

FINANCIAL RESULTS

FY2022 First Quarter

(April 1, 2021 through June 30, 2021)

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.

FY2022 First Quarter Consolidated Financial Results<IFRS> (April 1, 2021 - June 30, 2021)

TOYOTA INDUSTRIES CORPORATION

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The expected date of submission of the quarterly report (Japanese only): August 6, 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 FY2022 First Quarter (April 1, 2021 - June 30, 2021)

(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	%
FY2022 First Quarter	616,914	43.2	57,493	—	101,302	239.1	78,239	227.8
FY2021 First Quarter	430,857	(21.8)	(6,496)	—	29,869	(56.5)	23,871	(56.7)

	Profit attributable to owners of the parent		Comprehensive income		Earnings per share—basic	Earnings per share—diluted
	Million yen	%	Million yen	%	Yen	Yen
FY2022 First Quarter	77,598	222.4	326,690	150.4	249.93	249.93
FY2021 First Quarter	24,070	(55.2)	130,477	105.4	77.53	77.53

(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	%
FY2022 First Quarter	6,867,634	3,623,603	3,536,974	51.5
FY2021	6,503,986	3,322,550	3,236,038	49.8

2. Cash Dividends

	Annual cash dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	FY Total
FY2021	— Yen	70.00 Yen	— Yen	80.00 Yen	150.00 Yen
FY2022	—				
FY2022 (Forecast)		80.00	—	90.00	170.00

(Note) Changes in the forecasted cash dividends in this quarter : No

3. Forecasts of Consolidated Financial Results for FY2022 (April 1, 2021 - March 31, 2022)

(% : 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
FY2022	2,600,000	22.7	150,000	26.9	225,000	22.3	165,000	20.7	531.43

(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):

FY2022 First Quarter — 325,840,640 shares, FY2021 — 325,840,640 shares

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

FY2022 First Quarter — 15,359,524 shares, FY2021 — 15,358,862 shares

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

FY2022 First Quarter — 310,481,314 shares, FY2021 First Quarter — 310,483,576 shares

* These 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 currently available to management and certain assumptions deemed reasonable by Toyota industries, and are not guarantees of future performance. Actual results could differ from those projections due to uncertainties including economic conditions and exchange rate fluctuations.
- Our projections are based on assumed exchange rates of 106 yen to the U.S. dollar and 127 yen to the euro for FY2022.
- Please see page 3 on attached documents for details on performance forecasts in "Explanation for Forecast for FY2022".

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1. Explanation for Quarterly Financial Results

(1) Explanation for Business Results

During the first quarter of FY2022 (the three months from April 1 to June 30, 2021), total consolidated net sales of Toyota Industries amounted to 616.9 billion yen, an increase of 186.1 billion yen, or 43%, 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 173.1 billion yen, an increase of 78.4 billion yen, or 83%, from the same period of the previous fiscal year.

Within this segment, net sales of the Vehicle Business totaled 23.5 billion yen, an increase of 7.2 billion yen, or 44%, due to an increase in sales of RAV4 both for Japan and abroad.

Net sales of the Engine Business totaled 45.4 billion yen, an increase of 23.1 billion yen, or 103%, resulting mainly from an increase in sales of GD diesel engines and A25A gasoline engines.

Net sales of the Car Air-Conditioning Compressor Business totaled 85.6 billion yen, an increase of 39.9 billion yen, or 87%. Sales increased in each region, especially in North America and Europe.

Net sales of the Electronics Parts and Others Business totaled 18.4 billion yen, an increase of 8.2 billion yen, or 79%, due to an increase in sales of DC-DC converters and other products.

Net sales of the Materials Handling Equipment Segment totaled 417.2 billion yen, an increase of 101.5 billion yen, or 32%. Sales of lift trucks, a mainstay product of this segment, increased in Europe and other regions.

Net sales of the Textile Machinery Segment totaled 13.5 billion yen, an increase of 5.5 billion yen, or 67%, attributable to an increase in sales of yarn quality measurement instruments and other products.

In terms of overall profit, despite an increase in raw material prices and labor costs, mainly owing to sales efforts, Toyota Industries posted consolidated operating profit of 57.4 billion yen (operating loss of 6.4 billion yen in the same period of the previous fiscal year). Profit before income taxes totaled 101.3 billion yen, an increase of 71.5 billion yen, or 239% and profit attributable to owners of the parent totaled 77.5 billion yen, an increase of 53.5 billion yen, or 222%.

From the financial results for the fourth quarter of FY2021, "the Electronics Parts, Foundry and Others Business" has been renamed as "the Electronics Parts and Others Business", while foundry products and others included in "the Electronics Parts, Foundry and Others Business" have been reclassified into "the Engine Business" and "the Car Air-Conditioning Compressor Business". Figures for the first quarter of FY2021 have also been reclassified.

