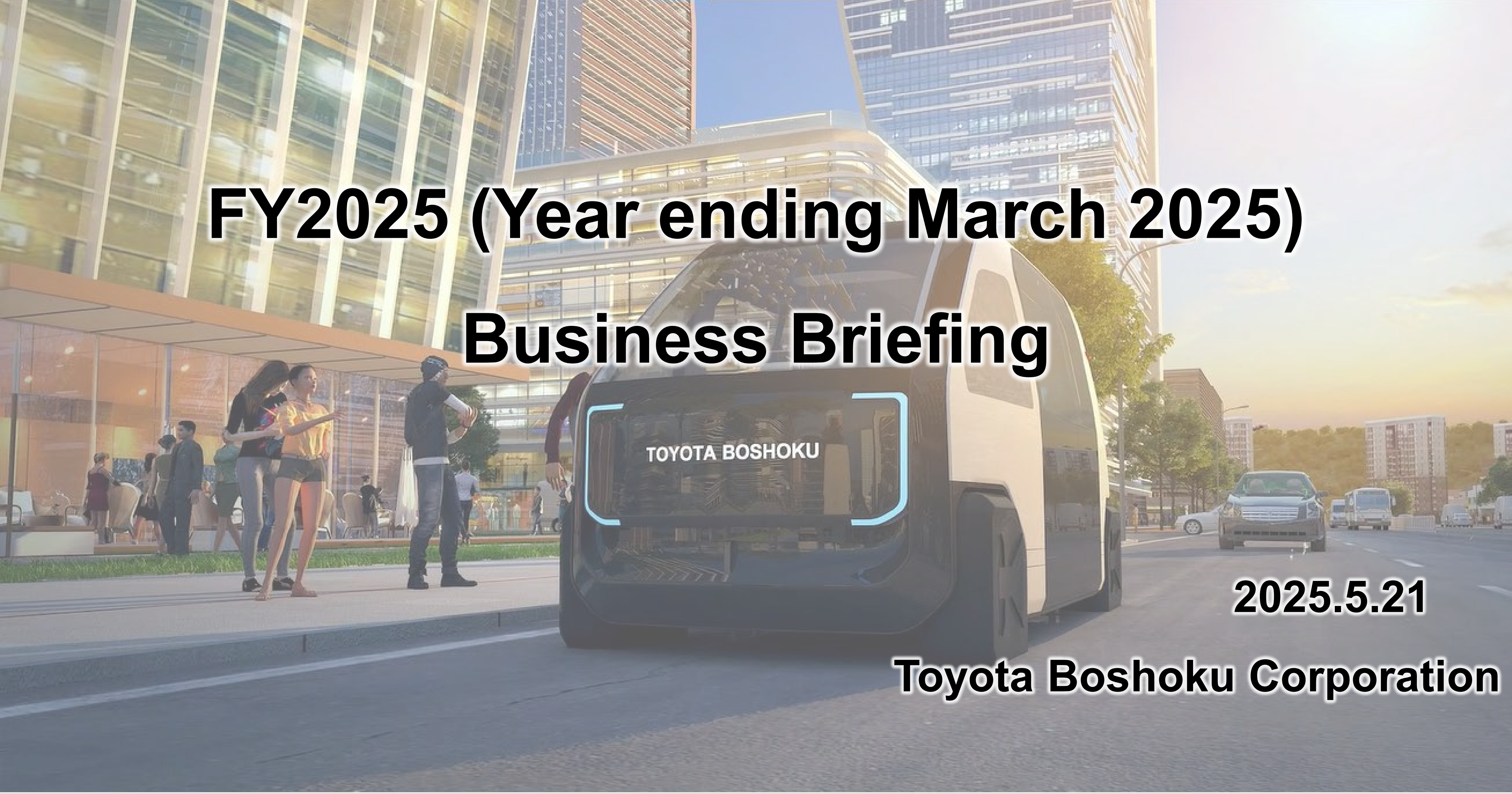


FY2025 (Year ending March 2025)
Business Briefing

2025.5.21

Toyota Boshoku Corporation

Steadily implementing the Plan toward realizing the Vision

Vision

Looking into the future, we will create tomorrow's mobility interior spaces that will inspire our customers the world over

2030 Target

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

2025 Target

As an interior system supplier, become a company that serves as "Home" and secures competitiveness that can surpass global suppliers

Introduction

Changes in the external environment

Rising expectations for comfortable vehicle interior space

Strengths of Toyota Boshoku

Technologies for products closest to users
Technology development

Global deployment capabilities
MONOZUKURI

Abundant global human resources
HITOZUKURI

Strengths as a member of the Toyota Group
Lacking abilities are mutually complemented within the Group

2030 Target

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

Financial targets for 2030

Revenue: 2,200 billion yen
Operating profit: 150 billion yen
Operating profit 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 targets)

Corporate Strategy

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

CONTENTS

FY2025 IR Year-End Business Briefing

CONTENTS

Toward achieving the 2030 Mid-term Targets, resolve current profitability issues and accelerate advance investment for the future.

(billion yen)

	FY2025 results	FY2026 forecasts	2030 Mid-term Plan
Revenue	1,954.2	2,000.0	2,200.0
Operating profit	42.3 (including impairment loss: -32.2)	80.0	150.0
Operating profit ratio	2.2%	4.0%	7.0%
DOE (Dividend payout ratio)	3.4% (91.9%)	3.3% (30.6%)	30% or more (Around 30% is considered)
Equity ratio	40.9%	Around 40%	Around 50%
Exchange rate	(USD: JPY153)	(USD: JPY145)	(USD: JPY135)

Although the target for revenue was achieved, challenges remain in profitability due to increased upfront investment and changes in the external environment

