



FY2018 Financial Results



May 8, 2018



TOYOTA INDUSTRIES CORPORATION

I. Financial Summary

1. Points of financial results
2. Financial results for FY2018
3. Financial forecast for FY2019

Points of Financial Results for FY2018

1. Net sales and profits increased from previous fiscal year.

2. Dividends for FY2018 is ¥150, ¥25 increase from previous fiscal year. Plan of dividends for FY2019 is same as FY2018.

3. Increase in net sales and decrease in profits are expected for the FY2019 full year forecast. However, increases in profits are expected if one time effect are not counted.

Performance <FY2018>

(Billion yen)

| | FY2017 | FY2018 | Change | |
|--|---------------|-----------------------------|--------------|----------|
| Net sales | 1,675.1 | 2,003.9 | 328.8 | 19.6% |
| Operating profit | 127.3 | 147.4 | 20.1 | 15.8% |
| Profit before income taxes | 181.9 | 209.8 | 27.9 | 15.3% |
| Profit attributable to owners of the parent | 131.3 | 168.1 | 36.8 | 28.0% |
| Earnings per share | ¥420.78 | ¥541.67 | ¥120.89 | - |
| Dividends per share [Year end] | ¥125 [¥65] | ¥150 [¥80] | ¥25 [¥15] | - [-] |
| Payout ratio | 29.7% | 27.7%* | - | - |

* 30.4% if the effect of the US Tax Cuts and Jobs Act is not counted.

| | | | | |
|---------------|------|-------------|-----|---|
| ¥/US\$ | ¥108 | ¥111 | ¥3 | - |
| ¥/Euro | ¥119 | ¥130 | ¥11 | - |

- Sales increase of pre-existing business as well as acquisition of two logistics solutions companies namely Bastian and Vanderlande mainly contributed to increase of net sales and profits.
- Increase of dividends from FY2017 ¥125 to FY2018 ¥150.

Segment Information <FY2018>

Net sales [Operating profit]

(Billion yen)

| | FY2017 | FY2018 | Change | |
|---------------------------------------|--------------------|---------------------------|------------------|--------|
| Vehicle | 73.1 | 72.1 | (1.0) | (1.4%) |
| Engine | 90.0 | 98.7 | 8.7 | 9.6% |
| Car air-conditioning compressor | 334.7 | 351.4 | 16.7 | 5.0% |
| Electronics parts, foundry and others | 64.7 | 72.7 | 8.0 | 12.4% |
| Automobile | 562.6 [24.9] | 595.0 [29.6] | 32.4 [4.7] | 5.7% |
| Materials handling equipment | 988.1 [89.4] | 1,283.0 [104.9] | 294.9 [15.5] | 29.8% |
| Textile machinery | 66.2 [6.8] | 65.5 [6.1] | (0.7) [(0.7)] | (1.2%) |
| Others | 58.0 [6.0] | 60.3 [6.6] | 2.3 [0.6] | 4.0% |
| Total | 1,675.1 [127.3] | 2,003.9 [147.4] | 328.8 [20.1] | 19.6% |

Unit sales

(Thousand units)

| | FY2017 | FY2018 | Change |
|---------------------------------|--------|---------------|--------|
| RAV4 | 206 | 205 | (1) |
| Vitz (Yaris) | 101 | 93 | (8) |
| Vehicle | 307 | 298 | (9) |
| Diesel | 294 | 330 | 36 |
| Gasoline | 207 | 244 | 37 |
| Engine | 501 | 574 | 73 |
| Car air-conditioning compressor | 32,550 | 33,420 | 870 |
| Materials handling equipment | 253 | 263 | 10 |
| Air-jet loom | 6.9 | 6.3 | (0.6) |

Vehicle :Net sales decreased due mainly to decrease of unit sales of Vitz (Yaris).

Engine :Net sales increased by unit sales increase of AR gasoline engines and GD diesel engines.

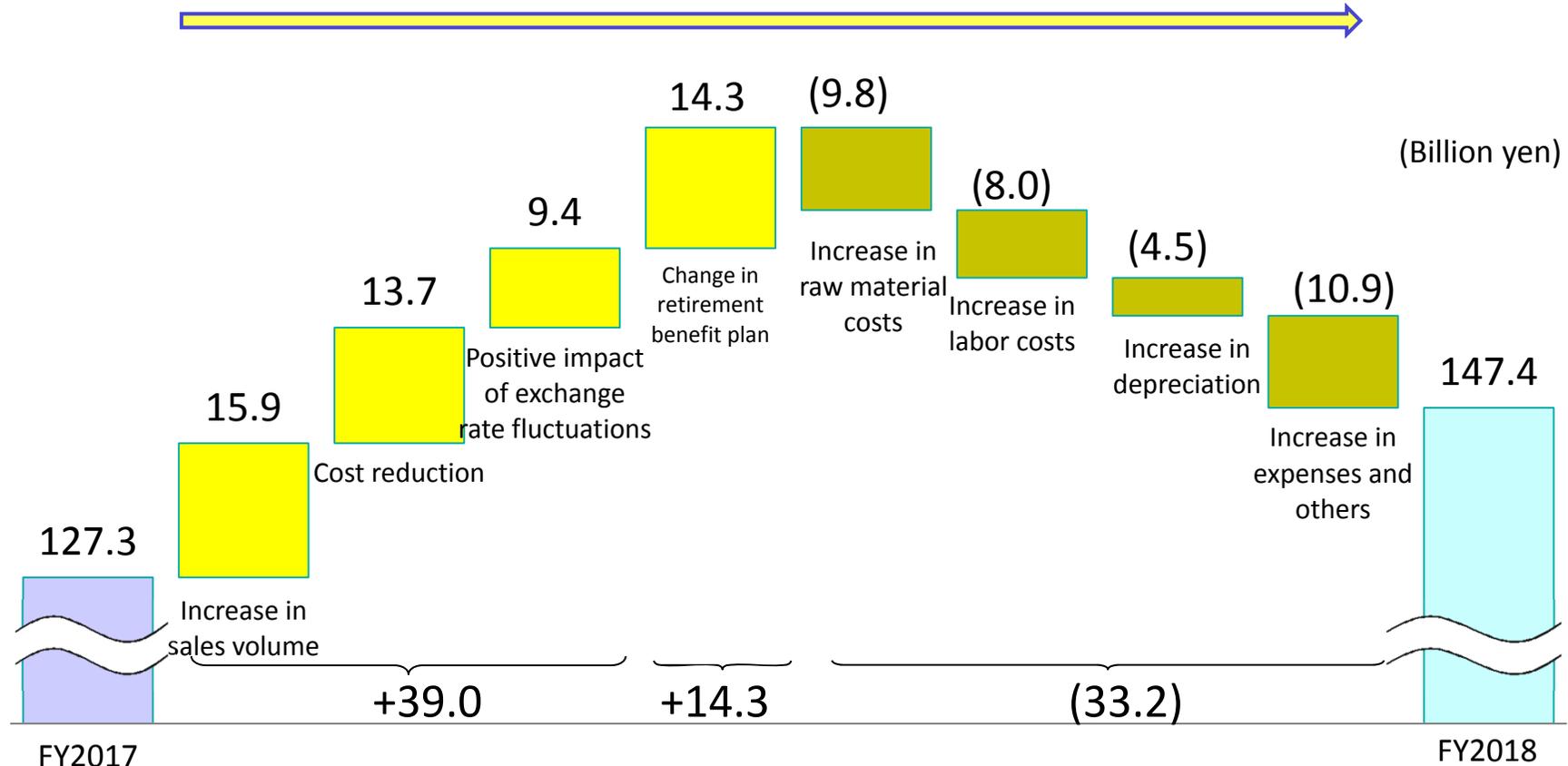
Car air-conditioning compressor :Net sales increased as unit sales in Japan, North America and China increased.

