



FY2024 (Year ending March 2024)

Business Briefing

May 24, 2024

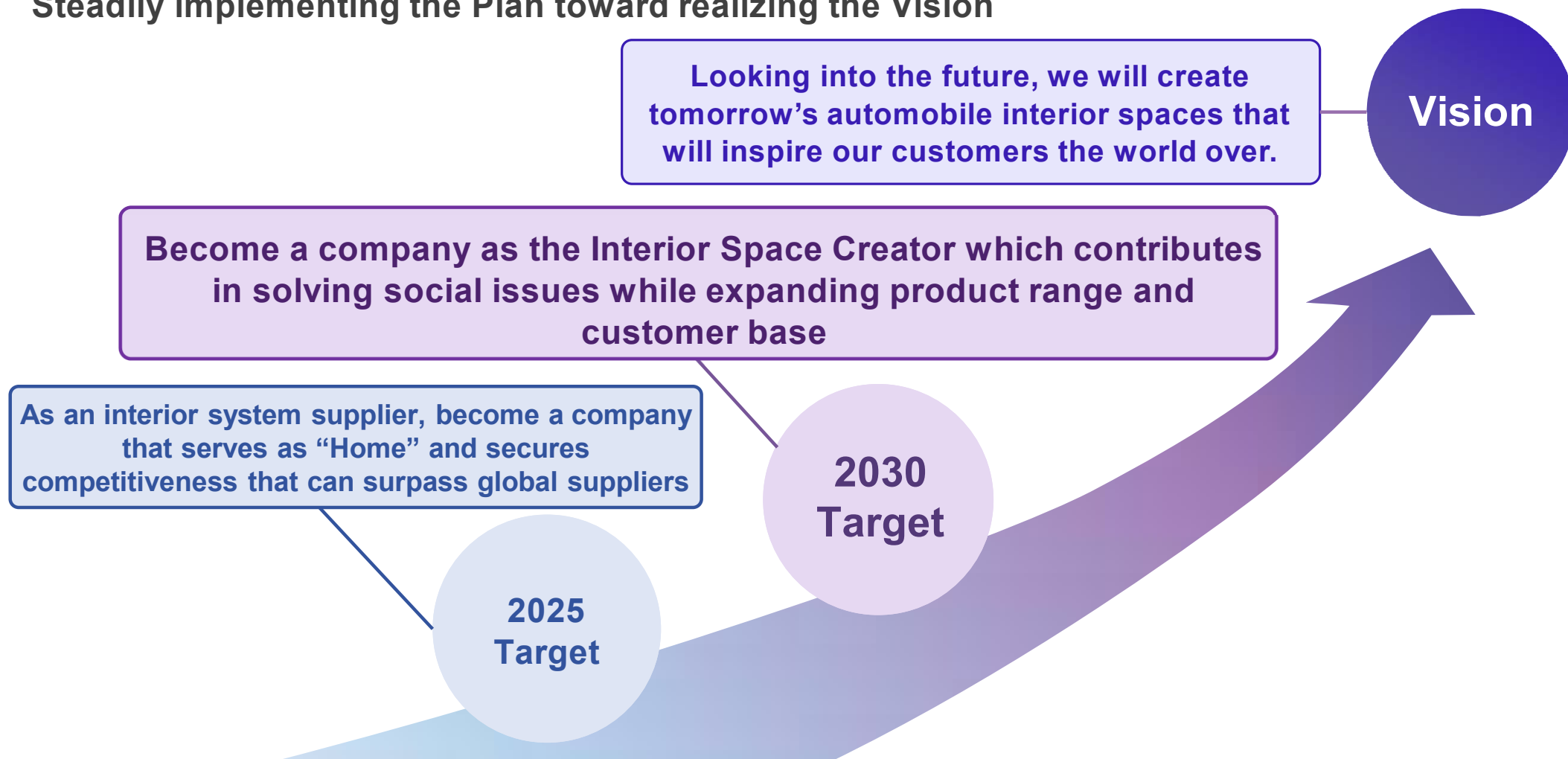
Toyota Boshoku Corporation

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- ◆ Good morning, everyone. I am Masayoshi Shirayanagi, President of Toyota Boshoku.
Thank you very much for attending this meeting.
And thank you very much also for your constant support for our company.

Introduction

Steadily implementing the Plan toward realizing the Vision



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- ◆ In order to realize our Vision, “Looking into the future, we will create tomorrow’s automobile interior spaces that will inspire our customers the world over,” we have clarified the 2030 Target, and aim to achieve sustainable growth by enhancing corporate value through the practice of the CSV management.

Introduction

Change in external environment

Rising expectations for comfortable vehicle interior space

TB's strengths

Technologies for products closest to users

Technology development

Global deployment capabilities

MONOZUKURI

Abundant global human resources

HITOZUKURI

Strength as a member of the Toyota G

Lacking abilities are mutually complemented within the Group.

2030 Target

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

Financial targets for 2030

Revenue: 2,200 billion yen

Operating profit: 150 billion yen

Operating profit margin: 7%

DOE: 3% or more

(Dividend payout ratio around 30% is considered)

Equity ratio : around 50%

(USD: 135.00)

Non-financial targets for 2030

E: Scope 3 emissions reduction rate
Down 30% (compared to FY2020)

S: Ratio of female managers
5%

G: Degree of implementation of the Code of Conduct
90%

(Excerpts from representative target)

Corporate Strategy

Establish competitiveness (in (i) technology development, (ii) MONOZUKURI, and (iii) sales) and management foundation (development of people, organizations, and culture)

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- ◆ Based on the changes in the mobility environment and our strengths, we set “Become a company as the Interior Space Creator which contributes in solving social issues while expanding product range and customer base” as the “2030 Target” along with the financial and non-financial targets as shown here, and announced them in November last year.
- ◆ Today, I would like to explain our actions taken during FY2024 and the initiatives toward 2030, in line with the corporate strategies that support the 2030 Mid-term Business Plan.

Progress of 2030 Mid-term Business Plan

CONTENTS

1. Financial results and targets
2. Regional issues
3. Enhancing planning & proposals capability and R&D capability
4. Strengthening MONOZUKURI competitiveness
5. Strengthening sales capability
6. Strengthening management foundation

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- ◆ Today, I will talk about these themes.

1. Financial results and targets

Toward achieving the 2030 mid-term targets, eliminate current profitability issues and accelerate advance investment for the future.

	FY2024 results	FY2025 forecasts		(100 million yen)
				2030 targets
Revenue	19,536	19,800		22,000
Operating profit	786	750		1,500
Operating profit ratio	4.0%	3.8%		7.0%
DOE (Dividend payout ratio)	3.7% (27.6%)	3.4% (34.0%)		3% or more (Around 30% is considered)
Equity ratio	39.8%	-		Around 50%
Exchange rate	(USD:145.00)	(USD:145.00)		(USD:135.00)

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- ◆ First, I would like to explain about our financial results and targets.
- ◆ FY2024, due in part to a recovery in volume, we were able to increase both sales and profits significantly,
FY2025, while we expect to see effects of new products and profit improvement efforts, a decrease in profit is expected due to an increase in personnel investment, R&D cost, and other overhead costs.
- ◆ To achieve the 2030 targets, we will implement actions to solidify the footing by responding promptly to each regional issue such as improving profitability in the Americas, while accelerating advance investment in the four pillars of our management strategy: technology development, MONOZUKURI, sales expansion, and establishment of management foundation.

1. Financial results and targets - Cash Allocation toward 2030

2030 Mid-term Business Plan

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

Cash in

Cash out

(Forecast for 5 years from FY2027 to FY2031)

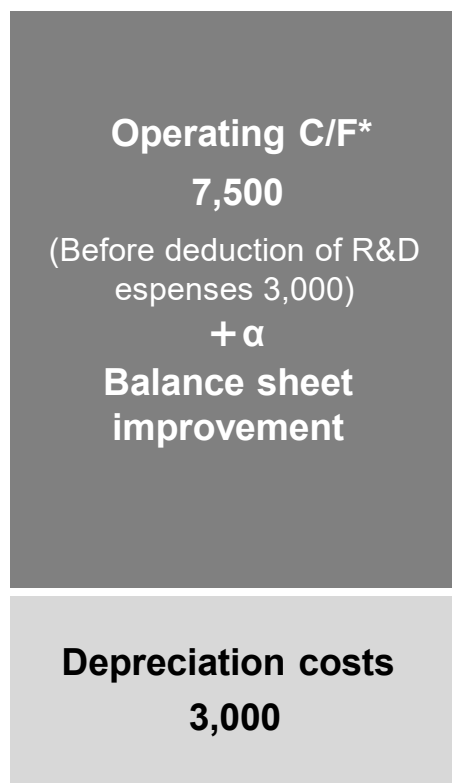
(100 million yen)

Maximizing operating C/F

Achieving the 2030 Target by carrying out management strategies

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

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



R&D expenses 3,000

→ Focus investment on electrification and initiatives to become an Interior Space Creator, as well as creating new businesses

Flexible reallocation according to change in external environment

Capital investment 3,000

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

Strategic investment 1,500 (alliances, etc.)

Strategic allocation in view of management environment, etc.

Additional shareholder returns 500

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

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- ◆ This shows an overview of our cash allocation toward 2030, which we explained in November last year.
- ◆ The figures shown are the total amounts for the five years from FY2027 to FY2031, but we have already started relevant initiatives since FY2024.
I would like to explain details of the initiatives from the next page.

