



TOYOTA BOSHOKU

TSE 1st Section Securities Code 3116

FY2021 (ending March 2021)

Financial Results

Date: April 28th, 2021

Financial Results

1. FY2021 Financial Results

2. FY2022 Financial Forecasts

3. Appendix

Financial Results

1. FY2021 Financial Results

2. FY2022 Financial Forecasts

3. Appendix

Script

- ◆ Hello, this is Ito.
- ◆ Thank you for attending our FY2021 financial results briefing during a busy time today.
- ◆ Firstly, I would like to explain the Financial Results for the fiscal year 2021, then the full year forecasts.
- ◆ Now, I'd like to start by looking at our financial results for the fiscal year 2021.

1-1) FY2021 Financial Results Overview of Consolidated Financial Results

(100 million yen)

	FY2020		FY2021		YOY Change	
Revenue	13,726	100.0%	12,721	100.0%	Δ1,004	Δ7.3%
Operating Profit	477	3.5%	571	4.5%	93	19.5%
Profit before income taxes	480	3.5%	573	4.5%	92	19.3%
Profit*	247	1.8%	311	2.5%	64	25.8%

*Profit Attributable to Owners of the Parent

Earnings per share		132.88 yen	166.93 yen	+34.05 yen
Exchange Rate	USD	109 yen	106 yen	△3 yen
	EUR	121 yen	124 yen	+3 yen

Revenue

- While revenue decreased mainly during 1Q due to covid-19 impacts, its reduction was moderated by globally recovering demand from the second half

Operating Profit

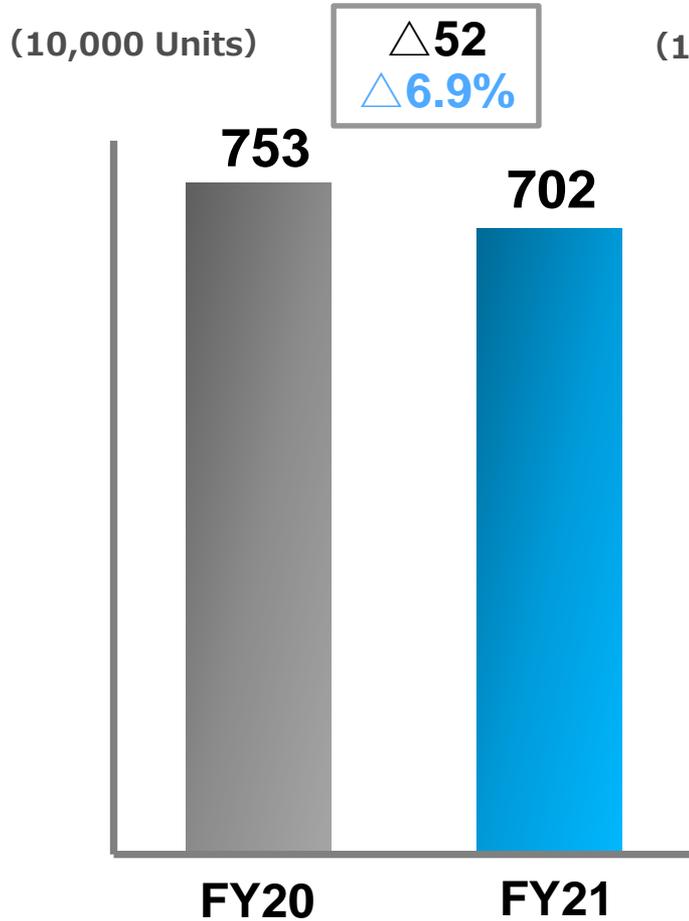
- the biggest profit ever in the 2nd half as a result of globally recovering demand in addition to profit securing measures including increased overhead cost efficiency

Script

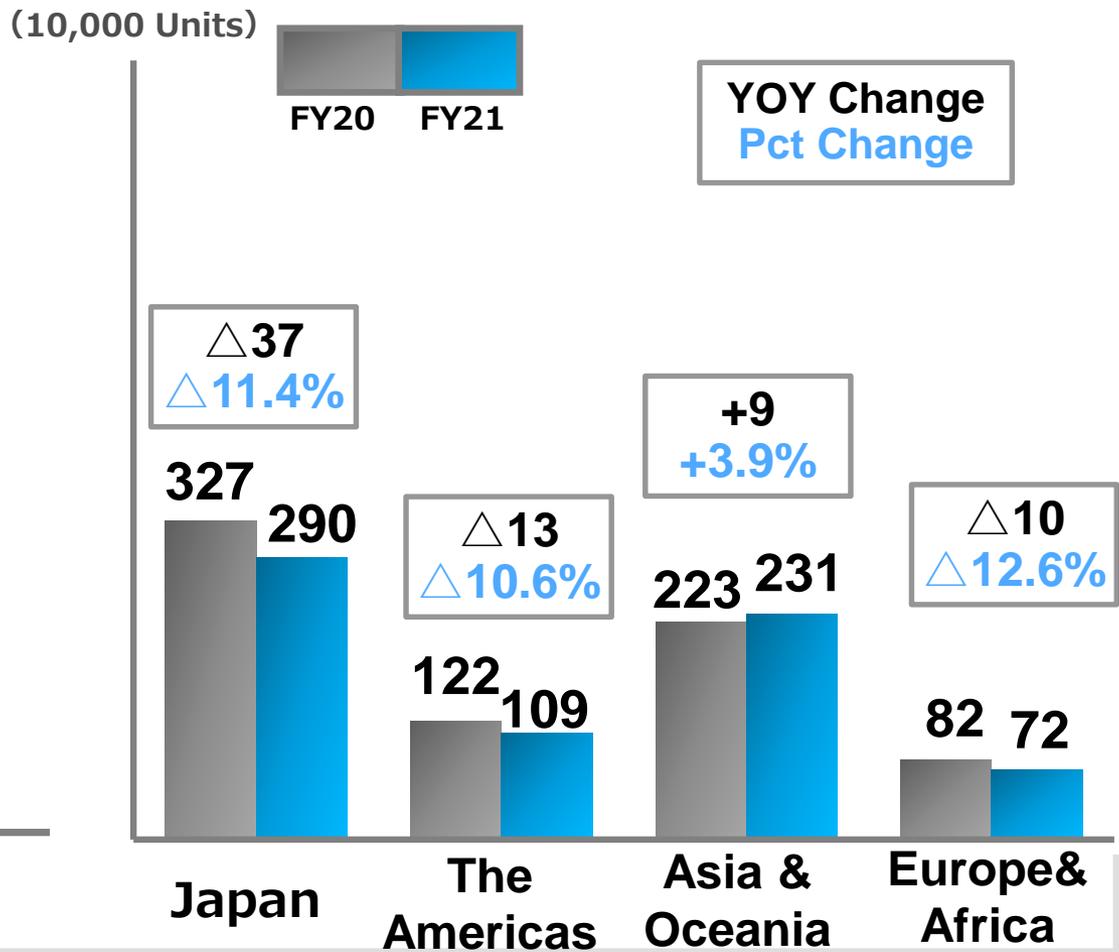
- ◆ Sales revenue decreased by 100.4 billion yen to 1 trillion 272.1 billion yen.
 - ◆ Operating profit increased by 9.3 billion yen to 57.1 billion yen year-over-year.
 - ◆ Profit before income taxes increased by 9.2 billion yen to 57.3 billion yen.
 - ◆ Profit attributable to owners of the parent increased 6.4 billion yen to 31.1 billion yen.
 - ◆ Assumed exchange rates are approximately 106 yen to the U.S. dollar, 124 yen to the euro.
- There are exchange loss of 14.1 billion yen for sales, 200 million yen for operating profit year-over-year.

1-2) FY2021 Financial Results **Seat Production by Region**

Total



By Region



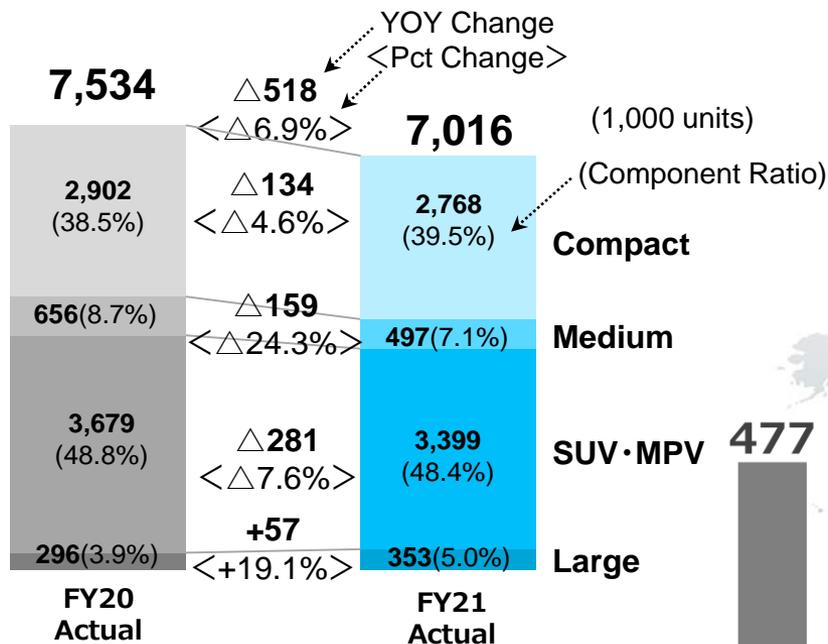
Script

- ◆ Next, consolidated seat assembly volume, the main product of the company, totaled 7.02 million units, decreased by 520k 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) FY2021 Financial Results Consolidated Revenue & Operating Profit

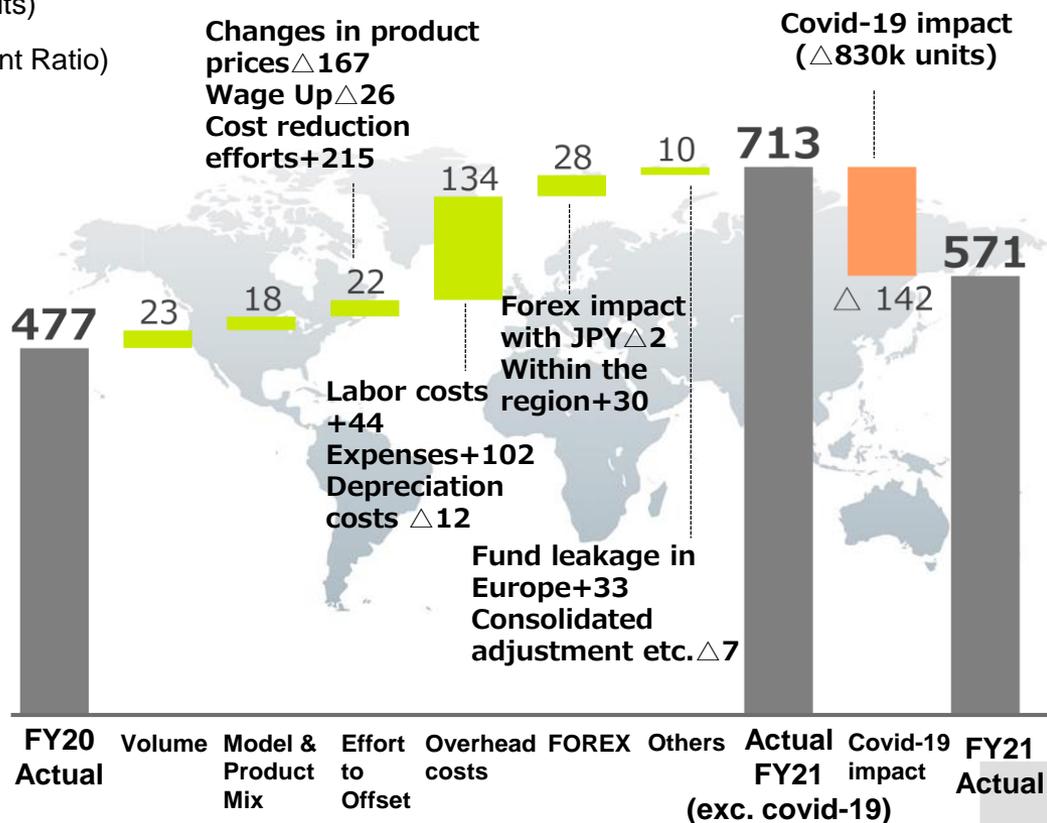
While profit decreased because of covid-19 impact mainly during 1Q, profit increased because profit securing measures such as increased overhead cost efficiency and cost reduction efforts were implemented

