



QUALITY OF  
TIME AND SPACE

Human Capital Report

2024

## 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

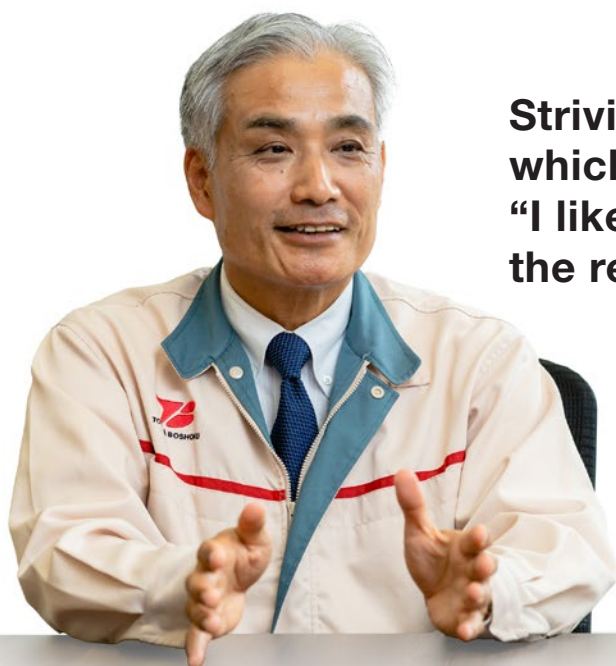
**Toyota Boshoku:** Toyota Boshoku Corporation

**Japan region:** Toyota Boshoku Corporation and Japan affiliates

### Period covered by the report

This report contains performance data for fiscal 2024 (from April 1, 2023 to March 31, 2024). Some information on activities outside this period are also included.

# Message from the CHRO



**Striving to create a culture in which people around the world say, “I like Toyota Boshoku” through the realization of well-being**

**Yasuhiro Fueta**

Chief Human Resource  
Officer

## **Aiming to be a company where more diverse people can flourish in order to grow into an Interior Space Creator**

In 2004, Toyoda Boshoku, Araco, and Takanichi merged to form Toyota Boshoku, and this year, we celebrated the 20th anniversary of the merger. We have achieved significant growth since the time of our merger: consolidated revenue has increased by 2.3 times, and operating profit margin by 2.2 times. Going forward, we will further our strong footing, while accelerating advance investment in the four initiatives of our management strategy: planning & proposals capability and R&D capability, MONOZUKURI competitiveness, sales capability, and management foundation, toward further growth.

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 realize our target, 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 generated. The number of members who joined the company in the 20 years since the merger now exceeds the number who joined prior. As we look forward to their even greater contributions in the future, 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.

## **Ensuring implementation of our HR strategy, while accelerating HITOZUKURI, employee engagement, and development of our organizational culture**

In fiscal 2024, we set two tasks as the first step in our initiatives for human capital management: the formulation of HR strategy, and KPIs to monitor its achievement. For example, based on our HR strategy, we devised a human resource portfolio to visualize our human resource requirements. In addition, we are promoting utilization of TB Share Pro,<sup>1</sup> dispatch of human resources to venture companies, and internal recruitment systems, to encourage members to tackle new challenges. Also, we are promoting ENRG (Employee Network Resource Group) activities and the 100-Member Committee in order to utilize and enhance member diversity. We will continue striving to enhance diversity and inclusion, and the creation of workplaces where people can speak their minds.

Going forward, we will ensure implementation of HR strategy that is linked to our business strategy, while promoting HITOZUKURI, employee engagement, and development of our organizational culture, managed with a human capital management PDCA cycle, while strengthening our management foundation.

## Toward the realization of well-being for all stakeholders

Society today places value on not only economic wealth, but also increasingly on emotional fruitfulness, and objective happiness of individuals: in other words, well-being. In April 2024, Toyota Boshoku established a specialized organization, the Well-Being Promotion Department, dedicated to the realization of well-being. The department collaborates and shares tasks with related divisions to implement policies aimed at realization of well-being, from the angles of the seven themes of our human resources strategy and five elements of well-being: career, social relationships, financial, physical, and community (see figure below). We are driving improvement of these policies using our revised EX survey,<sup>2</sup> launched in fiscal 2025.

The goal of these strategies is the realization of happiness for members and customers, and the well-being of all stakeholders. We will work to become a company where each member can proactively think and act to achieve their desired status, by understanding their well-being, what they can do now, and what they want to do for the future.

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

We will continue to embody Sakichi Toyoda's founding spirit, "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 rapidly changed and continues to evolve, with the declining birthrate, aging population, increasing mobility of human resources, and improvement of work efficiency using generative AI, among other developments. Also, our customers' expectations for a comfortable automobile interior space are continuing to grow even further due to changes in the automotive market along with the evolution of battery electric vehicle (BEV) and MaaS,<sup>3</sup> as well as the diversification of user needs. To properly seize this opportunity, in addition to honing our MONOZUKURI competitiveness, we are expected 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. As the 20th anniversary of our merger, fiscal 2025 is a major juncture. 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 strive for a tomorrow that is better than today, and to be conscious of people other than ourselves, as we continue to promote our transformation into a culture of which people around the world can say, "I like Toyota Boshoku."

Diagram of well-being

Main elements for objectively measuring well-being		Clarification of required human resources	Securing of talented human resources	Support for growth	Promulgation of diversity and inclusion	Pursuit of ease of working	Promotion of health & safety	Adherence to compliance and ethics
Career well-being	How you occupy your time or simply liking what you do every day	●	●	●				
Social well-being	Having strong relationships and love in your life				●	●	●	
Financial well-being	Effectively managing your economic life			●		●		
Physical well-being	having good health and enough energy to get things done on a daily basis					●	●	
Community well-being	The sense of engagement you have with the area where you live				●	●		●

**Confirmation of progress using KPIs**

- Human capital KPIs
- EX Survey

Note: The Five Essential Elements of Well-Being are based on those proposed by Gallup, Inc.

<sup>1</sup> A practical human resource training program based on cross-border studies, where members tackle business promotion and management reform in local small- or medium-sized companies or other organizations for a limited period

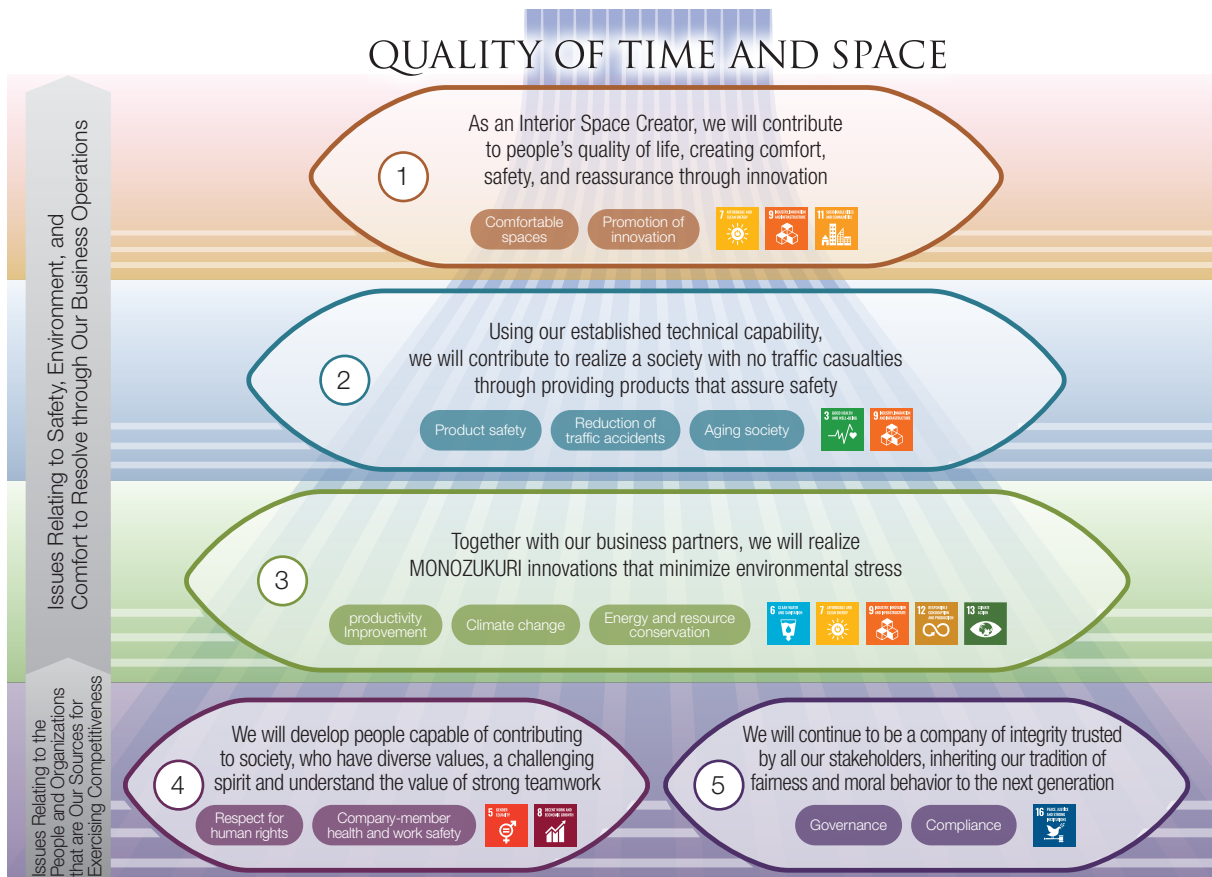
<sup>2</sup> Employment Experience Survey (a survey to measure satisfaction, etc. among company members)

<sup>3</sup> 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



# Toyota Boshoku Group's Materiality

In July 2020, we identified the key issues to be prioritized through our business operations from among a variety of social issues, while also defining and adopting 5 materialities as our approach to resolve those issues. 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.



