

Realizing Toyota Industries' Vision based on Our Basic Philosophy

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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.

Toyota Precepts

Basic Philosophy

Meeting Social Demands based on Vision 2030

CSR Materiality

Toyota Precepts (Corporate Creed)

- 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.



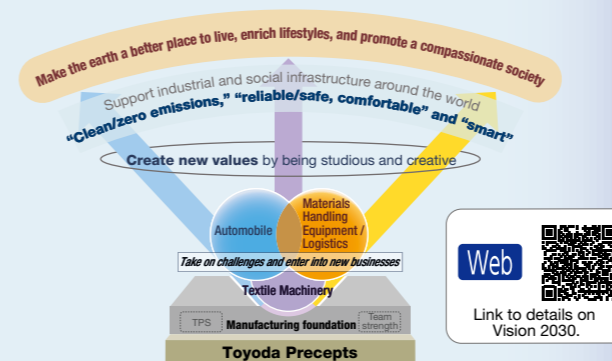
We encapsulated the spirit of founder Sakichi Toyoda in the Toyota Precepts, which serve as Toyota Industries' corporate creed and upon which our Basic Philosophy is based.

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.

Vision 2030

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.



Social Demands

SDGs



Global social issues adopted at the United Nations summit in 2015

Identifying Our Materiality in Connection with SDGs
























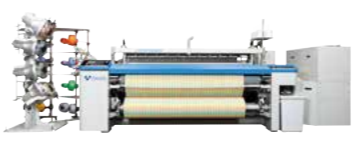
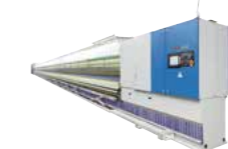

As stated in Vision 2030, toward the realization of a sustainable society, contribute to "make the earth a better place to live, enrich lifestyles, and promote a compassionate society"

	CSR Materiality	SDGs to Contribute
Resolving Social Issues through Our Business	<ul style="list-style-type: none"> Mitigation of Global Warming Contribution to Circular Economy 	
	<ul style="list-style-type: none"> Creation of Innovative Values 	
	<ul style="list-style-type: none"> Products and Services Which Contribute to Safety, Security and Comfort Mutual Prosperity through Partnerships with Local Communities 	
Foundation Supporting Our Business Operations	<ul style="list-style-type: none"> Safe and Healthy Work Environments Leveraging Diversity and Inclusion Sustainable Procurement Compliance and Risk Management 	

Resolving social issues through corporate activities

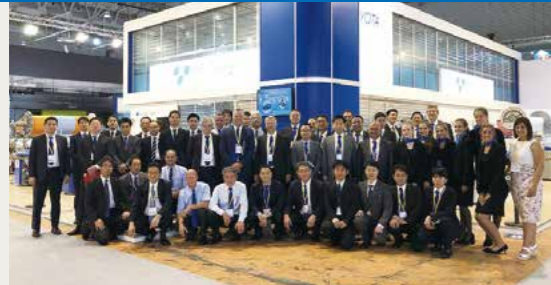
Toyota Industries' 3 Businesses and Their Characteristics

Using our resources and strengths as the foundation, we strive for growth in the Materials Handling Equipment, Automobile and Textile Machinery businesses. At the same time, we aim to enhance our competitiveness by leveraging synergies among these businesses.

