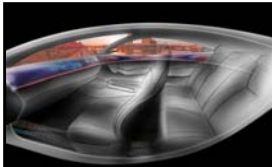
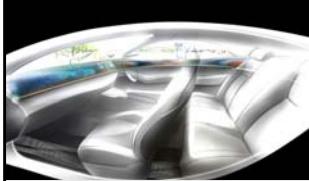




FY2017 2nd Quarter
Financial Results
ended September 30, 2016



Financial Results

Pursuit of Sustainable Growth

Financial Results

- 1) Overview of Financial Results
- 2) 1st Half Financial Results for FY2017 (ending March 31, 2017)
- 3) Financial Forecast for FY2017 (ending March 31, 2017)

Script

- ◆ My name is Suzuki.
- ◆ I'd like to explain the financial results for the first half of the fiscal year ending March 2017.

1) Overview of Financial Results

1. Despite sales decrease due to the appreciation of the yen, profit increase due to volume increase and improvement in product's value by model change.

2. Full year forecast of net sales and each income has been revised upward.

3. Increase from previous term, interim dividends of 21 yen(+6 yen), annual dividends of 42 yen(+12 yen)
(interim dividends +3 yen, annual dividends +6 yen from previous disclosure)

Script

- ◆ Here is an overview of the financial results for the first half.
- ◆ Compared to the same period of the previous year, sales decreased due to the impact of the yen's appreciation, despite an increase in production in Asia and Oceania. Operating income, on the other hand, increased despite the impact of the yen's appreciation due to factors such as:
 - an increase in production in Asia and Oceania; and
 - improvement in product's value as a result of the redesign of major vehicle models in the Americas.
- ◆ For the full year, forecasts for net sales, operating income, ordinary income, and profit attributable to owners of the parent company were all revised upward.
- ◆ Annual dividends will be 42 yen per share, a 12-yen increase from the previous year. Specifically, the interim and year-end dividends will each be 21 yen, representing a 6-yen increase for each.

Financial Results

- 1) Overview of Financial Results
- 2) 1st Half Financial Results for FY2017_(ending March 31, 2017)
- 3) Financial_Forecast for FY2017_(ending March 31, 2017)

Script

- ◆ Next, I will explain in detail the consolidated financial results for the first half of fiscal 2017.

2) 1st Half Financial Results for FY2017 (ending March 31,2017)

Years ending March 31

Overview of Financial Results

(100 million yen)

	FY2016 1st Half		FY2017 1st Half		Fluctuation	
Net Sales	6,929	100.0%	6,674	100.0%	-255	-3.7%
Operating Income	277	4.0%	361	5.4%	84	30.3%
Ordinary Income	300	4.3%	360	5.4%	60	20.3%
Profit*	177	2.6%	132	2.0%	-44	-25.0%
Earnings Per Share	95.45 yen		71.54 yen			
Exchange Rate	US\$	122 yen	105 yen	17 yen (strong yen)		
	Euro	135 yen	118 yen	17 yen (strong yen)		

* Profit attributable to owners of parent

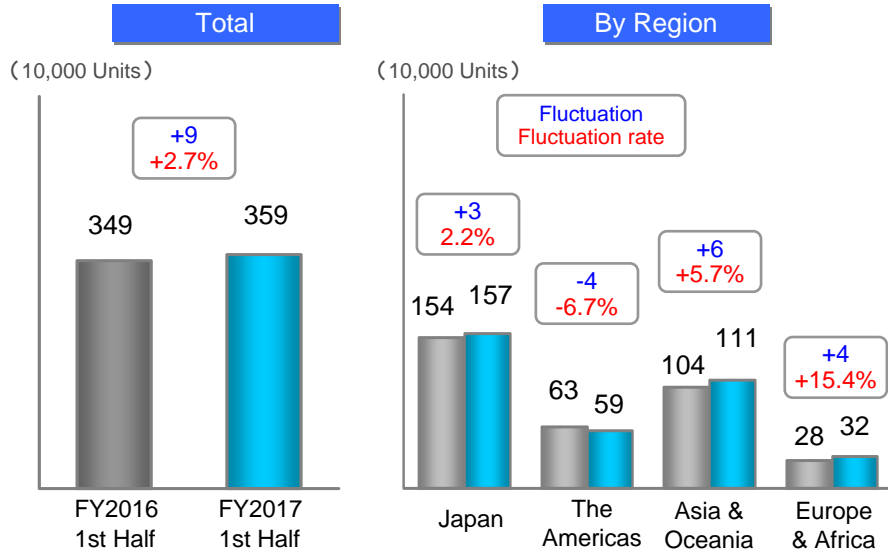
Script

- ◆ Net sales were 667.4 billion yen, down 25.5 billion yen from the previous year.
 - ◆ Operating income was 36.1 billion yen, up 8.4 billion yen from the previous year.
 - ◆ Ordinary income increased by 6.0 billion yen to 36.0 billion yen. Both operating income and ordinary income were the highest ever for a first-half period.
 - ◆ Profit attributable to owners of the parent company decreased by 4.4 billion yen to 13.2 billion yen.
 - ◆ Exchange rates of 105 yen to the dollar and 118 yen to the euro are used. The impact of the yen's appreciation is a decrease of 58.6 billion yen in net sales and a decrease of 2.7 billion yen in operating income from the same period of the previous year.
- Thus, discounting the impact of foreign exchange fluctuation, both sales and income increased.

2) 1st Half Financial Results for FY2017 (ending March 31, 2017) Unit Production by Region

Years ending March 31

Seat Assembly Production



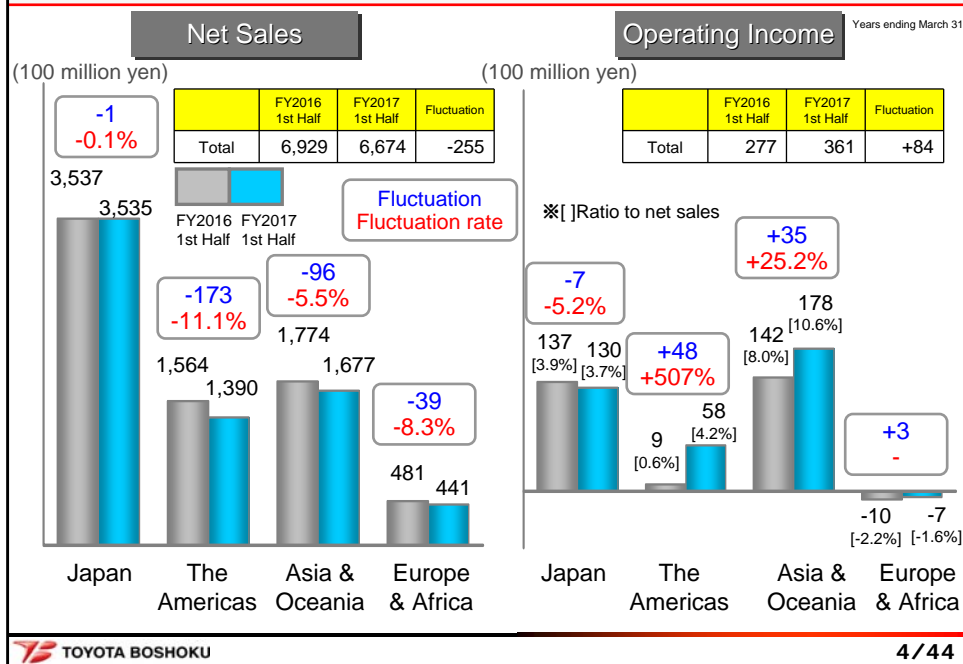
TOYOTA BOSHOKU

3/44

Script

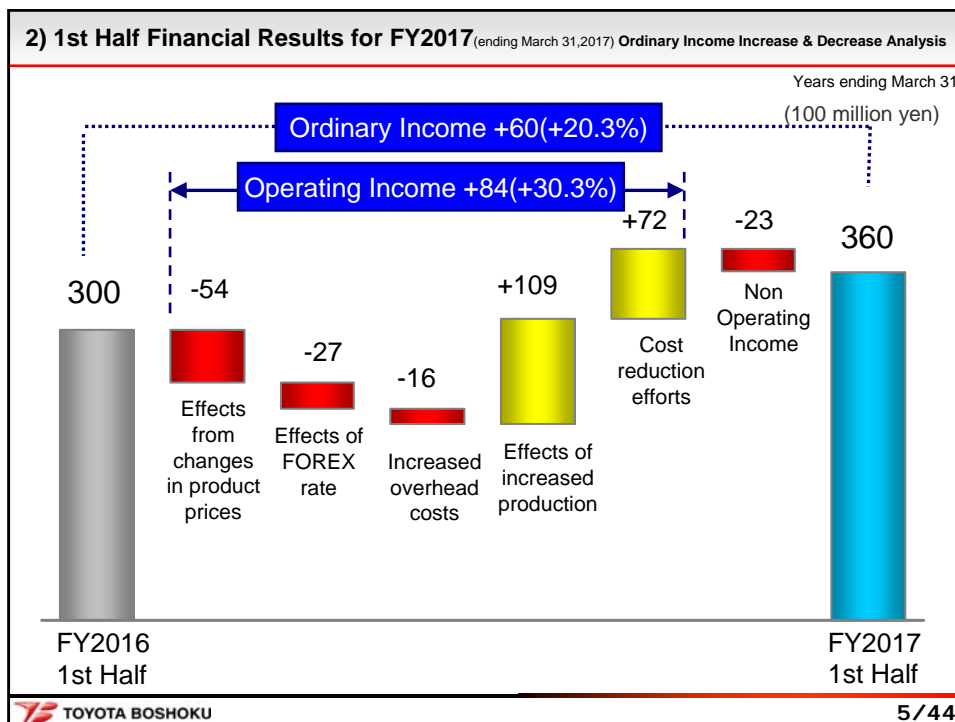
- ◆ Here, look at the seat assembly production.
The total consolidated production was 3.59 million units, an increase of 90,000 units from the previous year.
- ◆ By region,
- ◆ production in Japan increased by 30,000 units due to an increase in production of medium-class models as a result of the redesign of major vehicle models.
- ◆ Production in the Americas decreased by 40,000 units because the production of some models was ended.
- ◆ Asia and Oceania marked an increase of 60,000 units as a result of increased production in China and Indonesia.
- ◆ Production in Europe and Africa increased by 40,000 units due to an increase in production of major vehicle models.

2) 1st Half Financial Results for FY2017 (ending March 31, 2017) Net Sales & Operating Income by Region



Script

- ◆ Next, let me describe net sales and operating income by region.
- ◆ In Japan, net sales were roughly the same level as the previous year, with a decrease of 100 million yen.
Operating income decreased by 700 million yen due to an increase in costs, mainly for enhancing the capabilities of development and production engineering, despite improvement in product's value as a result of the redesign of major vehicle models.
- ◆ In the Americas, sales decreased by 17.3 billion yen due to the termination of production of some models and the impact of foreign exchange fluctuations.
Operating income increased by 4.8 billion yen due to improvement in product's value and expansion of sales as a result of the redesign of major models, and efforts aimed at streamlining.
- ◆ In Asia and Oceania, sales decreased by 9.6 billion yen due to the impact of foreign exchange fluctuation.
Operating income increased by 3.5 billion yen due to improvement in product's value and expansion of sales as a result of the redesign of major models.
- ◆ In Europe and Africa, sales decreased by 3.9 billion yen due to the impact of foreign exchange fluctuation.
Despite the cost of production preparation for models to be launched in the second half, operating loss decreased by 300 million yen mainly due to the effect of the increased production of major models.



