



Annual Financial Report 2026

For the Year Ended March 31, 2026

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Financial Summary

Toyota Industries Corporation and its consolidated subsidiaries

< IFRS >

	FY2022	FY2023	FY2024	FY2025	FY2026
Net sales (Millions of yen)	2,705,183	3,379,891	3,833,205	4,084,984	4,369,512
Operating profit (Millions of yen)	159,066	169,904	200,404	221,695	137,023
Profit (Millions of yen)	185,350	198,716	236,854	271,247	227,479
Profit: attributable to owners of the parent (Millions of yen)	180,306	192,861	228,778	262,312	223,785
Comprehensive income (Millions of yen)	751,823	(26,348)	2,285,895	(938,140)	1,930,654
Share of equity attributable to owners of the parent (Millions of yen)	3,928,513	3,837,416	6,045,759	4,904,686	6,771,736
Total assets (Millions of yen)	7,627,120	7,821,185	11,078,462	9,403,481	11,187,139
Equity per share: attributable to owners of the parent (Yen)	12,653.04	12,359.66	19,472.48	16,273.00	22,537.25
Earnings per share — basic (Yen)	580.73	621.17	736.86	856.96	744.75
Earnings per share — diluted (Yen)	580.73	621.17	736.86	856.96	744.75
Ratio of equity attributable to owners of the parent to total assets (%)	51.51	49.06	54.57	52.16	60.53
Return on equity attributable to owners of the parent (%)	5.03	4.97	4.63	4.79	3.83
Price-to-earnings ratio (Times)	14.58	11.83	21.24	14.83	27.39
Net cash provided by (used in) operating activities (Millions of yen)	321,085	194,964	443,590	171,578	398,794
Net cash provided by (used in) investing activities (Millions of yen)	(229,805)	(427,642)	47,903	(43,403)	(197,080)
Net cash provided by (used in) financing activities (Millions of yen)	(92,114)	183,690	(209,491)	(198,654)	(81,503)
Cash and cash equivalents at end of period (Millions of yen)	247,085	202,731	496,849	378,455	495,827
Number of employees [Average number of part-time employees, not included in number of employees above]	71,784 [12,923]	74,887 [14,358]	77,824 [15,146]	79,454 [15,226]	81,808 [15,380]

(Notes) 1. Toyota Industries Corporation and its subsidiaries have adopted International Financial Reporting Standards ("IFRS") for the consolidated financial statements of the annual report.

2. Diluted earnings per share is the same amount with basic earnings per share because there are no dilutive shares.
3. Number of employees is the number of workers (excluding people dispatched from the Group to outside the Group, but including people dispatched from outside the Group to the Group).
4. On June 3, 2026, the Company conducted a share consolidation at a ratio of one share for every 74,100,604 shares of common stock. Assuming that the share consolidation had been conducted at the beginning of the previous fiscal year, equity per share attributable to owners of the parent for the fiscal year ended March 31, 2025, and the fiscal year ended March 31, 2026, would have been 1,634,895,480,377.33 yen and 2,257,245,355,566.67 yen, respectively, and earnings per share — basic and earnings per share — diluted would have been 87,437,575,732.33 yen and 74,595,135,128.33 yen, respectively.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following Management's Discussion and Analysis of Financial Condition and Results of Operations is based on information known to management as of June 2026.

This section contains projections and forward-looking statements that involve risks, uncertainties and assumptions. You should be aware that certain risks and uncertainties could cause the actual results of Toyota Industries Corporation and its consolidated subsidiaries to differ materially from any projections or forward-looking statements. These risks and uncertainties include, but are not limited to, those listed under "Risk Information" and elsewhere in this annual report.

The fiscal year ended March 31, 2026 is referred to as FY2026 and other fiscal years are referred to in a corresponding manner. All references to the "Company" herein are to Toyota Industries Corporation on a stand-alone basis and references to "Toyota Industries" herein are to the Company and its 300 consolidated subsidiaries.

1. Result of Operations

(1) Operating performance

In FY2026 (ended March 31, 2026), the global economy, particularly the United States, has shown resilience. However, growth has been blunted by the continued high tariff measures and geopolitical risks, and uncertainty regarding the future outlook continues to persist.

Meanwhile, the recovery of the Japanese economy was moderate despite positive trends such as broader wage growth and rebounding demand. However, the recovery remained gradual, as increases in real income were restrained by inflationary pressures and the impact of a slowdown in overseas economies.

As a result, total consolidated net sales amounted to 4,369.5 billion yen, an increase of 284.6 billion yen, or 7%, from the previous fiscal year.

(2) Operating performance highlights by business segment

Business results by business segment are as follows.

Net sales for each segment do not include inter-segment transactions.

(Automobile)

The Automobile market expanded globally, led by the Chinese market. Amid such operating conditions, net sales of the Automobile Segment totaled 1,190.3 billion yen, an increase of 30.1 billion yen, or 3%. Operating profit amounted to 17.1 billion yen, a decrease of 27.9 billion yen, or 62%.

Within this segment, net sales of the Vehicle Business amounted to 101.3 billion yen, a decrease of 1.1 billion yen, or 1%, attributable to an expected decrease in unit sales of Toyota RAV4 following a full-model change, and despite a lump-sum compensation for a related investment.

Net sales of the Engine Business totaled 356.8 billion yen, an increase of 10.7 billion yen, or 3%, resulting from an increase in sales of diesel engines, despite a decrease in sales of gasoline engines.

Net sales of the Car Air-Conditioning Compressor Business totaled 484.5 billion yen, an increase of 3.6 billion yen, or 1%, due to the impact of exchange rate fluctuations, despite a decrease in sales volumes.

Net sales of Electronics Parts and Others Business totaled 247.5 billion yen, an increase of 17.0 billion yen, or 7%, attributable primarily to an increase in sales of on-board chargers and batteries.

(Materials Handling Equipment)

The Materials Handling Equipment market expanded on a global basis, led by China. Amid this operating climate, net sales of the Materials Handling Equipment Segment totaled 3,043.0 billion yen, an increase of 256.7 billion yen, or 9%. This was due to expansion in the logistics solutions business, although sales of lift trucks, a mainstay product of this segment, decreased in Europe and China. Operating profit amounted to 113.5 billion yen, a decrease of 53.2 billion yen, or 32%.

(Textile Machinery)

The Textile Machinery market remained generally sluggish. Net sales of the Textile Machinery Segment totaled 74.7 billion yen, a decrease of 5.2 billion yen, or 7%, mainly as a result of a decrease in sales of spinning machinery. Operating loss amounted to 0.8 billion yen (against an operating profit of 2.5 billion yen in the previous year).

(3) Operating profit

Operating profit for FY2026 was 137.0 billion yen, a decrease of 84.6 billion yen, or 38%, from the previous fiscal year. This was owing to increases in engine certification related costs, labor costs, and other expenses, including U.S. tariffs impact and research and development, and despite an increase in sales and the impact of exchange rate fluctuations.

(4) Profit before income taxes

Profit before income taxes amounted to 279.1 billion yen, a decrease of 72.3 billion yen, or 21%, from the previous fiscal year.

(5) Profit attributable to owners of the parent

Profit attributable to owners of the parent totaled 223.7 billion yen, a decrease of 38.6 billion yen, or 15%, from the previous fiscal year.

Earnings per share—basic was 744.75 yen compared with 856.96 yen in the previous fiscal year.

2. Consolidated Financial Condition

Assets amounted to 11,187.1 billion yen, an increase of 1,783.7 billion yen from the end of the previous fiscal year, due mainly to an increase in fair value of investment securities. Liabilities amounted to 4,336.5 billion yen, a decrease of 51.7 billion yen from the end of the previous fiscal year, mainly due to a decrease in deferred tax liabilities. Equity amounted to 6,850.6 billion yen, an increase of 1,835.4 billion yen from the end of the previous fiscal year.

As announced in the "Notice Concerning Result of the Tender Offer for the Company Shares by Toyota Fudosan Co., Ltd. and Changes in Parent Company, Major Shareholders, and the Largest Shareholder of Major Shareholders" dated March 24, 2026, the tender offer for the Company's common shares by Toyota Asset Preparatory Co., Ltd. was completed. As a result, the Company has reclassified the shares of Toyota Motor Corporation, DENSO Corporation, AISIN Corporation, and Toyota Tsusho Corporation held by the Company to assets classified as held for sale. In connection therewith, the related deferred tax liabilities have been reclassified to liabilities directly associated with assets held for sale, and net changes in revaluation of FVTOCI financial assets have been reclassified to other comprehensive income directly associated with assets held for sale.

3. Liquidity and Capital Resources

(1) Capital needs and returning profits to shareholders

Toyota Industries' primary capital needs are twofold, specifically, long-term capital needs for capital investment, research and development, M&A and others as well as working capital needs for purchasing raw materials and parts for manufacturing the Toyota Industries' products and for manufacturing costs and selling, general and administrative expenses.

In addition to prioritizing fund allocation in research and development and capital investment, it is Toyota Industries' policy to invest funds in M&A and others when deemed necessary for business expansion and sustainable growth.

As for returning profits to shareholders, refer to "7. Dividend Policy".

(2) Financial policy

Toyota Industries' financial policy is to ensure sufficient financing for its business activities and to maintain sufficient liquidity and strong consolidated financial position. Toyota Industries continues to maintain its strong financial condition. Through the use of such current assets as cash and cash equivalents and short-term investments, as well as cash flows from operating activities, loans from financial institutions and issuance of commercial paper, Toyota Industries believes that it will be able to provide sufficient funds for the working capital necessary to expand existing businesses and develop new projects.

Toyota Industries receives credit ratings from S&P Global Ratings Japan Inc., Moody's Japan K.K. and Rating & Investment Information, Inc. and strives to maintain and improve its ratings to procure funds at favorable terms.

Regarding fund management, the Company undertakes integrated fund management of its subsidiaries in Japan, while Toyota Industries North America, Inc. (TINA) and Toyota Industries Finance International AB (TIFI) centrally manage the funds of subsidiaries in North America and Europe, respectively. Through close cooperation among the Company, TINA and TIFI, we strive to improve efficiency of funds operations.

4. Cash Flows

Net cash provided by operating activities was 398.7 billion yen, due mainly to posting profit before income taxes of 279.1 billion yen. Net cash provided by operating activities increased by 227.2 billion yen compared to that of 171.5 billion yen in the same period of the previous fiscal year.

Net cash used in investing activities was 197.0 billion yen, attributable primarily to payments for purchases of property, plant and equipment of 204.9 billion yen. Net cash used in investing activities increased by 153.6 billion yen compared to that of 43.4 billion yen in the same period of the previous fiscal year.

Net cash used in financing activities was 81.5 billion yen, due mainly to repayments of long-term loans payable of 242.3 billion yen, which outweighed proceeds from short-term borrowings of 192.9 billion yen. Net cash used in financing activities decreased by 117.1 billion yen compared to that of 198.6 billion yen in the same period of the previous fiscal year.

After adding translation adjustments and cash and cash equivalents at beginning of period, cash and cash equivalents as of March 31, 2026 stood at 495.8 billion yen, an increase of 117.4 billion yen, or 31%, from the end of the previous fiscal year.

5. Investment in Property, Plant and Equipment

During FY2026, Toyota Industries made a total investment of 484,848 million yen in property, plant and equipment (including materials handling equipment for operating lease) to launch new products, streamline and upgrade production equipment.

The breakdown in the operating segments is as follows.

In the Automobile Segment, investments in property, plant, and equipment was 102,962 million yen. This is primarily attributable to the Company for 73,912 million yen.

In the Materials Handling Equipment Segment, investments in property, plant, and equipment was 374,931 million yen. This is primarily attributable to the Company for 14,361 million yen, Toyota Material Handling Europe AB Group for 116,352 million yen, Raymond Group for 76,360 million yen, Toyota Industries Commercial Finance, Inc. for 70,762 million yen, Toyota Material Handling Australia Pty Limited for 25,607 million yen, Bastian Solutions, LLC for 11,538 million yen, and Toyota Material Handling, Inc. 11,129 million yen.

In the Textile Machinery Segment, investment in property, plant, and equipment was 2,250 million yen. This is primarily attributable to the Company for 1,517 million yen.

In the Others Segment, investment in property, plant, and equipment was 4,703 million yen.

The fund is allocated from the Company's own resources and loans.

6. Strategies and Outlook

Looking ahead at the future business environment, the outlook for political and economic conditions remains uncertain. In addition to concerns over an economic slowdown associated with trends in trade regulations and tariff policies around the world, heightened geopolitical risks, including the conflict in the Middle East, have led to rising prices and increased procurement risks for raw materials and energy.

Moreover, demands from the international community to realize a sustainable society have become progressively diversified and complex, and there have been rapid changes in the field of technology, such as the advancement of IT and digital technologies, including AI. Amid this environment, competition among companies has become increasingly fierce in the automobile and materials handling equipment fields, our core businesses, due not only to progress in the development of electrification and autonomous driving, but also new entrants utilizing IT and digital technologies as well as evolving changes in industry structure.

Under such circumstances, we will strive to achieve sustainable growth and increase corporate value by leveraging our comprehensive capabilities linked to mobility-related manufacturing and promoting initiatives such as next-generation R&D, with the logistics solutions business as a cornerstone. As announced, Toyota Industries has delisted its shares to become a private company. In connection with this move, the Toyota Group is promoting initiatives to transform itself into a mobility company, focusing on the movement of people, goods, information, and energy. Among these, we are focusing on the movement of goods. To meet increasingly diverse and sophisticated needs at logistics sites, we are channeling resources into developing autonomous driving technologies for lift trucks and other materials handling equipment, logistics management software, and powertrains with excellent environmental performance. Going forward, we will also work to utilize data related to the movement of goods. Through this privatization, we will further strengthen collaboration within the Toyota Group, promote these initiatives dynamically and swiftly, and lead the mobility of goods to realize the Toyota Group's transformation.

Meanwhile, since we publicized the investigation results of legal violations in domestic engine certification, received a correction order from the Ministry of Land, Infrastructure, Transport and Tourism (MLIT), and reported to the MLIT on measures to prevent recurrences, we have been continuously working to prevent recurrence. Specifically, we have returned to the basics of providing customers with "safe and secure quality products" and continuing to contribute to society, and implemented reforms from three perspectives of "Culture", "Mechanism", and "Organization / Structure" to

ensure that we do the right thing in the correct way. By translating these reforms into concrete recurrence prevention measures and mobilizing all employees to work together with a shared commitment, we will make a fresh start and promote the following two initiatives.

(Reinforcing the corporate foundation)

We will ensure compliance with laws and regulations, which is the foundation of management. In addition, we will adhere to the priorities of "safety first, quality second, and production third" in manufacturing. Moreover, we will strive to promote employees' mental and physical health, encourage open and equitable communication, and create a healthy workplace and culture so that each Toyota Industries Group employee can demonstrate his/her full potential, while doing the right thing in the correct way and reinforcing the corporate foundation.

(Transformation and challenge)

We will review our operations from the ground up, focus on essential work, and use IT and digital technologies such as AI to enhance the sophistication and efficiency of our operations. In addition, we will identify changes in society in a timely and accurate manner, create opportunities, and respond to risks at an early stage.

By promoting these initiatives step by step with the engagement of all employees, we will support and contribute to people and industries within the communities where they live to make our next stage of growth more certain.

7. Dividend Policy

Prior to privatization, Toyota Industries strived to meet the expectations of shareholders for continuous dividends while giving full consideration to business performance, funding requirements, the dividend payout ratio and other factors.

Toyota Industries effectively used retained earnings for capital investment, research and development, and other activities to achieve future business growth, while flexibly implementing shareholder return programs, including repurchase of our common stock, while taking into consideration trends in stock prices and capital structure.

As stated in the Notice of Revision of Dividend Forecast (No Dividend Payment) for the Fiscal Year Ending March 31, 2026 published on June 3, 2025, the Company passed a resolution at a meeting of the Board of Directors to revise its dividend forecast for the fiscal year ended March 31, announced on April 25, 2025. The Company decided not to pay interim and year-end dividends for the fiscal year ending March 31, 2026, considering that Toyota Asset Preparatory Co., Ltd. was to initiate a tender offer for the common stock of the Company. Moreover, as announced in the news release dated March 24, 2026, titled "Notice Concerning Result of the Tender Offer for the Company Shares by Toyota Fudosan Co., Ltd. and Changes in Parent Company, Major Shareholders, and the Largest Shareholder of Major Shareholders", the Company's common shares were delisted on June 1, 2026, as a result of the tender offer for the Company's common shares by Toyota Asset Preparatory Co., Ltd. and a series of subsequent transactions.

8. Risk Information

The following represent risks that could have a material impact on Toyota Industries' financial condition, business results. Toyota Industries judged the following as future risks as of March 31, 2026. However, the following list does not include all the risks to which Toyota Industries is exposed. There are other risks which are not listed.

(1) Compliance Risks

Toyota Industries regards compliance as major premise of business activities and one of the most important managerial tasks. In order to carry out business activities in accordance with domestic and international legal compliance as well as social norms, Toyota Industries tries to avoid or minimize compliance risks by promoting system maintenance and education and enlightenment for executives and employees, but in case of a serious violation of laws and regulations and other related matters, they could have an adverse impact on Toyota Industries' financial condition and business results, such as loss of social credibility, damage to brand image and so on.

(2) Principal customers

Toyota Industries' automobile and engine products are sold primarily to Toyota Motor Corporation ("TMC"). In FY2026, net sales to TMC accounted for 13.1% of consolidated net sales. Therefore, TMC's vehicle sales could have an impact on Toyota Industries' business results. As of March 31, 2026, TMC holds 24.7% of the Company's voting rights.

(3) Product development capabilities

Based on the concept of "developing appealing new products", Toyota Industries proactively develops new products by utilizing its leading-edge technologies, as it strives to anticipate increasingly sophisticated and diversifying needs of the market and ensure the satisfaction of its customers.

R&D activities are focused mainly on developing and upgrading products in current business fields and peripheral sectors. Toyota Industries expects that revenues derived from these fields will continue to account for a significant portion of total revenues and anticipates that future growth will be contingent on the development and sales of new products in these fields. Toyota Industries believes that it can continue to develop appealing new products. However, Toyota Industries may not be able to forecast market needs and develop and introduce appealing new products in a timely manner. This could result in lower future growth and have an adverse impact on Toyota Industries' financial condition and business results.

Such a situation could result from risks that include that there is no assurance that Toyota Industries will be able to allocate sufficient future funds necessary for the development of appealing new products; no assurance that product sales will be successful, as forecasts of products supported by the market may not always be accurate; and no assurance that newly developed products and technologies will always be protected as intellectual property.

(4) Intellectual property rights

In undertaking its business activities, Toyota Industries has acquired numerous intellectual property rights, including those acquired outside Japan, such as patents related to its products, product designs and manufacturing methods. However, not all patents submitted will necessarily be registered as rights, and these patents could thus be rejected by patent authorities or invalidated by third parties. Also, a third party could circumvent a patent of Toyota Industries and introduce a competing product into the market. Moreover, Toyota Industries' products utilize a wide range of technologies. Therefore, Toyota Industries could become a party subject to litigation involving the intellectual property rights of a third party.

(5) Product defects

Guided by the basic philosophy of "offering products and services that are clean, safe and of high quality", Toyota Industries makes its utmost efforts to enhance quality.

However, Toyota Industries cannot guarantee all its products will be defect-free and that product recalls will not be made in the future. Product defects that could lead to large-scale recalls and product liability indemnities could result in large cost burdens and have a significant negative impact on the evaluation of Toyota Industries. It could also have an adverse effect on Toyota Industries' financial condition and business results due to a decrease in sales and profit.

(6) Price competition

Toyota Industries faces extremely harsh competition in each of the industries in which it conducts business, including its Automobile and Materials Handling Equipment businesses, which are the core of Toyota Industries' earnings foundation. Toyota Industries believes it offers high value-added products that are unrivalled in terms of technology, quality and cost.

Amid an environment characterized by intensifying price competition, Toyota Industries may be unable to maintain or increase market share against low-cost competitors or to maintain profitability. This could have an adverse impact on Toyota Industries' financial condition and business results.

(7) Reliance on suppliers of raw materials and components

Toyota Industries' products rely on various raw materials and components from suppliers outside Toyota Industries. Toyota Industries has concluded basic business contracts with these external suppliers and assumes it can carry out stable transactions for raw materials and components. However, Toyota Industries has no assurances against future shortages of raw materials and components, which arise from a global shortage due to tight supply or an unforeseen accident involving a supplier. Such shortages could have a negative effect on Toyota Industries' production and cause an increase in costs.

(8) Environmental regulations and Climate change

In view of its social responsibilities as a company, Toyota Industries strives to reduce any burden on the environment resulting from its production processes, as well as strives to strictly adhere to applicable environmental laws and regulations.

However, various environmental regulations could also be revised and strengthened in the future. Accordingly, any expenses necessary for continuous strict adherence to these environmental regulations could result in increased business costs and have an adverse impact on Toyota Industries' financial condition and business results.

Toyota Industries anticipates risks associated with the transition to a decarbonized society, including risks caused by the above revisions to environmental regulations and the tightening of these regulations. Physical risks are also expected, including more severe and frequent extreme weather events such as floods. The suspension of plant operations and the disruption of supply chains could have an adverse impact on Toyota Industries' financial condition and business results.

(9) Alliances with other companies

Aiming to expand its businesses, Toyota Industries engages in joint activities with other companies through alliances and joint ventures. However, a wildly fluctuating market trend or a policy disagreement between Toyota Industries and its partners, owing to business, financial or other reasons, could prevent Toyota Industries from deriving the intended benefits of its alliances.

(10) Exchange rate fluctuations

Toyota Industries' businesses encompass the production and sales of products and the provision of services worldwide. Generally, the strengthening of the yen against other currencies (especially against the U.S. dollar and the euro, which account for a significant portion of Toyota Industries' sales) has an adverse impact on Toyota Industries' business, while a weakening of the yen has a favorable impact. As such, in the businesses in which the Toyota Industries manufactures products in Japan and exports them, the strengthening of the yen could reduce Toyota Industries' relative price competitiveness on a global basis and have an adverse impact on Toyota Industries' financial condition and business results. To reduce such possibilities to a minimum, Toyota Industries uses, in principle, derivative transactions such as forward exchange contracts to hedge risks of exchange rate fluctuations.

(11) Share price fluctuations

Toyota Industries holds marketable securities, and therefore bears the risk of price fluctuations of these shares. Based on fair market value of these shares at the end of the fiscal year under review, Toyota Industries had unrealized gains. However, unrealized gains on marketable securities could worsen depending on future share price movements. Additionally, a decline in share prices could adversely affect the funding level of pension assets.

(12) Effects of disasters, power outages and other incidents

Toyota Industries carries out regular checks and inspections of its production facilities to minimize the effect of production breakdown. However, there is no assurance Toyota Industries can completely prevent or lessen the impact of man-made or natural disasters and power outages occurring at Toyota Industries' and its suppliers' production facilities. Specifically, the majority of Toyota Industries' domestic production facilities and those of its business partners are situated in the Chubu region. Therefore, major disasters such as a severe Nankai Trough earthquake in this region could delay or stop production or shipment activities. Such prolonged delays and stoppages could have an adverse impact on Toyota Industries' financial condition and business results. To reduce such possibilities to a minimum, Toyota Industries works with business suppliers for optimizing the supply chain such as obtaining alternative means of supplies of raw materials and parts by regionally dispersing channels.

