

# FINANCIAL SUMMARY

FY2019 First Quarter

(April 1, 2018 through June 30, 2018)

**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.*

## FY2019 First Quarter Consolidated Financial Results<IFRS> (April 1, 2018 - June 30, 2018)

### 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): August 10, 2018

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 FY2019 First Quarter (April 1, 2018 - June 30, 2018)

##### (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>FY2019 First Quarter</b>	<b>522,145</b>	<b>17.2</b>	<b>33,943</b>	<b>(23.2)</b>	<b>71,121</b>	<b>(8.2)</b>	<b>55,417</b>	<b>(9.6)</b>
FY2018 First Quarter	445,388	10.9	44,222	52.6	77,482	34.2	61,303	38.0

	Profit attributable to owners of the parent		Comprehensive income		Earnings per share – basic	Earnings per share – diluted
	Million yen	%	Million yen	%	Yen	Yen
<b>FY2019 First Quarter</b>	<b>53,438</b>	<b>(10.9)</b>	<b>86,822</b>	<b>79.4</b>	<b>172.11</b>	—
FY2018 First Quarter	59,948	39.6	48,392	—	193.08	—

##### (2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Percentage of equity attributable to owners of the parent
	Million yen	Million yen	Million yen	%
<b>FY2019 First Quarter</b>	<b>5,328,418</b>	<b>2,695,128</b>	<b>2,613,316</b>	<b>49.0</b>
FY2018	5,258,500	2,633,869	2,553,391	48.6

## 2. Cash Dividends

	Annual cash dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	FY Total
FY2018	— Yen	70.00 Yen	— Yen	80.00 Yen	150.00 Yen
<b>FY2019</b>	—				
FY2019 (Forecast)		75.00	—	75.00	150.00

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

## 3. Forecasts of Consolidated Financial Results for FY2019 (April 1, 2018 - March 31, 2019)

(% : changes from the same period of 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
FY2019 Second Quarter (accum.)	1,040,000	10.9	64,000	(16.9)	93,000	(15.7)	74,000	(8.5)	238.34
FY2019	2,150,000	7.3	135,000	(8.4)	189,000	(9.9)	146,000	(13.2)	470.23

(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 : Yes

(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):

FY2019 First Quarter — 325,840,640 shares, FY2018 — 325,840,640 shares

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

FY2019 First Quarter — 15,354,147 shares, FY2018 — 15,353,378 shares

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

FY2019 First Quarter — 310,486,853 shares, FY2018 First Quarter — 310,489,065 shares

\* This quarterly financial results is 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 105 yen to the U.S. dollar and 130 yen to the euro for FY2019.
- Please see page 3 on attached documents for details on performance forecasts in "Explanation for Forecast for FY2019".

1. Explanation for Quarterly Financial Results .....	2
(1) Explanation for Business Results .....	2
(2) Explanation for Financial Condition .....	3
(3) Explanation for Forecast for FY2019 .....	3
2. Condensed Quarterly Consolidated Financial Statements .....	4
(1) Condensed Quarterly Consolidated Financial Position .....	4
(2) Condensed Quarterly Consolidated Statement of Profit or Loss and Condensed Quarterly Consolidated Statement of Comprehensive Income .....	6
(3) Condensed Quarterly Consolidated Statement of Changes in Equity .....	8
(4) Note on Condensed Quarterly Consolidated Financial Statements .....	10
(Note on Premise of Going Concern) .....	10
(Note on Significant Changes in the Amount of Shareholders' Equity) .....	10
(Changes in Accounting Policies) .....	10
(Segment Information) .....	11

## 1. Explanation for Quarterly Financial Results

### (1) Explanation for Business Results

During the first quarter of FY2019 (the three months from April 1 to June 30, 2018), total consolidated net sales of Toyota Industries amounted to 522.1 billion yen, an increase of 76.8 billion yen, or 17%, 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 150.0 billion yen, an increase of 7.3 billion yen, or 5%, from the same period of the previous fiscal year.

Within this segment, net sales of the Vehicle Business were on par with the same period of the previous fiscal year at 17.7 billion yen. This was because decreases in sales of the Vitz (Yaris outside Japan) were offset by increases in sales of the RAV4.

Net sales of the Engine Business totaled 26.1 billion yen, an increase of 3.2 billion yen, or 14%, resulting mainly from increases in sales of GD diesel engines.

