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Consolidated Financial Results for the First Three Months of the Fiscal Year Ending March 31, 2022 (under IFRS)

July 30, 2021

Company name: Toyoda Gosei Co., Ltd.
 Listing: Tokyo Stock Exchange and Nagoya Stock Exchange
 Securities code: 7282
 URL: <http://www.toyoda-gosei.co.jp>
 Representative: Toru Koyama, President
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Scheduled date to file quarterly securities report: August 5, 2021

Scheduled date to commence dividend payments: -

Preparation of supplementary material on quarterly financial results: Yes

Holding of quarterly financial results presentation meeting: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to the nearest million, unless otherwise noted)

1. Consolidated financial results for the first three months of the fiscal year ending March 31, 2022 (from April 1, 2021 to June 30, 2021)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

| | Revenue | | Operating profit | | Profit before tax | | Profit | |
|--------------------|-----------------|--------|------------------|---|-------------------|---|-----------------|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Three months ended | | | | | | | | |
| June 30, 2021 | 203,119 | 82.6 | 11,261 | - | 12,191 | - | 9,832 | - |
| June 30, 2020 | 111,214 | (46.9) | (9,809) | - | (10,380) | - | (4,697) | - |

| | Profit attributable to owners of parent | | Total comprehensive income | | Basic earnings per share | Diluted earnings per share |
|--------------------|---|---|----------------------------|---|--------------------------|----------------------------|
| | Millions of yen | % | Millions of yen | % | Yen | Yen |
| Three months ended | | | | | | |
| June 30, 2021 | 9,029 | - | 15,341 | - | 69.75 | 69.75 |
| June 30, 2020 | (4,325) | - | (3,669) | - | (33.42) | - |

(2) Consolidated financial position

| | Total assets | Total equity | Equity attributable to owners of parent | Ratio of equity attributable to owners of parent |
|----------------|-----------------|-----------------|---|--|
| | Millions of yen | Millions of yen | Millions of yen | % |
| As of | | | | |
| June 30, 2021 | 788,155 | 429,983 | 401,083 | 50.9 |
| March 31, 2021 | 775,155 | 420,455 | 391,083 | 50.5 |

2. Cash dividends

| | Annual dividends per share | | | | |
|--|----------------------------|--------------------|-------------------|-----------------|-------|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended March 31, 2021 | - | 25.00 | - | 35.00 | 60.00 |
| Fiscal year ending March 31, 2022 | - | | | | |
| Fiscal year ending March 31, 2022 (Forecast) | | 35.00 | - | 35.00 | 70.00 |

Note: Revisions to the forecast of cash dividends most recently announced: None

**3. Consolidated earnings forecasts for the fiscal year ending March 31, 2022
(from April 1, 2021 to March 31, 2022)**

(Percentages indicate year-on-year changes.)

| | Revenue | | Operating profit | | Profit before tax | | Profit attributable to owners of parent | | Basic earnings per share |
|--------------------------------------|-----------------|------|------------------|-------|-------------------|-------|---|--------|--------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Six months ending September 30, 2021 | 410,000 | 32.5 | 22,000 | 387.3 | 22,000 | 488.8 | 13,000 | 278.2 | 100.43 |
| Fiscal year ending March 31, 2022 | 840,000 | 16.4 | 53,000 | 45.3 | 53,500 | 43.4 | 30,000 | (14.8) | 231.74 |

Note: Revisions to the earnings forecasts most recently announced: None

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies and changes in accounting estimates
 - a. Changes in accounting policies required by IFRS: None
 - b. Changes in accounting policies due to other reasons: None
 - c. Changes in accounting estimates: None

(3) Number of issued shares (ordinary shares)

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

| | |
|----------------------|--------------------|
| As of June 30, 2021 | 130,031,215 shares |
| As of March 31, 2021 | 130,031,215 shares |

- b. Number of treasury shares at the end of the period

| | |
|----------------------|----------------|
| As of June 30, 2021 | 583,337 shares |
| As of March 31, 2021 | 583,167 shares |

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

| | |
|--|--------------------|
| For the three months ended June 30, 2021 | 129,445,325 shares |
| For the three months ended June 30, 2020 | 129,434,647 shares |

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The above forward-looking statements are prepared based on judgment and assumption from information currently available to the Company. These statements do not purport that the Company pledges to realize such statements. Actual business results may differ from the forecast figures due to various factors such as uncertainties of the information, future economic conditions, stock prices and exchange rates trends.

