

FINANCIAL SUMMARY

FY2020 First Quarter

(April 1, 2019 through June 30, 2019)

TOYOTA INDUSTRIES CORPORATION

English translation from the original Japanese-language document

Cautionary Statement with Respect to Forward-Looking Statements

This report contains projections and other forward-looking statements that involve risks and uncertainties. Our use of the words “expect,” “anticipate,” “estimate,” “forecast,” “plan” and similar expressions is intended to identify such forward-looking statements. Projections and forward-looking statements are based on the current expectations and estimates of Toyota Industries Corporation and its Group companies regarding their plans, outlook, strategies and results for the future. All such projections and forward-looking statements are based on management’s assumptions and beliefs derived from the information available to it at the time of producing this report and are not guarantees of future performance. Toyota Industries corporation and its Group companies undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Therefore, it is advised that you should not rely solely upon these projections and forward-looking statements in making your investment decisions. You should also be aware that certain risks and uncertainties could cause the actual results of Toyota Industries Corporation and its Group companies to differ materially from any projections or forward-looking statements discussed in this report. These risks and uncertainties include, but are not limited to, the following: 1) reliance on a small number of customers, 2) product development capabilities, 3) intellectual property rights, 4) product defects, 5) price competition, 6) reliance on suppliers of raw materials and components, 7) environmental regulations, 8) success or failure of strategic alliances with other companies, 9) exchange rate fluctuations, 10) share price fluctuations, 11) effects of disasters, power blackouts and other incidents, 12) latent risks associated with international activities and 13) retirement benefit liabilities.

FY2020 First Quarter Consolidated Financial Results<IFRS> (April 1, 2019 - June 30, 2019)

TOYOTA INDUSTRIES CORPORATION

Stock exchange listings: Tokyo and Nagoya (Code number: 6201) (URL: <https://www.toyota-industries.com/>)

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The expected date of submission of the quarterly report (Japanese only): August 9, 2019

The expected date of dividends payment: —

Additional documents to supplement financial results: Yes

Quarterly IR presentation: Yes (For analysts and professional investors)

(Amounts less than one million yen are omitted)

1. Financial Highlights for FY2020 First Quarter (April 1, 2019 - June 30, 2019)

(1) Consolidated Financial Results

(% : changes from the same period of the previous fiscal year)

	Net sales		Operating profit		Profit before income taxes		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2020 First Quarter	551,225	5.6	31,669	(6.7)	68,684	(3.4)	55,102	(0.6)
FY2019 First Quarter	522,145	17.2	33,943	(23.2)	71,121	(8.2)	55,417	(9.6)

	Profit attributable to owners of the parent		Comprehensive income		Earnings per share – basic	Earnings per share – diluted
	Million yen	%	Million yen	%	Yen	Yen
FY2020 First Quarter	53,739	0.6	63,523	(26.8)	173.08	—
FY2019 First Quarter	53,438	(10.9)	86,822	79.4	172.11	—

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets
	Million yen	Million yen	Million yen	%
FY2020 First Quarter	5,330,877	2,599,960	2,518,206	47.2
FY2019	5,261,174	2,561,936	2,479,718	47.1

2. Cash Dividends

	Annual cash dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	FY Total
FY2019	— Yen	75.00 Yen	— Yen	80.00 Yen	155.00 Yen
FY2020	—				
FY2020 (Forecast)		80.00	—	80.00	160.00

(Note) Changes in the forecasted cash dividends in this quarter : No

3. Forecasts of Consolidated Financial Results for FY2020 (April 1, 2019 - March 31, 2020)

(% : changes from the same period of the previous fiscal year)

	Net sales		Operating profit		Profit before income taxes		Profit attributable to owners of the parent		Earnings per share – basic
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2020 Second Quarter (accum.)	1,150,000	8.8	72,000	17.3	107,000	8.7	82,000	10.2	264.10
FY2020	2,300,000	3.8	145,000	7.7	208,000	2.9	157,000	2.8	505.66

