



TOYOTA BOSHOKU

TSE 1st Section Securities Code 3116

FY2022 (ending March 2022)

1st Half

Financial Results

Date: Oct 29, 2021

Financial Results

- 1. 2nd Quarter FY2022 Financial Results**
- 2. FY2022 Financial Forecasts**
- 3. Appendix**

Financial Results

1. 2nd Quarter FY2022 Financial Results

2. FY2022 Financial Forecasts

3. Appendix

Script

- ◆ Hello, this is Ito.
- ◆ Thank you for attending our FY2022 2nd quarter financial results briefing during a busy time today.
- ◆ Firstly, I would like to explain the Financial Results for the 2nd quarter of the fiscal year 2022, then the full year forecasts.
- ◆ Now, I'd like to start by looking at our financial results for the 2nd quarter.

1-1) 2nd Quarter FY2022 Financial Results Overview of Consolidated Financial Results

(100 million yen)

	Q2 FY2021		Q2 FY2022		YOY Change	
Revenue	5,454	100.0%	6,520	100.0%	1,066	19.6%
Operating Profit	36	0.7%	242	3.7%	206	571.3%
Profit before income taxes	31	0.6%	257	4.0%	226	715.1%
Profit*	△76	△1.4%	141	2.2%	218	

*Profit Attributable to Owners of the Parent

Earnings per share		△41.04 yen	75.75 yen	
Exchange Rate	USD	107 yen	110 yen	+3 yen
	EUR	121 yen	131 yen	+10 yen

Revenue

Revenue increased due to recovery in demand from covid-19 outbreak last year

Operating Profit

Profit increased due to new product effects and flexible response to production fluctuation despite negative effects such as investments for the future.

Script

- ◆ Sales revenue increased by 106.6 billion yen to 652 billion yen.
- ◆ Operating profit increased by 20.6 billion yen to 24.2 billion yen year-over-year.
- ◆ Profit before income taxes increased by 22.6 billion yen to 25.7 billion yen.
- ◆ Profit attributable to owners of the parent increased by 21.8 billion yen to 14.1 billion yen.
- ◆ Assumed exchange rates are approximately 110 yen to the U.S. dollar, and 131 yen to the euro.
There are exchange gain of 18.2 billion yen for sales, 800 million yen for operating profit year-over-year.

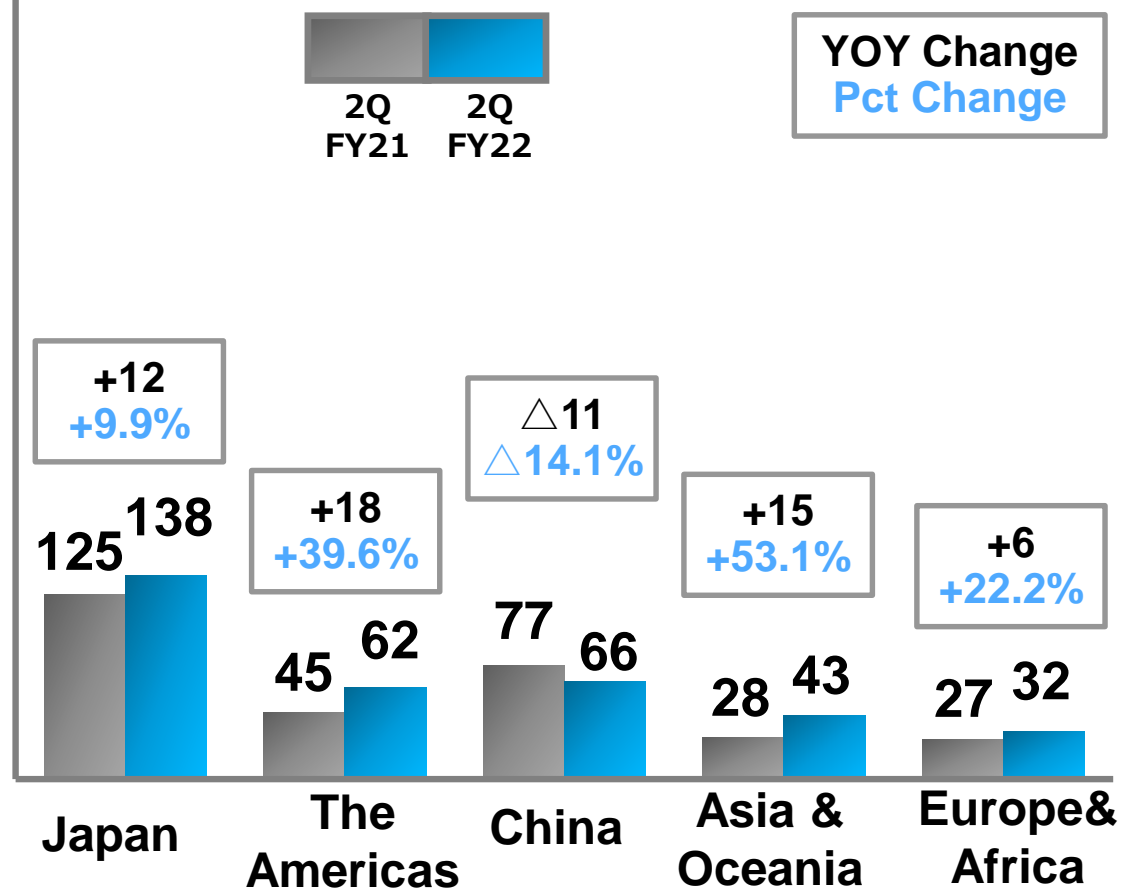
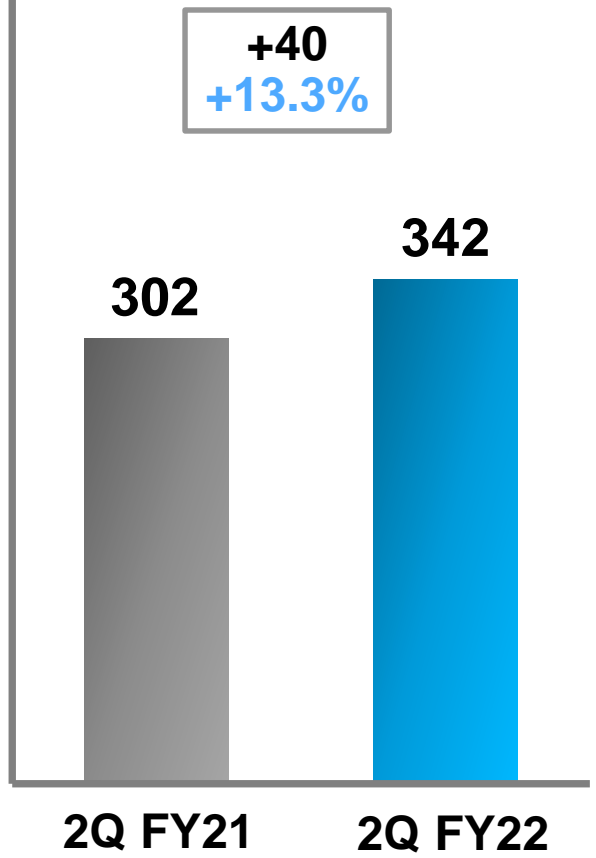
1-2) 2nd Quarter FY2022 Financial Results **Seat Production by Region**

Total

By Region

(10,000 Units)

(10,000 Units)



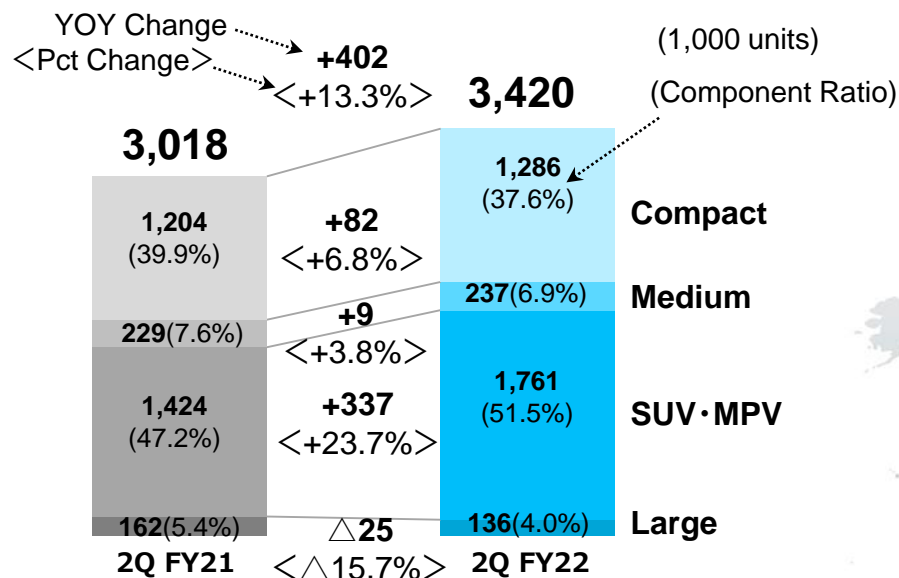
Script

- ◆ Next, consolidated seat assembly volume, the main product of the company, totaled 3.42 million units, increased by 400k units compared to the previous year.
- ◆ Seat assembly volume by region is as shown. This will be explained in detail in later slides.

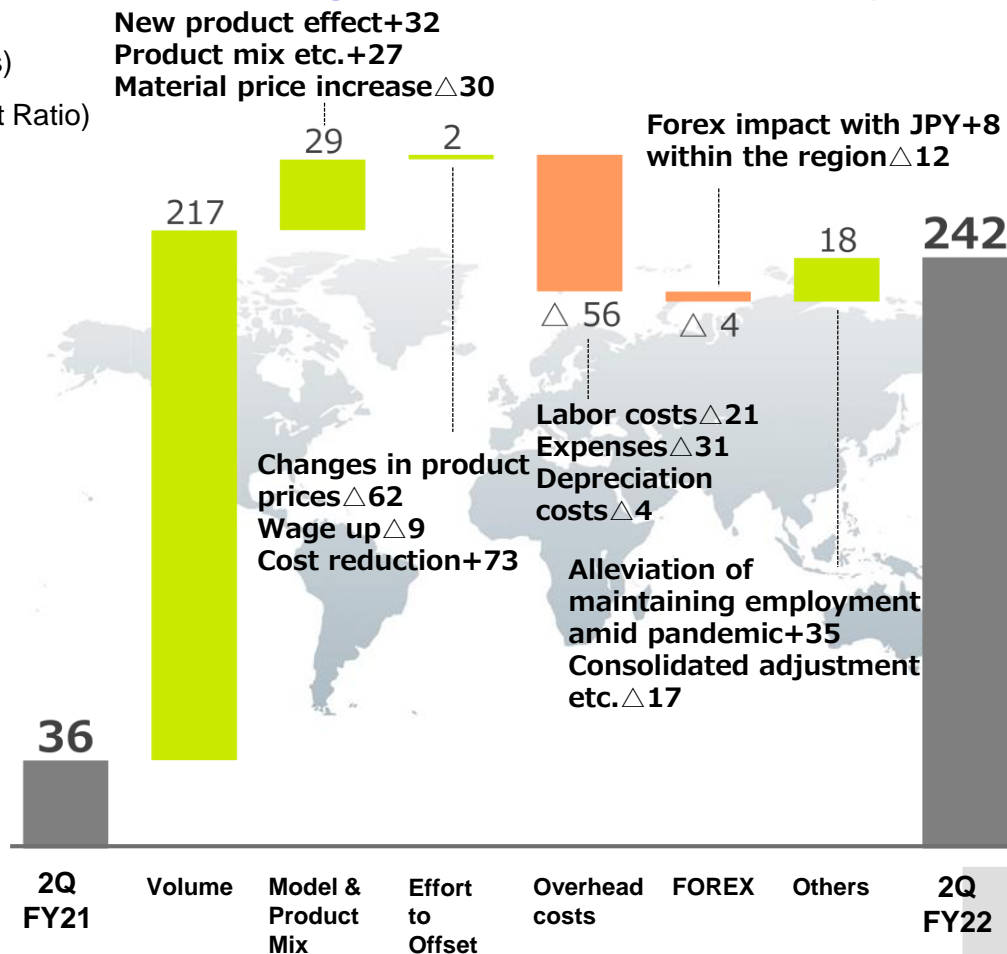
1-3) 2nd Quarter FY2022 Financial Results Consolidated Revenue & Operating Profit

Profit increased due to higher production volume as demand recovered from covid-19 last year in addition to new product effects despite negative effects of increase in material price and overhead costs

Volume & Model Mix



Operating Profit Variance Analysis



Profit & Loss

(100 million yen)

	2Q FY21	2Q FY22	YOY Change
Revenue	5,454	6,520	1,066
Operating Profit	36	242	206
Operating Profit Ratio	0.7%	3.7%	-

