



TOYOTA BOSHOKU

TSE 1st Section Securities Code 3116

FY2022 (ending March 2022)

3rd Quarter

Financial Results

Date: February 2, 2022

Financial Results

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

Financial Results

1. 3rd Quarter FY2022 Financial Results

2. FY2022 Financial Forecasts

3. Appendix

Script

- ◆ Hello, this is Ito.
- ◆ Thank you for attending our FY2022 3rd quarter financial results briefing during a busy time today.
- ◆ Firstly, I would like to explain the Financial Results for the 3rd quarter of the fiscal year 2022, then the full year forecasts.
- ◆ Now, I would like to start by looking at our financial results for the 3rd quarter.

1-1) 3rd Quarter FY2022 Financial Results Overview of Consolidated Financial Results

(100 million yen)

	Q3 FY2021		Q3 FY2022		YOY Change	
Revenue	9,236	100.0%	10,349	100.0%	1,112	12.0%
Operating Profit	338	3.7%	424	4.1%	85	25.3%
Profit before income taxes	333	3.6%	448	4.3%	114	34.4%
Profit*	124	1.3%	244	2.4%	120	96.5%

*Profit Attributable to Owners of the Parent

Earnings per share		66.73 yen	131.1 yen	
Exchange Rate	USD	106 yen	111 yen	+5 yen
	EUR	122 yen	131 yen	+9 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 111.2 billion yen to 1.03 trillion yen.
 - ◆ Operating profit increased by 8.5 billion yen to 42.4 billion yen year-over-year.
 - ◆ Profit before income taxes increased by 11.4 billion yen to 44.8 billion yen.
 - ◆ Profit attributable to owners of the parent increased by 12.0 billion yen to 24.4 billion yen.
 - ◆ Exchange rates are approximately 111 yen to the U.S. dollar, and 131 yen to the euro.
- There are exchange gain of 35.4 billion yen for sales, 1.7 billion yen for operating profit year-over-year.

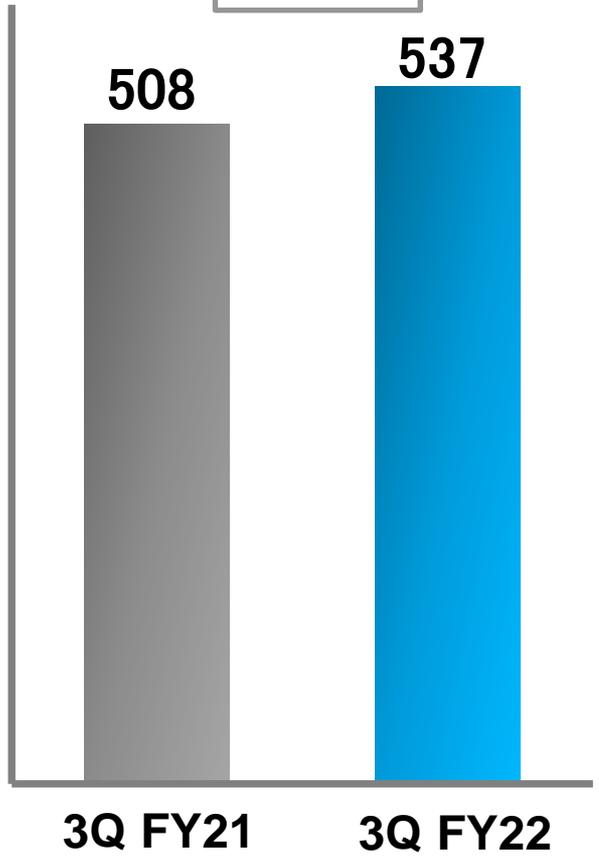
1-2) 3rd Quarter FY2022 Financial Results **Seat Production by Region**

Total

+29
+5.7%

(10,000 Units)

(10,000 Units)

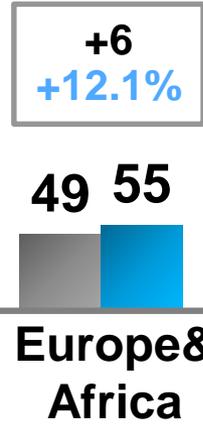
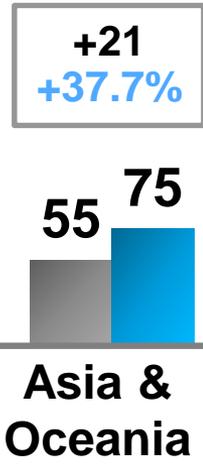
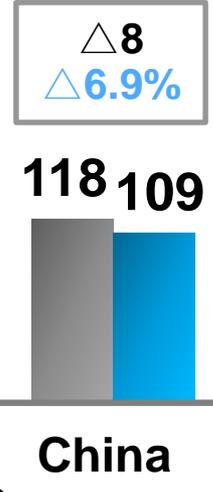
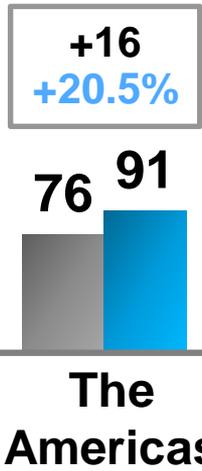
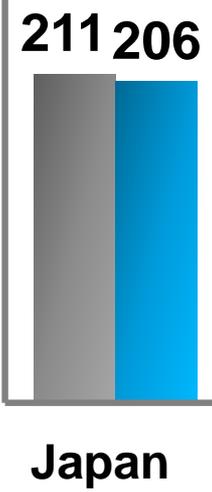


By Region

YOY Change
Pct Change

3Q FY21 3Q FY22

$\Delta 5$
 $\Delta 2.4\%$



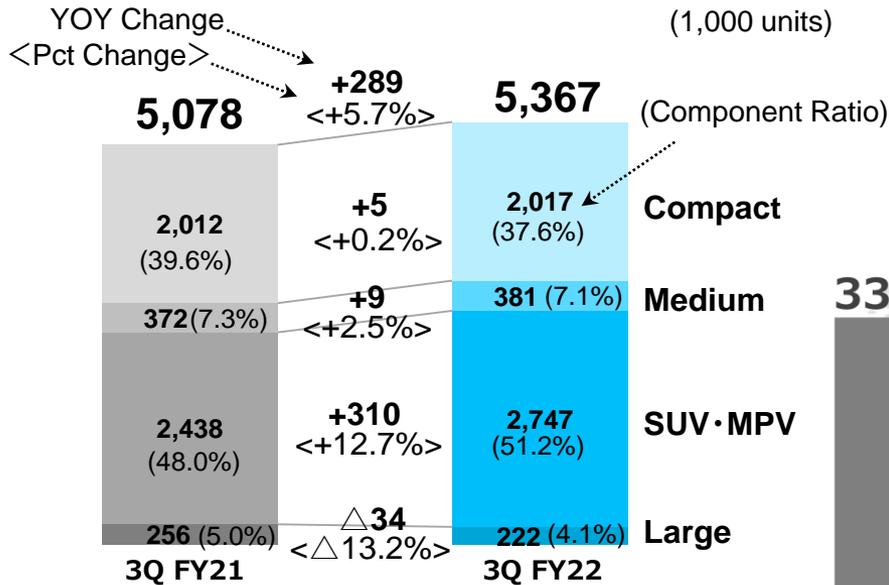
Script

- ◆ Next, consolidated seat assembly volume, the main product of the company, totaled 5.37 million units, increased by 289k units compared to the previous year.
- ◆ Seat assembly volume by region is as shown. This will be explained in detail in later slides.

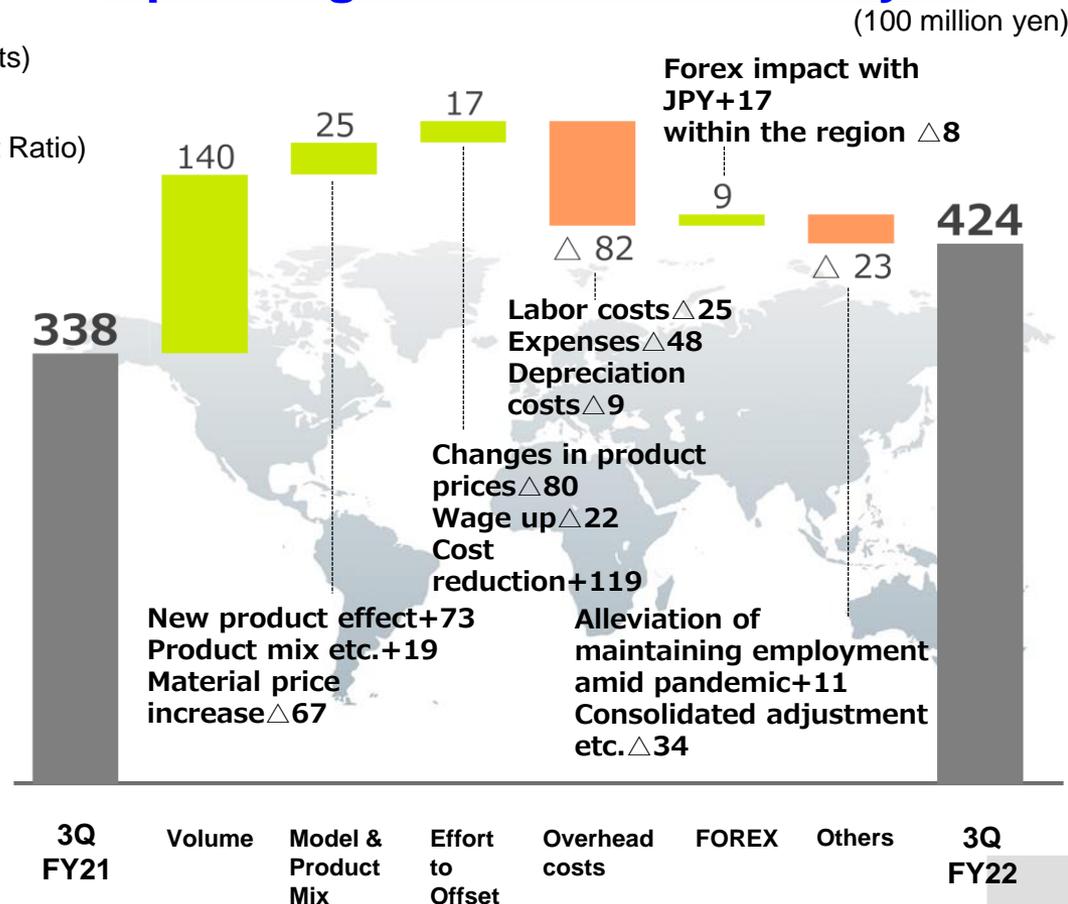
1-3) 3rd Quarter FY2022 Financial Results Consolidated Revenue & Operating Profit

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)

	3Q FY21	3Q FY22	YOY Change
Revenue	9,236	10,349	1,112
Operating Profit	338	424	85
Operating Profit Ratio	3.7%	4.1%	-

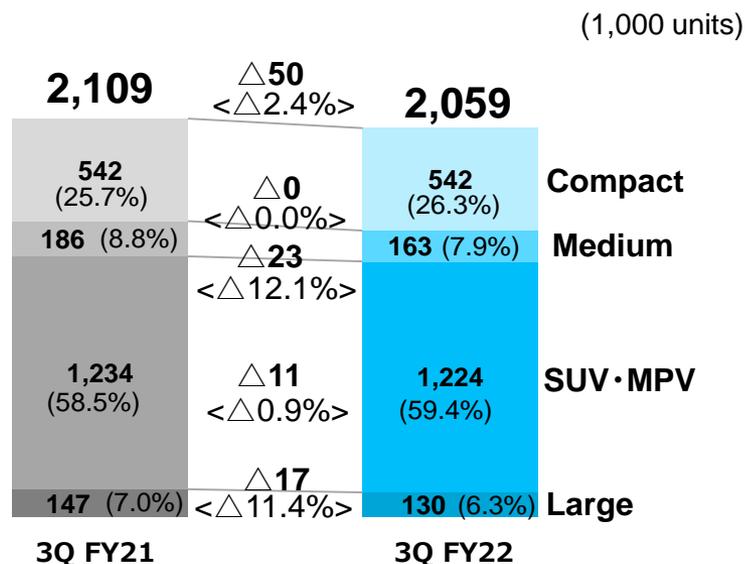
Script

- ◆ Next, let me move on to consolidated revenue & operating profit.
- ◆ Volume increased 289k units to 5.37 million units.
- ◆ Sales revenue increased by 111.2 billion yen to 1.03 trillion yen.
- ◆ Operating profit increased by 8.5 billion yen to 42.4 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.

