

FY2026 (Year ended March 2026)

Business Briefing

May 22, 2026

Toyota Boshoku Corporation



Script

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

Evaluation of business strategies

- Steady progress, including sales expansion for strategic OEMs
- For further growth, investments made in growth markets such as India and in-house production of seat device components (establishment of TBWK in the Americas)
- Although CASE/MaaS is progressing more slowly than expected, planning and development for entire mobility interior space were strengthened

Achievement of financial targets

(billion yen)

	FY2026 results	FY2026 Mid-term Plan	Achievement in FY2026
Revenue	2,037	1,600+α	○
Operating profit	53.9	100+α	×
Operating profit ratio	2.6%	6.0%-7.0%	×

Exchange rate

(USD: JPY151)

(USD: JPY105)

- ◆ First, looking back on the **2025 Medium-term Business Plan**, we made steady progress in our business strategies, including **expanding sales to strategic OEMs, investing in growth areas, and planning and developing mobility interior spaces.**
- ◆ The status of achievement of our financial targets is as shown here, which I will explain in detail on the next slide.

Introduction

Performance evaluation of the 2025 Medium-term Business Plan

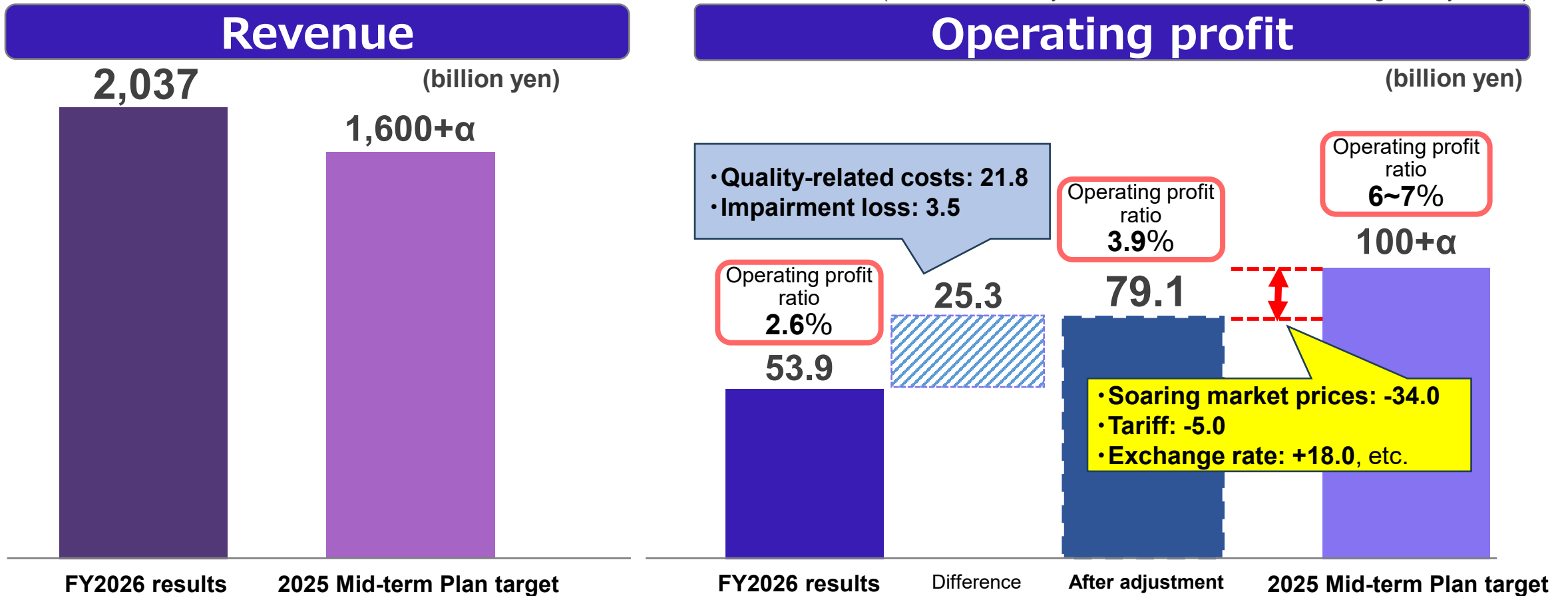
Revenue achieved the target, partly due to exchange rate effects and inflation (soaring market prices).

Operating profit clearly fell short of the target, with adjusted profit of 79.1 billion yen, mainly due to rapid inflation (soaring market prices).

It is necessary to

- (1) Achieve solid results from resource allocation to accelerate future growth, and
- (2) Further reduce costs to offset the impact of tariffs and soaring market prices.

(FY2026 result: 151 yen/USD; 2025 Medium-Term Plan Target: 105 yen/USD)



- ◆ Compared with the targets for the 2025 Medium-term Business Plan, revenue in FY2026 met the target, partly due to exchange rate effects and inflation-driven soaring market prices.

Operating profit, excluding quality-related costs and impairment losses, was ¥79.1 billion, clearly falling short of the target, mainly due to rapid inflation (soaring market prices).

We will deliver solid results from resource allocation to accelerate future growth and pursue further cost reduction to offset the impact of tariffs and soaring market prices.

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 ratio: 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)

- ◆ Next, I would like to explain our **2030 Medium-term Business Plan**.
- ◆ We have defined the 2030 Target to “**Become a company as the Interior Space Creator which contributes in solving social issues while expanding product range and customer base,**” and we have been promoting activities toward achieving the financial and non-financial targets shown here.

Introduction Growth strategy and profit vision

Aim to achieve our financial targets for 2030 through growth strategies toward becoming the Interior Space Creator



ISC revenue growth strategy for profits perspective (significant increase in added value)



* Double the value added per hour

Script

- ◆ We aim to achieve an operating profit ratio of 7% by 2030.
- ◆ To close the gap toward the target, we will globally reform our earnings structure by “maximizing added value” on the numerator side and minimizing costs on the denominator side.
- ◆ In terms of increasing added value, we view product switching as the greatest opportunity and aim to create higher added value through products that anticipate market needs and control technologies that deliver comfort.
At the same time, we will accelerate our efforts to expand our customer base beyond Toyota.
- ◆ On the cost side, we will further reduce the number of part types and utilize existing assets. Furthermore, under the “Value Time 2X” initiative (doubling added value per hour), we will enhance productivity through automated tools and AI utilization, and use the resulting additional capacity to expand into new areas and strengthen competitiveness.
- ◆ While strengthening the foundations of our people, organization, and organizational climate, we will advance our growth strategies toward achieving the financial targets for 2030.

FY2026 (Year ended March 2026) **Business Briefing**



CONTENTS

Toward becoming the Interior Space Creator

1. Growth strategies
2. Regional strategies
3. Financial strategies

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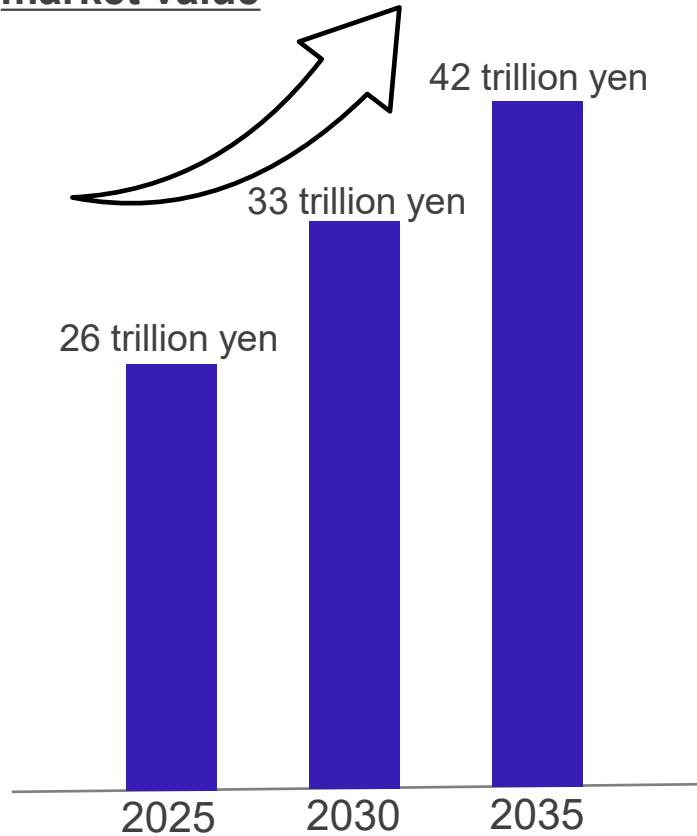
◆ I would like to explain our growth, regional, and financial strategies toward becoming the Interior Space Creator.

First, I would like to explain our understanding of the market environment for our core product, automotive interior components.

1. Growth strategy toward ISC — Market environment —

Market environment

Forecast for the automotive interior market value



Source: Calculated in-house based on data from Future Market Insights, Inc. (Assumed exchange rate: 151 yen/USD)

Rising expectations for comfortable mobility interior space

Personalization and customization
Increasing demand



EVs and autonomous vehicles
Widespread adoption



Luxury and premium vehicle
Market growth



Advanced infotainment features



- ◆ The luxury and premium vehicle market is expected to see significant growth as EVs and autonomous vehicles become more widespread. At the same time, as expectations for advanced infotainment features, personalization and customization continue to grow, the value placed on a “comfortable vehicle interior space” is likely to increase more than ever before.
- ◆ When you visit motor shows in China or Japan, you can really feel these changes firsthand. The moment you sit down, the car is no longer just a “means of transportation.” It becomes a “space that enriches the mind,” where the passenger experience itself becomes value.
- ◆ How far can we elevate the quality of the interfaces that passengers touch, feel, and experience? And can we translate that into concrete product development and manufacturing? We believe this is the path that will enable Toyota Boshoku to succeed in the future.

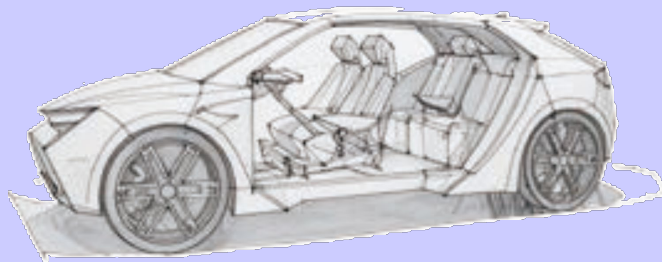
1. Growth strategy toward ISC — 2030 Target —

2030 Target

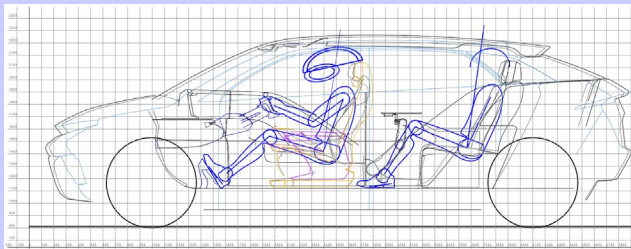
Become a company as the Interior Space Creator which contributes in solving social issues while expanding product range and customer base

What is the Interior Space Creator?

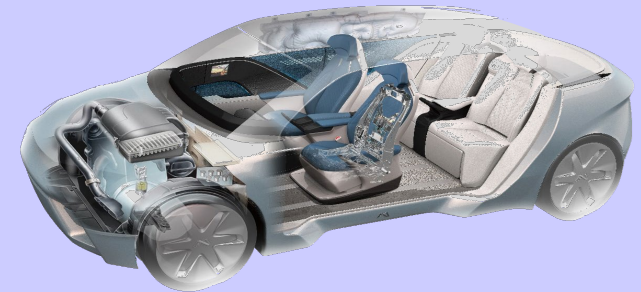
A company delivering new spatial value that exceeds customer expectations by possessing both planning and proposal capabilities for the entire mobility interior space and the R&D capabilities to realize them, and proposing seats and interiors as integrated systems from the vehicle planning stage.



