

# FY2011 2nd Quarter Financial Results



Nov 1, 2010

**TOYOTA INDUSTRIES CORPORATION**

# I. Financial Summary

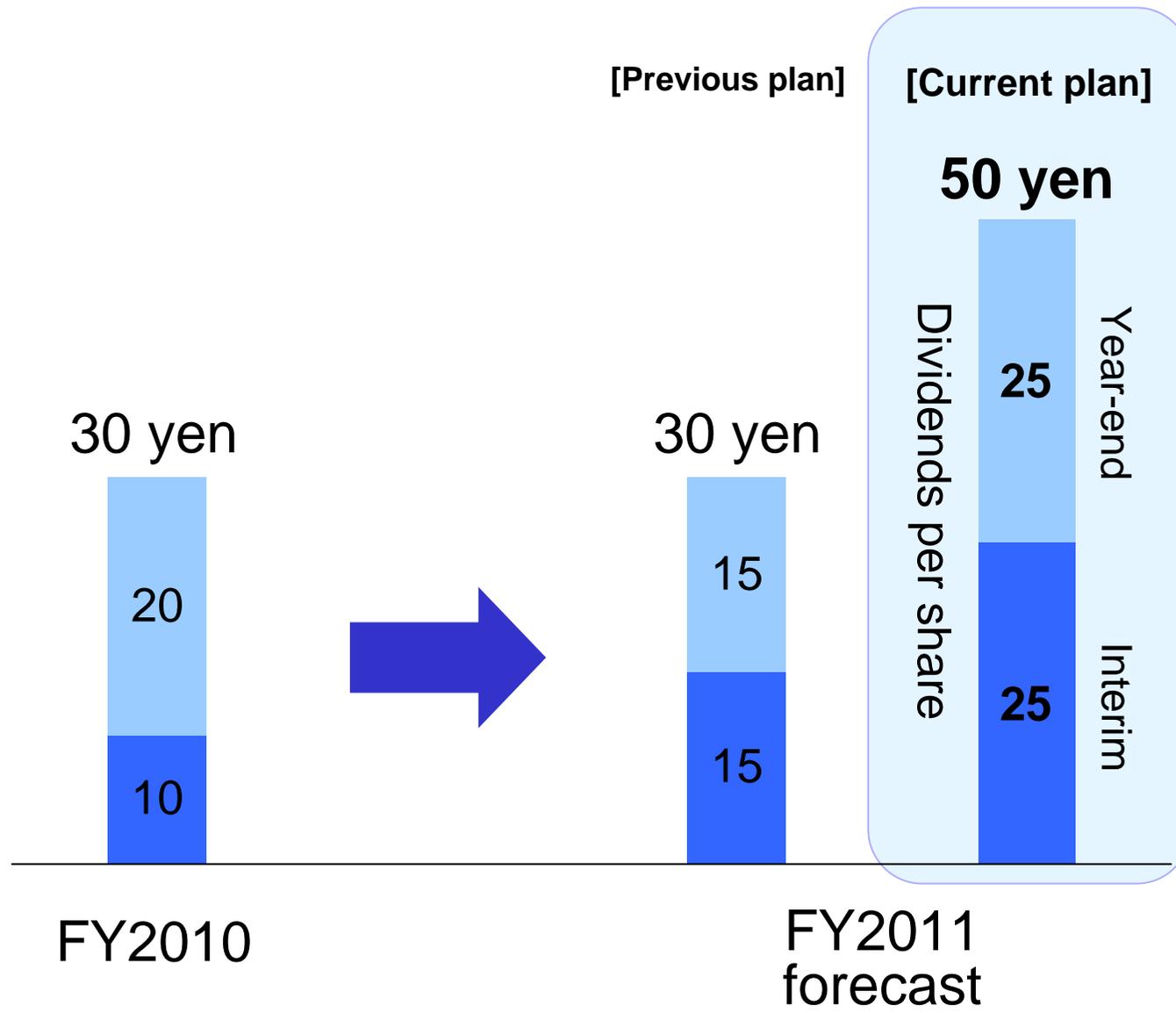
# Performance

FY 2011 2Q

(Billion yen)

	FY2010 2Q (6 months)	FY2011 2Q (6 months)	Change	
Net sales	627.5	729.8	+102.3	+16.3%
Operating income	2.8	36.2	+39.0	-
Ordinary income	4.2	38.3	+34.1	+800.1%
Net income	0.2	23.6	+23.4	-

# Dividends



# Performance

**FY2011 Forecast**

(Billion yen)

	FY2010	FY2011 forecast	Change		Previous plan
Net sales	1,377.7	1,480.0	+102.3	+7.4%	1,450.0
Operating income	22.0	65.0	+43.0	+195.4%	55.0
Ordinary income	31.7	70.0	+38.3	+120.4%	60.0
Net income	26.2	41.0	+67.2	-	33.0

## **II. Company Policy for FY2011 and Our Initiatives**

# Company Policy for FY2011

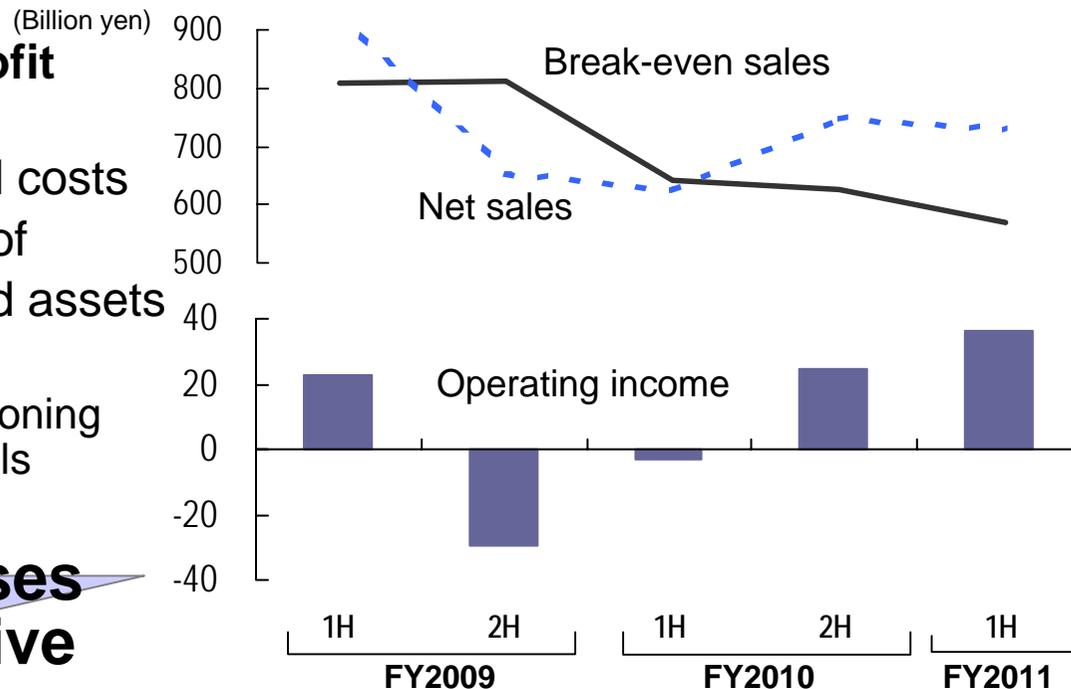
## - Solidify defenses & Shift to offensive -

