



Governance

Establishing a resilient global management foundation

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Governance quick reference table

Form of organizational design	Company with Audit & Supervisory Board
Number of directors (o/w number of outside directors)	9 (4)
Number of Audit & Supervisory Board members (o/w number of outside Audit & Supervisory Board members)	4 (2)
Term of directors	1 year
Chief officer system	Yes
A voluntary committee equivalent to the Nomination Committee or the Compensation Committee	Management Advisory Council
Compensation system for directors (Excluding outside directors)	(1) Fixed compensation (monthly compensation), (2) Performance-linked compensation (bonuses), (3) Stock compensation (transfer-restricted stock) (see page 78 for details)
Accounting auditor	PricewaterhouseCoopers Arata LLC

A conversation between outside officers

In the area of governance, which is the foundation for sustainable growth, our outside officers have the wealth of experience and broad knowledge to support us in enhancing our corporate value. We asked outside director Mr. Koyama and outside Audit & Supervisory Board member Mr. Yokoyama to talk about the governance of the Company and their expectations for the future.

Each individual plays a role, drawing on their own knowledge

Koyama ● I am researching Japanese-style management at university, with a focus on corporate governance. Since becoming an outside director in 2018, I have drawn on this knowledge to make recommendations.

Yokoyama ● In contrast to Mr. Koyama, I have been involved in the automotive industry for over 40 years. In fulfilling my responsibilities as an outside Audit & Supervisory Board member, I place great importance on the spirit of “audit and improvement.” In the words of the founder of Toyota Motor Corporation, it is important to audit and improve the quality of products and operations. An audit that merely points out what is wrong will not lead to a company’s development. I always try to be aware of “audit and improvement” and state my opinions so that the PDCA cycle functions effectively.

Koyama ● That’s what we also talk about in management studies. In particular, it’s said that the most important part of the investment decision-making process is the feedback once it’s finished. In other words, it’s what you just referred to—that audits and subsequent improvements are important.



Akihiro Koyama
Outside Director

It’s important to have even more active discussions with outside officers

Koyama ● I see that the current members of the Board of Directors come from a variety of backgrounds, so there is great diversity.

Yokoyama ● I agree. The outside officers, with their diverse knowledge, are also asking more questions and discussions are

becoming more active too. If I were to suggest an improvement, it would be that the Board of Directors be viewed not only as a forum for approval, but also even more as a forum for discussion.

Koyama ● Yes, certainly. That would also make for more beneficial discussions with internal directors, wouldn’t it? Also, plans are being considered to hold informal discussions with company members, which I think is a very good initiative.

Yokoyama ● I really hope that’s implemented, as I think it’s fine to ask a person from outside the company for their view, without making a big deal of it. I’ve worked in the B2C (business-to-consumer) sector for a long time, so I think I have a lot to impart to our company members, such as what it means to be aware of the customer’s and end-user’s perspective.

Koyama ● I have the impression that more and more high-profile topics, such as ESG and DX strategies, are being raised in the Board of Directors meeting agendas.

Yokoyama ● That’s right. We discussed and finalized the ESG KPIs for fiscal 2022, and the other day there was a report on the results.

Koyama ● In recent years, ESG KPIs have been used to manage non-financial initiatives, which have come to be seen as important, so I believe this is a topic that the Board of Directors should continue to monitor closely.

Yokoyama ● The Toyota Boshoku group’s materiality, which is the premise for the ESG KPIs, was created based on the ideas





Hiroyuki Yokoyama
Outside Audit & Supervisory Board member

in the Principles of Toyoda, the company belief. Of course it's important to address the demands of society, but I think what's crucial is to value our stakeholders in a broad sense, including the local community.

Koyama ● Another agenda item was business incubation, where we discussed investment in startup companies. While business diversification entails risk, I think it's commendable that the company aims to grow while properly managing that risk.

Yokoyama ● However, there are still some weaknesses in risk management on the business administration side, such as the management of sites outside Japan.

Koyama ● As our business expands even further globally, we need to determine whether Japanese management techniques will work at the local level, and implement them in line with carefully drawn up procedures. As a prerequisite for this, it's important to share things like our founding spirit, and make this part of the corporate culture. It may seem like a roundabout way of doing it, but I think it's ultimately the most effective, and my research has also shown me this.

Transformational period in the automotive industry, with good prospects for growth

Yokoyama ● The automotive industry is now entering a once-in-a-century transformational period. I believe that automobile interiors, where the Toyota Boshoku group excels, is a very promising field for future growth.

Koyama ● Companies involved in engines and other power-related areas are being forced to rethink their business model.

Yokoyama ● That's right. On that point, interior space is always needed, regardless of changes in the way automobiles are powered. Also, as autonomous driving evolves, drivers will be freed from driving, and so differentiation of the automobile interior space will become a key point of competitive advantage for automobiles.

Koyama ● That ties in with the Toyota Boshoku group's desired status for 2030, to be an Interior Space Creator—in other words, the ability to offer a total solution for the interior space.

Yokoyama ● I think it's an excellent concept. I'd like all company members to ask themselves fresh questions about the fundamentals of what they value, and push forward to achieve the group's desired status.

Koyama ● I agree, and we will also support them in that process.



Basic stance

The first item in our Corporate Philosophy is “corporate growth while fulfilling our responsibilities in harmony with society as a good corporate citizen,” and we are promoting sustainable corporate activities through rigorous adherence to corporate ethics. We believe it is important to maintain and further improve the efficiency, fairness, and transparency of management, and we aim to enhance corporate governance based on five specific items: (1) ensure shareholders’ rights and equality; (2) ensure appropriate cooperation with stakeholders other than shareholders; (3) ensure appropriate information disclosure and transparency; (4) appropriate execution of the roles and

responsibilities of the Board of Directors; and (5) constructive dialogue with shareholders. We have also established a basic stance on compliance and risk management, and are implementing activities accordingly.