Planning the entire mobility interior space from the customer's perspective



Designing seats and interiors with a human-centered approach, proposing them from the vehicle planning stage



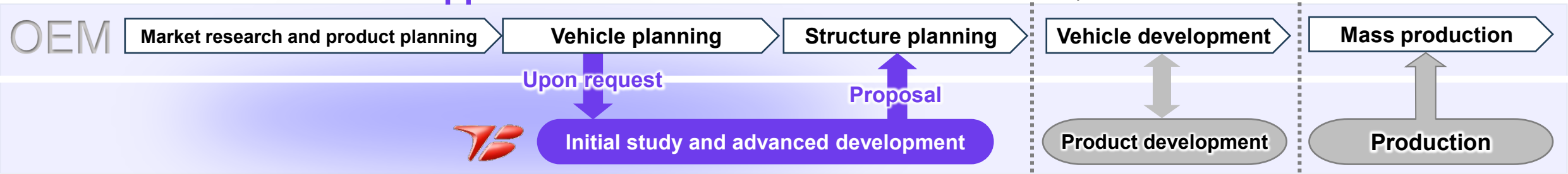
Developing and providing new space value as products and systems

- ◆ I will now explain our initiatives regarding the technologies that form the core of our growth strategies.
- ◆ We defined the “Interior Space Creator” as
“A company delivering new spatial value that exceeds customer expectations by possessing both planning and proposal capabilities for the entire mobility interior space and the R&D capabilities to realize them, and proposing seats and interiors as integrated systems from the vehicle planning stage.”

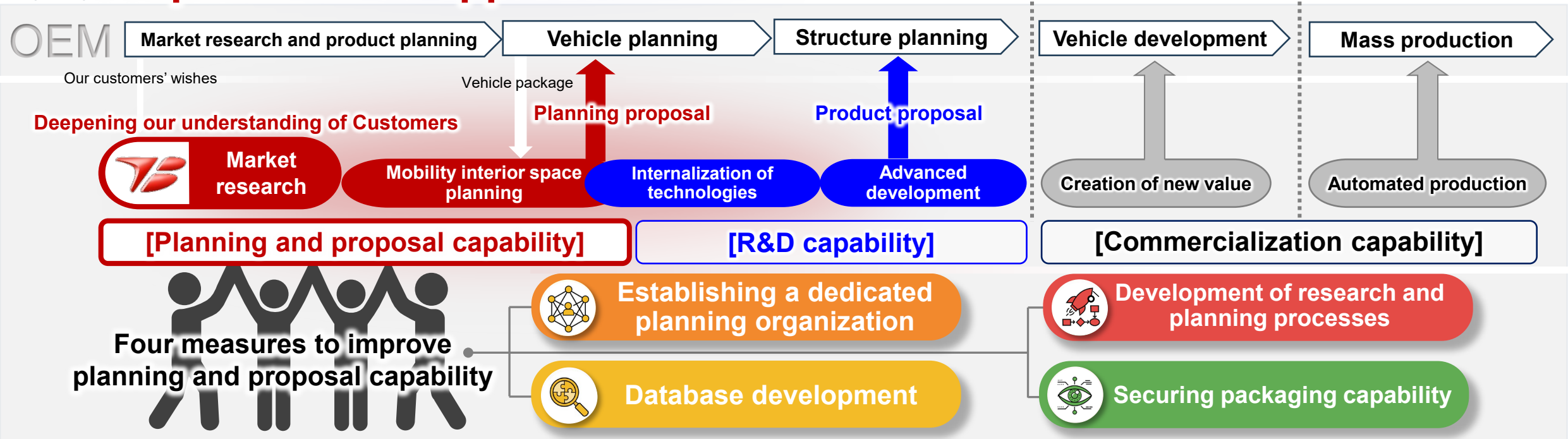
1. Growth strategy toward ISC — Establishing a new process for market research, planning, and proposals —

To deliver new value in interior spaces to customers, transform our process from "solution-based" to "proposal-based"

<Traditional> Solution-based approach



(ISC) Proposal-based approach



Script

- ◆ Toward becoming the Interior Space Creator, I would like to explain our initiatives to improve planning and proposal capabilities.
- ◆ Traditionally, we followed a solution-based process from product planning through mass production.
We will shift from a solution-based approach to a proposal-based one, enabling us to deliver new value in interior spaces to our customers.
- ◆ We will accurately identify customer needs during the market research and product planning stages, enabling us to propose what is needed with a high level of quality.
- ◆ To this end, we will implement the following four measures.
First, we will establish a dedicated planning organization. Second, we will develop research and planning processes. Third, we will develop an information management system. And finally, we will secure packaging capability.
Through these measures, we will improve our planning and proposal capabilities.

1. Growth strategy toward ISC — Specific actions required to realize ISC—

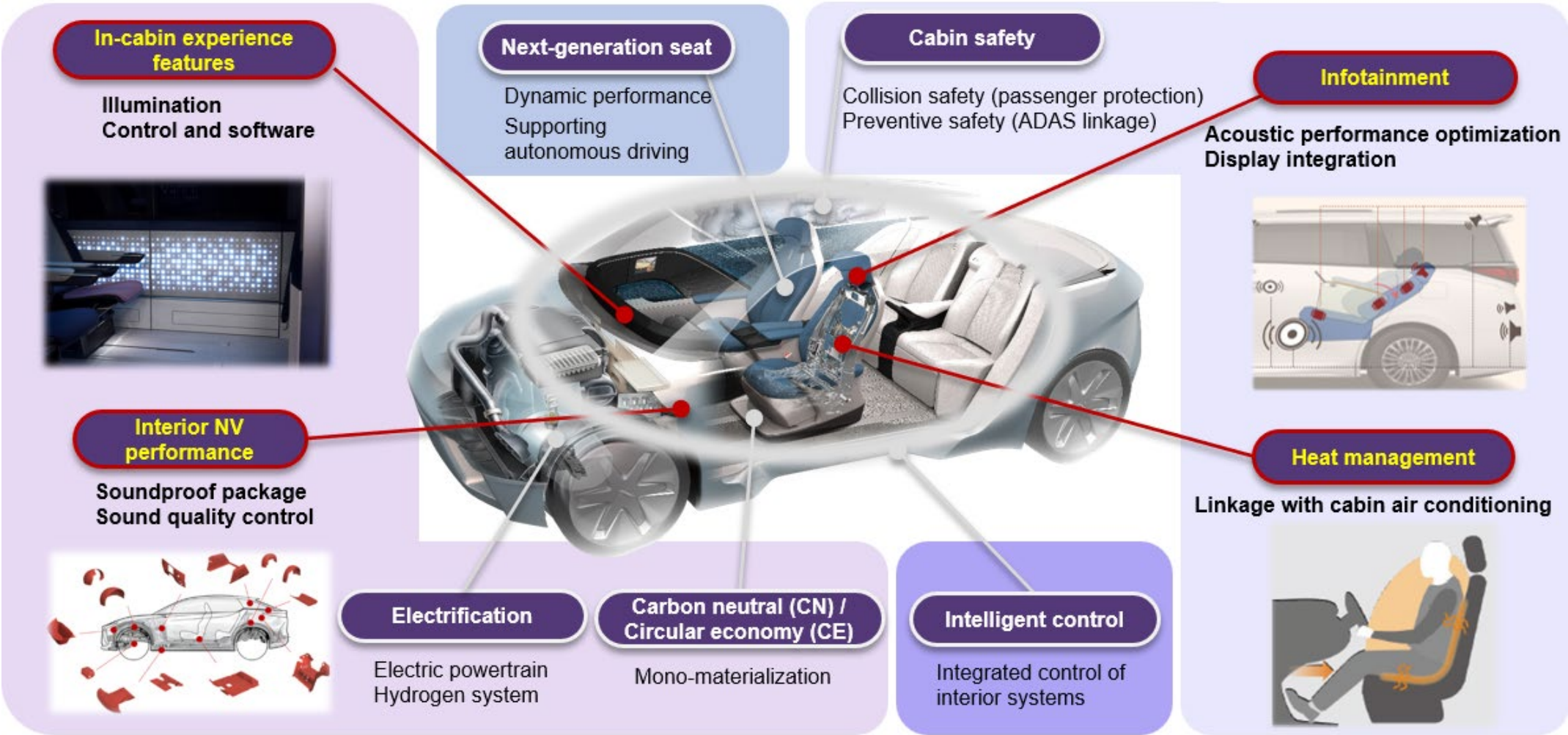
Promote the acquisition of technologies for sound, heat and light to create comfortable mobility interior spaces

Light

Sound
(Acoustics)

Sound
(NV)

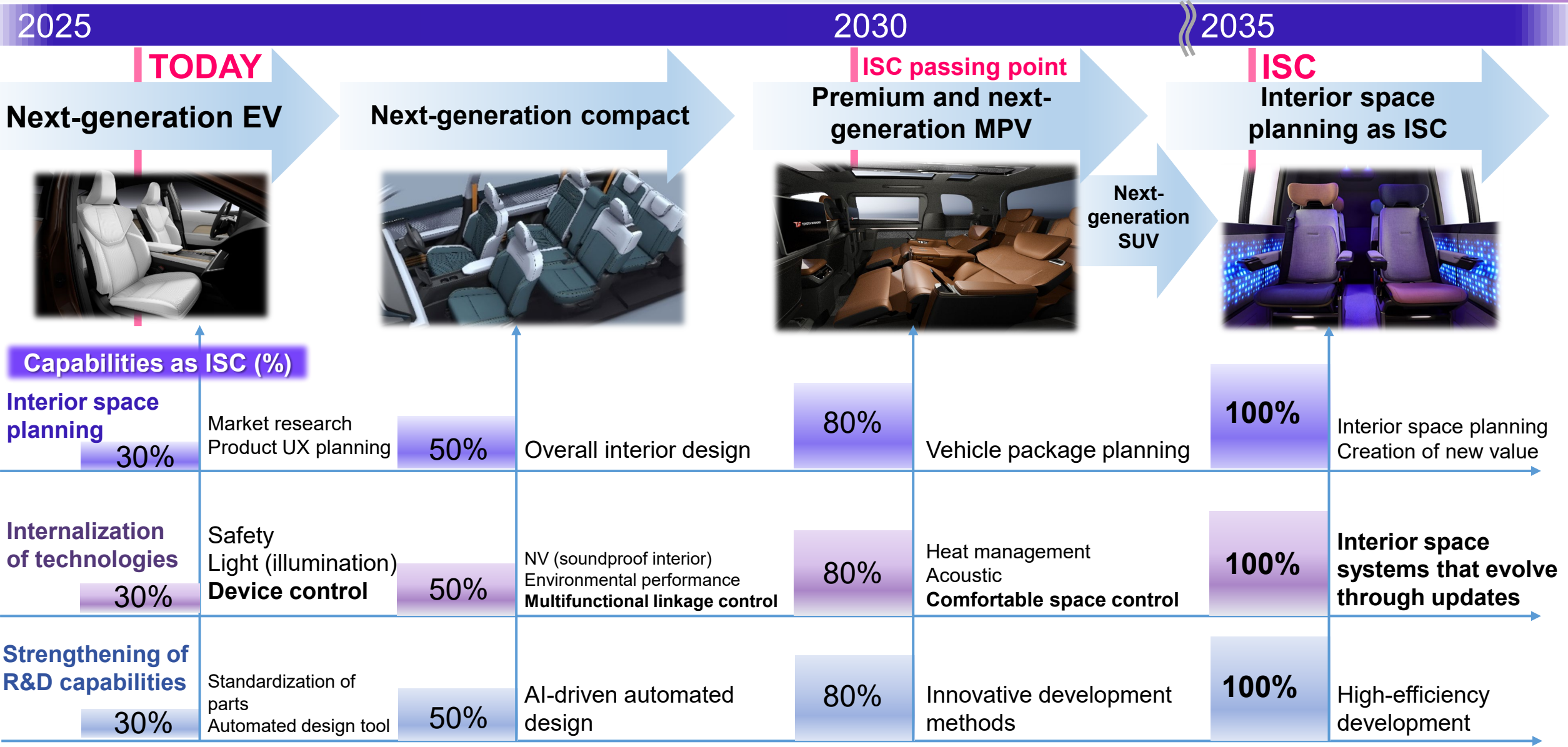
Heat



*NV: Noise Vibration

- ◆ Starting from this page, we present the specific actions required to realize Interior Space Creator.
- ◆ To realize a comfortable mobility interior space, we will focus particularly on three technological areas:
 - “sound,” including interior NV performance and infotainment,
 - “heat,” including heat management,
 - “light,” including cabin ambiance and illumination.While promoting the acquisition of these 3 technologies, we will also strengthen our efforts in intelligent technologies, including software and control technologies in mobility interior spaces.