Volume & Model Mix



Operating Profit Variance Analysis (YOY)

(100 million yen)



Profit & Loss

(100 million yen)

	FY20	FY21	YOY Change
Revenue	13,726	12,721	△ 1,004
Operating Profit	477	571	93
Operating Profit Ratio	3.5%	4.5%	-

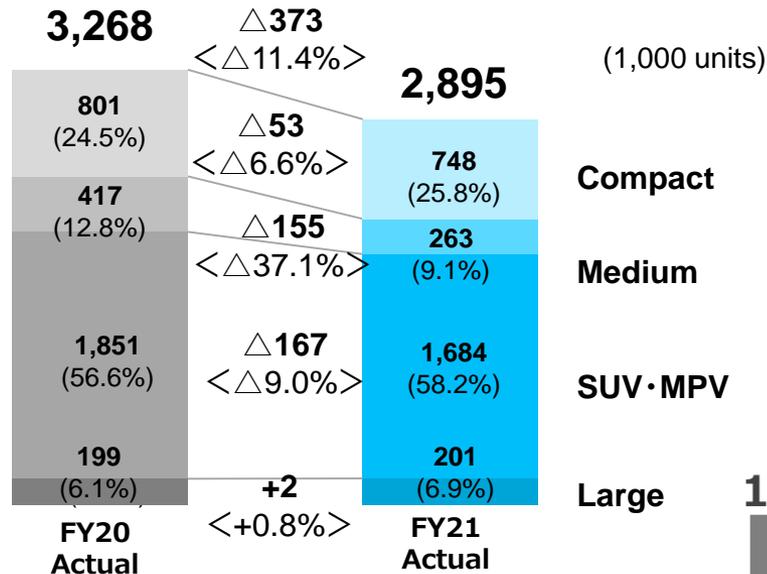
Script

- ◆ Next, let me move on to consolidated revenue & operating profit.
- ◆ Volume decreased 510k units to 7.02 million units.
- ◆ Sales revenue decreased by 100.4 billion yen to 1 trillion 272.1 billion yen.
- ◆ Operating profit increased by 9.3 billion yen to 57.1 billion yen because profit securing measures such as increased overhead cost efficiency and cost reduction efforts were implemented despite negative impacts from covid-19 mainly during 1Q.
- ◆ As a side note, the amount of covid-19 impact was minus 14.2 billion yen, which includes impacts of production decline and direct labor costs covered against volume decline to maintain employment.

1-4) FY2021 Financial Results Japan Revenue & Operating Profit

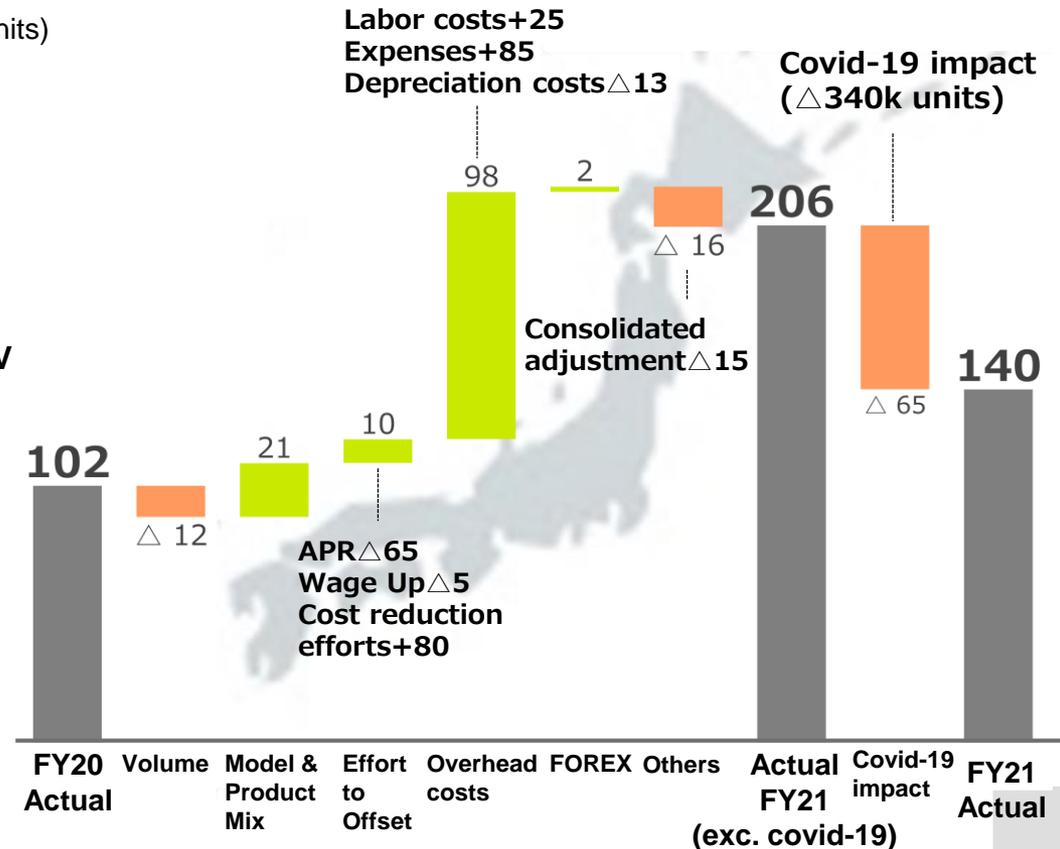
Profit increased due to changes in product mix as well as increased overhead cost efficiency from working style reforms, reducing working hour and expenses, despite negative impacts from covid-19 outbreak mainly during 1Q

Volume & Model Mix



Operating Profit Variance Analysis (YOY)

(100 million yen)



Profit & Loss

(100 million yen)

	FY20	FY21	YOY Change
Revenue	7,683	6,996	Δ 686
Operating Profit	102	140	38
Operating Profit Ratio	1.3%	2.0%	-

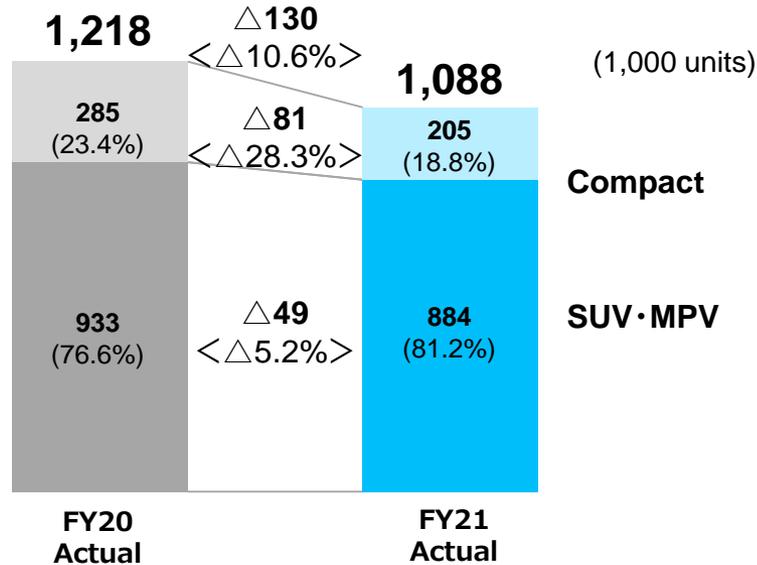
スクリプト

- ◆ Next, in Japan region,
- ◆ Volume decreased by 370k units to 2.9 million units year-over year.
- ◆ Sales revenue decreased by 68.6 billion yen to 699.6 billion yen.
- ◆ Operating profit increased by 3.8 billion yen to 14 billion yen because of reduced working hours by work-style review such as promoting IT tool and remote work as well as increased efficiency in overhead costs from expense reduction while it decreased mainly due to covid-19 impact during 1Q.

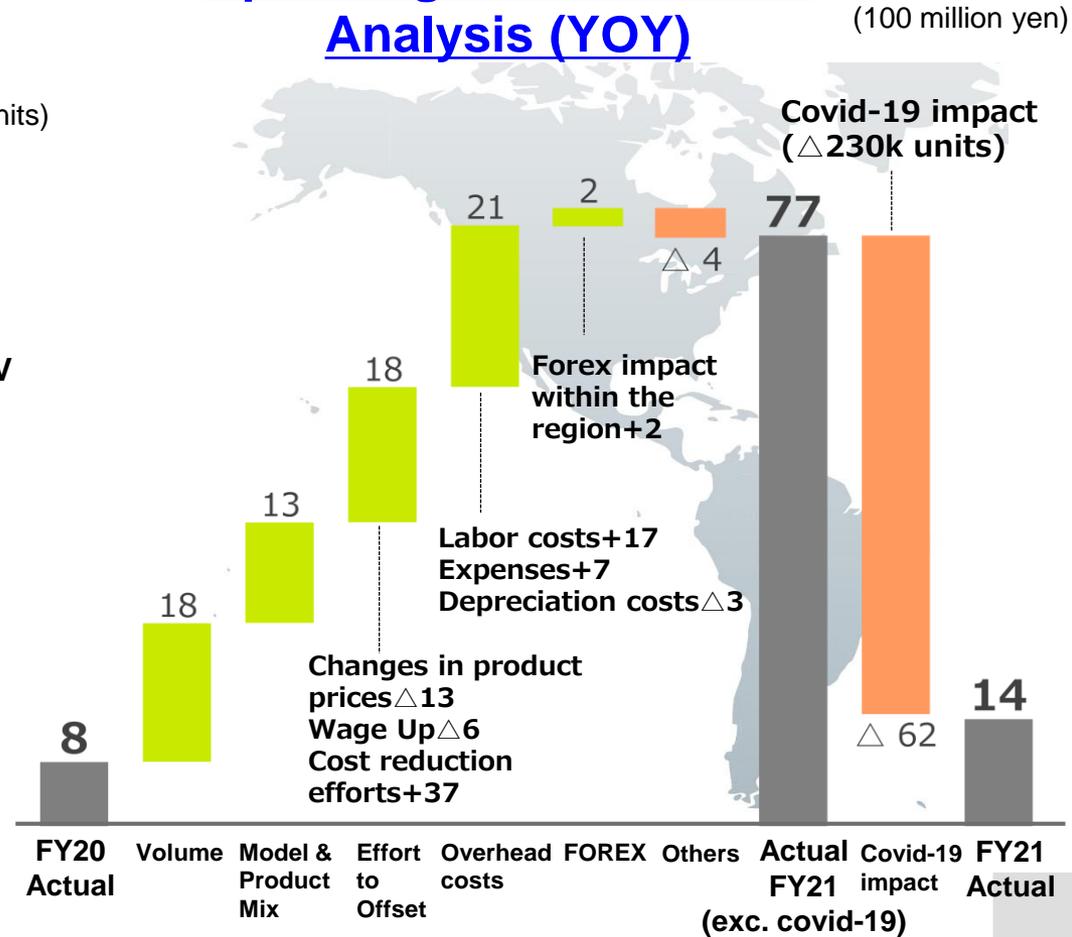
1-5) FY2021 Financial Results The Americas Revenue & Operating Profit