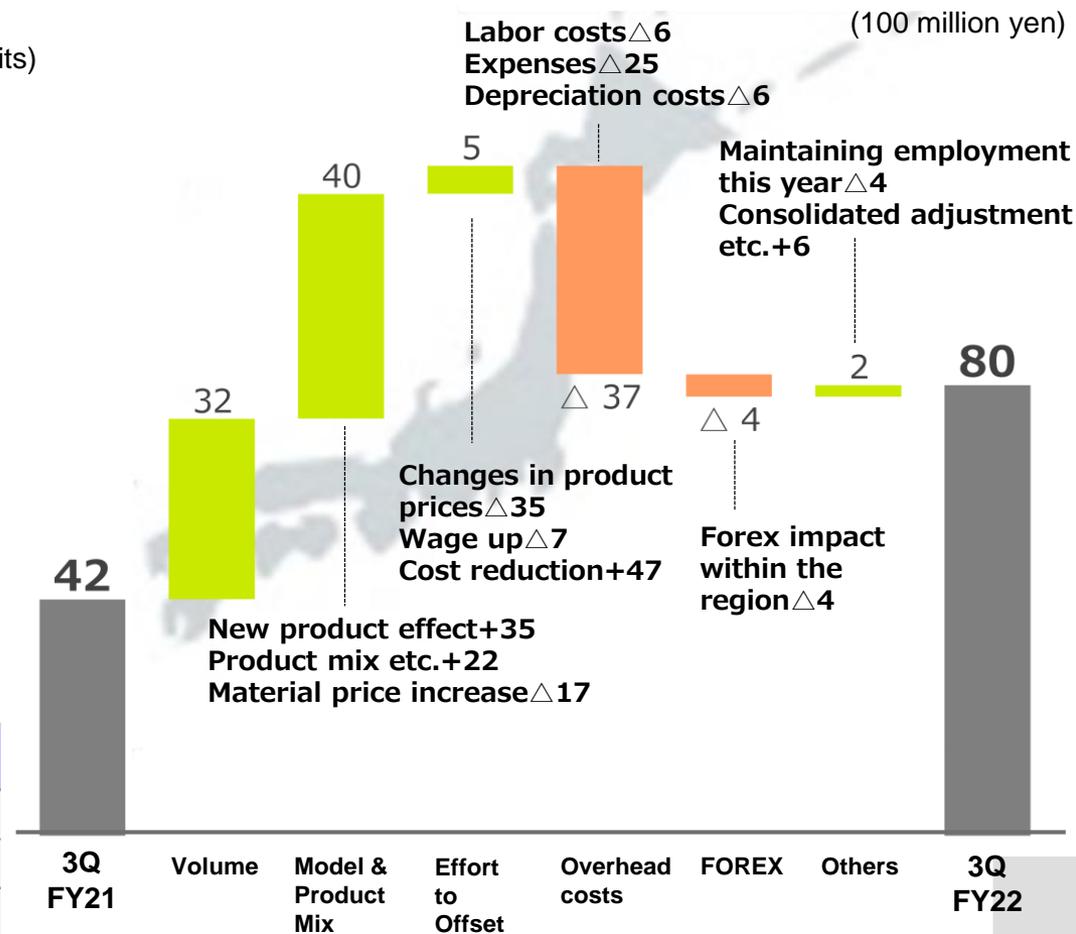
1-3) 3rd Quarter FY2022 Financial Results Japan Revenue & Operating Profit

Profit increased due to new product effects and change in mix despite negative effects of increase in material price and overhead costs

Volume & Model Mix



Operating Profit Variance Analysis



Profit & Loss

(100 million yen)

	3Q FY21	3Q FY22	YOY Change
Revenue	5,113	5,191	77
Operating Profit	42	80	37
Operating Profit Ratio	0.8%	1.5%	-

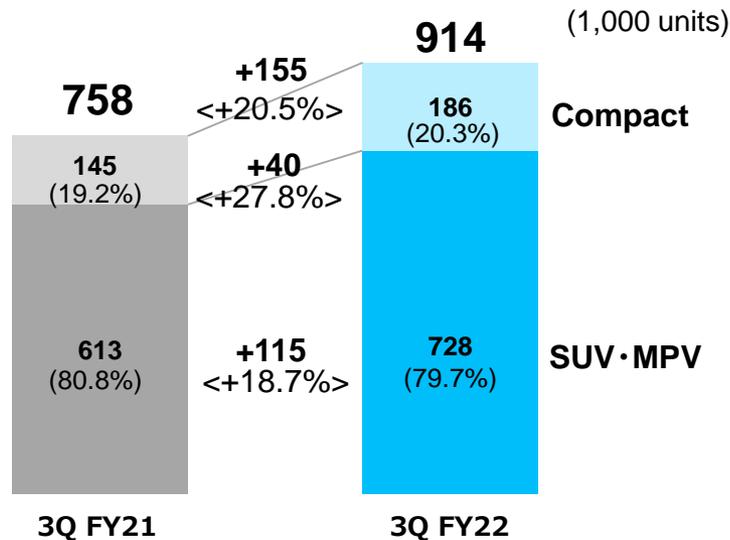
Script

- ◆ Next, in Japan region,
- ◆ Volume decreased by 50k units to 2.06 million units year-over year.
- ◆ Sales revenue increased by 7.7 billion yen to 519.1 billion yen.
- ◆ Operating profit increased by 3.7 billion yen to 8.0 billion yen due to new product effects and change in mix despite negative effects of increase in material price and overhead costs.

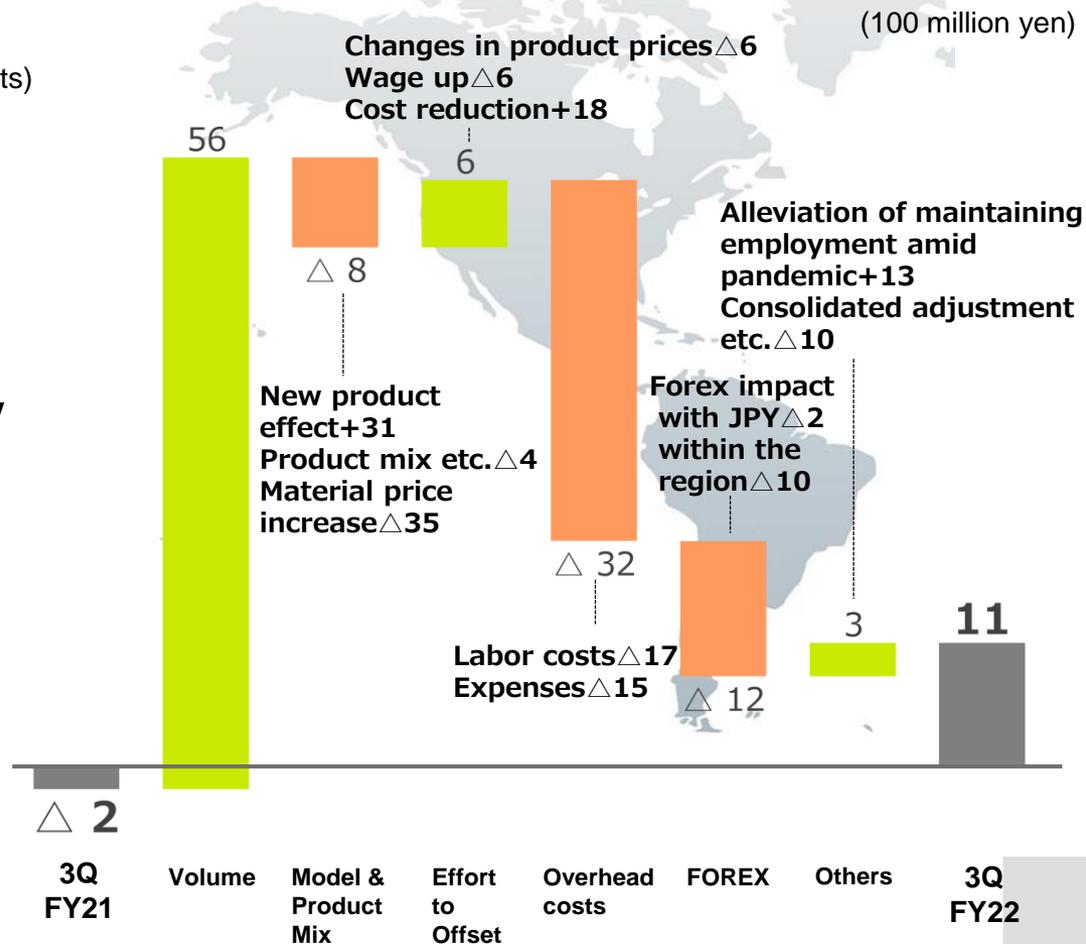
1-3) 3rd Quarter FY2022 Financial Results The Americas Revenue & Operating Profit

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

(100 million yen)

	3Q FY21	3Q FY22	YOY Change
Revenue	1,742	2,313	571
Operating Profit	$\Delta 2$	11	14
Operating Profit Ratio	$\Delta 0.2\%$	0.5%	-

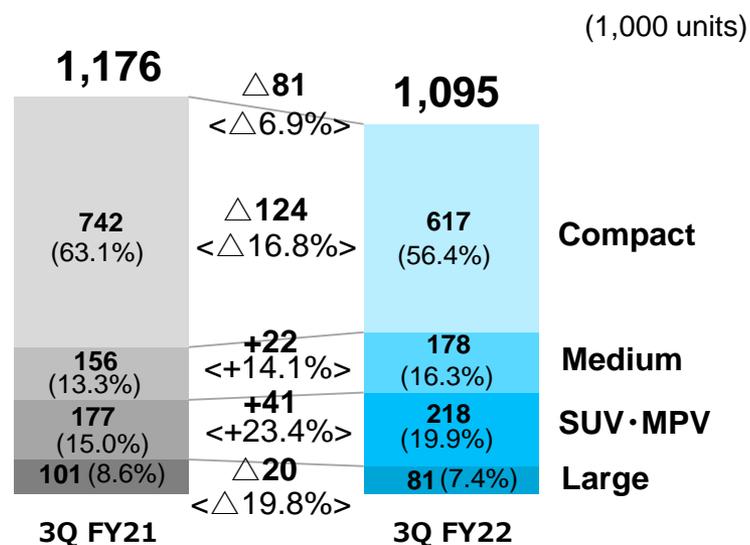
Script

- ◆ Next, in the Americas,
- ◆ Volume increased by 155k units to 914k units year-over year.
- ◆ Sales revenue increased by 57.1 billion yen to 231.3 billion yen.
- ◆ Operating profit increased by 1.4 billion yen to 1.1 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.

