



**TOYOTA BOSHOKU**

**TSE 1<sup>st</sup> Section Securities Code 3116**

**FY2022 (ending March 2022)**

**1st Quarter**

**Financial Results**

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**Date: July 30, 2021**

# Financial Results

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

# Financial Results

## 1. 1st Quarter FY2022 Financial Results

## 2. FY2022 Financial Forecasts

## 3. Appendix

# Script

- ◆ Hello, this is Ito.
- ◆ Thank you for attending our FY2022 1<sup>st</sup> quarter financial results briefing during a busy time today.
- ◆ Firstly, I would like to explain the Financial Results for the 1<sup>st</sup> quarter of the fiscal year 2022, then the full year forecasts.
- ◆ For your information, results for China and Asia&Oceania region are shown respectively from this quarter.
- ◆ Now, I'd like to start by looking at our financial results for the 1<sup>st</sup> quarter.

# 1-1) 1st Quarter FY2022 Financial Results Overview of Consolidated Financial Results

(100 million yen)

	Q1 FY2021		Q1 FY2022		YOY Change	
Revenue	2,120	100.0%	3,542	100.0%	1,421	67.0%
Operating Profit	△140	△6.6%	177	5.0%	318	—
Profit before income taxes	△151	△7.1%	194	5.5%	346	—
Profit*	△182	△8.6%	121	3.4%	304	—

\*Profit Attributable to Owners of the Parent

Earnings per share		△97.68 yen	65.27 yen	
Exchange Rate	USD	108 yen	109 yen	+1 yen
	EUR	118 yen	132 yen	+14 yen

## Revenue

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

## Operating Profit

Highest profit ever in first quarters since our ability to earn has increased thanks to new product effects and efficient implementation of overhead budget

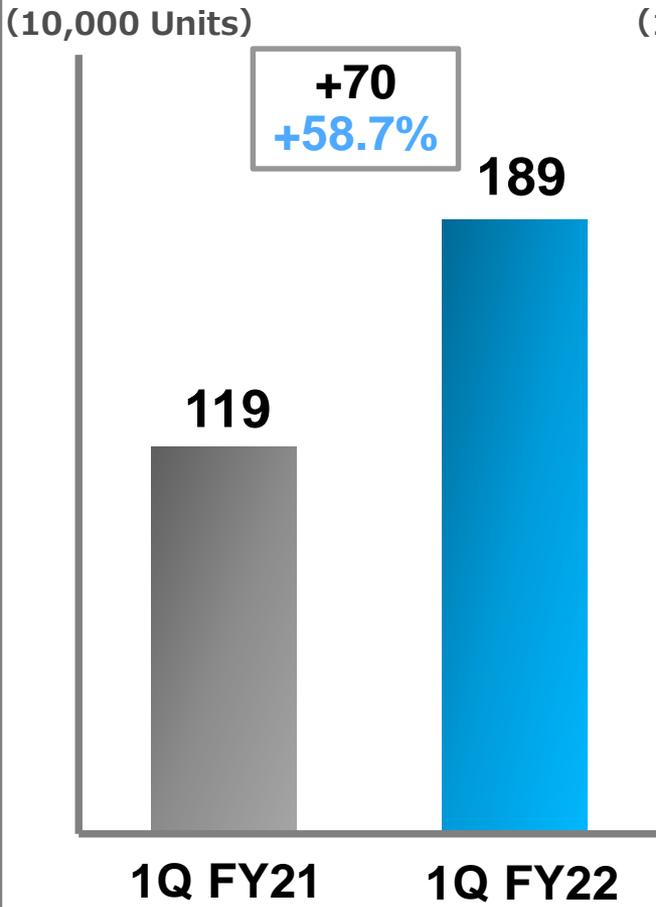
# Script

- ◆ Sales revenue increased by 142.1 billion yen to 354.2 billion yen.
- ◆ Operating profit increased by 31.8 billion yen to 17.7 billion yen year-over-year.
- ◆ Profit before income taxes increased by 34.6 billion yen to 19.4 billion yen.
- ◆ Profit attributable to owners of the parent increased 30.4 billion yen to 12.1 billion yen.
- ◆ Assumed exchange rates are approximately 109 yen to the U.S. dollar, 132 yen to the euro.

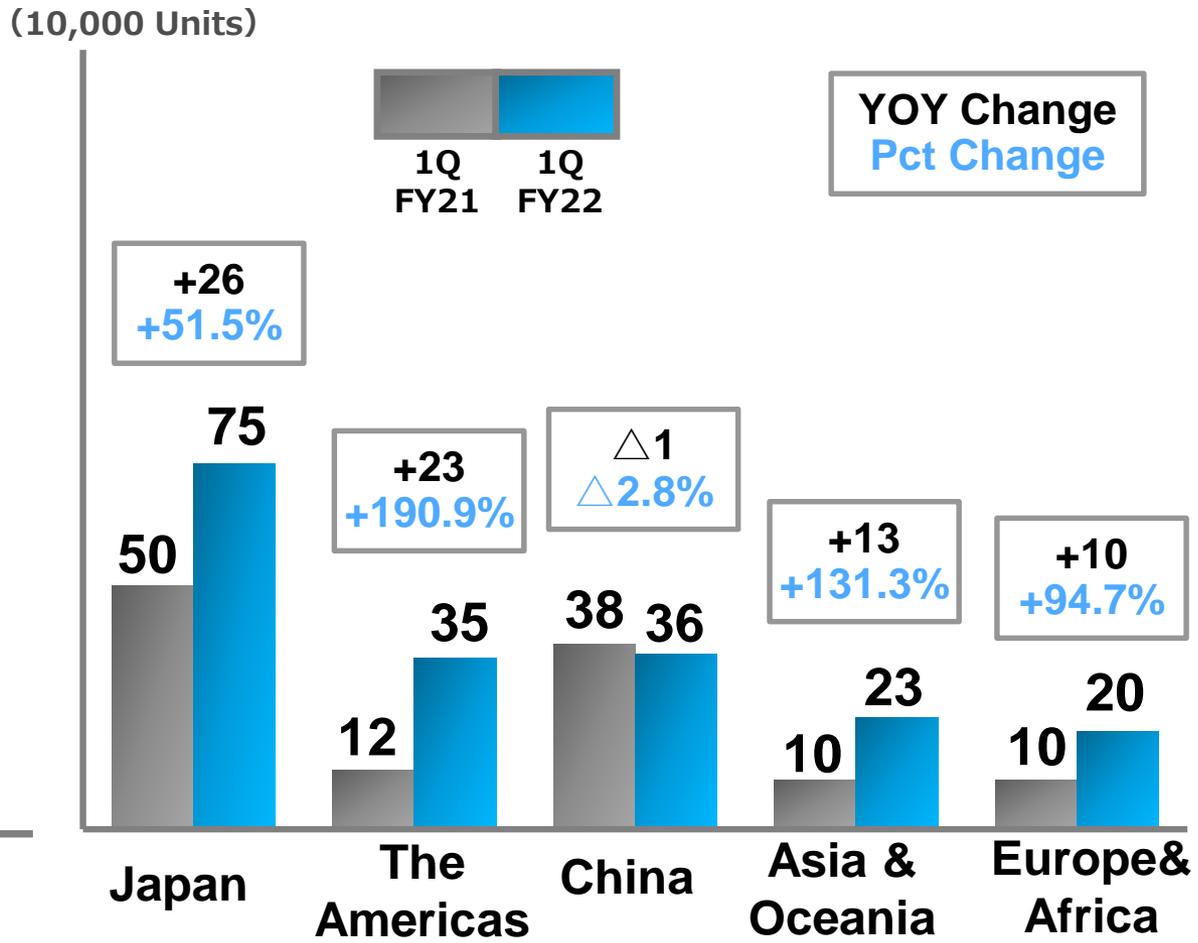
There are exchange gain of 9.4 billion yen for sales, 700 million yen for operating profit year-over-year.

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

## Total



## By Region



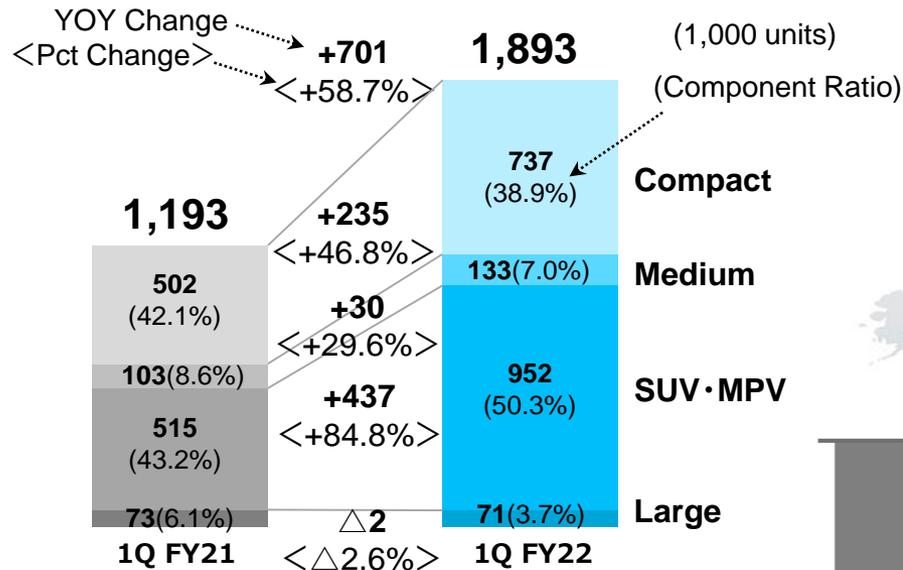
# Script

- ◆ Next, consolidated seat assembly volume, the main product of the company, totaled 1.89 million units, increased by 700k units compared to the previous year.
- ◆ Seat assembly volume by region is as shown. This will be explained in detail in later slides.

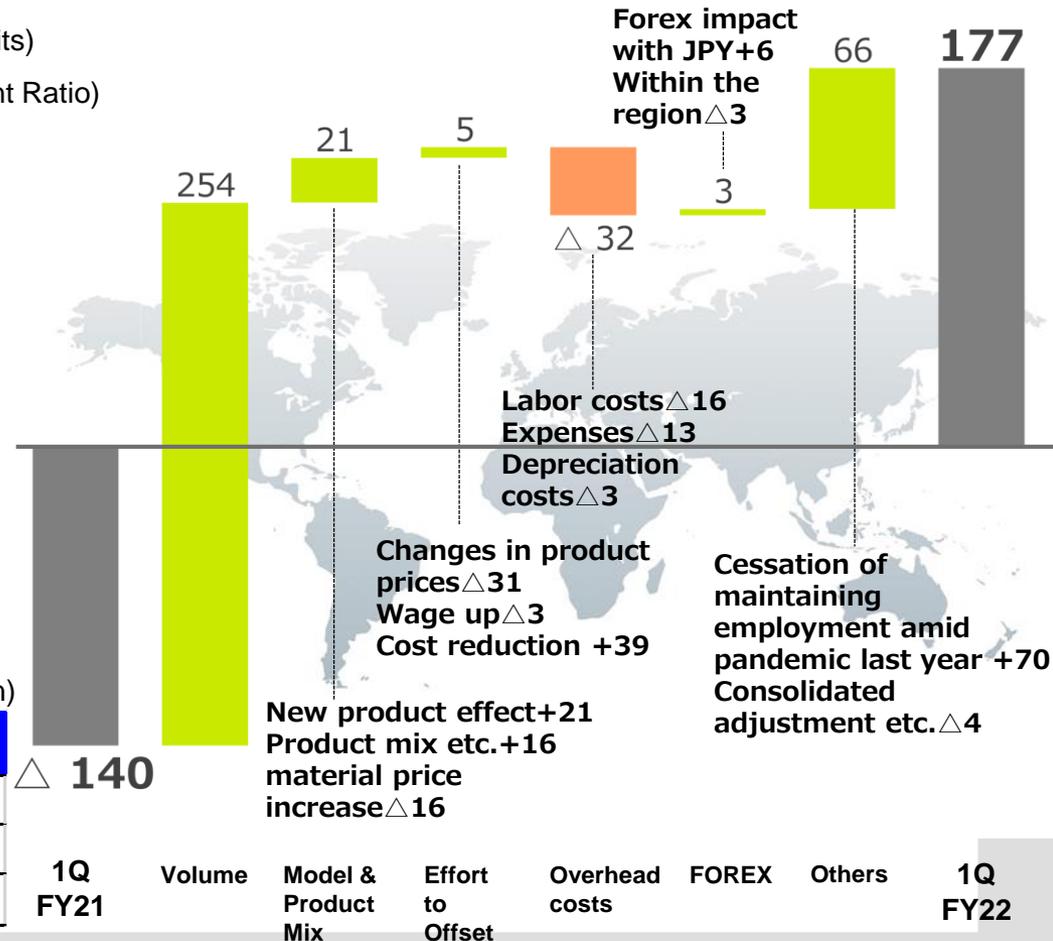
# 1-3) 1st Quarter FY2022 Financial Results Consolidated Revenue & Operating Profit

