

Value Creation Process

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 directly facing the changes and challenges surrounding society and by engaging in value creation through making the most of the core assets and strengths we have accumulated to date in promoting our diverse businesses.

Social Issues and Changes

Electrification / Climate change / Issues on energy, resources and water / Labor shortages and rising labor costs / Digitalization and online systematization / Work style diversification

Primary Capital and Strengths

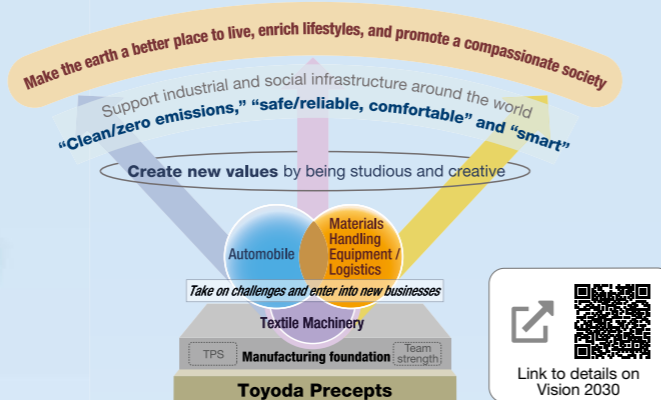
INPUT

- Human Capital**
 - Human resources comprised of more than 60,000 employees possessing diverse strengths in respective business fields
 - Human resources development underlying sustainable growth
- Product Development Capability / Intellectual Capital**
 - Strengthening development capability and 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 both engines and electrification
 - Research and development by drawing on external expertise
- Manufacturing Capability / Manufacturing Capital**
 - World-leading quality and productivity based on the Toyota Production System
 - Globally stable production and supply capabilities of respective businesses
- Financial Capital**
 - Sound financial foundation
 - High rating bestowed by rating agencies (fund procurement capability)
- Global Network / Social and Relationship Capital**
 - Global sales and service networks for materials handling equipment and other products
 - Close collaboration with Toyota Group companies as well as automakers and other manufacturers around the world
 - Business reinforcement and expansion through M&A and other measures
 - Solid supply chain built on mutual cooperation with business partners
- Natural Capital**
 - Air, water, energy, minerals, etc.

Aspiration in the Medium to Long Term and CSR Materiality

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.



CSR Materiality

	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 Products and Services Which Contribute to Safety, Reliability 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 	

Link to CSR Materiality



Business Results

OUTPUT

Materials Handling Equipment

Lift trucks and logistics solutions that contribute to greater logistics efficiency for customers



Automobile

Comfortable and appealing automobiles



Fuel-efficient and clean engines



Car air-conditioning compressors that realize a comfortable vehicle interior



Electronics that contribute to the electrification of automobiles, etc.



Textile Machinery

Weaving and spinning machinery to produce fabrics and yarns of high quality and soft texture



Values and Joys for Stakeholders

OUTCOME

Customers

Contributing to such needs as electrification, automation and energy savings as well as safety and reliability through high-quality products and services

Business Partners

Co-existence and co-prosperity based on mutual trust cultivated through open, fair and equitable business relationships

Shareholders and Investors

Returning profits to shareholders and investors by enhancing corporate value through sustainable growth

Employees

Developing employees' work values and motivating them to demonstrate their potential by creating safe and secure workplaces for diverse human resources

Local Communities

Contributing to the prosperity of each country and local community through promoting social welfare, youth development, environmental protection, community contribution and other activities

Global Environment

Contributing to reducing CO₂ emissions, mitigating resource depletion and curtailing environmental risks by promoting environmental management

