TOYOTA BOSHOKU

TSE Prime Market Securities Code 3116

FY2027 (ending March 2027)
2nd Quarter Financial Results

2026.10.29 (Thu)

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Thank you for attending our FY2027 2nd quarter financial results briefing during a busy time today.

Firstly, I would like to present the overview of this quarter's financial results, followed by the financial results for FY2027 2nd quarter. Lastly, our full year forecasts for FY2027.

Now, let's begin by reviewing the overview of financial results for this 2nd quarter.

1-1) Overview of Financial Results

Actual

・Operating profit decreased due to **market impacts from the Middle East situation, an increase in overhead costs and quality-related cost** despite **the new product effects and profit improvement activities**

Fore cast

・Forecast is **revised downward from the previous forecast**, due to **volume decrease in Japan, China, and Asia and quality-related costs** despite **internal efforts such as profit improvement initiatives and cost reduction**.
・Despite the uncertain business environment, we will continue to efficiently execute **strategic investments in human capital, research and development, and market expansion**, while maintaining a disciplined approach to prioritization, in order to achieve our **2030 mid-term plan**.

Return to share holders

・**Annual dividends plan is 86 yen**, with **an interim of 43 yen and a year-end of 43 yen**, as announced previously.
・**By maintaining DOE 3% or more**, aim to **provide long-term stable profit return** based on consolidated performance.

In FY27 Q2,
operating profit decreased due to market impacts from the Middle East situation,
an increase in overhead costs and quality-related costs
despite the new product effects and profit improvement activities

Next, regarding the FY27 financial forecasts,
Forecast is revised downward from the previous forecast ,due to volume decrease
in Japan, China, and Asia and quality-related costs despite internal efforts such as
profit improvement initiatives and cost reduction.

Despite the uncertain business environment, we will continue to efficiently execute
strategic investments in human capital, research and development, and market expansion,
while maintaining a disciplined approach to prioritization, in order to achieve
our 2030 mid-term plan.

Finally, on returning to shareholders,
for FY27, our annual dividends plan is 86 yen,
the same amount as announced previously.

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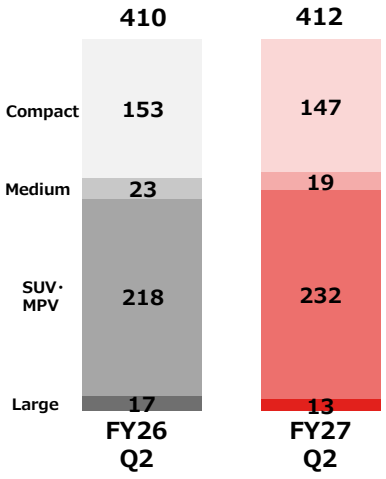
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In the following section,
I would like to explain the cumulative financial results for the 2nd quarter FY27.

2-1) 2nd Quarter FY2027 Financial Results Seat Volume/Profit and Loss

Seat Volume

(10,000 units)



Profit and Loss

(100 million yen)

		FY26 Q2		FY27 Q2		YOY Change	
Revenue		9,722	100%	10,683	100%	960	9.9%
Operating Profit		370	3.8%	295	2.8%	△75	△20.3%
Profit before income taxes		394	4.1%	316	3.0%	△78	△19.9%
Profit ※1		174	1.8%	224 ※2	2.1%	50	29.0%
Exchange Rate	USD	146 yen		159 yen		13 yen	
	EUR	168 yen		184 yen		16 yen	

※1 Profit Attributable to Owners of the Parent
※2 incl. the impact of Deferred Tax Assets Recognition +86

The consolidated seat assembly volume, the main product of the company,
totaled 4.12million units, an increase of 0.01million units compared to the previous year.

Sales revenue in creased by 96.0 billion yen to 1.06 trillion yen.

Operating profit decreased by 7.5 billion yen to 29.5 billion yen.

Profit before income taxes decreased by 7.8 billion yen to 31.6 billion yen.

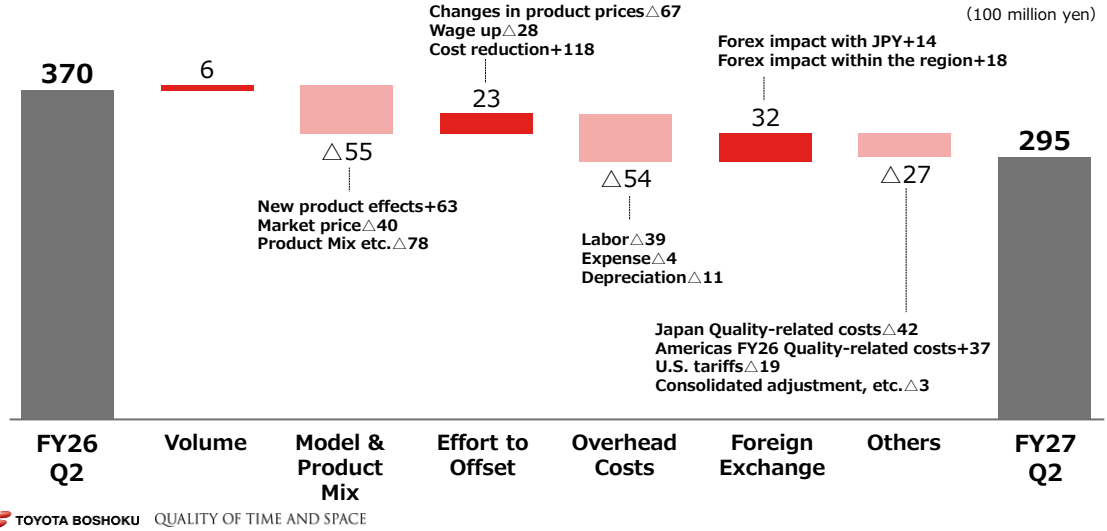
Profit attributable to owners of the parent increased by 5.0 billion yen to 22.4 billion yen, year-over-year.

