

Toyoda Gosei Czech, s.r.o.

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2022

Toyoda Gosei Czech, s.r.o.
ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2022
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1. The President's Introduction

“The President’s Introduction for the 2021 Fiscal Year”

From its beginning, 2021 has been marked by huge problems caused by the pandemic of COVID-19 and its direct or indirect effects. The first half of the year was still directly driven by COVID-19, which resulted in partial disruptions or reductions in demand. The second half of the year was affected by the pandemic in a more indirect way, i.e. by component shortages, most significantly the lack of semiconductors. This continuously affected all customers at different times and with different intensity. Significant drops in sales and suspension of production resulted in continuous generation of loss.

The end of the year brought other negative effects, in particular further enormous increases in the prices of material inputs, energy and services, most notably logistics. In March, there were further sales disruptions caused by a shortage of components from the war-affected Ukraine.

The year 2021 was the most difficult year ever, when we struggled with a number of negative external aspects that were not only beyond our control but also very difficult to predict. It was only thanks to the high commitment of all employees that we were able to ensure continuous supply to all our customers.

Key Milestones and Projects in 2021:

Safety systems and functional components

In 2021, we started the last phase of production of components for the Yaris for the production branch in the Czech Republic and also the new Toyota Aygo model, but it has been postponed to January 2022 for a number of reasons. However, this model will not fully replace the original model in terms of volume, mainly due to the withdrawal of the PSA Group from TPCA Kolín, so only components for the Toyota brand will be supplied. Additionally, there have also been further significant investments in new technologies with a substantially higher share of automation and robotics. The aim of these investments is to further increase competitiveness and production efficiency.

Weatherstrips (WS) – 2021 had two key tasks for the WS division. One of these was the pre-production of parts associated with the transfer of production for MES to Romania along with ensuring the standard production volumes required by end customers. The pre-production and subsequent transfer of production processes was successfully completed in early Q4, freeing up space for the import of technology from TGUK. The planning and actual transfer of the first technologies from the dissolved fellow subsidiary that was the second key task of the past year. In parallel, the final phase of products for Yaris and also the new Aygo were successfully launched. There have also been other major investments in new technologies in the WS division with a significantly higher role of automation and robotics – especially in the primary processes of rubber profile production. The aim of these investments is to further increase the competitiveness and the production efficiency.

In the fiscal year 2021, the Company reported total sales of safety systems of CZK 2.12 billion (a decrease of 10.62% as compared to 2020).

With respect to functional components, products with total sales of CZK 0.46 billion were manufactured and sold (an increase of 8.69% as compared to 2020).

The production of sealing components reached total sales of CZK 0.83 billion (a decrease of 13.31% as compared to 2020).

The LED division only deals with customer complaints; the actual sale of products has been terminated.

The Company also sold production moulds to final customers in the amount of CZK 135.77 million in the 2021 fiscal year (in 2020, sales amounted to CZK 137.98 million).

At the end of the 2021 fiscal year, the number of employees was 932, which denotes a decrease of 96 people. This is primarily due to the increased productivity and a change of the product portfolio. During 2021, the Company continued to work closely with the trade union organisation OS Kovo. Positive communication and understanding were maintained by regular meetings and confirmed when the collective negotiations of conditions for 2022 resulted in an agreement.

The Company also undertakes maximum efforts to minimise the impacts of its activities on the environment. Priorities in this area include emissions released to the atmosphere, and the emissions of all measured pollutants were maintained at last year's levels despite the increase in production. Other priorities include waste management and recycling; in this area, a solution was found once again to recycle or utilise 100 percent of waste. We are also focusing more intensely on CO₂ reduction, when we committed ourselves to meeting the Group's global goals. Gradually, decisions will be taken to bring the TGCZ closer to reducing CO₂ by 30% by the end of 2030.

The Company continues to pursue its goal of becoming Toyoda Gosei's most efficient production unit in Europe.

The Company has no internal development unit.

The Company has no branch or another part of the business abroad, ie outside the Czech Republic.

The Company holds no treasury shares, interim certificates or equity investments, or treasury shares, interim certificates or equity investments of the controlling entity.

The ongoing military conflict in Ukraine and the related sanctions targeted against the Russian Federation may have an impact on the European and global economy. The entity does not have any significant direct exposure to Ukraine, Russia or Belarus. However, the impact on the general economic situation may require revisions of certain assumptions and estimates. This may lead to material adjustments to the carrying value of certain assets and liabilities within the next financial year. At this stage, management is not able to reliably estimate the impact as events are unfolding day by day. The long-term impact may also affect trading volumes, cash flows, and profitability. Nevertheless, at the date of these financial statements, the Company continues to meet its obligations as they fall due and therefore continues to apply the going concern basis of preparation.

As of the balance sheet date, the management of the Company is not aware of any significant subsequent events that would have an impact on the financial statements for the year ended 31 March 2022.

2. Report on Related Party Transactions

REPORT ON RELATED PARTY TRANSACTIONS

Toyoda Gosei Czech, s.r.o., registered at Průmyslová 2, 431 51 Klášterec nad Ohří, corporate ID: 26 43 71 71, recorded in the Register of Companies maintained at the Regional Court in Ústí and Labem, Section C, File 18630 (hereinafter the “**reporting entity**” or “**TGCZ**”), is a member of a business group, within which the relations detailed below exist between the reporting entity and the controlling entities and between the reporting entity and entities controlled by the same controlling entities (hereinafter the “**related parties**”).

This report on relations between the entities specified below was prepared pursuant to Section 82 of Act No. 90/2012 Coll., on Business Corporations, as amended, for the reporting period ended 31 March 2021 (hereinafter the “**reporting period**”).

TGCZ decided not to disclose the amounts of performances related to the listed agreements, for reasons of business secrecy.

The Company is controlled, as standard, by the owner through the General Meeting.

During the reporting period, the reporting entity and the entities listed below entered into the following agreements and adopted or implemented the following legal acts or other measures:

A. STRUCTURE OF THE RELATIONS BETWEEN THE CONTROLLING ENTITY AND THE CONTROLLED ENTITY AND BETWEEN THE CONTROLLED ENTITY AND THE PERSONS CONTROLLED BY THE SAME CONTROLLING ENTITY (manner and means of control)

The controlled entity:

Toyoda Gosei Czech, s.r.o.
Průmyslová 2, 431 51 Klášterec nad Ohří

The main scope of business activities (role) of TGCZ is the production of automotive parts and the purchase and sale of goods.

B. CONTROLLING ENTITIES

TOYODA GOSEI CO., LTD., (“TG”)

Haruhi Nagahata, Kiyosu, Aichi-Prefecture, Japan

Relation to the reporting entity: directly controlling entity – 80%

During the reporting period, the reporting entity sold to the related party the following:

- Products and material based on orders.

During the reporting period, the reporting entity purchased from the related party the following:

- Costs related to product testing based on orders;
- Technical support based on orders;
- Goods and material based on orders;
- Fees from sales based on the license contract;
- Management and coordinator wages based on the contract for the international hiring; and;
- Costs related to control fixtures based on orders.

Toyota Tsusho Corporation, (“TTC”)

9-8, Meieki 4-chome, Nakamura-ku, Nagoya 450-8575, Japan

Corporate ID 1899-01-031731

Relation to the reporting entity: directly controlling entity – 20%

C. OTHER RELATED PARTIES

Toyoda Gosei Europe N.V. (“TGE”)

Planet 2, Unit E 3.0. Leuvensesteenweg 542, 1930 Zaventem, Belgium

Relation to the reporting entity: entity controlled by TG (100%)

During the reporting period, the reporting entity sold to the related party the following:

- IT and other services.

During the reporting period, the reporting entity purchased from the related party the following:

- Technical support and sales support based on contracts; and
- Goods based on orders.

Toyoda Gosei Haiphong Co., Ltd. (“TGHP”)

Land Plot M, Nomura-Haiphong Industrial Zone, Km13, An Duong District,

Haiphong City, Vietnam

Relation to the reporting entity: entity controlled by TG (95%) and TTC (5%)

During the reporting period, the reporting entity sold to the related party the following:

- Goods based on orders,
- Transport based on order.

Toyoda Gosei North America Corporation (“TGNA”)

1400 Stepheson Highway Troy, Michigan 48083, USA

Relation to the reporting entity: entity controlled by TG (100%)

During the reporting period, the reporting entity purchased from the related party the following:

- Material based on orders; and
- Technical support for an information system.

