

FINANCIAL SUMMARY

FY2019 Third Quarter

(April 1, 2018 through December 31, 2018)

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.

FY2019 Third Quarter Consolidated Financial Results<IFRS> (April 1, 2018 - December 31, 2018)

TOYOTA INDUSTRIES CORPORATION

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

Representative person: Akira Onishi, President, Member of the Board

Contact person: Kuniaki Matsumoto, General Manager of Accounting Department

(Tel. +81-(0)566-22-2511)

The expected date of submission of the quarterly report (Japanese only): February 12, 2019

The expected date of dividends payment: —

Additional documents to supplement financial results: Yes

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

(Amounts less than one million yen are omitted)

1. Financial Highlights for FY2019 Third Quarter (April 1, 2018 - December 31, 2018)

(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	%
FY2019 Third Quarter	1,629,827	11.3	97,941	(14.8)	166,083	(7.0)	131,561	(12.5)
FY2018 Third Quarter	1,464,686	19.1	115,022	19.0	178,543	15.9	150,405	26.2

	Profit attributable to owners of the parent		Comprehensive income		Earnings per share – basic	Earnings per share – diluted
	Million yen	%	Million yen	%	Yen	Yen
FY2019 Third Quarter	126,390	(13.5)	(31,147)	—	407.07	—
FY2018 Third Quarter	146,166	28.2	514,974	60.3	470.76	—

(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	%
FY2019 Third Quarter	5,094,576	2,547,483	2,467,760	48.4
FY2018	5,258,500	2,633,869	2,553,391	48.6

2. Cash Dividends

	Annual cash dividends per share				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	FY Total
FY2018	— Yen	70.00 Yen	— Yen	80.00 Yen	150.00 Yen
FY2019	—	75.00	—		
FY2019 (Forecast)			—	75.00	150.00

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

3. Forecasts of Consolidated Financial Results for FY2019 (April 1, 2018 - March 31, 2019)

(% : 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
FY2019	2,200,000	9.8	135,000	(8.4)	198,000	(5.6)	150,000	(10.8)	483.11

(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

(i) Changes in accounting policies required by IFRS : Yes

(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):

FY2019 Third Quarter — 325,840,640 shares, FY2018 — 325,840,640 shares

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

FY2019 Third Quarter — 15,354,970 shares, FY2018 — 15,353,378 shares

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

FY2019 Third Quarter — 310,486,252 shares, FY2018 Third Quarter — 310,488,477 shares

* This quarterly financial results is not subject to quarterly review procedure by certified public accountants or auditing firms.

* 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 110 yen to the U.S. dollar and 130 yen to the euro for FY2019.
- Please see page 3 on attached documents for details on performance forecasts in "Explanation for Forecast for FY2019".

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1. Explanation for Quarterly Financial Results

(1) Explanation for Business Results

During the third quarter of FY2019 (the nine months from April 1 to December 31, 2018), total consolidated net sales of Toyota Industries amounted to 1,629.8 billion yen, an increase of 165.2 billion yen, or 11%, from the same period of the previous fiscal year. The following is a review of operations for the business segments.

Net sales of the Automobile Segment totaled 448.4 billion yen, an increase of 9.8 billion yen, or 2%, from the same period of the previous fiscal year.

Within this segment, net sales of the Vehicle Business totaled 59.5 billion yen, an increase of 5.3 billion yen, or 10%, due mainly to having started producing the new RAV4 in November 2018.

Net sales of the Engine Business totaled 76.2 billion yen, an increase of 4.4 billion yen, or 6%, resulting mainly from increases in sales of GD diesel engines.

Net sales of the Car Air-Conditioning Compressor Business were on par with the same period of the previous fiscal year at 258.8 billion yen. This was because decreases in sales in Europe were offset by increases in sales in North America and emerging countries.

Net sales of the Electronics Parts, Foundry and Others Business totaled 53.7 billion yen, an increase of 0.6 billion yen, or 1%, due primarily to increases in sales of electronics parts and foundry products.

Net sales of the Materials Handling Equipment Segment totaled 1,078.1 billion yen, an increase of 145.6 billion yen, or 16%. The increase was attributable to two factors, namely, increases in sales of lift trucks, a mainstay product of this segment, in North America, Japan and other regions as well as an increase in net sales of logistics solutions business.

Net sales of the Textile Machinery Segment totaled 57.6 billion yen, an increase of 8.9 billion yen, or 18%, as a result of an increase in sales of weaving machinery in China.

In terms of overall profit, despite sales efforts and increases in promoting cost reduction efforts throughout the Toyota Industries Group, due mainly to increases in raw material costs and without added profit arising from changes in the retirement benefit plan in the previous fiscal year, Toyota Industries recorded a decrease in consolidated operating profit of 97.9 billion yen, a decrease of 17.1 billion yen, or 15%, from the same period of the previous fiscal year and profit before income taxes of 166.0 billion yen, a decrease of 12.5 billion yen, or 7%, from the same period of the previous fiscal year. Profit attributable to owners of the parent totaled 126.3 billion yen, a decrease of 19.8 billion yen, or 14%, from the same period of the previous fiscal year.

