



TOYOTA BOSHOKU

TSE Prime Market Securities Code 3116

FY2023 (ending March 2023)

1st Quarter

Financial Results

Date: July 29, 2022

Financial Results

- 1. 1st Quarter FY2023 Financial Results**
- 2. FY2023 Financial Forecasts**
- 3. Appendix**

Financial Results

1. 1st Quarter FY2023 Financial Results

2. FY2023 Financial Forecasts

3. Appendix

Script

- ◆ Hello, this is Iwamori.
- ◆ Thank you for attending our FY2023 1st quarter financial results briefing during a busy time today.
- ◆ Firstly, I would like to explain the Financial Results for the 1st quarter of the fiscal year 2023, then the full year forecasts.
- ◆ Now, I'd like to start by looking at our financial results for the 1st quarter.

1-1) 1st Quarter FY2023 Financial Results Overview of Consolidated Financial Results

(100 million yen)

	Q1 FY2022		Q1 FY2023		YOY Change	
Revenue	3,542	100.0%	3,503	100.0%	△39	△1.1%
Operating Profit	177	5.0%	34	1.0%	△143	△80.9%
Profit before income taxes	194	5.5%	75	2.2%	△119	△61.3%
Profit*	121	3.4%	△13	△0.4%	△135	-

*Profit Attributable to Owners of the Parent

Earnings per share		65.27 yen	△7.38 yen	
Exchange Rate	USD	109 yen	130 yen	+21 yen
	EUR	132 yen	138 yen	+6 yen

Revenue

Revenue decreased as volume decrease due to Covid-19 rebound impacts and the parts supply issues

Operating Profit

Profit decreased due to investments for the future growth in addition to volume decrease and increase in material price, shipping costs caused by external environment change

Script

- ◆ Sales revenue decreased by 3.9 billion yen to 350.3 billion yen.
- ◆ Operating profit decreased by 14.3 billion yen to 3.4 billion yen year-over-year.
- ◆ Profit before income taxes decreased by 11.9 billion yen to 7.5 billion yen.
- ◆ Profit attributable to owners of the parent decreased by 13.5 billion yen to -1.3 billion yen.
- ◆ Exchange rates are approximately 130 yen to the U.S. dollar, and 138 yen to the Euro.

There are exchange gain of 27.4 billion yen for sales,
1 billion yen for operating profit year-over-year.

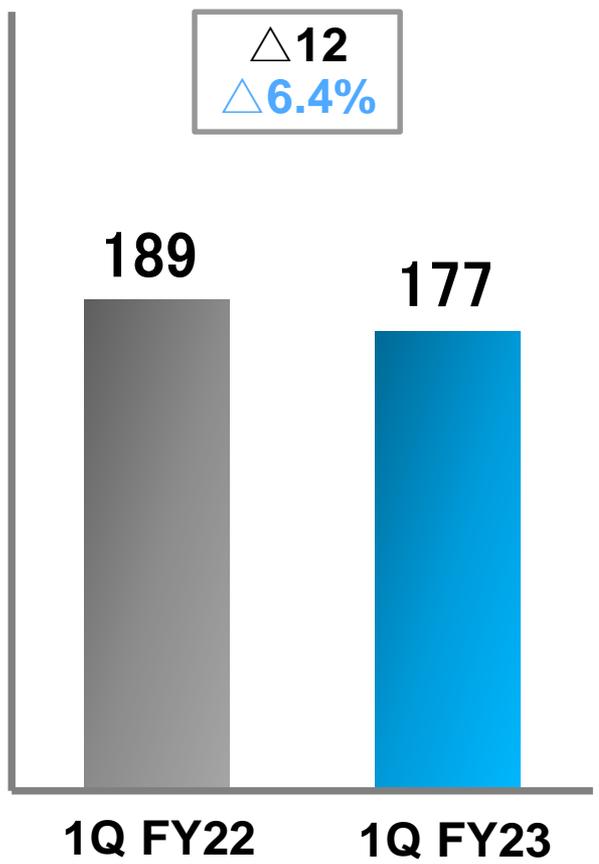
1-2) 1st Quarter FY2023 Financial Results **Seat Production by Region**

Total

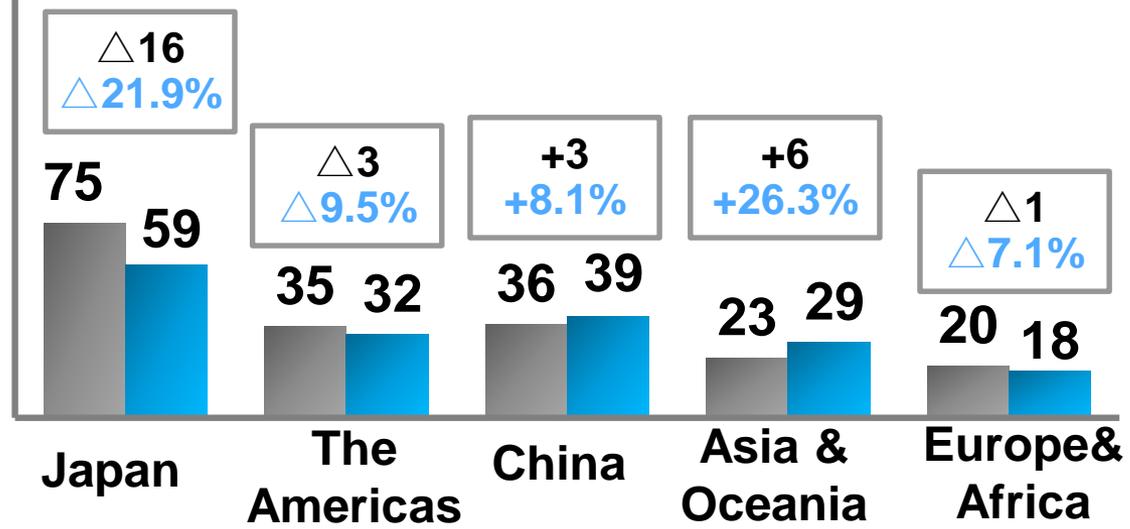
By Region

(10,000 Units)

(10,000 Units)



YOY Change
Pct Change



Script

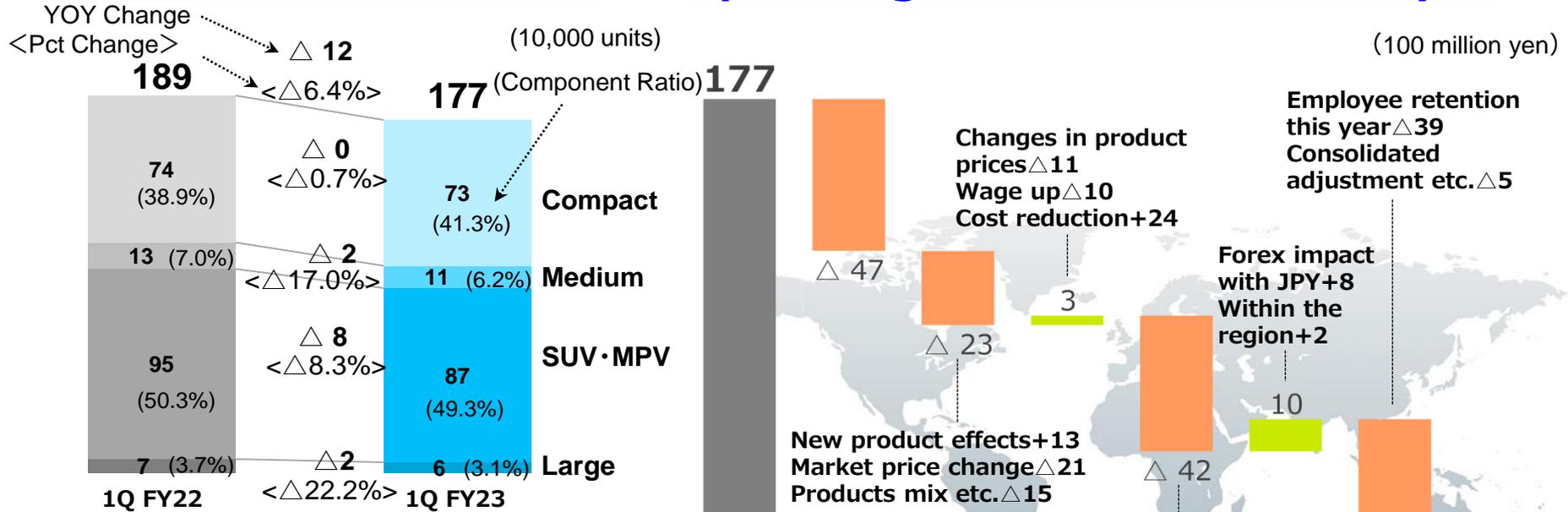
- ◆ Next, consolidated seat assembly volume, the main product of the company, totaled 1.77 million units, decreased by 0.12 million units compared to the previous year.
- ◆ Seat assembly volume by region is as shown. This will be explained in detail in later slides.

1-3) 1st Quarter FY2023 Financial Results Consolidated Revenue & Operating Profit

Profit decreased due to volume decrease and increase in material price, shipping costs caused by external environment change and overhead costs increase despite new product effects and cost reduction.

Volume & Model Mix

Operating Profit Variance Analysis



Profit & Loss

(100 million yen)

	1Q FY22	1Q FY23	YOY Change
Revenue	3,542	3,503	△ 39
Operating Profit	177	34	△ 143
Operating Profit Ratio	5.0%	1.0%	-

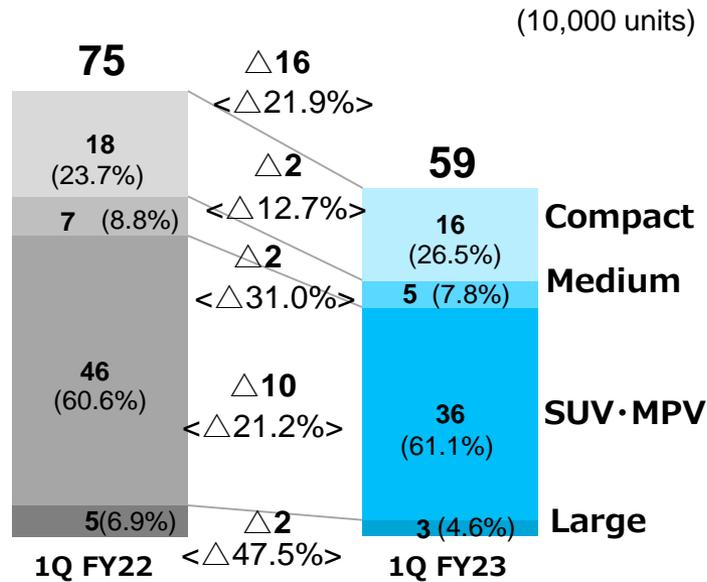
Script

- ◆ Next, let me move on to consolidated revenue & operating profit.
- ◆ Volume decreased 0.12 million units to 1.77 million units.
- ◆ Sales revenue decreased by 3.9 billion yen to 350.3 billion yen.
- ◆ Operating profit decreased by 14.3 billion yen to 3.4 billion yen due to volume decrease and increase in material price, shipping costs caused by external environment change and overhead costs increase despite new product effects and cost reduction.

