

Q6

How is management decision-making evolving to enhance corporate value?

Section 6

Establishing a resilient global management foundation

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Message from the Chair of the Board of Directors

Enhancing the effectiveness of strategy and governance through dialogue and in-depth discussion

Shuhei Toyoda
Chair of the Board of Directors



Creating value and enhancing corporate value, with the Interior Space Creator as the core

At Board meetings during fiscal 2026, we held extensive discussions on our medium- to long-term growth story, centred on the Interior Space Creator (ISC) concept. At executive discussion meetings, which were also attended by outside officers, we made progress on refining our product roadmap and fleshing out the 2030 Medium-Term Business Plan, and our future direction has become clearer. Furthermore, we have been focusing on financial and market issues such as our business portfolio, investment opportunities, shareholder structure and cost of capital, and have been incorporating investor feedback gathered through our IR activities into management decisions.

At the same time, there is still room for refinement in terms of consolidating these elements into a single value creation story and clearly presenting it as a path towards improved profitability and capital efficiency. It is important that we connect individual strategies, investments and investors' perspectives in order to enhance corporate value. We will therefore establish investment priorities and allocate resources accordingly while carefully balancing growth with profitability.

Looking ahead, with the ISC as our starting point, we will take an integrated approach to business strategy, investment decisions, financial indicators, and market valuation, thereby further clarifying the process for improving profitability and capital efficiency. We will also ensure that the external perspectives gained through dialogue with investors are fully reflected in the Board of Directors' discussions, thereby further enhancing the effectiveness of governance.

Furthermore, we place a high priority on leveraging intangible assets as a management resource for supporting medium- to long-term growth. In particular, intellectual capital, manufacturing capital, and human capital are key management resources that underpin the ISC concept. This is indeed the identity of the Toyota Boshoku group, comprising our strengths in R&D, MONOZUKURI, and HITOZUKURI. MONOZUKURI rooted in our manufacturing sites and the drive of our people as they continue to take on new challenges are the very sources that support our value creation. We will continue to hone these strengths and, with ISC at the core, move forward steadily into the future.

Making decisions through diverse perspectives, and improving effectiveness

I myself have been involved with the Board of Directors for many years, and I feel that the experience I have gained over that time has been invaluable in helping me navigate change without losing sight of the essence of our business. On the other hand, it is also true that there is a concern that the longer one is involved, the more one's perspective becomes fixed. That is precisely why it is important to incorporate diverse perspectives, and outside directors play a significant role in this regard. After gaining a solid understanding of the company's business, they provide the stakeholder perspective from an independent standpoint, and as a result, the quality of our Board of Directors' discussions has definitely improved. The effectiveness evaluation has also indicated that discussions have become more robust and that the range of perspectives has broadened. At the same time, some have pointed out that our value creation story and the path to profitability need to be further clarified.

In light of this, we have appointed Hiroko Ohmura as a new outside director to bring greater diversity and expertise to the Board of Directors. While our company has grown primarily through our Toyota business, expanding our customer base and venturing into new fields will be essential in the years ahead. To that end, it is essential that we bolster our marketing and brand strategies. We will further strengthen the Board of Directors' functions by leveraging Ms. Ohmura's expertise.

In addition, to deepen discussions, we also make use of informal meetings held after Board of Directors meetings. Through an open and candid exchange of views, we deepen understanding of strategy and engage in in-depth discussions on key topics. Moreover, to ensure that we effectively fulfil our supervisory function, we are reviewing the division of responsibilities between supervision and execution, as well as our decision-making processes. We will deepen discussions by leveraging diverse perspectives, and follow through on our decisions. We believe that these cumulative efforts will lead to an enhancement of corporate value, and we are committed to working towards that goal.

Fostering a culture of safety, quality, and continuous improvement across the entire group

The Board of Directors regards safety and quality as the most critical issues underpinning corporate value. Across the entire Toyota Boshoku group, we are working to instil a mindset that prioritises safety and quality above all else, but we recognise that there is still room to further embed the associated mindset and behaviours. Particularly from a global perspective, there are differences in safety and quality awareness and management standards among our various sites, and so robust implementation of basic quality practices remains a critical management issue.

To prevent quality issues from arising in the first place, it is important to identify the facts at the workplace and continuously refine standards. While leveraging innovations such as DX, we will work to enhance our production systems and ensure consistent quality, and pursue manufacturing methods that are optimised to the specific conditions of each region.

At Board meetings, we view quality-related problems not merely as a matter for the manufacturing sites, but also as a critical management issue, and we discuss the organisational structures, processes, and decision-making approaches underlying such issues. In particular, we continuously verify whether the organisation has thoroughly implemented systems to prevent misconduct before it occurs and makes decisions based on appropriate standards, as well as whether it has systems in place to detect early signs of problems and take corrective action.

