



FY2021 2nd Quarter Financial Results

November 2, 2020



I. Financial Summary

1. Points of financial results

2. Financial results for FY2021 2Q

3. Financial forecast for FY2021

Points of Financial Results for FY2021 2Q

1. YoY decrease in net sales and profits.
2Q (3 months) results returned to profitable from 1Q (3 months) loss.
2. Revised up full year forecast of net sales, operating profit, profit before income taxes and profit attributable to owners of the parent.
3. Year end dividends is planned at ¥70, annually at ¥140.

Performance <FY2021 2Q>

(Billion yen)

	FY2020 2Q	FY2021 2Q	Change	
Net sales	1,102.9	957.0	(145.9)	(13.2%)
Operating profit	71.5	30.2	(41.3)	(57.8%)
Profit before income taxes	108.0	65.2	(42.8)	(39.7%)
Profit attributable to owners of the parent	82.2	48.1	(34.1)	(41.5%)
Earnings per share	¥265.02	¥154.95	(¥110.07)	-
Dividends per share	¥80	¥70	(¥10)	-
¥/US\$	¥109	¥107	(¥2)	-
¥/Euro	¥121	¥121	(¥0)	-

- COVID-19 pandemic had negative impact on financial results, both net sales and profits are decreased YoY.
- OP of each business segment recovered in 2Q (3 months), raising profit in 2Q (6months).

Segment Information <FY2021 2Q>

Net sales [Operating profit]

(Billion yen)

Unit sales

(Thousand units)

	FY2020 2Q	FY2021 2Q	Change	
Vehicle	46.3	41.2	(5.1)	(10.9%)
Engine	61.7	51.0	(10.7)	(17.4%)
Car Air-Conditioning Compressor	169.3	125.4	(43.9)	(25.9%)
Electronics parts, Foundry and others	37.8	32.1	(5.7)	(15.1%)
Automobile	315.2 [12.8]	249.8 [(17.5)]	(65.4) [(30.3)]	(20.7%)
Materials Handling Equipment	727.2 [54.2]	662.9 [47.0]	(64.3) [(7.2)]	(8.8%)
Textile Machinery	30.2 [1.0]	17.8 [(1.1)]	(12.4) [(2.1)]	(40.8%)
Others	30.2 [3.5]	26.3 [1.7]	(3.9) [(1.8)]	(12.8%)
Total	1,102.9 [71.5]	957.0 [30.2]	(145.9) [(41.3)]	(13.2%)

	FY2020 2Q	FY2021 2Q	Change
Vehicle (RAV4)	165	147	(18)
Diesel	198	141	(57)
Gasoline	209	191	(18)
Engine	407	332	(75)
Car Air-Conditioning Compressor	16,200	11,590	(4,610)
Materials Handling Equipment	144	118	(26)
Air-jet loom	3.5	1.9	(1.6)

Vehicle :Unit sales of RAV4 decreased both in Japan and outside Japan.

Engine :Unit sales of GD diesel engines as well as A25A and M20A gasoline engines decreased.

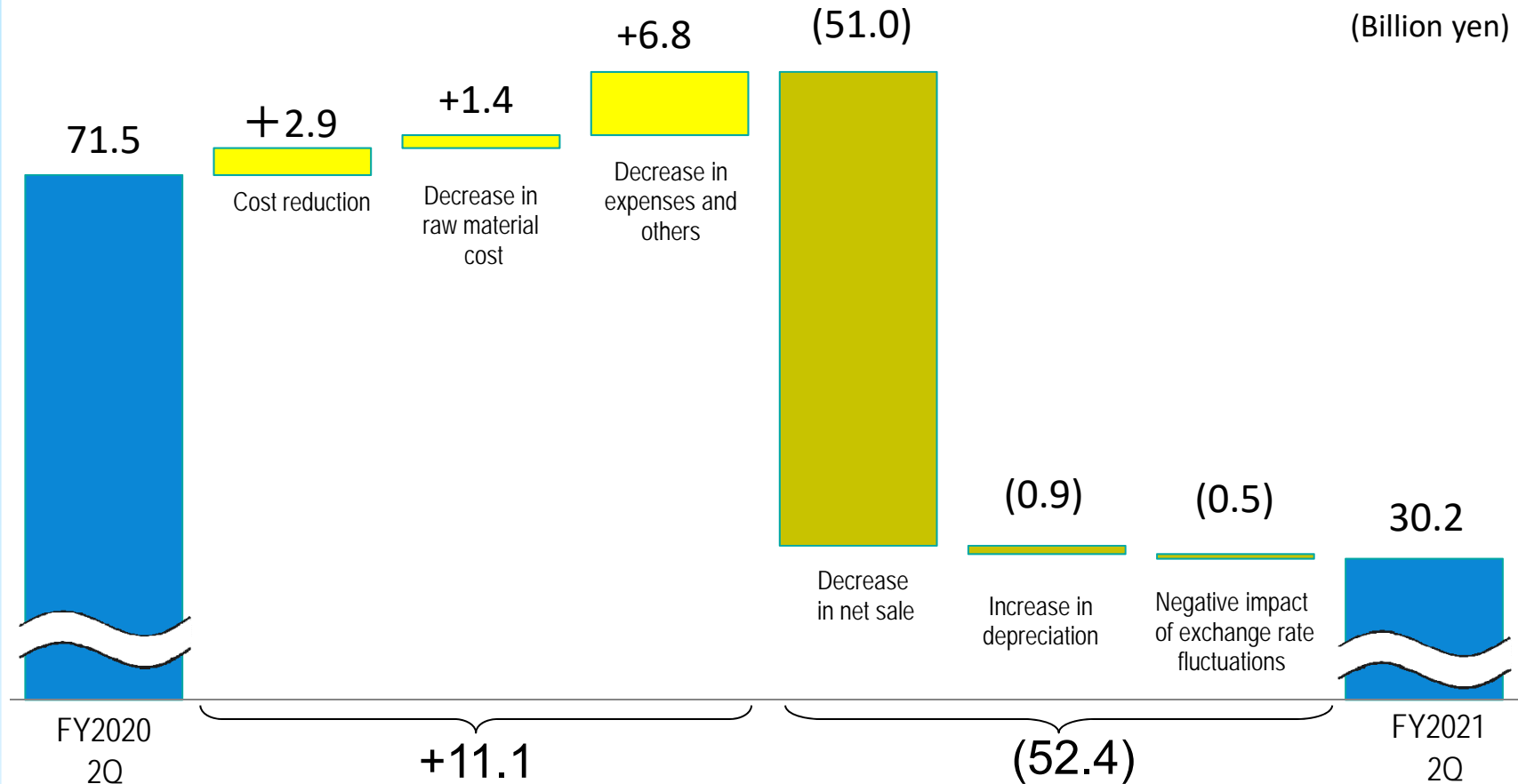
Car Air-Conditioning Compressor :Unit sales decreased in such regions as North America and Europe.

