

FINANCIAL SUMMARY

FY2018 Second Quarter

(April 1, 2017 through September 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 Second Quarter Consolidated Financial Results<IFRS>
(April 1, 2017 - September 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: November 10, 2017

The expected date of dividends payment: November 27, 2017

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 Second Quarter (April 1, 2017 - September 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 Second Quarter	937,936	16.6	77,024	26.3	110,316	25.9	83,783	23.5
FY 2017 Second Quarter	804,449	—	60,996	—	87,603	—	67,847	—

	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 Second Quarter	80,879	25.0	278,058	—	260.49	—
FY 2017 Second Quarter	64,685	—	(50,742)	—	206.10	—

(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 Second Quarter	5,100,975	2,572,858	2,493,607	48.9
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	—	70.00			
FY 2018 (Forecast)			—	70.00	140.00

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

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	1,950,000	16.4	145,000	13.9	204,000	12.1	142,000	8.1	457.34

(Note) Changes in the forecasts of consolidated financial results in this quarter : Yes

4. Others

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

(2) Changes in accounting policies and accounting estimates

(i) Changes in accounting principles required by IFRS : No

(ii) Changes other than (i) : No

(iii) Changes in accounting estimates : No

(3) Issued and outstanding capital stock

(i) Number of shares outstanding at end of each period (including treasury stock):

FY2018 Second Quarter — 325,840,640 shares, FY2017 —325,840,640 shares

(ii) Number of treasury stock outstanding at end of each period:

FY2018 Second Quarter —15,352,439 shares, FY2017 —15,351,442 shares

(iii) Average number of shares outstanding for each period (accumulated):

FY2018 Second Quarter —310,488,743 shares, FY2017 Second Quarter —313,851,385 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 111 yen to the U.S. dollar and 126 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 second quarter of fiscal 2018 (the six months from April 1 to September 30, 2017), total consolidated net sales of Toyota Industries amounted to 937.9 billion yen, an increase of 133.5 billion yen, or 17%, 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 287.0 billion yen, an increase of 12.3 billion yen, or 4%, from the same period of the previous fiscal year.

Within this segment, net sales of the Vehicle Business amounted to 35.3 billion yen, an increase of 0.6 billion yen, or 2%, due mainly to increases in sales of the Vitz (Yaris outside Japan) and RAV4.

Net sales of the Engine Business totaled 46.8 billion yen, an increase of 1.6 billion yen, or 4%, as a result of increases in sales of AR gasoline engines and GD diesel engines.

Net sales of the Car Air-Conditioning Compressor Business totaled 170.4 billion yen, an increase of 5.5 billion yen, or 3%, attributable mainly to an increase in unit sales in Japan and China.

Net sales of the Electronics Parts, Foundry and Others Business totaled 34.3 billion yen, an increase of 4.5 billion yen, or 15%, due primarily to increases in sales of electronics parts and foundry products.

Net sales of the Materials Handling Equipment Segment totaled 591.7 billion yen, an increase of 119.5 billion yen, or 25%, from the same period of the previous fiscal year. The factors behind this increase included a rise in unit sales of lift trucks, a mainstay product of this segment, in Europe, Japan and other regions as well as making Bastian Solutions LLC and Vanderlande Industries Holding B.V. into consolidated subsidiaries in April 2017 and May 2017, respectively.

Net sales of the Textile Machinery Segment increased 1.5 billion yen, or 5% to 30.0 billion yen as a result of an increase in sales of spinning machinery and instruments for textile quality measurement offsetting a decrease in weaving machinery.

Net sales of the Others Segment amounted to 29.0 billion yen, on par with the same period of the previous fiscal year.

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, the impact of exchange rate fluctuations, increases in promoting cost reduction efforts throughout the Toyota Industries Group and changes in retirement benefit plan. As a result, Toyota Industries posted consolidated operating profit of 77.0 billion yen, an increase of 16.1 billion yen, or 26%, from the same period of the previous fiscal year and profit before income taxes of 110.3 billion yen, an increase of 22.7 billion yen, or 26%, from the same period of the previous fiscal year. Profit attributable to owners of the parent totaled 80.8 billion yen, an increase of 16.2 billion yen, or 25%, from the same period of the previous fiscal year.

(2) Explanation for Financial Condition

Assets increased 542.7 billion yen from the end of the previous fiscal year to 5,100.9 billion yen due mainly to an increase in fair value of investment securities. Liabilities amounted to 2,528.1 billion yen, an increase of 286.4 billion yen from the end of the previous fiscal year due mainly to an increase in corporate bonds and loans. Equity amounted to 2,572.8 billion yen, an increase of 256.4 billion yen from the end of the previous fiscal year.