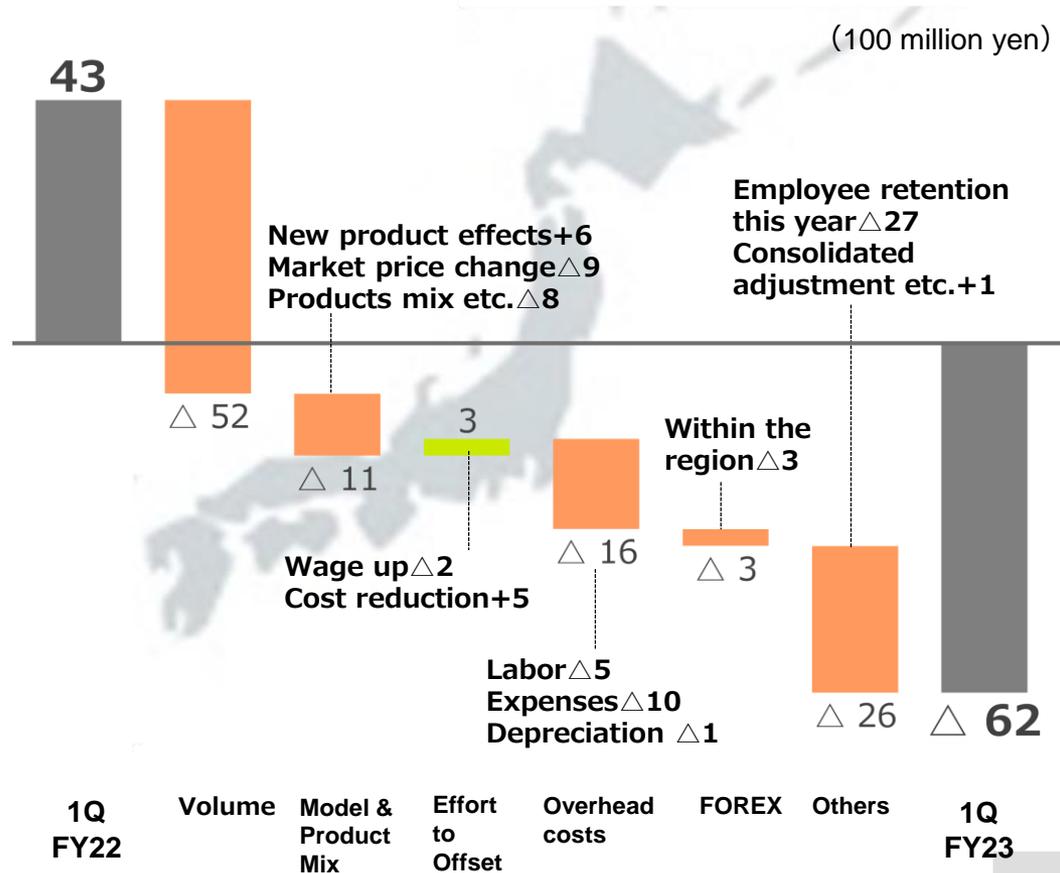
1-3) 1st Quarter FY2023 Financial Results Japan Revenue & Operating Profit

Profit decreased as volume decrease due to the parts supply issues in addition to employee retention and overhead costs increase despite new product effects

Volume & Model Mix



Operating Profit Variance Analysis



Profit & Loss

(100 million yen)

	1Q FY22	1Q FY23	YOY Change
Revenue	1,885	1,505	Δ 379
Operating Profit	43	Δ 62	Δ 105
Operating Profit Ratio	2.3%	Δ 4.2%	-

Script

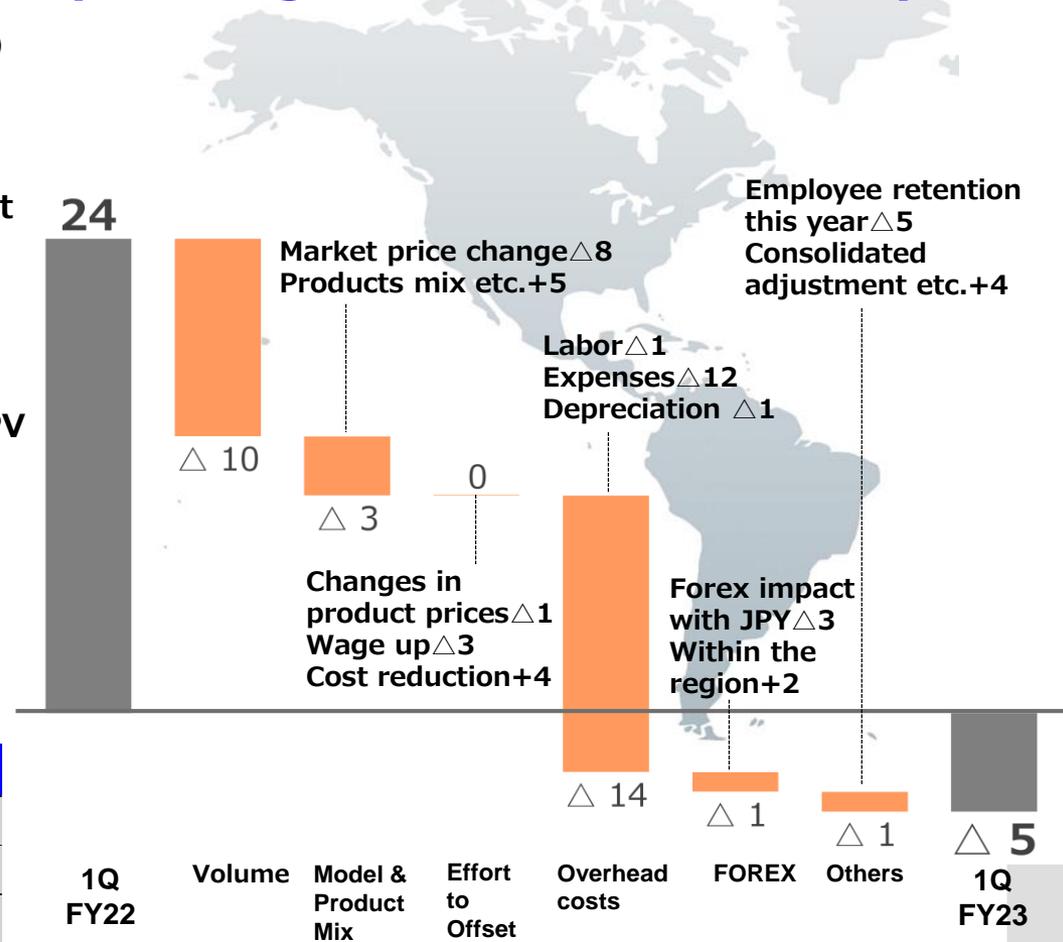
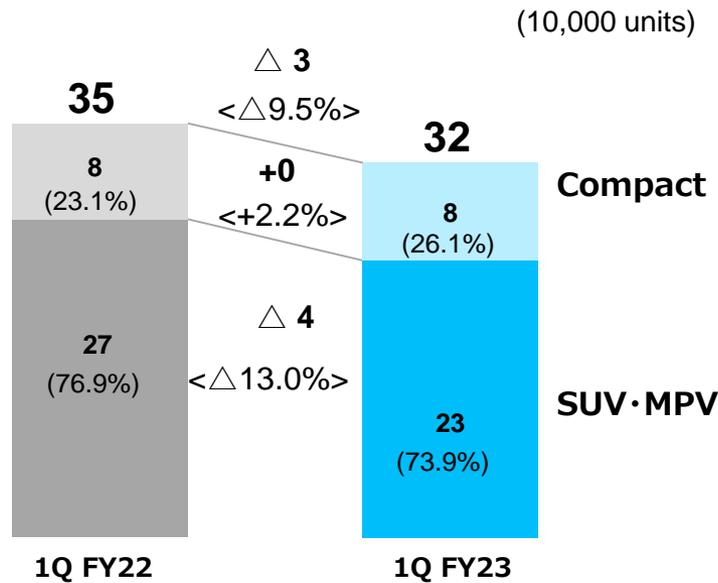
- ◆ Next, in Japan region,
- ◆ Volume decreased by 0.16 million units to 0.59 million units year-over year.
- ◆ Sales revenue decreased by 37.9 billion yen to 150.5 billion yen.
- ◆ Operating profit decreased by 10.5 billion yen to -6.2 billion yen as volume decreased due to the parts supply issues in addition to employee retention and overhead costs increase despite new product effects.

1-3) 1st Quarter FY2023 Financial Results The Americas Revenue & Operating Profit

Profit decreased as volume decrease due to the parts supply issues in addition to increase in material price, shipping costs and overhead costs

Volume & Model Mix

Operating Profit Variance Analysis



Profit & Loss

	1Q FY22	1Q FY23	YOY Change
Revenue	786	896	109
Operating Profit	24	$\Delta 5$	$\Delta 29$
Operating Profit Ratio	3.1%	$\Delta 0.6\%$	-

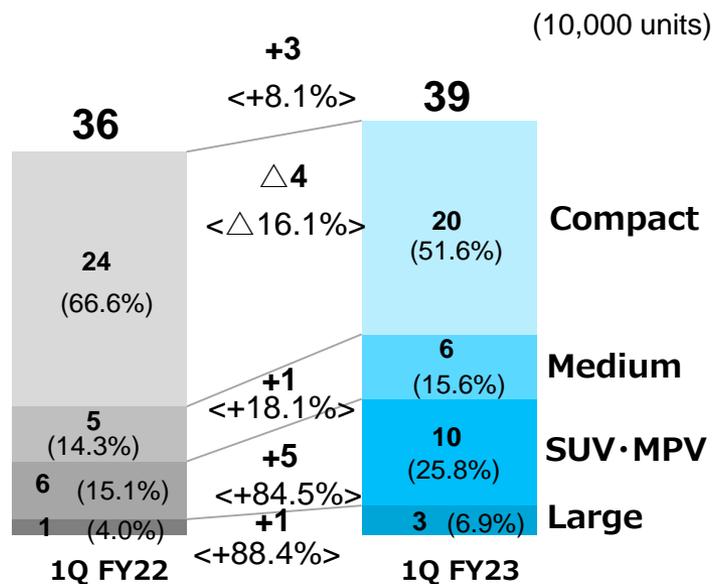
Script

- ◆ Next, in the Americas,
- ◆ Volume decreased by 0.03 million units to 0.32 million units year-over year.
- ◆ Sales revenue increased by 10.9 billion yen to 89.6 billion yen.
- ◆ Operating profit decreased by 2.9 billion yen to -0.5 billion yen as volume decreased due to the parts supply issues in addition to increase in material price, shipping costs and overhead costs.

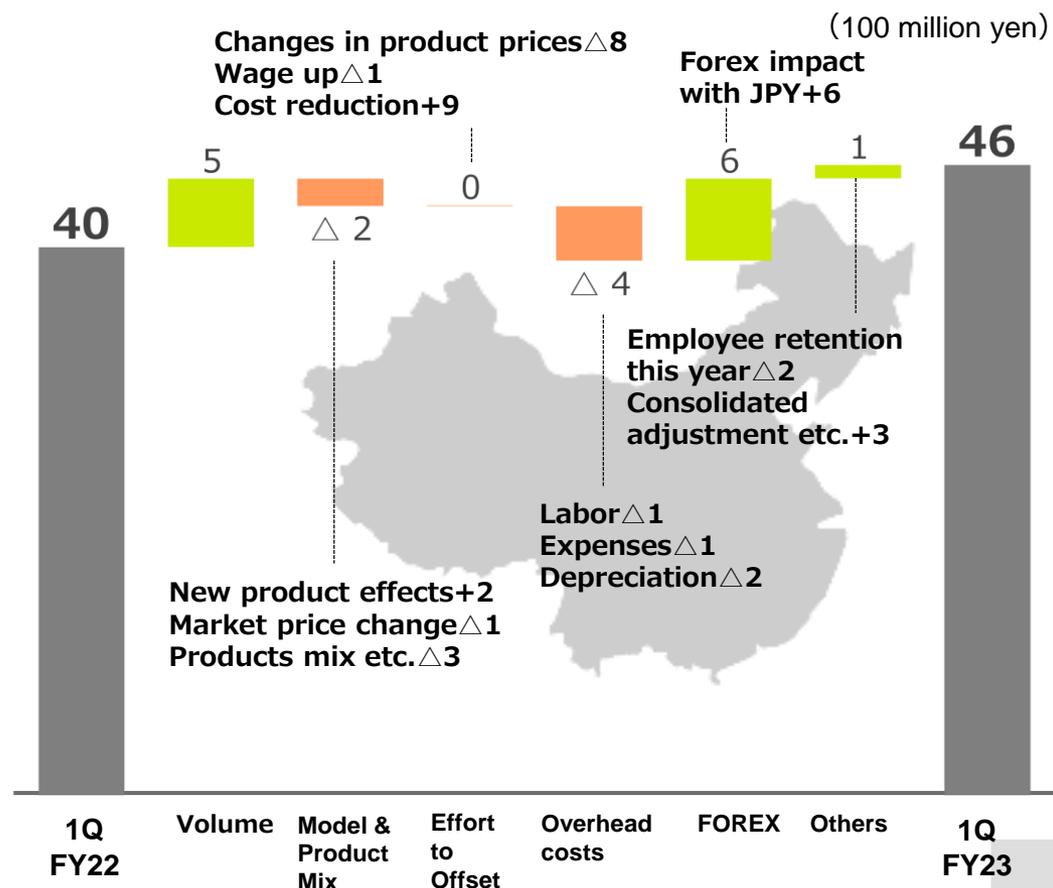
1-3) 1st Quarter FY2023 Financial Results China Revenue & Operating Profit

