



FY2017 2nd Quarter Financial Results



October 31, 2016



TOYOTA INDUSTRIES CORPORATION

I. Financial Summary

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

Points of Financial Results for FY2017 2Q

1. Net sales and profits decreased against previous year due to negative impact of yen appreciation.
2. Interim dividends is kept at same amount with previous year although net sales and profits decreased.
3. For the full year forecast, exchange rates are revised, while net sales and operating profit are unchanged in consideration of increase of unit sales of each business segment.

Performance <FY2017 2Q>

(Billion yen)

	FY2016 2Q (Six months)	FY2017 2Q (Six months)	Change	
Net sales	1,105.9	1,078.4	(27.5)	(2.5%)
Operating profit	70.0	58.2	(11.8)	(16.9%)
Ordinary profit	99.6	84.3	(15.3)	(15.4%)
Profit attributable to owners of the parent	67.9	60.9	(7.0)	(10.3%)
Earnings per share	¥216.38	¥194.29	(¥22.09)	—
Dividends per share	¥60	¥60	—	—
¥/US\$	¥122	¥105	(¥17)	—
¥/Euro	¥135	¥118	(¥17)	—

- Both net sales and profits decreased due to negative impact of exchange rate fluctuations.
- Interim dividends is kept at same amount with previous year.

Segment Information <FY2017 2Q>

Net sales [Operating Income]

(Billion yen)

	FY2016 2Q (Six months)	FY2017 2Q (Six months)	Change	
Vehicle	219.7	265.1	45.4	20.7%
Engine	83.6	83.8	0.2	0.2%
Car air-conditioning compressor	172	163.8	(8.2)	(4.7%)
Electronics parts, foundry and others	29.8	29.6	(0.2)	(0.8%)
Automobile	505.2 [15.3]	542.5 [13.5]	37.3 [(1.8)]	7.4%
Materials handling equipment	512.5	478	(34.5)	(6.7%)
	[47.9]	[39.3]	[(8.6)]	
Textile machinery	31.1	28.5	(2.6)	(8.3%)
	[1.7]	[1.7]	[0.0]	
Others	56.9	29.2	(27.7)	(48.6%)
	[4.9]	[3.4]	[(1.5)]	
Total	1,105.9 [70.0]	1,078.4 [58.2]	(27.5) [(11.8)]	(2.5%)

Unit Sales

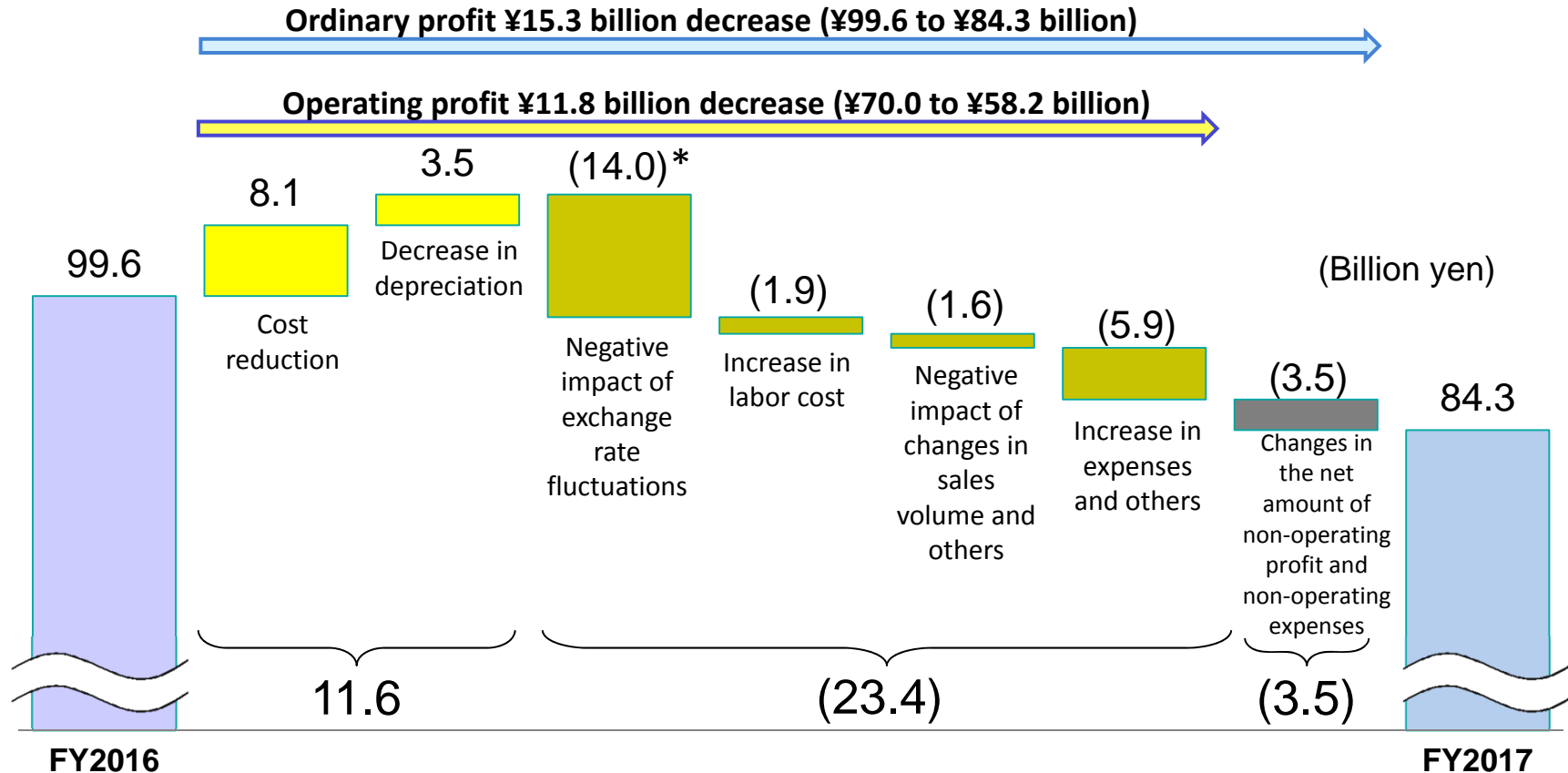
(Thousand units)

	FY2016 2Q (Six months)	FY2017 2Q (Six months)	Change
RAV4	100	100	(0)
Vitz (Yaris)	47	44	(3)
Vehicle	147	144	(3)
Diesel	137	149	12
Gasoline	98	93	(5)
Engine	235	242	7
Car air-conditioning compressor	14,880	16,270	1,390
Materials handling equipment	118	120	2
Air-jet loom	2.4	2.6	0.2

- Vehicle** : Although unit sales decreased, increase of RAV4 Hybrid led increase of net sales.
- Engine** : While KD diesel engine decreased, increase of production of GD diesel engine both in Japan and India contributed to increase of net sales.
- Car air-conditioning compressor : Negative impact of exchange rate fluctuations resulted decrease of net sales although unit sales increased in each region.
- Materials handling equipment : Negative impact of exchange rate fluctuations affected both net sales and operating profit to decrease although unit sales increased in Europe and other regions.

Changes in Ordinary Profit

Year-on-year comparison (FY2016 2Q and FY2017 2Q)



FY2016

FY2017

- Cost reduction of the materials handling equipment segment and car air-conditioning compressor business contributed to consolidated profit increase.
- Exchange rate fluctuations as well as labor cost increase negatively affected profits.

* Includes ¥3.7 billion exchange conversion loss on operating profit outside Japan.