Toyoda Gosei Asia Co., Ltd. (“TGAS”)

700/489 Moo 4 Amata Nakorn Industrial Estate, Bangna-trad Highway KM.57, Tambon Bankhao, Amphur Pantong Chonburi 20160, Thailand

Relation to the reporting entity: entity controlled by TG (100%)

Toyoda Gosei (Thailand) Co., Ltd. (“TGT”)

700/489 Moo 4 Amata Nakorn Industrial Estate, Bangna Trad Highway KM. 57, Tambon Bankhao, Amphur Pantong, Chonburi 20160, Thailand

Relation to the reporting entity: entity controlled by TGAS (78.5%) and TTC (21.5%)

During the reporting period, the reporting entity sold to the related party the following:

- Goods based on orders.

Toyoda Gosei UK Ltd. (“TGUK”)

Bessemer Way Centurion Business Park, Templeborough Rotherham South Yorkshire, S60 1FB UK

Relation to the reporting entity: entity controlled by TG (91.1%) and TTC (8.9%)

During the reporting period, the reporting entity sold to the related party the following:

- Support IT services based on orders.

During the reporting period, the reporting entity purchased from the related party the following:

- Support services in the area of quality assurance based on orders; and
- Material based on orders.

Toyoda Gosei Star Light (Tianjin) Auto Parts Co., Ltd. (“TJTG”)

No.4 Libei Street Sanjing Road Dongli Development Area Tianjin, 300300, China

Relation to the reporting entity: entity controlled by TG (100%)

During the reporting period, the reporting entity purchased from the related party the following:

- Material based on orders.

Toyota Tsusho Europe S.A., organizační složka v České republice (“TTESA CR”)

Plzeňská 3185//5b, 150 00 Prague 5, Smíchov, Czech Republic

Relation to the reporting entity: entity controlled by TTESA (100%)

During the reporting period, the reporting entity sold to the related party the following:

- Products and services based on orders.

During the reporting period, the reporting entity purchased from the related party the following:

- Material and goods based on a framework agreement;
- Services and other low value performances based on orders; and
- Production machinery and equipment based on orders.

Toyoda Tsusho Europe S.A., France branch (“TTESA FR”)

Parc d' Activité de la Vallée de l'Escaut BP.10 – ZI No. 9 Ouest 59264 Onnaing, France

Relation to the reporting entity: entity controlled by TTESA (100%)

During the reporting period, the reporting entity purchased from the related party the following:

- Logistics and storage services based on a contract.

Toyota Tsusho Europe S.A. Poland (“TTESA PL”)

Poland branch, ul. M. Jachimowicza 6, Walbrzych, 58-306 Poland

Relation to the reporting entity: entity controlled by TTESA (100%)

Toyota Tsusho Europe NV (“TTESA”)

Belgicastraat 13, 1930 Zaventam, Belgium

Relation to the reporting entity: entity controlled by TTC (100%)

The above-mentioned contracts represent the entire list of valid contracts for the period from 1 April 2021 to 31 March 2022. In 2021, no other business performances were made or new contracts concluded beyond the scope of this list.

D. RELATED PARTY TRANSACTIONS IN 2021

Income Generated with Related Parties

(CZK '000)						
Entity	Relation to the reporting entity	Goods	Products	Services	Other income	Total
TG	Parent company	0	391	0	1 336	1 727
TGHP	Ultimate parent company	65 340	0	0	0	65 340
TGT	Ultimate parent company	14 079	0	0	0	14 079
TGUK	Ultimate parent company	0	0	0	354	354
TGE	Ultimate parent company	0	6	0	322	328
TGNA	Ultimate parent company	0	41	0	21	62
TTESA CR	Ultimate parent company	0	81 711	100	3 259	85 070
TTESA PL	Ultimate parent company	0	0	0	0	0
Total		79 419	82 149	100	5 292	166 960

Purchases Made from Related Parties

(CZK '000)						
Entity	Relation to the reporting entity	Goods	Products	Services	Other expenses	Total
TG	Parent company	14 097	374 110	142 692	431	531 330
TGHP	Ultimate parent company	0	0	0	0	0
TJTG	Ultimate parent company	0	4 567	0	0	4 567
TGUK	Ultimate parent company	0	313	-408	0	-95
TGE	Ultimate parent company	0	0	31 009	18	31 027
TGNA	Ultimate parent company	0	1 982	2 098	0	4 080
TGZS	Ultimate parent company	0	11	0	0	11
TTESA CR	Ultimate parent company	30 948	422 762	579	436	454 725
TTESA FR	Ultimate parent company	0	0	0	0	0
Total		45 045	803 745	175 970	885	1 025 645

Purchases of Tangible Fixed Assets from Related Parties

		(CZK '000)
Entity	Relation to the reporting entity	Intangible and tangible fixed assets
TTESA CR	Ultimate parent company	24 941
Total		24 941

Dividends Paid to Controlling Entities

In 2021, the Company paid the following profit shares.

- TG CZK 37.3 million (2020: CZK 17.8 million)
- TTC CZK 8.8 million (2020: CZK 4.2 million)

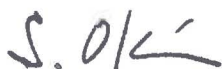
The amounts are after deduction of withholding tax.

CONCLUSION

While exercising due care and diligence, the reporting entity is not aware of any related parties other than those disclosed herein. During the reporting period, the reporting entity took or executed no legal acts in the interest of or at the initiative of the related parties other than those described herein. Our review of the legal relations between the reporting entity and the related parties indicates that the reporting entity incurred no detriment in connection with contractual arrangements or legal acts or other measures that the reporting entity adopted or implemented during the reporting period in the interest of or at the initiative of individual related parties. It can also be stated that no disadvantages ensued to the reporting entity arising from these relations.

In Klášterec nad Ohří on 30 June 2022

Toyoda Gosei Czech, s.r.o.



Shoji Okajima
Statutory Executive

3. Financial Statements for the Year Ended 31 March 2022

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

Name of the Company: Toyoda Gosei Czech, s.r.o.

Registered Office: Průmyslová 2, 431 51 Klášterec nad Ohří –
District of Chomutov

Legal Status: Limited Liability Company

Corporate ID: 264 37 171

Components of the Financial Statements:

Balance Sheet

Profit and Loss Account

Statement of Changes in Equity

Cash Flow Statement

Notes to the Financial Statements

These financial statements were prepared on 5 August 2022.

Statutory body of the reporting entity:	Signature
Shoji Okajima Statutory Executive	S. Okajima

BALANCE SHEET

full version

Toyota Gosei Czech, s.r.o.

Corporate ID 264 37 171

As of
31.03.2022
(in CZK thousand)

