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(Securities code: 6201)
May 22, 2020

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 142ND ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

The 142nd Ordinary General Meeting of Shareholders 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 8, 2020, Japan time.

- 1. Date and Time:** Tuesday, June 9, 2020 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 142nd Fiscal Year (April 1, 2019 - March 31, 2020) 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:** Election of 9 Members of the Board
 - Proposal No. 2:** Election of 2 Audit & Supervisory Board Member
 - Proposal No. 3:** Election of 1 Substitute Audit & Supervisory Board Member
 - Proposal No. 4:** 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 Election of 9 Members of the Board

The term of office of the incumbent Members of the Board will expire at the conclusion of 142nd Ordinary General Meeting of Shareholders. The Company proposes the election of 9 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 and important concurrent duties and reasons for nomination as a director candidate	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] Chairman of Chubu Economic Federation</p> <p>[Reasons for nomination as a director candidate] 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>	644,685 shares

No.	Name (Date of birth)	Position(s) and main area in charge of the Company	Career summary and important concurrent duties and reasons for nomination as a director candidate	Number of Company shares held
2	Akira Onishi (January 4, 1958)	President, Member of the Board	<p>April 1981 Joined the Company June 2005 Director of the Company June 2006 Managing Director of the Company June 2008 Senior Managing Officer of the Company June 2010 Senior Managing Director of the Company June 2013 President of the Company (to the present)</p> <p>[Reasons for nomination as a director candidate] 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>	21,063 shares
3	Kazue Sasaki (March 5, 1954)	Executive Vice President, Member of the Board [In charge] General Manager of R&D Headquarters; Chairman of Toyota Material Handling Company	<p>April 1977 Joined the Company June 2003 Director of the Company June 2006 Managing Director of the Company June 2008 Senior Managing Officer of the Company June 2010 Director of the Company June 2011 Senior Managing Director of the Company 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 a director candidate] 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>	20,100 shares

No.	Name (Date of birth)	Position(s) and main area in charge of the Company	Career summary and important concurrent duties and reasons for nomination as a director candidate	Number of Company shares held
4	Takuo Sasaki (December 3, 1956)	Executive Vice President, Member of the Board [In charge] General Manager of Corporate Headquarters; In charge of Audit Dept., Corporate Planning Dept. and Legal 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 Members of the Board, Senior Managing Officer of the Company</p> <p>June 2018 Executive Vice President of the Company (to the present)</p> <p>[Reasons for nomination as a director candidate] 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, director from 2016 and as executive vice president (current position) from 2018. 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>	12,600 shares
5	Yojiro Mizuno (March 9, 1960)	Member of the Board, Senior Executive Officer [In charge] President of Toyota Material Handling Company; In charge of Logistics Solution Division	<p>April 1983 Joined the Company</p> <p>June 2010 Managing Officer of the Company</p> <p>June 2018 Members of the Board, Senior Managing Officer of the Company</p> <p>June 2019 Members of the Board, Senior Executive Officer of the Company (to the present)</p> <p>[Reasons for nomination as a director candidate] 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 director (current position) from 2018. We have determined that Mr. Mizuno 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>	12,500 shares

No.	Name (Date of birth)	Position(s) and main area in charge of the Company	Career summary and important concurrent duties and reasons for nomination as a director candidate	Number of Company shares held
6	Yuji Ishizaki (August 9, 1956)	Member of the Board, Senior Executive Officer [In charge] General Manager of Compressor Division	<p>April 1980 Joined the Company</p> <p>June 2012 Managing Officer of the Company</p> <p>June 2018 Members of the Board, Senior Managing Officer of the Company</p> <p>June 2019 Members of the Board, Senior Executive Officer of the Company (to the present)</p> <p>[Reasons for nomination as a director candidate] Mr. Ishizaki possesses abundant experience at the Company in the Corporate Planning Department and the Purchasing Department. He 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 and director (current position) from 2018. We have determined that Mr. Ishizaki 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>	12,500 shares

No.	Name (Date of birth)	Position(s) and main area in charge of the Company	Career summary and important concurrent duties and reasons for nomination as a director candidate	Number of Company shares held
7	Shuzo Sumi (July 11, 1947)	Member of the Board	<p>April 1970 Joined Tokio Marine June 2000 Director and Chief Representative in London, Overseas Division of the same</p> <p>June 2002 Managing Director of the same 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 June 2007 President of Tokio Marine Holdings</p> <p>June 2013 Chairman of the Board of Tokio Marine & Nichido June 2013 Chairman of the Board of Tokio Marine Holdings June 2014 Director of the Company (to the present)</p> <p>April 2016 Senior Executive Advisor of Tokio Marine & Nichido (to the present)</p> <p>June 2019 Retiring Chairman of the Board of Tokio Marine Holdings</p> <p>[Important concurrent duties] Outside director of Sony Corporation</p> <p>[Reasons for nomination as a director candidate] 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 and important concurrent duties and reasons for nomination as a director candidate	Number of Company shares held
8	Kenichiro Yamanishi (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</p> <p>April 2018 Director & Executive Corporate Advisor of Mitsubishi Electric Corporation</p> <p>June 2018 Executive Corporate Adviser of Mitsubishi Electric Corporation (to the present)</p> <p>[Important concurrent duties] Executive Corporate Adviser of Mitsubishi Electric Corporation</p> <p>[Reasons for nomination as a director candidate] 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 and important concurrent duties and reasons for nomination as a director candidate	Number of Company shares held
9	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] Senior Executive Chairman of Toyota Central R&D Labs., INC. Outside Audit & Supervisory Board Member of Aisin Seiki Co., Ltd.</p> <p>[Reasons for nomination as a director candidate] 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>	—

- (Notes) 1. No material conflicts of interest exist between the Company and any of the above candidates.
2. The Company and Mr. Shuzo Sumi, Mr. Kenichiro Yamanishi and Mr. Mitsuhisa 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, Mr. Yamanishi and Mr. Kato are candidates for Outside Members of the Board, as explained below. Mr. Sumi and Mr. 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. 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 term of office of Mr. Sumi, Mr. Yamanishi and Mr. Kato as Outside Members of the Board at the Company are six years, five years and five years, respectively, as of the conclusion of the 142nd Ordinary General Meeting of Shareholders.