(13) Latent risks associated with international activities

Toyota Industries procures raw materials and parts, manufactures and sells products and provides services in various countries. In addition to unforeseen factors such as social chaos, including political disruptions, terrorism, wars and disease, as well as changes in economic conditions, there are reputational risks when human rights related to immigrant labor and raw material procurement are not appropriately protected, which could have an adverse impact on Toyota Industries' financial condition and business results.

(14) Information Security Risks

Toyota Industries utilizes a variety of internal networks and information systems and implements various security measures for them. Toyota Industries also provides internal information security education and training to safeguard its information assets and establish proper operational practices. However, the threat of cyberattack is increasing. Unanticipated ransomware attacks or other cyberattacks could delay or stop production and delivery and may cause the leakage of confidential information. These risks could result in a decline in Toyota Industries' competitiveness and reputation, which in turn could have an adverse impact on Toyota Industries' financial condition and business results.

(15) Engine certification issue

In 2023, it was discovered that there were legal violations in the procedures for certifying multiple lift truck engine models for the domestic market, and the Ministry of Land, Infrastructure, Transport and Tourism ordered Toyota Industries to cancel and correct model designations and certifications for some products. The issues regarding the certification of engines for the North American markets is still being investigated, and the Company is consulting with relevant organizations. In connection with this issue, the reliability of Toyota Industries' brands may decline and the Company may incur expenses related to compensation and other measures, which in turn could have an adverse impact on Toyota Industries' financial condition and business results.

9. Material Contract Agreements

(Loan and security agreement and guarantee agreement with financial institutions)

In connection with the loan agreement entered into by Toyota Asset Preparatory Co., Ltd. with Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., and Mizuho Bank, Ltd. as lenders for acquiring shares of common stock of the Company and other related purposes (the "Loan Agreement"), in which Toyota Industries Commercial Finance, Inc. and Toyota Industries Finance International AB of the Toyota Industries Group also joined as borrowers as of June 3, 2026, the Company concluded a loan and security agreement and a guarantee agreement with these financial institutions on June 3, 2026, under which these financial institutions are secured parties. Based on customary terms and conditions, the Company provides security and guarantees for the loan claims under the Loan Agreement.

Details of the Loan Agreement are as follows.

Type of lender	Type of financing	Execution date	Borrowing amount/maximum amount (millions of yen)	Maturity / termination date
Banks	Term loan A	March 24, 2026	640,000	March 25, 2033 (repayment in installments)
	Term loan B1		2,300,000	March 25, 2033 (bullet repayment at maturity)
	Term loan B2		560,000	
	Term loan B3		210,000	
	Term loan C		677,500	
	Commitment line A		500,000	The earlier of March 25, 2033, or the date on which the term loans are repaid in full
	Commitment line B		500,000	

The assets pledged as collateral include loans to the parent company and subsidiaries, deposits, and securities.

10. Toyota Industries' Relationship to Toyota Motor Corporation

Due to historical reasons, Toyota Industries maintains close relationships with TMC and other Toyota Group companies in terms of capital and business dealings.

(1) Historical background

In 1933, Kiichiro Toyoda, the eldest son of founder Sakichi Toyoda and then Managing Director of Toyoda Automatic Loom Works, Ltd. (the present Toyota Industries), established the Automobile Department within the Company based on his resolve to manufacture Japanese-made automobiles. In 1937, the Automobile Department was spun off and became an independent company, Toyota Motor Co., Ltd. (the present TMC).

(2) Capital relationship

In light of this historical background, Toyota Industries and TMC have maintained a close capital relationship. As of March 31, 2026, Toyota Industries holds 9.15% (1,192,331 thousand shares) of TMC's total shares in issue. Likewise, as of the same date, TMC holds 24.7% of Toyota Industries' total voting rights. Toyota Industries is a TMC affiliate accounted for by the equity method.

Note: The capital relationship between Toyota Industries and TMC has since changed, with Toyota Industries selling all shares it held of TMC. Please see Notes to Consolidated Financial Statements, 37. Subsequent Events, for details.

(3) Business relationship

Toyota Industries assembles certain automobiles and produces automobile engines under consignment from TMC. Additionally, Toyota Industries sells a portion of its other components and products directly or indirectly to other Toyota Group companies. In FY2026, our net sales to TMC on a stand-alone basis accounted for 13.1% of our consolidated net sales.

(4) Contributions to the Toyota Group

As a member of the Toyota Group, Toyota Industries is aligned with the direction outlined in the Toyota Group Vision. Toyota Industries aims to contribute to strengthening the competitiveness of TMC and other Toyota Group companies in areas such as quality, cost, delivery and technologies. Toyota Industries is confident that raising the Toyota Group's competitiveness will lead to increases in sales to and profits from the Toyota Group, thereby contributing to raising Toyota Industries' corporate value.

[Consolidated Financial Statements and Other]
I. [Consolidated Financial Statements]
[Consolidated Statement of Financial Position]

(Millions of yen)

	Notes	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Assets			
Current assets			
Cash and cash equivalents	5	378,455	495,827
Time deposits with deposit terms of over three months		89,747	22,912
Trade receivables and other receivables	6	1,720,610	2,013,929
Other financial assets	7	12,185	7,663
Inventories	8	619,804	663,784
Income tax receivables		63,844	53,858
Other current assets		122,514	129,143
Subtotal		3,007,163	3,387,119
Assets held for sale	9	102,263	4,830,332
Total current assets		3,109,426	8,217,451
Non-current assets			
Property, plant and equipment	10, 31	1,537,333	1,729,336
Goodwill and intangible assets	11, 31	551,840	673,663
Trade receivables and other receivables	6	1,982	1,586
Investments accounted for by the equity method	12	23,797	55,790
Other financial assets	7	4,081,905	408,397
Net defined benefit assets	18	32,702	31,153
Deferred tax assets	26	57,315	62,786
Other non-current assets		7,177	6,973
Total non-current assets		6,294,055	2,969,688
Total assets		9,403,481	11,187,139

The accompanying notes are an integral part of these financial statements.

(Millions of yen)			
	Notes	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Liabilities and Equity			
Liabilities			
Current liabilities			
Trade payables and other payables	13	878,848	1,042,715
Corporate bonds and loans	14	497,293	705,932
Other financial liabilities	15	87,850	100,714
Accrued income taxes		32,197	38,089
Provisions	17	59,506	51,840
Other current liabilities		48,586	53,782
Subtotal		1,604,283	1,993,075
Liabilities directly associated with assets held for sale	9	18,001	669,887
Total current liabilities		1,622,284	2,662,963
Non-current liabilities			
Corporate bonds and loans	14	1,232,789	1,125,178
Other financial liabilities	15	157,033	187,357
Net defined benefit liabilities	18	74,080	72,176
Provisions	17	18,267	42,552
Deferred tax liabilities	26	1,235,275	196,971
Other non-current liabilities		48,504	49,329
Total non-current liabilities		2,765,950	1,673,565
Total liabilities		4,388,235	4,336,528
Equity			
Share of equity attributable to owners of the parent			
Capital stock	19	80,462	80,462
Capital surplus	19	99,464	99,230
Retained earnings	19	2,194,100	2,376,921
Treasury stock	19	(168,444)	(180,401)
Other components of equity	19	2,699,103	578,445
Other comprehensive income directly associated with assets held for sale	9	—	3,817,077
Total share of equity attributable to owners of the parent		4,904,686	6,771,736
Non-controlling interests		110,560	78,874
Total equity		5,015,246	6,850,611
Total liabilities and equity		9,403,481	11,187,139

[Consolidated Statement of Profit or Loss]

		(Millions of yen)	
	Notes	FY2025 (April 01, 2024 - March 31, 2025)	FY2026 (April 01, 2025 - March 31, 2026)
Net sales	4, 21	4,084,984	4,369,512
Cost of sales	22, 23	(3,133,410)	(3,390,896)
Gross profit		951,573	978,616
Selling, general and administrative expenses	22, 23	(723,853)	(785,598)
Other income	24	22,025	33,315
Other expenses	24	(28,050)	(89,308)
Operating profit		221,695	137,023
Financial income	25	143,014	153,301
Financial expenses	25	(15,869)	(13,381)
Share of profit (loss) of investments accounted for by the equity method	12	2,622	2,249
Profit before income taxes		351,463	279,193
Income taxes	26	(80,215)	(51,713)
Profit		271,247	227,479
Profit attributable to:			
Owners of the parent		262,312	223,785
Non-controlling interests		8,934	3,694
Earnings per share	27		
Earnings per share—basic (yen)		856.96	744.75
Earnings per share—diluted (yen)		856.96	744.75

The accompanying notes are an integral part of these financial statements.

[Consolidated Statement of Comprehensive Income]

		(Millions of yen)	
	Notes	FY2025 (April 01, 2024 - March 31, 2025)	FY2026 (April 01, 2025 - March 31, 2026)
Profit		271,247	227,479
Other comprehensive income:			
Items not to be reclassified into profit or loss			
Net changes in revaluation of FVTOCI financial assets	28, 30	(1,178,610)	1,541,623
Remeasurements of defined benefit plans	18, 28	(12,754)	2,061
Other comprehensive income of affiliates accounted for by the equity method	12, 28	(67)	433
Total items not to be reclassified into profit or loss		(1,191,432)	1,544,117
Items that can be reclassified into profit or loss			
Translation adjustments of foreign operations	28	(15,134)	159,145
Cash flow hedges	28, 30	(2,383)	(3,047)
Other comprehensive income of affiliates accounted for by the equity method	12, 28	(437)	2,958
Total items that can be reclassified into profit or loss		(17,955)	159,056
Total other comprehensive income		(1,209,387)	1,703,174
Comprehensive income		(938,140)	1,930,654
Total comprehensive income attributable to:			
Owners of the parent		(945,543)	1,921,437
Non-controlling interests		7,403	9,217

The accompanying notes are an integral part of these financial statements.

[Consolidated Statement of Changes in Equity]

(Millions of yen)

	Notes	Share of equity attributable to owners of the parent					
		Capital stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	
						Net changes in revaluation of FVTOCI financial assets	Remeasurements of defined benefit plans
Balance as of April 01, 2024		80,462	99,581	1,990,203	(59,369)	3,689,589	—
Profit		—	—	262,312	—	—	—
Other comprehensive income		—	—	—	—	(1,178,553)	(12,531)
Total comprehensive income		—	—	262,312	—	(1,178,553)	(12,531)
Repurchase of treasury stock	19	—	(115)	—	(109,074)	—	—
Disposal of treasury stock	19	—	—	—	—	—	—
Dividends	20	—	—	(86,336)	—	—	—
Changes in ownership interest of subsidiaries		—	354	—	—	—	—
Changes in non-controlling interests as a result of change in scope of consolidation		—	—	—	—	—	—
Reclassified into retained earnings		—	—	27,919	—	(40,451)	12,531
Transfer of other comprehensive income directly associated with assets held for sale	9	—	—	—	—	—	—
Other increases (decreases)		—	(356)	—	—	—	—
Total transactions with owners		—	(117)	(58,416)	(109,074)	(40,451)	12,531
Balance as of March 31, 2025		80,462	99,464	2,194,100	(168,444)	2,470,583	—
Profit		—	—	223,785	—	—	—
Other comprehensive income		—	—	—	—	1,541,934	2,113
Total comprehensive income		—	—	223,785	—	1,541,934	2,113
Repurchase of treasury stock	19	—	(19)	—	(11,957)	—	—
Disposal of treasury stock	19	—	—	—	—	—	—
Dividends	20	—	—	(42,196)	—	—	—
Changes in ownership interest of subsidiaries		—	(0)	—	—	—	—
Changes in non-controlling interests as a result of change in scope of consolidation		—	—	—	—	—	—
Reclassified into retained earnings		—	—	1,232	—	881	(2,113)
Transfer of other comprehensive income directly associated with assets held for sale	9	—	—	—	—	(3,817,077)	—
Other increases (decreases)		—	(214)	—	—	—	—
Total transactions with owners		—	(233)	(40,963)	(11,957)	(3,816,196)	(2,113)
Balance as of March 31, 2026		80,462	99,230	2,376,921	(180,401)	196,322	—

The accompanying notes are an integral part of these financial statements.

(Millions of yen)

	Notes	Share of equity attributable to owners of the parent					Non-controlling interests	Total equity	
		Other components of equity			Other comprehensive income directly associated with assets held for sale	Total			
		Translation adjustments of foreign operations	Cash flow hedges	Total					
Balance as of April 01, 2024		239,439	5,851	3,934,880	—	6,045,759	107,599	6,153,359	
Profit	19	—	—	—	—	262,312	8,934	271,247	
Other comprehensive income		(14,387)	(2,383)	(1,207,856)	—	(1,207,856)	(1,531)	(1,209,387)	
Total comprehensive income		(14,387)	(2,383)	(1,207,856)	—	(945,543)	7,403	(938,140)	
Repurchase of treasury stock		—	—	—	—	(109,190)	—	(109,190)	
Disposal of treasury stock		19	—	—	—	—	—	—	
Dividends		20	—	—	—	—	(86,336)	(4,145)	(90,482)
Changes in ownership interest of subsidiaries		—	—	—	—	354	(296)	57	
Changes in non-controlling interests as a result of change in scope of consolidation		—	—	—	—	—	—	—	
Reclassified into retained earnings		—	—	(27,919)	—	—	—	—	
Transfer of other comprehensive income directly associated with assets held for sale		9	—	—	—	—	—	—	
Other increases (decreases)		—	—	—	—	(356)	—	(356)	
Total transactions with owners		—	—	(27,919)	—	(195,528)	(4,442)	(199,971)	
Balance as of March 31, 2025			225,051	3,468	2,699,103	—	4,904,686	110,560	5,015,246
Profit		19	—	—	—	—	223,785	3,694	227,479
Other comprehensive income	156,650		(3,047)	1,697,651	—	1,697,651	5,522	1,703,174	
Total comprehensive income	156,650		(3,047)	1,697,651	—	1,921,437	9,217	1,930,654	
Repurchase of treasury stock	—		—	—	—	(11,977)	—	(11,977)	
Disposal of treasury stock	19		—	—	—	—	—	—	
Dividends	20		—	—	—	—	(42,196)	(2,229)	(44,425)
Changes in ownership interest of subsidiaries	—		—	—	—	(0)	76	76	
Changes in non-controlling interests as a result of change in scope of consolidation	—		—	—	—	—	(38,749)	(38,749)	
Reclassified into retained earnings	—		—	(1,232)	—	—	—	—	
Transfer of other comprehensive income directly associated with assets held for sale	9		—	—	(3,817,077)	3,817,077	—	—	
Other increases (decreases)	—		—	—	—	(214)	—	(214)	
Total transactions with owners	—		—	(3,818,309)	3,817,077	(54,387)	(40,902)	(95,290)	
Balance as of March 31, 2026			381,702	420	578,445	3,817,077	6,771,736	78,874	6,850,611

[Consolidated Statement of Cash Flows]

(Millions of yen)

	Notes	FY2025 (April 01, 2024 - March 31, 2025)	FY2026 (April 01, 2025 - March 31, 2026)
Cash flows from operating activities:			
Profit before income taxes		351,463	279,193
Depreciation and amortization		324,055	353,053
Impairment losses		1,147	7,097
Interest and dividends income		(141,635)	(149,955)
Interest expenses		11,172	7,523
Share of (profit) loss of investments accounted for by the equity method		(2,622)	(2,249)
(Increase) decrease in inventories		(4,840)	5,205
(Increase) decrease in trade receivables and other receivables		(91,207)	(117,212)
Increase (decrease) in trade payables and other payables		13,070	59,198
(Increase) decrease in equipment leased under operating leases (excluding depreciation)		(145,718)	(157,691)
Others		(60,970)	10,809
Subtotal		253,914	294,971
Interest and dividends income received		142,631	152,262
Interest expenses paid		(11,107)	(7,482)
Income taxes (paid) refund		(213,860)	(40,956)
Net cash provided by (used in) operating activities		171,578	398,794
Cash flows from investing activities:			
Payments for purchases of property, plant and equipment		(211,032)	(204,923)
Proceeds from sales of property, plant and equipment		5,419	9,055
Payments for purchases of investment securities		(4,614)	(11,264)
Proceeds from sales of investment securities		76,698	42
Payments for acquisition of subsidiaries' stock resulting in change in scope of consolidation		(7,756)	(45,861)
Proceeds from sale of subsidiaries' stock resulting in change in scope of consolidation		—	36,043
Payments into time deposits		(348,584)	(35,105)
Proceeds from withdrawal of time deposits		508,697	101,578
Payments for transfer of businesses		(1,184)	—
Others		(61,046)	(46,644)
Net cash provided by (used in) investing activities		(43,403)	(197,080)
Cash flows from financing activities:			
Net increase (decrease) in short-term loans payable (within three months)	32	(12,570)	192,920
Proceeds from short-term loans payable (over three months)	32	67,433	145,609
Repayments of short-term loans payable (over three months)	32	(71,651)	(111,952)
Net increase (decrease) in commercial paper	32	34,410	(21,774)
Proceeds from long-term loans payable	32	93,662	70,620
Repayments of long-term loans payable	32	(133,744)	(242,365)
Proceeds from issuance of corporate bonds	32	137,618	—
Repayments of corporate bonds	32	(76,428)	(30,004)
Repayments of lease liabilities	32	(55,495)	(57,027)
Payments for repurchase of treasury stock		(109,190)	(11,977)
Cash dividends paid	20	(86,336)	(42,196)
Cash dividends paid to non-controlling interests		(4,145)	(2,229)
Others		17,783	28,872
Net cash provided by (used in) financing activities		(198,654)	(81,503)
Translation adjustments of cash and cash equivalents		(1,042)	(2,837)
Increase (decrease) in cash and cash equivalents due to reclassification as assets held for sale	9	(46,871)	—
Net increase (decrease) in cash and cash equivalents		(118,394)	117,372
Cash and cash equivalents at beginning of period		496,849	378,455
Cash and cash equivalents at end of period	5	378,455	495,827

The accompanying notes are an integral part of these financial statements.

Notes to Consolidated Financial Statements

1. Reporting Entity

Toyota Industries Corporation (hereinafter, "the Company") is a company domiciled in Japan. The accompanying consolidated financial statements comprise Toyota Industries and the Company's interests in affiliates. The parent company of the Group is Toyota Asset Preparatory Co., Ltd., and its ultimate parent company is Toyota Fudosan Co., Ltd. The businesses of the Toyota Industries include the manufacture and sales of automobiles, materials handling equipment, textile machinery and others. The content of each business is detailed in "4. Segment Information".

2. Basis of Presentation

(1) Conformance of consolidated financial statements with IFRS

As the Company meets the requirements of "Specified Company Applying Designated International Financial Reporting Standards" pursuant to Article 1-2, Item 1 of the Ordinance on Consolidated Financial Statements, the consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as permitted by the provision of Article 312 of the Ordinance.

The consolidated financial statements have been approved by Koichi Ito, president of the Company, on June 26, 2026.

(2) Basis of measurement

As detailed in "3. Material Accounting Policies", Toyota Industries' consolidated financial statements have been prepared on a historical cost basis, except for specific financial instruments and others measured at fair value.

(3) Functional currency and presentation currency

The financial statements of each of Toyota Industries' entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). These consolidated financial statements are presented in Japanese yen, which is the Company's functional currency, rounded down to the nearest million yen.

(4) Use of estimates and judgments

In the preparation of the IFRS-compliant consolidated financial statements, the Company is required to make a number of judgments, estimates and assumptions that could have an impact on the application of accounting policies, reporting of revenues and expenses as well as assets and liabilities. Actual results, however, could differ from those estimates.

Estimates and assumptions are continually reviewed. The effect of a changes in accounting estimates is recognized in the reporting period in which the change was made and in future reporting periods.

The information regarding judgments used in applying accounting policies that could have a material effect on the Company's consolidated financial statements is included in "3. Material Accounting Policies".

The information regarding uncertainties arising from assumptions and estimates that could result in material adjustments in the subsequent consolidated financial statements is as follows.

11. Goodwill and Intangible Assets (impairment losses)

18. Employee Benefits (Actuarial assumptions)

(5) Accounting standards and interpretations not yet adopted by the Company

Of the new accounting standards and the new interpretations that have been newly issued or amended by the date of approval of the consolidated financial statements, the major ones that have not yet been adopted by Toyota Industries as of March 31, 2026 are as follows.

The Company is currently evaluating the impact of the adoption of the new standards on the Toyota Industries Group's

consolidated financial statements and is unable to provide an estimation at this time.

IFRS	Title	Mandatory effective date (Fiscal year beginning on or after)	To be adopted by Toyota Industries	Description of new issue and amendments
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027	FY2028	New standards that will replace the current IAS 1 requirements, the accounting standards for the presentation of financial statements

(6) Changes in presentation

(Consolidated Statement of Cash Flows)

"(Increase) decrease in equipment leased under operating leases (excluding depreciation)" which were included in "Others" in "Cash flows from operating activities" in the previous fiscal year, are separately presented from FY2026, changes were made after considering the materiality of the impact to the consolidated financial statements.

As a result, the amount of (206,689) million yen presented as "Others" in "Cash flows from operating activities" in the consolidated statement of cash flows for the previous fiscal year has been reclassified as "(Increase) decrease in equipment leased under operating leases (excluding depreciation)" of (145,718) million yen, and "Others" of (60,970) million yen.

3. Material Accounting Policies

(1) Basis of Consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method. Goodwill is measured as the difference between the aggregate of the acquisition-date fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree and, in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree, and the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If the difference is negative, it is immediately recognized in profit or loss. If the initial accounting for a business combination is incomplete by the end of the fiscal year in which the combination occurs, provisional amounts of incomplete items are measured, which are adjusted during the measurement period within one year from the date of acquisition. Acquisition-related costs incurred are recognized as expenses. For intangible assets acquired through a business combination, see "(6) Intangible Assets (iii) Intangible assets acquired in business combinations". For policy on impairment losses of non-financial assets including goodwill, see "(16) Impairment Losses (ii) Non-financial assets".

(ii) Subsidiaries

Subsidiaries are entities controlled by the Company. The financial statements of the subsidiaries are consolidated into those of the Company from the date on which the Company acquires control until the date on which the Company loses control. Subsidiaries' financial statements are adjusted if their accounting policies differ from those of the Company. Intra-group balances, transactions and any unrealized gains or losses resulting from intra-group transactions are eliminated on consolidation. Comprehensive income is attributed to the owners of the parent and to non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Non-controlling interests consist of the amount of those interests recognized initially at the date on which the Company acquires control and the changes in non-controlling interests since the said date.

The consolidated financial statements contain financial statements of subsidiaries whose closing dates differ from that of the parent as a result of those dates being required by laws of the countries where those subsidiaries reside. For those subsidiaries, financial statements are prepared as of and years ended for March 31, and are used in the consolidated closing date.

(iii) Affiliates

Affiliates are entities in which Toyota Industries has a significant influence, but not control, over financial and operating policies. Investments in affiliates are accounted for using the equity method from the date on which the Company has a significant influence until the date on which the Company loses the significant influence.

If accounting policies of affiliates differ from those adopted by Toyota Industries, the Company makes necessary modifications to align them with those of Toyota Industries.

