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

October 31, 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: November 7, 2023
 Scheduled date to commence dividend payments: November 27, 2023
 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, 2024 (from April 1, 2023 to September 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	%
Six months ended								
September 30, 2023	522,849	15.1	33,691	174.6	34,124	142.1	26,120	154.4
September 30, 2022	454,214	17.3	12,267	(5.6)	14,092	5.7	10,268	1.3

	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, 2023	23,270	182.6	57,403	72.5	179.72	179.71
September 30, 2022	8,235	(8.8)	33,287	118.7	63.61	63.60

(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, 2023	920,669	535,944	496,052	53.9
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	-	38.00			
Fiscal year ending March 31, 2024 (Forecast)			-	38.00	76.00

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

**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	1,020,000	7.2	59,000	68.2	59,000	67.0	39,000	143.7	301.18

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, 2023	130,086,647 shares
As of March 31, 2023	130,071,104 shares

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

As of September 30, 2023	585,504 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 six months ended September 30, 2023	129,486,348 shares
For the six months ended September 30, 2022	129,464,679 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, 2023

(1) Explanation of Business Results

Revenue for the six months ended September 30, 2023 increased to ¥522.8 billion (up 15.1% compared to the same period of the previous fiscal year) mainly due to an increase in production by customers primarily in Japan and the Americas.

As for profits, operating profit came to ¥33.6 billion (up 174.6% compared to the same period of the previous fiscal year) and profit attributable to owners of parent came to ¥23.2 billion (up 182.6% compared to the same period 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 ¥216.0 billion (up 17.6% compared to the same period of the previous fiscal year) due to factors such as an increase in production by customers.

As for profits, segment profit came to ¥8.1 billion (compared with a segment loss of ¥2.2 billion for the same period of the previous fiscal year) mainly due to the effect of increased sales and rationalization efforts.

(ii) Americas

Revenue increased to ¥191.5 billion (up 21.6% compared to the same period of the previous fiscal year) due to factors such as an increase in production by customers.

As for profits, segment profit came to ¥14.5 billion (up 142.2% compared to the same period of the previous fiscal year) mainly due to the effect of increased sales and rationalization efforts.

(iii) Asia

Revenue increased to ¥143.0 billion (up 4.6% compared to the same period of the previous fiscal year) due to factors such as an increase in production by customers.

As for profits, segment profit came to ¥10.5 billion (up 8.9% compared to the same period of the previous fiscal year), mainly due to the effect of increased sales in India, despite the effect of reduced sales in China.

(iv) Europe and Africa

Revenue increased to ¥15.6 billion (up 17.3% compared to the same period of the previous fiscal year) due to factors such as an increase in production by customers.

As for profits, segment profit came to ¥0.4 billion (compared with a segment loss of ¥0.9 billion for the same period of the previous fiscal year) mainly due to the effect of increased sales and one-time factors.

(2) Explanation of Financial Position

Assets increased by ¥55.3 billion from the end of the previous fiscal year to ¥920.6 billion as of September 30, 2023, primarily as a result of an increase in cash and cash equivalents.

Liabilities increased by ¥5.7 billion from the end of the previous fiscal year to ¥384.7 billion, mainly due to an increase in trade and other payables.

Equity increased by ¥49.5 billion from the end of the previous fiscal year to ¥535.9 billion, mainly due to an increase in other components of equity.

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

As for the outlook of financial results for the full fiscal year, the Company has revised the full fiscal year forecasts announced on April 27, 2023 in consideration of the results for the six months ended September 30, 2023 and other factors. For details, please refer to “Notice of Revisions to the Full Fiscal Year Forecasts of Financial Earnings, Dividends from Surplus and the Dividend Forecast for the Fiscal Year Ending March 31, 2024 ,” announced today.

These forecasts are based on the exchange rate assumption of ¥140 to US\$1 from the third quarter onward, and ¥141 to US\$1 for the full fiscal year.

