



FY2014 Financial Results



May 8, 2014



TOYOTA INDUSTRIES CORPORATION

I . Financial Summary

Financial Summary<FY2014>

1. Net sales increased by 24%, operating income increased by 40%
Net sales, operating income, ordinary income and net income marked a record high

2. Revised up an annual dividend to 85 JPY per share

3. Forecast 5% increase in net sales and 7% increase in operating income for FY 2015

Performance <FY2014>

(Billion yen)

	FY2013	FY2014	Change	
Net sales	1,615.2	2,007.8	392.6	24.3%
Operating income	77.0	107.6	30.6	39.7%
Ordinary income	86.8	138.1	51.3	59.1%
Net income	53.1	91.7	38.6	72.6%
Net income per share	¥170.36	¥292.76	¥122.40	—
Dividends per share	¥55	¥85	¥30	—
Year-end	¥30	¥50	¥20	—
Consolidated payout ratio	32.3%	29.0%	—	—

- Both net sales and income increased
- The Materials handling equipment segment made the most contribution to overall performance, while the Vehicle and the Car air-conditioning compressor businesses and the Textile machinery segment resulted in good performance
- Revised the distribution of a year-end dividend from ¥35 per share to ¥50 per share

Performance <FY2014>

(Billion yen)

	FY2013	FY2014	Change	
Capital Expenditures	89.4	109.4	20.0	22.4%
Depreciation	57.9	64.1	6.2	10.7%

¥/US\$	¥83	¥100	¥17	—
¥/Euro	¥107	¥134	¥27	—

- Capital expenditures increased mainly in the Car air-conditioning compressor business and the Materials handling equipment segment
- Depreciation increased with an increase of capital expenditures

Performance <FY2014>

(Billion yen)

	As of March 31, 2013	As of March 31, 2014	Change	
Total assets	3,243.7	3,799.0	555.3	17.1%
Total net assets	1,524.9	1,829.3	304.4	20.0%
Total net assets per share	¥4,719.66	¥5,640.08	¥920.42	—
Equity ratio	45.4%	46.6%	—	—
Consolidated subsidiaries	217	215	(2)	—

- Total assets and total net assets increased due to an increase in market value of investment securities

Segment Information <FY2014>

Net sales [Operating Income] (Billion yen)

	FY2013	FY2014	Change	
Vehicle	356.7	467.0	110.3	30.9%
Engine	216.7	202.5	(14.2)	(6.5%)
Car air-conditioning compressor	228.1	275.7	47.6	20.9%
Electronics parts, foundry and others	57.0	61.2	4.2	7.3%
Automobile	858.6 [29.4]	1,006.6 [35.1]	148.0 [5.7]	17.2%
Materials handling equipment	596.4 [38.7]	809.2 [58.0]	212.8 [19.3]	35.7%
Logistics	93.0 [4.8]	95.3 [5.1]	2.3 [0.3]	2.5%
Textile machinery	39.9 [0.5]	73.1 [5.5]	33.2 [5.0]	83.2%
Others	27.2 [3.3]	23.4 [3.4]	(3.8) [0.1]	(13.6%)
Total	1,615.2 [77.0]	2,007.8 [107.6]	392.6 [30.6]	24.3%

Unit Sales (Thousand units)

	FY2013	FY2014	Change
Vitz (Yaris)	155	129	(26)
RAV4	112	198	86
Mark X ZiO	2	1	(1)
Vehicle	269	328	59
Diesel	452	383	(69)
Gasoline	214	243	29
Engine	666	626	(40)
Car air-conditioning compressor	23,420	25,480	2,060
Materials handling equipment	185	199	14
Air-jet loom	4.6	9.3	4.7

- The Vehicle business : Unit sales increased by favorable sales of new models of RAV4
- The Car air-conditioning compressor business : Unit sales increased globally
- The Materials handling equipment segment : Made the most contribution to overall performance by an increase of unit sales and the inclusion of Cascade Corporation as a subsidiary
- The Textile Machinery segment : The sales of air-jet loom increased

Change in Ordinary Income

Year-on-year Comparison (FY2013 full year and FY2014 full year)

(Billion yen)

Increase in sales volume	21.2	Increase in labor cost	(9.9)
Cost reduction	16.1	Increase in research and development expenses	(7.3)
Positive impact of exchange rate fluctuations	21.7	Increase in depreciation	(6.2)
Changes in the net amount of non-operating income and non-operating expenses	20.7	Increase in expenses and others	(5.0)
Increases total	79.7	Decreases total	(28.4)
		Total Changes in Ordinary income	51.3

- Net sales increased due mainly to an increase of unit sales of the Automobile and the Materials handling equipment segments
- Labor cost and research and development expenses increased because of aggressive business initiatives

Performance <FY2015 Forecast>

(Billion yen)