Profitability steadily recovered thanks to new product effects and improved overhead costs efficiency

Volume & Model Mix



Operating Profit Variance Analysis (YOY)



Profit & Loss (100 million yen)

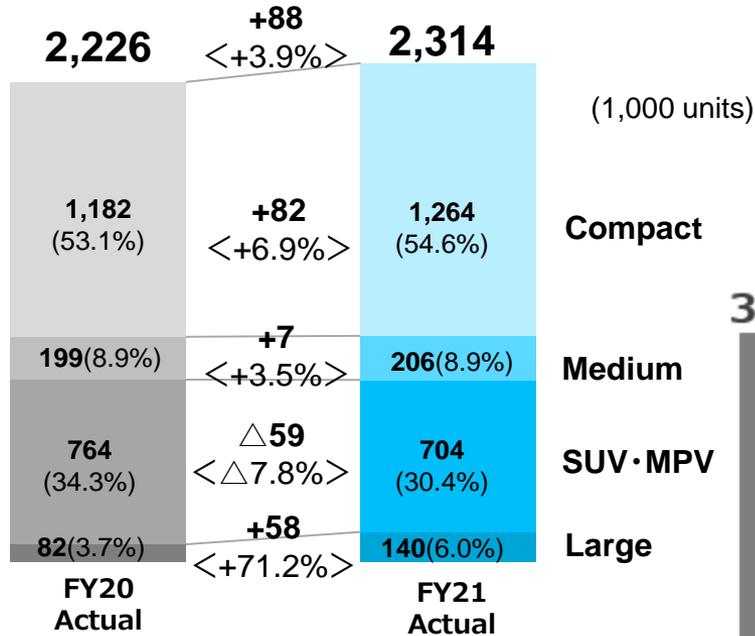
	FY20	FY21	YOY Change
Revenue	2,729	2,460	$\Delta 268$
Operating Profit	8	14	6
Operating Profit Ratio	0.3%	0.6%	-

- ◆ Next in the Americas,
- ◆ Volume decreased by 130k units to 1.09 million units year-over year.
- ◆ Sales revenue decreased by 26.8 billion yen to 246 billion yen.
- ◆ Operating profit increased by 600 million yen to 1.4 billion yen thanks to new product effects and improved overhead costs efficiency even though production dropped to a record low in the 1Q due to covid-19 impacts.

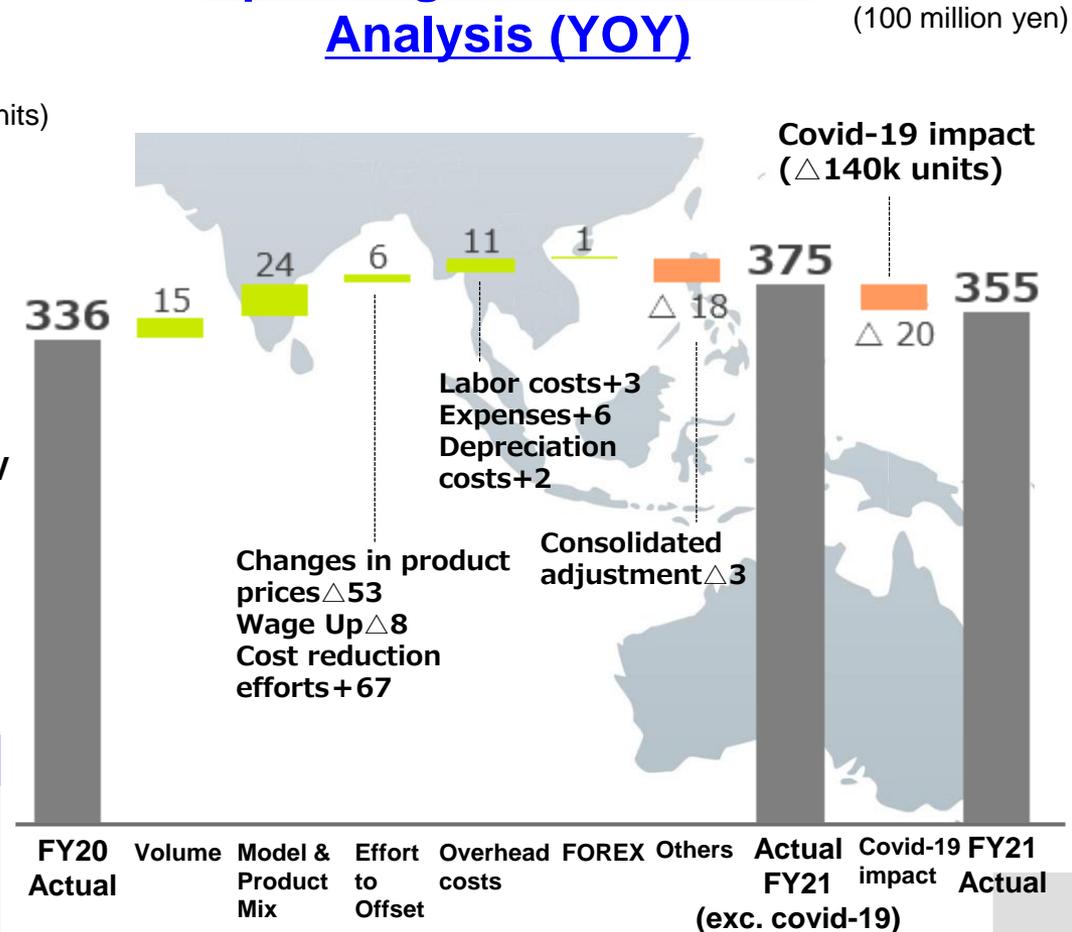
1-6) FY2021 Financial Results Asia & Oceania Revenue & Operating Profit

Profit increased due to new product effects in China and improved overhead costs efficiency, despite covid-19 impacts in ASEAN courtiers

Volume & Model Mix



Operating Profit Variance Analysis (YOY)



Profit & Loss

(100 million yen)

	FY20	FY21	YOY Change
Revenue	3,338	3,242	△ 96
Operating Profit	336	355	19
Operating Profit Ratio	10.1%	11.0%	-

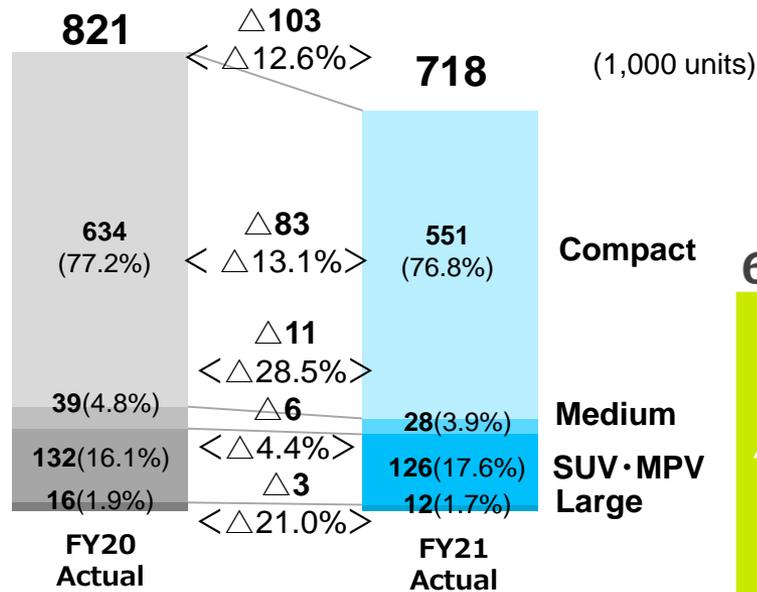
スクリプト

- ◆ Next, in Asia & Oceania region,
- ◆ Volume increased by 90k units to 2.31 million units year-over year due to volume increase in China despite lower volume in ASEAN countries and India.
- ◆ Sales revenue decreased by 9.6 billion yen to 324.2 billion yen.
- ◆ Operating profit increased by 1.9 billion yen to 35.5 billion yen thanks to new product effects in China and improved overhead costs efficiency despite covid-19 impacts in ASEAN countries.

1-7) FY2021 Financial Results Europe & Africa Revenue & Operating Profit

Profit decreased due to covid-19 impact mainly during 1Q, however profit increased due to improved overhead costs efficiency and foreign exchange impact excluding the impact

Volume & Model Mix

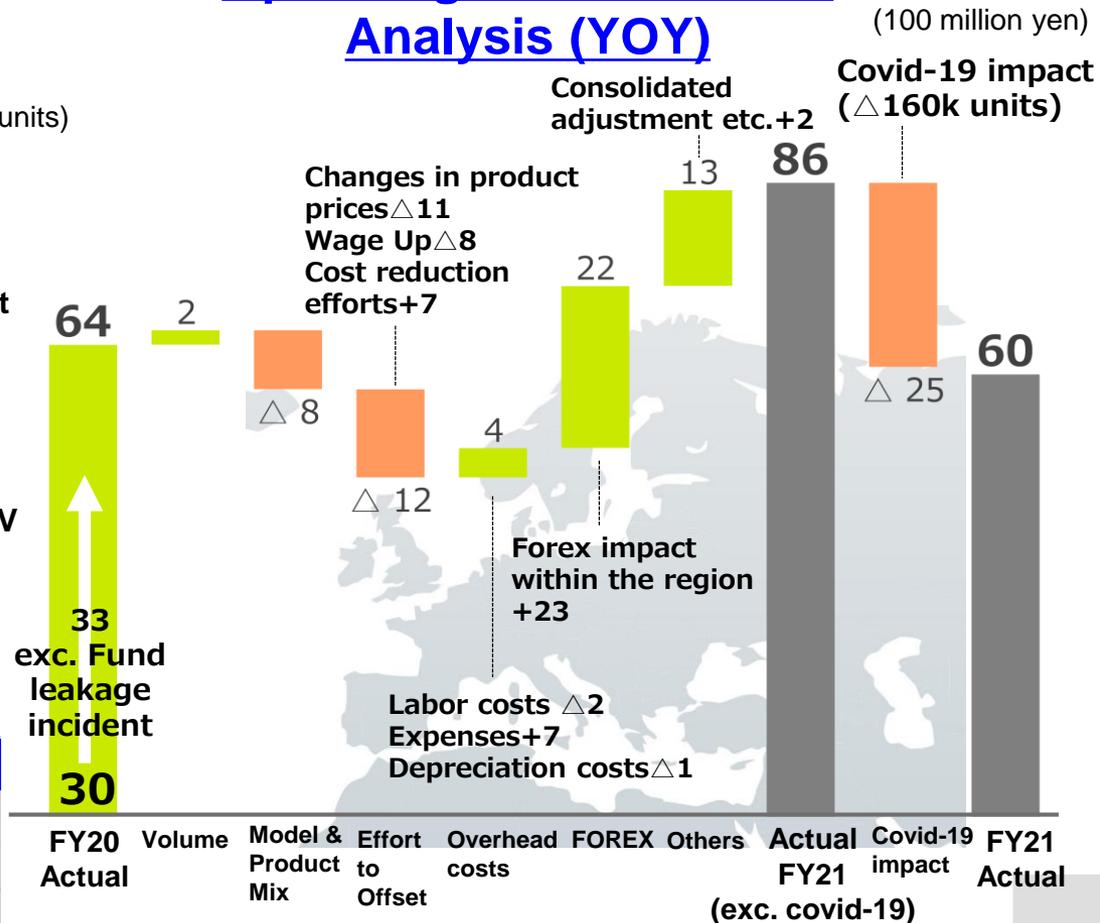


Profit & Loss

(100 million yen)

