



TOYOTA BOSHOKU

TSE Prime Market Securities Code 3116

FY2023 (ending March 2023)

3rd Quarter

Financial Results

Date: Feb 3rd, 2023

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Script

- ◆ Thank you for attending our FY2023 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 2023, then the full year forecasts.
- ◆ Now, I'd like to start by looking at our financial results for the 3rd quarter.

1-1) 3rd Quarter FY2023 Financial Results Overview of Consolidated Financial Results

(100 million yen)

	Q3 FY2022		Q3 FY2023		YOY Change	
Revenue	10,349	100.0%	11,691	100.0%	1,342	13.0%
Operating Profit	424	4.1%	286	2.4%	△138	△32.6%
Profit before income taxes	448	4.3%	331	2.8%	△117	△26.2%
Profit*	244	2.4%	87	0.8%	△157	△64.2%

*Profit Attributable to Owners of the Parent

Earnings per share		131.1 yen	46.94 yen	
Exchange Rate	USD	111 yen	137 yen	+25 yen
	EUR	131 yen	141 yen	+10 yen

Revenue

Revenue increased because of higher production overseas and FX impacts despite the impact of production decrease in Japan due to parts supply issues

Operating Profit

Profit decreased due to costs related to ending the business in Russia, change in the vehicle mix and increased overhead costs despite positive impacts of increased production

Script

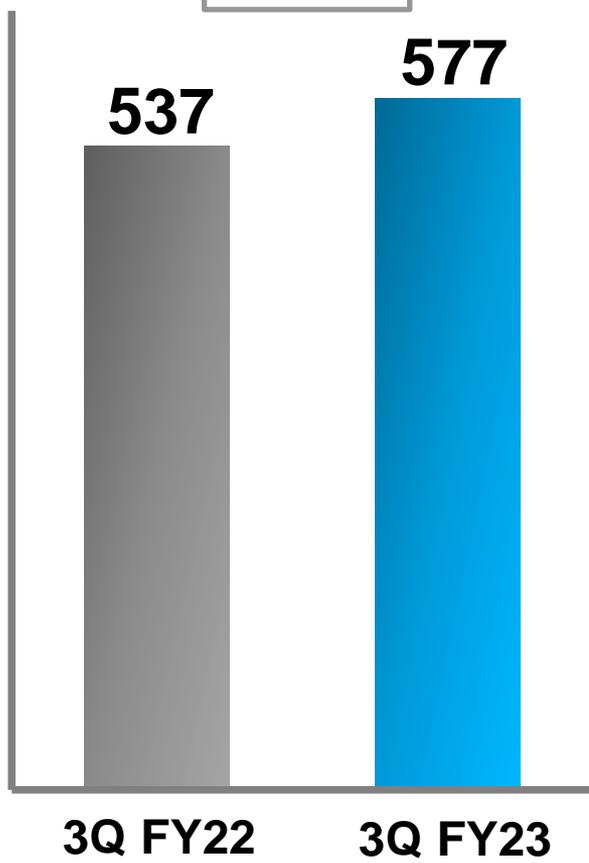
- ◆ Sales revenue increased by 134.2 billion yen to 1.16 trillion yen.
 - ◆ Operating profit decreased by 13.8 billion yen to 28.6 billion yen year-over-year.
 - ◆ Profit before income taxes decreased by 11.7 billion yen to 33.1 billion yen.
 - ◆ Profit attributable to owners of the parent decreased by 15.7 billion yen to 8.7 billion yen.
 - ◆ Exchange rates are approximately 137 yen to the U.S. dollar, and 141 yen to the Euro.
- The exchange gain was 93.7 billion yen for sales, 5.1 billion yen for operating profit year-over-year.

1-2) 3rd Quarter FY2023 Financial Results **Seat Production by Region**

Total

+40
+7.5%

(10,000 Units)



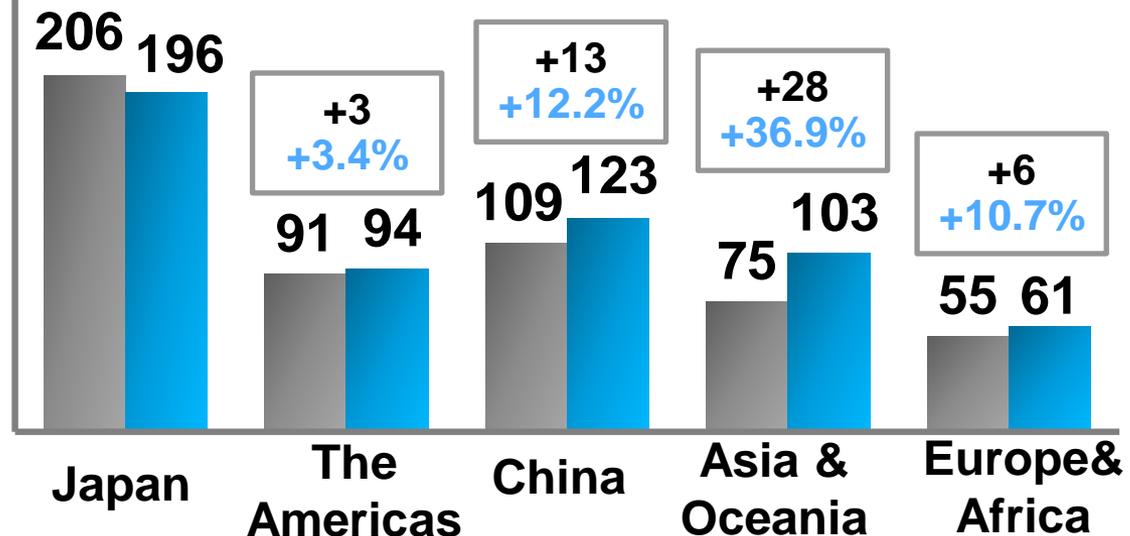
By Region

(10,000 Units)



YOY Change
Pct Change

Δ 10
 Δ 4.7%



Script

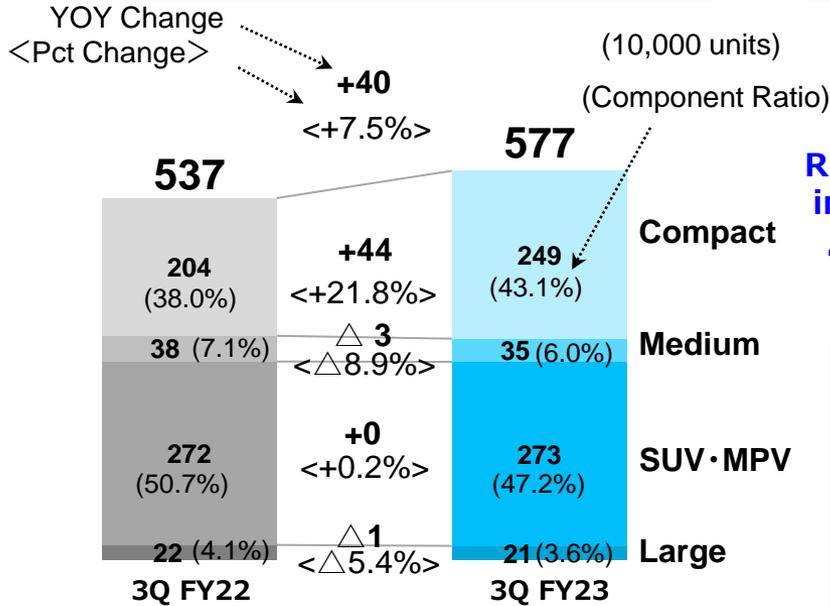
- ◆ Next, for the volume of consolidated seat assembly, the main product of the company, it totaled 5.77 million units, increasing by 0.4 million units compared to the previous year.

- ◆ Seat assembly volume by region is as shown. This will be explained in detail in later slides.

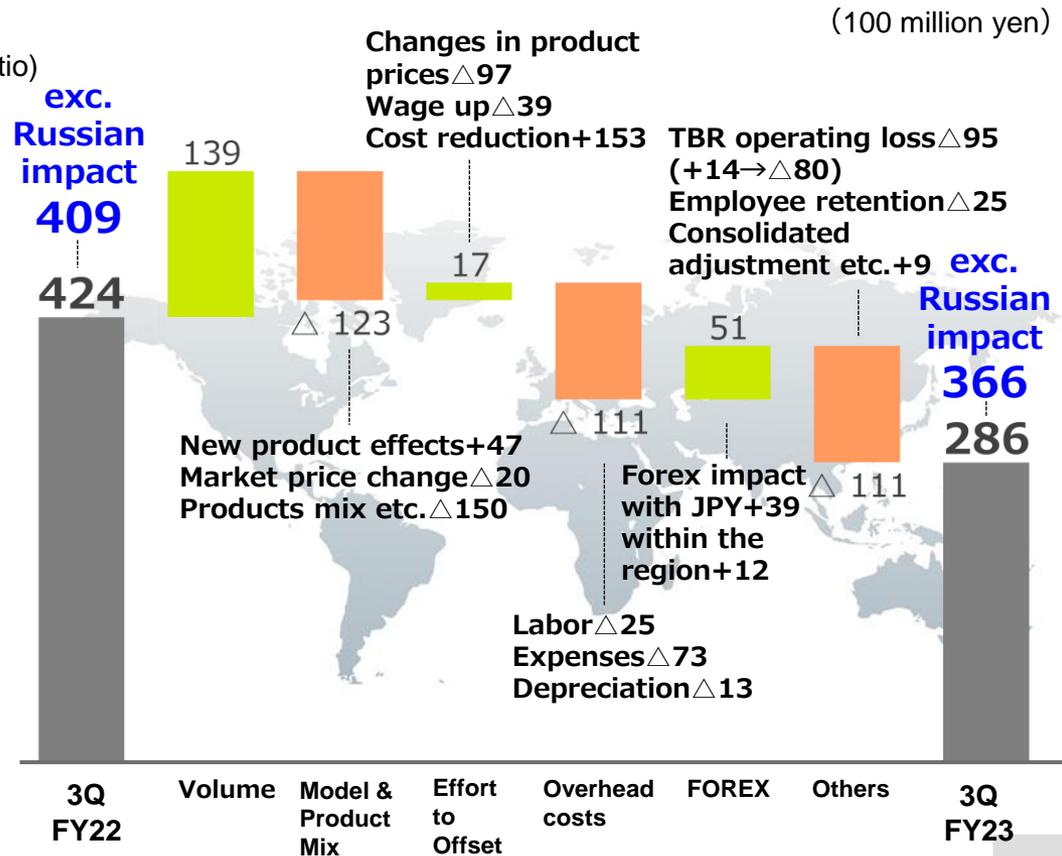
1-3) 3rd Quarter FY2023 Financial Results Consolidated Revenue & Operating Profit

Profit decreased due to costs related to ending business in Russia, change in the vehicle mix and overhead costs increase despite the effect of increased production

Volume & Model Mix



Operating Profit Variance Analysis



Profit & Loss

(100 million yen)

	3Q FY22	3Q FY23	YOY Change
Revenue	10,349	11,691	1,342
Operating Profit	424	286	△138
Operating Profit Ratio	4.1%	2.4%	-

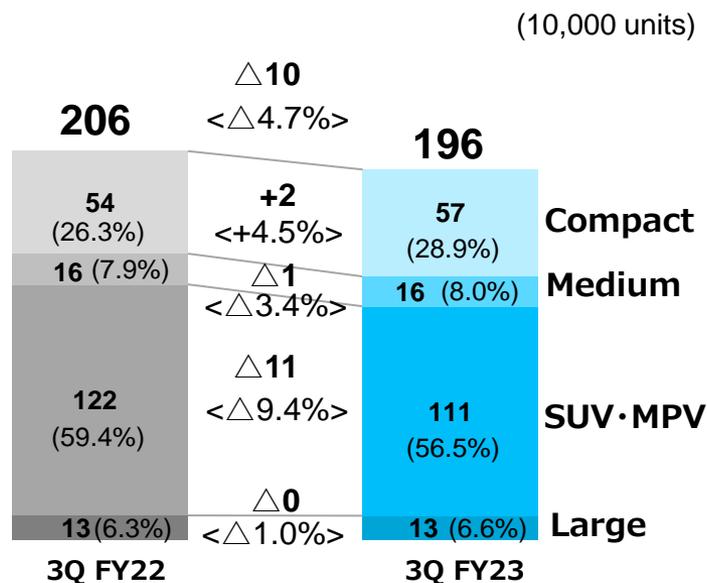
Script

- ◆ Next, let me move on to consolidated revenue & operating profit.
- ◆ Volume increased by 0.4 million units to 5.77 million units.
- ◆ Sales revenue increased by 134.2 billion yen to 1.16 trillion yen.
- ◆ Operating profit decreased by 13.8 billion yen to 28.6 billion yen due to change in the vehicle mix and overhead costs increase in addition to costs recorded related to ending business in Russia despite the positive impacts of production increase overseas.

