

# FINANCIAL SUMMARY

**FY2016    First Quarter**

(April 1, 2015 through June 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 First Quarter Consolidated Financial Results <Japanese GAAP>

(April 1, 2015 - June 30, 2015)

## TOYOTA INDUSTRIES CORPORATION

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

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The expected date of submission of the quarterly report: August 7, 2015

(Amounts less than one million yen are omitted)

### 1. Financial Highlights for FY2016 First Quarter (April 1, 2015 - June 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	%
FY2016 First Quarter	<b>541,006</b>	3.8	<b>29,210</b>	14.0	<b>63,888</b>	17.1	<b>46,404</b>	15.6
FY2015 First Quarter	521,167	7.1	25,615	7.6	54,542	40.8	40,146	43.6

(Note) Comprehensive income: FY2016 First Quarter — 88,648 million yen [13.8 %]  
FY2015 First Quarter — 77,914 million yen [(67.2 %)]

	Earnings per share—basic	Earnings per share—diluted
	Yen	Yen
FY2016 First Quarter	<b>147.71</b>	<b>147.68</b>
FY2015 First Quarter	127.89	127.81

#### (2) Consolidated Financial Position

	Total assets	Total net assets	Equity ratio
	Million yen	Million yen	%
FY2016 First Quarter	<b>4,793,360</b>	<b>2,496,106</b>	<b>50.6</b>
FY2015	4,650,896	2,425,929	50.7

(Note) Shareholders' equity: FY2016 First Quarter — 2,424,003 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>	-				
FY2016 (Forecast)		55.00	-	55.00	110.00

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

### 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 Second Quarter (accum.)	1,070,000	2.3	60,000	5.7	96,000	10.3	68,000	11.5	216.45
FY2016	2,200,000	1.5	125,000	6.3	184,000	7.7	126,000	9.3	401.06

(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 First Quarter — 325,840,640 shares, FY2015 — 325,840,640 shares
  - ② Number of treasury stock outstanding at end of each period:  
FY2016 First Quarter — 11,674,848 shares, FY2015 — 11,684,749 shares
  - ③ Average number of shares outstanding for each period (accumulated):  
FY2016 First Quarter — 314,165,986 shares, FY2015 First Quarter — 313,917,249 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 115 yen to the U.S. dollar and 125 yen to the euro for the remainder of the fiscal year.
- Please see page 3 on attached documents for details on performance forecasts in "Explanation for Forecast for FY2016".

(Attached Documents)

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## **1. Explanation for Quarterly Financial Results**

### **(1) Explanation for Business Results**

During the first quarter of fiscal 2016 (the three months from April 1 to June 30, 2015), total consolidated net sales of Toyota Industries amounted to 541.0 billion yen, an increase of 19.9 billion yen, or 4%, 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 248.9 billion yen, a decrease of 8.9 billion yen, or 3%, from the same period of the previous fiscal year.

Within this segment, net sales of the Vehicle Business amounted to 109.3 billion yen, a decrease of 11.5 billion yen, or 10%, due to decreases in unit sales of the Vitz (Yaris overseas) and RAV4.

Net sales of the Engine Business totaled 39.0 billion yen, a decrease of 6.5 billion yen, or 14%. 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 85.7 billion yen, an increase of 10.7 billion yen, or 14%, resulting from an increase in sales in Chinese and European markets.

Net sales of the Electronics Parts, Foundry and Others Business totaled 14.7 billion yen, a decrease of 1.7 billion yen, or 10%, due to decreases in sales of electronics parts and foundry parts.

Net sales of the Materials Handling Equipment Segment totaled 245.7 billion yen, an increase of 29.9 billion yen, or 14%. This is due primarily to an increase in sales in European and North American markets.

Net sales of the Logistics Segment amounted to 24.6 billion yen, an increase of 0.9 billion yen, or 4%. This is attributable to an increase in sales of commissioned logistics business, despite a decrease in sales of cargo transport business of automotive-related parts.

Net sales of the Textile Machinery Segment totaled 14.7 billion yen, a decrease of 2.7 billion yen, or 15%. 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 labor costs, depreciation costs and raw material costs, Toyota Industries recorded an increase in profit due mainly to increasing in sales, promoting cost reduction efforts throughout the Toyota Industries Group and the impact of exchange rate fluctuations. As a result, Toyota Industries posted consolidated operating profit of 29.2 billion yen, an increase of 3.6 billion yen, or 14%, from the same period of the previous fiscal year and ordinary profit of 63.8 billion yen, an increase of 9.3 billion yen, or 17%. Profit attributable to owners of the parent totaled 46.4 billion yen, an increase of 6.3 billion yen, or 16%, from the same period of the previous fiscal year.

