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

July 31, 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: August 6, 2020

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, 2021 (from April 1, 2020 to June 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	%
Three months ended								
June 30, 2020	111,214	(46.9)	(9,809)	-	(10,380)	-	(4,697)	-
June 30, 2019	209,355	1.9	7,867	(24.0)	8,053	(26.2)	4,398	(41.5)

	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
Three months ended						
June 30, 2020	(4,325)	-	(3,669)	-	(33.42)	-
June 30, 2019	3,708	(45.2)	(1,554)	-	28.65	-

(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, 2020	717,767	362,293	337,737	47.1
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	-				
Fiscal year ending March 31, 2021 (Forecast)		20.00	-	30.00	50.00

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
Six months ending September 30, 2020	300,000	(28.8)	(2,500)	-	(3,000)	-	0	(100.0)	0.00
Fiscal year ending March 31, 2021	690,000	(15.1)	18,000	0.6	18,000	11.8	8,000	(28.7)	61.81

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 June 30, 2020	130,010,011 shares
As of March 31, 2020	130,010,011 shares

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

As of June 30, 2020	575,499 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 three months ended June 30, 2020	129,434,647 shares
For the three months ended June 30, 2019	129,435,111 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, 2020

(1) Explanation of Business Results

During the three months ended June 30, 2020, the global economy suffered as a result of significant restrictions of corporate activities due to lockdowns in many countries caused by the global spread of the novel coronavirus disease (COVID-19). Subsequently, despite a recovery in China after the resumption of economic activity, the economies of many countries were severely impacted, with a significant economic downturn caused by a slowdown in consumption due to deteriorating employment and income conditions in the US and Europe.

In the Japanese economy, the situation was also extremely difficult, with both domestic and foreign demand falling sharply as a result of restrictions on personal and corporate activities following the declaration of a state of emergency in April and May, as well as due to and the impact of the deteriorating overseas economy.

Revenue for the three months ended June 30, 2020 decreased significantly to ¥111.2 billion (down 46.9% 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 COVID-19 in other regions as a whole.

As for profits, operating loss was ¥9.8 billion (compared to operating profit of ¥7.8 billion in the same quarter of the previous fiscal year) and loss attributable to owners of parent was ¥4.3 billion (compared to profit attributable to owners of parent of ¥3.7 billion in the same quarter of the previous fiscal year), due to the significant effects of lower sales caused by COVID-19, despite the implementation of the Group-wide emergency revenue measures as well as the recoil of the exclusion of the production subsidiary in Germany from consolidation in December 2019.

Results by segment are as follows.

(i) Japan

Revenue came to ¥59.2 billion (down 41.0% 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 ¥6.8 billion (compared to segment profit of ¥1.9 billion in the same quarter of the previous fiscal year) mainly due to the effects of lower sales caused by COVID-19, despite the effects of emergency revenue measures.

(ii) Americas

Revenue came to ¥22.7 billion (down 64.5% 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 loss came to ¥3.2 billion (compared to segment profit of ¥4.7 billion in the same quarter of the previous fiscal year) mainly due to the effects of lower sales caused by COVID-19, despite the effects of emergency revenue measures.

(iii) Asia

Revenue came to ¥35.9 billion (down 27.2% compared to the same quarter of the previous fiscal year), mainly due to market stagnation and the effects of lower sales caused by COVID-19 chiefly in Thailand, India and Indonesia, despite an increase in the number of automobiles produced by our major customers in China. As for profits, the segment profit came to ¥1.0 billion (down 59.3% compared to the same quarter of the previous fiscal year), mainly due to the effects of lower sales chiefly in Thailand, India and Indonesia, despite an increase in profits in China due to the effects of increased sales and of emergency revenue measures.

(iv) Europe and Africa

Revenue came to ¥2.7 billion (down 75.3% year on year). As for profits, we reduced the deficit by implementing the emergency revenue measures, and with the recoil of the exclusion of the

production subsidiary in Germany from consolidation in December 2019. As a result, segment loss came to ¥800 million (compared to a segment loss of ¥1.5 billion in the same quarter of the previous fiscal year).