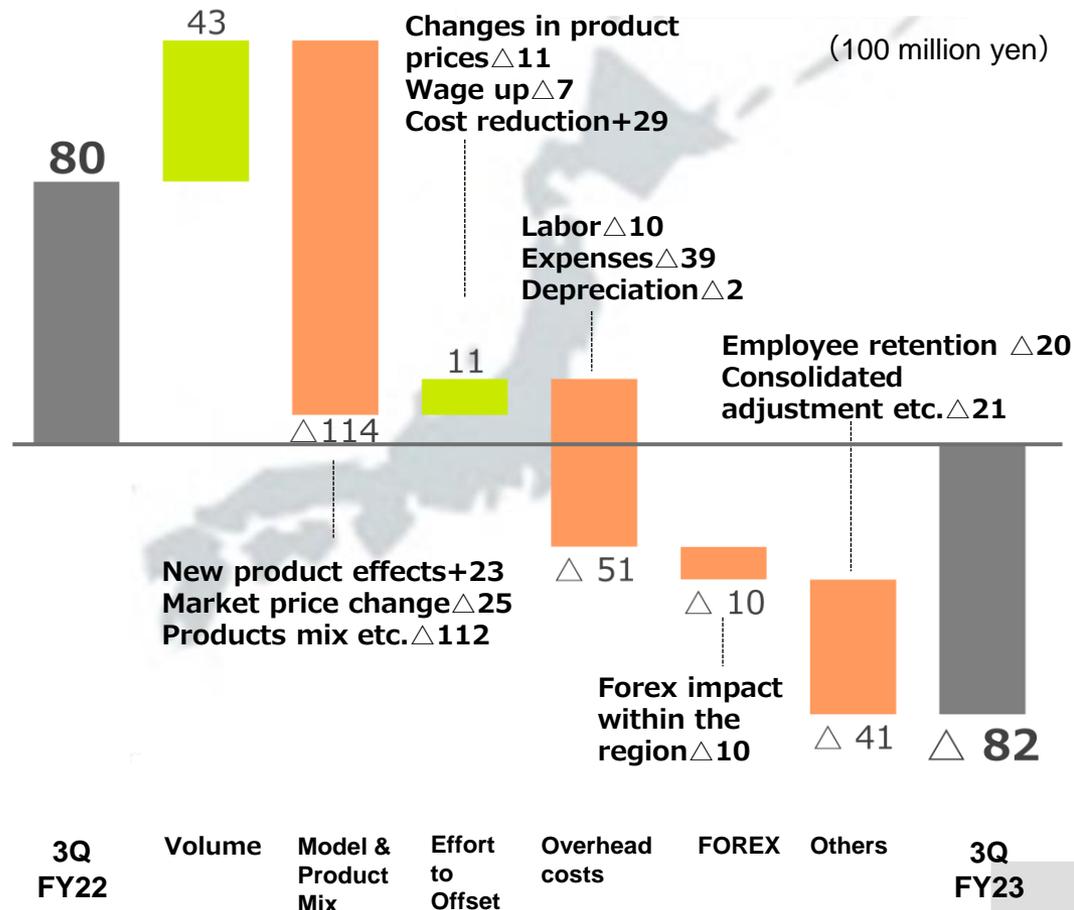
1-3) 3rd Quarter FY2023 Financial Results Japan Revenue & Operating Profit

Profit decreased as the production of SUV·MPV model decreased due to parts supply issues in addition to change in grade mix and increase in overhead costs

Volume & Model Mix



Operating Profit Variance Analysis



Profit & Loss

(100 million yen)

	3Q FY22	3Q FY23	YOY Change
Revenue	5,191	5,063	△127
Operating Profit	80	△82	△163
Operating Profit Ratio	1.5%	△1.6%	-

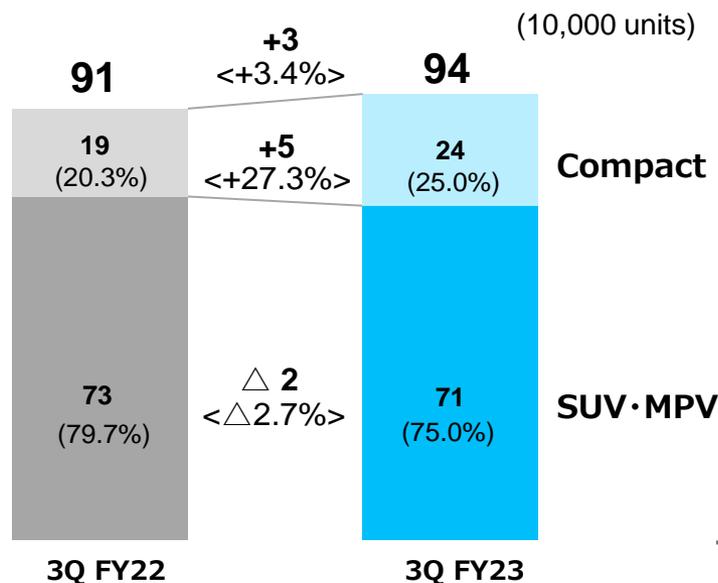
Script

- ◆ Next, in Japan region,
- ◆ Volume decreased by 0.1 million units to 1.96 million units year-over year.
- ◆ Sales revenue decreased by 12.7 billion yen to 506.3 billion yen.
- ◆ Operating profit decreased by 16.3 billion yen to \triangle 8.2 billion yen as the production of SUV·MPV model decreased due to parts supply issues in addition to change in grade mix and increase in overhead costs.

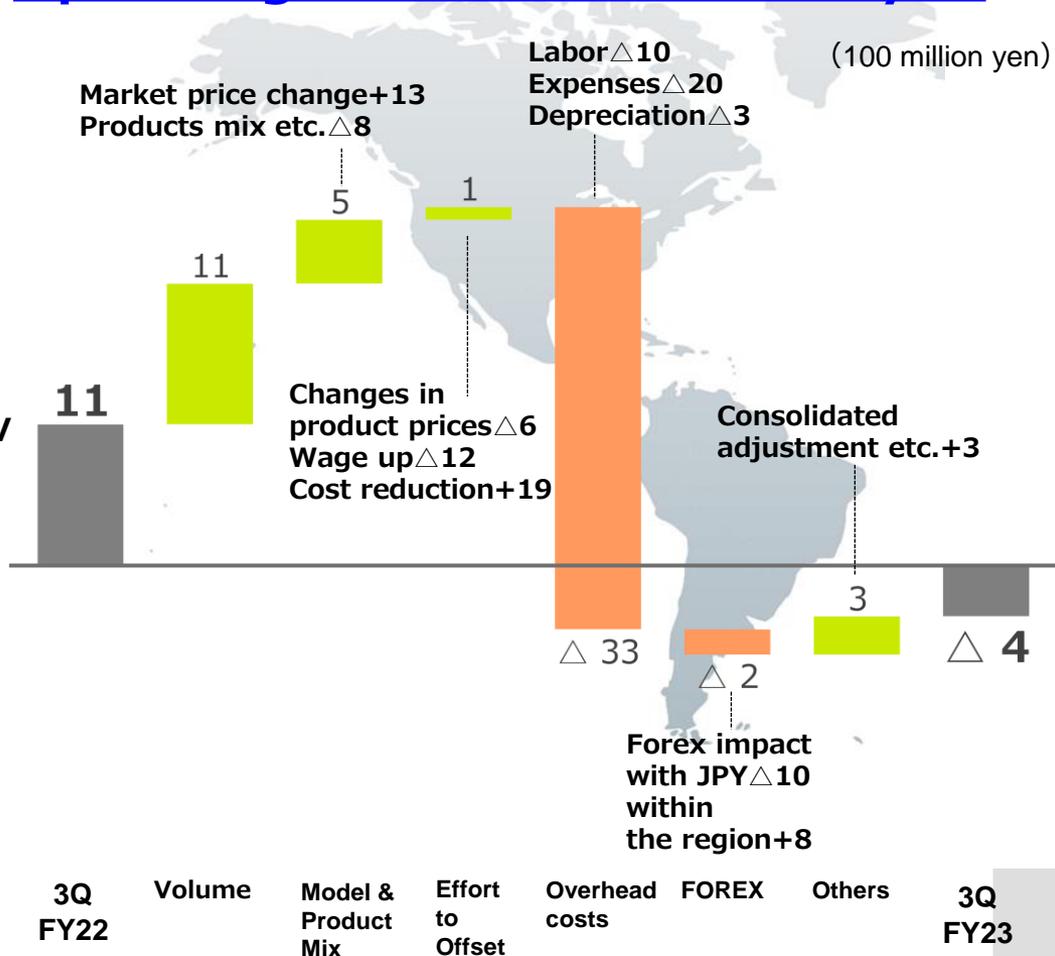
1-3) 3rd Quarter FY2023 Financial Results The Americas Revenue & Operating Profit

Profit decreased due to increase in overhead costs from model change and new product launch despite higher volume and inflation impact recovery of the previous year from customers

Volume & Model Mix



Operating Profit Variance Analysis



Profit & Loss

(100 million yen)

	3Q FY22	3Q FY23	YOY Change
Revenue	2,313	2,848	534
Operating Profit	11	△4	△16
Operating Profit Ratio	0.5%	△0.1%	-

Script

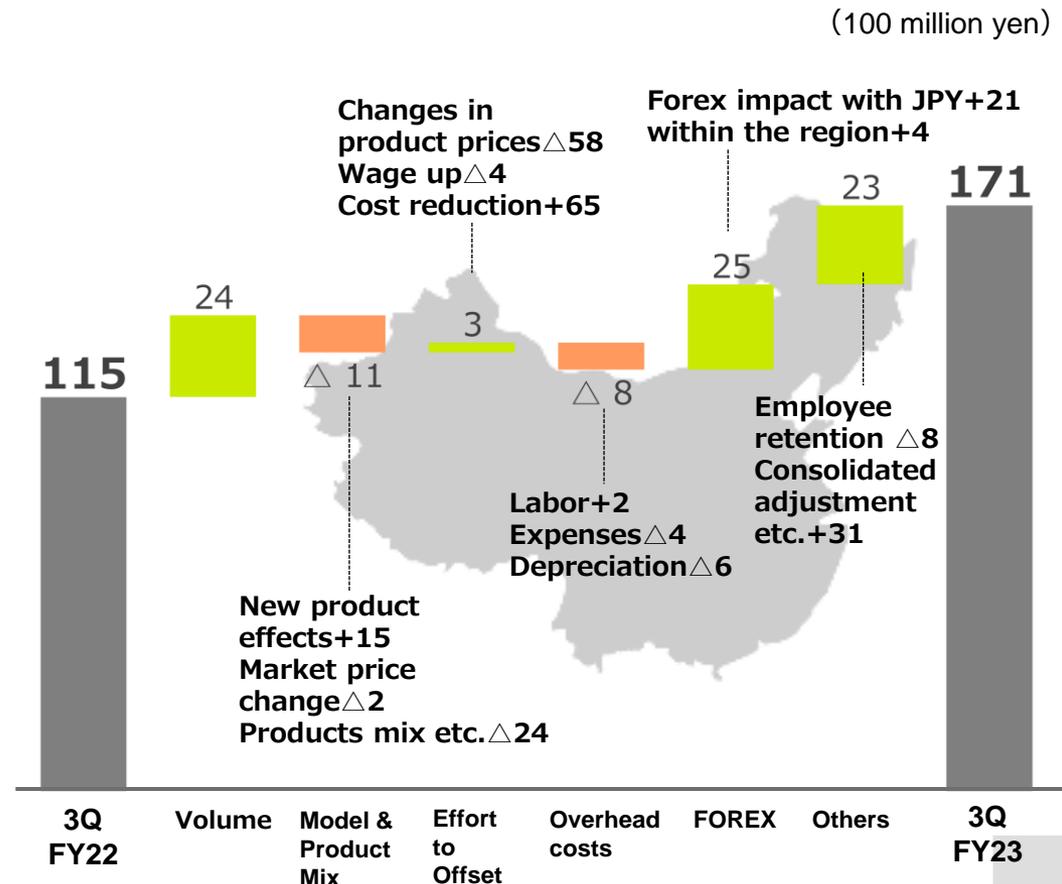
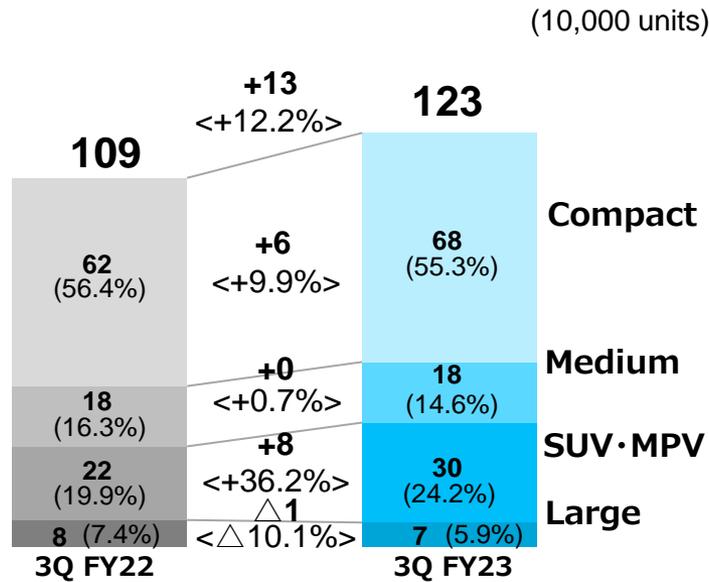
- ◆ Next, in the Americas,
- ◆ Volume increased by 30k units to 0.94 million units year-over year.
- ◆ Sales revenue increased by 53.4 billion yen to 284.8 billion yen.
- ◆ Operating profit decreased by 1.6 billion yen to $\triangle 0.4$ billion yen due to increase in overhead costs from model change and new product launch despite there was cost recovery of inflation impact of the previous year from customers.

