



FY2015 2nd Quarter Financial Results

November 4, 2014



TOYOTA INDUSTRIES CORPORATION

I . Financial Summary

Financial Summary<FY2015 2Q>

1. Net sales, operating income, ordinary income and net income marked record highs for the second quarter of the six months from April 1 to September 30

2. The favorable results of the materials handling equipment segment contributed to the consolidated financial results

3. Revised up the forecasts of ordinary income and net income, as well as the distribution of dividend

Performance <FY2015 2Q>

(Billion yen)

	FY2014 2Q (6 months)	FY2015 2Q (6 months)	Change	
Net sales	981.4	1,046.0	64.6	6.6%
Operating income	51.8	56.7	4.9	9.6%
Ordinary income	64.8	87.0	22.2	34.2%
Net income	43.5	60.9	17.4	40.1%
Net income per share	¥139.09	¥194.18	¥55.09	—
Dividends per share	¥35	¥50	¥15	—

- Net sales and income increased
- The materials handling equipment segment has driven the financial results and the car air-conditioning compressor business contributed as well
- Revised the distribution of an interim dividend from ¥45 per share to ¥50 per share

Performance <FY2015 2Q>

(Billion yen)

	FY2014 2Q (6 months)	FY2015 2Q (6 months)	Change	
Capital Expenditures	47.5	55.5	8.0	17.0%
Depreciation	29.6	32.3	2.7	9.0%

¥/US\$	¥99	¥103	¥4	—
¥/Euro	¥130	¥139	¥9	—

- Capital expenditures increased mainly in the Car air-conditioning compressor and the Engine businesses
- Depreciation increased with an increase of capital expenditures

Performance <FY2015 2Q>

(Billion yen)

	As of March 31, 2014	FY2015 2Q	Change	
Total assets	3,799.0	4,024.9	225.9	5.9%
Total net assets	1,829.3	1,982.9	153.6	8.4%
Equity ratio	46.6%	47.7%	—	—
Consolidated subsidiaries	215	214	(1)	—

- Total assets and total net assets increased due to an increase in market value of investment securities

Segment Information <FY2015 2Q>

Net sales [Operating Income]

(Billion yen)

	FY2014 2Q (6 months)	FY2015 2Q (6 months)	Change	
Vehicle	238.1	238.7	0.6	0.2%
Engine	107.6	93.8	(13.8)	(12.8%)
Car air-conditioning compressor	132.9	152.6	19.7	14.8%
Electronics parts, foundry and others	28.3	33.9	5.6	19.7%
Automobile	507.1 [19.4]	519.2 [18.9]	12.1 [(0.5)]	2.4%
Materials handling equipment	383.8 [26.4]	433.7 [31.8]	49.9 [5.4]	13.0%
Logistics	47.4 [2.3]	48.0 [2.7]	0.6 [0.4]	1.4%
Textile machinery	31.5 [1.8]	32.6 [1.8]	1.1 [0.0]	3.7%
Others	11.4 [1.5]	12.3 [1.4]	0.9 [(0.1)]	7.7%
Total	981.4 [51.8]	1,046.0 [56.7]	64.6 [4.9]	6.6%

Unit Sales

(Thousand units)

	FY2014 2Q (6 months)	FY2015 2Q (6 months)	Change
Vitz (Yaris)	68	63	(5)
RAV4	97	102	5
Mark X ZiO	1	-	(1)
Vehicle	166	165	(1)
Diesel	202	170	(32)
Gasoline	137	105	(32)
Engine	339	275	(64)
Car air-conditioning compressor	12,560	14,220	1,660
Materials handling equipment	95	105	10
Air-jet loom	3.8	3.1	(0.7)

- The Engine business :Net sales decreased because of a reduction of the unit sales, mainly KD diesel engine fitted into IMV
- The Car air-conditioning compressor business :Net sales increased by an increase of overseas sales
- The Materials handling equipment segment :Net sales increased by an increase of unit sales and contribution of Cascade and Aichi corporation

Change in Ordinary Income

Year-on-year Comparison (FY2014 2Q and FY2015 2Q)

(Billion yen)

Increase in sales volume	9.2	Increase in labor cost	(6.8)
Cost reduction	6.8	Increase in depreciation	(2.7)
Positive impact of exchange rate fluctuations	2.8	Increase in raw material cost	(1.0)
Changes in the net amount of non-operating income and non-operating expenses	17.2	Increase in expenses and others	(3.3)
Increases total	36.0	Decreases total	(13.8)
Total Changes in Ordinary Income		22.2	

- Increase in sales volume, mainly of the Materials handling equipment business, contributed to an increase of income
- Labor cost and depreciation increased because of aggressive business initiatives

Performance <FY2015 Forecast>

(Billion yen)

	FY2014	FY2015	Change		Previous plan
Net sales	2,007.8	2,100.0	92.2	4.6%	2,100.0
Operating income	107.6	115.0	7.4	6.8%	115.0
Ordinary income	138.1	161.0	22.9	16.6%	159.0
Net income	91.7	111.0	19.3	21.0%	109.0
Net income per share	¥292.76	¥353.50	¥60.74	–	¥347.23
Dividends per share	¥85	¥100	¥15	–	¥90

Performance <FY2015 Forecast>

(Billion yen)

	FY2014	FY2015	Change		Previous plan
Capital Expenditures	109.4	115.0	5.6	5.0%	115.0
Depreciation	64.1	69.0	4.9	7.6%	69.0

¥/US\$	¥100	¥104	¥4	—	¥101
¥/Euro	¥134	¥137	¥3	—	¥136

Segment Information <FY2015 Forecast>

Net sales [Operating Income] (Billion yen)