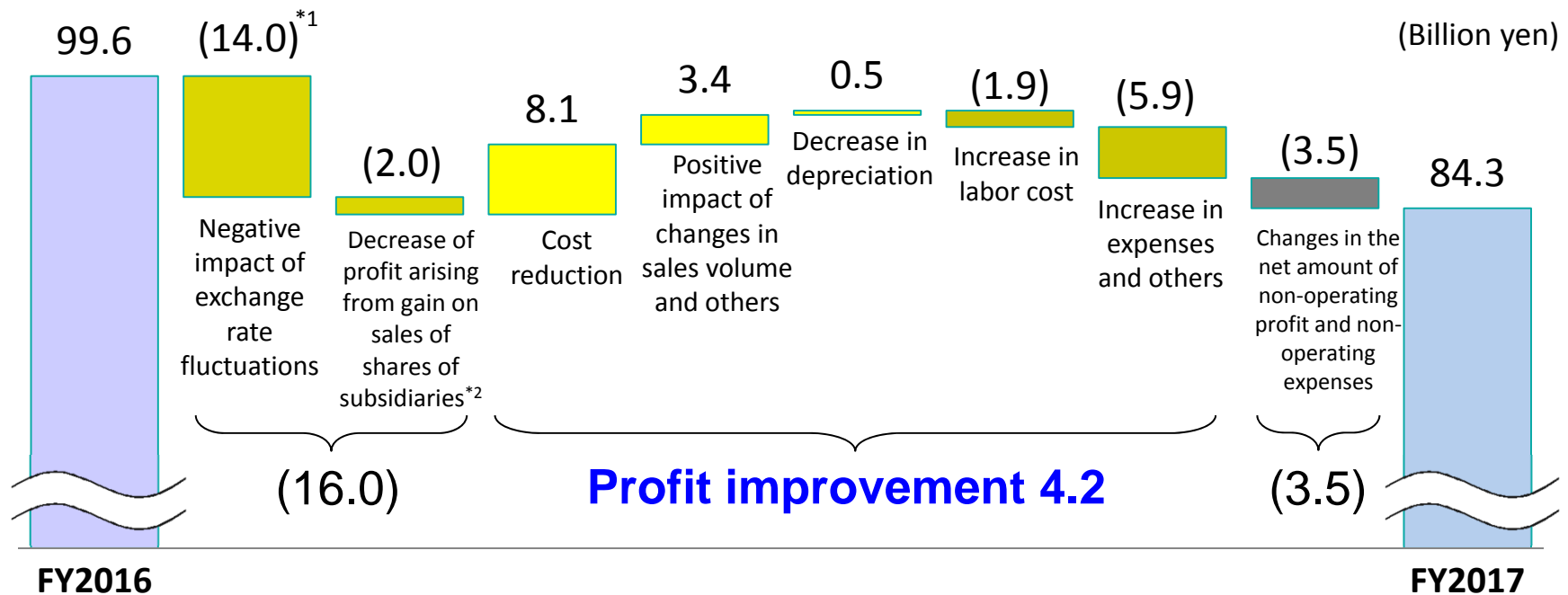
Changes in Ordinary Profit

Year-on-year comparison (FY2016 2Q and FY2017 2Q)

Progress of profit improvement

Ordinary profit ¥15.3 billion decrease (¥99.6 to ¥84.3 billion)

Operating profit ¥11.8 billion decrease (¥70.0 to ¥58.2 billion)



FY2016

FY2017

-Virtually improved profit were it without negative impact of exchange fluctuations and decrease of profit arising from gain on sales of shares of subsidiaries.

*1: Includes ¥3.7 billion exchange conversion loss on operating profit outside Japan.

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

Performance <FY2017 2Q>

(Billion yen)

	FY2016 2Q (Six months)	FY2017 2Q (Six months)	Change	
Investments in tangible assets	38.6	31.3	(7.3)	(19.0%)
Depreciation	37.8	34.3	(3.5)	(9.1%)

- Investments in tangible assets decreased in engine and car air-conditioning compressor businesses as well as materials handling equipment segment.
- Depreciation for FY2017 decreased in compressor business and others.

Performance <FY2017 2Q>

(Billion yen)

	FY2016 2Q (Six months)	FY2017 2Q (Six months)	Change	
Total assets	4,199.1	3,968.4	(230.7)	(5.5%)
Total net assets	2,113.9	2,038.4	(75.5)	(3.6%)
Equity ratio	48.5%	49.4%	—	—
Consolidated subsidiaries	214	209	(5)	—

- Total assets and total net assets decreased as market value of investment securities decreased.

Segment Information <FY2017 Forecast>

(Billion yen)

	FY2016	FY2017	Change		Previous plan
Net sales	2,243.2	2,200.0	(43.2)	(1.9%)	2,200.0
Operating profit	134.7	120.0	(14.7)	(10.9%)	120.0
Ordinary profit	185.3	173.0	(12.3)	(6.7%)	177.0
Profit attributable to owners of the parent	183.0	119.0	(64.0)	(35.0%)	120.0
Earnings per share	¥582.58	¥380.68	(¥201.90)	—	¥381.89
Dividends per share	¥120	¥120	—	—	¥120
¥/US\$	¥120	¥103	(¥17)	—	¥105
¥/Euro	¥133	¥114	(¥19)	—	¥120

Segment Information <FY2017 Forecast>

Net sales

[Operating Income]

(Billion yen)

	FY2016	FY2017	Change		Previous plan
Vehicle	480.0	566.0	86.0	17.9%	535.0
Engine	158.2	167.0	8.8	5.6%	160.0
Car air-conditioning compressor	342.6	327.0	(15.6)	(4.6%)	330.0
Electronics parts, foundry and others	64.8	61.0	(3.8)	(6.0%)	70.0
Automobile	1,045.7	1,121.0	75.3	7.2%	1,095.0
	[33.3]				
Materials handling equipment	1,031.4	957.0	(74.4)	(7.2%)	990.0
	[87.1]				
Textile machinery	65.6	64.0	(1.6)	(2.6%)	56.0
	[4.1]				
Others	100.2	58.0	(42.2)	(42.2%)	59.0
	[9.3]				
Total	2,243.2	2,200.0	(43.2)	(1.9%)	2,200.0
	[134.7]	[120.0]	[(14.7)]		[120.0]

