

# First Half Financial Results of FY2012



**November 14, 2011 (Mon)**

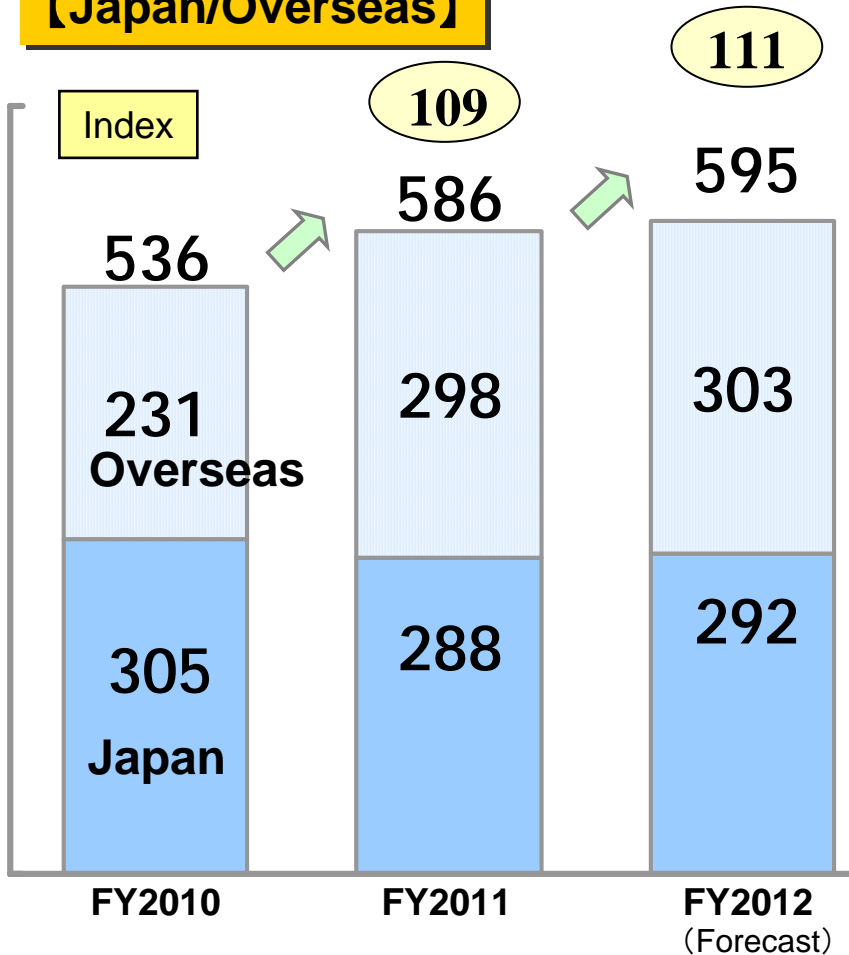
# 1. Number of Seats Produced, Consolidated

# Number of Seats Produced, Consolidated

Despite original predictions for increased production, effect of floods in Thailand cloud outlook

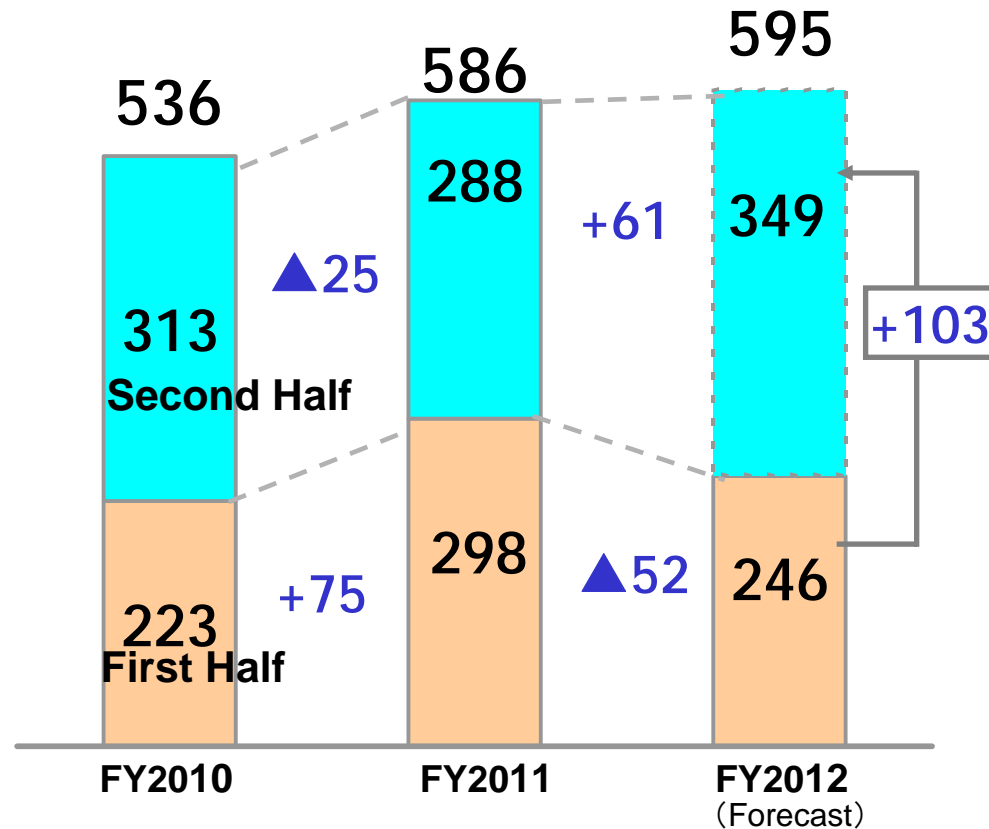
## Number of Seats Produced, Consolidated

### 【Japan/Overseas】



### 【First /Second】

(10,000 units)



## 2. R-50 (Reduction by half) Activities

# R-50(Reduction by half) Activity Summary

Aiming for drastic cost reductions, launch of

R-50(Reduction by half)program

Initiatives to cut existing tasks in half

- ① To release resources to achieve new business
- ② To radically reduce costs and achieve a competitive advantage

**R-50(Reduction by half) Committee**

**Chairman: President Toyoda**

**1. Development and management reform**

(improve efficiency in and reduce costs of development)

**2. Reform in manufacturing**

(simplify preparation processes, improve manufacturing methods and materials)

**3. Reducing fixed expenses**

(lower fixed expenses, manage fluctuations)



# 3. TOPICS-Actions in Europe

# TOPICS – Actions in Europe

Contracts for vehicle interior business obtained, sales begun in July

- ① Strengthening activity in acquiring business other than Toyota
- ② Acquiring quality and technological expertise particular to European cars

## <Japan>

Toyota Boshoku Japan

## <Belgium>

Toyota Boshoku Europe  
(Region Management)

## <Germany>

**BOSHOKU AUTOMOTIVE  
EUROPE GmbH** (BAE Headquarters)

Door trim, seat backboards, and other products for BMW, Daimler, and other manufacturers

Development Center (1) • Manufacturing Bases (6)

## Major Products



【Door trim】



【Backboard】



【Headliner】



【Console】

## <Poland>

**BOSHOKU AUTOMOTIVE  
POLAND Sp. z o.o.**

Headliner, luggage racks and other products for OPEL and Audi

Manufacturing Bases (6)

# TOPICS – Actions in Europe

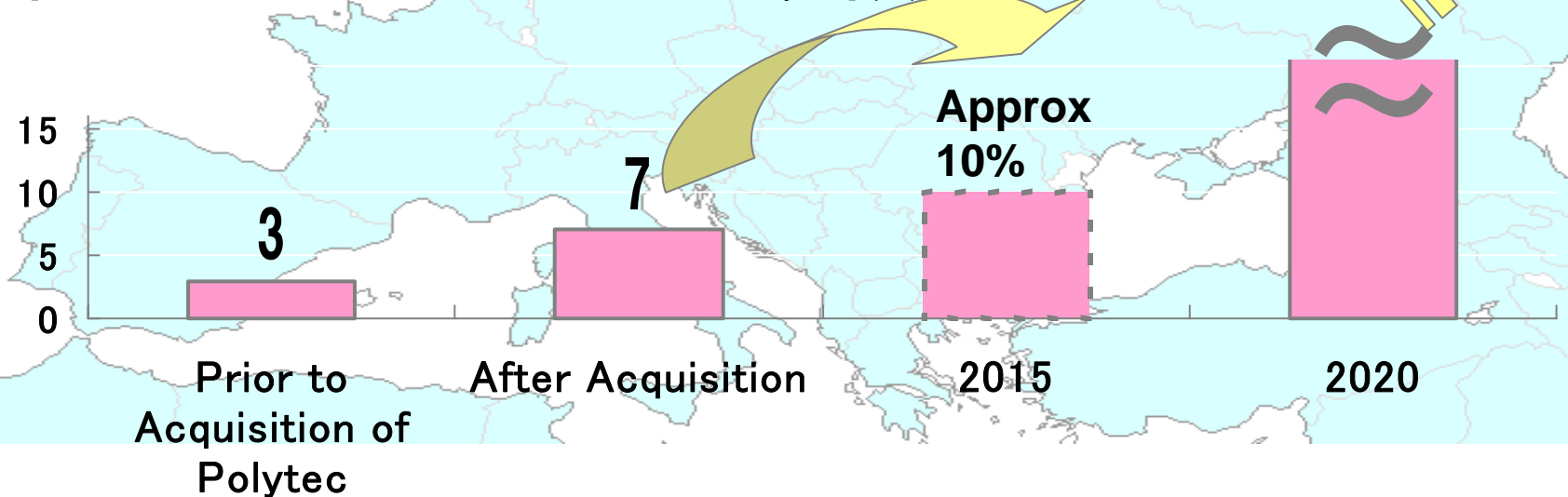
## Strengthening activity in acquiring business other than Toyota

Status of measures taken at new firm (BAE)

1) Program to improve productivity in order to gain OEM trust

2) Expanded sales thanks to intensified approach to OEMs

[Increase Sales Ratio to customers other than Toyota] (%)





# TOPICS – Approaches in Europe

Manufacturing begun at two European bases (TBSO, TBAI Poland)

Toyota Boshoku Somain (started production in July 2011)  
First seat assembly base in the EU region



TB Somain



TBAI Poland

*Distributing risk with mutually complementary operations*

TBAI Poland (started production in June 2011)

