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(Securities code: 6201)
May 25, 2018

To Shareholders with Voting Rights:

Akira Onishi
President, Member of the Board
Toyota Industries Corporation
2-1, Toyoda-cho, Kariya-shi, Aichi,
Japan

**NOTICE OF
THE 140TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

You are cordially invited to attend the 140th Ordinary General Meeting of Shareholders of the Company. The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing by submitting the enclosed form or by electromagnetic means. Please review the Reference Documents for the General Meeting of Shareholders (described hereinafter), and exercise your voting rights by 5:00 p.m. on Monday, June 11, 2018, Japan time.

1. Date and Time: Tuesday, June 12, 2018 at 10:00 a.m., Japan time

2. Place: Multipurpose Auditorium, Takahama Plant of the Company, located at 2-1-1 Toyoda-cho, Takahama-shi, Aichi, Japan

3. Meeting Agenda:

Matters to be reported: The Business Report, Consolidated and Non-consolidated Financial Statements for the 140th Fiscal Year (April 1, 2017 - March 31, 2018) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements

Proposals to be resolved:

Proposal No. 1: Distribution of Surplus

Proposal No. 2: Election of 10 Members of the Board

Proposal No. 3: Election of 1 Audit & Supervisory Board Member

Proposal No. 4: Election of 1 Substitute Audit & Supervisory Board Member

Proposal No. 5: Issuance of Directors’ bonuses

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- For those attending, please present the enclosed ballot form at the reception desk on arrival at the meeting. You are also kindly requested to bring this Notice as meeting materials when you attend.
 - If the main venue becomes full, we will direct you to the secondary venue.
 - For the method of exercising voting rights in writing or by electromagnetic means (via the Internet, etc.), please refer to pages 12 - 13.
 - If any revisions are made to the Reference Documents for the General Meeting of Shareholders or the attached documents, the revised contents will be posted on the Company’s web site (<https://www.toyota-industries.com/>).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1 Distribution of Surplus

Toyota Industries is to meet the expectations of shareholders for continuous dividends while giving full consideration to business performance, funding requirements, the dividend payout ratio and other factors. The Company proposes a year-end dividend of 80 yen per share for the fiscal year in 140th Ordinary General Meeting of the Company. This, combined with the interim dividend, will total to an annual dividend for the fiscal year of 150 yen per share, an increase of 25 yen from the previous fiscal year.

- (1) Dividend property
Cash
- (2) Matters concerning the allotment of the dividend property and the total amount distributed
80 yen per share of common stock of the Company, for a total of 24,838,980,960 yen
- (3) Effective date of distribution of surplus
June 13, 2018

Proposal No. 2 Election of 10 Members of the Board

The term of office of the incumbent Members of the Board will expire at the conclusion of 140th Ordinary General Meeting of Shareholders. The Company proposes the election of 10 Members of the Board.

The candidates are as follows:

No.	Name (Date of birth)	Position(s) and main area in charge of the Company	Career summary, important concurrent duties and reasons for nomination as director candidates	Number of Company shares held
1	Tetsuro Toyoda (August 23, 1945)	Chairman of the Board	<p>April 1970 Joined Toyota Motor Sales Co., Ltd.</p> <p>June 1991 Director of the Company</p> <p>June 1997 Managing Director of the Company</p> <p>June 1999 Senior Managing Director of the Company</p> <p>June 2002 Executive Vice President of the Company</p> <p>June 2005 President of the Company</p> <p>June 2013 Chairman of the Company (to the present)</p> <p>[Important concurrent duties] Outside Audit & Supervisory Board Member of Aichi Steel Corporation Outside Audit & Supervisory Board Member of Toyota Tsusho Corporation Chairman of Chubu Economic Federation</p> <p>[Reasons for nomination as director candidates] Mr. Toyoda has been involved for many years in the management of the Company and Group companies in and outside Japan, which includes serving as president and chairman (current position) of the Company. We have determined that Mr. Toyoda can continue to properly execute business duties as a director based on his wealth of experience and expertise in overall corporate management and we request that he be elected.</p>	643,885 shares

No.	Name (Date of birth)	Position(s) and main area in charge of the Company	Career summary, important concurrent duties and reasons for nomination as director candidates	Number of Company shares held
2	Akira Onishi (January 4, 1958)	President, Member of the Board	<p>April 1981 Joined the Company</p> <p>June 2005 Director of the Company</p> <p>June 2006 Managing Director of the Company</p> <p>June 2008 Senior Managing Officer of the Company</p> <p>June 2010 Senior Managing Director of the Company</p> <p>June 2013 President of the Company (to the present)</p> <p>[Important concurrent duties] Chairman of Japan Industrial Vehicles Association</p> <p>[Reasons for nomination as director candidates] Mr. Onishi has been involved in management of the Company as a director from 2005 and president (current position) from 2013. We have determined that Mr. Onishi can continue to properly execute business duties as a director based on his wealth of experience and expertise in overall corporate management and we request that he be elected.</p>	20,863 shares
3	Kazue Sasaki (March 5, 1954)	Executive Vice President, Member of the Board [In charge] General Manager of R&D Headquarters; In charge of Materials Handling Equipment Segment; President of Toyota Material Handling Company	<p>April 1977 Joined the Company</p> <p>June 2003 Director of the Company</p> <p>June 2006 Managing Director of the Company</p> <p>June 2008 Senior Managing Officer of the Company</p> <p>June 2010 Director of the Company</p> <p>June 2011 Senior Managing Director of the Company</p> <p>June 2013 Executive Vice President of the Company (to the present)</p> <p>[Important concurrent duties] Outside director of Toyota Boshoku Corporation</p> <p>[Reasons for nomination as director candidates] Mr. Sasaki possesses abundant experience in the field of technology development and has been involved in the management of the Company as a director from 2003, top manager of several U.S. subsidiaries from 2009 and as executive vice president (current position) from 2013. We have determined that Mr. Sasaki can continue to properly execute business duties as a director based on his wealth of experience and expertise in overall corporate management and we request that he be elected.</p>	18,700 shares

No.	Name (Date of birth)	Position(s) and main area in charge of the Company	Career summary, important concurrent duties and reasons for nomination as director candidates	Number of Company shares held
4	Takuo Sasaki (December 3, 1956)	Member of the Board, Senior Managing Officer [In charge] Deputy General Manager of Corporate Headquarters; In charge of Legal Dept. and Purchasing Dept.	<p>April 1980 Joined Toyota Motor Co., Ltd</p> <p>June 2009 Managing Officer of Toyota Motor Corporation</p> <p>June 2011 President of Toyota Financial Services Corporation</p> <p>June 2011 Advisor of Toyota Motor Corporation</p> <p>April 2013 Managing Officer of the same</p> <p>June 2015 Senior Managing Director of the Company</p> <p>June 2016 Member of the Board, Senior Managing Officer of the Company (to the present)</p> <p>[Reasons for nomination as director candidates] Mr. Sasaki possesses abundant experience in accounting and financial departments at Toyota Motor Corporation and its overseas subsidiaries, and has also been involved in management of the Company as a senior managing director from 2015 and director (current position) from 2016. We have determined that Mr. Sasaki can continue to properly execute business duties as a director based on his wealth of experience and expertise in overall corporate management and we request that he be elected.</p>	7,100 shares
5	Taku Yamamoto (January 23, 1956)	Member of the Board, Senior Managing Officer [In charge] General Manager of Engine Division and Higashichita Plant	<p>April 1979 Joined the Company</p> <p>June 2007 Managing Director of the Company</p> <p>June 2012 Senior Managing Officer of the Company</p> <p>June 2014 Director of the Company</p> <p>June 2016 Member of the Board, Senior Managing Officer of the Company (to the present)</p> <p>[Reasons for nomination as director candidates] Mr. Yamamoto possesses abundant experience at the Company in the Global Human Resources Department and the Corporate Planning Department and has also been involved in management as a head of a European subsidiary (engine manufacturing) for three years from 2011 and as a director (current position) from 2014. We have determined that Mr. Yamamoto can continue to properly execute business duties as a director based on his wealth of experience and expertise in overall corporate management and we request that he be elected.</p>	23,784 shares

No.	Name (Date of birth)	Position(s) and main area in charge of the Company	Career summary, important concurrent duties and reasons for nomination as director candidates	Number of Company shares held
6	Shuzo Sumi (July 11, 1947)	Member of the Board	<p>April 1970 Joined Tokio Marine</p> <p>June 2000 Director and Chief Representative in London, Overseas Division of the same</p> <p>June 2002 Managing Director of the same</p> <p>October 2004 Managing Director of Tokio Marine & Nichido</p> <p>June 2005 Senior Managing Director of the same</p> <p>June 2007 President of the same</p> <p>June 2007 President of Tokio Marine Holdings</p> <p>June 2013 Chairman of the Board of Tokio Marine & Nichido</p> <p>June 2013 Chairman of the Board of Tokio Marine Holdings (to the present)</p> <p>June 2014 Director of the Company (to the present)</p> <p>[Important concurrent duties] Chairman of the Board of Tokio Marine Holdings Outside director of Sony Corporation</p> <p>[Reasons for nomination as director candidates] Mr. Sumi possesses abundant experience as a manager for many years at Tokio Marine & Nichido Fire Insurance Co., Ltd. and Tokio Marine Holdings, Inc. We request that he be elected as an outside director to ensure that he can continue to utilize his wealth of experience and expertise in overall corporate management in the management of the Company.</p>	—

No.	Name (Date of birth)	Position(s) and main area in charge of the Company	Career summary, important concurrent duties and reasons for nomination as director candidates	Number of Company shares held
7	Kenichiro Yamanashi (February 25, 1951)	Member of the Board	<p>April 1975 Joined Mitsubishi Electric Corporation</p> <p>April 2006 Executive Officer of the same</p> <p>April 2008 Senior Executive Officer of the same</p> <p>April 2010 Representative Executive Officer, President & CEO of the same</p> <p>June 2010 Director, Representative Executive Officer, President & CEO of the same</p> <p>April 2014 Chairman of the same</p> <p>June 2015 Members of the Board of the Company (to the present)</p> <p>April 2018 Chairman of Mitsubishi Electric Corporation (to the present)</p> <p>[Important concurrent duties] Chairman of Mitsubishi Electric Corporation</p> <p>[Reasons for nomination as director candidates] Mr. Yamanashi possesses abundant experience as a manager for many years at Mitsubishi Electric Corporation. We request that he be elected as an outside director to ensure that he can continue to utilize his wealth of experience and expertise in overall corporate management in the management of the Company.</p>	—

No.	Name (Date of birth)	Position(s) and main area in charge of the Company	Career summary, important concurrent duties and reasons for nomination as director candidates	Number of Company shares held
8	Mitsuhisa Kato (March 2, 1953)	Member of the Board	<p>April 1975 Joined Toyota Motor Co., Ltd</p> <p>June 2004 Managing Officer of Toyota Motor Corporation</p> <p>June 2006 President of Toyota Technocraft Co., Ltd.</p> <p>June 2006 Advisor of Toyota Motor Corporation</p> <p>June 2007 Retiring Advisor of Toyota Motor Corporation</p> <p>June 2010 Retiring President of Toyota Technocraft Co., Ltd.</p> <p>June 2010 Senior Managing Director of Toyota Motor Corporation</p> <p>June 2011 Senior Managing Officer of the same</p> <p>June 2012 Executive Vice President of the same</p> <p>June 2015 Director of the Company (to the present)</p> <p>April 2016 Senior Executive Chairman of TOYOTA CENTRAL R&D LABS., INC.</p> <p>April 2017 Director of Toyota Motor Corporation</p> <p>June 2017 Retiring Director of Toyota Motor Corporation</p> <p>[Important concurrent duties] Director of Toyota Motor Corporation Outside Audit & Supervisory Board Member of Aisin Seiki Co., Ltd.</p> <p>[Reasons for nomination as director candidates] Mr. Kato possesses abundant experience as a manager for many years at Toyota Motor Corporation. We request that he be elected as an outside director to ensure that he can continue to utilize his wealth of experience and expertise in the management of a company involved in manufacturing.</p>	—

No.	Name (Date of birth)	Position(s) and main area in charge of the Company	Career summary, important concurrent duties and reasons for nomination as director candidates	Number of Company shares held
9	Yojiro Mizuno (March 9, 1960)	Managing Officer [In charge] In charge of TOYOTA Material Handling Company Domestic Sales & Marketing Dept; General Manager of Logistics Solution Division	<p>April 1983 Joined the Company</p> <p>January 2002 Project General Manager of TOYOTA Material Handling Company Sales Overseas Business Dept</p> <p>July 2003 General Manager of TOYOTA Material Handling Company Personnel and General Administration Dept.</p> <p>Jun 2010 Managing Officer of the Company (to the present)</p> <p>[Reasons for nomination as director candidates] Mr. Mizuno possesses abundant experience in the Global Human Resources Department at the Company and subsidiaries outside Japan as well as in the Corporate Planning Department. He has also been involved in management as a managing officer (current position) from 2010. We have determined that Mr. Mizuno can properly execute business duties as a director based on his wealth of experience and expertise in overall corporate management and we request that he be elected.</p>	11,700 shares
10	Yuji Ishizaki (August 9, 1956)	Managing Officer [In charge] In charge of Compressor Division Business Planning Dept, Sales Dept and Manufacturing Dept. No.3; General Manager of Higashiura Plant	<p>April 1980 Joined the Company</p> <p>January 2000 General Manager of Compressor Division Business Planning Dept.</p> <p>January 2007 Compressor Division Purchasing Dept.</p> <p>July 2010 President of MICHIGAN AUTOMOTIVE COMPRESSOR, INC.</p> <p>June 2012 Managing Officer of the Company (to the present)</p> <p>[Reasons for nomination as director candidates] Mr. Ishizaki possesses abundant experience at the Company in the Corporate Planning Department and the Purchasing Department and has also been involved in management as a top manager of a U.S. subsidiary (car air-conditioning compressor manufacturing) for two years from 2010, managing officer (current position) from 2012. We have determined that Mr. Ishizaki can properly execute business duties as a director based on his wealth of experience and expertise in overall corporate management and we request that he be elected.</p>	12,100 shares

- (Notes) 1. No material conflicts of interest exist between the Company and any of the above candidates.
2. The Company and Mr. Sumi Shuzo, Mr. Kenichiro Yamanishi and Mr. Mitsuhiro Kato have concluded the Liability Limitation Agreement as stipulated in Article 423, Paragraph 1 of the Companies Act, and the liability limit shall be the amount stipulated in Article 425, Paragraph 1 of the act.

