Q1

What kind of value does Toyota Boshoku provide?



Section 1

Toyota Boshoku's beginnings and future

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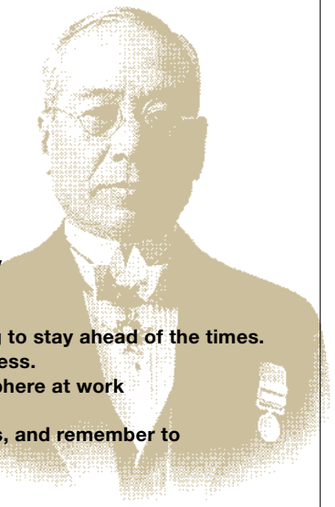
Vision spun from the Principles of Toyoda

Inheriting our founding spirit of for the world and for people

Sakichi Toyoda, the founder of the Toyota Group and also the founder of Toyoda Boshoku (the forerunner to Toyota Boshoku), driven by a desire to help others and serve his country, achieved business growth by contributing to society through invention, tapping into one's own wisdom to create something new. This can be seen as the starting point for value creation, balancing the solving of social issues with business growth. Sakichi Toyoda's research, creativity, and warm family-oriented approach, features which were ahead of their time, have been passed down to his successors and disseminated as the Principles of Toyoda. While cherishing this aspiration, which has been handed down to us for over 100 years, we have clearly set out our management beliefs, values, and behavioral principles as the TB Way. In putting this into practice, we are striving to become a company that continues to be needed by society, by working earnestly to resolve social issues.

In the automotive industry, the very value of mobility is being redefined due to advances in electrification and softwarization. Amid this changing environment, the Toyota Boshoku group has established a Vision, which sets out the company we aim to become and advocates, "looking into the future, we will create tomorrow's mobility interior space that will inspire our customers the world over."

With our sights set on the future, the Toyota Boshoku group aims to provide "QUALITY OF TIME AND SPACE" in all forms of mobility, bringing value to the interior space and the time spent there, while responding flexibly to the evolution of mobility and changes in values.



Principles of Toyoda

Handing down the spirit of Sakichi Toyoda (established in 1935)

- **Always be faithful to your duties, thereby contributing to the company and to the overall good.**
- **Always be studious and creative, striving to stay ahead of the times.**
- **Always be practical and avoid frivolousness.**
- **Always strive to build a homelike atmosphere at work that is warm and friendly.**
- **Always have respect for spiritual matters, and remember to be grateful at all times.**

TB Way

We contribute to society by developing leading-edge technologies and manufacturing high-quality products.

1. We meet challenges with courage and creativity, to realize our dreams.
2. We carry out kaizen continuously, aiming to achieve higher goals.
3. We practice *genchi-genbutsu* by going to the source to analyze problems and find their root causes.
4. Once a decision is made, we move quickly to carry out the plan, with passion and a sense of mission.
5. We seek to do our best, act professionally and take responsibility for our actions.
6. We respect the values of other cultures and accept differences, with an open mind and a global perspective.
7. As a good corporate citizen, we do what is right and contribute to society.
8. We respect the individual and use teamwork to produce the best result.

Vision

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

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Philosophy



Our origins

From textiles to seats, and on to the entire mobility space: a solid foundation and journey of growth

Toyota Boshoku has made key decisions and transformed its business in response to changing times. Our founding spirit "for the world and for people" guides our principles of creating human-centered products and running a people-focused business. We remain committed to providing rich, high-quality mobility interior spaces for the future.

1926 Established Toyoda Automatic Loom Works, Ltd.
1937 Established Toyota Motor Co., Ltd.
1943 Absorption merger
1950 Separation and independence
Toyoda Boshoku Corporation 1918
Toyoda Boshoku Corporation 1967
Merger with Araco Corporation and Takanichi Co., Ltd.
Toyota Boshoku Corporation 2004
2015
2026
2030

Roots in Textiles



Founding

Sakichi Toyoda established Toyoda Boshoku on his belief that independently producing high-quality yarn was essential to the development of the automatic loom industry. He grew the company into a comprehensive textile and weaving operation, handling everything from cotton spinning to woven fabric production.

