

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Based on Japanese GAAP)

February 1, 2019

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: February 13, 2019
 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, 2018 (from April 1, 2018 to December 31, 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	%
Nine months ended December 31, 2018	1,046,781	1.3	43,682	(11.7)	44,261	(14.7)	17,046	(40.2)
Nine months ended December 31, 2017	1,033,081	3.2	49,494	(6.3)	51,899	(5.4)	28,510	3.1

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2018	91.79	–
Nine months ended December 31, 2017	153.53	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2018	703,301	306,338	38.4
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	58,000	(18.5)	58,000	(20.4)	26,000	(39.2)	140.01

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2018
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (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, 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 December 31, 2018	1,958,513 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)

Nine months ended December 31, 2018	185,707,286 shares	Nine months ended December 31, 2017	185,707,525 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	194,158	165,928
Notes and accounts receivable - trade	194,149	162,058
Merchandise and finished goods	7,762	8,752
Work in process	9,648	17,255
Raw materials and supplies	28,560	35,040
Other	42,417	38,254
Allowance for doubtful accounts	(135)	(141)
Total current assets	476,560	427,148
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	74,703	76,626
Machinery, equipment and vehicles, net	67,408	71,965
Other, net	59,038	63,078
Total property, plant and equipment	201,150	211,670
Intangible assets		
Goodwill	3,422	2,429
Other	6,740	8,662
Total intangible assets	10,163	11,091
Investments and other assets		
Investment securities	23,300	22,347
Other	33,602	31,337
Allowance for doubtful accounts	(217)	(294)
Total investments and other assets	56,685	53,390
Total non-current assets	267,998	276,153
Total assets	744,558	703,301

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	181,061	161,850
Short-term loans payable	5,829	12,007
Current portion of bonds	10,000	–
Current portion of long-term loans payable	19,540	10,074
Income taxes payable	13,668	13,622
Provision for product warranties	2,517	2,150
Provision for directors' bonuses	353	269
Other	70,439	65,975
Total current liabilities	303,409	265,950
Non-current liabilities		
Bonds payable	40,000	40,000
Long-term loans payable	31,687	30,016
Net defined benefit liability	53,989	54,728
Provision for directors' retirement benefits	268	245
Asset retirement obligations	250	252
Other	6,332	5,769
Total non-current liabilities	132,528	131,012
Total liabilities	435,938	396,962
Net assets		
Shareholders' equity		
Capital stock	8,400	8,400
Capital surplus	8,406	7,308
Retained earnings	270,951	277,412
Treasury shares	(3,874)	(3,875)
Total shareholders' equity	283,882	289,245
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,952	1,062
Foreign currency translation adjustment	(12,805)	(10,873)
Remeasurements of defined benefit plans	(10,270)	(9,499)
Total accumulated other comprehensive income	(21,123)	(19,310)
Non-controlling interests	45,861	36,404
Total net assets	308,620	306,338
Total liabilities and net assets	744,558	703,301

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, 2017	Nine months ended December 31, 2018
Net sales	1,033,081	1,046,781
Cost of sales	922,221	936,896
Gross profit	110,859	109,885
Selling, general and administrative expenses		
Salaries and bonuses	23,250	23,367
Other	38,114	42,836
Total selling, general and administrative expenses	61,365	66,203
Operating profit	49,494	43,682
Non-operating income		
Interest income	1,212	1,223
Share of profit of entities accounted for using equity method	452	803
Foreign exchange gains	2,250	–
Other	3,251	4,126
Total non-operating income	7,166	6,154
Non-operating expenses		
Interest expenses	949	1,053
Other	3,812	4,521
Total non-operating expenses	4,761	5,575
Ordinary profit	51,899	44,261
Extraordinary losses		
Loss on liquidation of subsidiaries and associates	–	3,460
Total extraordinary losses	–	3,460
Profit before income taxes	51,899	40,801
Income taxes	17,473	18,893
Profit	34,426	21,907
Profit attributable to non-controlling interests	5,915	4,860
Profit attributable to owners of parent	28,510	17,046

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	34,426	21,907
Other comprehensive income		
Valuation difference on available-for-sale securities	631	(890)
Foreign currency translation adjustment	3,486	1,231
Remeasurements of defined benefit plans, net of tax	785	792
Share of other comprehensive income of entities accounted for using equity method	234	(160)
Total other comprehensive income	5,138	972
Comprehensive income	39,565	22,880
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	32,456	18,859
Comprehensive income attributable to non-controlling interests	7,108	4,021

Segment Information

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

FY2018 Third Quarter (April 1, 2018 – December 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	525,270	198,149	252,278	71,082	1,046,781	—	1,046,781
(2)Inter-segment sales and transfers	57,494	3,502	16,600	1,006	78,603	(78,603)	—
Total	582,765	201,651	268,878	72,089	1,125,385	(78,603)	1,046,781
Segment profit (loss)	3,879	16,273	17,980	5,601	43,734	(52)	43,682