



Governance

— Establishing a resilient global management foundation —

73 Corporate Governance

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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 p.76 for details)
Accounting auditor	PricewaterhouseCoopers Arata LLC

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.

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.

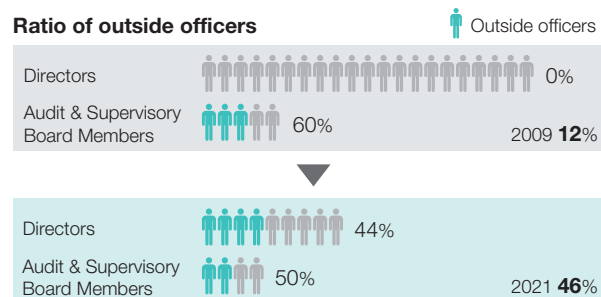
In addition, we have adopted a corporate auditor system, in which a four-person structure that includes two outside Audit & Supervisory Board members audits the management of directors.

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.

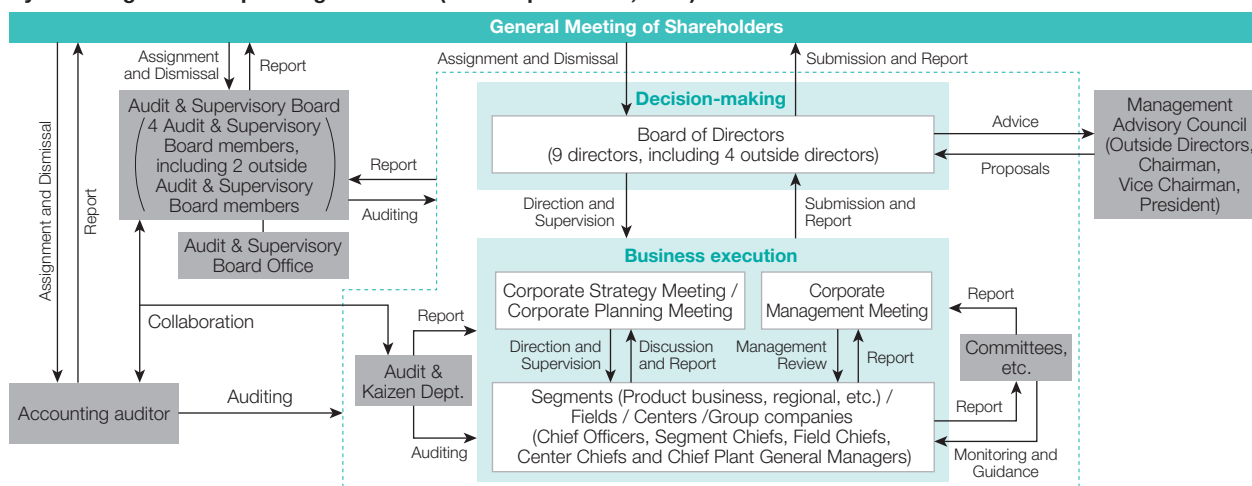


Business execution system

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.

Prior to submission to the Board of Directors, the Corporate Strategy Meeting and the Corporate Planning Meeting deliberate thoroughly on the issues in order to quicken response to

System diagram of corporate governance (as of September 1, 2021)



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, etc., as well as various meeting bodies and committees, 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.

(1) Board of Directors

Number of meetings held in FY2021: 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.

Main discussions in FY2021

General Meeting of Shareholders	<ul style="list-style-type: none"> Decision on convocation and agenda items Approval of business reports, financial statements, etc. Decision on candidates for director and Audit & Supervisory Board member
Executive officers and organization	<ul style="list-style-type: none"> Selection of representative director and executive director Directors' compensation and bonuses Introduction of Chief Officer System Appointment of Operating Officers, Segment Chiefs, Field Chiefs and Center Chiefs
General management	<ul style="list-style-type: none"> Formulation of Toyota Boshoku's materiality Formulation of 2025 Mid-Term Business Plan Formulation of global hoshin (policy) Deliberation on business advancement, alliances, reorganization, etc. Items related to property and assets Implementation of interim dividend
Other	<ul style="list-style-type: none"> Report on operational status of basic policy regarding maintenance of internal control system Approval and report on transactions involving a conflict of interest Implementation and report on assessments of the effectiveness of the Board of Directors → Details on pp.75-76 Condition of the exercise of voting rights on agenda items at the General Meeting of Shareholders Examination of stockholdings Operational status of whistle-blowing system → Details on p.81 Report on efforts for consistent information disclosure Report on status of response to business risks including COVID-19 and cybersecurity → Details on pp.82-83 Report on initiatives relating to quality

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

Number of meetings held in FY2021: 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 Meeting, Corporate Planning Meeting and other important meetings, inspect important documents, etc., and exchange information with the internal auditing department and accounting auditors.

