

Quantum Leap



Toyota Boshoku Corporation

First-Half Financial Results
of FY2014 ended September 30, 2013



Quantum Leap

1. First-half Financial Results for FY2014

- 1) Overview of first-half financial results
- 2) First-half financial results for FY2014
- 3) Estimates for FY2014

2. In-depth Activities for Profit Improvement

- 1) By region (The Americas, Europe & Africa)
- 2) Improvement efforts on manufacturing (Japan)
- 3) New technology activities
- 4) NCB (New Customer Business) activities



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1. First-half Financial Results for FY2014

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1) Overview of first-half financial results

1. Saw increases in revenue due to production growth in the Americas and influences from exchange rates however Asia & Oceania saw production decreases in the first-half.
2. In the second half, estimates saw revised improvements in; net sales and ordinary income, due to adjustments in exchange rates and production quantity.
3. Dividends for the first-half are 9 year per share.



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1. Financial Results for FY2014

- 1) Overview of first half financial results
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2) First-half financial results for FY2014

First-half financial results for FY2014

(100 million yen)

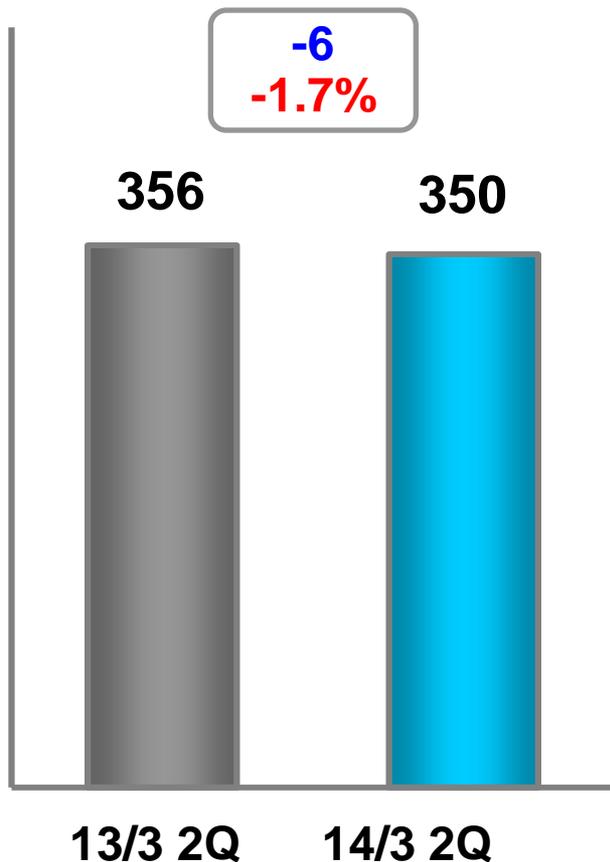
		FY2013 2Q		FY2014 2Q		Fluctuation		1Q Estimate	
Net Sales		5,513	100.0%	5,921	100.0%	408	7.4%	5,300	100.0%
Operating Income		183	3.3%	161	2.7%	-21	-11.7%	130	2.5%
Ordinary Income		189	3.4%	228	3.9%	39	20.7%	155	2.9%
Net Income		94	1.7%	114	1.9%	20	21.3%	70	1.3%
Per Share Net Income		51.11 yen		62.00 yen					
Per Share Cash Dividend		8.00 yen		9.00 yen					
Exchange Rate	US \$	79 yen		99 yen		20 yen (weak yen)			
	Euro	101yen		130 yen		29 yen (weak yen)			

2) First-half financial results for FY2014

Seat assembly production

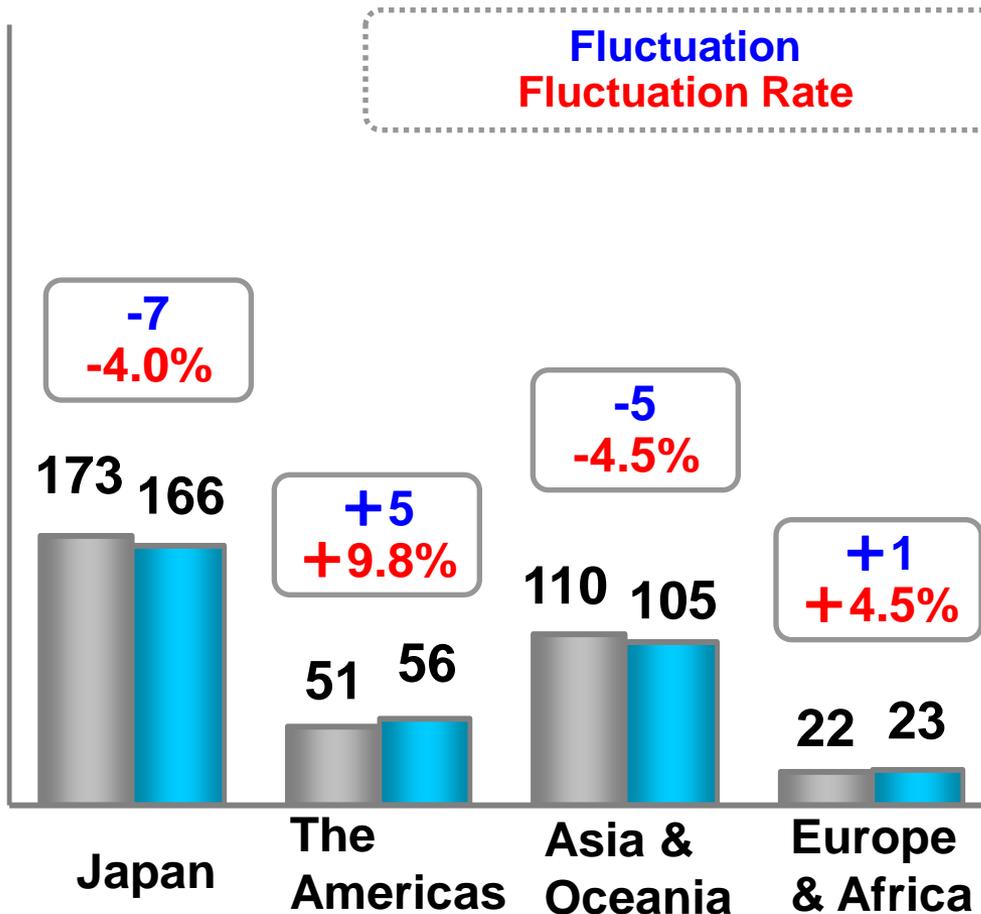
Total

(10,000 Units)



