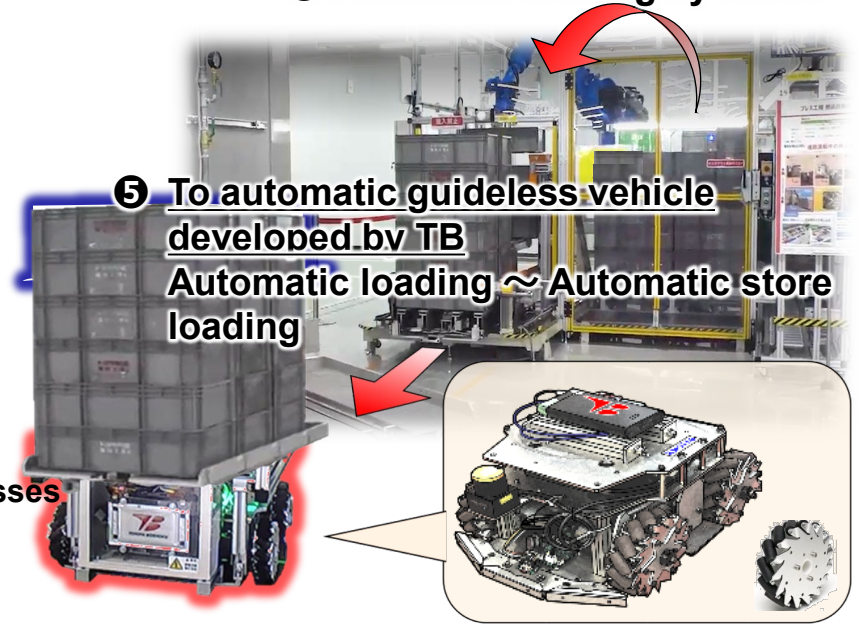
Press line structure



- ① Empty box delivery and loading Automated
- ② Product inspection (cracks) Automated
- ③ Product packing Automated
- ④ Loading of boxes on dollies Manual → Automated
- ⑤ Transfer and loading to stores Manual → Automated

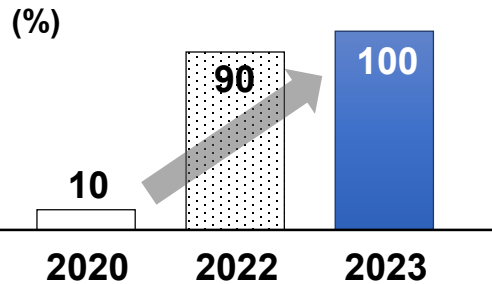
— Actions for automation in FY23 —

④ Automatic loading by robot

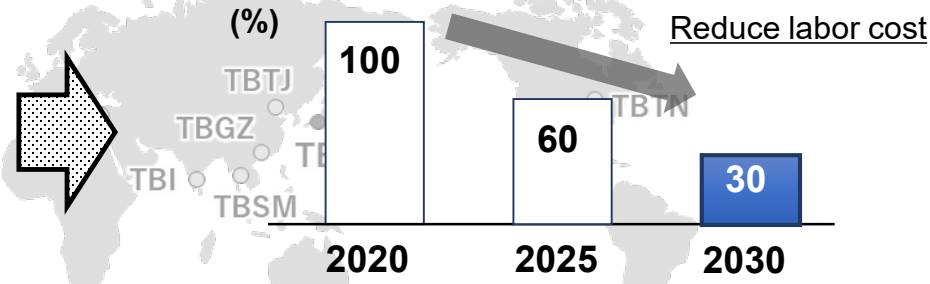


⑤ To automatic guideless vehicle developed by TB
Automatic loading ~ Automatic store loading

■ Model process automation rate



■ Global deployment of innovative items in pressing processes



[Features]

- Driven by TB-made lithium-ion batteries
- All-direction slide driving with mecanum wheels

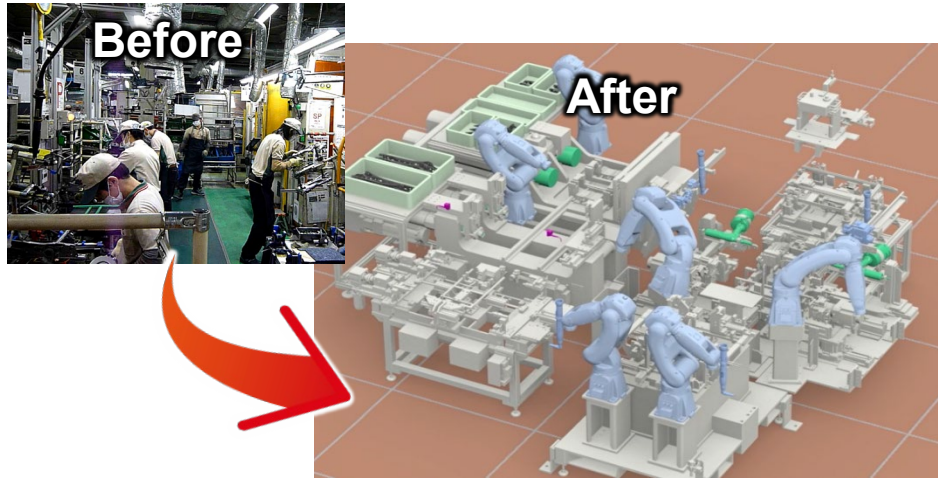
Deploy model lines to other sites both in Japan and other countries to maximize the effect.

- ◆ First, I would like to explain about the actions to acquire MONOZUKURI competitiveness.
- ◆ As the subsequent progress, we have completed automation of the model line of the 1200 tons press at Sanage Plant, which we started in 2020, except for delivery to stores.
The automation of the delivery has already been scheduled.
- ◆ Moving ahead, we will promote automation of prior or subsequent processes, such as setting of materials and dies, and promote deployment of the press model line to our sites both in Japan and other countries, thereby reducing labor costs and maximizing the effect globally.

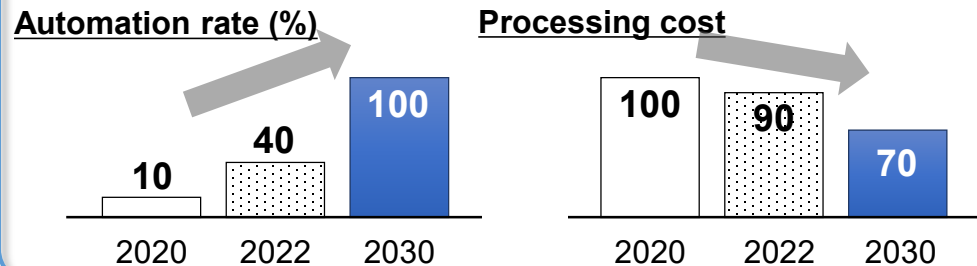
2. Actions for FY2023

1 Acquire MONOZUKURI competitiveness

(2) Establishing a welding model line



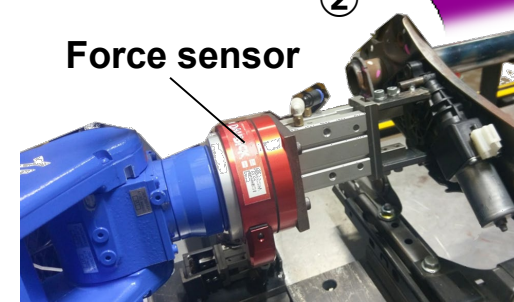
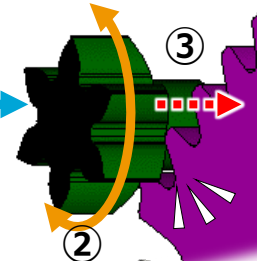
■ Model line efficiency target



