



# Pursuit of Sustainable Growth

# Pursuit of Sustainable Growth

- 1) Mid-Term Business Plan until 2015(2011-2015)  
Review and Progress on Action to “Solidify Our Footing”
- 2) To fulfill our Vision
- 3) Mid-Term Business Plan for Implementation  
Until 2020(2016-2020)

# **1. Mid-Term Business Plan until 2015**

## **Review and Progress on Action to “Solidify Our Footing”**

**1) Overview of Mid-Term Business Plan until 2015**

**2) Business Targets vs. Actual Results**

**3) Review Key Management Tasks**

**4) Effort to Solidify our Footing**

# 1) Overview of our Mid-Term Business Plan Until 2015



## ■ Business Targets (FY2016)

	Target
Revenue (billion JPY)	1,300
Gross profit margin ratio(%)	5.0
Production Ratio [Japan : Overseas]	40 : 60
Sales Ratio [Toyota : N C B *]	90 : 10

\*NCB : New Customer Business

## ■ Key Management Tasks

- 1) Pursuit of leading-edge technologies toward creating new business
- 2) Acceleration of global business expansion centered on emerging markets
- 3) Expansion of our business with all car manufacturers through operational and organizational reform
- 4) Thorough implementation of lean, optimal and high value-added business in Japan

## 2)Business Targets vs. Actual Results (FY2016)

	FY2011	FY2016	
	Actual	Target	Actual
Revenue (billion JPY)	983.7	1,300.0	1,415.7
Operating profit margin ratio(%)	3.7	5.0	4.2
Production Ratio [Japan : Overseas]	51 : 49	40 : 60	44 : 56
Sales Ratio [Toyota : NCB]	97 : 3	90 : 10	93 : 7

We achieved Sales target due to the partly impact of favorable factors such as exchange rate

However, Operating Profit margin ratio, Production Ratio and Sales Ratio were not achieved

### 3) Review Key Management Tasks

#### (1) Achievements

##### 1) Pursuit of leading-edge technologies toward creating new business

- Commercialized motor core constituent parts for hybrid systems, by pursuing precision process technology
- Commercialized components for fuel cell vehicle (in Toyota “MIRAI”)

##### 2) Acceleration of global business expansion centered on emerging countries

- Established new plants in China (Shenyang, Heyuan (Guangdong Province)), Thailand, Laos and Turkey
- Established MRD\*<sup>1</sup> Center in Thailand, and R&D Center in China

##### 3) Expansion of our business with all car manufacturers through and operational and organizational reform

- GNCB\*<sup>2</sup> Group and ACT\*<sup>3</sup> Promotion Division were established

##### 4) Thorough implementation of lean, optimal and high value-added business in Japan.

- Consolidated location in Kariya Plant to start production of FC separators
- Developed and globally deployed core technologies (FHS\*<sup>4</sup> method, melt blow method)

\*1 MRD : Management Research & Development

\*3 ACT : Aircraft & Train

\*2 GNCB : Global New Customer Business

\*4 FHS : Fine Hold Stamping

### 3) Review Key Management Tasks

#### (2) Issues and Countermeasures

Issues

Rapid Business Expansions caused inadequate

Preparation / Capability for Operations

Issues occurred even in Existing Business

(e.g. disruptions during new product launch)

Decline in Profit

Countermeasures

#### Declaration to Structure Strengthening: August 2014

① Revised Unprofitable Business -> FY2016 reorganized business in Europe

② Improve Profit performance in Europe and USA etc.

Completion  
with Prospect

③ Continuously strengthen our Basic Manufacturing Capabilities  
(R&D / Production Engineering and Production capabilities)

Further Solidify  
our Footing

Checked and reviewed whole operation system so far, and identified issues  
- Over 1,000 issues found in R&D capabilities  
as well as production engineering & production capabilities

Clarified roles and responsibilities for Executive Officers / Managers / Staffs

## 4)To Solidify our Footing

### (1) Strengthen our R&D Capabilities

Progress on global implementation from FY2018

#### Major Actions

#### Results / Expected Results on FY2017

##### Improve the Development Process

Establish new Device Development Processes

Review Gate meeting and KPIs

Review cost planning process

- Stay up to date with fluctuating sales prices and costs from cost planning stage (with constant awareness on profit)
- Improve Project Management skill

##### Enhance Drawing Completeness

Standardize Parts

Standardize Design Process

Enhance CAE Technology Capability

Enhance finished goods quality

- Develop products in optimal time by Standardization
- Standardize finished goods quality Effort for zero-wrinkles sewing during mass production of Seat products

##### Strengthen Resource Management

Clarify roles and responsibilities with overseas R&D

Visualize and systemize burden from R&D activities

- Make a plan and optimally allocate resources to minimize burdens by foreseeing R&D loads



## 4)To Solidify our Footing

### (2) Strengthen our Production Engineering / Production Capabilities

Scheduled to complete all action items in this fiscal year; start global implementation from FY2018

#### Major Actions

#### Results / Expected Results on FY2017

##### Plan

Standardize engineering trial to mass production transfer process

- Register PE and Production Issues leading to strengthen and/or reorganize the Global Production System
- Define our way of Thinking for JIT\* & Concentration of Production, and build a Strategic Policy for Interior / Exterior Systems

\*JIT : Just In Time

##### Production Preparation

Standardize production in zero-defect condition

Standardize tools and dies equipment

Standardize production preparation process

- Standardize pilot production and Production / Manufacturing Preparation Process
- Complete global evaluation

##### Manufacturing capability (Mass production)

Standardize rule for daily manufacturing operation

- Complete global evaluation on the confidence level to achieve goals by specific assignment for production preparation based on Basic Plant Requirements

## **2. To fulfill our Vision**

**1) Vision**

**2) Future Prospect**

**3) Our desired status**

## 2. To fulfill our Vision

### 1) Vision

#### The Company We Aim to Become

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

*Design your passion with TOYOTA BOSHOKU*

#### (1) Our desired status in Business

**A company that persists in proposing excellent mobility for customer throughout the world**

#### (2) Our desired status in Society

**A trusted company that grows together with all stakeholders**

# 2. To fulfill our Vision

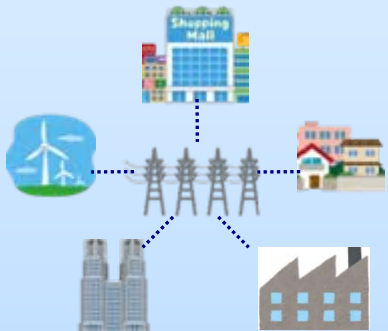
## 2) Future Prospect

### (1) Changes in Society and urban transportation

Changes in the social environment has caused significant changes in the mobility environment

