



**TOYOTA BOSHOKU CORPORATION**

**FY2019**

**Financial Results**

ended March 31, 2019

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# Financial Results

Aim for Sustainable Growth

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**[Year-on-year]**

**1. Financial Highlights**

**2. FY2019 Financial Results**

**3. FY2020 Financial Forecasts**

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**[Year-on-year]**

**1. Financial Highlights**

2. FY2019 Financial Results

3. FY2020 Financial Forecasts

# 1-1) Financial Highlights

## ■ FY2019 Financial Results

1. Operating Income was lower due to Depreciation Costs increase in Japan, Start-up Costs in North America, and Forex impact in South America in spite of Volume increase in China and Model Mix Change in Japan.

## ■ FY2020 Financial Forecasts

2. Operating Income will be lower in FY2020 due to Labor Costs increase, rise in raw material price, and working on strengthen competitive advantage for the future even though Changes in product prices will be offset by Volume increase and higher Cost Reduction Efforts.

## ■ Dividend

3. Dividend per share of FY2019 will be 56 yen, which is higher by 2 yen than that of FY2018. That of FY2020 will be also kept 56 yen.

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**[Year-on-year]**

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## 2-1) FY2019 Financial Results

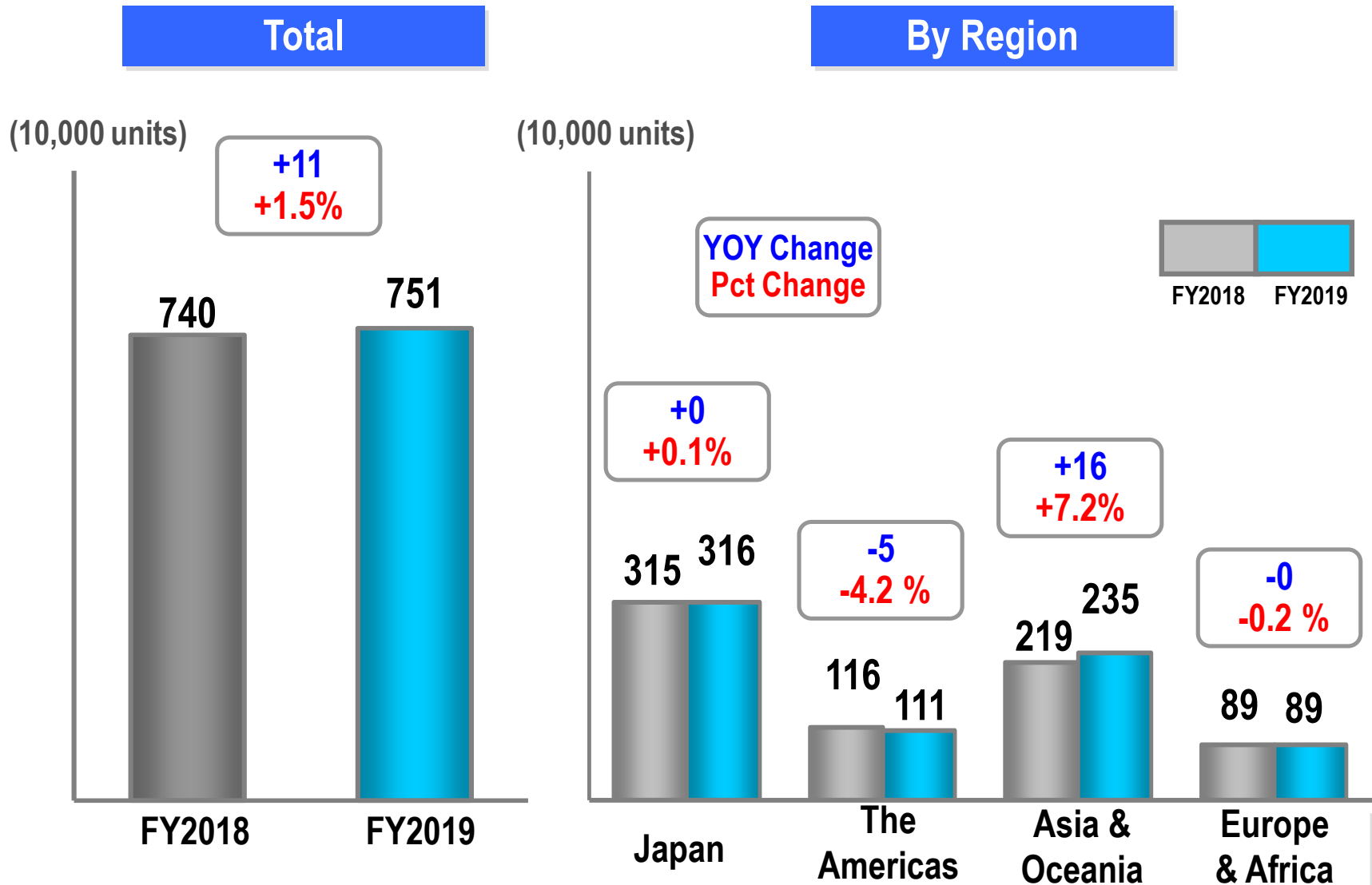
### Overview of Consolidated Financial Results

(100 million yen)

		(JGAAP) FY2018		(JGAAP) FY2019		YOY Change	
Net Sales		13,995	100.0%	14,064	100.0%	69	0.5%
Operating Income		711	5.1%	580	4.1%	-131	-18.4%
Ordinary Income		728	5.2%	577	4.1%	-150	-20.7%
Profit*		427	3.1%	215	1.5%	-212	-49.7%
Earnings Per Share		230.27 yen		115.79 yen			
Dividend Per Share		54.00 yen		56.00 yen			
Exchange Rate	USD	111 yen		111 yen		-	
	EUR	130 yen		128 yen		-2 yen (strong yen)	

\* Profit Attributable to Owners of Parent

## 2-2) FY2019 Financial Results Seat Assembly Production





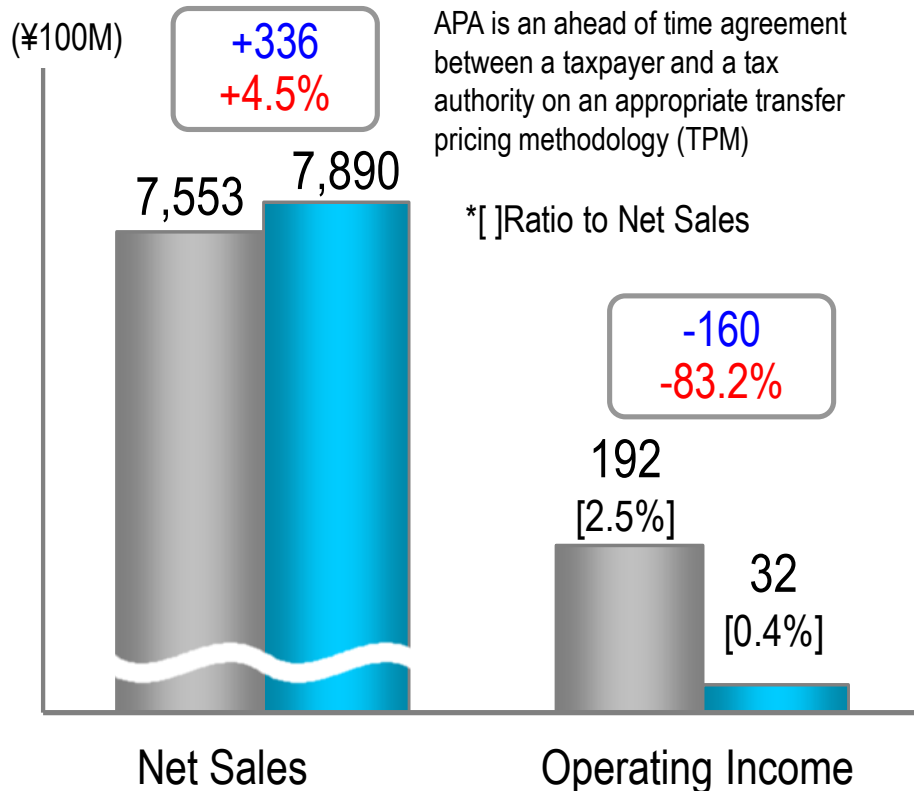
# 2-3) FY2019 Financial Results Net Sales & Operating Income by Region

## Japan

**Income Variance** ¥-160 (100M)

- Higher Sales due to Model Mix Change
- Lower Income due to Labor & Overhead Costs increase and Impact of APA\*

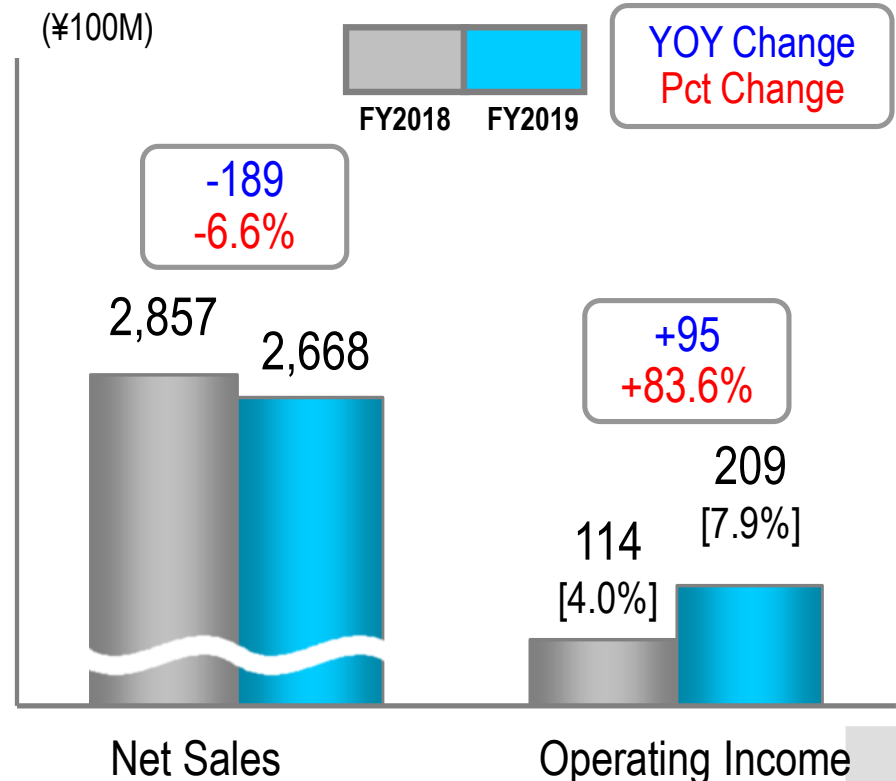
\*Advance Pricing Arrangement (APA)



## The Americas

**Income Variance** ¥+95 (100M)

- Lower Sales due to Volume decrease in North and Forex impact in South America
- Higher Income due to Impact of APA in spite of Start-up Costs increase



# 2-3) FY2019 Financial Results Net Sales & Operating Income by Region

## Asia & Oceania

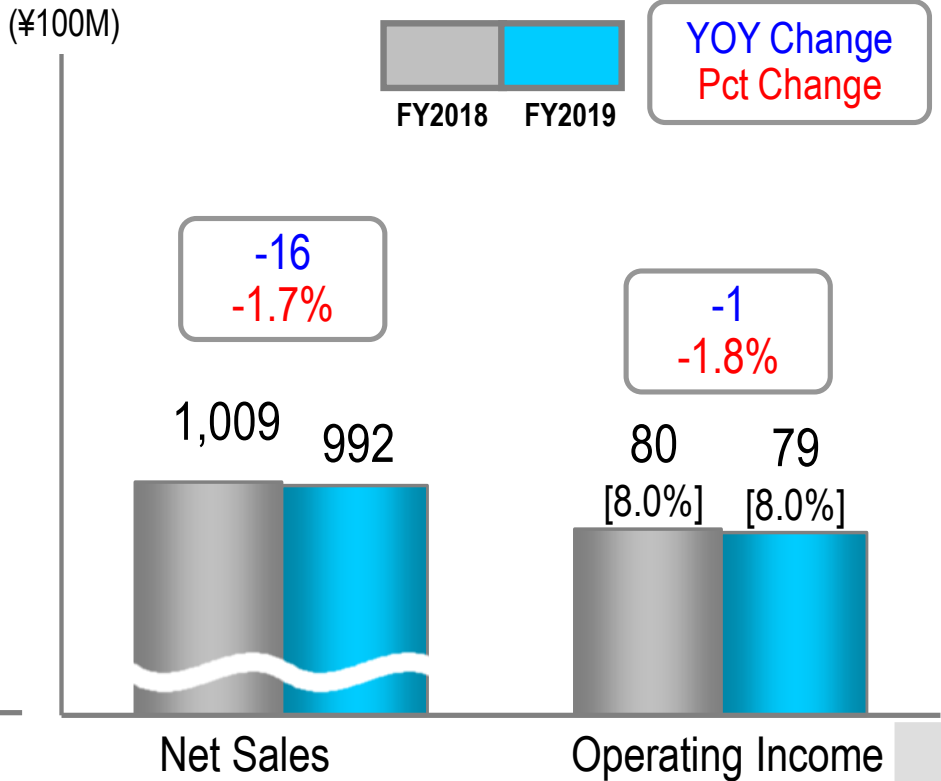
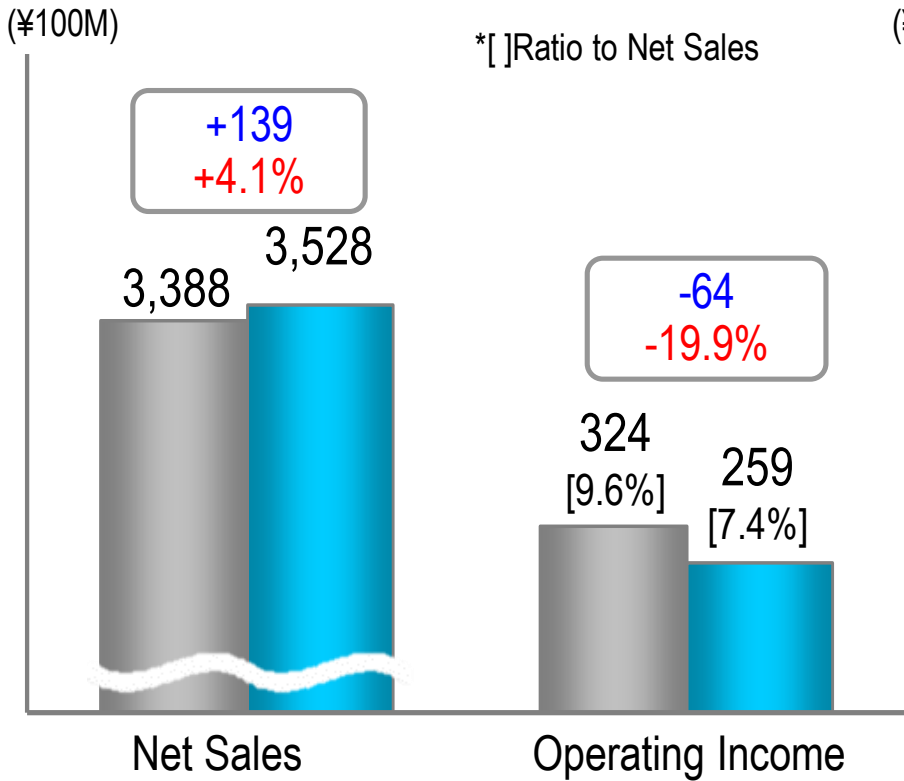
## Europe & Africa

**Income Variance** ¥-64 (100M)

- Higher Sales due to Volume increase in China
- Lower Income due to Impact of APA in spite of volume increase and Favorable effect by New models

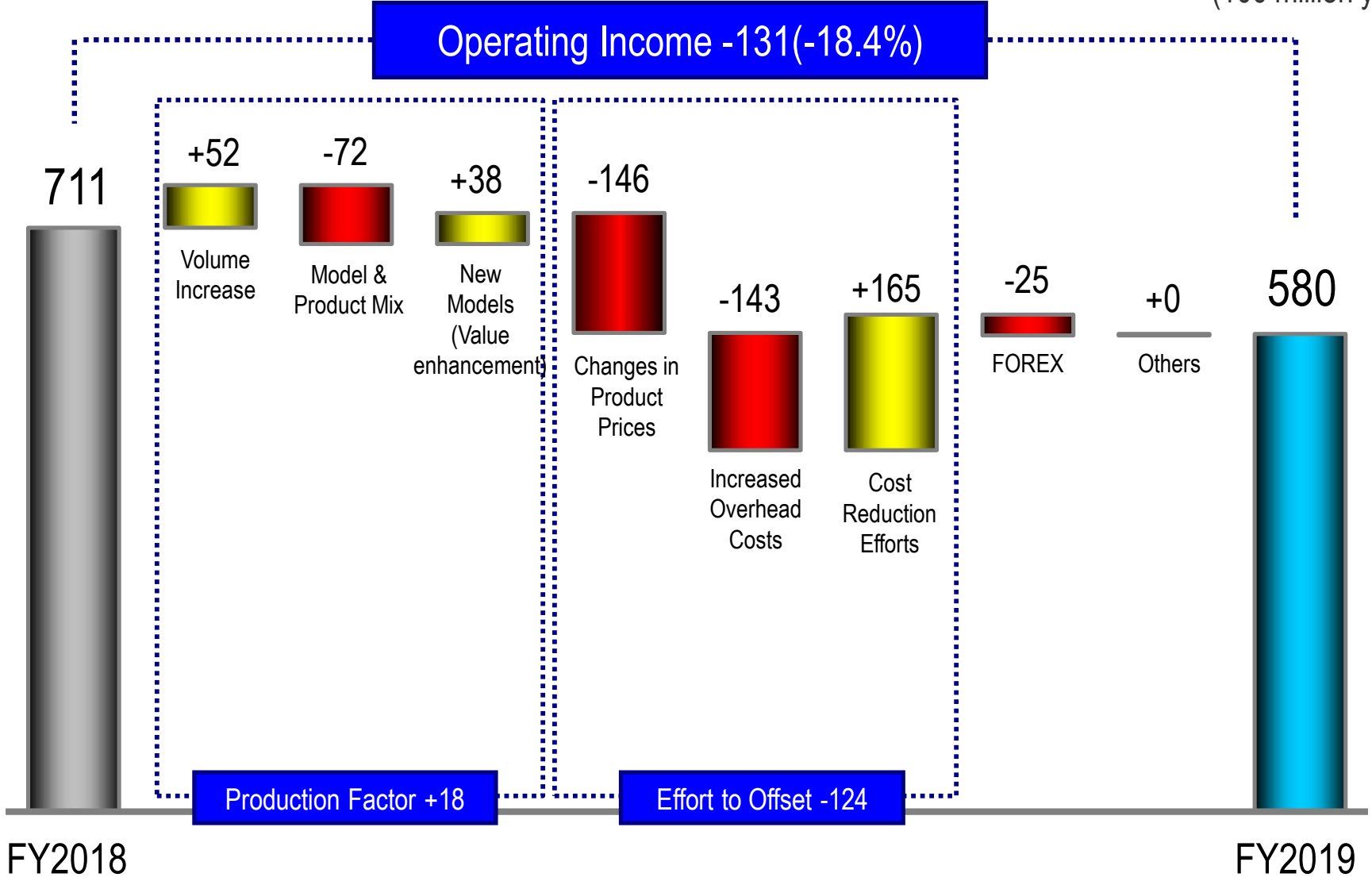
**Income Variance** ¥-1 (100M)

- Lower Sales due to production end of some models
- Income is about same level due to Model Mix Change and Cost Reduction Efforts in spite of Volume decrease



# 2-4) FY2019 Financial Results Operating Income Variance Analysis

(100 million yen)



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2. FY2019 Financial Results

**3. FY2020 Financial Forecast**

### 3-1) FY2020 Financial Forecasts

TOYOTA BOSHOKU CORPORATION adopts IFRS to the group consolidated financial statement from FY2020.