Proposal No. 2 Election of Two Audit & Supervisory Board Members

The term of office of Mr. Toshifumi Ogawa as Full-time Audit & Supervisory Board Member and Mr. Akihisa Mizuno as Audit & Supervisory Board Member will expire at the conclusion of 142nd Ordinary General Meeting of Shareholders. The Company proposes the election of two Audit & Supervisory Board Members. Audit & Supervisory Board has already approved this proposal.

The candidate is as follows:

Name (Date of birth)	Position	Career summary and important concurrent duties and reasons for nomination as an Audit & Supervisory Board Member candidate	Number of Company shares held
Akihisa Mizuno (June 13, 1953)	Audit & Supervisory Board Member	<p>April 1978 Joined Chubu Electric Power Co., Inc.</p> <p>June 2008 Director of the same Senior Managing Executive Officer General Manager of Corporate Planning & Strategy Division</p> <p>June 2009 Director, Executive Vice President of the same General Manager of Corporate Planning & Strategy Division General Manager of Affiliated Business Planning & Development Dept.</p> <p>June 2010 President & Director of the same</p> <p>June 2015 Chairman of the Board of Directors of the same</p> <p>June 2016 Audit & Supervisory Board Member of the Company (to the present)</p> <p>June 2020 Director & Honorary Advisor of Chubu Electric Power Co., Inc. (to the present)</p> <p>[Important concurrent duties] Director & Honorary Advisor of Chubu Electric Power Co., Inc.</p> <p>[Reasons for nomination as an Outside Audit & Supervisory Board Member candidate] Mr. Mizuno possesses abundant experience as top manager for many years at Chubu Electric Power Co., Inc. We have determined that Mr. Mizuno can continue to properly execute business duties as an Outside Audit & Supervisory Board Member based on his wealth of experience and expertise in overall corporate management and we request that he be elected.</p>	1,000 shares

Name (Date of birth)	Position	Career summary and important concurrent duties and reasons for nomination as an Audit & Supervisory Board Member candidate	Number of Company shares held
* Toru Watanabe (January 30, 1961)	Project General Manager of Accounting & Finance Dept.	<p>April 1983 Joined the Company</p> <p>June 2016 General Manager of Accounting & Finance Dept. of the Company</p> <p>January 2017 Project General Manager of Accounting & Finance Dept. of the Company (to the present)</p> <p>[Reasons for nomination as an Audit & Supervisory Board Member candidate] Mr. Watanabe possesses abundant experience at the Company in the Accounting & Finance Department and the Corporate Planning Department. He has also been involved in the strengthening of the financial foundation and the improvement of corporate value of the Company group. We have determined that Mr. Watanabe can properly execute business duties as an Audit & Supervisory Board Member based on his wealth of experience, achievements and knowledge accumulated throughout his career and we request that he be elected.</p>	8,900 shares

- (Notes)
1. No material conflicts of interest exist between the Company and the candidate.
 2. The Company and Mr. Akihisa Mizuno 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. Mizuno is a candidate for Outside Audit & Supervisory Board Member. Mr. Mizuno is registered as Independent Director 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.
 4. The term of office of Mr. Mizuno as Outside Audit & Supervisory Board Member at the Company is four as of the conclusion of the 142nd Ordinary General Meeting of Shareholders.
 5. A new candidate is marked with an asterisk (*).

Proposal No. 3 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. Masanao Tomozoe, currently Outside Audit & Supervisory Board Member, or Mr. Akihisa Mizuno, a candidate for Outside Audit & Supervisory Board Member. In the event Mr. Hitoshi Furusawa 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 and reasons for nomination as a candidate for substitute Audit & Supervisory Board Member	Number of Company shares held
Hitoshi Furusawa (February 2, 1971)	—	<p>April 1996 Registered as lawyer (Aichi Bar Association)</p> <p>October 2000 Established Furusawa Law Firm (the present Koyama Furusawa & Hayase LPC) (to the present)</p> <p>[Reasons for nomination as a candidate for substitute Outside Audit & Supervisory Board Member] Although he has not participated directly in corporate management, Mr. Furusawa has been active as a lawyer mainly in the field of corporate legal affairs for many years and we have determined that Mr. Furusawa 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. Hitoshi Furusawa is a candidate for Substitute Outside Audit & Supervisory Board Member.

(2) Outline of Liability Limitation Agreement

In the event that Mr. Furusawa is elected under the measure and he assumes the duties of Audit & Supervisory Board Member, the Company and Mr. Furusawa 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. Furusawa is elected under the measure and he assumes the duties of Audit & Supervisory Board Member, the Company intends to register Mr. Furusawa as an independent member of management as stipulated by the regulations of securities exchanges.

Proposal No. 4 Issuance of Directors' bonuses

The Company proposes to issue the Director's bonus for 7 Members of the Board, 3 Outside Members of the Board who are in service as of the end of March 31, 2020 with 233,060,000 yen (Members of the Board 214,760,000 yen, Outside Members of the Board 18,300,000 yen) in consideration of financial results of the term in the fiscal year ended March 31, 2020 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 8, 2020 (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://evote.tr.mufg.jp/>) designated by the Company. This voting Web site has two versions—one for computers, smart phones, tablets 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., Japan time daily.)



If your smart phone, tablet device or mobile phone has a QR-Code reader,

you can access the Exercise of Voting Rights Web site by reading the QR-Code(*2) provided here.

When using a smartphone, you don't need to enter a login ID and tentative password for one time only by reading the Login QR Code provided on the enclosed Voting Rights Exercise Form. Please refer to 2.

- (2) Voting via smartphones.

