

# FINANCIAL SUMMARY

FY2004 First Quarter

(April 1, 2003 through June 30, 2003)

**TOYOTA INDUSTRIES CORPORATION**

English translation from the original Japanese-language document

## Cautionary Statement with Respect to Forward-Looking Statements

*This Financial summary contains projections and other forward-looking statements that involve risks and uncertainties. Our uses of the words “expect,” “anticipate,” “estimate,” “forecast,” “plan” and similar expressions should be understood in this context. 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 summary and are not guarantees of future performance. These projections and forward-looking statements are subject to change without notice, and Toyota Industries Corporation and its Group companies will not necessarily inform you of such changes. 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 summary. These risks and uncertainties include, but are not limited to, the following:*

- i) Domestic and overseas economic conditions, particularly levels of consumer spending, demand for our products and private sector capital expenditure*
- ii) Adverse changes in laws and regulations, such as trade restrictions and tariffs, or stricter safety or emissions regulations, resulting in higher costs and/or sales restrictions*
- iii) Currency exchange rate fluctuations, notably involving yen, U.S. dollars, Asian currencies and the euro — the currencies in which Toyota Industries Corporation and its Group companies have holdings and use to conduct their international business*
- iv) Fluctuations in market prices of securities in which Toyota Industries Corporation and its Group companies have substantial holdings*
- v) The ability of Toyota Industries Corporation and its Group companies to maintain their strength in many product development and geographical areas, through such means as new product development and launches in highly competitive markets characterized by continual new product introductions, rapid technological advances and fluctuations in demand*
- vi) Effects of natural disasters, terrorist activities, war or political instability in the markets Toyota Industries Corporation and its Group companies serve*
- vii) Factors such as greater price competition in Asia, North America and Europe resulting from industry overcapacity or other factors; higher fuel prices or shortages of fuel; labor or other constraints on the ability of Toyota Industries Corporation and its Group companies to restructure their business; work stoppages at their facilities or those of key suppliers; and the discovery of defects in their products resulting in delays in new product launches, recall campaigns, increased warranty costs or litigation.*

# Consolidated Financial Results for FY2004 First Quarter (April 2003 - June 2003)

## TOYOTA INDUSTRIES CORPORATION

Stock exchange listings: Tokyo, Osaka and Nagoya (Ticker code: 6201) (URL <http://www.toyota-industries.com/>)

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### 1. Financial Highlights for FY2004 First Quarter (April 1, 2003 - June 30, 2003)

As Toyota Industries started disclosing its quarterly figures from this fiscal year, comparative figures for the previous fiscal year are not available.

#### (1) Consolidated financial results

(Amounts less than one million yen are omitted.)

	Net sales	Operating income	Ordinary income
	Million yen	Million yen	Million yen
<b>FY2004 First Quarter</b>	<b>279,153</b>	<b>13,673</b>	<b>18,878</b>
FY2003	1,069,218	52,477	51,375

	Net income	Net income per share - basic	Net income per share - diluted
	Million yen	Yen	Yen
<b>FY2004 First Quarter</b>	<b>10,238</b>	<b>34.97</b>	<b>31.41</b>
FY2003	21,933	70.19	62.90

#### (2) Consolidated financial position

	Total assets	Shareholders' equity	Ratio of Shareholders' equity	Shareholders' equity per share
	Million yen	Million yen	%	Yen
<b>FY2004 First Quarter</b>	<b>1,809,421</b>	<b>822,479</b>	<b>45.5</b>	<b>2,809.23</b>
FY2003	1,650,391	738,867	44.8	2,522.52

#### (3) Scope of consolidation and equity method

Consolidated subsidiaries: 128 companies

Unconsolidated subsidiaries accounted for under the equity method: 2 companies

Affiliates accounted for under the equity method: 17 companies

#### (4) Changes in scope of consolidation and equity method

Consolidated subsidiaries: (increase) 10 companies

Equity method: (increase) 2 companies, (decrease) 1 company

### 2. Forecasts of Consolidated Financial Results for FY2004 (April 1, 2003 - March 31, 2004)

	Net sales	Ordinary income	Net income
	Million yen	Million yen	Million yen
FY2004 Semi-annual	540,000	27,000	16,000
FY2004	1,100,000	57,000	34,000

Reference: (Forecast) Net income per share - basic (annual): 116.13 yen

\* Figures for fiscal 2004 have not been revised from those previously announced on April 24, 2003.