## FY2020 Consolidated Financial Forecasts

(100 million yen)

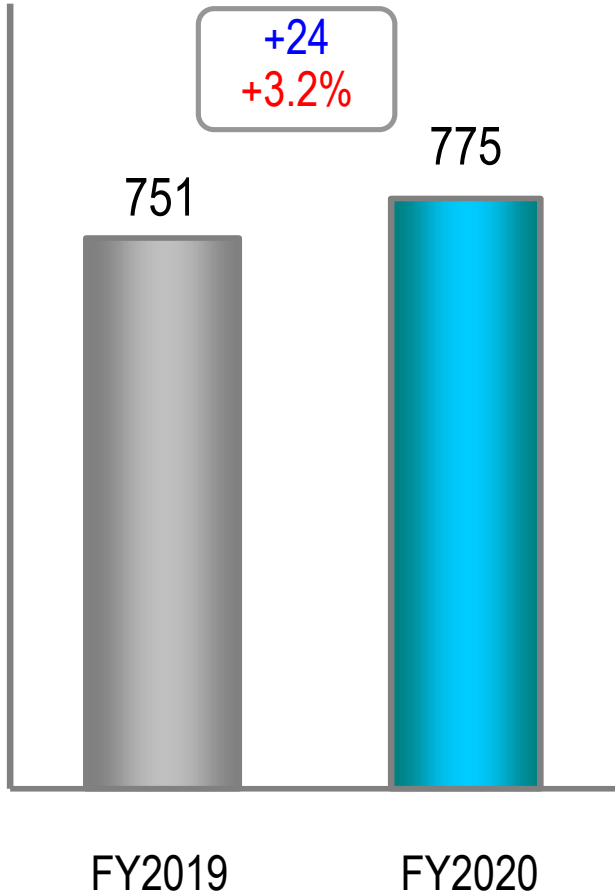
	(JGAAP) FY2019		(IFRS) FY2020		YOY Change	
Net Sales	14,064	100.0%	13,900	100.0%	-164	-1.2%
Operating Income	580	4.1%	530	3.8%	-50	-8.7%
Ordinary Income	577	4.1%	-	-	-	-
Profit*	215	1.5%	290	2.1%	74	34.9%
Earnings Per Share	115.79 yen		156.16 yen			
Dividend Per Share	56.00 yen		56.00 yen			
Exchange Rate	USD	111 yen	110 yen		-1 yen (strong yen)	
	EUR	128 yen	125 yen		-3 yen (strong yen)	

\* Profit Attributable to Owners of Parent

# 3-2) FY2020 Financial Forecasts Seat Assembly Production

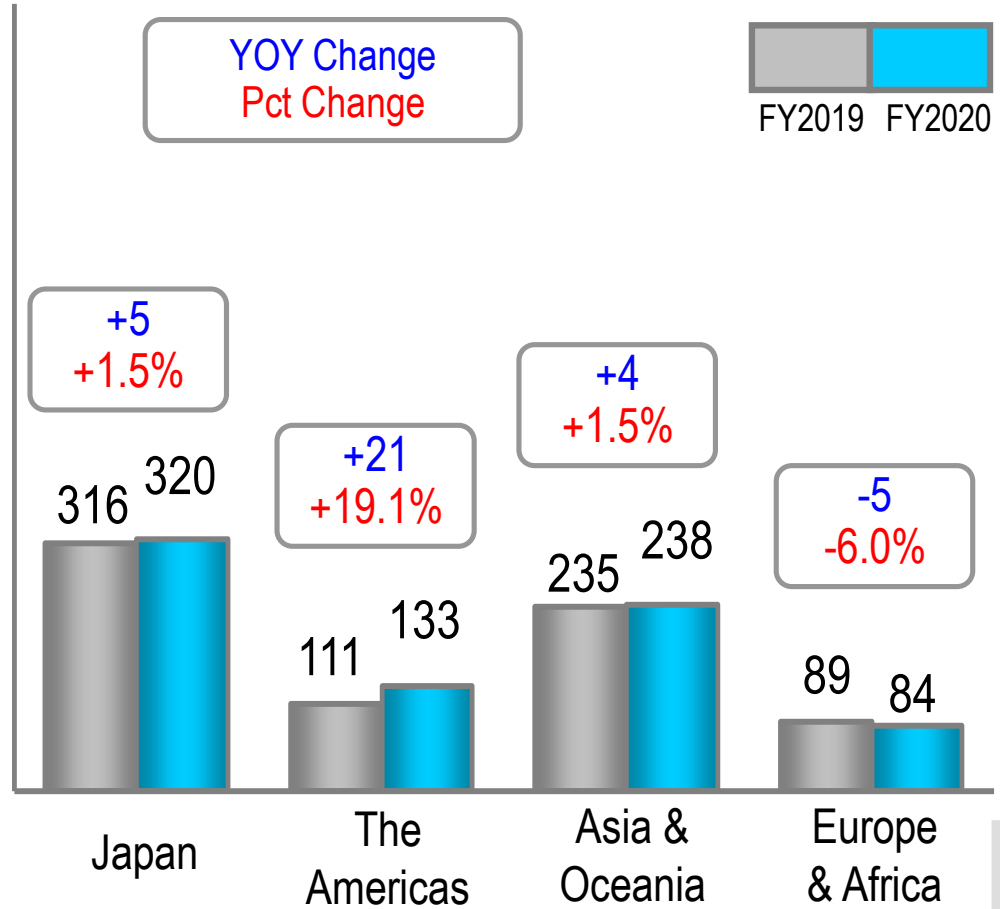
Total

(10,000 Units)



By Region

(10,000 Units)



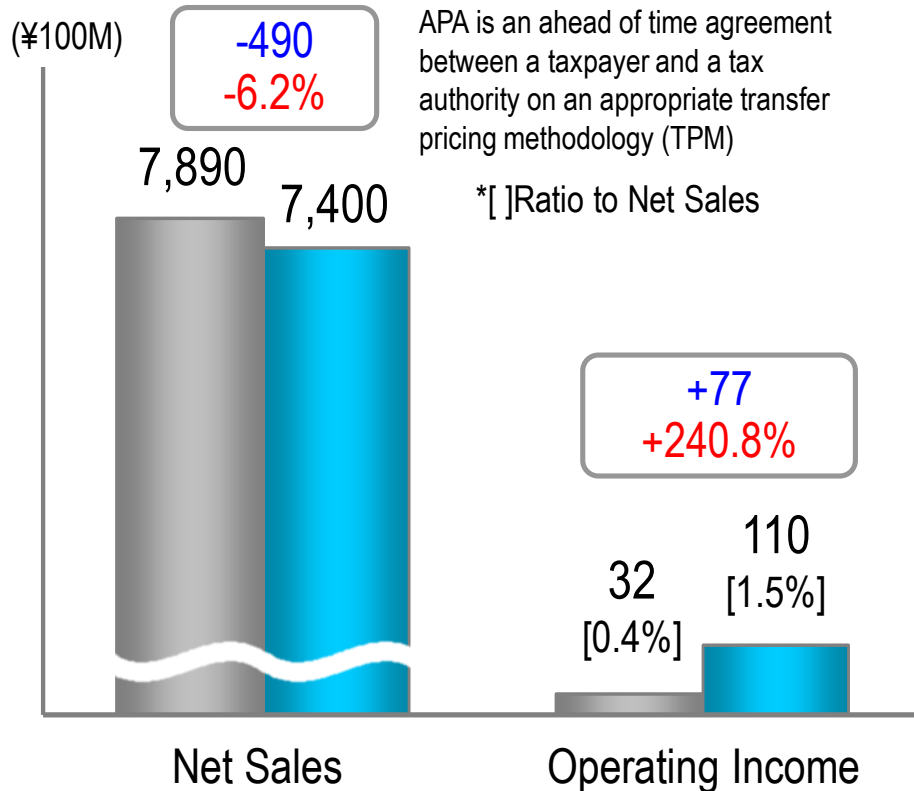
# 3-3) FY2020 Financial Forecasts Net Sales & Operating Income by Region

## Japan

**Income Variance** ¥+77(100M)

- Lower Sales due to Model Mix Change
- Higher Income due to Impact of APA \* in spite of Overhead Costs increase for strengthen competitive advantage

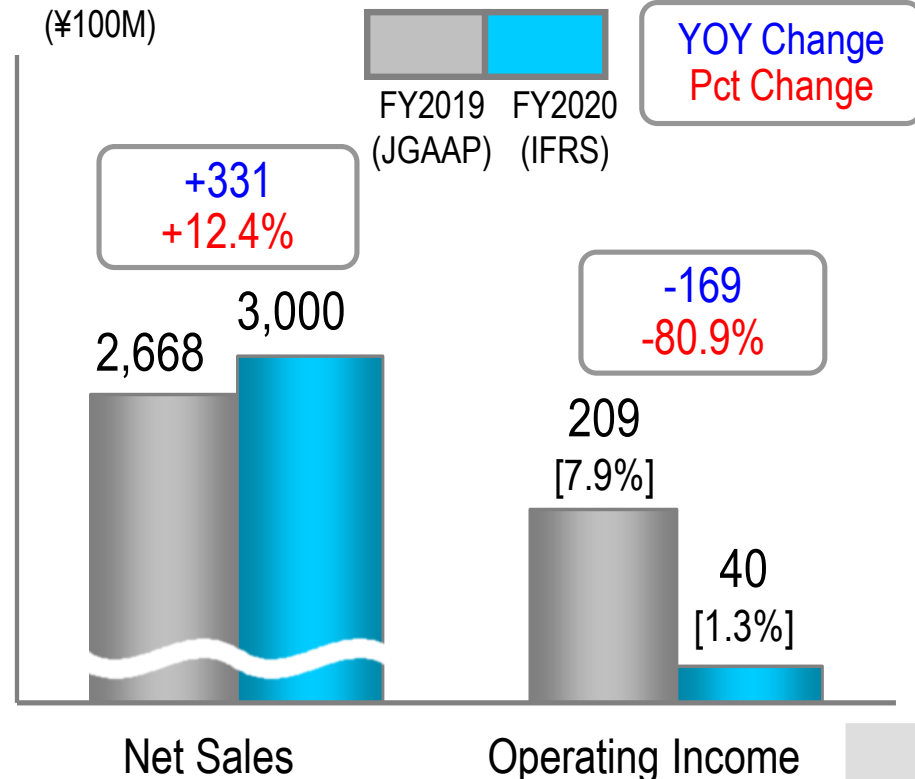
\*Advance Pricing Arrangement (APA)



## The Americas

**Income Variance** ¥-169 (100M)

- Higher Sales due to Volume increase in North America
- Lower Income due to Start-up Costs increase and Impact of APA



# 3-3) FY2020 Financial Forecasts Net Sales & Operating Income by Region

## Asia & Oceania

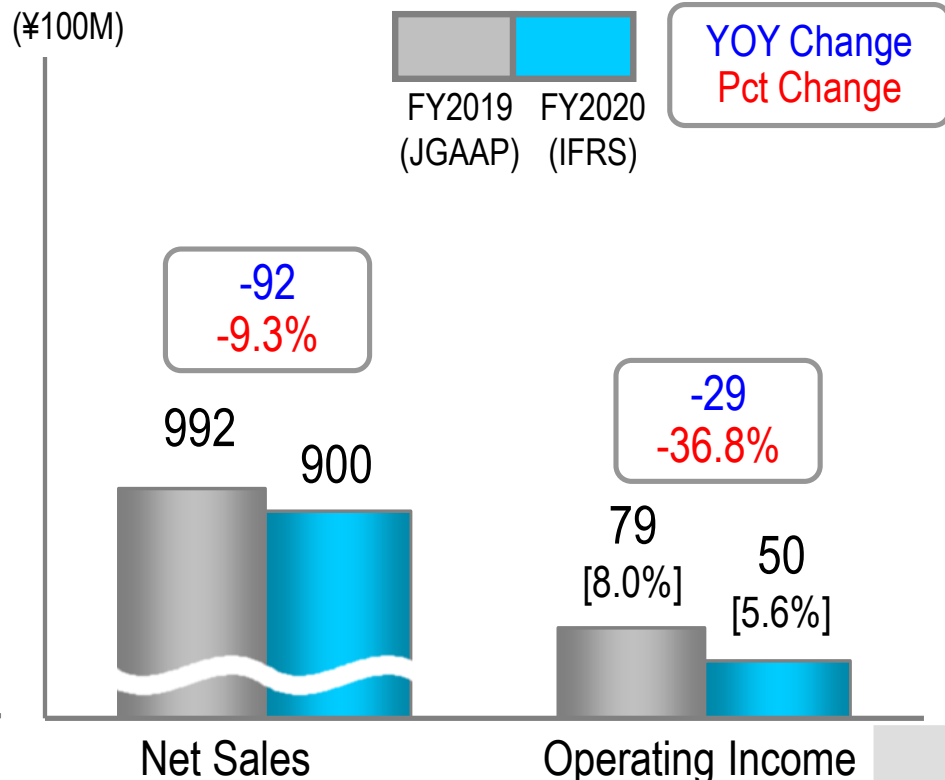
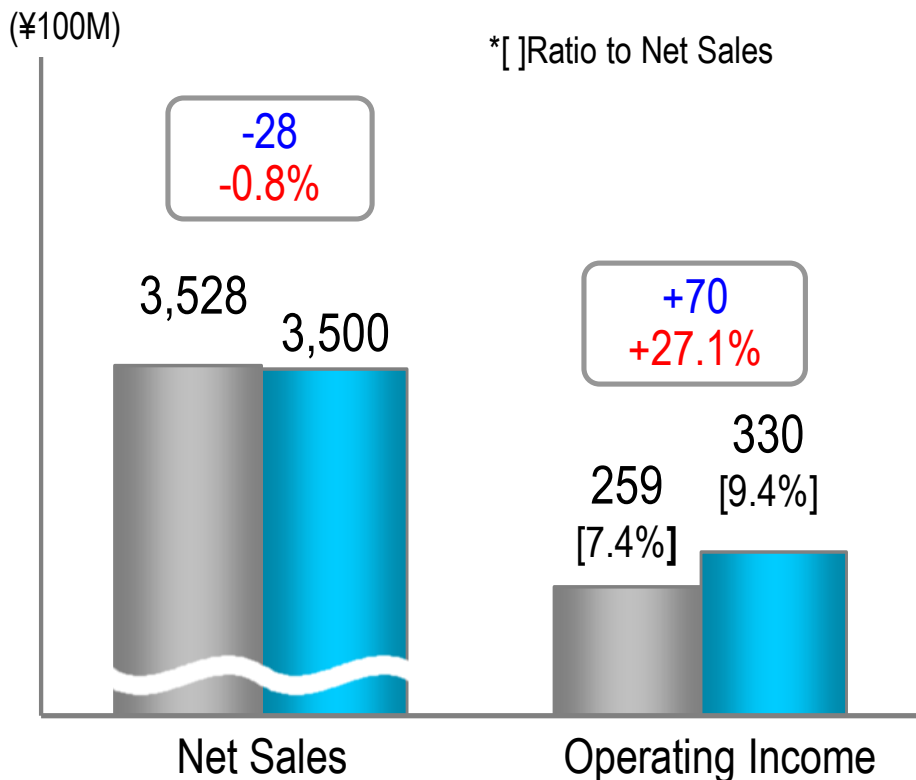
## Europe & Africa

**Income Variance** ¥+70(100M)

- Lower Sales due to Volume decrease in Thailand and Model Mix Change in spite of Volume increase in China
- Higher Income due to Impact of APA in spite of Volume decrease and Start-up Costs increase