Exchange rates are approximately 159 yen to the U.S. dollar and 184 yen to the Euro.

Foreign exchange impact resulted in a revenue 52.5 billion yen increase,
and an operating profit 1.4 billion yen increase year-over-year.

2-2) 2nd Quarter FY2027 Financial Results Consolidated Analysis of Operating Profit

Profit decreased due to market impacts from the Middle East situation, an increase in overhead costs and quality related cost despite the new product effects and profit improvement activities

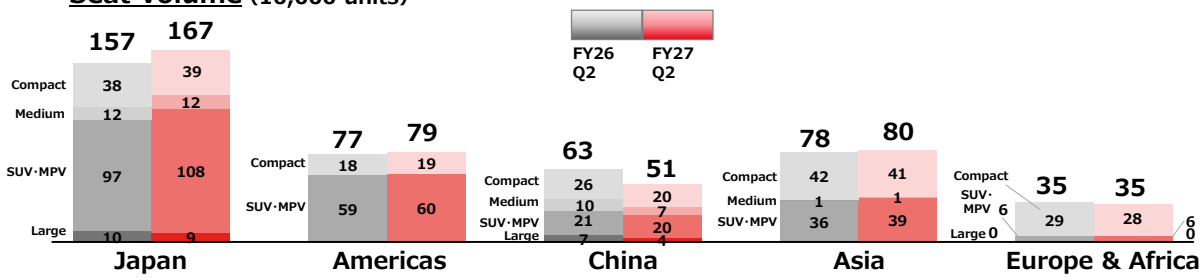


Next, let me move on to consolidated operating profit.

Operating profit decreased by 7.5 billion yen to 29.5 billion yen,
due to market impacts from the Middle East situation,
an increase in overhead costs, and quality related cost
despite the new product effects and profit improvement activities.

2-3) 2nd Quarter FY2027 Financial Results Seat Volume/Profit and Loss by Segments

Seat Volume (10,000 units)



Profit and Loss (100 million yen)

	Japan			The Americas			China			Asia			Europe & Africa		
	FY26	FY27	YOY Change	FY26	FY27	YOY Change	FY26	FY27	YOY Change	FY26	FY27	YOY Change	FY26	FY27	YOY Change
Revenue	4,636	4,975	339	2,642	3,084	441	980	1,062	81	1,442	1,547	105	555	607	52
Operating Profit	76	80	4	12	6	△6	80	36	△43	187	191	4	15	△19	△34
Ratio	1.6%	1.6%	-	0.5%	0.2%	-	8.2%	3.4%	-	13.0%	12.4%	-	2.8%	△3.1%	-

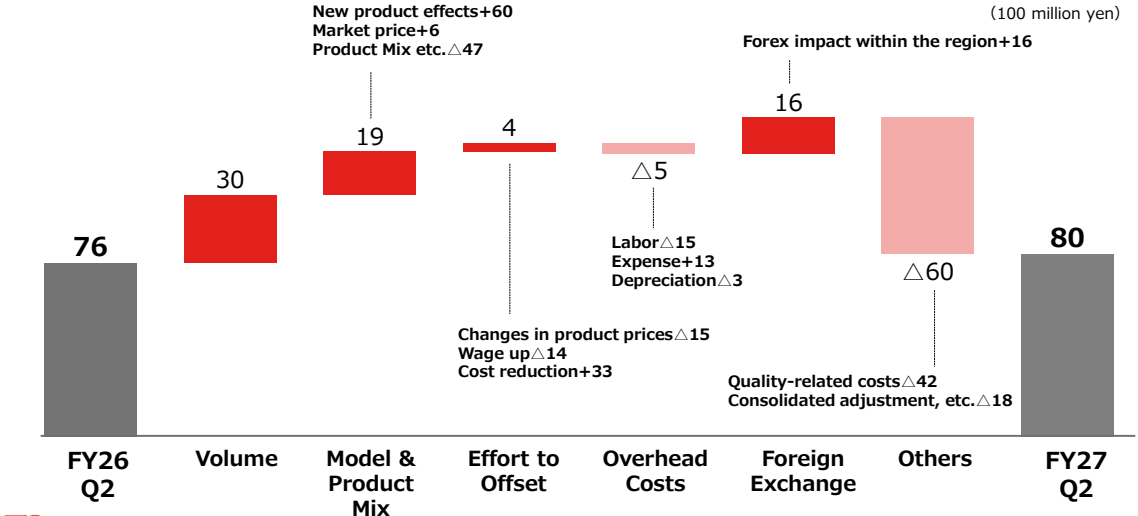
The seat assembly volume, Profit and Loss by segment is as shown.