1. Qualitative Information on Financial Results for the Three Months Ended June 30, 2021

(1) Explanation of Business Results

Revenue for the three months ended June 30, 2021 increased to ¥203.1 billion (up 82.6% compared to the same quarter of the previous year) due to the recovery of production from the production cutbacks caused by the novel coronavirus disease (COVID-19) in the previous fiscal year as a whole, and despite the impact of production cutbacks due to semiconductor shortages in the Americas, China, Japan and other regions.

As for profits, operating profit came to ¥11.2 billion (compared with a loss of ¥9.8 billion in the same quarter of the previous fiscal year) and profit attributable to owners of parent came to ¥9.0 billion (compared with a loss of ¥4.3 billion in the same quarter of the previous fiscal year), due to the recovery from the impact of the sales decline caused by COVID-19 in the previous fiscal year (effect of increased sales, etc.).

Results by segment are as follows.

(i) Japan

Despite the impact of production cutbacks due to semiconductor shortages, revenue came to ¥101.5 billion (up 71.3% compared to the same quarter of the previous fiscal year) due to the recovery of production from the production cutbacks caused by COVID-19 in the previous fiscal year. As for profits, segment income came to ¥5.0 billion (compared with a segment loss of ¥6.8 billion for the same quarter of the previous year) due to the effect of increased sales resulting from production recovery.

(ii) Americas

Despite the shortage of semiconductors and the impact of production cutbacks caused by COVID-19 in some regions, revenue came to ¥60.2 billion (up 164.3% from the same quarter of the previous year) due to a significant recovery in production from the production cutbacks caused by COVID-19 in the previous fiscal year. As for profits, segment income came to ¥3.1 billion (compared with a segment loss of ¥3.2 billion for the same quarter of the previous year) due to the effect of increased sales resulting from production recovery.

(iii) Asia

Despite the impact of the semiconductor shortage in China and the re-emergence of COVID-19 infections in India, revenue came to ¥49.3 billion (up 37.4% from the same quarter of the previous year) due to the recovery of production in Thailand. As for profits, segment income came to ¥2.8 billion (up 172.9% from the same quarter of the previous year) due to the effect of increased sales resulting from production recovery.

(iv) Europe and Africa

Due to a significant recovery in production from the production cutback caused by COVID-19 in the previous fiscal year, revenue came to ¥7.6 billion (up 182.3% from the same quarter of the previous year). As for profits, segment income came to ¥0.1 billion (compared with a segment loss of ¥0.8 billion for the same quarter of the previous year) due to the effect of increased sales resulting from production recovery.

(2) Explanation of Financial Position

Assets increased by ¥12.9 billion to ¥788.1 billion as of June 30, 2021, primarily as a result of an increase in cash and cash equivalents.

Liabilities increased by ¥3.4 billion to ¥358.1 billion, mainly due to a rise in trade and other payables, etc.

Additionally, equity increased by ¥9.5 billion to ¥429.9 billion, mainly as a result of an increase in retained earnings.

(3) Explanation Regarding Forecast of Consolidated Financial Results and Other Forward-looking Information

For the six months ending September 30, 2021, we forecast revenue of ¥410.0 billion, operating profit of ¥22.0 billion, profit before tax of ¥22.0 billion, and profit attributable to owners of parent of ¥13.0 billion. For the entire fiscal year, we forecast revenue of ¥840.0 billion, operating profit of ¥53.0 billion, profit before tax of ¥53.5 billion, and profit attributable to owners of parent of ¥30.0 billion. The above forecasts are unchanged from those announced on April 28, 2021.

These forecasts are based on the exchange rate assumption of ¥105 to US\$1 from the second quarter onward.

2. Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Millions of yen)

| | As of March 31, 2021 | As of June 30, 2021 |
|---|-----------------------|-----------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 134,003 | 140,557 |
| Trade and other receivables | 149,249 | 149,237 |
| Other financial assets | 9,617 | 7,676 |
| Inventories | 72,888 | 75,961 |
| Other current assets | 14,819 | 16,111 |
| Total current assets | <u>380,578</u> | <u>389,545</u> |
| Non-current assets | | |
| Property, plant and equipment | 290,246 | 286,746 |
| Intangible assets | 4,571 | 4,626 |
| Other financial assets | 41,983 | 48,907 |
| Investments accounted for using equity method | 14,844 | 15,068 |
| Retirement benefit asset | 6,254 | 6,182 |
| Deferred tax assets | 21,349 | 20,068 |
| Other non-current assets | 15,326 | 17,008 |
| Total non-current assets | <u>394,577</u> | <u>398,609</u> |
| Total assets | <u><u>775,155</u></u> | <u><u>788,155</u></u> |