Materials handling equipment :Net sales increased by unit sales increase in each region as well as acquisition of Bastian and Vanderlande.

Changes in Operating Profit

Year-on-year comparison (FY2017 and FY2018)

Operating profit: ¥20.1 billion increase (from ¥127.3 billion to ¥147.4 billion)



- Increase of unit sales and cost reduction of each business, as well as change in retirement benefit plan contributed to increase of profit.
- Increases of raw material and labor costs negatively affected on profit.

Performance <FY2018>

(Billion yen)

| | FY2017 | FY2018 | Change | |
|--------------------------------|--------|---------------|--------|-------|
| Investments in tangible assets | 77.3 | 115.4 | 38.1 | 49.2% |
| Depreciation | 73.2 | 77.7 | 4.5 | 6.1% |

- Investments in tangible assets in the Automobile segment increased, mainly for the vehicle and engine businesses.

Performance <FY2018>

(Billion yen)

| | As of March 31, 2017 | As of March 31, 2018 | Change | |
|---|-------------------------|-------------------------|-----------|-------|
| Total assets | 4,558.2* | 5,258.5* | 700.3 | 15.4% |
| Total equity | 2,316.4 | 2,633.8 | 317.4 | 13.7% |
| Equity attributable to owners of the parent per share | ¥7,215.37 | ¥8,223.82 | ¥1,008.45 | - |
| Percentage of equity attributable to owners of the parent | 49.1% | 48.6% | - | - |
| Consolidated subsidiaries | 207 | 254 | 47 | - |

* Includes sales finance assets, ¥584.7 billion as of March 31, 2017, and ¥635.9 billion as of March 31, 2018.

*Total assets increased due mainly to acquisition of Bastian and Vanderlande as well as an increase in market value of investment securities.

Performance <FY2019 Forecast>

(Billion yen)

| | FY2018 | FY2019 | Change | |
|--|---------------|---------------|-------------|----------|
| Net sales | 2,003.9 | 2,150.0 | 146.1 | 7.3% |
| Operating profit | 147.4 | 135.0 | (12.4) | (8.4%) |
| Profit before income taxes | 209.8 | 189.0 | (20.8) | (9.9%) |
| Profit attributable to owners of the present | 168.1 | 146.0 | (22.1) | (13.2%) |
| Earnings per share | ¥541.67 | ¥470.23 | (¥71.44) | - |
| Dividends per share [Year-end] | ¥150 [¥80] | ¥150 [¥75] | - [(¥5)] | - [-] |
| Payout ratio | 27.7% | 31.9% | - | - |
| ¥/US\$ | ¥111 | ¥105 | (¥6) | - |
| ¥/Euro | ¥130 | ¥130 | - | - |

Segment Information <FY2019 Forecast>

Net sales [Operating profit]

(Billion yen)

| | FY2018 | FY2019 | Change | |
|---------------------------------------|--------------------|----------------------------------|-------------------|--------|
| Vehicle | 72.1 | 69.0 | (3.1) | (4.3%) |
| Engine | 98.7 | 110.0 | 11.3 | 11.4% |
| Car air-conditioning compressor | 351.4 | 361.0 | 9.6 | 2.7% |
| Electronics parts, foundry and others | 72.7 | 75.0 | 2.3 | 3.1% |
| Automobile | 595.0 [29.6] | 615.0 | 20.0 | 3.4% |
| Materials handling equipment | 1,283.0 [104.9] | 1,410.0 | 127.0 | 9.9% |
| Textile machinery | 65.5 [6.1] | 65.0 | (0.5) | (0.8%) |
| Others | 60.3 [6.6] | 60.0 | (0.3) | (0.6%) |
| Total | 2,003.9 [147.4] | 2,150.0 [135.0] | 146.1 [(12.4)] | 7.3% |

