

# FINANCIAL SUMMARY

FY2020 Third Quarter

(April 1, 2019 through December 31, 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 Third Quarter Consolidated Financial Results<IFRS> (April 1, 2019 - December 31, 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): February 13, 2020

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 Third Quarter (April 1, 2019 - December 31, 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 Third Quarter</b>	<b>1,624,488</b>	<b>(0.3)</b>	<b>101,039</b>	<b>3.2</b>	<b>170,265</b>	<b>2.5</b>	<b>132,686</b>	<b>0.9</b>
FY2019 Third Quarter	1,629,827	11.3	97,941	(14.8)	166,083	(7.0)	131,561	(12.5)

	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 Third Quarter</b>	<b>129,327</b>	<b>2.3</b>	<b>368,161</b>	—	<b>416.53</b>	—
FY2019 Third Quarter	126,390	(13.5)	(31,147)	—	407.07	—

##### (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 Third Quarter</b>	<b>5,702,100</b>	<b>2,878,240</b>	<b>2,795,592</b>	<b>49.0</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	2,200,000	(0.7)	130,000	(3.5)	197,000	(2.6)	150,000	(1.8)	483.12

(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 Third Quarter — 325,840,640 shares, FY2019 — 325,840,640 shares

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

FY2020 Third Quarter — 15,356,576 shares, FY2019 — 15,355,468 shares

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

FY2020 Third Quarter — 310,484,618 shares, FY2019 Third Quarter — 310,486,252 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 108 yen to the U.S. dollar and 120 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 third quarter of FY2020 (the nine months from April 1 to December 31, 2019), total consolidated net sales of Toyota Industries amounted to 1,624.4 billion yen, on par with 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 462.3 billion yen, an increase of 13.9 billion yen, or 3%, from the same period of the previous fiscal year.

Within this segment, net sales of the Vehicle Business totaled 67.4 billion yen, an increase of 7.9 billion yen, or 13%, due mainly to increases in sales of the new RAV4 whose production started in November 2018.

Net sales of the Engine Business totaled 90.7 billion yen, an increase of 14.5 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 248.7 billion yen, a decrease of 10.1 billion yen, or 4%. Sales increased in Japan while those decreased mainly in North America and Europe.

Net sales of the Electronics Parts, Foundry and Others Business totaled 55.4 billion yen, an increase of 1.7 billion yen, or 3%. This was due mainly to an increase in sales of electronics parts, partially offset by decreases in sales of foundry products.

Net sales of the Materials Handling Equipment Segment totaled 1,068.7 billion yen, a decrease of 9.4 billion yen, or 1%. Sales of lift trucks, a mainstay product of this segment, decreased primarily in Japan, North America and China. In addition, the impact of exchange rate fluctuations resulted in a decrease of net sales.

Net sales of the Textile Machinery Segment totaled 48.5 billion yen, a decrease of 9.1 billion yen, or 16%, attributable mainly to decreases in sales of weaving machinery and yarn quality measurement instruments.

In terms of overall profit, despite the impact of exchange rate fluctuations, an increase in depreciation and an increase in labor costs, 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 101.0 billion yen, an increase of 3.1 billion yen, or 3%, from the same period of the previous fiscal year and profit before income taxes of 170.2 billion yen, an increase of 4.2 billion yen, or 3%. Profit attributable to owners of the parent totaled 129.3 billion yen, an increase of 3.0 billion yen, or 2%.

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

Assets amounted to 5,702.1 billion yen, an increase of 441.0 billion yen from the end of the previous fiscal year, due mainly to an increase in fair value of investment securities. Liabilities amounted to 2,823.8 billion yen, an increase of 124.6 billion yen from the end of the previous fiscal year, due mainly to an increase in deferred tax liabilities. Equity amounted to 2,878.2 billion yen, an increase of 316.3 billion yen from the end of the previous fiscal year.

