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Consolidated Financial Results for the First Six Months of the Fiscal Year Ending March 31, 2021 (under IFRS)

October 29, 2020

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 6, 2020
 Scheduled date to commence dividend payments: November 26, 2020
 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, 2021 (from April 1, 2020 to September 30, 2020)

(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, 2020	309,409	(26.6)	4,514	(75.9)	3,736	(80.1)	3,926	(71.4)
September 30, 2019	421,426	4.1	18,755	73.3	18,761	60.5	13,749	91.1

	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, 2020	3,437	(72.4)	3,995	(41.9)	26.56	26.55
September 30, 2019	12,446	116.1	6,874	(41.9)	96.16	-

(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, 2020	737,018	369,168	343,594	46.6
March 31, 2020	709,185	370,275	345,070	48.7

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, 2020	-	30.00	-	30.00	60.00
Fiscal year ending March 31, 2021	-	25.00			
Fiscal year ending March 31, 2021 (Forecast)			-	30.00	55.00

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

**3. Consolidated earnings forecasts for the fiscal year ending March 31, 2021
(from April 1, 2020 to March 31, 2021)**

(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, 2021	715,000	(12.0)	26,000	45.3	26,000	61.4	13,000	15.8	100.44

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, 2020	130,031,215 shares
As of March 31, 2020	130,010,011 shares

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

As of September 30, 2020	575,588 shares
As of March 31, 2020	575,292 shares

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

For the six months ended September 30, 2020	129,443,436 shares
For the six months ended September 30, 2019	129,435,059 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, 2020

(1) Explanation of Business Results

Revenue for the six months ended September 30, 2020 decreased to ¥309.4 billion (down 26.6% compared to the same quarter of the previous fiscal year), despite an increase in the number of automobiles produced by our major customers in China, mainly due to the effects of lower sales caused by the novel coronavirus disease (hereinafter, “COVID-19”) in other regions as a whole.

With regard to profits, operating profit came to ¥4.5 billion (down 75.9% compared to the same quarter of the previous fiscal year) and profit attributable to owners of parent came to ¥3.4 billion (down 72.4% compared to the same quarter of the previous fiscal year) mainly due to the effects of lower sales caused by COVID-19, despite a reduction in the extent of decrease in profit due to rationalization efforts, including the utilization of government subsidies, and the suppression of labor costs and expenses.

Results by segment are as follows.

(i) Japan

Revenue came to ¥153.9 billion (down 25.8% compared to the same quarter of the previous fiscal year) mainly due to the effects of lower sales caused by COVID-19. As for profits, the segment loss came to ¥1.5 billion (compared to segment profit of ¥7.2 billion in the same quarter of the previous fiscal year) mainly due to the effects of lower sales caused by COVID-19, despite the reduction of labor costs (utilization of subsidies and overtime reduction) and thorough expense reductions.

(ii) Americas

Revenue came to ¥86.3 billion (down 30.6% compared to the same quarter of the previous fiscal year) mainly due to the effects of lower sales caused by COVID-19 at our major customers. As for profits, the segment profit came to ¥3.3 billion (down 61.5% compared to the same quarter of the previous fiscal year) mainly due to the effects of lower sales caused by COVID-19, despite the reduction of labor costs (utilization of subsidies and overtime reduction).

(iii) Asia

Despite an increase in production numbers at major customers in China, revenue came to ¥83.4 billion (down 16.7% compared to the same quarter of the previous fiscal year), mainly due to the effects of lower sales in other regions. As for profits, despite the effects of increased sales and the reduction of labor costs, the segment profit came to ¥4.3 billion (down 25.9% compared to the same quarter of the previous fiscal year), mainly due to the effects of lower sales in other regions.

(iv) Europe and Africa

Revenue came to ¥9.5 billion (down 52.4% compared to the same quarter of the previous fiscal year). As for profits, we reduced the deficit by utilizing government subsidies and excluding the production subsidiary in Germany from consolidation in December 2019. As a result, segment loss came to ¥1.6 billion (compared to a segment loss of ¥2.9 billion in the same quarter of the previous fiscal year).

