

Translation

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**Summary of Consolidated Financial Results
for the Three Months Ended of June 30, 2024
(Based on IFRS)**

July 31, 2024

Company name: Toyota Boshoku Corporation
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 3116 URL <https://www.toyota-boshoku.com>
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 Division
 Scheduled date to commence dividend payments: –
 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 omitted.)

1. Consolidated financial results for the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Revenue		Operating profit		Profit before income taxes		Profit for the period		Profit attributable to owners of the parent		Comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2024	488,000	2.6	16,698	(24.7)	19,405	(23.5)	10,540	(26.5)	8,696	(30.5)	32,077	6.6
Three months ended June 30, 2023	475,499	35.7	22,166	551.0	25,374	236.1	14,343	—	12,505	—	30,092	57.3

	Earnings per share attributable to owners of the parent - Basic	Earnings per share attributable to owners of the parent - Diluted
	Yen	Yen
Three months ended June 30, 2024	48.73	48.72
Three months ended June 30, 2023	66.93	66.92

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent
	Millions of yen	Millions of yen	Millions of yen	%
As of June 30, 2024	1,141,848	511,801	469,386	41.1
As of March 31, 2024	1,127,694	492,946	448,961	39.8

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, 2024	—	43.00	—	43.00	86.00
Year ending March 31, 2025	—	—	—	—	—
Year ending March 31, 2025 (Forecast)	—	43.00	—	43.00	86.00

(Note) Changes in the forecasted cash dividends in this quarter: No

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

Percentages indicate year-on-year changes

	Revenue		Operating profit		Profit before income taxes		Profit attributable to owners of the parent		Earnings per share attributable to owners of the parent - Basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	1,900,000	(2.7)	68,000	(13.5)	69,000	(21.0)	43,000	(25.7)	240.81

(Note) Changes in the forecast of consolidated financial results in this quarter : Yes

* Notes

(1) Changes in significant subsidiaries during the three months ended June 30, 2024
(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies and changes in accounting estimates
Changes in accounting policies required by IFRS: No
Changes in accounting policies due to other reasons: No
Changes in accounting estimates: No

(3) Number of shares issued (common shares)

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

As of June 30, 2024	187,665,738 shares	As of March 31, 2024	187,665,738 shares
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Number of treasury shares at the end of the period

As of Jun 30, 2024	9,152,908 shares	As of March 31, 2024	9,152,908 shares
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Average number of shares issued during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2024	178,468,292 shares	Three months ended June 30, 2023	186,844,638 shares
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*Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: No

* Explanation on the proper use of the forecast on financial results, and other information
(Cautionary statement regarding forward-looking statements)

This report contains forward-looking statements based on information available to the Company as of the date hereof and assumptions which it believes are reasonable. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially, therefore do not represent any guarantees of future performance. For more information on forecasts, please see “(3) Explanation Regarding Forecast of Consolidated Financial Results and Other Forward-Looking Information” under “1. Qualitative Information on Financial Results” on page 2 of the appendix to this consolidated financial report.

(How to obtain supplementary financial results material)

Supplementary financial material will be posted on the Company’s website on July 31, 2024(JST)

(Appendix)

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1. Qualitative Information on Financial Results

(1) Explanation of Business Results

For the three months ended June 30, 2024, revenue increased by ¥12.5 billion or 2.6%, year over year, to ¥488.0 billion due to the impact of foreign exchange rates and other factors, despite a decrease in production volume in countries such as Japan and China. Operating profit decreased by ¥5.4 billion or 24.7%, year over year, to ¥16.6 billion. Profit before income taxes decreased by ¥5.9 billion or 23.5%, year over year, to ¥19.4 billion. Profit attributable to the owners of the parent decreased by ¥3.8 billion or 30.5%, year over year, to ¥8.6 billion. These are mainly due to the impact of production volume decrease and an increase in miscellaneous expenses.

Results by segment are as follows.

(i) Japan

Revenue in Japan decreased by ¥4.8 billion or 2.1%, year over year, to ¥224.2 billion due to a decrease in production volume. Operating profit decreased by ¥2.5 billion or 72.7%, year over year, to ¥0.9 billion due to the impact of production volume decrease and an increase in miscellaneous expenses, despite the effects of new products accompanying model changes and changes in model mix.

(ii) North, Central and South America

Revenue in North, Central and South America increased by ¥23.2 billion or 20.2%, year over year, to ¥138.1 billion due to an increase in production volume due to the launch of new models and the impact of foreign exchange rates. Operating profit increased by ¥0.2 billion or 14.8%, year over year, to ¥2.1 billion due to effects of increased production volume and cost reduction.

