

FY2019 Financial Results

May 8, 2019



I. Financial Summary

1. Points of financial results
2. Financial results for FY2019
3. Financial forecast for FY2020

Points of Financial Results for FY2019

1. Net sales increased while profit decreased from previous fiscal year. Without one-time factor in previous fiscal year, achieved increase in both net sales and profit.

2. Dividends for FY2019 is ¥155, ¥5 increase from previous fiscal year. Plan of dividends for FY2020 is ¥160, ¥5 increase.

3. Increase in net sales and profits is expected for the FY2020 forecast.

Performance <FY2019>

(Billion yen)

	FY2018	FY2019	Change	
Net sales	2,003.9	2,214.9	211.0	10.5%
Operating profit	147.4	134.6	(12.8)	(8.7%)
Profit before income taxes	209.8	202.2	(7.6)	(3.6%)
Profit attributable to owners of the parent	168.1	152.7	(15.4)	(9.2%)
Earnings per share	¥541.67	¥491.97	(¥49.70)	-
Dividends per share [Year end]	¥150 [¥80]	¥155 [¥80]	¥5 [¥-]	- [-]
Payout ratio	27.7%*	31.5%	-	-

* 30.4% if the effect of the US Tax Cuts and Jobs Act is not counted.

¥/US\$	¥111	¥111	¥0	-
¥/Euro	¥130	¥128	(¥2)	-

- Net sales increase thanks to favorable results in Materials Handling Equipment segment including increase of unit sales, sales increase of overall value chain, and growth of logistics solutions.
- Profit decrease due to one-time effect of changes in retirement benefit plan in the previous fiscal year.
- Dividends for FY2019 is ¥155, ¥5 increase from previous fiscal year.

Segment Information <FY2019>

Net sales [Operating profit] (Billion yen)

	FY2018	FY2019	Change	
Vehicle	72.1	82.4	10.3	14.3%
Engine	98.7	108.4	9.7	9.9%
Car Air-Conditioning Compressor	351.4	346.2	(5.2)	(1.5%)
Electronics parts, Foundry and others	72.7	73.6	0.9	1.2%
Automobile	595.0 [29.6]	610.7 [6.8]	15.7 [(22.8)]	2.6%
Materials Handling Equipment	1,283.0 [104.9]	1,466.6 [114.6]	183.6 [9.7]	14.3%
Textile Machinery	65.5 [6.1]	76.3 [7.3]	10.8 [1.2]	16.5%
Others	60.3 [6.6]	61.2 [5.9]	0.9 [(0.7)]	1.4%
Total	2,003.9 [147.4]	2,214.9 [134.6]	211.0 [(12.8)]	10.5%

Unit sales

(Thousand units)

	FY2018	FY2019	Change
RAV4	205	235	30
Vitz (Yaris)	93	50	(43)
Vehicle	298	285	(13)
Diesel	330	375	45
Gasoline	244	218	(26)
Engine	574	593	19
Car Air-Conditioning Compressor	33,420	32,980	(440)
Materials Handling Equipment*	277	300	23
Air-jet loom	6.3	9.0	2.7

* Sales units figures include Tailift.

Vehicle :Net sales increased as production of new RAV4 commenced.

Engine :Net sales increased by unit sales increase of A25A gasoline engines and GD diesel engines.