Unit sales

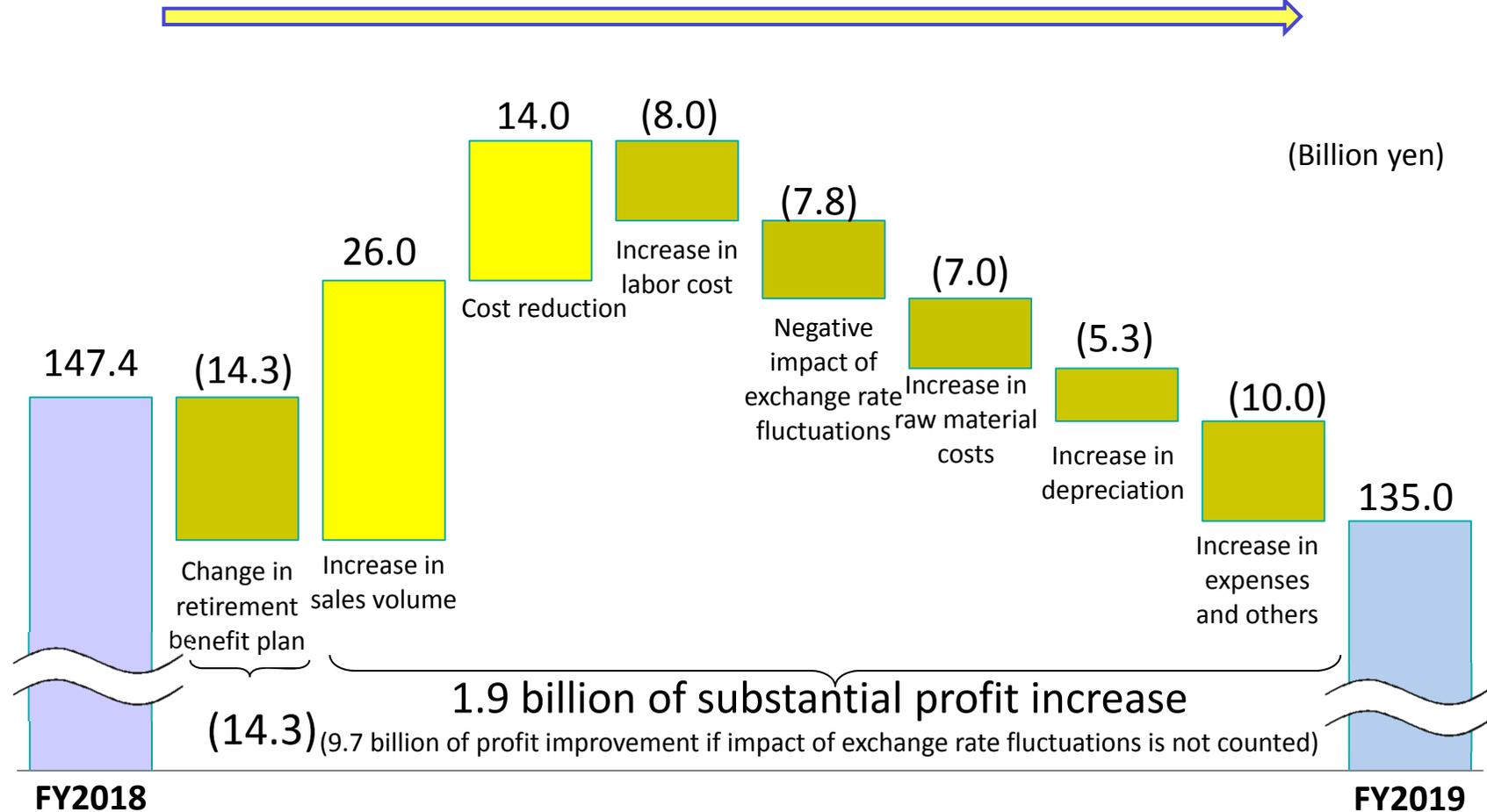
(Thousand units)

| | FY2018 | FY2019 | Change |
|---------------------------------|--------|------------|--------|
| RAV4 | 205 | 237 | 32 |
| Vitz (Yaris) | 93 | 48 | (45) |
| Vehicle | 298 | 285 | (13) |
| Diesel | 330 | 403 | 73 |
| Gasoline | 244 | 222 | (22) |
| Engine | 574 | 625 | 51 |
| Car air-conditioning compressor | 33,420 | 35,400 | 1,980 |
| Materials handling equipment | 263 | 294 | 31 |
| Air-jet loom | 6.3 | 6.2 | (0.1) |

Changes in Operating Profit

Year-on-year comparison (FY2018 full year and FY2019 full year forecast)

Operating profit: ¥12.4 billion decrease (from ¥147.4 billion to ¥135.0 billion)



Performance <FY2019 Forecast>

(Billion yen)

| | FY2018 | FY2019 | Change | |
|--------------------------------|--------|---------------|--------|--------|
| Investments in tangible assets | 115.4 | 110.0 | (5.4) | (4.7%) |
| Depreciation | 77.7 | 83.0 | 5.3 | 6.8% |