Segment	Business	Business activities	Roles of each business	Main products and systems	Performance
Materials Handling Equipment	Lift Truck	Toyota Industries plans, develops, produces, sells and provides after-sales services for industrial vehicles centered around a full lineup of lift trucks (0.5- to 43-ton capacities). Lift trucks, which capture the top global market share*, 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, after-sales services and proposals for logistics efficiencies.	Development → Production → Sales (for users) → After-sales services	  Electric lift truck  Reach-type electric lift truck  Internal-combustion lift truck  Automated lift truck  Aerial work platform	Materials Handling Equipment Net Sales (¥ Billion) 1,500 1,200 900 600 300 0 18 19 20 Operating Profit (¥ Billion) 120 100 80 60 40 20 0 18 19 20 Percentage of Net Sales 66.2%
	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 logistics equipment and systems.	Development → Production → Sales (for users) → After-sales services	 Automated storage and retrieval system  Simple AGV (automatic guided vehicle)  Sorter  High-speed storage and picking system  Airport baggage handling system	
Automobile	Vehicle	With its strengths as a leader in safety, the environment, quality, cost and delivery among Toyota Group companies, the Vehicle Business plans, develops and produces the RAV4 for markets in and outside Japan.	Development → Production → Sales (for Toyota Motor) → After-sales services	 RAV4	Automobile Net Sales (¥ Billion) 600 400 200 0 18 19 20 Operating Profit (¥ Billion) 30 20 10 0 18 19 20 Percentage of Net Sales 28.3%
	Engine	In addition to automotive diesel engines produced under a structure ranging from planning and development to production, we also produce gasoline engines and industrial engines.	Development → Production → Sales (for Toyota Motor) → After-sales services	 Diesel engine  Gasoline engine  Turbocharger	
	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*.	Development → Production → Sales (for automakers around the world) → After-sales services	 Electric compressor  Variable-displacement type compressor  Fixed-displacement type compressor  Oxygen-supplying air compressor for fuel cell vehicles  Hydrogen circulation pump for fuel cell vehicles	
	Car Electronics	The Car Electronics Business plans, develops and produces electronics products primarily for electrified vehicles such as hybrid vehicles.	Development → Production → Sales (for automakers around the world) → After-sales services	 DC-DC converter  4WD rear inverter  On-board charger	
Textile Machinery	Textile Machinery	We undertake fully integrated operations from planning, 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*.	Development → Production → Sales (for users) → After-sales services	 Air-jet loom  Ring spinning frame  Quality measurement instrument for fiber, yarn and fabric	Textile Machinery Net Sales (¥ Billion) 80 60 40 20 0 18 19 20 Operating Profit (¥ Billion) 8 6 4 2 0 18 19 20 Percentage of Net Sales 2.8%

* Survey by Toyota Industries Corporation

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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 2020 (April 1, 2019 to March 31, 2020), 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* (2018 Version)
- International Integrated Reporting Framework by International Integrated Reporting Council (IIRC)

Toyota Industries Report 2020 PDF

This PDF file is linked to related [Websites](#).

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* Requires Internet connection.

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, 2020 is referred to as fiscal 2020 and other fiscal years are referred to in a corresponding manner.

Message from the Chairman and President Inside cover-1

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Consolidated Financial and Non-Financial Highlights

(FY2020)