Under the equity method, the investment is initially measured at cost and is adjusted thereafter for the post-acquisition change in the Toyota Industries' share of the affiliates' net assets. In doing so, the amount equivalent to Toyota Industries' share of the affiliates' net assets is recognized in profit or loss of the Group. Also, the amount equivalent to Toyota Industries' share of the affiliates' other comprehensive income is recognized in other comprehensive income of Toyota Industries. The amount equivalent to Toyota Industries' share of the affiliates' loss is recognized as a loss until the amount exceeds the investment (including long-term interests that, in substance, form part of the Toyota Industries' net investment in that affiliate), and losses in excess of the investment are recognized only to the extent that Toyota Industries has incurred legal or constructive liabilities or made payments on behalf of the affiliate. Unrealized gains or losses from significant inter-company transactions are eliminated to the extent of Toyota Industries' share of the equity interest in the affiliate.

Any excess of the cost of acquisition over identifiable assets, liabilities and contingent liabilities of the affiliate at the date of acquisition is recognized as goodwill and included in the carrying value of the investment, and is not amortized.

(2) Foreign Currencies

(i) Foreign currency transactions

Foreign currency transactions are converted into the functional currency of each of Toyota Industries' entities using the exchange rate prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies are converted into the functional currency using the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the spot rate using the exchange rate at the fair value calculation date.

Any exchange difference arising from the retranslation and settlement is recognized in profit or loss of the period.

(ii) Foreign operations

Assets and liabilities of foreign operations including goodwill and fair value adjustments arising from acquisition are translated at the exchange rates at the end of the reporting period. Income and expenses of foreign operations are translated at the average exchange rates during the fiscal year, except in cases where exchange rates fluctuate significantly. If exchange rates fluctuate significantly, the exchange rate at the transaction date is used.

Foreign currency differences from the translation are recognized in other comprehensive income. When a foreign operation is disposed of, or control or significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation is reclassified to profit or loss as part of the gain or loss on the disposal.

(3) Cash and Cash Equivalents

Cash and cash equivalents are cash on hand, readily available deposits and short-term highly liquid and low risk investments with maturities not exceeding three months at the time of purchase.

(4) Inventories

Inventories are stated at the lower of cost or net realizable value. Cost of inventories includes purchase costs, processing costs and all other costs incurred in bringing them to their existing location and condition, and is calculated primarily using the moving average method.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to sell.

(5) Property, Plant and Equipment

Property, plant and equipment are measured using the cost model and are stated at cost less accumulated depreciation and accumulated impairment losses.

Estimated useful lives and the method of depreciation are reviewed at the fiscal year-end. Changes in estimated useful lives or depreciation methods are accounted for on a prospective basis as a change in accounting estimate.

Property, plant and equipment, excluding land and construction in progress, are depreciated on a straight-line basis over their estimated useful lives. Right-of-use assets are depreciated on a systematic basis from the commencement date to the earlier of the end of the economic life of the underlying asset or the end of the lease term. The estimated useful lives for major classes of assets are as follows.

- Buildings and structures: 5 to 60 years
- Machinery and vehicles: 3 to 22 years

An item of property, plant and equipment is derecognized on disposal or when it is withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising from derecognition of an item of property, plant and equipment is included in profit or loss when it is derecognized.

For the policy on impairment of property, plant and equipment, see "(16) Impairment Losses (ii) Non-financial assets".

(6) Intangible Assets

Intangible assets are measured using the cost model and stated at cost less accumulated depreciation and accumulated impairment losses.

(i) Intangible assets acquired separately

Intangible assets acquired separately with finite useful lives are carried at cost less accumulated amortization and accumulated impairment losses.

(ii) Internally generated intangible assets

Expenditure on research is recognized as an expense in the consolidated statement of profit or loss in the fiscal year in which it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following can be demonstrated:

- a) the technical feasibility of completing the intangible asset so that it will be available for use or sale
- b) its intention to complete the intangible asset and use or sell it
- c) its ability to use or sell the intangible asset
- d) how the intangible asset will generate probable future economic benefits
- e) the availability of adequate technical, financial and other resources to complete development and to use or sell the intangible asset
- f) its ability to measure reliably the expenditure attributable to the intangible asset during its development

The cost of an internally generated intangible asset is the sum of expenditure incurred from the date when the intangible asset first meets the recognition criteria above to the completion of its development. If an internally generated asset is not recognized, a development cost is recognized as an expense in the consolidated statement of profit or loss in the fiscal year in which it is incurred.

After initial recognition, an internally generated intangible assets are carried at cost less accumulated amortization and accumulated impairment losses.

(iii) Intangible assets acquired in business combinations

The cost of intangible assets acquired in a business combination is measured at fair value at the acquisition date. After initial recognition, intangible assets acquired in a business combination are carried at cost less accumulated amortization and accumulated impairment losses.

Intangible assets acquired in business combinations with indefinite useful lives are carried at cost less accumulated impairment losses, without being amortized but tested for impairment, in the same way as goodwill.

(iv) Amortization of intangible assets

Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives. The estimated useful lives of major classes of assets are as follows.

- Software: 3 to 5 years
- Development assets: 2 to 10 years
- Customer-related assets: 12 to 20 years
- Technology-related assets: 10 to 20 years

Estimated useful lives and amortization methods are reviewed at each reporting date, and any revisions are applied as revisions to accounting estimates prospectively.

(v) Derecognition of intangible assets

An item of intangible assets is derecognized on disposal or when it is withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising from derecognition of an item of intangible assets is included in profit or loss when it is derecognized.

For policies on impairment of intangible assets, see "(16) Impairment Losses (ii) Non-financial assets".

(7) Leases

(i) Leases as lessee

Lease liabilities are measured at the discounted present value of outstanding lease payments at the commencement date of the lease. After the commencement date of the lease, lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities and reducing the carrying amount to reflect the lease payments made. The interest rate implicit in the lease (if that rate can be readily determined) or lessee's incremental borrowing rate is used for the discount rate.

Right-of-use assets are measured at cost that is the initial measurement amount of lease liability at the commencement date of the lease adjusted by the amount of any initial direct costs, prepaid lease payments and other expenses. After the commencement date of the lease, right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses as determined using the cost model. Right-of-use assets are depreciated on a systematic basis from the commencement date to the earlier of the end of the economic life of the underlying asset or the end of the lease term.

Right-of-use assets are included in "Property, plant and equipment" or "Goodwill and intangible assets". Lease liabilities are included in "Other financial liabilities (Current liabilities)" or "Other financial liabilities (Non-current liabilities)".

Lease payments for short-term leases and leases of low value assets are recognized as expense using the straight-line method over the lease term. For contracts that include a lease component and a non-lease component, the Company accounts for the lease component and the non-lease component as a single lease component without separating the non-lease component.

In reference to whether a contract is a lease or whether a contract contains a lease, Toyota Industries makes judgments based on the substance of the contract even though it is not legally considered as a lease.

(ii) Leases as lessor

Contracts containing leases are classified as finance leases whenever substantially all risks and economic values incidental to the ownership of assets are transferred to the lessee, and other leases are classified as operating leases.

For financial leases, an amount equal to the net investment in the lease by discounting the total amount of lease payments and unguaranteed residual value with the interest rate implicit in the lease is recorded as lease investment assets. If Toyota Industries is a manufacturer or distributor lessor in a lease, selling profit or loss in a financial lease is recognized at the commencement date of the lease. Financial income is allocated to each period over the lease term so that the interest rate is proportional to an amount equal to the net investment in the lease. If Toyota Industries is not a manufacturer or distributor lessor in a lease, financial income is allocated to each period over the lease term so that the interest rate will be proportional to an amount equal to the net investment in the lease.

Income from operating leases is recognized on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

(8) Non-current assets or disposal groups held for sale

If the carrying amount of non-current assets or disposal groups will be recovered principally through a sale transaction rather than through continuing use, the Company classifies such non-current assets or disposal groups as held for sale, and reclassifies them into current assets and current liabilities.

Non-current assets or disposal groups classified as held for sale are measured at the lower of their carrying amount or fair value less costs to sell. However, this excludes those that are subject to measurement requirements in accordance with standards other than IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations."

(9) Provisions

The Company recognizes provisions if it has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of obligation can be reliably estimated.

In case the time value of money is significant, the amount of a provision is measured at the present value of the amount of expenditures expected to be required to settle the obligation.

(10) Government Grants

A government grant is recognized at fair value when there is reasonable assurance that Toyota Industries will comply with any conditions attached to the grant and it will receive the grant. When a grant is received for acquisition of an asset, the carrying amount of the asset is calculated by deducting the amount of the grant from the acquisition cost of the asset.

(11) Employee Benefits

(i) Post-employment benefits

Toyota Industries adopts the pension and lump-sum payment defined benefit plan and the defined contribution plan.

Toyota Industries' liabilities (assets) in respect of defined benefit plans is calculated for each plan by estimating the amount of future benefits earned by employees in the previous fiscal year and the fiscal year under review, discounting that amount to the present value, deducting the fair value of plan assets, making adjustments concerning the asset ceiling to that amount and, where necessary, considering economic benefits available. Remeasurements of liabilities (assets) in respect of defined benefit plans are recognized in other comprehensive income and at the time of their occurrence directly transferred from other components of equity to retained earnings. Past service cost is recognized in profit or loss as it occurs. Market yields on high-quality corporate bonds with roughly the same maturity as that of Toyota Industries' net defined benefit liabilities at the end of the reporting period are used as the discount rate. Interest expenses on liabilities (asset) in respect of defined benefit plans are presented as financial expenses.

Contributions under the defined contribution plan are expensed as the employees' services are provided.

(ii) Short-term employee benefits

Short-term employee benefits are expensed as the relevant services are provided and are not discounted.

For bonuses, if Toyota Industries has the present legal and constructive obligation to pay them as the result of past services provided by employees and the amount can be reliably estimated, the amount estimated to be paid is recognized as a liability.

(iii) Other long-term employee benefits

The amount of an obligation in respect of the long-service travel award scheme is calculated by estimating the amount of future benefits earned by employees in the current and prior fiscal years and discounting that amount to the present value.

Market yields on high-quality corporate bonds with roughly the same maturity as that of Toyota Industries' long-term employee benefits at the end of the reporting period are used as the discount rate.

(iv) Share-based compensation

Toyota Industries has the cash-settled share-based compensation plan for some of its subsidiaries outside Japan. Cash-settled share-based compensation is measured at the fair value of the goods or services received and liabilities incurred. The fair value of the liabilities is remeasured at the end of each reporting period and on the settlement date, and changes in fair value are recognized in profit or loss.

(12) Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Group recognizes a financial asset or a financial liability when it becomes a party to the contract of a financial instrument. A purchase or sale of financial assets is recognized or derecognized at the trade date.

(i) Non-derivative financial assets

Toyota Industries categorizes non-derivative assets into financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income (FVTOCI) and financial assets measured at fair value through profit or loss (FVTPL).

For details of fair value measurement, see "30. Financial Instruments (3) Fair value of financial instruments".

(Financial assets measured at amortized cost)

Toyota Industries categorizes financial assets as financial assets measured at amortized cost if financial assets are held with the objective of collecting contractual cash flows and their contractual terms provide cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding. Financial assets measured at amortized cost are initially measured at fair value. The carrying amount of financial assets measured at amortized cost is subsequently measured using the effective interest method.

(Financial assets measured at fair value)

Toyota Industries categorizes financial assets other than financial assets measured at amortized cost as financial assets measured at fair value. Financial assets measured at fair value are further divided into the following classifications according to holding purpose.

(Equity instruments measured at fair value through other comprehensive income (FVTOCI))

Shares and other financial assets held mainly for the purpose of maintaining or enhancing business relationships with investors are designated at initial recognition as financial assets at FVTOCI.

Equity instruments at FVTOCI are measured at fair value at initial recognition and changes in fair value thereafter are recognized in other comprehensive income. However, dividends arising from financial assets at FVTOCI are recognized in profit or loss.

If an equity instrument at FVTOCI is derecognized, the cumulative amount of other comprehensive income recognized in other components of equity on the consolidated statement of financial position is directly transferred to retained earnings.

(Financial assets measured at fair value through profit or loss (FVTPL))

Financial assets not designated as financial assets at FVTOCI of financial assets measured by Toyota Industries are classified as financial assets at FVTPL.

Financial assets at FVTPL are measured at fair value at initial recognition and changes in fair value thereafter are recognized in profit or loss.

(ii) Non-derivative financial liabilities

Non-derivative financial liabilities are measured at fair value at initial recognition and thereafter at amortization cost using the effective interest method.

A financial liability is derecognized when its contractual obligations are discharged or canceled, or expire.

(iii) Derivatives

Toyota Industries holds derivative financial instruments to hedge foreign currency and interest rate fluctuation risks, including foreign currency forward contracts, currency options, currency swaps, interest rate swaps, interest rate and currency swaps, and interest rate options.

For all of these derivatives, Toyota Industries recognizes financial assets or financial liabilities when it becomes the party to these derivatives contracts.

Some of derivatives Toyota Industries holds for hedging purposes do not meet hedge accounting requirements. Changes in fair value of these derivatives are immediately recognized in profit or loss.

Toyota Industries adopts cash flow hedges and fair value hedges as a hedge accounting method.

(iv) Offsetting financial assets and liabilities

Financial assets and liabilities are offset and reported as net amounts in the consolidated statement of financial position only if Toyota Industries currently has a legally enforceable right to off set the recognized amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

(13) Revenues

Toyota Industries recognizes revenue based on the following five-step model.

Step 1: Identify the contract with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Toyota Industries sells automotive-related products such as vehicles, engines, foundry parts for engines, car air-conditioning compressors, electronics parts and batteries in the Automobile Business; lift trucks, warehouse trucks in the Materials Handling Equipment Business; and weaving machinery, spinning machinery, instruments for yarn testing and cotton classing in the Textile Machinery Business. For sales of such products, since the customer obtains control over the product when a customer accepts goods after inspection, and therefore the performance obligation is judged to have been satisfied, Toyota Industries normally recognizes revenue when a customer accepts goods after inspection. Revenue is measured at the amount of consideration promised in a contract with the customer, net of discounts, incentives to distributors and other items.

For maintenance contracts and other services that include construction contracts in the Materials Handling Equipment Business such as automated storage and retrieval systems, and logistics solutions, Toyota Industries recognizes revenue based on the progress of performance obligation. The progress level is mainly computed according to the ratio of cumulative cost incurred against the total amount of estimated cost.

(14) Financial Income and Financial Expenses

Financial income includes interest income, dividends income, gains on foreign currency translation and gain on derivatives (excluding gain or loss on hedging instruments that are recognized in other comprehensive income). Interest income is recognized as earned using the effective interest method. Dividends income is recognized on the date of Toyota Industries' vesting.

Financial expenses include interest expense, losses on foreign currency translation and loss on derivatives (excluding loss on hedging instruments that are recognized in other comprehensive income).

(15) Income Taxes

Income taxes comprise current taxes and deferred taxes. These are recognized in profit or loss except taxes that arise from items that are recognized either in other comprehensive income or directly in equity or from business combinations.

Taxes for the fiscal year under review are the expected taxes payable or receivable on the taxable profit or loss for the year, using the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are recognized on temporary differences between the carrying amounts of assets and liabilities for accounting purposes and their tax basis. Deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of an asset or liability in a transaction not related to a business combination and affects neither accounting profit nor taxable profit at the time of transaction or in a transaction that does not make a temporary taxable difference and a temporary deductible difference of the same amount at the time of transaction.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and affiliates. However, deferred tax liabilities are not recognized if Toyota Industries is able to control the reversal of the temporary difference and it is probable that the temporary difference will not be reversed in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates expected to apply in the period in which the asset realized or the liability is settled based on tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when income taxes are levied by the same taxation authority on the same taxable entity, or on different taxable entities that intend either to settle current tax assets and liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously.

Deferred tax assets are recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that taxable profits will be available against which they can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be earned to allow related tax benefits to be realized.

In addition, exceptions to recognition and disclosure are applied with respect to deferred tax assets and liabilities related to tax laws enacted to implement the Pillar 2 (global minimum tax) model rule of the tax base erosion and profit shifting (BEPS) project announced by the Organization for Economic Cooperation and Development.

(16) Impairment Losses

(i) Financial assets

Financial assets measured at amortized cost are assessed for impairment losses based on expected credit losses.

At the end of the reporting period, if credit risk has not increased significantly after initial recognition, the amount of loss allowance is calculated based on the expected credit losses resulting from default events that are possible within 12 months after the reporting date (12-month expected credit losses). On the other hand, at the end of the reporting period, if credit risk has increased significantly after initial recognition, the amount of loss allowance is calculated based on the expected credit losses resulting from all possible default events over the life of the financial instrument (lifetime expected credit losses).

However, regardless of the above, lifetime expected credit loss measurement always applies to trade receivables and lease investment assets without a significant financing component.

For details, see "30. Financial Instruments (2) Matters concerning risk management".

(ii) Non-financial assets

Toyota Industries reviews carrying amounts of non-financial assets, excluding inventories and deferred tax assets, at every reporting fiscal year-end to determine whether there is any indication of impairment. If there is any indication of impairment, impairment testing is conducted based on the recoverable amount of the asset. Goodwill and intangible assets with indefinite useful lives are tested annually for impairment regardless of whether there is any indication of impairment.

A cash-generating unit (CGU), which is a unit for conducting impairment testing, is the smallest group of assets that generates cash inflows that are generally independent of cash flows of other assets or groups of assets. A CGU for goodwill is the smallest unit monitored for internal control purposes and is no larger than an operating segment before aggregation. Impairment testing for goodwill is conducted at a CGU or a group of CGUs for the smallest unit monitored for internal control purposes and within the scope of an operating segment before aggregation.

The recoverable amount of an asset or CGU is the greater of its value in use or its fair value less cost to sell. In calculating the value in use, estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects the time value of money and risks specific to the asset not considered in estimating future cash flows.

Because corporate assets do not generate independent cash inflows, if there is an indication that a corporate asset may be impaired, impairment testing is conducted based on the recoverable amount for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. An impairment loss recognized in relation to a CGU is allocated to reduce the carrying amount of assets within the CGU on a pro rata basis determined by the relative carrying amount of each asset.

An asset or CGU impaired in prior years is reviewed at every reporting fiscal year-end to determine whether there is any indication of a reversal of impairment loss recognized in prior years. The recoverable amount is estimated for an impairment loss recognized in prior years for an asset or CGU with an indication of reversal of impairment, and the impairment loss is reversed if the recoverable amount exceeds the carrying amount. The carrying amount after reversal of the impairment loss must not exceed the carrying amount of the asset that would be determined if no impairment had been recognized and the asset had been depreciated or amortized until the reversal. An impairment loss recognized for goodwill is not reversed.

(17) Earnings per Share

Basic earnings per share are calculated by dividing profit attributable to ordinary equity holders of the parent entity by the weighted-average number of common stock issued and outstanding after adjusting treasury stock for each calculation period. Diluted earnings per share take into account the impacts of all dilutive shares that bear the effects of dilution in calculating the weighted-average number of shares issued and outstanding.

(18) Reporting by Segment

An operating segment is one of the constituent units of any business activity that earns revenue and incurs expenses, including transactions with another operating segment. The results of all operating segments are such that their financial information can be obtained individually and are periodically reviewed by the management for allocating management resources to each segment and assessing operating performance.

4. Segment Information

The operating segments reported below are the segments of Toyota Industries for which separate financial information is available and are subject to evaluate regularly by executive management in deciding how to allocate resources and in assessing performance.

The reporting segments of Toyota Industries consist of Automobile, Materials Handling Equipment and Textile Machinery. The similarity of products and services are taken into account for the separation. Within the Automobile Segment, vehicles, engines, car air-conditioning compressors and others are included due to the similarity of their economic characteristics such as net sales. The main products and services of each segment are as follows.

Segment	Main products and services of each segment
Automobile	Vehicles, diesel and gasoline engines, foundry parts for engines, car air-conditioning compressors, electronics components, batteries
Materials Handling Equipment	Lift trucks, warehouse trucks, automated storage and retrieval systems, logistics solutions, sales financing business
Textile Machinery	Weaving machinery, spinning machinery, instruments for yarn testing and cotton classing

The accounting method of reporting segment information is based on "3. Material Accounting Policies".

Segment profit is based on operating profit.

(1) Operating segment information

(i) Sales, profits or losses, assets, liabilities and other material monetary information

FY2025 (April 01, 2024 - March 31, 2025)

(Millions of yen)

	Automobile	Materials Handling Equipment	Textile Machinery	Others	Total	Adjustments	Consolidated
Sales							
Outside customer sales	1,160,238	2,786,321	79,994	58,428	4,084,984	—	4,084,984
Inter-segment sales and transfers	19,562	3,162	161	35,435	58,322	(58,322)	—
Total	1,179,801	2,789,484	80,156	93,864	4,143,306	(58,322)	4,084,984
Segment profit	45,057	166,729	2,513	7,657	221,958	(262)	221,695
Segment assets	941,687	3,752,654	112,748	342,454	5,149,543	4,253,938	9,403,481
Financial income							143,014
Financial expenses							(15,869)
Share of profit of investments accounted for by the equity method							2,622
Profit before income taxes							351,463

- (Notes)
1. "Others" represents businesses not included in the reporting segments, and its primary service is the land transportation.
 - 2 (262) million yen included in "Adjustments" for "Segment profit" is mainly inter-segment transactions.
"Adjustments" for "Segment assets" includes corporate assets.
Corporate assets mainly consist of the Company's cash and deposits as well as marketable securities and investment securities.
 3. "Segment profit" reconciles to operating profit disclosed in the consolidated statement of profit or loss.

Other material items

(Millions of yen)

	Automobile	Materials Handling Equipment	Textile Machinery	Others	Total	Adjustments	Consolidated
Depreciation and amortization	72,631	243,775	4,540	3,107	324,055	—	324,055
Impairment losses (amount in parenthesis has been reversed)	1	911	1	232	1,147	—	1,147
Investments accounted for by the equity method	6,867	16,870	49	11	23,797	—	23,797
Increase in property, plant and equipment and intangible assets	130,172	397,238	7,797	7,808	543,017	—	543,017

- (Note) "Others" represents businesses not included in the reporting segments, and its primary service is the land transportation.

FY2026 (April 01, 2025 - March 31, 2026)

(Millions of yen)

	Automobile	Materials Handling Equipment	Textile Machinery	Others	Total	Adjustments	Consolidated
Sales							
Outside customer sales	1,190,313	3,043,058	74,723	61,417	4,369,512	—	4,369,512
Inter-segment sales and transfers	22,178	2,179	205	38,014	62,578	(62,578)	—
Total	1,212,491	3,045,238	74,928	99,431	4,432,090	(62,578)	4,369,512
Segment profit	17,144	113,507	(878)	7,522	137,295	(271)	137,023
Segment assets	1,018,817	4,325,805	117,155	404,214	5,865,992	5,321,147	11,187,139
Financial income							153,301
Financial expenses							(13,381)
Share of profit of investments accounted for by the equity method							2,249
Profit before income taxes							279,193

- (Notes)
1. "Others" represents businesses not included in the reporting segments, and its primary service is the land transportation.
 2. (271) million yen included in "Adjustments" for "Segment profit" is mainly inter-segment transactions. "Adjustments" for "Segment assets" includes corporate assets. Corporate assets mainly consist of the Company's cash and deposits as well as marketable securities and investment securities.
 3. "Segment profit" reconciles to operating profit disclosed in the consolidated statement of profit or loss.

