

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2016 (Based on Japanese GAAP)

February 2, 2017

Company name: Toyota Boshoku Corporation
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 3116 URL <http://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, 2017
 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, 2016 (from April 1, 2016 to December 31, 2016)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2016	1,000,782	(5.0)	52,820	29.0	54,839	34.7	27,657	23.2
Nine months ended December 31, 2015	1,053,028	10.6	40,956	85.7	40,697	28.0	22,442	371.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2016	148.96		–	
Nine months ended December 31, 2015	120.99		120.94	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2016	648,634	249,633	32.1
As of March 31, 2016	725,895	243,146	27.3

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, 2016	–	15.00	–	15.00	30.00
Year ending March 31, 2017	–	21.00	–		
Year ending March 31, 2017 (Forecast)				21.00	42.00

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	1,330,000	(6.1)	69,000	16.0	71,000	26.5	40,000	925.5	215.42

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2016
(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, 2016	187,665,738 shares	As of March 31, 2016	187,665,738 shares
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Number of treasury shares at the end of the period

As of December 31, 2016	1,958,152 shares	As of March 31, 2016	2,047,337 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, 2016	185,677,845 shares	Nine months ended December 31, 2015	185,499,083 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Assets		
Current assets		
Cash and deposits	168,186	155,241
Notes and accounts receivable - trade	188,886	161,107
Securities	5,000	–
Merchandise and finished goods	8,475	7,137
Work in process	6,083	6,564
Raw materials and supplies	30,275	28,023
Other	46,797	41,412
Allowance for doubtful accounts	(663)	(252)
Total current assets	453,041	399,233
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	83,997	78,282
Machinery, equipment and vehicles, net	82,307	71,500
Other, net	47,562	42,848
Total property, plant and equipment	213,867	192,631
Intangible assets		
Goodwill	6,403	5,255
Other	1,400	1,972
Total intangible assets	7,804	7,227
Investments and other assets		
Investment securities	15,955	16,382
Other	35,396	33,319
Allowance for doubtful accounts	(169)	(160)
Total investments and other assets	51,182	49,542
Total non-current assets	272,853	249,400
Total assets	725,895	648,634

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	178,714	159,643
Short-term loans payable	48,538	32,283
Current portion of long-term loans payable	23,881	2,354
Income taxes payable	7,168	15,807
Provision for product warranties	7,238	3,257
Provision for directors' bonuses	248	283
Provision for loss on business liquidation	23,019	1,908
Asset retirement obligations	78	3
Other	60,320	56,510
Total current liabilities	349,208	272,051
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term loans payable	52,505	46,894
Net defined benefit liability	54,471	53,869
Provision for directors' retirement benefits	311	296
Asset retirement obligations	250	253
Other	6,001	5,634
Total non-current liabilities	133,539	126,949
Total liabilities	482,748	399,001
Net assets		
Shareholders' equity		
Capital stock	8,400	8,400
Capital surplus	8,691	8,778
Retained earnings	199,475	220,448
Treasury shares	(4,050)	(3,874)
Total shareholders' equity	212,515	233,753
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,507	1,901
Foreign currency translation adjustment	(3,125)	(15,234)
Remeasurements of defined benefit plans	(13,080)	(12,051)
Total accumulated other comprehensive income	(14,699)	(25,384)
Subscription rights to shares	72	–
Non-controlling interests	45,257	41,264
Total net assets	243,146	249,633
Total liabilities and net assets	725,895	648,634

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, 2015	Nine months ended December 31, 2016
Net sales	1,053,028	1,000,782
Cost of sales	947,365	887,559
Gross profit	105,662	113,222
Selling, general and administrative expenses		
Salaries and bonuses	25,487	23,955
Other	39,217	36,446
Total selling, general and administrative expenses	64,705	60,402
Operating income	40,956	52,820
Non-operating income		
Interest income	981	822
Share of profit of entities accounted for using equity method	738	337
Foreign exchange gains	–	634
Miscellaneous income	–	1,177
Other	3,256	4,062
Total non-operating income	4,977	7,034
Non-operating expenses		
Interest expenses	1,546	1,487
Foreign exchange losses	418	–
Other	3,271	3,527
Total non-operating expenses	5,236	5,014
Ordinary income	40,697	54,839
Extraordinary income		
Insurance income	–	3,585
Total extraordinary income	–	3,585
Extraordinary losses		
Impairment loss	825	–
Total extraordinary losses	825	–
Profit before income taxes	39,871	58,424
Income taxes	11,923	24,545
Profit	27,948	33,879
Profit attributable to non-controlling interests	5,505	6,221
Profit attributable to owners of parent	22,442	27,657

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Profit	27,948	33,879
Other comprehensive income		
Valuation difference on available-for-sale securities	(106)	395
Foreign currency translation adjustment	(8,199)	(15,932)
Remeasurements of defined benefit plans, net of tax	509	1,053
Share of other comprehensive income of entities accounted for using equity method	(218)	(696)
Total other comprehensive income	(8,015)	(15,180)
Comprehensive income	19,932	18,698
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,351	16,972
Comprehensive income attributable to non-controlling interests	3,581	1,726

Segment Information

FY2015 Third Quarter (April 1, 2015 – December 31, 2015)

(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	501,220	231,136	251,344	69,326	1,053,028	—	1,053,028
(2)Inter-segment sales and transfers	42,361	2,618	14,900	2,607	62,489	(62,489)	—
Total	543,582	233,755	266,245	71,934	1,115,517	(62,489)	1,053,028
Segment profit (loss)	19,963	343	22,358	(1,608)	41,057	(100)	40,956

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