Financial Information

Net Sales
¥ **2,171.3** billion

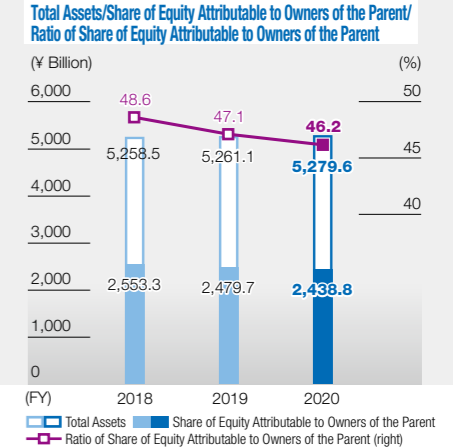
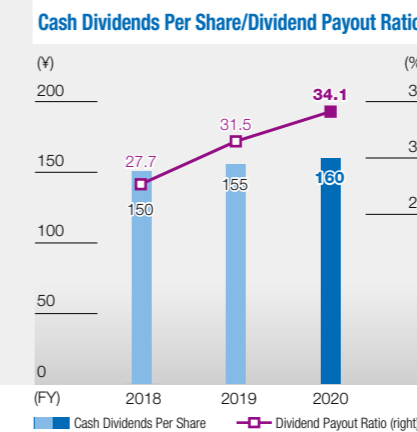
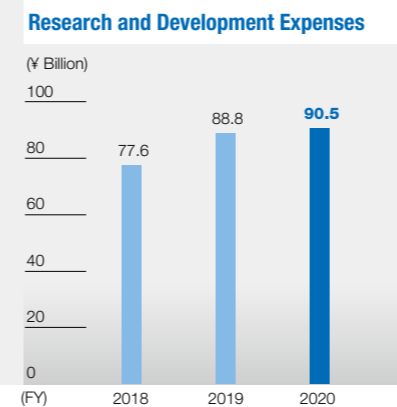
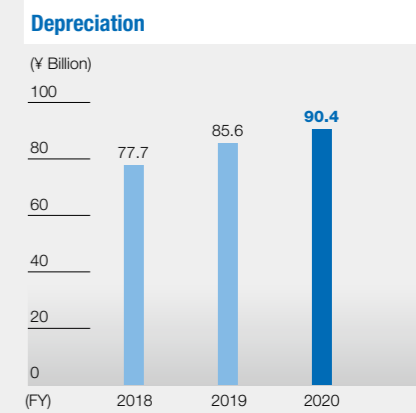
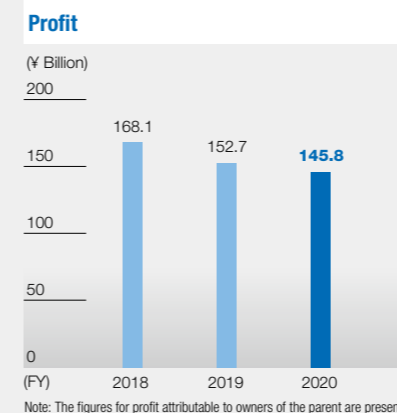
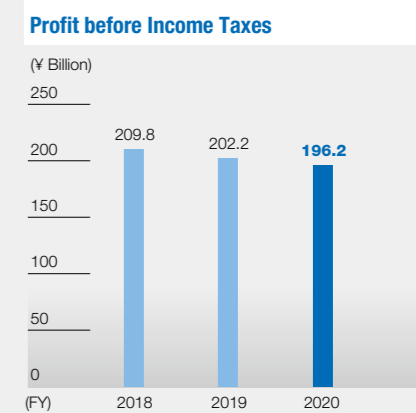
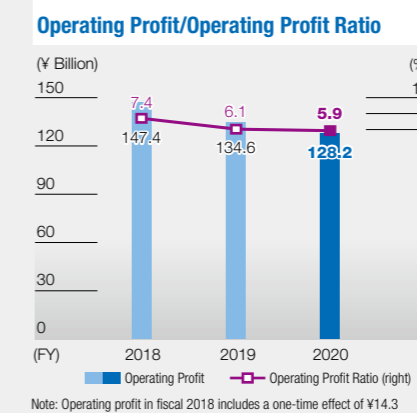
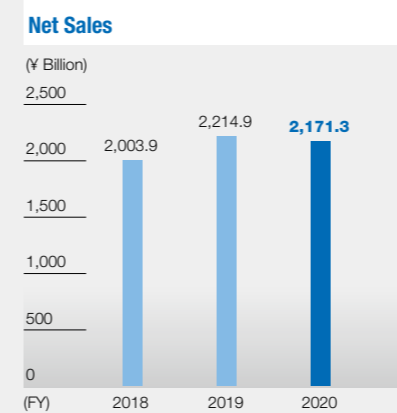
Operating Profit
¥ **128.2** billion

Investments in Tangible Assets
¥ **106.0** billion

Depreciation
¥ **90.4** billion

Research and Development Expenses
¥ **90.5** billion

Share of Equity Attributable to Owners of the Parent
¥ **2,438.8** billion



Consolidated Financial and Non-Financial Highlights

Non-Financial Information (CSR)

(FY2020)

Consolidated Number of Employees 66,478 persons	Ratio of Non-Japanese Employees 67.1 %	Consolidated Subsidiaries 256 companies
Number of Female Associates Holding Assistant Manager or Higher Position 141 persons	Ratio of Associates with Disabilities (Non-Consolidated) 2.41 * %	Number of Participants of Social Contribution Activities of Employee Associations 1,175 persons

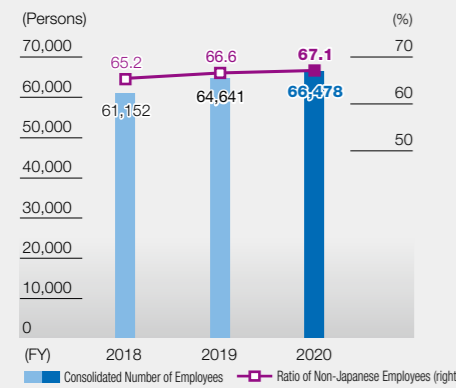
* As of June 1, 2019

Non-Financial Information (Environment)

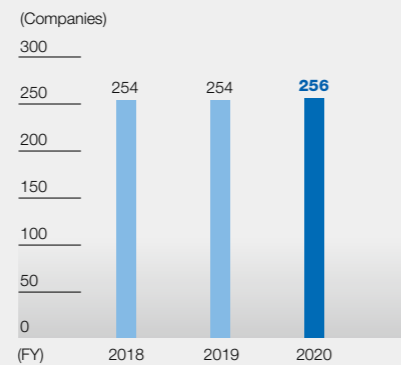
(FY2020)

