



Toyota Industries Report

2018

Year ended March 31, 2018

Message from the Chairman and President

Firstly, we would like to extend our sincere appreciation for your continued support of Toyota Industries Corporation and the Toyota Industries Group.

In fiscal 2018 (ended March 31, 2018), the global economy remained strong overall on the back of an expansion in consumer spending and exports in Europe and the United States despite such uncertainties as the slowing economic growth in China and geopolitical risks. The Japanese economy progressed favorably due mainly to an increase in exports as well as a recovery in domestic demand including consumer spending and capital investment.

In this business environment, Toyota Industries Corporation and its Group companies (“Toyota Industries”) undertook efforts to ensure customer trust through a dedication to quality first as well as to expand sales by responding flexibly to market trends. As a result, in fiscal 2018 Toyota Industries posted an increase in net sales. The increase was attributable mainly to higher unit sales of such products as materials handling equipment and car air-conditioning compressors as well as to newly consolidating U.S.-based Bastian Solutions LLC and Netherlands-based Vanderlande Industries Holding B.V., both of which are engaged in the logistics solutions business. In terms of overall profit, despite increases in raw materials costs and labor costs, Toyota Industries recorded an increase in profit due mainly to vigorous sales efforts, cost reduction activities throughout the Toyota Industries Group, the positive impact of exchange rate fluctuations and changes in retirement benefit plans.

With regard to the future economic outlook, the global economy is expected to continue to grow. However, uncertainties surrounding the business environment preclude optimism, as the impact of trade frictions arising from protectionist policies in the United States, the future trend in financial policies in respective countries and geopolitical risks require close monitoring.

Under these circumstances, Toyota Industries is further strengthening its business foundation and addressing key management issues to raise corporate value by leveraging the Group’s comprehensive strengths.

As immediate tasks, we will endeavor to bolster our management platform to respond quickly to drastic changes in the business environment. Specifically, based on our quality first approach, we aim to build a stronger production foundation by maintaining and improving productivity on a global basis. Furthermore, we will strive to build a lean corporate structure by thoroughly eliminating waste, by pursuing excellence in quality, cost and product lead time (the period from production to delivery)



throughout the supply chain and by improving productivity in administrative functions. At the same time, we intend to strengthen risk management in order to quickly and appropriately respond to changes in world affairs.

Besides these approaches, we will focus on the timely launch of appealing products demanded by customers worldwide and improve earnings power by expanding the value chain and strengthening solution proposal capabilities. We will also proactively utilize the Internet of Things (IoT), artificial intelligence (AI) and other cutting-edge technologies. Through such measures, we aim to raise the competitiveness of our businesses. In addition, we plan to develop our next growth pillars by promoting strategic technology and product development while also embracing open innovation.

To support such business development, we will continue our efforts to create an organization and workplace environment that enables diverse human resources to fully demonstrate their abilities and develop personnel who can play active roles in the global arena.

In other areas, Toyota Industries will create a workplace environment that places top priority on safety; thoroughly enforce compliance, including observance of laws and regulations; and proactively participate in social contribution activities. By carrying out these initiatives, we aim to meet the overall trust of society and grow harmoniously with society. With regard to protection of the global environment, we will undertake Group-wide initiatives in seeking to realize “a zero CO₂ emissions society in 2050.”

Through these initiatives, we aim for sustainable growth of each business and strive to support industries and social foundations around the world and contribute to an enriched lifestyle and comfortable society as described in Toyota Industries’ Vision 2020 plan.

In closing, we would like to sincerely ask for your continued understanding and support.

July 2018

Tetsuro Toyoda
Chairman

Akira Onishi
President

Toyota Industries' Value Creation Process

We aim to contribute to our stakeholders by making the most of the core assets and strengths we have accumulated to date in promoting our diverse businesses such as materials handling equipment, logistics solutions, vehicle, engine, car air-conditioning compressor, car electronics and textile machinery and by engaging in value creation.

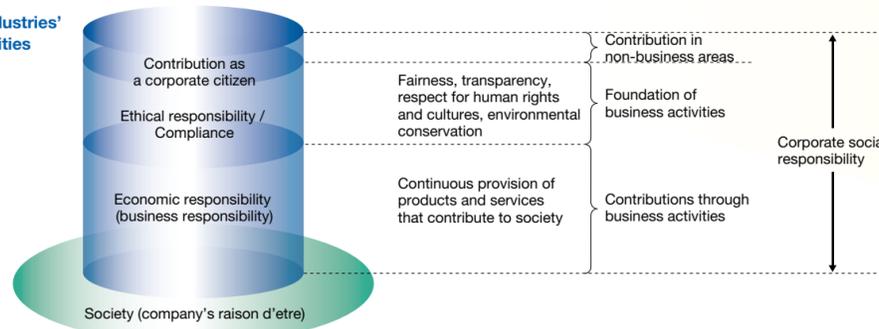
Basic Philosophy

- [Respect for the Law]**
Toyota Industries is determined to comply with the letter and spirit of the law, in Japan and overseas, and to be fair and transparent in all its dealings.
- [Respect for Others]**
Toyota Industries is respectful of the people, culture, and traditions of each region and country in which it operates. It also works to promote economic growth and prosperity in those regions and countries.
- [Respect for the Natural Environment]**
Through its corporate activities, Toyota Industries works to contribute to regional living conditions and social prosperity and also strives to offer products and services that are clean, safe, and of high quality.
- [Respect for Customers]**
Toyota Industries conducts intensive product research and forward-looking development activities to create new value for its customers.
- [Respect for Employees]**
Toyota Industries nurtures the inventiveness and other abilities of its employees. It seeks to create a climate of cooperation, so that employees and the Company can realize their full potential.



We encapsulated the spirit of founder Sakichi Toyoda in the Toyoda Precepts, which serve as Toyota Industries' corporate creed and upon which our Basic Philosophy is based.

Toyota Industries' CSR Activities



[Main Scope of CSR Activities]

- Adhering to a quality first approach, we ensure *monozukuri* (manufacturing) that quickly responds to the diverse, ever-changing needs of customers. (Relationship with Our Customers)
- We encourage open procurement and seek co-existence and co-prosperity with our business partners (suppliers) based on mutual trust. (Relationship with Our Business Partners)
- We strive for timely and appropriate information disclosure while promoting good communications with shareholders and investors. (Relationship with Our Shareholders and Investors)
- We aim to create safe and secure workplaces where each and every associate can exercise their diverse potentials and play active roles. (Relationship with Our Associates)
- We fulfill our role as a good corporate citizen and actively undertake social contribution activities. (Relationship with Our Local Communities)

Our Continuous Commitment

Core Assets and Strengths

Human Resources

- Diverse human resources comprised of more than 60,000 employees
- Human resources development that underpins sustainable growth

Product Development & Manufacturing Capabilities

- Product development capabilities that leverage the advantages of engaging in diverse businesses
- Manufacturing capabilities and production engineering that support high-quality and stable production
- Know-how on in-house development of production equipment that contributes to the differentiation of product appeal

Global Network

- Production bases around the world
- Solid supply chain built on mutual cooperation with business partners
- Extensive lift truck sales and service networks in respective regions

Financial Foundation

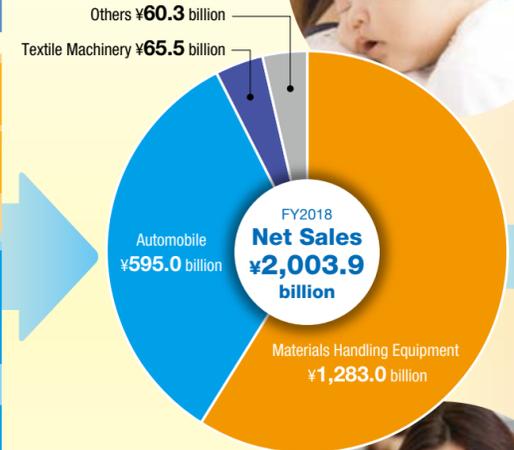
- Sound financial foundation
- High rating bestowed by rating agencies (fund procurement capability)

Value Creation

Business segment	Main products and services	Development	Production	Sales	After-Sales Services
Materials Handling Equipment	Materials handling equipment	✓	✓	For end-users	✓
	Logistics solutions	✓	✓	For end-users	✓
	Offering unique solutions by engaging in everything from development to production, sales and after-sales services				
Automobile	Vehicle		✓	For Toyota Motor Corporation	
	Engine	✓	✓		
	Contributing to further improving competitiveness of Toyota cars by leveraging our strengths in manufacturing capabilities				
	Car air-conditioning compressor	✓	✓	For automakers around the world	
	Car electronics	✓	✓		
Providing key components of various products for automakers around the world by leveraging our technological capabilities					
Textile Machinery	Textile machinery	✓	✓	For end-users	✓
	Based on long-accumulated experiences, committing ourselves to cutting-edge technologies and quality to provide products and services to customers around the world				

* S: Safety, E: Environment, Q: Quality, C: Cost, D: Delivery

Providing products and services that anticipate customers' needs by leveraging synergies among businesses



Contributing to Our Stakeholders



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Editorial policy

In aiming to realize a deeper understanding of the Toyota Industries Group among a broad spectrum of stakeholders, the *Annual Report* and *Social and Environmental Report* have been combined into the *Toyota Industries Report* from the fiscal year ended March 31, 2008.

In addition to the Toyota Industries Group's management policies, the report provides easy-to-understand information regarding its business, corporate governance, social and environmental activities over the past year as well as its future direction.

Period covered by the report

This report focuses on activities carried out in fiscal 2018 (April 1, 2017 to March 31, 2018), but also includes some information outside this period.

Organizations covered in the report

Toyota Industries Corporation and its consolidated subsidiaries

Reference guidelines

- Global Reporting Initiative (GRI) Standard
- ISO 26000
- Japan's Ministry of the Environment *Environmental Accounting Guidelines* (2005 Version)
- Japan's Ministry of the Environment *Environmental Reporting Guidelines* (2012 Version)

Cautionary Statement with Respect to Forward-Looking Statements

This report contains projections and other forward-looking statements that involve risks and uncertainties. The 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 the Toyota Industries Group regarding its 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 at the time of producing this report and are not guarantees of future performance. Toyota Industries undertakes no obligation to publicly update or revise any forward-looking statements in this report, 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 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 certain 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.

The fiscal year ended March 31, 2018 is referred to as fiscal 2018 and other fiscal years are referred to in a corresponding manner.

Materials Handling Equipment

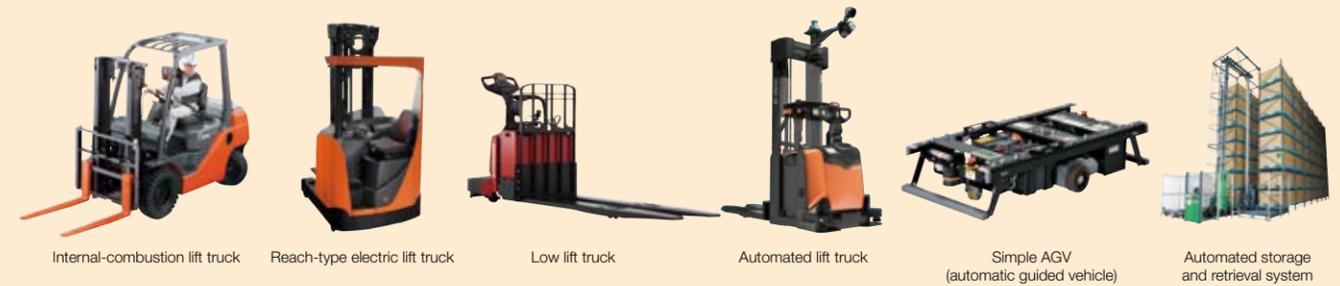
The smooth flow of goods links the world and enriches the lives of people and society. Toyota Industries meets diverse customer needs in logistics by providing a diverse range of materials handling equipment such as lift trucks and offering advanced and efficient logistics solutions. Through these businesses, Toyota Industries helps customers the world over.

The Materials Handling Equipment Segment develops, produces, sells and provides services for a broad range of products, from industrial vehicles centered around a full lineup of lift trucks (0.5- to 43-ton capacities) to materials handling systems. Lift trucks, which capture the top global market share*, are delivered to customers around the world under the TOYOTA, BT, RAYMOND and CESAB brands. Toyota Industries also strives to provide finely tuned after-sales services so that customers can always use our products in the best possible condition. We have also enhanced our business domain to include the provision of such components as lift truck attachments and motors as well as sales financing. In the area of logistics solutions, Toyota Industries works closely with subsidiaries Bastian Solutions LLC and Vanderlande Industries Holding B.V. by leveraging each company's strengths to pursue business expansion on a global scale.

* Survey by Toyota Industries Corporation



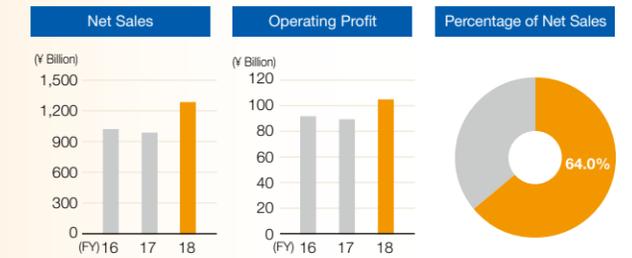
Electric lift truck



Internal-combustion lift truck Reach-type electric lift truck Low lift truck Automated lift truck Simple AGV (automatic guided vehicle) Automated storage and retrieval system



Shuttle-type automated storage and retrieval system Sorter/conveyer Picking system Airport baggage handling system Aerial work platform



Automobile

Get behind the wheel with a solid, reassuring feel and enjoy comfortable driving. Besides vehicle assembly, Toyota Industries produces various components such as engines and compressors, the latter of which comprises the heart of car air conditioners to keep the vehicle interior comfortable, as well as car electronics. From vehicle assembly to parts production, the Automobile Segment engages in a wide range of car-related businesses, leveraging synergies among its business divisions in development and production.



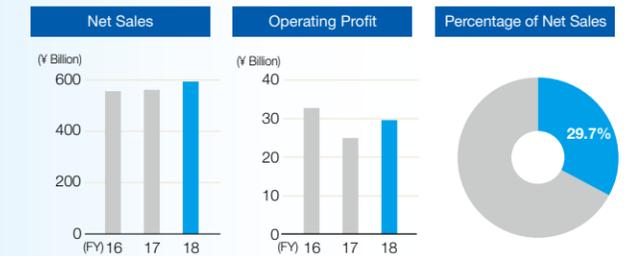
RAV4 (hybrid model)



Vitz (Yaris outside Japan) (hybrid model) Diesel engine Gasoline engine Electric compressor Variable-displacement type compressor Fixed-displacement type compressor



Oxygen-supplying air compressor for fuel cell vehicles Hydrogen circulation pump for fuel cell vehicles DC-DC converter



Vehicle	With its strengths as an industry leader in safety, the environment, quality, cost and delivery, the Vehicle Business produces compact to midsize automobiles.
Engine	In addition to diesel engines produced under a comprehensive structure ranging from planning and development to production, we also produce gasoline engines.
Car Air-Conditioning Compressor	Toyota Industries' car air-conditioning compressors are highly acclaimed in terms of their reliability at high operating speeds and quiet operation in addition to such excellent environmental performance features as compactness, light weight and fuel efficiency. The Car Air-Conditioning Compressor Business captures the world-leading market share in unit sales*.
Car Electronics	The Car Electronics Business develops and produces electronics products primarily for electric-powered vehicles such as hybrid vehicles.

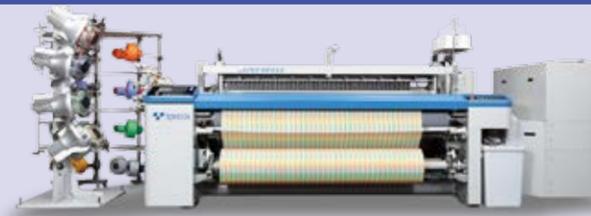
* Survey by Toyota Industries Corporation

Textile Machinery

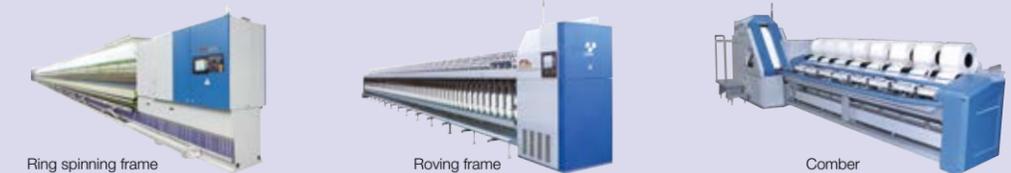
A soft texture caressing your skin and gently enveloping your body. Toyota Industries produces spinning machinery that spins high-quality yarns and high-speed, energy-saving weaving machinery that produces fabrics. We deliver textile machinery to customers around the world that incorporates advanced technologies and is imbued with our dedication to quality.

The Textile Machinery Division, our original business, began with the invention of the automatic loom by founder Sakichi Toyoda. Presently, we undertake fully integrated operations from development and production to sales and after-sales services for spinning machines that spin twisted fiber bundles into yarn and weaving machines that weave spun yarn into fabrics. Our textile machinery is supplied to markets worldwide. Thanks to superb reliability and high productivity, our air-jet looms have won extensive acclaim from customers around the globe, capturing the world-leading market share in terms of unit sales*.

* Survey by Toyota Industries Corporation



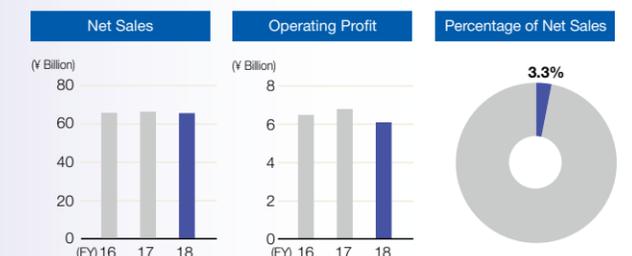
JAT810 air-jet loom



Ring spinning frame Roving frame Comber



Cotton classing instrument Yarn testing instrument



Consolidated Eleven-Year Summary

 Toyota Industries Corporation
Years ended March 31

Millions of yen

	International Financial Reporting Standards (IFRS)				Generally Accepted Accounting Principles in Japan (JGAAP)							
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	
For the Year												
Net sales	¥2,003,973	¥1,675,148	¥1,696,856	¥2,166,661	¥2,007,856	¥1,615,244	¥1,543,352	¥1,479,839	¥1,377,769	¥1,584,252	¥2,000,536	
Operating profit (loss)	147,445	127,345	137,026	117,574	107,691	77,098	70,092	68,798	22,002	(6,621)	96,853	
Profit before income taxes*1	209,827	181,986	191,386	170,827	138,133	86,836	80,866	73,911	31,756	14,343	126,488	
Profit (loss)*2	168,180	131,398	194,270	115,263	91,705	53,119	58,594	47,205	(26,273)	(32,767)	80,460	
Investments in tangible assets*3	¥ 115,458	¥ 77,393	¥ 75,418	¥ 126,395	¥ 109,479	¥ 89,459	¥ 58,404	¥ 38,254	¥ 26,963	¥ 104,495	¥ 104,205	
Depreciation*3	77,738	73,253	78,253	70,782	64,153	57,954	59,830	62,372	73,238	87,219	83,744	
Research and development expenses	77,647	69,524	65,432	47,785	46,326	39,057	32,070	27,788	26,826	33,646	36,750	
Per share of common stock (yen):												
Earnings (loss) per share*2, *4												
Basic	¥ 541.67	¥ 420.78	¥ 618.34	¥ 367.06	¥ 292.76	¥ 170.36	¥ 188.02	¥ 151.51	¥ (84.33)	¥ (105.16)	¥ 257.50	
Diluted	541.67	420.78	618.33	366.99	292.57	170.35	188.02	151.51	(84.33)	(105.16)	257.43	
Share of equity attributable to owners of the parent	8,223.82	7,125.37	6,678.80	7,500.16	5,640.08	4,719.66	3,662.26	3,300.17	3,390.02	2,987.16	4,483.32	
Cash dividends per share	150.00	125.00	120.00	110.00	85.00	55.00	50.00	50.00	30.00	40.00	60.00	
At year-end												
Total assets	¥5,258,500	¥4,558,212	¥4,317,282	¥4,650,896	¥3,799,010	¥3,243,779	¥2,656,984	¥2,481,452	¥2,589,246	¥2,327,432	¥2,965,585	
Share of equity attributable to owners of the parent	2,553,391	2,240,293	2,098,658	2,425,929	1,829,326	1,524,933	1,197,841	1,075,939	1,104,929	977,670	1,453,996	
Capital stock	80,462	80,462	80,462	80,462	80,462	80,462	80,462	80,462	80,462	80,462	80,462	
Number of shares outstanding (excluding treasury stock) (thousands)	310,487	310,489	314,226	314,155	313,730	312,207	311,687	311,564	311,570	311,577	311,589	
Cash flows												
Net cash provided by operating activities	¥ 268,567	¥ 239,094	¥ 248,049	¥ 182,191	¥ 155,059	¥ 151,299	¥ 101,718	¥ 153,661	¥ 203,452	¥ 65,768	¥ 188,805	
Net cash used in investing activities	(340,324)	(86,925)	(532,238)	(160,769)	(118,483)	(274,210)	(9,403)	(187,574)	(36,855)	(114,217)	(138,789)	
Net cash provided by (used in) financing activities	153,303	789	124,495	(8,918)	6,183	7,050	10,279	(85,728)	(38,230)	120,971	(33,992)	
Cash and cash equivalents at end of year	323,830	243,685	92,399	248,706	226,406	179,359	296,811	195,566	317,590	188,011	121,284	
Indices												
Operating profit ratio (%)	7.4	7.6	8.1	5.4	5.4	4.8	4.5	4.6	1.6	(0.4)	4.8	
EBITDA (millions of yen)*5	¥ 313,055	¥ 276,193	¥ 279,444	¥ 248,854	¥ 216,175	¥ 155,234	¥ 161,876	¥ 150,481	¥ 90,521	¥ 71,608	¥ 222,125	
Return on equity (ROE) (%)*6	7.0	6.1	8.7	5.6	5.7	4.1	5.4	4.5	(2.6)	(2.8)	5.1	
Return on assets (ROA) (%)*7	3.4	3.0	4.3	2.7	2.6	1.8	2.3	1.9	(1.1)	(1.2)	2.5	
D/E ratio (%)*8	45.7	43.6	43.0	32.0	39.9	45.4	53.8	56.8	60.3	68.6	37.4	
Ratio of share of equity attributable to owners of the parent*9	48.6	49.1	48.6	50.7	46.6	45.4	43.0	41.4	40.8	40.0	47.1	
Number of employees (persons)	61,152	52,623	51,458	52,523	49,333	47,412	43,516	40,825	38,903	39,916	39,528	

*1: The figures prior to fiscal 2016 are ordinary income under JGAAP.

*2: Profit (loss) attributable to owners of the parent

*3: Investments in tangible assets and depreciation apply to property, plant and equipment. They do not include materials handling equipment leased under operating leases.

*4: Earnings (loss) per share is computed on the average number of shares for each year.

*5: Profit before income taxes + Interest expenses – Interest and dividends income + Depreciation and amortization (including assets other than property, plant and equipment)

*6: Profit (loss) attributable to owners of the parent / Average share of equity attributable to owners of the parent at the beginning and the end of the fiscal year

*7: Profit (loss) attributable to owners of the parent / Average total assets at the beginning and the end of the fiscal year

*8: Interest-bearing debt / (Share of equity attributable to owners of the parent – Subscription rights to shares)

*9: (Share of equity attributable to owners of the parent – Subscription rights to shares) / Total assets

Note: Toyota Industries has adopted IFRS beginning from the end of fiscal 2017. The figures in fiscal 2016 have been reclassified in accordance with IFRS.

Consolidated Financial and Non-Financial Highlights

Financial Information

(FY2018)

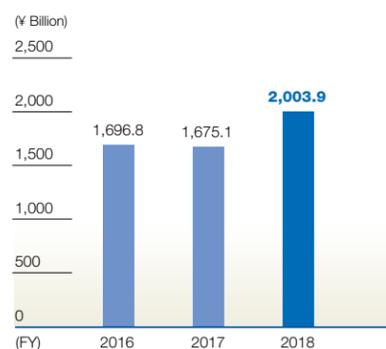
Net Sales	Operating Profit	Investments in Tangible Assets
¥ 2,003.9 billion	¥ 147.4 billion	¥ 115.4 billion
Depreciation	Research and Development Expenses	Share of Equity Attributable to Owners of the Parent
¥ 77.7 billion	¥ 77.6 billion	¥ 2,553.3 billion

Non-Financial Information (CSR)

(FY2018)

Consolidated Number of Employees	Ratio of Non-Japanese Employees	Consolidated Subsidiaries
61,152 persons	65.2 %	254 companies
Ratio of New Female Graduates in Administrative Positions (Non-Consolidated)	Ratio of New Female Graduates in Engineering Positions (Non-Consolidated)	Ratio of Employees with Disabilities (Non-Consolidated)
41.7 %	15.7 %	2.37 %

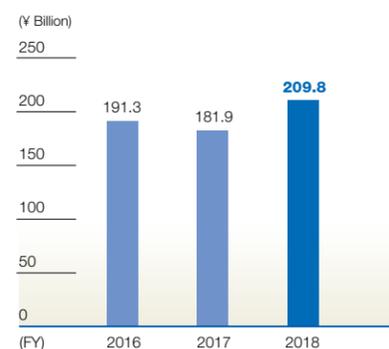
Net Sales



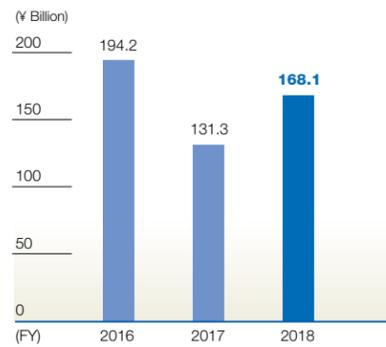
Operating Profit/Operating Profit Ratio



Profit before Income Taxes

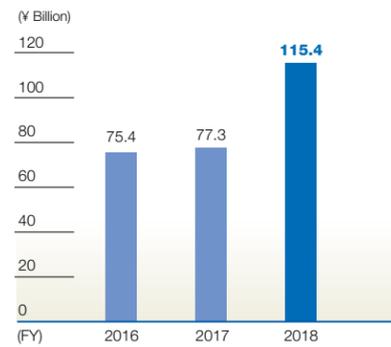


Profit*

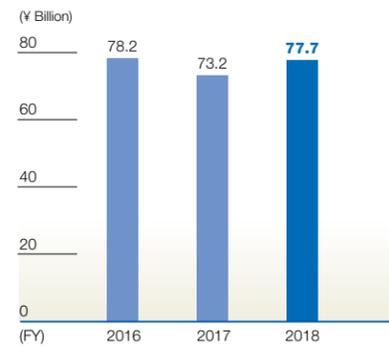


* The figures for profit attributable to owners of the parent are presented.

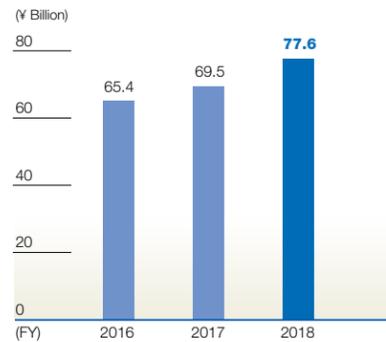
Investments in Tangible Assets



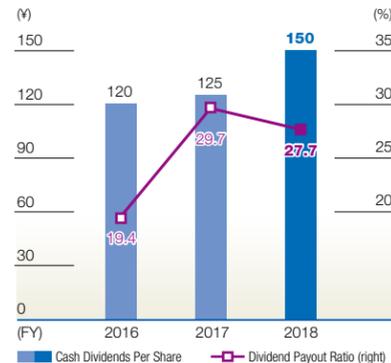
Depreciation



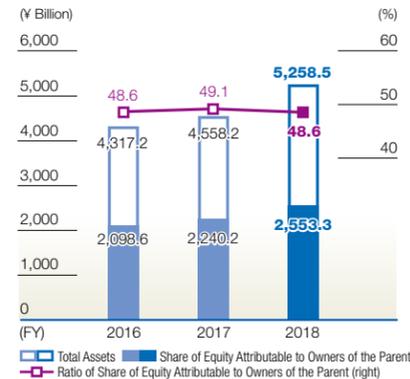
Research and Development Expenses



Cash Dividends Per Share/Dividend Payout Ratio



Total Assets/Share of Equity Attributable to Owners of the Parent/
Ratio of Share of Equity Attributable to Owners of the Parent



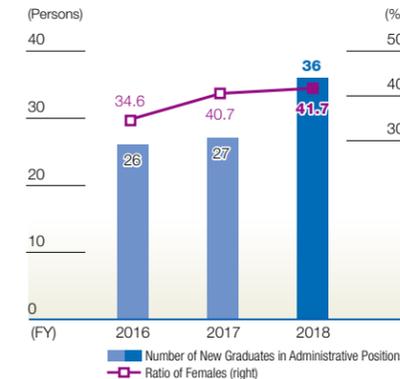
Consolidated Number of Employees/Ratio of Non-Japanese Employees



Frequency Rate of Lost Workday Injuries (Non-Consolidated)



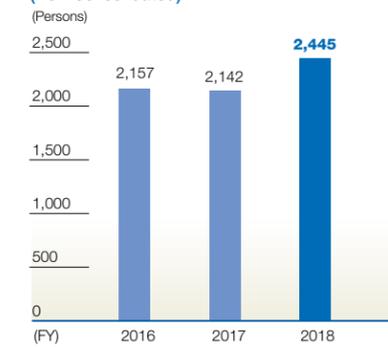
Number of New Graduates in Administrative Positions/
Ratio of Females (Both Non-Consolidated)



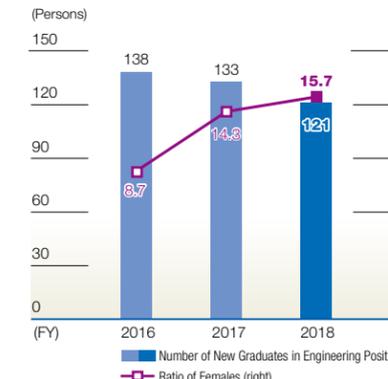
Consolidated Subsidiaries



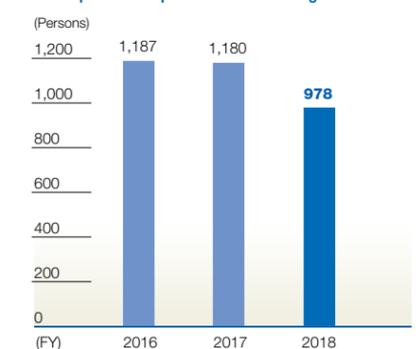
Participants of Age-Based Health Education (Non-Consolidated)



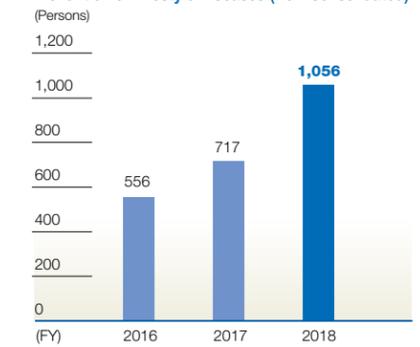
Number of New Graduates in Engineering Positions/
Ratio of Females (Both Non-Consolidated)



Participants of Japan's Subcontracting Law Seminar



Persons Having Completed Guidance Program on Prevention of Lifestyle Diseases (Non-Consolidated)



Ratio of Employees with Disabilities (Non-Consolidated)



Company Introduction

Strategies and
Businesses

Promotion of
ESG Initiatives

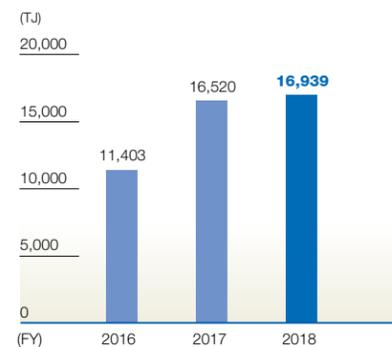
Financial Information /
Corporate Information

Non-Financial Information (Environment)

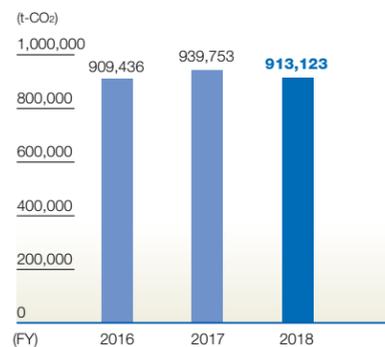
(FY2018)

Energy Consumption (Consolidated)	CO ₂ Emissions (Consolidated)	Water Consumption (Consolidated)
16,939 TJ	913,123 t-CO ₂	4,873 km ³
Discharge of Treated Wastewater (Consolidated)	Raw Material Consumption (Consolidated)	Waste Generation (Consolidated)
2,407 km ³	790,022 t	122,521 t

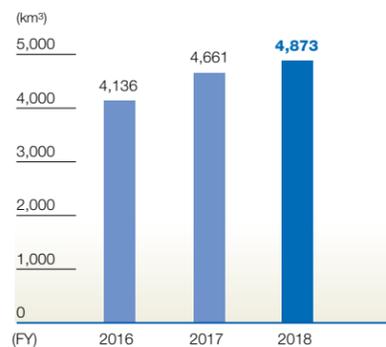
Energy Consumption (Consolidated)



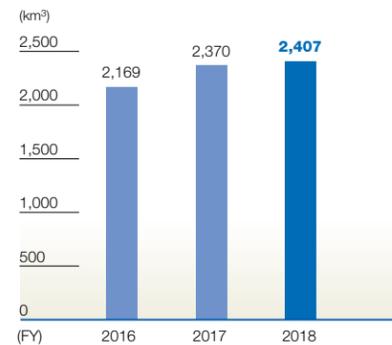
CO₂ Emissions (Consolidated)



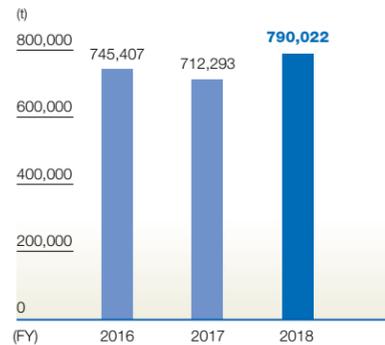
Water Consumption (Consolidated)



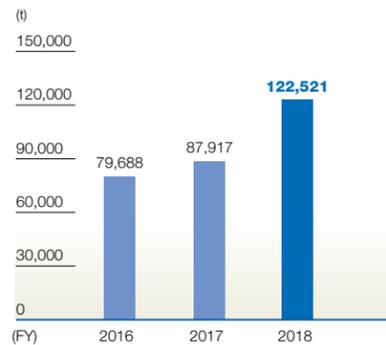
Discharge of Treated Wastewater (Consolidated)



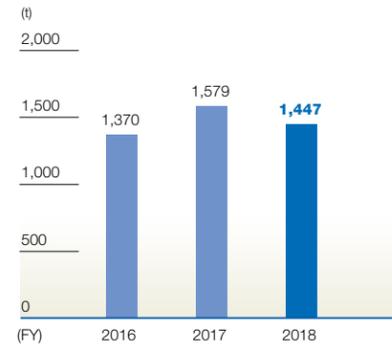
Raw Material Consumption (Consolidated)



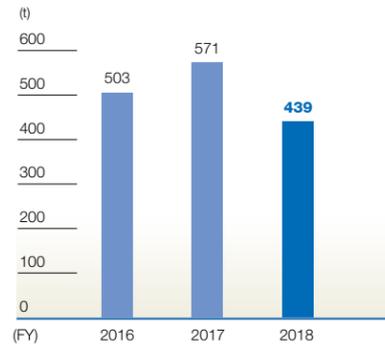
Waste Generation (Consolidated)



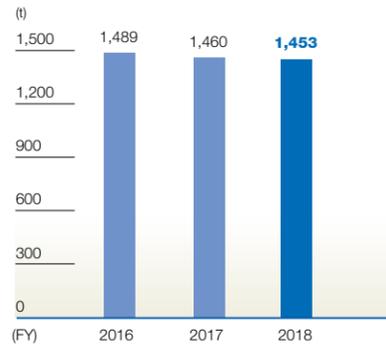
PRTR*1 Law Designated Substances (Japan Consolidated)



Emissions/Transfer of PRTR Law Designated Substances (Japan Consolidated)



VOC*2 Emissions (Consolidated)



*1: Short for Pollutant Release and Transfer Register, the PRTR law is a scheme whereby businesses measure the release and transfer of PRTR designated pollutants and report their performance to the government. The government then compiles this data and releases it to the public.