Japan, increase in volume / increase in revenue / increase in profit
The Americas, increase in volume / increase in revenue / decrease in profit
China, decrease in volume / increase in revenue / decrease in profit
Asia, increase in volume / increase in revenue / increase in profit
Europe & Africa, decrease in volume / increase in revenue / decrease in profit

The analysis of operating profit will be explained in detail in later slides.

2-4) 2nd Quarter FY2027 Financial Results Japan Analysis of Operating Profit

Profit increased due to the new products effect and volume increase, despite quality-related costs and changes in products mix



Next, in Japan, year-over-year,

Operating profit increased by 0.4 billion yen to 8.0 billion yen,
due to the new products effect and volume increase,
despite quality-related costs and changes in products mix.

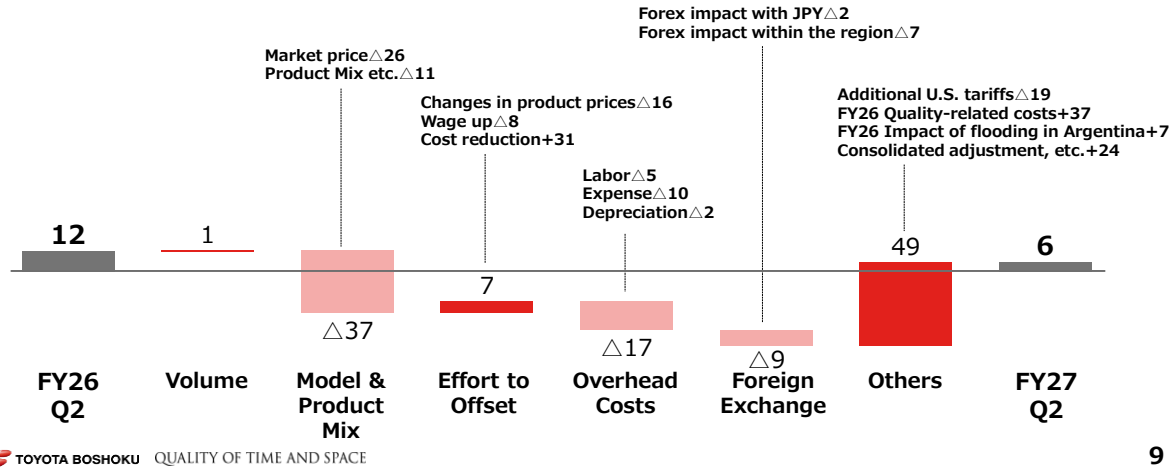
The quality-related expenses are additional costs related to
a previously disclosed matter.
All necessary countermeasures have already been implemented.

Excluding the impact of these costs,
operating profit would have been JPY 12.2 billion.
We believe that we were able to effectively capture the benefits of
new products and higher production volumes, leading to profit growth.

2-4) 2nd Quarter FY2027 Financial Results The Americas Analysis of Operating Profit

Profit decreased due to market impacts from the Middle East situation and an increase in overhead costs despite previous year quality related costs

(100 million yen)



Next, in the Americas, year-over-year,

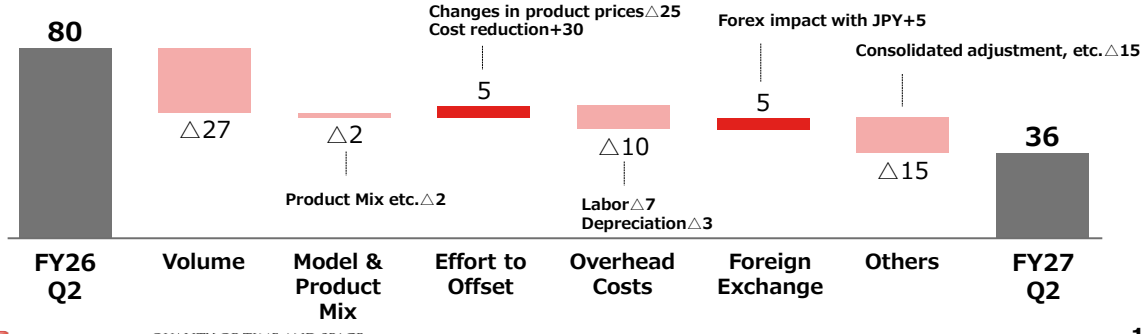
Operating profit decreased by 0.6 billion yen to 0.6 billion yen,
due to market impacts from the Middle East situation and
an increase in overhead costs despite previous year quality related costs.