1. Financial results and targets - Cash Allocation toward 2030

Initiatives started in FY2024-25

Start growth investment toward 2030, with alliances and share buybacks as soon as possible

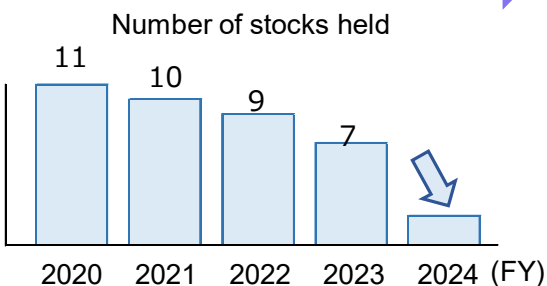
(Total of FY24 results and FY25 forecasts)

Maximizing operating C/F

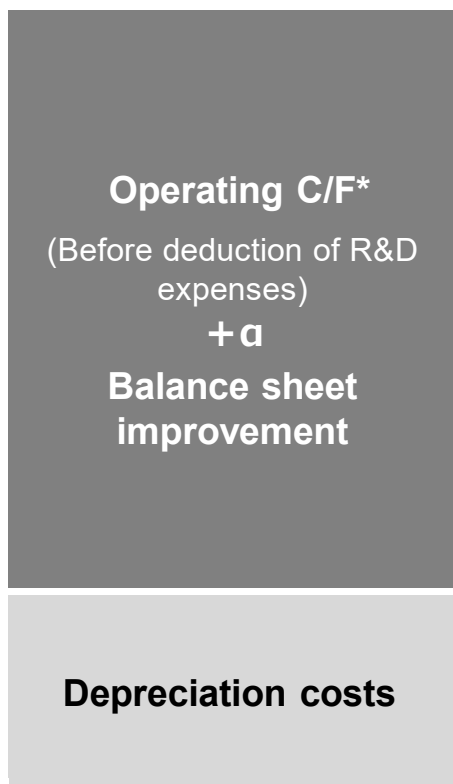
- Profit improvement (The Americas, China)
- Receiving new orders from Non-Toyota (Europe, India, Indonesia)
- Enhancing planning & proposals capability and R&D capability and strengthening MONOZUKURI competitiveness
- Expanding existing businesses and creating new businesses based on human capital management

Improving asset efficiency

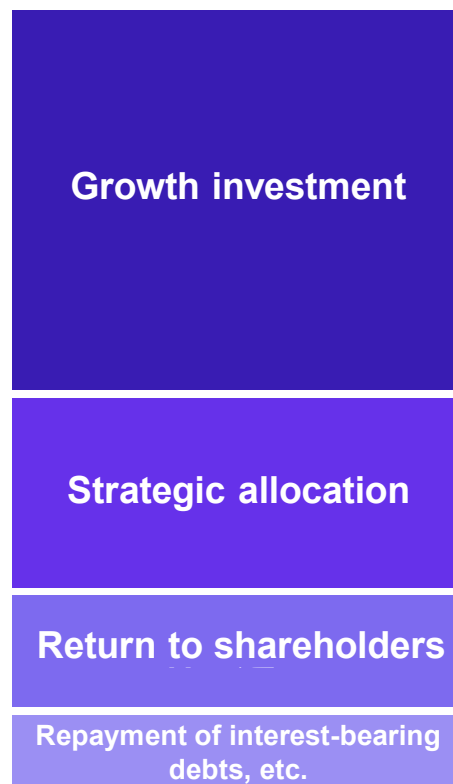
- Reducing cross-shareholding



Cash in



Cash out



R&D expenses 103.3 billion yen

- ISC, multi-pathway, creation of new businesses
- Personnel investment

Capital investment 165.3 billion yen

- New sites (TBWK*1, Guangzhou Xiaohudao, new logistics base in Japan)
- Strengthening MONOZUKURI competitiveness (autonomation, DX)
- Sales expansion for new customers, new businesses (electrification, airplanes)

Strategic investment 36.3 billion yen

- Alliances (seat device business) 16.3 billion yen (TB Hirose, TB Seiko, SID*2, TBDI*3)
 - Share buybacks 20.0 billion yen
 - DOE 3% or more
 - U.S. financial health improvement (elimination of Japan-U.S. interest rate difference)
- *1 TBWK: Toyota Boshoku Western Kentucky
*2 SID: Shiroki Indonesia
*3 TBDI: Toyota Boshoku Device India

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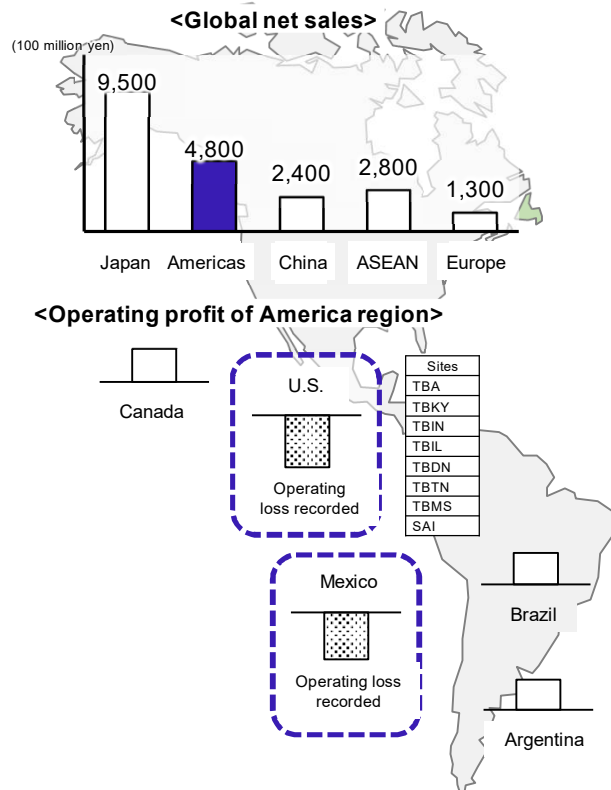
- ◆ Specifically, we have already started some initiatives toward 2030, such as making growth investment, establishing alliances, and share buybacks.
- ◆ For maximizing operating cash flow, as shown on the left side of the slide, we are making group-wide efforts to improve profitability mainly in the Americas and China regions. At the same time, orders from non-Toyota customers have been steadily increasing.
To achieve these, we will implement human capital management initiatives based on human resource strategies, such as creating an organization that leverages and enhances diversity.
- ◆ As shown on the right side, we have been accelerating growth investment since FY2024, including research and development concerning an interior space creator and response to our customers' multi-pathway approach, establishing new sites for the future, and capital investment in new customers and new businesses.

2. Regional issues - The Americas

◆ Promote profit improvement and cost reduction activities at America region

FY24 Profit and loss of America region

Decline in profitability in the Americas, where the scale of sales is large



Actions to improve profit in the Americas

(1) Setting up BR America Support Office to support improvement efforts

Conventional support

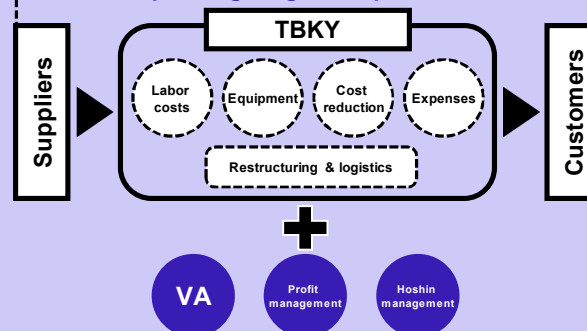
Supporting production preparation for new products, mass production, and frontline capabilities

BR America Support Office

Strengthening relations and providing support not only in MONOZUKURI field but also in profit management and Hoshin management to increase value

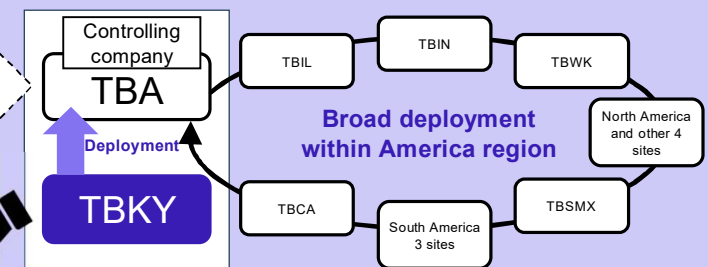
(2) Expanding improvement activities

Expanding range of improvement



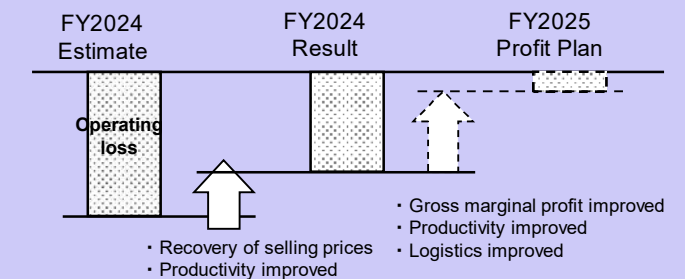
(3) Profit management

Deploying TBKY's improvement initiatives within the region to enhance financial health



TBKY activities results (Dec. 2023 to Mar. 2024)

* Based on FY2024 estimated result as the standard (%)



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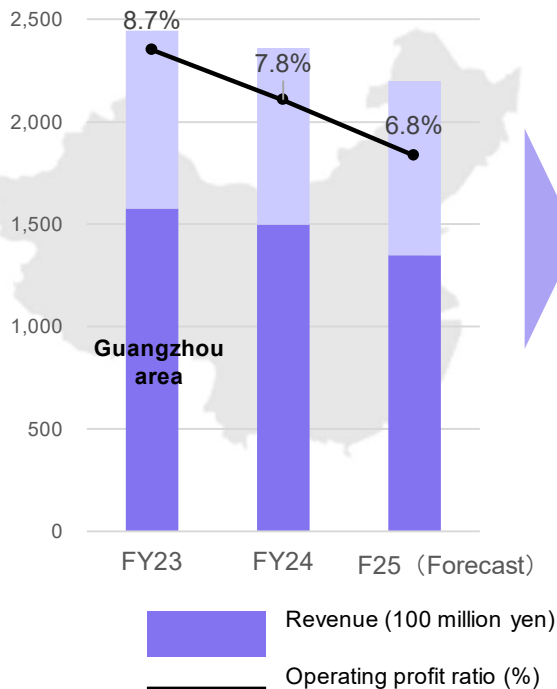
- ◆ Next, concerning regional issues, I would like to introduce the activities in the America region.
- ◆ The scale of sales of the America region is the second largest after Japan, but we see the decline in profitability is a major issue. Therefore, we started group-wide activities in the last fiscal year to promote profit improvement and reduce costs.
- ◆ Specifically, the BR America Support Office was established in March 2024 to increase the value we can provide, including profit management and Hoshin management, by further strengthening relations with the region, in addition to conventional support actions of strengthening our frontline capabilities, such as those related to new products and mass production improvement.
- ◆ Currently, we are working to achieve the profit plan for FY2025 by concentrating on improving Toyota Boshoku Kentucky and deploying the results obtained in Kentucky to the entire North America region.