Hub for manufacturing seat frames in Europe

Will be a production base for business other than Toyota in the future

TB LLC

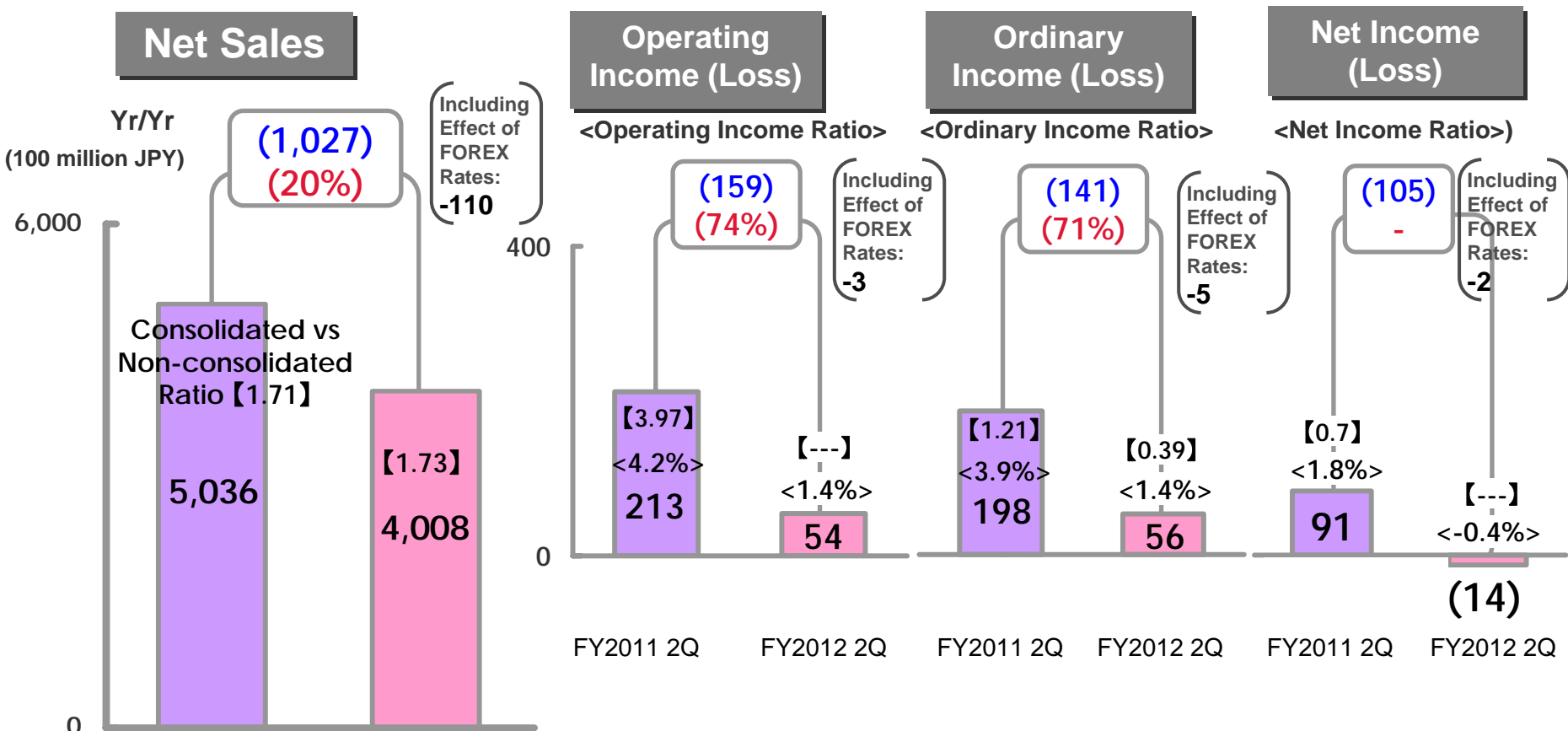
TB  
Turkiye

TB South  
Africa

# 4. FY2012 2Q Financial Results

# FY2012 2Q Financial Results

Lower sales and profits due to suspended operations following the Great East Japan Earthquake



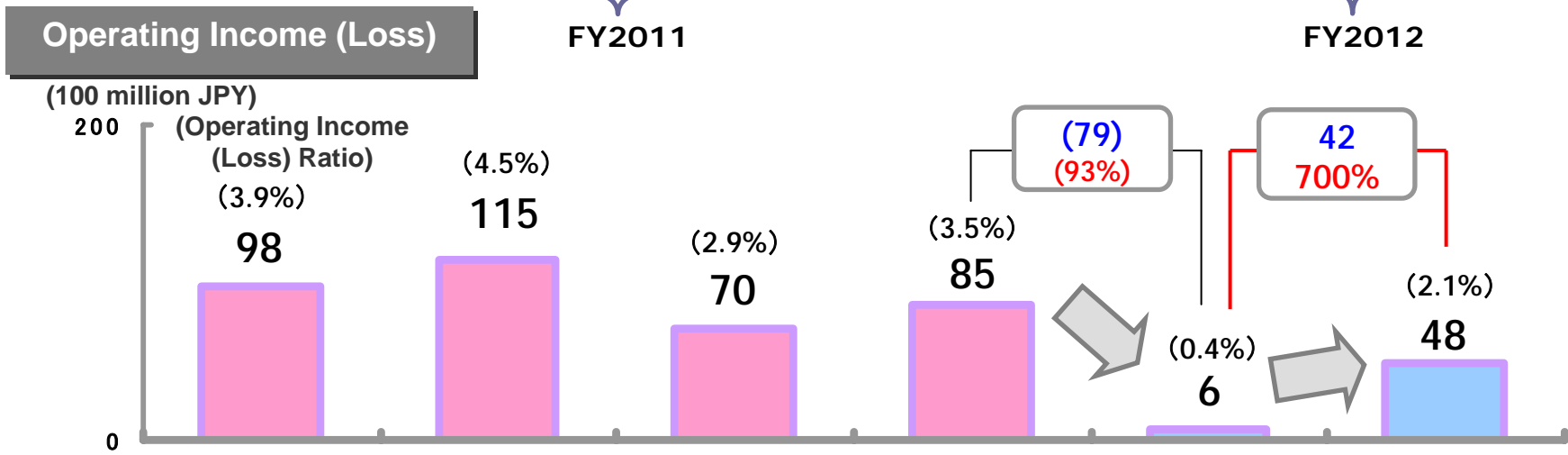
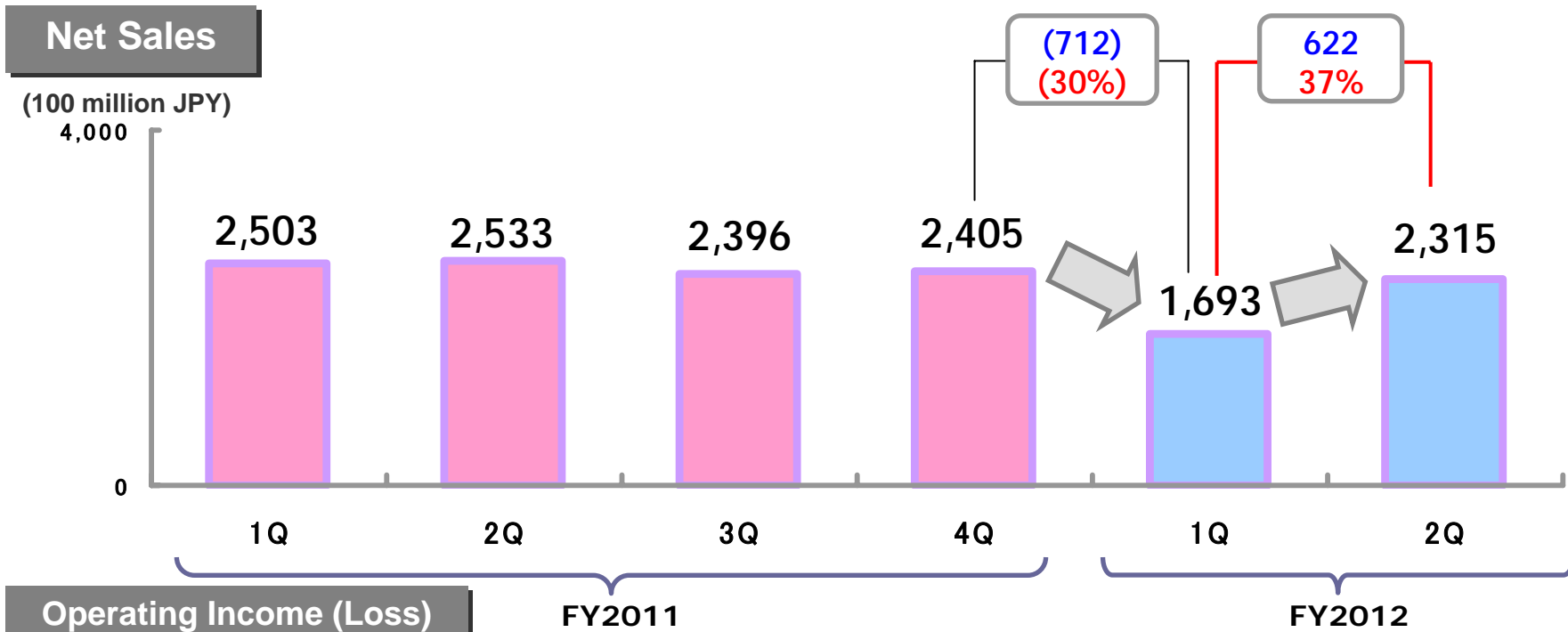
	FY2011 2Q	FY2012 2Q
US\$	88.95 JPY	79.82 JPY
RMB	13.38 JPY	12.54 JPY
Thai baht	2.78 JPY	2.65 JPY
EUR	113.85 JPY	113.79 JPY

**Net Income per Share**  
**49.30 JPY** → **-7.75 JPY**

**Dividend**  
**8 JPY** → **7 JPY**

# FY2012 2Q Financial Results

Despite major drop in 1Q, 2Q sees near-recovery

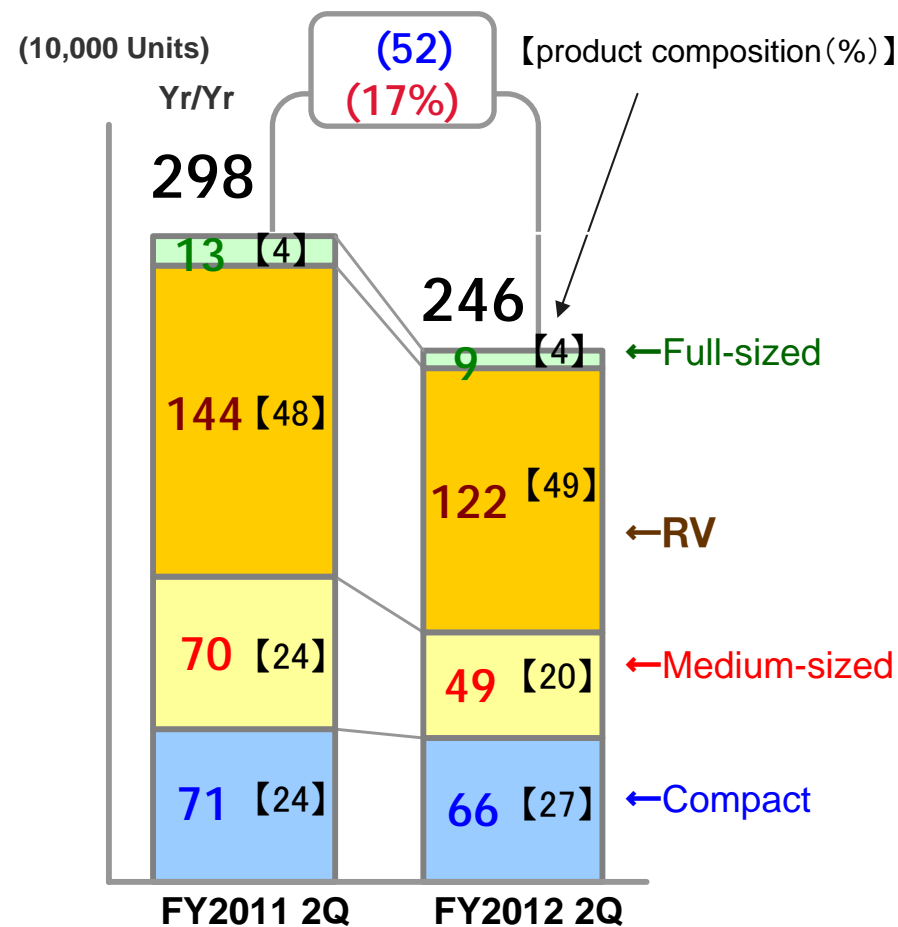


# FY2012 2Q Unit Sales by Region

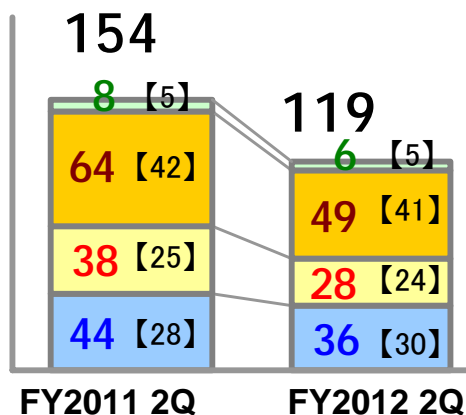
Increase in units produced seen only in Europe and Africa; decreases in all other regions

