

Quantum Leap



Toyota Boshoku Corporation

First Half Financial Result of FY2013





Quantum Leap

- 1 Business Environment
- 2 Report on Progress of Mid-term Management Plan
- 3 Financial Results



Quantum Leap



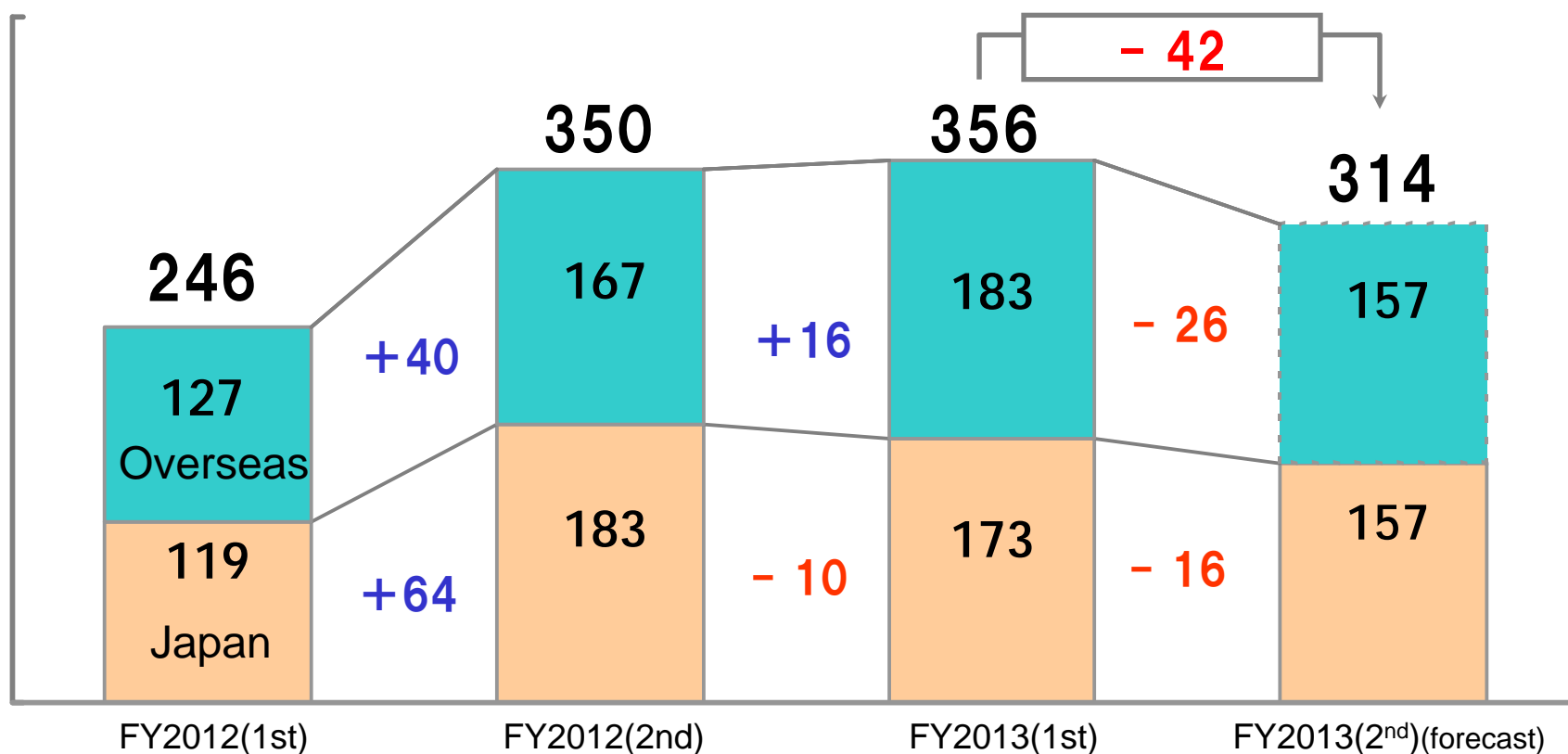
1 Business Environment

1) Business Environment

(1) Consolidated seat production numbers

In the first half of FY2013, production recovered from the earthquake and flooding to normal levels. Compared to the first half, production is expected to decrease in the second half due to reduced production in China.

(10,000 units)



1) Business Environment

(2) Business situation in China

(Information as of Oct. 31)

1. Situation regarding local Chinese business entity

No harm done to any of Toyota Boshoku's 13 companies, factories or employees

Working at reduced operation levels focusing on Japanese car makers

Due to boycott, production forecasts for November on are unclear

2. Impact on seat production numbers

Results

September : Compared to initial plan, decrease of about 40%

October : Compared to initial plan, decrease of about 60%

Outlook *Based on information from customers, internally will independently consider a plan

November on : Compared to initial plan, expect reduction of about 30-40%



Quantum Leap

2 Report on Progress of Mid-term Management Plan

1)2020 Vision & Mid-term Management Plan Until 2015

(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

[1] Our place in business:

A company that persists in proposing excellent mobility for customers throughout the world

[2] Our place in society:

A trusted company that grows together with all stakeholders

Key management items for 2015

[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

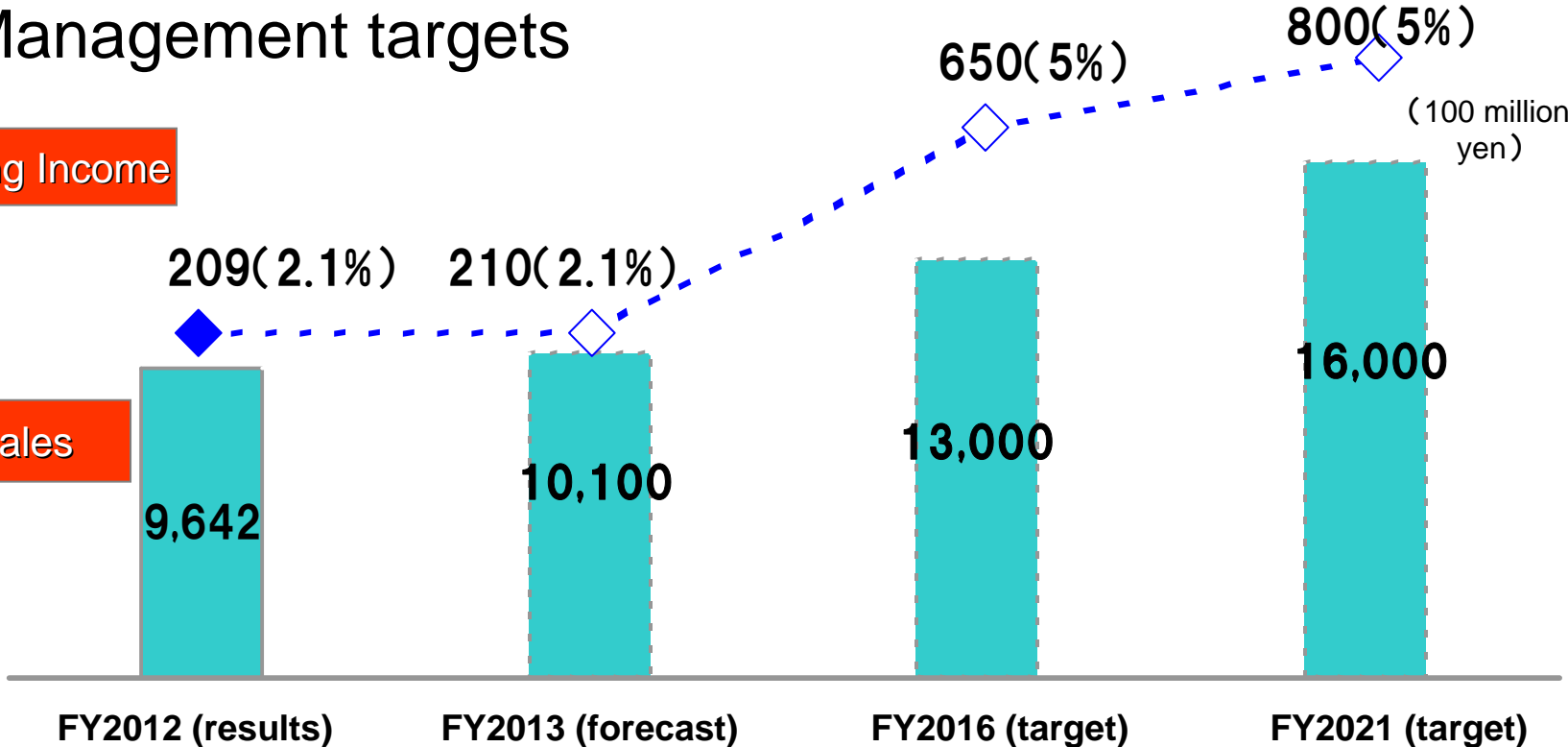
[4] Through implementation of lean, highly efficient and high value-added business in Japan

