

FINANCIAL SUMMARY

FY2017 Second Quarter

(April 1, 2016 through September 30, 2016)

TOYOTA INDUSTRIES CORPORATION

English translation from the original Japanese-language document

Cautionary Statement with Respect to Forward-Looking Statements

This report contains projections and other forward-looking statements that involve risks and uncertainties. Our use of the words "expect," "anticipate," "estimate," "forecast," "plan" and similar expressions is intended to identify such forward-looking statements. Projections and forward-looking statements are based on the current expectations and estimates of Toyota Industries Corporation and its Group companies regarding their plans, outlook, strategies and results for the future. All such projections and forward-looking statements are based on management's assumptions and beliefs derived from the information available to it at the time of producing this report and are not guarantees of future performance. Toyota Industries Corporation and its Group companies undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Therefore, it is advised that you should not rely solely upon these projections and forward-looking statements in making your investment decisions. You should also be aware that certain risks and uncertainties could cause the actual results of Toyota Industries Corporation and its Group companies to differ materially from any projections or forward-looking statements discussed in this report. These risks and uncertainties include, but are not limited to, the following: 1) reliance on a small number of customers, 2) product development capabilities, 3) intellectual property rights, 4) product defects, 5) price competition, 6) reliance on suppliers of raw materials and components, 7) environmental regulations, 8) success or failure of strategic alliances with other companies, 9) exchange rate fluctuations, 10) share price fluctuations, 11) effects of disasters, power blackouts and other incidents, 12) latent risks associated with international activities and 13) retirement benefit liabilities.

FY2017 Second Quarter Consolidated Financial Results <Japanese GAAP>

(April 1, 2016 - September 30, 2016)

TOYOTA INDUSTRIES CORPORATION

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

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The expected date of submission of the quarterly report: November 10, 2016

The expected date of dividends payment: November 25, 2016

Additional documents to supplement quarterly financial results: Yes

Quarterly IR presentation: Yes (For analysts and professional investors)

(Amounts less than one million yen are omitted)

1. Financial Highlights for FY2017 Second Quarter (April 1, 2016 - September 30, 2016)

(1) Consolidated Financial Results

(% : changes from the same period of the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2017 Second Quarter	1,078,430	(2.5)	58,217	(16.9)	84,305	(15.4)	60,979	(10.3)
FY2016 Second Quarter	1,105,951	5.7	70,041	23.3	99,614	14.4	67,979	11.5

(Note) Comprehensive income: FY2017 Second Quarter — (48,544 million yen) [-%]

FY2016 Second Quarter — (196,173 million yen) [-%]

	Earnings per share—basic	Earnings per share—diluted
	Yen	Yen
FY2017 Second Quarter	194.29	-
FY2016 Second Quarter	216.38	216.35

(2) Consolidated Financial Position

	Total assets	Total net assets	Equity ratio
	Million yen	Million yen	%
FY2017 Second Quarter	3,968,472	2,038,407	49.4
FY2016	4,199,196	2,113,948	48.5

(Note) Shareholders' equity: FY2017 Second Quarter — 1,961,790 million yen, FY2016 — 2,036,808 million yen

2. Cash Dividends

	Annual cash dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	FY Total
	Yen	Yen	Yen	Yen	Yen
FY2016	-	60.00	-	60.00	120.00
FY2017	-	60.00			
FY2017 (Forecast)			-	60.00	120.00

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

3. Forecasts of Consolidated Financial Results for FY2017 (April 1, 2016 - March 31, 2017)

(% : changes from the same period of the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the parent		Earnings per share—basic
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2017	2,200,000	(1.9)	120,000	(10.9)	173,000	(6.7)	119,000	(35.0)	380.68

(Note) Changes in the forecasts of consolidated financial results in this quarter : Yes

4. Others

- (1) Changes in major subsidiaries (specified subsidiaries that changed the scope of consolidation) : No
- (2) Application of special accounting methods for the preparation of quarterly consolidated financial statements : No
- (3) Changes in accounting policies, accounting estimates and restatement
 - ① Changes in accounting policies with revision of accounting standards : Yes
 - ② Changes other than ① : No
 - ③ Changes in accounting estimates : No
 - ④ Restatement : No

(Note)Please see page 3 on attached documents for details on "Changes in accounting policies, accounting estimates and restatement".

- (4) Issued and outstanding capital stock
 - ① Number of shares outstanding at end of each period (including treasury stock):
FY2017 Second Quarter — 325,840,640 shares, FY2016 — 325,840,640 shares
 - ② Number of treasury stock outstanding at end of each period:
FY2017 Second Quarter — 13,243,712 shares, FY2016 — 11,613,812 shares
 - ③ Average number of shares outstanding for each period (accumulated):
FY2017 Second Quarter — 313,851,385 shares, FY2016 Second Quarter — 314,168,402 shares

* Progress of procedures for financial review of quarterly financial results

- The quarterly financial statements are under procedures of financial review, at the time of disclosure of this report.