	FY20	FY21	YOY Change
Revenue	883	826	△ 57
Operating Profit	30	60	30
Operating Profit Ratio	3.4%	7.3%	—

Operating Profit Variance Analysis (YOY)



スクリプト

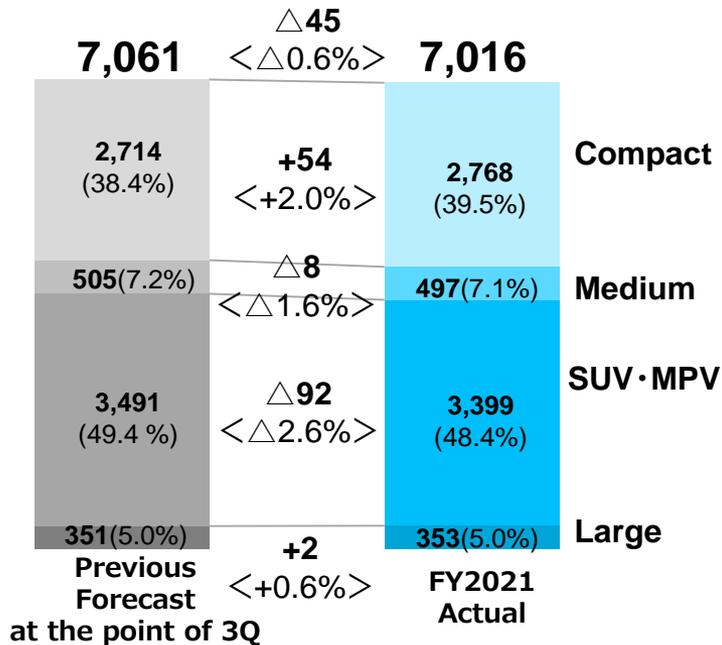
- ◆ Next in Europe & Africa region,
- ◆ Volume decreased by 100k units to 720k units year-over year.
- ◆ Sales revenue decreased by 5.7 billion yen to 82.6billion yen.
- ◆ Operating profit decreased due to covid-19 impact mainly during 1Q, however, profit increased excluding the impact because of improved overhead costs efficiency and foreign exchange impact.

1-8) FY2021 Financial Results Comparison with the Forecast released for 3Q

Profit increased thanks to additionally increased overhead cost efficiency and sales efforts

Volume & Model Mix

(1,000 units)



Operating Profit Variance Analysis

(100 million yen)

	3Q Released	FY21 Actual	diff.	contents
FY20 Actual	477	477	-	
Volume	$\Delta 170$	$\Delta 180$	$\Delta 10$	• Volume decline (impact of natural disaster, the cold wave)
Product mix	$\Delta 75$	$\Delta 25$	+50	• Change in mix • Sales efforts etc.
Cost reduction efforts	79	87	+8	
Improved overhead costs	121	140	+19	• Greater efficiency
FOREX	15	28	+13	• Impact of the recent yen depreciation
Others	23	44	+21	
FY21 Actual	470	571	101	

Profit & Loss

(100 million yen)

	3Q Forecast	FY21 Results	YOY Change
Revenue	12,800	12,721	$\Delta 79$
Operating Profit	470	571	101
Operating Profit Ratio	3.7%	4.5%	-

スクリプト

- ◆ Next, here is the comparison of operation profit of 47 billion yen released for 3Q and 57.1 billion yen, the result of this year.
- ◆ Profit increased thanks to positive impacts from change in mix and sales efforts in addition to profit securing measures such as further streamlined expenses while production declined in some regions due to the shutdown.
- ◆ The recent depreciation of the yen contributed to increase in profit as well.

Financial Results

1. FY2021 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	
Revenue	12,721	100.0%	14,000	100.0%	1,279	10.1%
Operating Profit	571	4.5%	720	5.1%	149	26.1%
Profit before income taxes	573	4.5%	730	5.2%	157	27.3%
Profit*	311	2.5%	470	3.4%	159	50.7%

*Profit Attributable to Owners of the Parent

Earnings per share		166.93 yen	251.54 yen	84.61 yen
Exchange Rate	USD	106 yen	105 yen	△1 yen
	EUR	124 yen	125 yen	+1 yen

Revenue

- Higher revenue due to globally recovering demand despite risks such as short parts supply and covid-19

Operating Profit

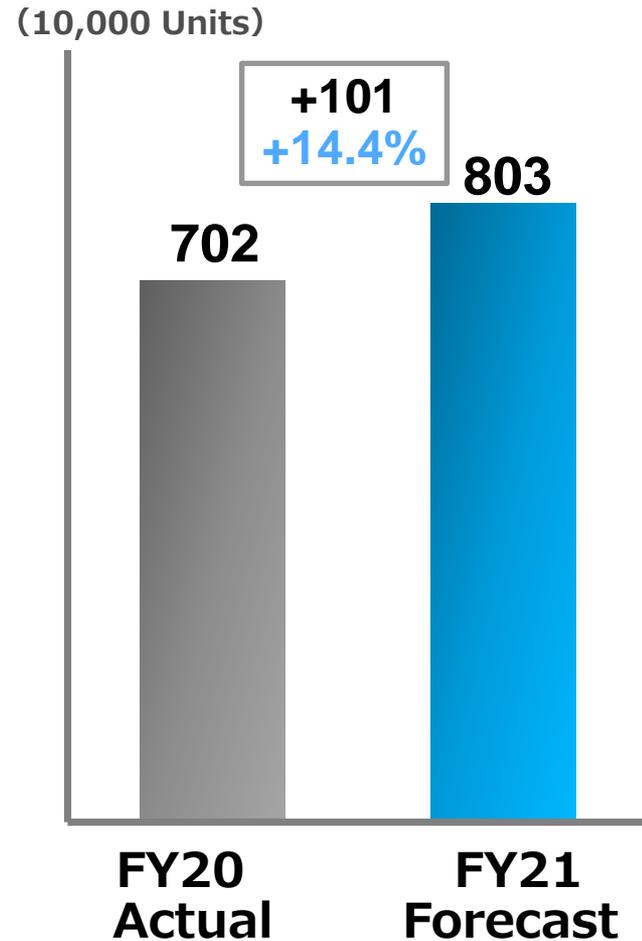
- Higher profits due to increased production, model change, and new product effects while implementing upfront investments aimed at future growth

スクリプト

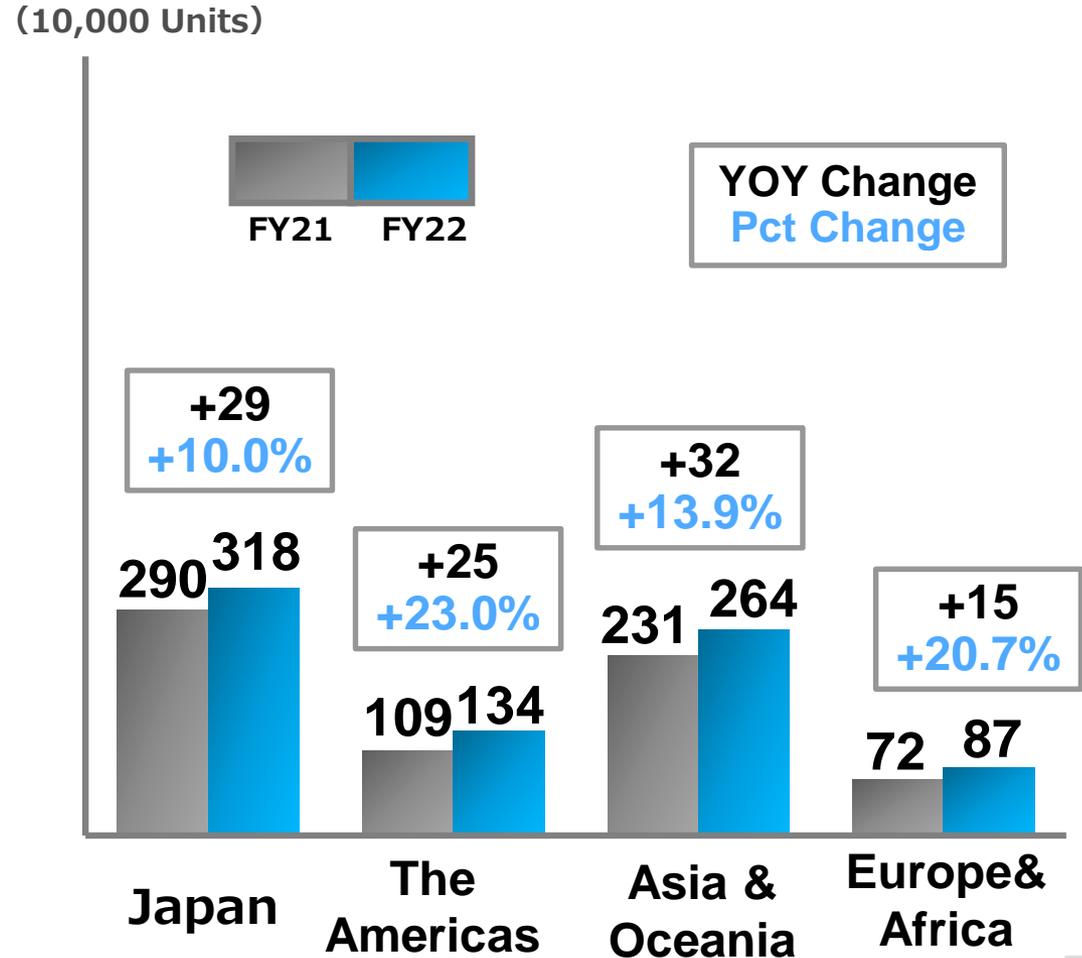
- ◆ Sales revenue will increase by 127.9 billion yen to 1.4 trillion yen.
- ◆ Operating profit is prospected to increase by 14.9 billion yen to 72 billion yen year-over-year.
- ◆ Profit before income taxes is to increase by 15.7 billion yen to 73 billion yen.
- ◆ Profit attributable to owners of the parent is to increase by 15.9 billion yen to 47 billion yen.
- ◆ Assumed exchange rates are approximately 105 yen to the U.S. dollar, and 125 yen to the euro.

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

Total



By Region

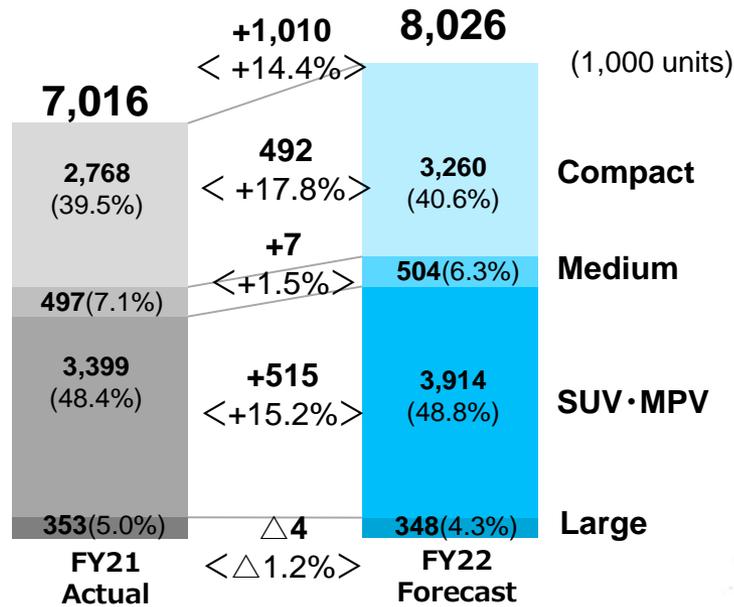


- ◆ As for consolidated assembly volume, it will be 8.03 million units, increased by 1.01 million units compared to the previous year.
- ◆ Seat assembly volume by region is as shown. This will be explained in detail in later slides.

