



FY2016 2nd Quarter Financial Results

November 2, 2015



TOYOTA INDUSTRIES CORPORATION

I . Financial Summary

Financial Summary <FY2016 2Q>

1. Net sales, operating profit, ordinary profit and profit attributable to owners of the parent 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 and car air-conditioning compressor business contributed to the consolidated financial results.
3. Revised up the forecasts of net sales, operating profit, ordinary profit and profit attributable to owners of the parent, as well as the distribution of cash dividends.

Performance <FY2016 2Q>

(Billion yen)

| | FY2015 2Q (6 months) | FY2016 2Q (6 months) | Change | |
|---|-------------------------|-------------------------|--------|-------|
| Net sales | 1,046.0 | 1,100.2 | 54.2 | 5.2% |
| Operating profit | 56.7 | 66.9 | 10.2 | 17.9% |
| Ordinary profit | 87.0 | 99.6 | 12.6 | 14.4% |
| Profit attributable to owners of the parent | 60.9 | 67.9 | 7.0 | 11.5% |
| Earnings per share | ¥194.18 | ¥216.38 | ¥22.20 | - |
| Dividends per share | ¥50 | ¥60 | ¥10 | - |

- Both net sales and profit increased.
- The materials handling equipment segment and the car air-conditioning compressor business have driven the financial results.
- Revised the distribution of an interim dividends from ¥55 per share to ¥60 per share.

Segment Information <FY2016 2Q>

Net sales [Operating profit]

(Billion yen)

| | FY2015 2Q (6 months) | FY2016 2Q (6 months) | Change | |
|--|-------------------------|---------------------------|--------------------|---------|
| Vehicle | 238.7 | 219.7 | (19.0) | (8.0%) |
| Engine | 93.8 | 83.6 | (10.2) | (10.9%) |
| Car air-conditioning compressor | 152.6 | 172.0 | 19.4 | 12.7% |
| Electronics parts, foundry and others | 33.9 | 29.8 | (4.1) | (12.1%) |
| Automobile | 519.2 [18.9] | 505.2 [15.3] | (14.0) [(3.6)] | (2.7%) |
| Materials handling equipment | 433.7 [31.8] | 500.4 [44.5] | 66.7 [12.7] | 15.4% |
| Logistics | 48.0 [2.7] | 50.0 [2.9] | 2.0 [0.2] | 4.1% |
| Textile machinery | 32.6 [1.8] | 31.1 [1.7] | (1.5) [(0.1)] | (4.7%) |
| Others | 12.3 [1.4] | 13.1 [2.2] | 0.8 [0.8] | 7.1% |
| Total | 1,046.0 [56.7] | 1,100.2 [66.9] | 54.2 [10.2] | 5.2% |

Unit Sales

(Thousand units)

| | FY2015 2Q (6 months) | FY2016 2Q (6 months) | Change |
|------------------------------------|-------------------------|-------------------------|--------|
| RAV4 | 102 | 100 | (2) |
| Vitz (Yaris) | 63 | 47 | (16) |
| Vehicle | 165 | 147 | (18) |
| Diesel | 170 | 137 | (33) |
| Gasoline | 105 | 98 | (7) |
| Engine | 275 | 235 | (40) |
| Car air-conditioning compressor | 14,220 | 14,880 | 660 |
| Materials handling equipment | 105 | 118 | 13 |
| Air-jet loom | 3.1 | 2.4 | (0.7) |

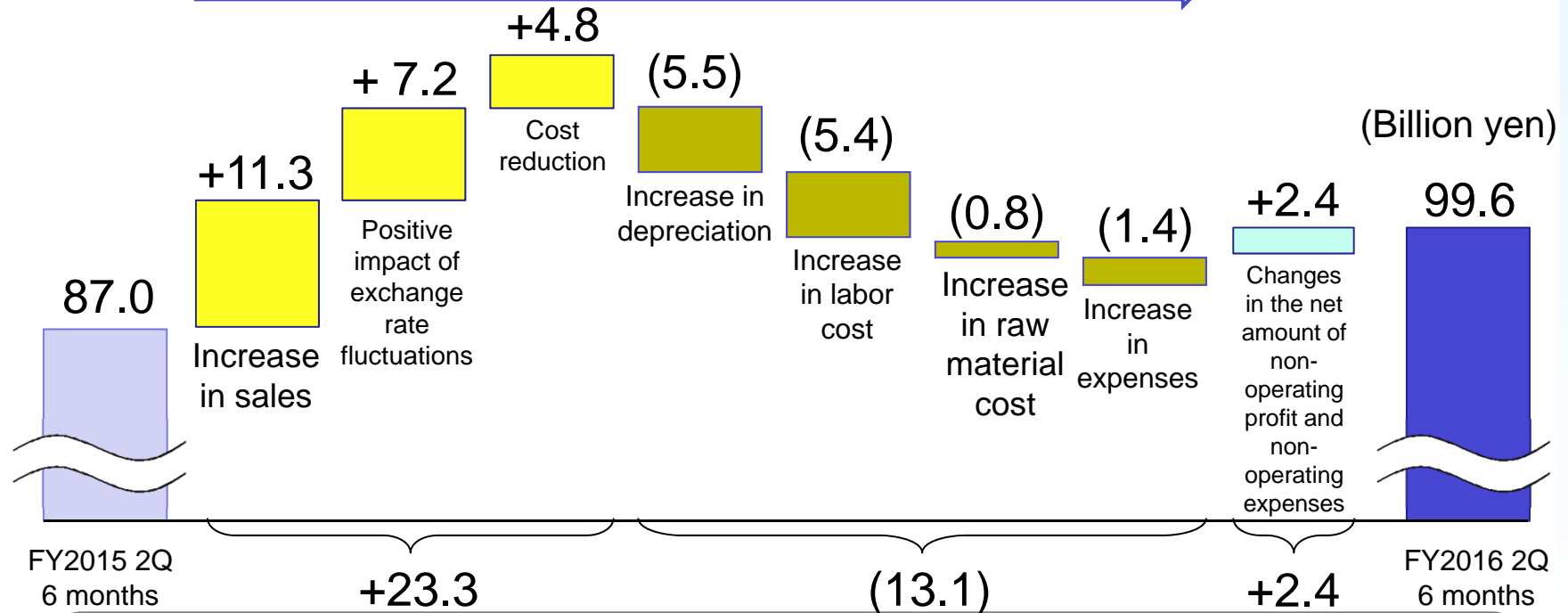
- The Vehicle and Engine businesses: Net sales decreased because of decreases of the unit sales of Vitz, as well as KD diesel engine fitted into IMV.
- The Car air-conditioning compressor business: Unit sales increases in China and Europe pushed up net sales.
- The Materials handling equipment segment: Net sales increased by increases of unit sales in Europe and North America, and Aichi Corporation contributed as well.