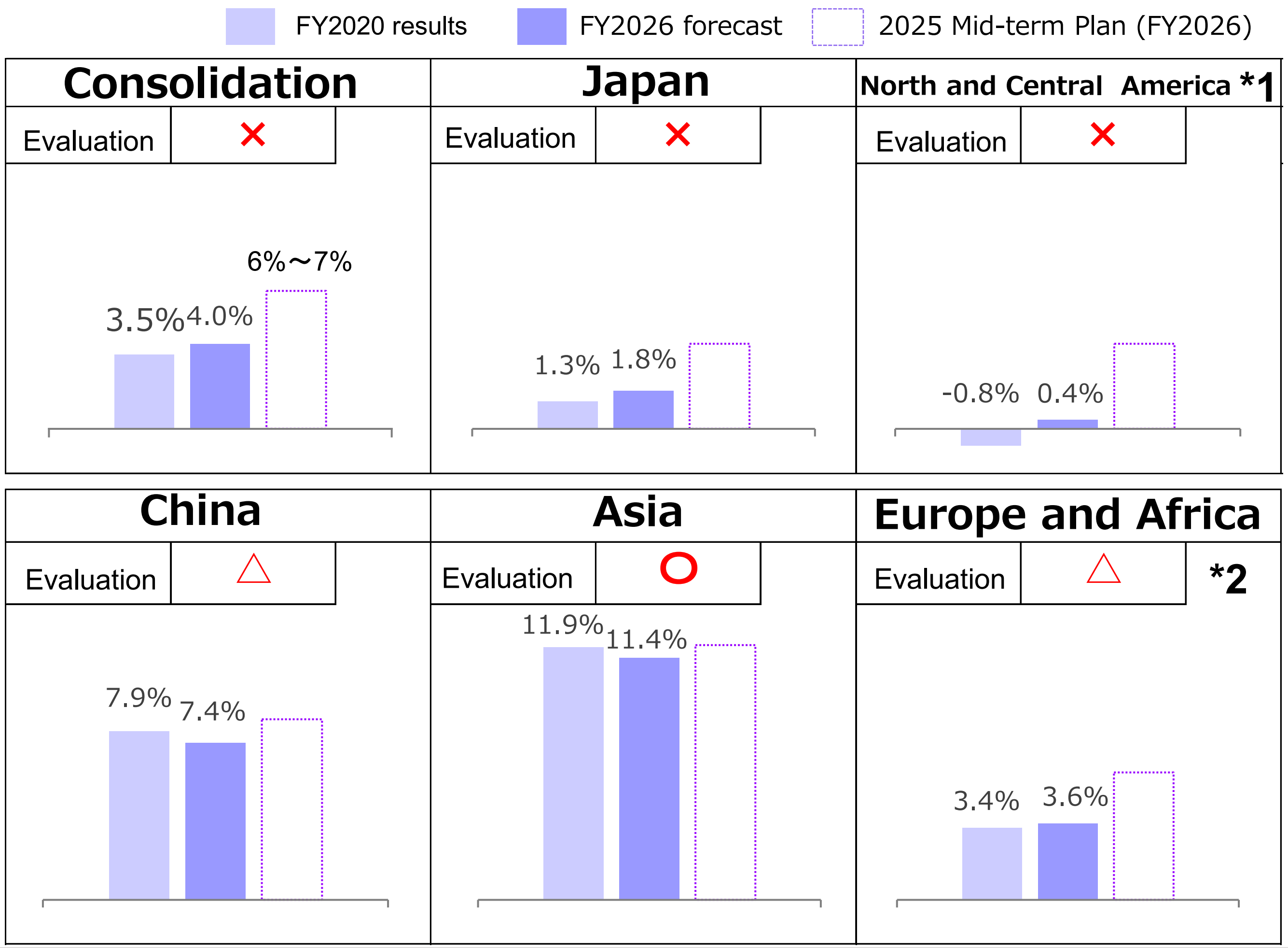
(billion yen)

	FY2026 forecasts	FY2026 Mid-term Plan	FY2026 Achievement forecast
Revenue	2,000	1,600+α	○
Operating profit	80	100+α	×
Operating profit ratio	4.0%	6.0%~7.0%	×
ROE	10.8%	10% or more	○
Dividend payout ratio	30.6%	Around 30%	○
Equity ratio	Around 40%	Around 40%	○
Capital investment (Cumulative total for FY2022 to FY2026)	329.4	250+α	—
R&D expenses (Cumulative total for FY2022 to FY2026)	257.5	200+α	—
Exchange rate	(USD: JPY145)	(USD: JPY105)	

Profitability is the issue for Japan and North/Central America while responding to changes in the market environment is the issue for China

Operating profit ratio by region

*1 Excluding South America
*2 Impact of withdrawal from Russian business



Issues and factors of each region

Japan: Acceleration and maximization of returns on upfront investment

[External factors]
・Cost increase due to inflation
[Internal factors]
・Increase in development costs and capital investment (due to the upfront investment stage)
・Low profitability in unit components business

North and Central America: Shifting to a sustainable profit structure

[External factors]
・Unexpected decrease in volume due to COVID-19 and semiconductor shortage and othres
・Cost increase due to inflation
[Internal factors]
・Inefficient production due to labor shortages and increased turnover rates

China: Responding to changes in the market environment

[External factors]
・Rapid shift to Battery EVs in the market
・Intensifying price competition

While working to optimize existing fixed costs, accelerate and maximize returns on upfront investment

Efficiently run the cycle to improve and enhance profitability

Upfront investment for growth (Development costs, capital investment)

- **ISC, order-taking for new businesses, sales expansion**
- **Strengthening MONOZUKURI competitiveness**
- **Optimization and streamlining of existing fixed costs**

Ensuring incorporation of product roadmap, Process autonomation and manpower saving, Optimization of organizations, review of overlapping operations, etc.

Profits (source of investment)
(Optimization of short-term profits, Maximization of mid-to-long term profits)

[Measures and initiatives]

(1) Acceleration and maximization of returns on upfront investment

- **Increase marginal profit ratio** by introducing value-added products (when switching to new products, etc.)
- **Achieve costs reduced to half** through autonomation
- **Reduce logistics costs** by utilizing new logistics bases, etc.

(2) Optimization and streamlining of existing fixed costs

- **Save manpower and improve work efficiency** by promoting DX (double the speed)
- Pursue **synergy effects** with new subsidiaries, etc.

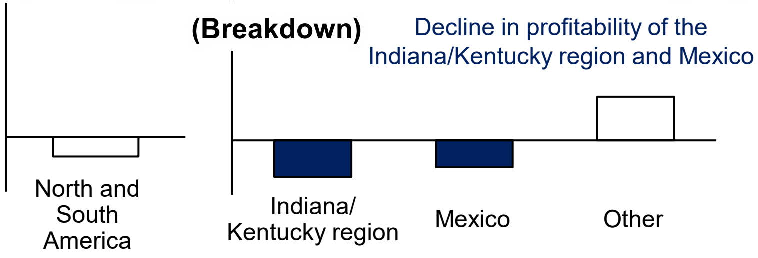
Promote a shift to a sustainable profit structure in the Americas

FY2024

1. Enhancing financial soundness

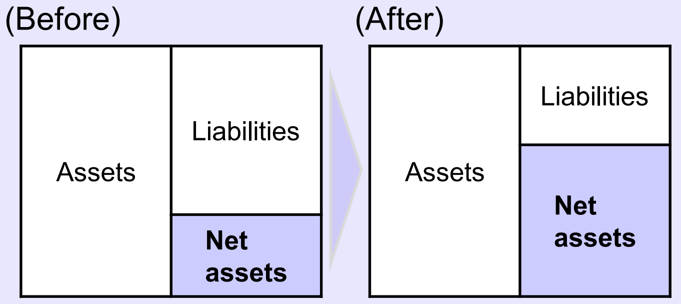
<FY2024 Profit and loss of America region>

[Operating profit of North and Central America region]



[Capital increase for TBA]

With increased capital from TBJ, repaid debts and achieved financial soundness



Initiatives of FY2025

2. Setting up America Region Support Dept.

Establishment of America Region Support Dept. to support improvements

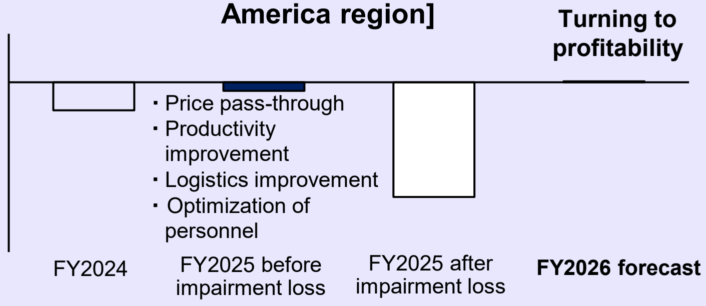
Purpose

Improve profitability at loss-making sites in North America, aiming to turn profitable in FY2026.