(2) Explanation for Financial Condition

Assets amounted to 5,094.5 billion yen, a decrease of 164.0 billion yen from the end of the previous fiscal year, due mainly to a decrease in fair value of investment securities. Liabilities amounted to 2,547.0 billion yen, a decrease of 77.6 billion yen from the end of the previous fiscal year, due mainly to a decrease in Deferred tax liabilities. Equity amounted to 2,547.4 billion yen, a decrease of 86.4 billion yen from the end of the previous fiscal year.

(3) Explanation for Forecast for FY2019

Toyota Industries forecasts consolidated net sales of 2,200.0 billion yen, operating profit of 135.0 billion yen, profit before income taxes of 198.0 billion yen and profit attributable to owners of the parent of 150.0 billion yen. Our projections are based on assumed exchange rates of 110 yen to the U.S. dollar and 130 yen to the euro for FY2019.

2. Condensed Quarterly Consolidated Financial Statements and Main Notes

(1) Condensed Quarterly Consolidated Financial Position

(Millions of yen)

	FY2018 (As of March 31, 2018)	FY2019 Third Quarter (As of December 31, 2018)
Assets		
Current assets		
Cash and cash equivalents	323,830	210,252
Time deposits with deposit terms of over three months	111,796	151,692
Trade receivables and other receivables	764,514	814,029
Other financial assets	6,359	5,148
Inventories	223,714	251,897
Income tax receivables	9,359	17,164
Other current assets	54,219	54,922
Total current assets	1,493,793	1,505,107
Non-current assets		
Property, plant and equipment	889,220	928,650
Goodwill and intangible assets	361,797	364,829
Trade receivables and other receivables	337	6,405
Investments accounted for by the equity method	10,352	10,136
Other financial assets	2,441,545	2,217,220
Net defined benefit assets	29,232	29,953
Deferred tax assets	27,017	28,017
Other non-current assets	5,204	4,254
Total non-current assets	3,764,707	3,589,469
Total assets	5,258,500	5,094,576

(Millions of yen)

	FY2018 (As of March 31, 2018)	FY2019 Third Quarter (As of December 31, 2018)
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade payables and other payables	479,253	433,188
Corporate bonds and loans	400,803	360,569
Other financial liabilities	71,683	70,821
Accrued income taxes	27,097	10,414
Provisions	7,754	8,696
Other current liabilities	19,284	23,936
Total current liabilities	1,005,876	907,627
Non-current liabilities		
Corporate bonds and loans	767,297	857,219
Other financial liabilities	70,912	59,790
Net defined benefit liabilities	86,655	88,762
Provisions	8,460	7,268
Deferred tax liabilities	665,342	604,744
Other non-current liabilities	20,086	21,680
Total non-current liabilities	1,618,754	1,639,465
Total liabilities	2,624,631	2,547,092
Equity		
Share of equity attributable to owners of the parent		
Capital stock	80,462	80,462
Capital surplus	105,343	103,443
Retained earnings	1,084,139	1,162,990
Treasury stock	(59,284)	(59,294)
Other components of shareholders' equity	1,342,730	1,180,158
Total share of equity attributable to owners of the parent	2,553,391	2,467,760
Non-controlling interests	80,478	79,723
Total equity	2,633,869	2,547,483
Total liabilities and equity	5,258,500	5,094,576

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

Condensed Quarterly Consolidated Statement of Profit or Loss

(Millions of yen)

	FY2018 Third Quarter (April 1, 2017 - December 31, 2017)	FY2019 Third Quarter (April 1, 2018 - December 31, 2018)
Net sales	1,464,686	1,629,827
Cost of sales	(1,119,470)	(1,253,769)
Gross profit	345,216	376,058
Selling, general and administrative expenses	(243,215)	(277,848)
Other profit	20,089	8,170
Other expenses	(7,068)	(8,439)
Operating profit	115,022	97,941
Financial income	70,421	74,832
Financial expenses	(7,832)	(7,431)
Share of profit (loss) of investments accounted for by the equity method	931	740
Profit before income taxes	178,543	166,083
Income taxes	(28,138)	(34,522)
Profit	150,405	131,561
Profit attributable to:		
Owners of the parent	146,166	126,390
Non-controlling interests	4,238	5,171
Earnings per share		
Earnings per share – basic (yen)	470.76	407.07
Earnings per share – diluted (yen)	–	–