Profit increased due to volume increase from new product launch and Forex impact despite Shanghai Lockdown

Volume & Model Mix



Operating Profit Variance Analysis



Profit & Loss (100 million yen)

	1Q FY22	1Q FY23	YOY Change
Revenue	445	595	149
Operating Profit	40	46	6
Operating Profit Ratio	9.0%	7.8%	-

Script

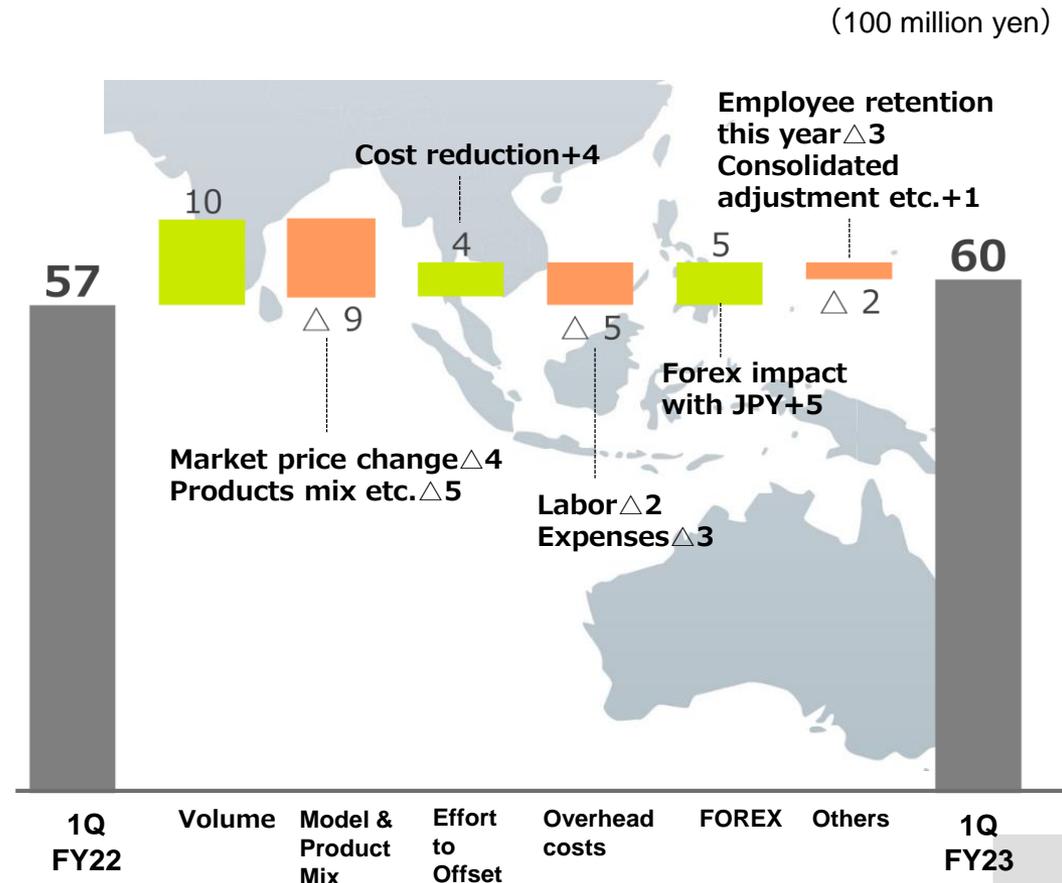
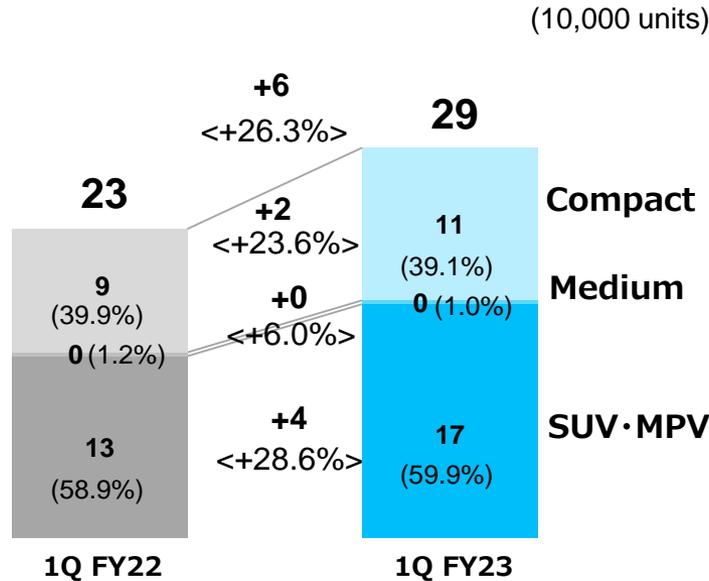
- ◆ Next, in China,
- ◆ Volume increased by 0.03 million units to 0.39 million units year-over year.
- ◆ Sales revenue increased by 14.9 billion yen to 59.5 billion yen.
- ◆ Operating profit increased by 0.6 billion yen to 4.6 billion yen as volume increased due to volume increase from new product launch and Forex impact despite Shanghai Lockdown.

1-3) 1st Quarter FY2023 Financial Results Asia & Oceania Revenue & Operating Profit

Profit increased due to volume increase and cost reduction despite increase in material price, shipping costs and overhead costs

Volume & Model Mix

Operating Profit Variance Analysis



Profit & Loss

(100 million yen)

	1Q FY22	1Q FY23	YOY Change
Revenue	417	525	108
Operating Profit	57	60	3
Operating Profit Ratio	13.8%	11.6%	-

Script

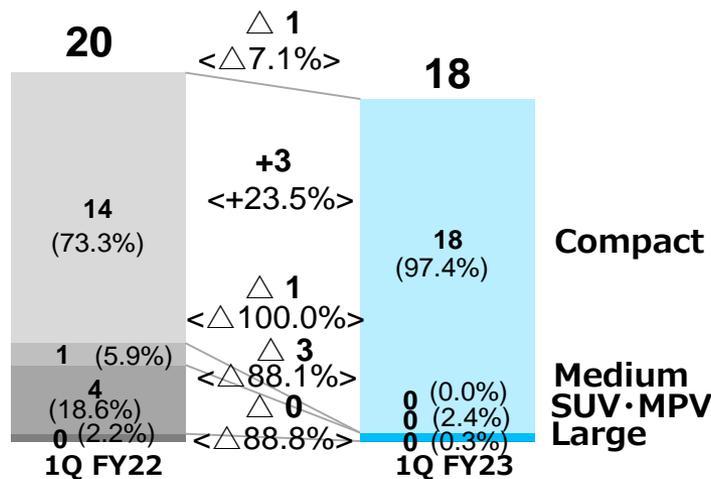
- ◆ Next, in Asia & Oceania region,
- ◆ Volume increased by 0.06 million units to 0.29 million units year-over-year.
- ◆ Sales revenue increased by 10.8 billion yen to 52.5 billion yen.
- ◆ Operating profit increased by 0.3 billion yen to 60 billion yen due to volume increase and cost reduction despite increase in material price, shipping costs and overhead costs.

1-3) 1st Quarter FY202 Financial Results Europe & Africa Revenue & Operating Profit

Profit decreased due to Shutdown caused by Europe situation and overhead costs increase despite new product effects

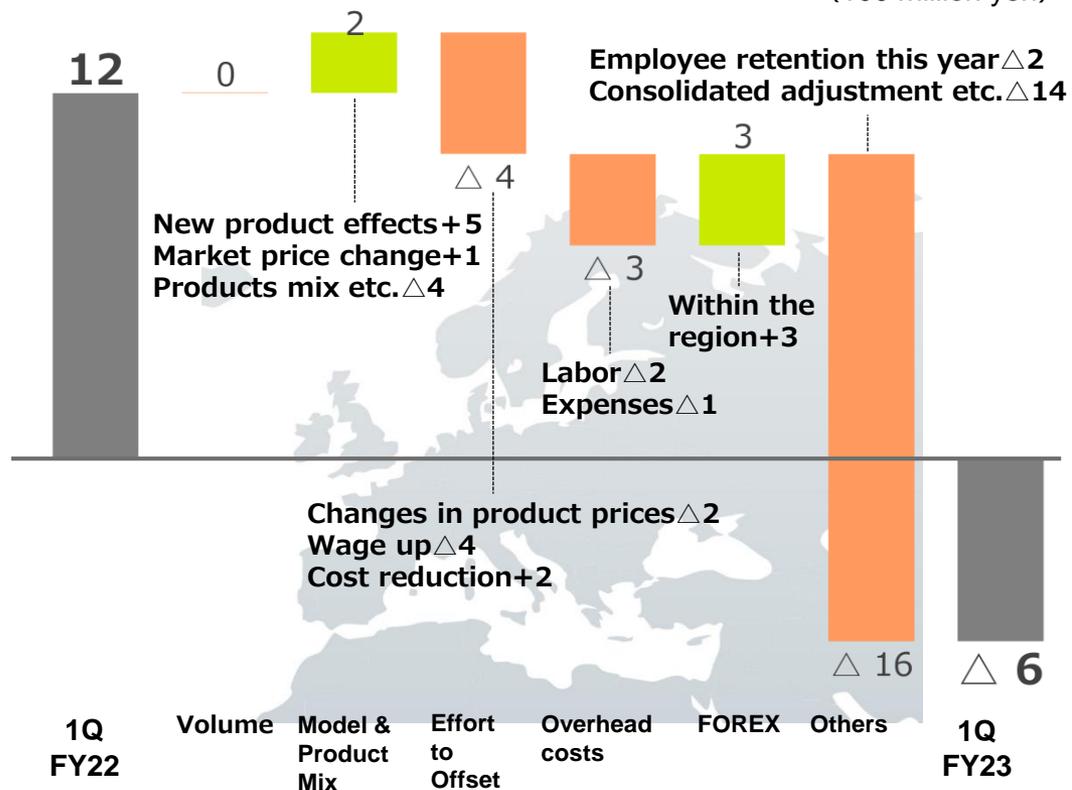
Volume & Model Mix

(10,000 units)



Operating Profit Variance Analysis

(100 million yen)



Profit & Loss

(100 million yen)

	1Q FY22	1Q FY23	YOY Change
Revenue	232	216	△ 15
Operating Profit	12	△ 6	△ 19
Operating Profit Ratio	5.6%	△ 2.9%	-

Script

- ◆ Next in Europe & Africa region,
- ◆ Volume decreased by 0.01 million units to 0.18 million units year-over year.
- ◆ Sales revenue decreased by 1.5 billion yen to 21.6 billion yen.
- ◆ Operating profit decreased by 1.9 billion yen to -0.6 billion yen due to Shutdown caused by Europe situation and overhead costs increase despite new product effects.

Financial Results

1. 1st Quarter FY2023 Financial Results

2. FY2023 Financial Forecasts

3. Appendix

- ◆ In the following section, I would like to explain the full year forecasts for the fiscal year 2023.

