

FINANCIAL SUMMARY

FY2018 Third Quarter

(April 1, 2017 through December 31, 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 Third Quarter Consolidated Financial Results<IFRS>
(April 1, 2017 - December 31, 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: February 13, 2018

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 Third Quarter (April 1, 2017 - December 31, 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 Third Quarter	1,464,686	19.1	115,022	19.0	178,543	15.9	150,405	26.2
FY 2017 Third Quarter	1,229,677	—	96,622	—	153,983	—	119,168	—

	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 Third Quarter	146,166	28.2	514,974	60.3	470.76	—
FY 2017 Third Quarter	113,984	—	321,230	—	364.34	—

(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 Third Quarter	5,392,167	2,787,369	2,706,667	50.2
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 : No

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	157,000	19.5	505.66

(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 Third Quarter —325,840,640 shares, FY2017 —325,840,640 shares

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

FY2018 Third Quarter —15,352,814 shares, FY2017 —15,351,442 shares

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

FY2018 Third Quarter —310,488,477 shares, FY2017 Third Quarter —312,856,523 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 128 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 third quarter of fiscal 2018 (the nine months from April 1 to December 31, 2017), total consolidated net sales of Toyota Industries amounted to 1,464.6 billion yen, an increase of 235.0 billion yen, or 19%, 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 438.6 billion yen, an increase of 24.2 billion yen, or 6%, from the same period of the previous fiscal year.

Within this segment, net sales of the Vehicle Business amounted to 54.2 billion yen, an increase of 1.6 billion yen, or 3%, due mainly to increases in sales of the Vitz (Yaris outside Japan) and RAV4.

Net sales of the Engine Business totaled 71.8 billion yen, an increase of 4.8 billion yen, or 7%, as a result of increases in sales of GD diesel engines.

Net sales of the Car Air-Conditioning Compressor Business totaled 259.3 billion yen, an increase of 11.2 billion yen, or 4%, attributable mainly to an increase in unit sales in Japan and China.

Net sales of the Electronics Parts, Foundry and Others Business totaled 53.1 billion yen, an increase of 6.5 billion yen, or 14%, due primarily to increases in sales of electronics parts and foundry products.

Net sales of the Materials Handling Equipment Segment totaled 932.5 billion yen, an increase of 210.5 billion yen, or 29%, 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 North America, 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 decreased 1.0 billion yen, or 2% to 48.7 billion yen as a result of a decrease in spinning machinery and weaving machinery offsetting an increase in sales of instruments for textile quality measurement.

Net sales of the Others Segment totaled 44.7 billion yen, an increase of 1.3 billion yen, or 3%, from the same period of the previous fiscal year.

In terms of overall profit, despite increase in raw material costs, increase in labor costs and increase in depreciation, 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 115.0 billion yen, an increase of 18.4 billion yen, or 19%, from the same period of the previous fiscal year and profit before income taxes of 178.5 billion yen, an increase of 24.6 billion yen, or 16%, from the same period of the previous fiscal year. Profit attributable to owners of the parent totaled 146.1 billion yen, an increase of 32.2 billion yen, or 28%, from the same period of the previous fiscal year.

(2) Explanation for Financial Condition

Assets increased 833.9 billion yen from the end of the previous fiscal year to 5,392.1 billion yen due mainly to an increase in fair value of investment securities. Liabilities amounted to 2,604.7 billion yen, an increase of 363.0 billion yen from the end of the previous fiscal year due mainly to an increase in deferred tax liabilities. Equity amounted to 2,787.3 billion yen, an increase of 470.9 billion yen from the end of the previous fiscal year.

(3) Explanation for Forecast for FY2018

Toyota Industries forecasts consolidated net sales of 1,950.0 billion yen, operating profit of 145.0 billion yen and profit before income taxes of 204.0 billion yen. Due to the US tax reform, Toyota Industries has revised its forecasts of consolidated financial results for FY2018 to profit attributable to owners of the parent of 157.0 billion yen. Our projections are based on assumed exchange rates of 111 yen to the U.S dollar and 128 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 Third Quarter (As of December 31, 2017)
Assets		
Current assets		
Cash and cash equivalents	243,685	239,658
Time deposits with deposit terms of over three months	162,668	108,468
Trade receivables and other receivables	646,542	741,555
Other financial assets	11,632	7,139
Inventories	194,427	227,089
Income tax receivables	21,106	9,531
Other current assets	42,356	53,155
Total current assets	1,322,420	1,386,597
Non-current assets		
Property, plant and equipment	833,329	893,585
Goodwill and intangible assets	185,813	385,824
Trade receivables and other receivables	149	301
Investments accounted for by the equity method	8,673	9,787
Other financial assets	2,161,509	2,654,891
Net defined benefit assets	18,129	27,507
Deferred tax assets	23,800	28,256
Other non-current assets	4,386	5,415
Total non-current assets	3,235,791	4,005,569
Total assets	4,558,212	5,392,167

