

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2018 (Based on Japanese GAAP)

April 27, 2018

Company name: Toyota Boshoku Corporation  
 Stock exchange listing: Tokyo, Nagoya  
 Stock code: 3116 URL <https://www.toyota-boshoku.com>  
 Representative: President Takeshi Numa  
 General Manager, Accounting & Finance  
 Inquiries: Division Ryuji Terasawa TEL (0566)26-0313  
 Scheduled date of ordinary general meeting of shareholders: June 13, 2018  
 Scheduled date to file Securities Report: June 14, 2018  
 Scheduled date to commence dividend payments: June 14, 2018  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2018	1,399,530	3.1	71,198	(1.0)	72,879	(5.6)	42,762	(5.7)
Year ended March 31, 2017	1,357,913	(4.1)	71,936	20.9	77,224	37.6	45,359	–

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2018	230.27	–	17.3	10.1	5.1
Year ended March 31, 2017	244.28	–	21.2	10.9	5.3

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2018	744,558	308,620	35.3	1,414.91
As of March 31, 2017	691,921	276,274	33.3	1,240.77

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2018	86,117	(51,707)	(3,528)	178,372
Year ended March 31, 2017	95,389	(48,927)	(61,347)	144,889

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2017	–	21.00	–	29.00	50.00	9,285	20.5	4.3
Year ended March 31, 2018	–	25.00	–	29.00	54.00	10,028	23.5	4.1
Year ending March 31, 2019 (Forecast)	–	28.00	–	28.00	56.00		27.4	

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2018	670,000	(0.3)	29,500	(7.5)	29,500	(10.9)	17,500	(8.5)	94.23
Full year	1,360,000	(2.8)	62,000	(12.9)	62,000	(14.9)	38,000	(11.1)	204.62

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2018

(changes in specified subsidiaries resulting in the change in scope of consolidation):

No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations:

No

Changes in accounting policies due to other reasons:

No

Changes in accounting estimates:

No

Restatement of prior period financial statements:

No

(3) Number of issued shares (common shares)

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

As of March 31, 2018	187,665,738 shares	As of March 31, 2017	187,665,738 shares
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Number of treasury shares at the end of the period

As of March 31, 2018	1,958,326 shares	As of March 31, 2017	1,958,154 shares
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Average number of shares during the period

Year ended March 31, 2018	185,707,497 shares	Year ended March 31, 2017	185,685,178 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	162,335	194,158
Notes and accounts receivable - trade	185,189	194,149
Merchandise and finished goods	7,520	7,762
Work in process	7,866	9,648
Raw materials and supplies	28,460	28,560
Deferred tax assets	5,759	4,688
Other	39,060	42,417
Allowance for doubtful accounts	(158)	(135)
Total current assets	436,032	481,248
Non-current assets		
Property, plant and equipment		
Buildings and structures	186,414	187,695
Accumulated depreciation	(107,467)	(112,848)
Buildings and structures, net	78,946	74,847
Machinery, equipment and vehicles	310,342	312,288
Accumulated depreciation	(237,658)	(241,418)
Machinery, equipment and vehicles, net	72,684	70,870
Tools, furniture and fixtures	111,328	111,960
Accumulated depreciation	(98,742)	(99,132)
Tools, furniture and fixtures, net	12,586	12,828
Land	26,733	26,214
Leased assets	2,801	2,655
Accumulated depreciation	(2,646)	(2,391)
Leased assets, net	155	264
Construction in progress	7,195	16,125
Total property, plant and equipment	198,302	201,150
Intangible assets		
Goodwill	4,882	3,422
Other	3,054	6,740
Total intangible assets	7,937	10,163
Investments and other assets		
Investment securities	16,530	23,300
Deferred tax assets	26,750	22,685
Other	6,526	6,227
Allowance for doubtful accounts	(159)	(217)
Total investments and other assets	49,648	51,996
Total non-current assets	255,888	263,310
Total assets	691,921	744,558

(Millions of yen)