■ Actions for automation in FY2023

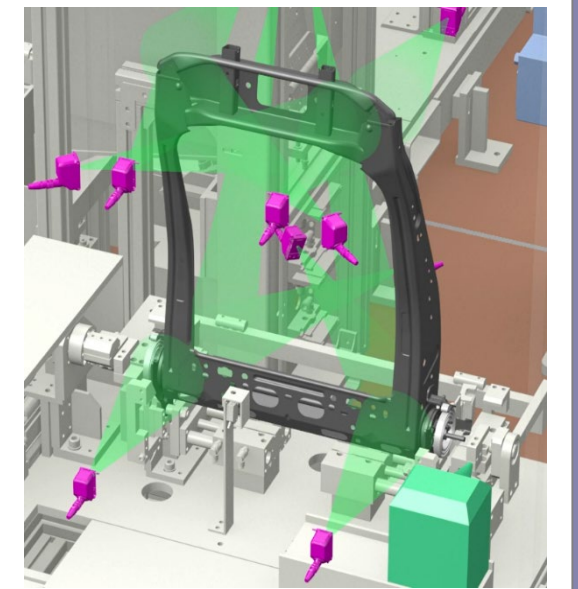
Automation of “*kankotsu* (intuition and knack)” operations

- ① Pushing
- ② Searching
- ③ Setting



Reducing processing cost by reproduction of manual operations by robot

Automation inspection operations



Unprecedented improvement in quality assurance by using AI and sensing technologies

Improved automation rate by promoting “MONOZUKURI innovation”

- ◆ Next, I would like to introduce the actions for automation of the welding processes.
- ◆ In fiscal 2023, for the welding processes, we automated the “*kankotsu*” operations and visual inspection by people, by utilizing robots with sensors, as well as the AI and sensing technologies. As a result, the automation rate has reached 40%.
- ◆ We will further promote “MONOZUKURI innovation” to achieve 2025 Mid-term Management Plan targets, and aim to achieve 100% automation in 2030.

2. Actions for FY2023

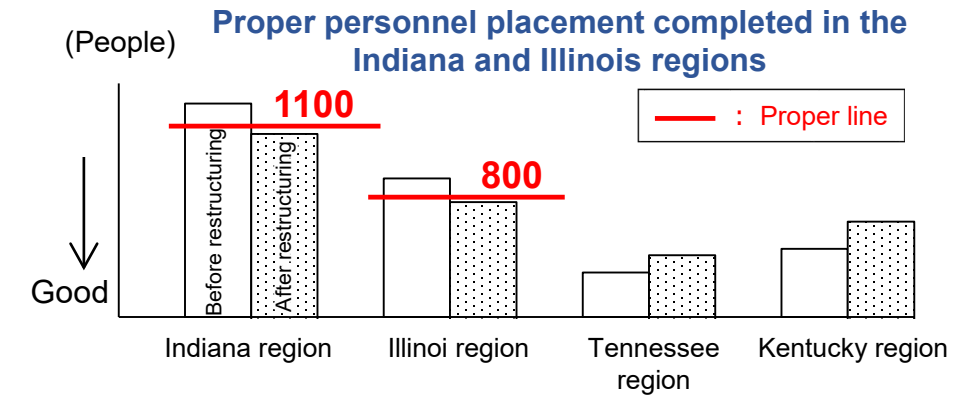
2 Optimal production and supply system

◆ Actions for restructuring in the Americas

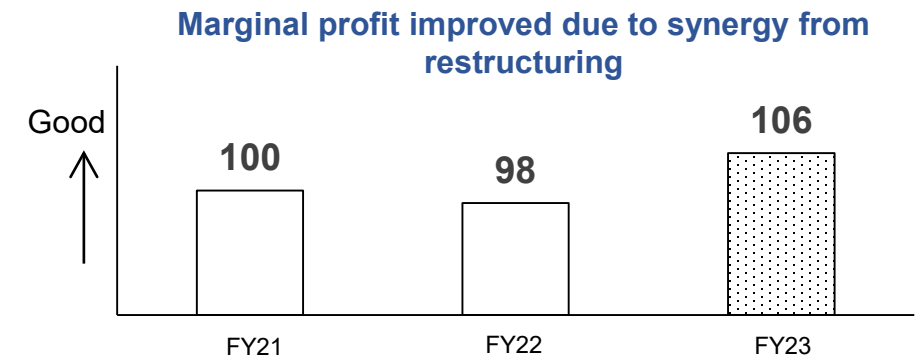
[Benefits from restructuring of seats and door trims]

Restructuring for proper personnel placement in the Indiana and Illinois regions (1) Personnel condition (restructured sites)

Process	Seats			Door trim			
	Pressing/ welding S/A	Welding Assy		Ornament/ Armrest	FR/RR Upper board	Door Assy	
		F/B 	F/C 	Seat Assy 	Ornament/ Armrest (Surface material pressing) 	FR/RR Upper board (Vacuum forming) 	Door Assy (Final assembly)
Before restructuring	Tennessee region	Indiana region Illinois region		Kentucky region	Indiana region Illinois region		
After restructuring (FY23)	Tennessee region	Indiana region Illinois region		Kentucky region		Illinois region	
	Welding Assy (F/B frames) was integrated into Tennessee			Surface material pressing, vacuum forming and door assembly were partially integrated into Kentucky Plant			



(2) Marginal profit rate (the Americas)



