



FY2017 Financial Results



May 9, 2017



TOYOTA INDUSTRIES CORPORATION

I. Financial Summary

1. Points of financial results
2. Financial results for FY2017
3. Financial forecast for FY2018

Points of Financial Results for FY2017

1. Profits decreased from previous fiscal year due to negative impact of yen appreciation. However, we achieved increase in profits if not affected by yen appreciation.
2. Dividends for FY2017 is ¥125, ¥5 increase from previous fiscal year. Plan of dividends for FY2018 is ¥130, ¥5 increase from FY2017.
3. Decrease in net sales and increase in profits are expected for the full year forecast, due to impact of application of IFRS. However, increases in net sales and profits are expected if FY2018 forecast on IFRS and FY2017 results on IFRS estimation are compared.

Performance <FY2017>

(Billion yen)

	FY2016 (Japanese GAAP)	FY2017 (Japanese GAAP)	Change	
Net sales	2,243.2	2,250.4	7.2	0.3%
Operating profit	134.7	122.9	(11.8)	(8.7%)
Ordinary profit	185.3	177.1	(8.2)	(4.5%)
Profit attributable to owners of the parent	183.0	125.5	(57.5)	(31.4%)
Earnings per share	¥582.58	¥402.00	(¥180.58)	—
Dividends per share [Year end]	¥120 [¥60]	¥125 [¥65]	5 [¥5]	— [—]
Consolidated payout ratio	20.6%	31.1%	—	—
Total return ratio	30.4%	31.1%	—	—
¥/US\$	¥120	¥108	(¥12)	—
¥/Euro	¥133	¥119	(¥14)	—

- Better model mix in Vehicle business contributed to increase of net sales.
- Profits decreased due to negative impact of exchange rate fluctuations, especially in Materials handling equipment segment and Car air-conditioning compressor business..
- Increase of dividends from FY2016 ¥120 to FY2017 ¥125.

Segment Information <FY2017>

Net Sales [Operating profit]

(Billion yen)

	FY2016 (Japanese GAAP)	FY2017 (Japanese GAAP)	Change	
Vehicle	480.0	557.6	77.6	16.2%
Engine	158.2	167.3	9.1	5.8%
Car air-conditioning compressor	342.6	334.7	(7.9)	(2.3%)
Electronics parts, foundry and others	64.8	64.7	(0.1)	(0.1%)
Automobile	1,045.7 [33.3]	1,124.5 [26.9]	78.8 [(6.4)]	7.5%
Materials handling equipment	1,031.4 [87.1]	1,001.5 [84.3]	(29.9) [(2.8)]	(2.9%)
Textile machinery	65.6 [4.1]	66.2 [5.0]	0.6 [0.9]	0.9%
Others	100.2 [9.3]	58.0 [6.5]	(42.2) [(2.8)]	(42.1%)
Total	2,243.2 [134.7]	2,250.4 [122.9]	7.2 [(11.8)]	0.3%

Unit sales

(Thousand units)

	FY2016	FY2017	Change
RAV4	201	206	5
Vitz (Yaris)	92	101	9
Vehicle	293	307	14
Diesel	242	294	52
Gasoline	192	207	15
Engine	434	501	67
Car air-conditioning compressor	30,370	32,550	2,180
Materials handling equipment	239	253	14
Air-jet loom	6.2	6.9	0.7

Vehicle :Better model mix with production of HEV models of RAV4 and Yaris, as well as increase of unit sales contributed to increase of net sales.

Engine :Net sales increased by unit sales increase of GD diesel engines, manufactured in Japan as well as in India.

Car air-conditioning compressor :Although unit sales increased in each region, net sales decreased due to negative impact of yen appreciation.

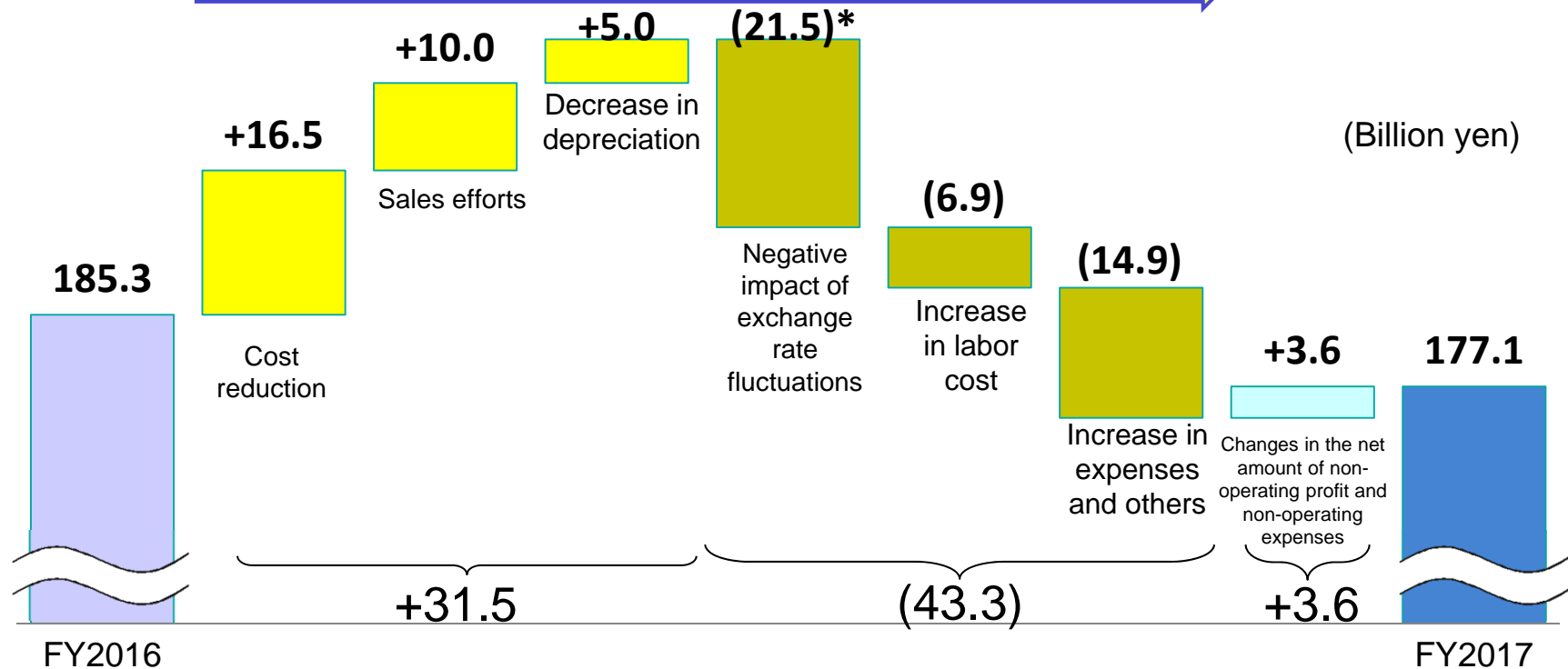
Materials handling equipment :Although unit sales increased in Europe and other regions, net sales and profits decreased due to negative impact of yen appreciation.

Changes in Operating Profit and Ordinary Profit

Year-on-year comparison (FY2016 and FY2017)

Ordinary profit: ¥8.2 billion decrease (from ¥185.3 billion to ¥177.1 billion)

Operating profit: ¥11.8 billion decrease (from ¥134.7 billion to ¥122.9 billion)



*Cost reduction as well as sales efforts of the Materials handling equipment segment and Car air-conditioning compressor business contributed to the increase of consolidated profit.

*Exchange rate fluctuations and increases in labor cost as well as expenses and others negatively affected on profits.

*Includes ¥5.9 billion exchange conversion loss on operating profit outside Japan.

