

# FINANCIAL SUMMARY

FY2012 Second Quarter

(April 1, 2011 through September 30, 2011)

**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 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.*

## FY2012 Second Quarter Consolidated Financial Results <under Japanese GAAP> (April 1, 2011 - September 30, 2011)

### TOYOTA INDUSTRIES CORPORATION

Stock exchange listings: Tokyo, Osaka and Nagoya (Code number: 6201) (URL: <http://www.toyota-industries.com/>)

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The expected date of submission of the quarterly report: November 11, 2011

(Amounts less than one million yen are omitted)

#### 1. Financial Highlights for FY2012 Second Quarter (April 1, 2011 - September 30, 2011)

##### (1) Consolidated Financial Results

(% : change from the same period of previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2012 Second Quarter	<b>722,638</b>	(1.0)	<b>29,210</b>	(19.3)	<b>36,770</b>	(4.2)	<b>25,929</b>	9.5
FY2011 Second Quarter	729,807	16.3	36,205	-	38,393	800.1	23,683	-

(Note) Comprehensive income(loss): FY2012 Second Quarter — (97,992) million yen, FY2011 Second Quarter — (107,018) million yen

	Net income per share—basic	Net income per share—diluted
	Yen	Yen
FY2012 Second Quarter	<b>83.21</b>	-
FY2011 Second Quarter	76.02	-

##### (2) Consolidated Financial Position

	Total assets	Total net assets	Equity ratio
	Million yen	Million yen	%
FY2012 Second Quarter	<b>2,350,974</b>	<b>968,998</b>	<b>39.2</b>
FY2011	2,481,452	1,075,939	41.4

(Note) Shareholders' equity: FY2012 Second Quarter — 922,696 million yen, FY2011 — 1,028,217 million yen

#### 2. Cash Dividends

	Annual cash dividends per share				
	First quarter	Second quarter	Third quarter	Fiscal year-end	
	Yen	Yen	Yen	Yen	Yen
FY2011	-	25.00	-	25.00	50.00
<b>FY2012</b>	-	<b>25.00</b>			
FY2012 (Forecast)			-	25.00	50.00

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

#### 3. Forecasts of Consolidated Financial Results for FY2012 (April 1, 2011 - March 31, 2012)

(% : change from the same period of previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share—basic
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2012	1,580,000	6.8	75,000	9.0	85,000	15.0	55,000	16.5	176.46

(Note) Changes in the forecasts of consolidated financial results in this quarter : Yes

#### 4. Others

- (1) Changes in major subsidiaries (specified subsidiaries that changed company's consolidation in this quarter) : No
- (2) Application of special accounting methods for the preparation of quarterly consolidated financial statements : No
- (3) Changes in accounting policies, accounting estimates and restatement
  - ① Changes in accounting policies with revision of accounting standards : No
  - ② Changes other than ① : No
  - ③ Changes in accounting estimates : No
  - ④ Restatement : No
- (4) Issued and outstanding capital stock
  - ① Number of shares outstanding at end of each period (including treasury stock):  
FY2012 Second Quarter — 325,840,640 shares, FY2011 — 325,840,640 shares
  - ② Number of treasury stock outstanding at end of each period:  
FY2012 Second Quarter — 14,152,964 shares, FY2011 — 14,275,721 shares
  - ③ Average number of shares outstanding for each period:  
FY2012 Second Quarter — 311,605,545 shares, FY2011 Second Quarter — 311,569,854 shares

#### \* Progress of procedures for financial review of quarterly financial results

- The quarterly financial statements are under procedures of financial review, at the time of disclosure of this report.

#### \* 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 ¥75 = US\$1 and ¥105 = €1 for the remainder of the fiscal year.
- Please see page 3 on attached documents for details on performance forecasts in "Qualitative information regarding forecast for FY2012".

(Attached Documents)

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## **1. Qualitative Information and Financial Statements**

### **(1) Qualitative information regarding consolidated business results**

During the second quarter of FY2012 (the six months from April 1 to September 30, 2011), total consolidated net sales of Toyota Industries amounted to 722.6 billion yen, on par with the same period of the previous fiscal year. The following is a review of operations for the major business segments.