2. Regional issues - China

Actions toward strengthening competitiveness in the Guangzhou region

Profit and loss of China region

Operating profit margin is declining due to intensifying competition

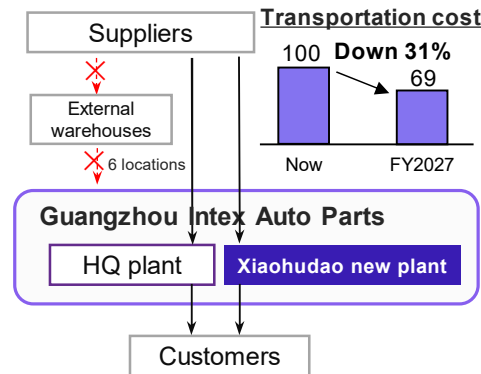


Xiaohudao new plant (operation start scheduled in Oct. 2024): Creating “smart factories” by improving logistics efficiency and promoting DX

Deployment to other sites to strengthen earnings structure of the China region

1. Improving logistics efficiency

- (1) Elimination of external warehouses (44,000 m²)
- (2) Improving transportation efficiency



2 Improving efficiency by promoting DX

Digitization of things and information

+

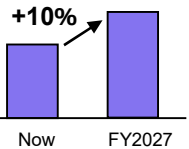
Intellectualization

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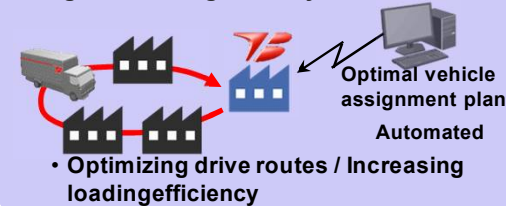
Productivity improvement

Changing the way people work

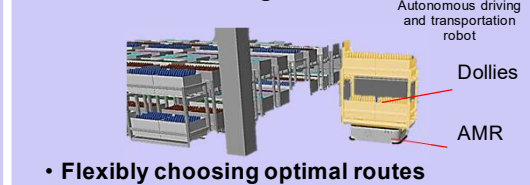
Automation + TPS Added value per person



① Streamlining of supply chain logistics <Logistics management system>



② Automated transport by AMR <Free location management>



③ Automation <Seat inspection by a cooperative robot>



④ IoT network <Shift to management without input>



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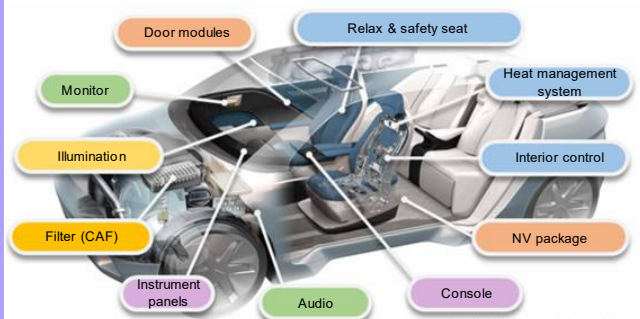
- ◆ In the China region, the earnings environment is becoming increasingly severe due to intensifying competition with Chinese manufacturers.
In the Guangzhou area, the main area of the region, aiming to strengthen competitiveness, we plan to start operation of the Xiaohudao new plant, which is expected to become a smart plant, in October this year.
- ◆ The first action, improving logistics efficiency, will improve transportation efficiency by eliminating external warehouses, to reduce transportation costs by 31%.
- ◆ For the second action of improving efficiency by promoting DX, we will promote automation by integrating “digitalization of things and information” and “intellectualization” to improve productivity, thereby increasing the added value per person.
- ◆ We will also deploy these actions to other sites within the region to strengthen earnings structure.

3. Enhancing planning & proposals capability and R&D capability - Promoting technology strategies

Promote technology strategies based on three pillars: Interior Space Creator, multi-pathway, and creation of new businesses

[Interior Space Creator]

Promote introduction of technologies to expand product fields (identify technologies for acquisition or for collaboration with other companies)

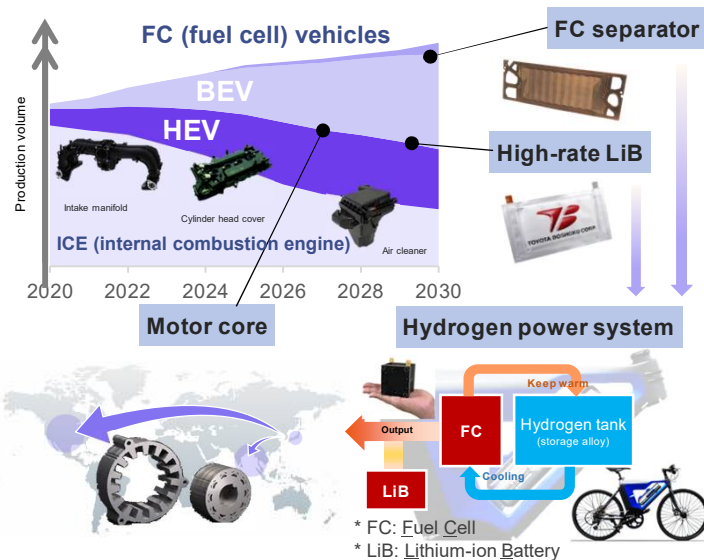


Focus shifting from hardware to control, software, and interior systems

Propose solutions for the entire interior space based on collaboration within Toyota Group

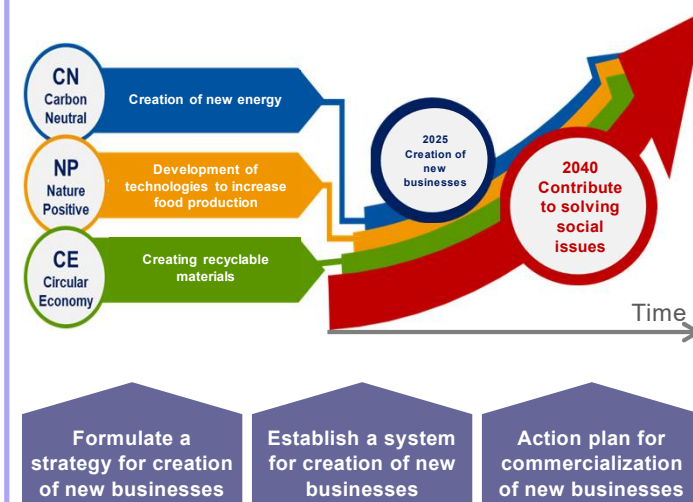
[Multi-pathway]

Promote a product strategy for unit parts that keeps up with diversifying car manufacturing



[Creation of new businesses]

Promote a commercialization strategy toward creating new businesses



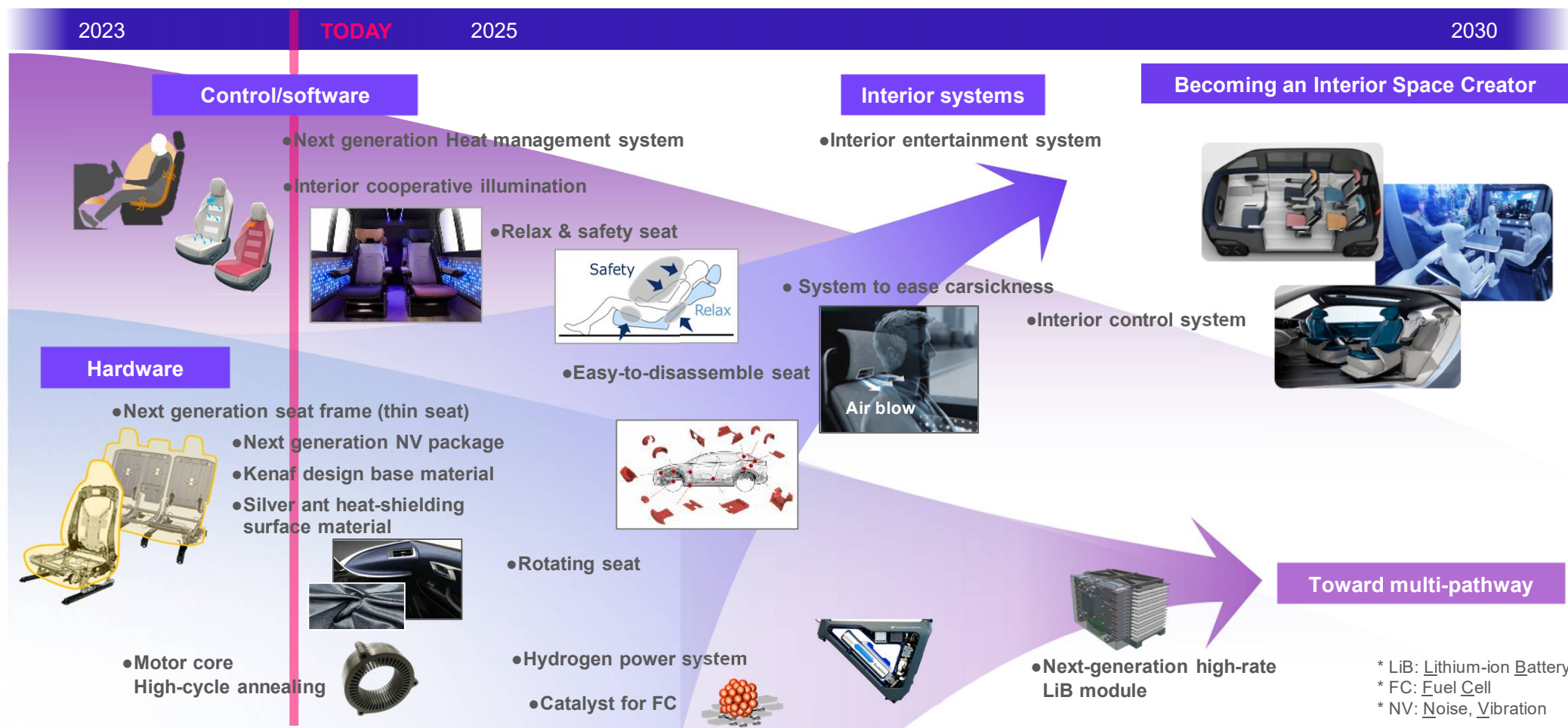
[Intellectual property strategy]