Energy Consumption (Consolidated) 17,212 TJ	CO ₂ Emissions (Consolidated) 923,314 t-CO ₂	Water Consumption (Consolidated) 4,521 km ³
Discharge of Treated Wastewater (Consolidated) 2,522 km ³	Raw Material Consumption (Consolidated) 784,366 t	Waste Generation (Consolidated) 112,796 t

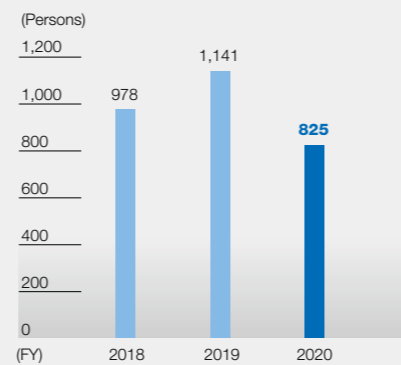
Consolidated Number of Employees/
Ratio of Non-Japanese Employees



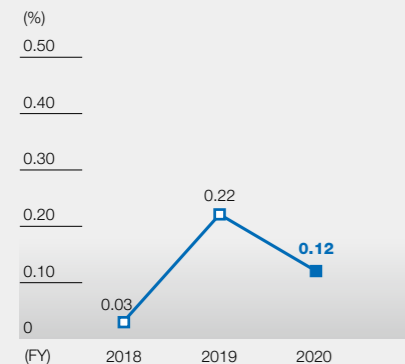
Consolidated Subsidiaries



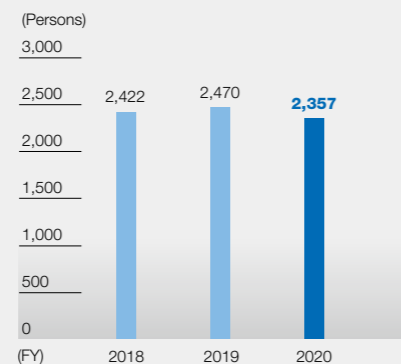
Participants of Japan's Subcontracting Law Seminar



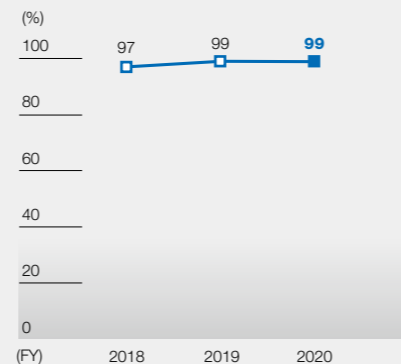
Frequency Rate of Lost Workday Injuries (Non-Consolidated)



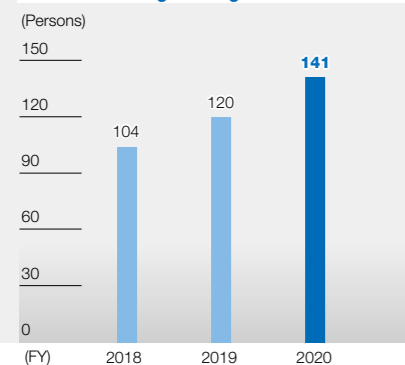
Participants of Age-Based Health Education (Non-Consolidated)



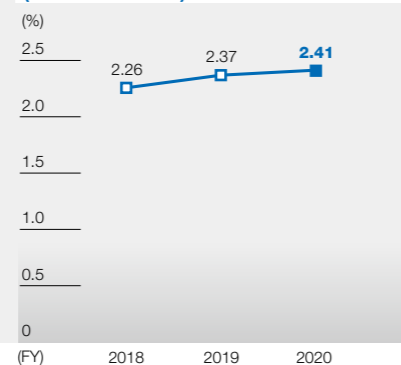
Rate of Undergoing a Stress Check (Non-Consolidated)



Number of Female Associates Holding Assistant Manager or Higher Position

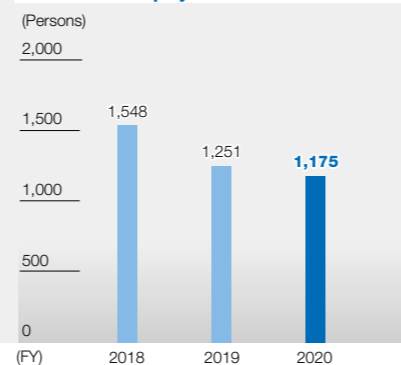


Ratio of Associates with Disabilities (Non-Consolidated)