1. Growth strategy toward ISC — Specific actions required to realize ISC—

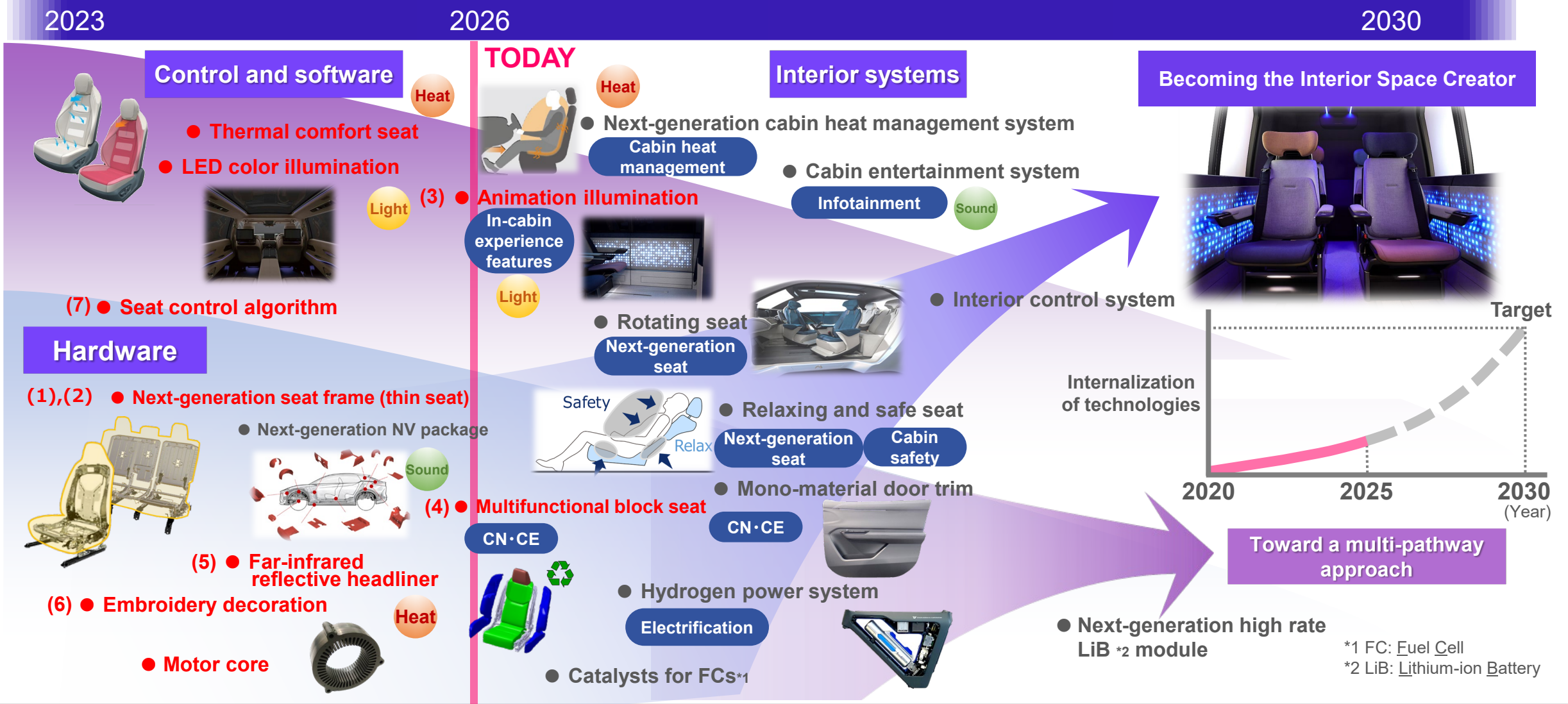


- ◆ Next, this slide outlines the initiatives planned through 2035 and the progress made to date.
- ◆ In space planning, we will conduct market research, overall interior design, and vehicle package planning to enable interior space planning and the creation of new value.
- ◆ In the internalization of technologies, we will promote the internalization of technologies related to sound, heat, and light, as well as safety and environmental performance, together with control and software technologies that enable system integration, thereby securing the interior space system technologies that can evolve through updates.
- ◆ In strengthening development capabilities, we will advance automated design tools, AI-driven automated design, and innovative development methods to achieve highly efficient development.

1. Growth strategy toward ISC — Concrete roadmap for ISC—

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

● : Development completed
● : Adopted products



Script

- ◆ As part of our efforts to “maximize added value,” we have incorporated the development status of high-value-added items into our roadmap.
- ◆ Currently, in addition to our existing field of hardware such as seats and interior and exterior products, we have embarked on new areas such as control and software. In FY2027, we are focusing on the development of the new products shown here.
- ◆ Furthermore, toward a multi-pathway approach, we will proactively promote the development in the fields of hydrogen power systems and lithium-ion batteries, from elemental technologies to commercialization.
- ◆ By linking and integrating these products, we aim to increase added value and realize the Interior Space Creator and a multi-pathway approach.

1. Growth strategy toward ISC — Competitive advantages of Toyota Boshoku products —

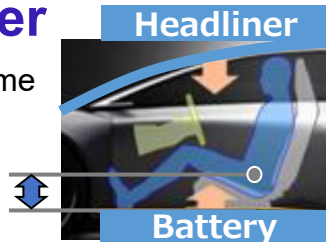
Product roadmap item

Next-generation seat

(1) Next-generation FR seat frame

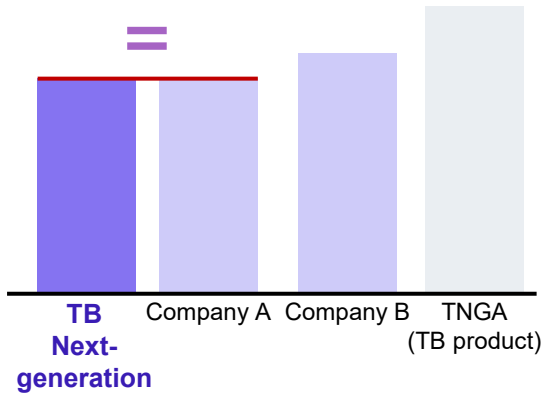
1. Thinner

Cushion frame height (mm)



Ensuring a comfortable cabin space

Equivalent to the thinnest competitive product

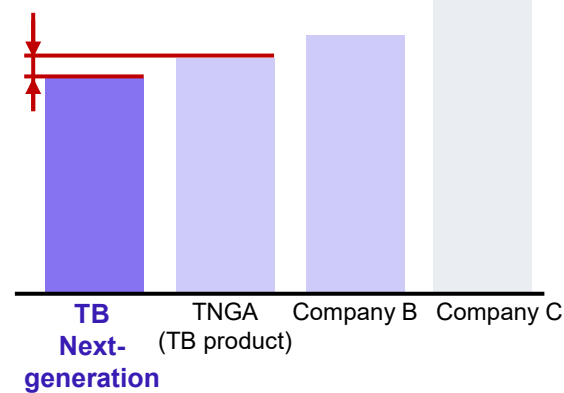


2. Lightweight

Seat frame mass (kg)



5% lighter than the lightest product



- 1) Improved seating posture and enhanced cabin space utilization through thinner design, and
- 2) improved fuel efficiency (electrification-related energy efficiency) through weight reduction

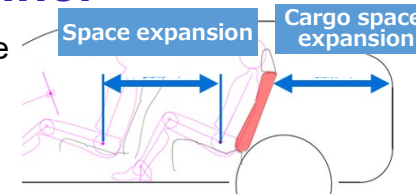
Product roadmap item

Next-generation seat

(2) Next-generation RR seat frame

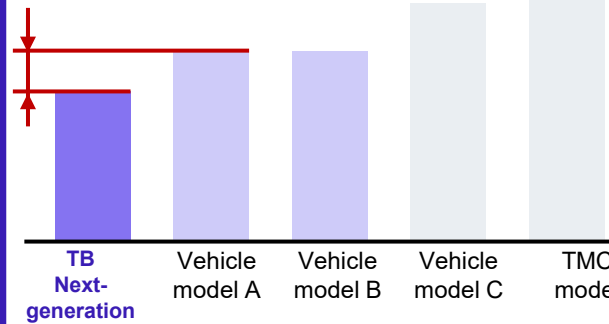
1. Thinner

Back frame thickness (mm)



Effective use of cabin space

20% thinner than the thinnest competitive product

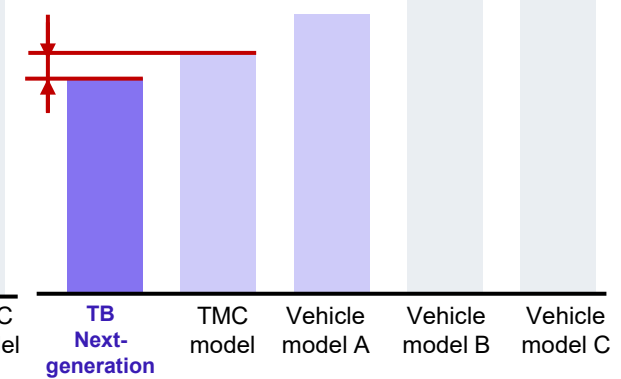


2. Lightweight

Back frame mass (kg)



5% lighter than the lightest product



- ◆ We will now introduce the products featured in our roadmap.
First, we will introduce our next-generation seat frames, which are our core products and a key driver of seat competitiveness.
- ◆ Our first strength is their thinner design.
Both front and rear seats are designed to maximize the effective use of limited space while maintaining a competitive thickness level.
- ◆ The second feature is a lightweight design.
Through weight reduction, we contribute to improve fuel or electrification-related energy efficiency, enhancing the value we provide to OEMs
- ◆ These two features enable increased cabin space and are considered key competitive advantages of Toyota Boshoku.

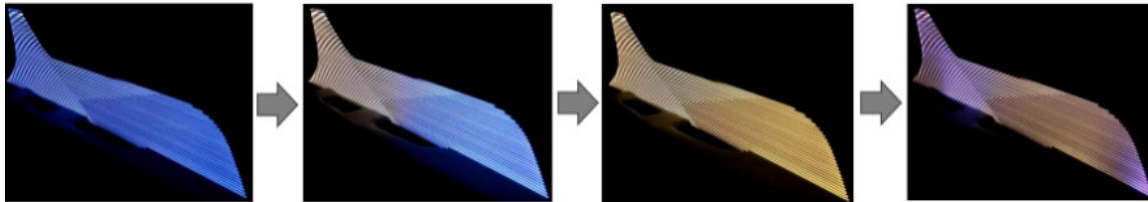
1. Growth strategy toward ISC — Cases of roadmap item adoption—

Product roadmap item

In-cabin experience features

(3) Illuminated door trim
with uniform surface lighting

Light



Diverse animated expressions are possible.

Utilizing surface materials and light-transmission technology, this door trim enhances the cabin ambiance with lighting effects. It enables uniform large-area illumination and realize diverse animated lighting expressions.

