

Translation

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Summary of Consolidated Financial Results for the Three Months Ended of June 30, 2023 (Based on IFRS)

July 28, 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: August 10, 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 three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(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	%
Three months ended June 30, 2023	475,499	35.7	22,166	551.0	25,374	236.1	14,343	—	12,505	—	30,092	57.3
Three months ended June 30, 2022	350,346	(1.1)	3,404	(80.9)	7,550	(61.3)	41	(99.7)	(1,378)	—	19,134	14.2

	Earnings per share attributable to owners of the parent - Basic	Earnings per share attributable to owners of the parent - Diluted
	Yen	Yen
Three months ended June 30, 2023	66.93	66.92
Three months ended June 30, 2022	(7.38)	(7.38)

(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 June 30, 2023	1,062,035	455,026	420,902	39.6
As of March 31, 2023	1,007,392	436,894	400,741	39.8

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, 2023	—	35.00	—	35.00	70.00
Year ending March 31, 2024	—				
Year ending March 31, 2024 (Forecast)		35.00	—	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, 2024 (from April 1, 2023 to March 31, 2024)

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	1,800,000	12.2	69,000	44.7	66,000	26.2	34,000	131.6	181.96

(Note) Changes in the forecast of consolidated financial results in this quarter : Yes

* Notes

(1) Changes in significant subsidiaries during the three months ended June 30, 2023
(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: Yes
Changes in accounting policies due to other reasons: No
Changes in accounting estimates: No

(Note) For detail, refer to 2. Consolidated Financial Statements and Notes and (4) Notes on Consolidated Financial Statements (Changes in Accounting Policies)" on page 9.

(3) Number of shares issued (common shares)

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

As of June 30, 2023	187,665,738 shares	As of March 31, 2023	187,665,738 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	781,674 shares	As of March 31, 2023	781,553 shares
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Average number of shares issued during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	186,844,638 shares	Three months ended June 30, 2022	186,827,525 shares
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* 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 July 28, 2023(JST).

(Appendix)

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1. Qualitative Information on Financial Results

(1) Explanation of Business Results

For the three months ended June 30, 2023, revenue increased by ¥125.1 billion or 35.7%, year over year, to ¥475.4 billion due to the recovery in production volume globally. Operating profit increased by ¥18.7 billion or 551.0%, year over year, to ¥22.1 billion. Profit before income taxes increased by ¥17.8 billion or 236.1%, year over year, to ¥25.3 billion. Profit attributable to the owners of the parent increased by ¥13.8 billion, year over year, to ¥12.5 billion (compared to quarterly loss attributable to owners of the parent of ¥1.3 billion for the same period of the previous fiscal year). These are mainly due to production volume increase and changes in the model mix.

Results by segment are as follows.

(i) Japan

Revenue in Japan increased by ¥78.5 billion or 52.1%, year over year, to ¥229.0 billion due to production volume increase. Operating profit increased by ¥9.7 billion, year over year, to ¥3.4 billion was recorded in contrast to an operating loss of ¥6.2 billion in the previous year due to production volume increase and change in the model mix despite an increase in overhead costs.

(ii) North, Central and South America

Revenue in North, Central and South America increased by ¥25.3 billion or 28.3%, year over year, to ¥114.9 billion due to higher production volume. Operating profit increased by ¥2.4 billion, year over year, to ¥1.9 billion was recorded in contrast to an operating loss of ¥0.5 billion in the previous year due to the production volume increase and changes in the model mix despite an increase in overhead costs.

(iii) China

Revenue in China increased by ¥3.3 billion or 5.6%, year over year, to ¥62.8 billion due to production volume increase from the new product launch last year. Operating profit increased by ¥0.9 billion or 20.8%, year over year, to ¥5.6 billion due to a change in the model mix, despite an increase in overhead costs.

(iv) Asia and Oceania

Revenue in Asia and Oceania increased by ¥9.8 billion or 18.7%, year over year, to ¥62.4 billion due to production volume increase in production volume following expanded sales in Indonesia and India and exchange rate impact. Operating profit increased by ¥1.3 billion or 22.4%, year over year, to ¥7.4 billion due to effects of increased production resulting from expanded sales and cost reduction.

(v) Europe and Africa

Revenue in Europe and Africa increased by ¥11.8 billion or 54.9%, year over year, to ¥33.5 billion due to higher production volume. Operating profit increased by ¥4.2 billion, year over year, to ¥3.6 billion was recorded in contrast to an operating loss of ¥0.6 billion in the previous year due to production volume increase, change in model mix and elimination of recording of expenses associated with the end of the Russian business in the previous fiscal year.

