

FINANCIAL SUMMARY

FY2017 Third Quarter

(April 1, 2016 through December 31, 2016)

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.

FY2017 Third Quarter Consolidated Financial Results

(April 1, 2016 - December 31, 2016)

<Japanese GAAP>

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: February 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 FY2017 Third Quarter (April 1, 2016 - December 31, 2016)

(1) Consolidated Financial Results

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2017 Third Quarter	1,640,554	(3.8)	89,402	(14.7)	148,502	(8.5)	107,431	(37.8)
FY2016 Third Quarter	1,704,540	7.7	104,846	17.0	162,274	12.6	172,844	70.1

(Note) Comprehensive income: FY2017 Third Quarter — 319,399 million yen [430.2 %]

FY2016 Third Quarter — 60,242 million yen [(86.3 %)]

	Earnings per share—basic	Earnings per share—diluted
	Yen	Yen
FY2017 Third Quarter	343.39	-
FY2016 Third Quarter	550.16	550.09

(2) Consolidated Financial Position

	Total assets	Total net assets	Equity ratio
	Million yen	Million yen	%
FY2017 Third Quarter	4,501,696	2,377,806	50.9
FY2016	4,199,196	2,113,948	48.5

(Note) Shareholders' equity: FY2017 Third Quarter — 2,293,518 million yen, FY2016 — 2,036,808 million yen

2. Cash Dividends

	Annual cash dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	FY Total
	Yen	Yen	Yen	Yen	Yen
FY2016	-	60.00	-	60.00	120.00
FY2017	-	60.00	-		
FY2017 (Forecast)				60.00	120.00

(Note) Changes in the forecasted cash dividends in this quarter : No

3. Forecasts of Consolidated Financial Results for FY2017 (April 1, 2016 - March 31, 2017)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the parent		Earnings per share—basic
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2017	2,200,000	(1.9)	120,000	(10.9)	173,000	(6.7)	119,000	(35.0)	380.68

(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) Application of special accounting methods for the preparation of quarterly consolidated financial statements : No
- (3) Changes in accounting policies, accounting estimates and restatement
 - ① Changes in accounting policies with revision of accounting standards : Yes
 - ② Changes other than ① : No
 - ③ Changes in accounting estimates : No
 - ④ Restatement : No

(Note)Please see page 3 on attached documents for details on "Changes in accounting policies, accounting estimates and restatement".

- (4) Issued and outstanding capital stock
 - ① Number of shares outstanding at end of each period (including treasury stock):
FY2017 Third Quarter — 325,840,640 shares, FY2016 — 325,840,640 shares
 - ② Number of treasury stock outstanding at end of each period:
FY2017 Third Quarter — 15,350,566 shares, FY2016 — 11,613,812 shares
 - ③ Average number of shares outstanding for each period (accumulated):
FY2017 Third Quarter — 312,856,523 shares, FY2016 Third Quarter — 314,169,532 shares

* Progress of procedures for financial review of quarterly financial results

- The quarterly financial statements are under procedures of financial review, at the time of disclosure of this report.

* 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 116 yen to the euro for FY2017.
- Please see page 3 on attached documents for details on performance forecasts in "Explanation for Forecast for FY2017".

(Attached Documents)

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1. Explanation for Quarterly Financial Results

(1) Explanation for Business Results

During the third quarter of fiscal 2017 (the nine months from April 1 to December 31, 2016), total consolidated net sales of Toyota Industries amounted to 1,640.5 billion yen, a decrease of 64.0 billion yen, or 4%, 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 815.3 billion yen, an increase of 37.6 billion yen, or 5%, from the same period of the previous fiscal year.

Within this segment, net sales of the Vehicle Business amounted to 396.7 billion yen, an increase of 44.2 billion yen, or 13%. This is attributable primarily to having started producing the hybrid version of the RAV4 despite a decline in sales of the Vitz (Yaris overseas).

Net sales of the Engine Business totaled 123.8 billion yen, an increase of 3.1 billion yen, or 3%. Despite an increase in sales of GD diesel engines, sales of KD diesel engines decreased.