*2: Short for Volatile Organic Compounds

Strategies and Businesses

Steadily Carry Out Growth Strategies by Leveraging the Strengths of Each Business Field

Top Message P14-21

Special Features P22-29

- 1 Augmenting the Logistics Solutions Business in Response to Changing Customer Needs
- 2 Contributing to a Zero CO₂ Emissions Society through Environmental Technologies

Business Activities P30-41

Materials Handling Equipment / Automobile / Textile Machinery

Top Message

Capturing Changes in the Business Environment and Vigorously Promoting Initiatives for Sustainable Growth

Toyota Industries was founded in 1926 to manufacture and sell the Type G automatic loom invented by founder Sakichi Toyoda. Considered as the origin of the Toyota Group, we have evolved and attained growth through positive competition with other Toyota Group companies. In this section, President Akira Onishi presents Toyota Industries' characteristics and strengths that have resulted from such evolution and growth as well as a scenario we created for future growth.



Akira Onishi President

Our Characteristics and Strengths

Management Based on Diverse Business Portfolio and Readiness to Adapt to Change

In addition to our founding business of textile machinery, we engage in diverse businesses ranging from materials handling equipment to car air-conditioning compressors, vehicles and engines. Automobile-related businesses and non-automobile businesses centered on materials handling equipment are the two major pillars of our business, and this reflects one of our characteristics of not relying exclusively on one specific business domain.

We boast the world's No. 1 market share*1 for lift trucks, car air-conditioning compressors and air-jet looms. Having a top share product in each business segment is a strength of Toyota Industries.

Meanwhile, we have been reinforcing our business related to internal-combustion vehicles. We expect them to remain mainstream for some time in the future primarily in the growing emerging country markets. We also recognize the trend toward vehicle electrification as a driver for our growth and have been steadily preparing ourselves for possible future changes in the market.

These efforts have led to the dispersion of management risk and contributed to our stable business performance. We also believe that we can reinforce business in each segment by promoting horizontal alignment among business divisions in such areas as development and production and by sharing the strengths of each.

That we are able to collaborate with Toyota Group companies for many years and encourage positive competition in safety, the environment, quality, cost and delivery (SEQCD) provides us with a tremendous advantage.

Also, we hold a number of stocks in Toyota Motor Corporation (TMC)

Toyota Industries' Global Top Share*1 Products



Lift truck



Car air-conditioning compressor



Air-jet loom

and other Toyota Group companies. Such a capital connection is one means to ensure even closer collaboration among Group companies. This is essential in prevailing over ever-intensifying competition caused by the accelerated trend toward electrification and increasing use of Internet of Things (IoT) technology in the automobile industry. Financial stability facilitates investments for future growth.

*1: Survey by Toyota Industries Corporation

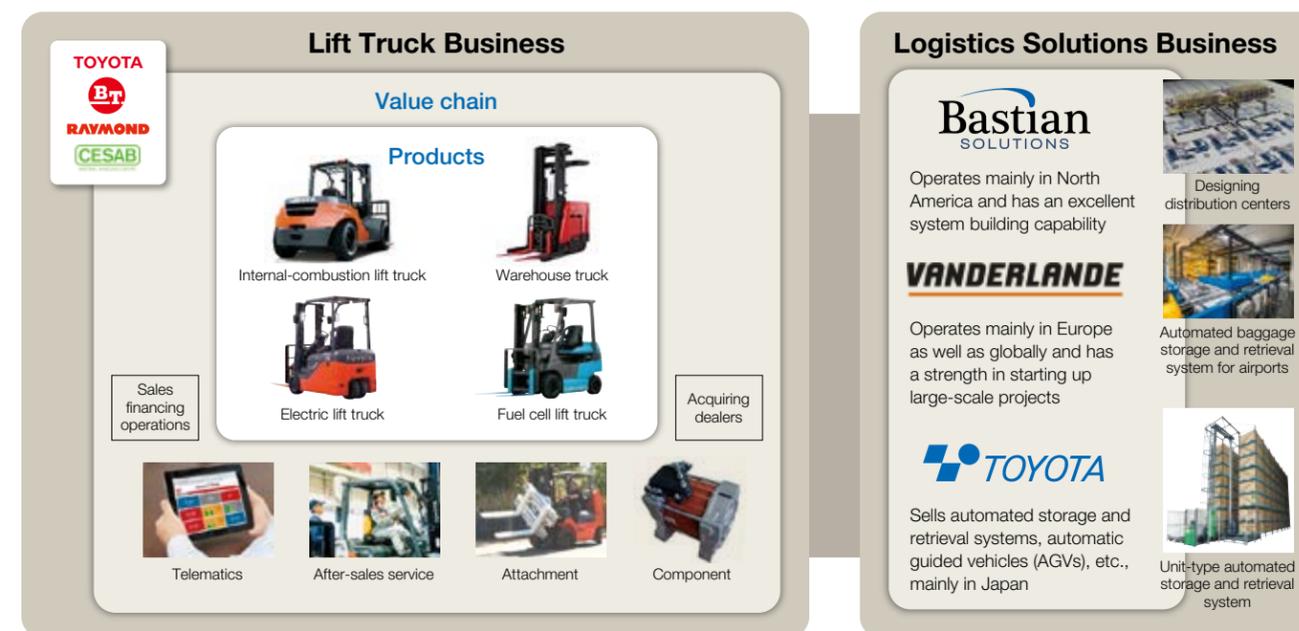
Business Development Scenario for Future Growth

Here, I would like to highlight our efforts to attain sustainable growth in the two fields that represent our core businesses, specifically materials handling equipment and car air-conditioning compressors.

1) Materials Handling Equipment

The Materials Handling Equipment Segment mainly consists of the Lift Truck Business, in which we already enjoy the global top share*2, and the Logistics Solutions Business, which we have been augmenting in recent years. In the Lift Truck Business, we seek to expand our value chain that encompasses after-sales services, the supply of spare parts and sales financing operations, in addition to developing new internal-combustion and electric-powered lift trucks.

*2: Survey by Toyota Industries Corporation



In the Logistics Solutions Business, we are responding to the growing need to handle a large number of small-lot parcels in warehouses following the recent expansion of the e-commerce market. Through collaboration with U.S.-based Bastian Solutions LLC and Netherlands-based Vanderlande Industries Holding B.V., which became our subsidiaries in fiscal 2018, Toyota Industries is augmenting business globally while

mutually leveraging the strengths of each.

We believe that we have established a structure necessary to attain future growth in each of these businesses. We are now at the stage to yield positive results by harnessing the strengths of this structure.

Within the Materials Handling Equipment Segment, sales of materials handling equipment, mainly lift trucks, account for about 40% of total sales, while value chain-related sales, including those from lift truck after-sales services, the supply of spare parts and sales financing operations account for about 40%. The last 20% is derived from logistics solutions sales. Since this segment does not rely solely on sales of materials handling equipment, our business performance is relatively immune to short-term changes in the lift truck market.

Next, I would like to provide an overview of our future growth scenario for each of the three sales categories in the Materials Handling Equipment Segment.

■ Lift Truck Market

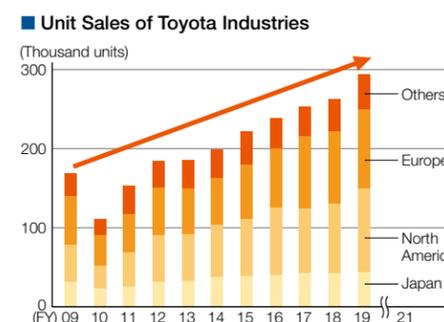
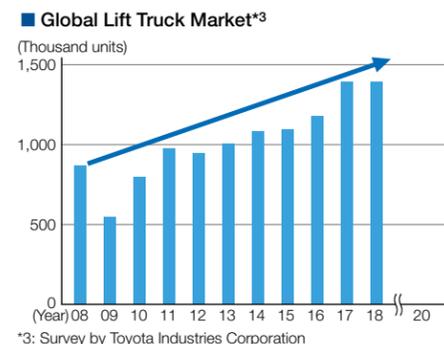
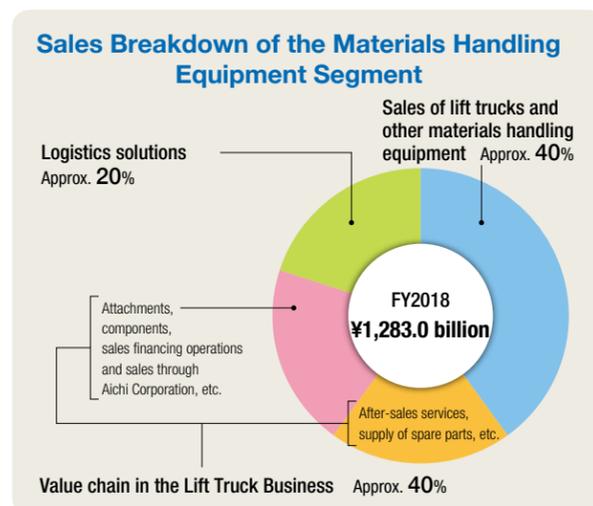
We expect continued, moderate growth in the lift truck market underpinned by steady growth in the world economy and an expected increase in global logistics volume spurred mainly by new demand in the expanding e-commerce market. Against this backdrop, we plan to increase sales by developing a broad range of high-quality products that satisfy diverse customer needs, undertaking sales activities based on our well-developed distribution networks and promoting solution-based sales with a focus on resolving customers' logistics issues.

■ Value Chain-Related

As for value chain-related initiatives, our efforts are divided into three fields: services, sales financing operations and components. In the services field, in order to continue generating profits we will utilize our networks, which we have strengthened by acquiring dealers along with other measures, and provide services during the entire product lifecycle through maintenance services and the supply of spare parts. At the same time, we will augment proposals for logistics improvement by using telematics to ensure efficient fleet operations, reduce accidents, encourage fuel-efficient practices and promote automation. In the field of sales financing operations, we already have in place a system to undertake these operations in-house in the United States and Europe. In the future, we will extend our global reach to capture customers' needs for equipment leasing and rentals. In terms of components, we will enhance the product appeal of our engines, motors and controllers, which are manufactured in-house, with the aim of further differentiating the performance of both of our internal-combustion lift trucks and electric lift trucks. Overall, we will continue to make the most of our now reinforced value chain.

■ Logistics Solutions

In the category of logistics solutions, we have been promoting regional and functional collaboration among Bastian, Vanderlande and Toyota Industries based on the strengths of each. Vanderlande, positioned at the



Baggage handling system utilizing autonomous vehicle technology for airports

core of such collaboration, has constantly been attaining steady growth in business performance. In its warehouse-related business, it received an order from a Dutch fresh food supplier for a solution that combines a shuttle system and case picking system to enable highly efficient warehouse logistics. In the area of baggage handling systems for airports, in which Vanderlande boasts the global top share*4, Rotterdam The Hague Airport will introduce a system utilizing the company's autonomous vehicle technology for the first time in the world. It is an innovative baggage conveying system that not only enables efficient baggage handling but also flexibly accommodates layout changes and system expansions.

In Japan, we established a new customer center in June 2018 in Suita City, Osaka. The center is capable of making proposals on various combinations of materials handling equipment and solutions to resolve different logistics issues of customers. Utilizing the center as our third logistics showroom following the ones in Chiba and Aichi prefectures, we will enhance our customer response mainly in western Japan.

Through these initiatives, we will facilitate collaboration between the Lift Truck Business and Logistics Solutions Business in the Materials Handling Equipment Segment with an aim to achieve growth over the medium term.

*4: Survey by Toyota Industries Corporation

2) Car Air-Conditioning Compressor

An expansion of the global automobile market and an increase in the number of cars equipped with air conditioners are expected to contribute to the sustainable growth of the car air-conditioning compressor market. Among various types of compressors, compressors for internal-combustion vehicles will maintain a high level of demand, while the electric compressor market is expected to expand over the medium to long term.

In response to the recent, accelerated trend toward electrification, the compressor industry is increasingly concentrating resources on the electric type. Toyota Industries, on the other hand, makes sure to channel its unique, accumulated resources into both compressors for internal-combustion vehicles, which are expected to remain mainstream for the time being, and also electric compressors, for which demand is anticipated to grow in the future. We will utilize our extensive resources encompassing human resources, technologies and know-how and work steadily to differentiate ourselves in both fields.

To achieve even greater competitiveness, we have been undertaking the following initiatives in terms of development and production. As for development, we conduct a range of rigorous evaluation tests for compressors in realistic vehicle environments to satisfy stringent vehicle conformance requirements of automakers. Through these tests, we offer a high level of performance, including excellent fuel efficiency.

With automakers repeating a process of trial and error for the promotion of vehicle electrification, it is increasingly important for us, as a component manufacturer, to respond to their varying requests.

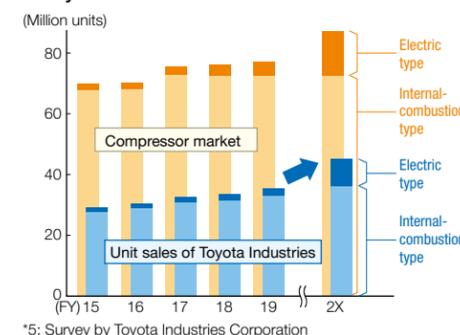


Vehicle conformance test based on our know-how of conducting both simulations and experimental evaluations



Toyota L&F Customer Center Osaka

■ Global Compressor Market*5 and Unit Sales of Toyota Industries



Channeling Our Unique, Accumulated Resources into Both Types



Internal-combustion type

Focus on this type as a mainstream product for the time being

Aim for a 50% market share by strengthening our already superior product appeal

Electric type

Steadily respond to anticipated demand growth

Leverage our market share, which is higher than internal-combustion type, to gain from an expansion of the electric-powered vehicle market





As the holder of the top market share, we will seek even closer collaboration with automakers worldwide to create a firm platform for the development of electric compressors.

In terms of production, more and more stringent fuel efficiency standards adopted every year have necessitated an increasingly complex compressor structure. As

such, manufacturing capabilities that ensure stable mass production of high-quality products at any production base have become more important than ever. In producing compressors for internal-combustion vehicles and electric compressors, machining technology plays a vital role. As such, we develop specialized facilities and cutting tools in-house to ensure high-precision and high-speed machining. This is the foundation of our compressors' high levels of performance and reliability.

We also use IoT technology to link our mother plants in Japan with production bases outside Japan and carry out detailed data management in each work process as an effort to further ensure stable quality on a global basis.

Characteristics and Strengths by Compressor Type

	Internal-combustion vehicles		Electric-powered vehicles (HV, PHV, EV & FCV)*6
	Fixed-displacement type 	Variable-displacement type 	Electric type 
	Driven by the power of the engine		Driven by an internal motor
Characteristics	Standard type with a consistent cooling capability	Save fuel by automatically adjusting the cooling capability	Keep air conditioning at a comfortable level at all times , including start-stop operation of HVs and PHVs
Strengths & sales expansion policy	Add greater price competitiveness to the existing strength of high reliability and supply products mainly to emerging countries	Expand sales mainly in developed countries by taking advantage of the excellent fuel efficiency and globally stable productivity	Utilize machinery and electronics technologies and consistent manufacturing capabilities to capture opportunities in the expanding electric-powered vehicle market

*6: HV: Hybrid vehicle; PHV: Plug-in hybrid vehicle; EV: Electric vehicle; FCV: Fuel cell vehicle

Toyota Industries will continue to seek more compact and lighter compressors with higher fuel efficiency. We will also strive to attain a more superior performance in terms of quieter operation and lower vibration, which will become more important in vehicle electrification.

While making these efforts to pursue greater product appeal in the existing domains, we will also concentrate on developing new business areas.

For example, we expect that the number of heat-emitting components used within a vehicle, such as electronic devices and batteries, will increase as vehicle electrification progresses and automated driving becomes more widespread. In order for these components to function at peak capacity, it is critical to keep the heat down. To respond to this need, we plan to conduct development with a focus on utilizing the cooling function of a compressor not only for vehicle interior air conditioning but also for key components.

Besides this cooling functionality, we have applied compression technology used in compressors to develop an oxygen-supplying air compressor, which is the "heart" of a fuel cell vehicle (FCV), and hydrogen circulation pump. These components have been adopted in TMC's MIRAI FCV. We intend to further increase the appeal of our products and contribute to the realization of a hydrogen-based society.

3) Textile Machinery

Textile machinery is our original business. I would like to present a case in China, one of our important markets, where orders for our mainstay air-jet looms are increasing following the enforcement of more stringent environmental regulations in the country.

The Wujiang District in the city of Suzhou, Jiangsu Province, is the largest production center of synthetic fiber textiles in China. There, more stringent environmental regulations were adopted in 2017, mandating factories operating water-jet looms that use water to insert weft yarn to weave fabrics to conduct appropriate wastewater treatment. This has prompted replacement demand for air-jet looms, which do not use water, and provided us with an opportunity to increase orders by promoting sales of our air-jet looms, renowned for their excellent energy saving performance, in the Chinese market.

As seen from this example, we believe there may be additional opportunities to expand sales in the Chinese market of our materials handling equipment and car air-conditioning compressors, both boasting high environmental performance, depending on how China tightens its regulations in the future.

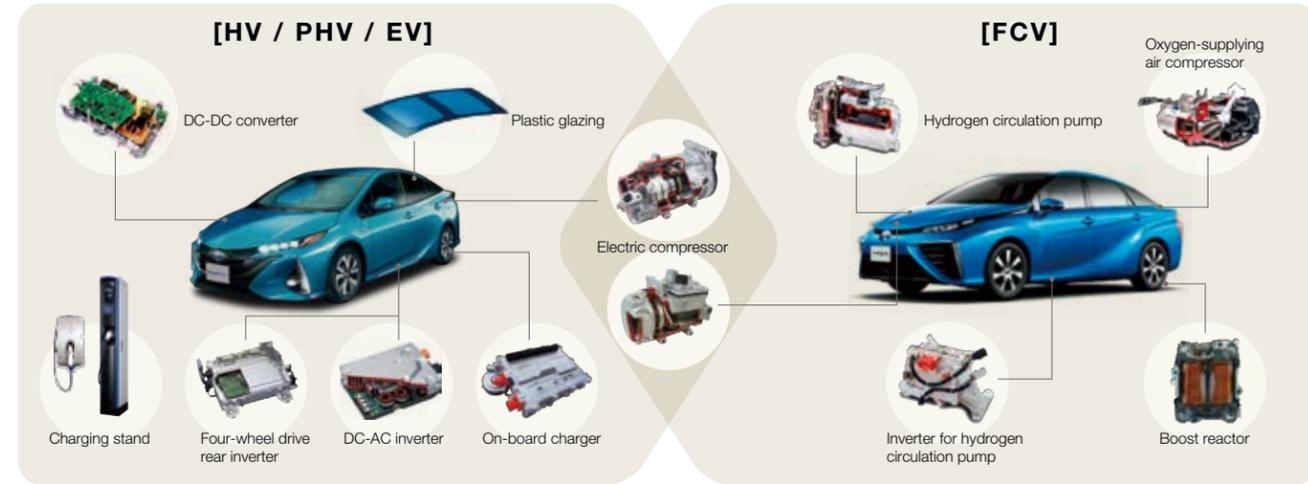


JAT810 air-jet loom

Accurately Responding to Changing Customer Needs

In recent years, technological trends, customer needs and other market circumstances have changed dramatically around the world. The automobile industry, in particular, is said to have entered a period of drastic change that occurs only once in 100 years. The need to reduce CO2 emissions has accelerated the electrification of vehicles, and various types of electric-powered vehicles ranging from hybrid vehicles (HV) to

Toyota Industries' Products Fitted in Electric-Powered Vehicles



Contributing to Vehicle Electrification with a Broad Range of Elemental Technologies from Power Source Devices to Lighter Weight Components

FCVs are likely to gain popularity depending on regional characteristics and customers' preferred vehicle usage.

Utilizing a variety of technologies such as power source technologies we have accumulated for more than 30 years, the Compressor Division and the Electronics Division collaborate to develop and manufacture devices for use in electric-powered vehicles.

Among such devices, a DC-AC inverter equipped to use home electric appliances in a vehicle has drawn much public attention as an emergency power source following the Great East Japan Earthquake, during which it was used to feed power to evacuation shelters. In Japan, it is fitted in official cars of local governments and increasingly used as a self-sustained disaster prevention measure in apartments. We intend to propose other possible uses of this product.

Electric-powered vehicles themselves must extend their driving range in order to gain popularity. In addition to improving batteries and other devices, this requires reducing vehicle body weight.

Toyota Industries has developed plastic glazing that is about 40% lighter than its glass counterpart. This product has already been used in the panoramic roof and rear window of various vehicles, including TMC's Prius α.

In addition, our plastic glazing is easy to process, thus providing diverse vehicle design options.

The need for electrification is also growing not just in the automobile field but also in the construction machinery field.

In response, Toyota Industries has developed a new hybrid unit for construction machinery by utilizing a pool of engine and power electronics technologies accumulated in the fields of materials handling equipment and automobiles.

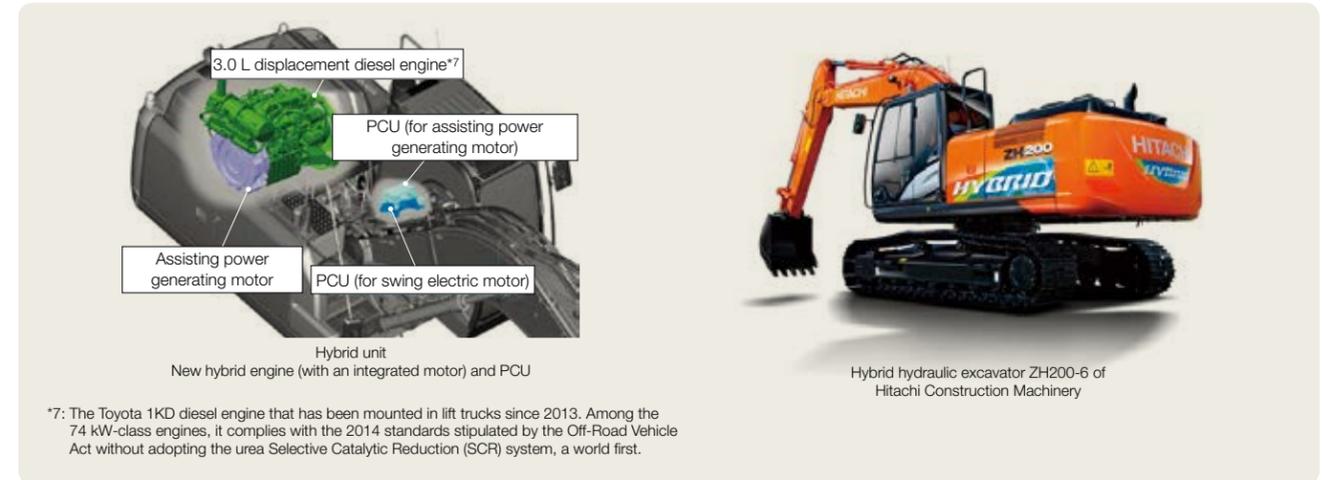
The unit has been mounted in a hybrid hydraulic excavator of



Using a DC-AC inverter as an emergency power source in a disaster-awareness camp



Toyota Prius α



*7: The Toyota 1KD diesel engine that has been mounted in lift trucks since 2013. Among the 74 kW-class engines, it complies with the 2014 standards stipulated by the Off-Road Vehicle Act without adopting the urea Selective Catalytic Reduction (SCR) system, a world first.

Hitachi Construction Machinery Co., Ltd.

In this way, we respond to ever-changing customer needs in a timely and accurate manner. By doing so, we intend to contribute to society and achieve sustainable corporate growth.

Future Direction of Business Operations

In order to achieve further growth with a focus on our core businesses of materials handling equipment and car air-conditioning compressors, we will meet changing customer needs and enhance our competitive edge by providing logistics solutions and responding to vehicle electrification.

Moreover, to extend our reach from the existing business domains for achieving sustainable corporate growth, we will also channel our resources and take on challenges in new business areas.

Because the world keeps changing faster and faster, we have taken the necessary action to respond to these rapid changes. Inspired by our corporate creed, we will step up our efforts to conduct forward-looking activities based on our areas of specialization.

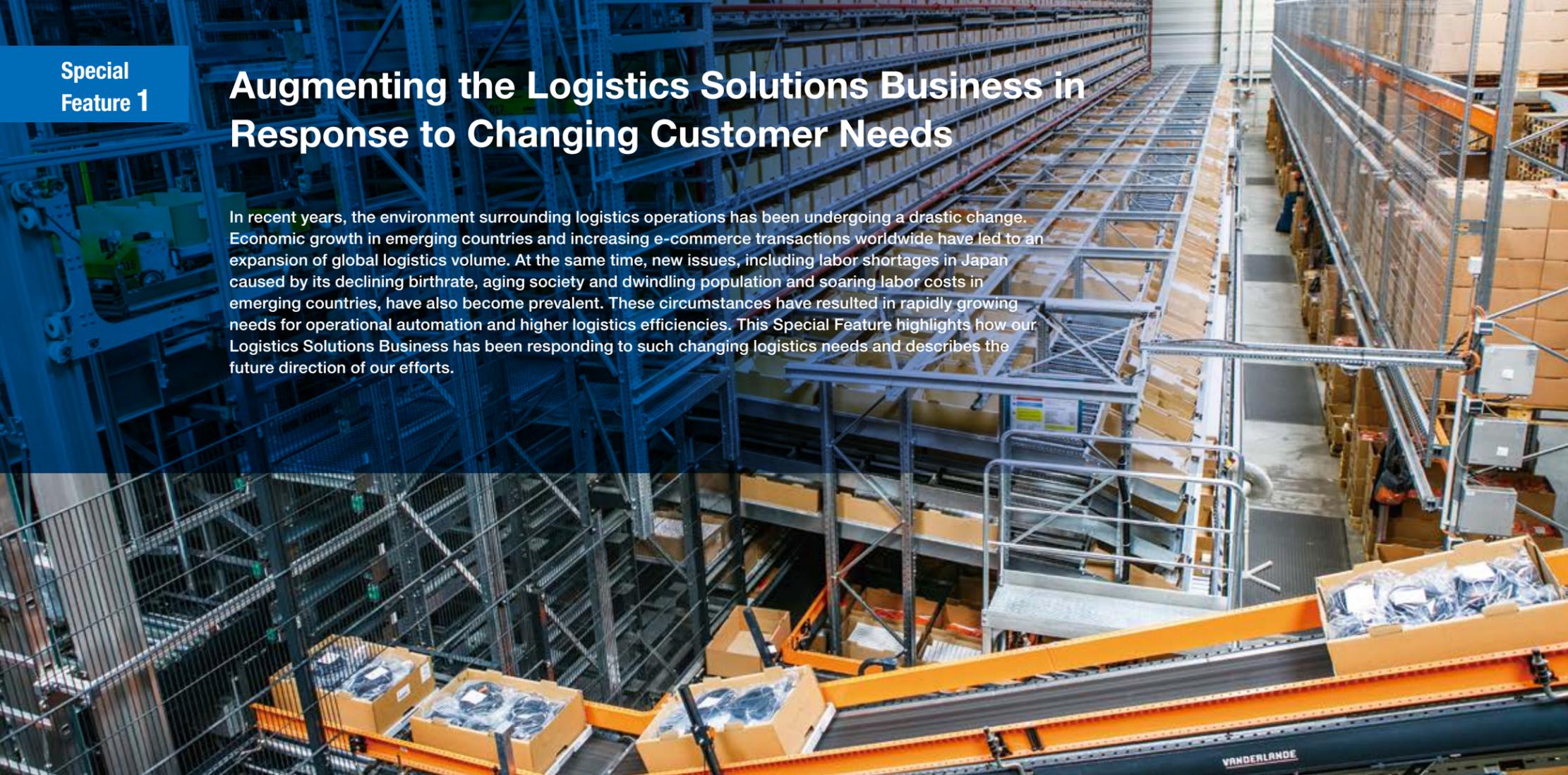
For a few years from fiscal 2019, we anticipate somewhat difficult times as we prepare for future growth. The involved costs could be large and may have a negative impact on our business performance. We intend to overcome these difficult times and continue our growth by taking advantage of operating diverse businesses, with each business segment making concerted efforts.

The entire Toyota Industries Group will work as a team toward this goal, while always going back to our vision to "support industries and social foundations around the world by continuously supplying products/services that anticipate customers' needs in order to contribute to an enriched lifestyle and comfortable society."



Augmenting the Logistics Solutions Business in Response to Changing Customer Needs

In recent years, the environment surrounding logistics operations has been undergoing a drastic change. Economic growth in emerging countries and increasing e-commerce transactions worldwide have led to an expansion of global logistics volume. At the same time, new issues, including labor shortages in Japan caused by its declining birthrate, aging society and dwindling population and soaring labor costs in emerging countries, have also become prevalent. These circumstances have resulted in rapidly growing needs for operational automation and higher logistics efficiencies. This Special Feature highlights how our Logistics Solutions Business has been responding to such changing logistics needs and describes the future direction of our efforts.



To date, Toyota Industries has concentrated on providing more efficient logistics solutions to customers in Japan, the United States and Europe. In the latter two regions, our fleet management systems to centrally manage a fleet of lift trucks and increase the efficiency of their operations have been on the market for quite some time. In Japan, we have been providing total solutions, including automated storage and retrieval systems, automatic guided vehicles (AGV), warehouse management systems (WMS) and other logistics systems and equipment, with a focus on resolving logistics issues from the customer's perspective.



Telematics (fleet management system)

Toyota Industries' Global Business Centered on Lift Trucks

In the Materials Handling Equipment Business centered around lift trucks, Toyota Industries has been leading the industry based on its strengths derived from global production, sales and service networks and from its extensive product lineup and customizing capability to meet customer needs in every usage condition and business category.

In addition to merely providing products, we operate an enhanced, total support structure encompassing after-sales services to ensure that customers always use our products in optimum condition. Through this structure, we help customers in different industries to achieve greater efficiencies in their diverse logistics operations. (See page 31 for details of our global Materials Handling Equipment Business.)

Responding to Changing Logistics Operations

Toyota Industries has made efforts to quickly and accurately respond to customers' logistics needs that have changed with the times.