\* All projections are based on the information available to management at the time of producing this report and are not guarantees of future performance. Certain risks and uncertainties could cause the actual results of Toyota Industries to differ materially from any projections discussed in this report.

## Business Results

During the first quarter of fiscal 2004 (the three months from April 1 through June 30, 2003), total consolidated net sales of Toyota Industries amounted to 279.1 billion yen. The following is a review of operations for the major business segments.

Net sales of the Automobile Segment totaled 147.6 billion yen. Within this segment, net sales of the Vehicle Business totaled 68.1 billion yen. This was because in addition to the Vitz (Yaris in Europe) and RAV4, Toyota Industries started production of the Corolla Sedan for North America in January 2003. Net sales of the Engine Business totaled 26.0 billion yen, reflecting the steady demand for gasoline engines. Net sales of the Car Air-Conditioning Compressor Business totaled 49.6 billion yen as a result of vigorous sales promotion activities targeting car manufacturers in the U.S. and Europe.

Net sales of the Materials Handling Equipment Segment totaled 101.9 billion yen, reflecting aggressive sales promotion activities both in Japan and overseas. In May 2003, Toyota Industries acquired a majority stake in Aichi Corporation, with which Toyota Industries previously entered into a comprehensive agreement on capital and business collaboration in 2002. In China, local production of forklift trucks commenced in April 2003 at Toyota Industry (Kunshan) Co., Ltd. Toyota Material Handling (Shanghai) Co., Ltd., a local sales subsidiary, also started operations in June 2003.

Net sales of the Textile Machinery Segment totaled 13.8 billion yen, due mainly to strong sales of air-jet looms in China.

Ordinary income amounted to 18.8 billion yen as a result of enhanced sales promotion and cost-reduction activities as well as improved productivity. Net income totaled 10.2 billion yen.

For fiscal 2004, ending March 31, 2004, Toyota Industries forecasts consolidated net sales of 1,100.0 billion yen and net income of 34.0 billion yen.

## Breakdown of Consolidated Net Sales

(Million yen; amounts less than one million yen are omitted.)

	FY2004 First Quarter ( April 1, 2003 - June 30, 2003 )		FY2003 ( April 1, 2002 - March 31, 2003 )	
	Amount	Component ratio	Amount	Component ratio
Automobile		%		%
Vehicle	68,131	24.4	281,927	26.4
Engine	26,043	9.3	117,669	11.0
Car air-conditioning compressor	49,616	17.8	177,914	16.6
Foundry and others	3,810	1.4	17,948	1.7
Subtotal	147,602	52.9	595,459	55.7
Materials handling equipment	101,902	36.5	373,007	34.9
Textile machinery	13,854	5.0	48,740	4.6
Others	15,793	5.6	52,010	4.8
Total	279,153	100.0	1,069,218	100.0

## Consolidated Balance Sheets

	FY2004 First Quarter (As of June 30, 2003)	FY2003 (As of March 31, 2003)	Increase (Decrease)
<b><u>Assets</u></b>			
<b>Current assets</b>	<b>392,156</b>	<b>371,807</b>	<b>20,349</b>
Cash and deposits	79,221	87,840	(8,619)
Trade notes and accounts receivable	131,288	119,047	12,241
Marketable securities	52,828	52,780	48
Inventories	80,737	69,140	11,597
Deferred tax assets	17,231	14,072	3,159
Other current assets	33,016	30,924	2,092
Less - allowance for doubtful accounts	(2,168)	(1,998)	(170)
<b>Fixed assets</b>	<b>1,417,265</b>	<b>1,278,583</b>	<b>138,682</b>
<b>Property, plant and equipment</b>	<b>380,443</b>	<b>362,193</b>	<b>18,250</b>
Buildings and structures	122,978	118,448	4,530
Machinery, equipment and vehicles	163,424	157,733	5,691
Tools, furniture and fixtures	16,301	16,006	295
Land	66,352	56,254	10,098
Construction in progress	11,385	13,749	(2,364)
<b>Intangible assets</b>	<b>96,388</b>	<b>96,773</b>	<b>(385)</b>
Software	9,479	9,195	284
Goodwill	86,909	87,577	(668)
<b>Investments and other assets</b>	<b>940,433</b>	<b>819,616</b>	<b>120,817</b>
Investments in securities	879,983	762,026	117,957
Long-term loans	10,253	10,521	(268)
Long-term prepaid expenses	14,794	15,081	(287)
Deferred tax assets	2,814	2,862	(48)
Other investments and other assets	32,862	29,370	3,492
Less - allowance for doubtful accounts	(275)	(247)	(28)
<b>Total assets</b>	<b>1,809,421</b>	<b>1,650,391</b>	<b>159,030</b>