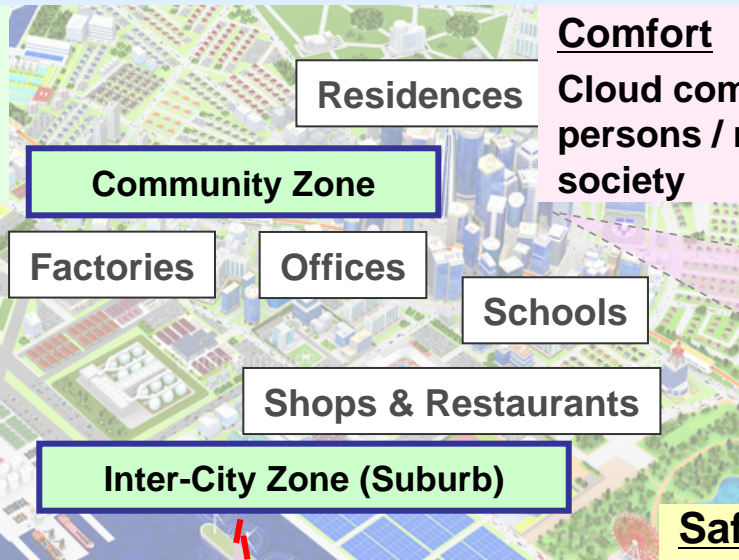
#### Ecology

Control electricity supply balance among region/ mobility/ offices/ factories



#### Convenience

Next generation city transportation system that copes with population concentration and ageing society



#### Comfort

Cloud computing to connect persons / mobility / houses / society

- Personal mobility unit
- Coordinated automated driving
- Sharing



#### Safety

Harmonization between road / mobility / persons



- Next generation vehicles (EV, FCV)
- Automated driving, array driving (automated driving)



- Automatic control driving



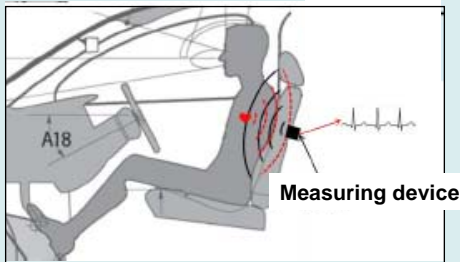
# 2. To fulfill our Vision

## 2) Future Prospect

### (2) Advancements in Mobility Interior

Advancements in automated driving have enhanced the level of freedom in mobility space, together with the fact that customers' requirement on interior functions also change

Monitoring health conditions



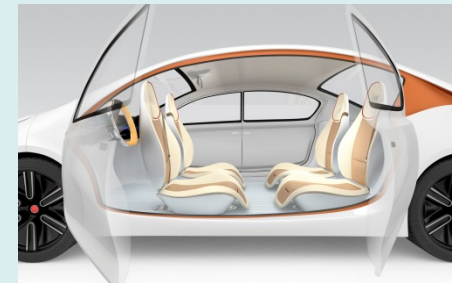
Constant communication environment



Entertainment with VR image



Multi-function components using in vehicle interior or other purposes



Free seat adjustment depending on scene



Produce anything using projection mapping



Display HMI with space projection



## 2. To fulfill our Vision

### 2) Future Prospects

(3) Aim to offer products which create more customer value”

Pursue “Comfort” in mobility space together  
with basic value of “Safety” and “Environment”

#### Comfort

Realize time and space  
that appeals to the 5 senses

- Automatic position adjustment
- Sensory temperature control
- Maintaining awakened / relaxed states

#### Safety

Reduce occurrences rate of serious  
accidents and injury/damages involved

- Identify and acknowledge risks in advance
- Evolving risk control technologies
- Automated driving

#### Environment

Maximize energy efficiency,  
reduce greenhouse gas

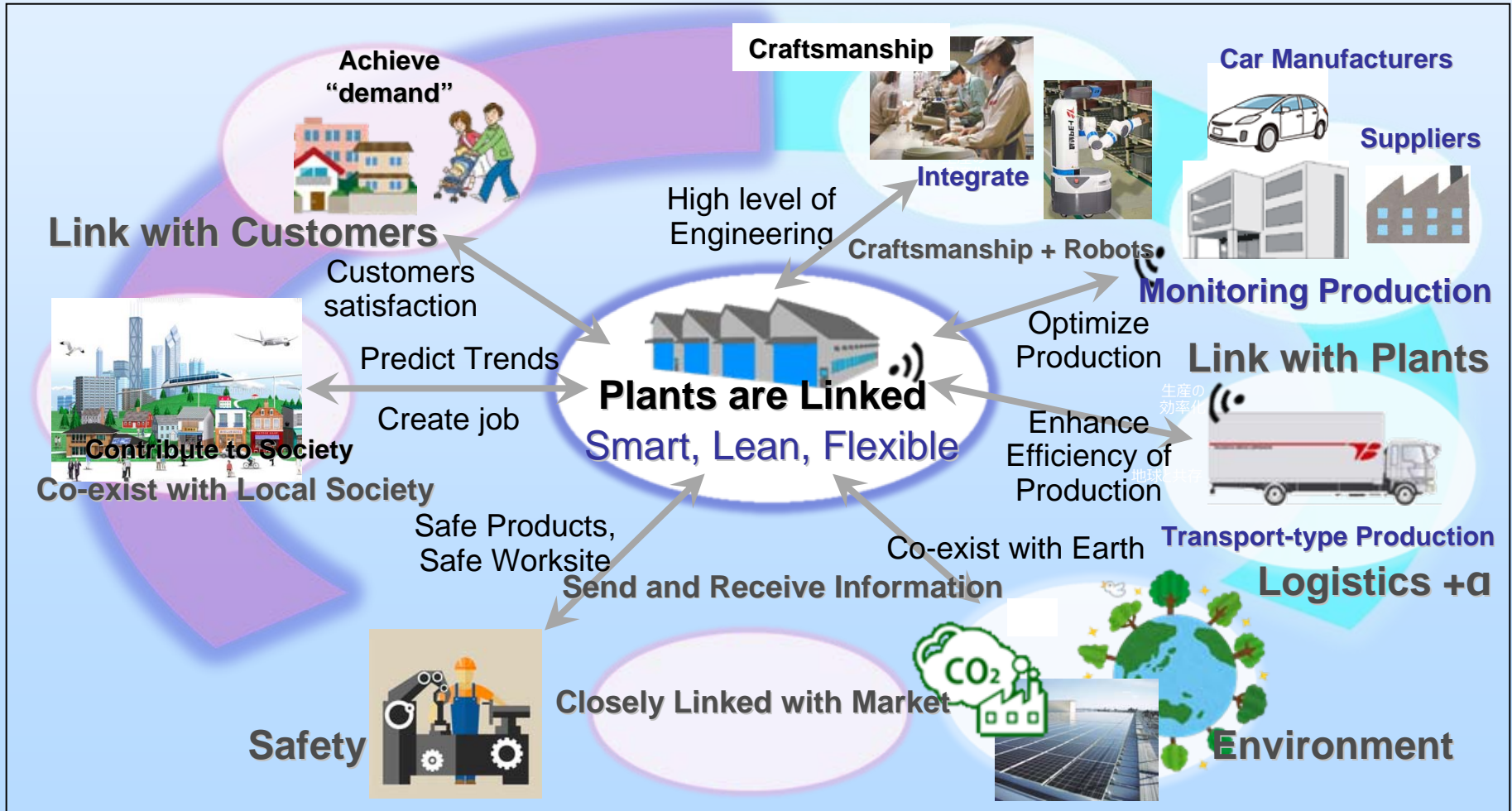
- More efficient and diverse power sources
- Less weight, less resistance
- Energy management

