

# Value Creation Process

Based on our basic philosophy, we aim to contribute to making the earth a better place to live, enrich lifestyles and promote a compassionate society by directly facing the changes and challenges surrounding society and by engaging in value creation through making the most of the core assets and strengths we have accumulated to date in promoting our diverse businesses.

## Social Issues and Changes

Electrification / Climate change / Issues on energy, resources and water / Labor shortages and rising labor costs / Digitalization and online systematization / Work style diversification

### Primary Capital and Strengths

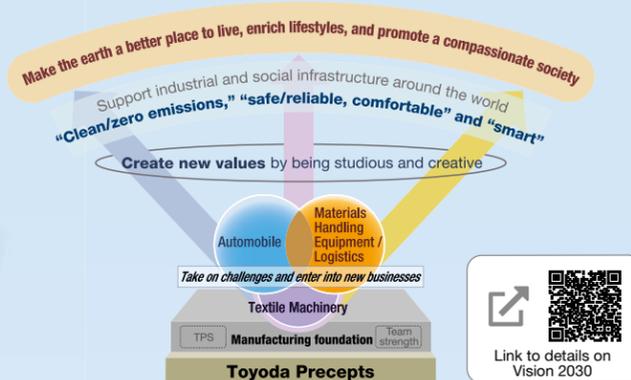
#### INPUT

- Human Capital**
  - Human resources comprised of more than 60,000 employees possessing diverse strengths in respective business fields
  - Human resources development underlying sustainable growth
- Product Development Capability / Intellectual Capital**
  - Strengthening development capability and competitiveness through collaboration between the Materials Handling Equipment and Automobile-related businesses
  - Accumulation of knowledge thanks to involvement in the production of automobiles spanning from vehicle assembly to the development of key components
  - Wide-ranging responsiveness and sustainable growth potential stemming from technologies in the development of both engines and electrification
  - Research and development by drawing on external expertise
- Manufacturing Capability / Manufacturing Capital**
  - World-leading quality and productivity based on the Toyota Production System
  - Globally stable production and supply capabilities of respective businesses
- Financial Capital**
  - Sound financial foundation
  - High rating bestowed by rating agencies (fund procurement capability)
- Global Network / Social and Relationship Capital**
  - Global sales and service networks for materials handling equipment and other products
  - Close collaboration with Toyota Group companies as well as automakers and other manufacturers around the world
  - Business reinforcement and expansion through M&A and other measures
  - Solid supply chain built on mutual cooperation with business partners
- Natural Capital**
  - Air, water, energy, minerals, etc.

### Aspiration in the Medium to Long Term and CSR Materiality

#### Vision 2030

Contribute to making the earth a better place to live, enrich lifestyles, and promote a compassionate society by supporting industrial and social infrastructure around the world through the continuous supply of products/services that anticipate customers' needs.



#### CSR Materiality

	CSR Materiality	SDGs to Contribute
Resolving Social Issues through Our Business	<ul style="list-style-type: none"> <li>Mitigation of Global Warming</li> <li>Contribution to Circular Economy</li> </ul>	
	<ul style="list-style-type: none"> <li>Creation of Innovative Values</li> <li>Products and Services Which Contribute to Safety, Reliability and Comfort</li> <li>Mutual Prosperity through Partnerships with Local Communities</li> </ul>	
Foundation Supporting Our Business Operations	<ul style="list-style-type: none"> <li>Safe and Healthy Work Environments</li> <li>Leveraging Diversity and Inclusion</li> <li>Sustainable Procurement</li> <li>Compliance and Risk Management</li> </ul>	

Link to CSR Materiality



### Business Results

#### OUTPUT

##### Materials Handling Equipment

Lift trucks and logistics solutions that contribute to greater logistics efficiency for customers



##### Automobile

Comfortable and appealing automobiles



Fuel-efficient and clean engines



Car air-conditioning compressors that realize a comfortable vehicle interior



Electronics that contribute to the electrification of automobiles, etc.



##### Textile Machinery

Weaving and spinning machinery to produce fabrics and yarns of high quality and soft texture



### Values and Joys for Stakeholders

#### OUTCOME

##### Customers

Contributing to such needs as electrification, automation and energy savings as well as safety and reliability through high-quality products and services

##### Business Partners

Co-existence and co-prosperity based on mutual trust cultivated through open, fair and equitable business relationships

##### Shareholders and Investors

Returning profits to shareholders and investors by enhancing corporate value through sustainable growth

##### Employees

Developing employees' work values and motivating them to demonstrate their potential by creating safe and secure workplaces for diverse human resources

##### Local Communities

Contributing to the prosperity of each country and local community through promoting social welfare, youth development, environmental protection, community contribution and other activities

##### Global Environment

Contributing to reducing CO<sub>2</sub> emissions, mitigating resource depletion and curtailing environmental risks by promoting environmental management

Toyota Precepts

Basic Philosophy