(2) Explanation of Financial Position

Total assets as of June 30, 2023, increased by ¥54.6 billion to ¥1,062.0 billion due to an increase in cash and cash equivalents and trade receivables. The total for liabilities increased by ¥36.5 billion to ¥607.0 billion mainly due to an increase in trade payables. Equity increased by ¥18.1 billion to ¥455.0 billion mainly due to the profit attributable to owners of the parent.

(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, 2024, the Company expects revenue to be ¥1,800.0 billion, operating profit to be ¥69.0 billion, profit before income tax to be ¥66.0 billion, profit attributable to owners of the parent to be ¥34.0 billion. These forecasts have been changed from those disclosed on April 27, 2023.

The exchange rate assumption is 1USD=130 yen, 1EUR=140 yen, 1THB=3.7 yen, 1CNY=18.5 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, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and cash equivalents	248,195	262,590
Trade and other receivables	286,181	307,130
Inventories	87,684	92,671
Other financial assets	14,596	15,604
Income taxes receivable	6,648	6,533
Other current assets	12,975	13,047
Total current assets	656,281	697,579
Non-current assets		
Property, plant and equipment	276,096	286,862
Goodwill	4,898	4,910
Intangible assets	14,237	16,328
Investments accounted for using the equity method	13,661	13,287
Other financial assets	27,643	29,817
Deferred tax assets	12,857	11,183
Other non-current assets	1,714	2,065
Total non-current assets	351,110	364,456
Total assets	1,007,392	1,062,035

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	235,900	257,731
Bonds and borrowings	64,229	62,987
Other financial liabilities	3,735	8,417
Income taxes payable	9,665	11,195
Provisions	6,724	6,705
Other current liabilities	88,438	95,793
Total current liabilities	408,694	442,830
Non-current liabilities		
Bonds and borrowings	90,000	90,000
Other financial liabilities	8,452	8,880
Retirement benefit liability	55,524	55,956
Provisions	297	303
Deferred tax liabilities	5,492	6,248
Other non-current liabilities	2,035	2,790
Total non-current liabilities	161,802	164,179
Total liabilities	570,497	607,009
Equity		
Share capital	8,400	8,400
Capital surplus	3,101	3,101
Retained earnings	349,426	354,846
Treasury shares	(1,547)	(1,547)
Other components of equity	41,360	56,102
Total equity attributable to owners of the parent	400,741	420,902
Non-controlling interests	36,153	34,124
Total equity	436,894	455,026
Total liabilities and equity	1,007,392	1,062,035

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

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Revenue	350,346	475,499
Cost of sales	320,118	426,723
Gross profit	30,228	48,776
Selling, general and administrative expenses	26,467	28,075
Other income	1,374	2,524
Other expenses	1,730	1,058
Operating profit	3,404	22,166
Finance income	5,199	4,072
Finance expenses	753	683
Share of profit (loss) of investments accounted for using the equity method	(300)	(181)
Profit before income taxes	7,550	25,374
Income tax expense	7,508	11,030
Profit for the period	41	14,343
Profit (loss) attributable to		
Owners of the parent	(1,378)	12,505
Non-controlling interests	1,420	1,838
Earnings (loss) per share attributable to owners of the parent		
Basic (Yen)	(7.38)	66.93
Diluted (Yen)	(7.38)	66.92

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit for the period	41	14,343
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(41)	(46)
Net change in fair value of equity instruments measured at fair value through other comprehensive income	747	2,358
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	18,255	13,339
Net change in fair value of debt instruments measured at fair value through other comprehensive income	—	(0)
Share of other comprehensive income of investments accounted for using the equity method	130	96
Total other comprehensive income, net of tax	19,092	15,748
Comprehensive income	19,134	30,092
Comprehensive income attributable to		
Owners of the parent	15,627	26,702
Non-controlling interests	3,506	3,390

