



Toyota Industries Report

2019

Year ended March 31, 2019



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 2019 (ended March 31, 2019), the global economy grew moderately due mainly to strong consumer spending in the United States despite such uncertainties as U.S.-China trade frictions and Brexit concerns. Meanwhile, the Japanese economy remained strong in domestic demand in capital investment and consumer spending; however, a sense of stagnation was prevalent due primarily to anemic exports.

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 2019 Toyota Industries posted an increase in net sales. The increase was attributable mainly to higher unit sales of materials handling equipment, an expansion in the logistics solutions business, production commencement of the new RAV4 vehicle and TNGA gasoline engine and a growth in sales of the GD diesel engine. In terms of overall profit, despite vigorous sales efforts and cost reduction activities throughout the Group, Toyota Industries recorded a decrease in profit due mainly to rising raw materials costs and the negative impact of the changes in retirement benefit plans made in the previous fiscal year.

With regard to the future economic outlook, the global economy is expected to continue to grow moderately. However, U.S.-China trade frictions, Brexit concerns and geopolitical risks continue to require close monitoring. Furthermore, with such uncertainties as the impact of the planned consumption tax hike in Japan, the business environment continues to preclude optimism.

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 will strive to build a lean corporate structure. We aim to do this by promoting cost reduction activities throughout the entire Toyota Industries Group, by pursuing excellence in quality, cost and product lead time throughout the global supply chain, by promoting work styles that eliminate *muri* (overburden) and *muda*

(waste) and by maximizing work performance/results at respective workplaces. 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 and services demanded by customers worldwide and raise the competitiveness of our businesses by expanding the value chain and strengthening solution proposal capabilities. In addition, we will aim for further growth by promoting innovative technology and product development while also proactively embracing digital technologies and 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 learn and think on their own and quickly take the initiative.

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."

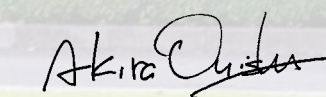
Through these initiatives, we aim for sustainable growth of each business and strive to support industries and social foundations around the world and contribute to making the earth a better place to live, enriched lifestyles and a compassionate society as described in Toyota Industries' Vision 2030 plan, which was formulated in April 2019.

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

July 2019



Tetsuro Toyoda
Chairman



Akira Onishi
President

Chairman Tetsuro Toyoda (left)/President Akira Onishi (right)

In front of the Toyota Industries Head Office (Kariya-shi, Aichi)

Realizing Toyota Industries' Vision Based on Our Basic Philosophy

Based on our basic philosophy, we aim to contribute to making the earth a better place to live, enrich lifestyles and promote a compassionate society 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.

Vision 2020

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



Reasons for Revising the Vision

Changes in External Environment

- Trends in the Fourth Industrial Revolution such as artificial intelligence (AI), big data, the Internet of Things (IoT) and robotics
- Heightened geopolitical risks such as trade disputes and regional conflicts
- Expanding social demands for non-financial factors such as environmental, social and governance (ESG) issues and sustainable development goals (SDGs)

Basic Concept

- The basic concept remains the same because the vision intrinsically encapsulates Toyota Industries' aspirations and direction to be taken for the medium to long term.
- Based on the previous visions, the vision is to be updated to the extent necessary in response to changes in the internal and external environments.

Changes for Toyota Industries

- Expansion of Toyota Industries' businesses, structures and organizations

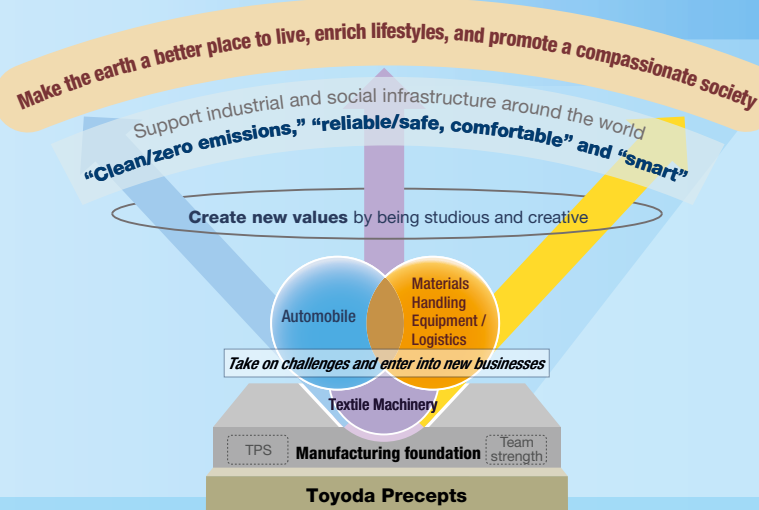
Vision 2030

Concept behind the New Vision

- Always taking on challenges into new businesses since establishment in 1926
- Toyoda Precepts (corporate creed), a founding spirit that has consistently served as a cornerstone of Toyota Industries

Overview of the New Vision

- Contribute to making the earth a better place to live, enrich lifestyles, and promote a compassionate society by supporting industrial and social infrastructure around the world through the continuous supply of products/services that anticipate customers' needs.



Toward a Sustainable Society

- TICO Group contributes toward the achievement of the United Nations' SDGs by striving to resolve social issues through corporate activities.

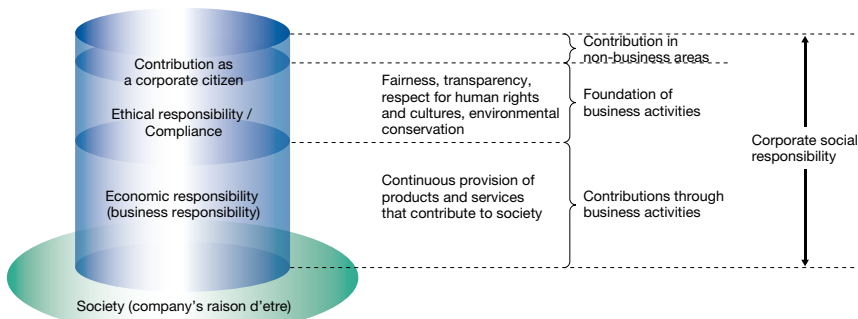


External Evaluations



Selected as an A-List company of the CDP surveys in both the climate change and water security in 2018. (See pages 65 and 75.)

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, appropriate and fair 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

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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 2019 (April 1, 2018 to March 31, 2019), 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)
- International Integrated Reporting Framework by International Integrated Reporting Council (IIRC)

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, 2019 is referred to as fiscal 2019 and other fiscal years are referred to in a corresponding manner.

Toyota Industries' Value Creation Process and Businesses

Using our resources and strengths as the foundation, we leverage synergies among businesses in our efforts to provide products and services that anticipate customers' needs, seek the growth of our businesses and meet the expectations of stakeholders.

Core Assets and Strengths

Human Resources

- Challenging spirit passed down since the time of its founding
- Human resources comprised of more than 60,000 employees possessing diverse strengths in respective business fields

Product Development & Manufacturing Capabilities

- Strengthening competitiveness through collaboration between the Materials Handling Equipment and automobile-related businesses
- Accumulation of knowledge thanks to involvement in the production of automobiles spanning from vehicle assembly to the development of key components
- Wide-ranging responsiveness and sustainable growth potential stemming from technologies in the development of engines and electrification
- World-leading quality and productivity based on the Toyota Production System
- Globally stable production and supply capabilities of respective businesses

Global Network

- Global sales and service networks for materials handling equipment and other products
- Close collaboration with Toyota Group companies and carmakers around the world
- Business reinforcement and expansion in collaboration with partner companies through M&A and other schemes

Financial Foundation

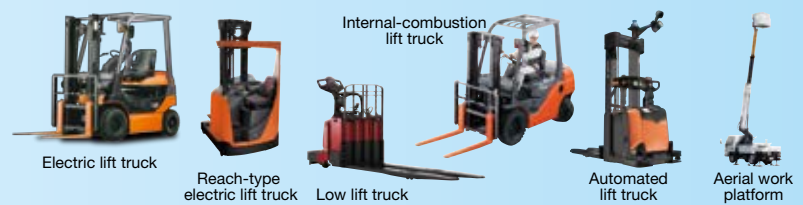
- Sound financial foundation
- High rating bestowed by rating agencies (fund procurement capability)

Roles and Characteristics of Each Business

Materials Handling Equipment

Materials Handling Equipment

The Materials Handling Equipment Business 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*1, are delivered to customers around the world. In addition to the sale of lift trucks, we strive to meet a variety of customer needs through sales financing and after-sales services.



Logistics Solutions

Toyota Industries works closely with subsidiaries Bastian Solutions LLC and Vanderlande Industries Holding B.V. by leveraging each company's strengths to contribute to resolving customers' logistics issues through a combination of various equipment and systems.



Automobile

Vehicle

With its strengths as an industry leader in safety, the environment, quality, cost and delivery, the Vehicle Business produces the RAV4 for markets in and outside Japan.



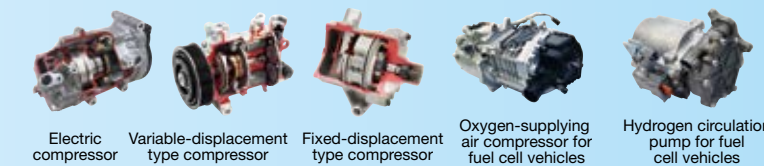
Engine

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*1.



Car Electronics

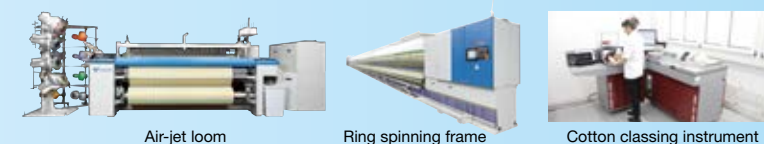
The Car Electronics Business develops and produces electronics products primarily for electrified vehicles such as hybrid vehicles.



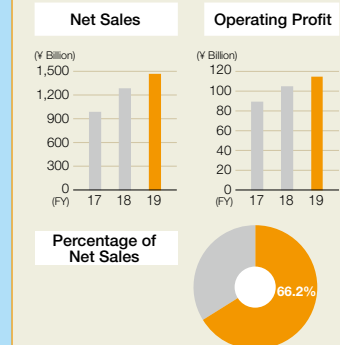
Textile Machinery

Textile Machinery

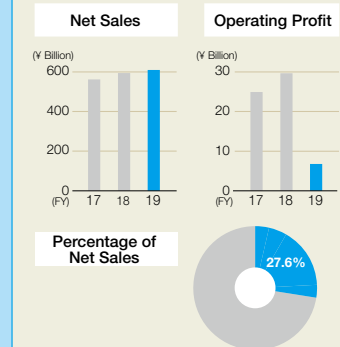
We undertake fully integrated operations from development and production to sales and after-sales services for spinning machines that spin twisted fiber bundles into yarn and weaving machines that weave spun yarn into fabrics. Our air-jet looms have captured the world-leading market share in terms of unit sales*1.



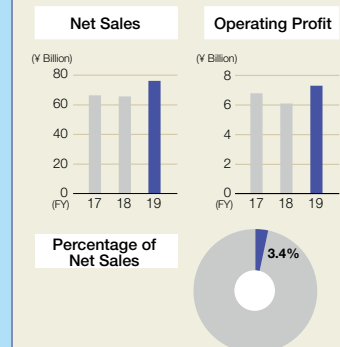
Materials Handling Equipment



Automobile



Textile Machinery



Contributing to the Realization of a Sustainable Society

Company Introduction

Strategies and Businesses

Promotion of ESG Initiatives

Financial Section /
Corporate Information

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)							
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
For the Year											
Net sales	2,214,946	2,003,973	1,675,148	2,243,220	2,166,661	2,007,856	1,615,244	1,543,352	1,479,839	1,377,769	1,584,252
Operating profit (loss)	134,684	147,445	127,345	134,712	117,574	107,691	77,098	70,092	68,798	22,002	(6,621)
Profit before income taxes*1	202,225	209,827	181,986	185,398	170,827	138,133	86,836	80,866	73,911	31,756	14,343
Profit (loss)*2	152,748	168,180	131,398	183,036	115,263	91,705	53,119	58,594	47,205	(26,273)	(32,767)
Investments in tangible assets*3	113,748	115,458	77,393	75,438	126,395	109,479	89,459	58,404	38,254	26,963	104,495
Depreciation*3	85,639	77,738	73,253	77,366	70,782	64,153	57,954	59,830	62,372	73,238	87,219
Research and development expenses	88,807	77,647	69,524	65,440	47,785	46,326	39,057	32,070	27,788	26,826	33,646
Per share of common stock (yen):											
Earnings (loss) per share*2, *4											
Basic	491.97	541.67	420.78	582.58	367.06	292.76	170.36	188.02	151.51	(84.33)	(105.16)
Diluted	491.97	541.67	420.78	582.57	366.99	292.57	170.35	188.02	151.51	(84.33)	(105.16)
Share of equity attributable to owners of the parent	7,986.59	8,223.82	7,125.37	6,481.97	7,500.16	5,640.08	4,719.66	3,662.26	3,300.17	3,390.02	2,987.16
Cash dividends per share	155.00	150.00	125.00	120.00	110.00	85.00	55.00	50.00	50.00	30.00	40.00
At year-end											
Total assets	5,261,174	5,258,500	4,558,212	4,199,196	4,650,896	3,799,010	3,243,779	2,656,984	2,481,452	2,589,246	2,327,432
Share of equity attributable to owners of the parent	2,479,718	2,553,391	2,240,293	2,113,948	2,425,929	1,829,326	1,524,933	1,197,841	1,075,939	1,104,929	977,670
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)	310,485	310,487	310,489	314,226	314,155	313,730	312,207	311,687	311,564	311,570	311,577
Cash flows											
Net cash provided by operating activities	270,306	268,567	239,094	240,169	182,191	155,059	151,299	101,718	153,661	203,452	65,768
Net cash used in investing activities	(395,000)	(340,324)	(86,925)	(531,561)	(160,769)	(118,483)	(274,210)	(9,403)	(187,574)	(36,855)	(114,217)
Net cash provided by (used in) financing activities	40,467	153,303	789	130,923	(8,918)	6,183	7,050	10,279	(85,728)	(38,230)	120,971
Cash and cash equivalents at end of year	239,140	323,830	243,685	92,399	248,706	226,406	179,359	296,811	195,566	317,590	188,011
Indices											
Operating profit ratio (%)	6.1	7.4	7.6	6.0	5.4	5.4	4.8	4.5	4.6	1.6	(0.4)
EBITDA (millions of yen)*5	323,936	313,055	276,193	369,857	248,854	216,175	155,234	161,876	150,481	90,521	71,608
Return on equity (ROE) (%)*6	6.1	7.0	6.1	8.3	5.6	5.7	4.1	5.4	4.5	(2.6)	(2.8)
Return on assets (ROA) (%)*7	2.9	3.4	3.0	4.1	2.7	2.6	1.8	2.3	1.9	(1.1)	(1.2)
D/E ratio (%)*8	52.3	45.7	43.6	43.7	32.0	39.9	45.4	53.8	56.8	60.3	68.6
Ratio of share of equity attributable to owners of the parent*9	47.1	48.6	49.1	48.5	50.7	46.6	45.4	43.0	41.4	40.8	40.0
Number of employees (persons)	64,641	61,152	52,623	51,458	52,523	49,333	47,412	43,516	40,825	38,903	39,916

*1: The figures prior to fiscal 2017 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
Notes: 1. Toyota Industries has adopted IFRS beginning from the end of fiscal 2017.
2. Operating profit in fiscal 2018 includes a one-time effect of ¥14.3 billion arising from changes in retirement benefit plans.

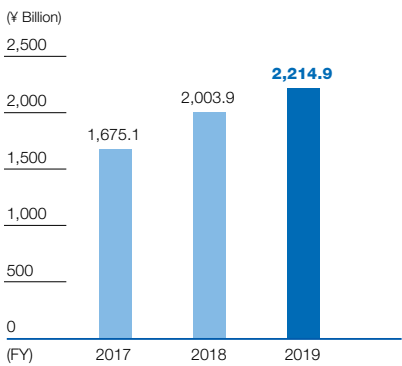
Consolidated Financial and Non-Financial Highlights

Financial Information

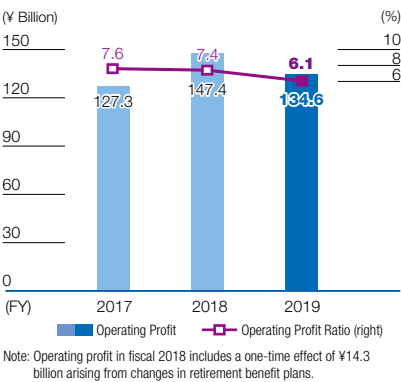
(FY2019)

Net Sales	Operating Profit	Investments in Tangible Assets
¥ 2,214.9 billion	¥ 134.6 billion	¥ 113.7 billion
Depreciation	Research and Development Expenses	Share of Equity Attributable to Owners of the Parent
¥ 85.6 billion	¥ 88.8 billion	¥ 2,479.7 billion

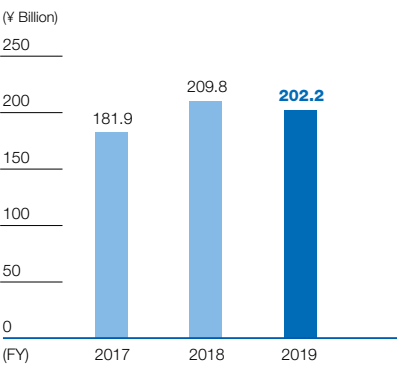
Net Sales



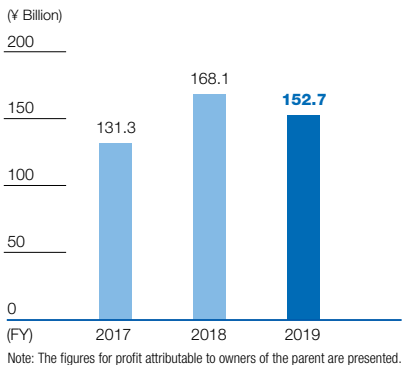
Operating Profit/Operating Profit Ratio



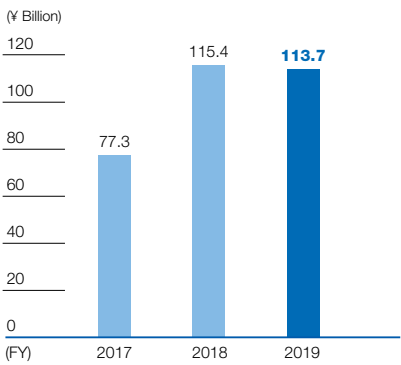
Profit before Income Taxes



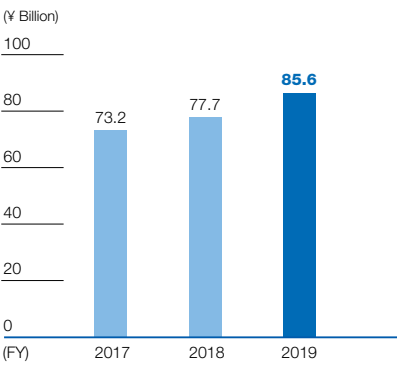
Profit



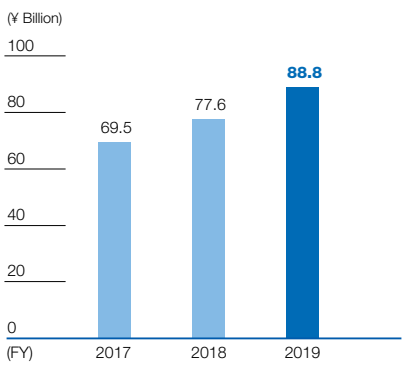
Investments in Tangible Assets



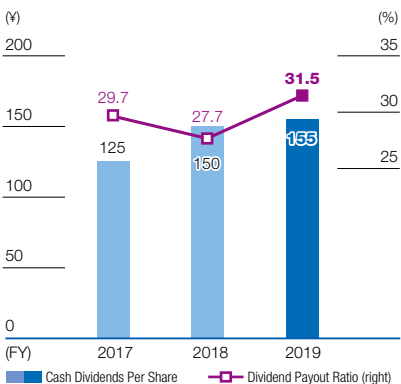
Depreciation



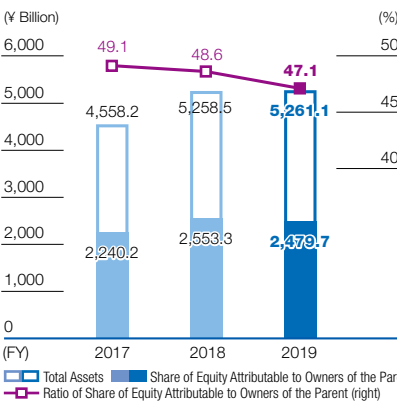
Research and Development Expenses



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

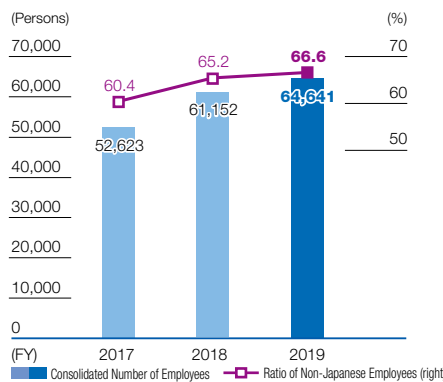


Non-Financial Information (CSR)

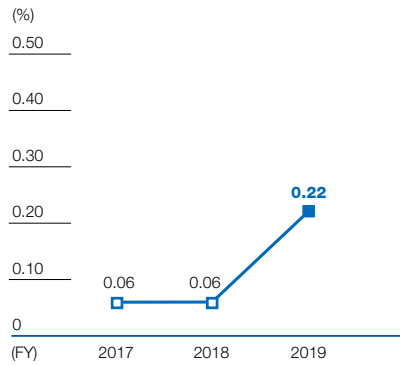
(FY2019)

Consolidated Number of Employees	Ratio of Non-Japanese Employees	Consolidated Subsidiaries
64,641 persons	66.6 %	254 companies
Number of Female Associates Holding Assistant Manager or Higher Position	Ratio of Associates with Disabilities (Non-Consolidated)	Number of Participants of Social Contribution Activities of Employee Associations
120 persons	2.37 % <small>* As of June 1, 2018</small>	1,251 persons

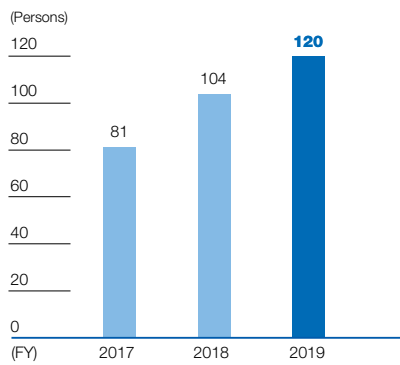
Consolidated Number of Employees/
Ratio of Non-Japanese Employees



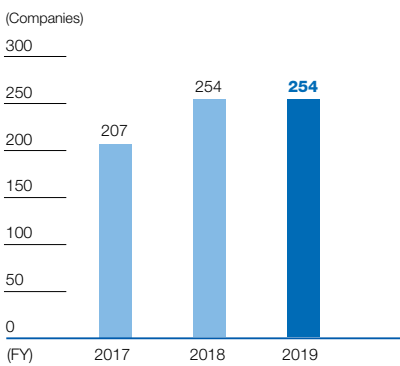
Frequency Rate of Lost Workday Injuries (Non-Consolidated)



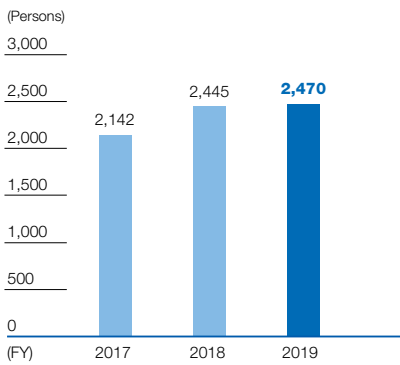
Number of Female Associates Holding Assistant Manager or Higher Position



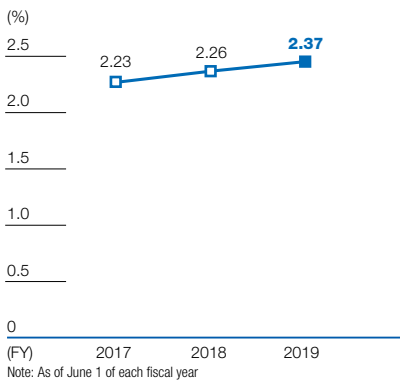
Consolidated Subsidiaries



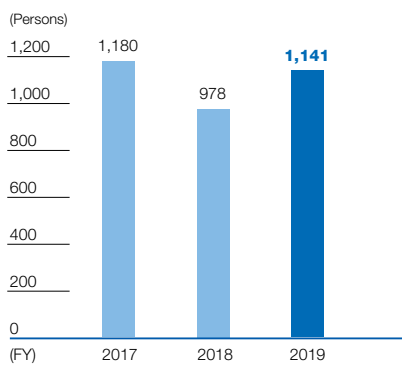
Participants of Age-Based Health Education (Non-Consolidated)



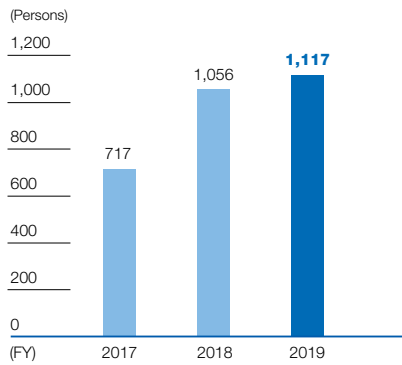
Ratio of Associates with Disabilities (Non-Consolidated)



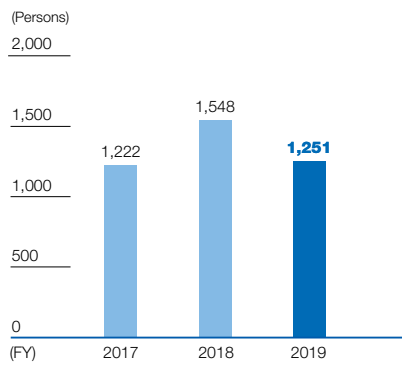
Participants of Japan's Subcontracting Law Seminar



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



Number of Participants of Social Contribution Activities of Employee Associations

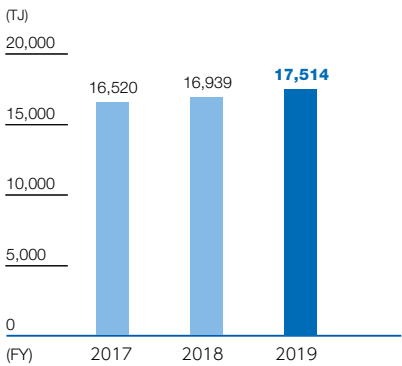


Non-Financial Information (Environment)

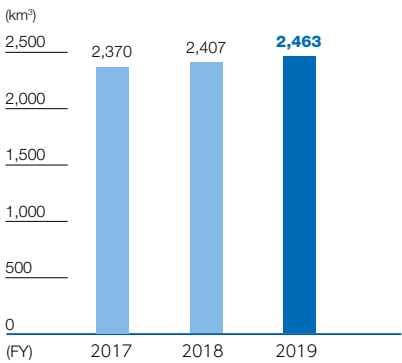
(FY2019)

Energy Consumption (Consolidated)	CO ₂ Emissions (Consolidated)	Water Consumption (Consolidated)
17,514 TJ	941,371 t-CO ₂	4,620 km ³
Discharge of Treated Wastewater (Consolidated)	Raw Material Consumption (Consolidated)	Waste Generation (Consolidated)
2,463 km ³	830,588 t	110,466 t

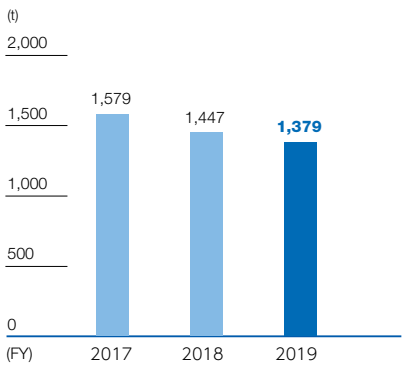
Energy Consumption (Consolidated)



Discharge of Treated Wastewater (Consolidated)

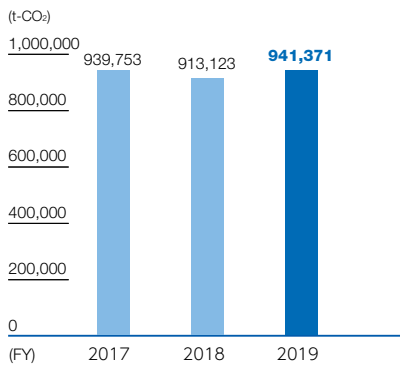


PRTR*1 Law Designated Substances (Japan Consolidated)

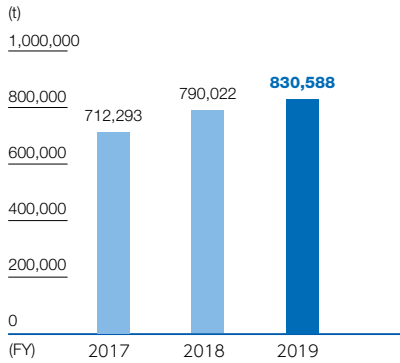


*1: Short for Pollutant Release and Transfer Register, the PRTR law is a scheme whereby businesses measure the release and transfer of PRTR designated pollutants and report their performance to the government. The government then compiles this data and releases it to the public.