## Seat Assy. Production

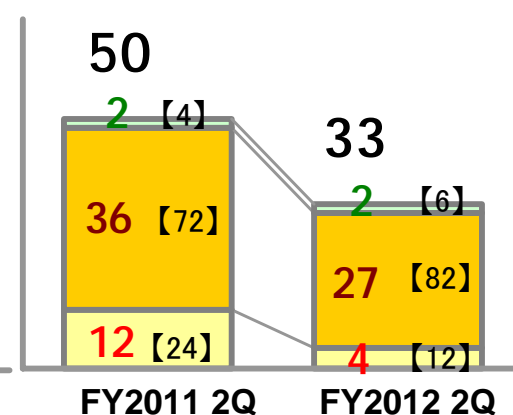
### Total



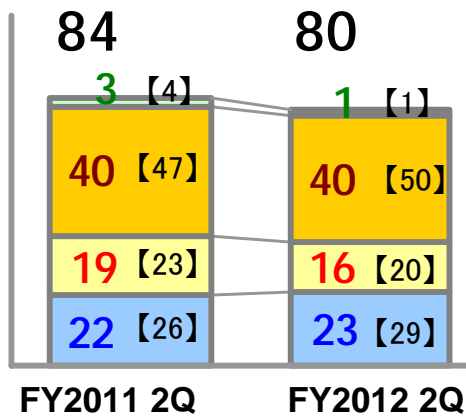
### Japan



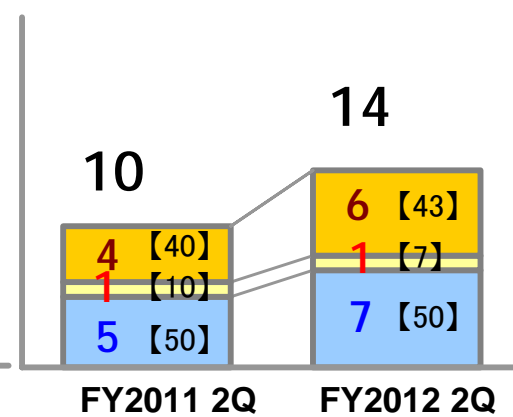
### N/C/S America



### Asia & Oceania



### Europe & Africa

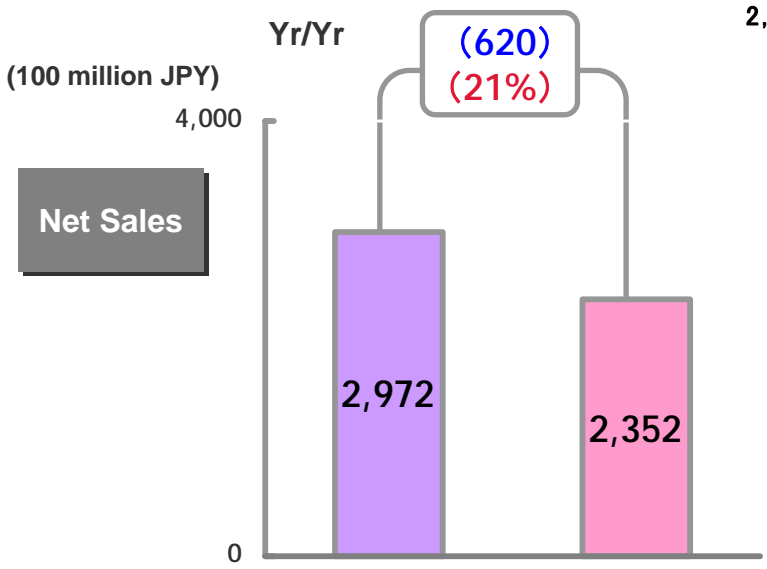


# FY2012 2Q Net Sales and Operating Income by Region (1)

## Japan

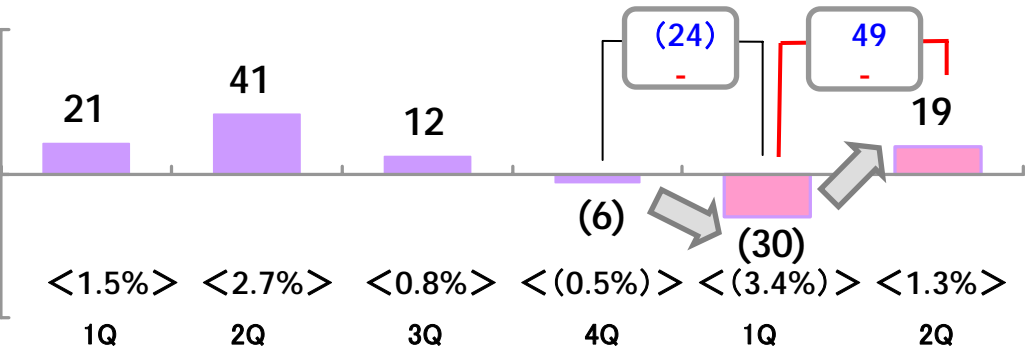
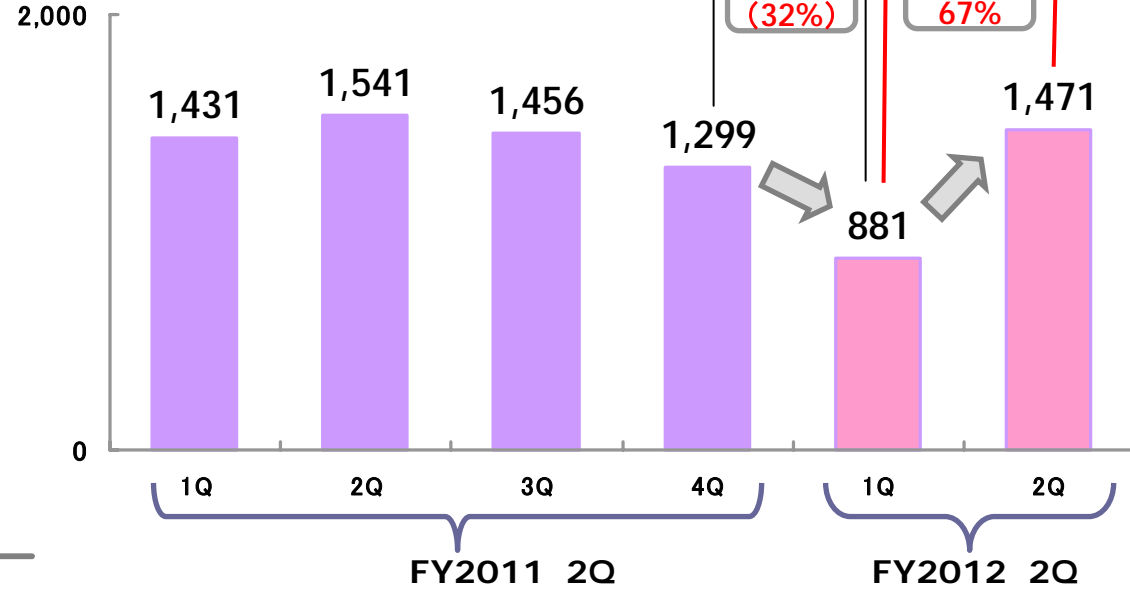
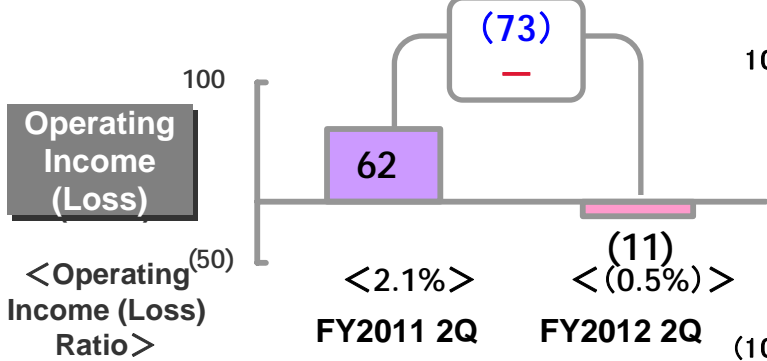
(100 million JPY)

Net Sales



Operating Income (Loss)