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

Total assets increased 142.5 billion yen from the end of the previous fiscal year to 4,793.3 billion yen due mainly to increases in cash and deposits and market value of investment securities. Liabilities amounted to 2,297.2 billion yen, an increase of 72.3 billion yen from the end of the previous fiscal year due mainly to increases in short-term loans payable and bonds payable. Net assets amounted to 2,496.1 billion yen, an increase of 70.2 billion yen from the end of the previous fiscal year.

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

Toyota Industries forecasts consolidated net sales of 2,200.0 billion yen and operating profit of 125.0 billion yen. Due to an increase in dividends income, Toyota Industries has revised its forecasts of consolidated financial results for the second quarter of fiscal 2016 (the six months from April 1 to September 30, 2015) to consolidated ordinary profit of 96.0 billion yen and profit attributable to owners of the parent of 68.0 billion yen, and for fiscal 2016 (ending March 31, 2016) to consolidated ordinary profit of 184.0 billion yen and profit attributable to owners of the parent of 126.0 billion yen. Our projections are based on assumed exchange rates of 115 yen to the U.S. dollar and 125 yen to the euro for the remainder of the fiscal year.

## **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 First Quarter (As of June 30, 2015)
<b>Assets</b>		
<b>Current assets:</b>		
Cash and deposits	247,273	311,690
Cash deposits for cash collection and deposit services	58,250	58,931
Trade notes and accounts receivable	265,504	274,251
Lease investment assets	55,868	60,279
Short-term investments	34,085	33,728
Merchandise and finished goods	86,865	94,738
Work in process	43,320	43,220
Raw materials and supplies	64,651	61,951
Deferred tax assets	24,234	26,410
Other current assets	68,603	66,406
Allowance for doubtful accounts	(3,756)	(3,817)
<b>Total current assets</b>	<b>944,901</b>	<b>1,027,791</b>
<b>Fixed assets:</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	173,181	173,524
Machinery, equipment and vehicles, net	320,895	340,431
Tools, furniture and fixtures, net	39,351	40,216
Land	120,652	120,777
Construction in progress	53,451	46,121
<b>Total property, plant and equipment</b>	<b>707,532</b>	<b>721,070</b>
<b>Intangible assets:</b>		
Goodwill	95,985	95,493
Other intangible assets	96,716	98,864
<b>Total intangible assets</b>	<b>192,702</b>	<b>194,358</b>
<b>Investments and other assets:</b>		
Investment securities	2,593,522	2,627,311
Deferred tax assets	18,228	18,639
Lease investment assets	135,958	145,742
Net defined benefit assets	28,289	28,567
Other investments and other assets	30,622	30,749
Allowance for doubtful accounts	(860)	(870)
<b>Total investments and other assets</b>	<b>2,805,760</b>	<b>2,850,139</b>
<b>Total fixed assets</b>	<b>3,705,995</b>	<b>3,765,568</b>
<b>Total assets</b>	<b>4,650,896</b>	<b>4,793,360</b>



(Million yen)

	FY2015 (As of March 31, 2015)	FY2016 First Quarter (As of June 30, 2015)
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Trade notes and accounts payable	205,816	193,232
Short-term loans payable	99,736	135,733
Current portion of bonds	47,053	40,000
Lease obligations	45,665	48,803
Accounts payable-other	29,245	23,312
Accrued income taxes	13,686	15,703
Deferred tax liabilities	636	428
Allowance for bonuses to directors	626	242
Other current obligations	210,721	223,986
<b>Total current liabilities</b>	<b>653,187</b>	<b>681,442</b>
<b>Long-term liabilities:</b>		
Bonds payable	185,998	211,554
Long-term loans payable	421,154	418,378
Lease obligations	117,185	123,492
Deferred tax liabilities	737,268	747,809
Net defined benefit liabilities	86,766	90,399
Other long-term liabilities	23,404	24,176
<b>Total long-term liabilities</b>	<b>1,571,779</b>	<b>1,615,811</b>
<b>Total liabilities</b>	<b>2,224,967</b>	<b>2,297,253</b>
<b>Net Assets</b>		
<b>Shareholders' equity:</b>		
Capital stock	80,462	80,462
Capital surplus	105,592	105,598
Retained earnings	644,165	671,720
Treasury stock	(41,509)	(41,477)
<b>Total shareholders' equity</b>	<b>788,711</b>	<b>816,304</b>
<b>Accumulated other comprehensive income:</b>		
Valuation difference on available-for-sale securities	1,523,393	1,546,300
Deferred gains or losses on hedges	(19)	979
Foreign currency translation adjustment	55,598	73,071
Defined benefit plan adjustments	(11,463)	(12,651)
<b>Total accumulated other comprehensive income</b>	<b>1,567,509</b>	<b>1,607,699</b>
Subscription rights to shares	72	65
Non-controlling interests	69,636	72,037
<b>Total net assets</b>	<b>2,425,929</b>	<b>2,496,106</b>
<b>Total liabilities and net assets</b>	<b>4,650,896</b>	<b>4,793,360</b>