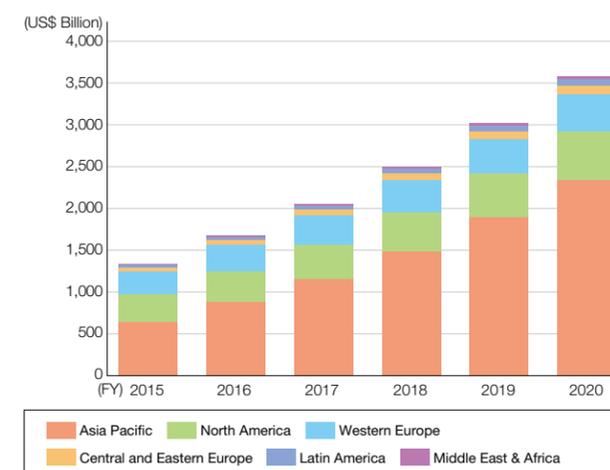
For example, in the field of lift trucks, we have responded to the ever increasing need for electric lift trucks by expanding our lineup from conventional lift trucks that use lead-based batteries to include models equipped with lithium-ion batteries and fuel cells, so that we can propose optimal products to each and every customer.

Additionally, we have started offering our own sales financing services to provide more purchasing options for customers depending on their financing needs. We have also taken on the lift truck business of Tailift Co., Ltd., a Taiwanese manufacturer of lift trucks having strengths in low- to middle-priced models, as an effort to respond to a broader range of customer needs.

A rapid expansion of e-commerce transactions in recent years has prompted an increase in the number and size of warehouses, and we expect this trend to continue for the foreseeable future. The increasing popularity of e-commerce has also pushed up the number of small-lot deliveries to individual consumers, necessitating quicker, more frequent and accurate operations from receiving orders to sorting and delivery.

E-commerce operators and transportation companies now need to process a large number of parcels in a short time, and we have been fielding many requests for our proposals for establishing more efficient logistics operations.

■ Growth of the E-Commerce Market



Source: Created by Toyota Industries based on "Study Report on a Structural Analysis of the ICT Industry in the IoT Era and Verification of ICT's Multifaceted Contributions to Economic Growth," Japan's Ministry of Internal Affairs and Communication (2016)

As mentioned earlier, more distribution centers have been built to deal with a rapid expansion of e-commerce transactions. At these centers, logistics solutions that combine software and equipment, such as lift trucks for which we enjoy the world's top share*1, automated storage and retrieval systems, conveyors and sorters, play an important role. To respond to a drastic change in logistics needs, we recognized that we must augment our Logistics Solutions Business globally and improve our responsiveness to satisfy these evolving needs. Based on this recognition, we welcomed two logistics systems companies into the Toyota Industries Group, namely, U.S.-based Bastian Solutions LLC in April 2017 and Netherlands-based Vanderlande Industries Holding B.V. in May 2017.

*1: Survey by Toyota Industries Corporation



Automated logistics equipment: automated storage and retrieval system and conveyor



Collaboration of the Three Companies to Expand Business Globally

Strengthening the Logistics Solutions Business Globally

Our Logistics Solutions Business is centered around logistics systems and equipment, and ramping up our efforts to reinforce this business had been an urgent task. Bastian and Vanderlande each have unique strengths in this area.

Bastian Solutions LLC

Headquarters: Indiana, U.S.A.
Main business: Logistics systems integrator*2
Net sales: Approx. ¥30.0 billion (fiscal 2018)

*2: A form of business that specializes in logistics systems integration, incorporating equipment mainly procured from outside sources

Since its establishment in 1952, Bastian has expanded its logistics solutions business primarily in the United States.

Bastian is a turnkey contractor and major logistics systems integrator that offers a total solution package from the selection of optimum hardware and software to system development in order to meticulously satisfy individual needs of customers in different industries and sizes. Its thorough post-installation support services, including the remote monitoring of operational status, also help customers set up efficient logistics operations.

Capitalizing on these strengths, Bastian provides solutions to customers



Robotic batch order picking



Management system

in various industries, ranging from major retailers and transportation companies to e-commerce operators and manufacturers of pharmaceuticals, automotive parts and other products.

Vanderlande Industries Holding B.V.

Headquarters: North Brabant, Netherlands
Main business: Logistics solutions provider*3
Net sales: Approx. ¥150.0 billion (fiscal 2018)

*3: A form of business to manufacture major equipment and software in-house and provide a total logistics system

Vanderlande, which operates in Europe as well as globally, is a leading logistics solutions provider in the world. The company offers systems to distribution centers and warehouses of e-commerce operators, retailers and parcel/postal services as well as baggage handling in airports.

Vanderlande internally develops a broad lineup of logistics equipment and related software, including automated storage and retrieval systems, sorting systems and conveyors, and offers systems tailored to customer needs. It has a noted strength in starting up large-scale projects and has built a strong customer base by providing enhanced after-sales services through its global network and earning trust from leading companies in various industries. Additionally, Vanderlande's baggage handling systems have been installed in a number of large hub airports across the world.



Shuttle-type automated storage and retrieval system



Baggage handling system in airports

Facilitating Mutual Understanding to Generate Synergies

As a new structure to promote the Logistics Solutions Business across the entire Toyota Industries Group through collaboration among Bastian, Vanderlande and Toyota Industries, we created the Toyota Advanced Logistics Group (TALG) in June 2017. Jointly with the Toyota Material Handling Group (TMHG), a global structure in our Materials Handling Equipment Business that mostly deals with lift trucks, we held a Global Alliance Meeting and started discussing ways to generate synergies through the collaboration of the Lift Truck Business and Logistics Solutions Business.

Based on our past M&A experience, we believe that it is crucial to understand the strengths and status of the three companies and build a trust-based relationship first, as opposed to rushing to integrate business, since each company has a different history and corporate culture. According to this policy, we had a discussion in June 2017



First Global Alliance Meeting held in June 2017 in the Netherlands

on specific action items and the organizational structure of TALG to promote collaboration, and established regional and functional Working Streams. Through these Working Streams, we are undertaking efforts toward the generation of synergies across various areas of operations from sales, joint procurement and collaborative development to mutual product supply, sharing of production know-how and improved customer service through the mutual utilization of service networks.

Providing New Logistics Value

Bastian, Vanderlande and Toyota Industries are in a complementary relationship both in terms of business domains and geographic areas of operations. As such, we believe that the collaboration among the three will enable us to provide solutions even more suited to customer needs.

The joining of the three companies has also drawn a great deal of attention from customers, and we have already begun to receive inquiries for new business opportunities that would have been difficult to capture for each company alone. Examples include an inquiry for introducing Vanderlande's system in Japan and a business negotiation undertaken jointly by Bastian and Vanderlande in North America. The three companies are working together to link these new opportunities as a means of providing greater value to customers.

Going forward, we will formulate a TALG Vision & Strategy for achieving growth over the medium to long term. With the three companies making concerted efforts, the Toyota Industries Group will reinforce its Logistics Solutions Business on a global scale and provide new value to customers.

Message from the Director in Charge

In recent years, I have felt a considerable change in customer needs driven by the growing e-commerce market and labor shortages. For example, there has been an increasing need for totally managing the entire logistics operations within a plant and an accelerated move among distribution companies toward automation. Thus, I believe that reinforcement of the Logistics Solutions Business on a global scale represents both a task and a great growth opportunity for Toyota Industries.

Currently, Toyota Industries is not the industry leader in the logistics solutions field. However, we are confident that we are able to grow into a significant player by leveraging our accumulated logistics improvement know-how while mutually sharing the individual strengths of our partners, Bastian and Vanderlande, and maximizing synergies.

In achieving growth, we must facilitate a mutual understanding among the three companies and patiently work to align the future courses of action. By doing so, we intend to attain the global top position not only in the Lift Truck Business but also in the Logistics Solutions Business.



Yojiro Mizuno
Senior Managing Director

Contributing to a Zero CO₂ Emissions Society through Environmental Technologies

Reducing CO₂ emissions is an urgent task in curbing global warming that has a significant impact on the natural environment and people's lives. As such, environmental initiatives of companies are becoming ever more important. At Toyota Industries, we have provided products with excellent environmental performance as an effort toward the realization of a zero CO₂ emissions society. In this Special Feature, we turn our attention to our next-generation environmental technologies, which we have been developing to help reduce global warming by leveraging our electrification and other elemental technologies.



Takashi Ito
 Managing Officer and Deputy Head of R&D Headquarters
 In charge of R&D Management Dept., Engineering Dept. No.1,
 Engineering Dept. No.4 and Global IT Dept.
 (As of March 31, 2018)

Eco-Conscious Products Utilizing Our Strengths in Electrification Technologies

In the Materials Handling Equipment Business, we started developing electric lift trucks as early as in the 1970s. In recent years, we have developed and provided to customers lift trucks equipped with lithium-ion batteries and fuel cells. In the automobile-related businesses, we develop and manufacture a broad range of devices for electric-powered vehicles, including hybrid vehicles (HVs), plug-in hybrid vehicles (PHVs), electric vehicles (EVs) and fuel cell

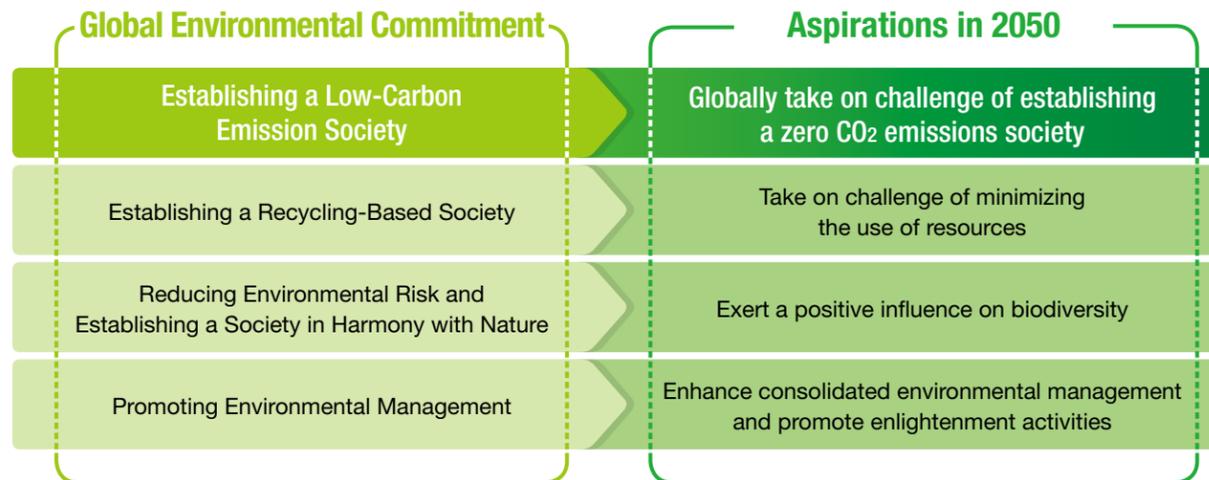
vehicles (FCVs), and have global top share*1 products in the fields of car air-conditioning compressors and electronics devices.

As seen herein, we have shared and advanced our technologies and know-how between the Materials Handling Equipment and automobile-related businesses. Departments carrying out research on material and other basic technologies also collaborate with each business division. We believe that this approach has enabled us to improve our technological prowess and conduct development in an efficient manner.

*1: Survey by Toyota Industries Corporation

[Examples of Existing Products]

- **Electric lift trucks**
 Our electric lift trucks utilize a range of elemental technologies, including power source technologies to improve power efficiency and environmental performance as well as control technologies to operate lift trucks in optimum condition.
- **Hybrid unit for construction machinery**
 We developed our first hybrid unit for construction machinery by leveraging our engine and power electronics technologies accumulated in the fields of materials handling equipment and automobiles. The unit has been mounted in a hybrid hydraulic excavator of Hitachi Construction Machinery Co., Ltd.
- **Electric compressors**
 Our electric compressors also utilize various elemental technologies, including technologies to enable weight reduction of materials, surface processing technologies and power source technologies related to motors and inverters to improve power efficiency.

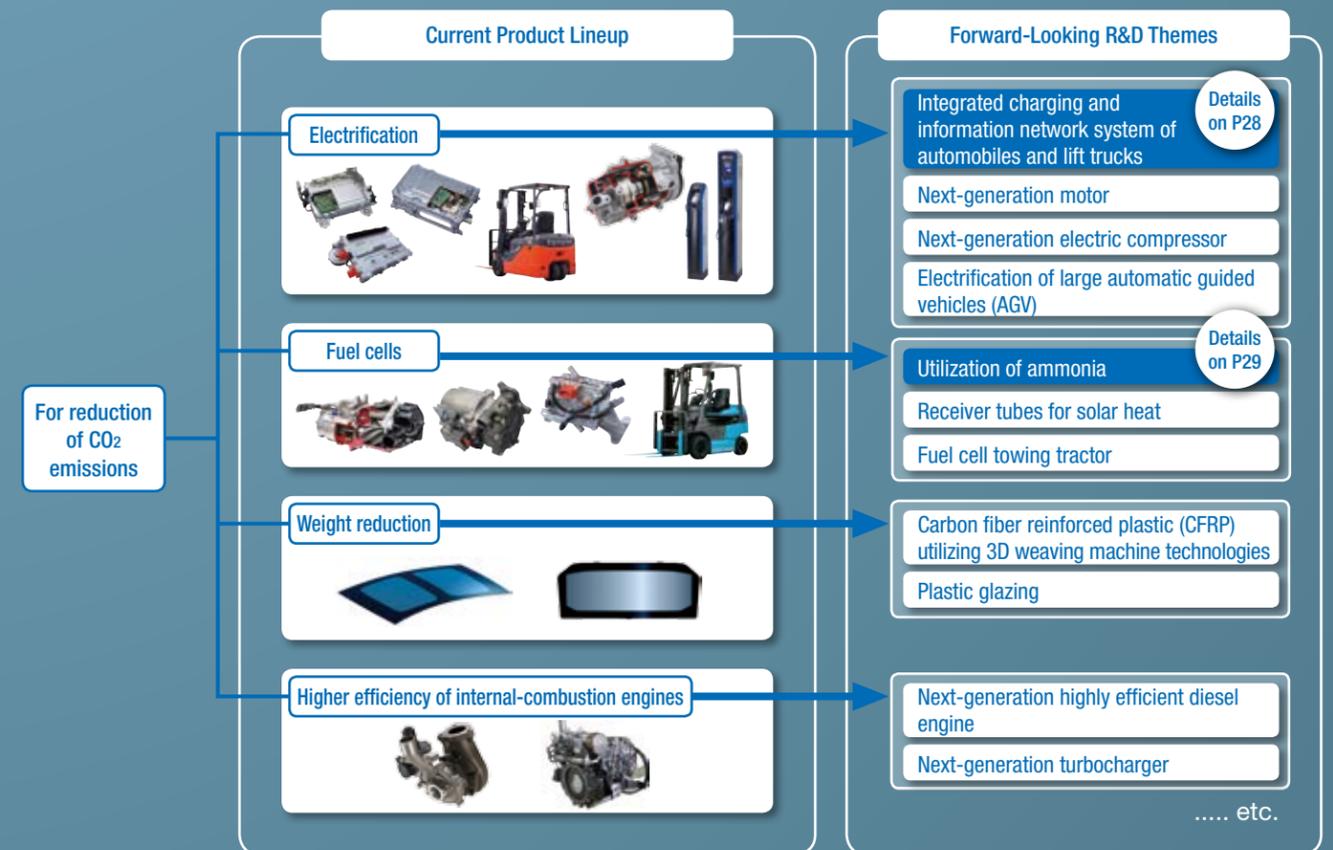


Positioning of Environmental Technologies

As one tenet under its Basic Philosophy, Toyota Industries works to contribute to regional living conditions and social prosperity and also strives to offer products and services that are clean, safe and of high quality. Accordingly, we have established the Global Environmental Commitment, a specific environmental action guideline, and defined our aspirations in 2050 to promote the four action themes specified in the Commitment. Our Sixth Environmental Action Plan for the period from fiscal 2017 to 2021 serves as a milestone toward achieving our aspirations in 2050, and we have been undertaking technology development accordingly.

Among the four action themes, we attach the greatest importance to the establishment of a low-carbon emission society, and have been undertaking initiatives in various fields from vehicle electrification to the development of fuel-efficient engines in our efforts to globally realize a zero CO₂ emissions society in 2050.

This Special Feature presents two examples of our initiatives in the field of electrification, which is one of the effective means of reducing CO₂ emissions. In these examples, we are utilizing our elemental technologies in seeking to provide innovative products and services.





We strive to raise the competitiveness and expand the lineup of our products that utilize electrification technologies. At the same time, we seek further evolution and fusing of our elemental technologies to create an array of next-generation environmental technologies. This Special Feature presents two examples of such technologies.

Application of Technologies Used in Existing Products Integrated Charging and Information Network System of Automobiles and Lift Trucks

Overview / Advantages

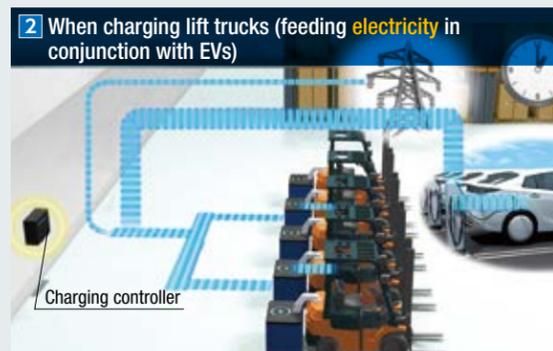
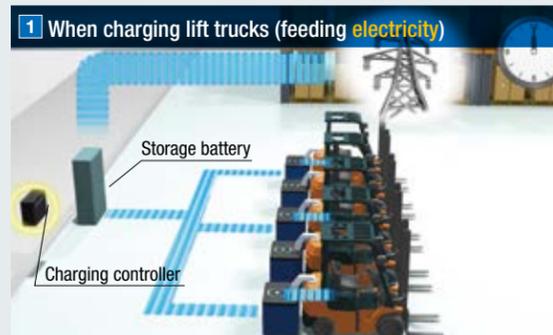
- 1 In a factory operating multiple lift trucks, electricity costs can be reduced by charging just an appropriate amount of electricity to individual lift trucks based on their remaining battery charges and their operation plan, thereby enabling the control of the peak power consumption.
- 2 A considerable reduction in electricity consumption will be possible by charging electricity to lift trucks from PHVs, EVs and other similar vehicles based on these vehicles' operation plan.
- 3 It will also be possible to promote preventive maintenance by collecting information on all lift trucks running within a factory using Internet of Things (IoT) technology and conducting analysis of their operational status, thus contributing to reducing maintenance costs.

Utilization of Toyota Industries' Technologies

We will apply our technologies related to on-board chargers and charging stands for automobiles to charge lift trucks. Energy saving and preventive maintenance are made possible by utilizing our know-how in the operational management of lift trucks.

Future Plan

For commercialization of the technology, we plan to initiate feasibility tests in fiscal 2019 in an environment in which lift trucks are actually used. After experimenting with multiple lift trucks running simultaneously, we aim to put the technology into practical use in the mid-2020s.

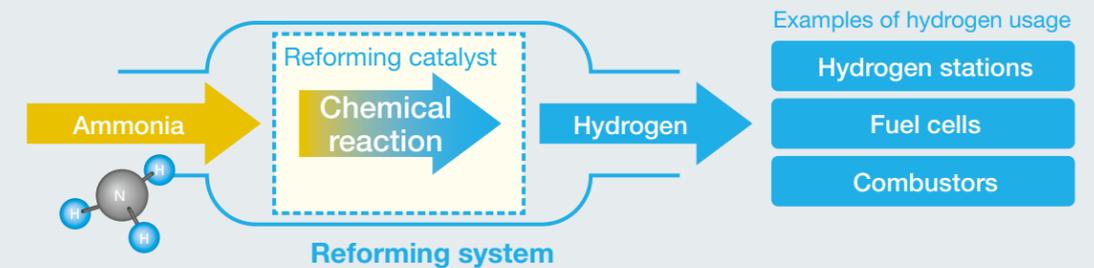


Development of a New Product Using Elemental Technologies System to Use Ammonia to Generate Reformed Hydrogen for Fuel Cell Systems

The next example is a project aimed at reducing CO₂ emissions, promoted under the Cross-ministerial Strategic Innovation Promotion Program (SIP), an industry-government-academia program led by the Japanese government. Toyota Industries participates in the project as a joint research member.

Several automakers have been engaging in the development of FCVs in addition to EVs. The Japanese government regards FCVs as an effective means of reducing CO₂ emissions into the future and is promoting an SIP project, which includes production of hydrogen for use in fuel cell systems.

One theme of the project is energy carriers, and they include a program to develop a more efficient method through liquefaction and other processes to store and transport hydrogen, which is otherwise inefficient to do so in its gaseous state. We are carrying out the development of such a method by utilizing our pool of technologies.



Overview / Advantages

This reforming system uses ammonia to generate hydrogen for fuel cell systems. As ammonia goes through the system, it chemically reacts with a reforming catalyst inside and produces hydrogen.

There are many challenges involved in fully utilizing hydrogen in fuel cell systems. One of them is that hydrogen in a gaseous state is inefficient to store and transport.

If this system can be put to practical use, it will enable the use of ammonia, which is suitable for storage and transportation, as a hydrogen carrier and allow on-site supply of hydrogen at hydrogen stations. It can ultimately evolve into a hydrogen supply system for fuel cells used for various purposes, and is expected to contribute to the realization of a society in which hydrogen is readily available.

Utilization of Toyota Industries' Technologies

Preparing itself for the era of electrification, Toyota Industries has engaged in the development of catalyst and other elemental technologies for generating reformed hydrogen from ammonia for 10 years. Now, these elemental technologies have reached a level at which their practical use is a reality.

Future Plan

Our future efforts will be to increase the safety of the system further and at the same time make the system more compact.

Technologies for generating reformed hydrogen from ammonia are a key technology in establishing a hydrogen-based society. We recognize that it is our responsibility to accelerate our development efforts in this area in order to curb global warming and realize a zero CO₂ emissions society.

The projects presented in this Special Feature are only a few examples of our ongoing development efforts. Going forward, we will continue to work toward contributing to environmental conservation and providing cutting-edge products and services tailored to changes in the social structure and customer needs, along with improving the environmental performance of our existing products.

Business Activities

Materials Handling Equipment	P30-34
Automobile (Vehicle / Engine / Car Air-Conditioning Compressor / Car Electronics)	P35-40
Textile Machinery	P41

Materials Handling Equipment

As a market leader with an extensive knowledge of global logistics needs, Toyota Industries provides a range of materials handling equipment, mainly lift trucks, and logistics solutions to customers.



Strengths

- An extensive logistics-related product lineup both in the fields of materials handling equipment (internal-combustion lift trucks, electric lift trucks, fuel cell (FC) lift trucks, etc.) and materials handling systems (automated storage and retrieval systems, automatic guided vehicle (AGV) systems, automated lift trucks, etc.)
- High technological capabilities, including those linked to environmental and safety performance
- In-house development and production of key components, including engines and motors
- Production know-how that ensures high levels of quality and production efficiency
- Global, well-developed production, sales and service networks
- Total support services encompassing IT-based maintenance and inspection as well as operational management
- No. 1* in lift truck unit sales in the world
- A wealth of experience and know-how accumulated in the globally operated Logistics Solutions Business

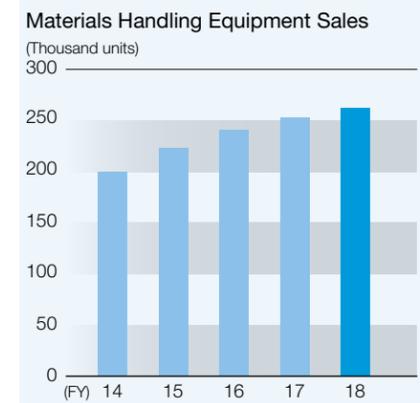
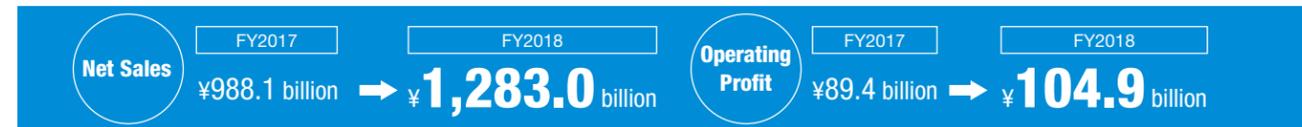
* Survey by Toyota Industries Corporation

Opportunities

- Growing need for electric lift trucks following enforcement of more stringent environmental regulations around the world
- Growing need for products with high energy savings and low environmental impact, driven by a rise in eco-consciousness
- An expansion of global logistics volume in line with an increase in the world population and economic growth
- Rising need for higher logistics efficiencies prompted mainly by an expansion of e-commerce transactions, soaring labor costs and labor shortages

Risks

- Restrained capital investment due to a slowing economy
- Weaker sales caused by intensifying competition
- Change in business environment triggered by an expanding market of low- to mid-priced lift trucks



Business Overview in Fiscal 2018

In the Materials Handling Equipment Business, the lift truck market in 2017 as a whole continued to expand globally, driven by strong sales in emerging countries, including China, as well as the United States and Europe. Amid this operating climate, Toyota Industries strengthened production and sales activities matched to respective markets and rolled out new products. Consequently, unit sales of our mainstay lift trucks for fiscal 2018 increased by 10,000 units, or 4%, to a total of 263,000 units over the previous fiscal year. Toyota Industries continued to make proactive efforts for further business reinforcement, such as carrying out model changes of an electric lift truck in Japan, enhancing the product lineup in the United States and Europe and promoting close collaboration with logistics solution subsidiaries also in the United States and Europe. As a result of these activities, net sales in fiscal 2018 totaled ¥1,283.0 billion, increasing ¥294.9 billion, or 30% year-on-year.

Toyota Material Handling Group (TMHG)

As a market leader in the materials handling equipment and logistics fields, Toyota Industries assists customers worldwide in attaining greater logistics efficiencies by delivering logistics solutions optimally tailored to their specific needs.

Under the TMHG management structure, we engage in the Lift Truck Business under the TOYOTA, BT, RAYMOND and CESAB brands. Mutually utilizing the development and sales strengths of each brand, TMHG is promoting business on a global scale.

We basically carry out product development in three regions, namely Japan, North America and Europe. Based on this structure, we develop and manufacture products in each region, which are matched to the specific local needs and characteristics, and ensure quick product delivery to customers.

At the same time, we seek greater product appeal by conducting in-house development and production of key components of lift trucks, including engines and motors.

In addition to supplying such high-quality products, we have concentrated on sales and services through our extensive networks and strengthened our sales financing operations. Through these efforts, we are close to completing the establishment of a stronger value chain structure. Going forward, we will satisfy customer needs throughout the entire value chain and work to maximize its effectiveness. On the sales front, we are seeking to obtain large orders by responding to demands of customers who conduct business globally while undertaking sales activities matched to the specific conditions of each market. In terms of services, we assign a total of more than 10,000 experienced and knowledgeable service personnel to Japan, North America and Europe, our mainstay markets, to provide finely tailored services to customers. Our service personnel visit customers on a periodic basis and provide maintenance services to contribute to preventing troubles from occurring. When a

problem does occur, they swiftly make a visit to the customer and promptly take appropriate action.

In the field of logistics solutions, in which advanced solutions to complex logistics issues in logistics sites are needed, sustainable market growth is expected globally due mainly to the recent, rapid expansion of the e-commerce market. Amid this environment, we go a step beyond just providing lift trucks and other materials handling equipment and are reinforcing our Logistics Solutions Business to offer solutions to customers' logistics issues by leveraging our production and logistics know-how accumulated in manufacturing operations. At the same time, we aim to precisely respond to customer needs both in terms of hardware and software through collaboration with U.S.-based Bastian Solutions LLC and Netherlands-based Vanderlande Industries Holding B.V., two of our subsidiaries having unique strengths in this field.

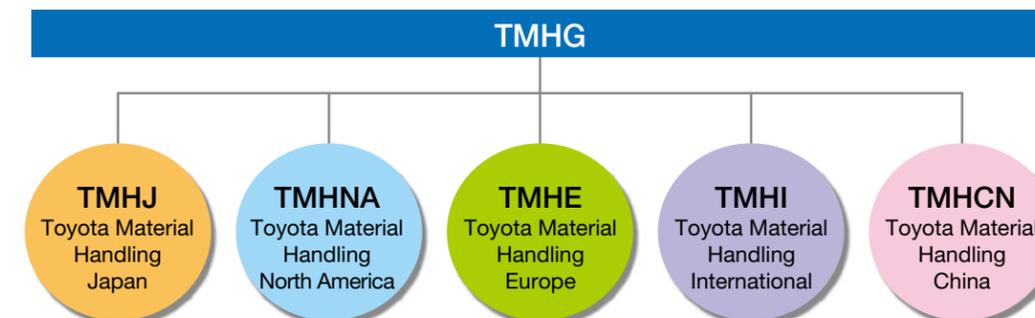
Business Activities in Fiscal 2018

With the continued growth of the world's lift truck market in 2017, we worked to enhance the product appeal of our mainstay lift trucks and reinforce our sales networks. We also strove to offer reliable after-sales services, enhance responsiveness to large-order customers and provide solutions to achieve greater logistics efficiencies through the introduction of distribution systems.

With regard to increasing product appeal, our quick responses to growing environmental consciousness among customers and more strict emissions regulations included fully revamping a reach-type electric lift truck in Japan and increasing the number of models equipped with lithium-ion batteries in Europe and the United States. These electric lift trucks have less environmental impact and offer even greater maneuverability.

In Southeast Asia and other emerging country markets, where sustained growth is expected, we established a

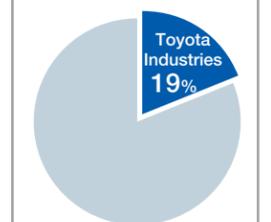
Toyota Material Handling Group



The Toyota Material Handling Group possesses several brands such as TOYOTA, BT and RAYMOND and engages in business by dividing the world into five areas: TMHJ (Japan), TMHNA (North America), TMHE (Europe), TMHI (Asia, Australia, etc.) and TMHCN (China).

Toyota Industries' Global Lift Truck Market Share

(Survey by Toyota Industries Corporation, 2017)



Company Introduction
Strategies and Business
Promotion of ESG Initiatives
Financial Section / Corporate Information

regional sales headquarters in Thailand to enhance our network and improve our customer responsiveness.

In the logistics solutions field, Toyota Industries is collaborating with Bastian and Vanderlande, our subsidiaries since 2017, and jointly examining specific action items in the areas of sales, procurement and development through function- and region-based subcommittees. The three companies will work closely together while leveraging their own unique, individual strengths to respond to growing needs for logistics solutions driven mainly by an expansion of e-commerce transactions.

(See Special Feature 1 on pages 22–25 for details.)

Meanwhile, Aichi Corporation, which possesses the top brand*1 in the field of aerial work platforms in Japan, posted higher sales to the telecommunication and railway industries, driven by strong demand for equipment renewal, including replacement of aging aerial work platforms. On the other hand, in the electric power and leasing industries weaker equipment renewal demand and restrained capital investment for mechanization pushed down sales. As a result, Aichi's overall sales were on par with the previous fiscal year.



Aichi Corporation's aerial work platform

*1: Survey by Aichi Corporation

Business Activities by Regional Market

Japanese Market

With the Japanese lift truck market continuing steady growth in 2017, Toyota Industries undertook activities to enhance our product lineup and expand sales. As a result, we posted record-high unit sales in fiscal 2018 at 43,000 units, attaining a 2% increase year-on-year. Unit sales of Toyota Industries' lift trucks maintained the top position*2 in calendar 2017 for the 52nd consecutive year.

An expansion of the e-commerce market in recent years has given rise to an increase in new construction of larger warehouses. Coupled with changes in the business environment caused by labor shortages, these developments have further increased the needs for greater logistics efficiencies and a higher degree of automation. To respond to these needs, Toyota Industries revamped a reach-type model of its electric lift trucks mainly used in warehouses and newly released it as the Rinova series. The series consists of four models*3, including standard types run by operators and the automatic guided Rinova AGF, to satisfy the different needs of customers.

In the logistics solutions field, we released KEY SO-CO,



Rinova series

a simple inventory management system that helps customers improve the efficiency and quality of their inventory management in warehouses. The system is easy to set up and operate to make it simple for customers who use such a system for the first time and offers required functionality at a reasonable price. Using a hand-held device to check incoming goods and their quantities, confirm acceptance and delivery of goods into and from warehouses and automatically record details of operations in the system, KEY SO-CO serves to reduce the work load and possible errors of visual inspections and manual procedures and contributes to the improved accuracy of overall operations.

Additionally, Toyota Industries held the Toyota L&F Logistics Solutions Fair in five cities around Japan from January to March 2018. The aim of the fair was to help customers reduce logistics costs, increase productivity and realize excellent safety of their operations. During the fair, we presented our logistics solutions by demonstrating the Rinova series, showcasing fuel cell lift trucks and various storage and retrieval systems and holding seminars on logistics improvement.



Toyota L&F Logistics Solutions Fair

*2: Calculated by Toyota Industries Corporation, using data published by the Japan Industrial Vehicles Association

*3: Rinova AGF, Rinova Rack Stocker, Rinova All Way and Rinova Explosion-Proof Type

North American Market

In the expanding North American lift truck market, Toyota Industries remained the market share leader*4 in 2017 with combined unit sales of TOYOTA and RAYMOND brands of approximately 88,000 units, up 6% from the previous fiscal year.