2-1) FY2023 Financial Forecasts Overview of Consolidated Financial Forecasts

(100 million yen)

	FY22 Actual		FY23 Forecasts		YOY Change		FY23 Forecasts (Initially Announced)	
Revenue	14,214	100.0%	15,700	100.0%	1,485	10.5%	15,700	100.0%
Operating Profit	602	4.2%	610	3.9%	7	1.2%	780	5.0%
Profit before income taxes	645	4.5%	640	4.1%	Δ5	Δ0.8%	810	5.2%
Profit*	392	2.8%	400	2.5%	7	1.9%	520	3.3%

*Profit Attributable to Owners of the Parent

Earnings per share		210.15 yen	214.09 yen		278.34 yen
Exchange Rate	USD	112 yen	130 yen	+18 yen	115 yen
	EUR	131 yen	140 yen	+9 yen	130 yen

Revenue

Higher revenue due to volume increase in global despite Covid-19 rebound impacts and the parts supply issues risk still remains

Operating Profit

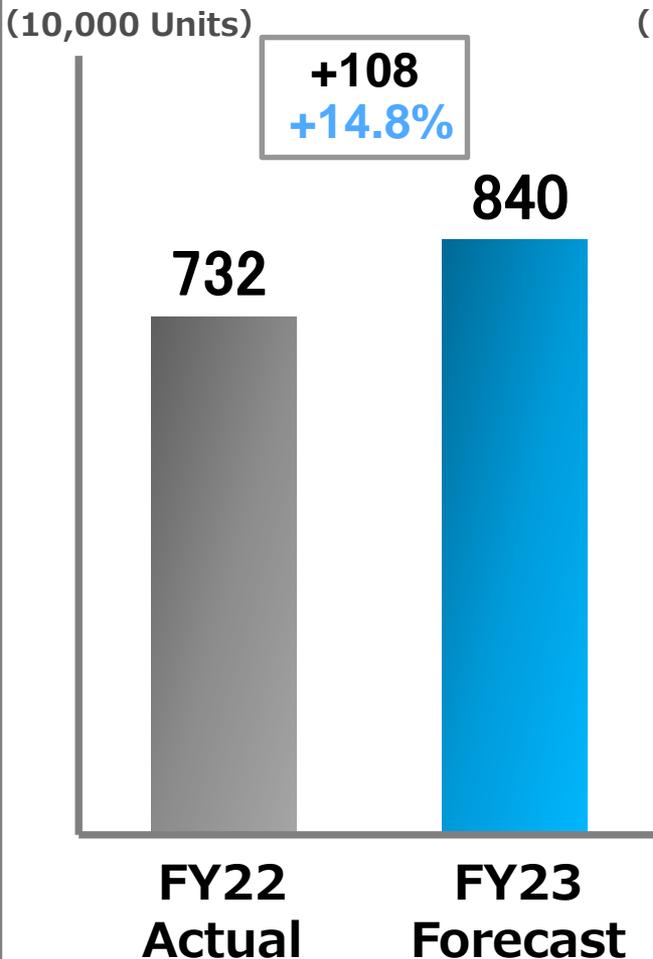
Higher profits due to volume increase and new product effects by cost planning activity despite increase in material price, shipping costs and overhead costs

Script

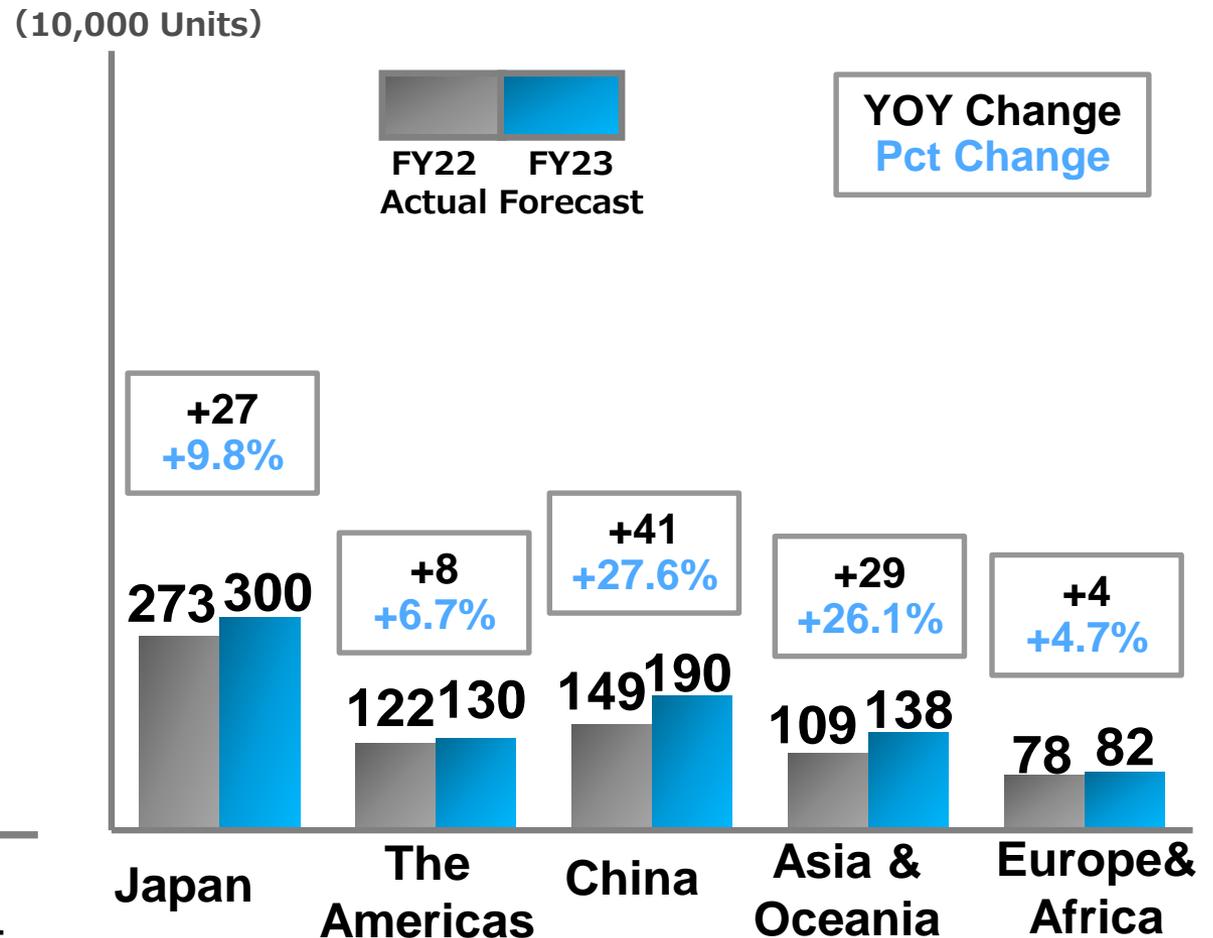
- ◆ Sales revenue will increase by 148.5 billion yen to 1.57 trillion yen.
- ◆ Operating profit is prospected to increase by 0.7 billion yen to 61 billion yen year-over-year.
- ◆ Profit before income taxes will decrease by 0.5 billion yen to 64 billion yen.
- ◆ Profit attributable to owners of the parent will increase by 0.7 billion yen to 40 billion yen.
- ◆ Assumed exchange rates are approximately 130 yen to the U.S. dollar, and 140 yen to the Euro.

2-2) FY2023 Financial Forecasts **Seat Assembly Production by Region**

Total



By Region



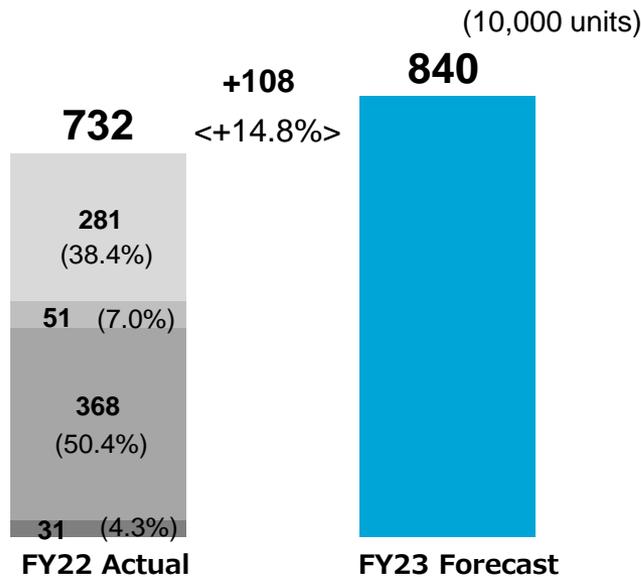
Script

- ◆ As for consolidated seat assembly volume, it will be 8.4 million units, increased by 1.08 million units compared to the previous year.
- ◆ Seat assembly volume by region is as shown. This will be explained in detail in later slides.

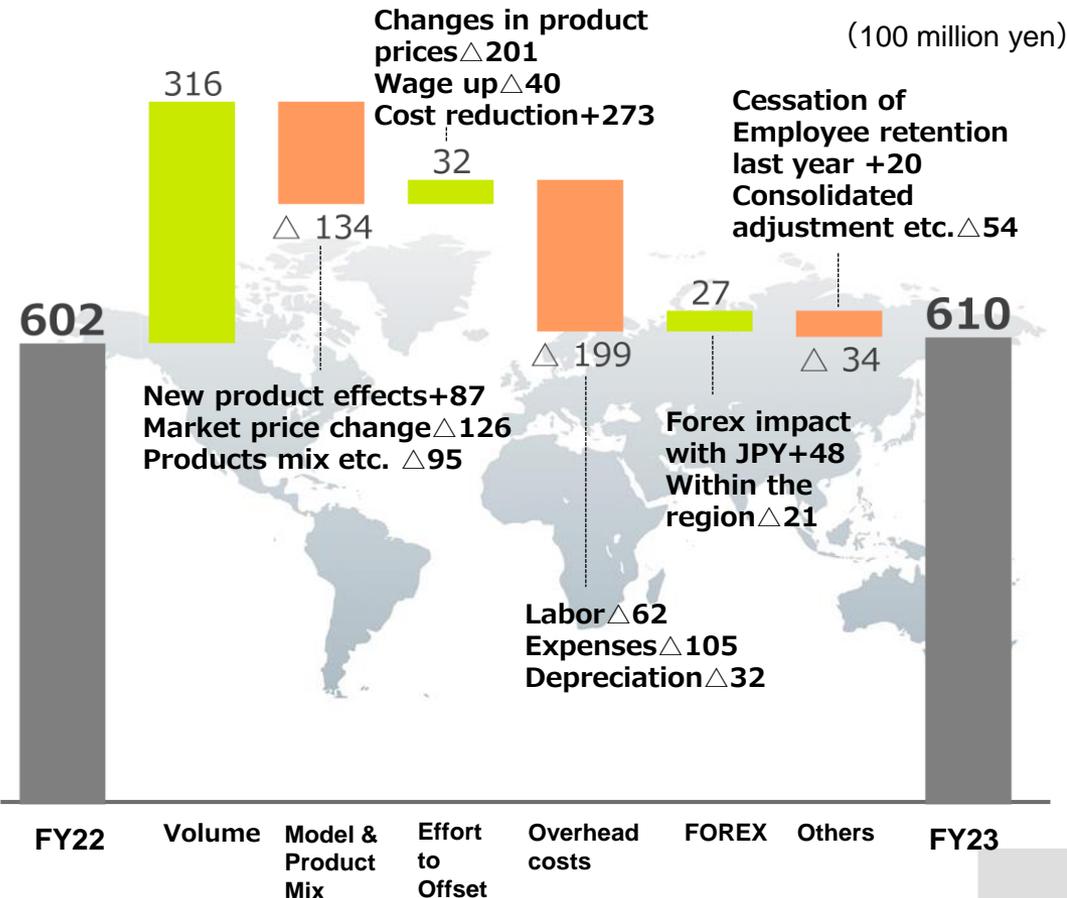
2-3) FY2023 Financial Forecasts Consolidated Revenue & Operating Profit

