

Translation

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**Summary of Consolidated Financial Results
for the Six Months Ended of September 30, 2023
(Based on IFRS)**

October 31, 2023

Company name: Toyota Boshoku Corporation
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 3116 URL <https://www.toyota-boshoku.com>
 Representative: President Masayoshi Shirayanagi
 Inquiries: General Manager, Accounting & Finance Division Takeshi Ogiso TEL +81-566-26-0313
 Scheduled date to file Quarterly Securities Report: November 13, 2023
 Scheduled date to commence dividend payments: November 27, 2023
 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 six months ended September 30, 2023 (from April 1, 2023 to September 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	%
Six months ended September 30, 2023	964,058	26.5	49,598	285.4	55,048	178.9	34,035	546.7	28,948	-	53,732	100.2
Six months ended September 30, 2022	761,803	16.8	12,869	(47.0)	19,739	(23.5)	5,262	(68.6)	2,016	(85.8)	26,844	41.7

	Earnings per share attributable to owners of the parent - Basic	Earnings per share attributable to owners of the parent - Diluted
	Yen	Yen
Six months ended September 30, 2023	154.93	154.90
Six months ended September 30, 2022	10.79	10.79

(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 September 30, 2023	1,079,918	476,561	440,921	40.8
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	—	43.00	—	—	—
Year ending March 31, 2024 (Forecast)	—	—	—	43.00	86.00

(Note) Changes in the forecasted cash dividends in this quarter: Yes

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	1,970,000	22.8	93,000	95.1	90,000	72.1	59,000	301.9	315.76

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

* Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
Newly included: 1 company (Company name) TOYOTA BOSHOKU WESTERN KENTUCKY, LLC.
Excluded: - company (Company name)

- (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

- (3) Number of shares issued (common shares)

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

As of September 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 September 30, 2023	765,282 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)

Six months ended September 30, 2023	186,849,073 shares	Six months ended September 30, 2022	186,835,105 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 October 31, 2023(JST).

(Appendix)

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1. Qualitative Information on Financial Results

(1) Explanation of Business Results

For the six months ended September 30, 2023, revenue increased by ¥202.2 billion or 26.5 %, year over year, to ¥964.0 billion due to the recovery in production volume globally. Operating profit increased by ¥36.7 billion or 285.4%, year over year, to ¥49.5 billion. Profit before income taxes increased by ¥35.3 billion or 178.9%, year over year, to ¥55.0 billion. Profit attributable to the owners of the parent increased by ¥26.9 billion, year over year, to ¥28.9 billion. 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 ¥136.9 billion or 42.1%, year over year, to ¥462.4 billion due to production volume increase. Operating profit increased by ¥21.3 billion, year over year, to ¥13.2 billion was recorded in contrast to an operating loss of ¥8.0 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 ¥37.7 billion or 19.2%, year over year, to ¥234.4 billion due to higher production volume. Operating profit decreased by ¥0.6 billion or 33.6%, year over year, to ¥1.3 billion was recorded due to an increase in overhead costs for preparation new production despite a volume increase in the launch of new models.

(iii) China

Revenue in China decreased by ¥4.1 billion or 3.2 %, year over year, to ¥122.8 billion due to the effect of rapid BEV conversion. Operating profit increased by ¥0.6 billion or 6.3%, year over year, to ¥11.2 billion due to a change in the model mix, despite the impact of reduced production.

(iv) Asia and Oceania

Revenue in Asia and Oceania increased by ¥18.6 billion or 16.1%, year over year, to ¥134.6 billion due to production volume increase in production volume following expanded sales in Indonesia and India and exchange rate impact. Operating profit increased by ¥3.6 billion or 25.9%, year over year, to ¥17.7 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 ¥18.0 billion or 39.0%, year over year, to ¥64.4 billion due to production volume increase. Operating profit increased by ¥11.8 billion, year over year, to ¥6.0 billion was recorded in contrast to an operating loss of ¥5.8 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 September 30, 2023, increased by ¥72.5 billion to ¥1,079.9 billion due to an increase in trade receivables. The total for liabilities increased by ¥32.8 billion to ¥603.3 billion mainly due to an increase in trade payables and other payables. Equity increased by ¥39.6 billion to ¥476.5 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 ¥1,970.0 billion, operating profit to be ¥93.0 billion, profit before income tax to be ¥90.0 billion, profit attributable to owners of the parent to be ¥59.0 billion. These forecasts have been changed from those disclosed on July 28, 2023.

The exchange rate assumption is 1USD=141 yen, 1EUR=152 yen, 1THB=4.0 yen, 1CNY=19.5 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 September 30, 2023
Assets		
Current assets		
Cash and cash equivalents	248,195	252,839
Trade and other receivables	286,181	320,580
Inventories	87,684	94,862
Other financial assets	14,596	22,829
Income taxes receivable	6,648	4,770
Other current assets	12,975	12,596
Total current assets	656,281	708,479
Non-current assets		
Property, plant and equipment	276,096	291,571
Goodwill	4,898	4,911
Intangible assets	14,237	17,358
Investments accounted for using the equity method	13,661	13,796
Other financial assets	27,643	31,666
Deferred tax assets	12,857	9,902
Other non-current assets	1,714	2,234
Total non-current assets	351,110	371,439
Total assets	1,007,392	1,079,918

