

FINANCIAL SUMMARY

FY2018 First Quarter

(April 1, 2017 through June 30, 2017)

TOYOTA INDUSTRIES CORPORATION

English translation from the original Japanese-language document

Cautionary Statement with Respect to Forward-Looking Statements

This report contains projections and other forward-looking statements that involve risks and uncertainties. Our use of the words “expect,” “anticipate,” “estimate,” “forecast,” “plan” and similar expressions is intended to identify such forward-looking statements. Projections and forward-looking statements are based on the current expectations and estimates of Toyota Industries Corporation and its Group companies regarding their plans, outlook, strategies and results for the future. 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. Toyota Industries corporation and its Group companies undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Therefore, it is advised that you should not rely solely upon these projections and forward-looking statements in making your investment decisions. You should also be aware that certain risks and uncertainties could cause the actual results of Toyota Industries Corporation and its Group companies to differ materially from any projections or forward-looking statements discussed in this report. These risks and uncertainties include, but are not limited to, the following: 1) reliance on a small number of customers, 2) product development capabilities, 3) intellectual property rights, 4) product defects, 5) price competition, 6) reliance on suppliers of raw materials and components, 7) environmental regulations, 8) success or failure of strategic alliances with other companies, 9) exchange rate fluctuations, 10) share price fluctuations, 11) effects of disasters, power blackouts and other incidents, 12) latent risks associated with international activities and 13) retirement benefit liabilities.

FY2018 First Quarter Consolidated Financial Results<IFRS>
(April 1, 2017 - June 30, 2017)

TOYOTA INDUSTRIES CORPORATION

Stock exchange listings: Tokyo and Nagoya (Code number: 6201) (URL: <https://www.toyota-industries.com/>)

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The expected date of submission of the quarterly report: August 10, 2017

The expected date of dividends payment: —

Additional documents to supplement quarterly financial results: Yes

Quarterly IR presentation: Yes (For analysts and professional investors)

(Amounts less than one million yen are omitted)

1. Financial Highlights for FY2018 First Quarter (April 1, 2017 - June 30, 2017)

(1) Consolidated Financial Results

(% : changes from the same period of the previous fiscal year)

	Net sales		Operating profit		Profit before income taxes		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY 2018 First Quarter	445,388	10.9	44,222	52.6	77,482	34.2	61,303	38.0
FY 2017 First Quarter	401,551	—	28,979	—	57,742	—	44,419	—

	Profit attributable to owners of the parent		Comprehensive income		Earnings per share—basic	Earnings per share—diluted
	Million yen	%	Million yen	%	Yen	Yen
FY 2018 First Quarter	59,948	39.6	48,392	—	193.08	—
FY 2017 First Quarter	42,955	—	(215,708)	—	136.70	136.70

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Percentage of equity attributable to owners of the parent
	Million yen	Million yen	Million yen	%
FY 2018 First Quarter	4,751,256	2,344,104	2,266,432	47.7
FY 2017	4,558,212	2,316,467	2,240,293	49.1

2. Cash Dividends

	Annual cash dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	FY Total
FY2017	— Yen	60.00 Yen	— Yen	65.00 Yen	125.00 Yen
FY2018	—				
FY 2018 (Forecast)		65.00	—	65.00	130.00

(Note) Changes in the forecasted cash dividends in this quarter : N

3. Forecasts of Consolidated Financial Results for FY2018 (April 1, 2017 - March 31, 2018)

(% : changes from the same period of the previous fiscal year)

	Net sales		Operating profit		Profit before income taxes		Profit attributable to owners of the parent		Earnings per share—basic
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2018 Second Quarter (accum.)	900,000	—	72,000	—	100,000	—	72,000	—	231.89
FY2018	1,850,000	10.4	135,000	6.0	188,000	3.3	130,000	(1.1)	418.69

(Note) Changes in the forecasts of consolidated financial results in this quarter : No

4. Others

(1) Changes in major subsidiaries (specified subsidiaries that changed the scope of consolidation) : No