(Note) Changes in the forecasts of consolidated financial results in this quarter : No

4. Others

(1) Changes in major subsidiaries (specified subsidiaries that changed the scope of consolidation) : No

(2) Changes in accounting policies and accounting estimates

(i) Changes in accounting policies required by IFRS : Yes

(ii) Changes other than (i) : No

(iii) Changes in accounting estimates : No

(3) Issued and outstanding capital stock

(i) Number of shares outstanding at end of each period (including treasury stock):

FY2020 First Quarter — 325,840,640 shares, FY2019 — 325,840,640 shares

(ii) Number of treasury stock outstanding at end of each period:

FY2020 First Quarter — 15,355,634 shares, FY2019 — 15,355,468 shares

(iii) Average number of shares outstanding for each period (accumulated):

FY2020 First Quarter — 310,485,077 shares, FY2019 First Quarter — 310,486,853 shares

* This quarterly financial results is not subject to quarterly review procedure by certified public accountants or auditing firms.

* Explanation regarding the proper use of performance forecasts and other special items

- All projections are based on the information available to management at the time of making this report and are not guarantees of future performance. Uncertainties could cause the actual results of Toyota Industries to differ materially from any projections discussed in this report.
- Our projections are based on assumed exchange rates of 110 yen to the U.S. dollar and 125 yen to the euro for FY2020.
- Please see page 3 on attached documents for details on performance forecasts in "Explanation for Forecast for FY2020".

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1. Explanation for Quarterly Financial Results

(1) Explanation for Business Results

During the first quarter of FY2020 (the three months from April 1 to June 30, 2019), total consolidated net sales of Toyota Industries amounted to 551.2 billion yen, an increase of 29.1 billion yen, or 6%, from the same period of the previous fiscal year. The following is a review of operations for the business segments.

Net sales of the Automobile Segment totaled 159.7 billion yen, an increase of 9.7 billion yen, or 6%, from the same period of the previous fiscal year.

Within this segment, net sales of the Vehicle Business totaled 22.9 billion yen, an increase of 5.2 billion yen, or 29%, due mainly to increases in sales of the new RAV4 whose production started in November 2018.

Net sales of the Engine Business totaled 31.1 billion yen, an increase of 5.0 billion yen, or 19%, resulting mainly from increases in sales of new A25A and M20A gasoline engines and GD diesel engines.

Net sales of the Car Air-Conditioning Compressor Business totaled 86.5 billion yen, a decrease of 2.4 billion yen, or 3%. Sales increased in Japan while those decreased outside Japan mainly in Europe.

Net sales of the Electronics Parts, Foundry and Others Business totaled 19.1 billion yen, an increase of 1.9 billion yen, or 11%. This was due mainly to increases in sales of electronics parts, partially offset by decreases in sales of foundry products.

Net sales of the Materials Handling Equipment Segment totaled 361.6 billion yen, an increase of 19.9 billion yen, or 6%, due primarily to increases in sales of lift trucks, a mainstay product of this segment, in Japan and Europe.

Net sales of the Textile Machinery Segment totaled 15.0 billion yen, a decrease of 0.4 billion yen, or 2%. Unit sales of weaving machinery increased while those of yarn quality measurement instruments decreased.

In terms of overall profit, despite sales efforts and increases in promoting cost reduction efforts throughout the Toyota Industries Group, Toyota Industries recorded a decrease in profit due mainly to an increase in depreciation and an increase in expenses. As a result, Toyota Industries posted consolidated operating profit of 31.6 billion yen, a decrease of 2.3 billion yen, or 7%, from the same period of the previous fiscal year and profit before income taxes of 68.6 billion yen, a decrease of 2.5 billion yen, or 3%, from the same period of the previous fiscal year. Profit attributable to owners of the parent totaled 53.7 billion yen, an increase of 0.3 billion yen, or 1%, from the same period of the previous fiscal year.