(3) Consolidated Statement of Changes in Equity

Three months ended June 30, 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 (loss) for the period			(1,378)		
Other comprehensive income					(16)
Comprehensive income	—	—	(1,378)	—	(16)
Purchase of treasury shares				(0)	
Dividends			(5,979)		
Change in scope of consolidation					
Transfer to retained earnings			(5)		16
Total transactions with owners	—	—	(5,985)	(0)	16
Balance at June 30, 2022	8,400	3,097	338,317	(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, 2022	9,710	(89)	20,946	386,162	37,672	423,835
Profit (loss) for the period				(1,378)	1,420	41
Other comprehensive income	747		16,274	17,005	2,086	19,092
Comprehensive income	747	—	16,274	15,627	3,506	19,134
Purchase of treasury shares				(0)		(0)
Dividends				(5,979)	(4,207)	(10,186)
Change in scope of consolidation				—		—
Transfer to retained earnings	(10)			—		—
Total transactions with owners	(10)	—	—	(5,979)	(4,207)	(10,187)
Balance at June 30, 2022	10,446	(89)	37,221	395,810	36,972	432,782

Three months ended June 30, 2023

(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, 2023	8,400	3,101	349,426	(1,547)	—
Profit (loss) for the period			12,505		
Other comprehensive income					(27)
Comprehensive income	—	—	12,505	—	(27)
Purchase of treasury shares				(0)	
Dividends			(6,540)		
Change in scope of consolidation					
Transfer to retained earnings			(545)		27
Total transactions with owners	—	—	(7,086)	(0)	27
Balance at June 30, 2023	8,400	3,101	354,846	(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, 2023	10,633	(89)	30,816	400,741	36,153	436,894
Profit (loss) for the period				12,505	1,838	14,343
Other comprehensive income	2,358	(0)	11,866	14,196	1,552	15,748
Comprehensive income	2,358	(0)	11,866	26,702	3,390	30,092
Purchase of treasury shares				(0)		(0)
Dividends				(6,540)	(5,596)	(12,137)
Change in scope of consolidation				—	177	177
Transfer to retained earnings	517			—		—
Total transactions with owners	517	—	—	(6,541)	(5,419)	(11,960)
Balance at June 30, 2023	13,508	(89)	42,682	420,902	34,124	455,026

(4) Notes on Consolidated Financial Statements

(Notes on Going Concern Assumption)

There are no applicable items.

(Changes in accounting policies)

(Application of IAS 12 “Income Taxes”)

From the current fiscal year, the company has applied IAS 12 “Income Taxes” (amended in May 2021). Due to the amendment, the accounting treatment was clarified for the initial recognition concerning transactions that give rise to equal taxable and deductible temporary differences at the time of the transaction such as leases and decommissioning obligations, and the deferred tax liabilities and deferred tax assets regarding the transactions are each recognized in the consolidated statement of financial position.

There are no significant impacts to the consolidated financial statements upon application.

(Segment Information)

(1) Outline of Reportable Segments

In the three-month period ended June 30, 2023, 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

Three months ended June 30, 2022

(Millions of yen)

	Reportable Segment						Eliminations (*1)	Consolidated (*3)
	Japan	North, Central and South America	China	Asia and Oceania	Europe and Africa	Total		
Revenue								
Revenue from external customers	133,999	88,309	57,637	49,082	21,317	350,346	—	350,346
Inter-segment revenue and transfers (*2)	16,573	1,327	1,941	3,512	332	23,687	(23,687)	—
Total	150,573	89,637	59,578	52,595	21,649	374,034	(23,687)	350,346
Operating profit (loss)	(6,258)	(522)	4,673	6,075	(626)	3,343	61	3,404
Finance income								5,199
Finance expenses								753
Share of loss of investments accounted for using the equity method								(300)
Profit before income taxes								7,550

(Notes)1. 61 million yen included in “Eliminations” for “Operating profit” is mainly inter-segment transactions.

2. Inter-segment revenue are based on transaction prices that are determined through price negotiation, taking into account market prices and total costs incurred.

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

Three months ended June 30, 2023

(Millions of yen)

	Reportable Segment						Eliminations (*1)	Consolidated (*3)	
	Japan	North, Central and South America	China	Asia and Oceania	Europe and Africa	Total			
Revenue									
Revenue from external customers	210,383	113,828	60,184	57,976	33,126	475,499	—	475,499	
Inter-segment revenue and transfers (*2)	18,710	1,134	2,702	4,454	417	27,419	(27,419)	—	
Total	229,094	114,963	62,886	62,430	33,543	502,919	(27,419)	475,499	
Operating profit (loss)	3,454	1,914	5,647	7,434	3,655	22,107	59	22,166	
Finance income									4,072
Finance expenses									683
Share of loss of investments accounted for using the equity method									(181)
Profit before income taxes									25,374

(Notes)1. 59 million yen included in “Eliminations” for “Operating profit” is mainly inter-segment transactions.

2. Inter-segment revenue are based on transaction prices that are determined through price negotiation, taking into account market prices and total costs incurred.

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