

# FINANCIAL SUMMARY

FY2016    Second Quarter

(April 1, 2015 through September 30, 2015)

**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.*

## FY2016 Second Quarter Consolidated Financial Results <Japanese GAAP> (April 1, 2015 - September 30, 2015)

### TOYOTA INDUSTRIES CORPORATION

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

Representative person: Akira Onishi, President

Contact person: Yasushi Kawai, Managing Officer, General Manager of Accounting Department

(Tel. +81-(0)566-22-2511)

The expected date of submission of the quarterly report: November 13, 2015

The expected date of dividends payment: November 26, 2015

Additional documents to supplement quarterly financial results: Yes

Quarterly IR presentation: Yes (For analysts and professional investors)

(Amounts less than one million yen are omitted)

### 1. Financial Highlights for FY2016 Second Quarter (April 1, 2015 - September 30, 2015)

#### (1) Consolidated Financial Results

(% : changes from the same period of the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
<b>FY2016 Second Quarter</b>	<b>1,100,206</b>	<b>5.2</b>	<b>66,962</b>	<b>17.9</b>	<b>99,614</b>	<b>14.4</b>	<b>67,979</b>	<b>11.5</b>
FY2015 Second Quarter	1,046,067	6.6	56,786	9.6	87,054	34.2	60,964	40.1

(Note) Comprehensive income: FY2016 Second Quarter — (196,173 million yen) [(214.4 %)]

FY2015 Second Quarter — 171,409 million yen [(43.3 %)]

	Earnings per share—basic	Earnings per share—diluted
	Yen	Yen
<b>FY2016 Second Quarter</b>	<b>216.38</b>	<b>216.35</b>
FY2015 Second Quarter	194.18	194.10

#### (2) Consolidated Financial Position

	Total assets	Total net assets	Equity ratio
	Million yen	Million yen	%
<b>FY2016 Second Quarter</b>	<b>4,479,350</b>	<b>2,212,866</b>	<b>47.8</b>
FY2015	4,650,896	2,425,929	50.7

(Note) Shareholders' equity: FY2016 Second Quarter — 2,139,032 million yen, FY2015 — 2,356,220 million yen

### 2. Cash Dividends

	Annual cash dividends per share				
	First quarter	Second quarter	Third quarter	Fourth quarter	FY Total
	Yen	Yen	Yen	Yen	Yen
FY2015	-	50.00	-	60.00	110.00
<b>FY2016</b>	-	<b>60.00</b>			
FY2016 (Forecast)			-	60.00	120.00

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

### 3. Forecasts of Consolidated Financial Results for FY2016 (April 1, 2015 - March 31, 2016)

(% : changes from the same period of the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the parent		Earnings per share—basic
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2016	2,230,000	2.9	130,000	10.6	187,000	9.5	187,000	62.2	595.22

(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) 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 : Yes
  - ② Changes other than ① : No
  - ③ Changes in accounting estimates : No
  - ④ Restatement : No

(Note) Please see page 3 on attached documents for details on "Changes in accounting policies, accounting estimates and restatement".

- (4) Issued and outstanding capital stock
  - ① Number of shares outstanding at end of each period (including treasury stock):  
FY2016 Second Quarter — 325,840,640 shares, FY2015 — 325,840,640 shares
  - ② Number of treasury stock outstanding at end of each period:  
FY2016 Second Quarter — 11,670,081 shares, FY2015 — 11,684,749 shares
  - ③ Average number of shares outstanding for each period (accumulated):  
FY2016 Second Quarter — 314,168,402 shares, FY2015 Second Quarter — 313,961,267 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 118 yen to the U.S. dollar and 133 yen to the euro for FY2016.
- Please see page 3 on attached documents for details on performance forecasts in "Explanation for Forecast for FY2016".

(Attached Documents)

## Contents

1. Explanation for Quarterly Financial Results .....	2
(1) Explanation for Business Results .....	2
(2) Explanation for Financial Condition .....	2
(3) Explanation for Forecast for FY2016 .....	3
2. Matters concerning Summary Information (Note) .....	3
(1) Changes in accounting policies, accounting estimates and restatement .....	3
3. Quarterly Consolidated Financial Statements .....	4
(1) Quarterly Consolidated Balance Sheets .....	4
(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income .....	6
(3) Note on Quarterly Consolidated Financial Statements .....	8
(Note on Premise of Going Concern) .....	8
(Note on Significant Changes in the Amount of Shareholders' Equity) .....	8
(Segment Information) .....	8

# 1. Explanation for Quarterly Financial Results

## (1) Explanation for Business Results

During the second quarter of fiscal 2016 (the six months from April 1 to September 30, 2015), total consolidated net sales of Toyota Industries amounted to 1,100.2 billion yen, an increase of 54.2 billion yen, or 5%, from the same period of the previous fiscal year. The following is a review of operations for the major business segments.