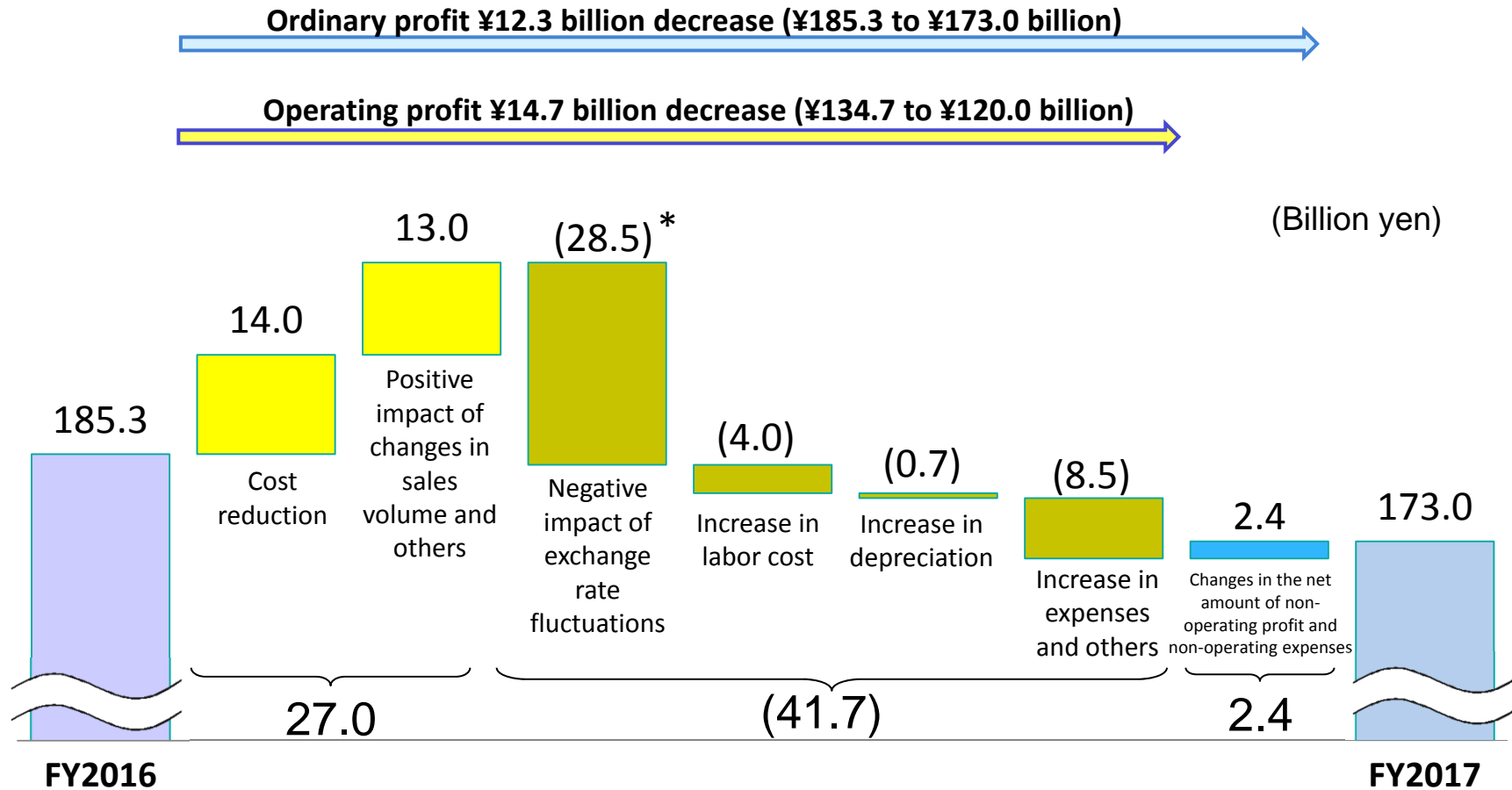
Unit sales

(Thousand units)

	FY2016	FY2017	Change
RAV4	201	206	5
Vitz (Yaris)	92	104	12
Vehicle	293	310	17
Diesel	242	297	55
Gasoline	192	223	31
Engine	434	520	86
Car air-conditioning compressor	30,370	32,700	2,330
Materials handling equipment	239	250	11
Air-jet loom	6.2	6.3	0.1

Changes in Ordinary Profit

Year-on-year comparison (FY2016 full year and FY2017 full year forecast)



* Includes ¥11.1 billion exchange conversion loss on operating profit outside Japan.

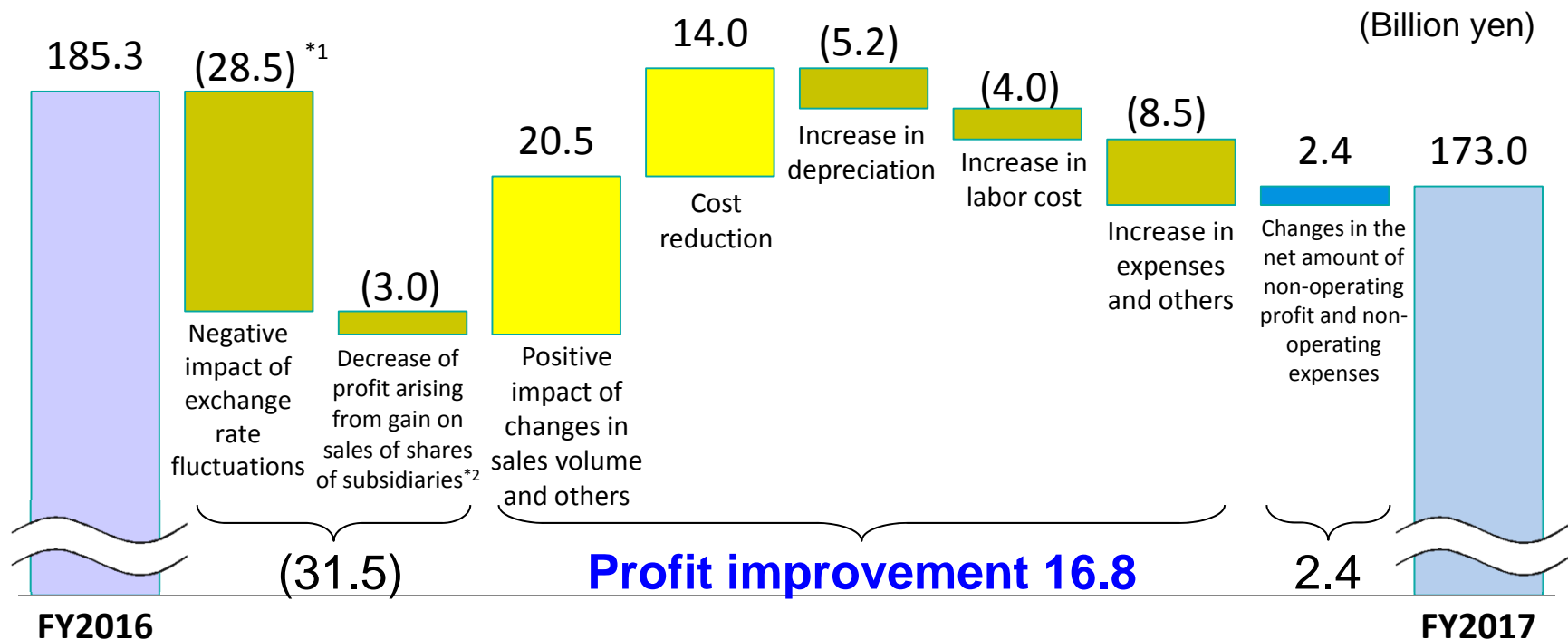
Changes in Ordinary Profit

Year-on-year comparison (FY2016 full year and FY2017 full year forecast)

Progress of profit improvement

Ordinary profit ¥12.3 billion decrease (¥185.3 to ¥173.0 billion)

Operating profit ¥14.7 billion decrease (¥134.7 to ¥120.0 billion)



*1: Includes ¥11.1 billion exchange conversion loss on operating profit outside Japan.

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

Performance <FY2017 forecast>

(Billion yen)

	FY2016	FY2017	Change	
Investments in tangible assets	75.4	90.0	14.6	19.3%
Depreciation	77.3	78.0	0.7	0.8%

