

New Year's Greetings and Business Update

I would like to express my sincere gratitude for your continued support.

In the past year, we have been fortunate to receive immense support from our business partners, employees, families, and the local community. We truly appreciate the contributions of each one of you.

As we enter the year 2023, we have initiated a new organizational structure based at our headquarters in Inabu, Toyota City. It is heartening to see our employees embrace new roles and challenges in this fresh work environment. Despite the ongoing global challenges, including the transition from pandemic living to the new normal, we have proactively implemented measures to adapt to significant environmental changes. With a dedicated and skilled team, we have maintained the highest quality standards amid dynamic operational changes.

In addition to our mass production activities, we have established a framework that allows us to take on high-value-added projects addressing societal issues. This year, our efforts in the IoT transformation of industrial sewing machines have been recognized as a targeted project under the Ministry of Economy, Trade and Industry's "Femtech Support Service Demonstration Project Subsidy." Through collaboration with trading companies and IT ventures, we are actively pursuing the practical application of IoT in this field. With the cooperation of our female employees, we aim to pioneer the visualization and resolution of challenges using data—a groundbreaking initiative on a global scale.

Our Inabu headquarters factory, beyond its IoT initiatives, has become a model for efficient production practices, workforce development for sustained local employment, and the implementation of lean manufacturing principles such as the Toyota Production System and workplace organization (5S). We welcome visits from various individuals, including those from overseas and different industries.

Looking ahead, we are committed to continuous improvement and creating a better workplace environment in collaboration with our dedicated employees.

On a personal note, I am honored to have been selected as a participant in the

Ministry of Economy, Trade and Industry's "Promotion of New Business Creation by Large Corporations and Talent" program. Over the past two months, I have undergone Transition Leader education, aimed at fostering social change alongside young talents. This experience has provided a cohesive methodology and understanding, allowing me to address challenges faced by our region and company with a long-term perspective. I am eager to apply this knowledge to the long-term direction of our business.

As we move into 2024, I sincerely hope for your continued support. Wishing you all a healthy and prosperous New Year.

Winter, 2024

Koshiro Yokota

President

Toyotake Industry co., Ltd.