Průmyslová 2
Klášteřec nad Ohří
okres Chomutov, 431 51

		31.03.2022			31.03.2021
		Gross	Adjustment	Net	Net
	TOTAL ASSETS	5 301 439	2 467 052	2 834 387	3 085 904
B.	Fixed assets	3 754 514	2 419 457	1 335 057	1 469 649
<i>B.I.</i>	<i>Intangible fixed assets</i>	<i>148 493</i>	<i>139 032</i>	<i>9 461</i>	<i>9 663</i>
<i>B.I.2.</i>	<i>Valuable rights</i>	<i>147 635</i>	<i>139 032</i>	<i>8 603</i>	<i>9 088</i>
<i>B.I.2.1.</i>	Software	70 608	62 005	8 603	9 088
<i>B.I.2.2.</i>	Other valuable rights	77 027	77 027		
<i>B.I.5.</i>	<i>Prepayments for intangible fixed assets and intangible fixed assets under construction</i>	<i>858</i>		<i>858</i>	<i>575</i>
<i>B.I.5.2.</i>	Intangible fixed assets under construction	858		858	575
<i>B.II.</i>	<i>Tangible fixed assets</i>	<i>3 606 020</i>	<i>2 280 425</i>	<i>1 325 595</i>	<i>1 459 985</i>
<i>B.II.1.</i>	<i>Land and structures</i>	<i>1 245 941</i>	<i>515 457</i>	<i>730 484</i>	<i>769 637</i>
<i>B.II.1.1.</i>	Land	27 235		27 235	27 235
<i>B.II.1.2.</i>	Structures	1 218 706	515 457	703 249	742 402
<i>B.II.2.</i>	Tangible movable assets and sets of tangible movable assets	2 168 270	1 642 790	525 480	525 712
<i>B.II.4.</i>	<i>Other tangible fixed assets</i>	<i>130 460</i>	<i>122 178</i>	<i>8 282</i>	<i>8 106</i>
<i>B.II.4.1.</i>	Perennial crops	7 157	3 111	4 046	4 290
<i>B.II.4.3.</i>	Other tangible fixed assets	123 303	119 067	4 236	3 816
<i>B.II.5.</i>	<i>Prepayments for tangible fixed assets and tangible fixed assets under construction</i>	<i>61 349</i>		<i>61 349</i>	<i>156 530</i>
<i>B.II.5.1.</i>	Prepayments for tangible fixed assets	33 540		33 540	43 210
<i>B.II.5.2.</i>	Tangible fixed assets under construction	27 809		27 809	113 320
<i>B.III.</i>	<i>Non-current financial assets</i>	<i>1</i>		<i>1</i>	<i>1</i>
<i>B.III.3.</i>	Equity investments in associates	1		1	1
C.	Current assets	1 313 358	44 742	1 268 616	1 369 425
<i>C.I.</i>	<i>Inventories</i>	<i>729 305</i>	<i>39 850</i>	<i>689 455</i>	<i>739 509</i>
<i>C.I.1.</i>	Material	495 411	33 232	462 179	483 227
<i>C.I.2.</i>	Work in progress and semifinished goods	35 682		35 682	24 552
<i>C.I.3.</i>	<i>Products and goods</i>	<i>198 212</i>	<i>6 618</i>	<i>191 594</i>	<i>231 730</i>
<i>C.I.3.1.</i>	Products	115 942	4 229	111 713	116 075
<i>C.I.3.2.</i>	Goods	82 270	2 389	79 881	115 655
<i>C.II.</i>	<i>Receivables</i>	<i>434 324</i>	<i>4 892</i>	<i>429 432</i>	<i>499 428</i>
<i>C.II.1.</i>	Long-term receivables	1 395		1 395	1 442
<i>C.II.1.5.</i>	<i>Receivables - other</i>	<i>1 395</i>		<i>1 395</i>	<i>1 442</i>
<i>C.II.1.5.4.</i>	Sundry receivables	1 395		1 395	1 442
<i>C.II.2.</i>	<i>Short-term receivables</i>	<i>432 929</i>	<i>4 892</i>	<i>428 037</i>	<i>497 986</i>
<i>C.II.2.1.</i>	Trade receivables	372 921	3 409	369 512	473 986
<i>C.II.2.4.</i>	<i>Receivables - other</i>	<i>60 008</i>	<i>1 483</i>	<i>58 525</i>	<i>24 000</i>
<i>C.II.2.4.3.</i>	State - tax receivables	43 120		43 120	9 215
<i>C.II.2.4.4.</i>	Short-term prepayments made	12 953		12 953	13 823
<i>C.II.2.4.5.</i>	Estimated receivables	2 023		2 023	667
<i>C.II.2.4.6.</i>	Sundry receivables	1 912	1 483	429	295
<i>C.IV.</i>	<i>Cash</i>	<i>149 729</i>		<i>149 729</i>	<i>130 488</i>
<i>C.IV.1.</i>	Cash on hand	177		177	153
<i>C.IV.2.</i>	Cash at bank	149 552		149 552	130 335
D.	Other assets	233 567	2 853	230 714	246 830
<i>D.1.</i>	Deferred expenses	4 485		4 485	5 324
<i>D.2.</i>	Complex deferred expenses	18 803		18 803	33 673
<i>D.3.</i>	Accrued income	210 279	2 853	207 426	207 833

		31.03.2022	31.03.2021
	TOTAL LIABILITIES & EQUITY	2 834 387	3 085 904
A.	Equity	1 412 315	1 534 317
A.I.	<i>Share capital</i>	970 000	970 000
A.I.1.	Share capital	970 000	970 000
A.II.	<i>Share premium and capital funds</i>	256	256
A.II.2.	<i>Capital funds</i>	256	256
A.II.2.1.	Other capital funds	256	256
A.III.	<i>Funds from profit</i>	51 438	51 438
A.III.1.	Other reserve funds	51 438	51 438
A.IV.	<i>Retained earnings (+/-)</i>	460 819	443 551
A.IV.1.	Accumulated profits or losses brought forward (+/-)	460 819	443 551
A.V.	<i>Profit or loss for the current period (+/-)</i>	-70 198	69 072
B.+C.	Liabilities	1 404 328	1 531 133
B.	Reserves	48 893	63 551
B.II.	Income tax reserve		5 885
B.IV.	Other reserves	48 893	57 666
C.	Payables	1 355 435	1 467 582
C.I.	<i>Long-term payables</i>	3 929	17 180
C.I.4.	Trade payables	1 193	2 898
C.I.8.	Deferred tax liability	2 736	14 282
C.II.	<i>Short-term payables</i>	1 351 506	1 450 402
C.II.2.	Payables to credit institutions	804 705	718 987
C.II.4.	Trade payables	184 510	300 755
C.II.8.	<i>Other payables</i>	362 291	430 660
C.II.8.3.	Payables to employees	31 081	37 274
C.II.8.4.	Social security and health insurance payables	15 202	18 877
C.II.8.5.	State - tax payables and subsidies		1 539
C.II.8.6.	Estimated payables	312 111	372 762
C.II.8.7.	Sundry payables	3 897	208
D.	Other liabilities	17 744	20 454
D.2.	Deferred income	17 744	20 454

PROFIT AND LOSS ACCOUNT
structured by the nature of expense method

Toyoda Gosei Czech, s.r.o.
Corporate ID 264 37 171

Year ended
31.03.2022
(in CZK thousand)

Průmyslová 2
Kláštorec nad Ohří
okres Chomutov, 431 51

		Year ended 31.03.2022	Year ended 31.03.2021
I.	Sales of products and services	3 260 564	3 669 696
II.	Sales of goods	288 267	224 406
A.	Purchased consumables and services	2 932 368	3 076 687
A.1.	Costs of goods sold	211 462	171 651
A.2.	Consumed material and energy	2 246 133	2 456 545
A.3.	Services	474 773	448 491
B.	Change in internally produced inventory (+/-)	-8 187	4 485
D.	Staff costs	556 857	597 812
D.1.	Payroll costs	396 498	432 699
D.2.	Social security and health insurance costs and other charges	160 359	165 113
D.2.1.	Social security and health insurance costs	139 121	148 512
D.2.2.	Other charges	21 238	16 601
E.	Adjustments to values in operating activities	206 907	189 903
E.1.	Adjustments to values of intangible and tangible fixed assets	184 265	198 522
E.1.1.	Adjustments to values of intangible and tangible fixed assets - permanent	180 302	184 282
E.1.2.	Adjustments to values of intangible and tangible fixed assets - temporary	3 963	14 240
E.2.	Adjustments to values of inventories	20 842	-7 078
E.3.	Adjustments to values of receivables	1 800	-1 541
III.	Other operating income	111 509	93 271
III.1.	Sales of fixed assets	68 957	1 008
III.2.	Sales of material	4 985	14 859
III.3.	Sundry operating income	37 567	77 404
F.	Other operating expenses	90 871	52 409
F.1.	Net book value of sold fixed assets	56 367	86
F.2.	Material sold	8 237	16 279
F.3.	Taxes and charges	2 082	2 023
F.4.	Reserves relating to operating activities and complex deferred expenses	8 381	10 181
F.5.	Sundry operating expenses	15 804	23 840
*	Operating profit or loss (+/-)	-118 476	66 077
VI.	Interest income and similar income	5	40
VI.2.	Other interest income and similar income	5	40
J.	Interest expenses and similar expenses	1 010	1 575
J.2.	Other interest expenses and similar expenses	1 010	1 575
VII.	Other financial income	110 224	114 907
K.	Other financial expenses	74 884	99 282
*	Financial profit or loss (+/-)	34 335	14 090
**	Profit or loss before tax (+/-)	-84 141	80 167
L.	Income tax	-13 943	11 095
L.1.	Due income tax	-2 398	11 949
L.2.	Deferred income tax (+/-)	-11 545	-854
**	Profit or loss net of tax (+/-)	-70 198	69 072
***	Profit or loss for the current period (+/-)	-70 198	69 072
*	Net turnover for the current period	3 770 569	4 102 320

STATEMENT OF CHANGES IN EQUITY

Toyoda Gosei Czech, s.r.o.
Corporate ID 264 37 171

Year ended
31.03.2022
(in CZK thousand)

Průmyslová 2
Klášteřec nad Ohří
okres Chomutov, 431 51

	Share capital	Capital funds	Funds from profit, reserve fund	Accumulated profits or losses brought forward	Other profit or loss from prior years	Profit share prepayments declared	Profit or loss for the current period	TOTAL EQUITY
Balance at 31 March 2020	970 000	256	51 438	418 886			49 330	1 489 910
Distribution of profit or loss				49 330			-49 330	
Profit shares paid				-24 665				-24 665
Profit or loss for the current period							69 072	69 072
Balance at 31 March 2021	970 000	256	51 438	443 551			69 072	1 534 317
Distribution of profit or loss				69 072			-69 072	
Profit shares paid				-51 804				-51 804
Profit or loss for the current period							-70 198	-70 198
Balance at 31 March 2022	970 000	256	51 438	460 819			-70 198	1 412 315