Materials Handling Equipment :Net sales of logistics solutions increased, however that of lift trucks decreased in such regions as Europe and North America.

Changes in Operating Profit

Year-on-year comparison (FY2020 2Q and FY2021 2Q)

Operating profit ¥41.3 billion decrease (¥71.5 to ¥30.2 billion)



- Cost reduction initiatives, decrease in raw material cost and decrease in expenses and others contributed to profit increase. However, decrease in net sales had a major impact on YoY profit decrease.

Performance <FY2021 2Q>

(Billion yen)

	FY2020 2Q	FY2021 2Q	Change	
Investments in tangible assets	49.4	59.0	9.6	19.4%
Depreciation	44.8	45.7	0.9	1.9%

- Overall investments in tangible assets increased due mainly to increase of those in Engine business.

Performance <FY2021 2Q>

(Billion yen)

	As of March 31, 2020	As of September 30, 2020	Change	
Total assets	5,279.6	5,547.1	267.5	5.1%
Total equity	2,520.5	2,707.1	186.6	7.4%
Ratio of share of equity attributable to owners of the parent	46.2%	47.3%	-	-
Consolidated subsidiaries	256	256	-	-

- Total assets increased due to an increase in market value of investment securities and others.

Performance <FY2021 Forecast>

(Billion yen)

	FY2020	FY2021	Change		Previous Forecast
Net sales	2,171.3	2,000.0	(171.3)	(7.9%)	1,900.0
Operating profit	128.2	85.0	(43.2)	(33.7%)	60.0
Profit before income taxes	196.2	140.0	(56.2)	(28.7%)	110.0
Profit attributable to owners of the present	145.8	105.0	(40.8)	(28.0%)	85.0
Earnings per share	¥469.85	¥338.18	(¥131.67)	-	¥273.77
Cash dividends per share	¥160	¥140	(¥20)	-	Undecided [Interim ¥70]
Payout ratio	34.1%	41.4%	-	-	-
¥/US\$	¥109	¥106	(¥3)	-	¥106
¥/Euro	¥121	¥121	-	-	¥120

Segment Information <FY2021 Forecast>

Net sales [Operating profit]

(Billion yen)

	FY2020	FY2021	Change		Previous Forecast
Vehicle	89.9	90.0	0.1	0.1%	90.0
Engine	122.4	117.0	(5.4)	(4.5%)	115.0
Car Air-Conditioning Compressor	328.1	293.0	(35.1)	(10.7%)	290.0
Electronics parts, Foundry and others	73.2	70.0	(3.2)	(4.5%)	70.0
Automobile	613.8 [17.2]	570.0	(43.8)	(7.1%)	565.0
Materials Handling Equipment	1,436.3 [102.2]	1,340.0	(96.3)	(6.7%)	1,245.0
Textile Machinery	61.7 [2.9]	40.0	(21.7)	(35.2%)	40.0
Others	59.3 [5.9]	50.0	(9.3)	(15.7%)	50.0
Total	2,171.3 [128.2]	2,000.0 [85.0]	(171.3) [(43.2)]	(7.9%)	1,900.0 [60.0]

Segment Information <FY2021 Forecast>

Unit sales

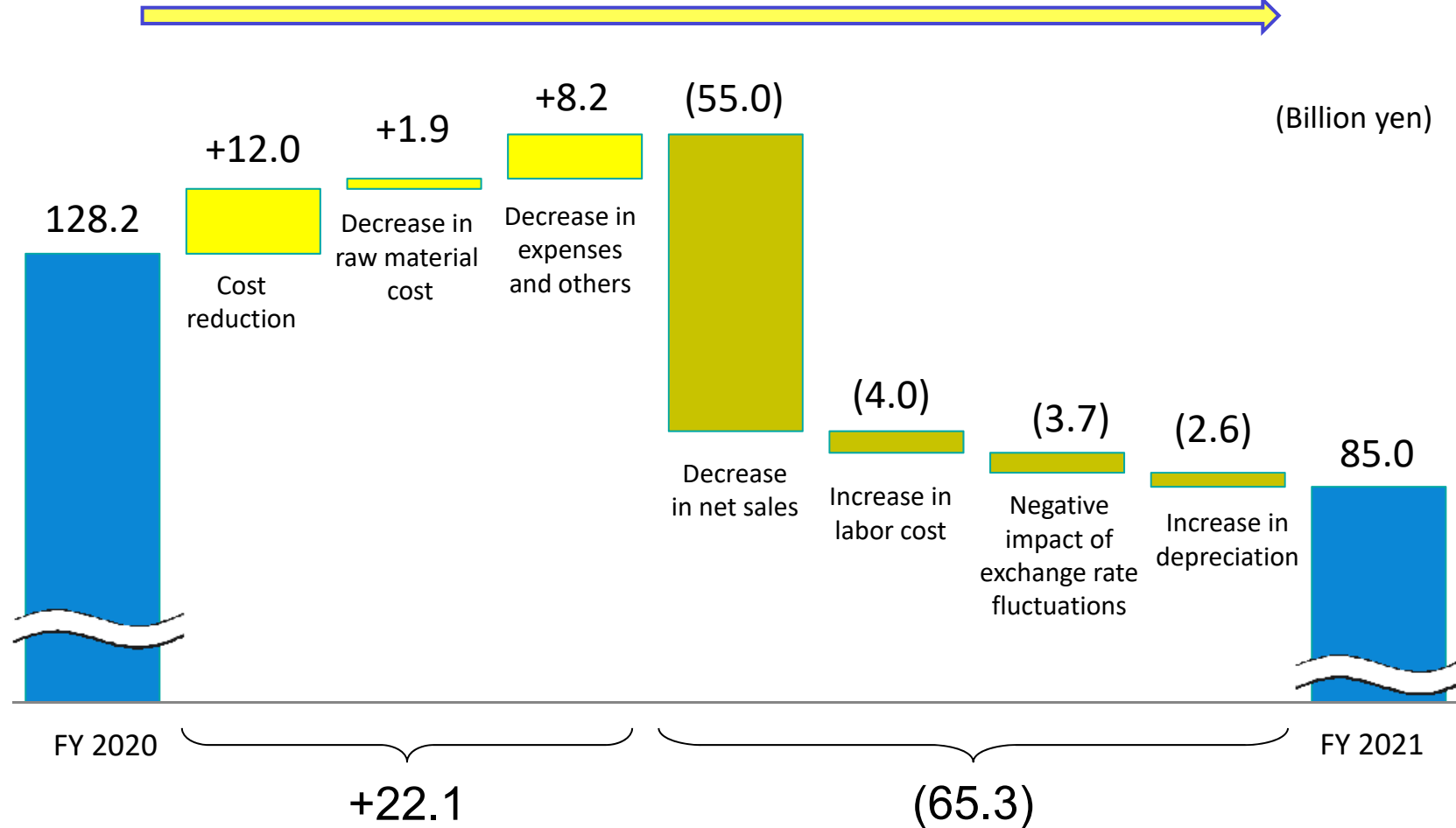
(Thousand units)