Profit increased due to higher production volume as demand recovered from covid-19 last year besides new product effects despite negative effects of material price increase (100 million yen)

## Volume & Model Mix



## Operating Profit Variance Analysis



## Profit & Loss

	1Q FY21	1Q FY22	YOY Change
Revenue	2,120	3,542	1,421
Operating Profit	Δ 140	177	318
Operating Profit Ratio	Δ 6.6%	5.0%	-

# Script

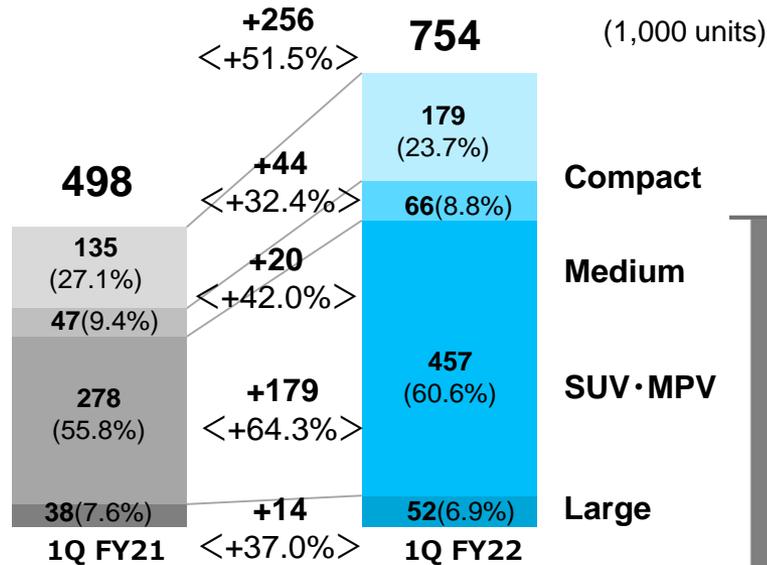
- ◆ Next, let me move on to consolidated revenue & operating profit.
- ◆ Volume increased 701k units to 1.89 million units.
- ◆ Sales revenue increased by 142.1 billion yen to 354.2 billion yen.
- ◆ Operating profit increased by 31.8 billion yen to 17.7 billion yen by absorbing increased production effects based on lean production system established during pandemic last year as well as minimizing launch loss and profit increasing activities despite negative impacts such as increase in material price.

# 1-3) 1st Quarter FY2022 Financial Results Japan Revenue & Operating Profit

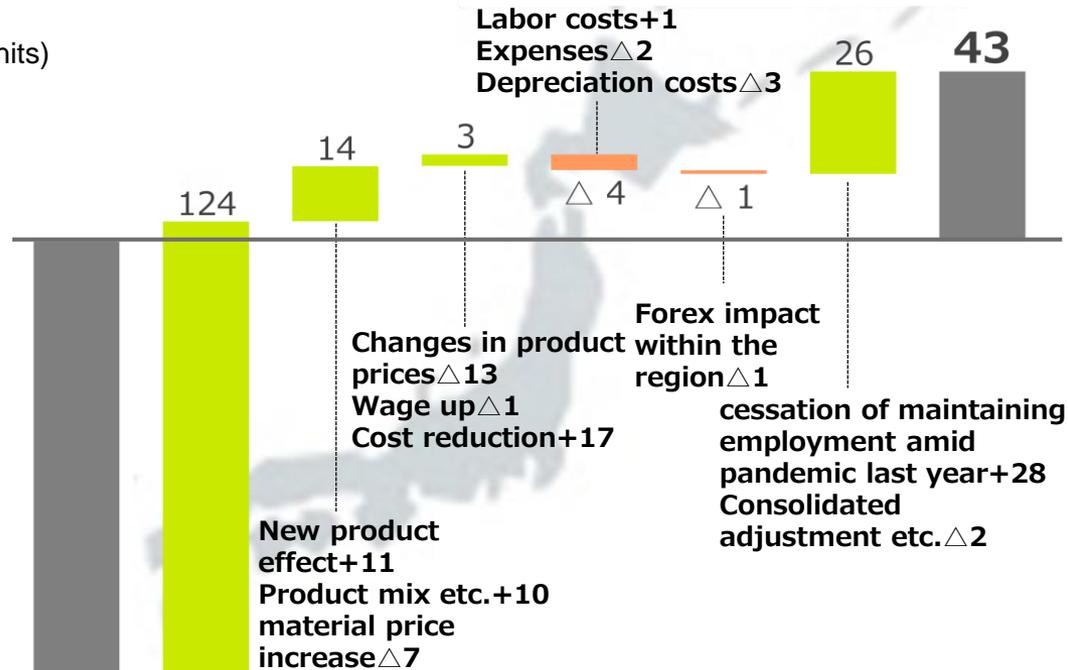
Profit increased due to higher volume as demand recovered from covid-19 last year besides new product effects despite of material price increase

(100 million yen)

## Volume & Model Mix



## Operating Profit Variance Analysis



## Profit & Loss

(100 million yen)

	1Q FY21	1Q FY22	YOY Change
Revenue	1,229	1,885	655
Operating Profit	$\Delta$ 119	43	162
Operating Profit Ratio	$\Delta$ 9.7%	2.3%	-

$\Delta$  119

1Q FY21

Volume

Model & Product Mix

Effort to Offset

Overhead costs

FOREX

Others

1Q FY22

# スクリプト

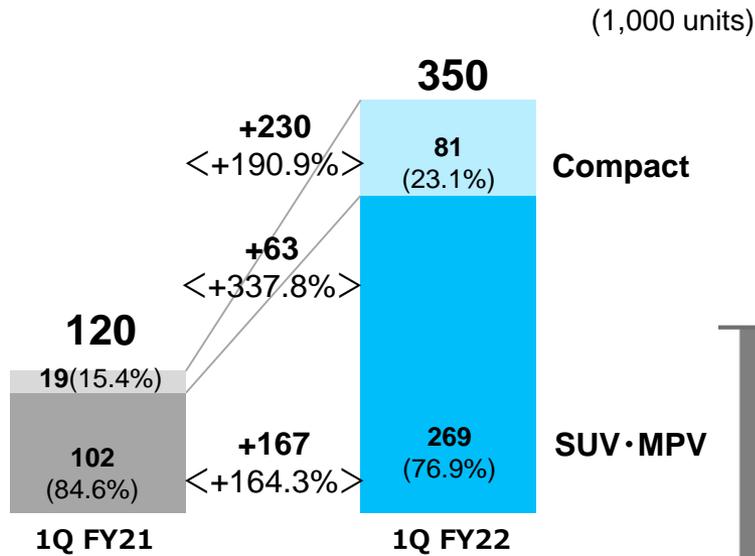
- ◆ Next, in Japan region,
- ◆ Volume increased by 256k units to 754k units year-over year.
- ◆ Sales revenue increased by 65.5 billion yen to 188.5 billion yen.
- ◆ Operating profit increased by 16.2 billion yen to 4.3 billion yen due to higher production volume as demand recovered from covid-19 previous year in addition to new product effect despite rise in raw material prices.

# 1-3) 1st 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 material price and overhead costs increase

(100 million yen)

## Volume & Model Mix

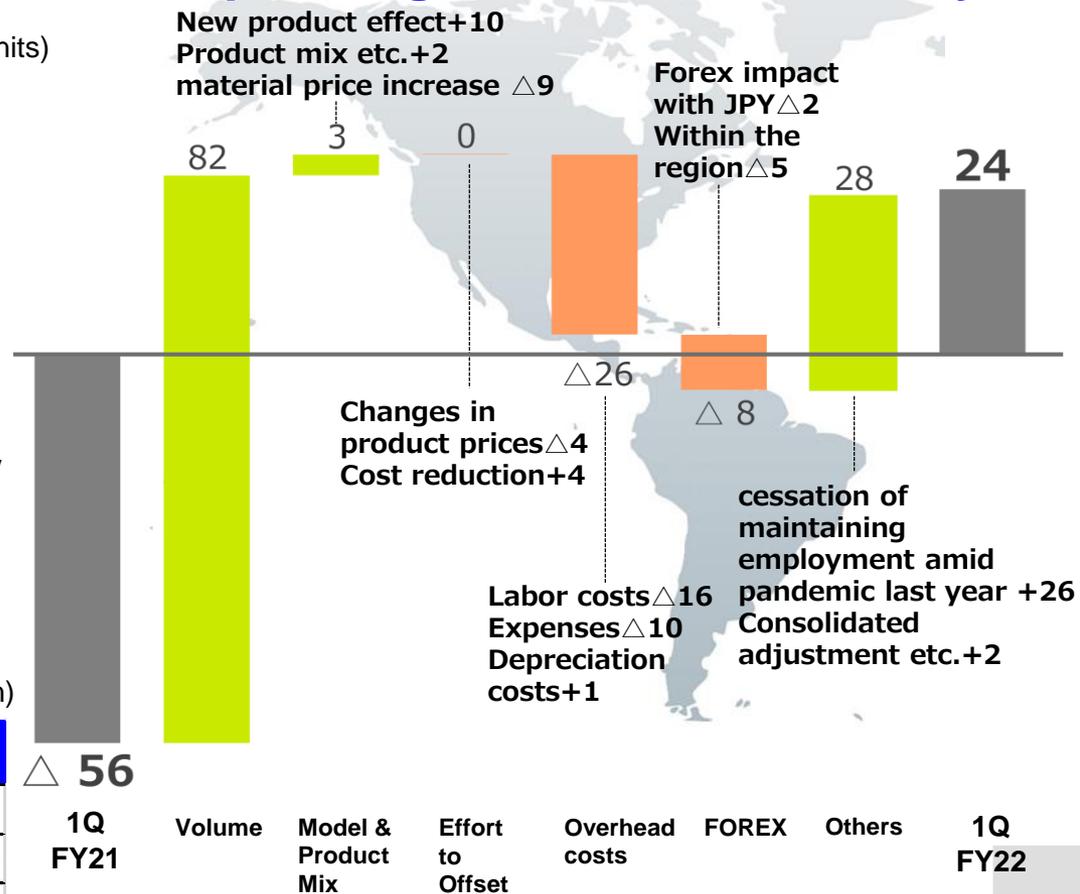


## Profit & Loss

(100 million yen)