Furthermore, recognising the need to balance quality and profitability as a key issue, we will enhance our supervisory role to ensure that the principle of prioritising safety and quality is consistently implemented by both members at manufacturing sites and management. As Chair of the Board of Directors, I will accurately assess the realities at the workplace and listen to the voices of our company members, and by incorporating these insights into Board discussions and decision-making, I will ensure that quality remains at the very core of our efforts to enhance corporate value. Looking into the future, we will continue to meet the expectations of our stakeholders by strengthening governance and fostering a corporate culture that prioritises safety and quality.

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A conversation between outside board members

Driving change toward sustainable growth



We are aiming to become the Interior Space Creator (ISC), creating new value with the automobile interior space as our starting point. As the nature of automobiles undergoes a major transformation, how can we translate this concept into business growth? Two outside board members with different perspectives and career backgrounds exchanged views on the company's current position, the challenges it faces, and the role the Board of Directors should play.

From your independent perspective, how do you view the process of giving shape to the ISC as a business?

Yamazaki ● I think we are making steady progress with our ISC initiative. However, viewed from the perspective of an outside director, I feel that the ultimate target and milestones along the way are not so easy to perceive. The ISC is a process that involves finding the optimal solution while satisfying many conditions simultaneously, and the constraints imposed by people and organizations are greater than those associated with technology. That is why I believe it is important to clearly define the criteria for success, and to ensure we have a clear picture of where we currently stand.

Miura ● I share your view. I think the concept and direction of the ISC are wonderful. On the other hand, the business model for making this a reality has yet to be established. Until now, automotive parts manufacturers have competed on the basis of cost and quality for individual parts, but going forward, the focus will be on conceptualizing the whole of the automobile interior space, and on how to collaborate with automakers and other parts manufacturers, how to carry out development, and how to turn that into profit. I think the next challenge is to refine that roadmap.

Yamazaki ● Rather than defining everything perfectly from the start, we are giving shape to the concept as we move forward on a solid foundation. With that in mind, we need to think about where our company will excel, and what we will do differently, rather than simply continuing along the path we have followed to date. Once we have a clearer picture of that, I believe the Board of Directors will also be able to engage in more in-depth discussions.

What are the key points when it comes to incorporating the ISC into management decision-making?

Yamazaki ● I believe that the technologies for controlling noise and vibration (NV technologies), and the technologies for evaluating human sensibilities, are the core elements that will ultimately make the ISC a reality. If we possess strengths that others don't, people and opportunities will naturally gravitate toward us, setting in motion a cycle that reveals new challenges and the future world. The Board of Directors should also clarify a little more where we need to focus our efforts in order to move closer to success.

Miura ● The same is also true of the path to monetization: with no single, straightforward solution, we are currently in the process of refining it through discussions with our group companies and automakers. That is indeed why we should be aiming for a position where, having clearly shared our target and core technologies, we are able to propose solutions for the entire automobile interior space — as a so-called "Tier 0.5" supplier.

How do you view changes in the business environment, particularly in the Chinese market?

Miura ● In general, the cost competitiveness and development speed of Chinese companies pose a threat to Japanese firms. Arguably, however, the long-term reliability of products is still to be assessed, and I believe that Japanese companies also need to adapt to local market preferences while leveraging the strengths they have built up. In some cases, emerging automakers do not have

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the resources to fully address the vehicle interior, so there are expectations that our company will take the lead in overall cabin design.

Yamazaki ● Fortunately, our main customer, Toyota Motor Corporation, is in a strong position, which is providing us with solid support at this time. On the other hand, that doesn't mean it will last forever. Speed and cost are also a matter of how much risk one is prepared to accept. We are entering a phase that will require painful changes in the short term.

Miura ● I believe that through our experience in such markets, we will also continue to hone our own approach to making proposals. It's not simply a matter of adapting to the Chinese market; rather, I think we will also need to leverage the experience gained in rapidly changing markets, such as those in Asia, for our future business expansion.

How about the corporate value creation story?

Miura ● The fact that our PBR is below 1x probably indicates that we have not yet fully communicated to the market and society the value we create, including our human resource and R&D capabilities, and our customer base — value that is not captured in our financial statements.

Yamazaki ● Our business is primarily B2B, and to date, it has been characterized by stable, long-term relationships. Consequently, we may not have done enough to consider how we are perceived from the outside and incorporate that perspective into discussions about our business and management.

Miura ● Our company has an earnest and unassuming culture, built on relationships with key customers and a steady accumulation of MONOZUKURI expertise. However, we are no longer in an era where that alone is enough to earn recognition. I believe we need strong IR capabilities to leverage those strengths, connect them to our future growth strategy and corporate value enhancement, and communicate them effectively.