<Operating Income (Loss) Ratio>

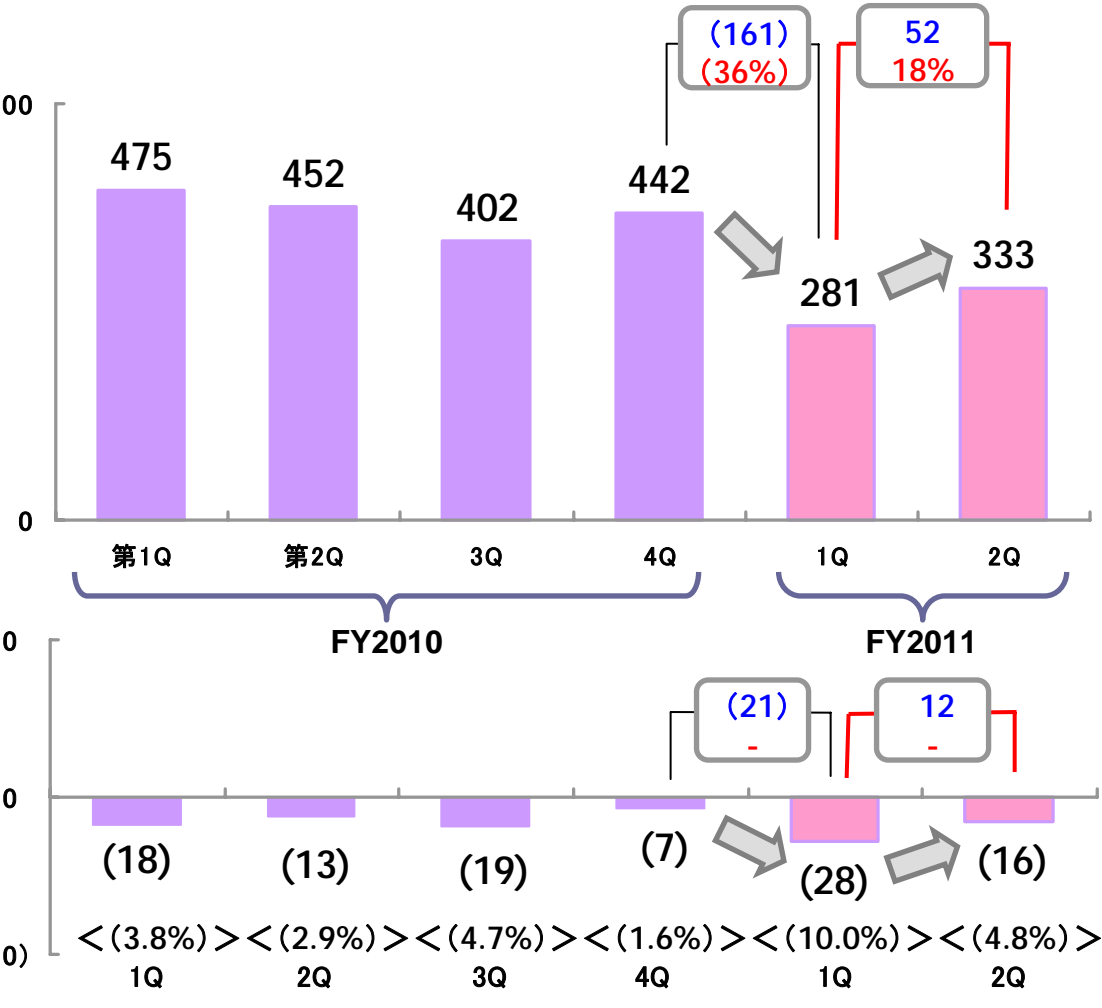
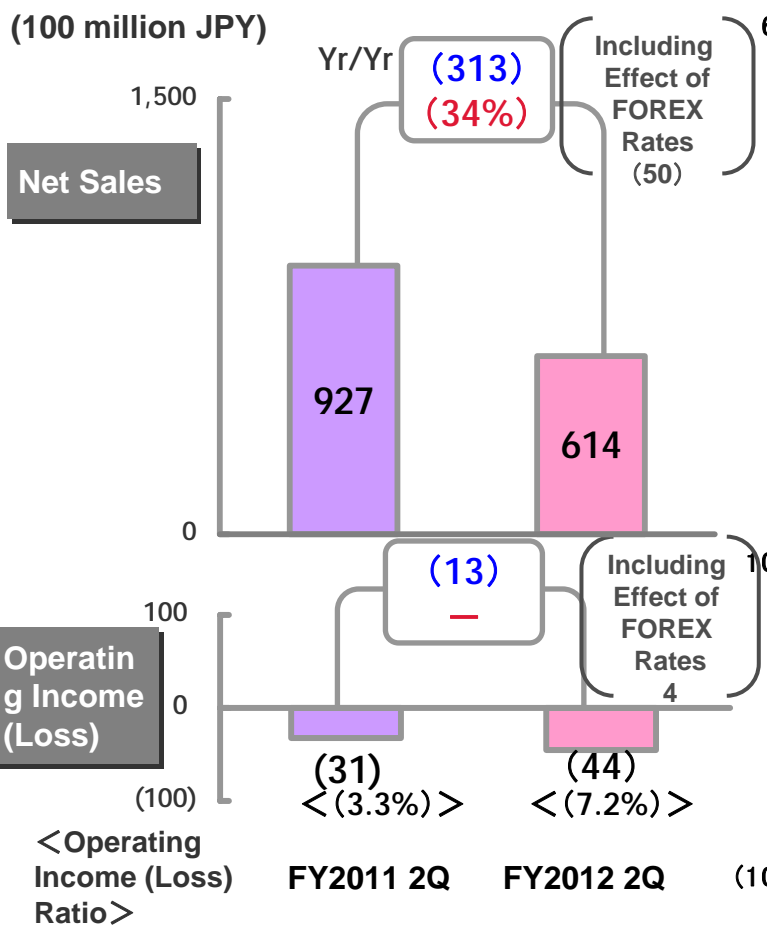


- Impact of disaster results in major reductions in revenue and profit, with loss in operating income
- 2Q sees near-recovery, with surplus in operating income



# FY2012 2Q Net Sales and Operating Income by Region (2)

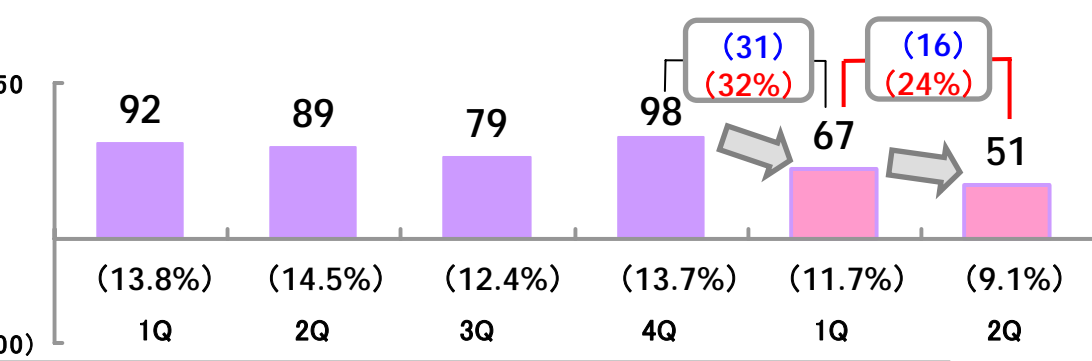
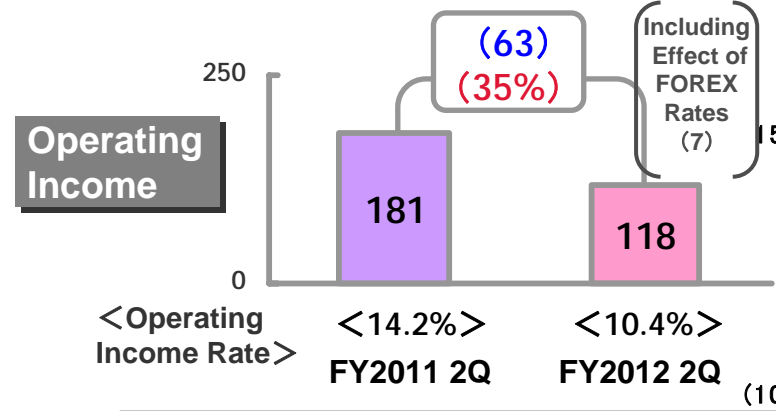
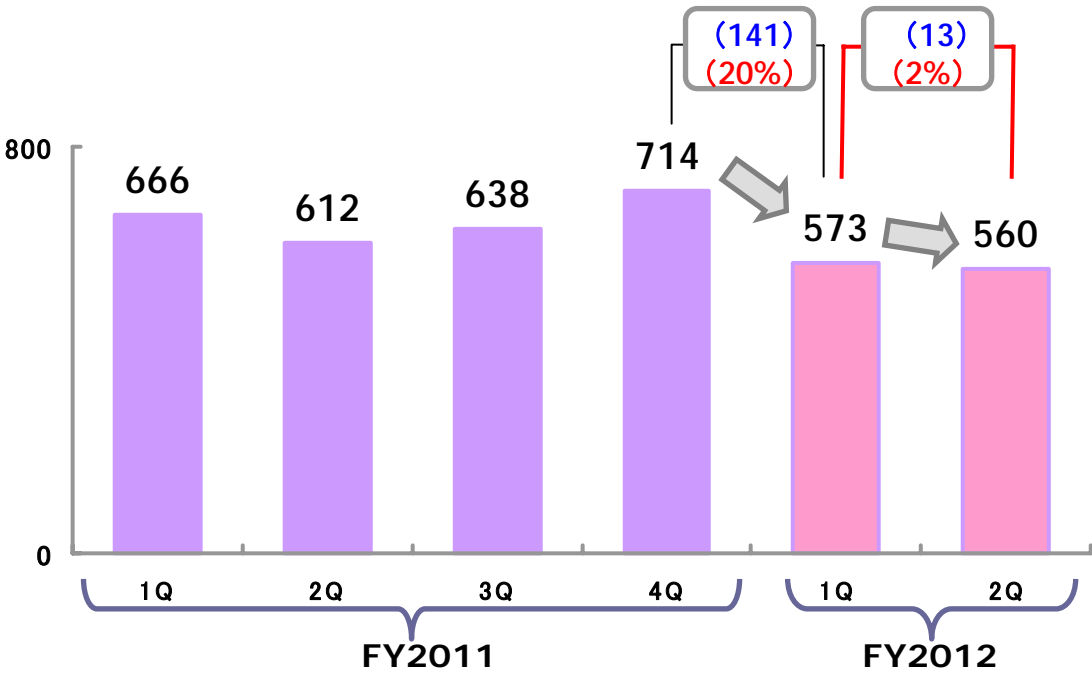
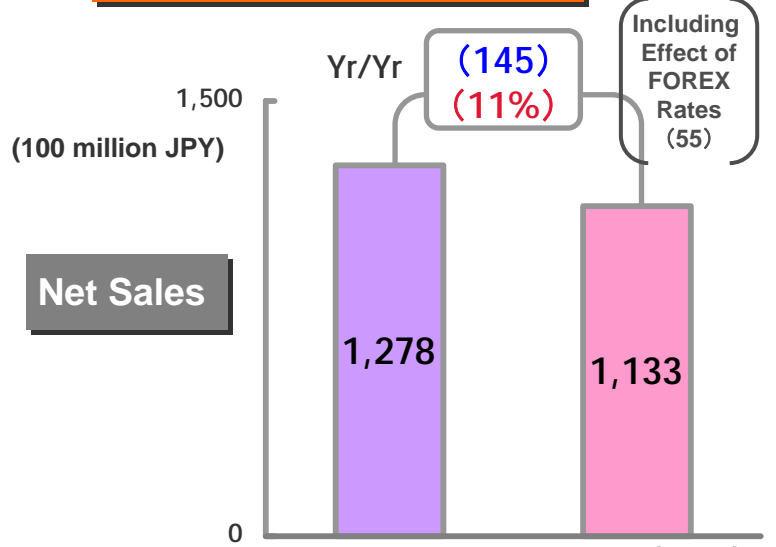
## N/C/S America



- Major losses in revenue due to impacts of the disaster, exchange rate and transfer of Camry production
- Despite losses from reductions in units produced, steady improvement in profit structure