II. Our Business Initiatives toward Medium Term Growth

Materials Handling Equipment

Car air-conditioning Compressor

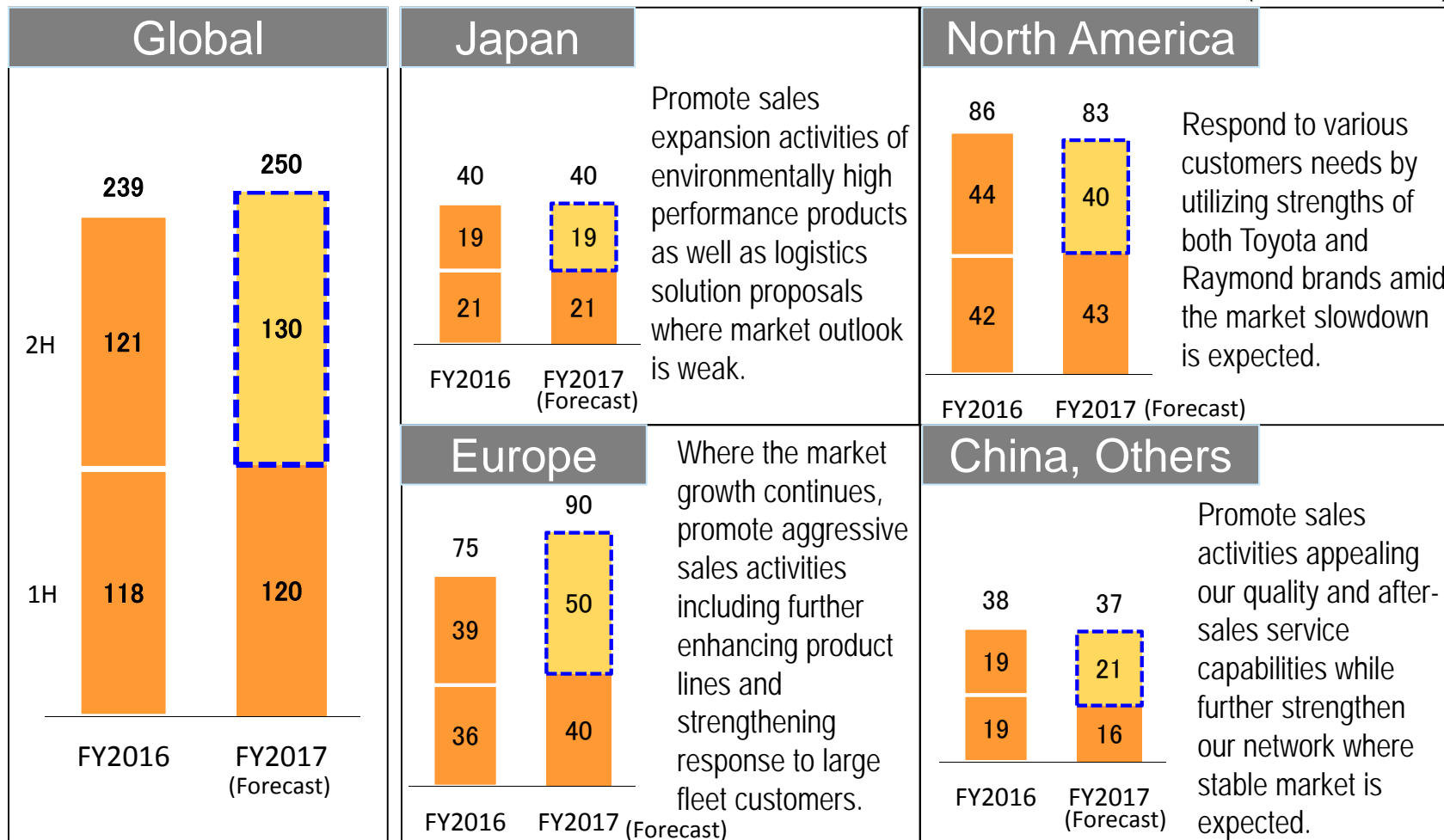
1. Our lift truck sales and forecast
2. Our initiatives toward mid-term growth
3. Develop products outperforming competitors
4. Strengthen and enhance logistics solution business
5. Expand value-chain

Materials Handling Equipment

Our lift truck sales and forecast

Aim to increase unit sales exceeding previous year by leveraging our strong product appeal as well as sales and after-sales service network in the market on par with previous year as the global economy is relatively weak.

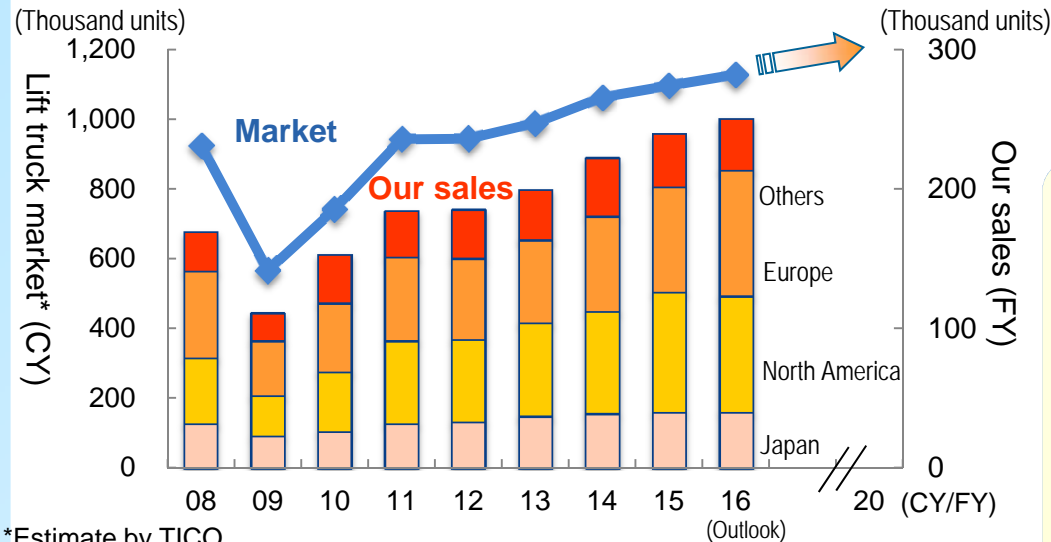
(Thousand units)



Materials Handling Equipment

Our initiatives toward mid-term growth

Lift truck market and our sales



*Estimate by TICO

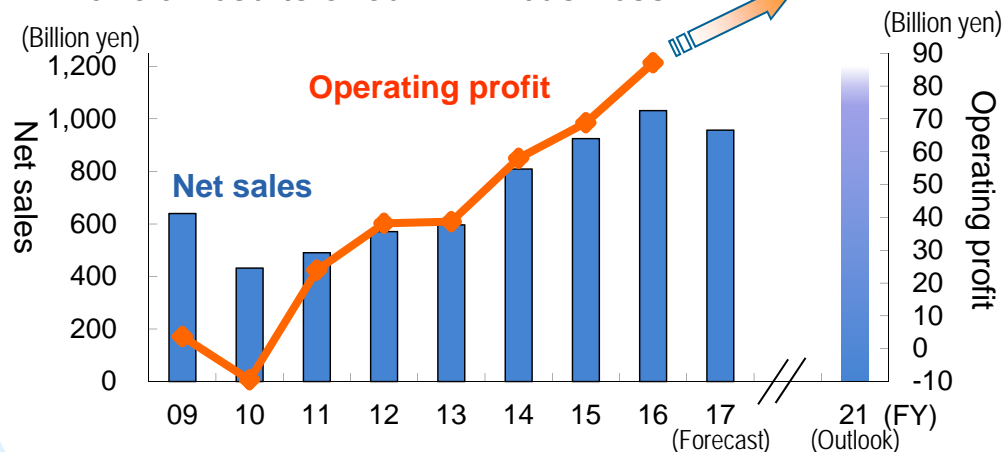
Outlook of lift truck market for 2020

Moderate growth is expected thanks to emerging countries' economic growth

Our initiatives for the year 2020

- **Develop products outperforming competitors**
 - Further better environmental performance developed centered on our 3E technologies
 - Strengthen product appeal by accelerating development and adoption of in-house components
- **Strengthen and enhance logistics solution business**
 - Propose broad range of logistics solution combining hardware and software
 - Utilize information and communication technology
 - Capable to respond to variety of customers' needs
- **Expand value-chain**
 - Strengthen response to large fleet customers
 - Enhance after sales services utilizing telematics
 - Expand sales finance business

Financial results of our MHE business



Materials Handling Equipment

Develop products outperforming competitors

Appealed our total strength at the Logis-Tech Tokyo 2016

Exhibited products with excellent environmental performance developed centered on our 3E technologies

(13-16 September, 2016)



Appealed our full line of products from engine-driven and electric-drive models to new generation models



Engine lift truck

- Fitted with in-house developed clean diesel engine and turbocharger
- Achieved lower fuel consumption and emission

Engine

- Continuous operation realized
- Reduction of battery management works
- Fitted with T_Site telematics system