*4: Survey by Crist Information & Research, LLC, 2017

Toyota celebrated 50 years of North American lift truck sales in 2017 and held a special event in Columbus, Indiana.

Its product offerings were further expanded with the launch of high-capacity lift trucks and AICHI-brand aerial work platforms. Toyota also proactively engaged in online digital marketing initiatives. National promotions helped attract hundreds of new customers to Toyota dealers and generate more orders. Raymond newly developed a virtual reality (VR) simulator that utilizes an existing lift truck plugged directly into the machine and allows a user to enter a simulated warehousing environment for effective operator training. Raymond also expanded its product lineup by launching a counterbalanced electric lift truck, an electric low lift truck powered by lithium ion and other products in addition to a new electric low lift truck manufactured by Tailift Co., Ltd. as an entry-level walkie for cost-conscious customers.

Both Toyota and Raymond continue to leverage automation and telematics. For example, sales of Toyota's T-Matics fleet management system have been consistently increasing, and we intend to raise customer



Celebrating 50 years of TOYOTA-brand lift truck sales in North America



Aerial work platform



TOYOTA brand's new high-capacity lift truck



VR simulator

convenience through such measures as enhancing the functionality of the system. Likewise, Raymond continued its automation efforts by introducing the new Courier automated stacker showcased at the MODEX 2018 trade show. By connecting Raymond's automated lift trucks to the iWAREHOUSE fleet management system, customers gain even greater visibility into their automated and manual mixed fleets.

Toyota and Raymond will continue to engage in product development, sales and after-sales activities by leveraging the strengths of both brands. We will also focus on building an online sales channel by expanding the products for sale online to include electric lift trucks and parts in addition to the currently available hand pallet trucks, thereby improving customer convenience and increasing business opportunities.



RAYMOND brand's electric low lift truck powered by lithium ion

European Market

The European lift truck market, supported by strong growth in the overall European economy, continued its positive development during 2017. Although market development was flat in the U.K., which was still somewhat affected by Brexit, market growth was strongest in countries like France, Spain, Sweden and Poland. In this business environment, Toyota Industries posted sales of 92,000 units, up 1% from the previous fiscal year, mainly as a result of strong sales of electric lift trucks.

As for lift truck management, we have been focusing our efforts on the introduction of I_Site solution, which is directed toward all our customers who aim to reduce costs, improve productivity and increase safety management. The product not only enables more efficient fleet management regardless of how many lift trucks are in operation but also raises the awareness of operators and allows energy-efficient operation by visualizing the operational status and accidental contact of each lift truck. These and other features in turn contribute to building a safe and secure logistics environment. As a result, in 2017 we reached over 50,000 lift trucks connected with I_Site.

In response to rising customer needs for more efficient logistics environments, we have updated and expanded the range of automated guided vehicles (AGVs) with new models that are effective at automating repetitive pallet handling while also introducing automated lift trucks that can be equipped with lithium-ion batteries. In addition, we expanded the



I_Site fleet management system

range of shuttle systems that travel within racking structures and transport goods by updating the existing Toyota Radio shuttle, launching the new Autosshuttle and making other improvements. These automated storage and retrieval systems and other high-density storage systems allow customers to utilize up to 80% of warehouse volume, increasing storage space and improving throughput.



Automated lift truck

Toyota Industries had a successful rollout of its e-commerce platform in the 16 European markets to raise customer convenience and began selling new and used lift trucks, parts and other products. We also strive to provide multi-faceted support to customers' logistics through such initiatives as Lean Advice services to our existing customers by leveraging improvement know-how cultivated by our manufacturing activities.

TOPIC

The BT Reflex R-series reach truck won the German Design Award 2018 in the Excellent Product Design category for its clean and functional design.



BT Reflex R-series

ALOMA*5 and Chinese Markets

Toyota Industries covers the ALOMA markets of Asia, Latin America, Oceania, the Middle East and Africa as well as the Chinese market. We are serving these markets with a lineup consisting of TOYOTA, BT and RAYMOND brands.

In 2017, both the ALOMA market and Chinese market expanded. Amid such conditions, Toyota Industries released

new electric lift trucks, for which market needs have been growing, and enhanced its sales and after-sales service structures. Unit sales consequently increased 8% over the previous fiscal year to 40,000 units in fiscal 2018.

In Asia, we established a regional sales headquarters in Bangkok, Thailand, to augment sales in the Mekong area where future growth is expected. In Thailand, we sell three brands of TMHG, namely TOYOTA, BT and RAYMOND, through two dealers. The new headquarters will play the role of increasing the collaboration between dealers and provide logistics solutions and related maintenance services to support logistics automation. We intend to offer warehouse and plant logistics solutions to customers and quickly respond to their diversifying and evolving logistics needs.

In Latin America, we set up our third regional office in Buenos Aires, Argentina, following ones in Singapore and Dubai in the United Arab Emirates. The new regional office will reinforce sales and after-sales service structures in Latin American countries through such measures as collecting information in the region, hosting regional conferences and providing education to dealers. In this way, we seek to provide products and services that can satisfy customers.

As an initiative common to the ALOMA and Chinese markets, we are promoting the Toyota Lean Logistics Program (TLLP), a scheme to train dealers in each country as solution providers. Leveraging our strengths demonstrated in manufacturing and logistics sites, the program focuses on the ability to visualize the current status, plans and progress; activities to sort, organize, clean and polish; and excellent process management. Through these measures, our hope is that the dealers will become proficient at offering solutions for customers to realize better operational sites and more efficient operations, backed up by Toyota Industries' wealth of logistics know-how and extensive product lineup, to assist customers in achieving greater logistics efficiencies.

With a view to responding to expanding and diversifying customer needs in the ALOMA and Chinese markets, Toyota Industries will continue to establish and enhance sales and after-sales service structures in these regions. At the same time, we will conduct marketing from our regional offices and other bases, remaining close to each regional market, and undertake TLLP and similar initiatives that leverage our unique strengths. Through these efforts, we intend to provide products and services to customers jointly with our dealers in each country and attain further business expansion.

*5: ALOMA is a Toyota Industries term for Asia, Latin America, Oceania, Middle East and Africa.

Automobile

In the fields ranging from vehicle assembly to engines, car air-conditioning compressors and car electronics, Toyota Industries continues to meet the expectations and trust of its customers.



Strengths

- Highest-level production efficiency and quality among all Toyota-affiliated automobile body manufacturers (Vehicle assembly)
- Know-how on the development and production of diesel engines and turbochargers (Engine)
- Ability to develop excellent products with greater fuel efficiency, quieter operation, compactness, weight reduction and easiness to mount on vehicles (Car air-conditioning compressor)
- Global top-share* products for use in a full range of vehicles, from internal-combustion vehicles to hybrid vehicles (HV), plug-in hybrid vehicles (PHV), electric vehicles (EV) and fuel cell vehicles (FCV) (Car air-conditioning compressor)
- Global production structure based on the concept of local production and local consumption (Car air-conditioning compressor)
- Higher technological capabilities cultivated through the development and production of products for Toyota Motor Corporation (TMC) for external sales and for internal use (Car electronics)
- Development, production and top-level quality of electronic parts and devices for electric-powered vehicles (Car electronics)

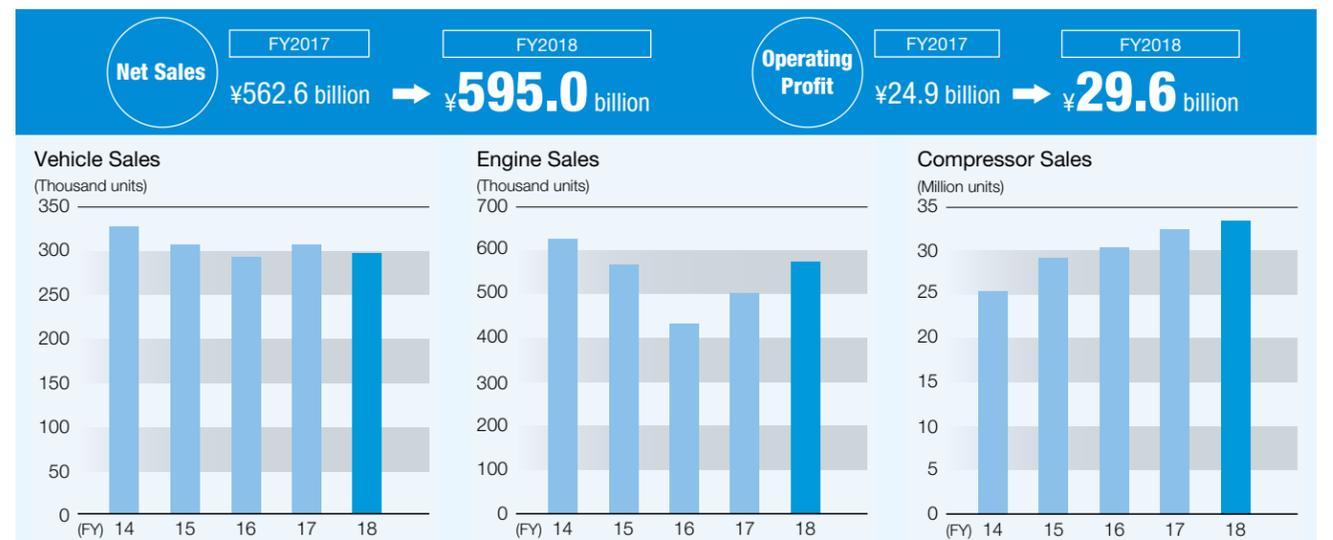
* Survey by Toyota Industries Corporation

Opportunities

- Increasing needs for energy-saving products due to stricter environmental regulations and growing environmental consciousness
- Sales expansion of energy-saving products in line with growth of the automobile market

Risks

- Shrinking of the automobile market caused by economic slowdown
- Customers becoming reluctant to buy energy-saving products following less stringent environmental regulations
- A drop in product competitiveness due to the yen's appreciation or a rise in raw material costs



Vehicle

Business Overview in Fiscal 2018

The automobile market expanded on a global basis, with strong sales mainly in Europe and China.

In fiscal 2018, unit sales of the Vitz (Yaris outside Japan) and the RAV4 decreased by 9,000 units, or 3%, from the previous fiscal year to 298,000 units. As a result, net sales declined ¥1.0 billion, or 1% year-on-year, to ¥72.1 billion.

Highest-Level SEQCD to Contribute to Production of Toyota Cars

Toyota Industries' comprehensive strengths lie in the highest level of safety, quality, cost and delivery among all Toyota-affiliated automobile body manufacturers. In fiscal 2018, we received the Toyota Quality Control Award from TMC for six consecutive years. We will remain committed to further strengthening our already superior level of safety, the environment, quality, cost and delivery (SEQCD). We also are working to leverage our ability to quickly start up production and a flexible structure in terms of vehicle models and production volume to contribute to production in Japan of Toyota vehicles.

Development and Production of Plastic Glazing

Toyota Industries' plastic glazing has been used in the panoramic roof of TMC's hybrid vehicle Prius α (Prius + in Europe and Prius v in North America).

The panoramic roof retains the beautiful surface quality typical of a glass roof yet is approximately 40%* lighter than its glass counterpart, improving vehicle fuel efficiency, which has become increasingly important, and thus contributing to the reduction of CO₂ emissions.

Toyota Industries will continue to develop attractive new products that leverage the distinctive characteristics of plastic glazing.

* Survey by Toyota Industries Corporation

“Our Vitz and RAV4” Initiative for Enhancing Appeal of the Two Car Models

As the sole producer of the Vitz in Japan and with the aim of turning the vehicle into a long-selling series, Toyota Industries collaborates with TMC and its dealers to make various suggestions under the banner “Taking the Lead in Making Our Cars More Attractive.” In 2017, we co-produced the Vitz Ray, a regionally limited model specifically targeting adult women, with dealers. Similarly, to boost the appeal of the RAV4, we plan and develop special-edition vehicles that directly reflect

the voice of our customers. Through these endeavors, we seek ways to create more appealing and satisfying vehicles for customers worldwide.

At the same time, we also undertake activities to expand our customer base by enhancing the appeal of the Vitz through our support to motorsports events.



President of NETZ TOYOTA YAMAGATA Co., Ltd. and female staff who participated in the development of the Vitz Ray at the press conference to announce the release of the vehicle



Vitz at the Japanese Rally Competition

TOPIC

In October 2017, we created an outdoor car design viewing yard at the Nagakusa Plant in Aichi Prefecture. The yard is used to review a car design outside under customers' actual usage conditions. By utilizing this yard, we will create designs that precisely capture the needs of customers and make them smile.



Opening ceremony of the outdoor car design viewing yard

Engine

Business Overview in Fiscal 2018

Increases in sales of AR gasoline engines and GD diesel engines pushed up unit sales in fiscal 2018 by 73,000, or 15%, over the previous fiscal year to 574,000 units. Net sales increased by ¥8.7 billion, or 10% year-on-year, to ¥98.7 billion.

Highly Acclaimed by Customers Worldwide

Toyota Industries' diesel engines are mounted in a variety of Toyota vehicles, including the Toyota Land Cruiser series, the world's renowned full-fledged four-wheel drive (4WD) model, and TMC's Innovative International Multipurpose Vehicle (IMV) series targeting emerging countries. Their high performance and reliability have gained strong market recognition. Currently, our mainstay products are V-type 8-cylinder VD diesel engines and in-line 4-cylinder GD diesel engines. GD diesel engines are a model we started manufacturing in June 2015 and are equipped with a turbocharger specifically and optimally designed and manufactured in-house, thereby offering a much greater performance than KD diesel engines, their predecessor model.



GD diesel engine

Turbocharger (mounted on GD diesel engines)

GD diesel engines are also manufactured by Toyota Industries Engine India Pvt. Ltd. (TIEI), a consolidated subsidiary in India, and are fitted in IMVs sold locally. Going ahead, we will continue to improve productivity at TIEI and increase the ratio of locally procured parts.



TIEI's plant

Developing Competitive Engines in Industrial Fields

Toyota Industries' engines are highly renowned for their reliability and excellent environmental performance in industrial fields as well. These engines are used for a wide variety of applications, including our lift trucks, and adopted by many customers such as GHP*1 manufacturers in Japan and CHP*2 manufacturers worldwide.

We developed and are manufacturing the Toyota 1KD diesel engine (4-cylinder, 3.0 L displacement), the Toyota 1ZS diesel engine (3-cylinder, 1.8 L displacement) and the Toyota 1FS gas/gasoline engine (4-cylinder, 3.7 L displacement), all of which are equipped with an optimally designed turbocharger also developed and manufactured in-house. These engines offer downsized displacement compared with conventional models with equivalent output, resulting in higher fuel efficiency, cleaner emissions and a reduction in size. In 2017, the Toyota 1KD engine was adopted for the first time in the construction machinery field. We will continue to expand sales into this and other fields.

*1: Short for gas heat pump; air conditioner driven by a gas engine
*2: Short for combined heat and power; co-generation system



Toyota 1ZS diesel engine

Turbocharger (mounted on Toyota 1ZS diesel engine)

Seeking Engines with Greater Product Appeal

Following the adoption of the Paris Agreement at the 21st session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21) held in November 2015, and with some countries announcing their shift from internal-combustion vehicles to electric-powered vehicles, there has been a growing need for engines with even greater fuel efficiency and cleaner emissions for HVs, PHVs and other electric-powered vehicles as well.

Diesel engines, on the other hand, enjoy an enduring popularity particularly as a power unit suited for sports utility vehicles (SUV) and such commercial vehicles as pickup trucks, as they offer excellent basic performance of high fuel efficiency and high torque at low speed.

Aiming for further evolution of internal-combustion engines, we will continue to seek the world's highest-level combustion efficiency and develop more fuel-efficient and cleaner engines.

Car Air-Conditioning Compressor

Business Overview in Fiscal 2018

In fiscal 2018, unit sales of car air-conditioning compressors rose 870,000 units, or 3%, over the previous fiscal year to 33.42 million units as we posted an increase in sales in Japan, North America, China and other countries. Net sales increased ¥16.7 billion, or 5%, from the previous fiscal year to ¥351.4 billion.

Development Efforts Centered around Energy Savings and Vehicle Electrification

More stringent fuel efficiency standards have been enforced mainly in the United States, Europe, Japan and China.

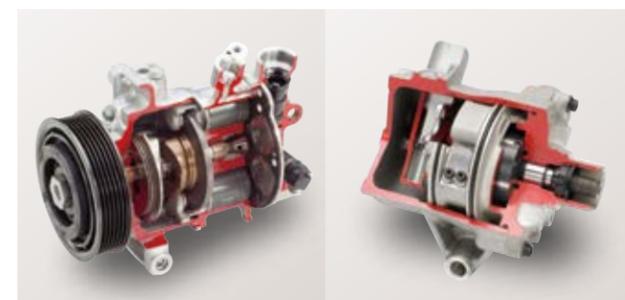
Against this backdrop, in the field of car air-conditioning compressors to be mounted in internal-combustion vehicles, needs for greater fuel efficiency have been growing in both fixed-displacement and variable-displacement type products. Particularly in the United States, in recent years there has been an accelerated shift from fixed-displacement type products to fuel efficient variable-displacement type products.

Our variable-displacement type compressors, which are renowned for high fuel efficiency and reduced weight, have been adopted by the world's leading automakers, including TMC, Daimler AG, General Motors Company (GM), Volkswagen AG and Hyundai Motor Company.

In the United States, our SES series became the first compressor to be approved under the country's off-cycle credits program. The program gives off-cycle credits to technologies that can effectively improve fuel efficiency under its emissions regulations. We have since been working to increase the number of models equipped with the SES series compressors.

In addition to the development of variable-displacement type compressors, we are also focusing on the development of fixed-displacement type products targeting emerging countries that achieve an optimum balance between performance and prices.

In the field of fixed-displacement type compressors, we newly developed the SVE series vane type compressor for compact vehicles. We successfully improved cooling performance by 20% without increasing its size and made



6SES14 compressor (variable-displacement type)

SVE08 compressor (fixed-displacement, vane type)

it the lightest among other compressors in the same class. It has been initially fitted in Suzuki Motor Corporation's new Swift followed by its XBEE. We aim to promote unit sales by increasing the number of models fitted with the compressor.

For electric compressors for HVs, EVs and other electric-powered vehicles, we expect accelerated growth in demand over the medium to long term as the electrification of vehicles proceeds.

Our electric compressors' high levels of performance and quality stem from utilizing precision processing and assembly technologies, which are also used for compressors for internal-combustion vehicles as well as in-house production of key components, including motors and inverters. In addition, based on our accumulated know-how in doing business with automakers around the world, we internally conduct stringent evaluation tests on the effectiveness of measures against radio disturbance and other problems unique to electric compressors and thus ensure high reliability.

Since initially being installed in the second-generation Prius, our electric compressors have been mounted in all of TMC's HVs from the fourth-generation Prius to the LS600h.

We have also developed the ESB series to offer attractive products to automakers now actively engaged in the development of PHVs and EVs in addition to HVs. The ESBG27 compressor mounted in the new Prius Plug-in Hybrid uses a Gas Injection Cycle to improve its heating capability in cold regions by roughly 30% and help resolve the major challenge of extending the vehicle's electric motor driving range when the heater is turned on. The ESBG27 is also the world's first compressor with the Gas Injection Cycle to be adopted in a mass-produced car.

Besides TMC, Ford Motor Company, Renault S.A.S., Honda Motor Co., Ltd., Nissan Motor Co., Ltd. and other automakers, which are already using our electric compressors in their respective HVs, PHVs and EVs, we will continue to ramp up our efforts to expand sales to other automakers. With a view to ensuring the steady growth of this business, we will channel resources into both types of compressors, namely compressors for internal-combustion vehicles, which are still mainstay vehicles for the time being; and compressors for electric-powered vehicles, for which we anticipate stronger demand in the future.



ESBG27 compressor (electric type)

Augmenting Technical Support Capabilities

We station our sales engineers in the United States, Germany, Italy and China and provide technical support locally,

promoting sales expansion and activities to prevent quality issues from occurring.

Since fiscal 2014, two of our consolidated subsidiaries, namely, Michigan Automotive Compressor, Inc. (MACI) in the United States and TD Deutsche Klimakompressor GmbH (TDDK) in Germany, have been conducting design operations locally. A reduction in development lead time resulting from our local design operations has been received favorably by automakers. We plan to continue this initiative in the future.

Enhancing Development Capability by Creating Evaluation Facilities In-House

We are creating more evaluation facilities in-house for achieving even higher superiority in terms of technology development.

Our mother plants in Japan have been reinforcing their evaluation functions by designing and creating evaluation facilities in-house that simulate more realistic vehicle environments. With the goal of executing swift and detailed evaluations jointly with local automakers, we are globalizing our evaluation functions in a phased manner.

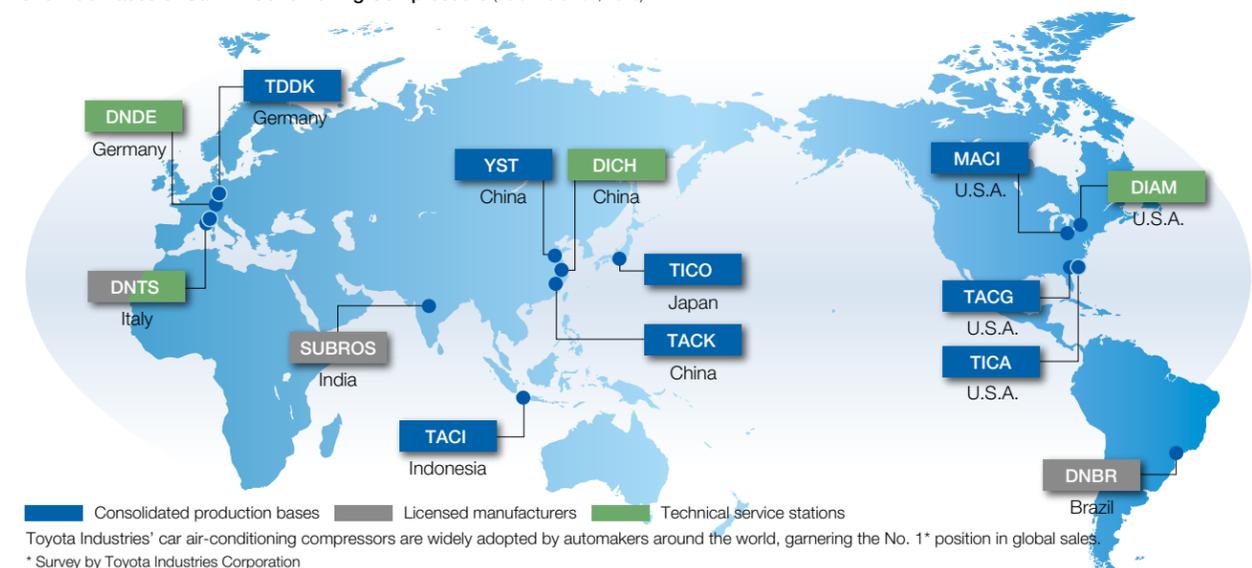
Through these and similar initiatives, we aim to improve the quality of our compressors through faster evaluation processes and better evaluation techniques while preventing external leaks of our development and evaluation know-how.

Establishing Optimum Global Production and Supply Structures

To respond to growing demand for variable-displacement type compressors triggered by the enforcement of more stringent fuel efficiency standards, we are proceeding with augmentation of corresponding production capacities and commenced local production of key functional parts at our production bases in North America.

In Europe, ASEAN countries and China as well, we are

Worldwide Bases of Car Air-Conditioning Compressors (As of March 31, 2018)



expanding production capacities and increasing the ratio of locally procured parts to accommodate growing demand for car air-conditioning compressors.

We are working to attain higher quality and production efficiency on a global scale by harnessing Internet of Things (IoT) technology to monitor in real time the production status and operation of facilities at these production bases outside Japan.

TOPIC

Toyota Industries held a ceremony to commemorate reaching global cumulative production of 500 million car air-conditioning compressors in June 2017 after 57 years since commencing production in January 1960. Our compressors were first adopted in TMC's Crown in 1960, and we started exporting them to Bayerische Motoren Werke AG (BMW) in Europe in 1971. Since then, with the expanding automobile market and growth in demand following an increase in the percentage of vehicles fitted with an air conditioner, our products have received high acclaim from many customers for their performance, quality and reliability, and we have successfully expanded our scale of production to date.



Group photo taken at commemoration ceremony

Car Electronics

Business Overview in Fiscal 2018

Net sales of car electronics products increased, primarily supported by sales of DC-AC inverters, on-board chargers and other devices mainly to TMC.

Steadily Expanding Roles of Our Devices for Electric-Powered Vehicles

Toyota Industries develops and produces electronic devices for electric-powered vehicles, including HVs, PHVs, EVs and FCVs. In addition to TMC, we are promoting new business to other automakers across the world.

Auxiliary Power Source Devices

An on-board charger converts AC voltage from the power grid into DC voltage of high-voltage batteries in vehicles and is necessary for charging EVs and PHVs, for which the market is expected to expand in the future. Toyota Industries supplies an on-board charger for the Prius PHV. This charger offers better battery charging output that is 1.7 times higher than that of conventional models and realizes a 50% reduction in size by integrating a charging system electronic control unit (ECU) and by increasing cooling performance.



On-board charger mounted in the Prius PHV



DC-DC converter mounted in the Prius

A DC-DC converter converts the high voltage of HV, PHV and EV batteries into a lower voltage level to supply power to standard electrical devices such as lights and wipers. For the fourth-generation Prius, by developing the world's first thick copper substrate with excellent heat dissipation capability, we reduced the volume and weight of the product.

Our DC-DC converter for start-stop systems, which utilizes our technologies acquired in the field of DC-DC converters for HVs, can compensate for a voltage drop at the time of engine restart and ensure stable power supply to audio equipment and car navigation systems. A DC-AC inverter is equipped to use home electric appliances in a vehicle and has drawn a great deal of public recognition for its use as an emergency power source after the Great East Japan Earthquake. These products have been highly recognized for their quality both in and outside Japan. In fiscal 2018, the ratio of sales outside

Japan of DC-AC inverters was over 60%, while that of DC-DC converters for start-stop systems exceeded 30%.

In addition, we develop and produce inverters for electric compressors and an inverter for hydrogen circulation pumps to be fitted in TMC's MIRAI FCV.

Core Components for Drive Systems

The fourth-generation Prius offers a 4WD model for the first time in the series and is fitted with our rear inverter for 4WD. This product converts the DC voltage of HV batteries to AC voltage and feeds power to the 4WD rear motor. The adoption of a forced air-cooling system eliminates the need to install cooling water piping, thereby providing greater ease in mounting the inverter on vehicles. The inverter also features quieter operation as it is mounted near the rear seat.



4WD rear inverter mounted in the Prius

Charging Infrastructure

Toyota Industries sells public-use charging stands and home-use charging units for PHVs and EVs, which have been jointly developed with Nitto Kogyo Corporation.

In October 2017, we initiated a feasibility test of our charging stands at IKEA Nagakute in Aichi Prefecture to control the amount of charging by using IoT technology. We are testing the link between charging-only sub-stands and a main control stand that offers charging functionality as well as communication, billing and other features. We are also conducting tests to remotely control optimum charging utilizing IoT.



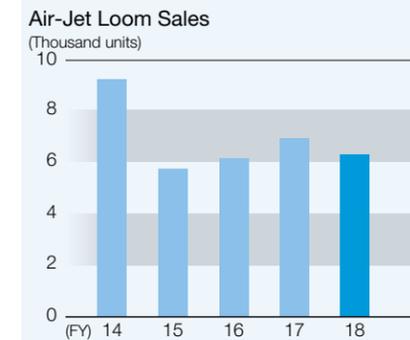
Charging stand for PHVs and EVs

Contributing to a Low-Carbon Society

The electrification of vehicles and materials handling equipment is expected to become more widespread with the enforcement of more stringent fuel efficiency standards by many countries and higher environmental consciousness among customers. We will reinforce our planning, development and production structures in the fields of HVs, PHVs, EVs and FCVs with the aim of contributing to a low-carbon society.

Textile Machinery

Carrying on the philosophy of founder Sakichi Toyoda, which reflects his strong commitment to manufacturing, Toyota Industries responds to a broad range of needs with its extensive product lineup, from air-jet looms, for which we enjoy the world-leading market share*1 in unit sales, to ring spinning frames and roving frames.



Strengths

- Global, well-developed service network
- Ability to develop products that excel in high-speed operations, reliability and energy-saving performance
- Broad product lineup both in the spinning and weaving machinery fields
- World-leading market share*1 in unit sales of air-jet looms

Opportunities

- A rise in textile demand in line with an increase in the world population
- Increasing need for high-quality and highly functional yarn and textile products, following the economic growth of emerging countries

Risks

- Changes in each government's policies concerning promotion of the country's textile industry
- Economic slowdown
- A decline in capital investment due to a drop in raw cotton and yarn prices
- Weaker sales due to intensifying competition

Net Sales

FY2017: ¥66.2 billion → FY2018: ¥65.5 billion

Operating Profit

FY2017: ¥6.8 billion → FY2018: ¥6.1 billion

Business Overview in Fiscal 2018

The textile machinery market remained weak in the primary markets of China and other emerging countries in Asia. While sales of yarn quality measurement instruments increased, unit sales of air-jet looms decreased 600 units, or 9% year-on-year, to 6,300 units. As a result of this and other factors, net sales declined ¥0.7 billion, or 1%, from the previous fiscal year to ¥65.5 billion.

Market Environment and Toyota Industries' Sales

Despite a continued economic recovery trend in the primary markets of our mainstay air-jet looms, namely, China and India, unit sales were on par with the previous fiscal year, affected by the tight monetary policy in China and introduction of a new tax system in India. Meanwhile, unit sales of air-jet looms were down in such countries as Pakistan and Vietnam due to stagnant conditions in both their domestic and export markets for textile products.

As a result, unit sales of air-jet looms in fiscal 2018 decreased from the previous fiscal year. Our air-jet looms, however, still maintained the top position in calendar 2017 for the 20th consecutive year since 1997*1.

*1: Survey by Toyota Industries Corporation

Strengthening Partnership with Truetzschler

In November 2017, Toyota Industries agreed to transfer the entire business of the TCO12 comber*2 and TSL12 lap former*3, from development to production, sales, after-sales services and provision of spare parts, to Truetzschler GmbH



TCO12 comber

TSL12 lap former

& Co. KG, our partner manufacturer of spinning machinery in Germany. We believe that this agreement will serve to further strengthen our partnership and enable us to provide new value to the market. The two companies will continue to provide products and services that bring even greater satisfaction to customers.

*2: Machine that uses a comb-like tool to remove short fibers and undesired particles in the spinning process to improve the quality of the resulting yarn

*3: Machine used to produce laps, or rolls of thinly spread sheet of fibers

KTTM's QC Circle Winning a Par Excellence Award

In December 2017, the Quality Circle Forum of India, a quality control (QC) circle convention, was held in Mysore, India, with the participation of 1,770 QC circles from 527 companies in the country. At the forum, Kirloskar Toyota Textile Machinery Pvt. Ltd. (KTTM), a consolidated subsidiary producing textile machinery in India, won the Par Excellence Award and thus qualified to participate in an international convention to be held in Singapore in October 2018.

Through QC circle and similar activities, the Toyota Industries Group strives to improve the manufacturing capabilities of employees. At the same time, we work to provide products that can win even greater trust and satisfaction from customers by engaging in quality improvement and cost reduction efforts on a daily basis.



Par Excellence Award certificate, trophy and commemorative items

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Promotion of ESG Initiatives

Further Promoting Initiatives to Sustain Growth in the Areas of Governance, Society and the Environment

Corporate Governance P43–48

Corporate Governance Structure / Internal Control System / Compliance / Management of Confidential Information / Risk Management

Relationship with Our Stakeholders P49–58

Relationship with Our Customers / Relationship with Our Business Partners / Relationship with Our Shareholders and Investors / Relationship with Our Associates / Relationship with Our Local Communities

Environmental Initiatives P59–74

Vision for Environmental Activities / Structure to Implement Environmental Management / Environmental Impact Flow and Environmental Accounting / Sixth Environmental Action Plan / Establishing a Low-Carbon Emission Society / Establishing a Recycling-Based Society / Reducing Environmental Risk and Establishing a Society in Harmony with Nature / Environmental Management / Third Party Assurance of Environmental Performance Data

Corporate Governance

Toyota Industries strives to enhance its corporate value in a stable manner over the long term and maintains society's trust by earnestly fulfilling its social responsibilities in accordance with its Basic Philosophy. To that end, Toyota Industries endeavors to further enhance its corporate governance in its efforts to maintain and improve management efficiency and the fairness and transparency of its corporate activities.