II Our Business Initiatives toward Medium Term Growth

Materials Handling Equipment

Car air-conditioning Compressor

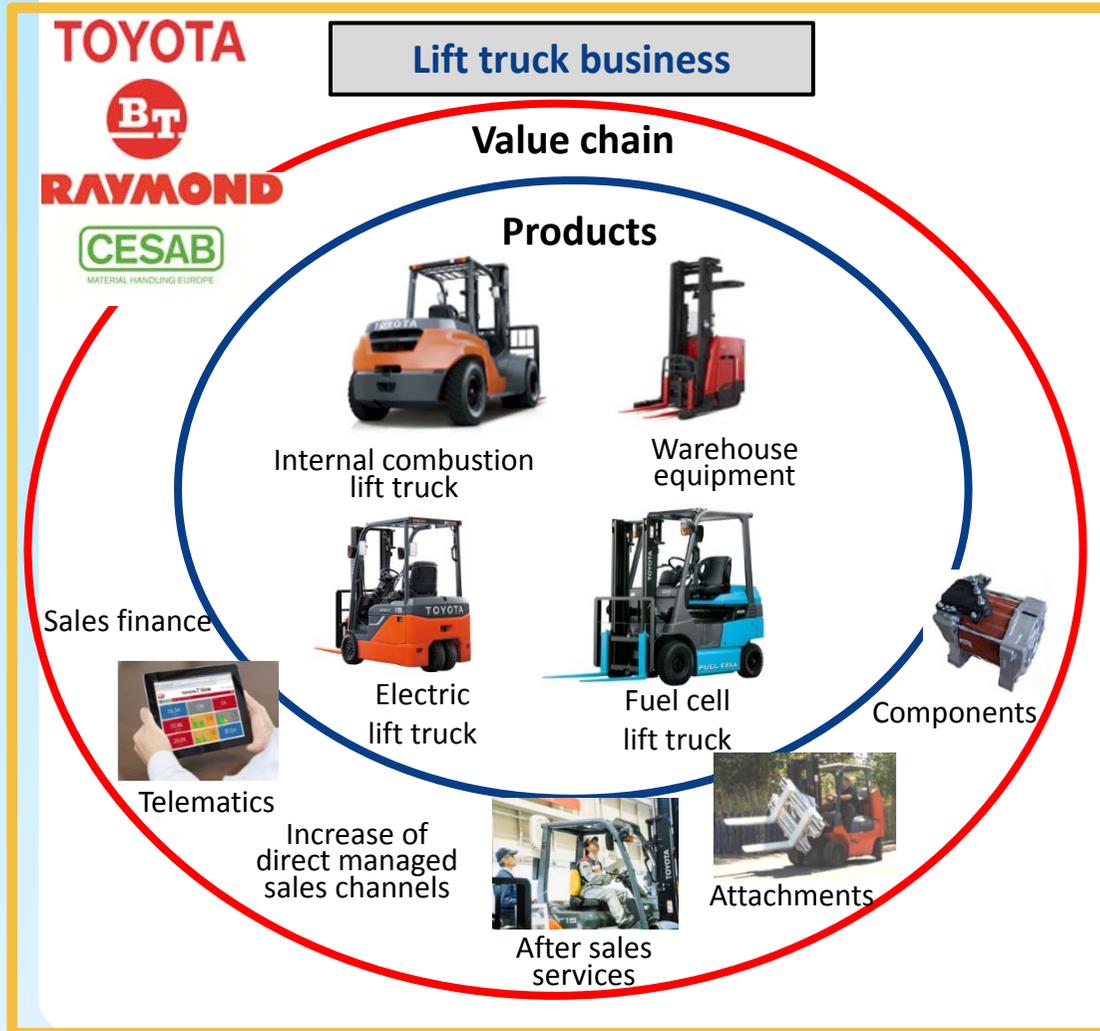
1. Overview of Materials Handling Equipment Segment
2. Lift truck sales situation
3. Value chain of lift truck business
4. Logistics solutions business
5. Our initiatives toward mid-term business growth

Materials Handling Equipment

1. Overview of Materials Handling Equipment Segment

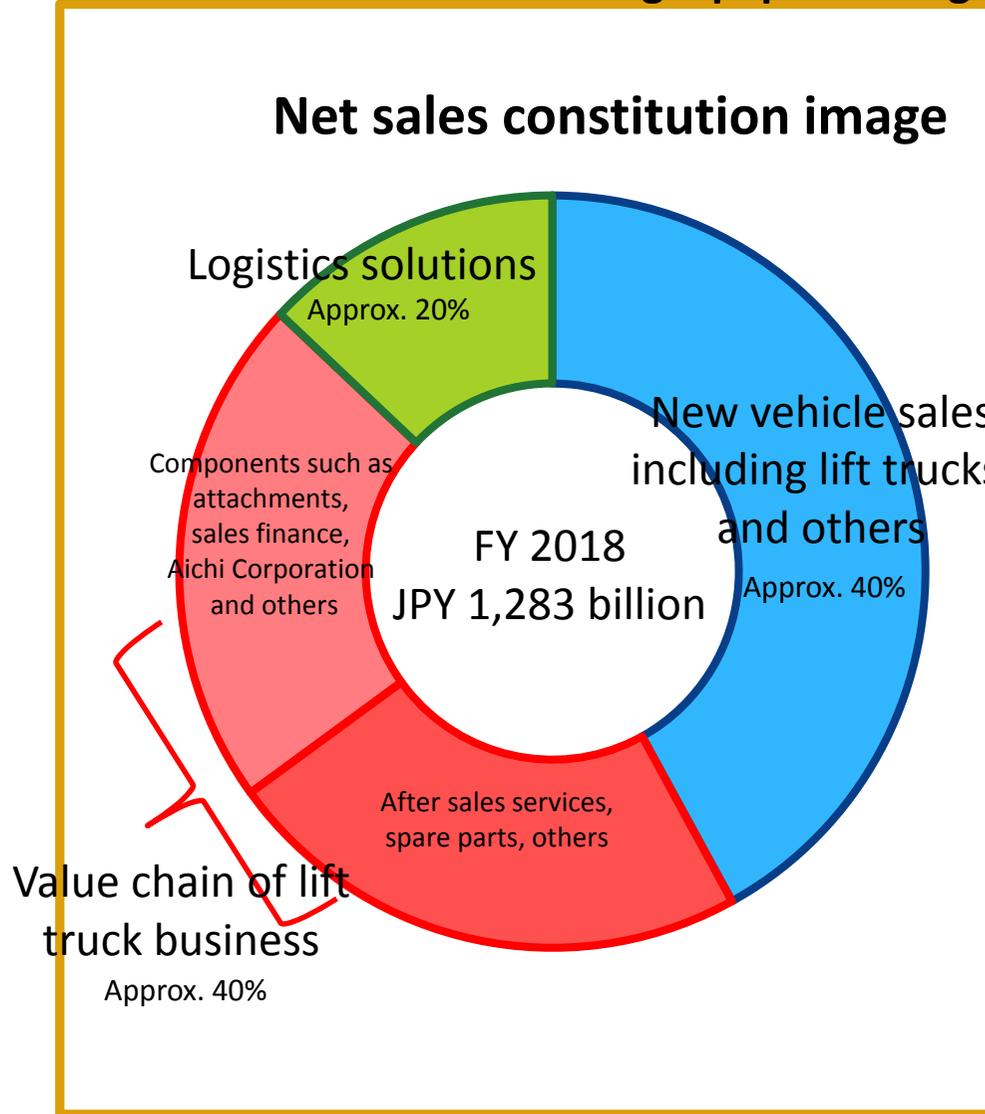
- Expansion of value chain centered on lift trucks
- Enhancement of logistics solutions business