(2) Explanation of Financial Position

Assets increased by ¥27.8 billion to ¥737.0 billion as of September 30, 2020, primarily as a result of increases in trade and other receivables and cash and cash equivalents.

Liabilities increased by ¥28.9 billion to ¥367.8 billion, due to a rise in borrowings, etc.

Additionally, equity decreased by ¥1.1 billion to ¥369.1 billion, mainly as a result of a decrease in capital surplus.

(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, 2021, the Company has revised the full year results forecasts announced on July 31, 2020 in consideration of the results for the six months ended September 30, 2020. For details, please refer to the “Notice Concerning Differences Between the Forecast of Financial Earnings and Actual Results for the Six Months Ended September 30, 2020, Revisions to the Full Year Results Forecasts, and Dividends From Surplus (Interim Dividend)” announced today.

Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Assets		
Current assets		
Cash and cash equivalents	127,930	136,768
Trade and other receivables	142,062	152,625
Other financial assets	8,364	8,163
Inventories	63,925	62,319
Other current assets	17,282	19,446
Total current assets	359,565	379,322
Non-current assets		
Property, plant and equipment	273,479	274,980
Intangible assets	3,741	4,436
Other financial assets	32,244	34,941
Investments accounted for using equity method	14,252	14,035
Retirement benefit asset	2,603	2,403
Deferred tax assets	14,473	14,874
Other non-current assets	8,824	12,024
Total non-current assets	349,619	357,695
Total assets	709,185	737,018

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	119,083	123,719
Borrowings	44,657	64,562
Other financial liabilities	8,335	8,622
Income taxes payable	1,585	2,256
Provisions	1,881	1,882
Other current liabilities	5,110	6,947
Total current liabilities	180,653	207,992
Non-current liabilities		
Bonds and borrowings	103,399	104,066
Other financial liabilities	13,466	13,545
Retirement benefit liability	34,615	35,370
Provisions	107	108
Deferred tax liabilities	4,158	3,900
Other non-current liabilities	2,507	2,868
Total non-current liabilities	158,256	159,858
Total liabilities	338,909	367,850
Equity		
Share capital	28,027	28,033
Capital surplus	26,968	25,627
Treasury shares	(1,220)	(1,221)
Other components of equity	2,233	2,618
Retained earnings	289,061	288,534
Total equity attributable to owners of parent	345,070	343,594
Non-controlling interests	25,204	25,574
Total equity	370,275	369,168
Total liabilities and equity	709,185	737,018

(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, 2019	Six months ended September 30, 2020
Revenue	421,426	309,409
Cost of revenue	(372,114)	(277,059)
Gross profit	49,312	32,349
Selling, general and administrative expenses	(30,958)	(26,051)
Other income	1,078	1,009
Other expenses	(676)	(2,792)
Operating profit	18,755	4,514
Finance income	1,520	1,324
Finance costs	(2,035)	(2,147)
Share of profit of investments accounted for using equity method	521	44
Profit before tax	18,761	3,736
Income tax expense	(5,012)	189
Profit	13,749	3,926
Profit attributable to		
Owners of parent	12,446	3,437
Non-controlling interests	1,303	488
Profit	13,749	3,926
Earnings per share		
Basic earnings per share (yen)	96.16	26.56
Diluted earnings per share (yen)	-	26.55

(Condensed Quarterly Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Profit	13,749	3,926
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Equity financial assets measured at fair value through other comprehensive income	308	1,702
Remeasurements of defined benefit plans	(90)	(95)
Share of other comprehensive income of investments accounted for using equity method	(7)	14
Total	210	1,621
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(7,275)	(1,417)
Share of other comprehensive income of investments accounted for using equity method	188	(134)
Total	(7,086)	(1,551)
Total other comprehensive income	(6,875)	69
Total comprehensive income	6,874	3,995
Comprehensive income attributable to		
Owners of parent	6,185	3,211
Non-controlling interests	688	784
Total comprehensive income	6,874	3,995