As a general practice, changes in market conditions are reflected in our selling prices in the following year.
Excluding this impact,
although the contribution from our profitability improvement initiatives remains limited at this stage, we are seeing steady results.
We will continue to build on this progress and further enhance profitability.

2-4) 2nd Quarter FY2027 Financial Results China Analysis of Operating Profit

Profit decrease due to the volume decrease from changing demand and an increase in overhead costs

(100 million yen)



Next, in China, year-over-year,

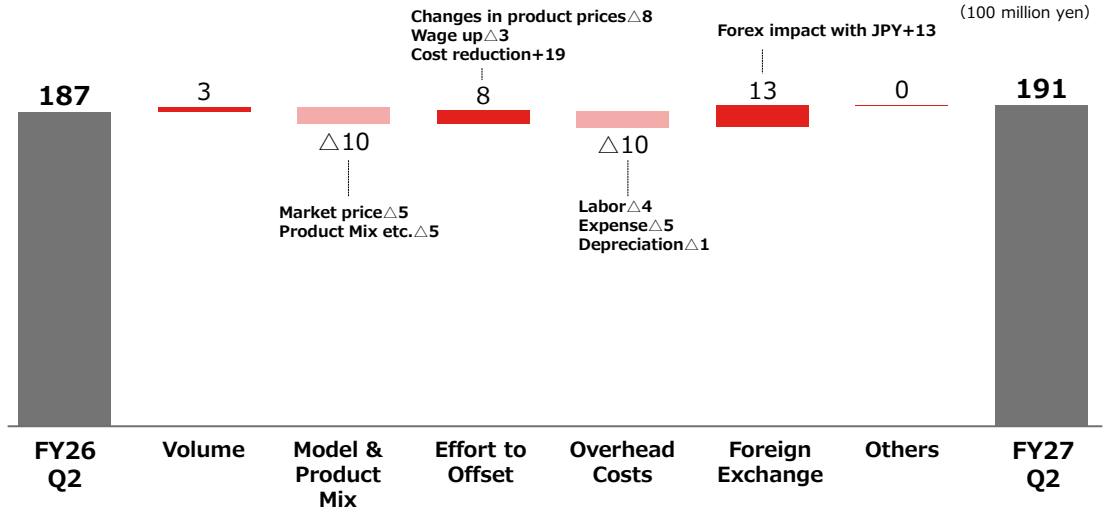
Operating profit decreased by 4.3 billion yen to 3.6 billion yen,
due to the volume decrease from changing demand and
an increase in overhead costs.

Production decrease in the first half were largely in line with our expectations.
However, we expect production levels to decline further in the second half.

We will strive to minimize the impact of lower production volumes through
the steady execution of overhead cost optimization and rationalization initiatives.

2-4) 2nd Quarter FY2027 Financial Results Asia Analysis of Operating Profit

Profit increased due to the new product effects and foreign exchange impacts despite changes in products mix and an increase in overhead costs



Next, in Asia, year-over-year,

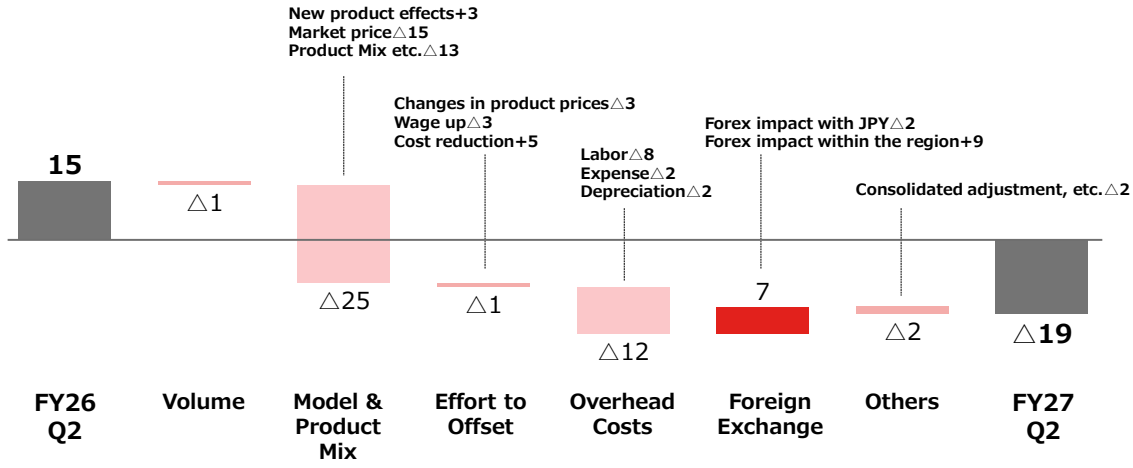
Operating profit increased by 0.4 billion yen to 19.1 billion yen, due to the new product effects and foreign exchange impacts despite changes in products mix and an increase in overhead costs.