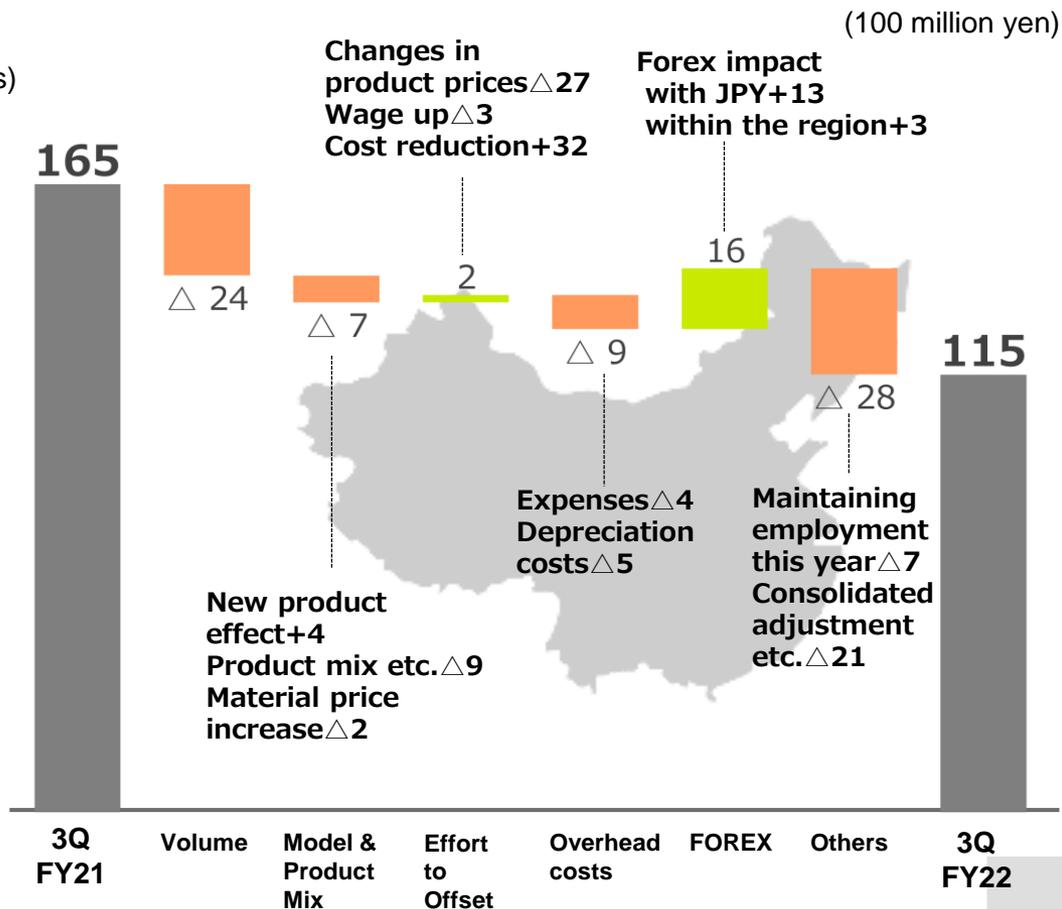
1-3) 3rd Quarter FY2022 Financial Results China Revenue & Operating Profit

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

Volume & Model Mix



Operating Profit Variance Analysis



Profit & Loss

	3Q FY21	3Q FY22	YOY Change
Revenue	1,392	1,521	128
Operating Profit	165	115	△50
Operating Profit Ratio	11.9%	7.6%	-

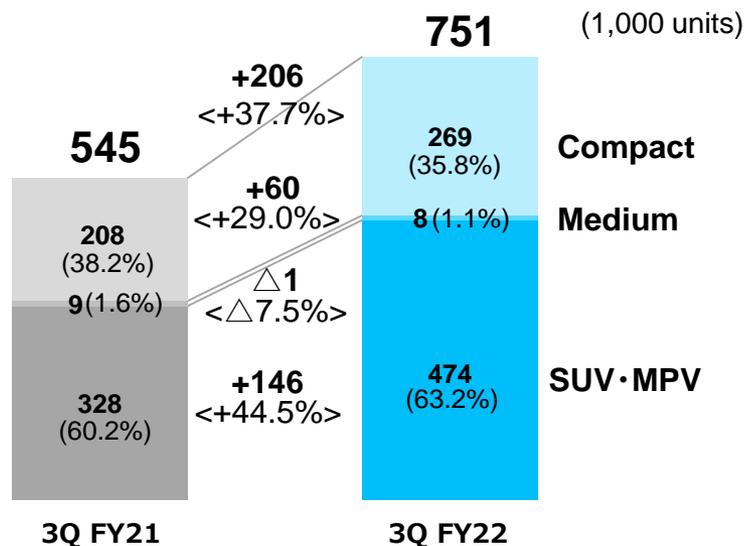
Script

- ◆ Next, in China,
- ◆ Volume decreased by 81k units to 1.09 million units year-over year.
- ◆ Sales revenue increased by 12.8 billion yen to 152.1 billion yen.
- ◆ Operating profit decreased by 5.0 billion yen to 11.5 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) 3rd Quarter FY2022 Financial Results Asia & Oceania Revenue & Operating Profit

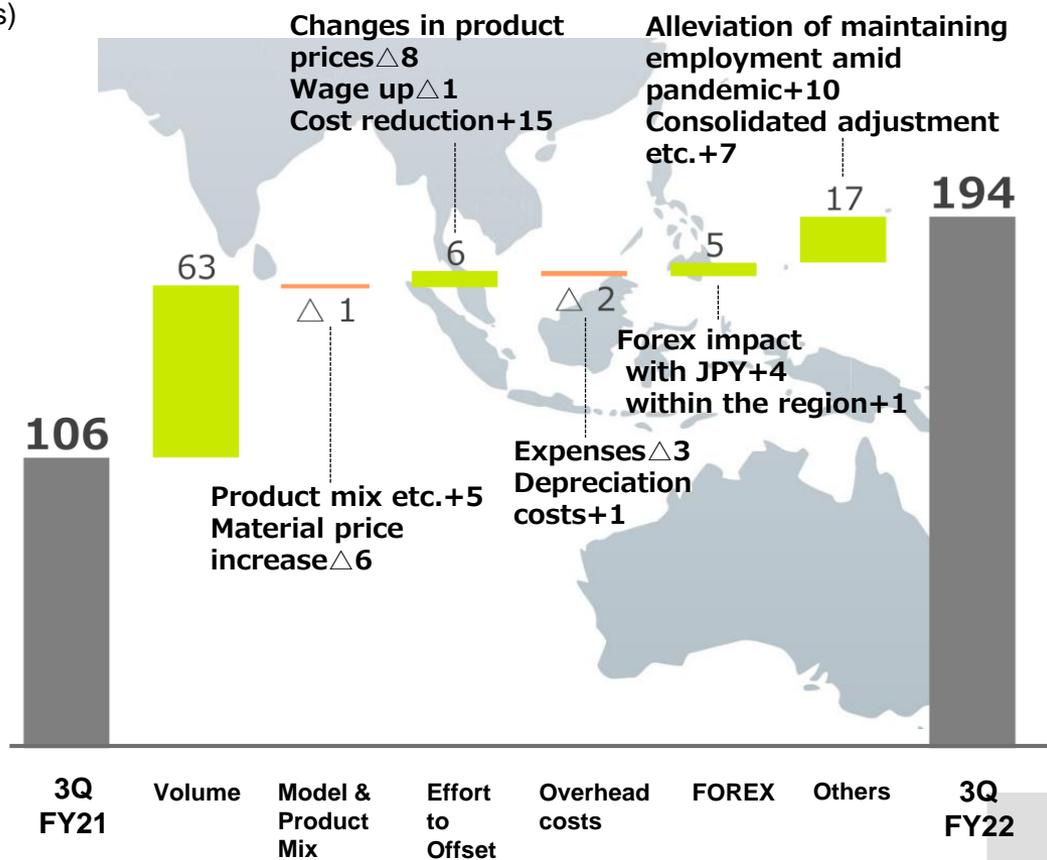
Profit increased due to higher volume as demand recovered from covid-19 last year as well as new product launch

Volume & Model Mix



Operating Profit Variance Analysis

(100 million yen)



Profit & Loss

(100 million yen)

	3Q FY21	3Q FY22	YOY Change
Revenue	999	1,347	347
Operating Profit	106	194	88
Operating Profit Ratio	10.6%	14.4%	-

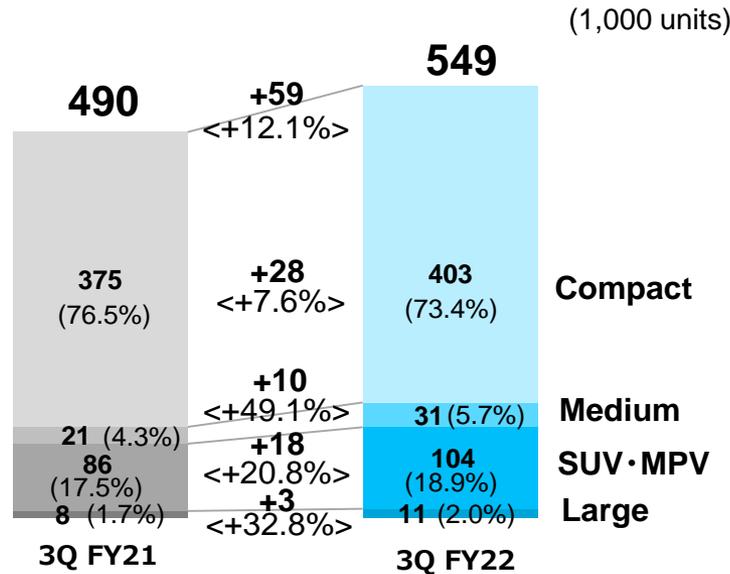
Script

- ◆ Next, in Asia & Oceania region,
- ◆ Volume increased by 206k units to 751k units year-over-year.
- ◆ Sales revenue increased by 34.7 billion yen to 134.7 billion yen.
- ◆ Operating profit increased by 8.8 billion yen to 19.4 billion yen due to higher volume as demand recovered from last year amid covid-19 outbreak in addition to new product launch.

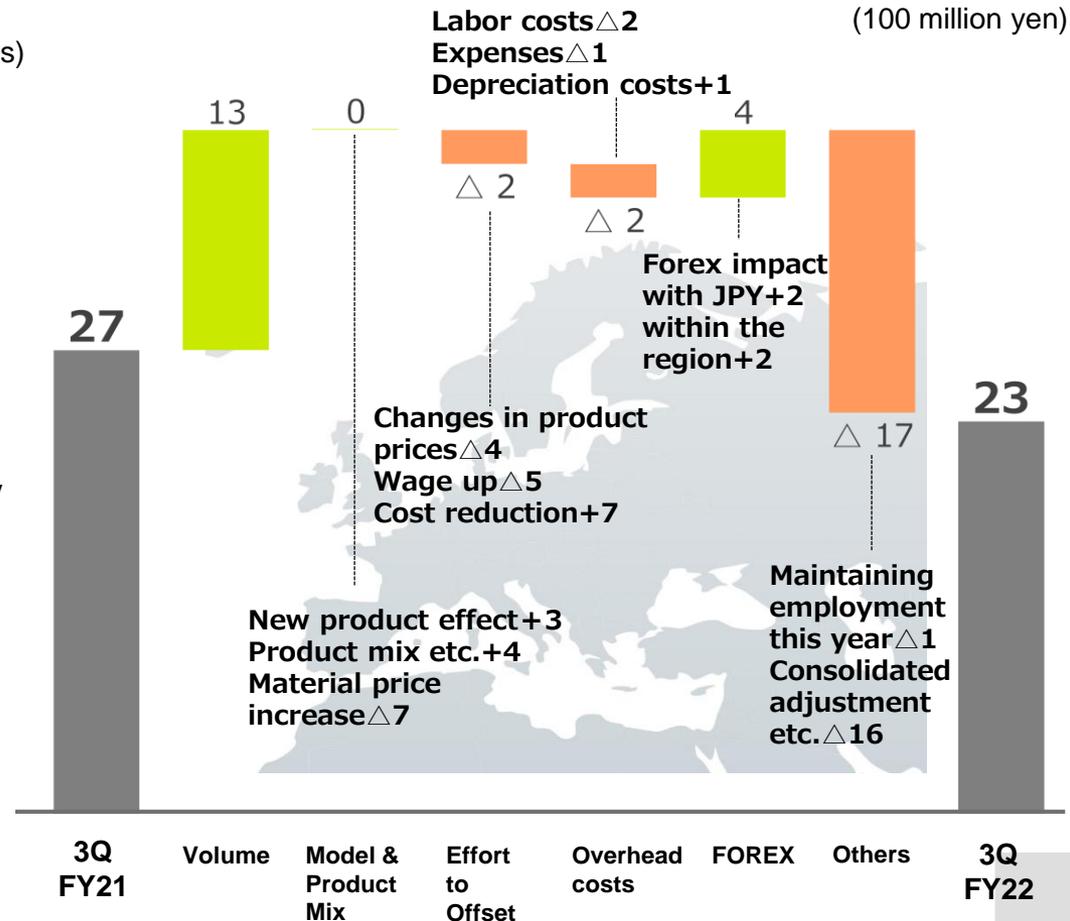
1-3) 3rd Quarter FY2022 Financial Results Europe & Africa Revenue & Operating Profit