Net sales of the Car Air-Conditioning Compressor Business totaled 88.9 billion yen, an increase of 3.5 billion yen, or 4%, attributable to increases in sales in North America, Europe and other regions.

Net sales of the Electronics Parts, Foundry and Others Business totaled 17.2 billion yen, an increase of 0.6 billion yen, or 3%, due primarily to increases in sales of electronics parts and foundry products.

Net sales of the Materials Handling Equipment Segment totaled 341.7 billion yen, an increase of 67.2 billion yen, or 24%. The increase was attributable to increases in sales of lift trucks, a mainstay product of this segment, in North America and other regions.

Net sales of the Textile Machinery Segment totaled to 15.4 billion yen, an increase of 0.9 billion yen, or 6%, as a result of an increase in sales of weaving machinery in China.

In terms of overall profit, despite sales efforts and increases in promoting cost reduction efforts throughout the Toyota Industries Group, without added profit arising from changes in the retirement benefit plan in the previous fiscal year, Toyota Industries recorded a decrease in consolidated operating profit of 33.9 billion yen, a decrease of 10.3 billion yen, or 23%, from the same period of the previous fiscal year and profit before income taxes of 71.1 billion yen, a decrease of 6.3 billion yen, or 8%, from the same period of the previous fiscal year. Profit attributable to owners of the parent totaled 53.4 billion yen, a decrease of 6.5 billion yen, or 11%, from the same period of the previous fiscal year.

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

Assets amounted to 5,328.4 billion yen, an increase of 69.9 billion yen from the end of the previous fiscal year, due mainly to an increase in fair value of investment securities. Liabilities amounted to 2,633.2 billion yen, on par with the end of the previous fiscal year. Equity amounted to 2,695.1 billion yen, an increase of 61.3 billion yen from the end of the previous fiscal year.

## **(3) Explanation for Forecast for FY2019**

Toyota Industries forecasts consolidated net sales of 2,150.0 billion yen, operating profit of 135.0 billion yen, profit before income taxes of 189.0 billion yen and profit attributable to owners of the parent of 146.0 billion yen. Our projections are based on assumed exchange rates of 105 yen to the U.S dollar and 130 yen to the euro for FY2019.

## 2. Condensed Quarterly Consolidated Financial Statements

### (1) Condensed Quarterly Consolidated Financial Position

(Millions of yen)

	FY2018 (As of March 31, 2018)	FY2019 First Quarter (As of June 30, 2018)
<b>Assets</b>		
Current assets		
Cash and cash equivalents	323,830	272,542
Time deposits with deposit terms of over three months	111,796	149,781
Trade receivables and other receivables	764,514	760,819
Other financial assets	6,359	4,657
Inventories	223,714	239,627
Income tax receivables	9,359	8,457
Other current assets	54,219	47,082
<b>Total current assets</b>	<b>1,493,793</b>	<b>1,482,968</b>
Non-current assets		
Property, plant and equipment	889,220	916,198
Goodwill and intangible assets	361,797	367,598
Trade receivables and other receivables	337	597
Investments accounted for by the equity method	10,352	8,911
Other financial assets	2,441,545	2,490,732
Net defined benefit assets	29,232	29,464
Deferred tax assets	27,017	26,938
Other non-current assets	5,204	5,008
<b>Total non-current assets</b>	<b>3,764,707</b>	<b>3,845,449</b>
<b>Total assets</b>	<b>5,258,500</b>	<b>5,328,418</b>



(Millions of yen)

