Value creation story

Realization of our target

Value creation process

Toward realizing our Vision—

The Toyota Boshoku group will enhance its corporate value and contribute to the realization of a sustainable society by leveraging the identity of the Toyota Boshoku group, comprising R&D, MONOZUKURI and HITOZUKURI, to provide the ultimate mobility life in pursuit of safety, the environment and comfort.

Materiality

The approach we adopt to resolve the important issues to be prioritized by the Toyota Boshoku group through our business operations

P.16

Vision

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

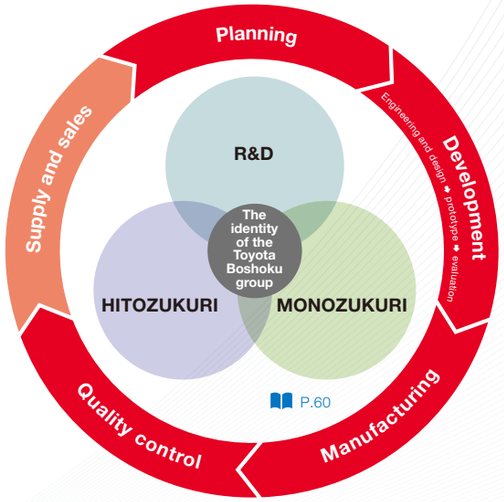
P.8

Management resources

- **Financial capital**
- **Manufacturing capital**
- **Intellectual capital**
- **Human capital**
- **Social and relationship capital**
- **Natural capital**

P.12

Business activities



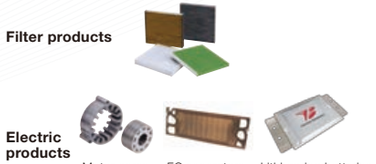
P.60

Mobility interior spaces

Aiming to be the Interior Space Creator

Unit components

Contribution to multi-pathway



P.11

Created value

QUALITY OF TIME AND SPACE

To have all stakeholders feel, **"I like Toyota Boshoku"**

P.36

Principles of Toyoda

Business and products

Products that provide the ultimate mobility life for customers around the world

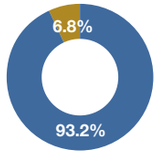
Toyota Boshoku group has delivered a variety of products that realize enriched and higher-quality time and space to people in the mobility society in order to generate excellent quality and new value.

Revenue (FY2025)
1,954.2 billion yen

Operating profit (FY2025)
42.3 billion yen

Share of revenue

Unit components

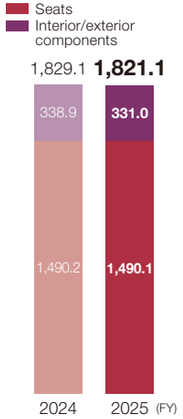


Mobility interior spaces

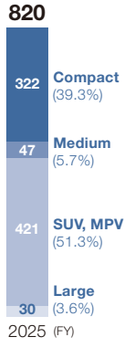
Mobility interior spaces

Making it possible for people around the world to spend precious time with their family, friends, and loved ones in automobiles, aircraft and other mobility interior spaces, in even greater comfort.
As the Interior Space Creator which plans and develops the entire mobility interior space, we aim to provide a comfortable and appealing space value that is one step ahead of the times, transcending the boundaries of individual products such as seats, interiors, and exteriors.

Revenue by product
(billion yen)



Automobile seat production volume and model mix
(10,000 units)



Product lineup

Automobile seats

Seats
Seat frames & devices

Executive lounge seats

Non-automobile seats

Railway seats
(Photo provided by East Japan Railway Company)

Aircraft seats

Interior components

Interior system

Headliners

Exterior components

Bumpers

Fender liners

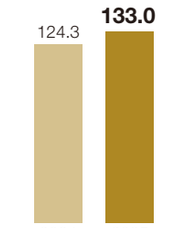
Others (Textile components)

Seat fabrics

Unit components

Supporting smooth and stable driving in any kind of harsh environment: we are researching and developing filter products that maximize engine performance, as well as next-generation technologies such as motor cores and FC separators.
Based on our multi-pathway strategy, which addresses electrification, hydrogen, and internal combustion engines, we are contributing to the realization of clean and comfortable mobility interior spaces through the advancement of next-generation powertrain components.