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- ◆ Next, I will explain our actions for enhancing planning & proposals capability and R&D capability.
- ◆ To achieve the targets announced in the 2030 Mid-term Business Plan,
We will promote technology strategies based on three pillars: Interior Space Creator, multi-pathway, and creation of new businesses.
- ◆ First, aiming to become an Interior Space Creator, we will clarify technologies to be acquired in-house and those for collaboration with other companies, and examine how we collaborate with other companies. By doing so, we will introduce new technologies.
- ◆ Next, to respond to the multi-pathway approach, we will promote a product strategy for unit parts that keeps up with diversifying car manufacturing.
- ◆ And for creation of new businesses, we will also promote a commercialization strategy, focusing on creation of new energy, development of technologies to increase food production, and creating recyclable materials.

3. Enhancing planning & proposals capability and R&D capability - Progress in technology roadmap

Developing items for which technologies should be introduced in-house toward 2030



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- ◆ Based on the technology roadmap, we have been developing mainly items for which technologies should be introduced in-house toward 2030.
- ◆ For example, aiming to become an Interior Space Creator, in addition to the existing fields of hardware, such as seats and interior/exterior products, we have started to work on new areas such as control and software.
- ◆ In addition, to respond to the multi-pathway approach, we are actively promoting development from elementary technologies to commercialization in the fields of motor cores, fuel cells, and lithium ion batteries.
- ◆ By connecting and integrating these various items, we will increase added value and accelerate to become an interior space creator and respond to the multi-pathway approach.

3. Enhancing planning & proposals capability and R&D capability – FY2024 achievements(Progress in technology roadmap)

[Examples of item development]

Next generation seat frame (thin seat)

Thinner seats to maintain interior space while reducing vehicle height and vehicle aerodynamic drag

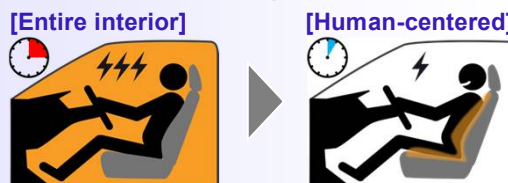
Seats



Next generation Heat management system

Seats Interior

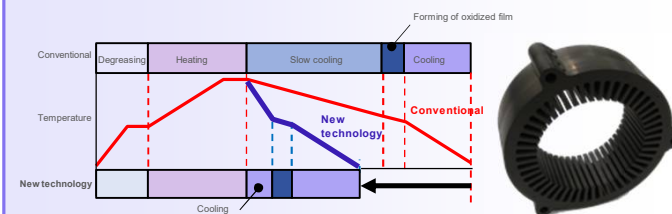
Reduced interior air-conditioning consumption through the combined use of thermal ceilings and sheet air-conditioning



Motor core

High-cycle annealing to reduce CO2 emissions

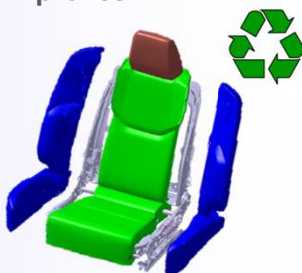
Units



Easy-to-disassemble seat

Easy-to-disassemble structure with split and module design improves recyclability

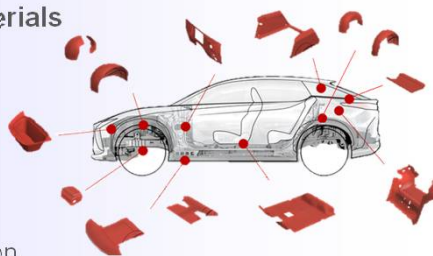
Seats



Next generation NV package

Optimized interior/exterior sound absorption and sound insulation materials

Interior Exterior



* NV: Noise, Vibration

Hydrogen power system

Development of a FC system that can be installed in small mobility means

Units



* FC: Fuel Cell

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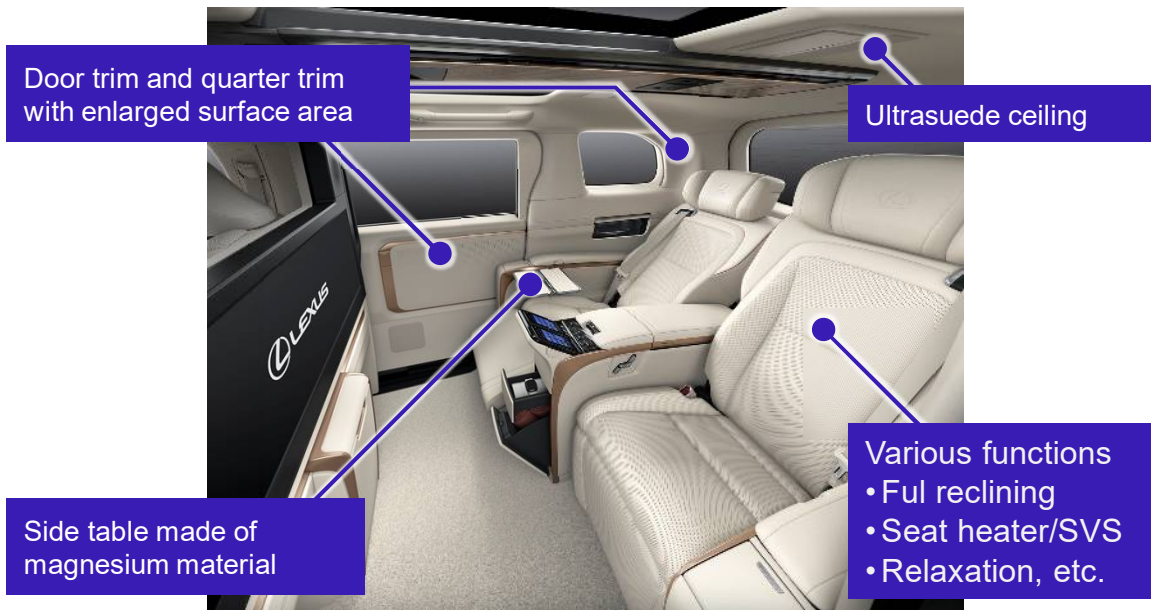
- ◆ As examples of the achievements in FY2024, I would like to present the cases of the development of the technology roadmap items.
- ◆ For BEVs, we are advancing the development a next-generation seat frame for thinner seats and seats with easy-to-disassemble structures to improve recyclability, as well as a next-generation heat management system and next generation NV package.
- ◆ For electrification, we are also developing an annealing technology for motor cores that contributes to reducing CO2 emissions and a hydrogen power system that can be installed in small mobility means, with a view to supporting a hydrogen-based society.
- ◆ These items and other products we have developed have been gradually proposed to and adopted by our customers.

3. Enhancing planning & proposals capability and R&D capability - Achievements in FY2024 (Seat and Interior/exterior businesses)

Our seats and interior products were adopted and installed in the new LEXUS LM and LBX.

