

Quantum Leap



Toyota Boshoku Corporation

Financial Results

of FY2012 ending March 31st 2012



Quantum Leap

- 1 Review of FY2012 and Earnings forecast for FY2013
- 2 2020 Vision and Mid-term Management Plan Until 2015
- 3 Efforts for a Successful Mid-term Management Plan Until 2015
- 4 Financial Summary



Quantum Leap

1 Review of FY2012 and Earnings Forecast for FY2013

1 Review of FY2012 and Earnings Forecast for FY2013

1) Financial Results and Earnings Forecast for FY2013

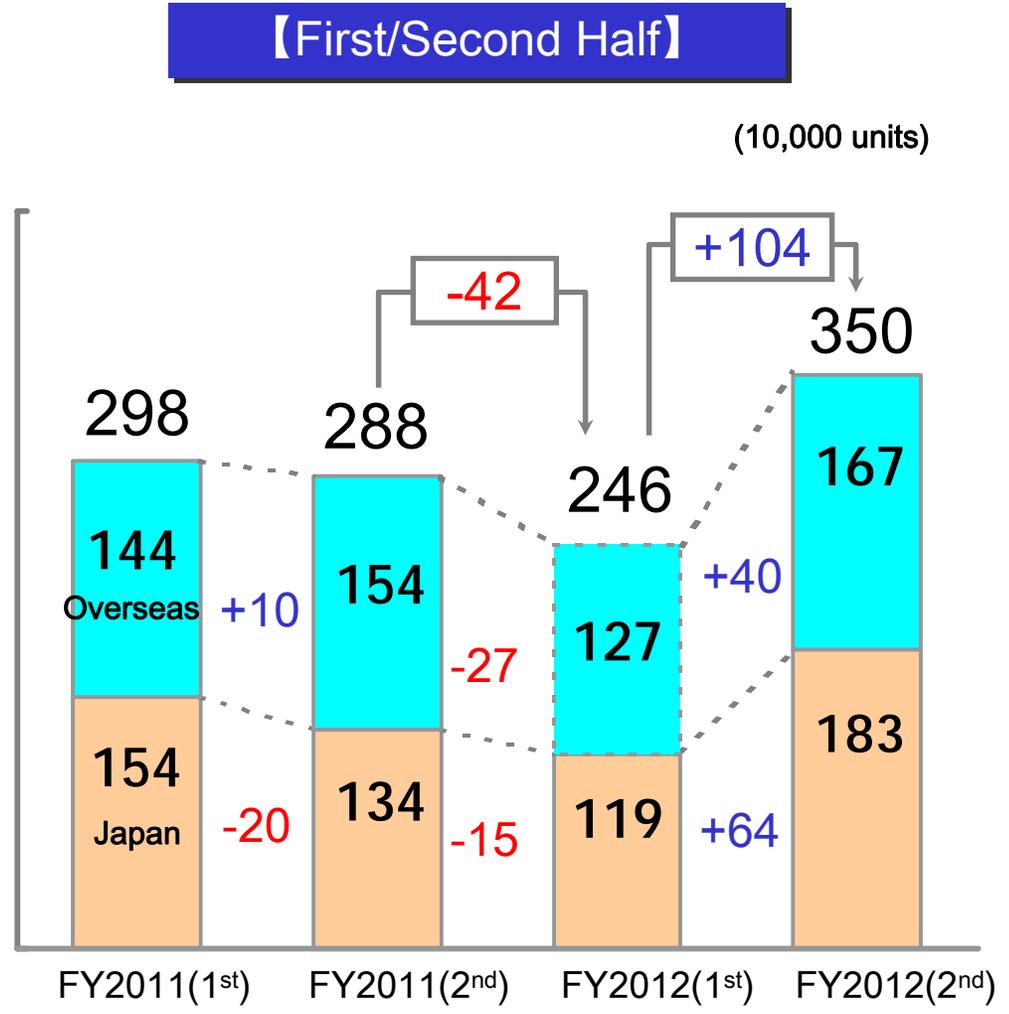
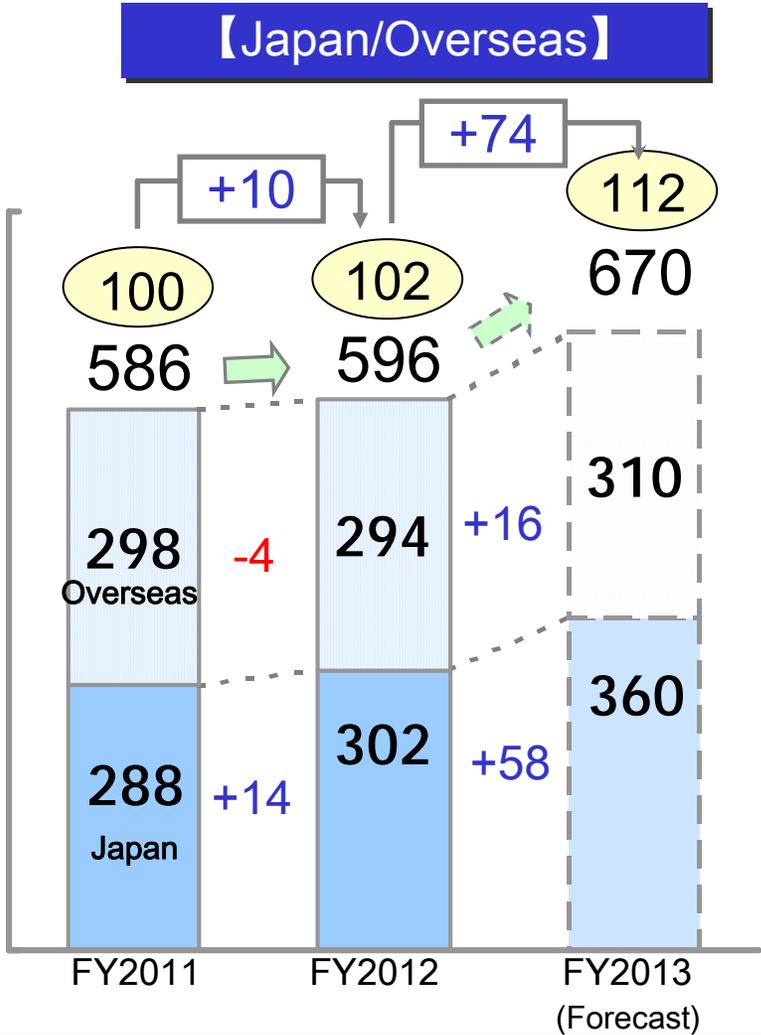
2) Disaster Response

3) TOPICS/Our Efforts in Europe

1) Financial Results and Earnings Forecast for FY2013

(1) Consolidated seat production numbers

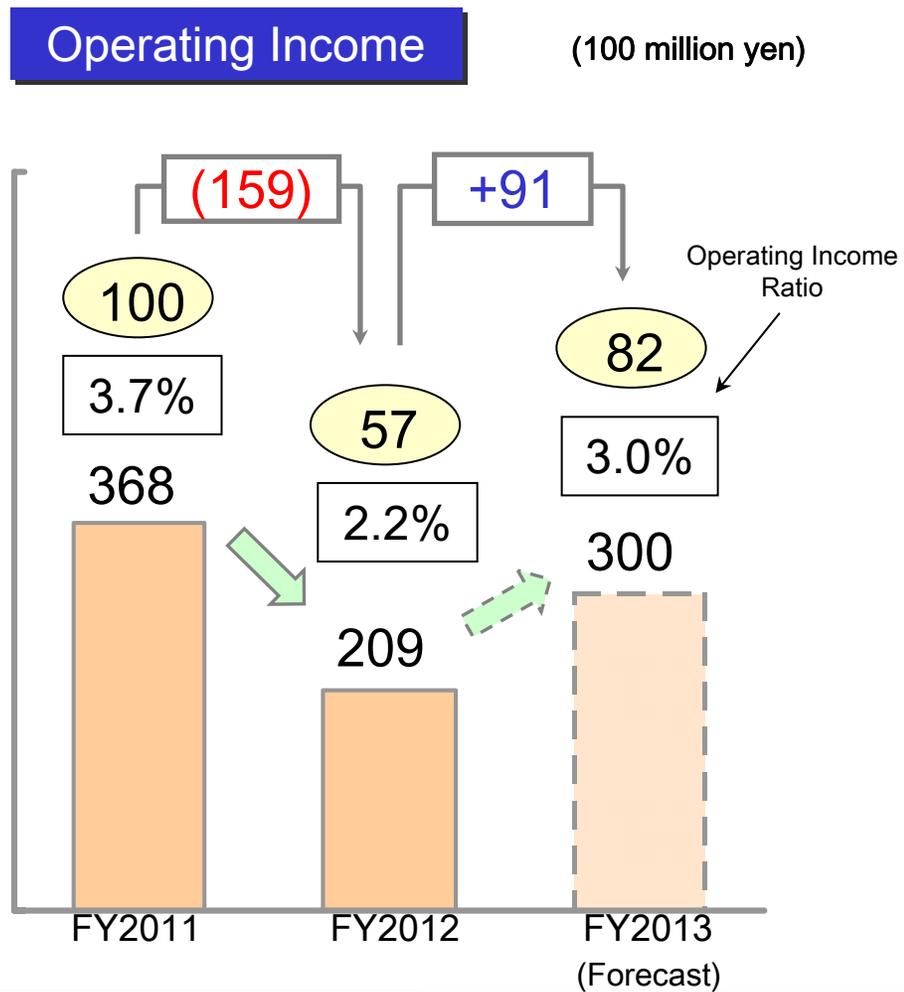
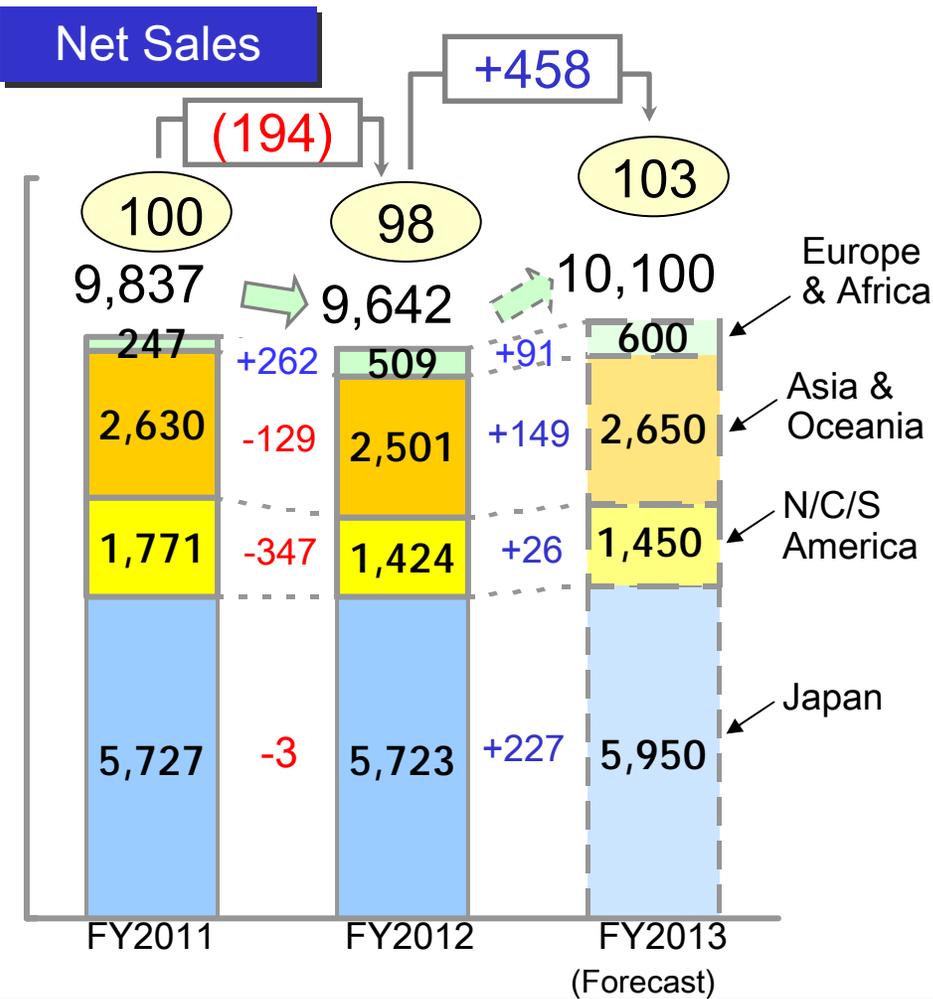
In the first half of FY2012, there was a significant reduction in production. Recovery in the second half allowed this to stabilize. Production is expected to continue to increase in Japan and Asia as we enter FY2013.



1) Financial Results and Earnings Forecast for FY2013

(2) Consolidated profit and loss changes

Sales and profits decreased due to reduced production in the Americas and Asia in FY2012.
 Profits will not reach the level of FY2011, even if sales exceed 1 trillion yen in FY2013.



1) Financial Results and Earnings Forecast for FY2013

(3) Measures to enhance our profit structure

Improving Profitability

Improving Marginal Profit

Integrated activities for each region and function

- Innovative initiatives to reduce by half (R-50 initiatives)
- Solid cost management initiatives



By product
By model
Higher profits

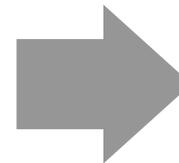
Reforming Fixed Costs

- Strategic allocation of resources for fixed costs
- Reduction of waste during regular business activities

Core Business Earnings Structure Reform

Core Business Entities

- N/C/S America Toyota Boshoku Indiana, etc
- Europe Boshoku Automotive Europe, etc
- Japan Toyota Boshoku Tohoku, etc



Plant Management

- Yield loss reduction
- Quality loss reduction
- Fixed cost waste reduction

1 Review of FY2012 and Earnings Forecast for FY2013

1) Financial Results and Earnings Forecast
for FY2013

2) Disaster Response

3) TOPICS/Our Efforts in Europe

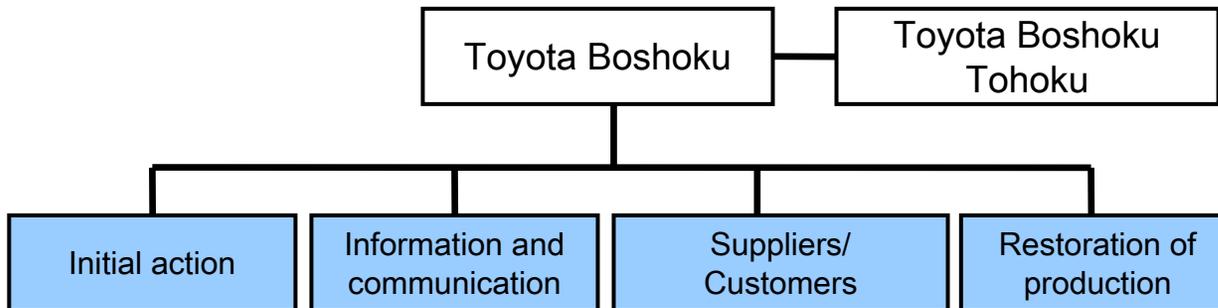
2) Disaster Response

(1) Strengthening efforts after the Great East Japan Earthquake

Set up an emergency headquarters on March 11th

- ⇒ Although there was some damage to parts of the building at Toyota Boshoku Tohoku, no major damage was observed.

<Conventional Organizational Structure>



《The extent of damage at Toyota Boshoku Tohoku》

Initial action	Confirming the safety of employees and family members/Sending of aid
Information and communication	Preparation of a backup system
Suppliers/Customers	Providing support to suppliers to restore production/Adjustment of supply to customers
Restoration of production	Preparing a system for early restoration of production

Issues

- It is difficult to promptly confirm the safety of employees and family members in an emergency.
- It is difficult to understand the entire supply chain. (Only up to secondary suppliers)

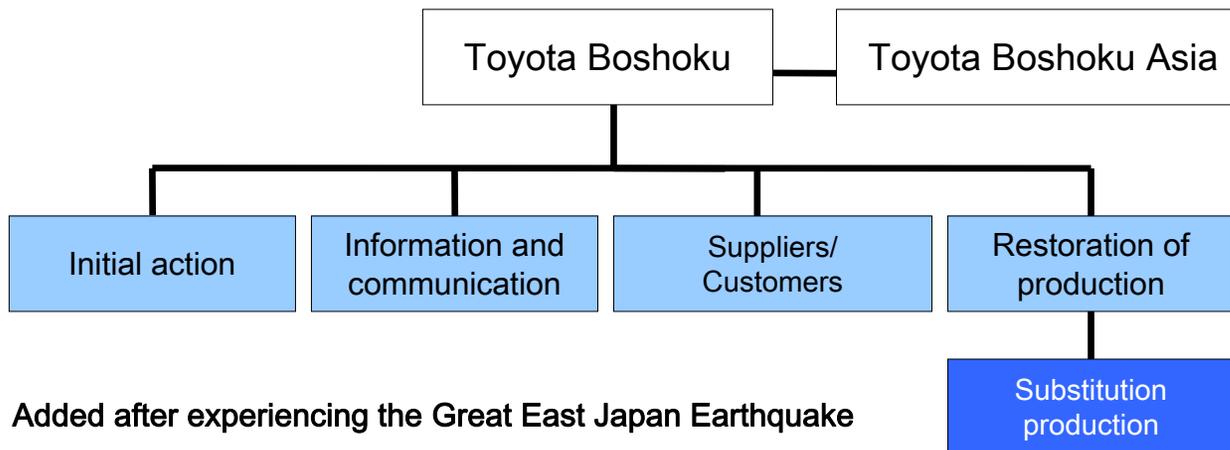
2) Disaster Response

(2) Strengthening efforts after the floods in Thailand

Set up a flood action group on October 11th

⇒ There was a fear that floods would affect parts of all six subsidiary companies. However, no damage was observed.

Organizational Structure



Added after experiencing the Great East Japan Earthquake

Substitution production	Consideration, assessment, and changeover to substitutions for parts damaged by the earthquake.
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Flooding around the plant

Issues · It is difficult to understand the entire supply chain.

2) Disaster Response

(3) Set-up of the large-scale disaster prevention committee

In addition to the traditional organizational structure, “Damage Estimation” has been added and the role of each W/G has been reviewed.

Large-scale disaster prevention committee

【Crisis Management Center】



(Power supply) Emergency power generator (1 unit)
 (Equipment) Safety confirmation system
 Satellite phones
 Can even be used in an emergency situation

W/G	Role
(1) Damage estimation	Prediction of damage to each plant (Assuming action)
(2) Initial action	Prompt confirmation of the safety of employees and family members
(3) Information and communication	Preparation of a backup system
(4) Restoration of production	Preparation of a system for early restoration of production
(5) Suppliers/ Customers	Fully grasping the supply chain and decentralization of supply risk for parts and materials
(6) Changeover/ Assessment	Generalization of parts and materials and consideration of compatibility

Promoted as a global activity with cooperation between the regions

2) Disaster Response

(4) Future challenges

Summary

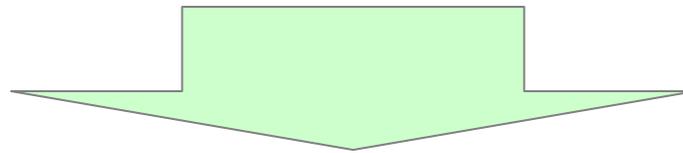
During the two disasters, Toyota Boshoku took measures in coordination with Toyota Boshoku Tohoku and Toyota Boshoku Asia

⇒ Ensured the **safety** of all employees

Avoided customers being **affected by production losses**

The set-up of the large-scale disaster prevention committee clarified the role of each W/G.