1)2020 Vision & Mid-term Management Plan Until 2015

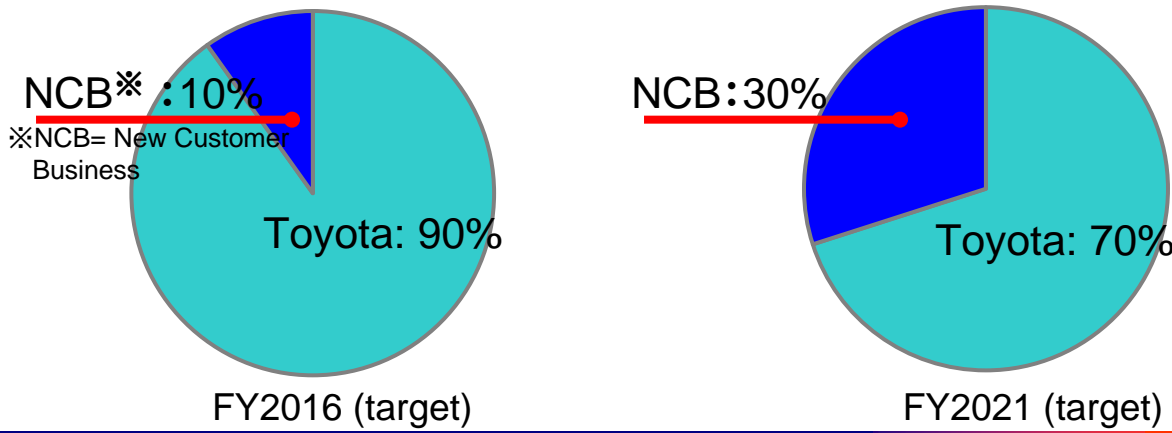
(2) Management targets

Operating Income

Net Sales



Customer Sales Ratio

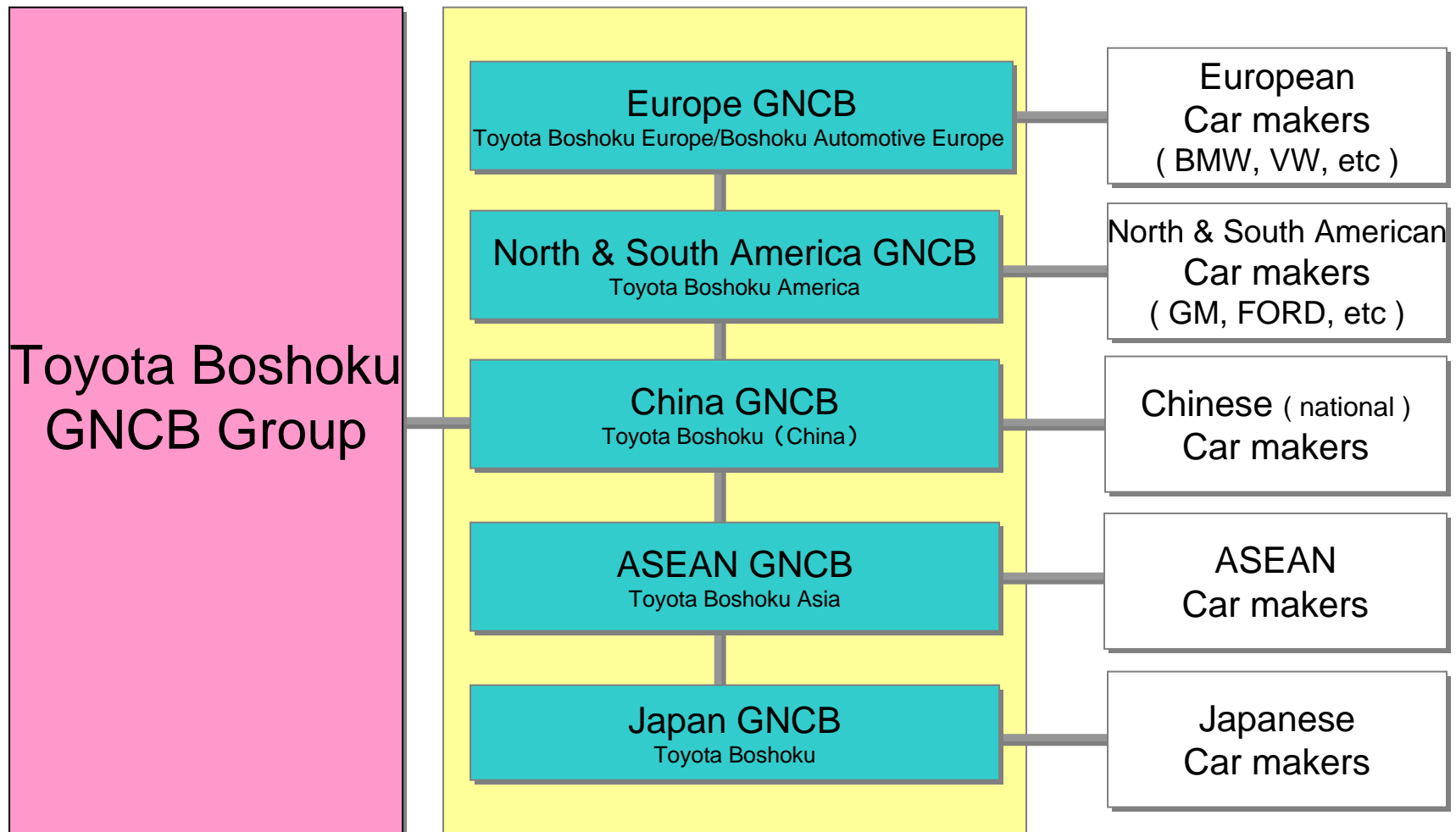


2) Progress on Mid-Term Management Plan

(1) Established GNCB* Group to obtain new global customers

※Global New Customer Business

Set up GNCB function in each region

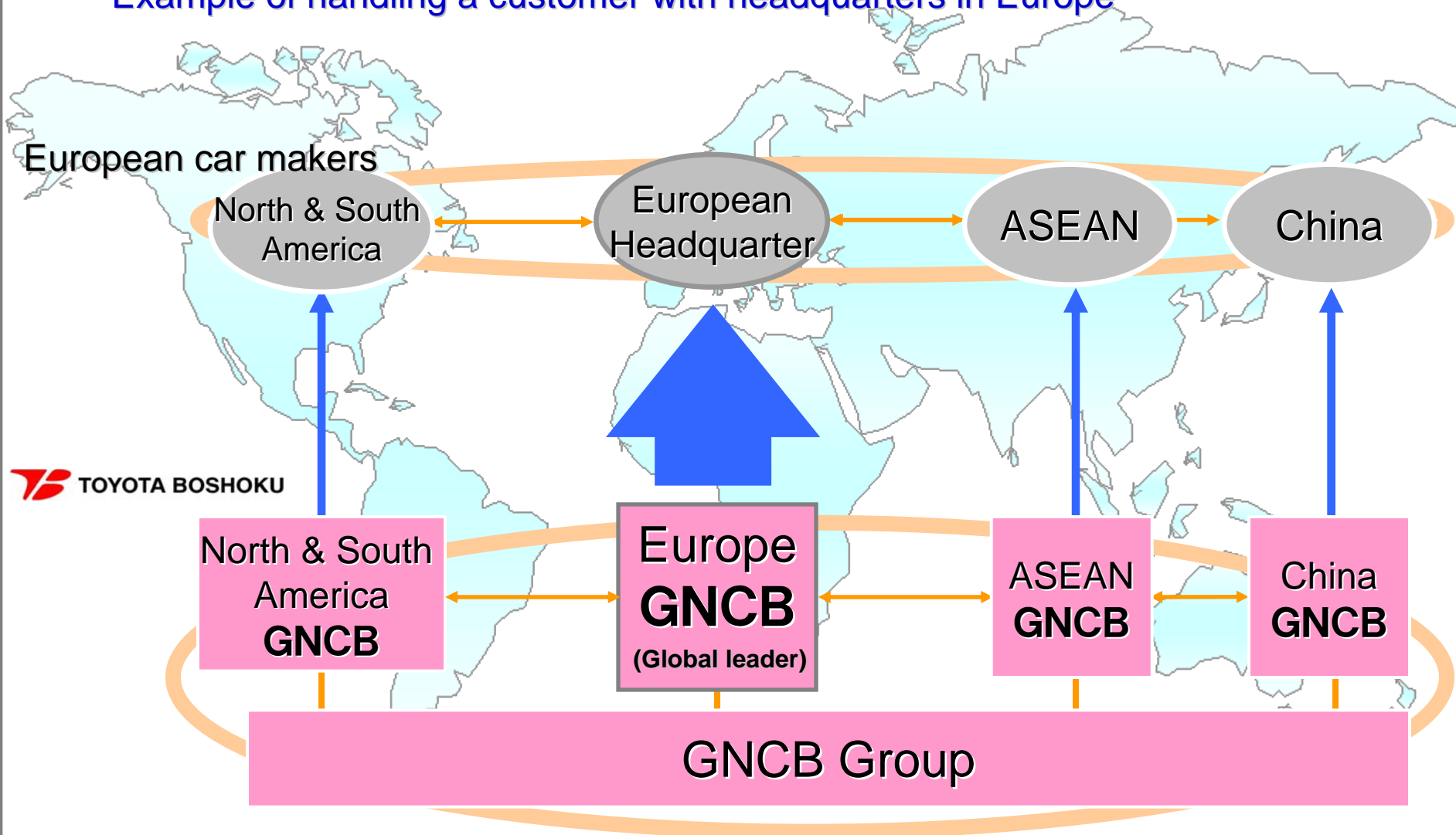


2) Progress on Mid-Term Management Plan

(1) Established GNCB* Group to obtain new global customers

※Global New Customer Business

Example of handling a customer with headquarters in Europe



2) Progress on Mid-Term Management Plan

(2) Order status for GNCB (New Customer Business)

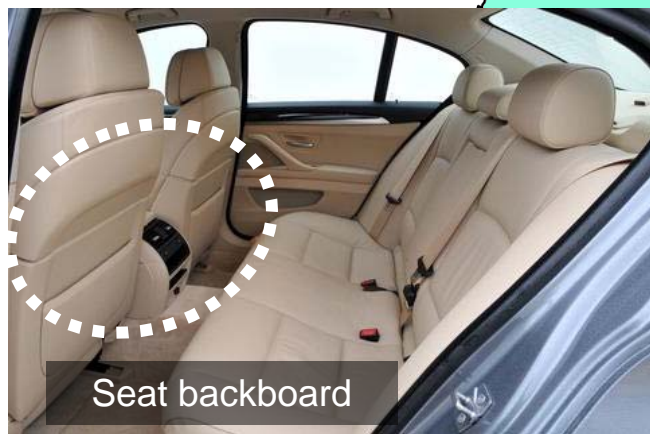
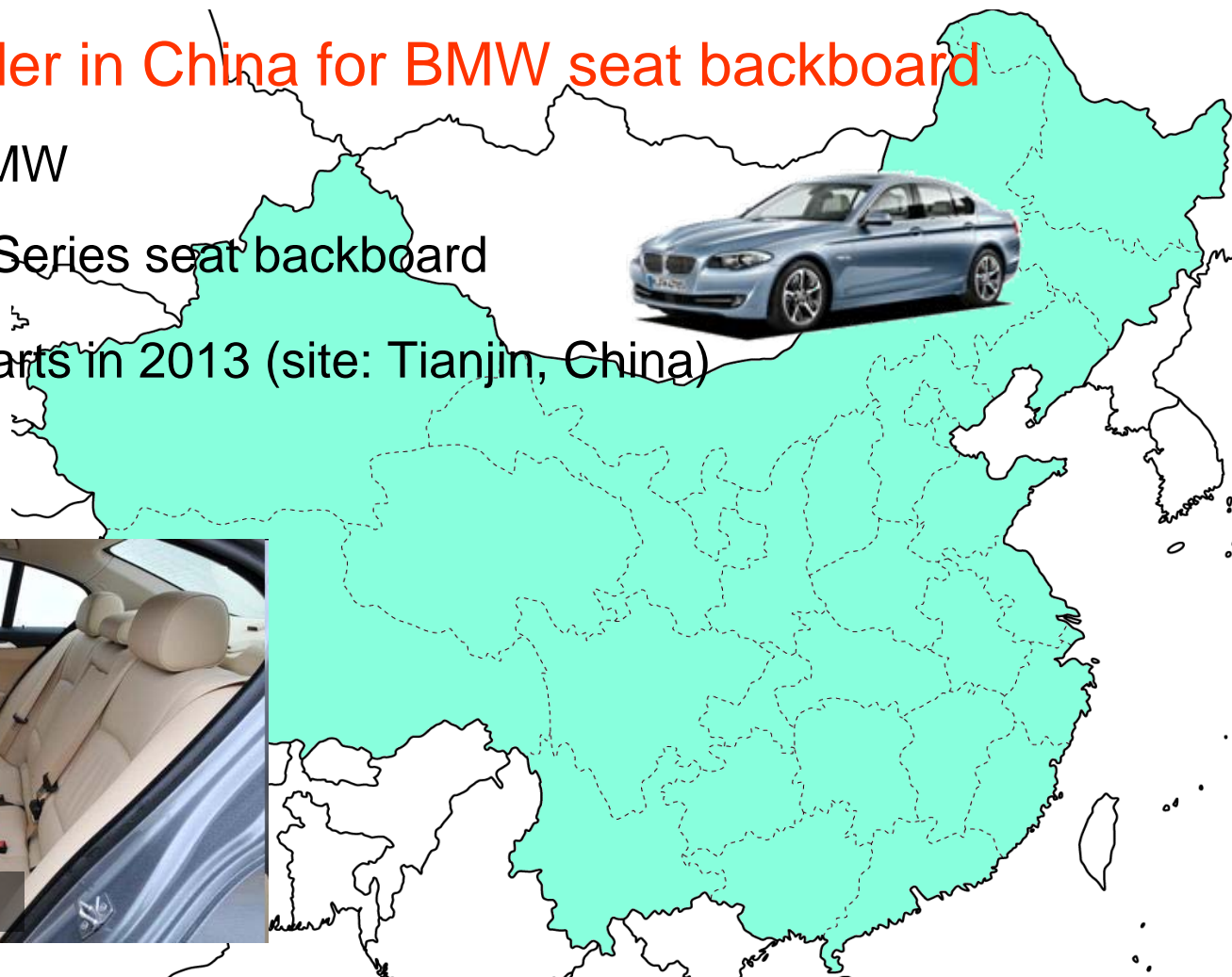
Major new orders

Received order in China for BMW seat backboard

Customer : BMW

Component: 5 Series seat backboard

Production : Starts in 2013 (site: Tianjin, China)



2) Progress on Mid-Term Management Plan

(3) Establishing new sites

Boshoku Automotive Czech (first site in Czech)

Customer : European car maker
Component: Interior components
Production: Starts in 2013



TB Sewtech Turkey

**Customer : European car maker,
Toyota, etc.**
Component: Seat cover
Production : Starts in 2013



2) Progress on Mid-Term Management Plan

(4) Starting production at new sites

Changchun Faway Toyota Boshoku (production started April 2012)

Components:

Seats, door trim and other components
for Toyota Corolla



2) Progress on Mid-Term Management Plan

(4) Starting production at new sites

Toyota Boshoku Do Brasil (Production started September 2012)

Component:

Seats, door trim and
air cleaners for Toyota Etios



2) Progress on Mid-Term Management Plan

(5) Upgrading structure to strengthen technological development capabilities

Strengthening & enhancing structure to receive new business orders

Create autonomous development structure within regions of China

Establish new headquarters and R&D Center for Toyota Boshoku (China)

(Operations scheduled for 2014)



Benchmark room



Evaluating illumination components

2) Progress on Mid-Term Management Plan

(5) Upgrading structure to strengthen technological development capabilities

Strengthening & enhancing structure to receive new business orders

Compiling information on the market, research and development in our aim to create optimal proposals for regional products

Established Toyota Boshoku Asia MRD* Center (started operations in February 2012)

*Marketing Research & Development



MRD Center



Benchmark room

Strengthen new product proposals through analysis of competitor products in the benchmark room



DR room* (*Design Review)

All parties can review designs in real time improving overall quality

2) Progress on Mid-Term Management Plan

(5) Upgrading structure to strengthen technological development capabilities

Started construction of our own test course

Constructing our own test course to enable dynamic evaluation on actual parts to develop world class products

Name : Toyota Boshoku Tajimi Technical Center

Location : Tajimi City, Gifu Prefecture

Scheduled Completion: March 2014

Area : Site is approx. 360,000 m²

Test course: Approx. 140,000 m²

Overview of course

[1] Track: Total length of 1,800 m and a straight stretch of 700 m

[2] 200 m course that recreates a wide variety of road surfaces



2) Progress on Mid-Term Management Plan

(5) Upgrading structure to strengthen technological development capabilities

Alliances: [1]

Started considering collaborative work with Autoneum (Swiss) and Nihon

Tokushu Toryo (August 2012)

Created an alliance with the Autoneum group, a leading supplier of world class soundproof components, to create global proposals to provide high quality packages that improve noise and vibration performance in next generation automobiles.