	FY2014	FY2015	Change		Previous plan
Vehicle	467.0	455.0	(12.0)	(2.6%)	472.0
Engine	202.5	185.0	(17.5)	(8.7%)	184.0
Car air-conditioning compressor	275.7	315.0	39.3	14.2%	310.0
Electronics parts, foundry and others	61.2	69.0	7.8	12.6%	69.0
Automobile	1,006.6 [35.1]	1,024.0	17.4	1.7%	1,035.0
Materials handling equipment	809.2 [58.0]	886.0	76.8	9.5%	880.0
Logistics	95.3 [5.1]	100.0	4.7	4.9%	100.0
Textile machinery	73.1 [5.5]	65.0	(8.1)	(11.1%)	60.0
Others	23.4 [3.4]	25.0	1.6	6.4%	25.0
Total	2,007.8 [107.6]	2,100.0	92.2	4.6%	2,100.0

Segment Information <FY2015 Forecast>

Unit Sales

(Thousand units)

	FY2014	FY2015	Change	Previous plan
Vitz (Yaris)	129	106	(23)	117
RAV4	198	204	6	208
Mark X ZiO	1	-	(1)	-
Vehicle	328	310	(18)	325
Diesel	383	345	(38)	348
Gasoline	243	215	(28)	212
Engine	626	560	(66)	560
Car air-conditioning compressor	25,480	30,000	4,520	30,000
Materials handling equipment	199	218	19	215
Air-jet loom	9.3	5.7	(3.6)	5.5

Change in Ordinary Income

Year-on-year Comparison (FY2014 full year and FY2015 full year forecast)

(Billion yen)

Cost reduction	17.0	Increase in labor cost	(11.0)
Increase in sales volume	14.0	Increase in depreciation	(4.9)
Positive impact of exchange rate fluctuations	4.0	Increase in raw material cost	(2.0)
Changes in the net amount of non-operating income and non-operating expenses	15.5	Increase in expenses and others	(9.7)
Increases total	50.5	Decreases total	(27.6)
Total Changes in Ordinary Income		22.9	

II. Our Business Initiatives toward Medium Term Growth

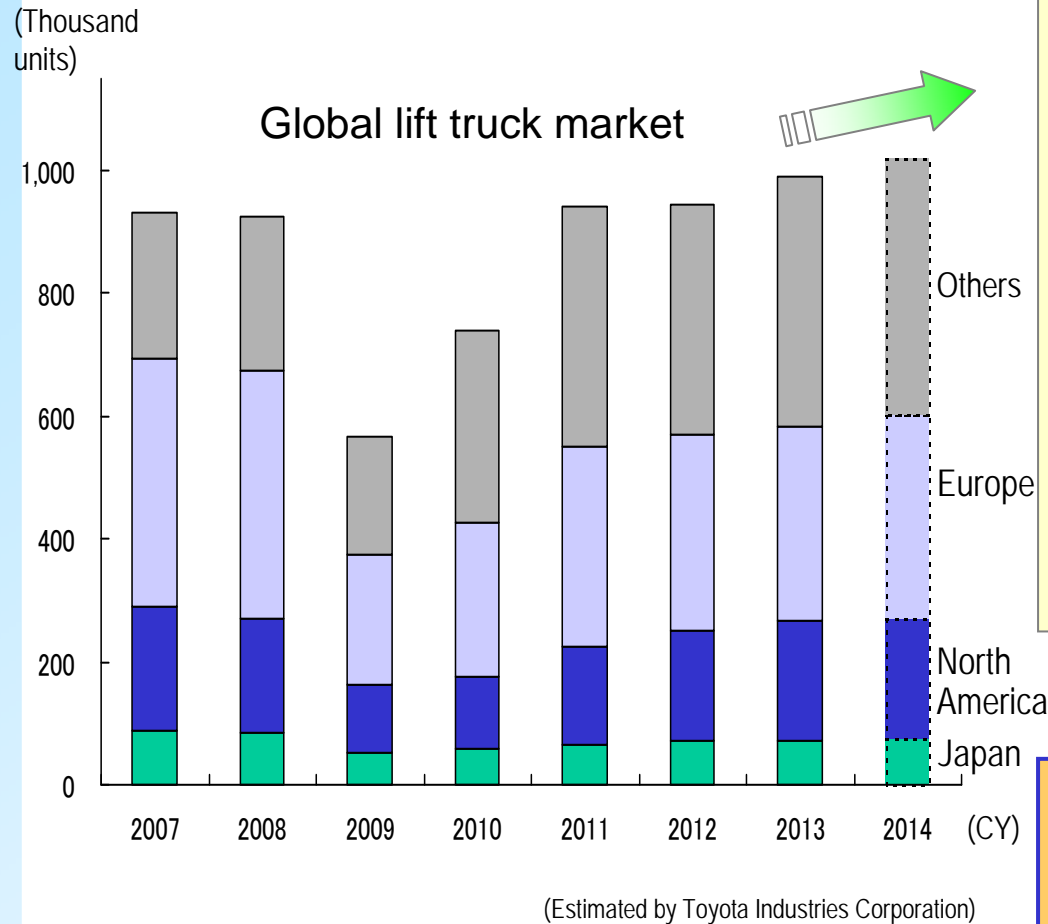
Solution

Materials Handling
Equipment

Key Components

Car air-conditioning
Compressor

Global lift truck market



【Japan】

- The increase in consumption tax had a low impact on lift truck market resulting in market growth
- The importance of after-sales-service and logistics solutions is increasing