(Million yen; amounts less than one million yen are omitted.)

	FY2004 First Quarter (As of June 30, 2003)	FY2003 (As of March 31, 2003)	Increase (Decrease)
<b><u>Liabilities</u></b>			
<b>Current liabilities</b>	<b>404,289</b>	<b>393,365</b>	<b>10,924</b>
Trade notes and accounts payable	125,325	117,424	7,901
Short-term bank loans	76,761	78,052	(1,291)
Current portion of bonds	20,000	20,000	-
Current portion of convertible bonds	75,690	75,692	(2)
Other payables	15,948	17,406	(1,458)
Accrued expenses	53,912	42,027	11,885
Accrued income taxes	8,062	14,143	(6,081)
Deposits received from employees	17,495	19,234	(1,739)
Deferred tax liabilities	1,164	1,191	(27)
Other current liabilities	9,929	8,193	1,736
<b>Long-term liabilities</b>	<b>548,744</b>	<b>494,164</b>	<b>54,580</b>
Bonds	200,300	200,300	-
Long-term debt	41,145	36,576	4,569
Deferred tax liabilities	260,688	212,355	48,333
Allowance for retirement benefits	32,133	34,100	(1,967)
Other long-term liabilities	14,477	10,832	3,645
<b>Total liabilities</b>	<b>953,034</b>	<b>887,530</b>	<b>65,504</b>
<b>Minority interest in consolidated subsidiaries</b>	<b>33,907</b>	<b>23,993</b>	<b>9,914</b>
<b><u>Shareholders' equity</u></b>			
<b>Common stock</b>	<b>68,047</b>	<b>68,046</b>	<b>1</b>
<b>Capital surplus</b>	<b>89,365</b>	<b>89,364</b>	<b>1</b>
<b>Retained earnings</b>	<b>275,191</b>	<b>269,380</b>	<b>5,811</b>
<b>Net unrealized gains on other securities</b>	<b>404,174</b>	<b>331,667</b>	<b>72,507</b>
<b>Foreign currency translation adjustments</b>	<b>22,184</b>	<b>16,890</b>	<b>5,294</b>
<b>Treasury stock at cost</b>	<b>(36,484)</b>	<b>(36,483)</b>	<b>(1)</b>
<b>Total shareholders' equity</b>	<b>822,479</b>	<b>738,867</b>	<b>83,612</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,809,421</b>	<b>1,650,391</b>	<b>159,030</b>

# Consolidated Statements of Income

(Million yen; amounts less than one million yen are omitted.)

	FY2004 First Quarter ( April 1, 2003 - June 30, 2003 )	FY2003 ( April 1, 2002 - March 31, 2003 )
<b>Net sales</b>	<b>279,153</b>	<b>1,069,218</b>
Cost of sales	234,661	899,702
<b>Gross profit</b>	<b>44,491</b>	<b>169,516</b>
Selling, general and administrative expenses	30,817	117,038
<b>Operating income</b>	<b>13,673</b>	<b>52,477</b>
<b>Non-operating income</b>	<b>10,241</b>	<b>26,335</b>
Interest income	2,191	8,985
Dividends income	5,151	8,888
Other non-operating income	2,899	8,461
<b>Non-operating expenses</b>	<b>5,036</b>	<b>27,438</b>
Interest expenses	2,724	10,522
Other non-operating expenses	2,312	16,915
<b>Ordinary income</b>	<b>18,878</b>	<b>51,375</b>
<b>Extraordinary gains</b>	<b>621</b>	<b>-</b>
Gains from transition of benefit plan into defined contribution pension plan	621	-
<b>Extraordinary losses</b>	<b>1,851</b>	<b>7,705</b>
Revalued loss of investment securities	-	4,298
Loss on disposal of property, plant and equipment	-	3,407
Provision for retirement and severance benefits for directors and corporate auditors	1,851	-
<b>Income before income taxes</b>	<b>17,648</b>	<b>43,669</b>
Income taxes	6,674	20,815
Minority interest in consolidated subsidiaries	735	919
<b>Net income</b>	<b>10,238</b>	<b>21,933</b>