	FY2020	FY2021	Change	Previous Forecast
Vehicle (RAV4)	324	321	(3)	321
Diesel	389	356	(33)	343
Gasoline	418	422	4	423
Engine	807	778	(29)	766
Car Air-Conditioning Compressor	31,030	26,600	(4,430)	26,300
Materials Handling Equipment	278	243	(35)	237
Air-jet loom	6.8	4.4	(2.4)	4.5

Changes in Operating Profit

Year-on-year comparison (FY2020 full year and FY2021 full year forecast)

Operating profit: ¥43.2billion decrease (from ¥128.2 billion to ¥85.0 billion)



Performance <FY2021 Forecast>

(Billion yen)

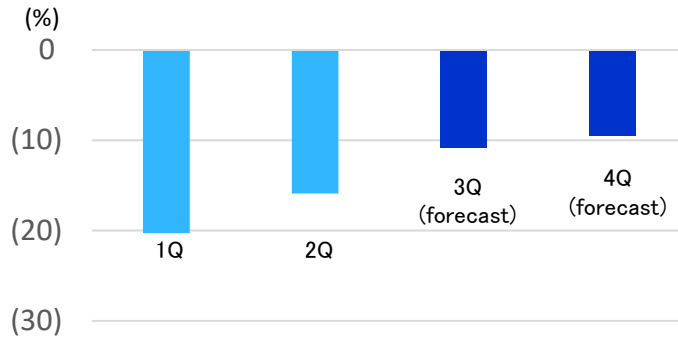
	FY2020	FY2021	Change	
Investments in tangible assets	106.0	120.0	14.0	13.1%
Depreciation	90.4	93.0	2.6	2.8%

II. Impact of COVID-19

Impact of COVID-19

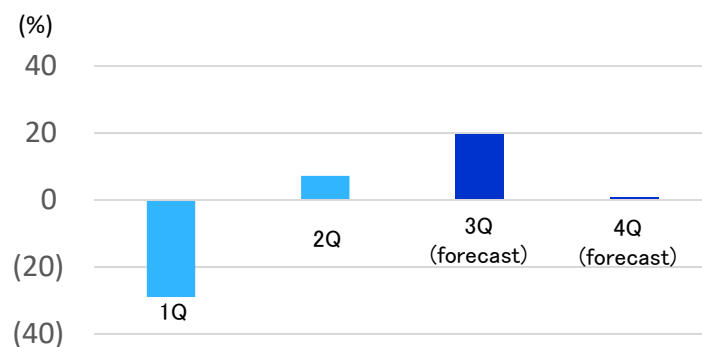
1. Status of unit sales recovery (YoY change)

<Lift truck> *Impact of typhoon in previous FY adjusted



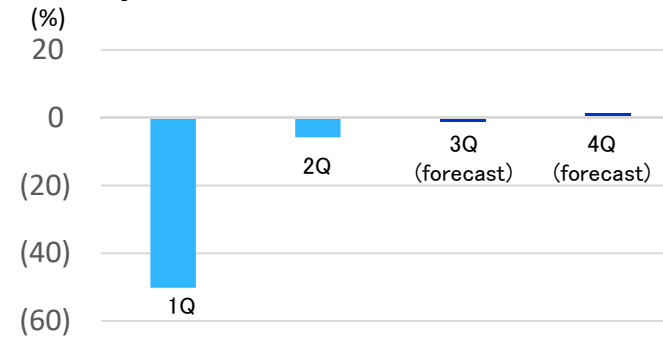
- Market shows recovery in Japan and North America
- All plants in operation

<Vehicle>



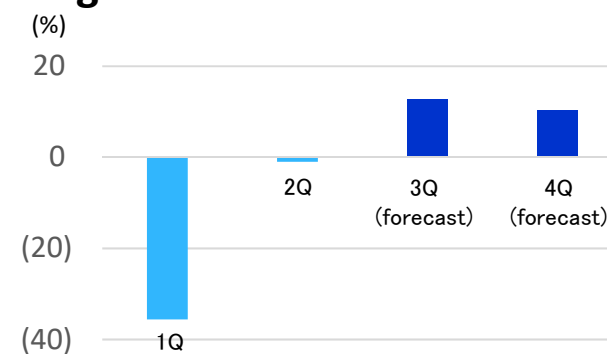
- Recover 1Q decreased production from 2Q onward

<Compressor>



- Recovery of order forecast from 2Q onward
- All plants mostly recovers operation from September onward

<Engine>



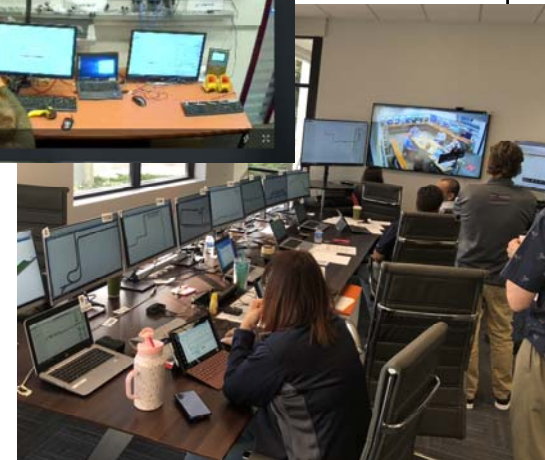
- Steady recovery of A25A and M20A gasoline engines as well as GD diesel engines

Impact of COVID-19

2. Activities under the pandemic

■ Vanderlande

While business trip is restricted, tested installed control system remotely



■ Textile Machinery

As overseas trip is restricted, gave installation instructions to service technicians abroad from Japan remotely



Impact of COVID-19

3. Expanding business opportunities

- Further increase of automated and efficient logistics solutions needs



- Subsidy on EVs in Europe, one economic measures in the region, pushes up demand for electric type compressors