Changes in Operating Profit and Ordinary Profit

Year-on-year Comparison (FY2015 2Q and FY2016 2Q)

Ordinary profit: ¥12.6 billion increase

Operating profit: ¥10.2 billion increase (from ¥56.7 billion to ¥66.9 billion)



- The favorable results of the materials handling equipment segment and car air-conditioning compressor business contributed to the increase of consolidated profit.
- Depreciation and labor cost increased due to our aggressive sales increase activities.

Performance <FY2016 2Q>

(Billion yen)

| | FY2015 2Q (6 months) | FY2016 2Q (6 months) | Change | |
|----------------------|-------------------------|-------------------------|---------------|---------|
| Capital Expenditures | 55.5 | 38.6 | (16.9) | (30.4%) |
| Depreciation | 32.3 | 37.8 | 5.5 | 17.1% |

| | | | | |
|--------|------|-------------|-------------|---|
| ¥/US\$ | ¥103 | ¥122 | ¥19 | - |
| ¥/Euro | ¥139 | ¥135 | (¥4) | - |

- Aggressive capital expenditure in Automobile segment, specifically in car air-conditioning compressor business, decreased.
- Depreciation in the materials handling equipment segment as well as Automobile segment including car air-conditioning compressor and engine businesses increased due to capital expenditure in the last few years.

Performance <FY2016 2Q>

(Billion yen)

| | As of March 31, 2015 | FY2016 2Q | Change | |
|------------------------------|-------------------------|----------------|---------|--------|
| Total assets | 4,650.8 | 4,479.3 | (171.5) | (3.7%) |
| Total net assets | 2,425.9 | 2,212.8 | (213.1) | (8.8%) |
| Equity ratio | 50.7% | 47.8% | - | - |
| Consolidated subsidiaries | 214 | 217 | 3 | - |

- Total assets and total net assets decreased as market value of Investment securities decreased.

Performance <FY2016 Forecast>

(Billion yen)

| | FY2015 | FY2016 | Change | | Previous plan |
|---|---------|----------------|---------|-------|---------------|
| | | | | | |
| Net sales | 2,166.6 | 2,230.0 | 63.4 | 2.9% | 2,200.0 |
| Operating profit | 117.5 | 130.0 | 12.5 | 10.6% | 125.0 |
| Ordinary profit | 170.8 | 187.0 | 16.2 | 9.5% | 184.0 |
| Profit attributable to owners of the parent | 115.2 | 187.0 | 71.8 | 62.2% | 126.0 |
| Earnings per share | ¥367.06 | ¥595.22 | ¥228.16 | - | ¥401.06 |
| Dividends per share | ¥110 | ¥120 | ¥10 | - | ¥110 |

- Extraordinary profit is expected derived from sales of shares of subsidiaries.
Sell shares of Asahi Security Co., Ltd. and Wanbishi Archives Co., Ltd., planned in December 2015.

Segment Information <FY2016 Forecast>

Net sales

[Operating profit]

(Billion yen)

| | FY2015 2Q (6 months) | FY2016 2Q (6 months) | Change | | Previous plan |
|---------------------------------------|-------------------------|-------------------------|--------|---------|---------------|
| Vehicle | 459.0 | 475.0 | 16.0 | 3.5% | 455.0 |
| Engine | 192.0 | 160.0 | (32.0) | (16.7%) | 178.0 |
| Car air-conditioning compressor | 324.6 | 343.0 | 18.4 | 5.7% | 348.0 |
| Electronics parts, foundry and othres | 74.9 | 65.0 | (9.9) | (13.3%) | 70.0 |
| Automobile | 1,050.7 [35.9] | 1,043.0 | (7.7) | (0.7%) | 1,051.0 |
| Materials handling equipment | 924.9 [68.8] | 1,008.0 | 83.1 | 9.0% | 955.0 |
| Logistics | 98.0 [6.2] | 89.0 | (9.0) | (9.2%) | 104.0 |
| Textile machinery | 68.1 [2.6] | 66.0 | (2.1) | (3.2%) | 66.0 |
| Others | 24.7 [3.7] | 24.0 | (0.7) | (3.1%) | 24.0 |
| Total | 2,166.6 [117.5] | 2,230.0 | 63.4 | 2.9% | 2,200.0 |

Segment Information <FY2016 Forecast>

Unit Sales

(Thousand units)