Corporate Governance Structure

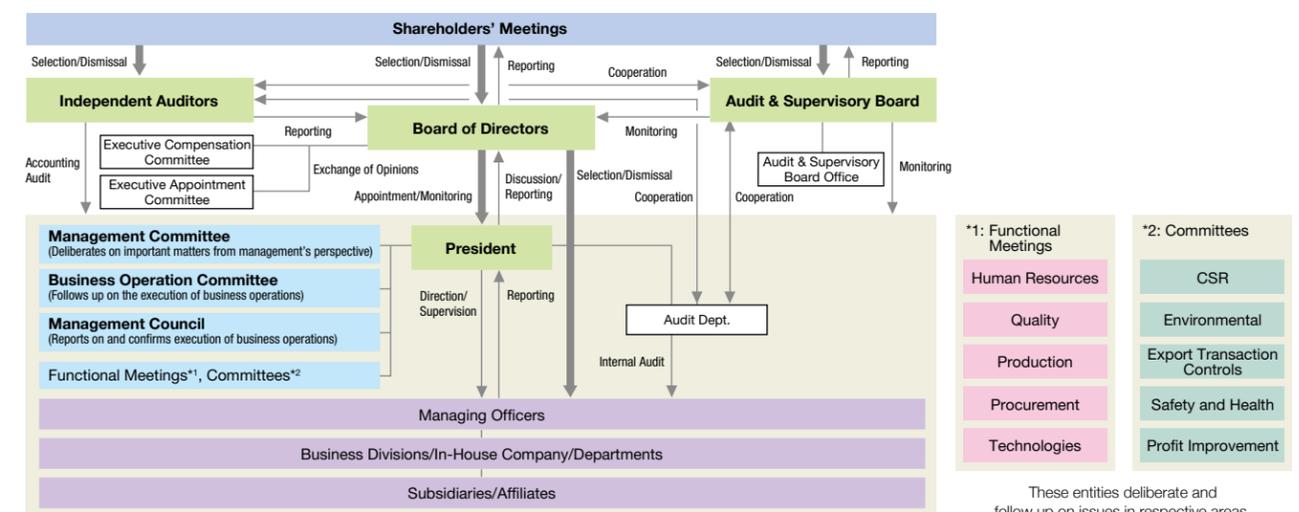
Implementation Structure

Toyota Industries convenes monthly meetings of the Board of Directors to resolve important management matters and monitor the execution of duties by directors. We also appoint outside directors who have a wealth of experience and knowledge concerning business management. They attend meetings of the Board of Directors and give opinions and ask questions as deemed necessary. Through this supervisory function of outside directors, we ensure the legality and validity of the Board's decisions as well as directors' execution of duties from an objective perspective. In addition, to evaluate the effectiveness of the Board of Directors we conduct interviews with outside directors and audit & supervisory board members every year and implement measures for improvement as necessary based on their evaluation and feedback. The Management Committee, which is composed of directors at the executive vice president level and above as well as relevant managing officers and audit & supervisory board members, deliberates on a variety of issues concerning

important management matters such as our corporate vision, management policies, medium-term business strategies and major investments.

Toyota Industries has a divisional organization system, with significant authority delegated to each business division. For especially crucial matters, however, we have established the Business Operation Committee to enable the president to meet with the heads of each business division regularly to monitor and follow the status of their business execution. At meetings of the Management Council, directors, managing officers and audit & supervisory board members convene to report and confirm the monthly status of business operations and share overall deliberations at Board of Directors meetings and other management-related information.

In addition, issues pertaining to human resources, quality, production, procurement and technologies are discussed at the corresponding functional meetings. We have also put in place committees to deliberate on more specific matters, such as corporate social responsibility (CSR), the environment and export transaction controls. These functional meetings and committees discuss important matters and action themes in respective areas.



(As of June 12, 2018)
 Toyota Industries' Corporate Governance Reports are available at: <https://www.toyota-shokki.co.jp/> (in Japanese).

Audit & Supervisory Board System

Toyota Industries has adopted an audit & supervisory board system. Two full-time audit & supervisory board members and two outside audit & supervisory board members attend meetings of the Board of Directors to monitor the execution of duties by directors. At the same time, meetings of the Audit & Supervisory Board are held once a month to discuss and make decisions on important matters related to auditing. The full-time audit & supervisory board members carry out auditing by attending primary meetings and receiving reports directly from directors. Additionally, we have assigned dedicated personnel, while audit & supervisory board members monitor the legality and efficiency of management through collaboration with independent auditors and the Audit Department.

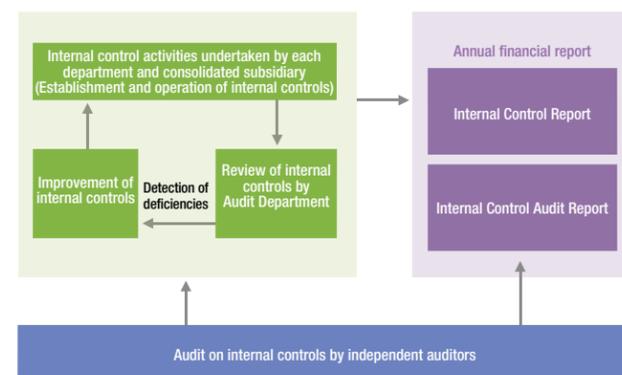
Appointment of Independent Members of Management

As a publicly listed company, Toyota Industries strives to ensure the fairness and transparency of management. Following the Securities Listing Regulations stipulated by the Tokyo Stock Exchange and Nagoya Stock Exchange, respectively, to further enhance our corporate governance Toyota Industries has appointed as independent members of management two outside directors and two outside audit & supervisory board members who are deemed to have no conflicts of interest with our shareholders.

Internal Control System

In accordance with the Companies Act, in May 2006 Toyota Industries' Board of Directors adopted the Basic Policies for the Establishment of an Internal Control System (Basic Policies) to ensure compliance, risk management as well as the effectiveness and efficiency of business operations by incorporating these policies into each business segment's annual policies and day-to-day routine management. The CSR Committee, at its meeting held in March, assesses the progress made in implementing the Basic Policies in the year under review and determines actions for the coming year, including reviewing the implementation structure and enhancing day-to-day operational management.

Internal Control Assessment System (Based on J-SOX)



Furthermore, based on the Financial Instruments and Exchange Law (so-called Japanese Sarbanes-Oxley Act (J-SOX)), we have established and appropriately operated an internal control system to maintain the reliability of financial reporting. The system's status and progress are reviewed by the Audit Department and audited by independent auditors. We determine which Toyota Industries Group companies fall within the scope of J-SOX based on the degree of impact on the reliability of financial reporting. We determined that our internal controls over financial reporting as of the end of fiscal 2018 were effective, and accordingly, submitted an Internal Control Report in June 2018. The report was reviewed by independent auditors and judged fair in their Internal Control Audit Report.

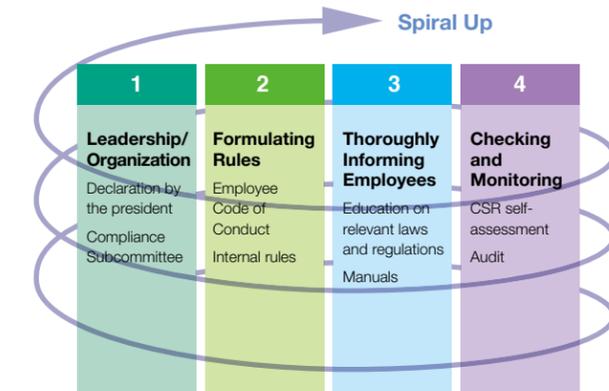
Compliance

Four Pillars of Compliance Activities

We believe that compliance means both adhering to laws and regulations and observing ethics and social norms. In order to ensure compliance, it is vital to instill an awareness of compliance in each and every employee.

Under the strong leadership of top management, we promote compliance throughout the Toyota Industries Group by formulating a Code of Conduct and thoroughly informing employees together with checking and monitoring compliance.

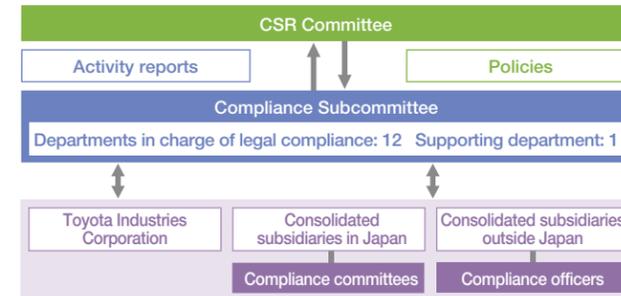
Four Pillars of Compliance Activities



Establishment and Reinforcement of Implementation Organization

To promote compliance throughout the Toyota Industries Group, we have established the Compliance Subcommittee (led by an executive in charge of the Legal Department) as a subordinate organization to the CSR Committee. Every year, the subcommittee formulates an action policy and conducts a follow-up check on the progress of corresponding activities twice during that year.

Organization for Promoting Compliance



Formulation of Code of Conduct and Dissemination

Toyota Industries has formulated and distributed to executives and all employees the Toyota Industries Corporation Employee Code of Conduct, which serves as conduct guidelines that should be observed by employees, and has been providing familiarization training. Subsidiaries in and outside Japan have formulated their own Code of Conduct appropriate to their respective business lines and corporate cultures. Toyota Industries' 30 consolidated subsidiaries in Japan and 75 consolidated subsidiaries outside Japan have already created their own Code of Conduct and have been working to instill an awareness among their employees.

Simultaneously, to prevent significant risks of bribery and violations of antitrust laws, in addition to the Code of Conduct we have formulated corresponding regulations and been undertaking activities to familiarize employees with these regulations. Regarding bribery, Toyota Industries formulated the Global Guidelines for Bribery Prevention. Particularly, in countries with a high risk of bribery, each base has developed internal rules in accordance with the applicable laws in respective countries and been conducting activities to familiarize employees with them. As for antitrust laws, we have put in place a system to conduct a check and review before and after employees of Toyota Industries contact competitors. We are also familiarizing all employees that they are prohibited from any acts that may possibly constitute a violation of antitrust laws. Since fiscal 2016, we have set up antitrust law compliance month and have been conducting enlightenment activities at relevant departments.

Thoroughly Informing Employees about Applicable Laws and Regulations

Toyota Industries provides required legal knowledge to employees according to their job ranks or positions, familiarizing them with the initial responses that should be followed upon the occurrence of a problem and educating them on risk management. Through new employee education, rank-based education and workplace meetings, we provide easy-to-understand guidance on "what to do" and "what not to do" in order to improve their compliance awareness based on laws and corporate ethics, using the Toyota Industries Corporation Employee Code of Conduct as an instructional material.

Since fiscal 2014, we have created and disseminated e-learning material on one specific topic every month in order to cultivate a deeper understanding of compliance

among employees of Toyota Industries Corporation and its consolidated subsidiaries in Japan and to create an environment in which employees foster compliance consciousness on their own.

In fiscal 2018, we invited external lawyers to hold executive legal seminars on the "latest trends in information technology-related laws" and "points to be noted when conducting corporate public relations and disclosing information" for directors, managing officers and audit & supervisory board members.

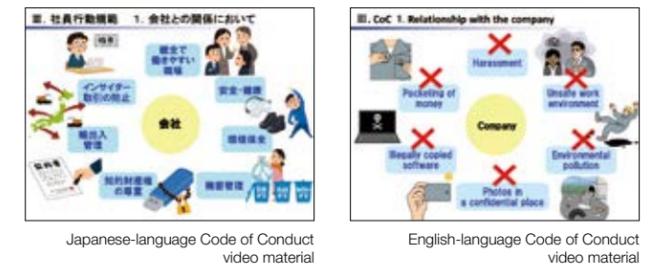
Example Topics of e-Learning Materials

Courses distributed in fiscal 2018

- Proper use of software programs •Amendments to Japan's Act on the Protection of Personal Information •Copyrights •Prevention of insider trading •Product liability •Processing of the consumption tax
- Japan's Building Standards Act •Japan's subcontracting law (prevention of delay in payment) •Achieving the Safety Vision
- Antitrust laws (cartels) •Export transaction controls
- Japan's Act on Prohibition of Unauthorized Computer Access

*Provided to all employees of Toyota Industries Corporation and its consolidated subsidiaries in Japan. Additional and revised courses are under consideration.

In addition, we utilize a video material describing the Code of Conduct, which employees of the Toyota Industries Group should observe, to assist relevant education in our consolidated subsidiaries in and outside Japan.



Compliance Hotlines

The Toyota Industries Group has in place a whistle-blower system for employees to report and seek consultation on compliance-related issues. In Japan, North America, Europe and China, in particular, we operate a compliance hotline (external helpline) that allows employees and their families to seek advice from external experts on compliance-related matters without being exposed to negative consequences. In fiscal 2018, we received 60 reports and inquiries from within Toyota Industries and from its consolidated subsidiaries in Japan on such matters as labor management, working environment and ethics. After verifying each report and inquiry, we have taken appropriate action regarding each case. Our responses have been reviewed and judged appropriate by external lawyers.

In fiscal 2017, we also started operating a hotline for our major business partners to report and inquire about possible compliance violations by Toyota Industries employees. This hotline is now made available to approximately 120 business partners.

Through these initiatives, we ensure the early discovery and prevention of issues and intend to become a "company on which society places greater trust."

Activities in the Toyota Industries Group

We have set up compliance committees at subsidiaries in Japan and appointed compliance officers at subsidiaries outside Japan in our efforts to promote autonomous activities in respective communities in collaboration with the Compliance Subcommittee. In fiscal 2018, we continued to carry out activities in line with local needs.

Activities in Japan

We held a conference of compliance personnel from 31 consolidated subsidiaries in Japan to share the latest information on applicable laws and conducted a case study of responses to reports made through our compliance hotlines as an effort to expand relevant knowledge and response capabilities.

Activities in North America

We held the Compliance Officer Conference in North America with the participation of compliance officers from 21 bases to share information on the latest topics, including response to LGBTs* and unlawful possession of controlled substances, and discuss action items for the fiscal year. After the conference, these 21 bases have been conducting activities in a coordinated manner.

* Lesbian, gay, bisexual and transgender: Individuals having different sexual orientation or gender identity

Activities in Europe

In Europe, we held the Compliance Conference with 30 companies to share the progress of and issues in compliance promotion activities of each company and discuss future activities. In response to the EU General Data Protection Regulation (GDPR) enforced on May 25, 2018, these companies are accelerating their efforts to protect personal information.

Activities in China

In China, compliance officers from seven bases attended the Compliance Officer Conference to promote the creation and dissemination of educational materials for use at all bases in China and to share the progress in educational activities of each company. We also held labor management seminars for managers of each company as an ongoing effort to increase legal knowledge and compliance awareness of employees.

Activities in Asia, Oceania and South America

We have been providing compliance officer training with the aim of upgrading compliance activities. In fiscal 2018, we held the Asia Oceania Compliance Conference with the participation of top managers and compliance officers from seven bases within the region. Through the conference, we work to deepen an understanding regarding the leakage of confidential information, prevention of bribery and response to reports made by whistle-blowers.



Asia Oceania Compliance Conference

Compliance Committees (in Japan) and Compliance Officers (outside Japan) (As of March 31, 2018)



Management of Confidential Information

Basic Perspective

We recognize that the personal information of customers, employees and business partners as well as information concerning our technologies and sales activities are assets that need to be protected. Accordingly, we are making our utmost efforts to safeguard confidential information and strengthen its management as one of the CSR areas.

Implementation Structure

Toyota Industries has set up the Information Security Subcommittee (led by an executive in charge of the General Administration Department) as a subordinate organization to the CSR Committee to promote proper management of confidential information, taking appropriate actions against the risk of leakage of confidential information and complying with laws such as the Unfair Competition Prevention Act and the Act on the Protection of Personal Information.

To thoroughly implement the initiatives adopted by the subcommittee, we appoint information security managers*1 and information security administrators*2 at each department. We strive to raise awareness about information security among their staff by holding workplace meetings and conducting self-checks regarding their information security practices.

In fiscal 2018, to counter risk for leakage of confidential information we implemented the following initiatives.

- (1) Verify the status of confidential information management at each workplace
 On-site inspection at and improvement guidance to Engineering and Production Engineering departments



Incident/accident response training

Activity Examples

Activities up to fiscal 2017

Activities by Toyota Industries

- Rank-based group education
- Restrictions on taking photographs on company premises
- Monitoring of email correspondence
- Restricting the copying of electronic data on recording media
- Attaching a security cable with a lock to all PCs to prevent unauthorized removal off the premises
- Requiring employees to sign a confidentiality agreement and checking the history of electronic data being taken off the premises upon retirement

Activities in collaboration with other Toyota Group companies

- "Information Security Awareness Month" activities in May and October to raise employee awareness and conduct auditing by checking off-the-premises removal of personal computers and recording media, etc.



"Information Security Awareness Month" poster

New activities in fiscal 2018

- Verifying the status of confidential information management at Engineering and Production Engineering departments
- Extending the target group of participants for incident/accident response training
- Providing training on response to targeted attacks through e-mail, etc.

(2) Incident/accident response training

Increasing practical response capabilities by extending the scope of the training from the General Administration Departments of the Head Office and each plant to Engineering, Production Engineering and Purchasing departments

Our consolidated subsidiaries in and outside Japan also appoint respective information security managers and information security administrators. We have also developed common guidelines concerning management of confidential information, which have been distributed among these subsidiaries, and follow up on their activities on a periodic basis in our efforts to raise the level of confidential information management throughout the Toyota Industries Group.

*1: Head of each department

*2: A person within the department, appointed by the head

Risk Management

Basic Perspective

Based on the Basic Policies for the Establishment of an Internal Control System in compliance with the Companies Act, Toyota Industries is working to strengthen regulations and a structure to promote risk management. We regard the following aspects as the basics of risk management and implement initiatives accordingly.

- (1) Incorporating measures to prevent and reduce potential risks into daily routines and following up on the progress of implementation
- (2) Ensuring quick and precise actions to minimize the impact on business and society when a risk becomes apparent

Implementation Structure

Business divisions and other departments at the Head Office develop and promote annual action policies that integrate measures to prevent and control risks related to quality, safety, the environment, personnel, export transactions, disasters and information security. Progress is assessed and followed up by each functional management entity such as the CSR Committee and the Environmental Committee. At the same time, functional departments at the Head Office such as those responsible for quality, safety and the environment formulate rules and regulations and create manuals from a Group-wide perspective, including consolidated subsidiaries. By confirming and following up on the progress through operational audits and workplace inspections, they provide support for raising the level of risk management at each business division and consolidated subsidiary.

We have also formulated the Crisis Response Manual, which defines our initial response to a problem or a crisis. This manual lays out basic rules to be followed when a risk becomes evident and a problem or crisis occurs. The aim is to ensure quick reporting to top management, perform an accurate assessment of the impact on society and business activities and minimize damage through appropriate actions. The content is reviewed and revised as deemed necessary in response to changes in businesses and the surrounding environment.

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 Relationship with Our Local Communities — P57–58

Response to Possible Major Earthquake

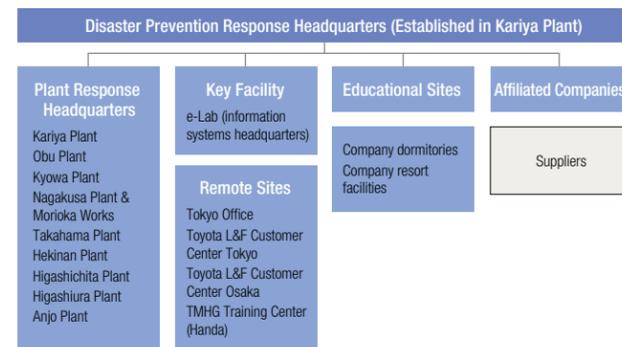
We consider the impact of a major earthquake as one of the most significant risks and have accordingly formulated a business continuity plan. Based on the three basic policies of placing maximum priority on human life, placing top priority on the recovery of local communities and ensuring the quickest possible recovery, we are making Company-wide efforts in three relevant areas, specifically, “precautionary, pre-disaster mitigation,” “initial response to be followed immediately after the disaster” and “restoration of production.”

Disaster Prevention Structure

We strive to reinforce our disaster prevention structure to enable smooth transition from the initial response stage to the production restoration stage.

The Disaster Prevention Response Headquarters, led by the executive vice president and consisting of representatives from the functional departments at the Head Office, is responsible for collecting information from plants and other relevant parties and making Company-wide decisions based on the information collected.

Disaster Prevention Structure



Promoting Disaster Prevention at Home and Related Enlightenment Activities

Starting from fiscal 2017, we have been undertaking enlightenment activities for employees and their families as a measure to promote disaster prevention and avoid disaster-inflicted damage at home. Specifically, we encourage them to take three actions: preventing the overturning of furniture; deciding a way to account for family members in a disaster; and stockpiling emergency goods, food and other necessities. Up until fiscal 2018, our activities had targeted personnel in charge of promoting disaster prevention and members of initial response and production restoration teams. The scope was extended to all employees in fiscal 2019.

Efforts to Cultivate Personnel to Engage in Disaster Prevention Activities

1. Training at Disaster Prevention Response Headquarters

As one important role assigned to the Disaster Prevention Response Headquarters that oversees Company-wide

disaster response, we conduct training in which employees collect information on damages to both inside and outside the company premises, swiftly make decisions and disseminate these decisions throughout Toyota Industries.

We are setting up a system to ensure prompt response even during nighttime or on a weekend or holiday by selecting members from the functional departments who live close to the Head Office.



Reviewing policies on resumption of operations and how to return home

Disaster response meeting

2. Training at Plant Response Headquarters

In fiscal 2018, we placed the focus of training on “cultivating personnel capable of responding to an emergency and reinforcing the response structure” and provided appropriate training to the head (plant manager) and members of each Plant Response Headquarters. By conducting training repeatedly, we intend to create a structure under which every member understands his or her role and responds to the situation flexibly.



Determining whether to stop operations and how to provide support activities

Discussing a restoration plan

3. Training for Restoring Plant Operations

a) Power Restoration Drill

Each plant has developed procedures to restore power supplies, including electricity and gas, which are essential in restoring production activities. Each plant conducts *genchi genbutsu* (go and see for yourself) training on a periodic basis. Through the training we are identifying problems and making improvements to step up our efforts to ensure quick restoration activities.

b) System Restoration Drill

The e-Lab, responsible for managing Toyota Industries’ data servers, has created procedures to restore critical data after a disaster. We conduct restoration drills jointly with Toyoda High System, Incorporated, a consolidated subsidiary engaged in development and operation of information infrastructures and systems, and work to improve our readiness for quick restoration.

4. Training for Identifying Disaster Damage

We repeatedly conduct drills jointly with our affiliated companies and business partners in order to familiarize them with the use of IT tools to quickly identify the damage status during a disaster.

Relationship with Our Stakeholders

Relationship with Our Customers

Adhering to a quality first approach, Toyota Industries practices *monozukuri* (manufacturing) that quickly responds to the diverse, ever-changing needs of customers.

“A product should never be sold unless it has been carefully manufactured and fully tested in the commercial trial, with completely satisfactory results.”

Carrying on the spirit of founder Sakichi Toyoda, Toyota Industries strongly believes that quality is the lifeblood of a company. Focusing on quality first and ensuring customer safety and reassurance are our most important responsibilities to our customers and form the basis of our approach to CSR.

Toyota Industries strives to maintain and improve the total quality of our corporate activities, which encompasses not only “product quality” but also “marketing quality” and “management quality.” “Product quality” is embodied in the safety, eco-friendliness, durability, ease of use and workmanship of our products, while “marketing quality” entails excellent sales and service in addition to these attributes and “management quality” further enhances our overall corporate image and brand strength in terms of all of these attributes.

Types of Quality Sought by Toyota Industries



“We should express our gratitude to our customers by providing them our best quality products.”

Under our “Customer First” philosophy, Toyota Industries undertakes product development that meets customer expectations by capturing market needs and understanding how our products are actually used by customers.

At Toyota Industries, development of a new product entails defining specific goals to incorporate quality in every stage from product planning and design to production preparation, production, sales and after-sales services. We perform a

design review (DR), which allows a product to proceed to the next stage only when a responsible business division head examines and approves whether the product has reached the target quality level.

Activities Based on the Quality Guidelines

Quality forms the basis of our operations and is essential in attaining the goals of our Vision 2020. As such, we formulated our Quality Vision 2020, which defines our philosophy in ensuring quality.

Quality Vision 2020

All members in the Toyota Industries Group ensure quality first and build in quality with ownership at their own workplaces and positions in an effort to continuously supply attractive products/services that anticipate global customers’ needs.

To achieve the goal of this vision, we issue the Quality Guidelines, which identify priority quality-related issues to be implemented in each fiscal year, to all production bases in and outside Japan and engage in quality assurance activities accordingly. The implementation status of these guidelines is reviewed by top management at the Quality Functional Meeting chaired by the head of the Production Headquarters*1 for identifying additional issues and devising countermeasures. Issues raised are followed up at meetings of the Company-wide Council of Heads of Quality Assurance Departments chaired by the head of the Quality Control Department*1. The president also checks on the outcome of these activities through *genchi genbutsu* inspections. In this

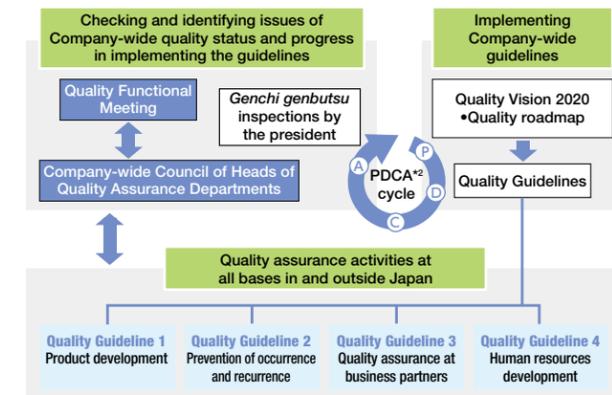


Genchi genbutsu inspection by the president

way, we are working to create a corporate culture that values the 3Gs: *genchi* (actual site), *genbutsu* (actual thing) and *genjitsu* (reality).

*1: As of March 31, 2018

Quality Assurance Activities Based on the Quality Guidelines



*2: PDCA (Plan, Do, Check, Act)

Preventing Occurrence and Recurrence of Defects

If a defect is found in a product after its launch, the Quality Assurance Department of the responsible business division takes the lead in swiftly implementing required countermeasures. At the same time, we examine and identify the cause of the defect both from the technological and process aspects and revise our new product development process as necessary. Through these measures, we strive to thoroughly avoid the recurrence of the defect in subsequent models.

Additionally, we make efforts to prevent the occurrence of defects in all products we develop and manufacture in the future. As an example, we provide education not only to employees of Toyota Industries but also to our business partners and affiliated companies in and outside Japan with an eye to preventing defects by improving work procedures and processes.

Providing Support to Business Partners

Since improving the quality of our products requires concerted efforts with our business partners in and outside Japan, we are strengthening joint quality assurance activities with major business partners.

In each annual quality audit, we determine priority areas, confirm the improvement status of the previously identified deficiencies and provide quality education on items that should be reinforced in order to cultivate a deeper understanding of *kaizen* (improvement).

In fiscal 2018, we held quality control training sessions for the *genchi genbutsu* sharing of best practices of quality control activities as part of efforts to attain mutual improvement of each business partner's quality control personnel.

These activities enable our business partners to attain the level of quality assurance required and establish a culture to foster quality assurance on their own.

Promoting Human Resources and Workplace Development

Toyota Industries provides systematic quality education to all employees to help them acquire quality assurance skills needed in actual operations. To nurture human resources who think and act on their own and create a better workplace through all-employee *kaizen* activities, we are encouraging employees to use their creativity and ingenuity to propose *kaizen* ideas and promoting quality control (QC) circle activities.

To date, we have received 13 awards for employees' creative ideas in the Creativity category in the Commendation for Science and Technology by Japan's Minister of Education, Culture, Sports, Science and Technology. We have also presented the results of our QC circle activities at QC circle conventions both internally and externally and received multiple awards for our accomplishments.

TOPIC

Two QC circles of the Compressor Division were recognized for their contribution to more active and better QC circle activities and received an encouragement award under the QC Circle Kaoru Ishikawa Award program run by the Union of Japanese Scientists and Engineers. This is one of the most premier awards given only to some 40 out of more than 50,000 circles in Japan every year, and it was the first time that Toyota Industries received two awards in the same year. We have also received a gold prize in the final round of the competition held in the Tokai Regional Chapter. As seen above, our activities have been yielding positive outcomes.



Award ceremony of the QC Circle Kaoru Ishikawa Award program

Our production bases outside Japan also promote *kaizen* efforts and human resources development through QC circle activities. We help them undertake activities corresponding to their respective environments by training QC circle instructors and visiting them to give hands-on instructions for promoting QC circle activities. As a venue for presenting activity results, we hold the Global QC Circle Convention every year since 2015 and provide workshop sessions to raise skills. We have held a regional convention in China for two consecutive years and plan to expand regional activities in the future.

To reinforce our foundation for quality assurance, we are promoting the development of human resources and an open workplace based on the belief that manufacturing starts with nurturing excellent personnel.



Global QC Circle Convention

Relationship with Our Business Partners

Toyota Industries encourages open procurement and seeks co-existence and co-prosperity with our business partners (suppliers) based on mutual trust. We also facilitate environmentally preferable purchasing, local procurement, human resources development, fair trade and disaster prevention activities for a possible major earthquake.

Fair Business Transactions Based on an Open Door Policy

We provide fair and equal opportunities to all potential business partners. We comprehensively evaluate our business partners based on such factors as quality, price, adherence to delivery times, technological capabilities and management information. We also assess their initiatives for safety, the environment and compliance as we strive for the timely and stable procurement of excellent products at lower costs based on fair business transactions.

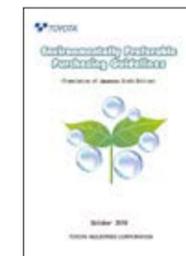
Co-Existence and Co-Prosperity Based on Mutual Trust

We work hard to realize co-existence and co-prosperity with our business partners based on mutual trust. Every year, we hold procurement policy meetings and top manager seminars for major business partners to facilitate mutual understanding and cooperation. In addition, we provide such programs as quality management and technical skills training, guidance directed toward *kaizen* at their production sites and safety and health education throughout the year.

Reducing Environmental Impact through Environmentally Preferable Purchasing

We aim to procure parts, raw materials and equipment from business partners that give sufficient consideration to the environment.

In the sixth edition of our Environmentally Preferable Purchasing Guidelines, we added the aspirations in 2050 of our Environmental Vision. Accordingly, we have been strengthening environmental management in our entire supply chain and undertaking relevant initiatives throughout the product lifecycle. In fiscal 2018, we also added to the list of substances managed under the Environmental Management Information System (EMIS) descriptions of laws and regulations serving as a legal basis and the impact on health to clearly highlight the importance of paying attention to the environment.



Environmentally Preferable Purchasing Guidelines

Local Procurement for Good Corporate Citizenship

In view of increased local production outside Japan, we promote procurement from local business partners through consolidated subsidiaries in order to contribute to the local community as a good corporate citizen.

Promoting Human Resources Development

We proactively provide education to enhance procurement knowledge both internally and externally. In fiscal 2018, we

provided training on Japan's Subcontracting Law mainly for affiliated companies, with seminars attended by 300 participants. We also work with Hoeikai, an organization consisting of our business partners, to provide support to strengthen the management platforms of member companies through Toyota Production System (TPS) activities in manufacturing and QC circle activities.

Participants of Japan's Subcontracting Law Seminar



Efforts toward Future-Oriented Trade Practices

To realize fair trade and improve added value across the entire supply chain, Toyota Industries and its affiliated companies totally switched to pay in cash to subcontracting business partners in fiscal 2018. We held a briefing in May 2017 to explain the change to our major business partners. The scope of our business partner hotline that was established to receive inquiries from our business partners, namely Hoeikai members, was also extended to other companies. Through these efforts, we have been making steady progress toward becoming a "company on which society places greater trust."



Business partner briefing

Business Continuity Plan (BCP) Activities for Possible Major Earthquake

In further promoting our BCP activities, we are making concerted efforts with business partners to reduce associated risks by implementing specific measures. As one example, we provided production restoration workshops (tabletop exercises) again in fiscal 2018 mainly to our affiliated companies and Hoeikai members. Designed to identify issues in advance, the workshops were effective in formulating production restoration measures corresponding to each site and its current status.

In response to a growing need for quick identification of damage in disasters other than earthquakes, we will add wind and flood disasters, fires and explosions to the scope of our BCP activities.



Production restoration workshop

Relationship with Our Shareholders and Investors

We aim to obtain an appropriate company valuation in stock markets through timely and appropriate information disclosure while promoting good communications with shareholders and investors.

Basic Perspective

Toyota Industries continually carries out timely, appropriate and fair information disclosure for shareholders and investors. In this way, we raise management transparency so that we obtain an appropriate company valuation in stock markets. We proactively provide not only information required under disclosure laws and regulations but also information on our management policy and business activities. Also, we engage in various investor relations activities to facilitate productive dialogue with shareholders and investors.

General Shareholders' Meeting

We hold our annual general shareholders' meeting early to avoid the date on which many companies hold their respective shareholders' meetings so that more shareholders can attend. We are further facilitating the exercise of voting rights of our shareholders by allowing them to exercise such rights via the Internet and by joining the electronic voting platform for institutional investors.

We held our 139th General Shareholders' Meeting on June 9, 2017, in which a record-high 501 shareholders participated. Following the general shareholders' meeting, we invited our shareholders for a tour of a plant that manufactures our mainstay lift trucks to foster a better understanding of our business activities.

Number of Participants

	135th	136th	137th	138th	139th
Shareholders' meeting	396	348	418	475	501
Plant tour	185	144	163	198	208

(Persons)

Investor Relations Activities

For institutional investors and securities analysts, our management conducts quarterly briefing sessions to explain our financial results, including business performance, progress achieved at each business division and future initiatives. In fiscal 2018, we conducted activities to help them better understand the effect of the International Financial Reporting Standards (IFRS) on our business performance, which we started applying from the end of fiscal 2017. In addition to accepting individual interviews, we hosted an information session for our Car Air-Conditioning Compressor Business. The session provided an opportunity to appeal the business's strengths in terms of both development and production aspects, as we explained our business policies, presented development-related initiatives through a tour of an R&D facility and showcased our way of *monozukuri* based on a *genchi genbutsu* approach.

