

FINANCIAL RESULTS

FY2022 Second Quarter

(April 1, 2021 through September 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 Second Quarter Consolidated Financial Results<IFRS> (April 1, 2021 - September 30, 2021)

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): November 12, 2021

The expected date of dividends payment: November 26, 2021

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 Second Quarter (April 1, 2021 - September 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 Second Quarter	1,260,842	31.7	94,367	212.5	137,801	111.3	104,895	108.7
FY2021 Second Quarter	957,007	(13.2)	30,201	(57.8)	65,212	(39.7)	50,251	(40.8)

	Profit attributable to owners of the parent		Comprehensive income		Earnings per share—basic	Earnings per share—diluted
	Million yen	%	Million yen	%	Yen	Yen
FY2022 Second Quarter	103,386	114.9	363,173	68.1	332.99	332.99
FY2021 Second Quarter	48,108	(41.5)	216,070	21.5	154.95	154.95

(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 Second Quarter	6,917,261	3,659,324	3,572,251	51.6
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	—	80.00			
FY2022 (Forecast)			—	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 : No

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 Second Quarter — 325,840,640 shares, FY2021 — 325,840,640 shares
 - (ii) Number of treasury stock outstanding at end of each period:
FY2022 Second Quarter — 15,360,013 shares, FY2021 — 15,358,862 shares
 - (iii) Average number of shares outstanding for each period (accumulated):
FY2022 Second Quarter — 310,480,993 shares, FY2021 Second Quarter — 310,483,377 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 exchange rates of 110 yen to the U.S. dollar and 130 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 second quarter of FY2022 (the six months from April 1 to September 30, 2021), total consolidated net sales of Toyota Industries amounted to 1,260.8 billion yen, an increase of 303.8 billion yen, or 32%, 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 360.3 billion yen, an increase of 110.5 billion yen, or 44%, from the same period of the previous fiscal year.

Within this segment, net sales of the Vehicle Business totaled 42.1 billion yen, an increase of 0.9 billion yen, or 2%, due to an increase in sales of RAV4 both for Japan and abroad.

Net sales of the Engine Business totaled 112.4 billion yen, an increase of 54.6 billion yen, or 94%, resulting mainly from an increase in sales of GD diesel engines.

Net sales of the Car Air-Conditioning Compressor Business totaled 166.5 billion yen, an increase of 41.1 billion yen, or 33%. Sales increased in North America and Europe.

Net sales of the Electronics Parts and Others Business totaled 39.2 billion yen, an increase of 14.0 billion yen, or 56%, due to an increase in sales of DC-AC inverters and other products.

Net sales of the Materials Handling Equipment Segment totaled 843.7 billion yen, an increase of 180.8 billion yen, or 27%. Sales of lift trucks, a mainstay product of this segment, increased in Europe and other regions.

Net sales of the Textile Machinery Segment totaled 30.3 billion yen, an increase of 12.5 billion yen, or 70%. This is attributable primarily to an increase in sales of yarn quality measurement instruments.

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 94.3 billion yen, an increase of 64.1 billion yen, or 212%, from the same period of the previous fiscal year. Profit before income taxes totaled 137.8 billion yen, an increase of 72.6 billion yen, or 111% and profit attributable to owners of the parent amounted to 103.3 billion yen, an increase of 55.2 billion yen, or 115%.

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 second quarter of FY2021 have also been reclassified.

(2) Explanation for Financial Condition

Assets amounted to 6,917.2 billion yen, an increase of 413.3 billion yen from the end of the previous fiscal year, mainly due to an increase in fair value of investment securities. Liabilities amounted to 3,257.9 billion yen, an increase of 76.5 billion yen from the end of the previous fiscal year, mainly owing to an increase in deferred tax liabilities. Equity amounted to 3,659.3 billion yen, an increase of 336.8 billion yen from the end of the previous fiscal year.

(3) Explanation for Forecast for FY2022

Toyota Industries forecasts consolidated net sales of 2,600.0 billion yen, operating profit of 150.0 billion yen, profit before income taxes of 225.0 billion yen and profit attributable to owners of the parent of 165.0 billion yen. Our projections are based on exchange rates of 110 yen to the U.S. dollar and 130 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 Second Quarter (As of September 30, 2021)
Assets		
Current assets		
Cash and cash equivalents	238,248	153,831
Time deposits with deposit terms of over three months	353,864	404,636
Trade receivables and other receivables	962,270	977,464
Other financial assets	5,947	4,854
Inventories	292,461	358,479
Income tax receivables	22,630	15,044
Other current assets	72,658	71,038
Total current assets	1,948,081	1,985,350
Non-current assets		
Property, plant and equipment	1,043,405	1,052,399
Goodwill and intangible assets	363,449	363,534
Trade receivables and other receivables	3,519	2,907
Investments accounted for by the equity method	16,812	18,185
Other financial assets	3,051,702	3,418,091
Net defined benefit assets	33,997	34,159
Deferred tax assets	37,615	37,421
Other non-current assets	5,401	5,213
Total non-current assets	4,555,904	4,931,911
Total assets	6,503,986	6,917,261

(Millions of yen)

