

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2018 (Based on Japanese GAAP)

October 31, 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 to file Quarterly Securities Report: November 13, 2018
 Scheduled date to commence dividend payments: November 27, 2018
 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, 2018 (from April 1, 2018 to September 30, 2018)

(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, 2018	686,258	2.1	27,815	(12.8)	28,740	(13.2)	12,278	(35.8)
Six months ended September 30, 2017	672,313	0.7	31,890	(11.8)	33,103	(8.3)	19,133	44.1

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2018	66.12	–
Six months ended September 30, 2017	103.03	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2018	733,062	313,617	37.1
As of March 31, 2018	744,558	308,620	35.3

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, 2018	–	25.00	–	29.00	54.00
Year ending March 31, 2019	–	28.00			
Year ending March 31, 2019 (Forecast)			–	28.00	56.00

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
Full year	1,400,000	0.0	62,000	(12.9)	63,000	(13.6)	34,000	(20.5)	183.08

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2018
(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, 2018	187,665,738 shares	As of March 31, 2018	187,665,738 shares
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Number of treasury shares at the end of the period

As of September 30, 2018	1,958,512 shares	As of March 31, 2018	1,958,326 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, 2018	185,707,317 shares	Six months ended September 30, 2017	185,707,559 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
Assets		
Current assets		
Cash and deposits	194,158	196,113
Notes and accounts receivable - trade	194,149	171,471
Merchandise and finished goods	7,762	7,514
Work in process	9,648	13,974
Raw materials and supplies	28,560	33,030
Other	42,417	36,999
Allowance for doubtful accounts	(135)	(131)
Total current assets	476,560	458,971
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	74,703	74,629
Machinery, equipment and vehicles, net	67,408	70,638
Other, net	59,038	62,730
Total property, plant and equipment	201,150	207,998
Intangible assets		
Goodwill	3,422	2,760
Other	6,740	8,179
Total intangible assets	10,163	10,940
Investments and other assets		
Investment securities	23,300	23,151
Other	33,602	32,267
Allowance for doubtful accounts	(217)	(266)
Total investments and other assets	56,685	55,152
Total non-current assets	267,998	274,090
Total assets	744,558	733,062

(Millions of yen)

	As of March 31, 2018	As of September 30, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	181,061	163,555
Short-term loans payable	5,829	22,053
Current portion of bonds	10,000	10,000
Current portion of long-term loans payable	19,540	8,989
Income taxes payable	13,668	15,407
Provision for product warranties	2,517	2,239
Provision for directors' bonuses	353	199
Other	70,439	65,523
Total current liabilities	303,409	287,968
Non-current liabilities		
Bonds payable	40,000	40,000
Long-term loans payable	31,687	30,371
Net defined benefit liability	53,989	54,570
Provision for directors' retirement benefits	268	241
Asset retirement obligations	250	251
Other	6,332	6,040
Total non-current liabilities	132,528	131,475
Total liabilities	435,938	419,444
Net assets		
Shareholders' equity		
Capital stock	8,400	8,400
Capital surplus	8,406	8,406
Retained earnings	270,951	277,844
Treasury shares	(3,874)	(3,875)
Total shareholders' equity	283,882	290,775
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,952	1,834
Foreign currency translation adjustment	(12,805)	(10,999)
Remeasurements of defined benefit plans	(10,270)	(9,752)
Total accumulated other comprehensive income	(21,123)	(18,918)
Non-controlling interests	45,861	41,760
Total net assets	308,620	313,617
Total liabilities and net assets	744,558	733,062

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, 2017	Six months ended September 30, 2018
Net sales	672,313	686,258
Cost of sales	600,275	616,994
Gross profit	72,037	69,264
Selling, general and administrative expenses		
Salaries and bonuses	15,540	15,661
Other	24,606	25,787
Total selling, general and administrative expenses	40,147	41,448
Operating profit	31,890	27,815
Non-operating income		
Interest income	775	792
Foreign exchange gains	1,555	430
Share of profit of entities accounted for using equity method	279	482
Other	2,258	2,624
Total non-operating income	4,870	4,329
Non-operating expenses		
Interest expenses	648	644
Loss on valuation of derivatives	554	–
Miscellaneous loss	–	1,000
Other	2,453	1,759
Total non-operating expenses	3,656	3,404
Ordinary profit	33,103	28,740
Profit before income taxes	33,103	28,740
Income taxes	9,871	14,002
Profit	23,231	14,737
Profit attributable to non-controlling interests	4,098	2,458
Profit attributable to owners of parent	19,133	12,278

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
Profit	23,231	14,737
Other comprehensive income		
Valuation difference on available-for-sale securities	348	(117)
Foreign currency translation adjustment	1,327	1,981
Share of other comprehensive income of entities accounted for using equity method	90	(84)
Remeasurements of defined benefit plans, net of tax	530	532
Total other comprehensive income	2,296	2,310
Comprehensive income	25,528	17,048
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	20,922	14,484
Comprehensive income attributable to non-controlling interests	4,605	2,564

Segment Information

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

FY2018 Second Quarter (April 1, 2018—September 30, 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	341,505	133,094	165,178	46,481	686,258	—	686,258
(2)Inter-segment sales and transfers	40,954	2,274	10,811	640	54,680	(54,680)	—
Total	382,459	135,368	175,989	47,121	740,939	(54,680)	686,258
Segment profit (loss)	813	16,502	7,236	3,303	27,855	(39)	27,815