We are steadily implementing overhead costs efficiency and cost reduction to maintain a high level of profitability,
for future, we will continue sales expansion in India.

2-4) 2nd Quarter FY2027 Financial Results Europe & Africa Analysis of Operating Profit

Profit decreased due to market impact and changes in products mix, despite the foreign exchange impact

(100 million yen)



Next, in Europe & Africa, year-over-year,

Operating loss was 1.9 billion yen,
due to market impact and changes in product mix,
as well as changeover losses and production preparation costs
included in other factors despite the foreign exchange impact.

In the second half, as these temporary costs subside,
we will continue the steady execution of rationalization initiatives
and overhead cost optimization to ensure solid profitability.

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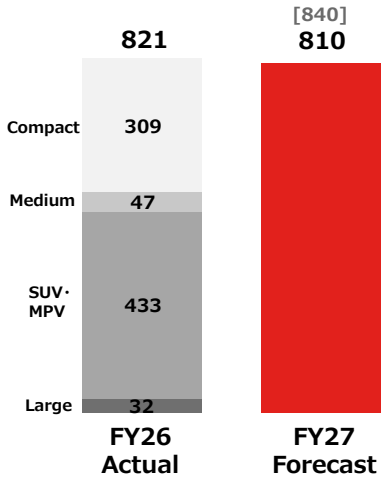
Lastly,
I would like to explain the full year forecasts for the fiscal year 2027.

3-1) FY2027 Financial Forecasts Seat Volume/Profit and Loss Forecast

[]Previous forecast

Seat Volume

(10,000 units)



Profit and Loss

(100 million yen)

	FY26 Actual		FY27 Forecast			YOY Change	
Revenue	20,370	100%	[21,000]	21,100	100%	729	3.6%
Operating Profit	539	2.6%	[760]	710	3.4%	170	31.6%
Profit before income taxes	619	3.0%	[800]	750	3.6%	130	21.1%
Profit ※1	232	1.1%	[460]	510 ※2	2.4%	277	119.2%
Exchange Rate USD	151 yen		[150 yen]	155 yen		4 yen	
Exchange Rate EUR	175 yen		[180 yen]	180 yen		5 yen	
ROE	5.0%			10.2%		-	
Dividend (Payout ratio)	86 yen (66.0%)			86 yen (30.1%)		0 yen (-)	
DOE	3.3%			3.1%		-	

※1 Profit Attributable to Owners of the Parent ※2 incl. the impact of Deferred Tax Assets Recognition

Please be informed that the forecast for this period has been revised from the previous forecast,
with revenue up by 10.0 billion yen and operating profit down by 5.0 billion yen.

The consolidated seat assembly volume, it is forecasted to reach 8.10 million units, a decrease of 0.11 million units compared to the previous year.

Sales revenue is prospected to increase by 72.9 billion yen to 2.11 trillion yen year-over-year.

Operating profit is prospected to increase by 17.0 billion yen to 71.0 billion yen.

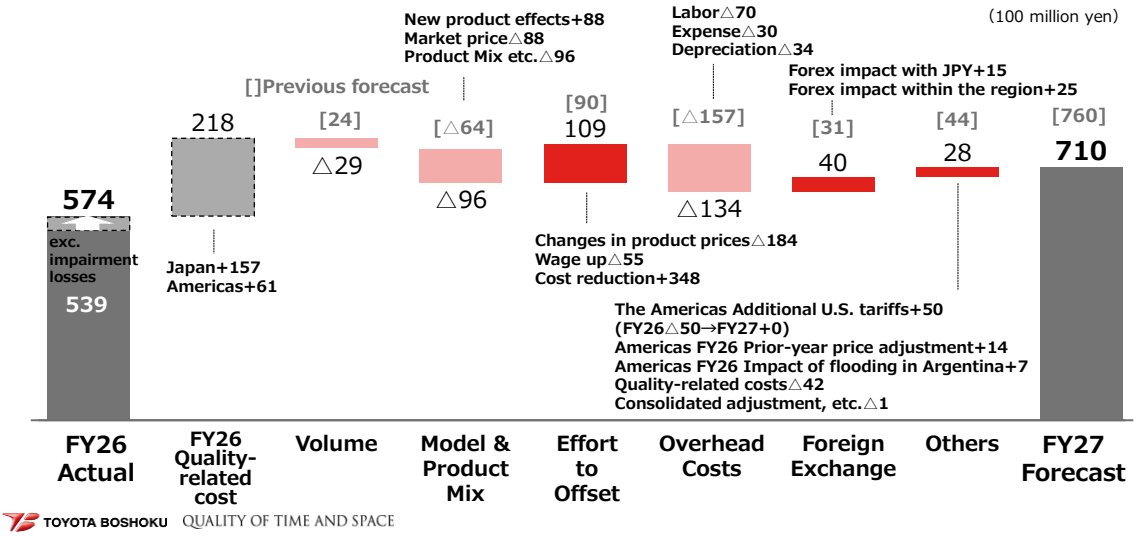
Profit before income taxes is prospected to increase by 13.0 billion yen to 75.0 billion yen.