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

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and cash equivalents	105,268	131,142
Trade and other receivables	185,640	189,551
Other financial assets	4,380	4,059
Inventories	99,171	95,832
Other current assets	24,646	28,982
Subtotal	419,108	449,569
Assets held for sale	-	2,630
Total current assets	419,108	452,200
Non-current assets		
Property, plant and equipment	327,838	339,243
Intangible assets	5,240	5,475
Other financial assets	50,239	61,369
Investments accounted for using equity method	16,529	17,765
Retirement benefit asset	3,581	3,558
Deferred tax assets	18,021	15,775
Other non-current assets	24,740	25,281
Total non-current assets	446,192	468,468
Total assets	865,300	920,669

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	142,453	153,707
Borrowings	32,906	23,846
Other financial liabilities	3,912	7,657
Income taxes payable	4,220	3,558
Provisions	4,503	3,682
Other current liabilities	8,049	9,009
Total current liabilities	196,047	201,462
Non-current liabilities		
Bonds and borrowings	130,116	129,206
Other financial liabilities	13,136	13,401
Retirement benefit liability	31,867	32,239
Provisions	3,303	3,410
Deferred tax liabilities	3,211	3,708
Other non-current liabilities	1,249	1,295
Total non-current liabilities	182,885	183,261
Total liabilities	378,932	384,724
Equity		
Share capital	28,093	28,105
Capital surplus	24,860	24,872
Treasury shares	(1,235)	(1,235)
Other components of equity	52,420	79,277
Retained earnings	344,275	365,033
Total equity attributable to owners of parent	448,413	496,052
Non-controlling interests	37,953	39,892
Total equity	486,367	535,944
Total liabilities and equity	865,300	920,669

(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, 2022	Six months ended September 30, 2023
Revenue	454,214	522,849
Cost of revenue	(404,518)	(449,929)
Gross profit	49,695	72,920
Selling, general and administrative expenses	(36,667)	(40,824)
Other income	1,620	2,424
Other expenses	(2,380)	(829)
Operating profit	12,267	33,691
Finance income	3,898	2,700
Finance costs	(1,903)	(2,943)
Share of profit of investments accounted for using equity method (loss)	(170)	675
Profit before tax	14,092	34,124
Income tax expense	(3,824)	(8,003)
Profit	10,268	26,120
Profit attributable to		
Owners of parent	8,235	23,270
Non-controlling interests	2,033	2,849
Profit	10,268	26,120
Earnings per share		
Basic earnings per share (yen)	63.61	179.72
Diluted earnings per share (yen)	63.60	179.71

(Condensed Quarterly Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	10,268	26,120
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Equity financial assets measured at fair value through other comprehensive income	(2,043)	8,139
Remeasurements of defined benefit plans	7	379
Share of other comprehensive income of investments accounted for using equity method	(0)	(7)
Total	<u>(2,036)</u>	<u>8,511</u>
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	24,198	21,843
Share of other comprehensive income of investments accounted for using equity method	856	928
Total	<u>25,055</u>	<u>22,772</u>
Total other comprehensive income	<u>23,018</u>	<u>31,283</u>
Total comprehensive income	<u>33,287</u>	<u>57,403</u>
Comprehensive income attributable to		
Owners of parent	27,989	51,500
Non-controlling interests	5,297	5,903
Total comprehensive income	<u>33,287</u>	<u>57,403</u>

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

Six months ended September 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	-	-	-	21,798	(2,044)	0	19,754
Total comprehensive income	-	-	-	21,798	(2,044)	0	19,754
Issuance of new shares	11	11	-	-	-	-	-
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	-	-	-	-	-	(0)	(0)
Total transactions with owners	11	383	(0)	-	-	(0)	(0)
Balance at September 30, 2022	28,081	24,848	(1,233)	40,206	21,982	-	62,188

	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	8,235	8,235	2,033	10,268
Other comprehensive income	-	19,754	3,263	23,018
Total comprehensive income	8,235	27,989	5,297	33,287
Issuance of new shares	-	23	-	23
Purchase of treasury shares	-	(0)	-	(0)
Dividends	(3,237)	(3,237)	(2,706)	(5,943)
Changes in ownership interest in subsidiaries	-	288	40	328
Change in scope of consolidation	(82)	-	-	-
Transfer from other components of equity to retained earnings	0	-	-	-
Total transactions with owners	(3,319)	(2,925)	(2,666)	(5,591)
Balance at September 30, 2022	339,984	453,869	36,620	490,489

Six months ended September 30, 2023

(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, 2023	28,093	24,860	(1,235)	29,570	22,849	-	52,420
Profit	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	19,725	8,181	323	28,229
Total comprehensive income	-	-	-	19,725	8,181	323	28,229
Issuance of new shares	11	11	-	-	-	-	-
Purchase of treasury shares	-	-	(0)	-	-	-	-
Dividends	-	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	-	(1,049)	(323)	(1,372)
Total transactions with owners	11	11	(0)	-	(1,049)	(323)	(1,372)
Balance at September 30, 2023	28,105	24,872	(1,235)	49,295	29,982	-	79,277