Yamazaki ● I agree. Company members are fully committed to their own initiatives and will move forward with them wholeheartedly. That's exactly why I think it's important for us to bring an objective perspective as outside board members, and deepen the discussions within the Board of Directors.

Miura ● That's right. I believe it's the role of outside board members to bring to the Board of Directors a perspective on how the company's internal initiatives are viewed and evaluated by shareholders and the capital markets. We don't have all the answers, but there is value in continuing to ask questions, and I would like us to keep discussing how we can enhance the company's value.

Mr. Yamazaki, you have a background with the Toyota Group. How do you leverage that perspective in the Board of Directors?

Yamazaki ● Since I've been engaged in similar businesses within the same group, I'm able to quickly grasp the business environment and technology, and that allows me to get involved in concrete ways at a level that's close to business execution. On the other hand, Denso Corporation has expanded half of its sales to customers outside the group, so even though we share the same roots, our "upbringing" is different. I can bring in a different culture and perspective. With sales expansion and systems now being key priorities for Toyota Boshoku, I think there is a great deal I can contribute. Rather than simply being content with generating sales outside the group, I'm constantly asking how we can create a cycle in which we apply the insights gained in a challenging market to our core business and enhance our competitiveness.

Miura ● Your insights are always invaluable. To establish our value beyond a reliance on Toyota Motor Corporation we need the ability to incorporate the insights gained from new projects with other automakers into our own business expertise. The fact that you come from the same corporate group in itself brings significant value in terms of your ability to speak from your own experience as an involved party about both the challenges and the possibilities, drawing on your insights gained on the frontlines and your independent perspective.

At this turning point in our strategy, the role of the Board of Directors is also becoming increasingly important. How would you evaluate the monitoring function of the Board of Directors and its effectiveness, including that of the Audit & Supervisory Board members?

Miura ● There is always a debate over whether the appropriate form of governance is a monitoring board or a management board, but unless a company is a pure holding company, it is not realistic to focus exclusively on the former. What's important is whether the company's long-term goals and the strategies for achieving them are shared among executive management, and whether we can monitor the extent to which those goals and strategies are also supported from the perspective of our shareholders and the capital markets. The Q&A sessions at our company's Board meetings are lively, and there are also informal meetings where participants can engage in healthy discussions without feeling pressured to cater to others' expectations, as well as a new forum where outside directors and outside audit & supervisory board members can exchange views. I believe that the effectiveness of the Board of Directors is steadily improving, including through collaboration with the Audit & Supervisory Board members.

Yamazaki ● I agree. That said, there is room for improvement in the level of detail of the agenda items. What we really need to focus our time on are the "inflection points" and "discontinuous risks" that differ from the past. I believe that shifting to a style of operation where such discussion points naturally come up is the key to improving effectiveness. Precisely because this is a field without clear answers, we must clarify our target and core technologies, and dedicate time to the inflection points. My role is to support the execution of business while continually questioning our readiness for discontinuity.

Miura ● I think that the path to improving our effectiveness lies in repeatedly scrutinizing whether our corporate value is being accurately conveyed from the perspective of the capital markets, and in continuing to engage in sound discussions.

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Corporate governance

Basic approach

The first item in our Corporate Philosophy is “corporate growth while fulfilling our responsibilities in harmony with society as a good corporate citizen,” and we are promoting sustainable corporate activities through rigorous adherence to corporate ethics. Believing that it is important to maintain and further improve management efficiency, fairness, and transparency, we are working to enhance our corporate governance based on the following five specific items: We have also established a basic stance on compliance and risk management, and are implementing activities accordingly.

1. Ensure shareholders’ rights and equality;
2. Ensure appropriate cooperation with stakeholders other than shareholders;
3. Ensure appropriate information disclosure and transparency;
4. Appropriate execution of the roles and responsibilities of the Board of Directors;
5. Constructive dialogue with shareholders