Script

- ◆ Next, let me explain the factors affecting the increase or decrease in ordinary income.
- ◆ Compared to ordinary income of 30 billion yen for the previous year, operating income decreased by:
 - 5.4 billion yen due to the effects of changes in product prices,
 - 2.7 billion yen due to the effects of foreign exchange rates,
 - 1.6 billion yen due to an increase in the overhead costs, mainly for preparation for new products and for enhancement of the development and production engineering capabilities in Japan.
- Meanwhile, operating income increased by:
 - 10.9 billion yen due to the effects of the increased production associated with changes in the product or model mix, and
 - 7.2 billion yen due to cost reduction efforts such as the streamlining of production in North America and China.
- Overall, we have achieved an 8.4 billion yen increase in operating income.
- ◆ Finally, with a decrease of 2.3 billion yen in non-operating income mainly due to the effects of foreign exchange fluctuation, ordinary income reached 36.0 billion yen.

Financial Results

- 1) Overview of Financial Results
- 2) 1st Half Financial Results for FY2017_(ending March 31, 2017)
- 3) Financial Forecast for FY2017_(ending March 31, 2017)



Script

- ◆ Next, I'll explain our financial forecasts for the fiscal year ending March 2017.

3) Financial Forecast for FY2017 (ending March 31, 2017)

		FY2017 (Previous)		FY2017 (Revised)		FY2016		Fluctuation	
Years ending March 31 (100 million yen)									
Financial Forecast for FY2017									
Net Sales		13,200	100%	13,300	100%	14,157	100%	-857	-6.1%
Operating Income		570	4.3%	690	5.2%	594	4.2%	95	16.0%
Ordinary Income		570	4.3%	690	5.2%	561	4.0%	128	22.9%
Profit*		300	2.3%	360	2.7%	39	0.3%	321	822.9%
Earnings Per Share		161.60 yen		193.88 yen		21.02 yen			
Cash Dividend Per Share		36.00 yen		42.00 yen		30.00 yen			
Exchange Rate	US\$	102 yen		103 yen		120 yen		17 yen (strong yen)	
	Euro	113 yen		114 yen		133 yen		19 yen (strong yen)	

* Profit attributable to owners of parent

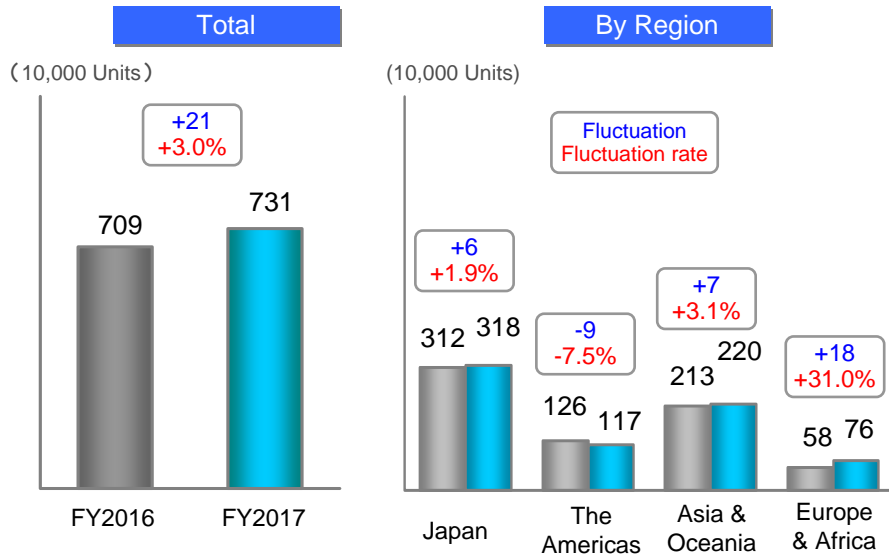
Script

- ◆ Based on the results of the first half and the latest information on the situations of our customers, we have revised the forecasts for sales and income upward for the full year.
 - ◆ Net sales are forecast to be 1,330.0 billion yen.
 - ◆ Operating income is forecast to be 69.0 billion yen, up 9.5 billion yen from the previous year.
 - ◆ Ordinary income is estimated to be 69.0 billion yen, up 12.8 billion yen from the previous year, and profit attributable to the owners of the parent company is estimated to increase by 32.1 billion yen to 36.0 billion yen. This is because loss on business liquidation related to the business reorganization in Europe was recorded in the previous fiscal year.
 - ◆ The exchange rates are assumed to be 100 yen to the dollar and 110 yen to the euro for the period from the third quarter. For the full year, 103 yen to the dollar and 114 yen to the euro are assumed.
- The effects of the yen's appreciation are a decrease of 140.0 billion yen in net sales and of 5.6 billion yen in operating income.

3) Financial Forecast for FY2017 (ending March 31, 2017) Unit Production by Region

Years ending March 31

Seat Assembly Production



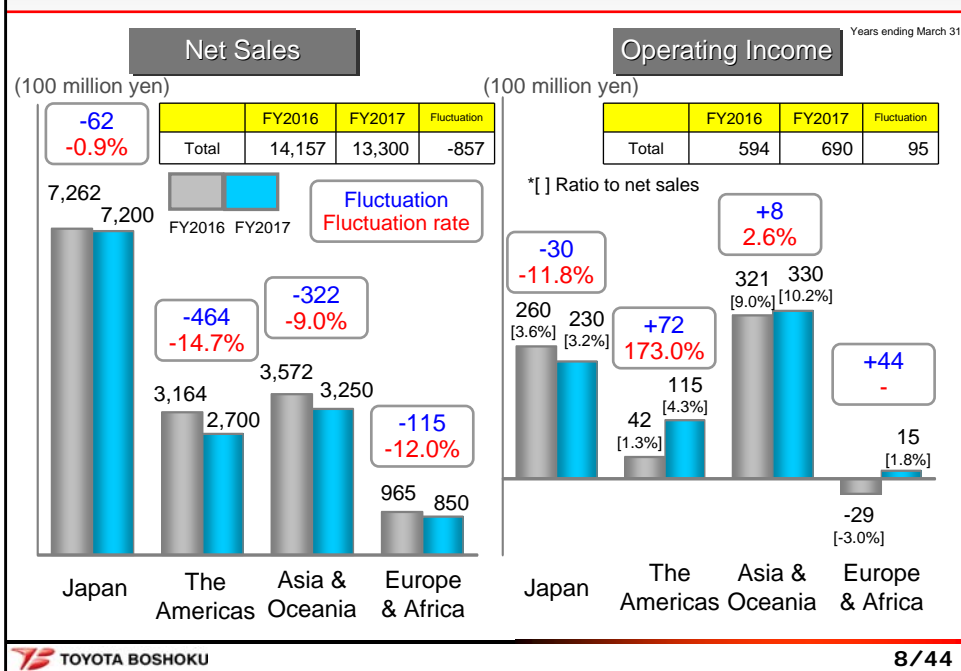
TOYOTA BOSHOKU

7/44

Script

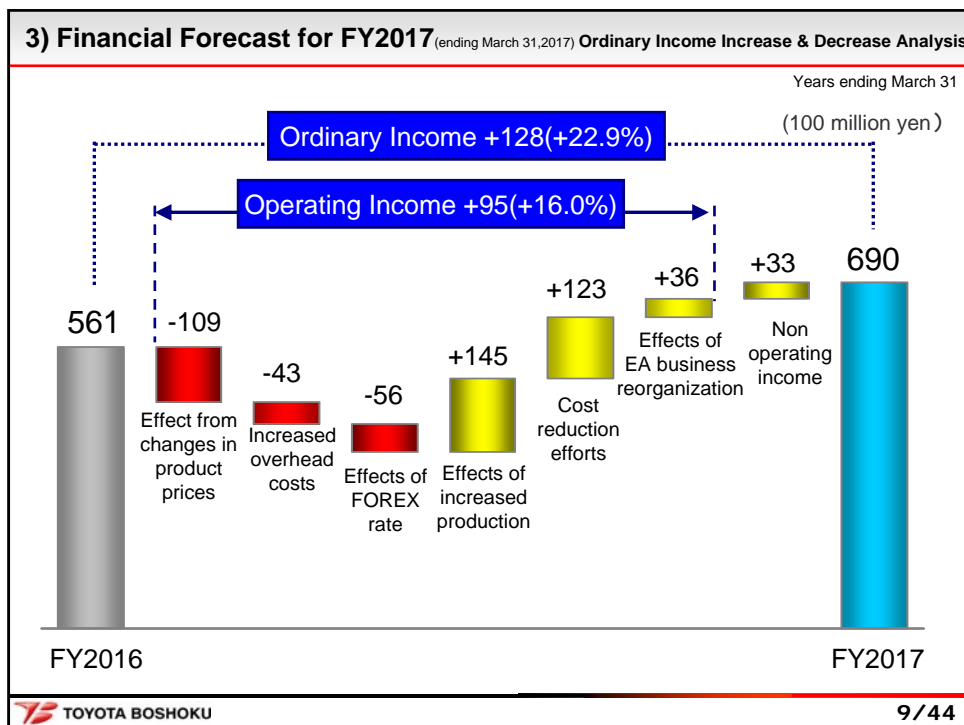
- ◆ Regarding seat assembly production, consolidated total production is estimated to be 7.31 million units, up 210,000 units from the previous year.
- ◆ By region,
 - ◆ production in Japan is estimated to increase by 60,000 units due to the planned increase in production of medium and RV class vehicles.
 - ◆ In the Americas, although the production of major models is expected to increase, total production is estimated to decrease by 90,000 units due to the termination of production of some models.
 - ◆ Production in Asia and Oceania is estimated to increase by 70,000 units due to an increase expected in China and Indonesia.
 - ◆ Production in Europe and Africa is estimated to increase by 180,000 units due to an increase in the production of major models and new models to be launched.

3) Financial Forecast for FY2017 (ending March 31, 2017) Net Sales & Operating Income by Region



Script

- ◆ Next, let me explain the forecasts for the full year by region.
- ◆ In Japan, net sales will decline by 6.2 billion yen.
Operating income is estimated to decline by 3.0 billion yen mainly due to the impact of the sales decline and the costs of enhancing the development and production engineering capabilities.
- ◆ In the Americas, due to the impact of foreign exchange fluctuation, net sales will decrease by 46.4 billion yen.
Operating income is estimated to increase by 7.2 billion yen, mainly due to improvement in product's value as a result of the redesign of major vehicle models and profit structure reform associated with stable production starting from the previous fiscal year.
- ◆ In Asia and Oceania, despite the effects of the production increase, sales are estimated to decline by 32.2 billion yen mainly due to the impact of foreign exchange fluctuation.
Operating income is forecast to increase by 800 million yen despite the impact of foreign exchange fluctuation, mainly due to improvement in product's value as a result of the redesign of major vehicle models.
- ◆ In Europe and Africa, mainly due to the effects of reorganization of businesses in Europe, net sales will decline by 11.5 billion yen
while operating income is expected to turn positive in the second half, resulting in a 1.5 billion yen profit for the full year.