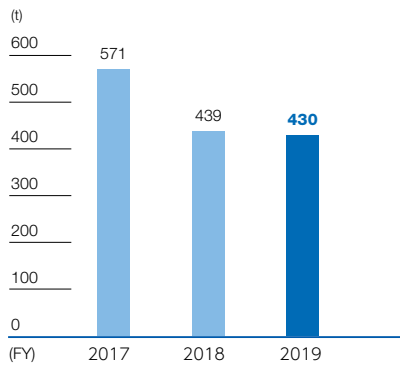
CO₂ Emissions (Consolidated)



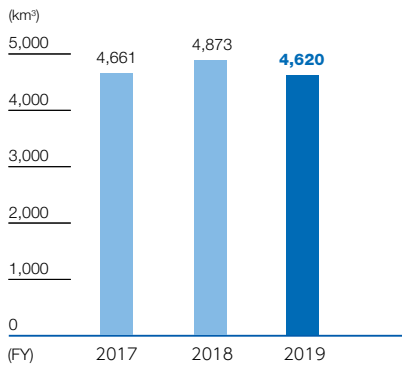
Raw Material Consumption (Consolidated)



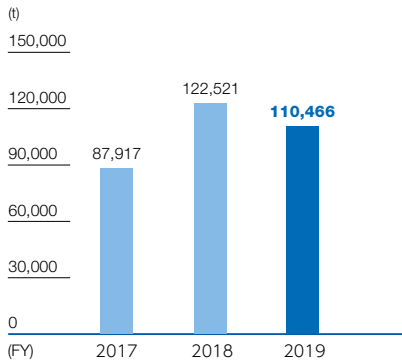
Emissions/Transfer of PRTR Law Designated Substances (Japan Consolidated)



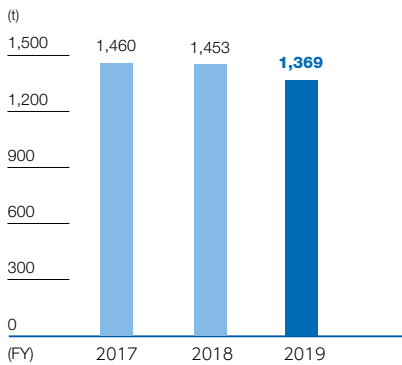
Water Consumption (Consolidated)



Waste Generation (Consolidated)



VOC*2 Emissions (Consolidated)



*2: Short for Volatile Organic Compounds

Strategies and Businesses

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

Relevant sustainable development goals (SDGs) for Toyota Industries



Top Message

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Special Features

P22-29

- 1. Providing Solutions to Customers' Logistics-Related Issues—Efforts in the Area of Airport Logistics Solutions—
- 2. Car Electronics Technology to Help Promote the Use of a Vehicle as a Power Source

Business Activities

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Formulating a New Vision for the Next Decade and Seeking Sustainable Growth in Harmony with Society

Akira Onishi President

Over the past decade, the Toyota Industries Group has steadily undertaken initiatives for sustainable growth. Accordingly, as a confirmation of our aspirations toward the year 2030, we have revised the existing Vision 2020 and formulated Vision 2030. In this section, President Akira Onishi provides an overview of the new vision and describes specific initiatives for its achievement.

1 Review of Vision 2020

Major Initiatives and Challenges

Toyota Industries formulated Vision 2020 in October 2011 as a roadmap to enter the next stage of growth while maintaining its lean corporate structure that was created during the global recession triggered by a financial crisis.

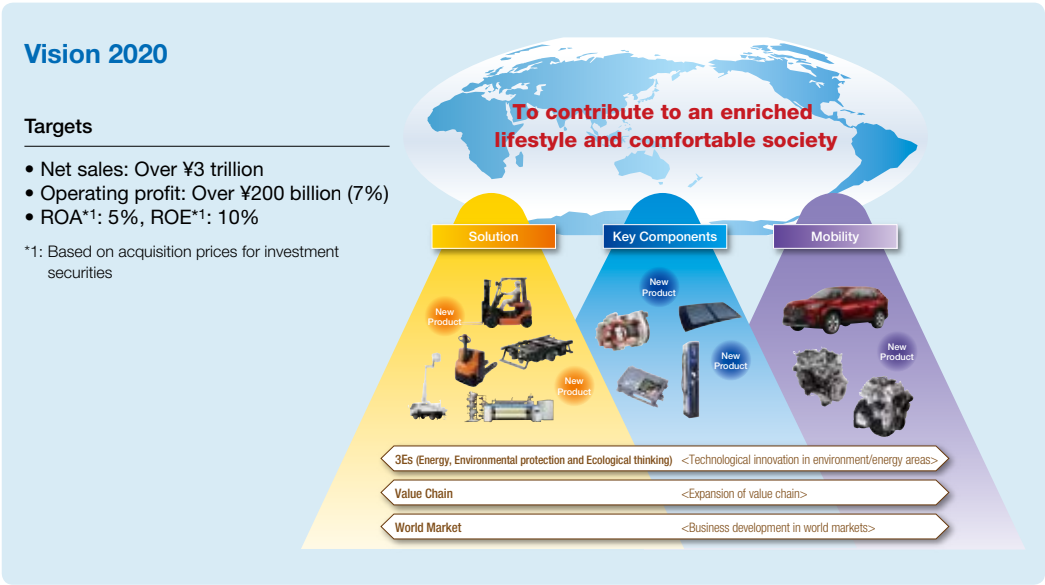
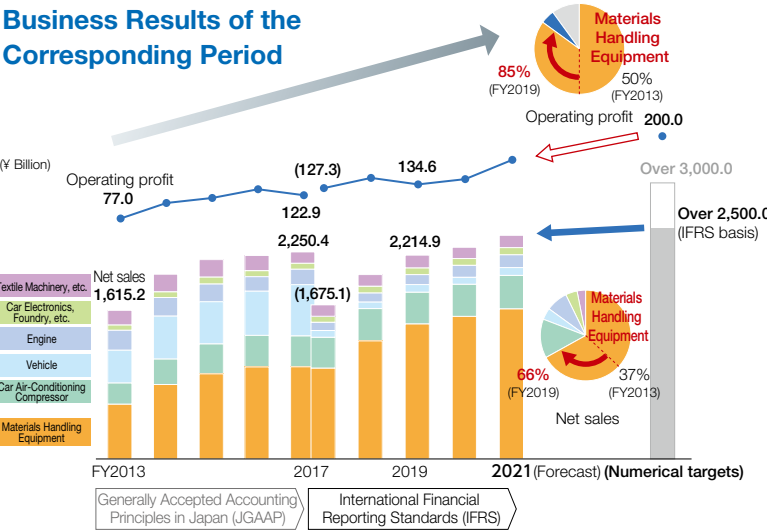
Vision 2020 was based on a robust strategy comprising three action themes. These were: 1) development of eco-friendly, energy-saving products based on the keywords of 3Es (Energy, Environmental protection and Ecological thinking) in the Materials Handling Equipment Business, automobile-related businesses and Textile Machinery Business; 2) enhancement of our value chain in seeking to provide convenience to customers in various fields, including after-sales services and sales financing; and 3) business development in world markets to deliver products and services to customers worldwide. Based on these themes and also through M&As, we had endeavored to set up a structure necessary for future growth.

In promoting these initiatives, we positioned the Materials Handling Equipment Business as our mainstay business and expanded our value chain through M&As. Specifically, we acquired U.S.-based Cascade Corporation,

the world's leading manufacturer of lift truck attachments; Taiwan-based Tailift Co., Ltd., a lift truck manufacturer possessing strengths in models targeting emerging countries; the sales financing operations for materials handling equipment of Toyota Motor Corporation (TMC) in the United States; and U.S.-based Bastian Solutions LLC and Europe-based Vanderlande Industries Holding B.V., both of which provide logistics solutions.

These initiatives have yielded steady increases both in net sales and profits since fiscal 2013. With regard to business composition, the ratio of the mainstay Materials Handling Equipment Business nearly doubled in terms of net sales.

As a first step, we had concentrated on making investment in establishing a required growth structure in each business, including the Materials Handling Equipment Business, in preparation for future growth. Going forward, we will harvest these “crops” and turn them into greater earnings.



Major Initiatives in Each Business Field

	Materials Handling Equipment/Logistics	Car Air-Conditioning Compressor	Vehicle	Engine	Car Electronics	Textile Machinery	Others
3Es	FC lift trucks, LIB lift trucks	Electric compressors	Production of HVs	Clean diesel engines	PCU components / assemblies	JAT810 air-jet loom	Automotive batteries
	Hybrid system for construction machinery	Air compressor for FCVs	Production lines with high environmental efficiencies	General-purpose industrial engines without DPF			CFRP
Value Chain	Acquisition of dealers in Europe and the U.S.	In-house development of inverters for electrified vehicles	Special-edition Vitz	Increase in internally sourced parts		Acquisition of Uster Technologies	
	Acquisition of Cascade		Plastic glazing	Turbochargers			
	Acquisition of TMC's sales financing operations for materials handling equipment in North America						
World Market	Sales expansion in emerging countries	Business expansion in emerging countries	Support for development and production preparations for the RAV4 globally	Launch of production in India	Sales reinforcement in North America		
	Business reinforcement in South America	Business reinforcement in China			Sales reinforcement in Europe		
	Acquisition of Tailift						
	Acquisition of Bastian and Vanderlande						

2 Reasons for Revising Vision 2020 into the Toyota Industries Group Vision 2030

We had worked to attain steady growth under Vision 2020. Before reaching its final year in 2020, we started to consider updating the vision with a view toward the next decade.

In recent years, considerable changes have occurred in the external environment, leaving a significant impact on our business strategy. For example, we have seen a substantial swell of change of the Fourth Industrial Revolution, driven by a rapid rise in the industrial use of artificial intelligence (AI), big data, the Internet of Things (IoT), robotics and other cutting-edge technologies. On the risk front, we can no longer ignore the heightened geopolitical risks as seen in frequent trade disputes and regional conflicts.

Another change involves expanding social demands for non-financial activities of companies to deal with environmental, social and governance (ESG) factors, now deemed integral to corporate growth, and to achieve the United Nations' Sustainable Development Goals (SDGs) representing 17 goals and 169 targets for a sustainable world. These social demands have prompted companies to alter their corporate behavior.

Meanwhile, we have seen several changes in business operations within Toyota Industries as well. These changes, including the growing importance of the Logistics Solutions Business within the Materials Handling Equipment Segment and focused development of environment-related technologies in each business, have also necessitated the revising of Vision 2020.

3 Vision 2030

Basic Concept

Our Vision 2030 shows what we should be and which direction we should take over the medium to long term, with its basic concept remaining the same as Vision 2020. Using Vision 2020 as a cornerstone, we added necessary updates to accommodate changes in the internal and external environments.

Our Aspirations for the New Vision

Since its founding in 1926, Toyota Industries has engaged in the Textile Machinery Business. Beginning from the 1950s, we constantly took on new challenges to ensure the stability of our management foundation by extending our reach into such business fields as engine production, vehicle assembly and the development and production of lift trucks and car air-conditioning compressors. At the same time, we also commenced full-scale operations outside Japan. Later in the 2010s, we promoted a “concentration and selection” strategy with a focus on ensuring “affinity” with the Materials Handling Equipment Business and automobile-related businesses. Throughout our history of evolution and development spanning more than 90 years, the founding spirit encapsulated in the Toyoda Precepts (corporate creed) has been a constant source of support and inspiration for our risk-taking challenges into new businesses and markets.

Toyoda Precepts (Corporate Creed)

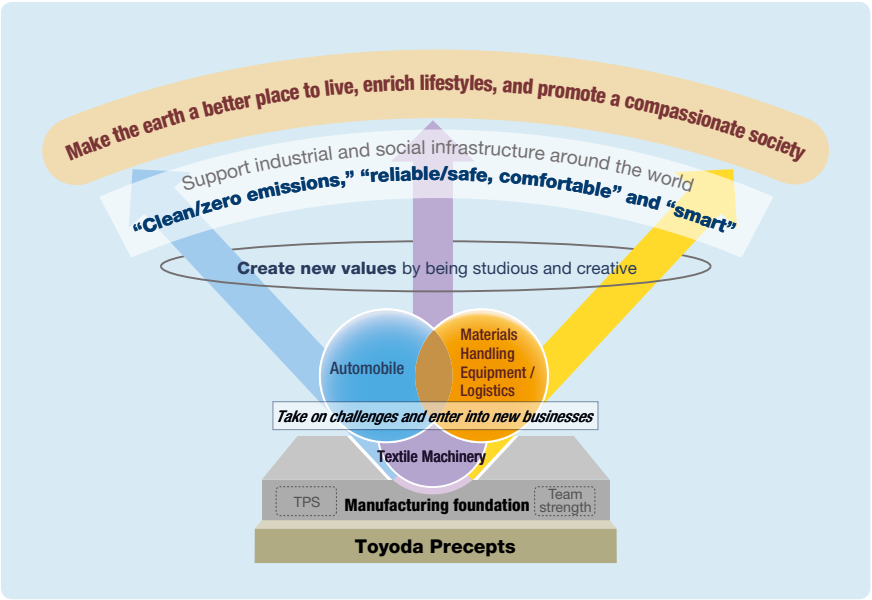
Carrying out the spirit of founder Sakichi Toyoda,

- Always be faithful to your duties, thereby contributing to the Company and to the overall good.
- Always be studious and creative, striving to stay ahead of the times.
- Always be practical and avoid frivolousness.
- Always strive to build a homelike atmosphere at work that is warm and friendly.
- Always have respect for God, and remember to be grateful at all times.

Our policy for promoting business in the future remains unchanged, namely retaining our origin in the Textile Machinery Business and promoting the automobile-related businesses and Materials Handling Equipment Business in tandem. Under this policy, we will proactively take on yet other challenges of creating new value that anticipates the needs of customers around the world.

Overview of the New Vision

The new vision aims to “contribute to making the earth a better place to live, enrich lifestyles, and promote a compassionate society by supporting industrial and social infrastructure around the world through the continuous supply of products/services that anticipate customers’ needs.”



Our Approach to Realizing a Sustainable Society

Since its founding, Toyota Industries has constantly endeavored to “contribute to regional living conditions and social prosperity” as one tenet under its Basic Philosophy that embraces the Toyoda Precepts. As our approach corresponds with the objective of the SDGs, we clearly state the concept in the new vision and will seek sustainable growth in harmony with society.

Particularly in the area of the environment, we have been working to develop eco-friendly products to help realize a zero CO₂ emissions society by 2050. In recognition of our efforts in this area, we received A-list ratings in both the



Founder Sakichi Toyoda



Toyoda Precepts (corporate creed)



17 Goals of SDGs



climate change and water security categories of the CDP*2 surveys in 2018. Taking the opportunity, we will continue focusing on activities for conservation of the global environment.

*2: An international not-for-profit organization established in the United Kingdom in 2000 to encourage companies and governments to reduce greenhouse gas emissions, conserve water resources and protect forests

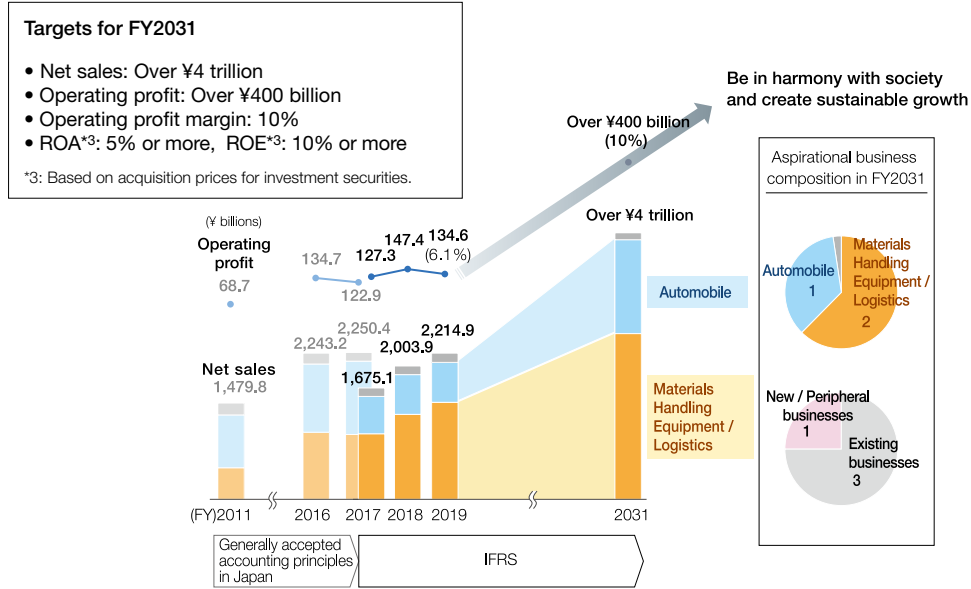
■ Targets of the New Vision

Our targets under Vision 2030 for fiscal 2031 include net sales of over ¥4 trillion, operating profit of over ¥400 billion and an operating profit margin of 10%. Our envisioned business composition in fiscal 2031 is almost the same as the current one, with the ratio between the Materials Handling Equipment/Logistics Solutions businesses and automobile-related businesses standing at 2:1. This is because we seek growth in both segments simultaneously. In

the Materials Handling Equipment/Logistics Solutions businesses, the logistics solutions field will drive strong growth. In the automobile-related businesses, we aim to increase our position in each field and achieve growth.

Additionally, while steadily strengthening and expanding existing businesses, we plan to enter into various fields, to augment either new or peripheral areas to existing businesses. By doing so, we will proactively plant new seeds for future growth.

Numerical Targets of the New Vision



4 Medium-Term Initiatives in Each Business

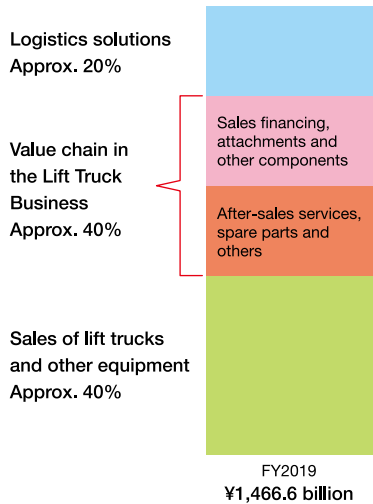
In the following sections, I would like to describe initiatives to be undertaken in respective businesses toward the realization of Vision 2030.

1) Materials Handling Equipment Business

Looking at the environment surrounding the Materials Handling Equipment Business, we expect an increase in logistics volume driven by global economic expansion and growing needs for greater logistics efficiencies arising from labor shortages in developed countries and surging labor costs in emerging countries.

In the Materials Handling Equipment Business, we engage in a “flow-type” business and “stock-type” business. The former refers to a “one-off” model, which in our case means the straightforward sales of lift trucks and other equipment. The latter is a recurring revenue model, which at Toyota Industries involves its value chain and logistics solutions, accounting for 60% of the total sales of the Materials Handling Equipment Business. Engaging in these two types of operations is one characteristic of our business in this area, which makes us less vulnerable to the impact of an economic slowdown and allows us to achieve relatively stable growth.

Net Sales in the Materials Handling Equipment Segment



Products and Services of the Materials Handling Equipment Business



■ Strengths in This Business and Initiatives for Growth

In the Lift Truck Business, we seek to achieve business expansion through collaboration with the Logistics Solutions Business. We aim to do this by utilizing the comprehensive strengths of our entire value chain encompassing both “hardware” (sales of a broad lineup of products as well as attachments and other components) and “software” (sales and service networks, IT-based after-sales services, sales financing and the capability to provide solutions).

In the Logistics Solutions Business, while giving consideration to our strengths in offering an extensive equipment lineup, an ability to create systems and a global network, we have clearly defined the roles among Bastian, Vanderlande and Toyota Industries and aim to align and maximize synergies among the three companies.

We will deepen the collaboration between the Lift Truck Business and Logistics Solutions Business to attain the top position in terms of comprehensive strengths.

2) Automobile-Related Businesses (Car Air-Conditioning Compressor)

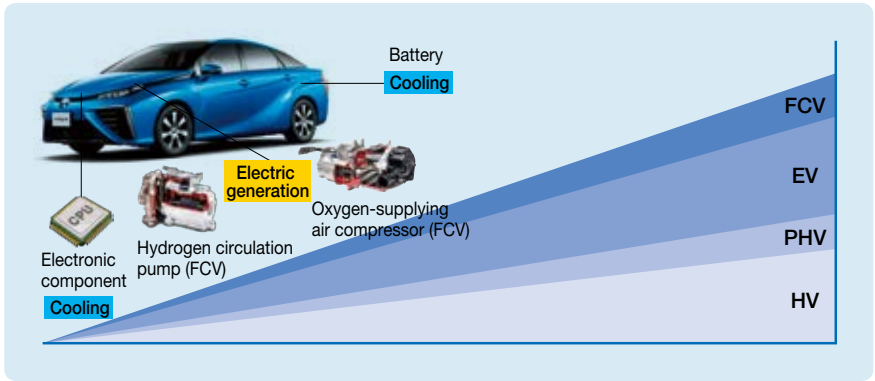
We anticipate sustained growth of the car air-conditioning compressor market in line with expanding automobile sales and an increase in the number of vehicles equipped with an air conditioner. Even though we expect car electrification to continue over the medium to long term, there is an uncertainty about the speed at which this will proceed because many factors will affect the advancement. As such, we have increased our readiness to flexibly respond to any changes in these circumstances.

More specifically, we are promoting the differentiation of our products as early as in the development stage to match the needs of every type of electrified vehicles, from hybrid vehicles (HV) to plug-in hybrid vehicles (PHV), electric vehicles (EV) and fuel cell vehicles (FCV). In terms of production, we are

in the process of setting up a structure to flexibly accommodate changes in production volumes of compressors for internal-combustion vehicles and those for electrified vehicles.

■ Medium- to Long-Term Initiatives

As electrification and automation progress, the number of heat-emitting components is expected to increase. Taking advantage of the excellent cooling performance of our products, we will concentrate on product development geared toward satisfying such needs. Our policy also focuses on expanding our business domain into drive system components based on our core technologies.



3) Automobile-Related Businesses (Vehicle, Engine and Car Electronics)

In the fields of vehicles, engines and car electronics, we aim to become a multi-supplier having top-notch competitiveness in every field, from vehicle assembly to components.

As for vehicles, we received the Toyota Quality Control Award from TMC for seven consecutive years. While demonstrating its top-level quality, cost and delivery (QCD) capabilities, this business will continue to serve as a foundation of Toyota Industries' manufacturing operations. Additionally, we have already established a structure to retain our competitive edge for the next 30 years as we completed plant renovations last year. In the future, we will reinforce product planning and development capabilities on top of our manufacturing capability and seek to lead the production of compact sports utility vehicles (SUV) within the Toyota Group.

For engines, we aim to increase our involvement in gasoline engines in addition to our existing mainstay diesel engines. At the same time, we will strengthen the competitiveness of our turbochargers and increase models fitted with them.

In the field of car electronics, we will strengthen each function, from planning and development to production, in order to link the trend toward car electrification to our business growth and contribute to the creation of a low-carbon society.

4) Textile Machinery Business

For our mainstay air-jet looms, we will move forward with sales expansion by leveraging their excellent quality. Along with these efforts, we will increase their applications in the field of industrial textile products and promote differentiation

based on their superior environmental performance. We will also pursue technological synergy with Uster Technologies AG, a consolidated subsidiary manufacturing yarn quality measurement instruments, to improve the competitiveness of our products.

5 Basic Management Concept

1) Direction of Our Business

Toyota Industries seeks to contribute to society 20 to 30 years into the future while sustaining our own growth. From this medium- to long-term perspective, we revised our vision.

As mentioned earlier, our efforts for sustainable growth are twofold. On one hand, we will reinforce the competitiveness of existing businesses on the basis of our strengths in manufacturing. On the other hand, we will plant seeds and grow them into new businesses to underpin our expansion in the future. For these efforts, we will continue to make proactive investment in R&D and other relevant fields.

Among existing businesses, we will focus on logistics solutions and environment-related technologies as our priority areas for future growth. We anticipate continued growth in needs for greater logistics efficiencies and steady progress in electrification owing to the growing importance of curbing global warming. In the field of logistics solutions, we have already established a structure to pursue growth through synergies among Bastian, Vanderlande and Toyota Industries. In responding to electrification, we will differentiate our products based on our broad range of technologies to satisfy the needs of respective types of electrified vehicles.

Capturing changes in society as a driving force, we will strive to strengthen each business and utilize our core technologies to expand our business domains.

2) Efforts concerning Corporate Governance

Corporate governance must take hold and properly function within Toyota Industries. Under this belief, we have steadily and consistently made efforts to help all members, from top management to individual employees, to understand and instill the importance of corporate governance, rather than simply introducing a related structure and rules for the sake of formality.

Outside directors are also making a significant contribution to the management of Toyota Industries, as they provide appropriate and effective advice at the meetings of the Board of Directors based on their abundant experience. With regard to business performance, we have determined to take a longer view so as to avoid short-sighted management decisions leaning too much on near-term targets. Similarly, we have cultivated relationships with business partners and other stakeholders from a long-term perspective to achieve sustainable corporate growth. This, in turn, has enabled us to provide returns to shareholders in a constant and stable manner.

Currently, Toyota Industries is implementing initiatives to encourage individual employees to fully understand the concepts behind the new vision and put this into practice in their respective positions. Determined to meet the expectations of our stakeholders, I will work along with all employees to achieve growth by fulfilling the vision to contribute to society.



New RAV4



TNGA gasoline engine



Turbocharger
(mounted on GD diesel engine)

Providing Solutions to Customers' Logistics-Related Issues —Efforts in the Area of Airport Logistics Solutions—

Toyota Industries' Logistics Solutions Business provides total solutions to logistics issues. Besides the land and sea domains respectively covering distribution centers and automatic guided vehicles (AGV) for use at seaports, needs for such solutions are growing rapidly in the air domain centered around airports. This Special Feature highlights how we muster the strengths of the entire Toyota Industries Group, achieve business growth by striving to offer solutions to airport logistics issues and aim to contribute to society.



Past Efforts in the Logistics Solutions Business

Recognizing future needs for logistics automation as business opportunities, Toyota Industries extended its reach into the logistics systems business, an area peripheral to lift trucks. Our Lift Truck Business allowed us to capture automation needs for greater efficiencies in warehouse logistics. Based on the experience and know-how accumulated in improving production processes within our own plants as well as customers' logistics operations, we launched the development of AGVs and successfully initiated sales in 1986. Our extensive sales and after-sales service networks in the Lift Truck Business in Japan have also underpinned growth of the logistics systems business.

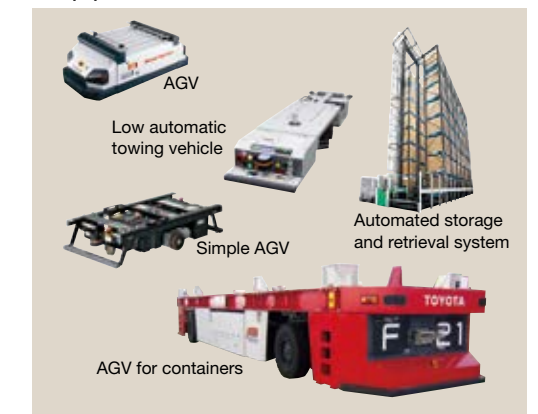
Strengths of the World's Leading Logistics Solutions Provider

The scale of our Logistics Solutions Business, combining the existing logistics systems business of Toyota Industries, Netherlands-based Vanderlande Industries Holding B.V. and U.S.-based Bastian Solutions LLC, boasts one of the largest in the world. The three companies have different strengths. Vanderlande demonstrates comprehensive strengths encompassing the design of logistics systems for airports and warehouses, development of associated equipment and provision of after-sales services. Bastian has an outstanding capability to develop software programs that satisfy a variety of logistics needs, while Toyota Industries has strengths in the development of automation systems for materials handling equipment. Through the collaboration of the three companies, we will promote dynamic business development as a logistics solutions provider.

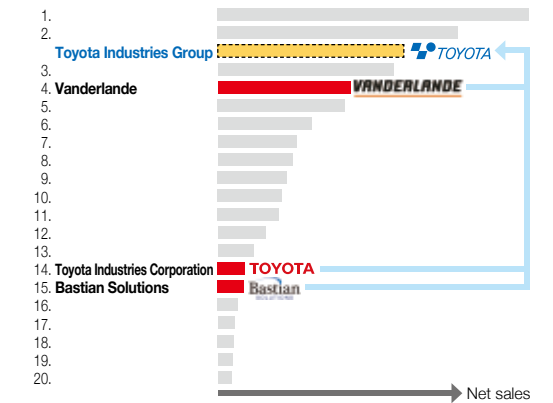
Changing Environment for Airport Logistics

The number of air passengers and the volume of air cargo have grown dramatically in line with economic growth mainly in Asia and increasingly globalized economic activities. Amid this marked growth, various systems (check-in systems; baggage handling systems (BHS) covering everything from baggage check-in to baggage claim; and conveying and storage systems for baggage and cargo) used in airports have taken on additional significance and now have a greater influence over the operation of airports and how passengers evaluate them. Corresponding to these changes in the environment, we are addressing the needs for logistics efficiencies at airports, with Vanderlande taking the lead.