Other material items

(Millions of yen)

	Automobile	Materials Handling Equipment	Textile Machinery	Others	Total	Adjustments	Consolidated
Depreciation and amortization	77,545	266,757	4,918	3,830	353,053	—	353,053
Impairment losses (amount in parenthesis has been reversed)	1,459	5,624	13	—	7,097	—	7,097
Investments accounted for by the equity method	6,449	49,280	49	11	55,790	—	55,790
Increase in property, plant and equipment and intangible assets	114,259	412,096	3,252	5,200	534,809	—	534,809

- (Note) "Others" represents businesses not included in the reporting segments, and its primary service is the land transportation.

(2) Sales by product

Outside customer sales by product consist of the following.

(Millions of yen)

	FY2025 (April 01, 2024 - March 31, 2025)	FY2026 (April 01, 2025 - March 31, 2026)
Automobile	1,160,238	1,190,313
Vehicle	102,560	101,393
Engine	346,156	356,882
Car air-conditioning compressor	480,976	484,504
Electronics parts and others	230,545	247,533
Materials Handling Equipment	2,786,321	3,043,058
Textile Machinery	79,994	74,723
Others	58,428	61,417
Total	4,084,984	4,369,512

(3) Geographical information

Outside customer sales by geography consist of the following.

(Millions of yen)

	FY2025 (April 01, 2024 - March 31, 2025)	FY2026 (April 01, 2025 - March 31, 2026)
Japan	1,008,112	1,023,747
U.S.A.	1,415,207	1,541,558
Others	1,661,664	1,804,206
Total	4,084,984	4,369,512

(Note) Net sales are provided by location of customer.

Non-current assets by geography consist of the following.

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Japan	679,774	715,993
U.S.A.	673,609	805,854
Netherlands	205,215	253,454
Others	537,610	634,533
Total	2,096,210	2,409,835

(Note) Non-current assets (excluding financial instruments, deferred tax assets, net defined benefit asset, and rights arising from insurance contracts) are provided by location of assets.

(4) Principal customer information

Toyota Industries sells goods and provides services to Toyota Motor Corporation and its subsidiaries. Sales from Toyota Motor Corporation and its subsidiaries amounted to 588,587 million yen and 632,159 million yen for the fiscal years ended March 31, 2025 and 2026, respectively and were included in the outside customer sales of the Automobile, Materials Handling Equipment and Others segments.

Toyota Industries sells goods to DENSO Corporation and its subsidiaries. Sales from DENSO and its subsidiaries amounted to 543,857 million yen and 558,858 million yen for the fiscal years ended March 31, 2025 and 2026, respectively and were included in the outside customer sales of the Automobile, Materials Handling Equipment and Others segments.

5. Cash and Cash Equivalents

Cash and cash equivalents consist of the following.

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Cash and deposits	378,455	495,827
Short-term investments (securities) which have an original maturity within three months	—	—
Total	378,455	495,827

The balance of cash and cash equivalents on the consolidated statement of financial position as of the end of the fiscal years ended March 31, 2025 and 2026 are consistent with the balances of cash and cash equivalents on the consolidated statement of cash flows.

These short-term investments are financial assets measured at amortized cost.

6. Trade Receivables and Other Receivables

Trade receivables and other receivables consist of the following.

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Trade notes and accounts receivable	628,508	760,382
Contract assets	81,853	116,123
Loans for sales financing	348,435	340,744
Accounts receivable - other	58,572	60,660
Lease investment assets	626,558	758,103
Others	10	11
Elimination: Allowance for doubtful accounts	(21,345)	(20,509)
Total	1,722,592	2,015,516

These receivables are mainly financial assets measured at amortized cost.

Amounts by collection or settlement period consist of the following.

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Due within 12 months	1,048,386	1,247,347
Due after 12 months	674,206	768,168
Total	1,722,592	2,015,516

7. Other Financial Assets

(1) Outline of other financial assets

Other financial assets consist of the following.

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Loans	2,984	7,246
Stock	4,028,952	351,718
Derivative assets	32,313	25,924
Others	29,840	31,171
Total	4,094,090	416,060

Current assets	12,185	7,663
Non-current assets	4,081,905	408,397
Total	4,094,090	416,060

Loans are categorized as financial assets measured at amortized cost, stock is mainly categorized as financial assets measured at fair value through other comprehensive income and derivative assets are categorized as financial assets measured at fair value through profit or loss (excluding items for which hedge accounting is applied). With respect to equity instruments measured at fair value through profit or loss included in stock or others, there is no monetary significance.

(2) Financial assets measured at fair value through other comprehensive income

Toyota Industries designates investments in equity instruments held for maintaining and reinforcing business relations as financial assets measured at fair value through other comprehensive income in consideration of the purpose of holding them.

Name and fair values of financial assets measured at fair value through other comprehensive income consist of the following.

(Millions of yen)

Name	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Toyota Motor Corporation ※1	3,119,137	3,770,150
Toyota Tsusho Corporation ※1	294,411	702,667
DENSO Corporation ※1	290,809	307,131
TOYOTA FUDOSAN Co., Ltd.	190,489	169,778
Ibiden Co., Ltd.	24,822	91,748
AISIN Corporation ※1	37,717	50,382
Toyota Boshoku Corporation	15,424	18,702
Aichi Steel Corporation	9,537	15,286
Aisan Industry Co., Ltd.	9,993	8,753
JTEKT Corporation	4,404	6,389
Others	37,923	47,381
Total	4,034,671	5,188,373

(Note) ※1. Since it was highly likely that these securities would be sold at the end of the fiscal year ended March 31, 2026, and delivery was scheduled to take place within one year, these securities were reclassified as assets held for sale. For details, please refer to "9. Assets held for sale of the Notes to Consolidated Financial Statements."

(3) Derecognition of financial assets measured at fair value through other comprehensive income

To increase efficiency and promote the effective use of assets in holding, a part of financial assets measured at fair value through other comprehensive income is sold, thereby derecognized thereof.

Fair value at the time of sale and cumulative profit or loss recognized as other comprehensive income for each fiscal year consist of the following. Concerning the dividends recognized during the fiscal year ended March 31, 2026, those relating to the investment whose recognition was suspended during the fiscal year were immaterial. Cumulative profit or loss related to the disposal of financial liabilities is fully reclassified into retained earnings.

(Millions of yen)

	FY2025 (April 01, 2024 - March 31, 2025)	FY2026 (April 01, 2025 - March 31, 2026)
Fair value at the time of termination of recognition	76,577	34
Cumulative profit or loss related to disposal	58,489	(9)

(Note) Financial assets measured at fair value through other comprehensive income include debt instruments but they were immaterial.

8. Inventories

Inventories consist of the following.

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Merchandise and finished goods	355,376	376,095
Work in process	123,233	136,893
Raw materials and supplies	141,194	150,795
Total	619,804	663,784

Expenses reclassified from inventories amount to 3,133,410 million yen and 3,390,896 million yen for the fiscal years ended March 31, 2025 and 2026, respectively.

The amount of inventory write-down recognized as expenses (continuing business) and the reversal amount of write-down consist of the following.

(Millions of yen)

	FY2025 (April 01, 2024 - March 31, 2025)	FY2026 (April 01, 2025 - March 31, 2026)
Amount of write-down	9,421	12,404
Reversal amount of write-down	931	4,093

9. Assets held for sale

FY2025 (April 01, 2024 - March 31, 2025)

(Changes in Subsidiaries)

Aichi Corporation, a consolidated subsidiary of the Company in the Materials Handling Equipment Segment was highly likely at the end of the fiscal year under review that the sale would occur, and the handover was scheduled within one year. Therefore, its assets and liabilities were classified as a disposal group held for sale. The disposal group was measured at carrying amount because its fair value less costs to sell (estimated selling price) exceeded its carrying amount. On May 14, 2025, Aichi Corporation was excluded from the scope of consolidation and became an affiliate accounted for by the equity method.

The breakdown of assets classified as those held for sale and liabilities reclassified as those directly related to assets held for sale is as follows.

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Cash and cash equivalents	46,871	—
Property, plant and equipment	21,337	—
Trade receivables and other receivables	16,590	—
Inventories	7,057	—
Others	10,405	—
Total assets	102,263	—
Trade payables and other payables	13,401	—
Others	4,599	—
Total liabilities	18,001	—

FY2026 (April 01, 2025 - March 31, 2026)

(Sale of Investments in Affiliates and Other Investments in Securities in Connection with the Going-Private Transaction of the Company)

As described in "37. Subsequent Events," following the successful completion on March 23, 2026 of the tender offer for the Company's common shares by Toyota Asset Preparatory Co., Ltd., it was highly probable at the end of the fiscal year under review that the shares held by the Company in Toyota Motor Corporation, Denso Corporation, Toyota Tsusho Corporation and AISIN Corporation would be sold, and the transfer was expected to be completed within one year. Accordingly, these shares were reclassified to Assets held for sale. In addition, deferred tax liabilities related to these shares were reclassified to Liabilities directly associated with assets held for sale, and valuation differences relating to financial assets measured at FVTOCI were reclassified to Other comprehensive income directly associated with assets held for sale.

The breakdown of Assets held for sale, Liabilities directly associated with assets held for sale, and Other comprehensive income directly associated with assets held for sale is as follows.

(Millions of yen)

	FY2026 (As of March 31, 2026)		FY2026 (As of March 31, 2026)
Assets held for sale		Liabilities directly associated with assets held for sale	
Other financial assets	4,830,332	Deferred tax liabilities	669,887
		Other comprehensive income directly associated with assets held for sale	
		Net changes in revaluation of FVTOCI financial assets	3,817,077
Total	4,830,332		4,486,965

10. Property, Plant and Equipment

(1) Increase (decrease)

Acquisition cost

(Millions of yen)

	Other than leases as lessor					Leases as lessor	Total
	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Machinery and vehicles	
Balance as of April 01, 2024	768,758	1,299,625	213,681	168,060	82,293	901,929	3,434,348
Acquisition	48,061	63,047	14,042	1,814	165,124	202,502	494,592
Disposal	(23,576)	(53,673)	(13,137)	(853)	(464)	(17,401)	(109,107)
Transfer from Construction in progress	31,377	44,306	8,155	966	(123,143)	38,338	—
Foreign currency translation difference	(3,792)	(6,729)	(1,429)	(110)	(911)	(16,833)	(29,806)
Transfer to assets classified as held for sale	(21,507)	(10,983)	(3,215)	(11,049)	(1,519)	—	(48,275)
Others	2,213	(776)	38	64	(4,980)	(155,214)	(158,654)
Balance as of March 31, 2025	801,534	1,334,816	218,134	158,891	116,398	953,321	3,583,097
Acquisition	65,265	47,068	15,716	2,765	146,926	214,111	491,853
Disposal	(22,008)	(45,480)	(13,670)	(554)	(187)	(15,780)	(97,680)
Transfer from Construction in progress	36,492	75,950	12,290	1,664	(164,001)	37,602	—
Foreign currency translation difference	37,111	45,279	12,361	2,712	5,386	102,116	204,967
Transfer to assets classified as held for sale	—	—	—	—	—	—	—
Others	6,027	12,739	1,806	967	(21,009)	(169,643)	(169,112)
Balance as of March 31, 2026	924,423	1,470,374	246,639	166,447	83,513	1,121,727	4,013,125

(Notes) 1. The amount related to property, plant and equipment in progress is presented as "Construction in progress".

2. "Others" includes "Inventories" related to materials handling equipment for operating lease and others.

Accumulated depreciation and accumulated impairment losses

(Millions of yen)

	Other than leases as lessor					Leases as lessor	Total
	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Machinery and vehicles	
Balance as of April 01, 2024	400,940	972,702	170,280	2,775	—	439,306	1,986,005
Depreciation	39,009	78,494	18,501	306	—	146,274	282,587
Disposal	(15,554)	(50,771)	(12,590)	(165)	—	(11,056)	(90,138)
Impairment losses (Reversal of impairment losses)	(264)	(36)	0	(20)	—	1,244	923
Foreign currency translation difference	(1,941)	(5,387)	(1,186)	4	—	(9,029)	(17,540)
Transfer to assets classified as held for sale	(14,569)	(9,074)	(2,903)	(389)	—	—	(26,937)
Others	315	9,528	290	184	—	(99,455)	(89,135)
Balance as of March 31, 2025	407,935	995,454	172,393	2,694	—	467,284	2,045,763
Depreciation	43,378	85,583	20,091	287	—	154,458	303,800
Disposal	(18,394)	(40,866)	(13,128)	(31)	—	(12,546)	(84,968)
Impairment losses (Reversal of impairment losses)	6	153	28	—	—	3,174	3,362
Foreign currency translation difference	17,081	33,391	9,628	60	—	51,834	111,997
Transfer to assets classified as held for sale	—	—	—	—	—	—	—
Others	3,602	11,343	1,713	84	—	(112,911)	(96,166)
Balance as of March 31, 2026	453,609	1,085,061	190,728	3,095	—	551,293	2,283,788

(Note) Depreciation and impairment losses of property, plant and equipment is included in mainly "Cost of sales" and "Selling, general and administrative expenses" in the consolidated statement of profit or loss.

Carrying amount

(Millions of yen)

	Other than leases as lessor					Leases as lessor	Total
	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Machinery and vehicles	
Balance as of April 01, 2024	367,817	326,922	43,400	165,285	82,293	462,623	1,448,343
Balance as of March 31, 2025	393,598	339,361	45,740	156,197	116,398	486,037	1,537,333
Balance as of March 31, 2026	470,813	385,312	55,910	163,352	83,513	570,433	1,729,336

11. Goodwill and Intangible Assets

(1) Increase (decrease)

Acquisition cost

(Millions of yen)

	Goodwill	Intangible assets recognized through business combination	Development assets	Software	Others	Total
Balance as of April 01, 2024	267,736	258,445	84,831	161,210	25,979	798,202
Acquisition	—	—	—	13,406	707	14,113
Increase through in-house development	—	—	17,488	16,822	—	34,311
Disposal	—	—	(2,597)	(2,914)	(846)	(6,359)
Foreign currency translation difference	(1,713)	(1,516)	(92)	(114)	48	(3,388)
Others	7,077	8,268	(234)	(602)	2,459	16,968
Balance as of March 31, 2025	273,099	265,197	99,396	187,807	28,348	853,849
Acquisition	—	—	—	10,081	51	10,133
Increase through in-house development	—	—	16,013	16,809	—	32,823
Disposal	(1,088)	(1,539)	(2,167)	(3,353)	(1,754)	(9,904)
Foreign currency translation difference	29,616	33,850	9,580	8,547	1,914	83,509
Others	46,077	24,027	90	3,982	(73)	74,104
Balance as of March 31, 2026	347,704	321,535	122,913	223,874	28,486	1,044,515

(Note) In the fiscal year ended March 31, 2025, "Others" includes a decrease resulting from the transfer of assets held by Aichi Corporation, which was one of the consolidated subsidiaries of the Company, to assets classified as held for sale. The transfer amounts are as follows: "Development assets" 661 million yen, "Software" 1,689 million yen, and "Others" 46 million yen.

Accumulated amortization and accumulated impairment losses

(Millions of yen)

	Goodwill	Intangible assets recognized through business combination	Development assets	Software	Others	Total
Balance as of April 01, 2024	—	97,403	52,019	96,029	14,775	260,228
Amortization	—	12,795	12,762	13,278	2,631	41,467
Disposal	—	—	(2,597)	(2,857)	(878)	(6,333)
Impairment losses (Reversal of impairment losses)	—	—	—	223	—	223
Foreign currency translation difference	—	(693)	(51)	(275)	(80)	(1,100)
Others	—	8,268	(172)	(1,681)	1,108	7,522
Balance as of March 31, 2025	—	117,773	61,959	104,717	17,556	302,008
Amortization	—	17,387	13,575	15,641	2,647	49,252
Disposal	—	(1,539)	(2,136)	(2,862)	(222)	(6,761)
Impairment losses (Reversal of impairment losses)	—	1,308	—	1,459	966	3,734
Foreign currency translation difference	—	13,951	6,149	4,688	2,557	27,346
Others	—	—	43	(1,291)	(3,481)	(4,729)
Balance as of March 31, 2026	—	148,881	79,592	122,353	20,024	370,851

- (Notes) 1. Amortization of intangible assets is included in "Cost of sales" and "Selling, general and administrative expenses" in the consolidated statement of profit or loss.
2. In the fiscal year ended March 31, 2025, "Others" includes a decrease resulting from the transfer of assets held by Aichi Corporation, which was one of the consolidated subsidiaries of the Company, to assets classified as held for sale. The transfer amounts are as follows: "Development assets" 599 million yen, "Software" 1,444 million yen, and "Others" 35 million yen.

Carrying amount

(Millions of yen)

	Goodwill	Intangible assets recognized through business combination	Development assets	Software	Others	Total
Balance as of April 01, 2024	267,736	161,041	32,812	65,180	11,203	537,974
Balance as of March 31, 2025	273,099	147,423	37,436	83,089	10,791	551,840
Balance as of March 31, 2026	347,704	172,654	43,321	101,520	8,461	673,663

- (Notes) 1. Intangible assets recognized through business combination include customer-related assets and technology-related assets.
2. Development assets in progress included in development assets amounts to 10,940 million yen and 15,691 million yen as of the end of the fiscal years ended March 31, 2025 and 2026, respectively. Software in progress included in software amounts to 35,518 million yen and 40,891 million yen as of the end of the fiscal years ended March 31, 2025 and 2026, respectively.

(2) Impairment testing of goodwill and intangible assets with an indefinite useful life

Toyota Industries performs, with respect to goodwill, impairment testing as necessary during each period or in case there is an indicator of impairment. The recoverable value in impairment testing is calculated based on value in use.

Value in use is calculated by discounting the estimated amount of cash flows based on the business plan for the next five years that has been primarily approved by the management in present value. The estimation of cash flows is based on the assumption that cash flows of more than five years will increase at a certain growth rate. The growth rate is determined by referencing the long-term expected growth rate of the market in which cash-generating units belong (about 1 to 3%). The discount rate is calculated based on the weighted-average capital cost before tax of cash-generating units (about 6 to 14%).

Toyota Industries concluded that even if there were reasonably possible changes in key assumptions used in the impairment assessment, it is unlikely that a material impairment would arise.

With respect to the balance of goodwill as of the end of the fiscal years ended March 31, 2025 and 2026, major items include: goodwill recognized in conjunction with the acquisition of the Cascade Corporation Group in the Materials Handling Equipment Segment; goodwill recognized in conjunction with the business transfer of Toyota Industries Commercial Finance, Inc. (TICF); goodwill recognized in conjunction with the acquisition of the Vanderlande Group; goodwill recognized in conjunction with the acquisition of the Bastian Group; goodwill recognized in conjunction with the acquisition of the viastore Group; goodwill recognized in conjunction with the acquisition of the Vanderlande Logistics Group (formerly Siemens Logistics); and goodwill recognized in conjunction with the acquisition of the Uster Technologies AG Group in the Textile Machinery Segment. Goodwill recognized in conjunction with the acquisition of the Cascade Corporation Group is allocated to the Materials Handling Equipment Business which is functioning as the cash-generating unit and amounts to 36,394 million yen and 39,991 million yen as of the end of the fiscal years ended March 31, 2025 and 2026, respectively. Goodwill recognized in conjunction with the business transfer of TICF is allocated to the Materials Handling Equipment Business in North America which is functioning as the cash-generating unit and amounts to 35,071 million yen and 37,501 million yen as of the end of the fiscal years ended March 31, 2025 and 2026, respectively. Goodwill recognized in conjunction with the acquisition of the Vanderlande Group is allocated to the Material Handling Equipment Business which is functioning as the cash-generating unit and amounts to 80,466 million yen and 91,270 million yen as of the end of the fiscal years ended March 31, 2025 and 2026, respectively. Goodwill recognized in conjunction with the acquisition of the Bastian Group is allocated to the Material Handling Equipment Business which is functioning as the cash-generating unit and amounts to 20,152 million yen and 31,741 million yen as of the end of the fiscal years ended March 31, 2025 and 2026, respectively. Goodwill recognized in conjunction with the acquisition of the viastore Group is allocated to the Material Handling Equipment Business which is functioning as the cash-generating unit and amounts to 27,083 million yen and 20,416 million yen as of the end of the fiscal year ended March 31, 2025 and 2026, respectively. Goodwill recognized in conjunction with the acquisition of the Vanderlande Logistics Group (formerly Siemens Logistics) during the fiscal year ended March 31, 2026 is allocated to the Material Handling Equipment Business which is functioning as the cash-generating unit and amounts to 43,265 million yen as of March 31, 2026. Part of the goodwill has been accounted for provisionally, as the purchase price allocation has not yet been finalized. Goodwill recognized in conjunction with the acquisition of the Uster Technologies AG Group is allocated to Uster Technologies AG group and amounts to 24,307 million yen and 28,352 million yen as of the end of the fiscal years ended March 31, 2025 and 2026, respectively.

Intangible assets with an indefinite useful life included in intangible assets recognized on business combinations amounted to 50,864 million yen and 56,849 million yen at the end of the fiscal years ended March 31, 2025 and 2026, respectively. These assets are primarily related to trademark recognized in connection with the acquisition of the Vanderlande Group in the Materials Handling Equipment Segment. The Toyota Industries Group determined the useful life to be indefinite because the trademark will survive for as long as the business continues. Intangible assets with an indefinite useful life recognized in connection with the acquisition of the Vanderlande Group were allocated on the basis that the Vanderlande Group is a group of cash-generating units and amounted to 29,336 million yen and 33,197 million yen at the end of the fiscal years ended March 31, 2025 and 2026, respectively.

12. Investments Accounted for by the Equity Method

There are no affiliates of individual significance in the fiscal years ended March 31, 2025 and 2026. The carrying amounts of investments in affiliates consist of the following.

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Total carrying amount	23,797	55,790

The amounts of equity in comprehensive income of affiliates of no individual significance consist of the following.

(Millions of yen)

	FY2025 (April 01, 2024- March 31, 2025)	FY2026 (April 01, 2025 - March 31, 2026)
Amount of equity in profit	2,622	2,249
Amount of equity in other comprehensive income	(504)	3,392
Amount of equity in comprehensive income	2,117	5,642

13. Trade Payables and Other Payables

Trade payables and other payables consist of the following.

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Trade notes and accounts payable	422,943	488,287
Accounts payable - other	46,889	58,134
Contract liabilities	165,976	238,635
Others	243,038	257,659
Total	878,848	1,042,715

Trade payables and other payables are primarily financial liabilities measured at amortized cost. "Others" mainly includes short-term employee debt and accrued expenses.

Breakdown by period until payment or settlement consists of the following.

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Due within 12 months	878,833	1,042,714
Due after 12 months	15	0
Total	878,848	1,042,715

14. Corporate Bonds and Loans

Corporate bonds and loans consist of the following.

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)	Average interest rate (%)	Repayment due
Short-term loans	60,725	292,345	3.57	—
Commercial paper	173,661	166,261	—	—
Long-term loans repaid within one year	233,003	196,220	1.76	—
Corporate bonds redeemed within one year	29,904	51,104	—	—
Long-term loans	779,716	691,585	2.83	April 2027 - August 2039
Corporate bonds	453,073	433,593	—	—
Total	1,730,083	1,831,111	—	—

(Note) The average interest rate reflects the weighted-average interest rate against the balance at the end of the fiscal year ended March 31, 2026. Rates for corporate bonds are indicated in the summary of issuance terms of corporate bonds.

