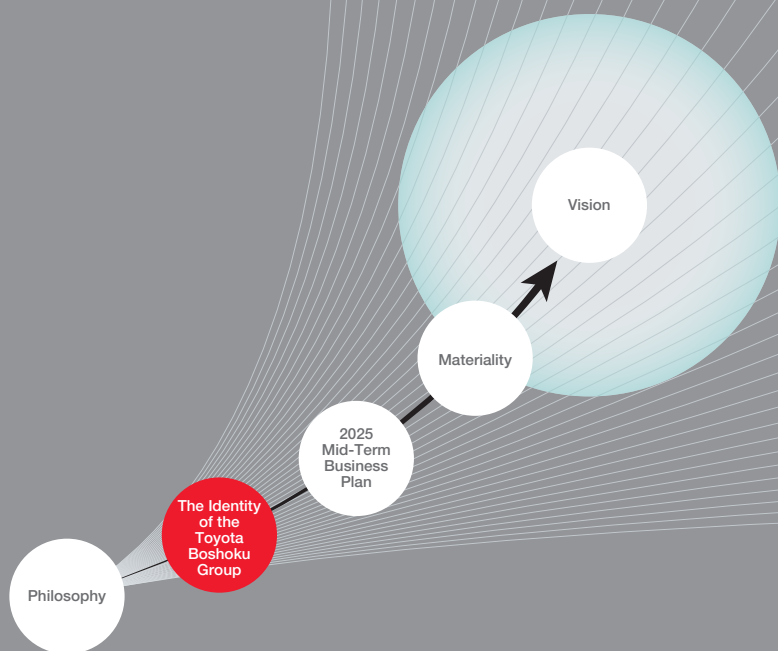


Capital and Strengths

Our competitive advantage, cultivated over more than 100 years

- 09 Value creation process
- 11 The path of value creation
- 13 The identity of the Toyota Boshoku group (management resources)
- 15 Market environment and future business development

