

Special Dialogue

Dialogue between the External Directors and the President and Vice President



[Photo] Back row, left to right Masahiko Sato, Kazushi Ambe, Hiroyoshi Ninoyu Front row, left to right Minako Miyama, Kei Fujioka

“We shape our own future.”

We foster a culture of challenging new ventures
beyond automobiles, supporting the execution of our
new mid-term management plan TRV 2030

Three external directors supporting Tokai Rika from an outside perspective engaged in a dialogue with President Ninoyu and Vice President Sato from the executive side. We heard their views on the nature of our corporate governance, their thoughts on the new mid-term management plan TRV 2030, the culture of venturing into new businesses, and future challenges and expectations.

Dialogue Participants

Hiroyoshi Ninoyu	Masahiko Sato	Kei Fujioka	Minako Miyama	Kazushi Ambe
Representative Director and President	Representative Director and Executive Vice President	External Director	External Director	External Director

Regarding Our Corporate Governance

Looking at the breakdown of board meeting agenda items over the past five years, there has been a significant increase in items related to governance and strategy. How do you perceive the changes in our corporate governance and the nature of our Board of Directors?

Miyama: The Board of Directors used to focus primarily on reviewing numbers and formal reports, but I feel its substance has significantly changed as discussions now center on strategy and new business ventures. The frequent agenda items concerning next-generation products and new ventures are the result of the management team's consistent messaging about “aiming for a new Tokai Rika.” During last year's integrated report interview, I mentioned that it would be interesting to see Tokai Rika become a company that makes people wonder, “What do they even make?” I believe we are now starting to see actual signs of that happening.

Ambe: It's been a year since I joined as an external director, and I've witnessed significant progress during this time. Particularly in formulating our mid-term management plan, we extensively debated using a four-quadrant framework to clearly define our direction for 2030. We've now entered the execution phase toward achieving those goals. While anyone might feel uncertain when tackling new challenges, I believe we can execute effectively because our path forward is clearly defined.

Fujioka: It's been ten years since I took office. We finally established a clear backbone by formulating our first mid-term management plan in 2022 and then introducing our new Purpose, Vision, and Value in 2024. The leap forward since then has been remarkable. I believe it's rare for a company to achieve such a significant leap in its second management plan. I also highly commend the management team's current focus on embedding the plan throughout the organization and accelerating execution speed. They are actively promoting various initiatives to transform the corporate culture itself, ensuring every employee internalizes the strategy as their own responsibility. This feels like a major step forward.

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By welcoming external directors
with diverse talents and varied
experience, the Board has
evolved into a forum for
strategic discussion

Ninoyu: For a long time, our company worked within the limited world of Toyota's vehicle manufacturing. To be honest, I believe we operated with little awareness of the outside world. By making a significant shift and welcoming external directors with diverse talents and experiences, our Board has evolved from a venue for superficial reporting to one where we discuss strategy. Furthermore, we've begun practical-level exchanges with individuals from different industries, and I truly feel we are finally breaking out of our inward-looking shell.

Toward the Evaluation and Implementation of the New Mid-term Management Plan "TRV 2030"

Please share your thoughts on the review of the formulation process for our new mid-term management plan TRV 2030 and your opinions regarding its implementation.

Fujioka: In formulating this second mid-term management plan for Tokai Rika, we began by involving mid-level and junior employees in discussions about our desired state ten years from now. This fundamentally shifted the planning process from a traditional top-down approach to a bottom-up one. Few companies involve so many employees in plan formulation. I believe the process itself—where employees proactively think and envision the future, guided by our purpose—is more important than simply creating the plan. Establishing this foundation represents a major evolution.

Ninoyu: In 2022, our company, standing on the brink, formulated its first mid-term management plan and has been executing it for the past three years. Furthermore, I feel a shift in employee mindset has emerged during the process of establishing our Purpose, Vision, and Value. More employees are now asking themselves, "Where is Tokai Rika headed?" and embracing the mindset of "Let's shape our own future," rather than simply following a predetermined path. We've also seen employees begin to proactively challenge themselves in new ventures to realize the work they want to do. We expect this trend to grow, spreading a mindset shift even among more conservative employees,

prompting them to think, "I need to change too."

