



Purpose of the Human Capital Report

Based on our Vision, “Looking into the future, we will create tomorrow’s automobile interior spaces that will inspire our customers the world over,” we aim to be a company in which company members with diverse values and ways of thinking can cooperate and grow together. We have prepared this report because we believe that in order for our various stakeholders to better understand our company, it is necessary to clarify the challenges and goals of our current human resource strategy, and to publicize our initiatives in this area.

Going forward, we will maximize the value of human capital and enhance corporate value through dialogue and feedback on the content of this report.

Overview of human capital strategy



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Scope of reporting

The information in this report applies to the Toyota Boshoku group in Japan and other regions throughout the world. However, the scope of reporting differs for each initiative. Information disclosure in this report is carried out using the reporting definitions shown on the right.

- Toyota Boshoku group: Japan, The Americas, China, Asia & Oceania, and Europe & Africa regions
- Toyota Boshoku: Toyota Boshoku Corporation
- Japan region: Toyota Boshoku Corporation and Japan affiliates

Period covered by the report

This report contains performance data for fiscal 2023 (from April 1, 2022 to March 31, 2023). Some information on activities outside this period is also included.

The company we aim to become

Vision

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

QUALITY OF TIME AND SPACE

Offer “QUALITY OF TIME AND SPACE” in all mobility



* Mobility as a Service: This is a concept for seamlessly linked new mobility that combines all types of transportation other than personally owned vehicles as one service

Message from the CHRO



Striving to harness the potential of our diverse human resources and create a culture in which people around the world say, “I like Toyota Boshoku”

Yasuhiro Fueta
Chief Human Resource Officer

Aiming to be a company where people with diverse identities can come together and flourish

I believe that human resources are a company’s most crucial asset. The 2030 target of the Toyota Boshoku group is to “become a company, as an Interior Space Creator, which realizes comfortable mobility spaces and contributes to solving social issues while expanding our product range and customer base.” To achieve this, we need to create an environment in which people with diverse identities are attracted to the Toyota Boshoku group and come together, freely sharing their opinions and respecting each other, so that new values and ideas can continue to be born. Returning once again to the words of Sakichi Toyoda, founder of the Toyota Group and founder of Toyota

Boshoku (the current Toyota Boshoku), “Open the door, it’s a big world outside,” we want to build mechanisms that allow all company members to take on challenges with a sense of excitement and flourish as they look toward new possibilities.

Developing the potential of each and every company member as a major force for our growth and development

In 2004, Toyoda Boshoku, Araco, and Takanichi merged to form Toyota Boshoku, and in recent years, members of Aisin Shiroki’s automotive seat business and Toyota Auto Body Seiko have joined us. We also actively recruit non-Japanese members, people with disabilities, and mid-career professionals, bringing

together a diversity of talent. At the same time, I feel that we have yet to fully optimize the potential of these diverse human resources.

I believe that if we can leverage the views and ideas of each company member, or the abilities and potential that he or she is unaware of, in our business activities, it will be a great source of strength and has tremendous potential to lead to the dramatic growth of the Toyota Boshoku group. In 2023, we launched a 100-Member Committee (see figure below) consisting of members with diverse identities, both from Japan and outside Japan, and we are drawing on these members’ diverse approaches and ideas in our HR strategy and personnel system reforms.

Clarifying the HR challenges in order to grow into an Interior Space Creator

Our customers’ expectations for a comfortable automobile interior space are expected to grow in the future due to changes in the automotive market along with the evolution of battery electric vehicle (BEV) and MaaS,* as well as the diversification of user needs. To properly seize this opportunity, besides honing our MONOZUKURI competitiveness we will need to enhance the value we provide to customers and expand our customer base, growing into an Interior Space Creator that can plan and propose the entire automobile interior space. To achieve this, we need to formulate an HR strategy that is consistent with our business strategy. We

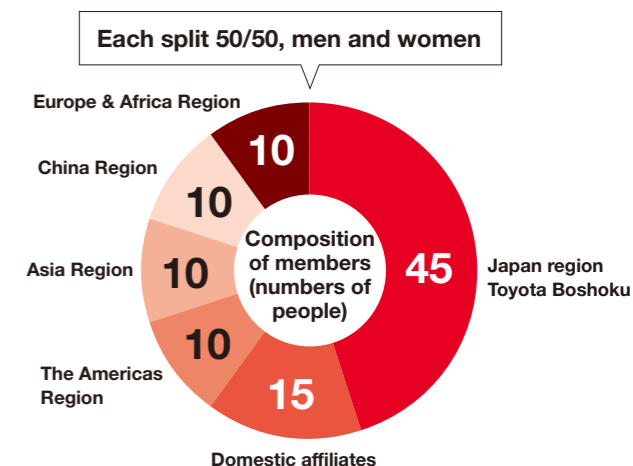
have clarified the areas of activity where human resources are needed, as well as their quality and quantity, and again reviewed how to secure them, and how to create an organization that can draw out the full potential of these human resources and enable them to play an active role. We then defined the themes to be addressed, our target, and the specific personnel measures, and established KPIs to manage their progress.

Aiming to be a company that attracts even more people, and which resonates with them

We have inherited and will continue to embody Sakichi Toyoda’s founding spirit of “for the world and for people,” and we hope to be a company that attracts and resonates with many more people. In recent years, the environment surrounding human resources has changed dramatically with the declining birthrate, aging population, increasing mobility of human resources, and the emergence of ChatGPT, among other developments. Our human capital management initiatives are only just getting started. By establishing and leveling up a cycle of human capital management to achieve our desired status, we hope to realize the well-being of all our company members, their families, and our customers. We will continue to promote our transformation into a culture of which people around the world can say, “I like Toyota Boshoku.”