Revenue by product
(billion yen)



Product lineup

Filter & powertrain (FPT) products*
* For internal combustion engines

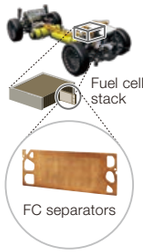
Filter products

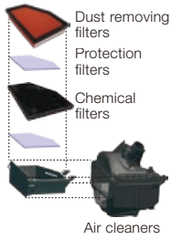
Air filters

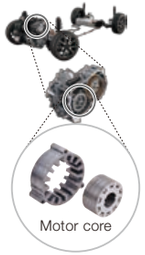
Plastic parts for Internal Combustion Engine (ICE)

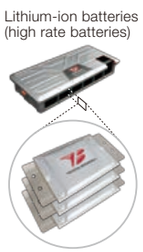
Air induction systems

Electric products
For FCEV (Fuel Cell Electric Vehicle), HEV (Hybrid Electric Vehicle), BEV (Battery Electric Vehicle)









Management resources and strengthening them

Management resources	Reason for emphasizing	Enhancement measures (●) / Challenges (▲)
Financial capital	We will achieve sustainable growth by maximizing cash flow and executing optimal allocation, while maintaining a sound financial base.	● Secure solid returns on growth/strategic investments ● Maximize operating cash flow, including asset efficiency ● Hold constructive dialogue with shareholders and investors ▲ Increase capital efficiency and strengthen financial health in tandem
Manufacturing capital	We are pursuing high-quality manufacturing with the world as our stage. In order to produce and deliver the optimum products at the optimum time in each region, we will strengthen MONOZUKURI competitiveness by taking an integrated approach, all the way from planning, engineering and design through to manufacturing and logistics.	● Establish a competitive next-generation manufacturing system ● Realize on-site capability for continuous improvement ▲ Combine the skills of craftspeople with insourced technology ▲ Realize next-generation logistics throughout the supply chain
Intellectual capital	We have challenged the approach to R&D, driven by an insatiable curiosity and inquisitiveness ahead of the times. We will offer “QUALITY OF TIME AND SPACE” in all forms of mobility while drawing on our accumulated knowledge and expertise.	● Strengthen our planning/proposal and R&D capability for the entire mobility interior space ● Promote intellectual property strategies that contribute to technology strategies focused on Interior Space Creator, multi-pathway, and new business creation ▲ Respond rapidly to multi-pathway and carbon neutrality in anticipation of future changes ▲ Secure control and software engineers
Human capital	For the Toyota Boshoku group, as we expand our sites around the world, human resource strategy is one of the most important management issues in securing, assigning, and developing human resources for realizing a growth strategy. We will strengthen the development and utilization of human resources at the global level.	● Develop people and environments where we can continue to generate new value and ideas ● Promote the success of diverse human resources and support their growth ● Pursue ease of working ▲ Accelerate the appointment of local personnel to key posts
Social and relationship capital	The Toyota Boshoku group’s business activities are built on cooperation with a wide variety of stakeholders. We believe that by building good relationships with stakeholders, we can improve our competitiveness and create new business opportunities. In the spirit of co-existence and co-prosperity, we aim to grow together with our stakeholders.	● Co-create value through collaboration with startup companies, industry, government, and academia using Corporate Venture Capital (CVC) ▲ Secure MONOZUKURI competitiveness throughout the supply chain and realize next-generation logistics in the entire supply chain ▲ Provide feedback to management through active dialogue with stakeholders
Natural capital	Our social life and economic activities depend on the many blessings (ecosystem services) provided by nature. We are working together to address environmental issues through our business activities and contribute to the realization of a sustainable society.	● Shift to mono-materials through simplification of materials and introduction of alternative materials in product design ● Increase the ratio of renewable energy and introduce energy-saving items ▲ Visualize and reduce GHG emissions (Scope 1, 2 and 3) throughout the product life cycle ▲ Reduce water withdrawal, taking into account the water resource situation in each country and region