【North America】

- Demand is expanding with the growth of economy

【Europe】

- Lift truck market is growing gradually after the recession has bottomed out

【Emerging countries】

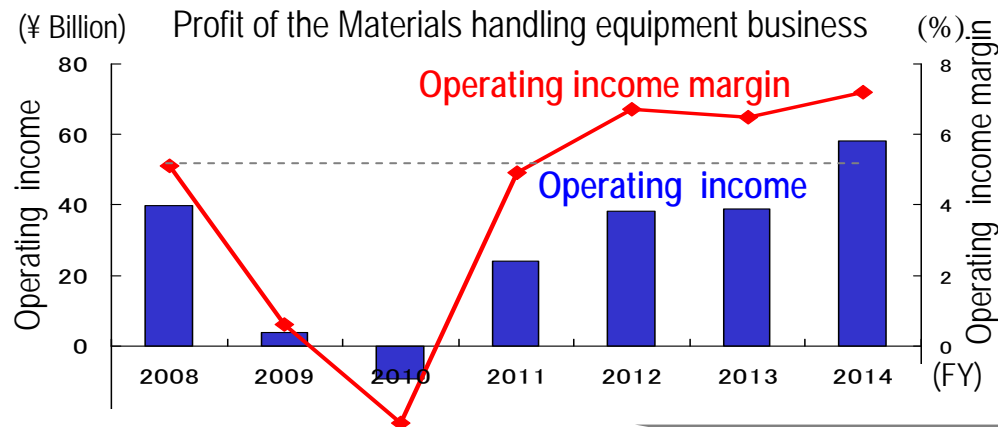
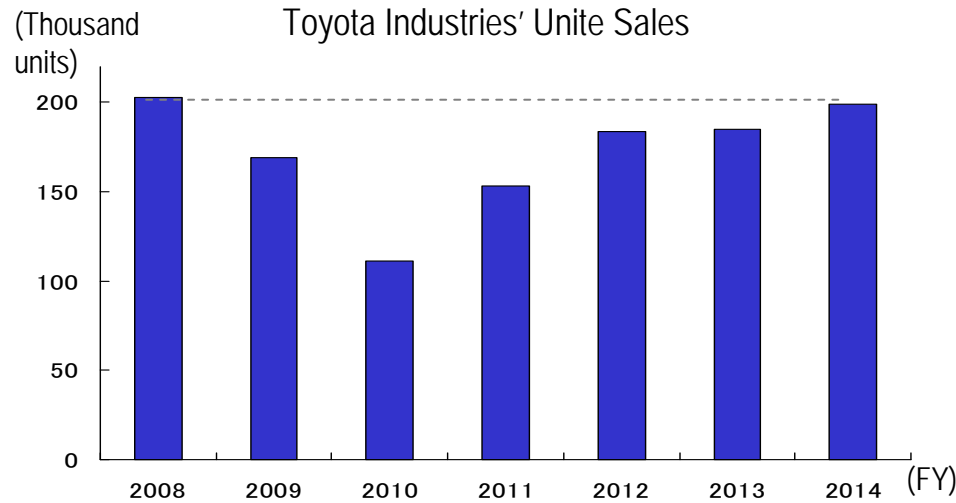
- The logistics volume is increasing by population growth and economic development



- Global lift truck market is expected to keep growing for the foreseeable future
- The needs for quality and performance are increasing

Solution / Materials Handling Equipment

Prior initiatives to improve profitability



【Leaner business structure】

- Build profitable organization through downsizing of bloated structure

【Enhance the appeal of products】

- Developed new products centered on 3E fields

【Establish optimum production structures】

- Supply products from optimally located production bases
- Established a production base in Brazil
- Completed relocating a plant in China and expanded its production capabilities
- Supply components (motors) from a plant in Vietnam

【Upgrading sales and service capabilities】

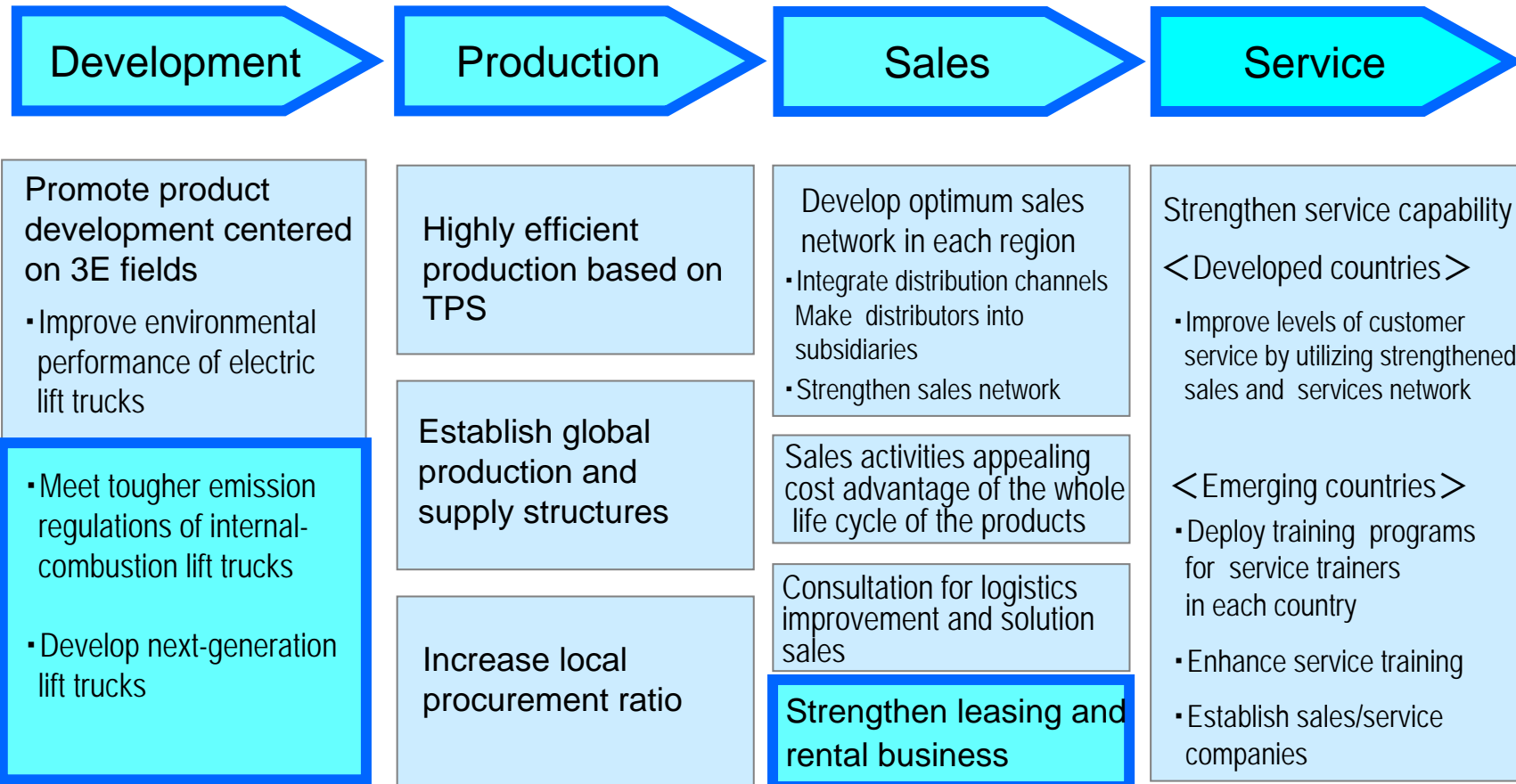
- Expanded sales and service network
- Strengthened service capability