Toyota Precepts

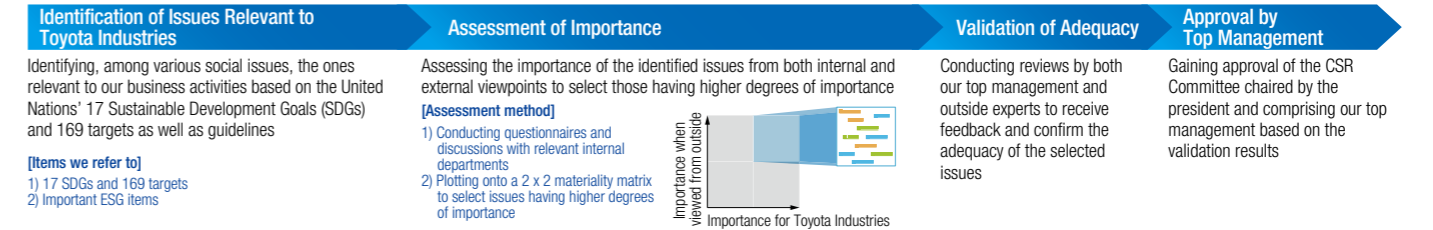
Basic Philosophy

Contributing to SDGs through Business Activities

Under the Toyota Precepts (corporate creed), Toyota Industries has been undertaking a broad range of businesses by upholding the philosophy of contributing to society since its founding. In keeping with recent changes in the business environment, we have clarified which social issues we should tackle as our CSR material issues, and will work for the resolution of these issues.