Management resources and strengthening them

Management resources	Capital invested			Major achievements and external evaluations	
	INPUT			**OUTPUT**	
Financial capital	**Equity capital (equity attributable to owners of the parent) at beginning of period** 449.5 billion yen	**Operating cash flow** 121.8 billion yen	**Cash and cash equivalents at beginning of period** 244.1 billion yen	**Operating profit ratio**	2.2 %[2]
				Dividend on equity (DOE)	3.4 %
				Equity ratio (Ratio of equity attributable to owners of the parent)	40.9 %
				ROE	3.7 %[2]
				Market share	Seats: No. 3 in the world / Door trims: No. 2 in the world
Manufacturing capital	**Number of production sites** 119 sites	**Capital investment** 78.1 billion yen	**Inventory turnover (raw materials, work in progress, finished products)** 7.1 days	**Rate of new product development leading to Interior Space Creator**	15 %
				Number of external presentations and papers	93 /year
				Number of patent applications	371 /year
Intellectual capital	**Number of R&D bases** 12 bases	**R&D expenses** 55.1 billion yen	**Number of patents held** 4,244	**Ratio of men taking childcare leave**	69 %
				Paid holiday utilization rate	96.5 %
				Employee engagement positive response rate	51 %
Human capital	**Number of consolidated group members worldwide** 45,004[1]	**Proportion of company members working in regions outside Japan** 68.5%	**Overall cost of development training** 2.0 billion yen	**Total number of participants in social contribution activities**	3,085 /year
				Total number of suppliers participating in supply chain MONOZUKURI improvement activities	2,539 /year
Social and relationship capital	**Global footprint** 23 countries and regions	**CVC investment amount (number of investments)** 1.4 billion yen (17 investments)	**Number of investors and analysts meetings** 156 times in FY2025	**GHG emissions (Scope 1 and Scope 2)**	207,771 t-CO_2e
				Amount of waste	28,392 t
Natural capital	**Total energy consumption** 3,130,072 GJ	**Water withdrawal** 3,012 thousand m^3		**Renewable energy installation ratio**	46 %

As of March 31, 2025 (including fiscal 2025 results)
1 Excluding temporary company members

2 Impact of impairment loss

Co-creation with stakeholders

Society | Customers | Company members | Business partners

Examples of co-creation	Stakeholders involved
R&D Co-creating development of materials and technologies with diverse partners to realize next-generation mobility and carbon neutrality In collaboration with a diverse range of partners, including automakers, universities, and startups, we are developing new materials and technologies that contribute to reducing our environmental impact and enhancing comfort. In joint research with universities, the development of plant-based resin materials is progressing, and it is hoped they will help to reduce CO_2 emissions in comparison to petroleum-based materials while maintaining performance as interior components. In addition, the realization of a comfortable automobile interior space and the use of biometric sensing technology are also advancing. Through corporate venture capital (CVC), we work with startups to implement innovative technologies in society, such as technology for converting human senses into data and technology for experiencing the mobility interior space using extended reality (XR). Such co-creation is not limited to mere technological development, but also serves as the foundation for new value creation.	Startup companies Universities and research institutions Automakers R&D divisions / Purchasing divisions Suppliers / Chemical manufacturers
Manufacturing Enhancing production efficiency in smart factories using AI and IoT through collaboration between the site of operations and technology divisions We are promoting a shift to smart factories that utilize AI and IoT, collaborating with technology divisions, equipment manufacturers, and suppliers, in addition to drawing on proposals from company members. For example, on automated assembly lines using collaborative robots, we have introduced automatic inspection systems that use image recognition, and systems that visualize the operating status of equipment in real time. Through human–robot collaboration, we are aiming to enhance safety, productivity and quality in an integrated manner. This also promotes a reduction in the workload at the site of operations and the transfer of skills. Through improvement activities carried out with suppliers, we are also working to conserve energy, promoting a reduction in electricity consumption.	Environmental organizations and certification bodies Production engineering divisions Manufacturing divisions DX divisions / Quality divisions Suppliers / Equipment manufacturers
Supply and installation JIT supply and reduced environmental impact through collaboration with logistics and manufacturing sites We work with DX divisions, suppliers, logistics companies, and automakers to achieve both just-in-time (JIT) supply and environmental soundness. By delivering the necessary parts at the right time, we are able to streamline production and reduce inventories. We are also using AI-based logistics optimization in order to improve the efficiency of delivery routes. As a result, we have reduced CO_2 emissions during transport. We are also contributing to waste reduction by promoting simplification and reuse of product packaging. We aim to reduce our environmental impact throughout the supply chain, and are working to realize sustainable manufacturing.	Automakers Purchasing divisions / DX divisions Production management divisions / Logistics divisions Suppliers / Logistics companies

Use

Disposal and recycling

Examples of co-creation	Stakeholders involved

Providing products that contribute to comfort and safety through co-creation with automakers

We are promoting product development from the user's perspective in cooperation with stakeholders, including automakers. Aiming to improve customer comfort and safety, our seats are designed to provide precise support for the occupant's posture. This maintains comfort even after long hours of driving and also helps to improve driver concentration. Furthermore, occupant protection performance is enhanced through a safety design that takes into account impact mitigation in the event of an accident and coordination with airbags. We aim to provide products that exceed expectations by proposing the optimal products for different vehicle models and market needs.