Main discussions in FY2021 (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. Consideration on introducing KAM (Key Audit Matters) Status of global internal auditing system Results of remote audit of overseas subsidiaries
Other	<ul style="list-style-type: none"> Response to COVID-19

(3) Management Advisory Council

Number of meetings held in FY2021: 5

The Management Advisory Council is composed of four outside directors (Takeshi Ogasawara, Akihiro Koyama, Junko Shiokawa, Hiroyuki Ina), as well as Chairman Shuhei Toyoda, Vice Chairman Naoki Miyazaki, and President Takeshi Numa. 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.

Initiatives to strengthen corporate governance

	Previous	2005 (2005 Start of Toyota Boshoku)	2017	2018	2019	2021	2022	(FY)
Board of Directors/ 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"> ● Revision of rules of the Board of Directors (2018) ...delegation of authority to execution functions ● Streamlining of Board of Directors (2018) 	<ul style="list-style-type: none"> ● Establishment of Management Advisory Council (2019) ● Introduction of medium- to long-term incentive system (2019) 	<ul style="list-style-type: none"> ● Introduction of transfer-restricted stock compensation system (2021) 	<ul style="list-style-type: none"> ● Appointment of female director (2022) 	
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"> ● Introduction of Chief Officer System (2022) 	
Promotion Meeting/ Committee		<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"> ● Establishment of the Information Disclosure Committee (2011) 					

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, 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.



Visit to the MONOZUKURI Innovation Center

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

- ① The operational status and response to issues identified in the past are analyzed and reported to the Board of Directors in January.
- ② 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.
- ③ 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 2021 evaluation results

- ① As a result of continuous improvements, such as the implementation of reports on risk and compliance through the planning of agenda items, as well as the participation of outside officers in discussions during the formulation of the 2025 Mid-Term Business Plan, the effectiveness of the Board of Directors in making important management decisions and supervising business execution has been ensured.
- ② Although the 2025 Mid-Term Business Plan was discussed, opinions were expressed about the need for discussions on more future-oriented topics, setting appropriate time for deliberations in line with the agenda, and about further increasing the diversity of the Board members.

- ③ In addition, there was a request for improvement in the provision of information to outside officers and an increase in the frequency of communication among directors in order to facilitate discussions.

(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.

① Make an annual plan for the agenda and deepen strategic discussions

Systematically conduct discussions on topics such as carbon neutrality and health promotion, as well as future-oriented digital transformation (DX), by further refining the necessary agenda items throughout the year and ensuring adequate time for them.

② Conduct opinion exchange meetings

By having each outside officer present points for improvement to the Company from their respective fields of expertise, and by having free discussions, aim to provide suggestions for future-oriented strategies and enhance communication among directors.

③ Enhance information provided to outside officers

To further invigorate discussions, have outside officers make visits related to agenda items and provide related information to outside officers.

④ Ensure member diversity

Further increase diversity by organizing and utilizing the required experience and expertise as a skill matrix.

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,

- ① we set the disparity between positions reasonably in light of the roles and responsibilities, and
- ② 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),

- ③ the Company's uniform annual performance and the degree of achievement of annual hoshin (policy) by each individual for the single year, and
 - ④ evaluation of medium-term corporate value enhancement in terms of the enhancement of and social value and economic value
- are reflected in part of the compensation structure.

(2) Approach to the level of compensation

For the level of compensation, we select companies listed on the first section of the Tokyo Stock Exchange based on their corporate size, consolidated revenue, consolidated operating profit, number of employees and other factors, and conduct benchmarking based on the results of external compensation survey organizations to confirm the appropriateness of compensation amounts.

