

# FINANCIAL SUMMARY

FY2020      Second Quarter

(April 1, 2019 through September 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 Second Quarter Consolidated Financial Results<IFRS> (April 1, 2019 - September 30, 2019)

### TOYOTA INDUSTRIES CORPORATION

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

Representative person: Akira Onishi, President, Member of the Board

Contact person: Kuniaki Matsumoto, General Manager of Accounting Department

(Tel. +81-(0)566-22-2511)

The expected date of submission of the quarterly report (Japanese only): November 13, 2019

The expected date of dividends payment: November 26, 2019

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 Second Quarter (April 1, 2019 - September 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	%
<b>FY2020 Second Quarter</b>	<b>1,102,951</b>	<b>4.3</b>	<b>71,582</b>	<b>16.6</b>	<b>108,059</b>	<b>9.8</b>	<b>84,919</b>	<b>8.7</b>
FY2019 Second Quarter	1,057,011	12.7	61,397	(20.3)	98,391	(10.8)	78,150	(6.7)

	Profit attributable to owners of the parent		Comprehensive income		Earnings per share – basic	Earnings per share – diluted
	Million yen	%	Million yen	%	Yen	Yen
<b>FY2020 Second Quarter</b>	<b>82,284</b>	<b>10.6</b>	<b>177,901</b>	<b>5.6</b>	<b>265.02</b>	—
FY2019 Second Quarter	74,408	(8.0)	168,426	(39.4)	239.65	—

##### (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	%
<b>FY2020 Second Quarter</b>	<b>5,464,655</b>	<b>2,713,535</b>	<b>2,632,531</b>	<b>48.2</b>
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
<b>FY2020</b>	—	<b>80.00</b>			
FY2020 (Forecast)			—	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	2,220,000	0.2	135,000	0.2	200,000	(1.1)	151,000	(1.1)	486.34

(Note) Changes in the forecasts of consolidated financial results in this quarter : Yes

## 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 Second Quarter — 325,840,640 shares, FY2019 — 325,840,640 shares

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

FY2020 Second Quarter — 15,356,189 shares, FY2019 — 15,355,468 shares

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

FY2020 Second Quarter — 310,484,809 shares, FY2019 Second Quarter — 310,486,473 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 107 yen to the U.S. dollar and 118 yen to the euro for FY2020.
- Please see page 3 on attached documents for details on performance forecasts in "Explanation for Forecast for FY2020".

Attached documents – Contents

1. Explanation for Quarterly Financial Results .....	2
(1) Explanation for Business Results .....	2
(2) Explanation for Financial Condition .....	3
(3) Explanation for Forecast for FY2020 .....	3
2. Condensed Quarterly Consolidated Financial Statements and Main Notes .....	4
(1) Condensed Quarterly Consolidated Financial Position .....	4
(2) Condensed Quarterly Consolidated Statement of Profit or Loss and Condensed Quarterly Consolidated Statement of Comprehensive Income .....	6
(3) Condensed Quarterly Consolidated Statement of Changes in Equity .....	8
(4) Note on Condensed Quarterly Consolidated Financial Statements .....	10
(Note on Premise of Going Concern) .....	10
(Note on Significant Changes in the Amount of Shareholders' Equity) .....	10
(Changes in Accounting Policies) .....	10
(Segment Information) .....	11

## 1. Explanation for Quarterly Financial Results

### (1) Explanation for Business Results

During the second quarter of FY2020 (the six months from April 1 to September 30, 2019), total consolidated net sales of Toyota Industries amounted to 1,102.9 billion yen, an increase of 45.9 billion yen, or 4%, 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 315.2 billion yen, an increase of 21.7 billion yen, or 7%, from the same period of the previous fiscal year.

Within this segment, net sales of the Vehicle Business totaled 46.3 billion yen, an increase of 11.3 billion yen, or 32%, due mainly to increases in sales of the new RAV4 whose production started in November 2018.

Net sales of the Engine Business totaled 61.7 billion yen, an increase of 12.4 billion yen, or 25%, 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 169.3 billion yen, a decrease of 4.4 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 37.8 billion yen, an increase of 2.4 billion yen, or 7%. 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 727.2 billion yen, an increase of 29.5 billion yen, or 4%. Sales of lift trucks, a mainstay product of this segment, increased in Japan while those decreased in China. In addition, net sales of logistics solutions business increased.

Net sales of the Textile Machinery Segment totaled 30.2 billion yen, a decrease of 5.8 billion yen, or 16%. This was due mainly to decreases in sales of weaving machinery and yarn quality measurement instruments.

In terms of overall profit, despite an increase in depreciation and the impact of exchange rate fluctuations, Toyota Industries recorded an increase in profit due mainly to sales efforts and increases in promoting cost reduction efforts throughout the Toyota Industries Group. As a result, Toyota Industries posted consolidated operating profit of 71.5 billion yen, an increase of 10.2 billion yen, or 17%, from the same period of the previous fiscal year and profit before income taxes of 108.0 billion yen, an increase of 9.7 billion yen, or 10%, from the same period of the previous fiscal year. Profit attributable to owners of the parent totaled 82.2 billion yen, an increase of 7.8 billion yen, or 11%, from the same period of the previous fiscal year.