Toyota Industries' Main Logistics Systems Equipment to Date

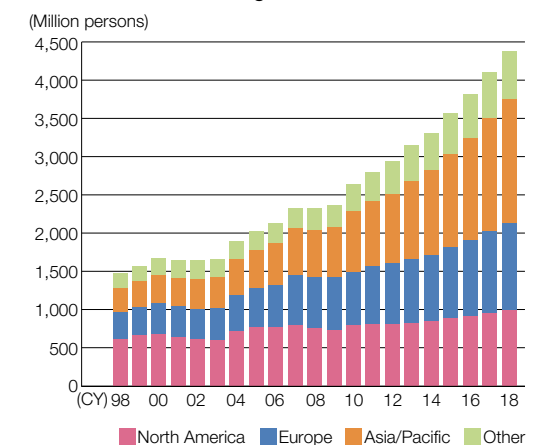


Toyota Industries' Position in the Logistics System Supplier Industry



Source: Produced by Toyota Industries based on the Top 20 Worldwide Material Handling Systems Suppliers in 2019 by Modern Materials Handling magazine

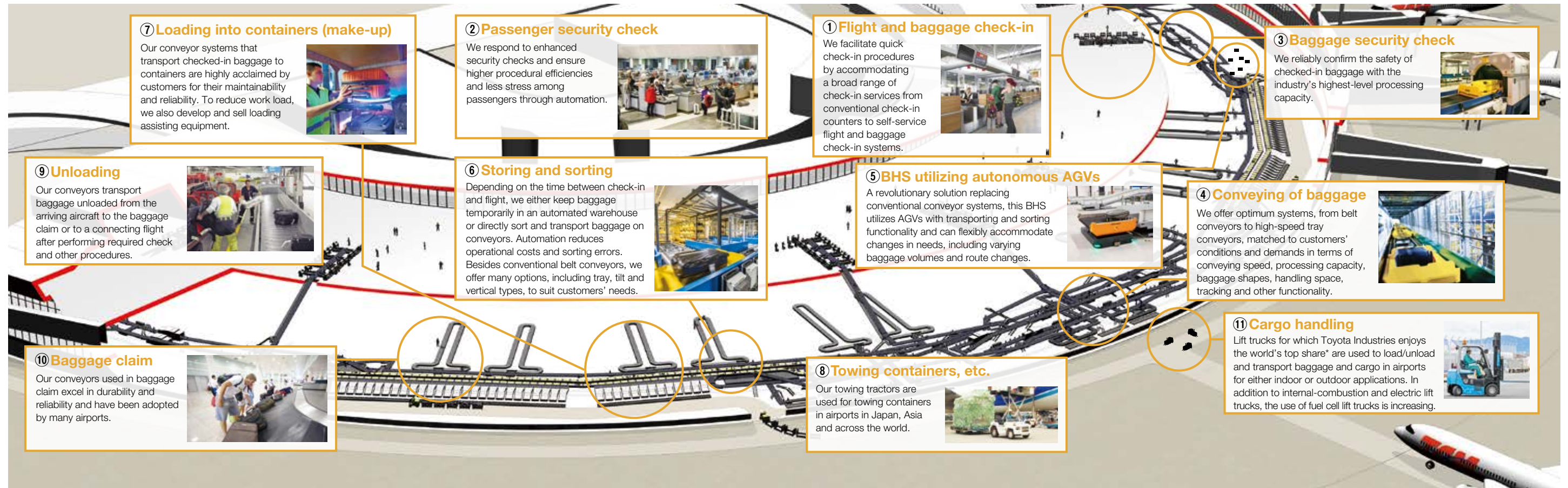
Number of Air Passengers in the World



Sources: Japan Aircraft Development Association (JADC), International Civil Aviation Organization (ICAO) and International Air Transport Association (IATA)



Toyota Industries' Airport Logistics Solutions



* Survey by Toyota Industries Corporation

Roles of Logistics in Airports

Logistics plays diverse and broad roles in airports. It begins the moment baggage or cargo is checked in, loaded onto aircraft and received at their destination, encompassing aspects from conveying and sorting to baggage security checks. Worldwide growth in the number of passengers has led to an increase in the number of flights, tighter flight connections and less time given to aircraft before a return flight. These, in turn, have made logistics efficiencies, speed and accuracy all the more important. Smooth operation of an airport now necessitates the building of a comprehensive logistics system that can meet these requirements.

Toyota Industries Group's Strengths in Airport-Related Logistics

In a broad range of airport logistics, Vanderlande outperforms industry peers in the area of the development of efficient BHS that can also accommodate large airports. Vanderlande's customers are more than 600 airports around the world. Its BHS, which is installed in 14 out of the 20 busiest airports ranked by the annual number of passengers, have been highly acclaimed by customers. Vanderlande's strengths lie in its abilities to offer an advanced level of automation of the entire process from check-in to baggage claim and to respond to the demand for higher efficiencies. The world's leading airports, including Heathrow Airport in the United Kingdom, Hartsfield-Jackson Atlanta International Airport in the United States and Hong Kong International Airport, have adopted Vanderlande's large systems.

Toyota Industries also develops and produces towing tractors that convey baggage and cargo containers to and from aircraft, which are used in airports in Japan, Asia, the United States and in other parts of the world. By combining these tractors with BHS, we can now offer broader, total solutions for baggage logistics at airports.

Additionally, leading global postal/parcel service providers have been constructing large-scale logistics air hubs near airports. We are working to expand the business in this area as well.



Self-service check-in



BHS (Heathrow Airport)



Towing tractor

Future Business Development Leveraging the Group's Comprehensive Strengths

Vanderlande, Bastian and Toyota Industries have held repeated and active discussions to clarify how we collaborate and which direction we will take in conducting sales activities. In terms of development, we have made an important strategic decision to make concerted efforts in the area of automation, for which needs are expected to grow further, and launched activities accordingly.

In March 2019, as an effort to realize practical applications in progress, we carried out an autonomous driving test of our towing tractors jointly with All Nippon Airways Co., Ltd. at Kyushu-Saga International Airport. The test was a Group-wide effort, combining towing tractors developed and manufactured by a subsidiary in Italy with our technology and knowledge for autonomous driving obtained through the experience in AGV developments. We have also been proceeding with the development of automated lift trucks, anticipating their use in airports as well as various other indoor and outdoor applications. In addition, FLEET, Vanderlande's autonomous BHS, has gone into operation in Rotterdam The Hague Airport. It can flexibly accommodate layout changes and system expansions depending on the baggage volume. The system is also being operated on a trial basis at the Hong Kong International Airport and the Dallas/Fort Worth International Airport in the United States. These automated vehicles and systems also integrate sensing systems and image processing systems, which Toyota Industries has developed in automating lift trucks.

In the area of airport logistics solutions, which will gain additional importance in the future, we will leverage the experience, know-how and technology of the three companies to help resolve issues related to airport logistics by globally offering solutions that are friendly to both airport users and airport staff and seek further business growth.



Autonomous driving test of towing tractors



Outdoor test of automated lift trucks



FLEET in live operation

Car Electronics Technology to Help Promote the Use of a Vehicle as a Power Source

Car electrification is progressing in line with the enforcement of more stringent environmental regulations worldwide and higher environmental consciousness among customers, as evidenced by the widespread use of hybrid vehicles (HV), plug-in hybrid vehicles (PHV), electric vehicles (EV) and fuel cell vehicles (FCV). This Special Feature presents some of our power source devices that utilize the power source functionality of electrified vehicles to bring convenience, joy and a sense of security to customers.

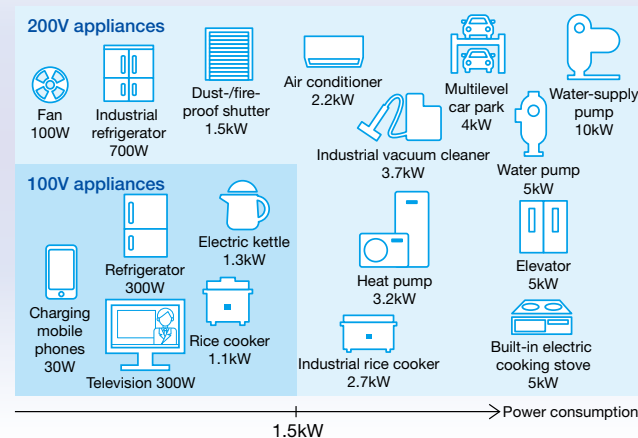
DC-AC Inverters Enabling Outdoor Use of Various Home Electric Appliances

A high-capacity battery is used to operate an electrified vehicle, and it has been attracting a great deal of public attention for its additional use as a power source.

In 1995, Toyota Industries rolled out an on-board DC-AC inverter that converts DC from the vehicle-mounted battery into 100V AC. This was the first DC-AC inverter in the world to be mounted at the time of vehicle assembly*1.

In 2001, we released another model for HVs and other electrified vehicles with a maximum output of 1.5kW, which allows the use of a broader range of home electric appliances from electric cooking tools to refrigerators and televisions.

*1: Survey by Toyota Industries Corporation



Jun Kumeno
General Manager, Business Planning
Department, Electronics Division
(As of March 31, 2019)

The Car Electronics Business Satisfying Car Electrification Need at a Higher Level

The beginning of Toyota Industries' Electronics Business dates back to the 1960s when we started the development and production of inverters, controllers and other electronics products for the Lift Truck Business, in which the need for electrification was already rising. The power electronics and power semiconductor technologies, which we have augmented through the development of electric lift trucks,

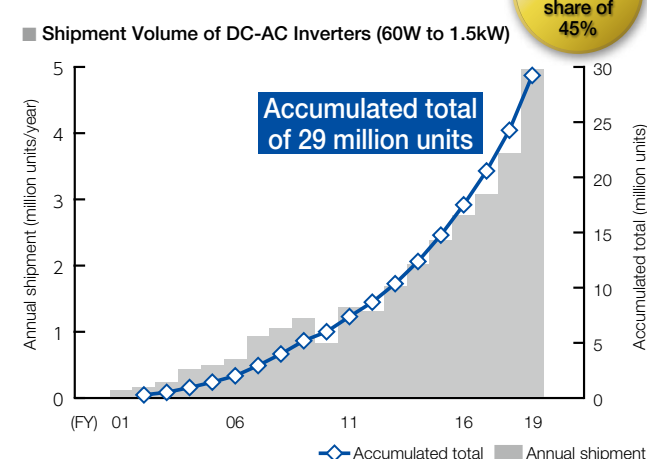
have been utilized in the subsequent development of automobile-use products.

Vehicle-mounted products must offer the levels of quality and durability necessary to properly function over a wide range from low to high temperatures and under harsh usage conditions involving vibrations, rainwater and dust. We work to ensure the required performance by leveraging

our strengths cultivated through the development of various key components for automobiles. We also utilize our know-how from the vehicle assembly business to create products optimally designed for mounting in vehicles.

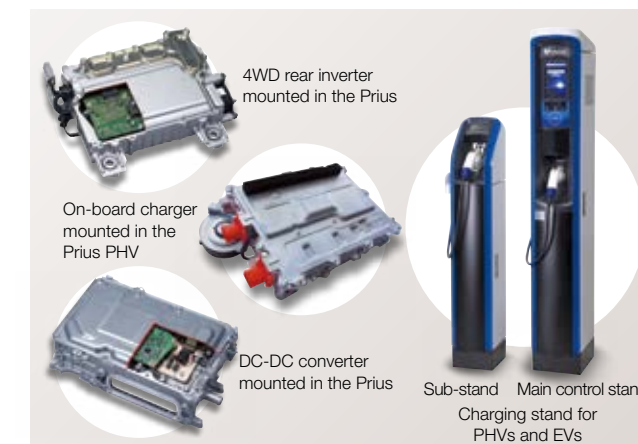
Building on these strengths, we have developed DC-AC inverters with improved resistance against heat and vibrations and a better ability to shield electromagnetic noise. Since launching the first product, we have maintained the world's No. 1 market share*2.

*2: Survey by Toyota Industries Corporation



Note: On June 18, 2019, accumulated production exceeded 30 million units.

Besides DC-AC inverters, Toyota Industries develops and produces a range of electronics products. These include DC-DC converters that convert the high voltage of vehicle batteries into a lower voltage level to feed power to such devices as wipers and lights; rear inverters to provide a 4WD option for electrified vehicles; and on-board chargers and charging stands for PHVs and EVs. These products satisfy varying needs related to the electrified vehicles of automakers around the world, including Toyota Motor Corporation (TMC).



Expanding Applications of Power Source Technologies

DC-AC inverters, which had mainly been used in outdoor recreational activities, have drawn much public recognition as an emergency power source after the 2011 Great East Japan Earthquake. Back then, electrified vehicles were used as a power source to charge mobile phones and supply power for lighting and heating at evacuation shelters and homes.

Toyota Industries has since stepped up its development efforts so that our technologies and know-how can help

people during a disaster and at various other occasions. At the same time, we have proactively engaged in discussion with universities, government agencies and other companies as an effort to promote the use of a vehicle as a power source in a variety of applications.

In the following sections, we provide three examples of product development initiatives utilizing our power source technologies.

Evacuation shelter without power
(2018 Hokkaido Eastern Iburi Earthquake)
© K.K. Kyodo News/amana images





Smartphones and other devices at a charging corner (2016 Kumamoto Earthquakes)
© The Yomiuri Shimbun

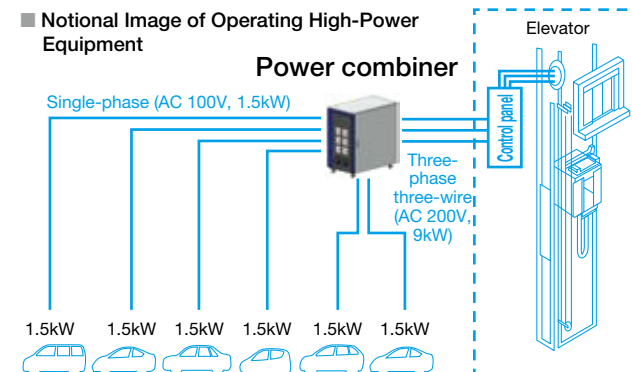
Drill at Toyota Industries for cooking and serving meals in a disaster

Initiative 1

Connecting Multiple DC-AC Inverters to Run High-Power Appliances during a Power Outage

To enable the operation of elevators, multilevel car park lifts, lighting fixtures of evacuation shelters, water-supply pumps and other high-power appliances and equipment when power is lost during a disaster, we developed a power combiner to connect six 1.5kW vehicle-use DC-AC inverters to provide a high wattage of 9kW.

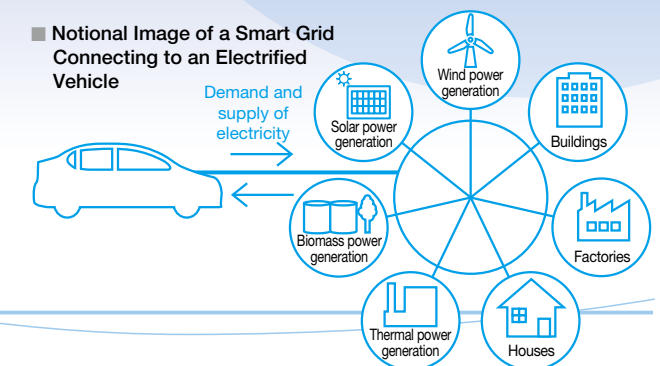
In fiscal 2020, we will begin feasibility tests jointly with relevant local governments to promote early commercialization of the power combiner as an emergency power source for local government offices, hospitals, welfare facilities, condominiums and large commercial facilities.



discharging of power between vehicles and various facilities and equipment, and in turn contribute to the creation of a smart grid*4 society.

*3: General term used to refer to systems and equipment designed for using in home electricity accumulated in PHV/EV batteries

*4: Power grid that can control and optimize the flow of electricity both from the demand and supply sides



Initiative 3

Converting High Power Output of a Fuel Cell (FC) Bus to Lower Power Output for Use as a Power Source for Evacuation Shelters or at Outdoor Events

We have developed and released a vehicle-to-load (V2L) system*5 that uses the power generation function of an FC bus to supply electricity externally. This system can feed power simultaneously through six 100V 1.5kW outlets, equivalent to about four to five days' worth of power usage*6, which allows its use as a power source at outdoor events or for evacuation shelters.

Our V2L system is compatible with the SORA FC bus, which was released by TMC in March 2018 and has been

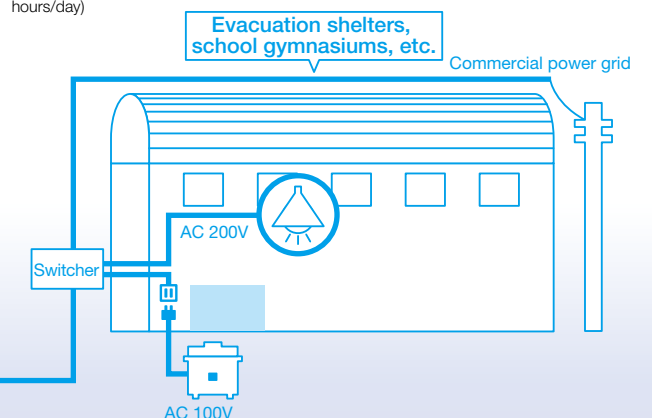
already adopted by the Bureau of Transportation of the Tokyo Metropolitan Government and other private-sector bus operators.

Toward the year 2020, we anticipate more than 100 additional SORA FC buses will be on the road, including those required for the 2020 Tokyo Olympic and Paralympic Games, and will be utilized in various situations.

*5: Systems and equipment designed to use the power accumulation and generation capabilities of HVs, PHVs, EVs and FCVs to feed power to electric appliances
*6: Calculated by using a power use estimate of about 50 kWh/day (using lighting for six hours/day)



TMC's SORA FC bus



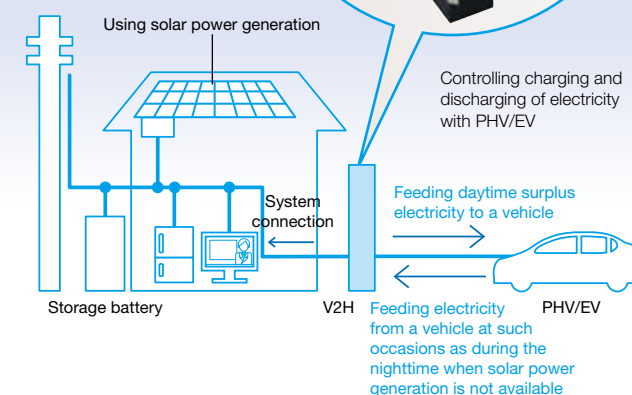
Initiative 2

Utilizing Charging Stand Technology to Achieve Mutual Vehicle-Home Power Supply

Toyota Industries develops and sells charging stands for PHVs and EVs. By applying the technology used in these products to bridge an external power source and a vehicle, we have developed a vehicle-to-home (V2H) system*3 to achieve a two-way power supply. The system accumulates a surplus of electricity generated by home solar panels or lower-priced nighttime electricity in a vehicle and feeds it back to a household when necessary. It can optimize household power consumption or serve as an emergency power source in a disaster. We are also developing a solution that can be linked to a home solar power generation system, and in anticipation of future partnerships with power companies, a software program to optimize the supply and demand balance of electricity.

Building on the development of the V2H system, we intend to expand our business field from solely feeding power to vehicles to optimizing the charging and

Notional Image of a V2H System Composition



The initiatives described in this Special Feature are only a few examples of our products for use during disasters and other situations, which are based on our power source technologies. Going forward, we will continue to explore new applications for our existing products as well as develop new products in order to respond to ever-changing customer needs.

Business Activities

Materials Handling Equipment	P30–35
Automobile	P36–41
(Vehicle / Engine / Car Air-Conditioning Compressor / Car Electronics)	
Textile Machinery	P42

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.)
- Software development capability to create such systems as a warehouse management system that comprehensively manages distribution center operations, from acceptance to stock and shipment, and optimally controls materials handling system equipment
- In-house development and production of key components of lift trucks, including engines and motors
- High technological capabilities, including those linked to environmental and safety performance
- Production know-how that ensures high levels of quality and production efficiency
- No. 1*1 in lift truck unit sales in the world
- Global, well-developed production, sales and service networks
- Total support services encompassing IT-based maintenance and inspection as well as operational management
- A wealth of experience and know-how accumulated in the Logistics Solutions Business

*1: Survey by Toyota Industries Corporation

Opportunities

- 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 soaring labor costs and labor shortages
- Expanding business domains mainly facilitated by a growth in e-commerce transactions
- Growing need for products with high energy savings and low environmental impact, driven by a rise in eco-consciousness and stricter environmental regulations

Risks

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



Business Structure

Toyota Industries' Materials Handling Equipment Business is operated under a two-organization structure: Toyota Material Handling Group (TMHG) responsible for the Lift Truck Business and Toyota Advanced Logistics Group (TALG) engaging in the Logistics Solutions Business. TMHG and TALG collaborate with each other to achieve overall growth of the Materials Handling Equipment Business while reinforcing individual businesses.

Toyota Material Handling Group (TMHG)

Toyota Industries assists customers worldwide in attaining greater logistics efficiencies by undergoing changes over time as a market leader in the materials handling equipment and logistics fields and 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, CESAB and Tailift 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 established a structure to support customers throughout our entire value chain that encompasses from selling products and providing after-sales services through our extensive networks to offering sales financing operations. Going forward, we will contribute to greater

logistics efficiencies based on our comprehensive strengths in satisfying varying needs of customers worldwide. 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 experienced and knowledgeable service personnel and utilize leading-edge information technology (IT) to provide finely tailored services to customers. Our service personnel visit customers on a periodic basis and provide maintenance services to prevent troubles from occurring. When a problem does occur, they swiftly make a visit to the customer and promptly take appropriate action. We are also strengthening our internal sales financing operations mainly in Europe, the United States and other developed countries in order to respond to customers' wide-ranging needs in the area of equipment sales.

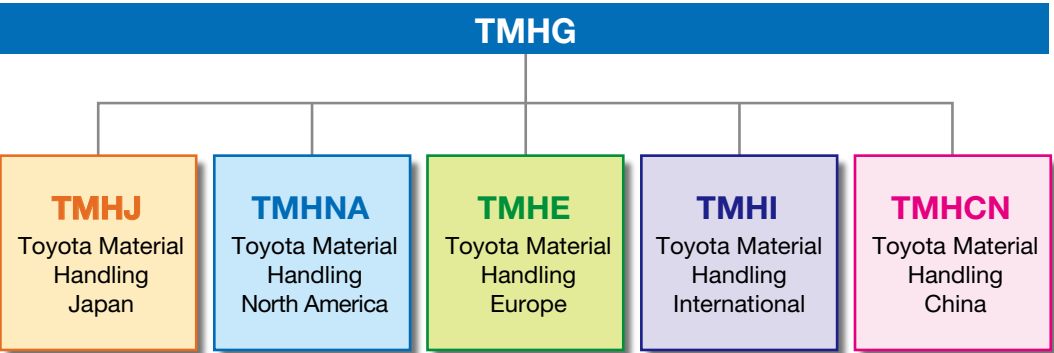
Toyota Advanced Logistics Group (TALG)

Following an expansion of the e-commerce market, providing solutions to diverse and complex logistics issues for distribution centers has become a pressing task, and needs for logistics solutions have been growing globally.

Amid this environment, we go a step beyond just providing a broad range of materials handling equipment and associated software programs and are reinforcing our Logistics Solutions Business to more meticulously satisfy each customer's varying needs by leveraging our logistics improvement know-how accumulated to date.

Under the TALG management structure, the Logistics System Engineering Department of Toyota Material Handling Japan, which mainly engaged in business in Japan, and two companies that joined the Toyota Industries Group in 2017, namely U.S.-based Bastian Solutions LLC and Netherland-based Vanderlande Industries Holding B.V., are promoting business while leveraging their individual strengths.

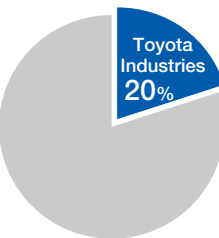
Toyota Material Handling Group



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).

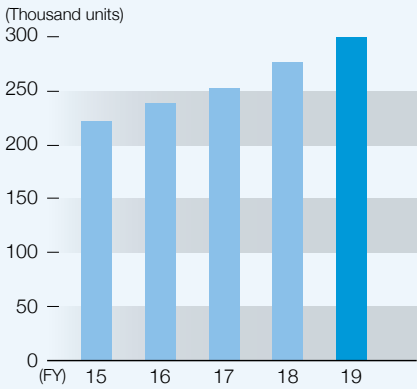
Toyota Industries' Global Lift Truck Market Share

(Survey by Toyota Industries Corporation, 2018)



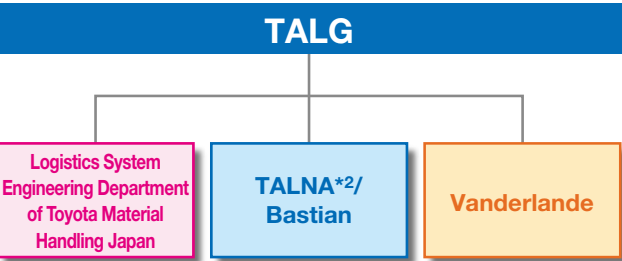
World No.1

Materials Handling Equipment Sales



Business Overview in Fiscal 2019

In the Materials Handling Equipment Business, the lift truck market in 2018 as a whole continued to expand globally, driven by strong sales in Europe and China. Amid this operating climate, Toyota Industries worked to strengthen production and sales activities matched to respective markets and rolled out new products. Consequently, unit sales of lift trucks for fiscal 2019 increased by 23,000 units, or 9%, to a total of 300,000 units over the previous fiscal year. As the need for higher logistics efficiencies remained strong, underpinned by an increase in logistics volume and a rise in the number of large logistics bases, Toyota Industries made efforts for further business reinforcement through collaboration with logistics solution subsidiaries in the United States and Europe. As a result of these activities, net sales in fiscal 2019 totaled ¥1,466.6 billion, increasing ¥183.6 billion, or 14% year-on-year.



*2: Toyota Advanced Logistics North America

Under TALG, Logistics Engineering Division of Toyota Material Handling Company, Bastian and Vanderlande work together to promote the Logistics Solutions Business on a global scale while leveraging their individual strengths.

Business Activities in Fiscal 2019

With the continued growth of the world's lift truck market in 2018, 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.

As an effort to meet the diverse needs of customers in the field of lift trucks, we proactively deployed new products in each region and have been increasing the lineup of telematics-integrated models and automated models for more efficient fleet operations. To appeal the attractiveness of our products to a broader audience and secure contact points with customers, we actively participated in exhibitions held in various parts of the world. For promoting sales, we reinforced sales of equipment and spare parts through each brand's Website to provide greater convenience to customers.

In the logistics solutions field, we formulated an outline of our strategy to promote coordinated activities as TALG. We will make maximum use of TALG's resources and provide logistics solutions unique to the Toyota Industries Group to customers worldwide.

Meanwhile, Aichi Corporation, which possesses the top brand*3 in the field of aerial work platforms in Japan, posted higher sales to the leasing industry, driven by an increase in capital investment for construction work. On the other hand, sales declined in the electric power, telecommunications and railway industries. As a result, Aichi's overall sales were on par with the previous fiscal year.

*3: Survey by Aichi Corporation



Aichi Corporation's aerial work platform

Activities of TMHG

Japanese Market

With the Japanese lift truck market continuing steady growth in 2018, Toyota Industries posted record-high unit sales in fiscal 2019 at 47,000 units, attaining a 9% increase year-on-year. Unit sales of Toyota Industries' lift trucks maintained the top position*4 in calendar 2018 for the 53rd consecutive year.

An expansion of the e-commerce market in recent years has given rise to an increase in new construction of larger distribution centers. Coupled with changes in the business environment caused

by, for example, labor shortages, these developments have further increased the needs for logistics solutions that can offer greater logistics efficiencies and a higher degree of automation at logistics sites. To respond to these needs, Toyota Industries established in June 2018 the Toyota Material Handling Customer Center (CC) Osaka, a large consulting-based logistics show room, in Suita City, Osaka. Our first customer center, CC Tokyo*5 opened in 2001, and the second one, CC Aichi*6, have been well recognized by customers, receiving an increasing number of visitors every year. CC Osaka, our third base to disseminate information on our logistics solutions, serves to create closer ties between the TOYOTA brand and customers in western Japan.

Within CC Osaka, we exhibit many of our latest logistics systems, equipment and technologies and present to customers the future logistics solutions envisioned by Toyota Industries. Specifically, we re-create various logistics sites, including a large distribution center fully automated with robotics technology and a production

line that can flexibly respond to changes in production items and volumes, to showcase example solutions that capture the logistics issues of each business category. We also devise ways for customers to experience and visualize the functionality, ease of use and improvement effects of our products through oral explanations by dedicated staff along with visual exhibitions using virtual reality (VR) and augmented reality (AR) technologies.

In September 2018, Toyota Industries participated in Logis-Tech Tokyo 2018. Under the concept of "More Innovative and Beautiful Logistics for Japan—Opening a



Toyota Material Handling Customer Center Osaka



Re-creating a large distribution center

Brand-New World of Logistics Aesthetics," we operated the largest booth among the participating companies and displayed our advanced technologies and product appeal that have been further enhanced after the joining of Vanderlande and Bastian. Through these exhibitions, we showcased our global Logistics Solutions Business, which we promote on a Group-wide basis, to some 35,000 visitors.



Toyota Industries' booth at Logis-Tech Tokyo 2018

*4: Survey by Toyota Industries Corporation based on data published by Japan Industrial Vehicles Association
*5: Ichikawa City, Chiba Prefecture
*6: Takahama City, Aichi Prefecture (within Toyota Industries' Takahama Plant)

North American Market

In the expanding North American lift truck market, Toyota Industries remained the market share leader*7 in 2018 with combined unit sales of TOYOTA and RAYMOND brands of approximately 98,000 units, a record-high, up 10% from the previous fiscal year. In addition to lift truck sales, parts sales and orders for after-sales services remained strong.

Toyota Industries is proactively releasing new products both under the TOYOTA and RAYMOND brands to satisfy various customer needs. Toyota expanded its warehouse product offerings with the introduction of the

8-Series Order Picker. Toyota's new electric towing tractor utilizes high-output, high-efficiency drive motors to provide comparable performance to internal-combustion engine models and is an ideal solution for airports and cargo terminals. As for aerial work platforms, in addition to a scissor lift which is compact yet allows working at a greater height, a vertical type was added to the lineup to provide more options to customers. The vertical type realizes a smaller turning radius thanks to a shorter wheelbase, achieving higher operability in confined spaces.

Raymond rolled out the industry's tallest*8 Model 7530 Reach-Fork electric lift truck with integrated technologies and telematics. To respond to the industry need to automate end of line and P&D (pick up, drop off), Raymond also started offering a new stacker automated lift truck combining unparalleled vision technology.



8-Series Order Picker

Toyota Industries is also enhancing the lineup of entry-level models, with Tailift products handled by Toyota and Lift-Rite products marketed by Raymond. We have been working to increase recognition for these products through promotional campaigns and other means. These models are also available on our Websites, thereby responding to customers' needs to make purchases over the Internet.

In reinforcing collaboration between the Lift Truck Business and Logistics Solutions Business, we started selling and servicing Bastian products through our Toyota sales network. At ProMat 2019, North America's largest materials handling trade show held in Chicago in April 2019, Toyota, Raymond, Tailift, Bastian and Vanderlande joined together with collaborative displays to showcase both their individual and collective strengths to respond to the logistics issues of all customers.

Toyota Industries will continue to leverage the strengths of TOYOTA and RAYMOND brands and further accelerate the development of technologies utilizing automation, telematics and other cutting-edge technologies. In addition, we seek to expand our business by meeting customers' needs for greater logistics efficiencies through deeper collaboration within the logistics solutions field.

*7: Survey by Crist Information & Research, LLC, 2018
*8: Survey by Raymond Corporation



Model 7530 Reach-Fork electric lift truck



Toyota Industries' booth at ProMat 2019

European Market

Despite a slowdown in Sweden, the three Baltic countries and Turkey, the European lift truck market sustained growth overall in 2018, with strong growth in Germany, the Netherlands and Poland. In response to growing customer needs for automated and connected logistics solutions, Toyota Industries worked to enhance corresponding products and services. As a result, we posted unit sales of 95,000 units



TMHE's exhibition space at CeMAT 2018

in fiscal 2019, up 3% over the previous fiscal year.