Business structure is almost completed



Materials Handling Equipment

1. Overview of Materials Handling Equipment Segment



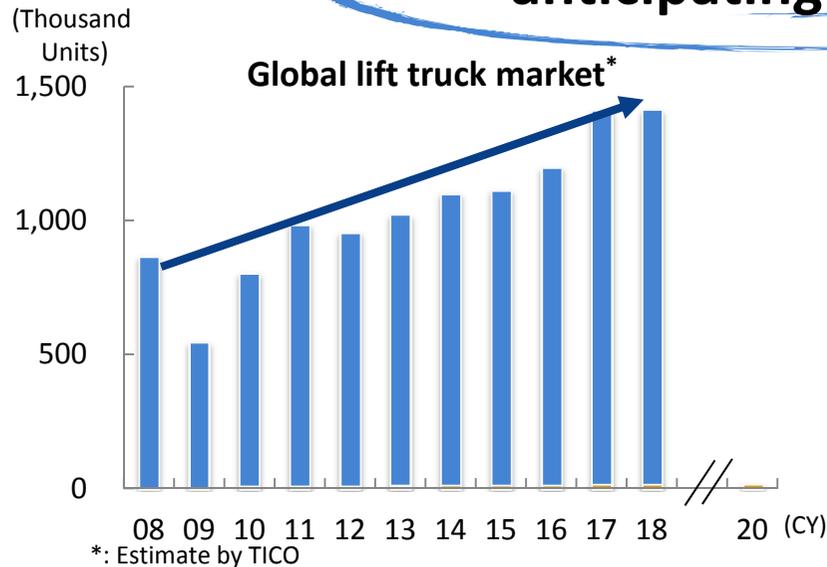
Major activities

- Sales expansion of **lift trucks** anticipating market needs
- Maximize outcome of **value chain** expansion
- Expansion and strengthen of **logistics solutions** business globally

Materials Handling Equipment

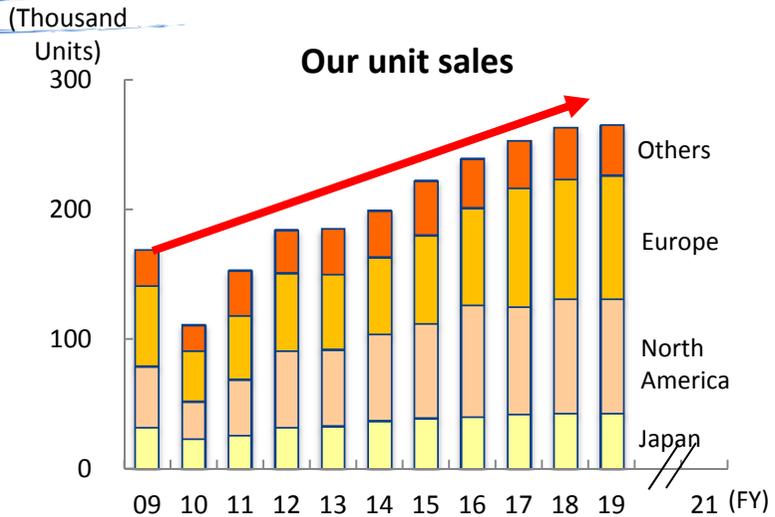
2. Lift truck sales situation

**Sales expansion of lift truck
anticipating market needs**



**Market is stable and continuous
growth is expected**

- Stable world economy supports continuous and gradual market growth
- Global logistics volume is expected to increase due to growth of existing demand as well as new demand led mainly by expansion of e-commerce market



**Promote sales expansion leveraging our
product appeals in addition to well-structured
sales and after sales services network**

- Development of high-quality broad lines of products that meet customers' various needs
- Sales expansion leveraging well-structured network
- Consulting sales responding to customer's logistics issues

Materials Handling Equipment

3. Value chain of lift truck business

Maximize outcome of value chain expansion

After sales services

- Increase of direct managed sales channels
=> Increase of net sales by offering after sales services including life cycle maintenance and spare parts
- Utilize **telematics** to offer logistics improvement proposal
=> Efficient vehicle operations, accident decrease, energy saving drive, automation



Sales finance

- Expand in-house operation globally => Response to needs for lease and rental

Component

- Enhancement of product appeals of **internally developed engines, motors and controllers**
=> Further differentiate performance of both IC and electric vehicles



Emerging markets

- Utilize **Tailift**
=> Strengthen capability for such middle to low price markets as China



Materials Handling Equipment

4. Logistics solutions business

Expansion and strengthening of logistics solutions business globally

- Vanderlande as a core, and together with Bastian and TICO, promote collaboration by region and by function, leveraging each of their strengths

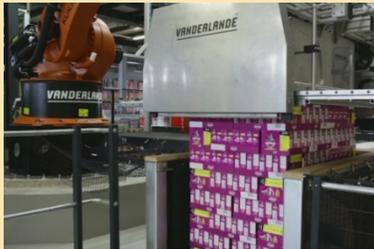


Vanderlande's present business is strong

1) Distribution center

Logistics system order from a Dutch fresh food supplier

Realize highly efficient and automated warehouse logistics by integrating AS/RS shuttle system and case picking system



2) Baggage handling system (BHS)

Vanderlande and Rotterdam The Hague Airport have agreed to introduce the world first BHS based on autonomous vehicle technology

An innovative system with such advantages as efficient bag transfer and flexible layout, etc.