⇒ Gained the ability to act **quickly and appropriately** during a disaster



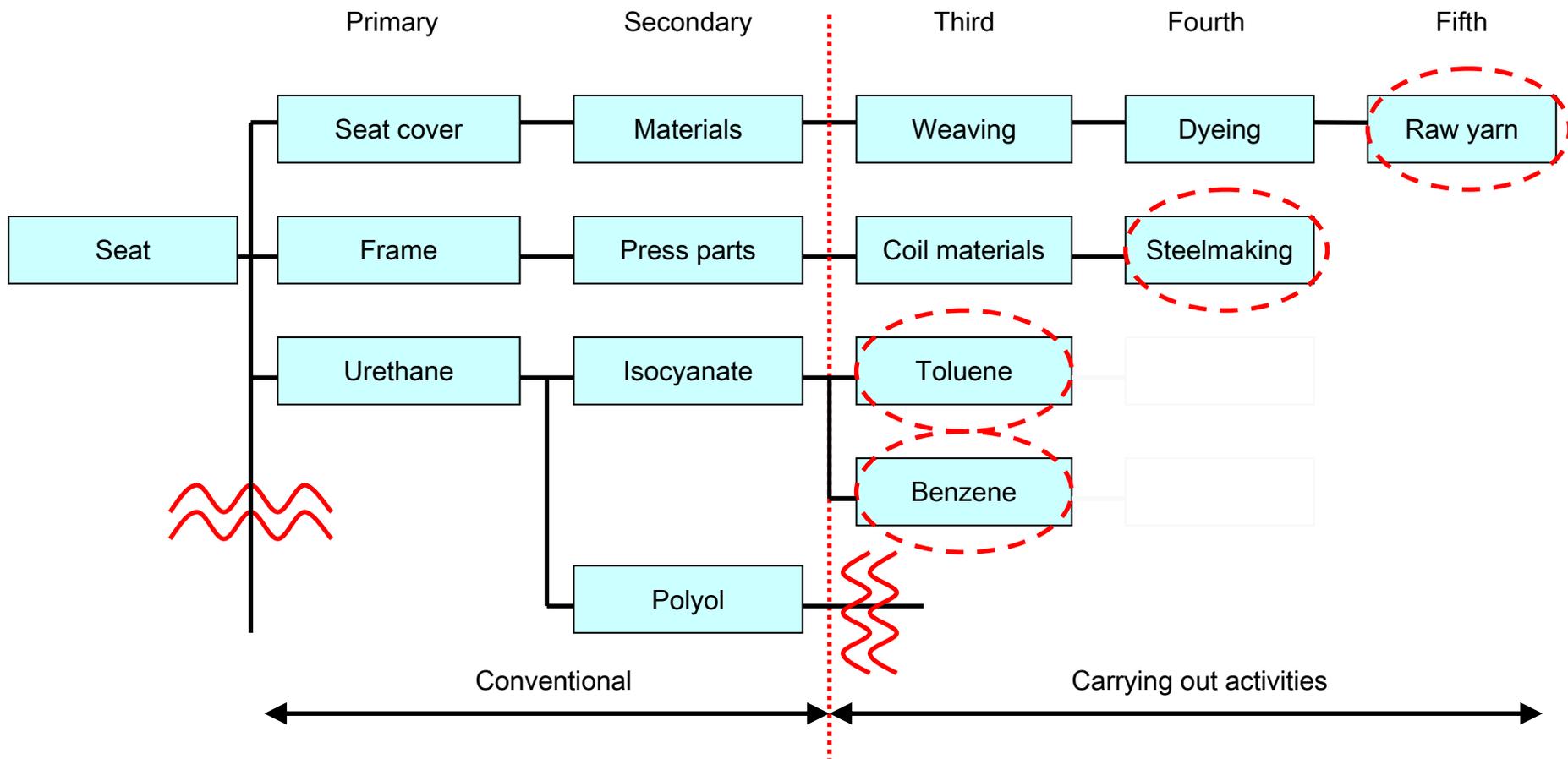
Tasks

- Grasping the entire supply chain
- Global supplementary system prepared for parts and materials

2) Disaster Response

(5) Example activity: Understanding the entire supply chain

Working to understand everyone up to raw material manufacturers in order to enable quick response

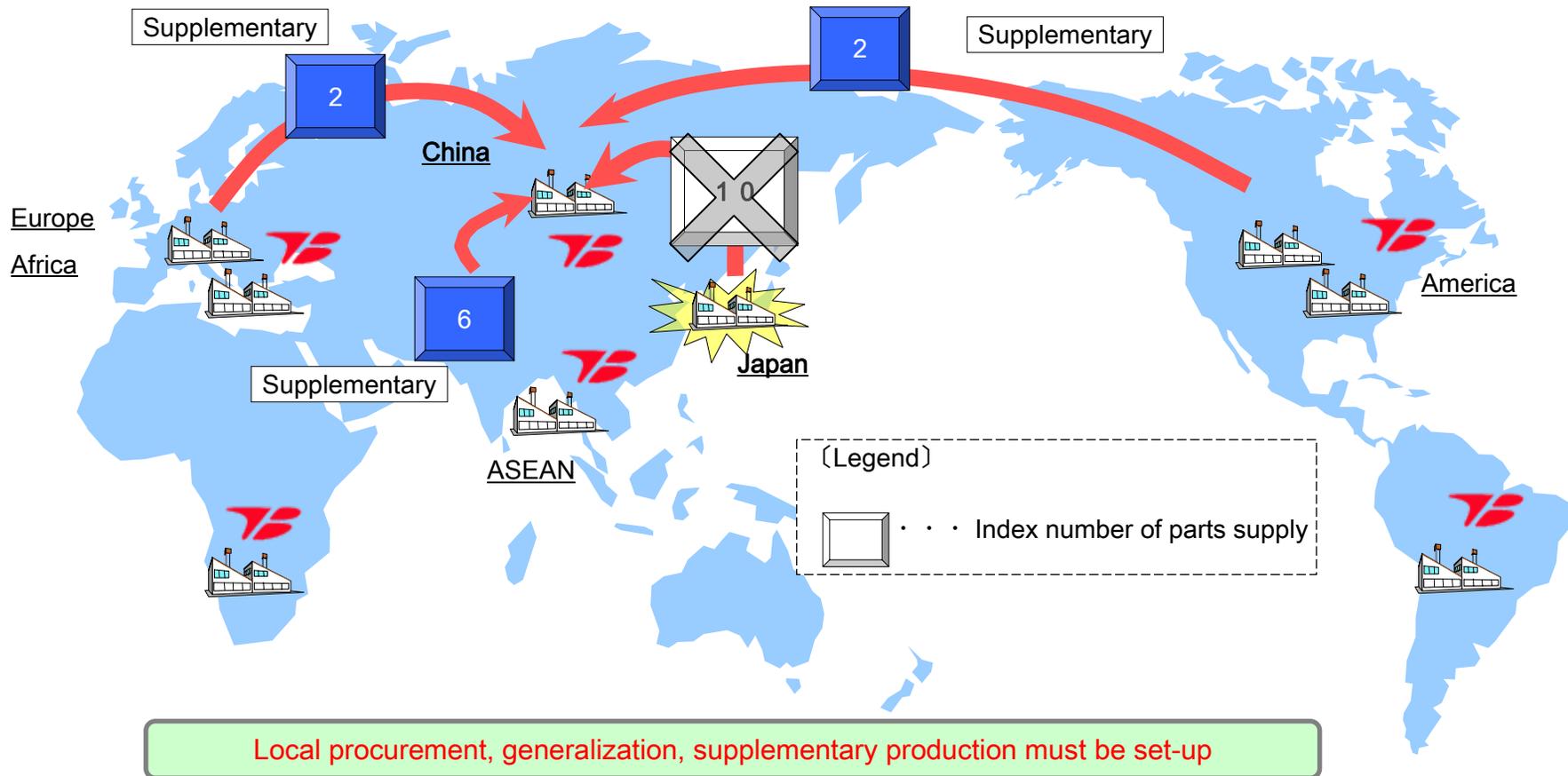


2) Disaster Response

(6) Example activity: Developing a global supplementary system

Supplementary system when there is a stoppage of the parts supply from Japan to China

In case the supply (of 10 parts) from Japan to China is cut due to a disaster \Rightarrow Other regions support (2+2+6)



1 Review of FY2012 and Earnings Forecast for FY2013

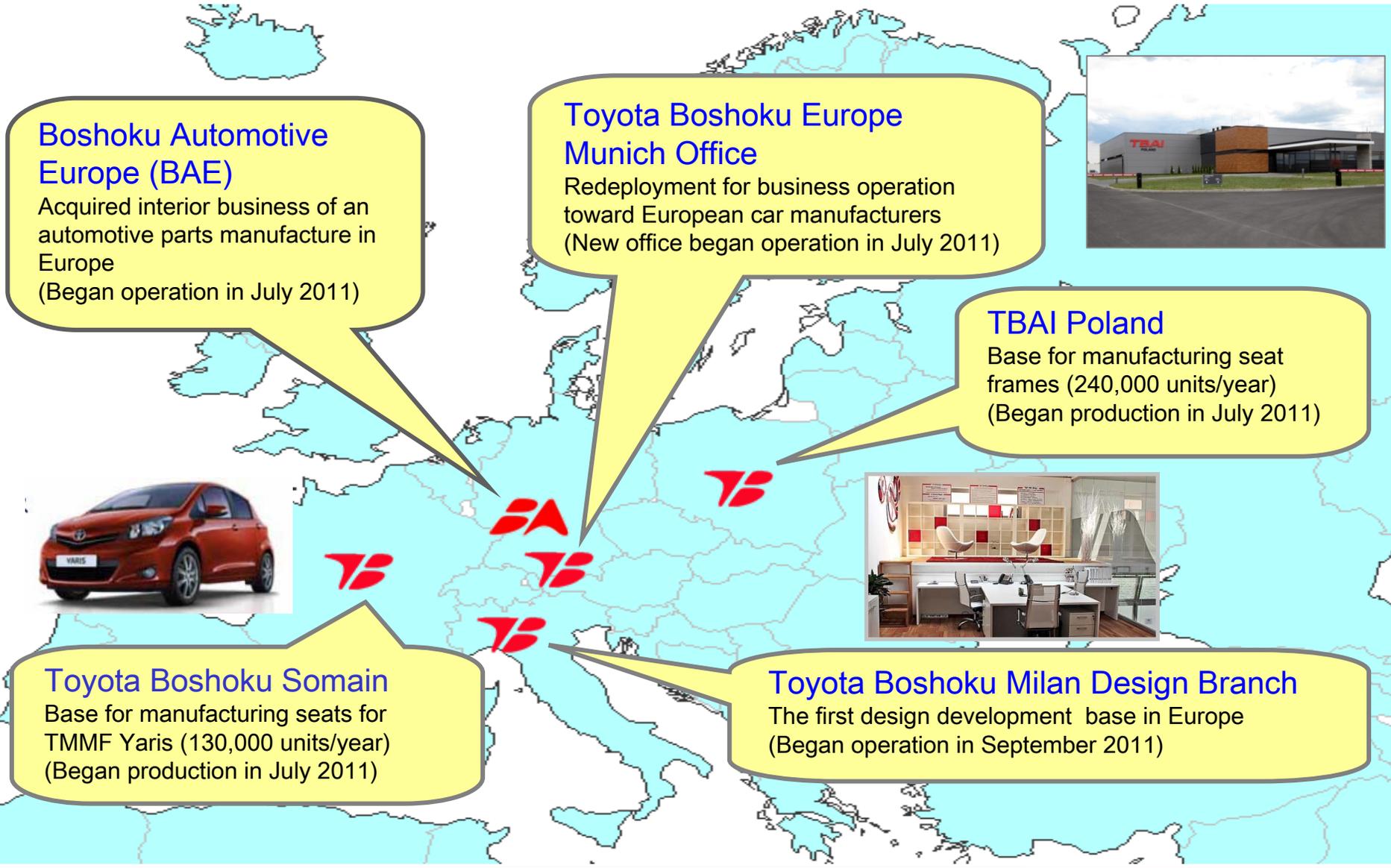
1) Financial Results and Earnings Forecast for FY2013

2) Disaster Response

3) TOPICS/Our Efforts in Europe

3) TOPICS/Our Efforts in Europe

(1) New bases and projects in Europe



Boshoku Automotive Europe (BAE)

Acquired interior business of an automotive parts manufacture in Europe
(Began operation in July 2011)



Toyota Boshoku Somain

Base for manufacturing seats for TMMF Yaris (130,000 units/year)
(Began production in July 2011)

Toyota Boshoku Europe Munich Office

Redeployment for business operation toward European car manufacturers
(New office began operation in July 2011)



TBAI Poland

Base for manufacturing seat frames (240,000 units/year)
(Began production in July 2011)



Toyota Boshoku Milan Design Branch

The first design development base in Europe
(Began operation in September 2011)

3) TOPICS/Our Efforts in Europe

(2) Boshoku Automotive Europe (BAE) business overview

BAE has been established in Germany to increase business with automobile manufacturers in Europe.

Production of interior parts such as door trims and the headliners for:



Main Products



Door Trim



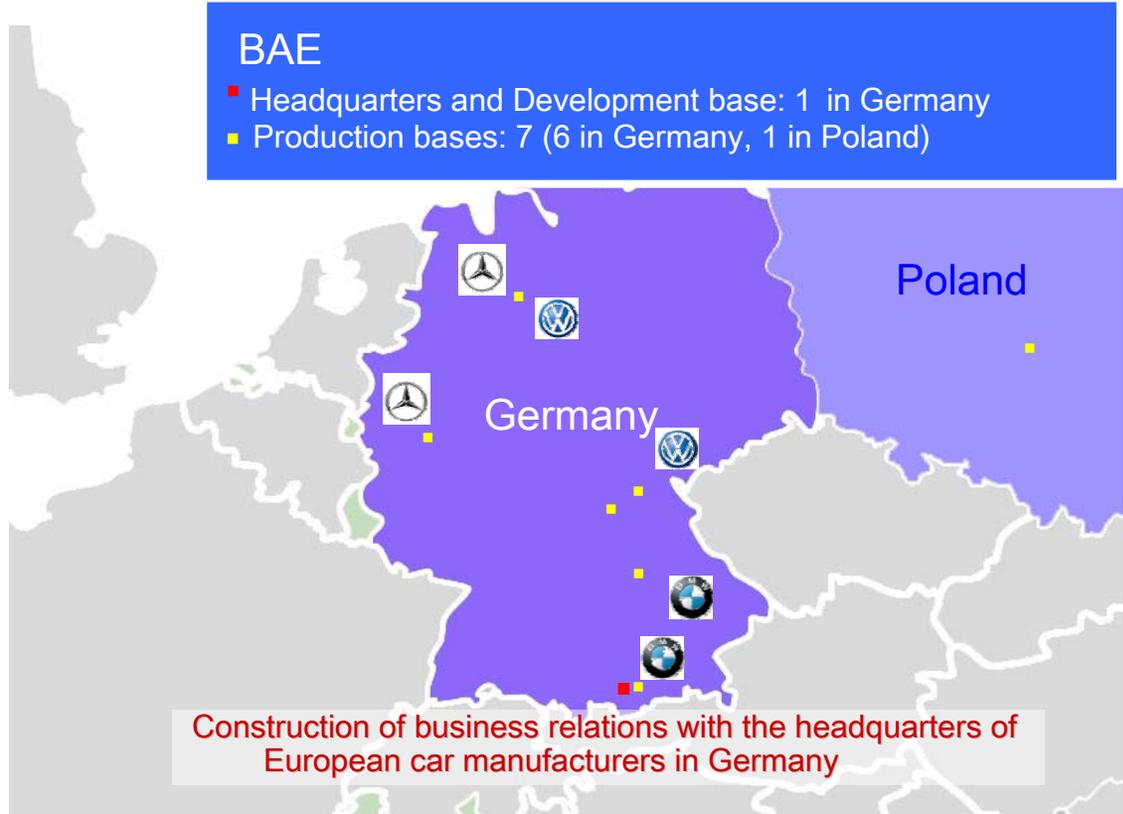
Headliner



Backboard



Console



1 Review of FY2012 and Earnings Forecast for FY2013

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- 2) Disaster Response
- 3) TOPICS/Our Efforts in Europe



Quantum Leap

2 2020 Vision and Mid-term Management Plan Until 2015

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1) The background and relevance of our vision

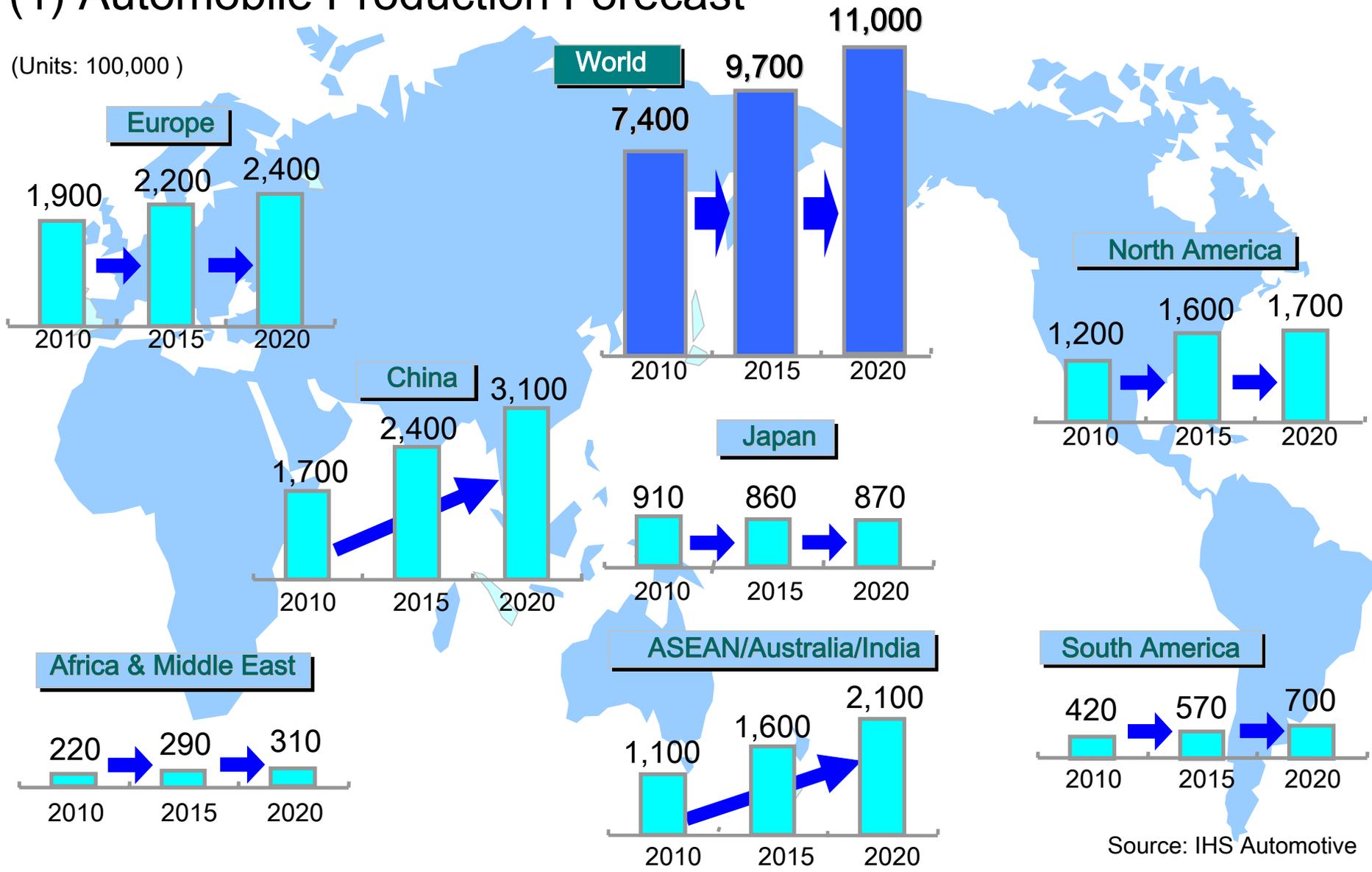
2) 2020 Vision

3) Mid-term Management Plan Until 2015

1) The Background and Relevance of Our Vision

(1) Automobile Production Forecast

(Units: 100,000)



Source: IHS Automotive

1) The Background and Relevance of Our Vision

(2) Development and supply of products that suit different regions and customer needs



Technology development



1) The Background and Relevance of Our Vision

(3) Pursuing comfort, safety, and the environment

Pursuing comfort

Evaluating vehicle interior quietness



Evaluating ride comfort



Pursuing safety

Crash testing



CAE analysis



Caring for the environment

Cultivating the kenaf plant



Products that use kenaf



1) The Background and Relevance of Our Vision

(4) The position of our Vision and Mid-term Management Plan



2 2020 Vision and Mid-term Management Plan Until 2015

1) The background and relevance of our vision

2) 2020 Vision

3) Mid-term Management Plan Until 2015

2) 2020 Vision

(1) The company we aim to become.