CeMAT 2018, the world's premier intralogistics and supply chain event, was held in April 2018 in Germany. Toyota Material Handling Europe (TMHE), our European base for materials handling equipment, exhibited the newly launched offerings which help customers to improve efficiency, such as the Toyota Traigo80, a heavy-duty electric lift truck; in-house assembled lithium-ion batteries for electric range; and T-Stream, a new after-sales service tool developed in cooperation with Microsoft.

During the exhibition, TMHE also announced that all electric warehouse trucks produced at a plant in Sweden will be standard "smart trucks" integrating telematics capabilities and started producing this model in November 2018. Smart trucks accumulate such data as running distance and hours of operation immediately upon installation, making it easier to monitor fleet operations and determine maintenance timing based on the operation status. Customers can also analyze the data to improve the efficiency of their fleet operations. TMHE intends to maintain and reinforce its market leading position by proactively incorporating leading-edge technologies to provide new value to customers.



Smart truck

Toyota Industries' products have gained high recognition in Europe. The newly launched electric lift truck Toyota Traigo80 was recognized with two design awards, the 2018 German Design Award and the iF Design Award for its high energy efficiency, maneuverability and multi-pallet handling. In addition to awards for the Traigo model, the Pallet Drone, an autonomous pallet truck, obtained an iF Design Award in the discipline Professional Concept in the Mobility category for its advanced control technology.



Toyota Traigo80

In the area of sustainability, TMHE was awarded "Best Group Engagement" by EcoVadis, an international organization providing sustainability ratings of suppliers.

TMHE was first evaluated at a group level by EcoVadis in 2012 and has expanded its annual EcoVadis assessments to 26 entities in Europe since then. In 2017, its four European plants, 21 national sales companies and the group as a whole were awarded 11 Gold, 13 Silver and two Bronze ratings.

In 2018, TMHE renewed its company strategy and recognized "automation," "connectedness" and "productivity" services as new priority areas for further business growth. Needs for automated and other logistics solutions are expected to increase in relatively small local markets as well. In response, TMHE has established a logistics solutions competence hub in Austria, the first base in Europe to appeal its logistics solutions capabilities to customers, and will work to capture demand in this region.

ALOMA*9 and Chinese Markets

Toyota Industries covers the ALOMA markets of some 60 countries in 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, RAYMOND and Tailift brands.

In 2018, both the ALOMA market (in all regions) and Chinese market expanded. Amid such conditions, Toyota Industries released new products and enhanced its sales and after-sales service structures. Unit sales consequently increased 15% over the previous fiscal year to 60,000 units in fiscal 2019.

In the electric lift truck field, for which needs have been growing, we released a number of new products, including four-wheel electric lift trucks, standing reach-type electric trucks, warehouse lift trucks equipped with lithium-ion batteries and electric towing tractors for use in airports. At the same time, we proactively appealed the functionality and characteristics of our products to customers. As a result, sales of electric lift trucks in the ALOMA market showed an increase of 13% over the previous fiscal year.



New electric towing tractor

To reinforce after-sales services to customers in Asia, we started implementing the Global Mobile Service Solution (GMSS), an internally developed mobile service system utilizing Internet of Things (IoT) technology. GMSS links Toyota Industries, dealers in each country and customers' fleet information by using cloud services. By centrally managing maintenance and repair information of lift trucks, the system improves the efficiencies of preventive maintenance and regular maintenance activities. Starting with Asia, we plan to implement GMSS throughout the world. In addition to our already superior product quality and durability, we seek to reinforce our after-sales services and pursue greater operational efficiencies for customers by minimizing the



GMSS mobile service system

downtime of their fleets.

As a total solution provider, Toyota Industries has been strengthening efforts to respond to every logistics need of customers in the ALOMA market. In 2018, in collaboration with a new partner, we started selling storage racks, which makes it possible to offer lift trucks and racks in major countries in the ALOMA market. We offer a solution optimized to the layout and operation of a customer's logistics facility, providing greater convenience and helping customers achieve higher 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. Simultaneously, as the leading manufacturer of materials handling equipment, we will utilize IoT and other advanced technologies and further enhance our product lineup in order to provide comprehensive logistics solutions jointly with our dealers in each country.

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

Activities of TALG

Logistics System Engineering Department of Toyota Material Handling Japan

In Japan, the aggravating issue of labor shortages has prompted efforts for labor and work savings in distribution warehouses, pushing up needs for automated logistics systems. Amid this environment, we developed an autonomous vehicle (AV) that does not require the installation of magnetic guides needed for AGVs and initiated a feasibility test. Among the existing AVs, our Key Cart small carrier offers both an autonomous driving feature and price competitiveness, making it easy to be introduced into a logistics site. Another AV, the AiR-series autonomous intelligent mobile robot, provides a feature to track the picking operator and help to resolve labor shortages by reducing the work load. As a new business domain, we are also carrying out the development of an autonomous conveying system that carries drugs and test samples in a hospital and baggage containers in an airport.



AiR-series autonomous intelligent mobile robot

Bastian

On the back of strong needs for logistics automation in not only the e-commerce sector but also in the manufacturing and retail sectors in North America, Bastian has been receiving orders from customers in a broad range of business categories and expanding sales. To handle increasing orders, at a new plant the company initiated the

production of conveyors that have already been produced in-house. By increasing production capacity of conveyors, a key item in a logistics system, Bastian aims to reduce delivery time and further improve product quality.

In addition to its capabilities for system development and integration, Bastian has strengths in its ability to develop cutting-edge technologies. At MODEX

2018, a logistics systems and equipment trade show held in Atlanta in April 2018, the company presented its ULTRA loading and unloading robot, which drew a great deal of attention from customers around the world. Bastian delivered the ULTRA for the first time at the end of 2018 to a leading food manufacturer in the United States.

Bastian has been reinforcing collaboration with dealers of TOYOTA and RAYMOND brands in North America. In the future, Bastian will increase its capability to provide logistics solutions to lift truck users as a member of the Toyota Industries Group.



ULTRA exhibited at MODEX 2018

Vanderlande

Among logistics sites in Europe and the United States, which are Vanderlande's primary markets, an expansion of the e-commerce market and labor shortages have caused a sharp increase in needs for automated systems. Under such conditions, Vanderlande has obtained large orders for warehouse logistics and parcel/postal services from such companies as Amazon and DHL, and has been steadily increasing orders and sales.

In the airport business, Vanderlande has delivered its systems to more than 600 airports around the world. With orders for systems from new large airports, the company has been achieving further growth. Based on its long-standing relationship of trust with customers, Vanderlande has concluded continuous servicing contracts with existing customers, including Heathrow Airport in the United Kingdom.

The sharp increase in orders has made the recruitment of new personnel and swift human resources development an urgent task for Vanderlande. Accordingly, in January 2019 the company opened a new training center within the head office premises and started providing a range of educational programs aimed at globally maintaining its superior capabilities to propose logistics solutions and provide excellent services.

Vanderlande is also accelerating efforts to introduce its products into Japan through TMHJ, including identifying customer needs and establishing required sales and service structures.



Baggage handling system (Heathrow Airport)

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)
- An agile structure to undertake all aspects from planning and development to production within a plant (Vehicle assembly)
- Know-how on the development and production of diesel engines and turbo chargers (Engine)
- Highly efficient production of high-quality gasoline engines, including those for use in hybrid vehicles (HV) (Engine)
- Ability to develop excellent products with greater fuel efficiency, quieter operation, compactness, light weight 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 HVs, 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 accumulated through the development and production of products for Toyota Motor Corporation (TMC), external sales and internal use (Car electronics)
- Development, production and top-level quality of electronic parts and devices for electrified vehicles (Car electronics)

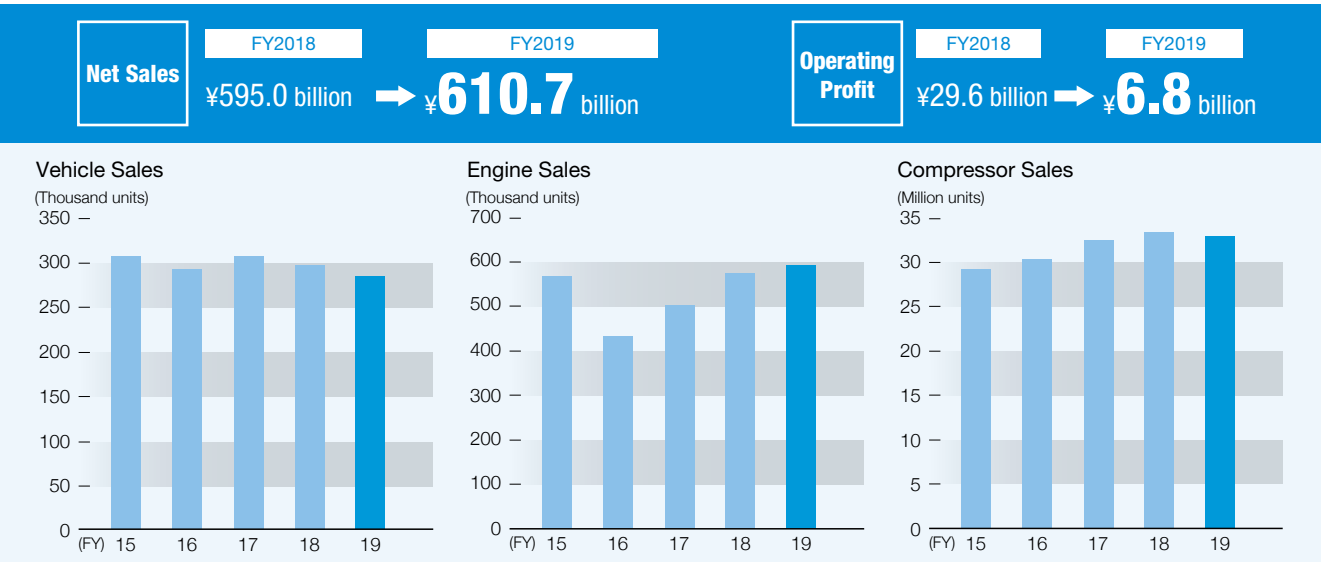
* Survey by Toyota Industries Corporation

Opportunities

- Increasing needs for energy-saving products due to stricter environmental regulations and growing environmental consciousness
- Sales expansion in each sector 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 2019

While sales were slightly down in Europe, the automobile market remained on par with the previous fiscal year on a global basis.

In fiscal 2019, unit sales of the Vitz (Yaris outside Japan) and the RAV4 decreased by 13,000 units, or 4%, from the previous fiscal year to 285,000 units. Net sales, on the other hand, increased by ¥10.3 billion, or 14% year-on-year, to ¥82.4 billion as production of the new RAV4 was launched in November 2018.

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 2019, we received the Toyota Quality Control Award from TMC for seven 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



Transfer of Vitz Production to Another Company—“Thank You, Vitz”

Toyota Industries had manufactured TMC's Vitz (Yaris outside Japan) for almost 20 years since January 1999. In September 2018, the production of the Vitz was transferred entirely from Toyota Industries to Toyota Motor East Japan, Inc.



“Thank You, Vitz” ceremony

TOPIC

The new RAV4 is TMC's fifth-generation global strategic vehicle. For this vehicle, Toyota Industries was involved in vehicle planning and upper-body development and assumed our first-ever role of spearheading production lines ahead of any other plants producing the new model around the world. It was a large project, involving switching the production lines for the previous RAV4 to those for the new model. It also required converting compact car production lines that had produced the Vitz into medium-class lines for the new RAV4. Building on our past experiences, we were able to launch production in a sequential manner in November 2018. These production lines are even more eco-friendly and boast a higher production efficiency than the previous lines. Several ideas generated within our plant have been highly recognized and adopted in other TMC plants.

Going ahead, we will further improve our product planning capability in addition to our existing strengths in SEQCD and intend to play more important roles as a leading plant producing compact sports utility vehicles (SUV) within the Toyota Group.



Production line for the new RAV4

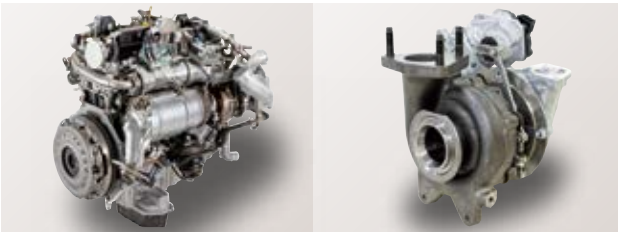
Engine

Business Overview in Fiscal 2019

We discontinued the production of AR gasoline engines in June 2018. However, the launch of new A25A and M20A gasoline engines and increased sales of GD diesel engines pushed up unit sales in fiscal 2019 by 19,000, or 3%, over the previous fiscal year to 593,000 units. Net sales increased by ¥9.7 billion, or 10% year-on-year, to ¥108.4 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 in-line 4-cylinder GD diesel engines and V-type 8-cylinder VD diesel engines. GD diesel engines equipped with a turbocharger specifically and optimally designed and manufactured in-house are manufactured in Japan and by Toyota Industries Engine India Pvt. Ltd. (TIEI), a consolidated subsidiary in India. In fiscal 2019, we increased our production capacity of GD diesel engines in Japan, for which needs are increasing.

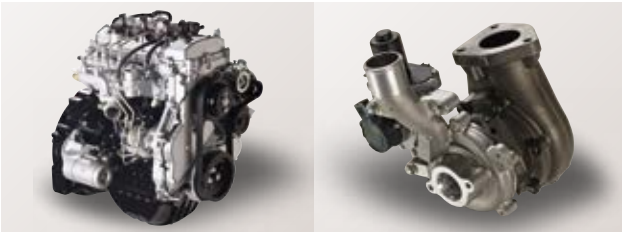


GD diesel engine
Turbocharger (mounted on GD diesel engine)

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. 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, our 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)

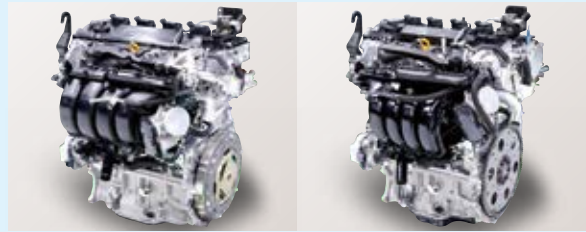
TOPIC

In 2018, Toyota Industries launched production of two gasoline engines that are based on the Toyota New Global Architecture (TNGA)*3, namely the 2.5-liter A25A in October and 2.0-liter M20A in December. These new engines are mainly fitted in the new RAV4 manufactured at the Nagakusa Plant in Aichi Prefecture.

With the advancement of car electrification, we have added an HV version of the A25A engine to our lineup. The basic framework of all these engines was totally revamped based on the TNGA concept, and their renewed structure offers both excellent driving performance and environmental performance. In preparing to produce these engines, we incorporated our improvement know-how accumulated in the production of AR engines, the predecessor model. Simultaneously, we shared the new method and other information among relevant departments to swiftly identify and resolve issues. Through these efforts, we were able to smoothly launch production within a short period of time.

We will improve product quality and productivity further and contribute to the creation of "ever-better cars" by TMC both through diesel engines and gasoline engines.

*3: Development policy and method for vehicle creation based on a modular platform



2.5-liter A25A engine for HVs
2.0-liter M20A gasoline engine

Seeking Engines with Greater Product Appeal

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

Diesel engines, on the other hand, enjoy an enduring popularity particularly as a power unit suited for SUVs 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 2019

In fiscal 2019, unit sales of car air-conditioning compressors decreased 440,000 units, or 1%, from the previous fiscal year to 32.98 million units, affected by lower sales in Europe and Japan despite an increase in sales in China and other emerging countries. Net sales were down ¥5.2 billion, or 1%, from the previous fiscal year to ¥346.2 billion.

Development Efforts Centered around Energy Savings and Car Electrification

We expect continued growth of the car air-conditioning compressors market on the back of the expanding automobile market and an increase in the number of vehicles fitted with an air conditioner. In order to reinforce this business, we will channel resources into both types of compressors, namely compressors for internal-combustion vehicles, which are still mainstay products for the time being, and compressors for electrified vehicles, for which we anticipate stronger demand in the future.

More stringent fuel efficiency standards have been enforced across the world, driving needs for higher fuel efficiency both for internal-combustion vehicles and electrified vehicles. Our variable-displacement type compressors for internal-combustion vehicles, 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



6SES14 compressor (variable-displacement type)

under its emissions regulations. We have since been working to increase the number of models equipped with the SES series compressors.

For electric compressors, for which growth in demand is expected over the medium to long term, we are differentiating them in accordance with the needs of individual electrified vehicles ranging from HVs to EVs. To ensure the quietness of operation, which is important in all types of electrified vehicles, we are conducting sensory evaluation through actual driving tests and quantitative evaluation using a soundproof wind tunnel that can re-create the conditions of actual driving. These evaluations are carried out at our new Kameyama Proving Ground (test driving course) opened in Mie Prefecture in 2018. In response to the expected increase in EVs, we are devising measures against electromagnetic noise that could affect home electric appliances during charging. We utilize simulation technologies to swiftly create designs suited for various vehicles and offer solutions to problems by leveraging the insight, which we, as the leading compressor manufacturer, have accumulated through interactions with a number of automakers.

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 around the world.

Developing Next-Generation Products

Following car electrification and widespread use of autonomous driving technology, there has been a growing need to cool electronic devices, batteries and other heat-emitting components. In response, Toyota Industries plans to conduct development for using the cooling function of a compressor not only for vehicle interior air conditioning but also for key components. Besides this cooling functionality, we intend to utilize our core technologies to expand our business domain into core components for drive systems.

TOPIC

Based on compression technology used in compressors, we have developed an oxygen-supplying air compressor and hydrogen circulation pumps for FCVs, which have been fitted in TMC's MIRAI FCV. The invention of an FCV air compressor by Toyota Industries received the Japan Patent Office Commissioner's Award in the National Invention Commendation 2018 hosted by the Japan Institute of Invention and Innovation. As an FCV runs on



Soundproof wind tunnel installed at the Kameyama Proving Ground

electric energy generated through the chemical reaction between oxygen and hydrogen, an air compressor that takes in, compresses and sends air (oxygen) to an electricity generation unit is a key component of an FCV and greatly affects its performance. We utilized our compression technology cultivated in developing car air-conditioning compressors and developed an air compressor with the world's first six-lobe helical root-type rotor. By increasing the number of lobes of a rotor and twisting them, we achieved continuous and efficient air compression from low speed to high speed. The award recognized its contribution to the quicker acceleration and longer driving range of the world's first mass-produced MIRAI FCV. For the ultimate goal of realizing a hydrogen-based society, we will continue to improve the performance of components fitted in an FCV to help increase the popularity and use of FCVs.



Oxygen-supplying air compressor for FCVs

Increasing Competitiveness by Creating Production Facilities In-House

Achieving high levels of fuel efficiency and reliability requires high-precision processing technologies for compressors for both internal-combustion vehicles and electrified vehicles. Toyota Industries realizes high-speed and high-precision machining by leveraging its know-how accumulated through responding to the stringent demands of automakers worldwide and by developing devices from processing machines to associated cutting tools in-house.

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, the ASEAN region and China as well, we are expanding production capacities and increasing the ratio of locally procured parts to accommodate growing demand for car air-conditioning compressors.

We have also set up a system that allows design and production engineering departments to work as one team and increase production capacities in a phased manner. Through this system, we make efficient investment according to the production volume.

TOPIC

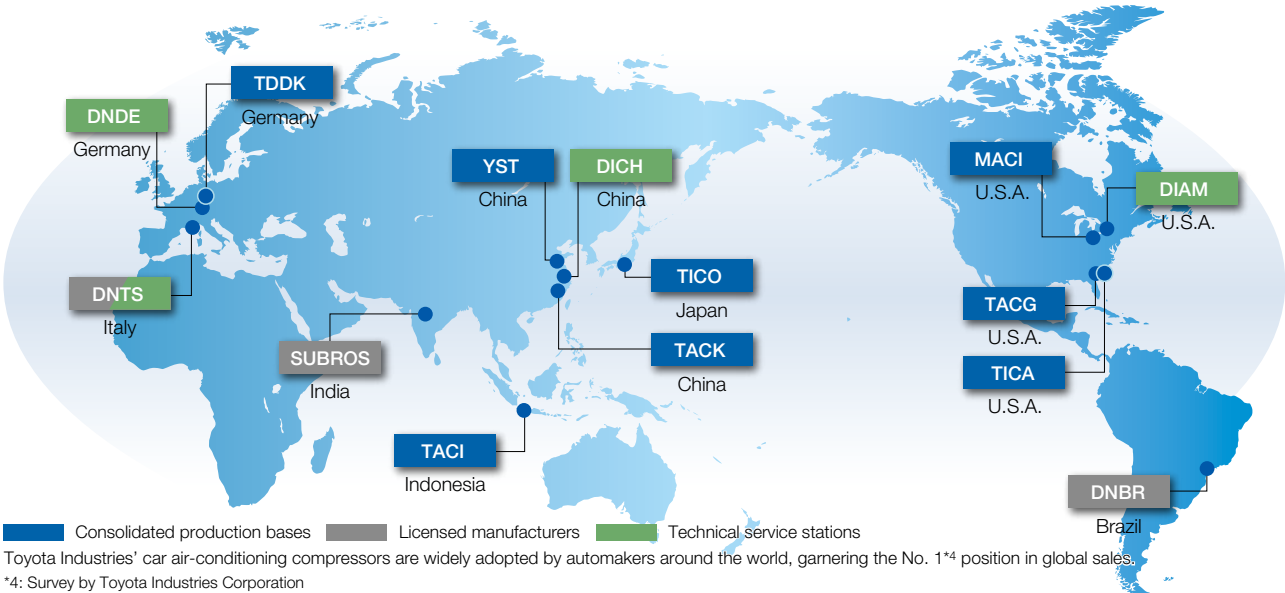
TD Deutsche Klimakompressor GmbH (TDDK), our consolidated subsidiary in Germany, started its operation as a base to supply car air-conditioning compressors to Europe in April 2000. In August 2018, it marked a milestone, reaching cumulative production of 50 million units. TDDK currently produces variable-displacement type compressors with high fuel efficiency. In fiscal 2014, TDDK started design and evaluation operations locally and has been recognized highly by automakers for its ability to reduce development lead time.

TDDK will continue to play an important role as one of the global production and supply bases of Toyota Industries.



Ceremony to commemorate TDDK for reaching cumulative production of 50 million units

Worldwide Bases of Car Air-Conditioning Compressors (As of March 31, 2019)



Car Electronics

Business Overview in Fiscal 2019

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

Steadily Expanding Roles of Our Devices for Electrified Vehicles

Toyota Industries develops and produces electronic devices for electrified 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

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*5 thick copper substrate with excellent heat dissipation capability, we reduced the volume and weight of the product.



DC-DC converter mounted in the Prius

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. Starting with TMC's Prius PHV, we are promoting sales to various automakers.

Additionally, we have started production of DC-DC converters and on-board chargers outside Japan in response to increasing global production needs.

A DC-AC inverter is a power source device equipped to use home electric appliances in a vehicle. The 1.5-kW type, in particular, can operate appliances that require more power, such as rice cookers and hot plates, allowing use as an emergency power source in a disaster in addition to camping and other outdoor applications. The role of a vehicle as a power source has drawn much attention as we experienced a number of disaster-induced power outages in Japan in fiscal 2019.



On-board charger mounted in the Prius PHV

We will proceed with the development and production of DC-AC inverters as a key component that adds new value to electrified vehicles. (See Special Feature 2 on pages 26–29 for details.)

In addition, we supply power source devices for TMC's MIRAI FCV and FCVs of automakers around the world.

*5: Survey by Toyota Industries Corporation

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 were jointly developed with Nitto Kogyo Corporation. Currently, we are conducting an IoT feasibility test at IKEA Nagakute in Aichi Prefecture. We are linking charging-only sub-stands and a main control stand, which offers charging functionality as well as communication, billing and other features, and remotely controlling optimum charging.



Charging stand for PHVs and EVs

Contributing to a Low-Carbon Society

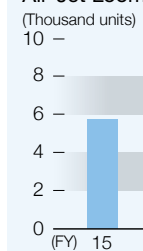
The electrification of vehicles and materials handling equipment is expected to become more widespread with the enforcement of more stringent fuel efficiency standards by many countries and higher environmental consciousness among customers. We will reinforce our planning, development, production and sales 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* in unit sales, to ring spinning frames and roving frames.

* Survey by Toyota Industries Corporation

Air-Jet Loom Sales



Strengths

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

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
- Further increasing applications in industrial textile products

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/or yarn prices
- Weaker sales due to intensifying competition

Net Sales

FY2018 ¥65.5 billion → FY2019 ¥76.3 billion

Operating Profit

FY2018 ¥6.1 billion → FY2019 ¥7.3 billion

Business Overview in Fiscal 2019

The textile machinery market was weak in some countries in Asia but remained strong in China. Unit sales of air-jet looms increased 2,700 units, or 43% year-on-year, to 9,000 units. Net sales were up ¥10.8 billion, or 17%, over the previous fiscal year to ¥76.3 billion.

Growing Needs for Air-Jet Looms

Toyota Industries' air-jet looms are adopted by customers in China, India and many other countries. Produced fabrics are used broadly for towels, shirts and other clothing purposes as well as in industrial products such as materials for electronic substrates and vehicle airbags. Recently, an increase in mobile electronic devices has driven the need for fabrics of woven glass fiber for use in electronic substrates, and it is anticipated that applications for air-jet looms will expand further. On the sales front, the recent adoption of more stringent water quality regulations in China has prompted demand to replace water-jet looms with air-jet looms. In response, we plan to expand sales of air-jet looms by appealing their high environmental performance.

Reinforcing Position as a Leading Manufacturer of Quality Measurement Instruments for Fiber, Yarn and Fabric

Uster Technologies AG, a Swiss-based consolidated subsidiary manufacturing quality measurement instruments for fiber, yarn and fabric, made Israel-based Elbit Vision Systems Ltd. (EVS) into a subsidiary in 2018. EVS develops and produces inspection instruments for textile fabrics. The acquisition has made Uster the world's only* manufacturer to offer quality measurement instruments for every stage of textile products from raw cotton to yarn and fabrics. Capitalizing on this unique strength, Uster intends to further reinforce its position as a leading manufacturer of quality measurement instruments for fiber, yarn and fabric.

Taking Part in the Largest International Textile Machinery Trade Show in Asia

In October 2018, Toyota Industries participated in ITMA ASIA + CITME 2018, Asia's largest international textile machinery trade show. The show was held in Shanghai, China, which is one of the largest textile markets in the world.

At Toyota Industries' booth, we exhibited the JAT810 air-jet loom equipped with our original electronic shedding device, and the demonstration of the high-speed weaving of complex-patterned fabrics was well received by many visitors. We also displayed special design yarn samples created by the RX300 high-speed ring spinning frame to showcase its versatility to produce various types of yarn from ordinary to decorative yarn.

At Uster's booth, EVS's fabric inspection instrument was exhibited for the first time under the Uster brand, along with Uster's yarn quality measurement instruments, and drew the attention of many visitors. Through various textile machinery exhibitions, we will continue to appeal to customers our technological capability to meet their needs and reinforce our brand strength to gain greater trust from them.



Uster's booth bustling with many visitors



Staff who participated in the trade show

Promotion of ESG Initiatives

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

Relevant sustainable development goals (SDGs) for Toyota Industries



Corporate Governance

P44–50

Relationship with Our Stakeholders

P51–60

Environmental Initiatives

P61–76

Corporate Governance

Corporate Governance Structure	P44–45
Internal Control System	P46
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Management of Confidential Information	P49
Risk Management	P49–50

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

Basic Perspective on Corporate Governance

Toyota Industries regards the most important managerial task is to earn trust broadly from society and enhance our corporate value on a stable, long-term basis. We aim to do this by implementing our Basic Philosophy, which consists of “Respect for the Law,” “Respect for Others,” “Respect for the Natural Environment,” “Respect for Customers” and “Respect for Employees,” and by earnestly fulfilling our social responsibilities. Our basic focus is on contributing to the creation of an enriched society through business activities, and we believe it is essential to cultivate good relationships with stakeholders, including shareholders, customers, business partners, creditors, local communities and employees.

Accordingly, we strive to enhance our corporate governance in order to maintain and improve management efficiency, fairness and transparency. For example, we have established a structure to quickly and flexibly respond to changes in the business environment and have been working to augment management oversight and ensure the timely disclosure of information.

More specifically, the following basic policies drive our initiatives.

- (1) We seek to ensure shareholders’ rights and equality.
- (2) We seek to promote appropriate collaboration with

stakeholders other than shareholders (including customers, business partners, creditors, local communities and employees).

- (3) We seek to conduct appropriate information disclosure and ensure transparency.
- (4) We seek to perform the roles and duties of the Board of Directors appropriately in order to make decisions in a transparent, fair, quick and resolute manner.
- (5) We seek to promote a constructive dialogue with shareholders.

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. The Management Committee, which is composed of directors at the executive vice president level and above as well as senior executive officers and other executives, 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, audit & supervisory board members and senior executive officers 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. Moreover, we strive to maintain and improve internal controls by establishing the Audit Department and conducting internal audits of Toyota Industries’ business divisions and departments as well as our subsidiaries.

Selection and Dismissal of Senior Management and Appointment of Director and Audit & Supervisory Board Member Candidates

As our policies concerning selection (and dismissal) of senior management and appointment of director candidates, we carry out comprehensive evaluations from the viewpoint of placing the right persons in the right positions. We seek a balance between making sound and quick decisions, managing risk appropriately and monitoring execution of business operations and covering a specific function or business division of Toyota Industries.

In appointing audit & supervisory board member candidates, we also perform comprehensive evaluations from the viewpoint of placing the right persons in the right positions, while ensuring a balance among the financial, accounting and legal insights, knowledge on our business fields and the diversity of perspectives on corporate management.

Based on these policies, we review proposals, exchange views and confirm details at the Executive Appointment Committee, which includes independent outside directors, and submit these proposals to the Board of Directors for resolution.

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.