## Key points of business and HR strategies for achieving materiality

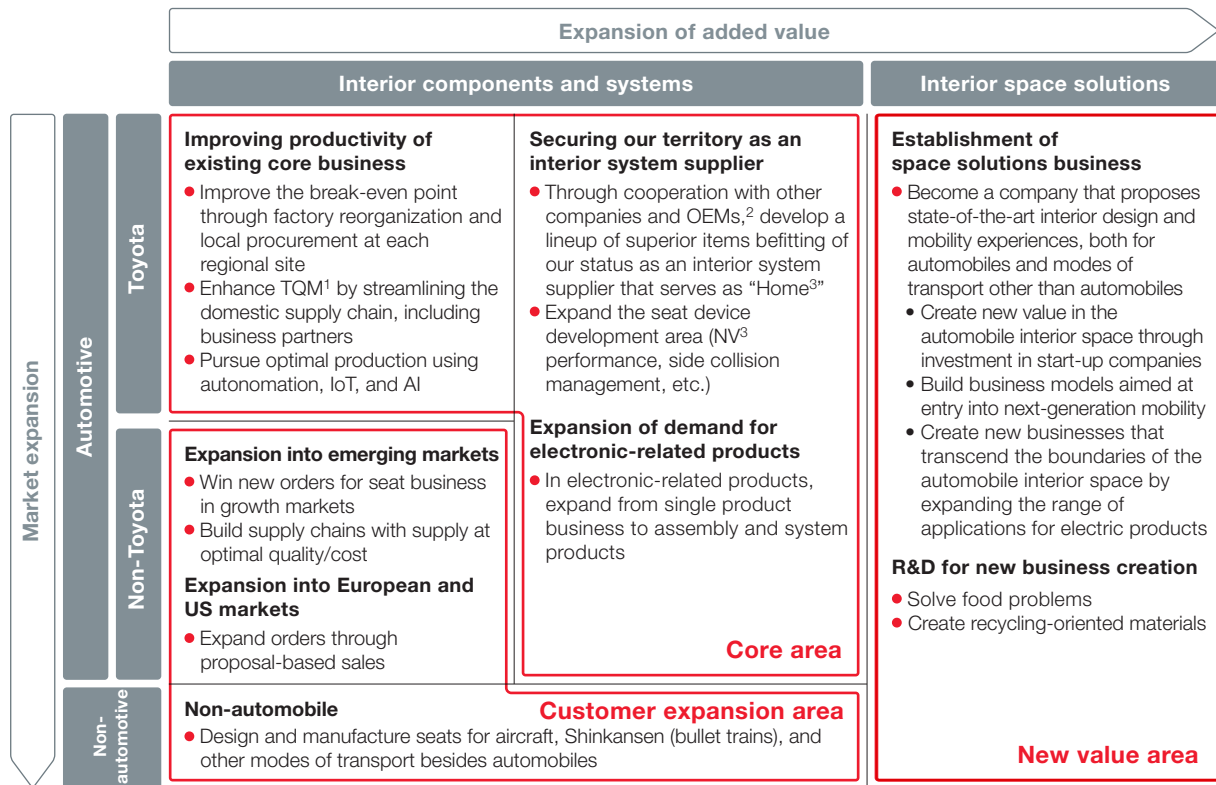
### Business and HR strategies

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 bring out 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 we have identified three areas of focus for this activity. As our HR strategy, we will work to acquire the human resources needed in each of these areas.

## Three areas of activity



## Core area

**We will enhance the quality of our MONOZUKURI, strive to improve efficiency through promotion of digital transformation (DX), and strengthen our competitiveness.**

## Definition

An area in which we create high-quality products and leverage our advanced technological capabilities to expand the types and functions of our products

## Required human resources

- 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

**We will endeavor to expand existing markets and to enter into new markets.**

## Definition

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)

## Required human resources

- 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

**We will use innovative approaches to enhance the value we provide, and to cultivate new business fields.**

## Definition

An area in which we develop projects to address new types of mobility and future mobility spaces, make pioneering proposals for the CASE<sup>4</sup> and MaaS markets, and conduct R&D for new business creation

## Required human resources

- 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

<sup>1</sup> 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."

<sup>2</sup> Original Equipment Manufacturer

<sup>3</sup> A business or region that is capable of creating added value on a *Genchi-Genbutsu* (go, see & study) basis and has competitive advantage compared to competitors.

<sup>4</sup> Noise and Vibration

<sup>5</sup> Connected, Autonomous, Shared, Electric

# 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.”



## Human resource strategy

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.
2	Securing of talented human resources	Strengthen the competitiveness of personnel recruitment required in the areas of activity in order to become an Interior Space Creator and expand globally.
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.
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.
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.
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.
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.

# 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**

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 to optimize seconded coordinator posts (Japanese non-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.

## Priority policy

### Formulation of a human resources portfolio

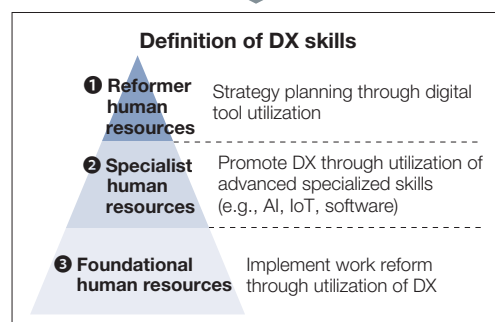
We formulated our HR portfolio aimed at understanding the quality and quantity of human resources, and at preventing future human resource shortages and skill gaps, to promote HR measures in line with our business strategy.

In fiscal 2024, we surveyed the specialized skills of all company members, to understand the current number of skilled personnel and to identify the number of people required for each of the specialized skills needed by 2030. As a result, we discovered a potential future lack of human resources with certain skills, for example, persons with DX-related skills. We are proposing and promoting initiatives aimed at securing such personnel.

Moving forward, we intend to visualize our personnel composition through aptitude tests, etc., providing feedback to each organization, after which each organization will formulate action plans and link these to human resource development to achieve the required numbers for each skill and each human resource.

#### Skills we must secure in particular toward 2030

DX skills	
	<ul style="list-style-type: none"> <li>• AI engineering</li> <li>• Software engineering</li> <li>• IoT engineering</li> </ul>



#### Measures to secure personnel with DX skills through recruitment, training, and placement

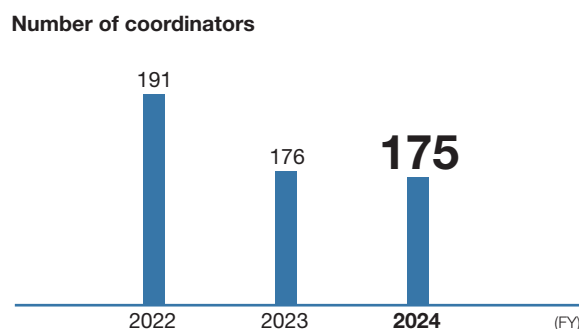
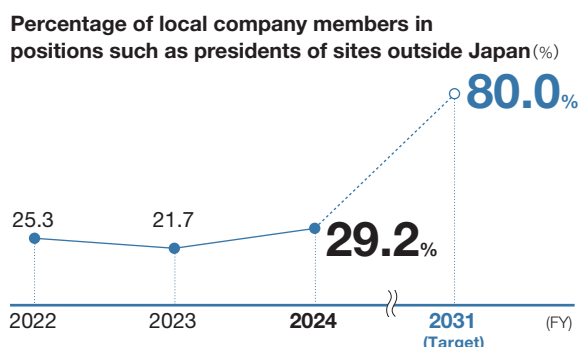
	Measures to secure human resources	Training methods
<b>① Reformer human resources</b>	External support Training	<ul style="list-style-type: none"> <li>• Seek external support (e.g., outsourcing)</li> <li>• Train future executive candidates in leadership and DX skills</li> </ul>
<b>② Specialist human resources</b>	Training through inter-divisional transfers (open recruitment) Recruitment of DX-specialized administrative and engineering graduates	<ul style="list-style-type: none"> <li>• Promote DX through placement in a dedicated business reform organization to DX practices in the division of origin</li> <li>• For a set period after placement, take part in a training program to acquire skills</li> <li>• Recruit suitable human resources from specialized courses and place them in divisions where they are needed</li> <li>• For a set period after joining the company, take part in a training program to acquire skills</li> </ul>
<b>③ Foundational human resources</b>	Internal support	<ul style="list-style-type: none"> <li>• Experts and experienced members from other divisions provide support to address DX issues</li> </ul>



## Promote localization of overseas entities and resource shift to new areas

Separately from line managers, we have dispatched approximately 200 coordinators to overseas entities to train local staff, with a core mission of strengthening cooperation with the head office.

We are promoting the appointment of local personnel as the presidents of business sites in countries outside Japan and in senior positions at Regional Management & Collaboration Hubs, while optimizing the number of coordinators for a leaner operating structure at overseas entities, with the aim of shifting resources into new business areas, towards the realization of our 2030 Mid-term Business Plan. In regards to localization, we have set a target of 80% for 2030, with formulated succession plans and are driving training toward its realization.



### INTERVIEW WITH TOYOTA BOSHOKU MEMBER

#### Unlocking potential in diverse human resources and nurturing strong leaders through One TB



**Ted Schafer**

Executive Vice President  
Toyota Boshoku America Inc.