Process to Determine CSR Materiality



CSR Materiality	Contribution to Vision 2030 (Aspiration)	Action Policies	Action Targets and Activities	Targets	(FY to achieve)	Results for FY2021	Page number	Targets for FY2022
Mitigation of Global Warming Contribution to Circular Economy SDGs to Contribute 	Clean/zero emissions: Mitigating global warming and achieving a circular economy through such initiatives as reducing CO ₂ emissions and waste in our business activities and expanding the lineup of environmentally friendly products in our efforts to contribute to maintaining and improving the global environment over the long run	<ul style="list-style-type: none"> Reducing CO₂ emissions from production activities Reducing CO₂ emissions from production-related logistics Reducing CO₂ emissions through product and technology development Effective resource utilization in production activities Implementing initiatives to promote 3R (reduce, reuse and recycle) design for effective resource utilization 	<ul style="list-style-type: none"> Reduce production-derived CO₂ emissions Total emissions 	-25%* (vs FY14 level)	(2026)	-28%	P. 66-67	—
			<ul style="list-style-type: none"> Adopt renewable energy sources Introduction rate 	15%	(2026)	6%	P. 66-67	—
			<ul style="list-style-type: none"> Reduce logistics-derived CO₂ emissions Emission volume per unit of production (non-consolidated) 	-11% (vs FY14 level)	(2026)	-8%	P. 66-67	—
			<ul style="list-style-type: none"> Develop technologies that contribute to an even greater level of energy efficiency 	—	—	—	P. 66-67	—
Creation of Innovative Values SDGs to Contribute 	Creation of innovative value, smart: Contributing to achieving a "smart" society and more enriched lifestyles by resolving social issues through technological advancement and innovation that create new values	<ul style="list-style-type: none"> Promoting development of new technologies that create new values Improving core technologies and utilizing the new knowledge of business partners to enter into peripheral fields of existing businesses while developing and offering technologies and products in new business fields 	<ul style="list-style-type: none"> Ratio of R&D expenses for electrification and automation 	Over 70%	(2031)	57.6%	—	Over 60%
			<ul style="list-style-type: none"> Expand peripheral fields and new business fields Net sales 	Over ¥1trillion	(2031)	—	—	—
			<ul style="list-style-type: none"> Develop new technologies and products that contribute to resolving environmental and social issues 	—	—	—	—	—
			<ul style="list-style-type: none"> Develop new technologies and products for logistics automation and expand sales (Materials Handling Equipment) Sales of automation products (growth rate) 	Twofold (100%) (vs FY2021)	(2031)	—	—	Up 10%
Products and Services Which Contribute to Safety, Reliability and Comfort Mutual Prosperity through Partnerships with Local Communities SDGs to Contribute 	Safe/reliable, comfortable: Contributing to creating a compassionate society by offering products and services that anticipate the needs of customers and various stakeholders and that are safe, reliable and comfortable to use while fulfilling our responsibilities as a member of society to thrive together	<ul style="list-style-type: none"> Enhancing electrification-related products and services that are highly functional, ecologically sound and adaptable as social infrastructure Offering high-quality and safe products and services and maintaining and improving the structure to realize this goal Continuously promoting grassroots activities in local communities and thrive together as a member of society 	<ul style="list-style-type: none"> Expand sales of electrification-related products (all businesses) Ratio of electrification-related products to net sales 	Over 70%	(2031)	43%	—	45%
			<ul style="list-style-type: none"> Offer highly efficient and energy-saving electric compressors that are excellent in terms of quiet operation and comfort (Automobile Business) 	—	—	—	P. 35-36	—
			<ul style="list-style-type: none"> Offer clean and high-quality fuel cell units and on-board batteries (Automobile and Materials Handling Equipment businesses) 	—	—	—	—	—
			<ul style="list-style-type: none"> Offer power source-related products, on-board or otherwise, that can also be used as social infrastructure during disasters and other occasions (Automobile Business) 	—	—	—	P. 37	—
			<ul style="list-style-type: none"> Conduct product risk assessment (target products) Implementation rate (non-consolidated) 	100%	(2031)	100%	P. 48-49	100%
			<ul style="list-style-type: none"> Promote quality education Training participation rate (non-consolidated) 	100%	(2031)	100%	P. 49	100%
			<ul style="list-style-type: none"> Promote social contribution activities Expenditure/number of participants 	—	—	¥840 million/ 18,224 persons	P. 59	—
<ul style="list-style-type: none"> Contribute to biodiversity conservation of local communities 	—	—	—	P. 69	—			
<ul style="list-style-type: none"> Promote other community contribution activities 	—	—	—	P. 58-59	—			
Safe and Healthy Work Environments Leveraging Diversity and Inclusion Sustainable Procurement Compliance and Risk Management	—	<ul style="list-style-type: none"> Fostering safe and healthy workplaces for everyone Creating the environment for everyone to get a fair share of opportunity to develop and demonstrate their potential Establishing the foundation to remain a company that is trusted and needed by society 	<ul style="list-style-type: none"> Eliminate serious accidents Number of serious accidents 	0	(2031)	2	P. 56	0
			<ul style="list-style-type: none"> Frequency rate of lost workday injuries (non-consolidated) 	0.00	(2031)	0.09	P. 56	0.00
			<ul style="list-style-type: none"> Utilize diverse human resources Ratio of female managers (non-consolidated) 	3.6%	(2031)	1.6%	P. 53-54	—
			<ul style="list-style-type: none"> Ratio of employees with disabilities (non-consolidated) 	Over 2.30%	(2031)	2.40%	P. 54	Over 2.30%
			<ul style="list-style-type: none"> Maintain sound transactions and strengthen structure throughout the supply chain Implementation rate of CSR checks on target suppliers (non-consolidated) 	100%	(2031)	100% (955 companies)	P. 50	100% (950 companies)
			<ul style="list-style-type: none"> Eliminate serious compliance violations Number of violations 	0	(2031)	0	P. 43	0
			<ul style="list-style-type: none"> Promote risk management activities taking a risk-based approach Improve BCP effectiveness 	—	—	—	P. 45-46	—
<ul style="list-style-type: none"> Respond to cybersecurity risks Number of serious incidents 	0	(2031)	0	P. 45	0			

* As a more ambitious target, we are aiming for a 50% reduction by fiscal 2031 from the fiscal 2014 level.

Business Overview

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.



Materials Handling Equipment

Lift Truck

Toyota Industries plans, develops, produces, sells and provides after-sales services for industrial vehicles centered around lift trucks, which capture the top global market share*. Together with sales financing and proposals for logistics efficiencies, we strive to meet a variety of customer needs.



Electric lift truck

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.



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.



RAV4

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.



Diesel engine



Gasoline engine for hybrid vehicles

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*.



Electric compressor



Oxygen-supplying air compressor for fuel cell vehicles

Electronics

The Electronics Business plans, develops and produces a wide variety of electronics products for electrified vehicles such as hybrid vehicles.