	1Q FY21	1Q FY22	YOY Change
Revenue	279	786	506
Operating Profit	△ 56	24	80
Operating Profit Ratio	△ 20.1%	3.1%	-

## Operating Profit Variance Analysis



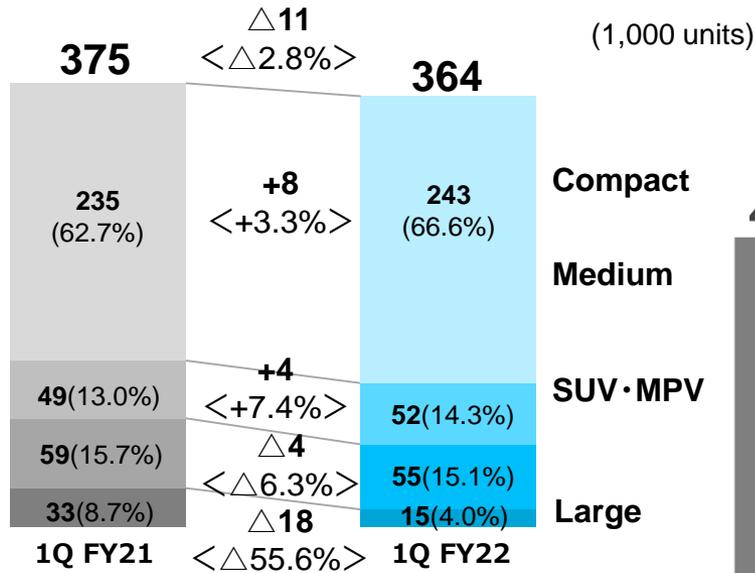
- ◆ Next, in the Americas,
- ◆ Volume increased by 230k units to 350k units year-over year.
- ◆ Sales revenue increased by 50.6 billion yen to 78.6 billion yen.
- ◆ Operating profit increased by 8 billion yen to 2.4 billion yen thanks to higher volume as demand recovered from covid-19 compared to last year as well as new product effect despite rise in raw material prices and increased overhead costs from the normalization of production.

# 1-3) 1st Quarter FY2022 Financial Results China Revenue & Operating Profit

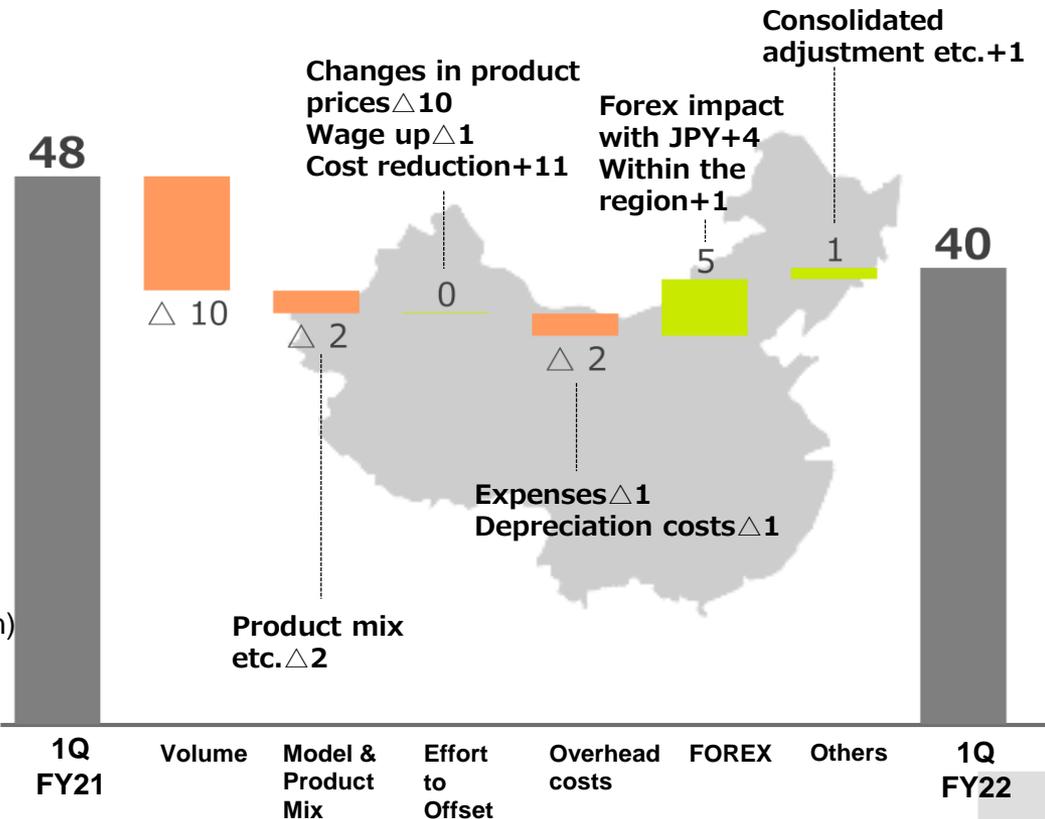
Profit decreased as volume decreased because end of production of some models and there was production increase last year from recovery in demand

(100 million yen)

## Volume & Model Mix



## Operating Profit Variance Analysis



## Profit & Loss

(100 million yen)

	1Q FY21	1Q FY22	YOY Change
Revenue	464	445	△18
Operating Profit	48	40	△8
Operating Profit Ratio	10.5%	9.0%	—

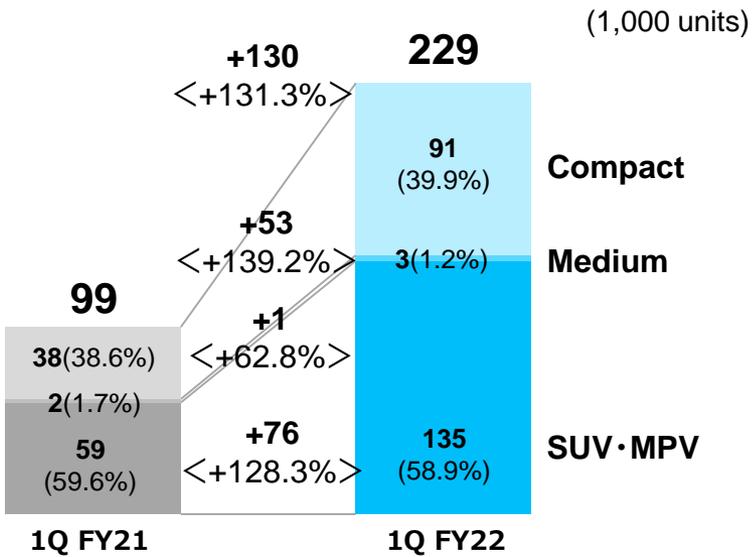
- ◆ Next is in China,
- ◆ Volume decreased by 11k units to 364k units year-over year.
- ◆ Sales revenue decreased by 1.8 billion yen to 44.5 billion yen.
- ◆ Operating profit decreased by 8 billion yen to 4 billion yen because volume decreased due to end of production of some models as well as there was production increase from recovery in demand last year.

# 1-3) 1st Quarter FY2021 Financial Results Asia & Oceania Revenue & Operating Profit

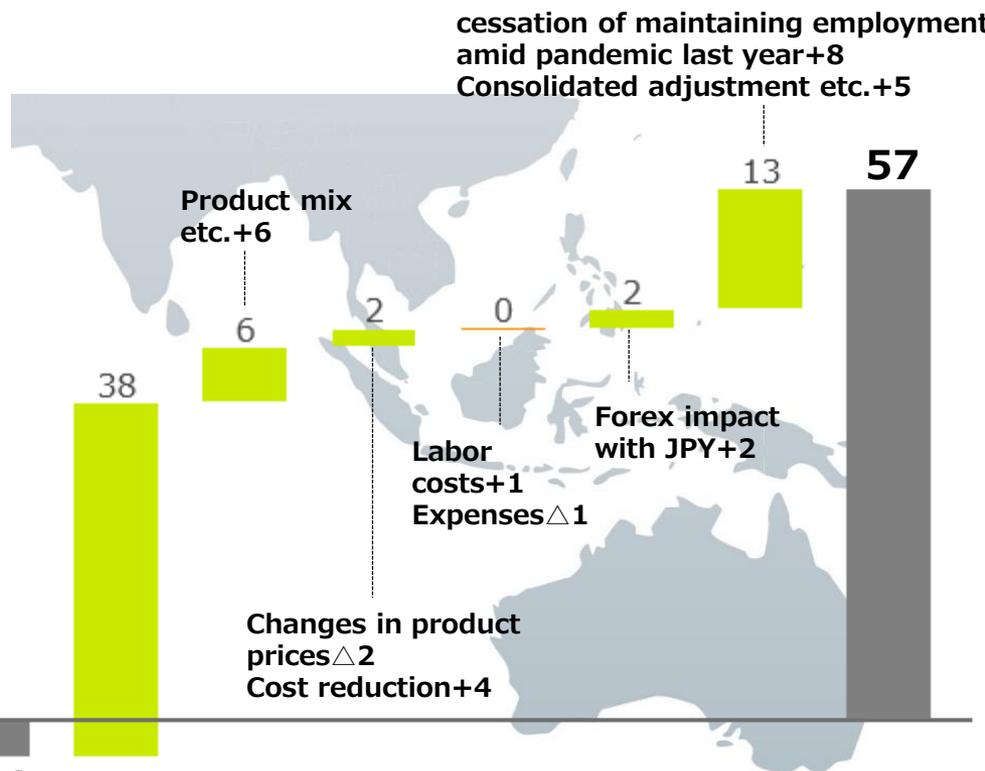
Profit increased due to higher volume as demand recovered from last year

(100 million yen)

## Volume & Model Mix



## Operating Profit Variance Analysis



## Profit & Loss

(100 million yen)

	1Q FY21	1Q FY22	YOY Change
Revenue	197	417	219
Operating Profit	Δ4	57	61
Operating Profit Ratio	Δ2.2%	13.8%	-



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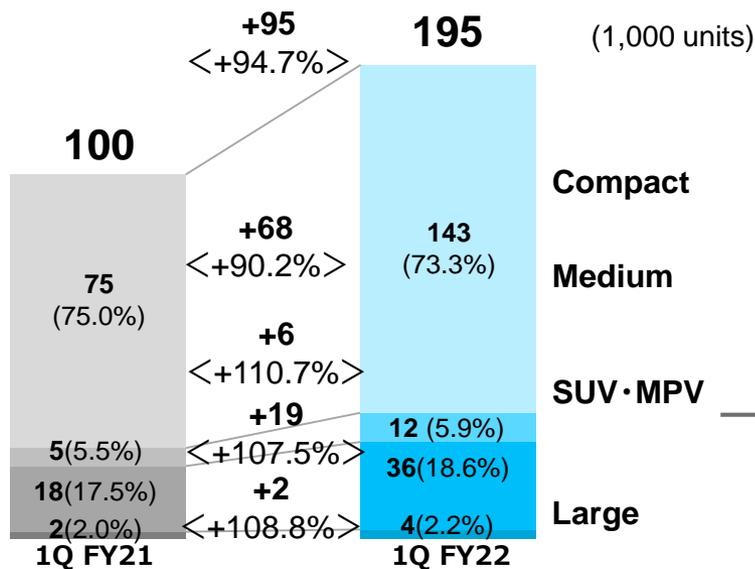
- ◆ Next, in Asia & Oceania region,
- ◆ Volume increased by 130k units to 229k units year-over
- ◆ Sales revenue increased by 21.9 billion yen to 41.7 billion yen.
- ◆ Operating profit increased by 6.1 billion yen to 5.7 billion yen due to higher volume as demand recovered compared to last year amid Covid-19 outbreak