# 2. To fulfill our Vision

## 2) Future Prospect

### (4) Evolution in Manufacturing

Supply chain collaboration for information sharing to increase responsiveness to the market



## 2. To fulfill our Vision

### 2) Future Prospect

#### (5) Aim to Offer Value from Manufacturing site”

Pursue manufacturing based on trust, sense of safety, and customer’s affection

#### Affection

Provide product to meet customers’ demand and further satisfaction

- Customization to serve diverse requirements
- Mutual contact to analyze individual needs

#### Trust

Offer products made from exclusive technology and sophisticated manufacturing process

- More automation and craftsmanship
- Environment conservation and beautification

#### Peace of mind

Foresee risks in even simple manufacturing tasks to secure safety

- Preventive maintenance by people and machines
- Pursue cost performance

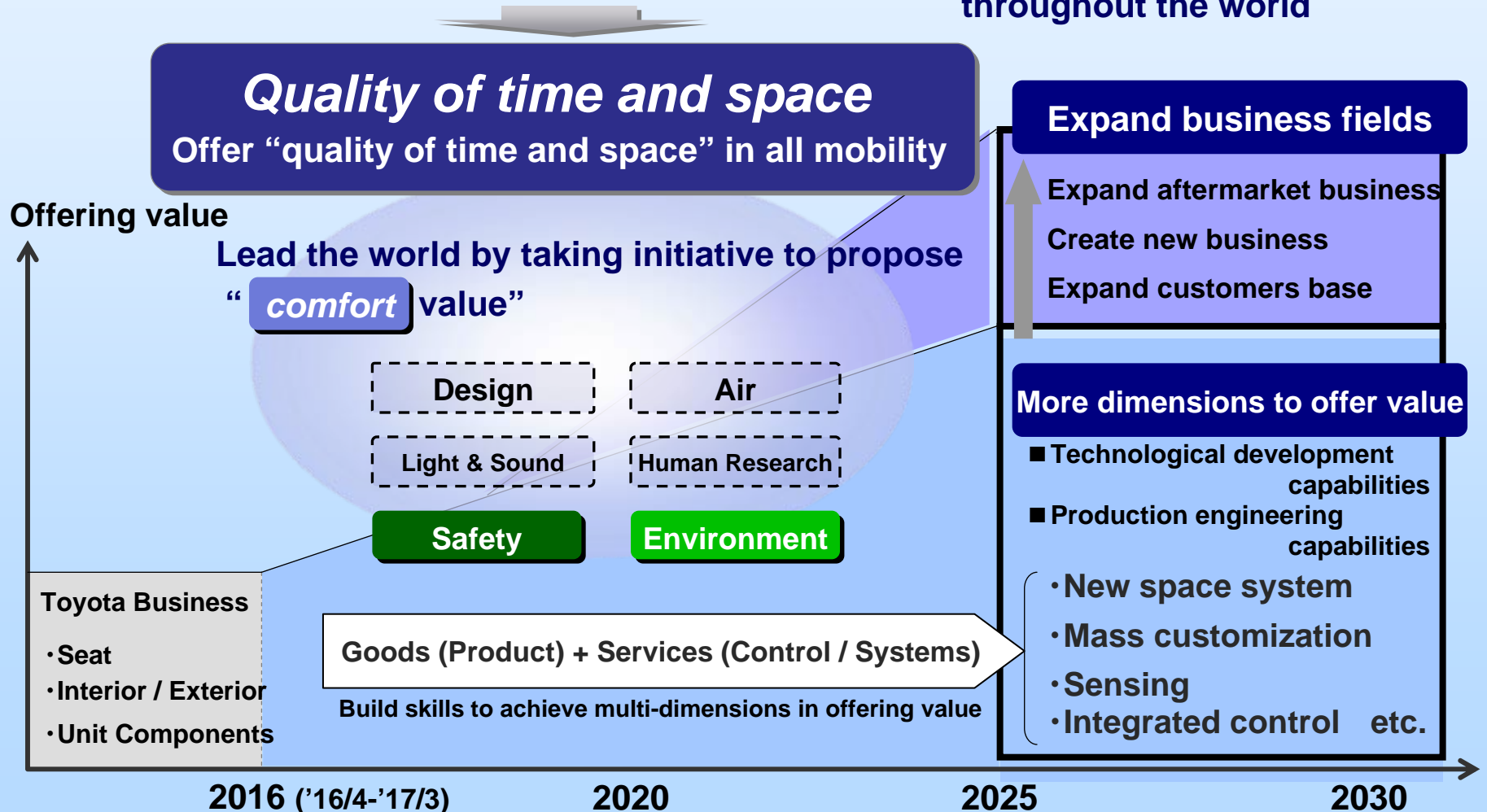


## 2. To fulfill our Vision

### 3) Our desired status

#### (1) Vision (Our desired status in business)

A company that persists proposing excellent mobility for customers throughout the world