As for institutional investors outside Japan, we visit some of them to explain our management policies and growth

strategies. We also participate in conferences hosted in Japan by securities companies and hold individual meetings.

For individual investors, we hold company information sessions mainly in regions in Japan where our bases are located to promote an understanding of our business and management policies. Our Website also provides our corporate history, overviews and technologies of each business as well as financial results in an easy-to-understand manner.

Opinions and requests we collect through various means of communications with shareholders and investors are fed back to executives and relevant business divisions to reflect them in our future business activities.



Company-hosted information session for the Car Air-Conditioning Compressor Business and tour of an R&D facility (December 2017)

Major IR Activities

For institutional investors and securities analysts in Japan

- Quarterly financial results briefings •Individual interviews/visits
- Small meetings •Teleconferencing •Business information sessions
- Facility tours •Issuing/delivering *Toyota Industries Reports*

For institutional investors outside Japan

- Individual interviews/visits •Teleconferencing
- Participation in conferences hosted by securities companies
- Issuing/delivering *Toyota Industries Reports*

For individual shareholders and investors

- Company information sessions •Company-hosted plant tours
- Issuing/delivering notice of general shareholders' meeting
- Issuing/delivering business reports

Returning Profits to Shareholders

Toyota Industries regards ensuring shareholder benefits as one of the most important management policies.

Accordingly, we strive to continue paying dividends at the consolidated dividend payout ratio of roughly 30% and meet the expectations of shareholders upon comprehensively taking into consideration such factors as business results and demand for funds.

For fiscal 2018, Toyota Industries increased annual cash dividends by ¥25.0 over the previous fiscal year and paid annual cash dividends per share of ¥150.0 (interim cash dividend per share of ¥70.0 and year-end cash dividend per share of ¥80.0).

Relationship with Our Associates

Our ultimate goal is to create safe and secure workplaces for everyone, where each and every associate can exercise their diverse potentials and play active roles.

Building a Safety-Oriented Culture That Aims for Zero Industrial Accidents

In accordance with our fundamental policy of "creating people capable of autonomously maintaining occupational safety and health," Toyota Industries strives to prevent industrial accidents and occupational disorders as well as realize better work environments.

In fiscal 2018, we continued to promote primarily "activities aimed at establishing a safety-oriented culture" and "safety measures from human, object and administrative standpoints based on risk assessment."

For a safety culture to firmly take hold, it is vital that all associates, under the leadership of managers and supervisors, engage in relevant activities with strong safety awareness and a conviction that we can eliminate industrial accidents. It is equally important that individual workplaces identify their specific health and safety issues and voluntarily plan, execute and sustain their own activities to reduce industrial accidents.

For managers and supervisors, we provide an opportunity to observe the workplaces of other plants to learn from others' creative ideas in safety and health activities and raise awareness. They in turn apply the insight to improve safety activities in their own workplaces.

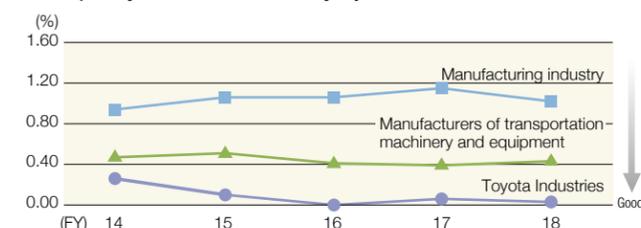


Managers and supervisors observing safety culture activities and work procedures at other plants

As basic safety culture activities, we encourage point-and-call practices within plants to check safety, instruct associates to use hand rails when going up or down stairs and let associates remind each other to mutually raise awareness. Through these activities, we have increased opportunities to hold safety dialogues within Toyota Industries, thus making steady progress toward zero industrial accidents.

In fiscal 2018, we continued to record no accidents caused by production facilities. However, as there was

Frequency Rate of Lost Workday Injuries



(Source: Survey on Industrial Accidents, Japan's Ministry of Health, Labour and Welfare)

an accident involving injuries while walking, we recorded the frequency rate of lost workday injuries of 0.03. We will continue to expand unfaltering safety initiatives to achieve zero industrial accidents and raise the level of our mutual enlightenment-based safety culture, in which associates voluntarily remind each other.

Following an industrial accident at another company in 2016, which involved an explosion in a heating furnace that uses combustible gas, we conducted inspections on gas-fired equipment used within the Toyota Industries Group. Specifically, we performed checks on automatic ventilation at the time of ignition, devices used to monitor individual gas-fired equipment, operation of the dual automatic gas shut-off valves and the contents of operational manuals. As we must rely on human eyes to check incomplete combustion in a high-temperature furnace, we have started joint R&D of a gas detector with a manufacturer. We are conducting research on the effects of high-temperature gas, dusts and chemical substances on the gas detector, which is currently in its trial stage. We will continue to seek improved safety measures that leverage the latest safety technology.



On-site inspection of detection performance

Overseas, we continue to hold a health and safety regional meeting, which was started in fiscal 2016, at bases in Europe and North America. At the meetings, these bases work jointly to facilitate an understanding of how to apply cause analysis methods to prevent a recurrence of an industrial accident and how to ensure safety in logistics operations while using vehicles within a plant.

We aim to maximize the effectiveness of our recurrence prevention measures by creating a manual to be shared among the bases, which compiles the cause analysis results



Health and safety regional meeting at a base in Europe



Health and safety regional meeting at a base in North America

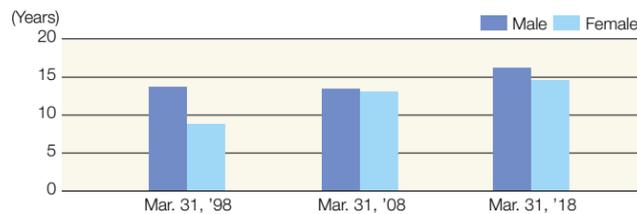
action plan, we specifically focus on the initiatives to change the mindset among managerial staff and across all associates, provide career support for female associates and promote flexible working practices.

Since 2016, we have held a seminar for a cumulative total of more than 1,200 managerial staff members who directly engage in the mentoring and development of associates. The aim is to promote an understanding of how female associates regard their career paths as well as the environment in which they are working and to raise awareness of human resources development that takes into account their life events.

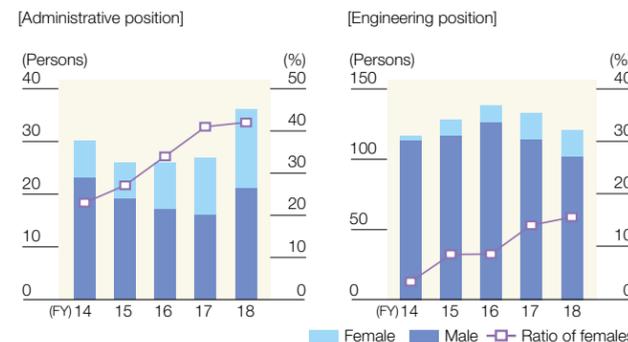
In order to create an environment to allow associates who are balancing work and child/nursing care to work with higher motivation and pursue career development, we have enhanced our programs to support the early return to work from a break in their career. Efforts include a full-day telecommuting system launched in October 2016; pre-maternity leave seminars started in December 2017 for associates and their spouses to think about a way of working

Action Plan		FY2016	FY2017	FY2018	FY2019
Changing mindsets among managerial staff and across all associates	(1) Launch, message from president	Implementation			
	(2) Awareness seminar for managerial staff		Implementation		
	(3) Follow-up on individual development plans	(Ongoing)			
	(4) Getting spouses involved in pre-maternity leave seminars			Implementation	
	(5) Lectures by male role models			Implementation	
Career support for female associates	(1) Sending associates overseas for training at an early stage in their careers	(Ongoing)			
	(2) Career training and interviews for female assistant managers		Implementation		
	(3) Role model exchange meetings			Implementation	
	(4) Early return-to-work support (pre-maternity leave seminars)			Implementation	
	(5) Early return-to-work support (financial aid system for day care costs)			Implementation	
Promoting flexible working practices	(1) Expanding telecommuting options		Implementation		
	(2) Establishing satellite offices		Implementation		
	(3) Installing refrigerated delivery lockers		Implementation		

Average Service Years by Male and Female Associates (Administrative and Engineering Positions, Non-Consolidated)



Hiring of New Graduates (Non-Consolidated)



after returning to work; and a financial aid system for day care costs adopted in April 2018 for associates working while taking care of infants younger than one year old.

We are working to improve workplaces so as to offer females a wider range of jobs and higher quality of work, and at the same time, to enable all associates working under time constraints to fulfill their individual potential.

In January 2016, we were certified by the Aichi Labour Bureau as a "Female-Friendly Company" and received "Eruboshi ("L Star": L stands for Lady, Labour and Laudable)" certification from the Ministry of Health, Labour and Welfare in October of the same year.

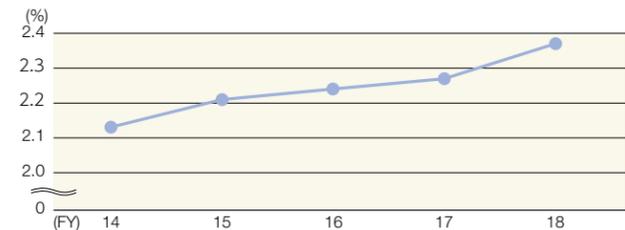
We will continue to promote activities aimed at creating more active roles for female associates.



Employment of Persons with Disabilities

We respect the idea of people with and without disabilities working together and sharing life and work values. Under this basic policy, we continue to employ persons with disabilities every year. They are assigned to a variety of sections and work with other members to perform their designated tasks. In fiscal 2018, the ratio of associates with disabilities on a non-consolidated basis was 2.37%.

Ratio of Associates with Disabilities (Non-Consolidated)



Creating a Work Environment for Older Associates

We focus on creating a better work environment for older associates by adjusting the height of jigs in production lines and modifying processes to compensate for deterioration of vision so that they can work with less stress.

In addition, we hold "Seminars for an Active Life" for associates reaching the age of 50 and 55 to give them an opportunity to envision life and work for the next 10 years.

Relationship with Our Local Communities

With a view toward creating an enriched and healthy society and ensuring its sustainable growth, we fulfill our role as a good corporate citizen and actively undertake social contribution activities in every region where we do business.

Activities as a Good Corporate Citizen

Based on "Respect for Others" as described in our Basic Philosophy, we strive to fulfill our role as a good corporate citizen in every region where we do business and actively engage in social contribution activities to realize an enriched and healthy society. In our activities that emphasize social welfare, youth development, environmental protection and community contribution, we not only provide cooperation and support through personnel, facilities, funds and know-how but also strive to closely connect with participants. To foster employees' awareness of their ties to society and raise their interest in contributing to society, we make enlightenment efforts such as providing a venue for volunteer activities and sharing information on volunteer activities that encourage the participation of all employees. Employee associations* are actively undertaking various activities to contribute to local communities, mainly in the areas of supporting welfare facilities and protecting the natural environment.

* Voluntary organizations formed by employees at each job level

Structure for Promoting Social Contribution Activities

The CSR Committee deliberates on policies of our social contribution activities while the Social Contribution Group within the General Administration Department at the Head Office takes the initiative in carrying out activities.

Major Social Contribution Activities of Toyota Industries and Group Companies

Theme	Activities
Social welfare	<ul style="list-style-type: none"> Events to interact with persons with disabilities "Walk Rally (orienteering)," harvest festival, festival Support for welfare facilities Support for charity bazaars at facilities by providing goods Volunteer work for facility cleanup/repair/pruning/weeding Support for sales of products from facilities for persons with disabilities by providing opportunities to set up stalls Volunteer visit to an elderly care facility (P57) Donation to the American Cancer Society and participation in a walking event (U.S.A.) (P58) Providing livelihood support to care facilities for the elderly and persons with mental and physical disabilities (India) (P58) Providing food aid to economically challenged households during the Christmas season (U.S.A.)
Youth development	<ul style="list-style-type: none"> Support for Youth Invention Clubs Monozukuri workshops for elementary school children during summer vacations Holding handmade kite-flying competitions Running craft corners at local events Providing plant-hosted environmental education to elementary school children Holding mini concerts at elementary schools Participating in a Company Open Day and holding a plant tour for young people (Germany) (P58) Holding a painting and essay competition under the themes of "environmental protection" and "health is wealth" (India)
Environmental protection	<ul style="list-style-type: none"> Initiatives for forest conservation Tree thinning activities for conservation of prefecture-owned forests Producing and donating benches made of thinned wood Tree-planting activities for reforestation Conducting recycling activities for environmental protection (Argentina) (P58)
Community contribution	<ul style="list-style-type: none"> Participation in local traditional event (Mando Festival) Road cleanup activities in areas around plants Activities to raise awareness for traffic safety Crime prevention patrols Providing support for activities such as local cleanup, garden maintenance and landscaping (U.S.A.) Conducting health checkups for mothers and babies and donating nutraceuticals (Indonesia)
Other	<ul style="list-style-type: none"> Holding charity concert Support for international NGO through volunteer activities to collect spoiled postcards and others Periodic blood donation drives

(Activities without country designation were conducted in Japan.)

Activity Example of Toyota Industries (Japan)

Team Leader Association

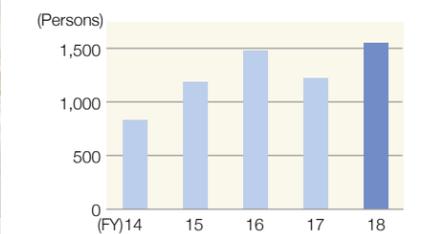
Volunteer Visit to an Elderly Care Facility

The Team Leader Association of the Hekinan Plant, comprising young leaders of the manufacturing department, visited a local elderly care facility and held a get-together event with elderly people. Everyone enjoyed various recreation activities led by the 18 members of the association, including a flag game, a game of passing a ball using a newspaper and singing songs with some physical exercise.



A visit to an elderly care facility

Number of Participants of Social Contribution Activities of Employee Associations



Each employee association voluntarily and proactively engages in social contribution activities, with the number of participants remaining at a high level every year.

Activity Examples of Consolidated Subsidiaries (Outside Japan)

U.S.A.

Social Welfare

Donation to the American Cancer Society and Participation in a Walking Event

The Raymond Corporation (Raymond)
Subsidiary producing warehouse trucks

Raymond's employee volunteer team Ray of Hope raised donation funds through the sale of homemade bread and an in-house event called Jeans Day, and together with the matching amount provided by The Raymond Foundation, donated a total of \$3,725 to the American Cancer Society* to support its activities. Team members, pleased with the outcome of their activities, participated in and livened up a PR walking event hosted by the society.

* An NPO established in the United States in 1913, primarily engaging in three activities of providing information, supporting patients and cancer research



Employees who participated in donation activities for the American Cancer Society

India

Social Welfare

Providing Livelihood Support to Care Facilities for the Elderly and Persons with Mental and Physical Disabilities

Toyota Material Handling India Pvt. Ltd. (TMHI)
Subsidiary engaging in sales and servicing of materials handling equipment

TMHI donated blankets, wheel chairs, full electric medical beds and other items to about 400 residents of a care facility for the elderly and persons with mental and physical disabilities in northern India. Dealers in Bangalore, Chennai and Pune also conducted social contribution activities locally by donating beds, sets of daily necessities, large refrigerators and water purifiers to children living in care facilities for persons with disabilities in addition to planting trees in the facilities' gardens.



An employee who participated in activities to support a care facility

Germany

Youth Development

Participating in a Company Open Day and Holding a Plant Tour for Young People

TD Deutsche Klimakompressor GmbH (TDDK)
Subsidiary producing car air-conditioning compressors

TDDK joined a local Company Open Day and accepted many visitors to their facilities. The event was part of an employment assistance program jointly hosted by an occupational school and companies, and about 1,000 local children, students and their families learned about TDDK's business by participating in a plant tour and sessions to explain its products and technologies. The opening ceremony of the event was held at TDDK, giving the guests, including the Prime Minister and mayors of Saxony as well as corporate representatives, an opportunity to tour its plant and visit an area set up on the company premises to showcase Japanese culture.



Plant tour held on Company Open Day

Argentina

Environmental Protection

Conducting Recycling Activities for Environmental Protection

Toyota Material Handling Mercosur Indústria e Comércio de Equipamentos Ltda (TMHM-A)
Subsidiary engaging in sales and servicing of materials handling equipment

TMHM-A undertakes environmental protection activities every year under its environmental management program. As one activity, TMHM-A provides recycling bins to collect PET bottles and caps from employees. In fiscal 2018, TMHM-A sold about 80 kg of bottle caps collected and donated the proceeds through the All for Mia campaign for the treatment of a girl in Argentina with an intractable disease.



An employee participating in recycling activities

Environmental Initiatives

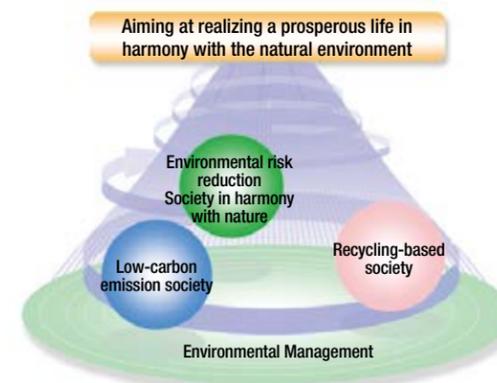
Vision for Environmental Activities Structure to Implement	P59	Establishing a Recycling-Based Society	P66-67
Environmental Management	P60	Reducing Environmental Risk and Establishing a Society in Harmony with Nature	P68-69
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Establishing a Low-Carbon Emission Society	P64-65		

Vision for Environmental Activities

We have defined our aspirations in 2050 and been promoting the Sixth Environmental Action Plan since fiscal 2017.

Global Environmental Commitment

As one tenet under our Basic Philosophy, Toyota Industries works to contribute to regional living conditions and social prosperity and also strives to offer products and services that are clean, safe and of high quality. Accordingly, in February 2011, we established the Global Environmental Commitment, a specific environmental action guideline, to be shared and implemented throughout the Toyota Industries Group. The entire Toyota Industries Group will dedicate concerted efforts to realizing a prosperous life in harmony with the natural environment.



Notional Diagram of Global Environmental Commitment

Aspirations in 2050 and the Sixth Environmental Action Plan

Following the 2015 adoption of the Paris Agreement, an international framework for action against climate change, establishment of a low-carbon emission society has become a global common goal. For Toyota Industries as well, the need to take further proactive measures is growing as global environmental issues continue to become of greater concern, with more people becoming increasingly conscious about the environment.

Under the circumstances, we have defined our aspirations in 2050. The Global Environmental Commitment, which represents our basic approach to environmental activities, specifies the four action themes, namely, 1) establishing a low-carbon emission society; 2) establishing a recycling-based society; 3) reducing environmental risk and establishing a society in harmony with nature; and 4) promoting environmental management.

Aspirations in 2050

- (1) **Establishing a low-carbon emission society**
⇒ Globally take on challenge of establishing a zero CO₂ emissions society
- (2) **Establishing a recycling-based society**
⇒ Take on challenge of minimizing the use of resources
- (3) **Reducing environmental risk and establishing a society in harmony with nature**
⇒ Generate positive influence on biodiversity
- (4) **Promoting environmental management**
⇒ Enhance consolidated environmental management and promote enlightenment activities

As a milestone toward achieving our aspirations in 2050, we have formulated the Sixth Environmental Action Plan, a five-year plan for the period from fiscal 2017 to fiscal 2021, and will resolutely undertake activities in accordance with the plan.

TOPIC

Holding a Sustainability Conference in Europe

Toyota Material Handling Europe AB (TMHE), a consolidated subsidiary overseeing the materials handling equipment business in Europe, held a Sustainability Conference in September 2017, with participants from the production and non-production bases of the Toyota Industries Group in the region. The aim was to share the medium- to long-term environmental and safety policies as well as best practices of each company in these two areas.

The conference included workshops on various topics, such as the progress of individual companies toward achieving their CO₂ emissions reduction targets, medium- and long-term CO₂ reduction initiatives, the impact of sustainability on corporate competitiveness and response to chemical substances regulations.

Participants proactively exchanged information and engaged in animated discussion on current and future relevant issues.



Sustainability Conference in Europe

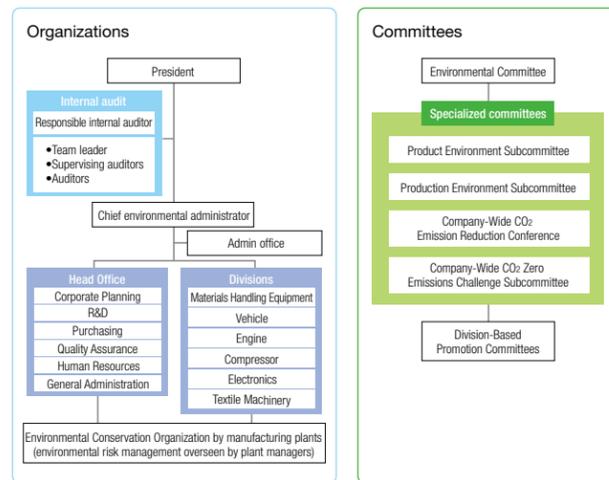
Structure to Implement Environmental Management

Positioning environmental response as one of its most crucial management issues, Toyota Industries is enhancing its environmentally oriented corporate management on a global basis through the promotion of consolidated environmental management.

Promotion of Environmental Management System

Toyota Industries has positioned environmental response as one of its most crucial management issues. To quickly reflect top management's decisions on business operations, Toyota Industries has established and been operating a Company-wide integrated environmental management system (EMS), with the president at the top.

Environmental Management Structure



educational course for environmental audits to cultivate knowledge and techniques of internal audits. Department heads and employees proactively attended these courses to deepen their understanding of environmental management. For internal auditors, we provided auditor training by an external lecturer for upgrading the quality of our internal audits.



Auditor training by an external lecturer

Response to the Revised ISO 14001 Standard

Following the revision of the international standard ISO 14001 in September 2015, we reviewed our Environmental Management Manual and redefined its regulations. In August 2016, we initiated activities based on the new regulations. By having auditors who thoroughly understand the revised standard perform internal audits, we have confirmed the progress of each department in conforming to the revised standard.

An external review by a third party has also confirmed that our shifting to the revised standard has been proceeding appropriately.

As in the previous fiscal year, in fiscal 2018 we conducted introductory educational courses to foster the knowledge needed for environmental management and an introductory

Companies Subject to Consolidated Environmental Management (As of March 31, 2018) * Only the names of production bases are listed.

Europe: 9 production bases; 55 non-production bases

Toyota Material Handling Manufacturing France SAS (France)
TD Deutsche Klimakompressor GmbH (Germany)
Toyota Material Handling Manufacturing Italy SpA (Italy)
L.T.E. Lift Truck Equipment S.p.A. (Italy)
Cascade Italia S.r.l. (Italy)
Toyota Material Handling Manufacturing Sweden AB (Sweden)
Uster Technologies AG (Switzerland)
Cascade (U.K.) Limited (U.K.)
Vanderlande Industries B.V. (Netherlands)

Asia: 14 production bases; 11 non-production bases

Toyota Industry (Kunshan) Co., Ltd. (China)
TD Automotive Compressor Kunshan Co., Ltd. (China)
Yantai Shougang TD Automotive Compressor Co., Ltd. (China)
Zhejiang Aichi Industrial Machinery Co., Ltd. (China)
Uster Technologies (Suzhou) Co., Ltd. (China)
Cascade Xiamen Forklift Truck Attachment Co., Ltd. (China)
Cascade Hebei Forks Co., Ltd. (China)
Tailift Machinery & Equipment (Qingdao) Co., Ltd. (China)
Toyota Industries Engine India Private Limited (India)
Kirkoskar Toyota Textile Machinery Pvt. Ltd. (India)
P.T. TD Automotive Compressor Indonesia (Indonesia)
Cascade Korea Limited (Korea)
Tailift Material Handling Taiwan Co., Ltd. (Taiwan)
Toyota Industrial Equipment Vietnam Co., Ltd. (Vietnam)

Japan

■ Non-consolidated: 10 production bases; 8 non-production bases
■ Consolidated subsidiaries in Japan: 15 production bases; 21 non-production bases
Tokyu Co., Ltd. (Aichi)
Tokaiselki Co., Ltd. (Shizuoka)
Miduho Industry Co., Ltd. (Aichi)
IZUMI MACHINE MFG. CO., LTD. (Aichi)
Hara Corporation (Gifu)
Mino Tokyu Co., Ltd. (Gifu)
Altex Co., Ltd. (Shizuoka)
Aichi Corporation (Saitama)
Nagao Kogyo Co., Ltd. (Aichi)
Unica Co., Ltd. (Aichi)
Nishina Industrial Co., Ltd. (Nagano)
Iwama Loom Works, Ltd. (Aichi)
HANDA Casting Company (Aichi)
Takeuchi Industrial Equipment Manufacturing Co., Ltd. (Aichi)
Sugiyama Kogyo Co., Ltd. (Aichi)

Oceania: 1 production base; 4 non-production bases

Cascade (Australia) Pty. Ltd. (Australia)

North America: 16 production bases; 34 non-production bases

Cascade (Canada) Ltd. (Canada)
Toyota Industrial Equipment Manufacturing, Inc. (U.S.A.)
The Raymond Corporation (U.S.A.)
Raymond-Muscatine, Inc. (U.S.A.)
TD Automotive Compressor Georgia, LLC (U.S.A.)
Michigan Automotive Compressor, Inc. (U.S.A.)
Indiana Hydraulic Equipment Corp. (U.S.A.)
North Vernon Industry Corp. (U.S.A.)
Cullman Casting Corporation (U.S.A.)
Toyota Industries Compressor Parts America, Co. (U.S.A.)
Uster Technologies, Inc. (U.S.A.)
Cascade Corporation (U.S.A.)
PSM LLC (U.S.A.)
American Compaction Equipment, Inc. (U.S.A.)
Tailift Material Handling USA Inc. (U.S.A.)
Bastian Solutions, LLC (U.S.A.)

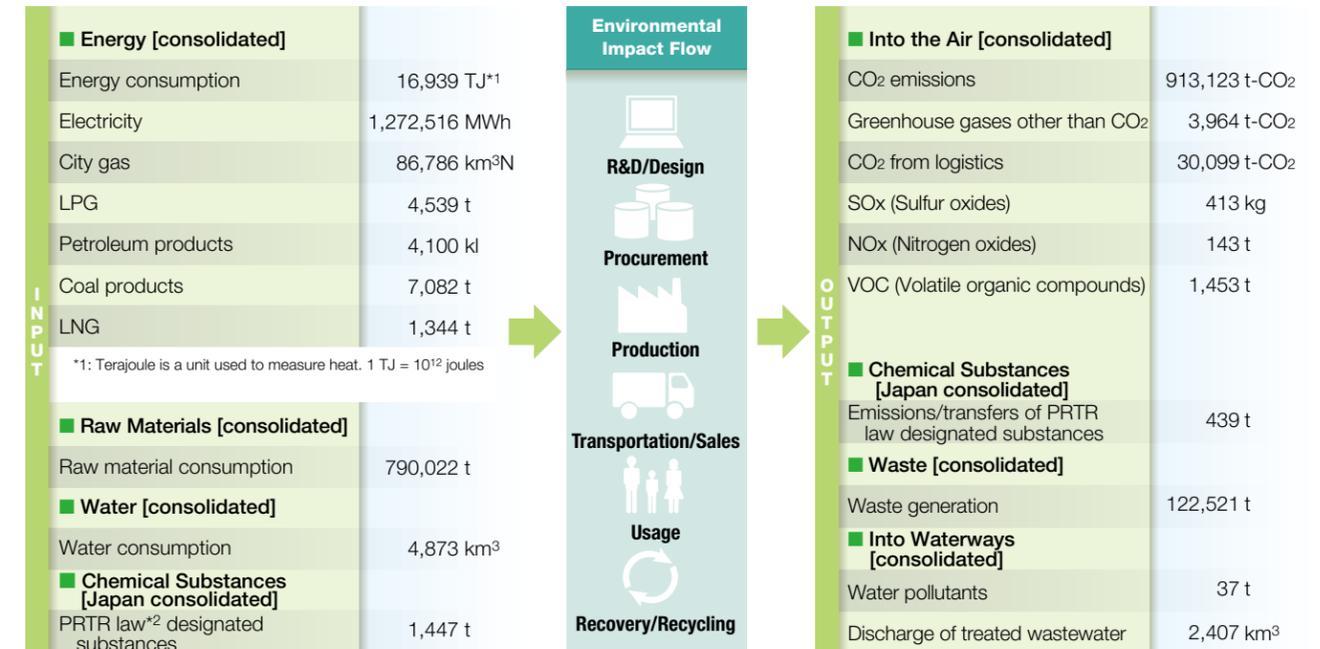
Latin America: 1 production base; 5 non-production bases

Toyota Material Handling Mercosur Indústria e Comércio de Equipamentos Ltda (Brazil)

Environmental Impact Flow and Environmental Accounting

In this section, we provide an overall picture of environmental impact resulting from our global business activities and report the results of environmental accounting (environmental conservation cost, environmental conservation benefits and economic benefits of environmental conservation initiatives).

Environmental Impact Flow



Environmental Accounting

Fiscal 2018 Environmental Accounting*3

Scope of data collection: Toyota Industries Corporation
Period of data collection: April 1, 2017 – March 31, 2018

*3: Environmental accounting data is collected in compliance with the Ministry of the Environment's *Environmental Accounting Guidelines 2005 Edition*.

Environmental Conservation Cost

(Millions of yen)

Category	FY2018		FY2017	
	Investment	Expenses	Investment	Expenses
Business area costs				
Pollution prevention costs	596	195	833	120
Global environmental conservation costs	675	2,825	450	2,335
Resource recycling costs	261	124	129	140
Upstream/downstream costs	0	449	0	568
Management costs	0	187	0	276
Research and development costs	78	3,882	7	2,398
Social contribution activity costs	0	103	0	92
Environmental remediation costs	0	0	16	0
Total	1,610	7,765	1,435	5,929
		9,375		7,364

Environmental Conservation Benefits

Environmental Impact	Comparison with Previous Fiscal Year
CO2	625 t increase
Generation of waste products	4,347 t increase
Water	114,166 m³ increase

Economic Benefits of Environmental Conservation Initiatives

(Millions of yen)

Item	Details	Amount
Revenue	Returns from sale of recycled waste products	4,505
Cost reduction	Energy cost reductions	(63)
	Cost reduction by resource savings (including reductions in amount of water use, wastewater treatment costs, etc.)	(42)
Total		4,400

Sixth Environmental Action Plan

The results of our activities in fiscal 2018 showed steady progress across the board toward achieving respective targets for fiscal 2021.

Progress of Sixth Environmental Action Plan

With an eye to realizing a prosperous life in harmony with the natural environment through the establishment of a sustainable society, we formulated the Sixth Environmental Action Plan for the period from fiscal 2017 to fiscal 2021

and are promoting activities according to the plan. Through activities undertaken during fiscal 2018, we made steady progress toward achieving respective targets for fiscal 2021.