(2) Explanation for Financial Condition

Assets amounted to 6,867.6 billion yen, an increase of 363.7 billion yen from the end of the previous fiscal year, mainly due to an increase in fair value of investment securities. Liabilities amounted to 3,244.0 billion yen, an increase of 62.6 billion yen from the end of the previous fiscal year, mainly owing to an increase in deferred tax liabilities. Equity amounted to 3,623.6 billion yen, an increase of 301.1 billion yen from the end of the previous fiscal year.

(3) Explanation for Forecast for FY2022

In addition to results of the first quarter of FY2022, Toyota Industries has revised sales plans upward, mainly in Materials Handling Equipment Segment, as the global market recovery exceeds the initial projection, especially in Europe and North America. Furthermore, the expansion of the e-commerce market and the progress of logistics automation also provide a tailwind. As a result of this revision of the sales plans, Toyota Industries revises the forecasts of consolidated financial results for FY2022 to consolidated net sales of 2,600.0 billion yen, profit before income taxes of 225.0 billion yen and profit attributable to owners of the parent of 165.0 billion yen. Operating profit is expected to be 150.0 billion yen, as previously forecasted.

Our projections are based on exchange rates of 106 yen to the U.S. dollar and 127 yen to the euro for FY2022.

2. Condensed Quarterly Consolidated Financial Statements and Main Notes

(1) Condensed Quarterly Consolidated Financial Position

(Millions of yen)

	FY2021 (As of March 31, 2021)	FY2022 First Quarter (As of June 30, 2021)
Assets		
Current assets		
Cash and cash equivalents	238,248	273,456
Time deposits with deposit terms of over three months	353,864	293,979
Trade receivables and other receivables	962,270	972,941
Other financial assets	5,947	5,304
Inventories	292,461	330,891
Income tax receivables	22,630	12,895
Other current assets	72,658	65,373
Total current assets	1,948,081	1,954,842
Non-current assets		
Property, plant and equipment	1,043,405	1,047,027
Goodwill and intangible assets	363,449	366,653
Trade receivables and other receivables	3,519	3,143
Investments accounted for by the equity method	16,812	18,504
Other financial assets	3,051,702	3,398,703
Net defined benefit assets	33,997	34,102
Deferred tax assets	37,615	38,515
Other non-current assets	5,401	6,142
Total non-current assets	4,555,904	4,912,792
Total assets	6,503,986	6,867,634

(Millions of yen)

	FY2021 (As of March 31, 2021)	FY2022 First Quarter (As of June 30, 2021)
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade payables and other payables	613,579	609,036
Corporate bonds and loans	435,238	491,722
Other financial liabilities	78,673	73,675
Accrued income taxes	22,786	20,420
Provisions	13,343	14,440
Other current liabilities	24,617	30,534
Total current liabilities	1,188,239	1,239,829
Non-current liabilities		
Corporate bonds and loans	910,124	817,132
Other financial liabilities	88,364	87,155
Net defined benefit liabilities	104,900	105,327
Provisions	10,225	10,362
Deferred tax liabilities	854,644	958,089
Other non-current liabilities	24,937	26,134
Total non-current liabilities	1,993,196	2,004,201
Total liabilities	3,181,436	3,244,030
Equity		
Share of equity attributable to owners of the parent		
Capital stock	80,462	80,462
Capital surplus	102,307	102,320
Retained earnings	1,369,775	1,422,668
Treasury stock	(59,321)	(59,327)
Other components of shareholders' equity	1,742,814	1,990,850
Total share of equity attributable to owners of the parent	3,236,038	3,536,974
Non-controlling interests	86,511	86,629
Total equity	3,322,550	3,623,603
Total liabilities and equity	6,503,986	6,867,634

(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)

	FY2021 First Quarter (April 1, 2020 - June 30, 2020)	FY2022 First Quarter (April 1, 2021 - June 30, 2021)
Net sales	430,857	616,914
Cost of sales	(349,453)	(462,802)
Gross profit	81,403	154,111
Selling, general and administrative expenses	(88,935)	(102,851)
Other income	4,336	8,576
Other expenses	(3,301)	(2,343)
Operating profit (loss)	(6,496)	57,493
Financial income	38,860	43,575
Financial expenses	(2,477)	(1,682)
Share of profit (loss) of investments accounted for by the equity method	(17)	1,916
Profit before income taxes	29,869	101,302
Income taxes	(5,998)	(23,062)
Profit	23,871	78,239
Profit attributable to:		
Owners of the parent	24,070	77,598
Non-controlling interests	(198)	640
Earnings per share		
Earnings per share – basic (yen)	77.53	249.93
Earnings per share – diluted (yen)	77.53	249.93

Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY2021 First Quarter (April 1, 2020 - June 30, 2020)	FY2022 First Quarter (April 1, 2021 - June 30, 2021)
Profit	23,871	78,239
Other comprehensive income:		
Items not to be reclassified into profit or loss		
Net changes in revaluation of FVTOCI financial assets	97,621	238,766
Remeasurements of defined benefit plans	566	124
Other comprehensive income of affiliates accounted for by the equity method	2	8
Total items not to be reclassified into profit or loss	98,191	238,899
Items that can be reclassified into profit or loss		
Translation adjustments of foreign operations	7,384	8,010
Cash flow hedges	978	1,452
Other comprehensive income of affiliates accounted for by the equity method	50	87
Total items that can be reclassified into profit or loss	8,414	9,551
Total other comprehensive income	106,605	248,450
Comprehensive income	130,477	326,690
Total comprehensive income attributable to:		
Owners of the parent	129,697	325,767
Non-controlling interests	779	923