(iii) China

Revenue in China decreased by ¥9.8 billion or 15.6%, year over year, to ¥53.0 billion due to a decrease in production volume. Operating profit decreased by ¥3.2 billion or 57.1%, year over year, to ¥2.4 billion due to effects of decreased production volume despite cost reduction.

(iv) Asia

Revenue in Asia increased by ¥6.9 billion or 11.1%, year over year, to ¥69.3 billion due to an increase in production volume due to the launch of new models and the impact of foreign exchange rates. Operating profit increased by ¥1.8 billion or 25.1%, year over year, to ¥9.2 billion due to effects of increased production volume and cost reduction.

(v) Europe and Africa

Revenue in Europe and Africa decreased by ¥2.6 billion or 7.8%, year over year, to ¥30.9 billion mainly due to a decrease in production volume. Operating profit decreased by ¥1.8 billion or 51.3%, year over year, to ¥1.7 billion due to effects of decreased production volume and changes in model mix, despite cost reduction and the impact of foreign exchange rates.

(2) Explanation of Financial Position

Total assets as of June 30, 2024, increased by ¥14.1 billion to ¥1,141.8 billion due to an increase in cash and cash equivalents and property, plant and equipment. The total for liabilities decreased by ¥4.7 billion to ¥630.0 billion year over year. The main factor was a decrease in operating liabilities. Equity increased by ¥18.8 billion to ¥511.8 billion mainly due to an increase in other components of equity.

(3) Explanation of Consolidated Forecasts and Other Forward-Looking Information

As for the forecast of financial results for the fiscal year ending March 31, 2025, the Company expects revenue to be ¥1,900.0 billion, operating profit of ¥68.0 billion, profit before tax to be ¥69.0 billion, profit attributable to owners of the parent to be ¥43.0 billion. These forecasts have been revised from those disclosed on April 26, 2024.

The exchange rates assumption is 1USD= ¥145, 1EUR= ¥160, 1THB= ¥4.0, and 1CNY= ¥20.1.

The above contains statements based on information currently available to the Company as of the time hereof and assumptions which it believes are reasonable. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially, therefore do not represent any guarantees of future performance.

2. Consolidated Financial Statements and Notes

(1) Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and cash equivalents	244,191	256,187
Trade and other receivables	304,115	291,074
Inventories	83,648	90,537
Other financial assets	32,235	28,810
Income taxes receivable	17,084	8,184
Other current assets	13,449	12,229
Subtotal	694,725	687,024
Assets held for sale	14,063	12,108
Total current assets	708,788	699,132
Non-current assets		
Property, plant and equipment	329,382	342,764
Goodwill	6,026	6,121
Intangible assets	18,091	17,986
Investments accounted for using the equity method	11,778	12,296
Other financial assets	36,887	38,336
Deferred tax assets	14,281	22,666
Other non-current assets	2,458	2,543
Total non-current assets	418,906	442,715
Total assets	1,127,694	1,141,848

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	251,524	247,967
Bonds and borrowings	10,000	10,563
Other financial liabilities	4,951	7,884
Income taxes payable	12,973	12,605
Provisions	4,699	4,788
Other current liabilities	111,739	107,145
Subtotal	395,888	390,955
Liabilities directly associated with assets held for sale	9,607	8,841
Total current liabilities	405,495	399,796
Non-current liabilities		
Bonds and borrowings	155,000	155,000
Other financial liabilities	7,591	7,668
Retirement benefit liability	57,883	58,241
Provisions	730	737
Deferred tax liabilities	5,665	5,998
Other non-current liabilities	2,381	2,604
Total non-current liabilities	229,253	230,250
Total liabilities	634,748	630,047
Equity		
Share capital	8,400	8,400
Capital surplus	3,095	3,095
Retained earnings	393,577	394,550
Treasury shares	(21,515)	(21,515)
Other components of equity	65,403	84,856
Total equity attributable to owners of the parent	448,961	469,386
Non-controlling interests	43,985	42,415
Total equity	492,946	511,801
Total liabilities and equity	1,127,694	1,141,848

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
Consolidated Statement of Income

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Revenue	475,499	488,000
Cost of sales	426,723	437,643
Gross profit	48,776	50,357
Selling, general and administrative expenses	28,075	33,316
Other income	2,524	1,642
Other expenses	1,058	1,984
Operating profit	22,166	16,698
Finance income	4,072	2,698
Finance expenses	683	445
Share of profit (loss) of investments accounted for using the equity method	(181)	453
Profit before income taxes	25,374	19,405
Income tax expense	11,030	8,864
Profit for the period	14,343	10,540
Profit attributable to		
Owners of the parent	12,505	8,696
Non-controlling interests	1,838	1,844
Earnings per share attributable to owners of the parent		
Basic (Yen)	66.93	48.73
Diluted (Yen)	66.92	48.72