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 8, 2020 (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) Voting via computers, tablet devices and mobile phones

- ① At the voting Web site (<https://www.evotet.tr.mufg.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.

(2) Voting via smartphones

- ① The voting Web site is automatically accessed by reading the Login QR Code provided on the Voting Rights Exercise Form, which allows you to exercise your voting right. (No need to enter a login ID and tentative password)
- ② Because of security concerns, login via the Login QR Code is limited to one-time try only. From the second try onward, you need to enter a login ID and tentative password.
- ③ Depending on the phone model, you may not be able to log in to the voting Web site. If so, please exercise your voting right via computers, tablet devices and mobile phones (see 2 (1)).

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. , Japan time)

(Attached Documents)

Business Report

(From April 1, 2019 to March 31, 2020)

1. Overview of the Company Group

(1) Business Progress and Results

In FY2020 (ended March 31, 2020), the global economy was solid overall despite such uncertainties as the deceleration of the Chinese economy arising from U.S.-China trade frictions and geopolitical risks. However, during the few months leading to the fiscal year-end it went on a dramatic downward spiral due to the spread of COVID-19. Meanwhile, the Japanese economy deteriorated during the second half of FY2020. In addition to the factors mentioned above, the primary reasons for the deterioration included a decrease in anemic consumer spending that accompanied the consumption tax hike or natural disaster. In this operating environment, Toyota Industries undertook efforts to ensure customer trust through a priority to quality as well as to respond flexibly to market trends.

Total consolidated net sales amounted to 2,171.3 billion yen, a decrease of 43.6 billion yen, or 2%, from the previous fiscal year. The following is a review of operations for the major business segments.

[Automobile]

The automobile market remained roughly on par with the previous fiscal year in Japan despite contraction in other areas. Amid such operating conditions, net sales of the Automobile Segment totaled 613.8 billion yen, an increase of 3.1 billion yen, or 1%.

Within this segment, net sales of the Vehicle Business amounted to 89.9 billion yen, an increase of 7.5 billion yen, or 9%, due mainly to increases in sales of the new RAV4 whose production started in November 2018. Net sales of the Engine Business totaled 122.4 billion yen, an increase of 14.0 billion yen, or 13%, resulting mainly from increases in sales of new A25A and M20A gasoline engines. Net sales of the Car Air-Conditioning Compressor Business totaled 328.1 billion yen, a decrease of 18.1 billion yen, or 5%. Sales in Japan increased while those in North America and Europe decreased. Net sales of the Electronics Parts, Foundry and Others Business totaled 73.2 billion yen, on par with the previous fiscal year. This was because decreases in sales of foundry products were offset by increases in sales of electronics parts.

[Materials Handling Equipment]

The materials handling equipment market remained roughly on par with the previous fiscal year in North America, while it shrank in Europe. Amid this operating climate, net sales of the Materials Handling Equipment Segment totaled 1,436.3 billion yen, a decrease of 30.3 billion yen, or 2%. This was due primarily to decreases in sales of mainstay lift trucks and the impact of exchange rate fluctuations.

[Textile Machinery]

The textile machinery market was stagnant in Asia, including China, Toyota Industries' primary market. Net sales of the Textile Machinery Segment totaled 61.7 billion yen, a decrease of 14.6 billion yen, or 19%, due mainly to decreases in sales of weaving machinery and yarn quality measurement instruments.

In terms of overall profit, despite sales efforts and increases in promoting cost reduction efforts throughout the Toyota Industries Group, due mainly to the impact of COVID-19, Typhoon No. 19 (Hagibis) and exchange rate fluctuations, Toyota Industries recorded a decrease in consolidated operating profit of 128.2 billion yen, a decrease of 6.4 billion yen, or 5%, from the previous fiscal year and profit before income taxes of 196.2 billion yen, a decrease of 6.0 billion yen, or 3%. Profit attributable to owners of the parent totaled 145.8 billion yen, a decrease of 6.9 billion yen, or 4%.

(2) Capital Investments

Toyota Industries paid out a total of 106.0 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: 17.5 billion yen for vehicles and engines, 24.3 billion yen for car air-conditioning compressors, 12.7 billion yen for electronics parts, foundry and others in the Automobile Segment, 35.8 billion yen for the Materials Handling Equipment Segment and 15.7 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 1339.7 billion yen.

(4) Issues to be Addressed

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

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

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

Moreover, we will raise the competitiveness of our businesses and aim for further growth by promoting innovative technology and product development while also proactively embracing digital technologies and open innovation. To support such business development, we will continue our efforts to create an organization and workplace environment that enables diverse human resources to fully demonstrate their abilities and develop personnel who learn and think on their own and quickly take the initiative.

In other areas, Toyota Industries will create a workplace environment 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 making the earth a better place to live, enriched lifestyles and a comfortable society as described in Toyota Industries' Vision 2030.

(5) Trends in Assets and Income

International Financial Reporting Standards (IFRS)

(million yen)

Item	FY2017 (from April 1, 2016 – March 31, 2017)	FY2018 (from April 1, 2017 – March 31, 2018)	FY2019 (from April 1, 2018 – March 31, 2019)	FY2020 (from April 1, 2019 – March 31, 2020)
Net sales	1,675,148	2,003,973	2,214,946	2,171,355
Operating profit	127,345	147,445	134,684	128,233
Profit before income taxes	181,986	209,827	202,225	196,288
Profit attributable to owners of the parent	131,398	168,180	152,748	145,881
Earnings per share— basic(YEN)	420.78	541.67	491.97	469.85
Total assets	4,558,212	5,258,500	5,261,174	5,279,653
Total equity	2,316,467	2,633,869	2,561,936	2,520,537

(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). Figures for the fiscal years for the 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
	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	54.11	Trucking, warehousing, distribution consulting
	Aichi Corporation	Ageo-shi, Saitama	10,425 million YEN	52.23	Manufacture and sales of aerial work platforms

Company Name	Location	Capital	Percentage of Voting Rights of The Company (%)	Principal Business	
Overseas	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, Inc.	Indiana, U.S.A.	72,500 thousand USD	*100.00	Manufacture and 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 for yarn testing and cotton classing
	Industrial Components and Attachments, Inc	Oregon, U.S.A.	428,832 thousand USD	100.00	Holding company for industrial equipment component business
	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

Company Name	Location	Capital	Percentage of Voting Rights of The Company (%)	Principal Business	
Overseas	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
	Toyota Industries Engine India Private Limited	Karnataka India	6,712,791 thousand INR	98.80	Manufacture and sales of diesel engines

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

2. Effective on January 1, 2020, Toyota Material Handling, U.S.A., Inc. merged Toyota Industrial Equipment Mfg., Inc., and its company name changed to Toyota Material Handling, Inc.