2) Progress on Mid-Term Management Plan

(5) Upgrading structure to strengthen technological development capabilities

Alliances: [2]

Strengthen cooperative efforts with Tokai Rubber Group (August 2012)

Entered an equity alliance with Tokai Chemical Industries, Ltd. of the Tokai Rubber Group. The three companies will integrate their skills, Tokai Rubber with its high damping technology and Tokai Chemical with its high technology in urethane foam molding, to develop high-value added automobile interior products and new products to aggressively explore new fields.





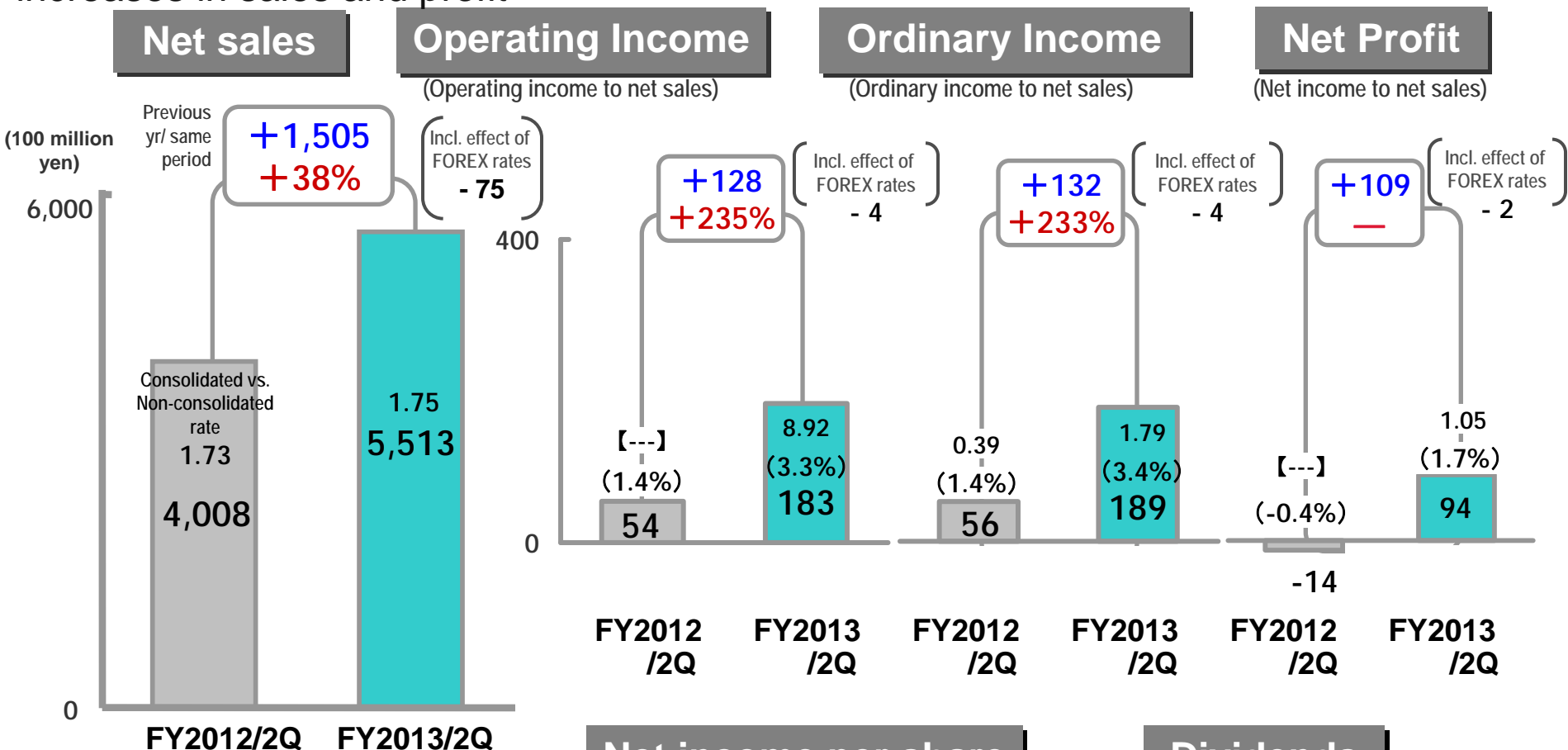
Quantum Leap

3 Financial Results

- 1) Financial results for the 2Q of FY2013
- 2) Forecasted results for FY2013

1) Financial results for the 2Q of FY2013

Production recovered from disaster due to subsidiaries for eco-friendly cars to see increases in sales and profit



	FY2012/2Q	FY2013/2Q
US\$	¥79.82	¥79.41
EUR	¥113.79	¥100.64
Thai baht	¥2.65	¥2.54
RMB	¥12.54	¥12.64

Net income per share

- ¥7.75 → ¥51.11

Dividends

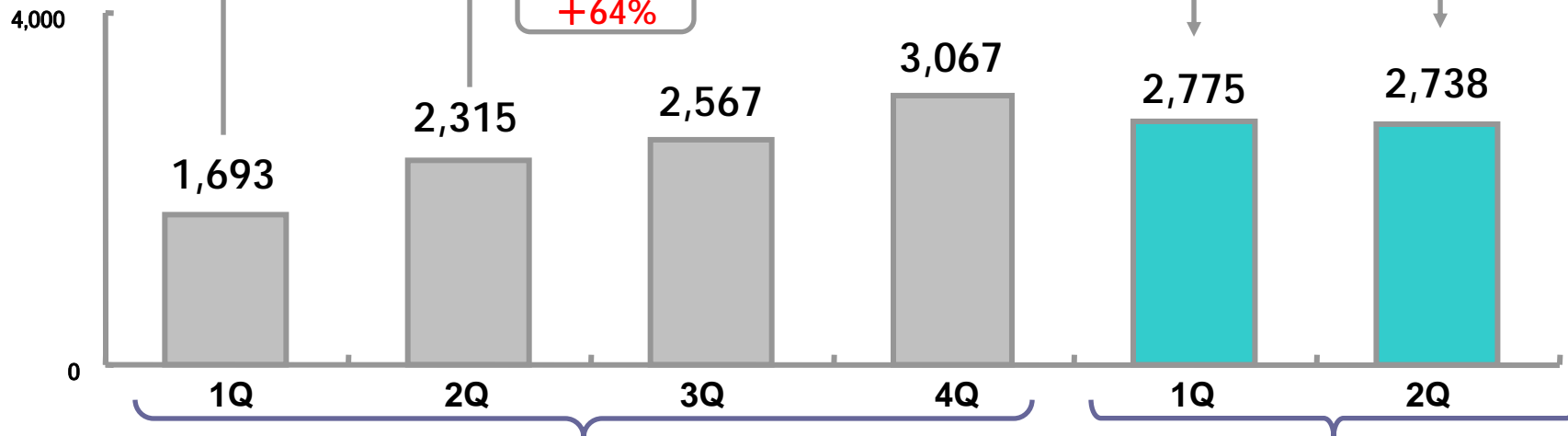
¥7 → ¥8

1) Financial results for the 2Q of FY2013

Even when compared with 4Q of FY2012, both net sales and operating income increased

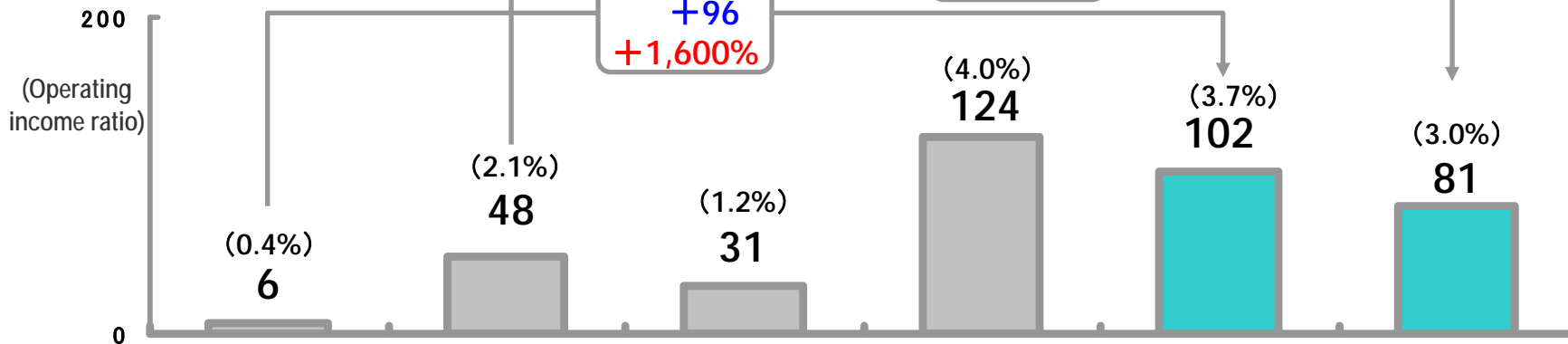
Net Sales

(100 million yen)



Operating Income

(100 million yen)

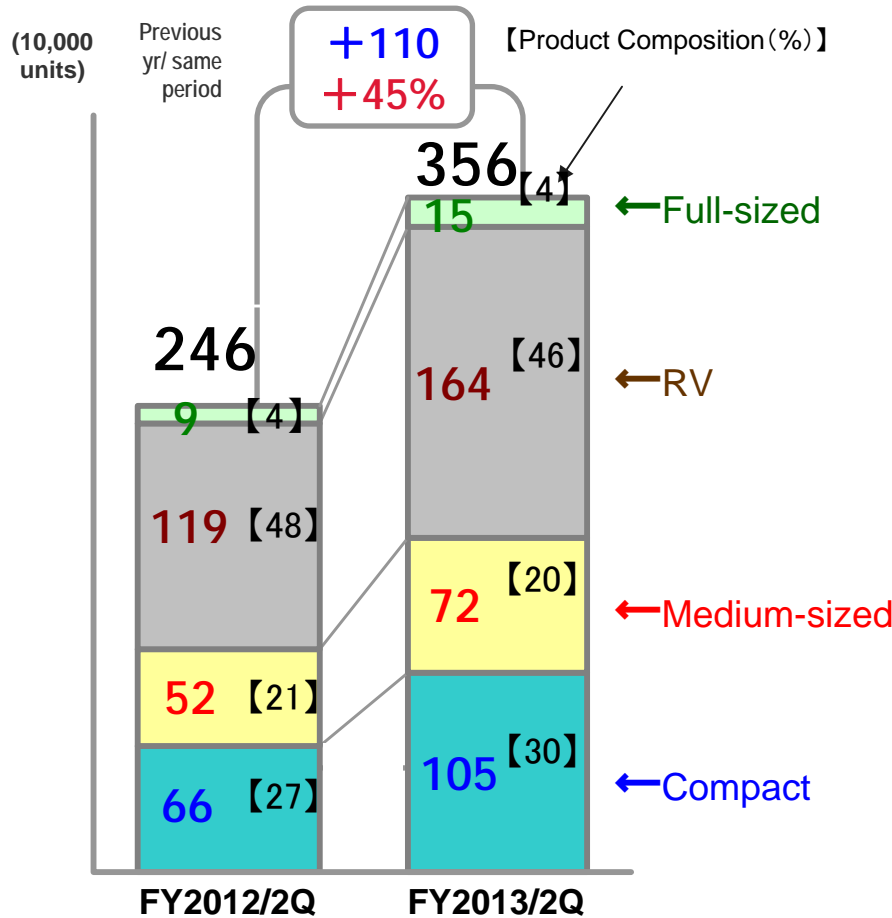


1) Financial results for the 2Q of FY2013 Unit production by region

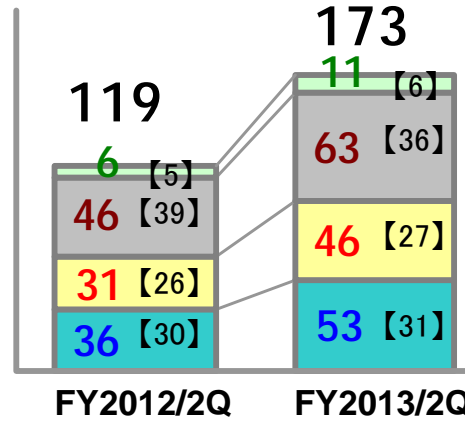
All regions saw increases in units in all classes