# 1-3) 1st Quarter FY2022 Financial Results Europe & Africa Revenue & Operating Profit

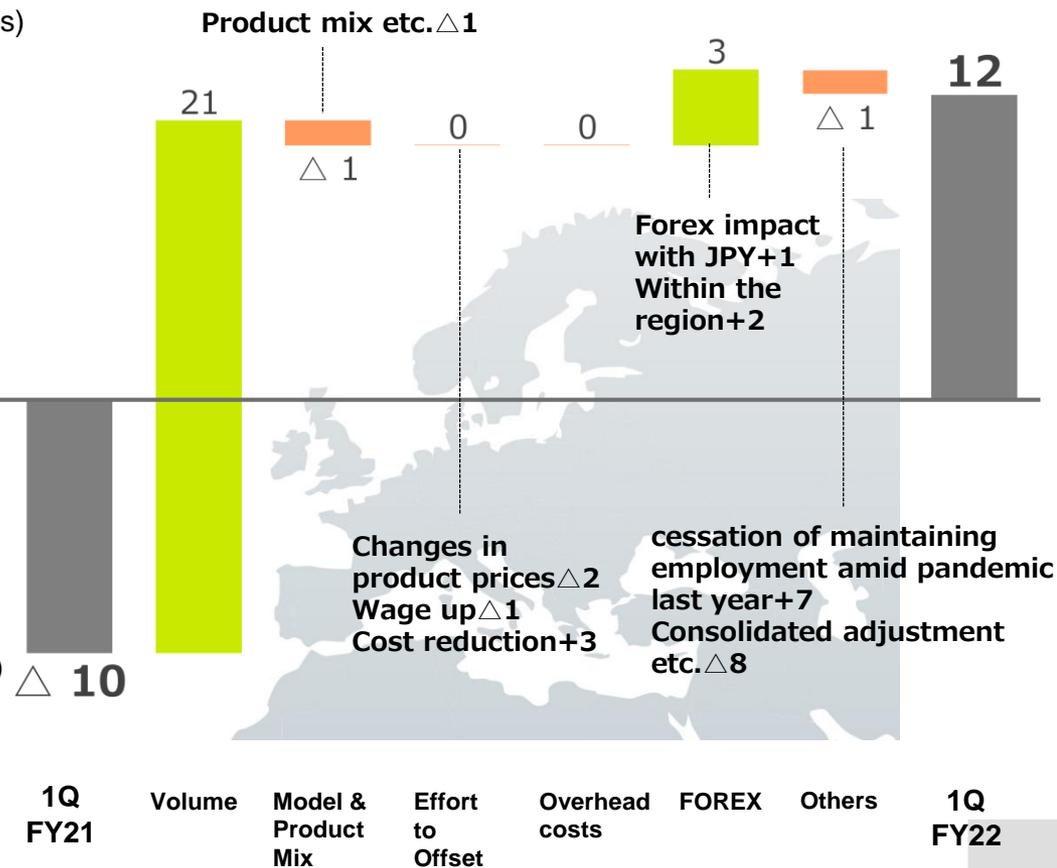
Profit increased due to higher volume as demand recovered from last year

(100 million yen)

## Volume & Model Mix



## Operating Profit Variance Analysis



## Profit & Loss

(100 million yen)

	1Q FY21	1Q FY22	YOY Change
Revenue	108	232	123
Operating Profit	$\Delta 10$	12	23
Operating Profit Ratio	$\Delta 10.0\%$	5.6%	-

- ◆ Next in Europe & Africa region,
- ◆ Volume increased by 95k units to 195k units year-over year.
- ◆ Sales revenue by 12.3 billion yen to 23.2 billion yen.
- ◆ Operating profit increased by 2.3 billion yen to 1.2 billion yen due to higher volume as demand recovered compared to last year amid Covid-19 outbreak.

# Financial Results

1. 1st 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 (Initially 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	251.54 yen
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Exchange Rate	USD	106 yen	106 yen	-	105 yen
	EUR	124 yen	130 yen	+6 yen	125 yen

### Revenue

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

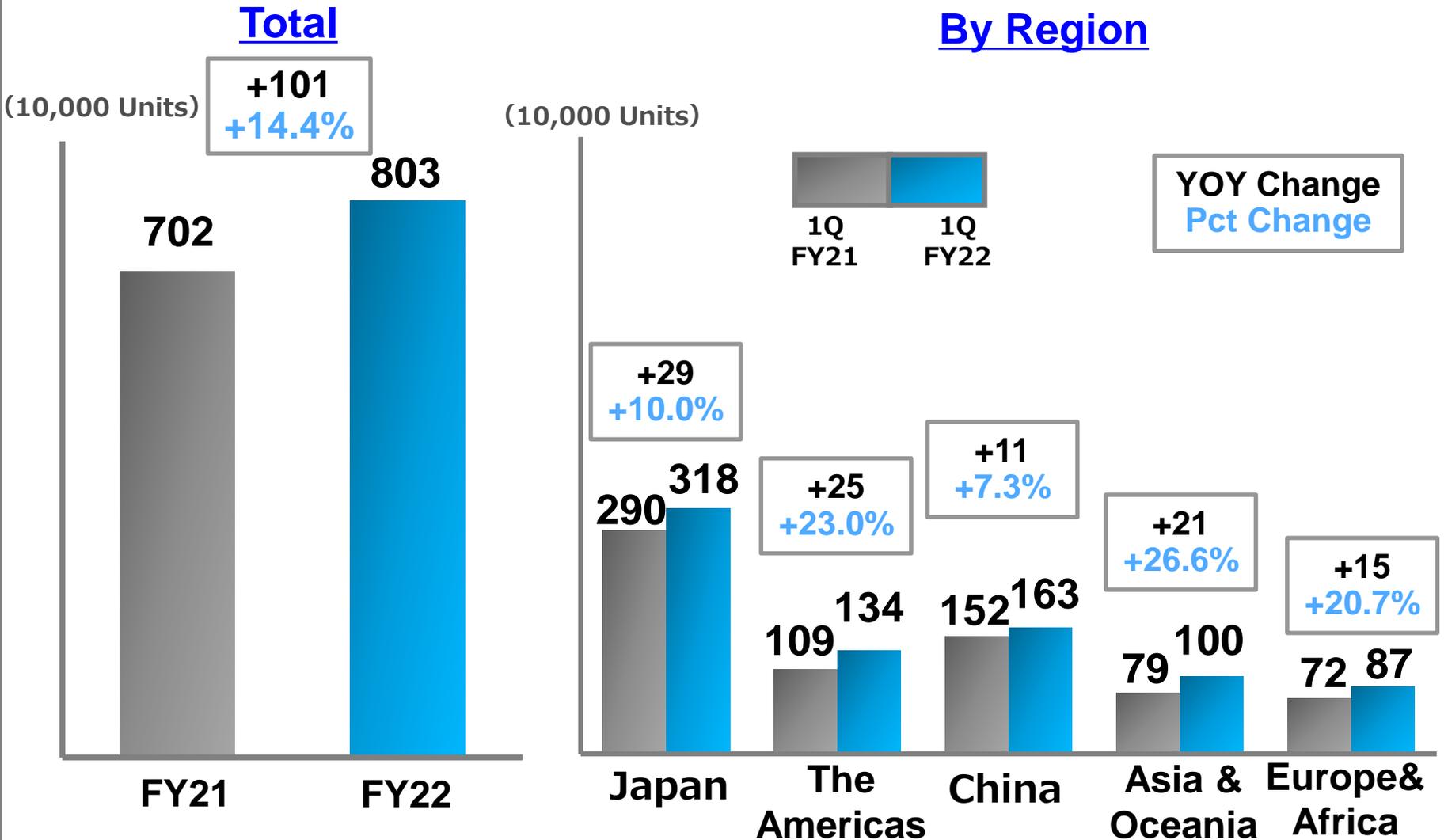
### Operating Profit

Profit is to be about the same level as previously announced as we are going to flexibly responding to demand fluctuation and spending overhead cost efficiently despite of 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 since last time announced
- ◆ Assumed exchange rates are approximately 106 yen to the U.S. dollar, and 130 yen to the euro.

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

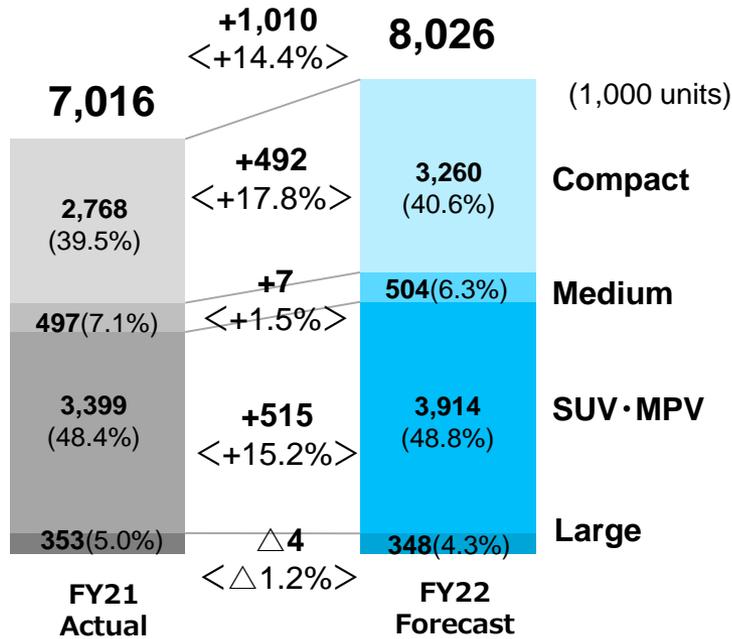


- ◆ As for consolidated assembly volume, it will be 8.03 million units, increased by 1.01 million units compared to the previous year.
- ◆ Seat assembly volume by region is as shown. This will be explained in detail in later slides.

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

Highest profit ever as previously announced due to global production increase and new product effect despite negative impact of external environment such as rise in material price