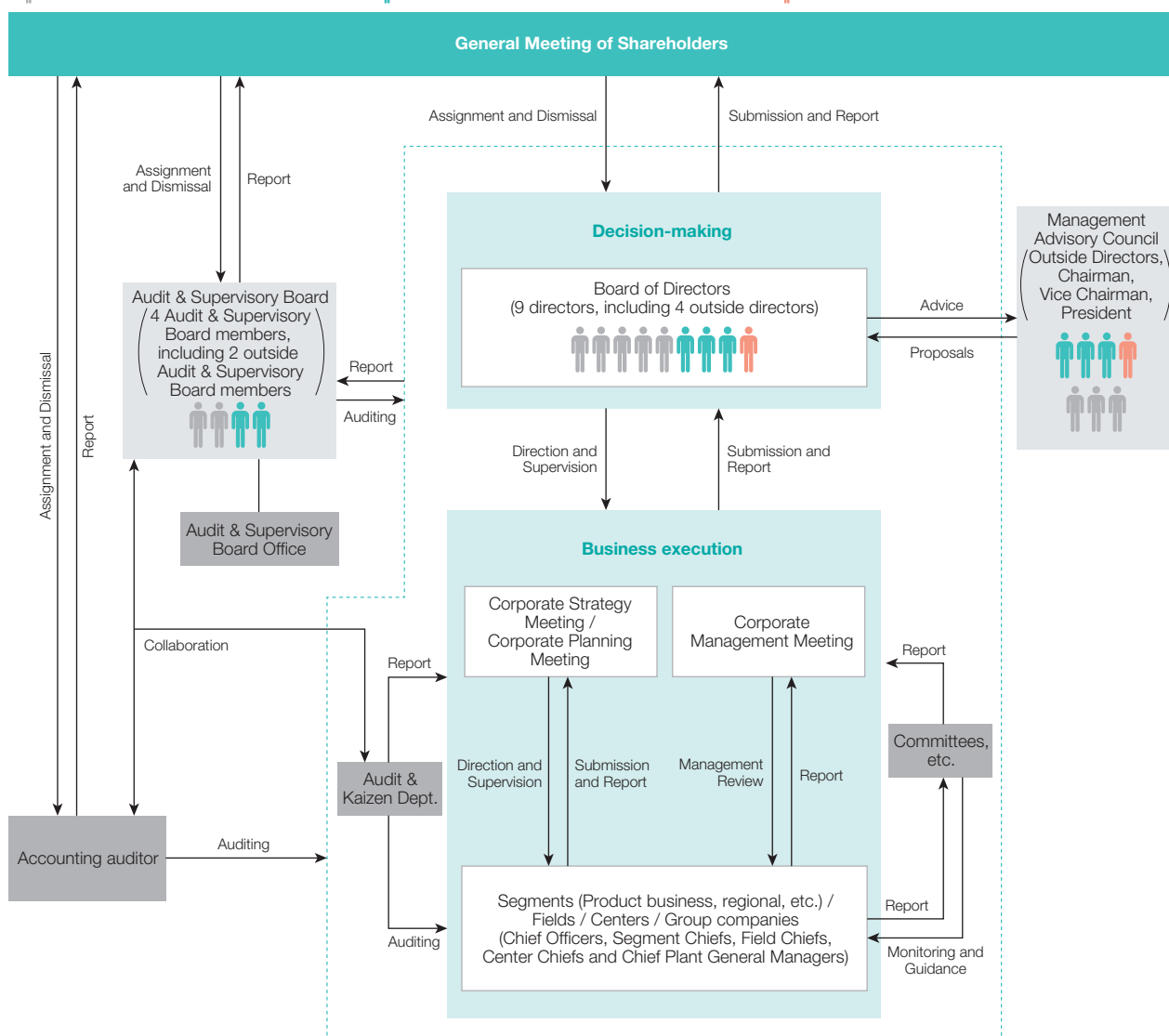
Response to the Corporate Governance Code

Toyota Boshoku has determined that it is in compliance with all principles of the Corporate Governance Code.

Please refer to our Corporate Governance Report, which was submitted to the Tokyo Stock Exchange.

System diagram of corporate governance (as of June 14, 2022)

 Internal Director/Audit & Supervisory Board Member
  Outside Director/Audit & Supervisory Board Member (male)
  Outside Director/Audit & Supervisory Board Member (female)



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Corporate governance system

Toyota Boshoku has appointed five internal directors and four outside directors with extensive experience and broad insight. Through their supervisory function, the outside directors serve to ensure the legality and appropriateness of decision-making by the Board of Directors and the execution of duties by directors.

The four persons appointed as outside directors satisfy the requirements for independent directors as stipulated by the Financial Instruments Exchange. They have been designated as independent directors of the Company because it has been determined that there is no risk of conflicts of interest with general shareholders.

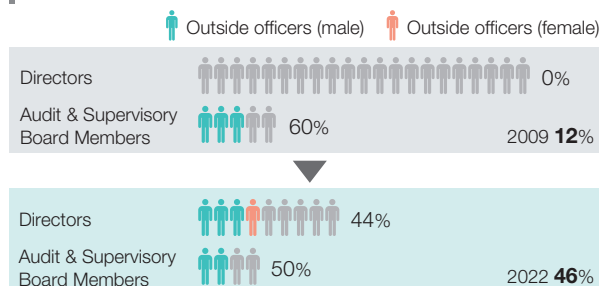
In addition, we have adopted a corporate auditor system, in which a four-person structure that includes two outside Audit & Supervisory Board members audits the management of directors.

Audit & Supervisory Board members audit the business execution of directors, as well as the business and financial condition of subsidiaries in Japan and overseas. Such initiatives, including assigning dedicated staff to the Audit & Supervisory Board Office, help strengthen the functions of the Audit & Supervisory Board.

The two persons appointed as outside Audit & Supervisory Board members satisfy the requirements for independent auditors as stipulated by the Financial Instruments Exchange. They have been designated as independent auditors of the Company because it has been determined that there is no risk of conflicts of interest with general shareholders.

The Management Advisory Council was established as a forum for the candid exchange of opinions related to such matters as management issues, appointment and dismissal of management, nomination of candidates for director and Audit & Supervisory Board member, and compensation for management and directors.

Ratio of outside officers



Business execution system

Toyota Boshoku adopts a simple organization consisting of four units (Corporate Operation, Product Business, Regional Business and Functional Collaboration Reinforcement) and Plant

Management. We have introduced a Chief Officer System to ensure cross-functional cooperation, and have assigned Segment Chiefs, Field Chiefs, Center Chiefs, and Chief Plant General Managers so as to clarify roles, responsibilities, and authority, simplify the decision-making process, and make quick management decisions.

The Corporate Planning Meeting is held twice a month to ascertain the status of implementation of the above, share information on important management issues, and make decisions, while the Corporate Strategy Meeting is held as necessary to deliberate and set the direction for company-wide management strategies as well as product business and regional strategies. In this way, as well as ensuring thorough deliberation on issues prior to submission to the Board of Directors, we strive to quicken our response to management challenges. In addition, we have established the Corporate Management Meeting, where information is shared among internal directors, standing Audit & Supervisory Board members, Chief Officers, Segment Chiefs, Field Chiefs, Center Chiefs and Chief Plant General Managers, as well as various committees and meeting bodies, so as to enhance deliberations on individual matters and regularly monitor and follow-up on the status of business execution based on policies decided by the Board of Directors.

Roles of various meeting bodies

Meeting body	Role	Frequency
Corporate Strategy Meeting	Deliberation and orientation of important company strategies	As needed
Corporate Planning Meeting	<ul style="list-style-type: none"> ● Important management decision-making ● Information sharing on important matters ● Deliberation and approval of measures to address important business execution issues 	About twice a month
Corporate Management Meeting	<ul style="list-style-type: none"> ● Monitoring of the execution of important business operations (predictive management) ● Responding to issues quickly and efficiently ● Sharing information with all officers 	Once a month

(1) Board of Directors

Number of meetings held in FY2022: 12

The Board of Directors convenes at least once a month, and as the management decision-making body, decides on important management matters such as legal matters, corporate hoshin (policy), business plans and capital expenditure plans, and also monitors business execution. The Board of Directors is chaired by the Chairman. Items that should be submitted to the Board of Directors are stipulated in rules of the Board of Directors, and

other items are delegated to the President, Chief Officers, Segment Chiefs, Field Chiefs, Center Chiefs, and Chief Plant General Managers in accordance with the Authorization Policy.

(2) Audit & Supervisory Board member, Audit & Supervisory Board

Number of meetings held in FY2022: 13

The Audit & Supervisory Board consists of two standing Audit & Supervisory Board members and two outside Audit & Supervisory Board members, and the lead standing Audit & Supervisory Board member serves as Chair of the Audit & Supervisory Board.