Script

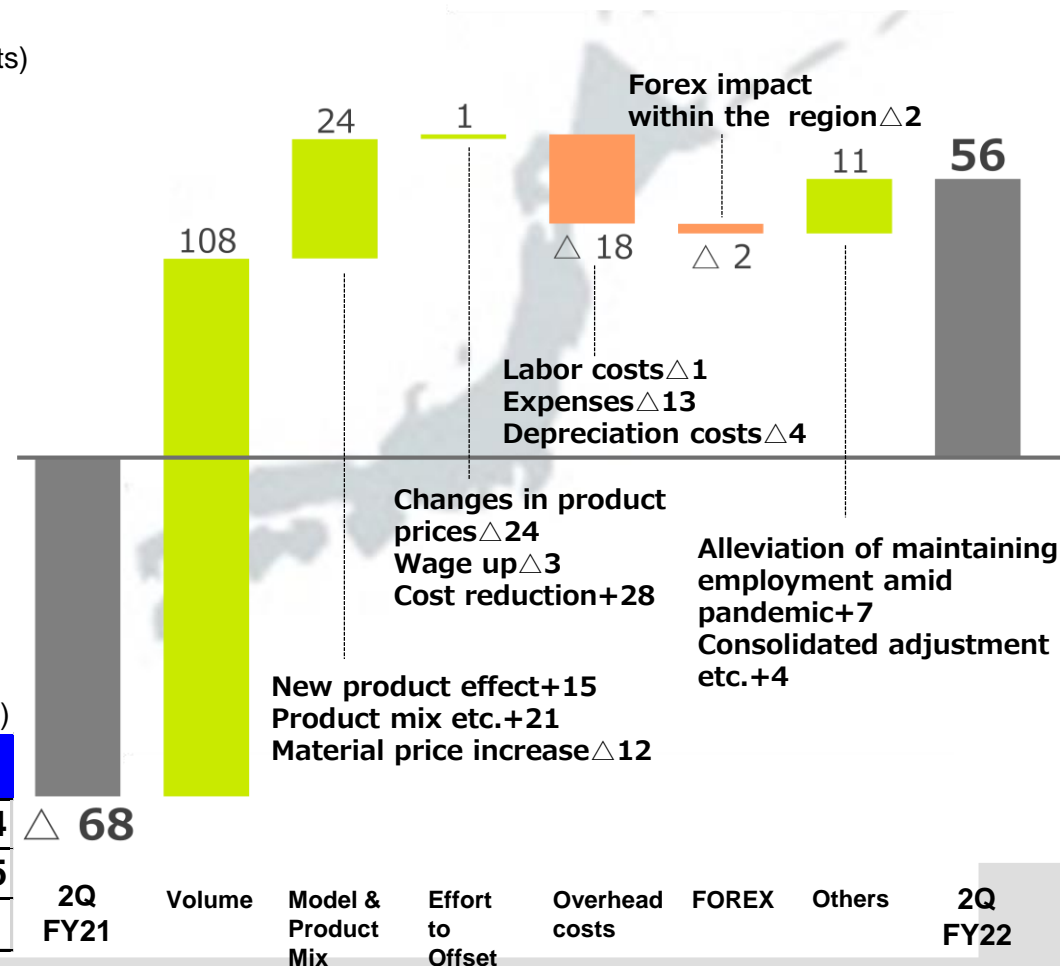
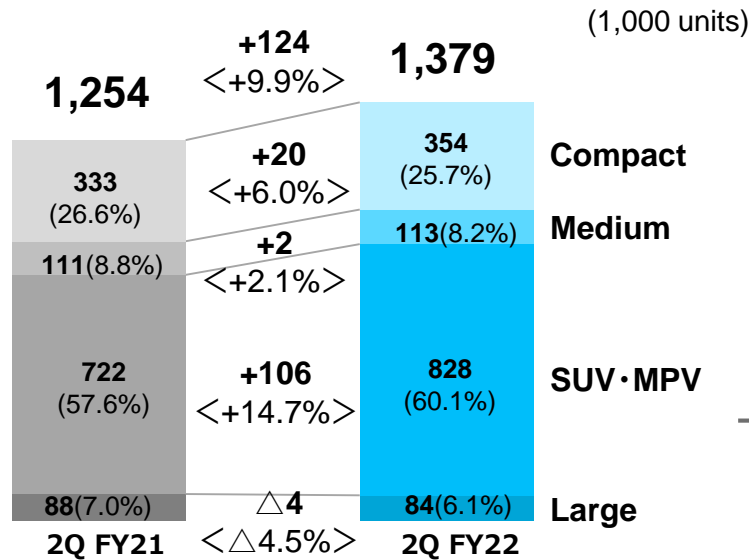
- ◆ Next, let me move on to consolidated revenue & operating profit.
- ◆ Volume increased 402k units to 3.42 million units.
- ◆ Sales revenue increased by 106.6 billion yen to 652.0 billion yen.
- ◆ Operating profit increased by 20.6 billion yen to 24.2 billion yen by absorbing increased production effects as much as possible through lean production system established during pandemic last year as well as minimizing launch loss and profit increasing activities despite negative impacts of changes in the external environment such as increase in material price and overhead costs.

1-3) 2nd Quarter FY2022 Financial Results Japan Revenue & Operating Profit

Profit increased due to higher production volume as demand recovered from covid-19 last year in addition to new product effects despite negative effects of increase in material price and overhead costs

Volume & Model Mix

Operating Profit Variance Analysis



Profit & Loss

(100 million yen)

	2Q FY21	2Q FY22	YOY Change
Revenue	3,042	3,427	384
Operating Profit	△68	56	125
Operating Profit Ratio	△2.3%	1.6%	-

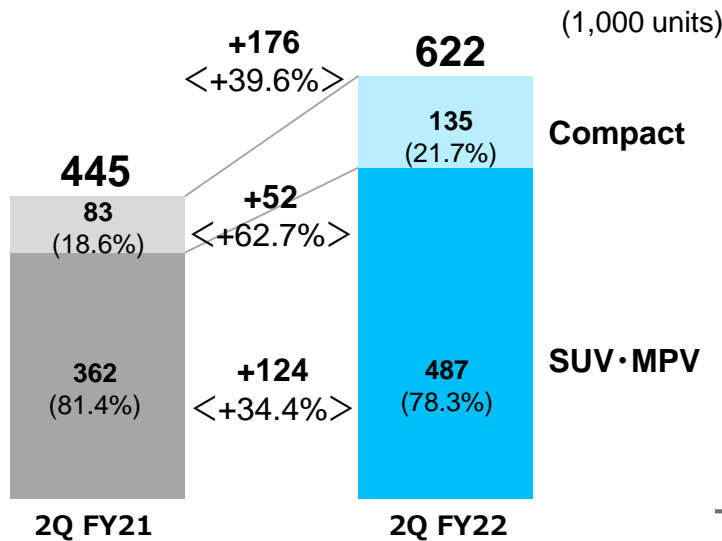
スクリプト

- ◆ Next, in Japan region,
- ◆ Volume increased by 124k units to 1.38 million units year-over year.
- ◆ Sales revenue increased by 38.4 billion yen to 342.7 billion yen.
- ◆ Operating profit increased by 12.5 billion yen to 5.6 billion yen due to higher production volume as demand recovered from covid-19 previous year in addition to new product effects despite increase in the overhead cost and raw material prices.

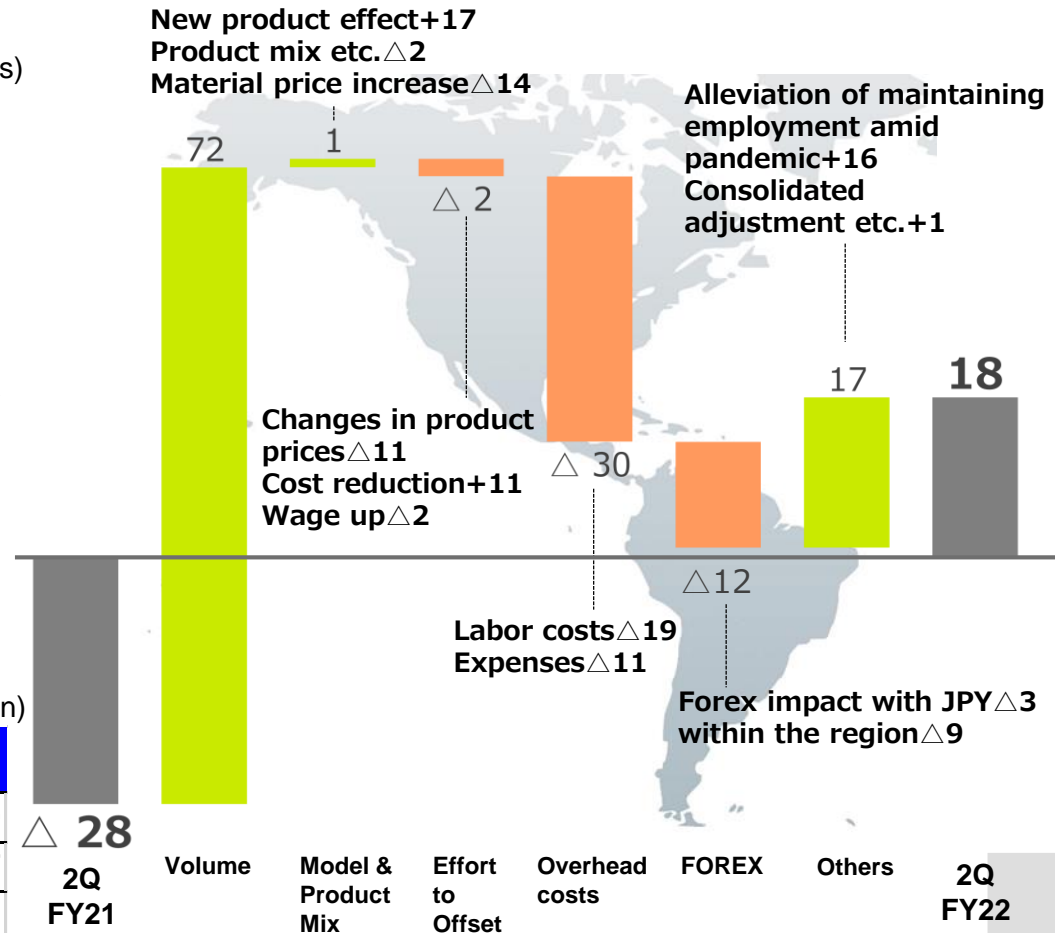
1-3) 2nd Quarter FY2022 Financial Results The Americas Revenue & Operating Profit

Profit increased due to higher volume as demand recovered from covid-19 last year and new product effect despite negative effects of material price and overhead costs increase

Volume & Model Mix



Operating Profit Variance Analysis



Profit & Loss

	2Q FY21	2Q FY22	YOY Change
Revenue	989	1,459	469
Operating Profit	Δ 28	18	47
Operating Profit Ratio	Δ 2.9%	1.3%	-

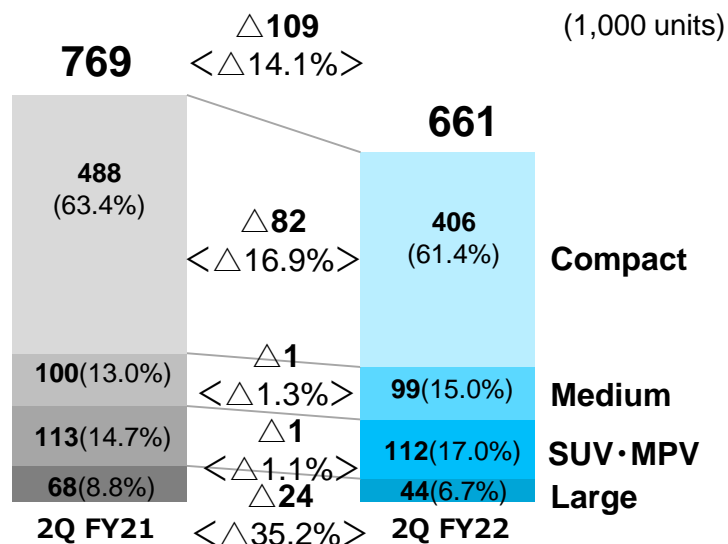
(100 million yen)

- ◆ Next, in the Americas,
- ◆ Volume increased by 176k units to 622k units year-over year.
- ◆ Sales revenue increased by 46.9 billion yen to 145.9 billion yen.
- ◆ Operating profit increased by 4.7 billion yen to 1.8 billion yen thanks to higher volume as demand recovered from covid-19 compared to last year as well as new product effect despite rise in raw material prices and increased overhead costs from the normalized production.

