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

February 2, 2022

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: February 8, 2022
 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 nine months of the fiscal year ending March 31, 2022 (from April 1, 2021 to December 31, 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	%
Nine months ended								
December 31, 2021	600,478	15.0	18,992	(23.9)	20,339	(18.5)	15,702	(15.9)
December 31, 2020	521,995	(16.3)	24,969	298.4	24,948	273.3	18,676	104.8

	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
Nine months ended						
December 31, 2021	13,507	(19.2)	27,940	23.8	104.35	104.34
December 31, 2020	16,708	134.4	22,560	159.1	129.09	129.08

(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				
December 31, 2021	813,723	436,797	407,085	50.0
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)				25.00	60.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

**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	820,000	13.7	34,000	(6.8)	35,000	(6.2)	21,500	(38.9)	166.08

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): Yes

Eliminated: Toyoda Gosei (Tianjin) Precise Plastic Co., Ltd.

(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 December 31, 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 December 31, 2021	583,595 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 nine months ended December 31, 2021	129,449,762 shares
For the nine months ended December 31, 2020	129,445,845 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 Nine Months Ended December 31, 2021

(1) Explanation of Business Results

Revenue for the nine months ended December 31, 2021 increased to ¥600.4 billion (up 15.0% 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 production cutbacks at customers due to semiconductor shortages and other factors.

As for profits, despite the effect of increased sales due to the recovery from COVID-19 in the previous fiscal year, increased in labor costs mainly due to the recoil from the recording of the government subsidies in the previous fiscal year, deteriorating market conditions and increased in expenses and other factors, resulted in operating profit of ¥18.9 billion (down 23.9% compared to the same quarter of the previous fiscal year) and profit attributable to owners of parent of ¥13.5 billion (down 19.2% compared to the same quarter of the previous fiscal year).

Results by segment are as follows.

(i) Japan

Mainly due to the recovery of production from the production cutbacks at customers caused by COVID-19 in the previous fiscal year, revenue came to ¥295.1 billion (up 13.3% from the same quarter of the previous year). As for profits, segment profit came to ¥8.4 billion (up 30.9% compared to the same quarter of the previous fiscal year) mainly due to the effect of increased sales resulting from production recovery.

(ii) Americas

Mainly due to the recovery of production from the production cutbacks at customers caused by COVID-19 in the previous fiscal year and the impact of foreign exchange due to a weak yen, revenue came to ¥171.1 billion (up 17.7% compared to the same quarter of the previous fiscal year). As for profits, segment profit came to ¥0.9 billion (down 90.0% compared to the same quarter of the previous fiscal year) mainly due to 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

Mainly due to the recovery of production in Thailand and India and the impact of foreign exchange due to a weak yen, revenue came to ¥160.8 billion (up 15.8% compared to the same quarter of the previous fiscal year). As for profits, segment profit came to ¥10.0 billion (down 2.9% compared to the same quarter of the previous fiscal year) mainly due to deteriorating market conditions.

(iv) Europe and Africa

Revenue came to ¥19.7 billion (up 10.7% compared to the same quarter of the previous fiscal year). As for profits, segment loss came to ¥0.4 billion (compared with a segment loss of ¥1.1 billion for the same quarter of the previous fiscal year) mainly due to the recoil from impairment losses of a subsidiary in the U.K. in the previous fiscal year.

(2) Explanation of Financial Position

Assets increased by ¥38.5 billion to ¥813.7 billion as of December 31, 2021, primarily as a result of increases in trade and other receivables and inventories.

Liabilities increased by ¥22.2 billion to ¥376.9 billion, mainly due to a rise in bonds and borrowings. Additionally, equity increased by ¥16.3 billion to ¥436.7 billion, mainly as a result of an increase in other components of equity.

(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 October 29, 2021 in consideration of the results for the nine months ended December 31, 2021 and other factors. For details, please refer to

the “Notice of Revisions to the Full Year Forecast of Financial Earnings and the Dividend Forecast” announced today.
These forecasts are based on the exchange rate assumption of ¥110 to US\$1 from the fourth quarter onward, and ¥111 to US\$1 for the full year.

2. Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	134,003	112,237
Trade and other receivables	149,249	166,770
Other financial assets	9,617	11,726
Inventories	72,888	88,776
Other current assets	14,819	18,764
Total current assets	<u>380,578</u>	<u>398,275</u>
Non-current assets		
Property, plant and equipment	290,246	298,540
Intangible assets	4,571	4,813
Other financial assets	41,983	51,518
Investments accounted for using equity method	14,844	15,192
Retirement benefit asset	6,254	6,028
Deferred tax assets	21,349	19,331
Other non-current assets	15,326	20,022
Total non-current assets	<u>394,577</u>	<u>415,447</u>
Total assets	<u><u>775,155</u></u>	<u><u>813,723</u></u>

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	126,784	133,792
Borrowings	42,835	35,444
Other financial liabilities	4,076	3,272
Income taxes payable	3,439	3,191
Provisions	2,638	2,041
Other current liabilities	5,760	8,585
Total current liabilities	185,535	186,328
Non-current liabilities		
Bonds and borrowings	109,379	129,446
Other financial liabilities	13,510	13,563
Retirement benefit liability	34,745	35,610
Provisions	4,578	4,445
Deferred tax liabilities	5,015	4,921
Other non-current liabilities	1,935	2,608
Total non-current liabilities	169,164	190,596
Total liabilities	354,700	376,925
Equity		
Share capital	28,046	28,063
Capital surplus	25,626	25,598
Treasury shares	(1,232)	(1,233)
Other components of equity	17,759	29,752
Retained earnings	320,883	324,903
Total equity attributable to owners of parent	391,083	407,085
Non-controlling interests	29,372	29,712
Total equity	420,455	436,797
Total liabilities and equity	775,155	813,723

(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)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Revenue	521,995	600,478
Cost of revenue	(453,292)	(533,687)
Gross profit	68,702	66,791
Selling, general and administrative expenses	(41,149)	(47,782)
Other income	1,470	2,631
Other expenses	(4,054)	(2,648)
Operating profit	24,969	18,992
Finance income	2,231	3,129
Finance costs	(2,645)	(1,898)
Share of profit of investments accounted for using equity method	393	115
Profit before tax	24,948	20,339
Income tax expense	(6,272)	(4,637)
Profit	18,676	15,702
Profit attributable to		
Owners of parent	16,708	13,507
Non-controlling interests	1,967	2,194
Profit	18,676	15,702
Earnings per share		
Basic earnings per share (yen)	129.09	104.35
Diluted earnings per share (yen)	129.08	104.34

(Condensed Quarterly Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	18,676	15,702
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Equity financial assets measured at fair value through other comprehensive income	4,581	5,712
Remeasurements of defined benefit plans	(161)	(70)
Share of other comprehensive income of investments accounted for using equity method	14	(1)
Total	<u>4,434</u>	<u>5,640</u>
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(429)	6,090
Share of other comprehensive income of investments accounted for using equity method	(120)	508
Total	<u>(550)</u>	<u>6,598</u>
Total other comprehensive income	<u>3,884</u>	<u>12,238</u>
Total comprehensive income	<u><u>22,560</u></u>	<u><u>27,940</u></u>
Comprehensive income attributable to		
Owners of parent	20,204	25,406
Non-controlling interests	2,355	2,534
Total comprehensive income	<u><u>22,560</u></u>	<u><u>27,940</u></u>

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

Nine months ended December 31, 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	-	-	-	(956)	4,595	(143)	3,495
Total comprehensive income	-	-	-	(956)	4,595	(143)	3,495
Issuance of new shares	12	12	-	-	-	-	-
Purchase of treasury shares	-	-	(10)	-	-	-	-
Dividends	-	-	-	-	-	-	-
Changes in ownership interest in subsidiaries	-	(1,346)	-	531	-	(0)	531
Transfer from other components of equity to retained earnings	-	-	-	-	-	143	143
Other	-	-	-	-	-	-	-
Total transactions with owners	12	(1,334)	(10)	531	-	143	674
Balance at December 31, 2020	28,040	25,634	(1,231)	(11,018)	17,422	-	6,404

	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	16,708	16,708	1,967	18,676
Other comprehensive income	-	3,495	388	3,884
Total comprehensive income	16,708	20,204	2,355	22,560
Issuance of new shares	-	24	-	24
Purchase of treasury shares	-	(10)	-	(10)
Dividends	(7,120)	(7,120)	(1,900)	(9,020)
Changes in ownership interest in subsidiaries	-	(815)	815	-
Transfer from other components of equity to retained earnings	(143)	-	-	-
Other	-	-	325	325
Total transactions with owners	(7,264)	(7,922)	(759)	(8,681)
Balance at December 31, 2020	298,505	357,352	26,801	384,154

Nine months ended December 31, 2021

(Millions of yen)

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Treasury shares	Exchange differences on translation of foreign operations	Other components of equity		
					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	-	-	-	6,253	5,710	(65)	11,898
Total comprehensive income	-	-	-	6,253	5,710	(65)	11,898
Issuance of new shares	17	17	-	-	-	-	-
Purchase of treasury shares	-	-	(1)	-	-	-	-
Dividends	-	-	-	-	-	-	-
Changes in ownership interest in subsidiaries	-	(45)	-	-	-	-	-
Change in increase of capital	-	-	-	-	-	-	-
Change in scope of consolidation	-	-	-	29	-	-	29
Transfer from other components of equity to retained earnings	-	-	-	-	-	65	65
Total transactions with owners	17	(28)	(1)	29	-	65	94
Balance at December 31, 2021	28,063	25,598	(1,233)	4,926	24,826	-	29,752