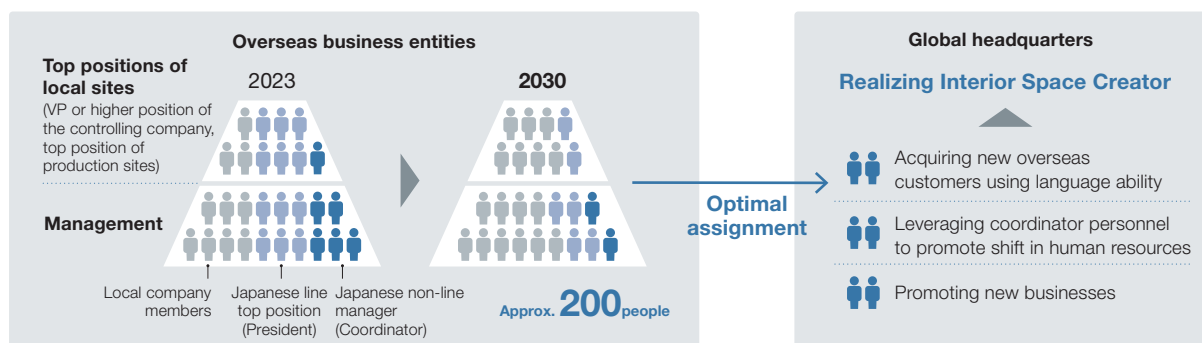
I was assigned to the department overseeing the development of complete seats at the Japan headquarters (TBJ) from 2016 to 2019. Here, I represented the development department of Toyota Boshoku America (TBA) and experienced how automotive models produced in North America are developed by TBJ and other companies from the earliest stages of development. During my assignment, I believe I was able to interact with and strengthen relationships with all TBJ departments involved in these projects, as well as with our customers.

One of the biggest challenges during my time in Japan was the “decision-making style/process” that took place many times at various levels within Toyota Boshoku in Japan and with our clients. I felt it was important to understand and adapt to Japan’s unique customs, which are different from Western business practices, in order to be an effective contributor to the product development.

Today, as Executive Vice President of TBA, I am the head of all product development activities for the entire Americas region. The learning and insights I gained at TBJ and the connections I made there have served me well in my current job by allowing me to more effectively communicate with TBJ Leadership.

To become a competitive automotive supplier, I believe we need to be “One TB,” that is, we need to draw on the strengths of our diverse human resources from each country and entity as one team. We also need to promote the ICT\* system to develop strong leaders who understand the TB Way in all regions, and we must trust them as “TB colleagues” rather than “local members” in order to achieve our 2030 vision.

\* Intra Company Transferee

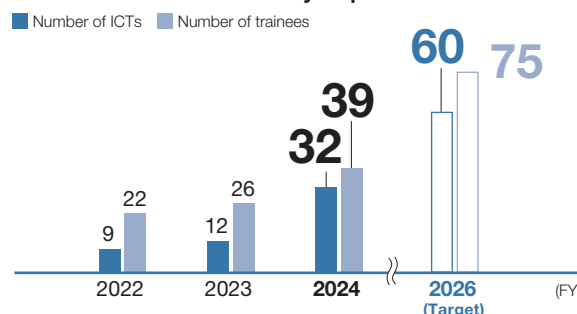


## Promote globalization of Japan head office

In order to operate overseas business entities with a leaner structure, it is necessary not only to localize overseas entities, we must promote globalization of the head office in Japan. To achieve this, we will utilize the ICT scheme for sending local staff from overseas business entities to the head office in Japan, and the training system for dispatching young human resources from the head office to overseas entities, actively undertaking cross-border human resource exchange. Through this, we achieve smoother communication that transcends countries and sites, aiming to promote a globally optimized business, based on a deepening our understanding of one another's positions and roles. From fiscal

2021 to fiscal 2023, restrictions were imposed on secondment due to the spread of the coronavirus pandemic, but we restarted the system in fiscal 2024.

### ICT/Number of trainees newly dispatched



## INTERVIEW WITH TOYOTA BOSHOKU MEMBER

### Happily engaged each day thanks to interaction with diverse human resources



**Natalia Tokarczyk**  
Production Control Division

From my experience at Toyota Boshoku Europe (TBEU), I decided that I wanted to learn more deeply about the work of Toyota Boshoku as a whole and therefore I applied under the ICT scheme to gain experience at the head office in Japan (TBJ). Since July 2023, I have worked in the Production Control Division, where I am responsible for analysis of production performance rate results and preparation of daily production reports for factories we oversee, as well as providing support for the Production Kaizen Meeting.

Initially, I struggled to adjust to the environment at TBJ, and I was particularly unable to understand specialized terminology, because for some time I had had few opportunities to use Japanese. I was also surprised at how quiet the TBJ office is compared with TBEU. For the globalization of TBJ, I feel it is important to have quality communication that includes some informal conversation. The official language for internal use at TBEU is English. Meanwhile, TBJ members study English and other languages, and ICT members study Japanese. When members use even some of the words they learn in communication, it expresses consideration and greater effort at understanding the other party. I believe it enables us to build a work environment where a diversity of people can interact and excel together, and moreover, enjoy each day!

I have also been able to talk with various people at home and abroad, expanding my network, and hope to continue to have enjoyable interaction in the future. while boosting my skills and deepening my knowledge.

## 2

## Securing of talented human resources

### Strengthen 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 the area 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.

#### Priority policy

### Expansion of new graduate recruitment for administrative and engineering positions

- **Host internships**

We host 1–3 week internships during the summer. Our program aims to let students experience the actual business of our company before they begin job-hunting. We hope that participants can verify their own interests and suitability, and that it helps them to develop a concrete image of their future career. In fiscal 2024, internships were conducted with 62 themes, whereby we achieved a high rate of satisfaction among participants (9.5/10 points), with comments such as “I was able to find what I really want to do.” Through internships, we can make contact with outstanding candidates at an early stage, and secure personnel who will readily adapt to our corporate culture, thereby contributing to the realization of our human resource and business strategies.

- **Host recruitment events**

Throughout the year, we host a large number of recruitment events, including seminars, open days, and online live meetings. They provide students with opportunities to interact with as many senior personnel as possible, in an effort to allow them to form a concrete image of their career at Toyota Boshoku. In addition, it provides the participants with opportunities for self-analysis and self-perception so that they can gain a deep understanding of their own strengths and interests, helping them to clarify the career they seek for the future.

- **Improve retention of new company members**

Each of our new company members receives on-the-job training from assigned senior personnel. Specifically, we support the growth of new company members through regular interviews and presentations. Additionally, we conduct monthly surveys to check their mental state and the appraisal of their supervisor, whereby we are able to provide appropriate support where needed.



Initiation ceremony, April 1, 2024

## Expansion of mid-career recruitment for administrative and engineering positions

### • Proactive recruitment of foreign nationals and persons with disabilities

We engage in proactive recruitment of foreign nationals and persons with disabilities, with a view to enhancing our diversity. In fiscal 2024, we offered internship opportunities in both categories, with a 2.5-month work experience program that hosted 14 foreign nationals, and a 1-day event for persons with disabilities, also with 14 participants. We strive to hire based on conviction, enabling potential recruits and our workplaces to deepen their mutual understanding through a program for experiencing our actual work.

### • Referral recruitment (Hiring of persons introduced by company members)

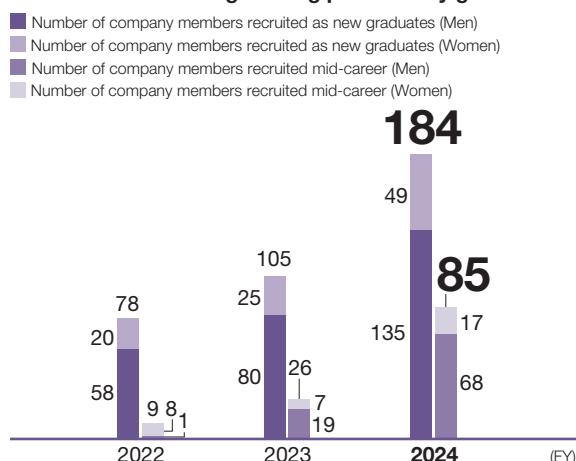
We proactively encourage referrals to realize a more effective and speedy recruiting process by discovering talented human resources through introduction by company members. We actively encourage introductions by offering incentives for referrals. We hired two new members in the first year of the system, fiscal 2024, and intend to expand it in fiscal 2025.

### • Alumni recruitment (Re-hiring of former company members)

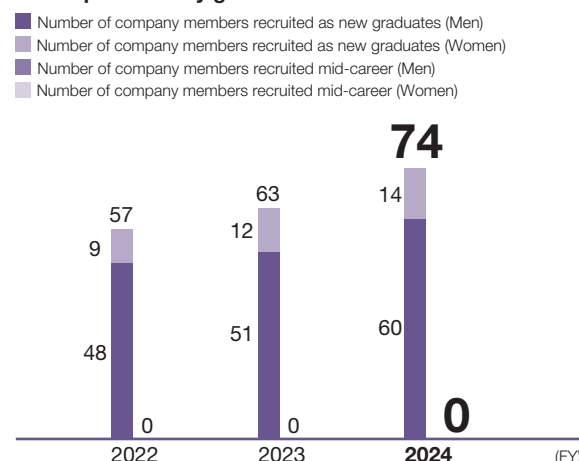
We re-hire former company members, aiming to secure human resources who are already familiar with our corporate culture and work, and can immediately become effective players. In fiscal 2024, we hired one new member in this way.

Going forward, we will build a platform to maintain relationships with former company members, and plan to regularly share information and interact with them.