<Subsidies in major countries>

Country	Outline of subsidy
Germany	Increase of subsidy amount for purchase of new EVs
France	Continuance of subsidy for vehicle repurchase including EVs
Italy	Increase of subsidy amount for purchase of low emission vehicles

Impact of COVID-19

4. Secure of cash flow

■ Profit improvement activities

- Revision of operations, cost reductions, cancellation of large conference and events
- Acceleration of in-house development of components and facilities

■ Investment and R&D

- Postponement or reduction** of **non essential and non urgent** projects
- Continuance** of projects for **future growth** including those related to electrification and automation

■ Cash on hand

- Increased** from two-month equivalent to **three-month equivalent** of consolidated net sales
- Issued **domestic corporate bond** amounting ¥30B in July for the first time in one year and eight months



- No critical cash management issue** for the moment
- Flexibly take actions** including accelerated funding in the future **as necessary**

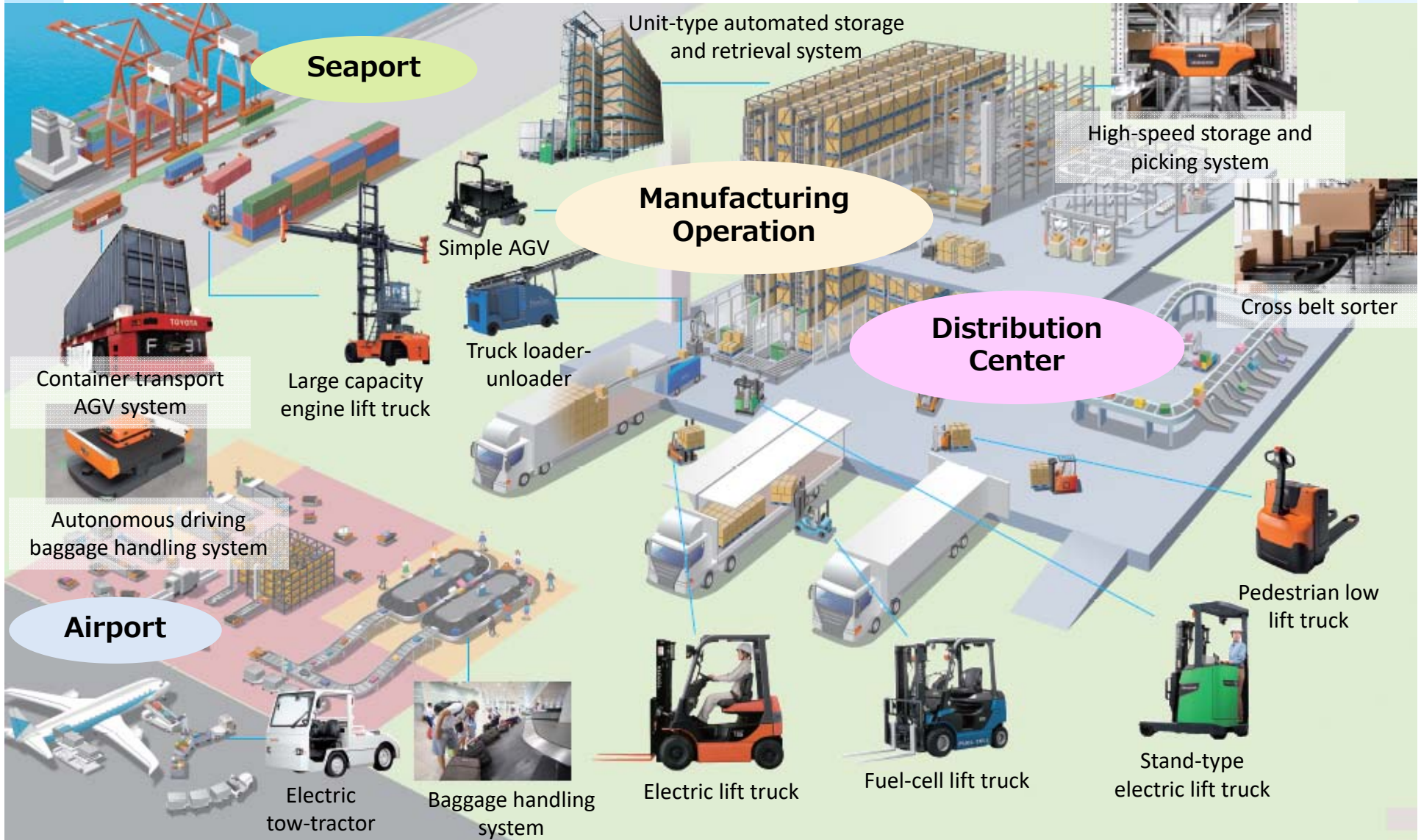
III. Our Business Initiatives

Materials Handling Equipment

Car Air-conditioning
Compressor

Materials Handling Equipment

1. Toyota Industries' Products at Various Logistics Sites



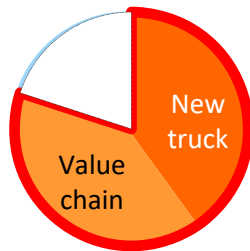
Materials Handling Equipment

2. Characteristics of Each Business

Lift truck

Broad utility with enduring demand

Net sales breakdown



Approx. 80%

- Used in all size of customers from small- & mid- to large-sized
- Used in various industries
 - Manufacturing, transportation, warehouse, wholesale & retail, seaport, airport...
 - Receiving & shipping of distribution center of e-commerce