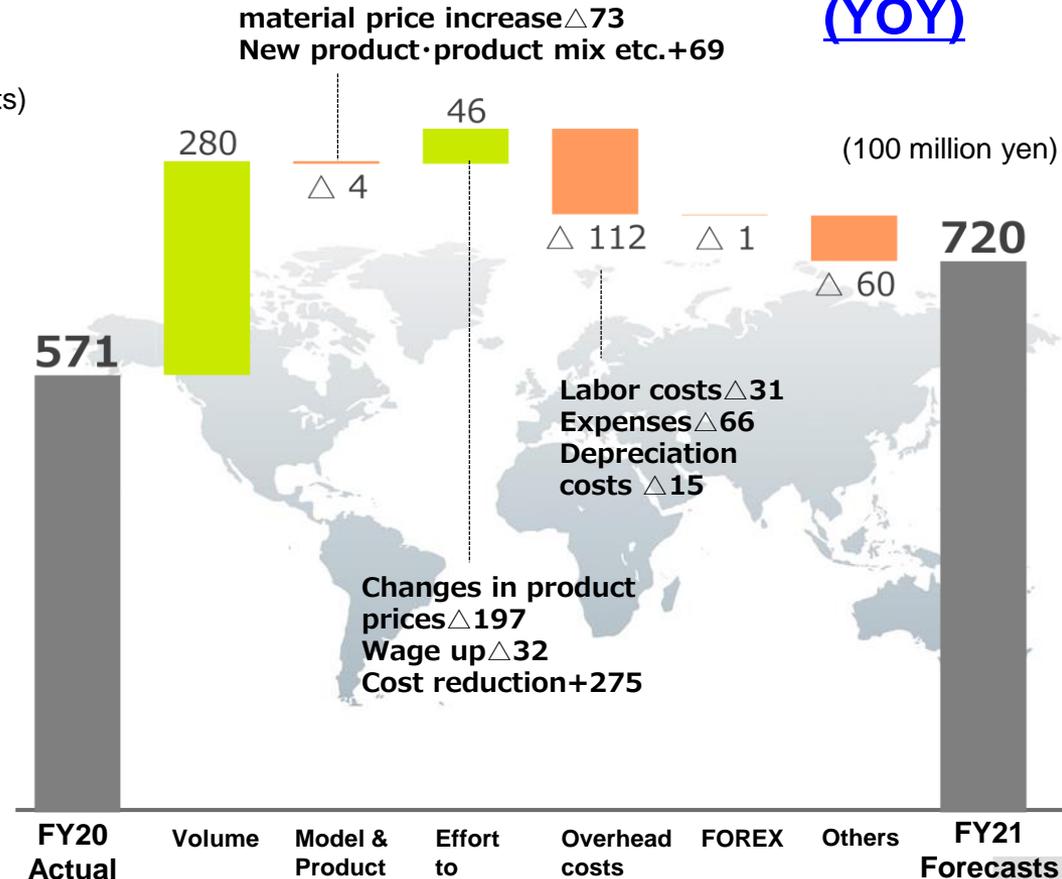
### Volume & Model Mix



### 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

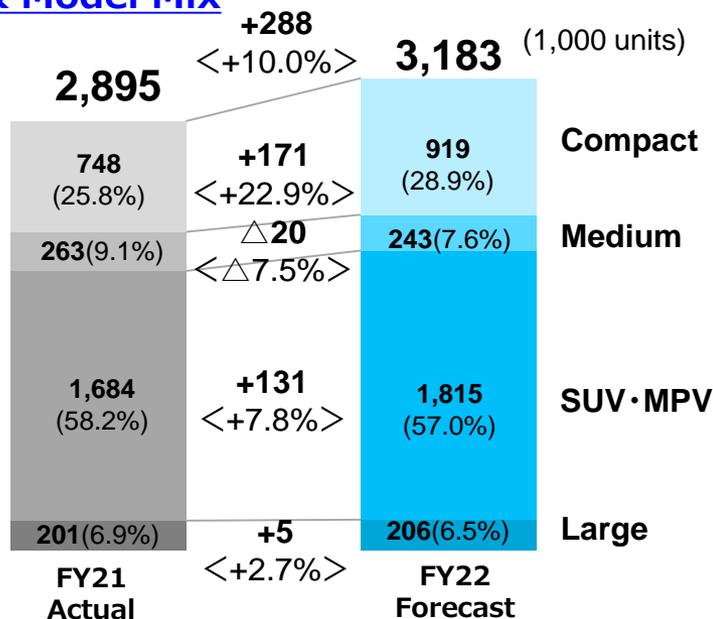
- ◆ Next, let me explain consolidated revenue & operating profit.
- ◆ Regarding Volume & Model Mix, volume increase is expected in every segments except large, therefore it will be 8.03 million units increased by 1.01 million units year-over-year.
- ◆ Sales revenue will be increased by 127.8 billion yen to 1.4 trillion yen.
- ◆ We will challenge for operating profit of 72 billion yen as previously announced by absorbing increased production effects based on lean production system established during pandemic last year as well as profit increasing activities despite negative impacts such as increase in material price.

## 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



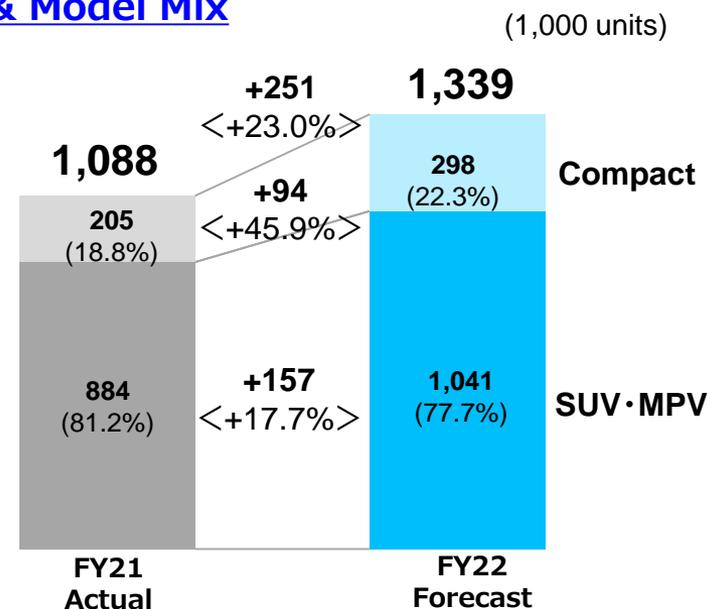
#### Profit & Loss

	FY21 Actual	FY22 Forecast	YOY Change
Revenue	6,996	7,600	603
Operating Profit	140	220	79
Operating Profit Ratio	2.0%	2.9%	-

### 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	2,800	339
Operating Profit	14	100	85
Operating Profit Ratio	0.6%	3.6%	-

# スクリプト

◆ Next, let me explain financial forecast by regions.

First, regarding Japan,

Volume will increase by 288k units to 3.18 million units year-over year.

◆ Sales revenue will increase by 60.3 billion yen to 760 billion yen.

◆ Operating profit, is prospected to increase by 7.9 billion yen to 22.0 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 251k units to 1.34 million units year-over year.

◆ Sales revenue will increase by 34 billion yen to 280 billion yen.

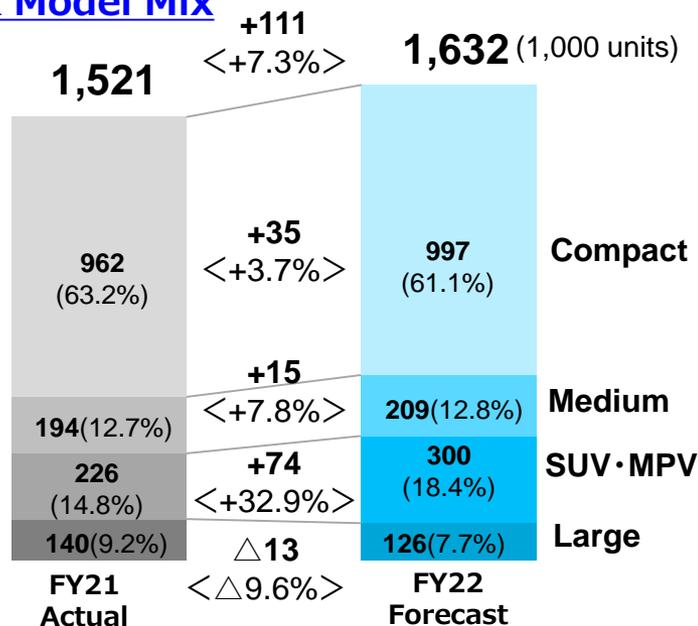
◆ Operating profit, is prospected to increase by 8.5 billion yen to 10 billion yen due to impacts of volume increase and elimination of temporary inefficiency from model changes despite rise in material prices

## 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 from higher volume and new product effect

#### Volume & Model Mix



#### Profit & Loss

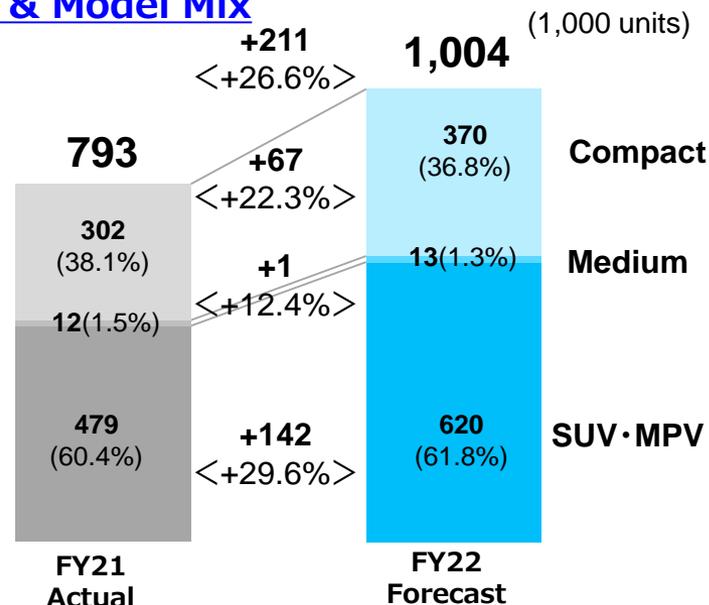
(100 million yen)

	FY21 Actual	FY22 Forecast	YOY Change
Revenue	1,804	2,000	195
Operating Profit	184	150	△34
Operating Profit Ratio	10.2%	7.5%	—

### Asia & Oceania

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

#### Volume & Model Mix



#### Profit & Loss

(100 million yen)

	FY21 Actual	FY22 Forecast	YOY Change
Revenue	1,444	1,600	155
Operating Profit	171	190	18
Operating Profit Ratio	11.9%	11.9%	—

# スクリプト

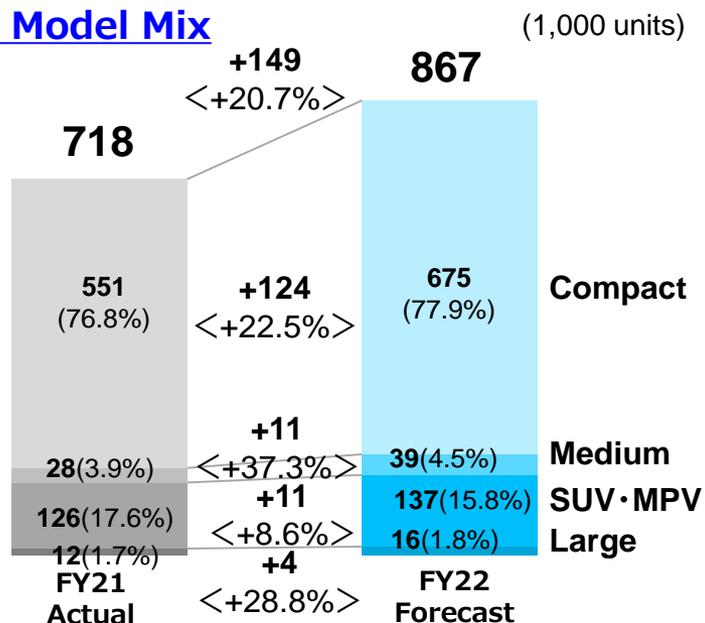
- ◆ Next, in China,
  - ◆ Volume will increase by 111k units to 1.63 million units year-over year.
  - ◆ Sales revenue will increase by 19.5 billion yen to 200 billion yen.
  - ◆ Operating profit, is prospected to decrease by 3.4 billion yen to 15 billion yen due to change in mix and increase in overhead costs despite positive impacts from higher volume and new product effect.
  
- ◆ Next, in Asia & Oceania,
  - ◆ Volume will increase by 211k units to 1.0 million units year-over year.
  - ◆ Sales revenue will increase by 15.5 billion yen to 160 billion yen.
  - ◆ Operating profit, is prospected to increase by 1.8 billion yen to 19 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

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

#### Volume & Model Mix



#### Profit & Loss

(100 million yen)

	FY21 Actual	FY22 Forecast	YOY Change
Revenue	826	900	73
Operating Profit	60	60	△0
Operating Profit Ratio	7.3%	6.7%	-

# スクリプト

- ◆ Next, in Europe & Africa,
- ◆ Volume will increase by 149k units to 867k units year-over year.
- ◆ Sales revenue will increase by 7.3 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 production volume despite negative impacts from increase in material costs and overhead costs.