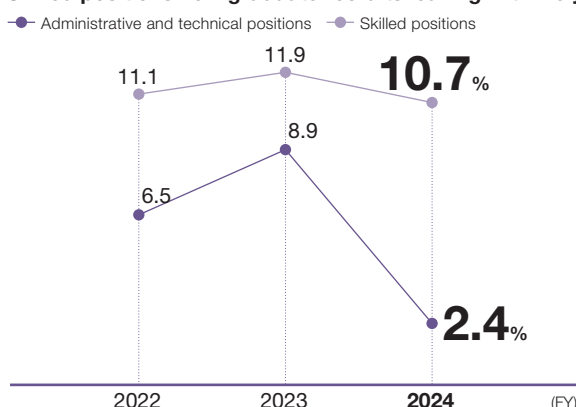
Number of new graduates / mid-career recruits for administrative and engineering positions by gender



Number of new graduates / mid-career recruits for skilled positions by gender



Administrative and engineering positions/  
Skilled positions new graduate recruits leaving within 3 years (%)



#### <Reference>

##### ■ Turnover rate of new graduate recruits leaving within 3 years

- University graduate recruits: 34.9%
- High school graduate recruits: 38.4%

##### ■ Turnover rate of new graduate recruits in manufacturing positions leaving within 3 years

- University graduate recruits: 20.6%
- High school graduate recruits: 28.8%

Source: Ministry of Health, Labour and Welfare, published data on turnover rate for new graduate recruits (March 2021)

## INTERVIEW WITH TOYOTA BOSHOKU MEMBERS

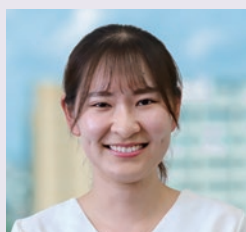
### Summer internship to paint an image of my future career



**Yuna Yokoya**

Interior & Exterior Advanced  
Development Division

I was interested in the topic of biomimetics,<sup>1</sup> which was among the topics offered, and took an internship. During the internship, I found product development using biotechnology very interesting, and was able to gain a clear picture of work life at Toyota Boshoku, which clinched my decision to apply. Currently, I am mainly responsible for creating items needed to realize our technology roadmap,<sup>2</sup> setting development priorities, making proposals to collaborating partners, and joint research with universities. I place importance on taking a proactive attitude toward my learning: checking any uncertainties with senior personnel immediately, and, for example, attending meetings with my supervisor to expand my horizons. Going forward, I hope to acquire a range of experiences as a basis to be able to express my opinions clearly, and will continue my efforts in fiscal 2025. I want to try presenting at the Toyota Boshoku Engineering Society this fiscal year.



**Sae Katsuro**

Interior & Exterior Advanced  
Development Division

My research topic in post-graduate studies was LED, and I was also interested in interior illumination I saw at the Tokyo Motor Show,<sup>3</sup> so I applied for an internship with an illumination-related theme. There were many company members who worked closely with the interns and understood our concerns. I was deeply impressed by the good character of all of the company members, and the good work environment where, despite the change in lifestyle, I felt I could advance my career. It was these points that led me to apply to work at Toyota Boshoku. Currently, I am involved in advanced development related to interior and exterior illumination. I was involved in the technology exhibition, where I saw items I had worked on being displayed, which gave me a sense of satisfaction in my work. In the future, I hope to turn my ideas into never-before-seen products.

<sup>1</sup> Biomimetics is imitation of characteristics of living organisms to apply to manufacturing technology

<sup>2</sup> Our guideline chronologically and strategically showing the new value we want to offer in the technical field in the future, and the necessary technologies, etc. toward 2030

<sup>3</sup> Now renamed the Japan Mobility Show



## 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. Also, by enhancing measures that allow each individual to independently consider their career, and systems that encourage them to tackle challenges, we will continue to support their growth.

### Priority policy

#### Promote development of human resources

We have systems in place within our organization to develop and support the growth of human resources, based on workplace OJT and a human resource development cycle, as a development process whereby each individual company member can proactively shape their own career. Also, we support growth through career development, opportunities to tackle challenges, and off-site training to enhance members’ capabilities in their respective qualifications. In addition, to facilitate development of executive management successors, we discuss candidates at our global succession committees, and strive to enhance the skills and capabilities required of managers through development programs.

##### • Next100 Selection

This initiative is aimed at planned development of future human resources management. We have selected 100 talented company members who will lead the future of the Toyota Boshoku group, focusing on young people, women and foreign nationals, and they attend lectures of the global executive training program. We hold discussions between group companies and departments regarding training and optimal placement of human resources through GSC<sup>1</sup> and RSC<sup>2</sup>, and other initiatives.

1 GSC:Global Succession Committee 2 RSC:Regional Succession Committee

##### • Implementation of global executive training programs (GEDP, GLDP, CDP)

We staged GEDP<sup>3</sup> and GLDP<sup>4</sup> with the aim to develop next-generation management candidates who can lead the future of Toyota Boshoku, with 45 members participating in fiscal 2024.

Starting in fiscal 2025, we will implement the CDP<sup>5</sup>, for members of the Next100, where they experience putting intentions into words, making partnerships, and experiencing the outputs, aimed at developing leaders who can realize our hope to be a company that gives everyone the feeling that, “I like Toyota Boshoku.”

3 GEDP:Global Executives Development Program 4 GLDP:Global Leaders Development Program 5 CDP:Creators Development Program

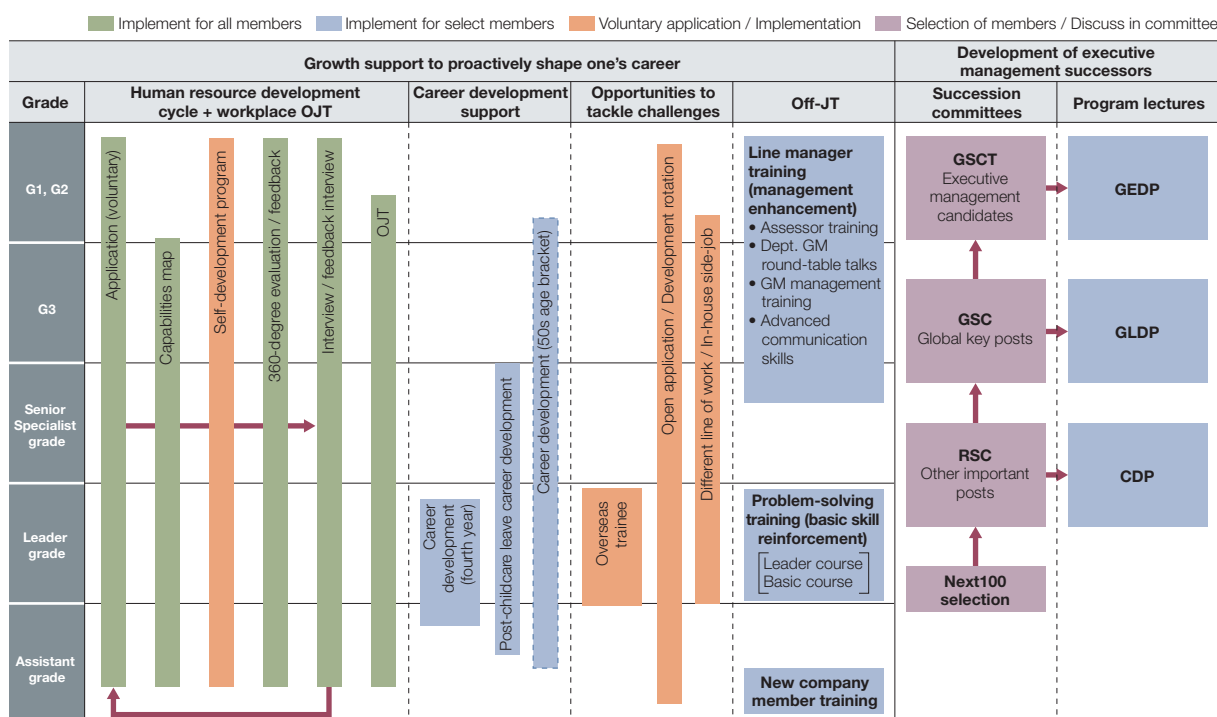
### • Developing executives and future managers (GSCT, GSC, RSC)

We have established forums for management heads and operating officers to discuss development of successors. Each year, they hold ongoing discussions regarding successors for their target level: GSCT<sup>6</sup> discusses executives, GSC discusses heads of sites outside of Japan and at Regional Management & Collaboration Hubs, and RSC discusses other important posts.

<sup>6</sup> GSCT: Global Succession Committee by Top Executives

### • Implementation of 360-degree feedback

We strive to promote growth through self-realization and behavioral change by each company member to create a more open workplace. We provide opportunities once a year for feedback from various perspectives, including supervisors, subordinates, colleagues and other divisions, to help members understand how others view their professional conduct. Previously, the system was only used for managerial positions, but since 2024, we expanded the scope to include section chief class members, and implemented it for approximately 3,300 members.



## Developing people capable of contributing to society (use of TB Share Pro)

Since fiscal 2024, we have conducted TB Share Pro activities, with the aims of helping members gain new knowledge through cross-border studies and providing them with challenges that can lead to business innovation. Nine participants were split into three groups and collaborated for five months with three companies with whom they did not have day-to-day dealings. This helped them resolve issues such as workplace environment improvement, new sales plans, and public relations, to aid the companies in achieving their ideal form. Through these activities, participants gained new knowledge and realized personal growth, and following the experience, they are continuing proactive efforts for further self-development. In fiscal 2025, we will further promote activities aimed at developing people capable of contributing to society.