(2) Changes in accounting policies and accounting estimates

- ① Changes in accounting principles required by IFRS : No
- ② Changes other than ①: No
- ③ Changes in accounting estimates : No

(3) Issued and outstanding capital stock

- ① Number of shares outstanding at end of each period (including treasury stock):
FY2018 First Quarter — 325,840,640 shares, FY2017 —325,840,640 shares
- ② Number of treasury stock outstanding at end of each period:
FY2018 First Quarter —15,351,661 shares, FY2017 —15,351,442 shares
- ③ Average number of shares outstanding for each period (accumulated):
FY2018 First Quarter —310,489,065 shares, FY2017 First Quarter —314,228,184 shares

* This financial report is not subject to the quarterly review procedure.

* Explanation regarding the proper use of performance forecasts and other special items

- All projections are based on the information available to management at the time of making this report and are not guarantees of future performance. Uncertainties could cause the actual results of Toyota Industries to differ materially from any projections discussed in this report.
- Our projections are based on assumed exchange rates of 105 yen to the U.S. dollar and 115 yen to the euro for FY2018.
- Please see page 3 on attached documents for details on performance forecasts in "Explanation for Forecast for FY 2018".

(Attached documents)

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1. Explanation for Quarterly Financial Results

(1) Explanation for Business Results

During the first quarter of fiscal 2018 (the three months from April 1 to June 30, 2017), total consolidated net sales of Toyota Industries amounted to 445.3 billion yen, an increase of 43.8 billion yen, or 11%, from the same period of the previous fiscal year. The following is a review of operations for the major business segments.

Net sales of the Automobile Segment totaled 142.7 billion yen, an increase of 5.8 billion yen, or 4%, from the same period of the previous fiscal year.

Within this segment, net sales of the Vehicle Business amounted to 17.6 billion yen, an increase of 1.2 billion yen, or 7%, due mainly to increases in sales of the Vitz (Yaris outside Japan) and RAV4.

Net sales of the Engine Business totaled 22.9 billion yen, an increase of 1.6 billion yen, or 8%, as a result of increases in sales of AR gasoline engines and VD diesel engines.

Net sales of the Car Air-Conditioning Compressor Business were on par with the previous fiscal year at 85.4 billion yen. This was because decreases in unit sales in Europe and other regions were offset by increases in Japan and China.

Net sales of the Electronics Parts, Foundry and Others Business totaled 16.6 billion yen, an increase of 2.1 billion yen, or 15%, due primarily to increases in sales of electronics parts and foundry products.

Net sales of the Materials Handling Equipment Segment amounted to 274.5 billion yen, an increase of 37.9 billion yen, or 16%. The increase was attributable to two factors, namely, the acquisition of Bastian Solutions LLC in April 2017 and Vanderlande Industries Holding B.V. in May 2017 as well as an increase in unit sales of lift trucks, a mainstay product of this segment, in Japan, Europe and other regions.

Net sales of the Textile Machinery Segment increased 0.6 billion yen, or 4% to 14.5 billion yen as a result of an increase in sales of spinning machinery offsetting a decrease in weaving machinery.

Net sales of the Others Segment totaled 13.5 billion yen, a decrease of 0.5 billion yen, or 4%.

In terms of overall profit, despite increase in raw material costs and increase in labor costs, Toyota Industries recorded an increase in profit due mainly to sales efforts, increases in promoting cost reduction efforts throughout the Toyota Industries Group, the impact of exchange rate fluctuations and changes in retirement benefit plan. As a result, Toyota Industries posted consolidated operating profit of 44.2 billion yen, an increase of 15.3 billion yen, or 53%, from the same period of the previous fiscal year and profit before income taxes of 77.4 billion yen, an increase of 19.7 billion yen, or 34%, from the same period of the previous fiscal year. Profit attributable to owners of the parent totaled 59.9 billion yen, an increase of 17.0 billion yen, or 40%, from the same period of the previous fiscal year.