Seat Assembly Production

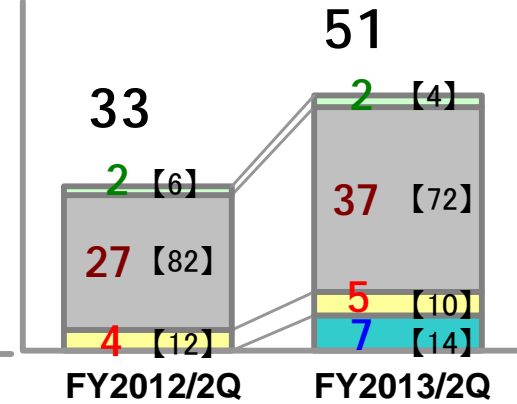
Total



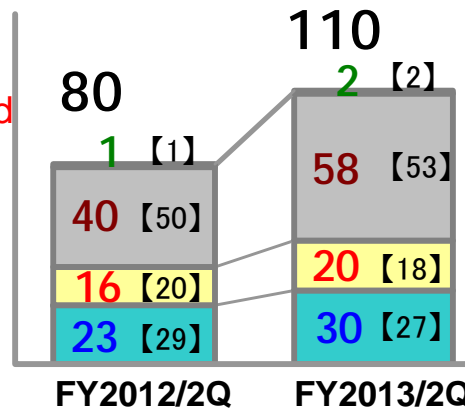
Japan



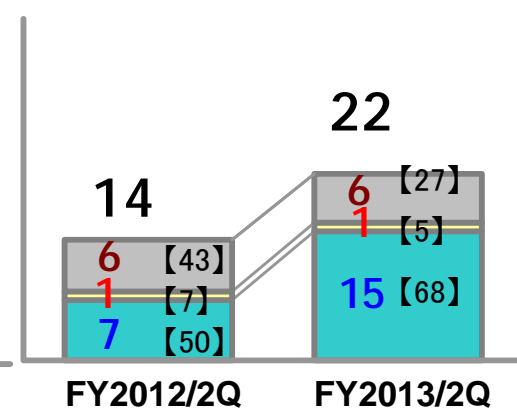
North & South America



Asia & Oceania



Europe & Africa



1) Financial results for the 2Q of FY2013

Net sales and Operating income by region (1)

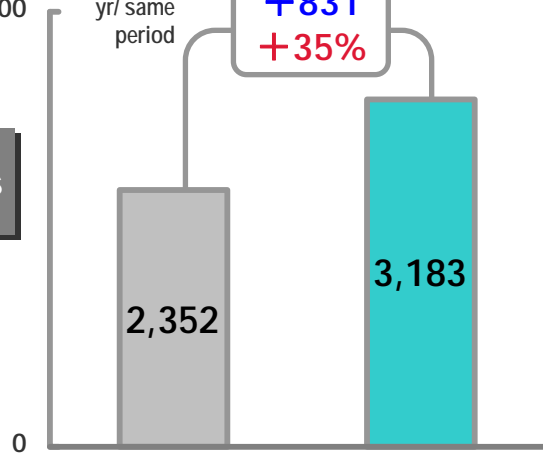
Japan

(100 million yen)
4,000

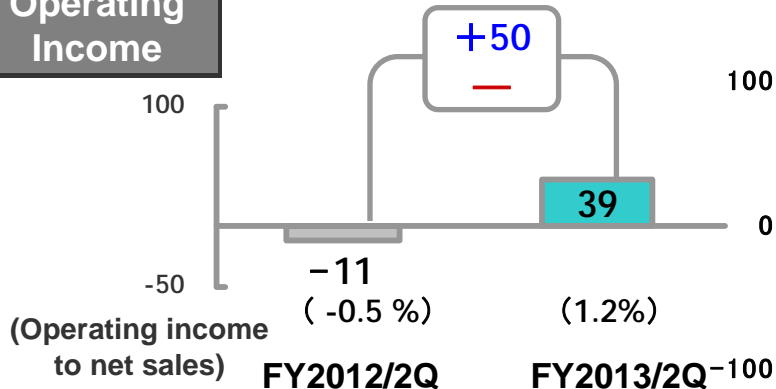
Previous
yr/ same
period

+831
+35%

Net Sales

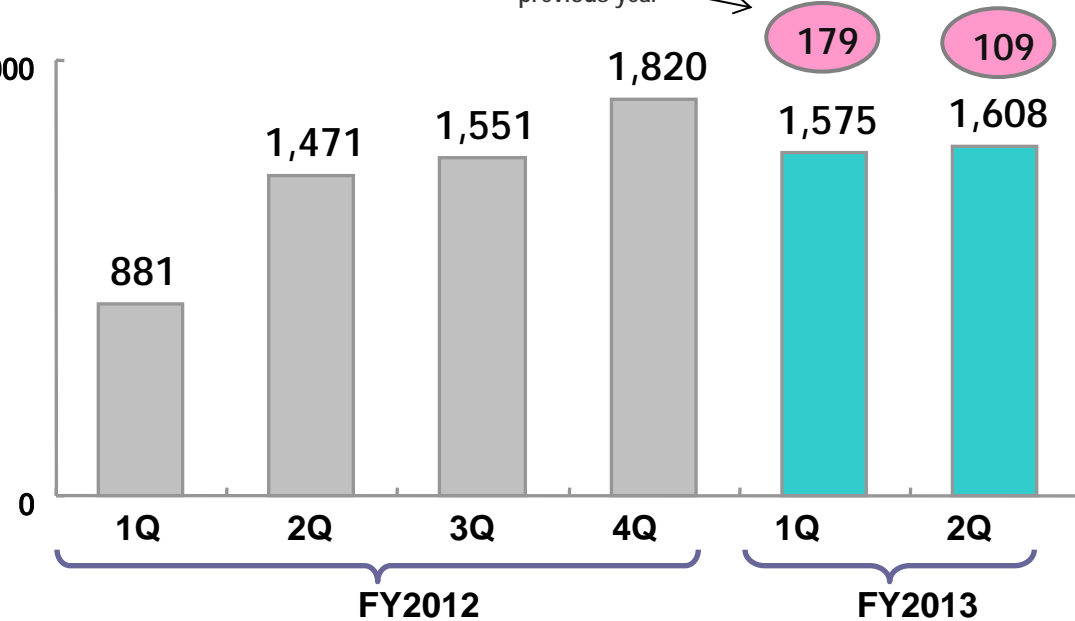


Operating Income

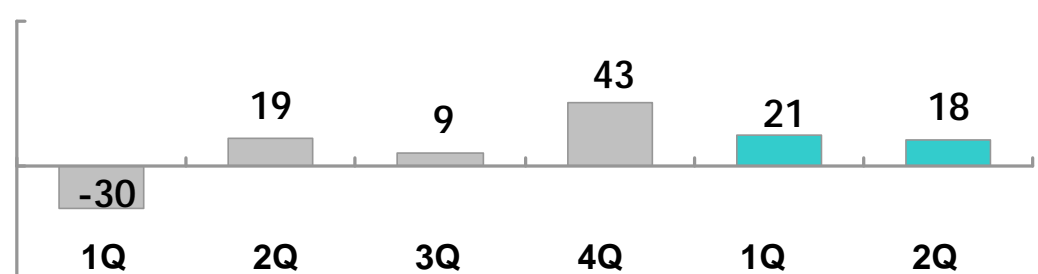


Vs. ratio from same time
previous year →

2,000



100



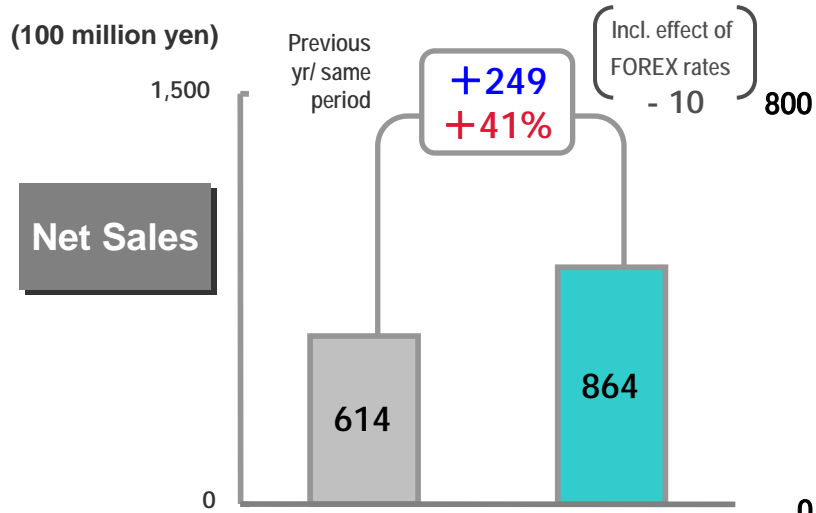
- Recovered from reduced production after disasters, saw increased revenues due to eco-friendly car subsidies
- Saw Operating Income go into the black largely due to increased production

1) Financial results for the 2Q of FY2013

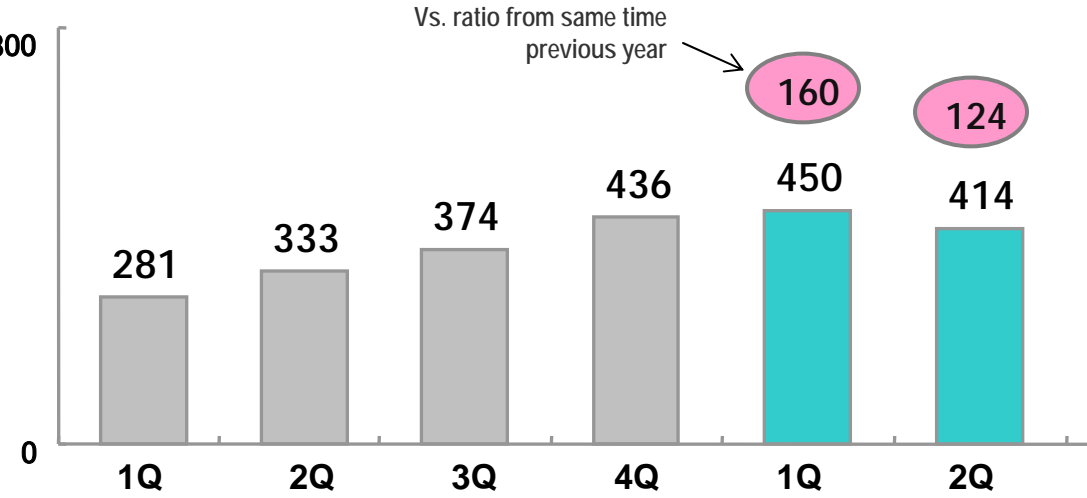
Net sales and Operating income by region (2)