Looking into the future, we will create tomorrow's automobile interior space that will inspire our customers the world over.

Design your passion with TOYOTA BOSHOKU

FY2020: our company's aspirations.

Our place in business

(1) A company that persists in proposing excellent mobility for customers throughout the world.

Our place in society

(2) A trusted company that grows together with all stakeholders.

2) 2020 Vision

(2) FY2020: our place in business

(1) A company that persists in proposing excellent mobility for customers throughout the world.

- Readily provide products tailored to the various lifestyles of respective regions through innovative technologies that are unique to the Toyota Boshoku group and consistent in its manufacturing quality.
- Have an established presence in terms of unique value by creating innovative, next-generation products that exceed customers' expectations.
- Strive to provide customers with environmentally friendly and enriched lifestyles by boldly pursuing inroads into new businesses.

2) 2020 Vision

(2) FY2020: our place in society

(2) A trusted company that grows together with all stakeholders.

- Resourceful and multi-talented human resources drawn by the appeal of the Toyota Boshoku group, with members working enthusiastically all regions, worldwide.
- Recognized as a company that is trusted and indispensable to society, customers, business partners and shareholders.
- Capable of carrying out unequalled monozukuri in every region of the world while carrying out kaizen continuously.

2) 2020 Vision

(3) Management goals

■ **Net Sales** 1.6 trillion yen

■ **Operating income (5%)** 80 billion yen

■ **Production ratio (Japan : Overseas)** 30 : 70

■ **Sales ratio (Toyota : NCB*)** 70 : 30

* New Customer Business

2 2020 Vision and Mid-term Management Plan Until 2015

1) The background and relevance of our vision

2) 2020 Vision

3) Mid-term Management Plan Until 2015

3) Mid-term Management Plan Until 2015

(1) Key management items.

[1] Pursuit of leading-edge technologies toward creating new business.

[2] Acceleration of global business expansion centered on emerging countries.

[3] Expansion of our business with all car manufacturers through business reforms and organizational restructuring.

[4] Thorough implementation of lean, highly efficient and high value-added business in Japan.

3) Mid-term Management Plan Until 2015

(2) Management goals

■ Sales volume 1.3 trillion yen

■ Operating income (5%) 65 billion yen

■ Production ratio (Japan : Overseas) 40 : 60

■ Sales ratio (Toyota : NCB) 90 : 10



Quantum Leap



3 Efforts for a Successful Mid-term Management Plan Until 2015

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Key management items.

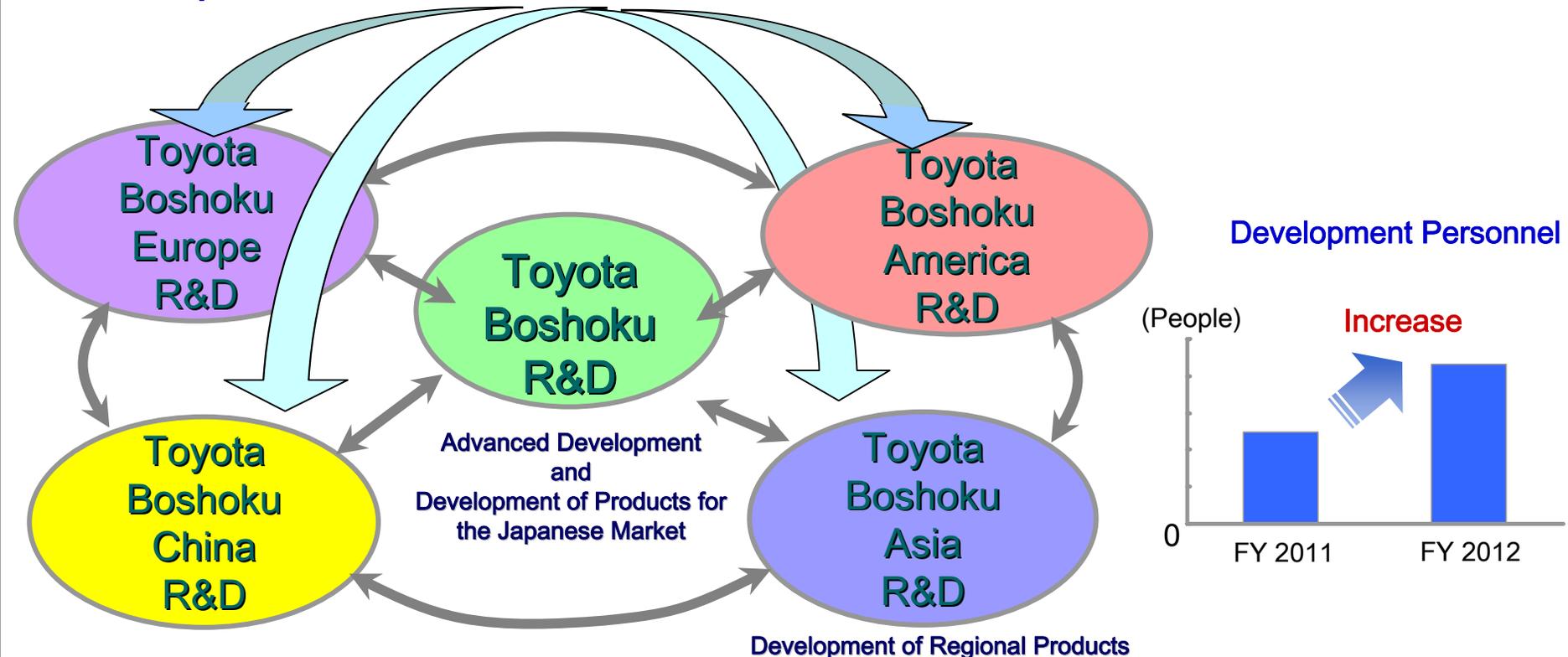
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1) Pursuit of leading-edge technologies toward creating new business.

(1) Restructuring the development system

- [1] Product development is completed in the same region as our customer's development base.
- [2] Cutting-edge and advanced development is completed in Japan.
- [3] Construction of a system that allows sharing of information and support among local R&D bases.

【Development Structure】



1) Pursuit of leading-edge technologies toward creating new business.

(2) The pursuit of leading-edge technologies

Strengthening of basic research



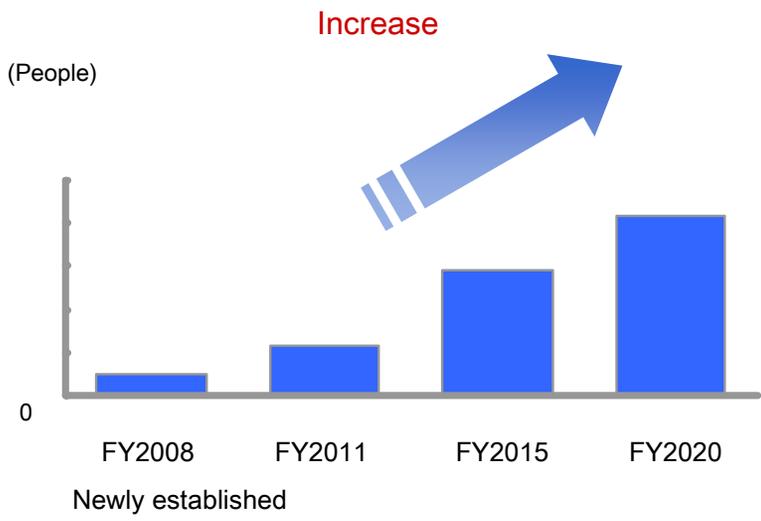
[1] Fields of research

Materials Science
(High-strength polymers,
Thermoelectric conversion,
Creation of energy)

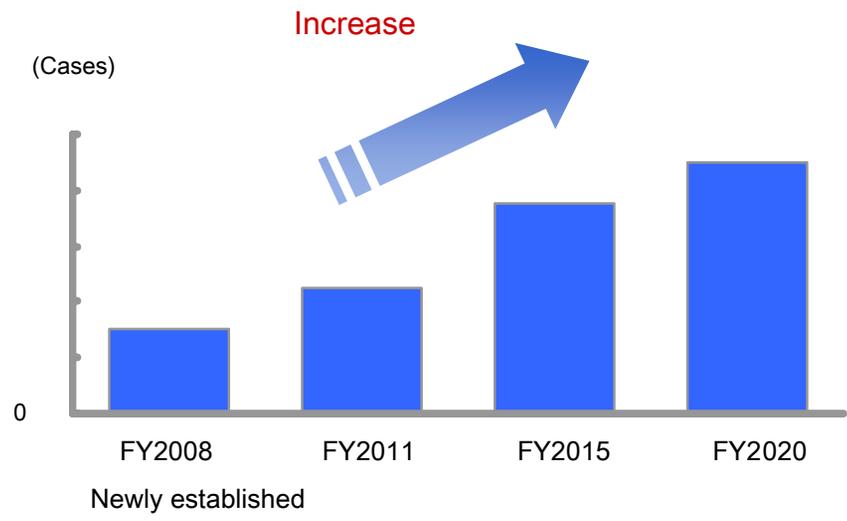
Human science
(Create inspiration,
Evaluation of feelings)

Bio-science
(Biomass production,
Useful microorganisms)

[2] Researchers at our fundamental research laboratories



[3] Joint research universities and external research institutions



1) Pursuit of leading-edge technologies toward creating new business.

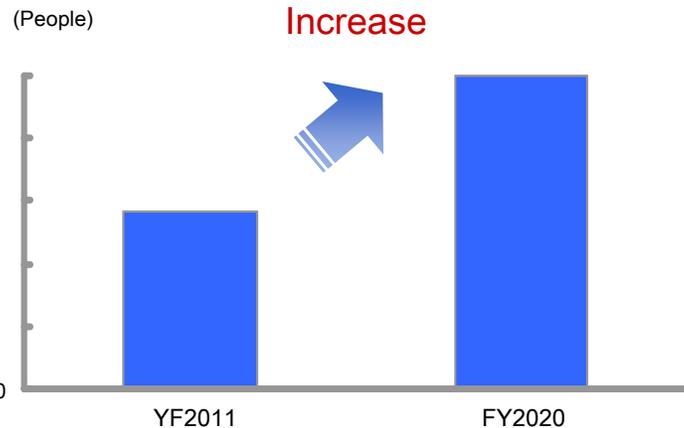
(2) The pursuit of leading-edge technologies

■ Advanced development

[1] Main themes of advanced development

- Comfort Pleasurable driving
- Environment Plant-derived materials
- Safety Safety seat system, etc.

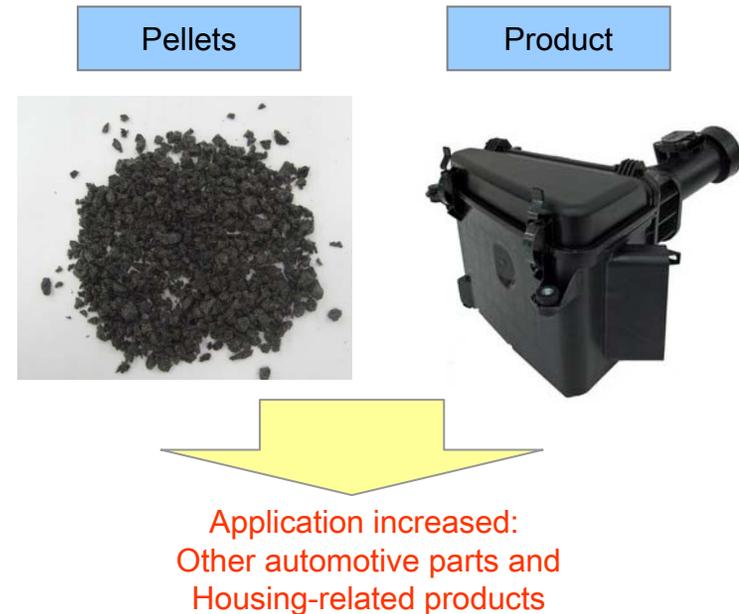
[2] Advanced development personnel



■ Refinement of existing core technology

[1] Most recent efforts

- Kenaf injection technology
- Development of injection molding materials
- > Use for engine-related parts



1) Pursuit of leading-edge technologies toward creating new business.

(3) Proposal and provision of attractive mobile spaces

■ Improved proposals for entire vehicle interiors

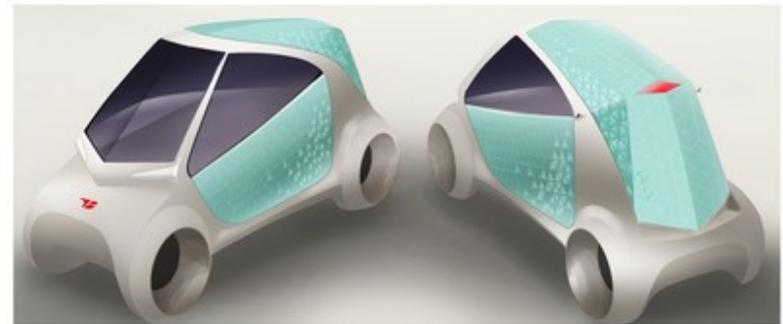
Establishment of Milan Design Branch, Italy

⇒Aiming for improved international competitiveness and design capabilities



First featured at the International Furniture Fair “Milan Salone” (April 2012)

Automobile interior space concept. “Wear Me”



Proposing the future of mobile spaces



3 Efforts for a Successful Mid-term Management Plan Until 2015

Key management items.

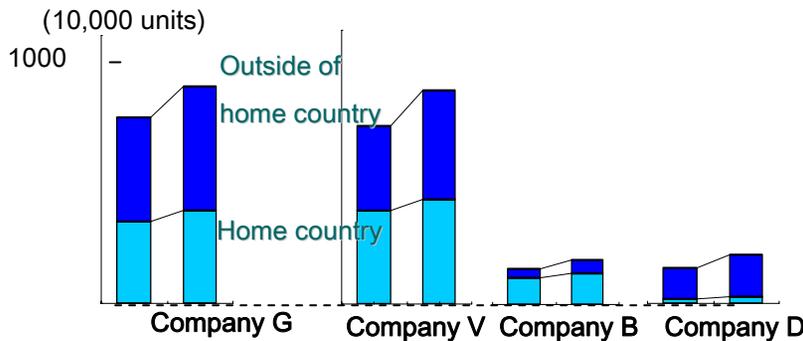
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2) Acceleration of global business expansion centered on emerging countries.