How to proceed

Focus on improving Kentucky and Mexico, which have large losses, and deploy the activities to other loss-making sites in the Americas.

[FY2025 Operating profit of North and Central America region]

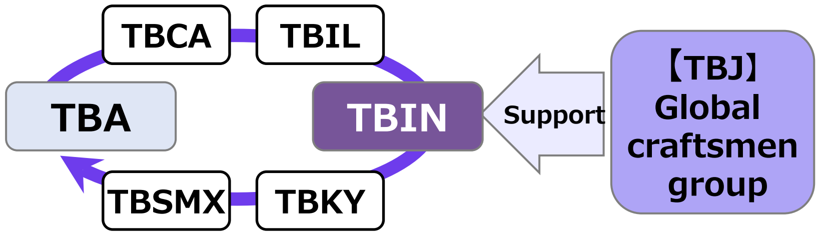


- **Although activities of America Region Support Dept. in FY2025 resulted in an increase in marginal profit and significant improvement in profits (before impairment loss), deficit continued**

Initiatives of FY2026

3. Accelerating profit improvement activities

Deploying the activities conducted in FY2025 to other sites.
In FY2026, focus on TBIN.



To increase marginal profits,
- **Enhance training of on-site leaders and maintenance members**
- **Review production system**
- **Promote DX/autonomation**

To optimize fixed costs,
- **Implement the early retirement program**

Aim to achieve profitability in FY2026 and establish a solid revenue base

Promote a shift to a sustainable profit structure in the Americas

Initiatives of FY2026 → **FY2027 and beyond**

4. Improving logistics efficiency

<Reorganization of logistics in the Midwest for door trim production>

Production in the customer location (Local production for local consumption) to reduce inter-plant logistics

[Present]

<table>
<tr><th></th><th>Injection</th><th>Decoration</th><th>Assembly</th><th>Customer</th></tr>
<tr><td rowspan="2">Vehicle model a</td><td>Indiana area</td><td rowspan="2" colspan="2">Kentucky area</td><td rowspan="2">Company T Plant A</td></tr>
<tr><td>Illinois area</td></tr>
<tr><td rowspan="2">Vehicle model b</td><td>Illinois area</td><td rowspan="2">Kentucky area</td><td rowspan="2">Illinois area</td><td rowspan="2">Company T Plant B</td></tr>
<tr><td>Kentucky area</td></tr>
<tr><td>Vehicle model c</td><td colspan="3">Kentucky area</td><td>Company T Plant C</td></tr>
</table>

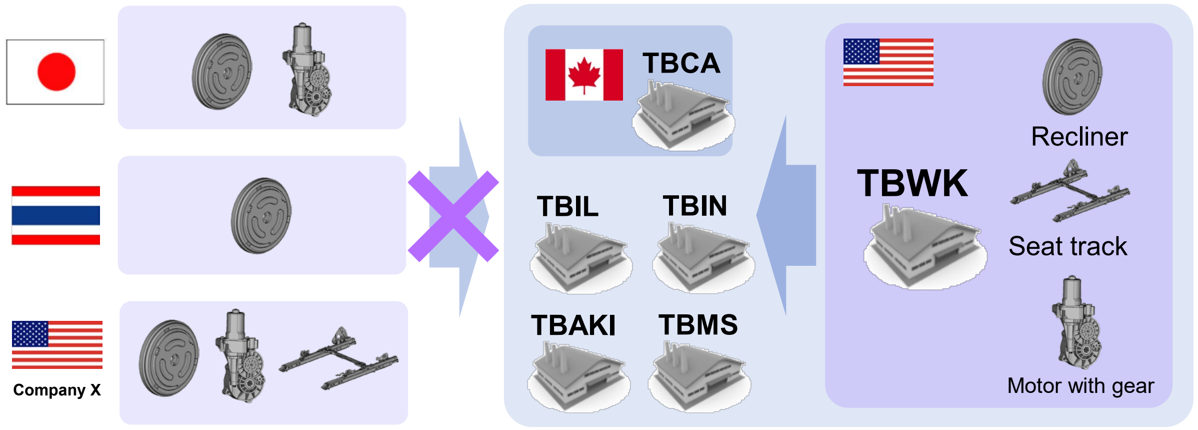
[Future]

<table>
<tr><th></th><th>Injection</th><th>Decoration</th><th>Assembly</th><th>Customer</th></tr>
<tr><td>Vehicle model a</td><td colspan="3">Indiana area</td><td>Company T Plant A</td></tr>
<tr><td>Vehicle model b</td><td colspan="3">Illinois area</td><td>Company T Plant B</td></tr>
<tr><td>Vehicle model c</td><td colspan="3">Kentucky area</td><td>Company T Plant C</td></tr>
</table>

5. Operation of new plant TBWK - Operation start in November 2025 -

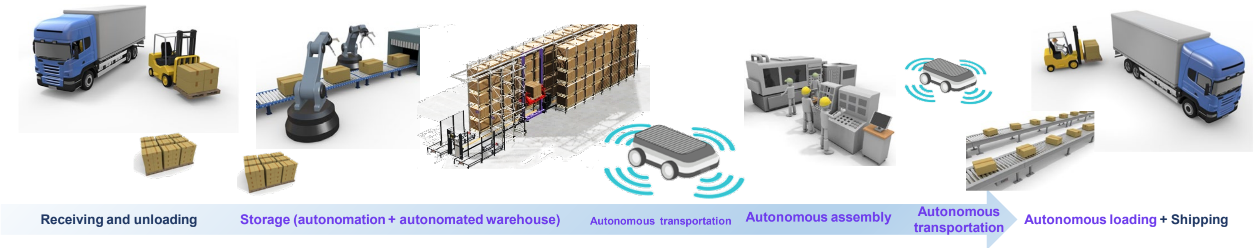
<In-house manufacturing of seat devices>

Integrated production at TBWK to ensure competitiveness: Improved productivity and localized procurement