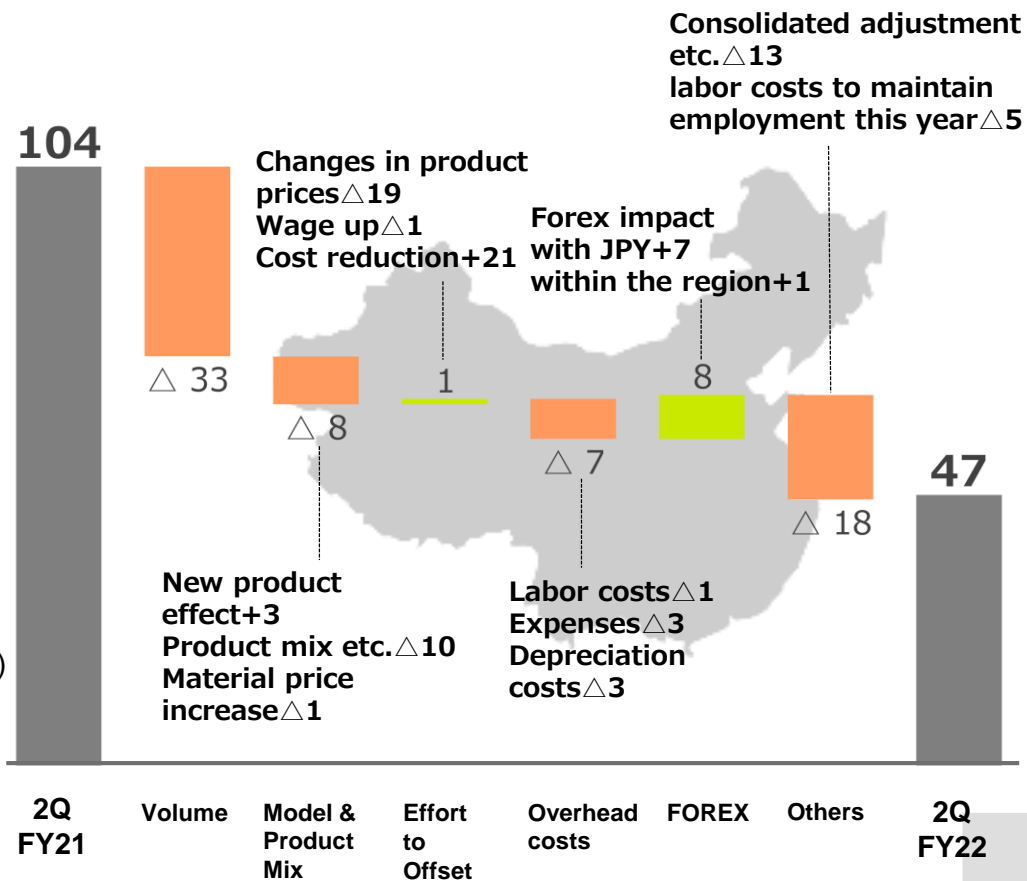
1-3) 2nd Quarter FY2022 Financial Results China Revenue & Operating Profit

Profit decreased as volume decreased due to the parts supply issues as well as there was production increase last year from recovery in demand

Volume & Model Mix



Operating Profit Variance Analysis



Profit & Loss

(100 million yen)

	2Q FY21	2Q FY22	YOY Change
Revenue	910	874	△36
Operating Profit	104	47	△56
Operating Profit Ratio	11.4%	5.4%	-

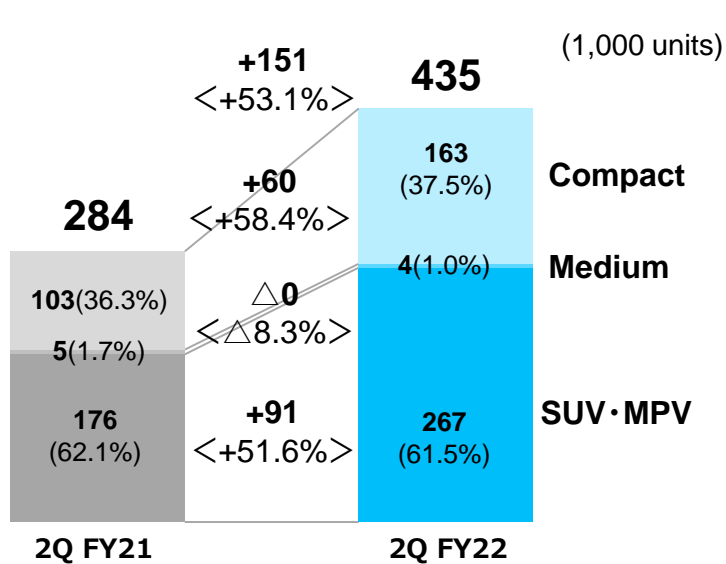
スクリプト

- ◆ Next, in China,
- ◆ Volume decreased by 109k units to 661k units year-over year.
- ◆ Sales revenue decreased by 3.6 billion yen to 87.4 billion yen.
- ◆ Operating profit decreased by 5.6 billion yen to 4.7 billion yen as volume decreased due to the parts supply issues this year as well as there was production increase from recovery in demand last year.

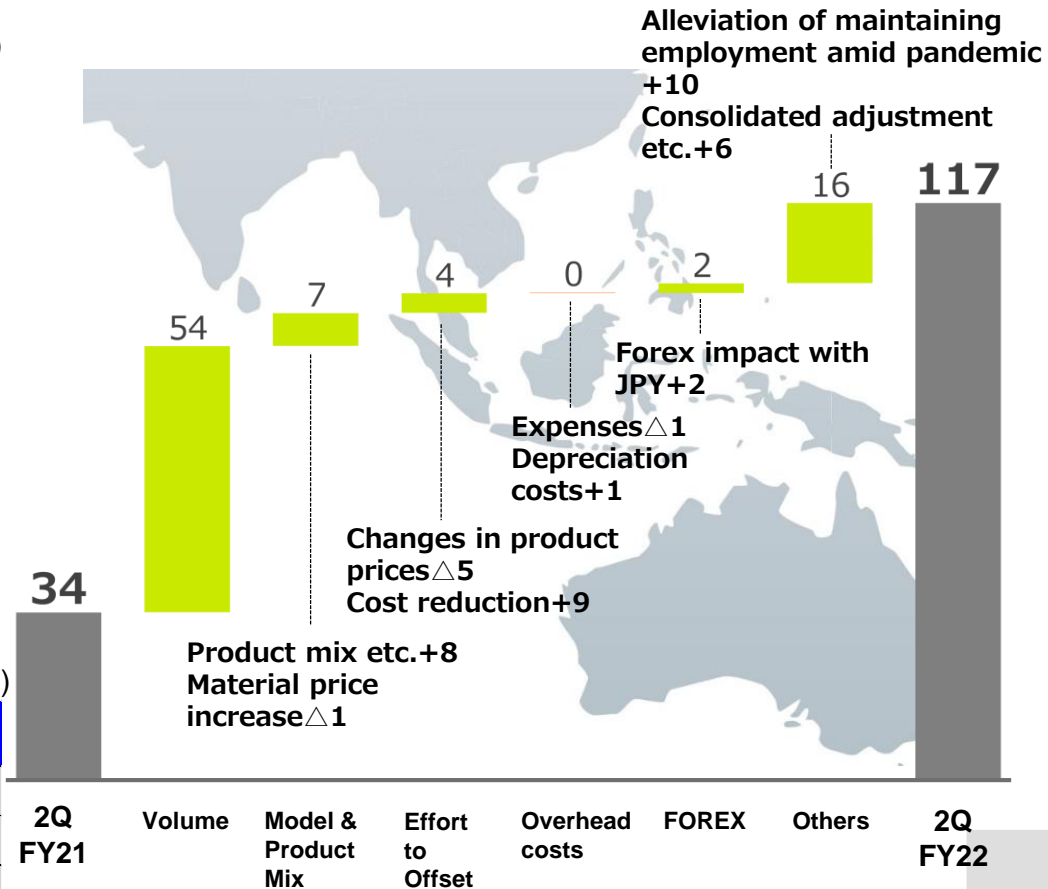
1-3) 2nd Quarter FY2022 Financial Results Asia & Oceania Revenue & Operating Profit

Profit increased due to higher volume as demand recovered from last year as well as new product launch

Volume & Model Mix



Operating Profit Variance Analysis



Profit & Loss

	2Q FY21	2Q FY22	YOY Change
Revenue	540	819	278
Operating Profit	34	117	82
Operating Profit Ratio	6.4%	14.3%	-

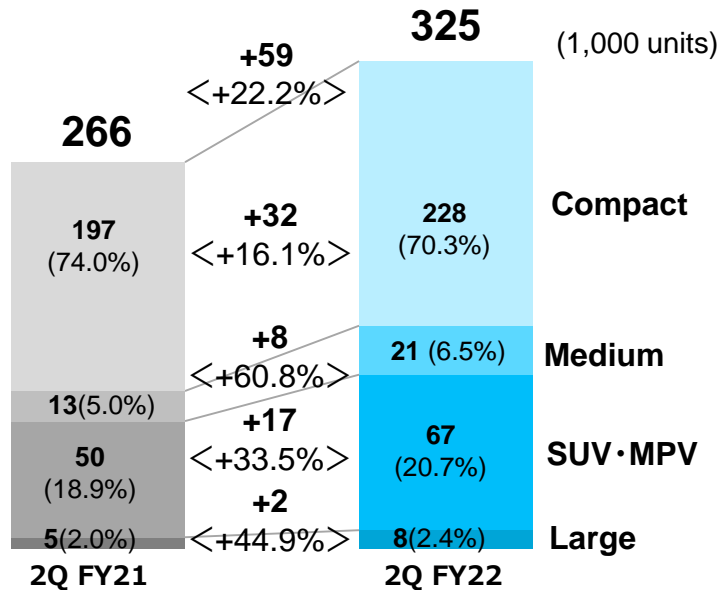
スクリプト

- ◆ Next, in Asia & Oceania region,
- ◆ Volume increased by 151k units to 435k units year-over-year.
- ◆ Sales revenue increased by 27.8 billion yen to 81.9 billion yen.
- ◆ Operating profit increased by 8.2 billion yen to 11.7 billion yen due to higher volume as demand recovered from last year amid Covid-19 outbreak in addition to new product launch.

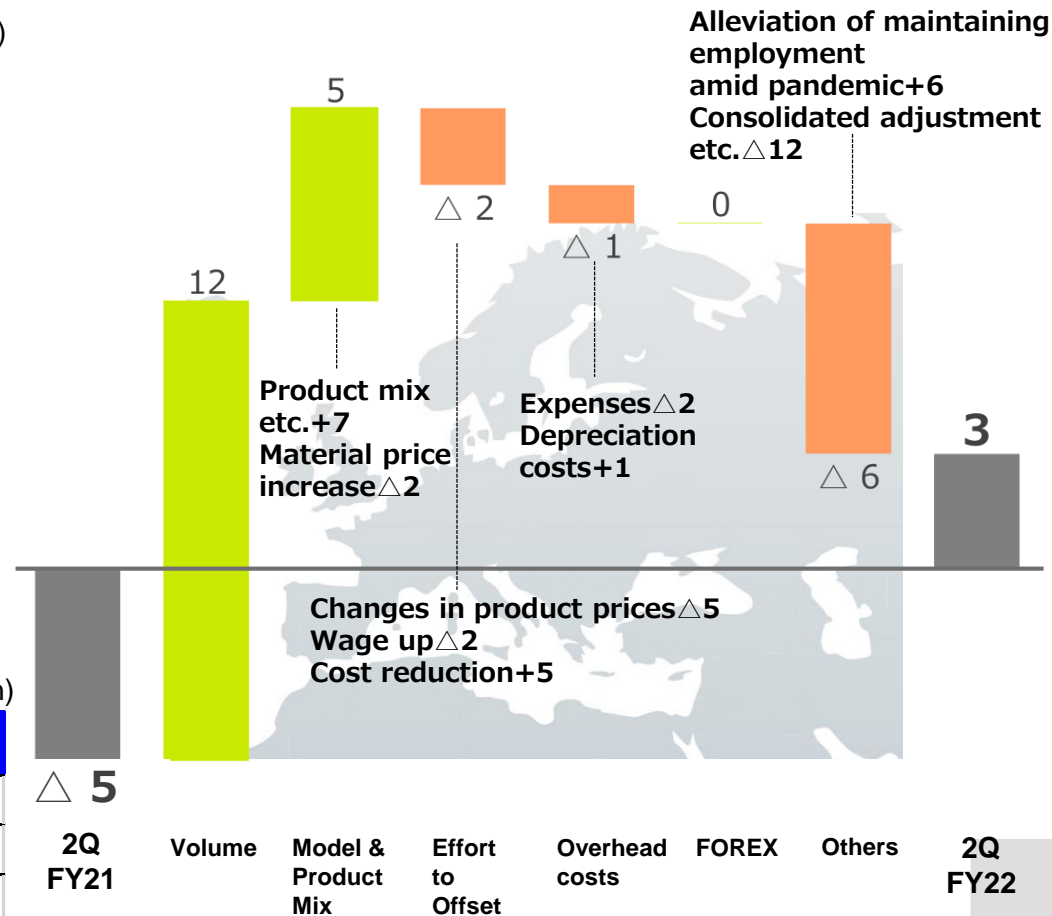
1-3) 2nd Quarter FY2022 Financial Results Europe & Africa Revenue & Operating Profit

Profit increased due to higher volume as demand recovered from last year despite transient negative factors

Volume & Model Mix



Operating Profit Variance Analysis



Profit & Loss

(100 million yen)

	2Q FY21	2Q FY22	YOY Change
Revenue	319	398	79
Operating Profit	△5	3	8
Operating Profit Ratio	△1.7%	0.8%	-

- ◆ Next in Europe & Africa region,
- ◆ Volume increased by 59k units to 325k units year-over year.
- ◆ Sales revenue increased by 7.9 billion yen to 39.8 billion yen.
- ◆ Operating profit increased by 800 million yen to 300 million yen due to higher volume as demand recovered compared to last year amid Covid-19 outbreak despite transient negative factors.

