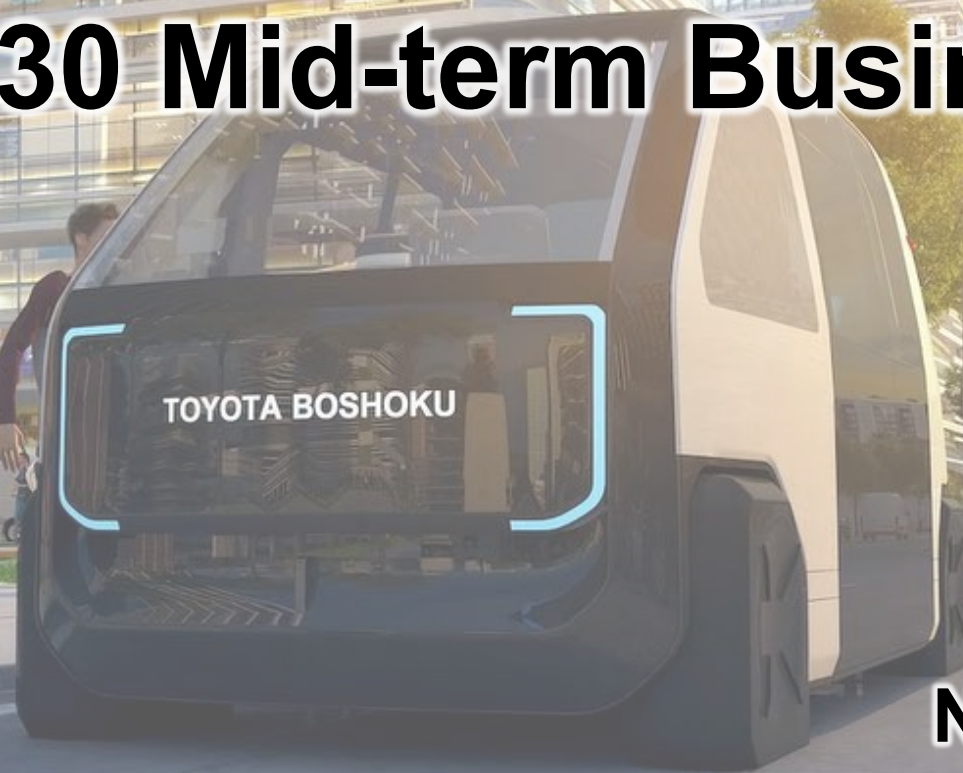


Briefing on 2030 Mid-term Business Plan



November 24, 2023

Toyota Boshoku Corporation

Introduction

Steadily implementing the Plan toward realizing the Vision



CONTENTS

1. Progress of 2025 Mid-term Business Plan
2. Framework of 2030 Mid-term Business Plan
3. Actions to achieve 2030 Mid-term Business Plan
4. Targets of 2030 Mid-term Business Plan

1. Progress of 2025 Mid-term Business Plan


TOYOTA BOSHOKU

Outlook for Achieving Major 2025 Targets

**Most targets are likely to be achieved (with some exceptions).
Further efforts will be made toward 2025.**

	FY2026 Targets	FY2024 Forecasts		FY2026 Forecasts
		Exchange rate in Mid-term Plan	Actual exchange rate	
Revenue (100 million yen)	16,000+α	17,000	19,700	○
Operating profit (100 million yen)	1,000+α	800	930	○
Operating profit ratio	6.0 to 7.0%	4.7%	4.7%	△
Non-Toyota sales ratio	13%	8%		○
		(USD: 105.00)	(USD: 141.00)	
E: Production CO ₂ emissions reduction ratio	-25% (Compared to FY2020)		-39%	○
S: Number of patent applications submitted	320/year		290	○
G: Shortening of lead-time for management decision making	Settlement lead time: 5 days		8 days	○

2. Framework of 2030 Mid-term Business Plan

A futuristic white and black Toyota Boshoku vehicle is shown on a city street. The vehicle has a large, dark, curved front panel with the text "TOYOTA BOSHOKU" in white. The background features modern glass skyscrapers and a clear blue sky. The scene is set during the day, with a bright sun creating a lens flare effect.

TOYOTA BOSHOKU

2030 Environmental Recognition (macro, mobility industry)

Transformation of automobile market due to entry from different industries

- BEV
- MaaS
- CASE

Interior space becoming a key differentiating factor

Diversifying user needs

- Z/α generations
- Aging of population
- Regional characteristics

Expanding needs for time and space in vehicles

Co-existence with nature

- Decarbonation
- Circular economy
- Nature positive

Addressing environmental issues to improve corporate value

Diversity in working people

- Diversity & inclusion
- Declining birthrate and aging population
- Changes in workstyle

Creating value by utilizing diverse talents

As the image of future mobility is becoming clear, we are aware of the **rising expectations for comfortable vehicle interior space based on safety and environment-friendliness.**

Framework of 2030 Mid-term Business Plan

Change in external environment

Rising expectations for comfortable vehicle interior space

TB's strengths

Technologies for products closest to users

R&D

Global deployment capabilities

MONOZUKURI

Abundant global human resources

HITOUZUKURI

Strength as a member of the Toyota Group

Lacking abilities are mutually complemented within the Group

2030 Target

Become a company as the Interior Space Creator which Contributes in solving social issues while expanding product range and customer base

Financial targets for 2030

Revenue: 2,200 billion yen
Operating profit: 150 billion yen
Operating profit ratio: 7%
DOE: 3% or more
(Dividend payout ratio around 30% is considered)
Equity ratio: around 50%

(USD:135.00)

Non-financial targets for 2030

E: Scope 3 emissions reduction ratio
-30% (Compared to FY2020)
S: Ratio of female managers
5%
G: Degree of implementation of the Toyota Boshoku Group Guiding Principles
90%

Supporting foundation

Strengthening of competitiveness (R&D, sales, and MONOZUKURI) and management foundation (development of people, organizations, and culture)

Framework of 2030 Mid-term Business Plan

2030 Target

Become a company as the Interior Space Creator which contributes in solving social issues while expanding product range and customer base

Economic value

- Growing into a supplier capable of planning and proposing an entire interior space
- Expanding product fields and interior space business
- Responding to multi-pathway
- Research and development for new business creation
- Pursuing innovations for the future
- Activities to expand sales
- Strengthening MONOZUKURI competitiveness

P12

P13·14

P15·16

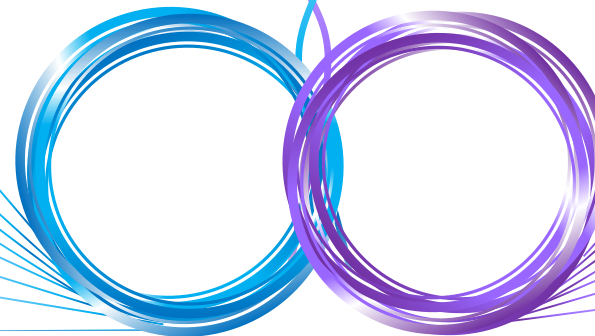
P17

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P19

P20·21·22

Enhancing corporate value



Implementing CSV management

Social value

- Providing comfortable and quality vehicle interior space and time
- Supporting the elderly and persons with disabilities with medical vehicles and mobility independence support
- Contributing to carbon-free society with new techniques
- Contributing to solving future food problems and realizing a circular society
- Providing more customers with good and reasonably priced products
- HITOZUKURI and utilization of human resources
- Creating an organization and culture

P23

P24

Environmental Vision

Revised Environmental Vision as guidelines for implementing CSV management and activities to enhance corporate value

