

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

**Summary of Consolidated Financial Results
for the Nine Months Ended December 31, 2022
(Based on IFRS)**

February 3, 2023

Company name: Toyota Boshoku Corporation
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 3116 URL <https://www.toyota-boshoku.com>
 Representative: President Masayoshi Shirayanagi
 General Manager, Accounting & Finance
 Inquiries: Division Takeshi Ogiso TEL +81-566-26-0313
 Scheduled date to file Quarterly Securities Report: February 13, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are omitted.)

1. Consolidated financial results for the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Revenue		Operating profit		Profit before income taxes		Profit for the period		Profit attributable to owners of the parent		Comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2022	1,169,170	13.0	28,631	(32.6)	33,101	(26.2)	14,386	(50.8)	8,770	(64.2)	19,226	(52.1)
Nine months ended December 31, 2021	1,034,946	12.0	42,466	25.3	44,836	34.4	29,252	69.4	24,498	96.5	40,160	67.6

	Earnings per share attributable to owners of the parent - Basic	Earnings per share attributable to owners of the parent - Diluted
	Yen	Yen
Nine months ended December 31, 2022	46.94	46.94
Nine months ended December 31, 2021	131.10	—

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent
	Millions of yen	Millions of yen	Millions of yen	%
As of December 31, 2022	951,710	421,774	386,938	40.7
As of March 31, 2022	964,740	423,835	386,162	40.0

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2022	—	32.00	—	32.00	64.00
Year ending March 31, 2023	—	35.00	—	—	—
Year ending March 31, 2023 (Forecast)	—	—	—	35.00	70.00

(Note) Changes in the forecasted cash dividends in this quarter: No

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Revenue		Operating profit		Profit before income taxes		Profit attributable to owners of the parent		Earnings per share attributable to owners of the parent - Basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	1,560,000	9.7	43,000	(28.7)	51,000	(21.0)	25,000	(36.3)	133.81

(Note) Changes in the forecast of consolidated financial results in this quarter : No

* Notes

(1) Changes in significant subsidiaries during the nine months ended December 31, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies and changes in accounting estimates
 Changes in accounting policies required by IFRS: No
 Changes in accounting policies due to other reasons: No
 Changes in accounting estimates: No

(3) Number of issued shares (common shares)

Total number of shares issued at the end of the period (including treasury shares)

As of December 31, 2022	187,665,738 shares	As of March 31, 2022	187,665,738 shares
-------------------------	--------------------	----------------------	--------------------

Number of treasury shares at the end of the period

As of December 31, 2022	781,553 shares	As of March 31, 2022	799,985 shares
-------------------------	----------------	----------------------	----------------

Average number of shares issued during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2022	186,837,610 shares	Nine months ended December 31, 2021	186,859,132 shares
--	--------------------	--	--------------------

* This Consolidated Financial Results report is not subject to certified public accountant's or audit firm's quarterly review.

* Explanation on the proper use of the forecast on financial results, and other information
(Cautionary statement regarding forward-looking statements)

This report contains forward-looking statements based on information available to the Company as of the date hereof and assumptions which it believes are reasonable. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially, therefore do not represent any guarantees of future performance. For more information on forecasts, please see "(3) Explanation Regarding Forecast of Consolidated Financial Results and Other Forward-Looking Information" under "1. Qualitative Information on Financial Results" on page 2 of the appendix to this consolidated financial report.

(How to obtain supplementary financial results material)

Supplementary financial material will be posted on the Company's website on February 3, 2023(JST).

(Appendix)

Contents

1. Qualitative Information on Financial Results.....	2
(1) Explanation of Business Results.....	2
(2) Explanation of Financial Position.....	2
(3) Explanation Regarding Forecast of Consolidated Financial Results and Other Forward-Looking Information.....	2
2. Consolidated Financial Statements and Notes.....	3
(1) Consolidated Statement of Financial Position.....	3
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income.....	5
(3) Consolidated Statement of Changes in Equity.....	7
(4) Notes on Consolidated Financial Statements.....	9
(Notes on Going Concern Assumption)	9
(Segment Information)	10

