

# FINANCIAL RESULTS

FY2021      Second Quarter

(April 1, 2020 through September 30, 2020)

**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.*

## FY2021 Second Quarter Consolidated Financial Results<IFRS> (April 1, 2020 - September 30, 2020)

### TOYOTA INDUSTRIES CORPORATION

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The expected date of submission of the quarterly report (Japanese only): November 13, 2020

The expected date of dividends payment: November 26, 2020

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 FY2021 Second Quarter (April 1, 2020 - September 30, 2020)

##### (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>FY2021 Second Quarter</b>	<b>957,007</b>	<b>(13.2)</b>	<b>30,201</b>	<b>(57.8)</b>	<b>65,212</b>	<b>(39.7)</b>	<b>50,251</b>	<b>(40.8)</b>
FY2020 Second Quarter	1,102,951	4.3	71,582	16.6	108,059	9.8	84,919	8.7

	Profit attributable to owners of the parent		Comprehensive income		Earnings per share – basic	Earnings per share – diluted
	Million yen	%	Million yen	%	Yen	Yen
<b>FY2021 Second Quarter</b>	<b>48,108</b>	<b>(41.5)</b>	<b>216,070</b>	<b>21.5</b>	<b>154.95</b>	—
FY2020 Second Quarter	82,284	10.6	177,901	5.6	265.02	—

##### (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>FY2021 Second Quarter</b>	<b>5,547,111</b>	<b>2,707,164</b>	<b>2,625,600</b>	<b>47.3</b>
FY2020	5,279,653	2,520,537	2,438,807	46.2

## 2. Cash Dividends

	Annual cash dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	FY Total
FY2020	— Yen	80.00 Yen	— Yen	80.00 Yen	160.00 Yen
<b>FY2021</b>	—	70.00			
FY2021 (Forecast)			—	70.00	140.00

(Note) Changes in the forecasted cash dividends in this quarter : Yes

## 3. Forecasts of Consolidated Financial Results for FY2021 (April 1, 2020 - March 31, 2021)

(% : changes from 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
FY2021	2,000,000	(7.9)	85,000	(33.7)	140,000	(28.7)	105,000	(28.0)	338.18

(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 : No

(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):

FY2021 Second Quarter — 325,840,640 shares, FY2020 — 325,840,640 shares

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

FY2021 Second Quarter — 15,357,705 shares, FY2020 — 15,357,028 shares

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

FY2021 Second Quarter — 310,483,377 shares, FY2020 Second Quarter — 310,484,809 shares

\* This quarterly financial results are 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 106 yen to the U.S. dollar and 121 yen to the euro for FY2021.
- Please see page 3 on attached documents for details on performance forecasts in "Explanation for Forecast for FY2021".

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## 1. Explanation for Quarterly Financial Results

### (1) Explanation for Business Results

During the second quarter of FY2021 (the six months from April 1 to September 30, 2020), total consolidated net sales of Toyota Industries amounted to 957.0 billion yen, a decrease of 145.9 billion yen, or 13%, 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 249.8 billion yen, a decrease of 65.4 billion yen, or 21%, from the same period of the previous fiscal year.

Within this segment, net sales of the Vehicle Business totaled 41.2 billion yen, a decrease of 5.1 billion yen, or 11%, due to decreases in sales of RAV4 both for Japan and abroad.

Net sales of the Engine Business totaled 51.0 billion yen, a decrease of 10.7 billion yen, or 17%, resulting mainly from decreases in sales of GD diesel engines and, M20A and A25A gasoline engines.

Net sales of the Car Air-Conditioning Compressor Business totaled 125.4 billion yen, a decrease of 43.9 billion yen, or 26%. Sales decreased mainly in North America and Europe.

Net sales of the Electronics Parts, Foundry and Others Business totaled 32.1 billion yen, a decrease of 5.7 billion yen, or 15%, due to decreases in sales of electronics parts and foundry products.

Net sales of the Materials Handling Equipment Segment totaled 662.9 billion yen, a decrease of 64.3 billion yen, or 9%. Sales of lift trucks, a mainstay product of this segment, decreased primarily in Europe and North America.

Net sales of the Textile Machinery Segment totaled 17.8 billion yen, a decrease of 12.4 billion yen, or 41%, attributable mainly to decreases in sales of weaving machinery and yarn quality measurement instruments.