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

Six months ended September 30, 2019

(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, 2019	28,027	26,968	(1,219)	(823)	15,498	-	14,674
Profit	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	(6,480)	301	(81)	(6,260)
Total comprehensive income	-	-	-	(6,480)	301	(81)	(6,260)
Purchase of treasury shares	-	-	(0)	-	-	-	-
Dividends	-	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	-	(338)	81	(257)
Other	-	-	-	-	-	-	-
Total transactions with owners	-	-	(0)	-	(338)	81	(257)
Balance at September 30, 2019	28,027	26,968	(1,219)	(7,304)	15,461	-	8,157

	Equity attributable to owners of parent		Non-controlling interests	Total equity
	Retained earnings	Total		
Balance at April 1, 2019	285,669	345,120	26,024	380,145
Profit	12,446	12,446	1,303	13,749
Other comprehensive income	-	(6,260)	(615)	(6,875)
Total comprehensive income	12,446	6,185	688	6,874
Purchase of treasury shares	-	(0)	-	(0)
Dividends	(3,883)	(3,883)	(1,538)	(5,422)
Transfer from other components of equity to retained earnings	257	-	-	-
Other	-	-	444	444
Total transactions with owners	(3,626)	(3,883)	(1,094)	(4,978)
Balance at September 30, 2019	294,488	356,422	25,619	382,041

Six months ended September 30, 2020

(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, 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

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash flows from operating activities		
Profit before tax	18,761	3,736
Depreciation and amortization	18,510	18,120
Increase (decrease) in retirement benefit liability	354	649
Decrease (increase) in retirement benefit asset	177	200
Finance income	(1,519)	(1,314)
Finance costs	1,759	1,898
Share of loss (profit) of investments accounted for using equity method	(521)	(44)
Loss (gain) on sale of fixed assets	305	242
Decrease (increase) in inventories	(279)	1,284
Decrease (increase) in trade and other receivables	7,605	(8,907)
Increase (decrease) in trade and other payables	(5,056)	8,195
Other	(2,449)	(2,676)
Subtotal	37,647	21,382
Interest received	1,133	907
Dividends received	576	541
Interest paid	(1,464)	(1,785)
Income taxes paid	(6,725)	(3,111)
Net cash provided by (used in) operating activities	31,167	17,934
Cash flows from investing activities		
Payments into time deposits	(9,262)	(6,204)
Proceeds from withdrawal of time deposits	10,649	6,387
Purchase of property, plant and equipment, and intangible assets	(23,554)	(24,516)
Proceeds from sale of property, plant and equipment, and intangible assets	79	319
Purchase of investments	(585)	(237)
Proceeds from sale of investments	1,432	16
Other	882	39
Net cash provided by (used in) investing activities	(20,358)	(24,196)
Cash flows from financing activities		
Proceeds from short-term borrowings	91,359	24,323
Repayments of short-term borrowings	(93,321)	(28,176)
Proceeds from long-term borrowings	10,999	27,370
Repayments of long-term borrowings	(2,667)	(1,613)
Repayments of lease liabilities	(1,009)	(1,418)
Dividends paid	(3,885)	(3,881)
Dividends paid to non-controlling interests	(1,538)	(1,556)
Other	(0)	505
Net cash provided by (used in) financing activities	(62)	15,553
Net increase (decrease) in cash and cash equivalents	10,745	9,291
Cash and cash equivalents at beginning of period	107,311	127,930
Effect of exchange rate changes on cash and cash equivalents	(1,989)	(452)
Cash and cash equivalents at end of period	116,067	136,768

Note on Quarterly Consolidated Financial Statements

(Note on premise of going concern)

None

(Segment Information)

FY2019 (April 1, 2019 – September 30, 2019)

(Millions of yen)

	Reportable Segment				Total	Eliminations	Consolidated
	Japan	Americas	Asia	Europe & Africa			
Revenue							
Revenues from external customers	193,536	122,332	86,247	19,310	421,426	-	421,426
Transactions with other segments	14,031	2,022	13,952	763	30,769	(30,769)	-
Total	207,567	124,354	100,200	20,074	452,196	(30,769)	421,426
Segment profit (loss)	7,258	8,619	5,810	(2,992)	18,696	59	18,755
Finance income							1,520
Finance costs							(2,035)
Share of the profit of investments accounted for using equity method							521
Profit before tax							18,761

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