(2) Explanation of Financial Position

Assets increased by ¥8.5 billion to ¥717.7 billion as of June 30, 2020, primarily as a result of an increase in cash and cash equivalents. On the other hand, liabilities increased by ¥16.5 billion to ¥355.4 billion, due to a rise in borrowings, etc. Additionally, equity decreased by ¥7.9 billion to ¥362.2 billion, mainly as a result of a decrease 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, please refer to the "Notice of the Forecast of Financial Earnings and the Dividend Forecast for the Fiscal Year Ending March 31, 2021" 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 June 30, 2020
Assets		
Current assets		
Cash and cash equivalents	127,930	149,193
Trade and other receivables	142,062	122,091
Other financial assets	8,364	7,860
Inventories	63,925	68,220
Other current assets	17,282	19,066
Total current assets	<u>359,565</u>	<u>366,432</u>
Non-current assets		
Property, plant and equipment	273,479	272,857
Intangible assets	3,741	4,082
Other financial assets	32,244	33,475
Investments accounted for using equity method	14,252	13,774
Retirement benefit asset	2,603	2,515
Deferred tax assets	14,473	15,026
Other non-current assets	8,824	9,602
Total non-current assets	<u>349,619</u>	<u>351,334</u>
Total assets	<u><u>709,185</u></u>	<u><u>717,767</u></u>

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	119,083	105,976
Borrowings	44,657	66,303
Other financial liabilities	8,335	8,484
Income taxes payable	1,585	1,687
Provisions	1,881	2,128
Other current liabilities	5,110	5,792
Total current liabilities	180,653	190,372
Non-current liabilities		
Bonds and borrowings	103,399	108,575
Other financial liabilities	13,466	14,214
Retirement benefit liability	34,615	35,075
Provisions	107	99
Deferred tax liabilities	4,158	4,070
Other non-current liabilities	2,507	3,066
Total non-current liabilities	158,256	165,101
Total liabilities	338,909	355,473
Equity		
Share capital	28,027	28,027
Capital surplus	26,968	26,968
Treasury shares	(1,220)	(1,220)
Other components of equity	2,233	3,191
Retained earnings	289,061	280,770
Total equity attributable to owners of parent	345,070	337,737
Non-controlling interests	25,204	24,555
Total equity	370,275	362,293
Total liabilities and equity	709,185	717,767

(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, 2019	Three months ended June 30, 2020
Revenue	209,355	111,214
Cost of revenue	(185,963)	(108,382)
Gross profit	23,392	2,832
Selling, general and administrative expenses	(15,678)	(11,963)
Other income	506	484
Other expenses	(353)	(1,163)
Operating profit	7,867	(9,809)
Finance income	960	876
Finance costs	(986)	(1,176)
Share of profit of investments accounted for using equity method	212	(271)
Profit before tax	8,053	(10,380)
Income tax expense	(3,655)	5,682
Profit	4,398	(4,697)
Profit attributable to		
Owners of parent	3,708	(4,325)
Non-controlling interests	690	(372)
Profit	4,398	(4,697)
Earnings per share		
Basic earnings per share (yen)	28.65	(33.42)
Diluted earnings per share (yen)	-	-

(Condensed Quarterly Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit	4,398	(4,697)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Equity financial assets measured at fair value through other comprehensive income	(1,388)	864
Remeasurements of defined benefit plans	(119)	(126)
Share of other comprehensive income of investments accounted for using equity method	-	(0)
Total	<u>(1,507)</u>	<u>738</u>
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(4,814)	353
Share of other comprehensive income of investments accounted for using equity method	368	(64)
Total	<u>(4,445)</u>	<u>288</u>
Total other comprehensive income	<u>(5,953)</u>	<u>1,027</u>
Total comprehensive income	<u><u>(1,554)</u></u>	<u><u>(3,669)</u></u>
Comprehensive income attributable to		
Owners of parent	(1,835)	(3,448)
Non-controlling interests	280	(220)
Total comprehensive income	<u><u>(1,554)</u></u>	<u><u>(3,669)</u></u>

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

Three months ended June 30, 2019

(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, 2019	28,027	26,968	(1,219)	(823)	15,498	-	14,674
Profit	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	(4,045)	(1,388)	(109)	(5,543)
Total comprehensive income	-	-	-	(4,045)	(1,388)	(109)	(5,543)
Purchase of treasury shares	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	-	-	109	109
Total transactions with owners	-	-	-	-	-	109	109
Balance at June 30, 2019	28,027	26,968	(1,219)	(4,869)	14,109	-	9,240

	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	3,708	3,708	690	4,398
Other comprehensive income	-	(5,543)	(409)	(5,953)
Total comprehensive income	3,708	(1,835)	280	(1,554)
Purchase of treasury shares	-	-	-	-
Dividends	(3,883)	(3,883)	(1,460)	(5,344)
Transfer from other components of equity to retained earnings	(109)	-	-	-
Total transactions with owners	(3,993)	(3,883)	(1,460)	(5,344)
Balance at June 30, 2019	285,383	348,401	24,845	373,246