CASH FLOW STATEMENT

Toyoda Gosei Czech, s.r.o.
Corporate ID 264 37 171

Year ended
31.03.2022
(in CZK thousand)

Průmyslová 2
Kláštorec nad Ohří
okres Chomutov, 431 51

		Year ended 31.03.2022	Year ended 31.03.2021
P.	Opening balance of cash and cash equivalents	130 488	151 910
	Opening balance of cash and cash equivalents after transformation		
	<i>Cash flows from ordinary activities (operating activities)</i>		
Z.	Profit or loss before tax	-84 141	80 167
A.1.	Adjustments for non-cash transactions		178 043
A.1.1.	Depreciation of fixed assets		184 282
A.1.2.	Change in provisions and reserves		-10 011
A.1.3.	Profit/(loss) on the sale of fixed assets		-922
A.1.5.	Interest expense and interest income		1 535
A.1.6.	Adjustments for other non-cash transactions		3 159
A.*	Net operating cash flow before changes in working capital	-84 141	258 210
A.2.	Change in working capital		-34 794
A.2.1.	Change in operating receivables and other assets		-65 111
A.2.2.	Change in operating payables and other liabilities		134 884
A.2.3.	Change in inventories		-104 567
A.**	Net cash flow from operations before tax	-84 141	223 416
A.3.	Interest paid		-1 534
A.4.	Interest received		40
A.5.	Income tax paid from ordinary operations		-21 021
A.***	Net operating cash flows	-84 141	200 901
	<i>Cash flows from investing activities</i>		
B.1.	Fixed assets expenditures		-135 097
B.2.	Proceeds from fixed assets sold		1 008
B.***	Net investment cash flows		-134 089
	<i>Cash flow from financial activities</i>		
C.1.	Change in payables from financing		-63 569
C.2.	Impact of changes in equity		-24 665
C.2.6.	Profit shares/ dividends paid		-24 665
C.***	Net financial cash flows		-88 234
F.	Net increase or decrease in cash and cash equivalents	-84 141	-21 422
R.	Closing balance of cash and cash equivalents	46 347	130 488

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

Name of the Company:	Toyoda Gosei Czech, s.r.o.
Registered Office:	Průmyslová 2, 431 51 Klášterec nad Ohří, District of Chomutov
Legal Status:	Limited Liability Company
Corporate ID:	264 37 171

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1. GENERAL INFORMATION

1.1. Incorporation and Description of the Company

Toyoda Gosei Czech, s.r.o. (hereinafter referred to as the “Company”) was established by a Deed of Association as a limited liability company on 21 December 2000 and was incorporated following its registration in the Register of Companies held at the Regional Court in Ústí nad Labem, Section C, File 18630, on 1 March 2001.

The Company is primarily engaged in:

- Foundry work, modelling;
- Production, trade and services not listed in appendices 1 to 3 to the Trade Licensing Act; and
- Production, installation, repairs of electrical machines and appliances, electronic and telecommunication equipment.

The Company’s registered office is located at Průmyslová 2, 431 51 Klášterec nad Ohří, Chomutov region.

The Company’s share capital is CZK 970,000 thousand.

The financial statements of the Company were prepared as of 31 March 2022 for the period of 12 months (hereinafter referred to as “2021”). The prior year’s financial statements of the Company were prepared as of 31 March 2021 for the period of 12 months (hereinafter referred to as “2020”).

The following table shows individuals and corporate entities with an equity interest greater than 20% and the amount of their equity interest:

Owner	Ownership percentage
TOYODA GOSEI CO., LTD., 1, Haruhinagahata, Kiyosu Aichi-Prefecture, 452-8564, Japan	80%
TOYOTA TSUSHO CORPORATION, Toyota Bldg., 9-8, Meieki 4-chrome, Nakamura-ku, Nagoya, 450-8575, Japan	20%
Total	100%

The Company’s primary activities include the manufacture of automotive parts and the purchase and sale of goods.

1.2. Year-on-Year Changes and Amendments to the Register of Companies

During the 2021 reporting period, no changes were made to the Register of Companies.

1.3. Organisational Structure

- President of the Company
 - HR and public affairs department
 - Finance
 - IT
 - HR and general affairs department
 - Procurement
 - Quality and project management
 - Quality and project management in Hall 1
 - Quality and project management in Hall 2
 - Quality and project management in Halls 3 and 4
 - Quality assurance
 - Production Hall 1
 - Production administration in Hall 1
 - Technical department in Hall 1
 - Production department in Hall 1
 - Production Hall 2
 - Production administration in Hall 2
 - Technical department in Hall 2
 - Production department in Hall 2
 - Production Hall 3
 - Production department in Hall 3 – primary process
 - Production department in Hall 3 – secondary process
 - Production Hall 4
 - Production department in Hall 4 – secondary process
 - Technical department in Hall 3 and Hall 4
 - Technical department for Hall 3 and Hall 4
 - Primary-process technical department
 - Secondary-process technical department
 - Production-technical department

1.4. Group Identification

The Company is included in the Japanese Toyoda Gosei Corporation Limited Group.

The consolidated financial statements of the Group are available at www.toyoda-gosei.com.

1.5. Statutory Body

	Position	Period	Name
Statutory body	Statutory executive	Since 10 January 2017	Shoji Okajima

2. BASIS OF ACCOUNTING AND GENERAL ACCOUNTING PRINCIPLES

The Company's accounting books and records are maintained and the financial statements were prepared in accordance with Accounting Act 563/1991 Coll., as amended; Regulation 500/2002 Coll. which provides implementation guidance on certain provisions of the Accounting Act for reporting entities that are businesses maintaining double-entry accounting records, as amended; and Czech Accounting Standards for Businesses, as amended.

The accounting records are maintained in compliance with general accounting principles, specifically the historical cost valuation basis, the accruals principle, the prudence concept and the going concern assumption.

These financial statements are presented in thousands of Czech crowns ("CZK").

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Tangible Fixed Assets

Tangible fixed assets include assets with an estimated useful life greater than one year and an acquisition cost greater than CZK 5 thousand on an individual basis.

Purchased tangible fixed assets are stated at cost less accumulated depreciation and any recognised impairment losses.

Tangible fixed assets developed internally are valued at direct costs, incidental costs directly attributable to the internal production of assets (production overheads), or alternatively incidental costs of an administrative character if the production period of the assets exceeds one accounting period.

The following tangible fixed assets are stated at replacement cost: tangible fixed assets acquired through donation, tangible fixed assets acquired without consideration on the basis of a contract to purchase a leased asset (accounted for by a corresponding entry in the relevant accumulated depreciation account), fixed assets recently entered in the accounting records (accounted for by a corresponding entry in the relevant accumulated depreciation account), and an investment of tangible fixed assets. The replacement cost is determined based on an expert valuation report prepared by a certified appraiser.

The cost of fixed asset improvements exceeding CZK 80 thousand for the period increases the acquisition cost of the related tangible fixed asset.

Depreciation is charged so as to write off the cost of tangible fixed assets, other than land and assets under construction, over their estimated useful lives, using the straight line method, on the following basis:

	Number of years
Administrative buildings	50
Industrial buildings and halls	30
Infrastructure networks	20
Air-conditioning, EPS, conveyors, etc.	12
Machinery for the production of weatherstrips	10
Machinery for the production of security systems and functional components	8
Other machines and equipment	6
Other furniture and fixtures	6
Servers, computers and peripheral devices	4
Transportation containers	4
Measurement and inspection devices, various instruments and tools	4
Moulds	2
Assets between CZK 5 thousand and CZK 80 thousand	2

Assets held under finance leases are depreciated by the lessor.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the net book value of the asset at the sale date and is recognised through the profit and loss account.

Provisioning

Provisions against tangible fixed assets are created based on the results of inventory taking or, if relevant, supporting documents from technical segments. The Company regularly assesses all indicators that might cause asset impairment and require relevant adjustments in the financial statements.

3.2. Intangible Fixed Assets

Intangible fixed assets include assets with an estimated useful life greater than one year and an acquisition cost greater than CZK 60 thousand on an individual basis.

Intangible fixed assets also comprise software or valuable rights. Software and valuable rights generated internally for the Company's internal needs are not capitalised. Internally generated intangible assets are stated at the lower of internal production costs and replacement cost.

Purchased intangible fixed assets are stated at cost less accumulated amortisation.

The cost of fixed asset improvements exceeding CZK 60 thousand for the period increases the acquisition cost of the related intangible fixed asset.

Amortisation of intangible fixed assets is recorded on a straight line basis over their estimated useful lives as follows:

	Number of years
Software	6
Valuable rights	5

Provisioning

The Company creates provisions against intangible fixed assets based on the results of inventory taking.