Focus shift and strengthening of the automotive components business



Transformation

While proud of its textile origins, the company responded to the industry's decline by shifting focus to automotive components production.

Expanding business fields

Strengthening of advanced development capabilities



Evolution

The merger with Araco and Takanichi formed a truly global system supplier with a competitive structure for supplying complete interior components, including seats and door trims.

Transforming for the future as an interior system supplier



Reinvention

Amid the automotive industry's once-in-a-century paradigm shift, the company began consolidating its seat frame mechanism components business and strengthening the integrated development and production system to reinvent itself for the future.

Becoming a comprehensive Interior Space Creator that plans and proposes entire mobility interior spaces

Applying our spirit from our origin in textile manufacturing to all aspects of materials, design, and space creation technologies to propose innovative "mobility interior space concepts" encompassing seats and all interior components.

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Our history



Business model

A growth business model that strategically allocates generated cash

**Toyota Boshoku group is a global automotive parts manufacturer specializing in seats, interior and exterior products, and filters.
We provide end-to-end services —from planning to development, manufacturing, and supply—for automakers inside and outside Japan, including Toyota Motor Corporation.
We work closely with our customers to provide products tailored to their specific needs and deliver safe, environmentally friendly, and comfortable mobility interior spaces to customers worldwide.**

Global operations

23 countries and regions

90 sites

Revenue

2,037.0 billion yen

Mobility interior space
1,876.9
Seat products, interior/exterior products

By product (billion yen)

Unit components
160.0
Filter & Power Train (FPT) products, electric products

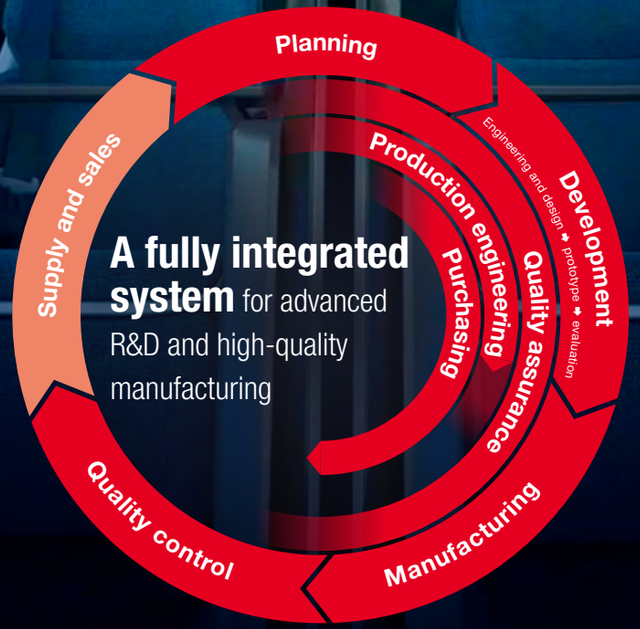
Global market share of automobile seats

No. 3

10% (Revenue basis)

Source: Toyota Boshoku calculation based on S&P Global Mobility data

As of March 31, 2026 (including fiscal 2026 results)



From compact to luxury automobiles. As well as sedans and minivans.

We develop solutions concurrently for a wide range of vehicle models, and propose the optimal products

Delivering solutions for Toyota Motor Corporation and numerous automakers in Japan and around the world.

