

FINANCIAL SUMMARY

FY2019 Second Quarter

(April 1, 2018 through September 30, 2018)

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.

FY2019 Second Quarter Consolidated Financial Results<IFRS> (April 1, 2018 - September 30, 2018)

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 (Japanese only): November 13, 2018

The expected date of dividends payment: November 26, 2018

Additional documents to supplement financial results: Yes

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

(Amounts less than one million yen are omitted)

1. Financial Highlights for FY2019 Second Quarter (April 1, 2018 - September 30, 2018)

(1) Consolidated Financial Results

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

	Net sales		Operating profit		Profit before income taxes		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2019 Second Quarter	1,057,011	12.7	61,397	(20.3)	98,391	(10.8)	78,150	(6.7)
FY2018 Second Quarter	937,936	16.6	77,024	26.3	110,316	25.9	83,783	23.5

	Profit attributable to owners of the parent		Comprehensive income		Earnings per share – basic	Earnings per share – diluted
	Million yen	%	Million yen	%	Yen	Yen
FY2019 Second Quarter	74,408	(8.0)	168,426	(39.4)	239.65	—
FY2018 Second Quarter	80,879	25.0	278,058	—	260.49	—

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Percentage of equity attributable to owners of the parent
	Million yen	Million yen	Million yen	%
FY2019 Second Quarter	5,428,030	2,770,741	2,690,767	49.6
FY2018	5,258,500	2,633,869	2,553,391	48.6

2. Cash Dividends

	Annual cash dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	FY Total
FY2018	— Yen	70.00 Yen	— Yen	80.00 Yen	150.00 Yen
FY2019	—	75.00	—	80.00	150.00
FY2019 (Forecast)			—	75.00	150.00

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

3. Forecasts of Consolidated Financial Results for FY2019 (April 1, 2018 - March 31, 2019)

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

	Net sales		Operating profit		Profit before income taxes		Profit attributable to owners of the parent		Earnings per share — basic
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2019	2,200,000	9.8	135,000	(8.4)	198,000	(5.6)	150,000	(10.8)	483.11

(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) Changes in accounting policies and accounting estimates

(i) Changes in accounting policies required by IFRS : Yes

(ii) Changes other than (i) : No

(iii) Changes in accounting estimates : No

(3) Issued and outstanding capital stock

(i) Number of shares outstanding at end of each period (including treasury stock):

FY2019 Second Quarter — 325,840,640 shares, FY2018 — 325,840,640 shares

(ii) Number of treasury stock outstanding at end of each period:

FY2019 Second Quarter — 15,354,664 shares, FY2018 — 15,353,378 shares

(iii) Average number of shares outstanding for each period (accumulated):

FY2019 Second Quarter — 310,486,473 shares, FY2018 Second Quarter — 310,488,743 shares

* This quarterly financial results is not subject to quarterly review procedure by certified public accountants or auditing firms.

* 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 110 yen to the U.S. dollar and 130 yen to the euro for FY2019.
- Please see page 3 on attached documents for details on performance forecasts in "Explanation for Forecast for FY2019".

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1. Explanation for Quarterly Financial Results

(1) Explanation for Business Results

During the second quarter of FY2019 (the six months from April 1 to September 30, 2018), total consolidated net sales of Toyota Industries amounted to 1,057.0 billion yen, an increase of 119.1 billion yen, or 13%, from the same period of the previous fiscal year. The following is a review of operations for the business segments.

Net sales of the Automobile Segment totaled 293.5 billion yen, an increase of 6.5 billion yen, or 2%, from the same period of the previous fiscal year.

Within this segment, net sales of the Vehicle Business were on par with the same period of the previous fiscal year at 35.0 billion yen. This was because decreases in sales of RAV4 were offset by increases in sales of the Vitz (Yaris outside Japan).

Net sales of the Engine Business totaled 49.3 billion yen, an increase of 2.5 billion yen, or 5%, resulting mainly from increases in sales of GD diesel engines while sales of AR gasoline engines decreased.

Net sales of the Car Air-Conditioning Compressor Business totaled 173.7 billion yen, an increase of 3.3 billion yen, or 2%. Despite decreases in sales in Europe, sales in North America and emerging countries increased.

Net sales of the Electronics Parts, Foundry and Others Business totaled 35.4 billion yen, an increase of 1.1 billion yen, or 3%, due primarily to increases in sales of electronics parts and foundry products.