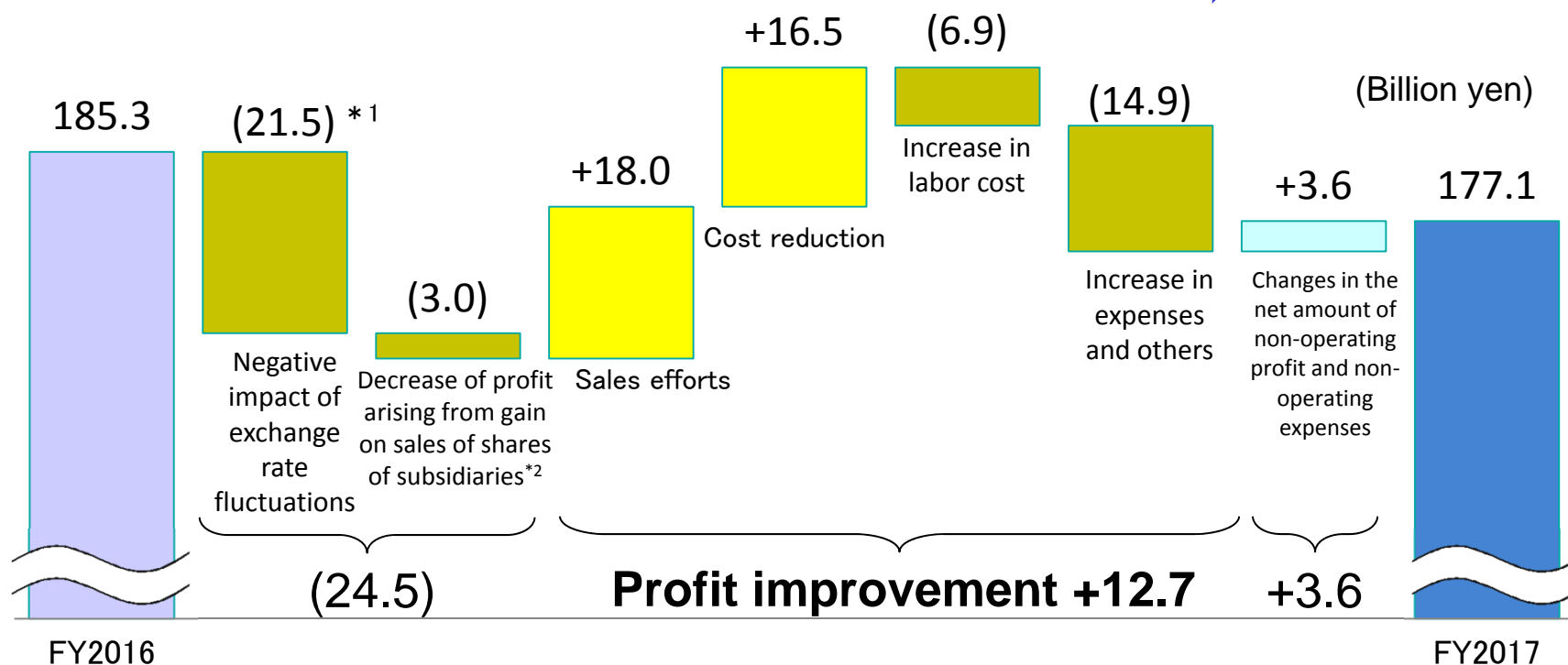
Changes in Operating Profit and Ordinary Profit

Year-on-year comparison (FY2016 and FY2017)

Progress of profit improvement

Ordinary profit: ¥8.2 billion decrease (from ¥185.3 billion to ¥177.1 billion)

Operating profit: ¥11.8 billion decrease (from ¥134.7 billion to ¥122.9 billion)



Substantially progressed profit improvement, if excluded negative impact of exchange rate fluctuations and decrease of profit arising from gain on sales of shares of subsidiaries.

*1: Includes ¥5.9 billion exchange conversion loss on operating profit outside Japan.

*2: Asahi Security Co., Ltd. and Wanbishi Archives Co., Ltd.

Performance <FY2017>

(Billion yen)

	FY2016	FY2017	Change	
Investments in tangible assets	75.4	77.7	2.3	3.1%
Depreciation	77.3	72.3	(5.0)	(6.5%)

- Investments in tangible assets in the Automobile segment increased, mainly for the vehicle and car air-conditioning compressor businesses, while it decreased in the Materials handling equipment segment.
- Depreciation decreased because of exclusion of Asahi Security Co., Ltd. and Wanbishi Archives Co., Ltd from consolidation.

Performance <FY2017>

(Billion yen)

	As of March 31, 2016	As of March 31, 2017	Change	
Total assets	4,199.1	4,428.6	229.5	5.5%
Total net assets	2,113.9	2,256.2	142.3	6.7%
Total net assets per share	¥6,481.97	¥6,995.47	¥513.50	-
Equity ratio	48.5%	49.0%	-	-
Consolidated subsidiaries	214	207	(7)	-

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

Performance <FY2018 Forecast>

(Billion yen)

	FY2017 (Japanese GAAP)	FY2018 (IFRS)	Change	
Net sales	2,250.4	1,850.0	(400.4)	(17.8%)
Operating profit	122.9	135.0	12.1	9.8%
Ordinary profit	177.1	188.0	10.9	6.2%
Profit attributable to owners of the present	125.5	130.0	4.5	3.6%
Earnings per share	¥402.00	¥418.69	¥16.69	-
Cash dividends per share [Year-end]	¥125 [¥65]	¥130 [¥65]	¥5 [-]	- [-]
Payout ratio	31.1%	31.0%	-	-
¥/US\$	¥108	¥105	(¥3)	-
¥/Euro	¥119	¥115	(¥4)	-

Note: FY2018 forecast is based on IFRS, showing profit before income taxes instead of ordinary profit.

[Impact on application of IFRS]

- Net sales decreases by ¥580 billion due to offset of pass through sales and other factors.
- Operating profit increases by ¥3 billion due to discontinuance of depreciation of goodwill and other reasons.

Segment Information <FY2018 Forecast>

Net sales [Operating profit] (Billion yen)

	FY2017 (Japanese GAAP)	FY2018 (IFRS)	Change	
Vehicle	557.6	72.0	(485.6)	(87.1%)
Engine	167.3	94.0	(73.3)	(43.8%)
Car air-conditioning compressor	334.7	347.0	12.3	3.7%
Electronics parts, foundry and others	64.7	67.0	2.3	3.6%
Automobile	1,124.5 [26.9]	580.0	(544.5)	(48.4%)
Materials handling equipment	1,001.5 [84.3]	1,156.0	154.5	15.4%
Textile machinery	66.2 [5.0]	56.0	(10.2)	(15.4%)
Others	58.0 [6.5]	58.0	0	0.0%
Total	2,250.4 [122.9]	1,850.0 [135.0]	(400.4) [12.1]	(17.8%)

Unit sales

(Thousand units)