Determination of Compensation for Senior Management and Directors

Compensation for senior management and directors consists of monthly salaries and bonuses. Our policy is to link their compensation with the business performance of Toyota Industries, reflecting their duties and performance in compensation. Bonuses, in particular, are determined based on consolidated operating profit of each fiscal year while comprehensively taking into consideration dividends, employees’ bonus level, trends among other companies, medium- to long-term business performance and past records of bonus payments.

As procedures to determine compensation, we review proposals based on this policy, exchange views and confirm details at the Executive Compensation Committee, which includes independent outside directors, and submit these proposals to the Board of Directors for resolution.

Evaluation of the Effectiveness of the Board of Directors

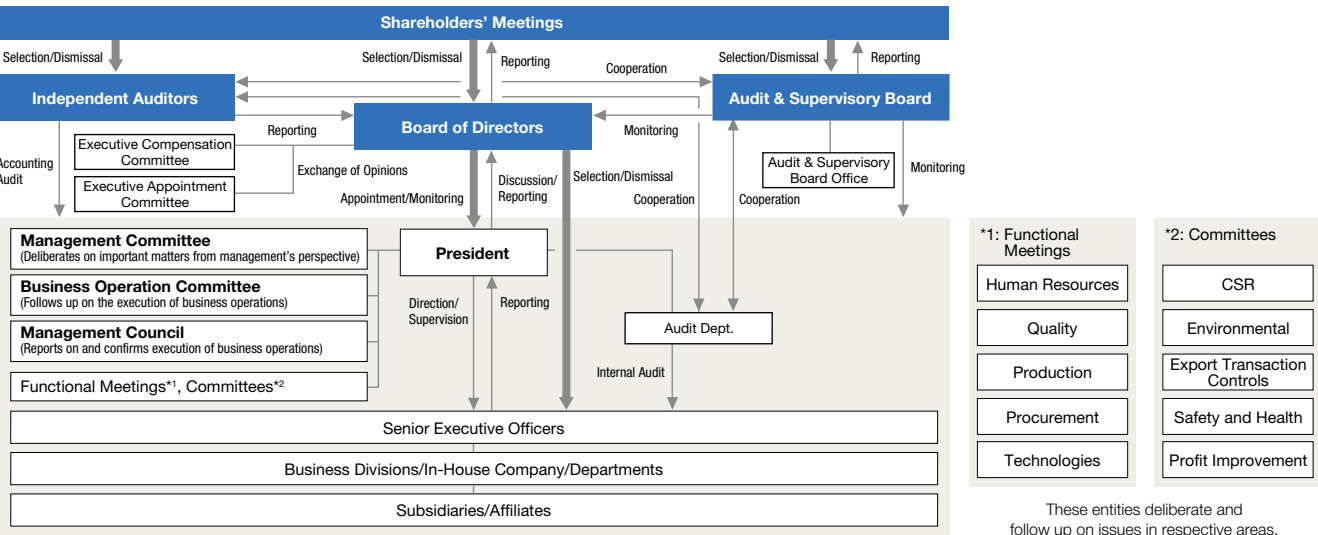
Through interviews with outside directors and audit & supervisory board members, Toyota Industries asks them to evaluate the effectiveness of the Board of Directors and collects their feedback. The results of their evaluation are summarized below.

- (1) Appropriate decision-making and management oversight are ensured by holding several discussions on important matters and following up on the progress after the resolution of these important matters.
- (2) The atmosphere is open, encouraging directors to freely make comments and engage in lively discussion.
- (3) Meeting materials are simple and clear, and explanations are right to the point.

As shown above, Toyota Industries’ Board of Directors has been evaluated as effective. We will continue to make efforts for further improvement.

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



(As of June 11, 2019)
Toyota Industries’ Corporate Governance Reports are available at: <https://www.toyota-shokki.co.jp/> (in Japanese).



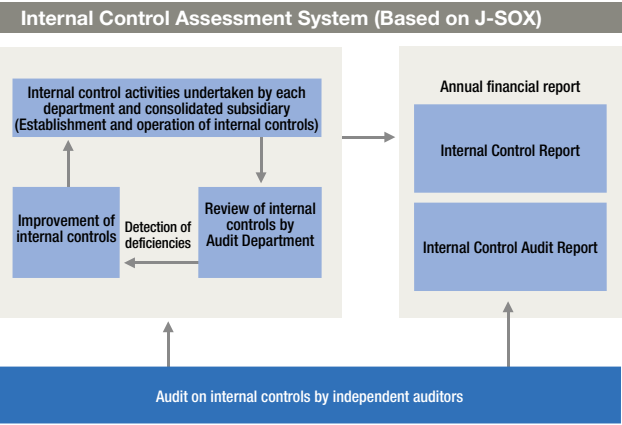
and efficiency of management through collaboration with independent auditors and the Audit Department.

Initiatives for Enhancing Corporate Governance	
1971	Introduced a divisional organization system
2006	Reduced the number of directors (from 30 to 17)
2006	Introduced a managing officer system
2010	Appointed independent members of management
2016	Reduced the number of directors (from 17 to 11)
2017	Conducted an evaluation of the effectiveness of the Board of Directors
2019	Revised executive management structure and reduced the number and rank of executives

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.

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 2019 were effective, and accordingly, submitted an Internal Control Report in June 2019. The report was reviewed by independent auditors and judged fair in their Internal Control Audit Report.



Compliance

Basic Elements of Compliance Activities

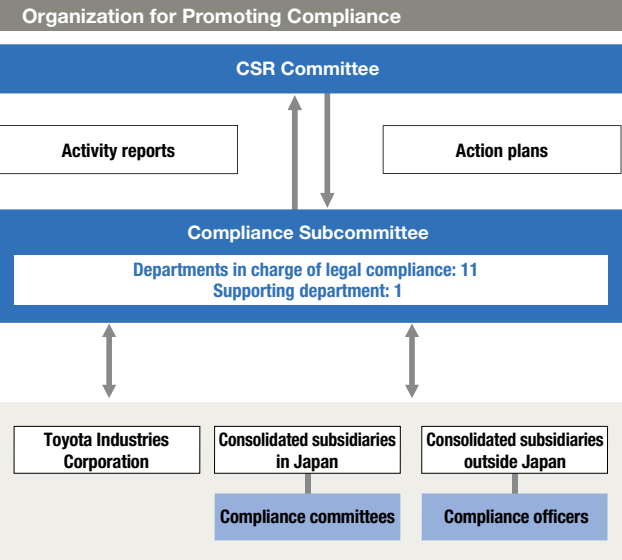
We believe that compliance means both adhering to laws and regulations as well as ethics and social norms. In order to ensure compliance, it is vital to instill an awareness of compliance in each and every employee.

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.

Basic Elements of Compliance Activities		
1	Leadership/ Organization	Declaration by the president Compliance Subcommittee
2	Formulating Rules	Employee Code of Conduct Internal rules
3	Thoroughly Informing Employees	Education on relevant laws and regulations Manuals
4	Checking and Monitoring	CSR self-assessment Audit

Establishment and Reinforcement of Implementation Organization

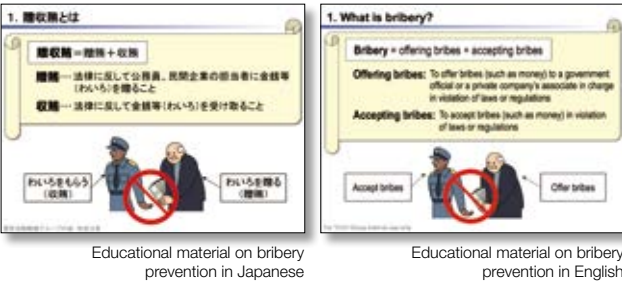
To promote compliance throughout the Toyota Industries Group, we have established the Compliance Subcommittee (led by the head of the Corporate Headquarters) as a subordinate organization to the CSR Committee. Every year, the subcommittee formulates an action plan and conducts a follow-up check on the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



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. Consolidated subsidiaries in and outside Japan (31 in Japan and 79 outside Japan) have formulated their own Code of Conduct appropriate to their respective business lines and corporate cultures 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 company has developed internal rules in accordance with the applicable laws in respective countries and been conducting activities to familiarize employees with them. In fiscal 2019, to support bribery prevention education at our consolidated subsidiaries in and outside Japan, we created a video in Japanese, English, Chinese, Spanish, Portuguese, Indonesian, Vietnamese and Thai.



As for antitrust laws, in fiscal 2019 we reviewed our antitrust law compliance structure, including an emergency response structure and related regulations. Additionally, we continue to operate a system to conduct a check and review before and after employees of Toyota Industries contact competitors and conduct enlightenment activities during our antitrust law compliance month. In this way, we aim to ensure thorough compliance with antitrust laws.

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. To increase compliance awareness, we also provide guidance on the Toyota Industries Corporation Employee Code of Conduct through new employee education, rank-based education and workplace meetings.

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 our consolidated subsidiaries in Japan and to create an environment in which employees foster compliance consciousness on their own.

In fiscal 2019, we invited external lawyers to hold executive legal seminars on “points to be noted in relation with labor issues (work style reforms, various forms of harassment, etc.)” for directors, managing officers and audit & supervisory board members.

Example Topics of e-Learning Materials in Fiscal 2019
Management of confidential information; Import controls; Prevention of misconduct; Safe and correct use of ladders and stepladders; Basics of contracts; Clear communication; Basics of quality; Points to be noted when making money transfers or bank transfers; Commuting accidents; Blocking relationships with antisocial forces

Early Detection and Prevention of Issues via Compliance Hotline

The Toyota Industries Group has in place a whistle-blower system for employees and their families (including suppliers in Japan) 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 2019, we received 86 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.

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

Each company of the Toyota Industries Group has set up a compliance committee (in Japan) and appointed a compliance officer (outside Japan) in an effort to promote autonomous activities in respective communities in collaboration with the Compliance Subcommittee. In fiscal 2019, we continued to carry out activities in line with local needs.

Activities in North America

We held the Compliance Officer Conference in North America with the participation of compliance officers from 19 companies. Topics included cases that provide good examples of our response to reports made by whistle-blowers, response to the leakage of confidential information and reaffirming the need to comply with antitrust laws. After the conference, these 19 companies have been conducting activities in a mutually coordinated manner.

Activities in Europe

In Europe, we held the Compliance Conference with four major companies, including Vanderlande Industries Holding B.V., which became a subsidiary in fiscal 2018, to increase related knowledge and responsiveness by sharing compliance activities of each company and carrying out case studies of initial response to an emergency. As a tool to support compliance officers, we have developed and distributed a new checklist to evaluate the progress in compliance activities and encourage improvements.

Activities in China

In China, compliance officers from 10 companies attended the Compliance Officer Conference. Through the creation and dissemination of educational materials for use at all bases in China as well as by comparing and re-examining the rules of each company, we work to raise compliance awareness of employees and formulate and improve appropriate rules on an ongoing basis.



Compliance Officer Conference in China

Activities in Asia, Oceania and South America

In fiscal 2019, we reaffirmed with compliance officers of eight companies in Asia the roles and abilities required of compliance officers. We strive to raise compliance awareness of employees and deepen their understanding regarding bribery prevention and response to reports made by whistle-blowers.

In India, we held the Compliance Officer Conference with three companies in India to share the progress of and issues in compliance promotion activities of each company and discuss future activities.



Compliance Officer Conference in India

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 2019, 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 Purchasing as well as Engineering and Production Engineering departments
- (2) Strengthen the security of production bases
Enlightenment activities to prepare for cyber attacks against our production bases and implementation of required measures at production lines

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

Activity Examples

Activities up to fiscal 2018

Activities by Toyota Industries

- Rank-based group education
- Restrictions on taking photographs on company premises
- Attaching a security cable with a lock to all PCs to prevent unauthorized removal off the premises
- Restricting the copying of electronic data on recording media
- Monitoring of email correspondence
- Requiring employees to sign a confidentiality agreement upon retirement
- Verifying the status of confidential information management at Engineering and Production Engineering departments
- Providing training on response to targeted attacks through e-mail

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 PCs and recording media, etc.

New activities in fiscal 2019

- Checking the status of confidential information management at Purchasing departments
- Strengthening the security of production bases
- Extending the target group of participants for incident/accident response training from the General Administration Departments of the Head Office and each plant and Engineering, Production Engineering and Purchasing departments to Planning and Sales departments within each business division, etc.



Incident/accident response training

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.

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

Compliance Committees (in Japan) and Compliance Officers (outside Japan) (As of March 31, 2019)



TINA: Toyota Industries North America, Inc.
TMHE: Toyota Material Handling Europe AB
TIMC: Toyota Industries Management (China) Co., Ltd.
TACI: P.T. TD Automotive Compressor Indonesia

Relationship with Our Stakeholders

Relationship with Our Customers	P51–52
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Relationship with Our Customers

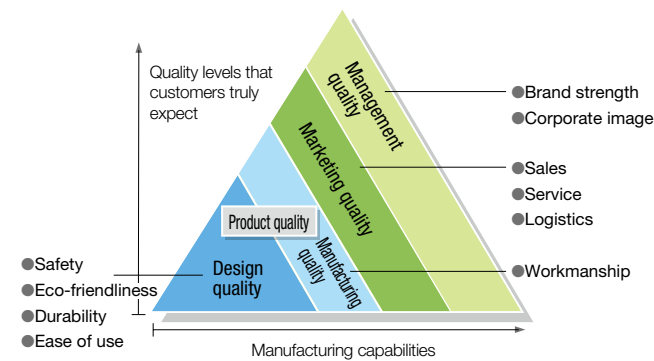
Adhering to a quality first approach, Toyota Industries practices *monozukuri* (manufacturing) that quickly responds to the diverse, ever-changing needs of customers.

“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



“Every one of us should fulfill the roles assigned to us and deliver our best quality products to customers.”

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.

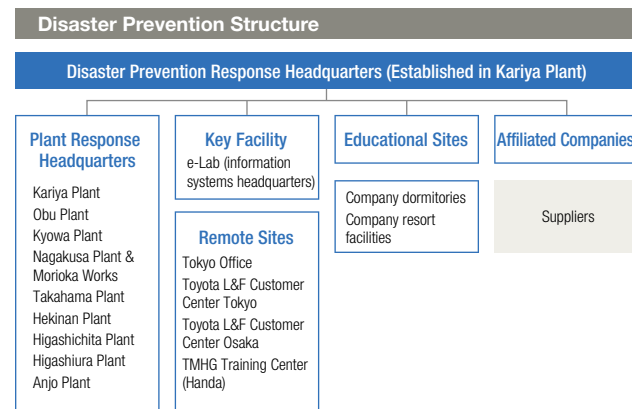
At Toyota Industries, development of a new product entails defining specific goals to incorporate quality in every stage from product planning and design to production

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 a smooth transition from the initial response stage to the production restoration stage.

The Disaster Prevention Response Headquarters, led by the central general safety and health supervisor 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.



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 and securing an evacuation route; deciding how to contact and where to meet with 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.



Collecting information from external sources



Reviewing policies on resumption of operations and how to return home

2. Training at Plant Response Headquarters

In fiscal 2019, we focused on practical training by using predetermined procedures and forms 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.



Analyzing damage information



Confirming initial response actions

3. Training Tailored to the Plant Environment

a) Power Restoration Drill

Based on the 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 Toyota Industries IT Solutions, 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.

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.

Quality Assurance Activities Based on the Quality Guidelines

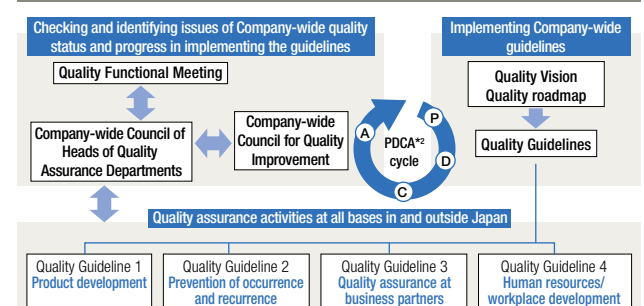
Quality forms the basis of our operations. As such, we formulated our Quality Vision, which defines our philosophy in ensuring quality.

Quality Vision

Each and every member of the Toyota Industries Group makes sure to build in quality with ownership (*Jikotei Kanketsu*) at their own workplaces and positions to supply appealing products/services that exceed the expectations of customers around the world with safe and reliable quality.

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 Company-wide Council for Quality Improvement, also chaired by the head of the Quality Control Department*1, takes up issues in and addresses the

Quality Assurance Activities Based on the Quality Guidelines



needs of business divisions for discussion and resolution by all heads of quality assurance departments. In fiscal 2019, the council explored ways to expand the use of quality control by utilizing the Internet of Things (IoT), big data and artificial intelligence (AI).

*1: As of March 31, 2019
*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 examining and identifying the cause by going back to its development, design and production processes. We implement countermeasures both from the process and technological 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 to production bases 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, conduct *genchi genbutsu* (go and see for yourself) inspections to 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 2019, we continued to hold 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. We also started educating and nurturing next-generation leaders in this area.

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

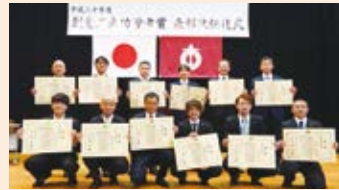
Toyota Industries provides systematic quality education to all employees to help them acquire quality assurance skills needed in actual operations. We have been soliciting creative proposals to nurture human resources who think and act on their own and create a better workplace through all-employee *kaizen* activities, while at the same time promoting the development of human resources who can take a scientific approach to quality assurance through

quality control (QC) circle activities and by using statistical quality control (SQC)*³ techniques and big data analysis.

To date, we have received 12 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

The Commendation for Science and Technology by Japan's Minister of Education, Culture, Sports, Science and Technology is a prestigious award given to persons who have contributed to technology improvements through excellent creative ideas. Toyota Industries has received the award for 34 consecutive years. Our efforts to encourage creative ideas among employees have contributed to the development of human resources who constantly seek improvements.



Commendation for Science and Technology presentation ceremony

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.

As for nurturing human resources who can take a scientific approach, we encourage both the cultivation of knowledge and practical use of the learned knowledge. As specific examples, we hold presentations for sharing best practices of each business division and promoting mutual improvement. We have also set up a structure to help encourage the use of SQC and big data analysis.

As described above, 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.

*3: Using statistical techniques to promote quality control and process improvements

TOPIC

For the last 35 years, we have been holding the SQC Convention to share the best SQC practices in various stages of our operations, from planning and development to production and services. In 2018, presentations started covering cases utilizing big data analysis.



Presentation for SQC best practices

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, human resources development, fair trade, disaster prevention activities for a possible major earthquake and more efficient purchasing.

Fair and Equitable 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 control 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.

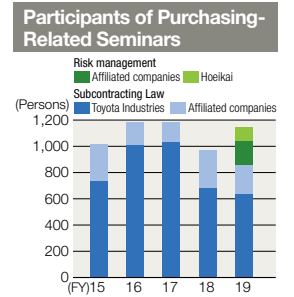


Environmentally
Preferable Purchasing
Guidelines

Promoting Human Resources Development

We proactively provide education to enhance procurement knowledge both internally and externally. In fiscal 2019, along with education on Japan's Subcontracting Law, we provided training on risk management by using subjects closely related to business partners' daily operations. They included response to labor issues, appropriate sale of waste and response to the revisions to Japan's Dispatched Worker Act. These seminars were attended by some 300 participants from affiliated companies and Hoeikai, an organization consisting of our business partners. We also

work with Hoeikai to provide support to strengthen the management platforms of member companies through Toyota Production System (TPS) activities in manufacturing and QC circle activities.



Realizing Fair Trade throughout the Supply Chain

As part of efforts to realize fair trade throughout the supply chain, Japan's Ministry of Economy, Trade and Industry announced an action plan for proper management of molds for parts. In response, Toyota Industries has set up a mold management project to examine how we can "reduce molds, revise management and establish new systems" as stipulated in the action plan. In fiscal 2019, we laid down clear rules for the reduction of molds and shared them with our business partners. We will continue to undertake activities to achieve the goals of the action plan.

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 2019 mainly to our affiliated companies and Hoeikai members. These workshops yielded effective results, as we were able to formulate production restoration measures corresponding to each site and its current status against issues identified in advance.

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.

Efficient Procurement through Introduction of a Catalog Purchasing System

Toyota Industries introduced "e-TAPS," a catalog system to mainly purchase secondary materials used within a plant, and after deploying the system to business partners, initiated its operation in May 2019. All products of our existing business partners are evaluated in advance and cataloged on the system, thereby eliminating the previously required process of requesting a quotation for each purchase. This has enabled both our business partners and Toyota Industries to shorten the lead time for order placement and reduce the number of administrative processes.

Relationship with Our Shareholders and Investors

We aim to obtain an appropriate company valuation in stock markets through timely, appropriate and fair 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 140th General Shareholders’ Meeting on June 12, 2018, in which 440 shareholders participated. Following the general shareholders’ meeting, we invited our shareholders for a tour of a plant that manufactures our mainstay lift trucks and a tour of the Toyota Commemorative Museum of Industry and Technology established as a joint project of the Toyota Group to foster a better understanding of our business activities.

Investor Relations Activities

For institutional investors and securities analysts, we conduct quarterly briefing sessions to explain our financial results, including business performance, as well as progress achieved at each business division and the future direction of our operations. In fiscal 2019, in addition to accepting individual interviews with analysts and others, we hosted an information session for our Logistics Solutions Business, which we have been strengthening in recent years.

As for institutional investors outside Japan, we visit major investors 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 product information and initiatives to develop technologies for the future.

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.

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

Earning High Scores in an External Evaluation of Our IR Activities

Toyota Industries was named in the All-Japan Executive Team rankings hosted by *Institutional Investor*, a U.S. financial magazine, in Japan’s Automobile Parts Manufacturers sector. The rankings are based on balloting by more than 1,000 securities analysts and institutional investors throughout the world, and Toyota Industries earned high scores in six out of the seven categories, including Best CEO, Best CFO, Best IR Professional and Best Investor Relations Program.

Best CEO	Ranked 3rd overall
Best CFO	Ranked 3rd overall
Best IR Professional	Ranked 2nd overall
Best Investor Relations Program	Ranked 3rd overall
Best Corporate Governance	Ranked 3rd overall
Best Analyst Days	Ranked 1st overall

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 2019, Toyota Industries increased annual cash dividends by ¥5.0 over the previous fiscal year and paid annual cash dividends per share of ¥155.0 (interim cash dividend per share of ¥75.0 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 by making equipment more immune to accidents or disorders as early as in their design stage.

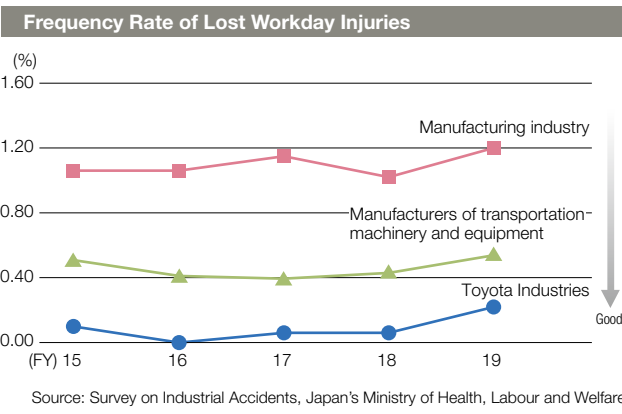
In fiscal 2019, we continued to promote primarily “activities aimed at establishing a safety-oriented culture” and “safety and health measures from human, object and administrative standpoints based on risk assessment.”

In establishing a safety culture, we believe 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. We have accordingly expanded the target group of rank-based safety workshops. We also seek to nurture a mutual enlightenment-based safety culture, in which we encourage workers to exercise point-and-call practices and remind those persons showing unsafe behavior to instill basic safety procedures.

As for risk assessment, we aim to ensure the safety and security of the workplace and reduce risks by investigating and visualizing latent hazard sources within the workplace. As the investigation of risks requires information on past accidents and potentially serious near-accidents, we break down and organize such information into smaller stages of accident occurrence and disseminate it to improve the quality of risk assessment in each workplace.

In fiscal 2019, we experienced such unprecedented accidents as injuries caused by inappropriate handling of old equipment, to which we have made alterations to improve its usability but have not notified sufficiently of such alterations, and other cases of injuries caused by a change in the placement of goods, which went unnoticed. As a result, we recorded the frequency rate of lost workday injuries of 0.22.

We will step up our efforts more closely matched to each workplace based on the characteristics of the recent accidents.



Measures to Prevent Explosions Caused by Combustible Gas

We have implemented basic countermeasures following industrial accidents at other companies in 2016, which involved an explosion in a heating furnace that uses combustible gas. In fiscal 2019, we tackled a remaining issue of detecting incomplete combustion in a high-temperature furnace. In collaboration with a gas detector manufacturer, we examined the most effective combination of a detector and cooling equipment and other devices. After repeated testing, we successfully improved the detection accuracy and came up with a gas concentration detection system with excellent maintainability. In the future, we will include this system as a standard feature when introducing a new furnace and promote its use for existing furnaces. We have introduced it at some of our bases outside Japan and plan to eventually make this system a global standard feature. Upon installation, we carry out *genchi genbutsu* activities to share technologies with local employees and mutually work to improve the system’s management method.



Sharing technologies with employees from bases outside Japan

Measures to Prevent the Breaking of Crane Wire Ropes

Since fiscal 2018, we have had several potentially serious near-accidents within Toyota Industries and at its consolidated subsidiaries, one of which involved the breaking of a crane wire rope that had passed a periodic inspection. We take the matter seriously and have been investigating the life of wire ropes jointly with a wire rope manufacturer. For the time being, our focus is on checking the status of internal damage of wire ropes, which appear to be fine externally, caused by age deterioration and the relationship between the internal damage and wire diameters. For wire ropes that appear to be fine externally but having internal damage, we have temporarily restricted the number of use and have been ensuring safety during operation.



Checking the internal breaking of wire ropes

Measures to Prevent Slip and Fall Accidents

In recent years in Japan, there has been a sharp increase in the number of slip and fall accidents. Facing the aging of the

workforce ourselves, we are concerned about this upward tendency and have been promoting activities to prevent slip and fall accidents. Along with raising associate awareness, we are doing everything we can to ensure intrinsic safety and meticulously provide visual warnings and preventive measures at hazardous points. These include installing anti-slip tapes and hazard markings on uneven floors and stairs as well as fixing shoe cleaning mats onto the floor.



Hazard markings on uneven floors and stairs

Initiatives for Health Management and Improvement

As a task for the medium term, we are promoting health improvement of associates, mainly focusing on prevention of lifestyle diseases and mental health support activities, to counter risks associated with aging and greater stress.

For prevention of lifestyle diseases, we conduct periodic age-based health education for all associates. We also feed back to associates the results of an annual health checkup and measurements conducted on the same day, including physical fitness, body fat percentage and amount of fat around internal organs, along with advice to improve lifestyle habits. This health education is designed to provide motivation for better health by letting associates think about their health over the course of the one-day program. Additionally, we will augment our initiatives to enable each associate to work and take active roles until the age of 65. We are now considering the enhancement of physical fitness measurement programs and implementation of measures to support associates' self-help efforts.

For preventing and ameliorating symptoms of metabolic syndrome, we provide health promotion guidance to associates with mild obesity or who are slightly overweight, in addition to specific health guidance required by the Japanese government. By doing so, we encourage associates to improve lifestyle habits early on.

Major Health Promotion Activities in Fiscal 2019	
Participants of age-based health education	2,470 persons
Persons having completed guidance program on prevention of lifestyle diseases	1,117 persons
Stop smoking enlightenment events •World No Tobacco Day: One-day no smoking (May 31) •No Smoking Days: Half-day no smoking (for eight days)	
Participants of stop smoking campaigns (held jointly with health insurance association)	19 persons
Participants of walking events (held jointly with health insurance association)	5,069 persons

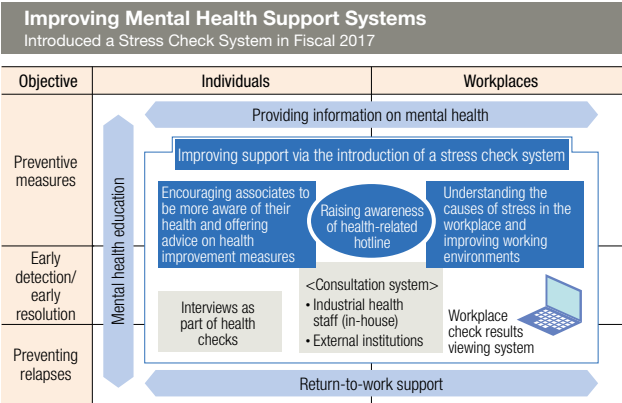


Age-based health education

As part of mental health support activities, we have in place a system to offer early consultation through a health-related hotline. Other activities include upgrading our self-care/line-care education to prevent new cases of mental health problems and operation of a return-to-work support program for persons on long-term leave for prevention of relapses. We have successfully achieved positive results through these activities.

Under the stress check system introduced in fiscal 2017, we again conducted a check on all associates in fiscal 2019. As in fiscal 2018, we fed back the check results to all participants and workplaces with suggestions for improvement. We also set up an individual interview with a doctor for those wishing to do so and provided improvement support as necessary to individual workplaces. As a means to feed back the results to workplaces, we operate an IT-based workplace check results viewing system that allows the users to perform a precise search of results and tips for improvement. In the future, we will further reinforce our workplace improvement activities by linking them with associate awareness surveys.

For these efforts, Toyota Industries was again recognized in the large enterprise category of the 2019 Certified Health and Productivity Management Organization Recognition Program (White 500) jointly promoted by Japan's Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi. We will continue to undertake activities to promote both mental and physical health and create a workplace that enables all associates to work actively.



Enhancing Team Strength

Toyota Industries believes that it is essential to enhance team strength so that each associate can work with vitality and the Company can achieve sustainable growth.

We believe that team strength is made up of “technical skills” that form the basis of manufacturing operations, “management skills” to make maximum use of technical skills and a “spirit of harmony” that supports both. While further enhancing our team strength, we are striving to extend and hand it down beyond all business domains,



generations and geographic regions.

[Technical Skills]

To develop skills to support manufacturing, the Technical Learning Center, one of our training facilities, plays the central role in associate education, offering basic skills training at the Technical Training School and facilitating efforts to enhance the skills of young technical staff through in-house skills contests. We also work to cultivate highly skilled specialists through participation in the national and international skills competitions.

