Initiatives to Enhance Corporate Value 2

Human Capital Management

Philosophy on Human Capital

Guided by the Toyoda Precepts (corporate creed*), we have always regarded our associates as our most important management asset and promoted value creation. They are the driving force behind our sustained growth. Enhancing the value of our human capital is one of our highest priorities and remains a core belief that will never change.

In addition to our associates, we are also deeply committed to the well-being of their families, who support them with care each day. Rooted in a culture of compassion, we strive to be a company that consistently values people through all aspects of our operations.

We are supporting the continuous growth of our associates and fostering an environment where every associate can thrive and perform at their best so that they can steadily grow and enhance corporate value amid ongoing social changes and challenges.

* The Toyoda Precepts encapsulate the spirit of our founder, Sakichi Toyoda. Serving as a shared value across the TICO Group, they are instilled in all associates when they join the Company and at key milestones to deepen an understanding of the precepts.

Alignment between Management Strategy and Human Resources Strategy

Our founder, Sakichi Toyoda, once said, "Open the window. It's a big world out there!" and embraced bold challenges without hesitation. Inspired by this spirit, we have, since our founding, committed ourselves to conducting intensive product research and forward-looking development activities to create new value while engaging in invention and taking on challenges that lead to enriching lifestyles and promoting a compassionate society. Through these endeavors, we have contributed to advancing our businesses and bringing smiles to people around the world.

Today, with the business environment changing rapidly around the world, driven by AI, digital transformation (DX), environmental and energy concerns, shifting regulations and market

dynamics, and increasingly diverse needs, we are working to realize our Vision 2030 and ensure the Company's sustained growth. This effort is grounded in a management strategy built on the twin strengths of our solutions and mobility-related businesses, with textile machinery as our founding business.

We believe that enabling each associate to develop their unique strengths and capabilities in this rapidly changing business environment is key to elevating our comprehensive strengths. To achieve this, we have formulated a human resources strategy. It supports the creation of a flexible, responsive, and agile organization that can quickly adapt to change and help realize our management strategy.