# Segment Information

## 1. Business segment information

(1) FY2004 First Quarter (April 1, 2003 - June 30, 2003)

(Million yen; amounts less than one million yen are omitted.)

	Automobile	Materials handling equipment	Textile machinery	Others	Total	Eliminations	Consolidated
Net sales							
(1) Outside customer sales	147,602	101,902	13,854	15,793	279,153	-	279,153
(2) Intersegment transactions	3,608	88	1	3,009	6,709	(6,709)	-
Total	151,211	101,990	13,856	18,803	285,862	(6,709)	279,153
Operating expenses	143,190	98,083	13,410	17,538	272,222	(6,742)	265,479
Operating income	8,021	3,907	446	1,264	13,639	33	13,673

(2) FY2003 (April 1, 2002 - March 31, 2003)

(Million yen; amounts less than one million yen are omitted.)

	Automobile	Materials handling equipment	Textile machinery	Others	Total	Eliminations	Consolidated
Net sales							
(1) Outside customer sales	595,459	373,007	48,740	52,010	1,069,218	-	1,069,218
(2) Intersegment transactions	15,523	89	5	13,078	28,697	(28,697)	-
Total	610,983	373,097	48,745	65,089	1,097,915	(28,697)	1,069,218
Operating expenses	580,875	356,922	46,436	61,177	1,045,412	(28,671)	1,016,740
Operating income	30,107	16,174	2,308	3,912	52,503	(25)	52,477

## 2. Geographical segment information

(1) FY2004 First Quarter (April 1, 2003 - June 30, 2003)

(Million yen; amounts less than one million yen are omitted.)

	Japan	North America	Europe	Others	Total	Eliminations	Consolidated
Net sales							
(1) Outside customer sales	186,929	51,993	39,138	1,091	279,153	-	279,153
(2) Intersegment transactions	18,871	266	1,707	317	21,162	(21,162)	-
Total	205,800	52,259	40,845	1,409	300,315	(21,162)	279,153
Operating expenses	195,486	49,793	39,970	1,374	286,624	(21,145)	265,479
Operating income	10,314	2,466	874	35	13,690	(17)	13,673

(2) FY2003 (April 1, 2002 - March 31, 2003)

(Million yen; amounts less than one million yen are omitted.)

	Japan	North America	Europe	Others	Total	Eliminations	Consolidated
Net sales							
(1) Outside customer sales	733,869	192,385	139,514	3,449	1,069,218	-	1,069,218
(2) Intersegment transactions	78,517	1,411	4,899	1,033	85,862	(85,862)	-
Total	812,387	193,796	144,413	4,483	1,155,080	(85,862)	1,069,218
Operating expenses	767,341	187,597	142,468	4,559	1,101,966	(85,225)	1,016,740
Operating income	45,045	6,199	1,945	(75)	53,114	(636)	52,477



### 3.Overseas sales

(1)FY2004 First Quarter (April 1, 2003 - June 30, 2003)

(Million yen; amounts less than one million yen are omitted.)

	North America	Europe	Others	Total
Overseas sales	51,529	50,933	22,388	124,852
Consolidated sales				279,153
Ratio of overseas sales to consolidated sales	18.5%	18.2%	8.0%	44.7%

(2)FY2003 (April 1, 2002 - March 31, 2003)

(Million yen; amounts less than one million yen are omitted.)

	North America	Europe	Others	Total
Overseas sales	192,421	181,347	77,825	451,593
Consolidated sales				1,069,218
Ratio of overseas sales to consolidated sales	18.0%	17.0%	7.3%	42.3%