3. Mr. Sumi Shuzo, Mr. Kenichiro Yamanishi and Mr. Mitsuhsa Kato are candidates for Outside Members of the Board, as explained below. Mr. Shuzo Sumi and Mr. Kenichiro Yamanishi are registered as Independent Directors as stipulated by the regulations of securities exchanges. The Company intends to continue the registration of their appointments upon approval of their reappointment as proposed.

(1) Mr. Mitsuhsa Kato had been an executive director of Toyota Motor Corporation, with which the Company has an important business relationship, over past five years.

(2) The remaining term of office of Mr. Shuzo Sumi, Mr. Kenichiro Yamanishi and Mr. Mitsuhsa Kato as Independent Members of the Board at the Company are four years, three years and three years, respectively, as of the conclusion of the 140th Ordinary General Meeting of Shareholders.

Proposal No. 3 Election of One Audit & Supervisory Board Member

The term of office of Mr. Kohei Nozaki and Mr. Hans-Juergen Marx as Audit & Supervisory Board Members will expire at the conclusion of 140th Ordinary General Meeting of Shareholders. The Company proposes the election of one Audit & Supervisory Board Member. Audit & Supervisory Board has already approved this proposal.

The candidate is as follows:

Name (Date of birth)	Position	Career summary, important concurrent duties and reasons for nomination as Audit & Supervisory Board Member candidates	Number of Company shares held
* Shinya Furukawa (April 10, 1953)	Executive Vice President, Member of the Board	<p>April 1977 Joined Toyota Motor Sales Co., Ltd.</p> <p>June 2005 Director of the Company</p> <p>June 2006 Managing Director of the Company</p> <p>June 2008 Senior Managing Officer of the Company</p> <p>June 2010 Senior Managing Director of the Company</p> <p>June 2015 Executive Vice President of the Company (to the present)</p> <p>[Reasons for nomination as Audit & Supervisory Board Member candidates] Mr. Furukawa possesses abundant experience in the Corporate Planning Department and the Sales & Marketing Department at the Company and has been involved in management as a director from 2005 and executive vice president (current position) from 2015. We have determined that Mr. Furukawa can properly execute business duties as audit & supervisory board member based on his wealth of experience and expertise in overall corporate management and we request that he be elected.</p>	16,700 Shares

(Note) No material conflicts of interest exist between the Company and the above candidates.

Proposal No. 4 Election of one Substitute Audit & Supervisory Board Member

In order to prepare in the event that the Company lacks the number of Audit & Supervisory Board Members and becomes less than required by laws and regulations, the Company proposes that one Substitute Audit & Supervisory Board Member be elected. This proposal is made to elect a substitute for either Mr. Takahiko Ijichi or Mr. Akihisa Mizuno, each of whom are currently Outside Audit & Supervisory Board Members. In the event Mr. Jun Takeuchi becomes an Audit & Supervisory Board Member, his term of office shall be the

remaining part of his predecessor's term. This proposal shall be effective until the commencement of the next Ordinary General Meeting of Shareholders. However, this resolution may be cancelled before the proposed Substitute Audit & Supervisory Board Member assumes office, by a resolution of the Board of Directors, subject to the approval of the Audit & Supervisory Board. The Audit & Supervisory Board has already given its agreement regarding this proposal. The candidate is as follows:

Name (Date of birth)	Position	Career summary and important concurrent duties	Number of Company shares held
* Jun Takeuchi (October 13, 1961)	—	<p>April 1989 Registered as lawyer (Daini Tokyo Bar Association) Entered Ishii Law Office (to the present)</p> <p>June 2001 Outside Audit & Supervisory Board Member of Press Kogyo Co., Ltd.</p> <p>April 2004 Professor of Omiya Law School</p> <p>June 2009 Outside Audit & Supervisory Board Member of Honda Tsushin Kogyo Co., Ltd.</p> <p>[Important concurrent duties] Outside Audit & Supervisory Board Member of Honda Tsushin Kogyo Co., Ltd.</p> <p>[Reasons for nomination as candidate for substitute Outside Audit & Supervisory Board Member] Although he has not participated directly in corporate management, Mr. Takeuchi has been active as a lawyer mainly in the field of corporate legal affairs for many years and we have determined that Mr. Takeuchi can properly execute business duties as an Outside Audit & Supervisory Board Member based on his wealth of experience and highly specialized expertise and we request that he be elected as Substitute Outside Audit & Supervisory Board Member.</p>	—

- (Notes) 1. No material conflicts of interest exist between the Company and the candidate.
2. Matters concerning the candidate for Substitute Outside Audit & Supervisory Board Member are as follows.
- (1) Mr. Jun Takeuchi is the candidate for Substitute Outside Audit & Supervisory Board Member.
- (2) Outline of Liability Limitation Agreement
In the event that Mr. Takeuchi is elected under the measure and he assumes the duties of Audit & Supervisory Board Member, the Company and Mr. Takeuchi will conclude a Liability Limitation Agreement as stipulated in Article 423, Paragraph 1 of the Companies Act, and the liability limit shall be the amount stipulated in Article 425, Paragraph 1 of the act.
- (3) In the event that Mr. Takeuchi is elected under the measure and he assumes the duties of Audit & Supervisory Board Member, the Company intends to register Mr. Takeuchi as an independent member of management as stipulated by the regulations of securities exchanges.

Proposal No. 5 Issuance of Directors' bonuses

The Company proposes to issue the Director's bonus for 8 Members of the Board, 3 Outside Members of the Board who are in service as of the end of March 31, 2018 with 305,000,000 yen (Members of the Board 284,900,000 yen, Outside Members of the Board 20,100,000 yen) in consideration of financial results of the term in fiscal 2018 and other circumstances.

Guide to the Exercise of Voting Rights in Writing or via the Internet, Etc.

When you exercise your voting rights in writing or via the Internet, the following matters should be understood before exercising your voting rights.

If you intend to attend the meeting in person, voting by mail or via the Internet, is unnecessary.

- Exercise of voting rights in writing:

You are requested to mark and return the Voting Rights Exercise Form with your vote of approval or disapproval so that it will be delivered to us before 5:00 p.m. on Monday, June 11, 2018 (Japan time).

- Exercise of voting rights via the Internet:

1. Exercise of Voting Rights Web Site

- (1) The exercise of voting rights via the Internet is possible only by accessing the Exercise of Voting Rights Web site (<https://www.evotep.jp/>) designated by the Company. This voting Web site has two versions—one for computers, one smart phones and one for mobile phones (i-mode, EZweb or Yahoo!Ketai)(*1), and you are automatically routed to either site according to the means you are using. (However, service is not available from 2 a.m. to 5 a.m. daily.)

If your smart phone or mobile phone has a QR-Code reader, you can access the Exercise Rights Web site by reading the QR-Code(*2) provided here.



Notes:

*1. i-mode, EZweb and Yahoo! are trademarks or registered trademarks of NTT DoCoMo Inc., KDDI CORPORATION and Yahoo! Inc., respectively.

*2. QR-Code is a registered trademark of Denso Wave Inc.

- (2) The exercise of voting rights on the voting Web site for computers or smart phones may be disabled by operating environments, including the use of a firewall when accessing the Internet, the use of antivirus software, the use of a proxy server and/or when you haven't selected TLS encrypted communication.
- (3) For your exercise of voting rights on the voting Web site for mobile phones, make sure to use the i-mode, EZweb or Yahoo! service. To preserve security, you cannot vote through a model of phone that does not allow encrypted transmission (TLS transmission) or transmission of the phone ID information.
- (4) Although we will accept the exercise of voting rights via the Internet until 5:00 p.m. on Monday, June 11, 2018 (Japan time), we recommend voting as early as possible. If you have any questions, please contact our Help Desk.

2. Exercising Your Voting Rights via the Internet

- (1) At the voting Web site (<https://www.evotest.jp/>), use the log-in ID and temporary password given on your Voting Rights Exercise Form and follow the on-screen instructions to indicate your approval or disapproval of each proposal.
- (2) To protect against illegal access by persons other than qualified shareholders (“spoofing”) and the manipulation of voting details, please be aware that shareholders using the site will be asked to change their temporary password.
- (3) Whenever a meeting of shareholders is convoked, new log-in IDs and temporary passwords will be issued.

3. Treatment of the Voting Rights When Exercised Several Times

- (1) If you have exercised your voting rights both in writing and via the Internet, those exercised via the Internet will be taken as valid.
- (2) If you have exercised your voting rights multiple times on the Internet, the final vote will be considered as valid. If you have exercised your voting rights both on the Web site for computers and on the Web site for mobile phones, the final vote cast will be considered as valid.

4. Costs Incurred in Accessing the Exercise of Voting Rights Site

The costs incurred when accessing the Exercise of Voting Rights site, including Internet access fees and telephone rates, will be the responsibility of the shareholder. Similarly, fees required to use mobile phones, such as packet transmission fees, will also be the responsibility of the shareholder.

5. Institutional investors may apply in advance to ICJ to exercise their voting rights electronically through the “Electronic Voting Platform for Institutional Investors,” which is operated by ICJ Inc., as a means other than the aforementioned Exercising Your Voting Rights via the Internet for general meetings of shareholders of the Company.

For inquiries about the system or other matters, contact:
Securities Business Division (Help Desk), Mitsubishi UFJ Trust and Banking Corporation
Phone: (0120) 173-027 (Toll Free) (available from 9 a.m. to 9 p.m.)

(Attached Documents)

Business Report

(From April 1, 2017 to March 31, 2018)

1. Overview of the Company Group

(1) Business Progress and Results

In fiscal 2018 (ended March 31, 2018), the global economy remained strong overall on the back of an expansion in consumer spending and exports in Europe and the United States despite such uncertainties as the slowdown in economic growth in China and geopolitical risks. The Japanese economy progressed favorably due mainly to an increase in exports as well as a recovery in domestic demand including consumer spending and capital investment. In this operating environment, Toyota Industries undertook efforts to ensure customer trust through a dedication to quality as well as to expand sales by responding flexibly to market trends.

As a result, total consolidated net sales amounted to 2,003.9 billion yen, an increase of 328.8 billion yen (20%) from fiscal 2017. The following is a review of operations for the major business segments.

[Automobile]

The automobile market expanded on a global basis, supported by robust sales mainly in Europe and China. Amid such operating conditions, net sales of the Automobile Segment totaled 595.0 billion yen, an increase of 32.4 billion yen, or 6%.

Within this segment, net sales of the Vehicle Business amounted to 72.1 billion yen, a decrease of 1.0 billion yen, or 1%, due to decreases in sales of the Vitz (Yaris overseas). Net sales of the Engine Business totaled 98.7 billion yen, an increase of 8.7 billion yen, or 10%, as a result of increases in sales of AR gasoline engines and GD diesel engines. Net sales of the Car Air-Conditioning Compressor Business totaled 351.4 billion yen, an increase of 16.7 billion yen, or 5%, attributable mainly to an increase in unit sales in Japan, North America and China. Net sales of the Electronics Parts, Foundry and Others Business totaled 72.7 billion yen, an increase of 8.0 billion, or 12%, due primarily to increases in sales of electronics parts and foundry products.

[Materials Handling Equipment]

The materials handling equipment market as a whole expanded globally driven by China, emerging countries, the United States and Europe. Amid this operating climate, Toyota Industries strengthened production and sales structures and rolled out new products matched to respective markets. In December 2017, Toyota Industries commenced sales of the new reach type electric lift trucks, "Rinova" in Japan. These initiatives led to an increase in unit sales of mainstay lift trucks in respective regions. In addition, U.S.-based Bastian Solutions LLC and Netherland-based Vanderlande Industries Holding B.V. joined the Toyota Industries Group in April 2017 and May 2017, respectively, resulting in net sales of 1,283.0 billion yen, an increase of 294.9 billion yen, or 30%.

[Textile Machinery]

The textile machinery market was sluggish mainly in China and emerging countries in Asia. Despite an increase in sales of instruments for textile quality measurement, sales of both weaving machinery and spinning machinery declined, which resulted in net sales of 65.5 billion yen, a decrease of 0.7 billion yen (1%).