# FY2012 2Q Net Sales and Operating Income by Region (3)

## Asia & Oceania



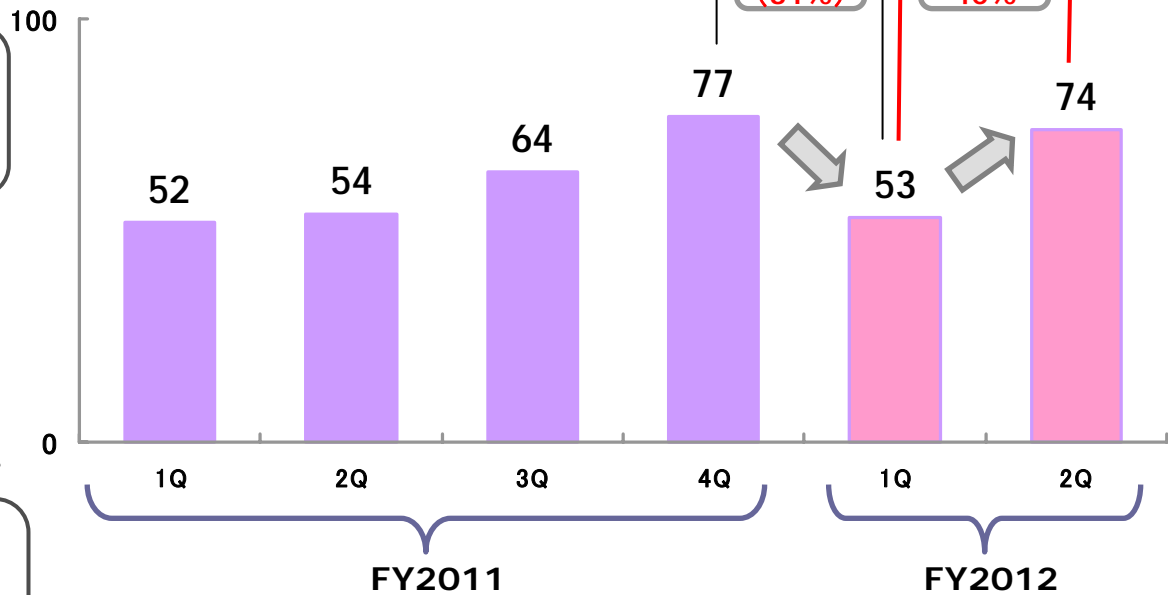
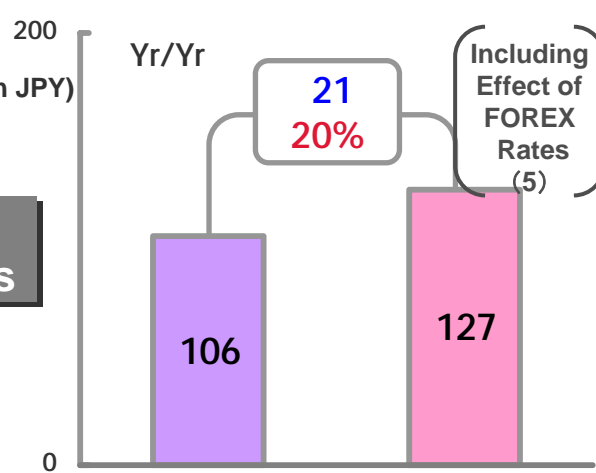
- Lower revenues due to disaster's and exchange rate's impacts (in China, effects of disaster seen in 2Q)
- Lower profits due to decreased production and revenue and to increased expenses in preparing for production following switch for Camry in Australia

# FY2012 2Q Net Sales and Operating Income by Region (4)

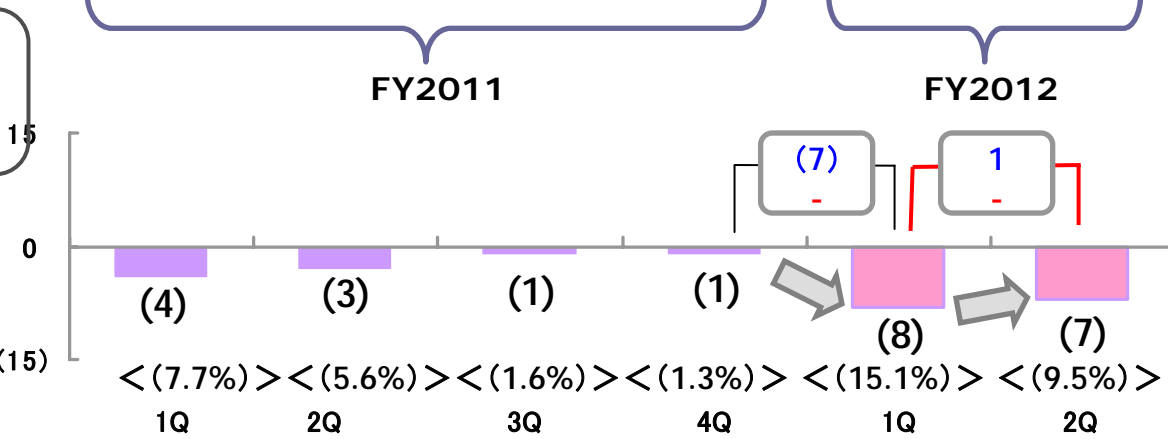
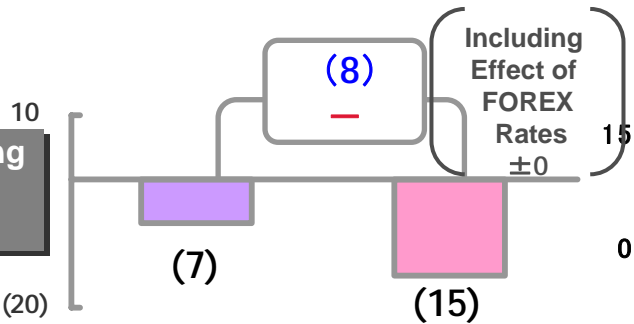
## Europe & Africa

(100 million JPY)

Net Sales



Operating Income (Loss)



<Operating Income (Loss) Ratio>

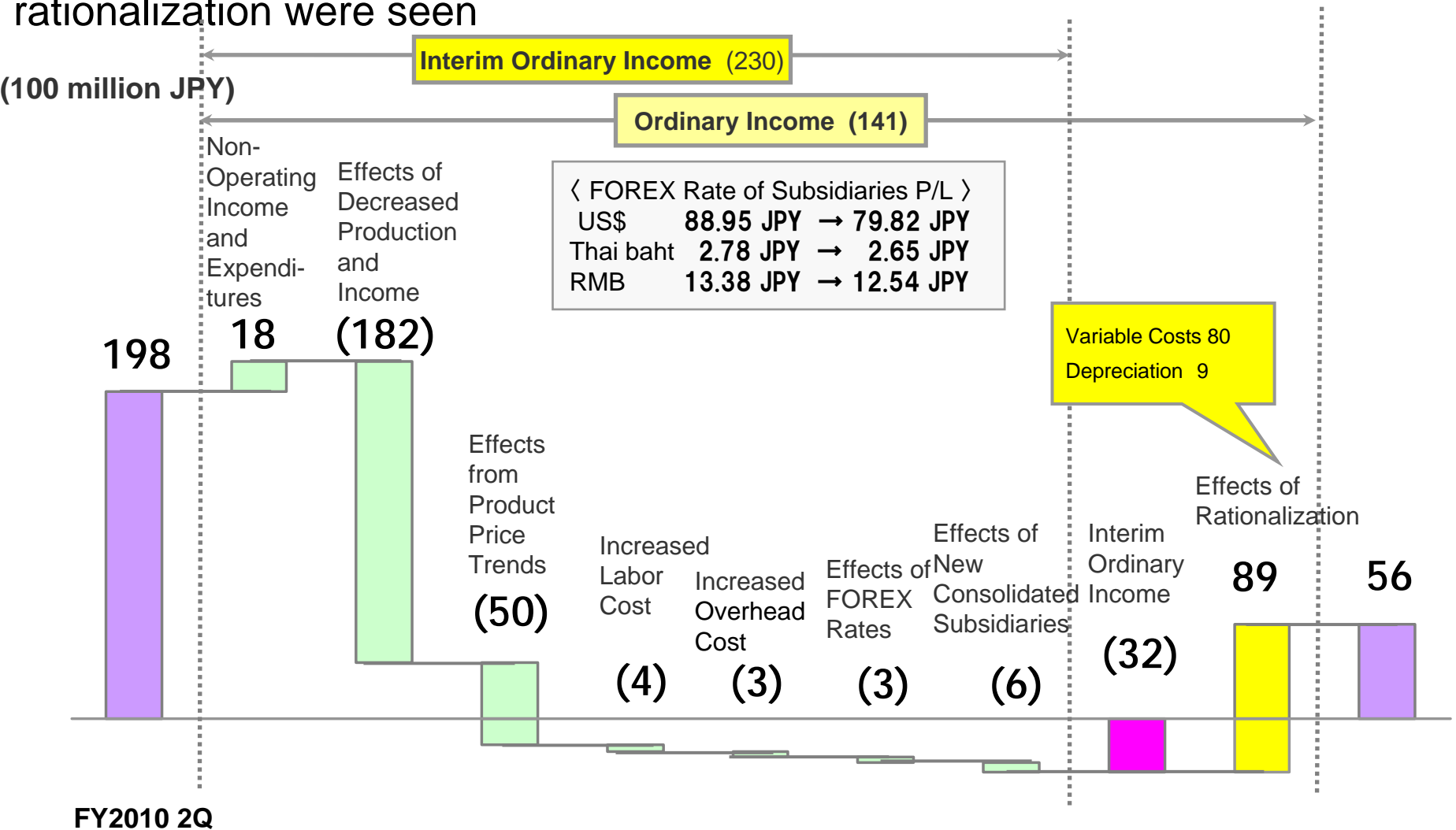
<(6.6%)> FY2011 2Q  
<(11.8%)> FY2012 2Q

<(7.7%)> 1Q  
<(5.6%)> 2Q  
<(1.6%)> 3Q  
<(1.3%)> 4Q  
<(15.1%)> 1Q  
<(9.5%)> 2Q

- Increased revenues due to release of Yaris in France, other factors
- Lower profit due to increased expenses in preparing for production of Yaris by TB Somain and TBAI Poland

# FY2012 2Q Ordinary Income Increase/Decrease Analysis

Despite losses in interim ordinary income, gains from the effects of rationalization were seen



# 5. FY2012 Financial Forecasts

# Effects of Thailand Flooding

## 1. Status of Operations (as of November 2011)

### (1) In Thailand (1 management company, 6 production bases)

Complete suspension of operations	3 bases (seats, door trim and other interior products)
Partial suspension of operations	3 bases (functional seat components, headliners, seat fabrics, etc.)
Normal operations	No locations

### (2) Outside Thailand

Japan	<ul style="list-style-type: none"><li>• Complete suspension of operations at 2 production subsidiaries</li><li>• Partial suspension of operations at 4 plants and 1 production subsidiary</li><li>• Temporary suspensions and other adjustments in operations at other plants</li></ul>
Asia Region	Adjustments in operations in Indonesia, Philippines, Vietnam, and other countries
Other Areas	Adjustments in operations in the U.S., Canada, and South Africa (specifics unknown)