Lithium-ion



Electric lift truck with lithium-ion battery



Electric lift truck

- Fitted with in-house developed components including high-efficient motor
- Reduction of energy cost by longer operating time

Electric

Fuel cell

- Plan to launch sales on November 2016
- Excellent environmental performance
- Highly convenient usage by finishing fuelling in three minutes

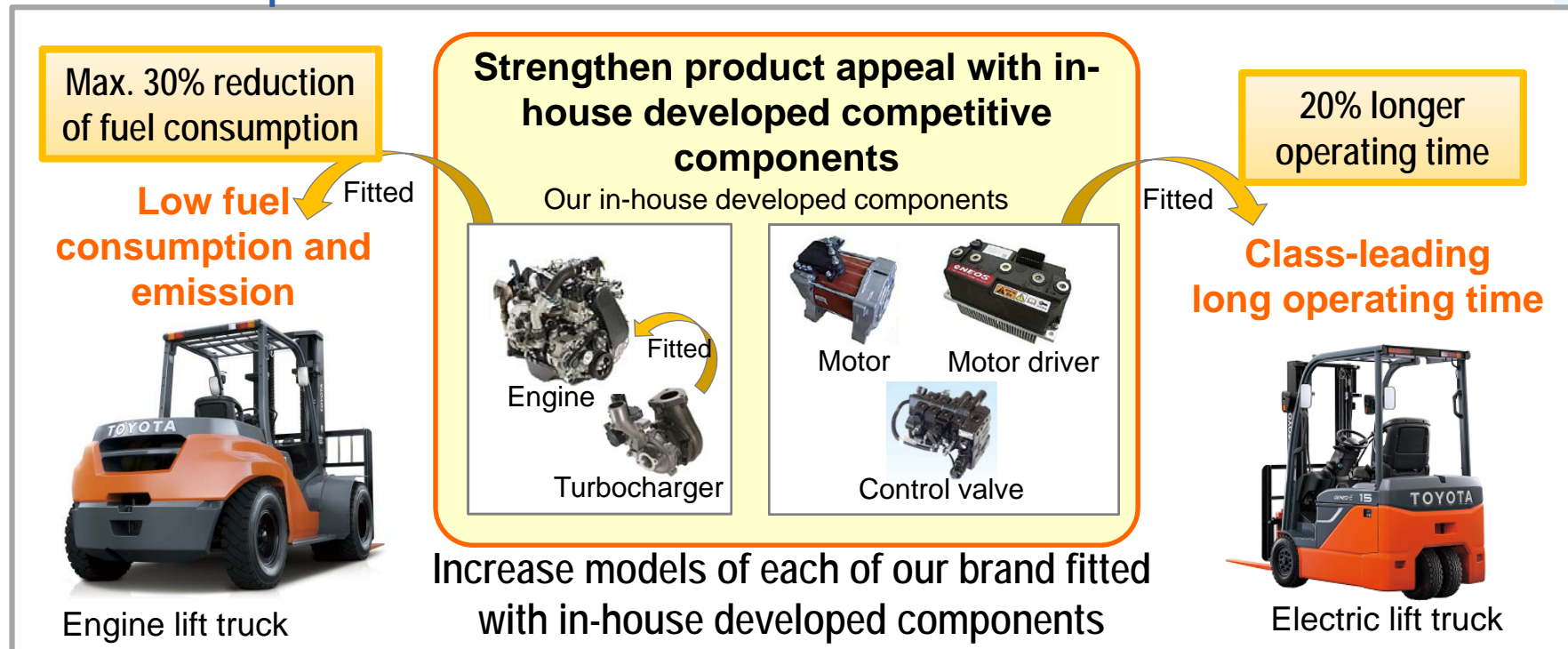


Fuel-cell lift truck

Materials Handling Equipment

Develop products outperforming competitors

Strengthen product appeal by accelerating development and adoption of in-house components

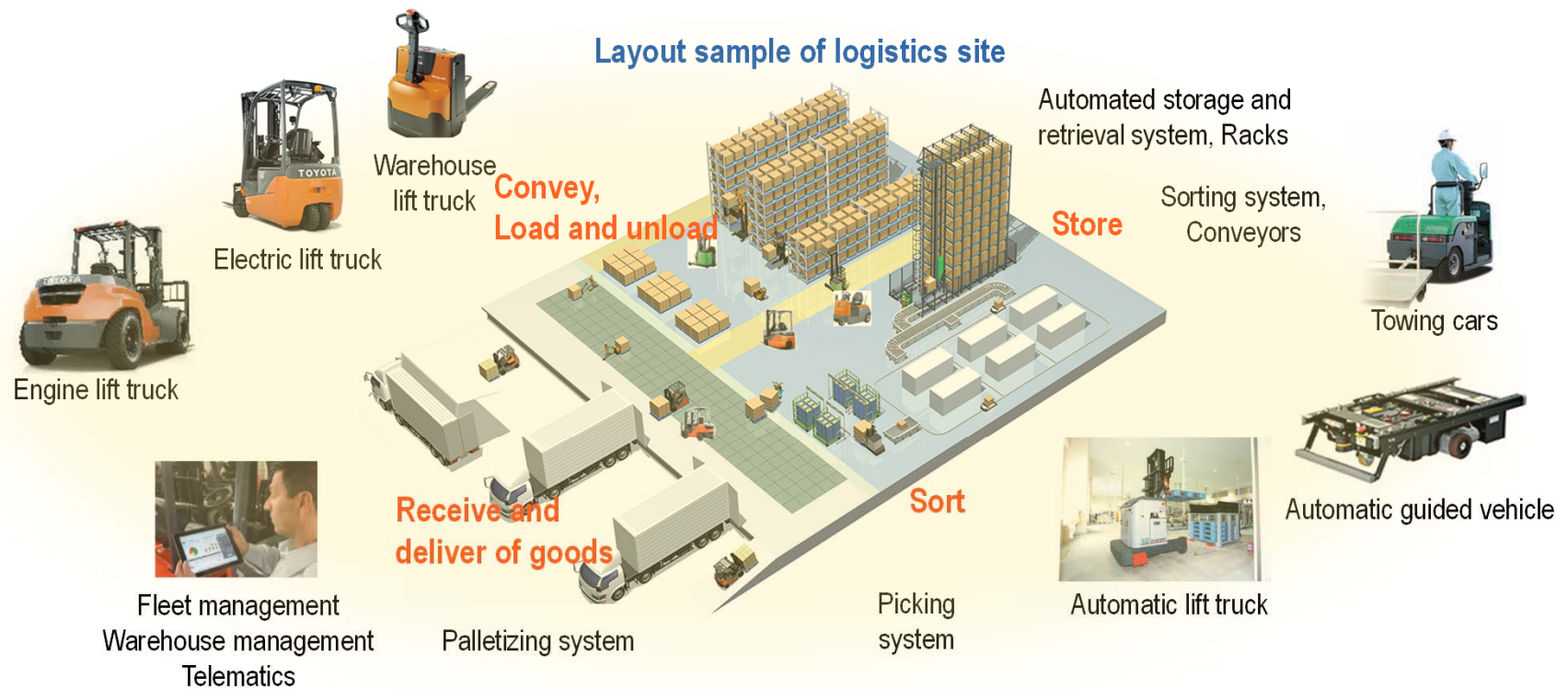


Aim to expand sales of our high quality and reliable components cultivated through our development of lift trucks to customers in other industries

Materials Handling Equipment

Strengthen and enhance logistics solution business

Contribute to customer's efficient logistics by combining hardware such as lift trucks and software



Materials Handling Equipment

Strengthen and enhance logistics solution business

*Case example of a logistics center of Yamato Logistics Co., Ltd.

Total support for customer's logistics from development and operation of the logistics center, as well as continuous improvement proposals.



Haneda Chronogate
Yamato Logistics Co., Ltd.