## INTERVIEW WITH TOYOTA BOSHOKU MEMBERS

### We want to be people who enjoy new challenges



**Yusuke Yamamoto** (left)  
Rr Seat Frame Design Division

**Takuya Suzuki** (center)  
Oguchi Gifu Manufacturing  
Management Division  
Group Leader

**Yuki Hiramoto** (right)  
Sales Division 2

(Members who took part in fiscal 2024 TB Share Pro activities as part of the same team)

I took part in TB Share Pro because I wanted to use the skills and experience I had acquired through work to contribute to society, and because I want to be someone who takes on challenges they are interested in.

At the start of the program, the president of the nominated company expressed hope that we could develop tools to address the issues of finding new customers and reducing reliance on individuals for certain jobs. Despite my efforts, I could not achieve the goals. Instead, we reframed it as a project involving the president and company members, grasped the current situation, and identified the issues. Working at a different company and collaborating with new people, at times, I was unsure how forward I could be to facilitate honest discussion, as we tried to understand each other. But we began to use each other's nicknames, and sometimes I played the joker as I strived to align each individual's perceptions. As a result, we mainly tackled improvement of the work environment, an issue shared by the president and members. I was able to encourage members to take ownership of the issue, and to get the project on-track.

At times it was tough, given the responsibility of making progress on the project in a limited time frame, but it gave me the confidence that, if I put my mind to it, I can do anything I am tasked with. At the end of the project, the members thanked me, saying that the company environment had changed. I feel I contributed to building a foundation that will lead to future growth for their company.

The appeal of Share Pro is the sense that "it's better to try and fail than to never try at all," and "sharing our struggles will only make us stronger." I will make the most of this out-of-the-ordinary experience within my own division.

## Support of career autonomy

### • Implementation of Re:act, We:ave

We are implementing two programs (Re:act and We:ave) with the aim of expanding our business fields and developing leaders for the creation of new businesses. For Re:act, in fiscal 2024, we held a lecture from a guest speaker, who shared experiences on efforts to start new businesses and a workshop to develop ideas. For We:ave, we held a second-term program. The seven members selected from among the applicants endeavored to devise, refine and propose their own business ideas through exchanges with people outside of the company, and so on.

#### Feedback from We:ave participants

- I became more conscious of continued learning through contact with the outside world.
- I shared my weaknesses and became more able to discuss them frankly with others in order to overcome barriers I could not surmount on my own.



Re:act event



We:ave activity

- **Promotion of in-house application system**

Company members consider their own careers and work to build an environment where they can take action and achieve this. Previously, we had an in-house open-application system (Job Posting) in place for veteran members (aged 50 and over) aimed at utilizing their knowledge. In fiscal 2024, we introduced a similar additional system for under-50s (Job Challenge). From fiscal 2025 on, we plan to provide opportunities for members to discuss their career with supervisors and other qualified members to promote the effective use of these systems.

- **Trial introduction of an in-house side-job system**

As one facet of the above systems, we will lower the threshold for transfers, with the aim to create opportunities to experience work in other divisions, to expand the individual's perspective and career. Starting in fiscal 2025, we plan to have a trial operation of the in-house side-job system within a limited number of divisions. After verifying the trial's effectiveness and resolving any issues, we will formally introduce the system company-wide.

## Strengthening and developing skills

- **Establishment of DX Lab**

We launched a training course, DX Lab (skills-based DX training), in collaboration with the Business Transformation Promotion Division, Toyota Boshoku Technical Skills Academy, and Production Engineering Development Division, starting at manufacturing worksites, to train leaders who will promote DX at their respective skills-based workplaces. This training provides digital education including AI, IoT, and app development, to young and mid-career members selected from skills-based workplaces, who can be leaders in DX promotion in such workplaces. Members trained as promotion leaders by DX Lab will go on to plan and promote DX at their respective workplaces, and will train junior members, acting as the leaders to accelerate promotion of DX at skills-based workplaces.



Meeting to present DX Lab achievements

- **Implementation of short-term training outside of Japan (Toyota Boshoku Technical Skills Academy)**

Since its establishment, Toyota Boshoku Technical Skills Academy has offered a one-week study program in Canada\* for students to improve their English and to experience diverse values. With a balanced program for mind and body, skills, and knowledge, including site visits to Toyota Boshoku's Canadian plant, and through interaction with local university students, it aims to nurture skills-based leaders able to perform globally.



Interaction with local university students during short-term training outside of Japan

\*Canceled from 2020 to 2022 due to the impact of the coronavirus pandemic

## 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 business. 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 coexist daily 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.

#### Priority policy

### Promote diversity and inclusion activities

#### • Promotion of ENRG (Employee Network Resource Group) activities

Since fiscal 2023, we have launched five ENRG groups: for women, young people, non-Japanese company members, seniors, and people with disabilities, involving around 100 company members with diverse backgrounds, attributes, and values. The groups are expanding their efforts to ascertain the real views of company members and discuss measures to promote their success by jointly considering and implementing policies and programs that enable each member to fully demonstrate his or her abilities.

#### INTERVIEW WITH TOYOTA BOSHOKU MEMBERS

##### Helping seniors maximize their expertise and experience in later life



**Satoru Fukunaga (Chair)**  
(center)

Supply Chain Business Strategy Division  
Project General Manager

**Ryuichi Hiratoko** (left)  
Material Engineering Development Division  
Project Manager

**Hidehito Ukai** (right)  
Accounting & Finance Division  
Senior Specialist

MEISTER is a working group comprised of 16 members around retirement age (60 years). At 60, people experience major changes in various areas of their life, including physical and mental health, financial, and private matters. Our group's members share frankly about their uncertainties and hopes, and discuss how they can lead fulfilling senior lives. In addition, as the number of seniors increases, they can share their thoughts and ideas with the company based on the skills, knowledge and experience they have acquired to date, in order to feel fulfilled and motivated, and to flourish in their work. Revision of the reemployment system in April 2024, partially based on our opinions, has also given us a sense of satisfaction in our activities.

Going forward, we hope to promote activities to live active senior lives, with the goal of being recognized as a company that makes everyone feel "I like Toyota Boshoku" from a senior's perspective, through the proposal of more developed HR systems, and so on.



- **Staging of a D&I Week event**

We held a D&I week event in March 2024 to promote diversity and inclusion. The event included a panel discussion with a group of employees from an aerospace company, and reports on the experiences of men who took childcare leave. It also included opportunities to experience “pregnancy” and use of a wheelchair, as activities that promoted greater understanding of D&I within the company.



Wheelchair use experience during D&I Week

- **Implementation of D&I education for managers**

We conduct D&I education (e-learning, training videos and workplace discussions) for understanding the basic concepts of D&I and our company’s initiatives, to be recognized as a company with an open and inclusive work environment free from unconscious bias. From fiscal 2025, we will expand target participants to include all company members in administrative and engineering workplaces and members at foreman level and above in skilled workplaces, in an effort to further spread D&I throughout the company.

## Enhancing measures to support work-life balance

- **Enhancement of the short-time working system**

We are enhancing the system to show consideration for diverse work styles suited to company members’ individual circumstances. We have facilitated the option for working shorter hours for childcare or nursing care at all workplaces, raised the age of eligible children to 18 years old, and increased work-hour options to 4, 5, 6, or 7 hours. At administrative and engineering workplaces, we are enabling flexible work styles by making it possible to use flexible working hours without a core time requirement, and with teleworking.

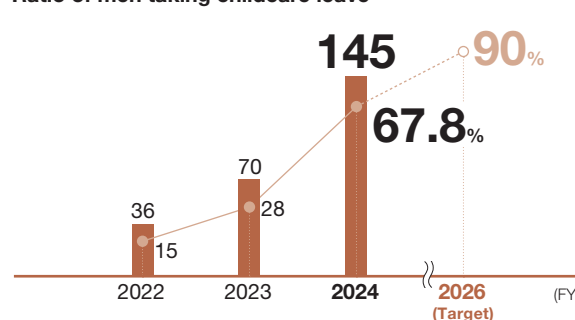
- **F Care Leave and Life Support Leave**

Taking into consideration the various circumstances of members, we have combined and re-named menstrual leave and morning sickness leave, which some members were uncomfortable to request due to the naming, as “F Care Leave.” We also established a new system called Life Support Leave to provide family care and fertility treatment, with no gender restriction. These types of leave can be taken by the hour, which allows members at administrative and engineering workplaces, who cannot use flexible working hours, to enjoy a flexible work style adapted to their family situation.

- **Encouraging men to take childcare leave**

In order to boost awareness of childcare leave among men and to promote understanding in the workplace, we established a support fund system to supplement the decrease in income when members take one month or more of childcare leave, to encourage more people to take leave. The ratio of members taking of childcare leave increased significantly to 67% in fiscal 2024 (up 39% from the previous year). A notably growing number of members are becoming involved in childcare for a longer period. While the average length of leave taken was approximately two months, there were members who took one year or more.

Ratio of men taking childcare leave



**Policies to support work-life balance:**

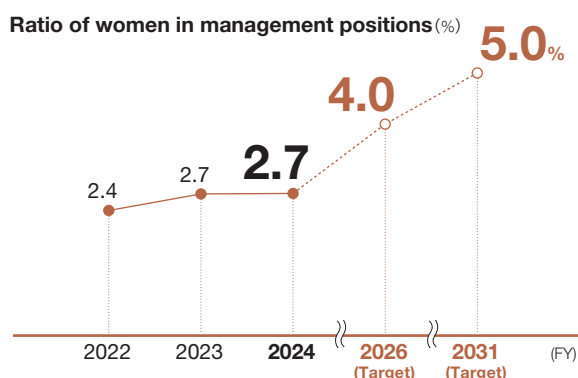
<https://www.toyota-boshoku.com/global/sustainability/social/diversity/#measures>

## Promoting active roles for diverse human resources

### • Career support for women

We are working to build an environment where female members with dreams and strong aspirations can shape their own careers and undertake challenges. In fiscal 2014, we established a target for the appointment of women to managerial positions by 2030, which we announced within the company. In order to train each of our members and help them to shape their careers to achieve this target, they devise a personal education plan with their supervisor that takes into consideration the individual's life events, and manage it with a PDCA cycle. In fiscal 2025, we are registering priority women throughout the company as some of the members of our Next100 in an effort to further develop our human resources.

