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

February 2, 2024

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 Listing: Tokyo Stock Exchange and Nagoya Stock Exchange
 Securities code: 7282
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Scheduled date to file quarterly securities report: February 8, 2024

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, 2024 (from April 1, 2023 to December 31, 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	%
Nine months ended								
December 31, 2023	804,222	14.6	55,900	136.0	58,342	145.1	46,130	165.9
December 31, 2022	701,814	16.9	23,690	24.7	23,804	17.0	17,346	10.5

	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, 2023	41,284	193.2	66,970	180.4	319.85	319.83
December 31, 2022	14,079	4.2	23,885	(14.5)	108.75	108.74

(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, 2023	893,230	532,406	491,800	55.1
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: No

**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	1,060,000	11.4	70,000	99.6	73,000	106.7	51,000	218.7	396.69

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 December 31, 2023	127,614,147 shares
As of March 31, 2023	130,071,104 shares

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

As of December 31, 2023	585,639 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 nine months ended December 31, 2023	129,074,626 shares
For the nine months ended December 31, 2022	129,467,381 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, 2023

(1) Explanation of Business Results

Revenue for the nine months ended December 31, 2023 increased to ¥804.2 billion (up 14.6% 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.

Operating profit came to ¥55.9 billion (up 136.0% compared to the same period of the previous fiscal year) and profit attributable to owners of parent came to ¥41.2 billion (up 193.2% compared to the same period of the previous fiscal year) mainly due to the effect of increased sales, progress made in improving revenue at group companies in the Americas, and efforts on Group-wide scale to eliminate loss due to production changes until the previous fiscal year and improve costs more than in normal years.

Results by segment are as follows.

(i) Japan

Revenue increased to ¥335.7 billion (up 16.1% compared to the same period of the previous fiscal year) due to factors such as an increase in production by customers.

Operating profit came to ¥13.3 billion (compared with an operating profit of ¥0.8 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 ¥288.2 billion (up 19.9% compared to the same period of the previous fiscal year) due to factors such as an increase in production by customers.

Operating profit came to ¥22.6 billion (up 146.1% 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 ¥221.8 billion (up 6.1% compared to the same period of the previous fiscal year) due to factors such as an increase in production in India, despite a decrease in production by customers in China and the ASEAN region.

Operating profit came to ¥17.8 billion (up 16.7% compared to the same period of the previous fiscal year) mainly due to the effect of increased sales in India.

(iv) Europe and Africa

Revenue increased to ¥25.9 billion (up 21.5% compared to the same period of the previous fiscal year) due to factors such as an increase in production by customers.

Operating profit came to ¥1.8 billion (compared with an operating loss of ¥1.4 billion for the same period of the previous fiscal year) mainly due to the effect of increased sales and onetime factors.

(2) Explanation of Financial Position

Assets increased by ¥27.9 billion from the end of the previous fiscal year to ¥893.2 billion as of December 31, 2023, primarily as a result of an increase in cash and cash equivalents.

Liabilities decreased by ¥18.1 billion from the end of the previous fiscal year to ¥360.8 billion, mainly due to a decrease in borrowings.

Equity increased by ¥46.0 billion from the end of the previous fiscal year to ¥532.4 billion, mainly due to an increase in retained earnings.

(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 October 31, 2023 in consideration of the actual results for the nine months ended December 31, 2023 and other factors. For details, please refer to the “Notice of Revisions to the Full Fiscal Year Forecasts of Financial Earnings 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 fourth quarter, and ¥142 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 December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	105,268	136,740
Trade and other receivables	185,640	181,840
Other financial assets	4,380	2,601
Inventories	99,171	88,463
Other current assets	24,646	27,868
Total current assets	419,108	437,513
Non-current assets		
Property, plant and equipment	327,838	330,132
Intangible assets	5,240	5,965
Other financial assets	50,239	47,939
Investments accounted for using equity method	16,529	24,412
Retirement benefit asset	3,581	3,554
Deferred tax assets	18,021	19,142
Other non-current assets	24,740	24,569
Total non-current assets	446,192	455,717
Total assets	865,300	893,230