Continue to strengthen our corporate structure while maintaining streamlined structure

### •Continue emergency profit improvement activities

1. Sharp reduction of fixed costs
2. Accounting treatments of impairment loss on fixed assets in FY2009 and FY2010  
(Divisions of car air-conditioning compressor and materials handling equipment)

**Solidify defenses**  
**Shift to offensive**



Be attuned to market changes and seize business opportunities

1. Sales expansion by seizing recent market's recovery
2. Initiatives for emerging markets and promotion of environmental technology developments in line with keyword "3Es (Energy, environmental protection and ecological thinking)"

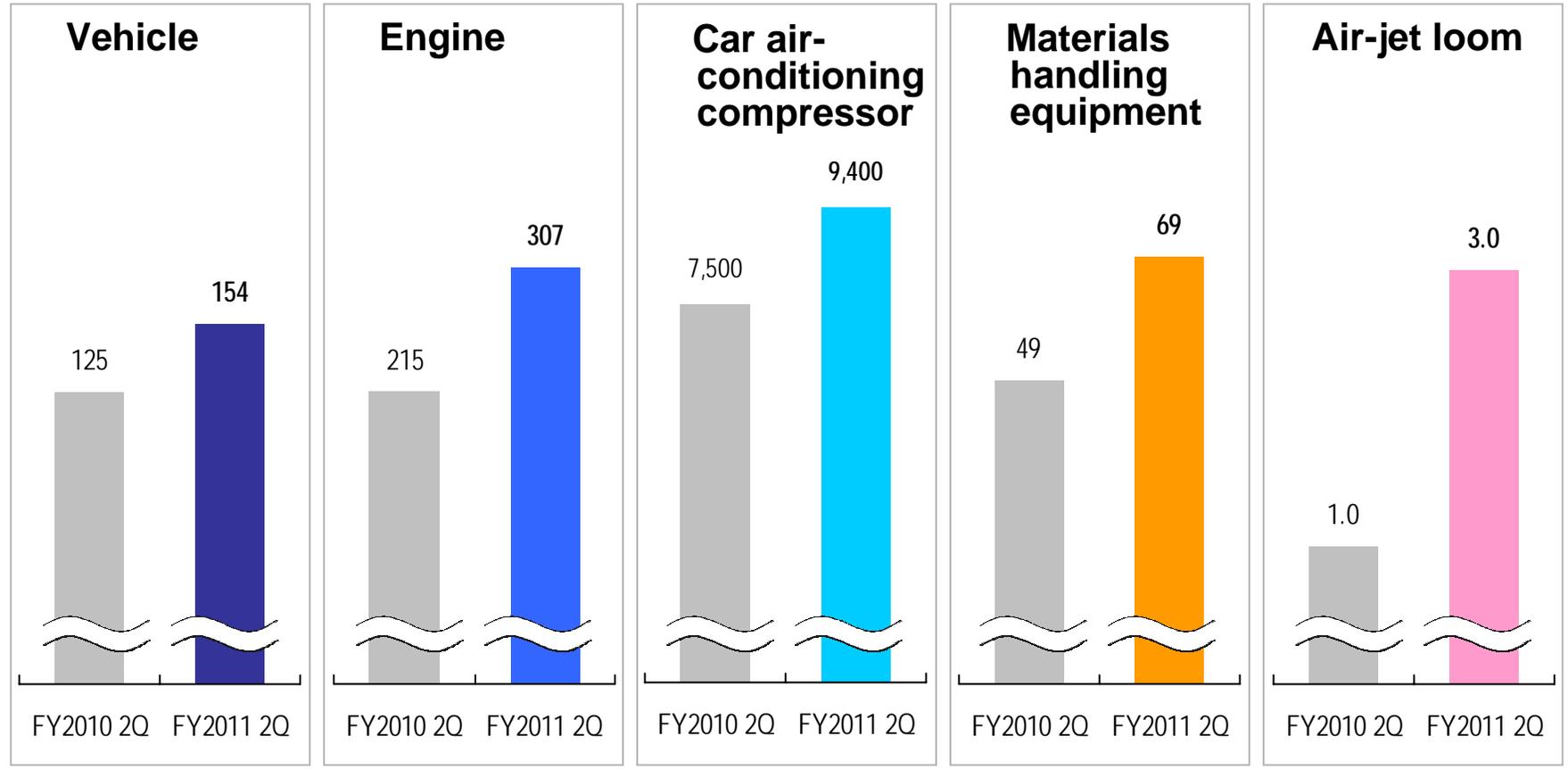
# **III. Recent Improvements in Business Performance**

# Sales Units by Segment

Recent Improvements  
in Business Performance

Recent sales units increase of all segments  
by seizing market's recovery

(Thousand units)