	FY2014	FY2015	Change	
Net sales	2,007.8	2,100.0	92.2	4.6%
Operating income	107.6	115.0	7.4	6.8%
Ordinary income	138.1	148.0	9.9	7.1%
Net income	91.7	100.0	8.3	9.0%
Net income per share	¥292.76	¥318.74	¥25.98	—
Dividends per share	¥85	¥90	¥5	—
Year-end	¥50	¥45	(¥5)	—
Consolidated payout ratio	29.0%	28.2%	—	—

Performance <FY2014 Forecast>

(Billion yen)

	FY2013	FY2014	Change	
Capital Expenditures	109.4	115.0	5.6	5.0%
Depreciation	64.1	69.0	4.9	7.6%

¥/US\$	¥100	¥100	¥0	—
¥/Euro	¥134	¥135	¥1	—

Segment Information <FY2015 Forecast>

Net sales [Operating Income]

(Billion yen)

	FY2014	FY2015	Change	
Vehicle	467.0	472.0	5.0	1.1%
Engine	202.5	184.0	(18.5)	(9.2%)
Car air-conditioning compressor	275.7	310.0	34.3	12.4%
Electronics parts, foundry and others	61.2	69.0	7.8	12.6%
Automobile	1,006.6 [35.1]	1,035.0	28.4	2.8%
Materials handling equipment	809.2 [58.0]	880.0	70.8	8.7%
Logistics	95.3 [5.1]	100.0	4.7	4.9%
Textile machinery	73.1 [5.5]	60.0	(13.1)	(17.9%)
Others	23.4 [3.4]	25.0	1.6	6.4%
Total	2,007.8 [107.6]	2,100.0	92.2	4.6%

Segment Information <FY2015 Forecast>

Unit Sales

(Thousand units)

	FY2014	FY2015	Change
Vitz (Yaris)	129	117	(12)
RAV4	198	208	10
Mark X ZIO	1	–	(1)
Vehicle	328	325	(3)
Diesel	383	348	(35)
Gasoline	243	212	(31)
Engine	626	560	(66)
Car air-conditioning compressor	25,480	30,000	4,520
Materials handling equipment	199	215	16
Air-jet loom	9.3	5.5	(3.8)

Change in Ordinary Income

Year-on-year Comparison (FY2014 full year and FY2015 full year forecast)

(Billion yen)

Cost reduction	17.0	Increase in labor cost	(10.0)
Increase in sales volume	14.0	Increase in depreciation	(4.9)
Changes in the net amount of non-operating income and non-operating expenses	2.5	Increase in raw material cost	(2.0)
		Increase in expenses and others	(6.7)
Increases total	33.5	Decreases total	(23.6)
		Total Changes in Ordinary income	9.9