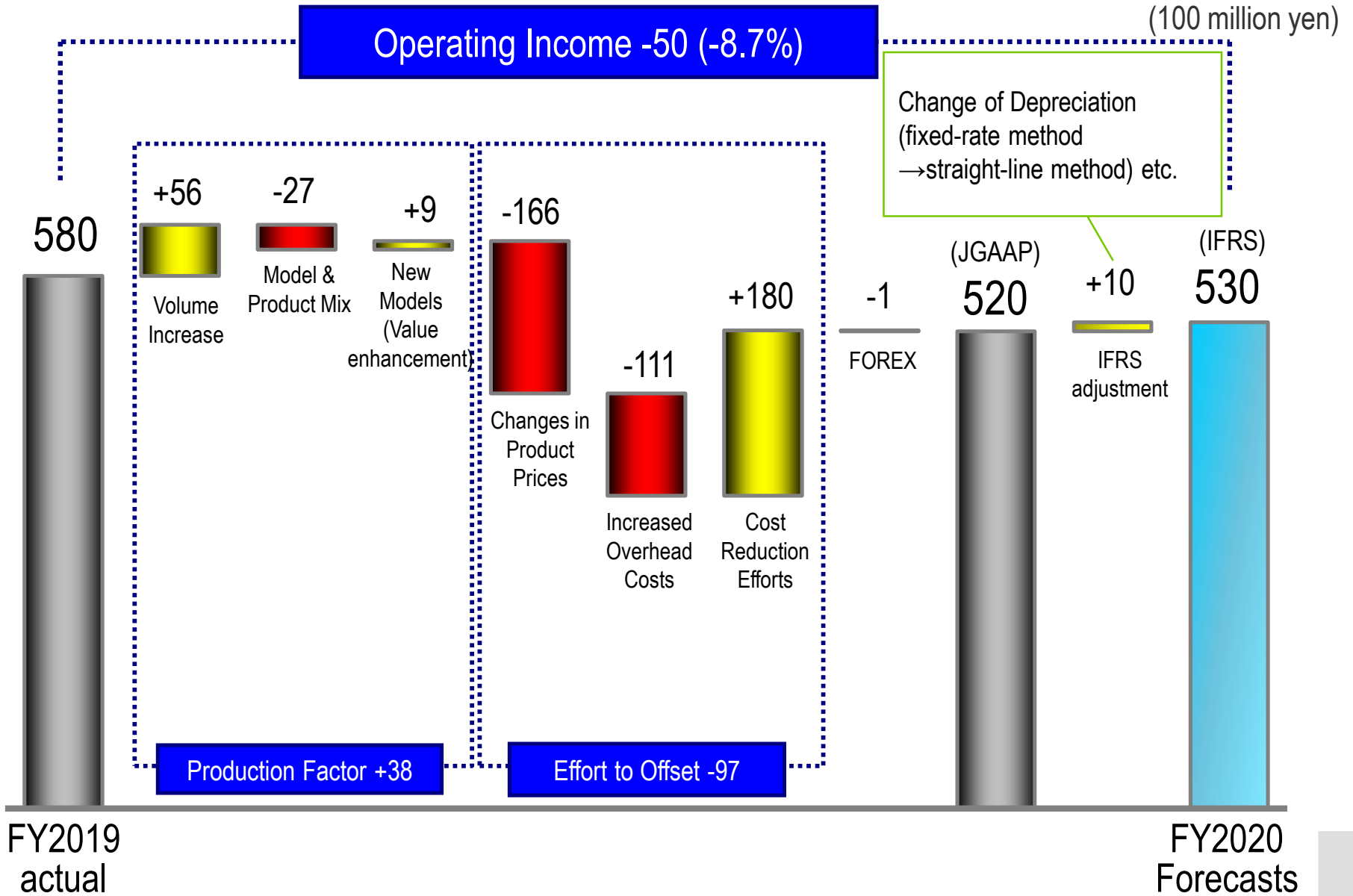
**Income Variance** ¥-29 (100M)

- Lower Sales due to Volume decrease
- Lower Income due to Volume decrease and Overhead Costs increase





# 3-4) FY2020 Financial Forecasts Operating Income Variance Analysis



### 3-5) FY2020 Financial Forecasts by Half Year

#### Net Sales

(100 million yen)

	FY2020		
	1st Half	2nd Half	Full Year
Japan	3,850	3,550	7,400
The Americas	1,500	1,500	3,000
Asia & Oceania	1,750	1,750	3,500
Europe & Africa	450	450	900
Consolidation	7,100	6,800	13,900

#### Operating Income

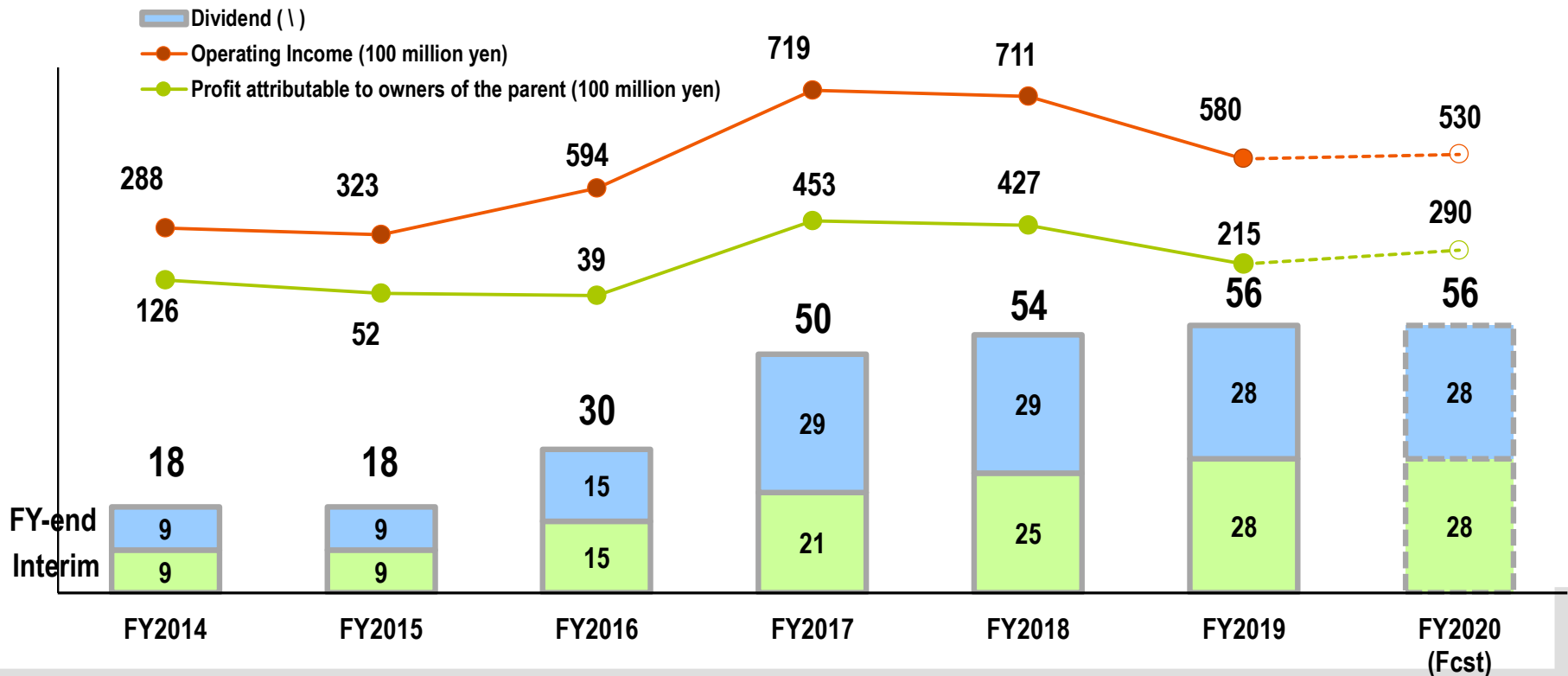
(100 million yen)

	FY2020					
	1st Half		2nd Half		Full Year	
Japan	65	1.7%	45	1.3%	110	1.5%
The Americas	10	0.7%	30	2.0%	40	1.3%
Asia & Oceania	165	9.4%	165	9.4%	330	9.4%
Europe & Africa	20	4.4%	30	6.7%	50	5.6%
Consolidation	260	3.7%	270	4.0%	530	3.8%

### 3-6) FY2020 Financial Forecasts Returning to Shareholders

- In FY2019, we plan to pay an annual per-share dividend of ¥56, which is ¥2 higher than in FY2018.
- In FY2020, our annual per-share dividend payout plan is ¥56 as well as in FY2019.

#### Dividend, Operating Income, & Profit Attributable to Owners of the Parent Trends



Financial Performance

**Aim for Sustainable Growth**

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**1. Review of 2020 Management Plan**

**2. Initiatives toward Sustainable Growth**

# **1. Review of 2020 Management Plan**

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# Review of 2020 Management Plan

- Improve profitability of existing businesses and implement investments for future growth
- Predict changes in social needs, accelerate measures to create new value, and secure growth opportunities

Reinforce existing core businesses	Actions in Mid-term Business Implementation Plan	Business tasks	Operating income	
			FY2021	FY2026
	I. Enhance fundamental capabilities in manufacturing	<ol style="list-style-type: none"> <li>1. Reduce losses in production preparation</li> <li>2. Improve quality and productivity</li> <li>3. Reduce design changes</li> </ol>	70 billion	90 to 100 billion yen
	II. Strengthen profit structure	<ol style="list-style-type: none"> <li>1. Improve product added value</li> <li>2. Increase new orders and expand business fields</li> </ol>		
Promote new businesses	III. Establish business foundation for Global New Customer business	<ol style="list-style-type: none"> <li>1. Commercialize new products in unit components business</li> <li>2. Compact car business for emerging markets</li> <li>3. Promote aircraft seat business</li> </ol>	FY2026	
	IV. Manufacturing innovations toward 2030	1. Manufacturing evolution/innovations	10 to 20 billion yen +α	
	V. Develop new technologies and new products toward 2030	1. Develop time and space, including control	FY2031	
			+α	

# Review of 2020 Management Plan

Net sales, equity ratio, ROE, and dividend payout ratio have improved according to the Plan while operating income has not reached the target.

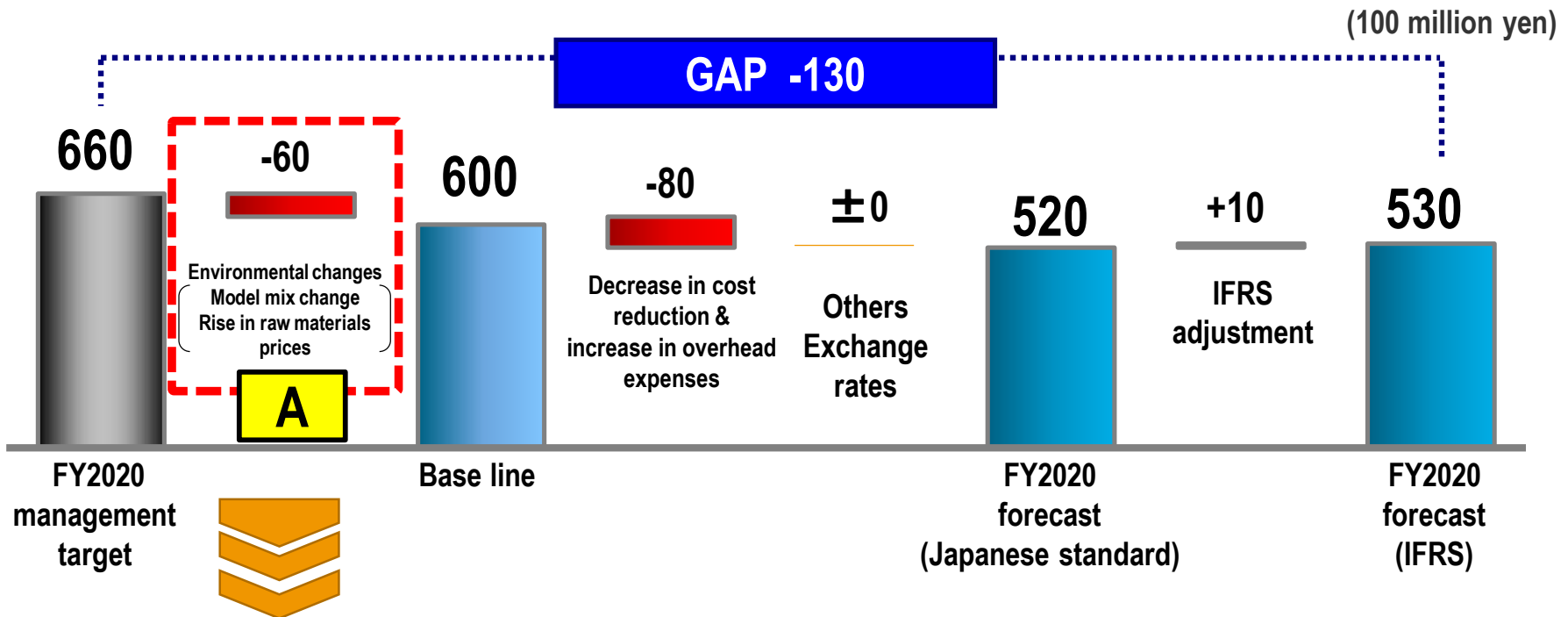
Item	vision	FY2019 Actual	FY2020 Forecast	2020 management targets	
				FY2020	FY2021
Net Sales		1,406.4 billion yen	1,390.0 billion yen	1,370.0 billion yen	1,400.0 billion yen
Operating income		58.0 billion yen	<b>53.0 billion yen</b>	<b>66.0 billion yen</b>	70.0 billion yen
Operating margin	Steadily maintain 5% or higher	4.1%	3.8%	4.8%	5.0%
Net asset	400.0 billion yen	313.0 billion yen	-		
Equity ratio	Around 40%	36.7%	38.2%		
ROE	Around 10%	8.0%	10.2%		
Dividend payout ratio	30%	48.4%	35.9%		
Capital expenditures		Cumulative FY2019-21 ¥180.0 billion (FY2019 actual: ¥64.6 billion)			
R&D expenses		Cumulative FY2019-21 ¥140.0 billion (FY2019 actual: ¥47.2 billion)			

**Improvement according to the Plan**



# Review of 2020 Management Plan (environmental changes and new tasks)

## Gap between FY2020 management target and forecast



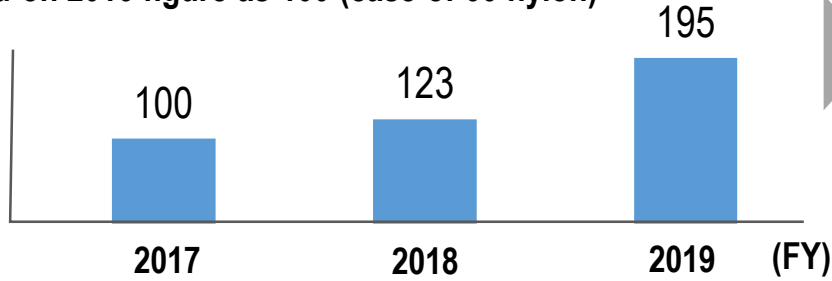
**A: Environmental changes (impacts of model mix change and rise in raw materials costs)**

- a) Promote cost reduction activities beyond the framework of current activities
- b) Accelerate the creation of a global management foundation

## A-a) Measures to reduce raw materials costs

### (a) Soaring nylon raw materials prices

Based on 2016 figure as 100 (case of 66 nylon)



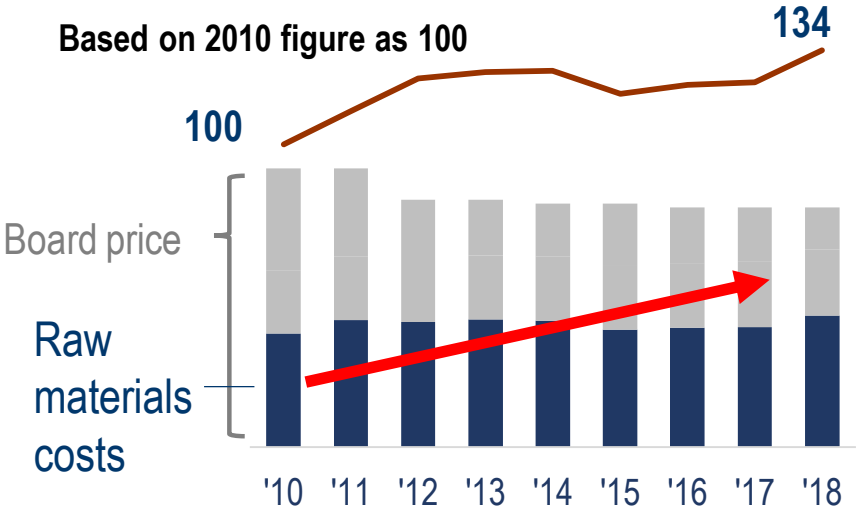
Soaring materials prices due to shortage in supply of nylon raw materials

**About double in two years**

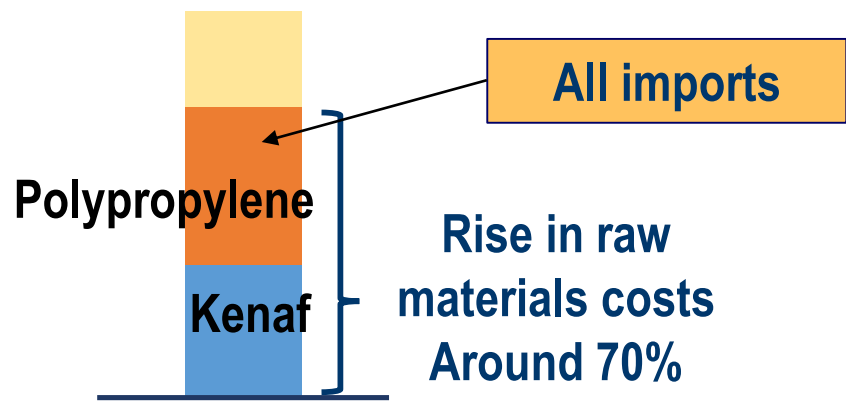
### (b) Cost composition rate of kenaf board\*