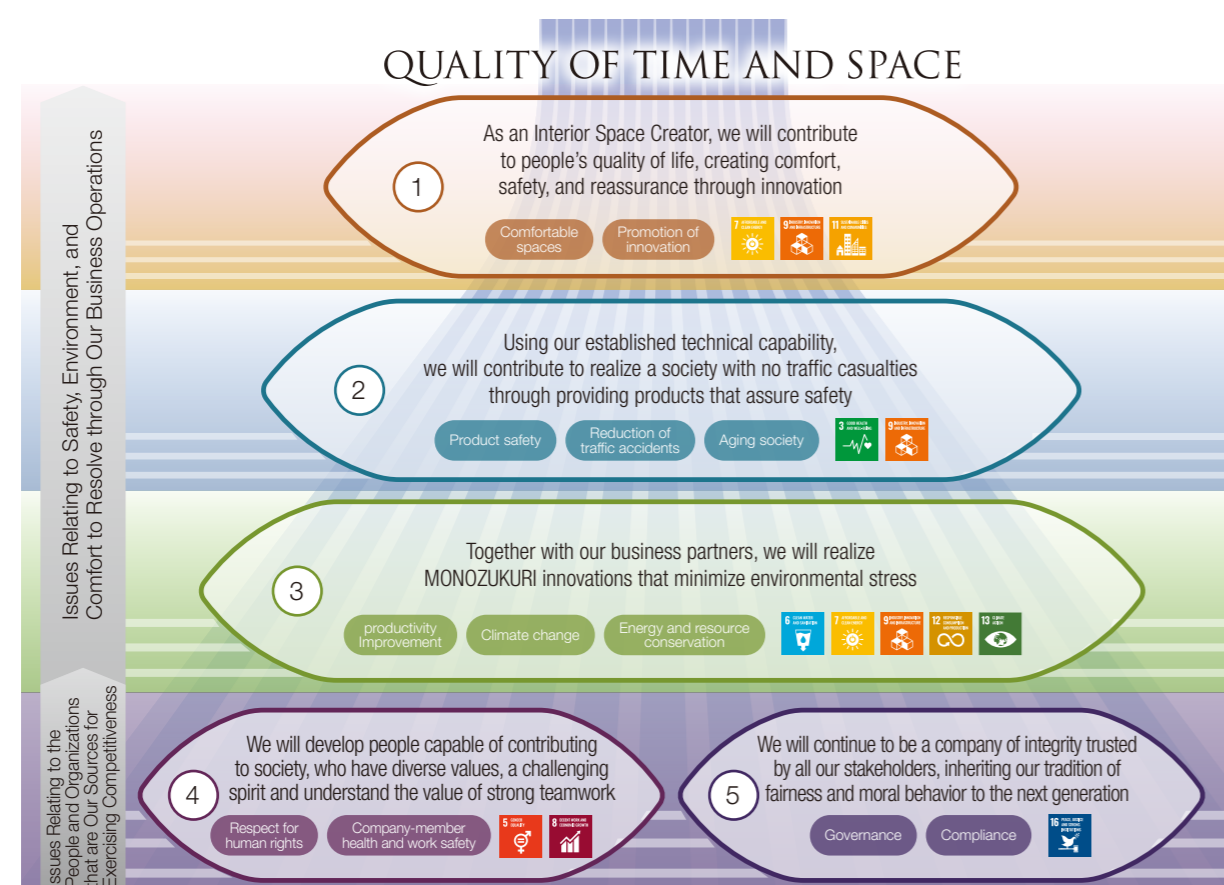
100-Member Committee

Objective	Establish a committee composed of members covering a diversity of human resources in terms of qualification, job type, site, and gender, and have members representing each position give us their opinions to ascertain the “real voices” of a broad spectrum of company members, so as to create better HR strategy and personnel measures
Members	Select members with as little bias as possible in terms of department, age, gender, and other attributes
Activities	Provide candid opinions and feedback on the HR strategy and measures, etc. currently under consideration (1) Participate in opinion exchange meetings (2) Respond to questionnaires on personnel measures



Materiality

Toyota Boshoku Group's Materiality



In the figure, the vertical lines are like the warp threads in a loom, representing society, while the interwoven horizontal weft threads represent the group. The five materialities are represented by shuttles, which pass weft threads between the warp threads, as a representation of the group's interwoven efforts to achieve its Vision and realize a sustainable society through its business operations.

About materiality

In July 2020, we identified the key issues to be prioritized through our business operations from among a variety of social issues, and defined as five materialities the approach we adopt to resolve them. To achieve our Vision, we are working to resolve issues related to Safety, Environment, and Comfort (①, ②, and ③) through our business strategy, and at the same time, we are promoting human resource strategy initiatives to resolve issues related to People and Organizations (④ and ⑤) in order to demonstrate our competitiveness.

Connection between materiality and human capital management

Issues Relating to Safety, Environment, and Comfort to Resolve through Our Business Operations

Materiality	The meaning and concepts of materiality	Related SDGs
<p>1 As an Interior Space Creator, we will contribute to people's quality of life, creating comfort, safety, and reassurance through innovation</p>	<p>Toyota Boshoku group has consistently developed its operations "for the world and for people," expanding from textiles into automotive interiors and contributing to the enhancement of safety and reassurance in people's daily lives. We are evolving into an Interior Space Creator, providing products and services such as those employing sensor-based biometric information to achieve comfort, which means enabling people to live with confidence while staying true to themselves (realization of smart cities).</p>	
<p>2 Using our established technical capability, we will contribute to realize a society with no traffic casualties through providing products that assure safety</p>	<p>To contribute to the ambitious target of a society of "zero traffic casualties," we will continue to offer high-quality, high-safety products (integrated seats, seatbelts, airbags, and other such products) and services that optimize Toyota Boshoku's strengths in R&D that is part of Toyota Boshoku's identity.</p>	
<p>3 Together with our business partners, we will realize MONOZUKURI innovations that minimize environmental stress</p>	<p>Aiming for a sustainable global environment in which children can live happily with smiles on their faces, we will make effective use of business resources and achieve the targets set out in our 2050 Environmental Vision, including zero CO₂ emissions, zero wastewater from production processes, and minimal volumes of natural resources used and waste produced. To accomplish this, we will work with our business partners to realize innovation and improve productivity in MONOZUKURI (and all manufacturing-related processes), utilizing the latest leading-edge technologies.</p>	

Issues Relating to the People and Organizations that are Our Sources for Exercising Competitiveness

Materiality	The meaning and concepts of materiality	Related SDGs
<p>4 We will develop people capable of contributing to society, who have diverse values, a challenging spirit and understand the value of strong teamwork</p>	<p>To continue challenging ourselves to find solutions for the world's problems, we will develop autonomous human resources by bringing together talented individuals from around the world, who understand different ideas and ways of thinking, respect one another, and think together.</p>	
<p>5 We will continue to be a company of integrity trusted by all our stakeholders, inheriting our tradition of fairness and moral behavior to the next generation</p>	<p>To continue being a company that is trusted by all stakeholders and grows together with them, we will continue to practice "ensuring that our corporate activities are fair and transparent," as enshrined in our corporate philosophy and the Principles of Toyota that embody the concepts of Sakichi Toyota, while "doing what is right" as laid down in the TB Way.</p>	

Business strategy and the areas of activity

Key points of business and HR strategies for achieving materiality

Business and HR strategies

Based on our knowledge and technology in automobile interiors, we are in a position to provide value for the next generation of mobility and offer mobility services that match the demands of our customers.

Leveraging this strength, we will focus on providing future-oriented mobility services and respond flexibly to market changes.

Furthermore, we have the potential to propose and realize new value not only globally, but also in a wide variety of markets outside the automotive sector, such as aviation and Shinkansen (bullet trains).

In order to utilize this potential and realize our business strategy, we believe it is important to improve our capability in terms of both added value and markets, and have defined three areas of focus as our areas of activity.

As our HR strategy, we will work to acquire the human resources needed in each of these areas.

Three areas of activity

1. Core area: Promotion of MONOZUKURI enhancement and DX

In the core area, which is our primary business, we will strengthen our competitive advantage by improving the quality of manufacturing and increasing efficiency through the promotion of digital transformation (DX). We will focus on acquiring and training highly skilled and talented human resources.

2. Customer expansion area: Market expansion

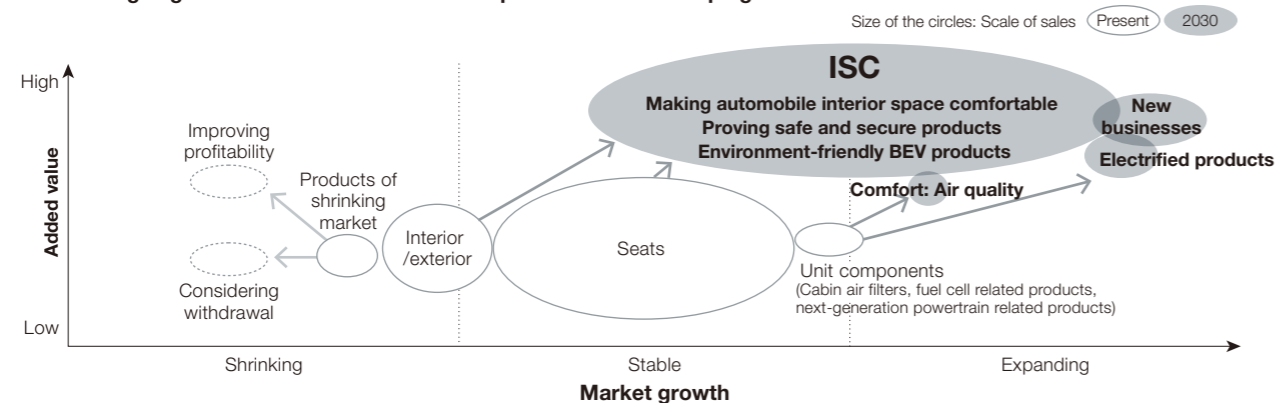
In the customer expansion area, we will work to expand existing markets and enter new markets. Here, it will be essential to strengthen our marketing and sales teams to meet market needs. In this area, we will respond flexibly to the market by actively recruiting outstanding marketing professionals with a global perspective, in addition to training and promoting local executives outside of Japan.

3. New value area: Expansion of value provision

In the new value area, we will expand the value we provide through innovative approaches, and develop new business fields. We are looking to recruit people who can draw on creative, out-of-the-box thinking to come up with issues and questions to tackle, and design solutions to realize a new vision.