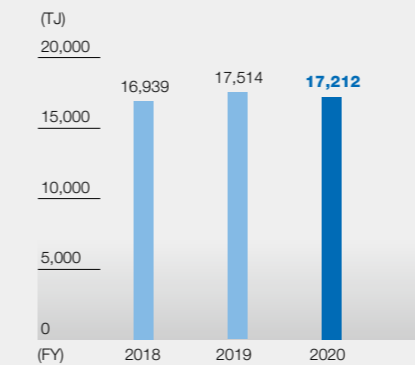


Note: As of June 1 of each fiscal year

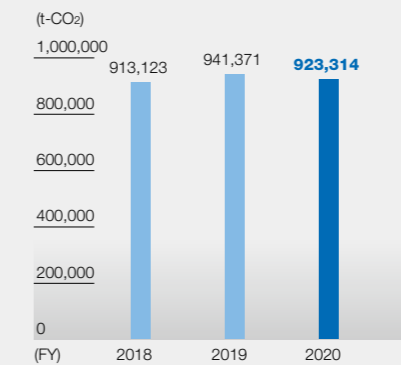
Number of Participants of Social Contribution Activities of Employee Associations



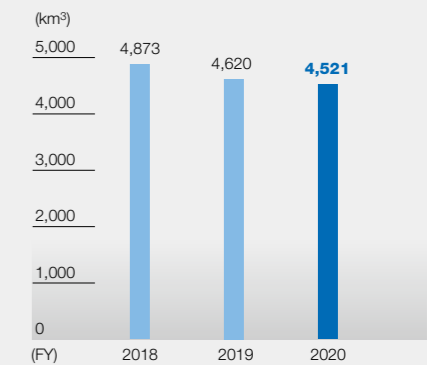
Energy Consumption (Consolidated)



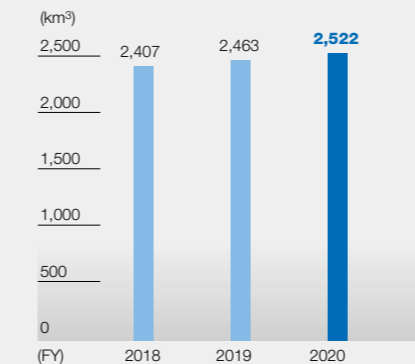
CO₂ Emissions (Consolidated)



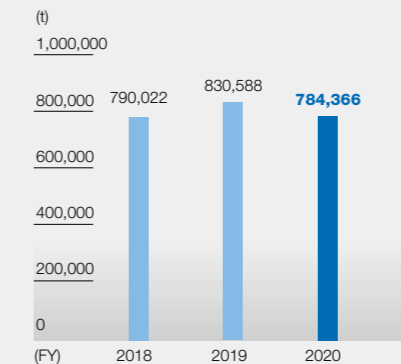
Water Consumption (Consolidated)



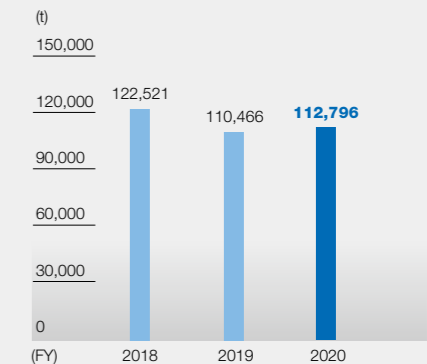
Discharge of Treated Wastewater (Consolidated)



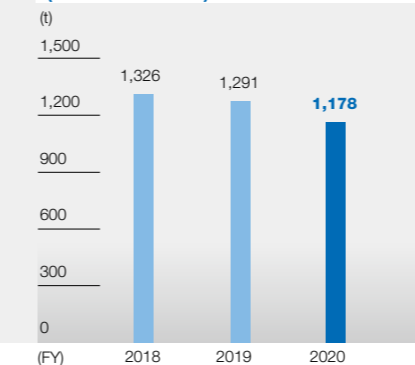
Raw Material Consumption (Consolidated)



Waste Generation (Consolidated)

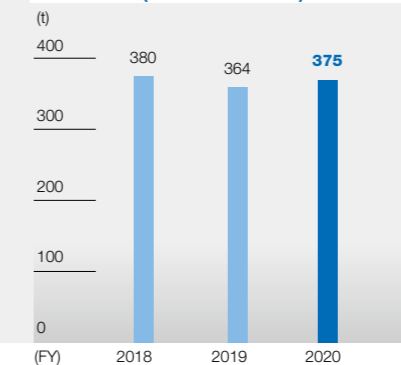


PRTR*1 Law Designated Substances (Non-Consolidated)