#### Ratio of raw materials costs to selling prices

Based on 2010 figure as 100



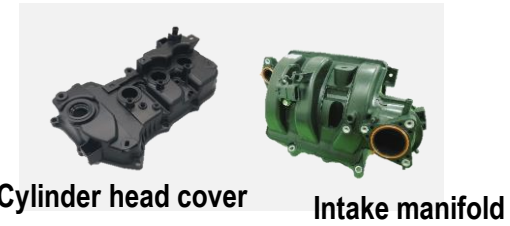
#### Ratio of raw materials costs to total costs



\* Kenaf board: used mainly as the base material for door trims (produced in Indonesia)

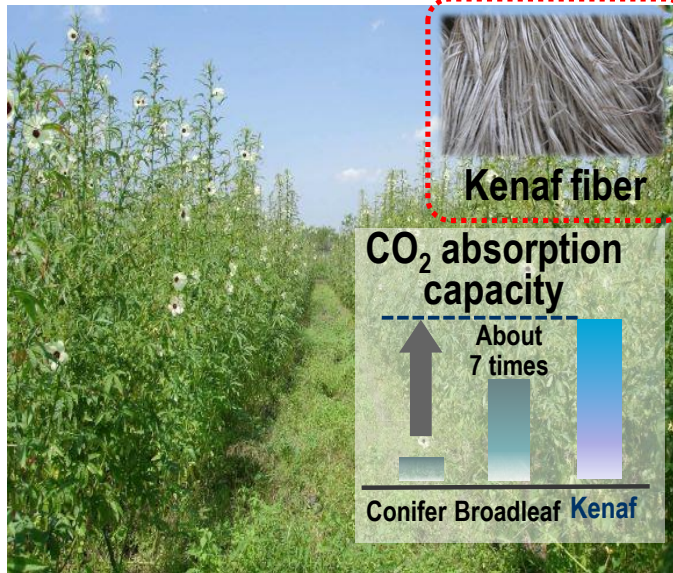
### A-a) Measures to reduce raw materials costs

- (1) Switch to low-cost, proper-grade materials (unit components)
- (2) Promote local procurement including constituent materials (interior & exterior parts, kenaf base materials)



#### What is kenaf?

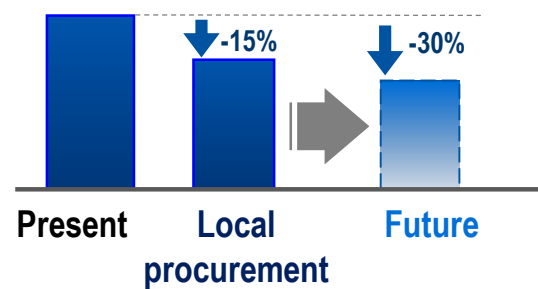
Annual plant excellent in CO<sub>2</sub> absorption



#### Expansion of Kenaf products



#### <Reduction effect>



## A-a) Measures to reduce raw materials costs

### Promote activities in cooperation with suppliers

<Reviewing appearance quality standards>

Review appearance quality standards with customer design/quality control representatives

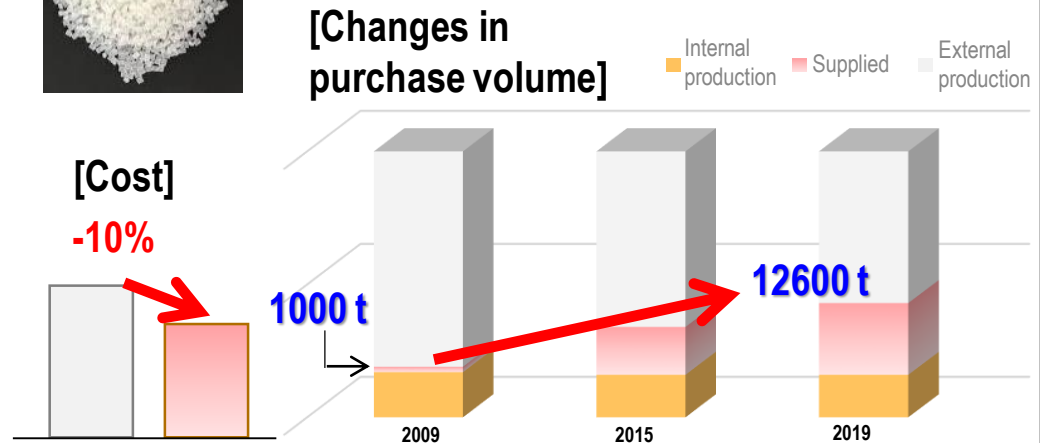
Reduced repair processes (wasteful processes)

Waste	Quantity
Waste in materials costs (paint)	26 g/piece
Waste in man-hours (reserving/application)	33 sec./piece
Waste in space (booth)	3×3m



Spraying to repair appearance defect

<Cost reduction by bulk order of resin materials>



Reducing costs by scale advantage and securing stable supply

## A-b) Accelerate the creation of a global management foundation

Enhance business management capability by expediting decision making and increasing operation efficiency

**Advance management control (integrate corporate functions)**

### (a) Strengthen global headquarters functions and improve productivity

- (1) Share management information in a timely manner
- (2) Strengthen global governance
- (3) Strengthen management control by enhancing management control systems
- (4) Transformation from CSR-based to CSV\*1-based management
- (5) Enhance regional, business, and external ties

**Expedite decision making**



### (b) Innovation of vibrant work style

\*1 CSV: Creating Shared Value



Use of IT tools

Office reform

Telework

Enhance human resources systems

**Improved employee satisfaction, improved productivity**

### (c) Promote TQM\*2 activities

**Establish frameworks to improve work quality**

\*2 Total Quality Management: A management approach to improve efficiency in development and provision of products and services, in response to diversifying customer needs and changing business environment

## A-b) Accelerate the creation of a global management foundation

### (4) Transformation from CSR to CSV management

#### <Actions>

Review KPI control items from ESG/SDGs perspectives

Incorporate strategies to overcome challenges into next management plan



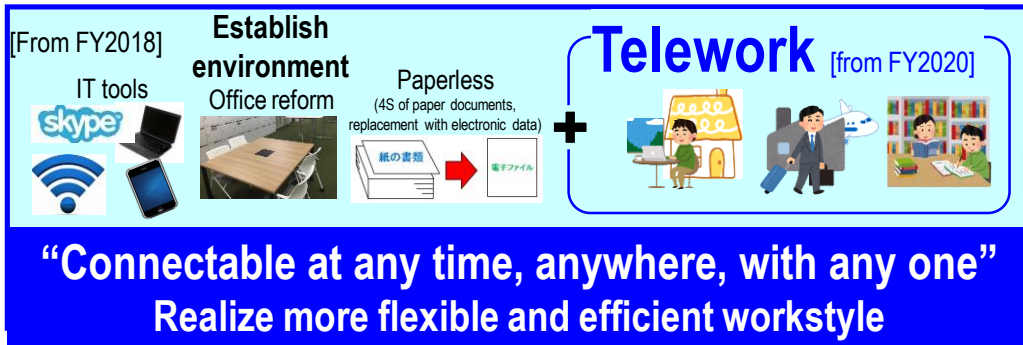
Priority Sustainable Development Goals (draft)

▶ Aim to enhance corporate value by contributing to realization of sustainable society

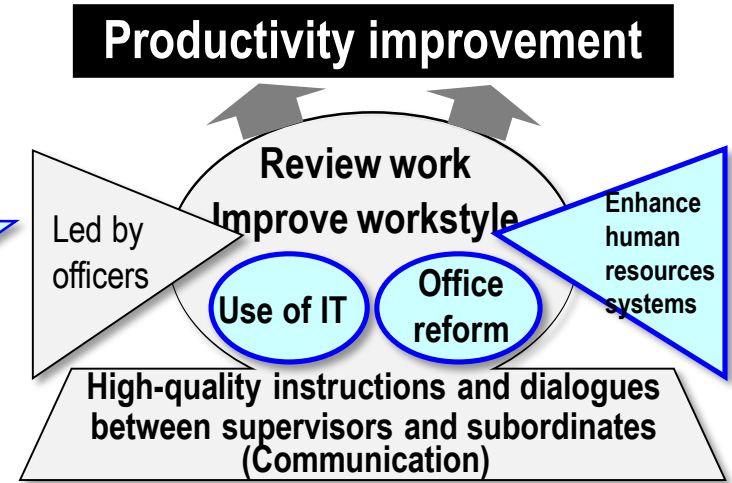
## A-b) Accelerate the creation of a global management foundation

### (b) Innovation of vibrant work style

#### <Actions>



#### <Overview of activities (birds-eye view)>



#### <Specific effects/advantages>

Results of approx. 200 members of 4 departments in the corporate segment from July to Dec. 2018

#### (1) Improved work efficiency

- **Effective use of time**  
 --- Positive responses: **85%**
- **Reduce wasteful moves**  
 --- Trips between sites: **-50%**
- **Paperless**  
 --- Paper printing: **-68%**

#### (2) Improved work-life balance / human resources secured

- **Improved work-life balance**  
 --- Positive responses: **75%**

Support for women's career development by balancing work with child/nursing care

#### (3) Ability to respond to emergencies

- **Response to disasters and pandemics**  
 --- Positive responses: **87%**

#### (4) Reduced environmental burdens

- **Reduction of CO<sub>2</sub> in commuting or traveling**

# Environmental Changes and New Tasks

## A-b) Accelerate the development of a global management foundation

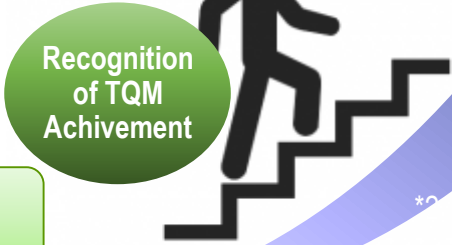
### (c) Promote TQM\* activities

\*Total Quality Management

To acquire capabilities of  
**“Organization” “Process” “People”**  
 which are necessary to achieve sustainable growth  
 utilize **TQM** to improve the work quality of all employees



Nov. 2018  
 Kariya Plant, Sanage Plant  
 received “Recognition of TQM  
 Achievement”



## Realize Vision

Looking into the future, we will create tomorrow's automobile interior spaces that will inspire our customers the world over

- Improve profits
- Reduce costs
- Reduce losses, improve efficiency
- Improve work quality

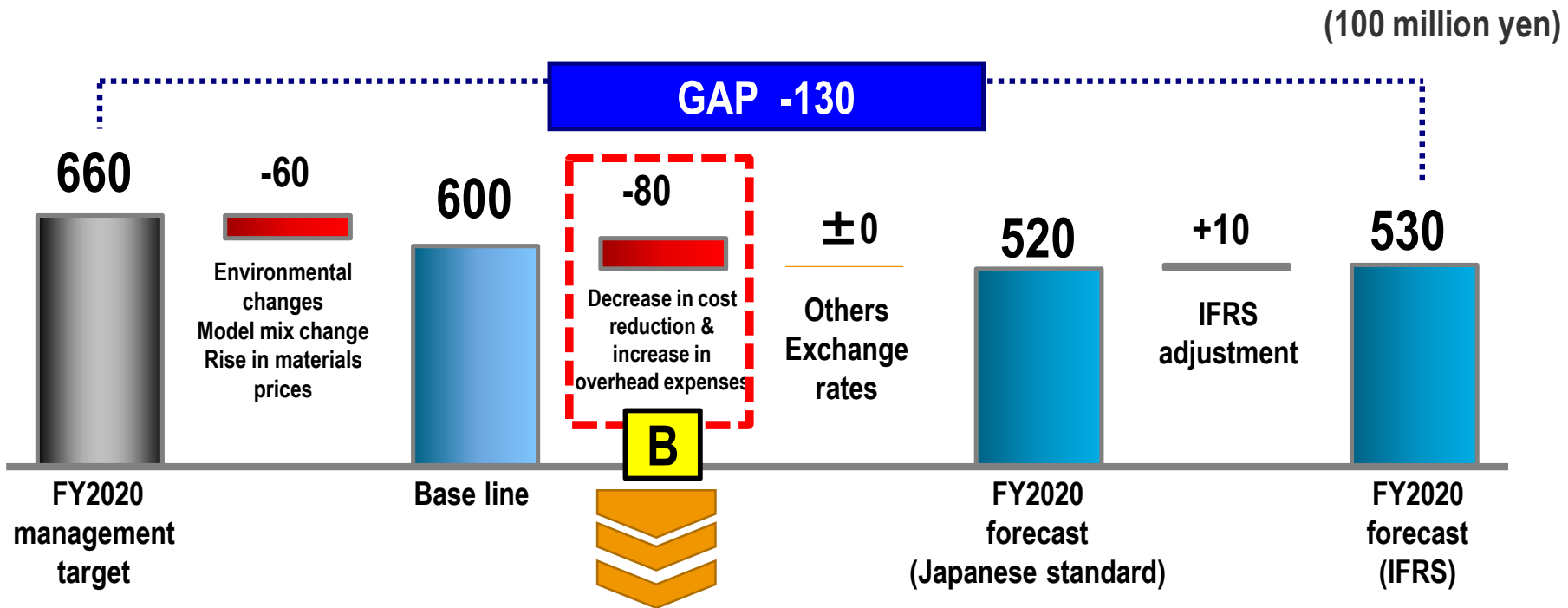
TQM Philosophy	Participation by all members	Customer first	Continuous improvement
Sprit of Sakichi Toyoda	Become single-minded	For society and for people	work honestly and steadily

Deming Prize: An annual prize awarded to companies that implement TQM and have achieved remarkable effects.



# Review of 2020 Management Plan (environmental changes and new tasks)

## Gap between FY2020 management target and forecast



### B: Decrease in cost reduction and increase in overhead expenses

- ➔ Response to new challenges in implementing the action plan for existing core businesses
- ➔ Increase in prior investments to strengthen competitive advantage

### Seat business strategy: Reinforce existing core businesses

#### Aim

Rebuilding the optimal production system to realize global product business strategies

- 1) **Response to customer demand fluctuations**  
(Avoid loss of opportunities by improving production flexibility)
- 2) **Streamlining supply chains and shortening production lead time to eliminate loss costs**
- 3) **Optimizing global logistics**

#### Reforming production style

- ▶ **Separate concentrated production and JIT production to improve efficiency**
- ▶ **Production technology innovation to support optimal production**  
(Embody IoT and process innovation)
- ▶ **Consolidate production sites**  
(Reorganize by region)

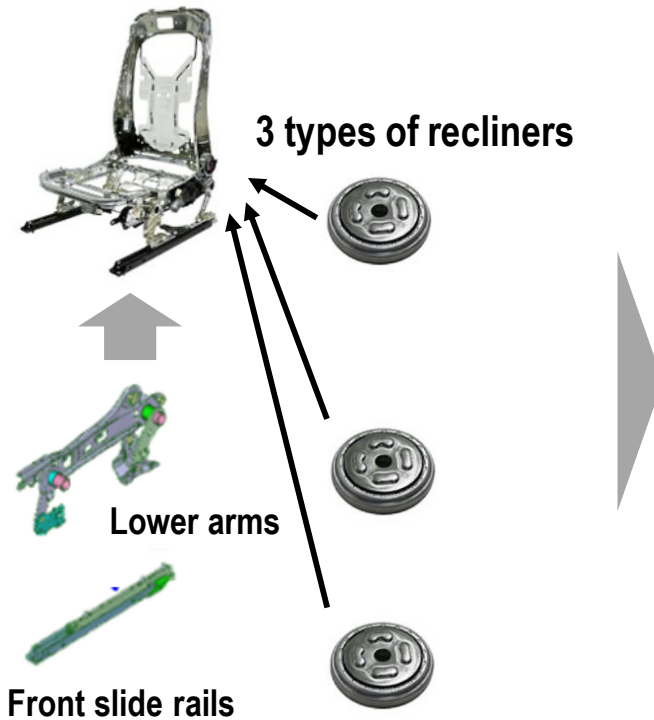
Separate concentrated production and JIT production to improve efficiency

Integrate development after merger of businesses of Aisin Seiki and Shiroki Corporation

Toyota Boshoku

Aisin

Shiroki



Toyota Boshoku

## Integrated seat development

### (1) Standardization of front and rear frameworks

- Reduction by front frame type
  - Cushion: Approx. 70% reduced
  - Back: Approx. 15% reduced
- Integrating rear frame

Prepared for each model → Integrated into 4 types (sedan, hatchback, SUV, MPV)