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
	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, 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
66,478	1,837

(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

(million yen)

Lenders	Outstanding balance of borrowings as of March 31, 2020
Sumitomo Mitsui Banking Corporation	152,677
MUFG Bank, Ltd.	129,902
The Norinchukin Bank	85,866
Mizuho Bank, Ltd.	84,449
Sumitomo Mitsui Trust Bank, Limited	71,337

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 310,483,612 shares
(excluding 15,357,028 shares of treasury stock)

(2) Number of Shareholders 15,814

(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)	14,598	4.70
Japan Trustee Services Bank, Ltd. (Trust account)	11,173	3.60
Nippon Life Insurance Company	6,580	2.12
Aisin Seiki Co., Ltd.	6,578	2.12
Aioi Nissay Dowa Insurance Co., Ltd.	4,903	1.58
Northern Trust Co. (AVFC) Re Silchester International Investors International Value Equity Trust	4,512	1.45

(Note) 1. The Company also holds 15,357 thousand shares of treasury stock but is excluded from the above list.

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] Chairman of Chubu Economic Federation
Akira Onishi	* President, Member of the Board	
Kazue Sasaki	* Executive Vice President, Member of the Board	General Manager of R&D Headquarters; Chairman of Toyota Material Handling Company [Important concurrent duties] Outside director of Toyota Boshoku Corporation
Takuo Sasaki	* Executive Vice President, Member of the Board	General Manager of Corporate Headquarters; in charge of Audit Dept., Corporate Planning Dept. and Legal Dept.
Taku Yamamoto	Member of the Board, Senior Executive Officer	General Manager of Engine Division
Yojiro Mizuno	Member of the Board, Senior Executive Officer	President of Toyota Material Handling Company; in charge of Logistics Solution Division
Yuji Ishizaki	Member of the Board, Senior Executive Officer	General Manager of Compressor Division
Shuzo Sumi	Member of the Board	[Important concurrent duties] Outside director of Sony Corporation
Kenichiro Yamanishi	Member of the Board	[Important concurrent duties] Executive Corporate Adviser 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.

Name	Title	In charge and important concurrent duties
Shinya Furukawa	Full-time Audit & Supervisory Board Member	
Toshifumi Ogawa	Full-time Audit & Supervisory Board Member	
Akihisa Mizuno	Audit & Supervisory Board Member	[Important concurrent duties] Chairman of Chubu Electric Power Co., Inc.
Masanao Tomozoe	Audit & Supervisory Board Member	[Important concurrent duties] Outside director of NORITAKE CO., LIMITED Outside director of HOSHIZAKI CORPORATION

- (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. Mitsuhsa 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. Akihisa Mizuno and Mr. Masanao Tomozoe are “Outside Audit & Supervisory Board Members” as stipulated in Article 2, Paragraph 16 of the Companies Act.
 4. Mr. Sumi, Mr. Yamanishi, Mr. Mizuno and Mr. Tomozoe 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	10	606	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	117	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	15	723	

(Note) 1. Of the amount of remuneration, 81 million yen was for the Outside Officers (three Members of the Board, three Audit & Supervisory Board Members).

2. Three Members of the Board and three Audit & Supervisory Board Members including Outside Audit & Supervisory Board Member who resigned as of the closing of the 141th Ordinary General Meeting of Shareholders held on June 11, 2019 are included in the above figures.

3. 233 million yen which are the provision of allowance for Members of the Board's bonuses for the fiscal year ended March 31, 2020 to be resolved at the 142nd Ordinary General Meeting of Shareholders held on June 9, 2020 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	Outside director of Sony Corporation
	Kenichiro Yamanishi	Executive Corporate Adviser 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	Akihisa Mizuno	Chairman of Chubu Electric Power Co., Inc.
	Masanao Tomozoe	Outside director of NORITAKE CO., LIMITED Outside director of HOSHIZAKI CORPORATION

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

2) Main Activities during the fiscal year ended March 31, 2020

Classification	Name	Main Activities
Outside Members of the Board	Shuzo Sumi	He attended 9 of 10 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 10 of 10 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 8 of 10 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.
Outside Audit & Supervisory Board Members	Akihisa Mizuno	He attended 10 of 10 regularly held Meetings of the Board and 11 of 11 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.
	Masanao Tomozoe	He attended 8 of 8 regularly held Meetings of the Board and 8 of 8 regularly held Audit & Supervisory Board after June 11 2019. 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, 2020

1) Remuneration for audit services as provided in Article 2 Paragraph 1 of the Certified Public Accountants Act 136 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 190million yen

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

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 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 RiskResponse 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 (“*sontaku* (doing something by reading what someone is implying)”) and the mechanism of Japanese-style corporate misconduct in light of the behavioral principles of the media) 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). In addition to implementing evacuation drills at all plants, each plant independently conducted headquarters training (initial fire extinguishing, information gathering, emergency transport and other role-assigning training).
- To prevent the leakage of confidential information, the Company formulated a manual on information security and confidential information leakage and conducted employee education, while carrying out practical drills based on the assumption that a confidential information leakage accident occurred.