# TICO Initiatives in Materials Handling Equipment Business

Recent Improvements  
in Business Performance

Aiming for increase of unit sales by seizing each markets' recovery

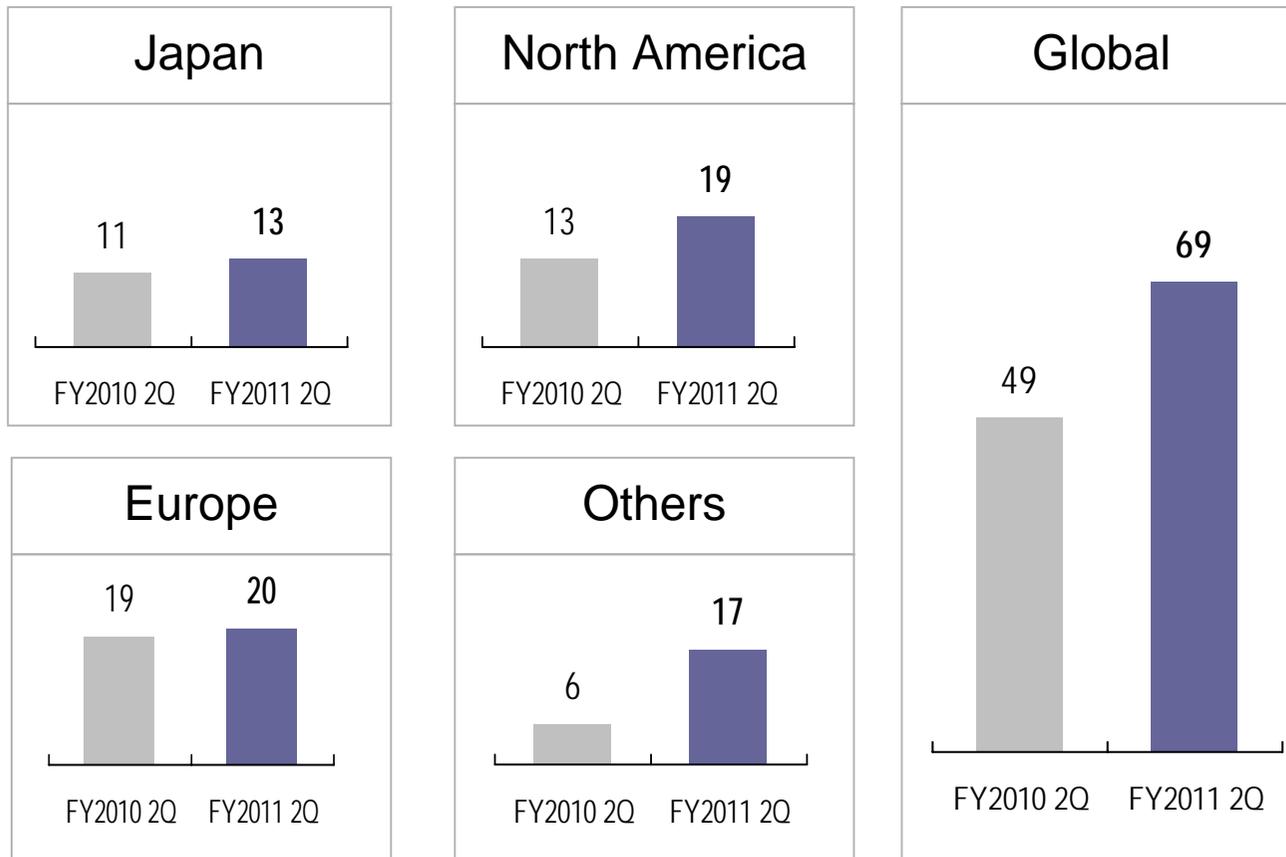
Market	TICO initiatives
Japan	<ul style="list-style-type: none"> <li>• Further expand sales activities for robust industries</li> <li>• Promote solution sales</li> </ul>
North America	<ul style="list-style-type: none"> <li>• Establish new company TMHNA, Inc. which controls production and sales</li> <li>• Introduce new electric lift trucks (2.0- to 3.0-ton)</li> </ul>
Europe	<ul style="list-style-type: none"> <li>• Expand and enhance value chain by channel-integrated sales network of TOYOTA and BT</li> <li>• Bolster sales network in growing markets (Eastern Europe, etc.)</li> </ul>
China	<ul style="list-style-type: none"> <li>• Introduce new internal-combustion lift truck</li> <li>• Strengthen and expand sales network</li> </ul>
Others	<ul style="list-style-type: none"> <li>• Strengthen and expand sales network in emerging markets (Latin America, India, Southeast Asia, etc.)</li> </ul>

# Sales Units of Materials Handling Equipment Business

Recent Improvements in Business Performance

Unit sales increased in all market areas by sales expansion activities seizing each market's recovery and introduction of new models, etc.

(Thousand units)



# TICO Initiatives in Car Air-Conditioning Compressor Business

Recent Improvements  
in Business Performance

New product developments focusing car makers' needs bear fruit

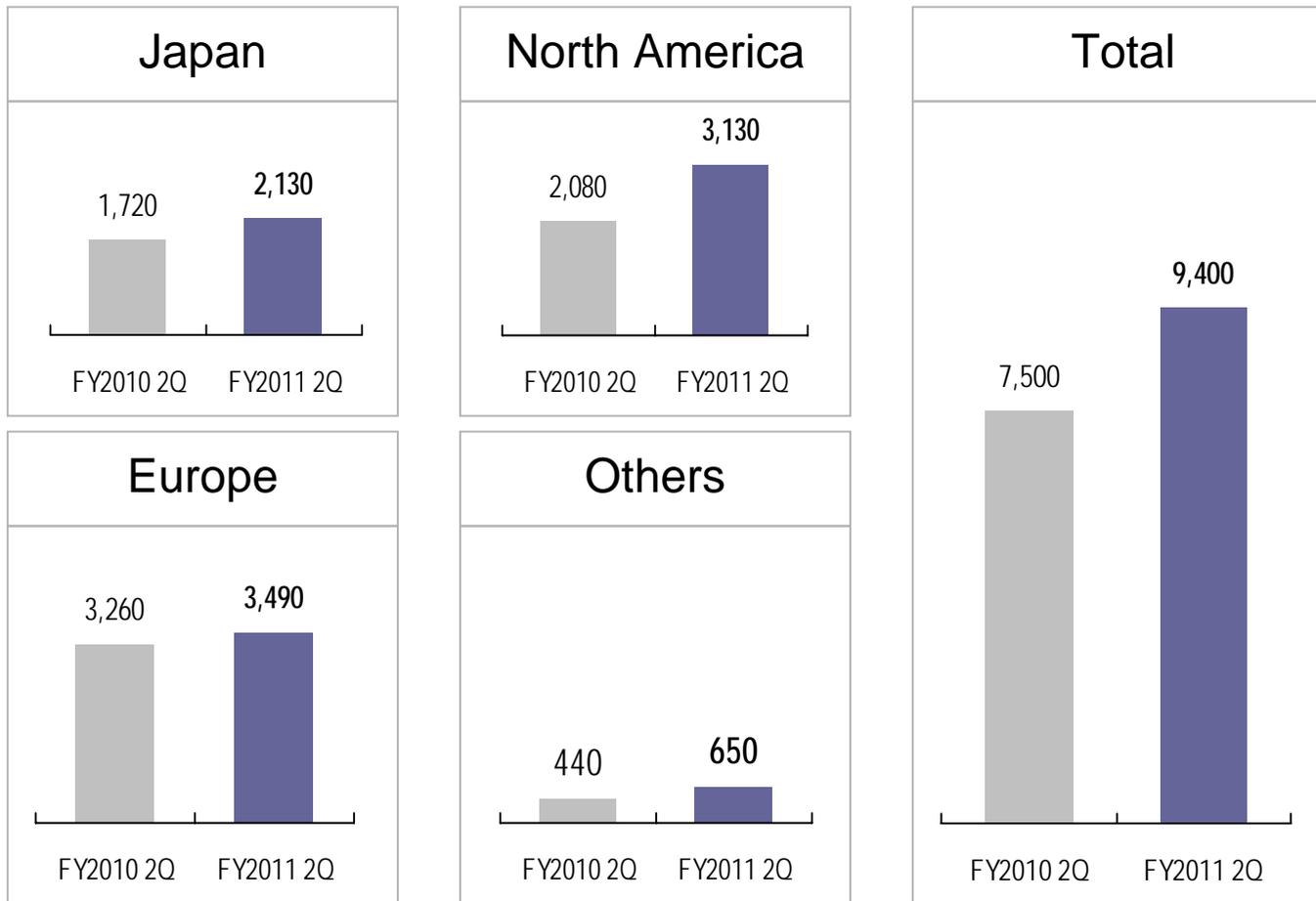
Market	TICO initiatives
Japan	<ul style="list-style-type: none"> <li>• Maximize product appeal and expand product lineup of electric compressor</li> <li>• Further improve energy-saving and lightweight technologies of compressors for compact cars</li> </ul>
North America	<ul style="list-style-type: none"> <li>• Enter into new car models by technical sales promotion seizing Big3's business recovery</li> <li>• Further improve energy-saving technology for large-size car which retains popularity</li> </ul>
Europe	<ul style="list-style-type: none"> <li>• Introduce products to German luxury car manufacturers by improving noise-reduction technology</li> <li>• Newly enter into French compact car manufacturers by leveraging TICO's energy-saving technology</li> </ul>
China	<ul style="list-style-type: none"> <li>• Expand sales promotion activities to foreign-affiliated car manufacturers</li> </ul>

