

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)