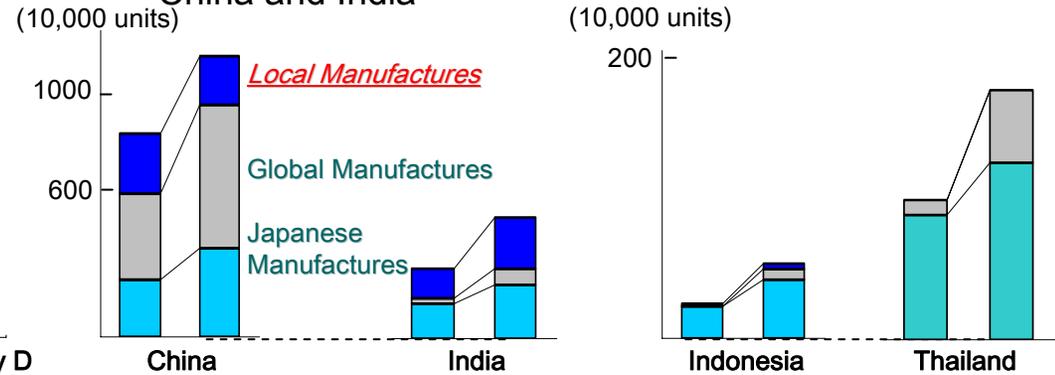
(1) Our strategy for emerging markets

Number of sales for the world's automotive manufacturers (Source: FOURIN, IHS)

[1] Global manufactures expanding outside of their home country



[2] Expansions seen in Southeast Asia in addition to China and India



Response to emerging markets

	C/S America	Asia	Europe/Africa
Our company has a base	Mexico Argentina Brazil*	China*, India Thailand*, Vietnam Malaysia	Turkey* Russia
Not yet established	Venezuela Uruguay Paraguay	Pakistan Myanmar	North Africa Egypt Morocco and others

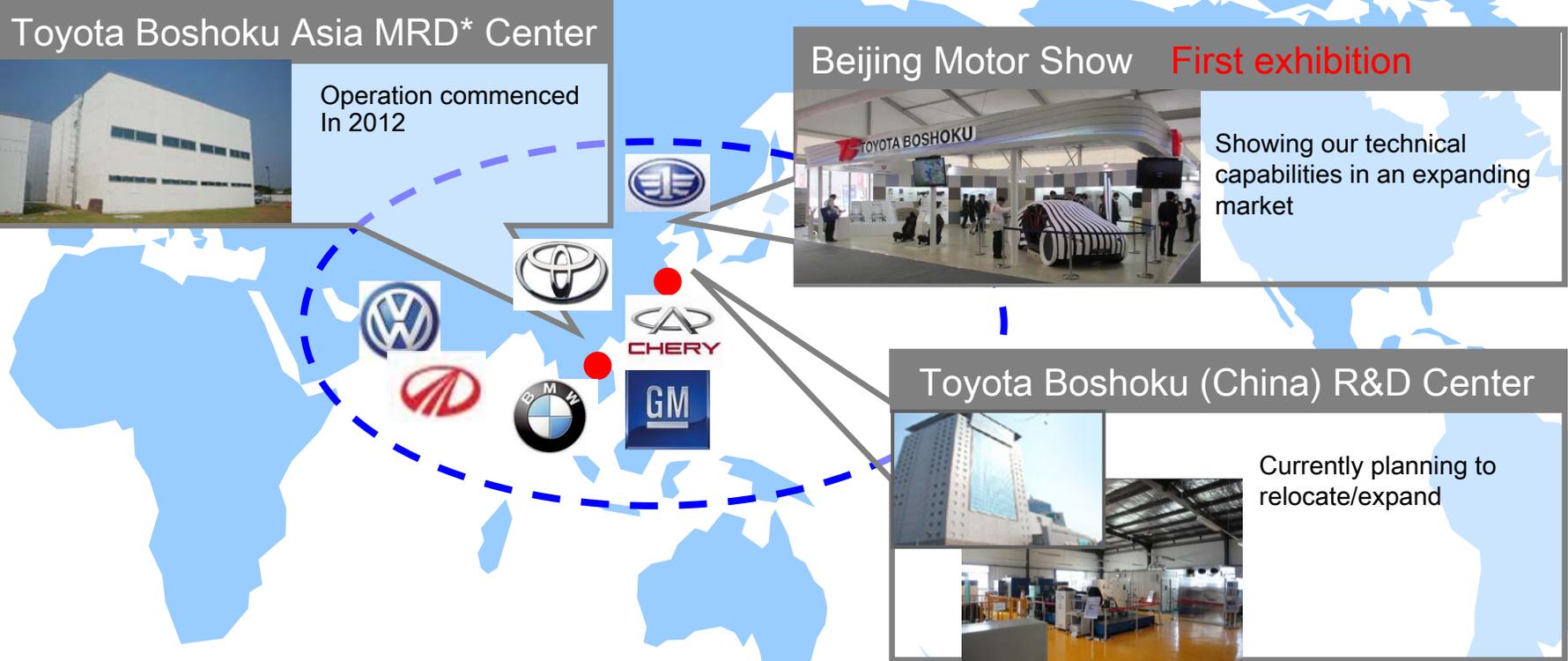
* Recent advances/expansion into emerging markets

[1] Make the most of existing bases

[2] Pay attention to growing markets (Assess political climate, stability)

2) Acceleration of global business expansion centered on emerging countries.

(2) Emerging market strategy and our efforts in Asia



* Marketing Research & Development

- Providing a local development system
- Business expansion through active investment and technological appeal

3 Efforts for a Successful Mid-term Management Plan Until 2015

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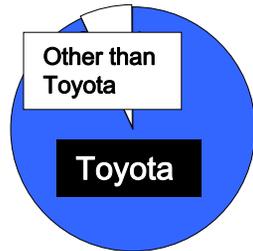
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3) Expansion of our business with all car manufacturers through business reforms and organizational restructuring.

(1) Efforts to expand our customer base

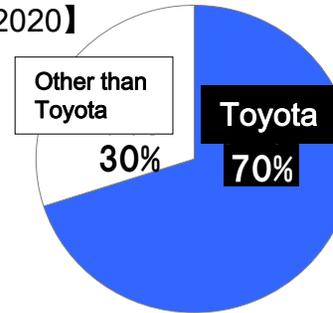
Toyota Boshoku sales composition is centered around Toyota businesses

【Current Situation】



Toyota businesses make up more than 90%

【FY2020】



Conducting business with multiple customers

Increased sales from conducting business with multiple customers is necessary

Wider range of customers



+



New Industries

New Products

3) Expansion of our business with all car manufacturers through business reforms and organizational restructuring.

(2) Preparing systems that facilitate the acquisition of new customers

■ Improved customer relationships



Inquiries from new customers

Europe

- Seats
- Door trims, etc.

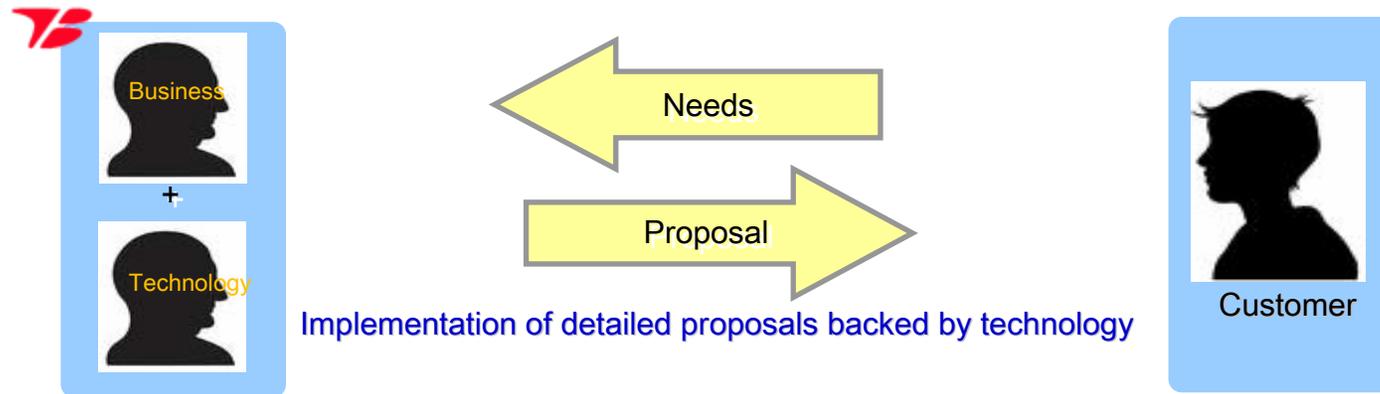
China

- Seats
- Interior parts, etc.

3) Expansion of our business with all car manufacturers through business reforms and organizational restructuring.

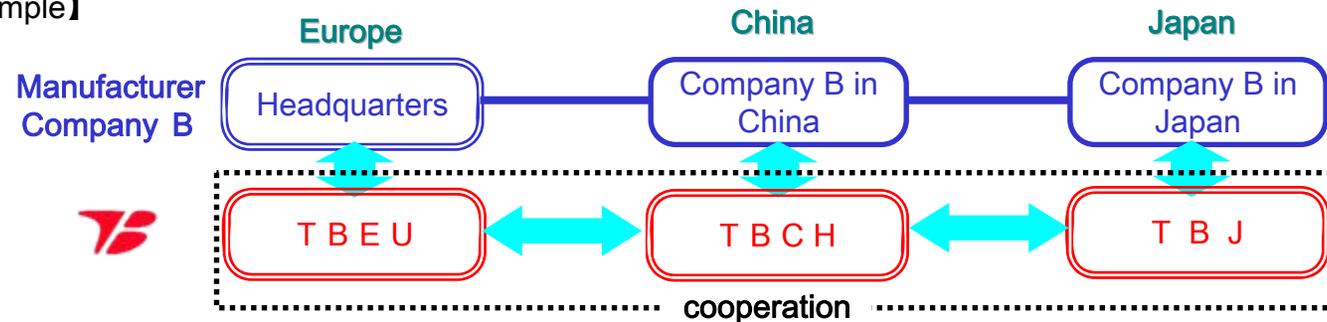
(3) Improved efforts

[1] Our approach that links technology and business



[2] Global cooperation

【Example】



Through the cooperation of each base, a relationship of trust can be built with the customer

Aiming to be a world-leading supplier of interior systems and filter manufacturer

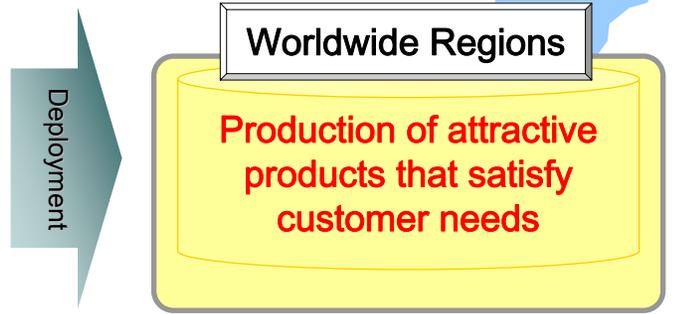
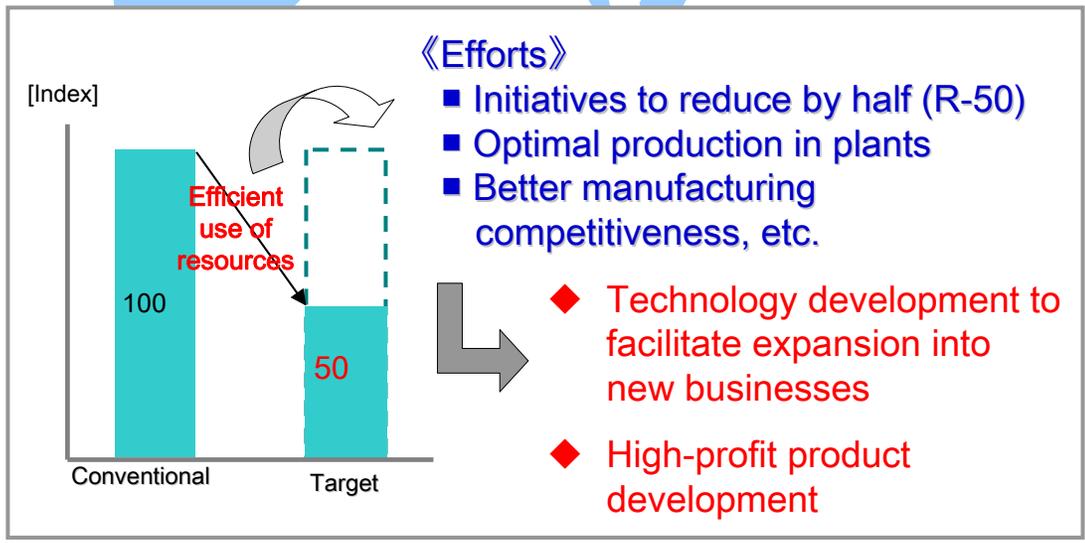
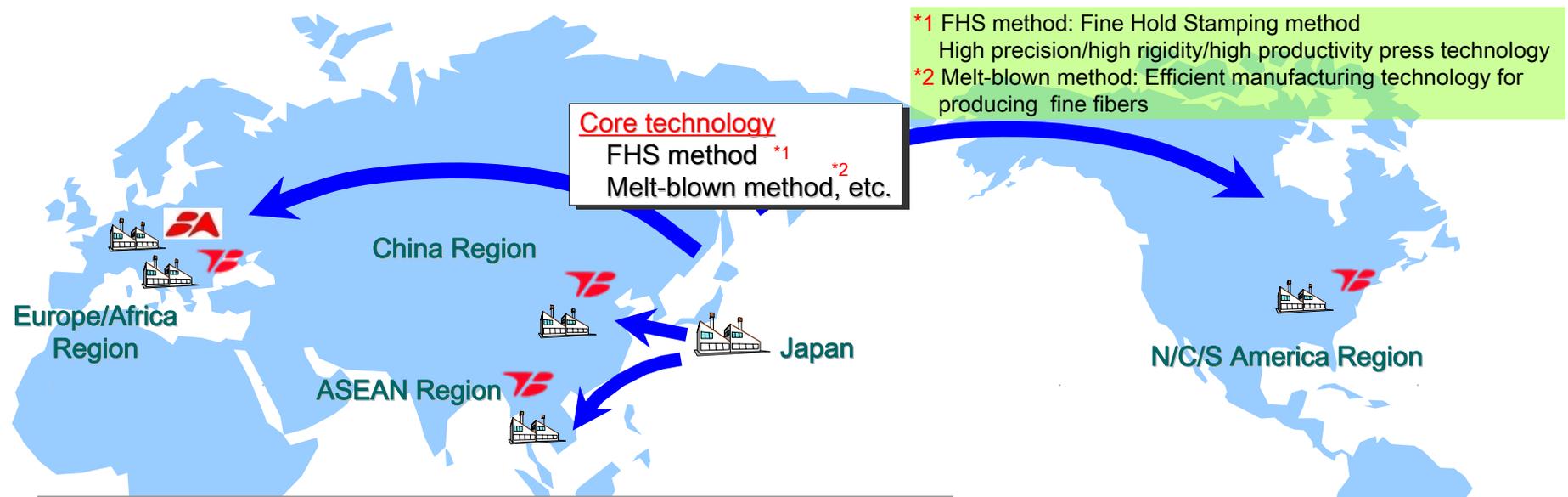
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4) Thorough implementation of lean, highly efficient and high value-added business in Japan.

(1) Development of manufacturing technology and global business



4) Thorough implementation of lean, highly efficient and high value-added business in Japan.

(2) Efforts to strengthen our manufacturing base

Streamlined & Highly efficient

[1] Reduction by half "R-50"

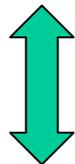
■ Manufacturing Reformation

《Current Equipment》

Car A Seat Frame Line



Mass Production
Equipment/Staff:
Large



Respectively
necessary

Car B Seat Frame Line

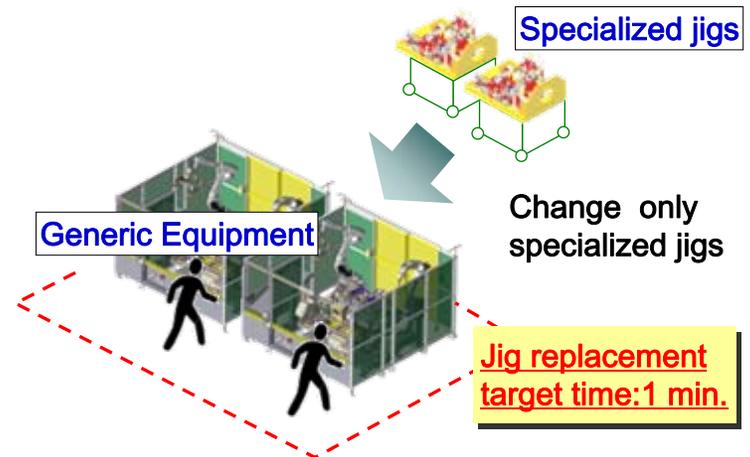


Low-volume Production
Equipment:
Low Operation



《Global Generic Purpose Welding Equipment》

Car A/Car B Mixed Assembly Line



Sharing generic equipment
Specialized jigs only for Production

Creating production lines that allow the halving of investments and production preparation costs, and can flexibly handle production ratio variation

4) Thorough implementation of lean, highly efficient and high value-added business in Japan.

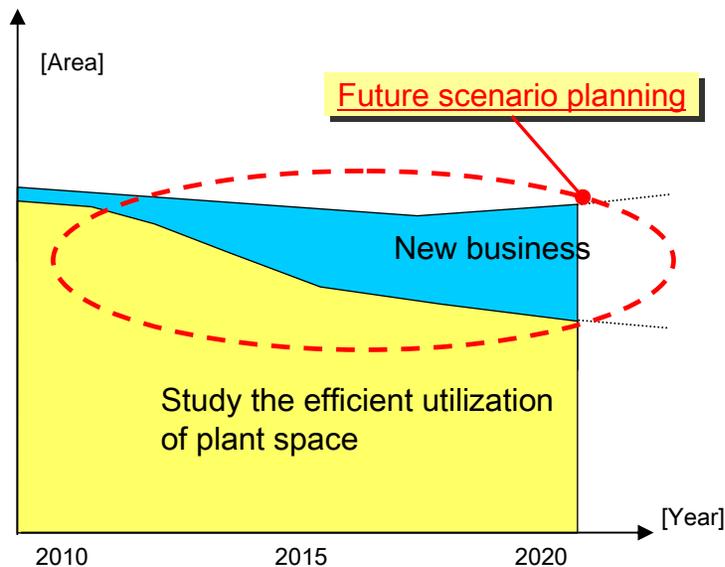
(2) Efforts to strengthen our manufacturing base

[2]Optimal plant production

Streamlined &
Highly efficient

■ Creating optimal production scenarios in response to environmental changes (Until September 2012)

- ◆ Relocation of plant resources
⇒ Applied to new businesses
- ◆ New products/method development
⇒ Business expansion through mass-production



Example plant reorganization:
Opening of the Technical Skills Training Center
⇒ Improvement of manufacturing,
including maintenance capabilities



Technical Skills Training Center



Maintenance training

4) Thorough implementation of lean, highly efficient and high value-added business in Japan.

(2) Efforts to strengthen our manufacturing base

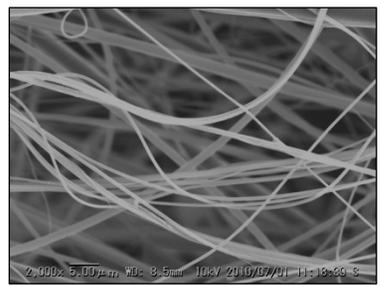
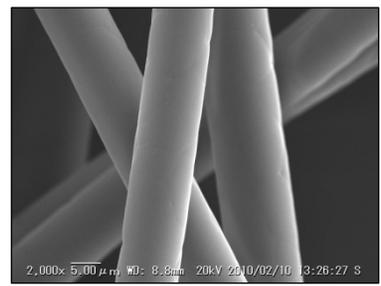
[3] Improved manufacturing competitiveness

Highly efficient & High value added

Melt-blown method

Spinning technology: Production of ultra-fine fibers

Equipment: Compact and reduced cost



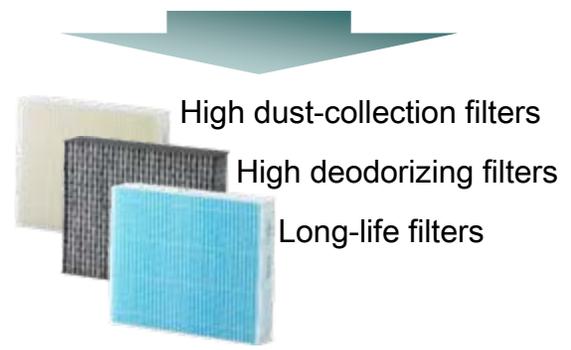
Conventional product

Developed product



Technical development to increase compactness

Study of facility layouts



High dust-collection filters

High deodorizing filters

Long-life filters

When compared with current equipment

Equipment area 50% down

Cost of equipment 16% down

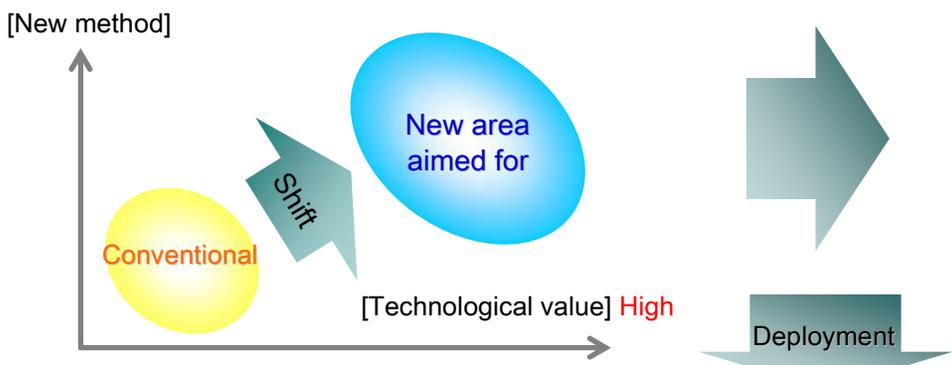
Developing highly efficient equipment and value-added products through our advanced core technologies

4) Thorough implementation of lean, highly efficient and high value-added business in Japan.