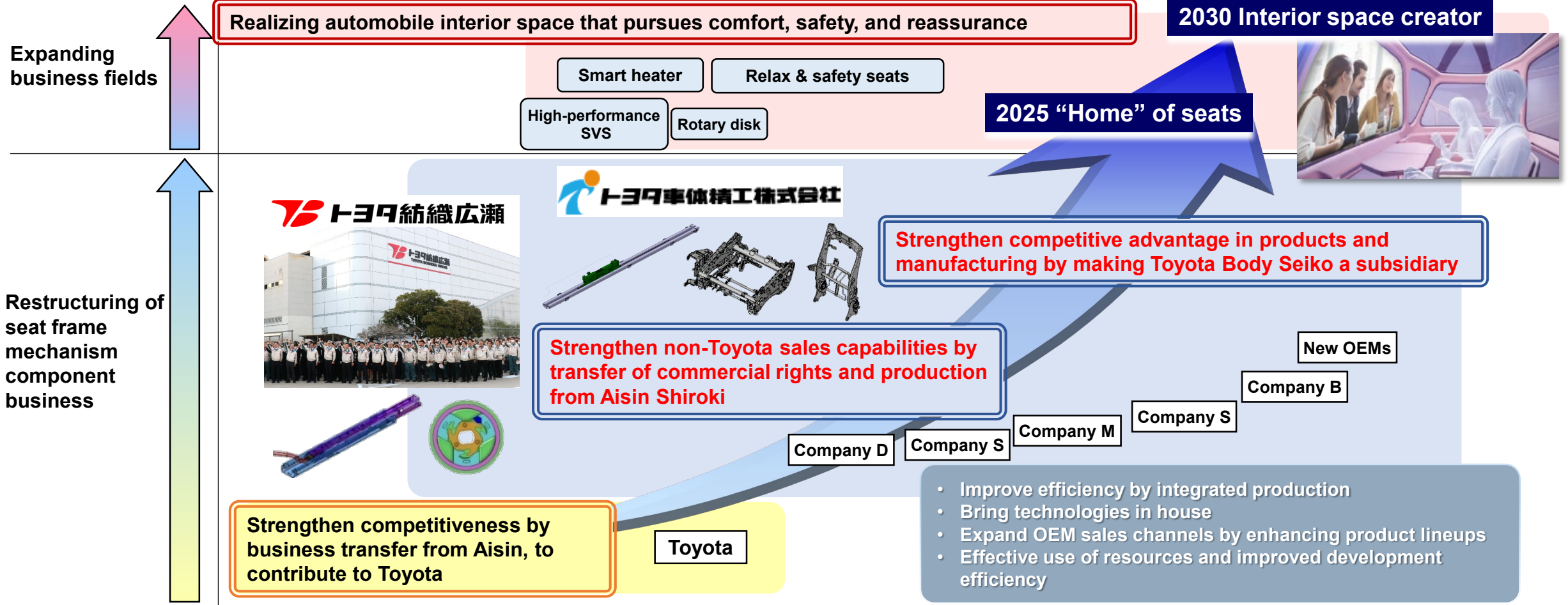
Pursuing a flexible production system that will not be affected by environmental changes or customer situations

Script

- ◆ Next, I would like to explain about optimal production and supply system.
- ◆ In the Americas, we completed the integration of the seat welding process into the Tennessee region and the partial integration of the door trim assembly into Kentucky region as scheduled.
- ◆ Not only transferring the processes as they were, we also conducted activities to improve efficiency, including voluntary training, which contributed to proper placement of personnel in the Indiana and Illinois regions, which had difficulty in securing personnel, while improving profits in the Americas as a whole.
- ◆ We will continue to pursue and realize a flexible production system that will not be affected by environmental changes or customer situations.

2. Actions for FY2023

3 Restructuring of seat frame mechanism component business



By making the maximum use of the synergy effect from restructuring of seat frame mechanism component business, aim to become “Home” of seats in 2025 and an interior space creator in 2030.

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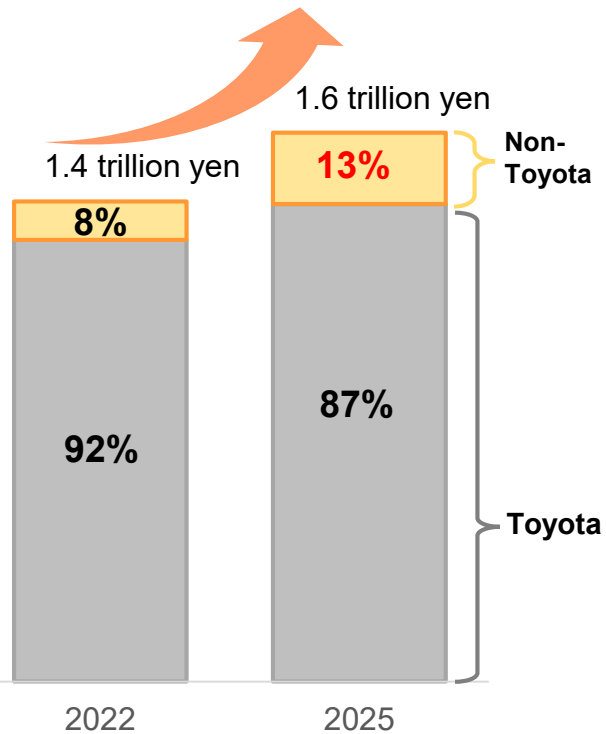
- ◆ Next, I would like to explain about the restructuring of the seat frame mechanism component business.
- ◆ Since the business transfer from Aisin in 2015, we have strengthened competitiveness and thereby contributed to Toyota.
- ◆ In fiscal 2023, we acquired commercial rights from Aisin and Aisin Shiroki for OEMs other than Toyota, established Toyota Boshoku Hirose, and conducted production transfer in Japan. Starting with these measures, we have been promoting to further improve our competitiveness.
- ◆ By making Toyota Body Seiko a subsidiary in October 2023, we expect new synergy effects in products and manufacturing, such as rear seat frame parts and long sliding rails for minivans.
- ◆ Through the restructuring of the seat frame mechanism parts business, by making maximum use of the synergy effect of the strengths of the three companies, such as the knowledge of non-Toyota brand sales and the manufacturing know-how, we will aim to become “Home” of seats in 2025 and an interior space creator in 2030.

2. Actions for FY2023

4 Promote order-taking activities to our strategic OEMs

sales expansion

<Revenue target>



<Examples of new orders>

[Case 1] Company A	[Case 2] Company B
<p>Acquired new businesses for interior parts, such as door trims in Japan</p> <p>New order-taking items (1) Door trims, carpets, fender liners (2) Electric parts</p> <p>Door trim Electric parts</p> <p>Japan (Ongoing)</p> <p>Asia area Indonesia, Malaysia, Thailand, Taiwan, etc.</p> <p>Aim to expand business in Japan</p>	<p>Promoting order-taking activities through collaboration with local suppliers in western India, based on which aim to further expand business in the north</p> <p>High value-added products PWR frame for emerging markets Seat air-conditioning (entry version)</p> <p>Expand order-taking efforts into northern India by promoting high value-added products</p>

Beginning to receive new orders from strategic OEMs

In FY 2023, we promoted activities to acquire orders from Toyota Alliance manufacturers.

◆ For Case 1 We worked to increase orders for seats mainly in Asia until last year. Now we have been actively expanding sales also in Japan, and acquired new orders, such as door trims as interior parts.

◆ For Case 2 Following the project in the southern India acquired last year, we have been promoting order-taking activities for the project in the western area through collaboration with local suppliers.

Furthermore, by using the production sites that we acquired through transfer of commercial rights from Aisin Shiroki for seat frame mechanism parts, we aim to expand sales in the northern area.

3. Activities to Achieve Mid-term Business Plan and 2025 Target

2025 Mid-term Business Plan Target

(1) Financial Targets

(100 million yen)

	FY2023 full-year results	FY2024 full-year forecasts	FY2026 management targets
Revenue	16,040	16,800	16,000+α
Operating profit	476	530	1,000+α
Operating profit margin	3.0%	3.2%	6-7%
ROE	3.7%	5.4%	10% or higher
Equity attributable to owners of the parent company	39.8%	40%	Around 40%
Net assets	4,368	4,450	4,000
Dividend payout ratio	89.1%	59.4%	Around 30%
Capital investment	507	820	(FY2022-2026 total) 2,500+α
R&D costs	473	490	(FY2022-2026 total) 2,000+α

Despite the severe external environment, we will steadily implement actions for the future to achieve the management targets for fiscal 2026.