Corporate bonds and loans are financial liabilities measured at amortized cost.

The summary of issuance terms of corporate bonds consists of the following.

(Millions of yen)

Company name	Name	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)	Interest rate (%)	Collateral	Issuance date	Maturity date
The Company	29th issuance of corporate bonds without collateral	19,991	19,998 (19,998)	0.080	None	July 15, 2016	June 19, 2026
The Company	2nd issuance of U.S. dollar-denominated senior unsecured notes	74,642 [USD499 million]	79,861 [USD499 million]	3.566	None	March 16, 2018	March 16, 2028
The Company	37rd issuance of corporate bonds without collateral	9,976	9,982	0.680	None	September 11, 2024	September 20, 2029

(Millions of yen)

Company name	Name	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)	Interest rate (%)	Collateral	Issuance date	Maturity date
Toyota Industries Finance International AB	Medium-term notes	27,000	27,000	0.680 - 0.900	None	November 20, 2023 - September 24, 2024	June 18, 2027 - November 21, 2028
Toyota Industries Finance International AB	Medium-term notes	27,575 [EUR170 million]	31,106 [EUR170 million] (31,106)	0.427 - 2.484	None	May 23, 2019 - February 14, 2022	May 22, 2026 - February 12, 2027
Toyota Industries Finance International AB	Medium-term notes	25,371 [AUD270 million]	29,478 [AUD270 million]	1.830 - 5.210	None	July 6, 2020 - October 25, 2024	July 6, 2027 - October 25, 2029
Toyota Industries Finance International AB	Medium-term notes	7,752 [GBP40 million]	8,841 [GBP40 million]	4.852	None	November 27, 2024	November 27, 2029
Toyota Industries Commercial Finance, Inc.	Medium-term notes	290,666 [USD1,994 million]	278,830 [USD1,744 million]	3.900 - 5.450	None	September 14, 2022 - March 28, 2025	September 14, 2027 - March 3, 2032
Total	—	482,977	484,698 (51,104)	—	—	—	—

(Notes) 1. The figure in parentheses in the "FY2026" is the amount to be redeemed within one year.

- "Interest rate" indicates the interest rate against the balance at the end of the fiscal year ended March 31, 2026.
- "Collateral" indicates any collateral associated with the balance at the end of the fiscal year ended March 31, 2026.
- "Issuance date" indicates the issuance date associated with the balance at the end of the fiscal year ended March 31, 2026.
- "Maturity date" indicates the maturity date associated with the balance at the end of the fiscal year ended March 31, 2026.

15. Other Financial Liabilities

Other financial liabilities consist of the following.

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Lease liabilities	192,710	225,568
Derivative liabilities	12,016	25,825
Deposits payable	40,156	36,677
Total	244,883	288,071

Current liabilities	87,850	100,714
Non-current liabilities	157,033	187,357
Total	244,883	288,071

Deposits payable is categorized as financial liabilities measured at amortized cost and derivative liabilities are categorized as financial liabilities measured at fair value through profit or loss (excluding items for which hedge accounting is applied).

16. Assets Pledged as Collateral and Secured Liabilities

Assets pledged as collateral consist of the following.

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Trade receivables and other receivables	48,875	75,396
Inventories	6,526	—
Property, plant and equipment	1	—
Investment securities	52,320	63,240
Total	107,723	138,636

Secured liabilities consist of the following.

Security interest may be exercised in case there is non-fulfillment of a loan agreement.

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Short-term loans	33,589	56,917
Others	31,875	31,834
Total	65,465	88,751

(Note) "Others" mainly includes Deposits received from employees.

17. Provisions

Provisions are recorded in current liabilities and non-current liabilities on the consolidated statement of financial position.

Increase (decrease) of provisions in the fiscal years ended March 31, 2025 and 2026 consist of the following.

(Millions of yen)

	Warranty provision	Asset retirement obligation	Others	Total
Balance as of April 01, 2024	32,379	2,759	65,811	100,950
Increase due to provisions	23,699	702	30,572	54,974
Decrease due to intended use	(11,662)	(176)	(56,811)	(68,649)
Decrease due to reversal	(1,339)	(140)	(8,405)	(9,884)
Interest expenses based on discount calculation, foreign currency translation difference and others	691	(121)	(188)	382
Balance as of March 31, 2025	43,769	3,025	30,978	77,773
Increase due to provisions	35,612	133	28,560	64,306
Decrease due to intended use	(12,513)	(103)	(28,452)	(41,069)
Decrease due to reversal	(5,859)	(12)	(4,717)	(10,589)
Interest expenses based on discount calculation, foreign currency translation difference and others	1,581	160	2,230	3,972
Balance as of March 31, 2026	62,590	3,202	28,600	94,393

The warranty provision is recorded by recognizing the amount of expected expense payments required for future repairs. It is expected in many cases that a repair or a payment is made within a year, while repairs or payments for some items are made over a longer period of time because customers take longer to physically return defective products. Regarding specific products for which the implementation of countermeasures against failures has been determined, the warranty provision is recorded by individually assessing the amounts expected to be incurred, based on estimates of fault rectification cost per unit, the number of units subject to fault rectification, and other market measures. Moreover, the number of units subject to fault rectification is estimated based on the actual result of past recalls and other market measures. In the event that a warranty obligation arises due to defects in the Company's products which were not anticipated in the initial estimate of the provision or that the amount of warranty expense exceeds the amount of the provision, there is a possibility that an additional warranty provision will be required. On the other hand, if the actual warranty expense is lower than the initial estimate, a reversal of the warranty provision will be recorded.

Asset retirement obligations are accounted for by recognizing provision for asset demolition/disposal expenses, expenses for restoring an asset to its original condition and payments arising as a result of using assets as well as by adding to the acquisition cost of the respective assets (property, plant and equipment, such as buildings). The respective assets are depreciated over the number of years of depreciation as indicated "3. Material Accounting Policies".

"Others" mainly includes provision for litigation. During the fiscal year ended March 31, 2025 and 2026, provisions of 13,092 million yen and 11,944 million yen, respectively in relation to the certification issue of engines for the domestic market were recorded. The provisions are for estimated expenses arising from the suspension of lift truck shipments due to the domestic engine certification issue, including expenses for responding to domestic lift truck customers and compensation paid to suppliers. The provisions were recorded based on the estimated amount of such expenses. The estimated amount is based on the monthly cost incurred. This calculation is based on estimates and is inherently subject to uncertainty. Accordingly, actual expenses may differ from estimates, and there is a possibility that additional provisions or a reversal of provisions will be necessary. These costs arising from suspension of shipments are expected to be paid during the next fiscal year.

In addition, interest expenses arising from discount calculations for the previous fiscal year under review and foreign exchange gains and losses include a decrease due to the transfer of liabilities held by AICHI, a former subsidiary of the Company's subsidiary, to Liabilities directly associated with assets held for sale.

18. Employee Benefits

In regard to total expenses for employee benefits plans including other than post-employment plans, refer to "22. Breakdown of Expenses by Nature".

(1) Overview of post-employment plans adopted

To provide for employee retirement benefits, Toyota Industries has adopted pension and lump-sum payment defined benefit plans as well as defined contribution pension plans. The amount of benefits under the defined benefit plans is determined based on points earned by employees based on factors such as the number of years of service and grades, the employee's final salary, the number of years of service and other terms. Furthermore, to provide for future benefits, Toyota Industries makes contributions based on actuarial calculations using an estimated rate of wages and salaries.

The defined benefit pension plan, in compliance with relevant laws and regulations and with the consent of the employees, sets the pension agreement stipulating the policy around eligibility, what is provided through the plan and the contributions to be made by the Company. The agreement is approved by the Minister of Health, Labour, and Welfare. Under the agreement, the Company enters into a contract with an entrusted pension management institution on the payment of contributions as well as the management of plan assets to operate the pension plan. The pension management institution has a fiduciary responsibility to manage the plan assets in accordance with the agreement. Furthermore, a retirement benefit trust is set for some plans in Japan. Some subsidiaries outside Japan also adopt a wide range of defined benefit plans in accordance with local laws and regulations.

(2) Defined benefit plans

The defined benefit plans related amounts recognized on the consolidated statement of financial position consists of the following.

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Retirement benefit obligations	280,225	282,314
Fair value of plan assets	287,641	313,575
Difference	(7,415)	(31,261)
Effect of asset ceiling	48,794	72,283
Net defined benefit assets	32,702	31,153
Net defined benefit liabilities	74,080	72,176

(i) Fluctuations of present value of defined benefit obligations

(Millions of yen)

	Japan		Outside Japan	
	FY2025 (April 01, 2024 - March 31, 2025)	FY2026 (April 01, 2025 - March 31, 2026)	FY2025 (April 01, 2024 - March 31, 2025)	FY2026 (April 01, 2025 - March 31, 2026)
Balance at beginning of period	170,594	158,831	123,330	121,393
Service cost	8,165	7,175	2,431	2,994
Interest cost	2,614	3,427	5,079	5,650
Remeasurements				
Actuarial gains (losses) arising from changes in demographic assumptions	1,175	274	(259)	(1,220)
Actuarial gains (losses) arising from changes in financial assumptions	(13,809)	(15,680)	(5,865)	(2,707)
Difference arising from revised results	(220)	438	1,476	899
Prior service cost	(9)	(9)	(5)	(749)
Retirement benefits paid	(8,773)	(7,138)	(6,164)	(6,463)
Effect of foreign currency translation	—	—	1,035	12,820
Others	(906)	(5,441)	334	7,820
Balance at end of period	158,831	141,876	121,393	140,437

The weighted-average duration associated with Toyota Industries' defined benefit obligation is 13.9 years in Japan and 15.1 years outside Japan for the fiscal year ended March 31, 2025 and 13.7 years in Japan and 13.8 years outside Japan for the fiscal year ended March 31, 2026.

(ii) Fluctuations of fair value of plan assets

(Millions of yen)

	Japan		Outside Japan	
	FY2025 (April 01, 2024 - March 31, 2025)	FY2026 (April 01, 2025 - March 31, 2026)	FY2025 (April 01, 2024 - March 31, 2025)	FY2026 (April 01, 2025 - March 31, 2026)
Balance at beginning of period	222,774	194,392	88,835	93,248
Interest income	3,534	4,458	3,548	4,103
Revenue associated with plan assets (excluding interest income above)	(30,165)	8,792	465	657
Employer contributions	3,994	3,822	4,274	2,497
Return to employer	—	—	—	—
Benefit payment	(4,366)	(3,460)	(5,099)	(5,260)
Exchange impact	—	—	1,171	10,695
Others	(1,377)	(5,735)	51	5,361
Balance at end of period	194,392	202,270	93,248	111,304

The projected amount of contributions to plan assets in the fiscal year ending March 31, 2027 is 6,427 million yen.

(iii) Classes of plan asset

The classes of plan assets for the fiscal year ended March 31, 2025 consisted of the following.

(Millions of yen)

	Japan			Outside Japan		
	Items with published value in an active market	Items with no published value in an active market	Total	Items with published value in an active market	Items with no published value in an active market	Total
Stock	49,507	—	49,507	25,475	—	25,475
Jointly managed trust (Stock)	—	33,153	33,153	—	2,620	2,620
Bonds	—	244	244	—	17,131	17,131
Jointly managed trust (Bonds)	—	56,533	56,533	—	25,144	25,144
Life insurance general account	—	26,036	26,036	—	4,171	4,171
Others	9,940	18,977	28,917	18,223	480	18,704
Total plan assets	59,448	134,944	194,392	43,698	49,549	93,248

(Notes) 1. "Stock" includes 50,142 million yen in retirement benefits trusts established for the lump-sum retirement benefits plans.

2. "Others" includes cash and deposits, etc.

The classes of plan assets for the fiscal year ended March 31, 2026 consisted of the following.

(Millions of yen)

	Japan			Outside Japan		
	Items with published value in an active market	Items with no published value in an active market	Total	Items with published value in an active market	Items with no published value in an active market	Total
Stock	53,255	—	53,255	25,490	—	25,490
Jointly managed trust (Stock)	—	17,581	17,581	—	7,873	7,873
Bonds	—	263	263	—	23,430	23,430
Jointly managed trust (Bonds)	—	47,186	47,186	—	28,389	28,389
Life insurance general account	—	29,007	29,007	—	4,868	4,868
Others	11,609	43,367	54,977	20,943	307	21,250
Total plan assets	64,864	137,406	202,270	46,434	64,870	111,304

(Notes) 1. "Stock" includes 52,956 million yen in retirement benefits trusts established for the lump-sum retirement benefits plans.

2. "Others" includes cash and deposits, etc.

Toyota Industries' basic policy for managing plan assets aims to secure profits required over the long term, within the scope of acceptable risks, to meet future benefit payment requirements under the defined benefit corporate pension contract.

The targeted earnings rate is the earnings rate necessary to maintain the sound operation of the defined benefit corporate pension into the future, which specifically means that the earnings rate exceeds the expected rate which becomes the basis of calculation of future contribution under pension finance.

Both the Company and the institution entrusted with management are to confirm that the asset allocation for achieving management's target is consistent with the basic investment policy and that the asset allocation ratios are revised as required.

The basic policy may be amended in accordance with changes to the conditions of the Company and the systems and the environment surrounding the Company.

(iv) Reconciliation of the effect of the asset ceiling

Changes in the effect of the asset ceiling are as follows.

(Millions of yen)

	FY2025 (April 01, 2024 - March 31, 2025)	FY2026 (April 01, 2025 - March 31, 2026)
Balance of the effect of the asset ceiling at beginning of period	42,258	48,794
Remeasurements	6,536	23,489
Changes in the effect of the asset ceiling		
Balance of the effect of the asset ceiling at end of period	48,794	72,283

- (Notes)
1. For certain plan assets, there were economic benefits available in the form of returns. The asset ceiling was calculated based on those benefits.
 2. As the effect of the asset ceiling became quantitatively material in the fiscal year ended March 31, 2026, the Company newly added a reconciliation of the effect of the asset ceiling beginning from the fiscal year ended March 31, 2026. Accordingly, the same information is also presented for the fiscal year ended March 31, 2025.

(v) Actuarial assumptions

Important actuarial assumptions (weighted average) used for the calculation of the present value of the defined benefit obligation consist of the following.

	Japan		Outside Japan	
	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Discount rate	2.40%	3.44%	4.96%	5.17%

In cases where the discount rate fluctuates at the ratios indicated below, assuming there are no changes to other assumptions, the defined benefit obligation as of the end of the fiscal year ended March 31, 2025 and 2026 would have been impacted as follows. While the sensitivity analysis assumes that there are no changes in other assumptions, it is possible that changes in other assumptions could impact the sensitivity analysis.

(Millions of yen)

			FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Discount rate	Japan	0.5% increase	(7,474)	(6,230)
		0.5% decrease	8,297	6,754
	Outside Japan	0.5% increase	(6,744)	(6,353)
		0.5% decrease	5,659	6,526

(3) Defined contribution pension plan

The amount of contributions paid for the defined contribution pension plan for the fiscal years ended March 31, 2025 and 2026 were 23,828 million yen and 26,908 million yen, respectively. Welfare insurance premiums are accounted for in the defined contribution pension plan and included in employee benefits expenses.

(4) Multi-employer plan

Certain subsidiaries in Japan participate in corporate pension funds of a multi-employer plan. Because the plan is a multi-employer-type defined benefit plan and the amount of pension investment corresponding to the contribution by one's own company cannot be rationally calculated, the amount of contribution required is accounted for as retirement benefit expenses.

The amount of the contribution required in each fiscal year consists of the following.

(Millions of yen)

	FY2025 (April 01, 2024 - March 31, 2025)	FY2026 (April 01, 2025 - March 31, 2026)
Contributions	58	40

The projected contribution in the fiscal year ending March 31, 2027 is 40 million yen.

The funded and unfunded status, on an aggregation basis of the Group's entire plans are as follows.

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Plan assets	50,683	33,164
Actuarial liability based on pension plan finance calculation and minimum actuarial reserve	48,135	29,305
Funded/(Unfunded) amount	2,547	3,858

The rate of contributions of Toyota Industries within the entire plan consists of the following.

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Rate of contribution	5.80%	2.94%

19. Equity and Other Equity Items

(1) Capital stock and capital surplus

The Companies Act in Japan stipulates that no less than half of the payment or performance for issuing equity shall be incorporated into capital stock, and the remaining amount shall be incorporated into capital surplus, which is included in capital reserve. Moreover, the capital reserve may be incorporated into capital stock by a resolution of the General Meeting of Shareholders under the Companies Act.

The number of shares authorized in the fiscal years ended March 31, 2025 and 2026 is 1,100,000,000 shares, respectively.

The breakdown of changes in the number of shares issued and fully paid consist of the following.

	Number of shares (Shares)	Capital stock (Millions of yen)	Capital surplus (Millions of yen)
Beginning of FY2025 (As of April 01, 2024)	325,840,640	80,462	99,581
Increase (decrease) during period	—	—	(117)
FY2025 (As of March 31, 2025)	325,840,640	80,462	99,464
Increase (decrease) during period	—	—	(233)
FY2026 (As of March 31, 2026)	325,840,640	80,462	99,230

(Note) All shares issued by the Company are common stock, which has no restrictions on the content of rights and no par value.

(2) Retained earnings

The Companies Act stipulates that one tenth of the surplus that would decrease due to the distribution of dividend of surplus shall be accumulated as capital reserve or retained earnings until the total amount of capital reserve and retained earnings reaches one fourth of capital. Accumulated retained earnings may be appropriated to compensate for losses. Moreover, retained earnings may be reduced by a resolution of the General Meeting of Shareholders.

In addition, the distributable amount under the Companies Act is calculated based on statutory capital surplus and retained earnings in accordance with accounting standards generally accepted in Japan, and statutory capital reserve and legal retained earnings are excluded from the distributable amount.

(3) Treasury stock

The Companies Act stipulates that treasury stock may be acquired with a resolution of the General Meeting of Shareholders deciding the number of shares to be acquired, the total amount of the acquisition price and other matters within the scope of the distributable amount. Moreover, if through market transactions or tender offers, treasury stock may be acquired by a resolution of the meeting of the Board of Directors within the scope of the requirements stipulated by the Companies Act, in accordance to the provisions of the Articles of Incorporation.

Changes in the number and balance of treasury stock consist of the following.

	Number of shares (Shares)	Amount (Millions of yen)
Beginning of FY2025 (As of April 01, 2024)	15,363,605	59,369
Increase (decrease) during period	9,076,729	109,074
FY2025 (As of March 31, 2025)	24,440,334	168,444
Increase (decrease) during period	931,695	11,957
FY2026 (As of March 31, 2026)	25,372,029	180,401

(4) Other components of equity

(i) Net changes in revaluation of FVTOCI financial assets

It is the accumulated amount of net changes in revaluation of financial assets measured at fair value through other comprehensive income.

(ii) Remeasurements of defined benefit plans

Remeasurements of defined benefit plans show the amount affected by differences between actuarial assumptions at the beginning of the fiscal year and actual results, as well as the amount affected by changes in actuarial assumptions. They are recognized in other comprehensive income at the time of their occurrence and immediately transferred from other components of equity to retained earnings.

(iii) Translation adjustments of foreign operations

This shows translation adjustments arising from converting the financial statements in the functional currency of foreign operations of Toyota Industries into those in the Japanese yen which is the presentation currency of Toyota Industries.

(iv) Cash flow hedges

This shows the accumulated amount of effective hedges among the gains and losses arising from changes in the fair value of hedging instruments for cash flow hedges.

20. Cash Dividends

(1) Dividends paid

FY2025 (April 01, 2024 - March 31, 2025)

Resolutions	Class of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Board of Directors meeting held on April 26, 2024	Common stock	43,466	140	March 31, 2024	May 27, 2024
Board of Directors meeting held on October 31, 2024	Common stock	42,869	140	September 30, 2024	November 26, 2024

FY2026 (April 01, 2025 - March 31, 2026)

Resolutions	Class of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Board of Directors meeting held on April 25, 2025	Common stock	42,196	140	March 31, 2025	May 26, 2025

(2) Dividends with a record date in the fiscal year ended March 31, 2026 for which the effective date falls in the following fiscal year

There are no applicable items.

21. Revenues

(1) Disaggregation of revenues

As specified in "4. Segment Information," the reporting segments of the Toyota Industries consist of Automobile, Materials Handling Equipment and Textile Machinery. Within the Automobile Segment, vehicles, engines, car air-conditioning compressors and others are included due to the similarity of their sales trend and other economic characteristics. In addition, sales are geographically broken down according to the location of customers. The disaggregation of sales of these sub-segments as well as sales of each reporting segment are as follows.

FY2025 (April 01, 2024 - March 31, 2025)

		(Millions of yen)			
		Japan	U.S.A.	Others	Total
Automobile	Vehicle	102,560	—	—	102,560
	Engine	277,370	768	68,016	346,156
	Car Air-Conditioning Compressor	129,677	145,965	205,254	480,897
	Electronics Parts and Others	192,254	15,140	23,150	230,545
Materials Handling Equipment		241,912	942,036	1,028,923	2,212,872
Textile Machinery		1,723	3,286	74,984	79,994
Others		57,321	—	1,107	58,428
Revenues from contracts with customers		1,002,821	1,107,196	1,401,438	3,511,456
Revenues from other sources		5,291	308,010	260,225	573,527
Total		1,008,112	1,415,207	1,661,664	4,084,984

- (Notes) 1. Revenues from contracts with customers is recognized in the Materials Handling Equipment Segment and amounted to 563,465 million yen.
2. Revenues from other sources includes lease income based on IFRS 16 and it is recognized mainly in the Materials Handling Equipment Segment.

FY2026 (April 01, 2025 - March 31, 2026)

		(Millions of yen)			
		Japan	U.S.A.	Others	Total
Automobile	Vehicle	101,393	—	—	101,393
	Engine	287,758	1,659	67,464	356,882
	Car Air-Conditioning Compressor	122,421	161,557	200,652	484,631
	Electronics Parts and Others	215,687	12,913	18,933	247,533
Materials Handling Equipment		227,161	1,057,239	1,162,295	2,446,697
Textile Machinery		2,328	2,927	69,467	74,723
Others		61,026	—	390	61,417
Revenues from contracts with customers		1,017,777	1,236,297	1,519,202	3,773,277
Revenues from other sources		5,977	305,254	285,003	596,235
Total		1,023,754	1,541,551	1,804,205	4,369,512

- (Notes) 1. Revenues from contracts with customers is recognized in the Materials Handling Equipment Segment and amounted to 750,191 million yen.
2. Revenues from other sources includes lease income based on IFRS 16 and it is recognized mainly in the Materials Handling Equipment Segment.

The Automobile Segment sells automotive-related products such as vehicles, diesel and gasoline engines, foundry parts for engines, car air-conditioning compressors, electronics components and batteries. Its primary customers include automotive-related manufacturers in and outside Japan.

The Materials Handling Equipment Segment sells and provides maintenance for lift trucks, warehouse trucks and other products as well as provides services including the construction of automated storage and retrieval systems, and logistics solutions. Its primary customers include users and dealers in and outside Japan.

The Textile Machinery Segment sells weaving machinery, spinning machinery, instruments for yarn testing and cotton classing, and other products. Its primary customers include dealers in and outside Japan.