In terms of overall profit, despite further advances in cost reduction efforts throughout the Toyota Industries Group, decreases in raw material costs and decreases in expenses and others, Toyota Industries posted consolidated operating profit of 30.2 billion yen, a decrease of 41.3 billion yen, or 58%, from the same period of the previous fiscal year, due mainly to a decrease in net sales. Profit before income taxes totaled 65.2 billion yen, a decrease of 42.8 billion yen, or 40% and profit attributable to owners of the parent totaled 48.1 billion yen, a decrease of 34.1 billion yen, or 42%.

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

Assets amounted to 5,547.1 billion yen, an increase of 267.5 billion yen from the end of the previous fiscal year, due mainly to an increase in fair value of investment securities. Liabilities amounted to 2,839.9 billion yen, an increase of 80.8 billion yen from the end of the previous fiscal year, due mainly to an increase in deferred tax liabilities. Equity amounted to 2,707.1 billion yen, an increase of 186.6 billion yen from the end of the previous fiscal year.

## **(3) Explanation for Forecast for FY2021**

Due to results of the second quarter of FY2021, Toyota Industries has revised its forecasts of consolidated financial results for FY2021 to consolidated net sales of 2,000.0 billion yen, operating profit of 85.0 billion yen, profit before income taxes of 140.0 billion yen and profit attributable to owner of the parent of 105.0 billion yen.

Our projections are based on assumed exchange rates of 106 yen to the U.S. dollar and 121 yen to the euro for FY2021.

## 2. Condensed Quarterly Consolidated Financial Statements and Main Notes

### (1) Condensed Quarterly Consolidated Financial Position

(Millions of yen)

	FY2020 (As of March 31, 2020)	FY2021 Second Quarter (As of September 30, 2020)
<b>Assets</b>		
Current assets		
Cash and cash equivalents	358,144	218,227
Time deposits with deposit terms of over three months	175,216	334,695
Trade receivables and other receivables	867,088	887,396
Other financial assets	5,273	3,938
Inventories	255,738	251,178
Income tax receivables	13,756	19,411
Other current assets	64,664	59,176
<b>Total current assets</b>	<b>1,739,883</b>	<b>1,774,024</b>
Non-current assets		
Property, plant and equipment	991,195	999,391
Goodwill and intangible assets	354,701	352,745
Trade receivables and other receivables	4,123	4,258
Investments accounted for by the equity method	10,991	11,253
Other financial assets	2,120,298	2,344,712
Net defined benefit assets	22,547	23,213
Deferred tax assets	30,877	32,093
Other non-current assets	5,034	5,417
<b>Total non-current assets</b>	<b>3,539,770</b>	<b>3,773,086</b>
<b>Total assets</b>	<b>5,279,653</b>	<b>5,547,111</b>



(Millions of yen)

	FY2020 (As of March 31, 2020)	FY2021 Second Quarter (As of September 30, 2020)
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
Current liabilities		
Trade payables and other payables	519,330	517,499
Corporate bonds and loans	329,143	365,084
Other financial liabilities	75,382	75,211
Accrued income taxes	20,435	14,770
Provisions	10,300	13,543
Other current liabilities	19,721	22,884
<b>Total current liabilities</b>	<b>974,314</b>	<b>1,008,995</b>
Non-current liabilities		
Corporate bonds and loans	1,010,627	983,695
Other financial liabilities	85,833	85,130
Net defined benefit liabilities	101,784	105,338
Provisions	7,764	7,749
Deferred tax liabilities	556,880	626,080
Other non-current liabilities	21,911	22,957
<b>Total non-current liabilities</b>	<b>1,784,801</b>	<b>1,830,951</b>
<b>Total liabilities</b>	<b>2,759,115</b>	<b>2,839,946</b>
<b>Equity</b>		
Share of equity attributable to owners of the parent		
Capital stock	80,462	80,462
Capital surplus	103,515	102,345
Retained earnings	1,267,521	1,290,888
Treasury stock	(59,307)	(59,311)
Other components of shareholders' equity	1,046,614	1,211,214
<b>Total share of equity attributable to owners of the parent</b>	<b>2,438,807</b>	<b>2,625,600</b>
Non-controlling interests	81,730	81,564
<b>Total equity</b>	<b>2,520,537</b>	<b>2,707,164</b>
<b>Total liabilities and equity</b>	<b>5,279,653</b>	<b>5,547,111</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)