- Local governments
- End-users
- Automakers
- R&D divisions
- Quality divisions
- Sales companies

Promoting a recycling-based society and resource reuse in cooperation with local governments and NGOs

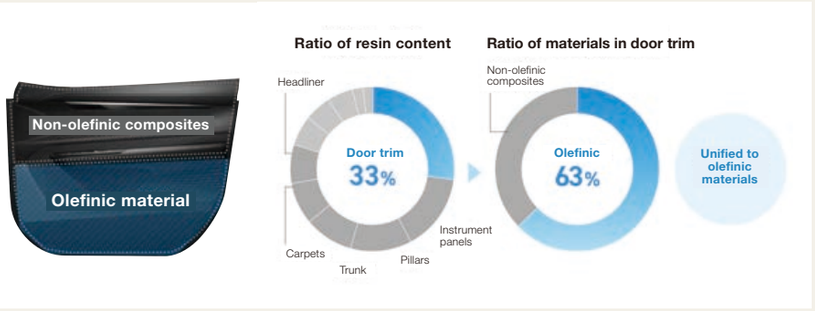
We are promoting highly recyclable designs in cooperation with local governments and NGOs, aimed at the collection and recycling of used products at the disposal stage. For example, by separating and reprocessing urethane materials from used car seats, and then reusing them as new interior components, waste is reduced. In addition, the promotion of easy-disassembly designs and a shift to the use of single materials have improved recycling efficiency. These initiatives have resulted in the effective use of resources as well as a reduction in raw material costs. We plan to expand these initiatives in the future as part of our efforts toward realizing a recycling-based society.

- Government and local government
- NGOs and environmental organizations
- R&D divisions
- Environmental divisions
- Automobile recycling industries
- Materials recycling companies
- Industrial waste processing companies

Practical case study: Development of mono-material door trims

Toward sustainable manufacturing through a shift to mono-materials

Currently, approximately 80% of all automobiles (by gross weight) are recycled, but insufficient progress in the recycling of interior parts poses a challenge. This is because interior components are made up of several different materials, complicating the process of sorting and collecting them. Among interior resin parts, which weigh approximately 30 kg per vehicle, at Toyota Boshoku we have focused on door trims, which use a particularly large amount of resin, and have developed mono-material door trims composed entirely of olefin materials. By transitioning to the use of single materials while maintaining performance and design, we are improving the efficiency of disassembly work and are also contributing to the reduction of CO_2 emissions during recycling.



Materiality

Materiality	The meaning and concepts of materiality	Related SDGs
Issues relating to safety, environment, and comfort to resolve through our business operations		
1 As the Interior Space Creator, we will contribute to people's quality of life, creating comfort, safety, and reassurance through innovation Comfortable spaces / Promotion of innovation	Toyota Boshoku group has consistently developed its operations "for the world and for people," expanding from textiles into automotive parts and contributing to the enhancement of safety and reassurance in people's daily lives. We are evolving into the Interior Space Creator, providing products and services such as those employing sensor-based biometric information to achieve comfort, which means enabling people to live with confidence while staying true to themselves (realization of smart cities).	
2 Using our established technical capability, we will contribute to realize a society with no traffic casualties through providing products that assure safety Product safety / Reduction of traffic accidents / Aging society	To contribute to the ambitious target of a society of "zero traffic casualties," we will continue to offer high-quality, high-safety products (integrated seats, seatbelts, airbags, and other such products) and services that optimize Toyota Boshoku's strengths in R&D that is part of Toyota Boshoku's identity.	
3 Together with our business partners, we will realize MONOZUKURI innovations that minimize environmental stress Reduction of environmental loads / Productivity improvement / Climate change / Energy and resource conservation / Cooperation with business partners	Aiming for a sustainable global environment in which children can live happily with smiles on their faces, we will make effective use of business resources and achieve the Challenge 6 goals in our 2050 Environmental Vision. To accomplish this, we will work with our business partners to realize innovation and improve productivity in MONOZUKURI (and all manufacturing-related processes), utilizing the latest leading-edge technologies, while promoting initiatives focusing on the three priority areas of global warming prevention, resource circulation, and co-existence with nature.	
Issues relating to the people and organizations that are our sources for exercising competitiveness		
4 We will develop people capable of contributing to society, who have diverse values, a challenging spirit and understand the value of strong teamwork Ensuring diversity / Workstyle innovation / Respect for human rights / Company-member health and work safety	To continue challenging ourselves to find solutions for the world's problems, we will develop autonomous human resources by bringing together talented individuals from around the world, who understand different ideas and ways of thinking, respect one another, and think together.	
5 We will continue to be a company of integrity trusted by all our stakeholders, inheriting our tradition of fairness and moral behavior to the next generation Governance / Compliance / Strengthened information security / Fair and equitable procurement	To continue being a company that is trusted by all stakeholders and grows together with them, we will continue to practice "ensuring that our corporate activities are fair and transparent," as enshrined in our Corporate Philosophy and the Principles of Toyoda that embody the concepts of Sakichi Toyoda, while "doing what is right" as laid down in the TB Way.	