### (2) Integration of devices

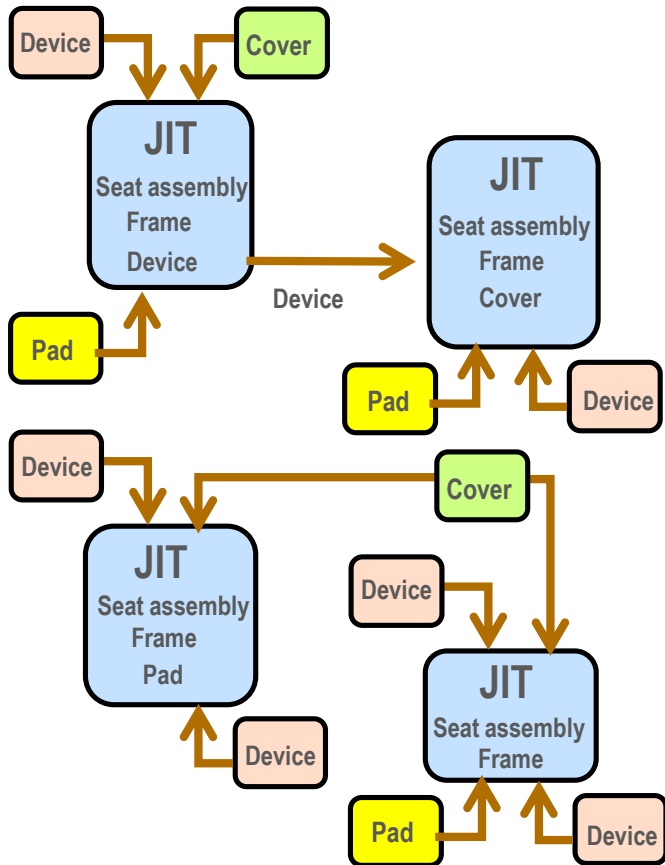
- Integrated reclining (3 types → 1 type)
- Integrated slide rail (all individual model-based components abolished)
- Motor with gear



Realize concentrated production through reduction and integration of types

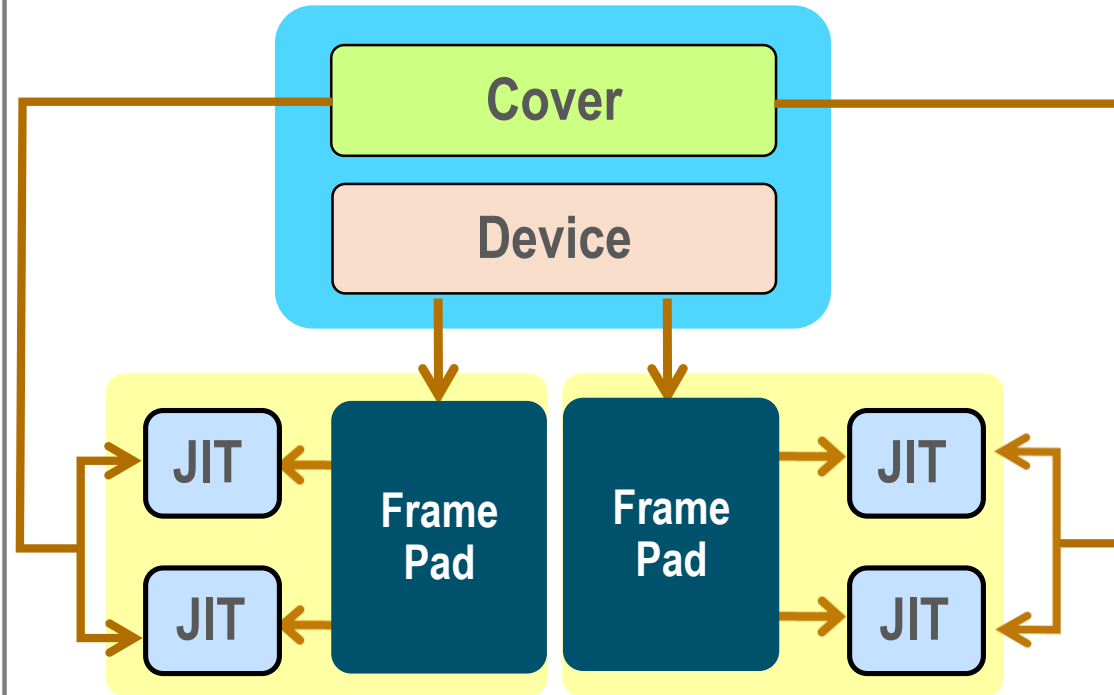
## Rebuilding optimal seat production and supply

FY2020 [current situation]



Complicated production structure gives difficulty to response to customer body rotation, etc.

From FY2021



Optimal production and supply realized globally

## Production technology innovation to support optimal production

Embody IoT

### Case: Seat assembly process

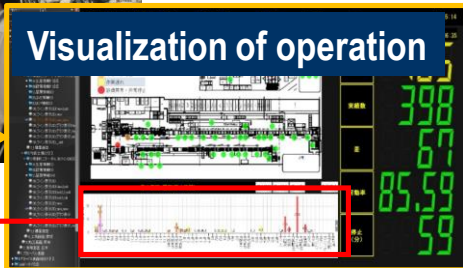
FY2020 [current situation]

Deploy at model plants

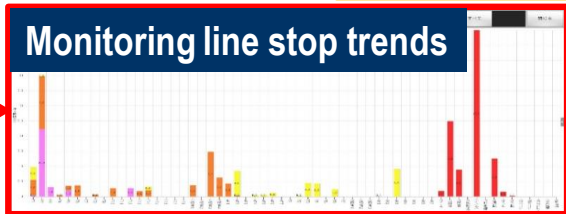
On-site information: Collection and monitoring



Visualization of operation



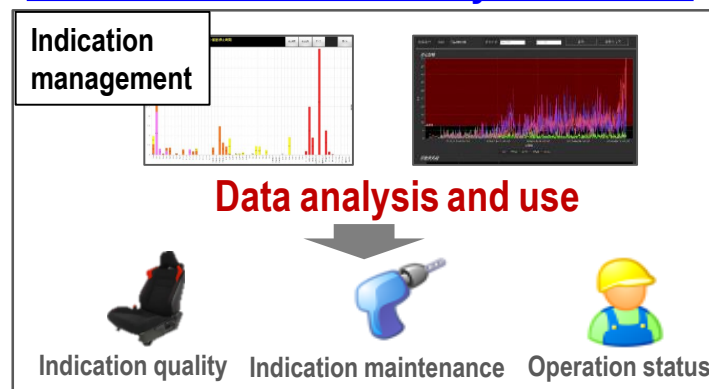
Monitoring line stop trends



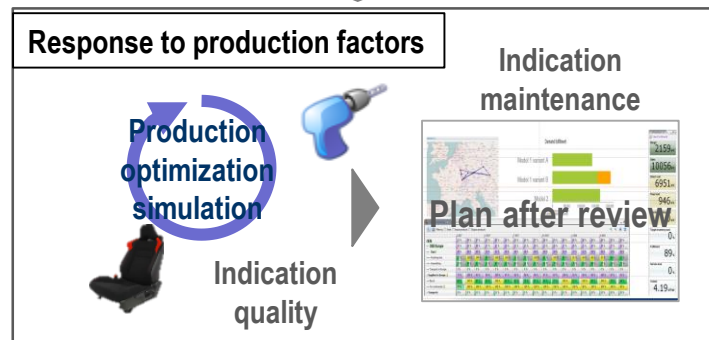
From FY2021

Deploy at plants in Japan

On-site information: Analysis and use



Response to production factors



Accelerate quick decision and prevent equipment failure/quality problems by using on-site data

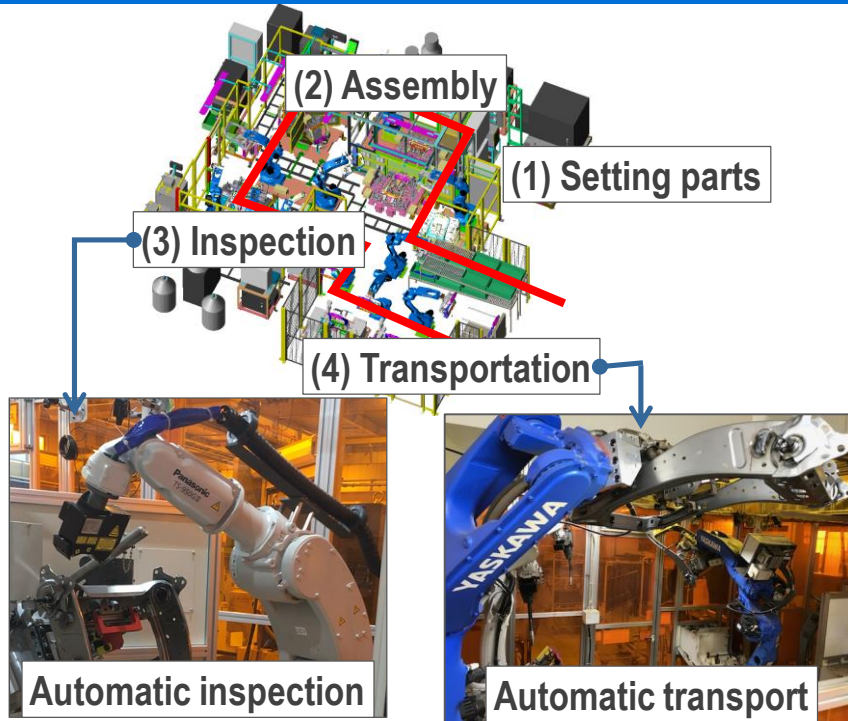
### Production technology innovation to support optimal production

Promote process innovation

Case: Seat assembly process

#### FY2020 [current situation]

Full automation of welding processes ((1) through (4))



Realizing low labor and high productivity

#### From FY2021

Full automation of inspection processes

■ Checking wrong or missing parts for seats



■ Automatic appearance quality inspection

- Wrinkles
- Dirt
- Thread, etc.

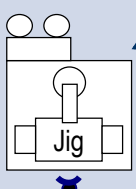
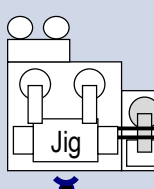
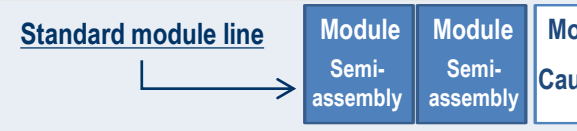
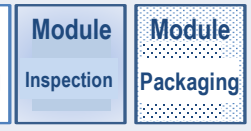
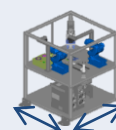

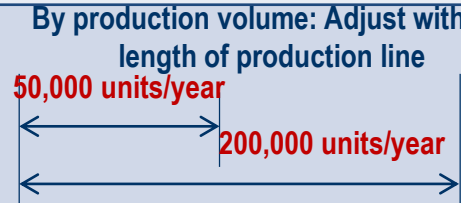


Realizing low labor and high quality

Promote automation to ensure lower costs and higher maintenance skills

### Line adjustment according to production volume and introduction of automation by area

<Develop standard production processes resistant to quantity fluctuations>

Process	50,000 units/year	200,000 units/year	Response to quantity fluctuations
<b>Welding</b>	 <p>Standard modules Welding robot: <b>1 unit</b></p>	 <p>Welding robot: <b>2 units</b> Transportation robot: <b>1 unit</b></p>	Combination of standard modules
<b>Device</b> (Integrated reclining)	<p>Standard module line: <b>1 line</b></p> 	<p>Standard module line: <b>4 lines</b></p>  <p>かしめ 検査 梱包</p>	Combination of standard modules  800 mm 800 mm
<b>Seat assembly</b>	<p>Quantity fluctuations: <b>Adjust before and after the main assembly process</b></p> 	<p>By production volume: Adjust with the length of production line</p>  <p>50,000 units/year 200,000 units/year</p>	Adjusting with process length

<Promoting automation by region>

Promote automation mainly in Japan, North America, and China, taking into consideration the return on investment and regional characteristics

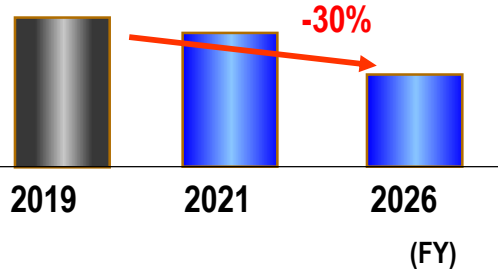
## Case: Restructuring production/distribution in Japan region

### <Actions>

- 1) Response to diversifying demand fluctuations
- 2) Response to social issues (CO<sub>2</sub> emissions, shortage in drivers)

### Streamlining appropriate for production volume

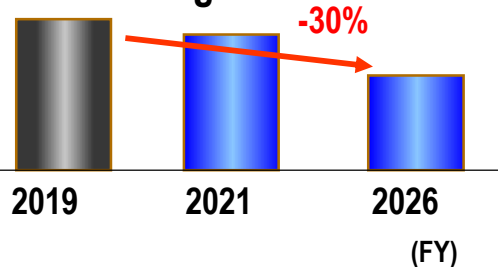
#### <Target number of plants>



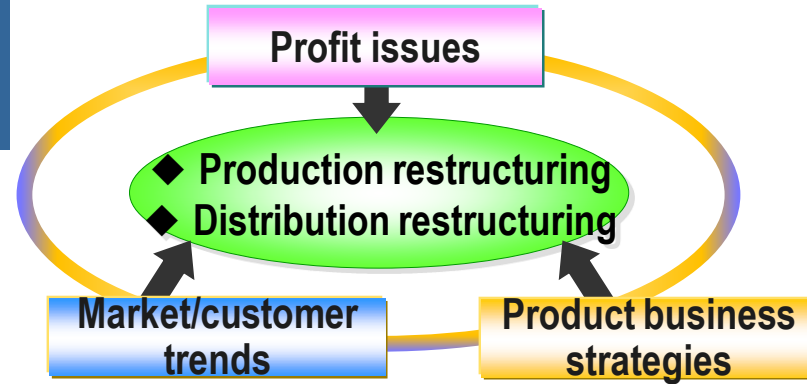
Concentrate production taking advantage of economies of scale with partners

Significant reduction of fixed costs and distribution costs

#### <Distribution cost reduction target>

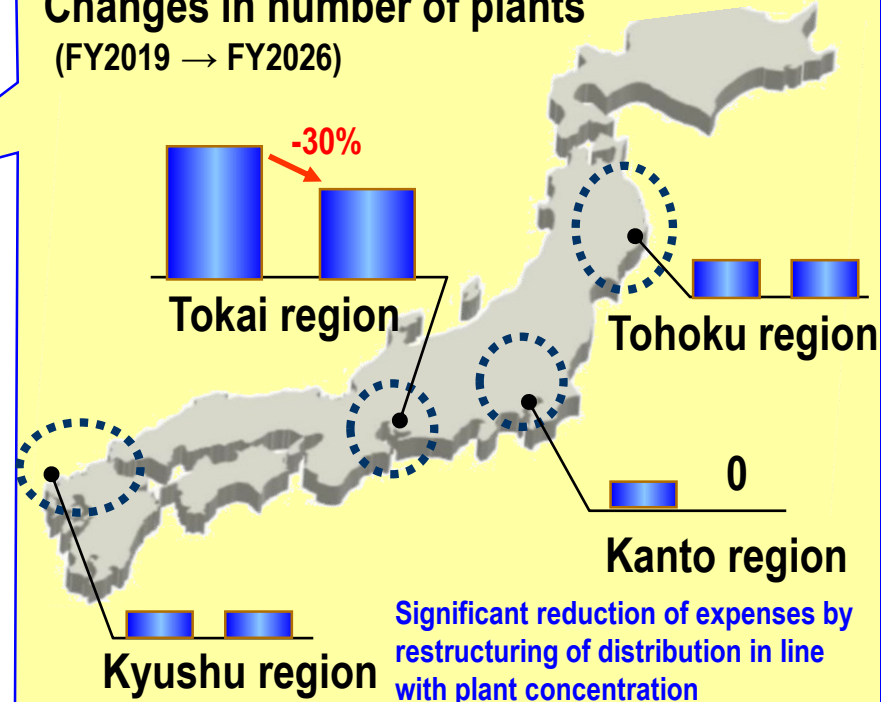


Global logistics Implement KPI management (FY2021)



### Outline of plant concentration

#### Changes in number of plants (FY2019 → FY2026)





## **2. Initiatives toward Sustainable Growth**

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# Review of 2020 Management Plan

- Improve profitability of existing businesses and implement investments for future growth
- Predict changes in social needs, accelerate measures to create new value, and secure growth opportunities

Reinforce existing core businesses	Actions in Mid-term Business Implementation Plan	Business tasks	Operating income	
			FY2021	FY2026
	I. Enhance fundamental capabilities in manufacturing	<ol style="list-style-type: none"> <li>1. Reduce losses in production preparation</li> <li>2. Improve quality and productivity</li> <li>3. Reduce design changes</li> </ol>	70 billion	90 to 100 billion yen
	II. Strengthen profit structure	<ol style="list-style-type: none"> <li>1. Improve product added value</li> <li>2. Increase new orders and expand business fields</li> </ol>		
Promote new businesses	III. Establish business foundation for Global New Customer business	<ol style="list-style-type: none"> <li>1. Commercialize new products in unit components business</li> <li>2. Compact car business for emerging markets</li> <li>3. Promote aircraft seat business</li> </ol>	FY2026	
	IV. Manufacturing innovations toward 2030	1. Manufacturing evolution/innovations	10 to 20 billion yen +α	
	V. Develop new technologies and new products toward 2030	1. Develop time and space, including control	FY2031	
			+α	

# Review of 2020 Management Plan

- Improve profitability of existing businesses and implement investments for future growth
- Predict changes in social needs, accelerate measures to create new value, and secure growth opportunities

Reinforce existing core businesses

Actions in Mid-term Business Implementation Plan

I. Enhance fundamental capabilities in manufacturing

II. Strengthen profit structure

Business tasks

1. Reduce losses in production preparation
2. Improve quality and productivity
3. Reduce design changes

1. Improve product added value
2. Increase new orders and expand business fields

Operating income

FY2021	FY2026
70 billion	90 to 100 billion yen

Promote new businesses

III. Establish business foundation for Global New Customer business

IV. Manufacturing innovations toward 2030

V. Develop new technologies and new products toward 2030

1. Commercialize new products in unit components business
2. Compact car business for emerging markets
3. Promote aircraft seat business