Script

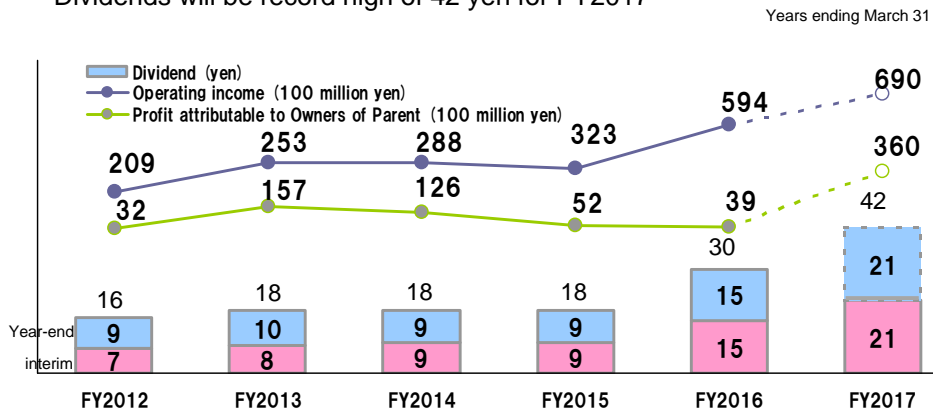
- ◆ Next, let me explain the factors affecting the increase or decrease in ordinary income.
- ◆ Compared to ordinary income of 56.1 billion yen for the previous year, operating income will decrease by:
 - 10.9 billion yen due to the effect of changes in product prices,
 - 4.3 billion yen due to an increase in overhead costs including upfront expenses in Japan, and
 - 5.6 billion yen due to the effects of foreign exchange rates.
- On the other hand, operating income will increase by:
 - 14.5 billion yen due to the increased production associated with improvement in product's value of major vehicle models,
 - 12.3 billion yen due to cost reduction efforts, and
 - 3.6 billion yen due to the reorganization of businesses in Europe, which resulted in a reduction in the deficit.
- As a whole, we expect a 9.5 billion yen increase in operating income.
- ◆ Finally, with an increase of 3.3 billion yen in non-operating income mainly due to foreign exchange losses of 2.4 billion yen recorded for the previous period, ordinary income is estimated to increase by 12.8 billion yen to 69.0 billion yen.

3) Financial Forecast for FY2017^(ending March 31,2017) Return to Stockholders

Based on consolidated results, stable and lasting dividends have been provided.

Trends in dividends and current-term profit

Dividends will be record high of 42 yen for FY2017



Script


- ◆ Now, let me explain about dividends.
- ◆ Based on comprehensive consideration of the consolidated results for the first half and the forecast for the full year, we have decided to pay an annual dividend of 42 yen per share, up 12 yen from the previous year, with a interim dividend of 21 yen per share, up 6 yen from the previous year.
- These figures are higher than the previously announced forecast; up 6 yen annually, with a 3 yen increase for both interim and year-end dividends.
- ◆ Under the basic principle of long-term stable dividend distribution, we will endeavor to ensure returns to our shareholders based on comprehensive consideration of various factors, such as consolidated financial results and dividend payout ratios.
- ◆ With this, I would like to conclude my explanation of the financial results.

Thank you very much.

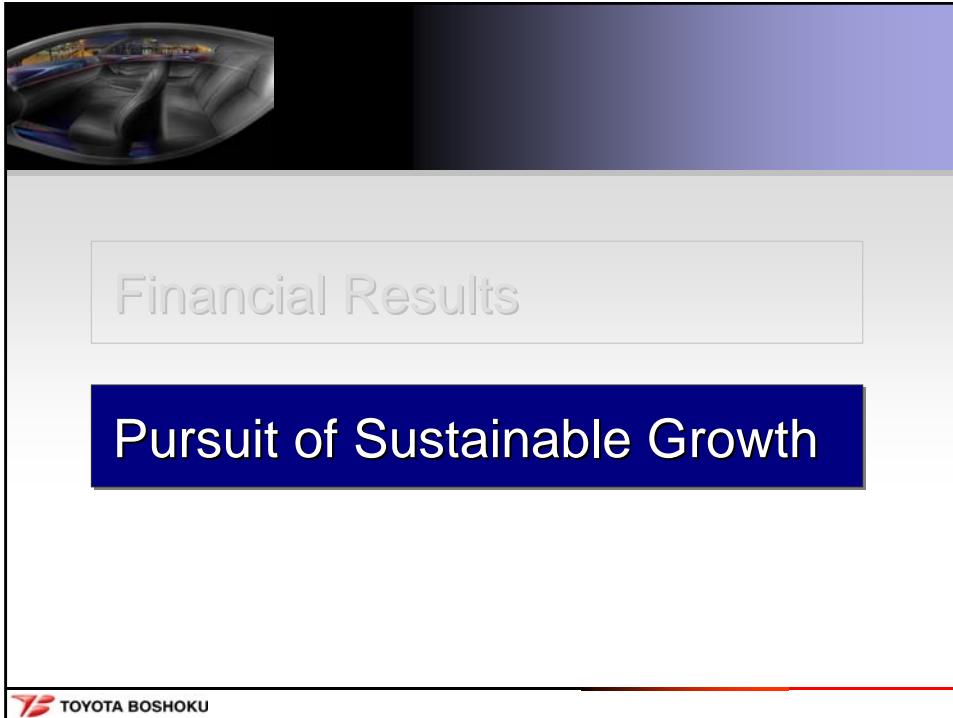
(Appendix) Financial Forecast for FY2017 (ending March 31, 2017) (1st Half, 2nd Half)

Net Sales		Years ending March 31 (100 million yen)					
Financial Forecast for FY2017 (revised)							
	1st Half		2nd Half		Full Year		
Japan	3,535		3,665		7,200		
The Americas	1,390		1,310		2,700		
Asia & Oceania	1,677		1,573		3,250		
Europe & Africa	441		409		850		
Total	6,674		6,626		13,300		

Operating Income		(100 million yen)					
Financial Forecast for FY2017 (revised)							
	1st Half		2nd Half		Full Year		
Japan	130	3.7%	100	2.7%	230	3.2%	
The Americas	58	4.2%	57	4.4%	115	4.3%	
Asia & Oceania	178	10.6%	152	9.7%	330	10.2%	
Europe & Africa	-7	-1.6%	22	5.4%	15	1.8%	
Total	361	5.4%	329	5.0%	690	5.2%	

 TOYOTA BOSHOKU

memo



Script

- ◆ Good morning. I am Ishii of Toyota Boshoku.
Thank you very much for attending our interim financial results briefing today.
- ◆ At the previous briefing session in May, we explained our actions to solidify our footing and the directions of the growth strategies of each business to achieve our desired status for the year 2030.
- ◆ We promised to present the future management vision of Toyota Boshoku, and explain our Mid-term Business Plan and the specific actions to be implemented under the Plan with the aim of achieving our desired status for 2030.

Today's contents

Pursuit of Sustainable Growth

- 1) Mid-Term Business Plan until 2015(2011-2015)
Review and Progress on Action to "Solidify Our Footing"
- 2) To fulfill our Vision
- 3) Mid-Term Business Plan for Implementation
Until 2020(2016-2020)

Script

- ◆ Today I will describe the future management vision we aim for and the Mid-term Business Plan until 2020, following the order here.

1. Mid-Term Business Plan until 2015

Review and Progress on Action to “Solidify Our Footing”

1) Overview of Mid-Term Business Plan until 2015

2) Business Targets vs. Actual Results

3) Review Key Management Tasks

4) Effort to Solidify our Footing

Script

◆ First, I would like to review the Mid-term Business Plan until 2015, and explain the progress on actions to solidify our footing, according to the themes presented here.

1) Overview of our Mid-Term Business Plan Until 2015



■ Business Targets (FY2016)

	Target
Revenue (billion JPY)	1,300
Gross profit margin ratio(%)	5.0
Production Ratio [Japan : Overseas]	40 : 60
Sales Ratio [Toyota : N C B *]	90 : 10

*NCB : New Customer Business

■ Key Management Tasks

- 1) Pursuit of leading-edge technologies toward creating new business
- 2) Acceleration of global business expansion centered on emerging markets
- 3) Expansion of our business with all car manufacturers through operational and organizational reform
- 4) Thorough implementation of lean, optimal and high value-added business in Japan

Script

- ◆ In the Mid-term Business Plan until 2015, aspirations for the year 2020 were envisioned as the “2020 Vision,” and four key management tasks were presented to achieve the business targets as of fiscal 2016.

2)Business Targets vs. Actual Results (FY2016)

	FY2011	FY2016	
	Actual	Target	Actual
Revenue (billion JPY)	983.7	1,300.0	1,415.7
Operating profit margin ratio(%)	3.7	5.0	4.2
Production Ratio [Japan : Overseas]	51 : 49	40 : 60	44 : 56
Sales Ratio [Toyota : NCB]	97 : 3	90 : 10	93 : 7

We achieved Sales target due to the partly impact of favorable factors such as exchange rate

However, Operating Profit margin ratio, Production Ratio and Sales Ratio were not achieved

Script

- ◆ Let us look at the results compared to the business targets for fiscal 2016.
Net sales reached the target thanks to favorable factors such as exchange rate.
Other items, however, failed to meet their targets despite improvements from the results of fiscal 2011.

3) Review Key Management Tasks

(1) Achievements

1) Pursuit of leading-edge technologies toward creating new business

- Commercialized motor core constituent parts for hybrid systems, by pursuing precision process technology
- Commercialized components for fuel cell vehicle (in Toyota "MIRAI")

2) Acceleration of global business expansion centered on emerging countries

- Established new plants in China (Shenyang, Heyuan (Guangdong Province)), Thailand, Laos and Turkey
- Established MRD*¹ Center in Thailand, and R&D Center in China

3) Expansion of our business with all car manufacturers through and operational and organizational reform

- GNCB*² Group and ACT*³ Promotion Division were established

4) Thorough implementation of lean, optimal and high value-added business in Japan.

- Consolidated location in Kariya Plant to start production of FC separators
- Developed and globally deployed core technologies (FHS*⁴ method, melt blow method)

*1 MRD : Management Research & Development

*3 ACT : Aircraft & Train

*2 GNCB : Global New Customer Business

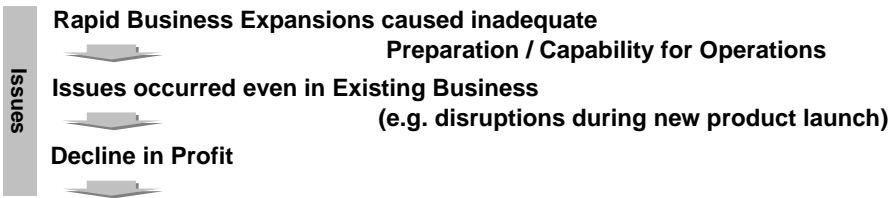
*4 FHS : Fine Hold Stamping

Script

- ◆ Next, let us review our approaches to key management tasks.
 - ◆ Regarding the first task, "Pursuit of leading-edge technologies toward creating new business," we have achieved the commercial production of motor core constituent parts for hybrid systems and components for fuel-cell vehicles.
 - ◆ Regarding the second task, "Acceleration of global business expansion centered on emerging countries," we have expanded our businesses by setting up new bases mainly in emerging countries, such as manufacturing bases in China, Thailand and Laos, and development bases in Thailand and China.
 - ◆ As for the third task, "Expansion of our business with all car manufacturers through business reforms and organizational restructuring," we have established the GNCB (Global New Customer Business) Group and the ACT Promotion Division, to achieve the expansion of businesses with car manufacturers other than Toyota and entry into the railroad and aircraft businesses.
 - ◆ Regarding the fourth task, "Thorough implementation of lean, highly efficient and high value-added business in Japan," we have consolidated lines at the Kariya Plant to start the production of FC separators, and developed and globally implemented core technologies such as the FHS production method.
- Thus, we have achieved certain results in all of these tasks.