The main items discussed by the Audit & Supervisory Board include the selection of standing Audit & Supervisory Board members, audit policy and audit implementation plans, status of development and operation of internal control system, appropriateness of audit method performed by accounting auditors and the results thereof, and the preparation of audit reports.

With regard to the activities of Audit & Supervisory Board members, they conduct audits of internal divisions and domestic and overseas group companies based on the audit policy and annual plans, communicate with directors, etc.,

attend the Board of Directors, Corporate Planning Meeting and other important meetings, inspect important documents, etc., and exchange information with the internal auditing department and accounting auditors.

(3) Management Advisory Council

Number of meetings held in FY2022: 5

The Management Advisory Council is composed of four outside directors (Akihiro Koyama, Junko Shiokawa, Takafumi Seto, Kenichiro Ito), as well as Chairman Shuhei Toyoda, Vice Chairman Naoki Miyazaki, and President Masayoshi Shirayanagi. The chair of the Management Advisory Council is the Chairman.

The Management Advisory Council, as an advisory body to the Board of Directors, deliberates on important management strategies and issues, the selection and dismissal of management, compensation, succession planning and other matters, and has the authority to determine the amount of individual compensation for directors upon resolution by the Board of Directors.

Independence

The Management Advisory Council is responsible for both

Initiatives to strengthen corporate governance

	Previous	2005 <small>(2005 Start of Toyota Boshoku)</small>	2017	2018	2019	2020	2021	2022	2023	(FY)
Board of Directors and Audit & Supervisory Board		<ul style="list-style-type: none"> Election of outside Audit & Supervisory Board members Shortening of the term of office of directors to one year (2006) 	<ul style="list-style-type: none"> Election of outside directors (2016) Start of evaluation of the effectiveness of the Board of Directors (2017) 	<ul style="list-style-type: none"> Streamlining of Board of Directors (2018) Revision of rules of the Board of Directors (2018) ...delegation of authority to execution functions 	<ul style="list-style-type: none"> Establishment of Management Advisory Council (2019) 			<ul style="list-style-type: none"> Appointment of female director (2022) Disclosure of directors skill matrix (2022) 	<ul style="list-style-type: none"> Disclosure of audit & supervisory board members skill matrix (2023) 	
Officer Compensation & System Reform					<ul style="list-style-type: none"> Introduction of medium- to long-term incentive system (2019) 		<ul style="list-style-type: none"> Introduction of transfer-restricted stock compensation system (2021) 			
Business Execution System			<ul style="list-style-type: none"> Change in management structure ...Strengthening management of product business axis (2017) 			<ul style="list-style-type: none"> Changes of the officer structure ...reduction in number of officers (2020) 		<ul style="list-style-type: none"> Introduction of Chief Officer System (2022) Abolition of the executive vice president position (2022) Appointment of young management members who excel in their field of specialization to field chiefs and center chiefs (2022) 		
Promotion Meetings / Committees		<ul style="list-style-type: none"> Establishment of CSR Promotion Meeting (2007) Establishment of Environmental Affairs Committee Establishment of Safety & Health Committee 	<ul style="list-style-type: none"> Establishment of Risk Management Promotion Meeting (2017) Integration of Safety/Health/Environment Function Meeting (2017) 				<ul style="list-style-type: none"> Renamed to CSV Promotion Meeting (2021) 	<ul style="list-style-type: none"> Establishment of DX Promotion Meeting (2022) Separation of the meeting into <ul style="list-style-type: none"> Carbon Neutral Environment Promotion Meeting (2022) Safety & Health Function Meeting (2022) 	<ul style="list-style-type: none"> DX Certification (2023) 	
		<ul style="list-style-type: none"> Establishment of the Information Disclosure Committee (2011) 								

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nomination and compensation functions, and its members, agenda and activities were resolved by the Board of Directors in December 2018 as the "Management Advisory Council Rules." To incorporate independent perspectives, the Management Advisory Council is composed of four outside directors and three internal directors.

Authority and role

As an advisory body to the Board of Directors, the Management Advisory Council deliberates and resolves matters related to the

Main discussions at the Board of Directors

General Meeting of Shareholders	<ul style="list-style-type: none"> ● Decision on convocation and agenda items ● Approval of business reports, financial statements, etc. ● Condition of the exercise of voting rights on agenda items at the General Meeting of Shareholders
Executive officers and organization	<ul style="list-style-type: none"> ● Selection of representative director and executive director ● Directors' compensation and bonuses
Business planning, management strategy	<ul style="list-style-type: none"> ● Formulation of global hoshin (policy) ● Formulation of Business Portfolio Policy ● Deliberation on business advancement, alliances, reorganization, etc.
Sustainability	<ul style="list-style-type: none"> ● Formulation of Sustainability Policy, Human Rights Policy ● Establishment of ESG KPIs ● Status of initiatives to become carbon neutral ● Approach to human rights due diligence ● Status of initiatives to prevent occupational accidents ● Report on status of response to business risks including COVID-19 and cybersecurity ● Status of organizational and human resource development initiatives ● Status of quality initiatives ● DX promotion strategy ● Foundation of internal governance structure relating to intellectual property
Other	<ul style="list-style-type: none"> ● Implementation of interim dividend ● Report on operational status of basic policy on the development of internal control systems ● Approval and report on transactions involving a conflict of interest ● Implementation and report on assessments of the effectiveness of the Board of Directors ● Examination of stockholdings ● Operational status of whistle-blowing system ● Items related to property and assets

Main discussions at Audit & Supervisory Board (excluding audit reports)

General management	<ul style="list-style-type: none"> ● Company member safety and health management, environmental management initiatives
Internal control and auditing	<ul style="list-style-type: none"> ● Basic policy on the development of internal control systems, etc. ● Status of risk management ● Status of global internal auditing system ● Results of remote audit of subsidiaries outside Japan
Other	<ul style="list-style-type: none"> ● Response to COVID-19

selection and dismissal of management, compensation, etc. from an objective and fair perspective, and provides reports and advice to the Board of Directors.

Support structure for outside directors and Audit & Supervisory Board members

Internal directors and standing Audit & Supervisory Board members provide explanations about required knowledge pertaining to areas such as the Company's businesses, financial affairs and organizations when outside directors and outside Audit & Supervisory Board members assume office. The Company also sends materials of the Board of Directors beforehand to outside directors and outside Audit & Supervisory Board members and provides them with prior explanations on the important matters of agenda items submitted to the Board of Directors. Furthermore, outside directors and Audit & Supervisory Board members are provided with reports on the progress of global hoshin (policy), and tour plants and offices. The Company has assigned Audit & Supervisory staff to the Audit & Supervisory Board Office as part of a structure for supporting the day-to-day auditing activities of standing Audit & Supervisory Board members. They also support the auditing activities of outside Audit & Supervisory Board members through the operation of the Audit & Supervisory Board.



Tour of Kariya Plant

Evaluation results of the effectiveness of the Board of Directors

Toyota Boshoku analyzes and evaluates the effectiveness of the Board of Directors as follows.