In terms of overall profit, despite increase in raw material costs and increase in labor costs, Toyota Industries recorded an increase in profit due mainly to increases in sales efforts, promoting cost reduction efforts throughout the Toyota Industries Group, the impact of exchange rate fluctuations and changes in retirement benefit plan. As a result, Toyota Industries posted consolidated operating profit of 147.4 billion yen, an increase of 20.1 billion yen, or 16%, from fiscal 2017 and profit before income taxes of 209.8 billion yen, an increase of 27.9 billion yen, or 15%, from fiscal 2017. Profit attributable to owners of the parent totaled 168.1 billion yen, an increase of 36.8 billion yen, or 28%, from fiscal 2017.

(2) Capital Investments

Toyota Industries paid out a total of 115.4 billion yen in capital investments, mainly for developing new products, streamlining and upgrading production equipments. The investment breakdown by the major business segments stood as follows: 36.2 billion yen for vehicles and engines, 16.6 billion yen for car air-conditioning compressors, 12.7 billion yen for electronics parts, foundry and others in the Automobile Segment, 31.3 billion yen for the Materials Handling Equipment Segment and 18.6 billion yen for the Textile Machinery Segment and others.

(3) Financing

Toyota Industries needs are met through the issuance of corporate bonds, commercial papers and medium-term notes as well as loans from financial institutions. Balance of debt obligations at the end of the year stood at 1,168.1 billion yen.

(4) Issues to be Addressed

With regard to the future economic outlook, the global economy is expected to continue growing. However, uncertainties surrounding the business environment preclude optimism, as the impact of trade frictions arising from protectionist policies in the United States, the future trend in monetary policy in principal countries and geopolitical risks require close monitoring.

Amid this challenging environment, Toyota Industries will continue to undertake concerted efforts to strengthen its management platform and raise corporate value.

First of all, we will work to bolster our management platform so that we can respond quickly to rapid changes in the business environment. Specifically, based on the concept of quality first, we aim to build a stronger production foundation by improving productivity on a global scale. Moreover, we will strive to build a lean corporate structure by thoroughly eliminating waste, by setting lead times in terms of quality, cost and products throughout our entire global supply chain and by improving productivity in administrative sections. At the same time, we will strengthen risk management in order to quickly and accurately respond to changes in world affairs.

In addition to the above measures, we will focus on the timely launch of appealing products demanded by customers worldwide; improve earnings power by expanding the value chain and strengthening solution proposal capabilities; and proactively utilize the Internet of Things (IoT), artificial intelligence (AI) and other cutting-edge technologies. Through such measures, we aim to raise the competitiveness of our businesses. In addition, we will develop our next growth pillars by promoting strategic technology and product development while also adopting open innovation. To support such business development, we will continue our efforts to create an organization and workplace climate that enables diverse human resources to fully demonstrate their abilities and develop personnel who can play active roles in the global arena.

In other areas, Toyota Industries will create a workplace climate that places top priority on safety; ensure thoroughgoing compliance, including adherence to laws and regulations; and proactively participate in social contribution activities. By carrying out these initiatives, we aim to broadly meet the trust of society and grow harmoniously with society. With regard to protection of the global environment, we will undertake Group-wide initiatives toward the realization of “a zero CO₂ emission 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 an enriched lifestyle and comfortable society as described in Vision 2020.

(5) Trends in Assets and Income

International Financial Reporting Standards (IFRS)

(million yen)

Item	FY2015 (from April 1, 2014 – March 31, 2015)	FY2016 (from April 1, 2015 – March 31, 2016)	FY2017 (from April 1, 2016 – March 31, 2017)	FY2018 (from April 1, 2017 – March 31, 2018)
Net sales	—	1,696,856	1,675,148	2,003,973
Operating profit	—	137,026	127,345	147,445
Profit before income taxes	—	191,386	181,986	209,827
Profit attributable to owners of the parent	—	194,270	131,398	168,180
Earnings per share— basic(YEN)	—	618.34	420.78	541.67
Total assets	—	4,317,282	4,558,212	5,258,500
Total equity	—	2,169,313	2,316,467	2,633,869

Japanese GAAP

(million yen)

Item	FY2015 (from April 1, 2014 – March 31, 2015)	FY2016 (from April 1, 2015 – March 31, 2016)	FY2017 (from April 1, 2016 – March 31, 2017)	FY2018 (from April 1, 2017 – March 31, 2018)
Net sales	2,166,661	2,243,220	2,250,466	—
Ordinary profit	170,827	185,398	177,121	—
Profit attributable to owners of the parent	115,263	183,036	125,534	—
Earnings per share (YEN)	367.06	582.58	402.00	—
Total assets	4,650,896	4,199,196	4,428,644	—
Net assets	2,425,929	2,113,948	2,256,271	—

(Notes) From the fiscal year for the 140th Ordinary General Meeting of the Shareholders, the Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). For reference, figures for the fiscal years for the 138th and 139th Ordinary General Meetings of the Shareholders are also listed in conformance with IFRS.

(6) Major Subsidiaries and Other Significant Matters

1) Major subsidiaries

Company Name		Location	Capital	Percentage of Voting Rights of The Company (%)	Principal Business
Japan	Tokyu Co., Ltd.	Oguchi-cho, Aichi	135 million YEN	100.00	Manufacture and sales of automotive parts and industrial machinery
	Tokaiseiki Co., Ltd.	Iwata-shi, Shizuoka	98 million YEN	100.00	Manufacture and sales of automotive parts
	IZUMI MACHINE MFG. CO., LTD.	Obu-shi, Aichi	150 million YEN	100.00	Manufacture and sales of automotive parts and specialized machine tools

Company Name		Location	Capital	Percentage of Voting Rights of The Company (%)	Principal Business
Japan	TOYOTA L&F Tokyo Co., Ltd.	Shinagawa-ku, Tokyo	350 million YEN	100.00	Sales of industrial equipment
	Taikoh Transportation Co., Ltd.	Kariya-shi, Aichi	83 million YEN	53.97	Trucking, warehousing, distribution consulting
	Aichi Corporation	Ageo-shi, Saitama	10,425 million YEN	52.23	Manufacture and sales of aerial work platforms
Overseas	Toyota Industrial Equipment Mfg., Inc.	Indiana, U.S.A.	60,000 thousand USD	*100.00	Manufacture and sales of industrial equipment
	Toyota Material Handling Manufacturing France S.A.S	Ancenis, France	9,000 thousand EUR	*100.00	Manufacture and sales of industrial equipment
	Michigan Automotive Compressor Inc.	Michigan, U.S.A.	146,000 thousand USD	60.00	Manufacture and sales of car air-conditioning compressors
	Toyota Industries Europe AB	Mjölby, Sweden	13,743 million SEK	100.00	Holding company for materials handling equipment business in Europe
	Toyota Material Handling Europe AB	Mjölby, Sweden	1,816 million SEK	*100.00	Headquarters for materials handling equipment business in Europe
	Toyota Industries North America, Inc.	Indiana, U.S.A.	1,077,900 thousand USD	100.00	Holding company in the U.S.A.
	Toyota Material Handling U.S.A. Inc.	Indiana, U.S.A.	12,500 thousand USD	*100.00	Sales of industrial equipment
	TD Deutsche Klimakompressor GmbH	Sachsen, Germany	20,451 thousand EUR	65.00	Manufacture and sales of car air-conditioning compressors
	Toyota Material Handling Australia Pty Limited	New South Wales, Australia	211,800 thousand AUD	100.00	Sales of industrial equipment
	TD Automotive Compressor Georgia, LLC	Georgia, U.S.A.	155,000 thousand USD	*77.40	Manufacture and sales of car air-conditioning compressors
	Uster Technologies AG	Zurich, Switzerland	82,302 thousand CHF	100.00	Manufacture and sales of instruments of ginning & cotton classing and fabric quality assurance
	Industrial Components and Attachments, Inc	Oregon, U.S.A.	428,832 thousand USD	100.00	Holding company for industrial equipment component business

Company Name		Location	Capital	Percentage of Voting Rights of The Company (%)	Principal Business
Overseas	Cascade Corporation	Oregon, U.S.A.	7,070 thousand USD	*100.00	Manufacture and sales of materials handling load engagement devices and related replacement parts
	Toyota Industry (Kunshan) Co., Ltd.	Jiangsu, China	61,840 thousand USD	63.40	Manufacture and sales of foundry parts and industrial equipment
	Toyota Industries Commercial Finance, Inc.	Texas, U.S.A.	400,000 thousand USD	*100.00	Materials handling equipment sales financing business
	Yantai Shougang TD Automotive Compressor Co., Ltd.	Shandong, China	3,675 million YEN	50.10	Manufacture and sales of car air-conditioning compressors
	TD Automotive Compressor Kunshan Co., Ltd.	Jiangsu, China	22,170 thousand USD	*78.80	Manufacture and sales of car air-conditioning compressors
	P.T. TD Automotive Compressor Indonesia	West Java, Indonesia	1,152,000 million IDR	50.10	Manufacture and sales of car air-conditioning compressors
	Bastian Solutions LLC	Indiana, U.S.A.	15,759 thousand USD	*100.00	Logistics solutions
	Vanderlande Industries Holding B.V.	North Brabant, Netherland	1,495 thousand EUR	*100.00	Logistics solutions

(Note) 1. * indicates the percentage of voting rights, including interests held by the subsidiaries

2) Other Significant Matters

Toyota Motor Corporation (Capital: 635,401 million yen) holds 24.7 % of the voting rights of the Company while its consolidated companies collectively hold 0.2% of the voting rights of the Company. The Company sells products from its Automobile Segment to Toyota Motor Corporation.

(7) Principal Business

Classification		Main Products and Services
Automobile	Vehicles	RAV4, Vitz (Yaris overseas)
	Engines	Diesel engines, Gasoline engines
	Car air-conditioning compressors	Car air-conditioning compressors
	Electronics Parts, Foundry and Others	Electronics parts for automobiles, foundry for engines

Materials Handling Equipment	Engine powered lift truck, electric lift truck, warehouse trucks, automated storage and retrieval systems, aerial work platforms, logistics solutions, sales financing business
Textile Machinery	Weaving machinery, spinning machinery, instruments for yarn testing and cotton classing
Others	Land transportation services

(8) Principal Offices and Plants

1) Toyota Industries Corporation

Head Office: 2-1, Toyoda-cho, Kariya-shi, Aichi

Name		Location
Branch	Tokyo Branch	Chiyoda-ku, Tokyo
Plants	Kariya Plant	Kariya-shi, Aichi
	Obu Plant	Obu-shi, Aichi
	Kyowa Plant	Obu-shi, Aichi
	Nagakusa Plant	Obu-shi, Aichi
	Takahama Plant	Takahama-shi, Aichi
	Hekinan Plant	Hekinan-shi, Aichi
	Higashichita Plant	Handa-shi, Aichi
	Higashiura Plant	Higashiura-cho, Aichi
	Anjo Plant	Anjo-shi, Aichi

2) Subsidiaries

Refer to “(6) Major Subsidiaries and Other Significant Matters 1) Major subsidiaries”

(9) Employees

Number of employees	Increase from previous fiscal year-end
61,152	8,529

(Note) The number of employees is the number of persons engaged in the Group (the number of employees excludes the Group employees dispatched to external companies and includes employees dispatched to the Group from external companies.)

(10) Major Lenders

Lenders	Outstanding balance of borrowings as of March 31, 2018 (million yen)
Sumitomo Mitsui Banking Corporation	102,918
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	91,989
The Norinchukin Bank	57,617
Mizuho Bank, Ltd.	56,756

(Note) On April 1, 2018, The Bank of Tokyo-Mitsubishi UFJ, Ltd. changed its legal corporate name to MUFG Bank, Ltd.

2. Status of Shares

(1) Total Number of Authorized Shares

Total number of shares authorized to be issued 1,100,000,000 shares

Total number of shares outstanding 310,487,262 shares
(excluding 15,353,378 shares of treasury stock)

(2) Number of Shareholders 15,803

(3) Major Shareholders

Shareholder name	Number of Shares Held (Thousands)	Percentage of Total Shares in Issue (%)
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)	11,503	3.71
Japan Trustee Services Bank, Ltd. (Trust account)	10,706	3.45
Aisin Seiki Co., Ltd.	6,578	2.12
Nippon Life Insurance Company	5,922	1.91
Aioi Nissay Dowa Insurance Co., Ltd.	4,903	1.58
TICO Employees' Shareholding Association	4,070	1.31

(Note) 1. The Company also holds 15,353 thousand shares of treasury stock but is excluded from the above list.

(Note) 2. The percentage of total shares in issue is calculated based on the number of shares outstanding excluding the number of shares of treasury stock.

