

# FINANCIAL RESULTS

FY2023 Third Quarter

(April 1, 2022 through December 31, 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 Third Quarter Consolidated Financial Results<IFRS> (April 1, 2022 - December 31, 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): February 13, 2023

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 FY2023 Third Quarter (April 1, 2022 - December 31, 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 Third Quarter</b>	<b>2,467,565</b>	<b>25.4</b>	<b>138,688</b>	<b>1.8</b>	<b>230,083</b>	<b>4.8</b>	<b>172,101</b>	<b>3.9</b>
FY2022 Third Quarter	1,967,949	29.2	136,292	72.2	219,510	51.6	165,593	45.7

	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 Third Quarter</b>	<b>169,228</b>	<b>4.0</b>	<b>(196,000)</b>	<b>—</b>	<b>545.06</b>	<b>545.06</b>
FY2022 Third Quarter	162,784	48.2	658,923	15.7	524.30	524.30

##### (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 Third Quarter</b>	<b>7,469,743</b>	<b>3,766,353</b>	<b>3,672,678</b>	<b>49.2</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	160,000	0.6	250,000	1.6	185,000	2.6	595.85

(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):

FY2023 Third Quarter — 325,840,640 shares, FY2022 — 325,840,640 shares

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

FY2023 Third Quarter — 15,361,197 shares, FY2022 — 15,360,786 shares

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

FY2023 Third Quarter — 310,479,624 shares, FY2022 Third Quarter — 310,480,778 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 135 yen to the U.S. dollar and 140 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 third quarter of FY2023 (the nine months from April 1 to December 31, 2022), total consolidated net sales of Toyota Industries amounted to 2,467.5 billion yen, an increase of 499.6 billion yen, or 25%, from the same period of the previous fiscal year. In terms of overall profit, despite an increase in raw material costs, an increase in labor costs and an increase in expenses and others, including logistic costs, owing to an increase in sales, the impact of exchange rate fluctuations and further advances in cost reduction efforts throughout the Toyota Industries Group, Toyota Industries posted consolidated operating profit of 138.6 billion yen, an increase of 2.4 billion yen, or 2%, from the same period of the previous fiscal year. Profit before income taxes totaled 230.0 billion yen, an increase of 10.5 billion yen, or 5% and profit attributable to owners of the parent amounted to 169.2 billion yen, an increase of 6.5 billion yen, or 4%.

Business results by business segment are as follows.

Net sales of the Automobile Segment totaled 694.6 billion yen, an increase of 123.5 billion yen, or 22%, from the same period of the previous fiscal year. Operating profit amounted to 21.3 billion yen, a decrease of 3.1 billion yen, or 13%.

Within this segment, net sales of the Vehicle Business totaled 58.7 billion yen, a decrease of 4.7 billion yen, or 7%, due to a decrease in sales of Toyota RAV4 both for Japan and abroad.

Net sales of the Engine Business totaled 237.8 billion yen, an increase of 49.8 billion yen, or 26%, resulting mainly from an increase in sales of gasoline engines.

Net sales of the Car Air-Conditioning Compressor Business totaled 315.5 billion yen, an increase of 57.7 billion yen, or 22%. Sales increased in North America and Europe.

Net sales of the Electronics Parts and Others Business totaled 82.4 billion yen, an increase of 20.6 billion yen, or 33%, attributable primarily to an increase in sales of DC-DC converters.

Net sales of the Materials Handling Equipment Segment totaled 1,672.3 billion yen, an increase of 365.4 billion yen, or 28%. Sales of lift trucks, a mainstay product of this segment, mainly increased in North America. Operating profit amounted to 107.0 billion yen, an increase of 4.8 billion yen, or 5%.

Net sales of the Textile Machinery Segment totaled 62.4 billion yen, an increase of 12.0 billion yen, or 24%. This is attributable primarily to an increase in sales of spinning machinery and yarn quality measurement instruments. Operating profit amounted to 6.3 billion yen, an increase of 2.3 billion yen, or 58%.

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

Assets amounted to 7,469.7 billion yen, a decrease of 157.4 billion yen from the end of the previous fiscal year, mainly due to a decrease in fair value of investment securities. Liabilities amounted to 3,703.3 billion yen, an increase of 98.2 billion yen from the end of the previous fiscal year, mainly owing to an increase in corporate bonds and loans. Equity amounted to 3,766.3 billion yen, a decrease of 255.6 billion yen from the end of the previous fiscal year.