II. Our Business Initiatives toward medium term growth

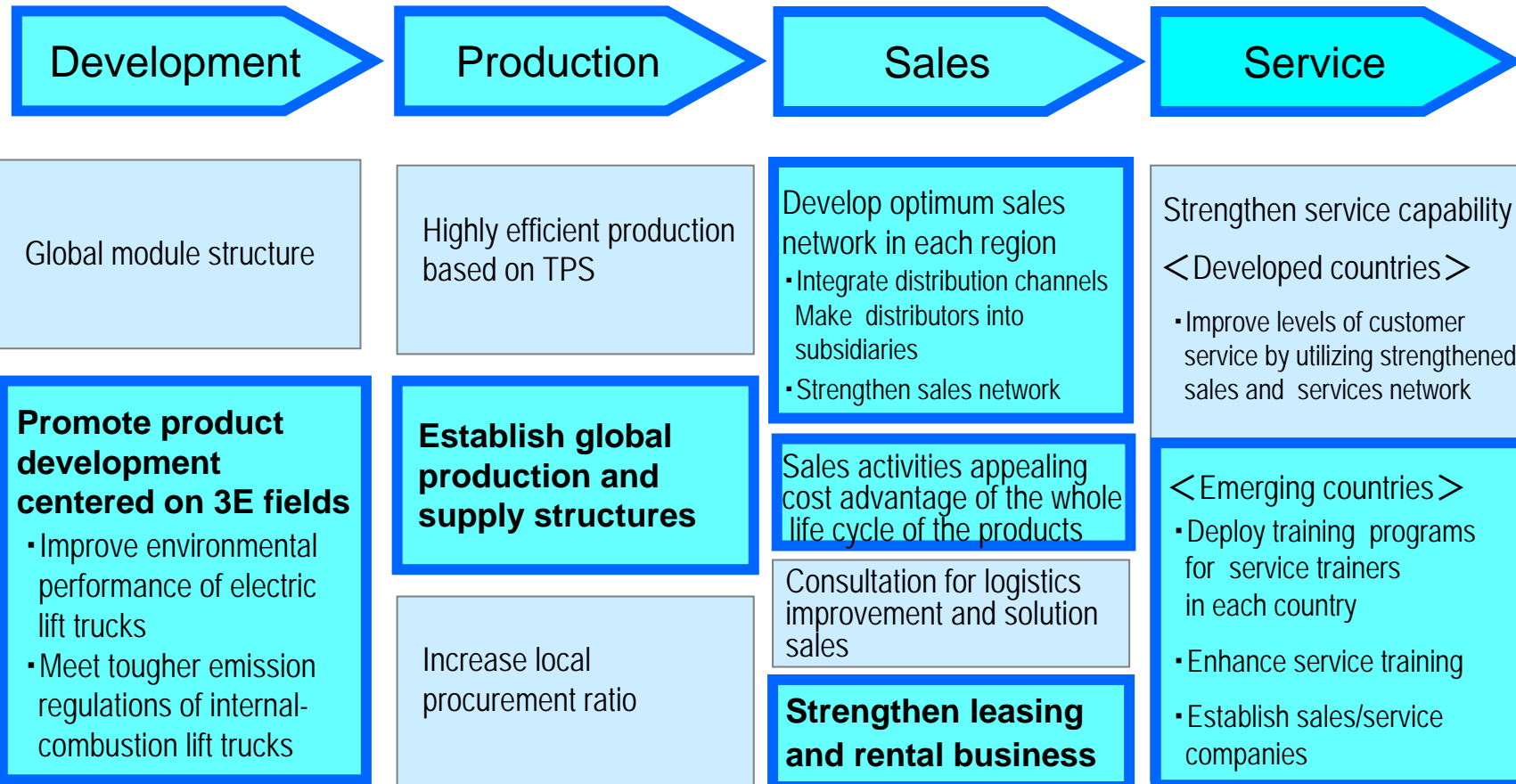
Solution

Materials Handling
Equipment

Key Components

Car air- conditioning
Compressor

Our initiatives toward the expansion of value chain



Product development centered on 3Es

1. Electric lift truck

- 1) Improving environmental performance of electric lift trucks by cooperating with the Electronics Division

0.9 to 1.8 ton Electric Reach Truck (GENEO-R) started production in Jul. 2012
0.7 to 1.5 ton High-pick Lift started production in Jan. 2013

- Differentiated our products in the field of software by improving the performance of controllers, one of the functional components
- Realized longer continuous operation by 10%

- 2) Developing products for Europe under the initiative of our local subsidiaries

2.0 to 3.5 ton **Electric Lift Truck** (Traigo 80) started production in Jul. 2013 in Italy

- **Improved electricity efficiency by 20%**
- Improving work efficiency by smooth acceleration and expanded front view



Traigo

ソリューション／産業車両

Product development centered on 3Es

2. Internal-combustion lift truck

Meeting tougher exhaust emission regulations by cooperating with the Engine division



Toyota 1KD diesel engine

3.5- to 8.0-ton	Equipped with our new 1KD diesel engine and turbocharger <ul style="list-style-type: none">➤ Meeting exhaust emissions regulations without diesel particulate filter➤ Improved fuel efficiency by up to 30%	A side view of a Toyota 3.5- to 8.0-ton internal-combustion lift truck, showing its orange and black body, mast, and forks.
North America	Equipped with our new 1FS gas/gasoline engine <ul style="list-style-type: none">➤ Improved fuel efficiency by up to 20%	
1.5- to 3.2-ton	Equipped with our new 1ZS diesel engine and turbocharger <ul style="list-style-type: none">➤ Meeting exhaust emissions regulations without diesel particulate filter➤ Improved fuel efficiency by up to 25%	

⇒ Expanding production bases

Establishing Global Production and Supply Structures

1. In developed countries, already established production bases near our customers
2. To emerging countries, changed the supply bases from Japan to the optimal bases sequentially since May 2010

To ALOMA* : supply from China
To Brazil : supply from the U.S.
To Russia : supply from Europe
(Previously supplied from Japan)

} Reducing delivery lead-time and transportation cost

*: Asia, Latin America, Oceania, Middle East, Africa

3. Established a new plant in Brazil

- Commenced production of 1.8- to 3.0-ton internal-combustion lift trucks with great market needs in Oct. 2013
- Improving local procurement ratio

Establishing Global Production and Supply Structures

4. Expanded production capabilities of a plant in China

- Completed to relocate and expand production capabilities in Jun. 2013
- Expanding production models



5. Producing major functional components in optimum countries

Commenced production of motors for electric lift trucks in Vietnam in Apr. 2012

- Expanding BT electric lift trucks equipped with these motors in addition to Toyota electric lift trucks
- Improving the appeal of products and price competitiveness by increasing the number of electric lift trucks equipped with these motors

Upgrading Sales and Service Capabilities

1. Regional Initiatives

Implementing appropriate measures for each region, such as integration of distribution channels and acquisition of the ownership of distributors

1) Europe

- (1) In Jan. 2013, completed to integrate separately operated sales channels for TOYOTA- and BT-brand lift trucks throughout Europe
- (2) **Established a sales company in Russia (Launched operation in Apr. 2014)**
Upgrading sales capabilities in the large and growing Russian market

2) North America

- (1) Acquiring key dealerships based on the premise of meeting TICO's and distributor owners' needs
- (2) Continuing to enhance response to key-account business together with TOYOTA- and Raymond-brand lift trucks

