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

February 2, 2021

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, 2021
 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, 2021 (from April 1, 2020 to December 31, 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	%
Nine months ended								
December 31, 2020	521,995	(16.3)	24,969	298.4	24,948	273.3	18,676	104.8
December 31, 2019	623,811	0.2	6,267	(71.2)	6,682	(69.9)	9,117	(37.1)

	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
Nine months ended						
December 31, 2020	16,708	134.4	22,560	159.1	129.09	129.08
December 31, 2019	7,129	(42.6)	8,708	(36.6)	55.08	-

(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, 2020	734,108	384,154	357,352	48.7
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)				35.00	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, 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	735,000	(9.6)	38,000	112.4	38,500	139.0	22,000	96.0	169.97

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, 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 December 31, 2020	582,843 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 nine months ended December 31, 2020	129,445,845 shares
For the nine months ended December 31, 2019	129,435,019 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, 2020

(1) Explanation of Business Results

Revenue for the nine months ended December 31, 2020 decreased to ¥521.9 billion (down 16.3% compared to the same quarter of the previous fiscal year) mainly due to the effects of lower sales caused by the novel coronavirus disease (hereinafter, "COVID-19") in the first half in other regions as a whole, despite an increase in the number of automobiles produced by our major customers in China.

With regard to profits, operating profit increased to ¥24.9 billion (up 298.4% compared to the same quarter of the previous fiscal year) and profit attributable to owners of parent increased to ¥16.7 billion (up 134.4% compared to the same quarter of the previous fiscal year) as a result of recoil from the recording of loss on business liquidation due to transferring all shares of Toyoda Gosei Meteor GmbH (hereinafter, "TGM"), the production subsidiary in Germany, to an outside party in the previous fiscal year, as well as rationalization efforts including the utilization of government subsidies, and the suppression of labor costs and expenses, despite the effects of lower sales due to COVID-19.

Results by segment are as follows.

(i) Japan

Revenue came to ¥260.4 billion (down 14.4% compared to the same quarter of the previous fiscal year) due to the effects of lower sales caused by COVID-19. As for profits, segment profit came to ¥6.4 billion (compared to a segment loss of ¥10.8 billion in the same quarter of the previous fiscal year) as a result of recoil from the recording of loss on business liquidation due to transferring all shares of TGM to an outside party in the previous fiscal year in addition to thorough reduction of expense and labor costs, despite the effects of lower sales due to COVID-19.

(ii) Americas

Revenue came to ¥145.3 billion (down 21.4% compared to the same quarter of the previous fiscal year) due to the effects of lower sales caused by COVID-19. As for profits, the segment profit came to ¥9.2 billion (down 23.3% 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 ¥138.8 billion (down 8.1% compared to the same quarter of the previous fiscal year), mainly due to the effects of lower sales in other regions caused by COVID-19. As for profits, despite the effects of lower sales in other regions, the segment profit came to ¥10.3 billion (up 7.5% compared to the same quarter of the previous fiscal year), mainly due to the effects of increased sales in China.

(iv) Europe and Africa

Revenue came to ¥17.8 billion (down 39.4% compared to the same quarter of the previous fiscal year) mainly due to the exclusion of TGM from consolidation in December 2019, and the effects of lower sales caused by COVID-19. As for profits, we reduced the deficit by excluding TGM from consolidation as described above, and receiving subsidies. As a result, segment loss came to ¥1.1 billion (compared to a segment loss of ¥4.5 billion in the same quarter of the previous fiscal year).

(2) Explanation of Financial Position

Assets increased by ¥24.9 billion to ¥734.1 billion as of December 31, 2020, primarily as a result of increases in trade and other receivables and cash and cash equivalents.

Liabilities increased by ¥11.0 billion to ¥349.9 billion, due to a rise in borrowings, etc.
Additionally, equity increased by ¥13.8 billion to ¥384.1 billion, mainly as a result of an increase in retained earnings.

(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 October 29, 2020 in consideration of the results for the nine months ended December 31, 2020. For details, please refer to the "Notice of Revisions to the Forecast of Financial Earnings and the Dividend Forecast" announced today.

2. Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and cash equivalents	127,930	134,245
Trade and other receivables	142,062	150,312
Other financial assets	8,364	7,231
Inventories	63,925	65,492
Other current assets	17,282	14,450
Total current assets	359,565	371,732
Non-current assets		
Property, plant and equipment	273,479	274,654
Intangible assets	3,741	4,511
Other financial assets	32,244	39,351
Investments accounted for using equity method	14,252	14,368
Retirement benefit asset	2,603	2,329
Deferred tax assets	14,473	13,438
Other non-current assets	8,824	13,723
Total non-current assets	349,619	362,376
Total assets	709,185	734,108

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	119,083	123,206
Borrowings	44,657	47,694
Other financial liabilities	8,335	4,159
Income taxes payable	1,585	3,187
Provisions	1,881	2,323
Other current liabilities	5,110	8,486
Total current liabilities	180,653	189,057
Non-current liabilities		
Bonds and borrowings	103,399	104,882
Other financial liabilities	13,466	13,222
Retirement benefit liability	34,615	35,769
Provisions	107	115
Deferred tax liabilities	4,158	3,754
Other non-current liabilities	2,507	3,152
Total non-current liabilities	158,256	160,897
Total liabilities	338,909	349,954
Equity		
Share capital	28,027	28,040
Capital surplus	26,968	25,634
Treasury shares	(1,220)	(1,231)
Other components of equity	2,233	6,404
Retained earnings	289,061	298,505
Total equity attributable to owners of parent	345,070	357,352
Non-controlling interests	25,204	26,801
Total equity	370,275	384,154
Total liabilities and equity	709,185	734,108