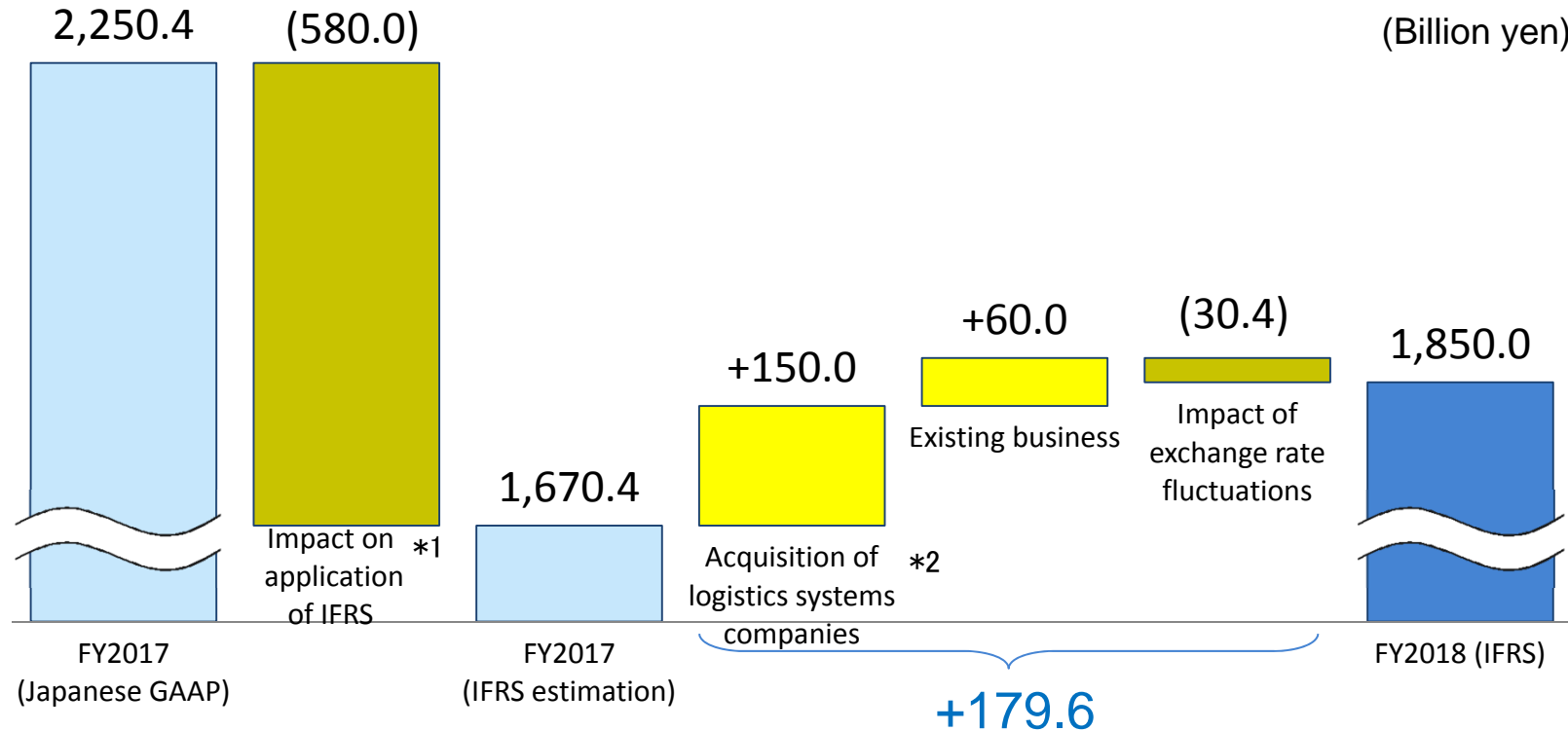
	FY2017	FY2018	Change
RAV4	206	205	(1)
Vitz (Yaris)	101	95	(6)
Vehicle	307	300	(7)
Diesel	294	281	(13)
Gasoline	207	249	42
Engine	501	530	29
Car air-conditioning compressor	32,550	33,500	950
Materials handling equipment	253	255	2
Air-jet loom	6.9	5.0	(1.9)

[Impact on application of IFRS]

- Net sales decrease due to offset of pass through sales includes ¥490 billion in Vehicle business and ¥80 billion in Engine business.

Changes in Net Sales

Year-on-year comparison (FY2017 full year and FY2018 full year forecast)



*1 Off-set of pass-through sales (Vehicle: ¥490 billion, Engine: ¥80 billion) and others

*2 Bastian Solutions and Vanderlande Industries

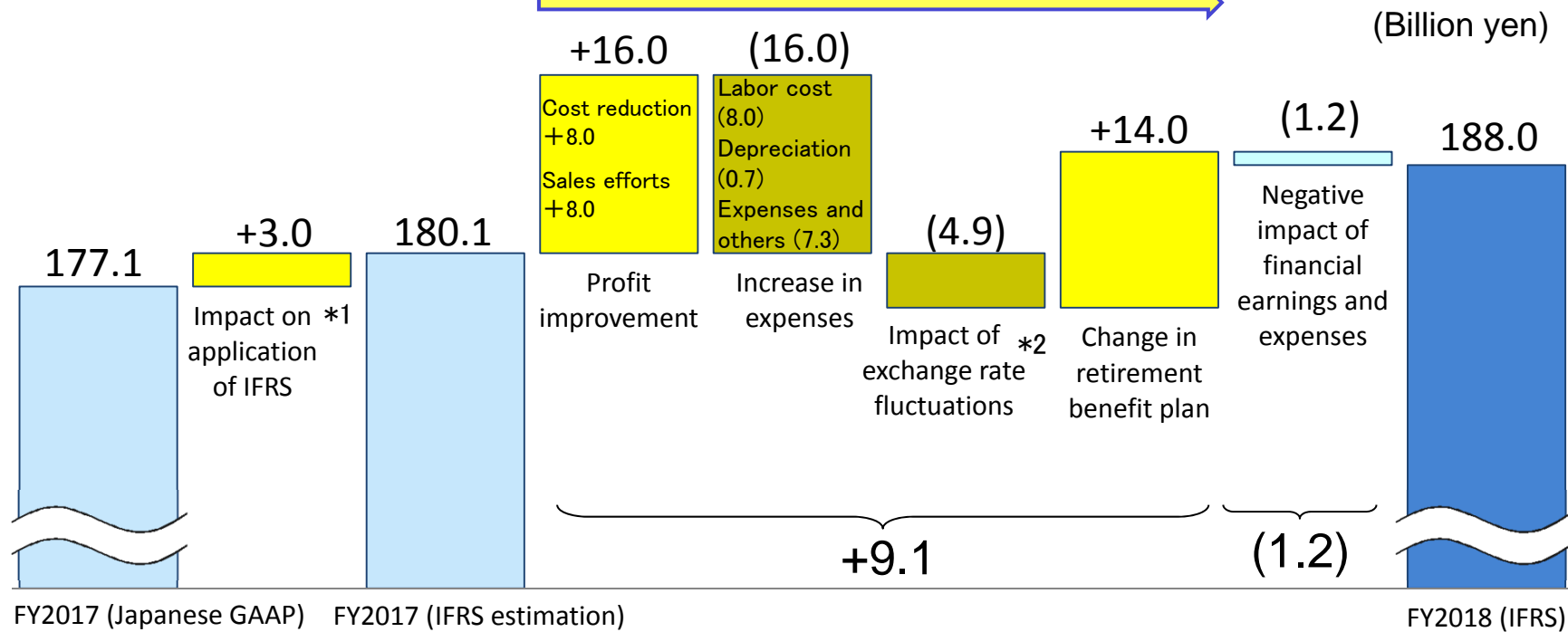
¥179.6 billion increase is expected based on IFRS comparison

Changes in Profit before Income Taxes (ordinary profit) and Operating Profit

Year-on-year comparison (FY2017 full year and FY2018 full year forecast)

Profit before income taxes **¥7.9 billion increase** (from ¥180.1 billion to ¥188.0 billion)

Operating profit: **¥9.1 billion increase** (from ¥125.9 billion to ¥135.0 billion)



- *1 ¥7.0 billion increase for discontinuance of depreciation of goodwill, ¥3.0 billion decrease for method change in depreciation, ¥1.0 billion decrease for others
- *2 ¥1.4 billion decrease is included for exchange conversion loss on operating profit outside Japan

Performance <FY2018 Forecast>

(Billion yen)

	FY2017	FY2017	Change	
Investments in tangible assets	77.7	120.0	42.3	54.4%
Depreciation	72.3	76.0	3.7	5.1%

II. Our Business Initiatives toward Medium Term Growth

Materials Handling Equipment

Car air-conditioning Compressor

1. Previous efforts to strengthen business
2. Lift truck market and our initiatives
3. Enhancement of production outside Japan
4. Expansion of value-chain
5. Expansion and enhancement of logistics solution business