3) Review Key Management Tasks

(2) Issues and Countermeasures



Declaration to Structure Strengthening: August 2014



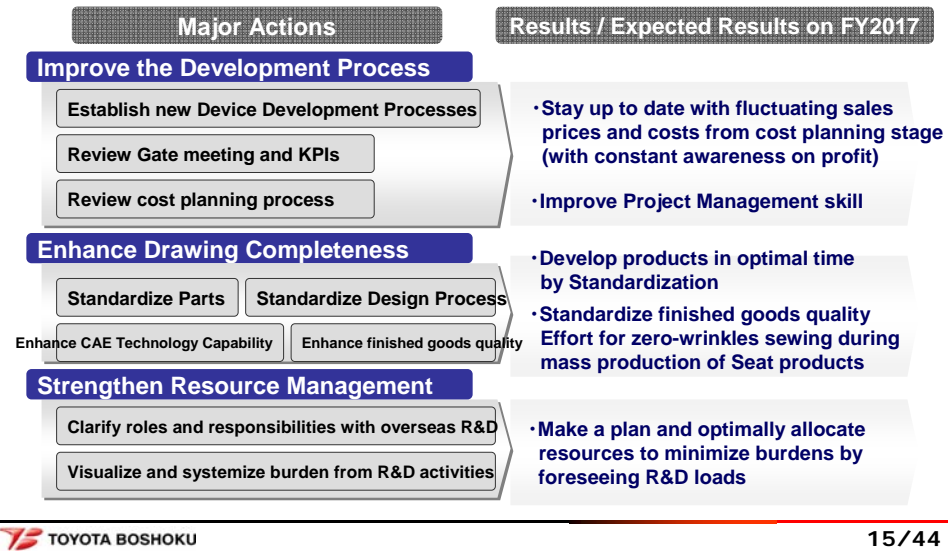
Script

- ◆ However, relative to such rapid business expansion, our operational preparations and capacities were inadequate, which disturbed not only the new businesses but also our existing businesses. This resulted in a decline in consolidated profit.
- ◆ To tackle this situation, in August 2014, we issued the Declaration of structure strengthening for the entire Company. Under this declaration, efforts have been made to restructure unprofitable businesses, reform the profit structures mainly in Europe and the Americas, and strengthen our basic manufacturing capabilities.
- ◆ As a result of these efforts, with regard to the restructuring of unprofitable businesses and the reform of the profit structures, our initial targets have mostly been achieved.
- ◆ On the other hand, in order to respond to customer expectations with high-quality manufacturing and secure their trust, we must further strengthen our development and production engineering and production capabilities so as to solidify our footing. We have thus enhanced and implemented actions to this end.

4)To Solidify our Footing

Progress on global implementation from FY2018

(1) Strengthen our R&D Capabilities



Script

- ◆ I described these actions to solidify our footing at the previous meeting. Here, I will briefly explain their results.
- ◆ First, regarding strengthening our R&D capabilities, we can now expect various achievements; an action to improve the development processes leads to improved project management, such as the revision of cost planning processes, while an action to enhance the drawings completeness is associated with higher development efficiency and improved quality.
- ◆ From fiscal 2018, we will deploy these new development processes throughout our global businesses.

4)To Solidify our Footing

(2) Strengthen our Production Engineering / Production Capabilities

Scheduled to complete all action items in this fiscal year; start global implementation from FY2018

Major Actions	Results / Expected Results on FY2017
<p>Plan</p> <p>Standardize engineering trial to mass production transfer process</p>	<ul style="list-style-type: none"> Register PE and Production Issues leading to strengthen and/or reorganize the Global Production System Define our way of Thinking for JIT* & Concentration of Production, and build a Strategic Policy for Interior / Exterior Systems <p>*JIT : Just In Time</p>
<p>Production Preparation</p> <p>Standardize production in zero-defect condition</p> <p>Standardize tools and dies equipment</p> <p>Standardize production preparation process</p>	<ul style="list-style-type: none"> Standardize pilot production and Production / Manufacturing Preparation Process Complete global evaluation
<p>Manufacturing capability (Mass production)</p> <p>Standardize rule for daily manufacturing operation</p>	<ul style="list-style-type: none"> Complete global evaluation on the confidence level to achieve goals by specific assignment for production preparation based on Basic Plant Requirements

Script

- ◆ To strengthen our production engineering and production capabilities, we have promoted thorough standardization of the processes of production engineering and production planning, as well as of those of production and manufacturing preparations.
- ◆ By the end of the current fiscal year, we will have completed all the tasks and established the standards for each process. We will globally implement them from the next fiscal year.

2. To fulfill our Vision

1) Vision

2) Future Prospect

3) Our desired status

Script

◆ Now, I will move on to the next theme, "To fulfill our Vision." I will explain the desired image of our business and management, following the order shown here.

2. To fulfill our Vision

1) Vision

The Company We Aim to Become

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

Design your passion with TOYOTA BOSHOKU

(1) Our desired status in Business

A company that persists in proposing excellent mobility for customer throughout the world

(2) Our desired status in Society

A trusted company that grows together with all stakeholders

Script

- ◆ Based on the Principles of Toyoda, which encapsulate the ideas of founder Sakichi Toyoda, and our corporate philosophy formulated under these Principles, we established the Vision in 2012 to articulate the type of company we aim to become.
- ◆ The Vision first announces that we aim to become a company that looks into the future and will create automobile interior spaces of tomorrow that will inspire our customers the world over.
- ◆ Our desired status in Business is a company that persists in proposing excellent mobility to customers throughout the world.
- ◆ And Our desired status in Society is a trusted company that grows together with all of its stakeholders.
- ◆ Toward the realization of this Vision, we have defined our desired status more specifically for the year 2030.

2. To fulfill our Vision

2) Future Prospect

(1) Changes in Society and urban transportation

Changes in the social environment has caused significant changes in the mobility environment



Script

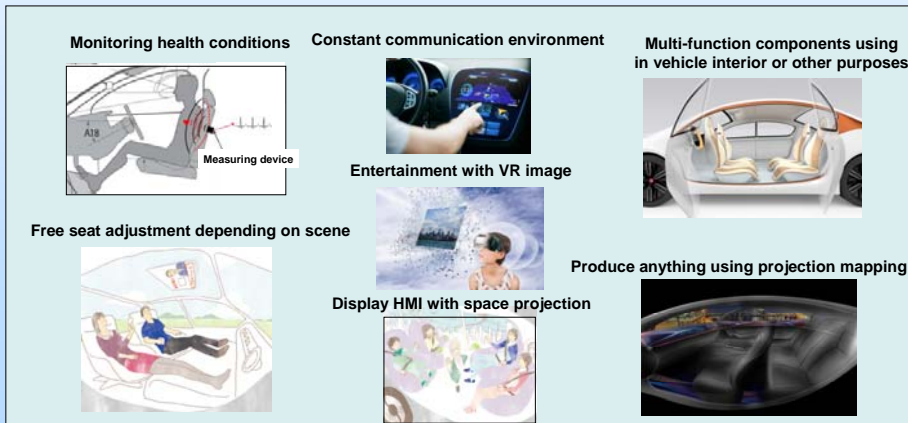
- ◆ First, as the basis for determining our desired status, I will discuss the future prospects.
- ◆ As shown in this picture, in response to dramatic changes in the social environment surrounding us, significant changes are also expected in the mobile environment, such as the spread of personal mobile units and the introduction of next-generation city traffic systems to cope with the aging of society.

2. To fulfill our Vision

2) Future Prospect

(2) Advancements in Mobility Interior

Advancements in automated driving have enhanced the level of freedom in mobility space, together with the fact that customers' requirement on interior functions also change



Script

- ◆ Along with the spread of advanced driver assistance systems and automated driving, the freedom in usage of mobile spaces is expected to increase.
- ◆ The functions of mobile spaces are also expected to change, such as monitoring of the driver's health condition and flexible seat arrangement.

2. To fulfill our Vision

2) Future Prospects

(3) Aim to offer products which create more customer value”

Pursue “Comfort” in mobility space together
with basic value of “Safety” and “Environment”

Comfort

Realize time and space
that appeals to the 5 senses

- Automatic position adjustment
- Sensory temperature control
- Maintaining awakened / relaxed states

Safety

Reduce occurrences rate of serious
accidents and injury/damages involved

- Identify and acknowledge risks in advance
- Evolving risk control technologies
- Automated driving

Environment

Maximize energy efficiency,
reduce greenhouse gas

- More efficient and diverse power sources
- Less weight, less resistance
- Energy management

Script

- ◆ Facing these changes in the environment, we think that the values of comfort, safety, and the environment, which are universal requirements of mobility, will also change.
- ◆ For comfort, in particular, if automated driving becomes widespread, mobile spaces will be required to allow people to not only enjoy driving and travel, but also spend time on other meaningful pursuits.
- ◆ What comfort values can we offer for future mobile spaces?
The answer to this question is the key that will determine the future of Toyota Boshoku.

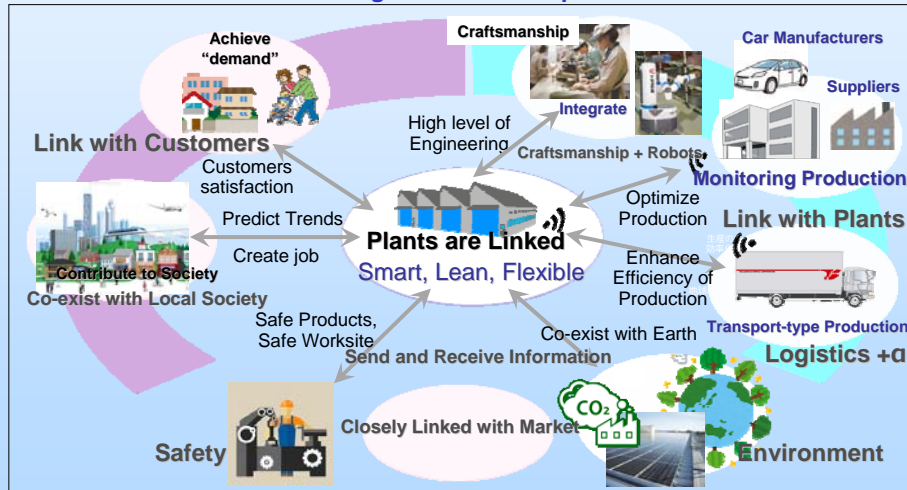
2. To fulfill our Vision

2) Future Prospect

(4) Evolution in Manufacturing

Supply chain collaboration for information

sharing to increase responsiveness to the market



Script

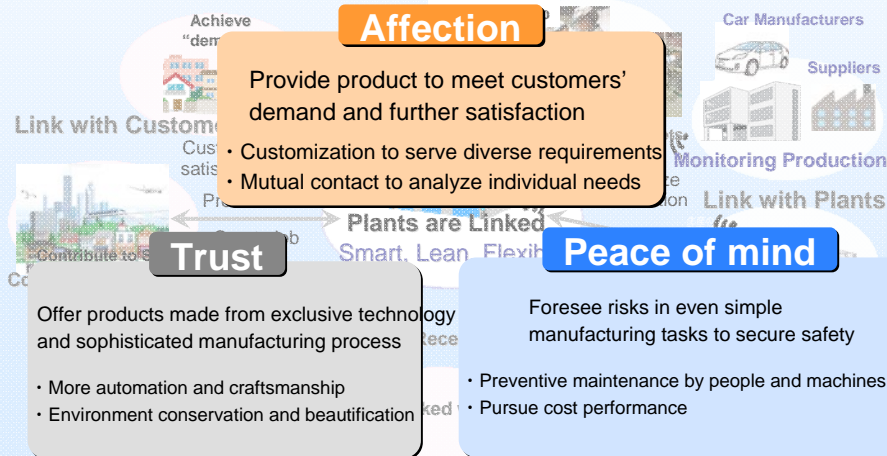
- ◆ Now let us see what these changes in the social environment mean for manufacturing.
- ◆ Plants will not only make and transport products as they have conventionally done, but are expected to become more closely connected to markets through the communication and exchange of information on various matters, including safety and the environment, with customers and local communities.