Furthermore, we held career seminars, providing an opportunity for members to take time out of their busy schedules balancing work and home life to think carefully about their own career and discuss it with their supervisor. Supervisors can offer hints to female subordinates to help them perform better while placing importance on their individuality. We are also striving to achieve mutual understanding through workshops and dialog, by providing supervisors with points on how to interact with and support female members.



Career seminar for female supervisors and subordinates

### INTERVIEW WITH TOYOTA BOSHOKU MEMBER

#### Taking on the challenge of management—Leveraging the experiences from childbirth and child-rearing in management



**Fumika Ishiyama**

Carbon Neutral Environmental  
Center  
Group Manager

I manage a group that tackles the issues of carbon neutrality and biodiversity. I moved to my present division after returning to work from childcare leave for my third child, and two years later I was appointed head of this group. The work environment had changed significantly, and I had only just returned to work, so I felt uneasy about taking on a managerial position, but my supervisor reassured me, telling me "It's okay, just give it a try."

At times, I was worried that I might have missed opportunities by taking childcare leave, but I have been able to utilize the new discoveries and experiences from giving birth and child raising in management. In fiscal 2024, I visited Toyota Boshoku America (TBA) on a business trip where I was able to exchange opinions with local members about Toyota Boshoku's initiatives, and was able to check our initiatives by seeing them with my own eyes (Genchi-Genbutsu). Despite a busy schedule, it was a productive trip. Going forward, I hope to continue to balance work and home life, leveraging systems that allow us to work flexibly, such as teleworking, in addition to the cooperation of my family and support of my supervisor.

### • Drawing on the expertise of seniors

In April 2024, we revised our reemployment system, maintaining our Grade System, while changing our assessment system and raising compensation levels, among other things. This will enable members to leverage the skills and experiences they have acquired over many years, and to continue to demonstrate their abilities post-retirement age (60). By creating a system that supports growth of individuals regardless of age, and rewards them appropriately for their efforts, we strive to realize an environment where members can work enthusiastically with a sense of satisfaction.

## 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 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, we use a member survey to quantitatively evaluate company member engagement, and we are working to improve our systems and work environment in order to further enhance engagement.

We will work at an even higher level to realize both our business strategy and the vitality of our company members.

### Priority policy

#### Promoting well-being

In April 2024, we amalgamated the HR Strategy Division with related functions of the General Administration Division to create the specialized Well-Being Promotion Department. The Well-Being Promotion Department aims to pursue well-being through social contribution activities, promotion of corporate sport, and company events. It has prepared a medium-to long-term roadmap and is striving to ensure these activities are ongoing.



Summer Festival

### INTERVIEW WITH TOYOTA BOSHOKU MEMBER

#### I hope to increase Toyota Boshoku fans through the realization of well-being



**Keisuke Nagaya**

Department General Manager  
Well-Being Promotion  
Department  
General Administration Division

I have prior experience working full-time for the labor union, where I listened to the complaints and problems faced by members, conversing with people irrespective of their job type. During that time, I sometimes felt member trust in the company and sense of unity was weak. Realization of well-being for members does not mean just satisfying each individual, it involves creating a strong relationship of trust between the company and members. Increasing member engagement is expected to improve productivity and contribute to enhanced corporate value. I hope we can drive a range of mechanisms to realize such a large virtuous cycle. Currently, at my work place, when something positive happens, we tell each other "That's well-being, isn't it!" We continue promoting these initiatives hoping that, as well-being policies are widely adopted, we can nurture an attitude where these kinds of conversations and positive ideas become spontaneous.

Hopefully, all members will have pride in and love for the company, so that they can boast about it to family and friends, and honestly say that "I like Toyota Boshoku." We will do our best to turn all stakeholders into fans of Toyota Boshoku.

## Fostering an open workplace culture

### • Workplace meetings with the CEO

The CEO is now traveling to workplaces in and outside of Japan to have direct meetings to facilitate communication with company members, where they can freely share their opinions, to foster a culture of mutual respect.

These meetings also provide the CEO an opportunity for Genchi-Genbutsu (go, see & study) of members' workplaces. They facilitate frank sharing of opinions, and are a rare opportunity for younger members to speak directly with the CEO, to express their hopes and ask questions. In fiscal 2024, meetings were held at 46 sites outside of Japan and 27 divisions in Japan (approximately 30% of all divisions) and we plan to continue them in the future.



Meeting between CEO and Kariya Manufacturing Management Div.

### • Holding workplace conversations

We held conversations at each workplace aimed at creating workplaces where people can speak their minds freely. Members and supervisors discussed questions such as "What does speaking your mind entail?" and "What should we do to change the workplace?" They shared their opinions from their respective standpoints and gained new realizations which are being incorporated into initiatives at each workplace.

### • Implementation of OC (Omoiyari Communications) training

Since fiscal 2023, we have conducted training in considerate ("omoiyari") communication for those in managerial positions, where they learn about treating each individual with care, sense of well-being, consideration, and motivation from psychological and psychiatric perspectives.

They also learn how to exercise psychological self-control in response to casual prejudice and annoyances in everyday life, and methods for considerate communication.

## Promoting flexible work styles

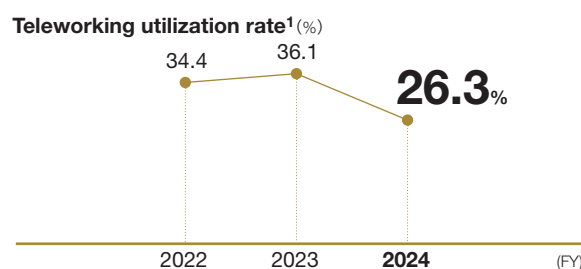
### • Revision of teleworking guidelines

We revised our usage rate guidelines for teleworking in order to better leverage both the merits of a teleworking system that enables effective workstyles through the choice of workplace and time, with the benefits of in-person communication. By working in the same space, people can directly understand the mood through factors other than words, such as facial expression and tone of voice. We aim to create an open workplace culture where each member can achieve a balanced workstyle, while nurturing teamwork and helping members enjoy work.

(post-revision guideline: recommended office attendance of 3 days or more/week, minimum attendance of 1 day/week)

### • Introduction of extended remote work

Individuals face different situations, such as nursing care of family members, which can require them to spend extended periods far from the workplace. We introduced a new extended remote work to enable members to continue to contribute to the company even in situations where it is hard for them to come to work every day.



<sup>1</sup> Total utilization frequency ÷ number of days worked (excluding manufacturing workplaces)

## 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.

**Health Management Strategy Map:** <https://www.toyota-boshoku.com/global/sustainability/social/health/#strategy>

### Certified as an excellent enterprise of health and productivity management

We were certified as an Excellent Enterprise of Health and Productivity Management 2024 (White 500), for the third consecutive year, in recognition of our activities in fiscal 2024.



### Priority policy

## Promotion of health management

#### • Initiative to reduce the smoking rate

Smoking is considered a risk that can cause disease in the future. Consequently, to protect the health of members, their families, and those around them, we implemented a smoking ban on all premises starting in April 2023. Many members viewed the on-premises smoking ban as an opportunity to quit or try to quit smoking. The percentage of smokers has now dropped to 26.3%. Going forward, we will continue subsidizing smoking cessation clinic visits, purchase of nicotine patches, and our "three-legged quit smoking challenge,"<sup>1</sup> with the aim of further reducing the percentage of smokers.

#### • Implementation of TB Food Education Project

Since fiscal 2024, we launched food education initiatives in collaboration with company cafeterias to enable members to adopt healthy eating habits. We offered subsidized salad options for a limited period, and used signage<sup>2</sup> in cafeterias to communicate the benefits of eating "veggies first." From fiscal 2025 and on, we are continuing initiatives to enhance food literacy<sup>3</sup> among members to encourage them to take a proactive interest in food, as part of our TB Food Education Project.



<sup>1</sup> An event where members face the challenge to quit smoking by forming a pair with a workplace supporter.

<sup>2</sup> We displayed menu dishes and campaign information on digital signage.

<sup>3</sup> The ability to understand and evaluate health information on suitable foods and to take advantage of this.

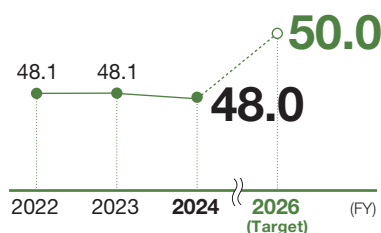




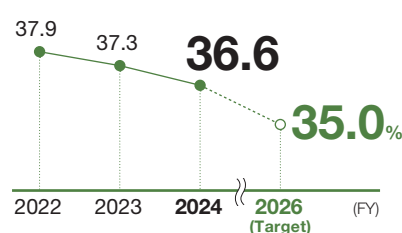
### • Collaboration with Health Activities Promotion Leaders

We appointed Health Activities Promotion Leaders in all divisions to ensure systems to drive health activities throughout the company. They coordinate and encourage members to take advantage of health policies at each workplace, to facilitate workplace-led health activities. Going forward, we are advancing various plans, including on-site lectures, undertaking health activity initiatives in the workplace driven by the Health Activities Promotion Leaders with the aim of improving health awareness.