Ambe: The Board of Directors has been listening to the perspectives of mid-career and younger employees on multiple occasions. Their dedication to thinking deeply about what we must do to prepare for the next decade was beyond what I could have imagined. While the execution phase ahead is the critical test, I can watch with confidence because this plan was crafted through such thorough discussion. I see my role as supporting this challenge and providing the necessary assistance.

Miyama: When I joined Tokai Rika three years ago, the first mid-term management plan was already in place. However, this second plan was formulated in a truly bottom-up manner, with mid-level and younger employees seriously considering "what kind of company do we want to be in the future?" This represents a significant change for Tokai Rika, and I feel expectations for the future are growing ever higher. Furthermore, the fact that many employees participated in the formulation process of this new mid-term management plan holds great significance for enhancing its subsequent permeation. However, the pace of societal change is extremely rapid, so there is a possibility the plan may deviate from its initial assumptions. I intend to provide support that firmly underpins the plan while also enabling flexible adaptation to change.

Ninoyu: The Human Resources Division has finally recognized the necessity of personnel measures and begun taking concrete action, treating this as their own responsibility. However, merely initiating efforts is insufficient; they must be seen through to the end to be meaningful. While our company has historically struggled with seeing things through, this time we possess a strong resolve to follow through completely.

Toward the Realization of Achievements in New Fields

How do you feel about the challenge of exploring new fields and technologies geared toward moving beyond the automobile?

Miyama: What struck me first upon joining Tokai Rika was how similar it was to Dai Nippon Printing, where I currently work—both companies had developed over many years as "order-driven industries." Because they grew by receiving challenges from their clients and developing technologies to address them, they inevitably viewed society through the lens of their clients. I felt they lacked sufficient ability to see society directly. However, recently, new business ideas, starting with keyboards, have emerged. I truly feel President Ninoyu's strong message—"to expand business into fields beyond automobiles"—is steadily taking root.

Ambe: Based on my experience at Sony, I see the major difference between Tokai Rika and Sony in the BtoC versus BtoB structure. Personally, I initially found this difference very refreshing. At the same time, I've gained a lot of insights from aspects unique to BtoB, such as the strong trust relationships with customers and the commitment to quality. In BtoC business, consumer preferences and trends change rapidly. To survive in the market, you must constantly anticipate that speed and keep challenging yourself. It's a constant race to keep pace with the ever-changing world. Conversely, BtoB business relies on strong, rock-solid trust with clients and a deep commitment to quality as its strengths. However, this structure inevitably limits external touchpoints. Given these structural differences, I find it highly significant that the company has boldly adopted a strategy of "venturing into the BtoC domain while cherishing BtoB strengths," refusing to rest on its laurels. From my perspective, having experienced the challenges of BtoC for many years, this is a challenge I wholeheartedly support.



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management plan.

Sato: That's very reassuring to hear. Looking back, I believe our challenge to break away from the automotive sector wouldn't have gained real momentum without the president's strong words about being "on the brink." It was precisely that sense of urgency—that "if we don't act now, it will be too late"—that led to this mid-term management plan. Stepping into non-automotive areas signifies a shift away from our previous management and culture dependent on Toyota. This mid-term plan and new ventures are precisely for that purpose. Particularly in our BtoC ventures, we aim not only to apply insights gained in BtoB but also to bring lessons learned in BtoC back to BtoB. By leveraging knowledge from both domains and creating synergies, we seek to drive significant transformation across the company. Executing this mid-term management plan demonstrates Tokai Rika's resolve to stand on its own. We believe that only by transforming our business can each employee truly feel that the company has genuinely changed.

Ambe: If we aim to venture into the BtoC domain and then bring the lessons learned from BtoC back to BtoB, it

inevitably means we must broaden our connections with partner companies, competitors, and end users. As Ms. Miyama mentioned, it's true that Tokai Rika has historically had limited external connections. However, rather than viewing this as something we "have not sufficiently built up until now," I believe we should see it as an opportunity for the future. We should embrace this as a chance, actively expand our external connections, and gain new insights. If we can combine this with the powerful know-how cultivated in BtoB, I have high expectations that Tokai Rika's competitiveness will significantly increase and evolve.