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

Profit increased due to volume increase since new products have launched last year as well as new product effects

Volume & Model Mix

Operating Profit Variance Analysis



Profit & Loss

(100 million yen)

	3Q FY22	3Q FY23	YOY Change
Revenue	1,521	1,897	376
Operating Profit	115	171	56
Operating Profit Ratio	7.6%	9.1%	-

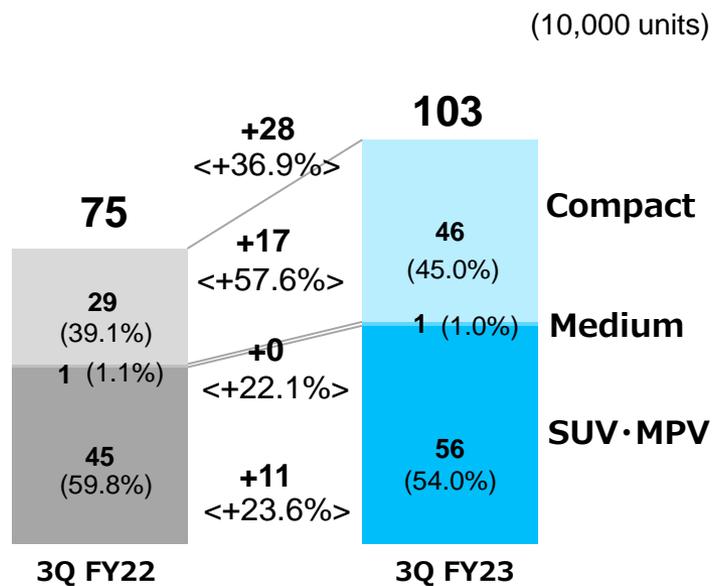
Script

- ◆ Next, in China,
- ◆ Volume increased by 0.13 million units to 1.23 million units year-over year.
- ◆ Sales revenue increased by 37.6 billion yen to 189.7 billion.
- ◆ Operating profit increased by 5.6 billion yen to 17.1 billion yen due to volume increase since new products have launched last year as well as new product effect.

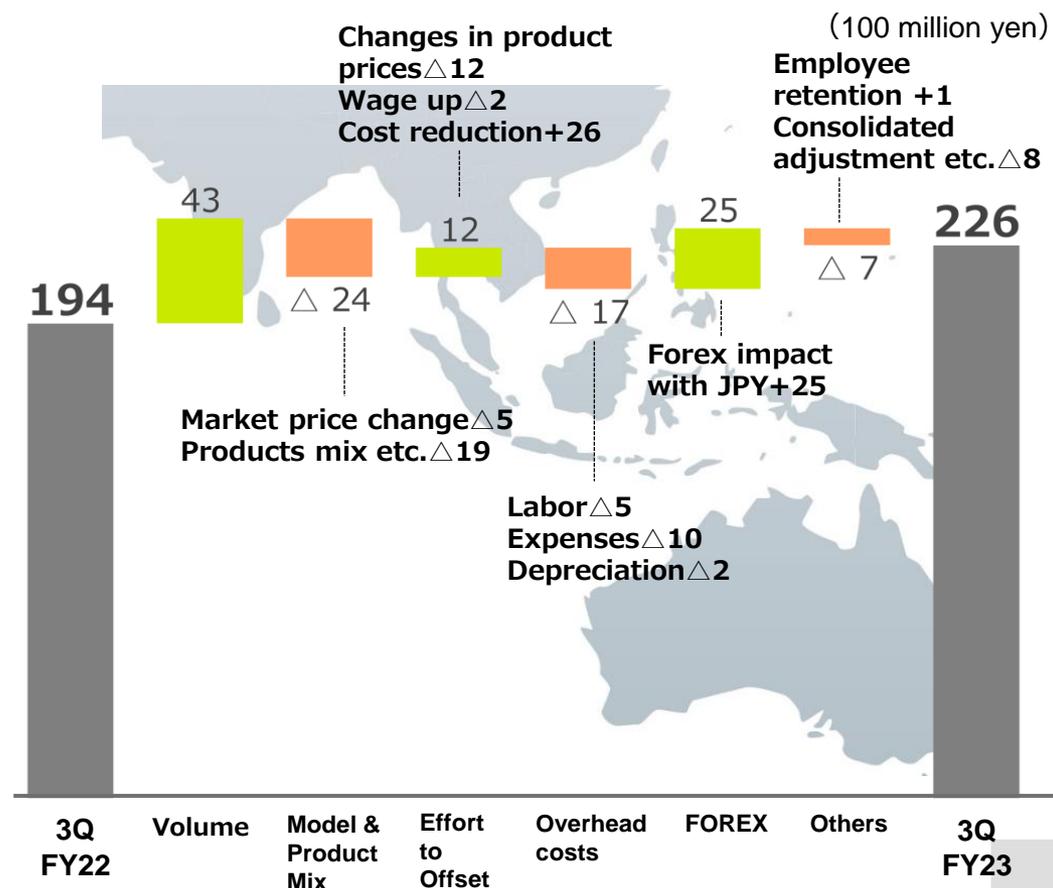
1-3) 3rd Quarter FY2023 Financial Results Asia & Oceania Revenue & Operating Profit

Profit increased due to higher volume from sales promotion in Indonesia and India as well as FX impacts

Volume & Model Mix



Operating Profit Variance Analysis



Profit & Loss

(100 million yen)

	3Q FY22	3Q FY23	YOY Change
Revenue	1,347	1,857	509
Operating Profit	194	226	32
Operating Profit Ratio	14.4%	12.2%	-

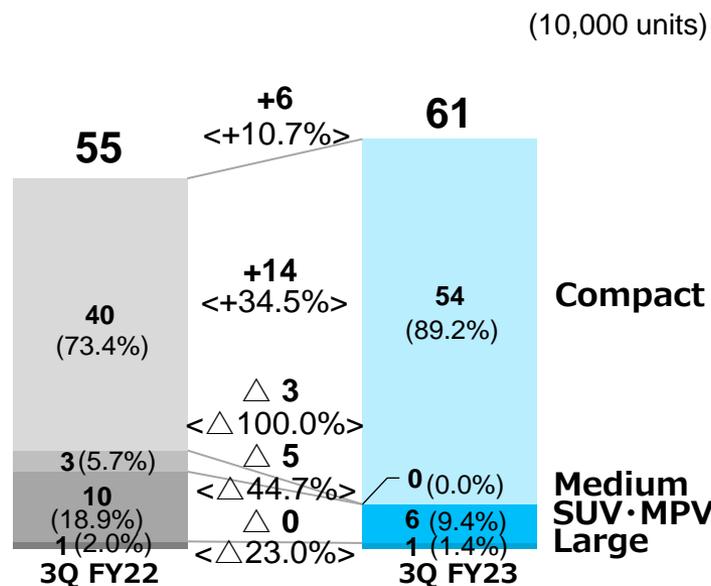
Script

- ◆ Next, in Asia & Oceania region,
- ◆ Volume increased by 0.28 million units to 1.03 million units year-over-year.
- ◆ Sales revenue increased by 50.9 billion yen to 185.7 billion yen.
- ◆ Operating profit increased by 3.2 billion yen to 22.6 billion yen due to higher volume from sales promotion in Indonesia and India as well as FX change gains.

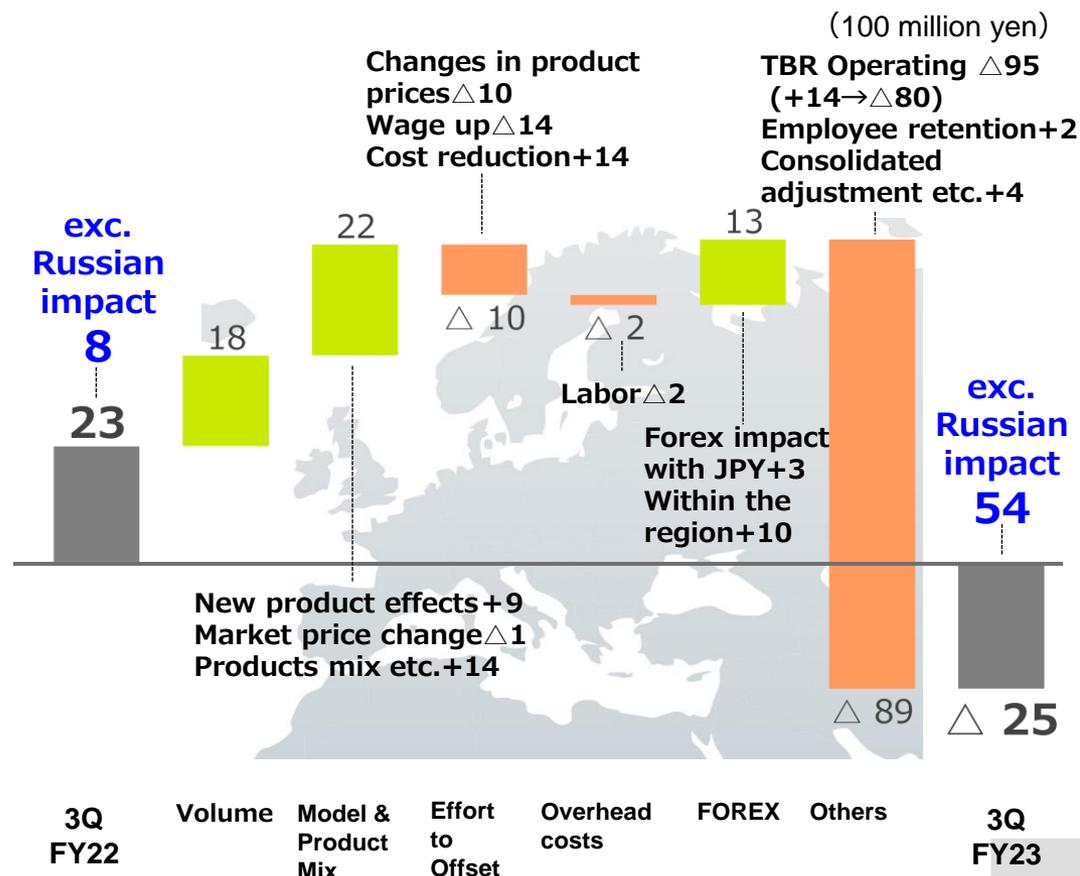
1-3) 3rd Quarter FY2022 Financial Results Europe & Africa Revenue & Operating Profit

Profit increased excluding Russian business due to production increase and change in model mix

Volume & Model Mix



Operating Profit Variance Analysis



Profit & Loss

(100 million yen)

	3Q FY22	3Q FY23	YOY Change
Revenue	656	786	129
Operating Profit	23	$\Delta 25$	$\Delta 49$
Operating Profit Ratio	3.6%	$\Delta 3.2\%$	-

Script

- ◆ Next in Europe & Africa region,
- ◆ Volume increased by 60k units to 0.61 million units year-over year.
- ◆ Sales revenue increased by 12.9 billion yen to 78.6 billion yen.
- ◆ Operating profit decreased by 4.9 billion yen to \triangle 2.5 billion yen due to costs recorded related to ending the business in Russia. However, profit increased due to higher production and change in model mix when the impact of Russian business is excluded.