Adopted in the LEXUS ES (overseas model)

Product roadmap item

Next-generation seat

CN·CE

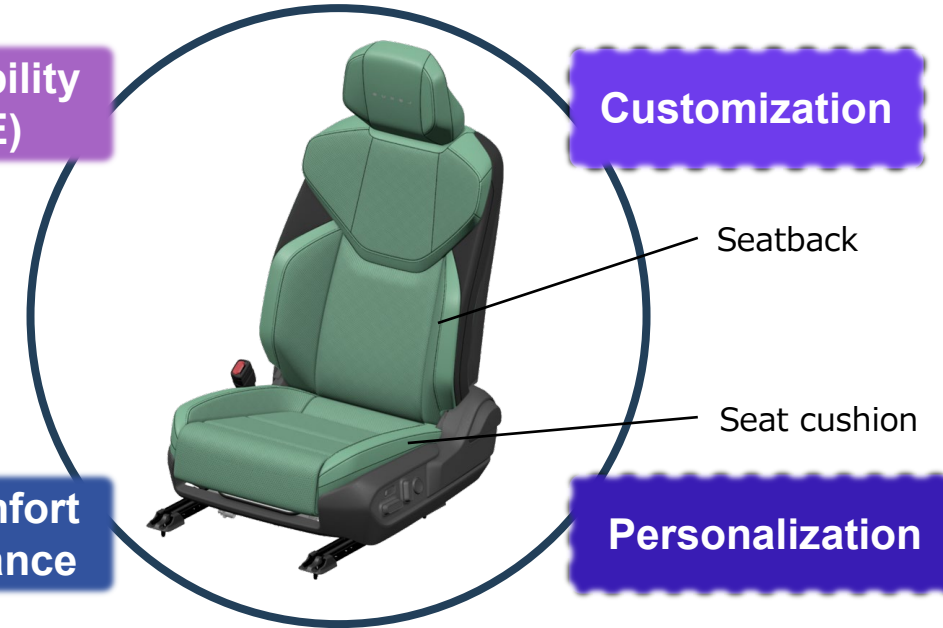
(4) “TBlocks”, a multifunctional block seat

Sustainability
(CN/CE)

Customization

Ride comfort
performance

Personalization



Customization: Users can arrange settings according to their preferences
Personalization: Providing comfort optimized for individual body types

Modularizing the seatback and seat cushion improves ride comfort performance and contributes to sustainability (CN/CE). Going forward, it will enable customization and personalization to further increase added value.

Adopted in the LEXUS ES (overseas model)

- ◆ Next, I would like to introduce examples of items developed in FY2026 and adopted in vehicle models.
- ◆ The two items shown here were both adopted in the LEXUS ES, overseas models.
- ◆ The first item I would like to introduce is the “Illuminated door trim with uniform surface lighting.”
Utilizing surface materials and light-transmission technology, this door trim realizes diverse animated lighting expressions.
- ◆ The second item I would like to introduce is the multifunctional block seat, “TBlocks.”
I will explain this in more detail on the next page.

1. Growth strategy toward ISC — “TBlocks”, a multi-functional block seat—

Sustainability (CN/CE)

Each part recyclable

- Improved recyclability through easier disassembly
- Use of recycled resin materials for parts with no color requirements
- Reduced CO2 emissions (lower urethane usage)
- Improved recyclability through resin material standardization

Side part
Cushion part
Base resin
Urethane reduction area



Customization Personalization

- Design flexibility through combinations
- Flexible customization of colors, surfaces, and decorative elements*
- Customizable functions (heater, ventilation, stain-resistant surfaces)
- Personalization to suit individual body types and preferences

Ride comfort performance

- Improved ride comfort performance

Modularizing the main and side sections enhances body support, comfort, and driving stability.

Improved side support during lateral G-forces

Low-density urethane Passenger Lateral G Low-density urethane
Base resin Side section Main section Side section
Body movement
Body pressure

- ◆ “TBlocks,” the multifunctional block seat, offers three key features.
- ◆ First is sustainability.
By improving ease of disassembly, reducing material usage, and unifying materials, it enhances recyclability and contributes to carbon neutrality and the circular economy.
- ◆ Second is ride comfort performance.
By modularizing the seatback, cushion, and side sections, the seat’s body support, passenger comfort, and driving safety are improved.
- ◆ Third is customization and personalization.
It enables diverse design expressions through combinations and allows color customization, as well as personalization to suit individual body types and preferences. Going forward, we will explore expansion into value chain business by further enhancing added value through customization and personalization.

1. Growth strategy toward ISC — Cases of roadmap item expansion—

Product roadmap item

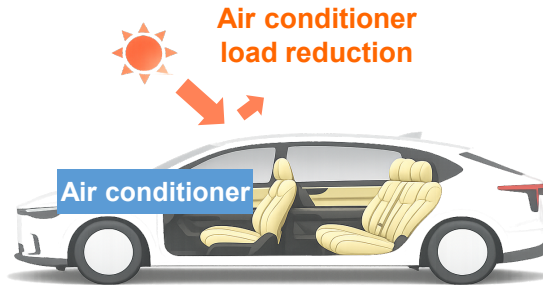
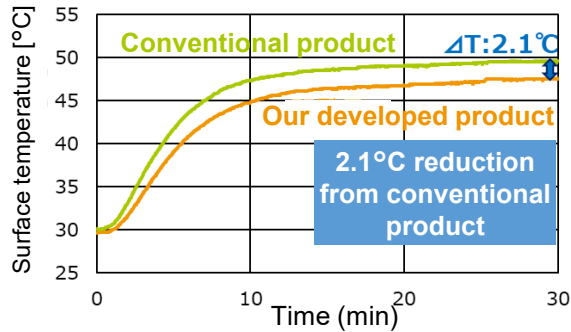
Heat management system

(5) Far-infrared reflective headliner

The headliner reflects far-infrared radiation and incorporates an electrostatic discharge function, contributing to:

1) reduced air-conditioning load and 2) improved drivability.

1) Headliner surface temperature under hot parking conditions



2)



Achieving a more natural driving feel

Adopted in: MIRAI, CROWN, bZ4X Touring, TRAILSEEKER

Product roadmap item

(6) Embroidered in-piece suspender



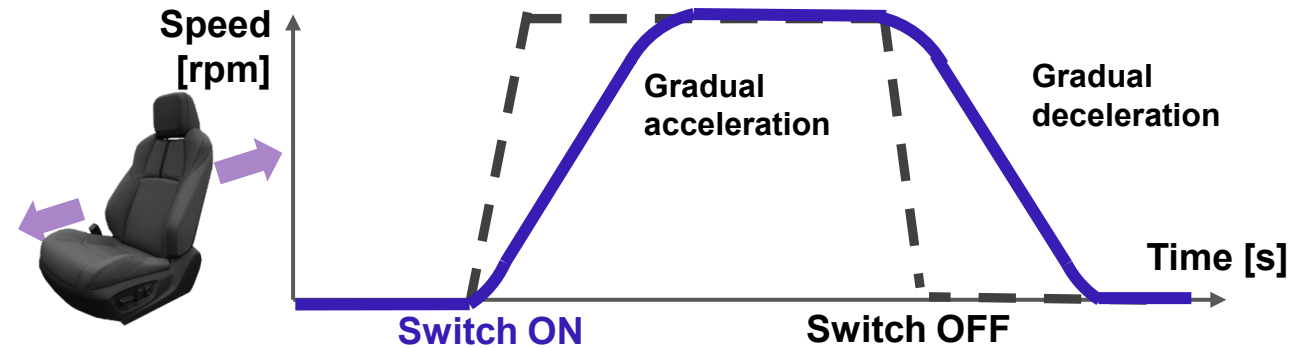
Three-dimensional embroidery decoration enables flexible design expressions.

Adopted in: RAV4

Product roadmap item

(7) Electric slide motion control algorithm

By controlling motor rotation speed, it reduces shock caused by conventional motor operation, improving comfort.



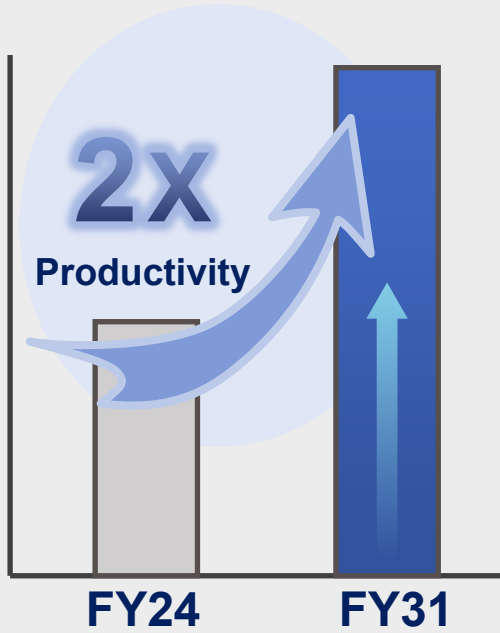
Adopted in: RAV4

- ◆ Next, we will introduce examples of expanded applications from our roadmap items.
- ◆ The first example is the “far-infrared reflective headliner.” By reflecting far-infrared radiation and incorporating an electrostatic discharge function, this headliner reduces air-conditioning load and contributes to improved drivability.
This technology has been adopted in MIRAI, CROWN, bZ4X Touring, and Subaru’s TRAILSEEKER.
- ◆ The second example is the “embroidered in-piece suspender.”
Three-dimensional embroidery decoration enables flexible design expressions.
- ◆ The third example is the “electric slide motion control algorithm.”
By controlling motor rotation speed, it reduces shock caused by conventional motor operation, improving comfort.
Both the second and third technologies have been adopted in the RAV4.

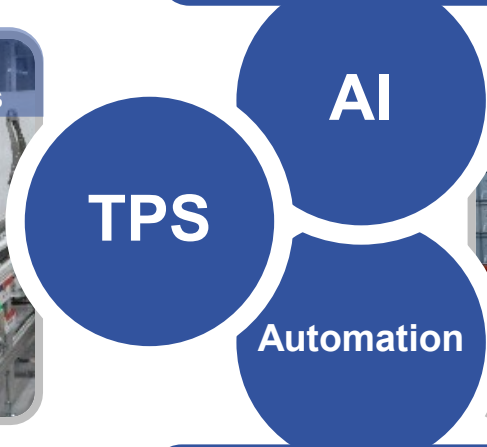
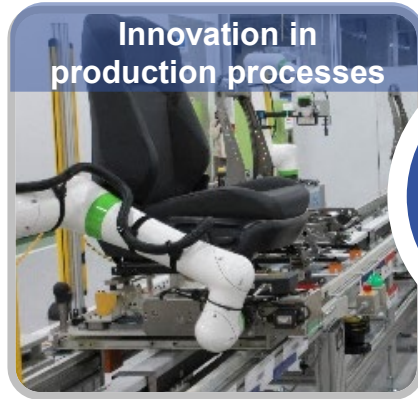
1. Growth strategy toward ISC — MONOZUKURI —