	As of March 31, 2017	As of March 31, 2018
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	175,585	181,061
Short-term loans payable	21,981	5,829
Current portion of bonds	–	10,000
Current portion of long-term loans payable	5,947	19,540
Accrued expenses	45,724	49,461
Income taxes payable	13,820	13,668
Provision for product warranties	3,458	2,517
Provision for directors' bonuses	417	353
Other	19,363	21,416
<b>Total current liabilities</b>	<b>286,298</b>	<b>303,847</b>
<b>Non-current liabilities</b>		
Bonds payable	20,000	40,000
Long-term loans payable	46,031	31,687
Net defined benefit liability	54,786	53,989
Provision for directors' retirement benefits	298	268
Asset retirement obligations	258	250
Other	7,973	5,894
<b>Total non-current liabilities</b>	<b>129,347</b>	<b>132,090</b>
<b>Total liabilities</b>	<b>415,646</b>	<b>435,938</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	8,400	8,400
Capital surplus	8,778	8,406
Retained earnings	238,150	270,951
Treasury shares	(3,874)	(3,874)
<b>Total shareholders' equity</b>	<b>251,455</b>	<b>283,882</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,803	1,952
Foreign currency translation adjustment	(10,458)	(12,805)
Remeasurements of defined benefit plans	(12,380)	(10,270)
<b>Total accumulated other comprehensive income</b>	<b>(21,034)</b>	<b>(21,123)</b>
<b>Non-controlling interests</b>	<b>45,853</b>	<b>45,861</b>
<b>Total net assets</b>	<b>276,274</b>	<b>308,620</b>
<b>Total liabilities and net assets</b>	<b>691,921</b>	<b>744,558</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Net sales	1,357,913	1,399,530
Cost of sales	1,204,051	1,246,798
Gross profit	153,861	152,731
Selling, general and administrative expenses		
Transportation and warehousing expenses	6,606	6,629
Salaries and bonuses	32,533	31,314
Welfare expenses	4,706	4,555
Retirement benefit expenses	1,107	1,136
Provision for directors' bonuses	417	388
Provision for directors' retirement benefits	34	17
Taxes and dues	2,800	3,278
Depreciation	3,600	3,865
Research and development expenses	1,110	3,484
Amortization of goodwill	1,497	1,454
Other	27,511	25,408
Total selling, general and administrative expenses	81,925	81,532
Operating profit	71,936	71,198
Non-operating income		
Interest income	1,193	1,711
Dividend income	137	148
Rent income on non-current assets	760	713
Share of profit of entities accounted for using equity method	387	821
Foreign exchange gains	1,412	1,090
Miscellaneous income	1,446	–
Other	4,968	3,966
Total non-operating income	10,305	8,451
Non-operating expenses		
Interest expenses	1,861	1,285
Loss on retirement of non-current assets	468	468
Depreciation	406	462
Loss on valuation of derivatives	–	987
Other	2,280	3,565
Total non-operating expenses	5,017	6,770
Ordinary profit	77,224	72,879
Extraordinary income		
Insurance income	3,585	–
Total extraordinary income	3,585	–
Extraordinary losses		
Impairment loss	1,730	–
Total extraordinary losses	1,730	–
Profit before income taxes	79,079	72,879
Income taxes - current	23,409	17,962
Income taxes - deferred	1,733	4,339
Total income taxes	25,142	22,301
Profit	53,937	50,578
Profit attributable to non-controlling interests	8,577	7,815
Profit attributable to owners of parent	45,359	42,762

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Profit	53,937	50,578
Other comprehensive income		
Valuation difference on available-for-sale securities	297	148
Foreign currency translation adjustment	(9,068)	(2,597)
Remeasurements of defined benefit plans, net of tax	672	2,030
Share of other comprehensive income of entities accounted for using equity method	(501)	383
Total other comprehensive income	(8,600)	(35)
Comprehensive income	45,336	50,543
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	39,024	42,676
Comprehensive income attributable to non-controlling interests	6,312	7,866

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2017

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	8,400	8,691	199,475	(4,050)	212,515
Changes of items during period					
Dividends of surplus			(6,684)		(6,684)
Profit attributable to owners of parent			45,359		45,359
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(7)		176	169
Change in ownership interest of parent due to transactions with non-controlling interests		94			94
Net changes of items other than shareholders' equity					
Total changes of items during period	–	87	38,675	176	38,939
Balance at end of current period	8,400	8,778	238,150	(3,874)	251,455

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	1,507	(3,125)	(13,080)	(14,699)	72	45,257	243,146
Changes of items during period							
Dividends of surplus							(6,684)
Profit attributable to owners of parent							45,359
Purchase of treasury shares							(0)
Disposal of treasury shares							169
Change in ownership interest of parent due to transactions with non-controlling interests							94
Net changes of items other than shareholders' equity	296	(7,332)	700	(6,335)	(72)	596	(5,811)
Total changes of items during period	296	(7,332)	700	(6,335)	(72)	596	33,127
Balance at end of current period	1,803	(10,458)	(12,380)	(21,034)	–	45,853	276,274

Fiscal year ended March 31, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	8,400	8,778	238,150	(3,874)	251,455
Changes of items during period					
Increase from accounting period changes of consolidated subsidiaries			66		66
Dividends of surplus			(10,028)		(10,028)
Profit attributable to owners of parent			42,762		42,762
Purchase of treasury shares				(0)	(0)
Change in ownership interest of parent due to transactions with non-controlling interests		(372)			(372)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	(372)	32,800	(0)	32,427
Balance at end of current period	8,400	8,406	270,951	(3,874)	283,882