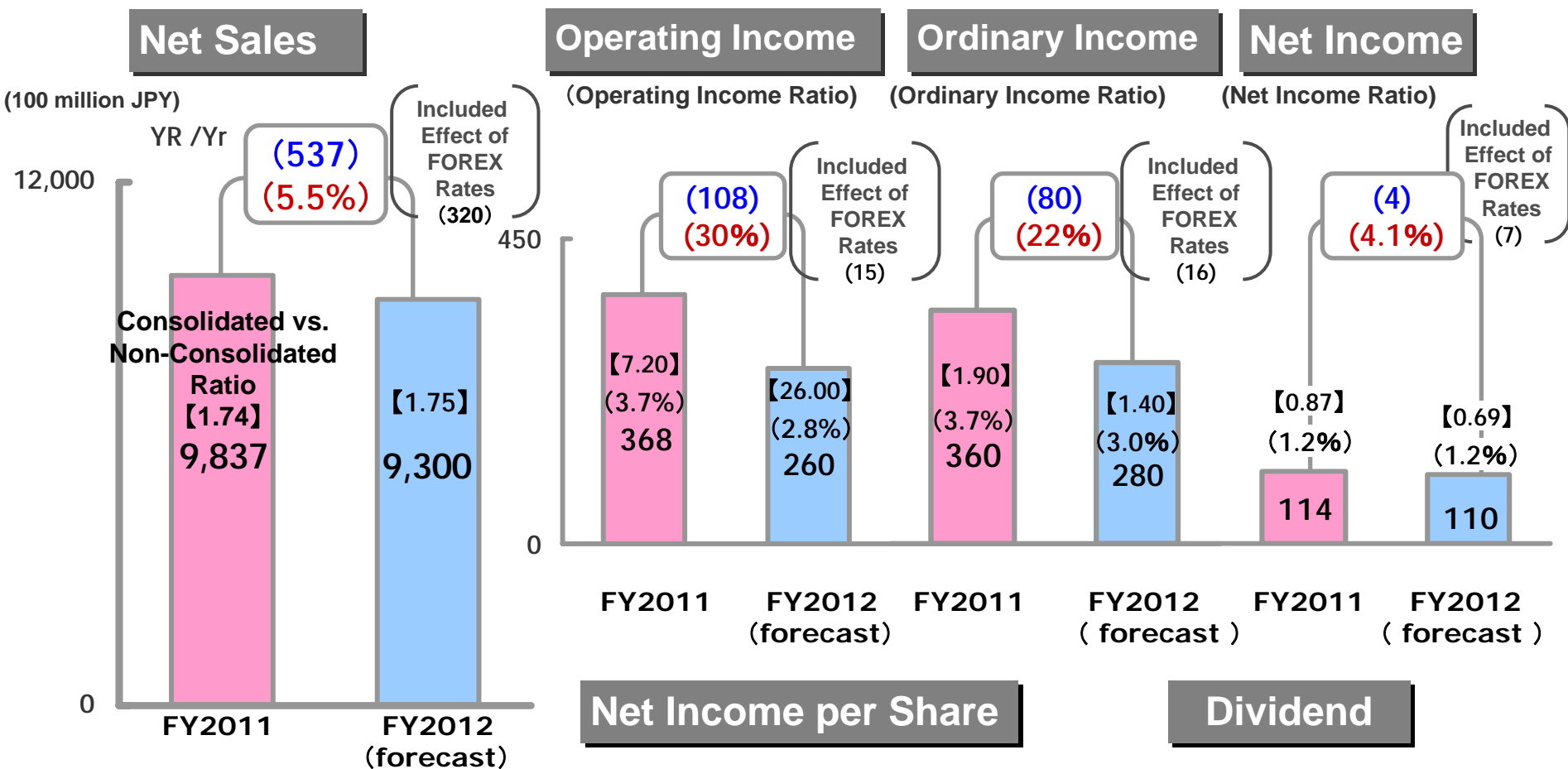
## 2. Status of Damage: no direct damage

## 3. Effect on results in FY2012 (consolidated): unknown



# FY2012 Financial Forecasts

Losses in revenue and profits due to the effects of exchange rates and unfavorable vehicle mix



US\$	85.72 JPY	78.00 JPY
RMB	12.96 JPY	12.30 JPY
Thai baht	2.75 JPY	2.55 JPY
EUR	113.12 JPY	109.00 JPY

## Net Income per Share

## Dividend

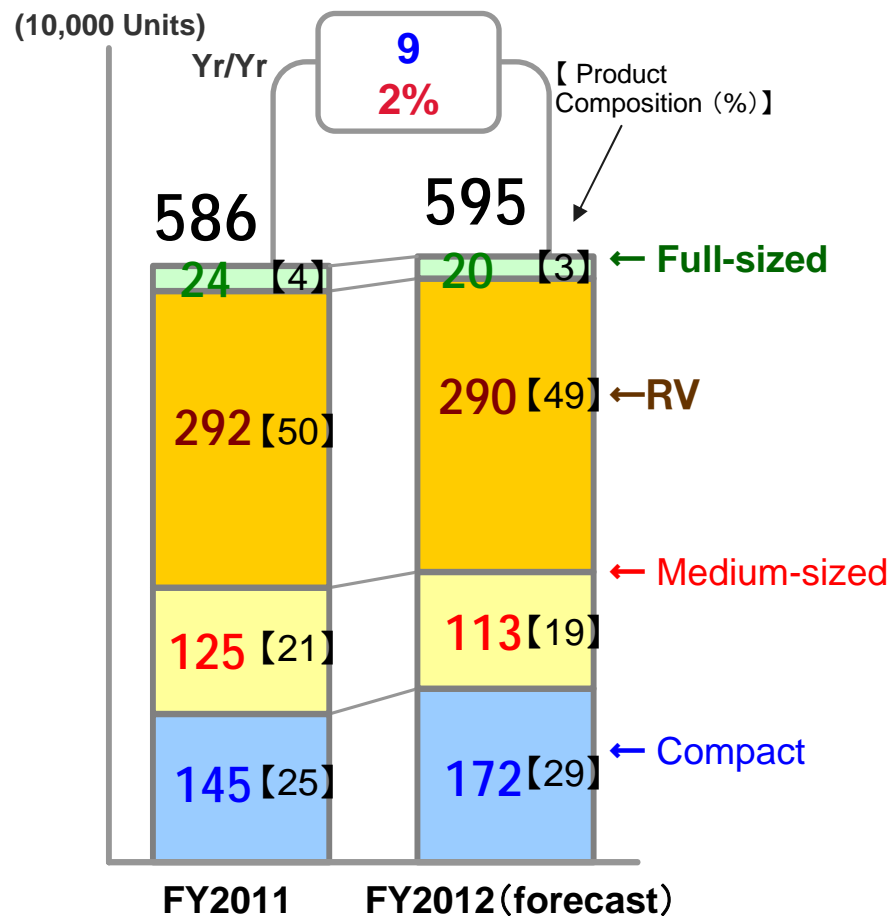
**61.82 JPY → 59.36 JPY    16 JPY → undecided**

# FY2012 Unit Sales by Region

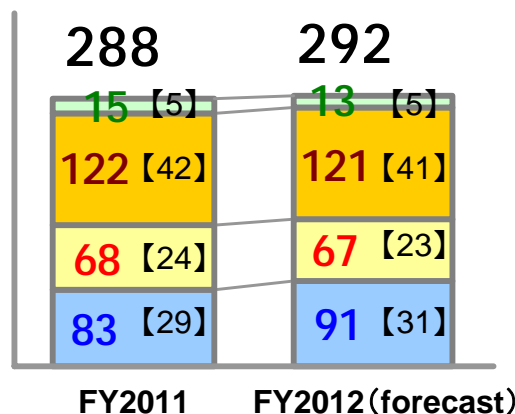
Units sold mostly flat, unfavorable in vehicle mix due to increase in compact models