(1) Method

- The operational status and response to issues identified in the past are analyzed and reported to the Board of Directors in January.
- The Segment Chief in charge of the administrative office of the Board of Directors conducts a questionnaire of and interviews with all directors and Audit & Supervisory Board members, including outside members, in February.
- The evaluation results and the direction to be taken to resolve issues are summarized and reported to the Board of Directors in March for discussion.

(2) Overview of fiscal 2022 evaluation results

- a. Continuous improvements have been made, including the following: the submission of agenda items in line with the annual agenda plan, including ESG-related items such as risk, human rights, and carbon neutrality, and future-oriented DX items; extension of the timescale for explanations made prior to Board of Directors Meetings; and opinion exchange meetings, which were newly planned in fiscal 2022. As a result, it was determined that the effectiveness of the Board of Directors in making important management decisions and supervising business execution has been ensured.
- b. Opinions were expressed about in-depth exploration of future strategy and business strategies, discussions based on clear and easy-to-understand materials, and further increasing the diversity of the Board members.
- c. There was a request for improvement, such as the provision of enhanced information by way of plant visits and participation in internal meetings by outside officers, and the provision of information on recent ESG issues in addition to information about the Company itself.

(3) Key challenges and improvement measures

Toyota Boshoku will strive to make the following improvements to ensure even greater effectiveness of the Board of Directors.

a. Deepen strategic discussions

Organize the necessary agenda items throughout the year and systematically implement them, enhancing topics related to future strategy and business strategies, as well as topics related to intellectual property, which is an intangible asset that contributes to the enhancement of corporate value.

b. Enhance support for outside officers

Provide relevant information such as by way of plant visits and participation in important internal meetings and Lectures for Executive Officers, in order to deepen understanding of the Company and stimulate discussion.

c. Ensure member diversity

Further increase diversity by utilizing the skills matrix, after configuring the required experience and expertise and verifying that the skills matrix items address recent environmental changes.

Policy for deciding the amount of officers' compensation and the calculation method

The "Policy for deciding the amount of compensation for Directors and Operating Officers" is resolved by the Board of Directors.

(1) Basic approach

In order to realize a compensation system that is highly linked to the Company's business performance, the following are reflected in part of the compensation structure:

- a. we set the disparity between positions reasonably in light of the roles and responsibilities, and
- b. grant stock-based compensation under the transfer-restricted stock compensation plan to directors other than outside directors.
In addition, in order to reflect annual performance and efforts to improve medium-term corporate value in compensation (bonus),
- c. the Company's uniform annual performance and the degree of achievement of annual hoshin (policy) by each individual for the single year, and
- d. evaluation of medium-term corporate value enhancement in terms of the enhancement of social value and economic value.

(2) Approach to the level of compensation

For the level of compensation, we select companies listed on the Prime Market of the Tokyo Stock Exchange for benchmarking, based on their corporate size, consolidated revenue, consolidated operating profit, and number of employees and we confirm the appropriateness of compensation amounts while also incorporating the results of external compensation survey organizations.

(3) Directors' compensation

Annual compensation for directors is limited to 600 million yen (including 70 million yen for outside directors), as resolved at the Ordinary General Meeting of Shareholders held on June 17, 2020. The number of directors as of the close of this Ordinary General Meeting of Shareholders was nine, including four outside directors.

(4) Compensation for outside directors

Outside directors are paid only fixed monthly compensation as they are expected to fulfill their roles and responsibilities from a standpoint completely independent of business execution.

(5) Compensation for Audit & Supervisory Board members

Audit & Supervisory Board members are paid only fixed monthly compensation and there is no variable factor based on performance. Compensation for Audit & Supervisory Board members is determined through discussion among the Audit & Supervisory Board members within the limit of compensation set by resolution of the Ordinary General Meeting of Shareholders held on June 14, 2022 (not to exceed 130 million yen per year; the number of Audit & Supervisory Board members as of the close of this Ordinary General Meeting of Shareholders was four).

(6) Procedures for determining compensation, etc.

In order to ensure the appropriateness of the level and amount of compensation and transparency in the decision-making process, the decision on specific individual compensation payments based on the policy for deciding the amount of compensation is

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entrusted to the Management Advisory Council, which is composed of four independent outside directors, Chairman (the Chair of the Council), Vice Chairman, and the President.

The process is set forth in the Board of Directors Rules and the Management Advisory Council Rules, and since the amount of compensation for each individual director is determined through established procedures, the Board of Directors believes that the details thereof are in line with the policy for deciding the amount of compensation.

Total amount of compensation, etc. for directors and Audit & Supervisory Board members

Category	Total compensation, etc. by type (million yen)				
	Total compensation, etc. (million yen)	Fixed compensation (Monthly compensation)	Performance-linked compensation (Bonuses)	Stock compensation (Transfer-restricted stock)	Number of persons to be paid
Director (of which outside directors)	454 (43)	254 (43)	158 (—)	42 (—)	11 (5)
Audit & Supervisory Board Member (of which outside Audit & Supervisory Board members)	94 (18)	94 (18)	—	—	5 (2)
Total (of which outside officers)	549 (61)	348 (61)	158 (—)	42 (—)	16 (7)

Note: The above fixed compensation includes two directors and one Audit & Supervisory Board member who retired as of the close of the 96th Ordinary General Meeting of Shareholders held on June 11, 2021.
The number of persons to whom performance-linked compensation (bonuses) and stock compensation (transfer-restricted stock) will be paid is five directors (excluding outside directors).

(7) Transfer-restricted stock compensation

The Board of Directors is scheduled to decide on the specific payment period and allocation using the stock compensation limit (within 100 million yen per year and within 100,000 shares per year) defined at the General Meeting of Shareholders held on June 17, 2020.

Applicable recipients	Toyota Boshoku directors (excluding outside directors)
Timing and distribution of allowance	Decided by the Board of Directors
Shares compensation system upper financial limit	Up to 100 million yen per year
Upper limit on shares allowance	Up to a total of 100,000 regular shares per year for applicable board members
Period of restrictions on shares transfer	Until immediately after stepping down as Toyota Boshoku director
Amount paid	Set by the Board of Directors at an amount that will not provide undue advantage to the applicable board member(s), based on the Tokyo Stock Exchange closing price of regular Toyota Boshoku shares on the last business day before the Board of Directors resolution
Conditions for lifting restrictions on shares transfer	Restrictions will be lifted upon expiry of the period of restrictions. However, restrictions will also be lifted upon expiration of term of office, death, or stepping down as director for other legitimate reasons.
Non-compensation acquisitions	In cases where illegal activity has taken place, or there is other justifiable reason established by Toyota Boshoku's Board of Directors, Toyota Boshoku can acquire allotted shares without compensation during the period of restrictions on shares transfer

Structure of Directors' Compensation

Type of Compensation	Payment Criteria	Structure of Compensation	Category
Fixed Compensation¹ (Monthly compensation)	Compensation table: Set according to position (level of responsibility) Set the disparity between qualifications at a certain rate, and set the amount of compensation according to the index for each position.	55%	Monetary compensation
Performance-Linked Compensation¹ (Bonuses)	1) Reflect performance for a single fiscal year in the compensation (bonus) table according to position, based on consolidated operating profit. ² 2) Reflect medium-term enhancement of corporate value in the bonus payment amount according to the achievement rate (0–150%) based on the contribution to economic value enhancement (20% increase in net assets) and contribution to social value enhancement (20% increase in CSR evaluation score) after three years. ³ [Structure of bonus]	35%	
	100%		
	1) Reflection of single-year results (82%)	2) Medium term (18%)	
Stock compensation (Transfer-restricted stock)	Issue shares to directors, excluding outside directors, which are restricted from sale for a certain period of time (the total amount of stock-based compensation is to be no more than 100 million yen per year, as resolved at the Ordinary General Meeting of Shareholders held on June 17, 2020; from 2021, the Board of Directors will resolve the timing and distribution of compensation)	10%	Stock compensation

¹ Annual compensation for directors is limited to 600 million yen (including 70 million yen for outside directors), as resolved at the Ordinary General Meeting of Shareholders held on June 17, 2020. The number of directors as of the close of this Ordinary General Meeting of Shareholders was nine, including four outside directors.