Value Time 2X

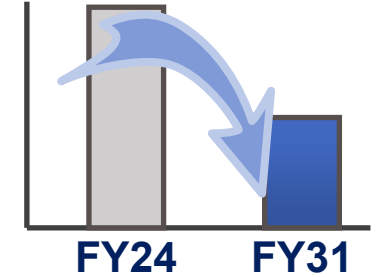
Maximizing added value per hour



I. Creating additional capacity



On-site improvement and waste reduction



II. Creating new added value



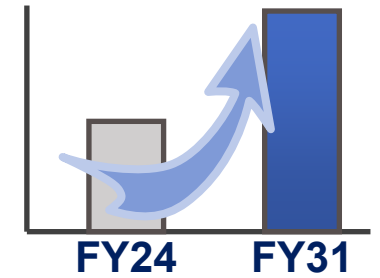
Digital twin

Digital twin

Interior Space Creator



Sales and profit expansion



III. Achieving a competitive edge

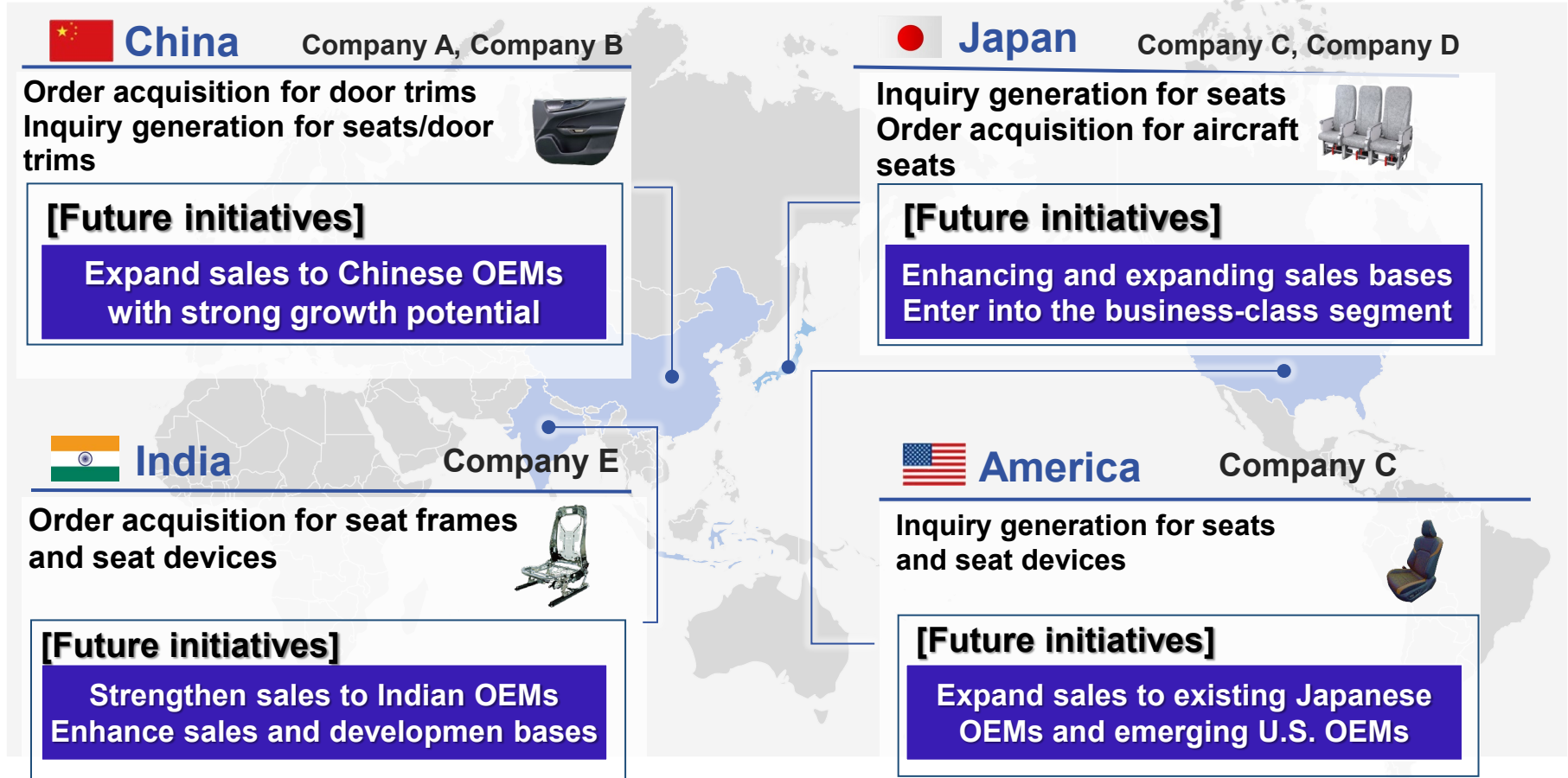
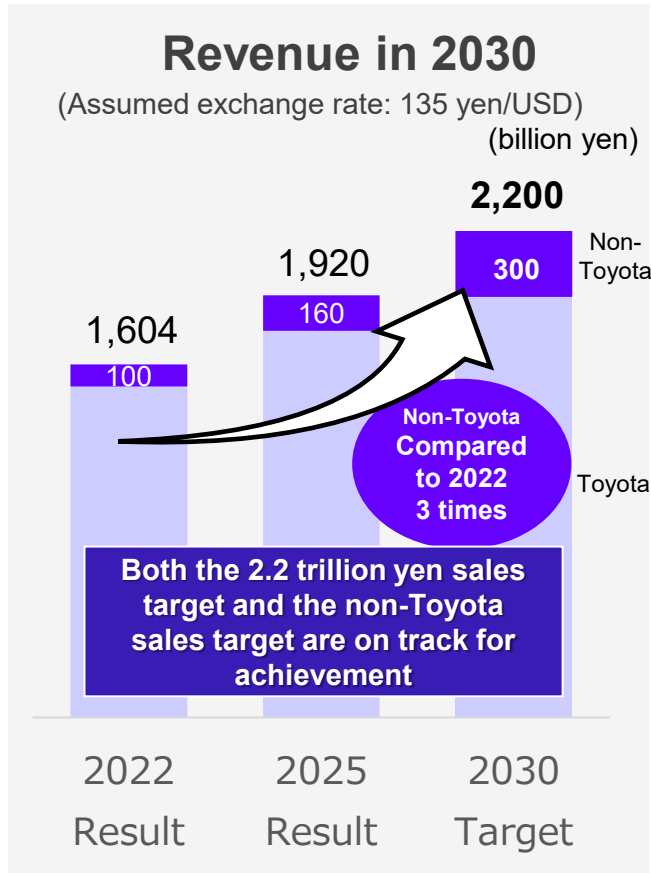
Achieve “Value Time 2X” toward ISC and establish MONOZUKURI competitiveness that outperforms competitors

Script

- ◆ Next, I would like to explain our MONOZUKURI initiatives.
- ◆ Toward 2030, we are pursuing Value Time 2X, with the goal of doubling productivity compared with FY2024 by maximizing added value per hour.
- ◆ As part of our efforts to minimize costs, we will thoroughly reduce waste through innovations in in-plant logistics and on-site improvements, while promoting process innovation that integrates TPS, automation and AI.
- ◆ This will create additional capacity, which will then be directed toward maximizing added value through new manufacturing methods and digital twins, ultimately enabling us to build a MONOZUKURI competitive edge over competitors.

1. Growth strategy toward ISC — Strengthening sales capability and status of sales expansion —

Promoting order-taking activities with non-Toyota customers to achieve the 2030 targets



Continuous strengthening and advancement of initiatives in growth markets and new areas

Script

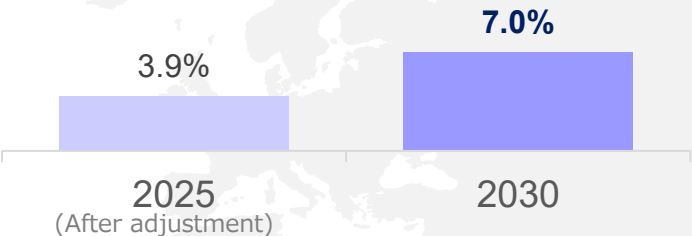
- ◆ Next, I would like to explain our initiatives for strengthening sales capability.
- ◆ We are targeting sales of 2.2 trillion yen by 2030. Within this target, we aim to triple sales from non-Toyota customers compared to FY2022. Orders and inquiries in this area are steadily increasing, strengthening our confidence in achieving this target.
- ◆ Regarding our recent activities, orders from Toyota are progressing steadily. In addition, we are also receiving inquiries and orders from customers other than Toyota, including strategic OEMs.
- ◆ Specifically, as shown on the slide, we are receiving orders and inquiries globally for seats, seat-related parts, and interior components while steadily expanding sales of aircraft seats as well.
- ◆ As for future initiatives, we will continue strengthening sales expansion to OEMs in each region. In addition, we will expand our sales and development bases in India and pursue opportunities in the aircraft business-class segment in Japan. Through these initiatives in growth markets and new areas, we will further ensure achievement of our targets.

2. Regional strategies toward ISC — Profit image by region —

Achieve the global targets of a 7% operating profit ratio and 150 billion yen in operating profit through initiatives tailored to region-specific environments and challenges

Global

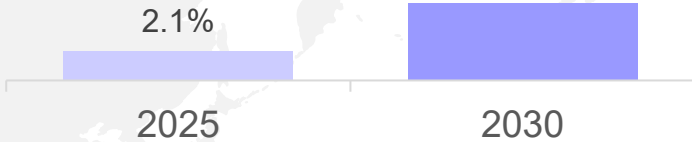
- Enhance Japan’s earning power and eliminate waste in indirect departments
- Reform the earnings structure in the Americas
- Address the Indian market



Japan

Challenge: Improving profitability

- Increase added value at product switching
- Adopt cost-competitive parts
- Value Time 2X



Americas

Challenge: Reforming the earnings structure

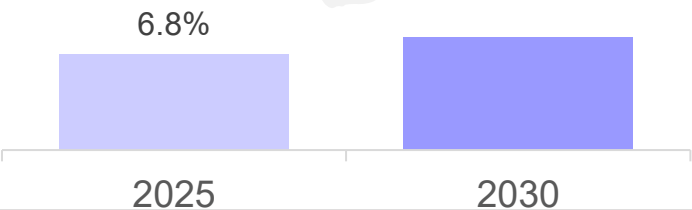
- Promote automation at production sites
- Streamline indirect departments
- Increase in-house production ratio with next-generation frames
- Launch full-scale operations of smart factories



China

Challenge: Enhancing proposal and development capabilities

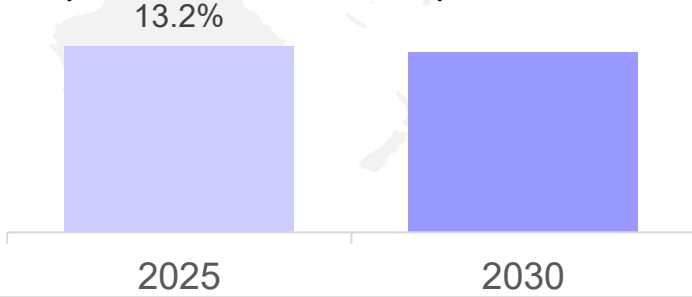
- Strengthen local development capabilities (speed)
- Strengthen interior space proposal ability (local needs)



Asia

Challenge: Enhancing cost competitiveness
Expanding business in India

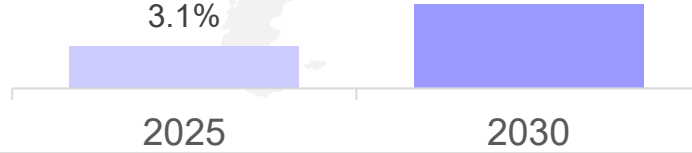
- Process consolidation and improving equipment productivity
- Order expansion in India and promotion of localization



Europe & Africa

Challenge: Market response

- Acquire non-Toyota OEM business
- Expand product lineup to accommodate BEVs



Script

- ◆ Next, I would like to explain our regional strategy toward ISC.
Globally, we will promote measures tailored to regional characteristics and aim to achieve an operating profit ratio of 7%.
- ◆ As a core region leading global operations, Japan will continuously enhance its profitability through the higher added value, the adoption of cost-competitive components, and initiatives such as “Value Time 2X.”
- ◆ The Americas region will prioritize overcoming low profitability and pursue earnings structure reform through streamlining production sites and indirect departments, increasing in-house production, and increasing smart factory operations.
- ◆ In China, efforts are underway to strengthen proposal and development capabilities amid a highly competitive environment.
- ◆ The Asia region is characterized by both the threat of Chinese suppliers and the growth potential of India, requiring a balanced approach of offense and defense.
We will strengthen our manufacturing competitiveness while expanding our business in India as two key pillars of our strategy.
- ◆ In Europe and Africa, we will focus on securing orders for non-Toyota OEMs and BEV-compatible products.

2. Regional strategies toward ISC — Japan —

Establishing a growth trajectory toward 2030

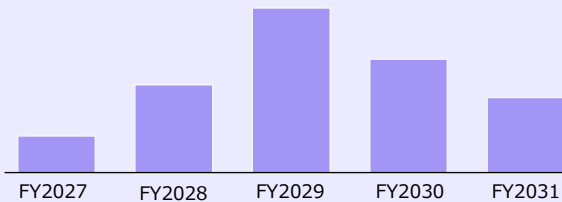
Profit and loss trends of Japan region (FY2024-FY2031)

- Improving earning power through product switching, increasing cost competitiveness, etc.