Higher profit due to volume increase and new product effects by cost planning activity despite increase in material price, shipping costs and overhead costs

Volume & Model Mix



Operating Profit Variance Analysis



Profit & Loss

(100 million yen)

	FY22 Actual	FY23 Forecast	YOY Change
Revenue	14,214	15,700	1,485
Operating Profit	602	610	7
Operating Profit Ratio	4.2%	3.9%	-

Script

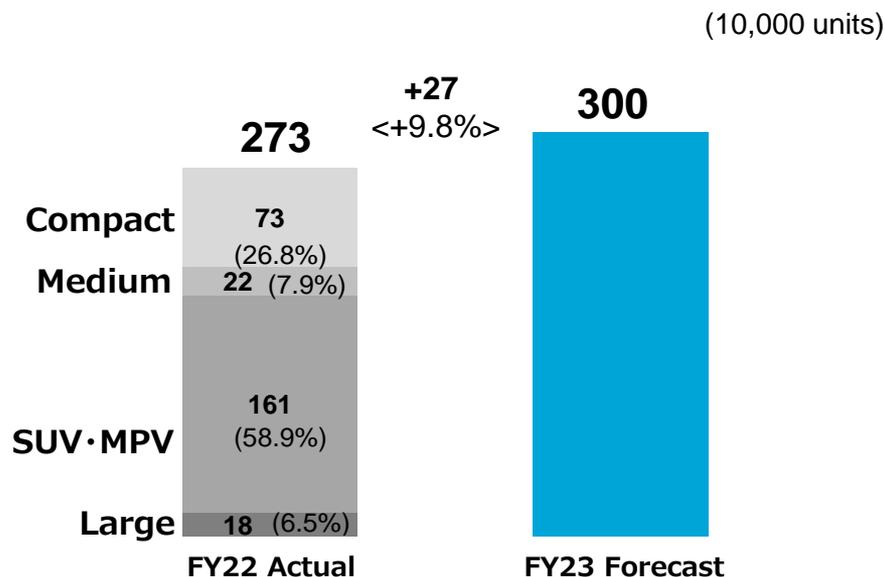
- ◆ Next, let me explain consolidated revenue & operating profit.
- ◆ Regarding Volume & Model Mix, since operation status remains uncertain, only volume will be revealed today.
Volume will be 8.4 million units, increased by 1.08 million units year-over-year.
- ◆ Sales revenue will be increased by 148.5 billion yen to 1.57 trillion yen.
- ◆ Operating profit is predicted to be 61 billion yen, increased by 0.7 billion yen due to volume increase and new product effects by cost planning activity despite increase in material price, shipping costs and overhead costs.

2-4) FY2023 Financial Forecasts Revenue & Operating Profit by Region

Japan

Lower profit due to increase in material price, change in products mix and overhead costs increase despite volume increase and new product effects

Volume & Model Mix



Profit & Loss

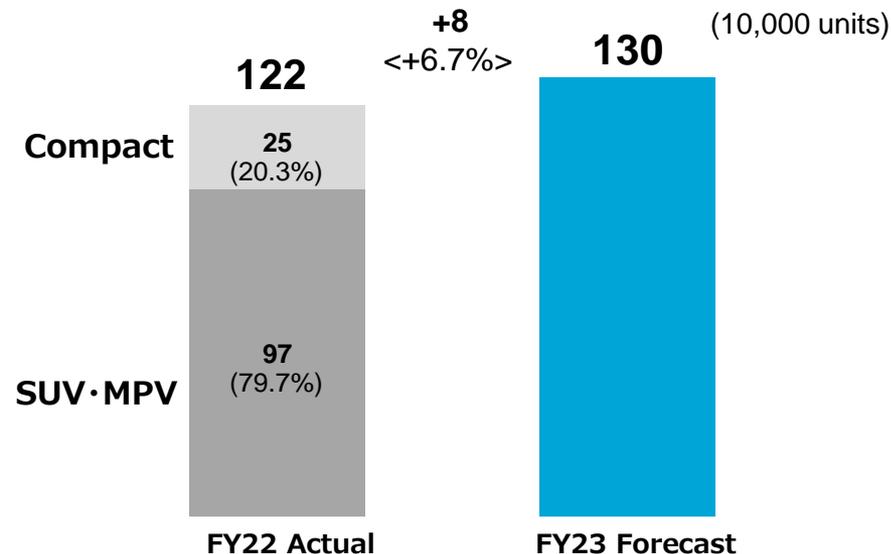
(100 million yen)

	FY22 Actual	FY23 Forecast	YOY Change
Revenue	7,006	7,000	△ 6
Operating Profit	96	50	△ 46
Operating Profit Ratio	1.4%	0.7%	-

The Americas

Lower profit due to increase in material price, shipping costs and overhead costs despite volume increase

Volume & Model Mix



Profit & Loss

(100 million yen)

	FY22 Actual	FY23 Forecast	YOY Change
Revenue	3,177	3,700	522
Operating Profit	29	10	△ 19
Operating Profit Ratio	0.9%	0.3%	-

Script

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

First, regarding Japan,

Volume will increase by 0.27 million units to 3.00 million units year-over year.

- ◆ Sales revenue will decrease by 0.6 billion yen to 700 billion yen.
- ◆ Operating profit is prospected to decrease by 4.6 billion yen to 5 billion yen due to increase in material price, change in products mix and overhead costs increase despite volume increase and new product effects.

- ◆ Next, The Americas,

Volume will increase by 0.08 million units to 1.30 million units year-over year.

- ◆ Sales revenue will increase by 52.2 billion yen to 370 billion yen.
- ◆ Operating profit is prospected to decrease by 1.9 billion yen to 1 billion yen due to increase in material price, shipping costs and overhead costs despite volume increase.

2-4) FY2023 Financial Forecasts Revenue & Operating Profit by Region

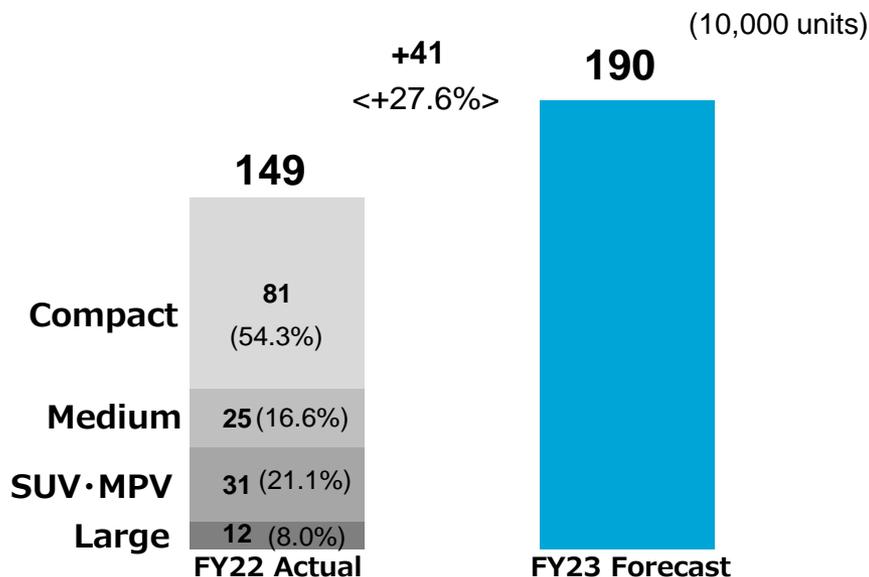
China

Higher profit due to volume increase from new product launch despite overhead costs increase

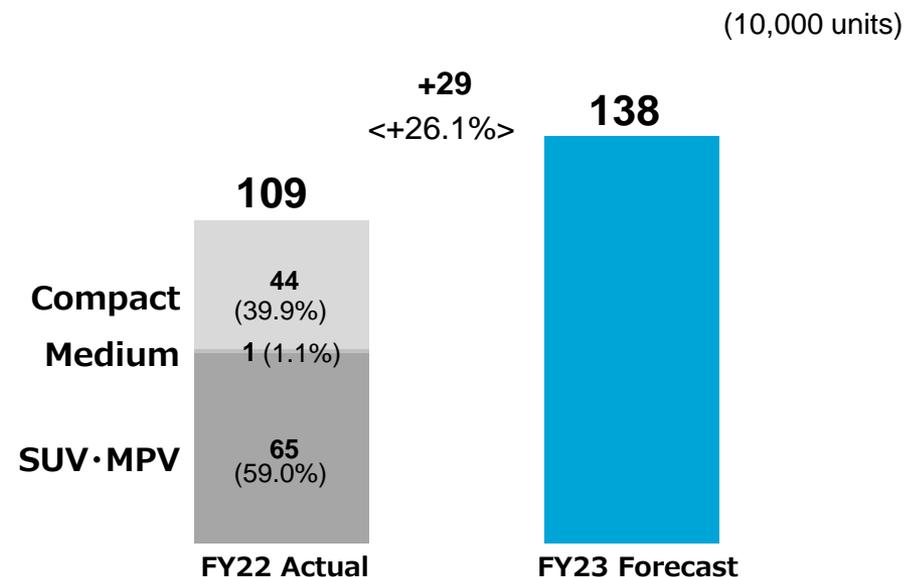
Asia & Oceania

As the same level as FY22 profit due to volume increase despite change in products mix in addition to overhead costs increase

Volume & Model Mix



Volume & Model Mix



Profit & Loss

(100 million yen)

	FY22 Actual	FY23 Forecast	YOY Change
Revenue	2,121	2,900	778
Operating Profit	157	270	112
Operating Profit Ratio	7.4%	9.3%	—

Profit & Loss

(100 million yen)

	FY22 Actual	FY23 Forecast	YOY Change
Revenue	1,904	2,300	395
Operating Profit	267	270	2
Operating Profit Ratio	14.0%	11.7%	—

Script

- ◆ Next, in China,
 - ◆ Volume will increase by 0.41 million units to 1.90 million units year-over year.
 - ◆ Sales revenue will increase by 77.8 billion yen to 290 billion yen.
 - ◆ Operating profit is prospected to increase by 11.2 billion yen to 27 billion yen due to volume increase from new product launch despite overhead costs increase.

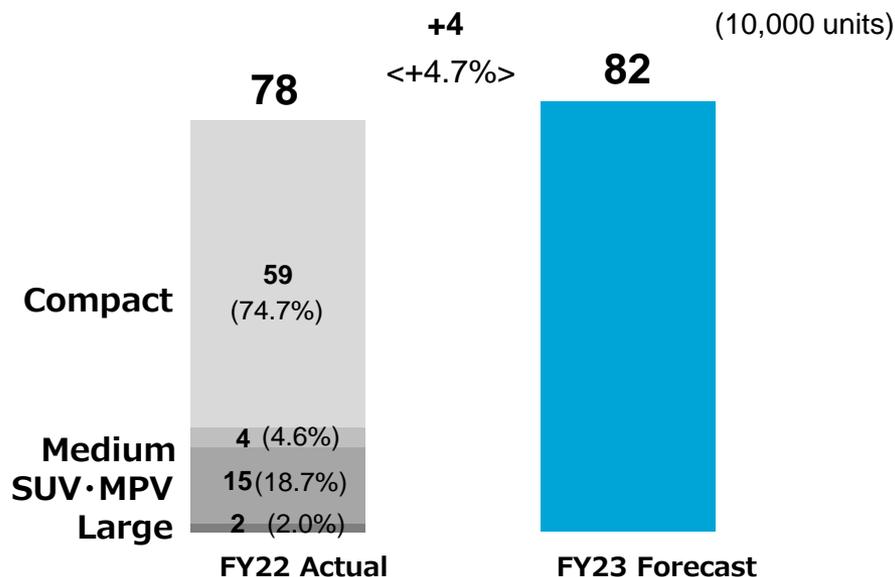
- ◆ Next, in Asia & Oceania,
 - ◆ Volume will increase by 0.29 million units to 1.38 million units year-over year.
 - ◆ Sales revenue will increase by 39.5 billion yen to 230 billion yen.
 - ◆ Operating profit is as the same level as FY22 profit due to volume increase despite change in products mix in addition to overhead costs increase.