3. Company Officers

(1) Members of the Board and Audit & Supervisory Board Members

Name	Title	In charge and important concurrent duties
Tetsuro Toyoda	* Chairman of the Board	[Important concurrent duties] Outside Audit & Supervisory Board Member of Aichi Steel Corporation Outside Audit & Supervisory Board Member of Toyota Tsusho Corporation Chairman of Chubu Economic Federation
Akira Onishi	* President, Member of the Board	[Important concurrent duties] Chairman of Japan Industrial Vehicles Association
Kazue Sasaki	* Executive Vice President, Member of the Board	General Manager of R&D Headquarters; in charge of Materials Handling Equipment Segment; President of Toyota Material Handling Company [Important concurrent duties] Outside director of Toyota Boshoku Corporation
Shinya Furukawa	* Executive Vice President, Member of the Board	General Manager of Corporate Headquarters; in charge of Audit Dept., Corporate Planning Dept. and Global Human Resources Dept.
Masaharu Suzuki	* Executive Vice President, Member of the Board	General Manager of Production Headquarters and Compressor Division
Takuo Sasaki	Member of the Board, Senior Managing Officer	Deputy General Manager of Corporate Headquarters; in charge of Legal Dept. and Purchasing Dept.
Kan Otsuka	Member of the Board, Senior Managing Officer	General Manager of Electronics Division; in charge of R&D Headquarters – EC Development & Promotion Dept.; General manager of Kyowa Plant [Important concurrent duties] Outside director of UMC Electronics Co., Ltd.
Taku Yamamoto	Member of the Board, Senior Managing Officer	General Manager of Engine Division and Higashichita Plant

Name	Title	In charge and important concurrent duties
Shuzo Sumi	Member of the Board	[Important concurrent duties] Chairman of the Board of Tokio Marine Holdings Outside director of Sony Corporation
Kenichiro Yamanishi	Member of the Board	[Important concurrent duties] Chairman of Mitsubishi Electric Corporation
Mitsuhisa Kato	Member of the Board	[Important concurrent duties] Senior Executive Chairman of TOYOTA CENTRAL R&D LABS., INC. Outside Audit & Supervisory Board Members of Aisin Seiki Co., Ltd.
Toshifumi Ogawa	Full-time Audit & Supervisory Board Member	
Kohei Nozaki	Full-time Audit & Supervisory Board Member	
Hans-Juergen Marx	Audit & Supervisory Board Member	[Important concurrent duties] President of Fuji Women's University
Takahiko Ijichi	Audit & Supervisory Board Member	[Important concurrent duties] Chairman of the Board of Aioi Nissay Dowa Insurance Co., Ltd. Outside Audit & Supervisory Board Member of TOKAI RIKA CO., LTD.
Akihisa Mizuno	Audit & Supervisory Board Member	[Important concurrent duties] Chairman of Chubu Electric Power Co., Inc.

- (Notes)
1. A Representative Member of the Board is marked with an asterisk (*).
 2. The Members of the Board Mr. Shuzo Sumi, Mr. Kenichiro Yamanishi and Mr. Mitsuhisa Kato are "Outside Members of the Board" as stipulated in Article 2, Paragraph 15 of the Companies Act.
 3. The Audit & Supervisory Board Members Mr. Hans-Juergen Marx, Mr. Takahiko Ijichi and Mr. Akihisa Mizuno are "Outside Audit & Supervisory Board Members" as stipulated in Article 2, Paragraph 16 of the Companies Act.
 4. Mr. Shuzo Sumi, Mr. Kenichiro Yamanishi, Mr. Hans-Juergen Marx and Mr. Akihisa Mizuno are designated as independent officers stipulated by Stock Exchange.

(2) Summary of Liability Limitation Agreement

The Company has concluded agreements with all Outside Members of the Board and Outside Audit & Supervisory Board Members to limit liabilities stipulated in Article 423, Paragraph 1 of the Companies Act, and the liability limit shall be the amount stipulated in Article 425, Paragraph 1 of t of the Companies Act.

(3) Remuneration to Members of the Board and Audit & Supervisory Board Members

Classification	Number of Persons	Amount of Remuneration (million yen)	Details
Members of the Board	11	724	The total monthly remuneration for Members of the Board is not to exceed 90 million yen. (Resolved at the 130 th Ordinary General Meeting of Shareholders held on June 20, 2008)
Audit & Supervisory Board Members	5	128	The total monthly remuneration for Audit & Supervisory Board Members is not to exceed 15 million yen. (Resolved at the 132 nd Ordinary General Meeting of Shareholders held on June 23, 2010)
Total	16	853	

(Note) 1. Of the amount of remuneration, 97 million yen was for the Outside Officers (three Members of the Board, three Audit & Supervisory Board Members).

(Note) 2. 305 million yen which are the provision of allowance for Members of the Board's bonuses for the fiscal year ended March 31, 2018 to be resolved at the 140th Ordinary General Meeting of Shareholders held on June 12, 2018 are included in the above amount of remuneration.

(4) Matters Regarding Outside Officers

1) Important concurrent duties

Classification	Name	Important concurrent duties
Outside Members of the Board	Shuzo Sumi	Chairman of the Board of Tokio Marine Holdings Outside director of Sony Corporation
	Kenichiro Yamanishi	Chairman of Mitsubishi Electric Corporation
	Mitsuhisa Kato	Senior Executive Chairman of TOYOTA CENTRAL R&D LABS., INC. Outside Audit & Supervisory Board Members of Aisin Seiki Co., Ltd.
Outside Audit & Supervisory Board Members	Hans-Juergen Marx	President of Fuji Women's University
	Takahiko Ijichi	Chairman of the Board of Aioi Nissay Dowa Insurance Co., Ltd. Outside Audit & Supervisory Board Member of TOKAI RIKA CO., LTD.
	Akihisa Mizuno	Chairman of Chubu Electric Power Co., Inc.

(Note) 1. Aisin Seiki Co., Ltd. is a major shareholder of the Company, with holdings of 6,578 thousand shares.

(Note) 2. Aioi Nissay Dowa Insurance Co., Ltd. is a major shareholder of the Company, with holdings of 4,903 thousand shares.

2) Main Activities during the fiscal year ended March 31, 2018

Classification	Name	Main Activities
Outside Members of the Board	Shuzo Sumi	He attended 10 of 11 regularly held Meetings of the Board. He provided his opinions on overall corporate management based on his wealth of experience and expertise in managing a company.
	Kenichiro Yamanishi	He attended 9 of 11 regularly held Meetings of the Board. He provided his opinions on overall corporate management based on his wealth of experience and expertise in managing a company.
	Mitsuhisa Kato	He attended 9 of 11 regularly held Meetings of the Board. He provided his opinions on overall corporate management based on his wealth of experience and expertise in managing a manufacturing company.

Classification	Name	Main Activities
Outside Audit & Supervisory Board Members	Hans-Juergen Marx	He attended 11 of 11 regularly held Meetings of the Board and 12 of 12 regularly held Audit & Supervisory Board. He provided his opinions on overall corporate management based on his wealth of experience and expertise in managing a company.
	Takahiko Ijichi	He attended 9 of 11 regularly held Meetings of the Board and 12 of 12 regularly held Audit & Supervisory Board. He provided his opinions on overall corporate management based on his wealth of experience and expertise in managing a company.
	Akihisa Mizuno	He attended 11 of 11 regularly held Meetings of the Board and 12 of 12 regularly held Audit & Supervisory Board. He provided his opinions on overall corporate management based on his wealth of experience and expertise in managing a company.

4. Accounting Auditor

(1) Name of Accounting Auditor

PricewaterhouseCoopers Aarata LLC

(2) Remuneration for the Accounting Auditor for the fiscal year ended March 31, 2018

1) Remuneration for audit services as provided in Article 2 Paragraph 1 of the Certified Public Accountants Act 153 million yen

2) Total amount of cash and other proprietary benefits to be paid by the Company and its consolidated subsidiaries to the Accounting Auditor 216 million yen

(Note) 1. The amount in 1) above includes remuneration for audit services under the Financial Instruments and Exchange Act.

(Note) 2. The Audit & Supervisory Board has concluded that the amount of remuneration for the Accounting Auditor was appropriate after reviewing and confirming the details of the audit plan, its performance of audit services and the basis for calculation of estimating remuneration, thereby agreeing to the amount.

(3) Non-audit services

Besides business work under Article 2, Paragraph 1 of the Certified Public Accountants Act of Japan, the Company paid accounting auditors compensation for work for the preparation of comfort letters and other matters.

(4) Policy for Determination of Dismissal or Non-reappointment of the Accounting Auditor

The Audit & Supervisory Board will dismiss the Accounting Auditor upon consent of all the Audit & Supervisory Board Members, if the Accounting Auditor falls subject to any of the provisions of the sub-paragraphs of Article 340 Paragraph 1 of the Companies Act.

If Accounting Auditor has become difficult to perform the duties appropriately, The Audit & Supervisory Board will determine the proposal of calling for the dismissal or non-reappointment to be submitted to the General Meeting of Shareholders.

(5) Audit of the major subsidiaries and overseas subsidiaries of the Company

Of the major subsidiaries of the Company, overseas subsidiaries are subject to audits by audit firms other than the Accounting Auditor of the Company.

5. Structure to ensure the propriety of operations and overview of the status of operation of this structure

(1) Structure to ensure the propriety of operations

1) Structure to ensure the execution of duties by Members of the Board conforms to laws, regulations and the Articles of Incorporation

- i) The Company shall ensure that Members of the Board thoroughly act in compliance with laws, regulations, the spirit of laws and the Articles of Incorporation by raising their knowledge and improving their awareness with respect to knowledge of laws required for Members of the Board and their essential obligations and responsibilities through training for newly elected officers as well as lectures on laws for officers that are held as needed.
- ii) Decisions in the execution of duties by Members of the Board shall be made after comprehensive considerations at Meetings of the Board, Management Council, Management Committee, Business Operation Committee and at cross-organization functional meetings and committees. The agenda items to be decided at these meetings and committees shall be properly submitted and discussed as prescribed by relevant regulations. Additionally, these meetings and committees shall be attended by Audit & Supervisory Board Members while opportunities for viewing important documents by the Audit & Supervisory Board Members shall be assured at all times.
- iii) Significant issues relating to corporate ethics, compliance and risk management shall be appropriately discussed at the CSR Committee and functional meetings and committees, and responses to risk shall be made. Additionally, the Company formulated the Toyota Industries Corporation Employee Code of Conduct as a code of conduct for Members of the Board and employees and thoroughly informs employees of this code as the premise of all corporate activities.
- iv) The Company has established multiple helplines for employees, which include the compliance hotline served by external lawyers, for the early detection of significant matters related to compliance by Members of the Board.

2) Structure for the safekeeping and management of information pertaining to the execution of duties by Members of the Board

The preparation, safekeeping and management of information pertaining to the execution of duties by Members of the Board shall be undertaken appropriately pursuant to internal rules, laws and regulations concerning the identification of the subject information for safeguarding, departments responsible for preparation, departments responsible for safeguarding, safeguarding methods and safeguarding period. A condition shall be maintained that enables viewing and verification of information at all times as needed.

3) Regulations and other structures concerning the management of risk of loss

- i) Proper fund management shall be undertaken through budgeting systems while persons with decision-making authority and persons responsible for the execution of duties shall be prescribed depending on the degree of importance through the “Ringi” system (effective consensus-building and approval system) and risk shall be managed in executing business duties and the budget. Items to be discussed for significant matters such as large-scale investments shall be appropriately submitted and discussed pursuant to regulations prescribed by criteria for submitting agenda matters to Meetings of the Board and the Management Committee. Decisions shall be made based on evaluations of business opportunities and risks and rational judgments.
- ii) The Company shall assure the reliability of financial reporting by clarifying financial risk, documenting activities for controlling this risk and confirming the status of implementation of these activities. Moreover, proper and timely information disclosure shall be assured through the Information Disclosure Committee.

- iii) Each business division shall establish a system for and undertake daily monitoring of the obligations and responsibilities of business division heads with respect to quality, safety, the environment, personnel and labor, information and security, export transaction controls and other areas of compliance and risk. When necessary, the functional meetings and committees and the Head Office functional departments shall formulate company rules, prepare and distribute manuals, implement training and undertake operational audits as well as carry out company-wide monitoring.
- iv) As a precaution against disasters and other contingencies, manuals shall be prepared and training implemented and, when necessary, responses shall be made that include taking risk diversification measures and arranging insurance coverage against losses.
- v) In the event that risk materializes and a serious problem occurs, proper countermeasures and steps shall be taken in accordance with the Crisis Response Manual and essential information shall be quickly disclosed.

4)Structure for assuring the efficient execution of duties by Members of the Board

- i) The Medium-Term Management Plan and the company policies for each fiscal year shall be formulated in accordance with policy management systems. Based on these, each business division shall clarify the implementation items for business division policies, profit plans and each organization with respect to the responsibilities of the head of business divisions and carry out policy management and daily management. The status of the execution of these duties shall be confirmed through Meetings of the Board, Management Council, Business Operation Committee and the President's on-site inspections.
- ii) The responsible business division head shall manage new product development, systems development and newly established production lines to assure quality, costs and delivery periods for these under the design review (DR) system that sets examination steps from product planning to product design, production preparation, production migration and initial production.

5)Structure for assuring the execution of duties by employees conforms to laws, regulations and the Articles of Incorporation

- i) Employee compliance shall be ensured by thoroughly informing employees of the Toyota Industries Corporation Employee Code of Conduct and holding training and workplace meetings on important matters.
- ii) The separation of duties and the delegation of responsibilities and authority in each organization shall be clarified while compliance and risk management mechanisms shall be embedded into business processes. Effectiveness shall be confirmed through the implementation of operational audits and self-checks.
- iii) Multiple helplines for employees that include the compliance hotline served by external lawyers are established for the early detection of employee compliance issues as well as for prevention through prior consultation.

6)Structure for ensuring the propriety of business operations in the corporate group consisting of the Company and its subsidiaries

- i) The responsible business divisions managing and supervising subsidiaries shall promote the Company's Basic Philosophy, code of conduct, corporate policies, business division policies and important policies regarding finance, quality, safety, the environment and personnel and labor at each subsidiary. The Members of the Board of subsidiaries, in accordance with their responsibilities, shall establish and operate an internal control system for assuring the propriety and legality of business execution at the relevant subsidiaries.