(Millions of yen)

	FY2017 (As of March 31, 2017)	FY2018 Third Quarter (As of December 31, 2017)
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade payables and other payables	395,698	434,400
Corporate bonds and loans	311,663	362,396
Other financial liabilities	71,807	76,990
Accrued income taxes	11,163	18,183
Provisions	7,397	7,466
Other current liabilities	12,872	23,189
Total current liabilities	810,603	922,626
Non-current liabilities		
Corporate bonds and loans	665,890	740,023
Other financial liabilities	79,375	74,146
Net defined benefit liabilities	92,552	93,518
Provisions	6,479	9,382
Deferred tax liabilities	567,803	744,175
Other non-current liabilities	19,039	20,924
Total non-current liabilities	1,431,140	1,682,170
Total liabilities	2,241,744	2,604,797
Equity		
Share of equity attributable to owners of the parent		
Capital stock	80,462	80,462
Capital surplus	105,417	105,461
Retained earnings	954,503	1,056,669
Treasury stock	(59,272)	(59,280)
Other components of shareholders' equity	1,159,181	1,523,354
Total share of equity attributable to owners of the parent	2,240,293	2,706,667
Non-controlling interests	76,174	80,702
Total equity	2,316,467	2,787,369
Total liabilities and equity	4,558,212	5,392,167

(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 Third Quarter (April 1, 2016 - December 31, 2016)	FY2018 Third Quarter (April 1, 2017 - December 31, 2017)
Net sales	1,229,677	1,464,686
Cost of sales	(935,634)	(1,119,470)
Gross profit	294,042	345,216
Selling, general and administrative expenses	(197,213)	(243,215)
Other profit	7,703	20,089
Other expenses	(7,909)	(7,068)
Operating profit	96,622	115,022
Financial income	64,455	70,421
Financial expenses	(7,809)	(7,832)
Share of profit (loss) of investments accounted for by the equity method	714	931
Profit before income taxes	153,983	178,543
Income taxes	(34,814)	(28,138)
Profit	119,168	150,405
Profit attributable to:		
Owners of the parent	113,984	146,166
Non-controlling interests	5,184	4,238
Earnings per share		
Earnings per share— basic (yen)	364.34	470.76
Earnings per share— diluted (yen)	—	—

Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY2017 Third Quarter (April 1, 2016 - December 31, 2016)	FY2018 Third Quarter (April 1, 2017 - December 31, 2017)
Profit	119,168	150,405
Other comprehensive income:		
Items not to be reclassified into profit or loss		
Net changes in revaluation of FVTOCI financial assets	204,601	331,463
Remeasurements of defined benefit plans	1,196	(1,913)
Other comprehensive income of affiliates accounted for by the equity method	33	1
Total items not to be reclassified into profit or loss	205,831	329,551
Items that can be reclassified into profit or loss		
Foreign currency translation adjustment	(4,157)	34,545
Cash flow hedges	153	285
Other comprehensive income of affiliates accounted for by the equity method	234	186
Total items that can be reclassified into profit or loss	(3,769)	35,017
Total other comprehensive income	202,061	364,568
Comprehensive income	321,230	514,974
Total comprehensive income attributable to:		
Owners of the parent	315,763	508,254
Non-controlling interests	5,466	6,719

(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	—	—	113,984	—	—	—
Other comprehensive income	—	—	—	—	204,308	1,126
Total comprehensive income	—	—	113,984	—	204,308	1,126
Repurchase of treasury stock	—	(36)	—	(18,006)	—	—
Disposal of treasury stock	—	(0)	—	5	—	—
Dividends	—	—	(37,609)	—	—	—
Changes in ownership interest of subsidiaries	—	—	—	—	—	—
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	1,711	—	(584)	(1,126)
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	(37)	(35,898)	(18,000)	(584)	(1,126)
Balance at December 31, 2016	80,462	105,479	933,404	(59,267)	1,336,379	—

