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Consolidated Financial Results for the First Three Months of the Fiscal Year Ending March 31, 2024 (under IFRS)

July 28, 2023

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: August 4, 2023

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, 2024 (from April 1, 2023 to June 30, 2023)

(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, 2023	259,326	23.8	16,386	421.4	16,599	263.3	13,009	300.7
June 30, 2022	209,498	3.1	3,142	(72.1)	4,568	(62.5)	3,246	(67.0)

	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, 2023	11,616	344.0	34,382	59.6	89.71	89.71
June 30, 2022	2,616	(71.0)	21,540	40.4	20.21	20.21

(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, 2023	908,919	514,099	475,158	52.3
March 31, 2023	865,300	486,367	448,413	51.8

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, 2023	-	30.00	-	30.00	60.00
Fiscal year ending March 31, 2024	-				
Fiscal year ending March 31, 2024 (Forecast)		30.00	-	30.00	60.00

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

**3. Consolidated earnings forecasts for the fiscal year ending March 31, 2024
(from April 1, 2023 to March 31, 2024)**

(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, 2024	920,000	(3.3)	40,000	14.1	40,000	13.2	25,000	56.2	193.06

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, 2023	130,071,104 shares
As of March 31, 2023	130,071,104 shares

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

As of June 30, 2023	584,518 shares
As of March 31, 2023	584,410 shares

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

For the three months ended June 30, 2023	129,483,744 shares
For the three months ended June 30, 2022	129,462,232 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, 2023

(1) Explanation of Business Results

Revenue for the three months ended June 30, 2023 increased to ¥259.3 billion (up 23.8% compared to the same quarter of the previous fiscal year) mainly due to an increase in production by customers on a global basis.

As for profits, operating profit came to ¥16.3 billion (up 421.4% compared to the same quarter of the previous fiscal year) and profit attributable to owners of parent came to ¥11.6 billion (up 344.0% compared to the same quarter of the previous fiscal year) mainly due to the effect of increased sales and rationalization efforts.

Results by segment are as follows.

(i) Japan

Revenue increased to ¥107.0 billion (up 23.7% compared to the same quarter of the previous fiscal year) due to factors such as an increase in production by customers. As for profits, segment income came to ¥4.0 billion (compared with a segment loss of ¥1.3 billion for the same quarter of the previous fiscal year) mainly due to the effect of increased sales and rationalization efforts.

(ii) Americas

Revenue increased to ¥95.9 billion (up 30.2% compared to the same quarter of the previous fiscal year) due to factors such as an increase in production by customers and the foreign exchange effects of yen depreciation. As for profits, segment profit came to ¥7.7 billion (up 284.3% compared to the same quarter of the previous fiscal year) mainly due to the effect of increased sales and rationalization efforts.

(iii) Asia

Revenue increased to ¥68.7 billion (up 16.0% compared to the same quarter of the previous fiscal year) due to factors such as an increase in production by customers in China, the ASEAN region, India and other countries. As for profits, segment profit came to ¥4.9 billion (up 50.6% compared to the same quarter of the previous fiscal year) mainly due to the effect of increased sales.

(iv) Europe and Africa

Revenue increased to ¥8.5 billion (up 27.7% compared to the same quarter of the previous fiscal year) due to factors such as an increase in production by customers. As for profits, segment loss came to ¥0.3 billion (compared with a segment loss of ¥0.6 billion for the same quarter of the previous fiscal year) mainly due to the effect of increased sales.

(2) Explanation of Financial Position

Assets increased by ¥43.6 billion from the end of the previous fiscal year to ¥908.9 billion as of June 30, 2023, primarily as a result of an increase in cash and cash equivalents.

Liabilities increased by ¥15.8 billion from the end of the previous fiscal year to ¥394.8 billion, mainly due to an increase in trade and other payables.

Equity increased by ¥27.7 billion from the end of the previous fiscal year to ¥514.0 billion, mainly due to an increase in other components of equity.

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

For the fiscal year ending March 31, 2024, we forecast revenue of ¥920.0 billion, operating profit of ¥40.0 billion, profit before tax of ¥40.0 billion, and profit attributable to owners of parent of ¥25.0 billion. The above forecasts are unchanged from those announced on April 27, 2023.

2. Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and cash equivalents	105,268	128,579
Trade and other receivables	185,640	189,312
Other financial assets	4,380	6,315
Inventories	99,171	94,876
Other current assets	24,646	27,848
Subtotal	419,108	446,933
Assets held for sale	-	2,645
Total current assets	419,108	449,579
Non-current assets		
Property, plant and equipment	327,838	333,914
Intangible assets	5,240	5,561
Other financial assets	50,239	57,160
Investments accounted for using equity method	16,529	16,967
Retirement benefit asset	3,581	3,552
Deferred tax assets	18,021	17,129
Other non-current assets	24,740	25,054
Total non-current assets	446,192	459,340
Total assets	865,300	908,919

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	142,453	152,370
Borrowings	32,906	28,620
Other financial liabilities	3,912	10,727
Income taxes payable	4,220	5,534
Provisions	4,503	4,551
Other current liabilities	8,049	9,006
Total current liabilities	196,047	210,811
Non-current liabilities		
Bonds and borrowings	130,116	130,267
Other financial liabilities	13,136	13,384
Retirement benefit liability	31,867	31,857
Provisions	3,303	3,515
Deferred tax liabilities	3,211	3,473
Other non-current liabilities	1,249	1,510
Total non-current liabilities	182,885	184,008
Total liabilities	378,932	394,820
Equity		
Share capital	28,093	28,099
Capital surplus	24,860	24,866
Treasury shares	(1,235)	(1,235)
Other components of equity	52,420	71,104
Retained earnings	344,275	352,323
Total equity attributable to owners of parent	448,413	475,158
Non-controlling interests	37,953	38,940
Total equity	486,367	514,099
Total liabilities and equity	865,300	908,919

(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, 2022	Three months ended June 30, 2023
Revenue	209,498	259,326
Cost of revenue	(189,277)	(223,424)
Gross profit	20,221	35,902
Selling, general and administrative expenses	(17,482)	(19,963)
Other income	848	810
Other expenses	(445)	(363)
Operating profit	3,142	16,386
Finance income	2,587	1,459
Finance costs	(869)	(1,445)
Share of profit (loss) of investments accounted for using equity method	(291)	199
Profit before tax	4,568	16,599
Income tax expense	(1,322)	(3,589)
Profit	3,246	13,009
Profit attributable to		
Owners of parent	2,616	11,616
Non-controlling interests	630	1,393
Profit	3,246	13,009
Earnings per share		
Basic earnings per share (yen)	20.21	89.71
Diluted earnings per share (yen)	20.21	89.71

(Condensed Quarterly Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	3,246	13,009
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Equity financial assets measured at fair value through other comprehensive income	(121)	4,025
Remeasurements of defined benefit plans	(3)	369
Share of other comprehensive income of investments accounted for using equity method	0	(46)
Total	(124)	4,348
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	17,915	16,558
Share of other comprehensive income of investments accounted for using equity method	502	465
Total	18,418	17,023
Total other comprehensive income	18,294	21,372
Total comprehensive income	21,540	34,382
Comprehensive income attributable to		
Owners of parent	18,475	30,618
Non-controlling interests	3,065	3,764
Total comprehensive income	21,540	34,382

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

Three months ended June 30, 2022

(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, 2022	28,069	24,465	(1,233)	18,407	24,026	-	42,433
Profit	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	15,988	(120)	(8)	15,858
Total comprehensive income	-	-	-	15,988	(120)	(8)	15,858
Issuance of new shares	5	5	-	-	-	-	-
Purchase of treasury shares	-	-	(0)	-	-	-	-
Dividends	-	-	-	-	-	-	-
Changes in ownership interest in subsidiaries	-	288	-	-	-	-	-
Change in scope of consolidation	-	82	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	-	-	8	8
Total transactions with owners	5	377	(0)	-	-	8	8
Balance at June 30, 2022	28,075	24,842	(1,233)	34,396	23,905	-	58,301

	Equity attributable to owners of parent		Non-controlling interests	Total equity
	Retained earnings	Total		
Balance at April 1, 2022	335,069	428,804	33,989	462,794
Profit	2,616	2,616	630	3,246
Other comprehensive income	-	15,858	2,435	18,294
Total comprehensive income	2,616	18,475	3,065	21,540
Issuance of new shares	-	11	-	11
Purchase of treasury shares	-	(0)	-	(0)
Dividends	(3,237)	(3,237)	(1,576)	(4,813)
Changes in ownership interest in subsidiaries	-	288	40	328
Change in scope of consolidation	(82)	-	-	-
Transfer from other components of equity to retained earnings	(8)	-	-	-
Total transactions with owners	(3,328)	(2,937)	(1,536)	(4,473)
Balance at June 30, 2022	334,357	444,343	35,518	479,861

Three months ended June 30, 2023

(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, 2023	28,093	24,860	(1,235)	29,570	22,849	-	52,420
Profit	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	14,659	4,024	317	19,001
Total comprehensive income	-	-	-	14,659	4,024	317	19,001
Issuance of new shares	6	6	-	-	-	-	-
Purchase of treasury shares	-	-	(0)	-	-	-	-
Dividends	-	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	-	-	(317)	(317)
Total transactions with owners	6	6	(0)	-	-	(317)	(317)
Balance at June 30, 2023	28,099	24,866	(1,235)	44,229	26,874	-	71,104