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,803	(10,458)	(12,380)	(21,034)	45,853	276,274
Changes of items during period						
Increase from accounting period changes of consolidated subsidiaries						66
Dividends of surplus						(10,028)
Profit attributable to owners of parent						42,762
Purchase of treasury shares						(0)
Change in ownership interest of parent due to transactions with non-controlling interests						(372)
Net changes of items other than shareholders' equity	148	(2,347)	2,109	(88)	7	(81)
Total changes of items during period	148	(2,347)	2,109	(88)	7	32,346
Balance at end of current period	1,952	(12,805)	(10,270)	(21,123)	45,861	308,620



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Cash flows from operating activities		
Profit before income taxes	79,079	72,879
Depreciation	36,228	34,755
Impairment loss	1,730	–
Amortization of goodwill	1,497	1,454
Increase (decrease) in net defined benefit liability	2,680	2,039
Interest and dividend income	(1,330)	(1,859)
Interest expenses	1,861	1,285
Foreign exchange losses (gains)	735	(1,073)
Share of loss (profit) of entities accounted for using equity method	(387)	(821)
Loss (gain) on sales of property, plant and equipment	(161)	(341)
Decrease (increase) in notes and accounts receivable - trade	(10,903)	(14,482)
Decrease (increase) in inventories	(904)	(3,310)
Increase (decrease) in notes and accounts payable - trade	9,522	10,436
Decrease (increase) in accounts receivable - other	3,413	(4,667)
Increase (decrease) in accounts payable - other	1,452	333
Increase (decrease) in accrued expenses	1,533	5,231
Other, net	(10,508)	(573)
Subtotal	115,541	101,287
Interest and dividend income received	1,675	2,101
Interest expenses paid	(2,161)	(1,303)
Income taxes paid	(19,666)	(15,967)
Net cash provided by (used in) operating activities	95,389	86,117
Cash flows from investing activities		
Payments into time deposits	(5,115)	(3,003)
Proceeds from withdrawal of time deposits	–	4,433
Purchase of property, plant and equipment	(31,439)	(46,082)
Proceeds from sales of property, plant and equipment	1,055	2,792
Purchase of intangible assets	(2,239)	(4,121)
Purchase of investment securities	(67)	(5,603)
Payments of loans receivable	(55)	(67)
Collection of loans receivable	69	70
Payments resulting from liquidation of business	(11,149)	–
Other, net	14	(125)
Net cash provided by (used in) investing activities	(48,927)	(51,707)

(Millions of yen)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(24,538)	(15,962)
Proceeds from long-term loans payable	1,083	6,651
Repayments of long-term loans payable	(25,526)	(6,245)
Proceeds from issuance of bonds	–	30,000
Cash dividends paid	(6,682)	(10,024)
Dividends paid to non-controlling interests	(5,676)	(7,039)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	–	(648)
Other, net	(6)	(259)
Net cash provided by (used in) financing activities	(61,347)	(3,528)
Effect of exchange rate change on cash and cash equivalents	(1,128)	1,297
Net increase (decrease) in cash and cash equivalents	(16,014)	32,179
Cash and cash equivalents at beginning of period	160,904	144,889
Increase(decrease) in cash and cash equivalents resulting from unification of accounting period	–	1,303
Cash and cash equivalents at end of period	144,889	178,372

## Segment Information

FY2016 (April 1, 2016 – March 31, 2017)

(Millions of yen)

	Reportable Segment					Eliminations	Consolidated
	Japan	North, Central and South America	Asia and Oceania	Europe and Africa	Total		
Net Sales							
(1)Sales to external customers	669,156	291,444	308,588	88,723	1,357,913	—	1,357,913
(2)Inter-segment sales and transfers	49,485	3,959	19,085	1,970	74,500	(74,500)	—
Total	718,642	295,403	327,673	90,694	1,432,413	(74,500)	1,357,913
Segment profit (loss)	23,084	13,267	33,145	2,232	71,729	206	71,936
Segment assets	435,734	87,747	193,686	45,917	763,085	(71,164)	691,921
Others							
(1)Depreciation expenses	16,210	6,241	11,549	2,226	36,228	—	36,228
(2)Capital expenditure	21,103	5,939	5,919	2,538	35,500	—	35,500

FY2017 (April 1, 2017 – March 31, 2018)

(Millions of yen)

	Reportable Segment					Eliminations	Consolidated
	Japan	North, Central and South America	Asia and Oceania	Europe and Africa	Total		
Net Sales							
(1)Sales to external customers	701,894	281,510	316,418	99,707	1,399,530	—	1,399,530
(2)Inter-segment sales and transfers	53,496	4,259	22,462	1,239	81,458	(81,458)	—
Total	755,391	285,769	338,880	100,946	1,480,988	(81,458)	1,399,530
Segment profit (loss)	19,237	11,435	32,427	8,058	71,159	39	71,198
Segment assets	463,700	86,234	196,160	48,623	794,718	(50,159)	744,558
Others							
(1)Depreciation expenses	17,497	5,345	9,929	1,983	34,755	—	34,755
(2)Capital expenditure	28,947	10,286	9,613	3,247	52,095	—	52,095