(3) Explanation for Forecast for FY2018

Due to results of the first half of FY2018, Toyota Industries has revised its forecasts of consolidated financial results for FY2018 to consolidated net sales of 1,950.0 billion yen, operating profit of 145.0 billion yen, profit before income taxes of 204.0 billion yen and profit attributable to owners of the parent of 142.0 billion yen. Our projections are based on assumed exchange rates of 111 yen to the U.S dollar and 126 yen to the euro for FY2018.

2. Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Financial Position

(Millions of yen)

	FY2017 (As of March 31, 2017)	FY2018 Second Quarter (As of September 30, 2017)
Assets		
Current assets		
Cash and cash equivalents	243,685	233,203
Time deposits with deposit terms of over three months	162,668	98,626
Trade receivables and other receivables	646,542	738,397
Other financial assets	11,632	7,725
Inventories	194,427	221,441
Income tax receivables	21,106	5,449
Other current assets	42,356	47,435
Total current assets	1,322,420	1,352,278
Non-current assets		
Property, plant and equipment	833,329	877,071
Goodwill and intangible assets	185,813	384,604
Trade receivables and other receivables	149	408
Investments accounted for by the equity method	8,673	9,417
Other financial assets	2,161,509	2,415,593
Net defined benefit assets	18,129	27,176
Deferred tax assets	23,800	30,142
Other non-current assets	4,386	4,282
Total non-current assets	3,235,791	3,748,697
Total assets	4,558,212	5,100,975

(Millions of yen)

	FY2017 (As of March 31, 2017)	FY2018 Second Quarter (As of September 30, 2017)
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade payables and other payables	395,698	432,768
Corporate bonds and loans	311,663	419,222
Other financial liabilities	71,807	73,808
Accrued income taxes	11,163	18,702
Provisions	7,397	6,868
Other current liabilities	12,872	21,553
Total current liabilities	810,603	972,924
Non-current liabilities		
Corporate bonds and loans	665,890	675,689
Other financial liabilities	79,375	78,233
Net defined benefit liabilities	92,552	92,476
Provisions	6,479	9,601
Deferred tax liabilities	567,803	678,506
Other non-current liabilities	19,039	20,685
Total non-current liabilities	1,431,140	1,555,193
Total liabilities	2,241,744	2,528,117
Equity		
Share of equity attributable to owners of the parent		
Capital stock	80,462	80,462
Capital surplus	105,417	105,500
Retained earnings	954,503	1,013,488
Treasury stock	(59,272)	(59,278)
Other components of shareholders' equity	1,159,181	1,353,433
Total share of equity attributable to owners of the parent	2,240,293	2,493,607
Non-controlling interests	76,174	79,251
Total equity	2,316,467	2,572,858
Total liabilities and equity	4,558,212	5,100,975

(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 Second Quarter (April 1, 2016 - September 30, 2016)	FY2018 Second Quarter (April 1, 2017 - September 30, 2017)
Net sales	804,449	937,936
Cost of sales	(611,274)	(718,576)
Gross profit	193,174	219,360
Selling, general and administrative expenses	(129,622)	(155,906)
Other profit	3,085	18,007
Other expenses	(5,639)	(4,436)
Operating profit	60,996	77,024
Financial income	32,857	37,931
Financial expenses	(6,584)	(5,228)
Share of profit (loss) of investments accounted for by the equity method	333	590
Profit before income taxes	87,603	110,316
Income taxes	(19,756)	(26,533)
Profit	67,847	83,783
Profit attributable to:		
Owners of the parent	64,685	80,879
Non-controlling interests	3,161	2,903
Earnings per share		
Earnings per share— basic (yen)	206.10	260.49
Earnings per share— diluted (yen)	—	—

Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY2017 Second Quarter (April 1, 2016 - September 30, 2016)	FY2018 Second Quarter (April 1, 2017 - September 30, 2017)
Profit	67,847	83,783
Other comprehensive income:		
Items not to be reclassified into profit or loss		
Net changes in revaluation of FVTOCI financial assets	(55,781)	165,817
Remeasurements of defined benefit plans	2,600	(1,575)
Other comprehensive income of affiliates accounted for by the equity method	15	14
Total items not to be reclassified into profit or loss	(53,165)	164,256
Items that can be reclassified into profit or loss		
Foreign currency translation adjustment	(64,755)	29,847
Cash flow hedges	63	10
Other comprehensive income of affiliates accounted for by the equity method	(732)	160
Total items that can be reclassified into profit or loss	(65,424)	30,018
Total other comprehensive income	(118,590)	194,275
Comprehensive income	(50,742)	278,058
Total comprehensive income attributable to:		
Owners of the parent	(49,955)	273,419
Non-controlling interests	(787)	4,639