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1. 3rd Quarter FY2023 Financial Results

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- ◆ 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 (2Q Announced)	
Revenue	14,214	100.0%	15,600	100.0%	1,385	9.7%	15,600	100.0%
Operating Profit	602	4.2%	430	2.8%	Δ172	Δ28.7%	430	2.8%
Profit before income taxes	645	4.5%	510	3.3%	Δ135	Δ21.0%	510	3.3%
Profit*	392	2.8%	250	1.6%	Δ142	Δ36.3%	250	1.6%
*Profit Attributable to Owners of the Parent								
Earnings per share	210.15 yen		133.81 yen				133.81 yen	
Exchange Rate	USD	112 yen	135 yen	+23 yen		135 yen		
	EUR	131 yen	140 yen	+9 yen		140 yen		

Revenue

Higher revenue due to global production increase and FX impacts

Operating Profit

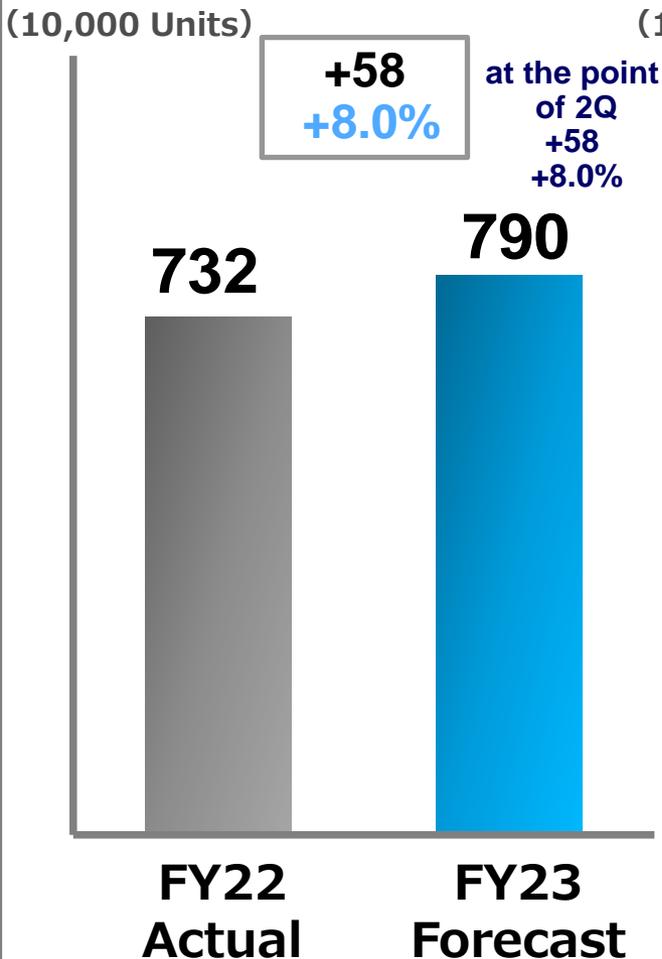
Lower profits due to change in product mix, increase in overhead costs and costs related to ending the business in Russia despite production increase

Script

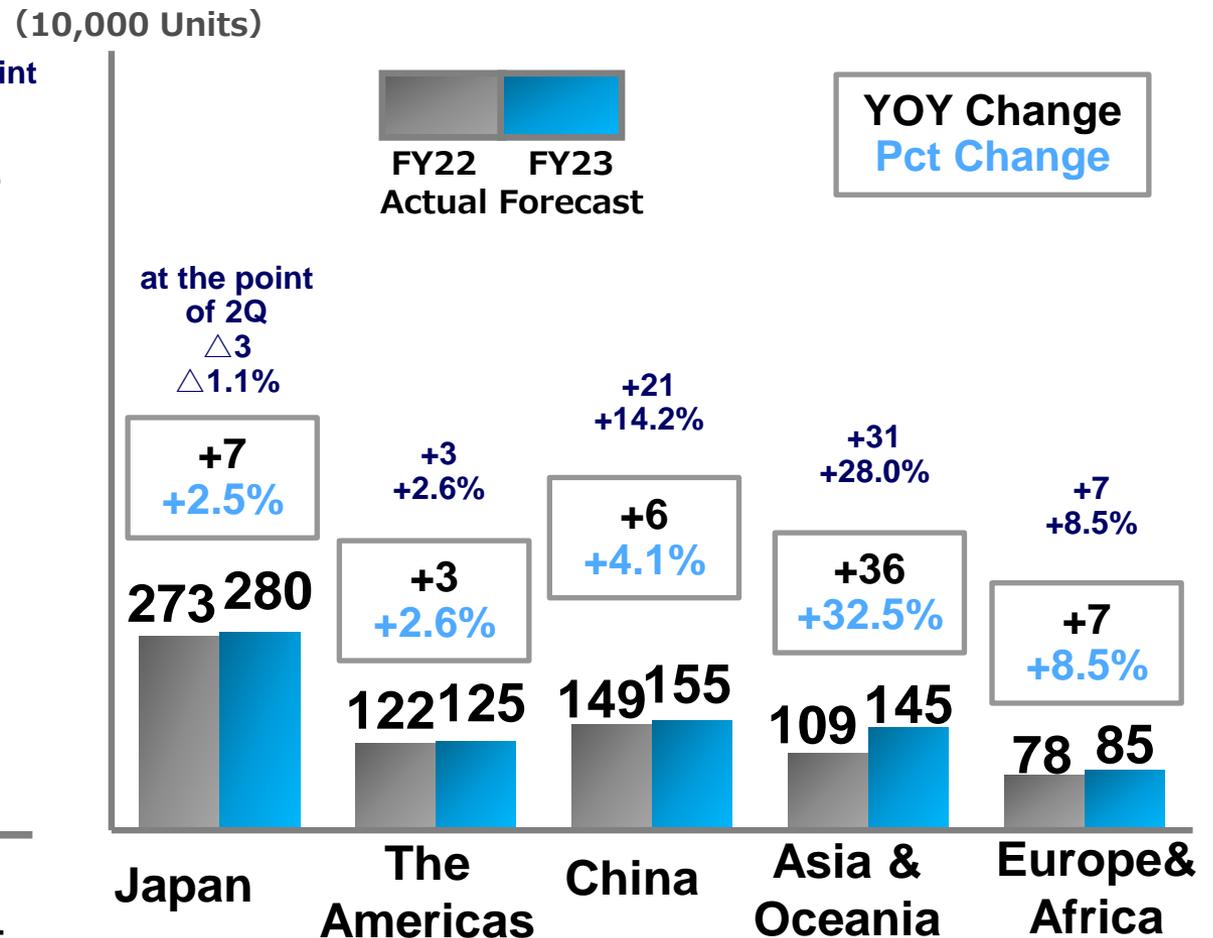
- ◆ Sales revenue will increase by 138.5 billion yen to 1.56 trillion yen.
- ◆ Operating profit is prospected to decrease by 17.2 billion yen to 43 billion yen year-over-year.
- ◆ Profit before income taxes will decrease by 13.5 billion yen to 51 billion yen.
- ◆ Profit attributable to owners of the parent will decrease by 14.2 billion yen to 25 billion yen.
- ◆ Assumed exchange rates are approximately 135 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

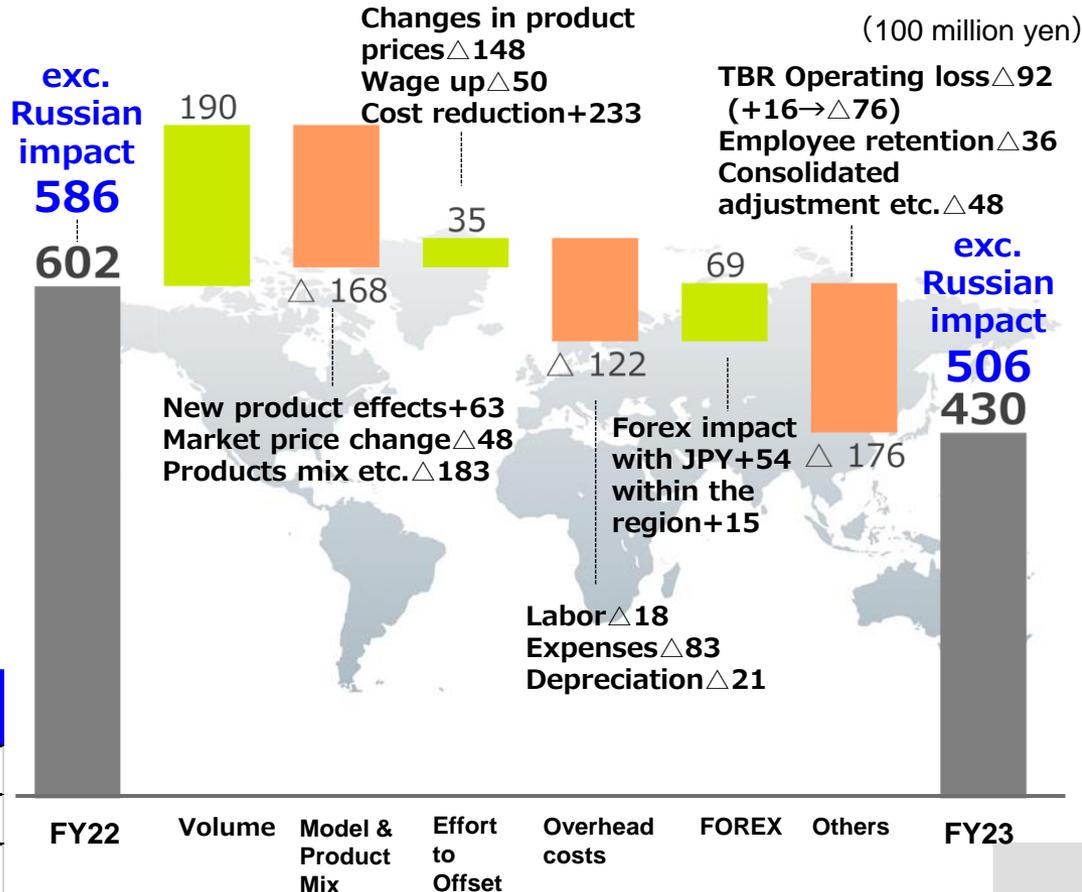
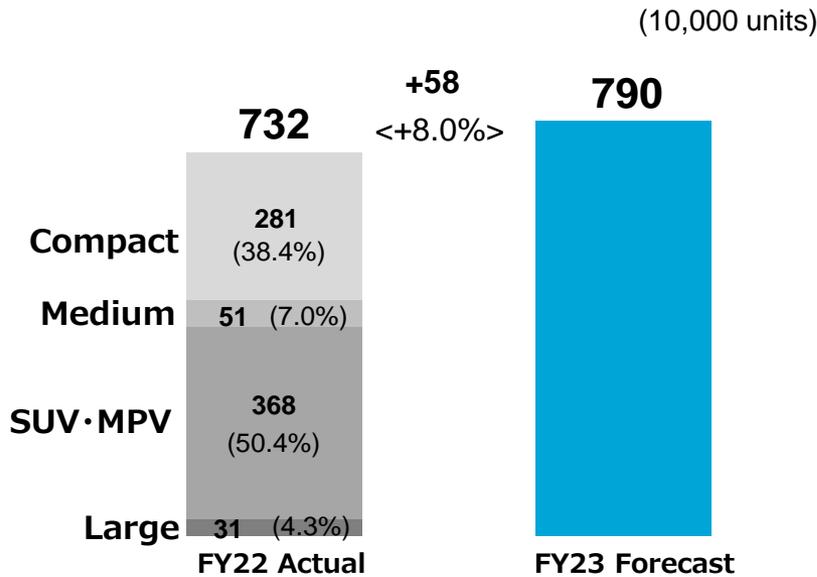
- ◆ As for consolidated seat assembly volume, it will be 7.9 million units, increasing by 0.58 million units compared to the previous year.
- ◆ Seat assembly volume by region is as shown. This will be explained in detail in later slides. Although the total volume remains unchanged from the one announced in 2Q, volumes are expected to increase in Japan and decrease in China by region.