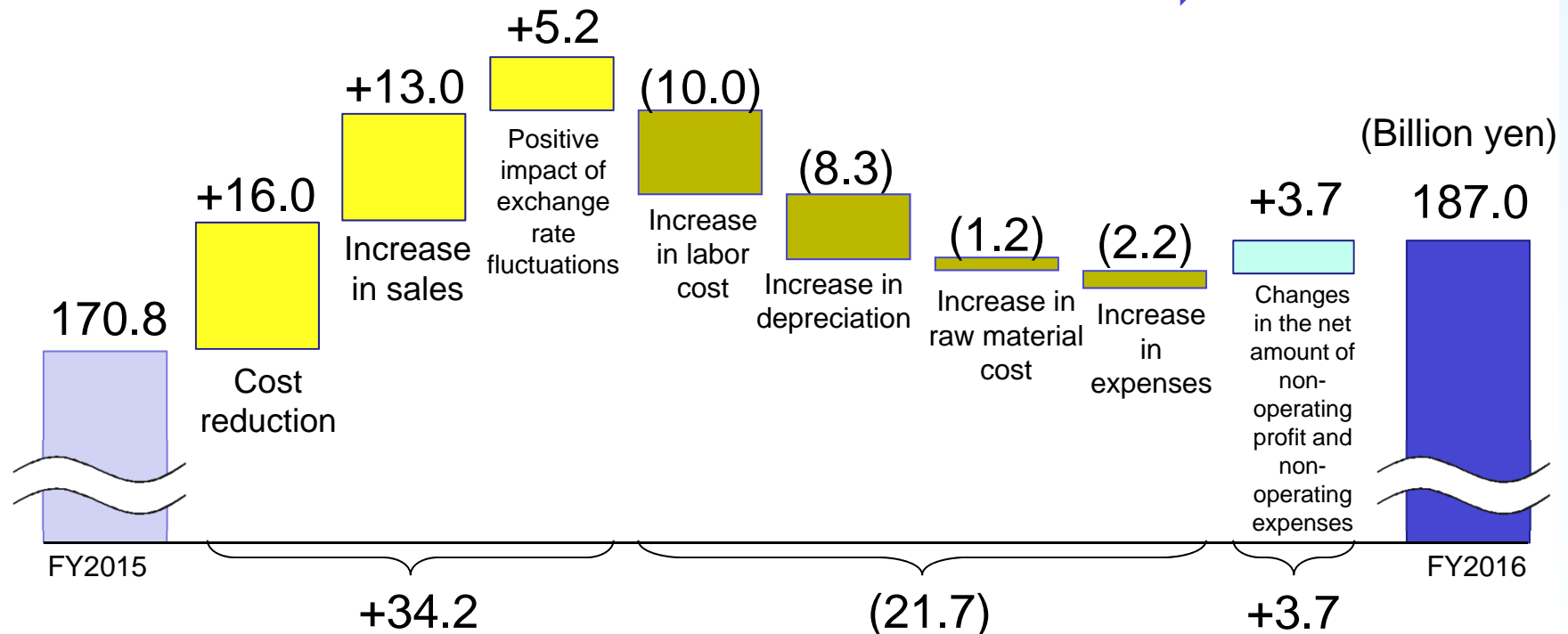
| | FY2015 | FY2016 | Change | Previous plan |
|---------------------------------|--------|---------------|--------|---------------|
| RAV4 | 205 | 207 | 2 | 211 |
| Vitz (Yaris) | 103 | 93 | (10) | 84 |
| Vehicle | 308 | 300 | (8) | 295 |
| Diesel | 355 | 255 | (100) | 285 |
| Gasoline | 213 | 195 | (18) | 215 |
| Engine | 568 | 450 | (118) | 500 |
| Car air-conditioning compressor | 29,320 | 30,500 | 1,180 | 31,000 |
| Materials handling equipment | 222 | 240 | 18 | 231 |
| Air-jet loom | 5.8 | 5.7 | (0.1) | 5.7 |

Changes in Operating Profit and Ordinary Profit

Year-on-year Comparison (FY2015 full year and FY2016 full year forecast)

Ordinary profit: ¥16.2 billion increase

Operating profit: ¥12.5 billion increase (from ¥117.5 billion to ¥130.0 billion)



- Cost reduction and sales increases of the materials handling equipment segment and car air-conditioning compressor business will contribute to consolidated profit increase.
- Depreciation and labor cost are expected to increase due to our aggressive sales increase activities.

Performance <FY2016 Forecast>

(Billion yen)

| | FY2015 | FY2016 | Change | | Previous plan |
|----------------------|--------|--------------|--------|---------|---------------|
| Capital Expenditures | 126.3 | 100.0 | (26.3) | (20.9%) | 100.0 |
| Depreciation | 70.7 | 79.0 | 8.3 | 11.6% | 79.0 |

| | | | | | |
|--------|------|-------------|------|---|------|
| ¥/US\$ | ¥110 | ¥118 | ¥8 | — | ¥117 |
| ¥/Euro | ¥139 | ¥133 | (¥6) | — | ¥127 |