【Expand our business domain】

- Made U.S.-based Cascade, a manufacturer of lift truck attachments into Toyota Industries' subsidiary

Realized a great improvement in profits in step with the increasing of unit sales

Our initiatives toward the expansion of value chain



Solution / Materials Handling Equipment

Product development centered on 3Es

1. One of the our main internal-combustion lift trucks new GENE0 released in Japan

Developed products enhanced safety, environmental performance and operability

1) Environmental performance

- ◆ Fitted with our **newly developed industrial clean engine**

Diesel engines are fitted with our **turbocharger**

- **Improve fuel economy by up to 30%** compared to our conventional lift trucks including the newly-developed high-efficient torque converter and others
- Diesel engines are capable of meeting tougher exhaust emission regulations **without diesel particulate filter**

2) Safety

- ◆ **New Geneo include** our unique system **“SAS *” as standard equipment**
- Contribute to **a higher level of safety and operational efficiency**

*: System of Active Safety

3) High operability

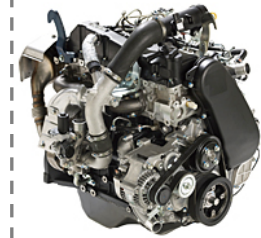
- ◆ Attained significantly more compact body by designing the vehicle from scratch
- Realized high operability and reduction of operators' strain

⇒ Released in North America in Oct. 2013 and in Japan in Jul. 2014

⇒ Expanding the sales areas including Europe

New Industrial Engines

Diesel



Toyota
1KD
2,982cc



Toyota
1ZS
1,795cc

Gas (LPG)/gasoline



Toyota
1FS
3,685cc



New GENE0

Product development centered on 3Es

2. Fuel cell lift truck

Aim for the realization of both high environmental performance and economic performance

- ◆ Equipped with a high-efficient fuel cell system for lift trucks
 - No CO2 emission during operation
 - Continuous operation with hydrogen filling in 3 minutes
- ◆ Carried out field tests with the government



Fuel cell lift truck

3. Lithium-ion lift trucks

Solve problems associated with lead acid batteries

- ◆ Contribute to raising operation rates of lift trucks
 - Full charging is possible in about an hour, one-eighth of current level
 - Unnecessary to replace the battery during operation
- ◆ Eliminate the maintenance tasks for batteries
 - Eliminate the maintenance tasks for batteries, such as water refilling and cleaning



Lithium-ion lift truck

⇒ Both lift trucks were displayed in Logis-Tech Tokyo 2014 held in Sep. 2014 as reference exhibit

⇒ Promoting the development of both lift trucks aiming early commercialization

Upgrading Sales and Service Capabilities



TMHJ Service Skills Contest

1. Regional Initiatives

Implementing appropriate measures for each region, such as integration of distribution channels and enhancement in the quality of services

1) Europe

- Completed to integrate separately operated sales channels for TOYOTA- and BT-brand lift trucks throughout Europe
- Upgrading sales capabilities by the establishment of a sales company in Russia (Apr. 2014)

2) North America

- Upgrading sales capabilities by making distributors into subsidiaries
- Continuing to enhance response to key-account business together with TOYOTA- and Raymond-brand lift trucks

3) ALOMA* and China

* : Asia, Latin America, Oceania, Middle East, Africa

- Appealing economic advantage of a lifecycle of products backed by excellent products and service quality in sales expansion activities
- Upgrading sales and service capabilities by providing a variety of training and tools

4) Japan

- Appealing optimal logistics efficiency combining hardware (material handling systems) and software (logistics improvements)
- Held the TMHJ Service Skills Contest aimed at improving the level of service of dealers

Upgrading Sales and Service Capabilities

2. Strengthen sales finance business

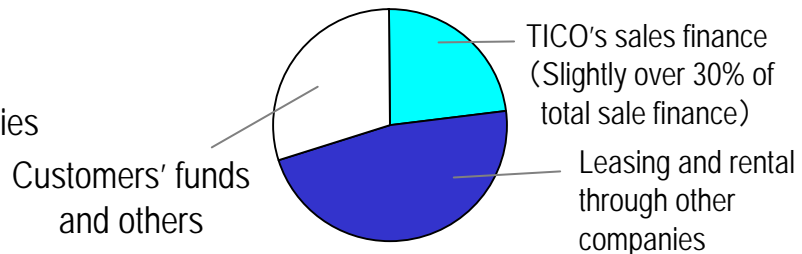
◆Background

Although many customers use sales finance, the rate of customers who use TICO's leasing and rental business stay at slightly over 30% of all

Developed countries Depend heavily on other companies

Emerging countries Not undertaken

The image of sales finance ratio of our lift truck sales



◆Purpose

- Respond to customers' needs throughout the product lifecycle, including purchase, maintenance and replacement by appealing our capabilities of sales, after-sales-service and financing
- Expand the sales finance business in all areas by utilizing the collective capabilities of TICO Group (fund-raising capability, global sales and service network)