3.3. Inventory

The Company measures the inventory using standard prices determined for the particular period.

Internally developed inventory – internally developed semi-finished goods and finished products – are valued at the calculated costs, which primarily consist of the direct costs of production (direct material, direct wages, other direct costs) and the portion of indirect costs relating to production. Financial expenses relating to the use of external funding can be reported as part of the cost of producing the inventory solely if they relate to the period of their production.

Provisioning

Inventories are provisioned as follows:

- The balance of final products or goods in stock from finished projects for which no other use is anticipated (in the amount of 100% according to the underlying documents of the production administrative),
- The balance of final products or goods in stock from finished projects for which other use is anticipated (six years after the termination of the project in the amount of 30%, nine years after 60% and twelve years after 90%);
- The amount of final products or goods in stock for items, the standard cost of which is higher than the selling price, in the amount of the difference increased by the estimate of expenses relating to their sales;
- The amount of moulds intended for sale, the acquisition cost of which is higher than the selling price, in the amount of the difference; and
- Inventories older than six months or one year which will, however, be used to produce spare parts when the project is completed are not provided for.

3.4. Receivables

Upon origination, receivables are stated at their nominal value as subsequently reduced by appropriate provisions for bad amounts. Provisions are also created against unbilled supplies based on a self-billing contract with the customer, ie against items that were not included by the customer in its billing. Provisions against receivables are recognised if doubts exist as to their recoverability.

Provisioning

Based on an analysis of the maturity of receivables, the Company creates a 50 % provision against receivables past due between 180 to 365 days, while receivables past due for more than 365 days are provisioned in full. Provisions against intercompany receivables are only created in exceptional situations. In determining the provisioning charges, the Company also refers to the status of court proceedings, the financial health of the debtor, opinions from legal counsel, etc.

3.5. Trade Payables

Trade payables are stated at their nominal value.

3.6. Loans

Loans are stated at their nominal value.

The portion of long-term loans maturing within one year from the balance sheet date is included in short-term loans.

Interest is included in the profit or loss for the period.

All borrowing costs are recorded to the profit and loss account in the period in which they are incurred.

3.7. Reserves

Reserves are intended to cover future risks or expenditure, the nature of which is clearly defined and which are likely to be incurred, but which are uncertain as to the amount or the date on which they will be utilised.

The Company recognises reserves for warranties, where it undertakes to participate in covering the costs incurred on delivering faulty components or addressing complaints made during the warranty period. The calculation is based on the monitoring of the development of defects reported by customers which is conducted by the Quality Control Department and the aggregate production of the reporting period. The maximum warranty repair period is five years after the relevant component is delivered to a customer. For that period, the Company maintains the reserves. After five years, the previously maintained and undrawn reserve is released.

The Company also recognises a non-tax deductible reserve for outstanding vacation days on a monthly basis by reference to the proportional part of the total entitlement to the number of vacation days and the average assessment bases. Furthermore, the Company accounts for reserves for repairs of tangible fixed assets, for contingent liabilities arising from legal disputes or for employee benefits.

In the year ended 31 March 2013, the Company started creating accounting reserves for employee benefits as a result of the current employment policy and the number and structure of the Company's employees.

3.8. Foreign Currency Translations

Transactions denominated in foreign currencies during the year are translated using the daily exchange rate of the Czech National Bank.

At the balance sheet date, financial assets, short-term receivables and payables denominated in a foreign currency are translated using the effective exchange rate promulgated by the Czech National Bank as of that date. Any resulting foreign exchange rate gains and losses are recorded as the current year's financial expenses or revenues as appropriate.

3.9. Finance Leases

A finance lease is the acquisition of a tangible fixed asset such that, over or after the contractual lease term, ownership title to the asset transfers from the lessor to the lessee; pending the transfer of title, the lessee makes lease payments to the lessor for the asset that are charged to expenses.

If a finance lease contains an initial lump-sum payment, the lump-sum payment is accrued as an asset and released as an expense over the life of the lease.

Leasehold improvements are depreciated over the lease term. Following the transfer of ownership title of the leased asset to the lessee, the cost of improvements is added to the value of acquired assets and the depreciation of this increased amount continues.

3.10. Operating Leases

Operating leases represent a short-term or long-term lease when the lessee returns the leased asset to the lessor once the lease expires. No contractual claim exists regarding the potential transfer of the leased asset to the lessee's possession.

TGCZ holds assets under operating leases. Related costs are charged to operating expenses under 'Services' based on invoices received from the individual lessors. Payables are recorded as trade payables and divided into short-term and long-term payables.

3.11. Taxation

3.11.1. Depreciation of Fixed Assets for Tax Purposes

Depreciation of fixed assets is calculated using the straight line method for tax purposes.

3.11.2. Current Tax Payable

The tax currently payable is based on taxable profit for the reporting period. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using the tax rates that have been enacted by the balance sheet date.

3.11.3. Deferred Tax

Deferred tax is accounted for using the balance sheet liability method.

Under the liability method, deferred tax is calculated at the income tax rate that is expected to apply in the period when the tax liability is settled or the asset realised.

The balance sheet liability method focuses on temporary differences which are differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount that will be deductible for tax purposes in the future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is charged or credited to the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset and reported on an aggregate net basis in the balance sheet, except when partial tax assets cannot be offset against partial tax liabilities.

3.12. Government Grants

Grants received to offset costs are recognised as other operating and financial income over the period necessary to match them with the related costs. Grants received to acquire tangible and intangible fixed assets and technical improvements and grants towards interest expenses added to the cost are deducted in reporting their cost or internal cost. Grants received for the creation of jobs are posted to income when the Company reaches the required number of employees.

3.13. Revenue Recognition

Revenues are recognised in line with the delivery terms concluded with the customer, i.e. when goods are delivered and accepted by the customer, and when goods are shipped out of stock and title has passed to the customer. Revenues are reported net of discounts and VAT.

Revenues from services are recognised when services are rendered and are reported net of discounts and VAT.

3.14. Use of Estimates

The presentation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Management of the Company believes that the estimates and assumptions used will not significantly differ from the actual results and outcomes in the following reporting periods.

3.15. Year-on-Year Changes in Valuation, Depreciation or Accounting Policies

No year-on-year change in the accounting policy was determined.

3.16. Cash Flow Statement

The cash flow statement is prepared using the indirect method. Cash equivalents include current liquid assets easily convertible into cash in an amount agreed in advance. Cash and cash equivalents can be analysed as follows:

	(CZK '000)	
	31 March 2022	31 March 2021
Cash on hand and cash in transit	177	153
Cash at bank	149 552	130 335
Total cash and cash equivalents	149 729	130 488

Cash flows from operating, investment and financial activities presented in the cash flow statement are not offset. The change in the balance of received loans is reported in line C.1. 'Change in payables from financing' of the cash flow statement.

3.17. Summary of Used Abbreviations with Related Parties

Abbreviation	Entity	Country
TJTG	Toyoda Gosei Star Light (Tianjin) Auto Parts Co., Ltd.	China
MTG	Minda TG Rubber Pvt Ltd.	India
TG	TOYODA GOSEI Co. Ltd.	Japan
TGE	Toyoda Gosei Europe N.V.	Belgium
TGEJ	TG Higashi Nihon Co., Ltd.	Japan
TGHP	Toyoda Gosei Haiphong Co., Ltd.	Vietnam
TGNA	Toyoda Gosei North America Corporation	USA
TGRT	Toyoda Gosei Rubber (Thailand) Co.,Ltd.	Thailand
TGT	Toyoda Gosei Thailand Co., Ltd.	Thailand
TGUK	Toyoda Gosei UK Ltd.	United Kingdom
TGZS	Toyoda Gosei (Zhangjiagang) Co., Ltd.	China
TT Praha	Toyota Tsusho Praha, s.r.o.	Czech Republic
TTESA CR	Toyota Tsusho Europe S.A., organisational branch in the Czech Republic	Czech Republic
TTESA FR	Toyota Tsusho Europe S.A., Onnaing	France
TTESA PL	Toyota Tsusho Europe S.A. Oddział w Polsce	Poland
WTG	Waterville TG Inc.	Canada

4. ADDITIONAL INFORMATION ON THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

4.1. Fixed Assets

4.1.1. Intangible Fixed Assets

Overview of principal balances:

Major items include software used for communicating with customers and the ERP system which is subject to regular assessment. Non-capitalised intangible assets predominantly include technical improvements of software, which will be capitalised in April 2022.