[LEXUS LM]

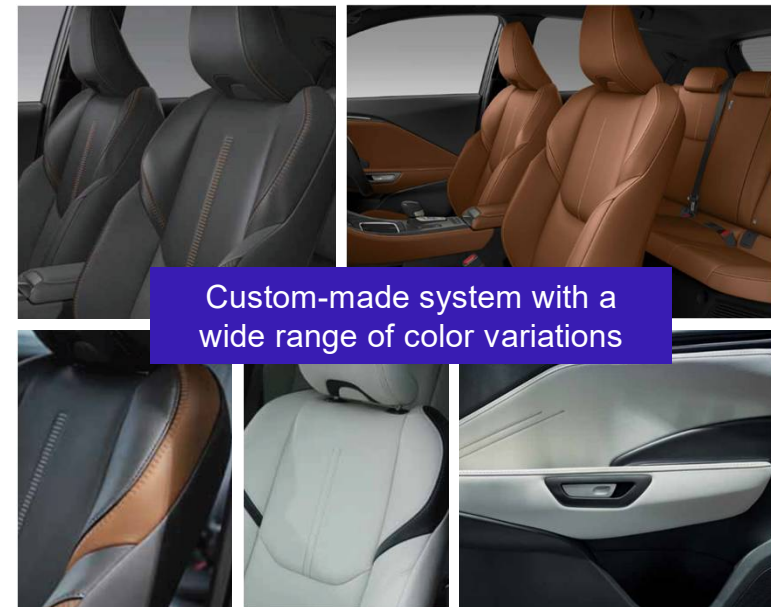
- Providing easy-to-use, high-quality hospitality
- Proposing a private, relaxing space



Rear seats designed for ride comfort and quietness, and a luxurious interior offering both comfort and convenience

[LEXUS LBX]

- Providing a sense of individuality and specialness through premium-quality furnishings and a wide range of color variations



“Bespoke Build” custom-made system
Seats and interior with various customizations available

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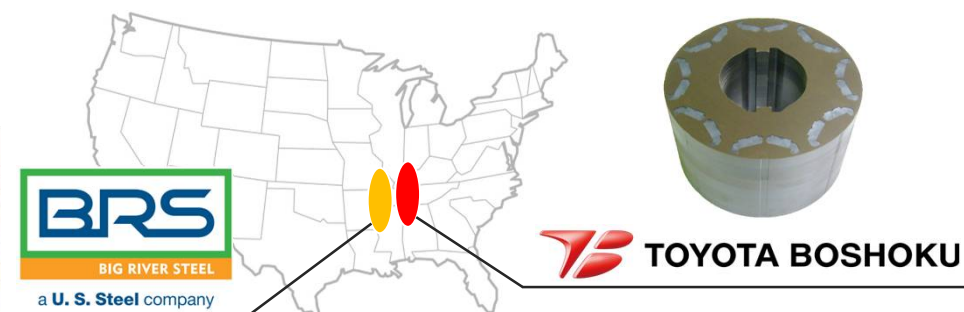
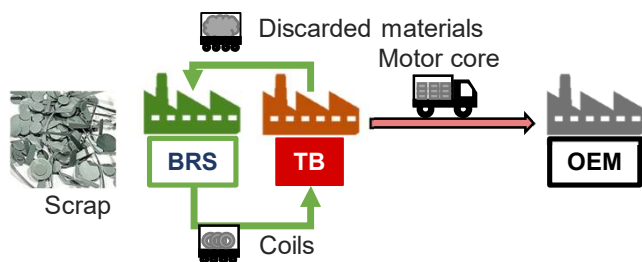
- ◆ I would like to introduce our seat and interior products adopted and installed in the new LEXUS LM and LBX models.
- ◆ For LM, we propose a high-quality hospitality and a private relaxation space that is easy for all customers to use.
- ◆ For LBX, we offer seats and interior of “Bespoke Build,” a custom-made system that provides a sense of individuality and specialness through premium-quality furnishings and a wide range of color variations.

3. Enhancing planning & proposals capability and R&D capability - Achievements in FY2024 (Unit components business)

Contributing to the promotion of carbon neutrality with motor cores and the hydrogen power system

Motor core

Utilization of recycled electromagnetic steel sheets (New)



Discarded materials of our motor cores are reused

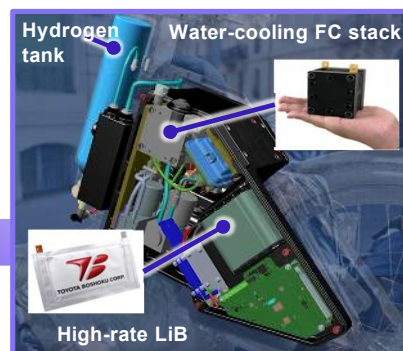
Promoting local production in North America

Hydrogen power system



Exhibited at the Hokuriku Shinkansen extension event

Electric assist for longer distance



Hydrogen power system

Carbon neutrality of robots



Started collaboration with Kawasaki Heavy Industries

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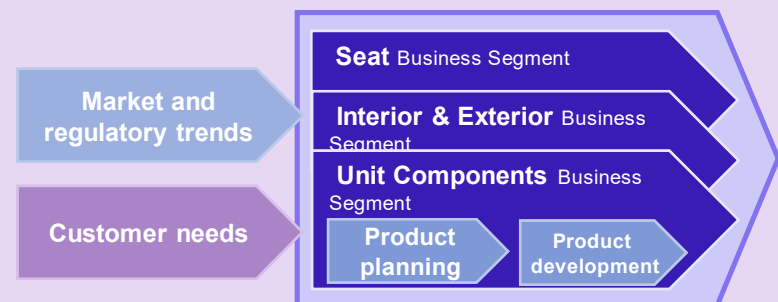
- ◆ As the achievements of our unit parts business, I would like to explain about motor cores and the hydrogen power system.
- ◆ For motor cores, utilization of recycled electromagnetic steel sheets, which are being developed by Big River Steel, an electric furnace steel manufacturer, will help us promote local production in North America while contributing to the reduction of carbon dioxide emissions.
- ◆ For the hydrogen power system, aiming to lead the realization of a hydrogen-based society, we are working with local governments to promote the use of hydrogen by installing the system in power-assisted bicycles.
We have also started collaboration with Kawasaki Heavy Industries to achieve carbon neutrality of robots.
- ◆ We will contribute to the promotion of carbon neutrality with motor cores and the hydrogen power system.

3. Enhancing planning & proposals capability and R&D capability - Renewal of R&D system

Toward achieving the 2030 Mid-term Business Plan targets, renewed the R&D system to promote technology strategies

<R&D system to date>

Based on market trends/customer needs, **Product planning and development in each Business Segment**

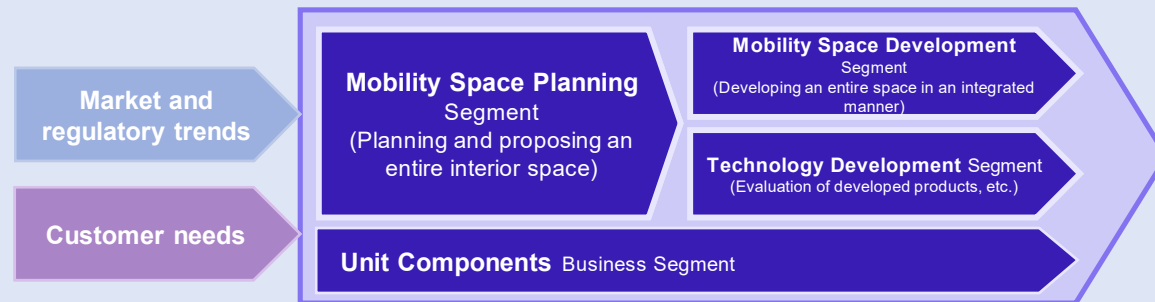


Each Business Segment proposes its **developed products** to customers and aims to **receive orders**

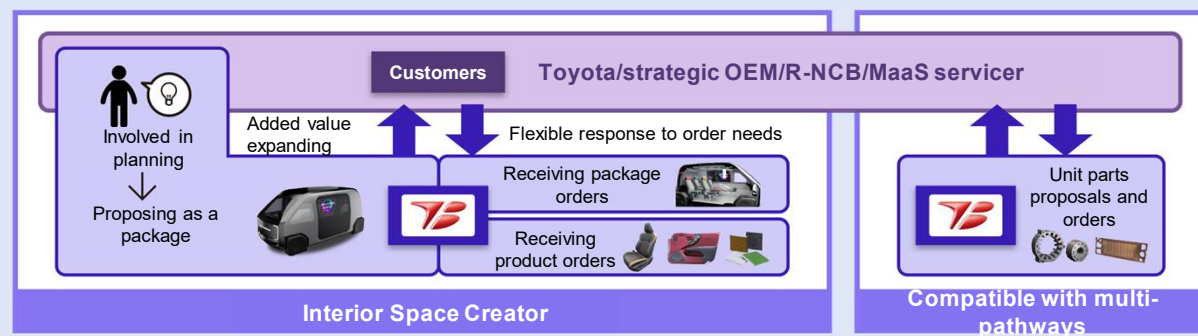


<New R&D system for FY2025>

Based on market trends/customer needs, Planning and development of products **for Interior Space Creator/Multi-pathway**



Propose to each customer and aim to **receive package orders and product orders**