	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	23,270	23,270	2,849	26,120
Other comprehensive income	-	28,229	3,053	31,283
Total comprehensive income	23,270	51,500	5,903	57,403
Issuance of new shares	-	23	-	23
Purchase of treasury shares	-	(0)	-	(0)
Dividends	(3,885)	(3,885)	(3,963)	(7,849)
Transfer from other components of equity to retained earnings	1,372	-	-	-
Total transactions with owners	(2,512)	(3,862)	(3,963)	(7,826)
Balance at September 30, 2023	365,033	496,052	39,892	535,944

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before tax	14,092	34,124
Depreciation and amortization	23,163	24,909
Impairment loss (reversal of impairment losses)	1,027	35
Increase (decrease) in provisions	(429)	(1,234)
Increase (decrease) in retirement benefit liability	712	575
Decrease (increase) in retirement benefit asset	63	1
Finance income	(8,239)	(2,700)
Finance costs	1,903	4,538
Share of loss (profit) of investments accounted for using equity method	170	(675)
Loss (gain) on sale of fixed assets	174	64
Decrease (increase) in inventories	(7,680)	9,569
Decrease (increase) in trade and other receivables	6,911	3,284
Increase (decrease) in trade and other payables	(8,014)	8,080
Other	(1,991)	(3,625)
Subtotal	21,863	76,946
Interest received	1,161	1,652
Dividends received	729	976
Interest paid	(1,864)	(1,642)
Income taxes paid	(7,354)	(9,050)
Net cash provided by (used in) operating activities	14,535	68,882
Cash flows from investing activities		
Payments into time deposits	(4,832)	(5,908)
Proceeds from withdrawal of time deposits	10,731	5,535
Purchase of property, plant and equipment, and intangible assets	(23,464)	(22,390)
Proceeds from sale of property, plant and equipment, and intangible assets	293	660
Purchase of investments	(537)	(151)
Proceeds from sale of investment securities	-	1,907
Other	(195)	84
Net cash provided by (used in) investing activities	(18,006)	(20,263)
Cash flows from financing activities		
Proceeds from short-term borrowings	35,664	200
Repayments of short-term borrowings	(39,837)	(4,250)
Proceeds from long-term borrowings	412	284
Repayments of long-term borrowings	(4,533)	(8,264)
Repayments of lease liabilities	(1,612)	(1,915)
Dividends paid	(3,237)	(3,887)
Dividends paid to non-controlling interests	(2,706)	(3,984)
Other	328	(0)
Net cash provided by (used in) financing activities	(15,522)	(11,828)
Net increase (decrease) in cash and cash equivalents	(18,992)	26,800
Cash and cash equivalents at beginning of period	109,145	105,268
Effect of exchange rate changes on cash and cash equivalents	2,551	(925)
Cash and cash equivalents at end of period	92,704	131,142

Note on Quarterly Consolidated Financial Statements

(Note on premise of going concern)

None

(Segment Information)

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

(Millions of yen)

	Reportable Segment				Total	Eliminations	Consolidated	
	Japan	Americas	Asia	Europe & Africa				
Revenue								
Revenues from external customers	165,306	155,425	120,731	12,750	454,214	-	454,214	
Transactions with other segments	18,393	2,058	16,024	619	37,096	(37,096)	-	
Total	183,699	157,483	136,756	13,370	491,310	(37,096)	454,214	
Segment profit (loss)	(2,298)	6,008	9,686	(948)	12,448	(180)	12,267	
Finance income								3,898
Finance costs								(1,903)
Share of the profit of investments accounted for using equity method (loss)								(170)
Profit before tax								14,092

FY2023 (April 1, 2023 – September 30, 2023)

(Millions of yen)

	Reportable Segment				Total	Eliminations	Consolidated	
	Japan	Americas	Asia	Europe & Africa				
Revenue								
Revenues from external customers	197,646	189,965	120,330	14,907	522,849	-	522,849	
Transactions with other segments	18,364	1,587	22,733	780	43,466	(43,466)	-	
Total	216,011	191,552	143,064	15,687	566,316	(43,466)	522,849	
Segment profit (loss)	8,195	14,554	10,546	412	33,709	(18)	33,691	
Finance income								2,700
Finance costs								(2,943)
Share of the loss of investments accounted for using equity method								675
Profit before tax								34,124