	FY2021 (As of March 31, 2021)	FY2022 Second Quarter (As of September 30, 2021)
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade payables and other payables	613,579	597,362
Corporate bonds and loans	435,238	501,971
Other financial liabilities	78,673	73,619
Accrued income taxes	22,786	18,872
Provisions	13,343	16,271
Other current liabilities	24,617	28,343
Total current liabilities	1,188,239	1,236,442
Non-current liabilities		
Corporate bonds and loans	910,124	828,837
Other financial liabilities	88,364	85,141
Net defined benefit liabilities	104,900	105,360
Provisions	10,225	10,141
Deferred tax liabilities	854,644	965,452
Other non-current liabilities	24,937	26,560
Total non-current liabilities	1,993,196	2,021,495
Total liabilities	3,181,436	3,257,937
Equity		
Share of equity attributable to owners of the parent		
Capital stock	80,462	80,462
Capital surplus	102,307	102,287
Retained earnings	1,369,775	1,448,885
Treasury stock	(59,321)	(59,332)
Other components of shareholders' equity	1,742,814	1,999,947
Total share of equity attributable to owners of the parent	3,236,038	3,572,251
Non-controlling interests	86,511	87,072
Total equity	3,322,550	3,659,324
Total liabilities and equity	6,503,986	6,917,261

(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 Second Quarter (April 1, 2020 - September 30, 2020)	FY2022 Second Quarter (April 1, 2021 - September 30, 2021)
Net sales	957,007	1,260,842
Cost of sales	(753,602)	(963,378)
Gross profit	203,404	297,464
Selling, general and administrative expenses	(178,510)	(210,940)
Other income	10,924	13,048
Other expenses	(5,618)	(5,204)
Operating profit	30,201	94,367
Financial income	39,982	44,569
Financial expenses	(5,354)	(3,523)
Share of profit (loss) of investments accounted for by the equity method	382	2,388
Profit before income taxes	65,212	137,801
Income taxes	(14,960)	(32,906)
Profit	50,251	104,895
Profit attributable to:		
Owners of the parent	48,108	103,386
Non-controlling interests	2,142	1,509
Earnings per share		
Earnings per share – basic (yen)	154.95	332.99
Earnings per share – diluted (yen)	154.95	332.99

Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY2021 Second Quarter (April 1, 2020 - September 30, 2020)	FY2022 Second Quarter (April 1, 2021 - September 30, 2021)
Profit	50,251	104,895
Other comprehensive income:		
Items not to be reclassified into profit or loss		
Net changes in revaluation of FVTOCI financial assets	155,110	251,877
Remeasurements of defined benefit plans	98	550
Other comprehensive income of affiliates accounted for by the equity method	2	12
Total items not to be reclassified into profit or loss	155,211	252,440
Items that can be reclassified into profit or loss		
Translation adjustments of foreign operations	9,883	5,566
Cash flow hedges	652	192
Other comprehensive income of affiliates accounted for by the equity method	72	77
Total items that can be reclassified into profit or loss	10,608	5,836
Total other comprehensive income	165,819	258,277
Comprehensive income	216,070	363,173
Total comprehensive income attributable to:		
Owners of the parent	212,805	361,081
Non-controlling interests	3,264	2,091

(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	—	—	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)
Balance as of September 30, 2020	80,462	102,345	1,290,888	(59,311)	1,292,912	—

Balance as of April 1, 2021	80,462	102,307	1,369,775	(59,321)	1,779,685	—
Profit	—	—	103,386	—	—	—
Other comprehensive income	—	—	—	—	251,803	558
Total comprehensive income	—	—	103,386	—	251,803	558
Repurchase of treasury stock	—	—	—	(10)	—	—
Disposal of treasury stock	—	0	—	0	—	—
Dividends	—	—	(24,838)	—	—	—
Changes in ownership interest of subsidiaries	—	(20)	—	—	—	—
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	562	—	(4)	(558)
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	(19)	(24,276)	(10)	(4)	(558)
Balance as of September 30, 2021	80,462	102,287	1,448,885	(59,332)	2,031,485	—

(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	—	—	—	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)
Balance as of September 30, 2020	(84,407)	2,709	1,211,214	2,625,600	81,564	2,707,164

Balance as of April 1, 2021	(39,082)	2,211	1,742,814	3,236,038	86,511	3,322,550
Profit	—	—	—	103,386	1,509	104,895
Other comprehensive income	5,140	192	257,695	257,695	582	258,277
Total comprehensive income	5,140	192	257,695	361,081	2,091	363,173
Repurchase of treasury stock	—	—	—	(10)	—	(10)
Disposal of treasury stock	—	—	—	0	—	0
Dividends	—	—	—	(24,838)	(1,555)	(26,394)
Changes in ownership interest of subsidiaries	—	—	—	(20)	26	6
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	(562)	—	—	—
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	—	(562)	(24,869)	(1,529)	(26,399)
Balance as of September 30, 2021	(33,941)	2,403	1,999,947	3,572,251	87,072	3,659,324

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

(Segment Information)

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.

FY2022 Second Quarter (April 1, 2021 - September 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	360,378	843,703	30,321	26,439	1,260,842	—	1,260,842	
Inter-segment transactions	13,896	171	137	13,644	27,849	(27,849)	—	
Total	374,275	843,875	30,458	40,083	1,288,692	(27,849)	1,260,842	
Segment profit (loss)	14,882	73,520	2,328	3,694	94,425	(58)	94,367	
Financial income								44,569
Financial expenses								(3,523)
Share of profit (loss) of investments accounted for by the equity method								2,388
Profit before income taxes								137,801

- (Notes) 1. "Others" represents businesses not included in the reporting segments.
2. Breakdown of adjustments
(58) 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.