<Introduction of next-generation transport system>

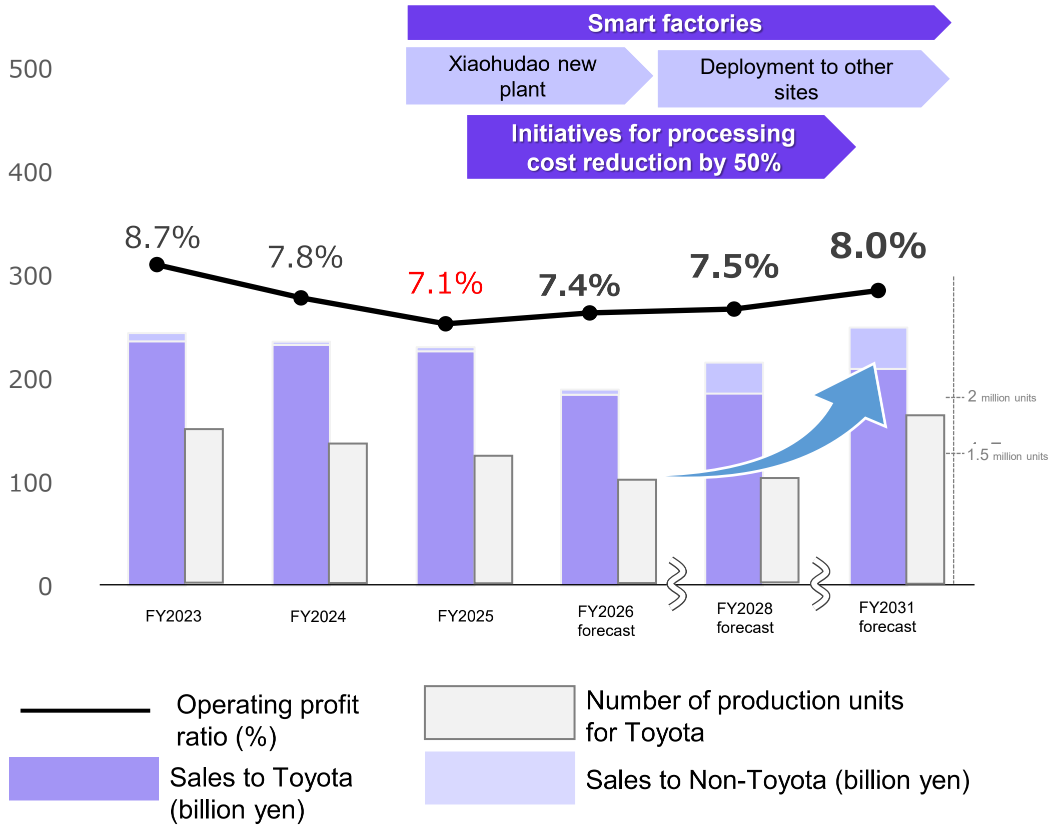
Reducing in-plant logistics operators through autonomation



Surpass the trend of production decline over the next 2 to 3 years by improving the profit structure to be more lean with the effect of upfront investment

Profit trends of China region (FY2023-FY2031)

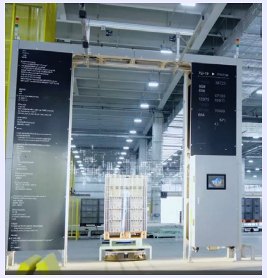
- Maintain and increase net sales while expanding the product and customer range
- Aim to improve earning power by utilizing DX and AI



[Case of Guangzhou Intex Xiaohudao smart factory]

Transforming the factory landscape and the way people work by leveraging the digitization of things and information

Case 1: Unmanned logistics operations in the plant


Parts receipt


Transportation within the plant


Automatic forklift

Case 2. Autonomation of production lines


Unmanned quality inspection using AI

Introduction of autonomated assembly line, AI wrinkle inspection, etc.

➡ Reduced 10 people/line

Effects of Xiaohudao new plant

On-site logistics personnel	**-40%**
Logistics cost	**-0.87 billion yen**
Earning power (Operating profit ratio)	**Improved 1%**

FY2025 IR Year-End Business Briefing

CONTENTS

<Target>

Become the Interior Space Creator with overwhelming competitiveness who can plan and propose the entire mobility space from a car manufacturer’s perspective

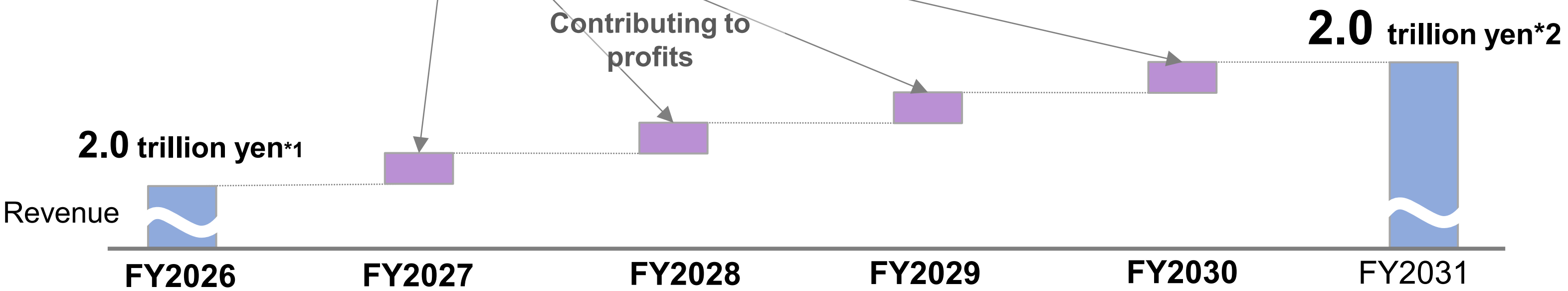
Developing products individually as a system supplier for seats and interior, and as a parts manufacturer for unit components

Plan, propose, and develop the entire mobility space including control and software, in pursuit of safety, the environment, and comfort.

Internalization of technologies
Promotion of product roadmap

- Improve product planning capabilities
- Expand product range
- Provide added value

*1: FY2026 full-year forecast
*2: FY2031 Mid-term Business Plan



Technologies that should be internalized to realize comfortable mobility interior spaces

*3 NV: Noise and vibration
*4 ADAS: Advanced Driver Assistance Systems
*5 CN･CE : Carbon Neutral ・ Circular Economy