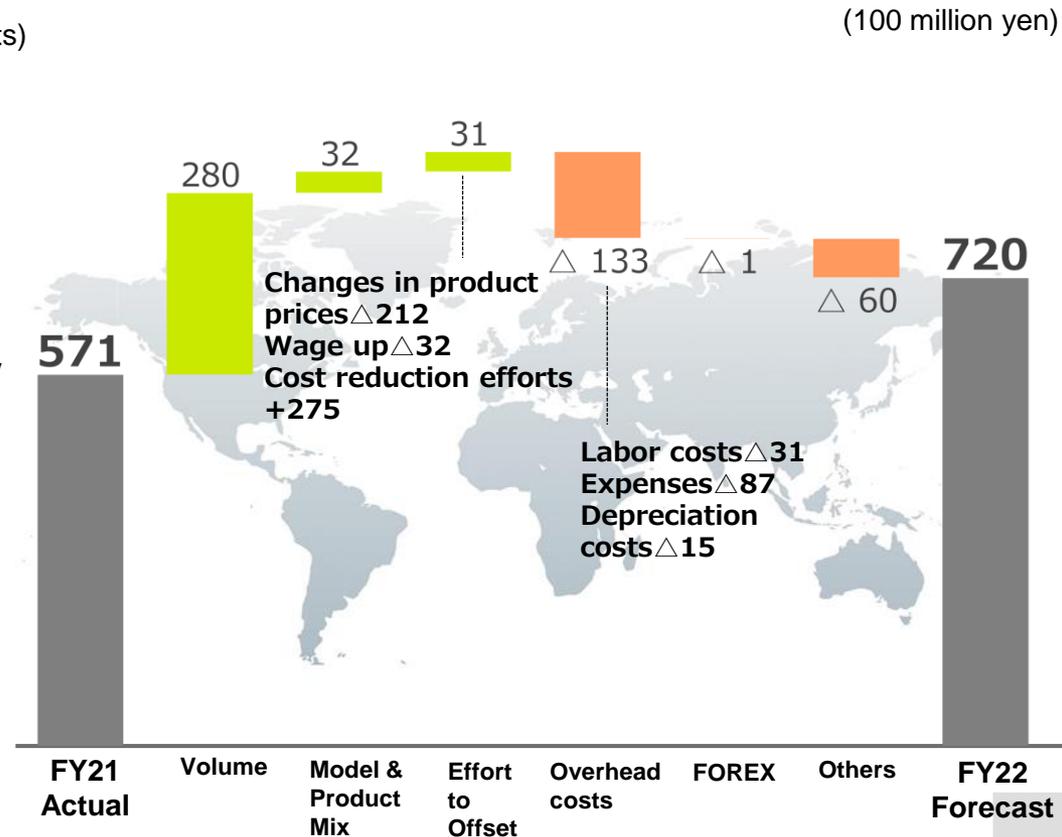
2-3) FY2022 Financial Forecasts Consolidated Revenue & Operating Profit

Higher profit mainly due to new product effects in Japan and China in addition to increased volume while implementing upfront investments aimed at future growth

Volume & Model Mix



Operating Profit Variance Analysis (YOY)



Profit & Loss (100 million yen)

	FY21 Actual	FY22 Forecast	YOY Change
Revenue	12,721	14,000	1,279
Operating Profit	571	720	149
Operating Profit Ratio	4.5%	5.1%	-

スクリプト

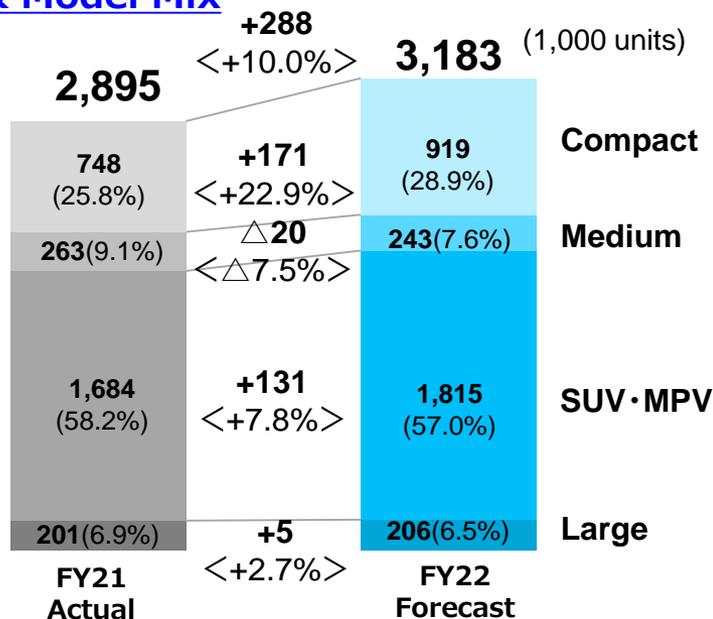
- ◆ Next, let me explain consolidated revenue & operating profit.
- ◆ Regarding Volume & Model Mix, volume increase is expected in every segments except large, therefore it will be 8.03 million units increased by 1.01 million units year-over-year.
- ◆ Sales revenue will be increased by 127.9 billion yen to 1.4 trillion yen.
- ◆ Operating profit will be 72 billion yen, increased by 14.9 billion yen thanks to impacts from globally increased production and new product effects in Japan and China while implementing upfront investments aimed at future growth. Therefore, we believe our ability to earn is being reinforced steadily.

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 upfront investments

Volume & Model Mix



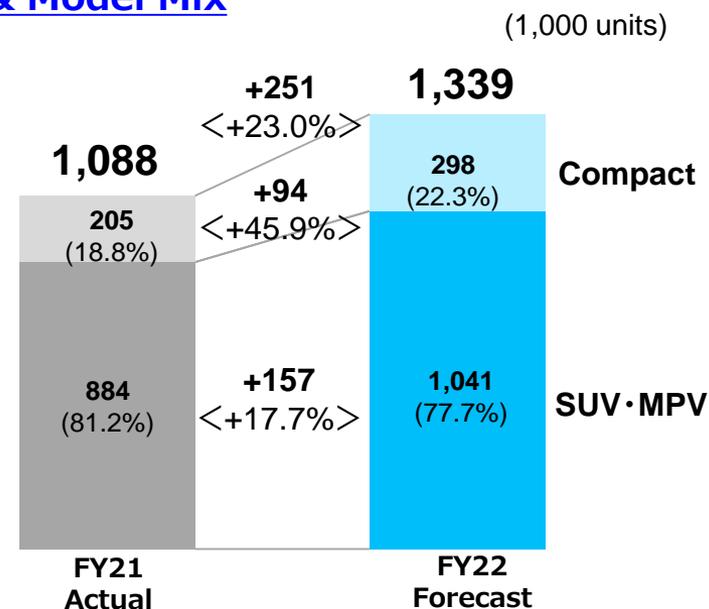
Profit & Loss

	FY21 Actual	FY22 Forecast	YOY Change
Revenue	6,996	7,600	604
Operating Profit	140	175	35
Operating Profit Ratio	2.0%	2.3%	-

The Americas

Higher profit due to volume increase and elimination of temporary inefficiency from model changes

Volume & Model Mix



Profit & Loss

	FY21 Actual	FY22 Forecast	YOY Change
Revenue	2,460	2,800	340
Operating Profit	14	120	106
Operating Profit Ratio	0.6%	4.3%	-

スクリプト

- ◆ Next, let me explain financial forecast by regions.

First, regarding Japan,

Volume will increase by 290k units to 3.18 million units year-over year.

- ◆ Sales revenue will increase by 60.4 billion yen to 760 billion yen.
- ◆ Operating profit, is prospected to increase by 3.5 billion yen to 17.5 billion yen due to increased volume and new product effects despite negative impacts of upfront investments.

- ◆ Next, The Americas,

Volume will increase by 250k units to 1.34 million units year-over year.

- ◆ Sales revenue will increase by 34 billion yen to 280 billion yen.
- ◆ Operating profit, is prospected to increase by 10.6 billion yen to 12 billion yen due to impacts of volume increase and elimination of temporary inefficiency from model changes.

2-4) FY2021 Financial Forecasts Revenue & Operating Profit by Region

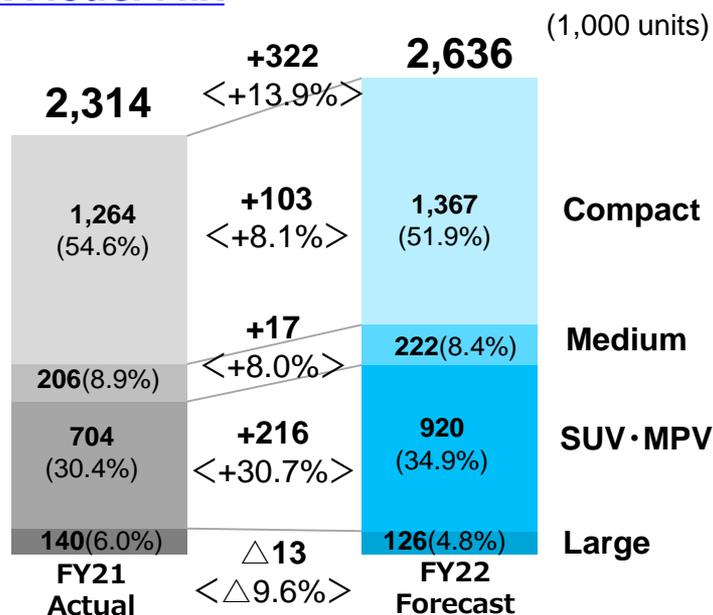
Asia & Oceania

Higher profit thanks to volume increase
And new products effects in China

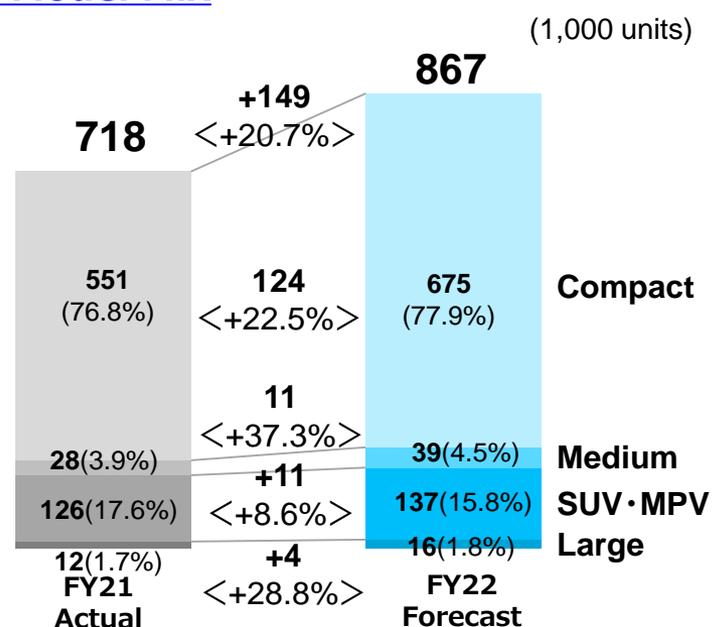
Europe & Africa

Profit is about to be the same level due to
higher volume despite negative impacts
from increase in overhead costs

Volume & Model Mix



Volume & Model Mix



Profit & Loss

(100 million yen)

	FY21 Actual	FY22 Forecast	YOY Change
Revenue	3,242	3,600	358
Operating Profit	355	365	10
Operating Profit Ratio	11.0%	10.1%	-

Profit & Loss

(100 million yen)

	FY21 Actual	FY22 Forecast	YOY Change
Revenue	826	900	74
Operating Profit	60	60	0
Operating Profit Ratio	7.3%	6.7%	-

スクリプト

- ◆ Next, in Asia & Oceania,
 - ◆ Volume will increase by 320k units to 2.64 million units year-over year.
 - ◆ Sales revenue will increase by 35.8 billion yen to 360 billion yen.
 - ◆ Operating profit, is prospected to increase by 1 billion yen to 36.5 billion yen thanks to the impacts from volume increase and new products effects in China.