Upgrading Sales and Service Capabilities

2. Strengthen sales finance business

◆The latest initiatives

Started to strengthen the response of TICO by establishing new operations (From Jun. 2013)

- Mexico : Established a sales finance company
- France : Established a branch of our sales finance company

◆A new initiative

Acquire material handling business of U.S.-based TMCC

Acquisition cost About 220* billion yen
(mostly financial asset, remaining includes goodwill and others)

* : 2% of 9 trillion yen, TMCC's financial asset (at the end of Mar.2014)

【TMCC Profile】

- Company name : Toyota Motor Credit Corporation (TMCC)
100% owned by Toyota Financial Service America, a Toyota Motor- owned holding company for sales finance business
- Head quarters : California, USA
- Establishment : 1982

Upgrading Sales and Service Capabilities

2. Strengthen sales finance business

◆Future plan

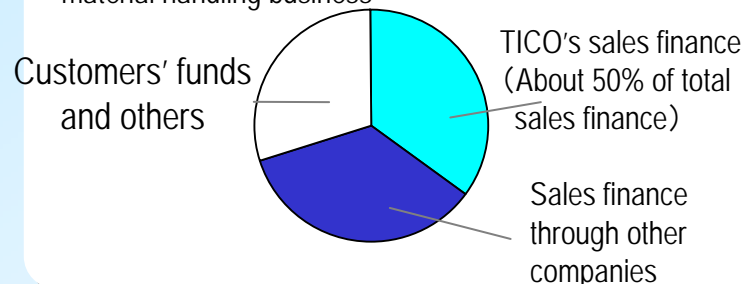
Strengthen sales finance business in North America by leveraging TMCC's strengths

<TMCC's strengths>

TMCC is one of the world's top sales finance business companies and has a great deal of know-how and skill

- **Sales finance business know-how** for materials handling equipment business, accumulated over a long period of time
- **Excellent structure and system of management**, including management of risks such as credit management and residual value
- **A wide range of financial products** lineup

The image of sales finance ratio of our lift truck sales after acquisition of TMCC's material handling business



Preparing to start business in North America from 2015

By utilizing a great deal of TMCC's know-how, we strengthen our sales finance business and expand the business globally

Strengthen our business in emerging countries

~ Acquired lift truck business of Tailift ~

◆ Purpose

- Strengthen our business in emerging countries
- Complement sales areas and product lineup mutually

◆ Outline of acquisition

- Ownership rate : 55% (initial)
- Acquisition cost : About 9 billion yen

◆ Company profile

- Company name : Tailift Co., Ltd.
- Headquarters : Taichung, Taiwan
- Establishment : 1973
- Net sales : About 16 billion yen (Lift truck department, fiscal year ended Dec. 2013)
- Production bases: Taiwan, China
- Other information: The sales share is ranked at the third in China lift truck market

◆ Future efforts

- Add middle- and low-priced products to TICO's lineup and maximize synergy effect by using mutual advantages
- Aim for more growth in emerging countries, which markets are expected to expand

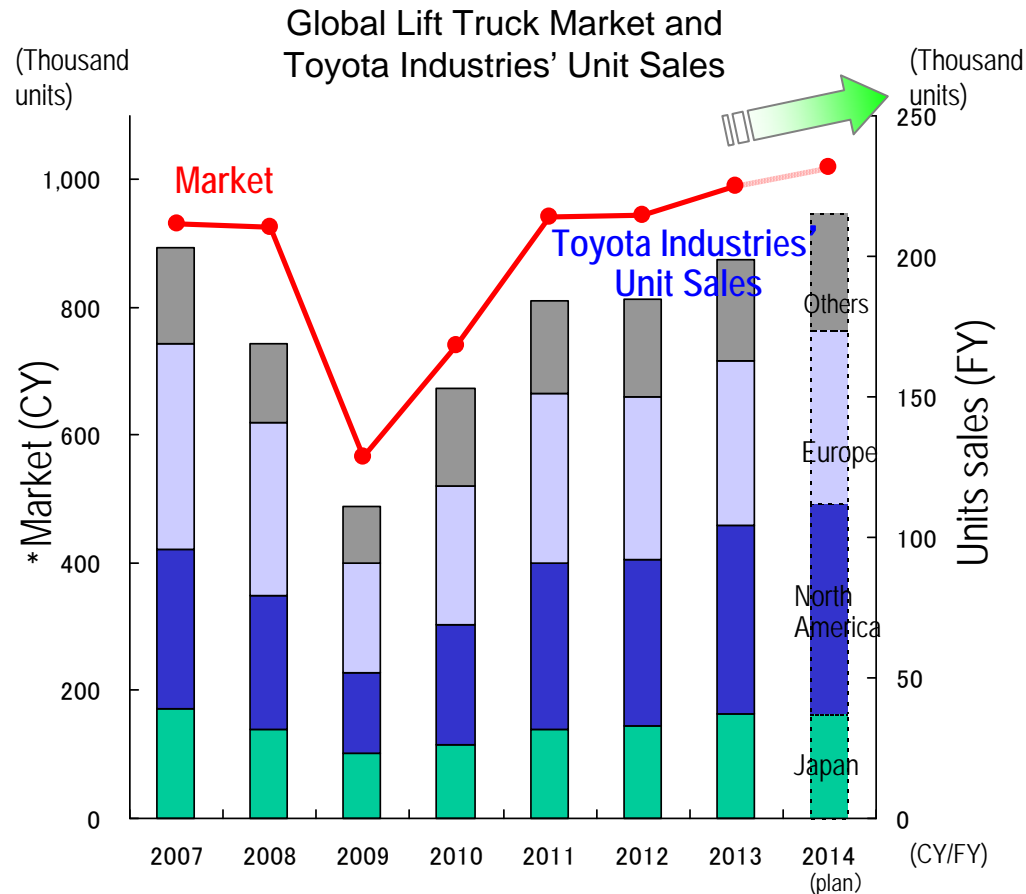
The image of each brand's price range			
	High Price	Middle Price	Low Price
Toyota Industries	Toyota, BT, Raymond, Cesab	---	---
Tailift	---	Tailift (Taiwan)	Tailift (China)