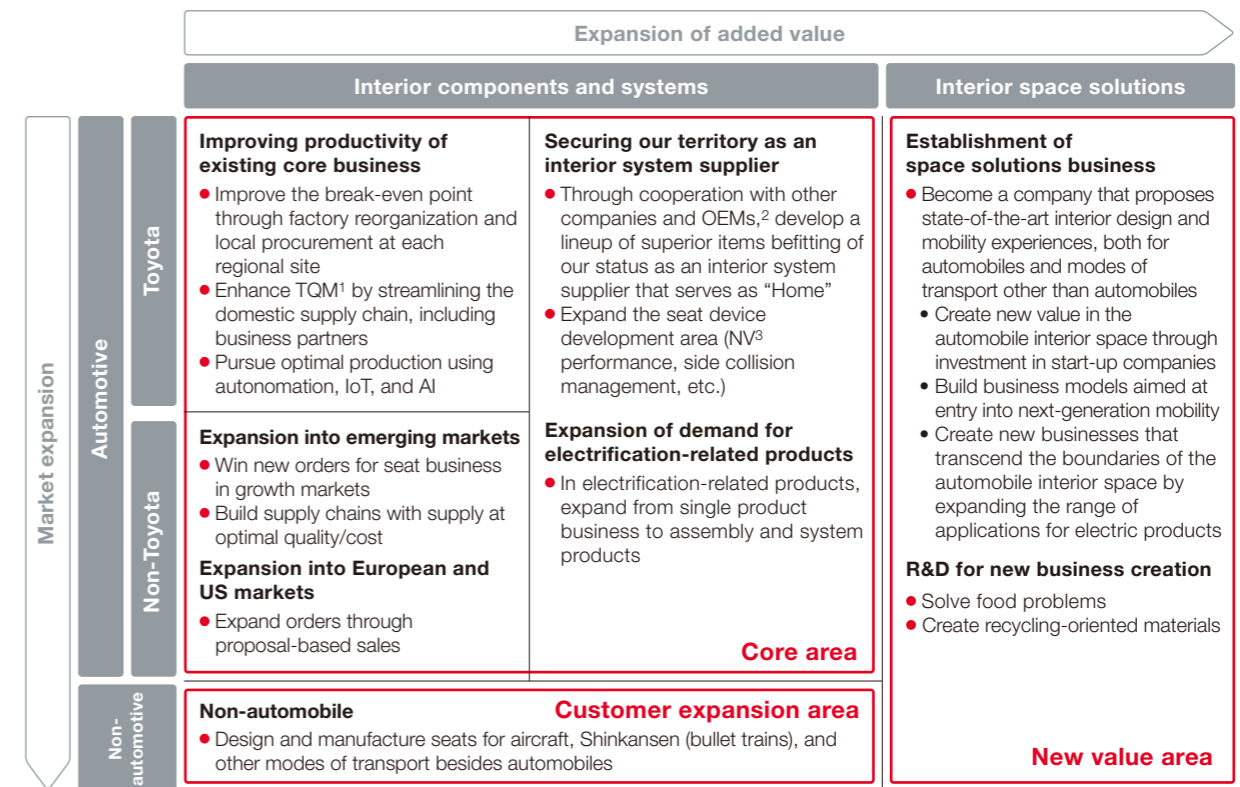
Image of a Business Portfolio

- Expanding added value beyond the classification of seats and interior/exterior components as the Interior Space Creator (ISC)
- Investing in growth fields such as electrified products and developing new businesses



1 Total Quality Management: To maintain a flexible and resilient corporate structure, aiming to increase the capabilities of humans, the organization and processes founded on the basic TQM philosophy of "total participation," "customer first," and "continuous kaizen."
 2 Original Equipment Manufacture
 3 Noise and Vibration
 4 Connected, Autonomous, Shared, Electric

Three areas of activity



Area	Definition	Required human resources
Core area	An area in which we create high-quality products and leverage our advanced technological capabilities to expand the types and functions of our products	<ul style="list-style-type: none"> Human resources capable of strengthening the fields of electronic control and information technology Human resources who can fundamentally reform the way business is conducted by utilizing DX Maintenance personnel with expertise in both hardware and software Human resources with outstanding sewing skills
Customer expansion area	An area in which we increase product sales to growth markets and build efficient supply chains to promote expansion worldwide, including into non-automotive fields (additional brands, geographic regions, sectors)	<ul style="list-style-type: none"> Local executive human resources on a global basis Human resources with global planning and negotiation skills Human resources from different industries, who can re-examine business strategy Marketing personnel responsible for developing new markets and expanding our customer base
New value area	An area in which we develop projects to address new types of mobility and future mobility spaces, make pioneering proposals for the CASE ⁴ and MaaS markets, and conduct R&D for new business creation	<ul style="list-style-type: none"> Human resources capable of creating new value through integration of advanced technologies and their insight into trends Human resources who can design spaces based on specialized fields such as Kansei engineering and ergonomics Human resources with the ability to think and act with an eye on the future Human resources who can solve social issues and help to create an enriched society

Human resource strategy target

Human resource strategy themes and target

To realize our business strategy, we will address human resource measures under seven themes, and define the goal of each initiative as the “target.”



HR strategy	Target
1 Clarification of required human resources	Aim to secure the required human resources in the three areas of activity in a timely and efficient manner by establishing systems for recruiting and developing human resources based on the human resource portfolio, and for monitoring human resource activities. → p. 11
2 Securing of talented human resources	Maintain or enhance the competitiveness of personnel recruitment required in the areas of activity in order to become an Interior Space Creator and expand globally. → p. 13
3 Support for growth	From the perspective of seeking innovations for the future, aim to develop human resources who bring flexibility and creativity, and contribute to the growth of the organization as a whole through their deep knowledge as experts and understanding of a wide range of industries and business perspectives. → p. 15
4 Penetration of Diversity & Inclusion	Aim to create an organization in which people with diverse backgrounds and values can create new value by respecting and optimizing each other's differences. → p. 17
5 Pursuit of ease of working	Through the development of flexible, efficient, and creative work rules and an open workplace, encourage new challenges and create an environment in which company members can work happily with enjoyment. → p. 19
6 Promotion of health & safety	Based on the belief that priority should be placed on health and safety at work, promote health management and safety & health management to realize an environment in which company members are both mentally and physically healthy, and can work with peace of mind. → p. 21
7 Adherence to compliance and ethics	Aim for continuous organizational operation and a reliable environment by implementing initiatives as well as risk management to ensure adherence to compliance and respect for human rights. → p. 23

HR strategy

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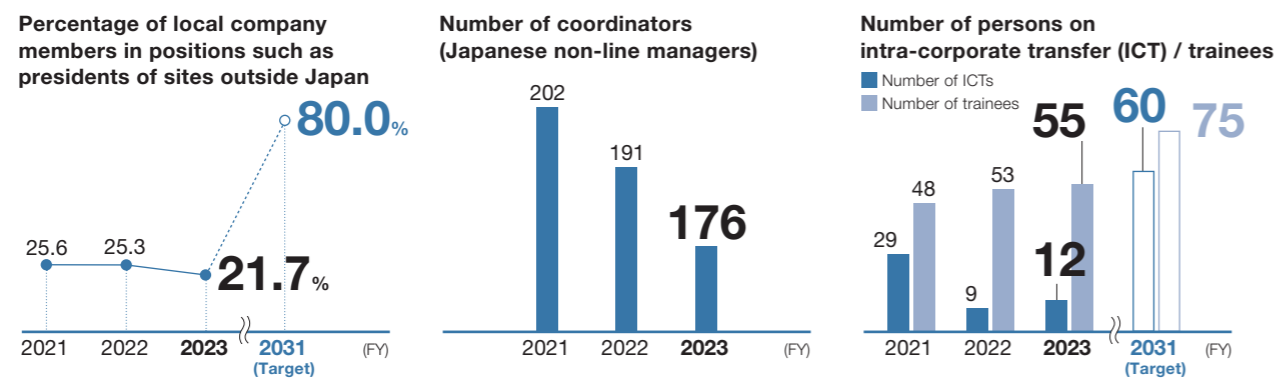
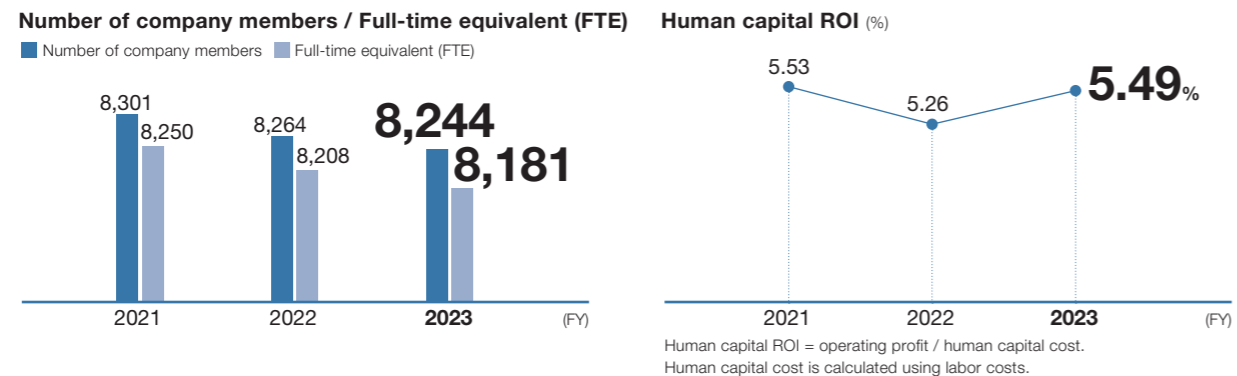
Clarification of required human resources