Materials Handling Equipment

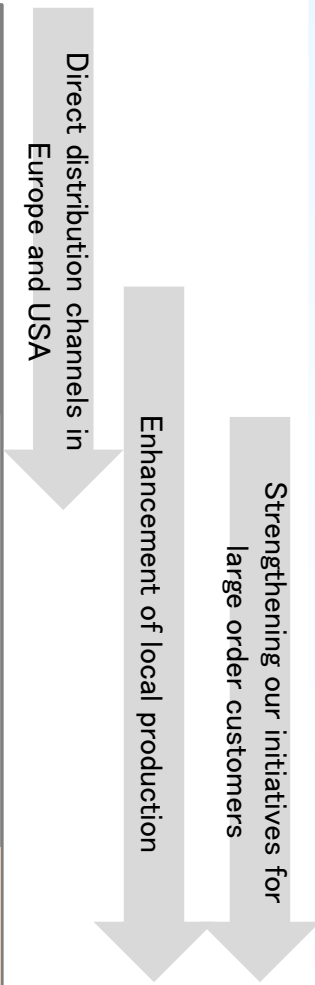
1. Previous efforts to strengthen business

Promotion of Concentration and Selection of Businesses



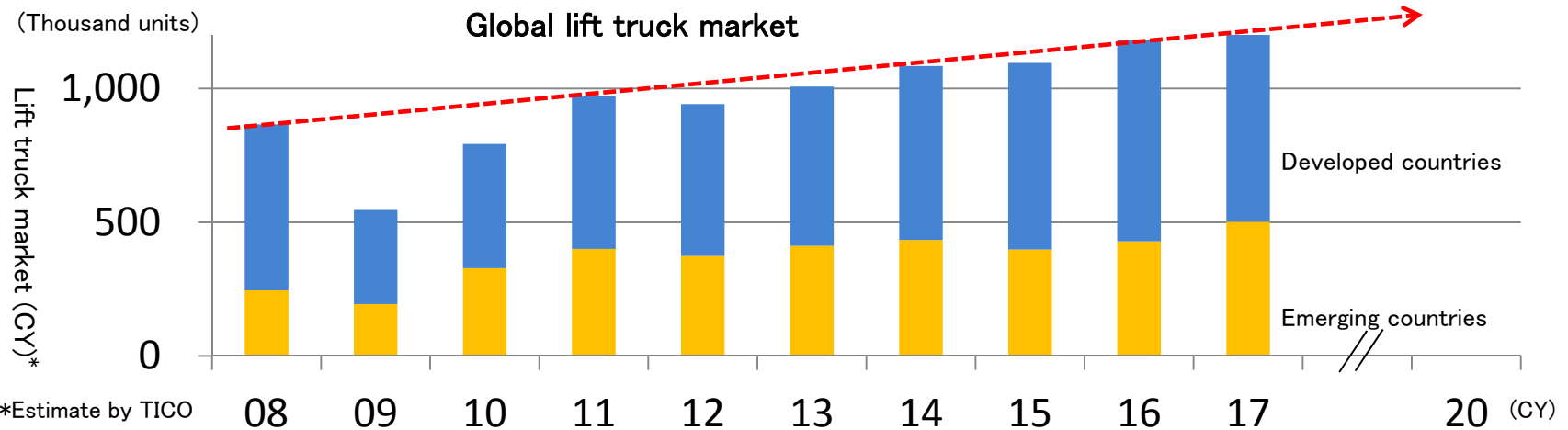
Expansion and strengthening of Value Chain and Logistics Solutions Businesses

Strengthening business structure of Materials Handling Equipment Business	2008	Financial crisis
	2009	Bottom of the market, keeping our streamlined structure
	2010	Solidify defenses, shift to offensive
	2011	
Expansion of Value Chain	2012	Vietnam plant to produce motors for electric lift trucks
	2013	Acquisition of Cascade Corporation in the US to strengthen attachment business
	2014	Expansion of Sales finance business in Mexico and France
	2015	Acquisition of lift truck business of Tailift in Taiwan
	2015	Acquisition of lift truck sales finance Operation in the USA
Strengthening Logistics Solutions Business	2016	Acquisition of Bastian Solutions in the USA Acquisition of Vanderlande in the Netherlands
	2017	



Materials Handling Equipment

2. Lift truck market and our initiatives



[Developed countries]

- Slower market increase
- Proportion of electric lift trucks further increases backed by more stringent environmental regulations

[Our initiatives]

- Strengthen product appeal by internal developed motors and controllers for electric lift trucks
- Differentiate products with advanced technologies including lithium ion batteries and fuel cells

[Emerging countries]

- Continuous increase of the market is expected centered on internal combustion lift trucks by economical growth and increase of logistics volume
- Increase of needs for quality and performance in mid- long-term

[Our initiatives]

- Appeal economical advantages for life-cycle of the lift truck backed by superior after-sales services
- Product development utilizing Tailift
- Differentiate products with environmental technologies

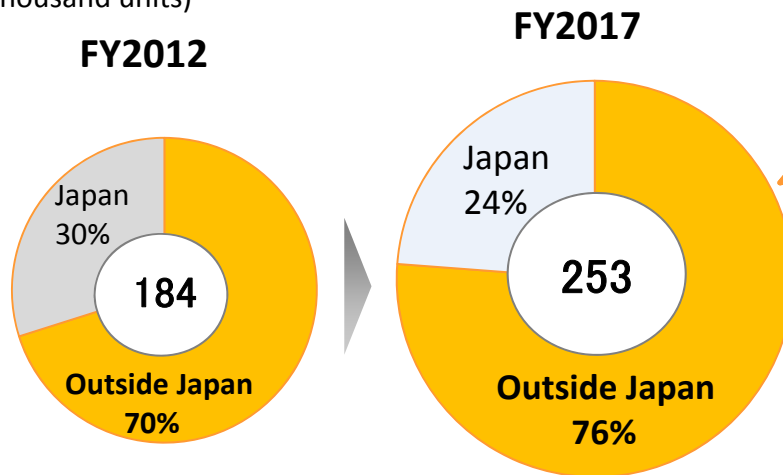
Materials Handling Equipment

3. Enhancement of production outside Japan

[Global production]

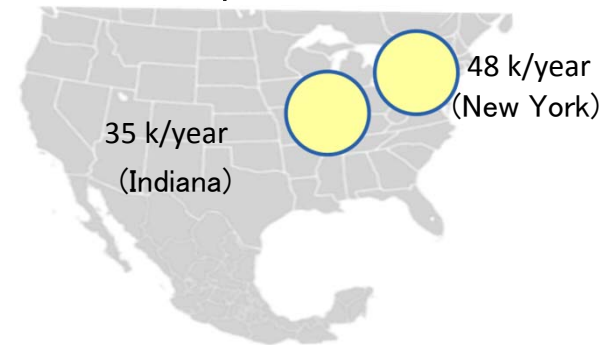
Increased production volume outside Japan

(Thousand units)



[Production in the USA]

Lift truck production bases







Manufactures annually more than 80 thousand units of lift truck already in the US, covering most of units sold in the country.

- **Mainly counter type at Indiana site**
- **Mainly warehouse equipment at New York site**