Net sales of the Materials Handling Equipment Segment totaled 697.7 billion yen, an increase of 106.0 billion yen, or 18%. The increase was attributable to two factors, namely, increases in sales of lift trucks, a mainstay product of this segment, in North America, Europe and other regions as well as an increase in net sales of logistics solutions business.

Net sales of the Textile Machinery Segment totaled 36.0 billion yen, an increase of 6.0 billion yen, or 20%, as a result of an increase in sales of weaving machinery in China.

In terms of overall profit, despite sales efforts and increases in promoting cost reduction efforts throughout the Toyota Industries Group, due mainly to increases in raw material costs and without added profit arising from changes in the retirement benefit plan in the previous fiscal year, Toyota Industries recorded a decrease in consolidated operating profit of 61.3 billion yen, a decrease of 15.7 billion yen, or 20%, from the same period of the previous fiscal year and profit before income taxes of 98.3 billion yen, a decrease of 12.0 billion yen, or 11%, from the same period of the previous fiscal year. Profit attributable to owners of the parent totaled 74.4 billion yen, a decrease of 6.4 billion yen, or 8%, from the same period of the previous fiscal year.

(2) Explanation for Financial Condition

Assets amounted to 5,428.0 billion yen, an increase of 169.5 billion yen from the end of the previous fiscal year, due mainly to an increase in fair value of investment securities. Liabilities amounted to 2,657.2 billion yen, an increase of 32.6 billion yen from the end of the previous fiscal year, due mainly to an increase in Deferred tax liabilities. Equity amounted to 2,770.7 billion yen, an increase of 136.9 billion yen from the end of the previous fiscal year.

(3) Explanation for Forecast for FY2019

Due to results of the second quarter of FY2019, Toyota Industries has revised its forecasts of consolidated financial results for FY2019 to consolidated net sales of 2,200.0 billion yen, operating profit of 135.0 billion yen, profit before income taxes of 198.0 billion yen and profit attributable to owners of the parent of 150.0 billion yen. Our projections are based on assumed exchange rates of 110 yen to the U.S. dollar and 130 yen to the euro for FY2019.

2. Condensed Quarterly Consolidated Financial Statements and Main Notes

(1) Condensed Quarterly Consolidated Financial Position

(Millions of yen)

	FY2018 (As of March 31, 2018)	FY2019 Second Quarter (As of September 30, 2018)
Assets		
Current assets		
Cash and cash equivalents	323,830	246,134
Time deposits with deposit terms of over three months	111,796	125,731
Trade receivables and other receivables	764,514	790,721
Other financial assets	6,359	4,599
Inventories	223,714	252,810
Income tax receivables	9,359	11,113
Other current assets	54,219	51,211
Total current assets	1,493,793	1,482,321
Non-current assets		
Property, plant and equipment	889,220	942,718
Goodwill and intangible assets	361,797	377,579
Trade receivables and other receivables	337	704
Investments accounted for by the equity method	10,352	10,133
Other financial assets	2,441,545	2,551,677
Net defined benefit assets	29,232	29,809
Deferred tax assets	27,017	28,683
Other non-current assets	5,204	4,403
Total non-current assets	3,764,707	3,945,709
Total assets	5,258,500	5,428,030

(Millions of yen)

	FY2018 (As of March 31, 2018)	FY2019 Second Quarter (As of September 30, 2018)
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade payables and other payables	479,253	450,343
Corporate bonds and loans	400,803	345,303
Other financial liabilities	71,683	69,963
Accrued income taxes	27,097	16,905
Provisions	7,754	8,784
Other current liabilities	19,284	22,126
Total current liabilities	1,005,876	913,427
Non-current liabilities		
Corporate bonds and loans	767,297	856,822
Other financial liabilities	70,912	63,603
Net defined benefit liabilities	86,655	89,462
Provisions	8,460	7,982
Deferred tax liabilities	665,342	704,006
Other non-current liabilities	20,086	21,984
Total non-current liabilities	1,618,754	1,743,862
Total liabilities	2,624,631	2,657,289
Equity		
Share of equity attributable to owners of the parent		
Capital stock	80,462	80,462
Capital surplus	105,343	103,443
Retained earnings	1,084,139	1,133,600
Treasury stock	(59,284)	(59,293)
Other components of shareholders' equity	1,342,730	1,432,553
Total share of equity attributable to owners of the parent	2,553,391	2,690,767
Non-controlling interests	80,478	79,974
Total equity	2,633,869	2,770,741
Total liabilities and equity	5,258,500	5,428,030