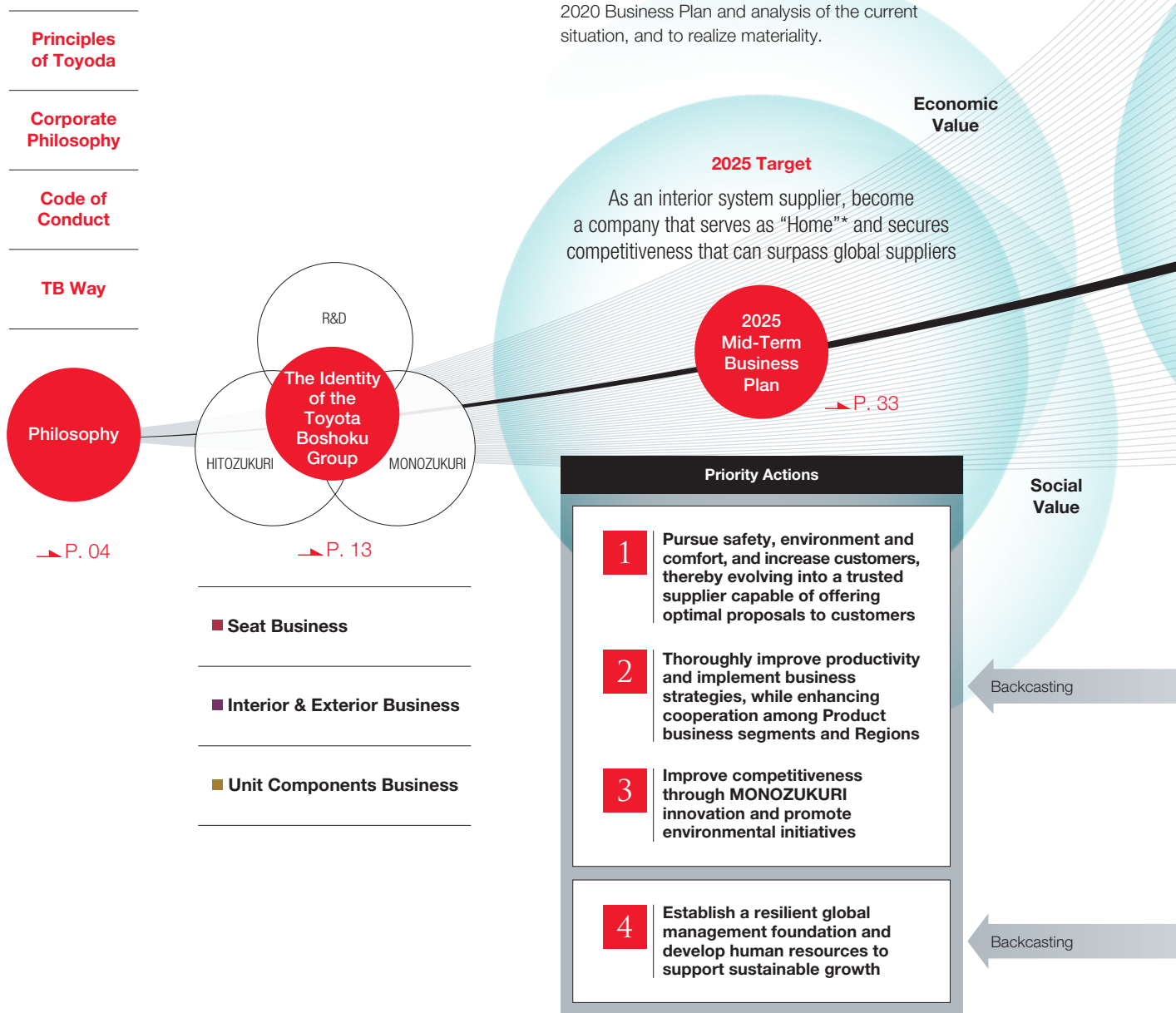


To realize our Vision, we have drawn up our desired status for 2030 and we will steadily implement plans.

In order to realize our Vision and be the company we aim to become, the Toyota Boshoku group has clarified its materiality (the approach we adopt to resolve the important issues we have identified to be prioritized through our business operations from among a variety of social issues), as well as our 2025 target and our desired status for 2030. Then, in 2020, we formulated the 2025 Mid-Term Business Plan, an action plan to achieve this materiality. We will implement this plan while maximizing our underlying philosophy and the strengths we have developed over our 100-year history.

Five-year action plan starting in fiscal 2022 aimed at achieving materiality

Formulation of the 2025 Mid-Term Business Plan to resolve issues identified through a review of the 2020 Business Plan and analysis of the current situation, and to realize materiality.



* "Home" means 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.

Our competitive advantage, cultivated over more than 100 years

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

QUALITY OF TIME AND SPACE

Offer "QUALITY OF TIME AND SPACE" in all mobility

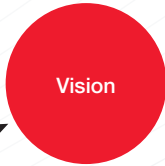
Our desired status for 2030

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

Creating new value as an Interior Space Creator



P. 31



Our materiality

The Toyota Boshoku group defines as our materiality the identification of important issues to be resolved through our business operations from among a variety of social issues and the approach we adopt to resolve them.

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

- 1 As an Interior Space Creator, we will contribute to people's quality of life, creating comfort, safety, and reassurance through innovation
- 2 Using our established technical capability, we will contribute to realize a society with no traffic casualties through providing products that assure safety
- 3 Together with our business partners, we will realize MONOZUKURI innovations that minimize environmental stress

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

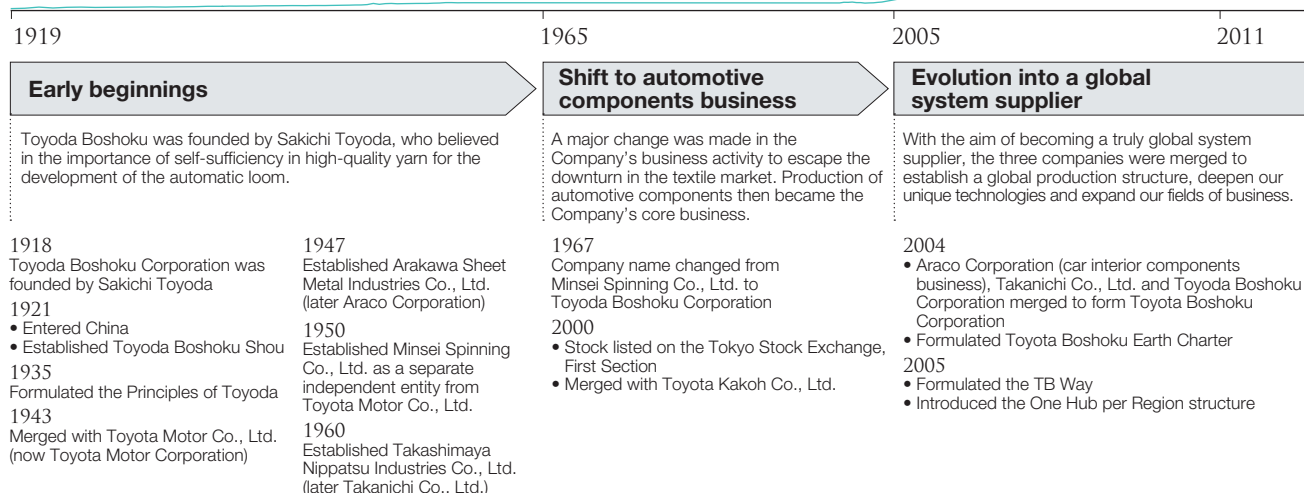
- 4 We will develop people capable of contributing to society, who have diverse values, a challenging spirit and understand the value of strong teamwork
- 5 We will continue to be a company of integrity trusted by all our stakeholders, inheriting our tradition of fairness and moral behavior to the next generation