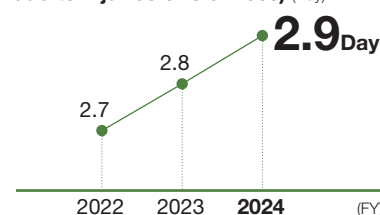
#### Work engagement (deviation)



#### Presenteeism (rate of lost productivity) (%)



#### Absenteeism (absence from work due to injuries or sickness) (Day)



## Safe HITOZUKURI and promoting a safe workplace environment

### • Implementation of fire and safety inspections by production managers

The Chief Manufacturing Officer (CMO), who heads the manufacturing divisions, collaborates with the head of the Health & Safety Center to conduct inspections at every plant each month to promote the prevention of disasters and fires.



Management status check by chief plant general manager

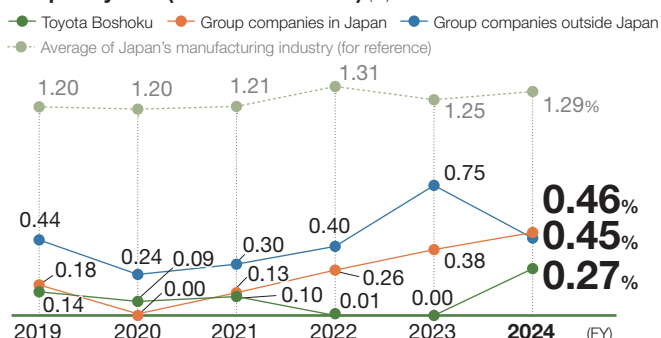
### • Implementation of fire safety and fire prevention cross-check

We continue to work together to prevent STOP6<sup>4</sup> accidents which may lead to fatal accidents and total-loss fires. Top management of each entity visits other entities not under their jurisdiction to check items such as the status of 4S: Seiri (Sort), Seiton (Set in order), Seiso (Shine) and Seiketsu (Standardize), to verify the environment for the practice of Stop, Call, and Wait, and to check safety measures at facilities, etc. In fiscal 2024, a safety and fire inspection cross-check by top management of each plant was implemented first at entities inside Japan, and then globally. The entire group, including suppliers, continues to work together on these activities.

### • Establishment of Safety, Health, Environment fruitful Think and Act Center (SHE-TAC)

Based on the concept of “Know. Think. Act,” in fiscal 2021, we promote the ongoing development of people who know the background and causes of past occupational accidents,<sup>5</sup> think about countermeasures, take individual responsibility for matters of safety, and take initiative (“act”) to implement preventive measures. In fiscal 2024, the Center underwent renewal, and experiential-style learning was introduced to further advance education of human resources equipped to prevent accidents and to work safely.

#### Frequency rate (lost time or above) (%)



#### Layout of Safety, Health, Environment fruitful Think and Act Center (SHE-TAC):

<https://www.toyota-boshoku.com/global/sustainability/social/safety/#layout>

4 An acronym for Safety Toyota 0 (Zero Accident) Project6, referring to serious accidents caused by (1) moving machinery, (2) heavy objects, (3) contact with vehicles, (4) falls, (5) electric shock and (6) contact with high temperatures.

5 Serious accidents, fires, environmental problems, natural disasters, health issues, etc.

## 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.

#### Priority policy

### Create an ethical workplace with an emphasis on compliance

#### • Strengthen harassment prevention activities

For Toyota Boshoku, elimination of harassment is not merely a matter of addressing an important human rights issue, we believe it also helps to ensure psychological safety in the workplace and contributes to the creation of an open workplace culture. Consequently, we proactively conduct in-house training to address this. In fiscal 2024, we held follow-up training for all line managers. For fiscal 2025, we have prepared video training materials incorporating animation and are currently rolling this out to all members. In addition to fundamental content on harassment, it also covers reverse-harassment of supervisors by subordinates, how to respond when you discover harassment in the workplace, things that supervisors should bear in mind, and so on, in a format that is easy to comprehend.

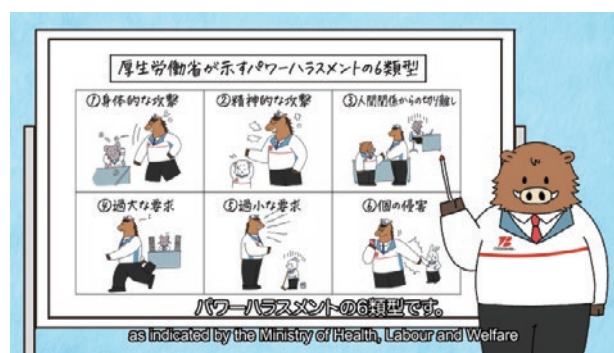
#### Feedback from participants

- I learned a lot. The training method was very personable which made it easier to understand.
- I hope to share the content at my own workplace in an effort to raise awareness of harassment.
- I learned that one-sided words and behavior can lead to power harassment.

From now on, I want to find ways to give advice after first listening to my subordinates.

#### Number and participation rate of participants in harassment training

	2023
Number of people	975
Attendance rate	97 %



Video materials incorporating animation

### • Ensure proper time management

We implement periodic company-wide training in an effort to improve members' awareness of time management. We have appointed a labor management promoter at each division and are building systems for proper working hour management in each workplace in cooperation with HR. In addition, we conduct monthly investigations all discrepancies between objective records of start/end times and self-reports in the attendance management system to enable appropriate time management. We are planning to reform the attendance management system in fiscal 2025 as we strive to create an environment where members can work with greater peace of mind.

## Risk and information management

### • Promotion of risk management activities

We developed a global risk management system for the group, led by the Chief Officer. We will establish priority risks to be followed up for each fiscal year, and monitor their status. We will promote the establishment of a foundation for rapid response, safety of human life, and minimization of losses in the event of a crisis. In order to spread risk management activities to countries outside of Japan, we are expanding and sharing information based on our global risk management system and working to increase opportunities for bilateral communication. We are also striving to strengthen preparedness, including boosting awareness and disaster preparedness (self-help) among members and their families, through publication of newsletters and training. In addition, we are promoting business continuity management (BCM) in order to realize continuous improvement in ordinary times to boost the effectiveness of our business continuity plan (BCP).

#### The risk management system, and associated activities:

<https://www.toyota-boshoku.com/global/sustainability/governance/risk/#system>

Risk	Main actions taken in FY2024
Earthquakes	<ul style="list-style-type: none"> <li>• Evacuation drills, drills for setting up a company-wide disaster response headquarters, on-site in-house firefighting organization drills</li> <li>• Promotion of BCM activities, etc.</li> </ul>
Cyberattacks	<ul style="list-style-type: none"> <li>• Enhancement of company members' awareness of security (security training, targeted e-mail drills)</li> <li>• Strengthening of security measures at affiliates/suppliers inside and outside Japan</li> <li>• Automatic disconnection of PCs and servers suspected of being infected with viruses from the network, etc.</li> </ul>
Country risks (Conflict)	<ul style="list-style-type: none"> <li>• Ascertaining of the Toyota Boshoku group's situation with respect to economic security</li> <li>• Monitoring of the country risk situation in our countries of operation based on information from economic indicators, external credit rating agencies, local entities, etc.</li> </ul>
Falsification or concealment of quality/testing data	<ul style="list-style-type: none"> <li>• Internal hearings (technical evaluation and factory inspection divisions,) periodic supplier inspections, establishment of a quality fraud prevention mechanism, establishment of a system for checking certified work, education on quality fraud prevention, and awareness-raising through introduction of fraud cases among other companies at the Global Quality Learning Center (GQLC).</li> </ul>

### • Strengthening of confidentiality management and information security

We have established an Information Security Policy, and created a global confidentiality management system, a policy common to the Toyota Boshoku group. Each company in the group is working as one, systematically and continuously, to strengthen information security. Specifically, through inspections and improvement of initiatives, we are striving to reduce the risk of confidential information leaks, using our security guidelines as the fundamental policy. Also, we regularly conduct activities to raise company members' security awareness, such as through e-learning training and targeted e-mail drills. We have also revised our confidentiality management regulations and related procedures as well as introduced an internal information leak detection system to deal with the risk of confidential information leaks.

Furthermore, we are conducting activities to enhance measures against unauthorized system access not only at Toyota Boshoku, but throughout our supply chain, including affiliates and suppliers, by explaining both the need for security measures and specific policies.