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 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. [Structure of bonus] 100% (1) Reflection of single-year results (82%) (2) Medium term (18%)	35%	
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.

(3) Structure of 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, 2012 (not to exceed 8 million yen per month; the number of Audit & Supervisory Board members as of the close of this Ordinary General Meeting of Shareholders was five).

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

(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.

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

Category	Total compensation, etc. by type (million yen)				Number of persons to be paid
	Total compensation, etc. (million yen)	Fixed compensation (Monthly compensation)	Performance-linked compensation (Bonuses)	Stock compensation (Transfer-restricted stock)	
Director (of which outside directors)	459 (43)	282 (43)	137 (—)	40 (—)	11 (4)
Audit & Supervisory Board Member (of which outside Audit & Supervisory Board members)	94 (18)	94 (18)	—	—	5 (2)
Total (of which outside officers)	554 (61)	376 (61)	137 (—)	40 (—)	16 (6)

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

A decision is made 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.

Director Skill Matrix (as of September 1, 2021)

Position	Name	Management Advisory Council	Corporate management	Industry knowledge	Governance	Overseas business	R&D	MONOZUKURI (production)	Sales and procurement	Finance	Human Resources	Legal and compliance	Environment and energy
Chairman	Shuhei Toyoda	○	●	●	●	●	●	●	●				
Vice Chairman	Naoki Miyazaki	○	●	●	●	●				●	●	●	●
President	Takeshi Numa	○	●	●	●	●	●	●					●
Director, Operating Officer	Yoshihiro Ito		●	●	●	●			●	●	●		
Director, Operating Officer	Takashi Yamamoto		●	●	●		●	●					●
Outside Director	Takeshi Ogasawara	○	●		●	●				●		●	
Outside Director	Akihiro Koyama	○			●					●		●	
Outside Director	Junko Shiokawa	○			●	●				●		●	
Outside Director	Hiroyuki Ina	○	●	●	●		●	●					

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 2021
Directors	Takeshi Ogasawara	○	Advisor, MUFG Bank, Ltd., business partner of the Company	Mr. Ogasawara was elected as a director because it was deemed that he could reflect his extensive experience and broad insight as a manager in the management of the Company and contribute to the maintenance and strengthening of the Company's corporate governance.	Board of Directors 12/12 meetings
	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 the maintenance 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 the maintenance and strengthening of the Company's corporate governance.	Board of Directors — meetings ²
	Hiroyuki Ina	○	Senior Executive Officer, DENSO Corporation, business partner of the Company	Mr. Ina was elected as a director because it was deemed that he could reflect his many years of experience and broad insight in business management of the electronic components that form the backbone of an automobile and contribute to the maintenance and strengthening of the Company's corporate governance.	Board of Directors 12/12 meetings
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, in the audit system of the Company and contribute to the maintenance and strengthening of the Company's corporate governance.	Board of Directors 12/12 meetings Audit & Supervisory Board 13/13 meetings
	Masakazu Aida	○	—	Mr. Aida was elected as an Audit & Supervisory Board member because he has many years of experience as a manager and it was deemed that he could reflect his extensive experience and the broad insight he has gained in the audit system of the Company and contribute to the maintenance and strengthening of the Company's corporate governance.	Board of Directors 12/12 meetings Audit & Supervisory Board 13/13 meetings

² Director Junko Shiokawa was nominated as an outside director at the 96th Ordinary General Meeting of Shareholders, held on June 11, 2021.

Directors, Audit & Supervisory Board Members and Operating Officers

(As of July 1, 2021)



Directors

9 directors, including 4 outside directors Average age: 64 years old

1 Shuhei Toyoda

Chairman

Term of office as Director:
17 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 and 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)

2 Naoki Miyazaki

Vice Chairman

New
appointmentChief 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
 Jan. 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)
 Vice Chairman, the Company (to present)

3 Takeshi Numa

President

Term of office as Director:
5 yearsChief Executive Officer
Chief Strategy Officer
Chief Quality Officer

Apr. 1981 Joined Toyota Motor Co., Ltd. (now Toyota Motor Corporation (TMC))
 Apr. 2012 Managing Officer, TMC
 Apr. 2016 Vice President, the Company
 June 2016 Executive Vice President, the Company
 Apr. 2018 President, the Company (to present)