Cabin gimmicks

Cabin illumination
Control and software

Interior NV*3 performance

Soundproof interior
Sound quality control

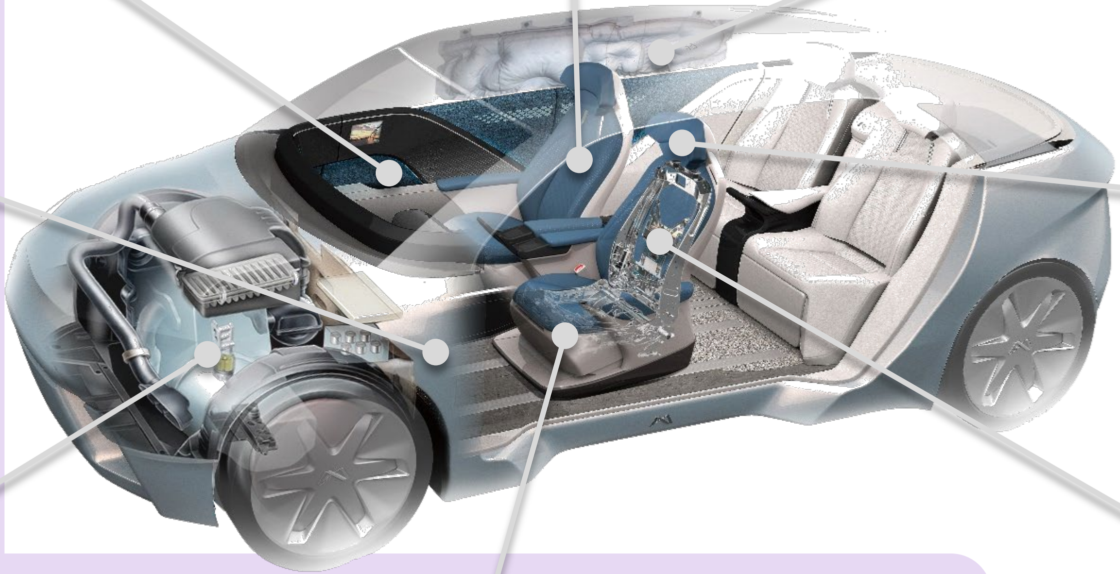
Electrification

Electric powertrain
Hydrogen fuel cell

Next-generation seat

Dynamic ride comfort performance

Supporting autonomous driving



CN･CE*5

Mono-materialization

Easy decomposition structure

Cabin safety

Collision safety (passenger protection)
Preventive safety (ADAS*4 linkage)

Infotainment

Acoustic performance optimization
Display integration

Cabin heat management

Linkage with cabin air conditioning
Individual optimization

2. Initiatives for the future 1) Enhancing planning & proposals capability and R&D capability
(2) Promoting product roadmap

Reflect technologies that should be internalized in the product roadmap and accelerate order-taking activities.

●:Development completed
(●: FY2026 focus product)

2023 | 2025 | 2030

TODAY

Control and software

● Thermal comfort seat

● LED color illumination

Interior systems

● Next-generation cabin heat management system
Cabin heat management

● Cabin entertainment system
Infotainment

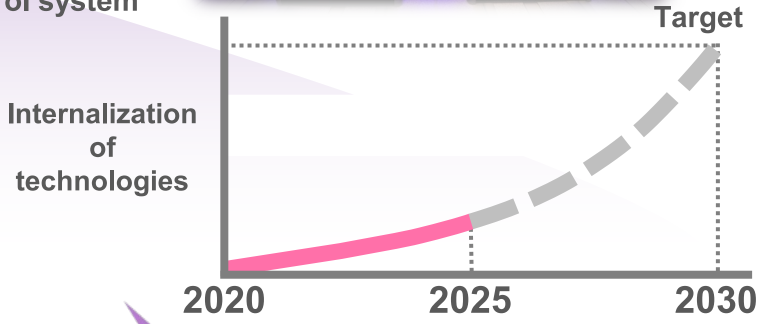
● Animation illumination
Cabin gimmicks

● Rotating seat
Next-generation seat

● Relaxing and safe seat
Next-generation seat | Cabin safety

● Interior control system

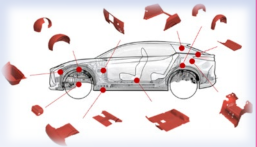
Becoming the Interior Space Creator



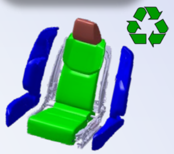
Hardware

● Next-generation seat frame (thin seat)

● Next-generation NV package



● Easy-to-disassemble seat
CN･CE



● Mono-material door trim
CN･CE

● Silver ant heat-shielding surface material

● Motor core
High-cycle annealing

● Hydrogen power system
Electrification

● Catalysts for FCs*6

● Next-generation high rate LiB*7 module

Toward a multi-pathway approach

*6 FC: Fuel cell
*7 LiB: Lithium-ion battery

FY2025 IR Year-End Business Briefing

CONTENTS

[Social issues]	[Initiatives]	[Targets for 2030]
Manpower shortage Declining and aging population	▪ Digitalization of human senses (improving productivity and quality) ▪ Work style reform at manufacturing sites through autonomation	Processing costs: Down 50%
The 2024 issue CO_2 reduction	▪ High-efficiency logistics through logistics improvement ▪ Realizing next-generation logistics through innovative technologies	CO_2 reduction: Down 30%
Rapid progress in DX	・Improving operational efficiency and accuracy through expanded utilization of digital and AI technologies	Operation speed: 2 times


Autonomation


Logistics


DX

2025 → 2030

2. Initiatives for the future 2) Strengthening MONOZUKURI competitiveness - 2030 automation roadmap -

◆ Aiming to realize "diversity lines" where anyone can work by halving the costs and promoting coordination between people and robots

2025 | 2030

Processing cost reduction

(1) Production engineering capabilities
Autonomation

3D sewing
Sewing
Introduction in Japan completed (real haptics)

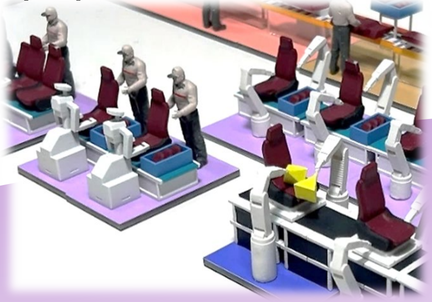
Autonomous assembly of headrests
Introduction in Japan completed

Seat assembly (Sanage Plant model line)

Autonomous assembly of seat frame parts

Autonomous assembly of soft objects

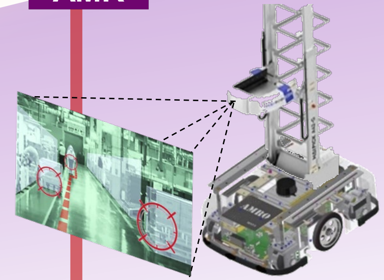
Assembly processes where people and robots coexist



(2) Production engineering and manufacturing
Integration of knowledge

Smart maintenance
Introduction in Japan completed

AMR Autonomous mobile robots



Digital work manual

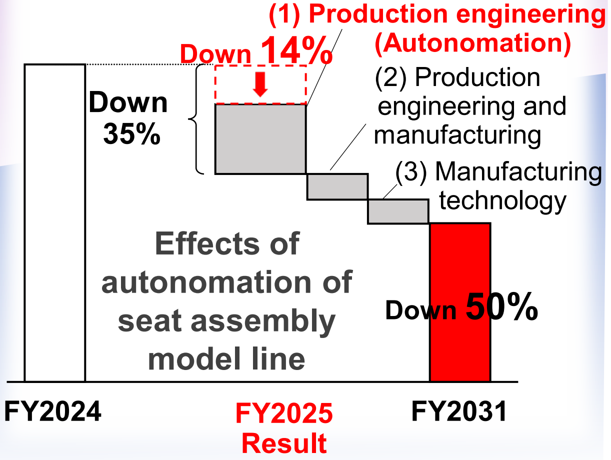
(3) Manufacturing technology
High skills