Sales derived from the sale of these products accounted for in accordance with "3. Material Accounting Policies."

The amount of variable consideration, such as net of discounts, incentives to distributors and other items included in revenues, is immaterial. In addition, the amount of promised consideration is generally received within one year and does not include a material financial component.

(2) Contract balances

Receivables from contracts with customers, contract assets and contract liabilities consist of the following.

(Millions of yen)

	Receivables from contracts with customers	Contract assets	Contract liabilities
Balance of as April 01, 2024	625,705	61,294	151,300
Balance of as March 31, 2025	614,911	81,853	165,976
Balance of as March 31, 2026	747,694	116,123	238,635

Receivables from contracts with customers and Contract assets are included in "Trade receivables and other receivables" and Contract liabilities are included in "Trade payables and other payables" in the consolidated statement of financial position.

Revenue recognized in the years ended March 31, 2025 and 2026, which was included in the balance at beginning of period of contract liabilities, amounted to 148,624 million yen and 160,819 million yen, respectively. During the fiscal year ended March 31, 2025 and 2026, the profit amounts recognized from performance obligations satisfied (or partially satisfied) in previous fiscal years were immaterial.

(3) Transaction price allocated to remaining performance obligations

The total transaction price allocated to remaining performance obligations and periods when the revenue is expected to be recognized at the end of the year ended March 31, 2025 and 2026 consist of the following. As Toyota Industries applies the allowable practical expedient, the below amounts do not include a transaction for unsatisfied performance obligations with an individual expected contract period of one year or less.

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Within one year	411,821	525,512
Over one year but within five years	549,611	755,072
Over five years	10,063	12,181
Total	971,495	1,292,765

22. Breakdown of Expenses by Nature

Principal items of cost of sales and selling, general and administrative expenses consist of the following.

(Millions of yen)

	FY2025 (April 01, 2024 - March 31, 2025)	FY2026 (April 01, 2025- March 31, 2026)
Purchase of raw materials and goods	1,885,771	2,082,783
Employee benefit expenses	1,026,439	1,098,471
Depreciation and amortization	321,701	350,088

23. Research and Development Expenses

Research and development expenses included in cost of sales and selling, general and administrative expenses consist of the following.

(Millions of yen)

	FY2025 (April 01, 2024 - March 31, 2025)	FY2026 (April 01, 2025- March 31, 2026)
Research and development expenses	122,614	146,340

24. Other income and Expenses

Other income consist of the following.

(Millions of yen)

	FY2025 (April 01, 2024 - March 31, 2025)	FY2026 (April 01, 2025- March 31, 2026)
Rental fees for fixed assets	978	782
Gain on sales of fixed assets	1,801	3,591
Gain on sales of shares of subsidiaries	—	9,424
Others	19,245	19,516
Total	22,025	33,315

Other expenses consist of the following.

(Millions of yen)

	FY2025 (April 01, 2024 - March 31, 2025)	FY2026 (April 01, 2025- March 31, 2026)
Loss on disposal of fixed assets	1,563	3,525
Loss on sales of fixed assets	597	658
Depreciation and amortization	2,353	2,964
Engine certification-related loss	11,830	64,331
Others	11,704	17,827
Total	28,050	89,308

25. Financial Income and Financial Expenses

Financial income consists of the following.

(Millions of yen)

	FY2025 (April 01, 2024 - March 31, 2025)	FY2026 (April 01, 2025- March 31, 2026)
Interest income		
Financial assets measured at amortized cost	9,587	8,538
Financial assets measured at fair value through profit or loss	2,870	167
Others	—	—
Dividends income		
Financial assets measured at fair value through other comprehensive income	129,178	141,250
Gains on foreign currency translation	—	—
Others	1,378	3,346
Total	143,014	153,301

Financial expenses consist of the following.

(Millions of yen)

	FY2025 (April 01, 2024 - March 31, 2025)	FY2026 (April 01, 2025- March 31, 2026)
Interest expenses		
Financial liabilities measured at amortized cost	9,897	6,629
Financial liabilities measured at fair value through profit or loss	—	(403)
Others	1,275	1,296
Losses on foreign currency translation	2,014	2,027
Others	2,682	3,830
Total	15,869	13,381

26. Income Taxes

(1) Income tax expenses

Income tax expenses consist of the following.

(Millions of yen)

	FY2025 (April 01, 2024 - March 31, 2025)	FY2026 (April 01, 2025 - March 31, 2026)
Current tax expenses	72,681	54,350
Deferred tax expenses	7,533	(2,636)
Total	80,215	51,713

(Note) Deferred tax expenses is due primarily to taxable temporary differences that arose and reversed for the fiscal year ended March 31, 2025, and the fiscal year ended March 31, 2026.

The difference between the statutory effective tax rate and the actual tax rate consist of the following.

(%)

	FY2025 (April 01, 2024 - March 31, 2025)	FY2026 (April 01, 2025 - March 31, 2026)
Statutory effective tax rate	30.9	30.9
Dividends income and others permanently not recognized as taxable income	(4.8)	(8.4)
Effect of reassessment on recoverability of deferred tax assets	(0.2)	1.0
Share of profit of investments accounted for by the equity method	(0.2)	(0.2)
Others	(2.9)	(4.7)
Actual tax rate	22.8	18.5

(Note) Toyota Industries has mainly had to pay income, inhabitants and enterprise taxes, and the statutory effective tax rate calculated based on these taxes was 30.9% for the fiscal years ended March 31, 2025 and 2026. Subsidiaries outside Japan, pay income and other taxes depending on their locations.

(2) Deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities consist of the following.

FY2025 (April 01, 2024 - March 31, 2025)

(Millions of yen)

	Balance at beginning of period	Recognized in profit or loss	Recognized in other comprehensive income	Reclassification to held for sale	Balance at end of period
Deferred tax assets					
Net defined benefit liabilities	23,681	435	1,850	—	25,967
Allowance for compensated absences	9,613	682	—	—	10,295
Allowance for bonuses	10,331	1,734	—	—	12,066
Net operating loss carry-forwards for tax purposes	6,018	(1,217)	—	—	4,801
Accrued expenses	34,248	(7,706)	—	—	26,542
Inventories	9,024	444	—	—	9,469
Others	65,459	5,570	596	—	71,625
Total deferred tax assets	223,215	11,878	2,446	—	237,540
Deferred tax liabilities					
Financial assets at fair value through other comprehensive income	1,654,511	—	(496,234)	—	1,158,277
Depreciation	88,300	(3,183)	—	—	85,117
Others	88,705	3,587	(4,128)	—	88,164
Total deferred tax liabilities	1,901,850	14,012	(500,362)	—	1,415,500
Net amount	(1,678,634)	(2,134)	502,809	—	(1,177,959)

(Notes) 1. The difference between the amount recognized through net profit or loss and deferred tax expenses is due to foreign currency translation adjustments.

2. Changes in deferred tax assets and deferred tax liabilities recognized through other comprehensive income include amounts transferred to retained earnings from accumulated other comprehensive income due to the derecognition of equity instruments measured at fair value through other comprehensive income.

FY2026 (April 01, 2025 - March 31, 2026)

(Millions of yen)

	Balance at beginning of period	Recognized in profit or loss	Recognized in other comprehensive income	Reclassification to held for sale	Balance at end of period
Deferred tax assets					
Net defined benefit liabilities	25,967	1,025	(2,711)	—	24,281
Allowance for compensated absences	10,295	746	—	—	11,042
Allowance for bonuses	12,066	(254)	—	—	11,812
Net operating loss carry-forwards for tax purposes	4,801	18,994	—	—	23,795
Accrued expenses	26,542	4,749	—	—	31,291
Inventories	9,469	(968)	—	—	8,500
Lease liabilities	76,772	7,475	—	—	84,247
Others	71,625	(1,968)	948	—	70,605
Total deferred tax assets	237,540	29,800	(1,763)	—	265,577
Deferred tax liabilities					
Financial assets at fair value through other comprehensive income	1,158,277	—	(394,351)	(669,887)	94,038
Depreciation	85,117	33,999	—	—	119,116
Right-of-use assets	49,134	1,096	—	—	50,231
Lease investment assets	34,806	8,629	—	—	43,435
Others	88,164	5,590	(814)	—	92,940
Total deferred tax liabilities	1,415,500	49,315	(395,166)	(669,887)	399,762
Net amount	(1,177,959)	(19,515)	393,402	669,887	(134,184)

- (Notes) 1. The difference between the amount recognized through net profit or loss and deferred tax expenses is due to foreign currency translation adjustments.
2. Changes in deferred tax assets and deferred tax liabilities recognized through other comprehensive income include amounts transferred to retained earnings from accumulated other comprehensive income due to the derecognition of equity instruments measured at fair value through other comprehensive income.
3. The decrease resulting from the reclassification to held for sale was attributable to the transfer of shares of Toyota Motor Corporation, Denso Corporation, Toyota Tsusho Corporation and Aisin Corporation held by the Company to Assets held for sale.

Deferred tax assets and deferred tax liabilities on the consolidated statement of financial position consist of the following.

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Deferred tax assets	57,315	62,786
Deferred tax liabilities	1,235,275	196,971
Net amount	(1,177,959)	(134,184)

Loss carry-forwards, unused tax credits and future deductible temporary differences which are not recognized as deferred tax assets consist of the following.

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Net operating loss carry-forwards for tax purposes	20,654	24,515
Unused tax credits	2,239	2,124
Deductible temporary differences	4,701	6,703
Total	27,596	33,343

Amount and the time limit for a loss carry-forwards which is not recognized as deferred tax assets consist of the following.

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
First year	62	2,462
Second year	28	1,382
Third year	45	1,224
Fourth year	252	406
Beyond fifth year	20,265	19,039
Total	20,654	24,515

The total amount of taxable temporary differences associated with investments in subsidiaries not recognized as deferred tax liabilities as of the end of the fiscal year ended March 31, 2025 and 2026, was 1,255,512 million yen and 1,549,958 million yen, respectively.

Toyota Industries has not recognized deferred tax liabilities related to those temporary differences because it considers that it can control the timing to resolve temporary differences, and they are not likely to be resolved within the foreseeable period.

(Global minimum tax)

Pillar 2 model rules for global minimum tax have been established in certain jurisdictions where the Toyota Industries Group operates. The Group must adhere to the Pillar 2 model rules that have been established or effectively established and has therefore assessed the potential impact of Pillar 2 on its corporate income tax. The assessment is based on the Group companies' latest tax returns and reports by country. The assessment shows that the Group's effective tax rate exceeds 15% under the Pillar 2 model rules in almost all relevant jurisdictions. Additionally, the Group has determined that Pillar 2 has no significant impact on its corporate income tax in the jurisdictions where its effective tax rate is below 15%. This conclusion is based on the tax rates and projected income in the jurisdictions.

27. Earnings per Share

(1) Basis of calculation for basic earnings per share

(i) Profit attributable to owners of common stock of the parent

(Millions of yen)

	FY2025 (April 01, 2024 - March 31, 2025)	FY2026 (April 01, 2025 - March 31, 2026)
Profit attributable to owners of common stock of the parent	262,312	223,785

(ii) Weighted-average number of common stock

(Thousands)

	FY2025 (April 01, 2024 - March 31, 2025)	FY2026 (April 01, 2025 - March 31, 2026)
Weighted-average number of common stock	306,096	300,484

(Note) On June 3, 2026, the Company conducted a share consolidation at a ratio of one share for every 74,100,604 shares of common stock. Following the share consolidation, the number of issued shares used as the basis for calculating basic earnings per share for the fiscal year was 3 shares. Assuming that the share consolidation had been conducted at the beginning of the previous fiscal year, basic earnings per share for the fiscal year ended March 31, 2025, and the fiscal year ended March 31, 2026, would have been 87,437,575,732.33 yen and 74,595,135,128.33 yen, respectively.

(2) Basis of calculation for diluted earnings per share

Diluted earnings per share is the same amount with basic earnings per share because there are no dilutive shares.

28. Other Comprehensive Income

(Millions of yen)

	FY2025 (April 01, 2024 - March 31, 2025)	FY2026 (April 01, 2025 - March 31, 2026)
Net changes in revaluation of FVTOCI financial assets		
Amount arising during the period	(1,658,246)	1,147,271
Before tax effect adjustment	(1,658,246)	1,147,271
Tax effect	479,636	394,351
Net changes in revaluation of FVTOCI financial assets	(1,178,610)	1,541,623
Remeasurements of defined benefit plans		
Amount arising during the period	(18,733)	3,958
Before tax effect adjustment	(18,733)	3,958
Tax effect	5,978	(1,897)
Remeasurements of defined benefit plans	(12,754)	2,061
Translation adjustments of foreign operations		
Amount arising during the period	(15,134)	159,145
Recycling	—	—
Translation adjustments of foreign operations	(15,134)	159,145
Cash flow hedges		
Amount arising during the period	2,425	(4,669)
Recycling	(5,405)	674
Before tax effect adjustment	(2,979)	(3,995)
Tax effect	596	948
Cash flow hedges	(2,383)	(3,047)
Share of other comprehensive income of affiliates accounted for by equity method		
Amount arising during the period	(16)	3,392
Recycling	(488)	—
Share of other comprehensive income of affiliates accounted for by equity method	(504)	3,392
Total other comprehensive income	(1,209,387)	1,703,174

29. Important Non-Cash Transactions

Important non-cash transactions (investments and financial transactions which do not use cash and cash equivalents) are presented in "31. Leases" for the increase in right-of-use assets.

30. Financial Instruments

(1) Capital management

Toyota Industries' financial policy is to ensure sufficient financing and liquidity for its business activities and to maintain strong financial position. Through the use of such current assets as cash and cash equivalents and short-term investments, as well as cash flows from operating activities, loans from financial institutions and issuance of commercial paper, Toyota Industries believes that it will be able to provide sufficient funds for the working capital necessary to expand existing businesses and develop new projects. The Company defines equity capital as the amount of share of equity attributable to owners of the parent excluding the subscription rights to shares.

The Company is not subject to external capital controls as of March 31, 2026.

(2) Matters concerning risk management

(i) Risk management policy

Toyota Industries is exposed to financial risks related to its marketing activities (credit risk, liquidity risk, market risk, etc.). These risks are managed, based on the treasury policy for avoiding or reducing the effects of such risks.

The Company uses derivatives to avoid the risks explained below and does not engage in speculative transactions.

i) Credit risk

The main receivables of Toyota Industries such as accounts receivable, lease investment assets and loans receivable related to the sales financing business have credit risk (risk concerning non-performance of an agreement by the counterparty). In accordance with internal rules including the treasury policy, Toyota Industries strives to promptly identify and reduce concerns about collection due to a deterioration in the financial conditions and others of its main counterparties by regularly monitoring their situation based on their financial statements, ratings and others, and conducting due date management and balance management. Collection risk of lease investment assets is minimal because their ownership is not transferred and due date management and balance management are conducted. Toyota Industries has no material concentrations of credit risk with any counterparty.

When using derivative transactions, Toyota Industries mainly deals with only financial institutions evaluated as highly creditworthy by rating agencies to mitigate the counterparty risk.

Regarding accounts receivable, lease investment assets and loans receivable related to the sales financing business, if all or part of them cannot be collected or are deemed to be extremely difficult to collect, they are regarded as non-performing.

The total carrying amount of financial assets represents the maximum exposure to credit risk.

(Measuring expected credit loss for accounts receivable and lease investment assets)

Because there is no material financing component in accounts receivable, the loss evaluation allowance is calculated as lifetime expected credit losses until collection of accounts receivable. For lease investment assets, the loss evaluation allowance is calculated as lifetime expected credit losses until collection of lease investment assets. With regard to accounts receivable and lease investment assets of debtors who have no material problems in their business conditions, the expected credit loss rate is measured collectively, taking into account the past track record of bad debts and other factors. If there are material effects of changes in economic and other conditions, the loan loss provision ratio based on the past track record of bad debts will be adjusted and reflected in the forecast of present and future economic situations.

(Measuring expected credit loss for loans receivable related to the sales financing business)

If credit risk has not increased significantly since initial recognition, the loss evaluation allowance for loans receivable related to the sales financing business is calculated as of the end of the fiscal year by collectively estimating the expected credit loss rate for the following 12 months based on the past track record of bad debts and other factors. If there are material effects of changes in economic and other conditions, the loan loss provision ratio based on the past track record of bad debts will be adjusted and reflected in the forecast of present and future economic situations. On the other hand, if credit risk has increased significantly as of the end of the fiscal year since the initial recognition, the loss evaluation allowance for financial instruments is calculated by individually estimating the lifetime expected credit losses of collecting financial instruments based on the past track record of bad debts and the collectible amount in the future among other factors. Assets that are regarded as non-performing are recorded as credit impaired financial assets.

Expected credit loss of accounts receivable and lease investment assets for which simplified approaches are applied consist of the following.

FY2025 (As of March 31, 2025)

(Millions of yen)

	Before due date	Within 30 days after due date	Over 30 days but within 90 days after due date	Over 90 days after due date	Total
Expected credit loss rate	0.4%	0.4%	5.6%	46.5%	—
Accounts receivable and lease investment assets	1,301,409	48,749	21,970	23,363	1,395,492
Lifetime expected credit losses	4,992	185	1,231	10,865	17,275

FY2026 (As of March 31, 2026)

(Millions of yen)

	Before due date	Within 30 days after due date	Over 30 days but within 90 days after due date	Over 90 days after due date	Total
Expected credit loss rate	0.3%	0.5%	5.2%	34.7%	—
Accounts receivable and lease investment assets	1,576,096	63,729	27,777	27,667	1,695,270
Lifetime expected credit losses	5,161	290	1,443	9,596	16,492

Among financial assets, the general approach is applied mainly to loans receivable related to the sales financing business. The carrying amount of loans receivable related to the sales financing business, categorized by credit risk for its measurement, consists of the following.

(Millions of yen)

	Stage 1 12-month expected credit losses	Stage 2 Lifetime expected credit losses	Stage 3 Credit impaired financial assets	Total
FY2025 (As of March 31, 2025)	347,576	538	428	348,543
FY2026 (As of March 31, 2026)	332,874	7,586	404	340,866

Changes in expected credit loss consist of the following.

FY2025 (As of March 31, 2025)

(Millions of yen)

	Accounts receivable and lease investment assets	Loans receivable related to the sales financing business, and others		
	Lifetime expected credit losses	Stage 1 12-month expected credit losses	Stage 2 Lifetime expected credit losses	Stage 3 Credit impaired financial assets
Balance at beginning of period	16,404	1,548	632	318
New financial assets composed or purchased	6,535	2,835	—	—
Transfer to lifetime expected credit losses	—	—	—	—
Transfer to credit impaired financial assets	—	—	—	—
Transfer to 12-month expected credit losses	—	—	—	—
Financial assets with recognition suspended during the period	(6,302)	(953)	(652)	(214)
Others	637	(65)	297	324
Balance at end of period	17,275	3,364	277	428

FY2026 (As of March 31, 2026)

(Millions of yen)

	Accounts receivable and lease investment assets	Loans receivable related to the sales financing business, and others		
	Lifetime expected credit losses	Stage 1 12-month expected credit losses	Stage 2 Lifetime expected credit losses	Stage 3 Credit impaired financial assets
Balance at beginning of period	17,275	3,364	277	428
New financial assets composed or purchased	5,008	738	—	—
Transfer to lifetime expected credit losses	—	—	—	—
Transfer to credit impaired financial assets	—	—	—	—
Transfer to 12-month expected credit losses	—	—	—	—
Financial assets with recognition suspended during the period	(8,331)	(2,964)	(268)	(309)
Others	2,540	216	2,248	285
Balance at end of period	16,492	1,354	2,257	404

ii) Liquidity risk

With financing through corporate bonds and loans, Toyota Industries is exposed to liquidity risk that a payment cannot be made on the due date because of a deterioration in financing and other conditions. In accordance with the treasury policy, Toyota Industries prepares funding plans and secures liquidity with funds on hand and commitment lines.

Financial liabilities by remaining contract maturities consist of the following.

FY2025 (As of March 31, 2025)

(Millions of yen)

	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years	Total
Non-derivative financial liabilities							
Trade payables and other payables	449,950	5	1	0	—	7	449,965
Corporate bonds and loans	541,512	265,686	445,689	276,335	241,454	98,378	1,869,057
Lease liabilities	63,673	43,390	35,093	27,199	19,493	21,945	210,796
Deposits payable	40,156	—	—	—	—	—	40,156
Derivative financial liabilities							
Derivative liabilities	8,113	2,635	1,266	—	—	—	12,016

FY2026 (As of March 31, 2026)

(Millions of yen)

	Due within one year	Due after one year but within two years	Due after two years but within three years	Due after three years but within four years	Due after four years but within five years	Due after five years	Total
Non-derivative financial liabilities							
Trade payables and other payables	519,359	1	0	0	0	7	519,369
Corporate bonds and loans	752,100	481,505	298,077	275,784	76,955	52,998	1,937,421
Lease liabilities	71,391	50,849	50,076	30,557	18,575	24,354	245,805
Deposits payable	36,677	—	—	—	—	—	36,677
Derivative financial liabilities							
Derivative liabilities	18,245	2,322	139	1,705	1,128	2,285	25,825

iii) Market risk

(a) Foreign currency risk

Engaged in business globally, Toyota Industries conducts transactions in foreign currencies and is exposed to the risk that profit or loss, cash flow and others will be affected by exchange rate fluctuations. In accordance with its treasury policy, in principle, Toyota Industries uses foreign currency forward contracts, foreign currency option contracts and foreign currency swaps to hedge foreign currency risk for each currency for its monetary credits and liabilities denominated in foreign currencies.

Exposure to foreign currency risk consists of the following.

	FY2025 (As of March 31, 2025)		FY2026 (As of March 31, 2026)	
	Thousands of U.S. dollars	Thousands of euros	Thousands of U.S. dollars	Thousands of euros
Net exposure	221,078	359,861	108,033	139,351

(Exchange rate sensitivity analysis)

For each fiscal year, the impacts on net profit or loss and equity when there is a 1% change in the exchange rate of the Japanese yen against the following currencies consist of the following. The analysis does not include the effects of converting into yen financial instruments, assets and liabilities of foreign operations, revenue and expenses which are denominated in functional currencies. Moreover, other variables are assumed to be constant.

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
U.S. dollar	232	120
Euro	440	213

(b) Interest rate risk

Toyota Industries procures funds through borrowings from financial institutions and issuances of corporate bonds and is exposed to interest rate risks associated with raising and managing funds. With regard to interest rate risks, in principle, Toyota Industries hedges such risks by interest rate swaps, interest rate options and matching cash flows of receivables and payables, among other methods.

As a result, the Company does not conduct an interest rate sensitivity analysis because interest rate fluctuations have little effect on the interest payment of Toyota Industries, and exposure to interest rate risk is considered immaterial for Toyota Industries.

(c) Price fluctuation risk of equity financial instruments

Toyota Industries holds listed shares of companies with business relationships and is exposed to price fluctuation risk of equity financial instruments. Toyota Industries constantly reviews the status of its holdings of these financial instruments, taking into account relationships with and financial conditions of business partners.

Toyota Industries does not hold equity financial instruments for trading purposes and does not actively trade these investments.