4 Yoshihiro Ito

Director, Operating Officer

Term of office as Director:
3 yearsChief Financial Officer
Chief Branding Officer

Apr. 1980 Joined Arakawa Auto Body Co., Ltd. (now Toyota Boshoku Corporation)
 June 2009 Operating Officer, the Company
 June 2010 Managing Officer, the Company and Director and Vice President, Toyota Boshoku America, Inc.
 June 2014 Director serving concurrently as Executive Managing Officer, the Company
 Apr. 2016 Director and Chairman serving concurrently as President, Toyota Boshoku America, Inc.
 June 2016 Executive Managing Officer, the Company
 Apr. 2017 President, Toyota Boshoku America, Inc.
 Apr. 2018 Vice President, the Company
 June 2018 Executive Vice President, the Company
 Apr. 2021 Director, Operating Officer, the Company (to present)

5 Takashi Yamamoto

Director, Operating Officer

Term of office as Director:
1 yearChief Technology Officer
Segment Chief, Seat Business Segment

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)

6 Takeshi Ogasawara

Outside Director

Term of office as Director:
4 years

Apr. 1977 Joined The Tokai Bank, Ltd.
 May 2004 Executive Officer, UFJ Bank, Limited
 June 2004 Executive Director, UFJ Bank, Limited
 Jan. 2006 Executive Officer, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) (now MUFG Bank, Ltd.)
 May 2007 Managing Executive Officer, MUFG Bank, Ltd.
 June 2008 Managing Executive Director, MUFG Bank, Ltd.
 May 2011 Senior Managing Director, MUFG Bank, Ltd.
 June 2012 Deputy President and Representative Director, MUFG Bank, Ltd.
 June 2016 Executive Advisor, MUFG Bank, Ltd.
 June 2017 Director, the Company (to present)
 June 2018 Advisor, MUFG Bank, Ltd. (to present)

7 Akihiro Koyama

Outside Director

Term of office as Director:
3 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)

8 Junko Shiokawa

Outside Director

New
appointment

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) (to present)
 June 2021 Director, the Company (to present)

9 Hiroyuki Ina

Outside Director

Term of office as Director:
2 years

Apr. 1981 Joined Nippondenso Co., Ltd. (now DENSO Corporation)
 June 2009 Executive Director, DENSO Corporation
 June 2015 Senior Executive Director, DENSO Corporation
 Apr. 2019 Senior Executive Officer, DENSO Corporation (to present)
 June 2019 Director, the Company (to present)

Audit & Supervisory Board Members

4 Audit & Supervisory Board members, including 2 outside Audit & Supervisory Board members
Average age: 67 years old**10** Yasushi Minami

Standing Audit & Supervisory Board Member

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

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)

11 Yasuhiro Fueta

Standing Audit & Supervisory Board Member

New
appointment

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)

12 Hiroyuki Yokoyama

Outside Audit & Supervisory Board Member

Term of office as Audit & Supervisory
Board Member: 2 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)

13 Masakazu Aida

Outside Audit & Supervisory Board Member

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

Apr. 1975 Joined Chubu Electric Power Co., Inc.
 July 2007 Managing Executive Officer, Chubu Electric Power Co., Inc.
 June 2009 Director, Senior Managing Executive Officer, Chubu Electric Power Co., Inc.
 June 2011 President, Techno Chubu Co., Ltd.
 June 2018 Audit & Supervisory Board Member, the Company (to present)

Operating Officers

Hiroshi Ioki

Top Plant General Manager
Chief Manufacturing Officer

Shoji Adachi

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

Hiroki Tsunoda

Segment Chief, Asia & Oceania
Region Segment
President, Toyota Boshoku Asia Co., Ltd.

Kazuo Koide

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

Seiji Teraji

Segment Chief, Interior & Exterior
Business Segment
Center Chief, Product Planning and Development Promotion Center

Basic stance

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 its overall promotion system, scope of activities and goals for compliance 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 antitrust laws and anti-bribery measures, 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 executive officers and members. In doing this, we 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 internal whistle-blowing system while promoting continuous improvements to this system. We have also established "Anything Goes Counseling Window" as an internal window and contracted with a law office as an external window for consultation and reporting -a place to discuss and report workplace problems, legal violations, and internal misconduct -which is also available to group companies in Japan. Additionally, we have set up, and are making use of similar window 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.