By Region

(10,000 Units)



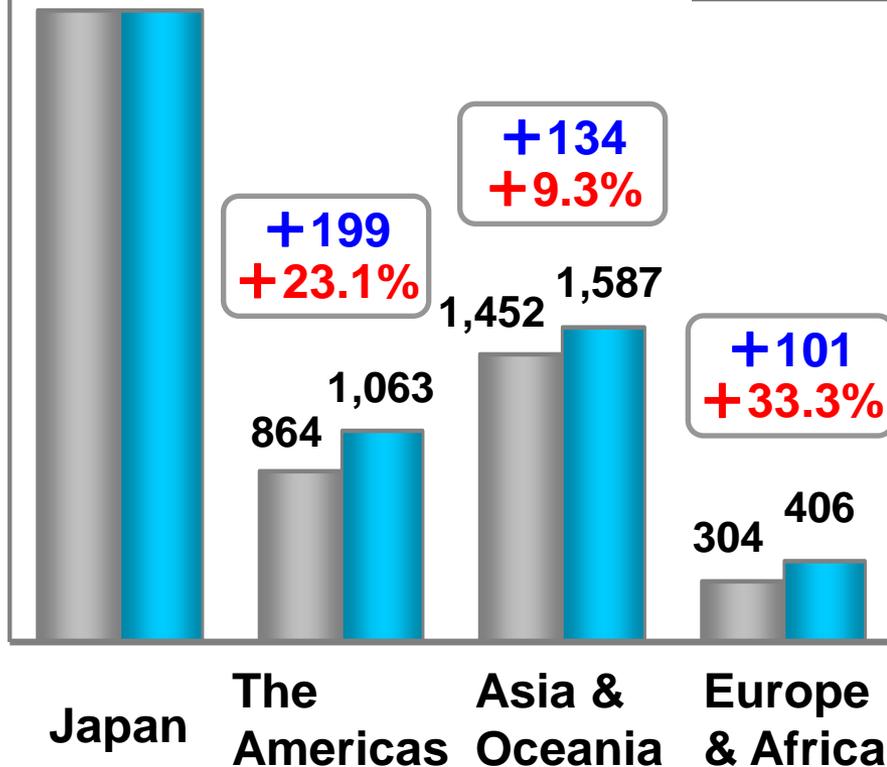
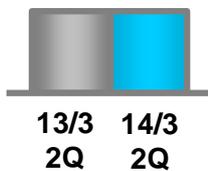
2) First-half financial results for FY2014

(100 million yen)

Net Sales

±0
—
3,183 3,183

Total	Amount
14/3 2Q	5,921
13/3 2Q	5,513
Fluctuation	+408



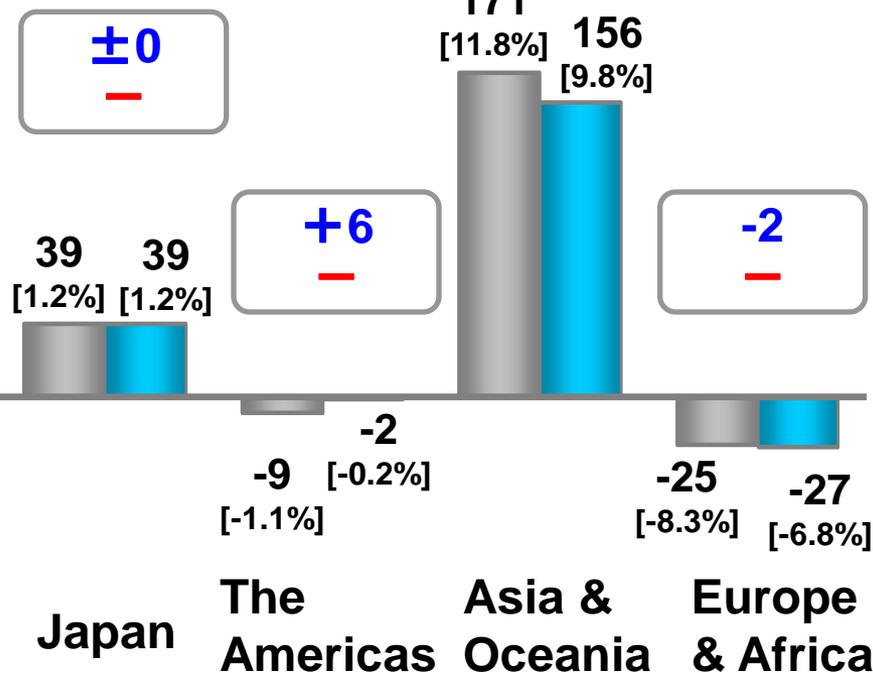
(100 million yen)

Operating Income

Total	Amount
14/3 2Q	161
13/3 2Q	183
Fluctuation	-21

※[]=Operating Income rate

-15
-9.1%



2) First half financial results for FY2014

(100 million yen)