(3) The aims of manufacturing technology

Improved technical capabilities

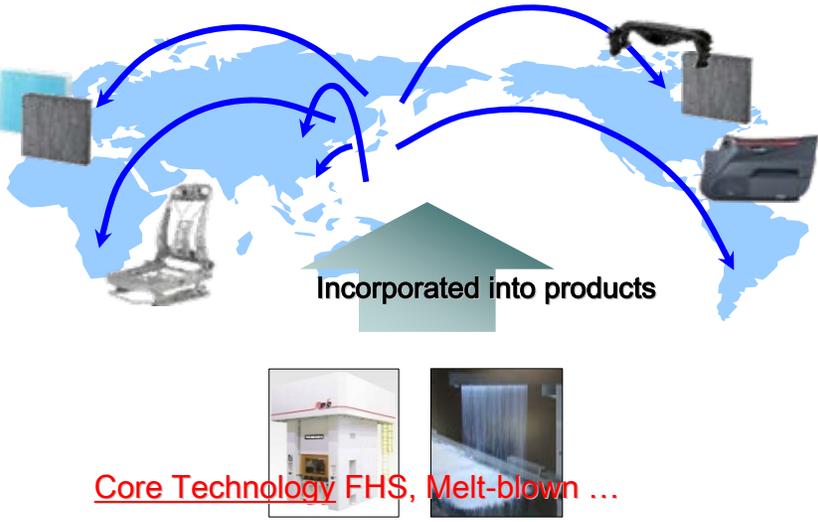
A shift in the technological development area



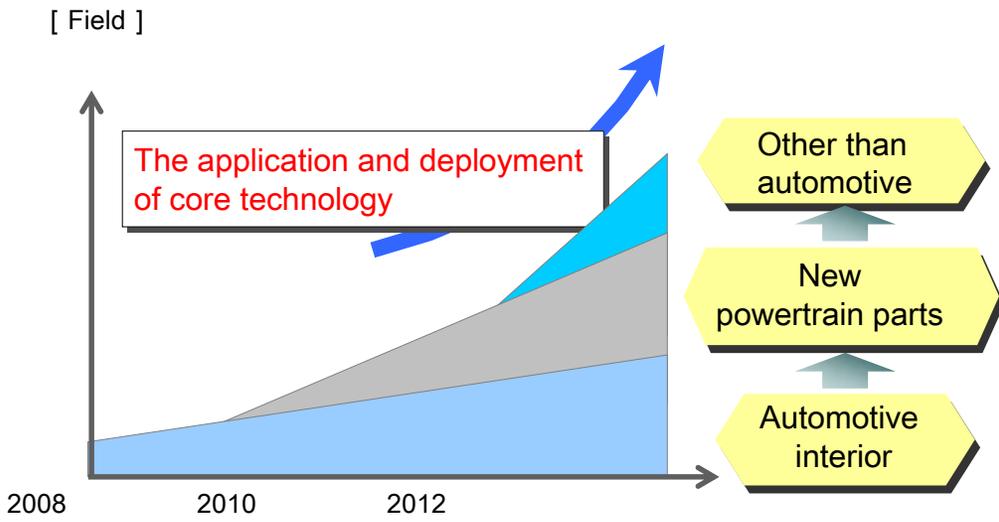
Self-production* including peripheral engineering promotes technological development into new areas.

*
 ① In-house design and production of equipment and molds
 ⇒Jan 2012: Integrate subsidiaries TAKA TECH and TB HIGH-TECH to our machinery section.
 ② In-house production materials (formed and fabricated materials), etc.

Global deployment of technology



Application in new fields



The achievement of challenging management goals



2020 Vision

Mid-term Management Plan until 2015

Quantum Leap

Each Toyota Boshoku group member
strives to resolve business challenges



Quantum Leap



4 Financial Summary

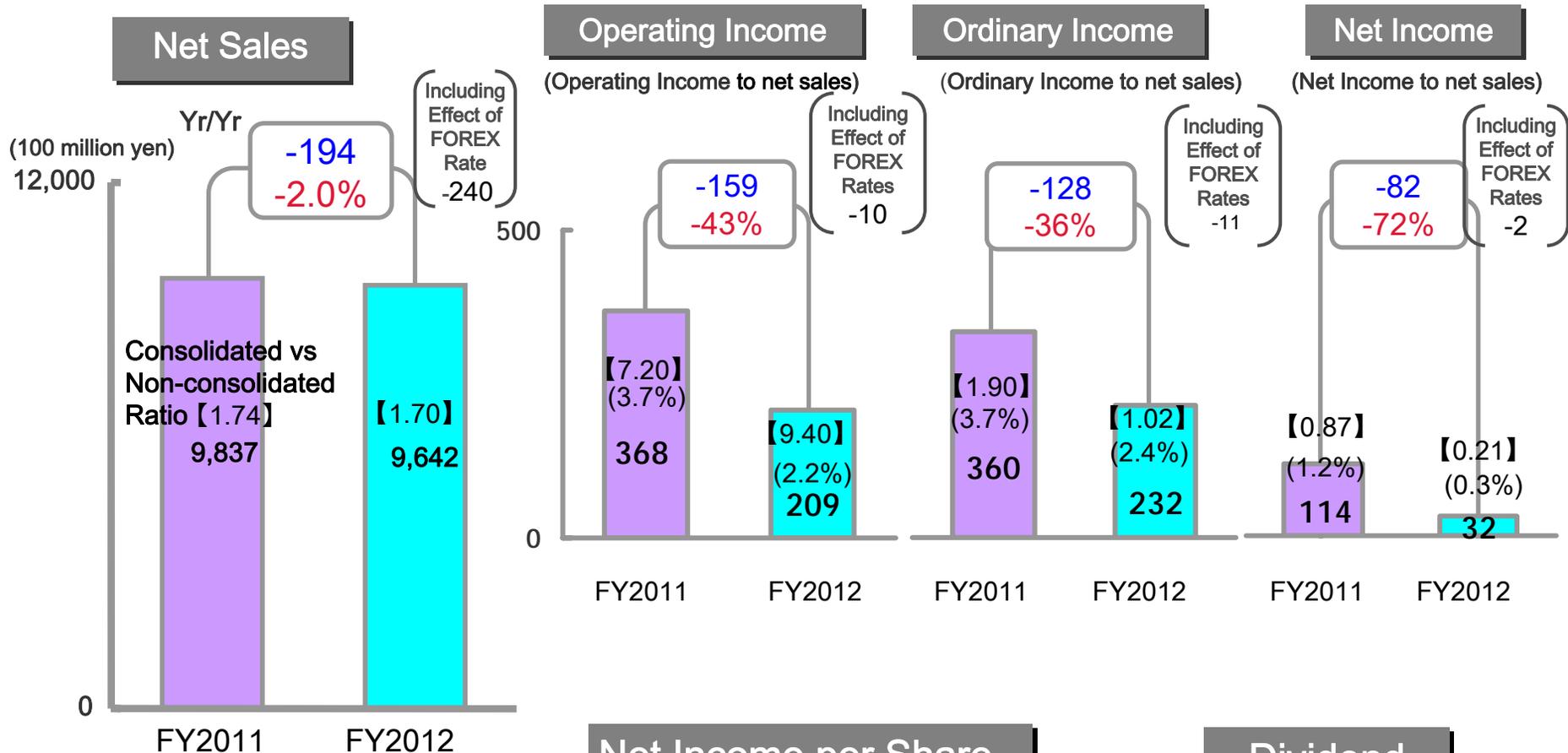
4 Financial Summary

1) FY2012 Financial Results

2) Earnings Forecast for FY 2013

1) FY2012 Financial Results

Decreased sales and income due to reduced production in N/M/S America and Asia and FOREX effects



	FY2011	FY2012
US\$	85.72 yen	79.08 yen
RMB	12.96 yen	12.35 yen
Thai baht	2.75 yen	2.59 yen
EUR	113.12 yen	108.98 yen

Net Income per Share

61.82 yen → 17.45 yen

Dividend

16 yen → 16 yen

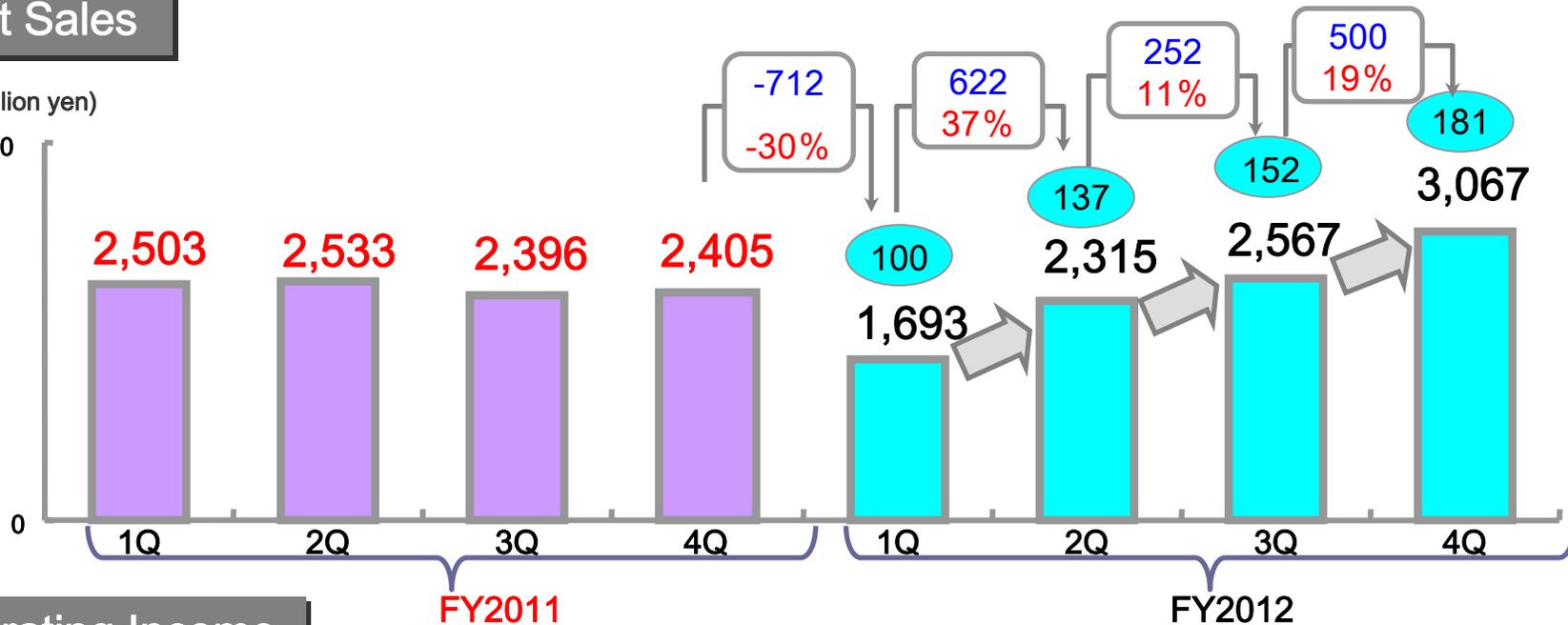
1) FY2012 Financial Results

Although there was a significant drop in the first quarter, gradual recovery was observed.

Net Sales

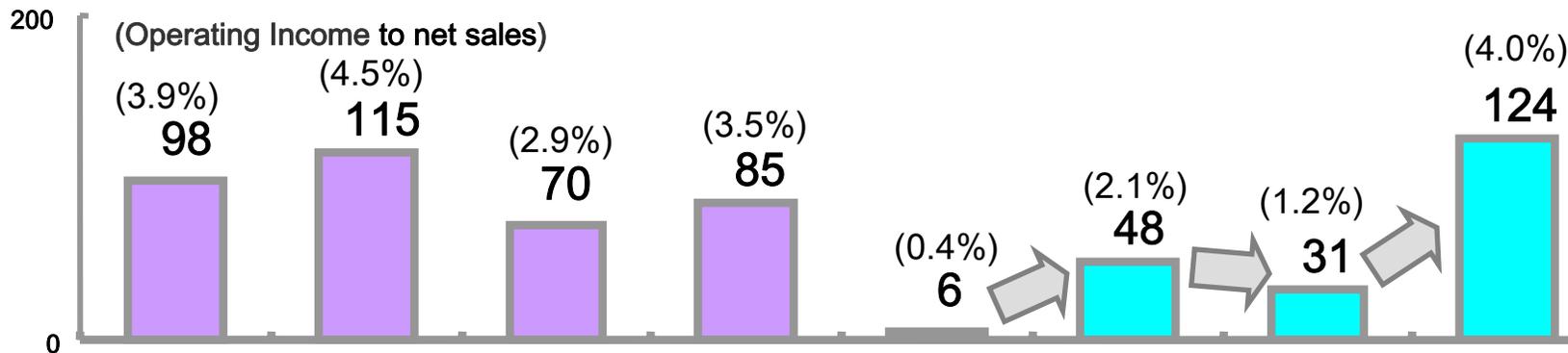
(100 million yen)

4,000



Operating Income

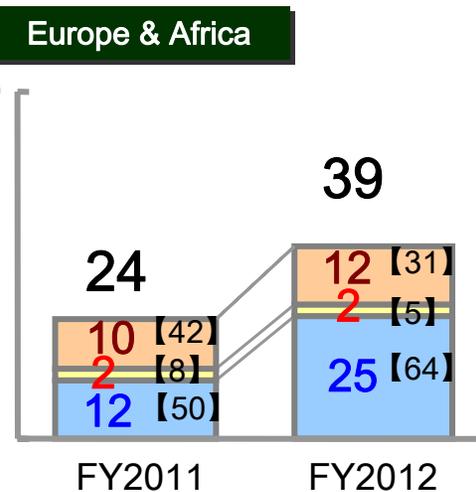
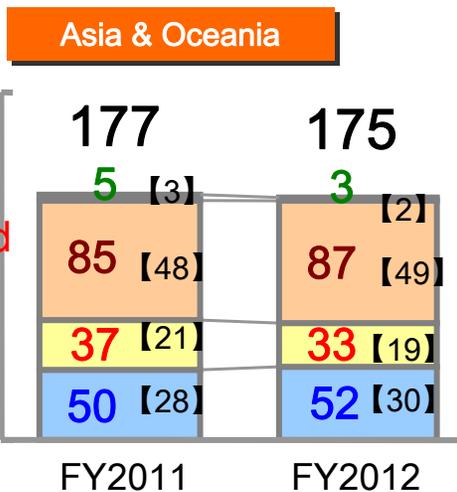
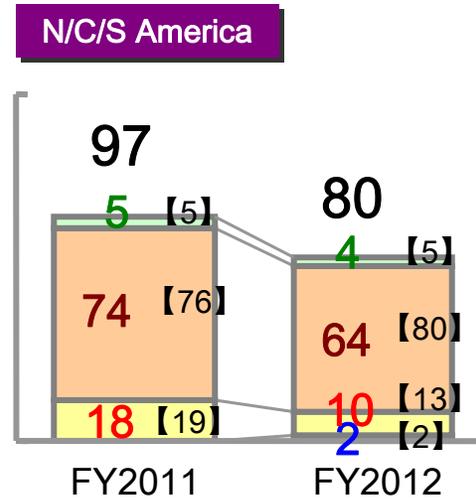
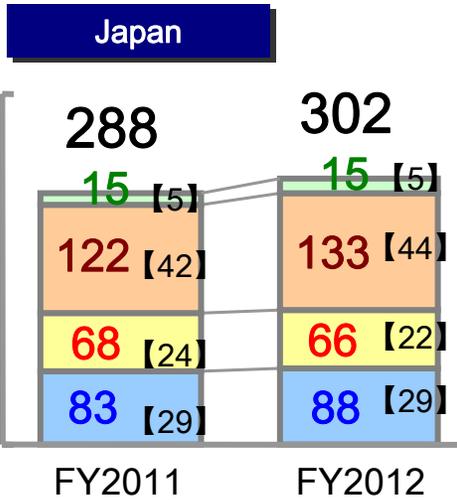
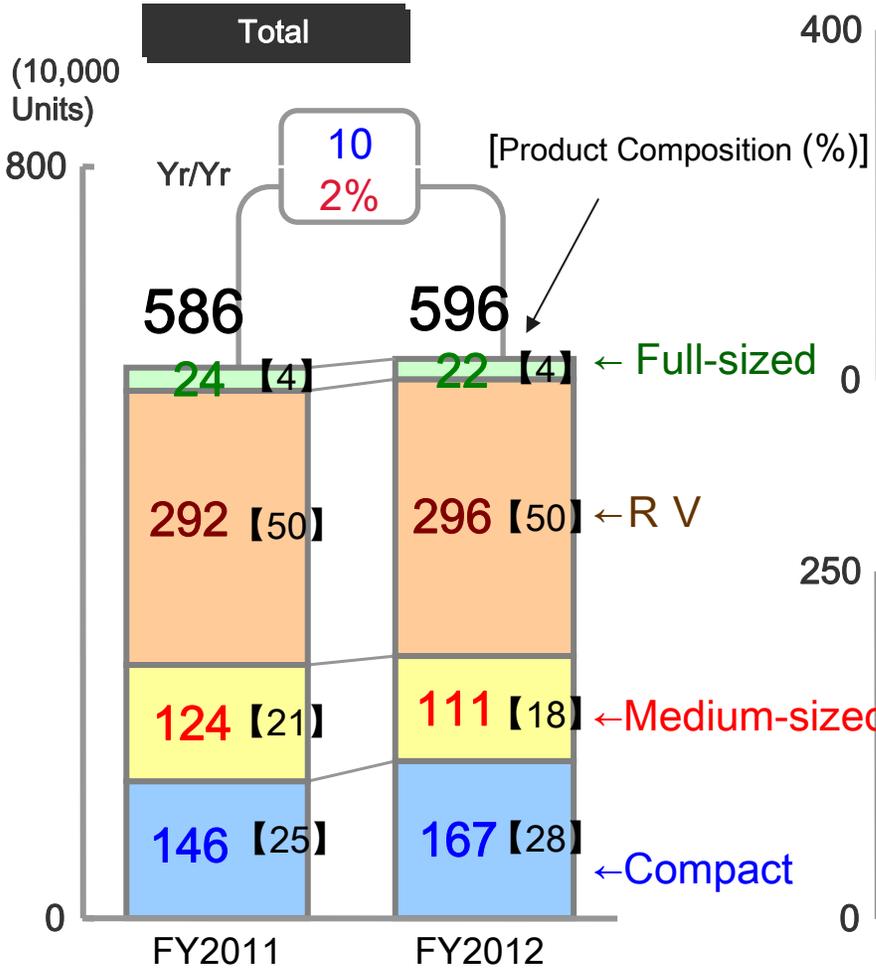
(100 million yen)