Three Priority Actions



* ELV: End of Life Vehicle

* PCR: Post-consumer Recycle

Challenge 6

Global warming prevention

1 GHG Net-zero in the product life cycle



2 GHG Net-zero in the plant



Resource circulation

3 Sustainable resource circulation



4 Waste minimization



Co-existence with nature

5 Water resource impact minimization



6 Conservation and regeneration of natural capital



<Activities toward 2030>

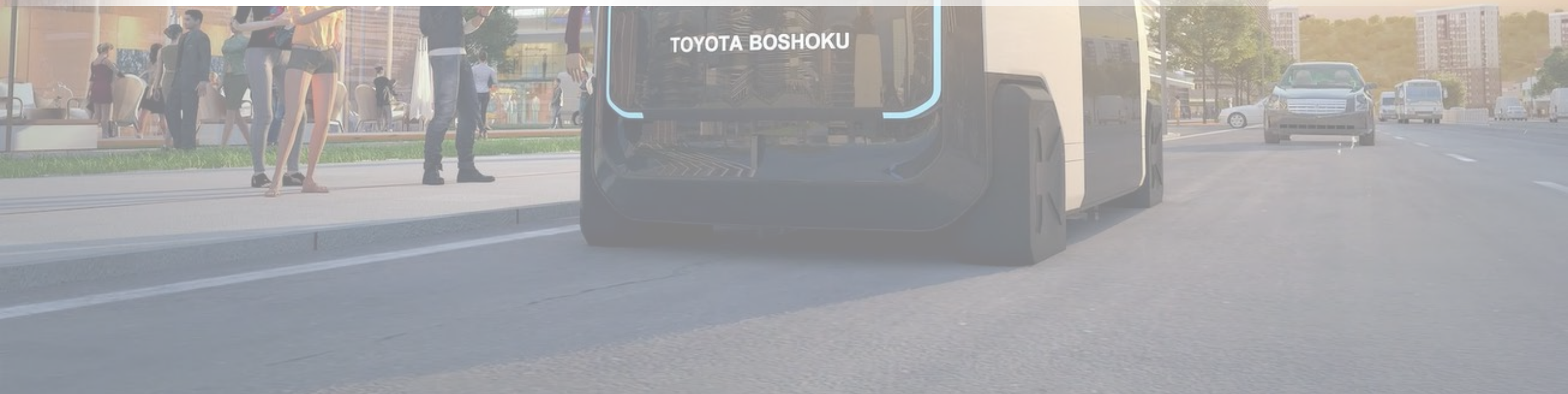
- **Reduction target (compared to FY2020)**
Scope1/2: -50%
Scope3: -30%

- **Response to ELV* regulations: Promoting use of PCR* materials**

- **Enhancing “nature positive” activities**
- **Information disclosure in line with TNFD**

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

3. Actions to achieve 2030 Mid-term Business Plan

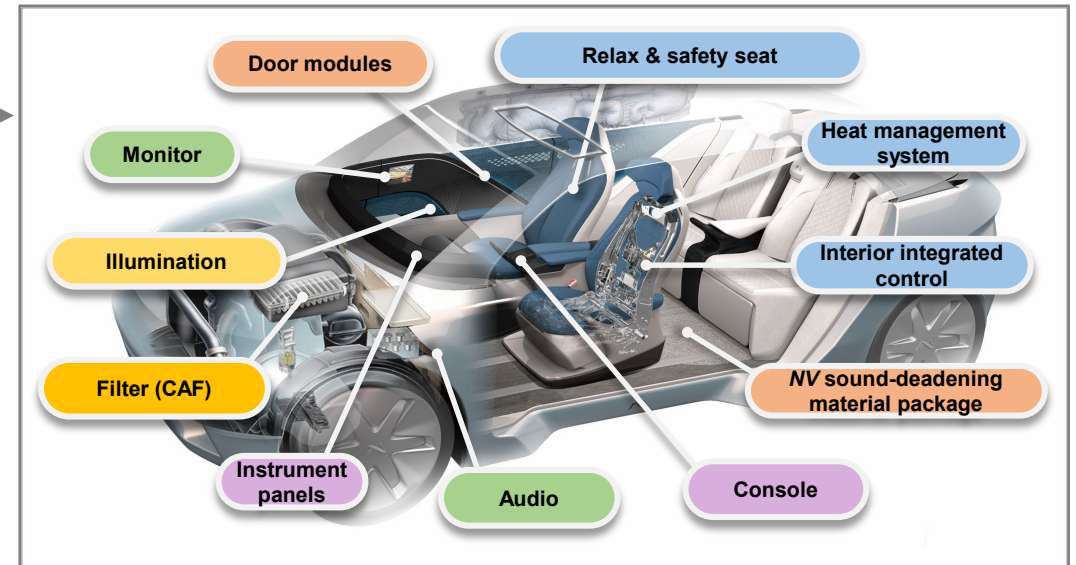
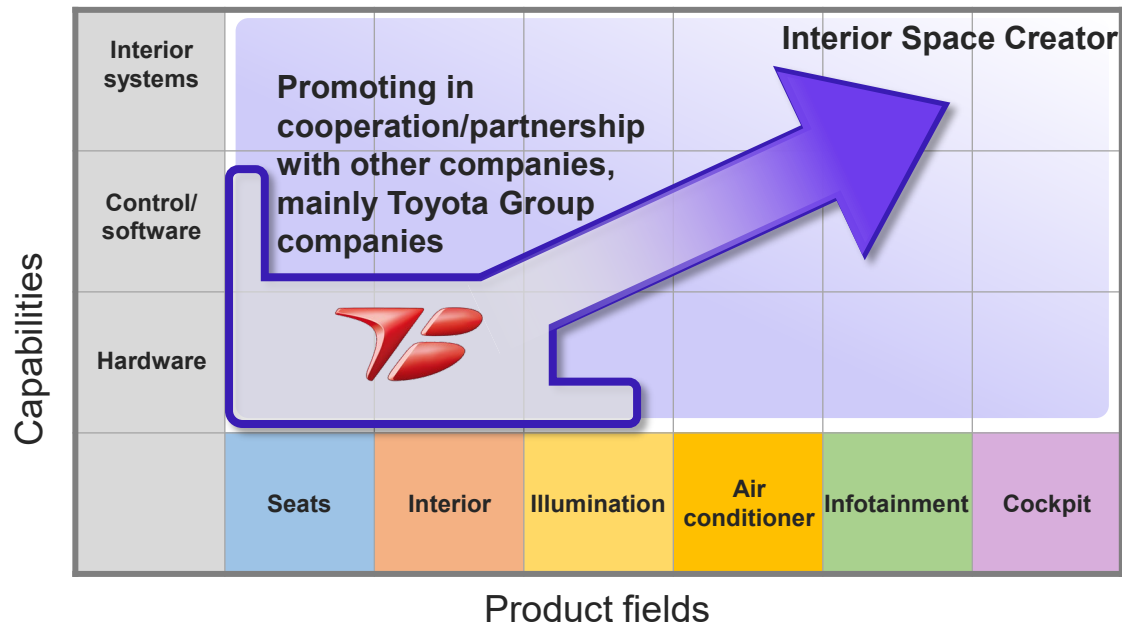


Growing into a Supplier Capable of Planning and Proposing an Entire Interior Space (Interior Space Creator)

By planning and proposing an entire interior space as the Interior Space Creator, increase added value and thereby expand total sales

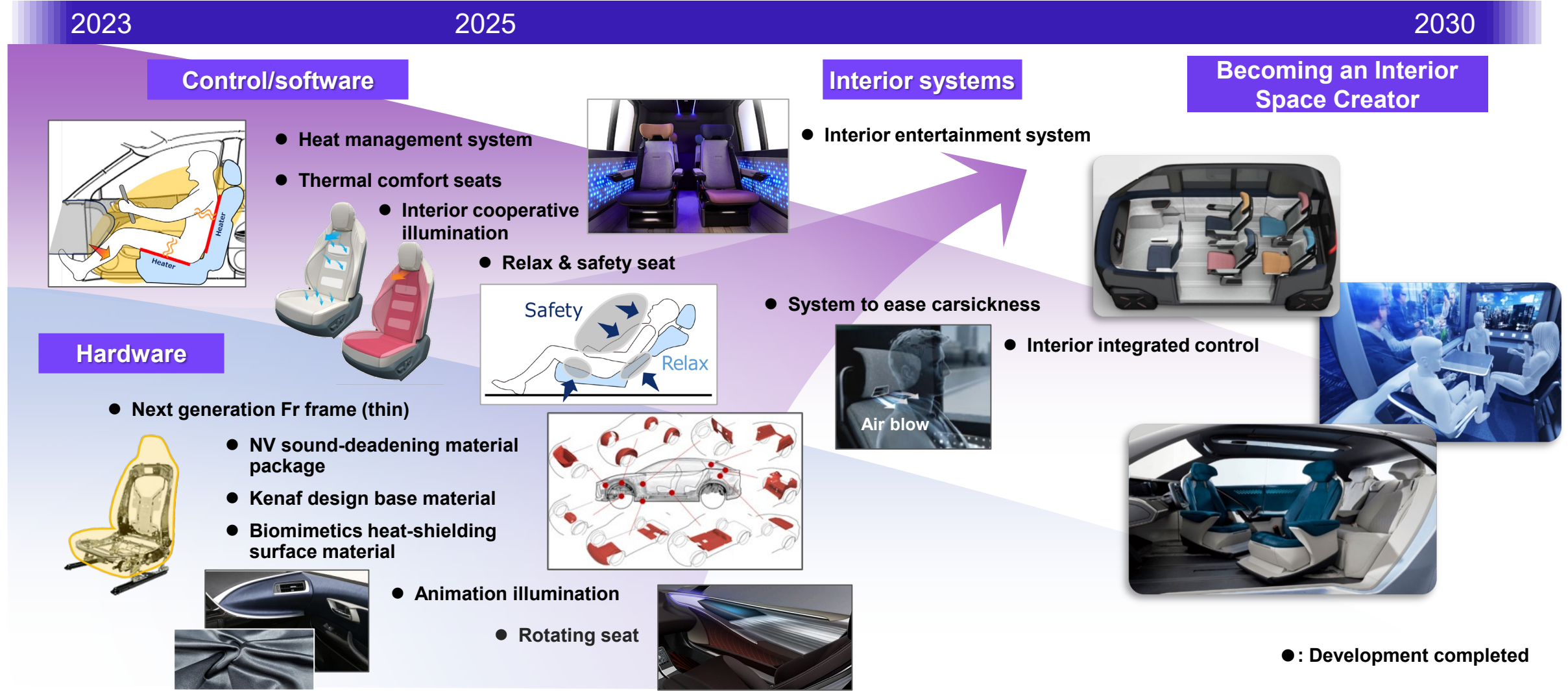
Expanding capabilities

- Acquiring capabilities to receive orders for interior systems (increasing added value)