	Equity attributable to owners of parent		Non-controlling interests	Total equity
	Retained earnings	Total		
Balance at April 1, 2023	344,275	448,413	37,953	486,367
Profit	11,616	11,616	1,393	13,009
Other comprehensive income	-	19,001	2,370	21,372
Total comprehensive income	11,616	30,618	3,764	34,382
Issuance of new shares	-	12	-	12
Purchase of treasury shares	-	(0)	-	(0)
Dividends	(3,885)	(3,885)	(2,777)	(6,662)
Transfer from other components of equity to retained earnings	317	-	-	-
Total transactions with owners	(3,567)	(3,873)	(2,777)	(6,650)
Balance at June 30, 2023	352,323	475,158	38,940	514,099

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Cash flows from operating activities		
Profit before tax	4,568	16,599
Depreciation and amortization	11,795	12,650
Increase (decrease) in provisions	(184)	(103)
Increase (decrease) in retirement benefit liability	298	225
Decrease (increase) in retirement benefit asset	40	7
Finance income	(2,339)	(1,382)
Finance costs	839	1,988
Share of loss (profit) of investments accounted for using equity method	291	(199)
Loss (gain) on sale of fixed assets	81	26
Decrease (increase) in inventories	(5,682)	9,816
Decrease (increase) in trade and other receivables	14,819	2,285
Increase (decrease) in trade and other payables	(8,243)	6,547
Other	(1,481)	(1,299)
Subtotal	14,803	47,162
Interest received	464	552
Dividends received	539	794
Interest paid	(824)	(773)
Income taxes paid	(3,704)	(3,636)
Net cash provided by (used in) operating activities	11,279	44,099
Cash flows from investing activities		
Payments into time deposits	(1,953)	(5,396)
Proceeds from withdrawal of time deposits	5,812	3,059
Purchase of property, plant and equipment, and intangible assets	(12,713)	(9,682)
Proceeds from sale of property, plant and equipment, and intangible assets	196	589
Purchase of investments	(130)	(78)
Other	(46)	(827)
Net cash provided by (used in) investing activities	(8,834)	(12,336)
Cash flows from financing activities		
Proceeds from short-term borrowings	24,677	261
Repayments of short-term borrowings	(17,315)	(4,348)
Proceeds from long-term borrowings	226	290
Repayments of long-term borrowings	(798)	(2,281)
Repayments of lease liabilities	(1,038)	(959)
Dividends paid	(3,227)	(3,872)
Dividends paid to non-controlling interests	(1,576)	(2,623)
Other	328	(0)
Net cash provided by (used in) financing activities	1,276	(13,534)
Net increase (decrease) in cash and cash equivalents	3,720	18,229
Cash and cash equivalents at beginning of period	109,145	105,268
Effect of exchange rate changes on cash and cash equivalents	3,205	5,081
Cash and cash equivalents at end of period	116,071	128,579

Note on Quarterly Consolidated Financial Statements

(Note on premise of going concern)

None

(Segment Information)

FY2022 (April 1, 2022 – June 30, 2022)

(Millions of yen)

	Reportable Segment				Total	Eliminations	Consolidated
	Japan	Americas	Asia	Europe & Africa			
Revenue							
Revenues from external customers	77,959	72,565	52,568	6,404	209,498	-	209,498
Transactions with other segments	8,557	1,125	6,696	277	16,657	(16,657)	-
Total	86,517	73,691	59,265	6,681	226,155	(16,657)	209,498
Segment profit (loss)	(1,352)	2,010	3,301	(624)	3,335	(192)	3,142
Finance income							2,587
Finance costs							(869)
Share of the profit (loss) of investments accounted for using equity method							(291)
Profit before tax							4,568

FY2023(April 1, 2023 – June 30, 2023)

(Millions of yen)

	Reportable Segment				Total	Eliminations	Consolidated
	Japan	Americas	Asia	Europe & Africa			
Revenue							
Revenues from external customers	97,783	95,156	58,268	8,117	259,326	-	259,326
Transactions with other segments	9,253	814	10,474	415	20,959	(20,959)	-
Total	107,037	95,971	68,743	8,533	280,286	(20,959)	259,326
Segment profit (loss)	4,019	7,727	4,972	(392)	16,326	59	16,386
Finance income							1,459
Finance costs							(1,445)
Share of the profit (loss) of investments accounted for using equity method							199
Profit before tax							16,599