Materials Handling Equipment

4. Expansion of value-chain Strengthened value-chain structure

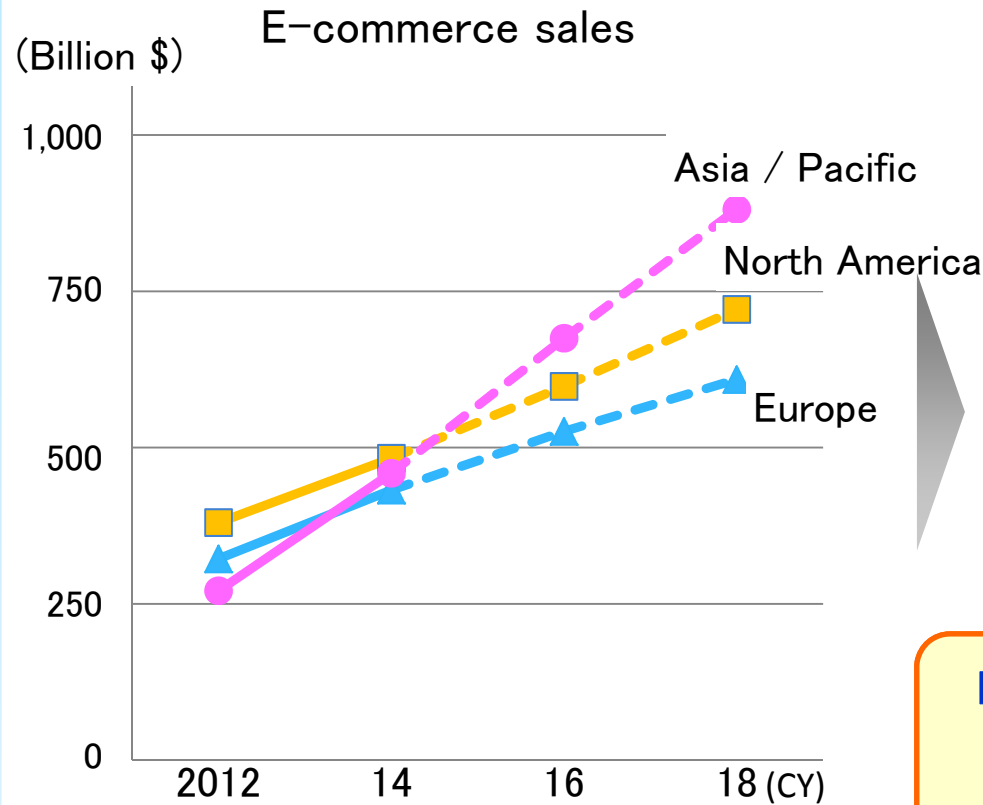
<p>Sales finance</p>	<ul style="list-style-type: none"> -US sales finance new base started its operation in Texas -European sales finance Italian branch started its operation - Contribute to maximize revenues by offering customer support services covering life cycle of lift trucks, from new truck sales to maintenance and used trucks 	
<p>After sales services</p>	<ul style="list-style-type: none"> - Offering various services including maintenance and lift truck management systems utilizing IT technologies such as telematics - Increasing capability for after sales services through such efforts as service skills contest 	
<p>Components</p>	<ul style="list-style-type: none"> - Enhance cooperation with Cascade, the global leading lift truck attachment suppliers - Strengthen product appeal with internal developed components including engines and motors 	
<p>Initiatives for emerging countries</p>	<ul style="list-style-type: none"> - Enhance initiatives of middle- to low-price products utilizing Tailift - Strengthen and enhance sales networks 	

Aim to maximize outcome of these initiatives

Materials Handling Equipment

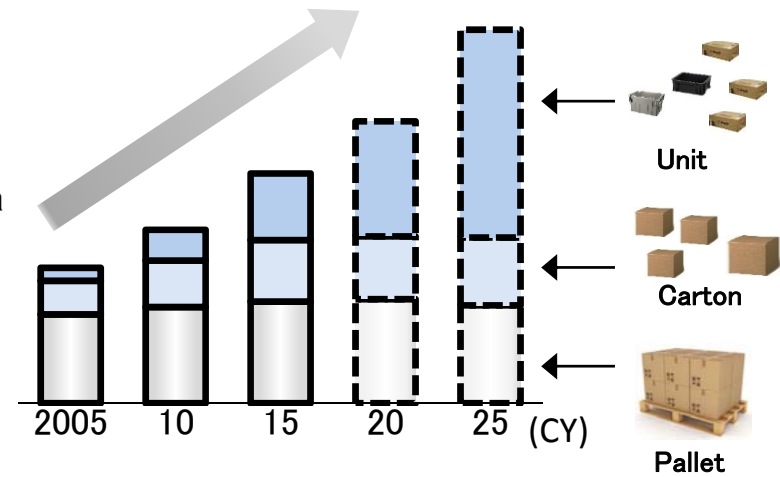
5. Expansion and enhancement of logistics solution business

➤ Global e-commerce market



Source: Markets & Markets

➤ Growth of sales by type of packaging (image of Europe)



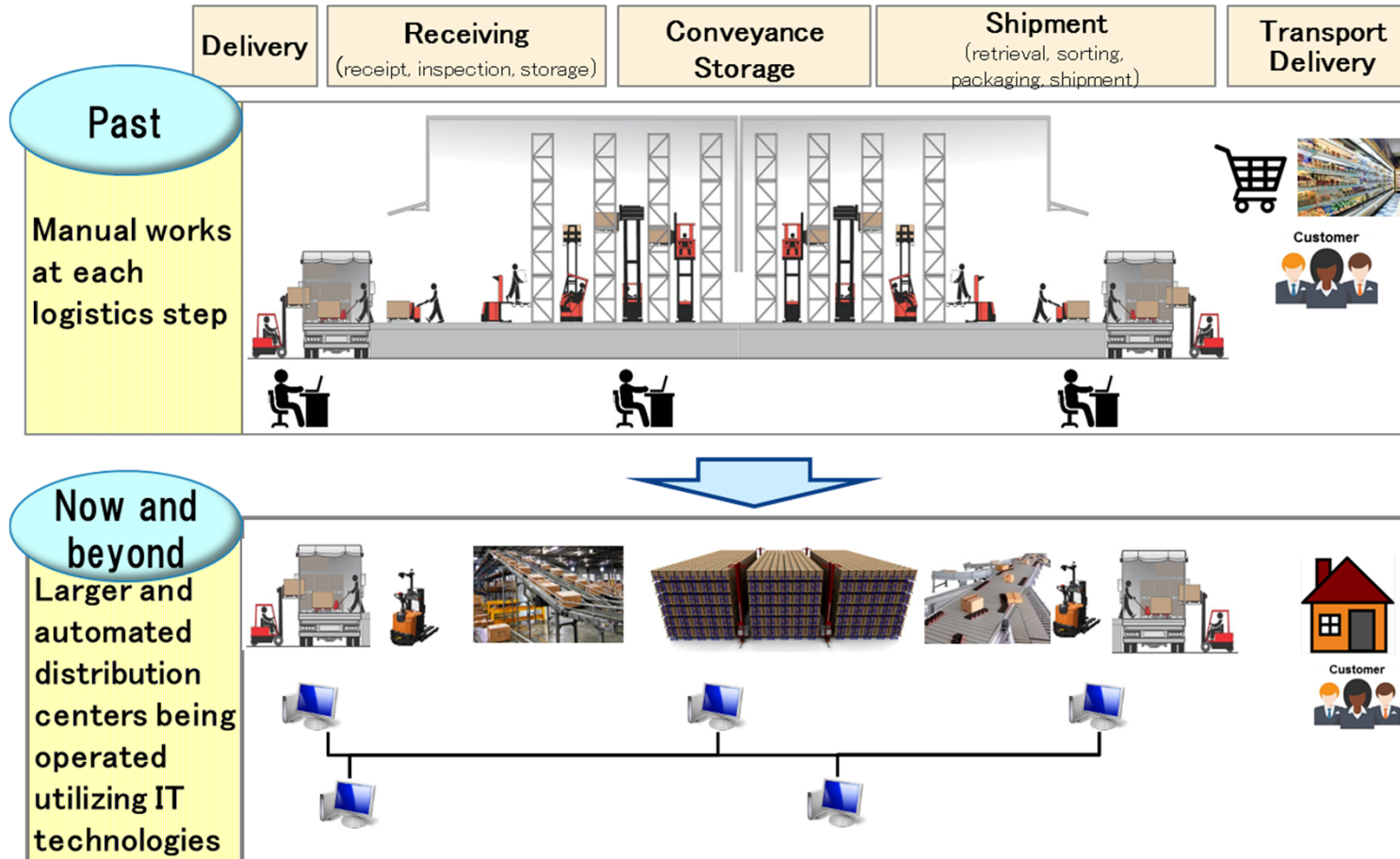
E-commerce market grows globally

Shipment volume of unit type packaging increases

Materials Handling Equipment

5. Expansion and enhancement of logistics solution business

Qualitative changes of logistics inside warehouses



Strengthen logistics solutions businesses to meet rapid changes of logistics

Materials Handling Equipment

5. Expansion and enhancement of logistics solution business



➤ Acquisition of Bastian Solutions to strengthen logistics solutions businesses

[Profile of Bastian]

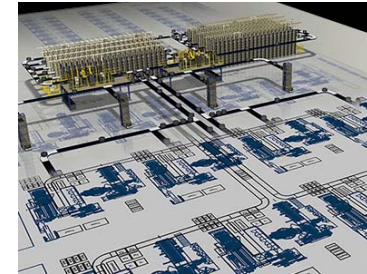
- Company name : Bastian Solutions LLC
- Headquarters : Indianapolis, Indiana, U.S.A.
- Business activities : Materials handling system integrator*1
- Sales : Approximately JPY24 billion*2 (as of December 2016)
- Customer segment : Retail, food & beverage, consumer goods & e-commerce, manufacturing & industrial, pharma & healthcare and others
- Strengths :
 - ✓ Superior expertise in the development of software to control and manage materials handling systems at logistics centers
 - ✓ Leader in combining hardware and software, system development, networking and maintenance

[Acquisition overview]

- Schedule : April 2017
- Cost : Approximately JPY29 billion*2



Logistics management system



Designing distribution center

*1: Systems integrator perform materials handling systems engineering in accordance with customer needs, procure most equipment from outside suppliers, and deliver systems as a turnkey package.