At the 56th National Skills Competition*1 held in 2018, in addition to receiving prizes in various other categories the Toyota Industries team won bronze medals in the “structural ironsmith” and “electrical welding” categories, thereby attaining medals for the 18th consecutive competition.



*1: Skills competition for determining Japan's top young engineers
Winners of a bronze medal in the 56th National Skills Competition

Number of Medals Won at the National Skills Competition					
	FY2015	FY2016	FY2017	FY2018	FY2019
Gold medal	1	1	1	1	0
Silver medal	3	2	3	4	0
Bronze medal	1	3	1	1	3
Total	5	6	5	6	3

[Management Skills]

We conduct TICO Business Practices (TIBP) training targeting managers and associates in administrative and engineering fields, with the aim of mutually sharing the thinking and values that the Company gives importance to, as well as to improve our associates' problem-solving capabilities. TIBP training programs are also provided at subsidiaries outside Japan in our efforts to raise the level of management skills throughout the Toyota Industries Group.

[Spirit of Harmony]

We are creating a bright, energetic and caring work environment that fosters a dynamic workforce and allows every member to demonstrate his or her capabilities both as an individual and as a team. We are proactively encouraging

communication not only during work hours but also through social gatherings, sports days, summer festivals, Group-wide *ekiden* long-distance relay races and cheer squads for various sports events.

Establishing Work Environments Where Diverse Human Resources Can Play Active Roles

We are implementing a variety of measures to support a diverse range of human resources who can fully exercise their capabilities. These include promoting active roles of female associates, supporting the employment of persons with disabilities and creating an environment in which older associates can work more actively.

Promoting Active Roles of Female Associates

We have been formulating plans to harness a more diverse range of human resources and continuing to carry out activities since 2008.

We have introduced such measures as a shorter work-hour system for child care and a telecommuting system. In addition, by introducing “a return-to-work (“welcome-back”) system,” which allows associates who have left work to care for children and family members or to accompany their spouse for a job transfer to get reinstated under certain preconditions, we provide an environment for associates to work at Toyota Industries for longer years with peace of mind.

In terms of measures to promote more active roles for female associates, we have set the target of increasing the ratio of female graduate recruits to 40% in administrative positions and 10% in engineering positions, and tripling the number of female associates in managerial positions by the year 2020 compared with 2014, and intend to step up activities to achieve our goal.

In 2015, we set up a project to promote more active roles for female associates, comprising 11 males and females from different departments. This project was key for the identification of issues and formulation of policy proposals in promoting the increased active roles of female associates through discussions and exchanges among project members and stakeholders. The results of these discussions formed the basis for the development of a

Initiatives for Promoting Active Roles of Female Associates									
~ FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Enhancing support systems •Extending the period of child care leave •Introducing a leave system to allow parental care of children with illnesses •Establishing on-site day care center •Introducing a “welcome-back” system*2									
Cultivating corporate culture •Opening a Diversity Navi page on the intranet •Holding exchange meetings and lectures to share experiences of female associates in balancing work and family									
Increasing the ratio of female associates •Starting to recruit main career track female associates (for engineering positions in fiscal 1987 and administrative positions in fiscal 1997)									
Cultivating career consciousness •Individual interviews with female assistant managers and their superiors •Formulating individual development plans •Sending trainees overseas •Training for career development for assistant managers									
Setting targets for the number of female associates in managerial positions Tripling the number of female associates in managerial positions by 2020 Toyota Industries [25 (2014); 31 (2017); 75 (target for 2020)]									

*2: A system to enable reinstatement under certain preconditions

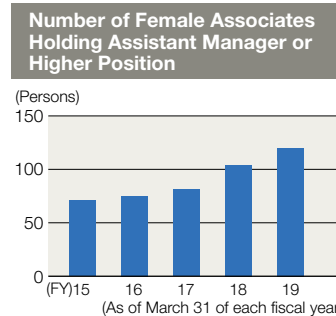
Company-wide action plan in clarifying the initiatives for this project. In carrying out the action plan, we specifically focus on the initiatives to change the mindset among managerial staff and across all associates, provide career support for female associates and promote flexible working practices.

Since fiscal 2017, we have held a seminar for a cumulative total of more than 1,300 managerial staff members who directly engage in the mentoring and development of associates. In fiscal 2019, we conducted enlightenment activities to foster an understanding of the environment in which associates, both male and female, having limited working hours due to nursing care or child care are working. We also worked 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 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 also introduced a system of leave for fertility treatment in September 2018 and a loan system in April 2019.

As a result of these initiatives, the number of female associates holding the assistant manager or higher position has been increasing every year. In January 2016, we were certified by the Aichi Labor 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. The latter certification is given to companies making excellent efforts in promoting active female roles in the workplace.

We are working to improve workplaces so as to offer females a wider



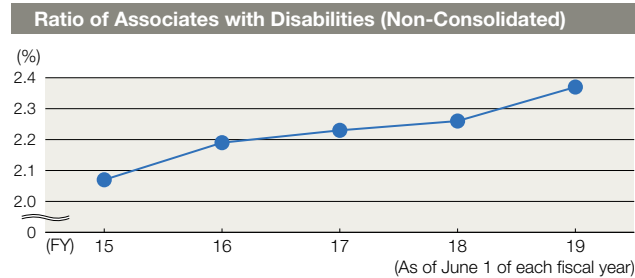
Action Plan		Implementation					
		FY2016	FY2017	FY2018	FY2019	FY2020	
Changing mindsets among managerial staff and across all associates	(1) Launch, message from president	➡					
	(2) Awareness seminar for managerial staff		➡				
	(3) Follow-up on individual development plans	(Ongoing)					
	(4) Getting spouses involved in pre-maternity leave seminars				➡		
	(5) Lectures by male role models			➡			
	(6) Promoting further engagement of male associates in child care					➡	
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		➡				
	(3) Role model exchange meetings		➡				
	(4) Early return-to-work support (pre-maternity leave seminars)			➡			
	(5) Early return-to-work support (financial aid system for day care costs)				➡		
Promoting flexible working practices	(1) Expanding telecommuting options			➡			
	(2) Establishing satellite offices		➡				
	(3) Installing refrigerated delivery lockers		➡				



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.

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 2019, the ratio of associates with disabilities on a non-consolidated basis was 2.37%.



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.

As an effort to support associates to balance their work and nursing care, we created the Handbook for Balancing Work with Nursing Care and distributed it to associates aged 40 or older to help them gain knowledge on nursing care and to create a workplace culture that allows associates to seek advice easily. We also hold lectures for managers and seminars on balancing work with nursing care for associates and their families.



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 sharing information on volunteer activities and providing venues for volunteer activities that encourage the participation of all employees. Employee associations*1 are actively undertaking various activities to contribute to local communities, mainly in the areas of supporting welfare facilities and protecting the natural environment.

*1: 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	Events to interact with persons with disabilities · “Walk Rally (orienteeing),” 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 listening activities at elderly care facilities Supporting the Special Olympics Nippon National Summer Games in Aichi (P59) Holding an Awareness-Raising Workshop for Facilitating an Understanding of Disabilities (France) (P60)
	Support for Youth Invention Clubs · Monozukuri workshops for elementary school children during summer vacations · Holding handmade kite-flying competitions Providing plant-hosted environmental education to elementary school children Holding mini concerts at elementary schools Providing monozukuri lessons at school Holding an After-School Craft Workshop for Elementary School Children (P59) Hosting “Dream Yume Camp” for Children with Disabilities (Indonesia) (P60)
Environmental protection	Initiatives for forest conservation · Tree thinning activities for conservation of prefecture-owned forests · Producing and donating benches that made effective use of thinned wood · Tree-planting activities for reforestation Cooperating with an Animal Protection Program of the Bannerghatta National Park (India) (P60) Conducting county road cleanup activities in areas around plants (U.S.A.)
	Participation in local traditional event (Mando Festival) Road cleanup activities in areas around plants Activities to raise awareness for traffic safety Crime prevention patrols Joining the American National Red Cross Home Fire Campaign (U.S.A.) (P60) Supporting infrastructure development in areas around plants (India)
Other	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 Examples of Toyota Industries (Japan)

Supporting the Special Olympics Nippon National Summer Games in Aichi

Social Welfare

The Special Olympics Nippon National Summer Games, which are hosted every four years by the Special Olympics (SO) Nippon Foundation*2, were held in Aichi Prefecture. With Kariya City and several other cities and a town within the prefecture hosting competitions, some 1,000 athletes from across Japan gathered and enthusiastically competed in 13 events, including track and field, soccer and volleyball. Toyota Industries made a monetary donation to the project and cooperated in operating shuttle buses. During the three-day event, 53 employees volunteered to support the athletes and run the games.

*2: A global sports organization providing opportunities for people with intellectual disabilities to receive sports training and participate in competitions as an effort to support their independence and social engagement

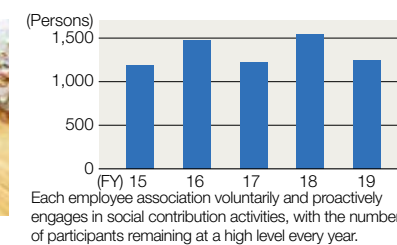
Holding an After-School Craft Workshop for Elementary School Children

Youth Development

Toyota Industries’ manager association visited an after-school club at an elementary school and held a workshop for 73 students, from first to sixth graders. The members of the association served as instructors to carefully teach the children to make simple mechanical toys and let them experience the joy of playing with toys they have made on their own.



Number of Participants of Social Contribution Activities of Employee Associations



Activity Examples of Consolidated Subsidiaries (Outside Japan)

France Holding an Awareness-Raising Workshop for Facilitating an Understanding of Disabilities

Social Welfare

Toyota Material Handling France SAS (TMHFR)
Subsidiary engaging in sales and servicing of materials handling equipment

With the support of an external organization, TMHFR held a workshop to raise awareness for disabilities. The workshop is designed for employees without disabilities to better understand the difficulties and feelings of employees with visual, hearing and other physical disabilities or those with a psychosomatic disease in their daily lives. The event was attended by 81 employees, in which they experienced cooking with blinders or earplugs. They shared the feeling of their challenged colleagues through the disability simulations and exchanged information on disabilities.



Disability simulation

Indonesia Hosting “Dream Yume Camp” for Children with Disabilities

Youth Development

P.T. TD Automotive Compressor Indonesia (TACI)
Subsidiary producing car air-conditioning compressors

Jointly with the Wheelchairs and Friendship Center of Asia (WAFCA)*3, Toyota Motor Corporation (TMC) and DENSO Corporation, TACI hosted the first “Dream Yume Camp” and invited 12 children with disabilities. This event aims to help children with disabilities to act spontaneously and realize the importance of taking on challenges. The children watched games at a disability sports event, in which TMC’s athletes participated, enjoyed interactive sessions with these athletes and joined in a wheelchair sport. At the end of the event, each child talked about his or her dream for the future.



Participants of the first Dream Yume Camp

*3: Certified non-profit organization donating wheelchairs to children with disabilities as a means of going out and seeking to help realize a society where everyone lives equally

India Cooperating with an Animal Protection Program of the Bannerghatta National Park

Environmental Protection

Kirloskar Toyota Textile Machinery Pvt. Ltd. (KTTM)
Subsidiary producing textile machinery

To expand animal protection activities among citizens, KTTM cooperated with a program of the Bannerghatta National Park located near its plant. The goal of the program is to maintain a safe animal habitat by soliciting donations from individuals and companies to cover animal rearing and medical expenses. KTTM signed a one-year contract starting from October 2018 for the protection of nine animals and birds, including Asian elephants, white tigers, ostriches and lion-tailed macaque, and donated 350,000 rupees.



Animal protection activity

U.S.A. Joining the American National Red Cross Home Fire Campaign

Community Contribution

Toyota Material Handling, U.S.A., Inc. (TMHU)
Subsidiary engaging in sales and servicing of materials handling equipment

TMHU joined the Home Fire Campaign promoted by the American National Red Cross jointly with fire departments throughout the United States. Employee volunteers received training at local fire departments and learned how to install smoke alarms and create a fire evacuation plan. They were then divided into small groups to visit residents in their respective areas, explain the need to ensure fire safety at home, test smoke alarms and install smoke alarms if residents do not have them. In 2018, 73 employees participated in the campaign and installed 106 smoke alarms.



Inspecting a smoke alarm

Environmental
Initiatives

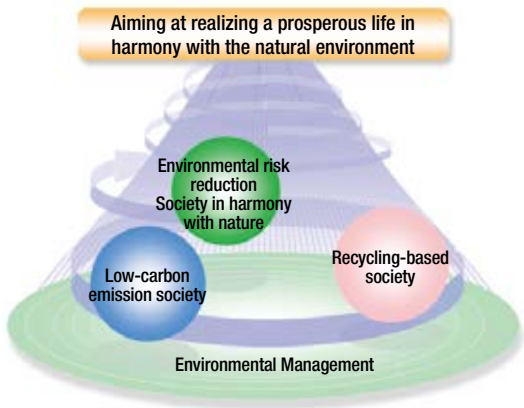
Vision for Environmental Activities	P61	Establishing a Recycling-Based Society	P68–69
Structure to Implement Environmental Management	P62	Reducing Environmental Risk and Establishing a Society in Harmony with Nature	P70–71
Environmental Impact Flow and Environmental Accounting	P63	Environmental Management	P72–75
Sixth Environmental Action Plan	P64–65	Third Party Assurance of Environmental Performance Data	P76
Establishing a Low-Carbon Emission Society	P66–67		

Vision for Environmental Activities

We have defined our aspirations in 2050 and launched the Sixth Environmental Action Plan in 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

- (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

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, the 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 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. 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. We have created environmental panels that summarize our aspirations and an action plan in order to raise employees’ awareness concerning the environment and communicate our approach to outside parties.



Raising employees’ awareness by using an environmental panel

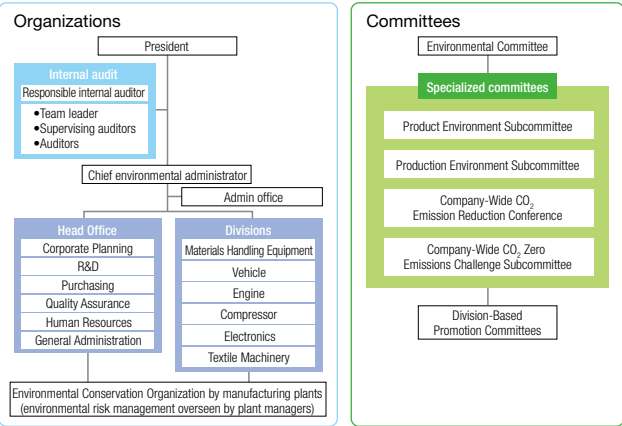
Structure to Implement Environmental Management

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



As in the previous fiscal year, in fiscal 2019 we conducted introductory educational courses to foster the knowledge needed for environmental management and an introductory educational course for environmental audits to cultivate knowledge and techniques of internal audits. As department heads and other personnel in managerial

positions proactively attended these courses, we were able to promote the enhancement of environmental management and the development of internal auditors.

For internal auditors, we provided auditor training by an external lecturer for upgrading the quality of our internal audits. The curriculum covered a method to audit on-site environmental management, which is one of the priority audit items for fiscal 2019, and participants accordingly learned required skills.



Auditor training by an external lecturer

Environmental Audits

Toyota Industries implements annual internal environmental audits as well as external audits carried out by an independent third-party institute.

In fiscal 2019, the external review identified one minor non-conformance issue. We have taken corrective action and disseminated the details throughout the Company for the prevention of recurrence.

We continued to conduct internal audits under the mutual, interdivisional audit system. We strived to upgrade our auditing capabilities by organizing audit teams with the dual goals of fostering the development of auditors and increasing audit efficiencies. In the area of audits, our focus was placed on environmental policy management and on-site environmental management, and we clarified how much each business division contributes to overall environmental management and checked if there are any environmental risks in each division.

Companies Subject to Consolidated Environmental Management (As of March 31, 2019) * Only the names of production bases are listed.

Europe: 11 production companies;
67 non-production companies
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)
SIMAI S.p.A. (Italy)
Vanderlande Industries Espana S.A. Sociedad Unipersonal (Spain)

Asia: 14 production companies;
20 non-production companies
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 (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 Private Limited (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;
14 non-production bases
■ Consolidated subsidiaries in Japan: 15 production companies; 21 non-production companies
Tokyu Co., Ltd. (Aichi)
Tokaisaki Co., Ltd. (Shizuoka)
Miduho Industry Co., Ltd. (Aichi)
IZUMI MACHINE MFG. CO., LTD. (Aichi)
Haratechs 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 Industries Co., Ltd. (Aichi)

Oceania: 1 production company;
16 non-production companies
Cascade (Australia) Pty. Ltd. (Australia)

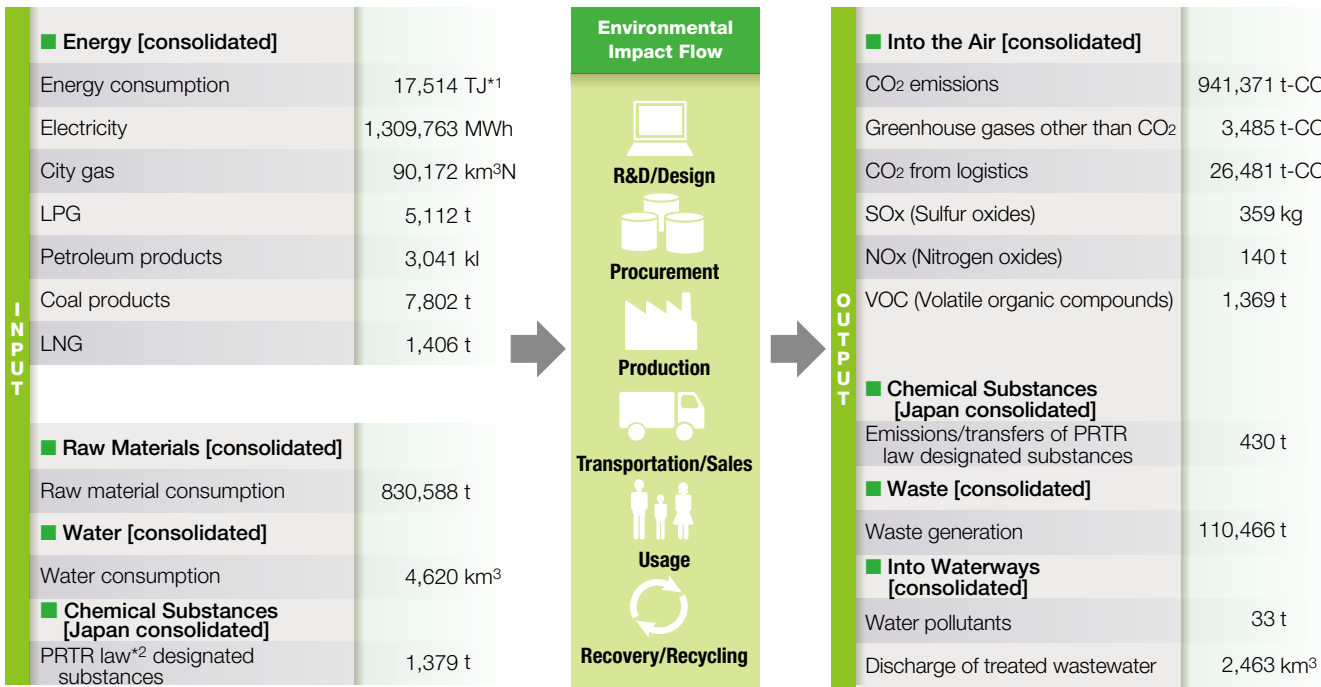
North America: 18 production companies;
45 non-production companies
Cascade (Canada) Ltd. (Canada)
Toyota Industrial Equipment Manufacturing, Inc. (U.S.A.)
The Raymond Corporation (U.S.A.)
Raymond-Muscatine, Inc. (U.S.A.)
TD Automotive Compressor Georgia, LLC (U.S.A.)
Michigan Automotive Compressor, 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. USA (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.)
Bastian Automation Engineering, LLC (U.S.A.)
Vanderlande Industries Manufacturing USA Inc. (U.S.A.)

Latin America: 1 production company;
9 non-production companies
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



*1: Terajoule is a unit used to measure heat. 1 TJ = 10¹² joules
*2: 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.

Environmental Accounting

Fiscal 2019 Environmental Accounting*3

Scope of data collection: Toyota Industries Corporation
Period of data collection: April 1, 2018 – March 31, 2019

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

Category		FY2019		FY2018	
		Investment	Expenses	Investment	Expenses
Business area costs	Pollution prevention costs	37	150	596	195
	Global environmental conservation costs	526	3,232	675	2,825
	Resource recycling costs	158	110	261	124
Upstream/downstream costs		0	388	0	449
Management costs		0	214	0	187
Research and development costs		78	4,284	78	3,882
Social contribution activity costs		0	103	0	103
Environmental remediation costs		2	0	0	0
Total		801	8,481	1,610	7,765
		9,282		9,375	

■ Environmental Conservation Benefits

Environmental Impact	Comparison with Previous Fiscal Year
CO ₂	1,922 t decrease
Generation of waste products	472 t decrease
Water	19,833 m ³ decrease

■ Economic Benefits of Environmental Conservation Initiatives

(Millions of yen)

Item	Details	Amount
Revenue	Returns from sale of recycled waste products	5,530
Cost reduction	Energy cost reductions	15
	Cost reduction by resource savings (including reductions in amount of water use, wastewater treatment costs, etc.)	34
Total		5,579

Sixth Environmental Action Plan

The results of our activities in fiscal 2019 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 2019, we made steady progress toward achieving respective targets for fiscal 2021.

Production Related

Segments	Action Policies/Specific Actions	FY2019 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 <ul style="list-style-type: none">Develop and introduce production engineering technologies with lower CO₂ emissionsReduce CO₂ emissions by fully implementing improvement activities on a daily basisDevelop innovative CO₂ reduction technologies that utilize clean energyManage greenhouse gases other than CO₂	CO ₂ emissions	Non-consolidated	Total emissions	2006	-14%	-10%
			Global	Emission volume per unit of production*1	2006	-26%	-26%
			Non-consolidated			-30%	-30%
	Reduce CO ₂ emissions from production-related logistics <ul style="list-style-type: none">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	-32%	-28%
Establishing a Recycling-Based Society	Promote measures against resource depletion by recycling waste <ul style="list-style-type: none">Reduce the volume of discarded materials by taking action at the source, such as improving yields and other measuresPromote internal reuse Promote effective resource utilization in production activities <ul style="list-style-type: none">Reduce use of packaging materialsMonitor 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	-33%	-27%
			Non-consolidated			-33%	-29%
Reducing Environmental Risk and Establishing a Society in Harmony with Nature	Further reduce emissions of substances of concern <ul style="list-style-type: none">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			FY2019 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 efficiencyDevelop products and technologies that respond to electrificationDevelop technologies to enable weight reductionReduce energy lossDevelop technologies for the realization of a hydrogen-based society	<ul style="list-style-type: none">Developed fuel cell lift truckDeveloped next-generation electric compressorDeveloped air-jet loomDeveloped new vehicle
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 lifeReduce use of resources through standardization, modularization and reduction of componentsReduce use of resources through development of technologies to enable weight reduction and downsizingPromote reuse of components and resources	<ul style="list-style-type: none">Developed next-generation engineDeveloped reach-type electric lift truckDeveloped new 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 next-generation engine
	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 affiliated companies outside JapanConducted survey on chemical substances contained in products

Others

Sixth Environmental Action Plan Targets			FY2019 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 organismsFormulate and promote plans to link activities and connect green zones 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 ProjectDevised biodiversity conservation action plan within Toyota Industries premises
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 regionFormulate a medium-term plan based on visualization of environmental risks and conduct activities to prevent risks from occurringEnhance risk communication with relevant organizations and local residentsAchieve the highest-level environmental performance in each country and regionEnforce strategic environmental management that integrates environmental activities and business activities	<ul style="list-style-type: none">Promoted mitigation activitiesInspected environmental risks at production bases in 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 JapanGive back to society the outcomes of enlightenment activities	<ul style="list-style-type: none">Held environmental seminar
	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 business partners 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 A (on a performance band of A to F)CDP water security: ranked A (on a performance band of A to F)Nikkei's Environmental Management Survey: ranked 13th (out of 1,731 target companies)Received prize for Biodiversity Action Award Japan 2018 (animal path within the Higashiura Plant)

*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 not-for-profit organization established in the United Kingdom in 2000 to encourage companies and governments to reduce greenhouse gas emissions, conserve water resources and protect forests

† 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.

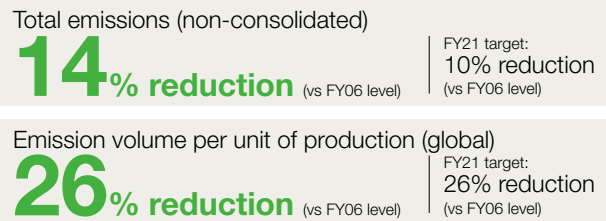
Our Approach

For Toyota Industries, dealing with global warming is not just a “risk.” It also presents “opportunities” in doing business to both differentiate ourselves by leveraging our technology-based product appeal and conduct eco-conscious production activities.

In our aspirations in 2050, we set a goal of establishing a zero CO₂ emissions society on a global basis and have been making efforts in various fields. In the area of product development, our focus includes electrification and increasing the fuel efficiency of engines. In production activities, promoting thorough energy savings and utilizing renewable energy and hydrogen are the two pillars of our activities. As specific efforts, we will adopt solar and other renewable energy sources and effectively utilize hydrogen while thoroughly eliminating wasteful use of energy in production processes and increasing the efficient use of energy.

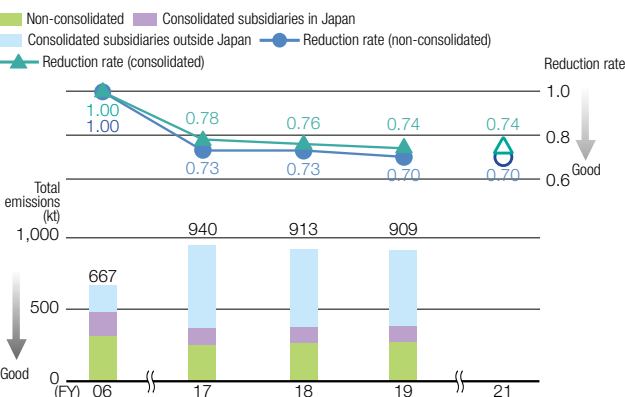
Summary | CO₂ Emissions (Production Activities)

FY2019 Results



Under the Sixth Plan, we are working toward achieving fiscal 2021 targets of reducing total non-consolidated CO₂ emissions by 10% and global emission volume per unit of production by 26%, both from the fiscal 2006 level.

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



Promoting Thorough Energy Savings Reducing Energy Used in a Vehicle Coating Dry-Off Oven

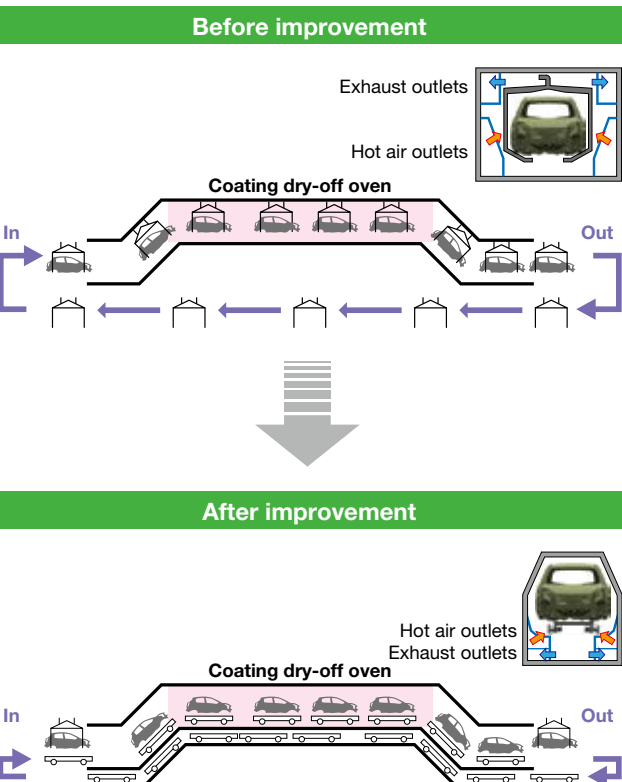
The Nagakusa Plant, a vehicle assembly base in Aichi Prefecture, has been promoting comprehensive energy-saving activities.

In fiscal 2019, the plant achieved a significant result in its efforts to save energy used in a coating dry-off oven.

In a conventional oven, vehicles had been carried from the previous process into the oven on a hanger, and this had required the heating of these hangers and extra space within the large oven, causing the wasteful use of energy.

To reduce such wasteful consumption, the plant replaced hangers with carts and started circulating carts within the oven to maintain its internal temperature. Changes also included designing the optimum shape for the oven to eliminate the extra space inside and moving the hot air outlets above the exhaust outlets after reviewing their placement to ensure efficient air circulation. Through these changes, the plant achieved uniform heat distribution within the oven with a smaller amount of energy.

The improvement allowed the plant to reduce its annual CO₂ emissions by approximately 354 tons.



Utilizing Renewable Energy and Hydrogen Establishing H₂ PLAZA Hydrogen Station at the Takahama Plant

The Takahama Plant, a materials handling equipment production base in Aichi Prefecture, has been promoting CO₂ emissions reduction activities along with systematic energy-saving efforts by proactively using solar and other renewable energy and hydrogen.

The plant constructed H₂ PLAZA, a hydrogen station that uses renewable energy*, on the plant premises and started operations in March 2019. The H₂ PLAZA produces, compresses and charges hydrogen to fuel cell (FC) lift trucks used within the plant according to their operational status. Through the efficient use of energy, this helps to reduce CO₂ emissions. Moreover, FC lift trucks do not emit CO₂ while in operation. They are able to be fully CO₂ free from hydrogen production to operation since they are charged with hydrogen generated by using solar or other renewable energy. This hydrogen station is subsidized by the Ministry of the Environment for CO₂ emissions reduction projects.

The Aichi prefectural government runs a program to certify hydrogen generated by using renewable energy as low-carbon hydrogen. Our hydrogen station is the third low-carbon hydrogen production project certified under the program in Aichi Prefecture, following the one at Chubu Centrair International Airport and another project.