Profit attributable to owners of the parent is prospected to increase by 27.7 billion yen to 51.0 billion yen.

Assumed exchange rates stand at 155 yen to the U.S. dollar, and 180 yen to the Euro.

3-2) FY2027 Financial Forecasts Consolidated Analysis of Operating Profit

To achieve the target of 2030 Mid-term Plan, upfront investments will be continued efficiently by leveraging the benefits of the new product effects and profit improvement activities.



TOYOTA BOSHOKU QUALITY OF TIME AND SPACE

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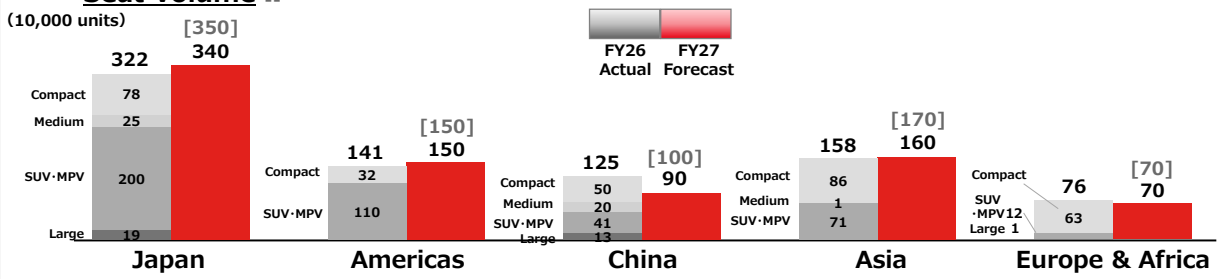
Next, let me move on to the year-over-year variance analysis of the consolidated full-year operating profit forecast.

Operating profit for the previous fiscal year was 57.4 billion yen, excluding the impact of impairment losses,
operating profit is expected to increase by 13.5 billion yen to 71.0 billion yen year-over-year.

Through the contributions of new products and profitability improvement initiatives,
we will generate the resources required for growth and steadily execute strategic
investments toward achieving our 2030 mid-term plan.

3-3) FY2027 Financial Forecasts Seat Volume/Profit and Loss by Segments

Seat Volume []Previous forecast



Profit and Loss (100 million yen)

() exc. Impairment losses	Japan			Americas			China			Asia			Europe & Africa		
	FY26 Actual	FY27 Forecast	YOY Change	FY26 Actual	FY27 Forecast	YOY Change	FY26 Actual	FY27 Forecast	YOY Change	FY26 Actual	FY27 Forecast	YOY Change	FY26 Actual	FY27 Forecast	YOY Change
Revenue	9,680	10,300	619	5,423	5,800	376	2,160	1,800	△360	3,022	3,200	177	1,240	1,200	△40
Operating Profit	51	190	138	△98 (△64)	40	138 (104)	147	80	△67	400	400	△0	37	0	△37
Ratio	0.5%	1.8%	-	△1.8%	0.7%	-	6.8%	4.4%	-	13.2%	12.5%	-	3.1%	0.0%	-

The forecast of seat volume, revenue and operating profit by segment is as shown.

Japan, increase in volume / increase in revenue / increase in profit
The Americas, increase in volume / increase in revenue / increase in profit
China, decrease in volume / decrease in revenue / decrease in profit
Asia, increase in volume / increase in revenue / decrease in profit
Europe & Africa, decrease in volume / decrease in revenue / decrease in profit.

Compared with our previous forecast,
we have revised operating profit downward by
3.0 billion yen in China and 2.0 billion yen in Europe and Africa.

In China, the impact directly reflects the downward revision of
0.1 million units in seat production volume.
In Europe, the impact is attributable to losses incurred in the first half and the carryover impact of market conditions.

3-4) FY2027 Financial Forecasts 1st/2nd Half by Region

Revenue (100 million yen)

[]Previous forecast

	1st Half		2nd Half		Full Year	
Japan	[5,000]	4,975	[5,100]	5,324	[10,100]	10,300
Americas	[2,900]	3,084	[2,700]	2,715	[5,600]	5,800
China	[1,000]	1,062	[1,000]	737	[2,000]	1,800
Asia	[1,500]	1,547	[1,800]	1,652	[3,300]	3,200
Europe & Africa	[600]	607	[600]	592	[1,200]	1,200
Total	[10,400]	10,683	[10,600]	10,416	[21,000]	21,100

Operating Profit (100 million yen)

	1st Half			2nd Half			Full Year		
Japan	[90]	80	1.6%	[100]	109	2.1%	[190]	190	1.8%
Americas	[40]	6	0.2%	[0]	33	1.3%	[40]	40	0.7%
China	[40]	36	3.4%	[70]	43	5.9%	[110]	80	4.4%
Asia	[180]	191	12.4%	[220]	208	12.6%	[400]	400	12.5%
Europe & Africa	[△10]	△19	△3.1%	[30]	19	3.2%	[20]	0	0.0%
Total	[340]	295	2.8%	[420]	414	4.0%	[760]	710	3.4%

The financial forecasts by the half-year are as shown.