Owing to the aftermath effects of the Great East Japan Earthquake, Toyota Industries was forced to suspend production partially due to disruptions in parts supply. As a result, net sales of the Automobile Segment totaled 360.6 billion yen, a decrease of 48.3 billion yen, or 12%, from the same period of the previous fiscal year. Within this segment, net sales of the Vehicle Business amounted to 155.2 billion yen, a decrease of 38.5 billion yen, or 20%, due mainly to a decrease in sales of the Vitz (Yaris overseas) and RAV4.

Net sales of the Engine Business totaled 90.6 billion yen, a decrease of 7.6 billion yen, or 8%, attributable primarily to a decrease in sales of AR gasoline engines, although sales of KD diesel engines for emerging countries increased.

Net sales of the Car Air-Conditioning Compressor Business totaled 96.7 billion yen, on par with the same period of the previous fiscal year. This is attributable to solid sales in overseas as opposed to declining sales in Japan.

Net sales of the Materials Handling Equipment Segment totaled 276.9 billion yen, an increase of 46.1 billion yen, or 20%. This is because sales of lift trucks, a mainstay product of this segment, increased in domestic and overseas markets while keeping to a minimum the impact of parts shortages from domestic suppliers affected by the Earthquake.

Net sales of the Logistics Segment amounted to 46.3 billion yen, a decrease of 7.5 billion yen, or 14%. This is attributable to a decrease in sales of the cargo transport business of automotive-related parts and an exclusion from consolidation owing to the sale of a subsidiary's shares (Mail & e Business Logistics Service Co., Ltd.).

Net sales of the Textile Machinery Segment totaled 19.7 billion yen, an increase of 1.2 billion yen, or 6%, owing mainly to solid sales in emerging countries.

In terms of overall profit, Toyota Industries posted consolidated operating income of 29.2 billion yen, a decrease of 7.0 billion yen, or 19%, from the same period of the previous fiscal year and ordinary income of 36.7 billion, a year-on-year decrease of 1.6 billion yen, or 4%. This was due mainly to an increase in labor costs and higher raw material costs in addition to a decrease in sales of the Automobile Segment. Toyota Industries also recorded an increase in sales of the Materials Handling Equipment Segment while keeping to a minimum the impact arising from the Earthquake. Net income amounted to 25.9 billion yen, an increase of 2.3 billion yen, or 9%, from a year ago.

### **(2) Qualitative information regarding consolidated financial condition**

Total assets decreased 130.5 billion yen from the end of the previous fiscal year to 2,350.9 billion yen due mainly to a decrease in market value of investments in securities. Liabilities amounted to 1,381.9 billion yen, a decrease of 23.6 billion yen from the end of the previous fiscal year, due to a decrease in deferred tax liabilities despite an increase in bonds payable. Net assets amounted to 968.9 billion yen, a decrease of 107.0 billion yen from the end of the previous fiscal year.

### **(3) Qualitative information regarding forecast for FY2012**

Due to results of the first half of FY2012, an expected increase in sales of the Automobile Segment and further cost reduction activities, Toyota Industries has revised its forecasts of consolidated financial results for FY2012 to consolidated net sales of 1,580.0 billion yen, operating income of 75.0 billion yen, ordinary income of 85.0 billion yen and net income of 55.0 billion yen. Our projections are based on assumed exchange rates of ¥75 = US\$1 and ¥105 = €1 for the remainder of the fiscal year.