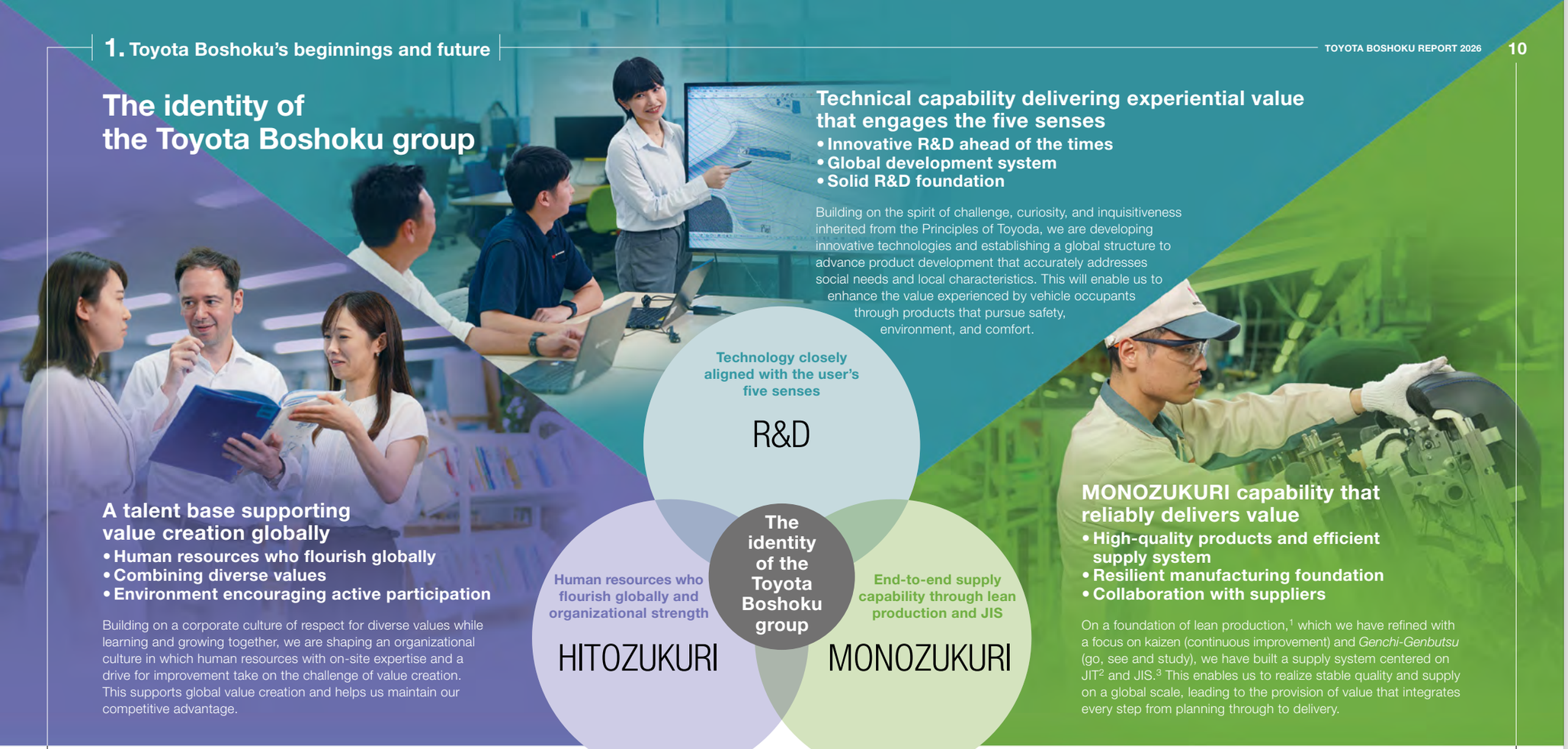
Advanced technology development and high-quality manufacturing geared to the end user

For cars and all mobility equipment.

Providing new value for all mobility interior spaces—from cars to aircraft and railroad cars

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The identity of the Toyota Boshoku group



Technical capability delivering experiential value that engages the five senses

- Innovative R&D ahead of the times
- Global development system
- Solid R&D foundation

Building on the spirit of challenge, curiosity, and inquisitiveness inherited from the Principles of Toyoda, we are developing innovative technologies and establishing a global structure to advance product development that accurately addresses social needs and local characteristics. This will enable us to enhance the value experienced by vehicle occupants through products that pursue safety, environment, and comfort.

A talent base supporting value creation globally

- Human resources who flourish globally
- Combining diverse values
- Environment encouraging active participation

Building on a corporate culture of respect for diverse values while learning and growing together, we are shaping an organizational culture in which human resources with on-site expertise and a drive for improvement take on the challenge of value creation. This supports global value creation and helps us maintain our competitive advantage.

MONOZUKURI capability that reliably delivers value

- High-quality products and efficient supply system
- Resilient manufacturing foundation
- Collaboration with suppliers

On a foundation of lean production,[1] which we have refined with a focus on kaizen (continuous improvement) and *Genchi-Genbutsu* (go, see and study), we have built a supply system centered on JIT[2] and JIS.[3] This enables us to realize stable quality and supply on a global scale, leading to the provision of value that integrates every step from planning through to delivery.