## 2. To fulfill our Vision

### 3) Our desired status

#### (2) Vision (Our desired status in Society)

A trusted company that grows together with all stakeholders

① Our goal to enhance the company growth while cultivating corporate citizenship

② Pursue sustainable growth and enhance our corporate value on a mid-to-long term basis

③ Distribute profit and meet the expectations of our stakeholders

① Corporate growth while fulfilling our social responsibilities

Implement corporate philosophy



Principles of Toyoda

② Sustainable growth  
-> Enhance corporate value

Mid-Term Management Execution Plan Until 2020

Strengthen our Competitiveness

Strengthen our Management Foundation

③ Distribute achievement



### **3. Mid-Term Business Plan for Implementation** **Until 2020**

- 1) Corporate Growth**  
while cultivating corporate citizenship
- 2) Sustainable Growth**
  - (1) Strengthen Competitive Advantage**
  - (2) Strengthen Management Foundation**
- 3) Enhance our Corporate Value**  
on a Mid to Long Term Basis

### **3. Mid-Term Business Plan for Implementation** **Until 2020**

- 1) Corporate Growth**  
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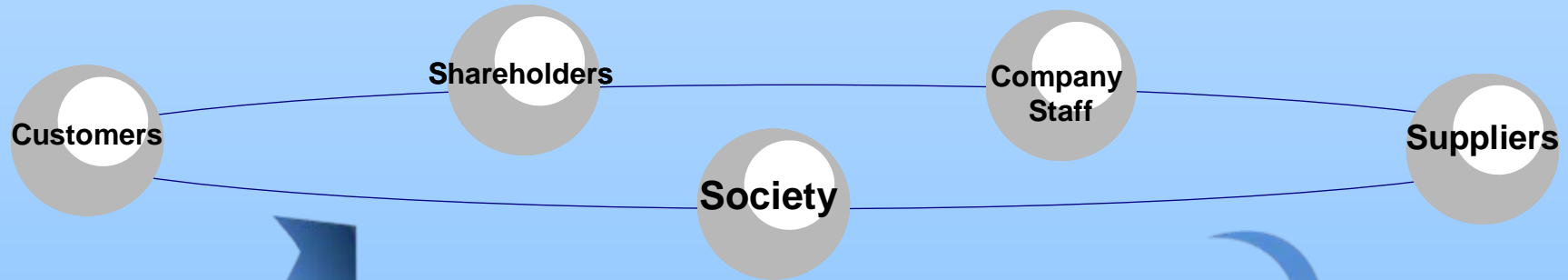
# 3. Mid-Term Business Plan for Implementation Until 2020

## 1) Corporate Growth while cultivating corporate citizenship

### < Basic Approach >

Promote activities on CSR and the Environment to enhance corporate growth while cultivating corporate citizenship

**➔ Create a structure to manage our entire corporate value**



Contributing social values

Distribution of economic value

Assess level of satisfaction

Integrated organization

CSR

Environment

Corporate Governance

Environmental Vision / Action Plan

Compliance

Risk Management

### 3. Mid-Term Business Plan for Implementation Until 2020

#### 1) Corporate Growth while cultivating corporate citizenship



#### CSR

- ① Compliance with laws, regulations and ethics as a good corporate citizen
- ② Contribute to improve social values

Stakeholder	Action Plan
Society	<ul style="list-style-type: none"><li>• Proactive compliance with laws and regulations</li><li>• Local Environmental Conservation</li><li>• Maintain and increase job opportunities</li></ul>
Customers	<ul style="list-style-type: none"><li>• Higher quality products at affordable price</li><li>• Proposals based on advanced technical development capabilities and techniques</li><li>• High satisfaction from end users</li></ul>
Shareholders	<ul style="list-style-type: none"><li>• Constructive communication</li><li>• Fair and transparent disclosure of information</li><li>• Stable dividends</li></ul>
Company staff	<ul style="list-style-type: none"><li>• Lively working environment</li><li>• Healthy, safe workplace</li><li>• Diversity</li><li>• HR development and adequate evaluation</li><li>• Stable salary</li></ul>
Suppliers	<ul style="list-style-type: none"><li>• Purchase competitive products at appropriate prices</li><li>• Grow together</li></ul>

# 3. Mid-Term Business Plan for Implementation Until 2020

## 1) Corporate Growth while cultivating corporate citizenship



### Environment

#### Mapping out 2050 Environmental Vision (May, 2016)

We will work together with all stakeholders with the aim of creating a sustainable global environment where children can lead their lives with smile.

Topics	2050 Environmental Vision (6 Stretch Environmental Goals)	2020 Environmental Action Plan
Climate Change	1. Zero CO2 emissions	Develop innovative production technology with low CO2 emissions Utilize next generation energies
	2. Zero CO2 emissions in the product life cycle	Develop products to support high fuel efficiency Develop components for next generation automobiles
Water Shortage	3. Recycle water to achieve zero waste water in the production process	Reduce the amount of water used and discharged
Depletion of Natural Resources	4. Minimize the use of natural resources	Utilize plant-derived raw materials
	5. Minimize waste	Reduce packaging, effective use of resources
Biodiversity Risks	6. Forestation, Plant 1.32 million trees	Contribute to environment and society through forestation and forest conservation

Environmental Management

Promote global environmental management and collaborative activity with suppliers

### **3. Mid-Term Business Plan for Implementation** **Until 2020**

- 1) Corporate Growth**  
while cultivating corporate citizenship
- 2) Sustainable Growth**
  - (1) Strengthen Competitive Advantage**
  - (2) Strengthen Management Foundation**
- 3) Enhance our Corporate Value**  
on a Mid to Long Term Basis



## 2) Sustainable Growth

### < Basic Approach >

Focus on Strengthening Competitive advantage and Strengthening Management Foundation to pursue Sustainable Growth

#### (1) Strengthen Competitive Advantage

- ① Develop New Technologies and New Products towards 2030
- ② Manufacturing Innovation towards 2030 (TB Industry 4.0)
- ③ Further Enhance our Fundamental Capabilities on Manufacturing

#### (2) Strengthen our Management Foundation

- ① Strengthen our Profit Structure
- ② Set-up of strong and resilient business structure
- ③ Create a Global Management Foundation