1) FY2012 Financial Results Unit Sales by Region

Despite production cutbacks in the N/C/S America and Asia, in general there was little change

Seat Assy. Production

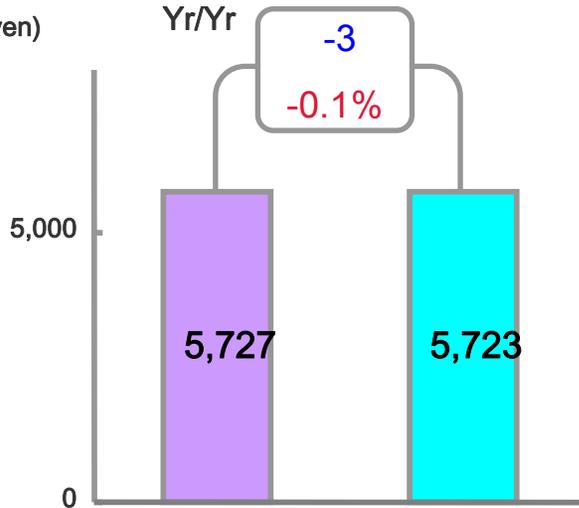


1) FY2012 Financial Results Net Sales and Operating Income by Region (1)

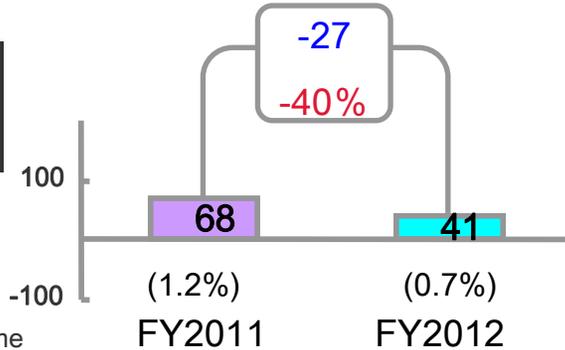
Japan

(100 million yen)

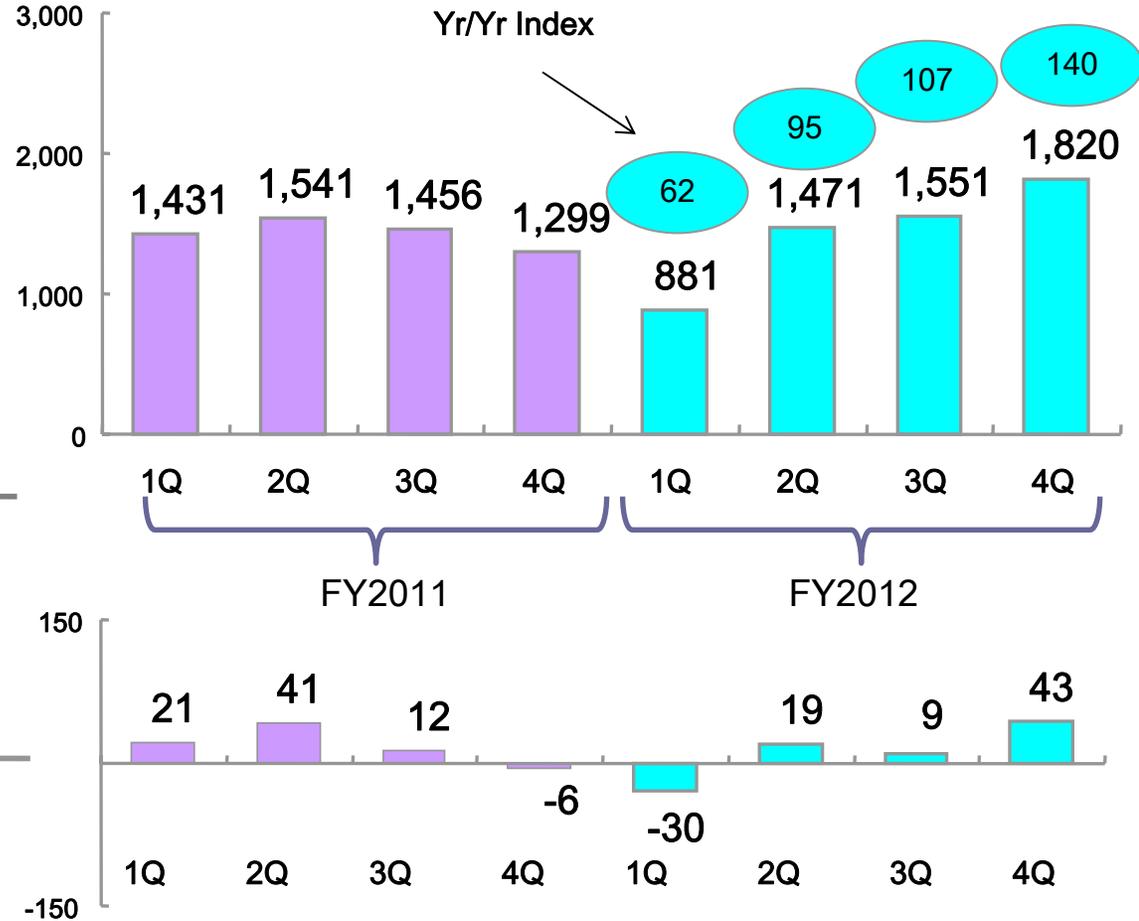
Net Sales



Operating Income (Loss)



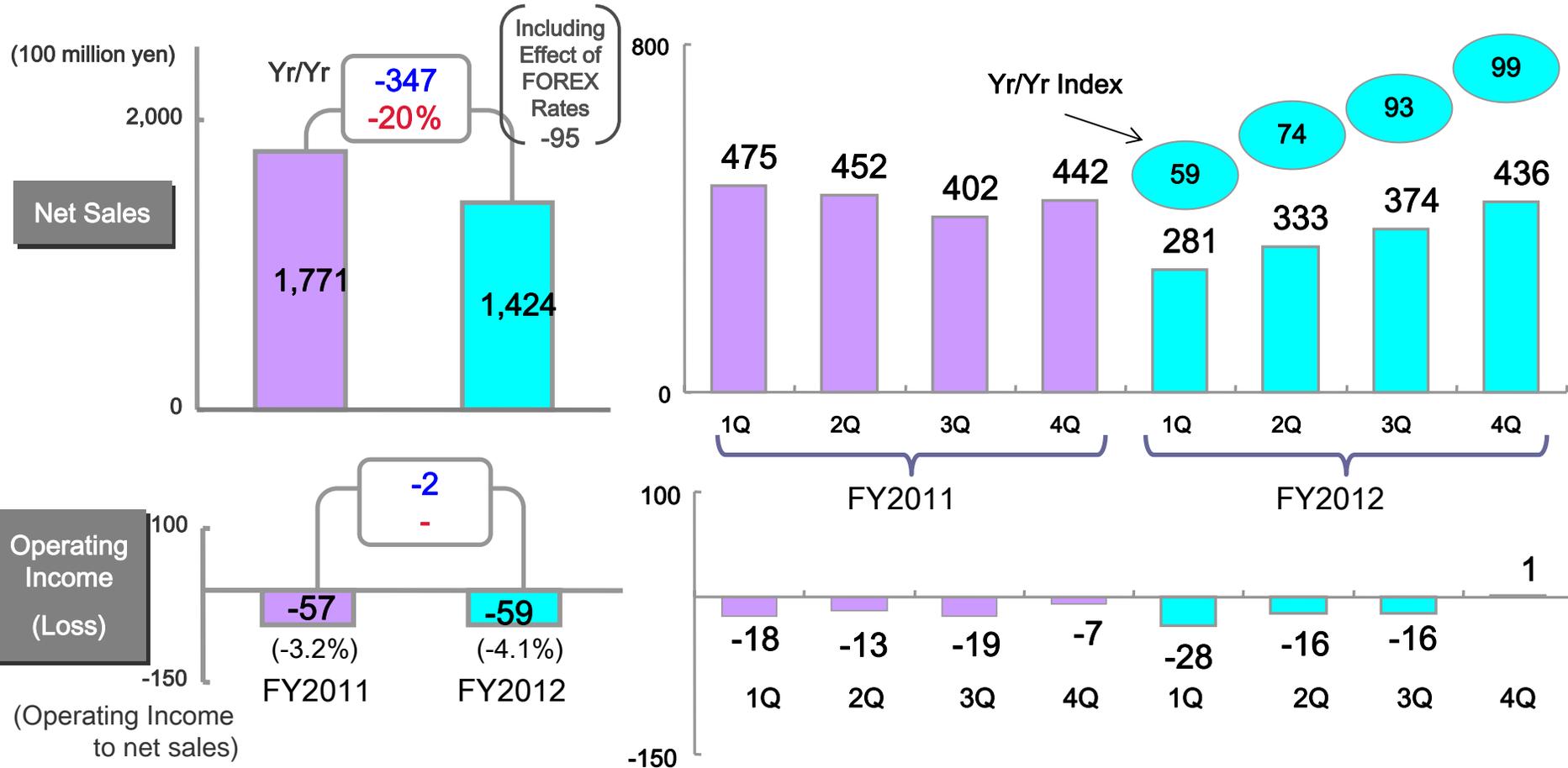
(Operating Income to net sales)



- Despite a drop in the first half of the year, the second half saw a recovery which made the whole year relatively unchanged.
- Profit decreased due to increases in costs for earthquake and flood protection measures, and change of product composition.

1) FY2012 Financial Results Net Sales and Operating Income by Region (2)

N/C/S America



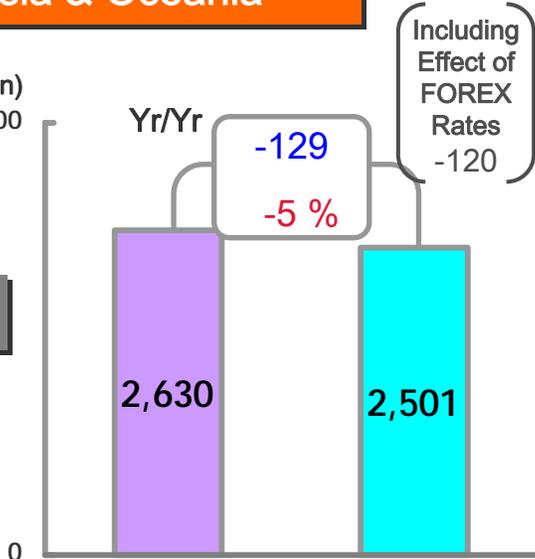
- Decreased revenue due to the earthquake and transfer of Camry production
- Despite this decrease, improvement efforts were able to prevent increased deficit.

1) FY2012 Financial Results Net Sales and Operating Income by Region (3)

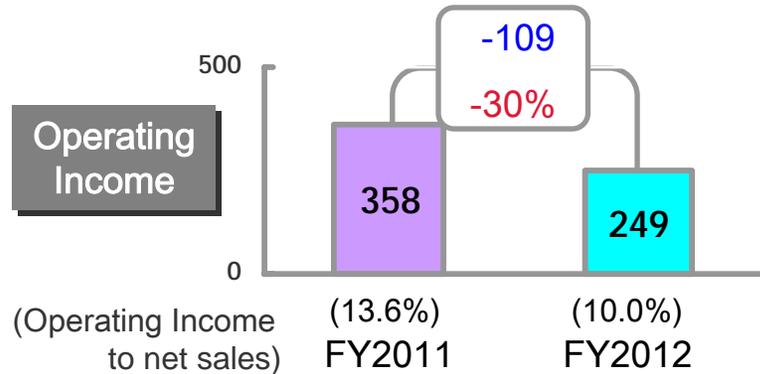
Asia & Oceania

(100 million yen)
3,500

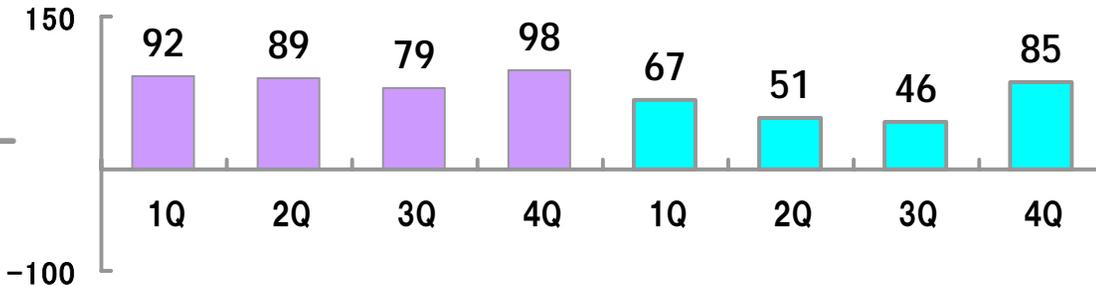
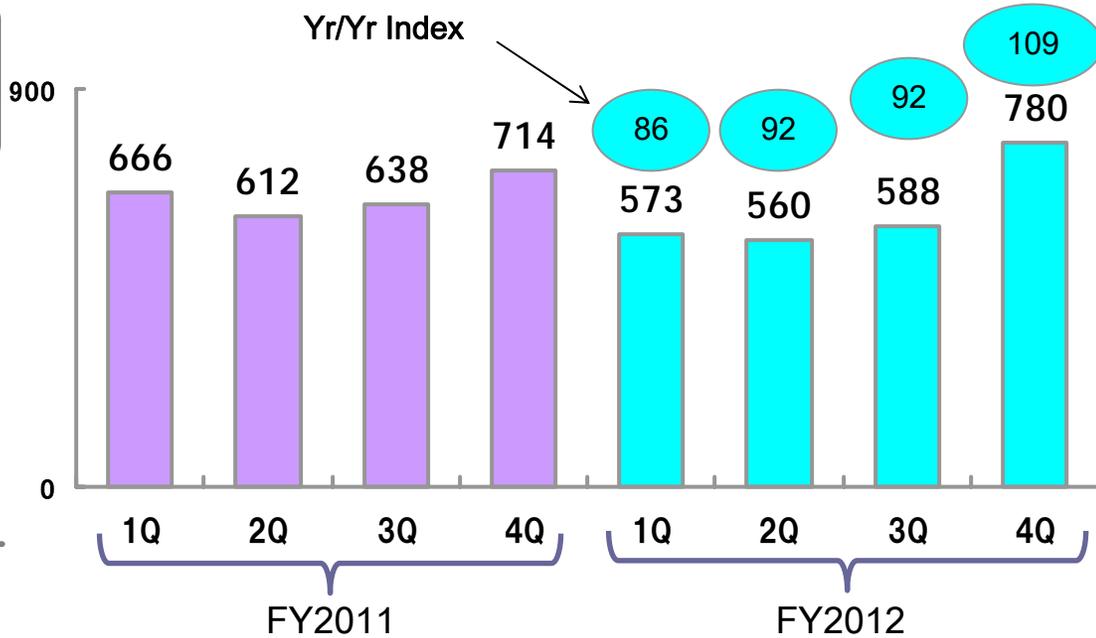
Net Sales



Operating Income



Yr/Yr Index



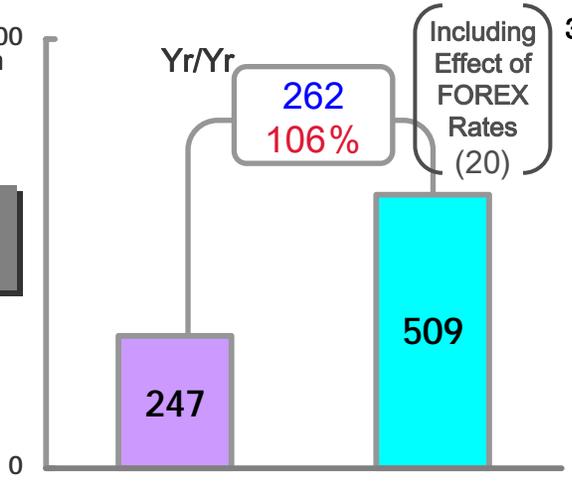
- Decreased revenue due to exchange rates, and reduced production after the Thailand floods
- Decreased profit due to increased expenses after the Thailand floods, and increased labor costs

1) FY2012 Financial Results Net Sales and Operating Income by Region (4)

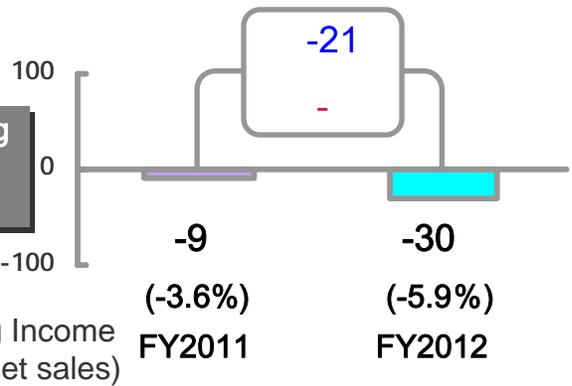
Europe & Africa

(100 million yen)

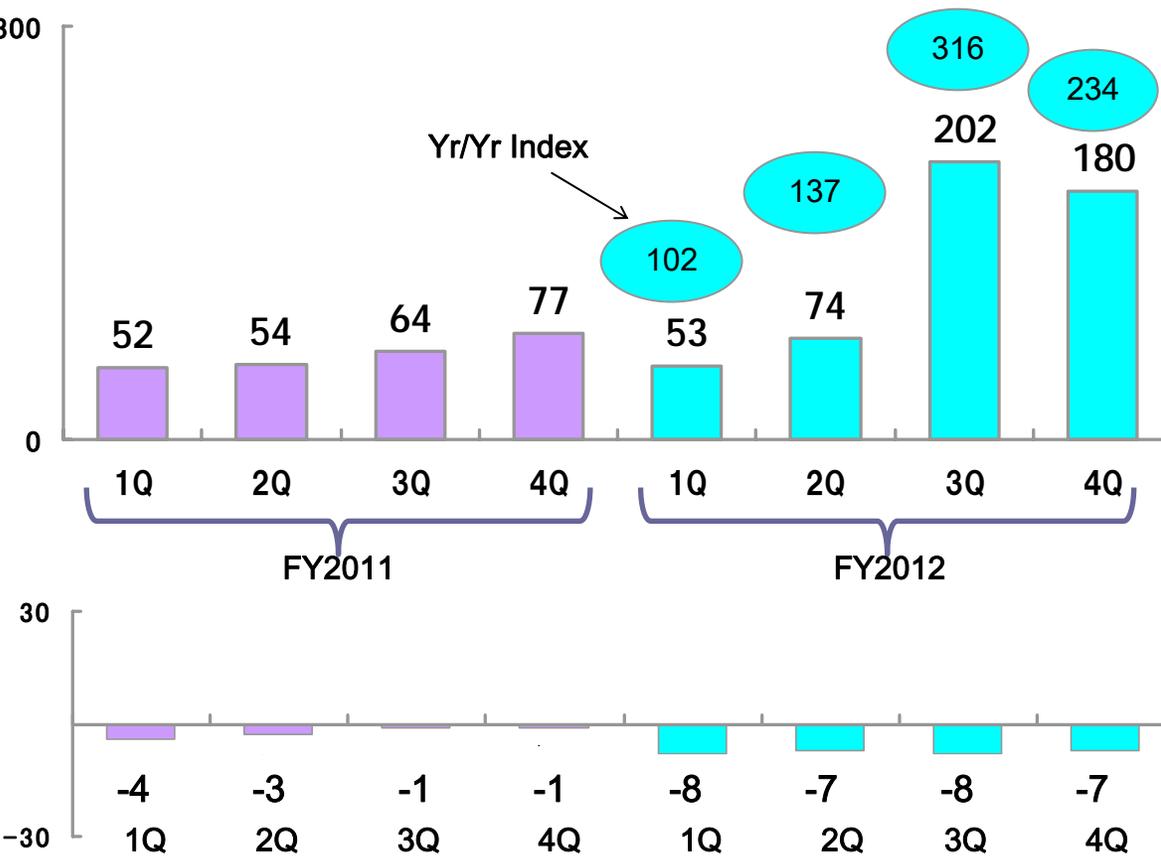
Net Sales



Operating Income (Loss)