Net sales of the Automobile Segment totaled 505.2 billion yen, a decrease of 14.0 billion yen, or 3%, from the same period of the previous fiscal year.

Within this segment, net sales of the Vehicle Business amounted to 219.7 billion yen, a decrease of 19.0 billion yen, or 8%, due to decreases in unit sales of the Vitz (Yaris overseas) and RAV4.

Net sales of the Engine Business totaled 83.6 billion yen, a decrease of 10.2 billion yen, or 11%. This is attributable primarily to decreases in sales of KD diesel engines and AR gasoline engines, although production of GD diesel engines commenced in June 2015.

Net sales of the Car Air-Conditioning Compressor Business totaled 172.0 billion yen, an increase of 19.4 billion yen, or 13%, resulting from an increase in sales in Chinese and European markets.

Net sales of the Electronics Parts, Foundry and Others Business totaled 29.8 billion yen, a decrease of 4.1 billion yen, or 12%, due to decreases in sales of electronics parts and foundry parts.

Net sales of the Materials Handling Equipment Segment totaled 500.4 billion yen, an increase of 66.7 billion yen, or 15%. This is due primarily to an increase in sales in European and North American markets.

Net sales of the Logistics Segment amounted to 50.0 billion yen, an increase of 2.0 billion yen, or 4%. This is attributable to an increase in sales of commissioned logistics business and cargo transport business of automotive-related parts.

Net sales of the Textile Machinery Segment totaled 31.1 billion yen, a decrease of 1.5 billion yen, or 5%. This is owing to decreases in sales of spinning machinery and weaving machinery, despite an increase in sales of yarn quality measurement instruments.

In terms of overall profit, despite increases in depreciation costs, labor costs and raw material costs, Toyota Industries recorded an increase in profit due mainly to increasing in sales, the impact of exchange rate fluctuations and promoting cost reduction efforts throughout the Toyota Industries Group. As a result, Toyota Industries posted consolidated operating profit of 66.9 billion yen, an increase of 10.2 billion yen, or 18%, from the same period of the previous fiscal year and ordinary profit of 99.6 billion yen, an increase of 12.6 billion yen, or 14%. Profit attributable to owners of the parent totaled 67.9 billion yen, an increase of 7.0 billion yen, or 12%, from the same period of the previous fiscal year.

## (2) Explanation for Financial Condition

Total assets decreased 171.5 billion yen from the end of the previous fiscal year to 4,479.3 billion yen due mainly to decreases in market value of investment securities. Liabilities amounted to 2,266.4 billion yen, an increase of 41.5 billion yen from the end of the previous fiscal year due mainly to increases in short-term loans payable. Net assets amounted to 2,212.8 billion yen, a decrease of 213.1 billion yen from the end of the previous fiscal year.

### **(3) Explanation for Forecast for FY 2016**

Toyota Industries announced a resolution of the Board of Directors meeting held on October 30, 2015, concerning selling shares of Asahi Securities Co., Ltd. and Wanbishi Archives, Co., Ltd. which are consolidated subsidiaries, on December, 2015(plan) to enhance concentration and selection of business. In addition, due to results of the first half of FY2016, Toyota Industries has revised its forecasts of consolidated financial results for FY2016 to consolidated net sales of 2,230.0 billion yen, operating profit of 130.0 billion yen, ordinary profit of 187.0 billion yen and profit attributable to owners of the parent of 187.0 billion yen. Our projections are based on assumed exchange rates of 118 yen to the U.S dollar and 133 yen to the euro for FY2016.

## **2. Matters concerning Summary Information (Note)**

### **(1) Changes in accounting policies, accounting estimates and restatement**

(Changes in accounting policies with revision of accounting standards)

Effective from the beginning of fiscal 2016, Toyota Industries adopted the requirements per "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013), "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013) and others.