Upgrading Sales and Service Capabilities

1. Regional Initiatives

3) ALOMA and China

- (1) Appealing economic advantage of a lifecycle of products backed by excellent products and service quality in sales expansion activities
- (2) Strengthening service capabilities by continuing service technician training programs at Global Training Center



Global Training Center



(3) Strengthening the efforts of upgrading sales and service capabilities in every region

- Providing training for sales and service trainers of our dealers
- Improving capabilities of persons in charge of maintenance
- Creating tools for appealing service capabilities

Upgrading Sales and Service Capabilities

1. Regional Initiatives

4) Japan

- (1) Strengthening sales expansion activities to new customers and large customers in every industry sector and appealing optimal logistics efficiency combining hardware (material handling systems) and software (logistics improvements)
- (2) Further improving customer satisfaction by quick and fine support, utilizing our sales and service networks throughout Japan
- (3) Held the TMHJ Service Skills Contest aimed at improving the level of service of dealers



Upgrading Sales and Service Capabilities

2. Strengthening leasing and rental business

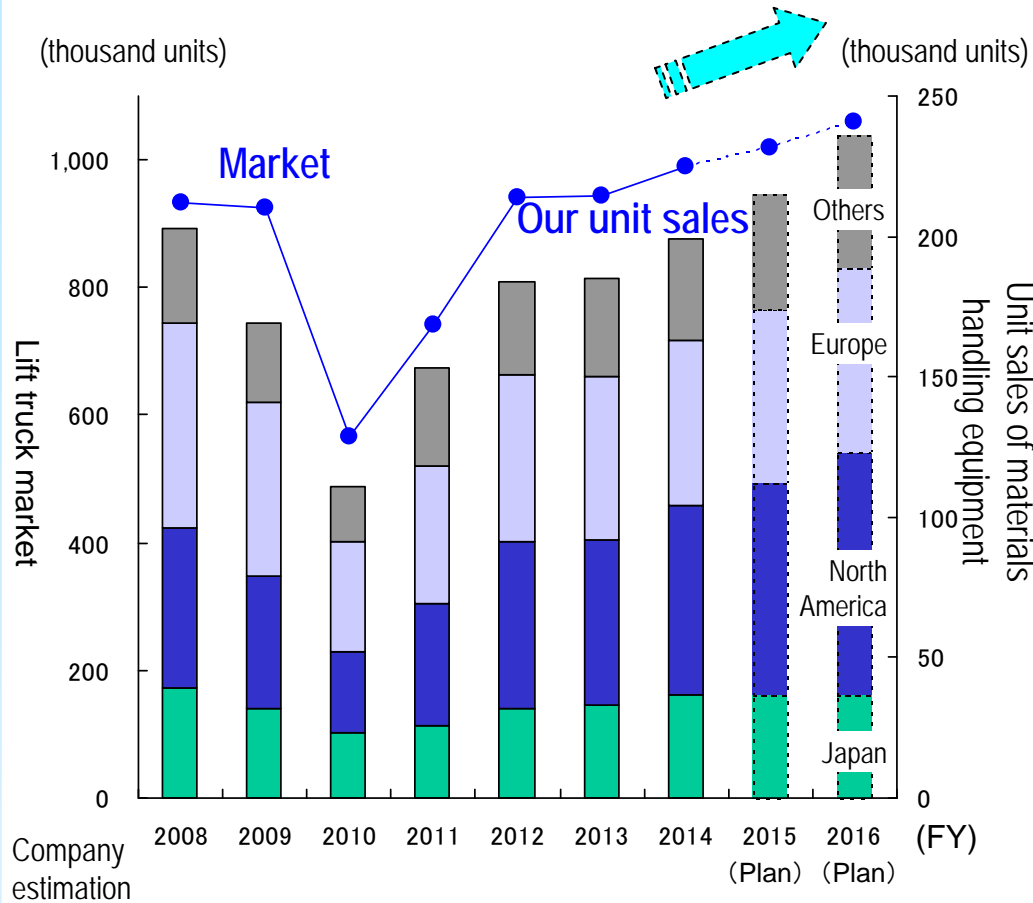
In Jun. 2013, established leasing and rental business bases in Mexico and France

Expanding sales measures to meet customers' needs

- Responding to a wide range of customers' needs by strengthening leasing and rental business, together with sales and services
- Serving customers in all regions by utilizing our global sales and service networks
- increasing customer satisfaction throughout the product lifecycle, including stages of purchase, maintenance and replacement
- **Further strengthening the response to customers' needs by our own**

Solution / Materials Handling Equipment

Further expansion of sales



【Enhance the appeal of products】

- Commonalize platforms
- Develop major functional components in-house

【Strengthen Supply Structures】

- Expand production capabilities in emerging countries
- Produce major functional components in optimum countries

【Upgrade Sales and Service Capabilities】

- Strengthen sales and service networks
- Strengthen service capabilities
- Strengthen leasing and rental business