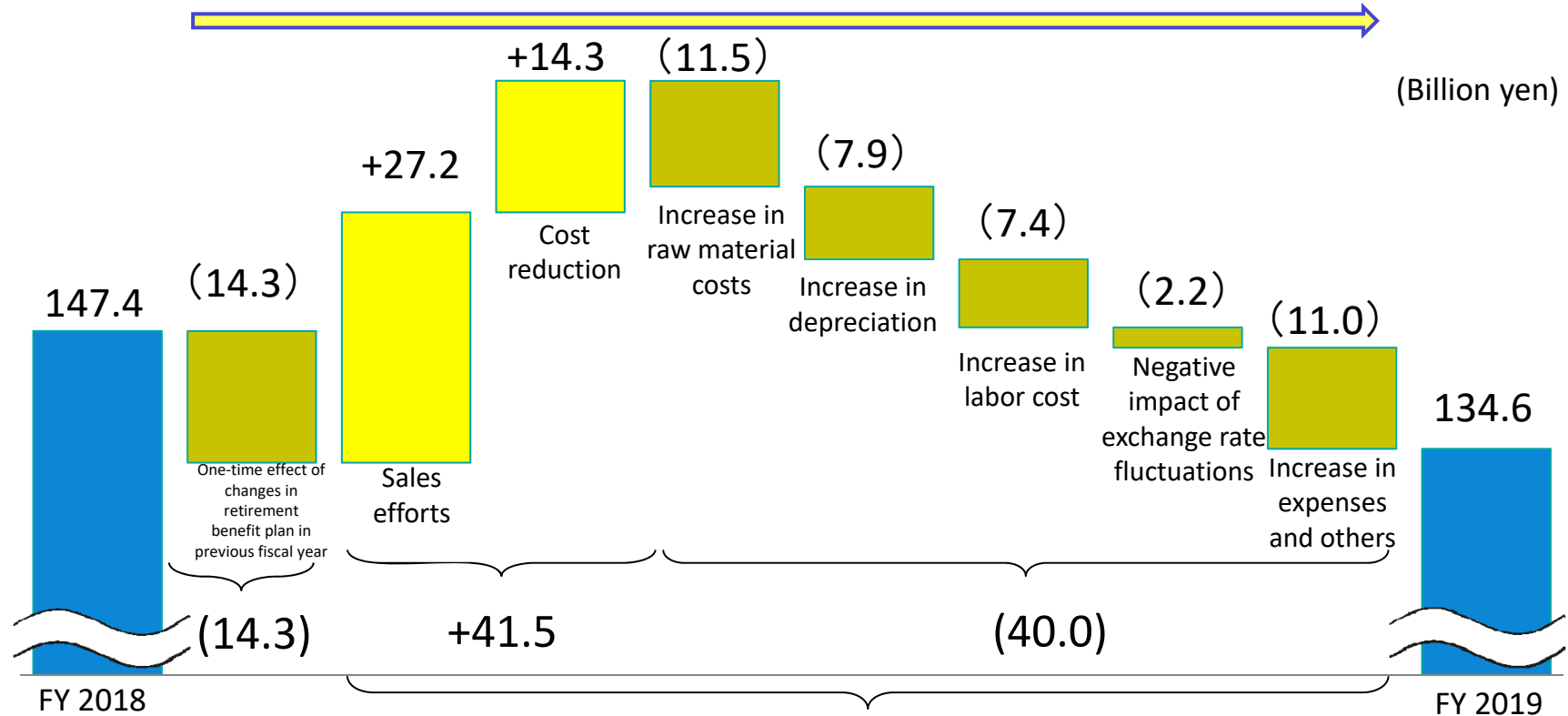
Car Air-Conditioning Compressor :Net sales decreased as unit sales in Europe and Japan decreased, although unit sales in emerging countries including China increased.

Materials Handling Equipment :Net sales increased by unit sales increase in each region as well as sales increase of logistics solutions business.

Changes in Operating Profit

Year-on-year comparison (FY2018 and FY2019)

Operating profit: ¥12.8 billion decrease (from ¥147.4 billion to ¥134.6 billion)



¥1.5 billion of substantial profit increase

- Increases of raw material costs and in depreciation as well as changes in retirement benefit plan in the previous fiscal year negatively affected on profit, offsetting sales efforts and cost reduction of each business.

Performance <FY2019>

(Billion yen)

	FY2018	FY2019	Change	
Investments in tangible assets	115.4	113.7	(1.7)	(1.5%)
Depreciation	77.7	85.6	7.9	10.2%

- Investments in tangible assets in total remain the same as the previous fiscal year, as although those in the Vehicle business decreased, those in the Engine and Car-Air Conditioning Compressor businesses increased.