Sato: To give one example, there's a fundamental difference in sales approaches between BtoB and BtoC. Having worked in sales for many years, I know that in BtoB, you understand everything—like which department and who at the client company holds decision-making authority—so you can approach the decision-maker directly from the start. It requires less manpower and is more efficient. However, observing the sales efforts for our new digital key business, I see salespeople making relentless sales calls from morning till night just to get companies to adopt digital keys for their company vehicles. Even then, it's a world where you might get one hit out of ten calls, if that. Compared to BtoB sales, where 8 to 9 out of 10 calls lead to results, the success rate is extremely low.

Miyama: Because the business structure is different, attempting BtoC will inevitably present numerous challenges that cannot be addressed using traditional BtoB methods. It is inappropriate to criticize sales staff who are making efforts by saying, "A success rate of only 10% is too low." I believe the crucial point is whether we can create an environment that supports and encourages employees who take on these challenges.

Sato: For those who've only ever worked in BtoB, it's tempting to scoff at a salesman for "only" achieving a 10% success rate. The challenge is learning to resist that impulse. Seeing firsthand how difficult BtoC is has taught me that what's truly important isn't just patience, but genuine support.

Initiatives to Enhance Corporate Value

What do you think Tokai Rika needs to do now to strengthen its competitiveness?

Fujioka: Maintaining competitiveness in our existing BtoB business isn't achieved simply by valuing our clients. As President Ninoyu stated, "coexistence and mutual prosperity" is key—it's crucial to consider how we can grow

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together with our clients. While “coexistence and mutual prosperity” doesn’t follow a one-size-fits-all approach and requires time and effort on a case-by-case basis, I highly commend the proactive exploration of this path.

Ambe: To compete in the BtoC sector, it is essential to maintain broad engagement with society, which inherently means continuing to operate as a global enterprise. Since Tokai Rika already conducts business globally, I believe we should actively incorporate a global perspective by involving young employees working overseas in discussions about our mid-term management plan. After all, the seeds and opportunities for new business creation may well be buried within the very global operations themselves.

Seeds and opportunities
for new business creation
lie buried within the global
business field

Sato: You’re absolutely right. Until now, Japanese employees have managed everything, but we’re actively working to entrust leadership roles to local talent and shift operations overseas. Equally important is ensuring our overseas employees participate with the mindset that “we create our own future.” We believe it’s crucial to thoroughly share our Purpose, Vision, and Value, along with this management plan, so everyone is aligned while advancing operations tailored to each region’s specific circumstances.

Human Resource Development and a Culture of Challenge

What initiatives do you believe are necessary to instill the mindset that “we shape our own future” and foster a culture of challenge?

Ninoyu: Over the past few years, our company has been working to improve the workplace environment (offices, break rooms, restrooms, etc.). Initially, the facilities team would present standard design proposals, but we changed our approach to “let the actual users decide from now on.” We simply set a budget ceiling, and the users enthusiastically took the lead, having fun discussing the options amongst themselves. Through these small

experiences, a mindset of “we create our own future” began to take root, leading them to take on new challenges spontaneously and with genuine enjoyment. This “enjoyment” is particularly crucial, and I believe the real challenge for management is figuring out how to guide them towards it.

Miyama: I believe they all gathered not because they were told to by the company, but because they genuinely wanted to make decisions about their own office space, proactively and enthusiastically. From the perspective of diversity and inclusion, it’s crucial that each person acts with conviction, not just because “the company says so.” Homogeneous organizations tend to have similar viewpoints, making it harder to generate new value and sometimes creating environments where critical risks go unnoticed. Each individual must understand these dangers, take ownership, recognize their own diversity, and actively communicate it. In the past, there was likely an aspect where an attitude of reliably completing what was assigned—such as “delivering a high-quality product by the deadline”—was valued. Moving forward, the ideal is a significant shift in approach, where each employee genuinely understands that “I am someone who creates value” and translates that understanding into action. That, I believe, is the true meaning of a culture of challenge.