Profit decreased due to material price increase and transient negative factors despite higher volume as demand recovered from last year

Volume & Model Mix



Operating Profit Variance Analysis



Profit & Loss

(100 million yen)

	3Q FY21	3Q FY22	YOY Change
Revenue	570	656	85
Operating Profit	27	23	$\Delta 3$
Operating Profit Ratio	4.8%	3.6%	-

Script

- ◆ Next in Europe & Africa region,
- ◆ Volume increased by 59k units to 549k units year-over year.
- ◆ Sales revenue increased by 8.5 billion yen to 65.6 billion yen.
- ◆ Operating profit decreased by 300 million yen to 2.3 billion yen due to material price increase and transient negative factors despite higher volume as demand recovered compared to last year amid covid-19 outbreak.

Financial Results

1. 3rd Quarter FY2022 Financial Results

2. FY2022 Financial Forecasts

3. Appendix

Script

- ◆ In the following section, I would 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 Forecast		YOY Change		FY22 Forecast (2Q Announced)	
Revenue		12,721	100.0%	13,800	100.0%	1,078	8.5%	14,000	100.0%
Operating Profit		571	4.5%	600	4.3%	28	5.1%	720	5.1%
Profit before income taxes		573	4.5%	610	4.4%	36	6.4%	730	5.2%
Profit*		311	2.5%	370	2.7%	58	18.6%	470	3.4%
*Profit Attributable to Owners of the Parent									
Earnings per share		166.93 yen		198.01 yen				251.52 yen	
Exchange Rate	USD	106 yen		112 yen		+6 yen		110 yen	
	EUR	124 yen		130 yen		+6 yen		128 yen	

Revenue

Higher revenue thanks to globally recovering demand despite risks such as covid-19 rebound and parts supply issues

Operating Profit

Profit expected to increase YOY due to company-wide effort to secure profit despite risks of production decrease and material price increase

Script

- ◆ Sales revenue will increase by 107.8 billion yen to 1.38 trillion yen.
- ◆ Operating profit is prospected to increase by 2.8 billion yen to 60 billion yen year-over-year.
- ◆ Profit before income taxes is to increase by 3.6 billion yen to 61 billion yen.
- ◆ Profit attributable to owners of the parent is to increase by 5.8 billion yen to 37 billion yen.
- ◆ Assumed exchange rates are approximately 112 yen to the U.S. dollar, and 130 yen to the euro.

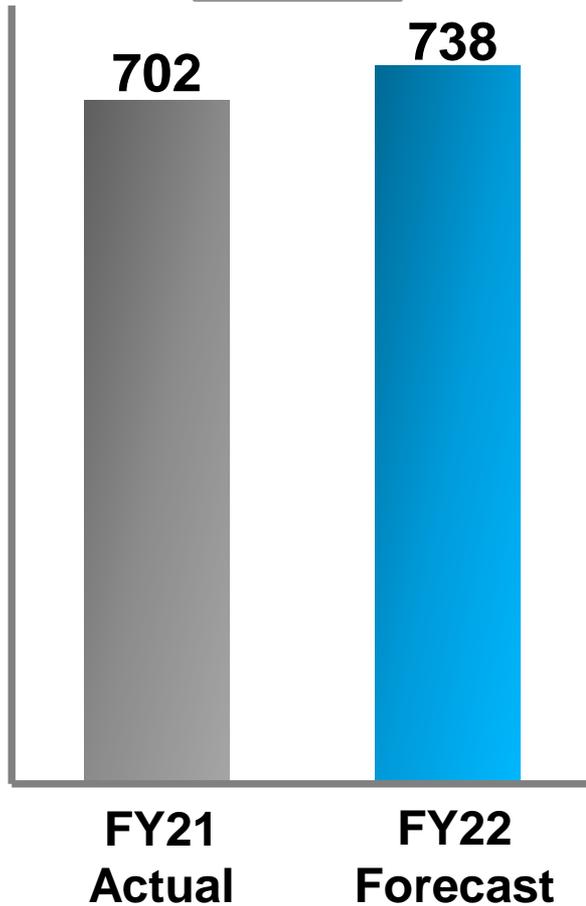
2-2) FY2022 Financial Forecasts **Seat Assembly Production by Region**

Total

+36
+5.2%

(10,000 Units)

(10,000 Units)



By Region

YOY Change
Pct Change



△12
△4.2%

290 **277**

Japan

+15
+13.5%

109 **124**

The Americas

△6
△3.9%

152 **146**

China

+30
+37.5%

79 **109**

Asia & Oceania

+10
+13.9%

72 **82**

Europe & Africa

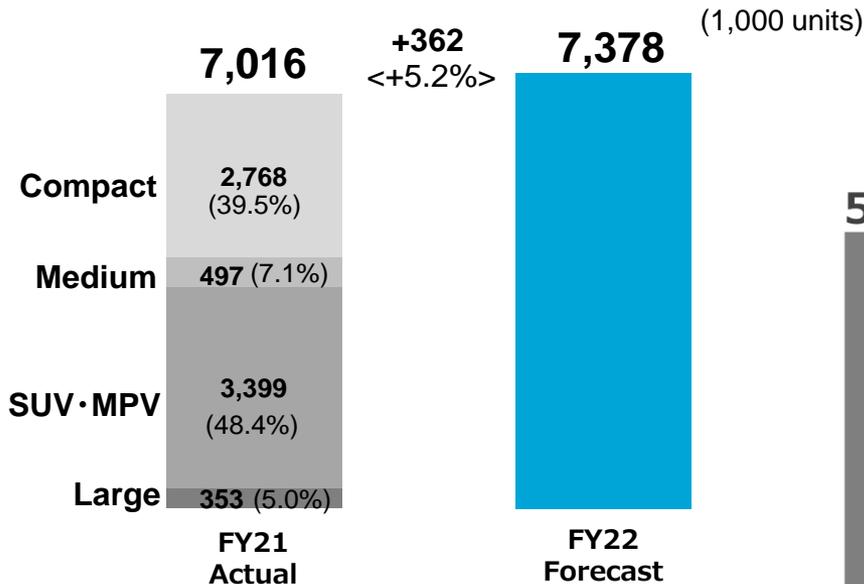
Script

- ◆ As for consolidated seat assembly volume, it will be 7.38 million units, increased by 360k 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 new product effects and measures for securing profitability despite negative impacts of upfront investments aimed at future growth and material price increase

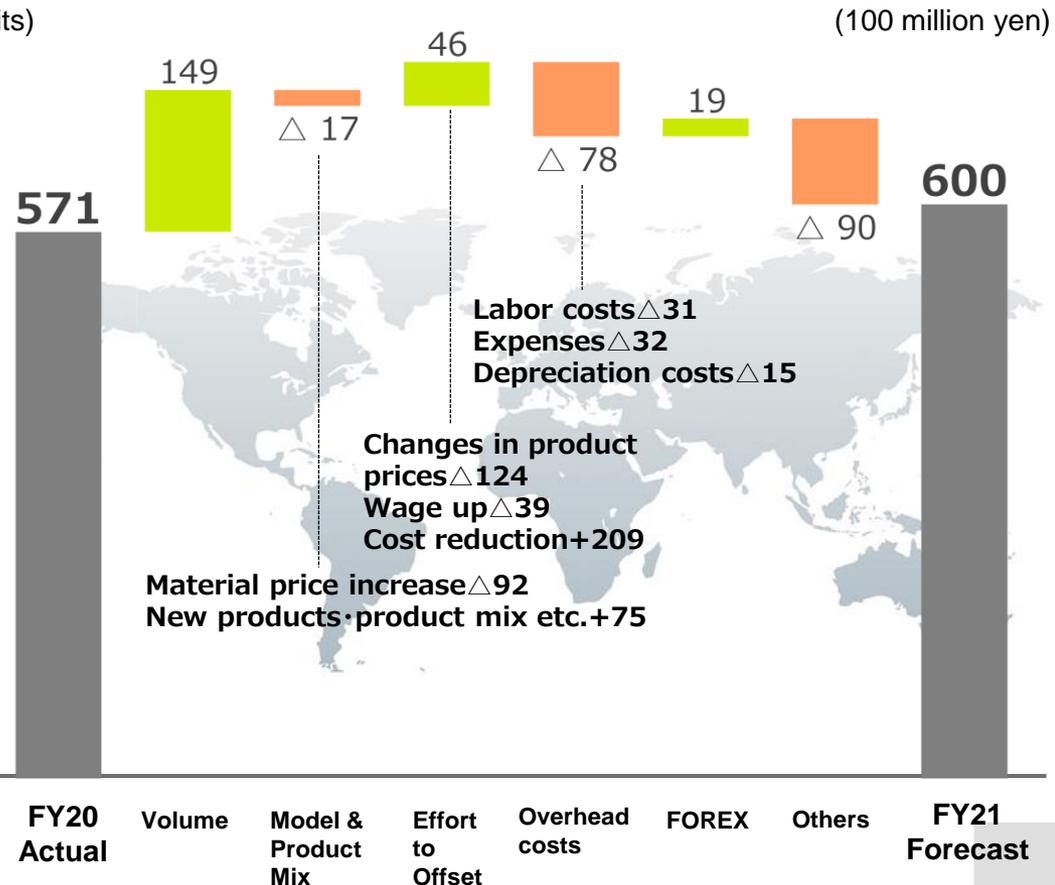
Volume & Model Mix



Profit & Loss (100 million yen)

	FY21 Actual	FY22 Forecast	YOY Change
Revenue	12,721	13,800	1,078
Operating Profit	571	600	28
Operating Profit Ratio	4.5%	4.3%	-

Operating Profit Variance Analysis



Script

- ◆ Next, let me explain consolidated revenue & operating profit.
- ◆ Regarding Volume & Model Mix, since operation status until March remains uncertain, only volume will be revealed today. Volume will be 7.38 million units, increased by 362k units year-over-year.
- ◆ Sales revenue will be increased by 107.8 billion yen to 1.38 trillion yen.
- ◆ Operating profit is predicted to be 60 billion yen, increased by 2.8 billion yen by absorbing production increase effects as much as possible through lean production system established last year, besides company-wide measures to secure profits and activities to improve profitability of new products despite negative impacts of upfront investments aimed at future growth and material price increase.