	FY2020 Second Quarter (April 1, 2019 - September 30, 2019)	FY2021 Second Quarter (April 1, 2020 - September 30, 2020)
Net sales	1,102,951	957,007
Cost of sales	(842,620)	(753,602)
Gross profit	260,330	203,404
Selling, general and administrative expenses	(188,463)	(178,510)
Other income	3,900	10,924
Other expenses	(4,184)	(5,618)
Operating profit	71,582	30,201
Financial income	40,211	39,982
Financial expenses	(4,553)	(5,354)
Share of profit (loss) of investments accounted for by the equity method	819	382
Profit before income taxes	108,059	65,212
Income taxes	(23,139)	(14,960)
<b>Profit</b>	84,919	50,251
Profit attributable to:		
Owners of the parent	82,284	48,108
Non-controlling interests	2,634	2,142
Earnings per share		
Earnings per share – basic (yen)	265.02	154.95
Earnings per share – diluted (yen)	–	–

## Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY2020 Second Quarter (April 1, 2019 - September 30, 2019)	FY2021 Second Quarter (April 1, 2020 - September 30, 2020)
<b>Profit</b>	84,919	50,251
Other comprehensive income:		
Items not to be reclassified into profit or loss		
Net changes in revaluation of FVTOCI financial assets	127,656	155,110
Remeasurements of defined benefit plans	121	98
Other comprehensive income of affiliates accounted for by the equity method	2	2
Total items not to be reclassified into profit or loss	127,779	155,211
Items that can be reclassified into profit or loss		
Translation adjustments of foreign operations	(34,985)	9,883
Cash flow hedges	269	652
Other comprehensive income of affiliates accounted for by the equity method	(82)	72
Total items that can be reclassified into profit or loss	(34,798)	10,608
Total other comprehensive income	92,981	165,819
<b>Comprehensive income</b>	177,901	216,070
Total comprehensive income attributable to:		
Owners of the parent	177,728	212,805
Non-controlling interests	172	3,264

### (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, 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	—
<b>Balance as of April 1, 2020</b>	80,462	103,515	1,267,521	(59,307)	1,138,219	—
Profit	—	—	48,108	—	—	—
Other comprehensive income	—	—	—	—	154,692	97
Total comprehensive income	—	—	48,108	—	154,692	97
Repurchase of treasury stock	—	—	—	(4)	—	—
Disposal of treasury stock	—	0	—	0	—	—
Dividends	—	—	(24,838)	—	—	—
Changes in ownership interest of subsidiaries	—	(1,169)	—	—	—	—
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	97	—	—	(97)
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	(1,169)	(24,741)	(4)	—	(97)
<b>Balance as of September 30, 2020</b>	80,462	102,345	1,290,888	(59,311)	1,292,912	—

(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, 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

<b>Balance as of April 1, 2020</b>	(93,662)	2,057	1,046,614	2,438,807	81,730	2,520,537
Profit	—	—	—	48,108	2,142	50,251
Other comprehensive income	9,254	652	164,696	164,696	1,122	165,819
Total comprehensive income	9,254	652	164,696	212,805	3,264	216,070
Repurchase of treasury stock	—	—	—	(4)	—	(4)
Disposal of treasury stock	—	—	—	0	—	0
Dividends	—	—	—	(24,838)	(1,134)	(25,972)
Changes in ownership interest of subsidiaries	—	—	—	(1,169)	(2,296)	(3,466)
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	(97)	—	—	—
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	—	(97)	(26,012)	(3,430)	(29,443)
<b>Balance as of September 30, 2020</b>	(84,407)	2,709	1,211,214	2,625,600	81,564	2,707,164

**(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 FY2021, Toyota Industries paid dividends of 24,838 million yen from retained earnings.

## (Segment Information)

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 (loss)	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 (loss)" is inter-segment transactions.  
3. "Segment profit (loss)" reconciles to operating profit disclosed in the condensed quarterly consolidated statement of profit or loss.

FY2021 Second Quarter (April 1, 2020 - September 30, 2020)

(Millions of yen)

	Automobile	Materials Handling Equipment	Textile Machinery	Others (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)	
Sales								
Outside customer sales	249,867	662,920	17,882	26,336	957,007	—	957,007	
Inter-segment transactions	10,261	707	137	12,958	24,064	(24,064)	—	
Total	260,129	663,627	18,019	39,295	981,071	(24,064)	957,007	
Segment profit (loss)	(17,519)	47,069	(1,145)	1,746	30,151	50	30,201	
Financial income								39,982
Financial expenses								(5,354)
Share of profit (loss) of investments accounted for by the equity method								382
Profit before income taxes								65,212

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