## 2) Sustainable Growth

### (1) Strengthen Competitive Advantage

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### (2) Strengthen our Management Foundation

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## (1) Strengthen Competitive Advantage

### ① Develop New Technologies and New Products towards 2030

#### Create capabilities to achieve offering value

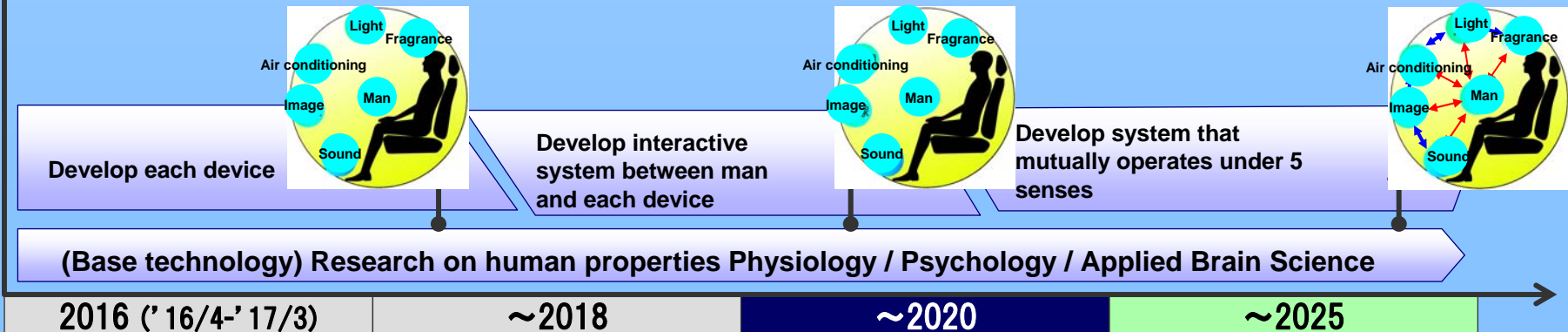
**A** [Comfort] Offer, before others, time and space where people can feel comfortable

**B** [Safety] Offer safe and secure mobility space that is ahead of the times

**C** [Environment] Offer mobility space that is environment friendly

#### Major Action Items (Examples)

- Relax control system: Technological development to lead users to relaxed states
- Personal temperature control system:  
Offer air conditioning tailored to each user, develop thermal technologies
- System to promote lively lifestyle: Develop system to support a lively lifestyle for all generations



## (1) Strengthen Competitive Advantage

### ① Develop New Technologies and New Products towards 2030

#### Create capabilities to achieve offering value

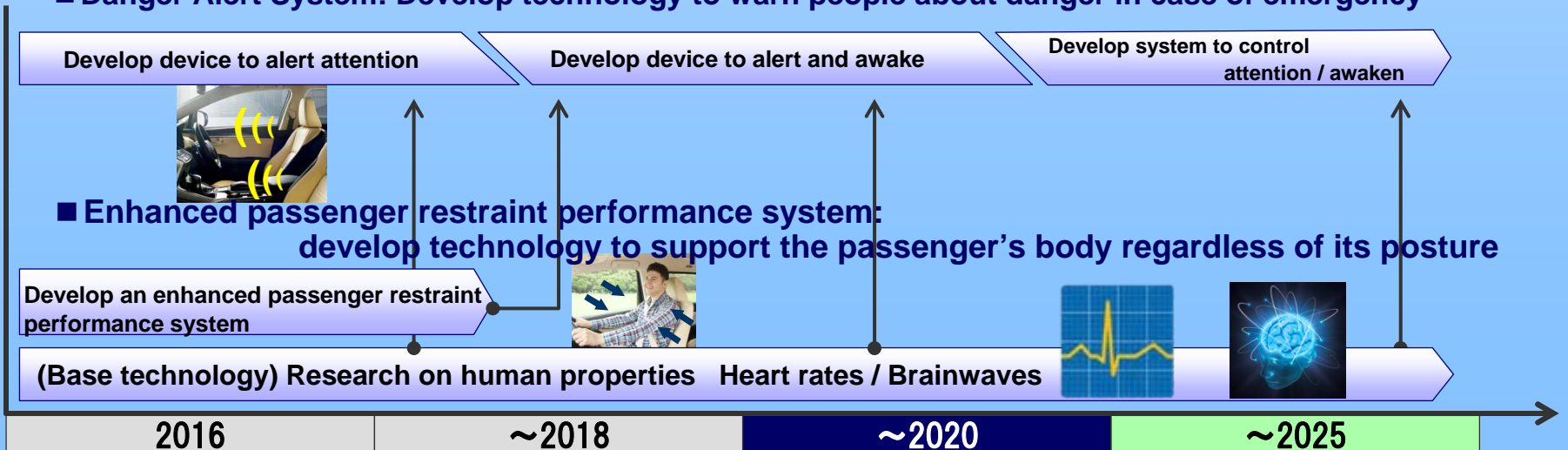
**A** [Comfort] Offer time and space where people can feel comfortable, ahead of our competitors

**B** [Safety] Offer safe and secure mobility space that is ahead of the times

**C** [Environment] Offer mobility space that is environment friendly

#### Major Action Items (Examples)

■ **Danger Alert System: Develop technology to warn people about danger in case of emergency**