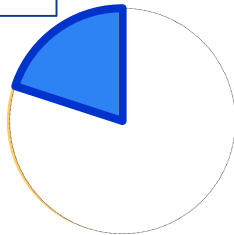


Logistics solutions

Strong growth in response to needs for automation and manpower reduction

Net sales breakdown

Approx. 20%



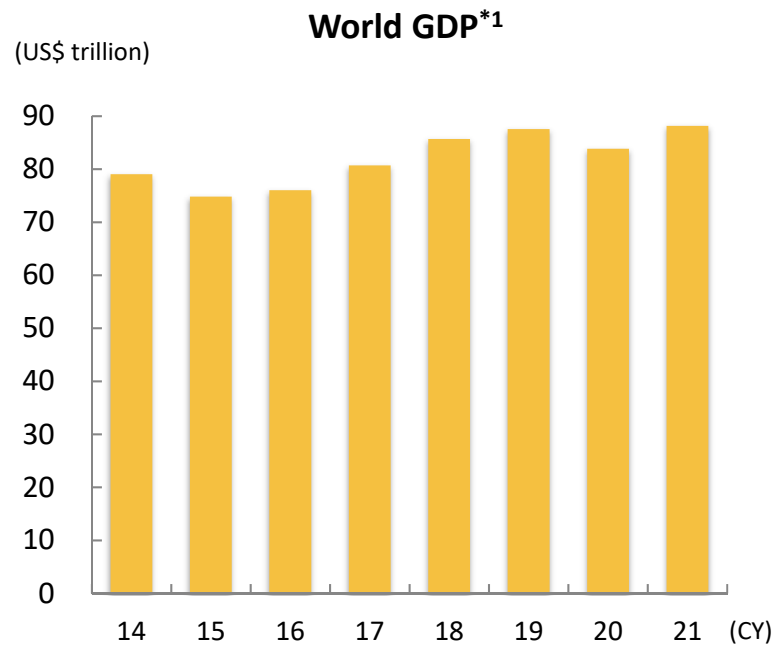
- Large & automated distribution centers of e-commerce and others
- Baggage handling system active in over 600 airports including world's major hub airports



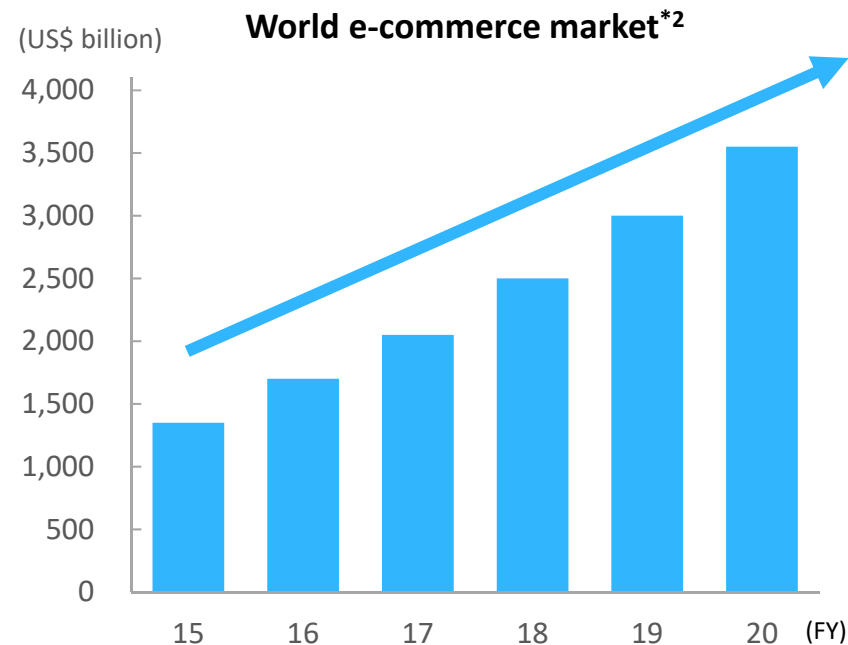
Materials Handling Equipment

3. Business Environment

- **Gradual recovery of global economy** along with settlement of COVID-19
 - Further increase of **e-commerce**
 - **Social distancing** being taken root
 - **Labor cost increase** centered on emerging markets
- Increasing needs for **mechanization and automation**



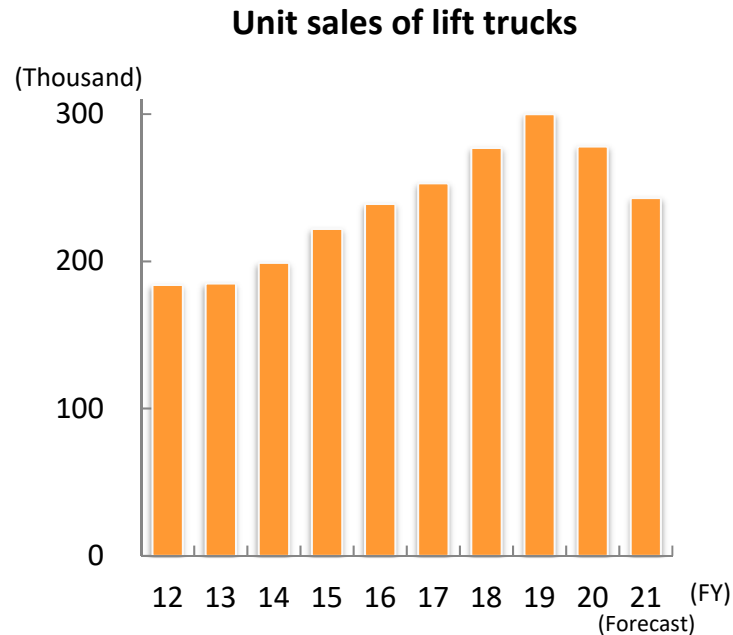
*1: IMF, World Economic Outlook, October 2020
(Forecast for 2020 and 2021)



*2: Produced by Toyota Industries based on "Study Report on a Structural Analysis of the ICT Industry in the IoT Era and Verification of ICT's Multifaceted Contributions to Economic Growth," Japan's Ministry of Internal Affairs and Communication (2016)

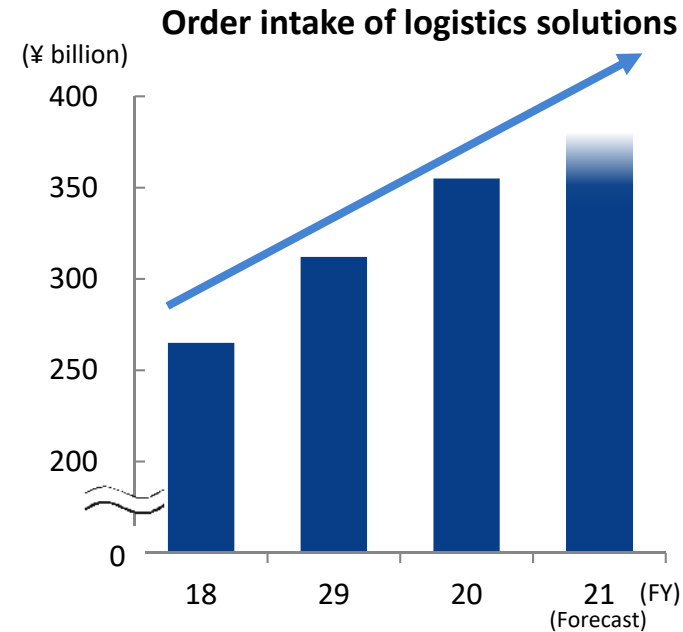
Materials Handling Equipment

4. Sales of Toyota Industries



-YoY decrease expected for FY21 by COVID-19

-**Tendency of demand recovery** along with **recent** resume of economic activities in each country/region