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

Lower profits due to change in model mix and overhead costs increase in addition to costs related to ending the business in Russia, despite positive impacts of production increase

Volume & Model Mix

Operating Profit Variance Analysis



Profit & Loss

(100 million yen)

	FY22 Actual	FY23 Forecast	YOY Change
Revenue	14,214	15,600	1,385
Operating Profit	602	430	Δ 172
Operating Profit Ratio	4.2%	2.8%	-

Script

- ◆ Next, let me explain consolidated revenue & operating profit.
- ◆ Volume will be 7.9 million units, increasing by 0.58 million units year-over-year.
- ◆ Sales revenue is expected to increase by 138.5 billion yen to 1.56 trillion yen.
- ◆ Operating profit is predicted to be 43 billion yen, decreasing by 17.2 billion yen due to change in model mix and overhead costs increase in addition to costs recorded related to ending the business in Russia, despite impacts of production increase as demand recovered globally.

2-3) FY2023 Financial Forecasts Comparison with the Forecast announced 2Q

Operating Profit variance analysis

(100 million yen)

	2Q announced	3Q announced	Sum	Difference	
				Internal effort	Environmental change
FY22 Actual	602	602	+0	-	-
Volume	182	190	+8	-	+8
Mix	△150	△168	△18	+11	△29
Cost Reduction	42	35	△7	-	△7
Expences	△135	△122	+13	+13	-
FX	68	69	+1	-	+1
Others	△179	△176	+3	-	+3
FY23 Forecast	430	430	+0	+24	△24

• Inflation impact in Argentina announced in 2nd quarter has moved to Others

Script

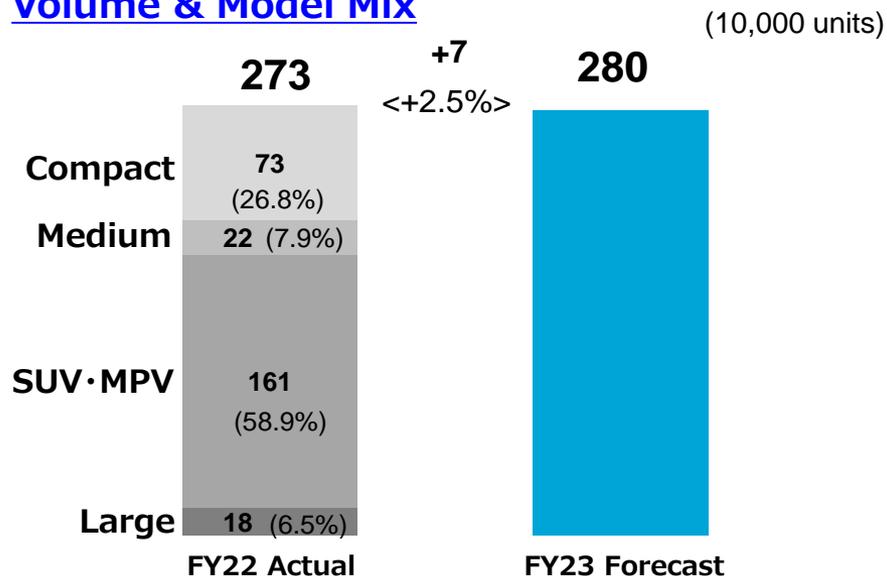
- ◆ Next, here is the comparison with the forecast released at the point of 2nd quarter.
- ◆ Although there is a reduction in the impact of market price increase, the external environment is expected to deteriorate, such as the change in product mix and fewer new product effects in Japan compared to the one announced previously.
- ◆ On the other hand, company-wide efforts such as recovering tooling costs or streamlining expenses, are being made to minimize the impact of changes in the external environment.

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

Japan

Lower profit due to material price increase, change in product mix and overhead cost increase despite production increase in the 4Q

Volume & Model Mix



Profit & Loss

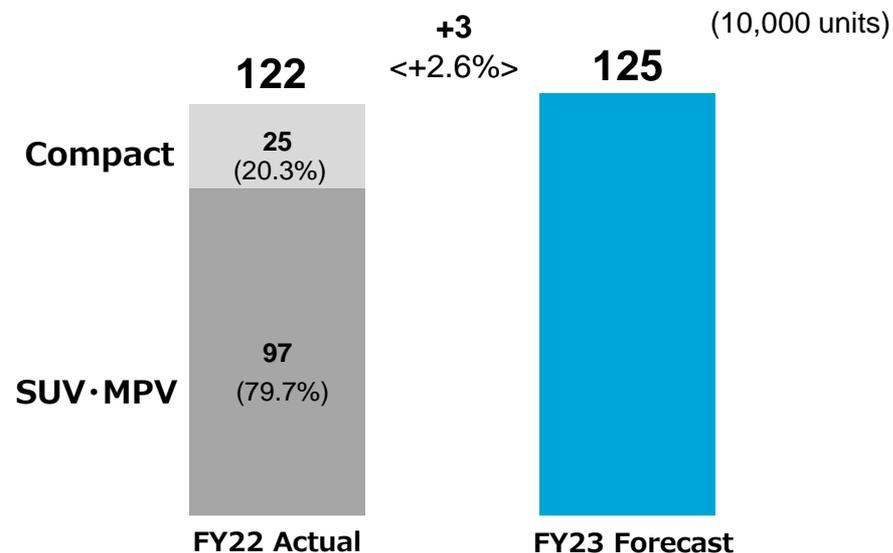
(100 million yen)

	FY22 Actual	FY23 Forecast	YOY Change
Revenue	7,006	6,900	△106
Operating Profit	96	△60	△156
Operating Profit Ratio	1.4%	△0.9%	—

The Americas

Lower profit due to increase in overhead cost from start up costs despite positive impacts of higher production

Volume & Model Mix



Profit & Loss

(100 million yen)

	FY22 Actual	FY23 Forecast	YOY Change
Revenue	3,177	3,800	622
Operating Profit	29	△10	△39
Operating Profit Ratio	0.9%	△0.3%	—

Script

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

First, regarding Japan,

Volume will increase by 70k units to 2.8 million units year-over-year.

- ◆ Sales revenue will decrease by 10.6 billion yen to 690 billion yen.
- ◆ Operating profit is prospected to decrease by 15.6 billion yen to $\triangle 6$ billion yen due to material price increase, change in product mix and overhead costs increase despite positive impacts of production increase in the 4Q.

- ◆ Next, The Americas,

Volume will increase by 30k units to 1.25 million units year-over-year.

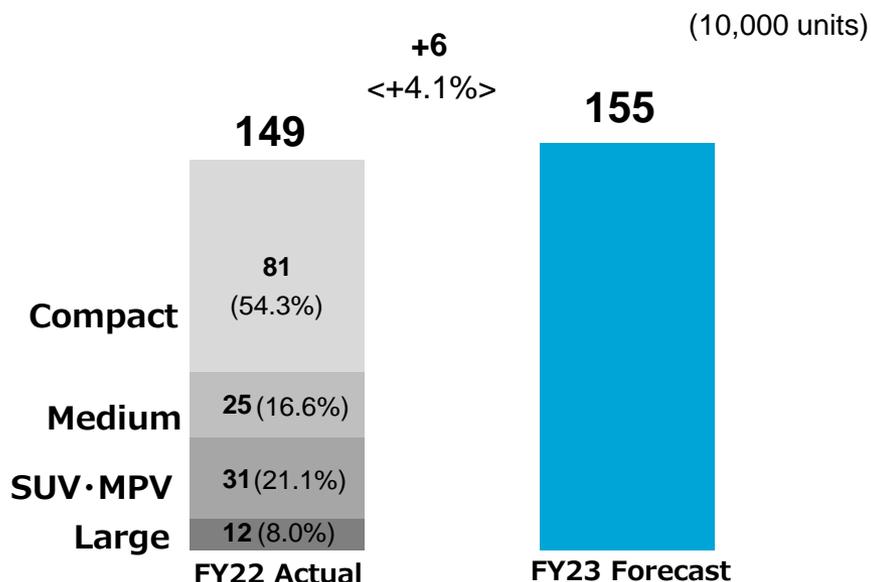
- ◆ Sales revenue will increase by 62.2 billion yen to 380 billion yen.
- ◆ Operating profit is prospected to decrease by 3.9 billion yen to $\triangle 1$ billion yen due to increase in overhead cost from start up costs despite positive impacts of higher production.

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

China

Higher profit due to production increase and FX impacts despite market uncertainty since 3Q

Volume & Model Mix



Profit & Loss

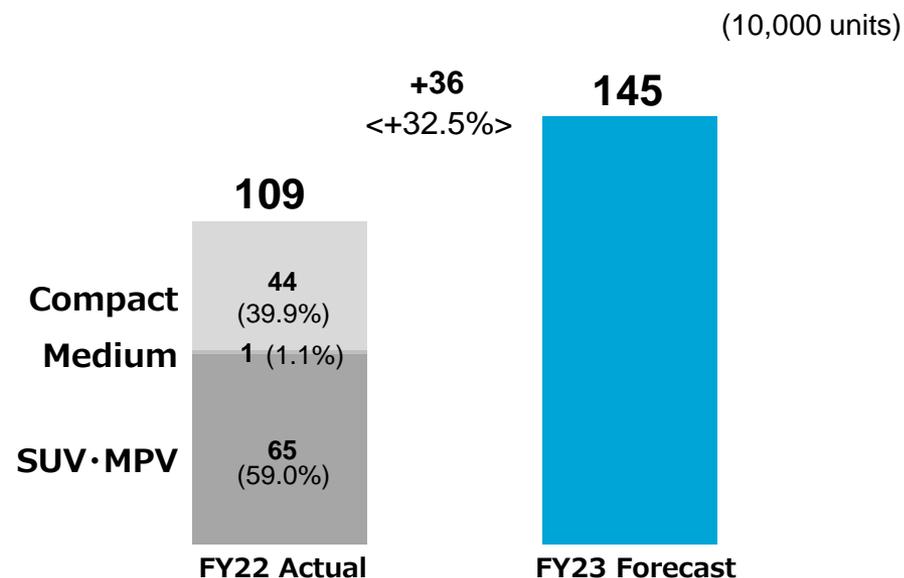
(100 million yen)

	FY22 Actual	FY23 Forecast	YOY Change
Revenue	2,121	2,400	278
Operating Profit	157	200	42
Operating Profit Ratio	7.4%	8.3%	—

Asia & Oceania

Higher profit due to solid market trend in addition to sales promotion in Indonesia & India and FX impacts

Volume & Model Mix



Profit & Loss

(100 million yen)

	FY22 Actual	FY23 Forecast	YOY Change
Revenue	1,904	2,500	595
Operating Profit	267	290	22
Operating Profit Ratio	14.0%	11.6%	—

Script

- ◆ Next, in China,
 - ◆ Volume will increase by 60k units to 1.55 million units year-over-year.
 - ◆ Sales revenue will increase by 27.8 billion yen to 240 billion yen.
 - ◆ Operating profit is prospected to increase by 4.2 billion yen to 20 billion yen due to volume increase and FX impact despite market uncertainty since 3Q.