## **(2) Explanation for Financial Condition**

Assets amounted to 5,464.6 billion yen, an increase of 203.5 billion yen from the end of the previous fiscal year, due mainly to an increase in fair value of investment securities. Liabilities amounted to 2,751.1 billion yen, an increase of 51.9 billion yen from the end of the previous fiscal year, due mainly to an increase in deferred tax liabilities. Equity amounted to 2,713.5 billion yen, an increase of 151.6 billion yen from the end of the previous fiscal year.

## **(3) Explanation for Forecast for FY2020**

Due to results of the second quarter of FY2020, Toyota Industries has revised its forecasts of consolidated financial results for FY2020 to consolidated net sales of 2,220.0 billion yen, operating profit of 135.0 billion yen, profit before income taxes of 200.0 billion yen and profit attributable to owners of the parent of 151.0 billion yen. Our projections are based on assumed exchange rates of 107 yen to the U.S. dollar and 118 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 Second Quarter (As of September 30, 2019)
<b>Assets</b>		
Current assets		
Cash and cash equivalents	239,140	278,828
Time deposits with deposit terms of over three months	223,219	188,255
Trade receivables and other receivables	845,255	837,124
Other financial assets	3,988	3,644
Inventories	245,182	247,909
Income tax receivables	13,713	11,677
Other current assets	53,282	53,513
<b>Total current assets</b>	<b>1,623,784</b>	<b>1,620,953</b>
Non-current assets		
Property, plant and equipment	938,030	974,170
Goodwill and intangible assets	361,078	351,498
Trade receivables and other receivables	5,803	4,629
Investments accounted for by the equity method	10,253	10,551
Other financial assets	2,258,788	2,440,579
Net defined benefit assets	28,603	26,731
Deferred tax assets	30,590	30,202
Other non-current assets	4,241	5,337
<b>Total non-current assets</b>	<b>3,637,390</b>	<b>3,843,702</b>
<b>Total assets</b>	<b>5,261,174</b>	<b>5,464,655</b>



(Millions of yen)

	FY2019 (As of March 31, 2019)	FY2020 Second Quarter (As of September 30, 2019)
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
Current liabilities		
Trade payables and other payables	506,547	462,893
Corporate bonds and loans	342,232	329,170
Other financial liabilities	67,030	75,824
Accrued income taxes	15,993	18,116
Provisions	8,807	11,301
Other current liabilities	16,754	18,926
<b>Total current liabilities</b>	<b>957,365</b>	<b>916,232</b>
Non-current liabilities		
Corporate bonds and loans	955,183	968,224
Other financial liabilities	57,813	88,716
Net defined benefit liabilities	101,347	96,188
Provisions	7,525	7,179
Deferred tax liabilities	598,083	653,499
Other non-current liabilities	21,918	21,078
<b>Total non-current liabilities</b>	<b>1,741,872</b>	<b>1,834,887</b>
<b>Total liabilities</b>	<b>2,699,237</b>	<b>2,751,120</b>
<b>Equity</b>		
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	1,236,405
Treasury stock	(59,297)	(59,302)
Other components of shareholders' equity	1,176,272	1,271,449
<b>Total share of equity attributable to owners of the parent</b>	<b>2,479,718</b>	<b>2,632,531</b>
Non-controlling interests	82,218	81,004
<b>Total equity</b>	<b>2,561,936</b>	<b>2,713,535</b>
<b>Total liabilities and equity</b>	<b>5,261,174</b>	<b>5,464,655</b>

**(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 Second Quarter (April 1, 2018 - September 30, 2018)	FY2020 Second Quarter (April 1, 2019 - September 30, 2019)
Net sales	1,057,011	1,102,951
Cost of sales	(814,126)	(842,620)
Gross profit	242,884	260,330
Selling, general and administrative expenses	(181,689)	(188,463)
Other income	5,924	3,900
Other expenses	(5,722)	(4,184)
Operating profit	61,397	71,582
Financial income	41,904	40,211
Financial expenses	(5,355)	(4,553)
Share of profit (loss) of investments accounted for by the equity method	444	819
Profit before income taxes	98,391	108,059
Income taxes	(20,241)	(23,139)
<b>Profit</b>	<b>78,150</b>	<b>84,919</b>
Profit attributable to:		
Owners of the parent	74,408	82,284
Non-controlling interests	3,742	2,634
Earnings per share		
Earnings per share – basic (yen)	239.65	265.02
Earnings per share – diluted (yen)	–	–

## Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY2019 Second Quarter (April 1, 2018 - September 30, 2018)	FY2020 Second Quarter (April 1, 2019 - September 30, 2019)
<b>Profit</b>	78,150	84,919
Other comprehensive income:		
Items not to be reclassified into profit or loss		
Net changes in revaluation of FVTOCI financial assets	72,643	127,656
Remeasurements of defined benefit plans	(83)	121
Other comprehensive income of affiliates accounted for by the equity method	5	2
Total items not to be reclassified into profit or loss	72,565	127,779
Items that can be reclassified into profit or loss		
Translation adjustments of foreign operations	19,297	(34,985)
Cash flow hedges	(1,721)	269
Other comprehensive income of affiliates accounted for by the equity method	134	(82)
Total items that can be reclassified into profit or loss	17,710	(34,798)
Total other comprehensive income	90,276	92,981
<b>Comprehensive income</b>	168,426	177,901
Total comprehensive income attributable to:		
Owners of the parent	164,118	177,728
Non-controlling interests	4,307	172

### (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
<b>Balance as of April 1, 2018</b>	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	—	—	74,408	—	—	—
Other comprehensive income	—	—	—	—	72,103	(112)
Total comprehensive income	—	—	74,408	—	72,103	(112)
Repurchase of treasury stock	—	—	—	(8)	—	—
Disposal of treasury stock	—	0	—	0	—	—
Dividends	—	—	(24,838)	—	—	—
Changes in ownership interest of subsidiaries	—	(1,899)	—	—	—	—
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	(112)	—	—	112
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	(1,899)	(24,951)	(8)	—	112
<b>Balance as of September 30, 2018</b>	80,462	103,443	1,133,600	(59,293)	1,465,806	—

<b>Balance as of April 1, 2019</b>	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	—	—	82,284	—	—	—
Other comprehensive income	—	—	—	—	127,645	121
Total comprehensive income	—	—	82,284	—	127,645	121
Repurchase of treasury stock	—	—	—	(4)	—	—
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	—	—	266	—	(144)	(121)
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	7	(24,572)	(4)	(144)	(121)
<b>Balance as of September 30, 2019</b>	80,462	103,515	1,236,405	(59,302)	1,361,871	—

(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			
<b>Balance as of April 1, 2018</b>	(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	—	—	—	74,408	3,742	78,150
Other comprehensive income	19,441	(1,721)	89,710	89,710	565	90,276
Total comprehensive income	19,441	(1,721)	89,710	164,118	4,307	168,426
Repurchase of treasury stock	—	—	—	(8)	—	(8)
Disposal of treasury stock	—	—	—	0	—	0
Dividends	—	—	—	(24,838)	(1,931)	(26,770)
Changes in ownership interest of subsidiaries	—	—	—	(1,899)	(2,904)	(4,803)
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	73	73
Reclassified into retained earnings	—	—	112	—	—	—
Other increases (decreases)	—	—	—	—	(49)	(49)
Total transactions with owners	—	—	112	(26,746)	(4,812)	(31,558)
<b>Balance as of September 30, 2018</b>	(32,956)	(295)	1,432,553	2,690,767	79,974	2,770,741

<b>Balance as of April 1, 2019</b>	(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	—	—	—	82,284	2,634	84,919
Other comprehensive income	(32,592)	269	95,443	95,443	(2,461)	92,981
Total comprehensive income	(32,592)	269	95,443	177,728	172	177,901
Repurchase of treasury stock	—	—	—	(4)	—	(4)
Disposal of treasury stock	—	—	—	0	—	0
Dividends	—	—	—	(24,838)	(1,404)	(26,243)
Changes in ownership interest of subsidiaries	—	—	—	7	17	24
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	(266)	—	—	—
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	—	(266)	(24,835)	(1,387)	(26,222)
<b>Balance as of September 30, 2019</b>	(91,496)	1,074	1,271,449	2,632,531	81,004	2,713,535

#### **(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 second 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 Second Quarter (April 1, 2018 - September 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	293,528	697,747	36,082	29,652	1,057,011	—	1,057,011	
Inter-segment transactions	15,688	672	121	12,727	29,210	(29,210)	—	
Total	309,217	698,420	36,204	42,379	1,086,221	(29,210)	1,057,011	
Segment profit	3,716	52,020	3,027	2,623	61,387	9	61,397	
Financial income								41,904
Financial expenses								(5,355)
Share of profit (loss) of investments accounted for by the equity method								444
Profit before income taxes								98,391

- (Notes) 1. "Others" represents businesses not included in the reporting segments.  
2. Breakdown of adjustments  
9 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 Second Quarter (April 1, 2019 - September 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	315,242	727,267	30,227	30,213	1,102,951	—	1,102,951	
Inter-segment transactions	13,542	1,139	116	14,509	29,308	(29,308)	—	
Total	328,784	728,407	30,344	44,723	1,132,259	(29,308)	1,102,951	
Segment profit	12,854	54,299	1,065	3,522	71,742	(160)	71,582	
Financial income								40,211
Financial expenses								(4,553)
Share of profit (loss) of investments accounted for by the equity method								819
Profit before income taxes								108,059

- (Notes) 1. "Others" represents businesses not included in the reporting segments.  
2. Breakdown of adjustments  
(160) 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.