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

Due to results of the third quarter of FY2020, Toyota Industries has revised its forecasts of consolidated financial results for FY2020 to consolidated net sales of 2,200.0 billion yen, operating profit of 130.0 billion yen, profit before income taxes of 197.0 billion yen and profit attributable to owners of the parent of 150.0 billion yen. Our projections are based on assumed exchange rates of 108 yen to the U.S. dollar and 120 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 Third Quarter (As of December 31, 2019)
<b>Assets</b>		
Current assets		
Cash and cash equivalents	239,140	303,245
Time deposits with deposit terms of over three months	223,219	186,400
Trade receivables and other receivables	845,255	829,953
Other financial assets	3,988	3,302
Inventories	245,182	253,311
Income tax receivables	13,713	13,012
Other current assets	53,282	61,343
<b>Total current assets</b>	<b>1,623,784</b>	<b>1,650,569</b>
Non-current assets		
Property, plant and equipment	938,030	996,253
Goodwill and intangible assets	361,078	360,635
Trade receivables and other receivables	5,803	4,354
Investments accounted for by the equity method	10,253	10,945
Other financial assets	2,258,788	2,615,748
Net defined benefit assets	28,603	26,937
Deferred tax assets	30,590	31,276
Other non-current assets	4,241	5,378
<b>Total non-current assets</b>	<b>3,637,390</b>	<b>4,051,530</b>
<b>Total assets</b>	<b>5,261,174</b>	<b>5,702,100</b>

(Millions of yen)

	FY2019 (As of March 31, 2019)	FY2020 Third Quarter (As of December 31, 2019)
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
Current liabilities		
Trade payables and other payables	506,547	450,363
Corporate bonds and loans	342,232	368,757
Other financial liabilities	67,030	78,888
Accrued income taxes	15,993	12,029
Provisions	8,807	11,031
Other current liabilities	16,754	21,258
<b>Total current liabilities</b>	<b>957,365</b>	<b>942,329</b>
Non-current liabilities		
Corporate bonds and loans	955,183	946,848
Other financial liabilities	57,813	88,195
Net defined benefit liabilities	101,347	99,579
Provisions	7,525	7,395
Deferred tax liabilities	598,083	717,212
Other non-current liabilities	21,918	22,297
<b>Total non-current liabilities</b>	<b>1,741,872</b>	<b>1,881,529</b>
<b>Total liabilities</b>	<b>2,699,237</b>	<b>2,823,859</b>
<b>Equity</b>		
Share of equity attributable to owners of the parent		
Capital stock	80,462	80,462
Capital surplus	103,507	103,512
Retained earnings	1,178,773	1,257,172
Treasury stock	(59,297)	(59,304)
Other components of shareholders' equity	1,176,272	1,413,749
<b>Total share of equity attributable to owners of the parent</b>	<b>2,479,718</b>	<b>2,795,592</b>
Non-controlling interests	82,218	82,648
<b>Total equity</b>	<b>2,561,936</b>	<b>2,878,240</b>
<b>Total liabilities and equity</b>	<b>5,261,174</b>	<b>5,702,100</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 Third Quarter (April 1, 2018 - December 31, 2018)	FY2020 Third Quarter (April 1, 2019 - December 31, 2019)
Net sales	1,629,827	1,624,488
Cost of sales	(1,253,769)	(1,238,418)
Gross profit	376,058	386,070
Selling, general and administrative expenses	(277,848)	(282,840)
Other income	8,170	6,498
Other expenses	(8,439)	(8,689)
Operating profit	97,941	101,039
Financial income	74,832	74,242
Financial expenses	(7,431)	(6,079)
Share of profit (loss) of investments accounted for by the equity method	740	1,062
Profit before income taxes	166,083	170,265
Income taxes	(34,522)	(37,578)
<b>Profit</b>	131,561	132,686
Profit attributable to:		
Owners of the parent	126,390	129,327
Non-controlling interests	5,171	3,359
Earnings per share		
Earnings per share – basic (yen)	407.07	416.53
Earnings per share – diluted (yen)	–	–

## Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY2019 Third Quarter (April 1, 2018 - December 31, 2018)	FY2020 Third Quarter (April 1, 2019 - December 31, 2019)
<b>Profit</b>	131,561	132,686
Other comprehensive income:		
Items not to be reclassified into profit or loss		
Net changes in revaluation of FVTOCI financial assets	(158,544)	246,337
Remeasurements of defined benefit plans	806	(1,295)
Other comprehensive income of affiliates accounted for by the equity method	(10)	12
Total items not to be reclassified into profit or loss	(157,747)	245,054
Items that can be reclassified into profit or loss		
Translation adjustments of foreign operations	(4,319)	(10,660)
Cash flow hedges	(563)	1,132
Other comprehensive income of affiliates accounted for by the equity method	(77)	(52)
Total items that can be reclassified into profit or loss	(4,961)	(9,579)
Total other comprehensive income	(162,709)	235,474
<b>Comprehensive income</b>	(31,147)	368,161
Total comprehensive income attributable to:		
Owners of the parent	(35,599)	365,633
Non-controlling interests	4,451	2,527