Performance <FY2019>

(Billion yen)

	As of March 31, 2018	As of March 31, 2019	Change	
Total assets	5,258.5	5,261.1	2.6	0.1%
Total equity	2,633.8	2,561.9	(71.9)	(2.7%)
Equity attributable to owners of the parent per share	¥8,223.82	¥7,986.59	(¥237.23)	-
Percentage of equity attributable to owners of the parent	48.6%	47.1%	-	-
Consolidated subsidiaries	254	254	-	-

- Total assets remain the same as the previous fiscal year, as trade receivables increased while the market value of investment securities decreased.

Performance <FY2020 Forecast>

(Billion yen)

	FY2019	FY2020	Change	
Net sales	2,214.9	2,300.0	85.1	3.8%
Operating profit	134.6	145.0	10.4	7.7%
Profit before income taxes	202.2	208.0	5.8	2.9%
Profit attributable to owners of the present	152.7	157.0	4.3	2.8%
Earnings per share	¥491.97	¥505.66	¥13.69	-
Dividends per share [Year-end]	¥155 [¥80]	¥160 [¥80]	¥5 [¥-]	- -
Payout ratio	31.5%	31.6%	-	-
¥/US\$	¥111	¥110	(¥1)	-
¥/Euro	¥128	¥125	(¥3)	-

Segment Information <FY2020 Forecast>

Net sales [Operating profit]

(Billion yen)

	FY2019	FY2020	Change	
Vehicle	82.4	76.0	(6.4)	(7.8%)
Engine	108.4	130.0	21.6	19.9%
Car Air-Conditioning Compressor	346.2	350.0	3.8	1.1%
Electronics parts, Foundry and others	73.6	73.0	(0.6)	(0.8%)
Automobile	610.7 [6.8]	629.0	18.3	3.0%
Materials Handling Equipment	1,466.6 [114.6]	1,549.0	82.4	5.6%
Textile Machinery	76.3 [7.3]	62.0	(14.3)	(18.8%)
Others	61.2 [5.9]	60.0	(1.2)	(2.0%)
Total	2,214.9 [134.6]	2,300.0 [145.0]	85.1 [10.4]	3.8%

Unit sales

(Thousand units)