Ordinary Income +39 (+20.7%)

Operating Income -21 (-11.7%)

189

-46

-33

-26

-15

+75

+24

+60

228

Effects of decreased production and income

Effects from changes in product price

Increased labor costs

Increased overhead costs

Rationalization

Effects of FOREX rate

Non-operating income

13/3 2Q

14/3 2Q



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3) Estimates for FY2014

Estimates for FY2014

(100 million yen)

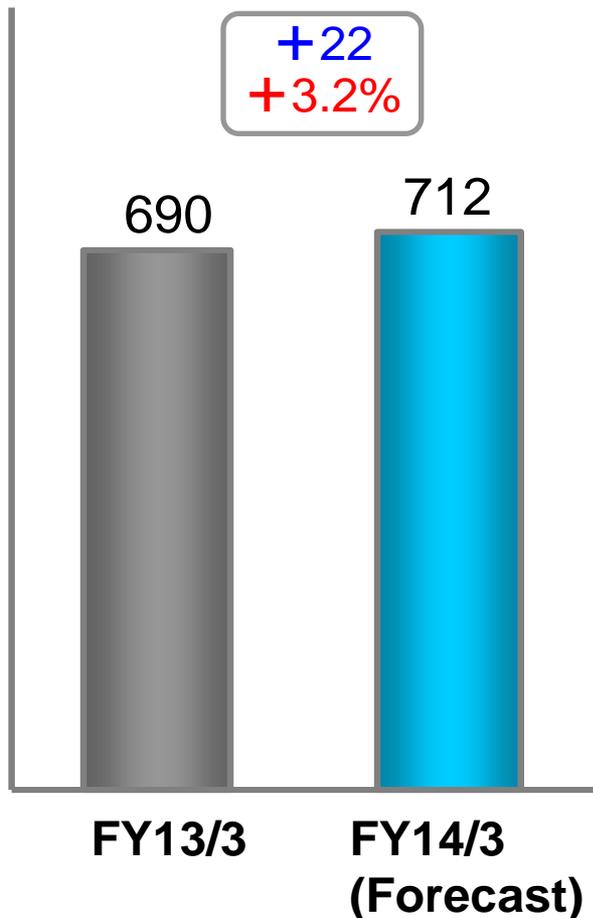
		FY13/3		FY 14/3 Estimates		Fluctuation		Estimate at 1Q	
Net Sales		10,794	100.0%	12,000	100.0%	1,205	11.2%	11,000	100.0%
Operating Income		253	2.3%	300	2.5%	46	18.6%	300	2.7%
Ordinary Income		339	3.1%	360	3.0%	20	6.2%	340	3.1%
Net Income		157	1.5%	170	1.4%	12	7.6%	160	1.5%
Per Share Net Income		85.23 yen		91.74 yen				86.35 yen	
Per Share Cash Dividend		18.00 yen		18.00 yen				18.00 yen	
Exchange Rate	US \$	83 yen		97 yen		14 yen (weak yen)		92 yen	
	Euro	107 yen		130 yen		23 yen (weak yen)		122 yen	

3) Estimates for FY2014

Seat assembly production

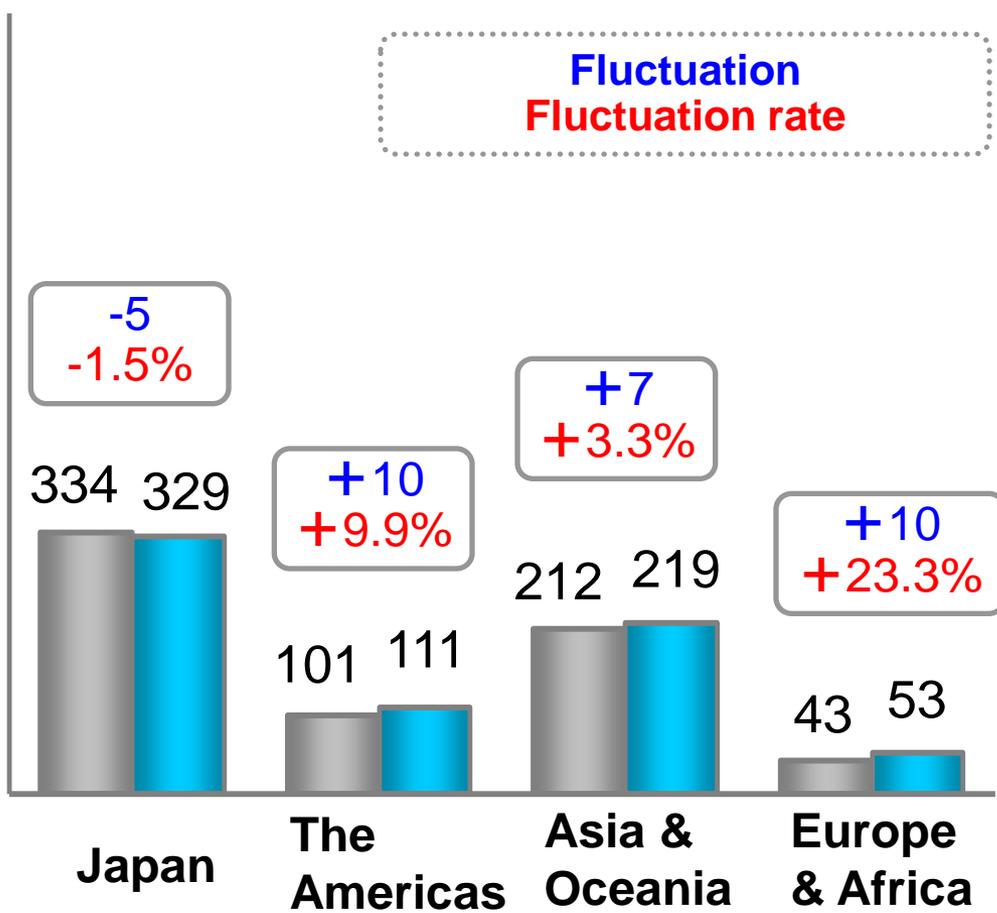
Total

(10,000 Units)