1. Manufacturing evolution/innovations

1. Develop time and space, including control

FY2026

10 to 20 billion yen +α

FY2031

+α

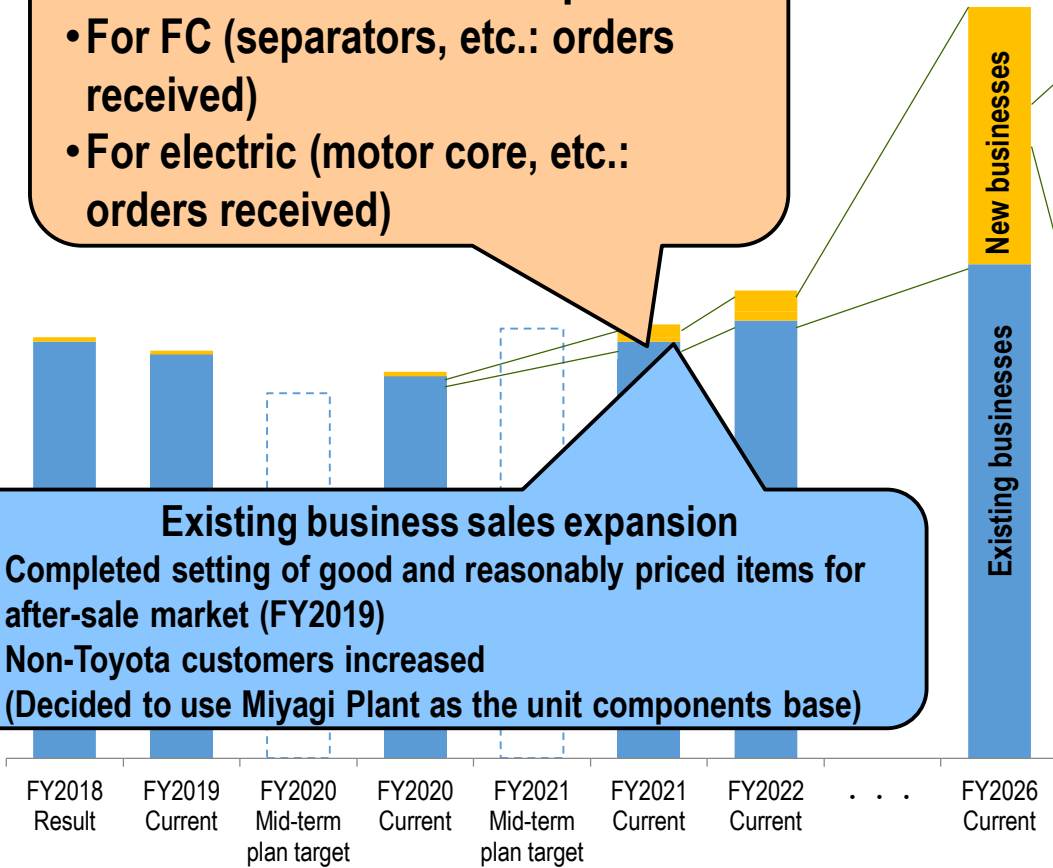
## III-1. Commercialize new products in unit components business

**New business sales expansion**


- For FC (separators, etc.: orders received)
- For electric (motor core, etc.: orders received)

**Existing business sales expansion**

- Completed setting of good and reasonably priced items for after-sale market (FY2019)
- Non-Toyota customers increased (Decided to use Miyagi Plant as the unit components base)





**Lithium-ion secondary batteries**



- Sample shipment started for supercar manufacturers (from FY2019)
- Set pilot lines to confirm profitability of small-quantity production (by end of FY2020)

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**Cooling circulating water purification system**

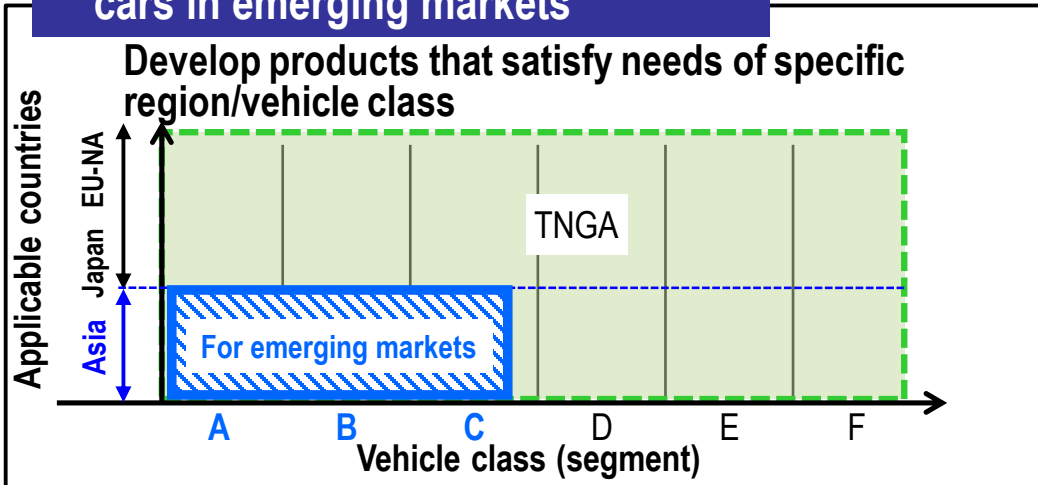



- Limited sales start (from FY2020)

## III-2. Compact car business for emerging markets

Development of products for compact vehicles in emerging markets almost completed (seat frames, devices, interior decorations, light-weight unit components, etc.)

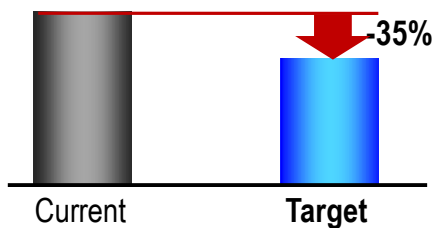
### 1. Target of products for compact cars in emerging markets



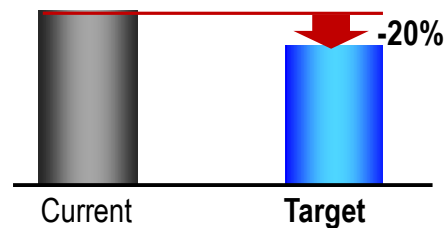
### 2. Cost and quantitative targets

Achieve targets toward FY2023 in phases

#### Cost target



#### Quantitative target

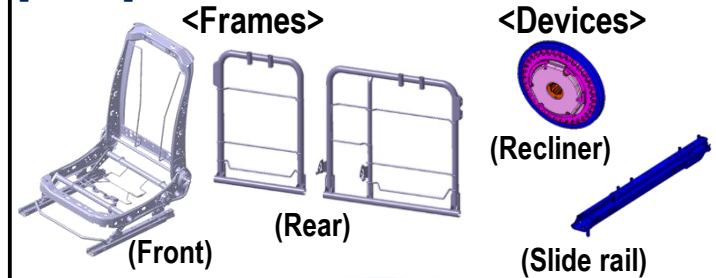


Product development

### 3. Development of products exclusively for emerging markets

#### Cost-productive products

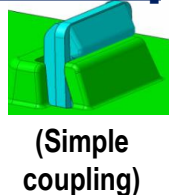
##### [Seats]



##### [Unit components]



##### [Interior/exterior]



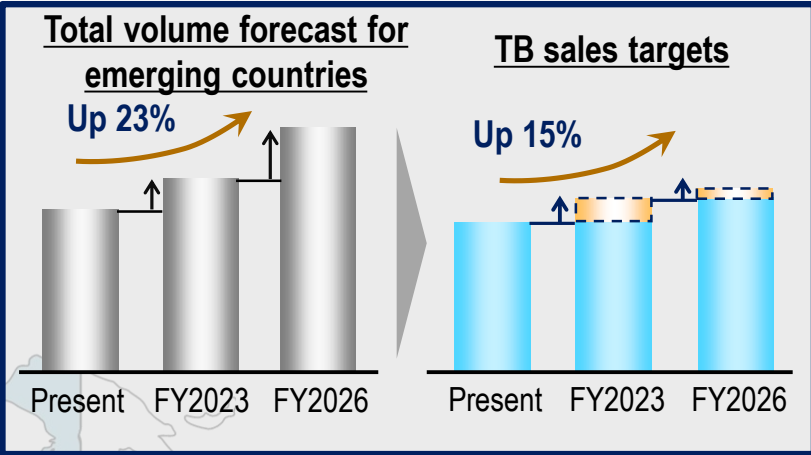
## III-2. Compact car business for emerging markets

### 4. Establishing sales expansion structure in emerging countries

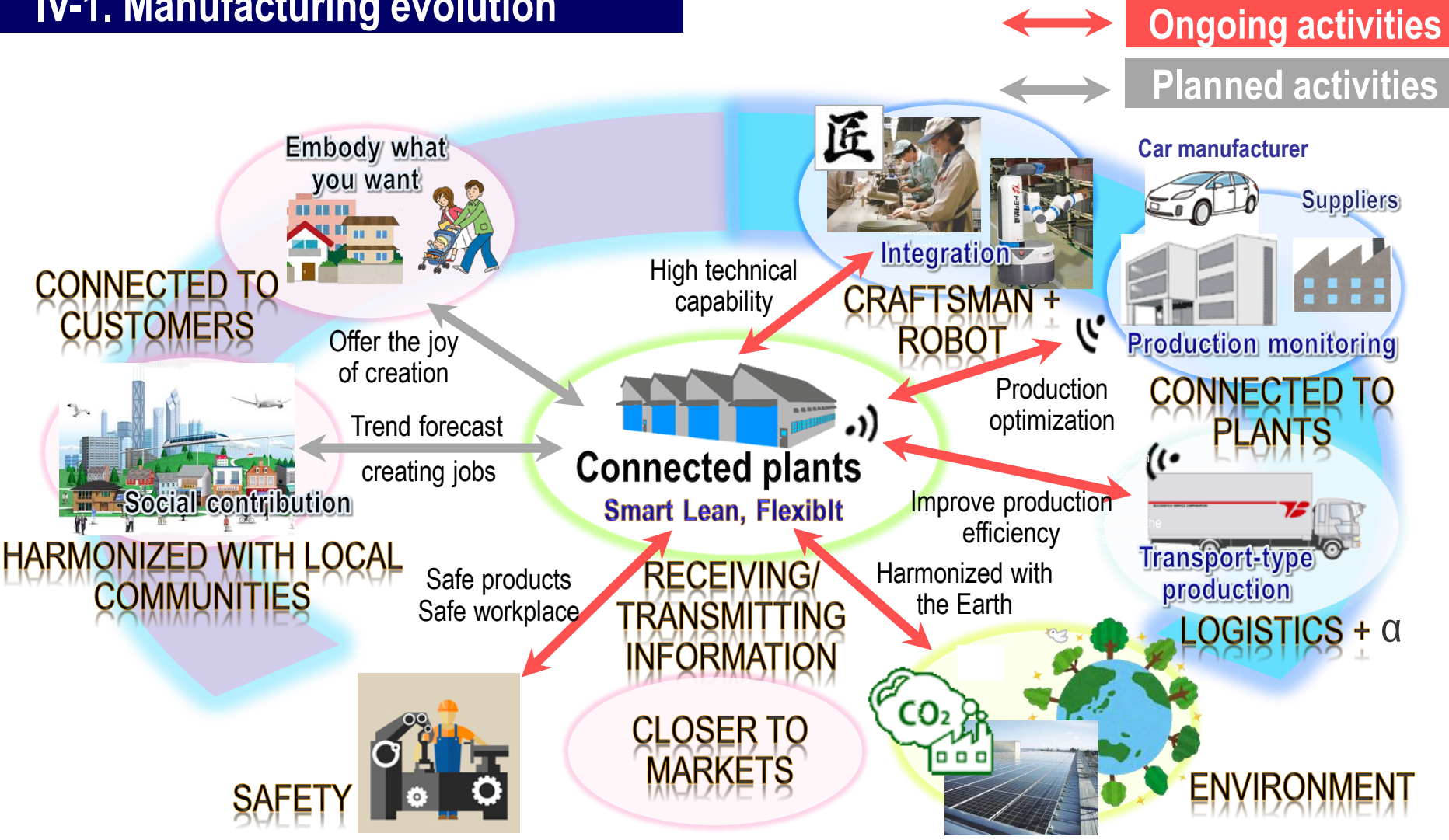
By using TB bases operating in emerging countries and enhancing sales bases, expansion of sales to various car manufacturers planned (setting up office in Gurgaon, India)



**Aiming for steady orders from India and ASEAN by FY2026**



## IV-1. Manufacturing evolution



Effects being verified through trial mounting and application in model lines

# Initiatives toward Sustainable Growth

## V-1. Develop time and space, including control

Aiming to become an interior space creator leading new space value creation

2018

2020

2025

2030

Expansion of CASE

Lv2

Lv3

Lv4

Lv5

Fiercer competition

Owner Car

Shared Car

Ride Share

MaaS

<Actions from now on>



Comfortable, human-friendly space

<Step 3>

Interior space creator (in response to MaaS)



Space that makes moving fun while constantly watching



Transformable space free from driving



<Step 2>

System supplier that manages entire interior space

<Step 1>

Enhance advanced development (strengthen collaboration within Group)

- Personal air conditioning and active driver engagement system
- Seat-incorporated safety belt

<What we have achieved>

Expand development fields

- Supplier covering from material development to assembly

Eliminate existing problems

- Enhance R&D capabilities
- Strengthen production and capabilities
- Develop human resources
- Enhance management infrastructure



## V-1. Develop time and space, including control

### Offering an interior space in view of autonomous driving (CES2019)

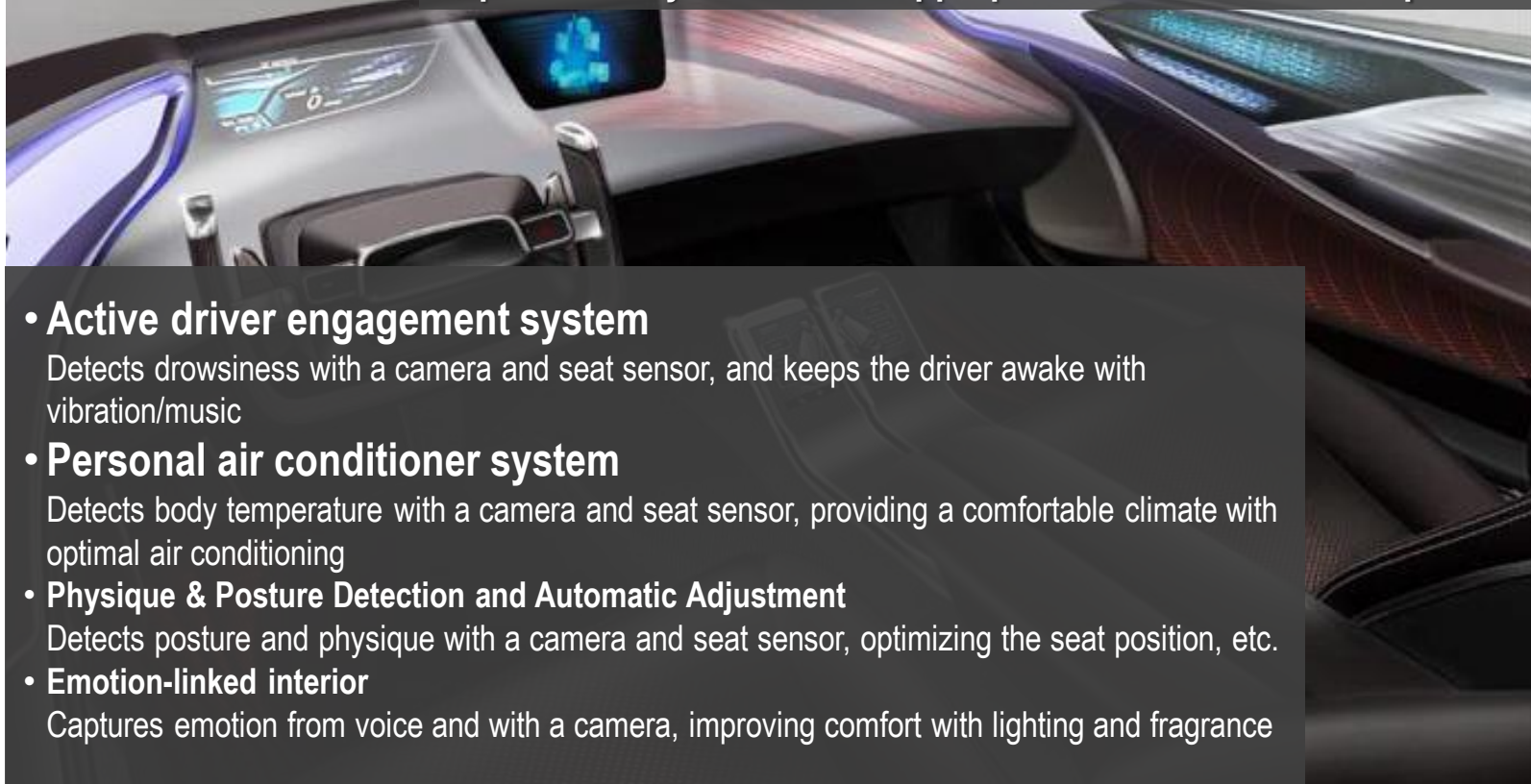


Space concept:

Space that makes moving fun while constantly watching

Value offered:

Optimal safety and comfort appropriate for the condition of person



# Initiatives toward Sustainable Growth

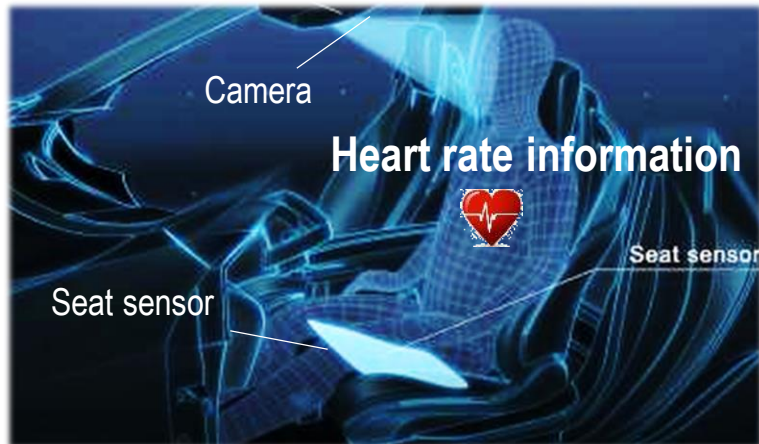
## V-1. Develop time and space, including control

### In-vehicle verification of the Active Driver Engagement System under way

Drowsiness estimation accuracy improved with information from eyelids, the world's first comfortable keep-awake algorithm based on interaction of hearing and vibrotactile stimulations

**Human-centered system: detects physical information ~ estimates condition ~ induces a state**

Detecting physical information  
→ Estimating a condition



+

Adding eyelid information to improve estimation accuracy



Inducing a state

Interaction of five senses

Selecting nostalgic music and vibration to arouse comfortable emotion



# Initiatives toward Sustainable Growth

## V-1. Develop time and space, including control

### Continuing to promote “human-centered” development

FY2018

TOKYO MOTOR SHOW



FY2019



What's next ?  
Coming soon!