## (1) Strengthen Competitive Advantage

### ① Develop New Technologies and New Products towards 2030

#### Create capabilities to achieve offering value

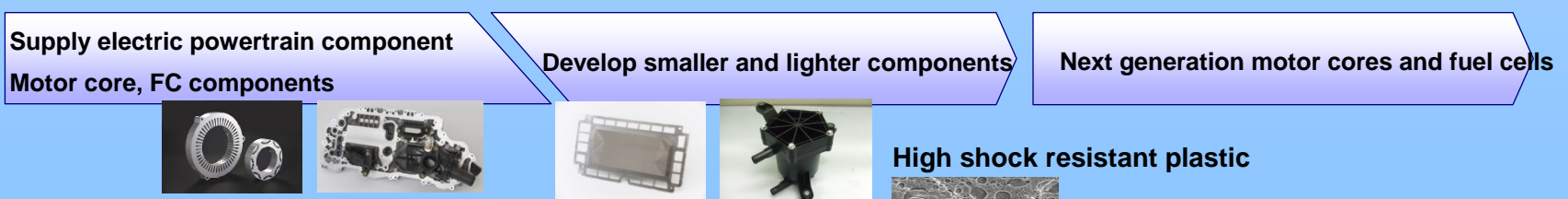
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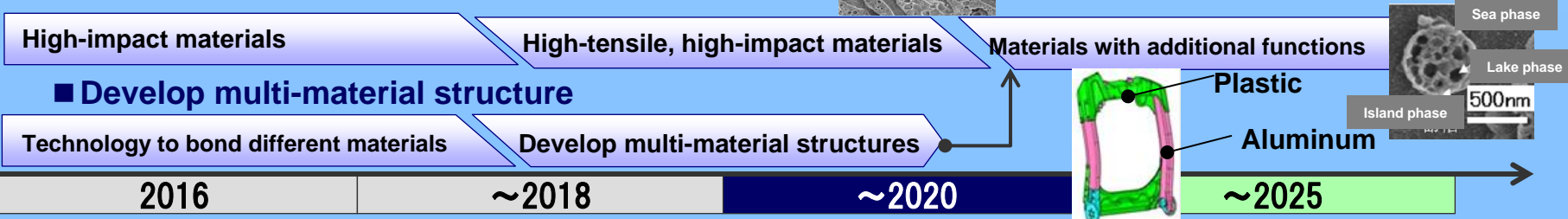
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#### Major Action Items (Examples)

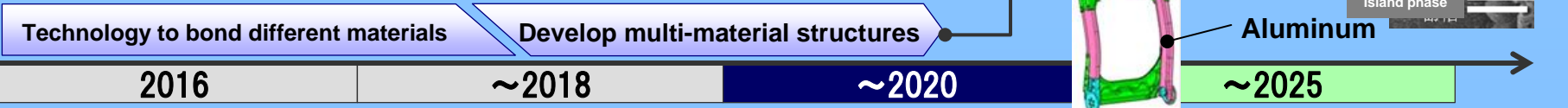
##### ■ Develop next generation powertrain



##### ■ Develop materials for nano structure control



##### ■ Develop multi-material structure



## 2) Sustainable Growth

### (1) Strengthen Competitive Advantage

- ① Develop New Technologies and New Products towards 2030
- ② Manufacturing Innovation towards 2030
- ③ Further Enhance our Fundamental Capabilities  
on Manufacturing

### (2) Strengthen our Management Foundation

- ① Strengthen our Profit Structure
- ② Set-up of strong and resilient business structure
- ③ Create a Global Management Foundation

## (1) Strengthen Competitive Advantage

### ② Manufacturing Innovation towards 2030 (TB Industry 4.0)

#### Create capabilities to achieve offering value



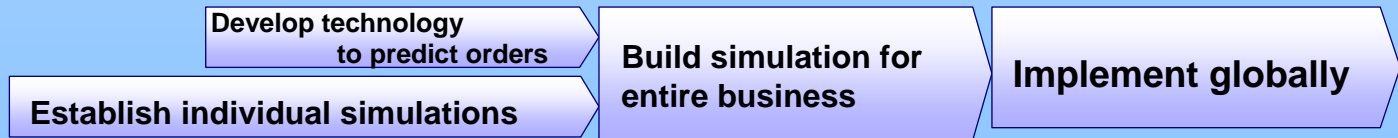
**D** [Affection] Offer what customers want and the joy to create

**E** [Trust] Sophisticated manufacturing to ensure that products be delivered

**F** [Peace of mind] Simple manufacturing that can foresee risks and offer safety

#### Major Action Items (Examples)

##### **D** Build optimal production simulation



##### **E** Human-Robot cooperation in production line, that integrate craftsmanship with automation



##### **F** Build algorithm for failure diagnostic into machine



## 2) Sustainable Growth

### (1) Strengthen Competitive Advantage

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(1) Strengthen Competitive Advantage

Target to be achieved in 2020

③ Further enhance our fundamental capabilities on manufacturing

<Strengthen our R&D Capabilities>

Advance our technological development capabilities by establishing a new development process

Globally develop products that are good, reasonably priced and attractive

- Improve development process
- Enhance completeness of drawings



## (1) Strengthen Competitive Advantage

Target to be achieved in 2020

③ Further enhance our fundamental capabilities on manufacturing

### <Strengthen our R&D Capabilities>

Effectively utilize development resource through mutual collaboration among the global R&D offices

Build a globally optimal development load-sharing rules

Reestablish development operation system

Implement globally

Realize globally simultaneous development

Clarify roles

Define policies and processes

Global R&D companies to become autonomous so that they can complement each other

Promote the use of global contractors

Maximize development efficiency by working globally

Strengthen our original capabilities to design vehicle interior space

Develop capability to make proposals that truly make our end-users happy

Recruit and train designers with diverse ideas

Collect information from diverse sources to grasp market needs and reflect on design

Increase proposals to car makers and take the lead in interior space design

Enhance component level design capability

Integrate new technologies and new techniques to make new proposals on interior space design

2016

2017

2018

2019

2020

## (1) Strengthen Competitive Advantage

Target to be achieved in 2020

③ Further enhance our fundamental capabilities on manufacturing

### <Strengthen our Production Engineering/Production Capabilities>

Globally implement and establish the basic plant requirements to strengthen on-site competency

Achieve level "autonomous" in the basic plant requirements at all plants

Globally conduct self-evaluations

Each company to start improvements

Evaluate / Improve

Evaluate / Improve

Evaluate / Improve

Re-build organization to take action

Parent plants and HQ functions to support the activity (continuous activity, gradually handing over to local company)

Improve quality and productivity by standardizing processes and procedures for production / manufacturing preparation

Standardize all processes  
Improve quality and productivity by 30%

Globally conduct self-evaluations

Each region to take countermeasures

Evaluate / take measures

Evaluate / take measures

Evaluate / take measures

Re-build organization to take action

Shops to support the activity (continuous activity)

2016

2017

2018

2019

2020

## (1) Strengthen Competitive Advantage

Target to be achieved in 2020

③ Further enhance our fundamental capabilities on manufacturing

### < Strengthen our Production Engineering/Production Capabilities >

Improve quality, productivity and cost through further advancements in production engineering

100% completion of development of new production engineering items

Complete development of (170) new production engineering items, and implement sequentially at each region  
(Example: automation of sewing)

