

# FINANCIAL RESULTS

FY2023 Second Quarter

(April 1, 2022 through September 30, 2022)

**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.*

## FY2023 Second Quarter Consolidated Financial Results<IFRS> (April 1, 2022 - September 30, 2022)

### 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 11, 2022

The expected date of dividends payment: November 25, 2022

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 FY2023 Second Quarter (April 1, 2022 - September 30, 2022)

##### (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>FY2023 Second Quarter</b>	<b>1,602,496</b>	<b>27.1</b>	<b>92,010</b>	<b>(2.5)</b>	<b>144,958</b>	<b>5.2</b>	<b>108,101</b>	<b>3.1</b>
FY2022 Second Quarter	1,260,842	31.7	94,367	212.5	137,801	111.3	104,895	108.7

	Profit attributable to owners of the parent		Comprehensive income		Earnings per share—basic	Earnings per share—diluted
	Million yen	%	Million yen	%	Yen	Yen
<b>FY2023 Second Quarter</b>	<b>106,888</b>	<b>3.4</b>	<b>(155,401)</b>	<b>—</b>	<b>344.27</b>	<b>344.27</b>
FY2022 Second Quarter	103,386	114.9	363,173	68.1	332.99	332.99

##### (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>FY2023 Second Quarter</b>	<b>7,676,773</b>	<b>3,836,256</b>	<b>3,740,022</b>	<b>48.7</b>
FY2022	7,627,120	4,021,967	3,928,513	51.5

## 2. Cash Dividends

	Annual cash dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	FY Total
FY2022	— Yen	80.00 Yen	— Yen	90.00 Yen	170.00 Yen
<b>FY2023</b>	—	<b>90.00</b>			
FY2023 (Forecast)			—	90.00	180.00

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

## 3. Forecasts of Consolidated Financial Results for FY2023 (April 1, 2022 - March 31, 2023)

(% : 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
FY2023	3,100,000	14.6	170,000	6.9	250,000	1.6	185,000	2.6	595.85

(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):  
FY2023 Second Quarter — 325,840,640 shares, FY2022 — 325,840,640 shares
  - (ii) Number of treasury stock outstanding at end of each period:  
FY2023 Second Quarter — 15,361,086 shares, FY2022 — 15,360,786 shares
  - (iii) Average number of shares outstanding for each period (accumulated):  
FY2023 Second Quarter — 310,479,678 shares, FY2022 Second Quarter — 310,480,993 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 137 yen to the U.S. dollar and 137 yen to the euro for FY2023.
- Please see page 3 on attached documents for details on performance forecasts in "Explanation for Forecast for FY2023".

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## 1. Explanation for Quarterly Financial Results

### (1) Explanation for Business Results

During the second quarter of FY2023 (the six months from April 1 to September 30, 2022), total consolidated net sales of Toyota Industries amounted to 1,602.4 billion yen, an increase of 341.6 billion yen, or 27%, 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 454.6 billion yen, an increase of 94.3 billion yen, or 26%, from the same period of the previous fiscal year.

Within this segment, net sales of the Vehicle Business totaled 40.5 billion yen, a decrease of 1.6 billion yen, or 4%, due to a decrease in sales of the Toyota RAV4 both for Japan and abroad.

Net sales of the Engine Business totaled 158.4 billion yen, an increase of 46.0 billion yen, or 41%, resulting mainly from an increase in sales of diesel engines.

Net sales of the Car Air-Conditioning Compressor Business totaled 207.2 billion yen, an increase of 40.7 billion yen, or 24%. Sales increased in each region, especially in North America.

Net sales of the Electronics Parts and Others Business totaled 48.4 billion yen, an increase of 9.2 billion yen, or 23%, attributable primarily to an increase in sales of DC-DC converters.

Net sales of the Materials Handling Equipment Segment totaled 1,083.0 billion yen, an increase of 239.3 billion yen, or 28%. Sales of lift trucks, a mainstay product of this segment, increased primarily in North America.

Net sales of the Textile Machinery Segment totaled 40.1 billion yen, an increase of 9.8 billion yen, or 33%. This is attributable primarily to an increase in sales of weaving machines and yarn quality measurement instruments.

In terms of overall profit, despite an increase in sales, the impact of exchange rate fluctuations and further advances in cost reduction efforts throughout the Toyota Industries Group, mainly owing to an increase in raw material costs, an increase in labor costs and an increase in expenses and others, including logistic costs, Toyota Industries posted consolidated operating profit of 92.0 billion yen, a decrease of 2.3 billion yen, or 2%, from the same period of the previous fiscal year. Profit before income taxes totaled 144.9 billion yen, an increase of 7.1 billion yen, or 5% and profit attributable to owners of the parent amounted to 106.8 billion yen, an increase of 3.5 billion yen, or 3%.