Net sales of the Car Air-Conditioning Compressor Business totaled 248.1 billion yen, a decrease of 9.1 billion yen, or 4%. The decrease was attributable mainly to the impact of exchange rate fluctuations despite an increase in unit sales mainly in European, Japanese, Chinese, North American and other markets.

Net sales of the Electronics Parts, Foundry and Others Business totaled 46.6 billion yen, a decrease of 0.6 billion yen, or 1%, due to increase in sales of electronics parts despite a decrease in sales of foundry parts.

Net sales of the Materials Handling Equipment Segment totaled 732.1 billion yen, a decrease of 58.8 billion yen, or 7%. The decrease was attributable mainly to the impact of exchange rate fluctuations although unit sales of lift trucks, a mainstay product of this segment, increased primarily in Europe.

Net sales of the Textile Machinery Segment totaled 49.7 billion yen, on par with the same period of the previous fiscal year, sales of Air jet Loom increased while those of weaving machinery recorded a decrease.

Net sales of the Others Segment totaled 43.4 billion yen, a decrease of 42.6 billion yen, or 50%, due mainly to sales of all shares of Asahi Securities Co., Ltd. and Wanbishi Archives Co., Ltd. which were consolidated subsidiaries, in December, 2015.

In terms of overall profit, despite increases in promoting cost reduction efforts throughout the Toyota Industries Group, decreases in depreciation costs and positive sales mix, Toyota Industries recorded a decrease in profit due mainly to the impact of exchange rate fluctuations and an increase in labor costs. As a result, Toyota Industries posted consolidated operating profit of 89.4 billion yen, a decrease of 15.4 billion yen, or 15%, from the same period of the previous fiscal year and ordinary profit of 148.5 billion yen, a decrease of 13.7 billion yen, or 8%, from the same period of the previous fiscal year. Profit attributable to owners of the parent totaled 107.4 billion yen, a decrease of 65.4 billion yen, or 38%, from the same period of the previous fiscal year.

(2) Explanation for Financial Condition

Total assets increased 302.5 billion yen from the end of the previous fiscal year to 4,501.6 billion yen due mainly to an increase in market value of investment securities. Liabilities amounted to 2,123.8 billion yen, an increase of 38.6 billion yen from the end of the previous fiscal year due mainly to an increase in deferred tax liabilities. Net assets amounted to 2,377.8 billion yen, an increase of 263.9 billion yen from the end of the previous fiscal year.

(3) Explanation for Forecast for FY 2017

Toyota Industries forecasts consolidated net sales of 2,200.0 billion yen, operating profit of 120.0 billion yen, ordinary profit of 173.0 billion yen, profit attributable to owners of the parent of 119.0 billion yen. Our projections are based on assumed exchange rates of 105 yen to the U.S dollar and 116 yen to the euro for fiscal 2017.

2. Matters concerning Summary Information (Note)

(1) Changes in accounting policies, accounting estimates and restatement

(Changes in accounting policies with revision of accounting standards)

In accordance with the revision of the Corporation Tax Act, effective from the first quarter of fiscal 2017 a part of consolidated subsidiaries in Japan adopted the Practical Solution on a Change in Depreciation Method due to Tax Reform 2016 (Practical Issue Task Force No. 32, June 17, 2016). Accordingly, Toyota Industries has changed the depreciation method for facilities attached to buildings and structures acquired on or after April 1, 2016 from the declining-balance method to the straight-line method.

(2) Additional information

(Changes in presentation)

Until the previous fiscal year, regarding profits and expenses arising from the sales financing business for materials handling equipment, profits had been included in "Interest income" under "Non-operating profit" while expenses had been included in "Interest expenses" under "Non-operating expenses." Starting from the first quarter of fiscal 2017, "Interest income" is included in "Net sales" while "Interest expenses" is included in "Cost of sales."