Aim to secure the required human resources in the three areas of activity in a timely and efficient manner by establishing systems for recruiting and developing human resources based on the human resource portfolio, and for monitoring human resource activities

We are formulating our HR portfolio by analyzing medium-term market changes, technological advances, and competitive trends, and by clarifying the quality and quantity of human resources needed. By regularly monitoring the progress of our plan, conducting reviews, and linking this to hiring and training measures, we will realize prompt and appropriate HR recruitment. Furthermore, with regard to the success of the human resources we have secured, we have established specific KPIs and evaluation criteria, and are building a system that will allow us to continuously monitor their adaptability and results.

We are also promoting the appointment of local personnel as the presidents of business sites in countries outside Japan and at Regional Management & Collaboration Hubs, and are also pressing on with initiatives so as to optimize seconded coordinators (non-Japanese line managers) and shift returning employees to new areas. Through these initiatives, we will implement optimal use of human resources throughout the company and contribute to enhancing the performance of the entire organization.

FY2024 data



Priority policies and specific initiatives

Priority policy	Policy objective	Main KPIs
Drawing up a mid-term headcount plan	<ul style="list-style-type: none"> Establish a structure for systematically securing the human resources needed in the three areas of activity that are essential for future business growth 	<ul style="list-style-type: none"> Human capital ROI Total personnel expenses Number of company members Full-time equivalent (FTE) Number of outside workers
Visualizing KPIs	<ul style="list-style-type: none"> Quantitatively analyze progress on the headcount plan and the success of human resources, and build mechanisms for implementing a PDCA cycle 	

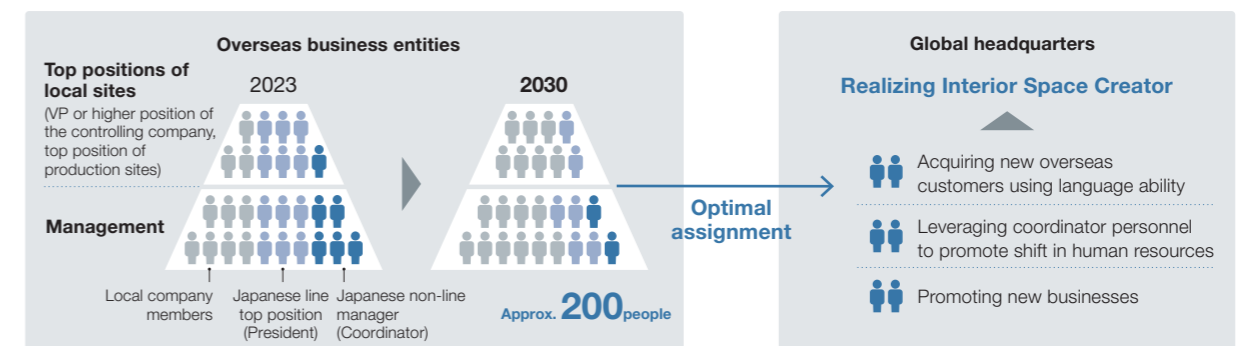
Details

- Formulation of a human resources portfolio**
 Focusing on the three areas of activity, forecast, analyze, and formulate the required capabilities, number of people, and timing.
- Global HR platform**
 Optimize human resource allocation at a global level by applying a common global HR platform for managerial positions and above.
- Visualizing KPIs**
 Based on the mid-term HR portfolio, we are collecting the necessary data and incorporating this into a data infrastructure in order to comprehensively and effectively visualize the activities of the human resources we have secured and to make management decisions using quantitative data.

Priority policy	Policy objective	Main KPIs
Resource shift to new areas through optimization of coordinator assignment	<ul style="list-style-type: none"> Operate overseas businesses under a cleaner structure by enabling direct interaction between company members at the head office in Japan and local company members at overseas entities, and shift resources to new areas 	<ul style="list-style-type: none"> Percentage of local company members in positions such as presidents of sites outside Japan Number of coordinators Number of ICTs Number of trainees

Details

- Shift resources to new areas and promote localization of overseas entities**
 Dispatch a large number of Japanese coordinators to overseas business entities to ensure smooth coordination with the head office in Japan. Promote the appointment of local personnel as the presidents of business sites in countries outside Japan and in senior positions at Regional Management & Collaboration Hubs so as to optimize these coordinators and enable returning company members to flourish in new areas (such as ISC and BEV).
- Promote globalization of Japan head office**
 Actively accept intra-corporate transfer (ICT) personnel/trainees from various sites, including mid-level company members, in order to facilitate communication between local members of overseas business entities and the head office in Japan. In addition, establish a system whereby sites outside of Japan can contact and consult directly with each function, segment, and field at the head office in Japan, with the returned secondees (including coordinators) as the contact points.



HR strategy

2 Securing of talented human resources

Maintain or enhance the competitiveness of personnel recruitment required in the areas of activity in order to become an Interior Space Creator and expand globally

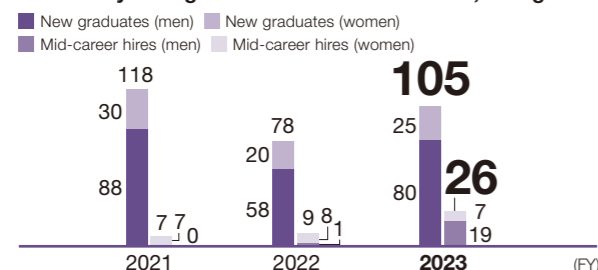
In an increasingly competitive market, the key to our success as an Interior Space Creator will be to secure the best talent. We will realize our business strategy by clearly setting out the skills and experience needed for the three areas of activity, and by proactively bringing in talented people who match these requirements.

In terms of the target demographic for recruitment, we will broaden our sights beyond Japan to the global market, where population growth is anticipated, to secure personnel from diverse backgrounds who are a good match for the culture and needs of each region.

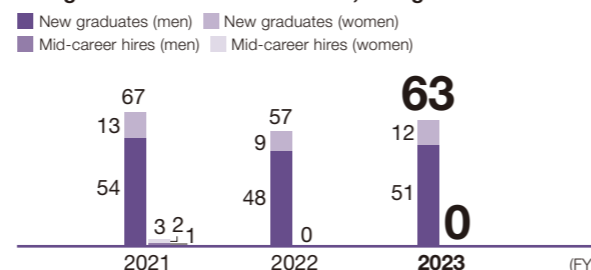
In addition, many company members are involved in hiring activities. By having them talk more widely about the appeal and future of Toyota Boshoku in their own words, we are working to attract human resources who share their aspirations, while eliminating any mismatch between the company and prospective employees. Once they have joined the company, we carefully follow up with new recruits to ensure smooth communication in the workplace, through individual meetings between the new recruit and HR staff, as well as through training for supervisors and senior personnel.