(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
Balance as of April 1, 2020	80,462	103,515	1,267,521	(59,307)	1,138,219	—
Profit	—	—	24,070	—	—	—
Other comprehensive income	—	—	—	—	97,282	565
Total comprehensive income	—	—	24,070	—	97,282	565
Repurchase of treasury stock	—	—	—	(0)	—	—
Disposal of treasury stock	—	0	—	0	—	—
Dividends	—	—	(24,838)	—	—	—
Changes in ownership interest of subsidiaries	—	84	—	—	—	—
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	565	—	—	(565)
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	84	(24,272)	(0)	—	(565)
Balance as of June 30, 2020	80,462	103,599	1,267,319	(59,307)	1,235,501	—

Balance as of April 1, 2021	80,462	102,307	1,369,775	(59,321)	1,779,685	—
Profit	—	—	77,598	—	—	—
Other comprehensive income	—	—	—	—	238,884	129
Total comprehensive income	—	—	77,598	—	238,884	129
Repurchase of treasury stock	—	—	—	(6)	—	—
Disposal of treasury stock	—	0	—	0	—	—
Dividends	—	—	(24,838)	—	—	—
Changes in ownership interest of subsidiaries	—	12	—	—	—	—
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	132	—	(3)	(129)
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	12	(24,706)	(6)	(3)	(129)
Balance as of June 30, 2021	80,462	102,320	1,422,668	(59,327)	2,018,567	—

(Millions of yen)

	Share of equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of shareholders' equity			Total		
	Translation adjustments of foreign operations	Cash flow hedges	Total			
Balance as of April 1, 2020	(93,662)	2,057	1,046,614	2,438,807	81,730	2,520,537
Profit	—	—	—	24,070	(198)	23,871
Other comprehensive income	6,800	978	105,627	105,627	978	106,605
Total comprehensive income	6,800	978	105,627	129,697	779	130,477
Repurchase of treasury stock	—	—	—	(0)	—	(0)
Disposal of treasury stock	—	—	—	0	—	0
Dividends	—	—	—	(24,838)	(627)	(25,465)
Changes in ownership interest of subsidiaries	—	—	—	84	(341)	(257)
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	(565)	—	—	—
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	—	(565)	(24,754)	(968)	(25,723)
Balance as of June 30, 2020	(86,861)	3,035	1,151,676	2,543,750	81,541	2,625,291

Balance as of April 1, 2021	(39,082)	2,211	1,742,814	3,236,038	86,511	3,322,550
Profit	—	—	—	77,598	640	78,239
Other comprehensive income	7,701	1,452	248,168	248,168	282	248,450
Total comprehensive income	7,701	1,452	248,168	325,767	923	326,690
Repurchase of treasury stock	—	—	—	(6)	—	(6)
Disposal of treasury stock	—	—	—	0	—	0
Dividends	—	—	—	(24,838)	(805)	(25,643)
Changes in ownership interest of subsidiaries	—	—	—	12	0	13
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	(132)	—	—	—
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	—	(132)	(24,832)	(804)	(25,636)
Balance as of June 30, 2021	(31,380)	3,664	1,990,850	3,536,974	86,629	3,623,603

(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 first quarter of FY2022, Toyota Industries paid dividends of 24,838 million yen from retained earnings.

(Segment Information)

FY2021 First Quarter (April 1, 2020 - June 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	94,760	315,791	8,074	12,230	430,857	—	430,857	
Inter-segment transactions	4,877	184	68	5,815	10,946	(10,946)	—	
Total	99,638	315,976	8,143	18,046	441,804	(10,946)	430,857	
Segment profit (loss)	(22,902)	17,194	(1,014)	203	(6,520)	23	(6,496)	
Financial income								38,860
Financial expenses								(2,477)
Share of profit (loss) of investments accounted for by the equity method								(17)
Profit before income taxes								29,869

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

FY2022 First Quarter (April 1, 2021 - June 30, 2021)

(Millions of yen)

	Automobile	Materials Handling Equipment	Textile Machinery	Others (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)	
Sales								
Outside customer sales	173,100	417,235	13,514	13,064	616,914	—	616,914	
Inter-segment transactions	6,632	83	73	6,331	13,120	(13,120)	—	
Total	179,733	417,318	13,587	19,396	630,035	(13,120)	616,914	
Segment profit (loss)	9,743	44,923	1,037	1,810	57,514	(21)	57,493	
Financial income								43,575
Financial expenses								(1,682)
Share of profit (loss) of investments accounted for by the equity method								1,916
Profit before income taxes								101,302

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