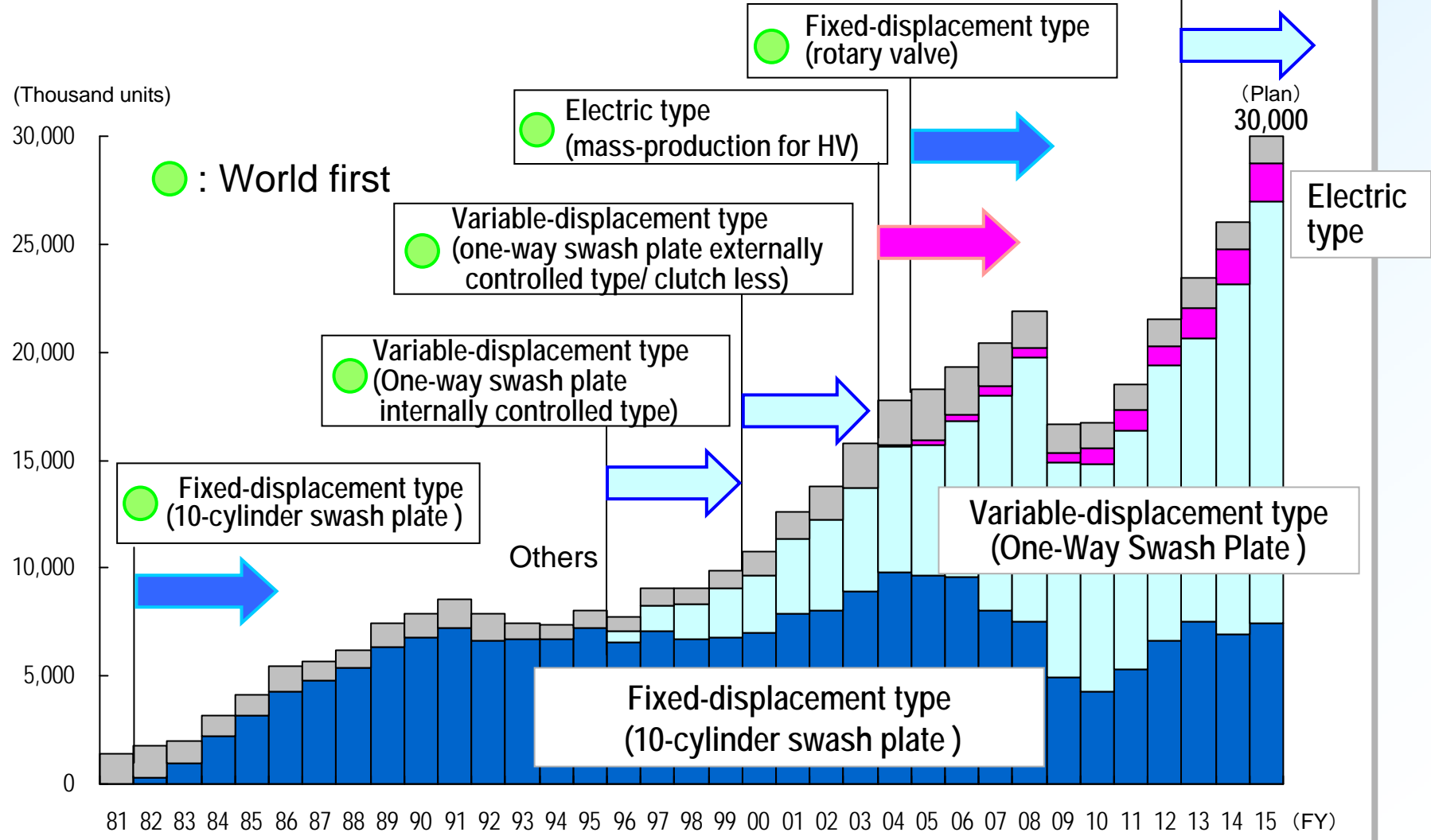
Aim to increase sales units and income

II. Our Business Initiatives toward medium term growth

Solution	Materials Handling Equipment
Key Components	Car air-conditioning Compressor

Key components / Car air-conditioning Compressor

TICO's Technology and Sales Expansion



Product development centered on 3Es

1. Appropriately responding to a broader range of customers' needs both in emerging countries and developed countries

Targeting developed countries

For HV, PHV, EV

**Fitted in all Toyota Motor Corporation's HVs and PHVs
Promoting sales to other automakers**

1) Electric type : Increasing in the number of inquiries due to expansion of HV, PHV and EV market

- (1) More compact, lighter weight and improve quiet operation and fuel-efficiency
- (2) Enhancing the appeal of products by improving performance of motors and inverters produced in-house

For internal-combustion vehicle

**Adopted by leading automakers around the world
such as Toyota Motor Corporation**

1) Variable-displacement type : Needs for fuel-efficient type is growing primarily in North America because of more strict regulations on fuel efficiency