If Toyota Industries assumes a 1% decline in the prices of listed shares held by Toyota Industries on the fiscal years ended March 31, 2025 and 2026, decreases in other comprehensive income (before adjusting tax effect) would have been 38,154 million yen and 49,881 million yen, respectively.

Liquidity discounts are an important unobservable input used to measure the fair value of unlisted shares and other equity securities. A material increase (decrease) of these discounts will cause a material decrease (increase) in fair value.

(3) Fair value of financial instruments

The following three levels of inputs are used to measure fair value.

(Level 1)

The market prices of the same assets or liabilities in active markets (which continuously ensure sufficient trading frequencies and transaction volumes) that Toyota Industries has access to as of the measurement date are used without adjustments.

(Level 2)

This level includes the published prices of similar assets or liabilities in active markets; the published prices of the same assets or liabilities in inactive markets; inputs other than the observable published prices of assets and liabilities; and inputs calculated or supported mainly by observable market data.

(Level 3)

Because data are available only from limited markets, Toyota Industries uses unobservable inputs which reflect the judgment of Toyota Industries in the assumptions used by market participants to decide the prices of assets and liabilities. Toyota Industries calculates inputs based on the best available information, including the data of Toyota Industries itself.

When using multiple inputs to measure fair value, the fair value level is determined based on the material input from the lowest level in the fair value hierarchy. Fair value is measured by the Accounting Department in accordance with the evaluation policy and procedures of Toyota Industries, using the evaluation model that can most appropriately reflect individual characteristics, features and risks of financial instruments. Moreover, changes are continuously examined for important indicators which affect fluctuations of fair value.

(i) Financial instruments measured at amortized cost

The carrying amount and fair values of financial instruments measured at amortized cost consist of the following.

FY2025 (As of March 31, 2025)

(Millions of yen)

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Loans receivable and Loans receivables related to the sales financing business	351,419	—	—	363,514	363,514
Lease investment assets	626,558	—	—	615,945	615,945
Financial liabilities					
Corporate bonds	482,977	—	482,721	—	482,721
Long-term loans	1,012,719	—	1,003,126	—	1,003,126

(Note) Loans receivable, Loans receivable related to the sales financing business, corporate bonds and long-term loans include the balance to be repaid and redeemed within one year.

FY2026 (As of March 31, 2026)

(Millions of yen)

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Loans receivable and Loans receivable related to the sales financing business	347,991	—	—	351,482	351,482
Lease investment assets	758,103	—	—	746,145	746,145
Financial liabilities					
Corporate bonds	484,698	—	485,352	—	485,352
Long-term loans	887,805	—	876,542	—	876,542

(Note) Loans receivable, Loans receivable related to the sales financing business, corporate bonds and long-term loans include the balance to be repaid and redeemed within one year.

Notes are omitted for short-term financial assets and short-term financial liabilities that are measured at amortized cost because the fair value approximates the carrying amount.

The fair value of loans receivable and loans receivable related to the sales financing business is calculated with present value obtained by discounting the total amount of principal and interest with the expected interest rate when newly undertaking similar lending.

The fair value of lease investment assets is calculated with present value obtained by discounting the total amount of future lease receivables with the expected interest rate when newly undertaking similar lease transactions.

The fair values of corporate bonds and long-term loans are calculated with present value obtained by discounting the total amount of future principal and interest with the expected interest rate when newly undertaking similar borrowings.

(ii) Fair values of financial assets and liabilities continuously at fair value

The fair-value hierarchy of financial instruments measured at fair value consist of the following. Financial assets measured at fair value through other comprehensive income include debt instruments, but they were immaterial. Moreover, there is no transfer between different levels.

FY2025 (As of March 31, 2025)

(Millions of yen)

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Derivative assets	—	32,313	—	32,313
Others	3,944	—	6,889	10,833
Financial assets measured at fair value through other comprehensive income	3,816,229	770	217,671	4,034,671
Total	3,820,174	33,083	224,560	4,077,818
Financial liabilities measured at fair value through profit or loss				
Derivative liabilities	—	12,016	—	12,016
Total	—	12,016	—	12,016

FY2026 (As of March 31, 2026)

(Millions of yen)

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Derivative assets	—	25,924	—	25,924
Others	4,554	—	5,954	10,509
Financial assets measured at fair value through other comprehensive income	4,989,052	770	198,550	5,188,373
Total	4,993,607	26,694	204,505	5,224,806
Financial liabilities measured at fair value through profit or loss				
Derivative liabilities	—	25,825	—	25,825
Total	—	25,825	—	25,825

Derivatives are transactions for forward exchange contracts, foreign currency option contracts, interest rate swaps, interest rate and currency swaps, and interest rate options.

Fair value of forward exchange contracts is calculated based on observable market data including forward exchange rates. Data for the fair value of foreign currency option contracts, interest rate swaps, interest rate and currency swaps and interest rate options are calculated by financial institutions based on observable market data.

Toyota Industries uses the modified book value method when measuring the fair value of unlisted shares and other equity securities categorized as financial assets measured at fair value through other comprehensive income. The illiquidity discount, which is an important unobservable input used to measure the fair value of unlisted shares, is calculated as 30%.

Changes in financial instruments classified as Level 3 consist of the following.

(Millions of yen)

	FY2025 (April 01, 2024 - March 31, 2025)	FY2026 (April 01, 2025 - March 31, 2026)
Balance at beginning of period	162,185	224,560
Gains and losses included in other comprehensive income	61,018	(20,753)
Purchase	3,527	427
Sales	(713)	(15)
Others	(1,457)	285
Balance at end of period	224,560	204,505

(Note)

Gains and losses included in other comprehensive income are those for financial assets measured at fair value through other comprehensive income as of the closing date. These gains and losses are included in "Net changes in revaluation of FVTOCI financial assets" on the consolidated statement of comprehensive income.

(4) Offsetting of financial assets and financial liabilities

Among derivative transactions of Toyota Industries, there are master netting agreements of similar agreements. Under these agreements, if non-performance occurs between contracting parties of an agreement, receivables and payables of business partners will be settled in net amounts.

The following information pertains to the netting of financial assets and financial liabilities recognized against the same business partners.

FY2025 (As of March 31, 2025)

(Millions of yen)

	Total financial assets	Total offset	Financial assets on the consolidated statement of financial position, net	Amount that could be offset in the future based on master netting agreements and others (Including collateral)	Net amount
Financial assets					
Trade receivables and other receivables	236,682	152,583	84,098	—	84,098
Derivative assets	10,912	—	10,912	4,370	6,542
Total	247,594	152,583	95,011	4,370	90,640

(Millions of yen)

	Total financial liabilities	Total offset	Financial liabilities on the consolidated statement of financial position, net	Amount that could be offset in the future based on master netting agreements and others (Including collateral)	Net amount
Financial liabilities					
Trade payables and other payables	230,300	152,583	77,716	—	77,716
Derivative liabilities	7,273	—	7,273	4,370	2,902
Total	237,573	152,583	84,989	4,370	80,619

FY2026 (As of March 31, 2026)

(Millions of yen)

	Total financial assets	Total offset	Financial assets on the consolidated statement of financial position, net	Amount that could be offset in the future based on master netting agreements and others (Including collateral)	Net amount
Financial assets					
Trade receivables and other receivables	297,827	131,302	166,525	—	166,525
Derivative assets	3,739	—	3,739	3,655	84
Total	301,566	131,302	170,264	3,655	166,609

(Millions of yen)

	Total financial liabilities	Total offset	Financial liabilities on the consolidated statement of financial position, net	Amount that could be offset in the future based on master netting agreements and others (Including collateral)	Net amount
Financial liabilities					
Trade payables and other payables	215,786	131,302	84,484	—	84,484
Derivative liabilities	12,666	—	12,666	3,655	9,011
Total	228,453	131,302	97,150	3,655	93,495

(5) Derivative transactions and hedging activities

Toyota Industries has concluded derivative agreements with financial institutions to hedge changes in cash flows or fair value of financial assets and financial liabilities. Forward exchange contracts and currency options are used to hedge foreign currency risks concerning trade receivables, trade payables and others denominated in foreign currencies. Moreover, currency swaps, interest rate swaps, interest rate and currency swaps, and interest options are used to hedge foreign currency risk and interest rate risk of borrowings, corporate bonds and lease investment assets. Toyota Industries applies hedge accounting for items that meet hedge accounting requirements.

In the execution and management of hedge transactions, interest rate risk and foreign currency risk are hedged in accordance with treasury policy. Moreover, the status of hedge transactions is regularly reported to the director in charge of accounting and other responsible people.

Regarding foreign currency risk in operating activities, a certain amount of targeted risks is hedged, with the total amount of targeted risks set as the upper limit. However, among targeted risks, usance transactions are in principle fully covered. Regarding the foreign currency risk of investing activities which require a resolution of the Board of Directors, the full amount is hedged in principle. For the foreign currency risk of other investing activities and financing activities, the full amount is hedged as necessary.

The effectiveness of hedging is evaluated by comparing the market fluctuations or the accumulated changes in cash flows of hedged items and hedging instruments during the period from the start of hedging to the evaluation of the effectiveness. A high correlation has been observed between the two. Moreover, regarding hedges with prospective ineffective portions, the ineffective amount is calculated using quantitative methods. Because the important conditions for hedging instruments and hedged items are consistent or closely consistent, the amount of ineffective portions is immaterial, and it has been omitted.

Toyota Industries sets an appropriate hedging ratio based on the volumes of hedged items and hedging instruments at the start of hedge transactions, establishing a one-on-one relationship in principle. If the hedging relationship comes to be deemed not effective but there is no change in the purpose of risk management, the hedging ratio established at the start of the hedging relationship is readjusted to make the relationship effective again. Moreover, if the purpose of risk management is changed for the hedging relationship, application of hedge accounting is suspended.

(i) Notional principals and average prices of hedging instruments

Notional principals and average prices of hedging instruments for which hedge accounting applied consist of the following.

FY2025 (As of March 31, 2025)

	Risk	Hedge Instruments	Unit	Notional principal				Average price or Average rate
				Within one year	Over one year but within five years	Over five years	Total	
Cash flow hedges	Foreign currency risk	Foreign currency forward contract transactions	Millions of					
		BUY JPY / SELL USD	USD	53	—	—	53	JPY 150.69
		BUY EUR / SELL USD	EUR	26	—	—	26	USD 1.08
		BUY SEK / SELL USD	USD	0	—	—	0	SEK 10.83
		BUY JPY / SELL EUR	EUR	60	—	—	60	JPY 162.27
		BUY USD / SELL EUR	EUR	43	—	—	43	USD 1.08
		BUY SEK / SELL EUR	EUR	70	—	—	70	SEK 11.27
		BUY SEK / SELL GBP	GBP	85	—	—	85	SEK 13.35
		BUY JPY / SELL AUD	AUD	12	—	—	12	JPY 95.33
		BUY SEK / SELL AUD	AUD	41	—	—	41	SEK 6.78
		BUY USD / SELL SEK	USD	21	—	—	21	SEK 10.65
		BUY EUR / SELL SEK	EUR	9	—	—	9	SEK 11.40
		Currency option transactions						
		BUY JPY / SELL USD	USD	110	—	—	110	JPY 150.40
		BUY JPY / SELL EUR	EUR	42	—	—	42	JPY 159.71
		BUY JPY / SELL AUD	AUD	27	—	—	27	JPY 94.71
		Currency swap transactions						
		Pay JPY / Receive USD	USD	—	400	—	400	JPY 114.98
		Pay USD / Receive JPY	JPY	49,737	8,169	—	57,907	JPY 143.41
		Pay EUR / Receive USD	USD	—	100	—	100	USD 1.00
		Pay EUR / Receive JPY	JPY	21,118	—	—	21,118	JPY 162.45
	Interest rate risk	Interest rate swap transactions						
		Pay Fix / Receive Float	USD	355	1,598	—	1,953	—
		Interest rate and currency swap transactions						
		Pay JPY Fix / Receive USD Float	USD	—	42	—	42	JPY 109.00
Fair value hedges	Interest rate risk	Interest rate swap transactions						
		Pay Fix / Receive Float	EUR	30	947	—	977	—
			GBP	2	—	—	2	—

	Risk	Hedge Instruments	Unit	Notional principal				Average price or Average rate
				Within one year	Over one year but within five years	Over five years	Total	
Cash flow hedges	Foreign currency risk	Foreign currency forward contract transactions	Millions of					
		BUY JPY / SELL USD	USD	49	—	—	49	JPY 157.49
		BUY EUR / SELL USD	EUR	26	—	—	26	USD 1.17
		BUY SEK / SELL USD	USD	10	—	—	10	SEK 9.43
		BUY JPY / SELL EUR	EUR	37	—	—	37	JPY 182.73
		BUY USD / SELL EUR	EUR	32	3	—	35	USD 1.14
		BUY SEK / SELL EUR	EUR	124	—	—	124	SEK 10.87
		BUY SEK / SELL GBP	GBP	99	2	—	101	SEK 12.37
		BUY JPY / SELL AUD	AUD	27	—	—	27	JPY 107.96
		BUY SEK / SELL AUD	AUD	34	2	—	36	SEK 6.21
		BUY USD / SELL SEK	USD	17	0	—	17	SEK 9.26
		BUY EUR / SELL SEK	EUR	5	—	—	5	SEK 11.04
		Currency option transactions						
		BUY JPY / SELL USD	USD	52	—	—	52	JPY 157.46
		BUY JPY / SELL EUR	EUR	42	—	—	42	JPY 182.84
		BUY JPY / SELL AUD	AUD	21	—	—	21	JPY 106.88
		Currency swap transactions						
		Pay JPY / Receive USD	USD	—	400	—	400	JPY 114.98
		Pay USD / Receive JPY	JPY	17,660	—	14,790	32,451	JPY 140.24
		Pay EUR / Receive USD	USD	—	100	—	100	USD 1.00
		Pay EUR / Receive JPY	JPY	21,110	31,391	14,702	67,205	JPY 171.03
	Interest rate risk	Interest rate swap transactions						
		Pay Fix / Receive Float	USD	490	1,483	—	1,973	—
		Interest rate and currency swap transactions						
	Interest rate risk	Pay JPY Fix / Receive USD Float	USD	42	—	—	42	JPY 109.00
		Interest rate swap transactions						
		Pay Fix / Receive Float	EUR	46	700	109	856	—
Fair value hedges	Interest rate risk		GBP	—	28	—	28	—

(ii) Effects of hedge accounting on the consolidated statement of financial position

The carrying amounts of hedging instruments for which hedge accounting applied consist of the following.

FY2025 (As of March 31, 2025)

(Millions of yen)					
	Risk	Hedge instruments	Carrying amount of hedging instruments		Line items on the consolidated statement of financial position
			Assets	Liabilities	
Cash flow hedges	Foreign currency risk	Foreign currency forward contract transactions	2,883	678	Other financial assets and liabilities
		Currency option transactions	144	50	Other financial assets and liabilities
		Currency swap transactions	13,078	3,999	Other financial assets and liabilities
	Interest rate risk	Interest rate swap transactions	5,674	657	Other financial assets and liabilities
		Interest rate and currency swap transactions	1,847	—	Other financial assets
Fair value hedges	Interest rate risk	Interest rate swap transactions	742	1,524	Other financial assets and liabilities
Total			24,371	6,910	Other financial assets and liabilities

FY2026 (As of March 31, 2026)

(Millions of yen)					
	Risk	Hedge instruments	Carrying amount of hedging instruments		Line items on the consolidated statement of financial position
			Assets	Liabilities	
Cash flow hedges	Foreign currency risk	Foreign currency forward contract transactions	554	1,463	Other financial assets and liabilities
		Currency option transactions	21	53	Other financial assets and liabilities
		Currency swap transactions	17,514	12,398	Other financial assets and liabilities
	Interest rate risk	Interest rate swap transactions	2,225	561	Other financial assets and liabilities
		Interest rate and currency swap transactions	2,229	—	Other financial assets
Fair value hedges	Interest rate risk	Interest rate swap transactions	861	399	Other financial assets and liabilities
Total			23,408	14,876	Other financial assets and liabilities

The carrying amounts of surplus in cash flow hedges consist of the following.

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Surplus in cash flow hedges	3,468	420

The carrying amounts and accumulated amounts of fair value hedge adjustments on the hedged items classified as fair value hedges consist of the following.

FY2025 (As of March 31, 2025)

(Millions of yen)

	Carrying amount of hedged items		Accumulated amount of fair value hedge adjustments		Line items on the Consolidated Statement of Financial Position
	Assets	Liabilities	Assets	Liabilities	
Interest rate risk	186,796	—	3,137	—	Trade receivables and other receivables

FY2026 (As of March 31, 2026)

(Millions of yen)

	Carrying amount of hedged items		Accumulated amount of fair value hedge adjustments		Line items on the Consolidated Statement of Financial Position
	Assets	Liabilities	Assets	Liabilities	
Interest rate risk	240,035	—	3,023	—	Trade receivables and other receivables

(iii) Effects of hedge accounting on the consolidated statement of profit or loss and other comprehensive income (loss)
Profit (loss) from cash flow hedges consist of the following.

FY2025 (April 01, 2024 - March 31, 2025)

(Millions of yen)

	Changes in the value of hedging instruments recognized in other comprehensive income	Amount transferred from surplus in cash flow hedges to profit or loss	Line items affected by transfers in profit or loss
Foreign currency risk	(4,271)	(1,700)	Net sales, Financial income, Financial expenses
Interest rate risk	5,921	(2,333)	Cost of sales, Financial income, Financial expenses

FY2026 (April 01, 2025 - March 31, 2026)

(Millions of yen)

	Changes in the value of hedging instruments recognized in other comprehensive income	Amount transferred from surplus in cash flow hedges to profit or loss	Line items affected by transfers in profit or loss
Foreign currency risk	(2,967)	2,041	Net sales, Financial income, Financial expenses
Interest rate risk	(797)	(1,323)	Cost of sales, Financial income, Financial expenses

31. Leases

(1) As lessor

Toyota Industries leases machinery and vehicles.

Toyota Industries strives to reduce risks related to underlying assets through periodic monitoring of the usage status as well as the accumulation of sales information in the used machinery and vehicle market.

(i) Finance Leases

Maturity analysis of lease payments receivable based on finance leases consists of the following.

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Within one year	203,746	243,645
Over one year but within two years	155,870	193,044
Over two years but within three years	116,539	138,993
Over three years but within four years	77,163	93,738
Over four years but within five years	40,733	50,585
Over five years	18,403	23,007
Total	612,457	743,015
Elimination : Unearned finance income	(52,314)	(67,211)
Unguaranteed residual value (discounted)	66,416	82,299
Net investment in the lease	626,558	758,103

Financial income on net investment in the lease for the fiscal year ended March 31, 2025 and 2026 amounted to 34,870 million yen and 41,916 million yen respectively, and are included in "Net Sales" on the consolidated statement of profit or loss.

(ii) Operating leases

Maturity analysis of lease payments based on the non-cancellable operating lease contracts consists of the following.

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Within one year	115,891	134,695
Over one year but within two years	69,543	81,648
Over two years but within three years	50,320	62,122
Over three years but within four years	34,353	45,228
Over four years but within five years	21,687	27,634
Over five years	9,698	12,099
Total	301,494	363,429

Lease income from operating leases consists of the following.

(Millions of yen)

	FY2025 (April 01, 2024 - March 31, 2025)	FY2026 (April 01, 2025 - March 31, 2026)
Lease income relating to variable lease payments that do not depend on an index or a rate	16,464	19,274
Others	197,993	210,948
Total	214,458	230,222

(2) As lessee

Toyota Industries leases buildings and structures, machinery and vehicles, and others.

For some lease agreements, there is a renewal option or a purchase option. Moreover, there are no restrictions imposed by lease agreements (e.g., restrictions on additional borrowings and additional leasing).

The carrying amount of right-of-use asset included in "Property, Plant and Equipment" or "Goodwill and Intangible Assets" consists of the following.

(Millions of yen)

	Property, Plant and Equipment					Goodwill and Intangible Assets	Total
	Other than leases as lessor				Leases as lessor		
	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Machinery and vehicles	Other intangible assets	
FY2025 (As of March 31, 2025)	58,332	40,370	428	4,524	82,235	623	186,513
FY2026 (As of March 31, 2026)	72,619	45,082	366	6,092	105,369	607	230,137

Depreciation of right-of-use assets consists of the following.

(Millions of yen)

	Property, Plant and Equipment					Goodwill and Intangible Assets	Total
	Other than leases as lessor				Leases as lessor		
	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Machinery and vehicles	Other intangible assets	
FY2025 (April 01, 2024 - March 31, 2025)	15,963	17,077	269	306	13,352	78	47,047
FY2026 (April 01, 2025 - March 31, 2026)	18,907	20,941	194	287	15,694	161	56,186

Increase of right-of-use assets for the fiscal year ended March 31, 2025 and 2026 is 72,770 million yen and 81,222 million yen respectively.

Profit or loss and total cash outflow for leases as lessee consist of the following.

(Millions of yen)

	FY2025 (April 01, 2024 - March 31, 2025)	FY2026 (April 01, 2025 - March 31, 2026)
Interest expenses for lease liabilities	4,977	6,652
Expenses for short-term leases	5,525	6,863
Income from sub-leasing right-of-use assets	31,740	31,885
Total cash outflow for leases	68,541	76,006

32. Changes in Liabilities arising from Financing Activities

Changes in the balances of liabilities arising from financing activities are as follows.

(Millions of yen)

	Short-term loans	Commercial paper	Long-term loans	Corporate bonds	Lease liabilities
Balance as of April 01, 2024	77,647	143,038	1,057,287	428,293	180,053
Changes from financing cash flows	(16,788)	34,410	(40,081)	61,189	(55,495)
Non-cash changes					
Increase through commencement of lease	—	—	—	—	73,901
Foreign currency translation difference and others	(133)	(3,787)	(4,486)	(6,505)	(5,748)
Balance as of March 31, 2025	60,725	173,661	1,012,719	482,977	192,710
Changes from financing cash flows	226,577	(21,774)	(171,745)	(30,004)	(57,027)
Non-cash changes					
Increase through commencement of lease	—	—	—	—	78,234
Foreign currency translation difference and others	5,042	14,375	46,831	31,724	11,651
Balance as of March 31, 2026	292,345	166,261	887,805	484,698	225,568

(Note) The above amounts include the balance to be repaid and redeemed within one year.

33. Related Party Transactions

The transactions between Toyota Industries and related parties and the outstanding receivables and payables consist of the following.

(1) Transactions with related parties and outstanding receivables and payables

Toyota Industries has transactions with the following related parties.

In accordance with the conditions of transactions and determination policies with related parties, the Company offers prices based on consideration of overall costs and market price of the products, and negotiates prices for each fiscal year.

(Millions of yen)

	FY2025 (April 01, 2024 - March 31, 2025)	FY2026 (April 01, 2025 - March 31, 2026)
Toyota Motor Corporation and its subsidiaries		
Sales of goods and provision of services	588,587	632,159
Purchase of parts and receipt of services	51,996	49,697

(Note) Toyota Motor Corporation has a significant influence on Toyota Industries.

The unsettled balance on the above transactions and its allowance for credit losses consist of the following.

(Millions of yen)

	FY2025 (As of March 31, 2025)	FY2026 (As of March 31, 2026)
Toyota Motor Corporation and its subsidiaries		
Trade receivables and other receivables	87,496	128,509
Allowance for doubtful accounts	—	—
Trade payables and other payables	81,706	84,671

(Note) Toyota Motor Corporation has a significant influence on Toyota Industries.