Financial Results

1. 2nd Quarter FY2022 Financial Results

2. FY2022 Financial Forecasts

3. Appendix

- ◆ In the following section, I'd like to explain the full year forecasts for the fiscal year 2022.

2-1) FY2022 Financial Forecasts Overview of Consolidated Financial Forecasts

(100 million yen)

	FY21 Actual		FY22 Forecasts		YOY Change		FY22 Forecasts (1Q Announced)	
Revenue	12,721	100.0%	14,000	100.0%	1,278	10.1%	14,000	100.0%
Operating Profit	571	4.5%	720	5.1%	148	26.1%	720	5.1%
Profit before income taxes	573	4.5%	730	5.2%	156	27.3%	730	5.2%
Profit*	311	2.5%	470	3.4%	158	50.7%	470	3.4%

*Profit Attributable to Owners of the Parent

Earnings per share		166.93 yen	251.52 yen		251.52 yen
Exchange Rate	USD	106 yen	110 yen	+4 yen	106 yen
	EUR	124 yen	128 yen	+4 yen	130 yen

Revenue

Higher revenue thanks to globally recovering demand despite risks such as covid-19 rebound and semi-conductor shortage

Operating Profit

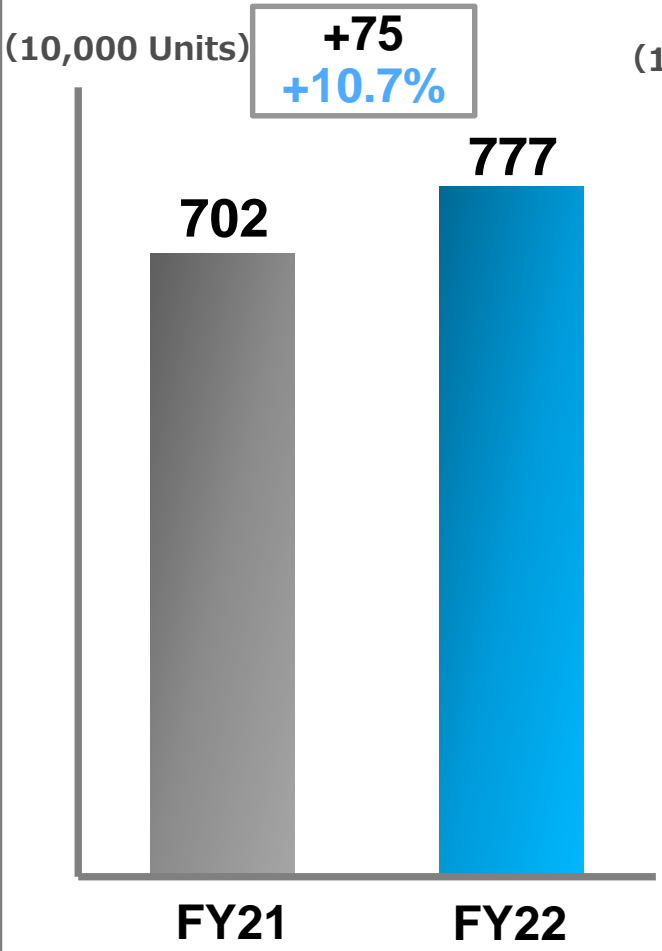
Profit is to be the same as the initial targets due to company-wide effort to secure profit despite risks of production cut and material price increase

スクリプト

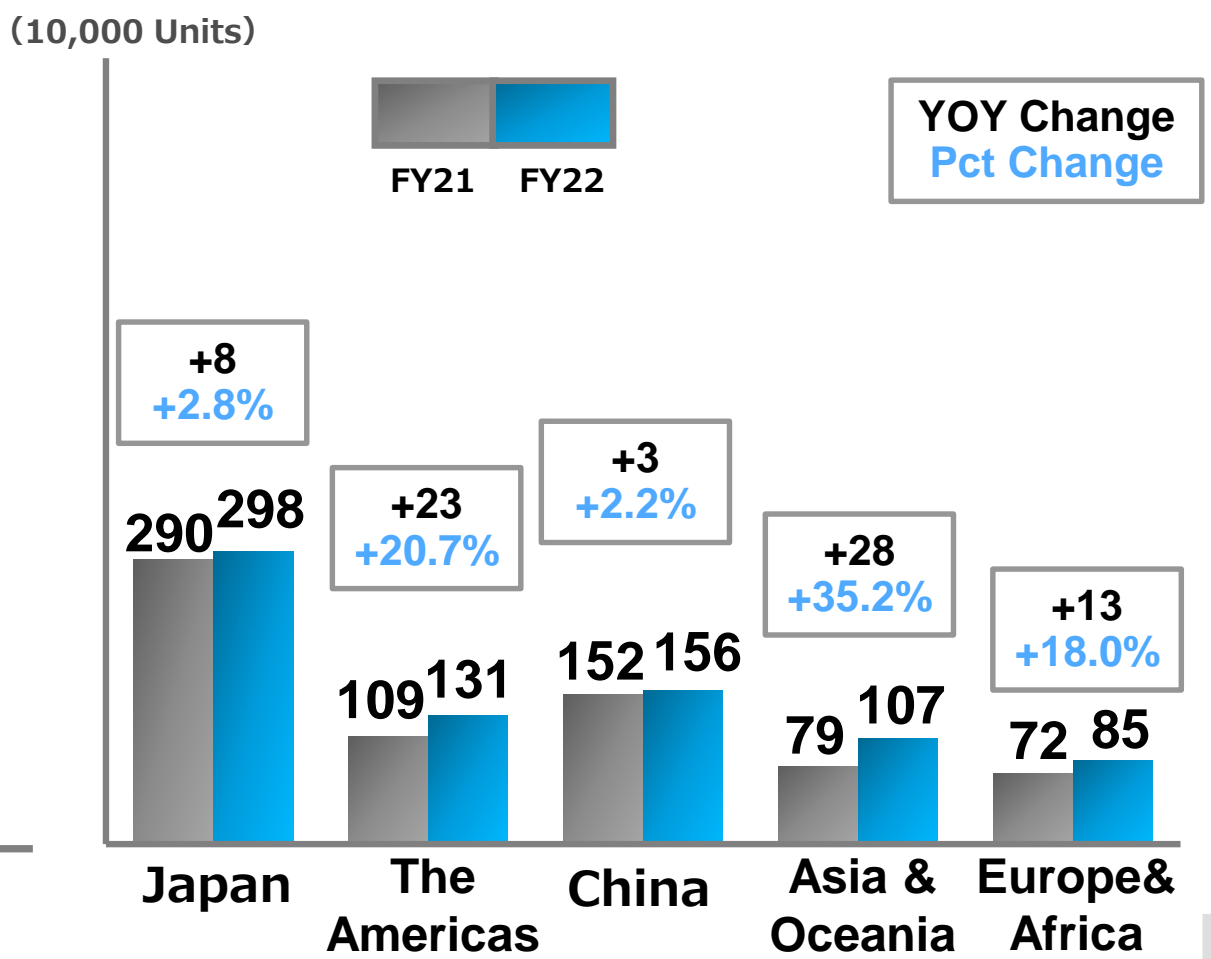
- ◆ Sales revenue will increase by 127.8 billion yen to 1.4 trillion yen.
- ◆ Operating profit is prospected to increase by 14.8 billion yen to 72 billion yen year-over-year.
- ◆ Profit before income taxes is to increase by 15.6 billion yen to 73 billion yen.
- ◆ Profit attributable to owners of the parent is to increase by 15.8 billion yen to 47 billion yen.
- ◆ As a side note, there is no changes to annual forecast from the original announcement.
- ◆ Assumed exchange rates are approximately 110 yen to the U.S. dollar, and 128 yen to the euro.

2-2) FY2022 Financial Forecasts **Seat Assembly Production by Region**

Total



By Region

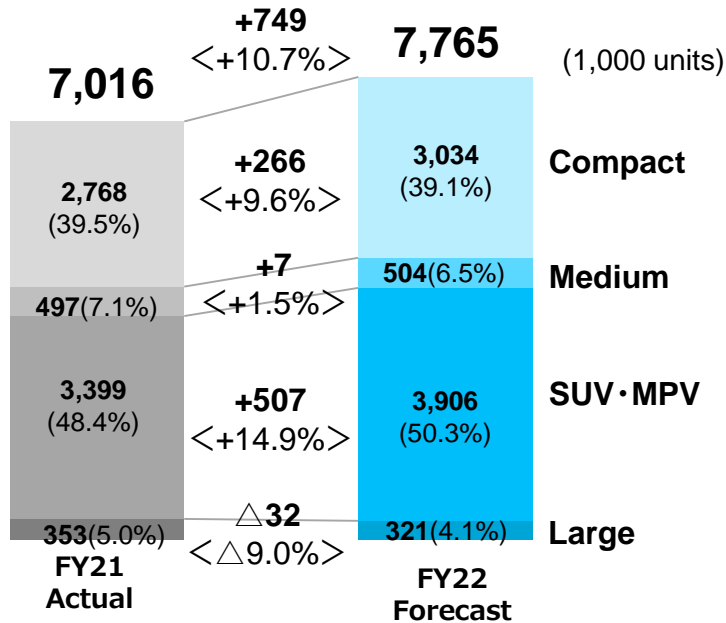


- ◆ As for consolidated seat assembly volume, it will be 7.77 million units, increased by 750k units compared to the previous year.
- ◆ Seat assembly volume by region is as shown. This will be explained in detail in later slides.

2-3) FY2022 Financial Forecasts Consolidated Revenue & Operating Profit

Higher profit due to global production increase and new product effects despite negative impacts of upfront investments aimed at future growth and material price increase

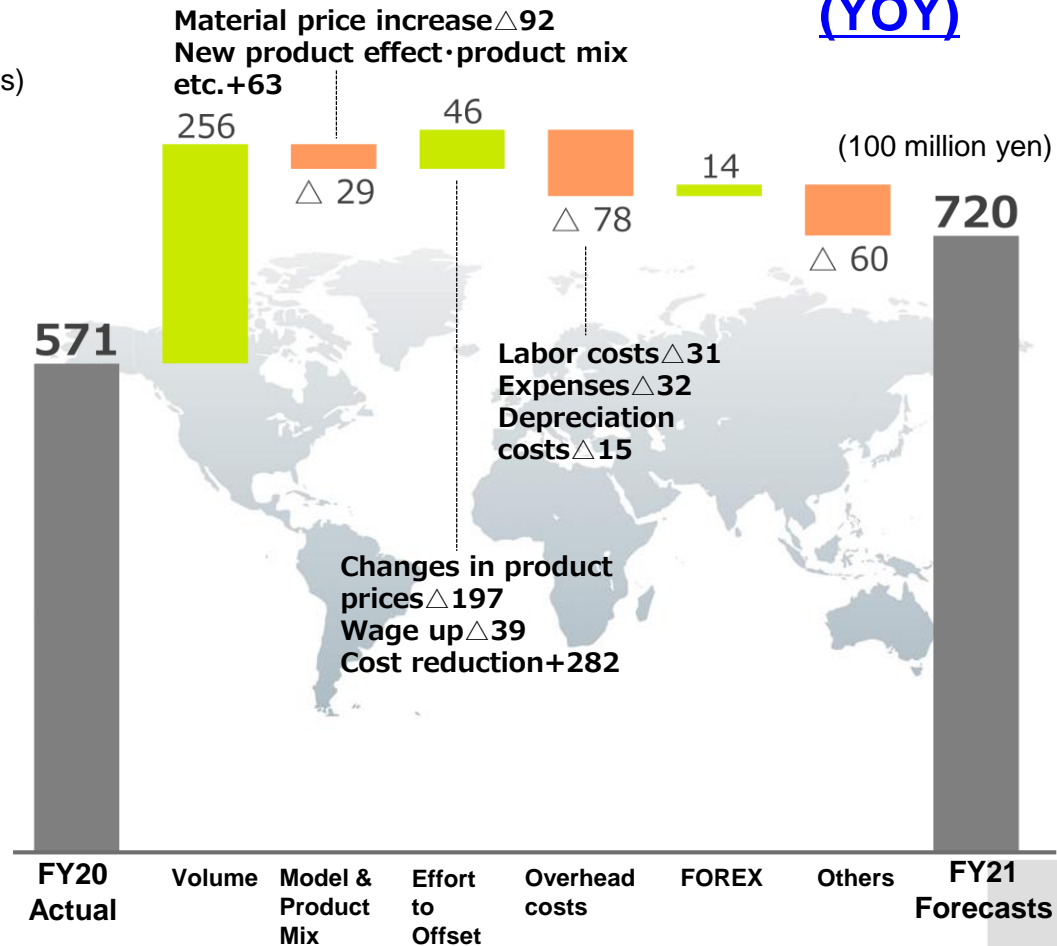
Volume & Model Mix



Profit & Loss (100 million yen)