2. To fulfill our Vision

2) Future Prospect

(5) Aim to Offer Value from Manufacturing site”

Pursue manufacturing based on trust, sense of safety,
and customer’s affection



Script

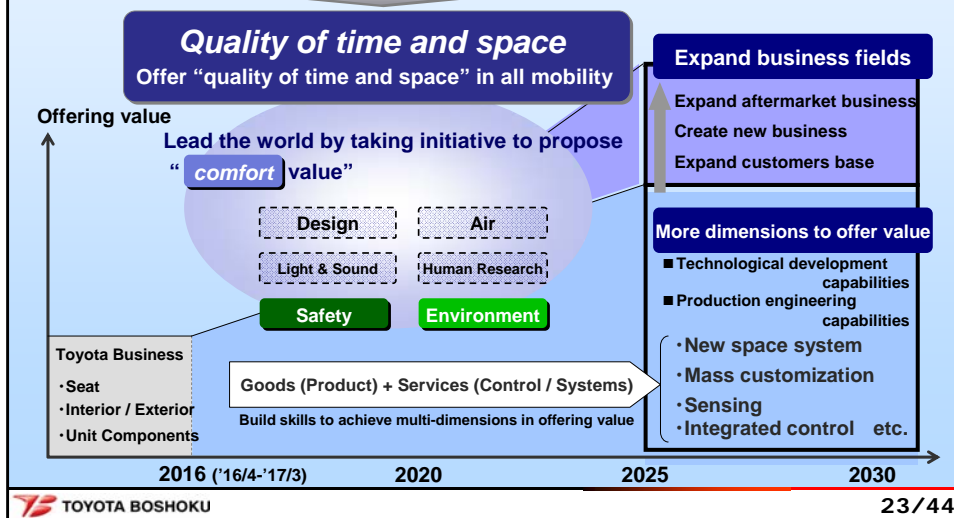
- ◆ In response to such environmental changes in manufacturing, we will pursue the value of “affection” in manufacturing. Based on the conventional values of trust and peace of mind, our manufacturing will offer customers things they want or the joy of creating them, by identifying and responding to various customer needs through mutual communication of information with customers and communities.

2. To fulfill our Vision

3) Our desired status

(1) Vision (Our desired status in business)

A company that persists proposing excellent mobility for customers throughout the world



Script

- ◆ Facing these dramatic changes in society, the mobility environment and manufacturing, we, as "a company that persists in proposing excellent mobility for customers throughout the world" as announced in the Vision, will offer "quality of time and space" for people. In other words, we will offer more enriched and higher-quality time and space for people to enjoy in their mobile life. We have set this as a specific desired status for the business we are aiming at.
- ◆ To achieve this, in addition to the values of safety and the environment, we will start by proposing the "comfort value," seeing design, light, sound and air as elements constituting a mobility space.
- ◆ Furthermore, by adding more dimensions to the values we offer, including products and services, and expanding our business fields toward the year 2030, we aim to become a leading system supplier of mobility spaces.

2. To fulfill our Vision

3) Our desired status

(2) Vision (Our desired status in Society)

A trusted company that grows together with all stakeholders

① Our goal to enhance the company growth while cultivating corporate citizenship

② Pursue sustainable growth and enhance our corporate value on a mid-to-long term basis

③ Distribute profit and meet the expectations of our stakeholders



Script

- ◆ Regarding the Vision for “Our desired status in Society,” in other words, “a trusted company that grows together with all stakeholders,”
- ◆ we will enhance the company growth while cultivating corporate citizenship as a good corporate citizen, and enhance corporate value on a medium- to long-term basis through the pursuit of sustainable growth, which is supported by strengthening of our competitiveness and management foundation.
- ◆ Also, by distributing what we have achieved to our stakeholders, we will respond to their expectations. We have defined this as a specific desired status for our management.

3. Mid-Term Business Plan for Implementation **Until 2020**

- 1) Corporate Growth**
while cultivating corporate citizenship
- 2) Sustainable Growth**
 - (1) Strengthen Competitive Advantage**
 - (2) Strengthen Management Foundation**
- 3) Enhance our Corporate Value**
on a Mid to Long Term Basis

Script

- ◆ Now, I will give you an outline of the Mid-Term Business Plan for Implementation until 2020, which was formulated based on our desired status that I have just described.
- ◆ As you can see here,
I will first talk about the company growth while cultivating corporate citizenship, and second, about actions for strengthening our competitiveness and strengthening our management foundation, which support sustainable growth. Then, finally, I will talk about the enhancement of corporate value on a medium- to long-term basis, and how we distribute what we have achieved.

3. Mid-Term Business Plan for Implementation Until 2020

- 1) Corporate Growth
while cultivating corporate citizenship
- 2) Sustainable Growth
 - (1) Strengthen Competitive Advantage
 - (2) Strengthen Management Foundation
- 3) Enhance our Corporate Value
on a Mid to Long Term Basis

Script

- ◆ First, let me talk about the actions to enhance the company growth while cultivating corporate citizenship.

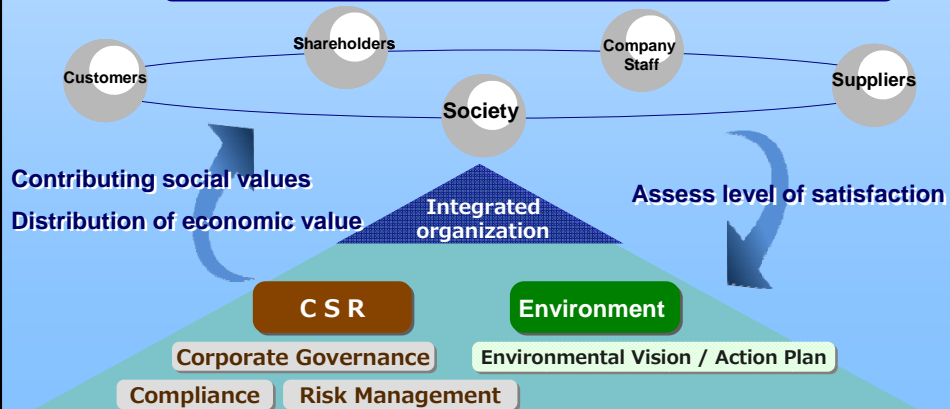
3. Mid-Term Business Plan for Implementation Until 2020

1) Corporate Growth while cultivating corporate citizenship

< Basic Approach >

Promote activities on CSR and the Environment to enhance corporate growth while cultivating corporate citizenship

➔ **Create a structure to manage our entire corporate value**



Script

- ◆ We believe that the company growth while cultivating corporate citizenship means satisfying the expectations of our stakeholders by contributing to social values and properly distributing economic results as a good corporate citizen.
- ◆ We will create a structure to comprehensively and properly manage the entire corporate value we offer, while promoting our existing CSR activities, placing particular emphasis on the environment.

3. Mid-Term Business Plan for Implementation Until 2020

1) Corporate Growth while cultivating corporate citizenship



CSR

① Compliance with laws, regulations and ethics as a good corporate citizen

② Contribute to improve social values

Stakeholder	Action Plan
Society	<ul style="list-style-type: none"> • Proactive compliance with laws and regulations • Local Environmental Conservation • Maintain and increase job opportunities
Customers	<ul style="list-style-type: none"> • Higher quality products at affordable price • Proposals based on advanced technical development capabilities and techniques • High satisfaction from end users
Shareholders	<ul style="list-style-type: none"> • Constructive communication • Fair and transparent disclosure of information • Stable dividends
Company staff	<ul style="list-style-type: none"> • Lively working environment • Healthy, safe workplace • Diversity • HR development and adequate evaluation • Stable salary
Suppliers	<ul style="list-style-type: none"> • Purchase competitive products at appropriate prices • Grow together

Script

◆ We always keep CSR in mind in all aspects of our corporate activities. Based on the principle of ensuring compliance with laws, regulations and ethics as a corporate citizen, we will promote the activities shown here to respond to the expectations of our stakeholders, and contribute to the enhancement of social values through these activities.

3. Mid-Term Business Plan for Implementation Until 2020

1) Corporate Growth while cultivating corporate citizenship

Environment

Mapping out 2050 Environmental Vision (May, 2016)

We will work together with all stakeholders with the aim of creating a sustainable global environment where children can lead their lives with smile.

Topics	2050 Environmental Vision (6 Stretch Environmental Goals)	2020 Environmental Action Plan
Climate Change	1. Zero CO2 emissions	Develop innovative production technology with low CO2 emissions Utilize next generation energies
	2. Zero CO2 emissions in the product life cycle	Develop products to support high fuel efficiency Develop components for next generation automobiles
Water Shortage	3. Recycle water to achieve zero waste water in the production process	Reduce the amount of water used and discharged
Depletion of Natural Resources	4. Minimize the use of natural resources	Utilize plant-derived raw materials
	5. Minimize waste	Reduce packaging, effective use of resources
Biodiversity Risks	6. Forestation, Plant 1.32 million trees	Contribute to environment and society through forestation and forest conservation

Environmental Management

Promote global environmental management and collaborative activity with suppliers



Script

- ◆ Regarding the environment, in particular, we formulated the 2050 Environmental Vision in May this year, and based on this Vision, formulated the 2020 Environmental Action Plan.
- ◆ We will work together with all of our stakeholders with the aim of creating a sustainable global environment where children can lead their lives with a smile. To this end, we will promote efforts to achieve several environmental goals, including zero CO2 emissions.

3. Mid-Term Business Plan for Implementation Until 2020

- 1) Corporate Growth
while cultivating corporate citizenship
- 2) Sustainable Growth
 - (1) Strengthen Competitive Advantage
 - (2) Strengthen Management Foundation
- 3) Enhance our Corporate Value
on a Mid to Long Term Basis

Script

- ◆ Next, I will explain the actions for sustainable growth.

3. Mid-Term Business Plan for Implementation Until 2020

2) Sustainable Growth

< Basic Approach >

Focus on Strengthening Competitive advantage and Strengthening Management Foundation to pursue Sustainable Growth

(1) Strengthen Competitive Advantage

- ① Develop New Technologies and New Products towards 2030
- ② Manufacturing Innovation towards 2030 (TB Industry 4.0)
- ③ Further Enhance our Fundamental Capabilities on Manufacturing

(2) Strengthen our Management Foundation

- ① Strengthen our Profit Structure
- ② Set-up of strong and resilient business structure
- ③ Create a Global Management Foundation

Script

- ◆ The Mid-term Business Plan for Implementation focuses on strengthening competitiveness and strengthening the management foundation to pursue sustainable growth.
- ◆ To strengthen our competitiveness, we will promote the development of new technologies and new products, and manufacturing innovation with a focus on 2030, as well as further enhancing our fundamental capabilities in manufacturing.
- ◆ To strengthen our management foundation, we will strengthen our profit structure, build a strong and resilient business structure, and create a global business management structure.

2) Sustainable Growth

(1) Strengthen Competitive Advantage

- ① Develop New Technologies and New Products towards 2030
- ② Manufacturing Innovation towards 2030
- ③ Further Enhance our Fundamental Capabilities on Manufacturing

(2) Strengthen our Management Foundation

- ① Strengthen our Profit Structure
- ② Set-up of strong and resilient business structure
- ③ Create a Global Management Foundation

Script

- ◆ First, let me explain our actions for the development of new technologies and products towards 2030.