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

### Revenue

(100 million yen)

	1 <sup>st</sup> Half	2 <sup>nd</sup> Half	Full Year
Japan	3,700	3,900	7,600
The Americas	1,400	1,400	2,800
China	900	1,100	2,000
Asia & Oceania	700	900	1,600
Europe & Africa	400	500	900
<b>Consolidated Total</b>	<b>6,700</b>	<b>7,300</b>	<b>14,000</b>

### Operating Profit

(100 million yen)

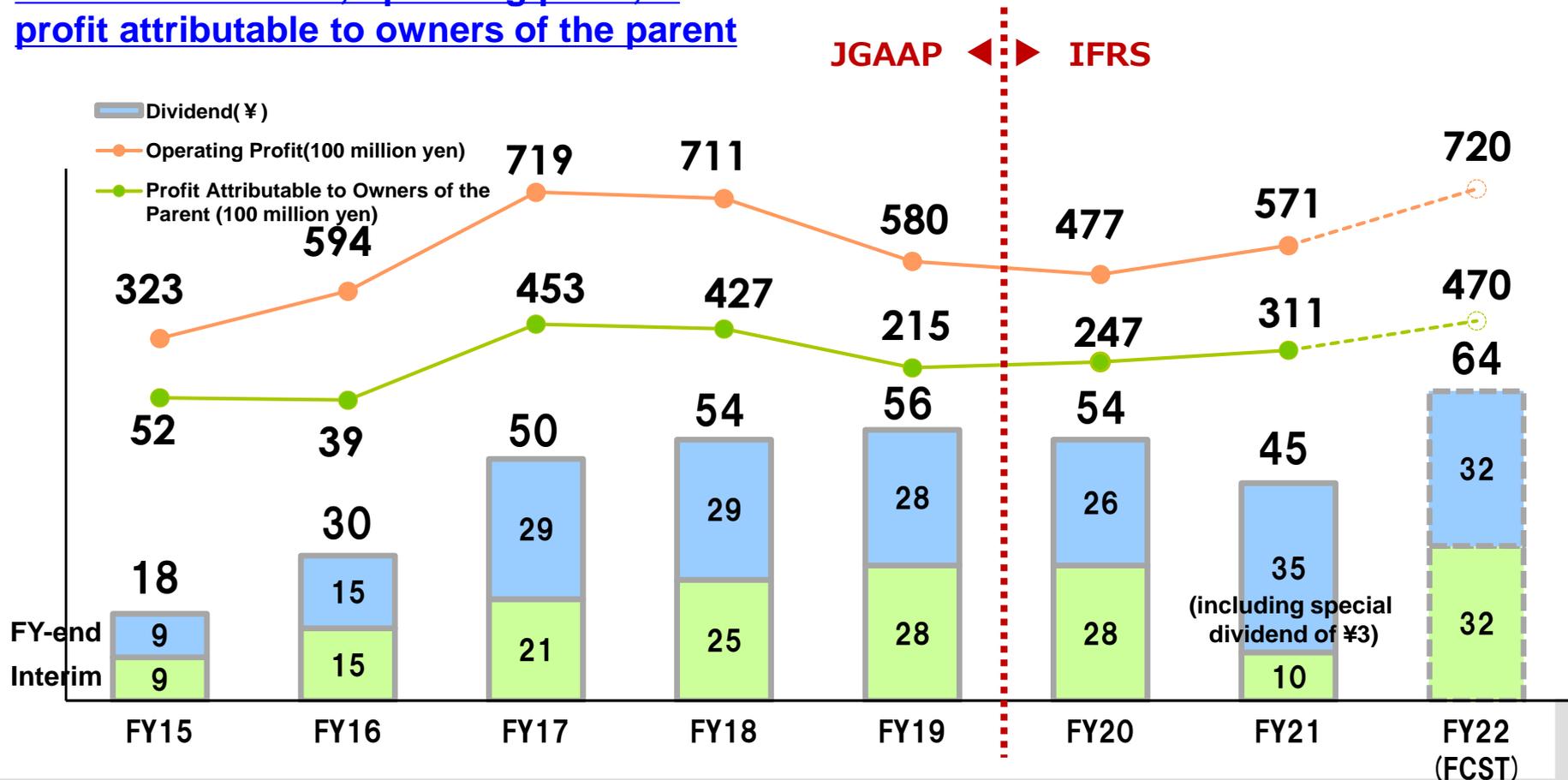
	1 <sup>st</sup> Half		2 <sup>nd</sup> Half		Full Year	
Japan	100	2.7%	120	3.1%	220	2.9%
The Americas	50	3.6%	50	3.6%	100	3.6%
China	65	7.2%	85	7.7%	150	7.5%
Asia & Oceania	95	13.6%	95	10.6%	190	11.9%
Europe & Africa	15	3.8%	45	9.0%	60	6.7%
<b>Consolidated Total</b>	<b>325</b>	<b>4.9%</b>	<b>395</b>	<b>5.4%</b>	<b>720</b>	<b>5.1%</b>

◆ Financial Forecasts by Half Year is as shown.

## 2-6) FY2022 Financial Forecasts Returning to Shareholders

We plan to keep long-term sustainable dividends (¥64) and comprehensive evaluation will be made later on based on consolidated financial results

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



- ◆ Next, on returning to shareholders,  
For FY22, our plan is 64 yen as previously announced,  
which increased by 19 yen compared to  
the previous year.

## 2-7) Concluding 1st Quarter FY2022 Financial Results

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### 【1Q Results】

- **Highest profit ever in the first quarters as our ability to earn, like new product effects, has steadily enhanced** in addition to higher production volume from recovery in demand despite **negative impact of external environment**

### 【Forecast after 2Q】

- **We incorporated certain amount of risks** since the situation remains uncertain as material price increase, covid-19 rebound, and low production due to semiconductor shortage

### 【Annual Forecast】

- **Challenge for announced target by flexibly responding to demand fluctuation and spending overhead cost efficiently to mitigate the risk of decrease in profits**
- **Steadily implementing action plans to achieve objectives of 2025**

### Business Plan

# スクリプト

- ◆ Lastly, I'd like to conclude this 1st Quarter Financial Results.
- ◆ In the 1st Quarter, we secured the highest profits ever in 1<sup>st</sup> quarters as our ability to earn has steadily enhanced by maximizing production increase effect and increasing profitability of new products in spite of negative impact of external environment such as rise in material price, covid-19 rebound and production decrease due to semi-conductor shortage.
- ◆ For annual forecast, we are going to continue to reinforce our corporate structure and enhance our ability to earn by flexibly responding to demand fluctuation as we have cultivated under the spread of covid-19 and Quit, Reduce, Change activity.
- ◆ Likewise, after 2<sup>nd</sup> quarter, we are going to steadily implement action plans toward the objectives of 2025 Business Plan and announced target of 2021 without relaxing the hand of structure enhancement.
- ◆ That would be all for financial results of the fiscal year 2021.  
Thank you for listening.