Karakuri

Ceaseless improvement
Karakuri | Cardboard

Target processing costs

Achieve a 50% reduction by 2030



2. Initiatives for the future 2) Strengthening MONOZUKURI competitiveness -2030 logistics roadmap -

◆ Solving social issues and building an overall optimal logistics system

2025 | 2027 | 2030

Reduction of logistics cost and CO2 emissions

(1) Manpower saving for in-plant operations

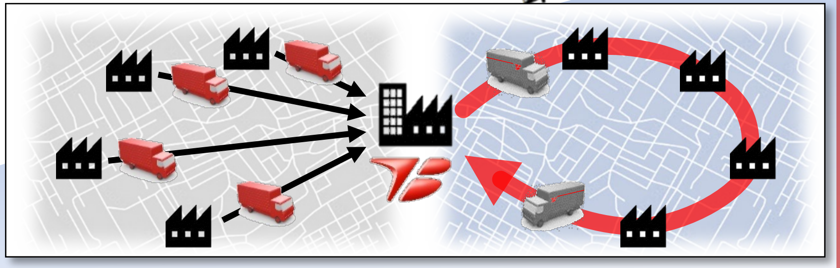
Depalletizing robot

Automatic parts transport

Example of introduction at Sanage Plant

(2) Improving transportation efficiency

Starting pick-up logistics



Arranged by each supplier ➡ Pick up by TB arranged service

Establishment of a distribution hub

Tokai region

In-plant automatic transport linked to arrival and departure of transport

Domestic deployment

Kyushu and Tohoku regions

Global deployment

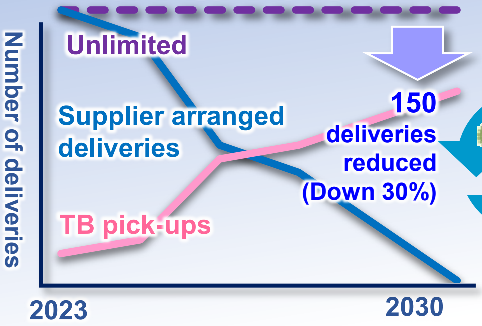
Building an overall optimized and sustainable logistics network

Initiatives for logistics DX

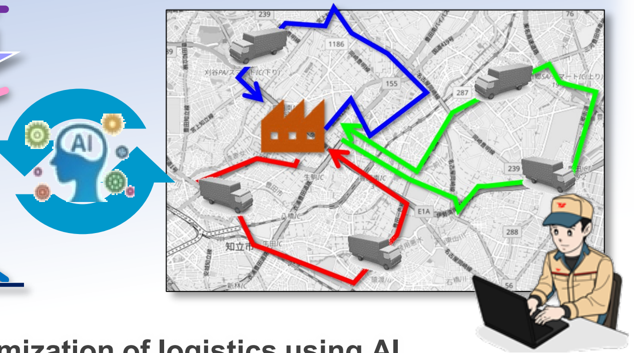
Warehouse management system

Transportation management system

<Expanding pick-up logistics>



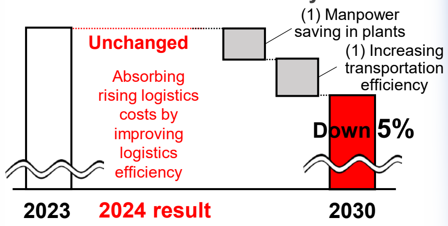
<Real-time traffic management>



Overall optimization of logistics using AI

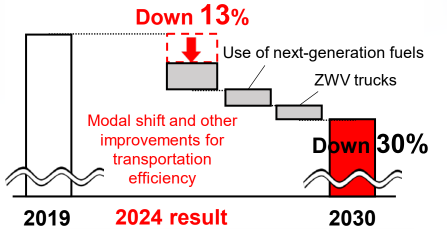
Target logistics cost

Achieve a 5% reduction by 2030



Target CO_2 reduction

Achieve a 30% reduction by 2030



FY2025 IR Year-End Business Briefing

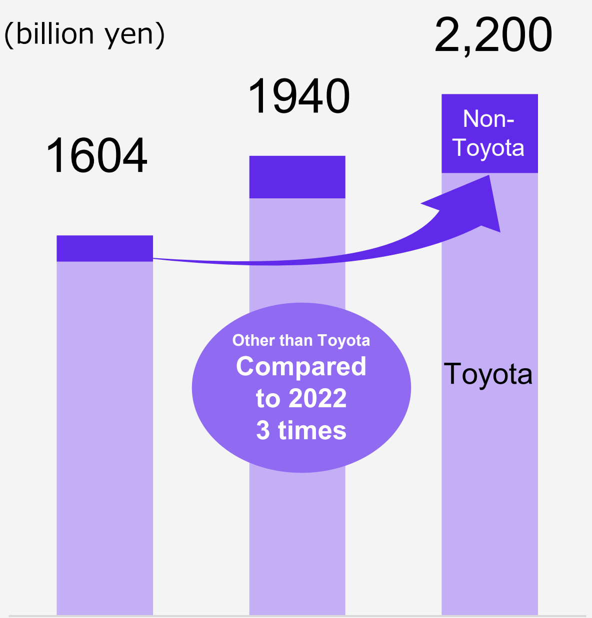
CONTENTS

To achieve the 2030 targets, promoting order-taking activities with non-Toyota customers

2030 revenue target

(Assumed exchange rate: 135 yen/USD)

(billion yen)



Turkey Company F

Obtained inquiries for seat cover business (Tier 2 business)

China Company C, Company D

Company C: Obtained orders for door trim business

Company D: Obtained inquiries for seat and door trim businesses

Indonesia Company E

Obtained orders for seat device business

Obtained orders for air cleaner business

America Company A, Company B

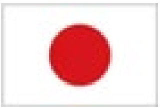
Company A: Obtained orders for seat components business

Company B: Increasing production for robotaxi service providers

Proactive order-taking activities for non-Toyota customers have borne fruit, resulting in new inquiries and orders received

To achieve the 2030 targets, promoting order-taking activities with new OEMs

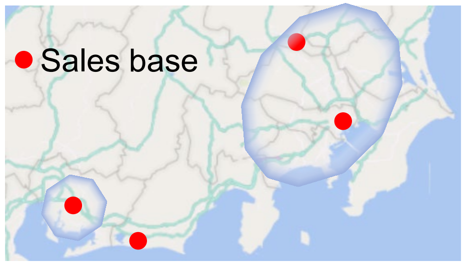
Matching customer needs and strengths of Toyota Boshoku to narrow down targets