DC-DC converter



On-board charger

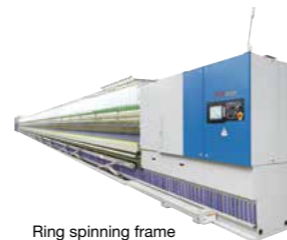
Textile Machinery

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*.

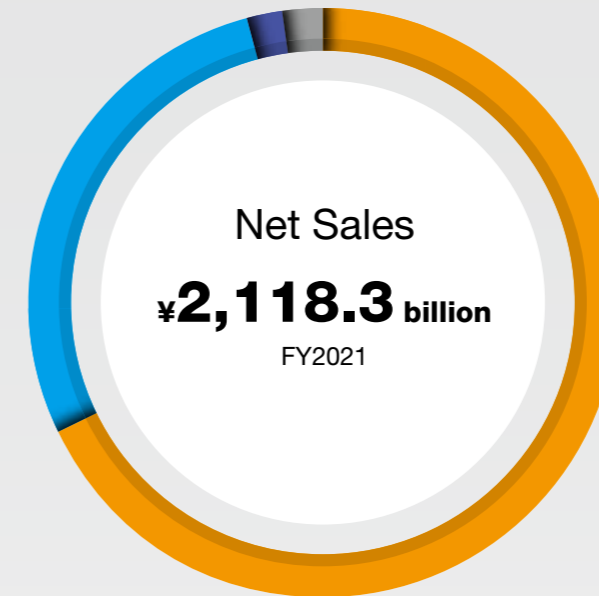


Air-jet loom

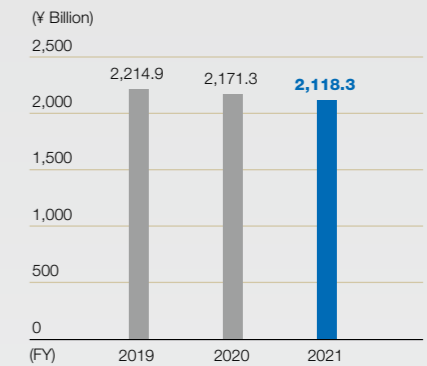


Ring spinning frame

Business Overview



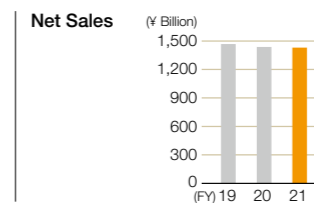
Net Sales



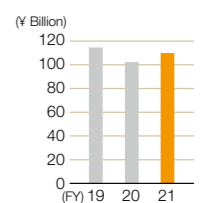
- 68%** Materials Handling Equipment ¥1,431.4 billion
- 28%** Automobile ¥591.6 billion
- 2%** Textile Machinery ¥40.8 billion

Materials Handling Equipment

The lift truck market grew in China but shrank in other countries and regions, and Toyota Industries' unit sales decreased from the previous fiscal year. Meanwhile, sales of the Logistics Solutions Business increased in step with an expansion of the e-commerce market. As a result, net sales were on par with the previous fiscal year at ¥1,431.4 billion.

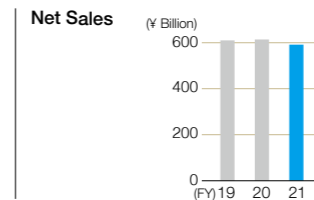


Operating Profit

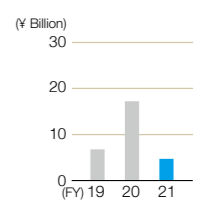


Automobile

The automobile market as a whole contracted despite a recovery trend in China. Amid this climate, although sales of the RAV4 were on par with the previous fiscal year, sales of engines and car air-conditioning compressors decreased. As a result, net sales totaled ¥591.6 billion, down ¥22.2 billion, or 4%.