2-4) FY2023 Financial Forecasts Revenue & Operating Profit by Region

Europe & Africa

Lower profit due to Shutdown caused by Europe situation and increase in material price and shipping costs despite higher volume

Volume & Model Mix



Profit & Loss

(100 million yen)

	FY22 Actual	FY23 Forecast	YOY Change
Revenue	962	900	△ 62
Operating Profit	53	10	△ 43
Operating Profit Ratio	5.5%	1.1%	—

Script

- ◆ Next, in Europe & Africa,
- ◆ Volume will increase by 0.04 million units to 0.82 million units year-over year.
- ◆ Sales revenue will decrease by 6.2 billion yen to 90 billion yen.
- ◆ Operating profit, is prospected to decrease by 4.3 billion yen to 1 billion yen due to Shutdown caused by Europe situation and increase in material price and shipping costs despite higher volume.

2-5) FY2023 Financial Forecasts 1st/2nd by Region

Revenue

(100 million yen)

	1st Half		2nd Half		Full Year	
Japan	3,200		3,800		7,000	
The Americas	1,800		1,900		3,700	
China	1,300		1,600		2,900	
Asia & Oceania	1,100		1,200		2,300	
Europe & Africa	400		500		900	
Total	7,300		8,400		15,700	

Operating Profit

(100 million yen)

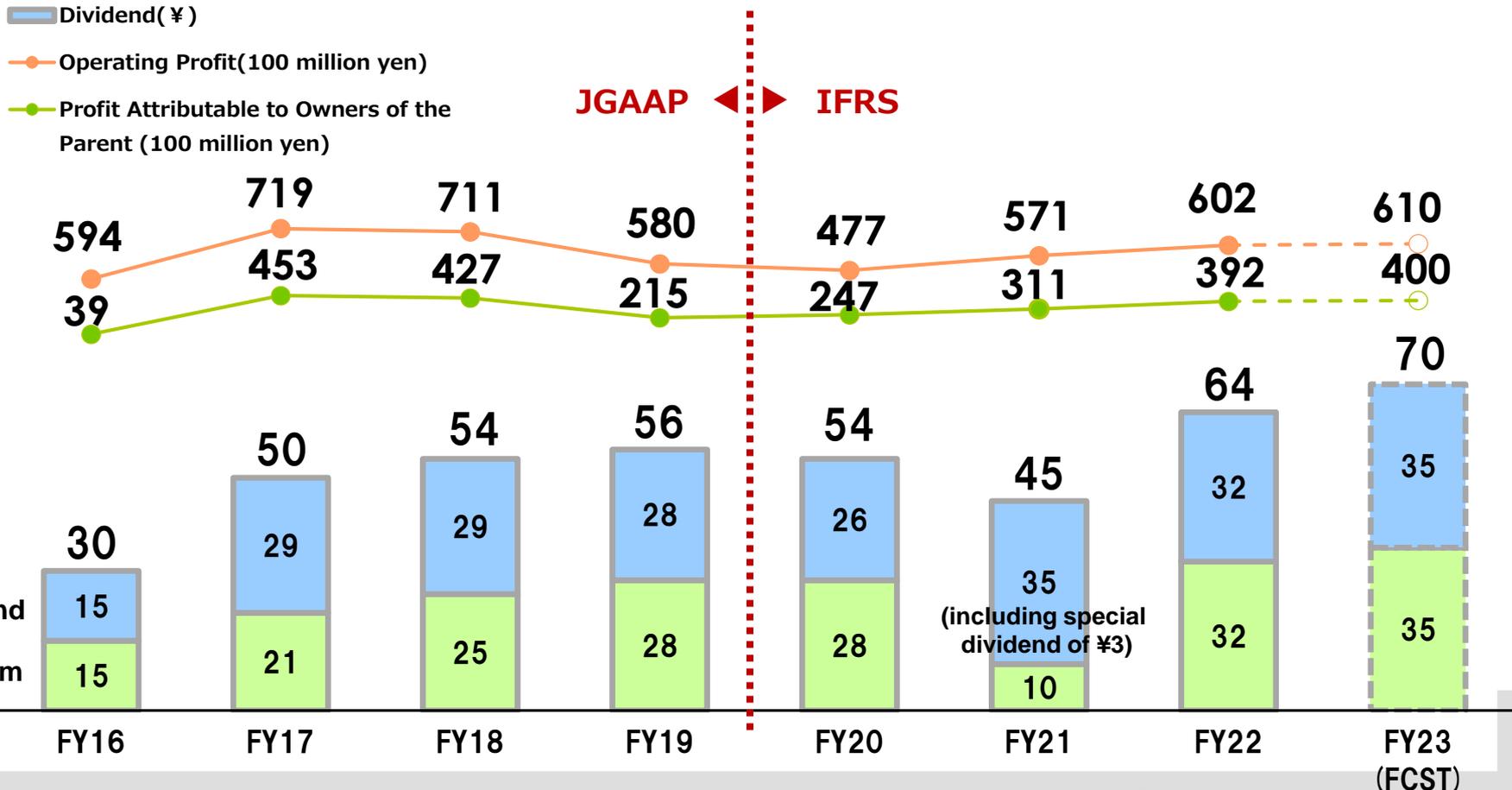
	1st Half		2nd Half		Full Year	
Japan	Δ30	Δ0.9%	80	2.1%	50	0.7%
The Americas	0	0.0%	10	0.5%	10	0.3%
China	120	9.2%	150	9.4%	270	9.3%
Asia & Oceania	130	11.8%	140	11.7%	270	11.7%
Europe & Africa	Δ10	Δ2.5%	20	4.0%	10	1.1%
Total	210	2.9%	400	4.8%	610	3.9%

◆ Financial Forecasts by Half Year is as shown.

2-6) FY2023 Financial Forecasts Returning to Shareholders

- For FY23, annual dividends plan is ¥70, increased by ¥6 compared to the previous year, which will be determined based on comprehensive evaluation of future forecasts

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



Script

- ◆ Next, on returning to shareholders,
For FY23, our annual dividends plan is ¥ 70, increased by ¥6 compared to the previous year.
It will be determined based on comprehensive evaluation of consolidated financial results to keep long-term sustainable dividends.

2-7) Concluding 1st Quarter FY2023 Financial Results

【1Q Results】

- Profit decreased due to negative impacts of volume decrease including employee retention in addition to increase in material price, shipping costs and change in products mix caused by external environment change while flexibly responding to customer's production fluctuation.

【Forecast after 2Q】

- While expecting recovery in demands, still Covid-19 rebound impacts, parts supply issues and market price increase remains uncertain.

【Annual Forecast】

- While we execute "investments for the future growth" as planned, we expect higher profit compared to the previous year by enhancing of our ability to earn, through cost planning activity.
- While predicting severe external environment continues, we will secure profit by maximizing new product effects.

スクリプト

- ◆ Lastly, I'd like to conclude this 1st Quarter Financial Results.
- ◆ In the 1st Quarter, Operating profit is decreased due to negative impacts of volume decrease including employee retention in addition to increase in material price, shipping costs and change in products mix caused by external environment change while flexibly responding to customer's production fluctuation.
- ◆ For forecast after 2Q, While expecting recovery in demands, still Covid-19 rebound impacts, parts supply issues and market price increase remains uncertain.
- ◆ For Annual forecast, While we execute "investments for the future growth" as planned, we expect higher profit compared to the previous year by enhancing of our ability to earn, through cost planning activity.
- ◆ While predicting severe external environment continues, we will secure profit by maximizing new product effects.

Script

- ◆ That would be all for Financial Results for the 1st quarter of the fiscal year 2023.
- ◆ Thank you for listening.