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

Quarterly Consolidated Statements of Income

(Million yen)

	FY2015 First Quarter (April 1, 2014 - June 30, 2014)	FY2016 First Quarter (April 1, 2015 - June 30, 2015)
<b>Net sales</b>	<b>521,167</b>	<b>541,006</b>
Cost of sales	426,947	440,048
<b>Gross profit</b>	<b>94,219</b>	<b>100,957</b>
Selling, general and administrative expenses	68,604	71,747
<b>Operating profit</b>	<b>25,615</b>	<b>29,210</b>
<b>Non-operating profit:</b>		
Interest income	2,979	3,081
Dividends income	29,369	35,521
Other non-operating profit	2,216	3,709
<b>Total non-operating profit</b>	<b>34,566</b>	<b>42,312</b>
<b>Non-operating expenses:</b>		
Interest expenses	3,773	4,137
Other non-operating expenses	1,865	3,496
<b>Total non-operating expenses</b>	<b>5,639</b>	<b>7,634</b>
<b>Ordinary profit</b>	<b>54,542</b>	<b>63,888</b>
<b>Profit before income taxes</b>	<b>54,542</b>	<b>63,888</b>
Income taxes-current	16,559	19,166
Income taxes-deferred	(3,002)	(2,940)
<b>Total income taxes</b>	<b>13,556</b>	<b>16,225</b>
<b>Profit</b>	<b>40,985</b>	<b>47,662</b>
Profit attributable to non-controlling interests	838	1,258
<b>Profit attributable to owners of the parent</b>	<b>40,146</b>	<b>46,404</b>

Quarterly Consolidated Statements of Comprehensive Income

(Million yen)

	FY2015 First Quarter (April 1, 2014 - June 30, 2014)	FY2016 First Quarter (April 1, 2015 - June 30, 2015)
<b>Profit</b>	<b>40,985</b>	<b>47,662</b>
<b>Other comprehensive income:</b>		
Valuation difference on available-for-sale securities	46,009	22,989
Deferred gains or losses on hedges	24	998
Foreign currency translation adjustment	(9,816)	18,109
Defined benefit plan adjustments	770	(1,185)
Share of other comprehensive income of associates accounted for using equity method	(59)	72
<b>Total other comprehensive income</b>	<b>36,928</b>	<b>40,985</b>
<b>Comprehensive Income</b>	<b>77,914</b>	<b>88,648</b>
<b>Profit attributable to:</b>		
Owners of the parent	77,817	86,593
Non-controlling interests	97	2,055

**(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 quarter of FY2016 (the three months from April 1 to June 30, 2015), Toyota Industries paid dividends of 18,849 million yen from retained earnings.

**(Segment Information)**

FY2015 First Quarter (April 1, 2014 - June 30, 2014)

(Million yen)

	Automobile	Materials handling equipment	Logistics	Textile machinery	Others	Total	Eliminations	Consolidated
Net sales								
Outside customer sales	257,846	215,861	23,712	17,444	6,302	521,167	-	521,167
Inter-segment transactions	7,186	196	3,155	56	3,415	14,010	(14,010)	-
Total	265,033	216,058	26,868	17,500	9,717	535,178	(14,010)	521,167
Segment profit	8,796	13,643	1,341	1,133	661	25,575	39	25,615

- (Notes) 1. "Others" is business segment not included in reportable segments.  
2. Segment profit of 39 million yen is inter-segment eliminations.  
3. Segment profit is adjusted to operating profit of Quarterly Consolidated Statements of Income.

FY2016 First Quarter (April 1, 2015 - June 30, 2015)

(Million yen)

	Automobile	Materials handling equipment	Logistics	Textile machinery	Others	Total	Eliminations	Consolidated
Net sales								
Outside customer sales	248,920	245,739	24,649	14,789	6,907	541,006	-	541,006
Inter-segment transactions	6,001	544	2,107	53	3,343	12,050	(12,050)	-
Total	254,921	246,284	26,756	14,843	10,250	553,056	(12,050)	541,006
Segment profit	6,148	20,146	1,334	287	1,181	29,097	113	29,210

- (Notes) 1. "Others" is business segment not included in reportable segments.  
2. Segment profit of 113 million yen is inter-segment eliminations.  
3. Segment profit is adjusted to operating profit of Quarterly Consolidated Statements of Income.