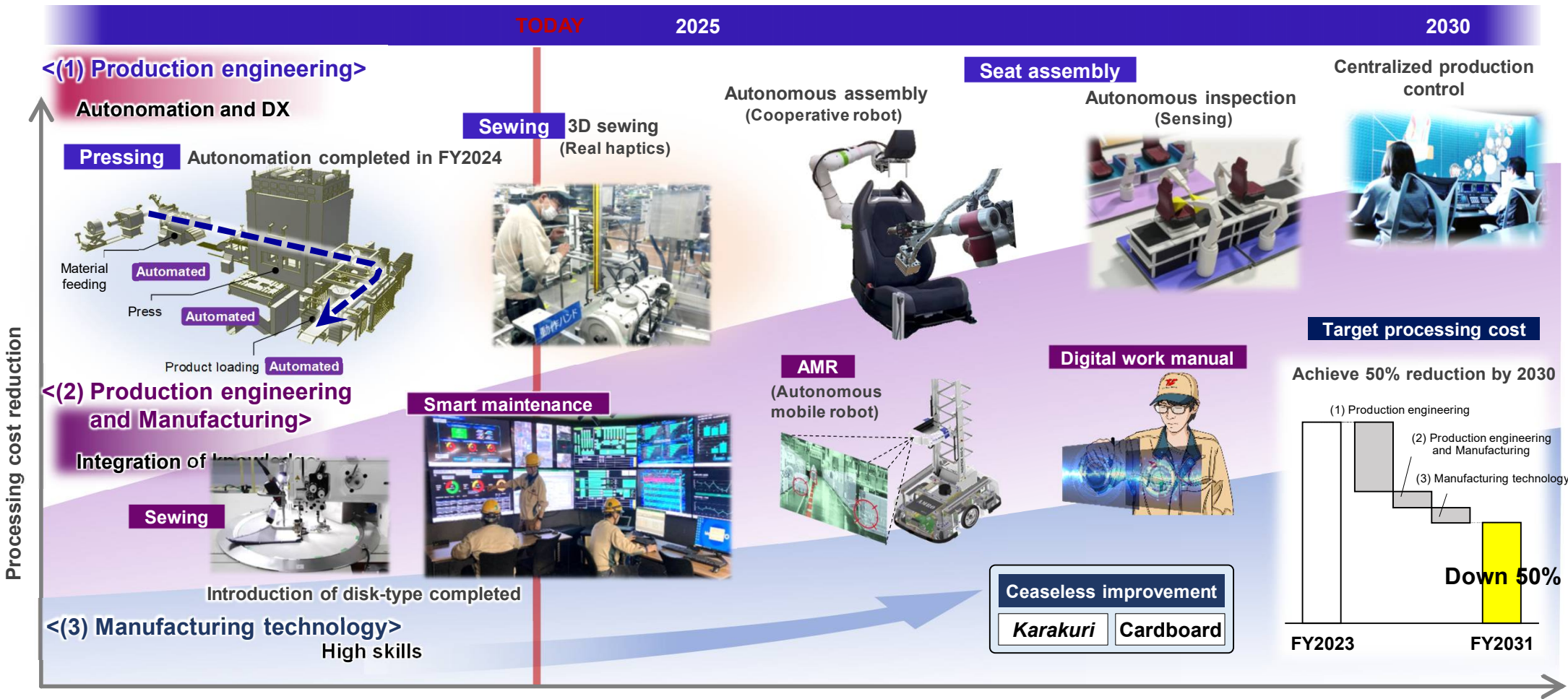


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- ◆ In order to accelerate our planning and proposals capability, as well as technology development, we renewed our R&D system this past April.
- ◆ As shown in the diagram on the left, under the R&D system to date, each Business Segment planned and developed products based on market trends and customer needs.
- ◆ In the fiscal year ending March 2025, to further accelerate our technology strategies, we will renew our R&D system and, as shown in the diagram on the right, plan and develop unit parts for interior spaces to become an Interior Space Creator and respond to the multi-pathway approach based on market trends and customer needs.

4. Strengthening MONOZUKURI competitiveness - 2030 automation roadmap

Realizing a “diversity line where everyone can work,” with cost halved and allowing coexistence of people and robots



Script

- ◆ Next, I will explain about the initiatives for strengthening MONOZUKURI competitiveness.
 - ◆ Aiming to “Acquire MONOZUKURI competitiveness to be trusted and selected”, we are considering “autonomation” to be our top priority toward 2030.
 - ◆ The steps for autonomation are as follows:
 - Promote DX using AI with our production engineering capabilities;
 - Reduce processing cost through improvements with our manufacturing technology; and
 - Strengthen the interface of production engineering and manufacturing capabilities to enhance the ability to take action.
- The target of the activities is to reduce the processing cost by 50% from the current level by 2030.
- ◆ On the next page, I will show you examples of the autonomation activities in FY2024.

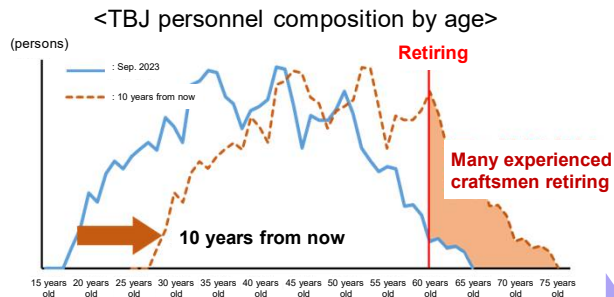
4. Strengthening MONOZUKURI competitiveness - Actions for FY2024

■ Automation of 3D sewing

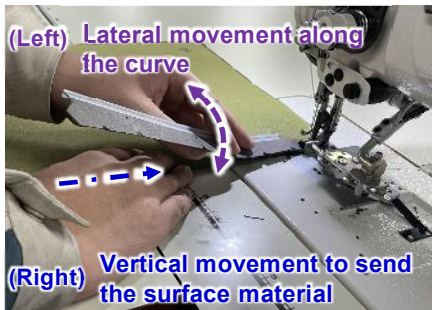
Promotion of automation to cope with labor shortages and pass down skills

Issues and development phase

Issue 1: Many skilled workers are retiring



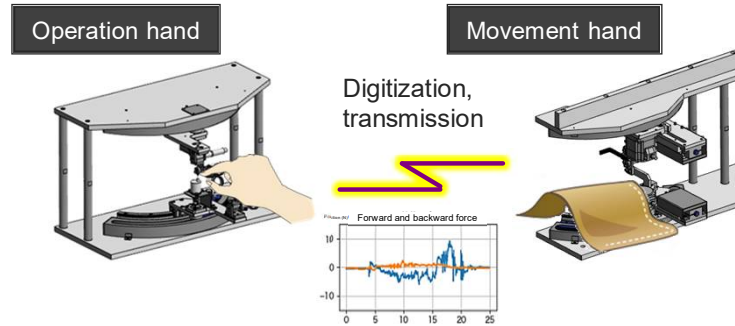
Issue 2: Sophisticated sewing operations



Sewing while manually adjusting the force

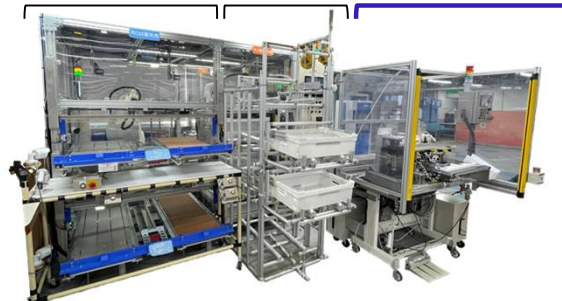
Now

- Digitization of craftsman's skills by haptic transmission



Verification started at Sanage Plant (from May 2024)

Autonomation × Karakuri × Real haptics

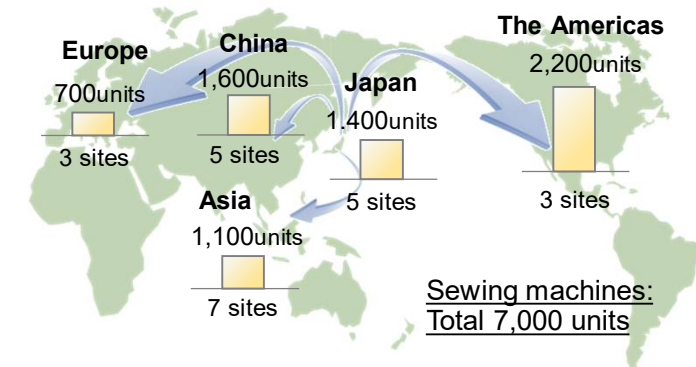


Equipment that integrate manufacturing and production technologies

2030

- Global deployment to maximize the effects

(1) Master craftsmanship and quality anywhere



(2) Synergies can be expected in global models

Camry					
Corolla, etc.					

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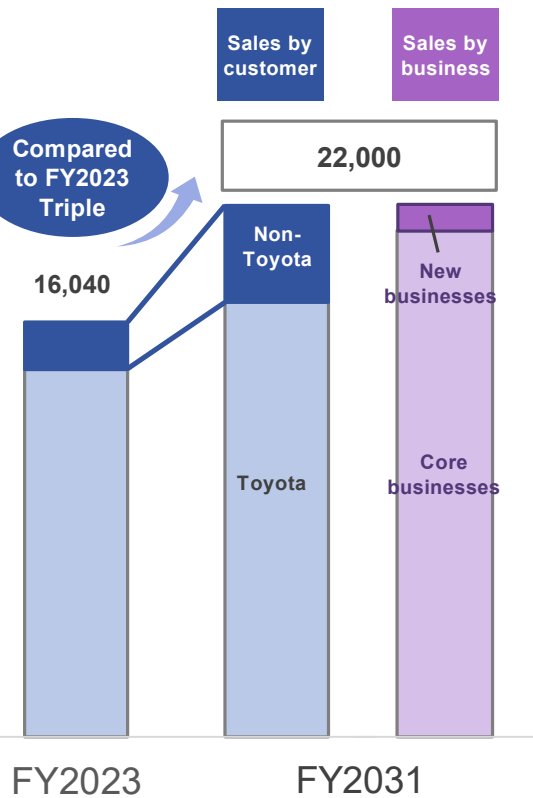
- ◆ As part of our efforts to strengthen MONOZUKURI competitiveness in FY2024, we have been working on the automation of 3D sewing in order to cope with the shortage of workers and pass down skills.
- ◆ The problem is that many skilled workers will retire in five to 10 years from now. But the sewing process requires complicated movements with both the left and right hands, as shown in the photo, making it difficult to pass on their *kankotsu* (intuition and knack) operations.
- ◆ To address this issue, we have been working on digitization of the *kankotsu* operations by applying haptic transmission technology.
We have integrated “Karakuri with manufacturing technology” and “automation with production technology,” and started verification at the Sanage Plant in May 2024.
- ◆ Moving forward, we will deploy this initiative globally with the aim of maximizing its effects toward 2030. By passing on the craftsman skills and quality globally, we will address the shortage of workers. For deployment, we will gradually introduce this mechanism starting with global models to enhance synergy effects.

5. Strengthening sales capability - Activities to expand sales

As a result of order-taking activities, new orders began to increase.