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit for the period	14,343	10,540
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(46)	(67)
Net change in fair value of equity instruments measured at fair value through other comprehensive income	2,358	562
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	13,339	20,903
Net change in fair value of debt instruments measured at fair value through other comprehensive income	(0)	0
Share of other comprehensive income of investments accounted for using the equity method	96	137
Total other comprehensive income, net of tax	15,748	21,536
Comprehensive income	30,092	32,077
Comprehensive income attributable to		
Owners of the parent	26,702	28,101
Non-controlling interests	3,390	3,976

(3) Consolidated Statement of Changes in Equity

Three months ended June 30, 2023

(Millions of yen)

	Equity attributable to owners of the parent				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity
					Remeasurements of defined benefit plans
Balance at April 1, 2023	8,400	3,101	349,426	(1,547)	—
Profit (loss) for the period			12,505		
Other comprehensive income					(27)
Comprehensive income	—	—	12,505	—	(27)
Purchase of treasury shares				(0)	
Dividends			(6,540)		
Change in scope of consolidation					
Transfer to retained earnings			(545)		27
Total transactions with owners	—	—	(7,086)	(0)	27
Balance at June 30, 2023	8,400	3,101	354,846	(1,547)	—

	Equity attributable to owners of the parent				Non-controlling interests	Total
	Other components of equity			Total		
	Net change in fair value of equity instruments measured at fair value through other comprehensive income	Net change in fair value of debt instruments measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations			
Balance at April 1, 2023	10,633	(89)	30,816	400,741	36,153	436,894
Profit (loss) for the period				12,505	1,838	14,343
Other comprehensive income	2,358	(0)	11,866	14,196	1,552	15,748
Comprehensive income	2,358	(0)	11,866	26,702	3,390	30,092
Purchase of treasury shares				(0)		(0)
Dividends				(6,540)	(5,596)	(12,137)
Change in scope of consolidation				—	177	177
Transfer to retained earnings	517			—		—
Total transactions with owners	517	—	—	(6,541)	(5,419)	(11,960)
Balance at June 30, 2023	13,508	(89)	42,682	420,902	34,124	455,026

Three months ended June 30, 2024

(Millions of yen)

	Equity attributable to owners of the parent				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity
					Remeasurements of defined benefit plans
Balance at April 1, 2024	8,400	3,095	393,577	(21,515)	—
Profit (loss) for the period			8,696		
Other comprehensive income					(47)
Comprehensive income	—	—	8,696	—	(47)
Purchase of treasury shares					
Dividends			(7,676)		
Change in scope of consolidation					
Transfer to retained earnings			(47)		47
Total transactions with owners	—	—	(7,723)	—	47
Balance at June 30, 2024	8,400	3,095	394,550	(21,515)	—

	Equity attributable to owners of the parent				Non-controlling interests	Total
	Other components of equity			Total		
	Net change in fair value of equity instruments measured at fair value through other comprehensive income	Net change in fair value of debt instruments measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations			
Balance at April 1, 2024	17,770	(81)	47,714	448,961	43,985	492,946
Profit (loss) for the period				8,696	1,844	10,540
Other comprehensive income	562	0	18,889	19,405	2,131	21,536
Comprehensive income	562	0	18,889	28,101	3,976	32,077
Purchase of treasury shares				—		—
Dividends				(7,676)	(5,546)	(13,222)
Change in scope of consolidation				—		—
Transfer to retained earnings				—		—
Total transactions with owners	—	—	—	(7,676)	(5,546)	(13,222)
Balance at June 30, 2024	18,333	(81)	66,604	469,386	42,415	511,801

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Cash flows from operating activities		
Profit before income taxes	25,374	19,405
Depreciation and amortization	12,443	14,958
Sub-lease cost of sales	22,246	4,689
Interest and dividend income	(1,810)	(2,053)
Decrease (increase) in trade receivables	(3,866)	19,379
Decrease (increase) in inventories	1,477	(3,915)
Increase (decrease) in trade payables	(1,457)	(11,103)
Increase (decrease) in other current liabilities	3,279	796
Other	2,270	3,928
Subtotal	59,956	46,084
Interest received	1,684	1,960
Dividends received	652	484
Interest paid	(659)	(446)
Income taxes paid	(8,060)	(9,444)
Net cash provided by (used in) operating activities	53,573	38,638