* Explanation regarding the proper use of performance forecasts and other special items

- All projections are based on the information available to management at the time of making this report and are not guarantees of future performance. Uncertainties could cause the actual results of Toyota Industries to differ materially from any projections discussed in this report.
- Our projections are based on assumed exchange rates of 103 yen to the U.S. dollar and 114 yen to the euro for FY2017.
- Please see page 3 on attached documents for details on performance forecasts in "Explanation for Forecast for FY2017".

(Attached Documents)

Contents

1. Explanation for Quarterly Financial Results	2
(1) Explanation for Business Results	2
(2) Explanation for Financial Condition	2
(3) Explanation for Forecast for FY2017	2
2. Matters concerning Summary Information (Note)	3
(1) Changes in accounting policies, accounting estimates and restatement	3
(2) Additional Information	3
3. Quarterly Consolidated Financial Statements	4
(1) Quarterly Consolidated Balance Sheets	4
(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income	6
(3) Note on Quarterly Consolidated Financial Statements	8
(Note on Premise of Going Concern)	8
(Note on Significant Changes in the Amount of Shareholders' Equity)	8
(Segment Information)	8

1. Explanation for Quarterly Financial Results

(1) Explanation for Business Results

During the second quarter of fiscal 2017 (the six months from April 1 to September 30, 2016), total consolidated net sales of Toyota Industries amounted to 1,078.4 billion yen, a decrease of 27.5 billion yen, or 2%, from the same period of the previous fiscal year. The following is a review of operations for the major business segments.

Net sales of the Automobile Segment totaled 542.5 billion yen, an increase of 37.3 billion yen, or 7%, from the same period of the previous fiscal year.

Within this segment, net sales of the Vehicle Business amounted to 265.1 billion yen, an increase of 45.4 billion yen, or 21%. This is attributable primarily to having started producing the hybrid version of the RAV4 despite a decline in sales of the Vitz (Yaris overseas) and the RAV4.

Net sales of the Engine Business totaled 83.8 billion yen, on par with the same period of the previous fiscal year. This is attributable primarily to increases in sales of GD diesel engines despite a decrease in sales of KD diesel engines.

Net sales of the Car Air-Conditioning Compressor Business totaled 163.8 billion yen, a decrease of 8.2 billion yen, or 5%. The decrease was attributable mainly to the impact of exchange rate fluctuations despite an increase in unit sales mainly in European, North American, Japanese, Chinese and other markets.

Net sales of the Electronics Parts, Foundry and Others Business totaled 29.6 billion yen, on par with the same period of the previous fiscal year, due to increase in sales of electronics parts despite a decrease in sales of foundry parts.

Net sales of the Materials Handling Equipment Segment amounted to 478.0 billion yen, a decrease of 34.5 billion yen, or 7%. The decrease was attributable mainly to the impact of exchange rate fluctuations although unit sales of lift trucks, a mainstay product of this segment, increased primarily in Europe.

Net sales of the Textile Machinery Segment totaled 28.5 billion yen, a decrease of 2.6 billion yen, or 8%. Sales of Air jet Loom increased while those of weaving machinery recorded a decrease.

Net sales of the Others Segment totaled 29.2 billion yen, a decrease of 27.7 billion yen, or 49%, due mainly to sales of all shares of Asahi Securities Co., Ltd. and Wanbishi Archives Co., Ltd. which were consolidated subsidiaries, in December, 2015.

In terms of overall profit, despite increases in promoting cost reduction efforts throughout the Toyota Industries Group and decreases in depreciation costs, Toyota Industries recorded a decrease in profit due mainly to the impact of exchange rate fluctuations, an increase in labor costs and negative sales mix. As a result, Toyota Industries posted consolidated operating profit of 58.2 billion yen, a decrease of 11.8 billion yen, or 17%, from the same period of the previous fiscal year and ordinary profit of 84.3 billion yen, a decrease of 15.3 billion yen, or 15%, from the same period of the previous fiscal year. Profit attributable to owners of the parent totaled 60.9 billion yen, a decrease of 7.0 billion yen, or 10%, from the same period of the previous fiscal year.

(2) Explanation for Financial Condition

Total assets decreased 230.7 billion yen from the end of the previous fiscal year to 3,968.4 billion yen due mainly to a decrease in market value of investment securities and a decrease in fixed assets. Liabilities amounted to 1,930.0 billion yen, a decrease of 155.2 billion yen from the end of the previous fiscal year due mainly to a decrease in long-term loans payable. Net assets amounted to 2,038.4 billion yen, a decrease of 75.5 billion yen from the end of the previous fiscal year.