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	235,900	264,263
Bonds and borrowings	64,229	56,318
Other financial liabilities	3,735	6,410
Income taxes payable	9,665	11,862
Provisions	6,724	6,590
Other current liabilities	88,438	93,508
Total current liabilities	408,694	438,954
Non-current liabilities		
Bonds and borrowings	90,000	90,000
Other financial liabilities	8,452	9,112
Retirement benefit liability	55,524	55,866
Provisions	297	307
Deferred tax liabilities	5,492	6,190
Other non-current liabilities	2,035	2,924
Total non-current liabilities	161,802	164,401
Total liabilities	570,497	603,356
Equity		
Share capital	8,400	8,400
Capital surplus	3,101	3,108
Retained earnings	349,426	371,364
Treasury shares	(1,547)	(1,515)
Other components of equity	41,360	59,563
Total equity attributable to owners of the parent	400,741	440,921
Non-controlling interests	36,153	35,640
Total equity	436,894	476,561
Total liabilities and equity	1,007,392	1,079,918

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

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Revenue	761,803	964,058
Cost of sales	693,289	858,065
Gross profit	68,513	105,993
Selling, general and administrative expenses	52,050	56,562
Other income	2,703	3,750
Other expenses	6,297	3,582
Operating profit	12,869	49,598
Finance income	6,803	6,666
Finance expenses	1,013	1,531
Share of profit of investments accounted for using the equity method	1,079	314
Profit before income taxes	19,739	55,048
Income tax expense	14,476	21,012
Profit for the period	5,262	34,035
Profit attributable to		
Owners of the parent	2,016	28,948
Non-controlling interests	3,246	5,087
Earnings per share attributable to owners of the parent		
Basic (Yen)	10.79	154.93
Diluted (Yen)	10.79	154.90

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit for the period	5,262	34,035
Other comprehensive income		
Items that will not be reclassified to profit or loss	29	41
Remeasurements of defined benefit plans	(125)	3,475
Net change in fair value of equity instruments measured at fair value through other comprehensive income	(32)	78
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	21,334	15,866
Net change in fair value of debt instruments measured at fair value through other comprehensive income	(0)	0
Share of other comprehensive income of investments accounted for using the equity method	375	235
Total other comprehensive income, net of tax	21,581	19,697
Comprehensive income	26,844	53,732
Comprehensive income attributable to		
Owners of the parent	21,420	46,681
Non-controlling interests	5,423	7,051

(3) Consolidated Statement of Changes in Equity

Six months ended September 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 for the period			2,016		
Other comprehensive income					47
Comprehensive income	—	—	2,016	—	47
Purchase of treasury shares				(0)	
Disposal of treasury shares		3		36	
Dividends			(5,979)		
Change in scope of consolidation					
Transfer to retained earnings			61		(47)
Total transactions with owners	—	3	(5,917)	36	(47)
Balance at September 30, 2022	8,400	3,101	341,779	(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				2,016	3,246	5,262
Other comprehensive income	(158)	(0)	19,515	19,404	2,177	21,581
Comprehensive income	(158)	(0)	19,515	21,420	5,423	26,844
Purchase of treasury shares				(0)		(0)
Disposal of treasury shares				39		39
Dividends				(5,979)	(8,848)	(14,828)
Change in scope of consolidation				—		—
Transfer to retained earnings	(14)			—		—
Total transactions with owners	(14)	—	—	(5,940)	(8,848)	(14,788)
Balance at September 30, 2022	9,537	(89)	40,462	401,643	34,247	435,891

Six months ended September 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 for the period			28,948		
Other comprehensive income					47
Comprehensive income	—	—	28,948	—	47
Purchase of treasury shares				(0)	
Disposal of treasury shares		7		32	
Dividends			(6,540)		
Change in scope of consolidation					
Transfer to retained earnings			(469)		(47)
Total transactions with owners	—	7	(7,010)	32	(47)
Balance at September 30, 2023	8,400	3,108	371,364	(1,515)	—

	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 for the period				28,948	5,087	34,035
Other comprehensive income	3,552	0	14,131	17,733	1,964	19,697
Comprehensive income	3,552	0	14,131	46,681	7,051	53,732
Purchase of treasury shares				(0)		(0)
Disposal of treasury shares				39		39
Dividends				(6,540)	(7,741)	(14,282)
Change in scope of consolidation				—	177	177
Transfer to retained earnings	517			—		—
Total transactions with owners	517	—	—	(6,501)	(7,564)	(14,066)
Balance at September 30, 2023	14,703	(88)	44,948	440,921	35,640	476,561

(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 six-month period ended September 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

Six months ended September 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	290,312	193,924	122,972	108,988	45,606	761,803	—	761,803
Inter-segment revenue and transfers (*2)	35,260	2,790	3,970	7,018	787	49,826	(49,826)	—
Total	325,572	196,714	126,942	116,006	46,393	811,630	(49,826)	761,803
Operating profit (loss)	(8,064)	2,044	10,553	14,086	(5,812)	12,808	61	12,869
Finance income								6,803
Finance expenses								1,013
Share of income of investments accounted for using the equity method								1,079
Profit before income taxes								19,739

(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.

Six months ended September 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	425,952	232,202	117,060	125,240	63,603	964,058	—	964,058	
Inter-segment revenue and transfers (*2)	36,538	2,259	5,765	9,415	881	54,860	(54,860)	—	
Total	462,491	234,461	122,825	134,656	64,484	1,018,918	(54,860)	964,058	
Operating profit	13,254	1,357	11,217	17,735	6,023	49,587	11	49,598	
Finance income									6,666
Finance expenses									1,531
Share of income of investments accounted for using the equity method									314
Profit before income taxes									55,048

(Notes)1. 11 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.