4.2. Tangible Fixed Assets

Cost

	(CZK '000)						
	Balance at 31 March 2020	Additions	Disposals	Balance at 31 March 2021	Additions	Disposals	Balance at 31 March 2022
Land	27 235	0	0	27 235	0	0	27 235
Structures	1 201 834	8 907	52	1 210 689	8 389	372	1 218 706
Tangible movable assets							
- <i>Machines and equipment</i>	1 889 219	215 438	76 729	2 027 928	180 855	123 825	2 084 958
- <i>Vehicles</i>	1 430		708	722	0	97	625
- <i>Furniture and fixtures</i>	20 314	2 603	461	22 456	2 567	1 413	23 610
- <i>Sundry tangible fixed assets</i>	56 340	5 858	2 375	59 823	5 053	5 799	59 077
Other tangible fixed assets and perennial crops	128 080	3 980	73	131 987	2 803	4 330	130 460
Tangible fixed assets under construction	208 133	255 050	349 863	113 320	141 625	227 136	27 809
Prepayments for tangible fixed assets	56 940	106 073	119 803	43 210	57 591	67 261	33 540
Total	3 589 525	597 909	550 064	3 637 370	398 883	430 233	3 606 020

Accumulated Depreciation

	(CZK '000)						
	Balance at 31 March 2020	Additions	Disposals	Balance at 31 March 2021	Additions	Disposals	Balance at 31 March 2022
Land	0	0	0	0	0	0	0
Structures	421 239	47 080	32	468 287	493 345	446 175	515 457
Tangible movable assets							
- <i>Machines and equipment</i>	1 460 843	115 264	58 097	1 518 010	187 559	131 155	1 574 414
- <i>Vehicles</i>	1 430	0	708	722	0	97	625
- <i>Furniture and fixtures</i>	10 392	2 729	462	12 659	2 630	1 335	13 954
- <i>Sundry tangible fixed assets</i>	48 757	7 428	2 359	53 826	5 759	5 788	53 797
Other tangible fixed assets and perennial crops	119 331	4 623	73	123 881	2 700	4 403	122 178
Total	2 061 992	177 124	61 731	2 177 385	691 993	588 953	2 280 425

Net Book Value

	(CZK '000)	
	Balance at 31 March 2021	Balance at 31 March 2022
Land	27 235	27 235
Structures	742 402	703 249
Individual movable tangible assets		
- <i>Machines and equipment</i>	509 918	510 544
- <i>Vehicles</i>	0	0
- <i>Furniture and fixtures</i>	9 797	9 656
- <i>Sundry tangible fixed assets</i>	5 997	5 280
Other tangible fixed assets and perennial crops	8 106	8 282
Tangible fixed assets under construction	113 320	27 809
Prepayments for tangible fixed assets	43 210	33 540
Total	1 459 985	1 325 595

In 2021, the Company created a provision against tangible movable assets in the amount of CZK 3,963 thousand. In 2020, CZK 14,240 thousand was released.

The balance sheet value of the provision against tangible movable assets increased to CZK 23,736 thousand as of 31 March 2022 (compared to CZK 19,773 thousand as of 31 March 2021).

In 2021, major additions to assets primarily include additional equipment for new production technologies acquired in the previous year, especially for the production of hoses for filling fuel into the tank. In addition, there were investments in automation and robotics – particularly in the area of primary processes of rubber profile production.

In 2021 and 2020, the Company acquired tangible assets which were directly expensed in the amounts of CZK 1,307 thousand and CZK 1,351 thousand, respectively. These assets comprise low value tangible assets consisting of other movable assets and sets of movable assets with an estimated useful life exceeding one year. These assets are excluded from fixed assets and are expensed on one-off basis.

In 2021, the main disposal of tangible assets includes the sale of machinery and equipment due to the termination of production within a certain project. In addition, other disposals include obsolete storage trolleys and IT equipment.

Interest was not capitalised as part of the cost of tangible fixed assets.

4.2.1. Assets Held under Finance and Operating Lease Agreements**Finance Leases with Subsequent Purchase**

Description	(CZK '000)		
	Total lease value	Payments made in the year ended 31 March 2022	Due in following years
Total cars and machinery	0	0	0

The above figures are net of VAT if input VAT recovery is possible.

Operating Leases

(CZK '000)					
Description	Date of inception	Date of expiration	Total Payments made in lease value	the year ended 31 March 2022	Payments due in the following years
Handling technology	06/2016 – 01/2022	11/2020 – 01/2027	28 457	17 346	11 111
Cars	07/2015 - 01/2022	04/2021 – 01/2027	25 714	16 189	9 525
Machinery	04/2018 – 08/2018	04/2022 – 08/2018	3 372	2 812	560

The above figures are net of VAT if input VAT recovery is possible.

4.3. Inventory

(CZK '000)		
	Balance at 31 March 2022	Balance at 31 March 2021
Material	495 411	497 213
Work in progress	35 682	24 552
Products	115 942	118 704
Goods	31 546	28 700
Goods – moulds and tools intended for sale	50 724	89 348
Prepayments made for inventory	0	0
Provisions	-39 850	-19 008
Total	689 455	739 509

In 2021 and 2020, a provision against inventory of products was created in the balance sheet amount of CZK 4,229 thousand and CZK 2,629 thousand, respectively; a provision against inventory of goods amounted to CZK 2,389 thousand and CZK 2,393 thousand, respectively; a provision against material was recognised in the amount of CZK 33,232 thousand and CZK 13,986 thousand, respectively. The reason for the increase was the end of production of a major project, which was preceded by a dramatic reduction in production volumes due to a shortage of components on the market.

4.4. Receivables**4.4.1. Long-Term Receivables**

Since 2006, the Company has provided loans to its employees. As of 31 March 2022, the long-term portion of these loans is not reported (CZK 0 thousand as of 31 March 2021).

The Company paid recoverable deposits related to the lease of residential and non-residential (storage) premises. As of 31 March 2022, the value of the deposits amounts to CZK 2,698 thousand (31 March 2021: CZK 1,442 thousand).

4.4.2. Short-Term ReceivablesAging of Trade Receivables

(CZK '000)

Year ended 31 March	Category	Before due	Past due				Total past due	Total
			1 – 90 days	91 – 180 days	181 days – 2 years	2 years and more		
2021	Gross	230 282	132 299	2 138	5 920	2 282	142 639	372 921
	Provisions	0	0	0	1 127	2 282	3 409	3 409
	Net	230 282	132 299	2 138	4 793	0	139 230	369 512
2020	Gross	407 852	23 322	4 406	41 539	127	69 394	477 246
	Provisions	0	0	0	3 168	92	3 260	3 260
	Net	407 852	23 322	4 406	38 371	35	66 134	473 986

Receivables typically mature within one to three months, depending on the customer.

Intercompany Receivables

(CZK '000)

Entity	Balance at 31 March 2022	Balance at 31 March 2021
Short-term receivables		
<u>Trade</u>		
<i>In the Toyoda Gosei group</i>		
TGUK	154	932
TGE	18	324
TGHP	0	11 267
TGNA	21	0
TGT	0	5
WTG	0	0
<i>In the Toyota Tsusho group</i>		
TTESA CR	9 386	6 733
<i>From companies with controlling influence</i>		
TG	227	972
Total short-term intercompany receivables and accrued income	9 806	20 233
Other than intercompany receivables	573 394	665 815
Total short-term receivables and accrued income	583 200	686 048

4.5. Deferrals and Accruals**4.5.1. Temporary Assets**

(CZK '000)

	Balance at 31 March 2022	Balance at 31 March 2021
Deferred expenses – lease	542	1 472
Deferred expenses – insurance premium	1 621	1 601
Accrued income	210 279	208 802
Provision against accrued income	-2 853	-969
Complex deferred expenses	18 803	33 673
Deferred expenses – other	2 322	2 251
Total temporary assets	230 714	246 830

Accrued income consists of products and goods purchased by entities with which the Company has a self-billing agreement in place. The balance includes items of sale orders that were not invoiced by the customer based on this agreement as of 31 March 2022.

The provision against accrued income represents a provision that was created against unbilled supplies as disclosed in Note 3.4.

4.5.2. Temporary Liabilities and Estimated Payables

		(CZK '000)
	Balance at 31 March 2022	Balance at 31 March 2021
Estimated payables – inventory	74 836	134 759
Estimated payables – other	237 275	238 003
Deferred income	17 744	20 454
Total temporary liabilities	329 855	393 216

The estimated payable for inventory includes amounts of received material and goods for which the Company had not received invoices as of 31 March 2022.

4.6. Equity

4.6.1. Changes in Equity

Share Capital

In 2021, there were no changes in the share capital. The share capital amounts to CZK 970,000 thousand as of 31 March 2022.