Materiality

In July 2020, we defined as our materiality the identification of important issues to be prioritized through our business operations from among a variety of social issues and the approach we adopt to resolve them.

Approach to materiality formulation

From April 2019 to July 2020, we made a company-wide effort to identify important issues and formulated our materiality in six steps (see next page).

The important issues identified were classified into those that “maximize the positive effects,” which enrich people and their lives, and those that “minimize the negative effects,” which avoid risk. They were then organized into “issues relating to safety, environment, and comfort to resolve through our business operations,” and “issues relating to the people and organizations that are our sources for exercising competitiveness.” The materiality of the Toyota Boshoku group was determined by adding the approach we adopt to resolve each issue.

As part of a series of processes, the management team and next-generation leaders, together with the Global Management Strategy Division (now the Corporate Planning Division), the lead division, held a total of 27 consultations, after which the Board of Directors decided on the materiality.

Subsequently, in addition to the financial targets for measuring economic value set out in the 2025 Mid-term Business Plan, in December 2021 we established ESG KPIs—one of several types of non-financial KPIs that measure social value—to realize our materiality.

Approach to the formulation of ESG KPIs

- Organization from an ESG standpoint
- In line with the Toyota Boshoku Group Sustainability Policy
- Progress toward materiality can be measured
- In line with the Corporate Governance Code
- Respond to the demands of society

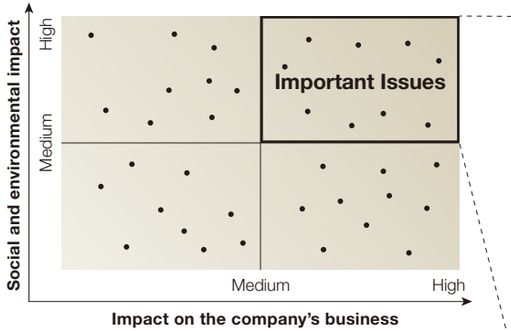
Management of materiality progress

At the CSV Promotion Meeting (Chairperson: CSO (Chief Strategy Officer) in charge of the Corporate Planning Segment), which is held twice a year, issues and the direction to take for enhancing corporate value based on our approach to CSV are reported and deliberated on, and consideration is also given to reviewing materiality itself in response to changes in the environment. Progress on the ESG KPIs, which manage progress on materiality, are also checked at the CSV Promotion Meeting, and the degree of achievement is followed up along with materiality. We also reviewed the ESG KPIs in conjunction with the formulation of the 2030 Mid-term Business Plan.

Plotting of social issues and extraction of important issues

E Environment S Social G Governance

＋ Matters for which positive effects are to be maximized − Matters for which negative effects are to be minimized



Issues to Resolve through Our Business Operations (E S)

Issues Relating to Sources for Exercising Competitiveness (S G)

Safety	Environment	Comfort
1. Product safety ＋	4. Reduction of environmental loads −	9. Comfortable spaces ＋
2. Reduction of traffic accidents −	5. Improve productivity ＋	10. Promotion of innovation ＋
3. Aging society −	6. Climate change −	
	7. Energy and resource conservation −	
	8. Cooperation with business partners ＋	

People	Organization
11. Ensuring diversity ＋	15. Compliance −
12. Workstyle innovation ＋	16. Governance −
13. Respect for human rights ＋	17. Strengthened information security −
14. Company-member health and work safety −	18. Fair and equitable procurement ＋

Toyota Boshoku Group’s Materiality

Materiality formulation process

		Participants		
		Company Members	External Stakeholders	Directors/ Officers
STEP 0	**Comprehensive activities for CSR, CSV, ESG, SDGs, etc.** ● **Lecture for officers and division general managers** In addition to the regular members of the CSR Promotion Meeting (now the CSV Promotion Meeting), officers and relevant division general managers involved in the formulation of the 2025 Mid-term Business Plan attended the meeting to deepen their understanding of CSV management. ● **Lecture on SDGs for officers, entity top management, and next-generation leaders** Held as part of the "Global Week" program, where officers, entity top management and next-generation leaders of the Toyota Boshoku group gathered to discuss the future of the group and how to realize it, deepening understanding of the SDGs. ● **SDGs card game and discussions on social issues (41 next-generation leaders from 13 countries participated)** A card game format was used to deepen understanding of the SDGs and social issues. Subsequently, discussions were held on social issues surrounding the Toyota Boshoku group as well as management issues, based on important concepts for the company included in our philosophy.	✓		✓
STEP 1	**Understanding social issues** ● **Clarification of SDGs and other social issues** As well as the SDGs, identifying more than 100 social issues by focusing also on social issues in the countries and regions in which the Toyota Boshoku group operates. ● **Verification of social issues where we are already making contributions** Creating a life cycle value chain map of the Toyota Boshoku group's business, and organizing contributions to resolving social issues that have already been implemented from both positive (opportunities) and negative (risks) perspectives.	✓		
STEP 2	**Extraction of social issues** ● **Verification of social issues to be tackled as the company's philosophy** Re-affirming and understanding the meaning embedded in our philosophy, and confirming whether resolution of the social issues identified is consistent with the philosophy. ● **Verification of social issues that can be resolved by maximizing the company's strengths** Confirming whether the issues can be solved by leveraging the identity of the Toyota Boshoku group: R&D, MONOZUKURI, and HITOZUKURI. ● **Discussions by the Materiality working group**: 10 sessions (17 participants)	✓		

