

# FINANCIAL RESULTS

FY2021 Third Quarter

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

### TOYOTA INDUSTRIES CORPORATION

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The expected date of submission of the quarterly report (Japanese only): February 12, 2021

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 FY2021 Third Quarter (April 1, 2020 - December 31, 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 Third Quarter</b>	<b>1,523,604</b>	<b>(6.2)</b>	<b>79,151</b>	<b>(21.7)</b>	<b>144,843</b>	<b>(14.9)</b>	<b>113,629</b>	<b>(14.4)</b>
FY2020 Third Quarter	1,624,488	(0.3)	101,039	3.2	170,265	2.5	132,686	0.9

	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 Third Quarter</b>	<b>109,850</b>	<b>(15.1)</b>	<b>569,551</b>	<b>54.7</b>	<b>353.81</b>	—
FY2020 Third Quarter	129,327	2.3	368,161	—	416.53	—

##### (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 Third Quarter</b>	<b>6,004,512</b>	<b>3,038,047</b>	<b>2,954,903</b>	<b>49.2</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	—	80.00	160.00
FY2021 (Forecast)				80.00	150.00

(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	2,100,000	(3.3)	110,000	(14.2)	175,000	(10.8)	135,000	(7.5)	434.81

(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 Third Quarter — 325,840,640 shares, FY2020 — 325,840,640 shares

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

FY2021 Third Quarter — 15,358,121 shares, FY2020 — 15,357,028 shares

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

FY2021 Third Quarter — 310,483,164 shares, FY2020 Third Quarter — 310,484,618 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 122 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 third quarter of FY2021 (the nine months from April 1 to December 31, 2020), total consolidated net sales of Toyota Industries amounted to 1,523.6 billion yen, a decrease of 100.8 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 419.3 billion yen, a decrease of 43.0 billion yen, or 9%, from the same period of the previous fiscal year.

Within this segment, net sales of the Vehicle Business totaled 65.7 billion yen, a decrease of 1.7 billion yen, or 3%, due to decreases in sales of RAV4 both for Japan and abroad.

Net sales of the Engine Business totaled 85.7 billion yen, a decrease of 5.0 billion yen, or 5%, resulting mainly from decreases in sales of GD diesel engines and M20A gasoline engines.

Net sales of the Car Air-Conditioning Compressor Business totaled 212.2 billion yen, a decrease of 36.5 billion yen, or 15%. Sales decreased mainly in North America and Europe.

Net sales of the Electronics Parts, Foundry and Others Business totaled 55.6 billion yen, on par with the same period of the previous fiscal year, due to increase in sales of electronics parts despite a decrease in sales of foundry products.

Net sales of the Materials Handling Equipment Segment totaled 1,034.8 billion yen, a decrease of 33.9 billion yen, or 3%. Sales of lift trucks, a mainstay product of this segment, decreased primarily in Europe and North America although net sales of logistics solutions business increased.

Net sales of the Textile Machinery Segment totaled 28.9 billion yen, a decrease of 19.6 billion yen, or 40%, 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 and decreases in expenses and others, Toyota Industries posted consolidated operating profit of 79.1 billion yen, a decrease of 21.9 billion yen, or 22%, from the same period of the previous fiscal year, due mainly to a decrease in net sales. Profit before income taxes totaled 144.8 billion yen, a decrease of 25.4 billion yen, or 15% and profit attributable to owners of the parent totaled 109.8 billion yen, a decrease of 19.5 billion yen, or 15%.

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

Assets amounted to 6,004.5 billion yen, an increase of 724.9 billion yen from the end of the previous fiscal year, due mainly to an increase in fair value of investment securities. Liabilities amounted to 2,966.4 billion yen, an increase of 207.3 billion yen from the end of the previous fiscal year, due mainly to an increase in deferred tax liabilities. Equity amounted to 3,038.0 billion yen, an increase of 517.5 billion yen from the end of the previous fiscal year.