(3) Explanation for Forecast for FY 2017

Toyota Industries forecasts consolidated net sales of 2,200.0 billion yen, operating profit of 120.0 billion yen. Due to results of the first half of FY2017, Toyota Industries has revised its forecasts of consolidated financial results for FY2017 to consolidated ordinary income of 173.0 billion yen, profit attributable to owners of the parent of 119.0 billion yen. Our forecasts are based on assumed exchange rates of 103 yen to the U.S dollar and 114 yen to the euro for fiscal 2017.

2. Matters concerning Summary Information (Note)

(1) Changes in accounting policies, accounting estimates and restatement

(Changes in accounting policies with revision of accounting standards)

In accordance with the revision of the Corporation Tax Act, effective from the first quarter of fiscal 2017 a part of consolidated subsidiaries in Japan adopted the Practical Solution on a Change in Depreciation Method due to Tax Reform 2016 (Practical Issue Task Force No. 32, June 17, 2016). Accordingly, Toyota Industries has changed the depreciation method for facilities attached to buildings and structures acquired on or after April 1, 2016 from the declining-balance method to the straight-line method.

(2) Additional information

(Changes in presentation)

Until the previous fiscal year, regarding profits and expenses arising from the sales financing business for materials handling equipment, profits had been included in "Interest income" under "Non-operating profit" while expenses had been included in "Interest expenses" under "Non-operating expenses." Starting from the first quarter of fiscal 2017, "Interest income" is included in "Net sales" while "Interest expenses" is included in "Cost of sales.

"Lease investment assets" and "Long-term loans receivable" related to the sales financing business for materials handling equipment had been classified as "Fixed assets." Starting from the first quarter of fiscal 2017, Toyota Industries has changed the classification to "Current assets" in accordance with the normal operating cycle rule.

(Revised Implementation Guidance on Recoverability of Deferred Tax Assets)

Toyota Industries adopted "Revised Implementation Guidance on Recoverability of Deferred Tax Assets" (Accounting Standards Board of Japan Guidance No.26, March 28, 2016) from the first quarter of fiscal 2017.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	FY2016 (As of March 31, 2016)	FY2017 Second Quarter (As of September 30, 2016)
Assets		
Current assets:		
Cash and deposits	352,302	310,818
Trade notes and accounts receivable	280,807	274,525
Lease investment assets	235,598	219,253
Short-term investments	10,871	10,745
Merchandise and finished goods	92,298	88,037
Work in process	41,868	43,129
Raw materials and supplies	63,035	57,653
Deferred tax assets	25,185	21,598
Other current assets	159,054	147,952
Allowance for doubtful accounts	(3,796)	(3,572)
Total current assets	1,257,226	1,170,142
Fixed assets:		
Property, plant and equipment		
Buildings and structures, net	160,048	152,586
Machinery, equipment and vehicles, net	451,334	418,021
Tools, furniture and fixtures, net	27,449	24,975
Land	119,897	121,053
Construction in progress	22,521	19,398
Total property, plant and equipment	781,251	736,035
Intangible assets:		
Goodwill	76,980	65,972
Other intangible assets	93,234	83,590
Total intangible assets	170,214	149,563
Investments and other assets:		
Investment securities	1,945,123	1,868,321
Deferred tax assets	14,109	13,314
Net defined benefit assets	8,215	7,969
Other investments and other assets	24,458	24,438
Allowance for doubtful accounts	(1,403)	(1,311)
Total investments and other assets	1,990,504	1,912,731
Total fixed assets	2,941,970	2,798,330
Total assets	4,199,196	3,968,472

(Million yen)

	FY2016 (As of March 31, 2016)	FY2017 Second Quarter (As of September 30, 2016)
Liabilities		
Current liabilities:		
Trade notes and accounts payable	214,162	217,157
Short-term loans payable	170,844	213,040
Commercial paper	-	1,177
Current portion of bonds	19,999	10,000
Lease obligations	41,411	35,289
Accounts payable-other	25,754	19,128
Accrued income taxes	47,473	12,575
Deferred tax liabilities	149	120
Allowance for bonuses to directors	644	241
Other current obligations	153,195	147,739
Total current liabilities	673,636	656,470
Long-term liabilities:		
Bonds payable	191,555	201,555
Long-term loans payable	508,593	410,403
Lease obligations	98,771	79,362
Deferred tax liabilities	500,077	475,659
Net defined benefit liabilities	90,920	87,361
Other long-term liabilities	21,692	19,252
Total long-term liabilities	1,411,611	1,273,594
Total liabilities	2,085,248	1,930,064
Total Net Assets		
Shareholders' equity:		
Common stock	80,462	80,462
Capital surplus	105,562	105,557
Retained earnings	789,502	831,628
Treasury stock	(41,266)	(49,068)
Total shareholders' equity	934,260	968,579
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	1,105,544	1,053,732
Deferred gains or losses on hedges	360	(89)
Foreign currency translation adjustment	22,813	(37,304)
Defined benefit plan adjustments	(26,169)	(23,128)
Total accumulated other comprehensive income	1,102,547	993,211
Subscription rights to shares	6	-
Non-controlling interests	77,133	76,616
Total net assets	2,113,948	2,038,407
Total liabilities and net assets	4,199,196	3,968,472