# Sales Units of Car Air-Conditioning Compressor Business

Recent Improvements  
in Business Performance

Unit sales increased in all market areas by recovery of automobile market and aggressive technical sales promotion

(Thousand units)



# **IV. Business Initiatives for the Coming Years**

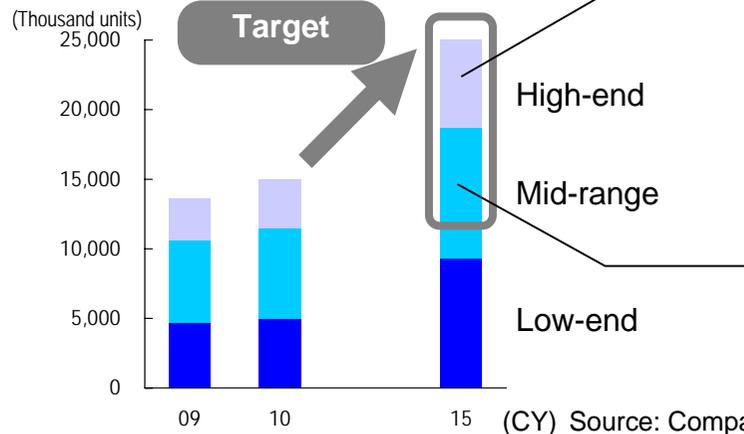
- Initiatives for emerging markets
- Promotion of environmental technology developments in line with keyword “3Es”

# TICO's Initiatives to Increase Market Share in China

Initiatives for Emerging Markets

## Car Air-conditioning Compressor

Sales units of automobile in China by price range



- **Enhance technical sales for high-end models**
  - Electric type for EV/HV
  - Externally controlled variable-displacement type for engine-driven vehicle
- **Appeal fuel efficiency technologies for mid-range models**
  - Compressor for compact car

- Increase local procurement ratio
- Increase production efficiency
- Shift to local production
- Enhance technical supports

## Materials Handling Equipment

- **Introduce new model “Z series” (in late Aug, 2010)**

- Local production and increasing local procurement ratio
- Achieve a good balance between quality and narrowing down spec and functions



2.0- to 3.0-ton Internal Combustion Counterbalanced Lift Truck

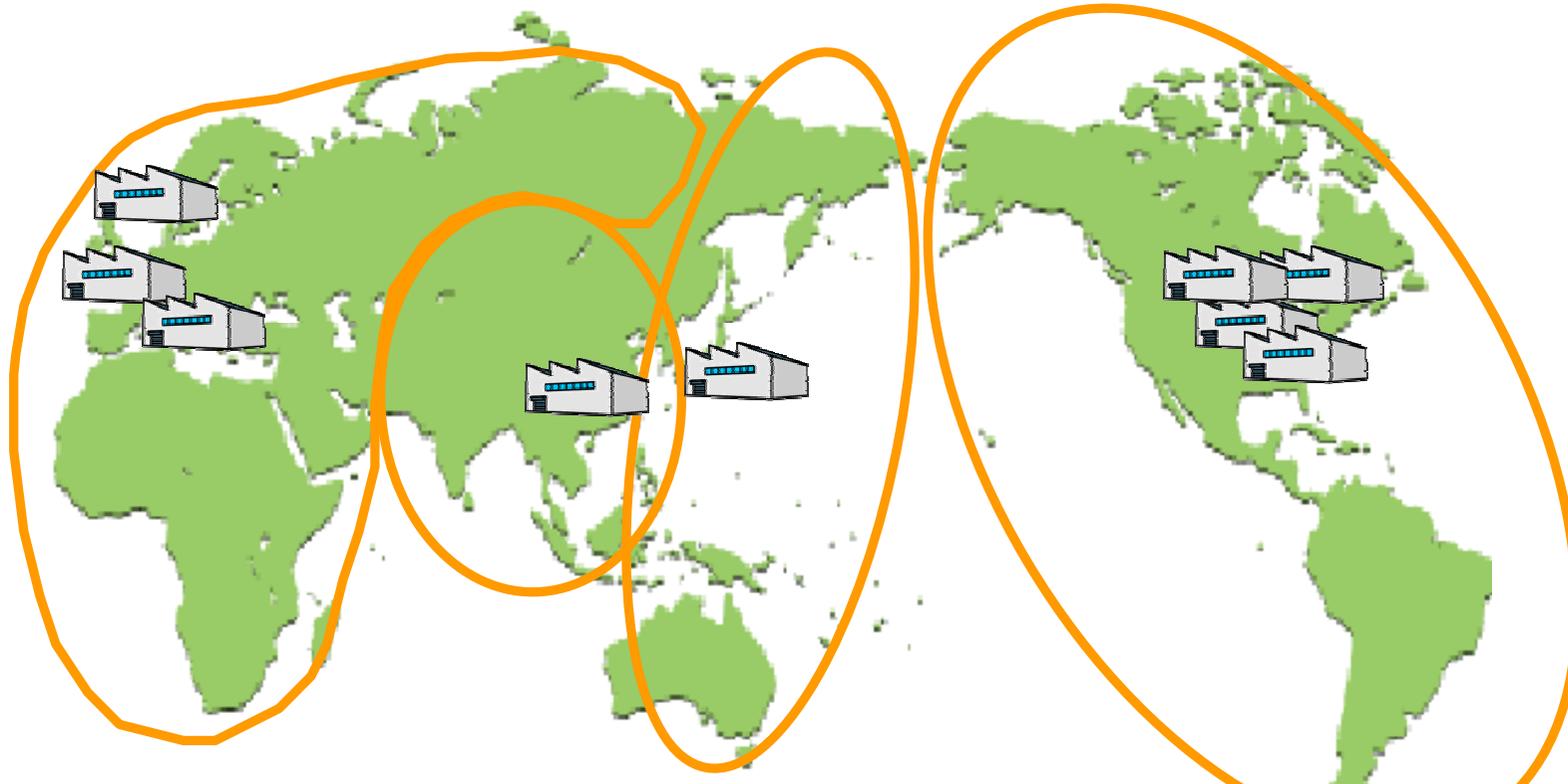
- **Strengthen and expand sales network**