Internal-combustion lift truck manufactured by Tailift

Solution / Materials Handling Equipment

Promote initiatives aimed at further growth



CY: calendar year ended Dec 31; FY: fiscal year ended Mar. 31 of the following year

* Estimated by Toyota Industries Corporation

【Enhance the appeal of products】

- Further enhance the appeal of products centered on 3E fields
- Develop key components internally

【Strengthen supply structure】

- Supply from optimally located production bases and increase production capabilities
- Expand key components supply to Toyota Industries' group

【Upgrading sales and service capabilities】

- Expand sales and service network
- Strengthen service capability
- Strengthen sales finance business



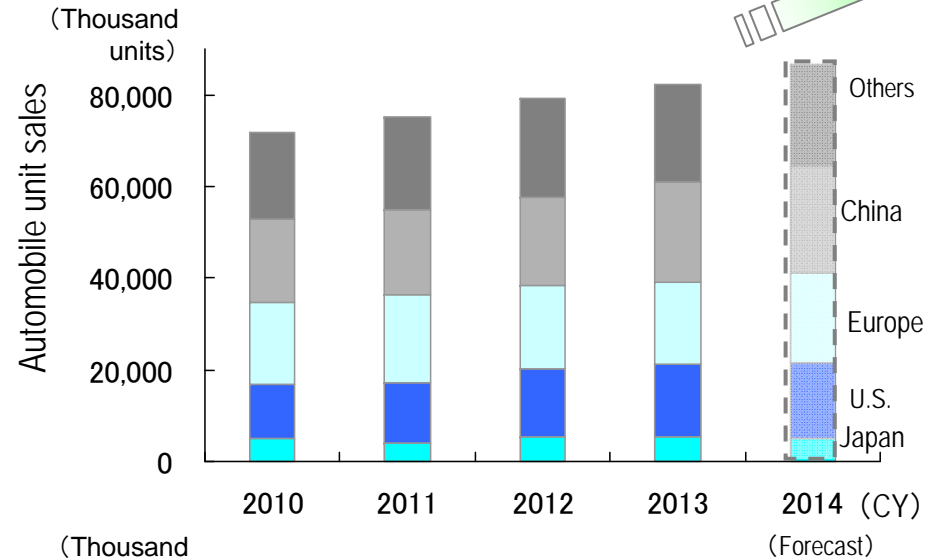
- Expand product lineup meeting each market needs
- Further expand unit sales by the high-quality products and services
- Improve profitability

II. Our Business Initiatives toward Medium Term Growth

Solution	Materials Handling Equipment
Key Components	Car air-conditioning Compressor

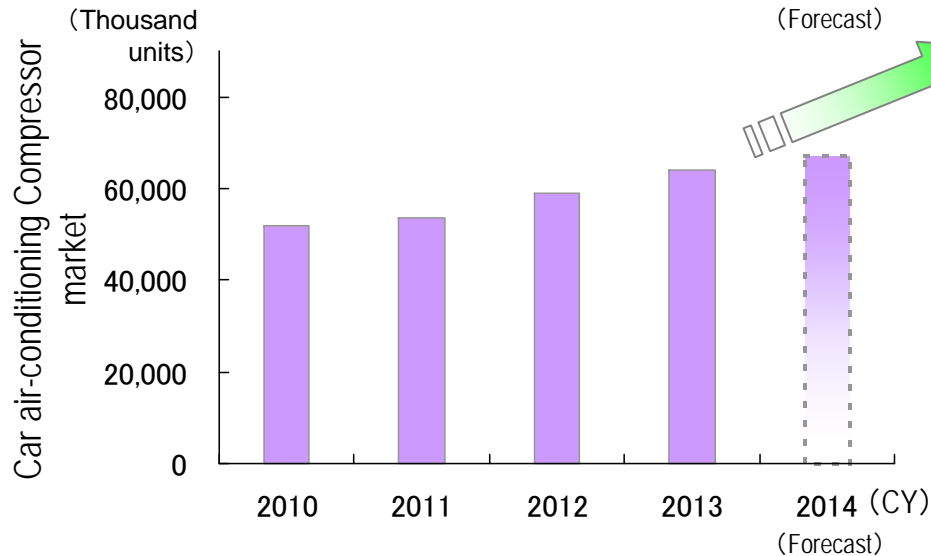
Key components / Car air-conditioning Compressor

Market Trend



- Automobile sales are expected to increase, mainly in the U.S. and emerging countries
- The rate of cars equipped with air conditioning is expected to grow steadily though slowly