	FY21 Actual	FY22 Forecast	YOY Change
Revenue	12,721	14,000	1,278
Operating Profit	571	720	148
Operating Profit Ratio	4.5%	5.1%	-

Operating Profit Variance Analysis (YOY)



スクリプト

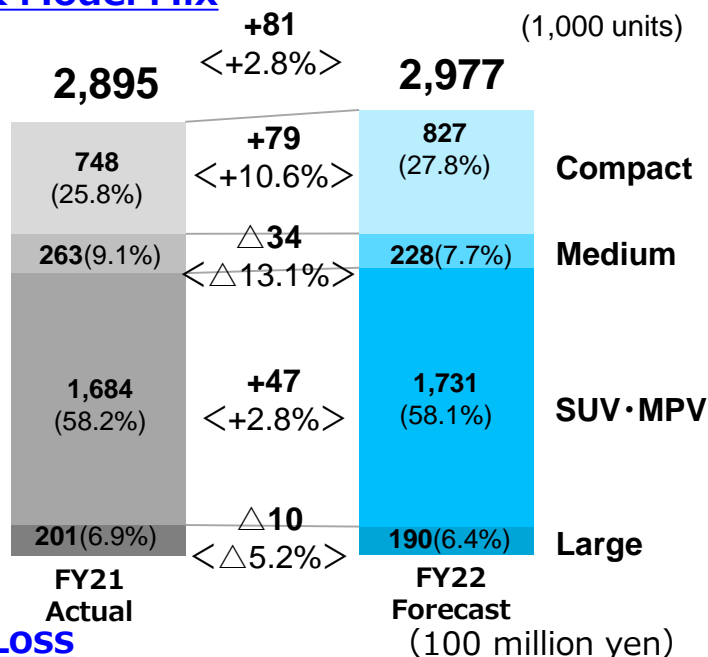
- ◆ Next, let me explain consolidated revenue & operating profit.
- ◆ Regarding Volume & Model Mix, volume increase is expected in every segments except large, therefore it will be 7.77 million units increased by 749k units year-over-year.
- ◆ Sales revenue will be increased by 127.8 billion yen to 1.4 trillion yen.
- ◆ We will challenge for operating profit of 72 billion yen as initially announced by absorbing increased production effects as much as possible through lean production system established during pandemic last year besides enforcing profit increasing activities of new products despite negative impacts of upfront investments aimed at future growth and material price increase.

2-4) FY2022 Financial Forecasts Revenue & Operating Profit by Region

Japan

Higher profit due to increased volume and new product effects despite negative impacts of material price increase and upfront investments

Volume & Model Mix



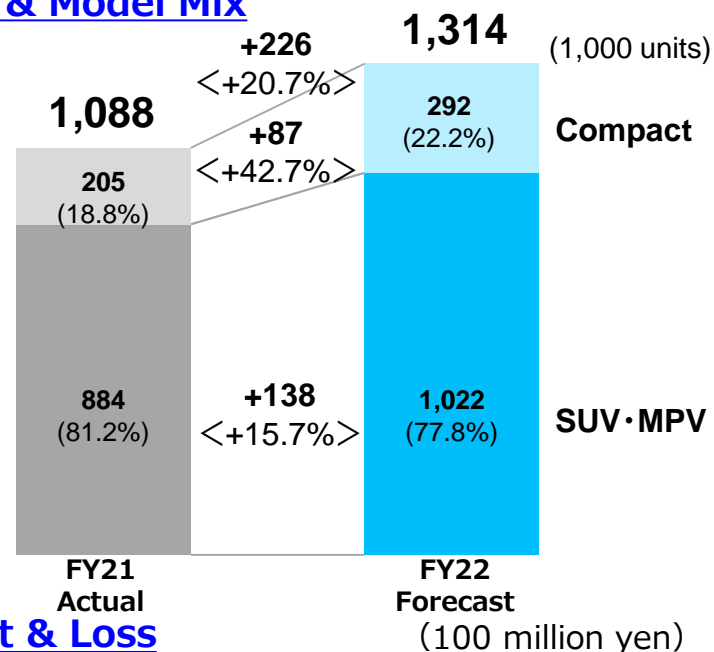
Profit & Loss

	FY21 Actual	FY22 Forecast	YOY Change
Revenue	6,996	7,300	303
Operating Profit	140	180	39
Operating Profit Ratio	2.0%	2.5%	-

The Americas

Higher profit due to volume increase and elimination of temporary inefficiency from model changes despite rise in material prices

Volume & Model Mix



Profit & Loss

	FY21 Actual	FY22 Forecast	YOY Change
Revenue	2,460	2,900	439
Operating Profit	14	80	65
Operating Profit Ratio	0.6%	2.8%	-

スクリプト

◆ Next, let me explain financial forecast by regions.

First, regarding Japan,

Volume will increase by 81k units to 2.98 million units year-over year.

◆ Sales revenue will increase by 30.3 billion yen to 730 billion yen.

◆ Operating profit, is prospected to increase by 3.9 billion yen to 18.0 billion yen due to increased volume and new product effects despite negative impacts of material price increase and upfront investments.

◆ Next, The Americas,

Volume will increase by 226k units to 1.31 million units year-over year.

◆ Sales revenue will increase by 43.9 billion yen to 290 billion yen.

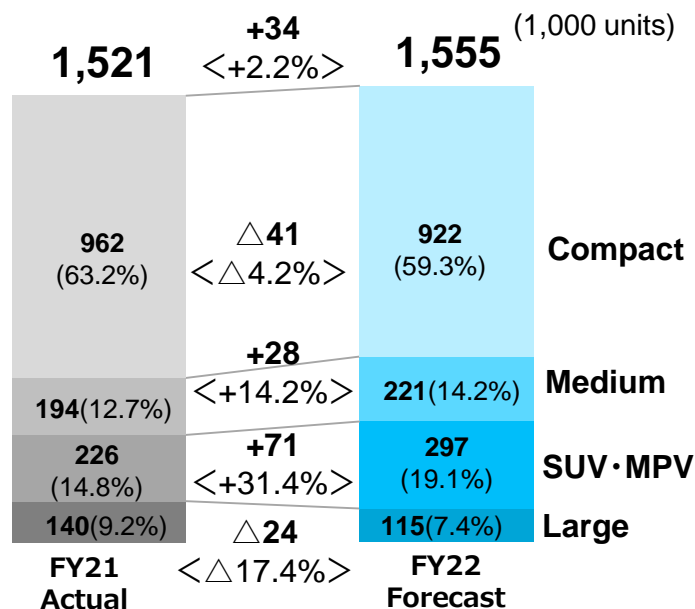
◆ Operating profit, is prospected to increase by 6.5 billion yen to 8 billion yen due to impacts of volume increase and elimination of temporary inefficiency from model changes despite rise in material prices.

2-4) FY2022 Financial Forecasts Revenue & Operating Profit by Region

China

Lower profit due to change in mix and increase in overhead costs despite positive impacts of higher volume and new product effects

Volume & Model Mix



Profit & Loss

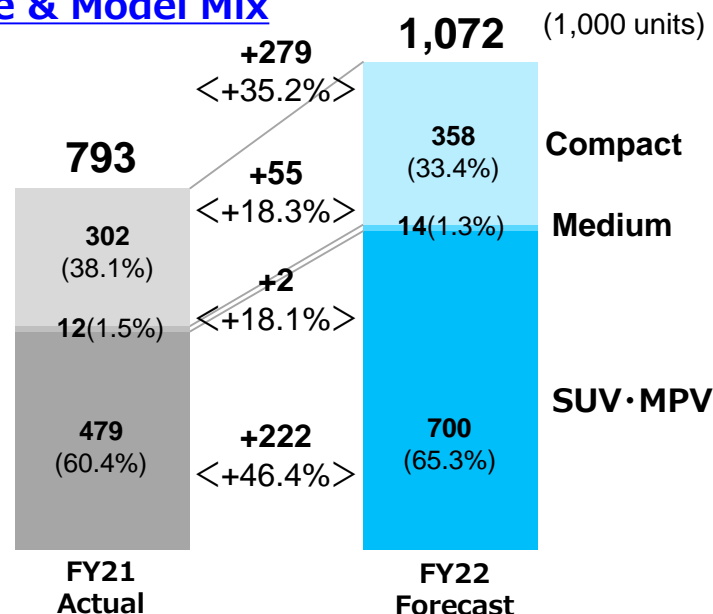
	FY21 Actual	FY22 Forecast	YOY Change
Revenue	1,804	2,000	195
Operating Profit	184	170	$\triangle 14$
Operating Profit Ratio	10.2%	8.5%	—

(100 million yen)

Asia & Oceania

Higher profit due to production increase as demand recovered from covid-19 last year

Volume & Model Mix



Profit & Loss

	FY21 Actual	FY22 Forecast	YOY Change
Revenue	1,444	1,800	355
Operating Profit	171	240	68
Operating Profit Ratio	11.9%	13.3%	—

(100 million yen)

スクリプト

- ◆ Next, in China,
 - ◆ Volume will increase by 34k units to 1.56 million units year-over year.
 - ◆ Sales revenue will increase by 19.5 billion yen to 200 billion yen.
 - ◆ Operating profit, is prospected to decrease by 1.4 billion yen to 17 billion yen due to change in mix and increase in overhead costs despite positive impacts from higher volume and new product effects.

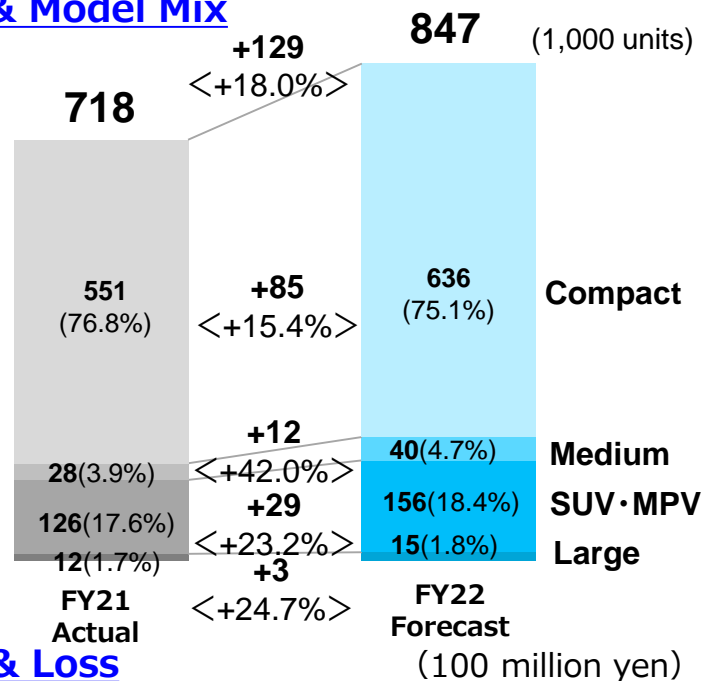
- ◆ Next, in Asia & Oceania,
 - ◆ Volume will increase by 279k units to 1.07 million units year-over year.
 - ◆ Sales revenue will increase by 35.5 billion yen to 180 billion yen.
 - ◆ Operating profit, is prospected to increase by 6.8 billion yen to 24 billion yen thanks to production increase as demand recovered from covid-19 compared to last year.

2-4) FY2022 Financial Forecasts Revenue & Operating Profit by Region

Europe & Africa

Lower profit due to negative impacts of increased material price and overhead costs despite higher volume

Volume & Model Mix



Profit & Loss

	FY21 Actual	FY22 Forecast	YOY Change
Revenue	826	900	73
Operating Profit	60	50	△ 10
Operating Profit Ratio	7.3%	5.6%	-

スクリプト

- ◆ Next, in Europe & Africa,
- ◆ Volume will increase by 129k units to 847k units year-over year.
- ◆ Sales revenue will increase by 7.3 billion yen to 90 billion yen.
- ◆ Operating profit, is prospected to decrease by 1.0 billion yen to 5.0 billion yen due to increase in material price and overhead costs despite higher volume.