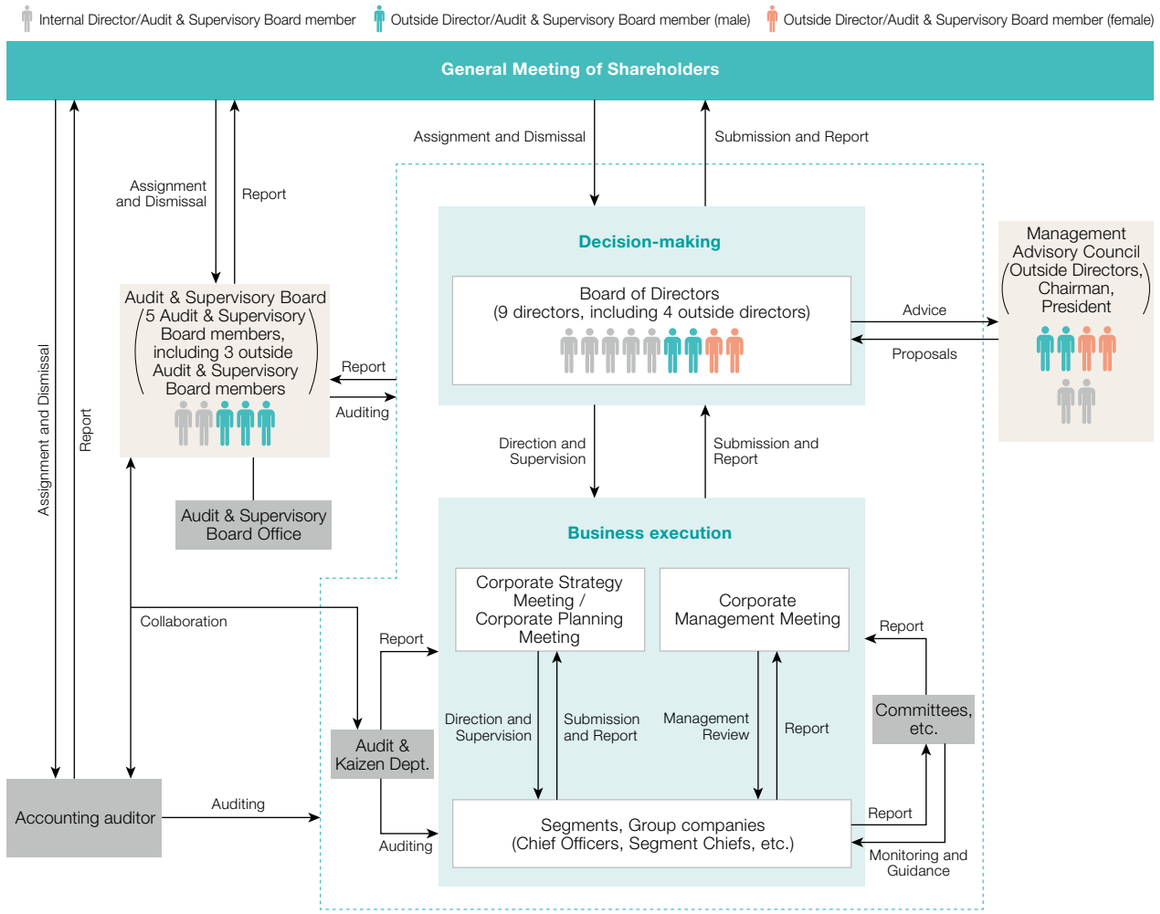
Corporate governance system

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.

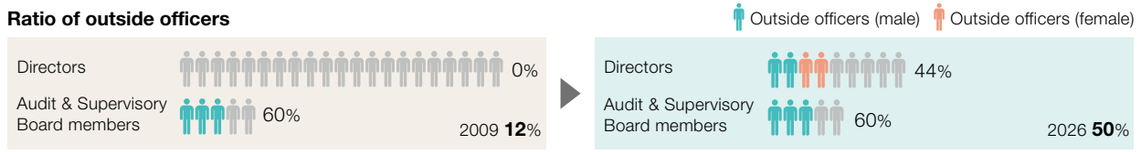
The four persons appointed as outside directors satisfy the requirements for independent directors as stipulated by the Financial Instruments Exchange. They have been designated as independent directors of the Company because it has been determined that there is no risk of conflicts of interest with general shareholders.

In addition, to strengthen the transparency and fairness of procedures related to the appointment and compensation of management, and to enhance corporate governance, we have established a Management Advisory Council to serve as an advisory body to the Board of Directors. Composed of four outside directors and two internal directors (the Chairman and the President), the Council deliberates on important matters such as officer appointments, compensation, and succession planning. We also ensure the effectiveness of the Board of Directors’ supervisory function through collaboration with the Audit & Supervisory Board. This enables us to establish a governance structure that takes minority shareholders into consideration, ensuring a decision-making process that is not biased toward any specific shareholder, while prioritizing operational effectiveness.

System diagram of corporate governance (as of June 12, 2026)



Ratio of outside officers



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Corporate Governance Report (JPN)



Corporate Governance



Corporate governance

Board of Directors

Number of meetings held in FY2026: 13



Ratio of outside officers: 44%

Outside officers (male) Outside officers (female)

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 investment 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, etc. in accordance with the Authorization Policy.