- Appropriate response to customer's specific needs such as a large amount of goods dispatch in a short time, and flexible operation at a timing of new products launch.
- Leveraging the IoT combining smartphone and transmitter to realize progress check on a real-time basis.
- Follow-ups after introduction of the system, provide improvement proposals continuously.

Materials Handling Equipment

Strengthen and enhance logistics solution business



Improve logistics leveraging telematics

Provide suitable lift truck management service to each customer by usage of information and communication technology

Lift truck operation management

- Improve lift truck utilization and productivity by visualizing operating status of each truck

Shock detection on lift truck

- Contribute to safe drive and reduction of damage cost by shock detection and record

Driver access control

- Support safe and energy-efficient drive by visualizing individual driver's drive record with PIN

Lift truck condition monitor function

- Provide prompt maintenance services by understanding such information as machine troubles on mobile terminal















Introduced at European and US major supermarket chains and logistics companies, as well as Japanese large food wholesaler

Expand logistics solution business that contribute to customers' efficient logistics.

Materials Handling Equipment

Strengthen and enhance logistics solution business

Respond to customers' diverse needs --- usage at ossuaries

			
Dendo-in, Minato-ku, Tokyo	Ryusho-in, Minato-ku, Tokyo	Anyo-in, Shinagawa-ku, Tokyo	Komyo-ji, Shibuya-ku, Tokyo
			
Josho-ji, Setagaya-ku, Tokyo	Komyo-ji, Arakawa-ku, Tokyo	Sosan-ji, Kawasaki-shi, Kanagawa	Myosei-ji, Yokohama-shi, Kanagawa
			
Komyo-ji, Chiba-shi, Chiba	Shoraku-ji, Nagoya-shi, Aichi	Yuishin-ji, Hiroshima-shi, Hiroshima	Butsumo-ji, Kitakyushu-shi, Fukuoka
		<div data-bbox="1032 1177 1935 1366" data-label="Text"> <p>70% market share in Japan* Utilize our know-how on automated storage and retrieval system</p> </div>	
Miyazaki South Cemetery Park, Miyazaki		*Estimate by TICO	

Materials Handling Equipment

Expand value-chain

Promote sales and services activities responding to variety of customers' needs

- **Strengthen response to large fleet customers**

- Further strengthen relations with large fleet customers by doubling companies covered by key account managers those who are responsible to global companies with locations in multiple countries and areas
- To follow increasing numbers of logistics sites and warehouses, further promote logistics solution proposal activities

- **Promote activities to increase after sales services capability**

- Provide quick and suitable maintenance utilizing telematics

Error messages detected by lift truck's self-check function are accessible anywhere by telematics



Visit customer's site with necessary preparation

Our strengths

- Manage data of multiple lift trucks at multiple sites at one place
- Analyze collected data and propose new solution etc.



After sales services utilizing telematics



Service skills contest at TMHA, Australia

Materials Handling Equipment

<TICF, USA>
Relocated in September, 2016,
held opening ceremony in October, 2016

Expand value-chain

Aim to expand sales finance business globally,
starting from major countries



	2015	2016	2017	2018	2019	2020
North America		★ TICF in USA started operation in October 2015				
		▼ Relocated to Texas in September 2016, full operation				
	TMH Capital in Mexico started operation					
Europe	TMHCF French office started operation					
	★ TMHCF German office started operation in April 2016					
	☆ TMHCF Italian office is planned to start operation					
Others	Further expand coverage to other countries including emerging countries					

Strengthen sales finance business on global basis expanding our coverage in Europe and emerging countries



Expand value-chain including after sales services and used trucks by responding to variety of customers' needs

II. Our Business Initiatives toward Medium Term Growth

Materials Handling Equipment

Car air-conditioning Compressor

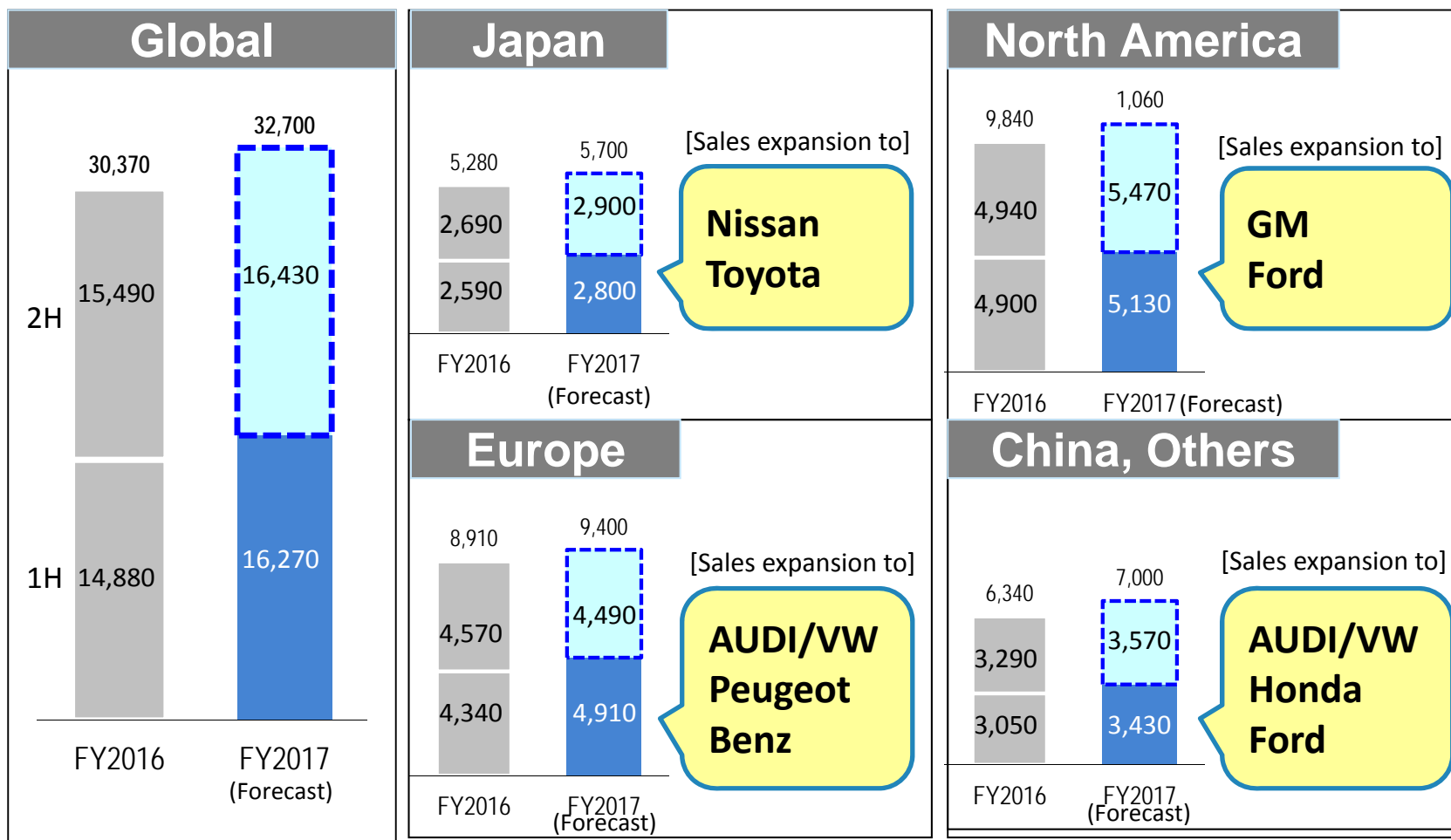
- 1. Our compressor sales and forecast**
- 2. Outlook of mid-term business growth**
- 3. Our initiatives of Compressor business toward increasing customer needs for better fuel efficiency**
- 4. Increase of evaluation capability by in-house experimental installation**
- 5. Global production and supply structure**