FY2024 data

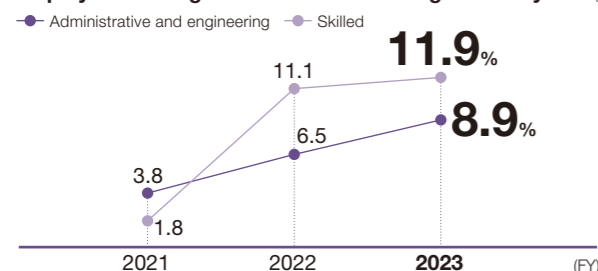
Administrative and engineering employees: Number of recruits by new graduates/mid-career hires, and gender



Skilled employees: Number of recruits by new graduates/mid-career hires, and gender



Administrative and engineering employees / Skilled employees: New graduate recruits leaving within 3 years (%)



<Reference>

- Turnover rate of new graduate recruits leaving within 3 years (March 2018 graduates)
 - University graduate recruits: 31.2%
 - High school graduate recruits: 36.9%
- Turnover rate of new graduate recruits in manufacturing positions leaving within 3 years
 - University graduate recruits: 19.0%
 - High school graduate recruits: 27.2%

Source: Ministry of Health, Labour and Welfare, published data on turnover rate for new graduate recruits (March 2018)

Priority policies and specific initiatives

Priority policy	Policy objective	Main KPIs
Secure human resources	<ul style="list-style-type: none"> Bring together outstanding human resources from diverse backgrounds who can demonstrate their unique potential in the three areas of activity and who share our aspirations 	<ul style="list-style-type: none"> Number of new graduate/mid-career recruits Number of foreign national recruits Average years of service Turnover rate of new graduate recruits leaving within 3 years

Details

- **New graduate recruitment**
 - Expand the target demographic**
Conduct recruitment activities including previous graduates who have no employment history and non-Japanese university graduates, etc. Strengthen partnerships with high schools involved in new development and technical fields to attract young people who can work in the core and new value areas.
 - Improve retention of new company members**
Provide support in line with the individual wishes and growth of new company members through measures such as post-assignment questionnaires and individual interviews, and interviews with supervisors/senior personnel using a development record chart.
In addition, conduct communication skills training for direct supervisors/senior personnel to promote smooth communication with new company members.

- **Mid-career recruitment**
 - Referral recruitment**
Hire through referrals from acquaintances of company members, in order to both assess whether a person has the ability to become an immediate asset and whether they share the company's aspirations, as well as to hire speedily.
 - Alumni recruitment**
Hire OBs/OGs of the company.

Priority policy	Policy objective
Communicate our appeal externally (enhance recognition of the company)	<ul style="list-style-type: none"> In order to effectively communicate Toyota Boshoku's appeal and aspirations to potential recruits from various backgrounds, focus on interaction with candidates and PR to enhance recognition of the company and our brand

Details

- **Interaction with potential new graduate recruits and PR activities**
 - Offer internships**
Deepen understanding of the company and its culture by, for example, working on topics such as "Research and development of urethane material that contributes to carbon neutrality" and "Design and development of seats to be installed in globally deployed vehicle models" for around three weeks, while receiving support and feedback from senior company members, interacting with numerous senior members and gaining experience of giving presentations on the results during this time.
 - Dialogue and PR activities by OB/OG recruiters**
 - Conduct small-group round-table discussions within schools**
Interact not only with students seeking employment, but also with younger students to convey the company's appeal.
 - Collaborate with university research labs**
By clarifying the human resources needed, collaborating with universities from an early stage, and linking this to training and recruitment, eliminate mismatches and acquire human resources capable of advanced R&D, who also possess the deep expertise required in new customer and new value areas.

- **Digital PR activities**
 - Utilize social media to disseminate the company's culture and internal atmosphere
 - Publish a video showing the company's activities and the voices of company members
 - Hold company exhibitions and exchange meetings with students in a virtual space



Internship for engineers

HR strategy

3 Support for growth

From the perspective of seeking innovations for the future, aim to develop human resources who bring flexibility and creativity, and contribute to the growth of the organization as a whole through their deep knowledge as experts and understanding of a wide range of industries and business perspectives

In order to develop people capable of contributing to society, who have diverse values, a challenging spirit and understand the value of strong teamwork, we have formulated the TB Way competencies (the type of people we are looking for and job performance standards), based on our management philosophy, as our basic approach to developing and appointing human resources. We train and appoint people globally who can demonstrate well-balanced abilities in the four areas of “strategic planning,” “carries out the plan,” “strengthens talents and organization power,” and “humanity.”

To nurture human resources who can play an active role in each of the three areas of activity, we are developing executive and management-level personnel, providing training and career opportunities beyond an individual’s own area of expertise, and are developing digital human resources. In particular, we will bolster skills and technical capabilities in the core area, and global responsiveness in the customer expansion area. In the new value area, we are focusing on developing the necessary experts in each field for making pioneering proposals, as well as executive and management-level personnel to construct new business models.

While building on the foundation of each individual’s expertise, we are nurturing human resources who have their sights set on a wide range of fields and who possess new insights for adapting to a changing business environment.

FY2024 data

		FY2021	FY2022	FY2023
Total cost related to development training	(Billions of yen)	1.11	1.18	1.35
Average training hours per company member	(Hours)	19.1	17.6	18.8

		FY2023
Number of persons commended as Outstanding Technicians (Aichi Master Craftsmen) in Aichi Prefecture		3
Number of winners of Ministry of Education, Culture, Sports, Science and Technology Award: Prize for Creativity and Ingenuity		8
Number of winners in the National Skills Competition		4
	Expert level	4
Number of persons who passed the skills test	Level 1	28
	Level 2	30
Number of participants in global executive training programs		138



Global executive training program

Priority policies and specific initiatives

Priority policy	Policy objective	Main KPIs
Developing executives and future managers	<ul style="list-style-type: none"> In addition to deepening existing businesses, develop next-generation management candidates who can lead market expansion and build new business models, which are essential for enhancing the company’s value 	<ul style="list-style-type: none"> Number of participants in global executive training programs
Providing education and careers beyond an individual’s own area of expertise	<ul style="list-style-type: none"> Provide learning opportunities for all aspiring talent, and develop company members with diverse perspectives through varied work experiences and knowledge of other companies and industries 	
Digital human resource development	<ul style="list-style-type: none"> Aim to develop human resources equipped with the knowledge to safely utilize digital tools and effectively utilize data, so that company members are able to promote digital transformation (DX) with a sense of urgency to realize business reforms for securing future competitiveness 	

Details

● **Developing executives and future managers**

Promote the optimal global allocation of human resources with a focus on development, regardless of their background, based on discussions at the Global Succession Committee by Top Executives (GSCT) for executive management successor candidates, the Global Succession Committee (GSC) for candidates for presidents of business entities and top functional positions outside Japan, and the Regional Succession Committee (RSC) for other key posts.

Outline of the GHR Platform (global common HR system)



● **Global executive training programs**

Develop candidates for future executive management.

● **Supporting company members’ desire to learn and providing opportunities to learn**

We have introduced “Share Pro,” a *Furusato kengyo* cross-sector training program in which participants work on business promotion and management innovation projects of regional SMEs and organizations for a limited period of time. This enables company members to learn from industries and fields outside their own area of expertise, and to think “outside the box” in the workplace. In addition, to encourage company members to take on new challenges, we are currently expanding the scope of our internal recruitment system, which allows members to transfer to a division or post of their choice, to include younger company members.

● **Digital human resource development**

- Promote use of the optimal digital tools to support business process reform
- Strengthen human resources capable of making effective use in business of the growing volumes of data
- Acquire knowledge for the safe use of digital tools/data

Priority policy	Policy objective	Main KPIs
Strengthening and developing skills	<ul style="list-style-type: none"> Establish a system to systematically secure the human resources needed in the areas of activity that are essential for future business growth 	<ul style="list-style-type: none"> Number of persons commended as Outstanding Technicians (Aichi Master Craftsmen) in Aichi Prefecture Number of winners in the National Skills Competition Number of persons who passed the skills test
Energizing innovation	<ul style="list-style-type: none"> Foster a culture of innovation and plant the seeds for business growth 	

Details

● **Developing the human resources required in the core area**

Support the improvement of workplace capabilities through knowledge training and practical training with the aim of developing human resources capable of achieving high levels of safety, quality, delivery, and cost on a global basis. An internal Skills Competition is held to verify the degree of development of technicians. At the Toyota Boshoku Technical Skills Academy, efforts are underway to win prizes at the National Skills Competition, with the aim of developing human resources who can serve as the future leaders of technical workplaces.