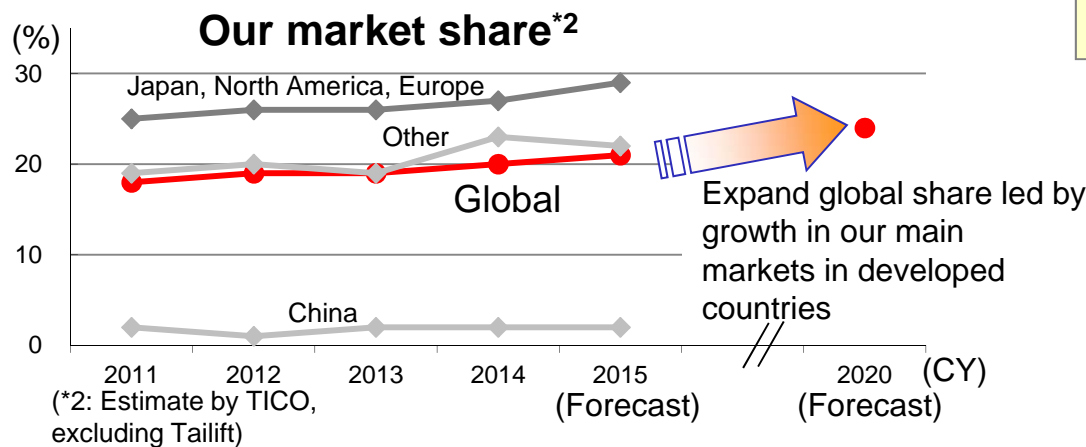
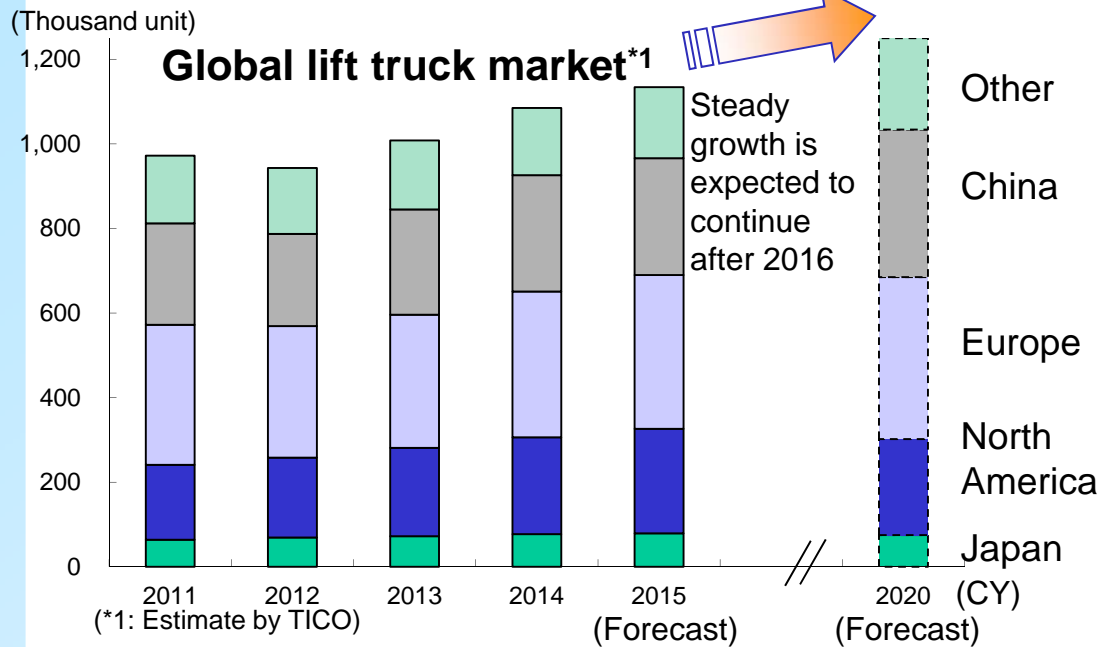
II. Our Business Initiatives toward Medium Term Growth

Solution **Materials Handling Equipment**

Key Components **Car air-conditioning Compressor**

1. Global lift truck market
2. Our recent lift truck unit sales
3. Development activities
4. Production activities
5. Sales activities
6. Enhancement of activities focusing emerging markets

[1. Global lift truck market]



[Japan]

- Market size continues to be stable due mainly to manufacturing industries.

[North America]

- Economy growth leads demand expansion.

[Europe]

- Market shows growing trend thanks to moderate economic growth.

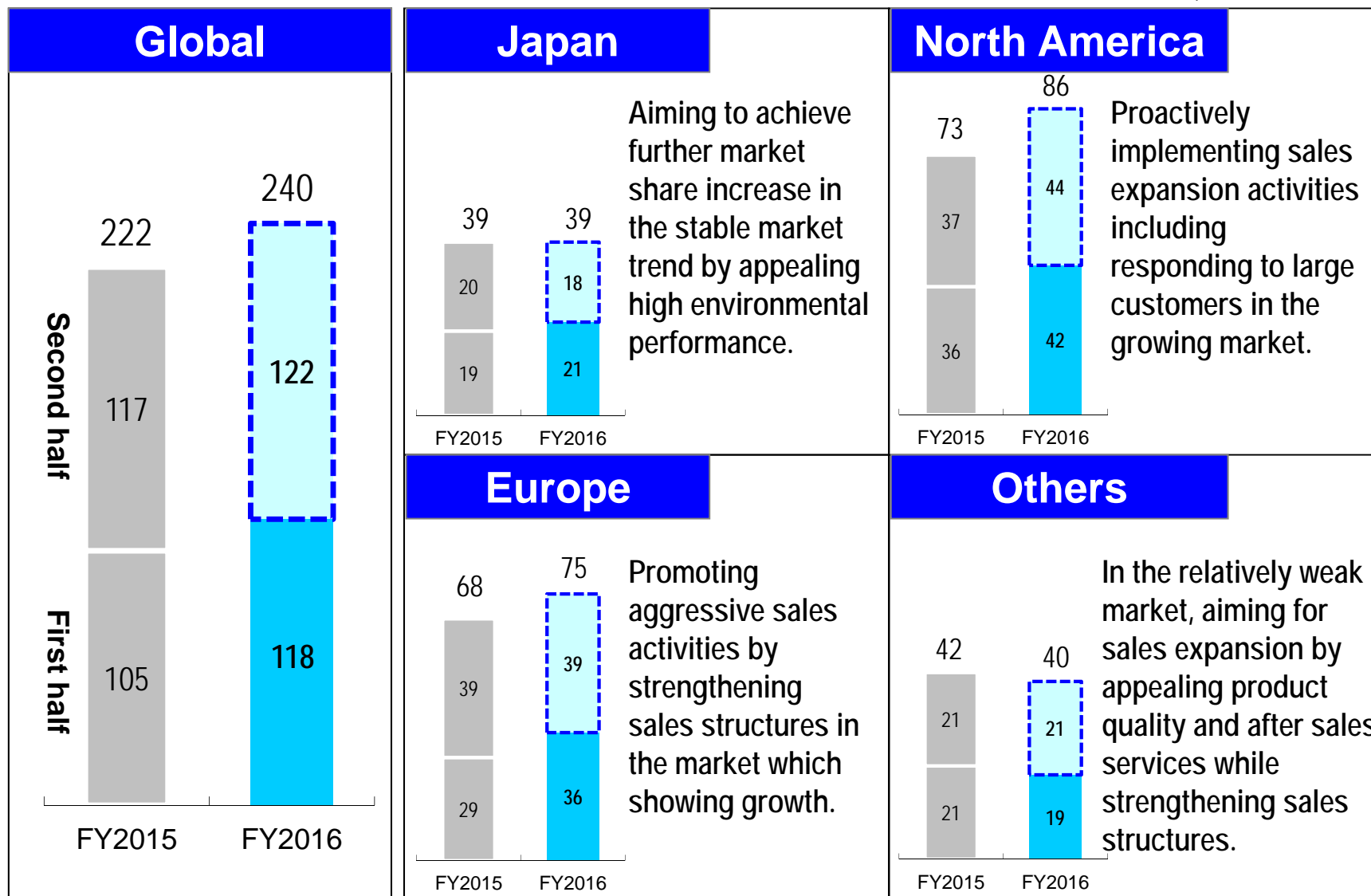
[China and other]

- Currently market is weak, but demand expansion is expected in mid- long-term due to growth of logistics volume resulting from growth of population and economies.