Expanding Product Fields (Roadmap)

Connect/integrate various roadmap items and expand each field to increase added value



Expanding Interior Space Business

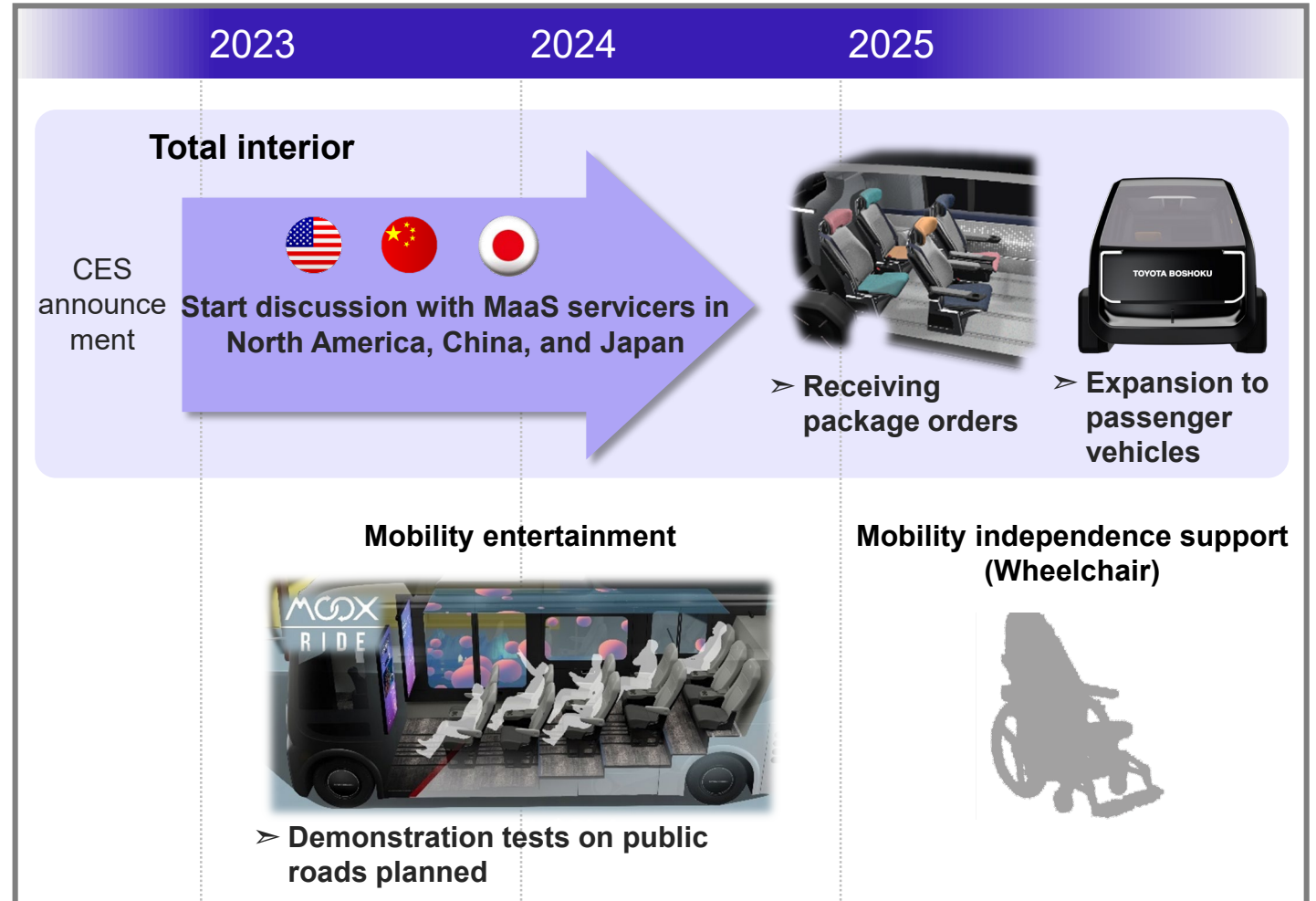
Acquiring new interior space business opportunities and making efforts for commercialization

Total interior proposals (MX2221)



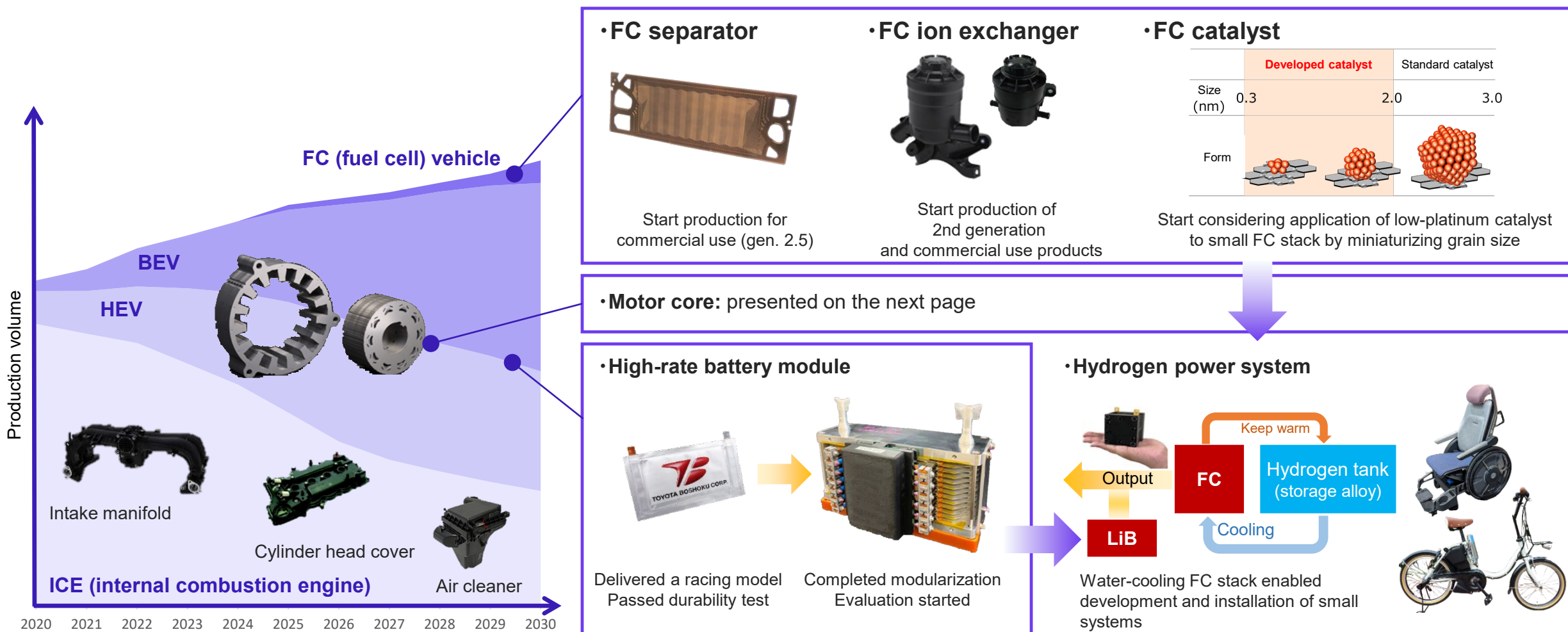
Diversity

Versatility



Responding to Multi-pathway

Keeping up with diversifying next-generation cars and promoting applicable technology/production development