Combining a focus on R&D with a commitment to MONOZUKURI and HITOZUKURI

Revenue
FY2007
Exceed 1 trillion yen for the first time

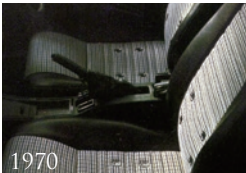




Management



Strengths / Our identity (management resources)

R&D	Thinking first and foremost of the customers who will actually use our products, we are constantly striving to develop cutting-edge technologies so as to create products that will exceed their expectations and inspire them.	<ul style="list-style-type: none"> 2008 Established Research Laboratories (now New Value Creation Center) 2010 Completed construction of the No.2 building of the Sanage Technical Center 2011 Opened Milan Design Branch 2013 Developed high impact polymer resin together with Toyota Central R&D Labs., Inc. 2014 Completed Tajimi Technical Center proving ground
MONOZUKURI	We are accelerating initiatives throughout the supply chain to strengthen our competitive advantage, build next-generation production lines utilizing AI and automation technologies, and improve the efficiency and sophistication of manufacturing.	<ul style="list-style-type: none"> 2006 Launched Skills Competition 2010 First participation of business entities from outside Japan in Skills Competition
HITOZUKURI	We are promoting the creation of a workplace in which all company members can work vibrantly, and where diverse human resources are drawn by the appeal of the Toyota Boshoku group, leading to self-fulfillment and job satisfaction.	<ul style="list-style-type: none"> 2008 Established the Toyota Boshoku Technical Skills Academy; Completed the Global Learning Center 2011 Started operations at Technical Skills Training Center  <p>Global Learning Center</p>

Business and product changes

 <p>1970 Started development of automotive seat fabrics</p>	 <p>1985 Started full-scale production of automotive filters</p>	 <p>2009 Started production of cabin air filter material using the Dual Layer Melt Blown Construction Method</p>	 <p>2013 Started production of motor core constituent parts using the FHS process¹</p>	 <p>2013 Received first order for railway seats utilized in the Gran Class of the Hokuriku Bullet Train (Shinkansen) (Photo provided by East Japan Railway Company)</p>
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1 Fine Hold Stamping process: Our proprietary high-precision, high-speed stamping technology

2 Task Force on Climate-related Financial Disclosures

3 A venerable and prestigious award sponsored by R&D World Magazine in the US. Honors the 100 most outstanding products and technologies developed by world-class research institutions and companies and put to practical use in the past year

Our competitive advantage, cultivated over more than 100 years

Revenue
FY2022

1,421.4 billion yen

2016

2017

2018

2019

2020

2021

2022

2023 (FY)

Towards the future

Toyota Boshoku group is accelerating reform and taking steps for the future, amid a once-in-a-century transformational period in the automotive industry.

From CSR to CSV management

Based on our Materiality, Toyota Boshoku group is aiming to achieve sustainable growth in the face of changing social and economic conditions resulting from the coronavirus pandemic.

- 2015 Integrated the seat frame mechanism component businesses of Aisin Seiki Co., Ltd. (now Aisin Corporation) and Shiroki Corporation into the Company
- 2016
- Changed management structure (product business-based organization)
 - Announced 2050 Environmental Vision
 - Announced 2020 Mid-term Business Implementation Plan

- 2018
- Announced 2020 Business Plan
 - Celebrated 100th anniversary
- 2019 Established TOYOTA BOSHOKU AKI USA, LLC as a joint venture with Delta Kogyo Co., Ltd. and Toyo Seats Co., Ltd.