2-5) FY2022 Financial Forecasts 1st/2nd by Region

Revenue

(100 million yen)

	1 st Half	2 nd Half	Full Year
Japan	3,427	3,872	7,300
The Americas	1,459	1,440	2,900
China	874	1,125	2,000
Asia & Oceania	819	980	1,800
Europe & Africa	398	501	900
Consolidated Total	6,520	7,479	14,000

Operating Profit

(100 million yen)

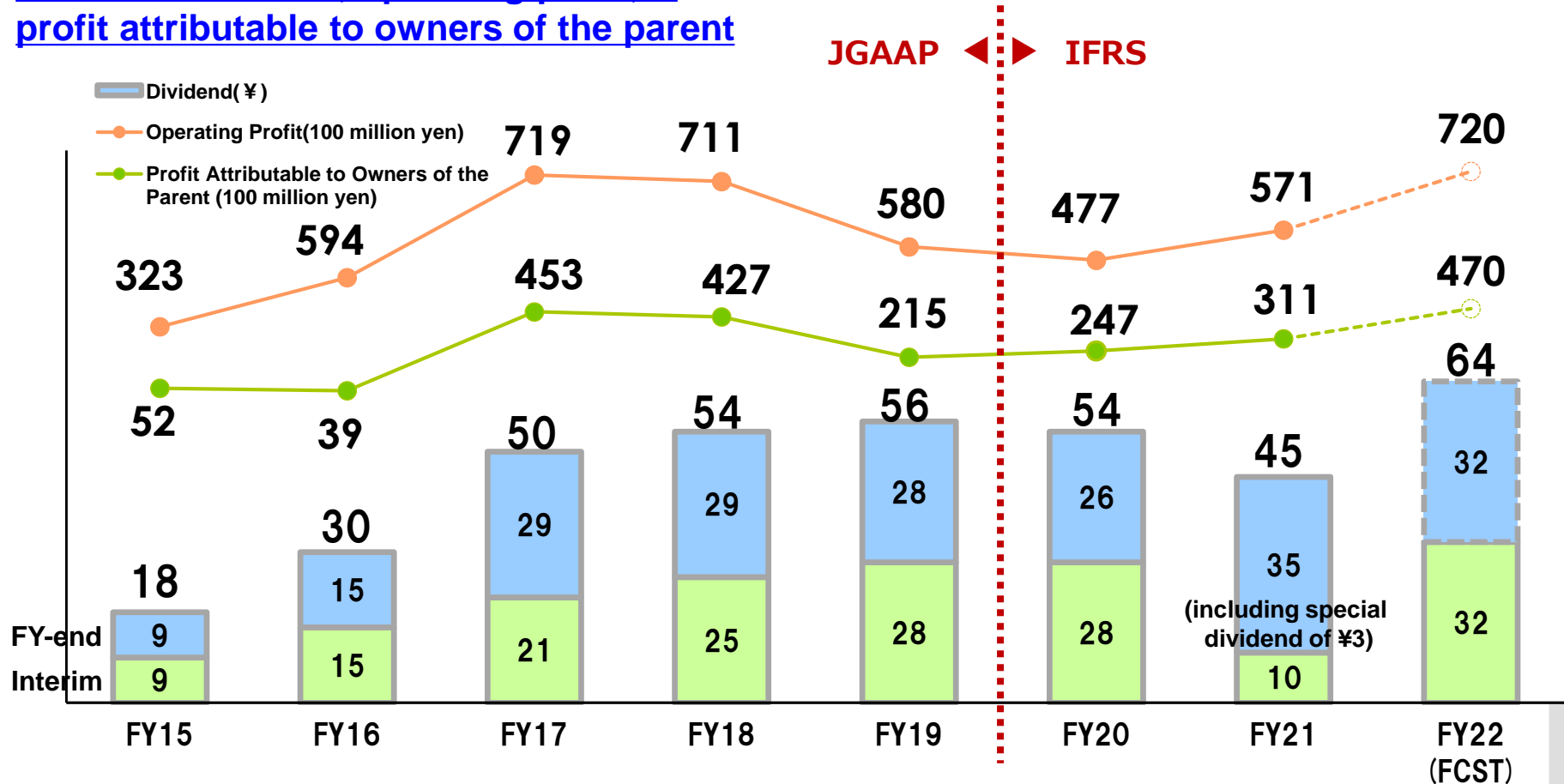
	1 st Half		2 nd Half		Full Year	
Japan	56	1.6%	123	3.2%	180	2.5%
The Americas	18	1.3%	61	4.3%	80	2.8%
China	47	5.4%	122	10.9%	170	8.5%
Asia & Oceania	117	14.3%	122	12.5%	240	13.3%
Europe & Africa	3	0.8%	46	9.3%	50	5.6%
Consolidated Total	242	3.7%	477	6.4%	720	5.1%

◆ Financial Forecasts by Half Year is as shown.

2-6) FY2022 Financial Forecasts Returning to Shareholders

- Interim dividends payout is ¥32, which is determined based on comprehensive evaluation of our ability to earn despite negative impact of production decline
- To keep long-term sustainable dividends for FY-end (dividends payout plan is ¥32)

Trends in dividend, operating profit, & profit attributable to owners of the parent



- ◆ Next, on returning to shareholders,
- ◆ For interim, dividends payout is 32 yen, which is determined based on comprehensive evaluation of our ability to earn despite production decline in the 1st half.
- ◆ For FY-end, our plan is 32 yen in terms of keeping long-term sustainable dividends.

2-7) Concluding 1st Half FY2022 Financial Results

【2Q Results】

- Profit decreased compared to the announced target as of 1Q due to the **customer's production cut**
- However, **our ability to earn, such as new product effects and streamlined overhead costs, has steadily enhanced**

【Forecast after 3Q】

- **Increase and recovery in production from December is incorporated while customers reduce production until November**
- Making **company-wide efforts to secure profit** projecting cost increase including rise in material price

【Annual Forecast】

- **Mitigate the risk of decrease in profits through profit securing and maximize benefits from production increase by demonstrating our ability to earn, gained under low production, to achieve announced target**
- **Steadily implement action plans** to achieve objectives of 2025 Business Plan

スクリプト

- ◆ Lastly, I'd like to conclude this 1st half Quarter Financial Results.
- ◆ In the 2nd quarter, profit decreased compared to the previous quarter due to negative effects from external environment such as customer's production cut on parts shortage.
However, we believe our ability to earn, such as enhancement of profitability of new products and streamlined overhead costs, has steadily improved.
- ◆ From 3rd quarter, we incorporated increase and recovery in production from December while production will continuously decrease until November due to external environment.
- ◆ For annual forecast, we are going to steadily implement action plans to achieve the announced target of 2021 and objectives of 2025 Business Plan through company-wide profit securing measures such as flexible response to demand fluctuation and streamlining overhead cost to mitigate the risk of decrease in profits and maximizing benefits from production increase based on lean production system established during pandemic last year.

- ◆ That would be all for financial results of the FY2022
2nd quarter.
- ◆ Thank you for listening.

Financial Results

1. 2nd Quarter FY2022 Financial Results

2. FY2022 Financial Forecasts

3. Appendix

Appendix1) Status of the Consolidated Statement of Financial Position (Sep.30, 2021)

○: Compared to the previous year(100 million yen)

Current assets

506.8billion yen

489.3billion yen

△174

- decrease in operating receivables from lower sales

Liabilities

476.1billion yen

447.6billion yen

- decrease in operating payables due to production decrease

△284

Assets

823.2billion yen
(the previous year end: 845.7 billion yen)

Equity

369.6billion yen

375.5billion yen

+59

Total equity attribute to owners of the parent
39.6%

41.9%

Non-current assets

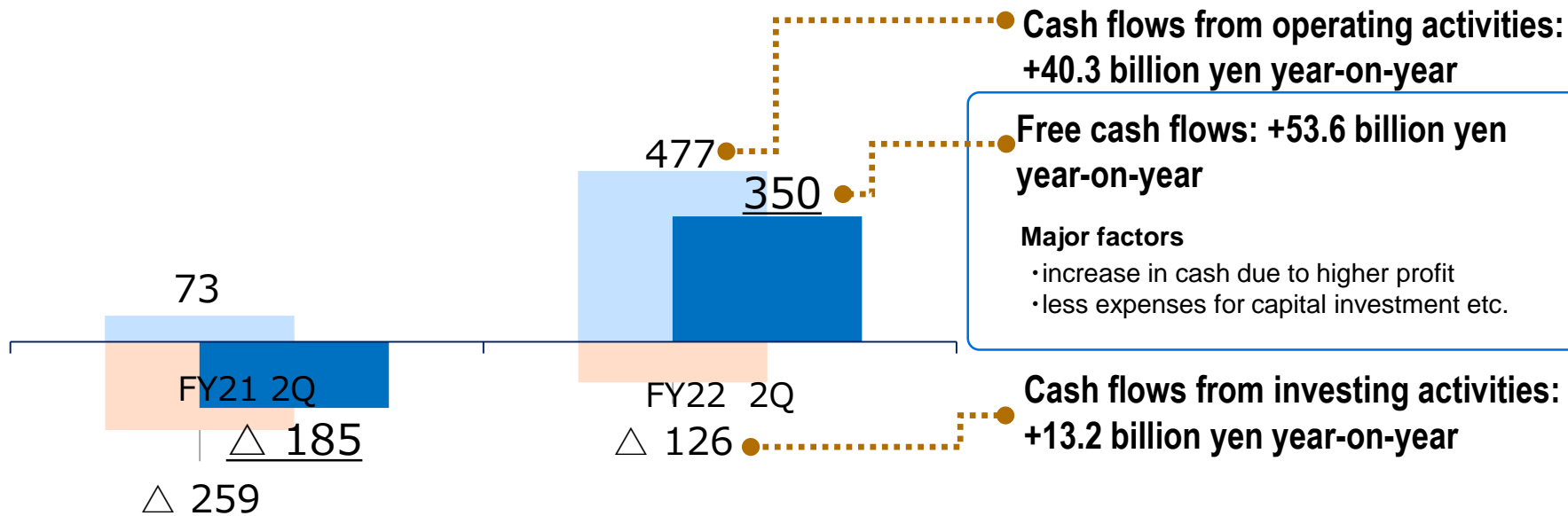
338.9billion yen

333.8billion yen

△50

- decrease in property, plant and equipment due to the depreciation of global mainstay hub etc.

