

# FINANCIAL RESULTS

FY2021 First Quarter

(April 1, 2020 through June 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 First Quarter Consolidated Financial Results<IFRS> (April 1, 2020 - June 30, 2020)

### TOYOTA INDUSTRIES CORPORATION

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The expected date of submission of the quarterly report (Japanese only): August 7, 2020

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 First Quarter (April 1, 2020 - June 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 First Quarter</b>	<b>430,857</b>	<b>(21.8)</b>	<b>(6,496)</b>	—	<b>29,869</b>	<b>(56.5)</b>	<b>23,871</b>	<b>(56.7)</b>
FY2020 First Quarter	551,225	5.6	31,669	(6.7)	68,684	(3.4)	55,102	(0.6)

	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 First Quarter</b>	<b>24,070</b>	<b>(55.2)</b>	<b>130,477</b>	<b>105.4</b>	<b>77.53</b>	—
FY2020 First Quarter	53,739	0.6	63,523	(26.8)	173.08	—

##### (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 First Quarter</b>	<b>5,399,352</b>	<b>2,625,291</b>	<b>2,543,750</b>	<b>47.1</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>	—	—	—	—	—
FY2021 (Forecast)	—	70.00	—	—	—

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

Forecast of cash dividends for fourth quarter of FY2021 is yet to be determined.

## 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	1,900,000	(12.5)	60,000	(53.2)	110,000	(44.0)	85,000	(41.7)	273.77

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

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

FY2021 First Quarter — 15,357,064 shares, FY2020 — 15,357,028 shares

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

FY2021 First Quarter — 310,483,576 shares, FY2020 First Quarter — 310,485,077 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 120 yen to the euro for FY2021.
- Please see page 3 on attached documents for details on performance forecasts in "Explanation for Forecast for FY2021".

Attached documents—Contents

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## 1. Explanation for Quarterly Financial Results

### (1) Explanation for Business Results

During the first quarter of FY2021 (the three months from April 1 to June 30, 2020), total consolidated net sales of Toyota Industries amounted to 430.8 billion yen, a decrease of 120.4 billion yen, or 22%, 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 94.7 billion yen, a decrease of 65.0 billion yen, or 41%, from the same period of the previous fiscal year.

Within this segment, net sales of the Vehicle Business totaled 16.3 billion yen, a decrease of 6.6 billion yen, or 29%, due to decreases in sales of RAV4 both for Japan and abroad.

Net sales of the Engine Business totaled 19.3 billion yen, a decrease of 11.8 billion yen, or 38%, resulting mainly from decreases in sales of GD diesel engines and, A25A and M20A gasoline engines.

Net sales of the Car Air-Conditioning Compressor Business totaled 45.7 billion yen, a decrease of 40.8 billion yen, or 47%. Sales decreased mainly in North America and Europe.

Net sales of the Electronics Parts, Foundry and Others Business totaled 13.2 billion yen, a decrease of 5.9 billion yen, or 31%, due to decreases in sales of electronics parts and foundry products.

Net sales of the Materials Handling Equipment Segment totaled 315.7 billion yen, a decrease of 45.9 billion yen, or 13%. 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 8.0 billion yen, a decrease of 7.0 billion yen, or 46%, attributable mainly to decreases in sales of weaving machinery and yarn quality measurement instruments.

In terms of overall profit, despite a decrease in labor costs, increases in promoting cost reduction efforts throughout the Toyota Industries Group and decreases in expenses and others, Toyota Industries posted consolidated operating loss of 6.4 billion yen (operating profit of 31.6 billion yen in the same period of the previous fiscal year), due mainly to a decrease in net sales. Profit before income taxes totaled 29.8 billion yen, a decrease of 38.8 billion yen, or 57% and profit attributable to owners of the parent totaled 24.0 billion yen, a decrease of 29.7 billion yen, or 55%.