Facilitate studies on automating 2D and 3D sewing

Verify by model line

Implement globally

Improve quality, productivity and cost by reorganizing global production system

100% completion of reorganizing global production network

Register production issues

Plan optimal production system

Rebuild our approach on JIT / concentrated production

Reorganize our production plants

Establish strategic policies for in-house production or outsourcing

2016

2017

2018

2019

2020

### **3. Mid-Term Business Plan for Implementation** **Until 2020**

- 1) Corporate Growth**  
while cultivating corporate citizenship
- 2) Sustainable Growth**
  - (1) Strengthen Competitive Advantage**
  - (2) Strengthen Management Foundation**
- 3) Enhance our Corporate Value**  
on a Mid to Long Term Basis

## 2) Sustainable Growth

### (1) Strengthen Competitive advantage

- ① Develop New Technologies and New Products towards 2030
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## (2) Strengthen our Management Foundation

Target to be achieved in 2020

### ① Strengthen our Profit Structure

#### <Strengthen our Business Model>

##### Advancement of our System Supplier System

Build a globally consistent management system for development, purchasing and production



## (2) Strengthen our Management Foundation

Target to be achieved in 2020

### ① Strengthen our Profit Structure

#### <Strengthen our Business Model>

Complete integration of framework business to “Make Good Seats”

Build foundation to become a world leading seat system supplier by maximizing synergy effects of integration

#### Develop new devices

(Specific new devices, new rear frame, etc.)

(Device that interacts with man to enable automated driving)

#### Develop world No.1 next-generation seat frame

Increase in-house manufacturing of devices

Rebuild global production network for devices

Standardize design to implement optimal and consistent automated lines across the world

2016

2017

2018

2019

2020



## (2) Strengthen our Management Foundation

Target to be achieved in 2020

### ① Strengthen our Profit Structure

#### < Establish Business Foundation for GNCB >

Promote business in line with strategic objective

#### Rebuild Business Strategy

Revise strategy on existing products for each customer

Establish strategy to expand sales of existing products to new customers

Establish strategy to expand sales of new products and new fields

Promote activities to win orders

Build business organization and strengthen business activities

#### Improve organization of Business Administration and Promotion

Strengthen administration

Reorganize network to collaborate globally (resources)

#### < Rebuild Business Organization in Japan >

Build a sustainable business structure

#### Structural reform in line with future plan

Create policy for each business

Build promotion organization

Promote structural reform

#### Reorganizing plants and companies in line with product business strategies of production strategies

Create policy based on product / production strategies

Reorganizing plants and companies

2016

2017

2018

2019

2020

## 2) Sustainable Growth

### (1) Strengthen Competitive Advantage

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## (2) Strengthen our Management Foundation

Target to be achieved in 2020

### ② Set-up of strong and resilient business structure

Revise to a resilient BCP in order to fulfill supply responsibilities despite extreme contingencies

Build mechanism to cope calmly and quickly even under serious crisis situations

Reevaluate policy and revise organizational rules for BCP

Complete with a clear path to countermeasures for serious risks

Complete evaluation of all risks

Operate

Incorporate evaluations / improvements

Build a business structure that is flexible to and can minimize impacts of extreme demand fluctuations

Build a global production system that can cope with extreme demand fluctuations

Rebuild our approach on JIT / concentrated production

Make plans on organization and action

Create scenarios for optimal production

Identify issues

Make production plan

Strengthen ability to cope with sudden changes in currencies and financial environment

Consolidated cash management to effectively utilize Group excessive cash

Develop operation policy

Build promoting organization and create action plan

Start operation

Identify issues

Brush up funds management policy

Incorporate evaluations / improvements

2016

2017

2018

2019

2020

## 2) Sustainable Growth

### (1) Strengthen Competitive Advantage

- ① Develop New Technologies and New Products towards 2030
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on Manufacturing

### (2) Strengthen our Management Foundation

- ① Strengthen our Profit Structure
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- ③ Create a Global Management Foundation

## (2) Strengthen our Management Foundation

Target to be achieved in 2020

### ③ Create a Global Management Foundation

#### <Create Foundation for Management Information >



#### <Create Lively Work Environment for Diverse Human Resources >

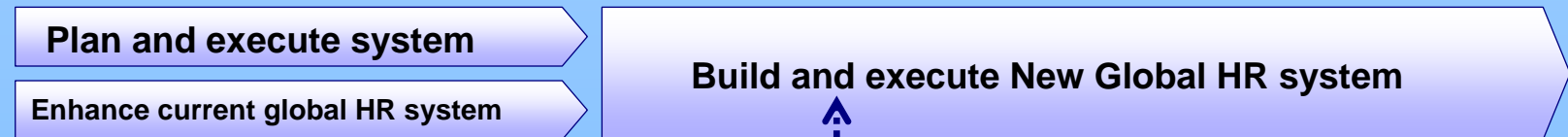
Develop and execute resource plan to support the Mid-term Business Implementation Plan

Build and execute new HRM\* Architecture

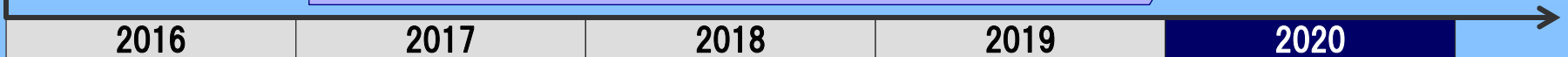
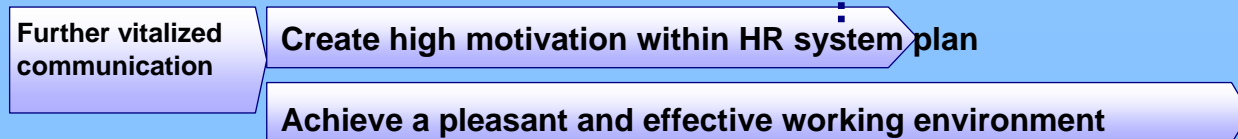


Execute HR policies to fully utilize diverse resources

\*HRM : Human Resources Management



Vitalize whole company, create sense of unity ("Quality of time and space" for people and organization)



(2) Strengthen our Management Foundation

Target to be achieved in 2020

③ Create a Global Management Foundation

<Continue to Build a “One hub per region” structure>

Strengthen collaboration and efficiency of Head Office, Regions and Companies for each product business lines

Optimally utilize management resources and manage risk thoroughly

Redefine roles and responsibilities, restructure the organization

Create foundation

Implement

Redefine roles and responsibilities and restructure the organization

Create foundation

- Systematic collaboration among R&D companies
- Build production system
- Establish quality assurance system