- 2020
- Completed the main building
 - Formulated Materiality
 - Announced 2025 Mid-Term Business Plan
 - Endorsed the TCFD² recommendations

- 2021
- Introduced Chief Officer System
 - Partially transferred Shiroki Corporation's commercial rights in automotive seat frame mechanism parts for Suzuki Motor Corporation, Daihatsu Motor Co., Ltd. and Mazda Motor Corporation
 - Established the Business Incubation Department to promote open innovation

- 2022
- Moved to the Prime Market, a new market segment of the Tokyo Stock Exchange
 - Obtained DX-certified company status
 - Opened the Hall of Our Steps
 - Signed agreements with Aisin Corporation and Shiroki Corporation to transfer the production of automotive seat frame mechanism parts



Hall of Our Steps

- 2015 Developed new seat frames boasting light weight and high rigidity
- 2016 Established Silicon Valley Office of Toyota Boshoku America, Inc.



- 2017 Signed an agreement on comprehensive promotion of industrial-academic collaboration with National University Corporation Kanazawa University
- 2018
- Concluded an agreement with Tokai National Higher Education and Research System, Nagoya University to jointly research tide generating force
 - Exhibited for the first time at CES 2019, the world's largest consumer electronics trade show
- 2019 High impact polymer resin won the 2019 R&D100 Award³

- 2020 Participated in autonomous driving demonstration testing
- 2021
- Conducted demonstration tests of anti-droplet partition, and started advance trial sales
 - Introduced a driving simulator
 - Aircraft seat was approved as "Boeing Offerable Product" for the Boeing 787
 - Participated in demonstration test for a new mobility experience with the rideable fuel cell bus attraction MOOX on FC Bus

- 2016 Established Global Quality Learning Center
- 2017 Took part in the 44th World Skills Competition for the first time and won a gold medal in the mechatronics category

- 2018 Concluded a cooperation agreement with National University Corporation Iwate University centered on industrial technology development
- 2019
- Completed the MONOZUKURI Innovation Center
 - Toyota Boshoku was recognized as a Water Security "A List" Company, the Top Ranking, by CDP⁴

- 2020 Received the highest rating in the CDP Supplier Engagement Rating and was elected to the Leaderboard for the first time
- 2021
- Kariya Plant and Unit Production Engineering Center won the Deming Prize⁵
 - Started a project to develop upcycled products using automotive parts and other materials

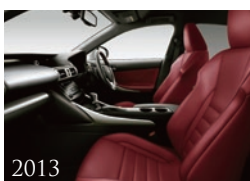
- 2015 Held the first Global Week⁶
- 2016 Started vibrant work style innovation
- 2017 Launched application of Global HR Platform

- 2018 Launched GEDP for global executive training and GLDP for next generation leader training (→ see page 80)
- 2020
- Started GSCT to discuss succession planning for executive management on a global level
 - Established the Safety Health Environment fruitful Think and Act Center (SHE-TAC)



MONOZUKURI Innovation Center

- 2021 Certified as an Excellent Enterprise of Health and Productivity Management (White 500)
- 2022 Launched Innovative Ability Enhancement Program



2013 First application of seats made using the Foam in Place Method



2014 Started production of fuel cell-related products (separators)



2015 Jointly developed the Company's first aircraft seats with All Nippon Airways Co., Ltd.



2020 MOOX Participated in a demonstration test at Aichi Earth Expo Memorial Park



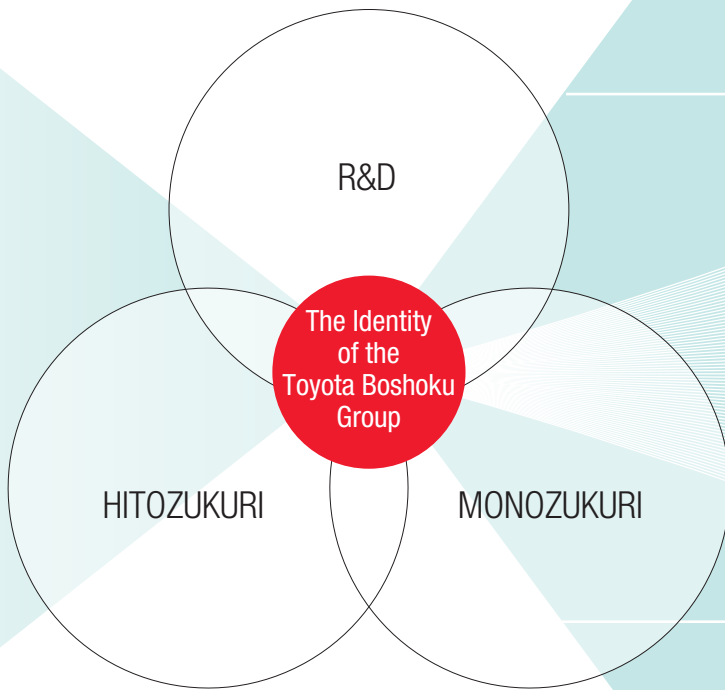
2022 MX221 Presented at CES 2022 (→ see page 39)