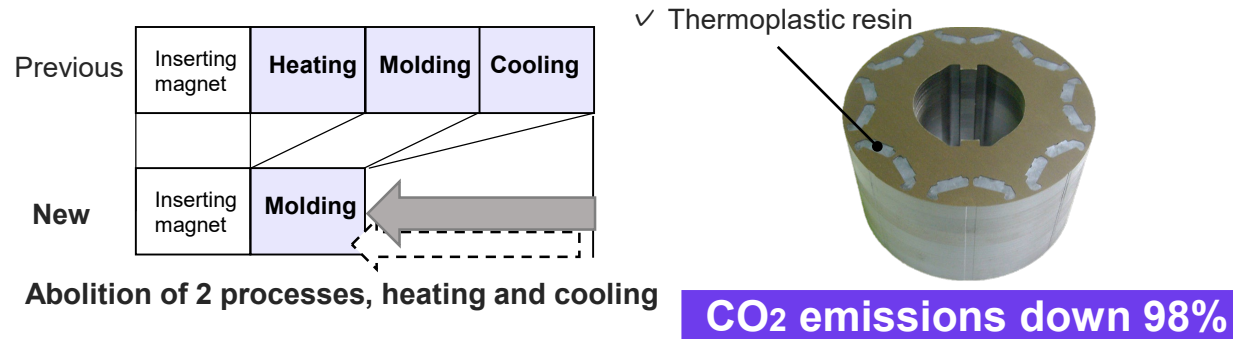


Responding to Multi-pathway: Strategies for Motor Core Business

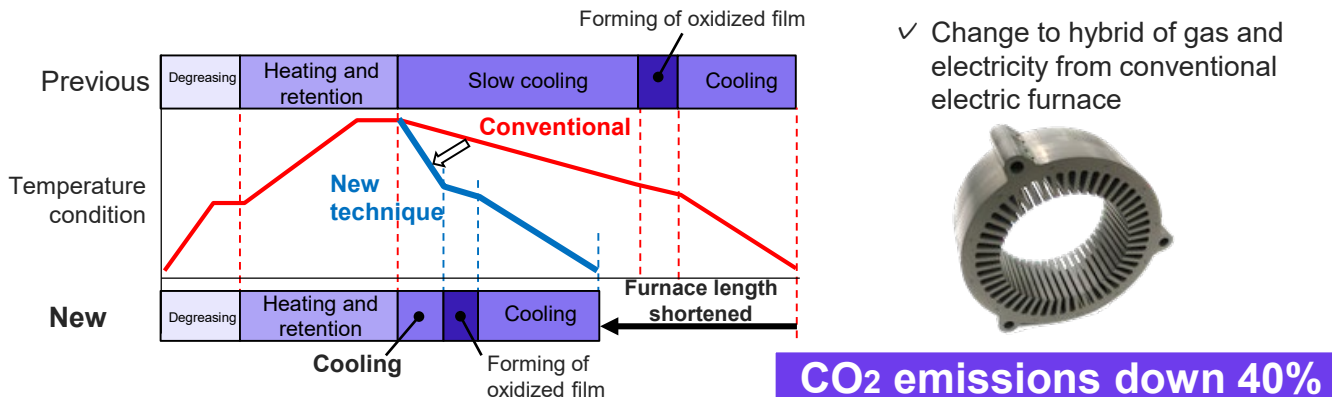
Aiming to expand sales by advancing local production in North America and Asia through utilization of our CO₂ emission reduction technologies and local procurement of electromagnetic steel sheets

[Our proprietary technologies as the source of our competitiveness]

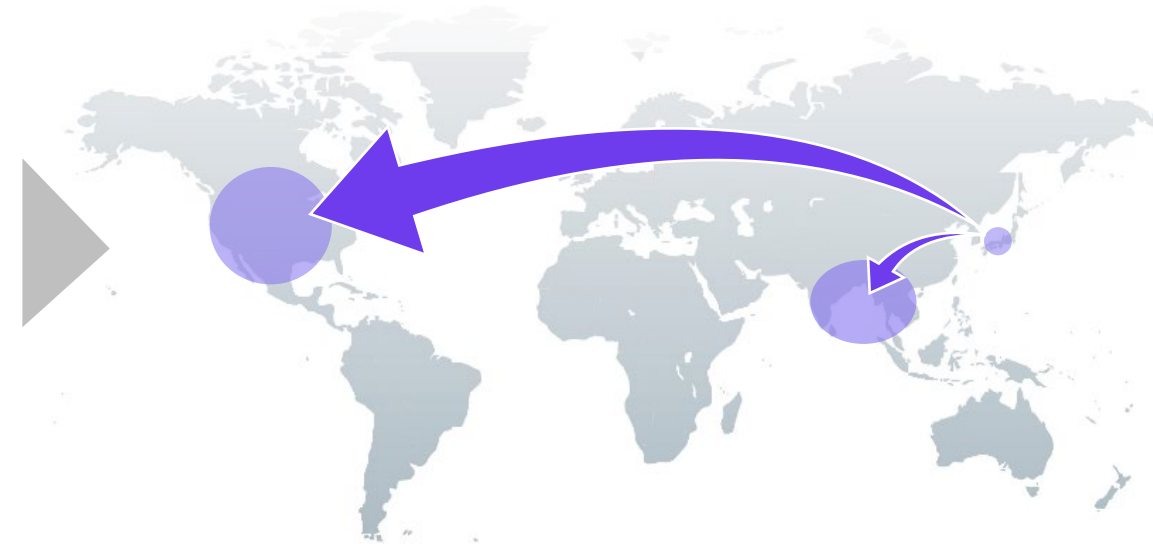
① Heatless magnet molding method using thermoplastic resin



② High-cycle annealing by high-speed cooling (NEW)



Achieve “local production for local consumption” including electromagnetic steel sheets and expand production sites from Japan to North America and Asia



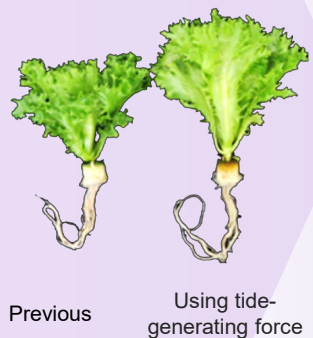
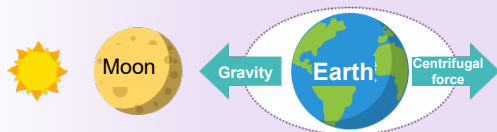
Research and Development for New Businesses Creation

Accelerate social implementation of cultivation/aquaculture utilizing tide-generating force and biopolymer to contribute to realization of circular economy and carbon neutrality

R&D ahead of the times

Solving food issues

Technologies using tide-generating force (plant factories, land-based aquaculture)