Strengthening dissemination and practical application of the Code of Conduct

The Toyota Boshoku Group Code of Conduct (see p.06 for details) —the basis of compliance—is distributed to all company members,

Number of consultations from Toyota Boshoku and Domestic subsidiaries

(FY)	2017	2018	2019	2020	2021
Anything Goes Counselling Window¹ (cases)	87	134	152	107	163
Compliance Consultation Window² (cases)	12	9	8	12	9

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, laws and regulations, violations of company rules, and unfair practices

and is covered thoroughly 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 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 is committed to protecting and utilizing it while respecting the intellectual property of others. With regard to filing and obtaining rights for intellectual property, we promote filing of the appropriate volume of applications and holding of the appropriate number of rights while assessing cost-effectiveness.

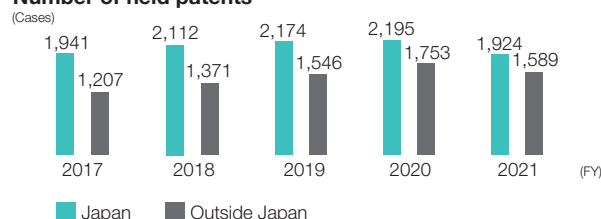
We are also focusing on developing patent guarantee activities to ensure that we do not infringe the patents of other companies. In addition, in order to encourage company members to create intellectual property, we are reforming our remuneration system so that it is appropriate and focuses on fairness, including generous incentives for good inventions.

In fiscal 2020, we started activities to provide the patent analysis information obtained from IP landscape³ to our business segments and employ the information in design, development and review of our direction.

Moving forward, the Toyota Boshoku group will 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. We will also focus on strengthening the intellectual property cooperation system by promoting self-reliance in each of the regions where we have R&D bases, mainly in Japan, but also in the Americas, Asia & Oceania, China, 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.

Number of held patents



Risk Management

Establishing a resilient global management foundation

Basic stance

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

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. Toyota Boshoku strives to prevent and minimize damage by identifying and managing risks in an integrated manner and sharing risks within the Toyota Boshoku group.

In fiscal 2021, we strengthened our risk response to natural disasters by conducting evacuation drills in a manner that avoided the “Three Cs” of virus transmission, by stockpiling masks, operating information tools (including a safety confirmation system), and by developing systems for initial response to coronavirus. Japan has experienced several powerful typhoons in recent years, and with this in mind, we have revised our typhoon response manual to clarify the roles of related functions in the event of a typhoon, and to establish a system that can respond quickly in an emergency. With the introduction of the Chief Officer System in 2021, we have established a new position of Chief Risk Officer (CRO) and a global risk management system for the group centered

on the CRO in order to promote more effective risk management activities.

Initiatives in fiscal 2021

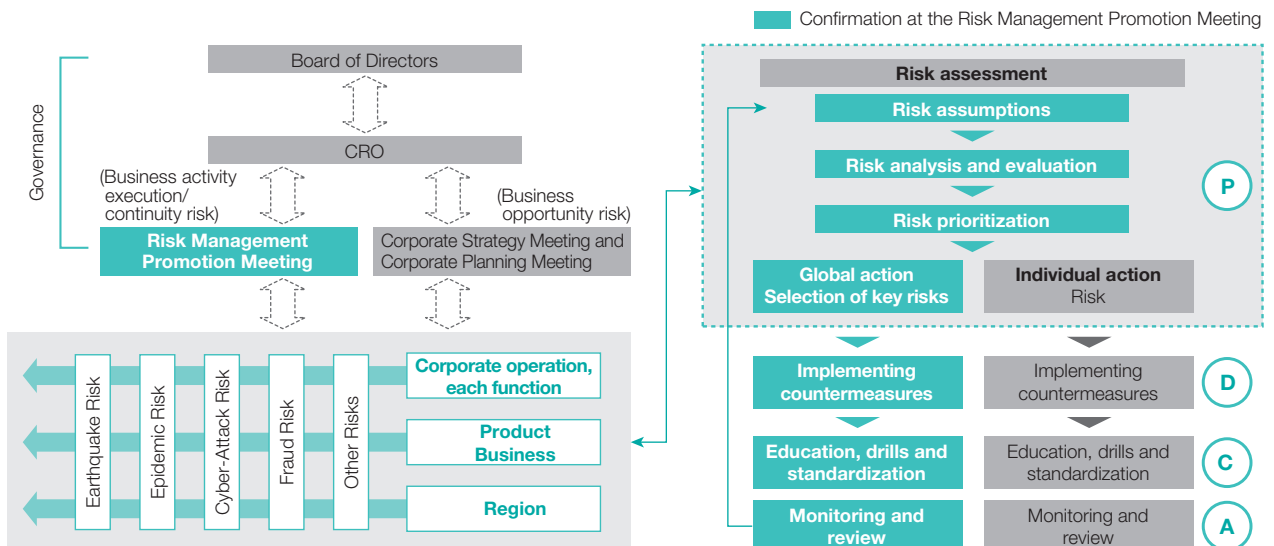
Risks were evaluated on a five-point scale based on factors including their impact on the company and likelihood of occurrence, and group priority risks (earthquakes, epidemics, cyber-attacks, etc.) were selected for group-wide efforts following discussions at the Risk Management Promotion Meeting.