(2) Condensed Quarterly Consolidated Statement of Profit or Loss and Condensed Quarterly Consolidated Statement of Comprehensive Income

Condensed Quarterly Consolidated Statement of Profit or Loss

(Millions of yen)

	FY2018 Second Quarter (April 1, 2017 - September 30, 2017)	FY2019 Second Quarter (April 1, 2018 - September 30, 2018)
Net sales	937,936	1,057,011
Cost of sales	(718,576)	(814,126)
Gross profit	219,360	242,884
Selling, general and administrative expenses	(155,906)	(181,689)
Other profit	18,007	5,924
Other expenses	(4,436)	(5,722)
Operating profit	77,024	61,397
Financial income	37,931	41,904
Financial expenses	(5,228)	(5,355)
Share of profit (loss) of investments accounted for by the equity method	590	444
Profit before income taxes	110,316	98,391
Income taxes	(26,533)	(20,241)
Profit	83,783	78,150
Profit attributable to:		
Owners of the parent	80,879	74,408
Non-controlling interests	2,903	3,742
Earnings per share		
Earnings per share – basic (yen)	260.49	239.65
Earnings per share – diluted (yen)	–	–

Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY2018 Second Quarter (April 1, 2017 - September 30, 2017)	FY2019 Second Quarter (April 1, 2018 - September 30, 2018)
Profit	83,783	78,150
Other comprehensive income:		
Items not to be reclassified into profit or loss		
Net changes in revaluation of FVTOCI financial assets	165,817	72,643
Remeasurements of defined benefit plans	(1,575)	(83)
Other comprehensive income of affiliates accounted for by the equity method	14	5
Total items not to be reclassified into profit or loss	164,256	72,565
Items that can be reclassified into profit or loss		
Translation adjustments of foreign operations	29,847	19,297
Cash flow hedges	10	(1,721)
Other comprehensive income of affiliates accounted for by the equity method	160	134
Total items that can be reclassified into profit or loss	30,018	17,710
Total other comprehensive income	194,275	90,276
Comprehensive income	278,058	168,426
Total comprehensive income attributable to:		
Owners of the parent	273,419	164,118
Non-controlling interests	4,639	4,307

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

(Millions of yen)

	Share of equity attributable to owners of the parent					
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Other components of shareholders' equity	
					Net changes in revaluation of FVTOCI financial assets	Remeasurements of defined benefit plans
Balance as of April 1, 2017	80,462	105,417	954,503	(59,272)	1,209,592	—
Profit	—	—	80,879	—	—	—
Other comprehensive income	—	—	—	—	165,589	(1,599)
Total comprehensive income	—	—	80,879	—	165,589	(1,599)
Repurchase of treasury stock	—	—	—	(6)	—	—
Disposal of treasury stock	—	—	—	—	—	—
Dividends	—	—	(20,181)	—	—	—
Changes in ownership interest of subsidiaries	—	82	—	—	—	—
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	(1,712)	—	112	1,599
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	82	(21,893)	(6)	112	1,599
Balance as of September 30, 2017	80,462	105,500	1,013,488	(59,278)	1,375,294	—

Balance as of April 1, 2018	80,462	105,343	1,084,139	(59,284)	1,393,702	—
Effects of changes in accounting policies	—	—	3	—	—	—
Restated balance as of April 1, 2018	80,462	105,343	1,084,143	(59,284)	1,393,702	—
Profit	—	—	74,408	—	—	—
Other comprehensive income	—	—	—	—	72,103	(112)
Total comprehensive income	—	—	74,408	—	72,103	(112)
Repurchase of treasury stock	—	—	—	(8)	—	—
Disposal of treasury stock	—	0	—	0	—	—
Dividends	—	—	(24,838)	—	—	—
Changes in ownership interest of subsidiaries	—	(1,899)	—	—	—	—
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	(112)	—	—	112
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	(1,899)	(24,951)	(8)	—	112
Balance as of September 30, 2018	80,462	103,443	1,133,600	(59,293)	1,465,806	—

(Millions of yen)