Financial Results

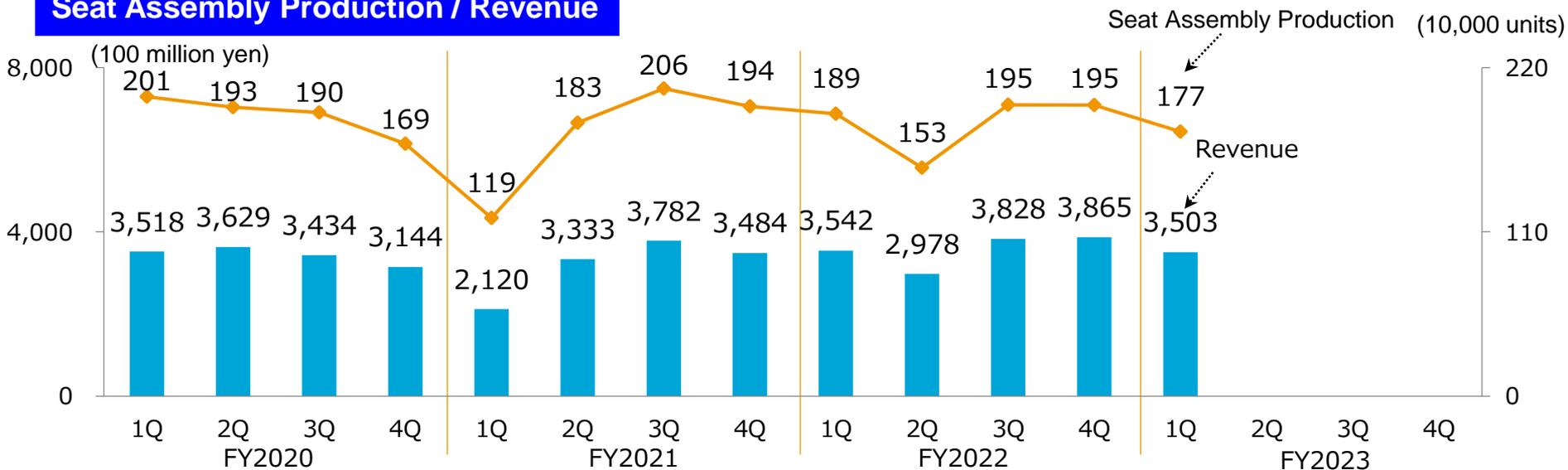
1. 1st Quarter FY2023 Financial Results

2. FY2023 Financial Forecasts

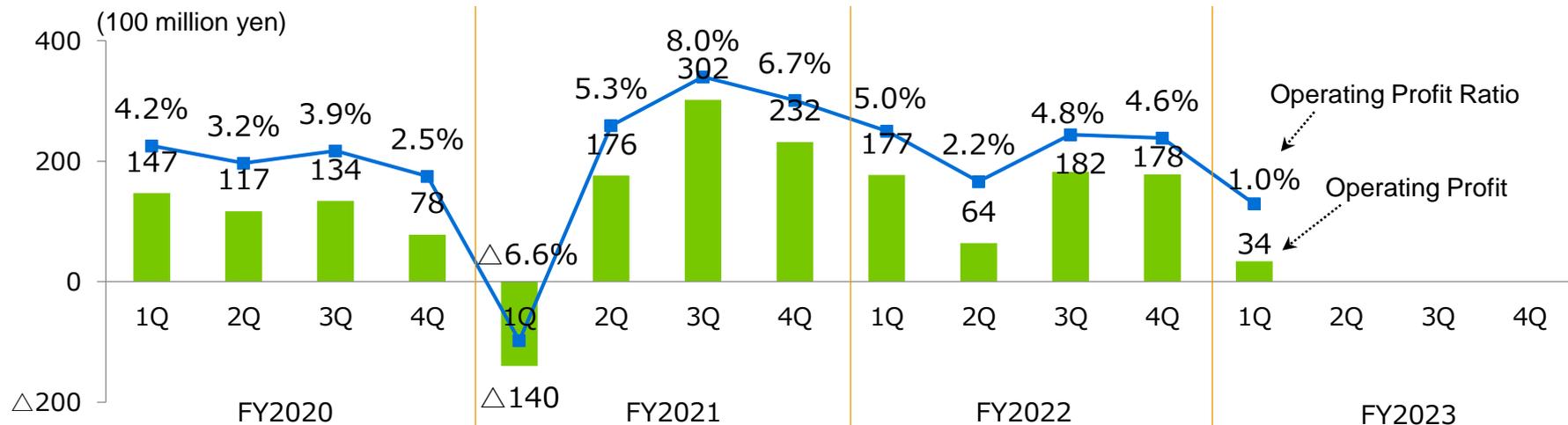
3. Appendix

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

Seat Assembly Production / Revenue

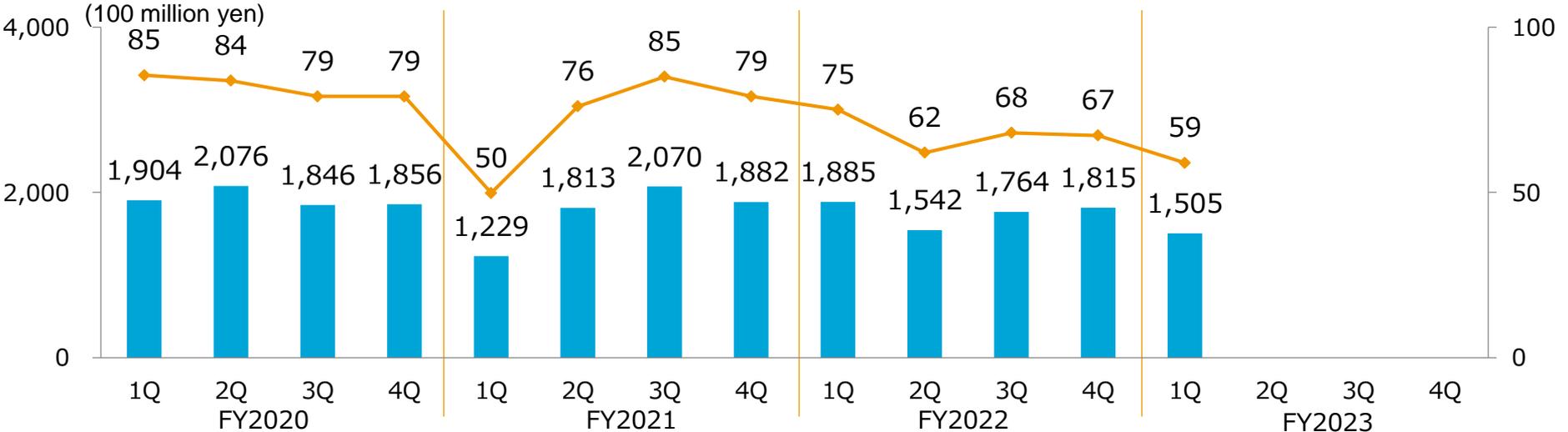


Operating Profit / Operating Profit Ratio

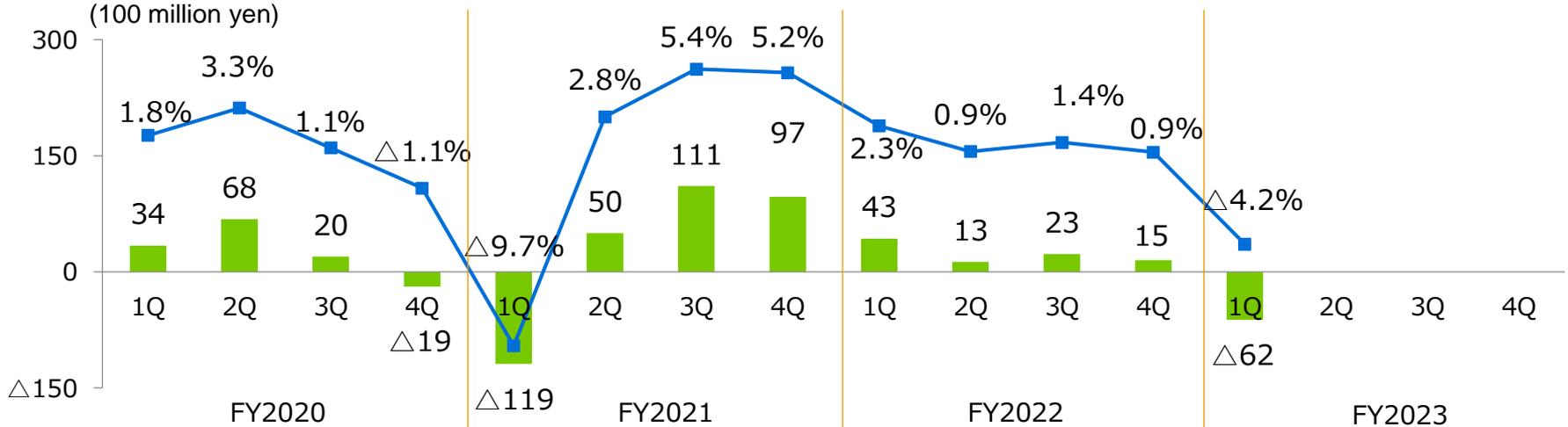


Appendix2) Quarterly Trends: Japan volume, revenue, operating profit, operating profit ratio

Seat Assembly Production / Revenue

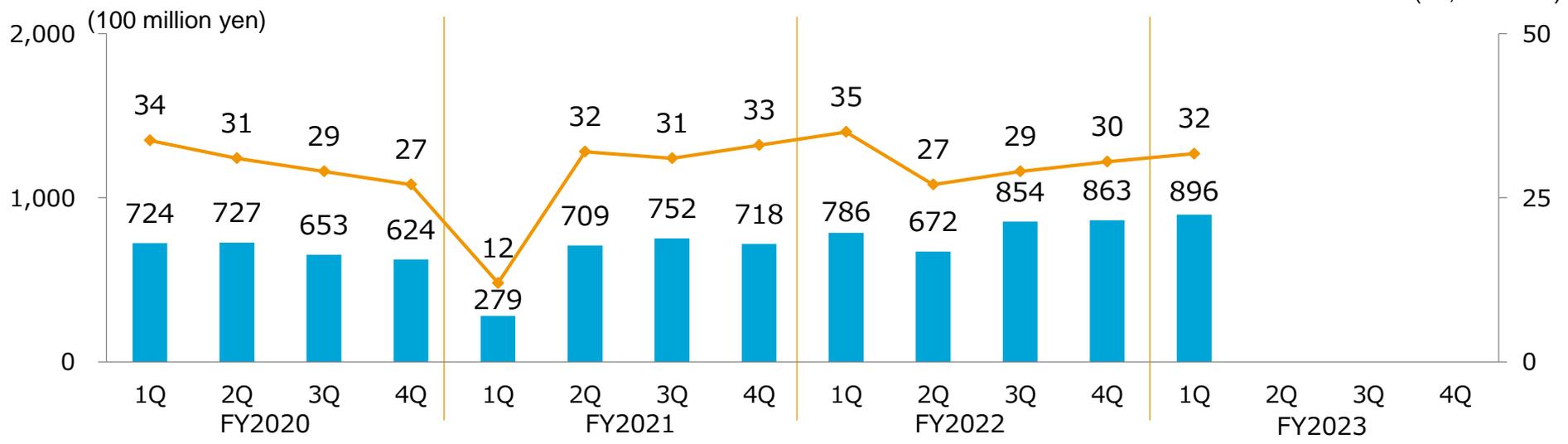


Operating Profit / Operating Profit Ratio

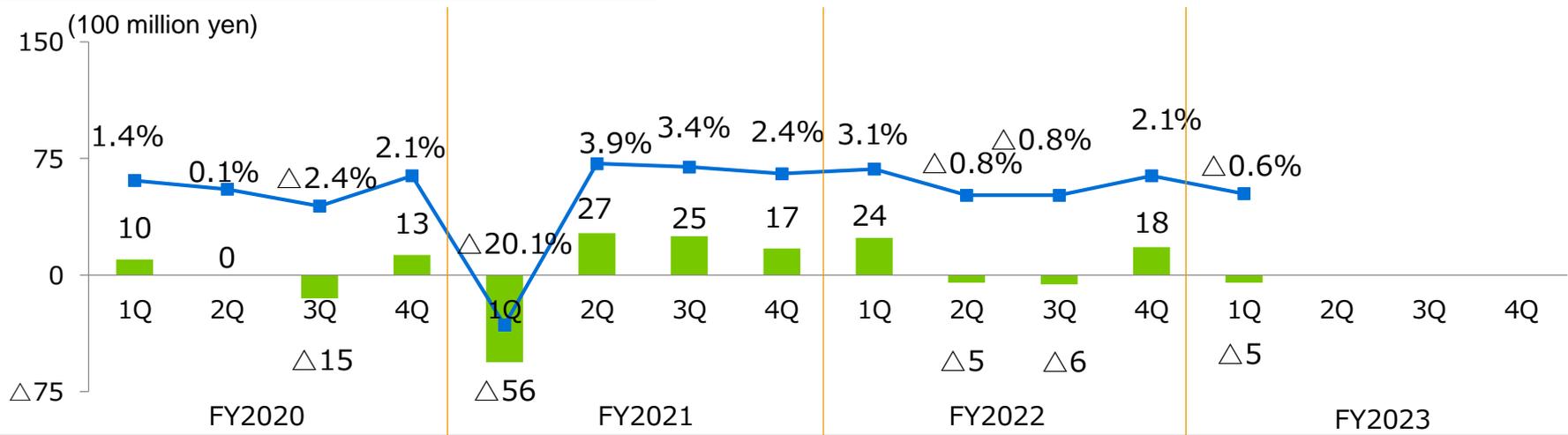


Appendix3) Quarterly Trends: The Americas volume, revenue, operating profit, operating profit ratio

Seat Assembly Production / Revenue



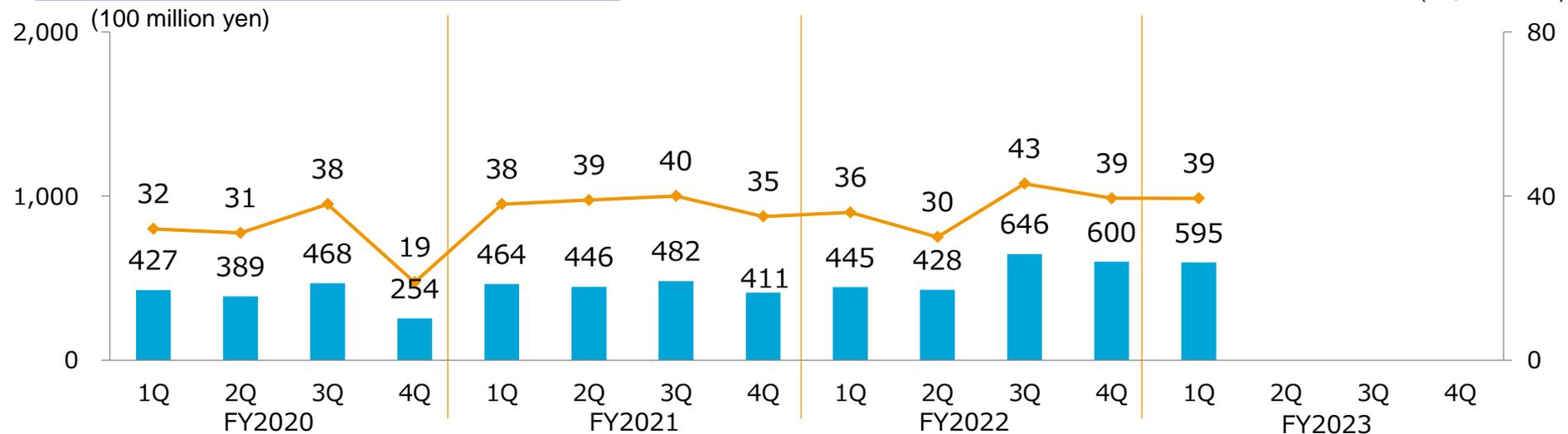
Operating Profit / Operating Profit Ratio