Since commencing sales in November 2016, Toyota Industries' FC lift trucks have been adopted by factories and airports around Japan for their excellent environmental performance and enhanced convenience of completing charging in about three minutes. In fiscal 2019, we increased the number of FC lift trucks used at the Takahama Plant.

FC lift trucks are expected to reduce the environmental impact at logistics sites of various industries and contribute to realizing a hydrogen-based society. Accordingly, Toyota Industries will continue to promote global environmental conservation through the effective use of hydrogen.

* Facility that produces hydrogen by using electricity generated by renewable solar power and can compress, accumulate and feed resulting hydrogen to vehicles



Bird's-eye view of H₂ PLAZA



H₂ PLAZA opening ceremony

Message from a Stakeholder



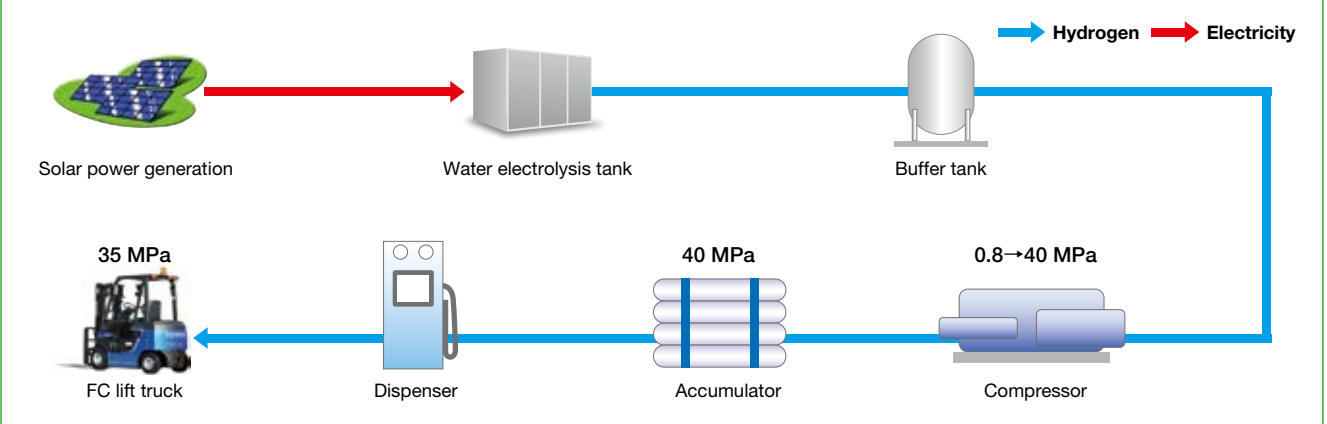
Toshihiro Morita
Director, Environmental
Bureau, Aichi Prefecture

The Aichi prefectural government is encouraging the use of low-carbon hydrogen that does not emit CO₂ both while in use and production in order to accelerate its efforts against global warming.

Toyota Industries' H₂ PLAZA is a model project in the field of low-carbon hydrogen production and use within a plant. Aichi Prefecture hopes to disseminate information on such examples to increase and broaden the use of low-carbon hydrogen.

Moreover, the development and manufacture of FC lift trucks and other materials handling equipment will lead to the expanded base for hydrogen use, and we hope to see further developments in this area toward the building of a hydrogen-based society.

Mechanism of H₂ PLAZA (Hydrogen Station for FC Lift Trucks)



Establishing a Recycling-Based Society

With a view to establishing a recycling-based society, we have been striving to reduce waste and the consumption of water and other resources.

Our Approach (Waste)

Mass consumption, if continued on the back of the expanding world population and economic growth, will eventually deplete natural resources. Toyota Industries believes it is essential to promote 3R (reduce, reuse and recycle) design for effective resource utilization and the recycling of waste as resources.

We set a goal of minimizing the use of resources in our aspirations in 2050. Accordingly, we have been making various efforts, including extending the life of components as well as reducing their size and weight in the area of product development. In production activities, implementing measures to reduce resource consumption at the source, ensuring the maximum resource recycling within a plant and reducing waste by using leading-edge technologies are the three pillars of our activities.

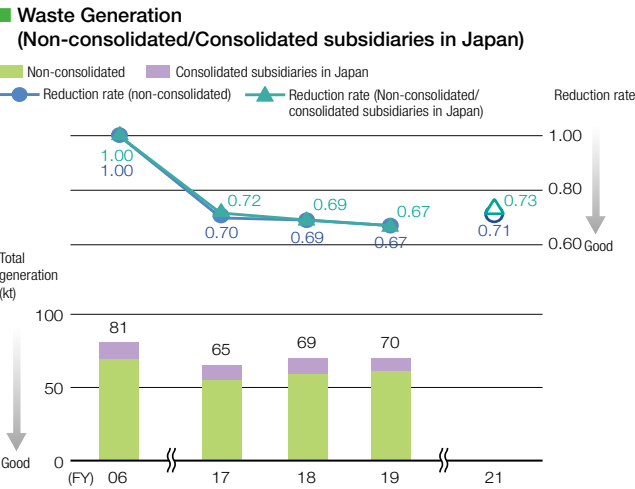
Summary Waste Generation Volume (Production Activities)

FY2019 Results

Waste generation volume per unit of production (non-consolidated)
33% reduction (vs FY06 level) | FY21 target: 29% reduction (vs FY06 level)

Waste generation volume per unit of production (non-consolidated/consolidated subsidiaries in Japan)
33% reduction (vs FY06 level) | FY21 target: 27% reduction (vs FY06 level)

Under the Sixth Plan, we are working toward achieving the fiscal 2021 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.



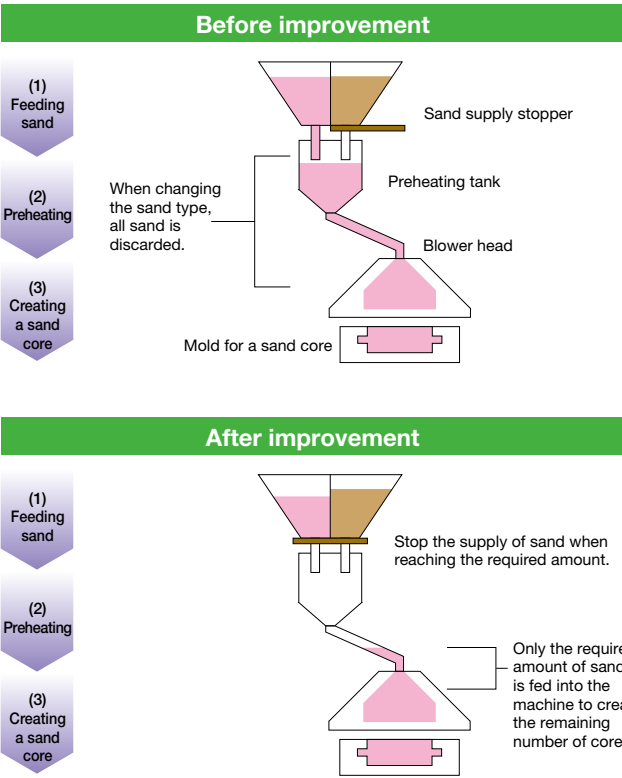
Implementing Measures to Reduce Resource Consumption at the Source Reducing Sand Waste from Foundry Process

The Higashichita Plant, an engine production base in Aichi Prefecture, has been promoting the implementation of measures to reduce resource consumption at the source. For manufacturing engine components, the plant uses a large amount of sand to create die casts and resin-bonded casting sand cores. Sand waste accounts for the largest portion of the plant's total waste.

In fiscal 2019, the Engine Division and the Head Office formed a collaboration team to reduce sand waste generated in the process to create sand cores.

Conventionally, a sand core is created in three steps: 1) feeding sand from the top of a molding machine, 2) preheating (intermediate step) and 3) creating a sand core at the bottom of the machine. When changing the type of sand, the entire amount of sand already fed to the intermediate step had been discarded. Focusing on reducing this wasted sand, the collaboration team incorporated a circuit to anticipate the number of sand cores to be created at the timing of sand change and apply a sand supply stopper so that only the required amount will be fed to the intermediate step.

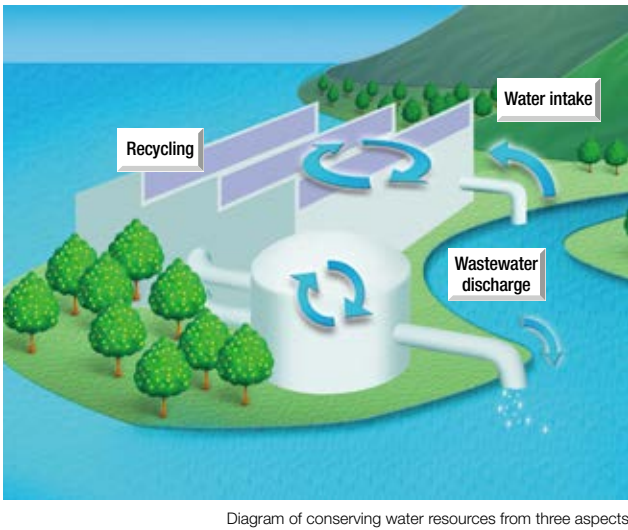
This improvement has resulted in a reduction of approximately 54 tons of annual sand waste.



Our Approach (Water Resources)

Water is the basis of all life on the Earth and is an irreplaceable and valuable resource. Every year, however, we have been witnessing the increasingly severe impacts of droughts, floods and other natural disasters resulting from climate change as well as shortages in drinking water and agricultural water caused by the growth in the world's population. Many of the processes of Toyota Industries use water for washing products and in the coating process, and we regard the water supply crunch caused by climate change and population growth as a significant risk to our business activities.

In our aspirations in 2050, we set a goal of minimizing the environmental impact on water resources. We have identified the status of water risks at each base and consolidated subsidiary and have been undertaking activities matched to their respective conditions with a focus on reducing water intake, promoting recycling and purifying wastewater.



Summary Promoting the Effective Use of Water Resources

FY2019 Results

In fiscal 2019, we identified water risks at each base and consolidated subsidiary and promoted activities to conserve water resources. To increase the credibility of our externally disclosed information, we obtained third party verification of the water consumption and wastewater discharge data of these bases and consolidated subsidiaries.

Our activities earned high scores in CDP surveys in 2018. We will continue our water resource conservation activities encompassing our supply chain.

Promoting Reduction of Water Intake and Recycling Introducing Water Recycling Systems

In order to reduce water consumption, each of our production bases has been promoting the recycling of water through various means.

For example, U.S.-based production subsidiary TD Automotive Compressor Georgia, LLC (TACG) has introduced a system to recycle water used in various processes and successfully reduced its annual water consumption in fiscal 2019 by approximately 57,000 m³, or 36%, from the previous fiscal year.

Additionally, Toyota Material Handling Europe AB (TMHE), a consolidated subsidiary overseeing the materials handling equipment business in Europe, has set a target for its production and non-production companies to reduce annual water consumption for the next three years, starting from fiscal 2019, by 10%.

Toward achieving this goal, Toyota Material Handling Italia Srl. (TMHIT), a subsidiary engaging in sales and servicing of materials handling equipment in Italy, installed water recycling equipment at one of its locations consuming the largest amount of water and consequently reduced its total annual water consumption by 80%.

We duly recognize the importance of water and will continue to promote water conservation activities corresponding to the conditions of each Toyota Industries base.



Water recycling equipment installed by TMHIT



TMHIT improvement project members

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.

Our Approach (Substances of Concern)

Currently, air pollution by chemical substances has become a global issue having equal importance as global warming. As such, countries around the world are adopting more stringent environmental regulations each year. How Toyota Industries responds to these regulations will have a significant impact on the business activities we undertake in each country.

Based on this perception, we have been taking a forward-looking approach, anticipating fuel efficiency and emissions regulations to be enforced by each country and region, and promoting product development accordingly. In production activities, we have been working to reduce emissions of volatile organic compounds (VOC), which are causal substances of photochemical oxidants that generate smog.

Summary | VOC Emissions (Production Activities)

FY2019 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 VOC from the automobile body painting process by 36% from the fiscal 2006 level and have been striving to reduce VOC emissions.

In fiscal 2019, we continued our efforts to increase the recovery rate and enhance the maintenance and management of thinner. Consequently, we were able to cut down emission volume per unit of production in fiscal 2019 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



Study group session at a consolidated subsidiary in China

in raw materials and products, we have been assisting our consolidated subsidiaries and business partners outside Japan in establishing a system to manage chemical substances. In fiscal 2019, we provided 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.

Our Approach (Conservation of Biodiversity)

Deforestation is now proceeding in various parts of the world, causing the fragmentation of the habitats of living organisms. In order for humankind to live in harmony with nature, it is essential to protect nature in each region.

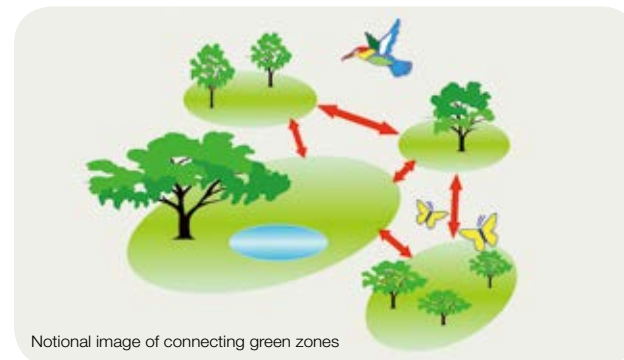
In our aspirations in 2050, we set a goal of generating a positive influence on biodiversity and have been conducting various business activities while continuously paying attention to their impact on the natural environment. We have also formulated the biodiversity policy and been promoting initiatives 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.

Summary | Initiatives for Conserving Biodiversity

FY2019 Results

Under the Sixth Plan, we formulated a plan to connect green zones by undertaking activities for the conservation of biodiversity throughout the Toyota Industries Group. Accordingly, we have been collaborating with various organizations to carry out initiatives matched to the local characteristics of regions where our plants are located.

In fiscal 2012, we joined the Chita Peninsula Ecological Network Council, an initiative of the Aichi prefectural government to promote the development of ecological networks within the prefecture. Since then, we have



Notional image of connecting green zones

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. Working with the council, we established a biotope on company-owned idle land in Aichi Prefecture to create a network of green zones in the surrounding areas in fiscal 2013 and an animal path in the Higashiura Plant in Aichi Prefecture to expand the habitat of foxes in fiscal 2019.

Conducting Surveys of Living Organisms in Our Biotope Jointly with Students

On the site of the biotope we developed in Aichi Prefecture in fiscal 2013, we have been conducting surveys of living organisms since fiscal 2018 jointly with students under the Life Relay Project*1. In fiscal 2019, we conducted a total of four surveys, one in each season. Based on the results of past surveys, we discussed and implemented measures with the students to encourage more diverse living organisms to populate the biotope.



Students who participated in a survey

*1: A project jointly carried out by Aichi Prefecture, NPOs, companies and students with the aim of forming ecological networks by leveraging corporate green zones of the Chita Peninsula as well as developing young environmental leaders

Creating an Animal Path to Improve Natural Habitats of Living Organisms

Recently, we have found that foxes are living in the wooded area surrounding the Higashiura Plant in Aichi Prefecture. But because there is not a large enough habitat, many were



Fox using the animal path

fatally involved in traffic accidents on the neighboring roads. To provide a safe passage between these wooded areas, Toyota Industries created an animal path within the plant premises and has been checking the inhabiting status. In October 2018, six months after the creation of the path, we observed foxes using the animal path for the first time. We will continue to monitor the status while implementing additional measures as necessary to create a better environment.

TOPIC

Toyota Industries' Animal Path Winning a Prize in the Biodiversity Action Award Japan 2018

Every year, the Japan Committee for United Nations Decade on Biodiversity (UNDB-J)*2, in which the Ministry of the Environment serves as the secretariat, hosts an award program to commend projects that survey, conserve or revitalize nature or living organisms or those designed to conserve regional culture, with the aim of passing down enriched ecosystems to future generations. The animal path created within the Higashiura Plant garnered a prize in the Protection category of the committee's Biodiversity Action Award Japan 2018.



*2: Committee to encourage collaboration among all sectors in Japan and promote initiatives related to biodiversity for helping to achieve the Aichi Biodiversity Targets, which represent the global targets for conservation of biodiversity

Planting Mangroves

Employees of P.T. TD Automotive Compressor Indonesia (TACI), a production subsidiary in Indonesia, have been planting mangrove trees since 2013. As of fiscal 2019, a total of 2,800 mangroves have been planted.

TACI will continue this activity and work to raise environmental awareness for living in harmony with nature and preventing global warming.



Planting mangroves

Environmental Management

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

Status of Compliance with Environmental Laws

In July 2018, there was one incident in which wastewater discharged from the Higashichita Plant in Aichi Prefecture exceeded the water quality standard values for phenol and chemical oxygen demand (COD).
In a survey, we found that cooling water used in the foundry process leaked from the tank and was discharged through a rainwater gutter. The leakage was caused by the erroneous operation of the valve, which resulted in an oversupply of industrial water into the cooling water tank through an unused pipe. As countermeasures, we removed the unused pipe and started showing a warning sign on an on-site irregularity display when the tank becomes full so that employees can quickly notice it. We have already reported the incident and our countermeasures to the relevant authorities.
Following the incident, we held a Company-wide response meeting to report the countermeasures taken at the Higashichita Plant and discuss what measures should be implemented by other plants. By sharing necessary information, we worked to prevent a recurrence throughout Toyota Industries.
Preparing ourselves should an irregularity occur, we will continue to undertake and reinforce activities throughout the Toyota Industries Group, such as emergency drills, to minimize the impact on the external environment.

Soil and Groundwater Pollution Countermeasures

As part of efforts to formulate its reorganization plan, the Higashichita Plant voluntarily conducted soil and groundwater surveys. The results showed that some substances contained in soil and groundwater were exceeding their standard values.
Based on the survey results, we will implement required measures under the guidance of Aichi Prefecture, while placing our utmost priority on not causing any impact on the surrounding environment.

For details, please visit our Website at:
<https://www.toyota-shokki.co.jp/news/release/2019/05/15/002408/index.html>
(in Japanese)




Conducting Environmental Risk Inspections at Production Subsidiaries in Japan

In addition to our own production bases, we are promoting activities to reduce environmental risks at our manufacturing subsidiaries in Japan.
In fiscal 2019, we conducted *genchi genbutsu* (go and see for yourself) environmental risk inspections at such subsidiaries to check facilities on their premises, the boundaries of their premises and the discharge outlets, as well as examined how they were managed.
We will continue to monitor the status of their responses to the identified issues and conduct risk inspections at our subsidiaries on an ongoing basis.



Environmental risk inspection



Norio Suzuki
Administration Department
IZUMI MACHINE MFG.
CO., LTD.
(As of March 31, 2019)

During the inspection, we worked with Toyota Industries' staff to identify environmental risks at the plant boundaries. We routinely conduct checks on our own, but seeing things through different eyes helped us to both reduce environmental risks and encourage the nurturing of internal staff. We will continue our activities for the reduction of environmental risks.

Environment Strengthening Period in the Toyota Industries Group

“More Greenery” Activity (Japan)

Every year, Toyota Industries carries out a three-month Environment Strengthening Period from June to August with the aim of increasing environmental awareness of Group employees and their families through various events.
In fiscal 2019, as part of this initiative, we conducted a “More Greenery” activity to increase flora and greenery, including green curtains, at home and in the workplace. The aim is to encourage employees and their families of Toyota Industries and its Group companies to take an interest in trees, flowers and other plants and cultivate their awareness to protect nature in their immediate environment.
We solicited photographs of flowers and greenery planted under this activity and received about 30 applications. Photographs of excellent works were posted on our intranet.



Green curtains of Haratechs Corporation



Shinjiro Nishikawa
(left) and Emiko Naruse (right)
General Administration
Department, Haratechs
Corporation
(As of March 31, 2019)


In fiscal 2019, we grew small melons and a sweet variety of mini tomatoes in our company vegetable garden as we had received requests from employees for some sweet fruits or vegetables. Melons and tomatoes survived heavy rains and the particularly hot summer, and we were able to serve them to everyone. Their smiles were very rewarding.

Environmental Poster Contests (Outside Japan)


Our production subsidiaries outside Japan also carry out a range of activities during the Environment Strengthening Period.
In fiscal 2019, L.T.E. Lift Truck Equipment S.p.A. (LTE), Toyota Industries Engine India Private Limited (TIEI) and Kirloskar Toyota Textile Machinery Pvt. Ltd. (KTTM), and P.T. TD Automotive Compressor Indonesia (TACI), production subsidiaries in Italy, India and Indonesia, respectively, held an environmental poster contest, soliciting entries from employees and their families.
This is an activity already taken hold in Japan as an event to raise environmental awareness. We have introduced the activity at our subsidiaries outside Japan, where it has been adapted corresponding to each company.
We aim to raise environmental awareness within the Toyota Industries Group by constantly extending the scope of our awareness-raising activities.

■ Comments from KTTM and TIEI Award Winners

During the Environment Strengthening Period in June, KTTM and TIEI carried out various activities to raise employees' awareness, including giving saplings to employees, planting trees, handing out eco-bags and holding an environmental essay contest. We participated in an environmental poster contest, another such event, and were pleased to win awards. We hope these activities will continue in the future.
Let's save the environment for future generations!



Jayaprasad G A
Sheet Metal (KTTM)



Ashwin
Engine QC (TIEI)



Award-winning posters from KTTM, TIEI and LTE

Case Presentation at the Aichi Forum for a Low-Carbon Society

At the Aichi Forum for a Low-Carbon Society hosted by the Aichi prefectural government, we gave a presentation on our environmental initiatives. We explained our efforts for achieving zero CO₂ emissions during production at plants and during product use by customers, along with for building a society in harmony with nature. These are two of the goals of our aspirations in 2050, our medium- to long-term environmental vision.

We also participated in a talk session held on stage by the presenters, exchanged views on corporate initiatives for the creation of a low-carbon society and proactively appealed our environmental initiatives to outside parties.



Aichi Forum for a Low-Carbon Society

Greenhouse Gas (GHG) Emissions in the Supply Chain

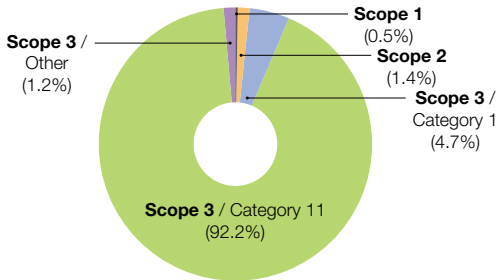
We recognize that measuring the three scopes defined by the GHG Protocol and turning the results into specific efforts to reduce CO₂ emissions are important in creating a low-carbon society. Scopes 1 and 2 are GHG emissions from our business activities, the former being direct emissions from our use 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 from the purchase of raw materials to end use by customers and disposal.

In the fiscal 2019 results, combined Scope 1 and 2 emissions accounted for 1.9% of the total emissions, with Scope 3 emissions reaching 98.1%.

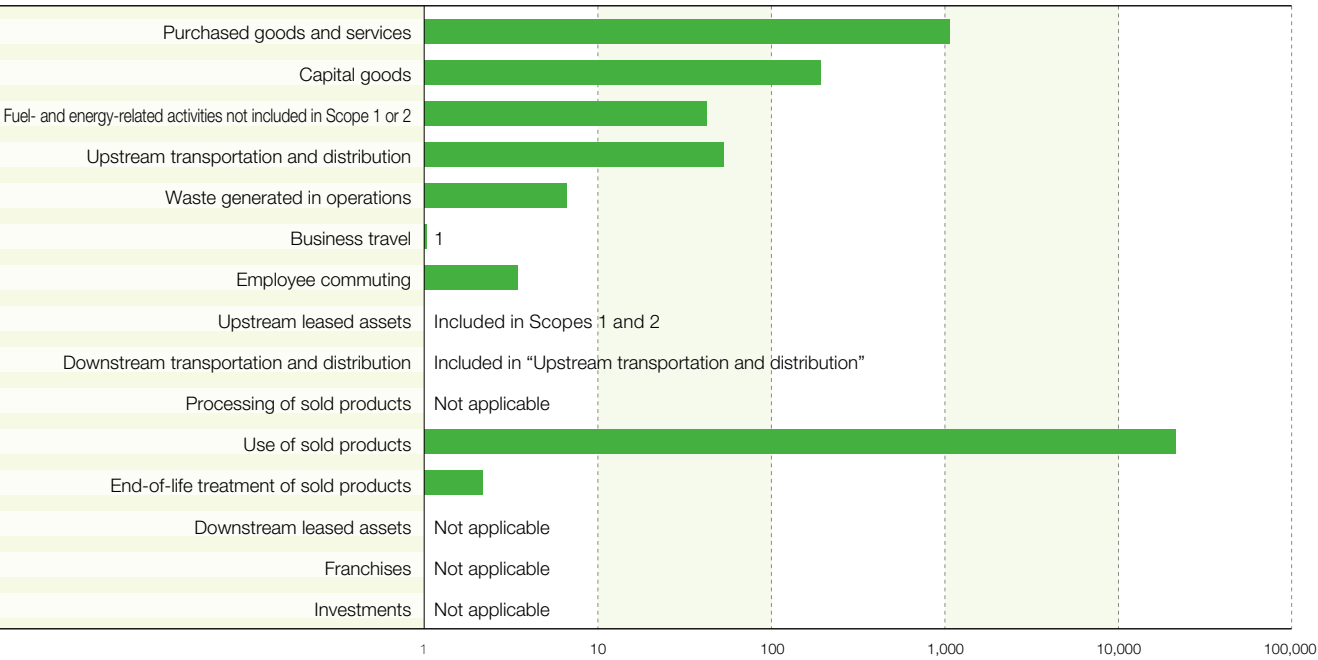
The largest source of emissions, which accounted for 92.2%, was Category 11 (Use of sold products) under Scope 3, followed by Category 1 (Purchased goods and services) also under Scope 3, which accounted for 4.7%. Going forward, we will continue to monitor GHG emissions within the entire supply chain and accordingly promote CO₂ emissions reduction activities.

GHG Emissions in Supply Chain (FY2019)



Emissions from Toyota Industries' business activities	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.
Emissions other than from Toyota Industries' business activities	Scope 3	Emissions associated with purchase of raw materials, end use of Toyota Industries' products by customers and disposal of products

Scope 3 Emissions by Category (FY2019)



Calculated by using the emissions associated with employee business travel as the baseline set at 1

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 2019
CDP climate change	A
CDP water security	A
Nikkei's Environmental Management Survey	13th place

TOPIC

Selected as an A-List Company of the CDP Surveys

Toyota Industries was selected for the first time for the A List, the highest rating, in surveys conducted by CDP on climate change and water security to recognize companies making outstanding efforts for mitigation of climate change and conservation of water resources. The Toyota Industries Group defined its aspirations in 2050 in March 2016, and based on these aspirations, formulated the Sixth Environmental Action Plan, a five-year plan for the period from fiscal 2017 to fiscal 2021. Our proactive activities under the plan have resulted in the high rating. We will continue to tackle climate change and water resource conservation as important tasks and contribute to the realization of a sustainable society through our global environmental conservation activities.



External Environmental Awards

Toyota Industries' environmental activities to date have been highly acclaimed by external organizations. In fiscal 2019, we received one external award.

List of External Environmental Awards

Award program (host organization)	Result	Recipient
Biodiversity Action Award Japan 2018 (Japan Committee for United Nations Decade on Biodiversity (UNDB-J))	Award winner	Animal path at the Higashiura Plant

Note: See page 71 on the animal path.

TOPIC

Won the "Best Group Engagement" Award by EcoVadis*

Toyota Material Handling Europe AB (TMHE), a consolidated subsidiary overseeing the materials handling equipment business in Europe, received the "Best Group Engagement" award from EcoVadis. The award evaluates CSR activities of companies in the environment and other fields and recognizes their excellent performance and transparency.

* An international organization that evaluates the sustainability of supply chain companies

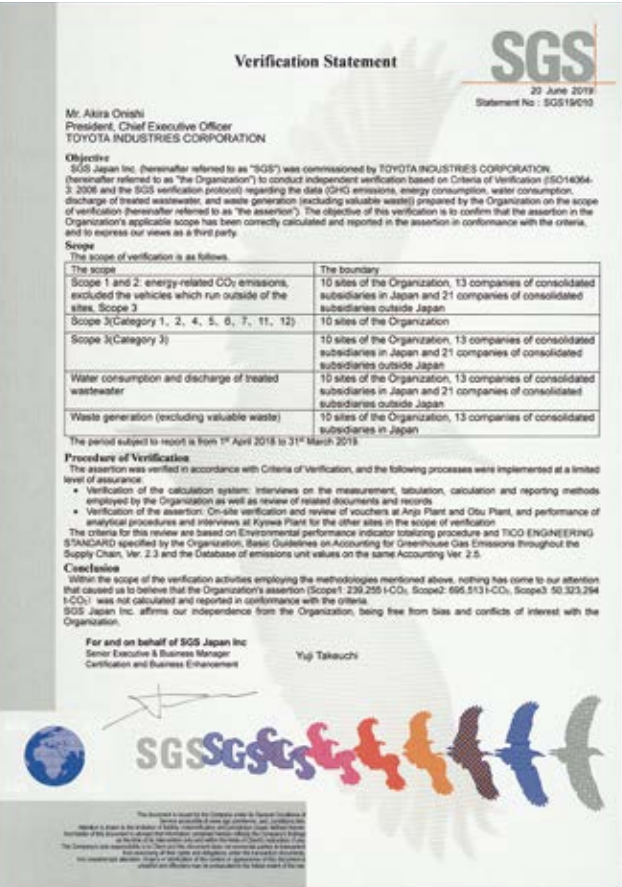


From left to right: Ralph Cox, Senior Vice President of Marketing and Sales; Tom Schalenbourg, Sustainable Development Director; Carina Strömberg, Sustainability Controller; and Ernesto Dominguez, Managing Director of TMH France

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 2019.

Verification by a Third Party



Toyota Industries obtained third party verification of its energy-derived CO2 emissions, waste generation volume, water consumption and wastewater discharge data for fiscal 2019.