(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	—	—	64,685	—	—	—
Other comprehensive income	—	—	—	—	(55,804)	2,567
Total comprehensive income	—	—	64,685	—	(55,804)	2,567
Repurchase of treasury stock	—	(0)	—	(7,807)	—	—
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	—	—	3,151	—	(584)	(2,567)
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	(1)	(15,702)	(7,801)	(584)	(2,567)
Balance at September 30, 2016	80,462	105,516	904,300	(49,068)	1,076,265	—

Balance at April 1, 2017	80,462	105,417	954,503	(59,272)	1,209,592	—
Profit	—	—	80,879	—	—	—
Other comprehensive income	—	—	—	—	165,589	(1,599)
Total comprehensive income	—	—	80,879	—	165,589	(1,599)
Repurchase of treasury stock	—	—	—	(6)	—	—
Disposal of treasury stock	—	—	—	—	—	—
Dividends	—	—	(20,181)	—	—	—
Changes in ownership interest of subsidiaries	—	82	—	—	—	—
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	(1,712)	—	112	1,599
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	82	(21,893)	(6)	112	1,599
Balance at September 30, 2017	80,462	105,500	1,013,488	(59,278)	1,375,294	—

(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	—	—	—	—	64,685	3,161	67,847
Other comprehensive income	(61,466)	63	—	(114,640)	(114,640)	(3,949)	(118,590)
Total comprehensive income	(61,466)	63	—	(114,640)	(49,955)	(787)	(50,742)
Repurchase of treasury stock	—	—	—	—	(7,807)	—	(7,807)
Disposal of treasury stock	—	—	—	—	5	—	5
Dividends	—	—	—	—	(18,853)	(1,853)	(20,706)
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	—	—	—	(3,151)	—	—	—
Other increases (decreases)	—	—	(6)	(6)	(6)	2,407	2,400
Total transactions with owners	—	—	(6)	(3,158)	(26,663)	460	(26,202)
Balance at September 30, 2016	(94,265)	(1,171)	—	980,828	2,022,040	70,327	2,092,367

Balance at April 1, 2017	(50,417)	6	—	1,159,181	2,240,293	76,174	2,316,467
Profit	—	—	—	—	80,879	2,903	83,783
Other comprehensive income	28,539	10	—	192,539	192,539	1,735	194,275
Total comprehensive income	28,539	10	—	192,539	273,419	4,639	278,058
Repurchase of treasury stock	—	—	—	—	(6)	—	(6)
Disposal of treasury stock	—	—	—	—	—	—	—
Dividends	—	—	—	—	(20,181)	(1,781)	(21,962)
Changes in ownership interest of subsidiaries	—	—	—	—	82	—	82
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	178	178
Reclassified into retained earnings	—	—	—	1,712	—	—	—
Other increases (decreases)	—	—	—	—	—	40	40
Total transactions with owners	—	—	—	1,712	(20,105)	(1,562)	(21,668)
Balance at September 30, 2017	(21,877)	17	—	1,353,433	2,493,607	79,251	2,572,858

(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 Second quarter of fiscal 2018 (the six months from April 1 to September 30, 2017), Toyota Industries paid dividends of 20,181 million yen from retained earnings.

(Segment Information)

FY2017 Second Quarter (April 1, 2016- September 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	274,774	472,275	28,576	28,823	804,449	—	804,449	
Inter-segment transactions	11,744	656	104	10,751	23,255	(23,255)	—	
Total	286,518	472,931	28,681	39,574	827,704	(23,255)	804,449	
Segment profit	12,325	42,445	2,693	3,526	60,991	5	60,996	
Segment assets	519,282	1,188,588	44,456	232,912	1,985,240	2,091,783	4,077,023	
Financial income								32,857
Financial expenses								(6,584)
Share of profit (loss) of investments accounted for by the equity method								333
Profit before income taxes								87,603

- (Notes)
- "Others" represents businesses not included in the above reporting segments.
 - Breakdown of elimination
5 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.
 - "Segment profit" reconciles to operating profit disclosed in the consolidated statements of profit or loss.

FY2018 Second Quarter (April 1, 2017- September 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	287,064	591,732	30,042	29,097	937,936	—	937,936	
Inter-segment transactions	12,056	676	106	11,464	24,304	(24,304)	—	
Total	299,120	592,408	30,149	40,562	962,240	(24,304)	937,936	
Segment profit	19,462	51,290	3,378	2,881	77,013	11	77,024	
Segment assets	548,008	1,700,212	50,278	254,946	2,553,446	2,547,529	5,100,975	
Financial income								37,931
Financial expenses								(5,228)
Share of profit (loss) of investments accounted for by the equity method								590
Profit before income taxes								110,316

- (Notes)
- "Others" represents businesses not included in the above reporting segments.
 - Breakdown of elimination
11 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.
 - "Segment profit" reconciles to operating profit disclosed in the consolidated statements of profit or loss.