(2) Explanation for Financial Condition

Assets amounted to 5,330.8 billion yen, an increase of 69.7 billion yen from the end of the previous fiscal year, due mainly to an increase in property, plant and equipment resulting from adopting IFRS 16 "Leases" (hereinafter, "IFRS 16") and an increase in fair value of investment securities. Liabilities amounted to 2,730.9 billion yen, an increase of 31.7 billion yen from the end of the previous fiscal year, attributable primarily to an increase in other financial liabilities resulting from adopting IFRS 16. Equity amounted to 2,599.9 billion yen, an increase of 38.0 billion yen from the end of the previous fiscal year.

(3) Explanation for Forecast for FY2020

Toyota Industries forecasts consolidated net sales of 2,300.0 billion yen, operating profit of 145.0 billion yen, profit before income taxes of 208.0 billion yen and profit attributable to owners of the parent of 157.0 billion yen. Our projections are based on assumed exchange rates of 110 yen to the U.S. dollar and 125 yen to the euro for FY2020.

2. Condensed Quarterly Consolidated Financial Statements and Main Notes

(1) Condensed Quarterly Consolidated Financial Position

(Millions of yen)

	FY2019 (As of March 31, 2019)	FY2020 First Quarter (As of June 30, 2019)
Assets		
Current assets		
Cash and cash equivalents	239,140	260,807
Time deposits with deposit terms of over three months	223,219	216,464
Trade receivables and other receivables	845,255	824,786
Other financial assets	3,988	4,287
Inventories	245,182	253,526
Income tax receivables	13,713	10,977
Other current assets	53,282	49,592
Total current assets	1,623,784	1,620,442
Non-current assets		
Property, plant and equipment	938,030	978,932
Goodwill and intangible assets	361,078	358,267
Trade receivables and other receivables	5,803	5,128
Investments accounted for by the equity method	10,253	10,660
Other financial assets	2,258,788	2,295,358
Net defined benefit assets	28,603	26,594
Deferred tax assets	30,590	31,321
Other non-current assets	4,241	4,170
Total non-current assets	3,637,390	3,710,434
Total assets	5,261,174	5,330,877

(Millions of yen)

	FY2019 (As of March 31, 2019)	FY2020 First Quarter (As of June 30, 2019)
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade payables and other payables	506,547	486,635
Corporate bonds and loans	342,232	362,512
Other financial liabilities	67,030	78,433
Accrued income taxes	15,993	15,354
Provisions	8,807	11,915
Other current liabilities	16,754	20,680
Total current liabilities	957,365	975,530
Non-current liabilities		
Corporate bonds and loans	955,183	933,522
Other financial liabilities	57,813	92,927
Net defined benefit liabilities	101,347	96,564
Provisions	7,525	7,401
Deferred tax liabilities	598,083	603,086
Other non-current liabilities	21,918	21,883
Total non-current liabilities	1,741,872	1,755,385
Total liabilities	2,699,237	2,730,916
Equity		
Share of equity attributable to owners of the parent		
Capital stock	80,462	80,462
Capital surplus	103,507	103,515
Retained earnings	1,178,773	1,207,065
Treasury stock	(59,297)	(59,298)
Other components of shareholders' equity	1,176,272	1,186,461
Total share of equity attributable to owners of the parent	2,479,718	2,518,206
Non-controlling interests	82,218	81,754
Total equity	2,561,936	2,599,960
Total liabilities and equity	5,261,174	5,330,877

(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)

	FY2019 First Quarter (April 1, 2018 - June 30, 2018)	FY2020 First Quarter (April 1, 2019 - June 30, 2019)
Net sales	522,145	551,225
Cost of sales	(399,549)	(423,714)
Gross profit	122,595	127,511
Selling, general and administrative expenses	(89,387)	(95,497)
Other income	3,539	1,705
Other expenses	(2,804)	(2,049)
Operating profit	33,943	31,669
Financial income	39,705	39,143
Financial expenses	(2,783)	(2,582)
Share of profit (loss) of investments accounted for by the equity method	255	454
Profit before income taxes	71,121	68,684
Income taxes	(15,703)	(13,581)
Profit	55,417	55,102
Profit attributable to:		
Owners of the parent	53,438	53,739
Non-controlling interests	1,979	1,363
Earnings per share		
Earnings per share – basic (yen)	172.11	173.08
Earnings per share – diluted (yen)	–	–

Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY2019 First Quarter (April 1, 2018 - June 30, 2018)	FY2020 First Quarter (April 1, 2019 - June 30, 2019)
Profit	55,417	55,102
Other comprehensive income:		
Items not to be reclassified into profit or loss		
Net changes in revaluation of FVTOCI financial assets	31,375	25,817
Remeasurements of defined benefit plans	436	(544)
Other comprehensive income of affiliates accounted for by the equity method	4	0
Total items not to be reclassified into profit or loss	31,817	25,274
Items that can be reclassified into profit or loss		
Translation adjustments of foreign operations	275	(18,336)
Cash flow hedges	(705)	1,601
Other comprehensive income of affiliates accounted for by the equity method	18	(117)
Total items that can be reclassified into profit or loss	(411)	(16,853)
Total other comprehensive income	31,405	8,420
Comprehensive income	86,822	63,523
Total comprehensive income attributable to:		
Owners of the parent	84,765	63,400
Non-controlling interests	2,057	123

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

(Millions of yen)

	Share of equity attributable to owners of the parent					
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Other components of shareholders' equity	
					Net changes in revaluation of FVTOCI financial assets	Remeasurements of defined benefit plans
Balance as of April 1, 2018	80,462	105,343	1,084,139	(59,284)	1,393,702	—
Effects of changes in accounting policies	—	—	3	—	—	—
Restated balance as of April 1, 2018	80,462	105,343	1,084,143	(59,284)	1,393,702	—
Profit	—	—	53,438	—	—	—
Other comprehensive income	—	—	—	—	31,099	421
Total comprehensive income	—	—	53,438	—	31,099	421
Repurchase of treasury stock	—	—	—	(5)	—	—
Disposal of treasury stock	—	—	—	—	—	—
Dividends	—	—	(24,838)	—	—	—
Changes in ownership interest of subsidiaries	—	—	—	—	—	—
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	421	—	—	(421)
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	—	(24,417)	(5)	—	(421)
Balance as of June 30, 2018	80,462	105,343	1,113,163	(59,289)	1,424,802	—

Balance as of April 1, 2019	80,462	103,507	1,178,773	(59,297)	1,234,370	—
Effects of changes in accounting policies	—	—	(80)	—	—	—
Restated balance as of April 1, 2019	80,462	103,507	1,178,693	(59,297)	1,234,370	—
Profit	—	—	53,739	—	—	—
Other comprehensive income	—	—	—	—	25,825	(541)
Total comprehensive income	—	—	53,739	—	25,825	(541)
Repurchase of treasury stock	—	—	—	(1)	—	—
Disposal of treasury stock	—	0	—	0	—	—
Dividends	—	—	(24,838)	—	—	—
Changes in ownership interest of subsidiaries	—	7	—	—	—	—
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	(528)	—	(13)	541
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	7	(25,367)	(1)	(13)	541
Balance as of June 30, 2019	80,462	103,515	1,207,065	(59,298)	1,260,183	—

(Millions of yen)

	Share of equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of shareholders' equity			Total		
	Translation adjustment of foreign operations	Cash flow hedges	Total			
Balance as of April 1, 2018	(52,397)	1,426	1,342,730	2,553,391	80,478	2,633,869
Effects of changes in accounting policies	—	—	—	3	—	3
Restated balance as of April 1, 2018	(52,397)	1,426	1,342,730	2,553,394	80,478	2,633,873
Profit	—	—	—	53,438	1,979	55,417
Other comprehensive income	512	(705)	31,327	31,327	78	31,405
Total comprehensive income	512	(705)	31,327	84,765	2,057	86,822
Repurchase of treasury stock	—	—	—	(5)	—	(5)
Disposal of treasury stock	—	—	—	—	—	—
Dividends	—	—	—	(24,838)	(731)	(25,570)
Changes in ownership interest of subsidiaries	—	—	—	—	—	—
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	73	73
Reclassified into retained earnings	—	—	(421)	—	—	—
Other increases (decreases)	—	—	—	—	(65)	(65)
Total transactions with owners	—	—	(421)	(24,844)	(723)	(25,567)
Balance as of June 30, 2018	(51,885)	720	1,373,636	2,613,316	81,812	2,695,128

