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

October 29, 2021

Company name: Toyoda Gosei Co., Ltd.
 Listing: Tokyo Stock Exchange and Nagoya Stock Exchange
 Securities code: 7282
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 Scheduled date to file quarterly securities report: November 5, 2021
 Scheduled date to commence dividend payments: November 26, 2021
 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 six months of the fiscal year ending March 31, 2022 (from April 1, 2021 to September 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	%
Six months ended								
September 30, 2021	387,363	25.2	12,991	187.8	13,330	256.8	10,137	158.2
September 30, 2020	309,409	(26.6)	4,514	(75.9)	3,736	(80.1)	3,926	(71.4)

	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
Six months ended						
September 30, 2021	9,027	162.6	15,223	281.0	69.74	69.73
September 30, 2020	3,437	(72.4)	3,995	(41.9)	26.56	26.55

(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				
September 30, 2021	775,025	429,182	400,850	51.7
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	-	35.00			
Fiscal year ending March 31, 2022 (Forecast)			-	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
Fiscal year ending March 31, 2022	830,000	15.0	43,000	17.9	43,500	16.6	27,000	(23.3)	208.57

Note: Revisions to the earnings forecasts most recently announced: Yes

*** 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 September 30, 2021	130,048,006 shares
As of March 31, 2021	130,031,215 shares

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

As of September 30, 2021	583,476 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 six months ended September 30, 2021	129,447,632 shares
For the six months ended September 30, 2020	129,443,436 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 Six Months Ended September 30, 2021

(1) Explanation of Business Results

Revenue for the six months ended September 30, 2021 increased to ¥387.3 billion (up 25.2% compared to the same quarter of the previous fiscal year) mainly 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, despite the impact of lower sales due to semiconductor shortages in Japan, the Americas, China and other regions.

As for profits, despite deteriorating market conditions and the recoil from the recording of the government subsidies in the previous fiscal year, the effect of increased sales due to the recovery from COVID-19 in the previous fiscal year, as well as rationalization efforts, resulted in operating profit of ¥12.9 billion (up 187.8% compared to the same quarter of the previous fiscal year) and profit attributable to owners of parent of ¥9.0 billion (up 162.6% compared to the same quarter of the previous fiscal year).

Results by segment are as follows.

(i) Japan

Despite the impact of lower sales due to semiconductor shortages, revenue came to ¥195.1 billion (up 26.8% compared to the same quarter of the previous fiscal year) mainly due to the recovery of production from the production cutbacks caused by COVID-19 in the previous fiscal year. As for profits, segment profit came to ¥6.0 billion (compared with a segment loss of ¥1.5 billion for the same quarter of the previous fiscal year) mainly due to the effect of increased sales resulting from production recovery.

(ii) Americas

Despite the impact of lower sales due to semiconductor shortages, revenue came to ¥113.2 billion (up 31.2% compared to the same quarter of the previous fiscal year) mainly due to the recovery of production from the production cutbacks caused by COVID-19 in the previous fiscal year and the impact of foreign exchange due to a weak yen. As for profits, segment profit came to ¥2.5 billion (down 22.1% compared to the same quarter of the previous fiscal year) mainly due to the effects of deteriorating market conditions and the recoil from the recording of the government subsidies in the previous fiscal year, despite the effect of increased sales due to the recovery of production.

(iii) Asia

Despite the impact of lower sales in China due to semiconductor shortages, revenue came to ¥96.7 billion (up 15.9% compared to the same quarter of the previous fiscal year) mainly due to the recovery of production in other regions and the impact of foreign exchange due to a weak yen. As for profits, segment profit came to ¥4.5 billion (up 5.1% compared to the same quarter of the previous fiscal year) mainly due to the effect of increased sales resulting from production recovery.

(iv) Europe and Africa

Mainly due to the recovery of production from the production cutback caused by COVID-19 in the previous fiscal year and the impact of foreign exchange due to a weak yen, revenue came to ¥12.9 billion (up 35.5% compared to the same quarter of the previous fiscal year). As for profits, segment loss came to ¥0.2 billion (compared with a segment loss of ¥1.6 billion for the same quarter of the previous fiscal year) mainly due to the effect of increased sales resulting from production recovery.

(2) Explanation of Financial Position

Assets as of September 30, 2021, were ¥775.0 billion, the same level as the end of the previous fiscal year.

Liabilities decreased by ¥8.8 billion to ¥345.8 billion, mainly due to a decline in trade and other payables.

Additionally, equity increased by ¥8.7 billion to ¥429.1 billion, mainly as a result of an increase in retained earnings.

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

As for the forecasts of financial results for the fiscal year ending March 31, 2022, the Company has revised the full year results forecasts announced on April 28, 2021 in consideration of the results for the six months ended September 30, 2021. For details, please refer to the “Notice Concerning Differences Between the Forecast Figures of Financial Earnings and Actual Results for the Six Months Ended September 30, 2021 and Revisions to the Full Year Results Forecasts” announced today.