Car air-conditioning Compressor

Our compressor sales and forecast

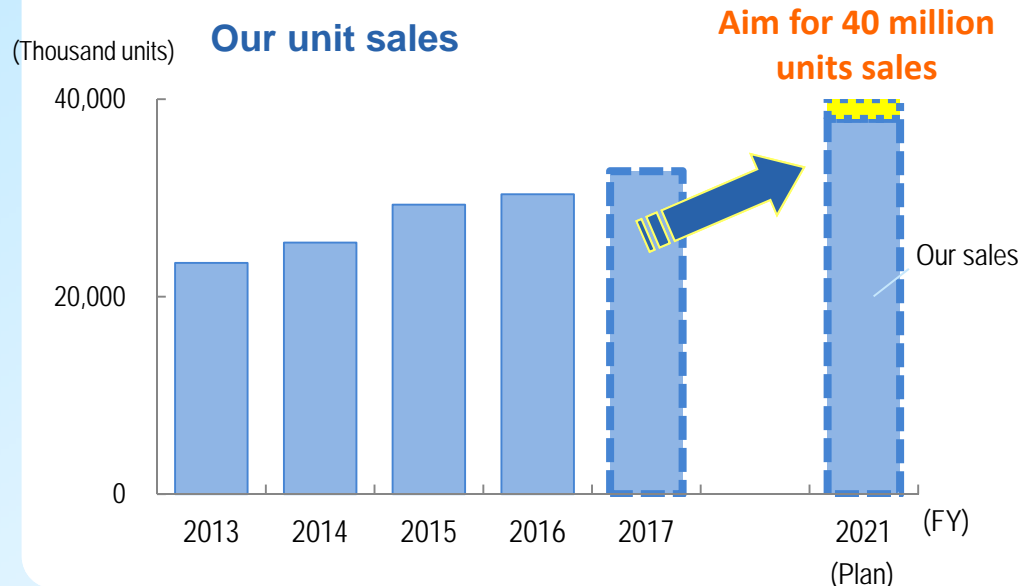
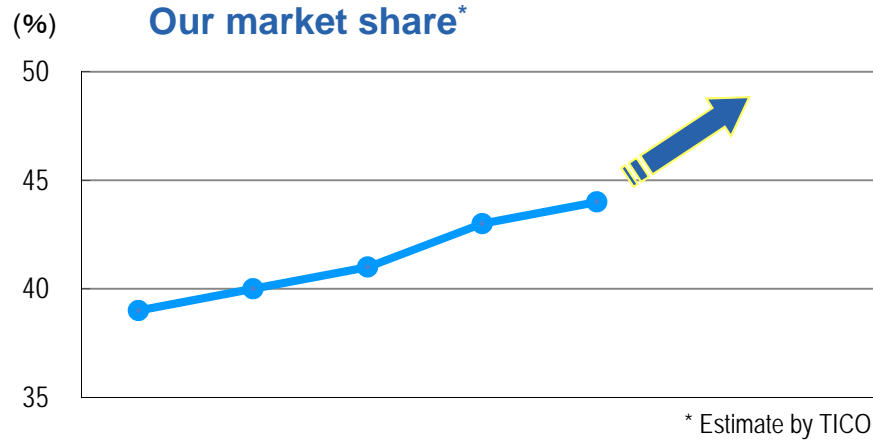
Plan to increase unit sales backed by past order growth although both developed and emerging countries markets are expected to be on par with previous year due to weaker automobile sales.

(Thousand units)



Car air-conditioning Compressor

Outlook of mid-term business growth



40 million unit sales plan in 2020

Past steady sales expansion activities have led to forecast to reach the plan.
Sales expansion in China and ASEAN will lead to realize the plan.

Initiatives in each region

- **North America and Europe**
 - Further enhance fuel efficiency performance of our compressor and differentiate from competitors to respond to increasing customers needs for fuel efficiency
- **China**
 - Expand sales of variable displacement type which the demand is increasing in China.
 - Supply variable displacement type for the local car manufacturer.
- **ASEAN**
 - Promote sales expansion activities appealing our quality of products including small and light weight fixed displacement type which the demand is high

Car air-conditioning Compressor

Our initiatives of Compressor business toward increasing customers needs for better fuel efficiency

- More stringent environmental regulations globally**
- **Tougher fuel consumption regulations in developed countries**
 - **Emerging countries also introduce regulations**

China also introduces tougher regulations

1. More stringent fuel consumption regulations

Favorable treatment has began in January, 2016

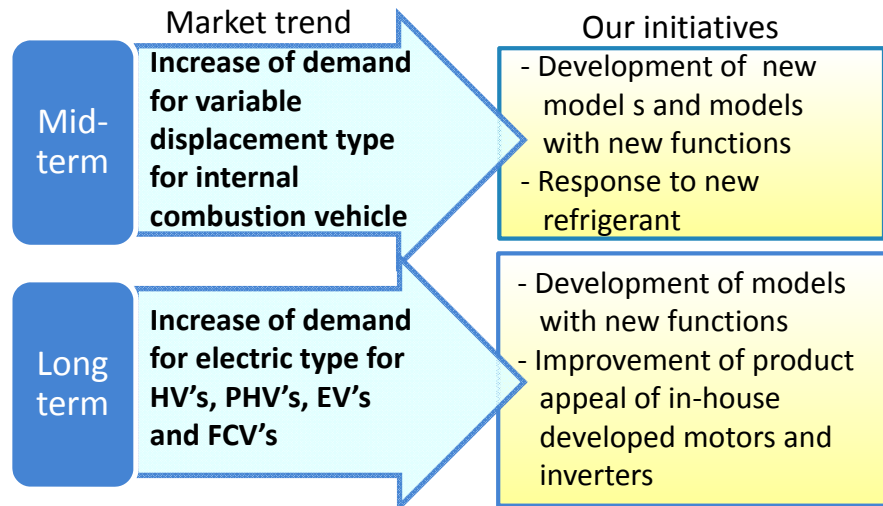
- Innovative technology for better fuel consumption performance is favored.
- Sales of PHV's, EV's and FCV's are favored.

2. Mandatory production of certain units of PHV's, EV's and FCV's

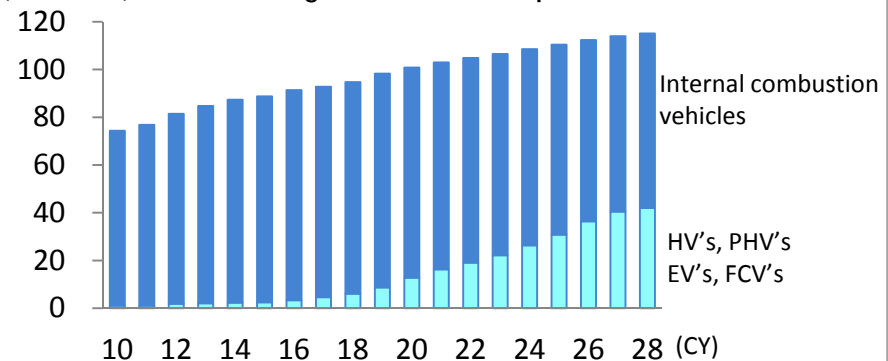
[Implementation schedule]

	2016	2017	2018	2020 ~
1	Introduction of the Fourth fuel consumption regulation			
	Inception → Gradually tougher regulations by 2020			
2	Plan details to be disclosed	Trial	Official introduction	Expansion throughout China