# Financial Results

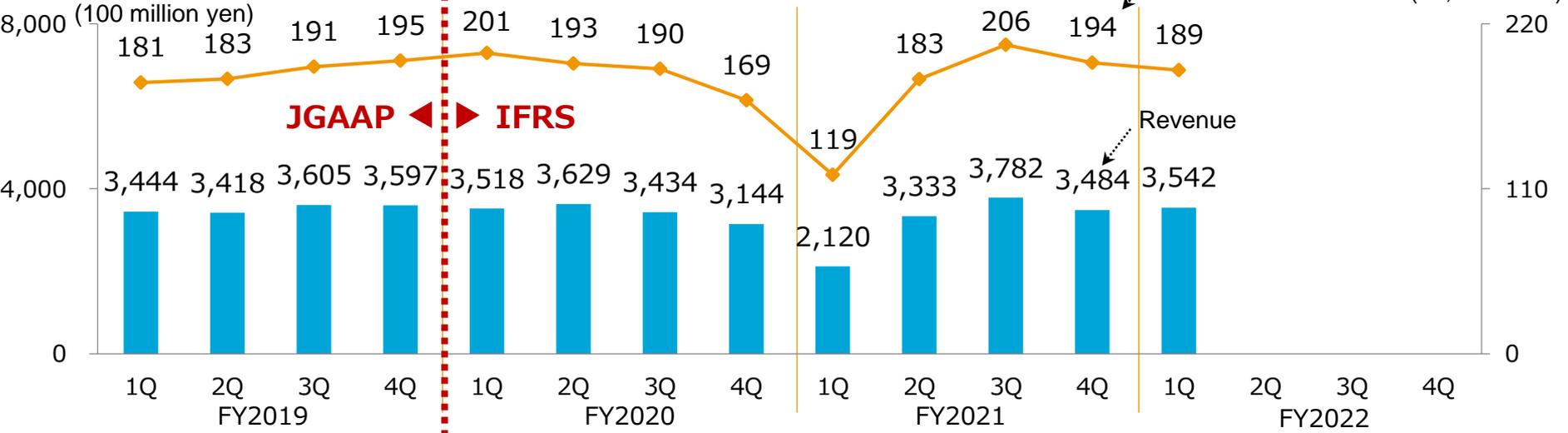
1. 1st Quarter FY2022 Financial Results

2. FY2022 Financial Forecasts

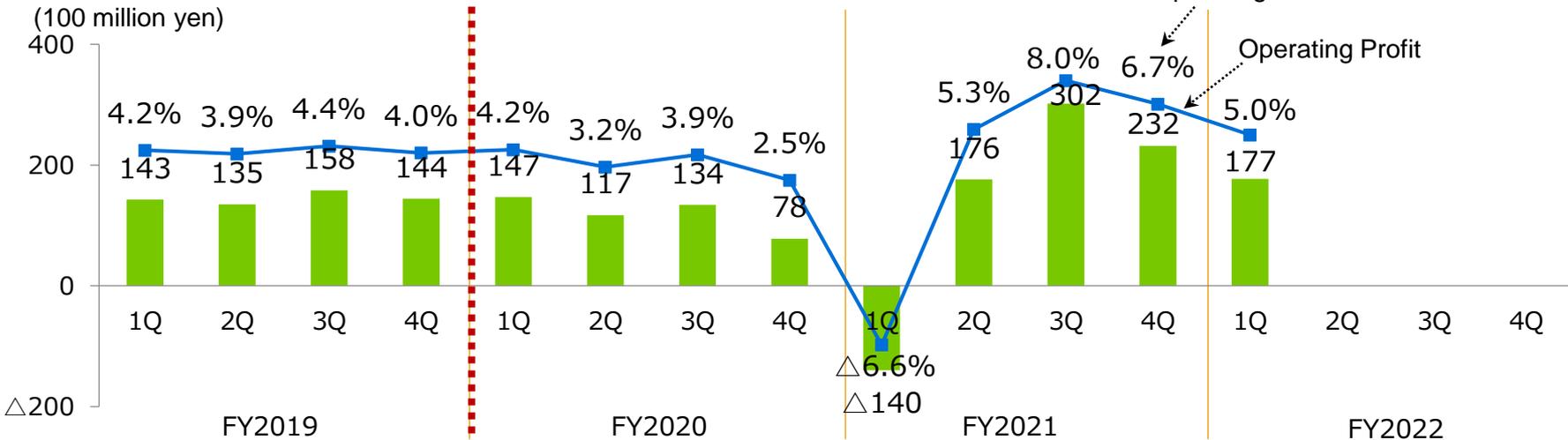
**3. Appendix**

# Appendix1) Quarterly Trends: Consolidated volume, revenue, operating profit, operating profit ratio

## Seat Assembly Production / Revenue

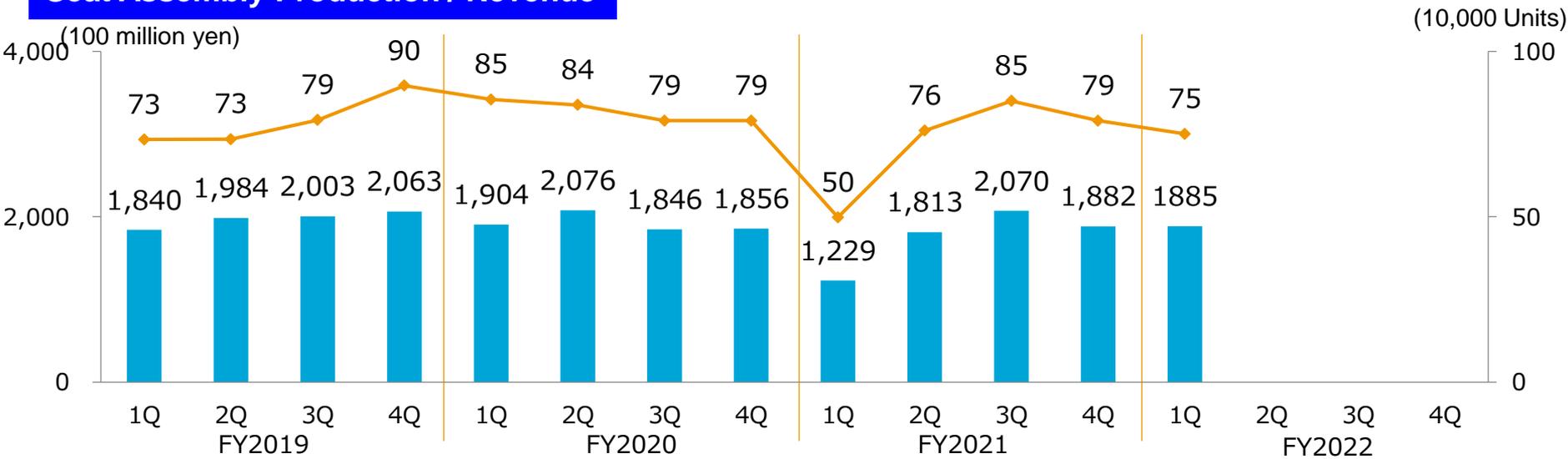


## Operating Profit / Operating Profit Ratio

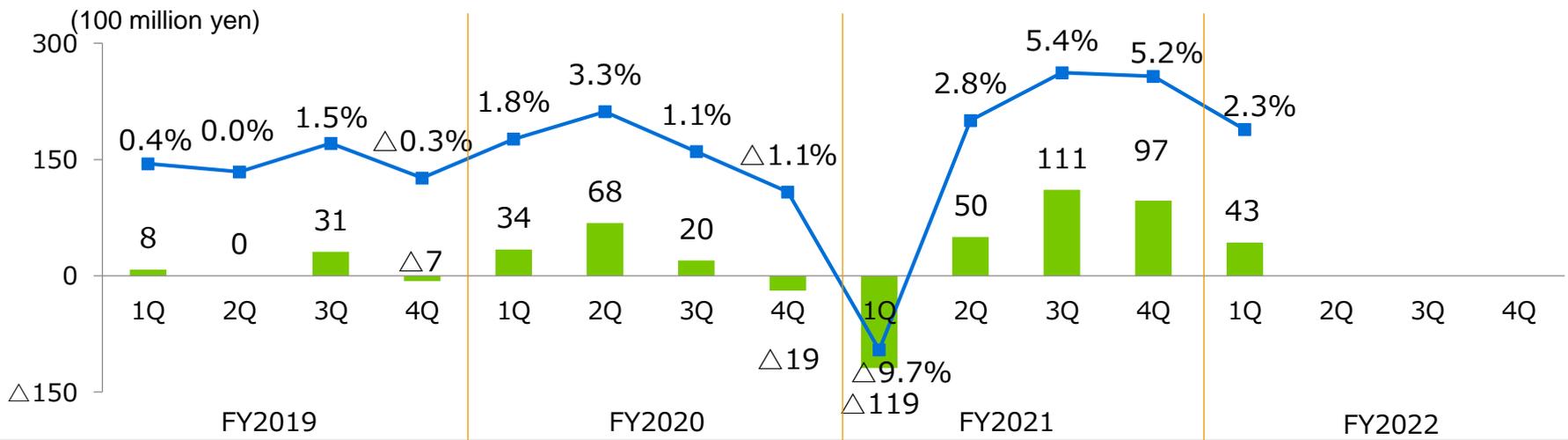


# Appendix2) Quarterly Trends: Japan volume, revenue, operating profit, operating profit ratio

## Seat Assembly Production / Revenue

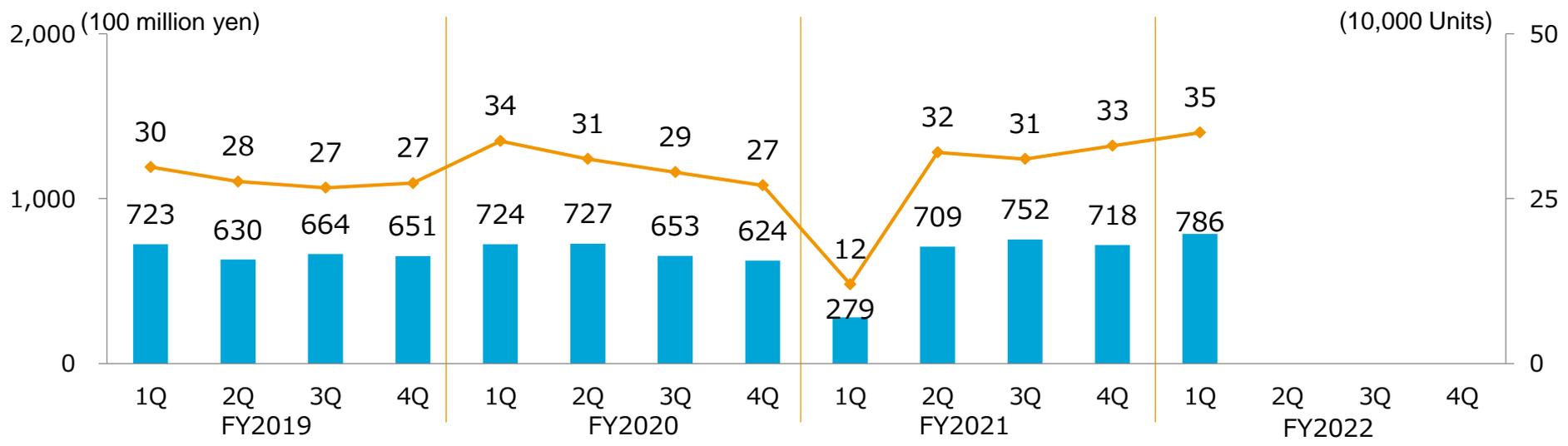


## Operating Profit / Operating Profit Ratio

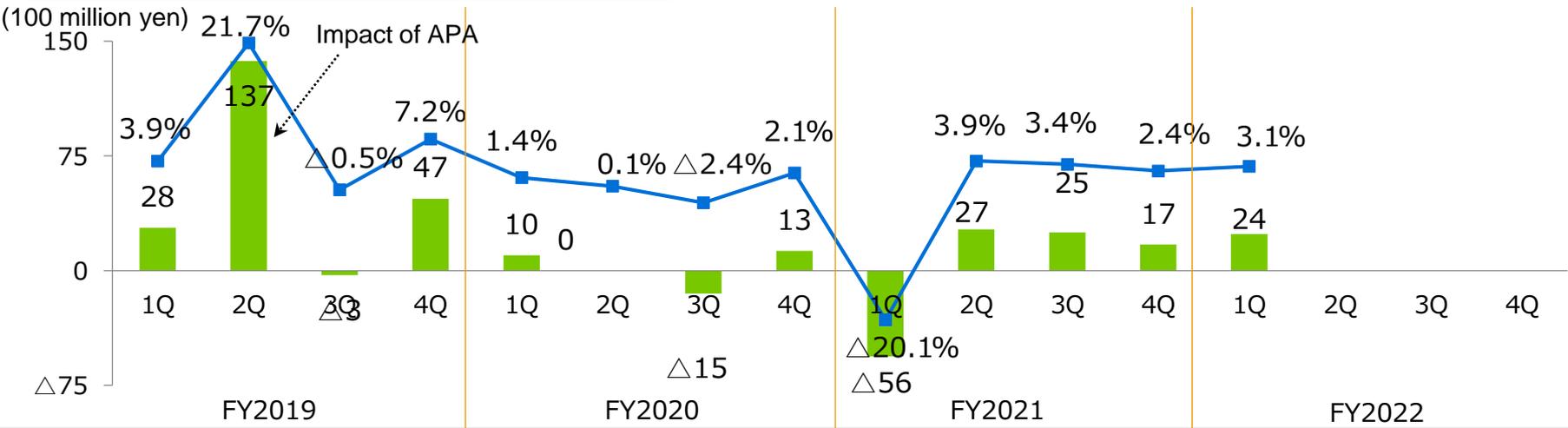


# Appendix3) Quarterly Trends: The Americas volume, revenue, operating profit, operating profit ratio

## Seat Assembly Production / Revenue

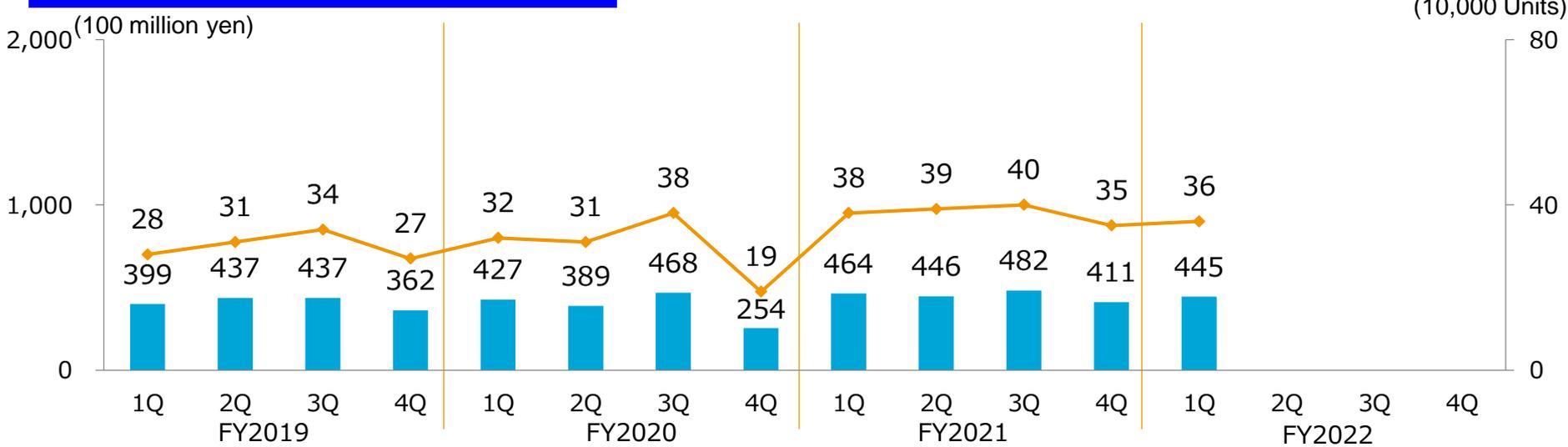