These forecasts are based on the exchange rate assumption of ¥110 to US\$1 from the third quarter onward, as well as for the full year.

Condensed Quarterly Consolidated Financial Statements**(1) Condensed Quarterly Consolidated Statement of Financial Position**

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and cash equivalents	134,003	125,189
Trade and other receivables	149,249	136,446
Other financial assets	9,617	9,300
Inventories	72,888	84,948
Other current assets	14,819	15,502
Total current assets	<u>380,578</u>	<u>371,387</u>
Non-current assets		
Property, plant and equipment	290,246	290,100
Intangible assets	4,571	4,557
Other financial assets	41,983	48,964
Investments accounted for using equity method	14,844	15,135
Retirement benefit asset	6,254	6,098
Deferred tax assets	21,349	19,994
Other non-current assets	15,326	18,786
Total non-current assets	<u>394,577</u>	<u>403,637</u>
Total assets	<u><u>775,155</u></u>	<u><u>775,025</u></u>

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	126,784	116,490
Borrowings	42,835	25,974
Other financial liabilities	4,076	4,099
Income taxes payable	3,439	2,891
Provisions	2,638	2,363
Other current liabilities	5,760	5,250
Total current liabilities	185,535	157,069
Non-current liabilities		
Bonds and borrowings	109,379	128,738
Other financial liabilities	13,510	13,049
Retirement benefit liability	34,745	35,155
Provisions	4,578	4,366
Deferred tax liabilities	5,015	4,937
Other non-current liabilities	1,935	2,524
Total non-current liabilities	169,164	188,772
Total liabilities	354,700	345,842
Equity		
Share capital	28,046	28,058
Capital surplus	25,626	25,638
Treasury shares	(1,232)	(1,233)
Other components of equity	17,759	23,031
Retained earnings	320,883	325,355
Total equity attributable to owners of parent	391,083	400,850
Non-controlling interests	29,372	28,332
Total equity	420,455	429,182
Total liabilities and equity	775,155	775,025

(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)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Revenue	309,409	387,363
Cost of revenue	(277,059)	(343,108)
Gross profit	32,349	44,255
Selling, general and administrative expenses	(26,051)	(31,265)
Other income	1,009	1,686
Other expenses	(2,792)	(1,683)
Operating profit	4,514	12,991
Finance income	1,324	1,572
Finance costs	(2,147)	(1,353)
Share of profit of investments accounted for using equity method	44	120
Profit before tax	3,736	13,330
Income tax expense	189	(3,193)
Profit	3,926	10,137
Profit attributable to		
Owners of parent	3,437	9,027
Non-controlling interests	488	1,110
Profit	3,926	10,137
Earnings per share		
Basic earnings per share (yen)	26.56	69.74
Diluted earnings per share (yen)	26.55	69.73

(Condensed Quarterly Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	3,926	10,137
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Equity financial assets measured at fair value through other comprehensive income	1,702	4,088
Remeasurements of defined benefit plans	(95)	(32)
Share of other comprehensive income of investments accounted for using equity method	14	(7)
Total	<u>1,621</u>	<u>4,048</u>
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(1,417)	651
Share of other comprehensive income of investments accounted for using equity method	(134)	385
Total	<u>(1,551)</u>	<u>1,037</u>
Total other comprehensive income	<u>69</u>	<u>5,085</u>
Total comprehensive income	<u><u>3,995</u></u>	<u><u>15,223</u></u>
Comprehensive income attributable to		
Owners of parent	3,211	14,275
Non-controlling interests	784	947
Total comprehensive income	<u><u>3,995</u></u>	<u><u>15,223</u></u>

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

Six months ended September 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	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	(1,863)	1,716	(79)	(226)
Total comprehensive income	-	-	-	(1,863)	1,716	(79)	(226)
Issuance of new shares	6	6	-	-	-	-	-
Purchase of treasury shares	-	-	(0)	-	-	-	-
Dividends	-	-	-	-	-	-	-
Changes in ownership interest in subsidiaries	-	(1,346)	-	531	-	(0)	531
Transfer from other components of equity to retained earnings	-	-	-	-	-	79	79
Other	-	-	-	-	-	-	-
Total transactions with owners	6	(1,340)	(0)	531	-	79	610
Balance at September 30, 2020	28,033	25,627	(1,221)	(11,925)	14,543	-	2,618

	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	3,437	3,437	488	3,926
Other comprehensive income	-	(226)	296	69
Total comprehensive income	3,437	3,211	784	3,995
Issuance of new shares	-	12	-	12
Purchase of treasury shares	-	(0)	-	(0)
Dividends	(3,883)	(3,883)	(1,556)	(5,439)
Changes in ownership interest in subsidiaries	-	(815)	815	-
Transfer from other components of equity to retained earnings	(79)	-	-	-
Other	-	-	325	325
Total transactions with owners	(3,963)	(4,687)	(415)	(5,103)
Balance at September 30, 2020	288,534	343,594	25,574	369,168