3. Mid-Term Business Plan for Implementation Until 2020 2) Sustainable Growth

(1) Strengthen Competitive Advantage

① Develop New Technologies and New Products towards 2030

Create capabilities to achieve offering value

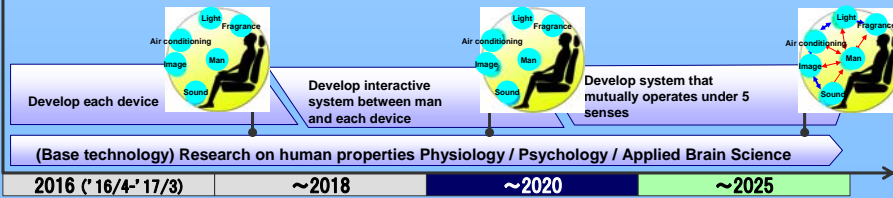
A [Comfort] Offer, before others, time and space where people can feel comfortable

B [Safety] Offer safe and secure mobility space that is ahead of the times

C [Environment] Offer mobility space that is environment friendly

Major Action Items (Examples)

- Relax control system: Technological development to lead users to relaxed states
- Personal temperature control system:
Offer air conditioning tailored to each user, develop thermal technologies
- System to promote lively lifestyle: Develop system to support a lively lifestyle for all generations



Script

- ◆ As I explained earlier, the values of comfort, safety, and the environment that we should offer are redefined based on future prospects in view of the changes in the mobile environment. We are now working to create the capabilities to offer each of these values.
- ◆ For comfort, in order to offer, before others, time and space where people can feel comfortable,
- ◆ we will improve the technological capabilities necessary for us to provide comfort values, such as, for example, the technology to lead passengers to a state of relaxation or the thermal technologies, from the development of each device to interactive systems.

3. Mid-Term Business Plan for Implementation Until 2020 2) Sustainable Growth

(1) Strengthen Competitive Advantage

① Develop New Technologies and New Products towards 2030

Create capabilities to achieve offering value

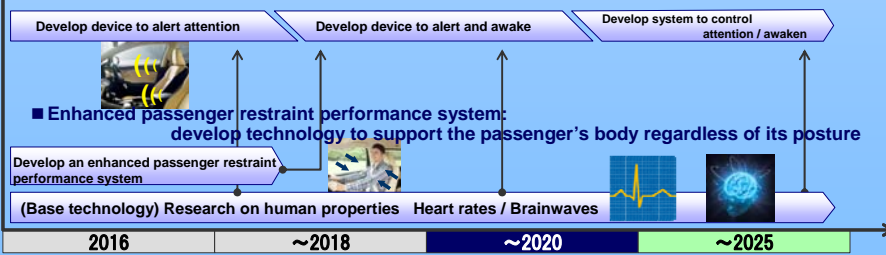
A [Comfort] Offer time and space where people can feel comfortable, ahead of our competitors

B [Safety] Offer safe and secure mobility space that is ahead of the times

C [Environment] Offer mobility space that is environment friendly

Major Action Items (Examples)

■ Danger Alert System: Develop technology to warn people about danger in case of emergency



Script

◆ For safety,
in order to offer safe and secure mobile spaces that are ahead of the times, we will develop technologies to warn people about danger in the case of an emergency, such as devices to alert people's attention or wake them up, or systems to control attention, thereby improving the abilities necessary to offer safety value.

3. Mid-Term Business Plan for Implementation Until 2020 2) Sustainable Growth

(1) Strengthen Competitive Advantage

① Develop New Technologies and New Products towards 2030

Create capabilities to achieve offering value

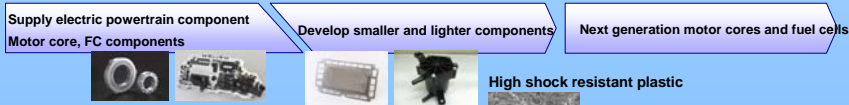
A [Comfort] Offer time and space where people can feel comfortable, ahead of our competitors

B [Safety] Offer safe and secure mobility space that is ahead of the times

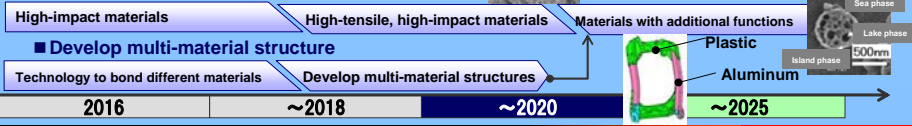
C [Environment] Offer mobility space that is environment friendly

Major Action Items (Examples)

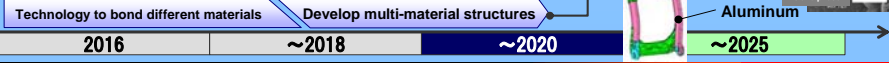
■ Develop next generation powertrain



■ Develop materials for nano structure control



■ Develop multi-material structure



Script

- ◆ For the environment, in order to offer mobility spaces that is environment friendly, we will build the technological capabilities necessary to offer environmental values, through the development of, for example, next-generation powertrain components, materials for Nano structure control, and multi-material structures.
- ◆ For the development of materials for Nano structure control, we announced the other day that we had started negotiations with Mitsui Chemicals, Inc. to establish a business partnership based on high impact-resistant plastics. Through this partnership, we aim to increase applications of this material with the world's top-class impact strength in fields other than automobiles.

2) Sustainable Growth

(1) Strengthen Competitive Advantage

- ① Develop New Technologies and New Products towards 2030
- ② Manufacturing Innovation towards 2030
- ③ Further Enhance our Fundamental Capabilities on Manufacturing

(2) Strengthen our Management Foundation

- ① Strengthen our Profit Structure
- ② Set-up of strong and resilient business structure
- ③ Create a Global Management Foundation

Script

- ◆ Next, I will talk about the promotion of manufacturing innovation with a focus on 2030.

3. Mid-Term Business Plan for Implementation Until 2020 2) Sustainable Growth

(1) Strengthen Competitive Advantage

② Manufacturing Innovation towards 2030 (TB Industry 4.0)

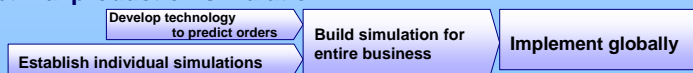
Create capabilities to achieve offering value

- D** [Affection] Offer what customers want and the joy to create
- E** [Trust] Sophisticated manufacturing to ensure that products be delivered
- F** [Peace of mind] Simple manufacturing that can foresee risks and offer safety



Major Action Items (Examples)

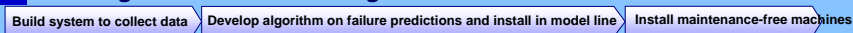
D Build optimal production simulation



E Human-Robot cooperation in production line, that integrate craftsmanship with automation



F Build algorithm for failure diagnostic into machine



2016 ~2018 ~2020 ~2025

Script

- ◆ Similarly, in manufacturing, we will create capabilities to achieve the values of affection, trust and peace of mind based on future prospects, and take on the challenge of manufacturing innovation.
- ◆ By promoting the development of technologies such as optimal production simulation, Human-Robot cooperation in product line, and algorithms on failure diagnostic, we will build up in-house capabilities necessary to provide values and achieve innovation in manufacturing.

2) Sustainable Growth

(1) Strengthen Competitive Advantage

- ① Develop New Technologies and New Products towards 2030
- ② Manufacturing Innovation towards 2030
- ③ Further Enhance our Fundamental Capabilities on Manufacturing

(2) Strengthen our Management Foundation

- ① Strengthen our Profit Structure
- ② Set-up of strong and resilient business structure
- ③ Create a Global Management Foundation

Script

- ◆ Next, let me explain our actions to further enhance our fundamental capabilities in manufacturing.

3. Mid-Term Business Plan for Implementation Until 2020 2) Sustainable Growth

(1) Strengthen Competitive Advantage

Target to be achieved in 2020

③ Further enhance our fundamental capabilities on manufacturing

<Strengthen our R&D Capabilities>

Advance our technological development capabilities by establishing a new development process

Globally develop products that are good, reasonably priced and attractive

- Improve development process
- Enhance completeness of drawings



2016

2017

2018

2019

2020

Script

- ◆ Regarding strengthening our development capabilities, we have set as our target to be achieved in 2020 the ability to steadily develop attractive products worldwide in accordance with a new development process.
- ◆ To achieve this target, we will launch and globally deploy the new development process built at the stage of solidifying our footing, while expanding the scope of products to which architecture design is applicable. By enhancing productivity per project through these efforts, we aim to improve development efficiency by 30%.

3. Mid-Term Business Plan for Implementation Until 2020 2) Sustainable Growth

(1) Strengthen Competitive Advantage

Target to be achieved in 2020

③ Further enhance our fundamental capabilities on manufacturing

<Strengthen our R&D Capabilities>

Effectively utilize development resource through mutual collaboration among the global R&D offices

Build a globally optimal development load-sharing rules

Reestablish development operation system

Implement globally

Realize globally simultaneous development

Clarify roles

Define policies and processes

Global R&D companies to become autonomous so that they can complement each other

Promote the use of global contractors

Maximize development efficiency by working globally

Strengthen our original capabilities to design vehicle interior space

Develop capability to make proposals that truly make our end-users happy

Recruit and train designers with diverse ideas

Collect information from diverse sources to grasp market needs and reflect on design

Increase proposals to car makers and take the lead in interior space design

Enhance component level design capability

Integrate new technologies and new techniques to make new proposals on interior space design

2016

2017

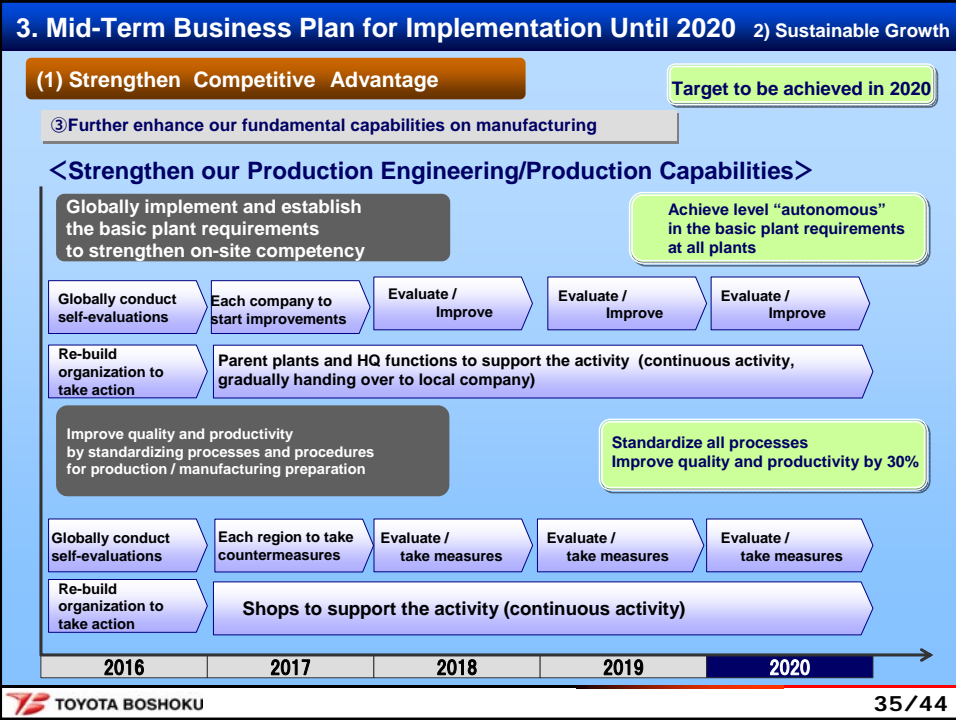
2018

2019

2020

Script

- ◆ Furthermore, based on sharing of the new development processes, we will effectively promote collaboration among our global R&D bases, so as to enable global complementary development or simultaneous development, and aim at the establishment of an optimal development system.
- ◆ At the same time, we will strengthen our capabilities to design vehicle interior space, with the aim of becoming able to propose original designs that please our customers.