[Revenue improvement through product switching]

Opportunities for revenue improvement through multiple switching models

[Trends in vehicle model switches]

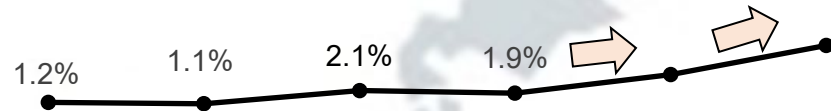


Adopting at product switching

- Adoption of items in the product roadmap
- Initiatives to strengthen competitiveness by product category
Advancement of procurement strategies
- RPT33 [33% reduction in part types]
Building a earnings base through collaboration with OEMs (e.g., 76% reduction in the number of headrest components)

Enhancing product added value

Value Time 2X



[Value Time 2X]

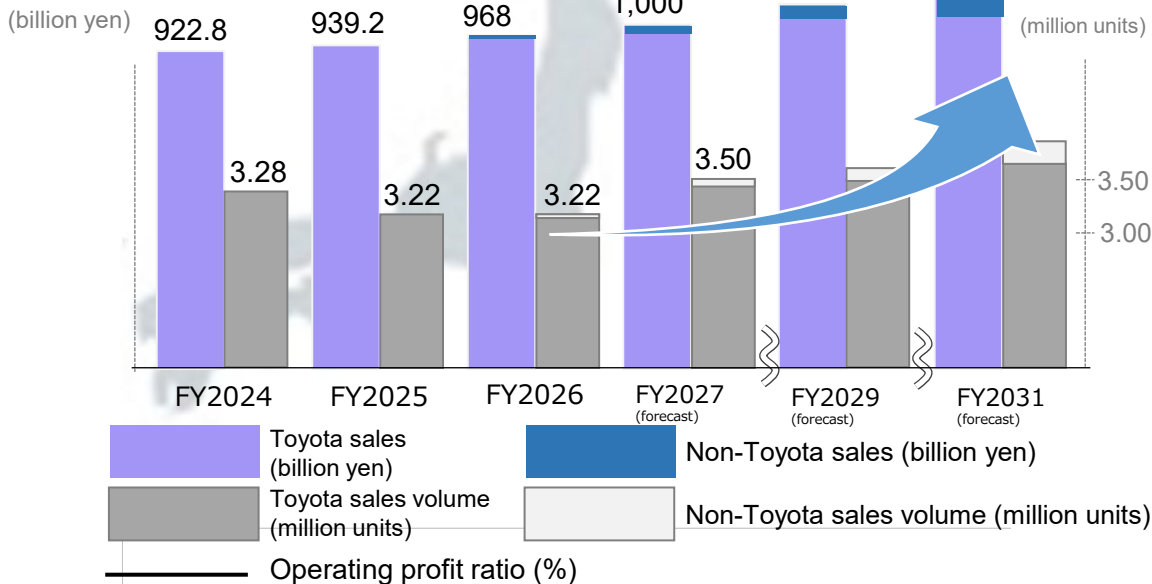
1. Cost Reduction in Processing and Logistics

- Process innovation through integration of TPS, automation and AI, and thorough waste reduction of on-site improvements
- Reform of pickup logistics with the opening of new logistics relay hub (Ikoma)
 - Logistics cost reduced by more than 10%
 - Contributing to resolving the driver shortage

2. Fixed cost reform

Doubling added value per hour through process reform

- AI utilization (development and use of automated design tools, reduction of man-hours for holding meetings and preparing documents, etc.)
- Promote “stop, change, and find a better way” across company (e.g., total meeting duration reduced by 42%)
 - Strengthening fixed cost control with minimizing external expenditures



Script

- ◆ In Japan, while the sales volume has remained above 3 million units in recent years, operating profit margins have stayed low due to factors such as upfront investments for future.
- ◆ To establish a growth trajectory toward 2030, we have identified two key priorities.
- ◆ The first is to promote revenue improvement through product switching. Seeing the model switches starting in FY2027 as an opportunity, we will implement measures to improve profitability, such as competitiveness enhancement by product category and reduction in the number of parts, thereby increasing added value.
- ◆ The second is to promote “Value Time 2X” across manufacturing, engineering and administrative functions. In addition to reducing processing costs through process innovation that integrates TPS, automation and AI, we will also advance logistics reform by establishing a new logistics relay hub.
- ◆ Furthermore, we will implement fixed-cost reforms in engineering and administrative functions. Alongside improving efficiency through AI utilization, we will make bold decisions to eliminate unnecessary activities and pursue thorough operational efficiency.

2. Regional strategies toward ISC — The Americas —

Promote a shift to a sustainable profit structure in the Americas

Initiatives of FY2025

1. Setting up Americas Region Support Dept.

Setting up Americas Region Support Dept. to support improvement efforts

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.

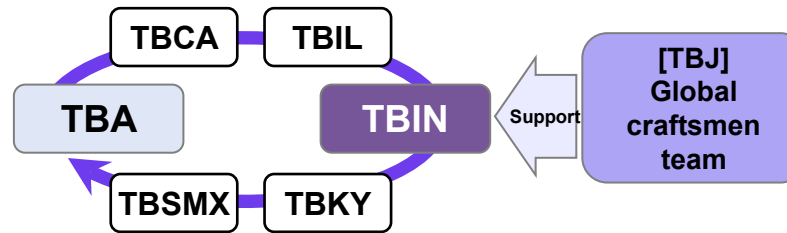
Activities of America Region Support Dept. in FY2025 resulted in an increase in marginal profit and achieved significant improvement in profits(*)

*Before impairment loss

Initiatives of FY2026

2. Accelerating profit improvement activities

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



Accelerating activities to increase marginal profits while simultaneously promoting reform to strengthen competitiveness

- Promote DX/automation at production sites
- Elimination of duplication/standardization in indirect departments

Initiatives of FY2027

3. Promoting structural reform

1) Sales expansion activities

Production start for **new customers**

2) Full-scale operation of the first smart factory in North America

Promoting automation through next-generation transport system

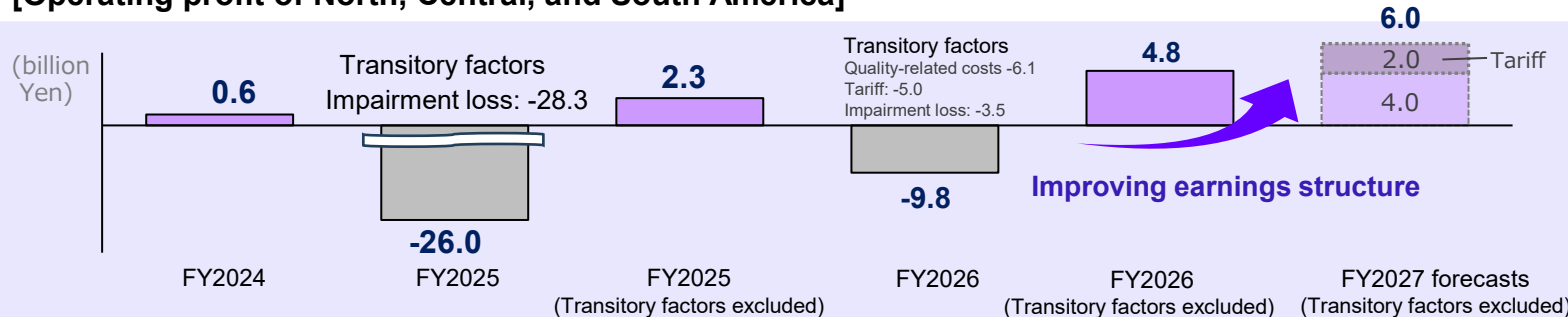
3) Full-scale deployment of next-generation seat frame

Strengthen cost competitiveness through increased in-house production

4) Promoting integrated management across the entire region

Maximizing organizational strength through structural reform

[Operating profit of North, Central, and South America]



- ◆ In the Americas, improving the profitability of loss-making sites, particularly in North America, has become a key management issue. Accordingly, we established the America Region Support Dept. in FY2025 and began building a foundation for profitability improvement activities.
- ◆ In FY2026, we deployed these activities to other sites. In particular, with a focus on TBIN (Toyota Boshoku Indiana), we promoted initiatives directly linked to improving marginal profit. At the same time, in preparation for structural reforms from FY2027 onward, we began promoting automation at production sites, as well as eliminating duplication and standardizing operations in indirect departments.

We are seeing steady improvements in profitability, excluding transitory factors. As a result, we have established a solid foundation for further improvements leading to the next phase.

- ◆ From FY2027 onward, building on the foundation, we will accelerate sales expansion, transition to smart factories, the full-scale deployment of next-generation seat frames, and integrated regional management. Through these initiatives, we will transform the Americas region into a business structure capable of generating sustainable profits.

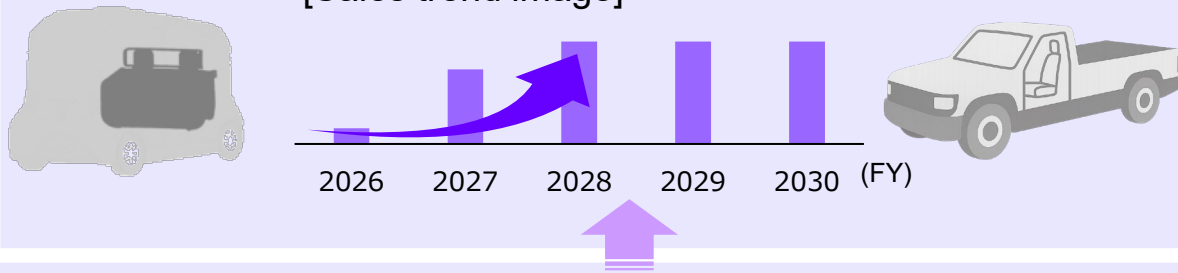
2. Regional strategies toward ISC — The Americas —

Initiatives of FY2027

1) Sales expansion activities

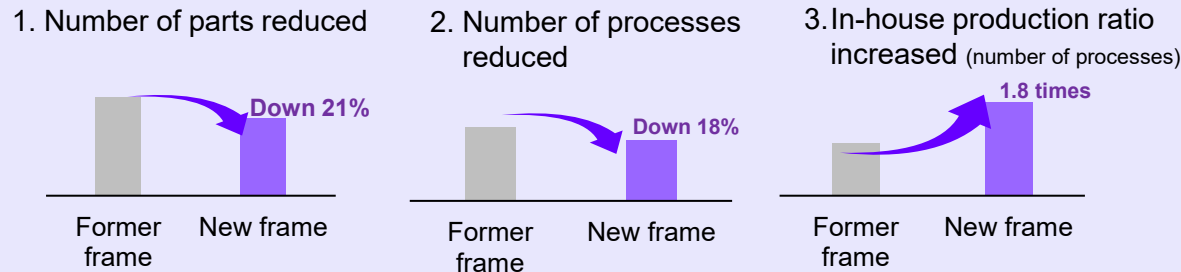
Launch of automotive seat supply **for emerging MaaS companies** and seat component supply (next-generation frames) **for emerging BEV manufacturers**

[Sales trend image]



3) Full-scale deployment of next-generation seat frames

Launch of production for six vehicle models integrated next-generation seat frames between FY2027 and FY2031
 → Achieve cost reduction and **strengthen cost competitiveness**

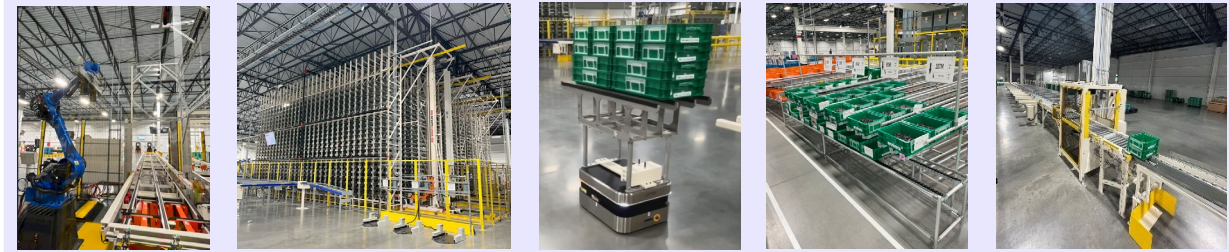


2) Full-scale operation of the first smart factory (TBWK) in North America

Promoting automation through next-generation transport system
 → Profitability expected in FY2028 upon full-scale production

[In-plant logistics automation with next-generation transport system]

Automatic acceptance Automatic storage AMR (automated transport) Automatic organization Automatic sorting



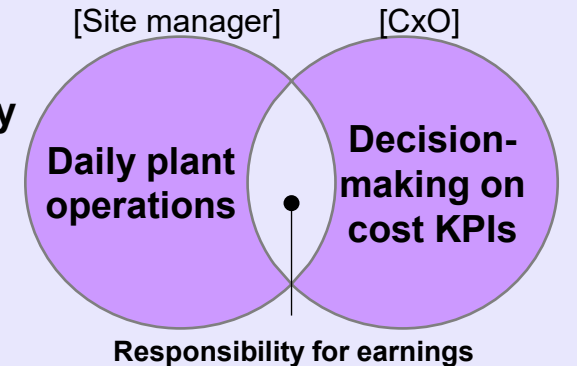
4) Promoting integrated management across the region