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

Assets amounted to 7,676.7 billion yen, an increase of 49.6 billion yen from the end of the previous fiscal year, mainly due to an increase in trade receivables and other receivables. Liabilities amounted to 3,840.5 billion yen, an increase of 235.4 billion yen from the end of the previous fiscal year, mainly owing to an increase in corporate bonds and loans. Equity amounted to 3,836.2 billion yen, a decrease of 185.7 billion yen from the end of the previous fiscal year.

## **(3) Explanation for Forecast for FY2023**

Toyota Industries forecasts consolidated net sales of 3,100.0 billion yen, operating profit of 170.0 billion yen, profit before income taxes of 250.0 billion yen and profit attributable to owners of the parent of 185.0 billion yen. Our projections are based on exchange rates of 137 yen to the U.S. dollar and 137 yen to the euro for FY2023.

## 2. Condensed Quarterly Consolidated Financial Statements and Main Notes

### (1) Condensed Quarterly Consolidated Financial Position

(Millions of yen)

	FY2022 (As of March 31, 2022)	FY2023 Second Quarter (As of September 30, 2022)
<b>Assets</b>		
Current assets		
Cash and cash equivalents	247,085	365,158
Time deposits with deposit terms of over three months	328,674	248,999
Trade receivables and other receivables	1,121,491	1,342,334
Other financial assets	12,672	23,707
Inventories	433,961	539,326
Income tax receivables	28,906	28,355
Other current assets	83,034	85,096
<b>Total current assets</b>	<b>2,255,827</b>	<b>2,632,979</b>
Non-current assets		
Property, plant and equipment	1,134,074	1,234,729
Goodwill and intangible assets	395,882	470,067
Trade receivables and other receivables	2,334	1,705
Investments accounted for by the equity method	21,337	24,244
Other financial assets	3,734,978	3,226,199
Net defined benefit assets	37,408	38,340
Deferred tax assets	39,908	39,838
Other non-current assets	5,368	8,668
<b>Total non-current assets</b>	<b>5,371,292</b>	<b>5,043,794</b>
<b>Total assets</b>	<b>7,627,120</b>	<b>7,676,773</b>

(Millions of yen)

	FY2022 (As of March 31, 2022)	FY2023 Second Quarter (As of September 30, 2022)
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
Current liabilities		
Trade payables and other payables	745,553	762,757
Corporate bonds and loans	468,504	705,949
Other financial liabilities	82,909	95,358
Accrued income taxes	27,281	30,203
Provisions	15,415	17,420
Other current liabilities	33,058	37,009
<b>Total current liabilities</b>	<b>1,372,721</b>	<b>1,648,697</b>
Non-current liabilities		
Corporate bonds and loans	922,011	1,021,787
Other financial liabilities	95,237	104,133
Net defined benefit liabilities	91,677	92,110
Provisions	11,809	12,789
Deferred tax liabilities	1,078,641	921,493
Other non-current liabilities	33,054	39,505
<b>Total non-current liabilities</b>	<b>2,232,430</b>	<b>2,191,819</b>
<b>Total liabilities</b>	<b>3,605,152</b>	<b>3,840,517</b>
<b>Equity</b>		
Share of equity attributable to owners of the parent		
Capital stock	80,462	80,462
Capital surplus	102,388	102,447
Retained earnings	1,514,657	1,595,127
Treasury stock	(59,339)	(59,341)
Other components of shareholders' equity	2,290,343	2,021,326
<b>Total share of equity attributable to owners of the parent</b>	<b>3,928,513</b>	<b>3,740,022</b>
Non-controlling interests	93,454	96,234
<b>Total equity</b>	<b>4,021,967</b>	<b>3,836,256</b>
<b>Total liabilities and equity</b>	<b>7,627,120</b>	<b>7,676,773</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)

	FY2022 Second Quarter (April 1, 2021 - September 30, 2021)	FY2023 Second Quarter (April 1, 2022 - September 30, 2022)
Net sales	1,260,842	1,602,496
Cost of sales	(963,378)	(1,240,342)
Gross profit	297,464	362,153
Selling, general and administrative expenses	(210,940)	(277,428)
Other income	13,048	12,586
Other expenses	(5,204)	(5,302)
Operating profit	94,367	92,010
Financial income	44,569	56,674
Financial expenses	(3,523)	(5,422)
Share of profit (loss) of investments accounted for by the equity method	2,388	1,696
Profit before income taxes	137,801	144,958
Income taxes	(32,906)	(36,857)
<b>Profit</b>	104,895	108,101
Profit attributable to:		
Owners of the parent	103,386	106,888
Non-controlling interests	1,509	1,213
Earnings per share		
Earnings per share – basic (yen)	332.99	344.27
Earnings per share – diluted (yen)	332.99	344.27

## Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY2022 Second Quarter (April 1, 2021 - September 30, 2021)	FY2023 Second Quarter (April 1, 2022 - September 30, 2022)
<b>Profit</b>	104,895	108,101
Other comprehensive income:		
Items not to be reclassified into profit or loss		
Net changes in revaluation of FVTOCI financial assets	251,877	(371,725)
Remeasurements of defined benefit plans	550	1,551
Other comprehensive income of affiliates accounted for by the equity method	12	(11)
Total items not to be reclassified into profit or loss	252,440	(370,184)
Items that can be reclassified into profit or loss		
Translation adjustments of foreign operations	5,566	103,089
Cash flow hedges	192	2,571
Other comprehensive income of affiliates accounted for by the equity method	77	1,020
Total items that can be reclassified into profit or loss	5,836	106,681
Total other comprehensive income	258,277	(263,502)
<b>Comprehensive income</b>	363,173	(155,401)
Total comprehensive income attributable to:		
Owners of the parent	361,081	(160,604)
Non-controlling interests	2,091	5,203

### (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, 2021</b>	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)
<b>Balance as of September 30, 2021</b>	80,462	102,287	1,448,885	(59,332)	2,031,485	—

<b>Balance as of April 1, 2022</b>	80,462	102,388	1,514,657	(59,339)	2,245,347	—
Profit	—	—	106,888	—	—	—
Other comprehensive income	—	—	—	—	(371,680)	1,521
Total comprehensive income	—	—	106,888	—	(371,680)	1,521
Repurchase of treasury stock	—	—	—	(2)	—	—
Disposal of treasury stock	—	—	—	—	—	—
Dividends	—	—	(27,943)	—	—	—
Changes in ownership interest of subsidiaries	—	58	—	—	—	—
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	1,524	—	(2)	(1,521)
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	58	(26,419)	(2)	(2)	(1,521)
<b>Balance as of September 30, 2022</b>	80,462	102,447	1,595,127	(59,341)	1,873,663	—

(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			
<b>Balance as of April 1, 2021</b>	(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)
<b>Balance as of September 30, 2021</b>	(33,941)	2,403	1,999,947	3,572,251	87,072	3,659,324

<b>Balance as of April 1, 2022</b>	41,657	3,338	2,290,343	3,928,513	93,454	4,021,967
Profit	—	—	—	106,888	1,213	108,101
Other comprehensive income	100,094	2,571	(267,492)	(267,492)	3,989	(263,502)
Total comprehensive income	100,094	2,571	(267,492)	(160,604)	5,203	(155,401)
Repurchase of treasury stock	—	—	—	(2)	—	(2)
Disposal of treasury stock	—	—	—	—	—	—
Dividends	—	—	—	(27,943)	(1,749)	(29,692)
Changes in ownership interest of subsidiaries	—	—	—	58	(674)	(615)
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	(1,524)	—	—	—
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	—	(1,524)	(27,886)	(2,423)	(30,310)
<b>Balance as of September 30, 2022</b>	141,752	5,909	2,021,326	3,740,022	96,234	3,836,256

**(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 FY2023, Toyota Industries paid dividends of 27,943 million yen from retained earnings.

## (Segment Information)

FY2022 Second Quarter (April 1, 2021 - September 30, 2021)

(Millions of yen)

	Automobile	Materials Handling Equipment	Textile Machinery	Others	Total	Adjustments	Consolidated	
Sales								
Outside customer sales	360,378	843,703	30,321	26,439	1,260,842	—	1,260,842	
Inter-segment sales and transfers	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. (58) million yen included in "Adjustments" for "Segment profit (loss)" is mainly inter-segment transactions.
  3. "Segment profit (loss)" reconciles to operating profit disclosed in the condensed quarterly consolidated statement of profit or loss.

FY2023 Second Quarter (April 1, 2022 - September 30, 2022)

(Millions of yen)

	Automobile	Materials Handling Equipment	Textile Machinery	Others	Total	Adjustments	Consolidated	
Sales								
Outside customer sales	454,638	1,083,014	40,175	24,667	1,602,496	—	1,602,496	
Inter-segment sales and transfers	17,809	184	137	15,943	34,074	(34,074)	—	
Total	472,447	1,083,198	40,313	40,610	1,636,570	(34,074)	1,602,496	
Segment profit (loss)	14,087	70,939	4,457	2,360	91,844	165	92,010	
Financial income								56,674
Financial expenses								(5,422)
Share of profit (loss) of investments accounted for by the equity method								1,696
Profit before income taxes								144,958

- (Notes)
1. "Others" represents businesses not included in the reporting segments.
  2. 165 million yen included in "Adjustments" for "Segment profit (loss)" is mainly inter-segment transactions.
  3. "Segment profit (loss)" reconciles to operating profit disclosed in the condensed quarterly consolidated statement of profit or loss.