- Strengthen and expand sales operations focusing on large market areas

# Optimizing Supply Structure Including Emerging Markets

Initiatives for Emerging Markets

## Materials Handling Equipment



Reduce exchange rate fluctuation risk

Shorten lead time from order to sales

Appropriately reflect each area's needs for products

# **IV. Business Initiatives for the Coming Years**

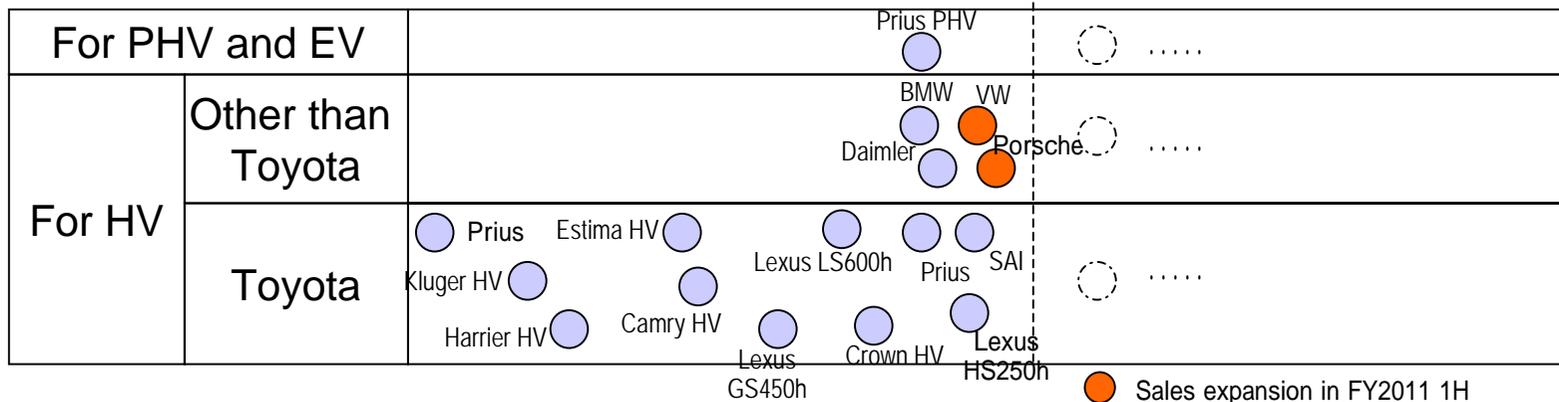
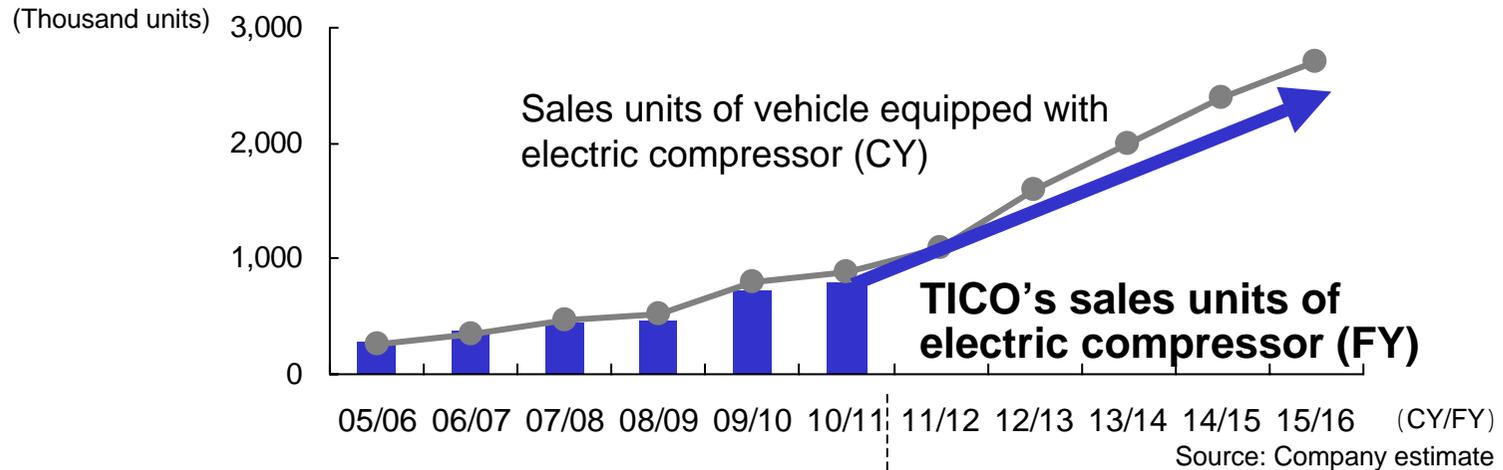
- Initiatives for emerging markets
- Promotion of environmental technology developments in line with keyword “3Es”

# Sales Expansion of Electric Compressor

Promotion of Environmental Technology Developments

## Car Air-conditioning Compressor

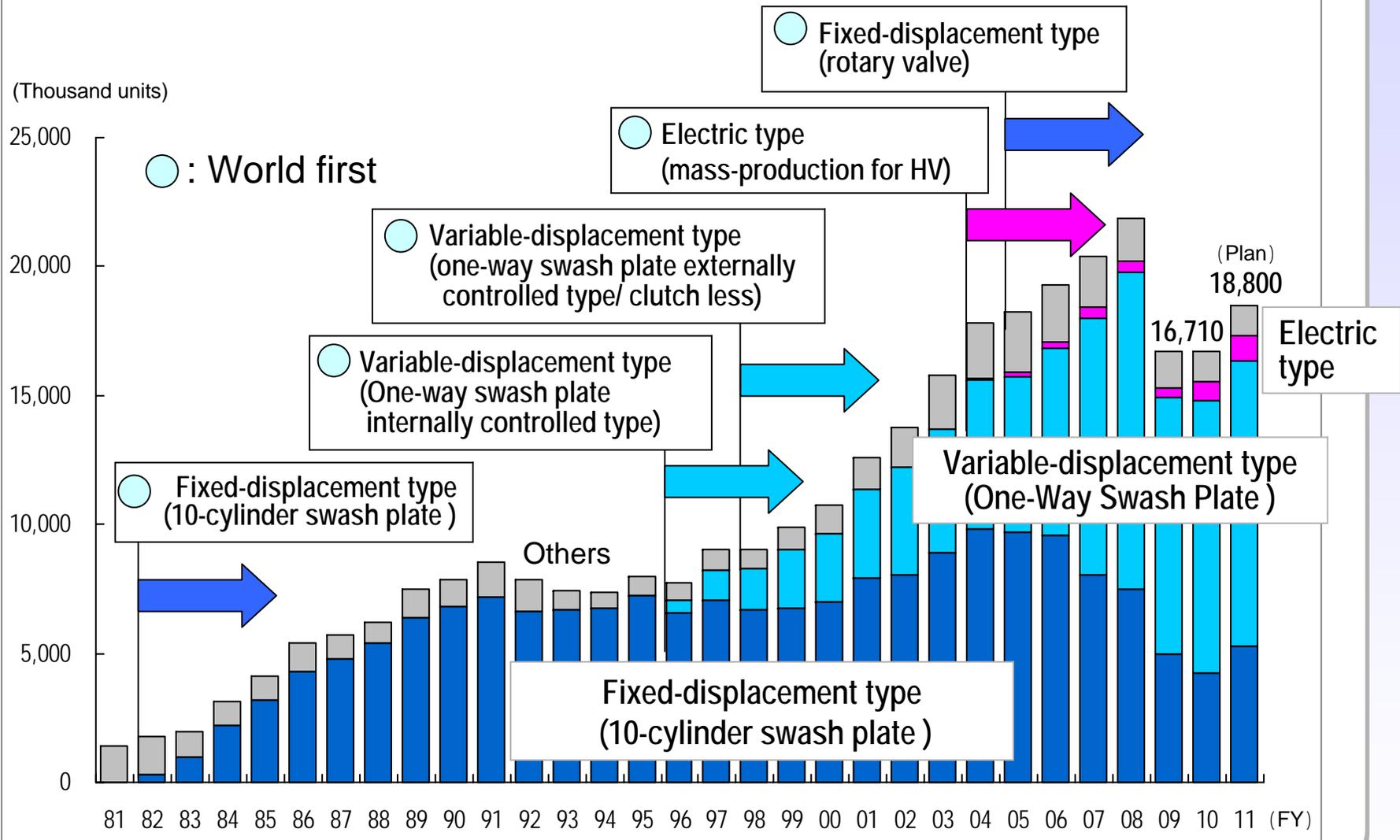
- Capture growing HV, PHV and EV markets by developing small, lightweight and high-efficiency products



# TICO's Technology and Sales Expansion

Promotion of Environmental Technology Developments

## Car Air-conditioning Compressor



# Enhancing Product Appeal of Lift Truck by TICO's Environmental Technology

Promotion of Environmental Technology Developments

## Materials Handling Equipment

### Electric lift truck

Further enhance the performance of key components (motor and controller, etc.)