		Participants		
		Company Members	External Stakeholders	Directors/ Officers
STEP 3	**Verification of stakeholder expectations** ● **Investor interviews**: 3 times (7 participants from 3 companies) ● **Survey of company members**: 1 time (covering 260 people) ● **Verification of management issues**: Based on the results of the above interviews and questionnaires, confirm consistency with internal policy.	✓	✓	✓
STEP 4	**Plotting of social issues and extraction of important issues** ● **Organization of social issues and identification of important issues to prioritize** Verification from the perspectives of "social and environmental impact" and "impact on the company's business," and identification of important issues to prioritize. ● **Formulation of five aspects of materiality in alignment with the company's Vision** Identifying five materiality issues, organized into two categories: "issues relating to safety, environment, and comfort to resolve through our business operations" and "issues relating to the people and organizations that are our sources for exercising competitiveness."	✓		
STEP 5	**Verification of validity** ● **Discussion in a CSV Promotion Meeting** In February 2020, an extraordinary CSR Promotion Meeting (now the CSV Promotion Meeting) was held to discuss the composition and wording of (expressions used in) our materiality. In order to deepen company members' understanding of our materiality, it was decided to compile the reasons for selecting this text as "Meaning and Concepts." ● **Discussions with outside directors and outside Audit & Supervisory Board members** Two briefings were held for outside officers (in April and July 2020). Based on the points raised, the positioning of materiality in management was clarified, and the management system was organized as "Management Concept."	✓		✓
STEP 6	**Decision on materiality** ● Toyota Boshoku Group's Materiality was finalized at the Board of Directors meeting in July 2020.			✓
STEP 7	**Establishment of ESG KPIs** ● We established ESG KPIs to measure social value. The goal is to achieve them with a view to realizing our materiality.	✓		✓

Value provision case study 1

Heat management technology achieving both cabin comfort and reduced environmental impact

Related materiality

1 As the Interior Space Creator, we will contribute to people's quality of life, creating comfort, safety, and reassurance through innovation

Comfortable spaces | Promotion of innovation

3 Together with our business partners, we will realize MONOZUKURI innovations that minimize environmental stress

Reduction of environmental loads | Productivity improvement | Climate change | Energy and resource conservation | Cooperation with business partners

Lowering energy consumption while pursuing comfort, through reduced heat accumulation in the cabin and direct heating/cooling control

What kinds of initiatives?

The cabin temperature rises rapidly when exposed to direct sunlight. For example, on a day when the outside temperature is 35°C, with the air conditioning turned off, the temperature inside the vehicle can exceed 50°C in just one hour, and the dashboard can reach 70°C. In addition, a lot of energy is needed to reduce the heat accumulated inside the vehicle. The Toyota Boshoku group combines technologies cultivated through the development of seats and interior products to create a comfortable automobile interior space while contributing to improved energy efficiency.

Key points of value provision

Technology that realizes comfort

Heat-shielding fabric inspired by silver ants
Far-infrared reflective headliner
Thermal comfort seat

Reduced environmental impact

Suppressed rise in temperature
Improved energy efficiency

① Heat-shielding fabric inspired by silver ants

Technology A fabric that suppresses increased temperature in vehicle interior parts. It mimics the body hair structure of the desert-dwelling silver ant, which reflects sunlight and suppresses a rise in body temperature.

Benefits Reduction of up to 20°C[1]

1 Test results under simulated conditions

② Far-infrared reflective headliner

Technology When the roof panel is heated by solar radiation, far-infrared rays (radiant heat) are emitted. This radiant heat is reflected by the reflective layer on the headliner, thereby suppressing a temperature rise in the headliner material and preventing heat from entering the vehicle interior.