-Stable appetite for investment in such industries as **e-commerce, foods and daily use items** by life style change due to COVID-19

-**Long-term service contracts** agreed with several **airports**

-Demand from general manufacturing is also recovering

Materials Handling Equipment

5. Major Activities for Further Growth

Leveraging its comprehensive strength covering both lift truck and logistics solutions, respond to diversifying needs for efficient logistics

■ **Acceleration of collaboration among Vanderlande, Bastian and TICO, as well as with lift truck business**

- Order intake increase leveraging strength of each company
- Speed-up of development of autonomous driving as core technology



■ **Profitability improvement of logistics solutions business**

- Acquisition of after sales services and repeat orders, modularization of systems



■ **Customer support utilizing digital technologies and logistics improvement know-how**

Materials Handling Equipment

6. Case Example of Increasing Order Intake (1/3)

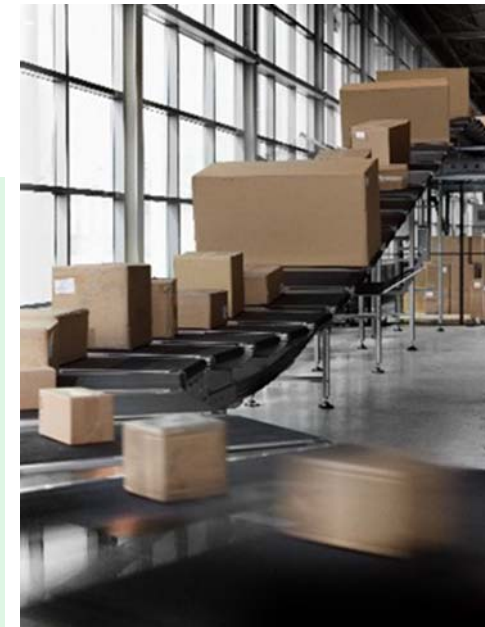
Collaboration between Vanderlande and TICO

TMHJ* acquired an order from a world leading express service provider for its **distribution center project in Japan for the first time** through collaboration with **Vanderlande**

* Toyota Material Handling Japan

<Key factors for winning the order>

- **Vanderlande's past experience** with the customer **globally**
- **TMHJ's support** to introduce Vanderlande's system **in Japan** and **development of necessary structure**



Materials Handling Equipment

6. Case Example of Increasing Order Intake (2/3)

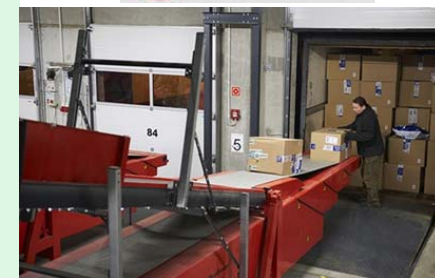
Collaboration among Three Companies



TMHJ* acquired an order from a leading daily use items provider for its **distribution center in Japan for the first time** through three companies' collaboration

<Key factors for winning the order>

- **Bastian's** past experience with the customer as well as its **system management software superior in flexibility and scalability**
- **Vanderlande's** highly reliable **equipment**
- **TMHJ's support** to introduce Bastian's software **in Japan** and **after sales services**



Materials Handling Equipment

6. Case Example of Increasing Order Intake (3/3)

Proactive Sales Expansion of Vanderlande & Bastian

[Vanderlande]

- Concluded a long term allocation contract with a **world leading e-commerce company** for several distribution center projects in Europe and North America
- Received orders from **hub airports in Europe and North America** for long-term servicing



[Bastian]

- Received orders from a **leading pet items e-commerce company retailer and cold chain logistics** for their distribution center projects

Materials Handling Equipment

7. Case Example of Utilizing Digital Technologies

VR* Simulator for Lift Truck Operators Training

* Virtual Reality

Specifically designed VR goggle helps efficient **simulation training of lift truck driving as well as loading and unloading**
=>Contribute to improving customers' logistics efficiency by quickly **developing well skilled operators**



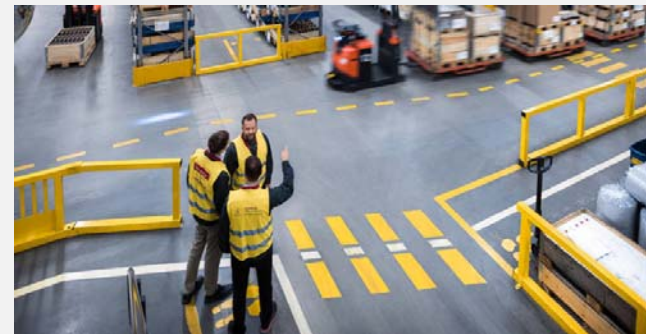
Materials Handling Equipment

8. Case Example of Strengthening Sales Capability

Strengthening Sales Capability both Online and Offline

With experience at various logistics sites, **provide dealers with logistics improvement knowhow**

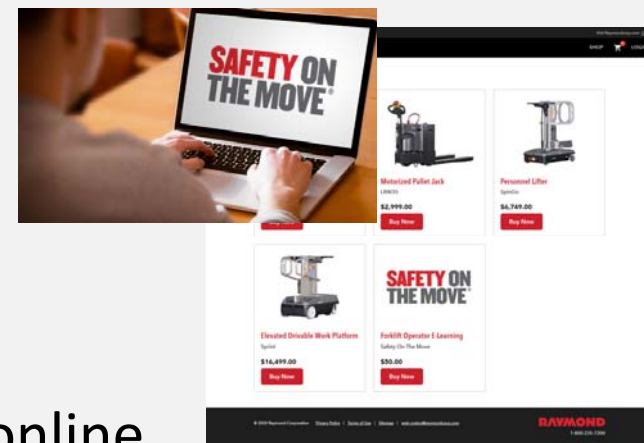
=>Enhance solution proposal ability of dealers



Further improvement of customer experience by **utilizing websites**

=>Offer **e-learning programs** including **safety and energy efficient driving**