1) 2030 revenue target

(100 million yen)



2) Results of non-Toyota activities in 2023

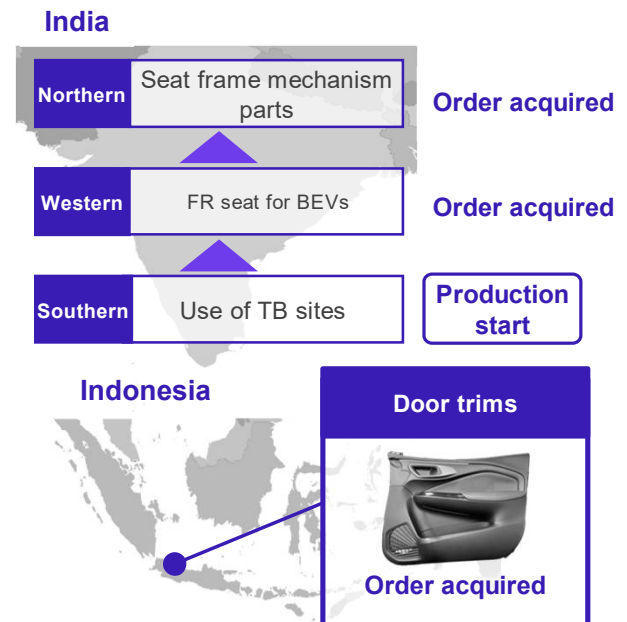
[Case 1] Company A

In addition to **first order for ceiling received** in Europe, received a **new order for BEV seats**
Received first inquiry for door trims in Europe
 (Established a steady position as a major supplier of seats and interior.)



[Case 2] Company B

Northern India
 Received orders for seat frame mechanism parts
 Indonesia
Received new orders for door trims



Script

- ◆ Next, I will explain our actions for strengthening our sales capability.
- ◆ Toward achieving the sales target of 2.2 trillion yen in 2030, in addition to receiving steady orders for Toyota business, we aim to triple sales for non-Toyota business.
- ◆ First, I will explain the results of the activities in 2023.
- ◆ For the customer of Case 1, in addition to acquiring the first order for the ceiling business in Europe, we were able to win a new order for seats for BEVs for the first time in 10 years.
We also received the first inquiry for door trims in Europe.
- ◆ For the customer of Case 2, in addition to the PJT in the southern part of India, we have also started production preparations for a newly ordered PJT in the western part of the country.
Also in the northern part of the country, we are receiving orders for seat frame mechanism parts.
In Indonesia, we received a new order for door trims.

5. Strengthening sales capability - Activities to expand sales

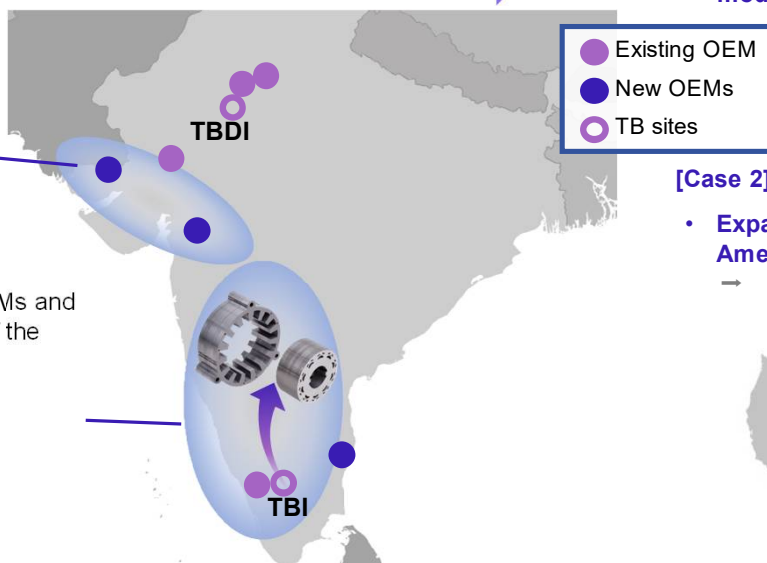
Aiming to expand sales for non-Toyota OEMs in addition to securing orders from Toyota business

1. Actions in the Indian market

- 1) Promote efforts to continuously receive orders from existing **Japanese OEMs**



- 2) Expand sales to **new OEMs that are expected to increase market share**



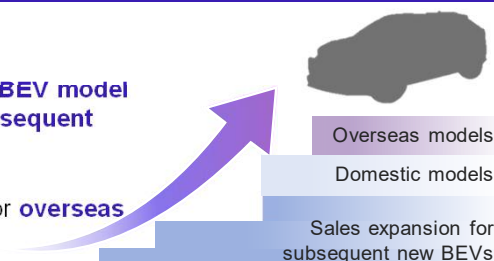
- 3) Promote order-taking activities for OEMs and ASSY manufacturers in anticipation of the **expansion of electric vehicles**
Aim to acquire orders through **local procurement of motor cores**

Increase customers and products in the growing Indian market

2. Non-Toyota OEMs

[Case 1] Company C

- **Receive orders** for seats and interior for **new BEV model**
- Expand sales (proposing parts sharing) to **subsequent new BEV model**
- **Expand sales** for domestic models
- Expand sales (proposing local procurement) for **overseas models**



Receive new orders for BEVs (seats and interior)

[Case 2] Company D

- **Expand sales of parts to North America models**
— **Based on JV,**
propose seat parts sharing



- **Expand sales to Asia models**
(proposing local procurement)

<Proposal target areas>

Thailand
Malaysia
Vietnam
Indonesia



Aim to acquire new orders by expanding target regions and products

Script

- ◆ Next, I would like to explain about our activities to expand sales toward 2030.
- ◆ The first is the actions in the Indian market.
In addition to continuing to receive orders from the Japanese OEMs, we will aggressively promote order-taking activities targeting new OEMs that are expected to increase their market share in the future.
Furthermore, in preparation for the expansion of electrification, we aim to receive new orders through local procurement of motor cores, etc.
- ◆ The second is our commitment to non-Toyota OEMs.
- ◆ For the customer of Case 1, we were able to acquire orders for seats and interior for a next-generation BEV developed jointly with Toyota.
- ◆ For the customer of Case 2, we aim to increase orders by promoting parts sharing with Toyota, based on the joint venture (JV) in Alabama, North America.
In Asia, we aim to increase orders by proposing local procurement of parts using the existing production bases.

5. Strengthening sales capability - Activities to expand sales

Besides automobiles, aiming to expand aircraft and new businesses

1. Sales expansion to aircraft business

Steadily expanding business: Promoting activities to receive orders from domestic and overseas airlines and airframe manufacturers

- 1) Japanese airlines: Supply for B787 started
Our first seats for new aircraft in service from March 2024
- 2) Sales expansion to Japanese/overseas and new airlines
Approved as Offerable Products for Boeing 737 and 787
⇒ Received inquiries from several new airlines and acquired steady orders.
Ongoing activities to receive more orders

▼ March 2023 Seats for B737 approved as Offerable Product

▼ August 2021 Seats for B787 approved as Offerable Product

★ Installation expanded to Japanese and overseas airlines and airframe manufacturers

★ B787 for international flights, B737 for domestic flights

★ B787-10 new aircraft for domestic flights

B787 for domestic flights replacement

B777 for domestic flights replacement

B767 for domestic flights replacement

2016 2020 2023 2024 2025 2031 (FY)



2. Sales expansion to new businesses

Promote sales expansion to new customers

[Case 1] Company E

Received a order for seats
→ Expand sales to subsequent new BEV model



[Case 2] DiDi

Started collaboration on smart interior space for Robotaxi
Demonstration tests are underway in an autonomous driving model zone in China



Exhibiting at Beijing International Motor Show 2024

Launching new businesses for further sales expansion

Script

- ◆ Next is about activities in the non-automotive businesses.
- ◆ First, I would like to talk about the status of our activities to receive orders for seats for airplanes.
- ◆ We have steadily received new orders from domestic airlines since our first order received for economy class seats in 2013, and in March 2024, the Boeing 787-10 for domestic flights equipped with our economy class seats entered service.
- ◆ Our seats for small and midsize aircrafts, for which demand is expected to increase, have been approved as the Boeing Offerable Products and are now being considered and ordered by airlines both in Japan and overseas.

In order to accelerate activities to obtain orders, a part of the sales and development functions has been moved from Aichi to Tokyo to strengthen the structure.

Script

- ◆ The second is our commitment to new businesses.
Initiatives for sales expansion to MaaS servicers in preparation for becoming an Interior Space Creator have been taking shape.
- ◆ For the customer of Case 1, we were able to acquire an order for seats for a new project.
- ◆ In Case 2, we started collaboration with DiDi, a company that operates the autonomous driving taxi business in China.
We exhibited actual vehicles equipped with high value-added items at the Beijing International Motor Show 2024.
Currently, we are underway with demonstration tests in an autonomous driving model zone.