- ◆ Next, in Europe & Africa,
 - ◆ Volume will increase by 150k units to 870k units year-over year.
 - ◆ Sales revenue will increase by 7.4 billion yen to 90 billion yen.
 - ◆ Operating profit, is 6 billion yen, about to be the same level as the previous year due to higher volume despite negative impacts from increase in overhead costs

2-5) FY2022 Financial Forecasts by Half Year

Revenue

(100 million yen)

	FY2022		
	1 st Half	2 nd Half	Full Year
Japan	3,700	3,900	7,600
The Americas	1,400	1,400	2,800
Asia & Oceania	1,600	2,000	3,600
Europe & Africa	400	500	900
Consolidated Total	6,700	7,300	14,000

Operating Profit

(100 million yen)

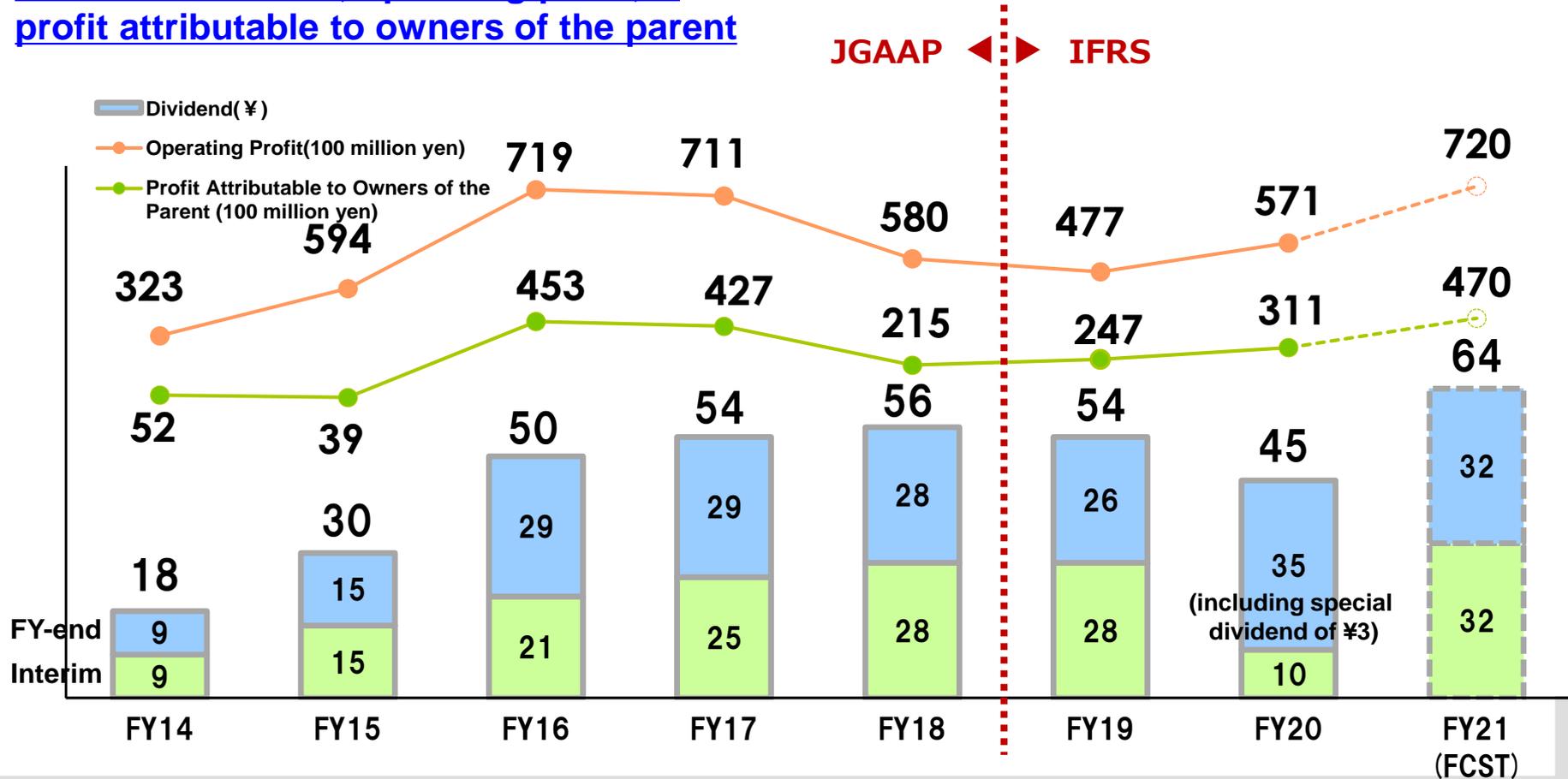
	FY2022					
	1 st Half		2 nd Half		Full Year	
Japan	60	1.6%	115	2.9%	175	2.3%
The Americas	60	4.3%	60	4.3%	120	4.3%
Asia & Oceania	165	10.3%	200	10.0%	365	10.1%
Europe & Africa	15	3.8%	45	9.0%	60	6.7%
Consolidated Total	300	4.5%	420	5.8%	720	5.1%

◆ Financial Forecasts by Half Year is as shown.

2-6) FY2022 Financial Forecasts Returning to Shareholders

- For FY21, the annual amount of dividends will be ¥45 including special dividend of ¥3 to return profits to shareholders
- For FY22, we plan to increase our annual dividends by ¥19 to ¥64 compared to FY20

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



- ◆ Next, on returning to shareholders,
For FY21, the annual amount of dividends will be ¥45 including special dividend of ¥3 to return profits to shareholders.
- ◆ For FY22, we plan to increase our annual dividends by ¥19 to ¥64 compared to FY20.

2-7) Concluding FY2021 Financial Results

【FY21 1st Half】

Profits secured by enhancing ability to earn such as **Quit, Reduce, Change activity, increased overhead costs efficiency as working remotely** in addition to **flexibly responding to demand fluctuation at the production site** under lower production

【FY21 2nd Half】

The **highest profit ever on a half-year basis** reaped the **maximum benefits thanks to continuous profit securing measures** along with sales efforts

【FY22】

To aim for sustainable growth by **steadily implementing priority actions for 2025 Business Plan** as well as **strengthening ability to earn**, for instance, making up **increase in overhead costs** of emergency response from the previous year by **new product effects**

スクリプト

- ◆ Lastly, I'd like to conclude FY2021 Financial Results.
- ◆ In the 1st half, we secured profits by enhancing ability to earn such as Quit, Reduce, Change activity, increased overhead costs efficiency as working remotely in addition to flexibly responding to demand fluctuation at the production site under lower production.
- ◆ On the other hand, in the 2nd half, we achieved the highest profit ever on a half-year basis, reaped the maximum benefits thanks to continuous profit securing measures along with one-time income.
- ◆ For 2022, we aim for sustainable growth by steadily implementing priority actions for 2025 Business Plan as well as strengthening ability to earn, for instance, making up increase in overhead costs of emergency response from the previous year by new product effects.
- ◆ That would be all for financial results of the fiscal year 2021.
Thank you for listening.

Financial Results

1. FY2021 Financial Results

2. FY2022 Financial Forecasts

3. Appendix

Appendix1) Status of the Consolidated Statement of Financial Position (Mar.31, 2021)

○ : Compared to the previous year (billion yen)

Current assets

457.5 billion yen

506.8 billion yen

- Increase in operating receivables due to recovery from lower volume

+49.3

Liabilities

459.0 billion yen

476.1 billion yen

- funding to deal with covid-19 outbreak
- Increase in operating payables due to recovery from low volume

+17.1

Assets

845.7 billion yen
(+780.7 billion yen from the previous year)

+47.9

Equity

321.7 billion yen

369.6 billion yen

Total equity attribute to owners of the parent

37.3%

39.6%

Non-current assets

323.1 billion yen

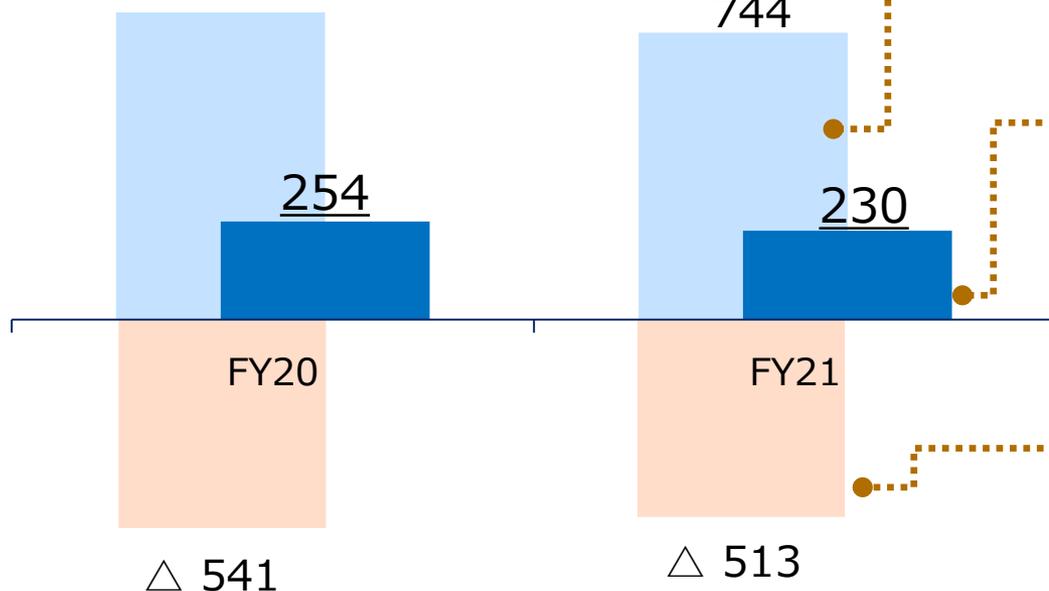
338.9 billion yen

- Increase in property, plant and equipment due to the construction of global mainstay hub

+15.7

Appendix2) Consolidated Cash Flows

(100 million yen) 796



Cash flows from operating activities:
 \triangle 5.1 billion yen year-on-year

Free cash flows: \triangle 2.4 billion yen year-on-year

Major factors

- Expenses for acquisition of property, plant and equipment etc.