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

Assets amounted to 5,399.3 billion yen, an increase of 119.7 billion yen from the end of the previous fiscal year, due mainly to an increase in fair value of investment securities. Liabilities amounted to 2,774.0 billion yen, an increase of 14.9 billion yen from the end of the previous fiscal year, due mainly to an increase in deferred tax liabilities. Equity amounted to 2,625.2 billion yen, an increase of 104.7 billion yen from the end of the previous fiscal year.

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

Toyota Industries announces the forecasts of consolidated financial results for FY2021 based on information or forecast available to management as of today, which have not yet been determined because of difficulty in making rational estimates due to the impact of COVID-19.

Toyota Industries forecasts consolidated net sales of 1,900.0 billion yen, operating profit of 60.0 billion yen, profit before income taxes of 110.0 billion yen and profit attributable to owner of the parent of 85.0 billion yen. By segment, we forecast net sales of 565.0 billion yen in the Automobile Segment and 1,245.0 billion yen in the Materials Handling Equipment Segment.

Our projections are based on exchange rates of 106 to the U.S. dollar and 120 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 First Quarter (As of June 30, 2020)
<b>Assets</b>		
Current assets		
Cash and cash equivalents	358,144	250,622
Time deposits with deposit terms of over three months	175,216	299,326
Trade receivables and other receivables	867,088	830,621
Other financial assets	5,273	3,780
Inventories	255,738	263,559
Income tax receivables	13,756	16,053
Other current assets	64,664	54,197
<b>Total current assets</b>	<b>1,739,883</b>	<b>1,718,161</b>
Non-current assets		
Property, plant and equipment	991,195	989,935
Goodwill and intangible assets	354,701	353,667
Trade receivables and other receivables	4,123	3,966
Investments accounted for by the equity method	10,991	10,920
Other financial assets	2,120,298	2,262,673
Net defined benefit assets	22,547	23,414
Deferred tax assets	30,877	31,784
Other non-current assets	5,034	4,829
<b>Total non-current assets</b>	<b>3,539,770</b>	<b>3,681,191</b>
<b>Total assets</b>	<b>5,279,653</b>	<b>5,399,352</b>



(Millions of yen)

	FY2020 (As of March 31, 2020)	FY2021 First Quarter (As of June 30, 2020)
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
Current liabilities		
Trade payables and other payables	519,330	476,752
Corporate bonds and loans	329,143	363,519
Other financial liabilities	75,382	73,573
Accrued income taxes	20,435	11,134
Provisions	10,300	10,089
Other current liabilities	19,721	23,097
<b>Total current liabilities</b>	<b>974,314</b>	<b>958,166</b>
Non-current liabilities		
Corporate bonds and loans	1,010,627	999,597
Other financial liabilities	85,833	84,474
Net defined benefit liabilities	101,784	103,819
Provisions	7,764	8,027
Deferred tax liabilities	556,880	596,980
Other non-current liabilities	21,911	22,995
<b>Total non-current liabilities</b>	<b>1,784,801</b>	<b>1,815,894</b>
<b>Total liabilities</b>	<b>2,759,115</b>	<b>2,774,061</b>
<b>Equity</b>		
Share of equity attributable to owners of the parent		
Capital stock	80,462	80,462
Capital surplus	103,515	103,599
Retained earnings	1,267,521	1,267,319
Treasury stock	(59,307)	(59,307)
Other components of shareholders' equity	1,046,614	1,151,676
<b>Total share of equity attributable to owners of the parent</b>	<b>2,438,807</b>	<b>2,543,750</b>
Non-controlling interests	81,730	81,541
<b>Total equity</b>	<b>2,520,537</b>	<b>2,625,291</b>
<b>Total liabilities and equity</b>	<b>5,279,653</b>	<b>5,399,352</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 First Quarter (April 1, 2019 - June 30, 2019)	FY2021 First Quarter (April 1, 2020 - June 30, 2020)
Net sales	551,225	430,857
Cost of sales	(423,714)	(349,453)
Gross profit	127,511	81,403
Selling, general and administrative expenses	(95,497)	(88,935)
Other income	1,705	4,336
Other expenses	(2,049)	(3,301)
Operating profit (loss)	31,669	(6,496)
Financial income	39,143	38,860
Financial expenses	(2,582)	(2,477)
Share of profit (loss) of investments accounted for by the equity method	454	(17)
Profit before income taxes	68,684	29,869
Income taxes	(13,581)	(5,998)
<b>Profit</b>	55,102	23,871
Profit attributable to:		
Owners of the parent	53,739	24,070
Non-controlling interests	1,363	(198)
Earnings per share		
Earnings per share – basic (yen)	173.08	77.53
Earnings per share – diluted (yen)	–	–

## Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY2020 First Quarter (April 1, 2019 - June 30, 2019)	FY2021 First Quarter (April 1, 2020 - June 30, 2020)
<b>Profit</b>	55,102	23,871
Other comprehensive income:		
Items not to be reclassified into profit or loss		
Net changes in revaluation of FVTOCI financial assets	25,817	97,621
Remeasurements of defined benefit plans	(544)	566
Other comprehensive income of affiliates accounted for by the equity method	0	2
Total items not to be reclassified into profit or loss	25,274	98,191
Items that can be reclassified into profit or loss		
Translation adjustments of foreign operations	(18,336)	7,384
Cash flow hedges	1,601	978
Other comprehensive income of affiliates accounted for by the equity method	(117)	50
Total items that can be reclassified into profit or loss	(16,853)	8,414
Total other comprehensive income	8,420	106,605
<b>Comprehensive income</b>	63,523	130,477
Total comprehensive income attributable to:		
Owners of the parent	63,400	129,697
Non-controlling interests	123	779

### (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	—	—	53,739	—	—	—
Other comprehensive income	—	—	—	—	25,825	(541)
Total comprehensive income	—	—	53,739	—	25,825	(541)
Repurchase of treasury stock	—	—	—	(1)	—	—
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	—	—	(528)	—	(13)	541
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	7	(25,367)	(1)	(13)	541
<b>Balance as of June 30, 2019</b>	80,462	103,515	1,207,065	(59,298)	1,260,183	—
<b>Balance as of April 1, 2020</b>	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)
<b>Balance as of June 30, 2020</b>	80,462	103,599	1,267,319	(59,307)	1,235,501	—

(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	—	—	—	53,739	1,363	55,102
Other comprehensive income	(17,225)	1,601	9,660	9,660	(1,239)	8,420
Total comprehensive income	(17,225)	1,601	9,660	63,400	123	63,523
Repurchase of treasury stock	—	—	—	(1)	—	(1)
Disposal of treasury stock	—	—	—	0	—	0
Dividends	—	—	—	(24,838)	(589)	(25,428)
Changes in ownership interest of subsidiaries	—	—	—	7	(74)	(66)
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	528	—	—	—
Other increases (decreases)	—	—	—	—	76	76
Total transactions with owners	—	—	528	(24,832)	(587)	(25,419)
<b>Balance as of June 30, 2019</b>	(76,128)	2,406	1,186,461	2,518,206	81,754	2,599,960

<b>Balance as of April 1, 2020</b>	(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)
<b>Balance as of June 30, 2020</b>	(86,861)	3,035	1,151,676	2,543,750	81,541	2,625,291

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

## (Segment Information)

FY2020 First Quarter (April 1, 2019 - June 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	159,717	361,650	15,074	14,783	551,225	—	551,225	
Inter-segment transactions	6,853	551	63	6,654	14,122	(14,122)	—	
Total	166,570	362,202	15,137	21,437	565,347	(14,122)	551,225	
Segment profit (loss)	6,324	23,139	696	1,619	31,779	(109)	31,669	
Financial income								39,143
Financial expenses								(2,582)
Share of profit (loss) of investments accounted for by the equity method								454
Profit before income taxes								68,684

- (Notes) 1. "Others" represents businesses not included in the reporting segments.  
2. Breakdown of adjustments  
(109) 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.

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.