Condensed Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY2018 Third Quarter (April 1, 2017 - December 31, 2017)	FY2019 Third Quarter (April 1, 2018 - December 31, 2018)
Profit	150,405	131,561
Other comprehensive income:		
Items not to be reclassified into profit or loss		
Net changes in revaluation of FVTOCI financial assets	331,463	(158,544)
Remeasurements of defined benefit plans	(1,913)	806
Other comprehensive income of affiliates accounted for by the equity method	1	(10)
Total items not to be reclassified into profit or loss	329,551	(157,747)
Items that can be reclassified into profit or loss		
Translation adjustments of foreign operations	34,545	(4,319)
Cash flow hedges	285	(563)
Other comprehensive income of affiliates accounted for by the equity method	186	(77)
Total items that can be reclassified into profit or loss	35,017	(4,961)
Total other comprehensive income	364,568	(162,709)
Comprehensive income	514,974	(31,147)
Total comprehensive income attributable to:		
Owners of the parent	508,254	(35,599)
Non-controlling interests	6,719	4,451

(3) Condensed Quarterly Consolidated Statement 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 as of 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 as of December 31, 2017	80,462	105,461	1,056,669	(59,280)	1,540,727	—

Balance as of April 1, 2018	80,462	105,343	1,084,139	(59,284)	1,393,702	—
Effects of changes in accounting policies	—	—	3	—	—	—
Restated balance as of April 1, 2018	80,462	105,343	1,084,143	(59,284)	1,393,702	—
Profit	—	—	126,390	—	—	—
Other comprehensive income	—	—	—	—	(158,606)	770
Total comprehensive income	—	—	126,390	—	(158,606)	770
Repurchase of treasury stock	—	—	—	(10)	—	—
Disposal of treasury stock	—	0	—	0	—	—
Dividends	—	—	(48,125)	—	—	—
Changes in ownership interest of subsidiaries	—	(1,899)	—	—	—	—
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	582	—	187	(770)
Other increases (decreases)	—	—	—	—	—	—
Total transactions with owners	—	(1,899)	(47,542)	(10)	187	(770)
Balance as of December 31, 2018	80,462	103,443	1,162,990	(59,294)	1,235,283	—

(Millions of yen)

	Share of equity attributable to owners of the parent				Total	Non-controlling interests	Total equity
	Other components of shareholders' equity						
	Translation adjustment of foreign operations	Cash flow hedges	Subscription rights to shares	Total			
Balance as of 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 as of December 31, 2017	(17,665)	292	—	1,523,354	2,706,667	80,702	2,787,369

Balance as of April 1, 2018	(52,397)	1,426	—	1,342,730	2,553,391	80,478	2,633,869
Effects of changes in accounting policies	—	—	—	—	3	—	3
Restated balance as of April 1, 2018	(52,397)	1,426	—	1,342,730	2,553,394	80,478	2,633,873
Profit	—	—	—	—	126,390	5,171	131,561
Other comprehensive income	(3,589)	(563)	—	(161,989)	(161,989)	(719)	(162,709)
Total comprehensive income	(3,589)	(563)	—	(161,989)	(35,599)	4,451	(31,147)
Repurchase of treasury stock	—	—	—	—	(10)	—	(10)
Disposal of treasury stock	—	—	—	—	0	—	0
Dividends	—	—	—	—	(48,125)	(2,346)	(50,471)
Changes in ownership interest of subsidiaries	—	—	—	—	(1,899)	(3,003)	(4,902)
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	100	100
Reclassified into retained earnings	—	—	—	(582)	—	—	—
Other increases (decreases)	—	—	—	—	—	42	42
Total transactions with owners	—	—	—	(582)	(50,034)	(5,206)	(55,241)
Balance as of December 31, 2018	(55,987)	862	—	1,180,158	2,467,760	79,723	2,547,483

(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 FY2019, Toyota Industries paid dividends of 48,125 million yen from retained earnings.

(Changes in Accounting Policies)

Effective from the first quarter of FY2019, Toyota Industries adopted IFRS 15 "Revenue from Contracts with Customers" (issued in May 2014) and "Clarifications to IFRS 15" (issued in April 2016).

(Segment Information)

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

(Millions of yen)

	Automobile	Materials Handling Equipment	Textile Machinery	Others (Note 1)	Total	Adjustments (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 reporting segments.
2. Breakdown of adjustments
(13) million yen included in "Adjustments" for "Segment profit" is inter-segment transactions.
3. "Segment profit" reconciles to operating profit disclosed in the consolidated statement of profit or loss.

FY2019 Third Quarter (April 1, 2018- December 31, 2018)

(Millions of yen)

	Automobile	Materials Handling Equipment	Textile Machinery	Others (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)	
Sales								
Outside customer sales	448,422	1,078,146	57,650	45,608	1,629,827	—	1,629,827	
Inter-segment transactions	24,070	1,198	179	19,597	45,045	(45,045)	—	
Total	472,492	1,079,344	57,829	65,205	1,674,873	(45,045)	1,629,827	
Segment profit	2,159	85,284	6,156	4,336	97,936	5	97,941	
Financial income								74,832
Financial expenses								(7,431)
Share of profit (loss) of investments accounted for by the equity method								740
Profit before income taxes								166,083

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