→ Increase operating time and improve driving and loading performance

<Main customers> Food industry and warehousing industry, etc.

### Diesel-powered internal-combustion hybrid lift truck

Enhance mid- and large-size product lineup by taking advantage of internal-combustion hybrid lift trucks (in addition to 3.5-ton, introduce 4.0- and 4.5-ton)

#### Advantage of internal-combustion hybrid lift truck

- Achieve similar driving and loading performance as internal-combustion lift truck
- Reduce 50% of fuel consumption and CO<sub>2</sub> emission
- Increase operating time

(GENEO-HYBRID)



<Main customers> Traffic industry, recycle business, paper industry, and lumbering industry, etc.

# V. Financial Results

# Performance

FY 2011 2Q

(Billion yen)

	FY2010 2Q (6 months)	FY2011 2Q (6 months)	Change	
Net sales	627.5	729.8	102.3	16.3%
Operating income	(2.8)	36.2	39.0	-
Ordinary income	4.2	38.3	34.1	800.1%
Net income	0.2	23.6	23.4	-
Net income per share	¥0.74	¥76.02	¥75.28	-
Dividends per share	¥10	¥25	¥15	-
Investments in tangible assets	14.8	16.3	1.5	10.0%
Depreciation	35.9	29.9	(6.0)	(16.6%)

## Exchange rate

¥/US\$	95	89	(6)	-
¥/Euro	133	114	(19)	-

(Billion yen)

	As of March 31, 2010	FY2011 2Q	Change	
Total assets	2,589.2	2,359.1	(230.1)	(8.9%)
Total net assets	1,104.9	989.9	(115.0)	(10.4%)
Total net assets per share	¥3,390.02	¥3,027.46	(¥362.56)	-
Equity ratio	40.8%	40.0%	-	-
Consolidated subsidiaries	159	159	-	-

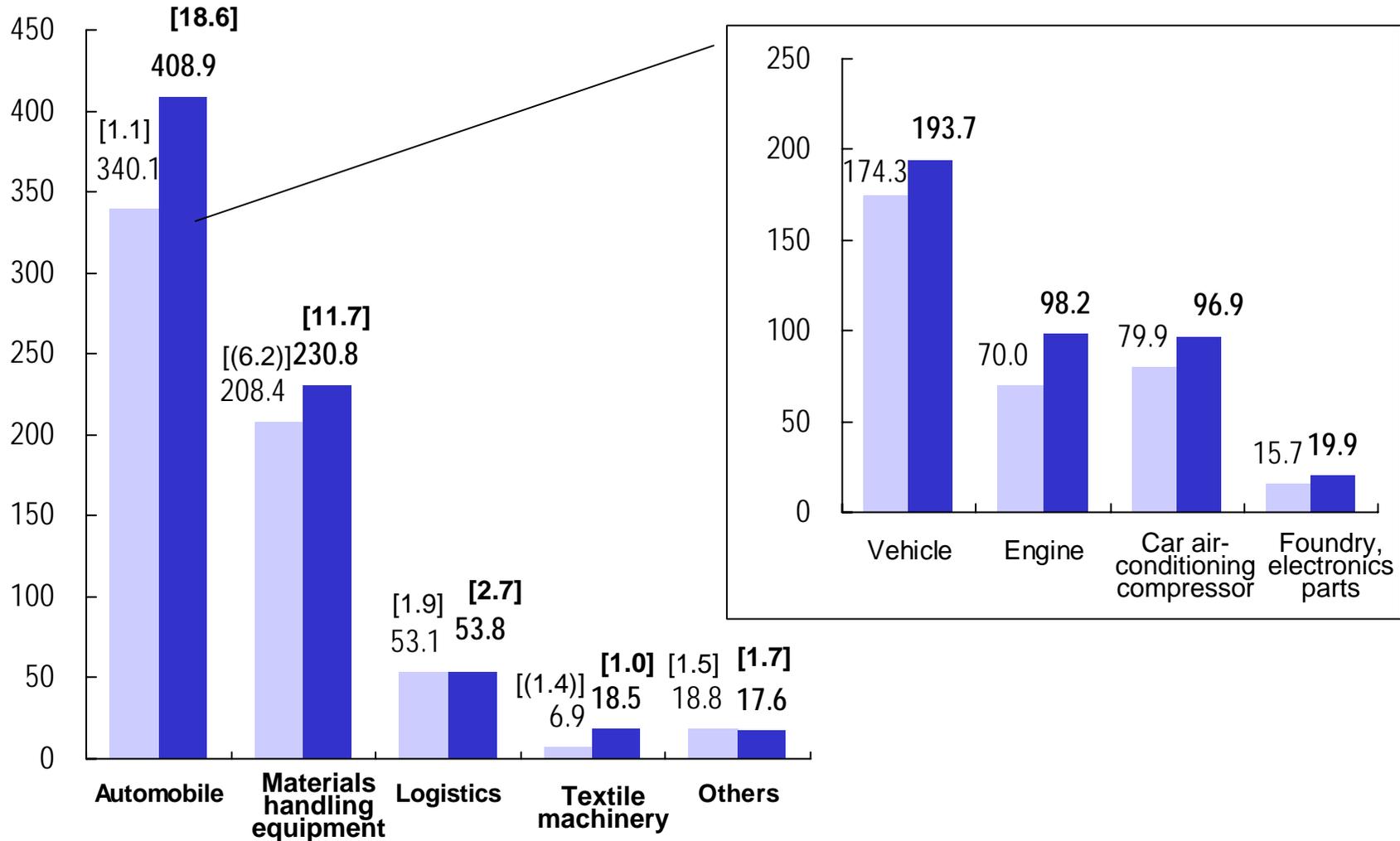
# Segment Information

**FY 2011 2Q**

## ◆ Net sales

(Billion yen [Operating Income])

■ FY2010 2Q (6 months)  
■ FY2011 2Q (6 months)