1. Qualitative Information on Financial Results

(1) Explanation of Business Results

For the nine months ended December 31, 2022, revenue increased by ¥134.2 billion or 13.0%, year over year, to ¥1,169.1 billion due to the recovery in production volume from the second quarter despite the continued production constraint caused by parts supply issues. Operating profit decreased by ¥13.8 billion or 32.6%, year over year, to ¥28.6 billion. Profit before income taxes decreased by ¥11.7 billion or 26.2%, year over year, to ¥33.1 billion. This is mainly due to the change in the vehicle mix caused by parts supply issues in Japan and costs related to ending business in Russia despite the higher production volume resulting from the demand recovery overseas. Profit attributable to the owners of the parent decreased by ¥15.7 billion or 64.2%, year over year, to ¥8.7 billion.

Results by segment are as follows.

(i) Japan

Revenue in Japan decreased by ¥12.7 billion or 2.5%, year over year, to ¥506.3 billion due to production volume decrease caused by parts supply issues. An operating loss of ¥8.2 billion was recorded in contrast to an operating profit of ¥8.0 billion in the previous year due to production volume decrease and change in the vehicle mix caused by parts supply issues in addition to increase in overhead costs.

(ii) North, Central and South America

Revenue in North, Central and South America increased by ¥53.4 billion or 23.1%, year over year, to ¥284.8 billion due to higher production volume and exchange rate impact. An operating loss of ¥0.4 billion was recorded in contrast to an operating profit of ¥1.1 billion in the previous year due to the increase in overhead costs from model change and new product launch despite higher production volume.

(iii) China

Revenue in China increased by ¥37.6 billion or 24.8%, year over year, to ¥189.7 billion due to production volume increase from the new product launch last year as well as exchange rate impact. Operating profit increased by ¥5.6 billion or 49.3%, year over year, to ¥17.1 billion due to the new product launch and exchange rate impact.

(iv) Asia and Oceania

Revenue in Asia and Oceania increased by ¥50.9 billion or 37.8%, year over year, to ¥185.7 billion due to higher production volume and exchange rate impact. Operating profit increased by ¥3.2 billion or 16.6%, year over year, to ¥22.6 billion due to higher production volume and exchange rate impact.

(v) Europe and Africa

Revenue in Europe and Africa increased by ¥12.9 billion or 19.7%, year over year, to ¥78.6 billion due to higher production volume and exchange rate impact. An operating loss of ¥2.5 billion was recorded in contrast to an operating profit of ¥2.3 billion in the previous year due to costs related to ending business in Russia despite higher production volume.

(2) Explanation of Financial Position

Total assets as of December 31, 2022, decreased by ¥13.0 billion to ¥951.7 billion due to a decrease in trade receivables. The total for liabilities decreased by ¥10.9 billion to ¥529.9 billion mainly due to a decrease in trade and other payables. Equity decreased by ¥2.0 billion to ¥421.7 billion mainly due to the payment of dividends.

(3) Explanation Regarding Forecast of Consolidated Financial Results and Other Forward-Looking Information

As for the forecasts of financial results for the fiscal year ending March 31, 2023, the Company expects revenue to be ¥1,560.0 billion, operating profit to be ¥43.0 billion, profit before income tax to be ¥51.0 billion, profit attributable to owners of the parent to be ¥25.0 billion. These forecasts have not been changed from those disclosed on October 28, 2022.

The exchange rate assumption is 1USD=135 yen, 1EUR=140 yen, 1THB=3.8 yen, 1CNY=19.8 yen.

The above contains statements based on information currently available to the Company as of the time hereof and assumptions which it believes are reasonable. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially, therefore do not represent any guarantees of future performance.