(2) Explanation for Financial Condition

Total assets increased 193.0 billion yen from the end of the previous fiscal year to 4,751.2 billion yen due mainly to a increase in goodwill and intangible assets. Liabilities amounted to 2,407.1 billion yen, an increase of 165.4 billion yen from the end of the previous fiscal year due mainly to an increase in corporate bonds and loans. Net assets amounted to 2,344.1 billion yen, an increase of 27.7 billion yen from the end of the previous fiscal year.

(3) Explanation for Forecast for FY 2018

Toyota Industries forecasts consolidated net sales of 1,850.0 billion yen, operating profit of 135.0 billion yen, profit before income taxes of 188.0 billion yen and profit attributable to owners of the parent of 130.0 billion yen. Our projections are based on assumed exchange rates of 105 yen to the U.S dollar and 115 yen to the euro for fiscal 2018.

2. Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Financial Position

(Millions of yen)

	FY2017 (As of March 31, 2017)	FY2018 First Quarter (As of June 30, 2017)
Assets		
Current assets		
Cash and cash equivalents	243,685	298,947
Trade receivables and other receivables	646,542	698,276
Other financial assets	174,301	77,786
Inventories	194,427	216,449
Income tax receivables	21,106	19,390
Other current assets	42,356	41,041
Total current assets	1,322,420	1,351,892
Non-current assets		
Property, plant and equipment	833,329	856,251
Goodwill and intangible assets	185,813	355,862
Trade receivables and other receivables	149	705
Investments accounted for by the equity method	8,673	8,824
Other financial assets	2,161,509	2,120,712
Net defined benefit assets	18,129	26,947
Deferred tax assets	23,800	25,830
Other non-current assets	4,386	4,229
Total non-current assets	3,235,791	3,399,363
Total assets	4,558,212	4,751,256

(Millions of yen)

	FY2017 (As of March 31, 2017)	FY2018 First Quarter (As of June 30, 2017)
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade payables and other payables	395,698	433,147
Corporate bonds and loans	311,663	413,890
Other financial liabilities	71,807	73,668
Accrued income taxes	11,163	11,400
Provisions	7,397	7,043
Other current liabilities	12,872	18,412
Total current liabilities	810,603	957,564
Non-current liabilities		
Corporate bonds and loans	665,890	688,568
Other financial liabilities	79,375	79,145
Net defined benefit liabilities	92,552	89,580
Provisions	6,479	9,387
Deferred tax liabilities	567,803	562,668
Other non-current liabilities	19,039	20,237
Total non-current liabilities	1,431,140	1,449,587
Total liabilities	2,241,744	2,407,151
Equity		
Share of equity attributable to owners of the parent		
Capital stock	80,462	80,462
Capital surplus	105,417	105,417
Retained earnings	954,503	993,585
Treasury stock	(59,272)	(59,273)
Other components of shareholders' equity	1,159,181	1,146,239
Total share of equity attributable to owners of the parent	2,240,293	2,266,432
Non-controlling interests	76,174	77,671
Total equity	2,316,467	2,344,104
Total liabilities and equity	4,558,212	4,751,256

(2) Condensed Quarterly Consolidated Statements of Profit or Loss and Condensed Quarterly Consolidated Statements of Comprehensive Income

Condensed Quarterly Consolidated Statement of Profit or Loss

(Millions of yen)

	FY2017 First Quarter (April 1, 2016 - June 30, 2016)	FY2018 First Quarter (April 1, 2017 - June 30, 2017)
Net sales	401,551	445,388
Cost of sales	(304,303)	(342,459)
Gross profit	97,248	102,928
Selling, general and administrative expenses	(66,145)	(73,462)
Other profit	1,504	16,624
Other expenses	(3,627)	(1,867)
Operating profit	28,979	44,222
Financial income	32,469	35,484
Financial expenses	(3,926)	(2,461)
Share of profit (loss) of investments accounted for by the equity method	219	238
Profit before income taxes	57,742	77,482
Income taxes	(13,322)	(16,178)
Profit	44,419	61,303
Profit attributable to:		
Owners of the parent	42,955	59,948
Non-controlling interests	1,463	1,355
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Earnings per share		
Earnings per share— basic (yen)	136.70	193.08
Earnings per share— diluted (yen)	136.70	—

Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY2017 First Quarter (April 1, 2016 - June 30, 2016)	FY2018 First Quarter (April 1, 2017 - June 30, 2017)
Profit	44,419	61,303
Other comprehensive income:		
Items not to be reclassified into profit or loss		
Net changes in revaluation of FVTOCI financial assets	(206,381)	(25,845)
Remeasurements of defined benefit plans	2,008	(672)
Other comprehensive income of affiliates accounted for by the equity method	(12)	2
Total items not to be reclassified into profit or loss	(204,384)	(26,516)
Items that can be reclassified into profit or loss		
Foreign currency translation adjustment	(55,351)	13,732
Cash flow hedges	321	(164)
Other comprehensive income of affiliates accounted for by the equity method	(713)	37
Total items that can be reclassified into profit or loss	(55,743)	13,604
Total other comprehensive income	(260,127)	(12,911)
Comprehensive income	(215,708)	48,392
Total comprehensive income attributable to:		
Owners of the parent	(213,543)	46,322
Non-controlling interests	(2,165)	2,070

(3) Condensed Quarterly Consolidated Statements of Changes in Equity

(Millions of yen)

	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 at April 1, 2016	80,462	105,517	855,317	(41,266)	1,132,655	—
Profit	—	—	42,955	—	—	—
Other comprehensive income	—	—	—	—	(206,253)	1,995
Total comprehensive income	—	—	42,955	—	(206,253)	1,995
Repurchase of treasury stock	—	—	—	(1)	—	—
Disposal of treasury stock	—	(0)	—	5	—	—
Dividends	—	—	(18,853)	—	—	—
Changes in ownership interest of subsidiaries	—	—	—	—	—	—
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	1,995	—	—	(1,995)
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	(0)	(16,857)	4	—	(1,995)
Balance at June 30, 2016	80,462	105,516	881,415	(41,262)	926,402	—

Balance at April 1, 2017	80,462	105,417	954,503	(59,272)	1,209,592	—
Profit	—	—	59,948	—	—	—
Other comprehensive income	—	—	—	—	(25,992)	(684)
Total comprehensive income	—	—	59,948	—	(25,992)	(684)
Repurchase of treasury stock	—	—	—	(1)	—	—
Disposal of treasury stock	—	—	—	—	—	—
Dividends	—	—	(20,181)	—	—	—
Changes in ownership interest of subsidiaries	—	—	—	—	—	—
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	(684)	—	—	684
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	—	(20,866)	(1)	—	684
Balance at June 30, 2017	80,462	105,417	993,585	(59,273)	1,183,599	—

(Millions of yen)

	Share of equity attributable to owners of the parent					Non-controlling interests	Total equity
	Other components of shareholders' equity				Total		
	Foreign currency translation adjustment	Cash flow hedges	Subscription rights to shares	Total			
Balance at April 1, 2016	(32,799)	(1,235)	6	1,098,627	2,098,658	70,655	2,169,313
Profit	—	—	—	—	42,955	1,463	44,419
Other comprehensive income	(52,563)	321	—	(256,499)	(256,499)	(3,628)	(260,127)
Total comprehensive income	(52,563)	321	—	(256,499)	(213,543)	(2,165)	(215,708)
Repurchase of treasury stock	—	—	—	—	(1)	—	(1)
Disposal of treasury stock	—	—	—	—	5	—	5
Dividends	—	—	—	—	(18,853)	(807)	(19,660)
Changes in ownership interest of subsidiaries	—	—	—	—	—	—	—
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	(94)	(94)
Reclassified into retained earnings	—	—	—	(1,995)	—	—	—
Other increases (decreases)	—	—	(1)	(1)	(1)	(107)	(108)
Total transactions with owners	—	—	(1)	(1,996)	(18,850)	(1,009)	(19,860)
Balance at June 30, 2016	(85,362)	(913)	5	840,131	1,866,264	67,480	1,933,744