Three months ended June 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	-	-	-	92	864	(81)	876
Total comprehensive income	-	-	-	92	864	(81)	876
Purchase of treasury shares	-	-	(0)	-	-	-	-
Dividends	-	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	-	-	81	81
Other	-	-	-	-	-	-	-
Total transactions with owners	-	-	(0)	-	-	81	81
Balance at June 30, 2020	28,027	26,968	(1,220)	(10,500)	13,691	-	3,191

	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	(4,325)	(4,325)	(372)	(4,697)
Other comprehensive income	-	876	151	1,027
Total comprehensive income	(4,325)	(3,448)	(220)	(3,669)
Purchase of treasury shares	-	(0)	-	(0)
Dividends	(3,883)	(3,883)	(804)	(4,687)
Transfer from other components of equity to retained earnings	(81)	-	-	-
Other	-	-	375	375
Total transactions with owners	(3,965)	(3,884)	(428)	(4,312)
Balance at June 30, 2020	280,770	337,737	24,555	362,293

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Cash flows from operating activities		
Profit before tax	8,053	(10,380)
Depreciation and amortization	9,188	9,078
Increase (decrease) in retirement benefit liability	250	231
Decrease (increase) in retirement benefit asset	83	87
Finance income	(960)	(875)
Finance costs	997	1,031
Share of loss (profit) of investments accounted for using equity method	(212)	271
Loss (gain) on sale of fixed assets	127	86
Decrease (increase) in inventories	330	(4,208)
Decrease (increase) in trade and other receivables	9,769	28,384
Increase (decrease) in trade and other payables	3,226	(12,369)
Other	(1,213)	(1,910)
Subtotal	29,641	9,425
Interest received	611	463
Dividends received	543	461
Interest paid	(805)	(1,050)
Income taxes paid	(2,460)	(1,539)
Net cash provided by (used in) operating activities	27,530	7,760
Cash flows from investing activities		
Payments into time deposits	(4,997)	(4,167)
Proceeds from withdrawal of time deposits	9,189	4,971
Purchase of property, plant and equipment, and intangible assets	(9,684)	(9,755)
Proceeds from sale of property, plant and equipment, and intangible assets	63	242
Purchase of investments	(345)	-
Other	7	94
Net cash provided by (used in) investing activities	(5,765)	(8,613)
Cash flows from financing activities		
Proceeds from short-term borrowings	41,065	23,430
Repayments of short-term borrowings	(34,833)	(21,534)
Proceeds from long-term borrowings	-	26,236
Repayments of long-term borrowings	(1,357)	(807)
Repayments of lease liabilities	(582)	(702)
Dividends paid	(3,858)	(3,860)
Dividends paid to non-controlling interests	(1,460)	(804)
Other	-	(0)
Net cash provided by (used in) financing activities	(1,025)	21,957
Net increase (decrease) in cash and cash equivalents	20,739	21,104
Cash and cash equivalents at beginning of period	107,311	127,930
Effect of exchange rate changes on cash and cash equivalents	(1,287)	158
Cash and cash equivalents at end of period	126,763	149,193

Note on Quarterly Consolidated Financial Statements

(Note on premise of going concern)

None

(Segment Information)

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

(Millions of yen)

	Reportable Segment				Total	Eliminations	Consolidated	
	Japan	Americas	Asia	Europe & Africa				
Revenue								
Revenues from external customers	93,250	63,139	42,439	10,525	209,355	-	209,355	
Transactions with other segments	7,316	982	6,891	459	15,650	(15,650)	-	
Total	100,566	64,122	49,331	10,984	225,005	(15,650)	209,355	
Segment profit (loss)	1,902	4,706	2,597	(1,588)	7,618	248	7,867	
Finance income								960
Finance costs								(986)
Share of the profit of investments accounted for using equity method								212
Profit before tax								8,053

FY2020 (April 1, 2020 – June 30, 2020)

(Millions of yen)

	Reportable Segment				Total	Eliminations	Consolidated	
	Japan	Americas	Asia	Europe & Africa				
Revenue								
Revenues from external customers	55,018	21,889	31,730	2,576	111,214	-	111,214	
Transactions with other segments	4,281	903	4,171	134	9,491	(9,491)	-	
Total	59,299	22,792	35,901	2,710	120,705	(9,491)	111,214	
Segment profit (loss)	(6,883)	(3,226)	1,058	(831)	(9,883)	73	(9,809)	
Finance income								876
Finance costs								(1,176)
Share of the profit of investments accounted for using equity method								(271)
Profit before tax								(10,380)