● **Developing the human resources required in the new customer expansion area and new areas**

- Re:act, We:ave**
Continuously implement two programs (Re:act and We:ave) with the aim of expanding our business fields and developing leaders in the creation of new businesses. Raise the company’s overall level to foster a culture of innovation, and develop company members who will actually serve as the leaders of new businesses.
- Creating an environment conducive to fostering innovation and new businesses**
Promote measures such as establishing a system to dispatch company members to venture companies, peer companies, and universities with the aim of acquiring new values and ways of thinking, and establishing a division specializing in planning new businesses.

HR strategy

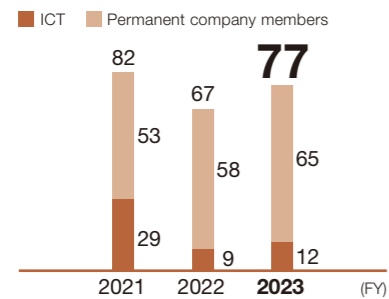
4 Diversity and inclusion

Aim to create an organization in which people with diverse backgrounds and values can create new value by respecting and optimizing each other's differences

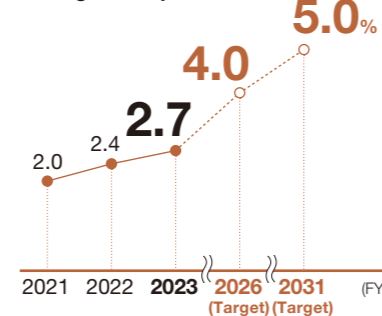
We believe that energizing innovation through the fusion of diverse knowledge and ideas is essential for business expansion and the creation of new businesses. To this end, we are working to create an organization in which people with different backgrounds, attributes, and values, including gender, age, nationality, and physical ability, play a natural role in the company, where individual differences can be turned into strengths, and where people can enhance each other's abilities and thrive. As part of this process, the Toyota Boshoku group is promoting the creation of an open workplace culture in which everyone can openly and freely express their ideas, as well as activities to broaden the range of work style options according to each individual's characteristics. Through these activities, we aim to develop a basic environment in which company members can be themselves and cooperate with each other, while at the same time building an organization that can create new value from multiple perspectives.

FY2024 data

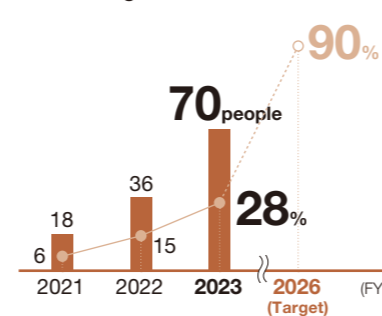
Number of non-Japanese company members



Ratio of women in management positions



Number and ratio of men taking childcare leave



ENRG Women's Team kickoff



Creating work schedule that make it easy for women to work even during childcare

Priority policies and specific initiatives

Priority policy	Policy objective	Main KPIs
Employee Network Resource Group (ENRG)	<ul style="list-style-type: none"> Promote diversity and inclusion by bringing together company members with diverse backgrounds, attributes, and values to jointly consider and implement policies and programs that enable each member to fully demonstrate his or her abilities 	
Work-life balance	<ul style="list-style-type: none"> Support company members facing various life events, such as childcare and nursing care, to balance their careers by giving them a variety of options 	<ul style="list-style-type: none"> Number and ratio of company members using short-time working system Number and ratio of men taking childcare leave Number of Skill Comeback system users

Details

- ENRG (Employee Network Resource Group)**
 Established in fiscal 2023, this Group is working to ascertain the real views of company members and discuss measures to promote their success. To date, ENRGs for women, young people, non-Japanese company members, seniors, and people with disabilities have been established and are expanding their activities.
- Enhancing measures to support work-life balance**
 - New establishment of Life Support Leave: A leave system that can be taken for a wide range of reasons, such as family care and infertility treatment, is scheduled to begin in April 2024.
- Program of financial assistance for childcare leave:** The company provides financial assistance to relieve both men and women of financial concerns during childcare leave.
- Enhancement of short-time working system:** Expand the eligibility and working hour options. Establish a flexible work environment including elimination of core time, flexible working hours, and teleworking.
- Holding career seminars before and after childcare leave**
 Provide opportunities to think about future career, including the involvement of supervisors and spouses, in anticipation of returning to work after childcare leave.

Priority policy	Policy objective	Main KPIs
Promoting active roles for diverse human resources	<ul style="list-style-type: none"> Aim to create an organization in which company members are given opportunities for personal growth, feel fulfilled and motivated in their work, and can realize their full potential, regardless of life events, age, cultural differences, language, or physical ability 	<ul style="list-style-type: none"> Ratio of management positions Wage differential between men and women Number of company members making use of re-employment system Percentage of senior citizens continuing employment Number of persons with disabilities employed Ratio of persons with disabilities employed

Details

- Career support for women**
 Develop an environment that allows a work-life balance, raising awareness on the part of the individual and their supervisor, and registering and training priority trainees at each workplace.
- Drawing on the expertise of seniors**
 In order to draw on the personal aspirations, experience, skills, and expertise of members, implement a job posting system (an internal recruitment system for employees aged 50 years and over), flexible operation of the retirement age for different positions, and overseas secondment of re-employed members. In the post-retirement (age 60 and over) reemployment system, a review of duties and compensation is underway to improve job satisfaction.
- Active recruitment of non-Japanese company members and acceptance via intra-corporate transfer (ICT)**
 To enhance our ability to respond to globalization, invite to Japan more overseas members—as future executive candidates—in addition to actively hiring non-Japanese company members. Proactive efforts are underway to strengthen the language skills of personnel within Japan.
- Employment of persons with disabilities**
 To provide the support needed for each individual, a consultation service has been set up, and a system has been established that allows a person with disabilities and/or their supervisor to consult with the service staff.
- Offering internships**
 Offer internships for non-Japanese company members and members with disabilities. Eliminate anxiety by fine-tuning job descriptions and the support required prior to joining the company.

Priority policy	Policy objective
Responding to sexual diversity (LGBTQ+ community)	<ul style="list-style-type: none"> Establish a reassuring work environment for LGBTQ+ members, and be an organization that respects all forms of sexuality
Creating people-friendly processes and environments	<ul style="list-style-type: none"> Create a workplace in which people with a variety of attributes and characteristics, including seniors, people with disabilities, and people who are unable to work full time, can work comfortably

Details

- Apply internal marriage and family-related systems to same-sex couples**
- Design processes and create an environment that is easy for anyone to work in**
- Promote education for managers and supervisors**

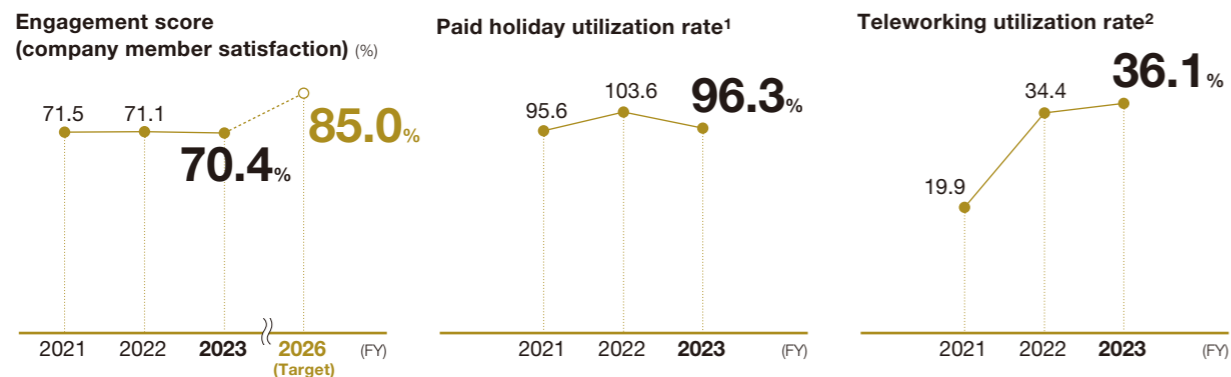
HR strategy

5 Pursuit of ease of working

Through the development of flexible, efficient, and creative work rules and an open workplace, encourage new challenges and create an environment in which company members can work happily with enjoyment

As part of Toyota Boshoku's vibrant work style innovation, we are promoting the development of more flexible, efficient, and creative work rules. At the same time, we are focusing on fostering an open workplace culture where everyone can openly and freely express their ideas, in which company members can work happily and energetically with a sense of enjoyment. Furthermore, in order to quantitatively evaluate the extent to which company members feel vibrant and fulfilled, we have introduced the KPI on vibrant work environment as a company-wide metric, and we are working to improve the system and environment in order to further enhance this. We will work at an even higher level to realize both our business strategy and the vitality of our company members.