- ◆ From now, I am going to explain our activities for achieving the 2025 Mid-term Business Plan and the 2025 Target.
- ◆ Regarding the targets, I would like to explain about the financial targets first, and then the non-financial targets.
- ◆ The first is about the financial targets for FY 2024, the third year of the Mid-term Business Plan. Although uncertainties, such as soaring material and transportation costs and risk of production reduction due to a shortage of semiconductors, are expected to continue, we set targets higher than those for fiscal 2023. We will flexibly respond to environmental changes and make steady efforts with the entire company to achieve the management targets for FY 2026.

3. Activities to Achieve Mid-term Business Plan and 2025 Target

(2) 2025 Mid-term Business Plan Target (major non-financial targets)

E (Environment)				S (Society)				G (Governance)			
Item	FY23 plan	FY23 results	FY26 targets	Item	FY23 plan	FY23 results	FY26 targets	Item	FY23 plan	FY23 results	FY26 targets
Renewable energy installation ratio	7%	23%	15%	Number of patent applications submitted	280/year	355/year	320/year	Number of serious cyber security incidents	0	1	0
Waste emissions reduction ratio (Compared to FY2012)	-11%	-20%	-14%	Number of external presentations and papers	65/year	66/year	90/year	DX certification	DX certification	DX certification	DX-Excellent company
Symbiosis with nature (number of trees planted)	30,000	72,000 (Cumulative 66,000)	Cumulative 640,000	Rate of new product development leading to Interior Space Creator	-	5%	15%	Response to human rights risks in the supply chain (development of human rights due diligence)	Held study sessions with suppliers	Held study sessions with suppliers	Expansion ratio 100%
Ratio of revenue from unit components of electrification products that will lead to minimization of environmental impact	-	6.5%	10%	Ratio of vehicles that are expected to use products that contribute to traffic safety	-	-	20%	External awards from customers	5	8	5

Set 25 items as ESG KPIs. Progressing smoothly toward achieving goals for FY2026.

- ◆ Next, I will explain the status of the ESG KPIs, which are our non-financial targets.
- ◆ Of the total 25 ESG KPIs, major items are presented here. Although targets of some of the items have not been achieved, we are progressing smoothly toward achieving goals for FY2026 in all fields of E, S, and G.

3. Activities to Achieve Mid-term Business Plan and 2025 Target

Mid-term Management Hoshin (Policy)

- 2025 Mid-term Business Plan (financial and non-financial targets)
<2025 Target>
- As an interior system supplier, become a company that serves as “Home” and secures competitiveness that can surpass global suppliers



Mid-term Management Hoshin (Policy) (2023-2025)

1. Secure “**MONOZUKURI competitiveness**” to be trusted and selected
2. Acquire “**R&D capabilities**” that respond to future changes
3. Acquire “**Sales capabilities**” that enable making proposals to customers around the world
4. Establish “**Management foundation**” to support sustainable growth

- ◆ To achieve the Mid-term Business Plan and the 2025 Target, we set “MONOZUKURI competitiveness”, “R&D capabilities”, “sales capabilities” and “management foundation” as the four pillars of our mid-term business Hoshin (policy).
- ◆ Of these four elements of Hoshin toward achieving the plan, I will talk about the priority initiatives of No. 1 through No. 3 from the next page.

3. Activities to Achieve Mid-term Business Plan and 2025 Target

MONOZUKURI competitiveness

Secure "MONOZUKURI competitiveness" to be trusted and selected

■ Combining voluntary cardboard training with VR: Realizing development and production preparation in a short period of time



+



L/T shortened -30%

[Voluntary cardboard training]

[VR: 3D workability verification]

■ MONOZUKURI innovation based on advanced automation

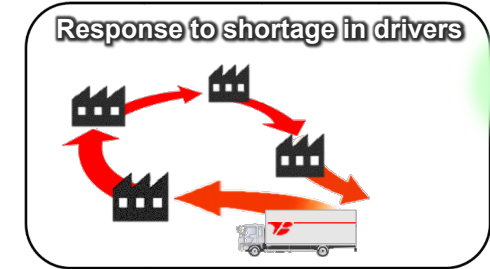


Processing cost -40%*

* Effect of automation of production lines for all products

[Automation of sewing process]

■ Improving distribution efficiency (white distribution)



Distribution cost -20%

[Milk-run logistics]

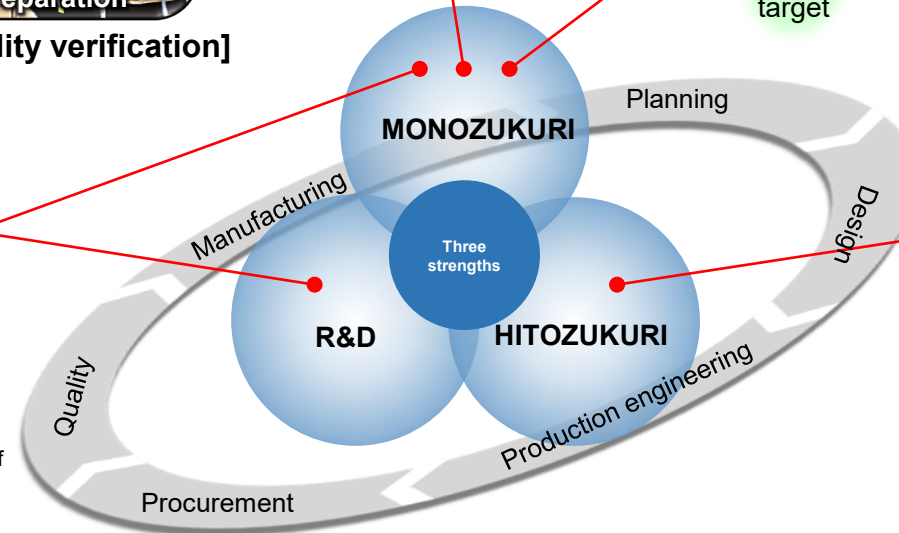
■ Succession of skills by digitization of craftsman's skills



Reduction of the period necessary to master skills

Period necessary to master skills -50%

[Digitization of know-how]



2030 target

Based on the "three strengths" we have cultivated so far, we will realize QCD that surpasses competitors

- ◆ In order to “secure “MONOZUKURI competitiveness” that makes us a company to be trusted and selected” by 2025, based on our strengths of MONOZUKURI, R&D and HITOZUKURI, we are working to acquire competitiveness in the entire processes from planning and design to manufacturing.
- ◆ For example, through the initiatives to realize short-term development and production preparation by combining on-site process development with VR, improve distribution efficiency, achieve “MONOZUKURI innovation” based on advanced automation, and promote succession of craftsman’s skills by digitization of the skills, we continue to promote activities to achieve our 2030 targets by utilizing digital engineering.
- ◆ Based on these three strengths, which we have inherited over the 100 years of history since the foundation of the company, we will realize QCD that surpasses competitors.