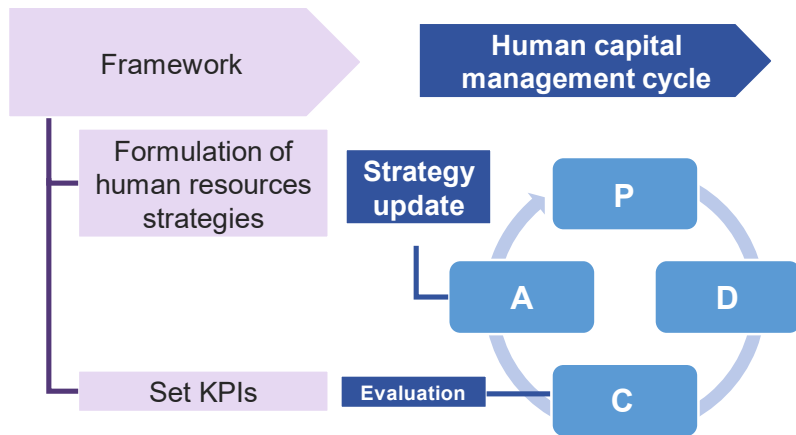
6. Strengthening management foundation - Disclosure of human capital information

Start a cycle of human capital management to realize the 2030 Target and business strategies

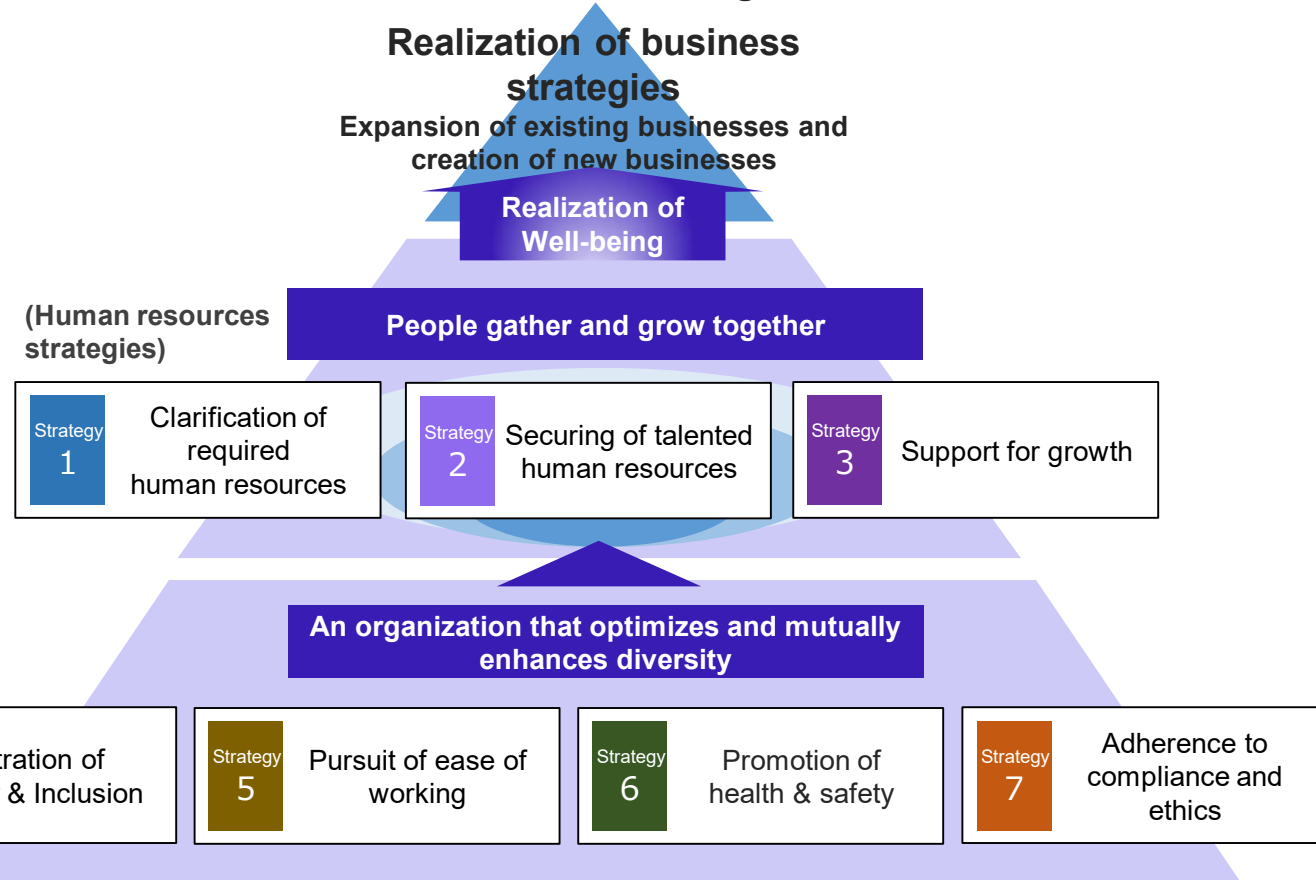
Cycle of human capital management

(Implemented in FY2024)

(from FY2025)



1. Overview of human resources strategies



Human Capital Report 2023



Script

- ◆ Next, I will explain our actions for strengthening our management foundation.
- ◆ We have worked on human capital management, which considers people as important management resources, as indispensable for realizing the 2030 Target and business strategies.
- ◆ In FY2024, we set “formulation of human resources strategies” and “the KPIs to monitor the achievement of the strategies” as a framework for turning the cycle of human capital management.
- ◆ From FY2025, we will implement the PDCA cycle of human capital management through “implementation of the seven human resources strategies” and “evaluation using KPIs,” as shown on the right of the slide.
- ◆ In February 2024, we published the details of our human resources strategies and the target for 2030 as the “Toyota Boshoku Human Capital Report 2023.”

6. Strengthening management foundation - HITOZUKURI and utilization of human resources, development of organizational culture

Steadily implementing human resources strategies toward achieving our desired status for 2030

Actions for FY2025 in human resources strategies

Organization where people gather and grow together

- ◆ **Update and execute** human resources portfolio (Number of people and timing of recruitment/training)

Strategy
1

Strategy
2

Strategy
3

Organization that leverages and enhances diversity

- ◆ For recruitment of local executive personnel and women's advancement, **formulate specific plans** · for training and promotion
- ◆ **Continue** activities to promote diversity & inclusion
- ◆ Create a workplace where members can speak their mind
→ Introduce an **employee engagement survey** that allows easy comparison with other companies for improvement

Strategy
3

Strategy
4

Strategy
4

Strategy
5

Strategy
7

[Areas of human resource engagement and the personnel needed]

Area	Personnel needed
Core	<ul style="list-style-type: none">• Strengthening of electronic control and information technology fields• Ability to utilize DX• High sewing technique• Maintenance skills (in both hardware and software)
Customer expansion	<ul style="list-style-type: none">• Local executive talents• Global planning and negotiation skills• Experience in other industries · Marketing ability
New value	<ul style="list-style-type: none">• Advanced technology integration and trend insight• Space design (sensibility and ergonomics)• Ability to think/act in view of future• Solving social issues and contributing to society



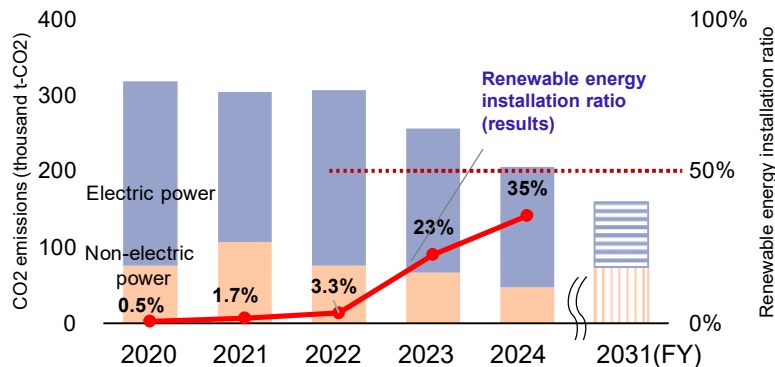
Script

- ◆ In FY2025, we will systematically promote the development of human resources necessary for 2030, as clarified in the human resources strategies and shown in the table on the right.
We will update our human resources portfolio and clarify the number of people needed and the timing of recruitment, as well as the recruitment and training methods, and implement the plan.
- ◆ Since April 2024, a foreign national executive has been assigned to lead the Mobility Space Planning Segment, working to create new value.
Furthermore, in order to enhance diversity, we will formulate and implement a specific plan for 2030 on the recruitment of local executives and female managers at overseas business entities.
- ◆ While continuing efforts to promote diversity and inclusion and create a workplace where members can speak their mind, we will also introduce an employee engagement survey that allows comparison with other companies, thereby accelerating improvement.

6. Strengthening management foundation - Environment

Suppression
of global
warming

Received the highest A rating in the CDP assessment for the second consecutive year in both the Climate Change and Water categories (top 12%).



Construction and operation of solar power generation farm in Turkey

Signed a 12-year long-term renewable energy purchase agreement in North America

Advance introduction of renewable energy to achieve 50% emissions reduction by 2030 globally (SCOPE 1 and 2)

Resource
circulation

Participating in industry-government-academia collaboration projects aimed at realizing a recycling-oriented society

Circulation model (1) (Car to Car)

Project to Promote Collaboration to Increase the Use of Recycled Materials in Automobile Recycling; led by the Ministry of the Environment



Circulation model (2) (X to Car)

Circular Partners: led by the Ministry of Economy, Trade and Industry



Establish technology and secure quantity of recycled materials, including those derived from end-of-life vehicles, to achieve the target by 2030.

Symbiosis
with nature

30by30 related activities

(1) Promote activities for biodiversity conservation



Activity at Shiokawa tidal flat



Activity at Fujimae tidal flat



New symbol for biodiversity conservation activities

(2) Promote activities aimed at OECM registration (restoration of natural capital)

OECM: Other Effective area based on Conservation Measures

Greening activity at a test course in Tajimi City, Gifu



Contribute to natural capital restoration through nature symbiosis activities

Script

- ◆ Finally, I would like to explain our environmental activities.
- ◆ By suppressing of global warming, we were able to receive the highest A rating in climate and water in the CDP assessment for the second year in a row.

We are advancing reduction projects ahead of schedule, such as construction and operation of a solar farm in Turkey and a long-term renewable energy purchase agreement in the U.S.

- ◆ In resource circulation, we will participate in industry-government-academia initiatives to respond to ELV regulations, etc., and will take steps to both establish technologies and secure volume by 2030.
- ◆ In symbiosis with nature, we have started activities for conservation of tidal flats.

Also, to contribute to achieving the 30 by 30 goal, we will continue the activities aimed at OECM registration.



<Disclaimer>

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

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

Script

- ◆ We will continue our efforts to make Toyota Boshoku a company that makes our stakeholders feel “I like Toyota Boshoku.” I would like to ask you for continuous understanding and cooperation.
- ◆ Thank you very much for participating in this meeting.