QUALITY OF TIME AND SPACE



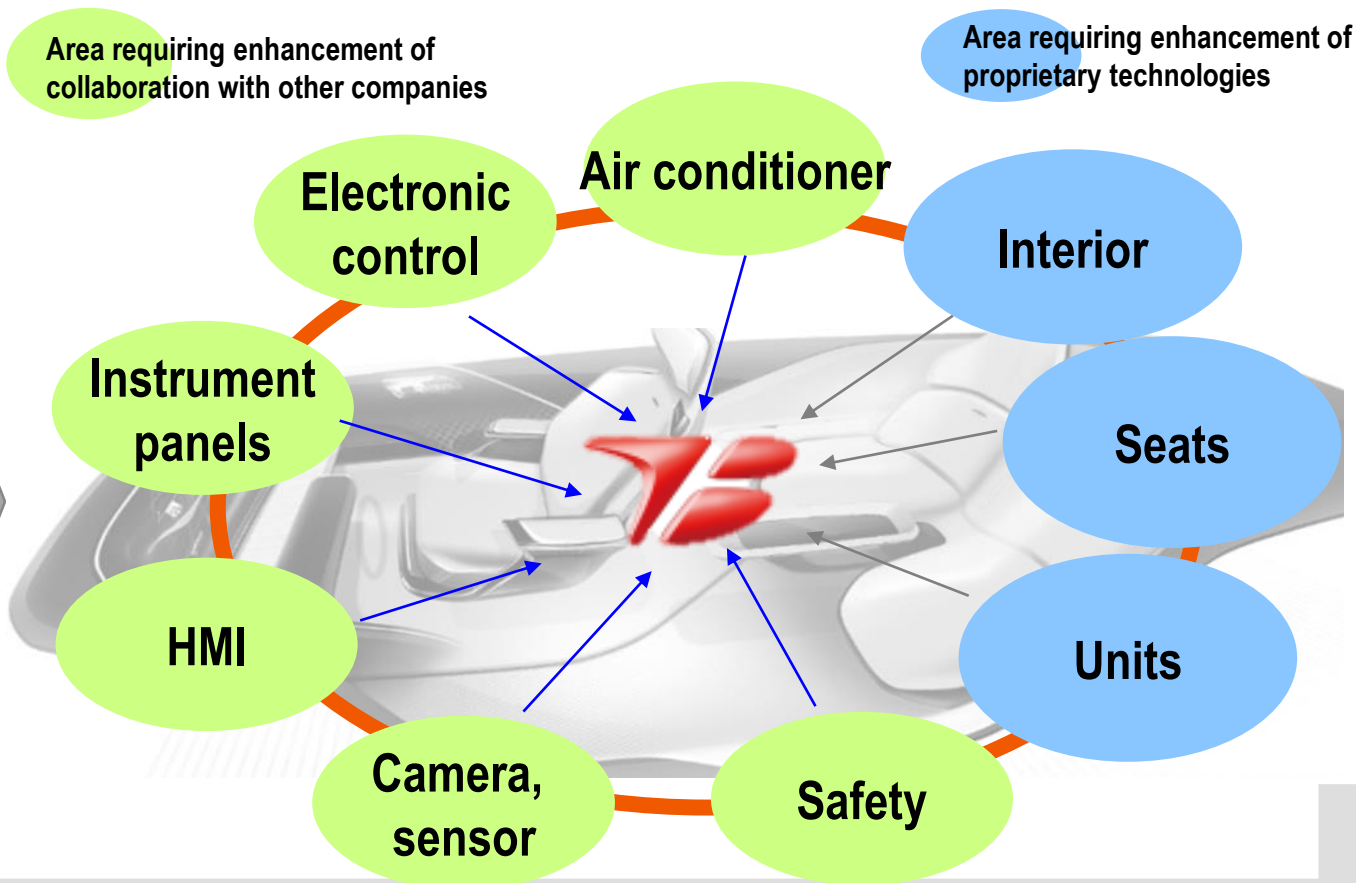
Evolution of Aces + MOOX?

# Initiatives toward Sustainable Growth

## V-1. Develop time and space, including control

To realize a space that provides new values, accelerate collaboration with companies having necessary technologies

### ▶ Becoming an interior space creator



What's next?  
Coming soon!

QUALITY OF TIME AND SPACE



Evolution of Aces + MOOX?

## Enhance earning power through all-out cost reduction efforts, to strengthen business structure

- ✓ Reorganize production structure in Japan
- ✓ Rebuild optimal global production/supply structures
- ✓ Improve work quality by promoting TQM activities
- ✓ Reduce fixed costs and optimize allocation of resources

## Promote creation of new value for future growth

- ✓ Lead creation of comfort value in mobile spaces
- ✓ Embody IoT and promote process innovation
- ✓ Prepare for capturing business chances securely in growth markets
- ✓ Commercialize new technologies and new products

## Achieve 2020 Management Plan targets

Securing operating margin of 5%

## Realize sustainable growth



#### Disclaimer

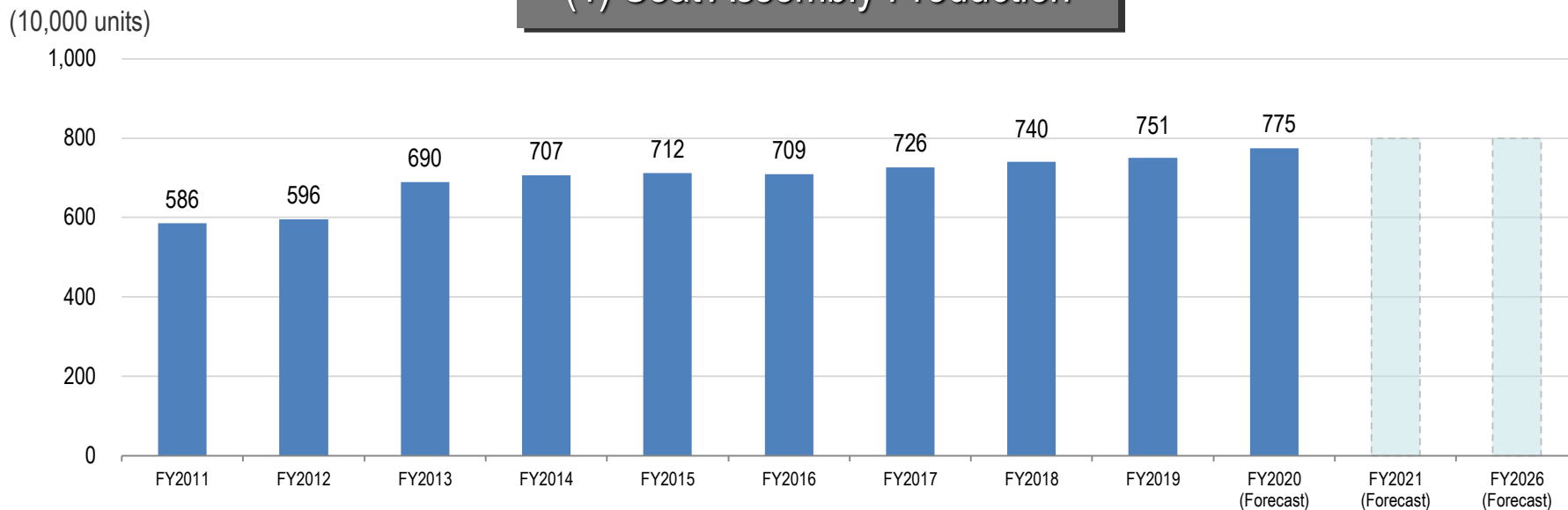
The forecasts relating to future business performance provided in this report are estimates made by the Company based on the information available at the time of reporting, and therefore involve risks and uncertainties.

Accordingly, actual results may differ from the forecasts due to various factors.

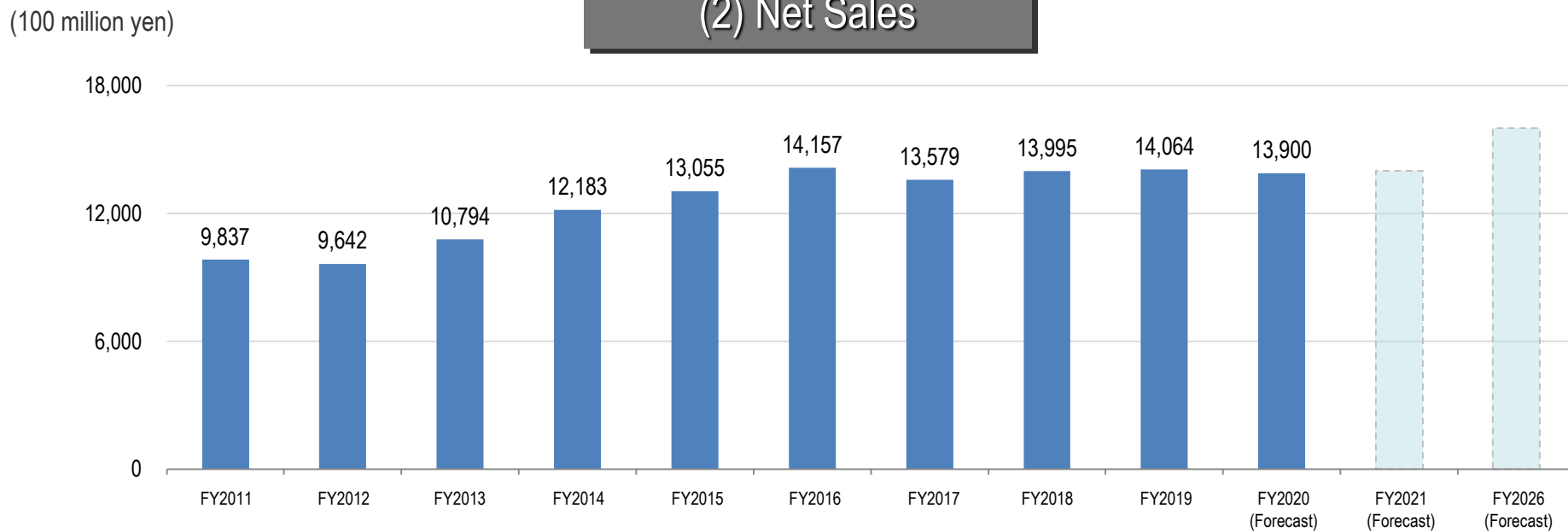
## **Key Indicators (FY2020 is based on IFRS)**