3. Activities to Achieve Mid-term Business Plan and 2025 Target

R&D capabilities

To realize comfortable, safe, and reassuring interior space

Formulation of a R&D roadmap

2020

Improvement in environmental awareness

2025

Spread of rideshare

2030

Increase in MaaS vehicles
Carbon neutrality

Increase in BEVs

Advancement of AI Autonomous driving Lv. 4

Aging of population

<Themes and items>

Environment

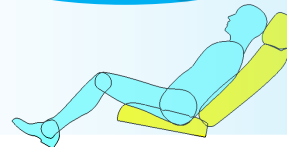
- Recycled materials
- Biomass materials
- Lightweight
- Easy-to-disassemble structure
- Mono-materials

Recyclable seat pads



Autonomous driving

- Rotating seats
- Universal interior design
- System to ease carsickness
- Relax & safety seats

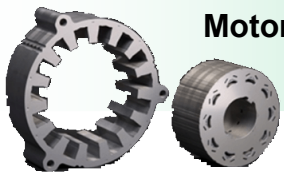


Relax & safety seat

BEV

- Motor core
- Slim seats
- Heat management system
- NV system

Motor core



MaaS

- MX ACCESS (wheelchair)
- Changeable interior system
- Small FC stack

Based on the R&D roadmap, accelerate development to become an interior space creator

Script

◆ To realize a comfortable, safe, and reassuring interior space, we have formulated a R&D roadmap.

◆ We will actively propose the developed items for our customer OEMs, and reflect the obtained feedbacks in the R&D roadmap.

And we will improve the R&D roadmap by particularly focusing on the environment, BEVs, autonomous driving, and MaaS.

◆ Based on the R&D roadmap, we will accelerate development to become an interior space creator.

R&D capabilities

Response to BEV/electrification

Slim seat

Seat

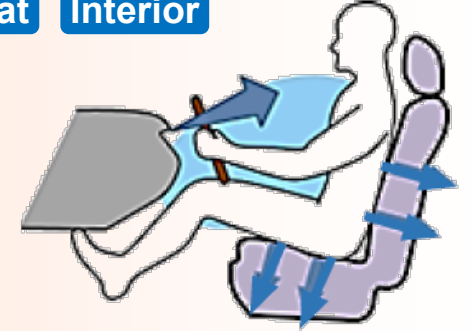
By making the seat thinner, secure more interior space and suppress the increase of vehicle height and air resistance



Next-generation heat management system

Seat Interior

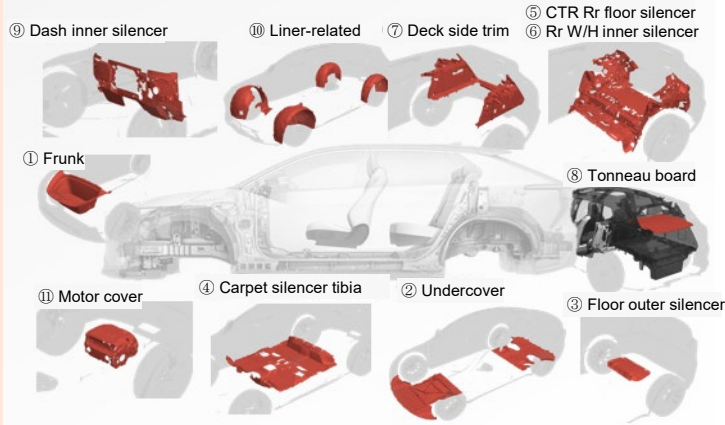
Curb electric power consumption for air conditioning with the combined use of shield headliner and seat ventilation



Next-generation NV system

Interior Exterior

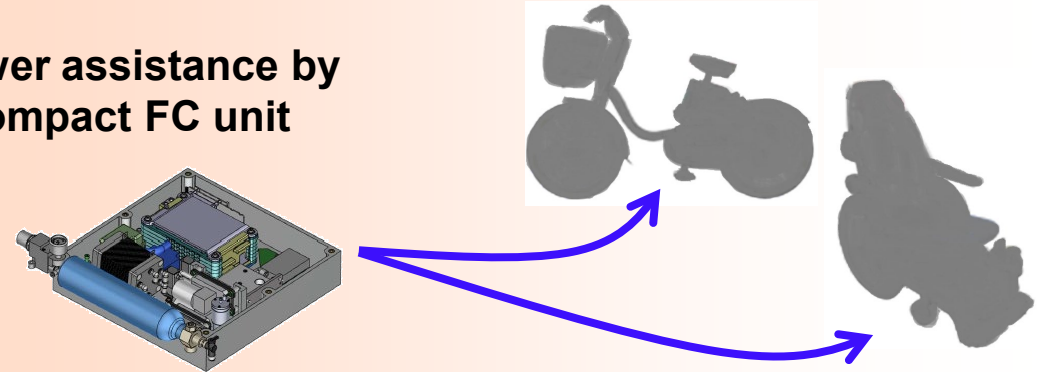
Optimize vehicle interior and exterior noise absorption /insulation materials



FC for compact mobility

Unit component

Power assistance by a compact FC unit



Develop various items responding to BEV in urgent necessity

- ◆ Shown on the slide are items which urgently need to be developed for battery electric vehicles.
- ◆ A slim seat can address the challenges caused by mounting a battery on the floor, such as cabin space becoming narrower with the floor surface rising, and the vehicle air resistance becoming larger due to the higher vehicle height.
- ◆ This next-generation heat management system is designed to improve the power consumption rate of electric vehicles by curbing electric power consumption for air conditioning with the combined use of a shield headliner and a seat ventilator.
- ◆ In addition, we will advance the development of a next-generation NV system, which features noise absorption and insulation materials optimally placed to eliminate noise generated by driving, and the development of a compact FC unit as power assistance for compact mobility.

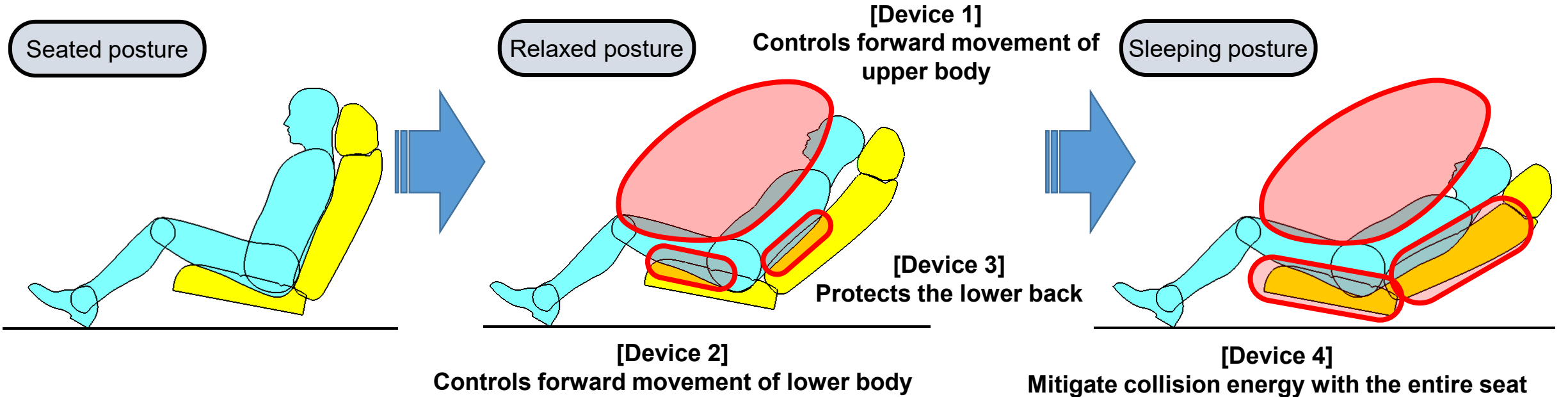
3. Activities to Achieve Mid-term Business Plan and 2025 Target