*2: Calculated at an exchange rate of US\$ 1 = ¥ 110.

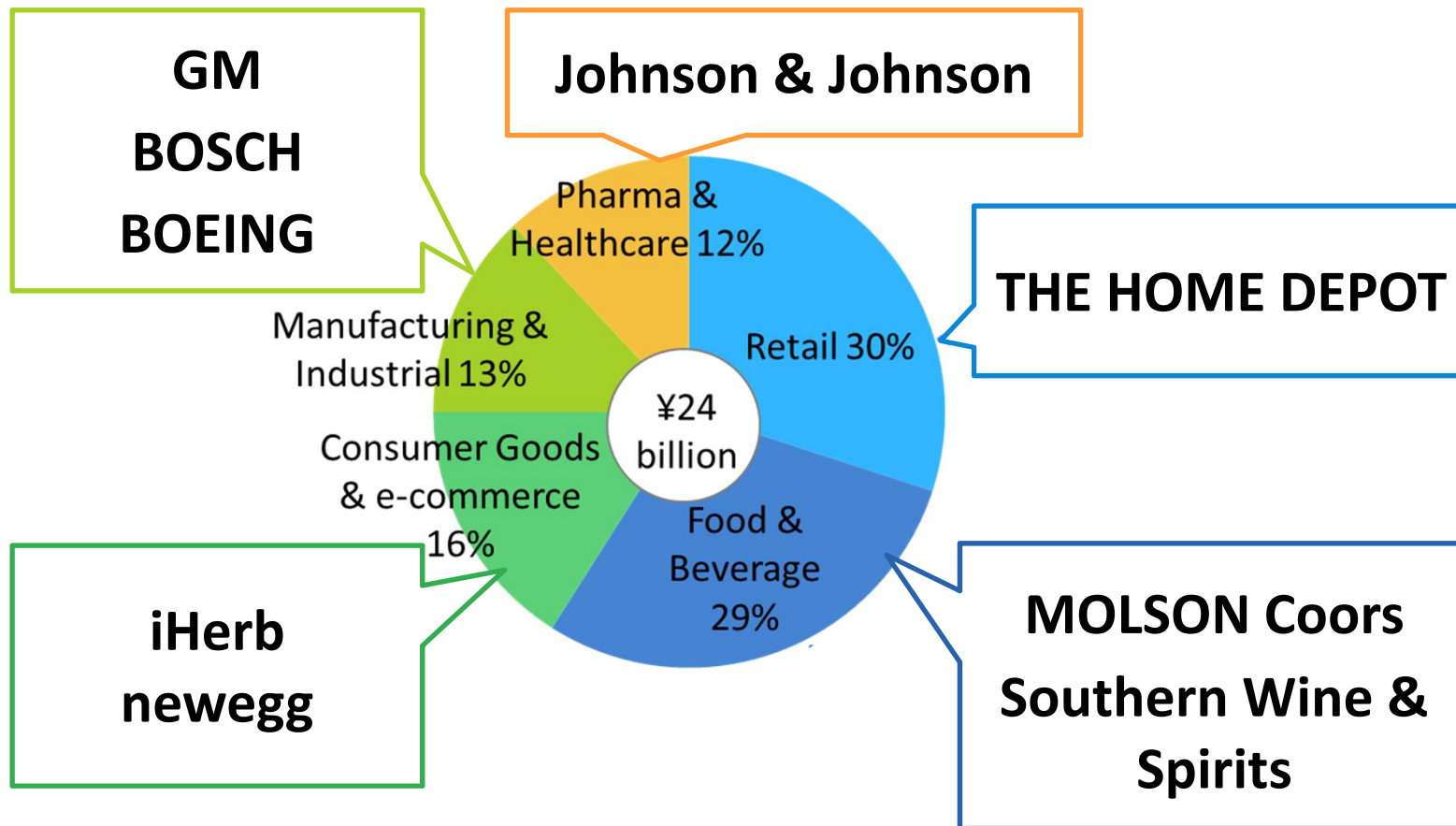
Materials Handling Equipment



5. Expansion and enhancement of logistics solution business

- Sales proportion for 2016 and examples of customers

Customers in diverse industries



5. Expansion and enhancement of logistics solution business

➤ Acquisition of Vanderlande Industries to strengthen logistics solutions businesses

[Profile of Vanderlande]

- Company name : Vanderlande Industries Holding B.V.
- Headquarters : Veghel, the Netherlands
- Business activities : Automated materials handling solutions*1
- Sales : Approximately JPY130 billion*2 (as of December 2016)
- Business segment : Warehouse automation, Parcel and post handling, Baggage handling
- Strengths
 - ✓ Development and manufacture a full lineup of materials handling equipment and software
 - ✓ Capable to complete large-scale projects in short timeframes
 - ✓ Global network and business activities centered in Europe

[Acquisition overview]

- Schedule : Scheduled in May 2017
- Cost : Approximately JPY140 billion*2

*1: Such business category to provide logistics systems including hardware and software to solve customers' logistics problems.

*2: Calculated at an exchange rate of EURO 1 = ¥ 120.