² Consolidated operating profit for the fiscal year ended March 31, 2022 was 60.2 billion yen.

³ Net assets for the fiscal year ended March 31, 2022 were 423.8 billion yen, and the CSR evaluation score was 3.3 points (out of 5.0 points).

Policy and procedure for nominating candidates for director and Audit & Supervisory Board member

A decision is made at the Board of Directors on the appointment and dismissal of directors and Audit & Supervisory Board members following debate and discussion by the Management Advisory Council.

The policy on appointment to management and nomination of candidates for director takes into account the fields he/she can cover. This also includes a comprehensive examination to ensure the right person is assigned to the right position so that decision-making is fast and accurate.

The policy on nomination of candidates for Audit & Supervisory Board member involves a comprehensive examination of whether the person has knowledge regarding finance and accounting, a general understanding of the Company's business and diverse perspectives on corporate management.

The policy on nomination of candidates for outside director and Audit & Supervisory Board member involves a comprehensive examination of the requirements for externality stipulated in the Companies Act and the independence criteria established by the Financial Instruments Exchange, and whether the person has extensive experience and broad insight.

Reasons for election of outside officers

Classification	Name	Independent Officer	Supplementary explanation regarding suitability items	Reasons for election	Number of Board of Directors, Audit & Supervisory Board attended in fiscal 2022
Directors	Akihiro Koyama	✓	—	Mr. Koyama was elected as a director because it was deemed that he could reflect his research into such areas as corporate finance and corporate governance and also his expert knowledge acquired over many years in corporate management from a global perspective in the management of the Company and contribute to maintaining and strengthening of the Company's corporate governance.	Board of Directors 12/12 meetings
	Junko Shiokawa	✓	—	Ms. Shiokawa was elected as a director because it was deemed that she could reflect in the management of the Company the broad insight she has gained as a lawyer on global cases related to investment funds, finance, cross-border M&A, and investment fund-related dispute resolution, and contribute to maintaining and strengthening of the Company's corporate governance.	Board of Directors 10/10 meetings ¹
	Takafumi Seto	✓	—	Dr. Seto was elected as a director because it was deemed that he could reflect in the management of the Company his research in conjunction with his diverse engineering knowledge and skills, and offer valuable insights regarding pioneering research for future society, as well as conduct joint research with the Company on the theme of realizing comfortable spaces for near-future automobiles, and contribute to the Company's future business.	Board of Directors — meetings ²
	Kenichiro Ito	✓	Mr. Ito is a Member of the Board of Directors and Senior Executive Officer of Denso Corporation, a business partner of the Company.	Mr. Ito was elected as a director because it was deemed that he could reflect his experience as a Member of the Board of Directors and Senior Executive Officer of Denso Corporation, where he also serves as Chief Human Resources Officer, the Head of the general administration and human resources division, the Head of North America, the Head of Europe, and the Head of South Korea, as well as his broad knowledge of the human resources and finance divisions, and contribute to maintaining and strengthening the Company's corporate governance.	Board of Directors — meetings ²
Audit & Supervisory Board members	Hiroyuki Yokoyama	✓	Former Executive Advisor, Daihatsu Motor Co., Ltd., a business partner of the Company	Mr. Yokoyama was elected as an Audit & Supervisory Board member because it was deemed that he could reflect his experience in the Quality Assurance Division and at overseas locations at Toyota Motor Corporation, as well as his extensive experience and insight gained at Daihatsu Motor Co., Ltd., in the audit system of the Company and contribute to maintaining and strengthening of the Company's corporate governance.	Board of Directors 12/12 meetings Audit & Supervisory Board 13/13 meetings
	Hiroshi Miura	✓	—	Mr. Miura was elected as an Audit & Supervisory Board member because it was deemed that he could reflect his experience as a certified public accountant and broad insights related to accounting, financial auditing and governance from his experience over many years in financial auditing and corporate management advisory services, and contribute to maintaining and strengthening the Company's governance.	Board of Directors — meetings ³ Audit & Supervisory Board — meetings ³

¹ Director Junko Shiokawa was nominated as an outside director at the 96th Ordinary General Meeting of Shareholders, held on June 11, 2021.

² Directors Takafumi Seto and Kenichiro Ito were nominated as outside directors at the 97th Ordinary General Meeting of Shareholders, held on June 14, 2022.

³ Audit & Supervisory Board member Hiroshi Miura was nominated as an Audit & Supervisory Board member at the 97th Ordinary General Meeting of Shareholders, held on June 14, 2022.

Establishing a resilient global management foundation

Support for training the next generation of executive management candidates

Through discussions at the GSCT,¹ a committee comprising members at the Chief Officer level and above, which discusses plans for identifying and developing candidates for executive management, and at the GSC,² a committee in which members at the level of Segment Chief, Field Chief and above discuss succession planning for key global posts (such as the presidents of business entities, directors, and division general managers), we are promoting optimal global assignment of human resources with a focus on their development, regardless of their background. In addition, we run global executive training programs (GEDP³ and GLDP⁴) to develop future executive candidates, among others.

The GEDP and GLDP started in fiscal 2019 and are both held once a year. From fiscal 2019 to fiscal 2022, 54 people participated in the GEDP and 80 in the GLDP. In addition, from fiscal 2023, we will expand the scope of the GEDP and GLDP to further focus on developing young executive candidates, with participation by around 16 participants planned in both programs.

At the GEDP and GLDP, participants learn about the Toyota Boshoku group's history and common values, develop basic management skills, and receive training to improve their organizational and human resource management capabilities to maximize the organization's strengths.