Reserve Fund

In 2021, the Company recognised no reserve fund based on the decision of the General Meeting.

The aggregate amount of the reserve fund was CZK 51,438 thousand as of 31 March 2022.

Retained Earnings and Accumulated Losses

The profit for 2020 of CZK 69,072 thousand was approved by the General Meeting in 2021. According to the resolution of the General Meeting, 75% of the profit was paid out as a dividend to the controlling entities and the remaining 25% was transferred to accumulated profits brought forward.

The loss incurred in 2021 will be transferred to accumulated losses brought forward.

4.7. Reserves

					(CZK '000)
	Reserve for outstanding vacation days	Reserve for warranty repairs	Reserve for repairs of tangible fixed assets	Other reserves	Total reserves
Balance at 31 March 2021	10 712	8 667	10 273	28 014	57 666
Charge for reserves	10 815	185	4 000	0	15 000
Use of reserves	10 712	0	10 273	2 788	23 773
Balance at 31 March 2022	10 815	8 852	4 000	25 226	48 893

4.8. Payables

4.8.1. Aging of Short-Term Trade Payables

								(CZK '000)
Year	Category	Before due	Past due				Total past due	Total
			1 – 90 days	91 – 180 days	181 – 360 days	1 – 2 years	2 years and more	
2021	Short-term	163 606	16 394	4 403	0	107	0	20 904 184 510
2020	Short-term	284 700	15 480	138	0	437	0	16 055 300 755

Payables typically mature within one or two months. The balance of payables as of 31 March 2022 is on normal performance level. Last year was affected by the reduced value of purchases.

As of 31 March 2022, the Company carried due amounts arising from social security, contribution to the governmental employment policy and due amounts arising from the public health insurance which are due in April 2022. Due amounts arising from social security and health insurance and tax payables are before their due dates.

As of the balance sheet date, the Company records no payables with maturities greater than five years.

4.8.2. Intercompany Payables

				(CZK '000)
Entity		Balance at 31 March 2022	Balance at 31 March 2021	
Short-term payables				
<u>Trade</u>				
<i>In the Toyoda Gosei group</i>				
TGUK		33	0	
TGE		0	0	
<i>In the Toyota Tsusho group</i>				
TTESA CR		38 101	51 234	
<i>In associates</i>				
TG		28 559	80 712	
<u>From estimated payables</u>				
<i>In the Toyoda Gosei group</i>				
TGUK		87	0	
TGNA		4 723	0	
TGE		2 565	0	
TGRT		0	0	
TGHP		0	0	
TJTG		638	0	
<i>In the Toyota Tsusho group</i>				
TTESA CR		786	0	
<i>In associates</i>				
TG		129 733	549	
Total short-term intercompany payables and estimated payables		205 225	132 495	
Other than intercompany payables		291 396	541 022	
Total short-term payables		496 621	673 517	

As of 31 March 2022, there was an increase in the estimated payables to the parent company TG attributable to material in transit that has not yet been received in stock.

4.9. Bank Loans

4.9.1. Short-Term Bank Loans and Financial Borrowings

As of 31 March 2022, the Company reports two bank loans totalling CZK 804,705 thousand (in 2020: CZK 718,987 thousand).

The bank loan from Sumitomo Mitsui Banking Corporation Europe Limited of CZK 317,005 thousand is due on 20 April 2022 and is rolled over on a monthly basis; the interest rate has been negotiated to match current market rates.

The bank loan from Mizuho Bank Europe N.V. of CZK 487,700 thousand is due on 20 April 2022 and is also rolled over on a monthly basis; the interest rate has been negotiated to match current market rates.

4.10. Income Taxation

The Company does not recognise a reserve for the current tax payable, because it incurred a loss (in the amount of 10,228 as of 31 March 2021).

4.10.1. Deferred Tax

The deferred tax asset is analysed as follows:

Deferred Tax Arising from

	(CZK '000)	
	Balance at 31 March 2022	Balance at 31 March 2021
Deferred tax arising from differences in net book values of fixed assets	-33 235	-32 936
Deferred tax arising from reserves for warranties	1 682	1 647
Deferred tax arising from the provision against inventory	7 571	3 612
Deferred tax arising from the provision against receivables	1 047	869
Deferred tax arising from the reserve for repairs of tangible fixed assets	760	1 952
Deferred tax arising from the reserve for outstanding vacation days	2 055	2 035
Deferred tax arising from the reserve for employee benefits	4 733	5 262
Deferred tax arising from loss	8 438	0
Deferred tax arising from other reserves	4 213	3 277
Total	-2 736	-14 282

As of 31 March 2022, the Company assessed the individual temporary differences which served as a basis for calculating deferred tax, and based on the sum of deferred taxes for the individual differences, the Company recognised a tax liability in the amount of CZK 2,736 thousand (as of 31 March 2021: CZK 14,282 thousand).

4.11. Details of Income by Principal Activity

(CZK '000)

	Year ended 31 March 2022			Year ended 31 March 2021		
	In-country	Cross-border	Total	In-country	Cross-border	Total
Goods – safety components	8 636	80 490	89 126	7 955	50 876	58 831
Goods – moulds and tools	135 070	704	135 774	124 200	13 776	137 976
Goods – functional parts	28 115	32 929	61 044	3 459	20 616	24 075
Goods – weatherstrips	0	2 421	2 421	0	3 420	3 420
Goods – optoelectronic parts	-98	0	-98	57	47	104
Sales of goods	171 723	116 544	288 267	135 671	88 735	224 406
Sale of products – safety components	702 923	1 326 904	2 029 827	654 161	1 657 434	2 311 595
Sale of products – functional parts	86 467	312 413	398 880	52 218	346 850	399 068
Sale of products – weatherstrips	201 889	628 985	830 874	72 849	884 913	957 762
Sale of products – optoelectronic parts						
Other services	837	146	983	906	365	1 271
Total sales of products and services	992 116	2 268 448	3 260 564	780 134	2 889 562	3 669 696

4.12. Related Party Transactions**4.12.1. Income Generated with Related Parties****2021**

(CZK '000)

Entity	Relation to the Company	Goods	Products	Services	Other income	Total
TG	Parent company	0	391	0	1 336	1 727
TGHP	Ultimate parent company	65 340	0	0	0	65 340
TGT	Ultimate parent company	14 079	0	0	0	14 079
TGUK	Ultimate parent company	0	0	0	354	354
TGE	Ultimate parent company	0	6	0	322	328
TGNA	Ultimate parent company	0	41	0	21	62
TTESA CR	Ultimate parent company	0	81 711	100	3 259	85 070
TTESA PL	Ultimate parent company	0	0	0	0	0
Total		79 419	82 149	100	5 292	166 960

2020

(CZK '000)

Entity	Relation to the Company	Goods	Products	Services	Other income	Total
TG	Parent company	0	129	0	1 677	1 806
TGHP	Ultimate parent company	47 439	0	0	70	47 509
TGT	Ultimate parent company	2 256	0	0	0	2 256
TGUK	Ultimate parent company	0	0	0	1 457	1 457
TGE	Ultimate parent company	0	0	0	642	642
TGNA	Ultimate parent company	0	0	0	0	0
TTESA CR	Ultimate parent company	0	82 185	0	0	82 185
TTESA PL	Ultimate parent company	0	0	0	0	0
Total		49 695	82 314	0	3 846	135 855

4.12.2. Purchases from Related Parties

2021

(CZK '000)						
Entity	Relation to the Company	Goods	Products	Services	Other expenses	Total
TG	Parent company	14 097	374 110	142 692	431	531 330
TGHP	Ultimate parent company	0	0	0	0	0
TJTG	Ultimate parent company	0	4 567	0	0	4 567
TGUK	Ultimate parent company	0	313	-408	0	-95
TGE	Ultimate parent company	0	0	31 009	18	31 027
TGNA	Ultimate parent company	0	1 982	2 098	0	4 080
TGZS	Ultimate parent company	0	11	0	0	11
TTESA CR	Ultimate parent company	30 948	422 762	579	436	454 725
TTESA FR	Ultimate parent company	0	0	0	0	0
Total		45 045	803 745	175 970	885	1 025 645

2020

(CZK '000)						
Entity	Relation to the Company	Goods	Products	Services	Other expenses	Total
TG	Parent company	26 402	506 913	165 175	5 167	703 657
TGHP	Ultimate parent company	0	0	0	0	0
TJTG	Ultimate parent company	0	3 652	0	0	3 652
TGUK	Ultimate parent company	0	0	933	9	942
TGE	Ultimate parent company	364	0	25 487	20	25 871
TGNA	Ultimate parent company	0	4 054	1 916	87	6 057
TTESA CR	Ultimate parent company	3 798	473 543	844	558	478 743
TTESA FR	Ultimate parent company	0	0	452	0	452
Total		30 564	988 162	194 807	5 841	1 219 374

4.12.3. Purchases and Sales of Fixed Assets and Financial Assets with Related Parties

Sales

In 2021, the Company sold no assets to related parties.