Benefits 2.5°C reduction[2]

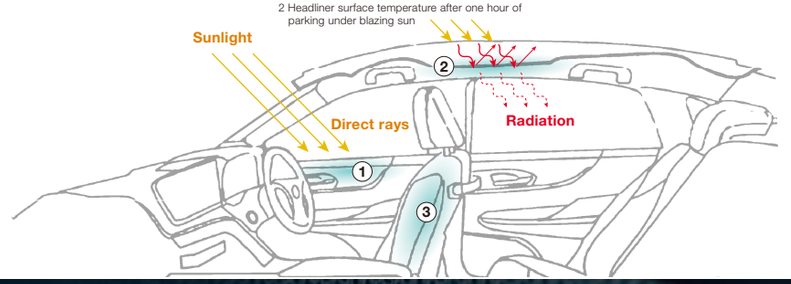
2 Headliner surface temperature after one hour of parking under blazing sun

③ Thermal comfort seat

Technology Human-centered direct heating/air conditioning with seat heater and seat ventilation system

Benefits Increased/decreased contact area between the occupant's back and the seat through pneumatics,[3] for enhanced warm and cool sensations

3 Utilizing air pressure



Value provision case study 2

Providing comfortable, safe, and reassuring products through an integral evaluation of the occupant and car

Related materiality

1 As the Interior Space Creator, we will contribute to people's quality of life, creating comfort, safety, and reassurance through innovation
Comfortable spaces
Promotion of innovation

2 Using our established technical capability, we will contribute to realize a society with no traffic casualties through providing products that assure safety
Product safety
Aging society
Reduction of traffic accidents

3 Together with our business partners, we will realize MONOZUKURI innovations that minimize environmental stress
Reduction of environmental loads
Productivity improvement
Climate change
Energy and resource conservation
Cooperation with business partners

Pursuing the ultimate in ride quality through vehicle evaluations and full use of simulations

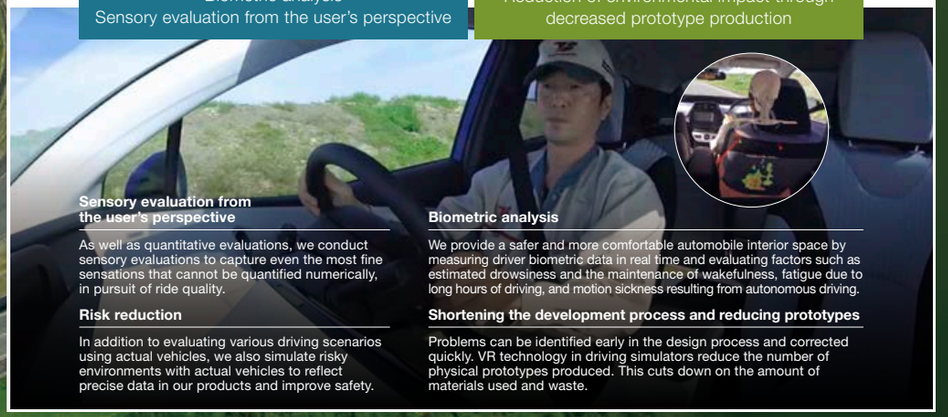
What kinds of initiatives?

The Tajimi Technical Center Proving Ground is equipped with a variety of driving scenarios to conduct vehicle assessments that envisage actual usage environments, including high-speed corners, hairpin curves, undulations and rough roads in addition to a 670-meter straight road. We are also committed to developing test drivers, with approximately 80% of the Evaluation Division personnel holding a specialist driving qualification. Approximately 5,000 technicians use this proving ground annually to improve performance and development on a daily basis. For evaluation and verification of our developed products, we introduced a driving simulator featuring a 360-degree virtual space. Weather and road surface conditions can be freely reproduced, enabling verification in an environment close to that of the actual vehicle. We aim to enhance dynamic ride quality performance by pursuing a driving feel in which the car and occupants become one, through accurate evaluations from the perspectives of both the mobility company and user.

Key points of value provision

Designing for both maximum safety and user comfort
Risk reduction
Biometric analysis
Sensory evaluation from the user's perspective

Accelerated development and environmental considerations
Shortening of the development process
Reduction of environmental impact through decreased prototype production



Sensory evaluation from the user's perspective
As well as quantitative evaluations, we conduct sensory evaluations to capture even the most fine sensations that cannot be quantified numerically, in pursuit of ride quality.

Risk reduction
In addition to evaluating various driving scenarios using actual vehicles, we also simulate risky environments with actual vehicles to reflect precise data in our products and improve safety.