Six months ended September 30, 2021

(Millions of yen)

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Treasury shares	Other components of equity			
				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	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	1,191	4,080	(23)	5,248
Total comprehensive income	-	-	-	1,191	4,080	(23)	5,248
Issuance of new shares	11	11	-	-	-	-	-
Purchase of treasury shares	-	-	(0)	-	-	-	-
Dividends	-	-	-	-	-	-	-
Change in increase of capital	-	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	-	-	23	23
Total transactions with owners	11	11	(0)	-	-	23	23
Balance at September 30, 2021	28,058	25,638	(1,233)	(165)	23,196	-	23,031

	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	9,027	9,027	1,110	10,137
Other comprehensive income	-	5,248	(162)	5,085
Total comprehensive income	9,027	14,275	947	15,223
Issuance of new shares	-	23	-	23
Purchase of treasury shares	-	(0)	-	(0)
Dividends	(4,531)	(4,531)	(2,164)	(6,695)
Change in increase of capital	-	-	176	176
Transfer from other components of equity to retained earnings	(23)	-	-	-
Total transactions with owners	(4,554)	(4,508)	(1,987)	(6,495)
Balance at September 30, 2021	325,355	400,850	28,332	429,182

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit before tax	3,736	13,330
Depreciation and amortization	18,120	20,091
Increase (decrease) in provisions	(9)	(394)
Increase (decrease) in retirement benefit liability	649	556
Decrease (increase) in retirement benefit asset	200	156
Finance income	(1,314)	(2,032)
Finance costs	1,898	1,353
Share of loss (profit) of investments accounted for using equity method	(44)	(120)
Loss (gain) on sale of fixed assets	242	10
Decrease (increase) in inventories	1,284	(11,811)
Decrease (increase) in trade and other receivables	(8,907)	15,843
Increase (decrease) in trade and other payables	8,195	(7,500)
Other	(2,666)	(3,637)
Subtotal	21,382	25,844
Interest received	907	771
Dividends received	541	727
Interest paid	(1,785)	(1,338)
Income taxes paid	(3,111)	(7,431)
Net cash provided by (used in) operating activities	17,934	18,574
Cash flows from investing activities		
Payments into time deposits	(6,204)	(6,717)
Proceeds from withdrawal of time deposits	6,387	6,475
Purchase of property, plant and equipment, and intangible assets	(24,516)	(21,224)
Proceeds from sale of property, plant and equipment, and intangible assets	319	629
Purchase of investments	(237)	(939)
Other	55	(409)
Net cash provided by (used in) investing activities	(24,196)	(22,185)
Cash flows from financing activities		
Proceeds from short-term borrowings	24,323	19,975
Repayments of short-term borrowings	(28,176)	(13,564)
Proceeds from long-term borrowings	27,370	22,549
Repayments of long-term borrowings	(1,613)	(26,578)
Repayments of lease liabilities	(1,418)	(1,359)
Dividends paid	(3,881)	(4,541)
Dividends paid to non-controlling interests	(1,556)	(2,164)
Other	505	176
Net cash provided by (used in) financing activities	15,553	(5,507)
Net increase (decrease) in cash and cash equivalents	9,291	(9,118)
Cash and cash equivalents at beginning of period	127,930	134,003
Effect of exchange rate changes on cash and cash equivalents	(452)	305
Cash and cash equivalents at end of period	136,768	125,189

Note on Quarterly Consolidated Financial Statements

(Note on premise of going concern)

None

(Segment Information)

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

(Millions of yen)

	Reportable Segment				Total	Eliminations	Consolidated
	Japan	Americas	Asia	Europe & Africa			
Revenue							
Revenues from external customers	143,095	84,469	72,626	9,218	309,409	-	309,409
Transactions with other segments	10,834	1,859	10,870	343	23,908	(23,908)	-
Total	153,929	86,328	83,497	9,561	333,317	(23,908)	309,409
Segment profit (loss)	(1,507)	3,314	4,307	(1,605)	4,510	4	4,514
Finance income							1,324
Finance costs							(2,147)
Share of the profit of investments accounted for using equity method							44
Profit before tax							3,736

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

(Millions of yen)

	Reportable Segment				Total	Eliminations	Consolidated
	Japan	Americas	Asia	Europe & Africa			
Revenue							
Revenues from external customers	181,249	111,391	82,297	12,424	387,363	-	387,363
Transactions with other segments	13,918	1,861	14,448	534	30,763	(30,763)	-
Total	195,168	113,253	96,746	12,959	418,126	(30,763)	387,363
Segment profit (loss)	6,064	2,583	4,529	(224)	12,952	39	12,991
Finance income							1,572
Finance costs							(1,353)
Share of the profit of investments accounted for using equity method							120
Profit before tax							13,330