1 Global Succession Committee by Top Executives

2 Global Succession Committee

3 Global Executive Development Program: Selective training program for senior executive positions

4 Global Leader Development Program: Selective training program for junior executives and managers

Skill matrix of Director and Audit & Supervisory Board member (as of June 14, 2022)

Position	Name	Management Advisory Council	Corporate management	Industry knowledge	Governance	Overseas business	R&D	MONOZUKURI (production)	Sales and procurement	Finance and Accounting	Human resources and HITOZUKURI	Legal and compliance	Environment and energy
Chairman	Shuhei Toyota	✓	✓	✓	✓	✓	✓	✓	✓				
Vice Chairman	Naoki Miyazaki	✓	✓	✓	✓	✓				✓	✓	✓	✓
President	Masayoshi Shirayanagi	✓	✓	✓	✓	✓			✓	✓			✓
Director, Operating Officer	Takashi Yamamoto		✓	✓	✓		✓	✓					✓
Director, Operating Officer	Shunichi Iwamori			✓	✓	✓			✓	✓			✓
Outside Director	Akihiro Koyama	✓			✓					✓	✓	✓	
Outside Director	Junko Shiokawa	✓			✓	✓				✓		✓	
Outside Director	Takafumi Seto	✓			✓		✓	✓			✓		✓
Outside Director	Kenichiro Ito	✓	✓	✓	✓	✓				✓	✓		
Standing Audit & Supervisory Board Member	Yasushi Minami		✓	✓	✓	✓	✓	✓					
Standing Audit & Supervisory Board Member	Yasuhiro Fueta			✓	✓	✓		✓		✓	✓	✓	
Outside Audit & Supervisory Board Member	Hiroyuki Yokoyama		✓	✓	✓	✓	✓	✓				✓	
Outside Audit & Supervisory Board Member	Hiroshi Miura		✓		✓	✓				✓		✓	

Directors, Audit & Supervisory Board Members and Operating Officers

(As of July 1, 2022)

Directors

9 directors, including 4 outside directors
Average age: 61 years old



Shuhei Toyoda

Chairman Term of office as Director:
18 years

Apr. 1977 Joined Toyota Motor Co., Ltd. (now Toyota Motor Corporation (TMC))
June 1998 Member of the Board of Directors, TMC
June 2001 Managing Director, TMC
June 2001 President & CEO, Toyota Motor Engineering & Manufacturing Europe NV/SA
Sept. 2001 Member of the Board of Directors (with Managing Director status), TMC
Apr. 2002 President & CEO, Toyota Motor Europe NV/SA
June 2003 Member of the Board of Directors (with Senior Managing Director status), TMC
June 2004 Executive Vice President, the Company
June 2006 President, the Company
June 2015 Chairman, the Company (to present)
June 2018 Outside Audit & Supervisory Board Member, Toyota Tsusho Corporation



Naoki Miyazaki

Vice Chairman Term of office as Director:
1 year

Chief Risk Officer
Audit & Kaizen Department

Apr. 1980 Joined Toyota Motor Co., Ltd. (now Toyota Motor Corporation (TMC))
June 2008 Managing Officer, TMC
Apr. 2013 Senior Managing Officer, TMC
June 2014 Executive Vice President, Toyota Gosei Co., Ltd.
June 2015 President, Toyota Gosei Co., Ltd.
June 2020 Chairman, Toyota Gosei Co., Ltd.
June 2021 Director, Toyota Gosei Co., Ltd. (to present)
June 2021 Vice Chairman, the Company (to present)
June 2021 Outside Audit & Supervisory Board Member, Hino Motors, Ltd. (to present)



Masayoshi Shirayanagi

President New appointment

Chief Executive Officer
Carbon Neutral Environment Center

Apr. 1984 Joined Toyota Motor Corporation (TMC)
Apr. 2013 Managing Officer, TMC
Jan. 2018 Senior Managing Officer, TMC
Jan. 2019 Operating Officer, TMC
Jan. 2022 Operating Officer, the Company
June 2022 President, the Company (to present)



Takashi Yamamoto

Director, Operating Officer Term of office as Director:
2 years

Chief Technology Officer

Apr. 1982 Joined Toyota Motor Co., Ltd. (now Toyota Motor Corporation (TMC))
Apr. 2014 Managing Officer, TMC
Jan. 2018 Advisor, the Company
Apr. 2018 Executive Managing Officer, the Company
Apr. 2019 Operating Officer, the Company
Apr. 2020 Vice President, the Company
June 2020 Executive Vice President, the Company
Apr. 2021 Director, Operating Officer, the Company (to present)



Shunichi Iwamori

Director, Operating Officer New appointment

Chief Financial Officer
Field Chief, Purchasing Field

Apr. 1989 Joined Toyota Boshoku Corporation
Apr. 2017 Functional Officer, the Company
Apr. 2019 Global Grade S*, the Company
Apr. 2022 Operating Officer, the Company
June 2022 Director, Operating Officer, the Company (to present)

* Equivalent to previous Managing Officer, Executive Functional Officer and Functional Officer



Akihiro Koyama

Outside Director Term of office as Director:
4 years

Apr. 1981 Lecturer (Full-Time), Faculty of Economics, Gakushuin University
Apr. 1988 Professor, Faculty of Economics, Gakushuin University
Mar. 1995 C4 (Full-Time) Professor, Faculty of Law and Economics, Bayreuth University, Germany
Sept. 1995 Professor, Faculty of Economics, Gakushuin University (to present)
June 2018 Director, the Company (to present)

Establishing a resilient global management foundation



Junko Shikawa

Outside Director Term of office as Director: 1 year

Apr. 1995 Registered with the Dai-ichi Tokyo Bar Association
Joined Nagashima & Ohno
(now Nagashima Ohno & Tsunematsu)
July 1998 Seconded to London Office, European Bank for
Reconstruction and Development
Oct. 2000 Joined the New York Office, Sullivan & Cromwell LLP
Apr. 2002 Admitted to the New York State Bar
Apr. 2005 Joined Barclays Capital Securities Japan Limited
(now Barclays Securities Japan Limited)
June 2010 Joined the Hong Kong Office, Conyers Dill & Pearman
July 2010 Registered as a Foreign Lawyer in Hong Kong
Nov. 2014 Joined the Hong Kong Office, Harneys (Partner)
June 2017 Outside Director of Asahi Net, Inc.
Sept. 2018 Joined the Hong Kong Office, Withers (Partner)
June 2021 Director, the Company (to present)
Jan. 2022 Joined Hong Kong Office,
Conyers Dill & Pearman (Consultant) (to present)



Takafumi Seto

Outside Director New appointment

Apr. 1996 Postdoctoral fellow,
Japan Society for the Promotion of Science
Apr. 1997 Joined Mechanical Engineering Laboratory
Oct. 2001 Joined National Institute of Advanced Industrial
Science and Technology
Apr. 2007 Associate Professor, Division of Natural System,
National University Corporation Kanazawa University
Sep. 2013 Professor, Faculty of Frontier Engineering, Institute
of Science and Engineering, National University
Corporation Kanazawa University (to present)
June 2022 Director, the Company (to present)



Kenichiro Ito

Outside Director New appointment

Apr. 1985 Joined NIPPONDENSO CO., LTD.
(now DENSO CORPORATION)
June 2012 Executive Director, DENSO CORPORATION
Apr. 2019 Senior Executive Officer, DENSO CORPORATION
June 2021 Member of the Board of Directors and Senior
Executive Officer, DENSO CORPORATION
(to present)
June 2022 Director, the Company (to present)

Audit & Supervisory Board Members

4 Audit & Supervisory Board members, including 2 outside Audit & Supervisory Board members
Average age: 66 years old



Yasushi Minami

Standing Audit & Supervisory Board Member
Term of office as Audit & Supervisory Board Member: 2 years

Apr. 1977 Joined Toyota Motor Co., Ltd.
(now Toyota Motor Corporation
(TMC))
Feb. 2012 Advisor, the Company
June 2012 Managing Officer, the Company
June 2015 Executive Managing Officer,
the Company
Apr. 2016 Chairman, Toyota Boshoku Asia
Co., Ltd.
Apr. 2017 President, Toyota Boshoku Asia
Co., Ltd.
Apr. 2019 Operating Officer, the Company
June 2020 Standing Audit & Supervisory
Board Member, the Company
(to present)