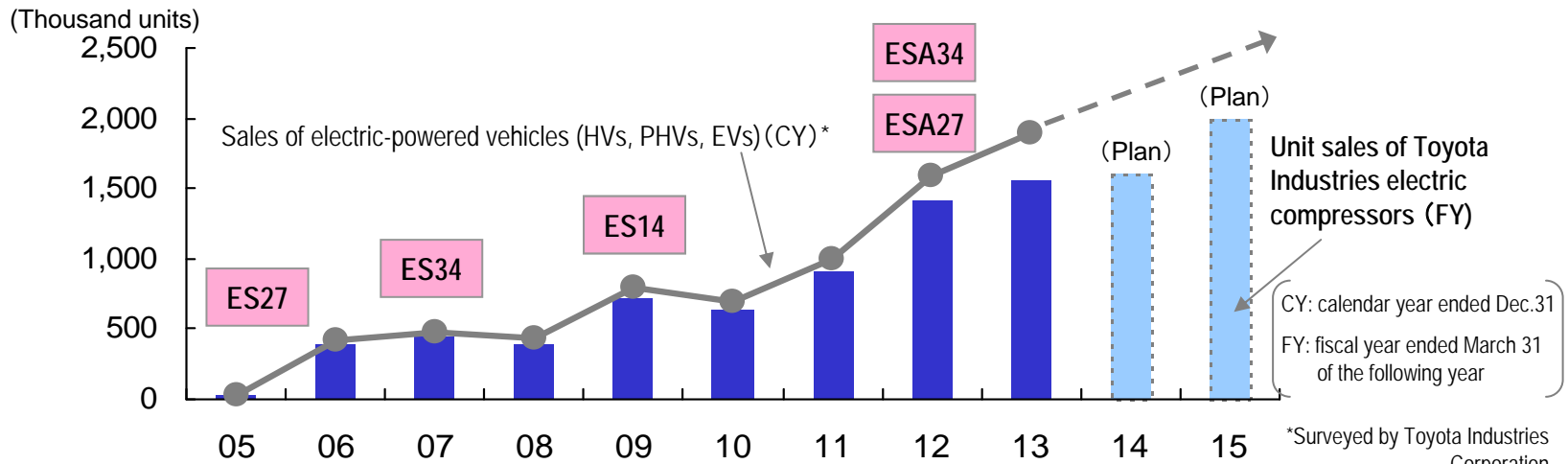
- (1) Developing a next-generation type with further greater fuel efficiency
- (2) Optimum balance between performance and price of products for emerging countries

2) Fixed-displacement type : Strong demand in emerging countries

- (1) Developing models for emerging countries
- (2) Improving price competitiveness

Targeting emerging countries

Expanding sales of electric compressors



For PHVs and Evs		Prius PHV	Renault	RAV4-EV	Nissan															
For HVs	Non-Toyota	BMW	VW	Renault	Honda															
	Toyota	Prius	Highlander HV	Harrier HV	Estima HV	Camry HV	Lexus LS600h	Lexus GS450h	Crown HV	Prius	SAI	Alphard	Lexus HS250h	Aqua	Yaris	Lexus RX	Prius α	Lexus CT200h	Lexus ES	Avalon

Promote sales expansion

Establishing Optimum Production and Supply Structures

1. North America

- 1) Expanding production capabilities to respond to the growing demand of variable-displacement type resulted from more strict regulations on fuel efficiency
- 2) Increasing local procurement ratio by establishment of a production base for compressor parts in Sep. 2013

MACI/TACG

TICA



MACI



TACG/TICA

2. Europe

- 1) Expanded production capabilities in Oct. 2013 to respond to the growing demand of compressors associated with the increased production of cars
- 2) Increasing local procurement ratio

TDDK



TDDK

Establishing Optimum Production and Supply Structures

3. ASEAN

- 1) Relocate a production base in Indonesia and expand production capabilities in Oct. 2014 to respond to the growing demand of compressors in ASEAN area and increasing exports to other areas
- 2) Increasing local procurement ratio



TACI

TACI

4. China

- 1) Established a production base for car air-conditioning compressors in Dec. 2013
- 2) Relocate and expand the existing subsidiary to produce car air-conditioning compressors in Oct 2014



YST

YST



TACK

TACK

YST Profile

1. Name : Yantai Shougang TD Automotive Compressor Co., Ltd.

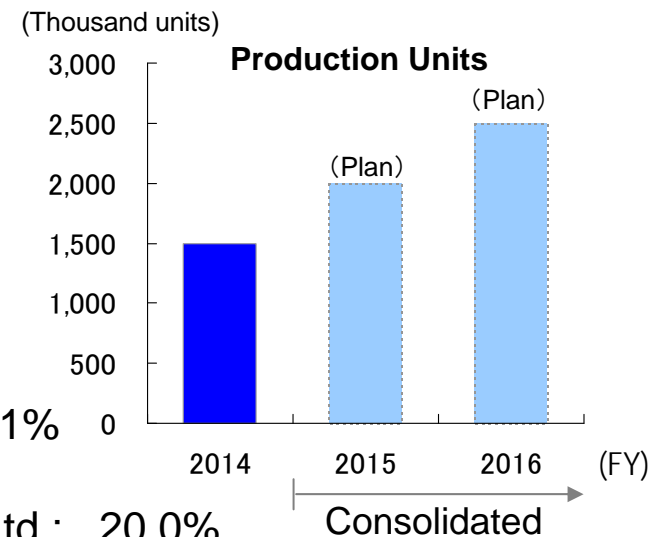
2. Location : Yantai City, Shandong Province,
People's Republic of China