	FY2018 (As of March 31, 2018)	FY2019 First Quarter (As of June 30, 2018)
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
Current liabilities		
Trade payables and other payables	479,253	460,371
Corporate bonds and loans	400,803	359,275
Other financial liabilities	71,683	71,196
Accrued income taxes	27,097	18,053
Provisions	7,754	7,566
Other current liabilities	19,284	21,908
<b>Total current liabilities</b>	<b>1,005,876</b>	<b>938,372</b>
Non-current liabilities		
Corporate bonds and loans	767,297	832,956
Other financial liabilities	70,912	66,152
Net defined benefit liabilities	86,655	86,976
Provisions	8,460	7,438
Deferred tax liabilities	665,342	680,135
Other non-current liabilities	20,086	21,257
<b>Total non-current liabilities</b>	<b>1,618,754</b>	<b>1,694,917</b>
<b>Total liabilities</b>	<b>2,624,631</b>	<b>2,633,289</b>
<b>Equity</b>		
Share of equity attributable to owners of the parent		
Capital stock	80,462	80,462
Capital surplus	105,343	105,343
Retained earnings	1,084,139	1,113,163
Treasury stock	(59,284)	(59,289)
Other components of shareholders' equity	1,342,730	1,373,636
<b>Total share of equity attributable to owners of the parent</b>	<b>2,553,391</b>	<b>2,613,316</b>
Non-controlling interests	80,478	81,812
<b>Total equity</b>	<b>2,633,869</b>	<b>2,695,128</b>
<b>Total liabilities and equity</b>	<b>5,258,500</b>	<b>5,328,418</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)

	FY2018 First Quarter (April 1, 2017 - June 30, 2017)	FY2019 First Quarter (April 1, 2018 - June 30, 2018)
Net sales	445,388	522,145
Cost of sales	(342,459)	(399,549)
Gross profit	102,928	122,595
Selling, general and administrative expenses	(73,462)	(89,387)
Other profit	16,624	3,539
Other expenses	(1,867)	(2,804)
Operating profit	44,222	33,943
Financial income	35,484	39,705
Financial expenses	(2,461)	(2,783)
Share of profit (loss) of investments accounted for by the equity method	238	255
Profit before income taxes	77,482	71,121
Income taxes	(16,178)	(15,703)
<b>Profit</b>	61,303	55,417
Profit attributable to:		
Owners of the parent	59,948	53,438
Non-controlling interests	1,355	1,979
Earnings per share		
Earnings per share – basic (yen)	193.08	172.11
Earnings per share – diluted (yen)	–	–

## Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY2018 First Quarter (April 1, 2017 - June 30, 2017)	FY2019 First Quarter (April 1, 2018 - June 30, 2018)
<b>Profit</b>	61,303	55,417
Other comprehensive income:		
Items not to be reclassified into profit or loss		
Net changes in revaluation of FVTOCI financial assets	(25,845)	31,375
Remeasurements of defined benefit plans	(672)	436
Other comprehensive income of affiliates accounted for by the equity method	2	4
Total items not to be reclassified into profit or loss	(26,516)	31,817
Items that can be reclassified into profit or loss		
Translation adjustments of foreign operations	13,732	275
Cash flow hedges	(164)	(705)
Other comprehensive income of affiliates accounted for by the equity method	37	18
Total items that can be reclassified into profit or loss	13,604	(411)
Total other comprehensive income	(12,911)	31,405
<b>Comprehensive income</b>	48,392	86,822
Total comprehensive income attributable to:		
Owners of the parent	46,322	84,765
Non-controlling interests	2,070	2,057

### (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, 2017</b>	80,462	105,417	954,503	(59,272)	1,209,592	—
Profit	—	—	59,948	—	—	—
Other comprehensive income	—	—	—	—	(25,992)	(684)
Total comprehensive income	—	—	59,948	—	(25,992)	(684)
Repurchase of treasury stock	—	—	—	(1)	—	—
Disposal of treasury stock	—	—	—	—	—	—
Dividends	—	—	(20,181)	—	—	—
Changes in ownership interest of subsidiaries	—	—	—	—	—	—
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	(684)	—	—	684
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	—	(20,866)	(1)	—	684
<b>Balance as of June 30, 2017</b>	80,462	105,417	993,585	(59,273)	1,183,599	—

<b>Balance as of April 1, 2018</b>	80,462	105,343	1,084,139	(59,284)	1,393,702	—
Effects of changes in accounting policies	—	—	3	—	—	—
Restated balance as of April 1, 2018	80,462	105,343	1,084,143	(59,284)	1,393,702	—
Profit	—	—	53,438	—	—	—
Other comprehensive income	—	—	—	—	31,099	421
Total comprehensive income	—	—	53,438	—	31,099	421
Repurchase of treasury stock	—	—	—	(5)	—	—
Disposal of treasury stock	—	—	—	—	—	—
Dividends	—	—	(24,838)	—	—	—
Changes in ownership interest of subsidiaries	—	—	—	—	—	—
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	421	—	—	(421)
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	—	(24,417)	(5)	—	(421)
<b>Balance as of June 30, 2018</b>	80,462	105,343	1,113,163	(59,289)	1,424,802	—