(Millions of yen)

| | As of March 31, 2021 | As of June 30, 2021 |
|---|----------------------|---------------------|
| Liabilities and equity | | |
| Liabilities | | |
| Current liabilities | | |
| Trade and other payables | 126,784 | 131,042 |
| Borrowings | 42,835 | 22,690 |
| Other financial liabilities | 4,076 | 4,047 |
| Income taxes payable | 3,439 | 1,861 |
| Provisions | 2,638 | 1,883 |
| Other current liabilities | 5,760 | 7,689 |
| Total current liabilities | 185,535 | 169,214 |
| Non-current liabilities | | |
| Bonds and borrowings | 109,379 | 129,213 |
| Other financial liabilities | 13,510 | 13,580 |
| Retirement benefit liability | 34,745 | 34,964 |
| Provisions | 4,578 | 4,349 |
| Deferred tax liabilities | 5,015 | 4,894 |
| Other non-current liabilities | 1,935 | 1,954 |
| Total non-current liabilities | 169,164 | 188,957 |
| Total liabilities | 354,700 | 358,172 |
| Equity | | |
| Share capital | 28,046 | 28,052 |
| Capital surplus | 25,626 | 25,632 |
| Treasury shares | (1,232) | (1,232) |
| Other components of equity | 17,759 | 23,286 |
| Retained earnings | 320,883 | 325,344 |
| Total equity attributable to owners of parent | 391,083 | 401,083 |
| Non-controlling interests | 29,372 | 28,899 |
| Total equity | 420,455 | 429,983 |
| Total liabilities and equity | 775,155 | 788,155 |

(2) Condensed Quarterly Consolidated Statement of Profit or Loss and Condensed Quarterly Consolidated Statement of Comprehensive Income
(Condensed Quarterly Consolidated Statement of Profit or Loss)

| | (Millions of yen) | |
|---|-------------------------------------|-------------------------------------|
| | Three months ended June 30, 2020 | Three months ended June 30, 2021 |
| Revenue | 111,214 | 203,119 |
| Cost of revenue | (108,382) | (176,797) |
| Gross profit | 2,832 | 26,321 |
| Selling, general and administrative expenses | (11,963) | (15,398) |
| Other income | 484 | 834 |
| Other expenses | (1,163) | (495) |
| Operating profit (loss) | (9,809) | 11,261 |
| Finance income | 876 | 1,477 |
| Finance costs | (1,176) | (709) |
| Share of profit (loss) of investments accounted for using equity method | (271) | 161 |
| Profit (loss) before tax | (10,380) | 12,191 |
| Income tax expense | 5,682 | (2,358) |
| Profit (loss) | (4,697) | 9,832 |
| Profit (loss) attributable to | | |
| Owners of parent | (4,325) | 9,029 |
| Non-controlling interests | (372) | 803 |
| Profit (loss) | (4,697) | 9,832 |
| Earnings per share | | |
| Basic earnings per share (yen) | (33.42) | 69.75 |
| Diluted earnings per share (yen) | - | 69.75 |

(Condensed Quarterly Consolidated Statement of Comprehensive Income)

(Millions of yen)

| | Three months ended June 30, 2020 | Three months ended June 30, 2021 |
|---|-------------------------------------|-------------------------------------|
| Profit (loss) | (4,697) | 9,832 |
| Other comprehensive income | | |
| Items that will not be reclassified to profit or loss | | |
| Equity financial assets measured at fair value through other comprehensive income | 864 | 4,027 |
| Remeasurements of defined benefit plans | (126) | (38) |
| Share of other comprehensive income of investments accounted for using equity method | (0) | 0 |
| Total | 738 | 3,988 |
| Items that may be reclassified to profit or loss | | |
| Exchange differences on translation of foreign operations | 353 | 1,164 |
| Share of other comprehensive income of investments accounted for using equity method | (64) | 354 |
| Total | 288 | 1,519 |
| Total other comprehensive income | 1,027 | 5,508 |
| Total comprehensive income | (3,669) | 15,341 |
| Comprehensive income attributable to | | |
| Owners of parent | (3,448) | 14,519 |
| Non-controlling interests | (220) | 821 |
| Total comprehensive income | (3,669) | 15,341 |