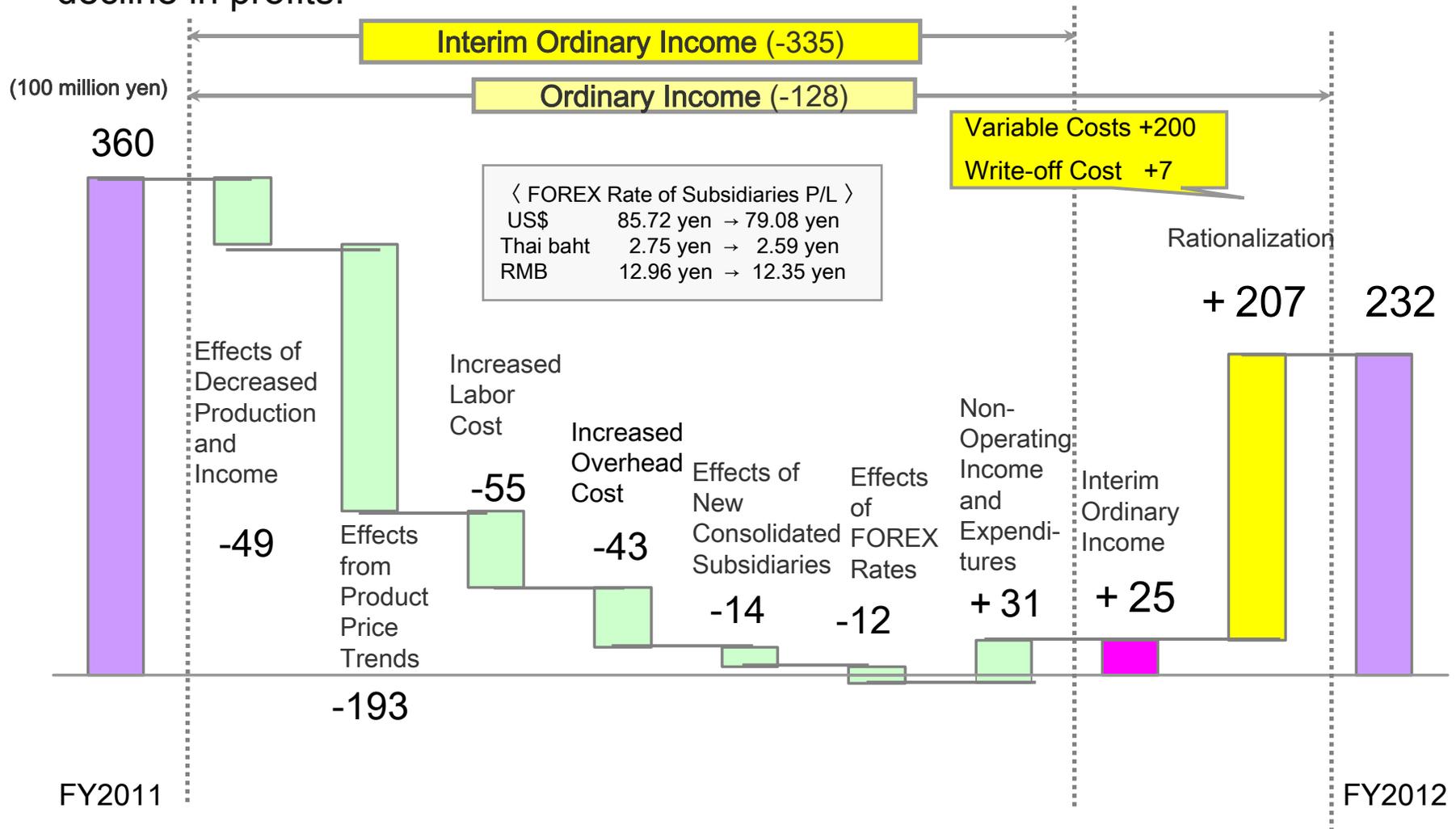
Yr/Yr Index



- Revenue increased due to the set-up of Yaris and BAE contributions.
- Profits declined due to increased Yaris production preparation costs at Toyota Boshoku Somain and TBAI Poland, and increased costs to receive NCB (new customer business) orders.

1) FY2012 Financial Results Ordinary Income Increase/Decrease Analysis

Even with the highest level of rationalization, we were unable to make up for the decline in profits.



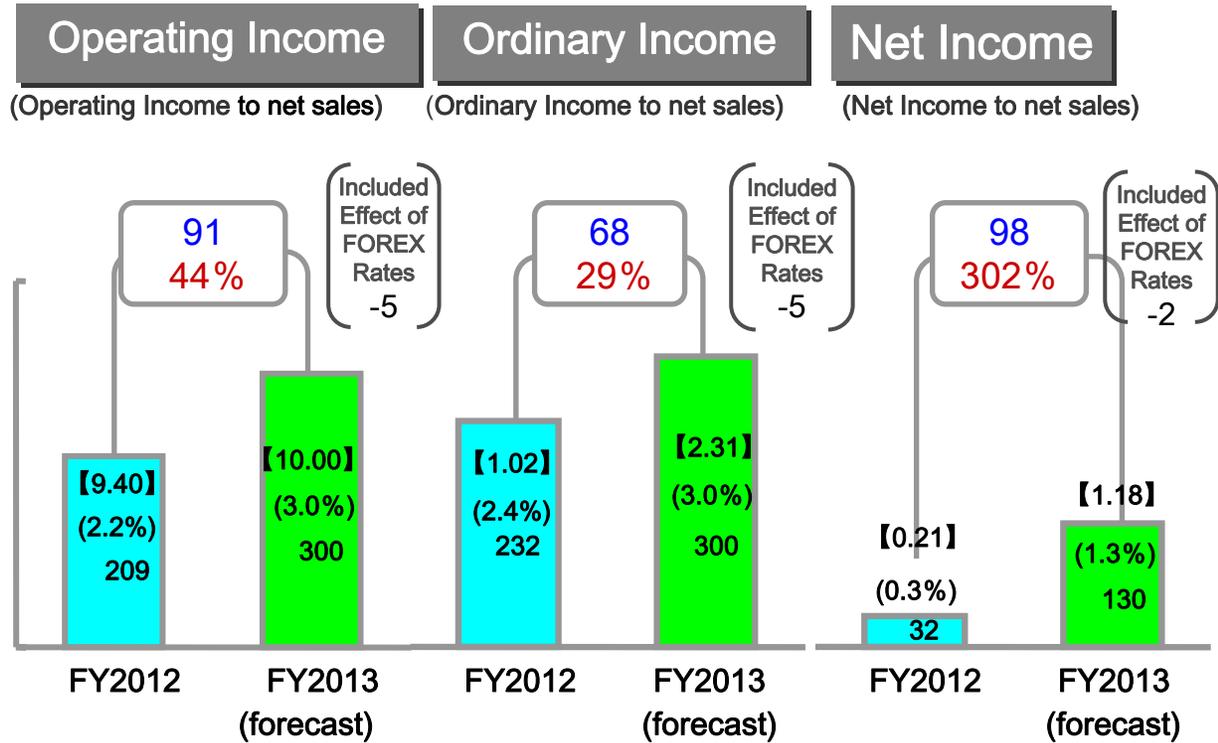
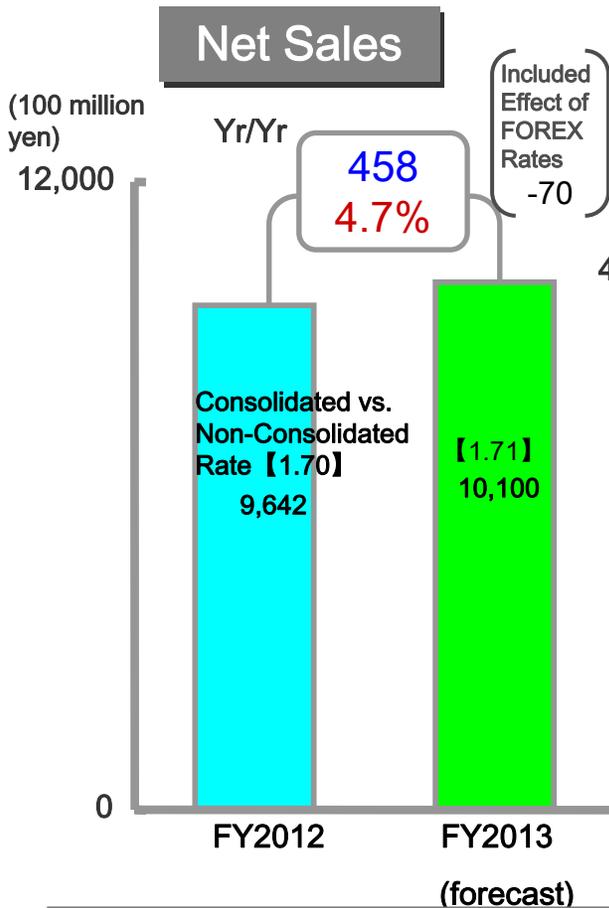
4 Financial Summary

1) FY2012 Financial Results

2) Earnings Forecast for FY 2013

2) Earnings Forecasts for FY2013

Steady increases in production in each region lead to increased sales and profit of more than one trillion yen.



Net Income per Share

Dividend

17.45 yen → 70.16 yen 16 yen → 16 yen

US\$	79.08 yen	80.00 yen
RMB	12.35 yen	12.20 yen
Thai baht	2.59 yen	2.50 yen
EUR	108.98 yen	105.00 yen

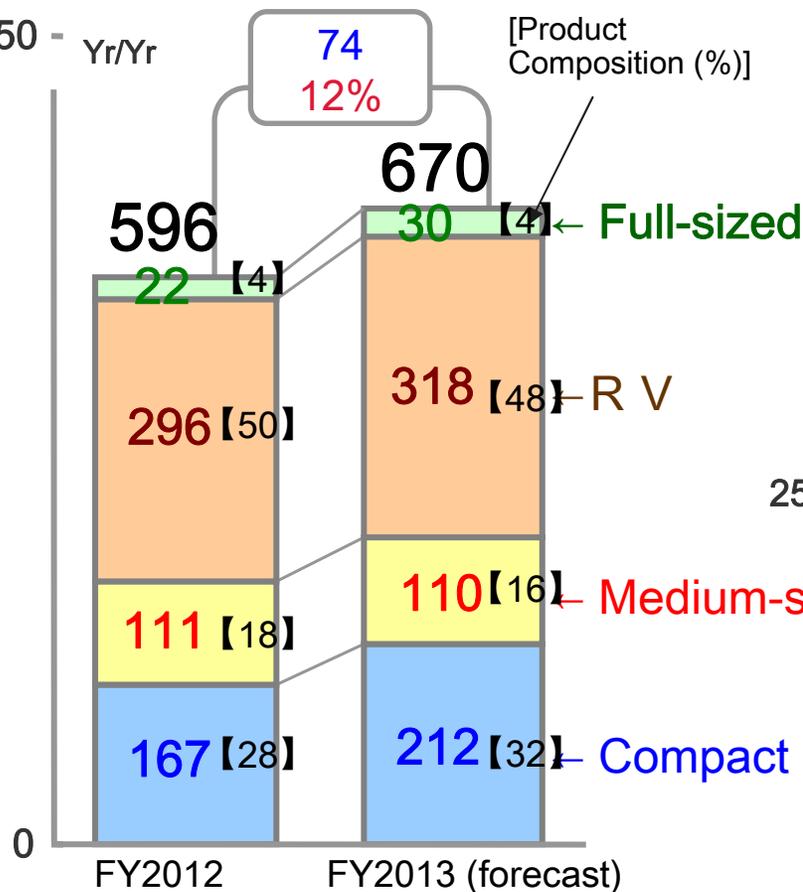
2) Earnings Forecast for FY2013 Unit Sales by Region

In each region, numbers of units will increase but product composition ratio will be unfavorable with its higher compact car rate.

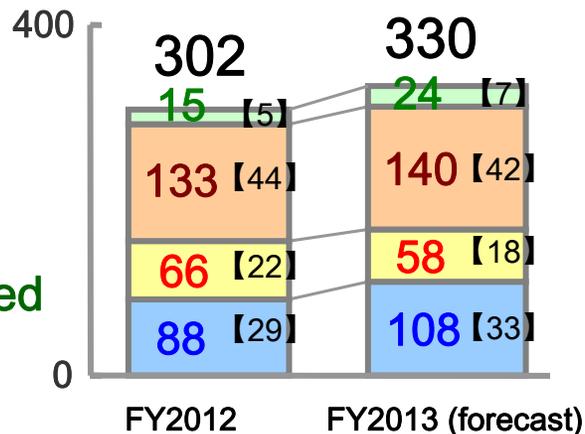
Seat Assy. Production

Total

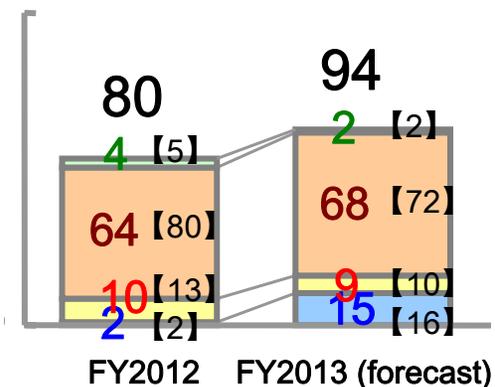
(10,000 Units)



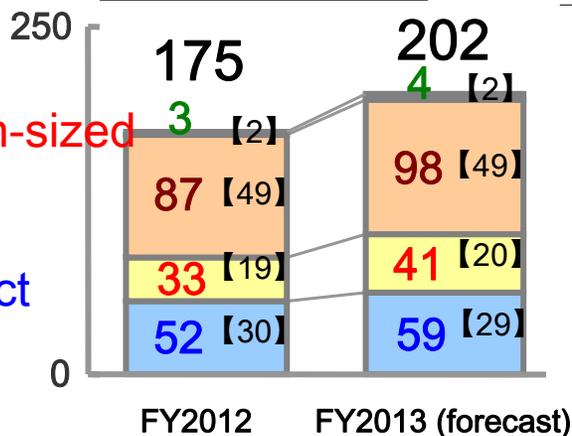
Japan



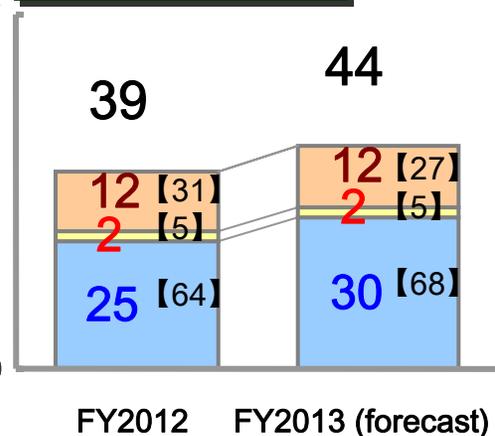
N/C/S America



Asia & Oceania



Europe & Africa



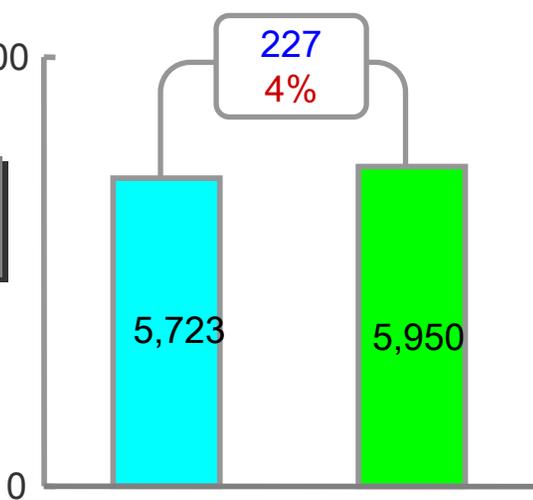
2) Earnings Forecast for FY2013 Regional Net Sales and Operating Income (1)

Japan

(100 million yen)

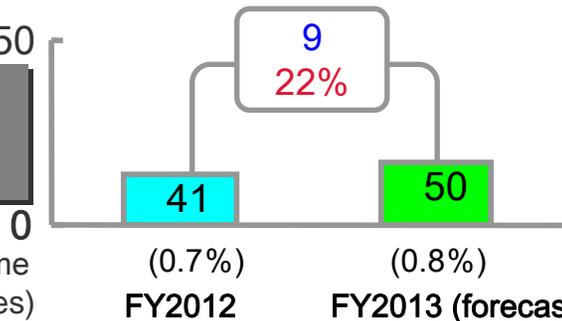
8,000

Net Sales



Operating Income

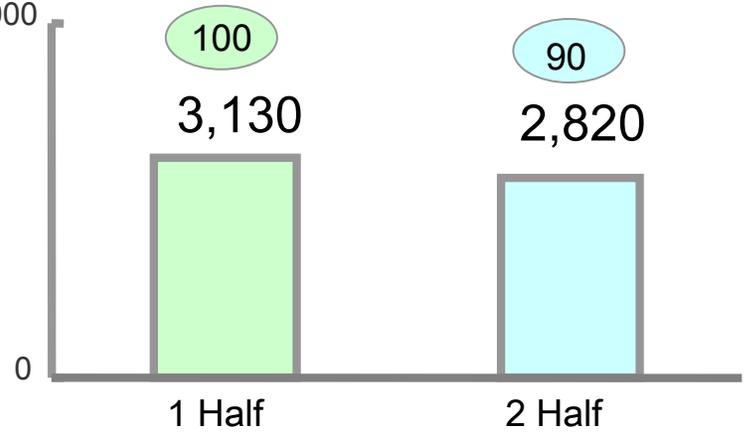
150



Net Sales

(100 million yen)