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	FY2020 (As of March 31, 2020)	(Reference) FY2019 (As of March 31, 2019)	Description	FY2020 (As of March 31, 2020)	(Reference) FY2019 (As of March 31, 2019)
(Assets)			(Liabilities)		
Current assets	1,739,883	1,623,784	Current liabilities	974,314	957,365
Cash and cash equivalents	358,144	239,140	Trade payables and other payables	519,330	506,547
Time deposits with deposit terms of over three months	175,216	223,219	Corporate bonds and loans	329,143	342,232
Trade receivables and other receivables	867,088	845,255	Other financial liabilities	75,382	67,030
Other financial assets	5,273	3,988	Accrued income taxes	20,435	15,993
Inventories	255,738	245,182	Provisions	10,300	8,807
Income tax receivables	13,756	13,713	Other current liabilities	19,721	16,754
Other current assets	64,664	53,282			
Non-current assets	3,539,770	3,637,390	Non-current liabilities	1,784,801	1,741,872
Property, plant and equipment	991,195	938,030	Corporate bonds and loans	1,010,627	955,183
Goodwill and intangible assets	354,701	361,078	Other financial liabilities	85,833	57,813
Trade receivables and other receivables	4,123	5,803	Net defined benefit liabilities	101,784	101,347
Investments accounted for by the equity method	10,991	10,253	Provisions	7,764	7,525
Other financial assets	2,120,298	2,258,788	Deferred tax liabilities	556,880	598,083
Net defined benefit assets	22,547	28,603	Other non-current liabilities	21,911	21,918
Deferred tax assets	30,877	30,590	Total liabilities	2,759,115	2,699,237
Other non-current assets	5,034	4,241			
			(Equity)		
			Share of equity attributable to owners of the parent	2,438,807	2,479,718
			Capital stock	80,462	80,462
			Capital surplus	103,515	103,507
			Retained earnings	1,267,521	1,178,773
			Treasury stock	(59,307)	(59,297)
			Other components of shareholders' equity	1,046,614	1,176,272
			Non-controlling interests	81,730	82,218
			Total equity	2,520,537	2,561,936
Total assets	5,279,653	5,261,174	Total liabilities and equity	5,279,653	5,261,174

Consolidated Statement of Profit or Loss

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

Description	FY2020 (April 1, 2019 - March 31, 2020)	(Reference) FY2019 (April 1, 2018 - March 31, 2019)
Net sales	2,171,355	2,214,946
Cost of sales	1,664,923	1,702,599
Gross profit	506,432	512,346
Selling, general and administrative expenses	381,473	376,866
Other income	18,890	11,389
Other expenses	15,615	12,184
Operating profit	128,233	134,684
Financial income	74,864	76,603
Financial expenses	8,283	10,226
Share of profit (loss) of investments accounted for by the equity method	1,472	1,163
Profit before income taxes	196,288	202,225
Income taxes	46,101	42,447
Profit	150,187	159,778
Profit attributable to:		
Owners of the parent	145,881	152,748
Non-controlling interests	4,305	7,029

Consolidated Statement of Changes in Equity

(April 1, 2019 - March 31, 2020)

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 March 31, 2019	80,462	103,507	1,178,773	(59,297)	1,234,370	-
Effects of changes in accounting policies			(80)			
Restated balance as of April 1, 2019	80,462	103,507	1,178,693	(59,297)	1,234,370	-
Profit			145,881			
Other comprehensive income					(95,896)	(7,630)
Total comprehensive income			145,881		(95,896)	(7,630)
Repurchase of treasury stock				(9)		
Disposal of treasury stock		0		0		
Dividends			(49,677)			
Changes in ownership interest of subsidiaries		7				
Changes in non-controlling interests as a result of change in scope of consolidation						
Reclassified into retained earnings			(7,376)		(254)	7,630
Other increases (decreases)						
Total transactions with owners	-	7	(57,053)	(9)	(254)	7,630
Balance as of March 31, 2020	80,462	103,515	1,267,521	(59,307)	1,138,219	-

	Share of equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of shareholders' equity			Total		
	Translation adjustments of foreign operations	Cash flow hedges	Total			
Balance as of March 31, 2019	(58,903)	804	1,176,272	2,479,718	82,218	2,561,936
Effects of changes in accounting policies				(80)		(80)
Restated balance as of April 1, 2019	(58,903)	804	1,176,272	2,479,638	82,218	2,561,856
Profit				145,881	4,305	150,187
Other comprehensive income	(34,758)	1,252	(137,033)	(137,033)	(2,679)	(139,713)
Total comprehensive income	(34,758)	1,252	(137,033)	8,848	1,626	10,474
Repurchase of treasury stock				(9)		(9)
Disposal of treasury stock				0		0
Dividends				(49,677)	(2,123)	(51,801)
Changes in ownership interest of subsidiaries				7	9	17
Changes in non-controlling interests as a result of change in scope of consolidation				-		-
Reclassified into retained earnings			7,376	-		-
Other increases (decreases)				-		-
Total transactions with owners	-	-	7,376	(49,679)	(2,114)	(51,793)
Balance as of March 31, 2020	(93,662)	2,057	1,046,614	2,438,807	81,730	2,520,537

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

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. Matters regarding the scope of consolidation

Number of consolidated subsidiaries 256

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 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, 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.
Toyota Industries Engine India Pvt. Ltd.
and other 230 subsidiaries

3. Application of the equity method

Number of affiliates to which the equity method applied 20

Names of major affiliates TOYOTA L&F Kinki Co., Ltd.,
1 group company of Aichi Corporation Group,
2 group companies of Toyota Industries North America, Inc. Group,
4 group companies of The Raymond Corporation Group,
1 group company of Vanderlande Industries B.V. Group
and other 11 affiliates

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

Number of newly consolidated subsidiaries 7

1 group company of Toyota Industries North America, Inc. Group,
2 group companies of Cascade Corporation Group, 2 group companies of The Raymond Corporation Group, 1 group company

	of Toyota Industries Europe AB Group and 1 group company of Toyota Industries Commercial Finance, Inc. 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	5
	1 group company of Aichi Corporation Group, 3 group companies of Uster Technologies AG Group and 1 group company of Toyota Industries North America, Inc. have been excluded from the scope of consolidation according to extinction through merger and liquidation.
Number of affiliates to which the equity method newly applied	None
Number of affiliates excluded from the companies to which the equity method applied	1
	1 company of The Raymond Corporation Group has been excluded from the companies to which the equity method applied due to additional acquisition of their stocks.