Our initiatives toward the change of customers needs



(Million units) Forecast of global automobile production market

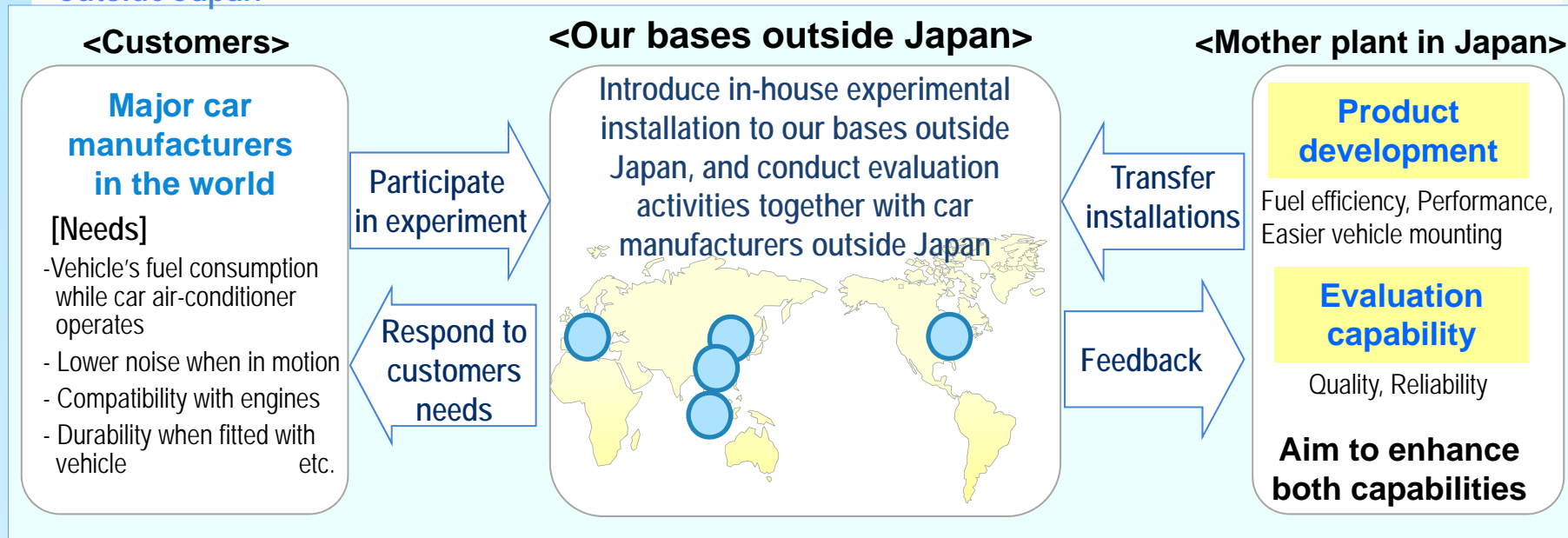


[Source] IHS Data Base, October, 2016

Car air-conditioning Compressor

Increase of evaluation capability by in-house experimental installations

Compressor experiment in an environment close to the actual vehicle-fitted condition at our bases outside Japan



<Our strengths>

In-house Experimental Installations

Prevent leakage of know-how

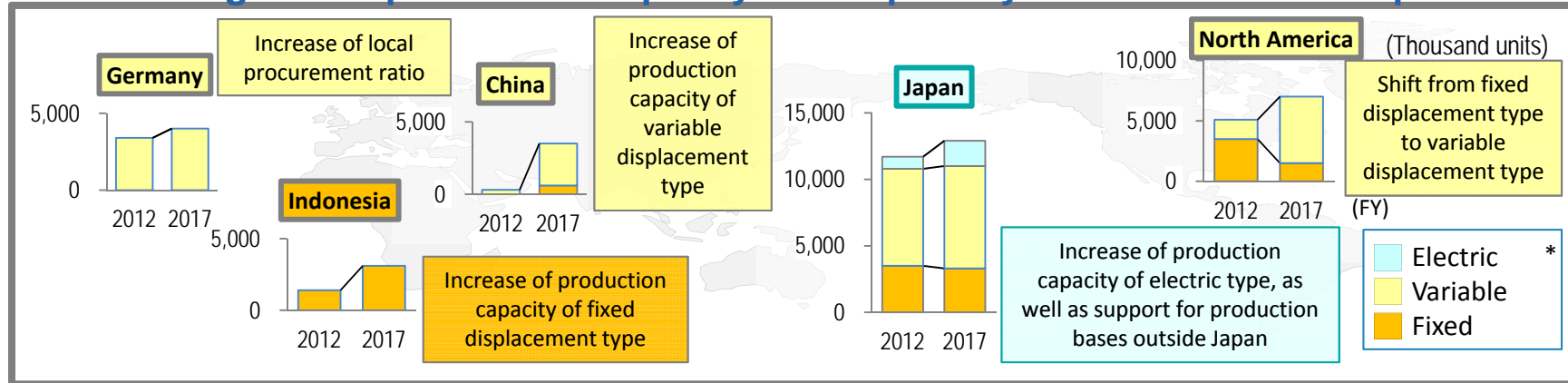
Speed-up of evaluation process

Product quality increase by enhanced evaluation capability

Car air-conditioning Compressor

Global production and supply structure

Strengthened production capacity and capability of bases outside Japan



* Electric type, Variable displacement type, Fixed displacement type

Further improve production efficiency at the production bases outside Japan

Promote kaizen (improvement) activities through such measures as to share the best practice within our production bases in North America and China

- Global production managers meeting
- Regional kaizen meeting

Kaizen meeting at a base in North America



Study session instructed by a staff of the base



Reporting session by key personnel at each base

Car air-conditioning Compressor

Global production and supply structure

Further strengthen roles and capabilities of production bases in Japan

Strengthen capability of mother plant

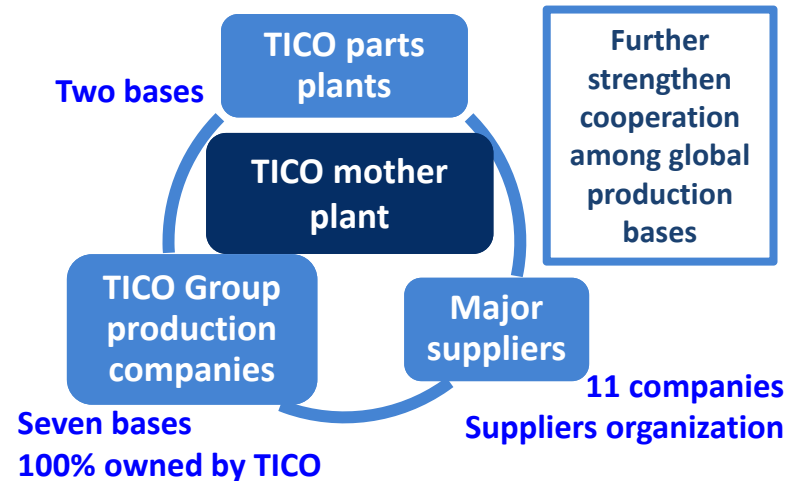
- Develop new production method and innovative production lines, and introduce to our production bases outside Japan
- Strengthen production back-up role against production bases outside Japan to respond to production fluctuations and changes of customers needs for fuel efficiency and electrification
- Support for human resources development

Production structure in Japan to support stable and high quality global production

- Promote in-house development of key components within TICO Group companies and major suppliers

- Pursue total quality from raw material and components
- Conduct cost reduction activities together with TICO

- Thoroughly pursue quality improvement
- Keep our technologies in a “black box”



Engine

Business status and our initiatives

Demand for powerful driving diesel vehicles is expected to keep at certain level especially in emerging countries for commercial vehicles and SUV's.

- Production of GD diesel engines commenced at Toyota Industries Engine India Private Limited, our group company, in March, 2016.

Aim to further improve local procurement ratio and production efficiency.



GD Diesel engine



Toyota Industries Engine India Private Limited

- Plan to expand sales of turbochargers by enhancing competitiveness.



Turbocharger

Vehicles fitted with GD diesel engine



Land Cruiser Prado



Innova Crysta



Hilux

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.