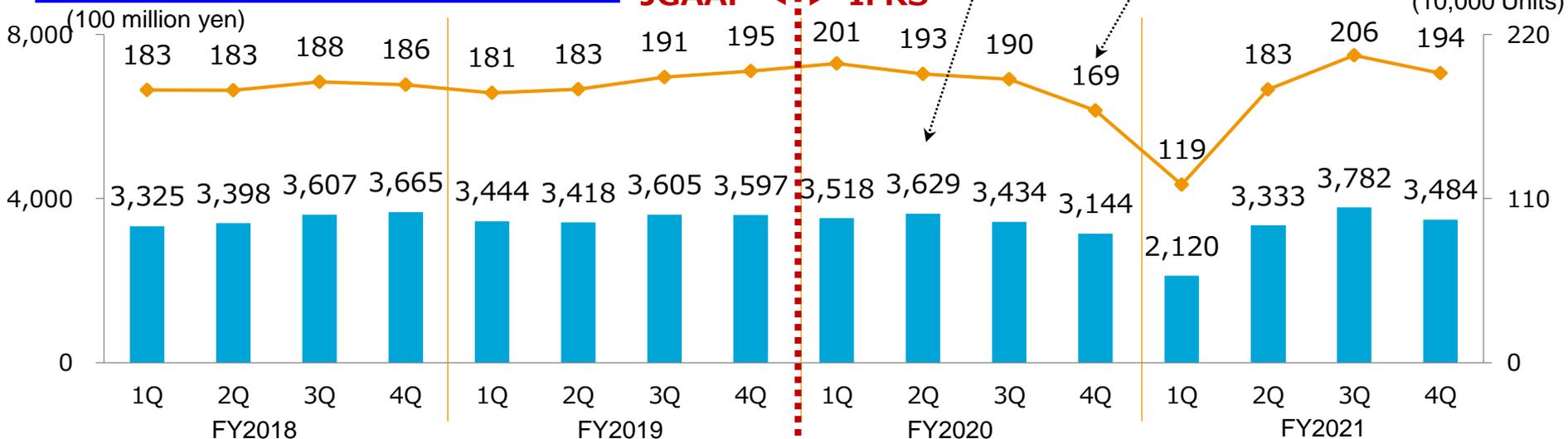
Cash flows from investing activities:
 +2.7 billion yen year-on-year

(100 million yen)

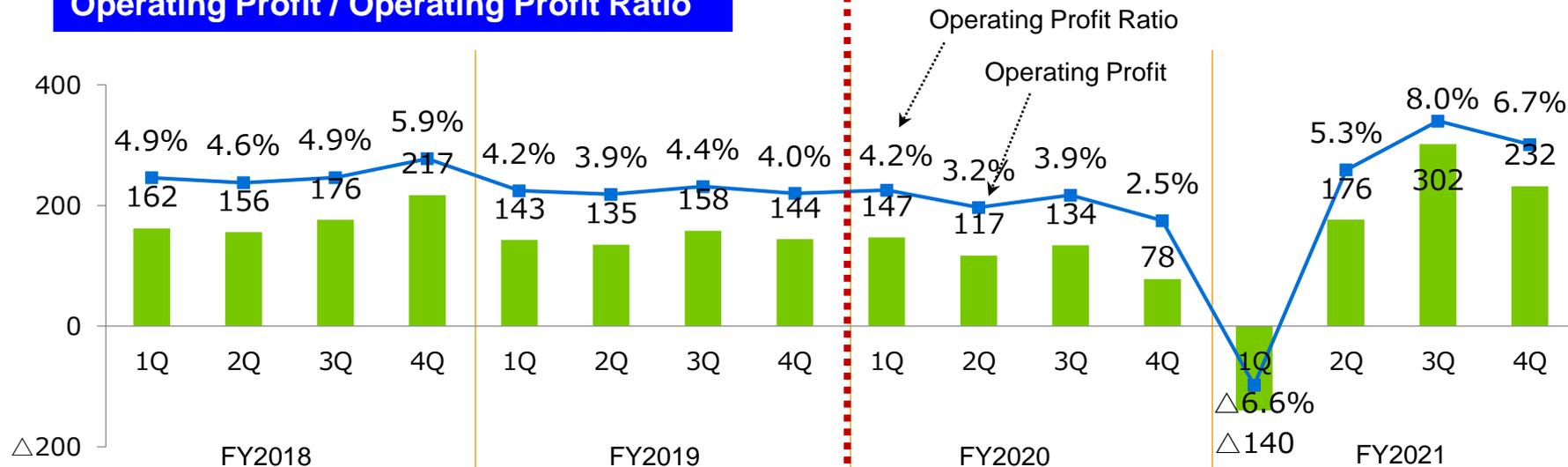
	FY20	FY21	Change
Cash flows from operating activities	796	744	\triangle 51
Cash flows from investing activities	\triangle 541	\triangle 513	27
Free cash flows	254	230	\triangle 24
Cash flows from financial activities	\triangle 139	27	167
Impact of foreign exchange	\triangle 63	59	123
Change in cash and cash equivalents	51	318	266
Balance of cash and cash equivalents	1,633	1,951	318

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

Seat Assembly Production / Revenue

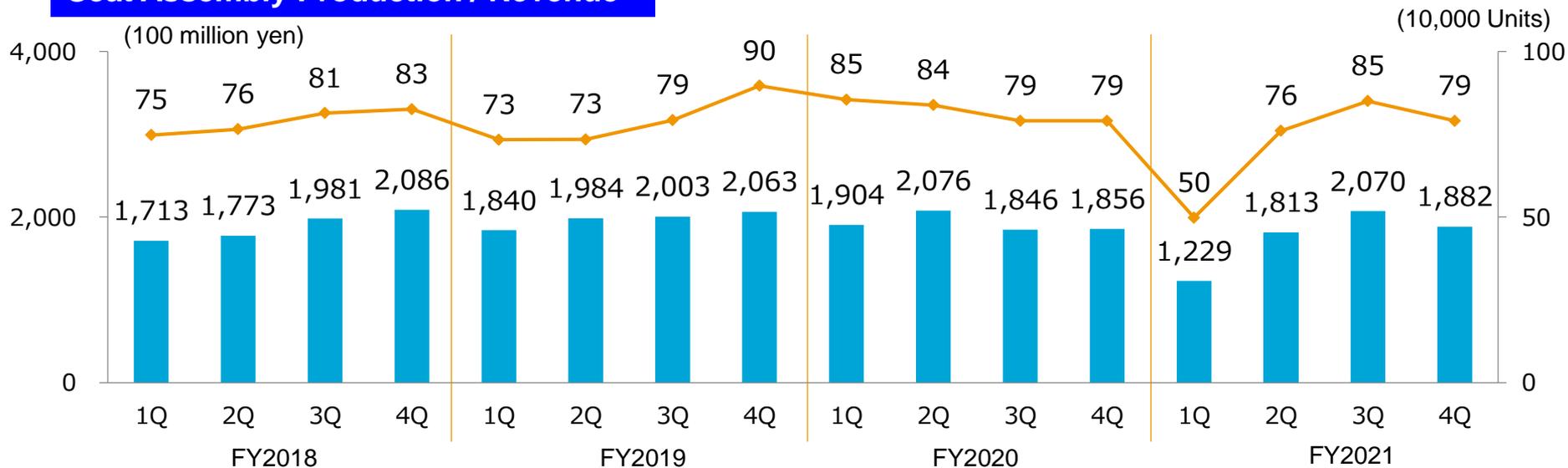


Operating Profit / Operating Profit Ratio

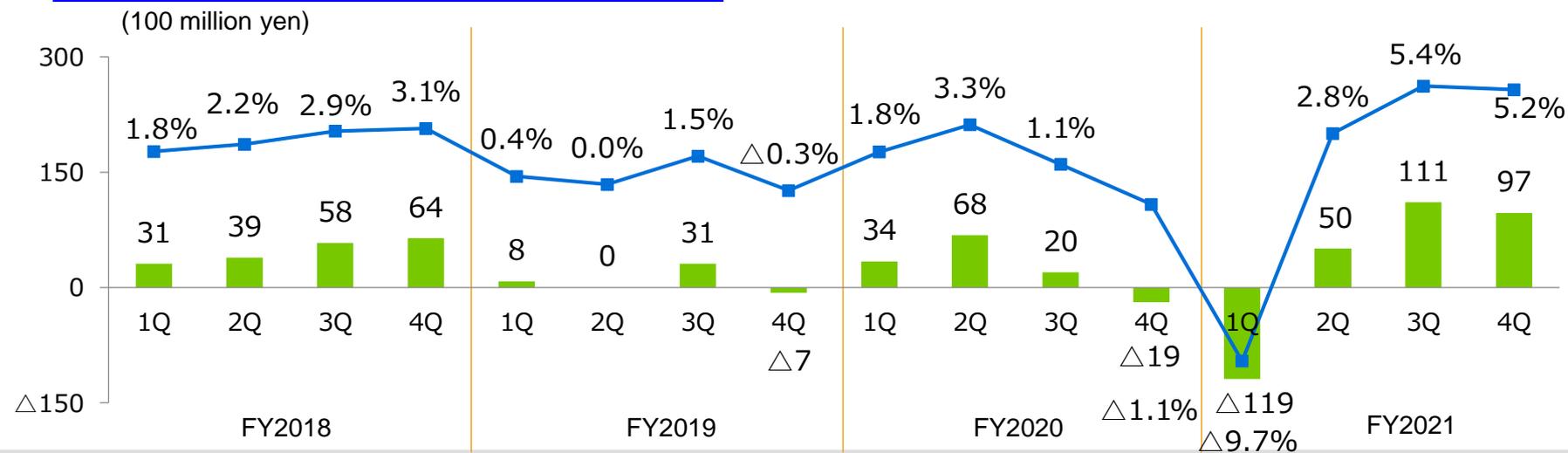


Appendix4) Quarterly Trends: Japan volume, revenue, operating profit, operating profit ratio