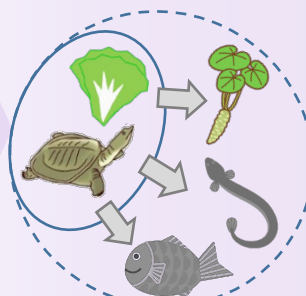
Creating recyclable materials

Biopolymer made from non-edible parts of plants



Verification phase

Expand applicable varieties and demonstration tests



Expand applicable varieties



Expand land-based fish farms



Cultivation test in a low-latitude region

Start considering mass production and seeking applications and products



Providing material samples



Injection-molded prototype

Creation of new businesses

For the world and for people



Solve social issues of society and contribute to people's quality of life

Pursuing Innovations for the Future

1918

2004

2020

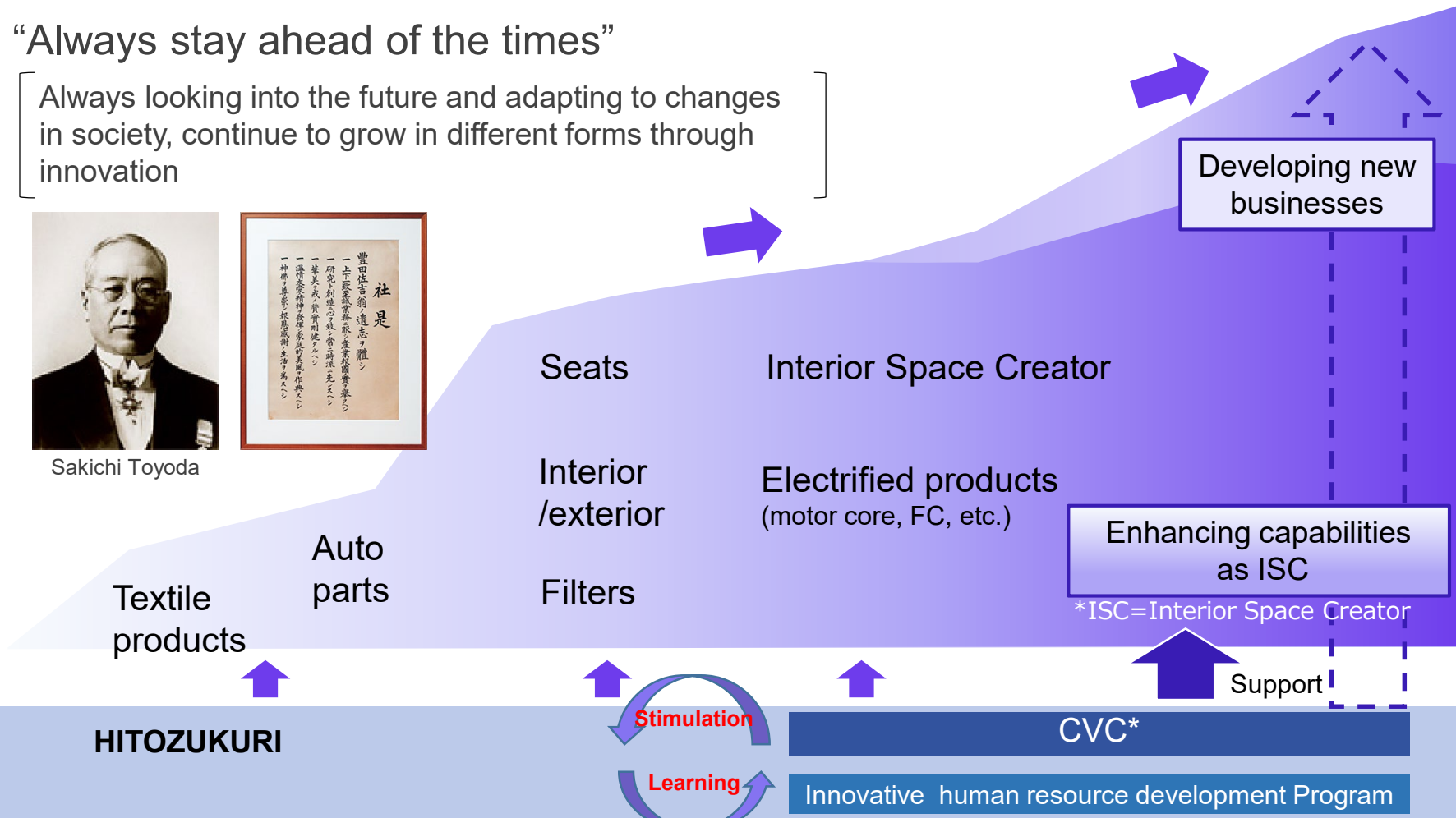
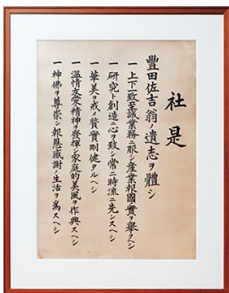
2030

“Always stay ahead of the times”

Always looking into the future and adapting to changes in society, continue to grow in different forms through innovation



Sakichi Toyoda



For the world and for people

- ❑ Technologies using tide-generating force for solving food issues
- ❑ Development of biopolymer as a recyclable material
- ➔ Contributing to a greener Earth for the next 100 years

Funding startups and accelerating synergies

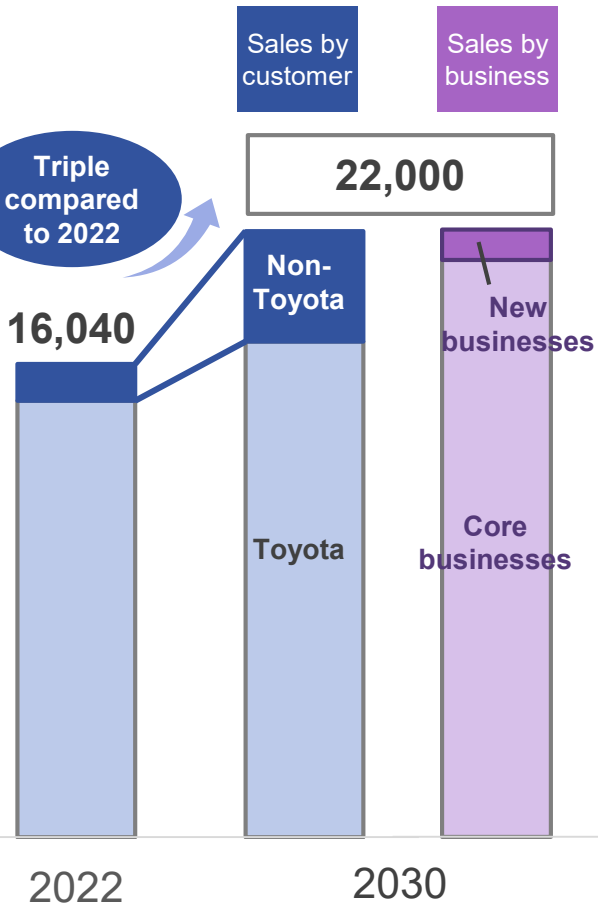
- ❑ Motion Lib: Application of real haptics to robots
- ❑ NearMe: Joint development of interior space for ridesharing
- ❑ H2L: Visualization of physical strengths, etc. of operators
- ❑ ABAL: Joint production of infotainment contents

Invested ¥700 million for 10 companies including the above (as of November 2023)

A total of ¥8 billion to be invested until 2030

Activities to Expand Sales

<Revenue target> (100 million yen)



1. Strategic OEM

[Case 1] Company A

Received orders for interior parts, including seats, for new BEV model



Ordered items

Seats, general interior parts (Door trims, ceilings, carpets, pillars)

Promoting order-taking activities targeting mainly newly introduced BEVs

[Case 2] Company B

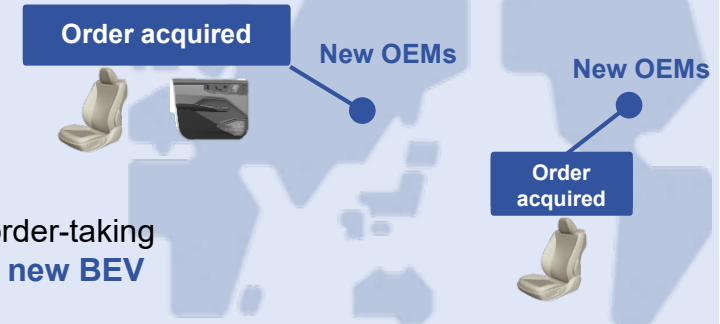


First order for ceiling received in Europe

Activities ongoing to get RFQ for other products

2. New BEV OEMs

Approaching for the expanding BEV market



Promoting order-taking activities for new BEV OEMs

Beginning to receive new orders from new OEMs

3. New businesses

Expanding sales for new customers (MaaS servicers)



Expanding non-automobile sales



Expanding sales of aircraft seats

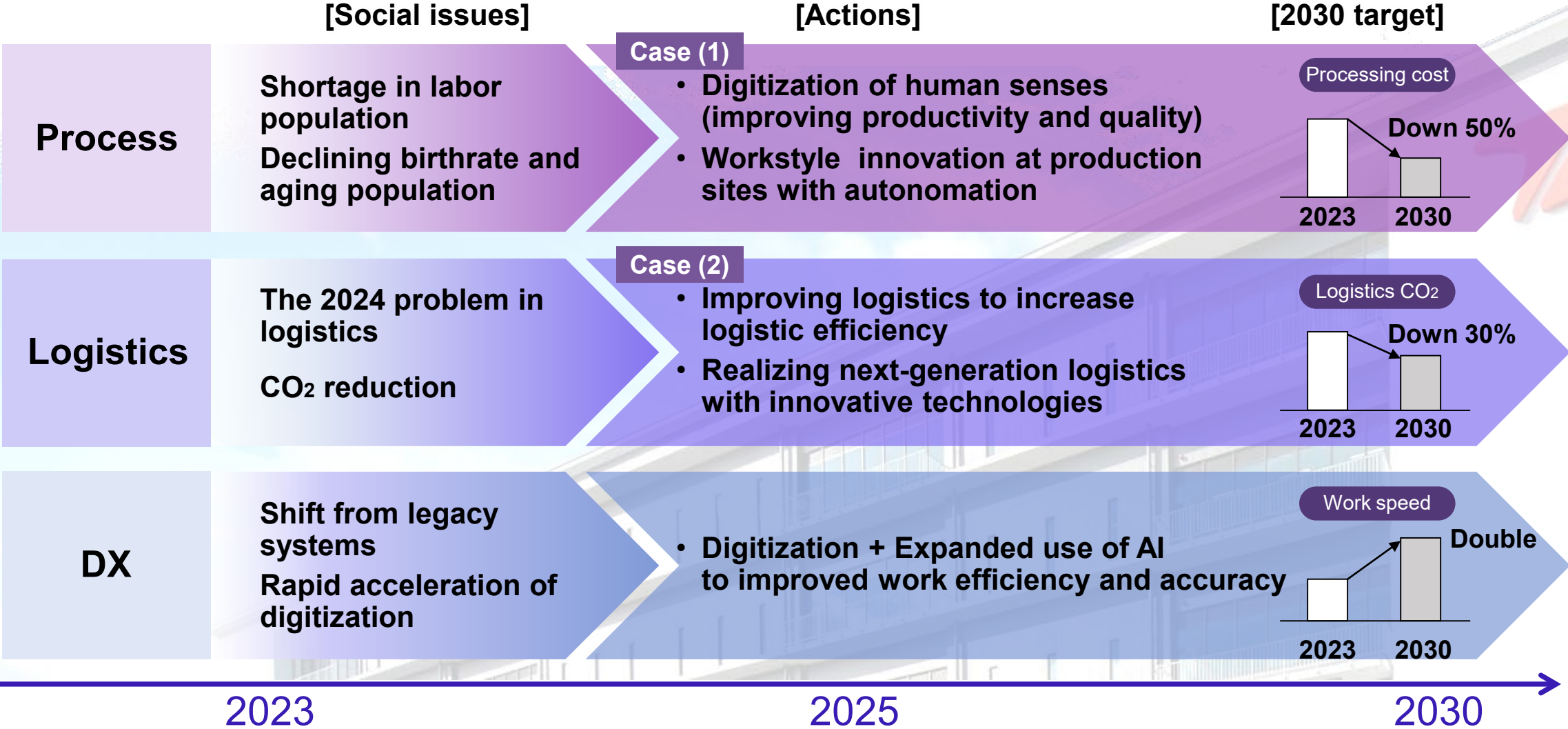


Use of Hydrogen power system

Launching new businesses for further sales expansion

Strengthening MONOZUKURI Competitiveness

“Resolving social issues” through MONOZUKURI and “solidifying foundation to support growth strategy”