5. 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 7 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.

6. 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.

(i) 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).

(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.

(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.

(ii) 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, interest rate currency swaps and interest rate options.

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 and fair value hedges 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, excluding land and construction in progress, are depreciated on a straight-line basis over their estimated useful lives. Right-of-use assets are depreciated on a systematic basis from the commencement date to the earlier of the end of the economic life of the underlying asset or the end 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) Revenues

Toyota Industries recognize revenue based on the following five-step model.

Step 1: Identify the contract with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Toyota Industries sells automotive-related products such as vehicles, engines, car air-conditioning compressors, electronics parts and foundry in the Automobile Business; lift trucks, warehouse trucks and aerial work platforms in the Materials Handling Equipment Business; and weaving machinery, spinning machinery, instruments for yarn testing and cotton classing in the Textile Machinery Business. For sales of such products, since the customer obtains control over the product when a customer accepts goods after inspection, and therefore performance obligation is judged to have been satisfied, Toyota Industries normally recognizes revenue when a customer accepts goods after inspection.

Revenue is measured at the amount of consideration promised in a contract with the customer, net of discounts, incentives to distributors and other items.

For maintenance contracts and other services that include construction contracts such as automated storage and retrieval systems, and logistics solutions, Toyota Industries recognizes revenue based on the progress of performance obligation. The progress level is mainly computed according to the ratio of cumulative cost incurred against the total amount of estimated cost.

(8) Foreign Currencies

1) Foreign currency transactions

Foreign currency transactions are converted into the functional currency of each companies 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.

7. Changes in Accounting Policies

Effective from FY2020, Toyota Industries adopted IFRS 16 "Leases" (issued in January 2016). In accordance with the transition provisions in IFRS 16, the Toyota Industries applied the method to retrospectively recognize the cumulative effect of adopting this standard on the initial date of application.

In accordance with the adoption of IFRS 16, lease liabilities are measured at the discounted present value of outstanding lease payments at the commencement date of the lease. After the commencement date of the lease, lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities and reducing the carrying amount to reflect the lease payments made.

Right-of-use assets are measured at cost that is the initial measurement amount of lease liability at the commencement date of the lease adjusted by the amount of any initial direct costs, prepaid lease payments and other expenses. After the commencement date of the lease, right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses as determined using the cost model. Right-of-use assets are depreciated on a systematic basis from the commencement date to the earlier of the end of the economic life of the underlying asset or the end of the lease term.

Right-of-use assets are included in "Property, plant and equipment" or "Goodwill and intangible assets". Lease liabilities are included in "Other financial liabilities (Current liabilities)" or "Other financial liabilities (Non-current liabilities)".

Lease payments for short-term leases or leases of low value assets are recognized as expense using the straight-line method over the lease term.

The practical expedient that grandfathers the assessment of whether a contract contains a lease under IAS 17 "Leases" (hereinafter referred to as "IAS 17") and IFRIC 4 "Determining whether an Arrangement Contains a Lease" has been adopted. From the date of initial application, an assessment has been made whether a contract contains a lease under the provisions of IFRS 16.

In transition to IFRS16, Toyota Industries recognized an increase of 49,106 million yen in Right-of-use assets, an increase of 48,090 million yen in Lease liabilities, and a decrease of 80 million yen in Retained earnings on the date of initial application. The weighted average lessee's incremental borrowing rate applied for lease liabilities recognized on the date of initial application is 1.5%.

The following practical expedients have been adopted as transitional measures for leases classified as operating leases under IAS 17:

- A single discount rate is applied to a portfolio of leases with reasonably similar characteristics.
- Right-of-use assets are adjusted by the amount of any provision for onerous leases under IAS 37 at the date immediately before the date of initial application as an alternative to performing an impairment review.
- Leases for which the lease term ends within 12 months of the date of initial application are accounted for in the same way as short-term leases.
- Initial direct costs are excluded from the measurement of the right-of-use asset at the date of initial application.
- Hindsight is used when determining the lease term if the contract contains options to extend or terminate the lease.

II. Notes to Consolidated Statement of Financial Position

1. Accumulated depreciation of property, plant and equipment 1,334,129 million yen
The accumulated depreciation includes accumulated impairment loss.
2. Loss valuation provisions directly deducted from assets
Trade receivables and other receivables 6,722 million yen
3. Pledged assets, and assets pledged as collateral for secured debts
 - (1) Assets pledged as collateral

Investment securities	95,824 million yen
Inventories	1,301 million yen
Property, plant and equipment	330 million yen
Total	97,455 million yen
 - (2) Secured debts

Short-term loans payable	1,311 million yen
Long-term loans payable	9 million yen
Other liabilities	31,155 million yen
Total	32,476 million yen
4. Export bills discounted 149 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, 2020

Resolution	Class of stock	Total amount of dividends payable	Dividends per share	Record date	Effective date
June 11, 2019, Ordinary General Meeting of Shareholders	Common stock	24,838 million yen	80 yen	March 31, 2019	June 12, 2019
October 31, 2019, Board of Directors meeting	Common stock	24,838 million yen	80 yen	September 30, 2019	November 26, 2019

(2) Dividends with a record date in the fiscal year ended March 31, 2020 for which the effective date falls in the following fiscal year

Resolution	Class of stock	Total amount of dividends payable	Source for dividend	Dividends per share	Record date	Effective date
April 30, 2020, Board of Directors meeting	Common stock	24,838 million yen	Retained earnings	80 yen	March 31, 2020	May 25, 2020

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, 2020.