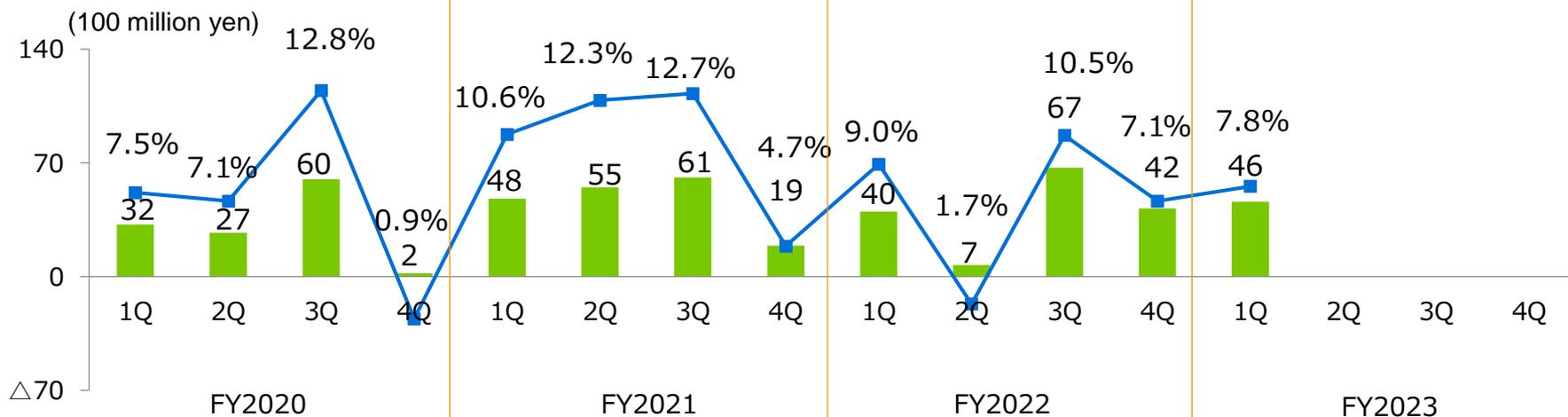
Appendix4) Quarterly Trends: China volume, revenue, operating profit, operating profit ratio

Seat Assembly Production / Revenue

(10,000 units)

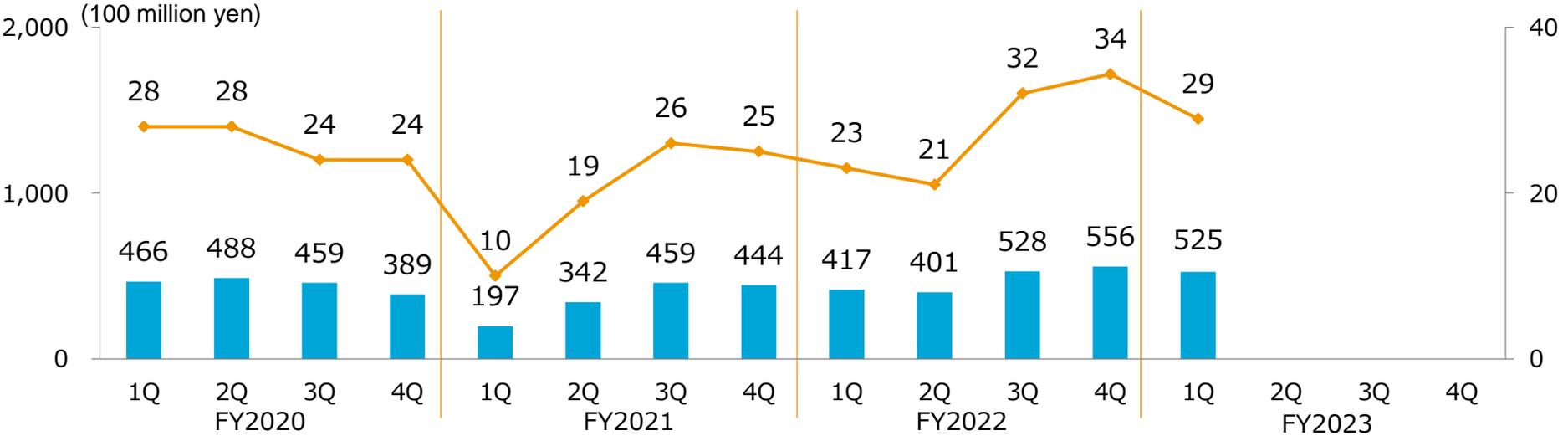


Operating Profit / Operating Profit Ratio

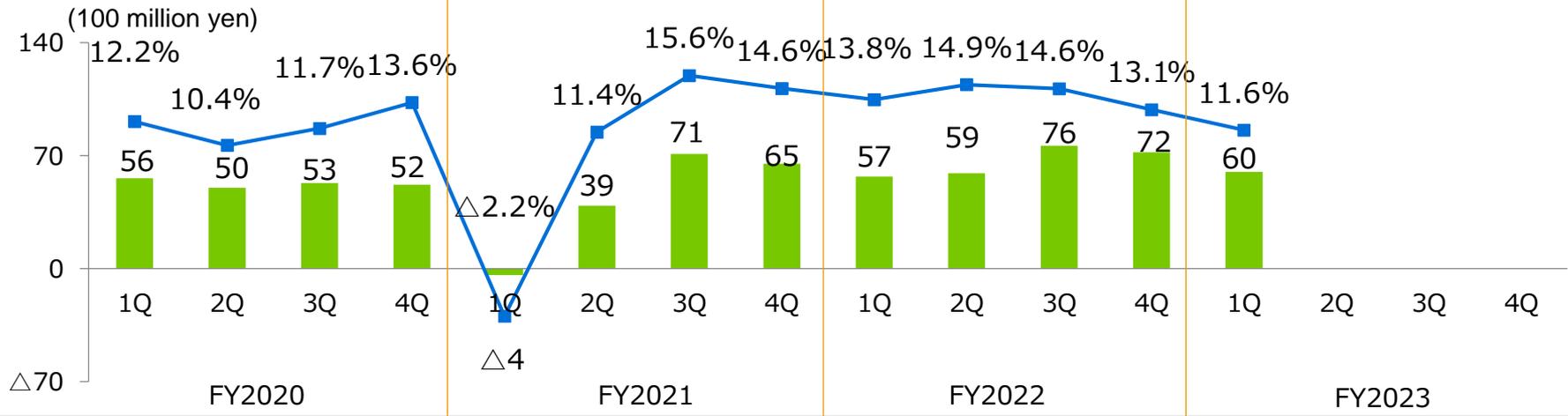


Appendix5) Quarterly Trends: Asia & Oceania volume, revenue, operating profit, operating profit ratio

Seat Assembly Production / Revenue

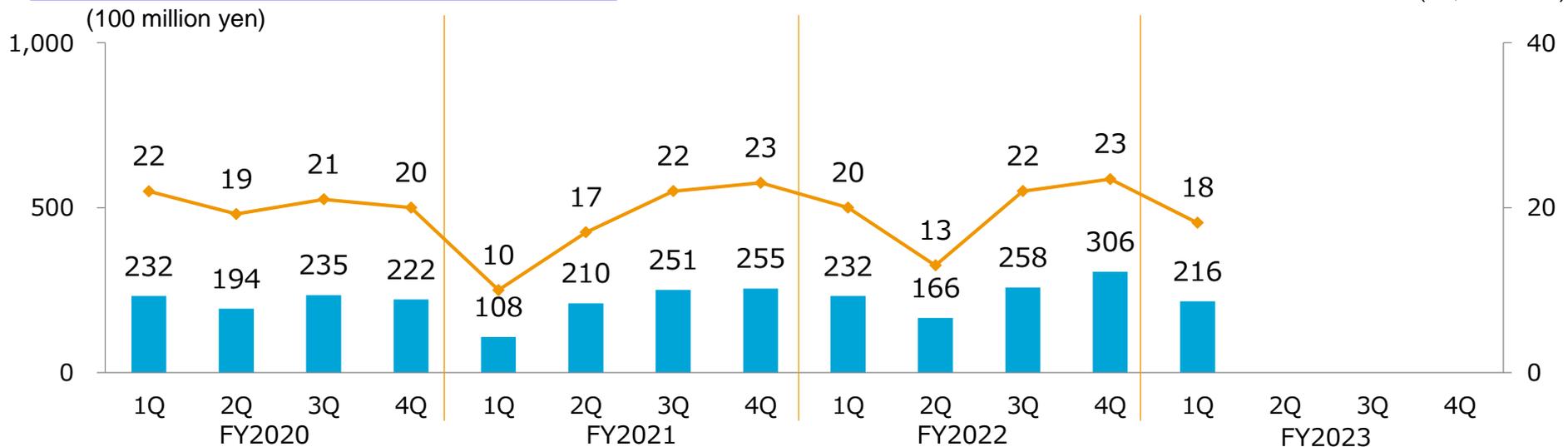


Operating Profit / Operating Profit Ratio

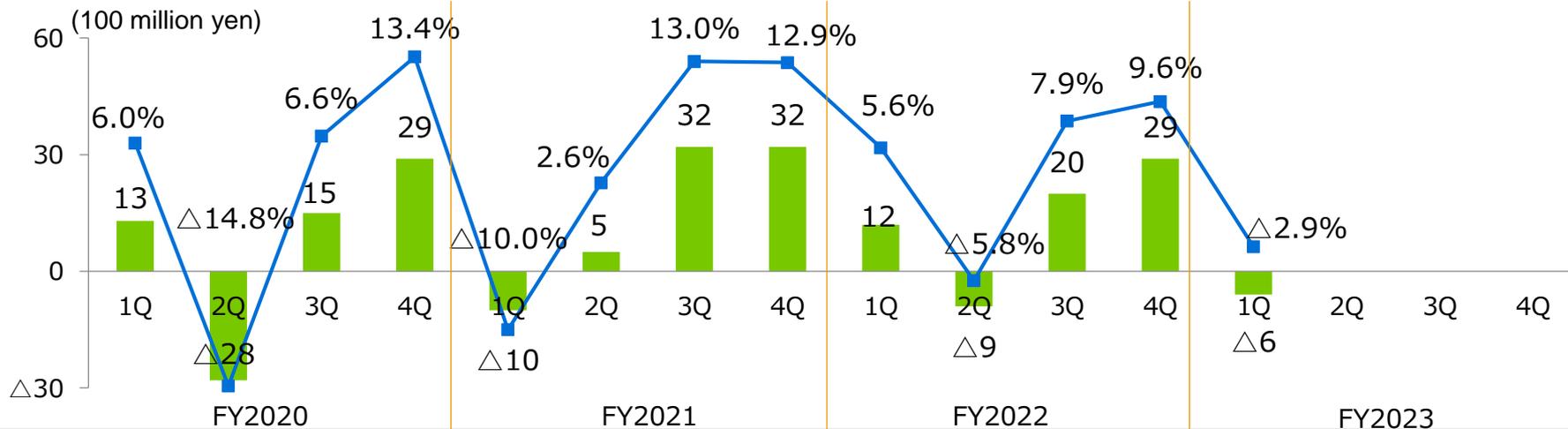


Appendix6) Quarterly Trends: Europe & Africa volume, revenue, operating profit, operating profit ratio

Seat Assembly Production / Revenue



Operating Profit / Operating Profit Ratio



Appendix7) FY2023 Financial Forecasts Comparison with the Previous Forecasts

Operating Profit Variance Analysis

(100 million yen)

	Previous Forecasts	This time Forecasts	Difference		
			Total	Internal Effort	External Environment
FY22 Actual	602	602	-	-	-
Volume	476	316	△160	-	△160
Model & Product Mix	△128	△134	△6	+33	△39
Effort to Offset	31	32	+1	+1	-
Overhead costs	△215	△199	+16	+16	+0
FOREX	△6	27	+33	-	+33
Others	20	△34	△54	+5	△59
FY23 Forecasts	780	610	△170	+55	△225

※ Cessation of Employee retention
 Previous Forecasts +58
 This time Forecasts +19
 Difference △39



<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