- ii) The responsible business divisions of subsidiaries shall confirm the propriety and legality of the execution of duties of the Members of the Board of subsidiaries through the exchange of information with the Members of the Board, Audit & Supervisory Board Members and employees of the subsidiaries regularly or as needed or by management supervision by non-executive Members of the Board dispatched by the Company.
- iii) Functional departments of the Head Office shall support the responsible business divisions of the subsidiaries as well as the subsidiaries in the deployment of important policies at subsidiaries and the establishment of internal control systems.
- iv) Subsidiary control regulations shall be established and operated as a structure for Members of the Board and employees of subsidiaries to report to the Company on important matters related to the management of relevant subsidiaries.
- v) The Members of the Board and employees of subsidiaries shall be encouraged to use the Company's compliance hotline. They shall also be asked to report to the Company on important matters reported to the internal hotlines established by subsidiaries for the early detection and resolution of issues related to compliance by Members of the Board and employees of subsidiaries.

7)Matters related to employees in cases where the Audit & Supervisory Board Members request employees be assigned to assist their duties

The Audit & Supervisory Board Office shall be established as a dedicated organization that assists with the duties of the Audit & Supervisory Board Members, and multiple persons not subject to the orders of Members of the Board shall be posted at this office.

8)Matters related to the independence of employees from Members of the Board described in the previous item and to the assurance of the effectiveness of instructions given to the relevant employees

- i) The assignment of personnel to the Audit & Supervisory Board Office shall be subject to the prior approval of the Audit & Supervisory Board or from the Full-time Audit & Supervisory Board Members as determined by the Audit & Supervisory Board.
- ii) Members of the Board or employees of the Company or subsidiaries shall cooperate with investigations and information gathering of staff of the Audit & Supervisory Board Office based on instructions from the Audit & Supervisory Board Members.

9)Structure for reporting to Audit & Supervisory Board Members by Members of the Board and employees, by Members of the Board and employees of subsidiaries and by parties receiving reports from these persons

- i) Members of the Board and employees shall report regularly or as needed on the status of the execution of business in response to requests by Audit & Supervisory Board Members. They shall also immediately report to Audit & Supervisory Board Members when discovering any actual matters that could cause material damage to the Company.
- ii) Members of the Board and employees of subsidiaries shall report on business operations as needed in response to requests by the Audit & Supervisory Board Members. The responsible business division in charge of the subsidiary and the functional departments of the Head Office shall appropriately report to the Audit & Supervisory Board Members on any significant management matters concerning subsidiaries.
- iii) Mechanisms shall be established and operated to ensure the Members of the Board or employees of the Company or of subsidiaries are not treated disadvantageously by reason of reporting to the Audit & Supervisory Board Members.

10)Other structures for assuring audits by the Audit & Supervisory Board Members are performed effectively

The Audit & Supervisory Board Members shall attend principal officer conferences, while access to important documents by the Audit & Supervisory Board Members, opportunities for exchanging information with the Accounting Auditors on a regular basis or as needed, and cooperation with the internal audit sections shall be assured. Necessary expenses for the duties of the Audit & Supervisory Board Members shall be covered, including for the direct recruitment of external human resources when needed.

(2) Overview of the status of operation of the structure to ensure the propriety of business operations

1)Compliance by Members of the Board and employees

- The Company implemented training for newly elected officers and lectures on laws for officers (information and technology laws, points to consider in timely disclosure and corporate communications) and thereby raised the insights of directors.
- To further deepen employees' understanding of compliance, employees were thoroughly informed of the Toyota Industries Corporation Employee Code of Conduct through new employee education, rank-based training and company-wide workplace meetings. The Company translated into six languages the video materials that were created for familiarizing the Employee Code of Conduct so that it could be used outside Japan. Also, the Company distributed e-learning educational materials based on themes decided each month and worked to create an environment for autonomously enhancing sensitivity toward compliance.
- To ensure the effective functioning of a compliance hotline set up externally and various types of internal helplines, the Company clearly stated that whistle-blowers will not be disadvantageously affected and employees were thoroughly informed about the use of this system. Also, the Company responded appropriately to consultation cases while reporting to Members of the Board on the status of usage.

2)Management of risk of loss

- Evaluated business opportunities and risks and executed decision-making for major matters such a large-scale investments through the Meetings of the Board and Management Committee based on agenda criteria.
- Convenes functional meetings and committees for safety, quality, the environment and other areas of compliance and risk and undertaking company-wide management.
- Convened the Disaster and Fire Prevention Conference in preparation for disasters (earthquakes, fires, explosions and flooding). Implemented evacuation drills at all plants.
- In fiscal 2017, the Company began carrying out practical drills, from initial responses to the prevention of recurrences, based on the assumption that a confidential information leakage accident occurred, and continued to implement these drills in fiscal 2018.

3)Efficient execution of Members of the Board's duties

- Formulated the Medium-Term Management Plan and fiscal-year corporate policies under policy management systems, and based on these, clarified major implementation items for each organization and carried out policy management and day-to-day management. Discussed and resolved major implementation items in accordance with the agenda criteria at the Meetings of the Board and Management Committee as well as confirmed the status of execution through the Meetings of the

Board, Management Council, Business Operation Committee and the President's on-site inspections.

4) Propriety of business operations in the corporate group

- The responsible business divisions of subsidiaries promoted important policies such as the Basic Philosophy and corporate policies at subsidiaries, established opportunities for exchanging information with subsidiaries on a regular basis or as needed, and confirmed and followed up on the status of promotion of corporate policies as well as safety, quality, the environment and compliance.
- The internal audit sections as well as the environment, safety and health and other functional departments confirmed and followed up on compliance through such means as subsidiary operational audits and subsidiary self-checks using check sheets.

5) Reporting to Audit & Supervisory Board Members and ensuring the effectiveness of audits

- The status of the execution of duties was reported to the Audit & Supervisory Board Members by the Members of the Board of the Company and its subsidiaries. Opportunities were established for the Audit & Supervisory Board Members to attend principal meetings and committees to ascertain the status of decision-making by Members of the Board and their execution of duties and compliance.

6. Policies regarding the determination of distribution of surplus

Toyota Industries is to meet the expectations of shareholders for continuous dividends while giving full consideration to business performance, funding requirements, the dividend payout ratio and other factors.

Toyota Industries will use retained earnings to improve the competitiveness of its products, augment production capacity in Japan and overseas, as well as to expand into new fields of business and strengthen its corporate constitution in securing future profits for its shareholders.

Consolidated Financial Statements

Consolidated Statement of Financial Position

Unit: millions of yen
(Amounts less than 1 million yen are omitted)

Description	FY2018 (As of March 31, 2018)	(Reference) FY2017 (As of March 31, 2017)	Description	FY2018 (As of March 31, 2018)	(Reference) FY2017 (As of March 31, 2017)
(Assets)			(Liabilities)		
Current assets	1,493,793	1,322,420	Current liabilities	1,005,876	810,603
Cash and cash equivalents	323,830	243,685	Trade payables and other payables	479,253	395,698
Time deposits with deposit terms of over three months	111,796	162,668	Corporate bonds and loans	400,803	311,663
Trade receivables and other receivables	764,514	646,542	Other financial liabilities	71,683	71,807
Other financial assets	6,359	11,632	Accrued income taxes	27,097	11,163
Inventories	223,714	194,427	Provisions	7,754	7,397
Income tax receivables	9,359	21,106	Other current liabilities	19,284	12,872
Other current assets	54,219	42,356			
Non-current assets	3,764,707	3,235,791	Non-current liabilities	1,618,754	1,431,140
Property, plant and equipment	889,220	833,329	Corporate bonds and loans	767,297	665,890
Goodwill and intangible assets	361,797	185,813	Other financial liabilities	70,912	79,375
Trade receivables and other receivables	337	149	Net defined benefit liabilities	86,655	92,552
Investments accounted for by the equity method	10,352	8,673	Provisions	8,460	6,479
Other financial assets	2,441,545	2,161,509	Deferred tax liabilities	665,342	567,803
Net defined benefit assets	29,232	18,129	Other non-current liabilities	20,086	19,039
Deferred tax assets	27,017	23,800	Total liabilities	2,624,631	2,241,744
Other non-current assets	5,204	4,386			
			(Equity)		
			Share of equity attributable to owners of the parent	2,553,391	2,240,293
			Capital stock	80,462	80,462
			Capital surplus	105,343	105,417
			Retained earnings	1,084,139	954,503
			Treasury stock	(59,284)	(59,272)
			Other components of shareholders' equity	1,342,730	1,159,181
			Non-controlling interests	80,478	76,174
			Total equity	2,633,869	2,316,467
Total assets	5,258,500	4,558,212	Total liabilities and equity	5,258,500	4,558,212

Consolidated Statement of Profit or Loss

Unit: millions of yen
(Amounts less than 1 million yen are omitted)

Description	FY2018 (April 1, 2017 - March 31, 2018)	(Reference) FY2017 (April 1, 2016 - March 31, 2017)
Net sales	2,003,973	1,675,148
Cost of sales	1,534,207	1,278,378
Gross profit	469,765	396,769
Selling, general and administrative expenses	334,347	268,354
Other profit	21,915	11,411
Other expenses	9,887	12,480
Operating profit	147,445	127,345
Financial income	70,279	63,734
Financial expenses	10,046	10,067
Share of profit (loss) of investments accounted for by the equity method	2,149	974
Profit before income taxes	209,827	181,986
Income taxes	36,010	44,420
Profit	173,816	137,565
Profit attributable to:		
Owners of the parent	168,180	131,398
Non-controlling interests	5,635	6,167

Consolidated Statement of Changes in Equity

(April 1, 2017 - March 31, 2018)

Unit: millions of yen
(Amounts less than 1 million yen are omitted)

	Share of equity attributable to owners of the parent					
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Other components of shareholders' equity	
					Net changes in revaluation of FVTOCI financial assets	Remeasurements of defined benefit plans
Balance as of 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 change 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 as of March 31, 2018	80,462	105,343	1,084,139	(59,284)	1,393,702	-

	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	Total			
Balance as of April 1, 2017	(50,417)	6	1,159,181	2,240,293	76,174	2,316,467
Profit			168,180	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 change 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 as of March 31, 2018	(52,397)	1,426	1,342,730	2,553,391	80,478	2,633,869

Notes to the Consolidated Financial Statements

I. Notes to the Basis for Preparation of Consolidated Financial Statements

1. Basis of preparation of consolidated financial statements

From this fiscal year, Toyota Industries Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) pursuant to the provisions of Article 120 (1) of the Ordinance on Accounting of Companies. These consolidated financial statements are prepared with the partial omission of the disclosure items required by IFRS as allowed by the provisions of the latter part of the Article.

2. Early Adoption of New Accounting Standards

Toyota Industries has early adopted IFRS 9 "Financial Instruments" (revised in July 2014).

3. Matters regarding the scope of consolidation

Number of consolidated subsidiaries 254

Names of major subsidiaries Tokyu Co., Ltd., Tokaiseiki Co., Ltd., IZUMI MACHINE MFG CO., LTD., TOYOTA L&F Tokyo Co., Ltd., Taikoh Transportation Co., Ltd., Aichi Corporation, Toyota Industrial Equipment Mfg., Inc., Toyota Material Handling Manufacturing France SAS, Michigan Automotive Compressor, Inc., Toyota Industries Europe AB, Toyota Material Handling Europe AB, Toyota Industries North America, Inc., Toyota Material Handling, U.S.A., Inc., TD Deutsche Klimakompressor GmbH, Toyota Material Handling Australia Pty Limited, TD Automotive Compressor Georgia, LLC, Uster Technologies AG, Industrial Components and Attachments, Inc. Cascade Corporation, Toyota Industry (Kunshan) Co., Ltd., Toyota Industries Commercial Finance, Inc., Yantai Shougan Toyota Industries Co., Ltd., TD Automotive Compressor Kunshan Co., Ltd., P.T. TD Automotive Compressor Indonesia, Bastian Solutions, LLC, Vanderlande Industries B.V. and other 228 subsidiaries

4. Application of the equity method

Number of affiliates to which the equity method applied 24

Names of major affiliates TOYOTA L&F Kinki Co., Ltd., Hangzhou Aichi Engineering Vehicles Co., Ltd., Liftow Limited, 1 group company of Toyota Material Handling Europe AB Group, 7 group companies of The Raymond Corporation Group, 1 group company of Vanderlande Industries B.V. Group and other 12 affiliates

5. Matters regarding changes in the scope of consolidation and the application of the equity method

Number of newly consolidated subsidiaries 55

	Sugiyama Industries Co., Ltd., Toyota Industries Commercial Finance Canada, Inc., Toyota Material Handling (Thailand) Co., Ltd., 2 group companies of Aichi Corporation Group, 4 group companies of Toyota Material Handling Europe AB Group, 1 group company of The Raymond Corporation Group, 11 group companies of Bastian Solutions, LLC and 34 group companies of Vanderlande Industries B.V. Group joined the subsidiaries of the Company and have been included in the scope of consolidation.
Number of companies excluded from the scope of consolidation	8
	KTL co., Ltd., Shanghai Makisin Toyota Forklift Co., Ltd., 1 group company of Toyota Material Handling Europe AB Group, 1 group company of Toyota Material Handling Australia Pty Limited Group, 1 group company of Uster Technologies AG Group, 1 group company of Bastian Solutions, LLC, and 2 group companies of Vanderlande Industries B.V. Group have been excluded from the scope of consolidation according to extinction through liquidation and others.
Number of affiliates to which the equity method newly applied	1
	1 company of the Vanderlande Industries B.V. Group, which became a new affiliate , is included in the scope of application of the equity method.
Number of affiliates excluded from the companies to which the equity method applied	None

6. Matters regarding fiscal years of the consolidated subsidiaries

Among the consolidated subsidiaries, the fiscal year-end of the following subsidiaries is different from the consolidated fiscal year-end (March 31).