Production Related

Segments	Action Policies/Specific Actions	FY2018 Achievements					FY2021 Targets	
		Subject	Scope	Control Items	Base Year (FY)	Achievements	Targets	
Establishing a Low-Carbon Emission Society	Reduce CO ₂ emissions from production activities • Develop and introduce production engineering technologies with lower CO ₂ emissions • Reduce CO ₂ emissions by fully implementing improvement activities on a daily basis • Develop innovative CO ₂ reduction technologies that utilize clean energy • Manage greenhouse gases other than CO ₂	CO ₂ emissions	Non-consolidated	Total emissions	2006	-16%	-10%	
			Global				-24%	-26%
			Non-consolidated	Emission volume per unit of production*1	2006	-27%	-30%	
		Reduce CO ₂ emissions from production-related logistics • Improve transportation efficiency through such measures as modal shift and better cargo loading efficiency	CO ₂ emissions from logistics	Non-consolidated	Emission volume per unit of production	2007	-35%	-28%
Establishing a Recycling-Based Society	Promote measures against resource depletion by recycling waste • Reduce the volume of discarded materials by taking action at the source, such as improving yields and other measures • Promote internal reuse Promote effective resource utilization in production activities • Reduce use of packaging materials • Monitor water input and output in each country/region and develop and promote appropriate measures	Waste generation volume	Japan consolidated	Emission volume per unit of production	2006	-31%	-27%	
			Non-consolidated				-31%	-29%
Reducing Environmental Risk and Establishing a Society in Harmony with Nature	Further reduce emissions of substances of concern • Minimize the use of substances of concern by promoting efficient production activities	VOC*2 emissions	Non-consolidated (automobile body)	Emission volume per unit of production	2006	-36% (24g/m ²)	-36% (24g/m ²)	

Product Related

Sixth Environmental Action Plan Targets			FY2018 Achievements
Segments	Action Policies	Specific Actions	
Establishing a Low-Carbon Emission Society	Reduce CO ₂ emissions through product and technology development	<ul style="list-style-type: none"> Develop technologies that contribute to an even greater level of energy efficiency Develop products and technologies that respond to electrification Develop technologies to enable weight reduction Reduce energy loss Develop technologies for the realization of a hydrogen-based society 	<ul style="list-style-type: none"> Developed reach-type electric lift truck Developed next-generation electric compressor Developed air-jet loom Developed next-generation air compressor for fuel cell vehicles
Establishing a Recycling-Based Society	Implement initiatives to promote 3R (reduce, reuse and recycle) design for effective resource utilization	<ul style="list-style-type: none"> Reduce use of resources through longer product life Reduce use of resources through standardization, modularization and reduction of components Reduce use of resources through development of technologies to enable weight reduction and downsizing Promote reuse of components and resources 	<ul style="list-style-type: none"> Developed reach-type electric lift truck (longer life of components) Developed reach-type electric lift truck (reduction in number of components) Developed new 400W DC-AC inverter
Reducing Environmental Risk and Establishing a Society in Harmony with Nature	Reduce emissions to improve air quality in urban areas in all countries and regions	<ul style="list-style-type: none"> Develop engines that meet future regulations 	<ul style="list-style-type: none"> Developed engine for marine use
	Manage chemical substances contained in products	<ul style="list-style-type: none"> Investigate chemical substances contained in products and manage switching over of SVHC*3 and other substances of concern to other substances 	<ul style="list-style-type: none"> Supported chemical substance management at consolidated subsidiaries Conducted survey on chemical substances contained in products

Others

Sixth Environmental Action Plan Targets			FY2018 Achievements
Segments	Action Policies	Specific Actions	
Reducing Environmental Risk and Establishing a Society in Harmony with Nature	Augment activities related to protection of biodiversity	<ul style="list-style-type: none"> Share the biodiversity guidelines across all Toyota Group companies and contribute to the expansion of a habitat for living organisms Formulate and promote plans to link activities and bring more greenery by undertaking activities for conservation of biodiversity throughout the Toyota Industries Group, including at consolidated subsidiaries in and outside Japan 	<ul style="list-style-type: none"> Participated in All Toyota Green Wave Project Created an animal path within the Higashiura Plant in Aichi Prefecture
Promoting Environmental Management	Augment and promote consolidated environmental management	<ul style="list-style-type: none"> Build a global environmental management system and promote related activities to: <ul style="list-style-type: none"> Comply with environment-related laws in each country and region Formulate a medium-term plan based on visualization of environmental risks and conduct activities to prevent risks from occurring Enhance risk communication with relevant organizations and local residents Achieve the highest-level environmental performance in each country and region Enforce strategic environmental management that integrates environmental activities and business activities 	<ul style="list-style-type: none"> Promoted activities to reduce environmental risks among consolidated subsidiaries in and outside Japan
	Enhance education and enlightenment activities	<ul style="list-style-type: none"> Extend the scope of Toyota Industries' enlightenment activities to consolidated subsidiaries in and outside Japan Give back to society the outcomes of enlightenment activities 	<ul style="list-style-type: none"> Held environmental seminar Conducted environmental awareness survey among employees
	Promote environmental activities in collaboration with business partners	<ul style="list-style-type: none"> Ensure compliance with laws and regulations and improve environmental performance based on the Environmentally Preferable Purchasing Guidelines 	<ul style="list-style-type: none"> Held briefing sessions for subsidiaries in Japan
	Improve eco-conscious brand image	<ul style="list-style-type: none"> Pursue higher brand image through proactive information disclosure 	<ul style="list-style-type: none"> CDP*4 climate change: ranked B (on a performance band of A to F) CDP water: ranked B (on a performance band of A to F) Nikkei's Environmental Management Survey: ranked 9th (out of 1,724 target companies) Won Chairman Prize of The Energy Conservation Center, Japan, in the Energy Conservation Grand Prize (two products) Won Excellence Award in the Environmental Communication Awards Won Best Plant Award (business office category) in the Green Curtains Competition in Kariya Won Superior Award in the Toyota Environmental Activity Award

*1: We manage emissions in each business by using either unit of production or unit of sales as a basic unit of emissions. The weighted average of reduction rates of all businesses is used as our management index.

*2: Volatile Organic Compounds

*3: Substances of Very High Concern

*4: An international NGO undertaking a project through collaboration among institutional investors to call for disclosure of strategies against climate change issues and greenhouse gas emissions data to leading companies around the world

† Details of the Sixth Environmental Action Plan are available at:

https://www.toyota-industries.com/csr/environment/management/plan_6/

Establishing a Low-Carbon Emission Society

We position the curbing of global warming as our most crucial environmental task. We have been working to reduce CO₂ emissions in our global business activities and at the same time accelerate our efforts to develop more environment-friendly products.

Summary

CO₂ Emissions (Production Activities)

FY2018 Results

Total emissions (non-consolidated)

16% reduction (vs FY06 level) | FY21 target: 10% reduction (vs FY06 level)

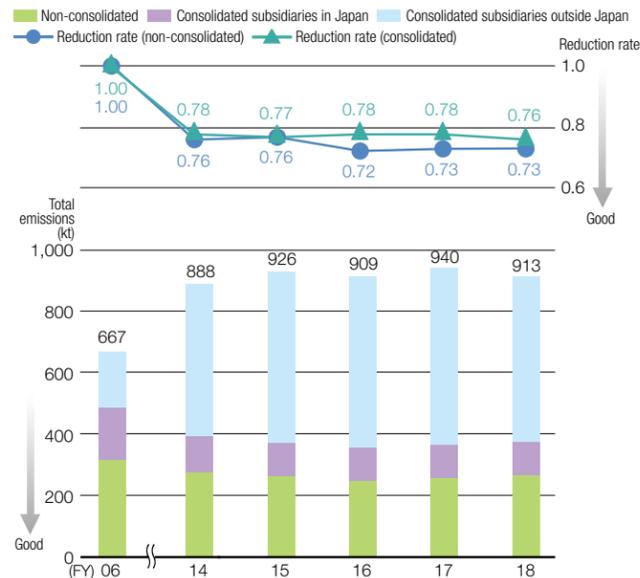
Emission volume per unit of production (global)

24% reduction (vs FY06 level) | FY21 target: 26% reduction (vs FY06 level)

Under the Sixth Plan, we are working toward achieving fiscal 2021 targets of reducing total non-consolidated CO₂ emissions from production activities by 10% and global emission volume per unit of production by 26%, both from the fiscal 2006 level. In fiscal 2018, we made steady progress in achieving these targets through our CO₂ emissions reduction efforts, such as loss reduction activities to eliminate wasteful use of energy at plants and switching to more energy-efficient air conditioners.

Initiatives for Establishment of a Low-Carbon Emission Society

CO₂ Emissions (Non-consolidated/Consolidated subsidiaries in and outside Japan)



Saving Energy by *Karakuri*

We have been promoting *kaizen* by *karakuri* initiatives to attain *kaizen* (improvement) by utilizing Japan's traditional, simple mechanical systems called *karakuri*, which do not require power generated by motors or other devices.

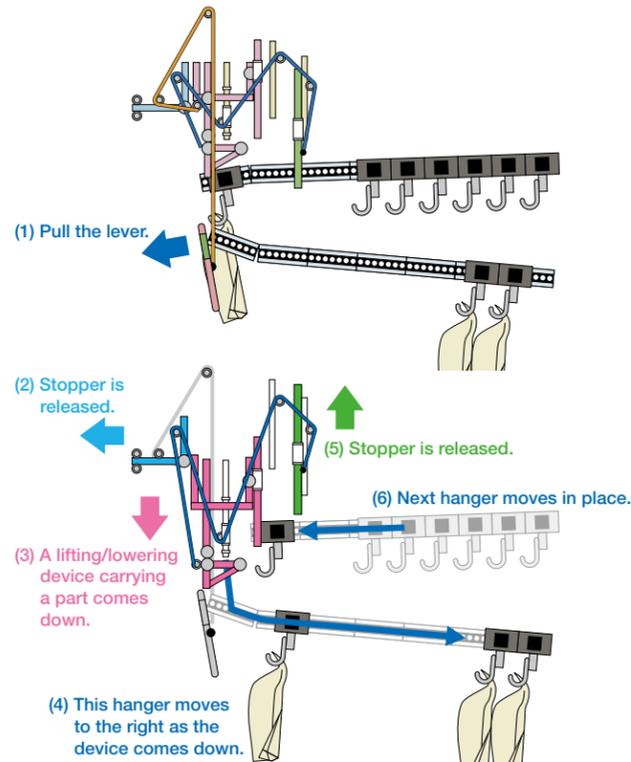
In fiscal 2018, the Nagakusa Plant, a production base of automobiles in Aichi Prefecture, adopted *karakuri* in a process to sort parts.

Previously, the sorting of parts had been done by using air-powered equipment, thus consuming a considerable amount of energy.

To eliminate the use of air, the plant created a non-powered mechanical system that uses a combination of gravity, the principle of leverage, coil springs and pulleys and successfully reduced its annual CO₂ emissions by approximately 48 tons.

This new, non-powered equipment won a Good Idea Award in the *Karakuri KAIZEN* Exhibition 2017 hosted by the Japan Institute of Plant Maintenance.

Karakuri Mechanism



Reducing CO₂ Emissions by Using Renewable Energy

As part of its efforts to reduce CO₂ emissions, the Toyota Industries Group proactively promotes the use of renewable energy such as solar, wind and hydraulic power.

For example, TD Automotive Compressor Kunshan Co., Ltd. (TACK), a production subsidiary in China, installed a solar panel system on the roof of its plant in December 2017. This system is expected to generate 16% of its annual electricity consumption, which equals to annual CO₂ emissions of some 1,250 tons. The Raymond Corporation and Raymond-Muscatine Inc., production subsidiaries in the United States, have purchased renewable electricity certificates*, which as a total of the two companies are equivalent to 49% of annual electricity consumption and about 3,800 tons of CO₂ emissions, and have contributed to lower CO₂ emissions. Additionally, Toyota Industries Engine India Private Limited (TIEI), a production subsidiary in India, has purchased electricity from a solar power source and reduced its annual CO₂ emissions by 14,000 tons.

* Environmental added value of electricity derived from a renewable energy source converted into tradable certificates

Reducing CO₂ Emissions by Renewable Energy-Derived Hydrogen

Toward the goal of achieving zero CO₂ emissions in 2050, L.T.E. Lift Truck Equipment S.p.A. (LTE), a production subsidiary in Italy, has been making various CO₂ emissions reduction efforts, such as using renewable energy and undertaking energy-saving activities. As one example, LTE installed a hydrogen station on the company premises in September 2017. The station is for charging fuel cell lift trucks with hydrogen generated by using electricity from a solar panel system, thereby helping LTE reduce its CO₂ emissions. LTE will continue to actively promote the use of hydrogen within its plant.



Hydrogen station and a fuel cell lift truck (LTE)

Certification of Environmentally Friendly Products

Toyota Industries has been proactively promoting development and design of eco-conscious products. As part of the efforts, we launched the Environmentally Friendly Product Certification System in fiscal 2007, which certifies products that possess exceptionally high environmental performance, and have been showcasing these products to the public. With the addition of one product in fiscal 2018, a total of 21 products have obtained certification under this system since its launch.

We will continue to promote the development of eco-conscious products in the future as well.

Product Certified in Fiscal 2018

Electric towing tractor with 2.5-ton capacity (Super Environmentally Friendly Product*)

Key features to reduce environmental impact

For baggage towing tractors used in airports, we offer an electric model along with internal-combustion engine models. This 2.5-ton electric towing tractor simultaneously delivers high environmental performance (no emissions of exhaust gas) and powerful driving performance.

The product has been certified as Super Environmentally Friendly Product for realizing considerably lower CO₂ emissions throughout its lifecycle.

Lifecycle CO₂ emissions

Approx. 50% lower (compared with previous models)



* For a definition, please visit our Website at: <https://www.toyota-industries.com/csr/environment/technology/authorization/>

Establishing a Recycling-Based Society

With a view to establishing a recycling-based society, we have been striving to reduce resource consumption.

Summary

Waste Generation Volume (Production Activities)

FY2018 Results

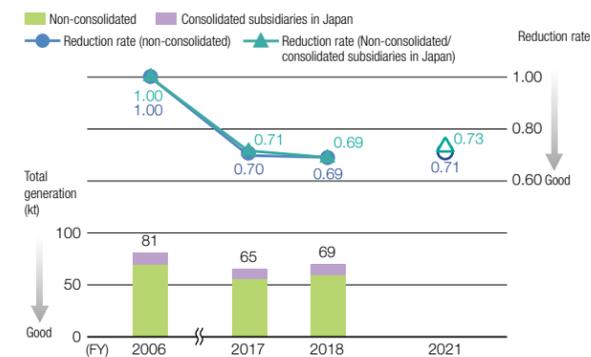
Waste generation volume per unit of production (non-consolidated)
31% reduction (vs FY06 level) | FY21 target: 29% reduction (vs FY06 level)

Waste generation volume per unit of production (non-consolidated/consolidated subsidiaries in Japan)
31% reduction (vs FY06 level) | FY21 target: 27% reduction (vs FY06 level)

In seeking to minimize resource consumption in 2050, we are making efforts to reduce our waste generation volume by implementing measures to reduce resource consumption at the source and promoting internal reuse of waste. We set out targets of reducing waste generation volume per unit of production compared with the fiscal 2006 level by 29% on a non-consolidated basis and by 27% for Toyota Industries and its consolidated subsidiaries in Japan. Accordingly, we have been promoting activities toward these targets.

Initiatives for Establishing a Recycling-Based Society

Waste Generation (Non-consolidated/Consolidated subsidiaries in Japan)



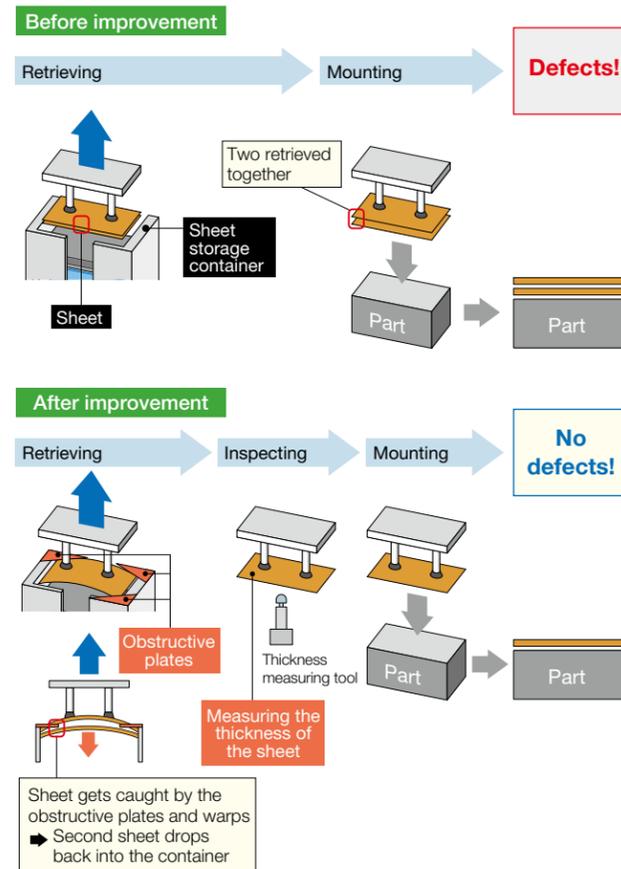
Reducing Waste Generation by Improving the Sheet Retrieval Method

The Anjo Plant, a production base of electronics components in Aichi Prefecture, has been carrying out activities to reduce the amount of wasted parts by eliminating defects.

In a process to retrieve a sheet from its storage container and mount it on a part, burr from the sheet molding or static electricity sometimes causes two sheets to be removed at the same time, making the resulting part defective. To eliminate such defective parts, the plant examined ways to make sure one sheet is retrieved at a time.

By trial and error, the plant came up with an idea to add obstructive plates at the storage container. These plates "obstruct" the retrieval of a sheet, causing it to warp. If another sheet is under it, warping will separate the second sheet and drop it back into the container. Moreover, the plant began to use a thickness measuring tool to make sure there is only one sheet before mounting it onto a part and succeeded in eliminating defects and wasted parts. The thickness of a sheet varies from product to product. As such, the number and size of the plates are changed accordingly to ensure one sheet is retrieved at a time. This improvement idea of adding obstructive plates was generated from the perspective of total

Changing Sheet Retrieval Method



Akihiro Hayakawa, Supervisor
 Manufacturing Section, Manufacturing Dept., Electronics Division (As of March 31, 2018)

We would like to continue our improvement activities, which will lead to a reduction in waste, while ensuring the quality of products.

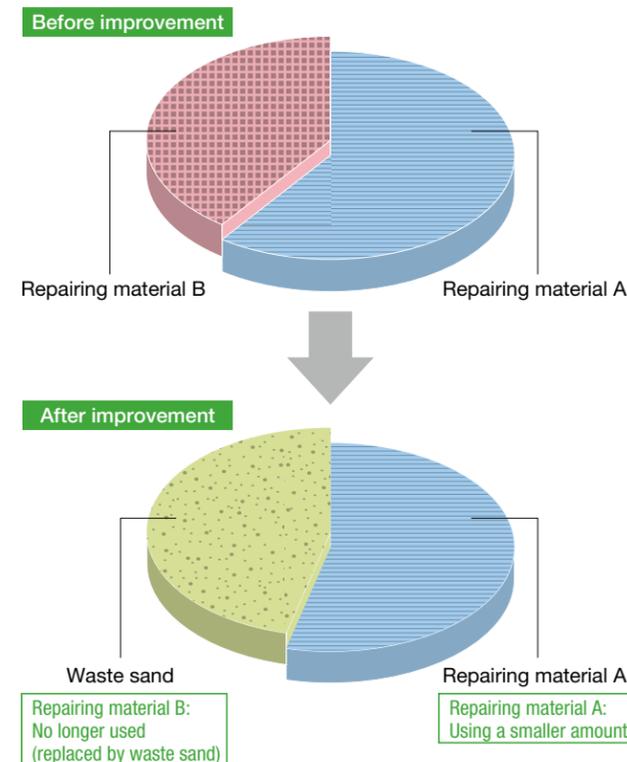
optimization by reflecting opinions of other departments.

Reducing Waste Generation by Changing a Container Repairing Material Used in the Foundry Process

Toyota Industry (Kunshan) Co., Ltd. (TIK), a production subsidiary in China, has been working to reduce the amount of waste by reusing waste generated in the foundry process.

In the production process of foundry parts, molten iron left over from the pouring process is transferred to a container,

Changing the Mixing Ratio of Repairing Materials



in which it cools and solidifies. Removing the solidified iron from the container sometimes damages its inner walls, requiring application of repairing materials before using the container again.

Previously, TIK had purchased new repairing materials. To reduce costs, TIK examined a method to substitute one of the two repairing materials with waste sand that possesses an equal level of fire resistance. After a number of trials and errors, TIK found the best mixing ratio of the remaining repairing material and waste sand and confirmed that it does not cause any quality issues. This replacement has enabled TIK to reduce the annual amount of waste sand by about 30 tons.

This project won a Best Practice Award in fiscal 2018 under our internal award program to recognize excellent environmental improvement activities.

Sun Yi, Manager
 Manufacturing Section No. 1, Manufacturing Dept., Foundry Division, Toyota Industry (Kunshan) Co., Ltd. (As of March 31, 2018)

Repeating many tries with different mixing ratios was difficult, but I am happy to come up with the optimum ratio. We will continue to work proactively to achieve improvements.

Initiatives Related to Water Risk

Toyota Industries uses water in many processes, for example, for washing products and cooling production facilities. Globally, consumption of water, which is one of the most important resources, is increasing in line with growth in the world's population. Flooding and other water-related natural disasters due to climate change cause serious impact. We duly consider that these factors present risks to our business activities.

In fiscal 2017, we identified and assessed water risks at each base using Aqueduct, a global water risk mapping tool developed by the World Resources Institute (WRI), and various public databases available in corresponding regions. To increase the credibility of our externally disclosed information, we obtained third party verification* of the fiscal 2018 water consumption and wastewater discharge data of our production bases and consolidated subsidiaries. We will continue to work to assess and mitigate water risks in our supply chain while seeking ways to conserve water resources.

* See page 74 for details.

Reducing Environmental Risk and Establishing a Society in Harmony with Nature

We have been making efforts to reduce the use of substances of concern while carefully monitoring the latest trends in environmental laws and regulations on a global basis. At the same time, we have been promoting activities for conservation of biodiversity toward realizing a society in harmony with nature.

Summary

VOC Emissions (Production Activities)

FY2018 Results

Emissions per unit of production
(non-consolidated/automobile body)

36% reduction (vs FY06 level)

FY21 target:
36% reduction
(vs FY06 level)

Under the Sixth Plan, we set a target of reducing emission volume per unit of production for volatile organic compounds (VOC) from the automobile body painting process by 36% from the fiscal 2006 level and have been striving to reduce VOC emissions. In fiscal 2018, we continued our efforts to increase the recovery rate and enhance maintenance and management of thinner, a solvent used for cleaning. Consequently, we were able to cut down emission volume per unit of production in fiscal 2018 by 36%.

Strengthening Management of Chemical Substances at Consolidated Subsidiaries Outside Japan

Many of the chemical substances needed for our production activities may cause adverse effects on the environment. Thus, appropriate management of chemical substances is crucial in ensuring safe handling and minimizing potential harmful effects.

To appropriately manage chemical substances contained in raw materials and products, we have been assisting our consolidated subsidiaries and business partners outside



Study group session at a production subsidiary in Vietnam

Japan in establishing a system to manage chemical substances. In fiscal 2018, we started providing such support to two consolidated subsidiaries and several business partners.

We will continue to provide support and undertake activities to prevent violations of chemical substances regulations at production bases outside Japan.

Initiatives for Conservation of Biodiversity

We believe that it is important to undertake business activities while continuously paying attention to the impact of these activities on the natural environment. Based on this belief, we have formulated the biodiversity policy and been promoting initiatives accordingly. The policy clearly stipulates that we seek to reduce the impact of our business activities on biodiversity and work with local communities for the conservation of biodiversity.

Creating an Animal Path to Improve Natural Habitats of Livings Organisms

As one effort to conserve biodiversity, Toyota Industries has been collaborating with the Aichi prefectural government in its initiative to foster the development of ecological networks throughout the prefecture.

We joined the Chita Peninsula Ecological Network Council in fiscal 2012 and have since been carrying out activities linked to the conservation of biodiversity in the local natural environment in collaboration with various stakeholders, including local governments, companies, NPOs, expert bodies and students.

In March 2018, we teamed up with the council and set up



Tree planting at the animal path completion ceremony

an environment within the Higashiura Plant in Aichi Prefecture to expand the habitat of foxes. Recently, we have found foxes are living in forests surrounding the plant. But because there is not a large enough habitat, many were fatally involved in traffic accidents on the neighboring roads. To provide a safe passage between these forests, Toyota Industries and experts from the council worked together and created an animal path within the plant premises. At the completion ceremony, participants planted trees that form a part of the path. We intend to monitor the inhabiting status of foxes using cameras installed along the path while implementing additional measures as necessary to create a better environment.



Kazutaka Narukawa

Planning and Management Group, Environment Office, Plant Engineering & Environment Dept., Production Headquarters (As of March 31, 2018)

I feel very pleased that we made a step forward to resolve a local issue through the creation of this animal path. This opportunity has also made us renew our determination to proactively conduct activities to conserve biodiversity.

Holding an External Environmental Education Class

Since fiscal 2010, Toyota Industries has been providing an external environmental education class for children who will be leading the next generation with an aspiration to cultivate awareness for environmental conservation and contribute to the realization of a sustainable society.



External environmental education class

In August 2017, we held a class for about 30 local elementary school students on the theme of conserving biodiversity during the "Environment Summit in 2017" held in Minamichita-cho, Aichi Prefecture, by the Minamichita Town Development Council. Participants created an ecological pyramid using paper cups printed with illustrations of living organisms, learned about diversity and the relationship among them and thought about what each of us can do to protect the future of the Earth.

Employees Planting Trees on Earth Day

Toyota Industrial Equipment Mfg., Inc. (TIEM), a production subsidiary in the United States, promotes tree planting at home by distributing saplings to employees and local residents on Earth Day and Arbor Day every April.

In April 2017, TIEM handed out 1,600 red oak saplings. TIEM intends to continue this activity to increase environmental awareness that we need to live in harmony with nature and curb global warming.



Handing out saplings to employees



Planting trees

Environmental Management

Toyota Industries proactively discloses its initiatives for reduction of environmental risk and other environmental information.

Status of Compliance with Environmental Laws

In fiscal 2018, there were no incidents of violations of environmental laws throughout the Toyota Industries Group.

We will continue to reinforce our activities to prevent environmental risk.

Soil and Groundwater Pollution Countermeasures

Toyota Industries carries out surveys and purification of soil and groundwater contaminated from the past use of trichloroethylene. We regularly report the survey results to local government authorities and provide information at local community meetings. As measures to prevent pollution from substances covered by the Soil Contamination Countermeasures Law as well as from grease and oils, we have drilled observation wells at all plants to conduct regular checks.

Measurement results are available at:
<http://www.toyota-industries.com/csr/environment/process/groundwater/>

Internally Conducting Water Quality Analysis

Toyota Industries periodically conducts internal water quality analysis using official methods in order to verify that wastewater discharged from its plants and groundwater complies with external standards, including applicable laws, regulations and ordinances, and to enable swift action when there is a change in water quality.



Internal water quality analysis

Our major efforts for prevention of irregular wastewater discharges include developing an analysis plan, conducting water quality analysis based on the plan, monitoring trends in analysis results and sharing relevant information among the relevant in-house departments.

In fiscal 2018, we set up a system to internally monitor measurement items added under the revised Soil Contamination Countermeasures Law. We also participated in the Comprehensive Accuracy Control Project of the Japan Association for Working Environment Measurement to ensure the accuracy of our analysis results. We will continue to strive for the prevention of irregular wastewater discharges and improvement of the analysis accuracy.

Efforts to Increase Employees Qualified under Environment-Related Laws

Even though Toyota Industries has secured the legally required number of persons having environment-related qualifications, we are promoting further acquisition of qualifications by employees.

In fiscal 2018, we provided internal education to encourage acquisition of the Water Pollution Control Manager qualification, which is a national qualification, and two employees have been newly qualified.

■ Number of Persons Qualified as Pollution Control Managers
 (As of March 31, 2018)

Category	Number of persons qualified
Air	86
Water	101
Noise and vibration	268
Dioxin	19



Internal education for acquiring environment-related qualifications



Kuniko Ogawa (left)
 Mina Kato (right),
 Working leader

Water Environment Group,
 Environment Office, Plant
 Engineering & Environment
 Dept., Production
 Headquarters
 (As of March 31, 2018)

In fiscal 2018, we held a seminar on water quality analysis for relevant departments to foster an understanding of the water quality analysis of wastewater and promote acquisition of the Water Pollution Control Manager qualification. The seminar included an explanation of analysis procedures, hands-on exercise of an analysis and a practice examination based on the past tests. These were well received by participants. The seminar was also helpful for our own work, because teaching meant relearning such things as the mechanism of analysis equipment. We plan to hold this seminar on a continuous basis.

We will continue to provide education necessary to increase the number of qualified personnel.

Establishing a Sustainability Dojo in Sweden

Toyota Material Handling Manufacturing Sweden AB (TMHMS), a production subsidiary in Sweden, has established a sustainability *dojo* in its plant to increase employees' awareness for safety, the environment and product quality. This *dojo* allows employees to learn energy-saving, waste reduction and chemical substances management procedures specific to a manufacturing site. They can also practice the proper use of safety protective equipment and operation



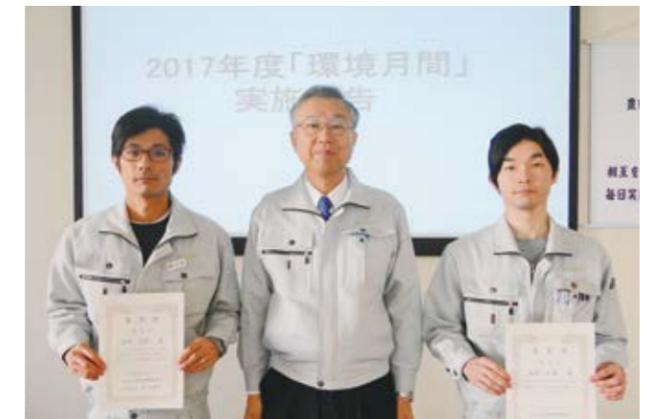
Sustainability dojo

of an overhead crane and actually experience lockouts of various facilities. Other topics of learning include response to an accident, safety behavior and industrial ergonomics. Team leaders in the plant first receive education at the *dojo* and then share their acquired knowledge with other team members.

Environment Strengthening Month in the Toyota Industries Group

Every year, Toyota Industries carries out a three-month Environment Strengthening Month from June to August with the aim of increasing environmental awareness of Group employees and their families and promoting energy saving through various events.

In fiscal 2018, each of the consolidated subsidiaries in Japan proactively planned and carried out unique activities, such as soliciting entries to their environment poster contest, holding "No Car Days" to encourage employees to use commuting means other than private cars and joining local cleanup activities.



Ceremony to award excellent environment posters at Iwama Loom Works, Ltd.



Local cleanup activities by Miduho Industry Co., Ltd.

Holding Environmental Seminars

We hold environmental seminars to raise employees' environmental awareness. In fiscal 2018, we invited Mr. Rintaro Tamaki of the Japan Center for International Finance to give a lecture on "Climate Change and Business." Some 150 employees, including directors of Toyota Industries and its consolidated subsidiaries, attended the lecture and deepened their understanding of action against climate change, its relation with business operations and future trends.

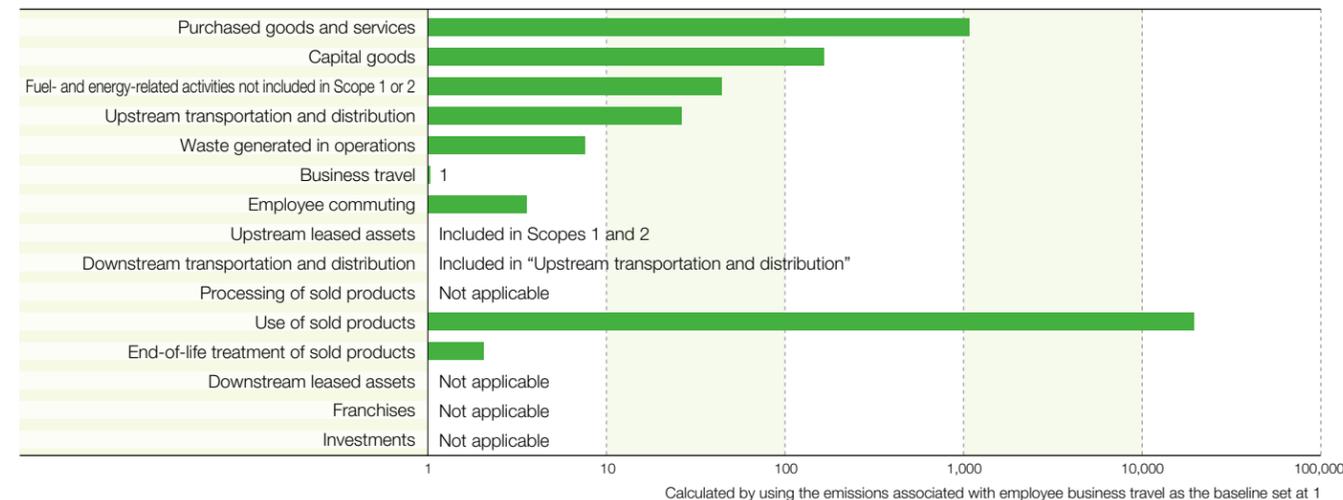


Environmental seminar

Greenhouse Gas (GHG) Emissions in the Supply Chain

We recognize that measuring the three scopes defined by the GHG Protocol and turning the results into specific efforts to reduce CO₂ emissions are important in creating a low-carbon society. Scopes 1 and 2 are GHG emissions from our business activities, the former being direct emissions from our use of fossil fuels and the latter being indirect emissions from the use of purchased energy resulting from generation of electricity by power plants and other facilities. Scope 3 emissions are indirect emissions associated with each product

Scope 3 Emissions by Category (FY2018)



from the purchase of raw materials to end use by customers and disposal.

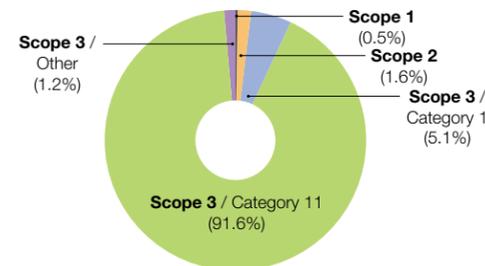
In the fiscal 2018 results, combined Scope 1 and 2 emissions accounted for 2.1% of the total emissions, with Scope 3 emissions reaching 97.9%.

The largest source of emissions, which accounted for 91.6%, was Category 11 (Use of sold products) under Scope 3, followed by Category 1 (Purchased goods and services) also under Scope 3, which accounted for 5.1%.

Going forward, we will continue to monitor GHG emissions within the entire supply chain and accordingly promote CO₂ emissions reduction activities.

Detailed data is available at: <https://www.toyota-industries.com/csr/environment/process/scope3/>

GHG Emissions in Supply Chain (FY2018)



Scope	Description
Scope 1	Direct emissions from Toyota Industries through the use of fossil fuels, etc.
Scope 2	Indirect emissions from the use of purchased energy resulting from generation of electricity by power plants, etc.
Scope 3	Emissions associated with purchase of raw materials, end use of Toyota Industries' products by customers and disposal of products

External Evaluations of Toyota Industries' Environmental Activities

External Environmental Evaluations

Toyota Industries fosters environmental communication with our stakeholders through proactive disclosure of environmental information. Since fiscal 2015, we have been participating in the Ministry of the Environment's project for the establishment of a framework for disclosure of environmental information and examining the ideal way to disclose our environmental information. We will continue to upgrade our method of disclosure and contents to be disclosed.