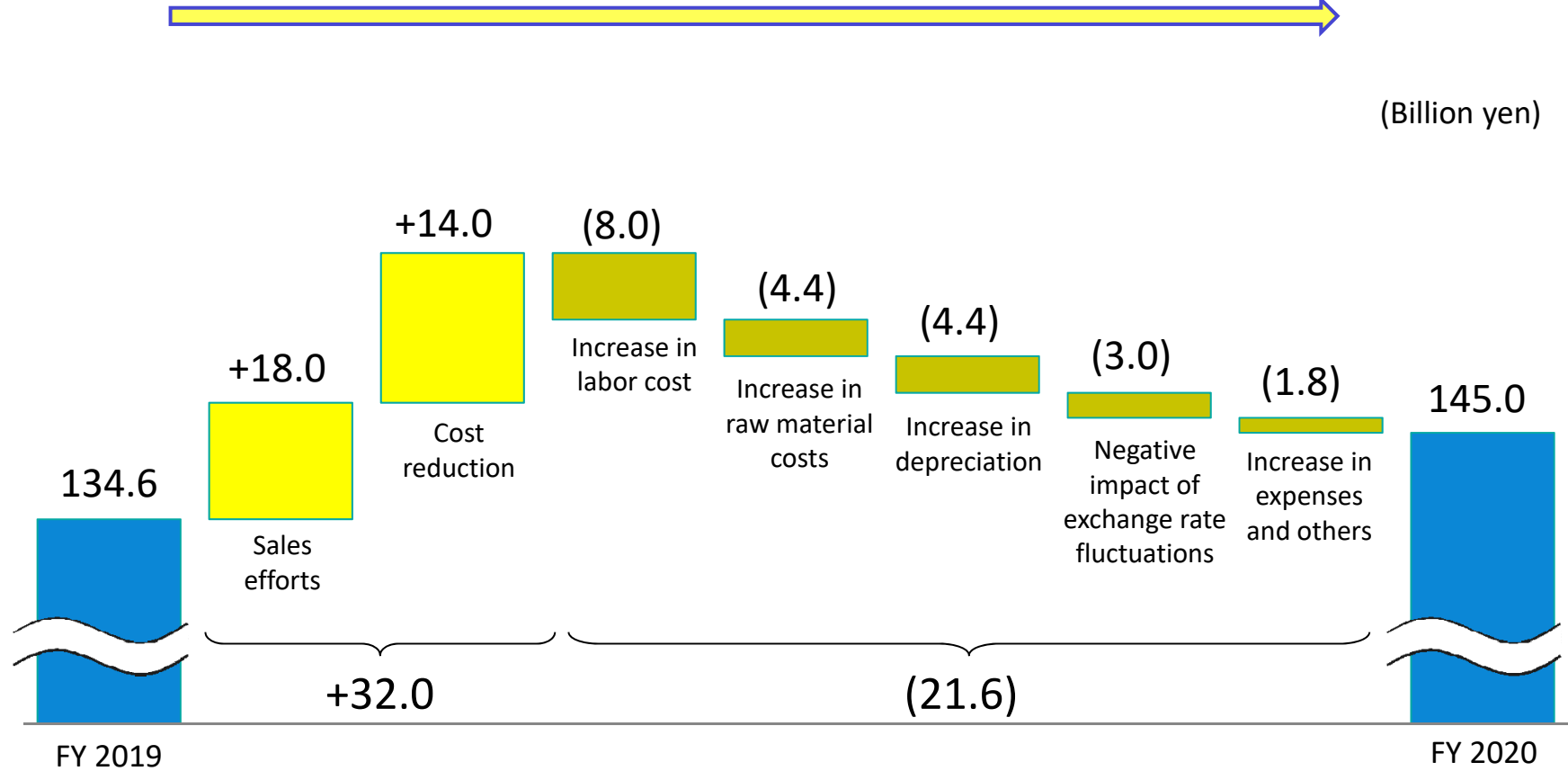
	FY2019	FY2020	Change
RAV4	235	275	40
Vitz (Yaris)	50	-	(50)
Vehicle	285	275	(10)
Diesel	375	429	54
Gasoline	218	399	181
Engine	593	828	235
Car Air- Conditioning Compressor	32,980	34,000	1,020
Materials Handling Equipment*	300	306	6
Air-jet loom	9.0	5.7	(3.3)

* Sales units figures include Tailift.

Changes in Operating Profit

Year-on-year comparison (FY2019 full year and FY2020 full year forecast)

Operating profit: ¥10.4 billion increase (from ¥134.6 billion to ¥145.0 billion)



Performance <FY2020 Forecast>

(Billion yen)

	FY2019	FY2020	Change	
Investments in tangible assets	113.7	105.0	(8.7)	(7.7%)
Depreciation	85.6	90.0	4.4	5.1%