We will make timely and flexible management decisions while closely monitoring global production trends and the Middle East situation.

Despite these circumstances, we will not slow down our efforts toward achieving the target of 2030 Mid-Term Plan, and will continue to efficiently execute upfront investments such as human capital and R&D while prioritizing them accordingly.

That would be all for financial results for FY2027 2nd quarter. Thank you for listening.

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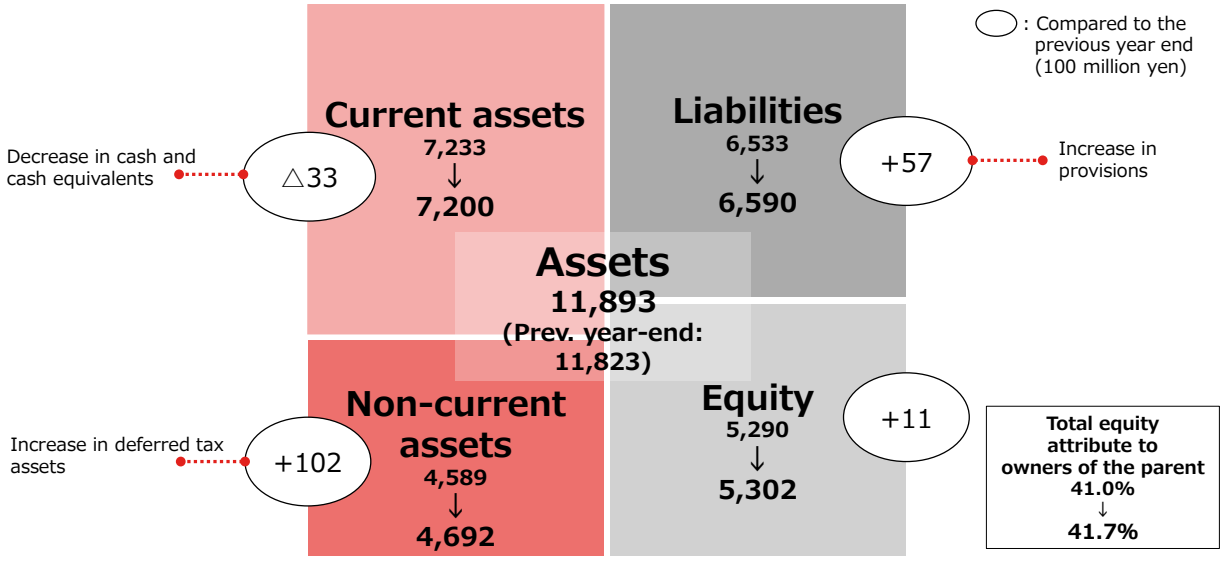
4-1) Appendix

Foreign Exchange Trends (yen)

	FY2026 Actual					FY2027				
						Actual		Forecast		
	Q1	Q2	Q3	Q4	Yearly	Q1	Q2	Q3	Q4	Yearly
USD	144.59	147.49	154.14	156.86	150.77	159.49	159.25	-	-	155.00
EUR	163.80	172.32	179.37	183.67	174.79	185.39	183.31	-	-	180.00
CNY	19.99	20.59	21.73	22.65	21.24	23.43	23.61	-	-	23.30
THB	4.36	4.58	4.77	4.97	4.67	4.90	4.78	-	-	4.70

