

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 2020 (ended March 31, 2020), the global economy was solid overall despite such uncertainties as the deceleration of the Chinese economy arising from U.S.-China trade frictions as well as geopolitical risks. However, during the few months leading to the fiscal year-end, it went on a dramatic downward spiral due to the spread of COVID-19. Meanwhile, the Japanese economy deteriorated during the second half of fiscal 2020. In addition to the factors mentioned above, the primary reasons for the downturn included anemic consumer spending that accompanied the consumption tax hike and natural disasters.

Net sales decreased in fiscal 2020 mainly as a result of declines in sales of materials handling equipment and car air-conditioning compressors as well as the negative impact of exchange rate fluctuations. These factors offset sales increases for the new RAV4 and TNGA gasoline engines. In terms of overall profit, despite sales efforts and cost reduction activities throughout the Toyota Industries Group, we recorded a decrease in profits due mainly to the impacts of the COVID-19 pandemic, Typhoon Hagibis and exchange rate fluctuations.

Although both net sales and profits fell slightly short of initial plans, Toyota Industries increased the year-end cash dividend by ¥5.0 over the previous fiscal year to ¥80.0 as planned. Including the interim cash dividend, we paid annual cash dividends per share of ¥160.0. Given the impact of the COVID-19 pandemic and in consideration of the needs of our shareholders, we made an exception this year and decided to pay the year-end cash dividend early. This was based on a resolution by the Board of Directors instead of basing our decision on the resolution of the General Shareholders' Meetings as we usually do.

With regard to the future economic outlook, uncertainties continue to abound including concerns over the prolonged spread of COVID-19, U.S.-China trade frictions and geopolitical risks. As such, the environment surrounding Toyota Industries' main businesses, namely Automobile and Materials Handling Equipment, preclude optimism.

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

To quickly respond to drastic changes in the business environment, we will strengthen risk management and carry out thorough cost improvement activities to transform ourselves into a more muscular and resilient management platform. In addition, we will strive to improve productivity in back-office operations through work style reforms and reduced fixed costs.

Our businesses will become more competitive and 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 are empowered to quickly take initiative.

In other areas, Toyota Industries will create a workplace environment that places a 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 earn 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.

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

July 2020

Tetsuro Toyoda
Chairman

Akira Onishi
President