Biometric analysis
We provide a safer and more comfortable automobile interior space by measuring driver biometric data in real time and evaluating factors such as estimated drowsiness and the maintenance of wakefulness, fatigue due to long hours of driving, and motion sickness resulting from autonomous driving.

Shortening the development process and reducing prototypes
Problems can be identified early in the design process and corrected quickly. VR technology in driving simulators reduce the number of physical prototypes produced. This cuts down on the amount of materials used and waste.

Value provision case study 3

A hydrogen power system that can be installed in compact mobility

Related materiality

1 As the Interior Space Creator, we will contribute to people's quality of life, creating comfort, safety, and reassurance through innovation
Comfortable spaces | Promotion of innovation

3 Together with our business partners, we will realize MONOZUKURI innovations that minimize environmental stress
Reduction of environmental loads | Productivity improvement | Climate change | Energy and resource conservation | Cooperation with business partners

Realizing a hydrogen society by utilizing our core high-precision stamping technologies

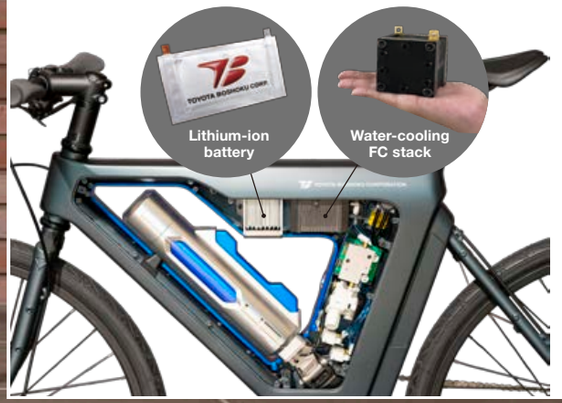
What kinds of initiatives?

Hydrogen energy is attracting global attention as a way to achieve carbon neutrality. The Toyota Boshoku group has developed the Hydrogen Power System, a compact hydrogen power generation system, by combining the production technology and expertise we have built up over many years. The system can be operated in compact mobility equipment and provides a clean means of transportation without any CO_2 emissions. Furthermore, it is equipped with a high-performance air filter that collects NOx (nitrogen oxides) and SOx (sulfur oxides) from the atmosphere. As well as a reduced environmental impact, it also contributes to improved air quality by emitting cleaner air. We will promote further utilization of hydrogen energy by deploying it in sharing services and 'last-mile mobility,' which are expected to become increasingly popular in the future.

Key points of value provision

Technology that combines our strengths
Application of our precision stamping, resin molding, and hydrogen technologies

Safety and environmental considerations
A compact, low-pressure, safe hydrogen power generation unit



Application of our precision stamping, resin molding, and hydrogen technologies

Developed small water-cooled fuel cells through innovations in the forming and shape of the FC separator, manufactured using our proprietary method and molding technology.

A compact, low-pressure, safe hydrogen power generation unit

As it is low-pressure (less than 1 MPa), no handling license is required, it is easy to handle, and can be mounted on electric bicycles and other forms of mobility.

Team Breakthrough
Hydrogen-based fuel supply system contributes to carbon neutrality
https://www.toyota-boshoku.com/global/teambreakthrough/technology/007/

Value provision case study 4

Aggregating data at the Global Maintenance Center for task visualization, fault analysis, and predictive maintenance

Related materiality

1 As the Interior Space Creator, we will contribute to people's quality of life, creating comfort, safety, and reassurance through innovation
Comfortable spaces | Promotion of innovation

3 Together with our business partners, we will realize MONOZUKURI innovations that minimize environmental stress
Reduction of environmental loads | Productivity improvement | Climate change | Energy and resource conservation | Cooperation with business partners

Using digital technology to display maintenance personnel assignments and tasks in real time

What kinds of initiatives?

In anticipation of a declining workforce in the future, securing maintenance personnel has become a challenge. To prevent breakdowns and promote efficient operations, we established a Global Maintenance Center at the Sanage Plant in April 2024 and commenced full-scale operation in fiscal 2026. More than 10 monitors are lined up to display equipment failures and recovery status in real time. In addition, support can be enhanced by visualizing the progress of tasks and optimizing staffing levels. All analysis monitors and company cell phone maintenance apps have been developed by young maintenance personnel, and we are also committed to developing digitally savvy human resources for the future, with plans to roll out this initiative to other plants in Japan.

Key points of value provision

Smart maintenance
Streamlining of maintenance work, such as inspection and repair of production facilities, using digital technology
Prevention of breakdowns before they occur

Raising productivity
Reduction of equipment failures and variability
Reduction of late delivery risk
Ability to make data-driven proposals