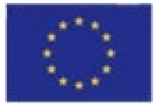


Japanese OEMs

Organize and enhance sales structure, including establishing new sales bases

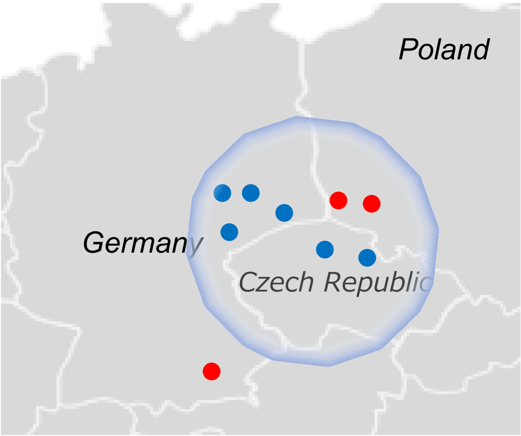
Sales base	Customer
Tokyo Sales Office	Aircrafts, **Japanese OEMs**
Ota Office	Strategic OEMs
Hamamatsu Sales Office	Strategic OEMs
Sales Segment	Toyota, **Japanese OEMs**
Osaka Sales Office	Strategic OEMs
Hiroshima Sales Office	Strategic OEMs





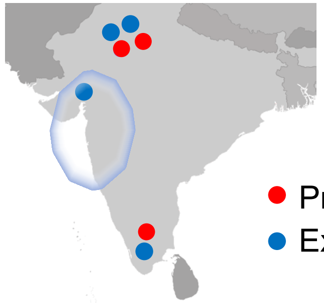
European OEMs

Using existing assets in Poland, expand sales to European OEMs that have plants nearby

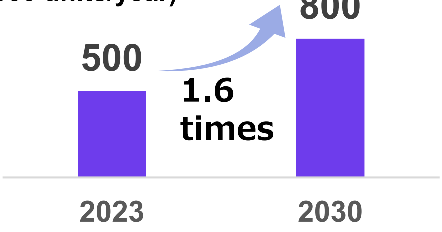


Indian OEMs

Expand sales to Indian OEMs in the expanding Indian market



Indian market production volume forecast (10,000 units/year)



Conduct sales promotion activities for new OEMs and aim to increase sales by receiving RFQs and winning orders.

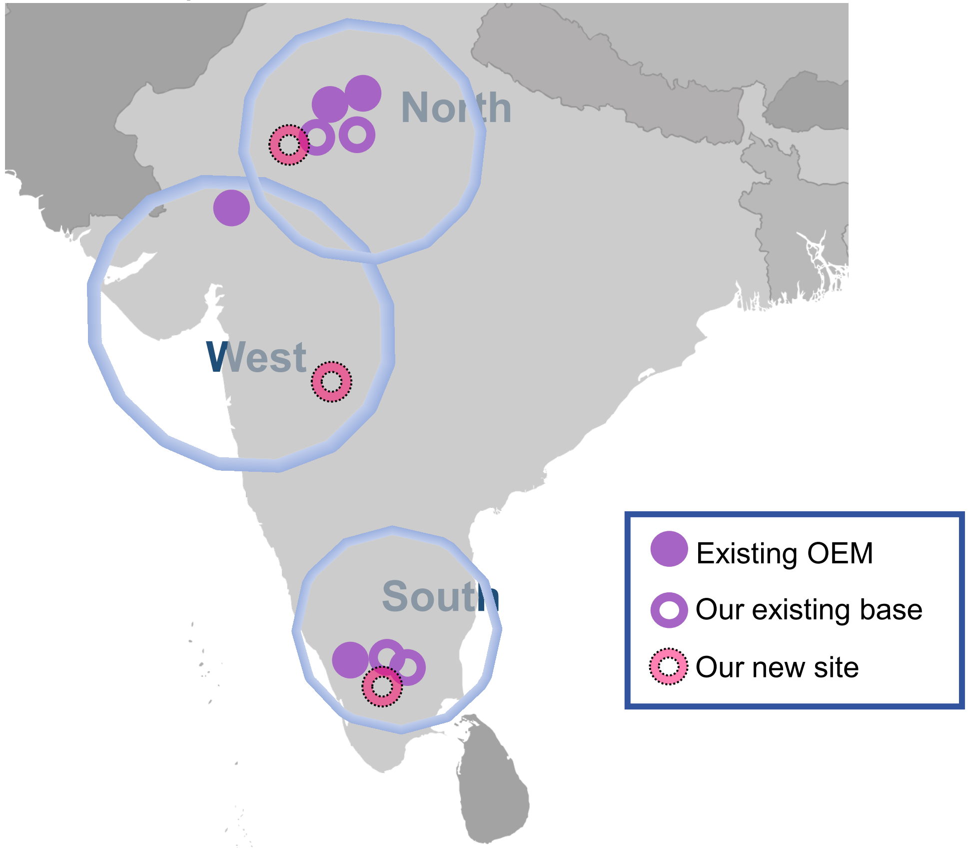
Expand business by capitalizing on the growth of the Indian market
(Prioritize resource allocation as a top management priority)

Establish a specialized organization in Japan

Promote prompt planning of India strategy

India Strategy Dept.

<Location map>



[North]

Strengthen competitive advantage of seat frame mechanism parts

Follow the capacity expansion of strategic OEMs

Expand business by utilizing sales channels obtained through commercial rights transfer

[West]

Start production of FR seats for Battery EVs (strategic OEM)

Respond to Toyota's expansion into the western area

Expand sales for Indian OEMs

[South]

Expand production of existing products (seats and doors)

Promote local procurement of motor cores

[New products]

Product development aligned with the Indian market and regulatory trends
(Safety: airbag-related, comfort: ventilation units, etc.)