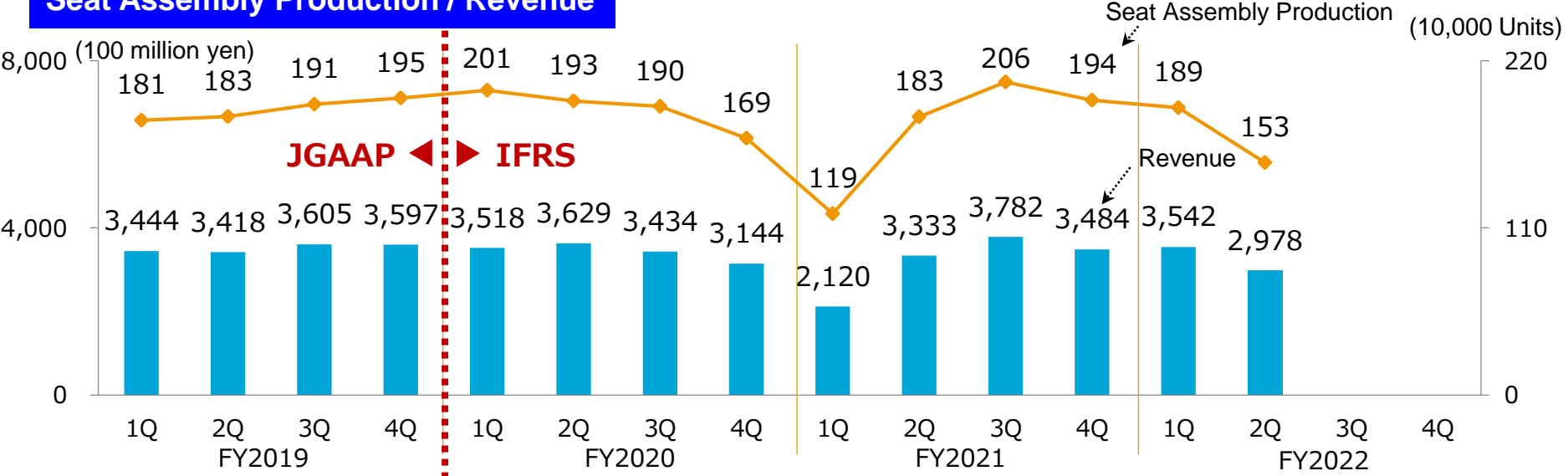
Appendix2) Consolidated Cash Flows



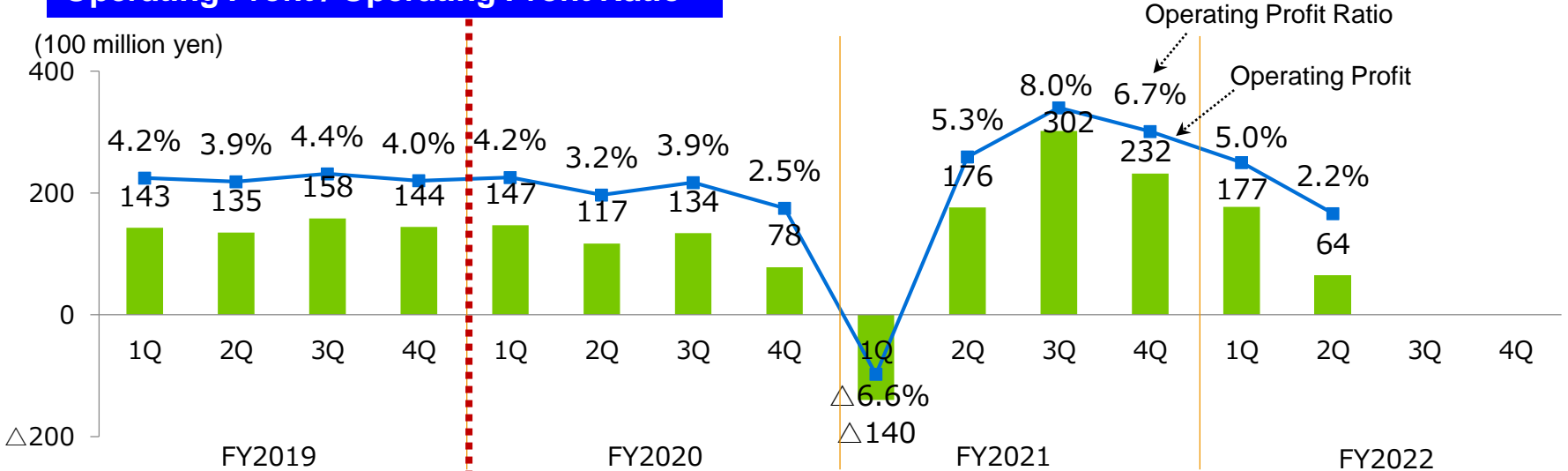
	(100 million yen)			(Reference)
	2Q FY21	2Q FY22	Change	FY21 Results
Cash flows from operating activities	73	477	403	744
Cash flows from investing activities	△ 259	△ 126	132	△ 513
Free cash flows	△ 185	350	536	230
Cash flows from financial activities	208	△ 179	△ 387	27
Impact of foreign exchange	2	△ 11	△ 14	59
Change in cash and cash equivalents	24	159	134	318
Balance of cash and cash equivalents	1,658	2,111	452	1,951

Appendix3) Quarterly Trends: Consolidated volume, revenue, operating profit, operating profit ratio

Seat Assembly Production / Revenue

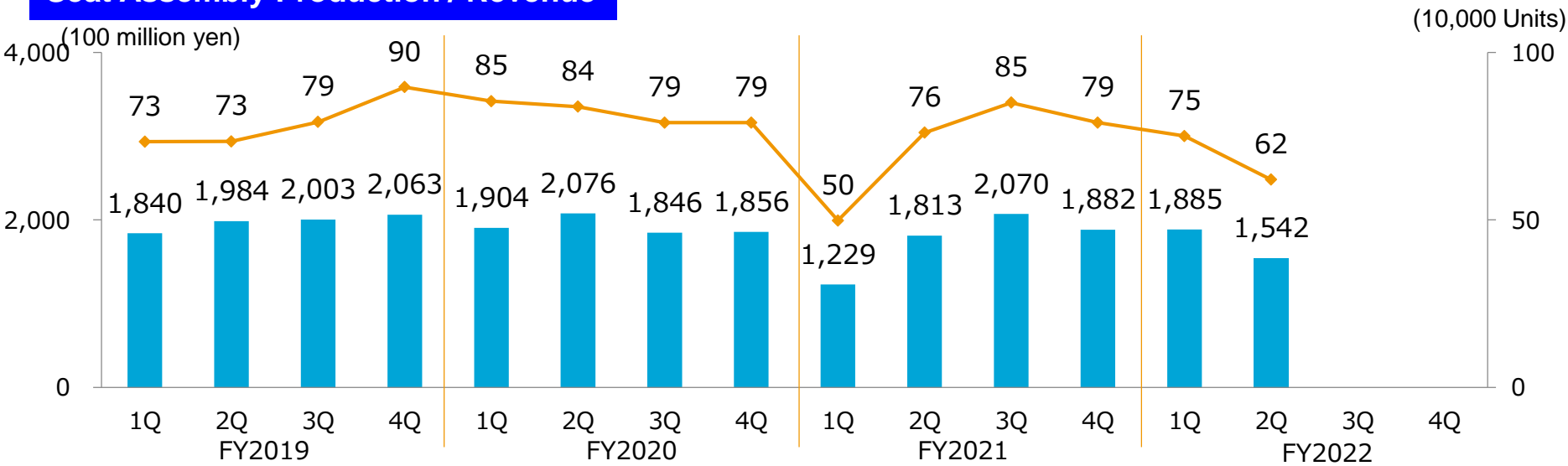


Operating Profit / Operating Profit Ratio

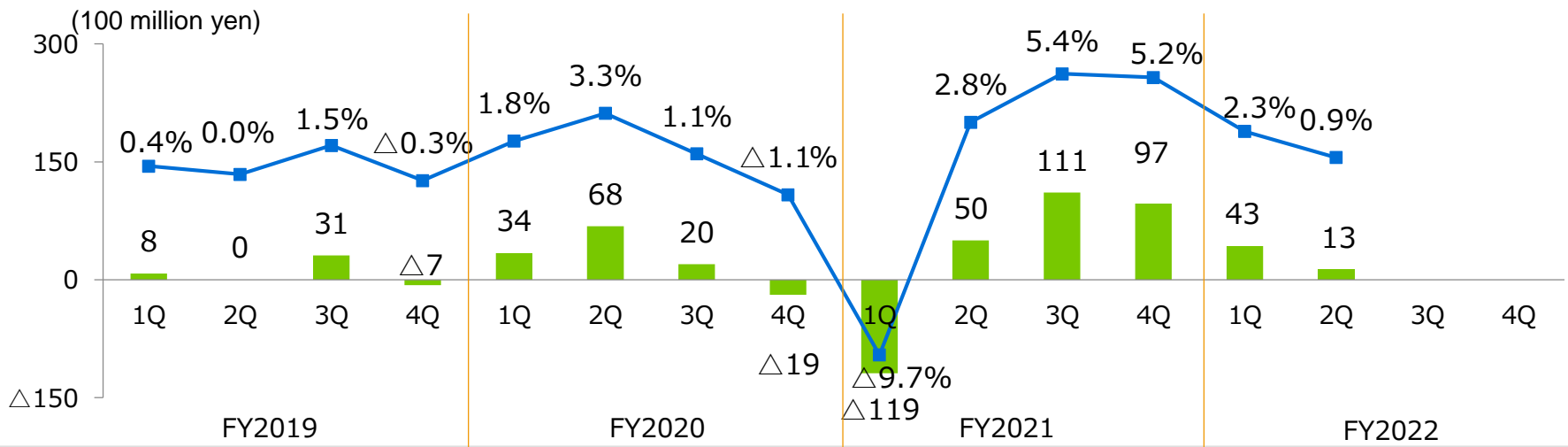


Appendix4) Quarterly Trends: Japan volume, revenue, operating profit, operating profit ratio

Seat Assembly Production / Revenue

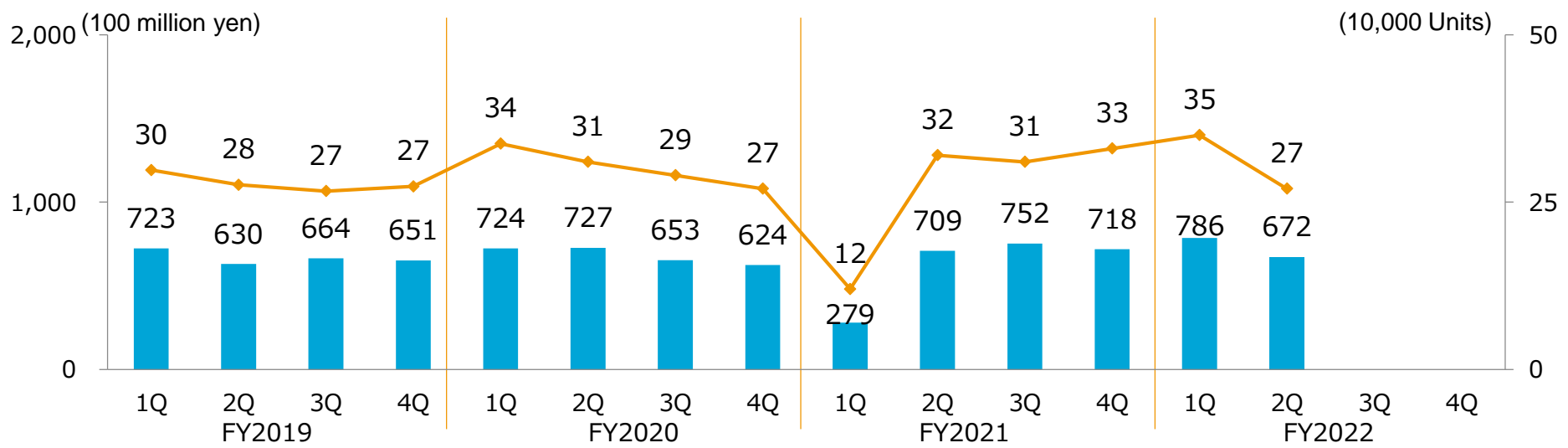


Operating Profit / Operating Profit Ratio

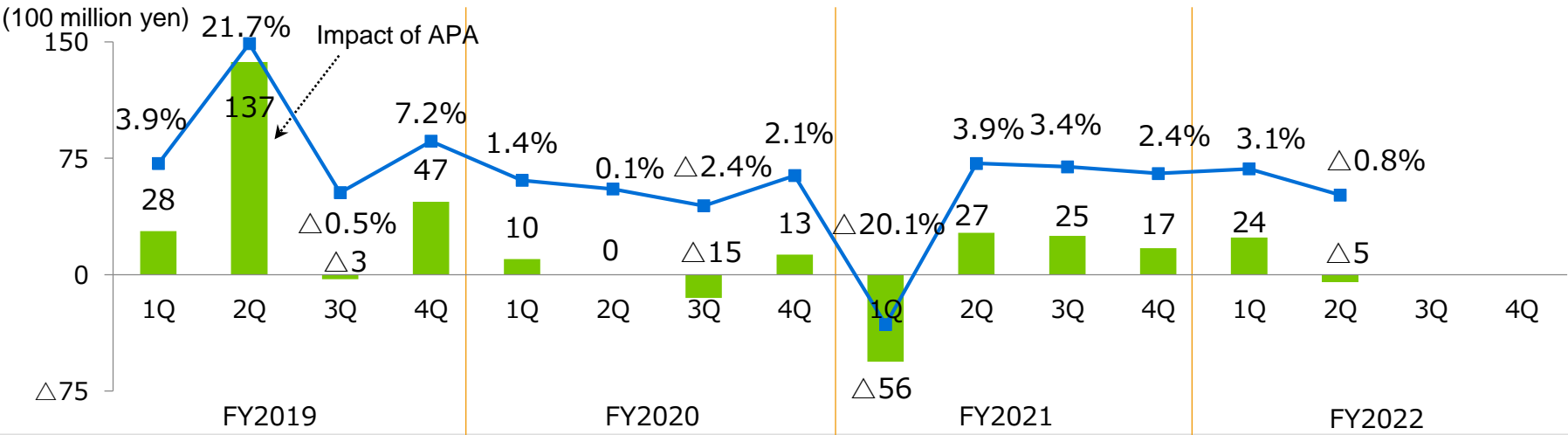


Appendix5) Quarterly Trends: The Americas volume, revenue, operating profit, operating profit ratio