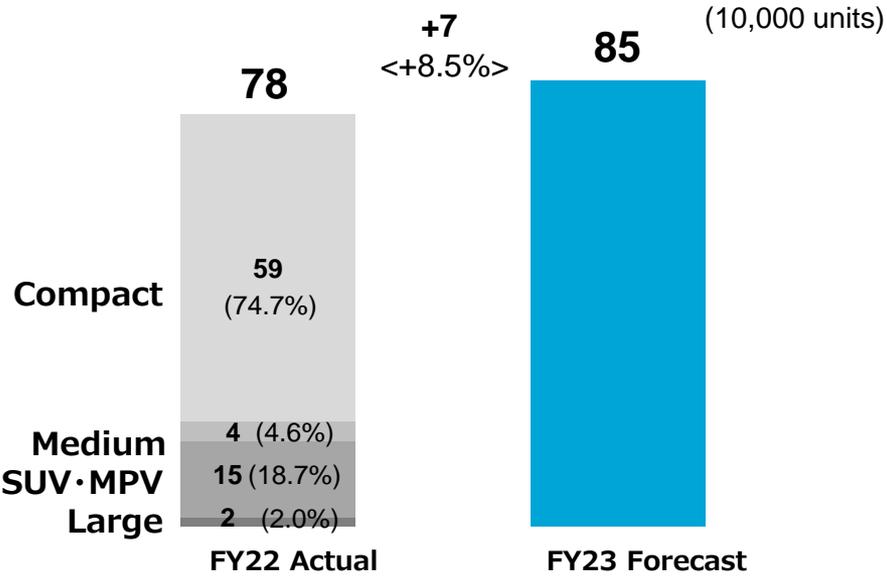
- ◆ Next, in Asia & Oceania,
 - ◆ Volume will increase by 360k units to 1.45 million units year-over-year.
 - ◆ Sales revenue will increase by 59.5 billion yen to 250 billion yen.
 - ◆ Operating profit is prospected to increase by 2.2 billion yen to 29 billion yen due to solid market trend in addition to sales promotion in Indonesia & India and FX impacts.

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

Europe & Africa

Higher profit due to production increase and change in mix excluding the Russian business

Volume & Model Mix



Profit & Loss

(100 million yen)

	FY22 Actual	FY23 Forecast	YOY Change
Revenue	962	1,100	137
Operating Profit	(36) 53	(86) 10	(49) Δ 43
Operating Profit Ratio	5.5%	0.9%	-

() exc. Russian impact

Script

- ◆ Next, in Europe & Africa,
- ◆ Volume will increase by 70k units to 0.85 million units year-over-year.
- ◆ Sales revenue is expected to increase by 13.7 billion yen to 110 billion yen.
- ◆ Operating profit, is prospected to decrease by 4.3 billion yen to \triangle 1 billion yen because one-time costs related to the termination of the business in Russia are recorded.

However, it is prospected to increase by 4.9 billion yen due to production increase and change in model mix when the impact of Russian business is excluded.

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

Revenue

(100 million yen)

	1st Half		2nd Half		Full Year	
Japan	3,255		3,644		6,900	
The Americas	1,967		1,832		3,800	
China	1,269		1,130		2,400	
Asia & Oceania	1,160		1,339		2,500	
Europe & Africa	463		636		1,100	
Total	7,618		7,981		15,600	

Operating Profit

(100 million yen)

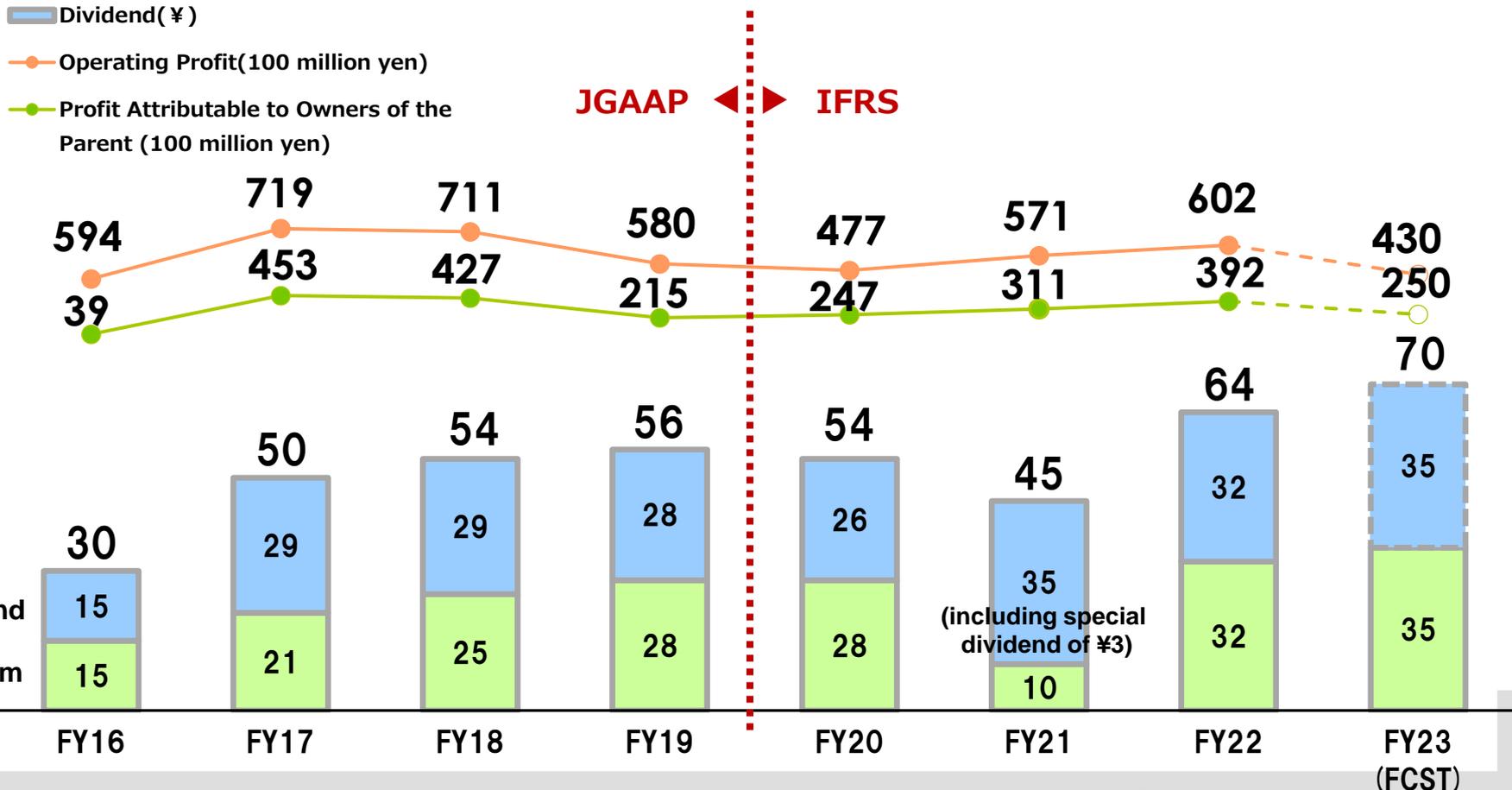
	1st Half		2nd Half		Full Year	
Japan	Δ80	Δ2.5%	20	0.6%	Δ60	Δ0.9%
The Americas	20	1.0%	Δ30	Δ1.7%	Δ10	Δ0.3%
China	105	8.3%	94	8.4%	200	8.3%
Asia & Oceania	140	12.1%	149	11.1%	290	11.6%
Europe & Africa	Δ58	Δ12.5%	68	10.7%	10	0.9%
Total	128	1.7%	301	3.8%	430	2.8%

◆ Financial Forecasts by Half Year is as shown.

2-6) FY2023 Financial Forecasts Returning to Shareholders

- For FY23, annual dividends plan is ¥70, increasing 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



◆ Next, on returning to shareholders,

For FY23, our annual dividends plan is 70 yen, increasing by 6 yen 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 3rd Quarter FY2023 Financial Results

【3Q Results】

- **Profit progressed as the level previously announced in 2Q** due to **company-wide efforts to secure profits** despite the continued production constraints caused by parts supply issues.

【Annual Forecast】

- In the 4th quarter, it is estimated that the external environment will remain severe, such as change in model mix in Japan and production decline in China. However, we aim **to achieve the announced targets by continuing to secure profit and deliver certain results.**
- While **improving profitability**, such as maximizing new product effects, prioritizing and streamlining expenses, **“investment for the future growth”** will be continued.

スクリプト

- ◆ Lastly, I'd like to conclude this 3rd Quarter Financial Results.
- ◆ In the 3rd Quarter, operating profit progressed as the level announced previously in 2Q due to company-wide efforts to secure profits despite the continued production constraints caused by parts supply issues.
- ◆ Likewise, in the 4th quarter, it is estimated that the external environment will remain severe, such as change in model mix in Japan due to parts supply issues and production decline in China .
However, we aim to achieve the announced targets by continuing to secure profit to deliver certain results, for instance, maximizing new product effects, prioritizing and streamlining expenses while we keep “investing for the future growth” in order to achieve both profitability improvement of the upcoming year and future growth.

Script

- ◆ That would be all for Financial Results for the 3rd Quarter of the fiscal year 2023.
- ◆ Thank you for listening.

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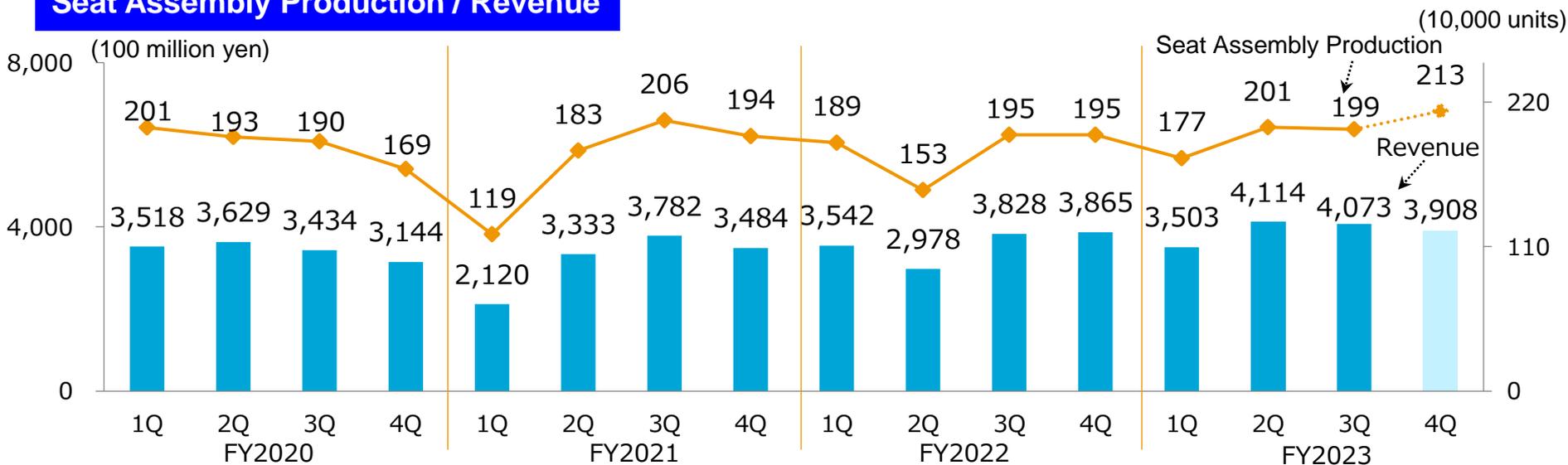
1. 3rd Quarter FY2023 Financial Results