Group governance

At Toyota Boshoku, we view group governance as a framework designed to maximize corporate value across the entire group by balancing appropriate oversight by the parent company with the autonomous management of subsidiaries. We have clearly defined the division of authority between our head office and subsidiaries, and matters such as major investments and reorganizations are deliberated and determined by the Board of Directors. In addition, when making investments, we base decisions on guidelines, taking into account profitability and alignment with strategy, while continuously monitoring each company's financial condition and risks. Furthermore, we establish appropriate levels of involvement based on each company's significance and risk profile, and we are also strengthening group-wide controls through *Genchi-Genbutsu* (go, see and study) and internal control reviews conducted by the Audit & Kaizen Department. This also leads to synergies through intra-group collaboration. As a result of these initiatives, the entire group is working together to achieve sustainable growth and enhance corporate value.

Main discussions at the Board of Directors in FY2026

Corporate and operational strategies	● Formulation of global hoshin (policy) (consideration of the direction of global strategy and focus fields) ● Deliberation on business advancement, alliances, joint ventures, reorganization, etc. ● Status of investment in and collaboration with startup companies (strategic positioning and progress assessment)	● Status of DX progress (impact on management) ● Progress of IP strategic activities (contribution to competitiveness) ● Status of quality initiatives (evaluation of quality issues and initiatives to prevent recurrence)
Governance and officer-related	● Selection of Chair of the Board of Directors and Chair of the General Meeting of Shareholders ● Appropriateness of the officer and organizational structure ● Amount of compensation for Directors and Operating Officers, and policy for deciding the amount of compensation	● Evaluation of the effectiveness of the Board of Directors and Audit & Supervisory Board, and recognition of issues ● Appropriateness of cross-shareholdings (rationale for holding and reduction policy)
Shareholders, capital policy and IR	● Convocation of the General Meeting of Shareholders and agenda ● Condition of the exercise of voting rights on agenda items at the General Meeting of Shareholders ● Business reports, financial statements, etc.	● Dividends and interim dividends (policy and approach to shareholder returns) ● IR activity policy and results (evaluation of initiatives to enhance corporate value through IR activities)
Sustainability and human capital	● Renewable energy measures (effect on operations) ● Biodiversity preservation initiatives (risk and opportunity assessment)	● Initiatives to rebuild a safety culture (recognition of issues and effectiveness of measures) ● Status/assessment of health and productivity management roadmap and initiatives
Risk management and internal control	● Appropriateness of risk response ● Operational status of basic policy on the development of internal control systems and areas for improvement	● Operational status of the whistle-blowing system and its reflection in governance ● Approval and report on transactions involving a conflict of interest (supervision of appropriateness) ● Appropriateness of auditor/audit policy and audit plan, audit results

Content of discussions at the Board of Directors

Toward profit improvement and structural reform in the Americas

The Board of Directors identified strengthening the profitability of our North American operations as one of its top priorities, and regularly reported on and discussed progress throughout fiscal 2026. Recognizing that it has become difficult to improve profitability through conventional methods alone due to changes in the market environment and increasing human resource mobility, a series of multifaceted discussions were held involving outside directors and outside Audit & Supervisory Board members.

Main comments

Outside Director: The newly introduced CxO system will clarify the division of responsibilities with the site managers. I hope that the CxOs responsible for the cost KPIs of each function will contribute to the improvement of the group's overall profitability, providing added value to each plant as a "management and collaboration hub."

Outside Director: To ensure that the results of collaborative projects with Japan continue even after the projects end, it is extremely important to build a structure that enables local members to take an even more proactive role in advancing their work.

Outside Director: There is a need to refine the compensation system, including mechanisms that encourage company members to voluntarily improve productivity and receive compensation commensurate with their performance.

Outside Audit & Supervisory Board Member: It is essential to develop local staff who will lead the next generation, and it is also important to increase their sense of ownership.

Chair (Chairman): We should not only refine the organizational structure, but also deepen discussions on how to utilize various management indicators more effectively and further enhance the oversight function.

Policy of the Board of Directors

Through these discussions, we have reached a shared understanding that "if we limit our efforts to short-term recovery, it will be difficult to sustain the benefits of improvements," and we are focusing on establishing a system for continuous improvement centered on the local organizations. In addition, the Global Craftsmen Team, which reports directly to the President, provides intensive support for unprofitable sites and high-complexity challenges, driving the advancement and horizontal rollout of on-site improvements. Signs of improvement are beginning to appear in certain KPIs as training measures and on-site improvement activities become embedded, and the results of local teams' initiatives are also gradually becoming evident. In fiscal 2027, we will further enhance the effectiveness of improvements and continue to transition toward a sustainable profit structure.

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Compliance



Risk Management



Corporate governance

Audit & Supervisory Board member, Audit & Supervisory Board

Number of meetings held in FY2026: 14

Ratio of outside officers: 60%

The Audit & Supervisory Board consists of two standing Audit & Supervisory Board members and three outside Audit & Supervisory Board members, and the lead standing member serves as Chair.