North & South America

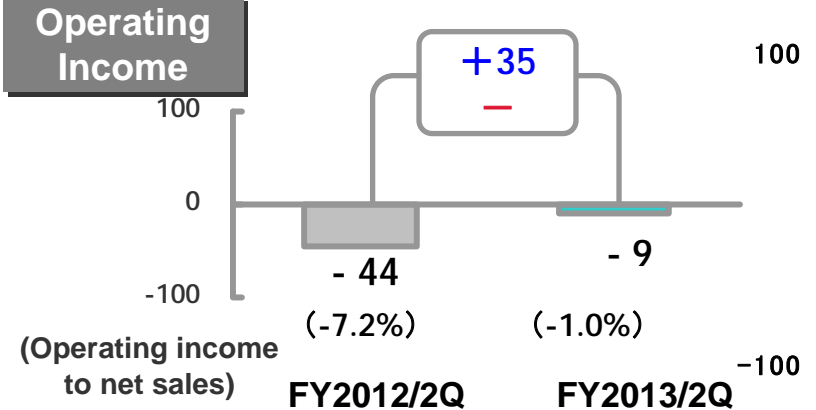
(100 million yen)



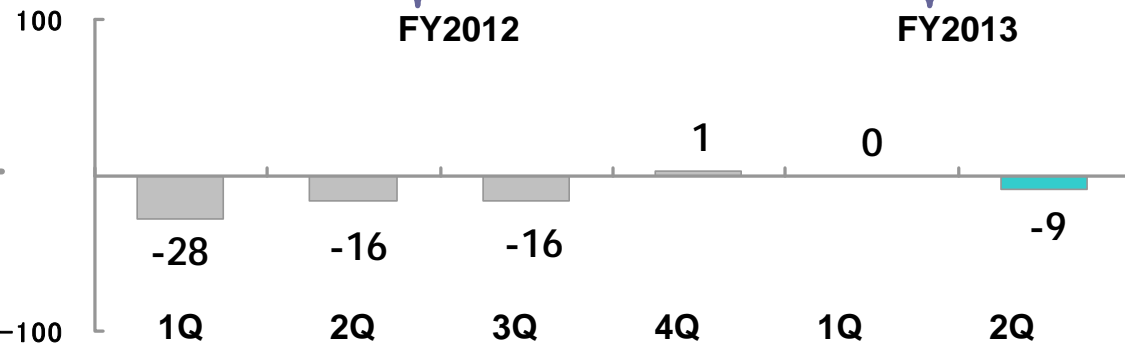
Net Sales



Operating Income



(Operating income to net sales)



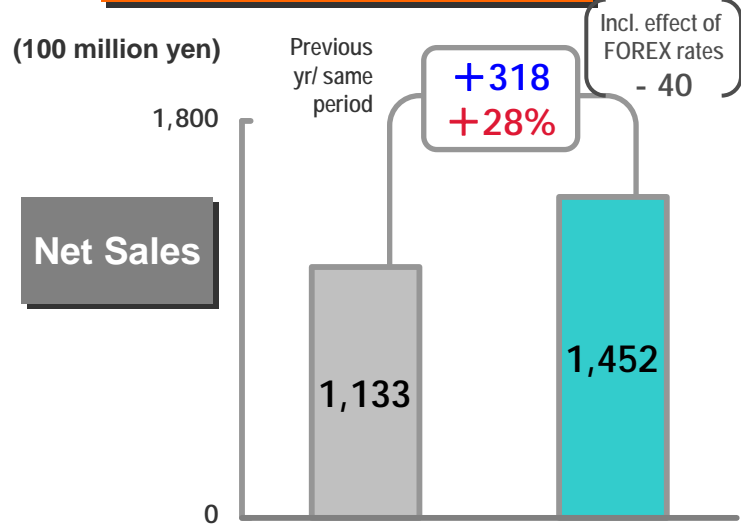
- Recovered from reduced production after disasters, contributions from Corolla set-up the previous year increased revenues
- Due to revenue increases from increased production and improvements from continuing cost-cutting activities, saw slight reduction in figures in the red

1) Financial results for the 2Q of FY2013

Net sales and Operating income by region (3)

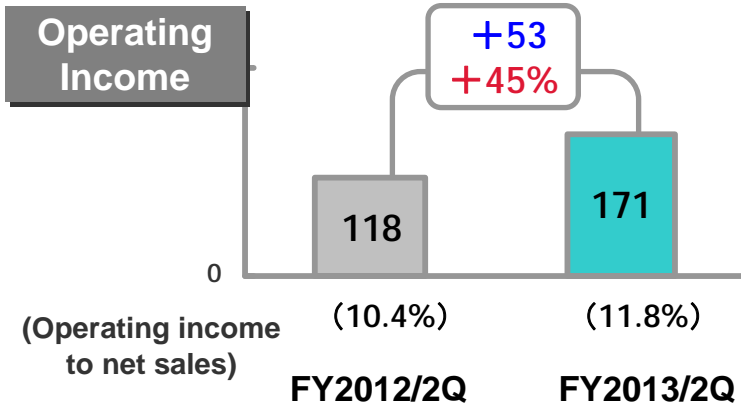
Asia & Oceania

(100 million yen)



Net Sales

Operating Income

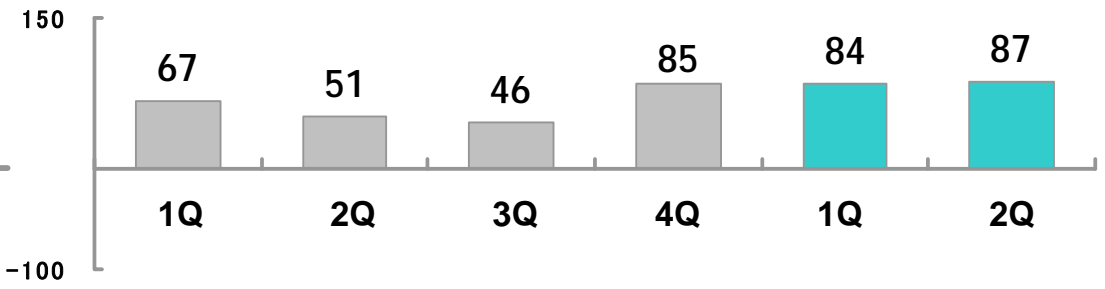
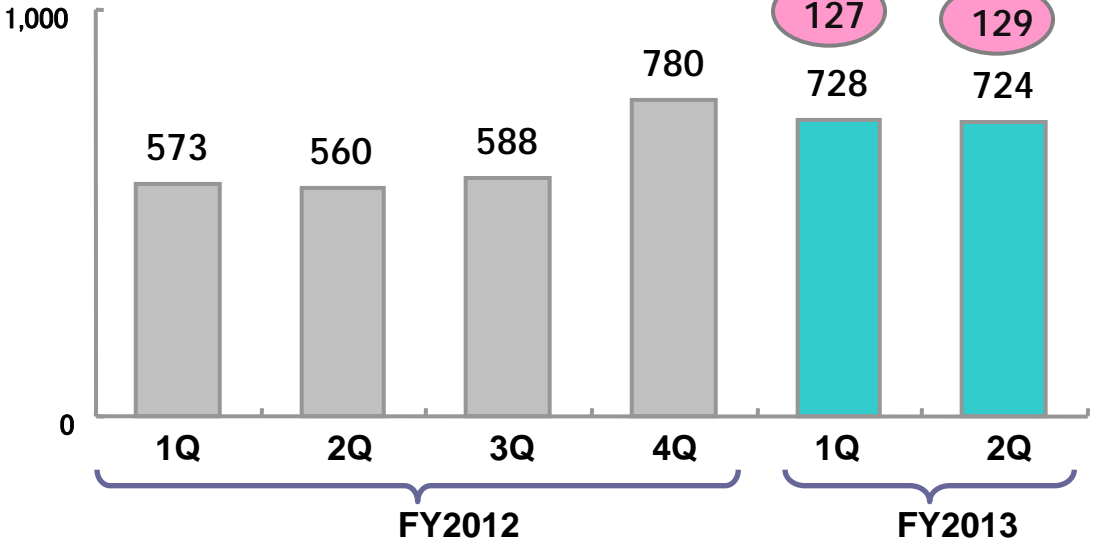


(Operating income to net sales)

FY2012/2Q

FY2013/2Q

Vs. ratio from same time previous year



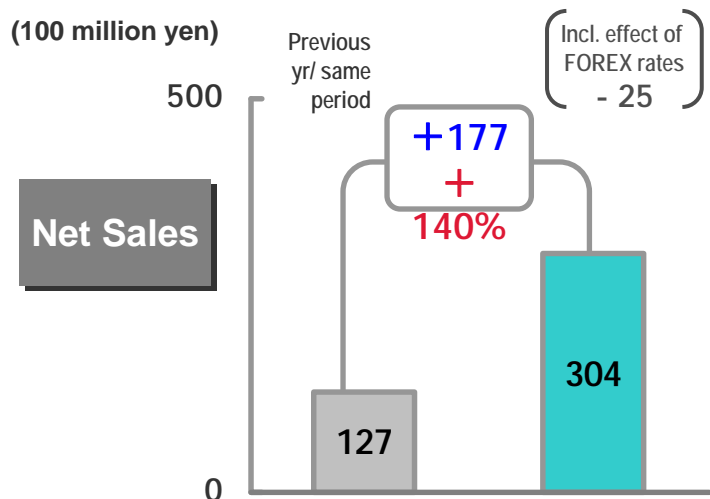
- Recovered from reduced production after disasters, saw increased revenues
- Sales and profit improving

1) Financial results for the 2Q of FY2013

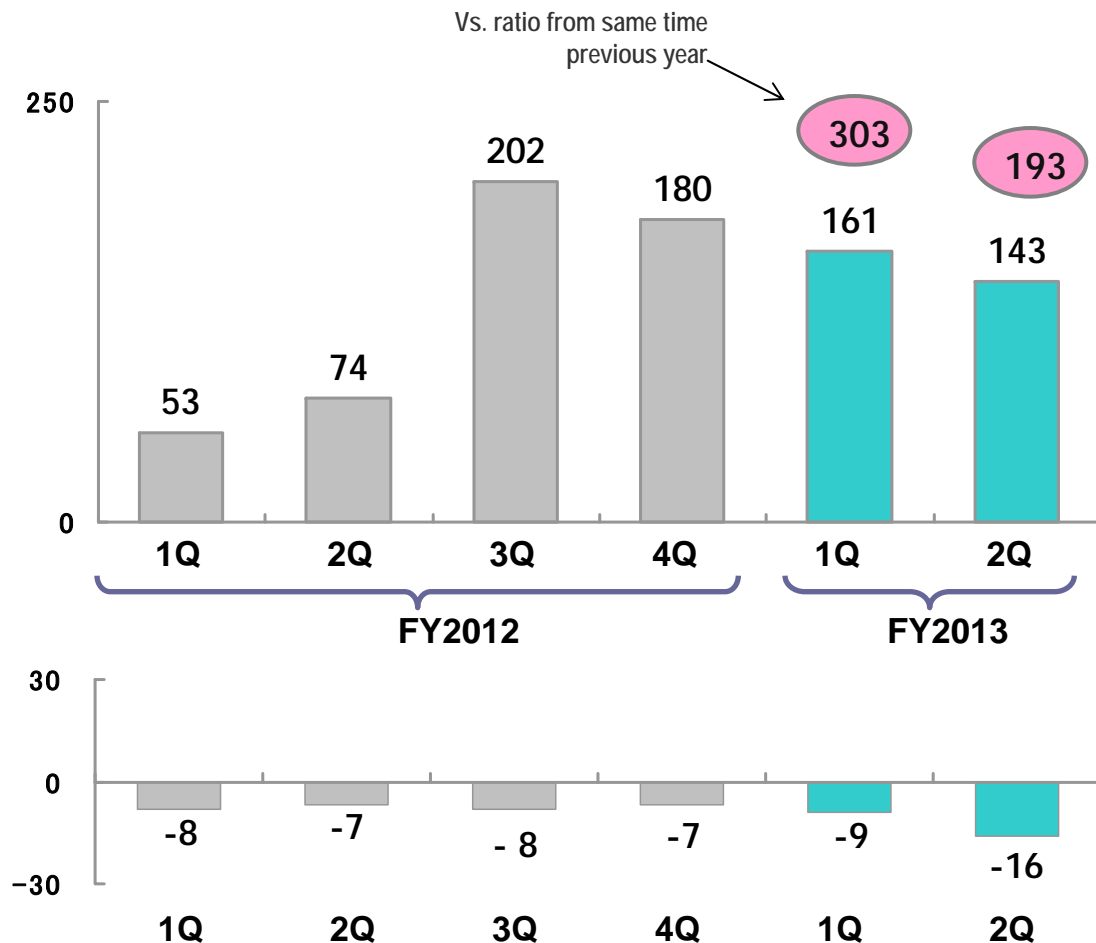
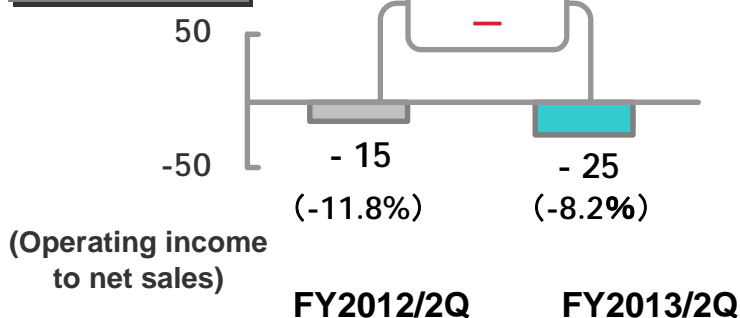
Net sales and Operating income by region (4)