(2) Principal management personnel compensation

FY2025 (April 01, 2024 - March 31, 2025)

(Millions of yen)

	Total amount of compensation	Total compensation by type		
		Fixed Remuneration	Performance-linked Remuneration	
		Basic Remuneration	Bonuses	Share-based Payment
Principal management personnel	487	319	117	50

FY2026 (April 01, 2025 - March 31, 2026)

(Millions of yen)

	Total amount of compensation	Total compensation by type		
		Fixed Remuneration	Performance-linked Remuneration	
		Basic Remuneration	Bonuses	Share-based Payment
Principal management personnel	451	331	120	—

34. Contingencies

FY2025 (April 01, 2024 - March 31, 2025)

As announced on May 21, 2021, due to the delay in obtaining the U.S. engine emissions certification for the engines installed in some models of forklifts sold in North America, the Company's subsidiary Toyota Material Handling, Inc. in Indiana, United States had suspended production and shipments of such models. On May 17, 2022, the Company has announced that it had obtained engine certification for its main models of small liquefied petroleum gas (LPG) forklifts and resumed shipments on May 12, 2022.

Subsequently, the Company confirmed the excess over the domestic (Japanese) emissions regulation values due to aging degradation, and potential violation of regulations related to Japanese certification of emissions, from engines for forklifts within the Japanese market. On March 17, 2023, Toyota Industries decided to suspend the shipping in Japan of forklifts equipped with two models of diesel engines and one model of gasoline engines, a total of three models, and made a report to the Japanese Ministry of Land, Infrastructure, Transport and Tourism (MLIT), the Japanese Ministry of the Environment, and the Japanese Ministry of Economy, Trade and Industry. Of these models for which shipments have been suspended, the two diesel engine models and any forklifts with these engines installed were subject to an administrative action imposed by the MLIT on April 26, 2023, and the designation and certification of the said types of engines were revoked.

On January 29, 2024, the Company received the results of the domestic engine certification by a Special Investigation Committee made up of outside experts and made report to MLIT and other relevant ministries, of the content of such investigation and of the initiatives the Company is promoting to prevent recurrence. It was newly discovered in this investigation that there were violation of domestic laws and regulations in domestic certification relating to emissions performance involving six models of engines for forklifts (of which, five were old types) and one engine for construction machinery (old type), as well as violations of laws and regulations in the output test of three models of engines for automobiles. In addition, regarding one current model of engine for construction machinery shipping of which was suspended, it was learned that emission regulation values had been exceeded. One model of engine for forklifts for the Japanese market that have been under a suspension of shipping since March 17, 2023, shipping has been stopped as of January 29, 2024, for one model of engines for forklifts for the Japanese market, forklifts in which said engines were installed and three models of diesel engines for automobiles which in this investigation were newly found to involve violations of domestic laws and regulations.

After that, on February 22, 2024, the Company received correction order from MLIT urging to make fundamental changes to our system to prevent misconduct from occurring. On March 5, 2024, MLIT notified the Company of its decision to impose administrative sanction of revoking the Type Approval for two models of engines forklifts and one model of engines for construction machinery. On February 27, 2024, MLIT announced that three models of automobile diesel engines comply with the domestic standards, and it has lifted its instruction to suspend shipments of subject engine models, and the Company resumed production and shipment of diesel engines for automobiles for the Japanese market from March 4, 2024. On March 22, 2024, the Company considered the recommendations provided by the Special Investigation Committee and summarized the fundamental preventive measures and reported to MLIT.

Of the diesel-engine forklift trucks whose shipment had been suspended, for 2.0-ton to 3.5-ton diesel engine forklifts (off-road vehicles), the Company has newly submitted applications for Type Approval for specified special vehicles based on the Off-Road Act (Act on Regulation, Etc. of Emissions from Non-Road Special Motor Vehicles) and resumed shipments from January 8, 2025.

The issue of the certification of engines for markets in North America and Japan is currently subject to ongoing investigation as well as discussion with relevant parties. Currently, it is not possible to make a reasonable estimate of the impact of the matter on the Company's consolidated financial statements, except for the amount of impact already identified.

In addition, a class action lawsuit was filed against the Company, Toyota Material Handling North America, Inc. and Toyota Material Handling, Inc. (hereinafter, the "Group") as of September 22, 2024 (local time) in the Northern District Court of California in the United States. Although the complaint against the Group filed by the plaintiffs in the case requests the payment of damages, punitive damages, the cancellation of sales contracts, etc., the plaintiffs have not

presented the specific amounts billed. As it is difficult to predict the impact of this class action lawsuit on the Company's consolidated financial statements of the Company at this moment, it is not reflected in the Company's consolidated financial statements.

FY2026 (April 01, 2025 - March 31, 2026)

As announced on May 21, 2021, due to the delay in obtaining the U.S. engine emissions certification for the engines installed in some models of forklifts sold in North America, the Company's subsidiary Toyota Material Handling, Inc. in Indiana, United States had suspended production and shipments of such models. On May 17, 2022, the Company has announced that it had obtained engine certification for its main models of small liquefied petroleum gas (LPG) forklifts and resumed shipments on May 12, 2022.

Subsequently, the Company confirmed the excess over the domestic (Japanese) emissions regulation values due to aging degradation, and potential violation of regulations related to Japanese certification of emissions, from engines for forklifts within the Japanese market. On March 17, 2023, Toyota Industries decided to suspend the shipping in Japan of forklifts equipped with two models of diesel engines and one model of gasoline engines, a total of three models, and made a report to the Japanese Ministry of Land, Infrastructure, Transport and Tourism (MLIT), the Japanese Ministry of the Environment, and the Japanese Ministry of Economy, Trade and Industry. Of these models for which shipments have been suspended, the two diesel engine models and any forklifts with these engines installed were subject to an administrative action imposed by the MLIT on April 26, 2023, and the designation and certification of the said types of engines were revoked.

On January 29, 2024, the Company received the results of the domestic engine certification by a Special Investigation Committee made up of outside experts and made report to MLIT and other relevant ministries, of the content of such investigation and of the initiatives the Company is promoting to prevent recurrence. It was newly discovered in this investigation that there were violation of domestic laws and regulations in domestic certification relating to emissions performance involving six models of engines for forklifts (of which, five were old types) and one engine for construction machinery (old type), as well as violations of laws and regulations in the output test of three models of engines for automobiles. In addition, regarding one current model of engine for construction machinery shipping of which was suspended, it was learned that emission regulation values had been exceeded. One model of engine for forklifts for the Japanese market that have been under a suspension of shipping since March 17, 2023, shipping has been stopped as of January 29, 2024, for one model of engines for forklifts for the Japanese market, forklifts in which said engines were installed and three models of diesel engines for automobiles which in this investigation were newly found to involve violations of domestic laws and regulations.

After that, on February 22, 2024, the Company received correction order from MLIT urging to make fundamental changes to our system to prevent misconduct from occurring. On March 5, 2024, MLIT notified the Company of its decision to impose administrative sanction of revoking the Type Approval for two models of engines forklifts and one model of engines for construction machinery. On February 27, 2024, MLIT announced that three models of automobile diesel engines comply with the domestic standards, and it has lifted its instruction to suspend shipments of subject engine models, and the Company resumed production and shipment of diesel engines for automobiles for the Japanese market from March 4, 2024. On March 22, 2024, the Company considered the recommendations provided by the Special Investigation Committee and summarized the fundamental preventive measures and reported to MLIT.

Of the diesel-engine forklift trucks whose shipment had been suspended, for 2.0-ton to 3.5-ton diesel engine forklifts (off-road vehicles), the Company has newly submitted applications for Type Approval for specified special vehicles based on the Off-Road Act (Act on Regulation, Etc. of Emissions from Non-Road Special Motor Vehicles) and resumed shipments from January 8, 2025.

In addition, a class action lawsuit was filed against the Company, Toyota Material Handling North America, Inc. and Toyota Material Handling, Inc. (hereinafter, the "Group") as of September 22, 2024 (local time) in the Northern District Court of California in the United States. In this class action lawsuit, the plaintiffs sought damages and other relief from the Group. On October 31, 2025, the Group entered into a settlement agreement with the plaintiffs providing for the payment

of a settlement amount and the offering of free inspections. As a result, the Group recognized 46,769 million yen in settlement costs related to this class action lawsuit as other expenses in the current consolidated fiscal year.

The issue of the certification of engines in the North American market is currently subject to ongoing investigation as well as discussion with relevant parties. Currently, it is not possible to make a reasonable estimate of the impact of the matter on the Company's consolidated financial statements, except for the amount of impact already identified.

35. Commitments

Regarding the acquisition of property, plant and equipment, important capital expenditures (commitments) which are contracted but not yet recognized on the consolidated financial statements are 85,434 million yen and 56,259 million yen as of the end of the fiscal year ended March 31, 2025 and the end of the fiscal year ended March 31, 2026, respectively.

36. Major Consolidated Subsidiaries

The Company's major subsidiaries are listed below. There are no subsidiaries of individual significance for which the Company has non-controlling interests during the fiscal years ended March 31, 2025 and 2026.

Company Name	Location	Principal Business	Percentage of Voting Rights of The Company (%)
Tokyu Co., Ltd.	Oguchi-cho, Niwa-gun, Aichi	Automobile	100.00
Tokaiseiki Co., Ltd.	Iwata-shi, Shizuoka	Automobile	100.00
IZUMI MACHINE MFG. CO., LTD.	Obu-shi, Aichi	Automobile	100.00
TOYOTA L&F Tokyo Co., Ltd.	Shinagawa-ku, Tokyo	Materials Handling Equipment	100.00
Taikoh Transportation Co., Ltd.	Kariya-shi, Aichi	Others	53.26
TOYOTA INDUSTRIES IT SOLUTIONS Inc.	Kariya-shi, Aichi	Others	100.00
Toyota Material Handling Manufacturing France S.A.S	Ancenis, France	Materials Handling Equipment	100.00
Michigan Automotive Compressor Inc.	Michigan, U.S.A.	Automobile	60.00
Toyota Industries Europe AB	Mjölby, Sweden	Materials Handling Equipment	100.00
Toyota Material Handling Europe AB	Mjölby, Sweden	Materials Handling Equipment	100.00
Toyota Industries North America, Inc.	Indiana, U.S.A.	Others	100.00
Toyota Material Handling, Inc.	Indiana, U.S.A.	Materials Handling Equipment	100.00
TD Deutsche Klimakompressor GmbH	Sachsen, Germany	Automobile	65.00
Toyota Material Handling Australia Pty Limited	New South Wales, Australia	Materials Handling Equipment	100.00
TD Automotive Compressor Georgia, LLC	Georgia, U.S.A.	Automobile	77.40
Uster Technologies AG	Zurich, Switzerland	Textile Machinery	100.00
Industrial Components and Attachments, Inc.	Oregon, U.S.A.	Materials Handling Equipment	100.00
Cascade Corporation	Oregon, U.S.A.	Materials Handling Equipment	100.00
Toyota Industry (Kunshan) Co., Ltd.	Jiangsu, China	Automobile	63.40
Toyota Industries Commercial Finance, Inc.	Texas, U.S.A.	Materials Handling Equipment	100.00
Yantai Shougang TD Automotive Compressor Co., Ltd.	Shandong, China	Automobile	50.10
TD Automotive Compressor Kunshan Co., Ltd.	Jiangsu, China	Automobile	78.80
P.T. TD Automotive Compressor Indonesia	West Java, Indonesia	Automobile	50.10
Bastian Solutions LLC	Indiana, U.S.A.	Materials Handling Equipment	100.00
Vanderlande Industries Holding B.V.	North Brabant, Netherlands	Materials Handling Equipment	100.00
Toyota Industries Engine India Pvt Ltd.	Karnataka, India	Automobile	98.80
Toyota Industries Electric Systems North America, Inc.	Michigan, U.S.A.	Automobile	100.00
Toyota Material Handling Midwest, Inc.	Kentucky, U.S.A.	Materials Handling Equipment	88.50

37. Subsequent Events

(Tender offer for the Company's shares)

The press release "Notice Concerning Expression of Opinion in Support of Planned Commencement of Tender Offer for Company Shares by Toyota Fudosan Co., Ltd. and Neutral Opinion to Tender Share Therein," which was released on June 3, 2025, announced that a tender offer (the "Tender Offer") for common shares of the Company (the "Company Shares") would be conducted by Toyota Asset Preparatory Co., Ltd. (the "Offeror") founded by Toyota Fudosan Co., Ltd. ("Toyota Fudosan") on June 9, 2025. The Offeror carried out the Tender Offer from January 15, 2026, to March 23, 2026.

As a result of the Tender Offer, the ratio of the voting rights held by the Offeror to the total voting rights of all shareholders of the Company exceeded 50%. Accordingly, effective March 30, 2026, which is the commencement date of settlement of the Tender Offer, changes occurred in the Company's parent company, major shareholder, and the largest shareholder among major shareholders.

1. Result of the Tender Offer

On March 24, 2026, the Company received a report from the Offeror of the result of the Tender Offer, as stated in the "Notice Concerning Results of Tender Offer for the Share Certificates, Etc. of Toyota Industries Corporation (Securities Code: 6201)."

The total number of share certificates, etc., tendered in the Tender Offer amounted to 191,087,116 shares, exceeding the minimum number of shares to be purchased (126,215,300 shares); accordingly, the Tender Offer was successfully completed.

2. Changes in Parent Company, Major Shareholder, and the Largest Shareholder among Major Shareholders

(1) Date of Change

March 30, 2026

(2) Overview of Shareholders subject to the Change (as of date of change)

(i) Overview of the Shareholder that will Newly Become a Parent Company, Major Shareholder, and the Largest Shareholder of Major Shareholders

Name	Toyota Asset Preparatory Co., Ltd.
Location	1-1-2, Yurakucho, Chiyoda-ku, Tokyo, Japan
Title and name of the representative	Akira Toda, Representative Director
Details of business	Acquisition, holding, management, and trading of securities, as well as any business incidental thereto.
Stated capital	5,000 yen
Date of incorporation	June 9, 2025
Major shareholder and shareholding percentage	Toyota Asset Co., Ltd. (100%)
Relationship between the Company and the Offeror	
Capital relation	Not applicable.
Personnel relation	Not applicable.
Business relation	Not applicable.
Applicability to a related party	Not applicable.

(ii) Overview of the Shareholder that will Newly Become a Parent Company

Name	Toyota Asset Co., Ltd.
Location	1-1-2, Yurakucho, Chiyoda-ku, Tokyo, Japan
Title and name of the representative	Akira Toda, Representative Director
Details of business	Acquisition, holding, management, and trading of securities, as well as any business incidental thereto.
Stated capital	5,000 yen
Date of incorporation	June 9, 2025
Major shareholder and shareholding percentage	Toyota Fudosan Co., Ltd. (100%)
Relationship between the Company and the Offeror	
Capital relation	Not applicable.
Personnel relation	Not applicable.
Business relation	Not applicable.
Applicability to a related party	Not applicable.

(iii) Overview of the Shareholder that will Newly Become a Parent Company

Name	Toyota Fudosan Co., Ltd.
Location	4-7-1, Meieki, Nakamura-ku, Nagoya City, Aichi, Japan
Title and name of the representative	Tomohide Yamamura, Representative Director and President
Details of business	Development, leasing, and operational management of real estate; securities and other investments
Stated capital	59.45 billion yen
Date of incorporation	August 17, 1953
Major shareholder and shareholding percentage	Toyota Motor Corporation (19.46%)
	Toyota Industries Corporation (19.43%)
	DENSO Corporation (19.00%)
	AISIN Corporation (11.00%)
Relationship between the Company and the Offeror	
Capital relation	The shareholder directly holds 16,291,374 shares of the Company Shares, and the Company directly holds 4,742,000 shares of the shareholder's shares.
Personnel relation	Not applicable.
Business relation	Not applicable.
Applicability to a related party	Not applicable.

(iv) Overview of the Shareholder that will Cease to be the Largest Shareholder of Major Shareholders

Name	Toyota Motor Corporation
Location	1 Toyota-Cho, Toyota City, Aichi, Japan
Title and name of the representative	Koji Sato, President, Member of the Board of Directors
Details of business	Motor vehicle production and sales
Stated capital	635,401,669,385 yen
Date of incorporation	August 27, 1937
Major shareholder and shareholding percentage	The Master Trust Bank of Japan, Ltd. (13.35%)
	Toyota Industries Corporation (9.15%)
	Custody Bank of Japan, Ltd. (6.26%)
	Nippon Life Insurance Company (4.86%)
	State Street Bank and Trust Company (Standing Proxy: Settlement & Clearing Services Division, Mizuho Bank, Ltd.) (4.30%)
	JPMorgan Chase Bank, N.A. (Standing Proxy: Settlement & Clearing Services Division, Mizuho Bank, Ltd.) (4.22%)
	DENSO Corporation (3.45%)
	The Bank of New York Mellon as Depositary Bank for Depositary Receipt Holders (Standing Proxy: Sumitomo Mitsui Banking Corporation) (2.64%)
	Toyota Fudosan Co., Ltd. (1.92%)
	State Street Bank West Client Treaty (Standing Proxy: Settlement & Clearing Services Division, Mizuho Bank, Ltd.) (1.59%)
Relationship between the Company and the Offeror	
Capital relation	The shareholder directly holds 74,100,604 shares of the Company Shares, and the Company directly holds 1,192,330,920 shares of the shareholder's shares.
Personnel relation	Mr. Kazunari Kumakura, Chief Officer, Purchasing Group of TMC, serving concurrently as Director of the Company
Business relation	The shareholder has transactions with the Company for the purchase and sale of products and parts.
Applicability to a related party	The shareholder is a related party, as major shareholder, and the largest shareholder of major shareholders and other affiliated company of the Company.

3. Squeeze-out and Delisting

Although 191,087,116 shares of the Company Shares were tendered in the Tender Offer, the Offeror was unable to acquire all of the Company Shares through the Tender Offer (excluding the treasury shares owned by the Company and shares held by Toyota Motor Corporation ("TMC")). Accordingly, the extraordinary shareholders' meeting was held on May 12, 2026, and proposals concerning the share consolidation, the abolition of the provision on the number of shares constituting one unit, and the partial amendment to the Articles of Incorporation were approved. Through these procedures, the Company's shares came to fall under the delisting criteria of the Tokyo Stock Exchange, Inc. and the Nagoya Stock Exchange, Inc., and were delisted as of June 1, 2026. Following approval and resolution of the proposal concerning the share consolidation as originally presented at the extraordinary shareholders' meeting, the Company cancelled 25,372,029 shares of its common stock as of June 2, 2026. Thereafter, a share consolidation of one share for every 74,100,604 shares of the Company's common stock (the "Share Consolidation") became effective as of June 3, 2026. As a result of these procedures, the Tender Offeror and TMC became the Company's sole shareholders.

With respect to the sale to the Tender Offeror of shares of the Company equivalent to the total number of fractional shares of less than one share arising as a result of the share consolidation ("Fractional Shares"), the Company has filed a petition with the court seeking permission for such sale. Subject to the court's permission, the Company expects to sell the Fractional Shares to the Tender Offeror around early July 2026 and then deliver the proceeds of such sale to shareholders who held Fractional Shares around late August 2026.

4. Acquisition of the Company's treasury shares owned by TMC

As part of a series of transactions related to the Tender Offer for the Company's shares by the Tender Offeror, the Company acquired its shares owned by TMC for 1,257,635 million yen on June 15, 2026, and the Tender Offeror became the Company's sole shareholder.

5. Regarding tendering of own shares in tender offer

Furthermore, at the Board of Directors' meeting held on April 17, 2026, the Company resolved the matters outlined in items (i) through (iv) below:

- (i) The Company will tender all common shares of TMC owned by the Company in a tender offer for own shares by TMC.
- (ii) The Company will tender all common shares of Denso Corporation ("Denso") owned by the Company in a tender offer for own shares if Denso commences a tender offer for own shares.
- (iii) The Company will tender all common shares of Toyota Tsusho Corporation ("Toyota Tsusho") owned by the Company in a tender offer for own shares if Toyota Tsusho commences a tender offer for own shares.
- (iv) The Company will tender all common shares of Aisin Corporation ("Aisin") owned by the Company in a tender offer for own shares if Aisin commences a tender offer for own shares.

As a result of these transactions, almost all of the tendered shares were purchased at the purchase prices set forth in TMC's "Notice Concerning Tender Offer for Own Shares and Repurchase of Shares" dated March 30, 2026 (at 3,067 yen); Denso's "Notice Regarding Change of Conditions of Purchase of Tender Offer for Own Shares" dated April 28, 2026 (at 1,696 yen); Toyota Tsusho's "Notice Concerning Amendment of Terms of Repurchase, etc. of the Tender Offer for Own Shares" dated April 30, 2026 (at 5,620 yen); and Aisin's "Notice Concerning Changes to the Tender Offer Conditions for Own Share Tender Offer and Changes in Matters Concerning Share Repurchase" dated April 28, 2026 (at 1,986 yen). The remaining shares after these tender offers – 1,242,720 shares of TMC, 8,656 shares of Denso, 13,702 shares of Toyota Tsusho, and 4,927 shares of Aisin – are expected to be disposed of through the market in the future.

Gains on the sale of these shares will be recognized as other comprehensive income in the Company's next consolidated fiscal year and therefore will have no impact on the consolidated statement of profit or loss.

(Material debt guarantees and the provision of collateral)

On June 3, 2026, the Company guaranteed the borrowings owed to Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., and Mizuho Bank, Ltd. under each loan agreement entered into between the Tender Offeror and Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., and Mizuho Bank, Ltd. to acquire shares of common stock of the Company and other related purposes (Toyota Industries Commercial Finance, Inc. and Toyota Industries Finance International AB also joined as borrowers as of June 3, 2026). The Company also provided certain assets, including shares of subsidiaries, as collateral to secure such borrowings.

In addition, certain subsidiaries of the Company are carrying out procedures to jointly and severally guarantee the borrowings owed to Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., and Mizuho Bank, Ltd. under each loan agreement entered into with Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd., and Mizuho Bank, Ltd.

II. [Other]

Quarterly information in the fiscal year ended March 31, 2026

(Cumulative period)	First quarter	Second quarter	Third quarter	Full year
Net sales (Millions of yen)	990,539	2,058,680	3,166,888	4,369,512
Profit before income taxes for the Interim (Quarterly) (Current) Period (Millions of yen)	121,094	107,137	224,053	279,193
Profit attributable to owners of the parent for the Interim (Quarterly) (Current) Period (Millions of yen)	102,452	91,117	186,990	223,785
Earnings per share for the Interim (Quarterly) (Current) Period (Yen)	340.91	303.22	622.29	744.75

(Notes) On June 3, 2026, the Company conducted a share consolidation at a ratio of one share for every 74,100,604 shares of common stock. Assuming that the share consolidation had been conducted at the beginning of the previous fiscal year, earnings per share – basic for the interim, quarterly, and annual periods would have been 34,150,817,021 yen for the first quarter, 30,372,395,252 yen for the second quarter, 62,330,193,433 yen for the third quarter, and 74,595,135,128.33 yen for the fiscal year ended March 31, 2026.

(Accounting period)	First quarter	Second quarter	Third quarter	Fourth quarter
Quarterly earnings per share (Yen)	340.91	(37.72)	319.07	122.46