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

Due to results of the third quarter of FY2023, Toyota Industries has revised its forecasts of consolidated financial results for FY2023 to consolidated net sales of 3,100.0 billion yen, operating profit of 160.0 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 135 yen to the U.S. dollar and 140 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 Third Quarter (As of December 31, 2022)
<b>Assets</b>		
Current assets		
Cash and cash equivalents	247,085	341,897
Time deposits with deposit terms of over three months	328,674	259,147
Trade receivables and other receivables	1,121,491	1,283,362
Other financial assets	12,672	18,677
Inventories	433,961	523,917
Income tax receivables	28,906	29,577
Other current assets	83,034	90,636
<b>Total current assets</b>	<b>2,255,827</b>	<b>2,547,216</b>
Non-current assets		
Property, plant and equipment	1,134,074	1,203,143
Goodwill and intangible assets	395,882	452,305
Trade receivables and other receivables	2,334	1,401
Investments accounted for by the equity method	21,337	23,438
Other financial assets	3,734,978	3,156,760
Net defined benefit assets	37,408	38,325
Deferred tax assets	39,908	38,214
Other non-current assets	5,368	8,937
<b>Total non-current assets</b>	<b>5,371,292</b>	<b>4,922,526</b>
<b>Total assets</b>	<b>7,627,120</b>	<b>7,469,743</b>



(Millions of yen)

	FY2022 (As of March 31, 2022)	FY2023 Third Quarter (As of December 31, 2022)
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
Current liabilities		
Trade payables and other payables	745,553	718,650
Corporate bonds and loans	468,504	638,401
Other financial liabilities	82,909	89,916
Accrued income taxes	27,281	24,353
Provisions	15,415	17,150
Other current liabilities	33,058	33,776
<b>Total current liabilities</b>	<b>1,372,721</b>	<b>1,522,248</b>
Non-current liabilities		
Corporate bonds and loans	922,011	1,039,302
Other financial liabilities	95,237	99,705
Net defined benefit liabilities	91,677	90,193
Provisions	11,809	11,581
Deferred tax liabilities	1,078,641	902,141
Other non-current liabilities	33,054	38,217
<b>Total non-current liabilities</b>	<b>2,232,430</b>	<b>2,181,141</b>
<b>Total liabilities</b>	<b>3,605,152</b>	<b>3,703,389</b>
<b>Equity</b>		
Share of equity attributable to owners of the parent		
Capital stock	80,462	80,462
Capital surplus	102,388	101,819
Retained earnings	1,514,657	1,629,812
Treasury stock	(59,339)	(59,342)
Other components of shareholders' equity	2,290,343	1,919,925
<b>Total share of equity attributable to owners of the parent</b>	<b>3,928,513</b>	<b>3,672,678</b>
Non-controlling interests	93,454	93,675
<b>Total equity</b>	<b>4,021,967</b>	<b>3,766,353</b>
<b>Total liabilities and equity</b>	<b>7,627,120</b>	<b>7,469,743</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 Third Quarter (April 1, 2021 - December 31, 2021)	FY2023 Third Quarter (April 1, 2022 - December 31, 2022)
Net sales	1,967,949	2,467,565
Cost of sales	(1,516,173)	(1,911,056)
Gross profit	451,776	556,508
Selling, general and administrative expenses	(323,467)	(423,697)
Other income	16,188	15,147
Other expenses	(8,205)	(9,270)
Operating profit	136,292	138,688
Financial income	85,114	98,403
Financial expenses	(5,060)	(9,410)
Share of profit (loss) of investments accounted for by the equity method	3,164	2,401
Profit before income taxes	219,510	230,083
Income taxes	(53,917)	(57,981)
<b>Profit</b>	165,593	172,101
Profit attributable to:		
Owners of the parent	162,784	169,228
Non-controlling interests	2,809	2,872
Earnings per share		
Earnings per share – basic (yen)	524.30	545.06
Earnings per share – diluted (yen)	524.30	545.06

## Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY2022 Third Quarter (April 1, 2021 - December 31, 2021)	FY2023 Third Quarter (April 1, 2022 - December 31, 2022)
<b>Profit</b>	165,593	172,101
Other comprehensive income:		
Items not to be reclassified into profit or loss		
Net changes in revaluation of FVTOCI financial assets	465,760	(413,532)
Remeasurements of defined benefit plans	(41)	1,703
Other comprehensive income of affiliates accounted for by the equity method	14	(11)
Total items not to be reclassified into profit or loss	465,734	(411,840)
Items that can be reclassified into profit or loss		
Translation adjustments of foreign operations	26,241	37,993
Cash flow hedges	936	5,831
Other comprehensive income of affiliates accounted for by the equity method	417	(84)
Total items that can be reclassified into profit or loss	27,595	43,739
Total other comprehensive income	493,329	(368,101)
<b>Comprehensive income</b>	658,923	(196,000)
Total comprehensive income attributable to:		
Owners of the parent	654,089	(199,376)
Non-controlling interests	4,833	3,376