Aim to further expand our global market share leveraging our strengths of quality, performance and after-sales services capabilities.

[2. Our recent lift truck sales]

(Thousand units)



[3. Development Activities]

Product development centered on 3Es

- Increase of product line meeting exhaust emissions regulations
 - Lineup of internal-combustion lift truck meeting small special motor vehicle requirement is expanded, adding models with our **latest clean diesel engine**. (Japan)
 - =>Offering comprehensive lineup meeting 2014 exhaust emissions regulations
- Introducing new 3-wheel electric lift truck with better environmental performance (Japan, North America, etc.)
 - Achieving **20% longer operating hour** with highly efficient internally developed AC motor
 - Production started in North America from September 2015
 - Production to be started in Japan from December 2015
- Increase of feasibility test of fuel cell lift truck
 - Participating feasibility test of fuel cell lift truck at Shunan-city Regional Wholesale Market in Yamaguchi-prefecture
 - =>Verify CO2 reduction and other effects under different operating conditions other than at factory or airport.

Past feasibility test which we participate(d)

*Kitakyushu Smart Community Project (until 2014)

*Hydrogen Grid Project at Kansai International Airport (ongoing)



New GENE0 diesel engine lift truck meeting small special motor vehicle requirement in Japan



New 3-wheel electric lift truck



Fuel cell lift truck

[3. Development Activities]

Enhancement of development capability and interactions among regions

- Integrate development process aiming to form globally efficient development structure
 - Enhance development capability at each region.

<Example>

Europe (CESAB) is now capable to develop full line of electric CB* type lift truck. * Counter balance

- Specialize/cooperate product development among regions/brands to reduce overlap.
- Mutually supply products across regions/brands.

<Example>

Supply Europe-developed BT Vector to the Raymond, North America.



Europe developed electric CB lift truck



BT Vector
(Very narrow aisle)

[Production Activities]

Globally optimize production and supply structures

- Efficiently utilize present production bases to globally optimize production structure with an aim to meet production volume of 300 thousand-unit level.
 - Based on local production for local supply idea, consider to optimize production base or models through comprehensive valuation of production capacity, delivery and cost.

[5. Sales Activities]

Strengthening sales finance business with an aim to expand our value chain

TICF*, a North American sales finance subsidiary has started its business operation in October 2015

Acquisition cost: approximately US\$2.3 billion, mostly financial asset

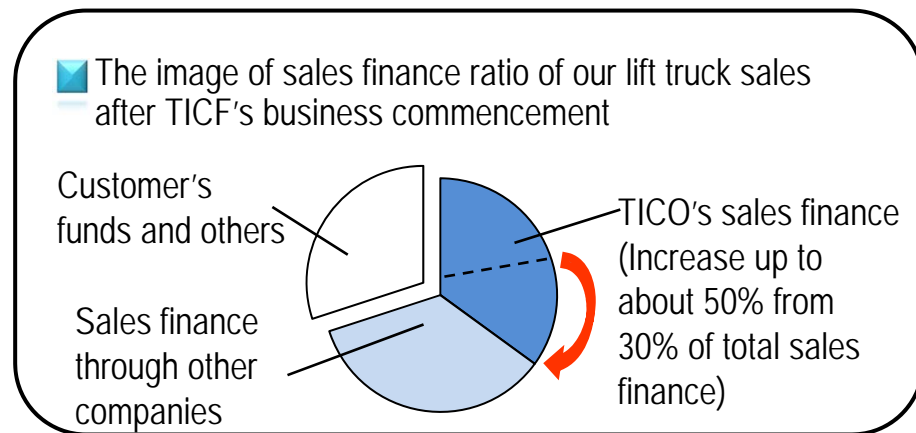
- Strengthen and expand our value chain by further incorporating sales finance business

- New lift truck sales
- Maintenance services during contract period
- Sales of second-hand lift truck after termination of contract

=>Respond to various customers' needs

- Globally strengthen sales finance business including Europe and emerging countries

- Plan to establish sales finance companies in Germany and Italy in 2016.
- Consider to expand sales finance businesses in major countries in Asia and South America.



*: Toyota Industries Commercial Finance, Inc.
Newly developed sales finance subsidiary by acquiring material handling business of Toyota Motor Credit Corporation, a U.S.-based subsidiary of Toyota Motor Corporation

[5. Sales Activities]

Enhancing sales expansion activities to large customers through our logistics solution leveraging our wide range of product lineup and knowhow

North America, Europe



<Customer A>

Proposals including reduction of logistics costs

=> Received an order of approximately 700 units of mainly electric lift trucks for in-house use from a U.S. major beverage company.

<Customer B>

Appealed proposals combining our extensive sales and service structures and logistics solution

=> Concluded a global comprehensive contract* with a Swiss major logistics company.

*: A form of contract that at first headquarters agree basic specifications, price and others, then each country discuss and decide details on specifications, price and other items.

Emerging countries

<Customer C>

Appealed our comprehensive strength including logistics solution and after sales services through proposal sales of fleet management.

=> Received an order of internal combustion lift truck exceeding 100 units from a major beverage company in Thailand.

[Enhancement of activities focusing emerging markets]

Response to middle- to low-price range

Acquisition of lift truck business of Tailift Co., Ltd. In Taiwan in August 2015

Further strengthen our response to emerging markets by adding price competitive excellent products.



Seek to create synergy effects by using mutual advantages.