Balance as of April 1, 2019	(58,903)	804	1,176,272	2,479,718	82,218	2,561,936
Effects of changes in accounting policies	—	—	—	(80)	—	(80)
Restated balance as of April 1, 2019	(58,903)	804	1,176,272	2,479,638	82,218	2,561,856
Profit	—	—	—	53,739	1,363	55,102
Other comprehensive income	(17,225)	1,601	9,660	9,660	(1,239)	8,420
Total comprehensive income	(17,225)	1,601	9,660	63,400	123	63,523
Repurchase of treasury stock	—	—	—	(1)	—	(1)
Disposal of treasury stock	—	—	—	0	—	0
Dividends	—	—	—	(24,838)	(589)	(25,428)
Changes in ownership interest of subsidiaries	—	—	—	7	(74)	(66)
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	528	—	—	—
Other increases (decreases)	—	—	—	—	76	76
Total transactions with owners	—	—	528	(24,832)	(587)	(25,419)
Balance as of June 30, 2019	(76,128)	2,406	1,186,461	2,518,206	81,754	2,599,960

(4) Note on Condensed Quarterly Consolidated Financial Statements

(Note on Premise of Going Concern) : No

(Note on Significant Changes in the Amount of Shareholders' Equity)

During the first quarter of FY2020, Toyota Industries paid dividends of 24,838 million yen from retained earnings.

(Changes in Accounting Policies)

Effective from the first quarter of FY2020, Toyota Industries adopted IFRS 16 "Leases" (issued in January 2016).

(Segment Information)

FY2019 First Quarter (April 1, 2018 - June 30, 2018)

(Millions of yen)

	Automobile	Materials Handling Equipment	Textile Machinery	Others (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)	
Sales								
Outside customer sales	150,058	341,748	15,452	14,886	522,145	—	522,145	
Inter-segment transactions	7,594	373	62	6,116	14,146	(14,146)	—	
Total	157,652	342,122	15,514	21,002	536,292	(14,146)	522,145	
Segment profit	5,535	26,015	907	1,473	33,932	11	33,943	
Financial income								39,705
Financial expenses								(2,783)
Share of profit (loss) of investments accounted for by the equity method								255
Profit before income taxes								71,121

- (Notes) 1. "Others" represents businesses not included in the reporting segments.
2. Breakdown of adjustments
11 million yen included in "Adjustments" for "Segment profit" is inter-segment transactions.
3. "Segment profit" reconciles to operating profit disclosed in the consolidated statement of profit or loss.

FY2020 First Quarter (April 1, 2019 - June 30, 2019)

(Millions of yen)

	Automobile	Materials Handling Equipment	Textile Machinery	Others (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)	
Sales								
Outside customer sales	159,717	361,650	15,074	14,783	551,225	—	551,225	
Inter-segment transactions	6,853	551	63	6,654	14,122	(14,122)	—	
Total	166,570	362,202	15,137	21,437	565,347	(14,122)	551,225	
Segment profit	6,324	23,139	696	1,619	31,779	(109)	31,669	
Financial income								39,143
Financial expenses								(2,582)
Share of profit (loss) of investments accounted for by the equity method								454
Profit before income taxes								68,684

- (Notes) 1. "Others" represents businesses not included in the reporting segments.
2. Breakdown of adjustments
(109) million yen included in "Adjustments" for "Segment profit" is inter-segment transactions.
3. "Segment profit" reconciles to operating profit disclosed in the consolidated statement of profit or loss.