Script

- ◆ To strengthen our production engineering and production capabilities, we will globally deploy the basic plant requirements, which are re-established at the stage of solidifying our footing, and aim at ensuring that all plants achieve the level of "autonomous" in basic plant requirements through repeated evaluation and improvement processes.
- ◆ At the same time, we will globally promote the standardization of all processes, and aim to achieve a 30% improvement in quality and productivity.

3. Mid-Term Business Plan for Implementation Until 2020 2) Sustainable Growth

(1) Strengthen Competitive Advantage

Target to be achieved in 2020

③ Further enhance our fundamental capabilities on manufacturing

< Strengthen our Production Engineering/Production Capabilities >

Improve quality, productivity and cost through further advancements in production engineering

100% completion of development of new production engineering items

Complete development of (170) new production engineering items, and implement sequentially at each region
(Example: automation of sewing)

Facilitate studies on automating 2D and 3D sewing

Verify by model line

Implement globally

Improve quality, productivity and cost by reorganizing global production system

100% completion of reorganizing global production network

Register production issues

Plan optimal production system

Rebuild our approach on JIT / concentrated production

Reorganize our production plants

Establish strategic policies for in-house production or outsourcing

2016

2017

2018

2019

2020

Script

- ◆ We will also promote the development of new production technologies, and aim at a 100% introduction of 170 new production engineering items that are already registered.
- ◆ Moreover, we will rebuild our approach to JIT and concentrated production while promoting the reorganization of our production bases, in view of the strategic policies for in-house production or outsourcing. With these, we aim at a 100% completion of the task of reviewing the global production system.

3. Mid-Term Business Plan for Implementation Until 2020

- 1) Corporate Growth
while cultivating corporate citizenship
- 2) Sustainable Growth
 - (1) Strengthen Competitive Advantage
 - (2) Strengthen Management Foundation
- 3) Enhance our Corporate Value
on a Mid to Long Term Basis

Script

- ◆ Next, I will discuss our actions to strengthen our management foundation.

2) Sustainable Growth

(1) Strengthen Competitive advantage

- ① Develop New Technologies and New Products towards 2030
- ② Manufacturing Innovation towards 2030
- ③ Further Enhance our Fundamental Capabilities on Manufacturing

(2) Strengthen our Management Foundation

- ① Strengthen our Profit Structure
- ② Set-up of strong and resilient business structure
- ③ Create a Global Management Foundation

Script

- ◆ The first action is the strengthening of our profit structure.

3. Mid-Term Business Plan for Implementation Until 2020 2) Sustainable Growth

(2) Strengthen our Management Foundation

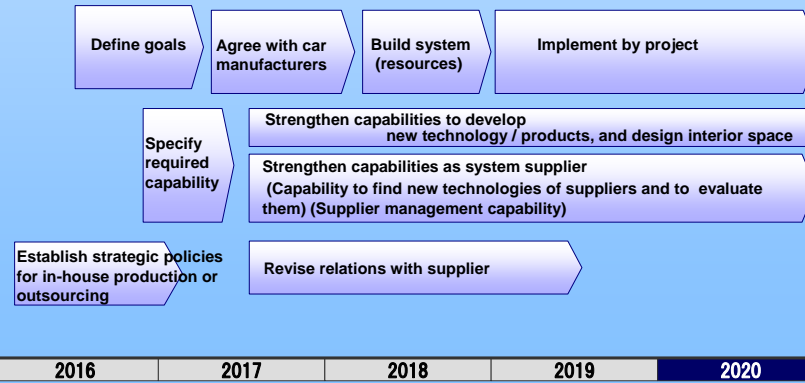
Target to be achieved in 2020

① Strengthen our Profit Structure

<Strengthen our Business Model>

Advancement of our System Supplier System

Build a globally consistent management system for development, purchasing and production



Script

- ◆ To strengthen our business model, we will improve our system supplier system.
- ◆ We will re-establish our desired status or goals a system supplier should achieve, and have them agreed to by the car manufacturers. We will then take action to realize them for each project.
- ◆ We aim to become a system supplier of vehicle interior spaces, trusted by car manufacturers, capable of taking responsibility for the entire processes from development and purchasing through to global production.

3. Mid-Term Business Plan for Implementation Until 2020 2) Sustainable Growth

(2) Strengthen our Management Foundation

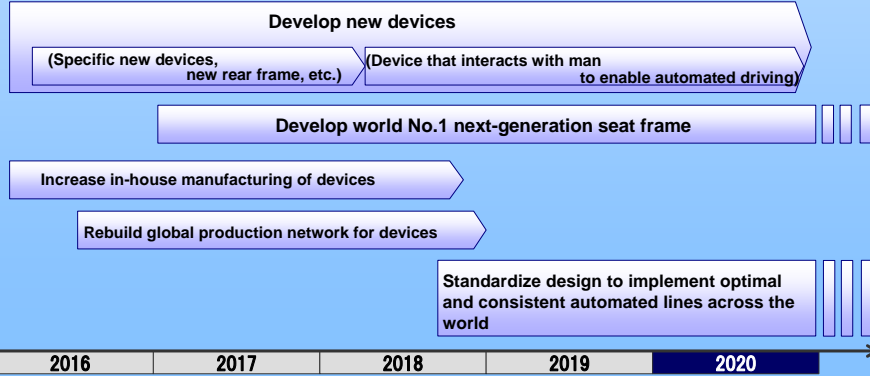
Target to be achieved in 2020

① Strengthen our Profit Structure

<Strengthen our Business Model>

Complete integration of framework business to "Make Good Seats"

Build foundation to become a world leading seat system supplier by maximizing synergy effects of integration



Script

- ◆ In order to maximize the synergy effects of the integration of our mechanical seat frame business with Aisin and Shiroki, we will develop new devices and the world's No.1 next-generation seat frames while optimizing the production structure, with the aim of building a foundation to becoming a world-leading seat system supplier.

3. Mid-Term Business Plan for Implementation Until 2020 2) Sustainable Growth

(2) Strengthen our Management Foundation

Target to be achieved in 2020

① Strengthen our Profit Structure

<Establish Business Foundation for GNCB>

Rebuild Business Strategy

Revise strategy on existing products for each customer
 Establish strategy to expand sales of existing products to new customers
 Establish strategy to expand sales of new products and new fields

Promote activities to win orders

Build business organization and strengthen business activities

Promote business in line with strategic objective

Improve organization of Business Administration and Promotion

Strengthen administration

Reorganize network to collaborate globally (resources)

<Rebuild Business Organization in Japan>

Structural reform in line with future plan

Create policy for each business

Build promotion organization

Promote structural reform

Build a sustainable business structure

Reorganizing plants and companies in line with product business strategies of production strategies

Create policy based on product / production strategies

Reorganizing plants and companies

2016

2017

2018

2019

2020

Script

- ◆ Regarding the establishment of a business foundation for GNCB, we will revise our strategies on existing products and tailor them to each customer, and clarify our strategies to expand sales to new customers as well as sales of new products and in new fields. By doing so, we aim to achieve a state where our business structures are established and business is conducted in line with our strategies and objectives.
- ◆ As for businesses in Japan, we will clarify our future concept and promote the structural reform and reorganization of plants and companies based on the concept, and aim at building a sustainable business structure.

2) Sustainable Growth

(1) Strengthen Competitive Advantage

- ① Develop New Technologies and New Products towards 2030
- ② Manufacturing Innovation towards 2030
- ③ Further Enhance our Fundamental Capabilities on Manufacturing

(2) Strengthen our Management Foundation

- ① Strengthen our Profit Structure
- ② **Set-up of strong and resilient business structure**
- ③ Create a Global Management Foundation

Script

- ◆ Next, I will explain the building of a resilient business structure.

3. Mid-Term Business Plan for Implementation Until 2020 2) Sustainable Growth

(2) Strengthen our Management Foundation

Target to be achieved in 2020

② Set-up of strong and resilient business structure

Revise to a resilient BCP in order to fulfill supply responsibilities despite extreme contingencies

Build mechanism to cope calmly and quickly even under serious crisis situations

Reevaluate policy and revise organizational rules for BCP

Complete with a clear path to countermeasures for serious risks

Complete evaluation of all risks

Operate

Incorporate evaluations / improvements

Build a business structure that is flexible to and can minimize impacts of extreme demand fluctuations

Build a global production system that can cope with extreme demand fluctuations

Rebuild our approach on JIT / concentrated production

Make plans on organization and action

Create scenarios for optimal production

Identify issues

Make production plan

Strengthen ability to cope with sudden changes in currencies and financial environment

Consolidated cash management to effectively utilize Group excessive cash

Develop operation policy

Build promoting organization and create action plan

Start operation

Identify issues

Brush up funds management policy

Incorporate evaluations / improvements

2016

2017

2018

2019

2020

Script

- ◆ We will establish a resilient system to fulfill our supply responsibilities despite contingencies, and aim to globally build a business structure that can respond flexibly to and minimize the impacts of extreme demand fluctuations.
- ◆ We will also build a consolidated cash management system so as to be able to cope with sudden changes in currencies and the financial environment, and effectively utilize Group cash.

2) Sustainable Growth

(1) Strengthen Competitive Advantage

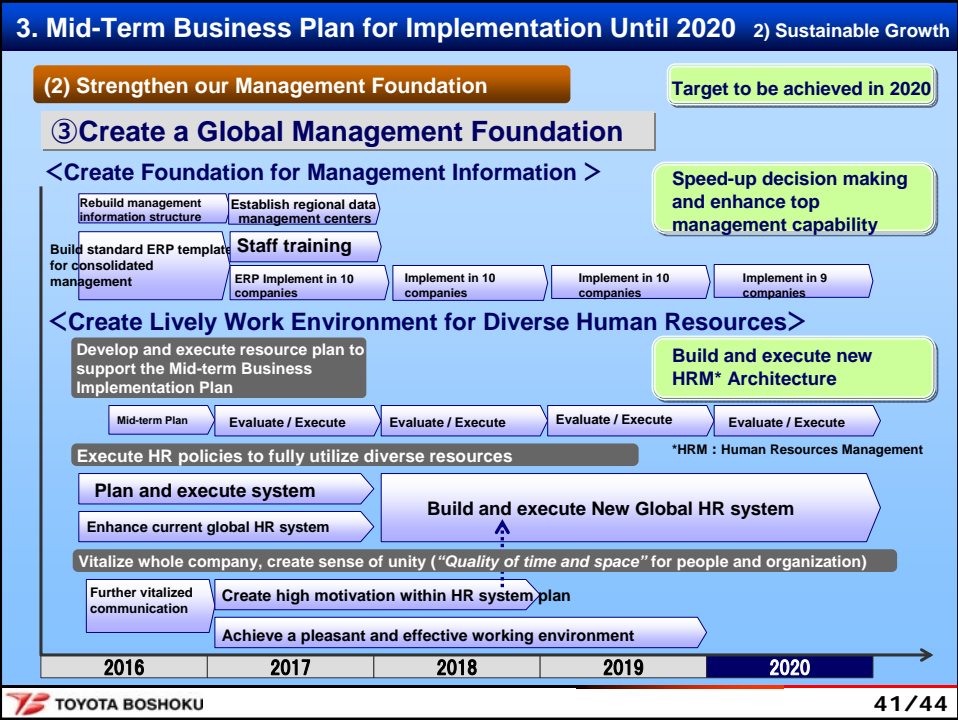
- ① Develop New Technologies and New Products towards 2030
- ② Manufacturing Innovation towards 2030
- ③ Further Enhance our Fundamental Capabilities on Manufacturing

(2) Strengthen our Management Foundation

- ① Strengthen our Profit Structure
- ② **Set-up of strong and resilient business structure**
- ③ Create a Global Management Foundation

Script

- ◆ Next, I will explain about creating a global management foundation.