=>Sell entry models or spare parts online



III. Our Business Initiatives

Materials Handling Equipment

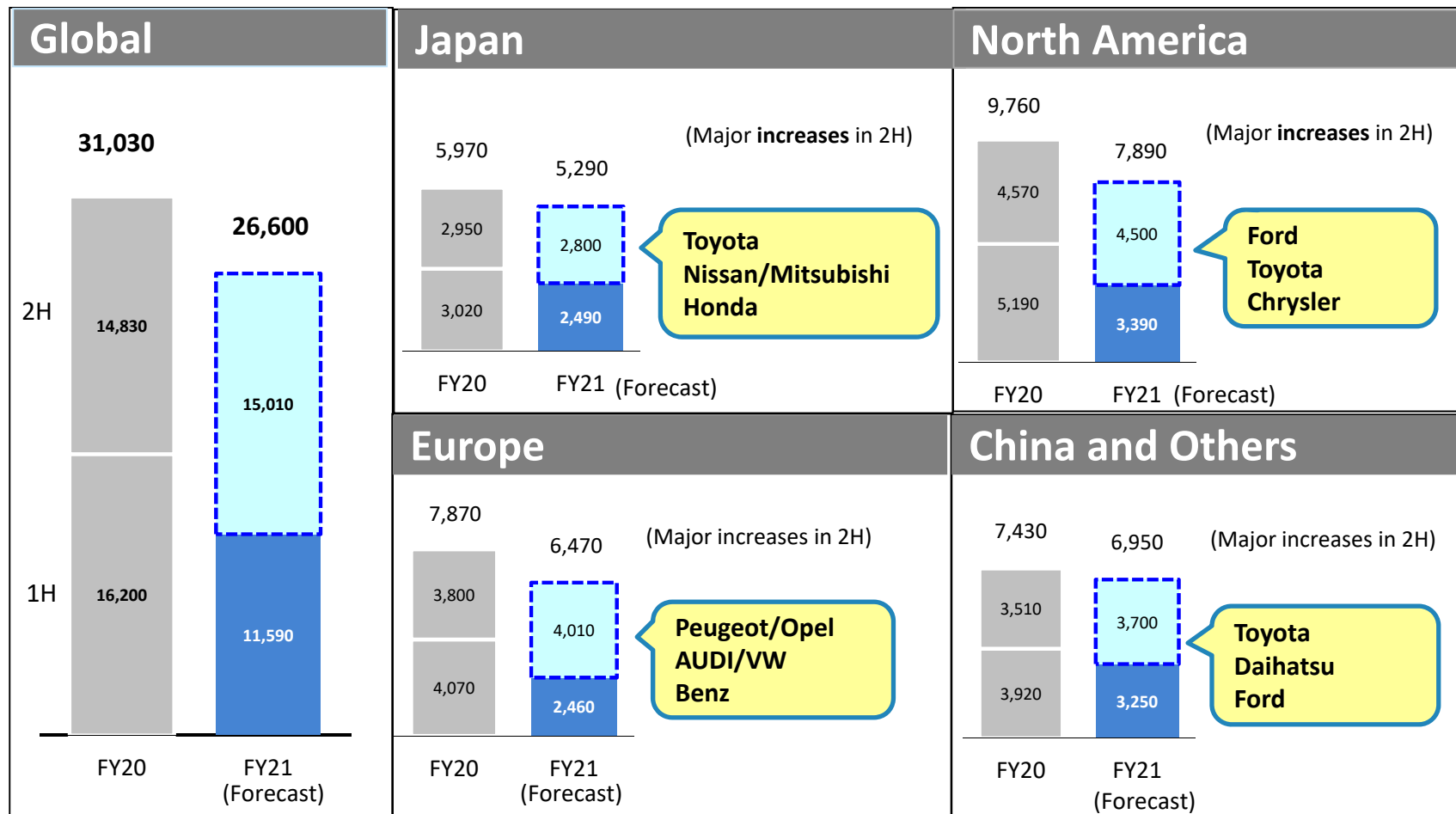
Car Air-conditioning
Compressor

Car Air-Conditioning Compressor

1. Our Compressor Sales and Forecast

Recovery of unit sales is expected in each region from 1H to 2H

(Thousand units)