	Share of equity attributable to owners of the parent				Total	Non-controlling interests	Total equity
	Other components of shareholders' equity						
	Translation adjustment of foreign operations	Cash flow hedges	Subscription rights to shares	Total			
Balance as of April 1, 2017	(50,417)	6	—	1,159,181	2,240,293	76,174	2,316,467
Profit	—	—	—	—	80,879	2,903	83,783
Other comprehensive income	28,539	10	—	192,539	192,539	1,735	194,275
Total comprehensive income	28,539	10	—	192,539	273,419	4,639	278,058
Repurchase of treasury stock	—	—	—	—	(6)	—	(6)
Disposal of treasury stock	—	—	—	—	—	—	—
Dividends	—	—	—	—	(20,181)	(1,781)	(21,962)
Changes in ownership interest of subsidiaries	—	—	—	—	82	—	82
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	178	178
Reclassified into retained earnings	—	—	—	1,712	—	—	—
Other increases (decreases)	—	—	—	—	—	40	40
Total transactions with owners	—	—	—	1,712	(20,105)	(1,562)	(21,668)
Balance as of September 30, 2017	(21,877)	17	—	1,353,433	2,493,607	79,251	2,572,858

Balance as of April 1, 2018	(52,397)	1,426	—	1,342,730	2,553,391	80,478	2,633,869
Effects of changes in accounting policies	—	—	—	—	3	—	3
Restated balance as of April 1, 2018	(52,397)	1,426	—	1,342,730	2,553,394	80,478	2,633,873
Profit	—	—	—	—	74,408	3,742	78,150
Other comprehensive income	19,441	(1,721)	—	89,710	89,710	565	90,276
Total comprehensive income	19,441	(1,721)	—	89,710	164,118	4,307	168,426
Repurchase of treasury stock	—	—	—	—	(8)	—	(8)
Disposal of treasury stock	—	—	—	—	0	—	0
Dividends	—	—	—	—	(24,838)	(1,931)	(26,770)
Changes in ownership interest of subsidiaries	—	—	—	—	(1,899)	(2,904)	(4,803)
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	73	73
Reclassified into retained earnings	—	—	—	112	—	—	—
Other increases (decreases)	—	—	—	—	—	(49)	(49)
Total transactions with owners	—	—	—	112	(26,746)	(4,812)	(31,558)
Balance as of September 30, 2018	(32,956)	(295)	—	1,432,553	2,690,767	79,974	2,770,741

(4) Note on Condensed 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 FY2019, Toyota Industries paid dividends of 24,838 million yen from retained earnings.

(Changes in Accounting Policies)

Effective from the first quarter of FY2019, Toyota Industries adopted IFRS 15 "Revenue from Contracts with Customers" (issued in May 2014) and "Clarifications to IFRS 15" (issued in April 2016).

(Segment Information)

FY2018 Second Quarter (April 1, 2017- September 30, 2017)

(Millions of yen)

	Automobile	Materials Handling Equipment	Textile Machinery	Others (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)	
Sales								
Outside customer sales	287,064	591,732	30,042	29,097	937,936	—	937,936	
Inter-segment transactions	12,056	676	106	11,464	24,304	(24,304)	—	
Total	299,120	592,408	30,149	40,562	962,240	(24,304)	937,936	
Segment profit	19,462	51,290	3,378	2,881	77,013	11	77,024	
Financial income								37,931
Financial expenses								(5,228)
Share of profit (loss) of investments accounted for by the equity method								590
Profit before income taxes								110,316

- (Notes) 1. "Others" represents businesses not included in the reporting segments.
2. Breakdown of adjustments
11 million yen included in "Adjustments" for "Segment profit" is inter-segment transactions.
3. "Segment profit" reconciles to operating profit disclosed in the consolidated statement of profit or loss.

FY2019 Second Quarter (April 1, 2018- September 30, 2018)

(Millions of yen)

	Automobile	Materials Handling Equipment	Textile Machinery	Others (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)	
Sales								
Outside customer sales	293,528	697,747	36,082	29,652	1,057,011	—	1,057,011	
Inter-segment transactions	15,688	672	121	12,727	29,210	(29,210)	—	
Total	309,217	698,420	36,204	42,379	1,086,221	(29,210)	1,057,011	
Segment profit	3,716	52,020	3,027	2,623	61,387	9	61,397	
Financial income								41,904
Financial expenses								(5,355)
Share of profit (loss) of investments accounted for by the equity method								444
Profit before income taxes								98,391

- (Notes) 1. "Others" represents businesses not included in the reporting segments.
2. Breakdown of adjustments
9 million yen included in "Adjustments" for "Segment profit" is inter-segment transactions.
3. "Segment profit" reconciles to operating profit disclosed in the consolidated statement of profit or loss.