In 2020, the Company sold no assets to related parties.

Purchases

2021

(CZK '000)		
Entity	Relation to the Company	Intangible and tangible FA
TTESA CR	Ultimate parent company	24 941
Total		24 941

2020

(CZK '000)		
Entity	Relation to the Company	Intangible and tangible FA
TTESA CR	Ultimate parent company	5 893
TGRT	Ultimate parent company	25
TG	Parent company	783
Total		6 701

4.13. Consumed Purchases

	(CZK '000)	
	Year ended 31 March 2022	Year ended 31 March 2021
Consumed material	2 183 499	2 401 796
Consumed energy	62 634	54 749
Costs of goods sold	211 462	171 651
Total consumed purchases	2 457 595	2 628 196

4.14. Services

	(CZK '000)	
	Year ended 31 March 2022	Year ended 31 March 2021
Repairs and maintenance	19 395	15 272
Travel expenses	2 741	802
Representation costs	932	741
Telephone, Internet	1 430	1 282
Low value intangible assets put into use	70	235
Rental	22 096	16 564
Leasing	3 819	4 175
Storage fees	10 488	12 132
Marketing support	31 340	24 921
Freight costs except for inventory	25 374	16 116
Royalties (licence fees)	113 484	133 592
International hiring of foreign labour	21 417	22 827
Audit services, legal and tax advisory	2 846	2 075
Training of employees	1 600	1 015
Waste disposal	3 961	3 465
Technical support from TG	1 911	-22
Warranty repairs	2 159	1 370
Mediation of workers via agencies	91 540	100 580
IT Support	12 413	15 882
Other services	105 757	75 467
Total	474 773	448 491

Other services primarily include customer services, engineering services, cleaning, security services, translation services, company health care, advertising and others.

4.15. Fee to the Statutory Auditor

	(CZK '000)	
	Year ended 31 March 2022	Year ended 31 March 2021
Costs of the statutory financial statements audit	1 351	1 212
Total	1 351	1 212

4.16. Change in Reserves and Provisions Relating to Operating Activities and Complex Deferred Expenses

	(CZK '000)	
	Year ended 31 March 2022	Year ended 31 March 2021
Change in other reserves	-8 733	-4 840
Change in provisions	26 605	5 621
Complex deferred expenses	17 154	15 021
Total	35 026	15 802

A reserve was created for inventories.

4.17. Other Operating Income

	(CZK '000)	
	Year ended 31 March 2022	Year ended 31 March 2021
Grants received to offset costs	1 514	28 705
Sundry operating income	36 053	48 699
Total operating income	37 567	77 404

Sundry operating income includes contractual fines. It also includes the sale of waste disposal, compensation from employees and insurance companies, IT support, compensations from customers for customers for transportation, packaging repairs, development and testing.

4.18. GrantsSummary Outline of the Grant Balances

	(CZK '000)		
Purpose	Total grant	Drawn in the year ended 31 March 2022	Drawn as of 31 March 2021
Employee training	867	867	216
Antivirus	0	0	28 239
Antigen tests	647	647	0
Total	1 514	1 514	28 455

The drawing of the grants is reflected in "Other operating income".

In 2021, the Company received grants under the "Support for Vocational Training of Employees" programme. In addition, as of 31 March 2022, an estimate for antigen tests paid for by the Health Insurance Prevention Fund is accounted for.

In 2020, the Company received a grant arising from the "Support of specialised training of employees" from the "Antivirus" programme provided by the Czech Employment Office.

4.19. Sundry Operating Expenses

	(CZK '000)	
	Year ended 31 March 2022	Year ended 31 March 2021
Gifts	982	104
Other penalties and fines	1	-88
Insurance	5 483	6 338
Liquidation of old inventory	6 612	14 523
Other	2 726	2 963
Total other operating expenses	15 804	23 840

4.20. Other Financial Income

	(CZK '000)	
	Year ended 31 March 2022	Year ended 31 March 2021
Foreign exchange rate gains	110 224	114 907
Interest	5	40
Total	110 229	114 947

4.21. Other Financial Expenses

	(CZK '000)	
	Year ended 31 March 2022	Year ended 31 March 2021
Foreign exchange rate losses	74 577	99 025
Interest	1 010	1 575
Sundry financial expenses	307	257
Total	75 894	100 857

5. EMPLOYEES, MANAGEMENT AND STATUTORY BODIES

5.1. Staff Costs and Number of Employees

In 2021 and 2020, the following tables summarise the average number of the Company's employees and managers:

2021

					(CZK '000)
	Number of staff	Payroll costs	Social security and health insurance	Other costs	Total staff costs
Staff	986	396 498	139 121	21 238	556 857
Total	986	396 498	139 121	21 238	556 857

2020

					(CZK '000)
	Number of staff	Payroll costs	Social security and health insurance	Other costs	Total staff costs
Staff	1 093	432 699	148 512	16 601	597 812
Total	1 093	432 699	148 512	16 601	597 812

The number of employees is based on the average headcount as of the last day of the reporting period.

The current Company's statutory executives work for the Company under the programme for international hiring of labour. The members of the management bodies received no deposits, advance payments, borrowings or loans.

6. OFF BALANCE SHEET COMMITMENTS

Guarantees Received and Provided

As of 31 March 2022, the Company records a due payment bank guarantee in the aggregate amount of CZK 10,000 thousand at UniCredit Bank, Czech Republic. Based on a letter of guarantee, the Company is liable for the payment of all debt incurred during customs transactions.

Legal Disputes

As of 31 March 2022, the Company was involved in no legal dispute the outcome of which would significantly impact the Company.

Environmental Liabilities

An environmental audit of the Company on the basis of the ISO 14001 certificate was completed as of 31 March 2022. Pursuant to the outcome of the audit, the Company's management believes that the Company is not exposed to any contingent liabilities pertaining to damage caused by prior activities or liabilities related to the prevention of potential future damage.

7. OTHER SIGNIFICANT EVENTS

Due to the spread of the COVID-19 pandemic and the global interconnection of the supply chain, the Company's operation is also affected, as well as the entire Czech and global economy. The Company takes preventive measures and all steps to mitigate economic impacts on the Company. However, the overall quantification of the impact cannot be fully anticipated at this time.

Despite the uncertainties regarding the spread of the COVID-19 pandemic, based on an assessment of all currently available information, the Company believes that the going concern assumption is not compromised and therefore the use of this assumption for the preparation of the financial statements is appropriate and there is currently no significant uncertainty regarding this assumption.

8. POST BALANCE SHEET EVENTS

The ongoing military conflict in Ukraine and the related sanctions targeted against the Russian Federation may have an impact on the European and global economy. The entity does not have any significant direct exposure to Ukraine, Russia or Belarus. However, the impact on the general economic situation may require revisions of certain assumptions and estimates. This may lead to material adjustments to the carrying value of certain assets and liabilities within the next financial year. At this stage, management is not able to reliably estimate the impact as events are unfolding day by day. The long-term impact may also affect trading volumes, cash flows, and profitability. Nevertheless, at the date of these financial statements, the Company continues to meet its obligations as they fall due and therefore continues to apply the going concern basis of preparation.

The impacts of the global pandemic on the Company are described in Note 7.

4. Audit Report

INDEPENDENT AUDITOR'S REPORT

To the Partners of Toyoda Gosei Czech, s.r.o.

Having its registered office at: Klášterec nad Ohří, Průmyslová 2, District of Chomutov, 43151

Opinion

We have audited the accompanying financial statements of Toyoda Gosei Czech, s.r.o. (hereinafter also the "Company") prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as at 31 March 2022, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Toyoda Gosei Czech, s.r.o. as at 31 March 2022, and of its financial performance and its cash flows for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application guidelines. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information in the Annual Report

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Statutory Executives are responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

Responsibilities of the Company's Statutory Executive for the Financial Statements

The Statutory Executive is responsible for the preparation and fair presentation of the financial statements in accordance with accounting regulations applicable in the Czech Republic and for such internal control as the Statutory Executive determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Statutory Executive is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Statutory Executive either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

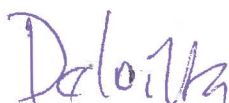
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Statutory Executive.
- Conclude on the appropriateness of the Statutory Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Statutory Executive regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

In Prague on 5 August 2022

Audit firm:

Deloitte Audit s.r.o.
registration no. 079



Statutory Auditor:

Ladislav Šauer
registration no. 2261