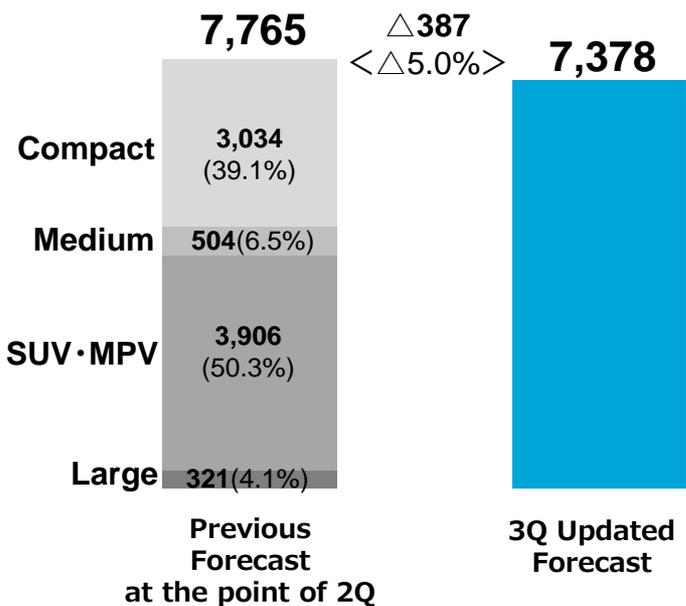
2-4) FY2022 Financial Forecasts Comparison with the Forecast released for 2Q

Profit is expected to exceed the previous year thanks to profit securing measures such as maximizing new product effects despite impacts of globally decreased production and temporal expenses along with it

Volume & Model Mix

Operating Profit Variance Analysis

(100 million yen)



	2Q released	3Q released	diff.	contents
FY21 Actual	571	571	—	
Volume	256	149	$\Delta 107$	• Production decline
Mix	$\Delta 29$	$\Delta 17$	+12	• Sales efforts etc.
Cost reduction	46	46	—	
Expenses	$\Delta 78$	$\Delta 78$	—	
FOREX	14	19	+5	
Others	$\Delta 60$	$\Delta 90$	$\Delta 30$	• Temporal expenses from production cut
FY22 Forecast	720	600	$\Delta 120$	

Profit & Loss

(100 million yen)

	Previous Forecast	Updated Forecast	YOY Change
Revenue	14,000	13,800	$\Delta 200$
Operating Profit	720	600	$\Delta 120$
Operating Profit Ratio	5.1%	4.3%	—

Script

- ◆ Next, here is the comparison of operation profit of 72 billion yen released for 2Q and 60 billion yen released today.
- ◆ It was revised downward because of ongoing production decline due to global semiconductor shortage and covid-19 rebound besides temporal expenses along with it despite measures to secure profitability such as sales effort compared to the time of 2Q.
- ◆ On the other hand, profit is expected to exceed the previous year thanks to continuous measures to secure profit such as productivity enhancement through Kaizen activities at production site including human resource development, shorter working hour from work-style review, and streamlined expenses, which have been focused on since last year under lower production.

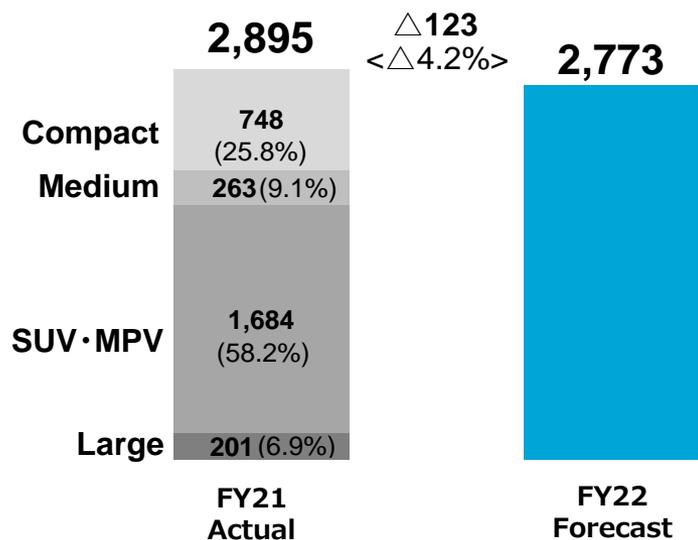
2-5) FY2022 Financial Forecasts Revenue & Operating Profit by Region

Japan

Lower profit due to negative impacts of covid-19 rebound and parts supply issues despite new product effects

Volume & Model Mix

(1,000 units)

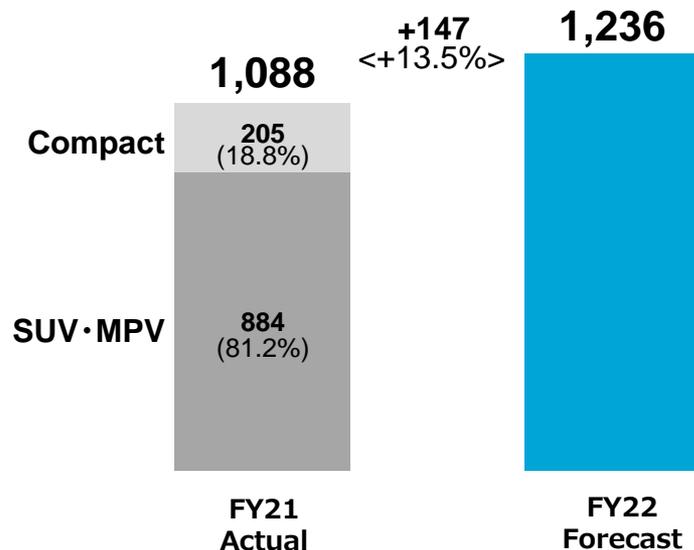


The Americas

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

Volume & Model Mix

(1,000 units)



Profit & Loss

(100 million yen)

	FY21 Actual	FY22 Forecast	YOY Change
Revenue	6,996	6,900	△ 96
Operating Profit	140	90	△ 50
Operating Profit Ratio	2.0%	1.3%	-

Profit & Loss

(100 million yen)

	FY21 Actual	FY22 Forecast	YOY Change
Revenue	2,460	3,100	639
Operating Profit	14	40	25
Operating Profit Ratio	0.6%	1.3%	-

Script

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

First, regarding Japan,

Volume will decrease by 123k units to 2.77 million units year-over year.

- ◆ Sales revenue will decrease by 9.6 billion yen to 690 billion yen.
- ◆ Operating profit, is prospected to decrease by 5.0 billion yen to 9.0 billion yen due to negative impacts of covid-19 rebound and parts supply issues despite new product effects.

- ◆ Next, The Americas,

Volume will increase by 147k units to 1.24 million units year-over year.

- ◆ Sales revenue will increase by 63.9 billion yen to 310 billion yen.
- ◆ Operating profit, is prospected to increase by 2.5 billion yen to 4.0 billion yen due to impacts of volume increase and elimination of temporary inefficiency from model changes despite rise in material prices.

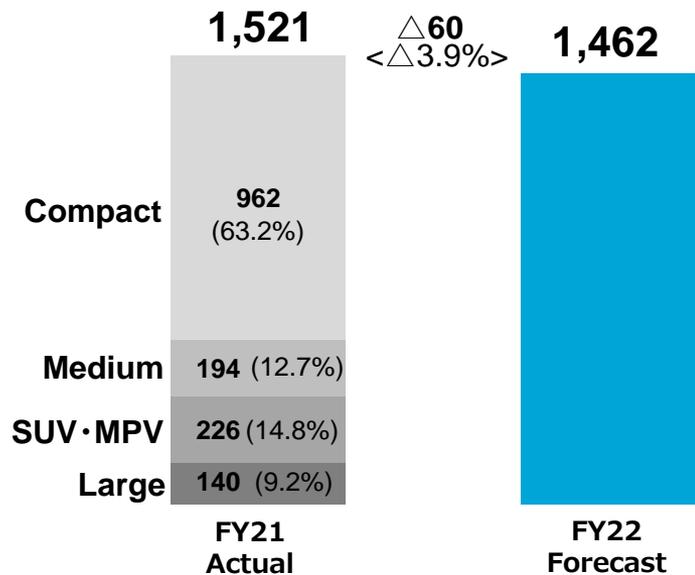
2-5) FY2022 Financial Forecasts Revenue & Operating Profit by Region

China

Lower profit due to production decline from covid-19 rebound and parts supply issues despite positive impacts of new product effects

Volume & Model Mix

(1,000 units)



Profit & Loss

(100 million yen)

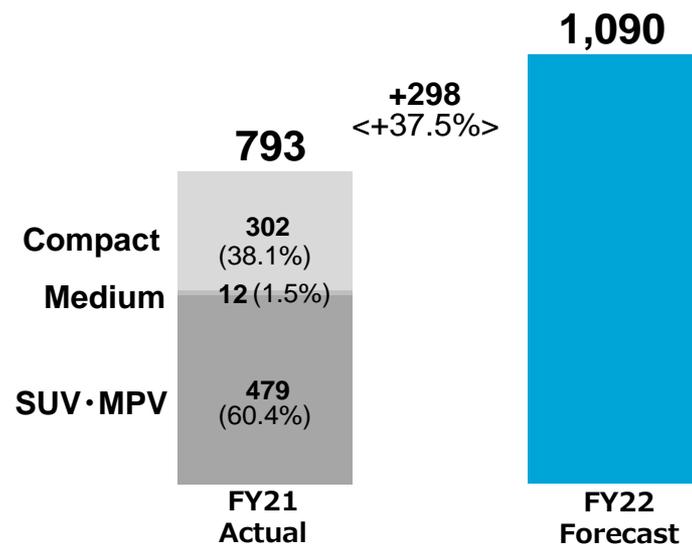
	FY21 Actual	FY22 Forecast	YoY Change
Revenue	1,804	2,000	195
Operating Profit	184	160	Δ24
Operating Profit Ratio	10.2%	8.0%	—

Asia & Oceania

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

Volume & Model Mix

(1,000 units)



Profit & Loss

(100 million yen)

	FY21 Actual	FY22 Forecast	YoY Change
Revenue	1,444	1,850	405
Operating Profit	171	260	88
Operating Profit Ratio	11.9%	14.1%	—

Script

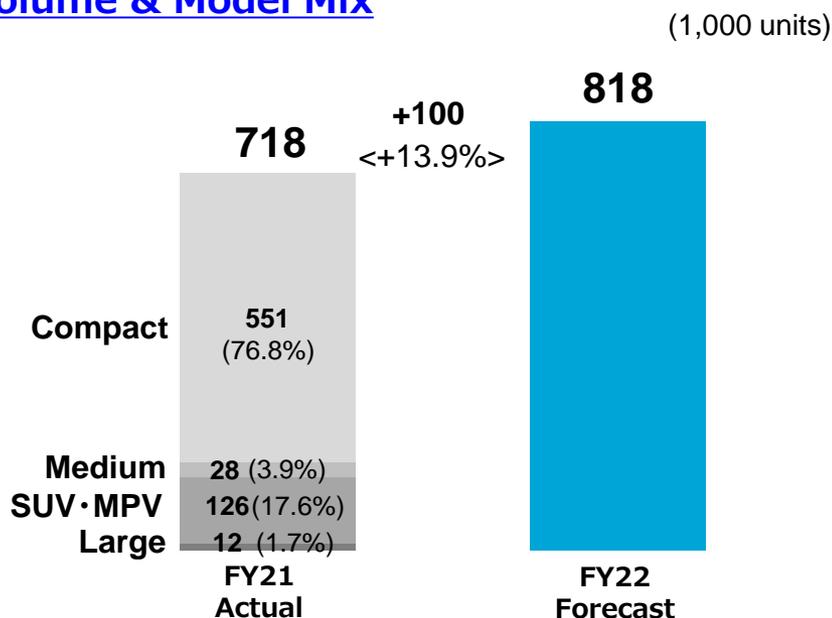
- ◆ Next, in China,
 - ◆ Volume will decrease by 60k units to 1.46 million units year-over year.
 - ◆ Sales revenue will increase by 19.5 billion yen to 200 billion yen.
 - ◆ Operating profit, is prospected to decrease by 2.4 billion yen to 16 billion yen due to production decline from covid-19 rebound and parts supply issues despite positive impacts of new product effects.
- ◆ Next, in Asia & Oceania,
 - ◆ Volume will increase by 298k units to 1.09 million units year-over year.
 - ◆ Sales revenue will increase by 40.5 billion yen to 185 billion yen.
 - ◆ Operating profit, is prospected to increase by 8.8 billion yen to 26 billion yen thanks to production increase as demand recovered from covid-19 compared to last year.