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	142,453	143,339
Borrowings	32,906	11,535
Other financial liabilities	3,912	5,664
Income taxes payable	4,220	5,191
Provisions	4,503	1,906
Other current liabilities	8,049	11,130
Total current liabilities	196,047	178,767
Non-current liabilities		
Bonds and borrowings	130,116	128,003
Other financial liabilities	13,136	12,568
Retirement benefit liability	31,867	32,520
Provisions	3,303	3,763
Deferred tax liabilities	3,211	3,716
Other non-current liabilities	1,249	1,483
Total non-current liabilities	182,885	182,055
Total liabilities	378,932	360,823
Equity		
Share capital	28,093	28,109
Capital surplus	24,860	24,718
Treasury shares	(1,235)	(1,736)
Other components of equity	52,420	63,108
Retained earnings	344,275	377,600
Total equity attributable to owners of parent	448,413	491,800
Non-controlling interests	37,953	40,606
Total equity	486,367	532,406
Total liabilities and equity	865,300	893,230

(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, 2022	Nine months ended December 31, 2023
Revenue	701,814	804,222
Cost of revenue	(621,702)	(686,374)
Gross profit	80,112	117,848
Selling, general and administrative expenses	(56,379)	(62,400)
Other income	2,926	2,827
Other expenses	(2,969)	(2,375)
Operating profit	23,690	55,900
Finance income	3,325	4,205
Finance costs	(2,842)	(5,770)
Share of profit of investments accounted for using equity methodd (loss)	(368)	4,007
Profit before tax	23,804	58,342
Income tax expense	(6,457)	(12,212)
Profit	17,346	46,130
Profit attributable to		
Owners of parent	14,079	41,284
Non-controlling interests	3,266	4,845
Profit	17,346	46,130
Earnings per share		
Basic earnings per share (yen)	108.75	319.85
Diluted earnings per share (yen)	108.74	319.83

(Condensed Quarterly Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	17,346	46,130
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Equity financial assets measured at fair value through other comprehensive income	(2,326)	7,098
Remeasurements of defined benefit plans	15	370
Share of other comprehensive income of investments accounted for using equity method	(3)	(23)
Total	(2,314)	7,444
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	8,328	12,652
Share of other comprehensive income of investments accounted for using equity method	524	743
Total	8,853	13,395
Total other comprehensive income	6,538	20,840
Total comprehensive income	23,885	66,970
Comprehensive income attributable to		
Owners of parent	19,542	60,323
Non-controlling interests	4,343	6,646
Total comprehensive income	23,885	66,970

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

Nine months ended December 31, 2022

(Millions of yen)

	Equity attributable to owners of parent						
	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	-	-	-	7,779	(2,329)	12	5,462
Total comprehensive income	-	-	-	7,779	(2,329)	12	5,462
Issuance of new shares	17	17	-	-	-	-	-
Purchase of treasury shares	-	-	(1)	-	-	-	-
Dividends	-	-	-	-	-	-	-
Changes in ownership interest in subsidiaries	-	288	-	-	-	-	-
Change in scope of consolidation	-	82	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	-	(22)	(12)	(34)
Total transactions with owners	17	389	(1)	-	(22)	(12)	(34)
Balance at December 31, 2022	28,087	24,854	(1,234)	26,187	21,673	-	47,861

	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	14,079	14,079	3,266	17,346
Other comprehensive income	-	5,462	1,076	6,538
Total comprehensive income	14,079	19,542	4,343	23,885
Issuance of new shares	-	35	-	35
Purchase of treasury shares	-	(1)	-	(1)
Dividends	(7,122)	(7,122)	(2,747)	(9,870)
Changes in ownership interest in subsidiaries	-	288	40	328
Change in scope of consolidation	(82)	-	-	-
Transfer from other components of equity to retained earnings	34	-	-	-
Total transactions with owners	(7,170)	(6,799)	(2,707)	(9,507)
Balance at December 31, 2022	341,978	441,547	35,624	477,171

Nine months ended December 31, 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	-	-	-	11,602	7,123	312	19,039
Total comprehensive income	-	-	-	11,602	7,123	312	19,039
Issuance of new shares	16	16	-	-	-	-	-
Purchase of treasury shares	-	-	(8,160)	-	-	-	-
Cancellation of treasury shares	-	(158)	7,659	-	-	-	-
Dividends	-	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	-	(8,037)	(312)	(8,350)
Other	-	-	-	-	-	-	-
Total transactions with owners	16	(142)	(501)	-	(8,037)	(312)	(8,350)
Balance at December 31, 2023	28,109	24,718	(1,736)	41,173	21,935	-	63,108