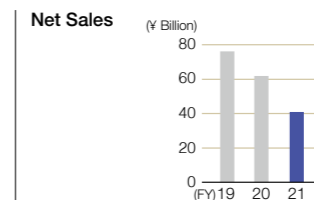


Operating Profit

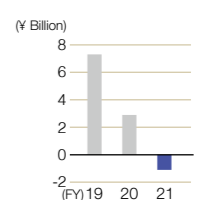


Textile Machinery

Amid difficult market conditions overall, net sales amounted to ¥40.8 billion, down ¥20.9 billion, or 34%, as a result of decreases in sales of weaving machines and quality measurement instruments for fiber, yarn and fabric.



Operating Profit (Loss)



* Survey by Toyota Industries Corporation

Consolidated Eleven-Year Summary



Link to details

Toyota Industries Corporation
Years ended March 31

Millions of yen

	International Financial Reporting Standards (IFRS)					Generally Accepted Accounting Principles in Japan (JGAAP)					
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
For the Year											
Net sales	2,118,302	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
Operating profit	118,159	128,233	134,684	147,445	127,345	134,712	117,574	107,691	77,098	70,092	68,798
Profit before income taxes*1	184,011	196,288	202,225	209,827	181,986	185,398	170,827	138,133	86,836	80,866	73,911
Profit*2	136,700	145,881	152,748	168,180	131,398	183,036	115,263	91,705	53,119	58,594	47,205
Investments in tangible assets*3	113,361	106,058	113,748	115,458	77,393	75,438	126,395	109,479	89,459	58,404	38,254
Depreciation*3	91,097	90,488	85,639	77,738	73,253	77,366	70,782	64,153	57,954	59,830	62,372
Research and development expenses	88,900	90,560	88,807	77,647	69,524	65,440	47,785	46,326	39,057	32,070	27,788
Per share of common stock (yen):											
Earnings per share*2, *4											
Basic	440.28	469.85	491.97	541.67	420.78	582.58	367.06	292.76	170.36	188.02	151.51
Diluted	—	—	—	—	—	582.57	366.99	292.57	170.35	—	—
Share of equity attributable to owners of the parent	10,422.64	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
Cash dividends per share	150.00	160.00	155.00	150.00	125.00	120.00	110.00	85.00	55.00	50.00	50.00
At year-end											
Total assets	6,503,986	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
Share of equity attributable to owners of the parent	3,236,038	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
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)	310,481	310,483	310,485	310,487	310,489	314,226	314,155	313,730	312,207	311,687	311,564
Cash flows											
Net cash provided by operating activities	382,386	313,199	270,306	268,567	239,094	240,169	182,191	155,059	151,299	101,718	153,661
Net cash used in investing activities	(404,164)	(182,598)	(395,000)	(340,324)	(86,925)	(531,561)	(160,769)	(118,483)	(274,210)	(9,403)	(187,574)
Net cash provided by (used in) financing activities	(105,477)	(7,094)	40,467	153,303	789	130,923	(8,918)	6,183	7,050	10,279	(85,728)
Cash and cash equivalents at end of year	238,248	358,144	239,140	323,830	243,685	92,399	248,706	226,406	179,359	296,811	195,566
Indices											
Operating profit ratio (%)	5.6	5.9	6.1	7.4	7.6	6.0	5.4	5.4	4.8	4.5	4.6
EBITDA (millions of yen)*5	326,851	336,415	323,998	313,055	276,193	369,857	248,854	216,175	155,234	161,876	150,481
Return on equity (ROE) (%)*6	4.8	5.9	6.1	7.0	6.1	8.3	5.6	5.7	4.1	5.4	4.5
Return on assets (ROA) (%)*7	2.3	2.8	2.9	3.4	3.0	4.1	2.7	2.6	1.8	2.3	1.9
D/E ratio (%)*8	41.6	54.9	52.3	45.7	43.6	43.7	32.0	39.9	45.4	53.8	56.8
Ratio of share of equity attributable to owners of the parent*9	49.8	46.2	47.1	48.6	49.1	48.5	50.7	46.6	45.4	43.0	41.4
Number of employees (persons)	66,947	66,478	64,641	61,152	52,623	51,458	52,523	49,333	47,412	43,516	40,825

*1: The figures prior to fiscal 2017 are ordinary income under JGAAP.

*2: Profit 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 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 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 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.