II. Revision of Corporate Vision

1. Review of Vision 2020

1) Summary of the Vision

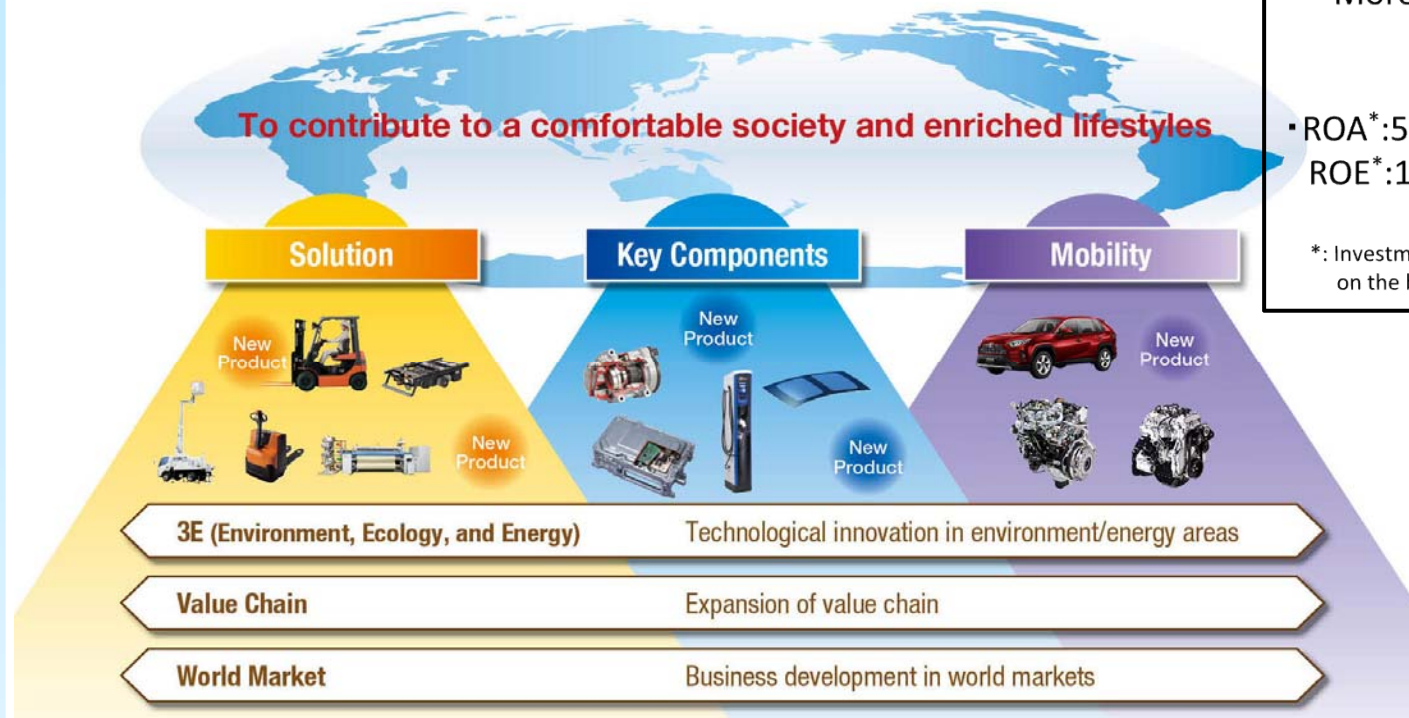
Vision 2020 (Formulated in October 2011)

Support industries and social foundations around the world by continuously supplying products/services that anticipate customers' needs in order to contribute to a comfortable society and enriched lifestyles

<Numerical Targets>

- Net sales:
More than ¥3,000 billion
- Operating profit:
More than ¥200 billion
(7%)
- ROA*:5%
- ROE*:10%