2. FY2023 Financial Forecasts

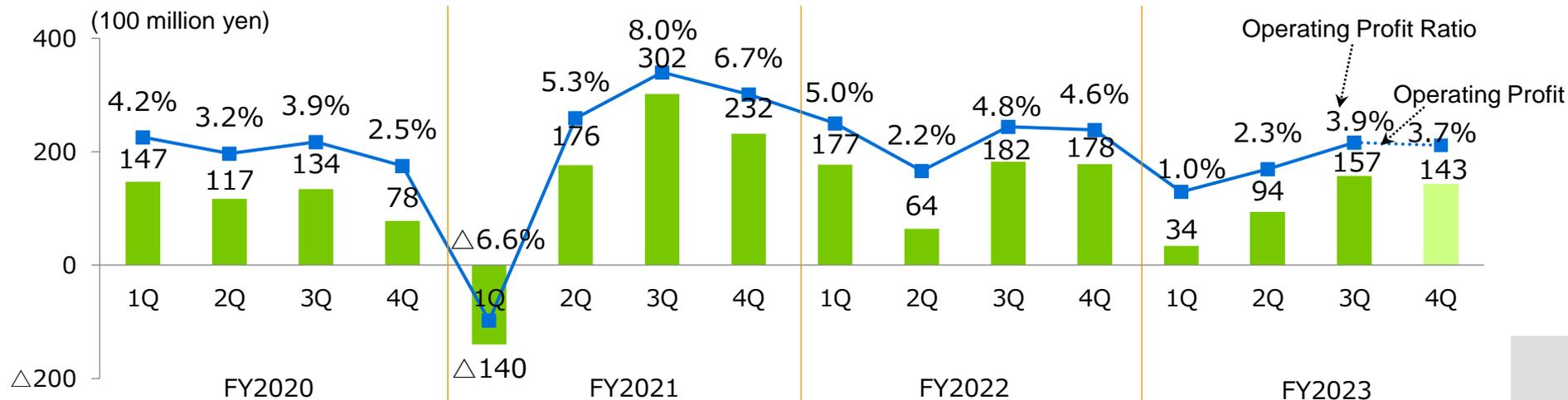
3. Appendix

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

Seat Assembly Production / Revenue

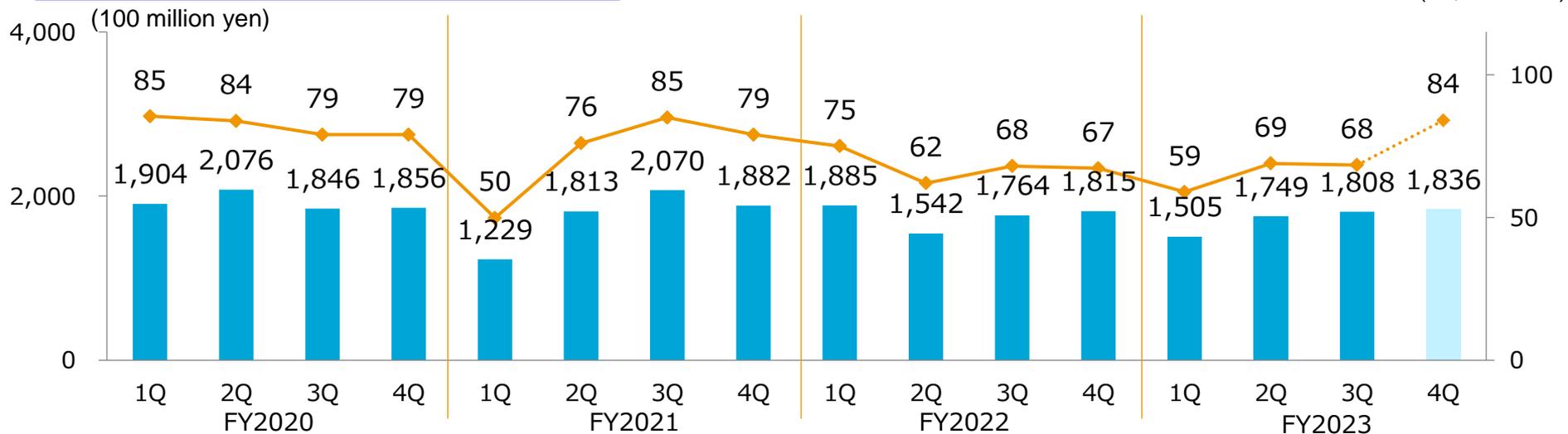


Operating Profit / Operating Profit Ratio

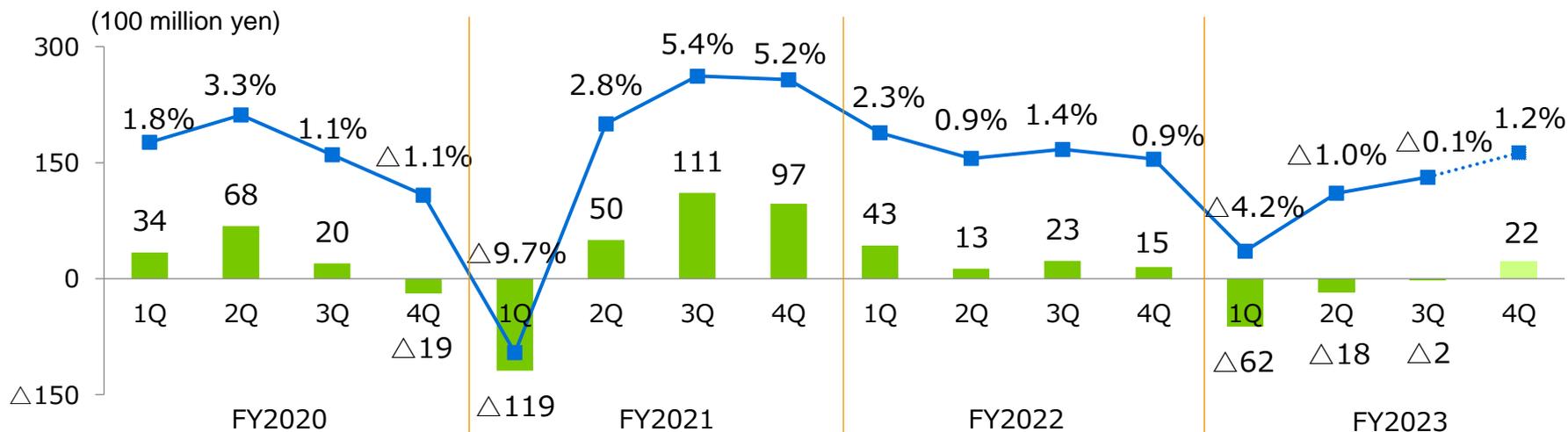


Appendix4) Quarterly Trends: Japan volume, revenue, operating profit, operating profit ratio

Seat Assembly Production / Revenue

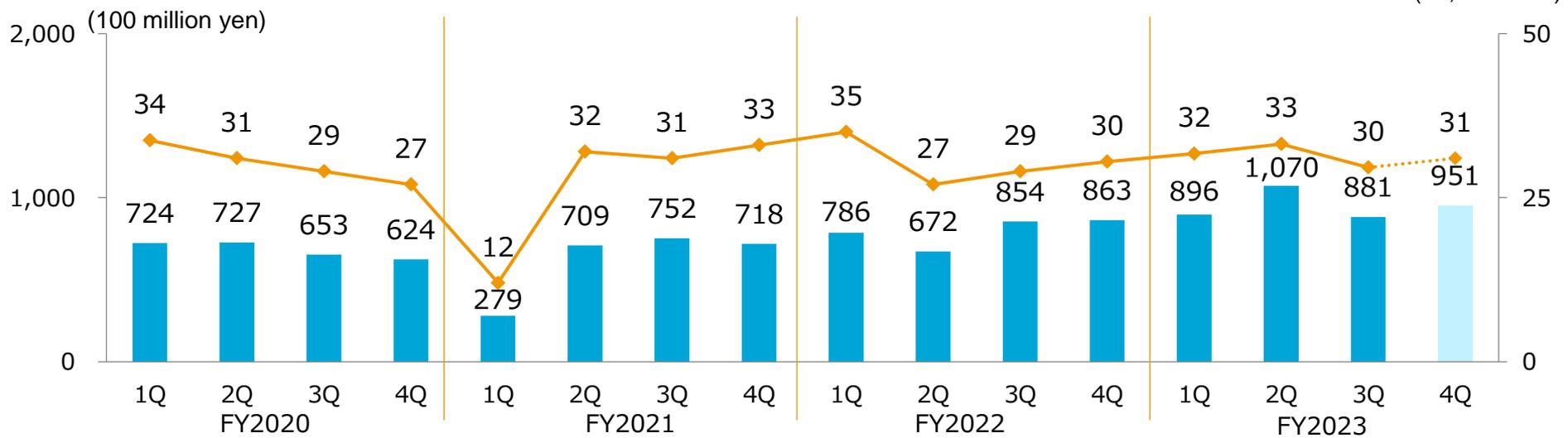


Operating Profit / Operating Profit Ratio

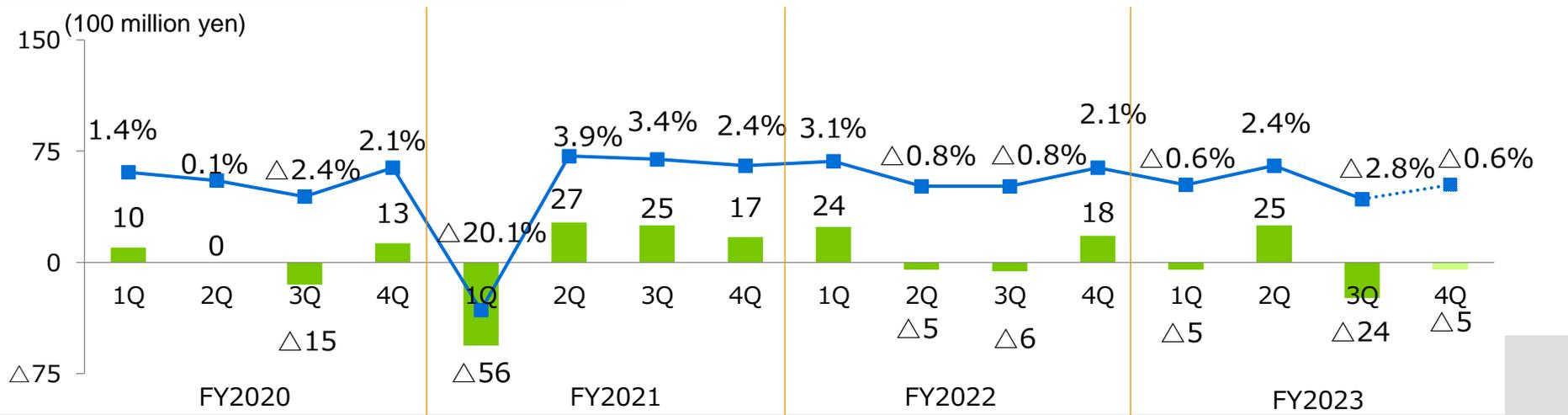


Appendix5) Quarterly Trends: The Americas volume, revenue, operating profit, operating profit ratio

Seat Assembly Production / Revenue



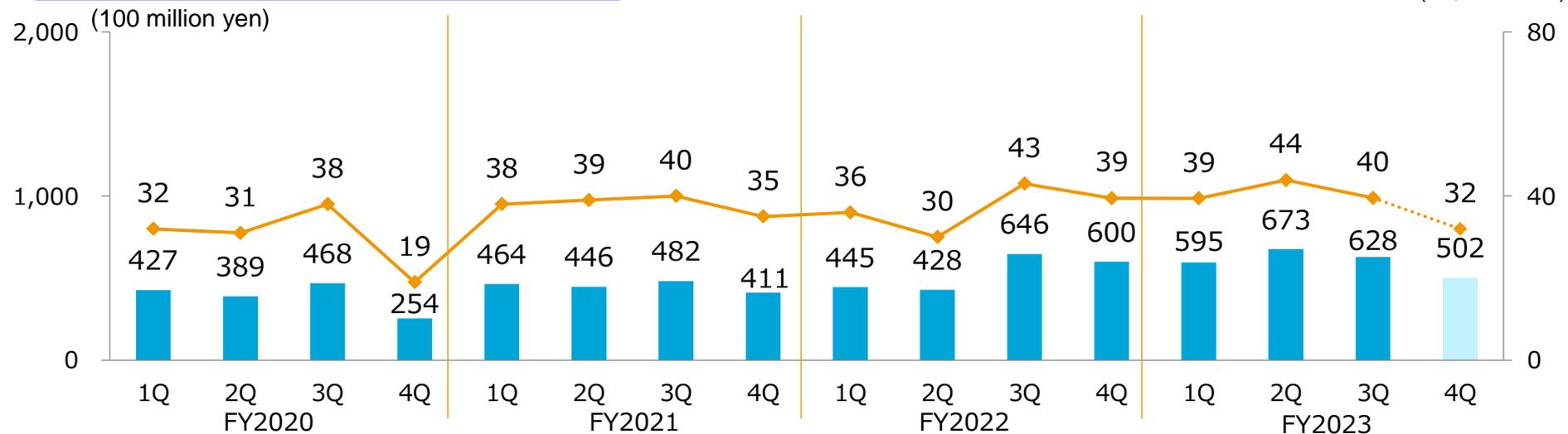
Operating Profit / Operating Profit Ratio