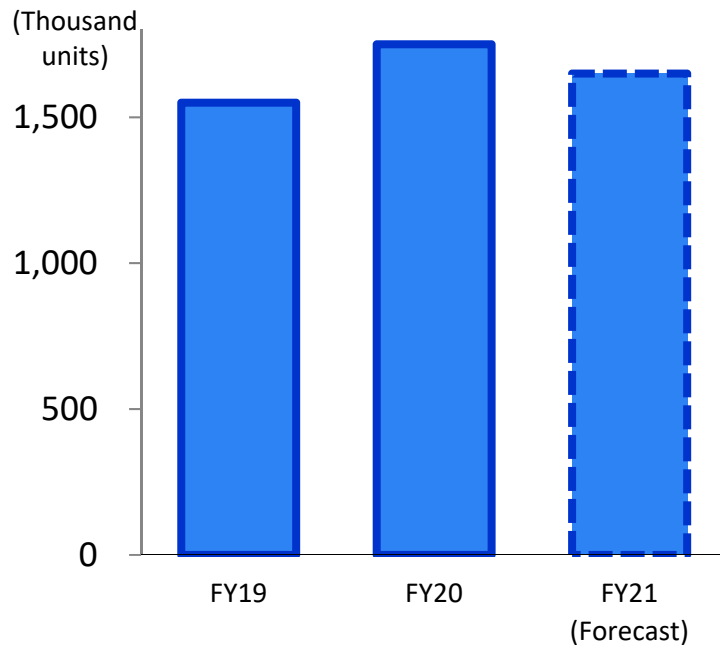


Car Air-Conditioning Compressor

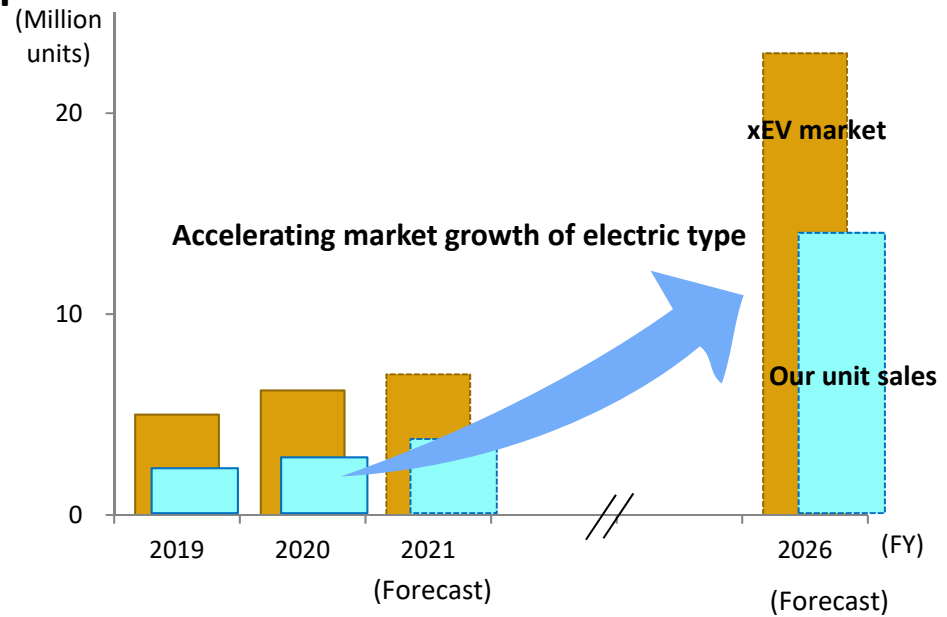
2. Increase of Electric Type Compressor

Stable order intake including electric type despite of impact of COVID-19

New order intake



Electrified Vehicle Market and Unit sales of Our Electric Type



Topic

Production start in China

Production at two locations in response to growth of xEV market

March 2020, TACK for Honda vehicles

June 2021, YST for Toyota vehicles

Deploy manufacturing knowhow of mother plant in Japan

Car Air-Conditioning Compressor

3. Profitability Improvement through Increase of Electric Type

- Thorough cost reduction
- Restraining fixed cost while increase in volume

Improve **profitability** of the business **as a whole**, by sales expansion of highly **value-added** electric type

■ Examples of initiatives

Cost reduction activities based on our rich R&D experience of various electronics products



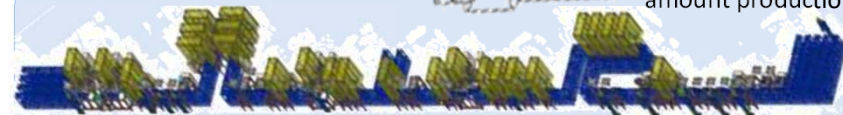
Inverter

Quality and productivity improvement throughout the production process up to assembly by pursuing ultimate quality in **die-casting process**

Production efficiency improvement through the **best combination** of mass production line and cell line for small amount production



Cell line for small amount production

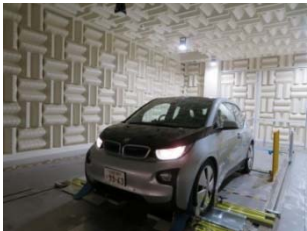



Mass production line

Restraining investment by improving versatility of equipment use of both engine- and electric-driven types

Car Air-Conditioning Compressor

4. Strengthening R&D of Electric Type in Response to Increasing Needs for EVs

Needs from pure EV	TICO initiatives
Extension of driving range	<p>Unique design achieving improvement of efficiency and quietness</p> <ul style="list-style-type: none"> -Repeated simulations enabling to develop the suitable design -Quantitative evaluation using internally developed equipment -Sensory evaluation at proving ground 
Lower noise in EV interior	
Prevention of radio disturbance on home appliances while EVs being charged	<p>Improvement of inverter performance achieving lower electromagnetic noise</p> <ul style="list-style-type: none"> -Collaboration with Electronics Division which possessing broad element technologies enabling to respond to demand of auto makers 
Prevention of battery performance deterioration	<p>Offering of battery-cooling products leveraging knowhow accumulated through development of products for car air-conditioner</p> <ul style="list-style-type: none"> -Development of highly efficient and reliable products
Improvement of efficiency in power consumption while heating	<p>Initiatives responding to heat pump air-conditioner</p> <ul style="list-style-type: none"> -Development of both high capacity type and that with gas-injection function type

Car Air-Conditioning Compressor

What is heat pump air-conditioning system?
Efficient heating method without needs of waste heat from engine or heater

Improvement of efficiency in power consumption while heating

Development of compressor for heat pump air-conditioning system

■ Response to diversifying needs

High capacity electric type compressor

-40% increase of cooling and heating capabilities by higher capacity and faster rotation

-In addition to air-conditioning, contribute to cooling such devices as batteries

Electric type compressor with gas injection function

-Improve efficiency in power consumption while heating by enabling operation of heat pump air-conditioning system under cold climate

■ Response to longer operation hour by usage for both cooling and heating

-> Unique internal design realizing two to three times higher durability



Aim for sales expansion for pure EVs which are expected to increase in sales volume.

Topics

Our Contribution to Well Selling RAV4

- Global best selling SUV in 2019
- Selected as the Car of the Year Japan 2019-2020



Our role in automobile business

Engaged in product development process from product planning phase, taking roles in broad areas from development including external design to assembly



Our major products mounted on RAV4



ESB27 electric compressor



2.5-liter A25A engine for HVs



On-board charger



1.5 kW AC inverter



Disaster prevention training utilizing outer power supply function of AC inverter

Topics

Initiatives toward Realizing Zero CO2 Emissions Society

(1) Reduction of waste heat loss in the drying process of vehicle painting

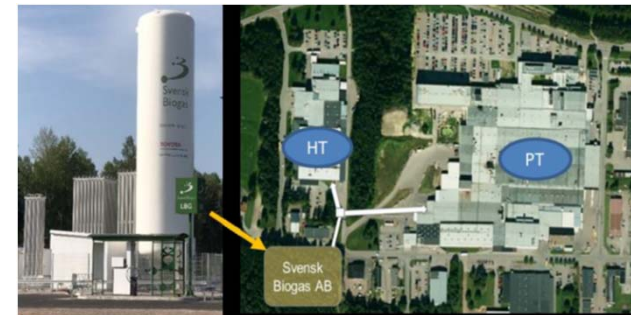
- Improvement of painting process where emitted 60% of CO2 in the plant
- This approach can be applied in other plants

(2) Achievement of zero CO2 emissions at a manufacturing plant overseas

- 100% use of green electricity including hydraulic power
- Introduction of biogas, a gas from biomass



Won a Minister of Economy, Trade and Industry Award



Lift truck manufacturing plant in Sweden

CDP, a world renowned NGO in environment field, selected TICO as an **A-list** company for two consecutive years



Selected on climate change

Cautionary Statement with Respect to Forward-Looking Statements

This presentation contains projections of business results as well as statements regarding business plans, forecasts, strategies, and other forward-looking statements that are not to be taken as historical fact. Projections and forward-looking statements are based on the current expectations and estimates of Toyota Industries and its Group companies. 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. You should also be aware that certain risks and uncertainties could cause the actual results of Toyota Industries and its Group companies to differ materially from any projections or forward-looking statements appearing in this report. These risks and uncertainties include, but are not limited to, the following: 1) economic trends, 2) various competitive pressures, 3) changes in relevant laws and regulations, and 4) fluctuations in exchange rates.