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Cash flows from investing activities		
Purchase of property, plant and equipment	(10,446)	(17,979)
Payments into time deposits	(1,569)	(4,694)
Proceeds from withdrawal of time deposits	1,728	7,965
Other	(1,213)	(907)
Net cash provided by (used in) investing activities	(11,500)	(15,615)
Cash flows from financing activities		
Proceeds from short-term borrowings	49,135	31,758
Repayments of short-term borrowings	(48,323)	(31,201)
Repayments of long-term borrowings	(13,736)	—
Dividends paid	(6,543)	(7,676)
Dividends paid to non-controlling interests	(3,792)	(2,952)
Repayments of lease liabilities	(9,753)	(9,202)
Other	(0)	—
Net cash provided by (used in) financing activities	(33,014)	(19,273)
Effect of exchange rate changes on cash and cash equivalents	5,336	7,056
Net increase (decrease) in cash and cash equivalents	14,394	10,806
Cash and cash equivalents at beginning of period	248,195	244,191
Increase (decrease) in cash and cash equivalents included in assets held for sale	—	1,189
Cash and cash equivalents at end of period	262,590	256,187

(5) Notes on Consolidated Financial Statements

(Notes on Going Concern Assumption)

There are no applicable items.

(Assets held for sale)

On March 28, 2024, the Company decided to conduct a third-party allotment of new shares for TB Kawashima Co., Ltd., a consolidated subsidiary, to AUNDE Achter & Ebels GmbH as the intended allottee. As a result, TB Kawashima Co., Ltd. and its subsidiaries will be transferred and excluded from the scope of consolidation of the Company. Accordingly, at the end of the previous fiscal year and at the end of the first quarter of the current fiscal year, the assets and liabilities held by TB Kawashima Co., Ltd. and its subsidiaries are recorded as assets held for sale and liabilities directly related to the assets. Disposal groups classified as held for sale are measured at fair value less costs to sell. The implementation of this capital increase through the third-party allotment is subject to obtaining clearance from the competition authorities of the relevant countries.

A disposal group classified as held for sale was measured at fair value less costs to sell, as the fair value less costs to sell fell below its carrying amount.

(Segment Information)

(1) Outline of Reportable Segments

In the three-month period ended June 30, 2024, there are no material changes to the method used to identify the reportable segments, the business activities carried out by each reportable segment, or the measurement standards used to determine segment profits.

(2) Revenue, Profit/Loss for each Reportable Segment

Three months ended June 30, 2023

(Millions of yen)

	Reportable Segment						Eliminations (*1)	Consolidated (*3)
	Japan	North, Central and South America	China	Asia and Oceania	Europe and Africa	Total		
Revenue								
Revenue from external customers	210,383	113,828	60,184	57,976	33,126	475,499	—	475,499
Inter-segment revenue and transfers (*2)	18,710	1,134	2,702	4,454	417	27,419	(27,419)	—
Total	229,094	114,963	62,886	62,430	33,543	502,919	(27,419)	475,499
Operating profit (loss)	3,454	1,914	5,647	7,434	3,655	22,107	59	22,166
Finance income								4,072
Finance expenses								683
Share of profit (loss) of investments accounted for using the equity method								(181)
Profit before income taxes								25,374

(Notes)1. 59 million yen included in “Eliminations” for “Operating profit” is mainly inter-segment transactions.

2. Inter-segment revenue are based on transaction prices that are determined through price negotiation, taking into account market prices and total costs incurred.

3. “Operating profit” reconciles to operating profit disclosed in the consolidated financial statement.

Three months ended June 30, 2024

(Millions of yen)

	Reportable Segment						Eliminations (*1)	Consolidated (*3)	
	Japan	North, Central and South America	China	Asia (*4)	Europe and Africa	Total			
Revenue									
Revenue from external customers	204,749	136,748	50,754	65,324	30,423	488,000	—	488,000	
Inter-segment revenue and transfers (*2)	19,451	1,419	2,326	4,038	514	27,749	(27,749)	—	
Total	224,200	138,167	53,080	69,362	30,938	515,750	(27,749)	488,000	
Operating profit (loss)	942	2,197	2,421	9,299	1,780	16,641	57	16,698	
Finance income									2,698
Finance expenses									445
Share of profit (loss) of investments accounted for using the equity method									453
Profit before income taxes									19,405

(Notes)1. 57 million yen included in “Eliminations” for “Operating profit” is mainly inter-segment transactions.

2. Inter-segment revenue are based on transaction prices that are determined through price negotiation, taking into account market prices and total costs incurred.

3. “Operating profit” reconciles to operating profit disclosed in the consolidated financial statement.

4. As Toyota Boshoku Australia Pty Ltd. has been excluded from the scope of consolidation from the second quarter of the previous fiscal year, the reportable segment has been changed to "Asia" from the current fiscal year. This change in segment name has no impact on segment information.