Materials Handling Equipment

Customers Center Osaka opens in June 2018

- Strengthen response to customers in west of Japan
- Provide proposals against logistics issues by combining vehicles and solutions

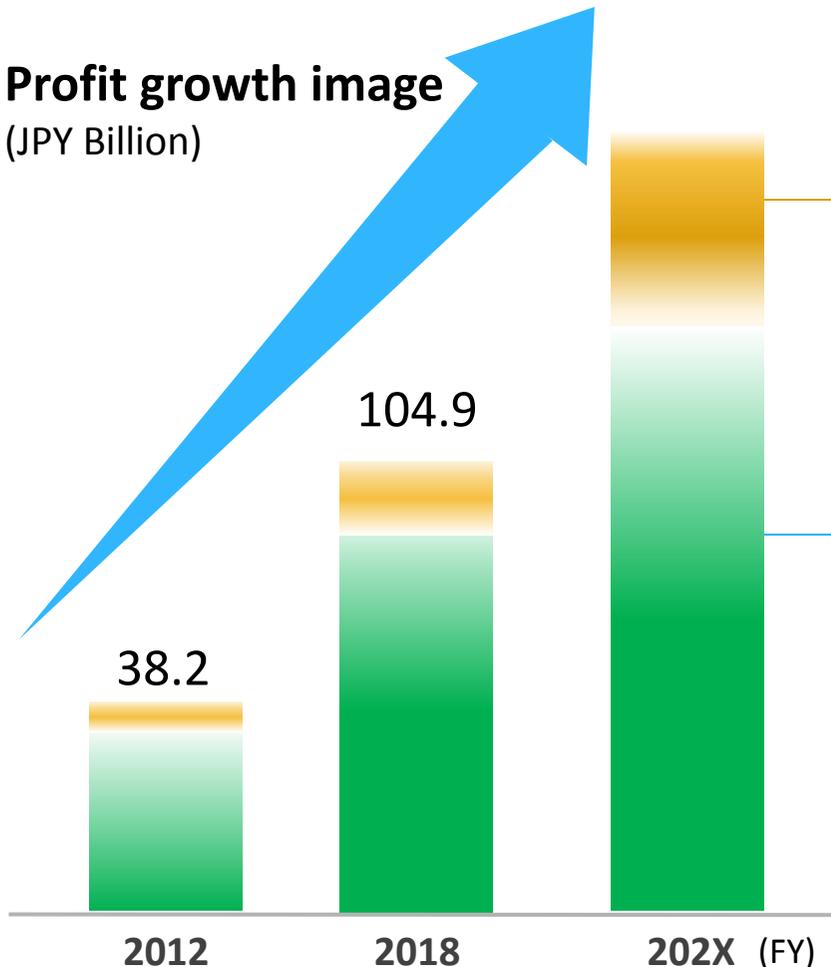


Materials Handling Equipment

5. Our initiatives toward mid-term business growth

Aim for further growth of overall Materials Handling Equipment business;
lift truck business adding to logistics solutions business

Profit growth image
(JPY Billion)



[Logistics solutions business]

- By cooperating with Vanderlande and Bastian, promote various activities in the areas of R&D, procurement and sales.

[Lift truck business]

- Sales expansion by differentiation of products and services
- Meticulous after sales services
- Expansion of sales finance business
- In-house production of key components
- Thorough cost reduction
- Increase of local procurement ratio
- Enhance capability of middle to low price products market and others

II Our Business Initiatives toward Medium Term Growth

Materials Handling Equipment

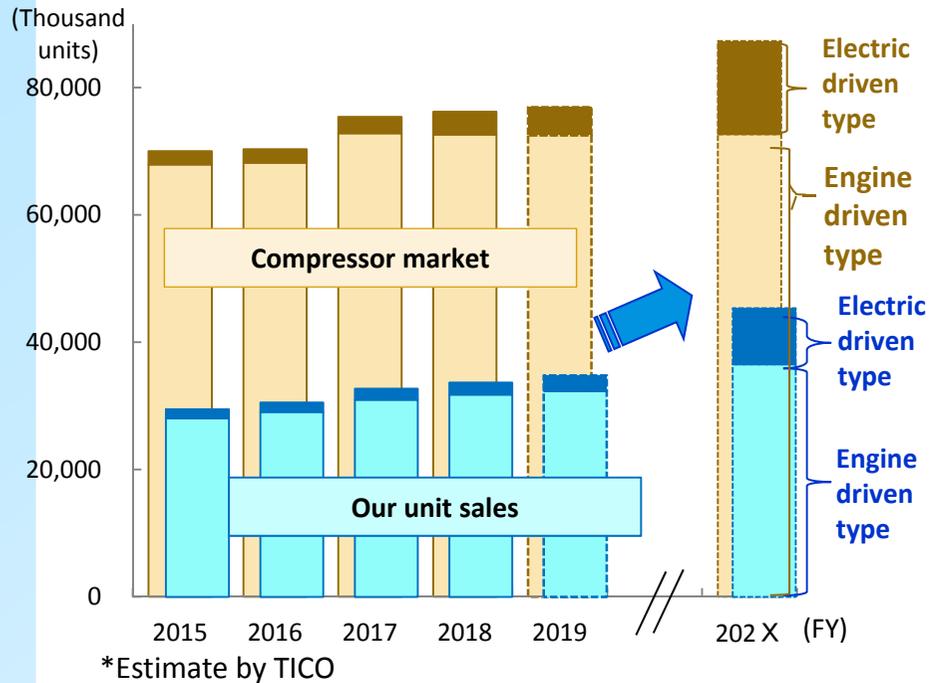
Car air-conditioning Compressor

- 1. Compressor market and our initiatives**
- 2. Strength of each type of compressor**
- 3. Initiatives of R&D**
- 4. Initiatives of production**
- 5. Utilization of present technologies to further differentiate TICO,
application of such technologies for new areas**

Car air-conditioning Compressor

1. Compressor market and our Initiatives

Compressor market and our unit sales



Compressor market continuously grows

Growth of auto market

Higher car air conditioner fitted ratio

- Engine driven type remains dominant
- Electric driven type is expected to grow in the mid to long term