Balance at April 1, 2017	(50,417)	6	—	1,159,181	2,240,293	76,174	2,316,467
Profit	—	—	—	—	59,948	1,355	61,303
Other comprehensive income	13,215	(164)	—	(13,626)	(13,626)	714	(12,911)
Total comprehensive income	13,215	(164)	—	(13,626)	46,322	2,070	48,392
Repurchase of treasury stock	—	—	—	—	(1)	—	(1)
Disposal of treasury stock	—	—	—	—	—	—	—
Dividends	—	—	—	—	(20,181)	(692)	(20,873)
Changes in ownership interest of subsidiaries	—	—	—	—	—	—	—
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	15	15
Reclassified into retained earnings	—	—	—	684	—	—	—
Other increases (decreases)	—	—	—	—	—	103	103
Total transactions with owners	—	—	—	684	(20,182)	(572)	(20,755)
Balance at June 30, 2017	(37,202)	(157)	—	1,146,239	2,266,432	77,671	2,344,104

(4) Note on Condensed Quarterly Consolidated Financial Statements

(Note on Premise of Going Concern) : No

(Note on Significant Changes in the Amount of Shareholders' Equity)

During the First quarter of fiscal 2018 (the three months from April 1 to June 30, 2017), Toyota Industries paid dividends of 20,181 million yen from retained earnings.

(Segment Information)

FY2017 First Quarter (April 1, 2016- June 30, 2016)

(Millions of yen)

	Automobile	Materials Handling Equipment	Textile Machinery	Others (Note 1)	Total	Elimination (Note 2)	Consolidated (Note 3)
Sales							
Outside customer sales	136,934	236,626	13,952	14,039	401,551	—	401,551
Inter-segment transactions	5,513	374	53	4,837	10,778	(10,778)	—
Total	142,447	237,000	14,005	18,877	412,330	(10,778)	401,551
Segment profit	5,003	20,797	1,489	1,675	28,966	12	28,979
Segment assets	532,047	1,187,607	43,548	229,291	1,992,494	1,884,354	3,876,849
Financial income							32,469
Financial expenses							(3,926)
Share of profit (loss) of investments accounted for by the equity method							219
Profit before income taxes							57,742

(Notes) 1. "Others" represents businesses not included in the above reporting segments.

2 Breakdown of elimination

12 million yen included in "Elimination" for "Segment profit" is inter-segment transactions.

"Elimination" for "Segment assets" includes corporate assets.

Corporate assets mainly consist of the Company's cash and deposits as well as marketable securities and investment securities.

3 "Segment profit" reconciles to operating profit disclosed in the consolidated statements of profit or loss.

FY2018 First Quarter (April 1, 2017- June 30, 2017)

(Millions of yen)

	Automobile	Materials Handling Equipment	Textile Machinery	Others (Note 1)	Total	Elimination (Note 2)	Consolidated (Note 3)
Sales							
Outside customer sales	142,756	274,580	14,549	13,500	445,388	—	445,388
Inter-segment transactions	5,944	326	52	5,109	11,432	(11,432)	—
Total	148,701	274,907	14,602	18,609	456,820	(11,432)	445,388
Segment profit	15,625	25,192	2,258	1,131	44,208	14	44,222
Segment assets	510,093	1,614,693	50,452	266,870	2,442,109	2,309,146	4,751,256
Financial income							35,484
Financial expenses							(2,461)
Share of profit (loss) of investments accounted for by the equity method							238
Profit before income taxes							77,482

(Notes) 1. "Others" represents businesses not included in the above reporting segments.

2 Breakdown of elimination

14 million yen included in "Elimination" for "Segment profit" is inter-segment transactions.

"Elimination" for "Segment assets" includes corporate assets.

Corporate assets mainly consist of the Company's cash and deposits as well as marketable securities and investment securities.

3 "Segment profit" reconciles to operating profit disclosed in the consolidated statements of profit or loss.