	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	13,507	13,507	2,194	15,702
Other comprehensive income	-	11,898	339	12,238
Total comprehensive income	13,507	25,406	2,534	27,940
Issuance of new shares	-	35	-	35
Purchase of treasury shares	-	(1)	-	(1)
Dividends	(9,063)	(9,063)	(2,540)	(11,604)
Changes in ownership interest in subsidiaries	-	(45)	(178)	(223)
Change in increase of capital	-	-	176	176
Change in scope of consolidation	(357)	(328)	347	18
Transfer from other components of equity to retained earnings	(65)	-	-	-
Total transactions with owners	(9,486)	(9,404)	(2,194)	(11,598)
Balance at December 31, 2021	324,903	407,085	29,712	436,797

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Cash flows from operating activities		
Profit before tax	24,948	20,339
Depreciation and amortization	27,411	31,219
Increase (decrease) in provisions	(27)	(720)
Increase (decrease) in retirement benefit liability	881	832
Decrease (increase) in retirement benefit asset	274	226
Finance income	(2,231)	(3,344)
Finance costs	3,026	1,887
Share of loss (profit) of investments accounted for using equity method	(393)	(115)
Loss (gain) on sale of fixed assets	405	121
Decrease (increase) in inventories	(1,803)	(14,040)
Decrease (increase) in trade and other receivables	(9,286)	(10,230)
Increase (decrease) in trade and other payables	7,040	6,179
Other	1,697	(5,360)
Subtotal	51,944	26,994
Interest received	1,482	1,252
Dividends received	908	1,171
Interest paid	(2,494)	(1,885)
Income taxes paid	(5,265)	(9,290)
Net cash provided by (used in) operating activities	46,574	18,243
Cash flows from investing activities		
Payments into time deposits	(9,348)	(11,772)
Proceeds from withdrawal of time deposits	10,955	9,477
Purchase of property, plant and equipment, and intangible assets	(33,052)	(36,389)
Proceeds from sale of property, plant and equipment, and intangible assets	607	709
Purchase of investments	(387)	(988)
Proceeds from sale of investments	16	-
Other	60	(574)
Net cash provided by (used in) investing activities	(31,149)	(39,538)
Cash flows from financing activities		
Proceeds from short-term borrowings	16,694	35,198
Repayments of short-term borrowings	(33,215)	(20,837)
Proceeds from long-term borrowings	28,929	24,259
Repayments of long-term borrowings	(5,503)	(27,275)
Repayments of lease liabilities	(2,190)	(2,050)
Dividends paid	(7,113)	(9,067)
Dividends paid to non-controlling interests	(1,900)	(2,540)
Payments of the abolition of the in-house deposit system	(4,193)	-
Other	495	175
Net cash provided by (used in) financing activities	(7,995)	(2,137)
Net increase (decrease) in cash and cash equivalents	7,429	(23,432)
Cash and cash equivalents at beginning of period	127,930	134,003
Effect of exchange rate changes on cash and cash equivalents	(1,113)	1,665
Cash and cash equivalents at end of period	134,245	112,237

Note on Quarterly Consolidated Financial Statements

(Note on premise of going concern)

None

(Segment Information)

FY2020 (April 1, 2020 – December 31, 2020)

(Millions of yen)

	Reportable Segment				Total	Eliminations	Consolidated	
	Japan	Americas	Asia	Europe & Africa				
Revenue								
Revenues from external customers	241,906	142,530	120,297	17,261	521,995	-	521,995	
Transactions with other segments	18,522	2,862	18,565	544	40,494	(40,494)	-	
Total	260,428	145,393	138,862	17,805	562,489	(40,494)	521,995	
Segment profit (loss)	6,478	9,238	10,376	(1,194)	24,898	70	24,969	
Finance income								2,231
Finance costs								(2,645)
Share of the profit of investments accounted for using equity method								393
Profit before tax								24,948

FY2021 (April 1, 2021 – December 31, 2021)

(Millions of yen)

	Reportable Segment				Total	Eliminations	Consolidated	
	Japan	Americas	Asia	Europe & Africa				
Revenue								
Revenues from external customers	273,631	168,349	139,541	18,956	600,478	-	600,478	
Transactions with other segments	21,494	2,798	21,270	753	46,317	(46,317)	-	
Total	295,125	171,148	160,811	19,710	646,796	(46,317)	600,478	
Segment profit (loss)	8,480	919	10,079	(464)	19,015	(23)	18,992	
Finance income								3,129
Finance costs								(1,898)
Share of the profit of investments accounted for using equity method								115
Profit before tax								20,339