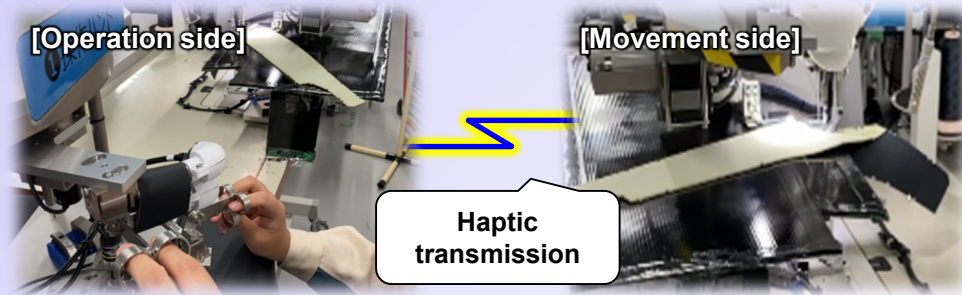
Strengthening MONOZUKURI Competitiveness Case (1): Digitization of Human Senses

“Improving productivity and quality” and addressing “labor shortage” through MONOZUKURI innovation

◆ Introduction of haptic transmission technology

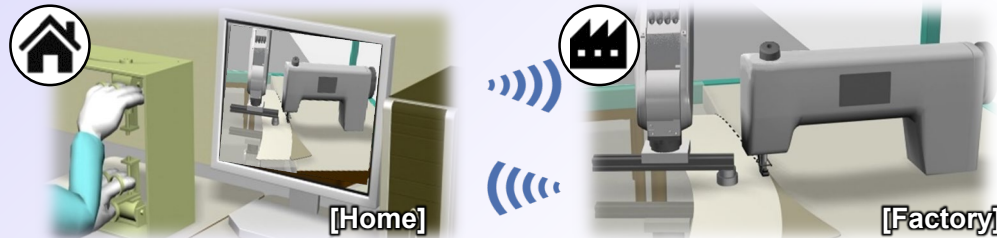
<Autonomation of sewing process>

(Introduction of developed device: Feb. 2024)



Digitize and reproduce movements, procedure and haptic perceptions during sewing

<Application of force and haptic transmission technology>

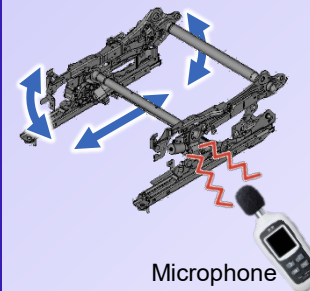


· Workstyle innovation at production sites by utilizing remote operation

◆ Establishing an operating noise inspection technology for next generation frames

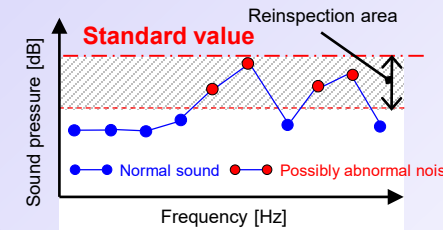
<Visualization of noise that can be recognized only by human>

Frame operating noise inspection



Before Microphone

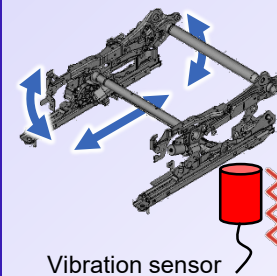
<Previous analysis>



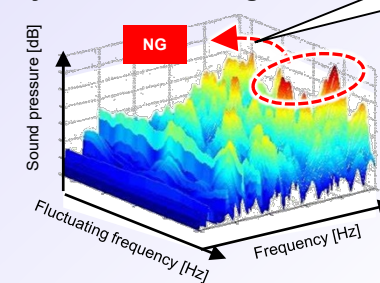
- Need a soundproof room to block external noise
- ➔ Items for reinspection should be rechecked by people

After

Vibration sensor to collect noise + Analysis of fluctuating sound



<Analysis of fluctuating sound>



Identify only abnormal noise in red

- Not bothered by external noise and soundproof room is not necessary
- Equal level as human sense of hearing
- ➔ Rechecking by people is not necessary

(Introduction in Japan: from April 2024 ➔ Deployment of global models: from October 2026)

Providing equal quality through global deployment

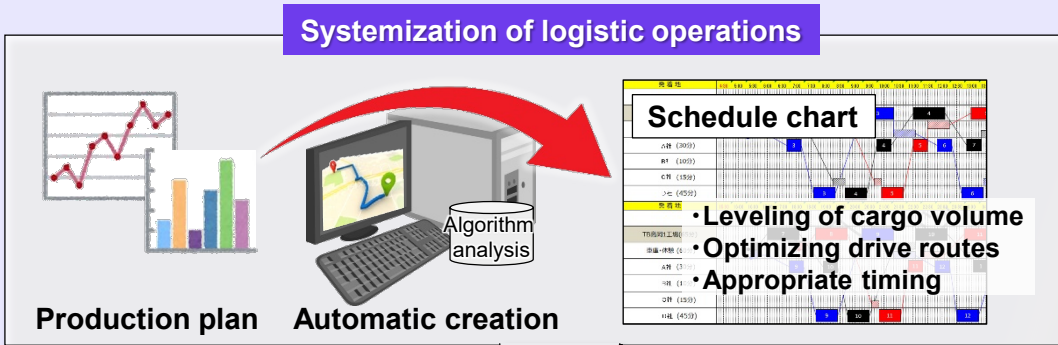
Strengthening MONOZUKURI Competitiveness

Case (2): Realizing “next-generation logistics” Bearing the Future

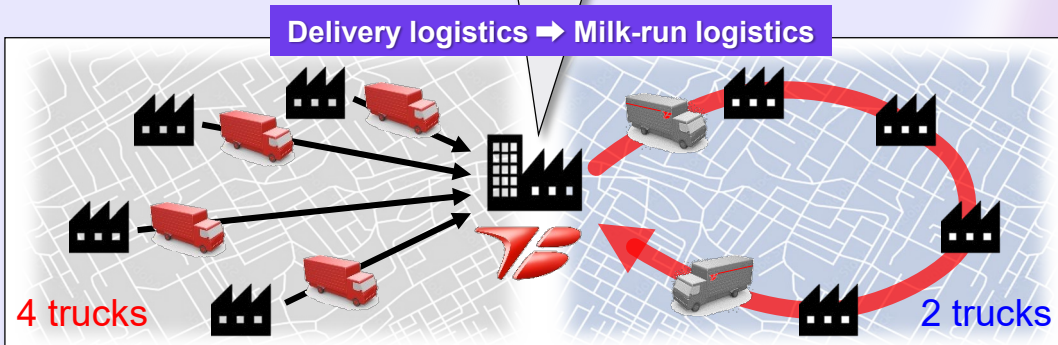
“Addressing shortage in drivers and reducing logistics CO₂” and “enhancement of competitiveness” through logistics innovation

2020

Solving social issues with high-efficiency logistics



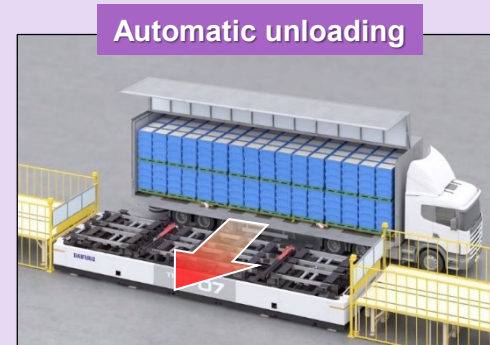
Optimal cargo mixes and schedule charts are smoothly output