	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	41,284	41,284	4,845	46,130
Other comprehensive income	-	19,039	1,800	20,840
Total comprehensive income	41,284	60,323	6,646	66,970
Issuance of new shares	-	32	-	32
Purchase of treasury shares	-	(8,160)	-	(8,160)
Cancellation of treasury shares	(7,500)	-	-	-
Dividends	(8,807)	(8,807)	(3,993)	(12,801)
Transfer from other components of equity to retained earnings	8,350	-	-	-
Other	(2)	(2)	-	(2)
Total transactions with owners	(7,959)	(16,936)	(3,993)	(20,930)
Balance at December 31, 2023	377,600	491,800	40,606	532,406

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Cash flows from operating activities		
Profit before tax	23,804	58,342
Depreciation and amortization	35,280	37,987
Impairment loss (reversal of impairment losses)	810	178
Increase (decrease) in provisions	(908)	(2,561)
Increase (decrease) in retirement benefit liability	1,105	922
Decrease (increase) in retirement benefit asset	131	5
Finance income	(8,723)	(5,758)
Finance costs	2,826	2,367
Share of loss (profit) of investments accounted for using equity method	368	(4,007)
Loss (gain) on sale of fixed assets	247	445
Decrease (increase) in inventories	(5,252)	16,772
Decrease (increase) in trade and other receivables	10,619	7,921
Increase (decrease) in trade and other payables	(16,871)	(1,041)
Other	(4,026)	1,455
Subtotal	39,412	113,032
Interest received	1,871	2,700
Dividends received	1,205	1,598
Interest paid	(2,793)	(2,322)
Income taxes paid	(11,174)	(15,251)
Net cash provided by (used in) operating activities	28,521	99,758
Cash flows from investing activities		
Payments into time deposits	(4,885)	(6,560)
Proceeds from withdrawal of time deposits	19,520	8,662
Purchase of property, plant and equipment, and intangible assets	(33,115)	(33,268)
Proceeds from sale of property, plant and equipment, and intangible assets	494	757
Purchase of investment securities	(777)	(2,258)
Proceeds from sale of investment securities	100	12,166
Other	(1,141)	(944)
Net cash provided by (used in) investing activities	(19,804)	(21,445)
Cash flows from financing activities		
Proceeds from short-term borrowings	43,634	836
Repayments of short-term borrowings	(59,920)	(6,310)
Proceeds from long-term borrowings	1,321	275
Repayments of long-term borrowings	(6,687)	(20,046)
Repayments of lease liabilities	(2,741)	(3,123)
Purchase of treasury shares	(1)	(8,160)
Dividends paid	(7,116)	(8,805)
Dividends paid to non-controlling interests	(2,836)	(4,023)
Other	328	-
Net cash provided by (used in) financing activities	(34,018)	(49,358)
Net increase (decrease) in cash and cash equivalents	(25,301)	28,954
Cash and cash equivalents at beginning of period	109,145	105,268
Effect of exchange rate changes on cash and cash equivalents	2,419	2,517
Cash and cash equivalents at end of period	86,264	136,740

Note on Quarterly Consolidated Financial Statements

(Note on premise of going concern)

None

(Segment Information)

FY2022 (April 1, 2022 – December 31, 2022)

(Millions of yen)

	Reportable Segment				Total	Eliminations	Consolidated
	Japan	Americas	Asia	Europe & Africa			
Revenue							
Revenues from external customers	261,108	237,492	182,721	20,491	701,814	-	701,814
Transactions with other segments	27,987	2,847	26,359	890	58,085	(58,085)	-
Total	289,095	240,339	209,081	21,382	759,900	(58,085)	701,814
Segment profit (loss)	829	9,224	15,338	(1,431)	23,960	(270)	23,690
Finance income							3,325
Finance costs							(2,842)
Share of the profit of investments accounted for using equity method (loss)							(368)
Profit before tax							23,804

FY2023 (April 1, 2023 – December 31, 2023)

(Millions of yen)

	Reportable Segment				Total	Eliminations	Consolidated
	Japan	Americas	Asia	Europe & Africa			
Revenue							
Revenues from external customers	306,548	285,882	186,975	24,816	804,222	-	804,222
Transactions with other segments	29,201	2,357	34,888	1,154	67,602	(67,602)	-
Total	335,750	288,239	221,864	25,970	871,825	(67,602)	804,222
Segment profit (loss)	13,393	22,698	17,892	1,874	55,858	41	55,900
Finance income							4,205
Finance costs							(5,770)
Share of the loss of investments accounted for using equity method							4,007
Profit before tax							58,342