At the Audit & Supervisory Board, consideration is given to matters including the audit policy and audit plans, status of development and operation of internal control systems, risk management, response to misconduct and compliance, accounting auditors' audit methods, and the appropriateness of audit results. In addition, Audit & Supervisory Board members conduct audits globally in accordance with the audit policy and annual plan, and in fiscal 2026, to leverage in particular the specialized expertise of our outside Audit & Supervisory Board members, we expanded opportunities for audits of internal divisions and subsidiaries in and outside Japan in addition to exchanges of views with directors and the internal auditing department, with the aim of further improving audit quality. Furthermore, from the perspective of enhancing corporate value over the medium to long term, we conduct effectiveness assessments of the Audit & Supervisory Board and incorporate the results into the audit policy and audit plan for the following fiscal year. In doing this, we aim to improve the effectiveness of audits, thereby contributing to the company's sustainable growth and corporate value enhancement.

Main discussions at Audit & Supervisory Board in FY2026 (excluding audit reports)

General management	● Status and appropriateness of company member safety and health management, and environmental management initiatives
Internal control and auditing	● Appropriateness of basic policy on the development of internal control systems ● Status of risk management (effectiveness of the structure and operation) ● Status of global internal auditing system (implementation status and operational effectiveness) ● Subsidiaries in and outside Japan audit results, and response to issues ● Status and effectiveness of fraud management
Others	● Evaluation of the effectiveness of the Audit & Supervisory Board, and recognition of issues ● Appropriateness of reappointment of accounting auditor

Evaluation of the effectiveness of the Audit & Supervisory Board, and recognition of issues

In accordance with the auditing standards for Audit & Supervisory Board members, we establish evaluation items each year and conduct a multifaceted and objective evaluation of effectiveness with a view to strengthening corporate governance and enhancing corporate value. Based on the results of questionnaires and interviews with all (including outside) Audit & Supervisory Board members, and following discussions at the Audit & Supervisory Board, we concluded that the system is functioning effectively overall. At the same time, we recognize that holding regular discussions with outside directors and ensuring that internal and external stakeholders understand our audit activities are key issues, and we are working to make improvements by sharing these issues with the Board of Directors.

Management Advisory Council

Number of meetings held in FY2026: 3

Ratio of outside officers: 67%

The Management Advisory Council has been established as an equivalent body to the Compensation Committee and the Nomination Committee. To incorporate independent perspectives, the Management Advisory Council is composed of four outside directors (Junko Shiokawa, Takafumi Seto, Yasuhiko Yamazaki, Hiroko Ohmura), along with two internal directors (Chairman Shuhei Toyoda and President Masayoshi Shirayanagi), with independent outside directors making up the majority. The Chairman serves as the Chair of the Management Advisory Council.

The Management Advisory Council, as an advisory body to the Board of Directors, deliberates on important corporate 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.

Furthermore, the regulations of the Management Advisory Council established in December 2018 stipulate the members of the Management Advisory Council and the content of its agenda.

Main discussions at Management Advisory Council in FY2026

Officer compensation	● Appropriateness of compensation criteria for directors and operating officers ● Percentage of monetary compensation and number of shares under the transfer-restricted stock compensation plan for directors (excluding outside directors)
Organization & structure	● Appropriateness of the structure of directors and Audit & Supervisory Board members, and of the organizational structure ● Selection of individuals for promotion to operating officer and approach to human resource development ● Approach to balance of skills in the composition of officers ● Consideration of enhancements to the governance structure (division of roles between executive and supervisory functions, and organizational design)

Approach to the division of roles between executive and supervisory functions, and organizational design

The Management Advisory Council deliberates on important matters such as officer appointments, compensation, and succession planning, while also engaging in ongoing discussions regarding the approach to organizational design.

In these discussions, a key focus is on strengthening the governance structure while taking into account the interests of minority shareholders, including the appropriate level of involvement by independent outside directors and improving the transparency of decision-making processes.

Going forward, we will continue to review our organizational structure with a focus on effectiveness, and work to further enhance governance.

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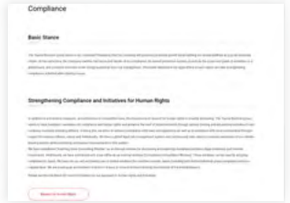
Corporate Governance Report (in Japanese)



Corporate Governance



Compliance



Directors, Audit & Supervisory Board members and Operating Officers, and skill matrix

Basic approach

This table defines the experience and expertise (skills) that Toyota Boshoku requires in the Board of Directors to realize our 2030 Target. We defined essential skills in 10 fields for the purpose of achieving continued growth amid the changing business environment, encompassing elements linked to execution of our 2030 Medium-Term Business Plan and enhancement of corporate value.