By Region

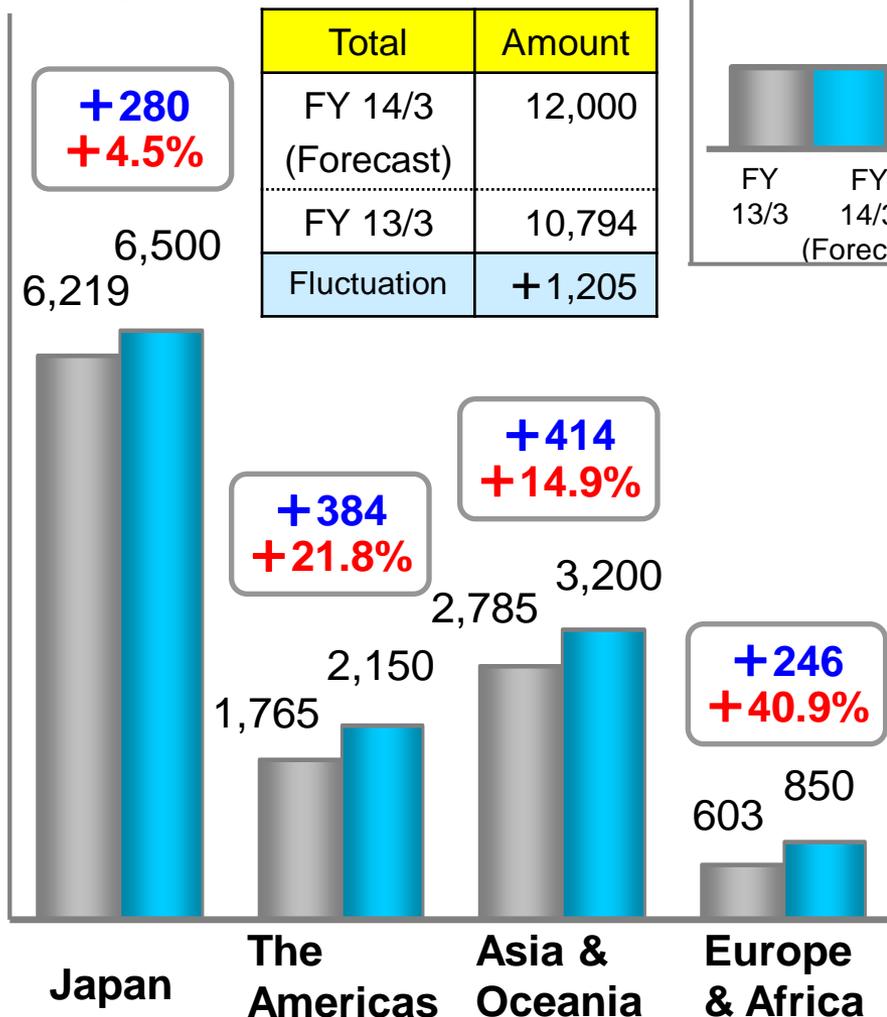
(10,000 Units)



3) Estimates for FY2014

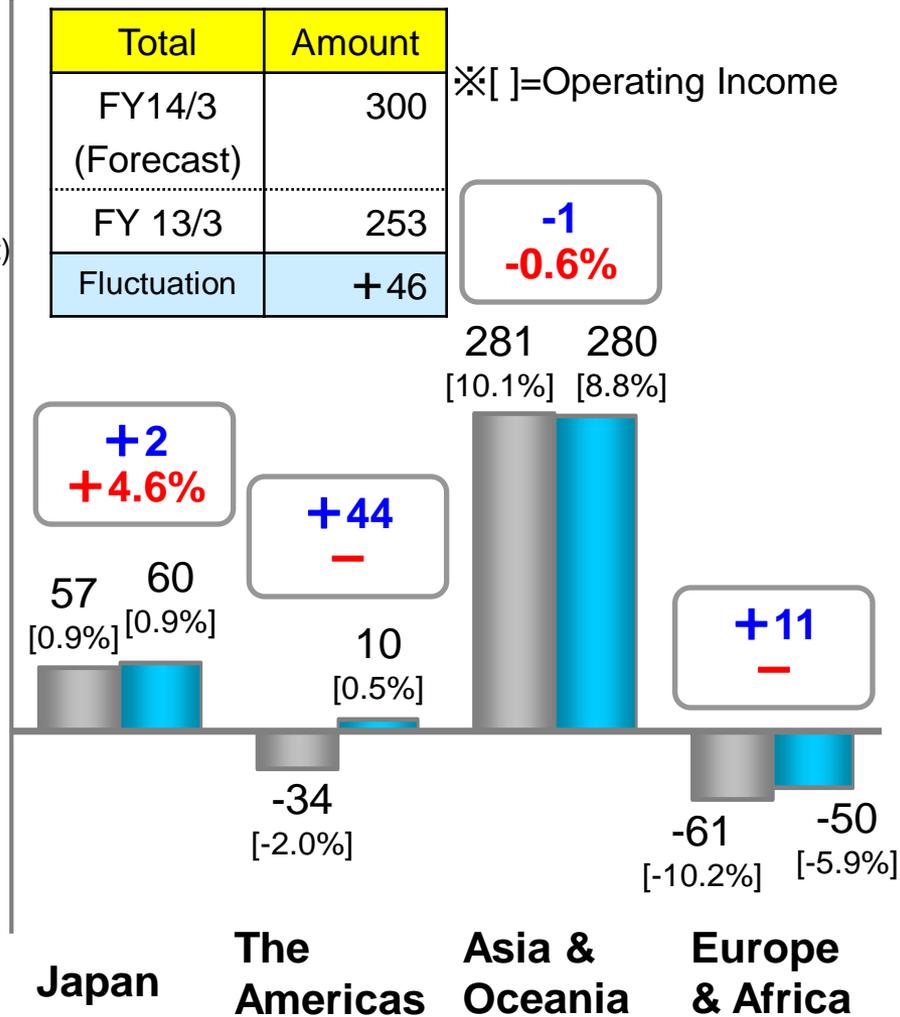
Net Sales

(100 million yen)