# Unit sales

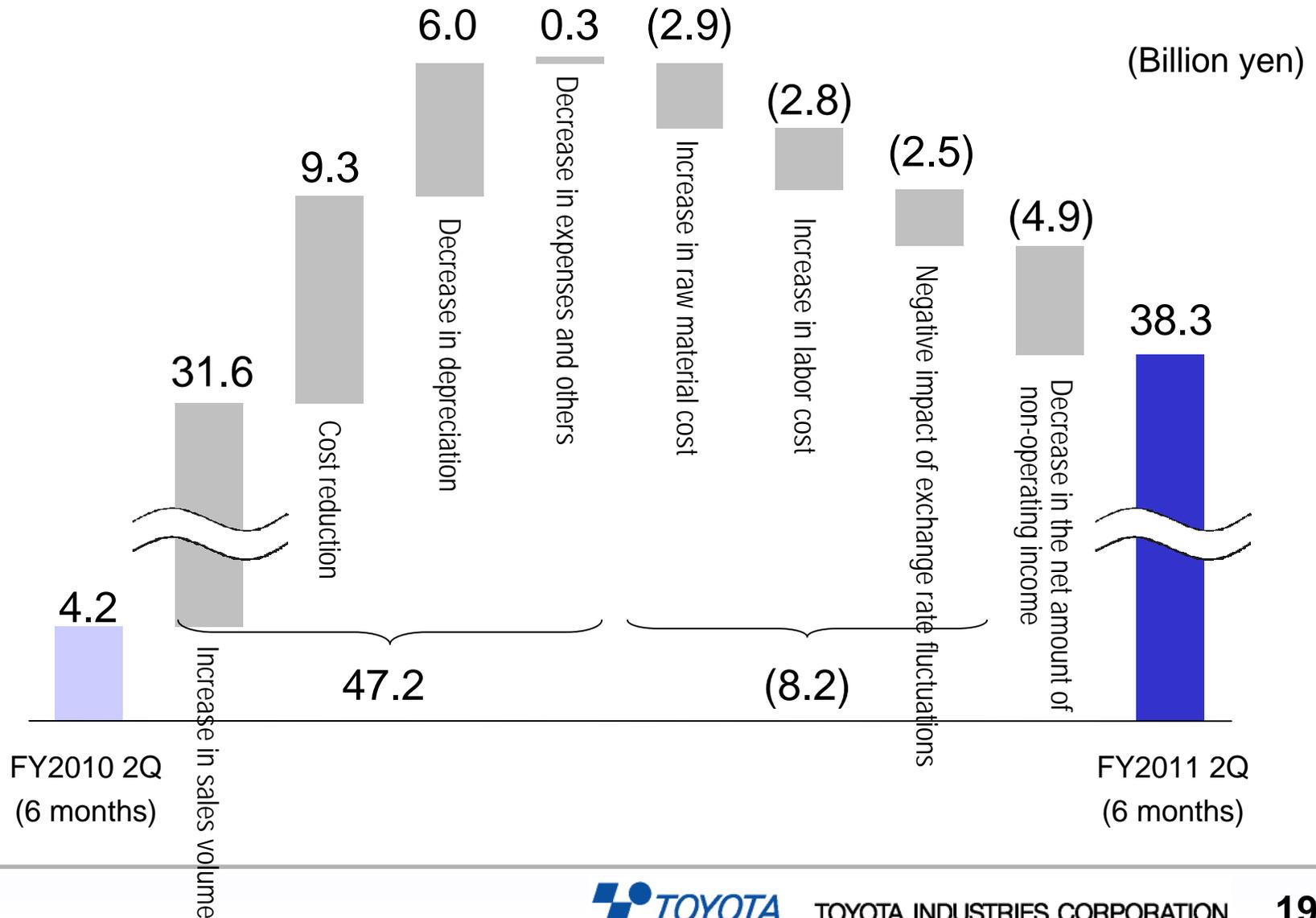
FY 2011 2Q/ FY2011 Forecast

(Thousand units)

		FY2010 2Q (6 months)	FY2011 2Q (6 months)	Change	FY2011 forecast		
					Current plan	Change	Previous plan (7/30)
Vehicle	Vitz (Yaris)	61	95	34	206	57	197
	RAV4	61	57	(4)	103	(31)	95
	Mark X ZiO	3	2	(1)	6	(2)	5
<b>Vehicle</b>		<b>125</b>	<b>154</b>	<b>29</b>	<b>315</b>	<b>24</b>	<b>297</b>
Engine	Diesel	119	186	67	371	85	323
	Gasoline	96	121	25	254	38	262
<b>Engine</b>		<b>215</b>	<b>307</b>	<b>92</b>	<b>625</b>	<b>123</b>	<b>585</b>
<b>Car air-conditioning compressor</b>		<b>7,500</b>	<b>9,400</b>	<b>1,900</b>	<b>18,800</b>	<b>2,090</b>	<b>18,500</b>
<b>Materials handling equipment</b>		<b>49</b>	<b>69</b>	<b>20</b>	<b>150</b>	<b>39</b>	<b>150</b>
<b>Air-jet loom</b>		<b>1.0</b>	<b>3.0</b>	<b>2.0</b>	<b>7.0</b>	<b>3.7</b>	<b>7.0</b>

# Change in Ordinary Income

FY 2011 2Q



# Performance

FY2011 Forecast

(Billion yen)

	FY2010	FY2011 forecast	Change		Previous plan
Net sales	1,377.7	1,480.0	102.3	7.4%	1,450.0
Operating income	22.0	65.0	43.0	195.4%	55.0
Ordinary income	31.7	70.0	38.3	120.4%	60.0
Net income	(26.2)	41.0	67.2	-	33.0
Net income per share	(¥84.33)	¥131.59	¥215.92	-	¥105.92
Dividends per share	¥30	¥50	¥20	-	¥30
Investments in tangible assets	26.9	40.0	13.1	48.3%	40.0
Depreciation	73.2	64.0	(9.2)	(12.6%)	65.0