Europe & Africa

(100 million yen)



Operating Income



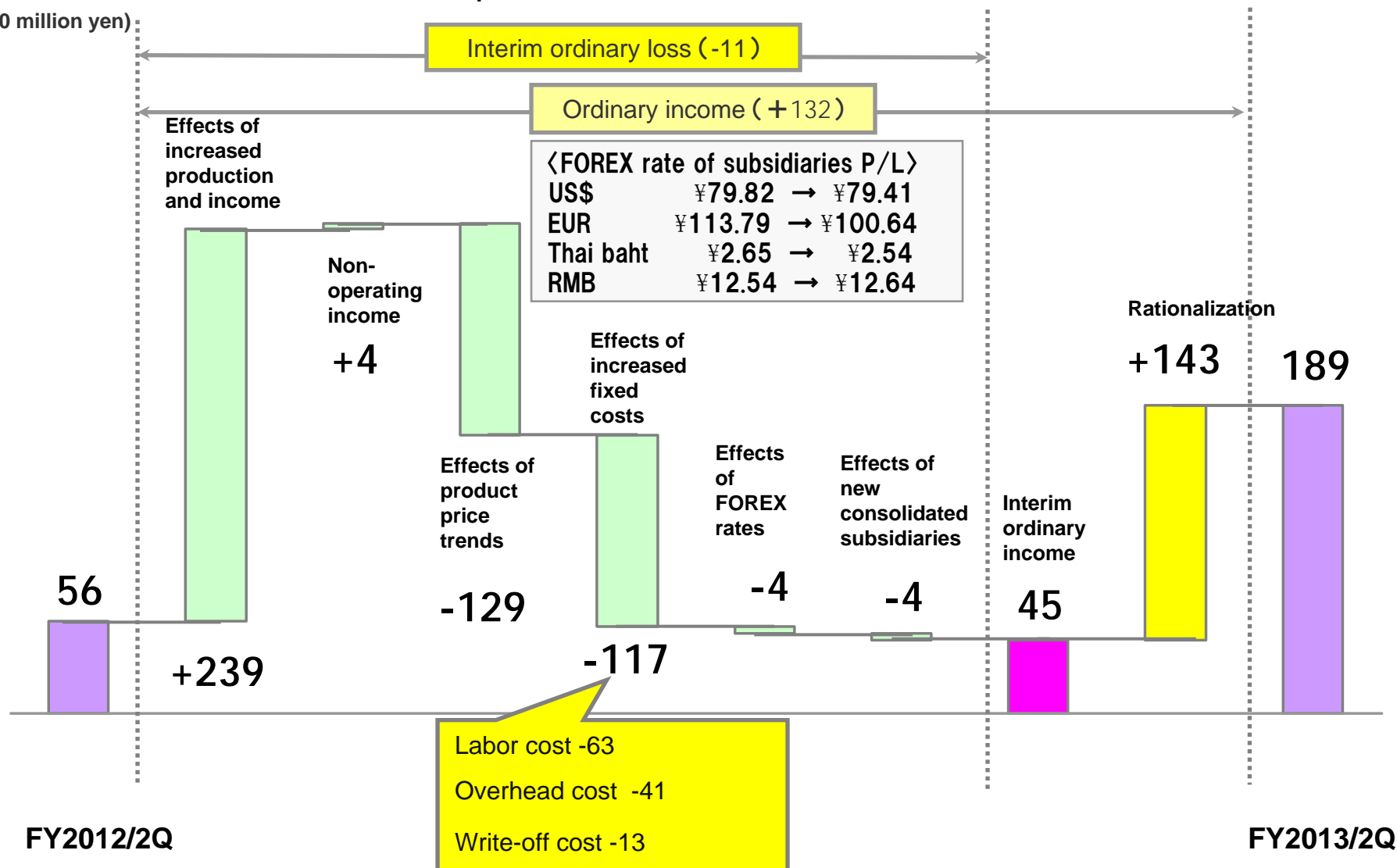
- Revenue increased due to contributions from the set-up of Yaris the previous year and BAE.
- Revenues increased however numbers in the red increased.

1) Financial results for the 2Q of FY2013

Ordinary Income Increase/Decrease Analysis

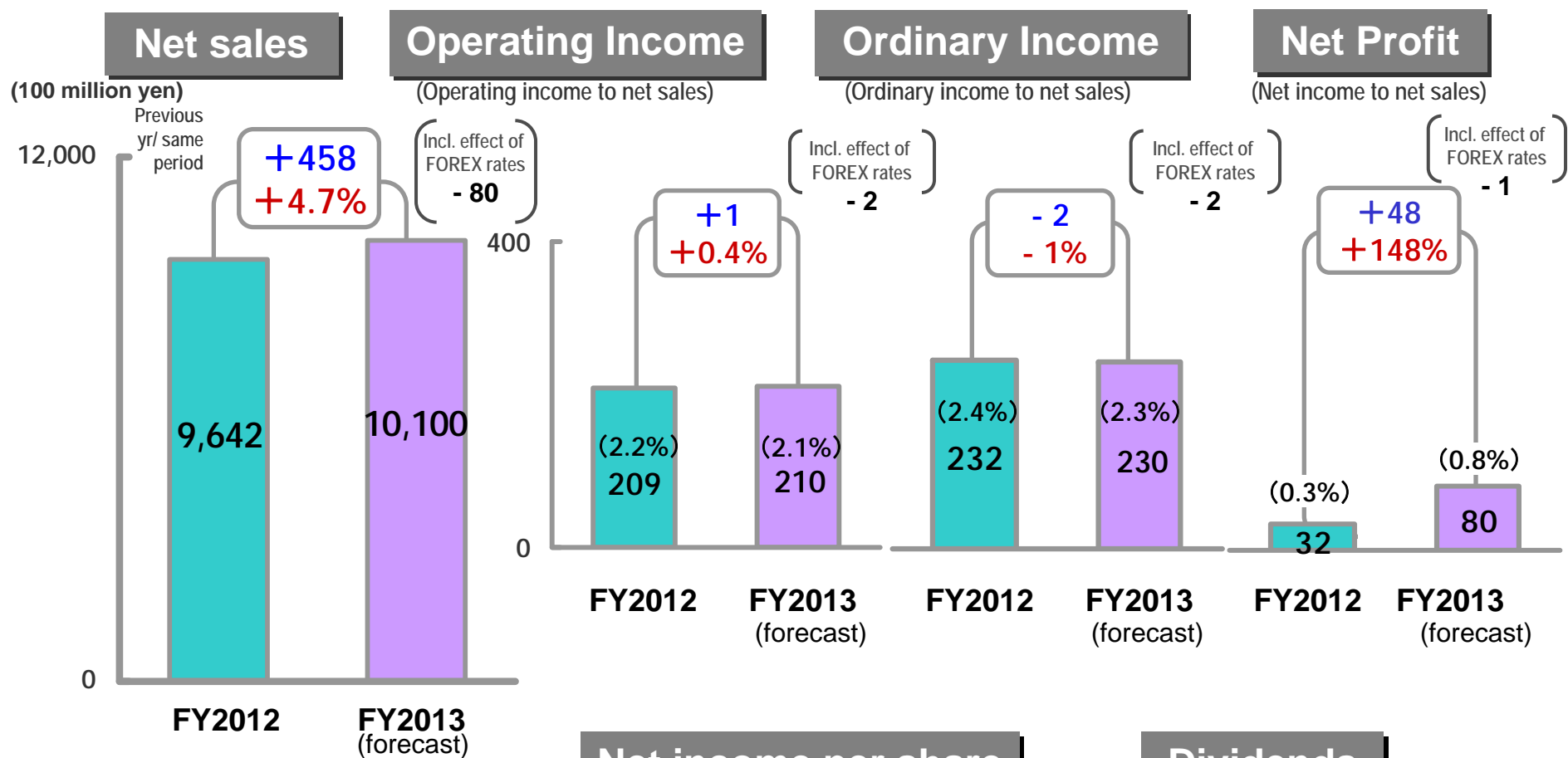
Effects from increased production saw revenues increase and results from rationalization saw increased profit

(100 million yen)



2) Forecasted result for FY2013

Revenues increased but profit remained level due to worsening product composition



US\$	¥79.08	¥78.00
EUR	¥108.98	¥100.00
Thai baht	¥2.59	¥2.50
RMB	¥12.35	¥12.40

Net income per share

- ¥17.45 → ¥43.17

Dividends

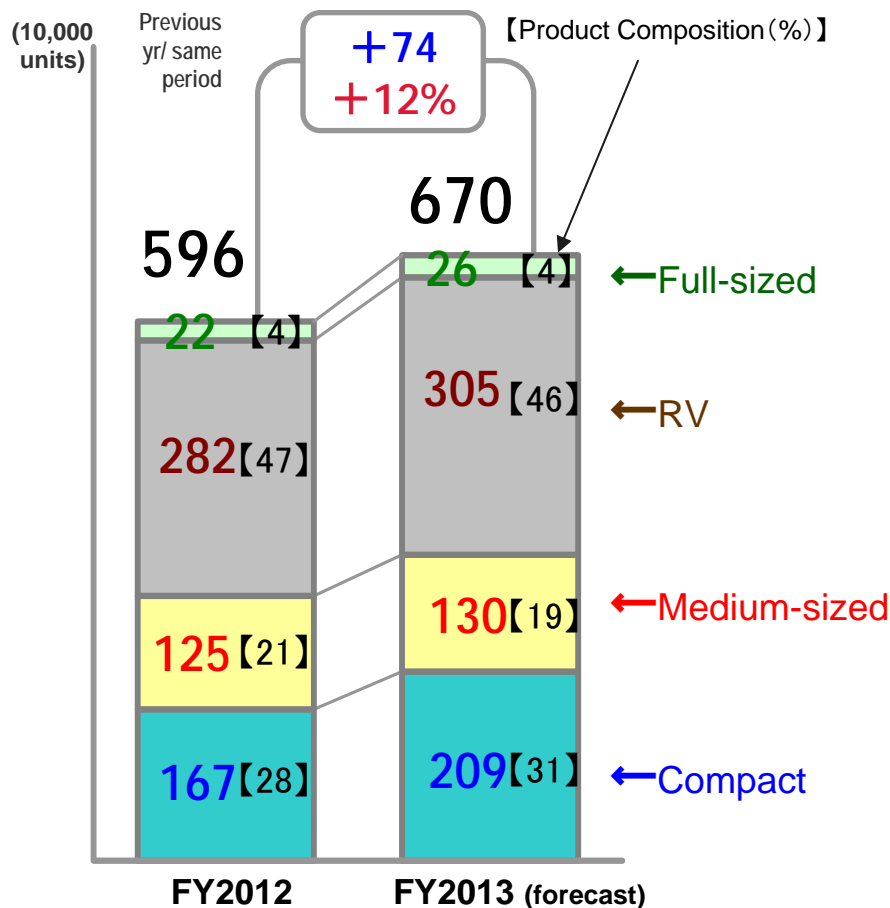
¥16 → Not yet determined

2) Forecasted result for FY2013 Unit production by region

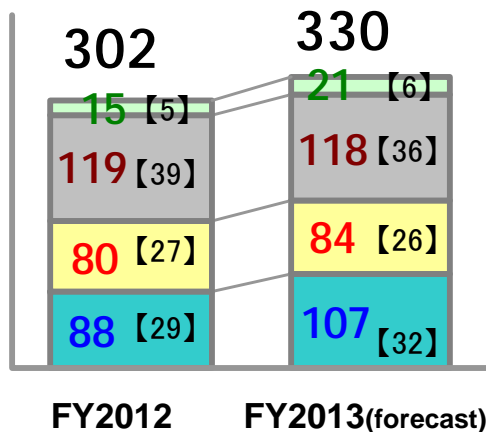
Units increased in each region, worsening product composition saw increase in compact models