Yasuhiro Fueta

Standing Audit & Supervisory Board Member
Term of office as Audit & Supervisory Board Member: 1 year

Apr. 1983 Joined Toyota Motor Corporation
(TMC)
Jan. 2015 Advisor, the Company
June 2015 Managing Officer, the Company
June 2017 Director, Managing Officer,
the Company
Apr. 2018 Director, Executive Managing
Officer, the Company
Apr. 2019 Director, Operating Officer,
the Company
June 2020 Operating Officer, the Company
June 2021 Standing Audit & Supervisory
Board Member, the Company
(to present)



Hiroyuki Yokoyama

Outside Audit & Supervisory Board Member
Term of office as Audit & Supervisory Board Member: 3 years

Apr. 1974 Joined Toyota Motor Co., Ltd.
(now Toyota Motor Corporation
(TMC))
June 2008 Managing Officer, TMC
Apr. 2012 Senior Managing Officer, TMC
Apr. 2015 Adviser, Daihatsu Motor Co., Ltd.
June 2015 Executive Vice President,
Daihatsu Motor Co., Ltd.
Jan. 2019 Executive Adviser,
Daihatsu Motor Co., Ltd.
June 2019 Audit & Supervisory Board
Member, the Company
(to present)



Hiroshi Miura

Outside Audit & Supervisory Board Member
New appointment

Apr. 1985 Joined Eiwa Audit Corporation
(now KPMG AZSA LLC)
Aug. 1989 Registered as Certified Public
Accountant
Feb. 1992 Seconded to New York Office of
Arthur Andersen LLP
June 2006 Representative Partner, KPMG
AZSA & Co. (now KPMG AZSA LLC)
July 2009 Seconded to KPMG London
Office (Head of EMA Global
Japanese Practice (GJP))
Oct. 2013 Executive Board Member,
KPMG AZSA LLC
July 2019 Executive Officer, KPMG AZSA LLC
June 2021 Outside Audit & Supervisory
Board Member, Maruwa Unyu
Kikan Co., Ltd. (to present)
July 2021 Representative CPA, Global
Management Advisory Office
(to present)
Aug. 2021 Managing Director, Plante &
Moran Japan PLLC (to present)
Nov. 2021 Executive Director,
ORIX JREIT Inc. (to present)
Mar. 2022 Outside Director,
MonotaRO Co., Ltd. (to present)
June 2022 Audit & Supervisory Board Member,
the Company (to present)

Operating Officers

Hiroshi Ioki

Chief Manufacturing Officer
Top Plant General Manager

Shoji Adachi

Regional Chief Executive
Officer
Segment Chief, Europe &
Africa Region Segment
President, Toyota Boshoku
Europe N.V.

Hiroki Tsunoda

Segment Chief,
Seat Business Segment
BRPLM Operational
Excellence Promotion
Department

Kazuo Koide

Regional Chief Executive
Officer
Segment Chief,
China Region Segment
President, Toyota Boshoku
(China) Co., Ltd.

Seiji Teraji

Segment Chief, Interior &
Exterior Business Segment

Hidenori Ozaki

Regional Chief Executive
Officer
Segment Chief, The Americas
Region Segment
President, Toyota Boshoku
America, INC.

Basic stance on compliance

The Toyota Boshoku group states in its corporate philosophy that the Company will promote corporate growth while fulfilling our responsibilities as a good corporate citizen. At the same time, the Company clarifies the nature and details of its compliance, its overall promotion system, as well as the scope and goals of activities 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.

Strengthening compliance and initiatives for human rights

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. We have a global legal risk management system and continuously take steps to increase awareness of our whistle-blowing system while promoting continuous improvements to this system.

We have established "Anything Goes Counseling Window" as an internal window for discussing and reporting workplace problems, legal violations, and internal misconduct. Additionally, we have contracted with a law office as an external window for consultation and reporting ("Compliance Consultation Window"). Those windows can be used by all group companies in Japan. In terms of our overseas initiatives, we have set up, and are making use of similar windows for countries outside Japan, including both within individual group companies and on a regional level. We are creating an environment in which it is easy to consult without harming the interests of the whistleblowers. In fiscal 2022, the Company and its affiliates in Japan received a total of 203 reports and consultations at our internal and external contact points, mainly on labor-related matters, harassment, and workplace issues. These were investigated to find the facts, and then dealt with appropriately

Number of consultations from Toyota Boshoku and domestic subsidiaries

(FY)	2018	2019	2020	2021	2022
Anything Goes Counselling Window ¹ (cases)	134	152	107	163	190
Compliance Consultation Window ² (cases)	9	8	12	9	13

1 Internal consultation and reporting desk for compliance and individual concerns, such as those related to work, human relations and family, etc.
 2 External consultation and reporting desk for issues such as compliance, violations of laws, regulations and company rules, and unfair practices

based upon the facts verified. We are also complying with Japan's revised Whistleblower Protection Act of June 2022.

Strengthening dissemination and practical application of the Code of Conduct

The Toyota Boshoku Group Code of Conduct (→ see page 04 for details)—the basis of compliance—is distributed to all company members, and they are asked to make sure compliance during education and training, including training received upon joining the company, promotion, and overseas transfers. Additionally, we are spreading the Toyota Boshoku Group Code of Conduct globally via translation into foreign languages, including English and Mandarin. We strive to strengthen dissemination and practical application of the Code of Conduct at each and every workplace. We also seek to raise compliance awareness by providing training via e-learning on the topics of compliance, the Code of Conduct and the whistle-blowing system, as well as by undertaking various activities at companies throughout the global Toyota Boshoku group during Corporate Ethics Month.

Intellectual property management

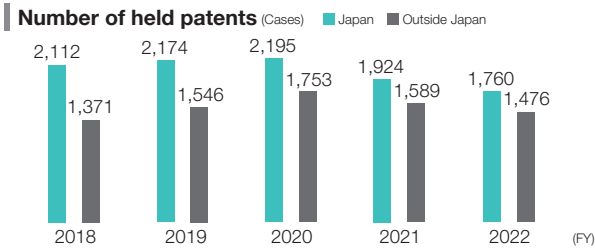
The Toyota Boshoku group regards intellectual property as an important management asset that is indispensable for our global business development, and in order to ensure the freedom and competitive edge of our operations, we promote the creation and discovery of inventions and the filing and acquisition of patents. We also respect the intellectual property of others, and conduct sufficient research to ensure that our product and technology development does not infringe on the intellectual property rights of others. In fiscal 2022, we set a new KPI for the number of patent applications in order to realize the materiality of the Toyota Boshoku group. We will continue to further strengthen investment in intellectual property.

We are also engaged in activities that help to determine the future direction of design development, utilizing IP landscaping³ and other kinds of patent information analysis. The Toyota Boshoku group will also provide our management personnel with comprehensive analysis results for information on intellectual property, technology, services, markets, and competitors, and will broaden the scope of our activities to optimize the use of this information in our business strategy.

In Japan, to further invigorate IP activities, a committee member in charge of IP is assigned to each technical division, and a system is in place for cooperation in daily discussions and information sharing in relation to IP activities. We will also work to strengthen our system so that we can promote patent application and acquisition activities in collaboration with our R&D bases, mainly in Japan, but also in the Americas, China, Asia & Oceania, and Europe & Africa.