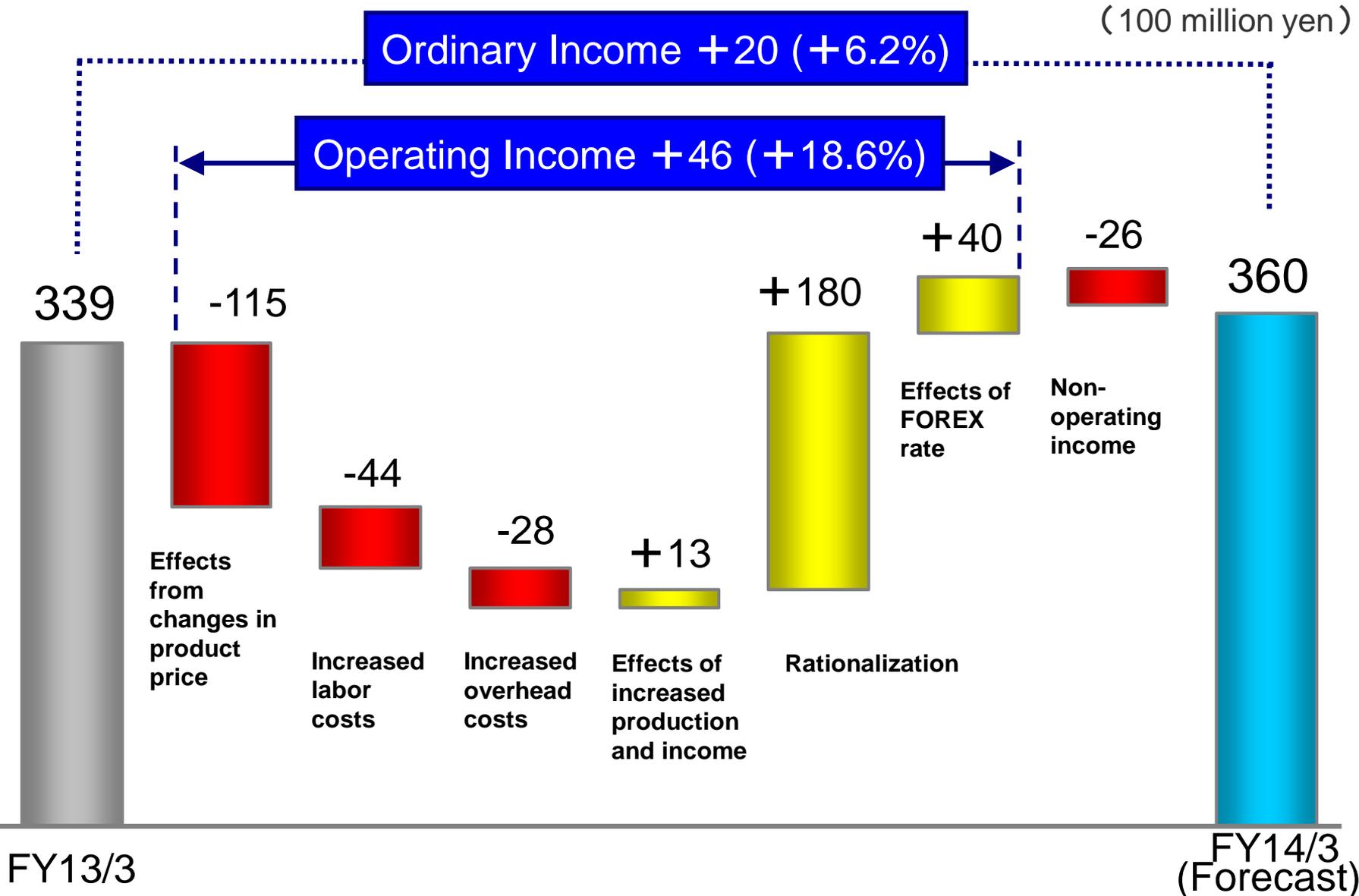


Operating Income

(100 million yen)