List of External Environmental Evaluations

Evaluation organizations	Fiscal 2018 (Fiscal 2017)
CDP* climate change	B (B)
CDP water	B (C)
Nikkei's Environmental Management Survey	9th place (36th place)

* An international NGO undertaking a project through collaboration among institutional investors to call for disclosure of strategies against climate change issues and GHG emissions data to leading companies around the world

TOPIC

Ranked 9th among Manufacturing Companies in the 21st Environmental Management Survey

Toyota Industries earned 9th place, the highest ever ranking, in the overall manufacturing companies category of the 21st Environmental Management Survey conducted by Nikkei Inc. This survey evaluates how well companies balance their environmental measures with their efforts to improve management efficiency. In the 21st survey, Toyota Industries was highly regarded in the areas of "a structure to promote environmental management" and "development of eco-friendly products." We will continue to make Company-wide efforts to promote environmental activities.

External Environmental Awards

Toyota Industries' environmental activities to date have been highly acclaimed by various organizations. In fiscal 2018, we received five external awards, including two prizes under the Energy Conservation Grand Prize program.

List of External Environmental Awards

Award program (host organization)	Result	Award winner
Energy Conservation Grand Prize (The Energy Conservation Center, Japan [ECCJ])	Chairman Prize of ECCJ	[Compressor Division] More compact processing lines
	Chairman Prize of ECCJ	[Development Department No. 2, Engineering & Development Headquarters] Fuel cell lift truck
Environmental Communication Awards (Ministry of the Environment)	Excellence Award	Toyota Industries Report 2017
Green Curtains Competition (Kariya-shi, Aichi)	Best Plant Award	Kariya Plant's green curtains
Environmental Activity Award program (Toyota Motor Corporation)	Superior Award	Toyota Industries' overall environmental activities

TOPIC

Won TMC's Superior Award for Environmental Activities

At the 2017 Toyota Global Suppliers Convention held by Toyota Motor Corporation (TMC) at the Nagoya Congress Center, Toyota Industries received the Superior Award, the highest award in TMC's Environmental Activity Award program established in fiscal 2018. The award recognized our initiatives toward a zero CO₂ emissions society under our aspirations in 2050.



Receiving the award at the Toyota Global Suppliers Convention

Third Party Assurance of Environmental Performance Data

In order to ensure the transparency and accuracy of the information we disclose, the Toyota Industries Group obtained third party assurance for its energy-derived CO₂ emissions (Scopes 1, 2 and 3), waste generation as well as water consumption and wastewater discharge volume data for fiscal 2018.

Verification by a Third Party



Comments by Mr. Koki Nohara of SGS Japan Inc. (Verifier)

This year, I conducted verification of the Toyota Industries Group's water consumption and wastewater discharge data in addition to Scopes 1, 2 and 3 emissions and waste generation data. It was the third verification for the Group, and the scope of verification has been expanding each year, which provides proof that Toyota Industries is making efforts to ensure the reliability of the data it reports. Moreover, in calculating Scope 3 indirect emissions, one of the most distinctive characteristics of the GHG Protocol, a basic unit of emissions directly linked to business operations is first calculated for each of the Scope 3 categories and then used to obtain GHG emissions. In this way, Toyota Industries ensures higher accuracy in its GHG emissions data. I hope that Toyota Industries will continue to provide appropriate reporting to its stakeholders from the perspectives of ensuring the accuracy and adequacy of data it reports.

The verification statement of the third party organization is available at:

https://www.toyota-shokki.co.jp/csr/environment/process/items/Verification2017_ENG.pdf

Toyota Industries obtained third party verification of its energy-derived CO₂ emissions, waste generation volume, water consumption and wastewater discharge data for fiscal 2018.

Starting from fiscal 2018, water consumption and wastewater discharge were newly added in order to ensure the reliability of the data.

On-site verification was performed by the verification organization at two of our production bases in Aichi Prefecture, namely, the Kariya Plant and Hekinan Plant, and the transparency and accuracy of our environmental data have been confirmed through the verification.

Using the procedures specified by the verification organization, Toyota Industries conducted verification at the remaining eight production bases of Toyota Industries as well

as 13 consolidated subsidiaries in Japan and 21 consolidated subsidiaries outside Japan.

We will continue to utilize this third party verification in making continuous improvements in our environmental activities and disclose data to our stakeholders in a more transparent manner.



Third party verification at the Kariya Plant



Third party verification at the Hekinan Plant

■ Bases Subject to Verification

Category	Region	Names of Bases and Subsidiaries
Non-consolidated	Japan	Kariya Plant, Takahama Plant, Nagakusa Plant, Kyowa Plant, Obu Plant, Hekinan Plant, Higashichita Plant, Higashiura Plant, Anjo Plant, Morioka Works (Total of 10 bases)
Japan Consolidated	Japan	Tokaiseiki, Tokyu, Altex, Iwama Loom Works, IZUMI MACHINE MFG., Miduho Industry, Nagao Kogyo, Nishina Industrial, HANDA Casting, Unica, Hara, Aichi, Takeuchi Industrial Equipment Manufacturing (Total of 13 bases)
Consolidated subsidiaries outside Japan	North America Latin America Asia Europe	IHC, NVIC, Raymond-Green, Raymond-Muscatine, TIEM, TIK, TIEI, KTTM, MACI, TACG, TACK, TDDK, YST, TMHMF, TMHMS, TMHMI, TICA, TACI, TMHM, Cascade, TIEV (Total of 21 bases)

Financial Section / Corporate Information

Financial Section

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* Toyota Industries has adopted International Financial Reporting Standards (IFRS) beginning from the end of fiscal 2017.

Corporate Information

Board of Directors, Audit & Supervisory Board Members and Managing Officers	P84–85
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Note:

For details on the consolidated financial statements, please refer to the financial results and securities report, which are posted on the following Website:
<https://www.toyota-industries.com>

Consolidated Statements of Financial Position

Toyota Industries Corporation
For the years ended March 31, 2017 and 2018

	Millions of yen	
	2017	2018
Assets		
Current assets		
Cash and cash equivalents	¥ 243,685	¥ 323,830
Time deposits with deposit terms of over three months	162,668	111,796
Trade receivables and other receivables	646,542	764,514
Other financial assets	11,632	6,359
Inventories	194,427	223,714
Income tax receivables	21,106	9,359
Other current assets	42,356	54,219
Total current assets	1,322,420	1,493,793
Non-current assets		
Property, plant and equipment	833,329	889,220
Goodwill and intangible assets	185,813	361,797
Trade receivables and other receivables	149	337
Investments accounted for by the equity method	8,673	10,352
Other financial assets	2,161,509	2,441,545
Net defined benefit assets	18,129	29,232
Deferred tax assets	23,800	27,017
Other non-current assets	4,386	5,204
Total non-current assets	3,235,791	3,764,707
Total assets	¥4,558,212	¥5,258,500

	Millions of yen	
	2017	2018
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade payables and other payables	¥ 395,698	¥ 479,253
Corporate bonds and loans	311,663	400,803
Other financial liabilities	71,807	71,683
Accrued income taxes	11,163	27,097
Provisions	7,397	7,754
Other current liabilities	12,872	19,284
Total current liabilities	810,603	1,005,876
Non-current liabilities		
Corporate bonds and loans	665,890	767,297
Other financial liabilities	79,375	70,912
Net defined benefit liabilities	92,552	86,655
Provisions	6,479	8,460
Deferred tax liabilities	567,803	665,342
Other non-current liabilities	19,039	20,086
Total non-current liabilities	1,431,140	1,618,754
Total liabilities	2,241,744	2,624,631
Equity		
Share of equity attributable to owners of the parent		
Capital stock	80,462	80,462
Capital surplus	105,417	105,343
Retained earnings	954,503	1,084,139
Treasury stock	(59,272)	(59,284)
Other components of shareholders' equity	1,159,181	1,342,730
Total share of equity attributable to owners of the parent	2,240,293	2,553,391
Non-controlling interests	76,174	80,478
Total equity	2,316,467	2,633,869
Total liabilities and equity	¥4,558,212	¥5,258,500

Consolidated Statements of Profit or Loss

Toyota Industries Corporation
For the years ended March 31, 2017 and 2018

	Millions of yen	
	2017	2018
Net sales	¥ 1,675,148	¥ 2,003,973
Cost of sales	(1,278,378)	(1,534,207)
Gross profit	396,769	469,765
Selling, general and administrative expenses	(268,354)	(334,347)
Other profit	11,411	21,915
Other expenses	(12,480)	(9,887)
Operating profit	127,345	147,445
Financial income	63,734	70,279
Financial expenses	(10,067)	(10,046)
Share of profit (loss) of investments accounted for by the equity method	974	2,149
Profit before income taxes	181,986	209,827
Income taxes	(44,420)	(36,010)
Profit	137,565	173,816
Profit attributable to:		
Owners of the parent	131,398	168,180
Non-controlling interests	6,167	5,635
Earnings per share		
Earnings per share—basic (yen)	¥ 420.78	¥ 541.67
Earnings per share—diluted (yen)	—	—

Consolidated Statements of Comprehensive Income

Toyota Industries Corporation
For the years ended March 31, 2017 and 2018

	Millions of yen	
	2017	2018
Profit	¥137,565	¥173,816
Other comprehensive income:		
Items not to be reclassified into profit or loss		
Profit (loss) from FVTOCI financial assets	77,802	184,278
Remeasurements of defined benefit plans	4,862	3,629
Other comprehensive income of affiliates accounted for by the equity method	21	(4)
Total items not to be reclassified into profit or loss	82,686	187,903
Items that can be reclassified into profit or loss		
Foreign currency translation adjustment	(18,913)	(1,564)
Cash flow hedges	1,242	1,419
Other comprehensive income of affiliates accounted for by the equity method	162	24
Total items that can be reclassified into profit or loss	(17,509)	(120)
Total other comprehensive income after income taxes	65,177	187,782
Comprehensive income	202,743	361,599
Total comprehensive income attributable to:		
Owners of the parent	197,355	355,101
Non-controlling interests	5,387	6,497

Consolidated Statements of Changes in Equity

Toyota Industries Corporation
For the years ended March 31, 2017 and 2018

	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	
					Profit (loss) from FVTOCI financial assets	Remeasurements of defined benefit plans
Balance at April 1, 2016	¥80,462	¥105,517	¥ 855,317	¥(41,266)	¥1,132,655	¥ —
Profit	—	—	131,398	—	—	—
Other comprehensive income	—	—	—	—	77,521	4,811
Total comprehensive income	—	—	131,398	—	77,521	4,811
Repurchase of treasury stock	—	(36)	—	(18,011)	—	—
Disposal of treasury stock	—	(0)	—	5	—	—
Dividends	—	—	(37,609)	—	—	—
Changes in ownership interest of subsidiaries	—	(62)	—	—	—	—
Changes in non-controlling interests as a result of changes in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	5,395	—	(584)	(4,811)
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	(99)	(32,213)	(18,005)	(584)	(4,811)
Balance at March 31, 2017	80,462	105,417	954,503	(59,272)	1,209,592	—
Profit	—	—	168,180	—	—	—
Other comprehensive income	—	—	—	—	183,956	3,525
Total comprehensive income	—	—	168,180	—	183,956	3,525
Repurchase of treasury stock	—	—	—	(12)	—	—
Disposal of treasury stock	—	—	—	—	—	—
Dividends	—	—	(41,915)	—	—	—
Changes in ownership interest of subsidiaries	—	(74)	—	—	—	—
Changes in non-controlling interests as a result of changes in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	3,371	—	153	(3,525)
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	(74)	(38,544)	(12)	153	(3,525)
Balance at March 31, 2018	¥80,462	¥105,343	¥1,084,139	¥(59,284)	¥1,393,702	¥ —

	Millions of yen						
	Share of equity attributable to owners of the parent						
	Other components of shareholders' equity				Total	Non-controlling interests	Total equity
	Foreign currency translation adjustment	Cash flow hedges	Subscription rights to shares	Total			
Balance at April 1, 2016	¥(32,799)	¥(1,235)	¥ 6	¥1,098,627	¥2,098,658	¥70,655	¥2,169,313
Profit	—	—	—	—	131,398	6,167	137,565
Other comprehensive income	(17,618)	1,242	—	65,957	65,957	(779)	65,177
Total comprehensive income	(17,618)	1,242	—	65,957	197,355	5,387	202,743
Repurchase of treasury stock	—	—	—	—	(18,048)	—	(18,048)
Disposal of treasury stock	—	—	—	—	5	—	5
Dividends	—	—	—	—	(37,609)	(2,290)	(39,899)
Changes in ownership interest of subsidiaries	—	—	—	—	(62)	30	(31)
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	30	30
Reclassified into retained earnings	—	—	—	(5,395)	—	—	—
Other increases (decreases)	—	—	(6)	(6)	(6)	2,360	2,354
Total transactions with owners	—	—	(6)	(5,402)	(55,721)	131	(55,589)
Balance at March 31, 2017	(50,417)	6	—	1,159,181	2,240,293	76,174	2,316,467
Profit	—	—	—	—	168,180	5,635	173,816
Other comprehensive income	(1,980)	1,419	—	186,920	186,920	861	187,782
Total comprehensive income	(1,980)	1,419	—	186,920	355,101	6,497	361,599
Repurchase of treasury stock	—	—	—	—	(12)	—	(12)
Disposal of treasury stock	—	—	—	—	—	—	—
Dividends	—	—	—	—	(41,915)	(2,390)	(44,306)
Changes in ownership interest of subsidiaries	—	—	—	—	(74)	—	(74)
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	166	166
Reclassified into retained earnings	—	—	—	(3,371)	—	—	—
Other increases (decreases)	—	—	—	—	—	30	30
Total transactions with owners	—	—	—	(3,371)	(42,003)	(2,193)	(44,196)
Balance at March 31, 2018	¥(52,397)	¥ 1,426	¥—	¥1,342,730	¥2,553,391	¥80,478	¥2,633,869

Consolidated Statements of Cash Flows

Toyota Industries Corporation
For the years ended March 31, 2017 and 2018

	Millions of yen	
	2017	2018
Cash flows from operating activities:		
Profit before income taxes	¥ 181,986	¥ 209,827
Depreciation and amortization	148,957	162,481
Impairment losses	2,136	2,849
Interest and dividends income	(62,862)	(67,115)
Interest expenses	8,111	7,862
Share of (profit) loss of investments accounted for by the equity method	(974)	(2,149)
(Increase) decrease in inventories	(3,010)	(23,875)
(Increase) decrease in trade receivables and other receivables	(16,249)	(37,417)
Increase (decrease) in trade payables and other payables	28,589	(452)
Others	(16,772)	(22,145)
Subtotal	269,912	229,863
Interest and dividends income received	63,186	67,401
Interest expenses paid	(8,374)	(7,766)
Income taxes paid	(85,630)	(20,929)
Net cash provided by operating activities	239,094	268,567
Cash flows from investing activities:		
Payments from purchase of property, plant and equipment	(164,225)	(200,115)
Proceeds from sales of property, plant and equipment	10,167	12,474
Payments for purchases of investment securities	(30,612)	(18,022)
Proceeds from sales of investment securities	7,591	136
Payments for acquisition of subsidiaries' stock resulting in change in scope of consolidation	(2,855)	(172,511)
Payments for loans made	(607)	(648)
Proceeds from collection of loans	958	950
Payments for bank deposits	(373,122)	(241,296)
Proceeds from withdrawals of bank deposits	480,742	292,010
Payments for transfer of business	(3,269)	(248)
Others	(11,691)	(13,052)
Net cash used in investing activities	(86,925)	(340,324)

	Millions of yen	
	2017	2018
Cash flows from financing activities:		
Payments for acquisition of subsidiaries' stock not resulting in change in scope of consolidation	(131)	(1,159)
Proceeds from sales of subsidiaries' stock not resulting in change in scope of consolidation	463	70
Net increase (decrease) in short-term loans (within three months)	16,384	(32,031)
Proceeds from short-term loans payable (over three months)	36,921	26,729
Repayments of short-term loans payable (over three months)	(114,087)	(26,607)
Proceeds from long-term loans payable	63,242	108,882
Repayments of long-term loans payable	(36,084)	(162,706)
Proceeds from issuance of corporate bonds	80,068	294,596
Repayments of corporate bonds	(20,000)	(10,000)
Payments for repurchase of treasury stock	(18,048)	(12)
Cash dividends paid	(37,609)	(41,915)
Cash dividends paid to non-controlling interests	(2,290)	(2,390)
Proceeds from payments by non-controlling interests	2,245	422
Others	29,714	(572)
Net cash provided by (used in) financing activities	789	153,303
Translation adjustments of cash and cash equivalents	(1,672)	(1,400)
Net increase (decrease) in cash and cash equivalents	151,286	80,145
Cash and cash equivalents at beginning of period	92,399	243,685
Cash and cash equivalents at end of period	¥ 243,685	¥ 323,830

Board of Directors, Audit & Supervisory Board Members and Managing Officers

(As of June 30, 2018)

Directors

Chairman
Tetsuro Toyoda



Apr. 1970 Joined Toyota Motor Sales Co., Ltd.
Feb. 1991 Vice President of Toyota Motor Sales, U.S.A., Inc.
Jun. 1991 Director of Toyota Industries Corporation (TICO)
Jun. 1997 Managing Director of TICO
Jun. 1999 Senior Managing Director of TICO
Jun. 2002 Executive Vice President of TICO
Jun. 2005 President of TICO
Jun. 2013 Chairman of TICO (current)
Jun. 2016 Chairman of the Central Japan Economic Federation (current)

President
Akira Onishi



Apr. 1981 Joined Toyota Industries Corporation (TICO)
Jun. 2005 Director of TICO
Jun. 2006 Managing Officer of TICO
Jun. 2008 Senior Managing Officer of TICO
Jun. 2010 Senior Managing Director of TICO
Jun. 2013 President of TICO (current)

Executive Vice President
Kazue Sasaki



Apr. 1977 Joined Toyota Industries Corporation (TICO)
Jun. 2003 Director of TICO
Jun. 2006 Managing Officer of TICO
Jun. 2008 Senior Managing Officer of TICO
Jun. 2010 Director of TICO
Jun. 2011 Senior Managing Director of TICO
Jun. 2013 Executive Vice President of TICO (current)

Executive Vice President
Takuo Sasaki



Apr. 1980 Joined Toyota Motor Co., Ltd.
Jun. 2009 Managing Officer of Toyota Motor Corporation (TMC)
Jun. 2011 President of Toyota Financial Services Corporation
Jun. 2011 Advisor of TMC
Apr. 2013 Managing Officer of TMC
Apr. 2015 Advisor of Toyota Industries Corporation (TICO)
Jun. 2015 Senior Managing Director of TICO
Jun. 2016 Director and Senior Managing Officer of TICO
Jun. 2018 Executive Vice President of TICO (current)

Director
Taku Yamamoto



Apr. 1979 Joined Toyota Industries Corporation (TICO)
Jun. 2007 Managing Officer of TICO
Jun. 2012 Senior Managing Officer of TICO
Jun. 2014 Director of TICO
Jun. 2016 Director and Senior Managing Officer of TICO (current)

Director
Yojiro Mizuno



Apr. 1983 Joined Toyota Industries Corporation (TICO)
Jun. 2010 Managing Officer of TICO
Jun. 2016 Senior Managing Officer of TICO
Jun. 2018 Director and Senior Managing Officer of TICO (current)

Director
Yuji Ishizaki



Apr. 1980 Joined Toyota Industries Corporation (TICO)
Jun. 2012 Managing Officer of TICO
Jun. 2016 Senior Managing Officer of TICO
Jun. 2018 Director and Senior Managing Officer of TICO (current)

Outside Director
Shuzo Sumi



Apr. 1970 Joined The Tokio Marine & Fire Insurance Co., Ltd. (Tokio Marine)
Jun. 2000 Director and Chief Representative in London of Tokio Marine
Jun. 2002 Managing Director of Tokio Marine
Oct. 2004 Managing Director of Tokio Marine & Nichido Fire Insurance Co., Ltd. (Tokio Marine & Nichido)
Jun. 2005 Senior Managing Director of Tokio Marine & Nichido
Jun. 2007 President and Chief Executive Officer of Tokio Marine & Nichido
Jun. 2007 President and Chief Executive Officer of Tokio Marine Holdings, Inc. (Tokio Marine Holdings)
Jun. 2013 Chairman of the Board of Tokio Marine & Nichido
Jun. 2013 Chairman of the Board of Tokio Marine Holdings (current)
Jun. 2014 Director of Toyota Industries Corporation (current)

Outside Director
Kenichiro Yamanishi



Apr. 1975 Joined Mitsubishi Electric Corporation (Mitsubishi Electric)
Apr. 2006 Executive Officer of Mitsubishi Electric
Apr. 2008 Senior Executive Officer of Mitsubishi Electric
Apr. 2010 Representative Executive Officer and President & CEO of Mitsubishi Electric
Jun. 2010 Director, Representative Executive Officer and President & CEO of Mitsubishi Electric
Apr. 2014 Chairman of Mitsubishi Electric
Jun. 2015 Director of Toyota Industries Corporation (current)
Apr. 2018 Director and Executive Corporate Adviser of Mitsubishi Electric
Jun. 2018 Executive Corporate Adviser of Mitsubishi Electric (current)

Outside Director
Mitsuhsa Kato



Apr. 1975 Joined Toyota Motor Co., Ltd.
Jun. 2004 Managing Officer of Toyota Motor Corporation (TMC)
Jun. 2006 President of Toyota Technocraft Co., Ltd.
Jun. 2006 Advisor of TMC
Jun. 2007 Retired from Advisor of TMC
Jun. 2010 Retired from President of Toyota Technocraft
Jun. 2010 Senior Managing Director of TMC
Jun. 2011 Senior Managing Officer of TMC
Jun. 2012 Executive Vice President of TMC
Jun. 2015 Director of Toyota Industries Corporation (current)
Apr. 2016 Chairman of Toyota Central R&D Labs., Inc. (current)
Apr. 2017 Director of TMC
Jun. 2017 Senior Advisor of TMC (current)

Audit & Supervisory Board Members

Full-Time Audit & Supervisory Board Member
Shinya Furukawa



Apr. 1977 Joined Toyota Motor Sales Co., Ltd.
Jun. 2005 Director of Toyota Industries Corporation (TICO)
Jun. 2006 Managing Officer of TICO
Jun. 2008 Senior Managing Officer of TICO
Jun. 2010 Senior Managing Director of TICO
Jun. 2015 Executive Vice President of TICO
Jun. 2018 Audit & Supervisory Board Member of TICO (current)

Full-Time Audit & Supervisory Board Member
Toshifumi Ogawa



Apr. 1976 Joined Toyota Industries Corporation (TICO)
Jun. 2006 Managing Officer of TICO
Jun. 2010 Senior Managing Officer of TICO
Jun. 2012 Director of TICO
Jun. 2013 Senior Managing Director of TICO
Jun. 2016 Audit & Supervisory Board Member of TICO (current)

Outside Audit & Supervisory Board Member
Takahiko Ijichi



Apr. 1976 Joined Toyota Motor Co., Ltd.
Jun. 2004 Managing Officer of Toyota Motor Corporation (TMC)
Jun. 2008 Senior Managing Director of TMC
Jun. 2011 Director and Senior Managing Officer of TMC
Jun. 2013 Advisor of TMC
Jun. 2013 Director and President of Towa Real Estate Co., Ltd.
Jun. 2015 Audit & Supervisory Board Member of Toyota Industries Corporation (current)
Jun. 2015 Executive Vice President of TMC
Apr. 2017 Director of TMC
Jun. 2017 Senior Advisor of TMC (current)
Jun. 2017 Chairman of the Board of Directors and Representative Director of Aioi Nissay Dowa Insurance Co., Ltd. (current)

Outside Audit & Supervisory Board Member
Akihisa Mizuno



Apr. 1978 Joined Chubu Electric Power Co., Inc. (Chubu Electric Power)
Jun. 2008 Director, Senior Managing Executive Officer and General Manager of Corporate Planning & Strategy Div. of Chubu Electric Power
Jun. 2009 Representative Director and Executive Vice President of Chubu Electric Power
General Manager of Corporate Planning & Strategy Div. and General Manager of Affiliated Business Planning & Development Dept.
Jun. 2010 President & Director of Chubu Electric Power
Jun. 2015 Chairman of the Board of Directors of Chubu Electric Power (current)
Jun. 2016 Audit & Supervisory Board Member of Toyota Industries Corporation (current)

Managing Officers

Senior Managing Officers

Toshifumi Onishi
Taku Yamamoto*
Keiichi Fukunaga
Junichi Harada
Yojiro Mizuno*
Masahiro Kawaguchi
Yuji Ishizaki*

* Concurrently serving as directors

Managing Officers

Yukihisa Tsuchimoto
Takashi Ito
Toshiya Yamagishi
Mikihiko Okamoto
Keizo Hara
Masafumi Kunito
Toshihiko Shimizu
Koichi Ito
Yasushi Kawai

Hiroaki Kayukawa
Toru Inagawa
Hiroshi Matsumoto
Kota Otoshi
Norio Wakabayashi
Kazunari Masuoka
Kazunari Kumakura
Hiroaki Matsuda
Hisashi Ichijo

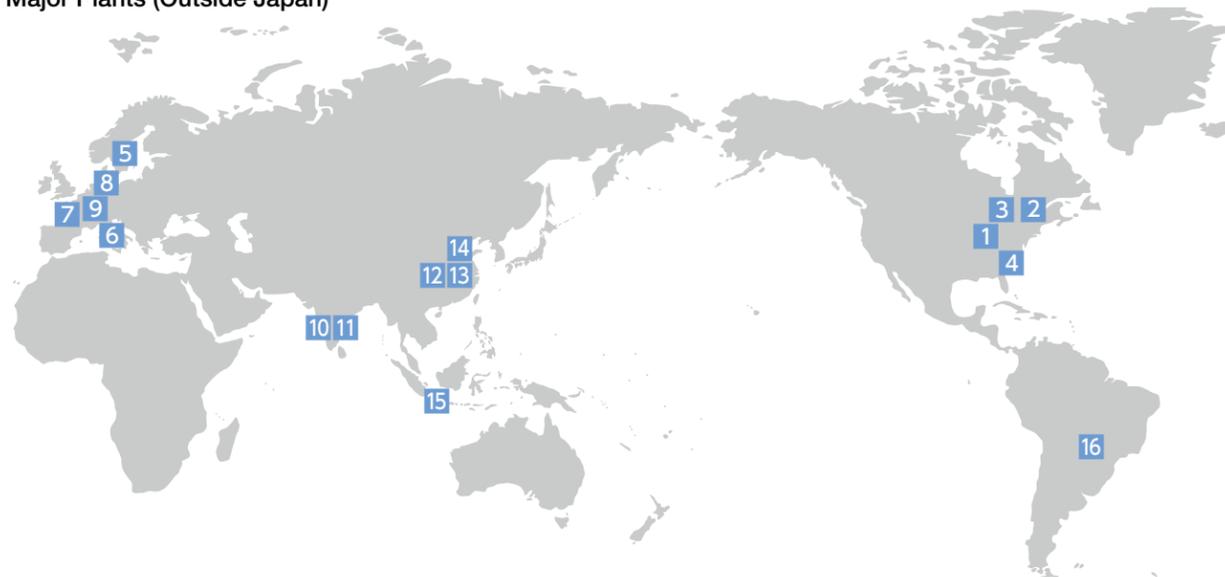
Nobutomo Yasui
Shunji Sugimoto
Hisanori Miyajima
Kenichi Onishi
Hiroshi Fukagawa
Norio Otake
Hiroya Akatsuka
Yoichiro Yamazaki

Major Production Bases (As of March 31, 2018)

Major Plants (Parent Company)

Plant	Location	Main Products	Start of Operations
Kariya Plant	Kariya-shi, Aichi	Textile machinery, compressors	1927
Obu Plant	Obu-shi, Aichi	Compressor parts	1944
Kyowa Plant	Obu-shi, Aichi	Electronic equipment, automotive press dies, production facilities, engine parts	1953
Nagakusa Plant	Obu-shi, Aichi	Vehicles	1967
Takahama Plant	Takahama-shi, Aichi	Materials handling equipment, materials handling systems	1970
Hekinan Plant	Hekinan-shi, Aichi	Diesel engines, gasoline engines	1982
Higashichita Plant	Handa-shi, Aichi	Foundry parts, diesel engines	2000
Higashiura Plant	Higashiura-cho, Chita-gun, Aichi	Compressor parts	2002
Anjo Plant	Anjo-shi, Aichi	Electronic equipment	2007

Major Plants (Outside Japan)



Company Name	Country	Location	Main Products	Year of Foundation
1 Toyota Industrial Equipment Mfg., Inc.	U.S.A.	Columbus, Indiana	Materials handling equipment	1988
2 The Raymond Corporation	U.S.A.	Greene, New York	Materials handling equipment	1922
3 Michigan Automotive Compressor, Inc.	U.S.A.	Parma, Michigan	Compressors	1989
4 TD Automotive Compressor Georgia, LLC	U.S.A.	Pendergrass, Georgia	Compressors	2004
5 Toyota Material Handling Manufacturing Sweden AB	Sweden	Mjölby	Materials handling equipment	1946
6 Toyota Material Handling Manufacturing Italy S.p.A.	Italy	Bologna	Materials handling equipment	1942
7 Toyota Material Handling Manufacturing France SAS	France	Ancenis	Materials handling equipment	1995
8 TD Deutsche Klimakompressor GmbH	Germany	Bernsdorf	Compressors	1998
9 Uster Technologies AG	Switzerland	Uster	Textile machinery	1875
10 Toyota Industries Engine India Private Limited	India	Bengaluru	Diesel engines	2015
11 Kirloskar Toyota Textile Machinery Pvt. Ltd.	India	Bengaluru	Textile machinery	1995
12 Toyota Industry (Kunshan) Co., Ltd.	China	Kunshan, Jiangsu	Automotive parts, materials handling equipment, etc.	1994
13 TD Automotive Compressor Kunshan Co., Ltd.	China	Kunshan, Jiangsu	Compressors	2005
14 Yantai Shougang TD Automotive Compressor Co., Ltd.	China	Yantai, Shandong	Compressors	2012
15 P.T. TD Automotive Compressor Indonesia	Indonesia	Bekasi	Compressors	2011
16 Toyota Material Handling Mercosur Indústria e Comércio de Equipamentos Ltda	Brazil	São Paulo	Materials handling equipment	2004

Investor Information (As of March 31, 2018)

Corporate Head Office

TOYOTA INDUSTRIES CORPORATION
2-1, Toyoda-cho, Kariya-shi, Aichi, 448-8671, Japan
Telephone: +81-(0)566-22-2511
Facsimile: +81-(0)566-27-5650

Date of Establishment

November 18, 1926

Common Stock

No par value
Authorized: 1,100,000,000 shares
Issued: 325,840,640 shares
(including treasury stock)
Share unit: 100 shares

Capital Stock

80,462 million yen

Major Shareholders

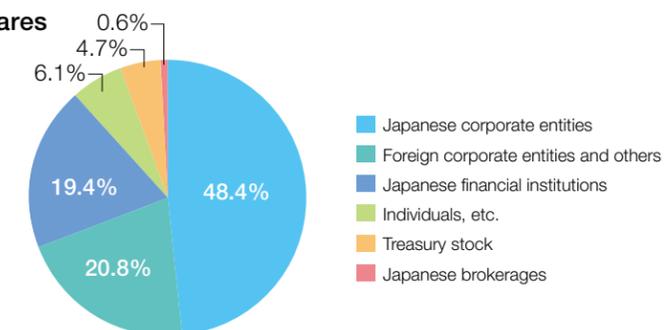
Name	Number of Shares Held (Thousands)	Percentage of Total Shares in Issue (Except for Treasury Stock) (%)
Toyota Motor Corporation	76,600	24.67
DENSO Corporation	29,647	9.55
Towa Real Estate Co., Ltd.	16,291	5.25
Toyota Tsusho Corporation	15,294	4.93
The Master Trust Bank of Japan, Ltd. (Trust Account)	11,503	3.71
Japan Trustee Services Bank, Ltd. (Trust Account)	10,706	3.45
Aisin Seiki Co., Ltd.	6,578	2.12
Nippon Life Insurance Company	5,922	1.91
Aioi Nissay Dowa Insurance Co., Ltd.	4,903	1.58
Toyota Industries Corporation Employee Ownership Program	4,070	1.31
Total	181,518	58.46

Notes: 1. Toyota Industries Corporation also holds 15,353 thousand shares of treasury stock but is excluded from the above list.

2. Shares held for the purpose of trust services of respective banks are as follows:

The Master Trust Bank of Japan, Ltd. (Trust Account) 11,503 (Thousands)
Japan Trustee Services Bank, Ltd. (Trust Account) 10,706 (Thousands)

Distribution of Shares



Stock Exchange Listings

Tokyo and Nagoya (Ticker Code: 6201)

Number of Shareholders

15,803

Independent Accountant

PricewaterhouseCoopers Aarata LLC
Otemachi Park Building 1-1-1 Otemachi, Chiyoda-ku, Tokyo, 100-0004, Japan

Transfer Agent

Special Account Management Institution

Mitsubishi UFJ Trust and Banking Corporation
1-4-5, Marunouchi, Chiyoda-ku, Tokyo, 100-8212, Japan



TOYOTA INDUSTRIES CORPORATION

2-1, Toyoda-cho, Kariya-shi, Aichi 448-8671, Japan

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<https://www.toyota-industries.com/>