3 Defined in the Intellectual Property Skill Standards published by the Japan Patent Office. Consists of ascertaining trends in individual technologies and patents, and performing in-house analysis, competition analysis, market analysis, etc., integrating intellectual property information and market information.

Establishing a resilient global management foundation



Basic stance on risk management

The Toyota Boshoku group is working to comprehensively reinforce risk management and reduce risks in order to respond swiftly to major risks including management risk, risk in daily operations, risk associated with disasters and accidents, risk arising from the external environment such as global warming and water, and social reputation risk.⁴

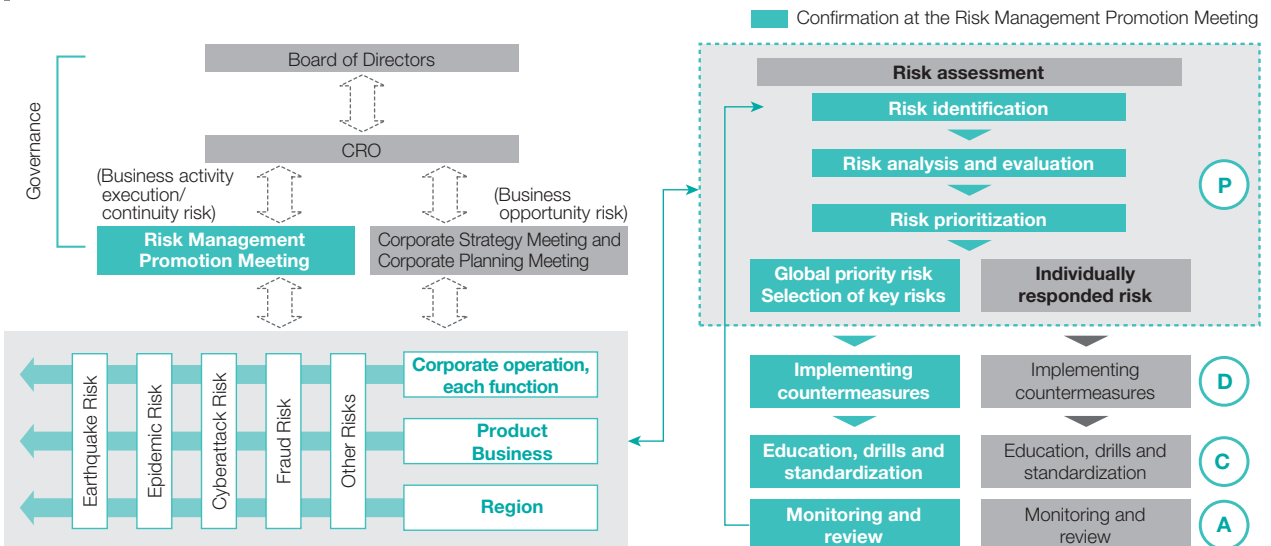
⁴ Risk of losing societal trust

Risk management activities

With the introduction of the Chief Officer System in 2021, we have established a global risk management system for the group centered on the Chief Risk Officer (CRO), allowing us to carry out more effective risk management activities.

Businesses, regions, the corporate operation unit and other functions are working together to counter pertinent risks and implement a PDCA (plan-do-check-action) cycle for risk management activities. In order to prevent and minimize damage to the wider Toyota Boshoku group, Toyota Boshoku strives to identify and manage risks in an integrated manner, and share risks within the group.

The risk management system, and associated activities



Initiatives in fiscal 2022

In fiscal 2022, we established the Risk Management Regulations by reviewing the existing regulations in line with our current risk management activities, and clarified the scope of risk management initiatives, roles, and authority, including the following:

- (1) Risk management system and roles
- (2) Risk classification and risk levels
- (3) Establishment of a response system based on the decision-making criteria for crisis response

In addition, in order to realize both cross-organizational and centralized management based on common global standards, we have revised the criteria governing the degree of impact on management when assessing risk. We consider those risks that would hinder the realization of the Toyota Boshoku group's materiality as the group's risks, and have set these as the criteria for evaluating the degree of impact.

Furthermore, to strengthen our response to the risk of natural disasters, we have incorporated infectious disease countermeasures into our business continuity plan (BCP), and have developed company regulations from the BCP with the aim of improving its effectiveness. Based on this, we have conducted evacuation drills in a manner that avoids the "Three Cs" of virus transmission, stockpiled masks, operated information tools (including a safety confirmation system), and developed systems for initial response to COVID-19.

Confidentiality management and information security

The Toyota Boshoku group considers the appropriate management of confidential information to be a key element of our business activities. We have both created a group-wide Information Security Policy, and assembled a global confidential information management system. Additionally, we are working together as one group to systematically and continuously strengthen our information security. In addition, once a year, the Company and its domestic and overseas consolidated subsidiaries collaborate to inspect the status of information security initiatives using the security guidelines, thereby improving internal systems, rules, education, and technical measures to ensure the same level of security on a global basis.

The security guidelines are based on ISO 27001/27002, NIST (the United States' National Institute of Standards and Technology) Cybersecurity Framework, the Cybersecurity Management Guidelines of Japan's Ministry of Economy, Trade and Industry, etc., and are periodically reviewed to ensure they are responsive to changes in the environment.

We also update our confidentiality management rules and related procedures to counter the risk of confidential information leaks.

Additionally, in response to an increase in the number of viruses and targeted phishing in recent years, we carry out training of company members, as well as periodically send imitation phishing emails to improve company members' ability to detect scams.

Initiatives for digital transformation (DX)

(1) Digital human resource development

To ensure our future competitive advantage, the Toyota Boshoku group is committed to promoting DX for operational reform. In particular, "digital human resource development" is an indispensable initiative for company members to work together to promote DX with a sense of urgency.

We believe the following are necessary for the group's DX promotion:

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

We will focus on education and other initiatives to develop human resources equipped with these capabilities.

(2) Four pillars of DX promotion

The group has defined and promotes four foundations as the scope of its DX initiatives.

- a. Manufacturing foundation
Aiming to strengthen our manufacturing competitiveness by enhancing and reforming our manufacturing operations, from activities for winning orders through to development and production preparation, manufacturing preparation, production and logistics, etc.
- b. Management information infrastructure
Aiming to accelerate management decision-making by enhancing the aggregation and visualization of management information
- c. Information utilization foundation
Aiming to contribute to business reform and new value creation by building a foundation that enables information retained by each project and business to be utilized across the entire company
- d. Digital environment foundation
Further strengthening security measures to ensure the safety of systems and data, and promoting the development of digital human resources capable of making the best possible use of digital technology and data

(3) DX certification

In May 2022, we obtained DX certified company status under the DX Certification System* established by the Ministry of Economy, Trade and Industry of Japan.

In order to further accelerate DX initiatives, in April 2021 we built a DX promotion system by establishing the DX & IT Promotion Field. This Field has now embarked on promoting the utilization of digital technology across the entire company, establishing an information utilization foundation, and promoting the development of digital human resources. We will continue to contribute to solving various social issues by fusing our group's strengths with digital technology.

* A government system for certifying companies that comply with the basic items of the Digital Governance Code and are DX strategy- and system-ready, based on the Act Concerning the Promotion of Information Processing