# 1) Key Indicators Seat Assembly Production & Net Sales (FY2020 is based on IFRS)

## (1) Seat Assembly Production



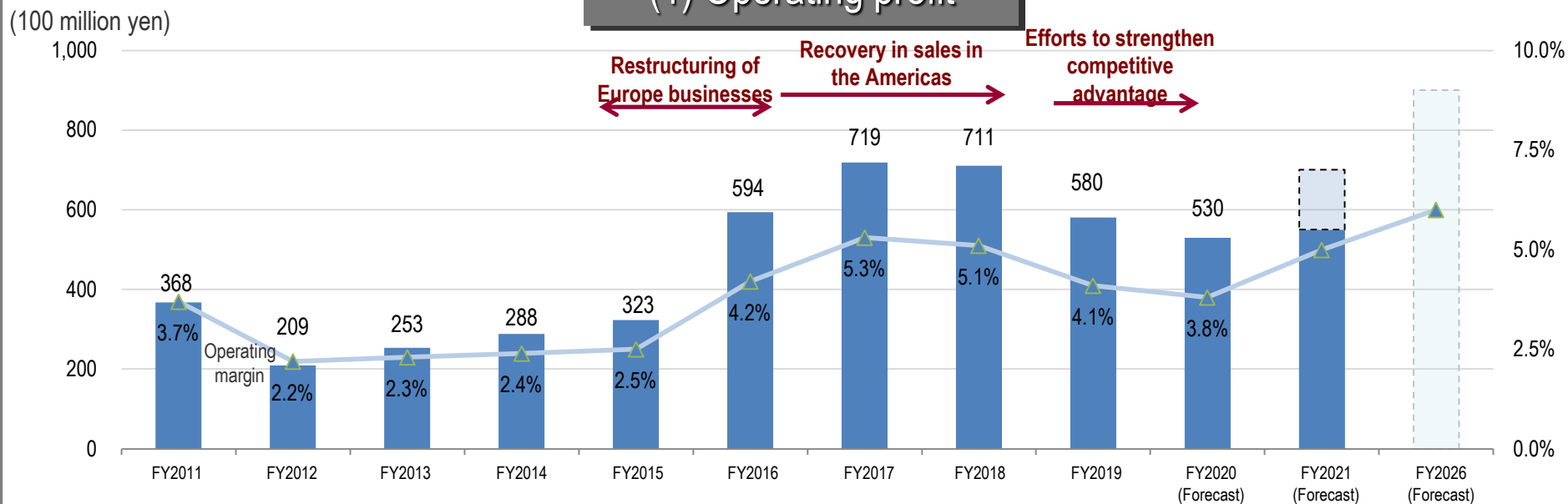
## (2) Net Sales



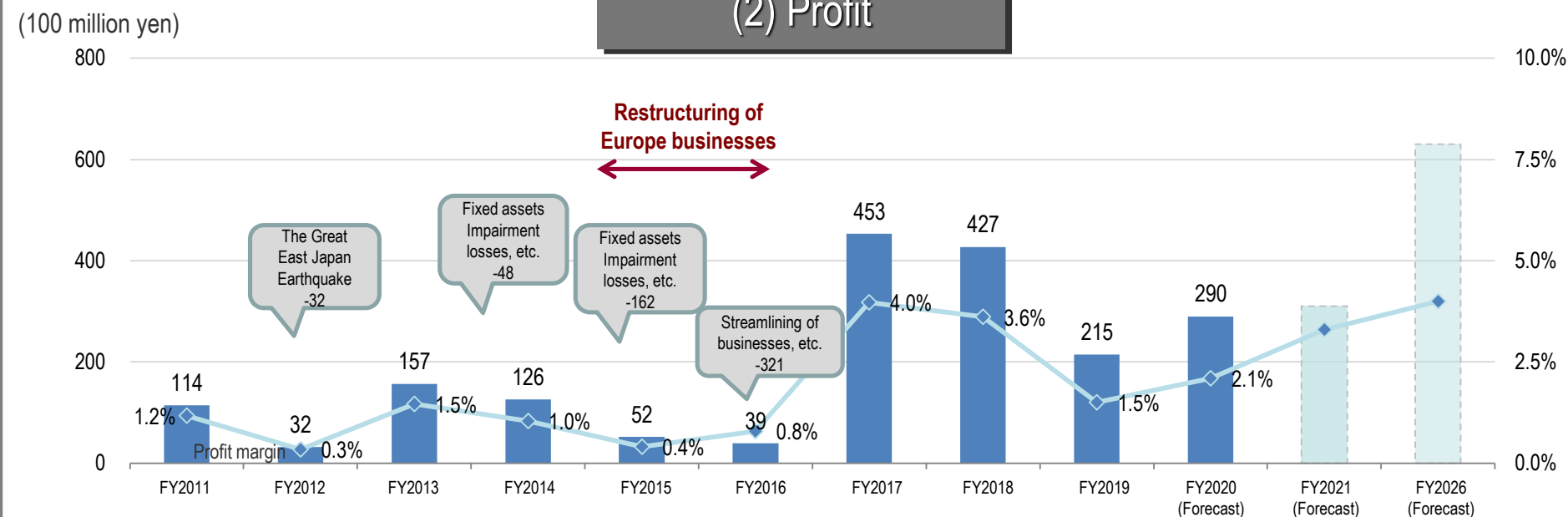


## 2) Key Indicators Operating Income & Profit (FY2020 and subsequent years are based on IFRS)

### (1) Operating profit



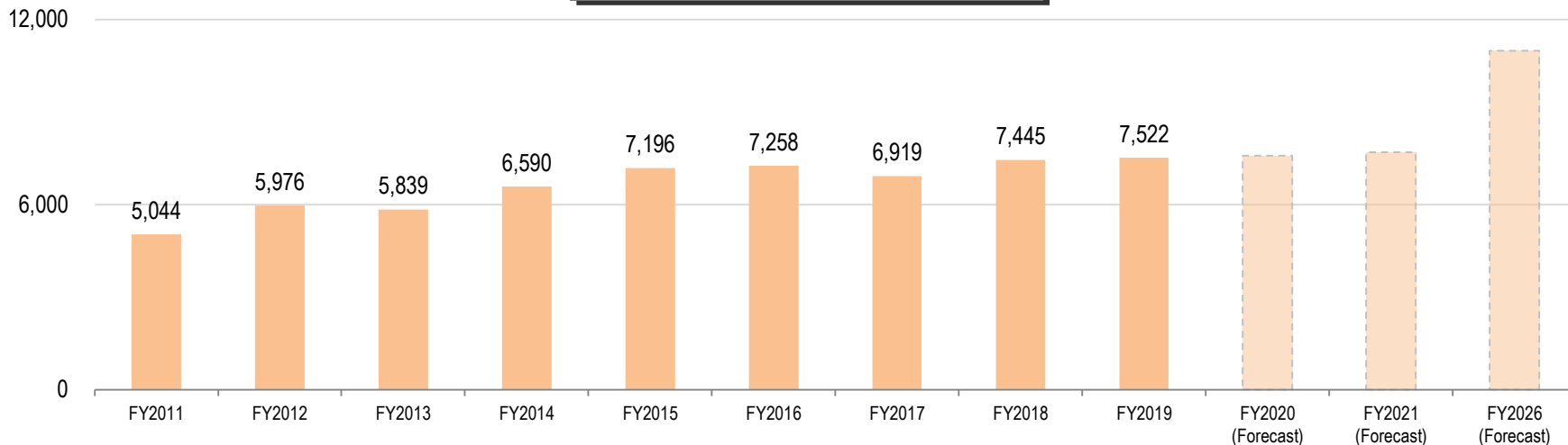
### (2) Profit



# 3) Key Indicators Balance Sheet

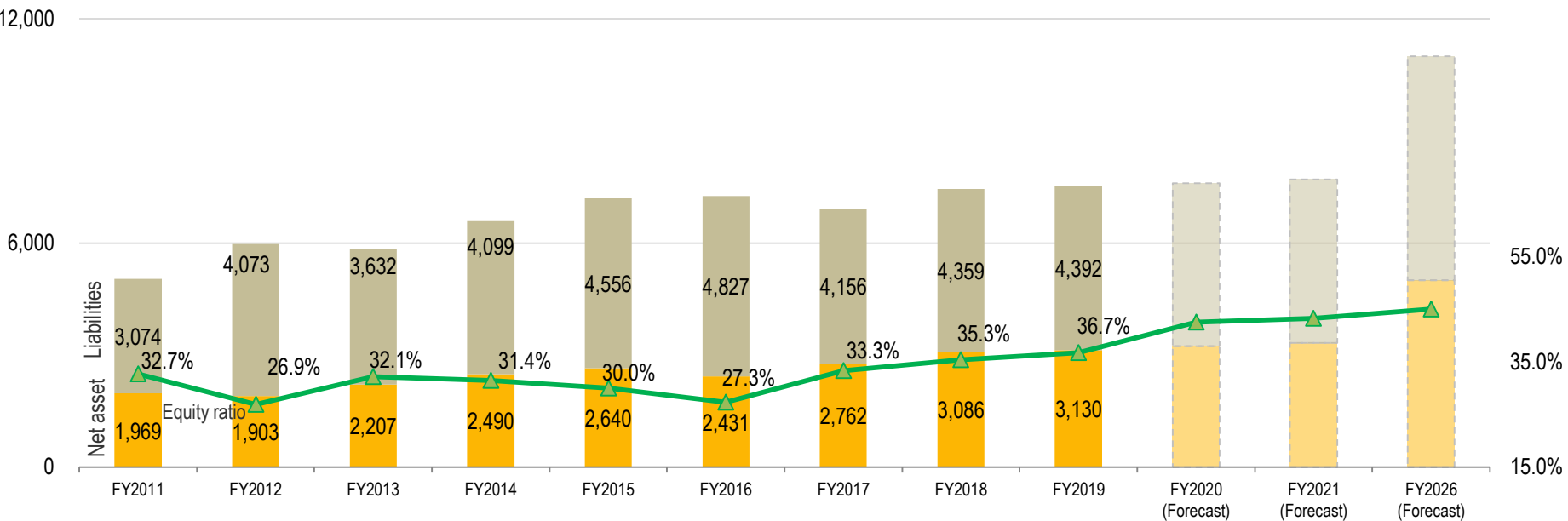
## (1) Total assets

(100 million yen)



## (2) Liabilities and Net assets

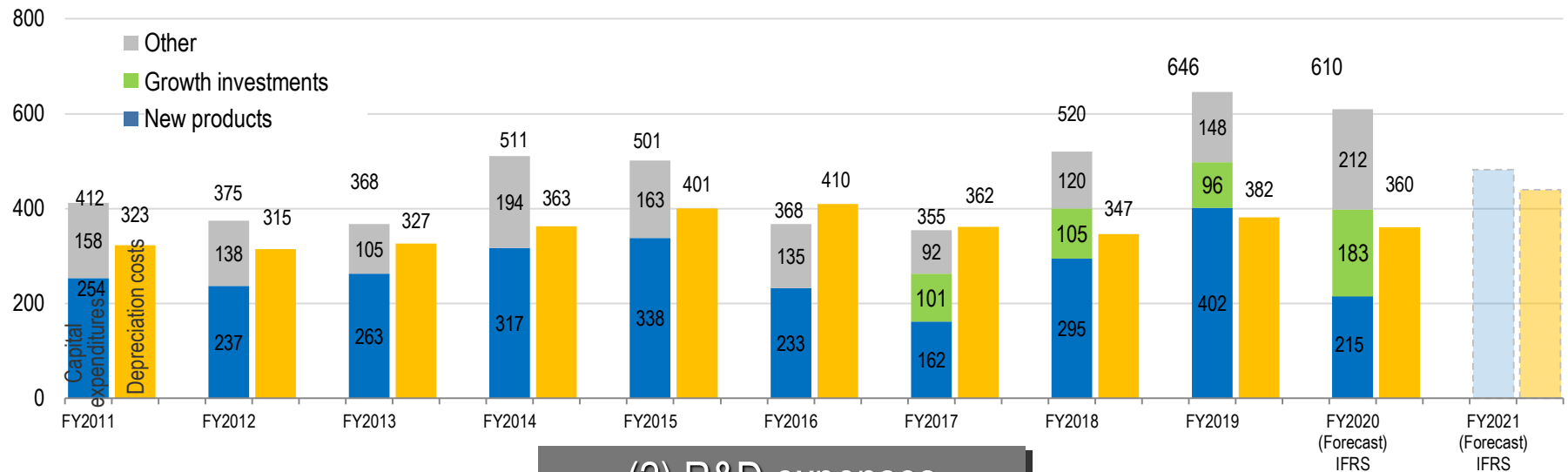
(100 million yen)



# 4) Key Indicators Capital expenditures, depreciation costs, R&D expenses

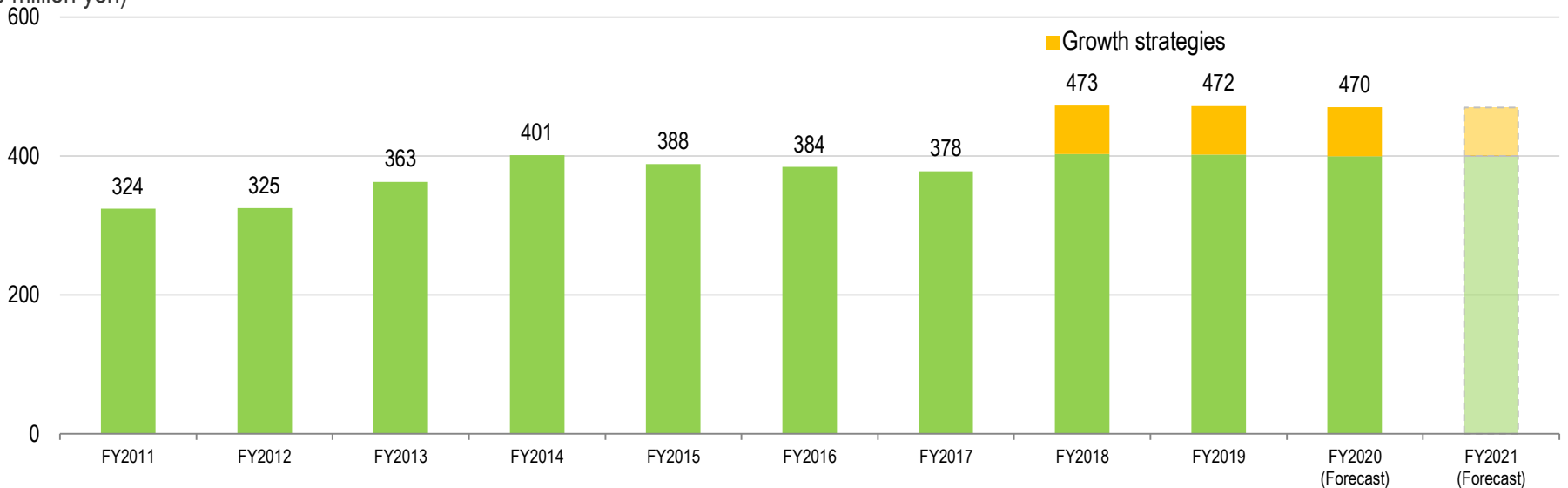
## (1) Capital expenditures, depreciation costs

(100 million yen)



## (2) R&D expenses

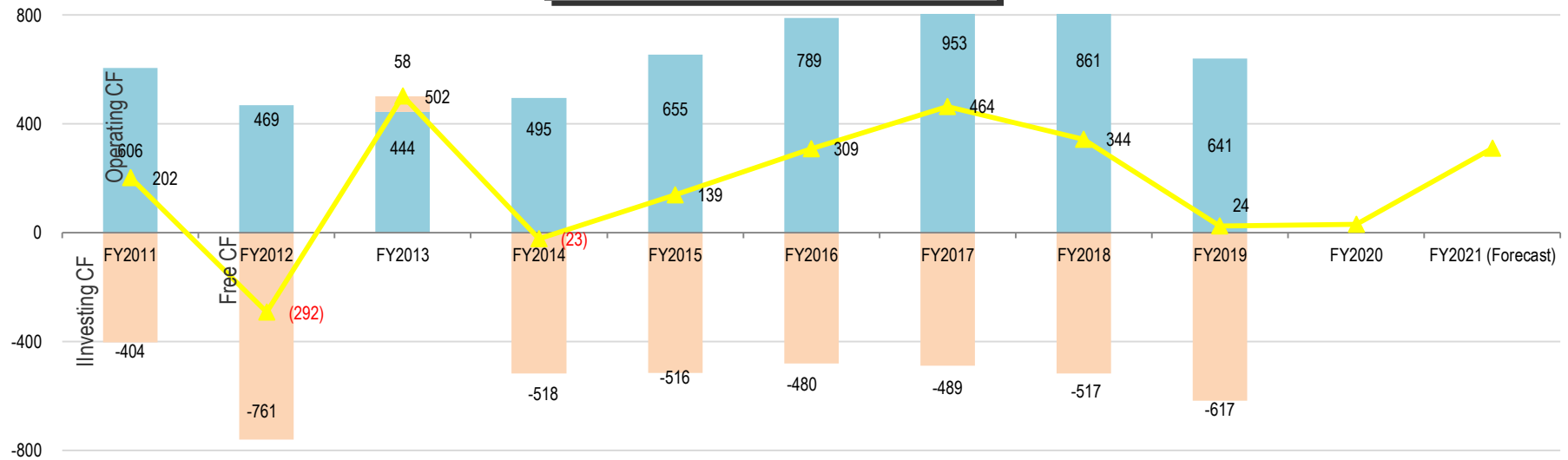
(100 million yen)



# 5) Key Indicators Free cash flow and financial cash flow

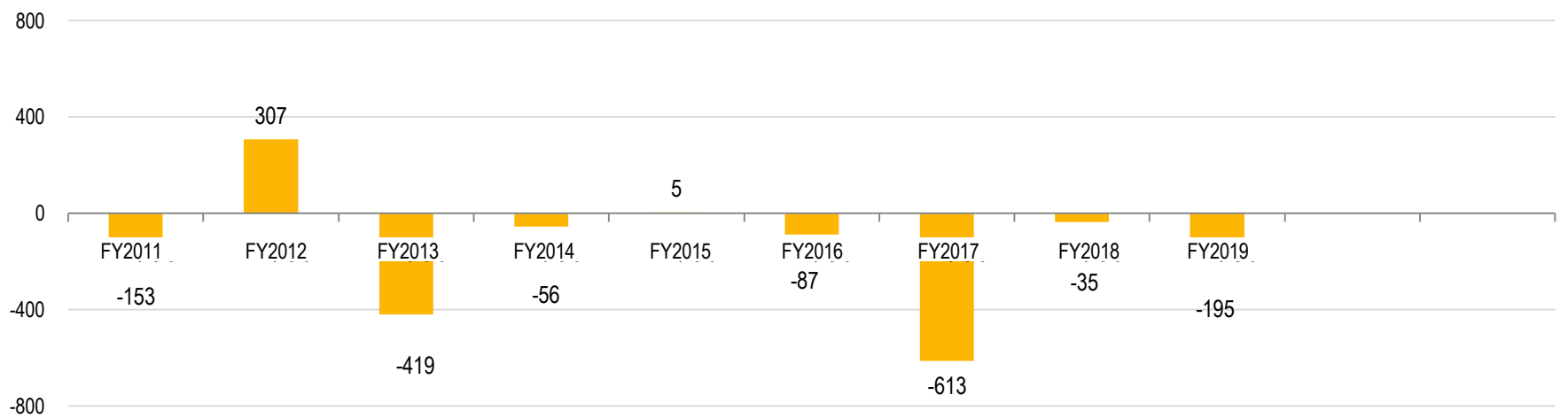
(1) Free cash flow

(100 million yen)



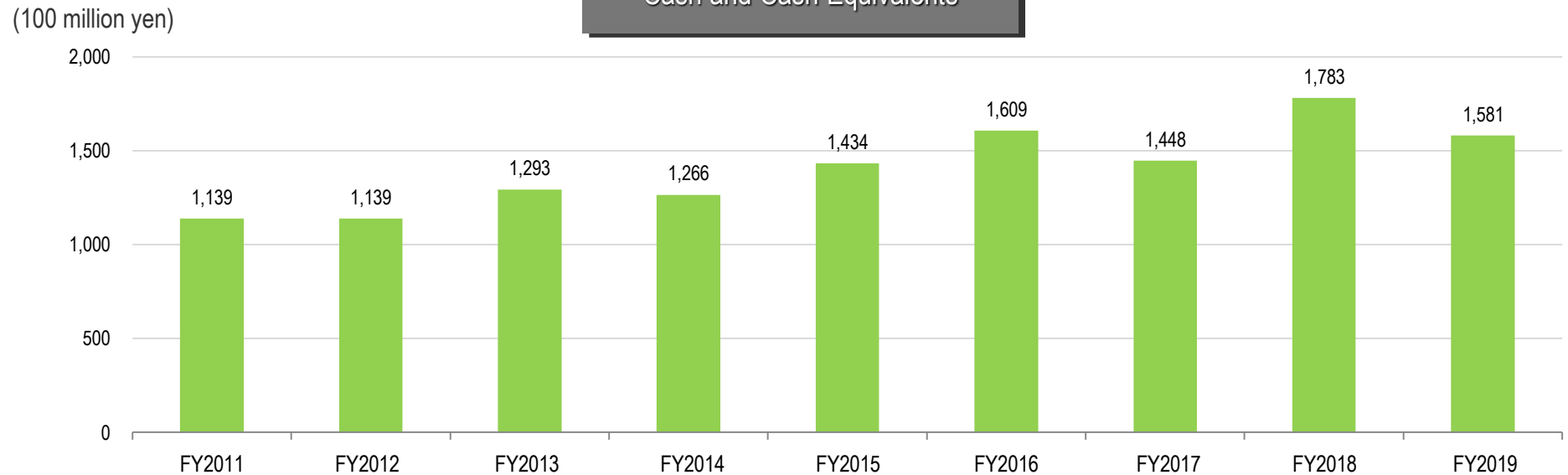
(2) Financial cash flow

(100 million yen)



## 6) Key Indicators Cash and Cash Equivalents, Cash Flow Statement

### Cash and Cash Equivalents



### (2) Total cash flows

(100 million yen)

		FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Cash flow variance	Operating activities	606	469	444	495	655	789	953	861	641
	Investment activities	- 404	- 761	58	- 518	- 516	- 480	- 489	- 517	- 617
	Financial activities	- 153	307	- 419	- 56	5	- 87	- 613	- 35	- 195
	Others	- 39	- 15	70	52	24	- 46	- 11	26	- 29
		8	- 0	153	- 26	168	174	- 160	335	- 201
Cash and cash equivalents BB		1,131	1,139	1,139	1,293	1,266	1,434	1,609	1,448	1,783
Cash and cash equivalents EB		1,139	1,139	1,293	1,266	1,434	1,609	1,448	1,783	1,581

## 7) Key Indicators (FY2020 is based on IFRS)

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020 (Forecast)
Earnings Per Share	61.82 yen	17.45 yen	85.23 yen	68.05 yen	28.08 yen	21.02 yen	244.28 yen	230.27 yen	115.79 yen	156.16 yen
Dividend Per Share	16 yen	16 yen	18 yen	18 yen	18 yen	30 yen	50 yen	54 yen	56 yen	56 yen
Operating margin	3.7%	2.2%	2.3%	2.4%	2.5%	4.2%	5.3%	5.1%	4.1%	3.8%
Equity ratio	32.7%	26.9%	32.1%	31.4%	30.0%	27.3%	33.3%	35.3%	36.7%	38.2%
ROE	7.0%	2.0%	9.1%	6.4%	2.5%	1.9%	21.2%	17.3%	8.0%	10.2%
Dividend payout ratio	25.9%	91.7%	21.1%	26.5%	64.1%	142.7%	20.5%	23.5%	48.4%	35.9%



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