Seat Assembly Production

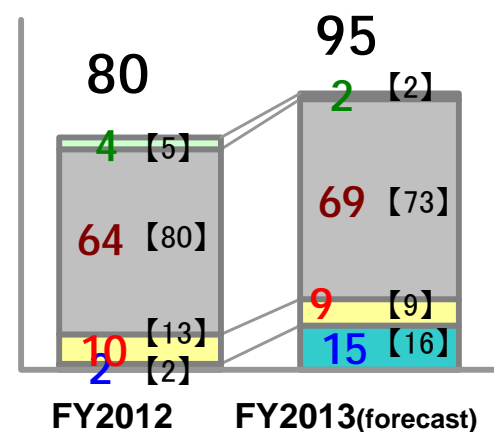
Total



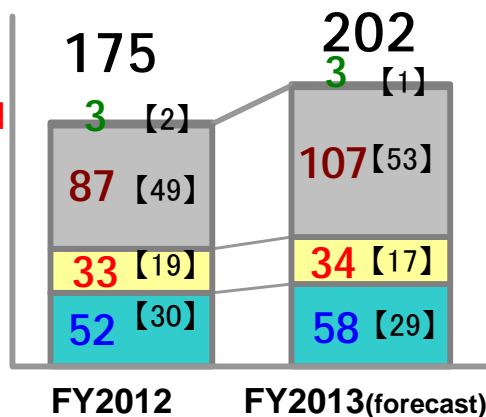
Japan



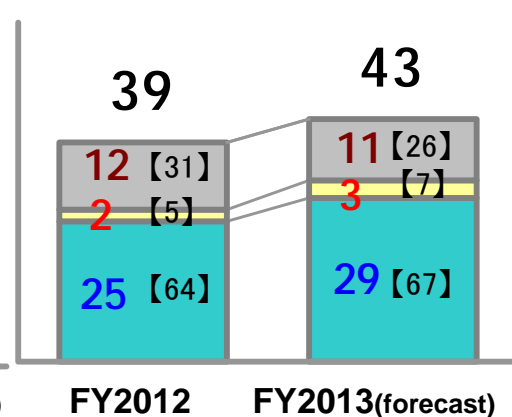
North & South America



Asia & Oceania



Europe & Africa



2) Forecasted result for FY2013 Net sales and Operating income by region (1)

Japan

(100 million yen)

Previous yr/ same period

+137
+2%

8,000

5,723

5,860

0

Net Sales

Separate for 1st & 2nd Half of FY2013

(100 million yen)

Net Sales

5,000

100

3,183

84

2,677

0

1st half

2nd half

Operating Income

50

- 41
-

41

0

(Operating income to net sales)

(0.7%)

(0.0%)

FY2012

FY2013 (forecast)

Operating Income

100

100

39

-

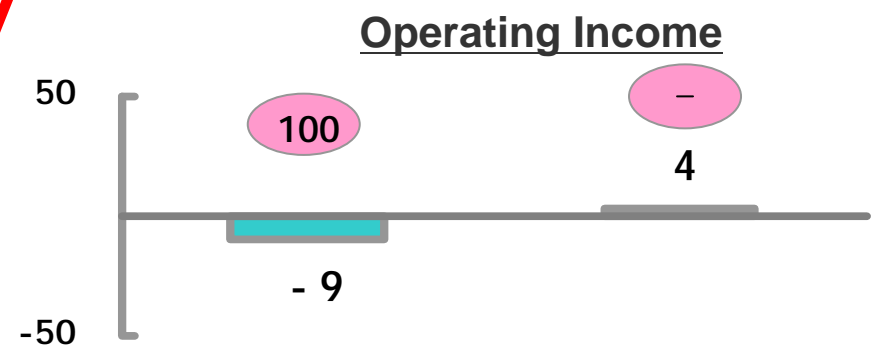
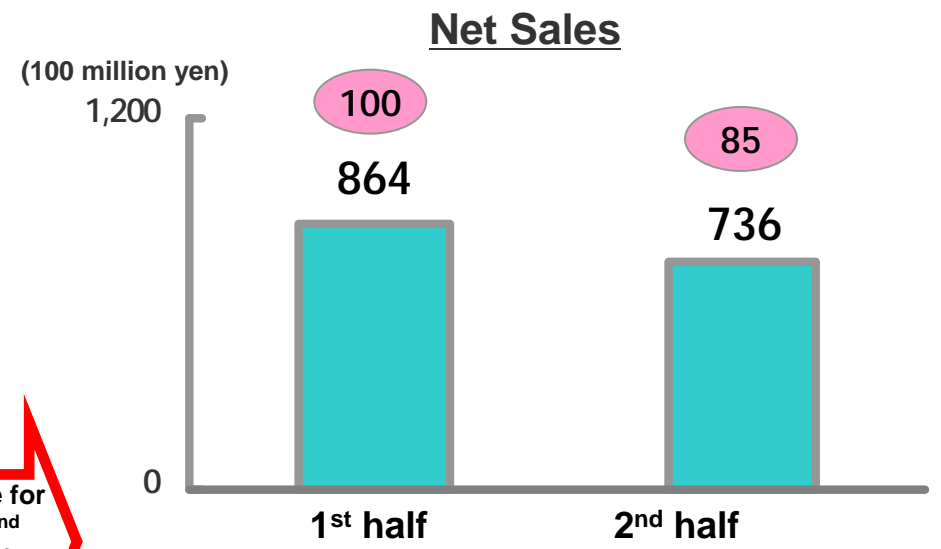
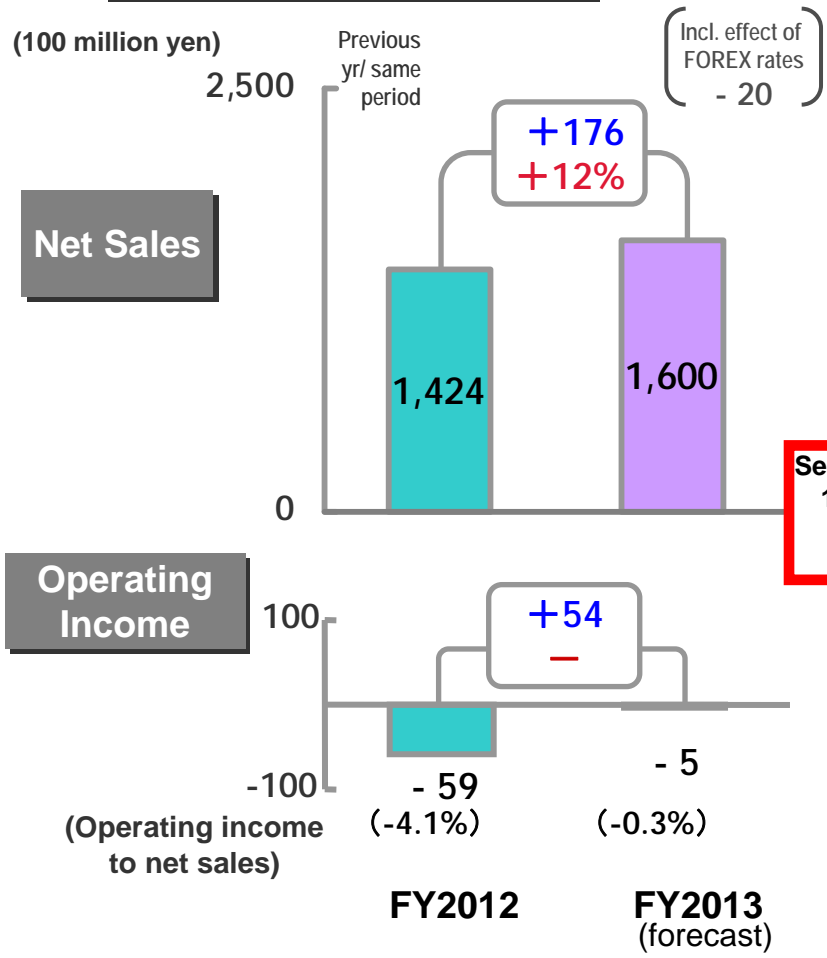
-39

-100

- Increased production in the 1st half lead to increased revenues, worsening composition and costs to handle new businesses increased leading to reduced profits
- Expect that discontinuance of eco-friendly car subsidies in the 2nd half will cause reduction, forecast numbers will go into the red

2) Forecasted result for FY2013 Net sales and Operating income by region (2)