Maximizing organizational strength across the region

[Scope of responsibilities of the site managers and CxOs]

Redefining roles and authority to clarify responsibilities and accelerate decision-making

Introduction of CxOs and integrated plant management



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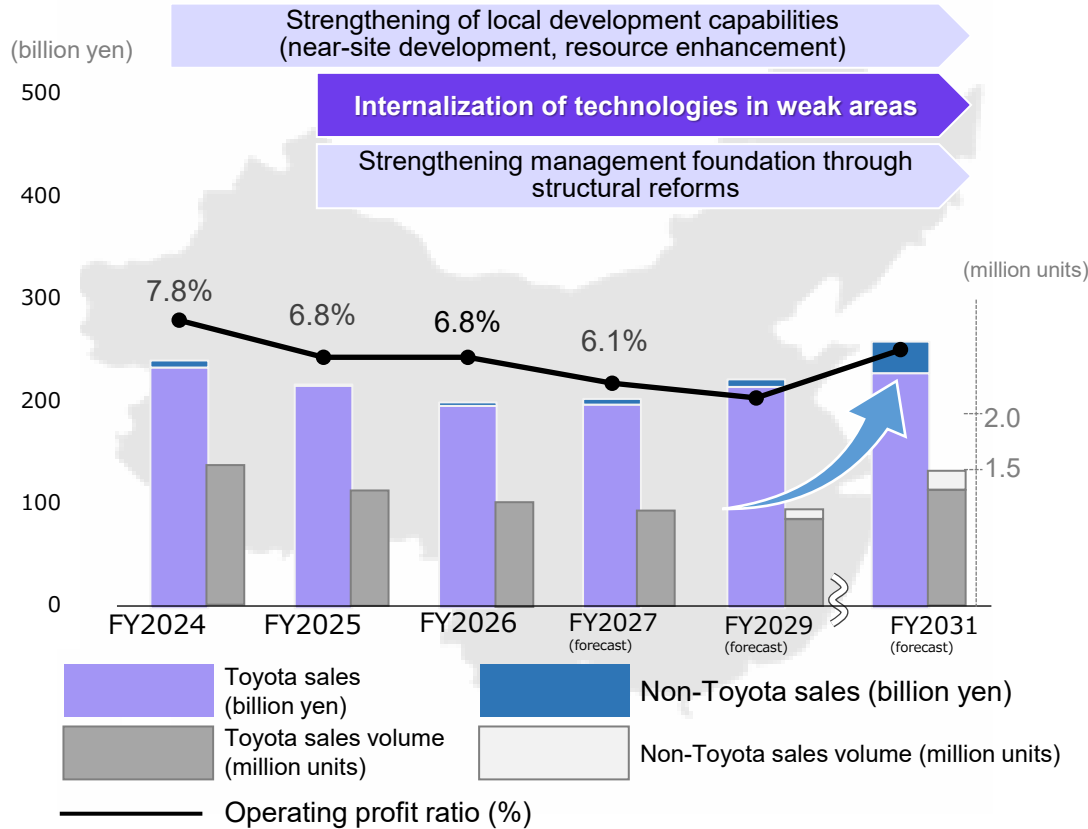
- ◆ Next, I would like to explain our initiatives for Americas region in FY2027.
- ◆ Please refer to “Full-Scale Operation of TBWK, North America’s First Smart Factory” in Section 2. Building on the automation initiatives we have been advancing since FY2026, we will achieve full automation of in-plant logistics through the introduction of a next-generation transport system. This will significantly improve on-site productivity and stability, and TBWK (Toyota Boshoku Western Kentucky) expects to return to profitability in FY2028, when full-scale production begins.
- ◆ Next, please refer to point 3), “Full-Scale Deployment of Next-Generation Seat Frames.” We will reduce costs and strengthen our cost competitiveness by reducing the number of parts and production processes, and by increasing in-house manufacturing rates. We will leverage these results to expand sales to new customers and promote reforms to build a sustainable, profit-generating business structure.
- ◆ Finally, please refer to point 4), “Promoting Integrated Management Across the Region.” Until now, structural challenges—such as operational duplication and a lack of progress in standardization—have arisen due to a lack of mutual trust and understanding between headquarters and manufacturing sites. Therefore, to clarify responsibilities and accelerate decision-making through the redefinition of roles and authority, we will introduce a CxO and integrated plant management system to maximize organizational strength by leveraging the full capabilities of the entire region.

2. Regional strategies toward ISC — China —

By strengthening local development capabilities, we aim to achieve sustainable growth through proposal and implementation of interior spaces that resonate with Chinese users.

[Profit and loss trends of China region (FY2024-FY2031)]

- The next two to three years will be a period of weathering the impact of lower production volumes.
- During that period, we will lay the groundwork for future growth by enhancing our management foundation through structural reforms and strengthening local development capabilities.



[Technologically weak areas and internalization]

Control and software field

Collaboration with Huaqin Technology* strengthen to JV (May 2026)

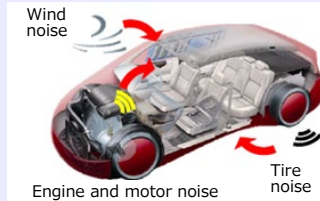


ECU Display Illumination

* Smart device design and manufacturing

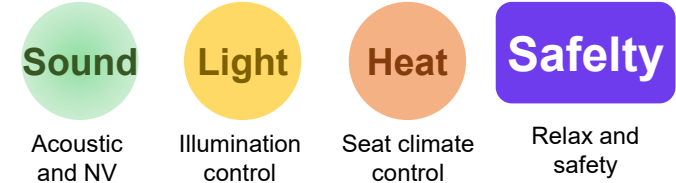
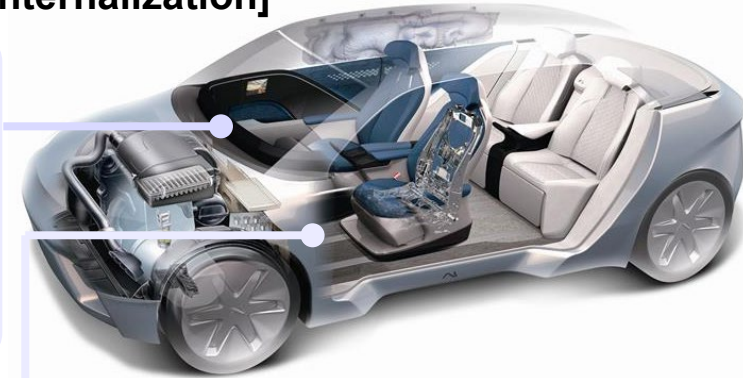
NV* field

From exploring alliances to implementation (within 2026)



Creating a quiet and comfortable cabin environment

* Noise and Vibration Sound insulation and sound absorption



Enhancing partnerships

[FY2026 activities results]

<Non-Toyota>

- Company A: Order acquisition for door trims for 2 models
- Company B: Inquiry generation for seats and door trims
- Company F: Inquiry generation for interior parts



<Toyota>

- Order acquisition for LEXUS BEV interior
- Continued orders for seats and door trims in next-generation models of existing vehicles

Script

- ◆ China is regarded as a market that represents the “cutting edge” of the automotive industry today, and we recognize that being acknowledged in this market is highly important.
- ◆ In the short term, over the next two to three years will be a period of weathering the impact of declining production volumes caused by market slowdown.
At the same time, we position this as a transition period toward future growth, during which we are strengthening our management foundation through structural reforms and advancing development preparations for future growth by enhancing our local development capabilities.
- ◆ Please see the graph on the left. Although sales and operating profit ratio have been on a downward trend through FY2028, as shown in the figure on the right, we aim to increase orders and improve profitability by enhancing our capability to plan and propose the entire vehicle interior space through the “internalization of technologies in weak areas.”
- ◆ We have begun to see concrete results since last fiscal year, and we will continue to pursue growth by strengthening our local development capabilities.

2. Regional strategies toward ISC — Asia —

Securing sustainable profitability through enhanced cost competitiveness and human resource development

[Enhancing competitive advantages]

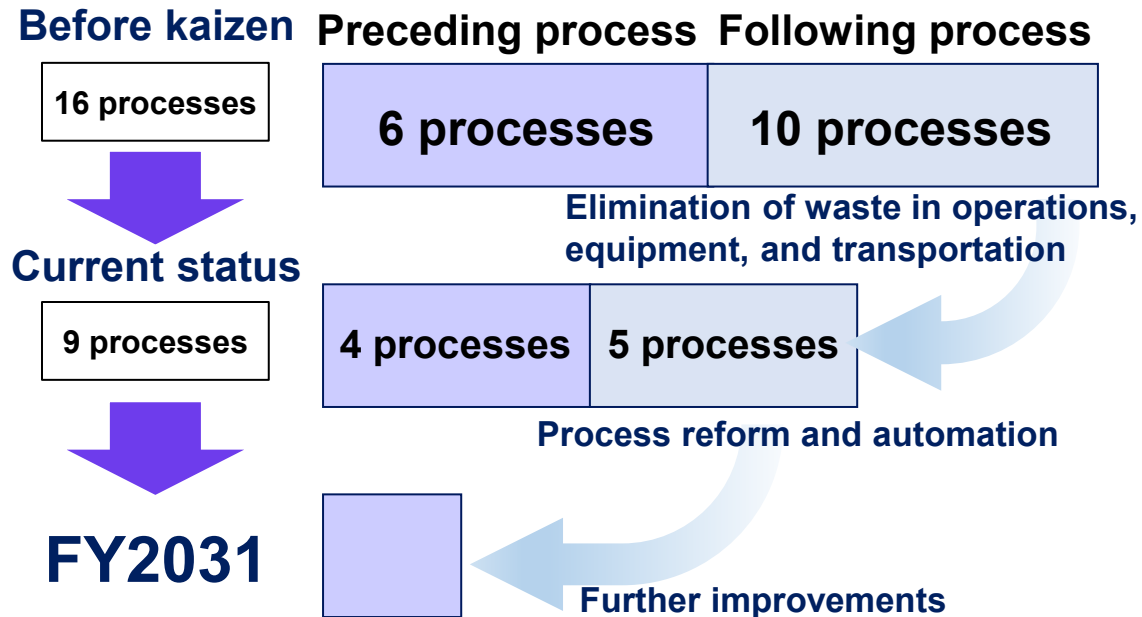
—Thorough cost reduction to outperform competitors in China and India—

- Promote process reform and automation with a focus on eliminating waste

[Human resource development]