### 3. Quarterly Consolidated Financial Statements

#### (1) Quarterly Consolidated Balance Sheets

(Million yen)

	FY2015 (As of March 31, 2015)	FY2016 Second Quarter (As of September 30, 2015)
<b>Assets</b>		
<b>Current assets:</b>		
Cash and deposits	247,273	428,945
Cash deposits for cash collection and deposit services	58,250	60,424
Trade notes and accounts receivable	265,504	284,786
Lease investment assets	55,868	60,020
Short-term investments	34,085	31,204
Merchandise and finished goods	86,865	91,527
Work in process	43,320	43,215
Raw materials and supplies	64,651	64,410
Deferred tax assets	24,234	23,102
Other current assets	68,603	62,288
Allowance for doubtful accounts	(3,756)	(4,283)
<b>Total current assets</b>	<b>944,901</b>	<b>1,145,644</b>
<b>Fixed assets:</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	173,181	172,256
Machinery, equipment and vehicles, net	320,895	333,399
Tools, furniture and fixtures, net	39,351	38,629
Land	120,652	121,761
Construction in progress	53,451	44,698
<b>Total property, plant and equipment</b>	<b>707,532</b>	<b>710,745</b>
<b>Intangible assets:</b>		
Goodwill	95,985	97,249
Other intangible assets	96,716	97,204
<b>Total intangible assets</b>	<b>192,702</b>	<b>194,453</b>
<b>Investments and other assets:</b>		
Investment securities	2,593,522	2,208,803
Deferred tax assets	18,228	18,507
Lease investment assets	135,958	144,322
Net defined benefit assets	28,289	28,435
Other investments and other assets	30,622	29,481
Allowance for doubtful accounts	(860)	(1,043)
<b>Total investments and other assets</b>	<b>2,805,760</b>	<b>2,428,506</b>
<b>Total fixed assets</b>	<b>3,705,995</b>	<b>3,333,706</b>
<b>Total assets</b>	<b>4,650,896</b>	<b>4,479,350</b>



(Million yen)

	FY2015 (As of March 31, 2015)	FY2016 Second Quarter (As of September 30, 2015)
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Trade notes and accounts payable	205,816	200,233
Short-term loans payable	99,736	220,905
Current portion of bonds	47,053	19,999
Lease obligations	45,665	47,734
Accounts payable-other	29,245	20,837
Accrued income taxes	13,686	20,271
Deferred tax liabilities	636	568
Allowance for bonuses to directors	626	475
Other current obligations	210,721	209,061
<b>Total current liabilities</b>	<b>653,187</b>	<b>740,086</b>
<b>Long-term liabilities:</b>		
Bonds payable	185,998	191,555
Long-term loans payable	421,154	488,541
Lease obligations	117,185	117,420
Deferred tax liabilities	737,268	615,143
Net defined benefit liabilities	86,766	89,944
Other long-term liabilities	23,404	23,792
<b>Total long-term liabilities</b>	<b>1,571,779</b>	<b>1,526,398</b>
<b>Total liabilities</b>	<b>2,224,967</b>	<b>2,266,484</b>
<b>Net Assets</b>		
<b>Shareholders' equity:</b>		
Capital stock	80,462	80,462
Capital surplus	105,592	105,595
Retained earnings	644,165	693,294
Treasury stock	(41,509)	(41,461)
<b>Total shareholders' equity</b>	<b>788,711</b>	<b>837,891</b>
<b>Accumulated other comprehensive income:</b>		
Valuation difference on available-for-sale securities	1,523,393	1,260,785
Deferred gains or losses on hedges	(19)	281
Foreign currency translation adjustment	55,598	51,496
Defined benefit plan adjustments	(11,463)	(11,422)
<b>Total accumulated other comprehensive income</b>	<b>1,567,509</b>	<b>1,301,141</b>
Subscription rights to shares	72	46
Non-controlling interests	69,636	73,787
<b>Total net assets</b>	<b>2,425,929</b>	<b>2,212,866</b>
<b>Total liabilities and net assets</b>	<b>4,650,896</b>	<b>4,479,350</b>

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

Quarterly Consolidated Statements of Income

(Million yen)