(2) Matters concerning risk management

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, ratings and others, 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 nonperforming 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, in principle, Toyota Industries hedges such risks by interest rate swaps, interest rate options 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 and Loans receivable related to the sales financing business (Note)	146,429	145,592
Lease investment assets	326,936	327,625
Financial liabilities:		
Corporate bonds (Note)	609,081	624,762
Long-term loans (Note)	582,628	584,553

(Note) Loans receivable, 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 receivable and loans receivable related to the sales financing business and lease investment assets) as well as for such short-term financial liabilities as trade payables and other liabilities that are measured at amortized cost because the fair value approximates the carrying amount.

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.

(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	8,500	8,500
Others	5,850	5,850
Financial assets measured at fair value through other comprehensive income	2,100,535	2,100,535
Financial liabilities measured at fair value through profit or loss:		
Derivative liabilities	7,651	7,651

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

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, interest rate and currency swaps and interest rate options are calculated by financial institutions based on observable market data.

Toyota Industries uses the modified book value 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. 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	7,854.87 yen
2. Earnings per share- basic	469.85 yen

Independent Auditor's Report
(English Translation)

May 11, 2020

To the Board of Directors of Toyota Industries Corporation

PricewaterhouseCoopers Aarata LLC
Nagoya office
Kosaku Kawahara, CPA
Designated limited liability Partner
Engagement Partner
Masahide Kobayashi , CPA
Designated limited liability Partner
Engagement Partner

Opinion

We have audited, pursuant to Article 444 (4) of the Companies Act of Japan, the accompanying consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity and notes to the consolidated financial statements of Toyota Industries Corporation (hereinafter referred to as the "Company") for the fiscal year from April 1, 2019 to March 31, 2020.

In our opinion, the above consolidated financial statements prepared by partially omitting the disclosure items required by International Financial Reporting Standards in accordance with the provision of the latter part of Article 120 (1) of the Ordinance of Accounting of Companies present fairly, in all material respects, the financial position and its financial performance of the corporate group which consists of the Company and its consolidated subsidiaries for the period covered by the consolidated financial statements .

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management, Audit & Supervisory Board Members and Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the provision of the latter part of Article 120 (1) of the Ordinance of Accounting of Companies that allow the partial omission of the disclosure items required by International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as applicable, matters related to going concern in accordance with the provision of the latter part of Article 120 (1) of the Ordinance of Accounting of Companies that allow the partial omission of the disclosure items required by International Financial Reporting Standards. Audit & Supervisory Board Members and Audit & Supervisory Board are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes

our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the financial statement audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures of the consolidated financial statements are in accordance with the provision of the latter part of Article 120 (1) of the Ordinance of Accounting of Companies that allow the partial omission of the disclosure items required by International Financial Reporting Standards, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board Members and Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board Members and Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company and its consolidated subsidiaries which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Non-consolidated Financial Statements (JGAAP)

Non-consolidated Balance Sheet

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

Description	FY2020 (As of March 31, 2020)	(Reference) FY2019 (As of March 31, 2019)	Description	FY2020 (As of March 31, 2020)	(Reference) FY2019 (As of March 31, 2019)
(Assets)			(Liabilities)		
Current assets	662,521	608,658	Current liabilities	417,029	413,032
Cash and deposits	419,606	373,969	Trade notes payable	12,328	11,119
Trade notes receivable	10,066	13,108	Trade Accounts payable	160,290	160,499
Accounts receivable	125,687	125,663	Current portion of bonds	45,555	60,000
Merchandise and finished goods	3,741	3,388	Current portion of long term loans payable	36,139	34,099
Work in process	32,482	28,511	Accounts payable-other	13,840	10,893
Raw materials and supplies	12,838	11,965	Accrued expenses	46,649	49,076
Prepaid expenses	499	678	Accrued income taxes	9,366	2,167
Other current assets	57,615	51,392	Advance received	4,510	1,448
Allowance for doubtful accounts	(17)	(17)	Deposits received	56,872	52,774
			Other current liabilities	31,474	30,954
Fixed assets	2,952,311	3,072,163	Long-term liabilities	1,139,108	1,165,672
Property, plant and equipment	296,856	286,402	Bonds payable	334,551	381,187
Buildings	68,993	66,318	Long-term loans payable	311,544	253,265
Structures	11,183	11,035	Deferred tax liabilities	446,757	487,104
Machinery and equipment	101,427	101,617	Allowance for retirement benefits	42,698	40,742
Vehicles and delivery equipment	1,845	1,889	Other long-term liabilities	3,556	3,371
Tools, furniture and fixtures	9,578	10,331	Total liabilities	1,556,137	1,578,704
Land	82,713	82,506			
Construction in progress	21,114	12,703	(Net assets)		
Intangible assets	20,306	18,782	Shareholders' equity	949,189	901,801
Software	20,306	18,782	Capital stock	80,462	80,462
Investments and other assets	2,635,149	2,766,977	Capital surplus	105,539	105,539
Investments securities	478,693	611,824	Legal capital surplus	101,766	101,766
Stocks of subsidiaries and affiliates	2,015,505	2,011,414	Other capital surplus	3,773	3,773
Investments in capital	4,837	4,980	Retained earnings	822,493	775,096
Investments in capital of subsidiaries and affiliates	34,828	34,828	Legal retained earnings	17,004	17,004
			Other retained earnings	805,489	758,091
Long-term loans receivable	76,422	81,994	Reserve for advanced depreciation of non-current assets	218	221
Long-term prepaid expenses	23,430	20,404	General reserve	280,000	280,000
Other investments and other assets	1,466	1,568	Retained earnings brought forward	525,270	447,870
Allowance for doubtful accounts	(34)	(36)	Treasury stock	(59,307)	(59,297)
			Valuation and translation adjustments	1,109,506	1,200,315
			Valuation difference on available- for-sale securities	1,109,458	1,200,330
			Deferred gains or losses on hedges	48	(15)
Total assets	3,614,833	3,680,821	Total net assets	2,058,695	2,102,116
			Total liabilities and net assets	3,614,833	3,680,821