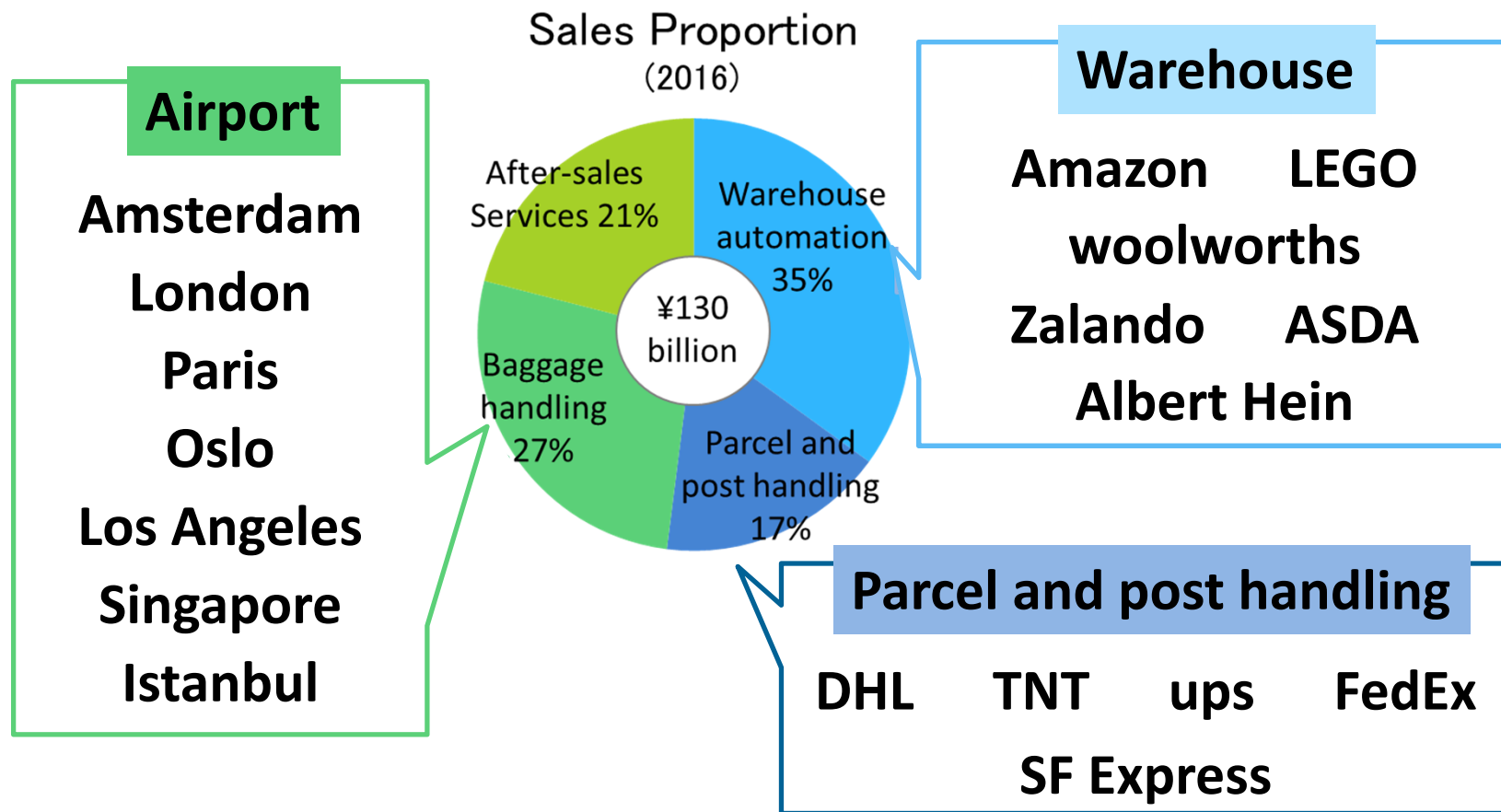
Shuttle type automated storage



Automated baggage storage for hub airport

5. Expansion and enhancement of logistics solution business

- Sales proportion for 2016 and examples of customers
Focuses on three areas of warehouse, parcel and post handling, and airport

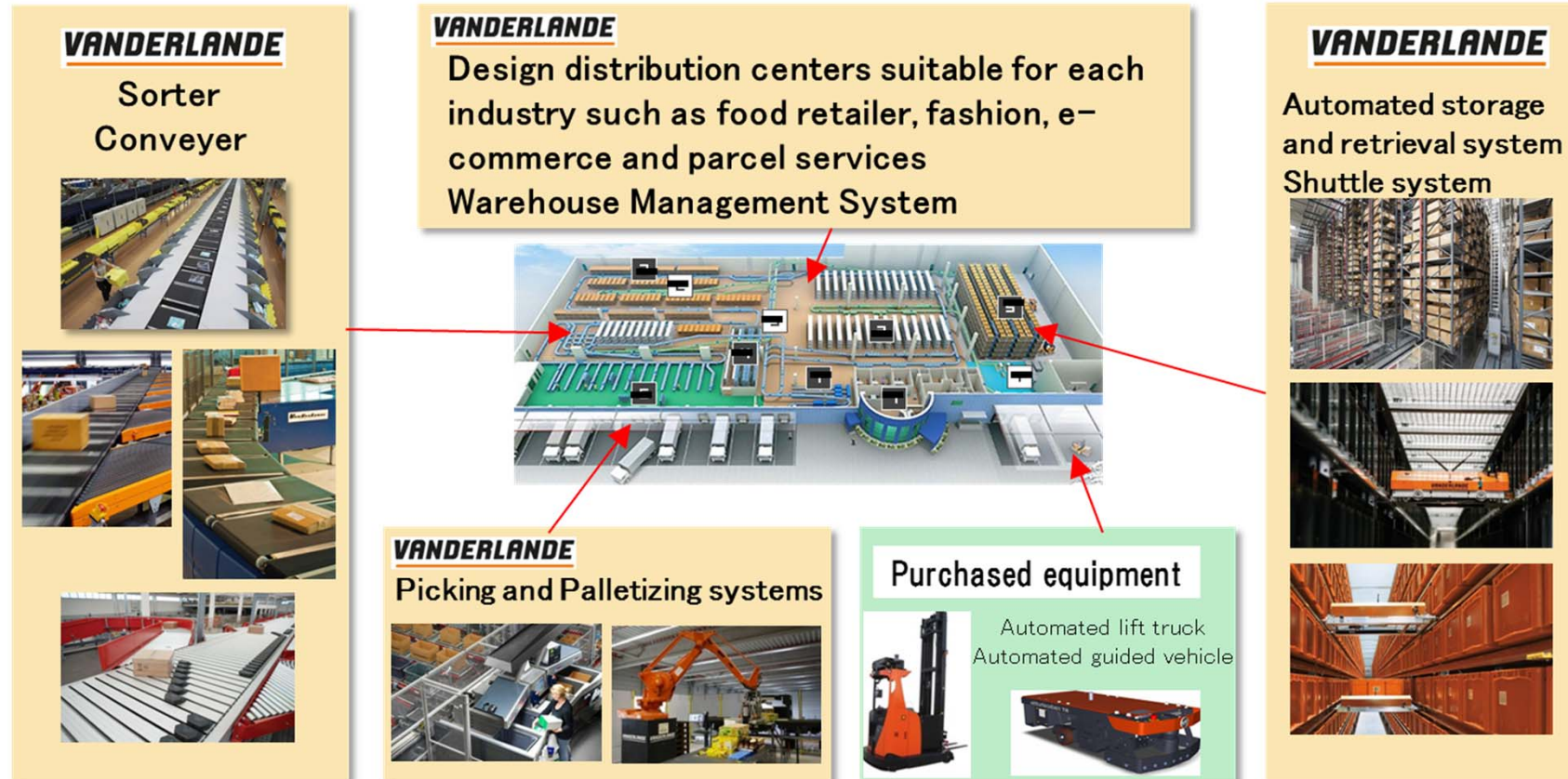


Materials Handling Equipment

VANDERLANDE

5. Expansion and enhancement of logistics solution business

- Outline of warehouse, parcel and post handling businesses



- Supply whole systems in distribution centers from receiving to shipment
- Propose logistics solutions targeting industry leading companies

Materials Handling Equipment

VANDERLANDE

5. Expansion and enhancement of logistics solution business

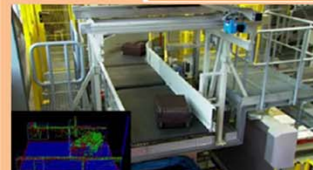
- Outline of baggage handling business for airports

Automated storage & retrieval



VANDERLANDE

Scale & weigh



VANDERLANDE

Check-in



VANDERLANDE

Sorter



VANDERLANDE



Baggage reclaim



VANDERLANDE

Load and Unload

Automated



VANDERLANDE

Manual



- Provide complete airport baggage handling solutions from check-in to load and unload
- Focus on projects of world hub airports

Materials Handling Equipment

5. Expansion and enhancement of logistics solution business

Expand and enhance logistics solutions business globally through cooperation between TICO, Bastian and Vanderlande

Europe

Closer cooperation between Vanderlande and European materials handling headquarters to catch an opportunity in growing market

Japan, Oceania, Asia and other regions

Aim to grow the business through cooperation between TICO and Vanderlande

North America

Expand the business by synergy effects of Bastian's system engineering expertise and Vanderlande's capability for large-scale projects

VANDERLANDE

strengths

- Broad lineups of materials handling systems
- Capability for large-scale projects
- Global network

TOYOTA

strengths

- World No.1 lift truck market share
- Global network
- Superior after-sales services Quality
- Combined proposals of lift trucks and logistics solutions

Bastian
SOLUTIONS

strengths

- Industry leading software development
- Logistics systems engineering expertise