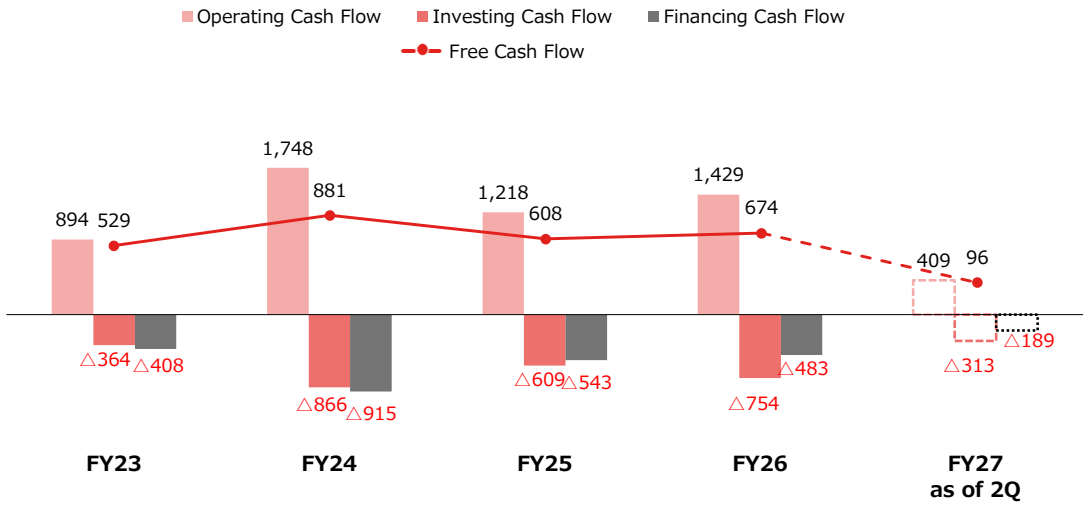
4-2) Appendix

Status of the Consolidated Statement of Financial Position



4-3) Appendix

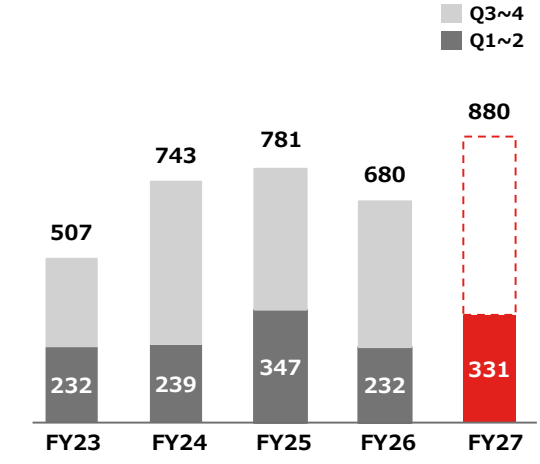
Consolidated Cash Flow Trends（100 million yen）



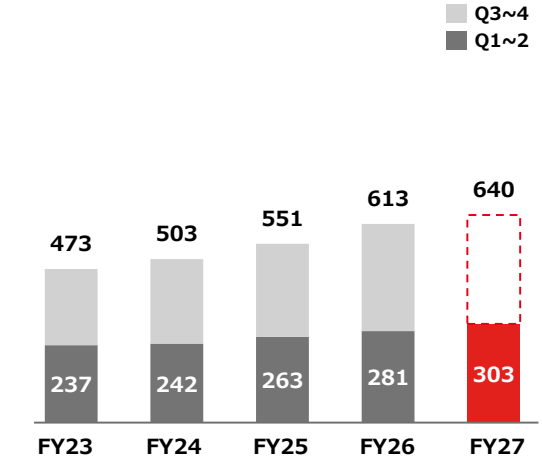
4-4) Appendix

Capital Expenditures and Research and Development Trends (100 million yen)

CAPEX



R&D



4-5) Appendix

Dividend Trends

		FY23 Actual	FY24 Actual	FY25 Actual	FY26 Actual	FY27 Forecast
Dividends	Interim	35 yen	43 yen	43 yen	43 yen	43 yen
	Year-end	35 yen	43 yen	43 yen	43 yen	43 yen
	Yearly	70 yen	86 yen	86 yen	86 yen	86 yen
DOE		3.3%	3.7%	3.4%	3.3%	3.1%
Dividend Payout Ratio		89.1%	27.3%	91.8%	66.0%	30.1%

4-6) Appendix

Quarterly Trends (100 million yen, 10,000 units)

		FY2026 Actual				FY2027 Actual			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Global	Seat Volume	203	207	210	201	206	206	-	-
	Revenue	4,796	4,925	5,339	5,308	5,280	5,402	-	-
	Operating Profit	187	183	232	△62※	158	136	-	-
	Ratio	3.9%	3.7%	4.3%	△1.2%	3.0%	2.5%	-	-
Japan	Seat Volume	78	80	83	82	82	85	-	-
	Revenue	2,238	2,397	2,504	2,540	2,385	2,589	-	-
	Operating Profit	0	75	85	△110	29	50	-	-
	Ratio	0.0%	3.2%	3.4%	△4.4%	1.2%	2.0%	-	-
Americas	Seat Volume	40	37	34	31	41	38	-	-
	Revenue	1,351	1,291	1,393	1,387	1,572	1,512	-	-
	Operating Profit	46	△34	△4	△106※	25	△19	-	-
	Ratio	3.4%	△2.6%	△0.3%	△7.7%	1.6%	△1.3%	-	-

※incl.impairment losses impact

4-6) Appendix

Quarterly Trends（100 million yen、10,000 units）

		FY2026 Actual				FY2027 Actual			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
China	Seat Volume	31	32	34	28	25	26	-	-
	Revenue	482	497	623	556	539	522	-	-
	Operating Profit	41	38	37	29	20	15	-	-
	Ratio	8.6%	7.8%	6.0%	5.3%	3.8%	3.1%	-	-
Asia	Seat Volume	37	41	39	41	40	40	-	-
	Revenue	700	741	782	798	780	767	-	-
	Operating Profit	90	96	105	107	91	100	-	-
	Ratio	13.0%	13.0%	13.5%	13.5%	11.7%	13.1%	-	-
Europe & Africa	Seat Volume	18	18	20	20	18	17	-	-
	Revenue	272	283	330	355	310	296	-	-
	Operating Profit	8	6	8	14	△7	△11	-	-
	Ratio	3.1%	2.5%	2.5%	4.0%	△2.5%	△3.9%	-	-

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<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.