2. Consolidated Financial Statements and Notes

(1) Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	237,952	238,971
Trade and other receivables	261,814	235,961
Inventories	79,345	92,117
Other financial assets	19,990	11,701
Income taxes receivable	3,279	8,108
Other current assets	11,933	12,015
Total current assets	614,317	598,876
Non-current assets		
Property, plant and equipment	270,477	271,814
Goodwill	4,889	4,894
Intangible assets	13,060	13,363
Investments accounted for using the equity method	13,377	13,985
Other financial assets	27,563	27,869
Deferred tax assets	19,355	19,135
Other non-current assets	1,698	1,770
Total non-current assets	350,422	352,834
Total assets	964,740	951,710

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	218,979	199,470
Bonds and borrowings	28,381	53,637
Other financial liabilities	4,622	6,738
Income taxes payable	9,359	8,146
Provisions	6,358	6,614
Other current liabilities	92,256	82,876
Total current liabilities	359,958	357,483
Non-current liabilities		
Bonds and borrowings	111,358	99,635
Other financial liabilities	7,901	8,416
Retirement benefit liability	56,107	57,132
Provisions	288	295
Deferred tax liabilities	3,352	3,473
Other non-current liabilities	1,937	3,499
Total non-current liabilities	180,946	172,452
Total liabilities	540,904	529,936
Equity		
Share capital	8,400	8,400
Capital surplus	3,097	3,101
Retained earnings	345,680	342,018
Treasury shares	(1,583)	(1,547)
Other components of equity	30,567	34,965
Total equity attributable to owners of the parent	386,162	386,938
Non-controlling interests	37,672	34,836
Total equity	423,835	421,774
Total liabilities and equity	964,740	951,710

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
Consolidated Statement of Income

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Revenue	1,034,946	1,169,170
Cost of sales	925,600	1,059,226
Gross profit	109,346	109,943
Selling, general and administrative expenses	66,841	78,312
Other income	3,226	4,500
Other expenses	3,264	7,500
Operating profit	42,466	28,631
Finance income	2,837	4,531
Finance expenses	713	1,569
Share of profit of investments accounted for using the equity method	245	1,507
Profit before income taxes	44,836	33,101
Income tax expense	15,583	18,714
Profit for the period	29,252	14,386
Profit attributable to		
Owners of the parent	24,498	8,770
Non-controlling interests	4,754	5,615
Earnings per share attributable to owners of the parent		
Basic (Yen)	131.10	46.94
Diluted (Yen)	—	46.94

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit for the period	29,252	14,386
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	898	67
Net change in fair value of equity instruments measured at fair value through other comprehensive income	1,428	(266)
Share of other comprehensive income of investments accounted for using the equity method	52	(39)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	8,360	4,950
Net change in fair value of debt instruments measured at fair value through other comprehensive income	(18)	(0)
Share of other comprehensive income of investments accounted for using equity method	187	126
Total other comprehensive income, net of tax	10,908	4,839
Comprehensive income	40,160	19,226
Comprehensive income attributable to		
Owners of the parent	34,246	13,256
Non-controlling interests	5,914	5,969

(3) Consolidated Statement of Changes in Equity

Nine months ended December 31, 2021

(Millions of yen)

	Equity attributable to owners of the parent				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity
					Remeasurements of defined benefit plans
Balance at April 1, 2021	8,400	3,092	316,931	(1,620)	—
Profit for the period			24,498		
Other comprehensive income					867
Comprehensive income	—	—	24,498	—	867
Purchase of treasury shares				(0)	
Disposal of treasury shares		4		37	
Dividends			(12,519)		
Changes in ownership interest in subsidiaries		0			
Transfer to retained earnings			867		(867)
Total transactions with owners	—	5	(11,651)	36	(867)
Balance at December 31, 2021	8,400	3,097	329,777	(1,583)	—

	Equity attributable to owners of the parent				Non-controlling interests	Total
	Other components of equity			Total		
	Net change in fair value of equity instruments measured at fair value through other comprehensive income	Net change in fair value of debt instruments measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations			
Balance at April 1, 2021	8,849	(98)	(619)	334,935	34,715	369,650
Profit for the period				24,498	4,754	29,252
Other comprehensive income	1,479	(18)	7,420	9,748	1,159	10,908
Comprehensive income	1,479	(18)	7,420	34,246	5,914	40,160
Purchase of treasury shares				(0)		(0)
Disposal of treasury shares				42		42
Dividends				(12,519)	(6,676)	(19,195)
Changes in ownership interest in subsidiaries				0	(0)	—
Transfer to retained earnings				—		—
Total transactions with owners	—	—	—	(12,477)	(6,676)	(19,153)
Balance at December 31, 2021	10,328	(117)	6,800	356,703	33,953	390,657

