

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2017 (Based on Japanese GAAP)

October 31, 2017

Company name: Toyota Boshoku Corporation
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 3116 URL: <https://www.toyota-boshoku.com>
 Representative: President Yoshimasa Ishii
 Inquiries: General Manager, Accounting & Finance Shunichi Iwamori TEL (0566)26-0313
 Division
 Scheduled date to file Quarterly Securities Report: November 13, 2017
 Scheduled date to commence dividend payments: November 27, 2017
 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 rounded down)

1. Consolidated financial results for the six months ended September 30, 2017 (from April 1, 2017 to September 30, 2017)

(1) Consolidated operating results (cumulative)

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	%
Six months ended September 30, 2017	672,313	0.7	31,890	(11.8)	33,103	(8.3)	19,133	44.1
Six months ended September 30, 2016	667,485	(3.7)	36,148	30.3	36,096	20.3	13,281	(25.0)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2017	103.03		-	
Six months ended September 30, 2016	71.54		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2017	679,383	288,520	36.2
As of March 31, 2017	691,921	276,274	33.3

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2017	-	21.00	-	29.00	50.00
Year ending March 31, 2018	-	25.00	-	-	-
Year ending March 31, 2018 (Forecast)	-	-	-	25.00	50.00

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

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
Full year	1,350,000	(0.6)	63,000	(12.4)	64,000	(17.1)	40,000	(11.8)	215.39

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2017
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) 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

(4) Number of issued shares (common shares)

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

As of September 30, 2017	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 September 30, 2017	1,958,276 shares	As of March 31, 2017	1,958,154 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2017	185,707,559 shares	Six months ended September 30, 2016	185,662,864 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017
Assets		
Current assets		
Cash and deposits	162,335	159,392
Notes and accounts receivable - trade	185,189	174,785
Merchandise and finished goods	7,520	7,847
Work in process	7,866	7,722
Raw materials and supplies	28,460	29,426
Other	44,820	42,108
Allowance for doubtful accounts	(158)	(156)
Total current assets	436,032	421,126
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	78,946	77,348
Machinery, equipment and vehicles, net	72,684	65,465
Other, net	46,671	53,215
Total property, plant and equipment	198,302	196,029
Intangible assets		
Goodwill	4,882	4,134
Other	3,054	4,288
Total intangible assets	7,937	8,422
Investments and other assets		
Investment securities	16,530	20,447
Other	33,277	33,516
Allowance for doubtful accounts	(159)	(158)
Total investments and other assets	49,648	53,805
Total non-current assets	255,888	258,257
Total assets	691,921	679,383

(Millions of yen)

	As of March 31, 2017	As of September 30, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	175,585	160,840
Short-term loans payable	21,981	14,358
Current portion of long-term loans payable	5,947	4,120
Income taxes payable	13,820	13,778
Provision for product warranties	3,458	2,994
Provision for directors' bonuses	417	181
Other	65,087	67,573
Total current liabilities	286,298	263,848
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	46,031	46,088
Net defined benefit liability	54,786	55,407
Provision for directors' retirement benefits	298	262
Asset retirement obligations	258	259
Other	7,973	4,996
Total non-current liabilities	129,347	127,014
Total liabilities	415,646	390,862
Net assets		
Shareholders' equity		
Capital stock	8,400	8,400
Capital surplus	8,778	8,406
Retained earnings	238,150	251,964
Treasury shares	(3,874)	(3,874)
Total shareholders' equity	251,455	264,896
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,803	2,151
Foreign currency translation adjustment	(10,458)	(9,554)
Remeasurements of defined benefit plans	(12,380)	(11,845)
Total accumulated other comprehensive income	(21,034)	(19,248)
Non-controlling interests	45,853	42,873
Total net assets	276,274	288,520
Total liabilities and net assets	691,921	679,383

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Net sales	667,485	672,313
Cost of sales	590,274	600,275
Gross profit	77,210	72,037
Selling, general and administrative expenses		
Salaries and bonuses	16,085	15,540
Other	24,977	24,606
Total selling, general and administrative expenses	41,062	40,147
Operating profit	36,148	31,890
Non-operating income		
Interest income	527	775
Foreign exchange gains	182	1,555
Share of profit of entities accounted for using equity method	38	279
Miscellaneous income	1,177	–
Other	2,475	2,258
Total non-operating income	4,402	4,870
Non-operating expenses		
Interest expenses	1,117	648
Loss on valuation of derivatives	985	554
Other	2,350	2,453
Total non-operating expenses	4,454	3,656
Ordinary profit	36,096	33,103
Profit before income taxes	36,096	33,103
Income taxes	18,536	9,871
Profit	17,559	23,231
Profit attributable to non-controlling interests	4,277	4,098
Profit attributable to owners of parent	13,281	19,133

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2016	Six months ended September 30, 2017
Profit	17,559	23,231
Other comprehensive income		
Valuation difference on available-for-sale securities	(77)	348
Foreign currency translation adjustment	(22,850)	1,327
Share of other comprehensive income of entities accounted for using equity method	(534)	90
Remeasurements of defined benefit plans, net of tax	798	530
Total other comprehensive income	(22,663)	2,296
Comprehensive income	(5,103)	25,528
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(4,723)	20,922
Comprehensive income attributable to non-controlling interests	(380)	4,605

Segment Information

FY2016 Second Quarter (April 1, 2016—September 30, 2016)

(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	328,510	137,178	158,299	43,497	667,485	—	667,485
(2)Inter-segment sales and transfers	25,086	1,863	9,428	676	37,055	(37,055)	—
Total	353,596	139,041	167,727	44,174	704,540	(37,055)	667,485
Segment profit (loss)	13,008	5,832	17,858	(703)	35,996	151	36,148

FY2017 Second Quarter (April 1, 2017—September 30, 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	321,771	142,313	162,050	46,177	672,313	—	672,313
(2)Inter-segment sales and transfers	26,815	1,772	10,000	659	39,247	(39,247)	—
Total	348,586	144,086	172,050	46,836	711,561	(39,247)	672,313
Segment profit (loss)	7,080	4,502	17,400	2,913	31,897	(7)	31,890