## Exchange rate

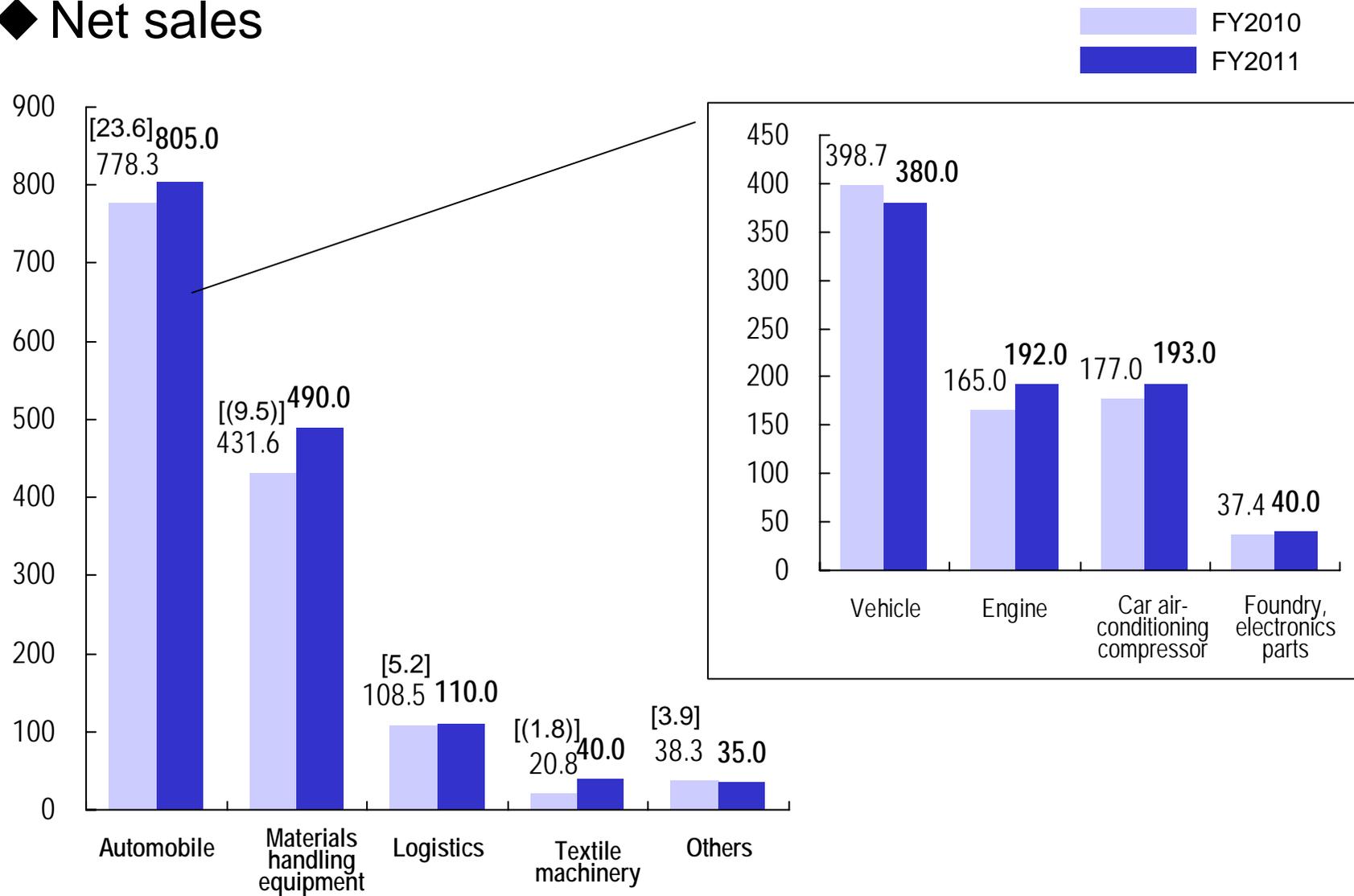
¥/US\$	93	85	(8)	-	90
¥/Euro	131	112	(19)	-	112

# Segment Information

**FY2011 Forecast**

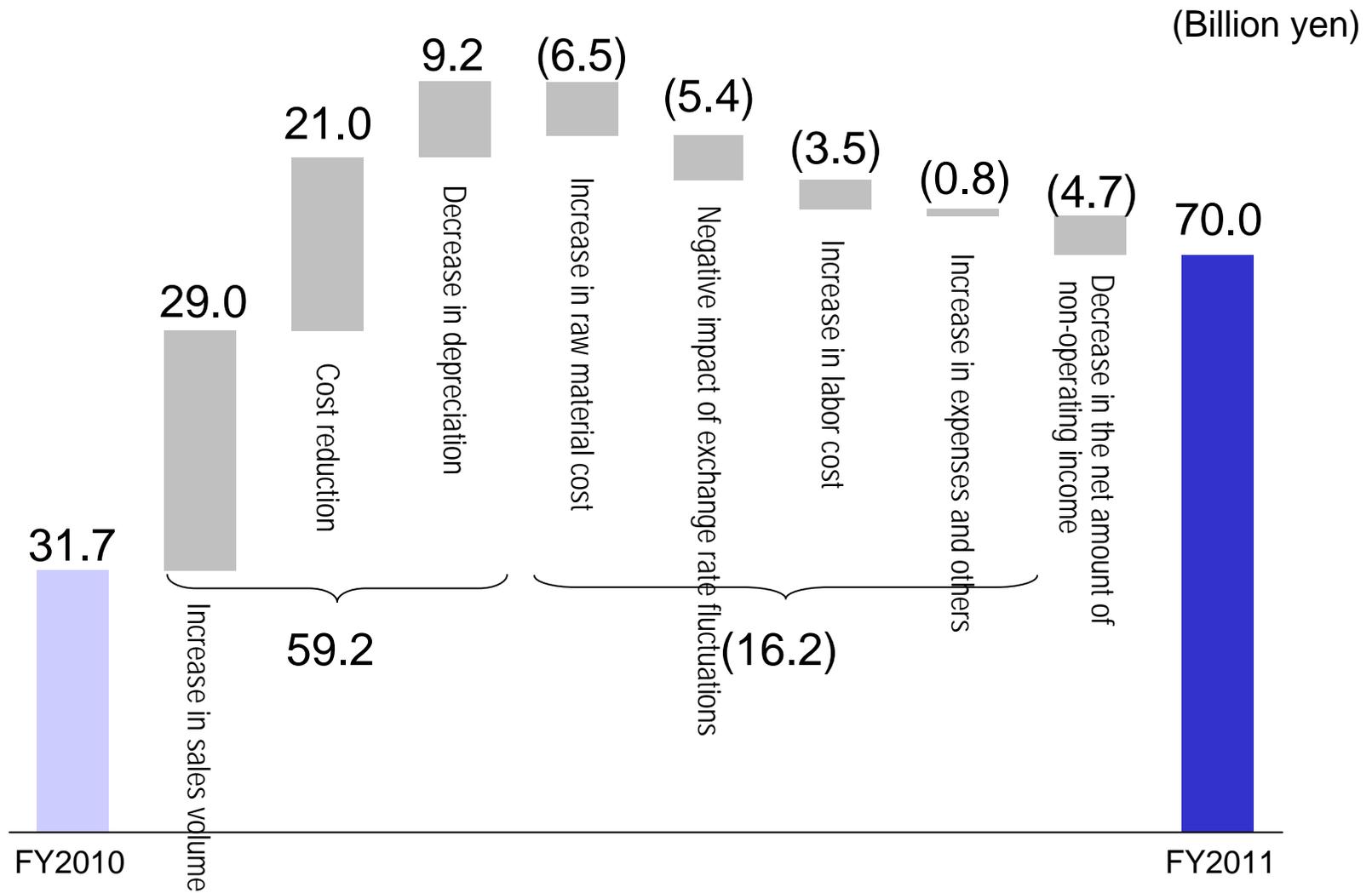
## ◆ Net sales

(Billion yen [Operating Income])



# Change in Ordinary Income

FY2011 Forecast



## **Cautionary Statement with Respect to Forward-Looking Statements**

*This presentation contains projections of business results as well as statements regarding business plans, forecasts, strategies, and other forward-looking statements that are not to be taken as historical fact. Projections and forward-looking statements are based on the current expectations and estimates of Toyota Industries and its Group companies. 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. You should also be aware that certain risks and uncertainties could cause the actual results of Toyota Industries and its Group companies to differ materially from any projections or forward-looking statements appearing in this report. These risks and uncertainties include, but are not limited to, the following: 1) economic trends, 2) various competitive pressures, 3) changes in relevant laws and regulations, and 4) fluctuations in exchange rates.*