3) Estimates for FY2014





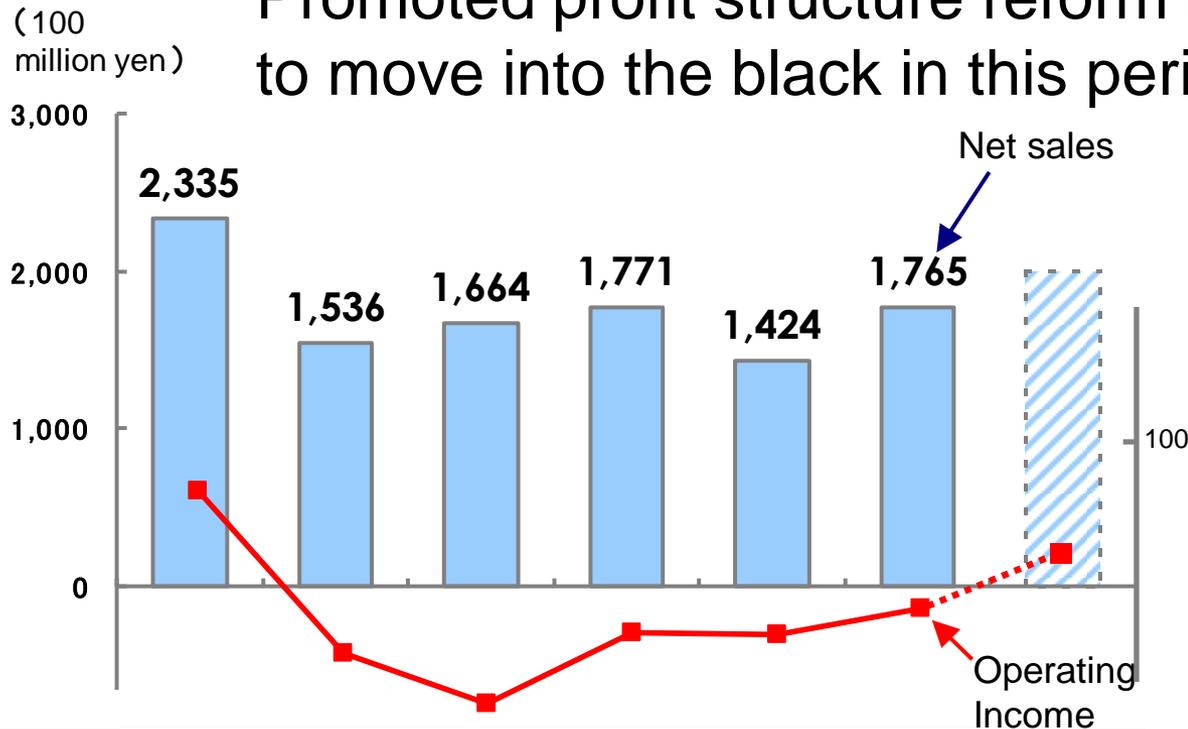
Quantum Leap

2. In-depth Activities for Profit Improvement

- 1) By region (The Americas, Europe & Africa)
- 2) Improvement efforts on manufacturing (Japan)
- 3) New technology activities
- 4) NCB (New Customer Business) activities

1) By region: The Americas profit structure reform

Promoted profit structure reform in the Americas to move into the black in this period



1) **Elimination and Consolidation of Production basement**

Business mergers in 3 districts

Closed plants in 4 districts

2) **Rationalization of workforce**

Reduced workforce at head office
(630→510 -120)

3) **Strengthened manufacturing sector**

- Improved productivity
- Improved extraction rate
- Local procurement of components
- Improved efficiency of logistics, etc.

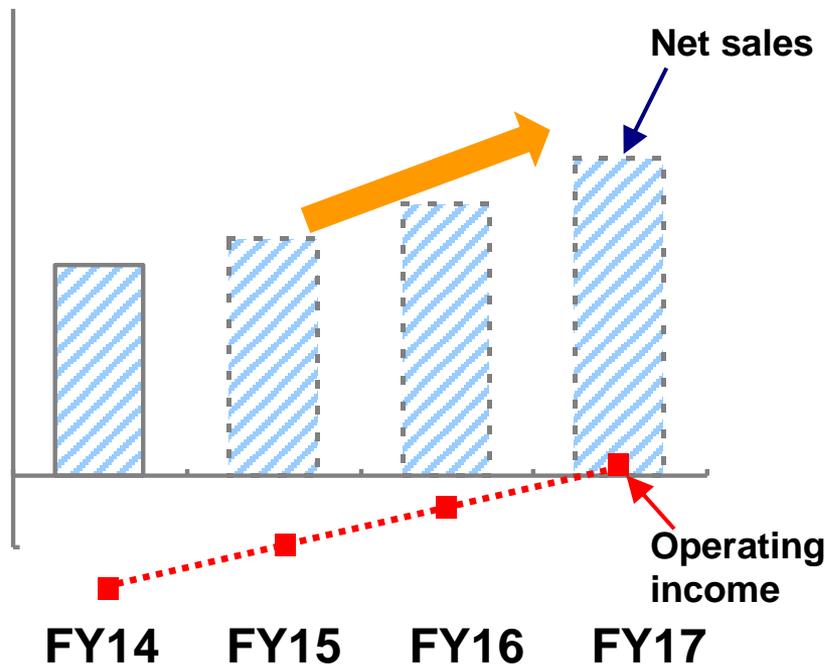
	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Activity			Profit structure reform activity				Go into the black
Equipment Investment	Canada	Mississippi					
			Indiana				
Model change		▼	▼▼		▼▼	▼▼	▼

1) By region: Europe & Africa profit structure reform

Promoting Europe & Africa profit structure reform to go into the black in 2016

Europe & Africa profit structure reform

Aim to secure profit by unifying Europe & Africa region through BAE revival plan (May, 2013~)