## Seat Assy. Production

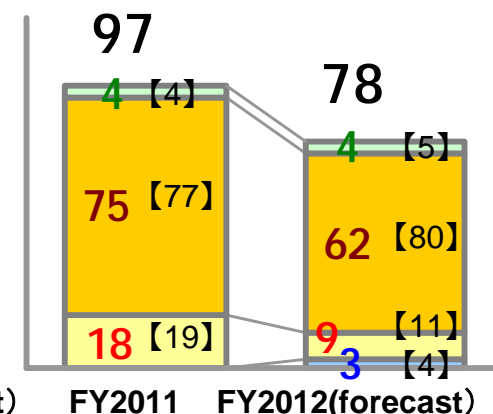
### Total



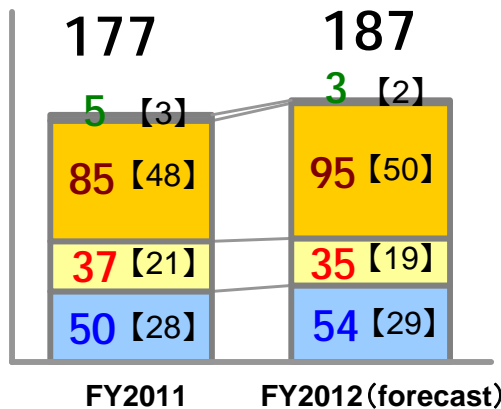
### Japan



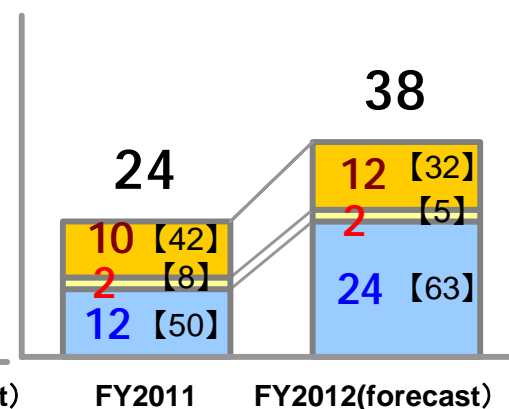
### N/C/S America



### Asia & Oceania

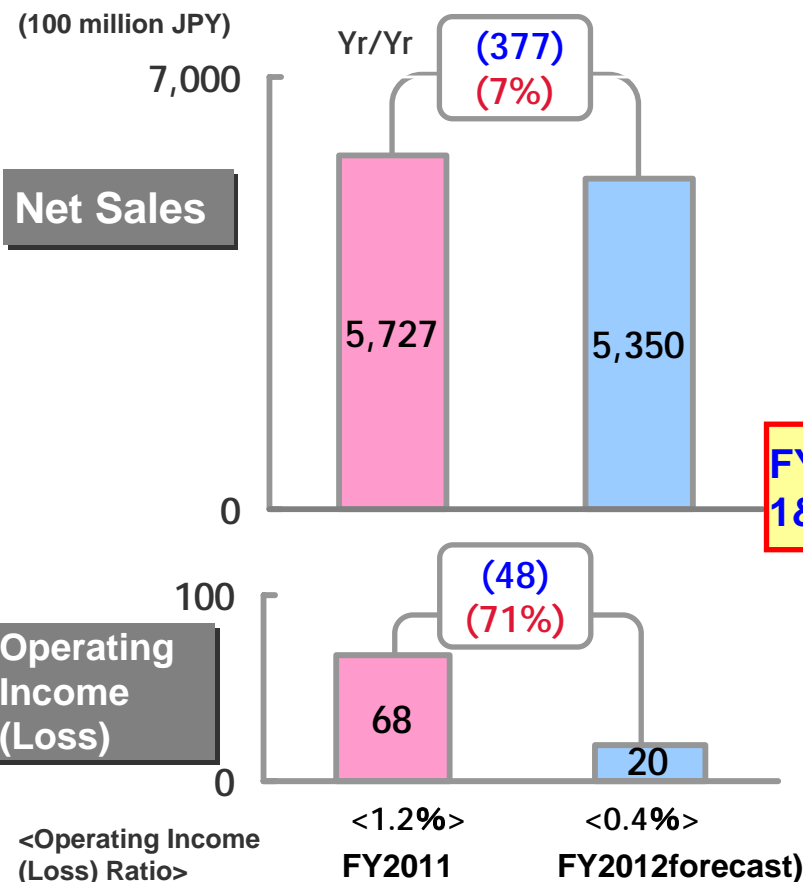


### Europe & Africa



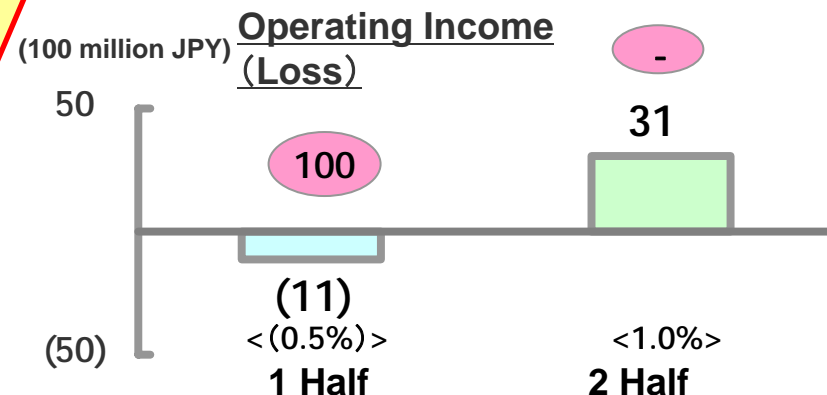
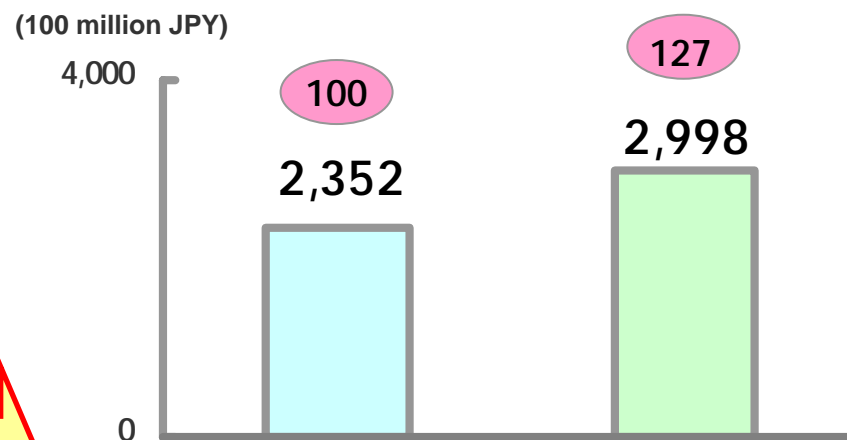
# FY2012 Regional Net Sales and Operating Income (1)

## Japan



FY2012  
1&2 Half

## Net Sales

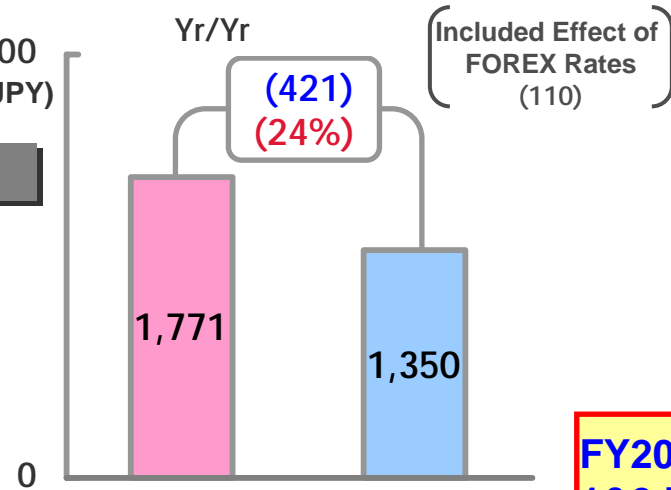


- Despite rationalization and decreased depreciation expenses, unfavorable vehicle composition and other factors resulting in losses in profits
- Increased units produced and surpluses forecast in 2 Half following recovery in production lost due to disaster

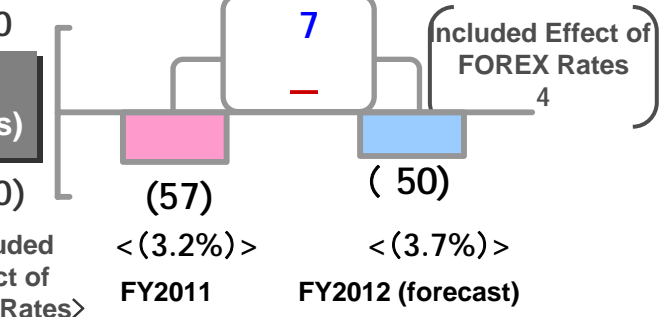
# FY2012 Regional Net Sales and Operating Income (2)

## N/C/S America

2,500  
(100 million JPY)  
Net Sales

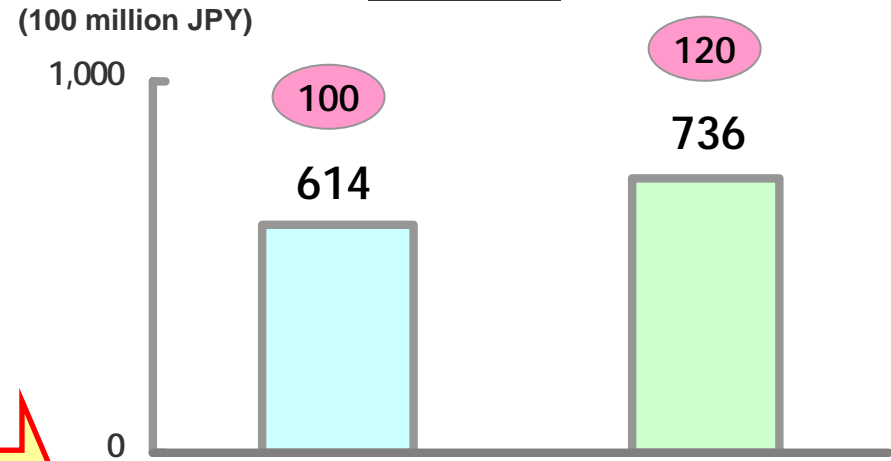


100  
Operating Income (Loss)

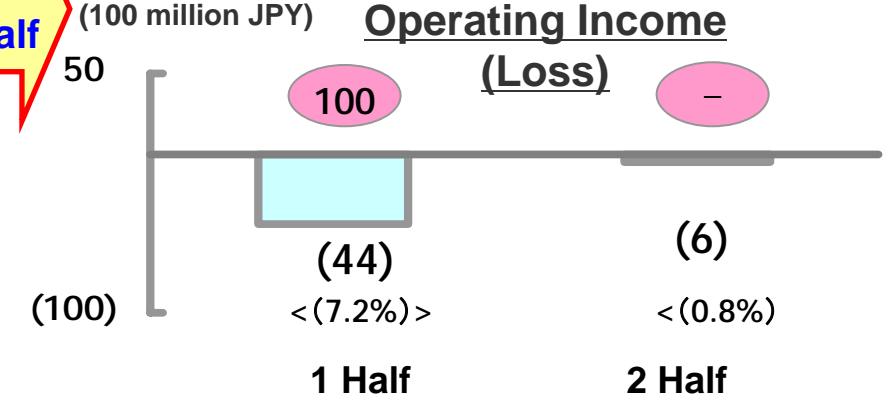


FY2012  
1&2 Half

## Net Sales

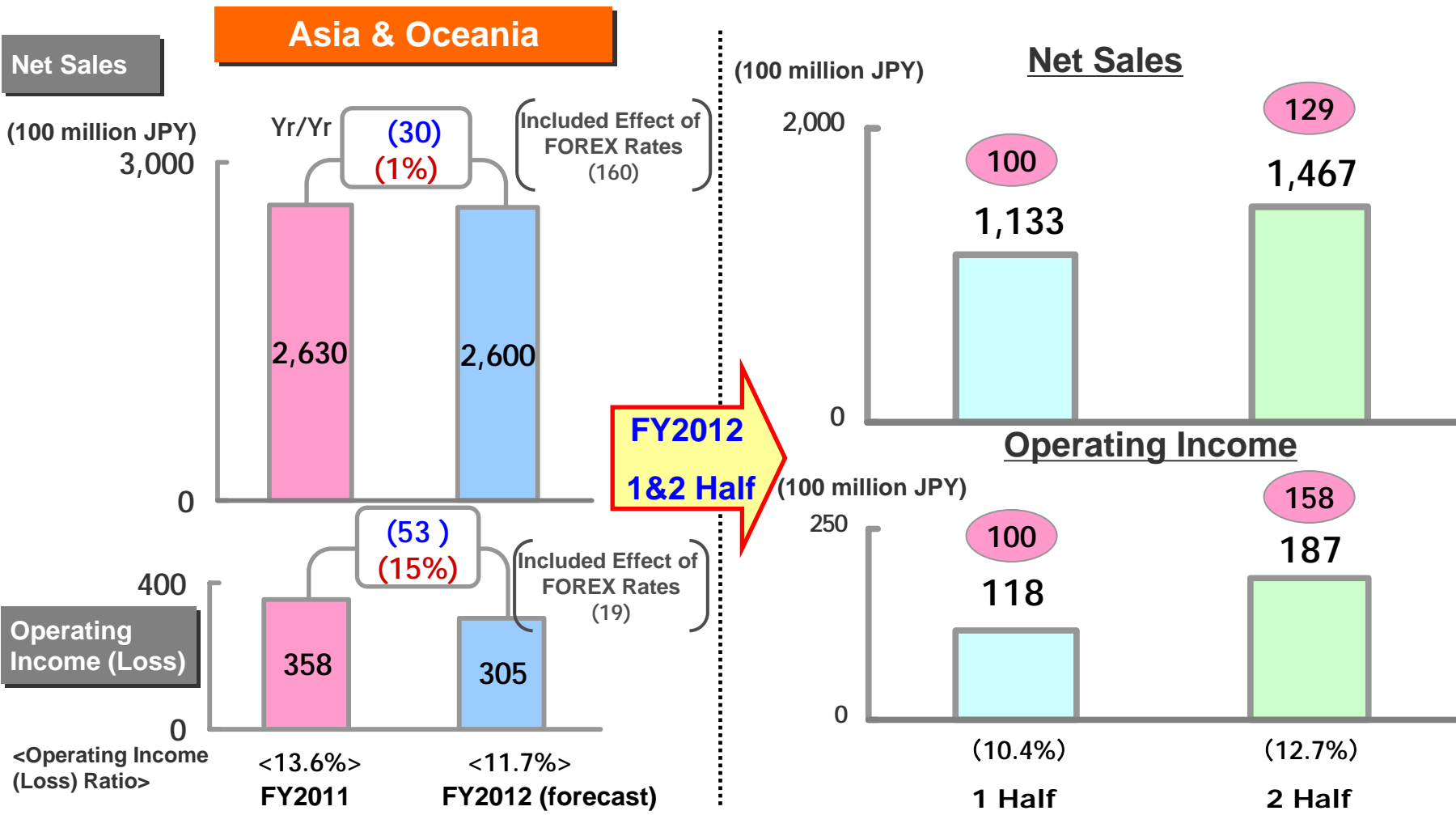


## Operating Income



- Major losses in revenue due to transfer of Camry production and exchange rate's impacts
- Reduced losses estimated due to improved profit structure and results of special promotion projects from previous year