4 Carbon Disclosure Project: A non-governmental organization (NGO) established in the UK that operates a global information disclosure system to help investors, companies, cities, nations, and regions manage their environmental impact

5 The top-ranking global award for TQM (Total Quality Management). Awarded to private-sector organizations and individuals who have made significant contributions to the advancement of TQM.

6 An annual event that brings together company members under one roof, including officers, entity top management of Japan and outside Japan and next-generation leaders, to discuss issues affecting the Toyota Boshoku group, as well as the group's future direction.

Aggressive investment in management resources,
the source of sustainable value creation



Strengths / Our identity
(management resources)

Pursuing “comfort” in
mobility spaces based on
“safety” and “environment”

R&D

- Product development that considers the customers who will use the products
- Passion, sense of mission, tenacity
- Global collaboration for better products
- Innovation

Cultivated over 100 years,
creating “affection”
based on “trust” and
“reassurance”

MONOZUKURI

- Customer First
- Fusion of reasonable price, high-quality products with cutting-edge technology
- *Kaizen* (continuous improvement)
- Find the root cause of a problem through *Genchi-Genbutsu* (go, see & study)

Combining and maximizing
the power of 50,000 global
members to support
future value creation

HITOZUKURI

- Diverse values
- Teamwork
- Challenging spirit
- Honesty and sincerity

Our competitive advantage, cultivated over more than 100 years

(Figures are as of March 31, 2022)

Policy in the 2025 Mid-Term Business Plan

In order to offer high-quality time and space in all forms of mobility, we take on the challenge of R&D with an insatiable curiosity and spirit of inquiry, while staying ahead of the current trends. We are committed to developing high-quality and safe products with passion, a sense of mission, and tenacity in a global collaborative system that sets high goals and achieves them.

R&D foundation	Development bases	13 bases
	R&D expenses	44.8 billion yen
Intellectual property	Number of patents held	Japan 1,760
		Outside of Japan 1,476

As the automotive industry enters a once-in-a-century transformational period, the Toyota Boshoku group is advancing with R&D in response to the evolution of technologies such as CASE¹ and MaaS,² and to changing values in relation to automobiles. We are also focusing on investment in and collaboration with startup companies, aiming to create new value in the interior space through synergy with our technologies.



Priority Action **1** → P. 47

It is important for us to always keep in mind the end user's perspective, with an awareness of "B to B to C," whereby we are trusted and chosen by customers. Based on the concept that people are the foundation of MONOZUKURI, we promote manufacturing with an emphasis on HITOZUKURI. We have set ourselves the challenge of developing environmentally sound production and manufacturing technologies for the next 100 years through a fusion of reasonable price, high-quality products with cutting-edge technology.

Manufacturing foundation	Manufacturing sites	123 sites
	Capital investment	38.3 billion yen
	Total number of contestants in the All Toyota Boshoku Skills Competition (1st to 15th competition total*)	2,606

* First held in Japan in fiscal 2007. Held annually on a global basis since fiscal 2011. However, due to the coronavirus pandemic, the competition was canceled in fiscal 2021, and in fiscal 2022 only one category was held online globally, while the other categories were held only in Japan.

Through collaboration from the design stage, our production plants will be transformed into highly profitable plants, including new automated processes with logistics routes and work waste elimination. In addition, we will comprehensively promote local independence, visualization, and human resource development initiatives at our production sites.