Leveraging the identity of the Toyota Boshoku group to create value that leads to a competitive advantage

Competitive advantage P.32
Management resources to support competitive advantage (The identity of the Toyota Boshoku group) P.62–84

1 A production method that eliminates waste for fully optimized quality, cost, and delivery times
2 A production method that produces only what is needed, when needed, and in the required amount
3 Supply products in the proper sequence based on the customer's production schedule. When used in conjunction with Just-In-Time, it enables both the customer and our company to reduce inventory.

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Practice of the TB Way and behavioral change

Creating a TB Way cycle through both practice and systems to drive behavioral change

Toyota Boshoku has adopted the Principles of Toyoda—which encapsulate the ideas of Sakichi Toyoda, the founder of the Toyota Group—as our corporate philosophy, and has established the TB Way through which we realize these values in our daily activities. The TB Way serves as a guide for the actions of each and every company member, helping them put our policies and goals for business, social, and environmental activities into practice. It has been designed so that by sharing the TB Way as a set of common values, they can make decisions and take action with a sense of global togetherness, and the practice of the TB Way has become an integral part of our daily operations. Furthermore, its practice is also connected with human resource development and appraisal, and by enhancing the quality of our business activities, leads to business growth and the creation of social value.

Becoming embedded globally

- **The TB Way is defined by eight behavioral principles and is embedded in daily operations at each site.**
- **During Global Week, an event where global leaders gather, we provide an opportunity for representatives to share practice stories and for all participants to join in a group recitation of the TB Way.**
- **The TB Way serves as the foundation upon which our philosophy is understood and shared as a set of concrete actions, and put into practice with a sense of togetherness.**

An example of embodying and embedding the TB Way



Jia Yan
President
Toyota Boshoku (Tianjin) Automotive Parts Co., Ltd.

In April 2025, I became the first female site manager of a production entity, and during Global Week that July, I led the recitation of the TB Way and shared a personal story about how I put it into practice. When facing challenges, I have always placed great importance on visiting the site to investigate the root causes, and also on taking responsibility for my role and seeing tasks through to completion. I spoke about how these experiences are the very embodiment of the TB Way principles of "*Genchi-Genbutsu* (go, see and study)" and "taking responsibility." On the day of the event, reciting the TB Way together with leaders from around the world while sharing our common values, we experienced a sense of togetherness and connection, and that experience has also led to deeper collaboration in our subsequent work.

TB Way

Employee engagement survey score
Depth of TB Way understanding*

79%

Incorporation into performance appraisals

- **We have incorporated the TB Way into our performance appraisal criteria.**
- **We have set behaviors such as "*Genchi-Genbutsu* (go, see and study)," "taking on challenges," and "respect for diversity" as appraisal criteria.**
- **Through the PDCA cycle at work, the status of behavioral practice is assessed and fed back to members, leading to their behaviors being enhanced and firmly established.**

A practical example of the TB Way taking root



Ayumi Kondo
Group Manager
Talent Management Department,
HR Strategy Division

To promote the steady practice of the TB Way and competencies (code of conduct), interviews are held between supervisors and subordinates three times a year (at the beginning, middle, and end of the year) as part of performance appraisals. At the start of the year, we give feedback on the previous year's results and challenges, and set new goals based on the TB Way. Midway through the year, we review progress and follow up. At the end of the year, we evaluate the initiatives made toward achieving goals and the extent to which skills have improved. In addition, to ensure that interviews and appraisals are conducted appropriately, we provide opportunities for new supervisors to acquire the knowledge and skills needed to conduct these interviews through training, and we are also working to foster a culture in which supervisors and subordinates continually engage in day-to-day dialogue and feedback. Through this system of appraisal and dialogue, we are promoting the practice and establishment of the TB Way.

* Positive response rate to "I understand the TB Way" in FY2026 employee engagement survey
Scope: Toyota Boshoku, affiliated companies in Japan, group companies in Asia, and Toyota Boshoku (China)

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Human Capital Report, p. 06: Increasing engagement