Further utilize our accumulated unique resources and knowhow into both types of compressors

Human resources

Technologies and knowhow

In-house developed facility

Funds



Engine driven type

Remains dominant for the time being and put our effort on this
Further increase superiority of our products and aim to reach 50% of the market share

Electric driven type

Steadily respond to expected demand increase in the future

Leveraging our higher market share compared to engine driven type, obtain increase of the market

Car air-conditioning Compressor

2. Strength of each type of compressor

| | | | |
|--|---|---|--|
| | Engine driven vehicles | | Electric driven vehicles (HV・PHV・EV・FCV) |
| | Fixed displacement  | Variable displacement  | Electric  |
| Features | Driven with power of engine | | Driven with power of built-in motor |
| | Standard type with fixed cooling performance | Realize lower energy consumption by automatically controlling cooling performance | Comfortably air-conditioned any time , even when engine of HV or PHV stops during start-stop function works |
| Strengths and sales expansion approaches | Supply reliable and cost competitive products mainly to emerging markets | Leverage superior fuel efficient performance and globally stable mass production capability to expand sales mainly to developed country markets | Obtain growing electric driven vehicles market utilizing our strengths of mechanical and electrical technologies and knowhow as well as stable and quality production capability |

Car air-conditioning Compressor

3. Initiatives of R&D

- Meet **strict conformance requirements** required for automotive components at high level
- Develop highly reliable products by **closely working together with world car manufacturers**

Engine / electric driven types

Achieve suitable performance as an automotive component through experiment under such environment recreating the actual vehicle-fitted conditions

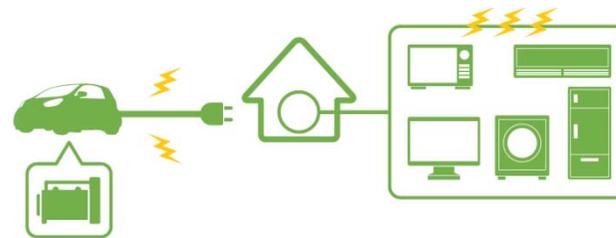
- Collect data of vehicles used in markets through tests using actual vehicles, realizing superior fuel efficient performance and reliability
- Conduct **vehicle conformance** utilizing our knowhow of simulation as well as test and evaluation



Electric driven type

Establish platform of electric driven type at the early days of electrification of automobiles

- Respond precisely to the needs of **world car manufacturers** by **closely working** with them leveraging our global No. 1 market share
- **Capable to satisfy various specifications** including different voltages
- **Avoid radio disturbances** to home appliances during charging



Car air-conditioning Compressor

4. Initiatives of production

In accordance with more stringent fuel efficiency regulations, differentiate both engine and electric driven types by our production capability that realizes **stable supply of more and more complicated products**

Engine / electric driven types

Differentiate with **machining technologies which is indispensable also for electric driven type**

- High speed and highly precise machining using in-house developed facility and cutting tools
- => Compared with conventional method, doubled machining precision while halved machining time

Cutting tools processing machine



In-house developed cutting tools

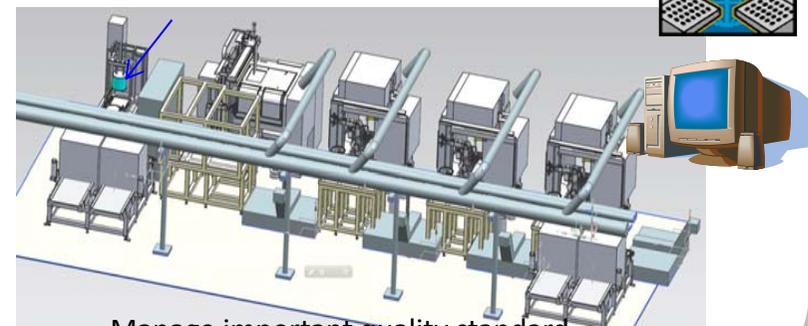


Engine / electric driven types

Minimize quality variation **utilizing IoT**

- Connect the mother plant in Japan and production bases outside Japan aiming to manage data by each manufacturing process in details