Script

- ◆ First, we will steadily advance the development of the management information foundation.
- ◆ After rebuilding the top management structure, we will globally deploy the standard ERP for consolidated management, with the aim of expediting decision making and enhancing our top management capability.
- ◆ Also, in order to create a lively work environment for diverse resources, we will build and execute a new HRM (human resources management) architecture. Within this architecture, we will implement our mid-term human resources plan to secure and develop human resources, introduce a new global human resources system, and achieve a comfortable working environment.

3. Mid-Term Business Plan for Implementation Until 2020 2) Sustainable Growth

(2) Strengthen our Management Foundation

Target to be achieved in 2020

③ Create a Global Management Foundation

<Continue to Build a “One hub per region” structure>

Strengthen collaboration and efficiency of Head Office, Regions and Companies for each product business lines

Optimally utilize management resources and manage risk thoroughly

Redefine roles and responsibilities, restructure the organization

Create foundation

Implement

Redefine roles and responsibilities and restructure the organization

Create foundation

- Systematic collaboration among R&D companies
- Build production system
- Establish quality assurance system

- Build new HRM architecture
- Improve management level
- Strengthen internal control

2016

2017

2018

2019

2020

Script

- ◆ Regarding the One hub per region structure, which we have already promoted, we aim to strengthen the collaboration and efficiency of the Head Office, and the regions and companies for each product business, and promote the optimal utilization of management resources and risk management. To this end, we will globally redefine roles and responsibilities and restructure the organization, while promoting the development of the foundation to support the organization.

3. Mid-Term Business Plan for Implementation
Until 2020

- 1) Corporate Growth
while cultivating corporate citizenship
- 2) Sustainable Growth
 - (1) Strengthen Competitive Advantage
 - (2) Strengthen Management Foundation
- 3) Enhance our Corporate Value
on a Mid to Long Term Basis

Script

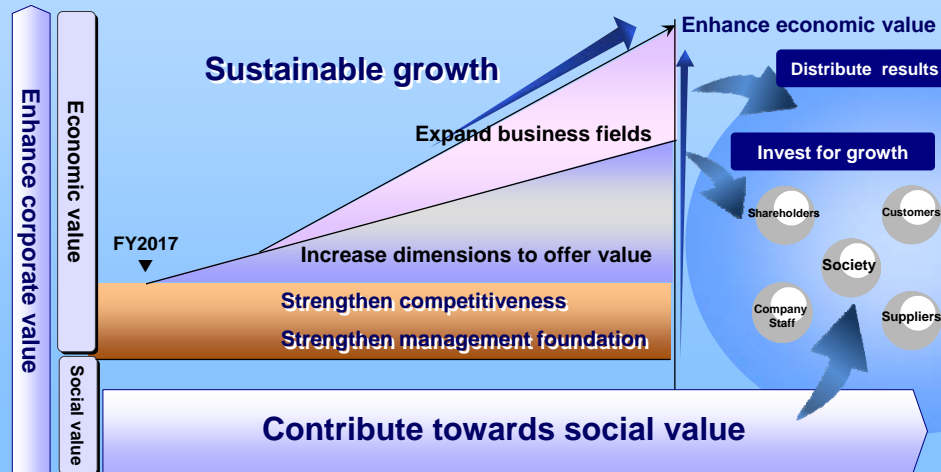
- ◆ Finally, I'll talk about the enhancement of our corporate value on a medium- to long-term basis, and how we distribute what we have achieved.

3. Mid-Term Business Plan for Implementation Until 2020

< Our Basic Idea >

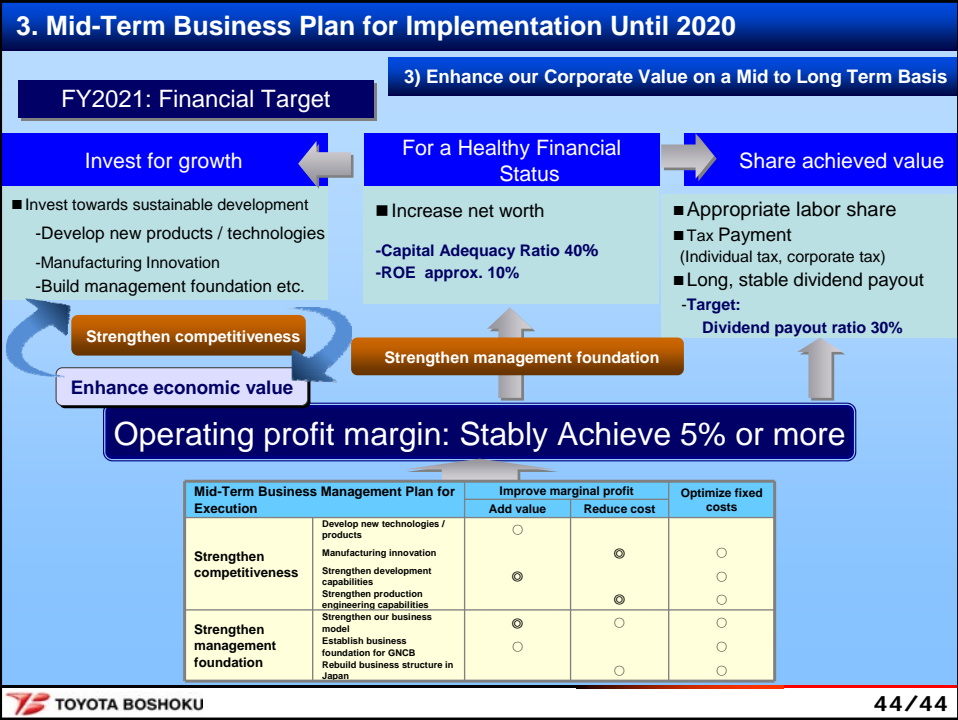
3) Enhance our Corporate Value on a Mid to Long Term Basis

We will share with our stakeholders what we achieve by enhancing corporate value, and will meet long-term expectations of our stakeholders by reinvesting the value towards sustainable growth



Script

- ◆ As I have explained so far, we pursue sustainable development by strengthening competitiveness and the management foundation, and as a result, enhance the economic value we generate.
- ◆ We will also distribute to our stakeholders the achievements resulting from such enhanced economic value and reinvest it toward future growth, so as to enhance our corporate value in the medium- to long-term and meet the expectations of our stakeholders.



Script

- ◆ Let me explain our financial target.
- ◆ As an index to measure our capability of generating value in view of the enhancement of our corporate value, the operation profit ratio is deemed the most appropriate. We therefore set our target to be achieved by 2020 as “stably achieving 5% or more in operation profit ratio.”
- ◆ Regarding the economic values generated, we will appropriately distribute the results to shareholders and various other stakeholders, while appropriately allocating them for investment toward sustainable growth and to maintain a healthy financial status.
- ◆ Regarding dividends, while strictly maintaining a policy of long, stable payment of dividends, we will gradually raise the dividend payout ratio to around 30% of the profit attributable to owners of the parent company.
- ◆ Investment toward development will be secured as source funds necessary to achieve the Mid-Term business plan for implementation.
- ◆ To maintain a healthy financial status, we will gradually improve our capital adequacy ratio to around 40% while maintaining ROE of approx. 10%.

Leading the way to Sustainable Growth



Disclaimer

This report contains forecasts and expectations that relate to future plans and strategies in addition to the expected financial results of the Toyota Boshoku Corporation and the Toyota Boshoku group. Within are estimates based on assumptions and opinions that have been formed by the company from the information available at the time of writing. They involve risks and uncertainties. Accordingly, actual results may differ from the company's forecasts.

Script

- ◆ Today, I have discussed our aspirations for the management of Toyota Boshoku, and what we will do to achieve them. Needless to say, the execution of this plan will determine whether or not they can be achieved.
- ◆ We position this Mid-term business plan for implementation as a road map and reflect it in our annual policies. By clarifying the specific actions of the executives, general managers, and regular staff members and systematically implementing them, we ensure the effectiveness of the plan.
- ◆ We have now renewed our determination to make company-wide efforts to create the future of Toyota Boshoku.
- ◆ This is the end of my explanation. For your reference, please see the supplementary data for Financial target attached to the end of this brochure.

- ◆ Thank you very much for your attention.

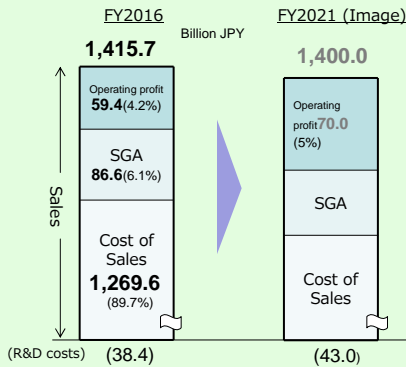
[Supplementary Information] FY 2021 Financial Target ①

FY2021 Financial Target

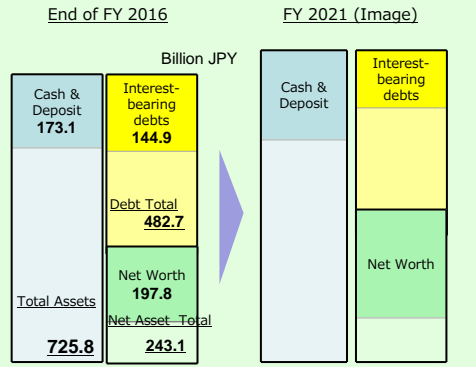
	FY2016 (Actual)
Operating Profit Margin	4.2%
Capital Adequacy Ratio	27.3%
ROE	1.9%
Dividend Payout Ratio	142.7%

FY 2021 (Aspired shape)	As of FY2017 2Q
Stably keep 5% or more	5.4% (Actual)
Approx. 40%	29.8% (Actual)
Approx. 10%	17.7% (Yearly forecast)
Approx. 30%	21.7% (Yearly forecast)

1. Profit and Loss Statement



2. Balance Sheet



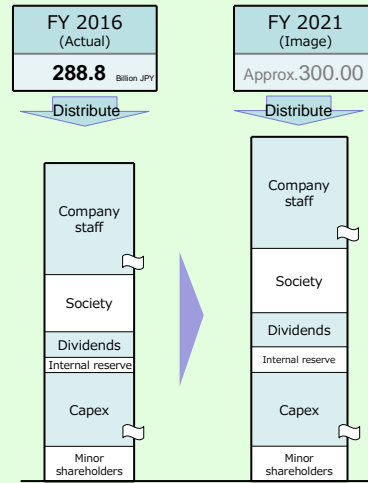
[Supplementary Information] FY 2021 Financial Target ②

3. Giving back economic value to our stakeholders

We will share with our stakeholders what we achieve (=economic value) by enhancing corporate value, and will meet long-term expectations of our stakeholders by reinvesting the value towards sustainable development

Image of Giving Back / Distribution

Economic value = Sales - External payments (expenses such as material costs and outsourcing costs)



Give back / distribute to:	Details
Company Staff	Salary / wages, bonus payments, retirement benefits
Society	Tax payments e.g. corporate tax / income tax / business tax
Shareholders	Dividends payout
	Internal reserve
Future Growth	Capital Expenditures (Depreciation)
Minor shareholders	Profit / loss attributable to minor shareholders who hold shares of our group company