	FY2015 Second Quarter (April 1, 2014 - September 30, 2014)	FY2016 Second Quarter (April 1, 2015 - September 30, 2015)
<b>Net sales</b>	<b>1,046,067</b>	<b>1,100,206</b>
Cost of sales	853,941	889,425
<b>Gross profit</b>	<b>192,125</b>	<b>210,781</b>
Selling, general and administrative expenses	135,339	143,818
<b>Operating profit</b>	<b>56,786</b>	<b>66,962</b>
<b>Non-operating profit:</b>		
Interest income	6,005	6,253
Dividends income	29,946	35,494
Other non-operating profit	5,151	4,590
<b>Total non-operating profit</b>	<b>41,103</b>	<b>46,338</b>
<b>Non-operating expenses:</b>		
Interest expenses	7,544	8,355
Other non-operating expenses	3,289	5,331
<b>Total non-operating expenses</b>	<b>10,834</b>	<b>13,686</b>
<b>Ordinary profit</b>	<b>87,054</b>	<b>99,614</b>
<b>Profit before income taxes</b>	<b>87,054</b>	<b>99,614</b>
Income taxes-current	24,545	28,912
Income taxes-deferred	(808)	(579)
<b>Total income taxes</b>	<b>23,737</b>	<b>28,332</b>
<b>Profit</b>	<b>63,317</b>	<b>71,282</b>
Profit attributable to non-controlling interests	2,353	3,302
<b>Profit attributable to owners of the parent</b>	<b>60,964</b>	<b>67,979</b>

Quarterly Consolidated Statements of Comprehensive Income

(Million yen)

	FY2015 Second Quarter (April 1, 2014 - September 30, 2014)	FY2016 Second Quarter (April 1, 2015 - September 30, 2015)
<b>Profit</b>	<b>63,317</b>	<b>71,282</b>
<b>Other comprehensive income:</b>		
Valuation difference on available-for-sale securities	105,887	(262,835)
Deferred gains or losses on hedges	(666)	309
Foreign currency translation adjustment	2,328	(4,629)
Defined benefit plan adjustments	521	47
Share of other comprehensive income of associates accounted for using equity method	21	(347)
<b>Total other comprehensive income</b>	<b>108,091</b>	<b>(267,455)</b>
<b>Comprehensive Income</b>	<b>171,409</b>	<b>(196,173)</b>
<b>Profit attributable to:</b>		
Owners of the parent	169,090	(198,389)
Non-controlling interests	2,319	2,215

**(3) Note on Quarterly Consolidated Financial Statements**  
**(Note on Premise of Going Concern) : No**

**(Note on Significant Changes in the Amount of Shareholders' Equity)**

During the first half of FY2016 (the six months from April 1 to September 30, 2015), Toyota Industries paid dividends of 18,849 million yen from retained earnings.

**(Segment Information)**

FY2015 Second Quarter (April 1, 2014 - September 30, 2014)

(Million yen)

	Automobile	Materials handling equipment	Logistics	Textile machinery	Others	Total	Eliminations	Consolidated
Net sales								
Outside customer sales	519,232	433,738	48,089	32,687	12,319	1,046,067	-	1,046,067
Inter-segment transactions	14,963	396	6,376	115	7,208	29,059	(29,059)	-
Total	534,196	434,134	54,465	32,802	19,527	1,075,127	(29,059)	1,046,067
Segment profit	18,909	31,840	2,795	1,802	1,412	56,758	27	56,786

- (Notes) 1. "Others" is business segment not included in reportable segments.  
2. Segment profit of 27 million yen is inter-segment eliminations.  
3. Segment profit is adjusted to operating profit of Quarterly Consolidated Statements of Income.

FY2016 Second Quarter (April 1, 2015 - September 30, 2015)

(Million yen)

	Automobile	Materials handling equipment	Logistics	Textile machinery	Others	Total	Eliminations	Consolidated
Net sales								
Outside customer sales	505,284	500,490	50,076	31,166	13,188	1,100,206	-	1,100,206
Inter-segment transactions	12,191	1,150	4,295	111	7,149	24,899	(24,899)	-
Total	517,476	501,641	54,372	31,277	20,337	1,125,105	(24,899)	1,100,206
Segment profit	15,322	44,518	2,992	1,781	2,228	66,842	119	66,962

- (Notes) 1. "Others" is business segment not included in reportable segments.  
2. Segment profit of 119 million yen is inter-segment eliminations.  
3. Segment profit is adjusted to operating profit of Quarterly Consolidated Statements of Income.