[1] Promote head quarter efficiency

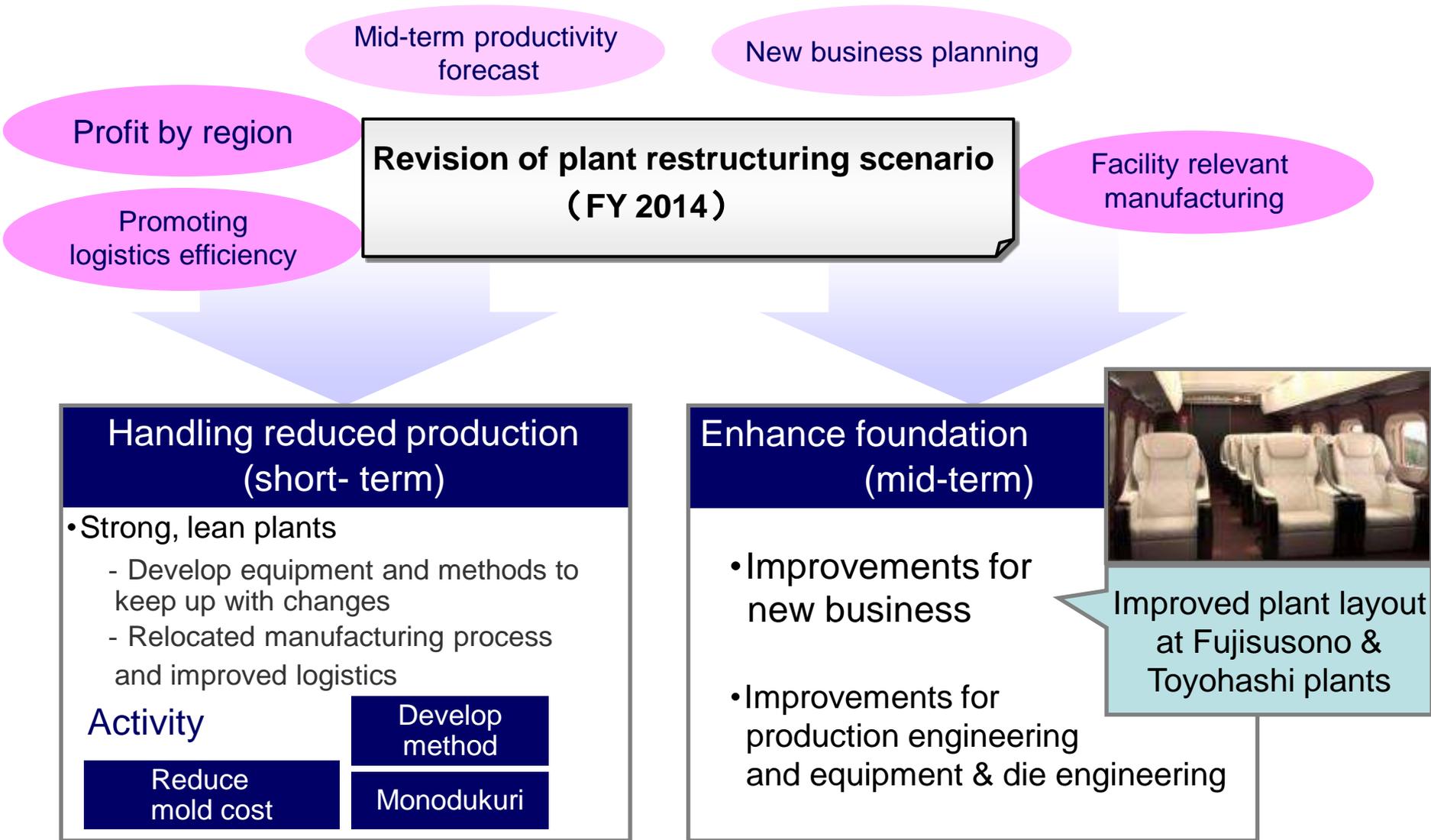
- 1) Promote management efficiency and optimal scale through absorption by Region Management & Collaboration Hub

[2] Enhancing manufacturing sector

- 1) Improve productivity
- 2) Reduce defects
- 3) Improve extraction rate
- 4) Improve production mechanism
- 5) Close unprofitable plants

2) Improvement efforts on manufacturing (Japan)

'Monodukuri' for declining production in Japan



2) Improvement efforts on manufacturing (Japan)

Enhancement activities to strengthen competitive power of ' Monodukuri'

Simple, Slim, Compact

Reduced equipment investment

- Activities of reform construction methods
- Activities to reduce mold costs

New

Reduced initial production cost

成形品

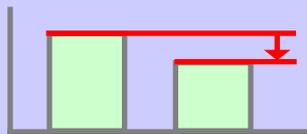
- ' Monodukuri' reform activities

New

Case 1) Seat frame welding equipment

【Total number of processes】

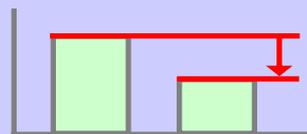
Reduced by merging processes



Existing Next model

【Investment amount】

Simplified jigs etc.



Existing Next model

Case 2) Door trims components simultaneous shaping

【Existing】

Bonded plastic components at another process



- Eliminate glue
- Minimize resin material

【Development】

Simultaneous shaping of resin components to natural fabric material



- Integration processes

3) New technology activities

‘Foam in Place Method’ *

Enhances hold performance and design

* The method where urethane is directly injected into seat covers that have been placed inside metal molds and then the foam sets to the intended shape.

Realized method to conform to the contours of the body and achieved comfortable ride and high quality design