R&D capabilities

Relax & safety seat for autonomous driving

Objective: Development of measures to mitigate collision energy on passengers in a relaxed or sleeping posture

Development status: Effects under various conditions are being analyzed. Seat structures for devices under development are being examined.



Balancing comfort and mitigation of collision energy for passengers to realize an interior space with greater freedom

- ◆ This relax & safety seat provides the passengers a relaxed or sleeping posture, responding to the demands for autonomous driving which is expected in the future. We have been promoting the development of measures to mitigate collision energy on passengers.
- ◆ Regarding the current development status, we are checking and analyzing effects under various conditions and examining seat structures.
- ◆ With this development, we will create a vehicle interior space with greater freedom by balancing comfort and mitigation of collision energy for passengers.

3. Activities to Achieve Mid-term Business Plan and 2025 Target

R&D capabilities

Creation of new value towards Maas market



A rideshare space assuming autonomous driving level 4
Exhibited "MX221" at CES

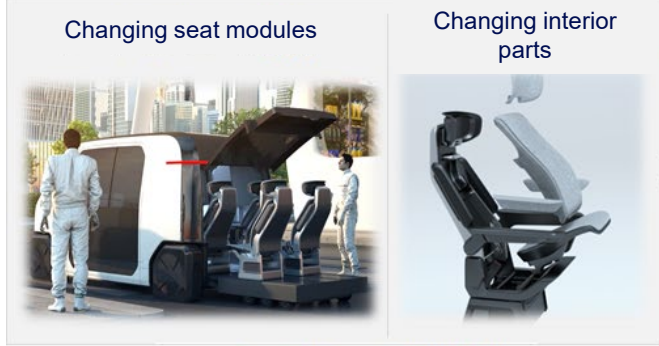
"Diversatility" (= Diversity + Versatility)
Versatile spaces to suit a variety of users



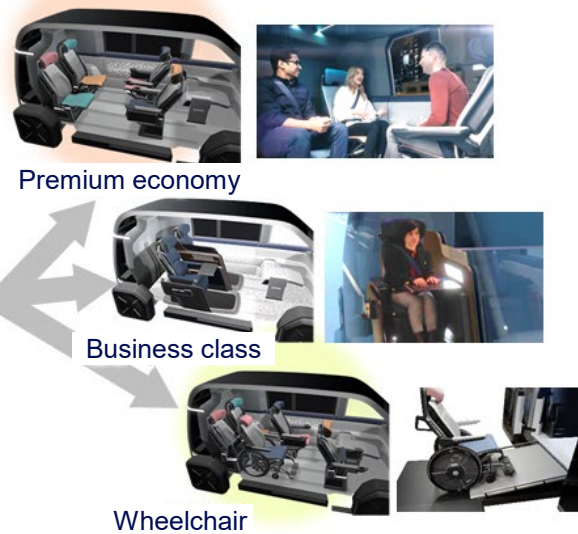
New value creation
by 6 companies
collaboration

"MX ACCESS wheelchair" enables users to move safely and freely without a helper

A vehicle's interior space can be changed into multiple forms



Economy modules (standard)



- Can be fixed to the car within a minute without a helper (Easy docking system, easy-to-fasten seat belt)
- Wheelchair developed using know-how of car seats (Safety, comfort, etc.)

In addition to exhibition at CES, we held individual presentations. Having attracted high attention, we are seeing new business seeds.

- ◆ We are also promoting the creation of new values for the MaaS market, which is expected to be a new mobility market. One of such values is “MX221,” a rideshare space assuming autonomous driving level 4. We exhibited this at CES held in Las Vegas in the United States.
- ◆ Six group companies cooperated in the planning of MX221 and proposed versatile spaces to suit a variety of users on a single vehicle under the concept of “diversatility.”
- ◆ Our versatile space project attracted attention of many people. Especially, “MX Access,” a wheelchair developed using the safety performance of automotive seats and our know-how of seating comfort, was highly appreciated.
- ◆ We also held presentations for individual customers, from which we see seeds for new businesses. Through innovative solutions like the MX Access, we hope to contribute to our society.