"Lease investment assets" and "Long-term loans receivable" related to the sales financing business for materials handling equipment had been classified as "Fixed assets." Starting from the first quarter of fiscal 2017, Toyota Industries has changed the classification to "Current assets" in accordance with the normal operating cycle rule.

(Revised Implementation Guidance on Recoverability of Deferred Tax Assets)

Toyota Industries adopted "Revised Implementation Guidance on Recoverability of Deferred Tax Assets" (Accounting Standards Board of Japan Guidance No.26, March 28, 2016) from the first quarter of fiscal 2017.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	FY2016 (As of March 31, 2016)	FY2017 Third Quarter (As of December 31, 2016)
Assets		
Current assets:		
Cash and deposits	352,302	305,842
Trade notes and accounts receivable	280,807	266,894
Lease investment assets	235,598	245,658
Short-term investments	10,871	1,024
Merchandise and finished goods	92,298	93,586
Work in process	41,868	46,707
Raw materials and supplies	63,035	62,940
Deferred tax assets	25,185	16,603
Other current assets	159,054	189,088
Allowance for doubtful accounts	(3,796)	(4,088)
Total current assets	1,257,226	1,224,258
Fixed assets:		
Property, plant and equipment		
Buildings and structures, net	160,048	159,247
Machinery, equipment and vehicles, net	451,334	466,467
Tools, furniture and fixtures, net	27,449	26,375
Land	119,897	122,115
Construction in progress	22,521	23,723
Total property, plant and equipment	781,251	797,929
Intangible assets:		
Goodwill	76,980	73,084
Other intangible assets	93,234	91,545
Total intangible assets	170,214	164,630
Investments and other assets:		
Investment securities	1,945,123	2,271,817
Deferred tax assets	14,109	13,840
Net defined benefit assets	8,215	8,166
Other investments and other assets	24,458	22,666
Allowance for doubtful accounts	(1,403)	(1,613)
Total investments and other assets	1,990,504	2,314,877
Total fixed assets	2,941,970	3,277,437
Total assets	4,199,196	4,501,696

(Million yen)

	FY2016 (As of March 31, 2016)	FY2017 Third Quarter (As of December 31, 2016)
Liabilities		
Current liabilities:		
Trade notes and accounts payable	214,162	206,052
Short-term loans payable	170,844	215,833
Commercial paper	-	49,392
Current portion of bonds	19,999	10,000
Lease obligations	41,411	37,615
Accounts payable-other	25,754	22,331
Accrued income taxes	47,473	10,335
Deferred tax liabilities	149	187
Allowance for bonuses to directors	644	359
Other current obligations	153,195	154,956
Total current liabilities	673,636	707,065
Long-term liabilities:		
Bonds payable	191,555	201,555
Long-term loans payable	508,593	428,053
Lease obligations	98,771	77,565
Deferred tax liabilities	500,077	596,610
Net defined benefit liabilities	90,920	92,140
Other long-term liabilities	21,692	20,897
Total long-term liabilities	1,411,611	1,416,823
Total liabilities	2,085,248	2,123,889
Total Net Assets		
Shareholders' equity:		
Common stock	80,462	80,462
Capital surplus	105,562	105,557
Retained earnings	789,502	859,324
Treasury stock	(41,266)	(59,267)
Total shareholders' equity	934,260	986,077
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	1,105,544	1,313,816
Deferred gains or losses on hedges	360	(324)
Foreign currency translation adjustment	22,813	17,973
Defined benefit plan adjustments	(26,169)	(24,023)
Total accumulated other comprehensive income	1,102,547	1,307,441
Subscription rights to shares	6	-
Non-controlling interests	77,133	84,288
Total net assets	2,113,948	2,377,806
Total liabilities and net assets	4,199,196	4,501,696

**(2) Quarterly Consolidated Statements of Income and
Quarterly Consolidated Statements of Comprehensive Income**

Quarterly Consolidated Statements of Income

(Million yen)