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

Quarterly Consolidated Statements of Income

(Million yen)

	FY2016 Second Quarter (April 1, 2015 - September 30, 2015)	FY2017 Second Quarter (April 1, 2016 - September 30, 2016)
Net sales	1,105,951	1,078,430
Cost of sales	892,090	880,469
Gross profit	213,860	197,961
Selling, general and administrative expenses	143,818	139,744
Operating profit	70,041	58,217
Non-operating profit:		
Dividends income	35,494	32,256
Other non-operating profit	5,099	4,375
Total non-operating profit	40,594	36,632
Non-operating expenses:		
Interest expenses	5,689	4,331
Other non-operating expenses	5,331	6,212
Total non-operating expenses	11,020	10,544
Ordinary profit	99,614	84,305
Profit before income taxes	99,614	84,305
Income taxes-current	28,912	15,220
Income taxes-deferred	(579)	4,144
Total income taxes	28,332	19,364
Profit	71,282	64,940
Profit attributable to non-controlling interests	3,302	3,961
Profit attributable to owners of the parent	67,979	60,979

Quarterly Consolidated Statements of Comprehensive Income

(Million yen)

	FY2016 Second Quarter (April 1, 2015 - September 30, 2015)	FY2017 Second Quarter (April 1, 2016 - September 30, 2016)
Profit	71,282	64,940
Other comprehensive income:		
Valuation difference on available-for-sale securities	(262,835)	(51,832)
Deferred gains or losses on hedges	309	(449)
Foreign currency translation adjustment	(4,629)	(63,724)
Defined benefit plan adjustments	47	3,079
Share of other comprehensive income of associates accounted for using equity method	(347)	(558)
Total other comprehensive income	(267,455)	(113,485)
Comprehensive Income	(196,173)	(48,544)
Profit attributable to:		
Owners of the parent	(198,389)	(48,357)
Non-controlling interests	2,215	(187)

**(3) Note on Quarterly Consolidated Financial Statements
(Note on Premise of Going Concern) : No**

(Note on Significant Changes in the Amount of Shareholders' Equity)

During the Second quarter of fiscal 2017 (the six months from April 1 to September 30, 2016), Toyota Industries paid dividends of 18,853 million yen from retained earnings.

(Segment Information)

FY2016 Second Quarter (April 1, 2015 - September 30, 2015)

(Million yen)

	Automobile	Materials handling equipment	Textile machinery	Others	Total	Eliminations	Consolidated
Net sales							
Outside customer sales	505,284	512,537	31,166	56,962	1,105,951	-	1,105,951
Inter-segment transactions	12,191	1,252	111	11,088	24,644	(24,644)	-
Total	517,476	513,790	31,277	68,051	1,130,595	(24,644)	1,105,951
Segment profit	15,322	47,901	1,781	4,961	69,966	74	70,041

- (Notes) 1. "Others" is business segment not included in reportable segments.
2. Segment profit of 74 million yen is inter-segment eliminations.
3. Segment profit is adjusted to operating profit of Quarterly Consolidated Statements of Income.

FY2017 Second Quarter (April 1, 2016 - September 30, 2016)

(Million yen)

	Automobile	Materials handling equipment	Textile machinery	Others	Total	Eliminations	Consolidated
Net sales							
Outside customer sales	542,508	478,087	28,577	29,257	1,078,430	-	1,078,430
Inter-segment transactions	11,885	651	104	10,428	23,069	(23,069)	-
Total	554,393	478,738	28,681	39,685	1,101,500	(23,069)	1,078,430
Segment profit	13,566	39,352	1,779	3,465	58,162	54	58,217

- (Notes) 1. "Others" is business segment not included in reportable segments.
2. Segment profit of 54 million yen is inter-segment eliminations.
3. Segment profit is adjusted to operating profit of Quarterly Consolidated Statements of Income.
4. Starting from the first quarter of fiscal 2017, Toyota Industries has reclassified the reporting segment previously presented as the Logistics Segment because of its immateriality and included its results in either the Materials Handling Equipment Segment or the Others Segment.
The segment information for the second quarter of the previous fiscal year is presented after the reclassification.