Nine months ended December 31, 2022

(Millions of yen)

	Equity attributable to owners of the parent				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity
					Remeasurements of defined benefit plans
Balance at April 1, 2022	8,400	3,097	345,680	(1,583)	—
Profit for the period			8,770		
Other comprehensive income					72
Comprehensive income	—	—	8,770	—	72
Purchase of treasury shares				(0)	
Disposal of treasury shares		3		36	
Dividends			(12,520)		
Change in scope of consolidation					
Transfer to retained earnings			87		(72)
Total transactions with owners	—	3	(12,433)	36	(72)
Balance at December 31, 2022	8,400	3,101	342,018	(1,547)	—

	Equity attributable to owners of the parent				Non-controlling interests	Total
	Other components of equity			Total		
	Net change in fair value of equity instruments measured at fair value through other comprehensive income	Net change in fair value of debt instruments measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations			
Balance at April 1, 2022	9,710	(89)	20,946	386,162	37,672	423,835
Profit for the period				8,770	5,615	14,386
Other comprehensive income	(305)	(0)	4,718	4,485	353	4,839
Comprehensive income	(305)	(0)	4,718	13,256	5,969	19,226
Purchase of treasury shares				(0)		(0)
Disposal of treasury shares				39		39
Dividends				(12,520)	(8,818)	(21,338)
Change in scope of consolidation				—	12	12
Transfer to retained earnings	(14)			—		—
Total transactions with owners	(14)	—	—	(12,481)	(8,806)	(21,287)
Balance at December 31, 2022	9,390	(89)	25,665	386,938	34,836	421,774

(4) Notes on Consolidated Financial Statements

(Notes on Going Concern Assumption)

There are no applicable items.

(Segment Information)

(1) Outline of Reportable Segments

In the nine-month period ended December 31, 2022, there are no material changes to the method used to identify the reportable segments, the business activities carried out by each reportable segment, or the measurement standards used to determine segment profits.

(2) Revenue, Profit/Loss for each Reportable Segment

Nine months ended December 31, 2021

(Millions of yen)

	Reportable Segment						Eliminations	Consolidated
	Japan	North, Central and South America	China	Asia and Oceania	Europe and Africa	Total		
Revenue								
Revenue from external customers	471,869	228,810	144,388	125,235	64,642	1,034,946	—	1,034,946
Inter-segment revenue	47,275	2,588	7,712	9,527	1,012	68,116	(68,116)	—
Total	519,145	231,398	152,101	134,763	65,655	1,103,063	(68,116)	1,034,946
Operating profit	8,037	1,187	11,512	19,433	2,374	42,545	(78)	42,466
Finance income								2,837
Finance expenses								713
Share of profit of investments accounted for using the equity method								245
Profit before income taxes								44,836

(Notes)1. (78) million yen included in “Eliminations” for “Operating profit” is mainly inter-segment transactions.

2. Inter-segment revenue is based on negotiated transaction prices, taking into account market price and total costs.

3. “Operating profit” reconciles to operating profit disclosed in the consolidated financial statement.

Nine months ended December 31, 2022

(Millions of yen)

	Reportable Segment						Eliminations	Consolidated
	Japan	North, Central and South America	China	Asia and Oceania	Europe and Africa	Total		
Revenue								
Revenue from external customers	452,086	281,169	183,878	174,725	77,309	1,169,170	—	1,169,170
Inter-segment revenue	54,304	3,649	5,909	11,020	1,297	76,181	(76,181)	—
Total	506,391	284,819	189,788	185,745	78,606	1,245,351	(76,181)	1,169,170
Operating profit(loss)	(8,294)	(418)	17,184	22,660	(2,548)	28,582	48	28,631
Finance income								4,531
Finance expenses								1,569
Share of profit of investments accounted for using equity method								1,507
Profit before income taxes								33,101

(Notes)1. 48 million yen included in “Eliminations” for “Operating profit” is mainly inter-segment transactions.

2. Inter-segment revenue is based on negotiated transaction prices, taking into account market price and total costs.

3. “Operating profit” reconciles to operating profit disclosed in the consolidated financial statement.