Delivery by individual companies → Pickup arranged by TB

2025

Enhancing competitiveness with innovative technologies

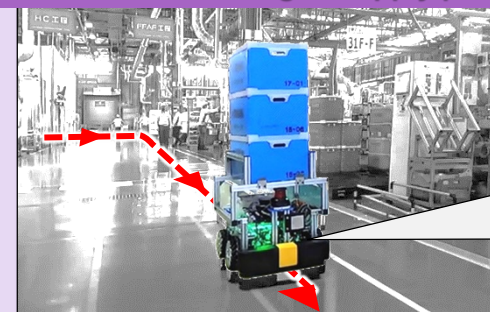


Eliminating track stagnation

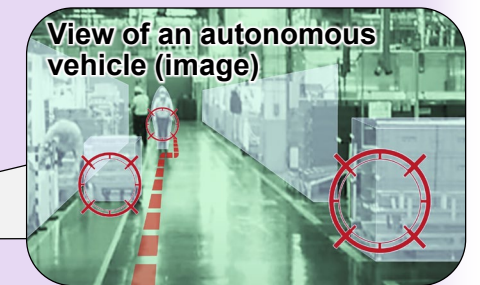


Manpower-saving for loading operations

Autonomous driving to supply parts



Autonomous driving on the shortest route



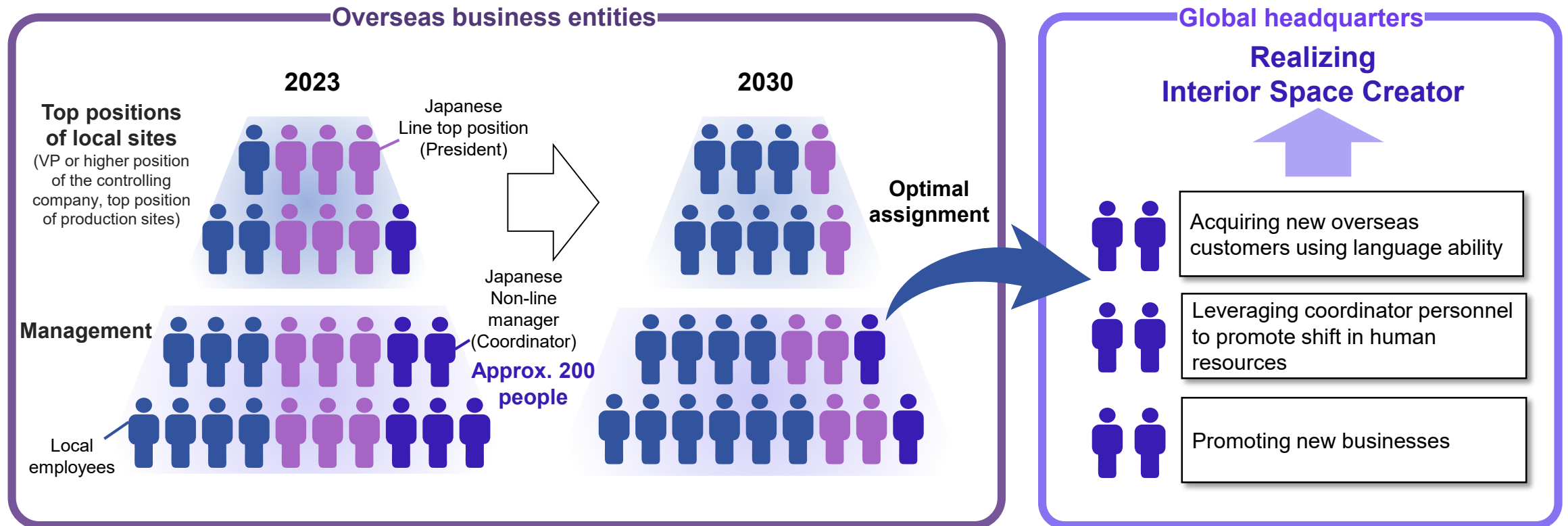
Acquiring 3D views with mapping sensors

HITOZUKURI and Utilization of Human Resources

Based on results of human resource development, efficiently improve organizational capabilities

Accelerate implementation of business strategies toward the Interior Space Creator by expanding human resources development and utilization globally

- ① Promoting more local personnel ⇒ Ratio of local personnel in top positions of local sites: 80% or more
- ② Reducing coordinators ⇒ Relocation to new fields/operations leading to the Interior Space Creator



Creating an organization and culture

Improving “Well-being” of members and creating a culture that makes everyone feel “I like Toyota Boshoku” around the world

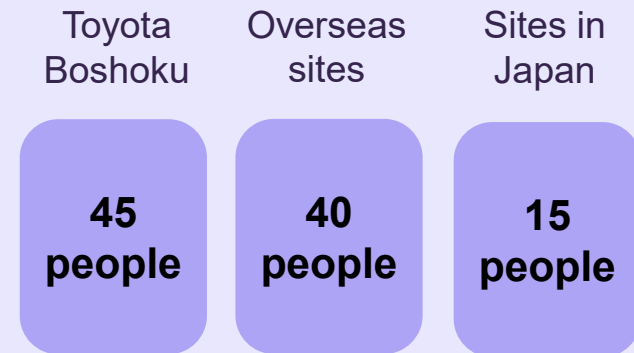
Listen to real voices of employees, reflect them in improving human resource systems/measures, and thereby create a workplace where members can work with enthusiasm

- 1 Promote D&I to activate innovation ⇒ Become a company where all members, including women, senior, young, and disabled, can play active roles
- 2 Become a real global company capable of responding to needs of affiliates both in Japan and overseas

^{energy}
ENRG Activity
(Employee, Network, Resource, Group)

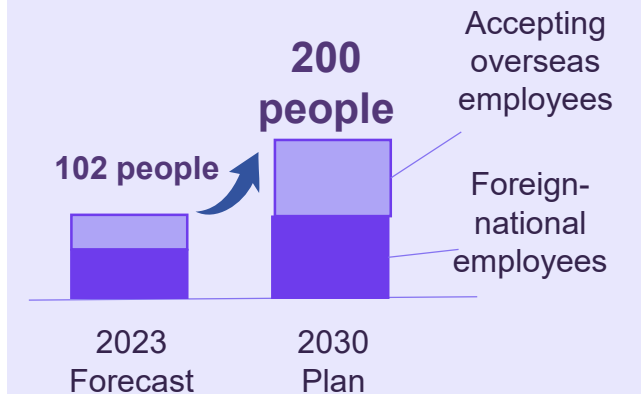
100-Member Committee

100 members from Toyota Boshoku and overseas/domestic sites consult on human resources strategies and measures

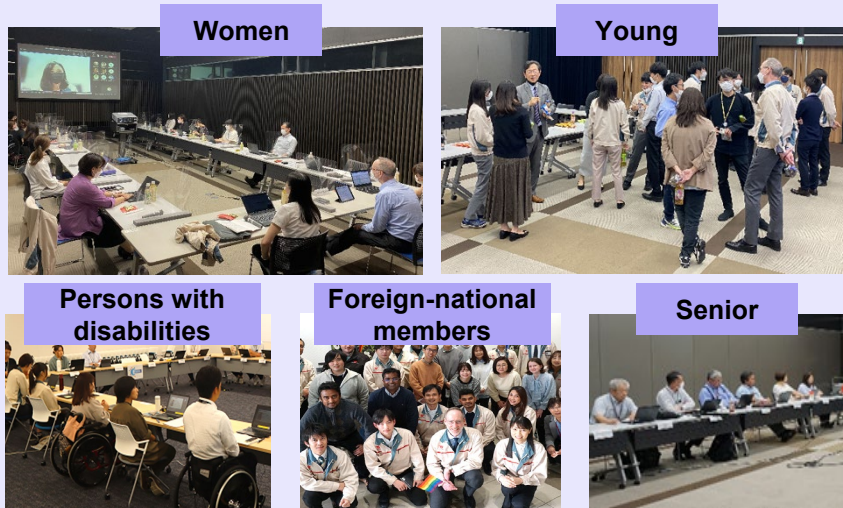


In-house globalization

Accepting overseas members in Japan and establishing an environment for an increase in foreign-national employees