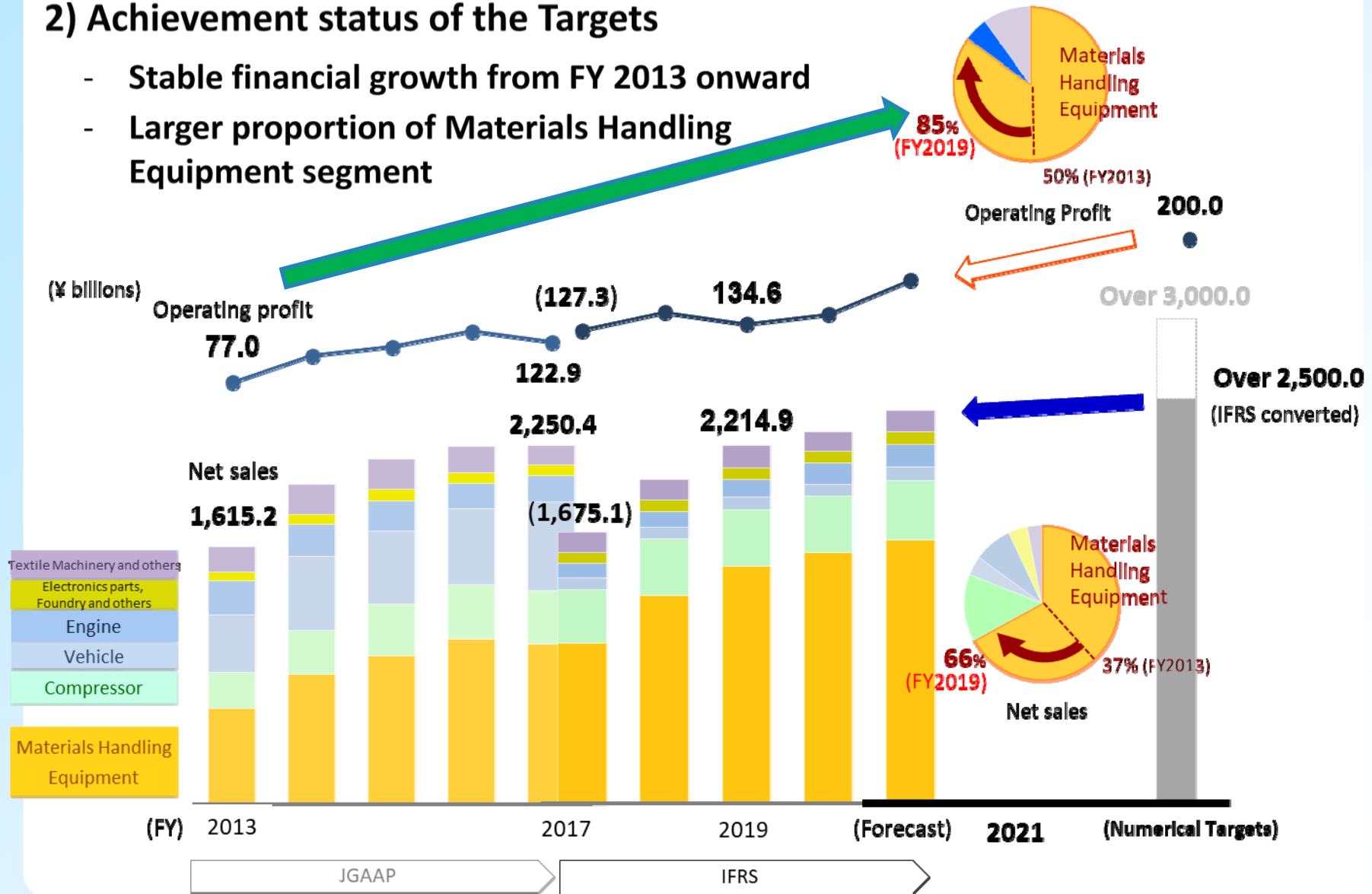
*: Investment securities are calculated on the basis of their purchase prices.



1. Review of Vision 2020

2) Achievement status of the Targets

- Stable financial growth from FY 2013 onward
- Larger proportion of Materials Handling Equipment segment



1. Review of Vision 2020

3) Major initiatives and future challenges

Investments to create growth structure preceded in each business (preparation period)

Growth strategies	Materials Handling Equipment / Logistics	Car Air-conditioning Compressor	Vehicle	Engine	Car Electronics	Textile Machinery	Others
3E	FC lift truck, LIB lift truck	Electric compressor	Production of HEVs	Clean diesel	PCU parts/Assembly	JAT 810	Automotive battery
	Hybridsystem for construction machineries	Air compressor for FCVs	Highly environmental efficient manufacturing lines	Industrial engines without DPF			CFRP
Value Chain	Acquisition of dealers in Europe and North America	In-house development of inverters for electric driven vehicles	Special edition of Vitz	Increase of own purchasing parts		Acquisition of Uster	
	Acquisition of Cascade		Plastic glazing	Turbochargers			
	Acquisition of materials handling equipment business of a U.S. France subsidiary of TMC						
World Market	Sales expansion in emerging markets	Business expansion in emerging markets	Global supports for development and manufacturing preparation of RAV4	Initiation of production in India	Sales enhancement in North America		
	Reinforcement of business in South America	Reinforcement of China business			Sales enhancement in Europe		
	Acquisition of lift truck business of Tailift						
	Acquisition of Bastian and Vanderlande						



Aim for financial growth by maximizing the results leveraging this structure

(harvest period)

2. Revision to Vision 2030

1) Background of revision

External

- Tide of the fourth industrial revolution such as AI, big data, IoT and robotics
- Increase of geopolitical risks as trade issues and regional conflicts
- Greater social demand for non-financial results including ESG and SDGs