2-5) FY2022 Financial Forecasts Revenue & Operating Profit by Region

Europe & Africa

Lower profit due to negative impacts of increased material price and transient negative factors despite higher volume

Volume & Model Mix



Profit & Loss

(100 million yen)

	FY21 Actual	FY22 Forecast	YoY Change
Revenue	826	950	123
Operating Profit	60	50	△10
Operating Profit Ratio	7.3%	5.3%	-

Script

- ◆ Next, in Europe & Africa,
- ◆ Volume will increase by 100k units to 818k units year-over year.
- ◆ Sales revenue will increase by 12.3 billion yen to 95 billion yen.
- ◆ Operating profit, is prospected to decrease by 1.0 billion yen to 5.0 billion yen due to negative impacts of increased material price and transient negative factors despite volume increase.

2-6) FY2022 Financial Forecasts 1st/2nd Half by Region

Revenue

(100 million yen)

	1st Half		2nd Half		Full Year	
Japan	3,427		3,472		6,900	
The Americas	1,459		1,640		3,100	
China	874		1,125		2,000	
Asia & Oceania	819		1,030		1,850	
Europe & Africa	398		551		950	
Consolidated Total	6,520		7,279		13,800	

Operating Profit

(100 million yen)

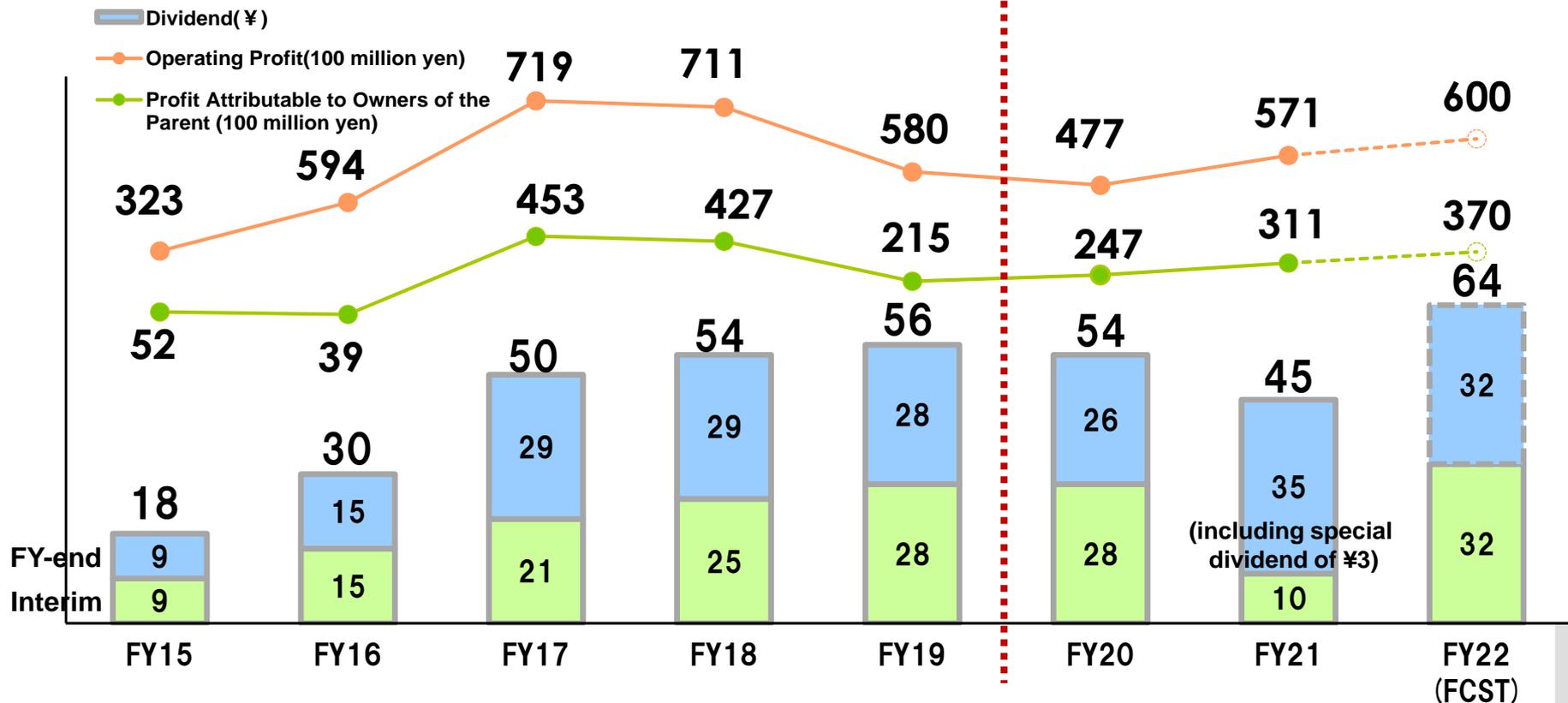
	1st Half		2nd Half		Full Year	
Japan	56	1.6%	33	1.0%	90	1.3%
The Americas	18	1.3%	21	1.3%	40	1.3%
China	47	5.4%	112	10.0%	160	8.0%
Asia & Oceania	117	14.3%	142	13.8%	260	14.1%
Europe & Africa	3	0.8%	46	8.5%	50	5.3%
Consolidated Total	242	3.7%	357	4.9%	600	4.3%

◆ Financial Forecasts by Half Year is as shown.

2-7) FY2022 Financial Forecasts Returning to Shareholders

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

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



Script

- ◆ Next, on returning to shareholders,
- ◆ For FY-end, our plan is 32 yen,
which is determined based on comprehensive evaluation
of our ability to earn to keeping long-term sustainable
dividends.

2-8) Concluding 3rd Quarter FY2022 Financial Results

【3Q Results】

- **Progressed as the same level as announced at 2Q thanks to company-wide efforts to secure profit despite impacts of production decline**

【4Q Forecast】

- **Provision revised downward incorporating customer's production cut until March**

【Annual Forecast】

- **While profit revised downward, our ability to earn has certainly enhanced thanks to new product effects, streamlined overhead costs, as well as cost reduction under lower production.**
- **Action plans to achieve objectives of 2025 Business Plan are steadily implemented**

Script

- ◆ Lastly, I'd like to conclude this 3rd Quarter Financial Results.
- ◆ In the 3rd quarter, operating profit resulted as the same level as previously announced thanks to company-wide efforts to secure profit despite negative impacts of external environment such as customer's production cut from global parts supply issues.
- ◆ For the 4th quarter, provision for profit revised downward because customer's production cut until March is incorporated. Accordingly, full-year financial forecast is revised. However, our ability to earn has certainly enhanced thanks to new product effects, streamlined overhead costs, as well as cost reduction under lower production.
- ◆ Likewise, action plans to achieve the objectives of 2025 Business Plan are steadily implemented based on new work style and lean production system acquired until today.

Script

- ◆ That would be all for financial results of the FY2022 3rd quarter.
- ◆ Thank you for listening.