## 2. Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

(Million yen)

	FY2011 (As of March 31, 2011)	FY2012 Second Quarter (As of September 30, 2011)
<b>Assets</b>		
<b>Current assets:</b>		
Cash and deposits	198,654	323,212
Trade notes and accounts receivable	152,121	184,518
Lease investment assets	35,146	31,883
Short-term investments	132,430	60,831
Merchandise and finished goods	42,940	43,353
Work in process	31,256	32,599
Raw materials and supplies	30,065	31,810
Deferred tax assets	18,493	17,280
Other current assets	32,646	34,306
Allowance for doubtful accounts	(2,863)	(2,618)
<b>Total current assets</b>	<b>670,893</b>	<b>757,177</b>
<b>Fixed assets:</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	159,606	142,699
Machinery, equipment and vehicles, net	185,988	169,744
Tools, furniture and fixtures, net	23,634	23,219
Land	119,697	115,946
Construction in progress	8,350	10,264
<b>Total property, plant and equipment</b>	<b>497,278</b>	<b>461,873</b>
<b>Intangible assets:</b>		
Goodwill	68,573	63,569
Software	10,767	12,007
<b>Total intangible assets</b>	<b>79,340</b>	<b>75,577</b>
<b>Investments and other assets:</b>		
Investments in securities	1,123,306	947,486
Deferred tax assets	9,786	11,203
Lease investment assets	71,480	67,042
Other investments and other assets	29,539	30,766
Allowance for doubtful accounts	(173)	(154)
<b>Total investments and other assets</b>	<b>1,233,940</b>	<b>1,056,345</b>
<b>Total fixed assets</b>	<b>1,810,559</b>	<b>1,593,796</b>
<b>Total assets</b>	<b>2,481,452</b>	<b>2,350,974</b>



(Million yen)

	FY2011 (As of March 31, 2011)	FY2012 Second Quarter (As of September 30, 2011)
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Trade notes and accounts payable	144,956	158,751
Short-term loans payable	99,946	126,109
Commercial papers	11,133	13,408
Current portion of bonds	30,829	30,776
Lease obligations	37,873	33,665
Accounts payable-other	14,349	11,114
Accrued income taxes	18,320	10,080
Deferred tax liabilities	737	669
Allowance for bonuses to directors and corporate auditors	521	257
Other current obligations	153,275	155,488
<b>Total current liabilities</b>	<b>511,944</b>	<b>540,320</b>
<b>Long-term liabilities:</b>		
Bonds payable	205,649	235,416
Long-term loans payable	236,602	233,315
Lease obligations	82,813	76,796
Deferred tax liabilities	309,256	237,650
Allowance for retirement benefits	46,924	46,262
Other long-term liabilities	12,321	12,214
<b>Total long-term liabilities</b>	<b>893,568</b>	<b>841,655</b>
<b>Total liabilities</b>	<b>1,405,512</b>	<b>1,381,976</b>
<b>Net assets</b>		
<b>Shareholders' equity:</b>		
Capital stock	80,462	80,462
Capital surplus	106,179	106,129
Retained earnings	412,029	430,170
Treasury stock	(50,703)	(50,265)
<b>Total shareholders' equity</b>	<b>547,968</b>	<b>566,496</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	488,277	380,595
Deferred gains or losses on hedges	46	21
Foreign currency translation adjustment	(8,075)	(24,417)
<b>Total accumulated other comprehensive income</b>	<b>480,248</b>	<b>356,199</b>
Subscription rights to shares	2,132	2,355
Minority interests	45,589	43,946
<b>Total net assets</b>	<b>1,075,939</b>	<b>968,998</b>
<b>Total liabilities and net assets</b>	<b>2,481,452</b>	<b>2,350,974</b>

**(2) Quarterly Consolidated Statements of Income and  
Quarterly Consolidated Statements of Comprehensive Income**

Quarterly Consolidated Statements of Income

(Million yen)

	FY2011 Second Quarter (Six months result ended September 30, 2010)	FY2012 Second Quarter (Six months result ended September 30, 2011)
<b>Net sales</b>	<b>729,807</b>	<b>722,638</b>
Cost of sales	615,321	609,607
<b>Gross profit</b>	<b>114,486</b>	<b>113,031</b>
Selling, general and administrative expenses	78,280	83,820
<b>Operating income</b>	<b>36,205</b>	<b>29,210</b>
<b>Non-operating income</b>		
Interest income	4,639	4,668
Dividends income	7,870	10,554
Other non-operating income	3,343	5,094
<b>Total non-operating income</b>	<b>15,854</b>	<b>20,317</b>
<b>Non-operating expenses</b>		
Interest expenses	8,105	7,933
Other non-operating expenses	5,561	4,824
<b>Total non-operating expenses</b>	<b>13,666</b>	<b>12,757</b>
<b>Ordinary income</b>	<b>38,393</b>	<b>36,770</b>
<b>Income before income taxes and minority interests</b>	<b>38,393</b>	<b>36,770</b>
Income taxes-current	14,044	10,399
Income taxes-deferred	(193)	(739)
Total income taxes	13,850	9,659
<b>Income before minority interests</b>	<b>24,542</b>	<b>27,110</b>
Minority interests in income	858	1,181
<b>Net income</b>	<b>23,683</b>	<b>25,929</b>