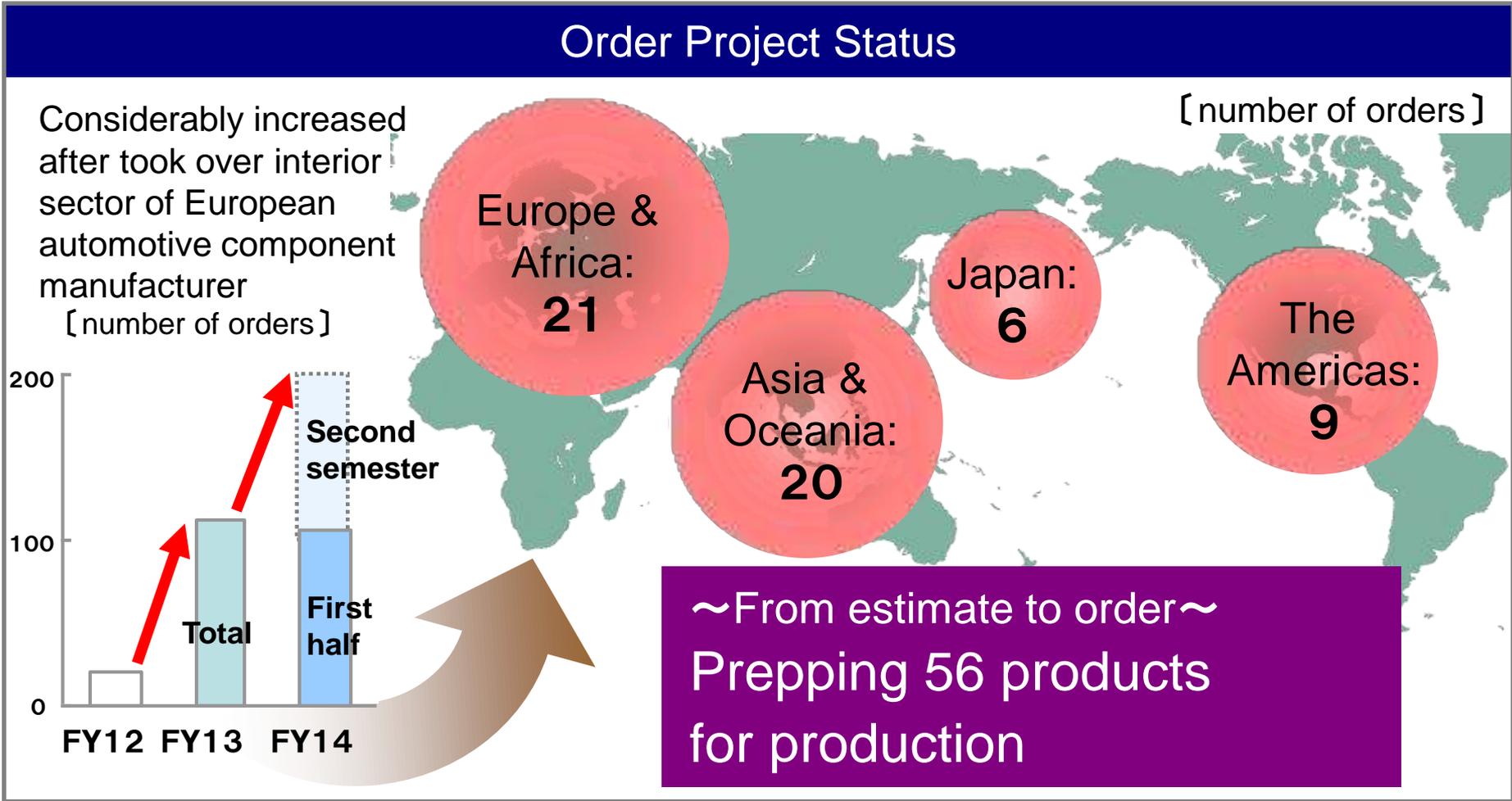
Debuted in the sports version of the redesigned LEXUS IS lineup

- Built-in seating sensor and air conditioning through this method
- For seats with fabric, genuine leather and man-made material, to create a wide variety of desired shapes

4) NCB (New Customer Business) activities

NCB: Established new customer business

Steadily Increased number of orders

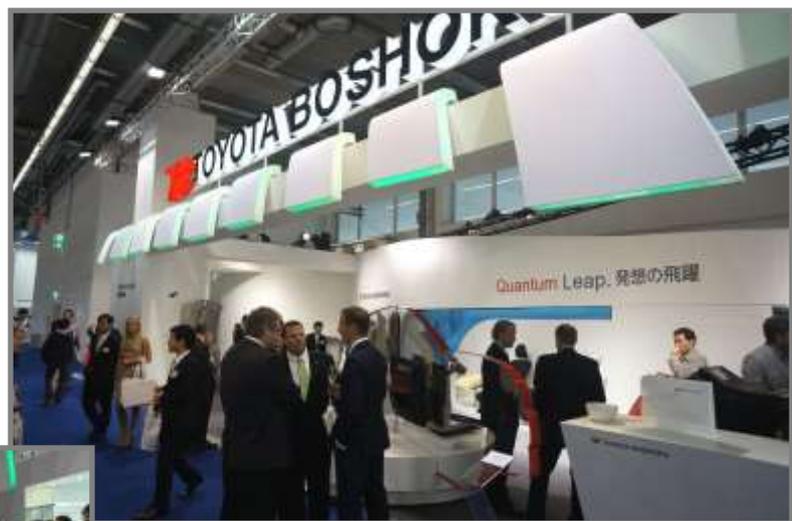


4) NCB (New Customer Business) activities

NCB: Expanding sales activity for new customer business

Enhancing of approach to European Automotive manufacturers

Debuted at the Frankfurt Motor show (IAA)



Toyota Boshoku Booth

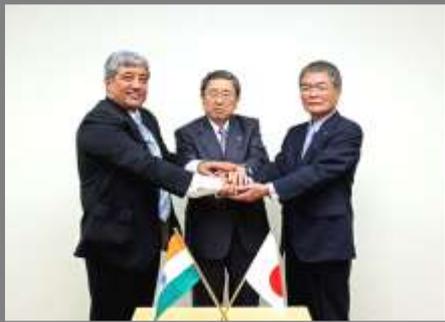


Utilized motor show to hold business meetings

Activities in emerging countries

Established for new company in India

Established 'Toyota Boshoku Relan India' with local component manufacturer in India to enhance of sales activities for local automotive makers



Design Your Passion



<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.

They 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.