### (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	—	—	126,390	—	—	—
Other comprehensive income	—	—	—	—	(158,606)	770
Total comprehensive income	—	—	126,390	—	(158,606)	770
Repurchase of treasury stock	—	—	—	(10)	—	—
Disposal of treasury stock	—	0	—	0	—	—
Dividends	—	—	(48,125)	—	—	—
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	—	—	582	—	187	(770)
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	(1,899)	(47,542)	(10)	187	(770)
<b>Balance as of December 31, 2018</b>	80,462	103,443	1,162,990	(59,294)	1,235,283	—

<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	—	—	129,327	—	—	—
Other comprehensive income	—	—	—	—	246,187	(1,297)
Total comprehensive income	—	—	129,327	—	246,187	(1,297)
Repurchase of treasury stock	—	—	—	(6)	—	—
Disposal of treasury stock	—	0	—	0	—	—
Dividends	—	—	(49,677)	—	—	—
Changes in ownership interest of subsidiaries	—	4	—	—	—	—
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	(1,171)	—	(126)	1,297
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	4	(50,849)	(6)	(126)	1,297
<b>Balance as of December 31, 2019</b>	80,462	103,512	1,257,172	(59,304)	1,480,432	—

(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	—	—	—	126,390	5,171	131,561
Other comprehensive income	(3,589)	(563)	(161,989)	(161,989)	(719)	(162,709)
Total comprehensive income	(3,589)	(563)	(161,989)	(35,599)	4,451	(31,147)
Repurchase of treasury stock	—	—	—	(10)	—	(10)
Disposal of treasury stock	—	—	—	0	—	0
Dividends	—	—	—	(48,125)	(2,346)	(50,471)
Changes in ownership interest of subsidiaries	—	—	—	(1,899)	(3,003)	(4,902)
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	100	100
Reclassified into retained earnings	—	—	(582)	—	—	—
Other increases (decreases)	—	—	—	—	42	42
Total transactions with owners	—	—	(582)	(50,034)	(5,206)	(55,241)
<b>Balance as of December 31, 2018</b>	(55,987)	862	1,180,158	2,467,760	79,723	2,547,483

<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	—	—	—	129,327	3,359	132,686
Other comprehensive income	(9,716)	1,132	236,305	236,305	(831)	235,474
Total comprehensive income	(9,716)	1,132	236,305	365,633	2,527	368,161
Repurchase of treasury stock	—	—	—	(6)	—	(6)
Disposal of treasury stock	—	—	—	0	—	0
Dividends	—	—	—	(49,677)	(2,101)	(51,778)
Changes in ownership interest of subsidiaries	—	—	—	4	3	8
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	1,171	—	—	—
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	—	1,171	(49,679)	(2,097)	(51,777)
<b>Balance as of December 31, 2019</b>	(68,619)	1,937	1,413,749	2,795,592	82,648	2,878,240

**(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 third quarter of FY2020, Toyota Industries paid dividends of 49,677 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 Third Quarter (April 1, 2018 - December 31, 2018)

(Millions of yen)

	Automobile	Materials Handling Equipment	Textile Machinery	Others (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)	
Sales								
Outside customer sales	448,422	1,078,146	57,650	45,608	1,629,827	—	1,629,827	
Inter-segment transactions	24,070	1,198	179	19,597	45,045	(45,045)	—	
Total	472,492	1,079,344	57,829	65,205	1,674,873	(45,045)	1,629,827	
Segment profit	2,159	85,284	6,156	4,336	97,936	5	97,941	
Financial income								74,832
Financial expenses								(7,431)
Share of profit (loss) of investments accounted for by the equity method								740
Profit before income taxes								166,083

- (Notes) 1. "Others" represents businesses not included in the reporting segments.  
2. Breakdown of adjustments  
5 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 Third Quarter (April 1, 2019 - December 31, 2019)

(Millions of yen)

	Automobile	Materials Handling Equipment	Textile Machinery	Others (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)	
Sales								
Outside customer sales	462,385	1,068,701	48,557	44,844	1,624,488	—	1,624,488	
Inter-segment transactions	18,417	1,602	147	21,072	41,240	(41,240)	—	
Total	480,803	1,070,303	48,704	65,917	1,665,729	(41,240)	1,624,488	
Segment profit	16,417	77,288	2,670	4,799	101,175	(136)	101,039	
Financial income								74,242
Financial expenses								(6,079)
Share of profit (loss) of investments accounted for by the equity method								1,062
Profit before income taxes								170,265

- (Notes) 1. "Others" represents businesses not included in the reporting segments.  
2. Breakdown of adjustments  
(136) 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.