Priority Action **2** → P. 53 Priority Action **3** → P. 57

The Toyota Boshoku group has a corporate culture that respects diversity, where we learn and grow together; and teamwork that challenges us to unite our minds with honesty and sincerity. By fostering a challenging spirit that leads to self-fulfillment and job satisfaction, we aim to realize our vision of diverse human resources being drawn by the appeal of the Toyota Boshoku group, with company members working vibrantly in all regions worldwide.

Diverse human resources globally	Number of group members*	52,041
	Proportion of members working in regions outside Japan*	71.2%
Collaboration with business partners	Number of companies that participated in the Annual Supplier Meeting online	161

* Including temporary company members

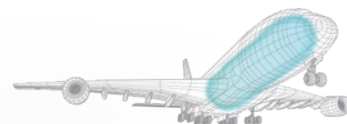
We are working to create workplace environments and systems that allow each and every company member to maximize their abilities and work with peace of mind. We will further promote vibrant work style innovation, create an environment that eliminates waste and focuses our resources on operations, and actively utilize IT. Furthermore, we will enhance our human resources and organizational capabilities by establishing a personnel system that inspires company members to take on new challenges, and by promoting diversity.



Priority Action **3** → P. 57 Priority Action **4** → P. 61

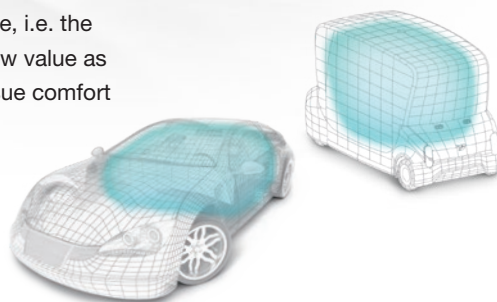
1 Connected, Autonomous, Shared, and Electric

2 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



Aiming to be an Interior Space Creator, leading the creation of new value for mobility spaces

As a system supplier, the Toyota Boshoku group integrates the entire space, i.e. the components of mobility, as a single package. We will continue to create new value as an Interior Space Creator by providing solutions to realize spaces that pursue comfort based on the premise of safety and the environment.

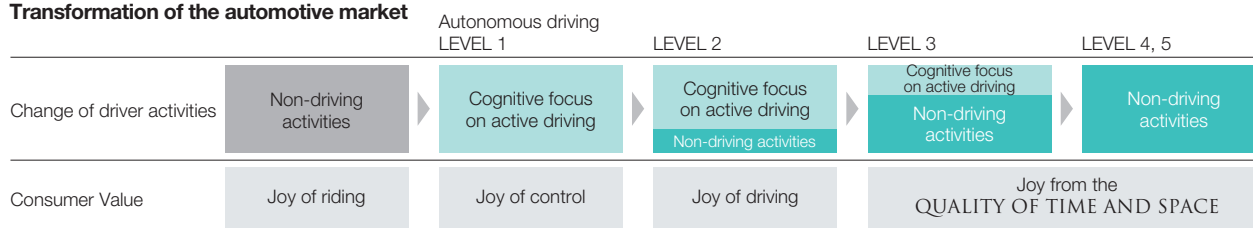


Responding to the evolution of technologies such as CASE and MaaS, and changing values in relation to automobiles

The automotive market is facing a period of major change, said to occur only once every 100 years. The Toyota Boshoku group is advancing with R&D in response to the evolution of technologies such as CASE and MaaS, and to changing values in relation to automobiles. For example, in terms of the evolution of autonomous driving technology, we are leading the creation of new value for mobility spaces. This includes the creation of

MX (Mobility eXperience) 221, an interior space for rideshare mobility that assumes autonomous driving level 4, and MOOX,* which envisions the use of space for a variety of services. We are also expanding and upgrading our products that support electrification in order to adapt to changes in energy in society—from engines to hybrids, hydrogen fuel, and electrification.

Transformation of the automotive market



* A word coined from the combination of MOBILE and bOX, this means a private space that can be utilized freely while in motion. An autonomous driving concept vehicle in which the space is utilized for a variety of services.

Implementing a business portfolio strategy aimed at our desired status for 2030

We aim to be a company that creates an environmentally sound society in which people of all generations have smiles on their faces and lead enriched lives.

With the goal of creating new value as an Interior Space Creator, which is our desired status for 2030, we aim to achieve a ratio of 20% of sales to companies outside of Toyota Motor Corporation by strengthening our competitive advantage and offering multi-dimensional value.

In addition, our aim is for 5% of revenue to come from new business, by promoting operations that are compatible with CASE and MaaS, and by creating new value.