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

Due to results of the third quarter of FY2021, Toyota Industries has revised its forecasts of consolidated financial results for FY2021 to consolidated net sales of 2,100.0 billion yen, operating profit of 110.0 billion yen, profit before income taxes of 175.0 billion yen and profit attributable to owners of the parent of 135.0 billion yen.

Our projections are based on assumed exchange rates of 106 yen to the U.S. dollar and 122 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 Third Quarter (As of December 31, 2020)
<b>Assets</b>		
Current assets		
Cash and cash equivalents	358,144	245,184
Time deposits with deposit terms of over three months	175,216	374,740
Trade receivables and other receivables	867,088	843,925
Other financial assets	5,273	4,995
Inventories	255,738	257,435
Income tax receivables	13,756	21,800
Other current assets	64,664	65,874
<b>Total current assets</b>	<b>1,739,883</b>	<b>1,813,955</b>
Non-current assets		
Property, plant and equipment	991,195	1,007,769
Goodwill and intangible assets	354,701	352,630
Trade receivables and other receivables	4,123	3,857
Investments accounted for by the equity method	10,991	11,454
Other financial assets	2,120,298	2,753,733
Net defined benefit assets	22,547	23,021
Deferred tax assets	30,877	32,856
Other non-current assets	5,034	5,232
<b>Total non-current assets</b>	<b>3,539,770</b>	<b>4,190,557</b>
<b>Total assets</b>	<b>5,279,653</b>	<b>6,004,512</b>

(Millions of yen)

	FY2020 (As of March 31, 2020)	FY2021 Third Quarter (As of December 31, 2020)
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
Current liabilities		
Trade payables and other payables	519,330	542,472
Corporate bonds and loans	329,143	352,850
Other financial liabilities	75,382	78,233
Accrued income taxes	20,435	13,771
Provisions	10,300	9,679
Other current liabilities	19,721	26,327
<b>Total current liabilities</b>	<b>974,314</b>	<b>1,023,334</b>
Non-current liabilities		
Corporate bonds and loans	1,010,627	956,257
Other financial liabilities	85,833	87,757
Net defined benefit liabilities	101,784	108,073
Provisions	7,764	8,491
Deferred tax liabilities	556,880	758,494
Other non-current liabilities	21,911	24,055
<b>Total non-current liabilities</b>	<b>1,784,801</b>	<b>1,943,130</b>
<b>Total liabilities</b>	<b>2,759,115</b>	<b>2,966,464</b>
<b>Equity</b>		
Share of equity attributable to owners of the parent		
Capital stock	80,462	80,462
Capital surplus	103,515	102,305
Retained earnings	1,267,521	1,329,764
Treasury stock	(59,307)	(59,314)
Other components of shareholders' equity	1,046,614	1,501,685
<b>Total share of equity attributable to owners of the parent</b>	<b>2,438,807</b>	<b>2,954,903</b>
Non-controlling interests	81,730	83,144
<b>Total equity</b>	<b>2,520,537</b>	<b>3,038,047</b>
<b>Total liabilities and equity</b>	<b>5,279,653</b>	<b>6,004,512</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 Third Quarter (April 1, 2019 - December 31, 2019)	FY2021 Third Quarter (April 1, 2020 - December 31, 2020)
Net sales	1,624,488	1,523,604
Cost of sales	(1,238,418)	(1,177,465)
Gross profit	386,070	346,138
Selling, general and administrative expenses	(282,840)	(272,710)
Other income	6,498	13,684
Other expenses	(8,689)	(7,961)
Operating profit	101,039	79,151
Financial income	74,242	73,508
Financial expenses	(6,079)	(8,558)
Share of profit (loss) of investments accounted for by the equity method	1,062	742
Profit before income taxes	170,265	144,843
Income taxes	(37,578)	(31,214)
<b>Profit</b>	132,686	113,629
Profit attributable to:		
Owners of the parent	129,327	109,850
Non-controlling interests	3,359	3,778
Earnings per share		
Earnings per share – basic (yen)	416.53	353.81
Earnings per share – diluted (yen)	–	–

## Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY2020 Third Quarter (April 1, 2019 - December 31, 2019)	FY2021 Third Quarter (April 1, 2020 - December 31, 2020)
<b>Profit</b>	132,686	113,629
Other comprehensive income:		
Items not to be reclassified into profit or loss		
Net changes in revaluation of FVTOCI financial assets	246,337	437,957
Remeasurements of defined benefit plans	(1,295)	(1,036)
Other comprehensive income of affiliates accounted for by the equity method	12	14
Total items not to be reclassified into profit or loss	245,054	436,934
Items that can be reclassified into profit or loss		
Translation adjustments of foreign operations	(10,660)	17,147
Cash flow hedges	1,132	1,694
Other comprehensive income of affiliates accounted for by the equity method	(52)	145
Total items that can be reclassified into profit or loss	(9,579)	18,987
Total other comprehensive income	235,474	455,922
<b>Comprehensive income</b>	368,161	569,551
Total comprehensive income attributable to:		
Owners of the parent	365,633	563,885
Non-controlling interests	2,527	5,665

### (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	—	—	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	—

<b>Balance as of April 1, 2020</b>	80,462	103,515	1,267,521	(59,307)	1,138,219	—
Profit	—	—	109,850	—	—	—
Other comprehensive income	—	—	—	—	437,299	(1,037)
Total comprehensive income	—	—	109,850	—	437,299	(1,037)
Repurchase of treasury stock	—	—	—	(7)	—	—
Disposal of treasury stock	—	0	—	0	—	—
Dividends	—	—	(46,572)	—	—	—
Changes in ownership interest of subsidiaries	—	(1,209)	—	—	—	—
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	(1,035)	—	(1)	1,037
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	(1,209)	(47,608)	(7)	(1)	1,037
<b>Balance as of December 31, 2020</b>	80,462	102,305	1,329,764	(59,314)	1,575,517	—

(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	—	—	—	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

<b>Balance as of April 1, 2020</b>	(93,662)	2,057	1,046,614	2,438,807	81,730	2,520,537
Profit	—	—	—	109,850	3,778	113,629
Other comprehensive income	16,077	1,694	454,034	454,034	1,887	455,922
Total comprehensive income	16,077	1,694	454,034	563,885	5,665	569,551
Repurchase of treasury stock	—	—	—	(7)	—	(7)
Disposal of treasury stock	—	—	—	0	—	0
Dividends	—	—	—	(46,572)	(1,625)	(48,197)
Changes in ownership interest of subsidiaries	—	—	—	(1,209)	(2,625)	(3,835)
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	1,035	—	—	—
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	—	1,035	(47,789)	(4,251)	(52,040)
<b>Balance as of December 31, 2020</b>	(77,584)	3,751	1,501,685	2,954,903	83,144	3,038,047

**(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 FY2021, Toyota Industries paid dividends of 46,572 million yen from retained earnings.

## (Segment Information)

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

FY2021 Third Quarter (April 1, 2020 - December 31, 2020)

(Millions of yen)

	Automobile	Materials Handling Equipment	Textile Machinery	Others (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)	
Sales								
Outside customer sales	419,344	1,034,825	28,997	40,437	1,523,604	—	1,523,604	
Inter-segment transactions	16,521	1,158	215	19,494	37,391	(37,391)	—	
Total	435,865	1,035,984	29,212	59,932	1,560,995	(37,391)	1,523,604	
Segment profit (loss)	(3,488)	79,998	(884)	3,486	79,111	40	79,151	
Financial income								73,508
Financial expenses								(8,558)
Share of profit (loss) of investments accounted for by the equity method								742
Profit before income taxes								144,843

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