- Build new HRM architecture
- Improve management level
- Strengthen internal control

2016

2017

2018

2019

2020

### 3. Mid-Term Business Plan for Implementation

Until 2020

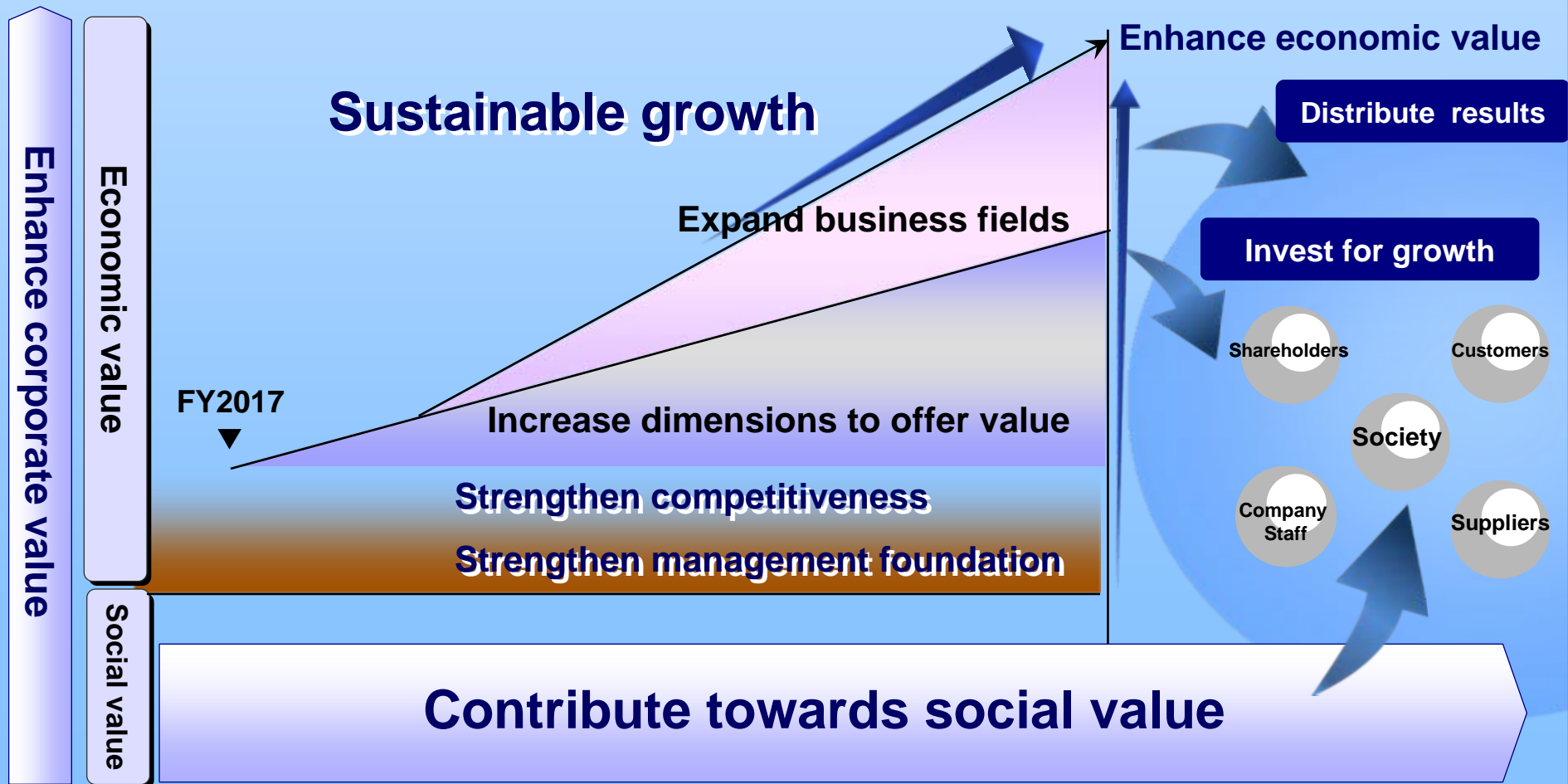
- 1) Corporate Growth  
while cultivating corporate citizenship
- 2) Sustainable Growth
  - (1) Strengthen Competitive Advantage
  - (2) Strengthen Management Foundation
- 3) Enhance our Corporate Value  
on a Mid to Long Term Basis

# 3. Mid-Term Business Plan for Implementation Until 2020

## 3) Enhance our Corporate Value on a Mid to Long Term Basis

### < Our Basic Idea >

We will share with our stakeholders what we achieve by enhancing corporate value, and will meet long-term expectations of our stakeholders by reinvesting the value towards sustainable growth





# 3. Mid-Term Business Plan for Implementation Until 2020

## 3) Enhance our Corporate Value on a Mid to Long Term Basis

FY2021: Financial Target

Invest for growth

- Invest towards sustainable development
  - Develop new products / technologies
  - Manufacturing Innovation
  - Build management foundation etc.

For a Healthy Financial Status

- Increase net worth
  - Capital Adequacy Ratio 40%
  - ROE approx. 10%

Share achieved value

- Appropriate labor share
- Tax Payment (Individual tax, corporate tax)
- Long, stable dividend payout
  - Target: Dividend payout ratio 30%

Strengthen competitiveness

Enhance economic value

Strengthen management foundation

Operating profit margin: Stably Achieve 5% or more

Mid-Term Business Management Plan for Execution		Improve marginal profit		Optimize fixed costs
		Add value	Reduce cost	
Strengthen competitiveness	Develop new technologies / products	○		
	Manufacturing innovation		◎	○
	Strengthen development capabilities	◎		○
Strengthen management foundation	Strengthen production engineering capabilities		◎	○
	Strengthen our business model	◎	○	○
	Establish business foundation for GNCB	○		○
	Rebuild business structure in Japan		○	○

# Leading the way to Sustainable Growth



## **Disclaimer**

This report contains forecasts and expectations that relate to future plans and strategies in addition to the expected financial results of the Toyota Boshoku Corporation and the Toyota Boshoku group.

Within are estimates based on assumptions and opinions that have been formed by the company from the information available at the time of writing.

They involve risks and uncertainties.

Accordingly, actual results may differ from the company's forecasts.