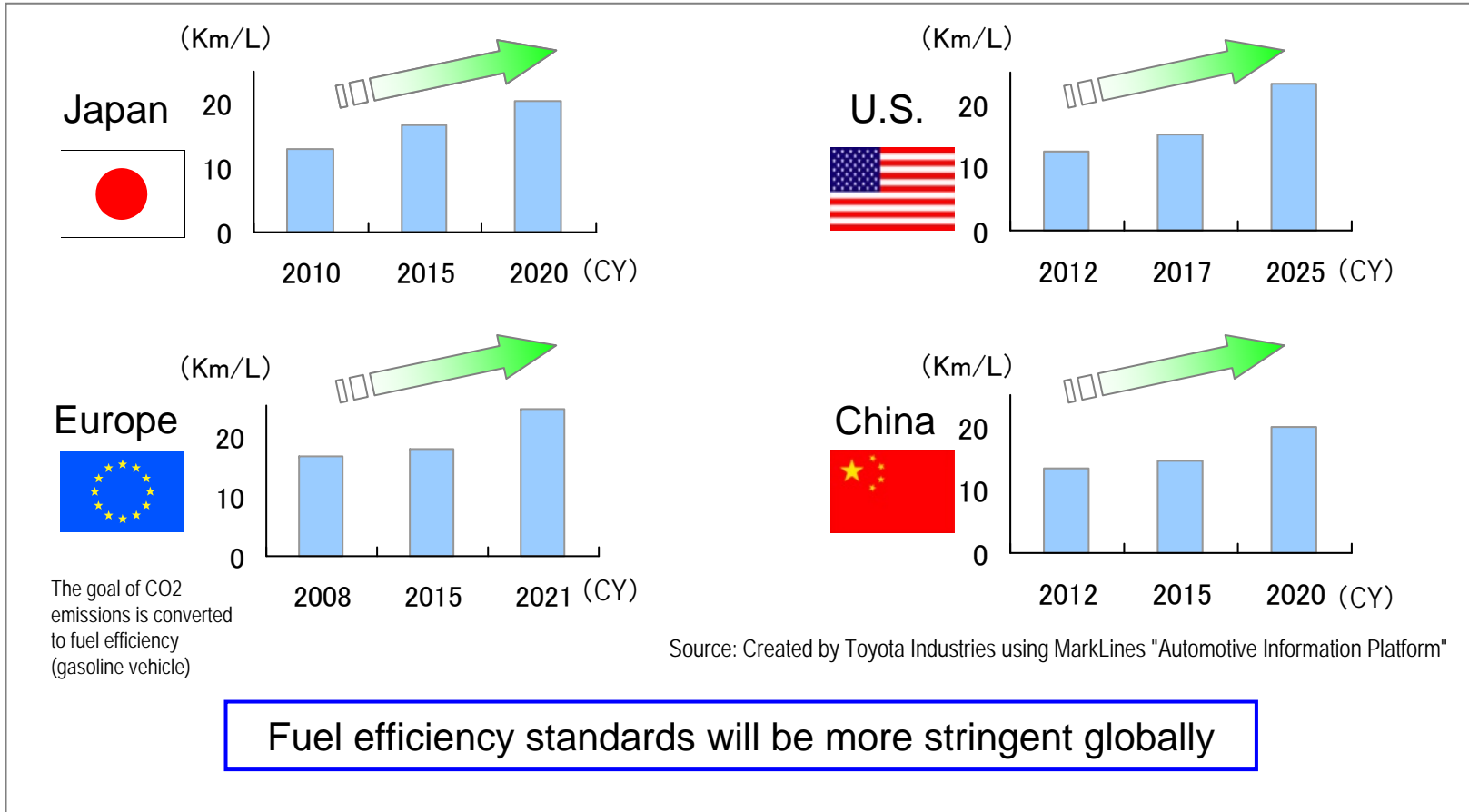
Source: Created by Toyota Industries using MarkLines "Automotive Information Platform", Sogo Planning "Market trend and future forecast of electric vehicles", Fuji Keizai "HEV and EV Market: Comprehensive Survey", "Reality and Future Prospect of Electric Vehicle Market", IRC "Forecast of production and sales units of the global automotive industry", and FOURIN "Global Automotive statistical year book"



- Car air-conditioning market is expected to grow for the foreseeable future

Estimated by Toyota Industries Corporation

Automotive fuel consumption regulation



Fuel efficiency standards will be more stringent globally

The needs for high fuel-efficient or electric vehicles are significantly growing

Market needs for car air-conditioning compressor and our response

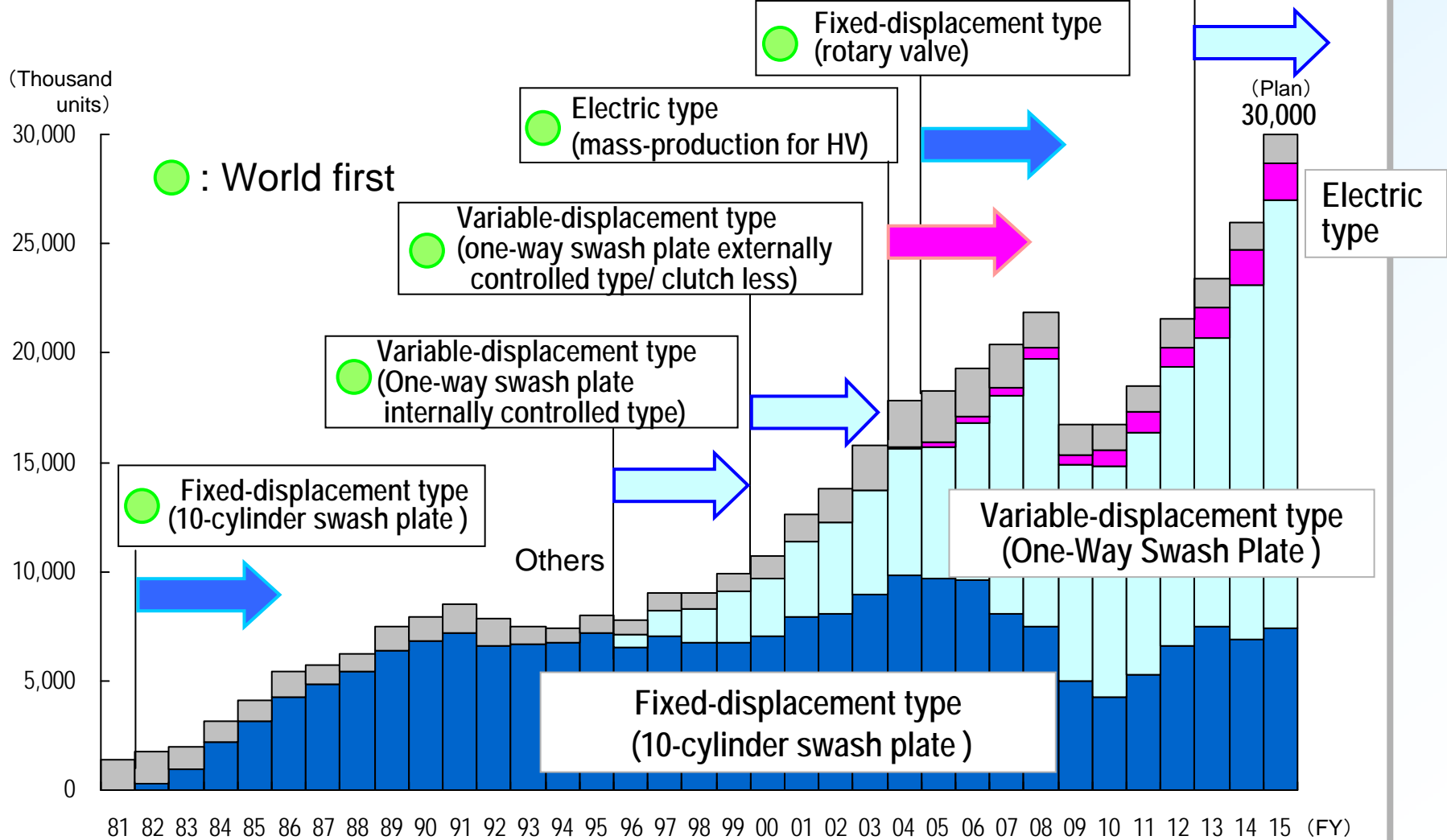
	Market Needs	Our Response
Developed countries	➤ Improvement fuel-efficiency	<ul style="list-style-type: none"> ▪ Develop a next-generation variable-displacement type ▪ Improve evaluation technology by actual vehicles and prevent the leak of the technology
	➤ Electric automobile	<ul style="list-style-type: none"> ▪ Develop a more fuel-efficient, compact and lighter weight electric type
	➤ More calm and comfortable riding in automobiles	<ul style="list-style-type: none"> ▪ Develop the more quiet and lower-vibration products
Emerging countries	➤ Increasing significance of quality and performance	<ul style="list-style-type: none"> ▪ Develop the products optimized performance, price and quality, mainly variable-displacement type
	➤ Strong demand for basic types of products	<ul style="list-style-type: none"> ▪ Develop the price-competitive and reliable products, mainly fixed-displacement type