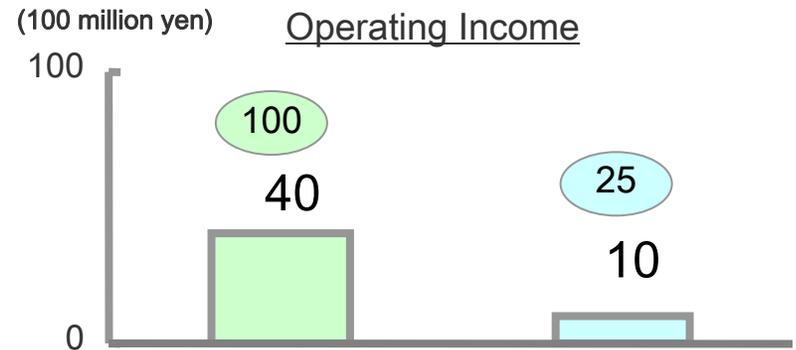
5,000



(100 million yen)

Operating Income

100

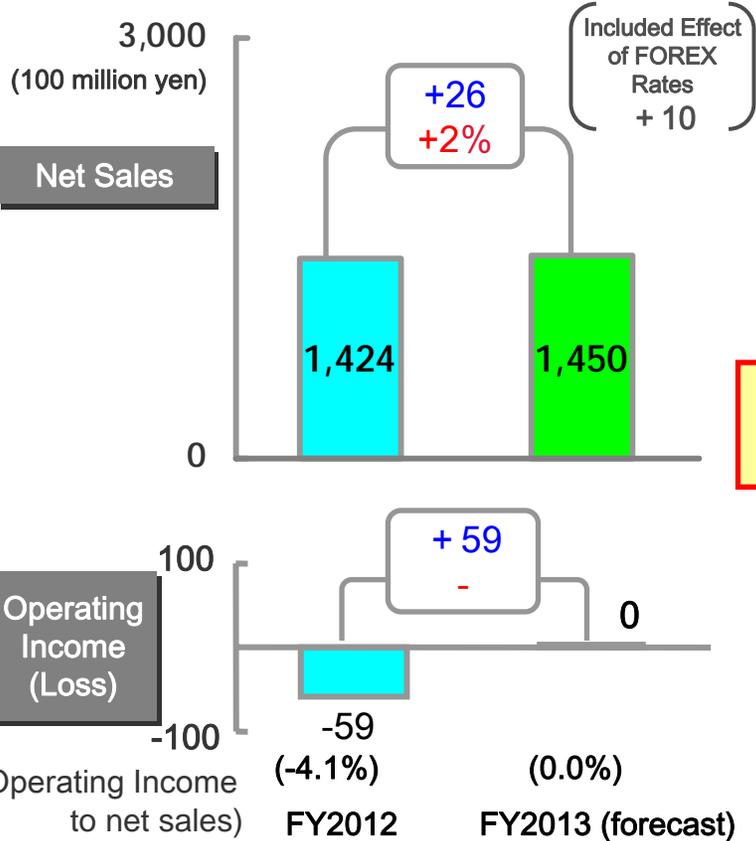


FY2013
1/2 Half

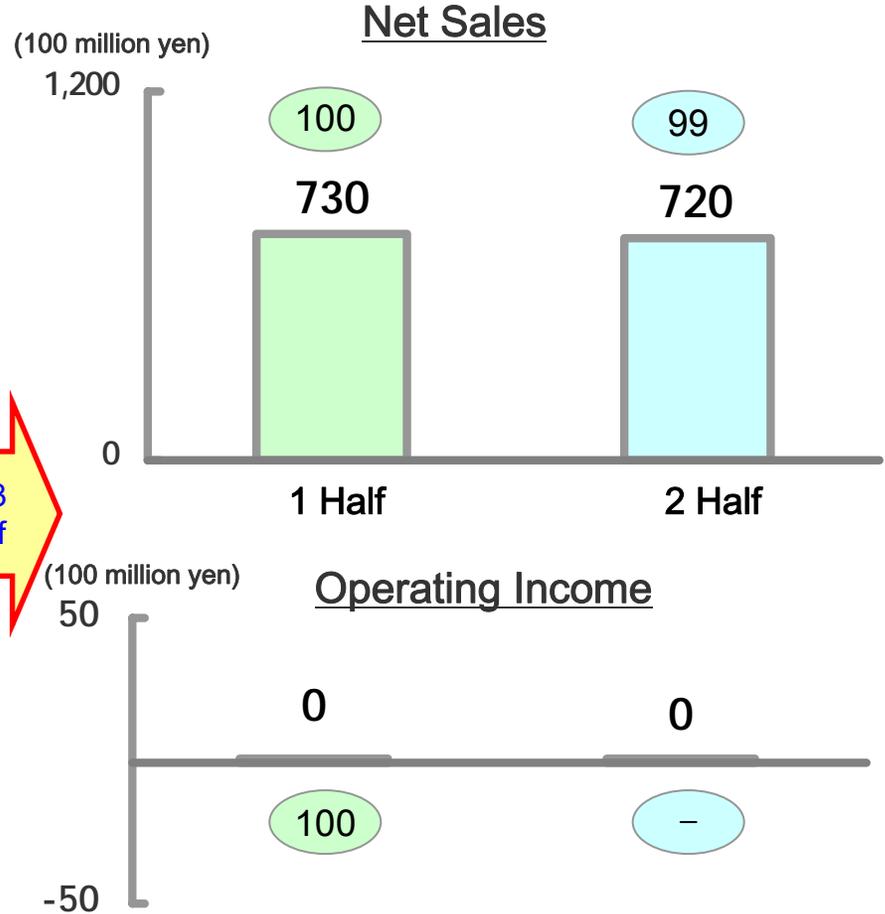
- The number of vehicles, revenue and profits will be steadily increased due to the eco-friendly car subsidy.
- There will be a stable increase in production in the first half of the year. However, we expect this to decline after the subsidy is discontinued.

2) Earnings Forecast for FY2013 Regional Net Sales and Operating Income (2)

N/C/S America



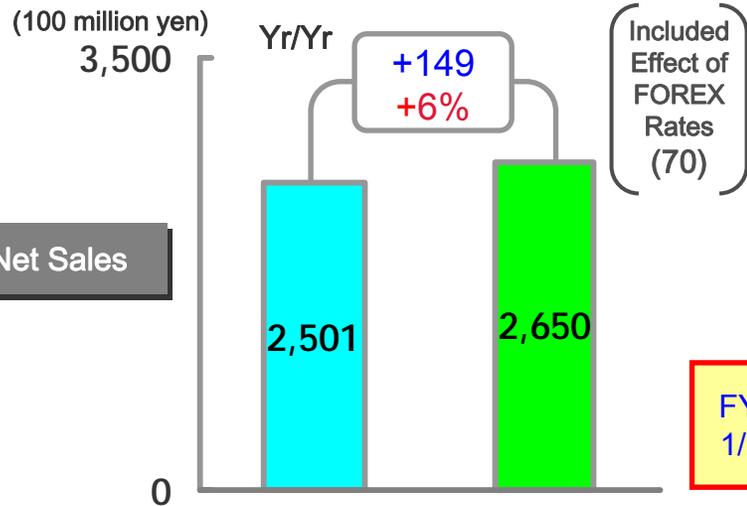
FY2013
1/2 Half



- Regardless of contributions from the Corolla set up in the previous period, sales will lose their momentum after production of the Camry being transferred.
- We expect to break even, despite reduced profits from start-up costs for production in Brazil.

2) Earnings Forecast for FY2013 Regional Net Sales and Operating Income (3)

Asia & Oceania

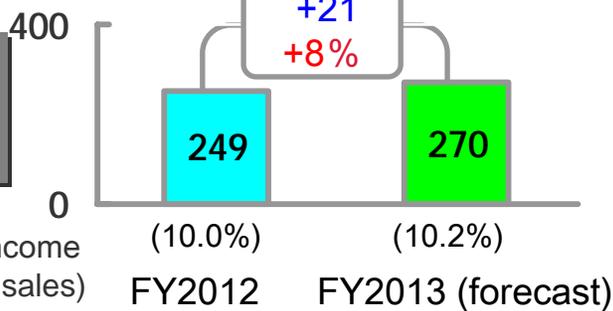
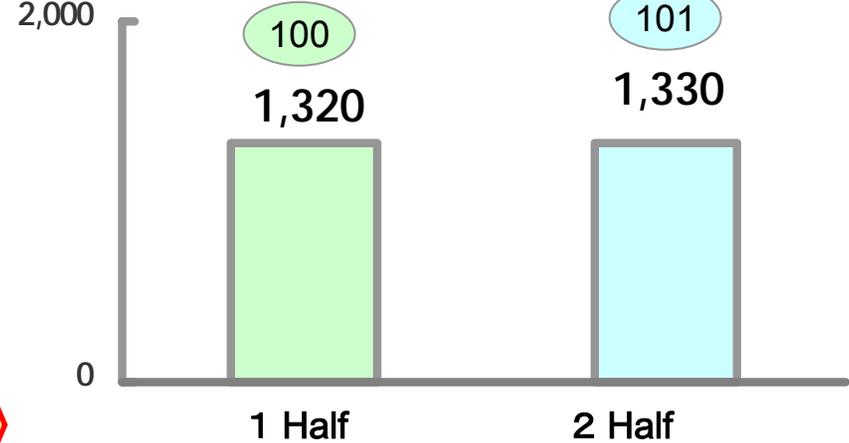


Net Sales

FY2013
1/2 Half

(100 million yen)

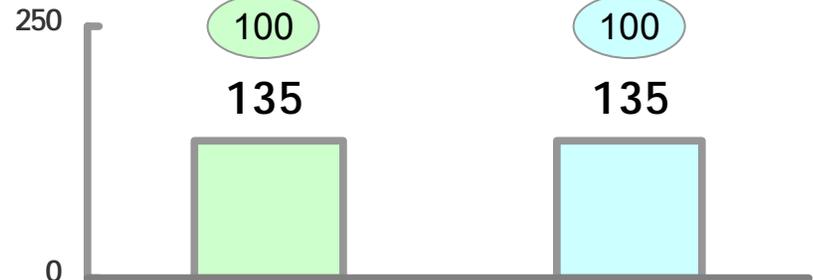
Net Sales



Operating Income

(100 million yen)

Operating Income

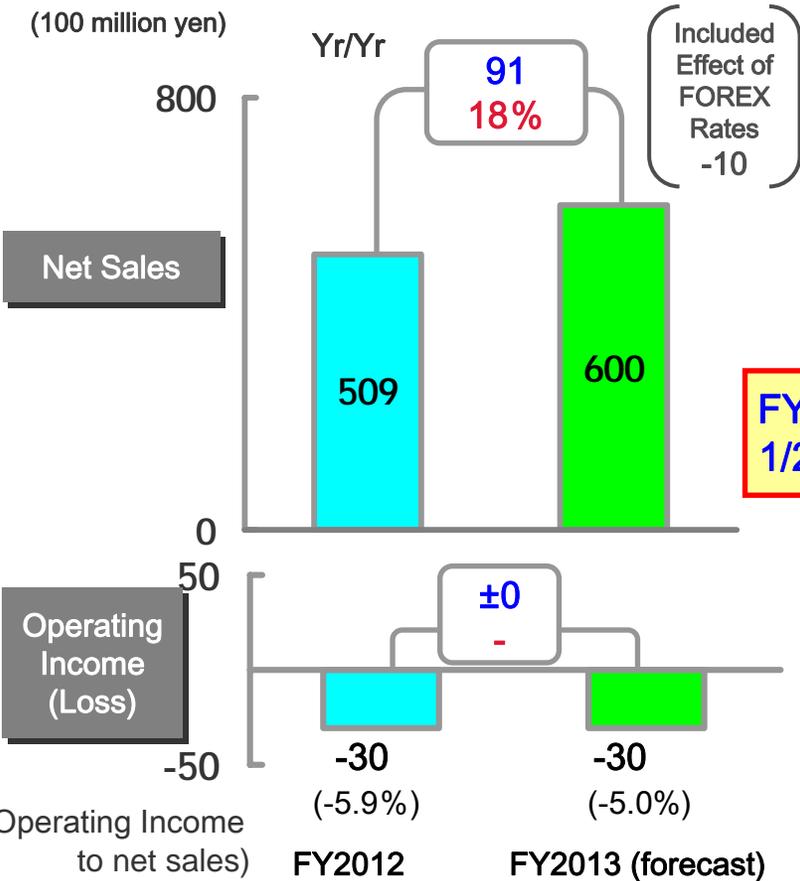


The number of units will be steadily recovering and there will be an increase in income and profit when compared to the previous period.

2) Earnings Forecast for FY2013 Regional Net Sales and Operating Income (4)

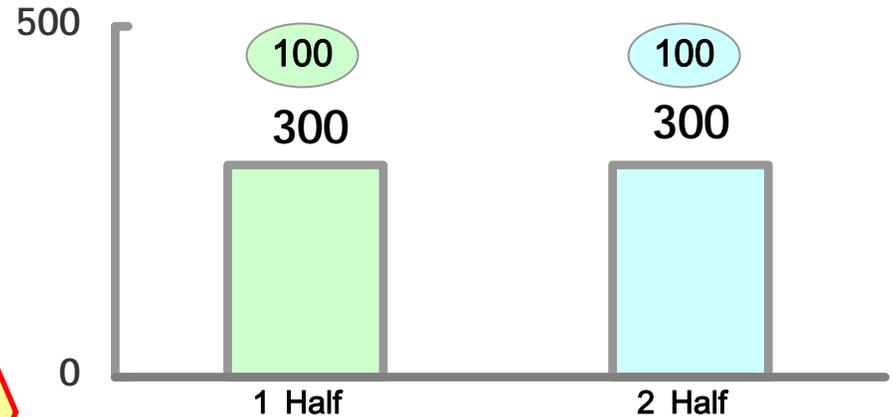
Europe & Africa

(100 million yen)

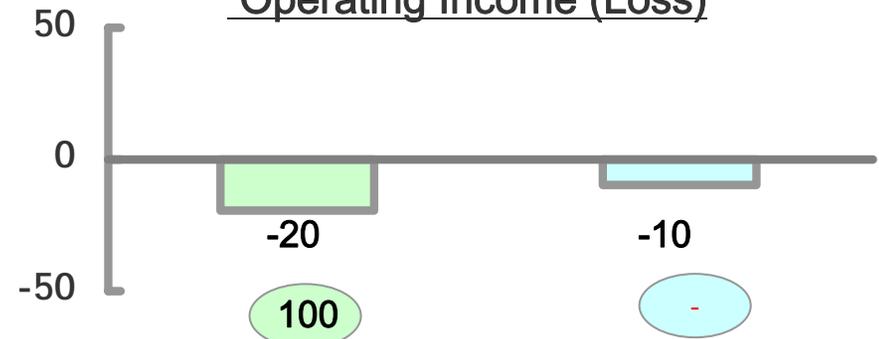


FY2013
1/2 Half

Net Sales



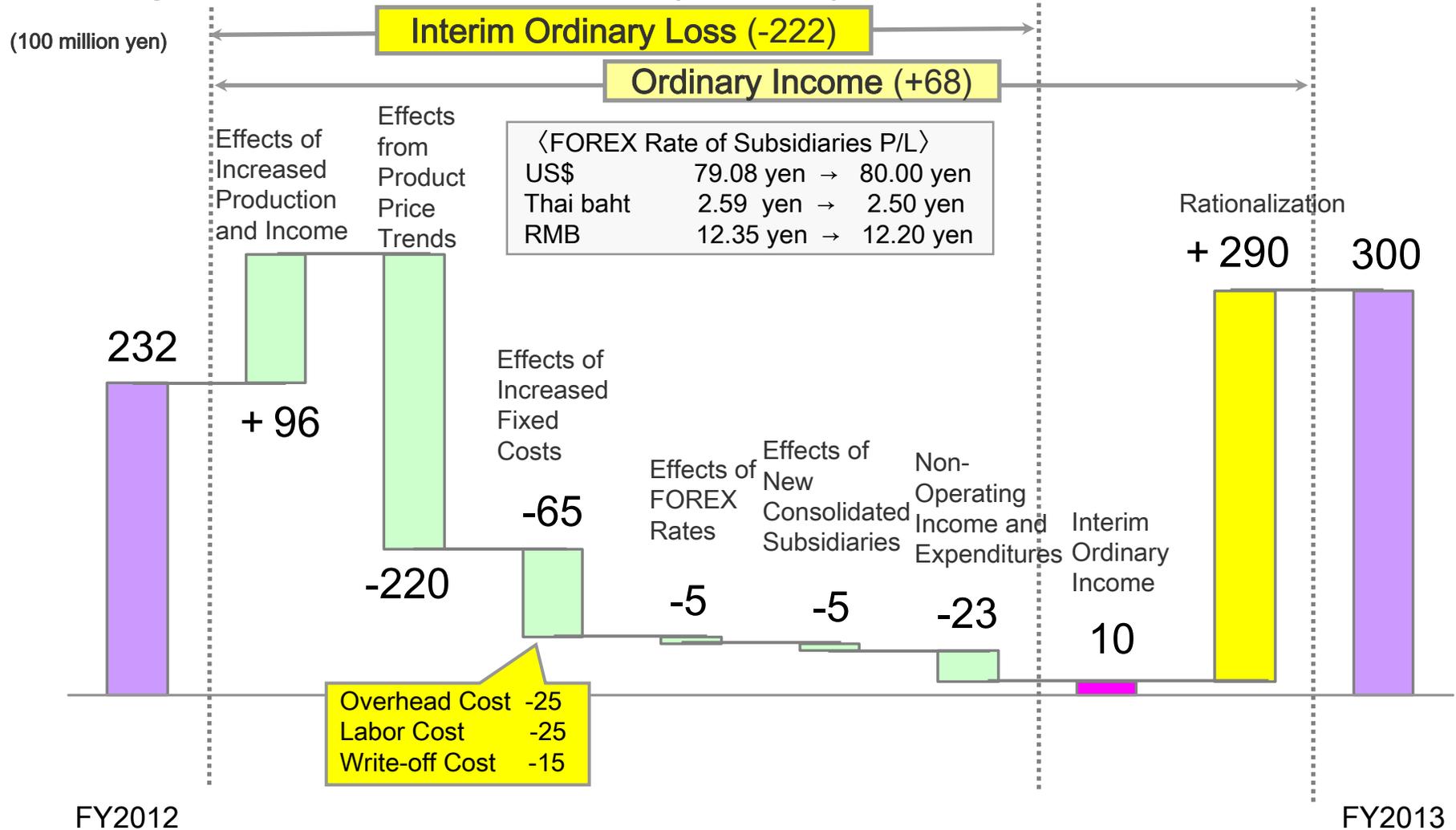
Operating Income (Loss)



- Increased revenue is expected from the set-up of Yaris in the previous period, as well as BAE contributions.
- Despite a revenue increase, there will be a stable deficit due to increased costs to handle NCB orders as before.

2) Earnings Forecast for FY2013 Ordinary Income Analysis

Though a substantial reduction in profits is expected, there will be increased profits owing to further rationalization than previous years.



2) Earnings Forecast for FY2013 Capital Expenditures

Providing a global supply system based around model change investment

Capital Expenditures