Groups by attribute, such as women and senior, give proposals to top management



4. Targets of 2030 Mid-term Business Plan

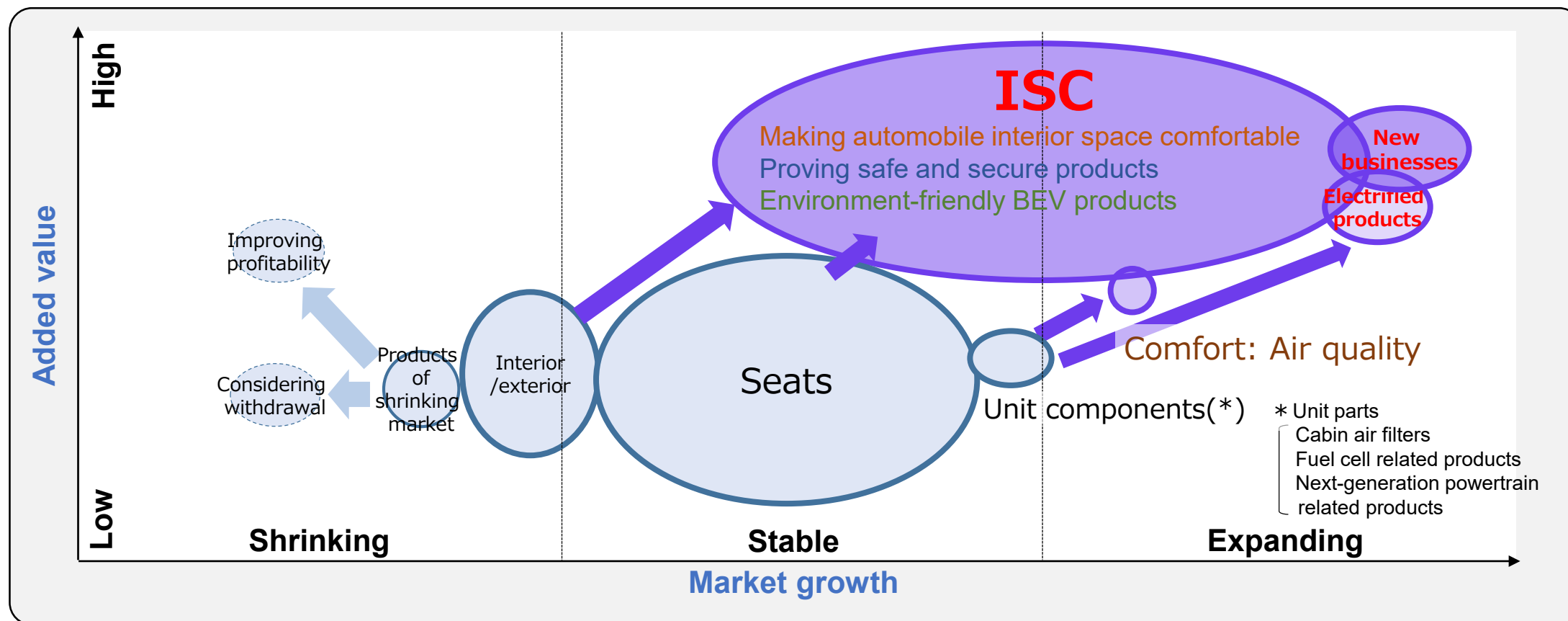
TOYOTA BOSHOKU

Image of a Business Portfolio We Aim at

- ◆ 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

Size of the circles: Scale of sales

Present 2030



Financial Targets

Revenue: 2,200 billion yen
Operating profit: 150 billion yen
Operating profit ratio: 7%

While maintaining a share in the Toyota business, expand non-Toyota sales and create/acquire new businesses to achieve revenue that exceed the market growth

Equity ratio* : around 50%

* Ratio of equity attributable to owners of the parent company

Enhance financial foundation while considering capital efficiency through increasing transactions with new customers and creating new businesses with the consideration of CVC

DOE*: 3% or more
(Dividend payout ratio around 30% is considered)

* Dividend on equity ratio

Since net profit may significantly fluctuate due to external environmental changes, DOE is introduced in accordance with the policy of keeping long-term sustainable dividends
(The 2025 Mid-term Business Plan's target of ROE 10% or more is expected to be achieved.)

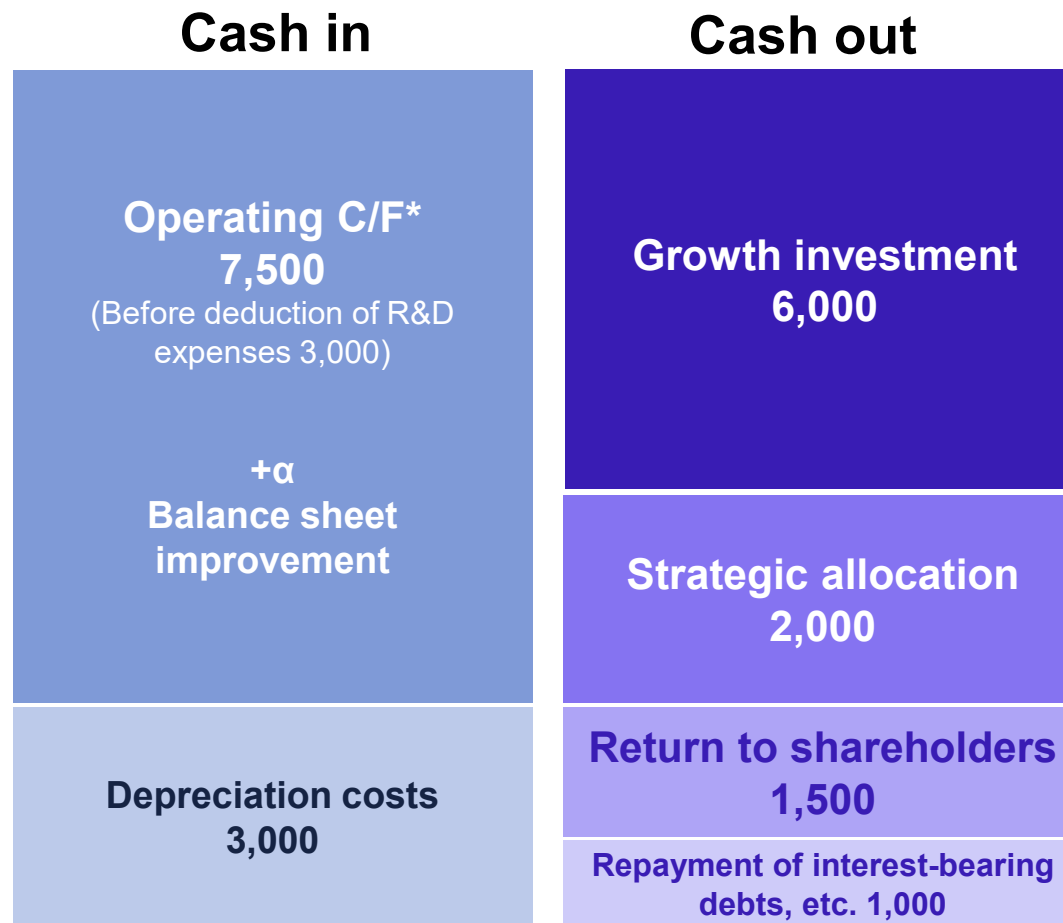
Strategically allocate the created cash to growth investment, strengthening of management foundation, shareholder returns, etc. to achieve sustainable growth

(100 million yen)

Maximizing operating C/F
Achieving the 2030 Target by carrying out management strategies

Improving asset efficiency
Reducing cash in hand
Reducing cross-shareholding etc.

* Assuming operating profit margin of 7% is achieved in FY2031



R&D expenses 3,000

→ Focus investment on electrification and initiatives to grow into the Interior Space Creator, as well as creating new businesses

Flexible reallocation according to change in external environment

Capital investment 3,000

→ Accelerate enhancement of competitiveness through MONOZUKURI innovation and sales expansion activities

Strategic investment 1,500 (alliances, etc.)

Strategic allocation in view of management environment, etc.

Additional shareholder returns 500

Keeping long-term sustainable dividends
(Dividend payout ratio around 30% and DOE 3% or more)

Non-financial Targets (ESG KPIs)

Become a company which all our stakeholders feel an affinity and are able to say, “I like Toyota Boshoku”

	Major KPIs	Targets for 2030
E Environment	<ul style="list-style-type: none"> ❑ Production GHG emissions reduction ratio (total volume) New ❑ Scope 3 emissions reduction ratio (total volume) New ❑ Number of products developed taking recyclability into consideration New 	Down 50% (compared to FY2020) Down 30% (compared to FY2020) Under consideration
S Society	<ul style="list-style-type: none"> ❑ Number of AI/IoT-based “people-friendly” advanced technologies installed New ❑ Ratio of people who take regular exercise (aged 40 or more) New ❑ Ratio of female managers New ❑ Ratio of local employees in presidents of overseas entities New 	Under consideration 30% 5% 80%
G Governance	<ul style="list-style-type: none"> ❑ Degree of implementation of the Toyota Boshoku Group Guiding Principles ❑ Number of serious cyber security incidents 	90% 0



**Realize
“I like Toyota
Boshoku”**



<Disclaimer>

The forecasts relating to future business performance provided in this document are estimates made by the Company based on the information available at the time of reporting, and therefore involve risks and uncertainties.

Accordingly, actual results may differ from the forecasts due to various factors.