### (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	—	—	162,784	—	—	—
Other comprehensive income	—	—	—	—	465,726	(31)
Total comprehensive income	—	—	162,784	—	465,726	(31)
Repurchase of treasury stock	—	—	—	(15)	—	—
Disposal of treasury stock	—	0	—	0	—	—
Dividends	—	—	(49,676)	—	—	—
Changes in ownership interest of subsidiaries	—	39	—	—	—	—
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	1	—	(33)	31
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	39	(49,675)	(15)	(33)	31
<b>Balance as of December 31, 2021</b>	80,462	102,346	1,482,884	(59,336)	2,245,378	—

<b>Balance as of April 1, 2022</b>	80,462	102,388	1,514,657	(59,339)	2,245,347	—
Profit	—	—	169,228	—	—	—
Other comprehensive income	—	—	—	—	(413,419)	1,700
Total comprehensive income	—	—	169,228	—	(413,419)	1,700
Repurchase of treasury stock	—	—	—	(3)	—	—
Disposal of treasury stock	—	—	—	—	—	—
Dividends	—	—	(55,886)	—	—	—
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	—	—	1,813	—	(112)	(1,700)
Other increases (decreases)	—	(627)	—	—	—	—
Total transactions with owners	—	(569)	(54,073)	(3)	(112)	(1,700)
<b>Balance as of December 31, 2022</b>	80,462	101,819	1,629,812	(59,342)	1,831,815	—

(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	—	—	—	162,784	2,809	165,593
Other comprehensive income	24,673	936	491,305	491,305	2,024	493,329
Total comprehensive income	24,673	936	491,305	654,089	4,833	658,923
Repurchase of treasury stock	—	—	—	(15)	—	(15)
Disposal of treasury stock	—	—	—	0	—	0
Dividends	—	—	—	(49,676)	(2,287)	(51,964)
Changes in ownership interest of subsidiaries	—	—	—	39	(480)	(440)
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	621	621
Reclassified into retained earnings	—	—	(1)	—	—	—
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	—	(1)	(49,652)	(2,147)	(51,799)
<b>Balance as of December 31, 2021</b>	(14,408)	3,147	2,234,117	3,840,475	89,197	3,929,673

<b>Balance as of April 1, 2022</b>	41,657	3,338	2,290,343	3,928,513	93,454	4,021,967
Profit	—	—	—	169,228	2,872	172,101
Other comprehensive income	37,282	5,831	(368,604)	(368,604)	503	(368,101)
Total comprehensive income	37,282	5,831	(368,604)	(199,376)	3,376	(196,000)
Repurchase of treasury stock	—	—	—	(3)	—	(3)
Disposal of treasury stock	—	—	—	—	—	—
Dividends	—	—	—	(55,886)	(2,665)	(58,551)
Changes in ownership interest of subsidiaries	—	—	—	58	(490)	(431)
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	(1,813)	—	—	—
Other increases (decreases)	—	—	—	(627)	—	(627)
Total transactions with owners	—	—	(1,813)	(56,458)	(3,155)	(59,614)
<b>Balance as of December 31, 2022</b>	78,940	9,169	1,919,925	3,672,678	93,675	3,766,353

**(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 third quarter of FY2023, Toyota Industries paid dividends of 55,886 million yen from retained earnings.

## (Segment Information)

FY2022 Third Quarter (April 1, 2021 - December 31, 2021)

(Millions of yen)

	Automobile	Materials Handling Equipment	Textile Machinery	Others	Total	Adjustments	Consolidated	
Sales								
Outside customer sales	571,196	1,306,987	50,450	39,315	1,967,949	—	1,967,949	
Inter-segment sales and transfers	21,273	369	210	21,360	43,213	(43,213)	—	
Total	592,469	1,307,356	50,660	60,676	2,011,163	(43,213)	1,967,949	
Segment profit (loss)	24,457	102,200	4,027	5,675	136,360	(67)	136,292	
Financial income								85,114
Financial expenses								(5,060)
Share of profit (loss) of investments accounted for by the equity method								3,164
Profit before income taxes								219,510

- (Notes)
1. "Others" represents businesses not included in the reporting segments.
  2. (67) 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 Third Quarter (April 1, 2022 - December 31, 2022)

(Millions of yen)

	Automobile	Materials Handling Equipment	Textile Machinery	Others	Total	Adjustments	Consolidated	
Sales								
Outside customer sales	694,670	1,672,373	62,447	38,073	2,467,565	—	2,467,565	
Inter-segment sales and transfers	27,086	226	206	24,085	51,605	(51,605)	—	
Total	721,757	1,672,600	62,653	62,158	2,519,170	(51,605)	2,467,565	
Segment profit (loss)	21,333	107,005	6,356	3,785	138,480	207	138,688	
Financial income								98,403
Financial expenses								(9,410)
Share of profit (loss) of investments accounted for by the equity method								2,401
Profit before income taxes								230,083

- (Notes)
1. "Others" represents businesses not included in the reporting segments.
  2. 207 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.