## Operating Profit / Operating Profit Ratio

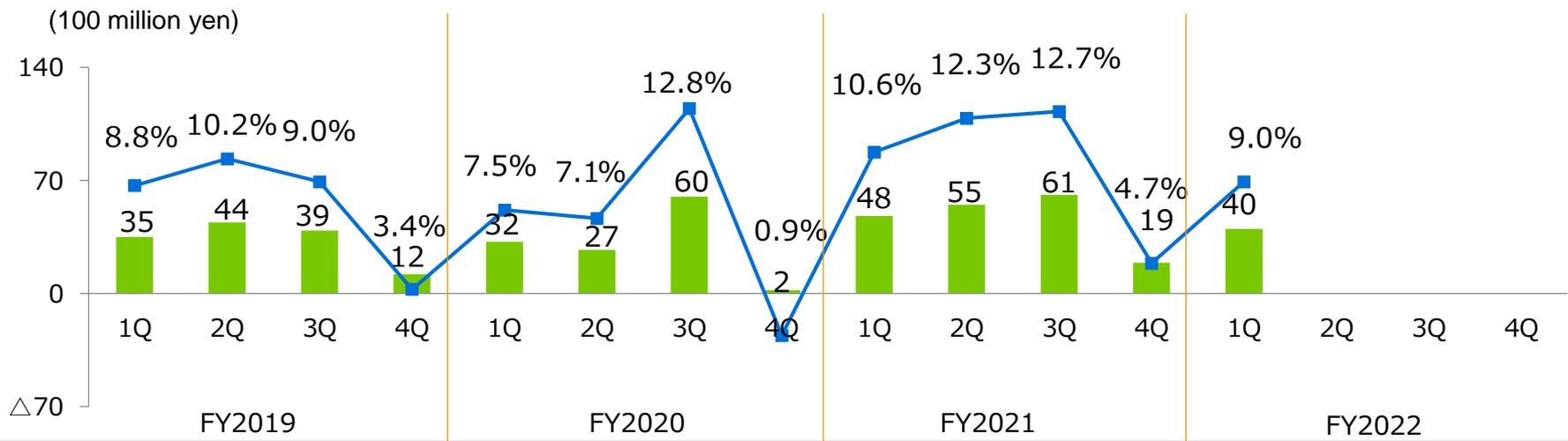


# Appendix4) Quarterly Trends: China volume, revenue, operating profit, operating profit ratio

## Seat Assembly Production / Revenue

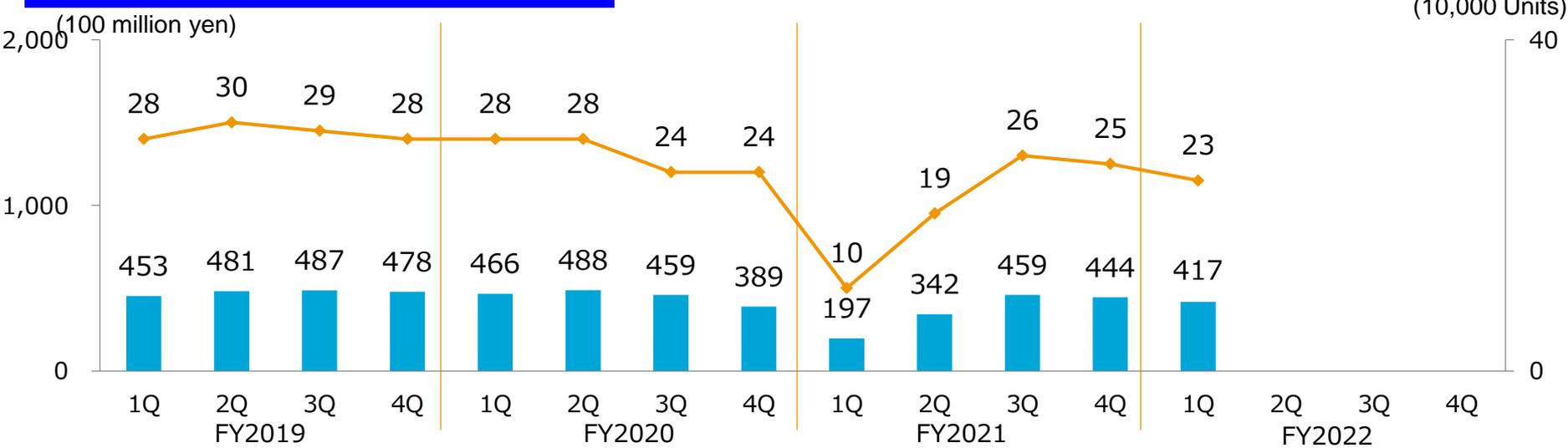


## Operating Profit / Operating Profit Ratio

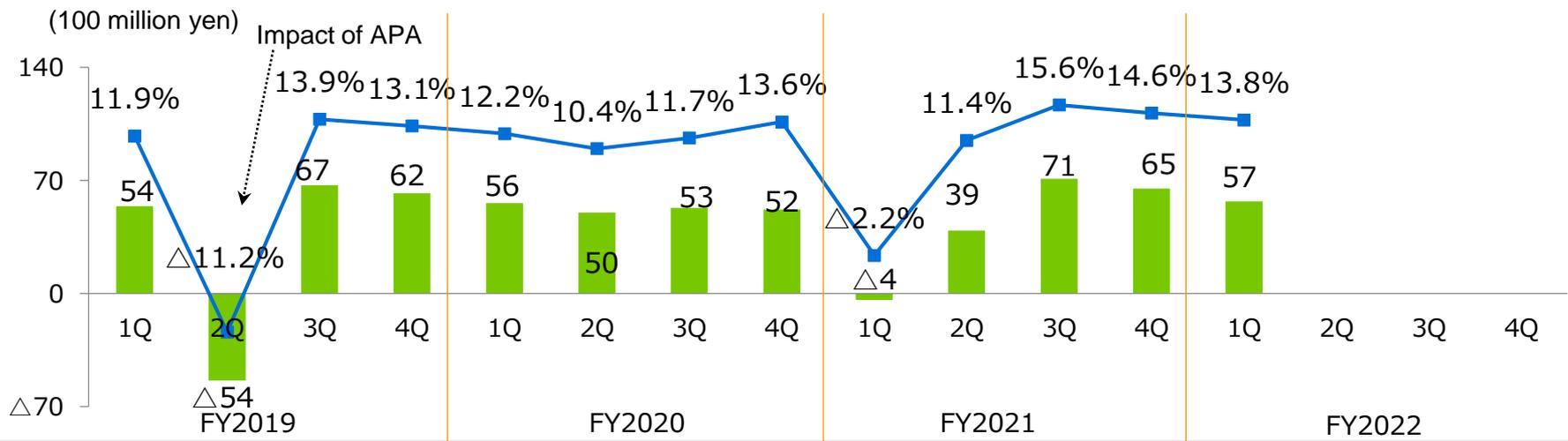


# Appendix5) Quarterly Trends: Asia & Oceania volume, revenue, operating profit, operating profit ratio

## Seat Assembly Production / Revenue

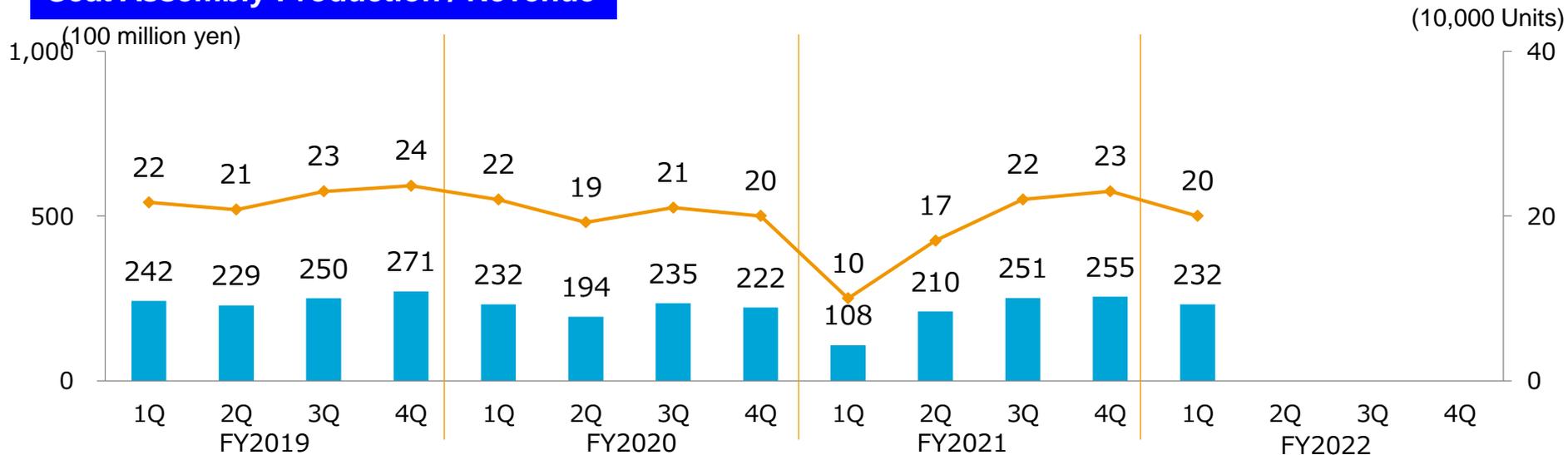


## Operating Profit / Operating Profit Ratio

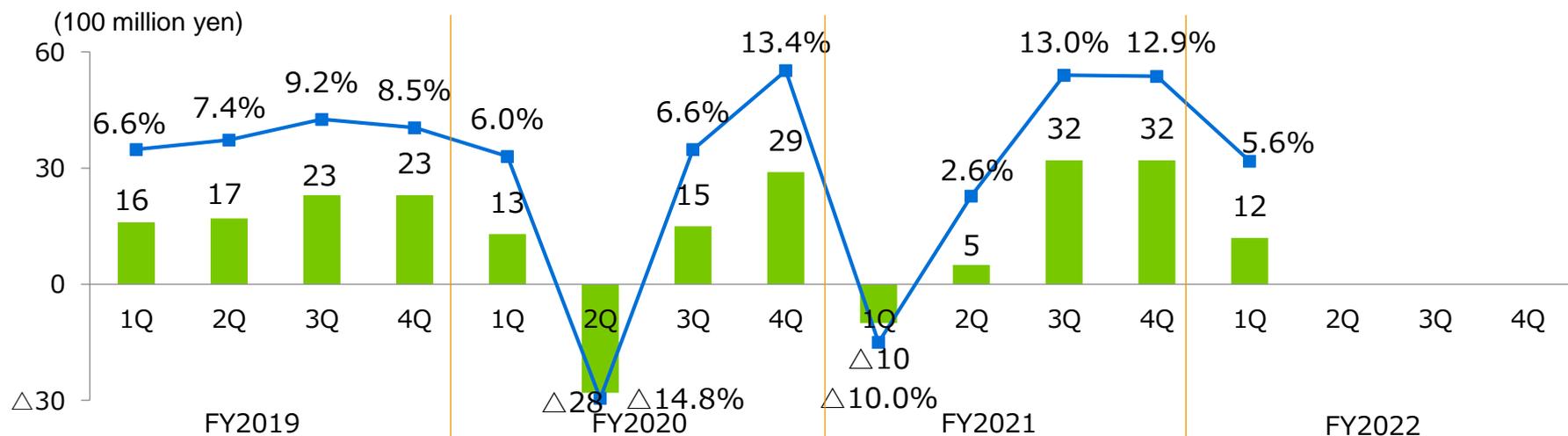


# Appendix6) Quarterly Trends: Europe & Africa volume, revenue, operating profit, operating profit ratio

## 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