Advantages of Tailift

Capability to develop, manufacture and sell products which meet needs of emerging markets

Advantages of TICO

Global network, advanced technologies, manufacturing capability

Outline of lift truck business of Tailift Co., Ltd.

- Net sales: approx. JPY18 billion*
- Unit sales: approx. 11,000 units*
- Production bases: Taiwan, China

*: FY ended December 2014



Lift truck of Tailift

II. Our Business Initiatives toward Medium Term Growth

Solution **Materials Handling Equipment**

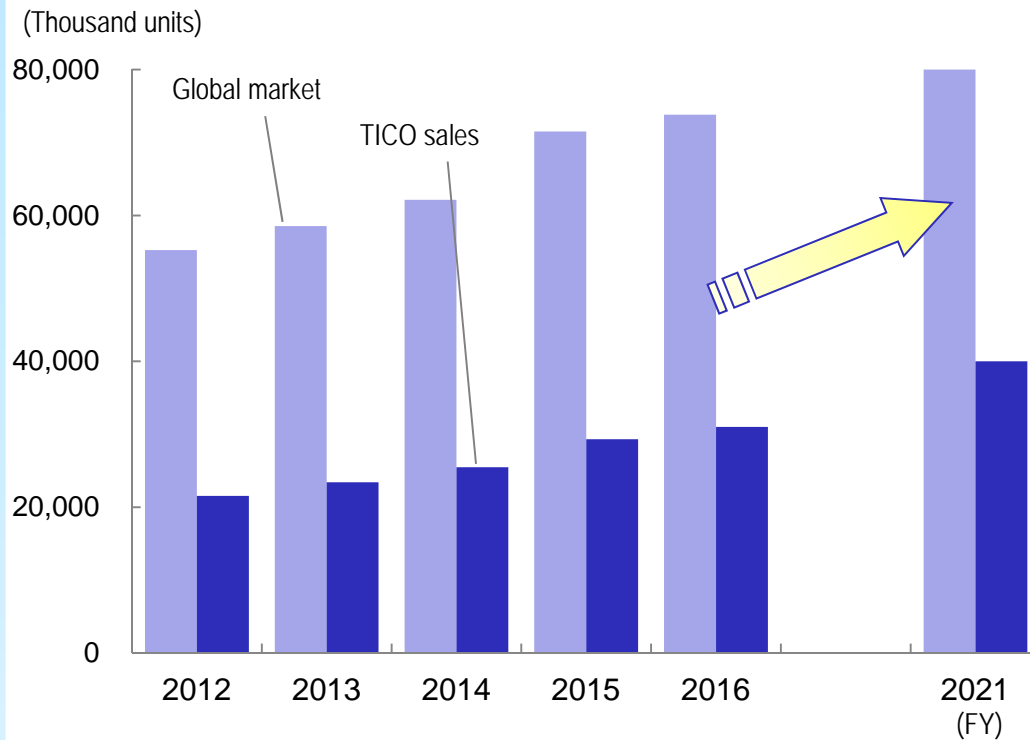
Key Components **Car air-conditioning Compressor**

1. Market trend and our activities
2. Sales expansion activities
 - 1) Our sales expansion status
 - 2) Examples of our sales expansion to new car makers
3. Development activities
4. Production and supply structures activities

Key Components Car air-conditioning Compressor

1. Market trend and our activities

Global compressor market and our unit sales



<Compressor market>

Market size continues to grow steadily.

- Increase of car air-conditioner adoption rate
- Growth of automobile market led by U.S., China and emerging countries

<Our activities>

Further increase our unit sales through various global activities.

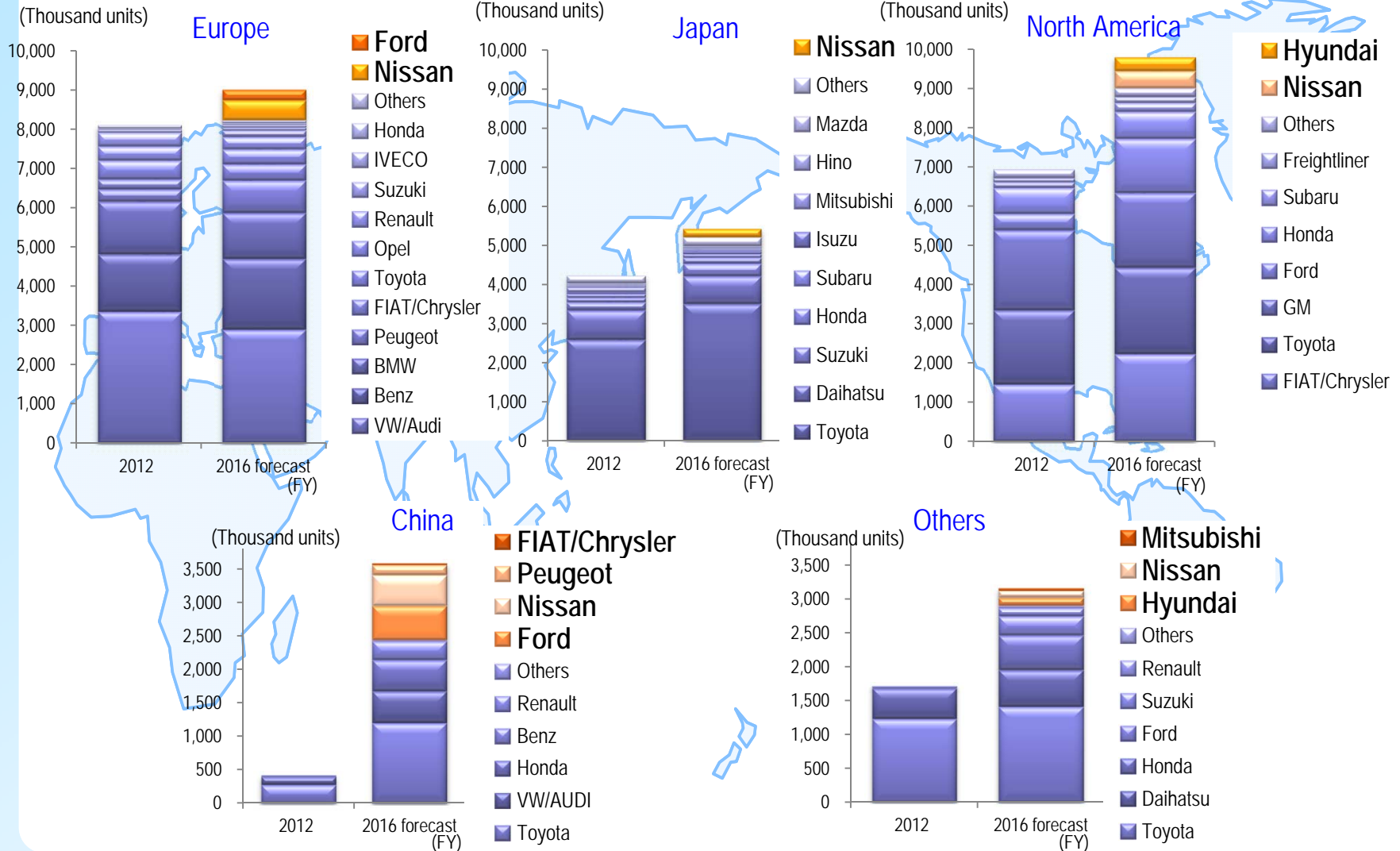
- Manufacture and supply capabilities
- Quality
- Technological strength