(Millions of yen)

	Share of equity attributable to owners of the parent				Total	Non-controlling interests	Total equity
	Other components of shareholders' equity						
	Translation adjustment of foreign operations	Cash flow hedges	Subscription rights to shares	Total			
<b>Balance as of April 1, 2017</b>	(50,417)	6	—	1,159,181	2,240,293	76,174	2,316,467
Profit	—	—	—	—	59,948	1,355	61,303
Other comprehensive income	13,215	(164)	—	(13,626)	(13,626)	714	(12,911)
Total comprehensive income	13,215	(164)	—	(13,626)	46,322	2,070	48,392
Repurchase of treasury stock	—	—	—	—	(1)	—	(1)
Disposal of treasury stock	—	—	—	—	—	—	—
Dividends	—	—	—	—	(20,181)	(692)	(20,873)
Changes in ownership interest of subsidiaries	—	—	—	—	—	—	—
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	15	15
Reclassified into retained earnings	—	—	—	684	—	—	—
Other increases (decreases)	—	—	—	—	—	103	103
Total transactions with owners	—	—	—	684	(20,182)	(572)	(20,755)
<b>Balance as of June 30, 2017</b>	(37,202)	(157)	—	1,146,239	2,266,432	77,671	2,344,104

<b>Balance as of April 1, 2018</b>	(52,397)	1,426	—	1,342,730	2,553,391	80,478	2,633,869
Effects of changes in accounting policies	—	—	—	—	3	—	3
Restated balance as of April 1, 2018	(52,397)	1,426	—	1,342,730	2,553,394	80,478	2,633,873
Profit	—	—	—	—	53,438	1,979	55,417
Other comprehensive income	512	(705)	—	31,327	31,327	78	31,405
Total comprehensive income	512	(705)	—	31,327	84,765	2,057	86,822
Repurchase of treasury stock	—	—	—	—	(5)	—	(5)
Disposal of treasury stock	—	—	—	—	—	—	—
Dividends	—	—	—	—	(24,838)	(731)	(25,570)
Changes in ownership interest of subsidiaries	—	—	—	—	—	—	—
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	73	73
Reclassified into retained earnings	—	—	—	(421)	—	—	—
Other increases (decreases)	—	—	—	—	—	(65)	(65)
Total transactions with owners	—	—	—	(421)	(24,844)	(723)	(25,567)
<b>Balance as of June 30, 2018</b>	(51,885)	720	—	1,373,636	2,613,316	81,812	2,695,128

#### **(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 FY2019, Toyota Industries paid dividends of 24,838 million yen from retained earnings.

(Changes in Accounting Policies)

Effective from the first quarter of FY2019, Toyota Industries adopted IFRS 15 "Revenue from Contracts with Customers" (issued in May 2014) and "Clarifications to IFRS 15" (issued in April 2016).

## (Segment Information)

FY2018 First Quarter (April 1, 2017- June 30, 2017)

(Millions of yen)

	Automobile	Materials Handling Equipment	Textile Machinery	Others (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)	
Sales								
Outside customer sales	142,756	274,580	14,549	13,500	445,388	—	445,388	
Inter-segment transactions	5,944	326	52	5,109	11,432	(11,432)	—	
Total	148,701	274,907	14,602	18,609	456,820	(11,432)	445,388	
Segment profit	15,625	25,192	2,258	1,131	44,208	14	44,222	
Financial income								35,484
Financial expenses								(2,461)
Share of profit (loss) of investments accounted for by the equity method								238
Profit before income taxes								77,482

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

FY2019 First Quarter (April 1, 2018- June 30, 2018)

(Millions of yen)

	Automobile	Materials Handling Equipment	Textile Machinery	Others (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)	
Sales								
Outside customer sales	150,058	341,748	15,452	14,886	522,145	—	522,145	
Inter-segment transactions	7,594	373	62	6,116	14,146	(14,146)	—	
Total	157,652	342,122	15,514	21,002	536,292	(14,146)	522,145	
Segment profit	5,535	26,015	907	1,473	33,932	11	33,943	
Financial income								39,705
Financial expenses								(2,783)
Share of profit (loss) of investments accounted for by the equity method								255
Profit before income taxes								71,121

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