(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, 2019	Nine months ended December 31, 2020
Revenue	623,811	521,995
Cost of revenue	(549,971)	(453,292)
Gross profit	73,839	68,702
Selling, general and administrative expenses	(46,691)	(41,149)
Other income	1,651	1,470
Other expenses	(22,531)	(4,054)
Operating profit	6,267	24,969
Finance income	2,294	2,231
Finance costs	(2,566)	(2,645)
Share of profit of investments accounted for using equity method	686	393
Profit before tax	6,682	24,948
Income tax expense	2,435	(6,272)
Profit	9,117	18,676
Profit attributable to		
Owners of parent	7,129	16,708
Non-controlling interests	1,987	1,967
Profit	9,117	18,676
Earnings per share		
Basic earnings per share (yen)	55.08	129.09
Diluted earnings per share (yen)	-	129.08

(Condensed Quarterly Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit	9,117	18,676
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Equity financial assets measured at fair value through other comprehensive income	2,050	4,581
Remeasurements of defined benefit plans	(168)	(161)
Share of other comprehensive income of investments accounted for using equity method	(3)	14
Total	1,878	4,434
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(2,657)	(429)
Share of other comprehensive income of investments accounted for using equity method	369	(120)
Total	(2,287)	(550)
Total other comprehensive income	(409)	3,884
Total comprehensive income	8,708	22,560
Comprehensive income attributable to		
Owners of parent	6,866	20,204
Non-controlling interests	1,841	2,355
Total comprehensive income	8,708	22,560

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

Nine months ended December 31, 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	-	-	-	(2,142)	2,047	(167)	(263)
Total comprehensive income	-	-	-	(2,142)	2,047	(167)	(263)
Purchase of treasury shares	-	-	(0)	-	-	-	-
Dividends	-	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	-	(338)	167	(171)
Other	-	-	-	-	-	-	-
Total transactions with owners	-	-	(0)	-	(338)	167	(171)
Balance at December 31, 2019	28,027	26,968	(1,219)	(2,966)	17,207	-	14,240

	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	7,129	7,129	1,987	9,117
Other comprehensive income	-	(263)	(146)	(409)
Total comprehensive income	7,129	6,866	1,841	8,708
Purchase of treasury shares	-	(0)	-	(0)
Dividends	(7,767)	(7,767)	(2,216)	(9,983)
Transfer from other components of equity to retained earnings	171	-	-	-
Other	-	-	449	449
Total transactions with owners	(7,596)	(7,767)	(1,766)	(9,534)
Balance at December 31, 2019	285,202	353,219	26,099	379,319

Nine months ended December 31, 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	-	-	-	(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

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Cash flows from operating activities		
Profit before tax	6,682	24,948
Depreciation and amortization	27,776	27,411
Loss on liquidation of business	21,159	-
Increase (decrease) in retirement benefit liability	466	881
Decrease (increase) in retirement benefit asset	272	274
Finance income	(2,292)	(2,231)
Finance costs	2,322	3,026
Share of loss (profit) of investments accounted for using equity method	(686)	(393)
Loss (gain) on sale of fixed assets	410	405
Decrease (increase) in inventories	(4,001)	(1,803)
Decrease (increase) in trade and other receivables	18,011	(9,286)
Increase (decrease) in trade and other payables	(11,455)	7,040
Other	(3,327)	1,669
Subtotal	55,336	51,944
Interest received	1,529	1,482
Dividends received	974	908
Interest paid	(2,138)	(2,494)
Income taxes paid	(10,079)	(5,265)
Net cash provided by (used in) operating activities	45,621	46,574
Cash flows from investing activities		
Payments into time deposits	(9,410)	(9,348)
Proceeds from withdrawal of time deposits	12,135	10,955
Purchase of property, plant and equipment, and intangible assets	(31,438)	(33,052)
Proceeds from sale of property, plant and equipment, and intangible assets	355	607
Purchase of investments	(796)	(387)
Proceeds from sale of investments	1,432	16
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(11,428)	-
Other	535	60
Net cash provided by (used in) investing activities	(38,615)	(31,149)
Cash flows from financing activities		
Proceeds from short-term borrowings	32,029	16,694
Repayments of short-term borrowings	(40,506)	(33,215)
Proceeds from long-term borrowings	21,442	28,929
Repayments of long-term borrowings	(3,674)	(5,503)
Repayments of lease liabilities	(1,499)	(2,190)
Dividends paid	(7,763)	(7,113)
Dividends paid to non-controlling interests	(2,216)	(1,900)
Payments of the abolition of the in-house deposit system	-	(4,193)
Other	(0)	495
Net cash provided by (used in) financing activities	(2,188)	(7,995)
Net increase (decrease) in cash and cash equivalents	4,816	7,429
Cash and cash equivalents at beginning of period	107,311	127,930
Effect of exchange rate changes on cash and cash equivalents	(1,133)	(1,113)
Cash and cash equivalents at end of period	110,994	134,245

Note on Quarterly Consolidated Financial Statements

(Note on premise of going concern)

None

(Segment Information)

FY2019 (April 1, 2019 – December 31, 2019)

(Millions of yen)

	Reportable Segment				Total	Eliminations	Consolidated
	Japan	Americas	Asia	Europe & Africa			
Revenue							
Revenues from external customers	283,269	182,025	130,144	28,371	623,811	-	623,811
Transactions with other segments	21,052	3,033	20,989	1,012	46,087	(46,087)	-
Total	304,321	185,059	151,134	29,384	669,899	(46,087)	623,811
Segment profit (loss)	(10,898)	12,040	9,656	(4,500)	6,297	(29)	6,267
Finance income							2,294
Finance costs							(2,566)
Share of the profit of investments accounted for using equity method							686
Profit before tax							6,682

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