Financial Results

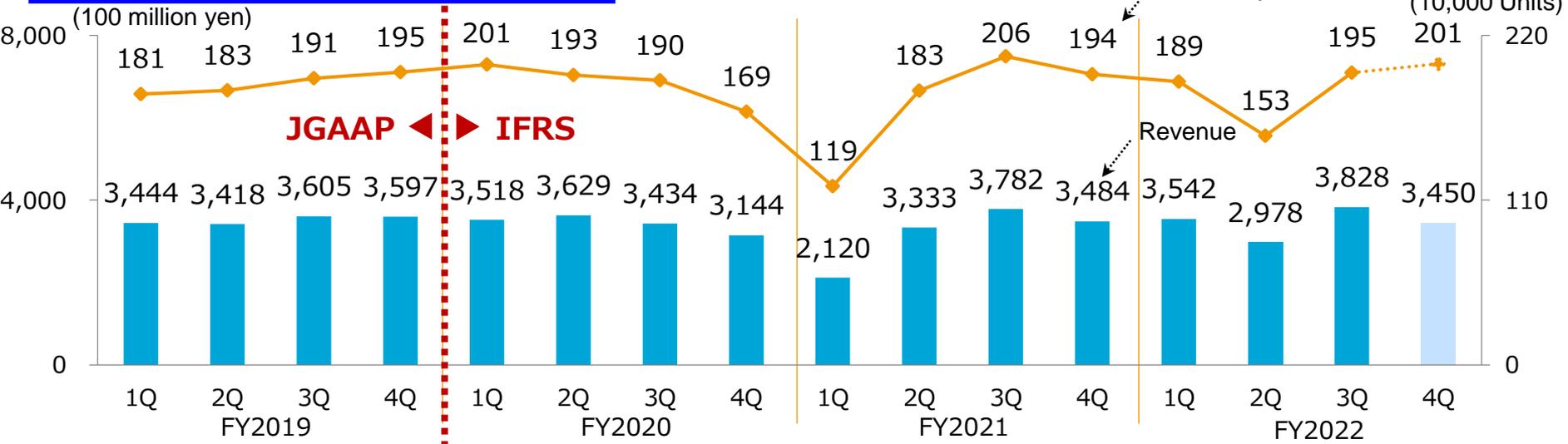
1. 3rd Quarter FY2022 Financial Results

2. FY2022 Financial Forecasts

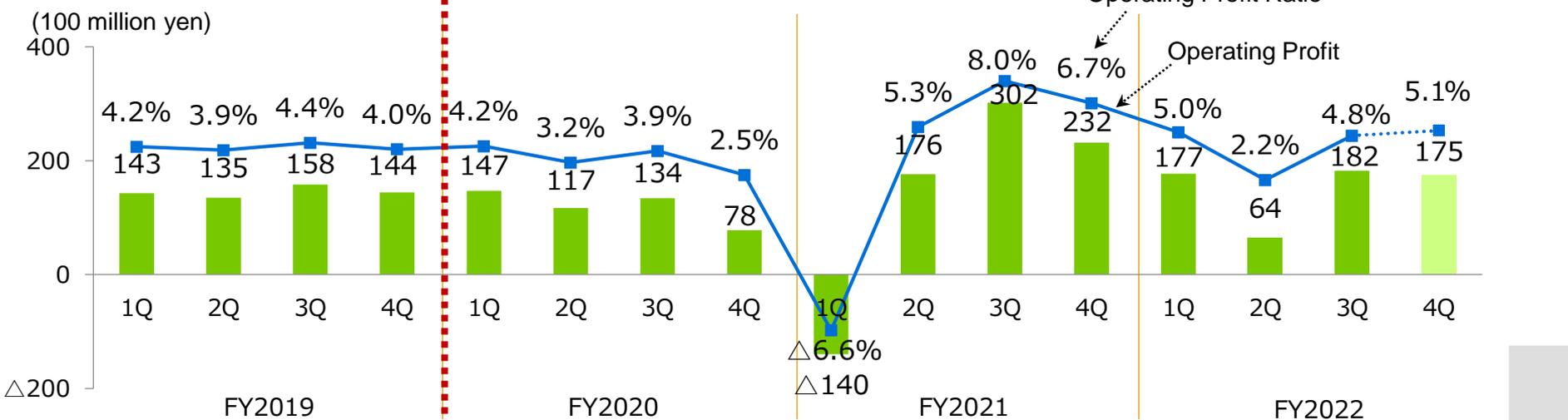
3. Appendix

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

Seat Assembly Production / Revenue

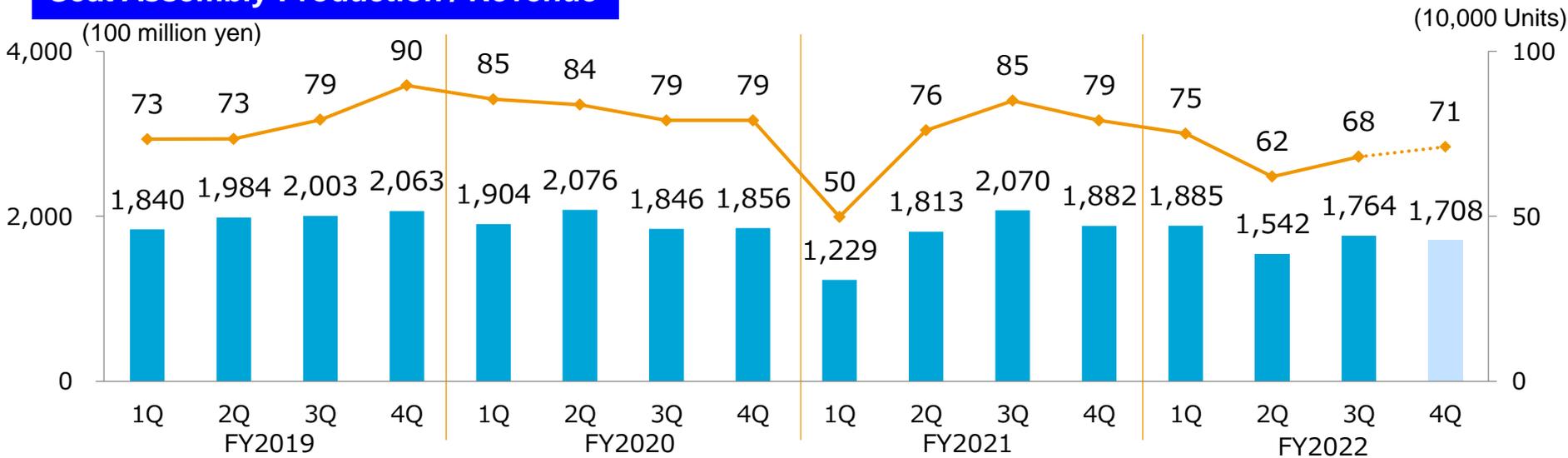


Operating Profit / Operating Profit Ratio

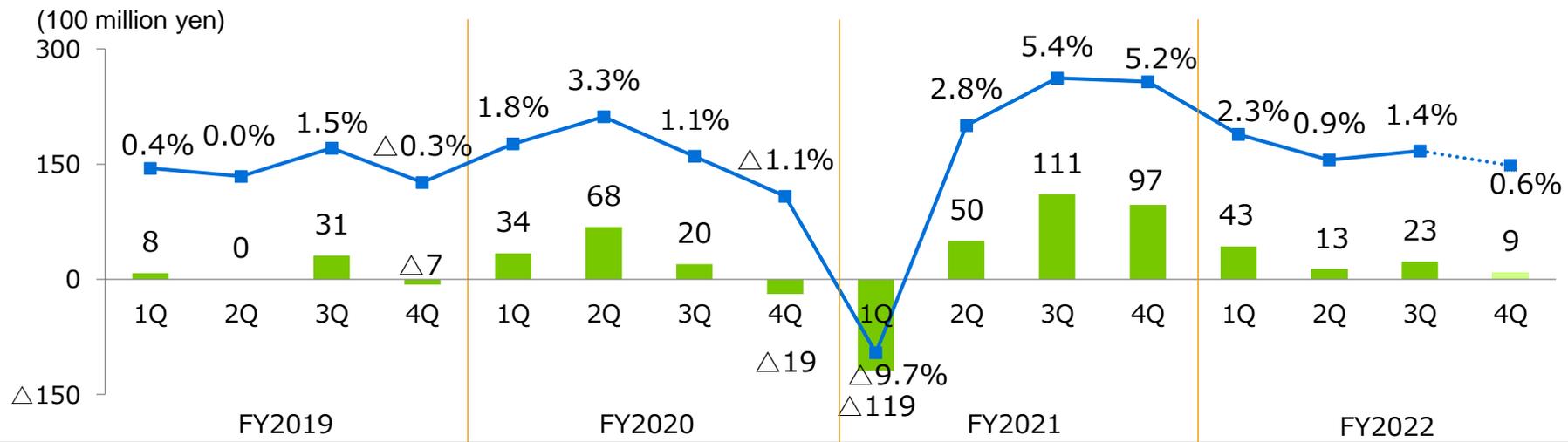


Appendix2) Quarterly Trends: Japan volume, revenue, operating profit, operating profit ratio

Seat Assembly Production / Revenue

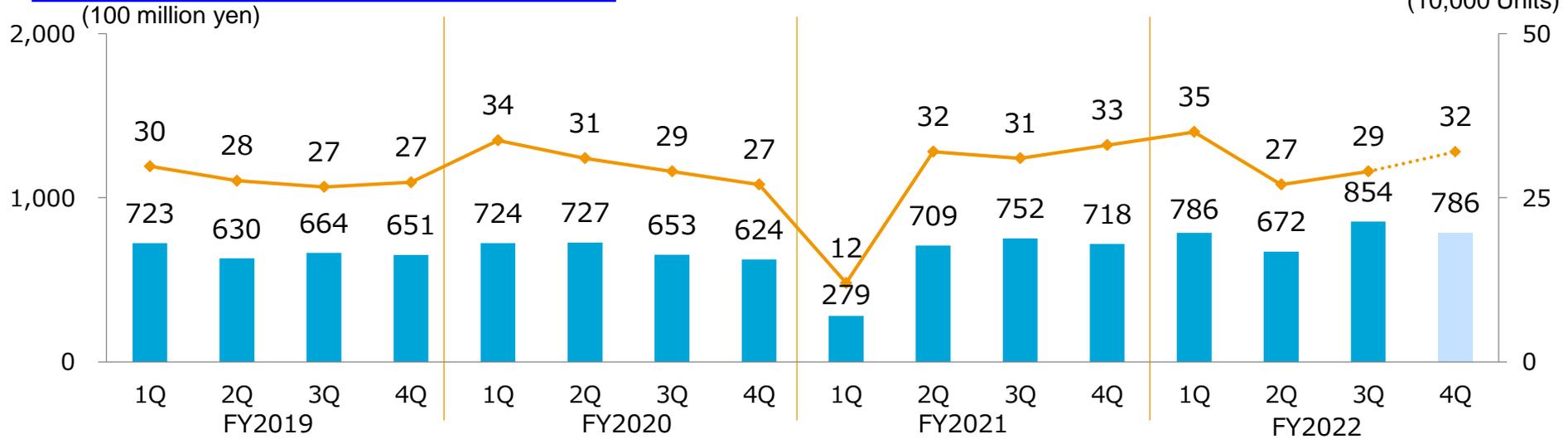


Operating Profit / Operating Profit Ratio

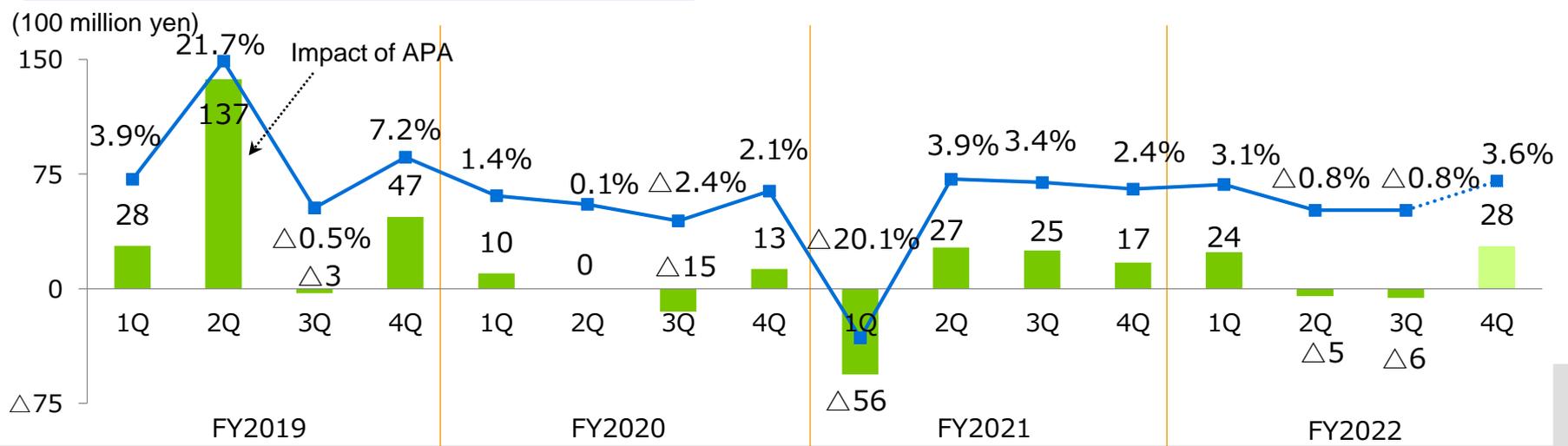


Appendix3) Quarterly Trends: The Americas volume, revenue, operating profit, operating profit ratio