Going forward, we will revise the skill items as required in response to changes in the business environment and strategies, in efforts to strengthen the functionality of the Board of Directors and to boost sophistication of governance.

Skill	Experience & knowledge concept	Requirements
Corporate management	Management discernment to achieve sustained growth in a changing business environment	Management experience and achievements in Japan and outside Japan
Global	Business management experience at sites outside Japan and global knowledge	Experience as a site manager or similar at a subsidiary outside Japan
R&D	Engineering ingenuity to create comfortable and safe interiors	Able to contribute as an Interior Space Creator
MONOZUKURI (manufacturing)	Manufacturing and engineering capability to consistently offer high quality products	Experience as a plant manager and in production engineering, etc.
Sales and purchasing	Sales and procurement capabilities to collaborate with business partners while striving to reduce environmental impact	Able to innovate through sales and procurement activities
Finance and Accounting	Financial strategy capabilities to boost capital efficiency and profitability	Able to execute highly transparent financial governance
HITOZUKURI (human resources)	Drive human resource development while respecting diversity and teamwork	Able to develop human resources who contribute to society
Legal and compliance	Enhance corporate value through compliance with laws and ordinances and risk management	Legal knowledge and capability in building governance structures
Environment and energy	Contribute to a sustainable society through environmental management	Environmental planning and proposal capabilities in a specialized field
IT and digital	Capable of management and business innovation through digital technology	Experience in organizational reform through the use of digital

Skill matrix

Classification	Name		Management Advisory Council	Corporate management	Global	R&D	MONOZUKURI (manufacturing)	Sales and purchasing	Finance and Accounting	HITOZUKURI (human resources)	Legal and compliance	Environment and energy	IT and digital	Number of Board of Directors, Audit & Supervisory Board attended in fiscal 2026
Chairman	**Shuhei Toyoda**		○	●	●	●	●			●				Board of Directors 13/13 meetings
President	**Masayoshi Shirayanagi**		○	●	●			●	●	●				Board of Directors 13/13 meetings
Director, Operating Officer	**Hiroki Tsunoda**			●	●	●						●	●	Board of Directors 12/13 meetings
Director, Operating Officer	**Shunichi Iwamori**			●	●		●	●	●					Board of Directors 13/13 meetings
Director, Operating Officer	**Norimichi Adachi**			●	●		●							Board of Directors 11/11 meetings*

* Since his appointment on June 11, 2025

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Executive Officers



Directors, Audit & Supervisory Board members and Operating Officers, and skill matrix

Classification	Name		Management Advisory Council	Corporate management	Global	R&D	MONOZUKURI (manufacturing)	Sales and purchasing	Finance and Accounting	HITOZUKURI (human resources)	Legal and compliance	Environment and energy	IT and digital	Number of Board of Directors, Audit & Supervisory Board attended in fiscal 2026
Outside Director	Junko Shiokawa		○		●				●		●			Board of Directors 13/13 meetings
Outside Director	Takafumi Seto		○			●	●			●		●	●	Board of Directors 13/13 meetings
Outside Director	Yasuhiko Yamazaki		○	●	●	●	●			●				Board of Directors 11/13 meetings
Outside Director	Hiroko Ohmura		○		●	●		●				●		Board of Directors –/– meetings[1]
Outside Audit & Supervisory Board Member	Hiroyuki Yokoyama			●	●	●	●				●			Board of Directors 13/13 meetings Audit & Supervisory Board 14/14 meetings
Outside Audit & Supervisory Board Member	Hiroshi Miura			●	●				●		●			Board of Directors 12/13 meetings Audit & Supervisory Board 14/14 meetings
Outside Audit & Supervisory Board Member	Yoshito Fujikawa					●			●	●	●		●	Board of Directors 13/13 meetings Audit & Supervisory Board 14/14 meetings
Standing Audit & Supervisory Board Member	Kazuo Koide			●	●			●		●		●		Board of Directors 13/13 meetings Audit & Supervisory Board 14/14 meetings
Standing Audit & Supervisory Board Member	Hidenori Ozaki			●	●			●				●		Board of Directors 11/11 meetings[2] Audit & Supervisory Board 11/11 meetings[2]

Outside Director Yasuhiko Yamazaki is an Executive Vice President of Denso Corporation, a business partner of the Company.
Outside Audit & Supervisory Board Member Hiroyuki Yokoyama was formerly Executive Advisor at Daihatsu Motor Co., Ltd., a business partner of the Company.