Toyota Industry (Kunshan) Co., Ltd. (December 31), TD Automotive Compressor Kunshan Co., Ltd. (December 31), Yantai Shougan Toyota Industries Co., Ltd. (December 31) and 8 other subsidiaries

These subsidiaries use financial statements based on the provisional settlement of accounts performed on March 31, which is the consolidated fiscal year-end.

7. Matters regarding the standards for accounting policies

(1) Standards and methods for valuation of financial assets

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Group recognizes a financial asset or a financial liability when it becomes a party to the contract of a financial instrument. A purchase or sale of financial assets is recognized or derecognized at the trade date.

1) Non-derivative financial assets

Toyota Industries categorizes non-derivative assets into financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income (FVTOCI) and financial assets measured at fair value through profit or loss (FVTPL).

i) Financial assets measured at amortized cost

Toyota Industries categorizes financial assets as financial assets measured at amortized cost if financial assets are held with the objective of collecting contractual cash flows and their contractual terms provide cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding. Financial assets measured at amortized cost are initially measured at fair value. The carrying amount of financial assets measured at amortized cost is subsequently measured using the effective interest method.

ii) Financial assets measured at fair value

Toyota Industries categorizes financial assets other than financial assets measured at amortized cost as financial assets measured at fair value. Financial assets measured at fair value are further divided into the following classifications according to holding purpose.

(Equity instruments measured at fair value through other comprehensive income (FVTOCI))

Shares and other financial assets held mainly for the purpose of maintaining or enhancing business relationships with investees are designated at initial recognition as financial assets at FVTOCI.

Equity instruments at FVTOCI are measured at fair value at initial recognition and changes in fair value thereafter are recognized in other comprehensive income. However, dividends arising from financial assets at FVTOCI are in principle recognized in profit or loss.

If an equity instrument at FVTOCI is derecognized, the cumulative amount of other comprehensive income recognized in other components of equity on the consolidated statements of financial position is directly transferred to retained earnings.

(Financial assets measured at fair value through profit or loss (FVTPL))

Financial assets not designated as financial assets at FVTOCI of financial assets measured by Toyota Industries are classified as financial assets at FVTPL.

Financial assets at FVTPL are measured at fair value at initial recognition and changes in fair value thereafter are recognized in profit or loss.

2) Derivatives

Toyota Industries holds derivative financial instruments to hedge foreign currency and interest rate fluctuation risks, including foreign currency forward contracts, currency options, currency swaps, interest rate swaps and interest rate currency swaps.

For all of these derivatives, Toyota Industries recognizes financial assets or financial liabilities when it becomes the party to these derivatives contracts.

Some of derivatives Toyota Industries holds for hedging purposes do not meet hedge accounting requirements.

Changes in fair value of these derivatives are immediately recognized in profit or loss.

Toyota Industries adopts cash flow hedges only as a hedge accounting method.

(2) Standards and methods for valuation of inventories

Inventories are stated at the lower of cost or net realizable value. Cost of inventories includes purchase costs, processing costs and all other costs incurred in bringing them to their existing location and condition, and is calculated primarily using the moving average method.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to sell.

(3) Method for depreciation and amortization of Property, Plant and Equipment and Intangible Assets

1) Property, Plant and Equipment

Property, plant and equipment are measured using the cost model and stated at cost less accumulated depreciation and accumulated impairment losses.

Estimated useful lives and the method of depreciation are reviewed at the fiscal year-end. Changes in estimated useful lives or depreciation methods are accounted for on a prospective basis as a change in accounting estimate.

Property, plant and equipment, excluding land and construction in progress, are depreciated on a straight-line basis over their estimated useful lives. Leased assets are depreciated over the shorter of the lease term or their estimated useful lives, unless it is reasonably certain that Toyota Industries will acquire ownership by expiration of the lease term.

The estimated useful lives for major classes of assets are as follows.

Buildings and structures: 5 to 60 years

Machinery and vehicles: 3 to 22 years

2) Intangible Assets

Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives. The estimated useful lives of major classes of assets are as follows.

Software: 3 to 5 years

Development assets: 2 to 10 years

(4) Impairment Losses

1) Financial assets

Financial assets measured at amortized cost are assessed for impairment losses based on expected

credit losses.

At the end of the reporting period, if credit risk has not increased significantly after initial recognition, the amount of loss allowance is calculated based on the expected credit losses resulting from default events that are possible within 12 months after the reporting date (12-month expected credit losses). On the other hand, at the end of the reporting period, if credit risk has increased significantly after initial recognition, the amount of loss allowance is calculated based on the expected credit losses resulting from all possible default events over the life of the financial instrument (lifetime expected credit losses).

However, regardless of the above, lifetime expected credit loss measurement always applies to trade receivables and lease investment assets without a significant financing component.

2) Non-financial assets

Toyota Industries reviews carrying amounts of non-financial assets, excluding inventories and deferred tax assets, at every reporting fiscal year-end to determine whether there is any indication of impairment. If there is any indication of impairment, impairment testing is conducted based on the recoverable amount of the asset. Goodwill and intangible assets with indefinite useful lives are tested annually for impairment regardless of whether there is any indication of impairment.

A cash-generating unit (CGU), which is a unit for conducting impairment testing, is the smallest group of assets that generates cash inflows that are generally independent of cash flows of other assets or groups of assets. A CGU for goodwill is the smallest unit monitored for internal control purposes and is no larger than an operating segment before aggregation. Impairment testing for goodwill is conducted at a CGU or a group of CGUs for the smallest unit monitored for internal control purposes and within the scope of an operating segment before aggregation.

The recoverable amount of an asset or CGU is the greater of its value in use or its fair value less cost to sell. In calculating the value in use, estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects the time value of money and risks specific to the asset not considered in estimating future cash flows.

Because corporate assets do not generate independent cash inflows, if there is an indication that a corporate asset may be impaired, impairment testing is conducted based on the recoverable amount for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. An impairment loss recognized in relation to a CGU is allocated to reduce the carrying amount of assets within the CGU on a pro rata basis determined by the relative carrying amount of each asset.

An asset or CGU impaired in prior years is reviewed at every reporting fiscal year-end to determine whether there is any indication of a reversal of impairment loss recognized in prior years. The recoverable amount is estimated for an impairment loss recognized in prior years for an asset or CGU with an indication of reversal of impairment, and the impairment loss is reversed if the recoverable amount exceeds the carrying amount. The carrying amount after reversal of the impairment loss must not exceed the carrying amount of the asset that would be determined if no impairment had been recognized and the asset had been depreciated or amortized until the reversal. An impairment loss recognized for goodwill is not reversed.

(5) Standards for recording provisions

The Company recognizes provisions if it has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of obligation can be reliably estimated.

In case the time value of money is material, the amount of a provision is measured at the present value of the amount of expenditures expected to be required to settle the obligation.

(6) Employee Benefits

1) Post-employment benefits

Toyota Industries adopts the pension and lump-sum payment defined benefit plan and the defined contribution plan.

Toyota Industries' liabilities (assets) in respect of defined benefit plans is calculated for each plan by estimating the amount of future benefits earned by employees in the previous fiscal year and the fiscal year under review, discounting that amount to the present value, deducting the fair value of plan assets, making adjustments concerning the asset ceiling to that amount and, where necessary, considering economic benefits available. Remeasurements of liabilities (assets) in respect of defined benefit plans are recognized in other comprehensive income and at the time of their occurrence

directly transferred from other components of equity to retained earnings. Prior service cost is recognized in profit or loss as it occurs. Market yields on high-quality corporate bonds with roughly the same maturity as that of Toyota Industries' net defined benefit liabilities at the end of the reporting period are used as the discount rate. Interest expenses on liabilities (asset) in respect of defined benefit plans are presented as financial expenses.

Contributions under the defined contribution plan are expensed as the employees' services are provided.

2) Short-term employee benefits

Short-term employee benefits are expensed as the relevant services are provided and are not discounted.

For bonuses, if Toyota Industries has the present legal and constructive obligation to pay them as the result of past services provided by employees and the amount can be reliably estimated, the amount estimated to be paid is recognized as a liability.

3) Other long-term employee benefits

The amount of an obligation in respect of the long-service travel award scheme is calculated by estimating the amount of future benefits earned by employees in the current and prior fiscal years and discounting that amount to the present value.

Market yields on high-quality corporate bonds with roughly the same maturity as that of Toyota Industries' long-term employee benefits at the end of the reporting period are used as the discount rate.

4) Share-based compensation

Toyota Industries adopts the cash-settled share-based compensation plan for some of its subsidiaries outside Japan. Cash-settled share-based compensation is measured at the fair value of the goods or services received and liabilities incurred. The fair value of the liabilities is remeasured at the end of each reporting period and on the settlement date, and changes in fair value are recognized in profit or loss.

(7) Profits

Profits are measured at the fair value of the consideration received or receivables for goods and services provided less sales related taxes.

1) Sales of goods

Revenue from the sales of goods is recognized when the significant risks and economic values of ownership of the goods have been transferred to the customer; Toyota Industries has neither continuing managerial involvement nor effective control over the goods sold; the amount of revenue and the costs incurred or to be incurred in respect of the transaction can be measured reliably; and the collectibility of consideration is high. The timing of transferring risks and rewards of ownership of goods varies depending on the conditions of individual terms of sales contracts. Normally, revenue is recognized when a customer accepts goods after inspection.

Toyota Industries provides incentives to distributors. If these incentives are discounts to distributors, they are estimated and recognized when products are sold and recorded as reduction to revenue.

2) Provision of services

Revenue from the provision of services is recognized over the terms of individual service contracts.

3) Multiple-element transactions

Toyota Industries enters into multiple-element arrangements that include various elements such as products and maintenance. If elements of a multiple-element arrangement meet the following criteria, Toyota Industries allocates the arrangement consideration to individual elements based on each component's relative fair value and recognizes revenue for each element.

Each element has stand-alone value to the customer.

The fair value of each element can be reliably measured.

If the above criteria are not met, revenue as one stand-alone accounting unit is deferred until undelivered products or services are delivered.

(8) Foreign Currencies

1) Foreign currency transactions

Foreign currency transactions are converted into the functional currency of Toyota Industries using the exchange rate prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies are converted into the functional currency using the exchange rate at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the spot rate using the

exchange rate at the fair value calculation date.

Any exchange difference arising from the retranslation and settlement is recognized in profit or loss of the period.

2) Foreign operations

Assets and liabilities of foreign operations including goodwill and fair value adjustments arising from acquisition are translated at the exchange rates at the end of the reporting period. Income and expenses of foreign operations are translated at the average exchange rates during the fiscal year, except in cases where exchange rates fluctuate significantly. If exchange rates fluctuate significantly, the exchange rate at the transaction date is used.

Foreign currency differences from the translation are recognized in other comprehensive income. When a foreign operation is disposed of or control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation is reclassified to profit or loss as part of the gain or loss on the disposal.

(9) Accounting treatment of consumption taxes

Tax Exclusion Method is applied in the accounting treatment of consumption taxes.

(10) The last day of this fiscal year fell on a financial institution holiday. Therefore, 1,005 million yen in trade notes within trade receivables and other receivables and 1,816 million yen in trade notes within trade payables and other payables on the date of March 31 were accounted for as money received and money withdrawn on that date.

8. Additional information

(Other earnings)

In April 2017, the Company changed its defined benefit scheme so that the amount of benefits under the plan will be determined by the number of points acquired. Points are earned by employees based on factors such as the number of years of service and grades. "Other income" in the consolidated statement of profit or loss for the fiscal year ended March 31, 2018 included the impact of plan amendment of 14,370 million yen.

(Income taxes)

With the reduction of the corporate income tax rate due to the U.S. tax reform enacted in December 2017, "Deferred tax assets" decreased by 218 million yen and "Deferred tax liabilities" decreased by 15,896 million yen in the consolidated statement of financial position as of March 31, 2018, "Income taxes" decreased by 16,073 million yen in the consolidated statement of profit or loss and "Other comprehensive income" decreased by 431 million yen in the consolidated statement of comprehensive income for the fiscal year ended March 31, 2018.