II. Our Business Initiatives toward Medium Term Growth

Materials Handling Equipment

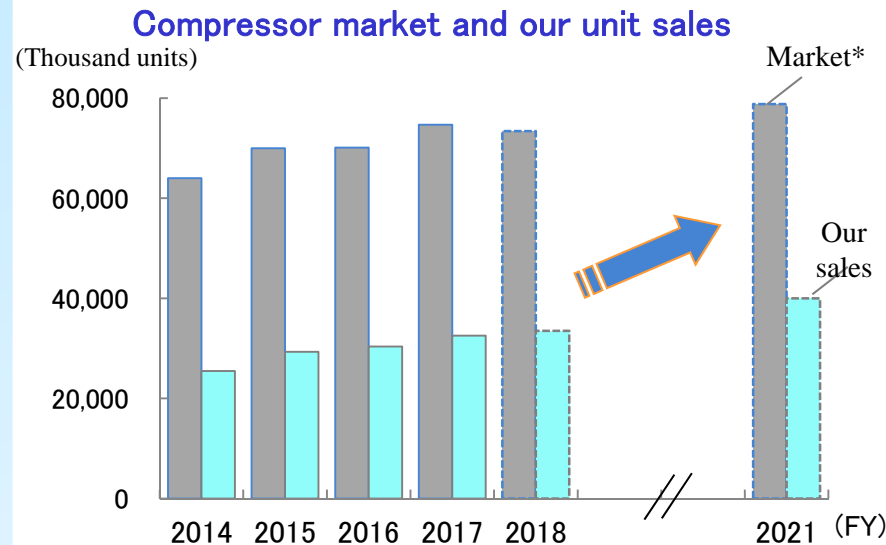
Car air-conditioning Compressor

1. Outlook of mid-term business growth
2. Our initiatives toward diverse customers' needs
3. Our product development capability to produce world first products
4. Enhancement of production outside Japan
5. Our initiatives leveraging development strengths
6. Our initiatives leveraging manufacturing strengths

Car air-conditioning Compressor

1. Outlook of mid-term business growth

*Estimate by TICO



Our strengths

- Vast range of product lineups
- Product development capability anticipating customers' needs
- Stable manufacturing and supply structures

Business strategy leveraging our strengths

- Respond to diverse customers' needs meticulously by leveraging vast range of product lineups and superior development capability
- Develop industry leading products backed by our comprehensive strengths including product development and manufacturing capabilities as well as superior proposals
- Further increase quality and productivity at the manufacturing sites outside Japan by sharing strengths of mother plants in Japan

Car air-conditioning Compressor

2. Our initiatives toward diverse customers' needs

Respond to market needs by an exclusive full line of products

Compressor type Vehicle mounted	For internal combustion vehicle		For electric vehicle
	Fixed displacement type	Variable displacement type	Electric type
Minicar			No market needs
Small			
Middle			
Large			
Bus, etc.			

We cover all needs

Note: A, B and C are other compressor manufacturers

Car air-conditioning Compressor

3. Our product development capability to produce world first products

Developed new electric compressor for Toyota new Prius PHV

World first mass production

Developed new electric compressor with gas injection function



ESBG27

Fitted with new Prius PHV



Extend EV drive range contributing to lower fuel consumption

- Enables heating by car air-conditioner without operating engine in outdoor air temperature at ten degrees under zero
- Achieved approximately 30% improvement of heating performance in cold temperature, keeping existing cooling performance



Awarded a Technology Development Award by Toyota Motor Corporation

Industry leading development capability

+

Product quality pursued from raw materials and components

+

Superior proposals based on accumulated knowhow

Produce world first products through R&D activities anticipating needs of car manufacturers

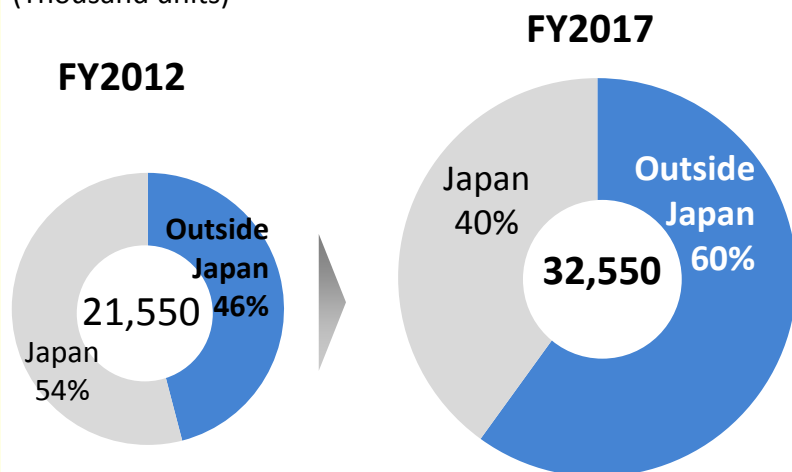
Car air-conditioning Compressor

4. Enhancement of production outside Japan

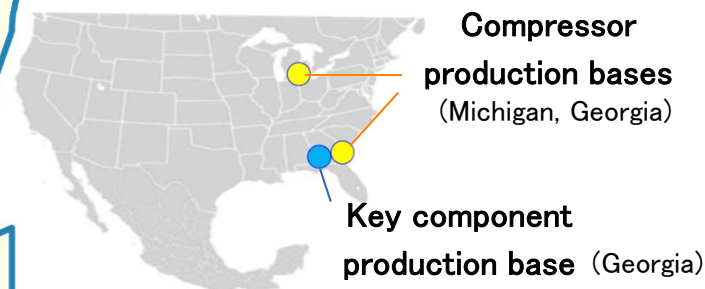
[Global production]

Increased production volume outside Japan

(Thousand units)



[Production in the USA]



Manufacture annually approximately eight million units already in the US
- Covering about 75% of our sales in the US

Manufacture key components and materials as well in the US

<Basic approach of global production structure>

Basically manufacture at the place near customers, while mother plants in Japan supports fluctuations of production volume outside Japan.

Car air-conditioning Compressor

5. Our initiatives leveraging development strengths

- Offer **suitable proposals** to customers with vast range of product lineups

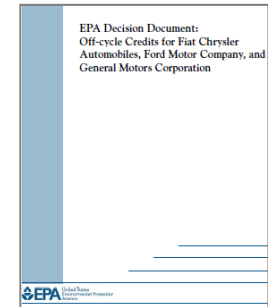
Fast and extensive response leveraging wide range of element technologies



Full lineups of compressors for engine vehicles as well as HV, PHV, EV and FCV

- Our compressor was **approved credits* from EPA, first in the industry**, being evaluated its high fuel efficiency

* Rules to provide favorable treatments to car manufacturers to apply such technologies supporting fuel efficiency improvement



EPA Decision Document

- Provide **meticulous response** to customers' needs and realize **reduction of development lead time** through localization of matching design and evaluation works together with car manufactures outside Japan



Germany



USA

- **Further increase our technological advantages** of quietness and low vibration, those are becoming more important for vehicle electrification, leveraging our know how gained through development of products for luxury vehicles



Development utilizing in-house experimental installation recreating an environment close to the actual vehicle-fitted condition

Further differentiate our products by industry leading product appeals and meticulous responses

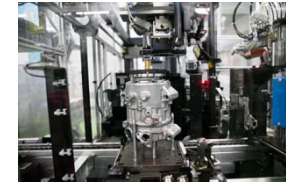
Car air-conditioning Compressor

6. Our initiatives leveraging manufacturing strengths

- Pursue thorough development and production of high quality key components those support product appeals of our compressors through strong production structures including consolidated companies and suppliers in Japan



- Realize unparalleled product quality and performance through enhancement of production technologies by developing in-house production facility



In-house facilities of major assembly process and inspection process

- * Share information on quality with car manufacturers worldwide
- Accumulated knowhow through mass production of various types of models

- Maintain stable product quality at mass production globally by sharing knowhow accumulated at the mother plants



Sharing improvement knowhow



Trainers training

Promoting continuous improvement activities outside Japan to further increase quality and productivity

- Minimize quality variation leveraging the IoT to precisely manage data at each manufacturing process



Production of electric compressors

- *Further improve management level at each manufacturing base
- *Pursue preventive maintenance

Further enhance earning capacity by pursuing our strengths of manufacturing as well as development

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.