

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, 2017 (Based on Japanese GAAP)

February 2, 2018

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: February 13, 2018
 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 rounded down)

1. Consolidated financial results for the nine months ended December 31, 2017 (from April 1, 2017 to December 31, 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	%
Nine months ended December 31, 2017	1,033,081	3.2	49,494	(6.3)	51,899	(5.4)	28,510	3.1
Nine months ended December 31, 2016	1,000,782	(5.0)	52,820	29.0	54,839	34.7	27,657	23.2

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2017	153.53		–	
Nine months ended December 31, 2016	148.96		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2017	723,441	297,863	34.9
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	1,390,000	2.4	66,000	(8.3)	69,000	(10.7)	41,000	(9.6)	220.78

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 2017	187,665,738 shares	As of March 31, 2017	187,665,738 shares
-------------------------	--------------------	----------------------	--------------------

Number of treasury shares at the end of the period

As of December 31, 2017	1,958,326 shares	As of March 31, 2017	1,958,154 shares
-------------------------	------------------	----------------------	------------------

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

Nine months ended December 31, 2017	185,707,525 shares	Nine months ended December 31, 2016	185,677,845 shares
-------------------------------------	--------------------	-------------------------------------	--------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Assets		
Current assets		
Cash and deposits	162,335	197,786
Notes and accounts receivable - trade	185,189	169,904
Merchandise and finished goods	7,520	8,510
Work in process	7,866	8,597
Raw materials and supplies	28,460	31,295
Other	44,820	42,729
Allowance for doubtful accounts	(158)	(142)
Total current assets	436,032	458,681
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	78,946	77,140
Machinery, equipment and vehicles, net	72,684	68,513
Other, net	46,671	55,643
Total property, plant and equipment	198,302	201,297
Intangible assets		
Goodwill	4,882	3,754
Other	3,054	5,416
Total intangible assets	7,937	9,170
Investments and other assets		
Investment securities	16,530	21,092
Other	33,277	33,358
Allowance for doubtful accounts	(159)	(158)
Total investments and other assets	49,648	54,291
Total non-current assets	255,888	264,759
Total assets	691,921	723,441

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	175,585	166,037
Short-term loans payable	21,981	15,466
Current portion of long-term loans payable	5,947	2,354
Income taxes payable	13,820	15,510
Provision for product warranties	3,458	3,005
Provision for directors' bonuses	417	244
Other	65,087	65,557
Total current liabilities	286,298	268,176
Non-current liabilities		
Bonds payable	20,000	50,000
Long-term loans payable	46,031	46,144
Net defined benefit liability	54,786	55,862
Provision for directors' retirement benefits	298	265
Asset retirement obligations	258	251
Other	7,973	4,877
Total non-current liabilities	129,347	157,402
Total liabilities	415,646	425,578
Net assets		
Shareholders' equity		
Capital stock	8,400	8,400
Capital surplus	8,778	8,406
Retained earnings	238,150	256,699
Treasury shares	(3,874)	(3,874)
Total shareholders' equity	251,455	269,630
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,803	2,435
Foreign currency translation adjustment	(10,458)	(7,942)
Remeasurements of defined benefit plans	(12,380)	(11,584)
Total accumulated other comprehensive income	(21,034)	(17,091)
Non-controlling interests	45,853	45,323
Total net assets	276,274	297,863
Total liabilities and net assets	691,921	723,441

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Net sales	1,000,782	1,033,081
Cost of sales	887,559	922,221
Gross profit	113,222	110,859
Selling, general and administrative expenses		
Salaries and bonuses	23,955	23,250
Other	36,446	38,114
Total selling, general and administrative expenses	60,402	61,365
Operating profit	52,820	49,494
Non-operating income		
Interest income	822	1,212
Share of profit of entities accounted for using equity method	337	452
Foreign exchange gains	634	2,250
Miscellaneous income	1,177	-
Other	4,062	3,251
Total non-operating income	7,034	7,166
Non-operating expenses		
Interest expenses	1,487	949
Other	3,527	3,812
Total non-operating expenses	5,014	4,761
Ordinary profit	54,839	51,899
Extraordinary income		
Insurance income	3,585	-
Total extraordinary income	3,585	-
Profit before income taxes	58,424	51,899
Income taxes	24,545	17,473
Profit	33,879	34,426
Profit attributable to non-controlling interests	6,221	5,915
Profit attributable to owners of parent	27,657	28,510

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Profit	33,879	34,426
Other comprehensive income		
Valuation difference on available-for-sale securities	395	631
Foreign currency translation adjustment	(15,932)	3,486
Remeasurements of defined benefit plans, net of tax	1,053	785
Share of other comprehensive income of entities accounted for using equity method	(696)	234
Total other comprehensive income	(15,180)	5,138
Comprehensive income	18,698	39,565
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,972	32,456
Comprehensive income attributable to non-controlling interests	1,726	7,108

Segment Information

FY2016 Third Quarter (April 1, 2016 – December 31, 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	496,803	206,603	231,727	65,647	1,000,782	—	1,000,782
(2)Inter-segment sales and transfers	36,728	2,558	13,996	875	54,159	(54,159)	—
Total	533,531	209,162	245,724	66,523	1,054,941	(54,159)	1,000,782
Segment profit (loss)	18,628	8,781	25,421	(212)	52,619	200	52,820

FY2017 Third Quarter (April 1, 2017 – December 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	506,843	211,545	240,647	74,045	1,033,081	—	1,033,081
(2)Inter-segment sales and transfers	39,909	2,814	15,385	936	59,045	(59,045)	—
Total	546,753	214,359	256,032	74,982	1,092,127	(59,045)	1,033,081
Segment profit (loss)	12,799	6,301	25,270	5,144	49,515	(20)	49,494