Seat Assembly Production / Revenue

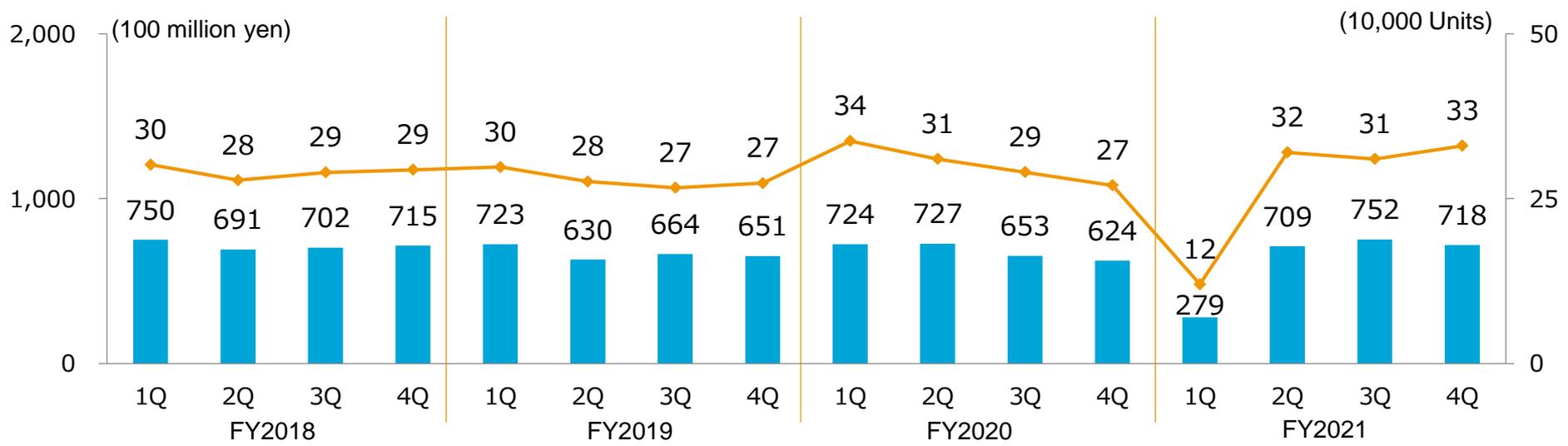


Operating Profit / Operating Profit Ratio

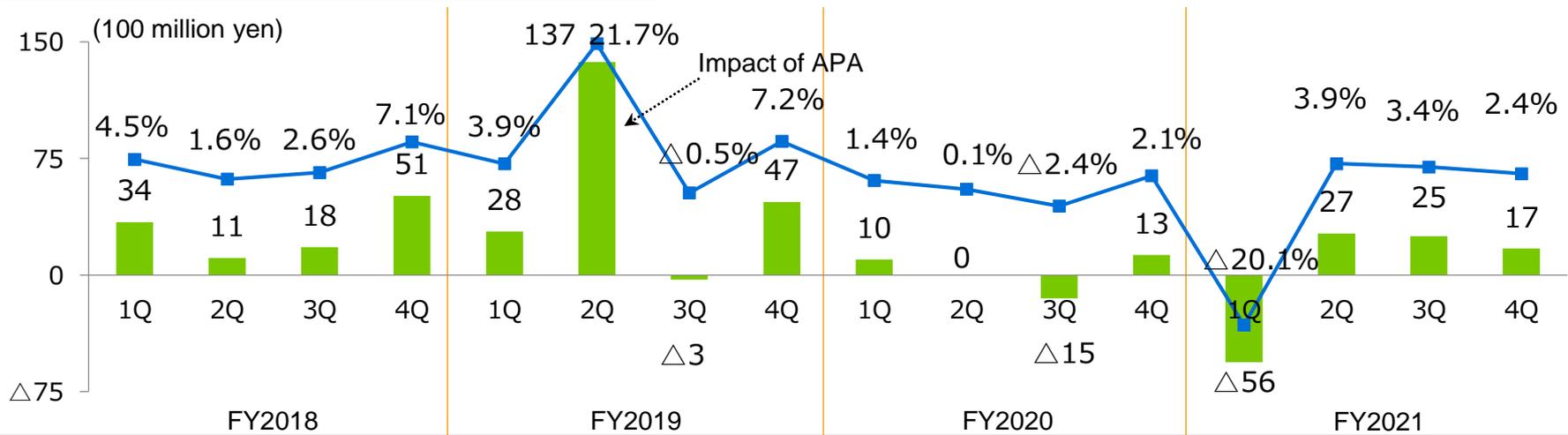


Appendix5) Quarterly Trends: The Americas volume, revenue, operating profit, operating profit ratio

Seat Assembly Production / Revenue

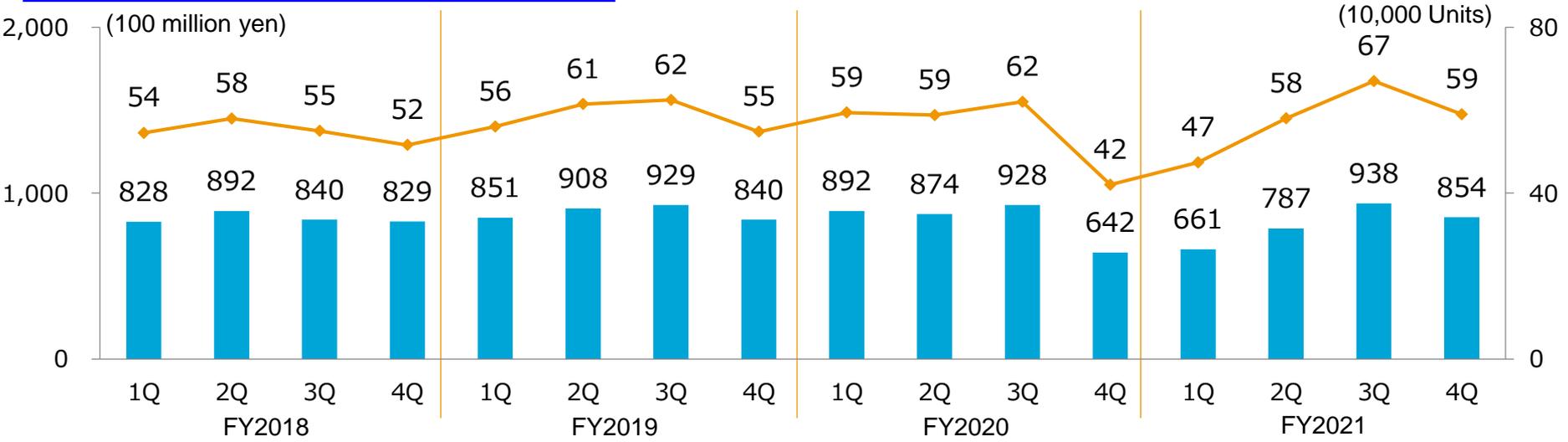


Operating Profit / Operating Profit Ratio

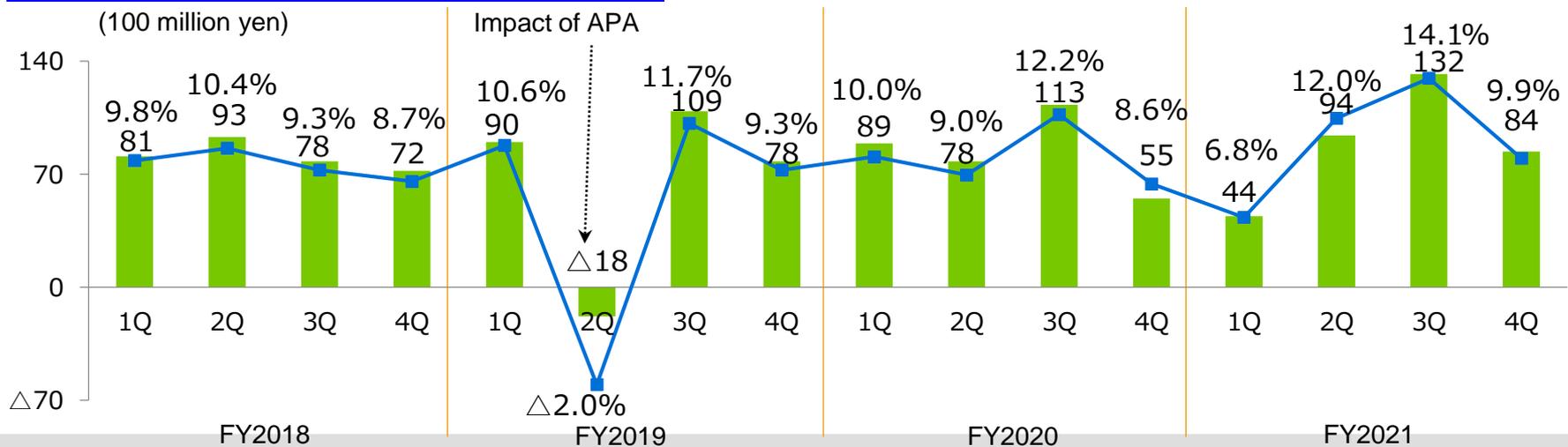


Appendix6) Quarterly Trends: Asia & Oceania volume, revenue, operating profit, operating profit ratio

Seat Assembly Production / Revenue

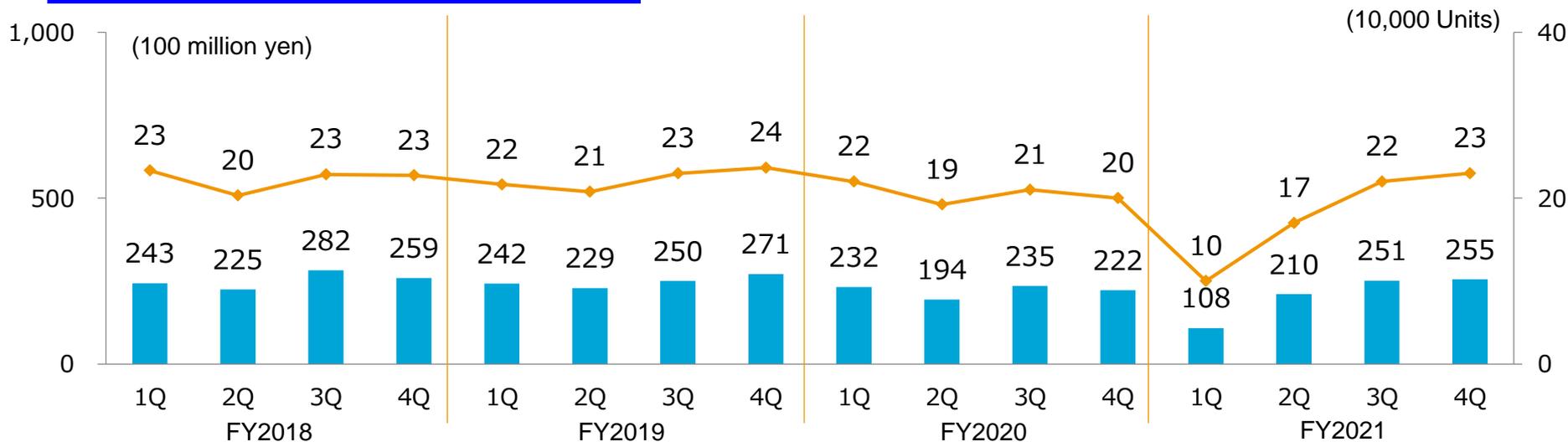


Operating Profit / Operating Profit Ratio

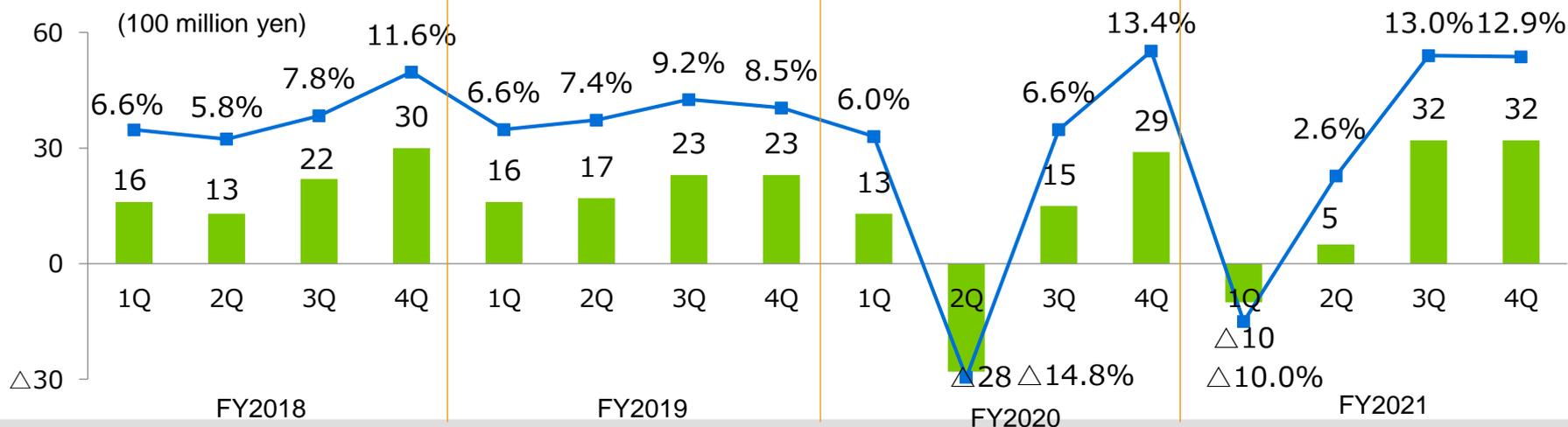


Appendix7) Quarterly Trends: Europe & Africa volume, revenue, operating profit, operating profit ratio

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