Respond to various needs including fuel efficiency at a high level

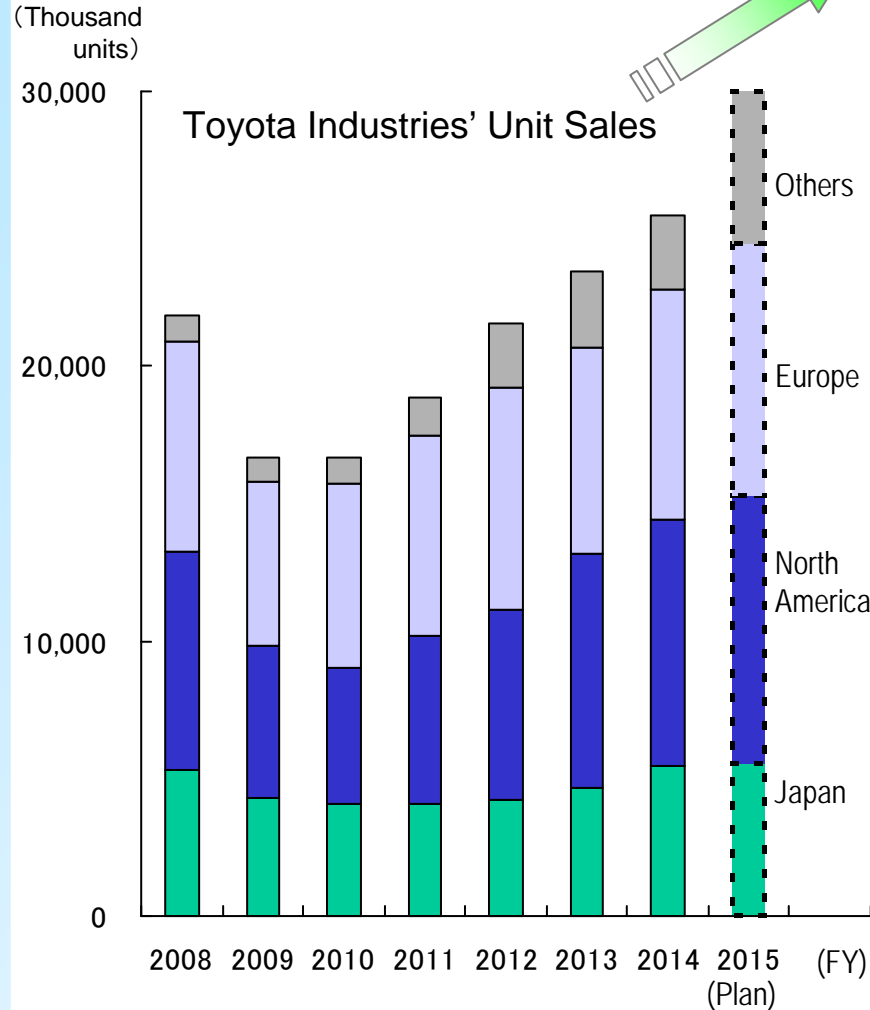
Optimize production and supply structure



TICO's Technology and Sales Expansion



Further expansion of sales



【Increase of unit sales】

- Expand sales by further strengthening the appeal of the products
 - Expand sales without missing a shift to variable-displacement type in North America
 - Expand sales for small-sized vehicles in Europe
 - Expand sales to the auto makers emphasizing quality and performance in emerging countries
 - Enhance auto makers' trust by improving technical support
 - Expand production capabilities in every region to respond to demand increase

【Strengthen profitability】

- Increase local procurement ratio
- Maximize the effect of cost reduction by the increase of production



Expand sales to the auto makers around the world, improve profitability

Cautionary Statement with Respect to Forward-Looking Statements

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