A true culture of challenge is
one where every employee acts
on the belief that they are
a value-creating entity

Ninoyu: Management is now intentionally encouraging challenges to let people experience taking on small tasks, but what’s truly needed is genuine “full participation.” While many projects have merely paid lip service to full participation in the past, unfortunately, none have actually achieved it. However, I sense a gradual yet definite shift, and we are steadily approaching true “full participation.”

Miyama: I think it’s wonderful how you deliberately lower the barrier associated with the word “challenge” in your explanations, crafting your message so people feel, “I can take on a challenge too.” While everyone interprets words differently, you consciously use expressions that make people think, “A challenge doesn’t have to be that serious,”

which I feel makes it easier to take that first step. During a past production department meeting where we toured the manufacturing floor, only men were assigned to explain the processes. I heard that over 20% of the actual workers on the floor were women, so I asked, “Why aren’t women explaining?” From the next meeting onward, both men and women took on the role of explainers, and seeing the women speak with confidence left a strong impression on me. I believe it’s this step-by-step accumulation that leads to “full participation.”

Ninoyu: The challenge I currently perceive is that middle management, which should be the key to driving transformation, is often instead acting as a brake on innovation. If they step forward and shift their mindset to “we shape our own future,” I believe spontaneous action will naturally become more active, and a culture of challenge will permeate the organization all at once.

Sato: Middle managers, often referred to as group leaders in technical departments, are frequently caught between the demands of their superiors and the pressure from their teams below. They are the layer most burdened with concerns. Precisely because they are in a position where it’s difficult to maneuver, it’s not uncommon for them to end up halting new initiatives. That’s why it’s essential to properly recognize the efforts of middle management and establish systems that allow them to experience enjoyment and a sense of accomplishment.

Ambe: Sony faced similar challenges. Even when a corporate culture supporting challenges is deeply ingrained, once a company reaches a certain scale, management often finds itself needing to support and protect that culture to ensure stable daily operations. While not intending to halt new challenges, they tend to become cautious, envisioning potential problems arising from them one after another, and unconsciously becoming pessimistic about the whole thing. In formulating this plan, we involved many mid-level managers from the outset. We expect this will help avoid various constraints and further embed a culture that supports challenges.

What We Expect from Tokai Rika Going Forward

Please share your expectations for the future and the challenges that should be addressed over the long term.

Fujioka: Above all else, it is crucial that we see our mid-term management plan TRV 2030 through to completion. We will provide robust support to ensure the plan’s execution and, should adjustments become necessary, we will strongly

Achieving our mid-term management

plan TRV 2030 will be a major success story

and will undoubtedly pave the way

to our next phase of growth



back any course corrections. I firmly believe that successfully completing this plan will be a major success story and will undoubtedly pave the way for our next phase of growth.

Miyama: To achieve results from here on, I firmly believe that “people” are everything. While the Board of Directors currently doesn’t discuss human resource development as frequently as it should, I expect themes like creating forums for diverse opinions, fostering environments where individuals with varied backgrounds can thrive, and cultivating leaders will inevitably emerge. It is desirable to recognize the importance of human resource strategy alongside business strategy and advance both as equally important pillars.

Furthermore, one of the roles I have set for myself as an external director at Tokai Rika is to “foster the emergence of female executives who have risen through the ranks.” I consider this an important challenge that I must continue to tackle responsibly.

Ambe: I believe the true value of the Board of Directors lies in “dialogue.” However, the opportunities and time for dialogue are inevitably limited. I would like the executive side to avoid reacting solely to or becoming fixated on the words spoken in the moment. Instead, I urge them to take a bird’s-eye view, consider the broader implications, and apply the insights to various scenarios. By expanding the scope of the limited dialogue, generalizing its insights, and applying them to execution, we can achieve valuable utilization that contributes to realizing the mid-term management plan. I strongly encourage all of you to make the most of the dialogue within the Board of Directors.