Among these, and also from the perspective of digital transformation (DX), in parallel with strengthening countermeasures against cyber-attacks we reviewed related regulations in accordance with the guidelines and clarified the emergency response system. In addition, education and training was repeatedly conducted to simulate actual cyber-attacks.

As part of preventative measures taken in response to the fund-leakage incident that occurred in Europe in 2019, a recurrence preventative measures committee has been established, with the President taking the position of overall responsibility, and the Segment Chief, Corporate & Profit Management Segment taking responsibility for promotion. Additionally, we have implemented numerous measures, including reviewing our business dealings and workflow, improving system support, building a climate of rules compliance, increasing awareness among company members, engaging in company member training, and sending further emails to all management positions and overseas accounting positions designed to prompt caution.

From 2021, we are working under the supervision of the Risk Management Promotion Meeting to ensure dissemination and establishment of preventive measures, as well as to prevent loss of vigilance about danger over time.

The risk management system, and associated activities



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 re-created our group-wide Information Security Policy from the ground up, 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, based on the All Toyota Security Guideline (ATSG) common to the Toyota Group and other guidelines, the Company and its domestic and overseas consolidated subsidiaries are working to establish internal systems, disseminate rules, provide training, and conduct checks so that the same level of security can be ensured globally. Since the ATSG are reviewed periodically to ensure that they can respond to a rapidly changing environment, the group companies in each region conduct evaluations and measures based on the latest standards.

As a result of workstyle innovation, as well as the effects of the coronavirus pandemic on working environments, work from locations such as company members' homes and from satellite offices has become more widespread. In response to this, we have strengthened the security of our IT environment, updated our confidentiality management regulations and procedures,

and taken measures to prevent leaks of confidential information.

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 DX (Digital Transformation)

In April 2021, we established a new Chief Information System Officer and a new DX & IT Promotion Field to build a DX promotion system and accelerate further digitization and business process innovation.

Major Initiatives

Utilize IT technology globally and across businesses and functions to reform business processes, such as by improving operational quality and shortening lead times.

Make effective investments and optimize core systems in order to strengthen supply chain management, including the foundations of management information, MONOZUKURI, and the implementation of DX in PLM.*

Maintain public trust, as well as build a safe, solid, and sustainable system environment to ensure continuation of our business activities.

* Product Lifecycle Management: unified management of product data throughout its entire life cycle, from planning, to development, production, sales, all the way to eventual disposal.

TOPICS

Toyota Boshoku has developed a partition that can be retrofitted to the driver's seat of vehicles as a splash shield in the passenger cabin, and started full-scale demonstration tests using commercial taxis in April 2021.

The newly developed partition is designed for attachment to the driver's seat. In addition to preventing the dispersion of droplets, attaching a blower fan with a filter to the partition also supplies clean air to the driver's seat. An air shield is

also formed as another measure for reducing the risk of droplet adhesion.

These features were designed based on technology that Toyota Boshoku has cultivated through our experience in the development of human-centered spaces. By retrofitting the partition to the driver's seat of taxis and other shared vehicles, we will provide a comfortable, safe, and reassuring cabin space.