FY2024 data



1 The paid holiday utilization rate may exceed 100%, as it is calculated by dividing the number of days of paid holiday taken (including paid holiday carried over from the previous fiscal year) by the number of days of paid holiday granted (excluding paid holiday carried over).
 2 Total utilization frequency ÷ number of days worked (excluding manufacturing workplaces)



Open community space



Priority policies and specific initiatives

Priority policy	Policy objective
Fostering an open workplace culture	<ul style="list-style-type: none"> Energize communication between top management, supervisors and subordinates, and build relationships where people are able to "ask and tell"
Enhancing mechanisms for gathering feedback from company members	<ul style="list-style-type: none"> Gather honest feedback from a diverse range of company members in terms of qualification, job type, site, and gender, to create better HR strategies and policies

Details
<ul style="list-style-type: none"> Creating an open workplace <ol style="list-style-type: none"> Internal training Hold lectures by experts on creating an open workplace, and training to acquire a sense of gratitude and considerate communication. Communication of the Top message Recognition of the views of company members "People skills" has been added to the job evaluation criteria based on a system in which persons in various positions, including supervisors, coworkers, and subordinates, give evaluations from multiple perspectives (360-degree evaluation). Building relationships where members are able to "ask and tell" Provide financial assistance for events, etc. to promote collaboration and communication between divisions, and to increase motivation. Also hold in-house events such as regattas, summer festivals, and an Ekiden Championship. Creating a workplace where greetings and expressions of gratitude come naturally Labor and management are working together on Greeting activity, Thanks activity, and Calling names using "san" activity to build mutually respectful relationships. Enhancing mechanisms for gathering feedback from a wide variety of company members Establish a "Committee of 100" to hear the views of members covering a wide range of human resources, representing different positions.

Priority policy	Policy objective	Main KPIs
Promoting vibrant work style innovation	<ul style="list-style-type: none"> Create a workplace where company members can work happily with enjoyment, in which they make improvements independently 	<ul style="list-style-type: none"> Teleworking utilization rate

Details
<ul style="list-style-type: none"> Promoting flexible work styles Develop teleworking systems (including full remote working depending on family circumstances), flextime without core hours, and office reforms to create a flexible work environment. Improving operational efficiency To enable each company member to perform even higher value-added work, promote the reduction of working hours through a system (with incentives) in which each member makes at least one proposal per month for improving company-wide operational efficiency, and by promoting the delegation of authority, reviewing meeting bodies, and establishing no-meeting days.



Ekiden Championship



Summer Festival

1 WHO-HPQ (Health and Work Performance Questionnaire) measures absolute presenteeism. "Presenteeism" refers to a state of affairs where a loss of productivity occurs as a result of a company member's ability to work being impacted by health issues.
2 Employee-wide average number of days of work missed due to injuries or sickness

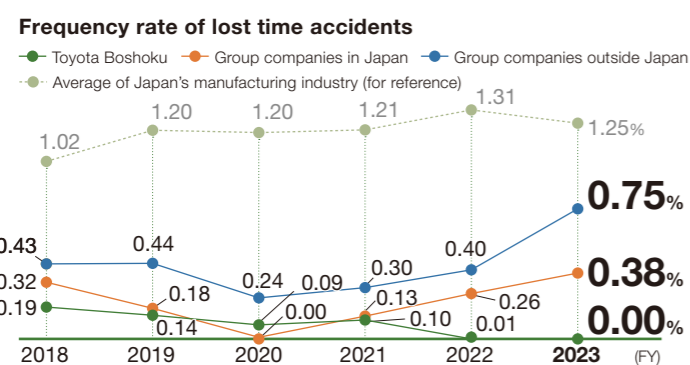
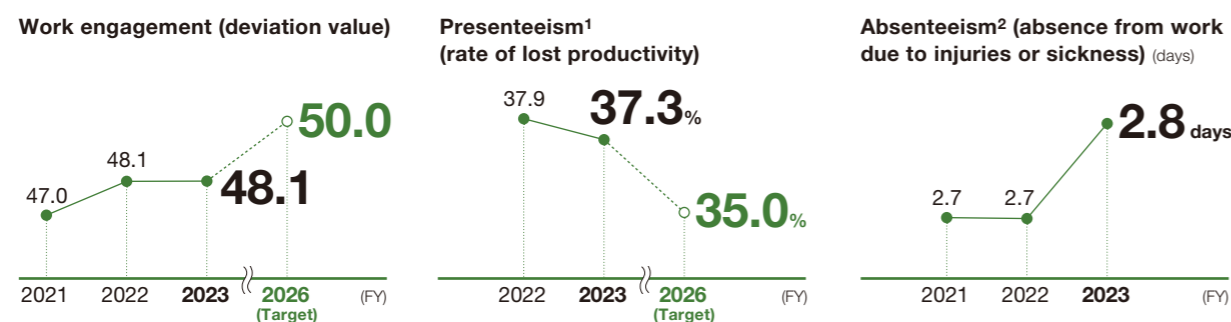
HR strategy

6 Promotion of health & safety

Based on the belief that priority should be placed on health and safety at work, promote health management and safety & health management to realize an environment in which company members are both mentally and physically healthy, and can work with peace of mind

Founded on our Basic Safety and Health Policy, we promote health management and safety & health management to establish a corporate culture in which the priority is placed on safety and health at work. In health management, we regard enhancement of the health of our company members as a management task, and based on the Toyota Boshoku Health Declaration, we are promoting the creation of a company in which every company member can maximize his or her potential by working in good health and with vitality, both mentally and physically. We have established a promotion system in cooperation with related divisions, with the CEO as the person holding chief responsibility, and based on the strategic map we have created, we are making company-wide efforts to improve company members' work engagement, improve presenteeism, and reduce absenteeism. In terms of health and safety, we are conducting activities globally in line with the Occupational Safety and Health Management System (OSHMS) to ensure that a safe workplace environment is realized in all of our workplaces, regardless of region or type of work.

KPI data



	FY2021	FY2022	FY2023
Number of serious accidents involving company members	0	0	0
Number of serious accidents involving outside contractors and visitors	0	0	0

Priority policies and specific initiatives

Priority policy	Policy objective	Main KPIs
Health management	<ul style="list-style-type: none"> By recognizing enhancement of the health of our company members as a management task, realize a state in which every company member can maximize his or her potential by working in good health and with vitality, both mentally and physically 	<ul style="list-style-type: none"> Work engagement Presenteeism (rate of lost productivity) Absenteeism (absence from work due to injuries or sickness) Percentage of those who have an exercise habit (40 years and older) Rate of company members receiving thorough medical examinations after general health checkups

Details

- Health management promotion system**
With the CEO as the person holding chief responsibility, the Health & Safety Promotion Division, the HR Strategy Division, the Corporate Planning Division, and the Health Insurance Association, as the divisions responsible for promotion, hold periodic meetings. Health Activities Promotion Leaders assigned to each division play a central role in proactively promoting health activities.
- Health management strategy map**
Create strategy maps and promote activities based on cross-analysis of health checkup data and stress check results.
- Health literacy improvement**
Carry out the Health Challenge Eight comprising eight items that define a healthy lifestyle to prevent lifestyle-related diseases (proper weight, breakfast, drinking, snacking, non-smoking, exercise, sleep, and stress), with the goal of achieving 5 out of 8 of the Health Challenge Eight targets. Promote behavior change by providing incentives, such as awarding points to company members who achieve targets for events planned within the smartphone app as a support tool.
- Cultivating good physical health**
Hold various health seminars (health seminar for 28/35-year-olds, women's health seminar, sleep seminar), distribute health articles including fitness videos, implement a smoking ban on all premises (since April 2023), provide smoking cessation medication assistance.
- Cultivating good mental health**
Provide self-care and line-care education to prevent mental health issues. For company members with mental health issues, the HR Strategy Division works with industrial physicians and occupational health staff to provide support for returning to work.