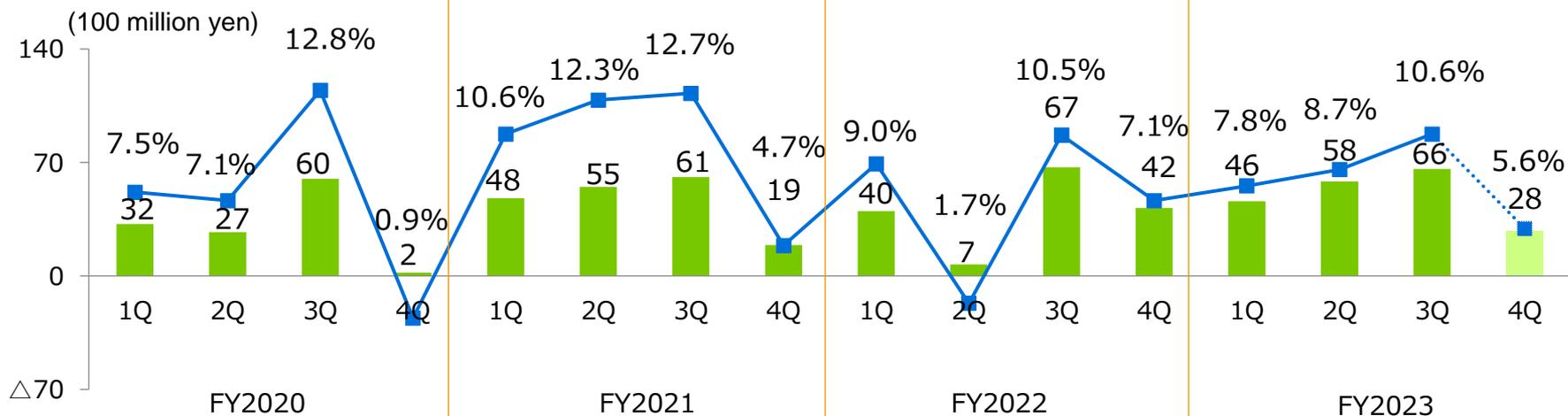
Appendix6) Quarterly Trends: China volume, revenue, operating profit, operating profit ratio

Seat Assembly Production / Revenue

(10,000 units)

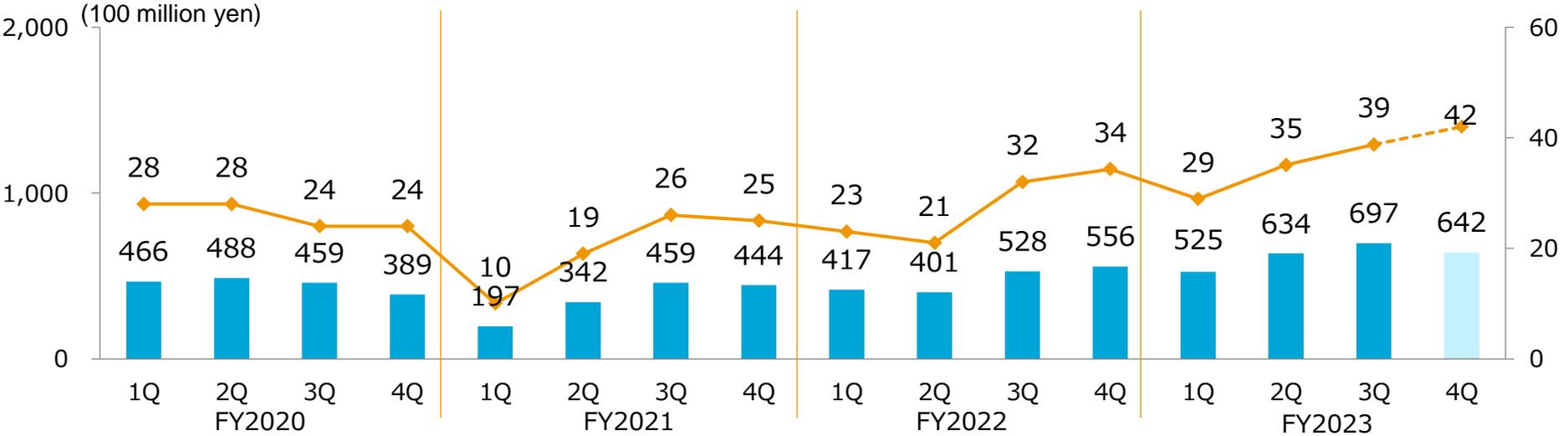


Operating Profit / Operating Profit Ratio

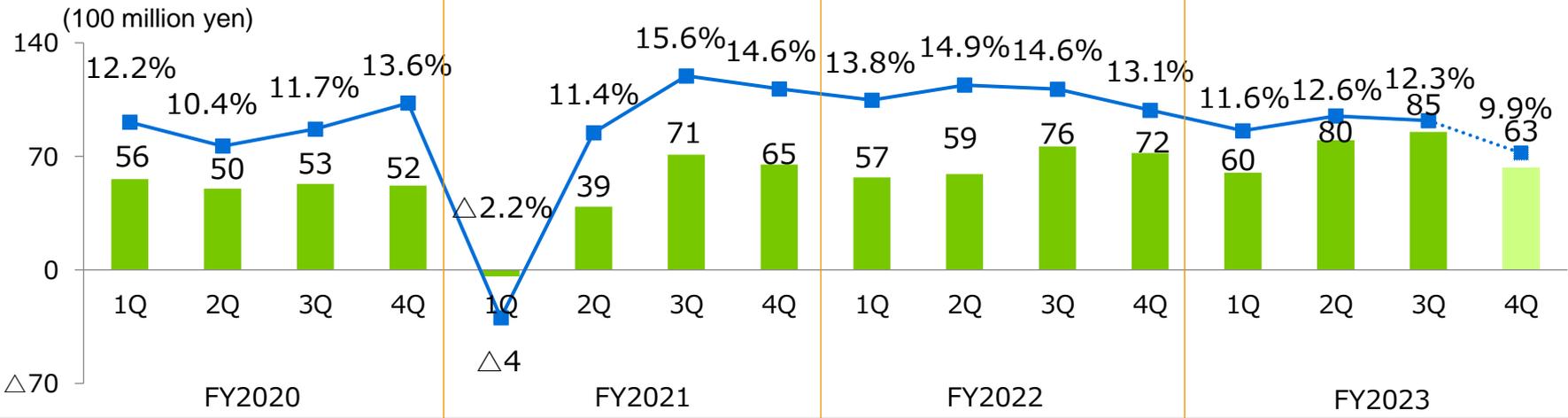


Appendix7) Quarterly Trends: Asia & Oceania volume, revenue, operating profit, operating profit ratio

Seat Assembly Production / Revenue

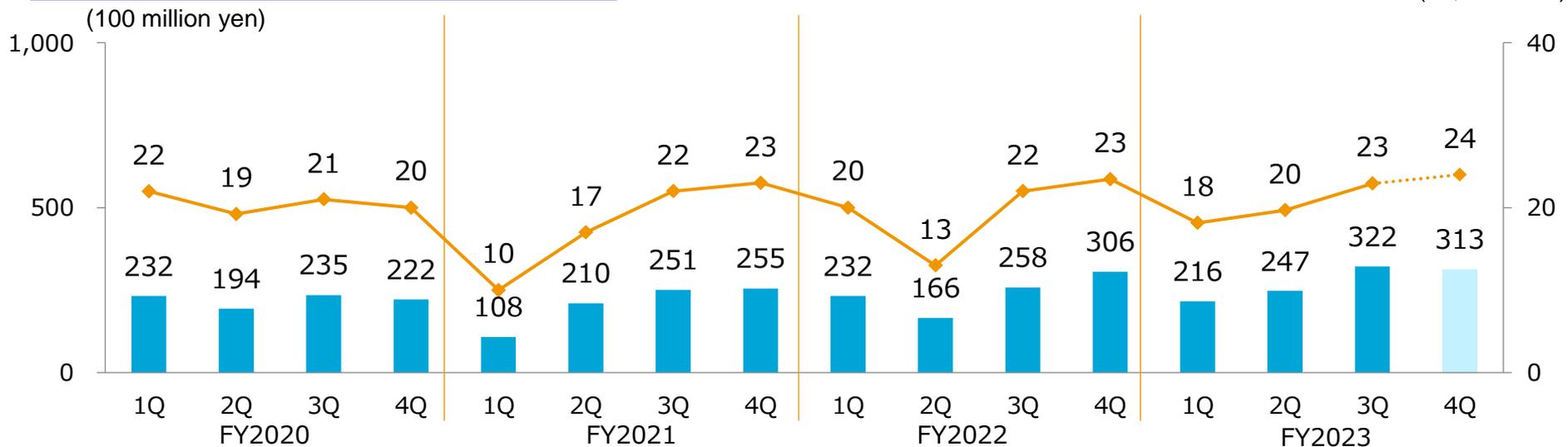


Operating Profit / Operating Profit Ratio

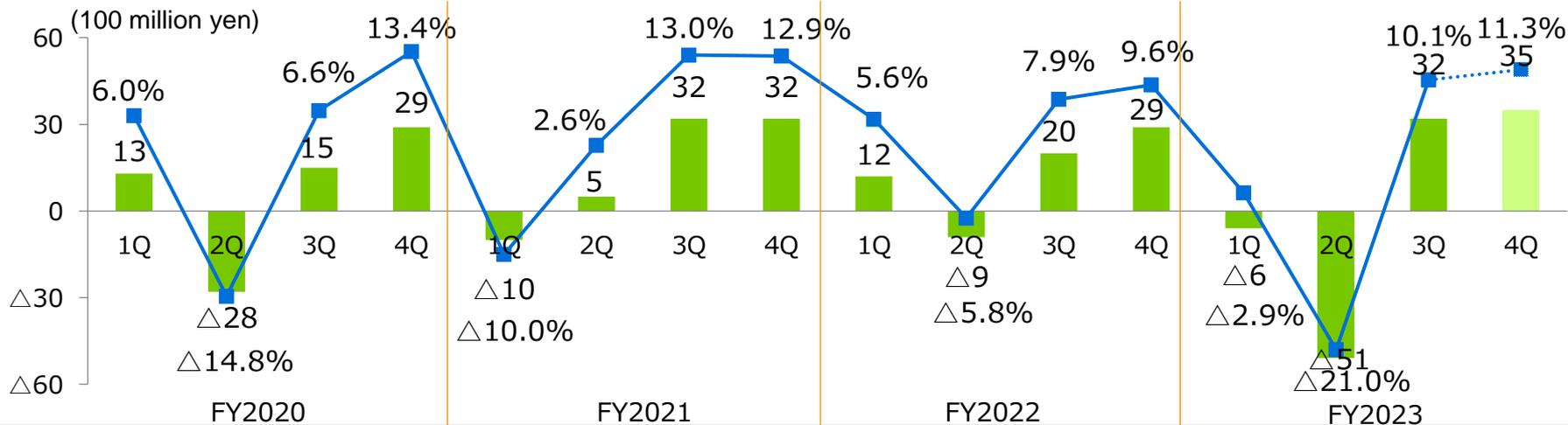


Appendix8) Quarterly Trends: Europe & Africa volume, revenue, operating profit, operating profit ratio

Seat Assembly Production / Revenue



Operating Profit / Operating Profit Ratio





<Disclaimer>

This report contains forecasts and expectations that relate to future plans and strategies in addition to the expected financial results of the Toyota Boshoku Corporation and the Toyota Boshoku group.

Within are estimates based on assumptions and opinions that have been formed by the company from the information available at the time of writing.

They involve risks and uncertainties.

Accordingly, actual results may differ from the company's forecasts