=> Pursue stable quality level throughout the world



Manage important quality standard at each manufacturing line

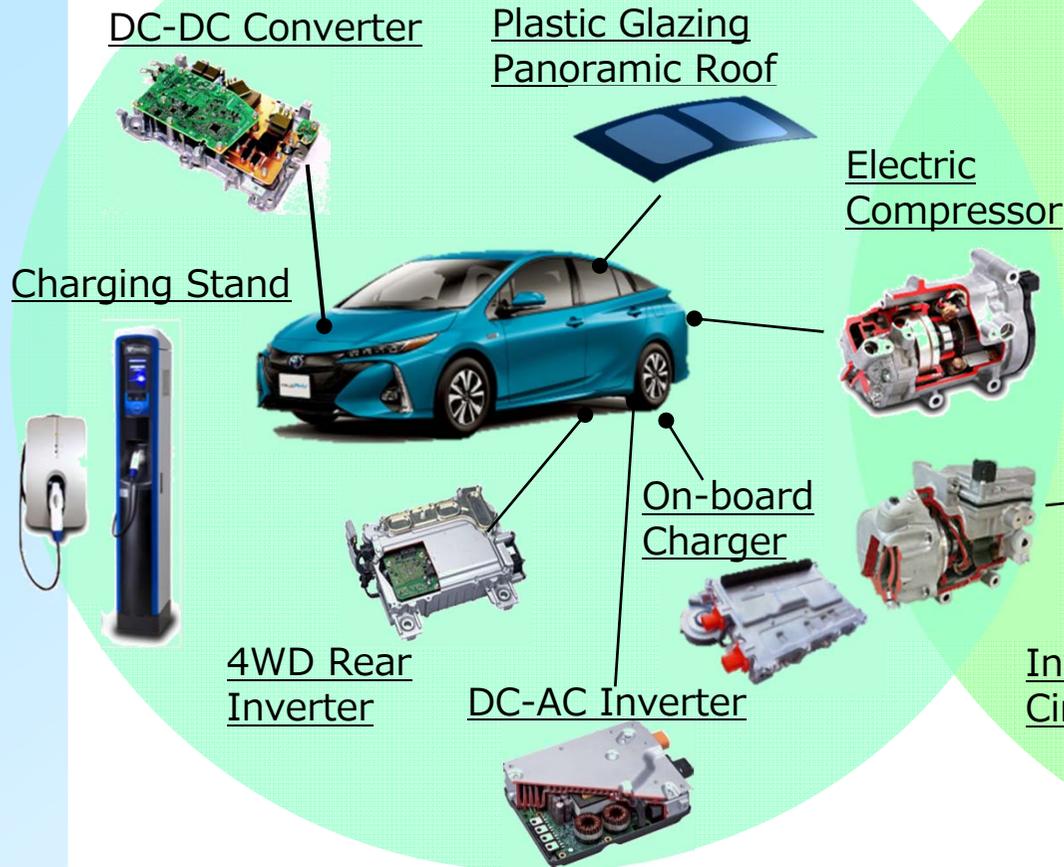
Car air-conditioning Compressor

5. Utilization of present technologies to further differentiate TICO, application of such technologies to new areas

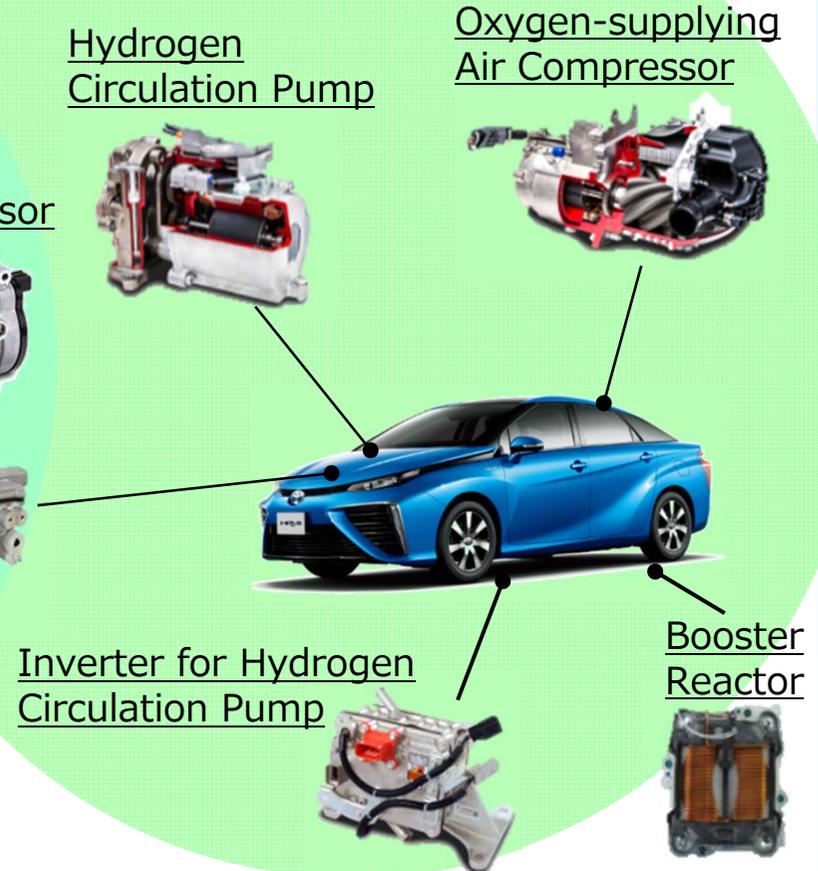
| | |
|---------------|--|
| Present areas | <ul style="list-style-type: none">- Pursue more compact and lighter weight products- Pursue better fuel efficient performance<ul style="list-style-type: none">Enhance product appeals of in-house developed motors and inverters- Further increase our advantages of quietness and low vibration those are more important for electric driven vehicles<ul style="list-style-type: none">Meticulous evaluation by in-house developed facility re-creating the actual vehicle-fitted conditions |
| New areas | <ul style="list-style-type: none">- Respond to further evolving electric driven vehicles as well as self-driven vehicles<ul style="list-style-type: none">Develop compressors to cool heating parts such as electronic components as well as batteries, in addition to cooling vehicle interior- Develop new products applying compressing technologies of car air-conditioning compressors<ul style="list-style-type: none">Oxygen supplying air compressor and hydrogen circulation pump for fuel cell vehicles |

Toyota Industries' various products for electric driven vehicles

HV, PHV, EV



FCV



Contributing to electrification of vehicles with wide range of elemental technologies including power equipment and equipment for lighter weight

TOPIC

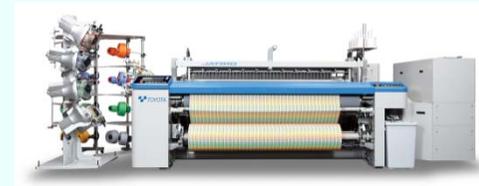
Demand increase of our air-jet looms against a backdrop of more stringent environmental regulations in China

<Backdrop>

- **More stringent regulations from 2017 for discharged water drained from water-jet looms at Wujiang District, Jiangsu Province, where is one of the chemical fibers production areas in China.**
- **Factories using low performance water-jet looms are required mandatorily to treat discharged water appropriately.**
- **Generating replacement demand for air-jet looms which use no water.**

<Action of and effect on Toyota Industries>

- **Further promote sales expansion activities of our superior energy-saving air-jet looms which possess high presence in China.**
- **Additional order increase by hundreds of units is expected in FY2019.**



Further strict regulations in Chinese market may lead sales expansion opportunities for our other business domains including Materials Handling Equipment and Car Air-conditioning Compressor those we sell high environmental performance products.



ECOROP, TICO original character to help raise eco-awareness

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.