3. Activities to Achieve Mid-term Business Plan and 2025 Target

sales capabilities

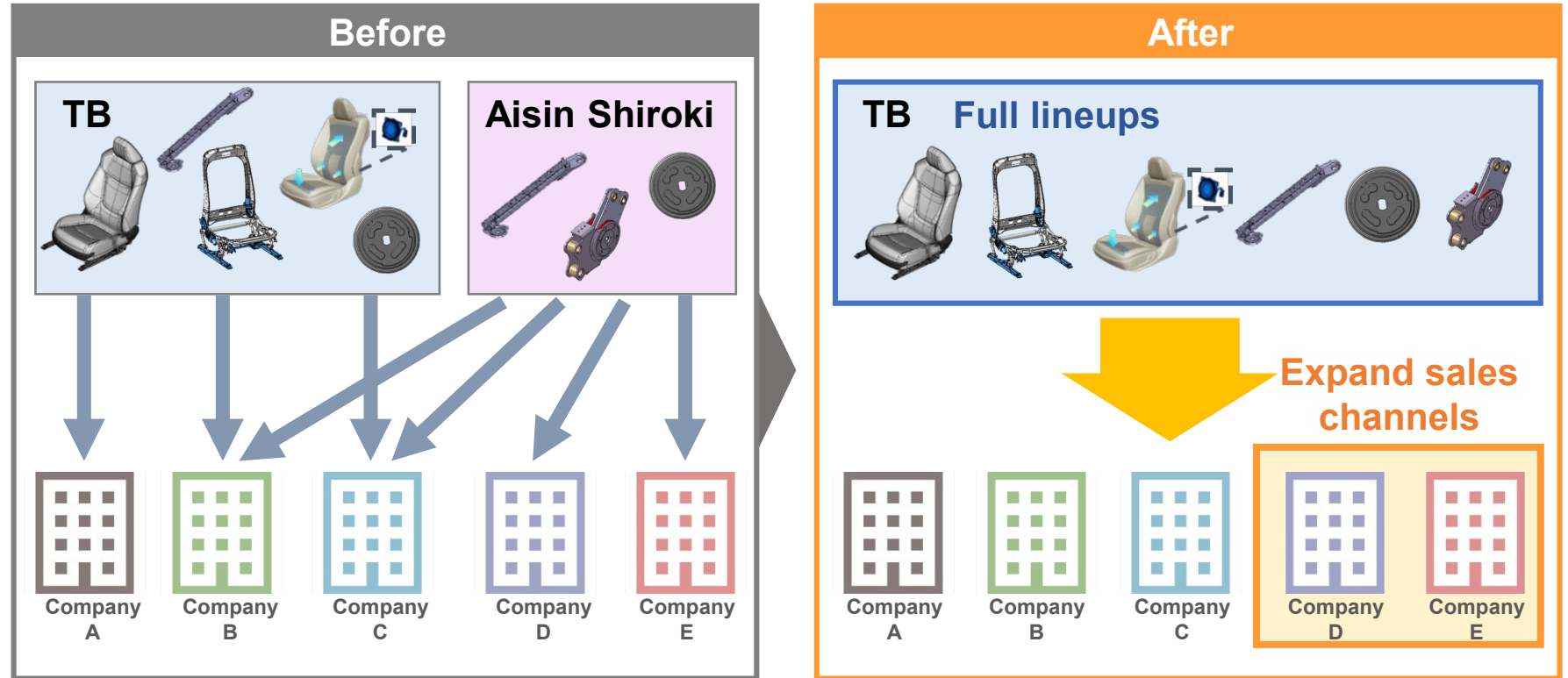
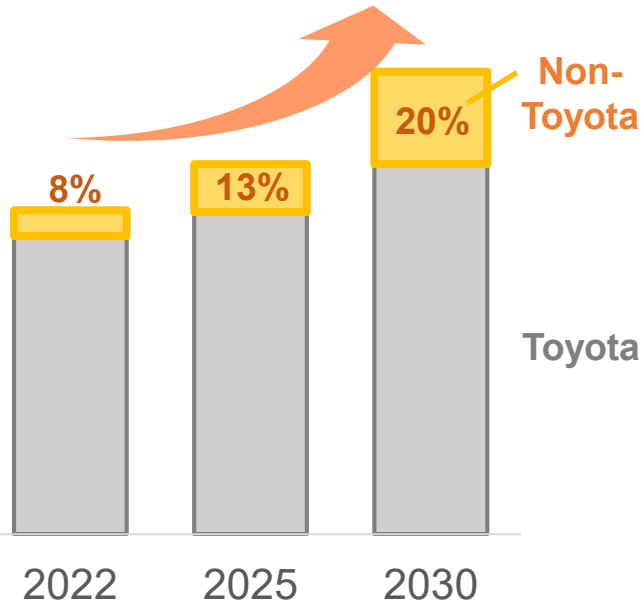
Activities to expand sales toward 2025 and 2030

(1) Expand sales channels to customers other than strategic OEMs

Approach to further expand sales

Use of sales channels that were expanded by transfer of commercial rights from Aisin and Aisin Shiroki

<Revenue target>



In addition to expanding sales to strategic OEMs, we aim to further expand sales by using the sales channels acquired through transfer of commercial rights.

- ◆ I will explain about the activities for expanding sales for 2030 as our initiatives to strengthen sales capabilities.
- ◆ So far, we have promoted order-taking activities targeting mainly Toyota Alliance manufacturers/strategic OEMs. Toward 2030, we aim to further expand sales channels.
- ◆ Based on the sales channels acquired through the transfer of commercial rights from Aisin and Aisin Shiroki for seat frame mechanism parts, we plan to conduct order-taking activities targeting customers other than strategic OEMs.

3. Activities to Achieve Mid-term Business Plan and 2025 Target

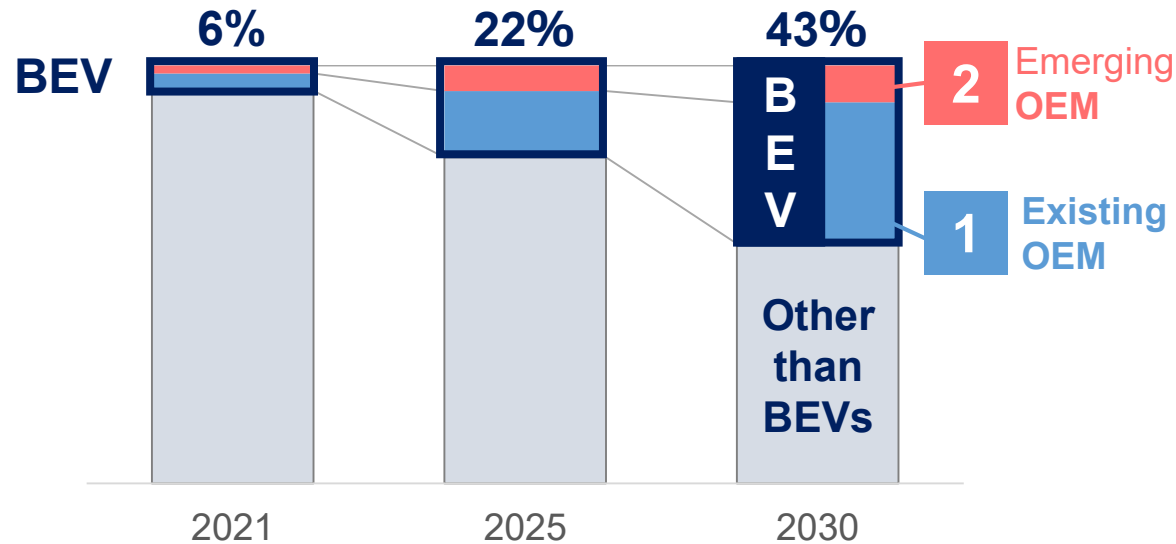
sales capabilities

Activities to expand sales toward 2025 and 2030

(2) Respond to environmental changes

Approach for the rapidly expanding BEV market

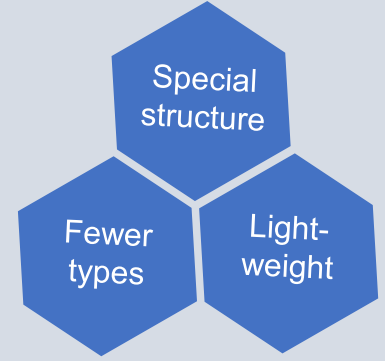
<BEV market share in automotive market> ※Reference: SPG Mobility



Over 40% share in 2030
The ratio of emerging OEMs will expand

<Response to BEVs>

Secure competitiveness by pursuing a **special structure** appropriate for BEVs and **fundamental production method reform**



1 Increase sales to expand BEV share of **existing OEMs**



2 Accelerate order-taking activities for **emerging OEMs** in Europe, the U.S., China, etc.



Toward 2030, active approach for the rapidly expanding BEV market and emerging OEMs

- ◆ It is also necessary to enhance activities targeting the BEV market, which is expected to rapidly expand as a response to environmental changes.

In addition to the conventional automobile manufacturers, emerging manufacturers are expected to expand their shares mainly in China, Europe and the U.S.

- ◆ By thoroughly benchmarking BEVs that have already been in the market and developing/proposing parts exclusive for BEVs that are highly competitive and have high product appeal, we will increase orders for BEVs of strategic OEMs.