## List of KPIs

KPI			Unit	Scope	FY2022	FY2023	FY2024	Target value FY2026	Target value FY2031
1	Number of permanent company members (Permanent company members)		People	Toyota Boshoku Group	44,264	44,581	46,972	—	—
	Japan		People	Toyota Boshoku Group	13,537	13,420	14,708	—	—
	Americas		People	Toyota Boshoku Group	12,148	12,381	13,079	—	—
	China		People	Toyota Boshoku Group	7,810	7,761	7,090	—	—
	Asia, Oceania		People	Toyota Boshoku Group	6,186	6,156	7,450	—	—
	Europe, Africa		People	Toyota Boshoku Group	4,583	4,863	4,645	—	—
	Number of permanent company members (Permanent company members)		People	Toyota Boshoku	8,264	8,244	8,301	—	—
	Men		People	Toyota Boshoku	7,190	7,161	7,188	—	—
	Of which non-Japanese company members		People	Toyota Boshoku	38	45	47	—	—
	Women		People	Toyota Boshoku	1,074	1,083	1,113	—	—
	Of which non-Japanese company members		People	Toyota Boshoku	20	20	18	—	—
	Women as percentage		%	Toyota Boshoku	13.0	13.1	13.4	—	—
	Non-Japanese company members as percentage		%	Toyota Boshoku	0.6	0.7	0.7	—	—
	By age								
	20–29 years old		People	Toyota Boshoku	1,223	1,187	1,174	—	—
	30–39 years old		People	Toyota Boshoku	2,442	2,328	2,290	—	—
	40–49 years old		People	Toyota Boshoku	2,666	2,623	2,564	—	—
	50–59 years old		People	Toyota Boshoku	1,927	2,099	2,260	—	—
	60–69 years old		People	Toyota Boshoku	6	7	13	—	—
	Human capital ROI <sup>1</sup>		%	Toyota Boshoku Group	24.90	17.32	24.34	—	—
			%	Toyota Boshoku	5.26	5.49	0.09	—	—
	Total personnel expenses		Millions of yen	Toyota Boshoku Group	242,108	275,279	323,055	—	—
			Millions of yen	Toyota Boshoku	84,922	87,518	95,049	—	—
	Full-time equivalent (FTE)		FTE	Toyota Boshoku	8,208	8,181	8,241	—	—
	Number of outside workers (contracted/ temporary workers)		People	Toyota Boshoku	2,583	2,680	1,967	—	—
	Percentage of local company members in positions such as presidents of sites outside Japan		People	Toyota Boshoku Group	25.3	21.7	29.2	—	80.0
Number of coordinators (Japanese non-line managers)		People	Toyota Boshoku Group	191	176	175	—	—	
Number of members using the Intra Company Transferee (ICT) schemes <sup>2</sup>		People	Toyota Boshoku Group	9	12	32	60	—	
Number of trainees newly dispatched		People	Toyota Boshoku Group	53	55	39	75	—	
Recruitment of company members for administrative and technical position		People	Toyota Boshoku	87	131	269	—	—	
Number of company members recruited as new graduates		People	Toyota Boshoku	78	105	184	—	—	
Men		People	Toyota Boshoku	58	80	135	—	—	
Women		People	Toyota Boshoku	20	25	49	—	—	
Of which non-Japanese company members		People	Toyota Boshoku	5	10	12	—	—	
Number of company members recruited mid-career		People	Toyota Boshoku	9	26	85	—	—	
Company members recruited mid-career as percentage of total number of company members recruited per year		%	Toyota Boshoku	7.0	13.4	21.6	—	—	
Men		People	Toyota Boshoku	1	19	68	—	—	
Women		People	Toyota Boshoku	8	7	17	—	—	
Non-Japanese company members		People	Toyota Boshoku	0	2	1	—	—	
20–29 years old		People	Toyota Boshoku	1	7	23	—	—	
30–39 years old		People	Toyota Boshoku	4	10	48	—	—	
40 years and older		People	Toyota Boshoku	4	9	14	—	—	
Recruitment of company members for skilled positions		People	Toyota Boshoku	91	98	125	—	—	
Number of company members recruited as new graduates		People	Toyota Boshoku	57	63	74	—	—	
Men		People	Toyota Boshoku	48	51	60	—	—	
Women		People	Toyota Boshoku	9	12	14	—	—	
Number of company members recruited mid-career		People	Toyota Boshoku	0	0	0	—	—	
Men		People	Toyota Boshoku	0	0	0	—	—	
Women		People	Toyota Boshoku	0	0	0	—	—	
Assignments from temporary worker to permanent company members		Years	Toyota Boshoku	34	35	51	—	—	
Non-Japanese company members		People	Toyota Boshoku	1	3	2	—	—	
Average years of service		Years	Toyota Boshoku	17.5	17.8	18.2	—	—	
Men		Years	Toyota Boshoku	18.0	18.3	18.7	—	—	
Women		Years	Toyota Boshoku	14.2	14.6	14.9	—	—	
New graduate recruits leaving within 3 years		%	Toyota Boshoku	8.3	9.9	6.3	—	—	
Administrative and technical positions		%	Toyota Boshoku	6.5	8.9	2.4	—	—	
Skilled positions		%	Toyota Boshoku	11.1	11.9	10.7	—	—	
2		Securing of talented human resources							

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

		KPI	Unit	Scope	FY2022	FY2023	FY2024	Target value FY2026	Target value FY2031	
3	Support for growth	Total cost related to development training		Billions of yen	Toyota Boshoku	1.18	1.35	14.2	—	—
		Average training hours per company member		Hours	Toyota Boshoku	17.6	18.8	26.4	—	—
		Cumulative number of participants in global executive training programs		People	Toyota Boshoku Group	108	138	183	—	—
		Medal with Yellow Ribbon: Number of recipients		People	Toyota Boshoku	1	0	0	—	—
		Number of persons commended as Outstanding Technicians (Contemporary Master Craftsmen)		People	Toyota Boshoku	0	0	0	—	—
		Number of persons commended as Outstanding Technicians		People	Toyota Boshoku	3	3	3	—	—
		Ministry of Education, Culture, Sports, Science and Technology Award: Prize for Creativity and Ingenuity		People	Toyota Boshoku	8	8	5	—	—
		Number of winners in the National Skills Competition		People	Toyota Boshoku	2	4	4	—	—
	Number of persons who passed the skills test	Expert level	People	Toyota Boshoku	8	4	4	—	—	
		Level 1	People	Toyota Boshoku	28	28	27	—	—	
		Level 2	People	Toyota Boshoku	31	30	43	—	—	
4	Penetration of Diversity & Inclusion	Number of management positions		People	Toyota Boshoku Group	—	1,387	1,483	—	—
		Men	People	Toyota Boshoku Group	—	1,337	1,427	—	—	
		Women	People	Toyota Boshoku Group	—	50	56	—	—	
		Women as percentage	%	Toyota Boshoku Group	—	3.6	3.8	—	—	
		Number of management positions		People	Toyota Boshoku	1,226	1,236	1,301	—	—
		Men	People	Toyota Boshoku	1,197	1,203	1,266	—	—	
		Of which non-Japanese company members	People	Toyota Boshoku	4	5	5	—	—	
		Women	People	Toyota Boshoku	29	33	35	49	65	
		Of which non-Japanese company members	People	Toyota Boshoku	0	1	1	—	—	
		percentage	%	Toyota Boshoku	2.4	2.7	2.7	4.0	5.0	
		Non-Japanese company members as percentage	%	Toyota Boshoku	0.4	0.5	0.5	—	—	
		Number of officers	Men	People	Toyota Boshoku Group	12	12	12	—	—
			Women	People	Toyota Boshoku Group	1	1	1	—	4
		Women as percentage	%	Toyota Boshoku Group	7.0	7.0	7.0	—	30.0	
		Wage differential between men and women		%	Toyota Boshoku	—	72.7	74.2	—	—
		Permanent company members		%	Toyota Boshoku	—	73.0	73.8	—	—
		Temporary workers		%	Toyota Boshoku	—	81.5	84.8	—	—
		Number of company members using short-time working system		People	Toyota Boshoku	211	242	247	—	—
		Of which men		People	Toyota Boshoku	2	5	6	—	—
		Number of company members taking childcare leave		People	Toyota Boshoku	80	119	200	—	—
		Of which men		People	Toyota Boshoku	36	70	145	—	—
		Ratio of men taking childcare leave		%	Toyota Boshoku	15	28	67.8	90	—
Number of Skill Comeback system users <sup>3</sup>		People	Toyota Boshoku	3	4	2	—	—		
Number of company members making use of re-employment system		People	Toyota Boshoku	354	392	425	—	—		
Percentage of senior citizens continuing employment		%	Toyota Boshoku	81	89	79	—	—		
	Employment of persons with disabilities	Number of people	People	Toyota Boshoku	167	165	166	—	—	
		Employment rate	%	Toyota Boshoku	2.50	2.53	2.54	—	2.80	
5	Pursuit of ease of working	Employee survey score (company member satisfaction)		%	Toyota Boshoku	71.1	70.4	72.4	85.0	—
		Paid holiday utilization ratio (union members)		%	Toyota Boshoku	103.6	96.3	96.4	—	—
		Average pay		Yen	Toyota Boshoku	6,835,847	7,005,275	7,224,397	—	—
		Teleworking utilization rate		%	Toyota Boshoku	34.4	36.1	26.3	—	—
6	Promotion of health & safety	Work engagement <sup>4</sup> (deviation value)		—	Toyota Boshoku	48.1	48.1	48	50.0	—
		Presenteeism <sup>5</sup> (rate of lost productivity)		%	Toyota Boshoku	37.9	37.3	36.6	35.0	—
		Absenteeism <sup>6</sup> (absence from work due to injuries or sickness)		Day	Toyota Boshoku	2.7	2.8	2.9	—	—
		Percentage of those who have an exercise habit (40 years and older)		%	Toyota Boshoku	19.2	20.4	20.9	24.0	30.0
		Rate of company members receiving thorough medical examinations after general health checkups		%	Toyota Boshoku	87.0	91.3	91.9	94.0	—
		Frequency rate (lost time or above)		%	Toyota Boshoku	0.01	0.00	0.27	—	—
		Number of serious accidents involving company members		Cases	Toyota Boshoku	0	0	0	0	0
		Number of serious accidents involving outside contractors and visitors		Cases	Toyota Boshoku	0	0	0	0	0
		Mortality rate from industrial accidents		%	Toyota Boshoku	0	0	0	—	—
7	Compliance and ethics	Total number of cases of serious non-compliance		Cases	Toyota Boshoku	0	0	0	—	—
		Number of consultations with Anything Goes Counselling Window		Cases	Toyota Boshoku Group (Japan)	203	217	249	—	—
		Number and participation rate of participants in harassment training	Number of people	People	Toyota Boshoku	—	950	975	—	—
Attendance rate	%		Toyota Boshoku	—	97	97	—	—		





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