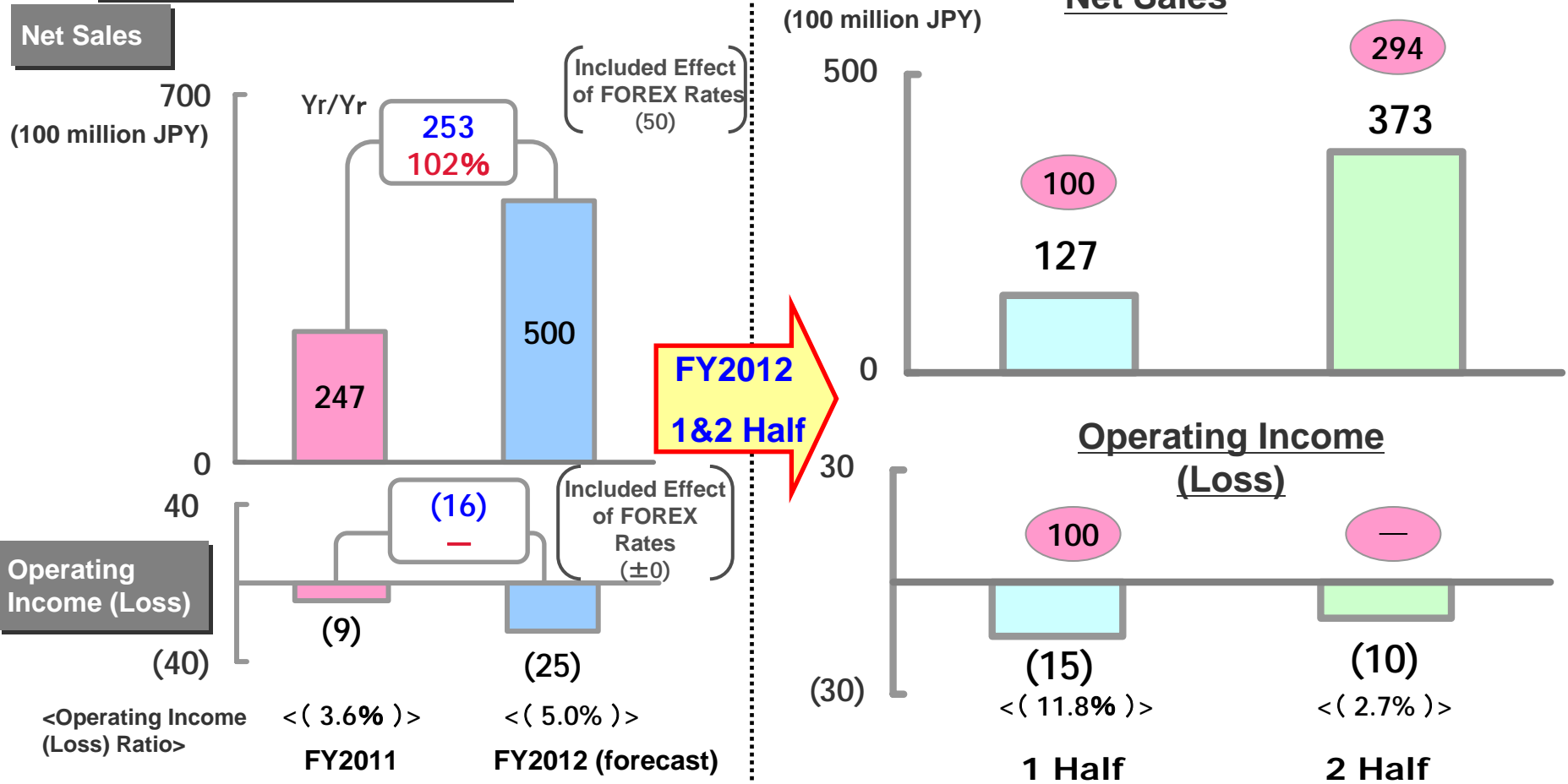
# FY2012 Regional Net Sales and Operating Income (3)



- Loss in revenues due to exchange rate's impacts, despite increase in units produced
- Lower profits due to increased expenses in preparing for production following switch for Camry in Australia and expenses in preparing for startup of a new company in Changchun

# FY2012 Regional Net Sales and Operating Income (4)

## Europe & Africa

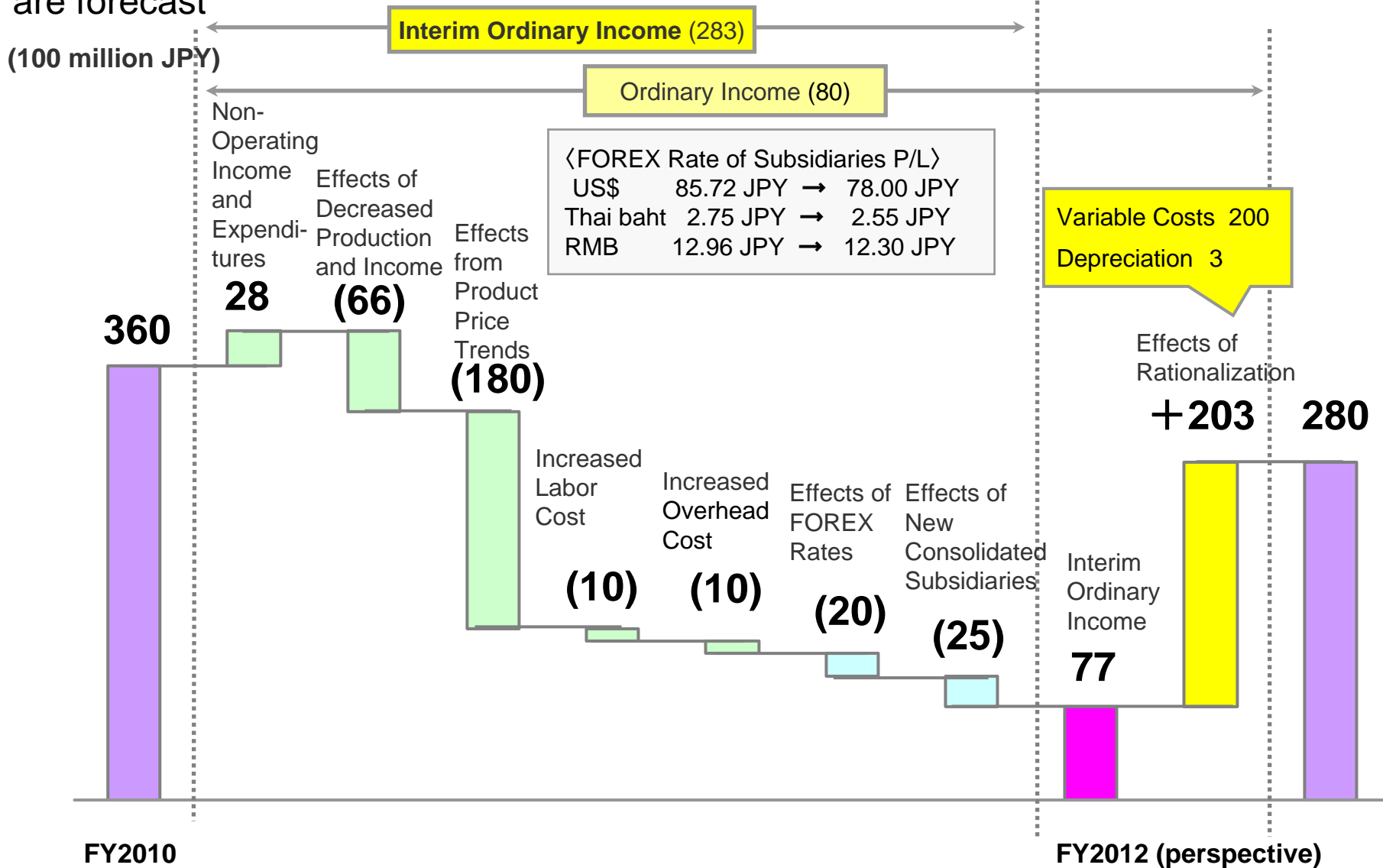


- Increased revenues from release of Yaris and contribution by Boshoku Automotive Europe
- Loss in profits due to increased expenses in preparing for production of Yaris by TB Somain and TBAI Poland, increased expenses in pursuing business other than Toyota, and other factors



# FY2012 Ordinary Income (Loss) Analysis

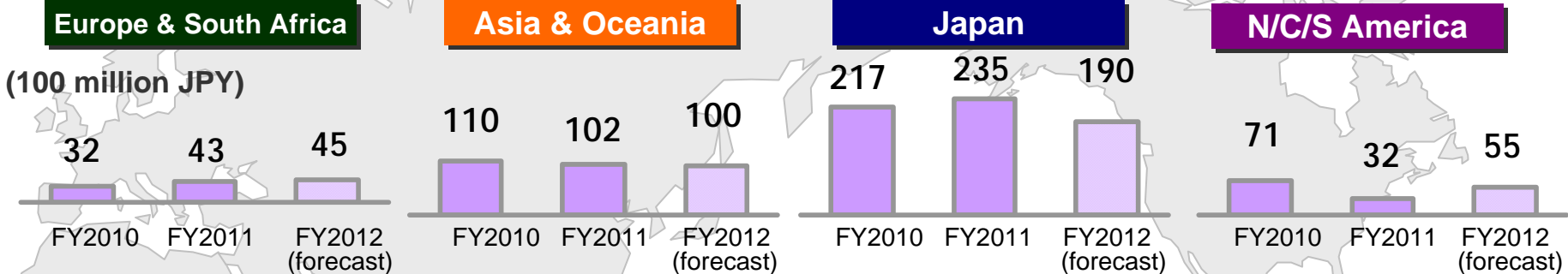
Unable to cover lower production and revenues through rationalization, losses in profits are forecast



# FY2012 Capital Expenditures

Setup of global supply system focusing on investment in model changes

## Capital Expenditures



Acquisition of Boshoku Automotive Europe plant and land

Plant construction in Changchun, China, investment in model changes

Purchase of land for test course, investment in model changes

Plant construction at Toyota Boshoku Do Brasil, equipment upgrade at TB Mississippi