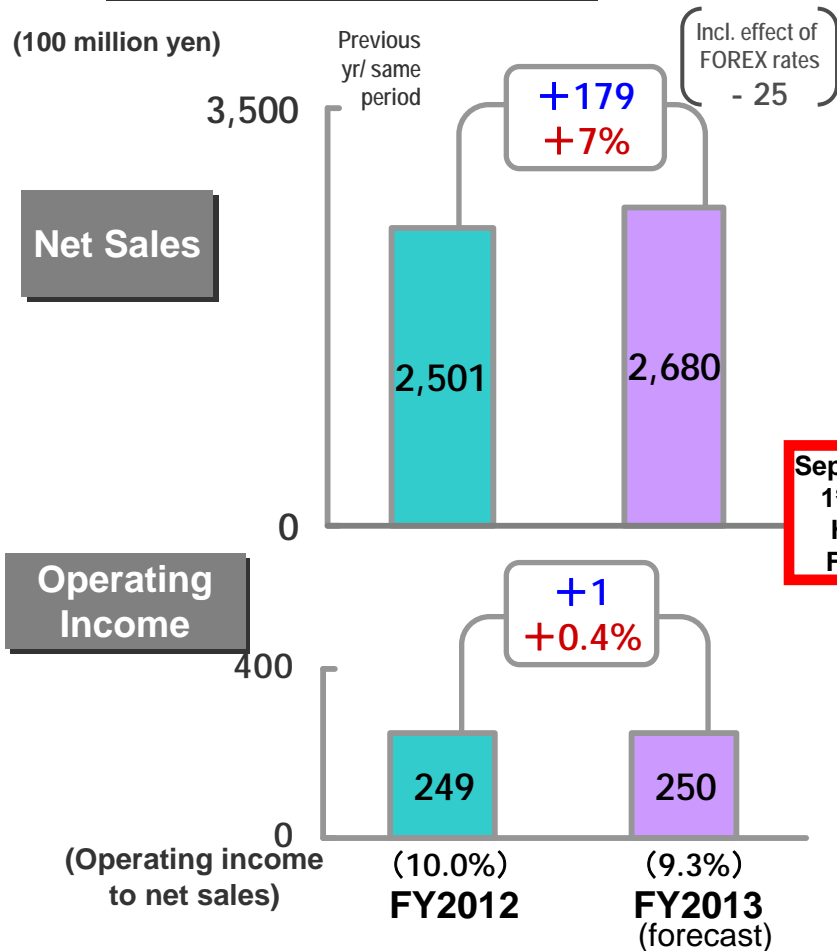
North & South America



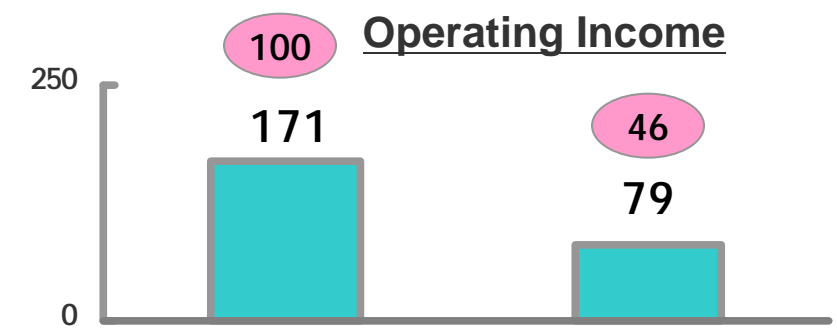
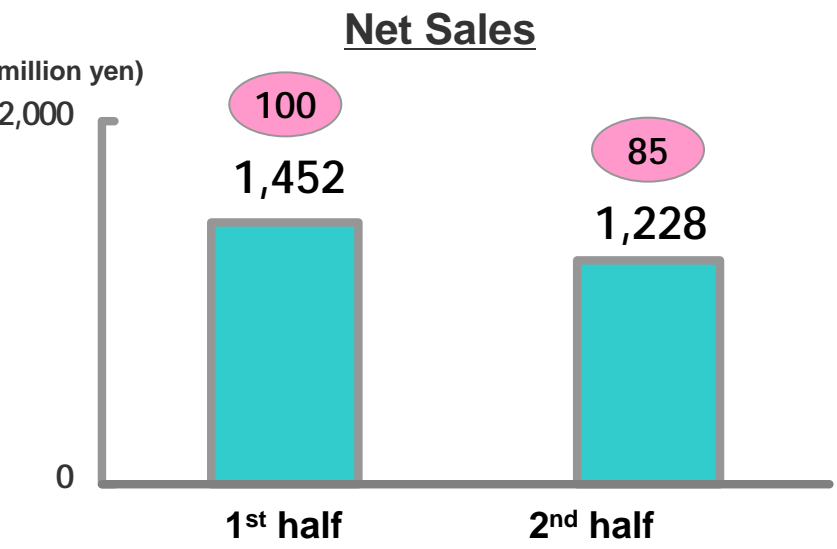
- Anticipated the market will slow down in the 2nd half, annual revenues will increase due to increased production in the 1st half
- Production preparation costs for Brazil caused decrease in profits, forecast that figures in the red will reduce slightly

2) Forecasted result for FY2013 Net sales and Operating income by region (3)

Asia & Oceania



Separate for 1st & 2nd Half of FY2013



- Production decreased in China, ASEAN contributes increased revenues
- The 1st half was strong however due to impacts from reduced production in China during the 2nd half annual profits will remain the same

2) Forecasted result for FY2013 Net sales and Operating income by region (4)

Europe & Africa

(100 million yen)

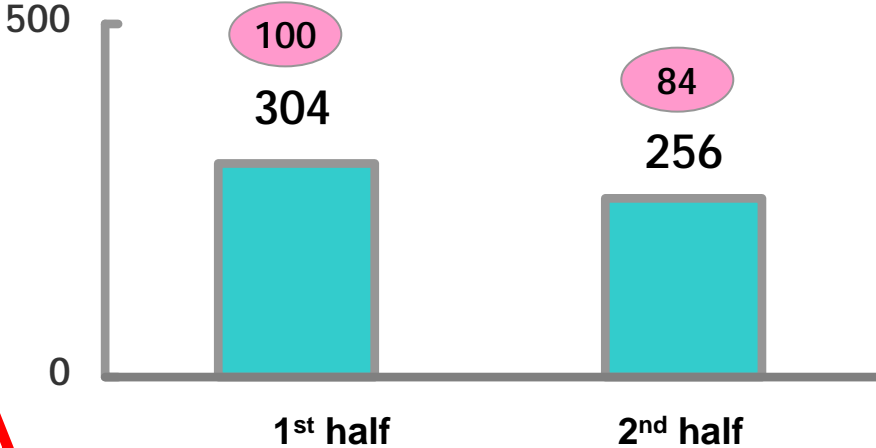
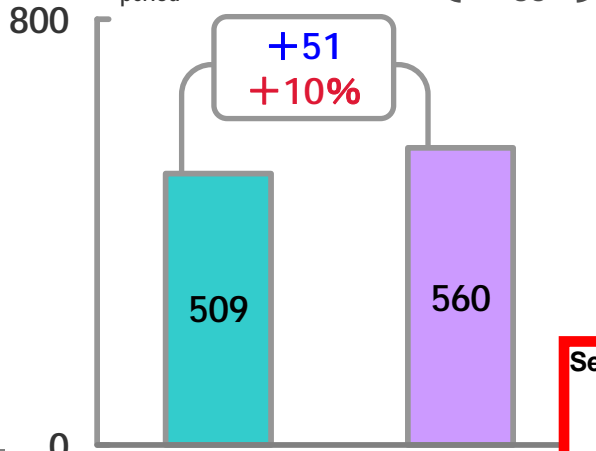
Previous yr/ same period

Incl. effect of FOREX rates
- 35

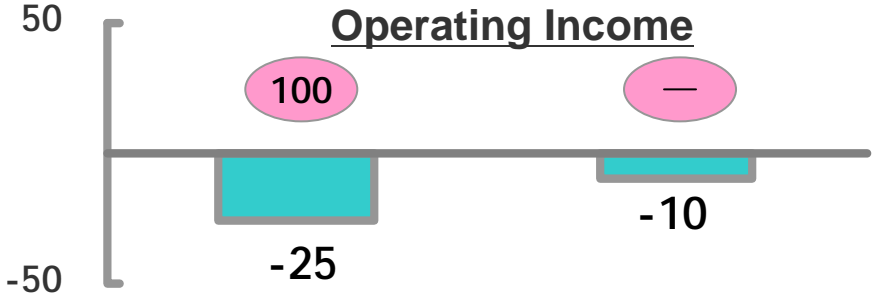
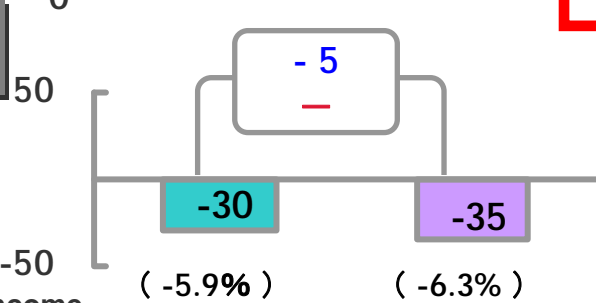
(100 million yen)

Net Sales

Net Sales



Operating Income

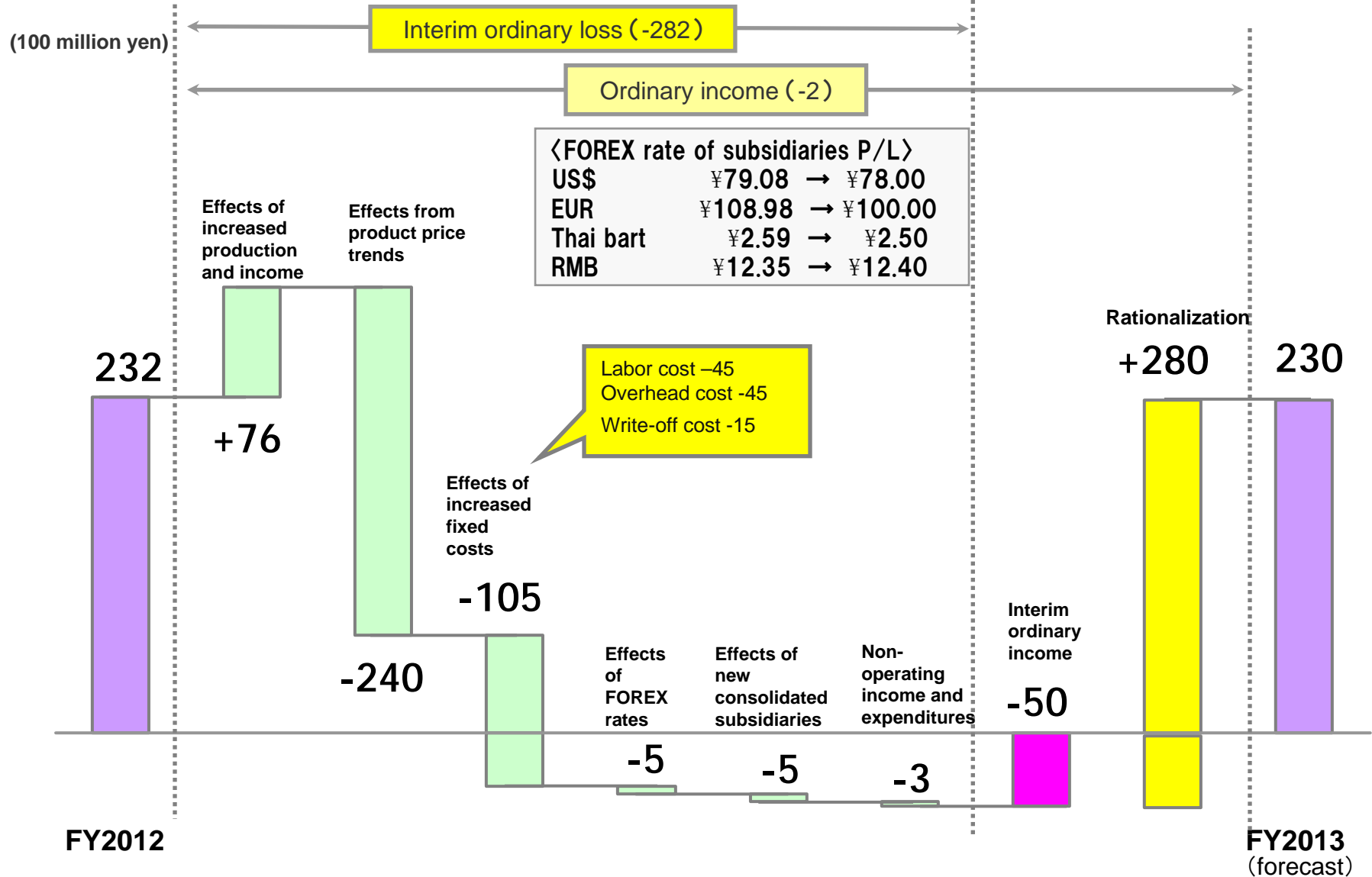


Separate for 1st & 2nd Half of FY2013

- Transferred Auris from Turkey, contributions from Yaris and BAE increased revenues
- Impacts from BAE caused numbers to go into the red

2) Forecasted result for FY2013 Ordinary Income Increase/Decrease Analysis

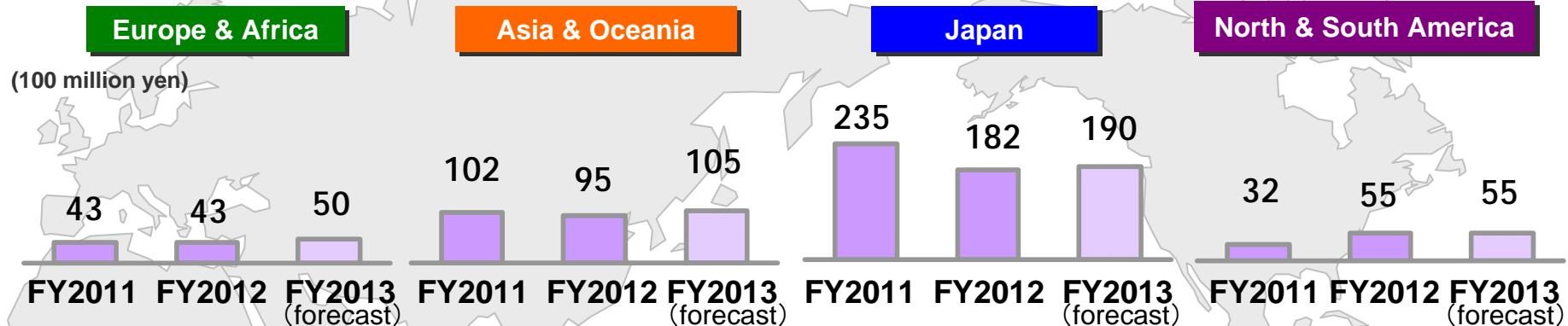
Though numbers went in the red, covered with rationalization to maintain current level



2) Forecasted result for FY2013 Capital Expenditures

Providing a global supply system based around model change investment

Capital Expenditures



Investment for measures for new BAE products

Investment for production of newly released vehicles in China and others

Investment in model changes

Investment for production facilities to prepare for new Corolla models in Mississippi