Non-consolidated Statement of Income

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

Description	FY2020 (April 1, 2019 - March 31, 2020)	(Reference) FY2019 (April 1, 2018 - March 31, 2019)
Net sales	1,541,801	1,358,871
Cost of sales	1,398,364	1,216,228
Gross profit	143,436	142,643
Selling, general and administrative expenses	108,266	111,446
Operating income	35,170	31,197
Non-operating income	95,321	86,543
Interest and dividends income	84,027	82,889
Other non-operating income	11,294	3,653
Non-operating expenses	12,509	12,317
Interest expenses	4,114	5,768
Other non-operating expenses	8,394	6,548
Ordinary income	117,982	105,422
Income before income taxes	117,982	105,422
Income taxes - current	22,160	17,300
Income taxes - deferred	(1,252)	(1,752)
Net income	97,074	89,875

Non-consolidated Statement of Changes in Net Assets

(April 1, 2019 - March 31, 2020)

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		Other retained earnings			
					Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward		
Balance at March 31, 2019	80,462	101,766	3,773	105,539	17,004	221	280,000	477,870	775,096
Changes of items during the period									
Reversal of reserves						(3)		3	-
Dividends paid								(49,677)	(49,677)
Net income for the period								97,074	97,074
Repurchase of treasury stock									
Disposal of treasury stock			0	0					
Change to items other than shareholders' equity during accounting period									
Total changes of items during the period	-	-	0	0	-	(3)	-	47,400	47,397
Balance at March 31, 2020	80,462	101,766	3,773	105,539	17,004	218	280,000	525,270	822,493

	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 at March 31, 2019	(59,297)	901,801	1,200,330	(15)	1,200,315	2,102,116
Changes of items during the period						
Reversal of reserves		-				-
Dividends paid		(49,677)				(49,677)
Net income for the period		97,074				97,074
Repurchase of treasury stock	(9)	(9)				(9)
Disposal of treasury stock	0	0				0
Change to items other than shareholders' equity during accounting period			(90,872)	63	(90,808)	(90,808)
Total changes of items during the period	(9)	47,387	(90,872)	63	(90,808)	(43,420)
Balance at March 31, 2020	(59,307)	949,189	1,109,458	48	1,109,506	2,058,695

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, 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.

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	95,824 million yen
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 - (2) Secured debts

Other current liabilities	30,844 million yen
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2. Accumulated depreciation of property, plant and equipment 631,978 million yen
The accumulated depreciation includes accumulated impairment loss.
3. Guarantee liability
 - (1) Guarantee liability to financial institutions 237,034 million yen
 - (2) Guarantee liability from operating transactions 11,245 million yen
4. Export bills discounted 149 million yen
5. Monetary receivables from and payables to subsidiaries and affiliates
 - (1) Short-term monetary asset 101,017 million yen
 - (2) Long-term monetary asset 74,592 million yen
 - (3) Short-term monetary liability 148,493 million yen
 - (4) Long-term monetary liability 656 million yen

III. Notes to Non-consolidated Statement of Income

Transactions with affiliates

- (1) Net sales 1,229,899 million yen
- (2) Net purchases 881,780 million yen
- (3) Transactions other than operating transactions 68,739 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 FY 2020	Increase in the number of shares in FY 2020	Decrease in the number of shares in FY 2020	Number of shares as of the end of FY 2020
Common stock	15,355,468 shares	1,604 shares	44 shares	15,357,028 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

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)	1,001,813	Trade notes receivable	8,898
						Accounts receivable	31,567
				Purchase of parts of automobiles and engines etc. (2)	775,370	Accounts payable	76,246

(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 | 6,630.61 yen |
| 2. Net income per share | 312.66 yen |

Independent Auditor's Report
(English Translation)

May 11, 2020

To the Board of Directors of Toyota Industries Corporation

PricewaterhouseCoopers Aarata LLC
Nagoya office
Kosaku Kawahara, CPA
Designated limited liability Partner
Engagement Partner
Masahide Kobayashi, CPA
Designated limited liability Partner
Engagement Partner

Opinion

We have audited, pursuant to Article 436 (2) (i) of the Companies Act of Japan, the accompanying financial statements, which comprise the balance sheet, profit and loss statement, statement of changes in net assets and notes to the financial statements, and the supplementary schedules of Toyota Industries Corporation (hereinafter referred to as the "Company") for the 142nd fiscal year from April 1, 2019 to March 31, 2020.

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and its financial performance for the period covered by the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements and the Supplementary Schedules section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements and the supplementary schedules in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management, Audit & Supervisory Board Members and Audit & Supervisory Board for the Financial Statements and the Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the financial statements and the supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and Audit & Supervisory Board are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and the Supplementary Schedules

Our objectives are to obtain reasonable assurance about whether the financial statements and the supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the supplementary schedules.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional

judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the financial statement audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures of the financial statements and the supplementary schedules are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the financial statements and the supplementary schedules, including the disclosures, and whether the financial statements and the supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board Members and Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board Members and Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

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 142nd fiscal year from April 1, 2019 to March 31, 2020, 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 13, 2020

Audit & Supervisory Board, Toyota Industries Corporation

Full-time Audit & Supervisory Board Member	Shinya Furukawa
Full-time Audit & Supervisory Board Member	Toshifumi Ogawa
Outside Audit & Supervisory Board Member	Akihisa Mizuno
Outside Audit & Supervisory Board Member	Masanao Tomozoe

(Note) Audit & Supervisory Board Members Akihisa Mizuno and Masanao Tomozoe are Outside Audit & Supervisory Board Members as stipulated in Article 2, Item 16 and Article 335, Paragraph 3 of the Companies Act.