	FY2016 Third Quarter (April 1, 2015 - December 31, 2015)	FY2017 Third Quarter (April 1, 2016 - December 31, 2016)
Net sales	1,704,540	1,640,554
Cost of sales	1,377,028	1,338,049
Gross profit	327,512	302,504
Selling, general and administrative expenses	222,665	213,102
Operating profit	104,846	89,402
Non-operating profit:		
Dividends income	65,142	62,049
Other non-operating profit	8,669	10,814
Total non-operating profit	73,811	72,864
Non-operating expenses:		
Interest expenses	8,148	6,359
Other non-operating expenses	8,235	7,404
Total non-operating expenses	16,383	13,763
Ordinary profit	162,274	148,502
Extraordinary profit:		
Gain on sales of shares of subsidiaries	89,819	-
Total extraordinary profit	89,819	-
Profit before income taxes	252,094	148,502
Income taxes-current	72,320	21,812
Income taxes-deferred	1,013	12,562
Total income taxes	73,333	34,375
Profit	178,760	114,127
Profit attributable to non-controlling interests	5,915	6,695
Profit attributable to owners of the parent	172,844	107,431

Quarterly Consolidated Statements of Comprehensive Income

(Million yen)

	FY2016 Third Quarter (April 1, 2015 - December 31, 2015)	FY2017 Third Quarter (April 1, 2016 - December 31, 2016)
Profit	178,760	114,127
Other comprehensive income:		
Valuation difference on available-for-sale securities	(111,967)	208,512
Deferred gains or losses on hedges	354	(684)
Foreign currency translation adjustment	(7,004)	(4,434)
Defined benefit plan adjustments	597	2,222
Share of other comprehensive income of associates accounted for using equity method	(497)	(342)
Total other comprehensive income	(118,517)	205,272
Comprehensive Income	60,242	319,399
Profit attributable to:		
Owners of the parent	55,515	312,325
Non-controlling interests	4,727	7,073

**(3) Note on Quarterly Consolidated Financial Statements
(Note on Premise of Going Concern) : No**

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

During the Third quarter of fiscal 2017 (the nine months from April 1 to December 31, 2016), Toyota Industries paid dividends of 37,609 million yen from retained earnings.

(Segment Information)

FY2016 Third Quarter (April 1, 2015 - December 31, 2015)

(Million yen)

	Automobile	Materials handling equipment	Textile machinery	Others	Total	Eliminations	Consolidated
Net sales							
Outside customer sales	777,759	790,970	49,767	86,042	1,704,540	-	1,704,540
Inter-segment transactions	18,552	2,111	169	17,535	38,368	(38,368)	-
Total	796,311	793,082	49,937	103,578	1,742,908	(38,368)	1,704,540
Segment profit	22,838	70,306	3,567	7,554	104,265	580	104,846

- (Notes) 1. "Others" is business segment not included in reportable segments.
2. Segment profit of 580 million yen is inter-segment eliminations.
3. Segment profit is adjusted to operating profit of Quarterly Consolidated Statements of Income.

FY2017 Third Quarter (April 1, 2016 - December 31, 2016)

(Million yen)

	Automobile	Materials handling equipment	Textile machinery	Others	Total	Eliminations	Consolidated
Net sales							
Outside customer sales	815,316	732,125	49,707	43,404	1,640,554	-	1,640,554
Inter-segment transactions	17,968	901	159	16,361	35,391	(35,391)	-
Total	833,285	733,027	49,866	59,765	1,675,945	(35,391)	1,640,554
Segment profit	18,758	60,985	4,301	5,278	89,323	78	89,402

- (Notes) 1. "Others" is business segment not included in reportable segments.
2. Segment profit of 78 million yen is inter-segment eliminations.
3. Segment profit is adjusted to operating profit of Quarterly Consolidated Statements of Income.
4. Starting from the Third quarter of fiscal 2017, Toyota Industries has reclassified the reporting segment previously presented as the Logistics Segment because of its immateriality and included its results in either the Materials Handling Equipment Segment or the Others Segment.
The segment information for the first quarter of the previous fiscal year is presented after the reclassification