Key Components Car air-conditioning Compressor

[2. 1)Our sales expansion status]

Our unit sales at each region

Orange: New customers after FY2013



Key Components Car air-conditioning Compressor

[2. 2) Examples of our sales expansion to new car makers]

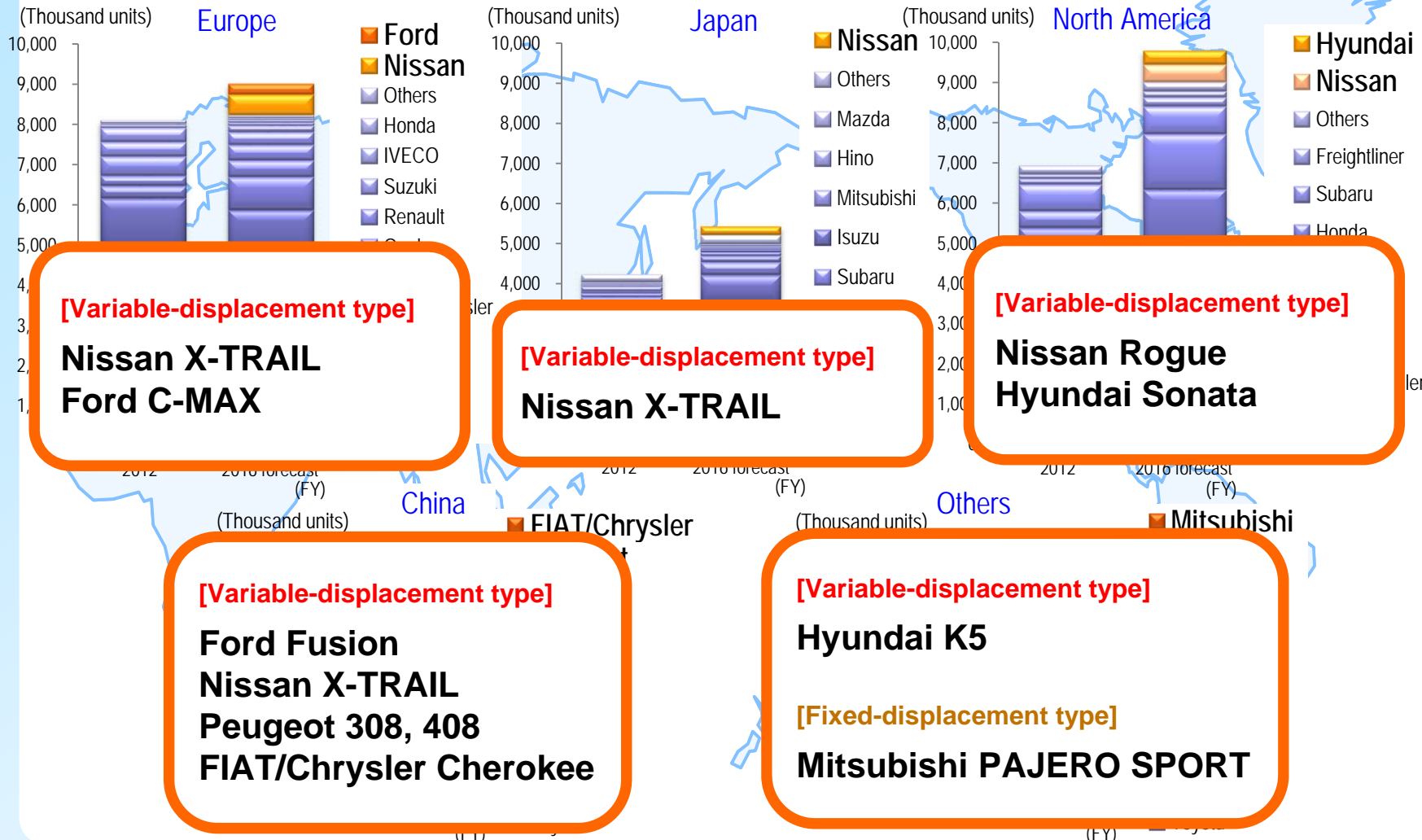
Type of compressor and vehicle models of new customers

Fixed-displacement type:

- Fixed cooling capacity with constant full-power operation
- Small, light-weight and low cost with simple mechanism

Variable-displacement type:

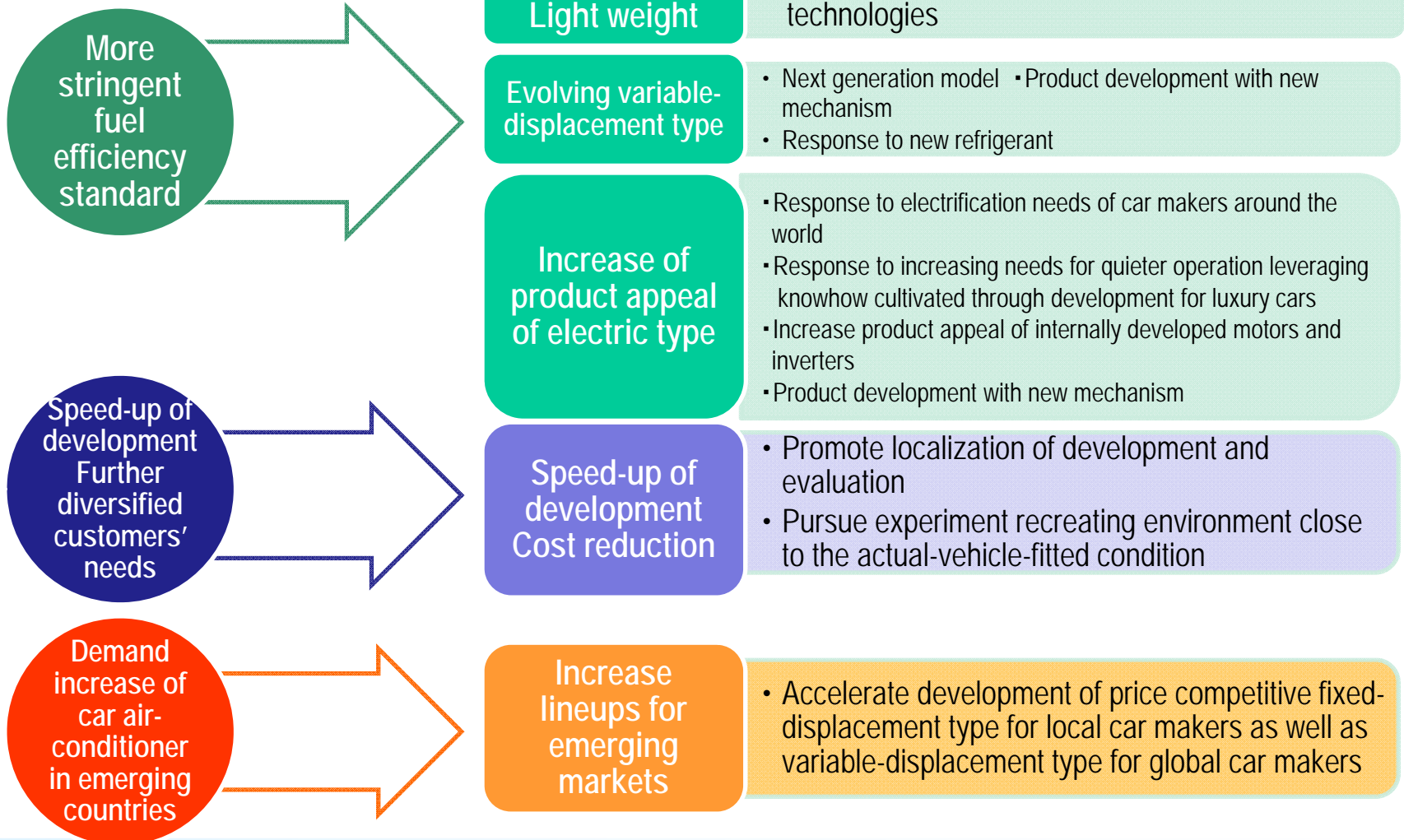
- Highly fuel efficient by automatically controlling cooling capacity based on temperature and engine load situation



Key Components Car air-conditioning Compressor

[3. Development activities]

Promote advanced development by optimally responding to changes in surrounding environment



[4. Production and supply structures activities]

Further enhance production and supply structures for mid-term

Activities to date

Strengthened production capacity for variable-displacement type outside Japan with mainly compact assembly line.

Promoting activities aiming for further increasing productivity and quality.

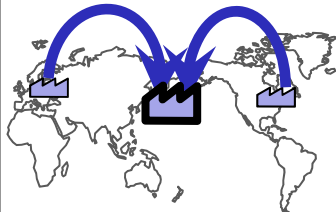
Points of compact assembly line are:

**Flexible response
to demand
fluctuations**

Half production capacity
in one-third floor space

**Outstanding
high quality**

**Thorough removal
of dust**



Set up a model assembly line in Japan in 2015 with improvements from compact assembly lines outside Japan.

Activities for mid-term

Increase of production capacity is necessary to respond to demand increase

- **Deploy enhanced compact assembly line globally**

Further increase quality and productivity and deploy it globally as the enhanced compact assembly line.

- **Human resources development worldwide**

Mother plant in Japan supports human resources development of plants outside Japan with an aim to strengthen manufacturing functions.



-Concentration and Selection of Businesses-

Sell shares of Asahi Security Co., Ltd. and Wanbishi Archives Co., Ltd.

We have promoted **concentration and selection of businesses focusing on materials handling equipment and automobile related fields, both are our core businesses.**

=> Aim for further growth by continuing concentration and selection of businesses.

We have decided to sell shares of both companies in consideration of their benefit of further growth; they can anticipate greater synergy with SECOM and NIPPON EXPRESS respectively.

Asahi Security (acquired in 2005)

- Cash collection and delivery and cash proceeds management services
- Security guard services for cash machines
- >SECOM CO., LTD. to acquire Asahi

Wanbishi Archives (acquired in 2007)

- Data storage, management, collection and delivery services
- Business data backup services
- >NIPPON EXPRESS CO., LTD. to acquire Wanbishi

Aim for further growth by focusing on our core businesses

Materials Handling Equipment

- Strengthen component business in collaboration with Cascade
- Enforce our response to emerging countries with Tailift
- Enhance our sales finance business

Automobile Related

- Consolidation of Toyota Group's diesel engine development and production to us
- Development and production of turbo chargers
- Development and production of components for fuel cell vehicles
- Development and production of highly fuel economical compressors

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.