II. Notes to Consolidated Statement of Financial Position

1. Accumulated depreciation of property, plant and equipment 1,199,784 million yen
The accumulated depreciation includes accumulated impairment loss.
2. Loss valuation provisions directly deducted from assets
Trade receivables and other receivables 5,147 million yen
3. Pledged assets and secured debts
 - (1) Assets pledged as collateral

Investment securities	143,700 million yen
Inventories	1,019 million yen
Property, plant and equipment	391 million yen
Other assets	622 million yen
Total	145,733 million yen
 - (2) Secured debts

Short-term loans payable	1,664 million yen
Long-term loans payable	33 million yen
Other liabilities	29,960 million yen
Total	31,658 million yen
4. Export bills discounted 115 million yen

III. Notes to Consolidated Statement of changes in Equity

1. Type and total number of outstanding shares at the end of the consolidated fiscal year
Common stock 325,840,640 shares
2. Matters regarding dividends payable
 - (1) Dividends paid for the year ended March 31, 2018

Resolution	Class of stock	Total amount of dividends payable	Dividends per share	Record date	Effective date
June 9, 2017, Ordinary General Meeting of Shareholders	Common stock	20,181 million yen	65 yen	March 31, 2017	June 12, 2017
October 31, 2017, Board of Directors meeting	Common stock	21,734 million yen	70 yen	September 30, 2017	November 27, 2017

- (2) Dividends with a record date in the fiscal year ended March 31, 2018 for which the effective date falls in the following fiscal year

Resolution Planned	Class of stock	Total amount of dividends payable	Source for dividend	Dividends per share	Record date	Effective date
June 12, 2018, Ordinary General Meeting of Shareholders	Common stock	24,838 million yen	Retained earnings	80 yen	March 31, 2018	June 13, 2018

IV. Notes to Financial Instruments

1. Matters concerning Financial Instruments

(1) Capital management

Toyota Industries' financial policy is to ensure sufficient financing and liquidity for its business activities and to maintain strong financial position. Through the use of such current assets as cash and cash equivalents and short-term investments, as well as cash flows from operating activities, issuance of corporate bonds and loans from financial institutions, Toyota Industries believes that it will be able to provide sufficient funds for the working capital necessary to expand existing businesses and develop new projects. The Company defines equity capital as the amount of share of equity attributable to owners of the parent excluding the subscription rights to shares.

The Company is not subject to external capital controls as of March 31, 2018.

(2) Matters concerning risk management

1) Risk management policy

Toyota Industries is exposed to financial risks related to its marketing activities (credit risk, market risk, liquidity risk, etc.). These risks are managed, based on the treasury policy for avoiding or reducing the effects of such risks.

The Company uses derivatives to avoid the risks explained below and does not engage in speculative transactions.

i) Credit risk

The main receivables of Toyota Industries such as accounts receivable, lease investment assets and loans receivable related to the sales financing business have credit risk (risk concerning non-performance of an agreement by the counterparty). In accordance with internal rules including the treasury policy, Toyota Industries strives to promptly identify and reduce concerns about collection due to a deterioration in the financial conditions and others of its main counterparties by regularly monitoring their situation based on their financial statements and ratings, and conducting due date management and balance management. Collection risk of lease investment assets is minimal because their ownership is not transferred and due date management and balance management are conducted. Toyota Industries has no significant concentrations of credit risk with any counterparty.

When using derivative transactions, Toyota Industries mainly deals with only financial institutions evaluated as highly creditworthy by rating agencies to mitigate the counterparty risk.

Regarding accounts receivable, lease investment assets and loans receivable related to the sales financing business, if all or part of them cannot be collected or are deemed to be extremely difficult to collect, they are regarded as nonperforming.

The total carrying amount of financial assets represents the maximum exposure to credit risk.

(Measuring expected credit loss for accounts receivable and lease investment assets)

Because there is no financial element in accounts receivable, the loss evaluation allowance is calculated as lifetime expected credit losses until collection of accounts receivable. For lease investment assets, the loss evaluation allowance is calculated as lifetime expected credit losses until collection of lease investment assets. With regard to accounts receivable and lease investment assets of debtors who have no significant problems in their business conditions, the expected credit loss rate is measured collectively, taking into account the past track record of bad debts and others.

(Measuring expected credit loss for loans receivable related to the sales financing business)

If credit risk has not increased significantly as of the end of the fiscal year since initial recognition, the loss evaluation allowance for loans receivable related to the sales financing business is calculated by collectively estimating the expected credit loss rate for the following 12 months based on the past track record of bad debts and others. If there are significant effects of changes in economic and other conditions, the loan loss provision ratio based on the past track record of bad debts will be adjusted and reflected in the forecast of present and future economic situations. On the other hand, if credit risk has increased significantly as of the end of the fiscal year since the initial recognition, the loss evaluation allowance for financial instruments is calculated by individually estimating the lifetime expected credit losses of collecting financial instruments based on the past track record of bad debts and the collectible amount in the future among other factors. Assets that are regarded as non-performing are

recorded as credit impaired financial assets.

ii) Liquidity risk

With financing through corporate bonds and loans, Toyota Industries is exposed to liquidity risk that a payment cannot be made on the due date because of a deterioration in financing and other conditions. In accordance with the treasury policy, Toyota Industries prepares funding plans and secures liquidity with funds on hand and commitment lines.

iii) Market risk

(a) Foreign currency risk

Engaged in business globally, Toyota Industries conducts transactions in foreign currencies and is exposed to the risk that profit or loss, cash flow and others will be affected by exchange rate fluctuations. In accordance with its treasury policy, in principle, Toyota Industries uses foreign currency forward contracts, foreign currency option contracts and foreign currency swaps to hedge foreign currency risk for each currency for its monetary credits and liabilities denominated in foreign currencies.

(b) Interest rate risk

Toyota Industries procures funds through borrowings from financial institutions and issuances of corporate bonds and is exposed to interest rate risks associated with raising and managing funds. With regard to interest rate risks, Toyota Industries hedges such risks by fixing interest payments through interest rate swaps and matching cash flows of receivables and payables, among other methods.

(c) Price fluctuation risk of equity financial instruments

Toyota Industries holds listed shares of companies with business relationships and is exposed to price fluctuation risk of equity financial instruments. Toyota Industries constantly reviews the status of its holdings of these financial instruments, taking into account relationships with and financial conditions of business partners.

Toyota Industries does not hold equity financial instruments for trading purposes and does not actively trade these investments.

2. Matters Concerning the Fair Value of Financial Instruments

The carrying amount and fair values of financial instruments consist of the following.

(1) Financial instruments measured at amortized cost

Unit: millions of yen
(Amounts less than 1 million yen are omitted)

	Carrying amount	Fair value
Financial assets:		
Loans receivable related to the sales financing business(Note)	104,568	101,587
Lease investment assets	281,056	273,339
Financial liabilities:		
Corporate bonds(Note)	550,240	551,757
Long-term loans(Note)	513,832	514,123
Lease obligations	104,009	104,006

(Note) Loans receivable related to the sales financing business, corporate bonds and long-term loans include the balance to be repaid and redeemed within one year.

Notes are omitted for such short-term financial assets as cash equivalents and trade receivables and other receivables (excluding loans related to sales financing and lease investment assets) as well as for such short-term financial liabilities as trade payables and other liabilities that are measured by amortized costs because fair market value approximates the book value.

The fair value of lease investment assets is calculated with present value obtained by discounting the total amount of future lease receivables with the expected interest rate when newly undertaking similar lease transactions.

The fair value of loans receivable and loans receivable related to the sales financing business is calculated with present value obtained by discounting the total amount of principal and interest with the expected interest rate when newly undertaking similar lending.

The fair values of corporate bonds and long-term loans are calculated with present value obtained by

discounting the total amount of future principal and interest with the expected interest rate when newly undertaking similar borrowings.

The fair value of lease obligations is calculated with present value obtained by discounting the total amount of future lease payments with the expected interest rate when newly undertaking similar lease transactions.

(2) Fair values of financial assets and liabilities continuously at fair value

Unit: millions of yen
(Amounts less than 1 million yen are omitted)

	Carrying amount	Fair value
Financial assets measured at fair value through profit or loss:		
Derivative assets	4,793	4,793
Others	1,530	1,530
Financial assets measured at fair value through other comprehensive income	2,429,822	2,429,822
Financial liabilities measured at fair value through profit or loss:		
Derivative liabilities	6,165	6,165

Derivatives are transactions for forward exchange contracts, foreign currency option contracts, interest rate swaps and interest rate and currency swaps.

Fair value of forward exchange contracts is calculated based on observable market data including forward exchange rates. Data for the fair value of foreign currency option contracts, interest rate swaps and interest rate and currency swaps are calculated by financial institutions based on observable market data.

Toyota Industries primarily uses the book value per share method when measuring the fair value of unlisted shares and other equity securities categorized as financial assets measured at fair value through other comprehensive income. For issues with high importance, the calculation is conducted with the modified net asset value method, with some modifications made to market price if necessary. The illiquidity discount, which is an important unobservable input used to measure the fair value of unlisted shares, is calculated as 30%.

V. Notes to Per Share Information

1. Equity per share: attributable to owners of the parent	8,223.82 yen
2. Earnings per share- basic	541.67 yen

Independent Auditor's Report
(English Translation)

May 7, 2018

To the Board of Directors
Toyota Industries Corporation

PricewaterhouseCoopers Aarata LLC
Sakae Toda, CPA
Designated Limited Liability Partner,
Engagement Partner
Kosaku Kawahara, CPA
Designated Limited Liability Partner,
Engagement Partner

Pursuant to Article 444, Paragraph 4 of the Corporation Act, we have audited the consolidated financial statements, that is, the consolidated statement of Financial Position, the consolidated statement of profit or loss, the consolidated statement of changes in equity and the notes to the consolidated financial statements of Toyota Industries Corporation (the Company) for the 140th fiscal year from April 1, 2017 to March 31, 2018.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the provisions of the latter part of Article 120 (1) of the Ordinance on Accounting of Companies that allows the partial omission of the disclosure items required by IFRS. These include the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements, based on our audit, from an independent standpoint. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, even though the purpose of audit is not for the effectiveness of internal control. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the above-mentioned consolidated financial statements prepared with the partial omission of the disclosure items required by IFRS as allowed by the provisions of the latter part of Article 120 (1) Ordinance on Accounting of Companies present fairly, in all material respects, the financial position and profits and losses of the corporate group consisting of Toyota Industries Corporation and its consolidated subsidiaries during the fiscal year represented in the consolidated financial statements.

Interests or relationship

We have no interest in or relationship with the Company that is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act.

Non-consolidated Financial Statements (JGAAP)

Non-consolidated Balance Sheet

Unit: millions of yen
(Amounts less than 1 million yen are omitted)

Description	FY2018 (As of March 31, 2018)	(Reference) FY2017 (As of March 31, 2017)	Description	FY2018 (As of March 31, 2018)	(Reference) FY2017 (As of March 31, 2017)
(Assets)			(Liabilities)		
Current assets	592,023	540,410	Current liabilities	509,292	382,558
Cash and deposits	354,458	309,326	Trade notes payable	12,804	24,290
Trade notes receivable	9,699	11,267	Trade Accounts payable	138,818	139,561
Accounts receivable	123,589	117,557	Current portion of bonds	76,000	10,000
Merchandise and finished goods	2,636	2,285	Current portion of long term loans payable	115,669	73,141
Work in process	27,342	23,634	Accounts payable-other	22,656	9,142
Raw materials and supplies	10,947	9,747	Accrued expenses	46,496	42,207
Prepaid expenses	581	459	Accrued income taxes	12,517	—
Deferred tax assets	12,372	8,334	Advance received	2,303	1,786
Other current assets	50,411	57,829	Deposits received	52,056	52,916
Allowance for doubtful accounts	(17)	(32)	Other current liabilities	29,968	29,511
Fixed assets	3,222,624	2,848,318	Long-term liabilities	1,080,290	1,014,686
Property, plant and equipment	266,903	227,005	Bonds payable	331,919	251,556
Buildings	64,949	59,472	Long-term loans payable	134,223	228,694
Structures	9,927	8,855	Deferred tax liabilities	571,930	494,659
Machinery and equipment	74,250	62,224	Allowance for retirement benefits	38,878	36,656
Vehicles and delivery equipment	1,496	1,109	Other long-term liabilities	3,339	3,118
Tools, furniture and fixtures	7,403	7,142	Total liabilities	1,589,583	1,397,244
Land	77,556	77,188	(Net assets)		
Construction in progress	31,320	11,011	Shareholders' equity	860,063	806,620
Intangible assets	18,156	17,327	Capital stock	80,462	80,462
Software	18,156	17,327	Capital surplus	105,539	105,539
Investments and other assets	2,937,564	2,603,985	Legal capital surplus	101,766	101,766
Investments securities	766,776	689,641	Other capital surplus	3,773	3,773
Stocks of subsidiaries and affiliates	2,042,197	1,766,606	Retained earnings	733,346	679,890
Investments in capital	4,153	4,216	Legal retained earnings	17,004	17,004
Investments in capital of subsidiaries and affiliates	34,830	34,838	Other retained earnings	716,341	662,885
Long-term loans receivable	69,339	89,926	Reserve for special depreciation	15	34
Long-term prepaid expenses	18,759	17,343	Reserve for advanced depreciation of non-current assets	225	229
Other investments and other assets	1,544	1,458	General reserve	280,000	280,000
Allowance for doubtful accounts	(35)	(45)	Retained earnings brought forward	436,100	382,621
			Treasury stock	(59,284)	(59,272)
			Valuation and translation adjustments	1,365,000	1,184,863
			Valuation difference on available-for-sale securities	1,364,916	1,184,809
			Deferred gains or losses on hedges	84	54
Total assets	3,814,648	3,388,728	Total net assets	2,225,064	1,991,484
			Total liabilities and net assets	3,814,648	3,388,728

Non-consolidated Statement of Income

Unit: millions of yen
(Amounts less than 1 million yen are omitted)

Description	FY2018 (April 1, 2017 - March 31, 2018)	(Reference) FY2017 (April 1, 2016 - March 31, 2017)
Net sales	1,309,073	1,252,797
Cost of sales	1,163,115	1,119,962
Gross profit	145,957	132,834
Selling, general and administrative expenses	100,843	94,880
Operating income	45,114	37,954
Non-operating income	81,360	77,697
Interest and dividends income	78,234	69,103
Other non-operating income	3,126	8,593
Non-operating expenses	12,418	13,110
Interest expenses	5,075	5,751
Other non-operating expenses	7,342	7,359
Ordinary income	114,056	102,541
Income before income taxes	114,056	102,541
Income taxes - current	23,250	12,660
Income taxes - deferred	(4,565)	2,756
Net income	95,372	87,125