Quarterly Consolidated Statements of Comprehensive Income

(Million yen)

	FY2011 Second Quarter (Six months result ended September 30, 2010)	FY2012 Second Quarter (Six months result ended September 30, 2011)
<b>Income before minority interests</b>	<b>24,542</b>	<b>27,110</b>
<b>Other comprehensive income:</b>		
Valuation difference on available-for-sale securities	(121,702)	(107,791)
Deferred gains or losses on hedges	211	(24)
Foreign currency translation adjustment	(9,791)	(16,805)
Share of other comprehensive income of associates accounted for using equity method	(279)	(481)
<b>Total other comprehensive income</b>	<b>(131,560)</b>	<b>(125,103)</b>
<b>Comprehensive Income:</b>	<b>(107,018)</b>	<b>(97,992)</b>
Comprehensive income attributable to owners of the parent	(106,732)	(98,119)
Comprehensive income attributable to minority interests	(286)	127

**(3) Note on premise of going concern : No****(4) Segment Information**

FY2011 Second Quarter (Six months result ended September 30, 2010)

(Million yen)

	Automobile	Materials handling equipment	Logistics	Textile machinery	Others	Total	Eliminations	Consolidated
Net sales								
(1) Outside customer sales	408,936	230,856	53,820	18,512	17,682	729,807	-	729,807
(2) Inter-segment transactions	10,310	412	3,409	2	4,706	18,840	(18,840)	-
Total	419,247	231,268	57,230	18,514	22,388	748,648	(18,840)	729,807
Segment income	18,680	11,782	2,725	1,086	1,730	36,005	200	36,205

(Notes) 1. "Others" is business segment not included in reportable segments and contains semiconductor package substrates as a mainstay product.

2. Segment income of 200 million yen is inter-segment eliminations.

3. Segment income is adjusted to operating income of Quaterly Consolidated Statements of Income.

FY2012 Second Quarter (Six months result ended September 30, 2011)

(Million yen)

	Automobile	Materials handling equipment	Logistics	Textile machinery	Others	Total	Eliminations	Consolidated
Net sales								
(1) Outside customer sales	360,620	276,937	46,335	19,703	19,041	722,638	-	722,638
(2) Inter-segment transactions	11,339	270	4,308	24	5,376	21,319	(21,319)	-
Total	371,959	277,208	50,643	19,728	24,418	743,958	(21,319)	722,638
Segment income	6,181	18,977	1,614	952	1,343	29,070	140	29,210

(Notes) 1. "Others" is business segment not included in reportable segments and contains semiconductor package substrates as a mainstay product.

2. Segment income of 140 million yen is inter-segment eliminations.

3. Segment income is adjusted to operating income of Quaterly Consolidated Statements of Income.

**(5) Note on significant changes in the amount of shareholders' equity**

During the first half of FY2012 (the six months from April 1 to September 30, 2011), Toyota Industries paid dividends of 7,789 million yen from retained earnings.

**(6) Additional Information**

(Accounting Standard for Accounting Changes and Error Corrections)

Toyota Industries applies Financial Accounting Standard No.24 "Accounting Standard for Accounting Changes and Error Corrections" and its Implementation Guidance No.24 "Guidance on Accounting Standard for Accounting Changes and Error Corrections," both of which were issued on December 4, 2009 by the Accounting Standards Board of Japan, to accounting changes and corrections of prior period errors which are made after the beginning of FY2012.