Balance at April 1, 2017	80,462	105,417	954,503	(59,272)	1,209,592	—
Profit	—	—	146,166	—	—	—
Other comprehensive income	—	—	—	—	331,022	(1,971)
Total comprehensive income	—	—	146,166	—	331,022	(1,971)
Repurchase of treasury stock	—	—	—	(8)	—	—
Disposal of treasury stock	—	—	—	—	—	—
Dividends	—	—	(41,915)	—	—	—
Changes in ownership interest of subsidiaries	—	43	—	—	—	—
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	(2,084)	—	112	1,971
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	43	(44,000)	(8)	112	1,971
Balance at December 31, 2017	80,462	105,461	1,056,669	(59,280)	1,540,727	—

(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	—	—	—	—	113,984	5,184	119,168
Other comprehensive income	(3,809)	153	—	201,778	201,778	282	202,061
Total comprehensive income	(3,809)	153	—	201,778	315,763	5,466	321,230
Repurchase of treasury stock	—	—	—	—	(18,043)	—	(18,043)
Disposal of treasury stock	—	—	—	—	5	—	5
Dividends	—	—	—	—	(37,609)	(2,196)	(39,805)
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	—	—	—	(1,711)	—	—	—
Other increases (decreases)	—	—	(6)	(6)	(6)	2,446	2,440
Total transactions with owners	—	—	(6)	(1,717)	(55,654)	155	(55,498)
Balance at December 31, 2016	(36,609)	(1,082)	—	1,298,688	2,358,768	76,278	2,435,046

Balance at April 1, 2017	(50,417)	6	—	1,159,181	2,240,293	76,174	2,316,467
Profit	—	—	—	—	146,166	4,238	150,405
Other comprehensive income	32,752	285	—	362,088	362,088	2,480	364,568
Total comprehensive income	32,752	285	—	362,088	508,254	6,719	514,974
Repurchase of treasury stock	—	—	—	—	(8)	—	(8)
Disposal of treasury stock	—	—	—	—	—	—	—
Dividends	—	—	—	—	(41,915)	(2,374)	(44,290)
Changes in ownership interest of subsidiaries	—	—	—	—	43	—	43
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	182	182
Reclassified into retained earnings	—	—	—	2,084	—	—	—
Other increases (decreases)	—	—	—	—	—	0	0
Total transactions with owners	—	—	—	2,084	(41,880)	(2,191)	(44,071)
Balance at December 31, 2017	(17,665)	292	—	1,523,354	2,706,667	80,702	2,787,369

(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 Third quarter of fiscal 2018 (the nine months from April 1 to December 31, 2017), Toyota Industries paid dividends of 41,915 million yen from retained earnings.

(Segment Information)

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

(Millions of yen)

	Automobile	Materials Handling Equipment	Textile Machinery	Others (Note 1)	Total	Elimination (Note 2)	Consolidated (Note 3)
Sales							
Outside customer sales	414,433	722,096	49,735	43,411	1,229,677	—	1,229,677
Inter-segment transactions	17,969	906	159	16,361	35,396	(35,396)	—
Total	432,403	723,002	49,895	59,773	1,265,073	(35,396)	1,229,677
Segment profit	20,012	65,500	5,722	5,395	96,632	(9)	96,622
Financial income							64,455
Financial expenses							(7,809)
Share of profit (loss) of investments accounted for by the equity method							714
Profit before income taxes							153,983

- (Notes)
1. "Others" represents businesses not included in the above reporting segments.
 2. Breakdown of elimination (9) million yen included in "Elimination" for "Segment profit" is inter-segment transactions.
 3. "Segment profit" reconciles to operating profit disclosed in the consolidated statements of profit or loss.

FY2018 Third Quarter (April 1, 2017- December 31, 2017)

(Millions of yen)

	Automobile	Materials Handling Equipment	Textile Machinery	Others (Note 1)	Total	Elimination (Note 2)	Consolidated (Note 3)
Sales							
Outside customer sales	438,608	932,592	48,764	44,721	1,464,686	—	1,464,686
Inter-segment transactions	18,982	1,106	161	17,749	37,998	(37,998)	—
Total	457,590	933,698	48,925	62,470	1,502,685	(37,998)	1,464,686
Segment profit	27,373	77,296	5,379	4,986	115,035	(13)	115,022
Financial income							70,421
Financial expenses							(7,832)
Share of profit (loss) of investments accounted for by the equity method							931
Profit before income taxes							178,543

- (Notes)
1. "Others" represents businesses not included in the above reporting segments.
 2. Breakdown of elimination (13) million yen included in "Elimination" for "Segment profit" is inter-segment transactions.
 3. "Segment profit" reconciles to operating profit disclosed in the consolidated statements of profit or loss.