Non-consolidated Statement of Changes in Net Assets

(April 1, 2017 - March 31, 2018)

Unit: millions of yen
(Amounts less than 1 million yen are omitted)

	Shareholders' equity										
	Capital stock	Capital surplus			Legal retained earnings	Retained earnings					Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		Reserve for special depreciation	Other retained earnings		General reserve	Retained earnings brought forward	
					Reserve for advanced depreciation of non-current assets						
Balance as of April 1, 2017	80,462	101,766	3,773	105,539	17,004	34	229	280,000	382,621	679,890	
Changes of items during the period											
Reversal of reserves						(19)	(4)		23	-	
Dividends paid									(41,915)	(41,915)	
Net income for the period									95,372	95,372	
Repurchase of treasury stock											
Change to items other than shareholders' equity during accounting period											
Total changes of items during the period	-	-	-	-	-	(19)	(4)	-	53,479	53,456	
Balance as of March 31, 2018	80,462	101,766	3,773	105,539	17,004	15	225	280,000	436,100	733,346	

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance as of April 1, 2017	(59,272)	806,620	1,184,809	54	1,184,863	1,991,484
Changes of items during the period						
Reversal of reserves		-				-
Dividends paid		(41,915)				(41,915)
Net income for the period		95,372				95,372
Repurchase of treasury stock	(12)	(12)				(12)
Change to items other than shareholders' equity during accounting period			180,106	30	180,136	180,136
Total changes of items during the period	(12)	53,443	180,106	30	180,136	233,580
Balance as of March 31, 2018	(59,284)	860,063	1,364,916	84	1,365,000	2,225,064

Notes to Non-consolidated Financial Statements

I. Notes to Significant Accounting Policies

1. Standards and methods of valuation of assets

(1) Marketable Securities

Stocks of subsidiaries and affiliates

Stated at cost using the moving-average method

Other securities

- Securities with market quotations

Stated at fair market value on the account closing date with unrealized gains and losses reported in a separate component of net assets. The cost of securities sold is calculated by the moving-average method.

- Securities without market quotations

Stated at cost using the moving-average method

(2) Inventories

Stated at cost determined by the moving-average method (the values on the non-consolidated balance sheet are calculated through the write-down method based on the deterioration of profitability).

2. Depreciation method for fixed assets

Property, plant and equipment

Declining-balance method

Intangible assets

Straight-line method

3. Method of accounting for deferred assets

As for bond issuance cost, full amount is treated as expenses at the time of payout.

4. Standards of accounting for reserves

(1) Allowance for doubtful accounts

The Company adopted the policy of providing an allowance for doubtful accounts in an amount sufficient to cover possible losses on collection by estimating individually uncollectible amounts and applying to the remaining accounts a percentage determined by certain factors such as historical collection experiences.

(2) Allowance for retirement benefits

The Company accrues an amount which is considered to be incurred in the period based on the estimated projected benefit obligations and estimated pension assets at the end of the year.

A. Method of attributing expected benefit to periods

The value of accrued benefit obligations is calculated using benefit formula standard.

B. Treatment of actuarial gains and losses and past service costs

Unrecognized past service costs are amortized by the straight-line method over the remaining average service period of the employees. Unrecognized actuarial gain or loss at the end of prior year is amortized by the straight-line method over the remaining average service period of the employees.

To provide for the retirement benefits for directors and managing officers, an amount which is calculated at the end of the year as required by an internal policy describing the retirement benefits for directors and managing officers is accrued.

5. Method of hedge accounting

Mainly the deferral method of hedge accounting is applied. In the case of foreign currency forward contracts, foreign currency option contracts and foreign currency swaps, the hedged items are translated at contracted forward rates if certain conditions are met.

As for the interest rate swap contracts, which meet the requirements of preferential accounting method, the preferential accounting method is applied.

In order to hedge the risk of changes in foreign exchange rates on transactions denominated in loans payable, bonds payable, receivable and payable, and forecasted transactions, and the risk of changes in interest rates on loans payable and bonds payable, Toyota Industries uses derivative instruments (foreign currency forwards contracts, foreign currency option contracts, foreign currency swaps and interest rate swaps) during the fiscal year under review.

6. Accounting treatment of retirement benefits
The accounting method of unrecognized actuarial gain and loss and past service cost is different from the consolidated financial statement.
7. Accounting treatment of consumption taxes
Tax Exclusion Method is applied in the accounting treatment of consumption taxes.
8. The last day of this fiscal year fell on a financial institution holiday and therefore 24 million yen in trade notes on the date of March 31 were accounted for as money received on that date.

II. Notes to Non-consolidated Balance Sheet

1. Pledged assets, and assets pledged as collateral for secured debts
 - (1) Assets pledged as collateral

Investment securities	143,700 million yen
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 - (2) Secured debts

Other current liabilities	29,625 million yen
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2. Accumulated depreciation of property, plant and equipment 606,002 million yen
The accumulated depreciation includes accumulated impairment loss.
3. Guarantee liability
 - (1) Guarantee liability to financial institutions 164,656 million yen
 - (2) Guarantee liability from operating transactions 16,510 million yen
4. Export bills discounted 115 million yen
5. Monetary receivables from and payables to subsidiaries and affiliates
 - (1) Short-term monetary asset 102,967 million yen
 - (2) Long-term monetary asset 67,066 million yen
 - (3) Short-term monetary liability 125,723 million yen
 - (4) Long-term monetary liability 549 million yen

III. Notes to Non-consolidated Statement of Income

Transactions with affiliates

- (1) Net sales 1,015,769 million yen
- (2) Net purchases 694,784 million yen
- (3) Transactions other than operating transactions 64,050 million yen

IV. Notes to Non-consolidated Statement of Changes in Net Assets

Matters regarding the numbers of treasury stock

Class of stock	Number of shares as of the beginning of fiscal 2018	Increase in the number of shares in fiscal 2018	Decrease in the number of shares in fiscal 2018	Number of shares as of the end of fiscal 2018
Common stock	15,351,442 shares	1,936 shares	-	15,353,378 shares

V. Notes to Tax Effect Accounting

The main contributing factors to the deferred tax assets are amounts of allowance for retirement benefits and accrued expenses, exceeding provision limit for tax deductible expenses (amount of valuation reserve deducted), and the main contributing factor to the deferred tax liabilities incurred is net unrealized gains or losses on available-for-sale securities.

VI. Notes to Transactions with Affiliates

1. Parent company and major corporate shareholders

Unit: millions of yen

Class	Name	Owning (or owned) shares with voting rights	Contents of relationship	Contents of transaction	Amount of transactions	Description	Balance as of the end of the fiscal year under review
Other affiliate	Toyota Motor Corporation	owned 24.7% (directly held) 0.2% (indirectly held)	Sales of the Company's products and purchase of automobile parts	Sales of Automobiles and engines etc. (1)	773,380	Trade notes receivable	8,440
						Accounts receivable	30,929
				Purchase of parts of automobiles and engines etc. (2)	585,271	Accounts payable	57,381

(Notes)

1. Conditions of transactions and determination policies etc.

(1) As for the sales of automobiles and engines etc., the Company offers prices on such products based on their overall costs, considering conditions on arm's-length transactions, and negotiates prices for each fiscal year.

Conditions other than the prices are determined based on arm's-length transactions.

(2) As for the purchase of parts of automobiles and engines etc., the Company negotiates prices for each fiscal year, considering offered prices on such products and conditions on arm's-length transactions.

Conditions other than the prices are determined based on arm's-length transactions.

2. The amount of transactions does not include consumption taxes, whereas the balance as of the end of the fiscal year under review includes consumption taxes.

VII. Notes to Per Share Information

1. Net assets per share
2. Net income per share

7,166.36 yen

307.17 yen

Independent Auditor's Report
(English Translation)

May 7, 2018

To the Board of Directors
Toyota Industries Corporation

PricewaterhouseCoopers Aarata LLC
Sakae Toda, CPA
Designated Limited Liability Partner,
Engagement Partner
Kosaku Kawahara, CPA
Designated Limited Liability Partner,
Engagement Partner

Pursuant to Article 436, Paragraph 2, Item 1 of the Corporation Act, we have audited the non-consolidated financial statements, that is, the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in net assets and the notes to the non-consolidated financial statements, and the supplementary schedules of Toyota Industries Corporation (the Company) for the 140th fiscal year from April 1, 2017 to March 31, 2018.

Management's Responsibility for the Non-Consolidated Financial Statements

Management is responsible for preparation of the non-consolidated financial statements and supplementary schedules in accordance with generally accepted accounting principles in Japan and fair presentation of them. These include the design, implementation and maintenance of internal control relevant to the preparation and presentation of the non-consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these non-consolidated financial statements, based on our audit, from an independent standpoint. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures the non-consolidated financial statements and supplementary schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the non-consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the non-consolidated financial statements and supplementary schedules that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, even though the purpose of audit is not for the effectiveness of internal control. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the non-consolidated financial statements and supplementary schedules referred to above present fairly, in all material respects, the financial position of the non-consolidated financial statements and supplementary schedules as of March 31, 2018, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Interests or relationship

We have no interest in or relationship with the Company that is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act.

Audit Report

(English Translation)

The Audit & Supervisory Board, following deliberations on the reports made by each Audit & Supervisory Board member concerning the audit of execution of duties by Members of the Board of the Company for the 140th fiscal year from April 1, 2017 to March 31, 2018, has prepared this Audit Report and hereby submit it as follows:

1. Summary of Auditing Methods by Audit & Supervisory Board members and Audit & Supervisory Board

- (1) The Audit & Supervisory Board established the auditing policies and plans, received reports and explanations regarding the status of audits and the results thereof from each Audit & Supervisory Board member, as well as reports and explanations regarding the status of the execution of duties from the Members of the Board and Accounting Auditor, and requested explanation as necessary.
- (2) In accordance with the auditing policies and plans determined by the Audit & Supervisory Board, each Audit & Supervisory Board Member communicated with the Members of the Board and employees in charge of internal auditing and other duties of the Company, made their best efforts to collect information and improve the auditing environment, and conducted an audit in the following way.
 1. Each Audit & Supervisory Board Member attended the Board of Directors' meetings and other important meetings to receive reports regarding the execution of duties from Members of the Board and employees and requested explanations as necessary. Each Audit & Supervisory Board Member inspected the approved documents and examined the status of operations and conditions of assets at its head office and principal offices. Audit & Supervisory Board Members also received from subsidiaries their business reports as necessary through communication and information sharing with their Members of the Board and Audit & Supervisory Board Members.
 2. Each Audit & Supervisory Board Member received status reports from Members of the Board, employees of the internal control department and other employees on a regular basis about the resolutions adopted by the Board of Directors as to establishing the system set forth in Paragraph 4, Item 6 of Article 362 of the Companies Act as well as Paragraphs 1 and 3 of Article 362 of the Companies Act, and the status of such system (Internal Control System) established in accordance with the resolution of the Board of Directors and requested explanations as necessary.
 3. The Audit & Supervisory Board Members monitored and verified whether the Accounting Auditor maintained independence and conducted the audits appropriately, received reports and explanations regarding the status of the execution of duties from the Accounting Auditor and requested explanations as necessary. The Audit & Supervisory Board Members were also informed by the Accounting Auditor of its arrangements, as appropriate, under the Article 131 of the Ordinance for Corporate Accounting with respect to standards for quality control of audit work and requested explanations as necessary.

In accordance with the procedures mentioned above, the Audit & Supervisory Board Members reviewed the business reports and supplementary schedules, the non-consolidated financial statements (non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in net assets and notes to non-consolidated financial statements) and the supplementary schedules thereof, and the consolidated financial statements (consolidated statement of financial position, consolidated statements of profit or loss, consolidated statements of changes in equity and the notes to the consolidated financial statements) for the fiscal year under review.

2. Results of Audit

(1) Results of Audit of Business Report and Other Relevant Documents

1. In our opinion, the business report and the supplementary schedules are in accordance with the related laws and regulations and Articles of Incorporation, and fairly represent the Company's condition.
2. We have found no evidence of wrongful action or material violation of related laws and regulations, nor of any violation with respect to the Articles of Incorporation, related to performance of duties by the Members of the Board.
3. In our opinion, the contents of the resolutions of the Board of Directors related to the internal controls system are fair and reasonable. In addition, we have found no matters on which to remark regarding the performance of duties by the Members of the Board related to such internal controls system.

(2) Results of Audit of Non-consolidated Financial Statements and Supplementary Schedules

In our opinion, the methods and results employed and rendered by PricewaterhouseCoopers Aarata LLC, are fair and reasonable.

(3) Results of Audit of Consolidated Financial Statements

In our opinion, the methods and results employed and rendered by PricewaterhouseCoopers Aarata LLC, are fair and reasonable.

May 11, 2018

Board of Audit & Supervisory Board Member, Toyota Industries Corporation

Full-time Audit & Supervisory Board Member
Full-time Audit & Supervisory Board Member
Outside Audit & Supervisory Board Member
Outside Audit & Supervisory Board Member
Outside Audit & Supervisory Board Member

Toshifumi Ogawa
Kohei Nozaki
Hans-Juergen Marx
Takahiko Ijichi
Akihisa Mizuno