3. Start of operations : December 2013

4. Investment : 3.68 billion yen

5. Ownership : Toyota Industries Corporation: 50.1%
Shougang Group: 29.9%
DENSO (China) Investment Co., Ltd.: 20.0%

6. Main customers : Toyota Motors, Honda,
Benz, Volkswagen,
local automakers in China



A global initiative to enhance manufacturing capabilities

Promoting GTCC (Global Training Center of Compressor)

1. Background

Due to the growing market outside Japan as well as the needs of local production, overseas production is increasing

It is important to maintain and enhance quality at our production bases around the world

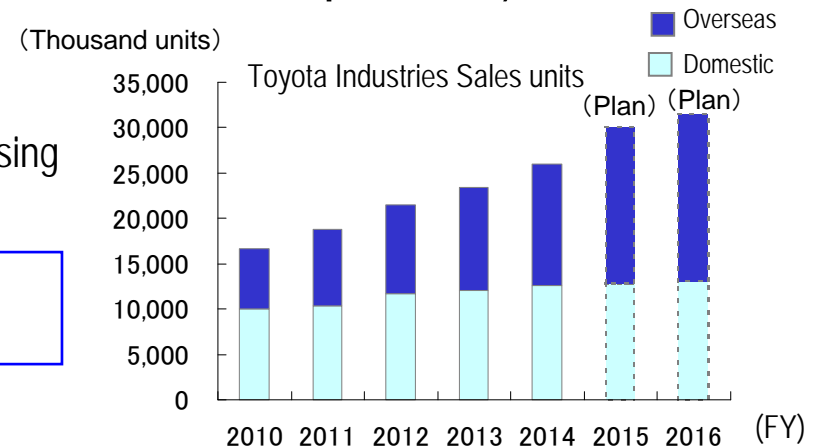
2. Aim

- 1) Develop core human resources at overseas production bases to manufacture high-quality products worldwide
- 2) Improve Japanese staff skills to train manufacturing personnel at overseas production bases

3. Content

Teaching technical skills and instilling our thinking on manufacturing in manufacturing personnel from overseas production bases at a production base in Japan that serves as a mother plant

- Manufacturing personnel from the US, China and Indonesia attended GTCC
- Strengthening the activities of GTCC



Advantages of our Car Air-Conditioning Compressor Business

Product

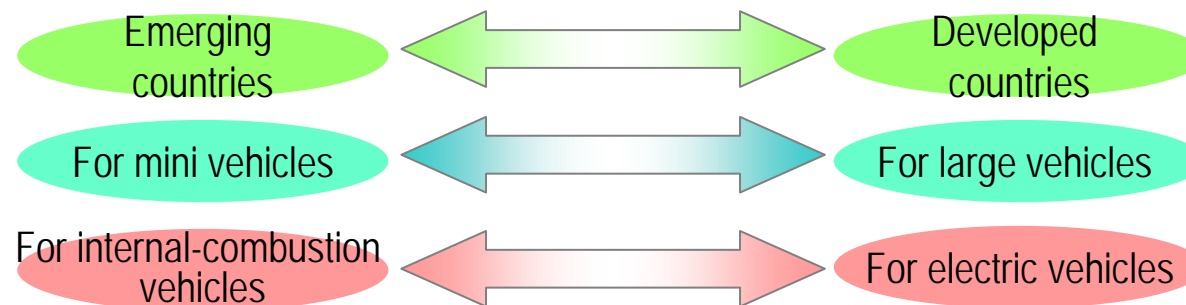
Performance Advantages

- Our products maintain our leading position in the market in terms of fuel efficiency, smaller size, lighter weight and quietness
 - Capacity for technological development accumulated through responding the needs of automakers in the world
 - Product tests including a variety of severe environmental conditions