- ◆ We will also accelerate the order-taking activities targeting the emerging OEMs in Europe, the U.S. and China, which are expected to grow in the future.

3. Activities to Achieve Mid-term Business Plan and 2025 Target

sales capabilities **Activities to expand sales toward 2025 and 2030**

(3) Electrification product business

Existing products

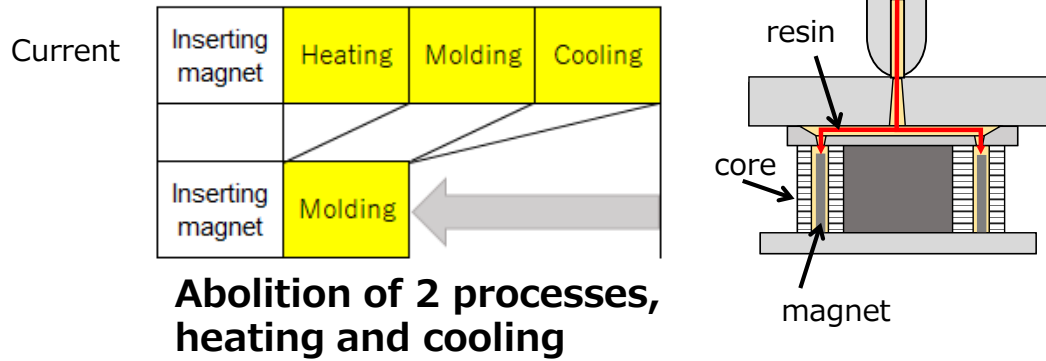
In addition to the high accuracy of the existing products, **introduce new technologies**, such as the magnet molding method using thermoplastic resin, to enhance competitiveness of motor cores, and conduct activities not only in Japan but also in overseas markets, such as North America and Asia

New Products

While working to enrich our high-accuracy FC separators (FC Product Group), we will apply ultrasmall FC stacks for the “last one mile” Mobility, and enter the market for next-generation mobility using the characteristics of high-rate batteries

Introduction of new technologies

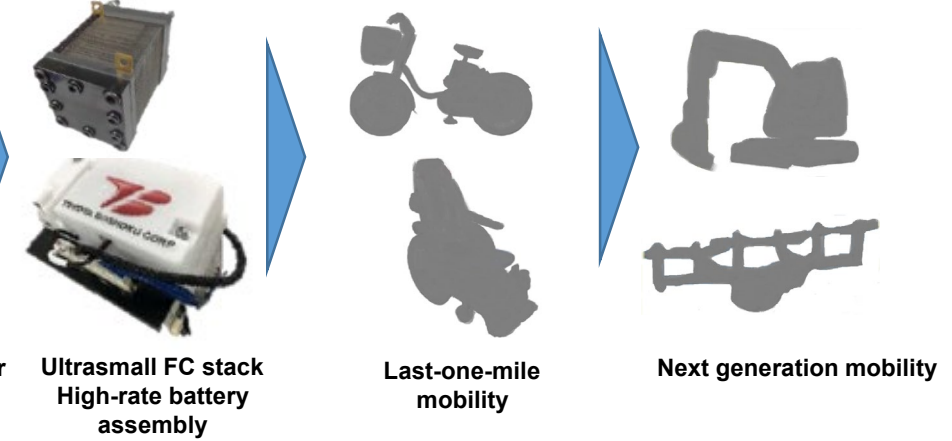
Heatless magnet molding method



Existing products



New products



In response to the shift to electrification in society, expand sales of products that meet the customer needs at proper time

- ◆ For the electrification product business, we take the shift to electrification in society as a chance and will propose the unit electrification products that respond to the mobility change.
- ◆ For existing products, we aim to expand sales of motor cores, which are adopted by Toyota. In addition to the high accuracy of the existing products, we will introduce the magnet molding method using thermoplastic resin to enhance competitiveness, and conduct activities to other companies not only in Japan but also in overseas markets, such as North America and Asia.
- ◆ As new commercial rights, while working to expand sales of the FC product group centered around FC separators, we will apply ultrasmall FC stacks for the last-one-mile mobility and enter the market for next-generation mobility using the characteristics of high-rate batteries we have developed.

VISION

Looking into the future, we will create tomorrow's automobile interior space that will inspire our customers the world over.

Our desired status for 2030

To become a sustainable, leading global company by enhancing corporate value

[Creating new value as an Interior Space Creator]

2025 Target

As an interior system supplier, become a company that serves as "Home"* and secures competitiveness that can surpass other global suppliers

- ◆ This is the end of our year-end business briefing for FY 2023.
- ◆ Toward achieving its Vision, Toyota Boshoku will steadily implement the 2025 Mid-term Business Plan and aim to become a company that will be continuously needed by society in 2030 and 2050, with a view to realizing sustainable growth.
- ◆ I would like to ask for your continuous understanding and cooperation.

Reference) ESG KPI results and targets

E (Environment)				S (Society)				G (Governance)			
	Item	FY23 results	FY26 targets		Item	FY23 results	FY26 targets		Item	FY23 results	FY26 targets
1	Production CO ₂ emissions reduction ratio (total) (compared to FY2014)	-31%	-25%	8	Number of patent applications submitted	355/year	320/year	18	Number of environmental abnormalities and complaints	1	0
2	Renewable energy installation ratio	23%	15%	9	Number of external presentations and papers	66/year	90/year	19	Number of serious cyber security incidents	1	0
3	Logistics CO ₂ emissions reduction rate (compared to FY2012)	-30%	-14%	10	Rate of new product development leading to Interior Space Creator	5%	15%	20	DX certification	DX certification acquired	DX-Excellent company
4	Waste emissions reduction rate (compared to FY2012)	-20%	-14%	11	Ratio of vehicles that are expected to use products that contribute to traffic safety	-	20%	21	Number of violations of antitrust laws	0	0
5	Water consumption reduction rate (compared to FY2014)	-35%	-8%	12	Number of participants in social contribution activities (annual)	2,980	2,000	22	Number of violations of anti-bribery laws	0	0
6	Symbiosis with nature (number of trees planted)	Cumulative 660,000	Cumulative 640,000	13	Degree of implementation of the Code of Conduct	87%	100%	23	Response to human rights risks in the supply chain (development of human rights due diligence)	Held study sessions with suppliers	Deployment rate 100%
7	Ratio of revenue from unit components of electrification products that will lead to minimization of environmental impact	6.5%	10%	14	Number of stress checks conducted for all employees	1/year	1/year	24	External awards from customers	8/year	5/year
				15	Percentage of people taking a health checkup	99.98%	100%	25	Compliance with timely and appropriate disclosure	100%	100%
				16	Number of serious accidents involving employees	0	0				
				17	Number of serious accidents involving outside contractors and visitors	0	0				



TOYOTA BOSHOKU

<注意事項>

本資料に記載されている将来に関する業績予想は、現時点で入手可能な情報に基づき当社が判断した予想値であり、不確実性やリスクを含んでおります。

そのため 実際の結果は様々な要因によって業績予想と異なる可能性があります。