CONTENTS

Secure talented human resources from multiple perspectives to realize the 2030 Target and business strategies

Overview of human resources strategies

Strategy 1 Clarification of required human resources

Strategy 2 Securing of talented human resources

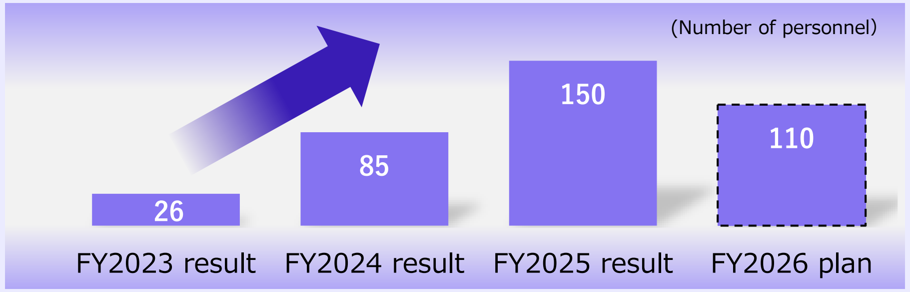
Strategy 3. Support for growth

Actions for FY2025 human resources strategies

◆ **Update and execute** human resources portfolio
(Number of people and timing of recruitment/training)
Human resources with DX skills are particularly needed

◆ Secure human resources using **diverse** recruitment strategies

- **Secure human resources with highly specialized skills (direct recruitment from India)**
- **Establish course-specific recruitment system (DX, region-limited)**
- **Enhance mid-career recruitment**



◆ Provide **support for career Self-reliance**

- **Trial introduction of an in-house side-job system**
- Cross-border learning **for new opportunities**

Initiatives and challenges for utilization of AI and manpower saving to secure necessary human resources

Strategy 1 Clarification of required human resources

[Required skills for 2030]
DX skills

Required DX personnel **clarified by the human resources portfolio**:
Foundational personnel

(Definition of DX skills)

(1) Reform personnel	Strategy planning through digital tool utilization
(2) Specialized personnel	Promote DX through utilization of advanced specialized skills
(3) Foundational personnel	Implement operation improvement through the use of digital tools

DX human resources development

- DX Lab- Promote DX in production sites
- DX&AI EXPO - A place to experience operation reform and share cases of in-house DX

Actions for FY2026

With everyone's participation, improve work efficiency, create spare capacity, and secure human resources

- Operation improvement using the low-code development platform
- Acceleration of the use of AI and other tools by DX&AI evangelists.
- Challenges in digital operations by using the internal posting and in-house side-job systems

2. Initiatives for the future 4) Strengthening management foundation - Environment -

* The reference year for all of the 2030 targets is 2019.

Global warming prevention | Resource circulation | Co-existence with nature

Setting new targets for the Environmental Action Plan linked to the 2030 Mid-term Business Plan
Science-based targets in coordination with SBT targets and TNFD disclosure

SBT: Scienced Based Target
TNFD: Taskforce on Nature-related financial Disclosures

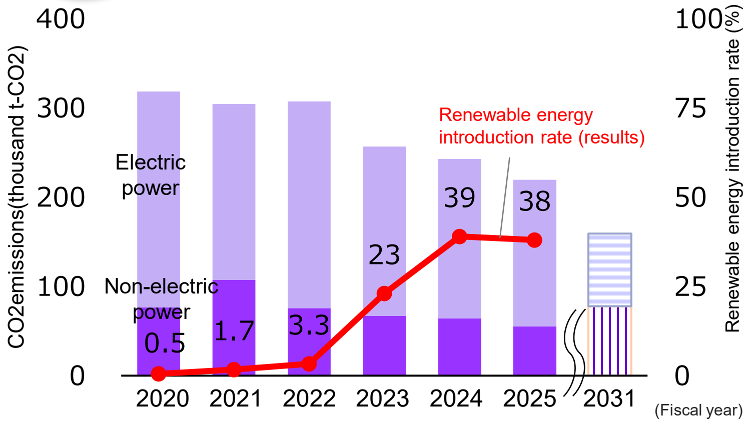
		2025 Environmental Action Plan	2030 Environmental Action Plan targets
Global warming prevention	**1. GHG Net-zero in the product life cycle**	Review plans and progress of manufacturing products factoring in lightweighting for new car models Review plans and progress of manufacturing products factoring in features other than lightweighting for new car models	**Reduce emissions over product life cycle by 30% or more**
		CO2 emissions in logistics: 14% reduction compared to FY2012	**CO2 emissions in logistics: 30% reduction compared to FY2020**
	2. GHG Net-zero in the plant	CO_2 emissions 25% reduction compared to FY2020	**CO_2 emissions 50% reduction compared to FY2020**
		Adoption rate of renewable energy: 15%	**Adoption rate of renewable energy: 50%**
Resource circulation	**3. Sustainable resource circulation**	Set a target of non-petroleum and recycled material usage to be realized by 2030, and draw a roadmap for commercialization Promote research that will accelerate usage of plant-derived materials	**Establish technology to use 30% recycled resin by 2030**
	4. Waste minimization	Basic unit of waste emissions: 14% reduction compared to FY2012	**Basic unit of waste emissions: below the FY2020 level**
Co-existence with nature	**5. Water resource impact minimization**	Basic unit of water use: 6% reduction compared to FY2014	**Basic unit of water use: 34% reduction compared to FY2020**
			Thorough compliance with voluntary standards for wastewater quality
	6. Conservation and regeneration of natural capital	Number of trees planted: 140,000 (640,000 in cumulative total)	**Number of trees planted: 140,000 (900,000 in cumulative total)**
			Production area and green space offset rate 100%

Setting more specific numerical targets and promoting efforts to achieve the 2050 Vision

2. Initiatives for the future 4) Strengthening management foundation - Environment -

Global warming prevention

Achieved the target for renewable energy introduction (15% by 2025) ahead of schedule. Scope 1 and 2 reductions progressed as planned.



(1) Illinois Plant, U.S. 100% self-sufficient in electricity (solar power)

(2) Signed an long-term VPPA* on Abegawa River Hydroelectric Power with Chubu Electric Power Miraiz

*VPPA: Virtual Power Purchase Agreement

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

Co-existence with nature

Test course in Tajimi certified as a Nature Co-existence Site by the Ministry of the Environment

自然共生サイト認定 30by30

Contribute to natural capital restoration through nature symbiosis activities

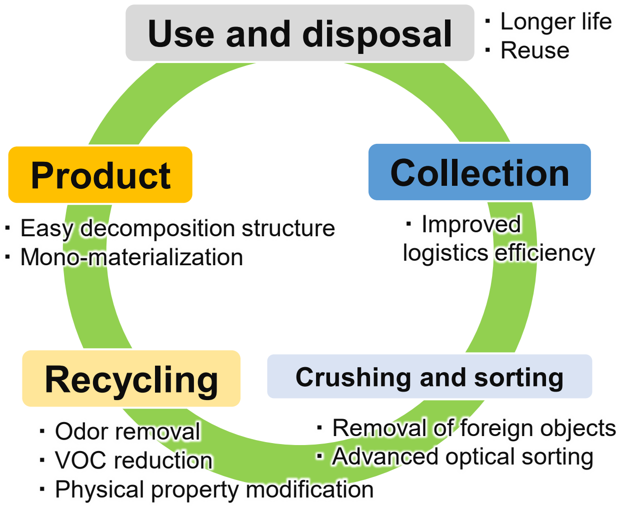
Resource circulation

Aiming to realize a recycling-oriented society, started technical verification of plastic recycling in cooperation with local governments.

<Signed an agreement with Kameoka City, Kyoto>

Photo: The signing ceremony

<Recycling scheme>



*VOC: Volatile Organic Compounds

Promote technology development for recycling plastic waste sorted and discarded by citizens into automobile parts

<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.