Certified as an excellent enterprise of health and productivity management

Following on from our certification in 2022, we were certified as an Excellent Enterprise of Health and Productivity Management 2023 (White 500), in recognition of our activities in fiscal 2023.



Priority policy	Policy objective	Main KPIs
Safety and health	<ul style="list-style-type: none"> Ensure that a safe workplace environment is realized in all of our workplaces, regardless of region or type of work 	<ul style="list-style-type: none"> Frequency rate (lost time or above) Number of serious accidents involving company members Number of serious accidents involving outside contractors and visitors Mortality rate from industrial accidents

Details

- Promoting Occupational Safety and Health Management System (OSHMS) activities**
Having established a unified management system for the Toyota Boshoku group, identify occupational health and safety problems/issues and implement continuous improvement of occupational health and safety.
- Creating a safe workplace environment**
Implement appropriate management measures founded on risk assessment (equipment, chemical substances, and operations), awareness of Safety Basic Behavior, safety inspections, and safety training.
- Disaster prevention initiatives**
Implement fire prevention inspections, performed by top management themselves (the Chief Plant General Manager verifies the management status), and conduct fire extinguisher training using VR.
- Ensuring safety in outsourced construction**
Conduct activities together with the Toyota Boshoku Safety and Health Association (including 47 companies) with the aim of ensuring safe construction management. In addition, courses are held by the Safety Education Academy for Construction (SEAC), providing training for construction personnel who can experience the construction environment using the same equipment as in the actual field.
- Developing human resources capable of acting safely**
We established the Safety Health Environment fruitful Think and Act Center (SHE-TAC) in 2020. The center is equipped with facilities and mechanisms to enable each company member to "learn" the background and causes of past industrial accidents, "think" about countermeasures, and "act (execute)" them on their own with a sense of ownership. Training is provided by job level to prevent accidents and promote safe human resources development.

HR strategy

7 Adherence to compliance and ethics

Aim for continuous organizational operation and a reliable environment by implementing initiatives as well as risk management to ensure adherence to compliance and respect for human rights

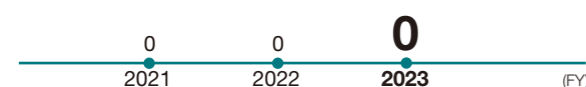
The Toyota Boshoku group states in its Corporate Philosophy that the company will promote corporate growth while fulfilling our responsibilities in harmony with society as a good corporate citizen. At the same time, the company clarifies its overall promotion system, scope of activities and goals for compliance on a global basis, and conducts activities under strong leadership from top management, while personnel in charge of legal affairs in each region share knowledge of issues as well as improve and strengthen compliance activities.

In addition to anti-bribery measures, and adherence to antitrust laws, the importance of respect for human rights is steadily increasing. The Toyota Boshoku group works to raise members' awareness of compliance and human rights and enhance the level of implementation through various training and educational activities for officers and company members. In doing this, we strive to achieve compliance with laws and regulations as well as co-existence with local communities through respect for various cultures, values and individuality.

In order to respond promptly to risks related to management and risks arising from the external environment, we are actively working to strengthen risk management and reduce risks.

FY2024 data

Total number of cases of serious non-compliance

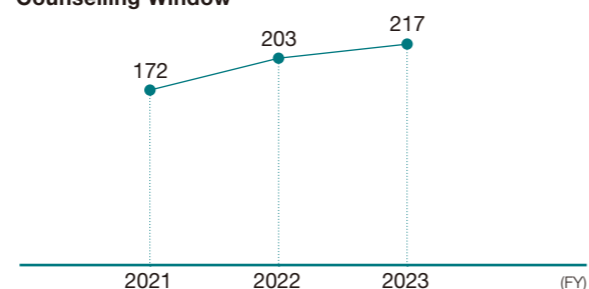


Number and participation rate of participants in harassment training

FY2023

Results	950 people
Attendance rate	98%

Number of consultations with Anything Goes Counselling Window



Harassment training for all managers

Priority policies and specific initiatives

Priority policy	Policy objective	Main KPIs
Create an ethical workplace with an emphasis on compliance	<ul style="list-style-type: none"> Create an environment in which everyone can work with peace of mind by preventing harassment and inappropriate labor management 	<ul style="list-style-type: none"> Number and participation rate of participants in harassment training
Respect for human rights	<ul style="list-style-type: none"> Contribute to raising awareness of human rights in society as a whole through a wide range of initiatives, including not only our own human rights initiatives, but also raising awareness among company members and the status of human rights at our suppliers 	<ul style="list-style-type: none"> Number of participants in training by level and in human rights seminars related to raising human rights awareness

Details

Strengthen harassment prevention activities

Starting in 2022, implement ongoing education for all managers and distribute handbooks. Promote understanding of correct knowledge of harassment, and a shift in awareness on the part of supervisors.

Ensure proper time management

(1) Improve the quality of daily working hour management: Appoint a labor management promoter at each workplace and strengthen systems for proper working hour management in each division in cooperation with HR.

(2) Activities to eliminate inappropriate time management: If there are discrepancies between objective records of start/end times and self-reports, conduct investigations of all cases. Implement periodic company-wide training.

(3) Review entry/exit control methods and the attendance system.

Conduct training on raising human rights awareness

Implement training for officers and managers as well as company-wide e-learning to raise awareness of human rights.

Priority policy

Risk and information management

Policy objective

Enable ongoing business operations by addressing risk, information security, and confidential information management

Details

Risk management activities

- Develop a global risk management system for the group, led by the Chief Officer. Establish priority risks to be followed up for each fiscal year, and monitor their status. Promote the establishment of a foundation for rapid response, safety of human life, and minimization of losses in the event of a crisis.
- Formulate a Business Continuity Plan (BCP) for early restoration of business in case of a crisis. Promote improvements using a PDCA cycle, through assessment of activities and training, etc., with the aim of enhancing effectiveness. Positioning these activities as business continuity management (BCM), promote the creation of organizations, workplaces, and individuals that are consistently resilient to crises.

Confidentiality management and information security

- We have established the Information Security Policy, a policy common to the Toyota Boshoku group, and promote the strengthening of information security.
- Promote reduction of the risk of confidential information leaks through inspections/improvement of initiatives including the use of security guidelines.
- Regularly conduct activities to raise company members' security awareness such as through e-learning training and drills in targeted e-mail.

List of KPIs

1 Human capital ROI = operating profit / human capital cost. Human capital cost is calculated using labor costs.
2 Refers to company members from outside Japan accepted to work in Japan.
3 Number of company members using the reemployment system who left due to pregnancy, childbirth, childcare, nursing care, work transfer (spouse), etc.
4 Company members' attachment/commitment to the company. 50 is the average, with a higher number indicating a better result.

5 WHO-HPQ (Health and Work Performance Questionnaire) measures absolute presenteeism. "Presenteeism" refers to a state of affairs where a loss of productivity occurs as a result of a company member's ability to work being impacted by health issues.
6 Employee-wide average number of days of work missed due to injuries or sickness

Table 1: Clarification of required human resources. Columns: KPI, Unit, Scope, FY2021, FY2022, FY2023, Target value FY2026, Target value FY2031. Rows include Number of permanent company members, Human capital ROI, Total personnel expenses, and Recruitment of company members.

Table 2: Support for growth, Penetration of Diversity & Inclusion, Pursuit of ease of working, Promotion of health & safety, and Compliance and ethics. Columns: KPI, Unit, Scope, FY2021, FY2022, FY2023, Target value FY2026, Target value FY2031. Rows include Total cost related to development training, Number of management positions, Engagement score, and Employment of persons with disabilities.