

# III. The 2023 Medium-Term Management Plan Basic Concepts

**TPR's corporate philosophy**  
We shall try to achieve the unlimited potential of technology by developing and improving superior powertrain machinery, and contribute to realizing a clean environment and a sophisticated global society by offering unmatched technologies and products with superior value.



**"Business Environment"**

- A once-in-a-century transformation
- Intensifying competition, bargaining business practice
- Management risks and strengthening governance
- Impact of novel coronavirus (COVID-19) disease
- Protection of the global environment
- Contributions to the SDGs

**[Growth that TPR Aspires to Achieve]**

**I**nclusive  
**E**cological  
**G**ame-changing  
**S**ustainable

Two facets of **IEGS**

**[Target Approach]**

**I**nnovate  
**E**xpand  
**G**lobally  
**S**peedily

**Technology**  
**Passion**  
**Reliance**

To realize a TPR Group structure that establishes its four pillars based on Technology, Passion, and Reliance.

**First pillar: To secure a commanding top position in powertrain products**

**Second pillar: To speed up our active development of new businesses**

**Third pillar: To thoroughly maintain safety, environmental, and disaster prevention standards**

**Fourth pillar: To create a motivating work environment**

# III. The 2023 Medium-Term Management Plan TPR's Future Visions, Slogan, and Strategies



## [The 2023 Medium-Term Management Plan: TPR's Future Visions]

To realize a TPR Group structure that establishes its four pillars based on **T**echnology, **P**assion, and **R**eliance

First pillar: To secure a commanding top position in powertrain products

Second pillar: To speed up our active development of new businesses

Third pillar: To thoroughly maintain safety, environmental, and disaster prevention standards

Fourth pillar: To create a motivating work environment

## [Slogan]

Inclusive, **E**cological, **G**ame-changing & **S**ustainable  
 Innovate & **E**xpand/**G**lobally & **S**peedily  
 (Let's **IEGS**<sup>2</sup>!)

## [Ten Strategies]

### First pillar:

To secure a commanding top position in powertrain products

1. Establishment of the very best technologies that lead the market
2. Pursuit of the highest quality
3. Innovative rationalization of production
4. Optimization of production, procurement, and logistics
5. Dynamic expansion of global sales activities
7. Promotion of passing down technological know-how and skills

### Second pillar:

To speed up our active development of new businesses

5. Dynamic expansion of global sales activities
6. Acceleration of transformation
  - A breakaway from a state of being self-sufficient
  - New establishment of the Business Development Group
  - Selecting and focusing on diversified products
7. Promotion of passing down technological know-how and skills

### Third pillar:

To thoroughly maintain safety, environmental, and disaster prevention standards

8. Making an all-out shift to group-wide corporate management
9. Thorough enforcement of safety, environmental, and disaster prevention standards in the group

### Fourth pillar:

To create a motivating work environment

10. Development of human resources and the creation of satisfying workplaces

### Ⅲ. The 2023 Medium-Term Management Plan

Goals that TPR aspires to achieve in the final year of the Medium-term Management Plan



#### [Financial Goals]

Indicator	FY2019 Actual	FY2023 Target
<b>Sales</b>	178.5 billion yen	180.0 billion yen
<b>Ordinary profit</b>	16.4 billion yen (9.2%)	21.0 billion yen (11.6%)
<b>ROE</b>	6.8%	10% or more
<b>Equity ratio</b>	45.4%	45% or more
<b>Shareholder returns</b>	Dividend payout ratio: 29.1%	Total payout ratio: targeted at 30%