On-site verification was performed by the verification organization at two of our production bases in Aichi Prefecture, namely, the Obu Plant and Anjo 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 Obu Plant



Third party verification at the Anjo Plant

The verification statement of the third party organization is available at:
https://www.toyota-shokki.co.jp/csr/environment/process/items/Verification2018_ENG.pdf



Bases Subject to Verification

Category	Names of Bases and Subsidiaries
Non-consolidated	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	Tokaiseiki, Tokyu, Altex, Iwama Loom Works, IZUMI MACHINE MFG., Miduho Industry, Nagao Kogyo, Nishina Industrial, HANDA Casting, Unica, Haratechs, Aichi, Takeuchi Industrial Equipment Manufacturing (Total of 13 bases)
Consolidated subsidiaries outside Japan	NVIC, Raymond-Greene, Raymond-Muscatine, TIEM, MACI, TACG, TICA, IHC, Cascade, TMHM, TIK, TACK, YST, TIEI, KTTM, TACI, TIEV, TDDK, TMHMF, TMHMS, TMHMI (Total of 21 bases)

Total of 44 bases

Financial Section / Corporate Information

Financial Section

Consolidated Statements of Financial Position	P78-79
Consolidated Statements of Profit or Loss	P80
Consolidated Statements of Comprehensive Income	P81
Consolidated Statements of Changes in Equity	P82-83
Consolidated Statements of Cash Flows	P84-85

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

Corporate Information

Directors, Audit & Supervisory Board Members, Senior Executive Officers and Executive Officers	P86-87
Major Bases	P88-89
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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, 2018 and 2019

	Millions of yen	
	2018	2019
Assets		
Current assets		
Cash and cash equivalents	¥ 323,830	¥ 239,140
Time deposits with deposit terms of over three months	111,796	223,219
Trade receivables and other receivables	764,514	845,255
Other financial assets	6,359	3,988
Inventories	223,714	245,182
Income tax receivables	9,359	13,713
Other current assets	54,219	53,282
Total current assets	1,493,793	1,623,784
Non-current assets		
Property, plant and equipment	889,220	938,030
Goodwill and intangible assets	361,797	361,078
Trade receivables and other receivables	337	5,803
Investments accounted for by the equity method	10,352	10,253
Other financial assets	2,441,545	2,258,788
Net defined benefit assets	29,232	28,603
Deferred tax assets	27,017	30,590
Other non-current assets	5,204	4,241
Total non-current assets	3,764,707	3,637,390
Total assets	¥5,258,500	¥5,261,174

	Millions of yen	
	2018	2019
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade payables and other payables	¥ 479,253	¥ 506,547
Corporate bonds and loans	400,803	342,232
Other financial liabilities	71,683	67,030
Accrued income taxes	27,097	15,993
Provisions	7,754	8,807
Other current liabilities	19,284	16,754
Total current liabilities	1,005,876	957,365
Non-current liabilities		
Corporate bonds and loans	767,297	955,183
Other financial liabilities	70,912	57,813
Net defined benefit liabilities	86,655	101,347
Provisions	8,460	7,525
Deferred tax liabilities	665,342	598,083
Other non-current liabilities	20,086	21,918
Total non-current liabilities	1,618,754	1,741,872
Total liabilities	2,624,631	2,699,237
Equity		
Share of equity attributable to owners of the parent		
Capital stock	80,462	80,462
Capital surplus	105,343	103,507
Retained earnings	1,084,139	1,178,773
Treasury stock	(59,284)	(59,297)
Other components of shareholders' equity	1,342,730	1,176,272
Total share of equity attributable to owners of the parent	2,553,391	2,479,718
Non-controlling interests	80,478	82,218
Total equity	2,633,869	2,561,936
Total liabilities and equity	¥5,258,500	¥5,261,174

Consolidated Statements of Profit or Loss

Toyota Industries Corporation
For the years ended March 31, 2018 and 2019

	Millions of yen	
	2018	2019
Net sales	¥ 2,003,973	¥ 2,214,946
Cost of sales	(1,534,207)	(1,702,599)
Gross profit	469,765	512,346
Selling, general and administrative expenses	(334,347)	(376,866)
Other profit	21,915	11,389
Other expenses	(9,887)	(12,184)
Operating profit	147,445	134,684
Financial income	70,279	76,603
Financial expenses	(10,046)	(10,226)
Share of profit (loss) of investments accounted for by the equity method	2,149	1,163
Profit before income taxes	209,827	202,225
Income taxes	(36,010)	(42,447)
Profit	173,816	159,778
Profit attributable to:		
Owners of the parent	168,180	152,748
Non-controlling interests	5,635	7,029
Earnings per share		
Earnings per share—basic (yen)	¥ 541.67	¥ 491.97
Earnings per share—diluted (yen)	—	—

Note: Operating profit in fiscal 2018 includes a one-time effect of ¥14.3 billion arising from changes in retirement benefit plans.

Consolidated Statements of Comprehensive Income

Toyota Industries Corporation
For the years ended March 31, 2018 and 2019

	Millions of yen	
	2018	2019
Profit	¥173,816	¥ 159,778
Other comprehensive income:		
Items not to be reclassified into profit or loss		
Profit (loss) from FVTOCI financial assets	184,278	(159,407)
Remeasurements of defined benefit plans	3,629	(9,440)
Other comprehensive income of affiliates accounted for by the equity method	(4)	(6)
Total items not to be reclassified into profit or loss	187,903	(168,854)
Items that can be reclassified into profit or loss		
Foreign currency translation adjustment	(1,564)	(6,921)
Cash flow hedges	1,419	(621)
Other comprehensive income of affiliates accounted for by the equity method	24	(171)
Total items that can be reclassified into profit or loss	(120)	(7,713)
Total other comprehensive income after income taxes	187,782	(176,568)
Comprehensive income	361,599	(16,789)
Total comprehensive income attributable to:		
Owners of the parent	355,101	(23,702)
Non-controlling interests	6,497	6,912

Consolidated Statements of Changes in Equity

Toyota Industries Corporation
For the years ended March 31, 2018 and 2019

	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, 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	—
Effect of changes in accounting policies	—	—	3	—	—	—
Restated balance at April 1, 2018	80,462	105,343	1,084,143	(59,284)	1,393,702	—
Profit	—	—	152,748	—	—	—
Other comprehensive income	—	—	—	—	(159,630)	(9,693)
Total comprehensive income	—	—	152,748	—	(159,630)	(9,693)
Repurchase of treasury stock	—	—	—	(12)	—	—
Disposal of treasury stock	—	0	—	0	—	—
Dividends	—	—	(48,125)	—	—	—
Changes in ownership interest of subsidiaries	—	(1,835)	—	—	—	—
Changes in non-controlling interests as a result of changes in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	(9,992)	—	298	9,693
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	(1,835)	(58,117)	(12)	298	9,693
Balance at March 31, 2019	¥80,462	¥103,507	¥1,178,773	¥(59,297)	¥1,234,370	¥ —

	Millions of yen						
	Share of equity attributable to owners of the parent					Non-controlling interests	Total equity
	Other components of shareholders' equity				Total		
	Foreign currency translation adjustment	Cash flow hedges	Subscription rights to shares	Total			
Balance at April 1, 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 changes 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
Effect of changes in accounting policies	—	—	—	—	3	—	3
Restated balance at April 1, 2018	(52,397)	1,426	—	1,342,730	2,553,394	80,478	2,633,873
Profit	—	—	—	—	152,748	7,029	159,778
Other comprehensive income	(6,505)	(621)	—	(176,451)	(176,451)	(116)	(176,568)
Total comprehensive income	(6,505)	(621)	—	(176,451)	(23,702)	6,912	(16,789)
Repurchase of treasury stock	—	—	—	—	(12)	—	(12)
Disposal of treasury stock	—	—	—	—	0	—	0
Dividends	—	—	—	—	(48,125)	(2,353)	(50,478)
Changes in ownership interest of subsidiaries	—	—	—	—	(1,835)	(2,969)	(4,805)
Changes in non-controlling interests as a result of changes in scope of consolidation	—	—	—	—	—	100	100
Reclassified into retained earnings	—	—	—	9,992	—	—	—
Other increases (decreases)	—	—	—	—	—	49	49
Total transactions with owners	—	—	—	9,992	(49,973)	(5,172)	(55,146)
Balance at March 31, 2019	¥(58,903)	¥ 804	¥—	¥1,176,272	¥2,479,718	¥82,218	¥2,561,936

Consolidated Statements of Cash Flows

Toyota Industries Corporation
For the years ended March 31, 2018 and 2019

	Millions of yen	
	2018	2019
Cash flows from operating activities:		
Profit before income taxes	¥ 209,827	¥ 202,225
Depreciation and amortization	162,481	185,952
Impairment losses	2,849	2,815
Interest and dividends income	(67,115)	(72,301)
Interest expenses	7,862	8,122
Share of (profit) loss of investments accounted for by the equity method	(2,149)	(1,163)
(Increase) decrease in inventories	(23,875)	(22,024)
(Increase) decrease in trade receivables and other receivables	(37,417)	(86,533)
Increase (decrease) in trade payables and other payables	(452)	42,548
Others	(22,145)	2,698
Subtotal	229,863	262,340
Interest and dividends income received	67,401	71,997
Interest expenses paid	(7,766)	(8,461)
Income taxes paid	(20,929)	(55,570)
Net cash provided by operating activities	268,567	270,306
Cash flows from investing activities:		
Payments from purchase of property, plant and equipment	(200,115)	(225,621)
Proceeds from sales of property, plant and equipment	12,474	14,288
Payments for purchases of investment securities	(18,022)	(44,123)
Proceeds from sales of investment securities	136	757
Payments for acquisition of subsidiaries' stock resulting in change in scope of consolidation	(172,511)	(7,502)
Payments for loans made	(648)	(2,053)
Proceeds from collection of loans	950	1,353
Payments for bank deposits	(241,296)	(447,937)
Proceeds from withdrawals of bank deposits	292,010	336,327
Payments for transfer of business	(248)	—
Others	(13,052)	(20,488)
Net cash used in investing activities	(340,324)	(395,000)

	Millions of yen	
	2018	2019
Cash flows from financing activities:		
Payments for acquisition of subsidiaries' stock not resulting in change in scope of consolidation	(1,159)	(4,812)
Proceeds from sales of subsidiaries' stock not resulting in change in scope of consolidation	70	140
Net increase (decrease) in short-term loans (within three months)	(32,031)	(9,442)
Proceeds from short-term loans payable (over three months)	26,729	36,757
Repayments of short-term loans payable (over three months)	(26,607)	(29,634)
Proceeds from long-term loans payable	108,882	228,884
Repayments of long-term loans payable	(162,706)	(223,417)
Proceeds from issuance of corporate bonds	294,596	159,106
Repayments of corporate bonds	(10,000)	(75,949)
Payments for repurchase of treasury stock	(12)	(12)
Cash dividends paid	(41,915)	(48,125)
Cash dividends paid to non-controlling interests	(2,390)	(2,353)
Proceeds from payments by non-controlling interests	422	—
Others	(572)	9,330
Net cash provided by (used in) financing activities	153,303	40,467
Translation adjustments of cash and cash equivalents	(1,400)	(464)
Net increase (decrease) in cash and cash equivalents	80,145	(84,690)
Cash and cash equivalents at beginning of period	243,685	323,830
Cash and cash equivalents at end of period	¥ 323,830	¥ 239,140

Directors, Audit & Supervisory Board Members, Senior Executive Officers and Executive Officers

(As of June 30, 2019)

Directors

<div>Chairman</div> <div>Tetsuro Toyoda</div> <div></div>	<div>Apr. 1970</div> <div>Joined Toyota Motor Sales Co., Ltd.</div> <div>Feb. 1991</div> <div>Vice President of Toyota Motor Sales, U.S.A., Inc.</div> <div>Jun. 1991</div> <div>Director of Toyota Industries Corporation</div> <div>Jun. 1997</div> <div>Managing Director</div> <div>Jun. 1999</div> <div>Senior Managing Director</div> <div>Jun. 2002</div> <div>Executive Vice President</div> <div>Jun. 2005</div> <div>President</div> <div>Jun. 2013</div> <div>Chairman (current)</div> <div>Jun. 2016</div> <div>Chairman of the Central Japan Economic Federation (current)</div>
<div>President</div> <div>Akira Onishi</div> <div></div>	<div>Apr. 1981</div> <div>Joined Toyota Industries Corporation</div> <div>Jun. 2005</div> <div>Director</div> <div>Jun. 2006</div> <div>Managing Officer</div> <div>Jun. 2008</div> <div>Senior Managing Officer</div> <div>Jun. 2010</div> <div>Senior Managing Director</div> <div>Jun. 2013</div> <div>President (current)</div>
<div>Executive Vice President</div> <div>Kazue Sasaki</div> <div></div>	<div>Apr. 1977</div> <div>Joined Toyota Industries Corporation</div> <div>Jun. 2003</div> <div>Director</div> <div>Jun. 2006</div> <div>Managing Officer</div> <div>Jun. 2008</div> <div>Senior Managing Officer</div> <div>Jun. 2010</div> <div>Director</div> <div>Jun. 2011</div> <div>Senior Managing Director</div> <div>Jun. 2013</div> <div>Executive Vice President (current)</div>
<div>Executive Vice President</div> <div>Takuo Sasaki</div> <div></div>	<div>Apr. 1980</div> <div>Joined Toyota Motor Co., Ltd.</div> <div>Jun. 2009</div> <div>Managing Officer of Toyota Motor Corporation (TMC)</div> <div>Jun. 2011</div> <div>President of Toyota Financial Services Corporation</div> <div>Jun. 2011</div> <div>Advisor of TMC</div> <div>Apr. 2013</div> <div>Managing Officer of TMC</div> <div>Apr. 2015</div> <div>Advisor of Toyota Industries Corporation</div> <div>Jun. 2015</div> <div>Senior Managing Director</div> <div>Jun. 2016</div> <div>Director and Senior Managing Officer</div> <div>Jun. 2018</div> <div>Executive Vice President (current)</div>
<div>Director</div> <div>Taku Yamamoto</div> <div></div>	<div>Apr. 1979</div> <div>Joined Toyota Industries Corporation</div> <div>Jun. 2007</div> <div>Managing Officer</div> <div>Jun. 2012</div> <div>Senior Managing Officer</div> <div>Jun. 2014</div> <div>Director</div> <div>Jun. 2016</div> <div>Director and Senior Managing Officer</div> <div>Jun. 2019</div> <div>Director and Senior Executive Officer (current)</div>
<div>Director</div> <div>Yojiro Mizuno</div> <div></div>	<div>Apr. 1983</div> <div>Joined Toyota Industries Corporation</div> <div>Jun. 2010</div> <div>Managing Officer</div> <div>Jun. 2016</div> <div>Senior Managing Officer</div> <div>Jun. 2018</div> <div>Director and Senior Managing Officer</div> <div>Jun. 2019</div> <div>Director and Senior Executive Officer (current)</div>
<div>Director</div> <div>Yuji Ishizaki</div> <div></div>	<div>Apr. 1980</div> <div>Joined Toyota Industries Corporation</div> <div>Jun. 2012</div> <div>Managing Officer</div> <div>Jun. 2016</div> <div>Senior Managing Officer</div> <div>Jun. 2018</div> <div>Director and Senior Managing Officer</div> <div>Jun. 2019</div> <div>Director and Senior Executive Officer (current)</div>
<div>Outside Director (Independent)</div> <div>Shuzo Sumi</div> <div></div>	<div>Apr. 1970</div> <div>Joined The Tokio Marine & Fire Insurance Co., Ltd. (Tokio Marine)</div> <div>Jun. 2000</div> <div>Director and Chief Representative in London of Tokio Marine</div> <div>Jun. 2002</div> <div>Managing Director of Tokio Marine</div> <div>Oct. 2004</div> <div>Managing Director of Tokio Marine & Nichido Fire Insurance Co., Ltd. (Tokio Marine & Nichido)</div> <div>Jun. 2005</div> <div>Senior Managing Director of Tokio Marine & Nichido</div> <div>Jun. 2007</div> <div>President and Chief Executive Officer of Tokio Marine & Nichido</div> <div>Jun. 2007</div> <div>President and Chief Executive Officer of Tokio Marine Holdings, Inc. (Tokio Marine Holdings)</div> <div>Jun. 2013</div> <div>Chairman of the Board of Tokio Marine & Nichido</div> <div>Jun. 2013</div> <div>Chairman of the Board of Tokio Marine Holdings</div> <div>Jun. 2014</div> <div>Director of Toyota Industries Corporation (current)</div> <div>Apr. 2016</div> <div>Counselor of Tokio Marine & Nichido (current)</div> <div>Jun. 2019</div> <div>Retired from Chairman of the Board of Tokio Marine Holdings</div>
<div>Outside Director (Independent)</div> <div>Kenichiro Yamanishi</div> <div></div>	<div>Apr. 1975</div> <div>Joined Mitsubishi Electric Corporation (Mitsubishi Electric)</div> <div>Apr. 2006</div> <div>Executive Officer of Mitsubishi Electric</div> <div>Apr. 2008</div> <div>Senior Executive Officer of Mitsubishi Electric</div> <div>Apr. 2010</div> <div>Representative Executive Officer and President & CEO of Mitsubishi Electric</div> <div>Jun. 2010</div> <div>Director, Representative Executive Officer and President & CEO of Mitsubishi Electric</div> <div>Apr. 2014</div> <div>Chairman of Mitsubishi Electric</div> <div>Jun. 2015</div> <div>Director of Toyota Industries Corporation (current)</div> <div>Apr. 2018</div> <div>Director and Executive Corporate Adviser of Mitsubishi Electric</div> <div>Jun. 2018</div> <div>Executive Corporate Adviser of Mitsubishi Electric (current)</div>
<div>Outside Director</div> <div>Mitsuhiro Kato</div> <div></div>	<div>Apr. 1975</div> <div>Joined Toyota Motor Co., Ltd.</div> <div>Jun. 2004</div> <div>Managing Officer of Toyota Motor Corporation (TMC)</div> <div>Jun. 2006</div> <div>President of Toyota Technocraft Co., Ltd.</div> <div>Jun. 2006</div> <div>Advisor of TMC</div> <div>Jun. 2007</div> <div>Retired from Advisor of TMC</div> <div>Jun. 2010</div> <div>Retired from President of Toyota Technocraft</div> <div>Jun. 2010</div> <div>Senior Managing Director of TMC</div> <div>Jun. 2011</div> <div>Senior Managing Officer of TMC</div> <div>Jun. 2012</div> <div>Executive Vice President of TMC</div> <div>Jun. 2015</div> <div>Director of Toyota Industries Corporation (current)</div> <div>Apr. 2016</div> <div>Chairman of Toyota Central R&D Labs., Inc. (current)</div> <div>Apr. 2017</div> <div>Director of TMC</div> <div>Jun. 2017</div> <div>Senior Advisor of TMC</div> <div>Jun. 2018</div> <div>Retired from Senior Advisor of TMC</div>

Audit & Supervisory Board Members

<div>Full-Time Audit & Supervisory Board Member</div> <div>Shinya Furukawa</div> <div></div>	<div>Apr. 1977</div> <div>Joined Toyota Motor Sales Co., Ltd.</div> <div>Jun. 2005</div> <div>Director of Toyota Industries Corporation</div> <div>Jun. 2006</div> <div>Managing Officer</div> <div>Jun. 2008</div> <div>Senior Managing Officer</div> <div>Jun. 2010</div> <div>Senior Managing Director</div> <div>Jun. 2015</div> <div>Executive Vice President</div> <div>Jun. 2018</div> <div>Audit & Supervisory Board Member (current)</div>
<div>Full-Time Audit & Supervisory Board Member</div> <div>Toshifumi Ogawa</div> <div></div>	<div>Apr. 1976</div> <div>Joined Toyota Industries Corporation</div> <div>Jun. 2006</div> <div>Managing Officer</div> <div>Jun. 2010</div> <div>Senior Managing Officer</div> <div>Jun. 2012</div> <div>Director</div> <div>Jun. 2013</div> <div>Senior Managing Director</div> <div>Jun. 2016</div> <div>Audit & Supervisory Board Member (current)</div>
<div>Outside Audit & Supervisory Board Member (Independent)</div> <div>Akihisa Mizuno</div> <div></div>	<div>Apr. 1978</div> <div>Joined Chubu Electric Power Co., Inc. (Chubu Electric Power)</div> <div>Jun. 2008</div> <div>Director, Senior Managing Executive Officer and General Manager of Corporate Planning & Strategy Div. of Chubu Electric Power</div> <div>Jun. 2009</div> <div>Representative Director and Executive Vice President of Chubu Electric Power</div> <div>Jun. 2010</div> <div>General Manager of Corporate Planning & Strategy Div. and General Manager of Affiliated Business Planning & Development Dept.</div> <div>Jun. 2010</div> <div>President & Director of Chubu Electric Power</div> <div>Jun. 2015</div> <div>Chairman of the Board of Directors of Chubu Electric Power (current)</div> <div>Jun. 2016</div> <div>Audit & Supervisory Board Member of Toyota Industries Corporation (current)</div>
<div>Outside Audit & Supervisory Board Member (Independent)</div> <div>Masanao Tomozoe</div> <div></div>	<div>Apr. 1977</div> <div>Joined Toyota Motor Sales Co., Ltd.</div> <div>Jun. 2005</div> <div>Managing Officer of Toyota Motor Corporation (TMC)</div> <div>Apr. 2011</div> <div>Senior Managing Officer of TMC</div> <div>Apr. 2011</div> <div>Senior Vice President of Toyota Motor North America, Inc.</div> <div>Jun. 2012</div> <div>President and Representative Director of Toyota Motor Sales & Marketing Corporation</div> <div>May 2015</div> <div>Advisor of Central Japan International Airport Company, Limited</div> <div>Jun. 2015</div> <div>President and CEO of Central Japan International Airport</div> <div>Jun. 2019</div> <div>Audit & Supervisory Board Member of Toyota Industries Corporation (current)</div> <div>Jun. 2019</div> <div>Advisor of Central Japan International Airport (current)</div>

Senior Executive Officers

<div>Toshifumi Onishi</div> <div>Yuji Ishizaki*</div> <div>* Concurrently serving as directors</div>	<div>Taku Yamamoto*</div> <div>Masahiro Kawaguchi</div>	<div>Keiichi Fukunaga</div> <div>Koichi Ito</div>	<div>Yojiro Mizuno*</div>
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Executive Officers

<div>Mikihiko Okamoto</div> <div>Hiroaki Kayukawa</div> <div>Norio Wakabayashi</div> <div>Hiroaki Matsuda</div> <div>Hisanori Miyajima</div> <div>Hiroya Akatsuka</div>	<div>Keizo Hara</div> <div>Toru Inagawa</div> <div>Kazunari Masuoka</div> <div>Hisashi Ichijo</div> <div>Kenichi Onishi</div> <div>Yoichiro Yamazaki</div>	<div>Toshihiko Shimizu</div> <div>Hiroshi Matsumoto</div> <div>Masanori Shirahama</div> <div>Nobutomo Yasui</div> <div>Hiroshi Fukagawa</div> <div>Keitaro Hara</div>	<div>Yasushi Kawai</div> <div>Kota Otoshi</div> <div>Kazunari Kumakura</div> <div>Shunji Sugimoto</div> <div>Norio Otake</div> <div>Shinya Mizutani</div>
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Major Bases

(Production, Regional Headquarters, etc.) (As of July 1, 2019)

Europe



President
Matthias Fischer

21 Toyota Material Handling Europe AB

Mjölby, Sweden

Business activities: European headquarters for materials handling equipment production and sales
Establishment: 1946



Managing Director
Kristian Björkman

22 Toyota Material Handling Manufacturing Sweden AB

Mjölby, Sweden

Business activities: Production of materials handling equipment
Establishment: 1946



Managing Director
Giorgio Polonio

23 Toyota Material Handling Manufacturing Italy S.p.A.

Bologna, Italy

Business activities: Production of materials handling equipment
Establishment: 1942



Managing Director
Philippe Mahé

24 Toyota Material Handling Manufacturing France SAS

Ancenis, France

Business activities: Production of materials handling equipment
Establishment: 1995



President & CEO
Remo Brunswiler

25 Vanderlande Industries B.V.

Veghel, The Netherlands

Business activities: Provision of logistics solutions
Establishment: 1949



President
Kazushige Murao

26 TD Deutsche Klimakompressor GmbH

Bernsdorf, Germany

Business activities: Production of compressors
Establishment: 1998



CEO
Thomas Nasiou

27 Uster Technologies AG

Uster, Switzerland

Business activities: Production, sales and after-sales services of quality measurement instruments for fiber, yarn and fabric
Establishment: 1875

Japan

1 Kariya Plant

Kariya-shi, Aichi

Main products: Textile machinery, compressors
Start of operations: 1927

2 Obu Plant

Obu-shi, Aichi

Main products: Compressor parts
Start of operations: 1944

3 Kyowa Plant

Obu-shi, Aichi

Main products: Electronic equipment, automotive press dies, production facilities, engine parts
Start of operations: 1953



4 Nagakusa Plant

Obu-shi, Aichi

Main products: Vehicles
Start of operations: 1967

5 Takahama Plant

Takahama-shi, Aichi

Main products: Materials handling equipment, materials handling systems
Start of operations: 1970

6 Hekinan Plant

Hekinan-shi, Aichi

Main products: Diesel engines, gasoline engines
Start of operations: 1982

7 Higashichita Plant

Handa-shi, Aichi

Main products: Foundry parts, diesel engines
Start of operations: 2000

The Americas



President & CEO
Brett Wood

11 Toyota Material Handling North America, Inc.

Columbus, Indiana, U.S.A.

Business activities: U.S. headquarters for materials handling equipment production and sales
Establishment: 2010



Senior Vice President
Tony Miller

12 Toyota Industrial Equipment Mfg., Inc.

Columbus, Indiana, U.S.A.

Business activities: Production of materials handling equipment
Establishment: 1988



President
Jeff Rufener

13 Toyota Material Handling USA, Inc.

Columbus, Indiana, U.S.A.

Business activities: Sales of materials handling equipment
Establishment: 2001



CEO
Mike Field

14 The Raymond Corporation

Greene, New York, U.S.A.

Business activities: Production, sales and after-sales services of materials handling equipment
Establishment: 1922



President
Hiroshi Kuriyama

20 Toyota Material Handling Mercosur Indústria e Comércio de Equipamentos Ltda

São Paulo, Brazil

Business activities: Production, sales and after-sales services of materials handling equipment
Establishment: 2004



President
Osamu Miura

10 Aichi Corporation

Ageo-shi, Saitama

Business activities: Production, sales and after-sales services of aerial work platforms
Establishment: 1962



President & CEO
Mike Romano

15 Toyota Advanced Logistics North America, Inc.

Indianapolis, Indiana, U.S.A.

Business activities: U.S. headquarters for logistics solutions
Establishment: 2017



CEO
Mike Romano

16 Bastian Solutions, LLC

Indianapolis, Indiana, U.S.A.

Business activities: Integration of logistic systems
Establishment: 1952



CEO
Dave Crandall

17 Toyota Industries Commercial Finance, Inc.

Dallas, Texas, U.S.A.

Business activities: Sales financing for materials handling equipment
Establishment: 2014



President
Hisashi Kusaba

18 Michigan Automotive Compressor, Inc.

Parma, Michigan, U.S.A.

Business activities: Production of compressors
Establishment: 1989



President
Hiroto Ikeno

19 TD Automotive Compressor Georgia, LLC

Pendergrass, Georgia, U.S.A.

Business activities: Production of compressors
Establishment: 2004

Asia



Managing Director
Yoshimitsu Hayashi

28 Toyota Industries Engine India Private Limited

Bangalore, India

Business activities: Production of diesel engines
Establishment: 2015



Managing Director
Toshihiko Shimizu

29 Kirloskar Toyota Textile Machinery Pvt. Ltd.

Bangalore, India

Business activities: Production, sales and after-sales services of textile machinery
Establishment: 1995



President
Keizo Hara

30 Toyota Industry (Kunshan) Co., Ltd.

Kunshan, Jiangsu, China

Business activities: Production of materials handling equipment and automotive parts, etc.
Establishment: 1994



President
Akira Fujii

31 TD Automotive Compressor Kunshan Co., Ltd.

Kunshan, Jiangsu, China

Business activities: Production of compressors
Establishment: 2005



President
Yasushi Watanabe

32 Yantai Shougang TD Automotive Compressor Co., Ltd.

Yantai, Shandong, China

Business activities: Production of compressors
Establishment: 2012



President
Masaya Nakamura

33 P.T. TD Automotive Compressor Indonesia

Bekasi, Indonesia

Business activities: Production of compressors
Establishment: 2011



CEO
Eric Lin

34 Tailift Material Handling Taiwan Co., Ltd.

Taichung, Taiwan

Business activities: Production, sales and after-sales services of materials handling equipment
Establishment: 2014



President
Amy Lin

35 Global Power Co. Ltd. (Tailift)

Qingdao, Shandong, China

Business activities: Production, sales and after-sales services of materials handling equipment
Establishment: 2000

Investor Information

(As of March 31, 2019)

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

Stock Exchange Listings

Tokyo and Nagoya (Ticker Code: 6201)

Number of Shareholders

16,082

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

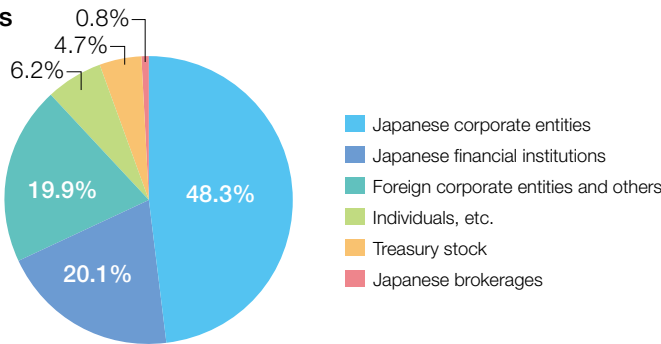
Major Shareholders

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)	12,943	4.17
Japan Trustee Services Bank, Ltd. (Trust Account)	12,229	3.94
Nippon Life Insurance Company	6,580	2.12
Aisin Seiki Co., Ltd.	6,578	2.12
Aioi Nissay Dowa Insurance Co., Ltd.	4,903	1.58
NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	4,747	1.53
Total	185,816	59.85

Notes: 1. Toyota Industries Corporation also holds 15,355 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)	12,943 (Thousands)
Japan Trustee Services Bank, Ltd. (Trust Account)	12,229 (Thousands)
NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	4,747 (Thousands)

Distribution of Shares





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

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



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