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

Three months ended June 30, 2020

(Millions of yen)

| | Equity attributable to owners of parent | | | | Other components of equity | | |
|---|---|-----------------|-----------------|---|---|---|----------------------------|
| | Share capital | Capital surplus | Treasury shares | Exchange differences on translation of foreign operations | Equity financial assets measured at fair value through other comprehensive income | Remeasurements of defined benefit plans | Total components of equity |
| Balance at April 1, 2020 | 28,027 | 26,968 | (1,220) | (10,593) | 12,826 | - | 2,233 |
| Profit (loss) | - | - | - | - | - | - | - |
| Other comprehensive income | - | - | - | 92 | 864 | (81) | 876 |
| Total comprehensive income | - | - | - | 92 | 864 | (81) | 876 |
| Purchase of treasury shares | - | - | (0) | - | - | - | - |
| Dividends | - | - | - | - | - | - | - |
| Transfer from other components of equity to retained earnings | - | - | - | - | - | 81 | 81 |
| Other | - | - | - | - | - | - | - |
| Total transactions with owners | - | - | (0) | - | - | 81 | 81 |
| Balance at June 30, 2020 | 28,027 | 26,968 | (1,220) | (10,500) | 13,691 | - | 3,191 |

| | Equity attributable to owners of parent | | Non-controlling interests | Total equity |
|---|---|---------|---------------------------|--------------|
| | Retained earnings | Total | | |
| Balance at April 1, 2020 | 289,061 | 345,070 | 25,204 | 370,275 |
| Profit (loss) | (4,325) | (4,325) | (372) | (4,697) |
| Other comprehensive income | - | 876 | 151 | 1,027 |
| Total comprehensive income | (4,325) | (3,448) | (220) | (3,669) |
| Purchase of treasury shares | - | (0) | - | (0) |
| Dividends | (3,883) | (3,883) | (804) | (4,687) |
| Transfer from other components of equity to retained earnings | (81) | - | - | - |
| Other | - | - | 375 | 375 |
| Total transactions with owners | (3,965) | (3,884) | (428) | (4,312) |
| Balance at June 30, 2020 | 280,770 | 337,737 | 24,555 | 362,293 |

Three months ended June 30, 2021

(Millions of yen)

| | Equity attributable to owners of parent | | | | Other components of equity | | |
|---|---|-----------------|-----------------|---|---|---|----------------------------|
| | Share capital | Capital surplus | Treasury shares | Exchange differences on translation of foreign operations | Equity financial assets measured at fair value through other comprehensive income | Remeasurements of defined benefit plans | Total components of equity |
| Balance at April 1, 2021 | 28,046 | 25,626 | (1,232) | (1,356) | 19,116 | - | 17,759 |
| Profit (loss) | - | - | - | - | - | - | - |
| Other comprehensive income | - | - | - | 1,499 | 4,027 | (36) | 5,490 |
| Total comprehensive income | - | - | - | 1,499 | 4,027 | (36) | 5,490 |
| Issuance of new shares | 6 | 6 | - | - | - | - | - |
| Purchase of treasury shares | - | - | (0) | - | - | - | - |
| Dividends | - | - | - | - | - | - | - |
| Change in increase of capital | - | - | - | - | - | - | - |
| Transfer from other components of equity to retained earnings | - | - | - | - | - | 36 | 36 |
| Total transactions with owners | 6 | 6 | (0) | - | - | 36 | 36 |
| Balance at June 30, 2021 | 28,052 | 25,632 | (1,232) | 142 | 23,143 | - | 23,286 |

| | Equity attributable to owners of parent | | Non-controlling interests | Total equity |
|---|---|---------|---------------------------|--------------|
| | Retained earnings | Total | | |
| Balance at April 1, 2021 | 320,883 | 391,083 | 29,372 | 420,455 |
| Profit (loss) | 9,029 | 9,029 | 803 | 9,832 |
| Other comprehensive income | - | 5,490 | 17 | 5,508 |
| Total comprehensive income | 9,029 | 14,519 | 821 | 15,341 |
| Issuance of new shares | - | 12 | - | 12 |
| Purchase of treasury shares | - | (0) | - | (0) |
| Dividends | (4,531) | (4,531) | (1,470) | (6,002) |
| Change in increase of capital | - | - | 176 | 176 |
| Transfer from other components of equity to retained earnings | (36) | - | - | - |
| Total transactions with owners | (4,567) | (4,519) | (1,293) | (5,813) |
| Balance at June 30, 2021 | 325,344 | 401,083 | 28,899 | 429,983 |