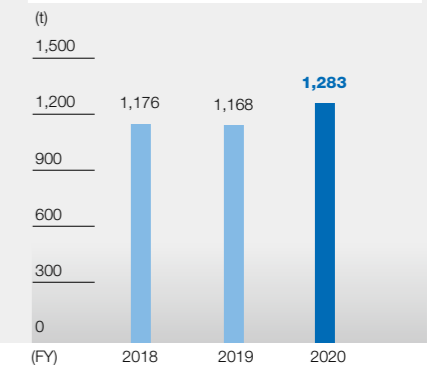


*1: Short for Pollutant Release and Transfer Register, the PRTR law is a scheme whereby businesses measure the release and transfer of PRTR designated pollutants and report their performance to the government. The government then compiles this data and releases it to the public.

Emissions/Transfer of PRTR Law Designated Substances (Non-Consolidated)



VOC*2 Emissions (Non-Consolidated)



*2: Short for Volatile Organic Compounds

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)								
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
For the Year											
Net sales	2,171,355	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
Operating profit (loss)	128,233	134,684	147,445	127,345	134,712	117,574	107,691	77,098	70,092	68,798	22,002
Profit before income taxes*1	196,288	202,225	209,827	181,986	185,398	170,827	138,133	86,836	80,866	73,911	31,756
Profit (loss)*2	145,881	152,748	168,180	131,398	183,036	115,263	91,705	53,119	58,594	47,205	(26,273)
Investments in tangible assets*3	106,058	113,748	115,458	77,393	75,438	126,395	109,479	89,459	58,404	38,254	26,963
Depreciation*3	90,488	85,639	77,738	73,253	77,366	70,782	64,153	57,954	59,830	62,372	73,238
Research and development expenses	90,560	88,807	77,647	69,524	65,440	47,785	46,326	39,057	32,070	27,788	26,826
Per share of common stock (yen):											
Earnings (loss) per share*2, *4											
Basic	469.85	491.97	541.67	420.78	582.58	367.06	292.76	170.36	188.02	151.51	(84.33)
Diluted	469.85	491.97	541.67	420.78	582.57	366.99	292.57	170.35	188.02	151.51	(84.33)
Share of equity attributable to owners of the parent	7,854.87	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
Cash dividends per share	160.00	155.00	150.00	125.00	120.00	110.00	85.00	55.00	50.00	50.00	30.00
At year-end											
Total assets	5,279,653	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
Share of equity attributable to owners of the parent	2,438,807	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
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)	310,483	310,485	310,487	310,489	314,226	314,155	313,730	312,207	311,687	311,564	311,570
Cash flows											
Net cash provided by operating activities	313,199	270,306	268,567	239,094	240,169	182,191	155,059	151,299	101,718	153,661	203,452
Net cash used in investing activities	(182,598)	(395,000)	(340,324)	(86,925)	(531,561)	(160,769)	(118,483)	(274,210)	(9,403)	(187,574)	(36,855)
Net cash provided by (used in) financing activities	(7,094)	40,467	153,303	789	130,923	(8,918)	6,183	7,050	10,279	(85,728)	(38,230)
Cash and cash equivalents at end of year	358,144	239,140	323,830	243,685	92,399	248,706	226,406	179,359	296,811	195,566	317,590
Indices											
Operating profit ratio (%)	5.9	6.1	7.4	7.6	6.0	5.4	5.4	4.8	4.5	4.6	1.6
EBITDA (millions of yen)*5	336,415	323,998	313,055	276,193	369,857	248,854	216,175	155,234	161,876	150,481	90,521
Return on equity (ROE) (%)*6	5.9	6.1	7.0	6.1	8.3	5.6	5.7	4.1	5.4	4.5	(2.6)
Return on assets (ROA) (%)*7	2.8	2.9	3.4	3.0	4.1	2.7	2.6	1.8	2.3	1.9	(1.1)
D/E ratio (%)*8	54.9	52.3	45.7	43.6	43.7	32.0	39.9	45.4	53.8	56.8	60.3
Ratio of share of equity attributable to owners of the parent*9	46.2	47.1	48.6	49.1	48.5	50.7	46.6	45.4	43.0	41.4	40.8
Number of employees (persons)	66,478	64,641	61,152	52,623	51,458	52,523	49,333	47,412	43,516	40,825	38,903

*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.