Seat Assembly Production / Revenue

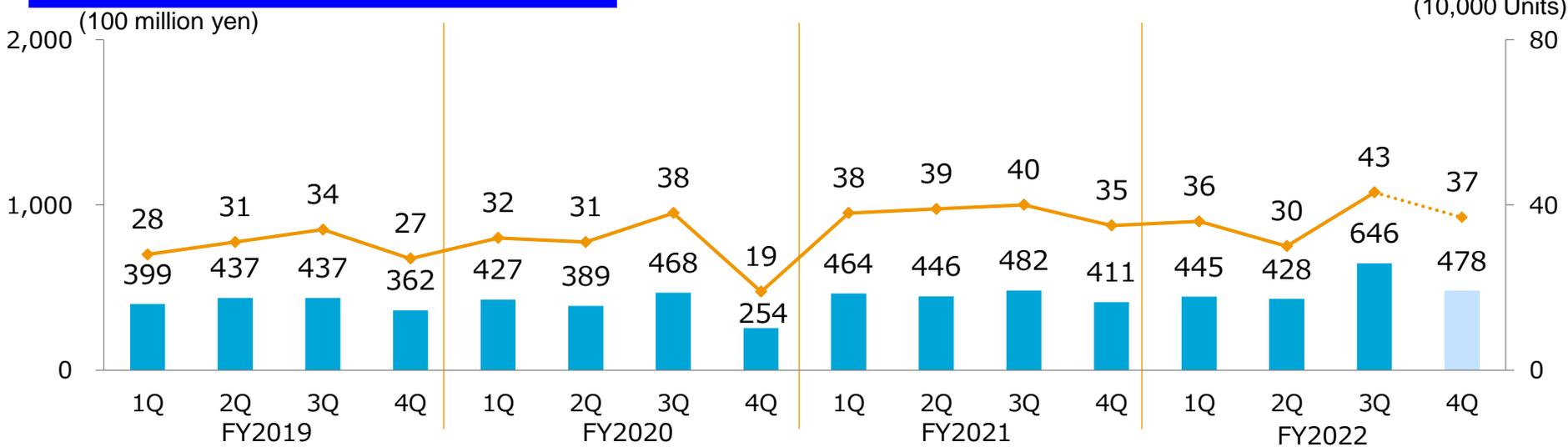


Operating Profit / Operating Profit Ratio

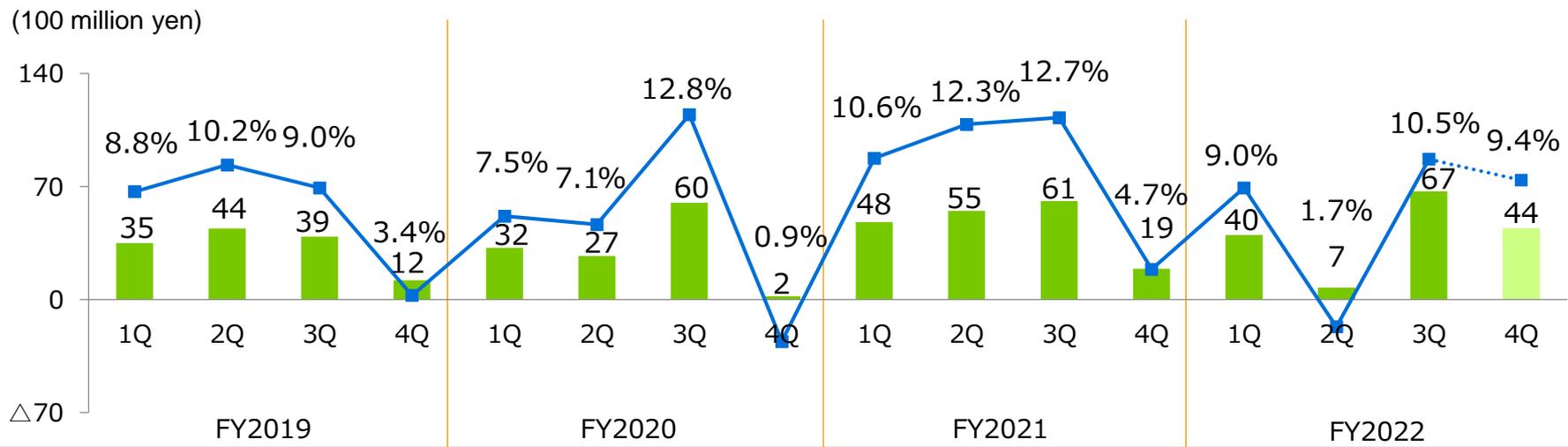


Appendix4) Quarterly Trends: China volume, revenue, operating profit, operating profit ratio

Seat Assembly Production / Revenue

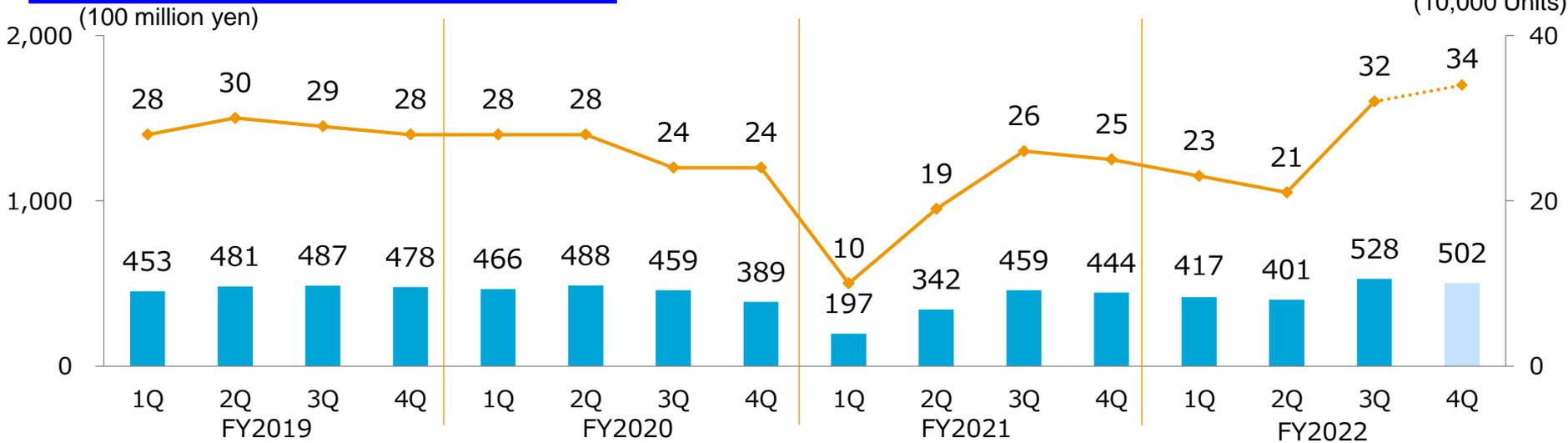


Operating Profit / Operating Profit Ratio

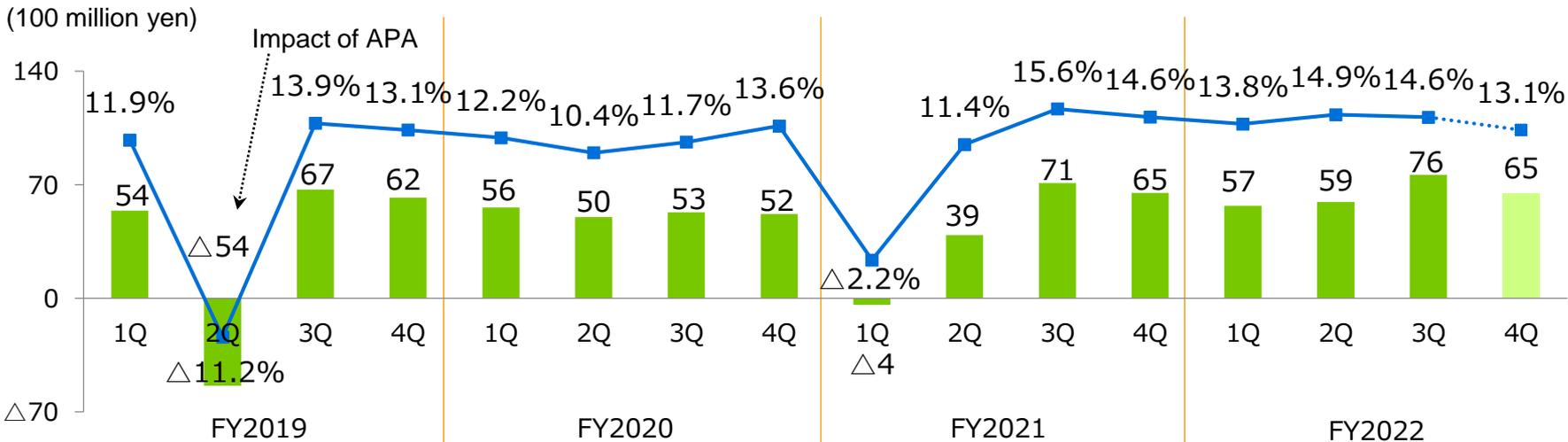


Appendix5) Quarterly Trends: Asia & Oceania volume, revenue, operating profit, operating profit ratio

Seat Assembly Production / Revenue

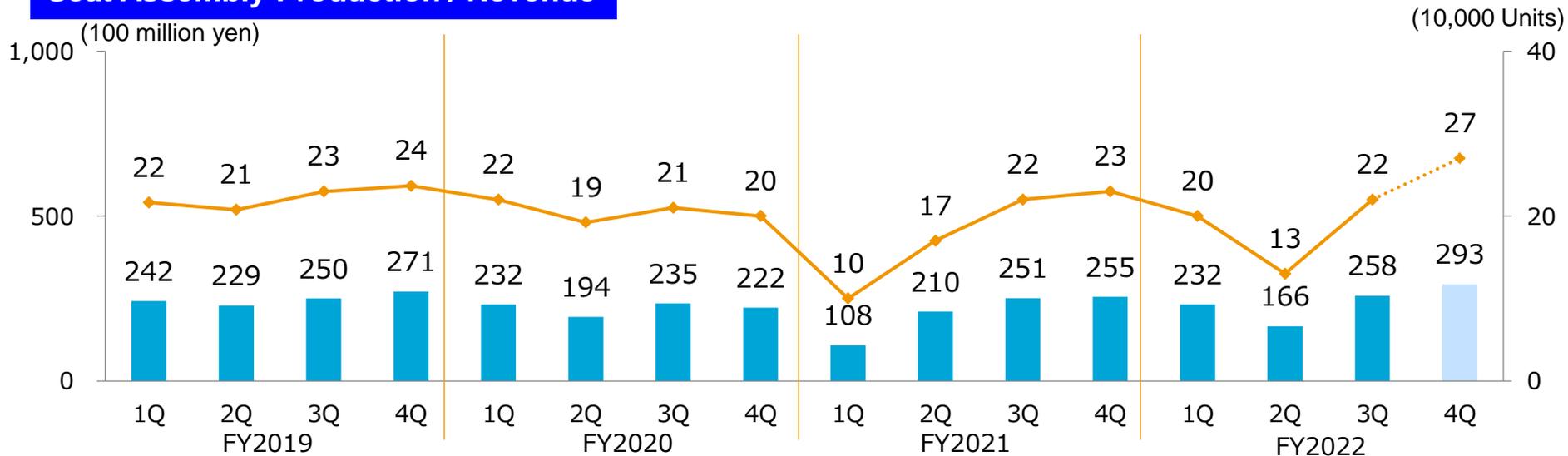


Operating Profit / Operating Profit Ratio

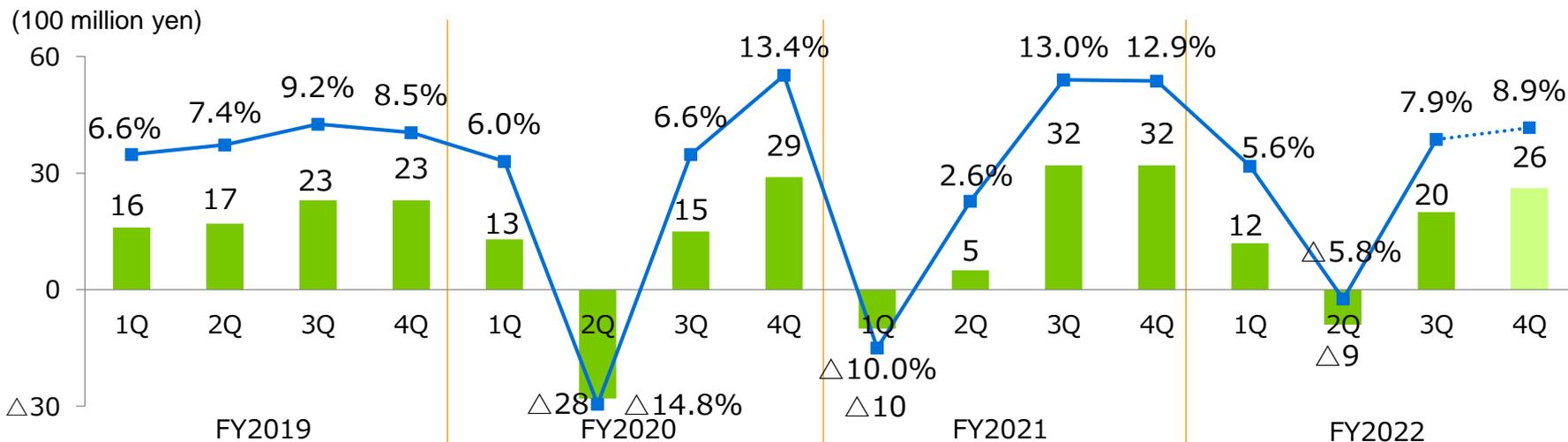


Appendix6) Quarterly Trends: Europe & Africa volume, revenue, operating profit, operating profit ratio

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