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

| | Three months ended June 30, 2020 | Three months ended June 30, 2021 |
|--|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | |
| Profit (loss) before tax | (10,380) | 12,191 |
| Depreciation and amortization | 9,078 | 10,021 |
| Increase (decrease) in provisions | (2) | (830) |
| Increase (decrease) in retirement benefit liability | 231 | 235 |
| Decrease (increase) in retirement benefit asset | 87 | 72 |
| Finance income | (875) | (994) |
| Finance costs | 1,031 | 707 |
| Share of loss (profit) of investments accounted for using equity method | 271 | (161) |
| Loss (gain) on sale of fixed assets | 86 | 176 |
| Decrease (increase) in inventories | (4,208) | (2,897) |
| Decrease (increase) in trade and other receivables | 28,384 | (627) |
| Increase (decrease) in trade and other payables | (12,369) | 8,264 |
| Other | (1,908) | (1,060) |
| Subtotal | 9,425 | 25,096 |
| Interest received | 463 | 398 |
| Dividends received | 461 | 699 |
| Interest paid | (1,050) | (700) |
| Income taxes paid | (1,539) | (5,054) |
| Net cash provided by (used in) operating activities | 7,760 | 20,440 |
| Cash flows from investing activities | | |
| Payments into time deposits | (4,167) | (3,212) |
| Proceeds from withdrawal of time deposits | 4,971 | 4,854 |
| Purchase of property, plant and equipment, and intangible assets | (9,755) | (8,259) |
| Proceeds from sale of property, plant and equipment, and intangible assets | 242 | 266 |
| Purchase of investments | - | (886) |
| Other | 94 | (356) |
| Net cash provided by (used in) investing activities | (8,613) | (7,593) |
| Cash flows from financing activities | | |
| Proceeds from short-term borrowings | 23,430 | 5,961 |
| Repayments of short-term borrowings | (21,534) | (5,970) |
| Proceeds from long-term borrowings | 26,236 | 20,572 |
| Repayments of long-term borrowings | (807) | (20,670) |
| Repayments of lease liabilities | (702) | (767) |
| Dividends paid | (3,860) | (4,528) |
| Dividends paid to non-controlling interests | (804) | (1,470) |
| Other | (0) | 176 |
| Net cash provided by (used in) financing activities | 21,957 | (6,697) |
| Net increase (decrease) in cash and cash equivalents | 21,104 | 6,148 |
| Cash and cash equivalents at beginning of period | 127,930 | 134,003 |
| Effect of exchange rate changes on cash and cash equivalents | 158 | 405 |
| Cash and cash equivalents at end of period | 149,193 | 140,557 |

Note on Quarterly Consolidated Financial Statements

(Note on premise of going concern)

None

(Segment Information)

FY2020 (April 1, 2020 – June 30, 2020)

(Millions of yen)

| | Reportable Segment | | | | Total | Eliminations | Consolidated | |
|--|--------------------|----------|--------|-----------------|---------|--------------|--------------|----------|
| | Japan | Americas | Asia | Europe & Africa | | | | |
| Revenue | | | | | | | | |
| Revenues from external customers | 55,018 | 21,889 | 31,730 | 2,576 | 111,214 | - | 111,214 | |
| Transactions with other segments | 4,281 | 903 | 4,171 | 134 | 9,491 | (9,491) | - | |
| Total | 59,299 | 22,792 | 35,901 | 2,710 | 120,705 | (9,491) | 111,214 | |
| Segment profit (loss) | (6,883) | (3,226) | 1,058 | (831) | (9,883) | 73 | (9,809) | |
| Finance income | | | | | | | | 876 |
| Finance costs | | | | | | | | (1,176) |
| Share of the profit of investments accounted for using equity method | | | | | | | | (271) |
| Profit (loss) before tax | | | | | | | | (10,380) |

FY2021 (April 1, 2021 – June 30, 2021)

(Millions of yen)

| | Reportable Segment | | | | Total | Eliminations | Consolidated | |
|--|--------------------|----------|--------|-----------------|---------|--------------|--------------|--------|
| | Japan | Americas | Asia | Europe & Africa | | | | |
| Revenue | | | | | | | | |
| Revenues from external customers | 94,354 | 59,260 | 42,090 | 7,413 | 203,119 | - | 203,119 | |
| Transactions with other segments | 7,210 | 976 | 7,231 | 240 | 15,658 | (15,658) | - | |
| Total | 101,564 | 60,237 | 49,322 | 7,653 | 218,777 | (15,658) | 203,119 | |
| Segment profit (loss) | 5,037 | 3,159 | 2,889 | 183 | 11,270 | (8) | 11,261 | |
| Finance income | | | | | | | | 1,477 |
| Finance costs | | | | | | | | (709) |
| Share of the profit of investments accounted for using equity method | | | | | | | | 161 |
| Profit (loss) before tax | | | | | | | | 12,191 |