1 Outside Director Hiroko Ohmura was selected as an Outside Director at the 101st Ordinary General Meeting of Shareholders, held on June 12, 2026
2 Since his appointment on June 11, 2025

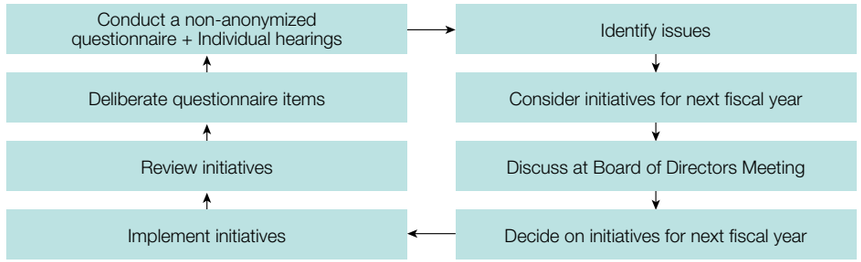
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Evaluation results of the effectiveness of the Board of Directors

Evaluation process

Toyota Boshoku conducts annual evaluations of the Board of Directors to assess its effectiveness and drive continuous improvement, ensuring that it functions as a decision-making body that contributes to the sustainable enhancement of corporate value.



Overview of FY2026 evaluation

(1) The officer in charge of the administrative office of the Board of Directors conducts a questionnaire and interviews with all directors and Audit & Supervisory Board members, including outside members, in February.
(2) The evaluation results and the improvement measures for issues are summarized and reported to the Board of Directors in March for discussion.

Evaluation items in the Board of Directors effectiveness questionnaire

- Effectiveness of the Board of Directors
  1) Board of Directors composition
  2) Board of Directors agenda
  3) Board of Directors materials
  4) Board of Directors meeting times
- Discussions about building a value creation story
- Dialogue with shareholders and investors
- Provision of information to outside officers
- Support for outside officers
- Utilization of external organizations in effectiveness assessments

FY2025 evaluation results

Evaluations
The Board of Directors' effectiveness was confirmed to have improved through the expansion of strategic themes and the enhancement of opportunities for outside officers to be provided with information and engage in discussion.
Issues
Enhancing progress management for important matters and the sharing of risk information were identified as issues. In addition, there was a call for more thorough reporting to the Board of Directors regarding the opinions and concerns of shareholders and investors.

Initiatives in FY2026

(1) Develop an annual plan of regular progress reports
Incorporate progress on certain resolved important matters into the annual agenda schedule of the Board of Directors, and confirm systematically
(2) Promote dialogue with stakeholders
Discuss stakeholder opinions at Board of Directors meetings and formulate action plans to address them
(3) Enhance support for officers
Raise the themes proposed by outside officers during discussion of medium- to long-term strategy, leading to free and open discussions

FY2026 evaluation results

Evaluations
As well as the Board of Directors' evaluations and identified issues being incorporated into the annual agenda schedule and systematically confirmed, discussions aimed at the realization of the Interior Space Creator were promoted. There were continued opportunities for outside officers to be provided with information and engage in discussion, and effectiveness was found to have improved.
Issues
Improvement in the manner of providing reports on the progress of approved investments/new businesses and business results, as well as enhancement of information sharing regarding market and investor reactions in the context of IR activities, were identified as issues.

FY2027 priority actions

(1) Strengthen the supervisory function of the Board of Directors
We will establish a system to regularly report the progress of investments and new businesses to the Board of Directors, and strengthen its supervisory function.
(2) Enhance the content of reports on IR activities
We will build a system to organize shareholder and investor responses and market trends obtained through our IR activities, share them with the Board of Directors, and reflect market perspectives appropriately in management.
(3) Enhance support for outside officers
We will continue with our activities for promoting understanding among outside directors, including pre-board meeting explanations, site visits to various facilities, and opportunities for interaction with officers and employees.



Outside Director Shiokawa participates in overseas roadshow (Hong Kong)

In March 2026, we held roadshows for Japanese stock investors in Hong Kong and Singapore. In Hong Kong, Ms. Shiokawa, an outside director, also participated and engaged in direct dialogue with local investors alongside the CSO and others. There was a high level of interest in our growth strategy, revenue structures by region and business segment, and capital policy, and specific discussions were held regarding the future outlook in China and measures to improve earnings in the Americas. In Hong Kong in particular, meeting slots filled up quickly, confirming the high level of interest in our company as well as expectations for enhanced disclosure and ongoing dialogue.

Comments from Ms. Shiokawa, Outside Director

Through direct discussions with investors in Hong Kong, I was reminded that overseas investors place great importance on the effectiveness of our growth strategy and its alignment with our capital policy. While expectations for future growth appear to be reflected in the stock price, I believe there is room for further refinement in how we present our growth story to fully convey that potential. Going forward, we will further deepen discussion at Board meetings by incorporating investors' perspectives, thereby enhancing corporate value.

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Corporate Governance