Seat Assembly Production / Revenue

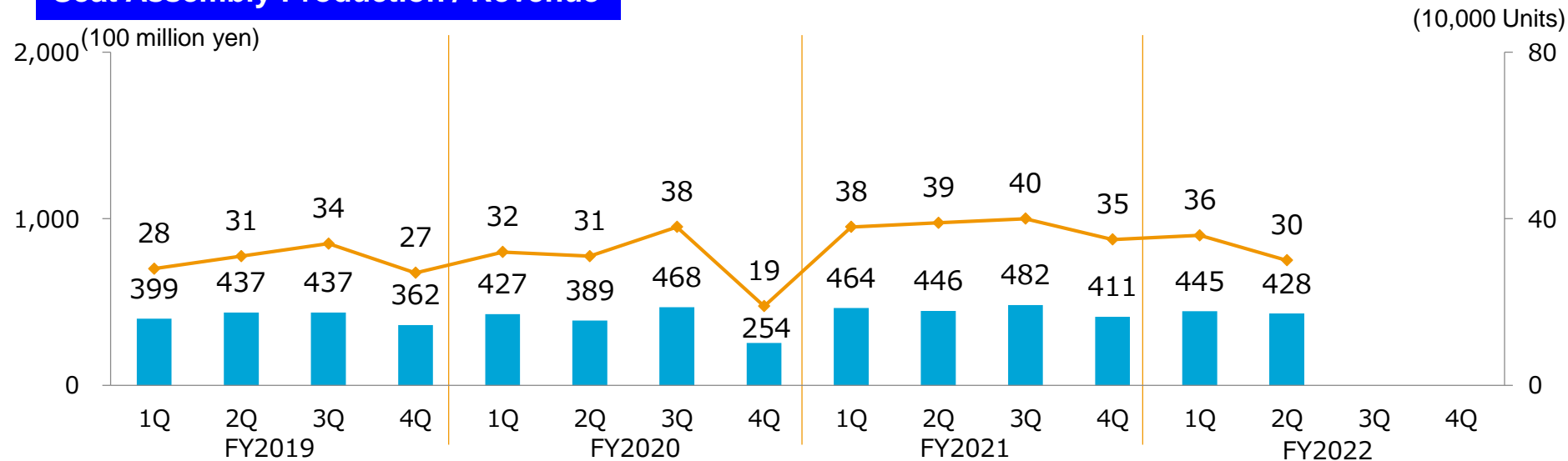


Operating Profit / Operating Profit Ratio

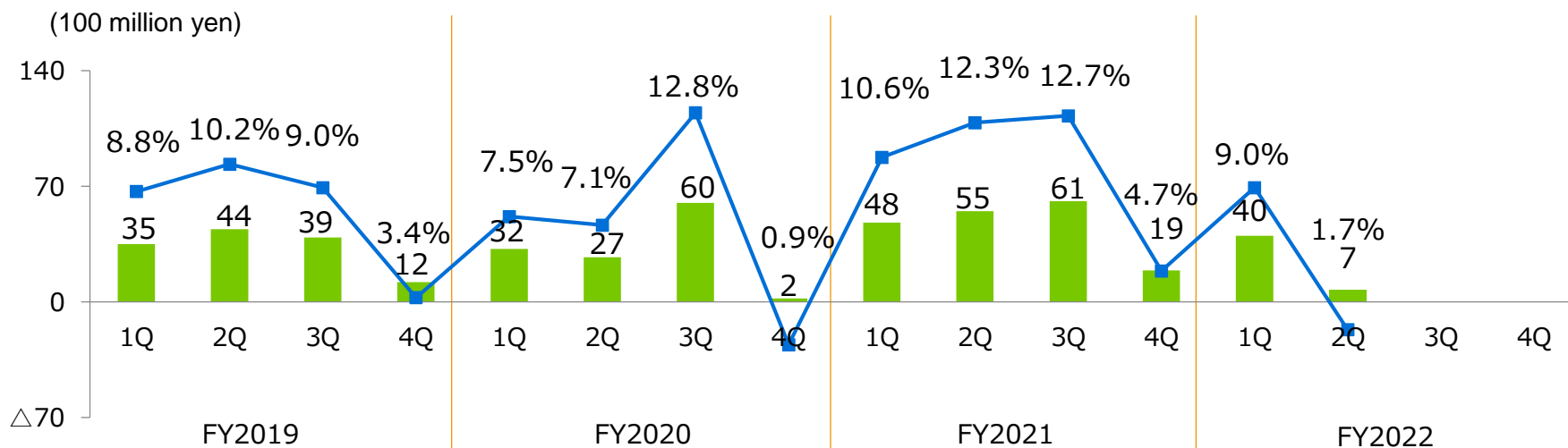


Appendix6) Quarterly Trends: China volume, revenue, operating profit, operating profit ratio

Seat Assembly Production / Revenue

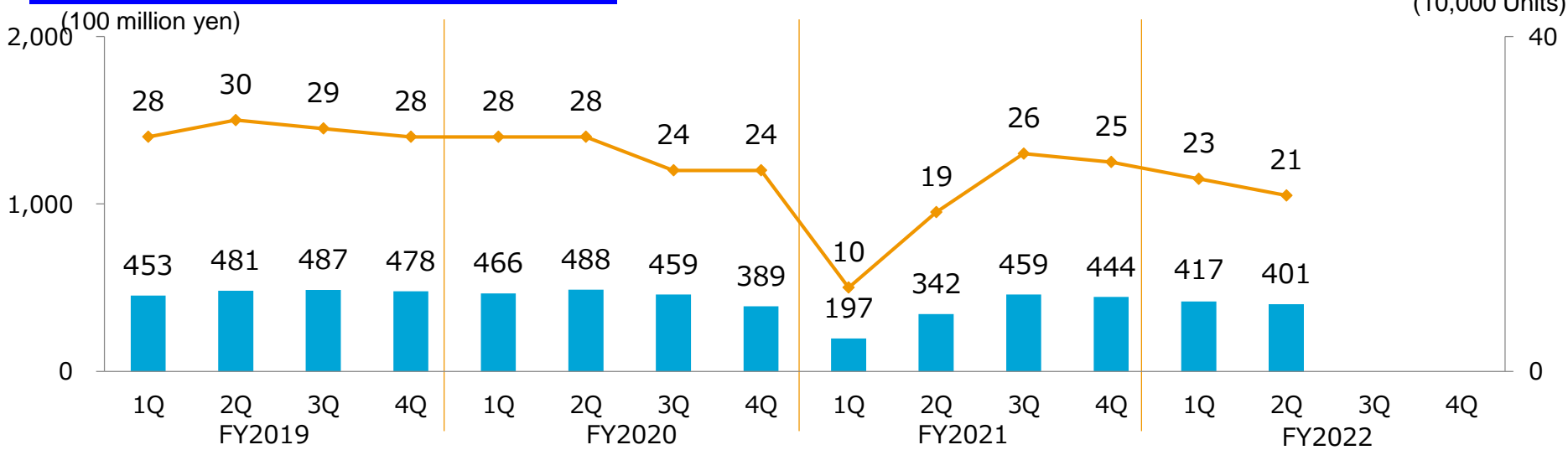


Operating Profit / Operating Profit Ratio

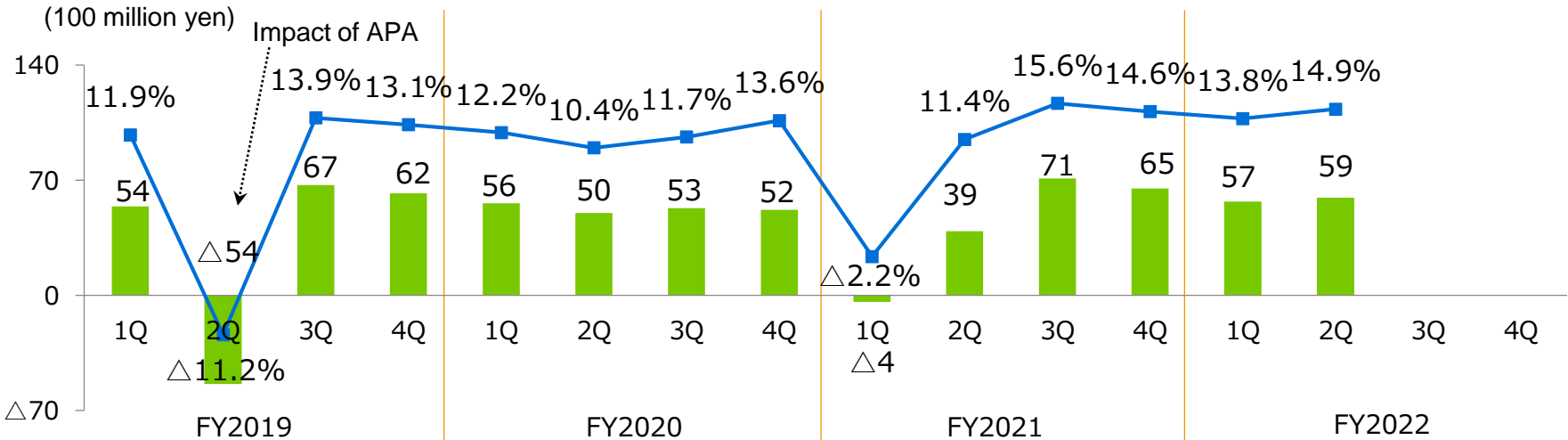


Appendix7) Quarterly Trends: Asia & Oceania volume, revenue, operating profit, operating profit ratio

Seat Assembly Production / Revenue

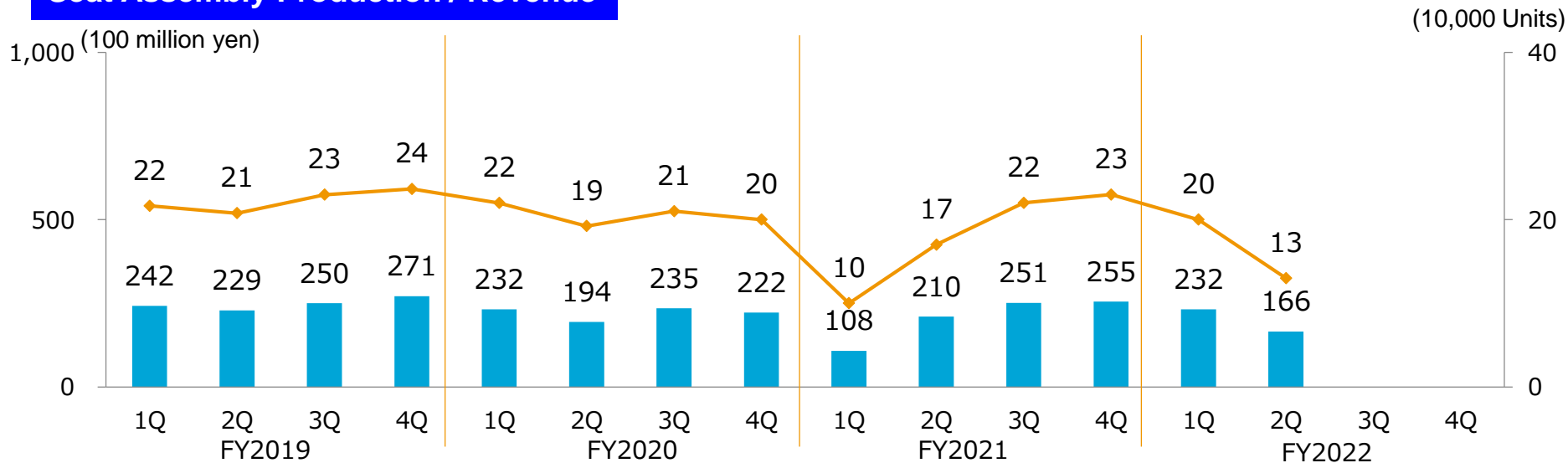


Operating Profit / Operating Profit Ratio

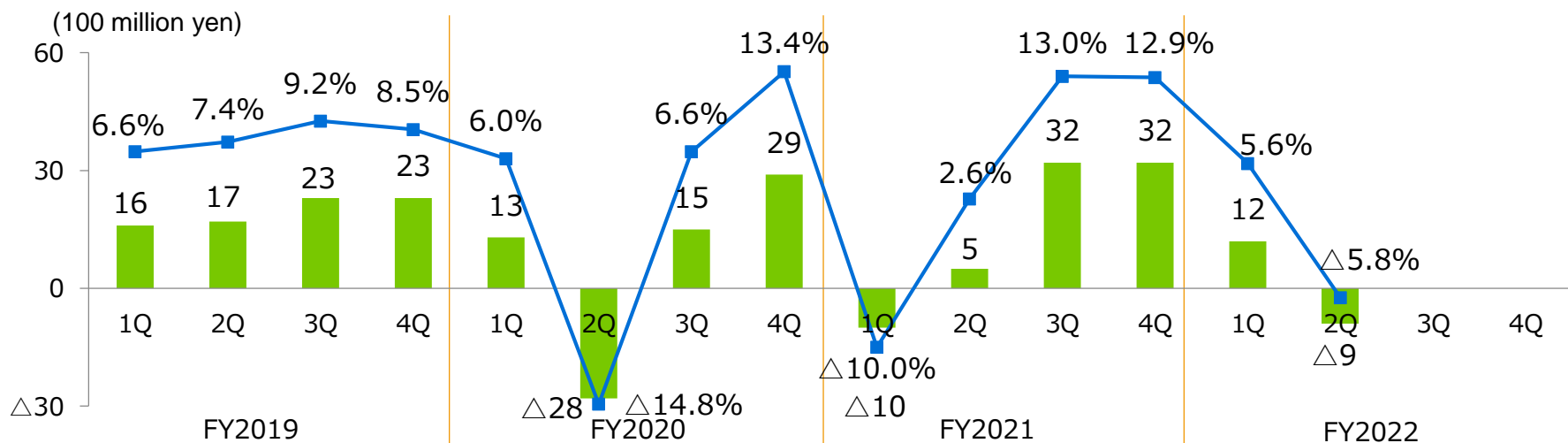


Appendix8) Quarterly Trends: Europe & Africa volume, revenue, operating profit, operating profit ratio

Seat Assembly Production / Revenue



Operating Profit / Operating Profit Ratio





<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