- Main products of each type were developed first in the world

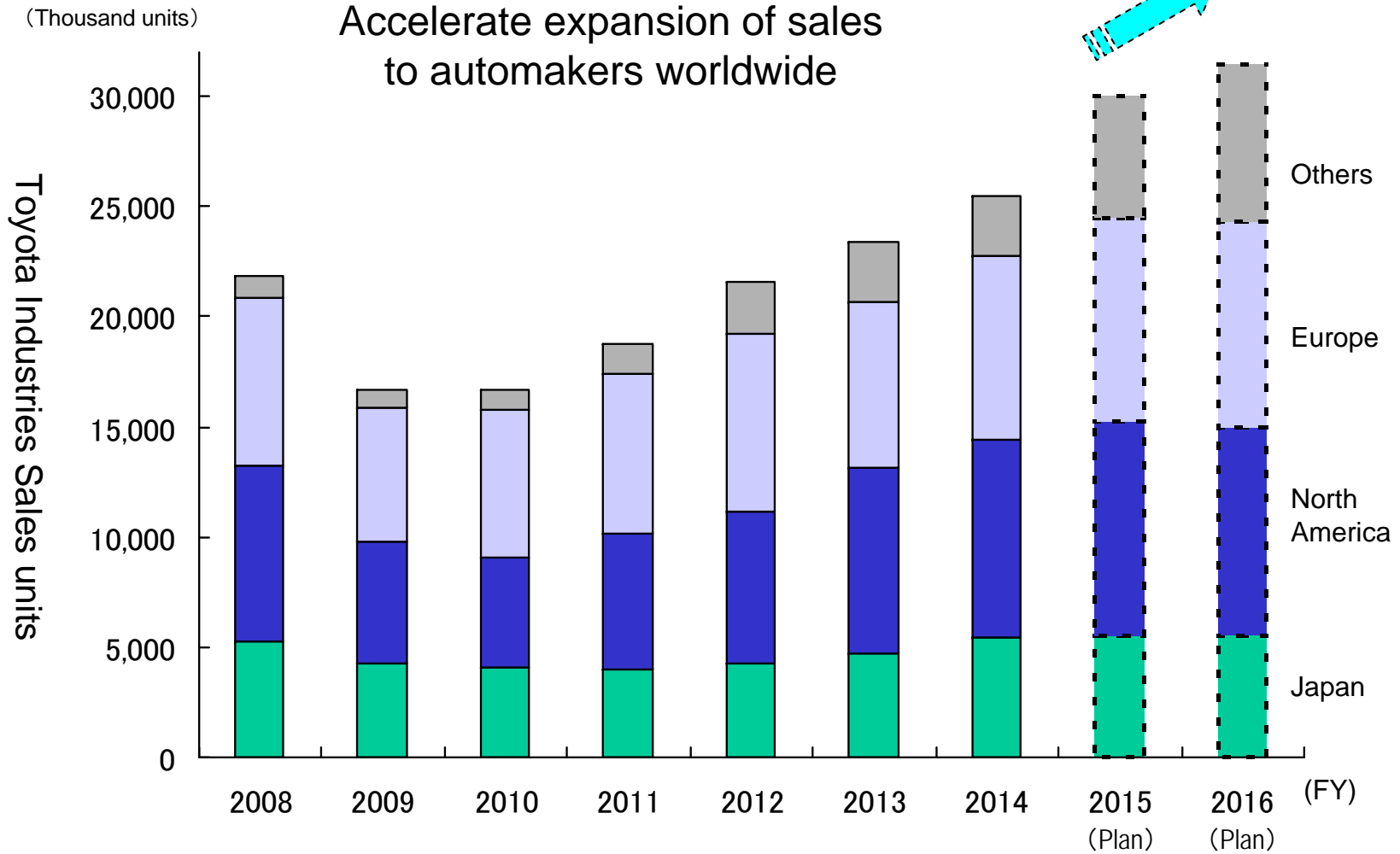
- Fixed-displacement type (10-cylinder swash plate)
- Variable-displacement type (one-way swash plate internally controlled type)
- Variable-displacement type (one-way swash plate externally controlled type/ clutch less)
- Electric type
- Fixed-displacement type (rotary valve)
- Variable-displacement type (CS valve)

Broad Product Lineup responding to various customer needs



Advantages of our Car Air-Conditioning Compressor Business

Quality	<p>Keep and further high-quality at every stage</p> <ul style="list-style-type: none">➤ Achieve the best quality during every process, from procurement to product shipment➤ Aluminum die casting technology enhance the reliability of our car air-conditioning compressors <p>Keep production engineering know-how in a “black box”</p> <ul style="list-style-type: none">➤ Develop main production facilities in-house
Production and Supply	<p>Global Production and Supply Structures</p> <ul style="list-style-type: none">➤ Respond appropriately to the supply needs of automakers in Japan and around the world➤ Enhance manufacturing capabilities of overseas production bases through various efforts such as GTCC <p>Flexibility to fluctuations in production</p> <ul style="list-style-type: none">➤ Increase compact production lines
Sales and Support	<p>Technical sales and technical support near automakers</p> <ul style="list-style-type: none">➤ Provide technical sales and support in North America, Europe, China and Brazil



Cautionary Statement with Respect to Forward-Looking Statements

This presentation contains projections of business results as well as statements regarding business plans, forecasts, strategies, and other forward-looking statements that are not to be taken as historical fact. Projections and forward-looking statements are based on the current expectations and estimates of Toyota Industries and its Group companies. All such projections and forward-looking statements are based on management's assumptions and beliefs derived from the information available to it at the time of producing this report and are not guarantees of future performance. You should also be aware that certain risks and uncertainties could cause the actual results of Toyota Industries and its Group companies to differ materially from any projections or forward-looking statements appearing in this report. These risks and uncertainties include, but are not limited to, the following: 1) economic trends, 2) various competitive pressures, 3) changes in relevant laws and regulations, and 4) fluctuations in exchange rates.