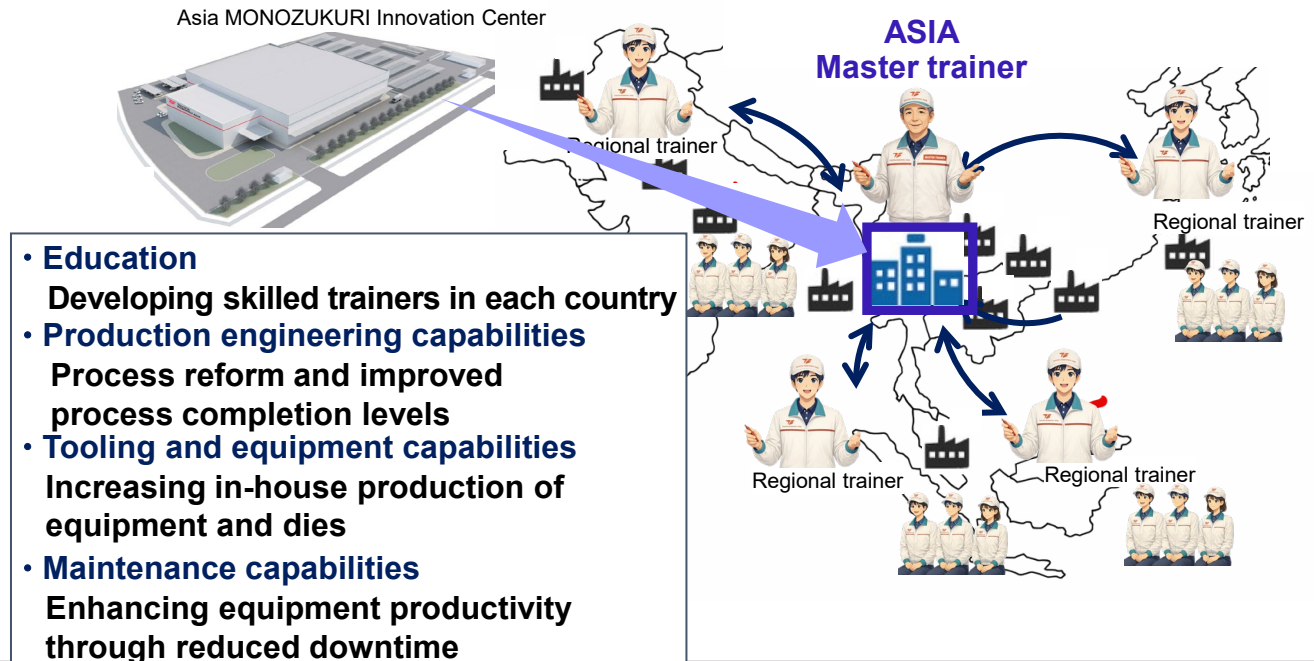
- Strengthening on-site capabilities in the region (by employee level, specialized training, and skill certification)
- Strengthen production engineering, tooling and equipment, and maintenance capabilities

<Activity example of manufacturing process A>



<Specific measures>

Establishing the Asia MONOZUKURI Innovation Center to accelerate initiatives (Planned in 2028)



Script

- ◆ In Asia, we aim to securing sustainable profitability through enhanced cost competitiveness and human resource development.
- ◆ For enhancing competitive advantages, in order to outperform competing parts manufacturers in China and India in cost competition, we are promoting process reform and automation focused on waste elimination, and thoroughly reduce costs through process integration, as shown in the example of Manufacturing process A.
- ◆ In terms of human resource development, we will strengthen local on-site capabilities through programs with employee level, specialized training, as well as skills certifications. Specifically, we will develop skilled trainers in each country, starting with the ASIA Master trainer, with the aim of raising the overall level of skills across Asia.
- ◆ As a source of competitiveness, we will enhance our production engineering, tooling and equipment capabilities and maintenance capabilities while working to improve process completeness, increase in in-house production ratio of equipment, and boost equipment productivity.
- ◆ To accelerate such initiatives, we are planning to establish the Asia MONOZUKURI Innovation Center in 2028.

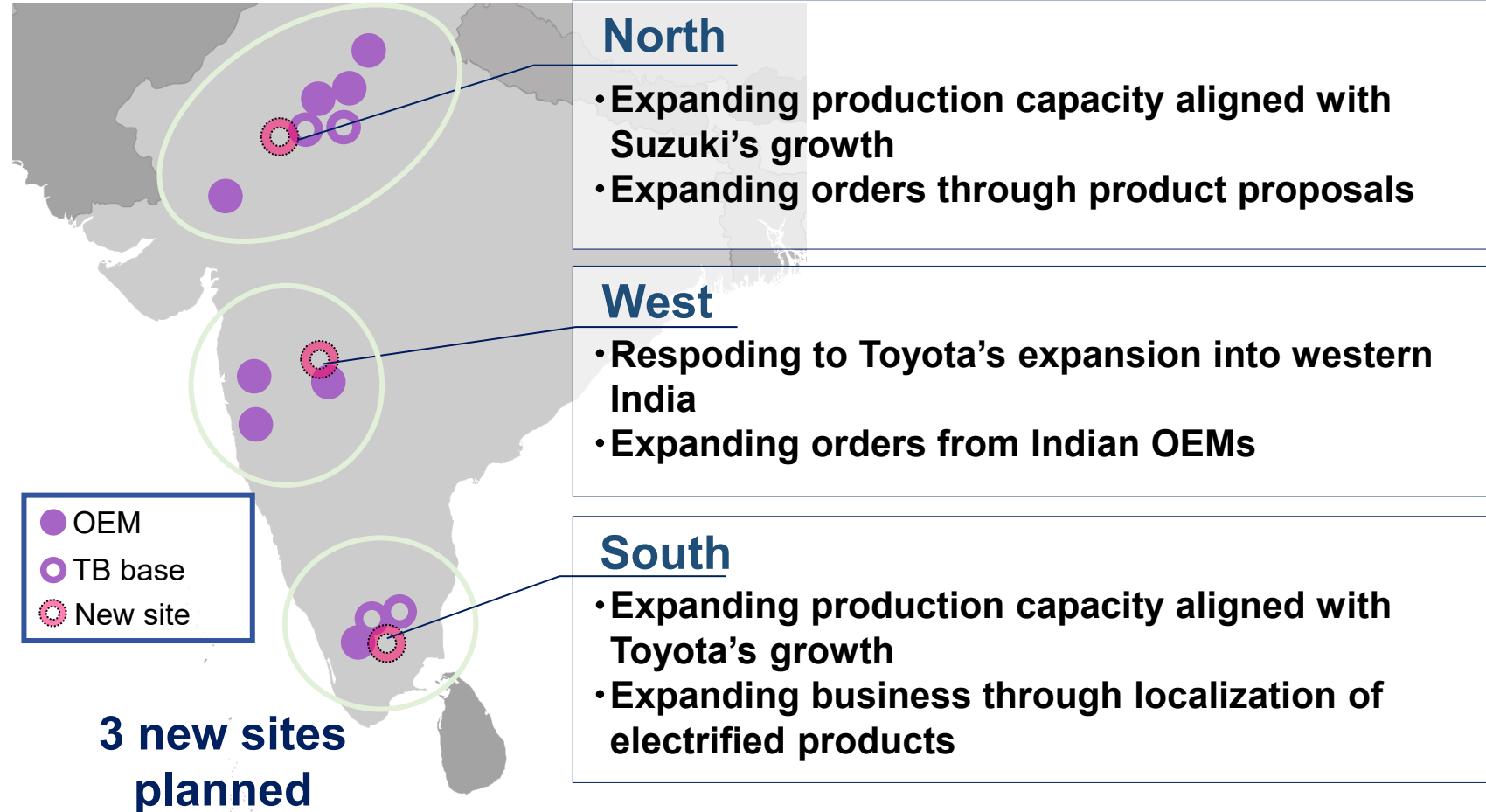
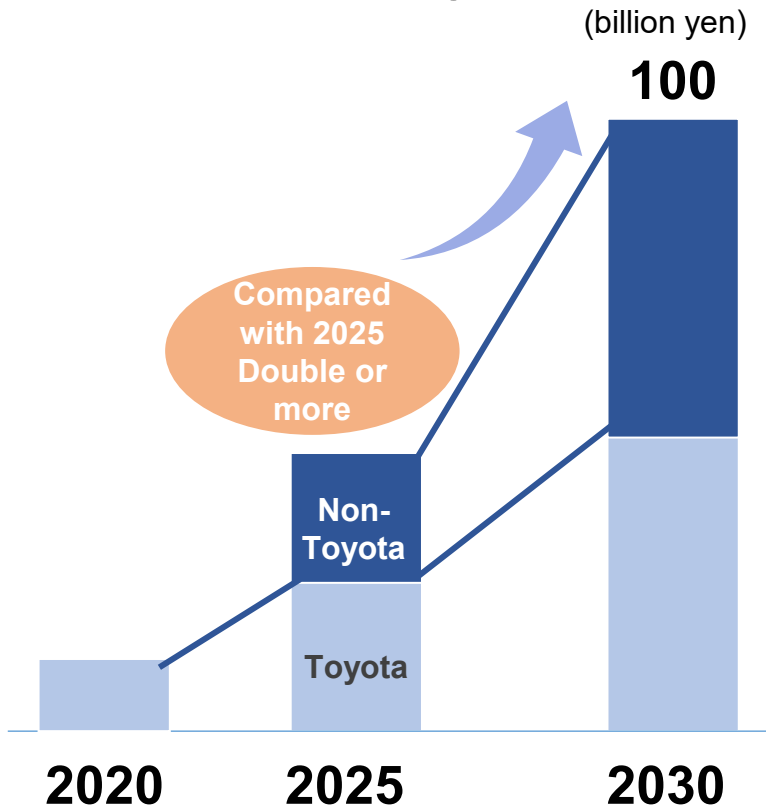
2. Regional strategies toward ISC — India —

■ “India Challenge 1000” Expand businesses by capturing growth markets

Strengthening product development capabilities tailored to the needs of the Indian market

× Enhancing competitiveness through localization

<2030 revenue target>



Script

- ◆ Next, I would like to explain our business strategy in India.
- ◆ India is an extremely important growth market for our company, with the automotive market expected to continue expanding toward 2030.
- ◆ To ensure this growth opportunity, we have launched the "India Challenge 1000" initiative, targeting revenue of 100 billion yen by 2030.

We will advance product development tailored to the needs of the Indian market while thoroughly strengthening our competitiveness through localization, thereby driving business expansion.

- ◆ By region, in northern India, we are expanding orders mainly with Suzuki through product proposals.

In western India, we will promote order acquisition activities in line with Toyota's expansion into the region, while leveraging the area's concentration of Indian OEMs to obtain new orders.

In southern India, we will strengthen localization efforts focused on electrified products while keeping pace with Toyota's expanding production capacity.

- ◆ Through these initiatives, we will achieve both sales growth and enhanced competitiveness, thereby driving sustainable growth in our India business.

3. Financial strategies — Cash allocation toward 2030 —

We will strengthen our earnings power, maximize cash inflows, and strategically allocate capital to enhance corporate value.

(Cumulative forecast for the 5-year period from FY2027 to FY2031) (Billion yen)

Maximizing operating C/F

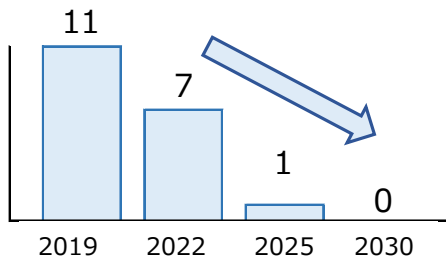
Aim to achieve the 2030 financial targets through ISC's growth strategy

- **Customer base expansion**
(Orders from non-Toyota customers (Japan, U.S., China, India))
- **Product switching**
Control technologies that deliver comfort (sound, light, and heat)
- **Value Time 2X**
(New methods, digital twins, process innovation)

Increasing asset efficiency

- **Reduction of cross-shareholdings**
- **Reduction of cash on hand**
(Global cash management)

Number of stocks held (number of issues)



Cash inflows

Operating C/F*

750

(before deducting R&D expenses of 300)

+α

Balance sheet improvement

Depreciation expenses

300

Cash outflows

Growth investments

600

Strategic allocation

200

Shareholder return

150

Repayment of interest-bearing debt, etc. 100

R&D expenses: 300 billion yen

- **Internalization of technologies for ISC**
(Device control, multifunctional linkage control, etc.)
- **New product development**
(Multifunctional block seats, animated illuminations, etc.)

Capital investment: 300 billion yen

- Investment associated with product switching
- Investment for strengthening competitiveness

Strategic investment: 150 billion yen

- **Sales expansion** (new bases in India etc.), VT2X (process innovation, etc.)
- **Implementing strategic alliances**

Additional shareholder returns: 50 billion yen

- **Maintain dividends with a DOE of 3% or higher, while targeting a payout ratio of around 30%.**

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

VT2X: Value Time 2X

- ◆ Finally, I will explain our cash allocation strategy through 2030.
- ◆ Regarding cash inflows, in addition to maximizing operating cash flow through initiatives we have explained today, we will also improve asset efficiency by reducing cross-shareholdings and cash on hand.
- ◆ We will allocate the cash generated to R&D and capital investments to become the interior space creator, while continuing to provide shareholder returns with a DOE of at least 3%.
- ◆ In addition, while carefully monitoring the future business environment, we will strategically allocate capital to growth investments and additional shareholder returns to further enhance corporate value.



<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

- ◆ This concludes my presentation today.
- ◆ 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.