Internal

- Expanded TICO Group structure and business

2) Basic ideas

- Vision is a guideline of mid- to long-term aspired direction, and fundamentals remain the same
- Based on the previous Vision, minor revision is made as necessary considering recent external and internal changes

3. Vision 2030

1) Concept behind the new Vision

- Since its establishment in 1926, TICO has always entered into new business domains



Type G automatic loom



S type gasoline engine



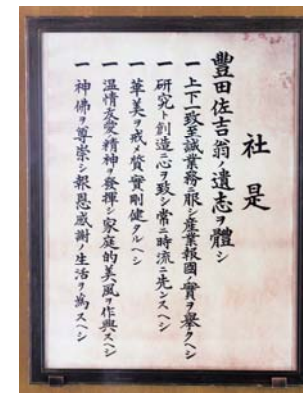
LA type internal combustion lift truck



Publica pickup

Fixed displacement type car air-conditioning compressor

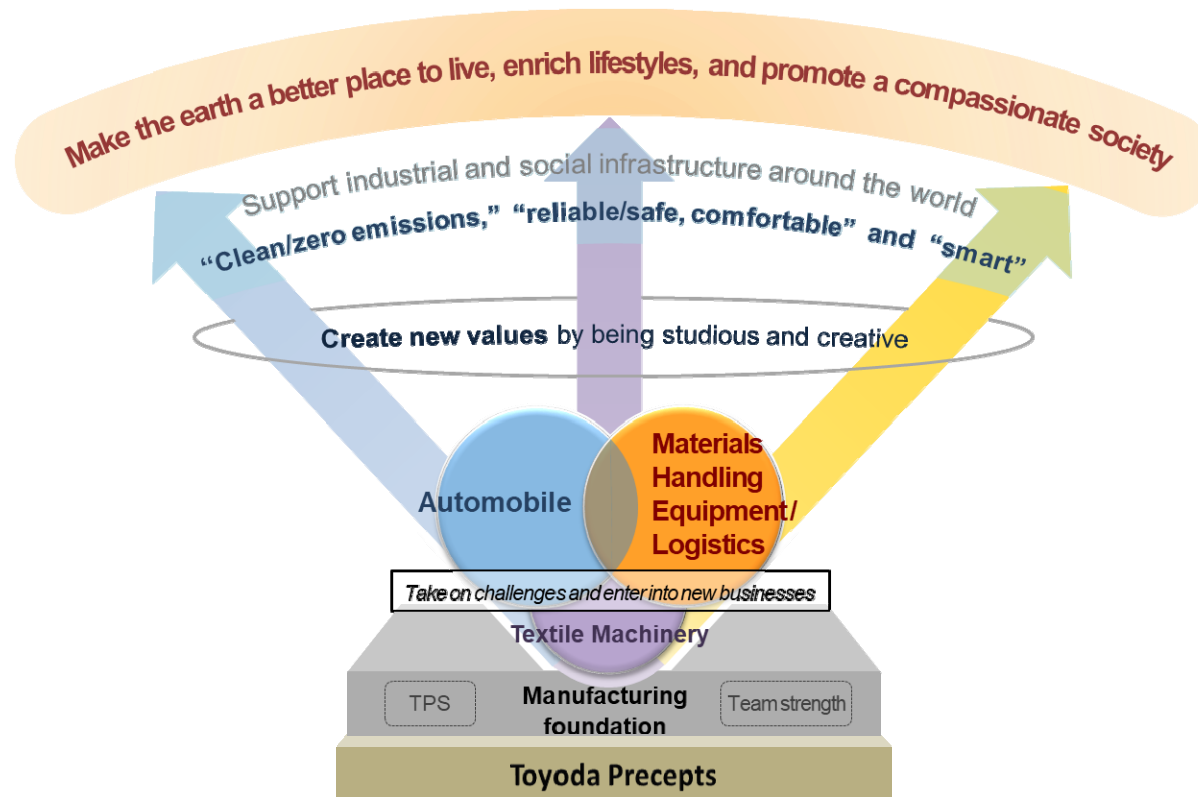
- The Toyota Precepts will always remain as the cornerstone of our business operations



3. Vision 2030

2) Overview of the new Vision

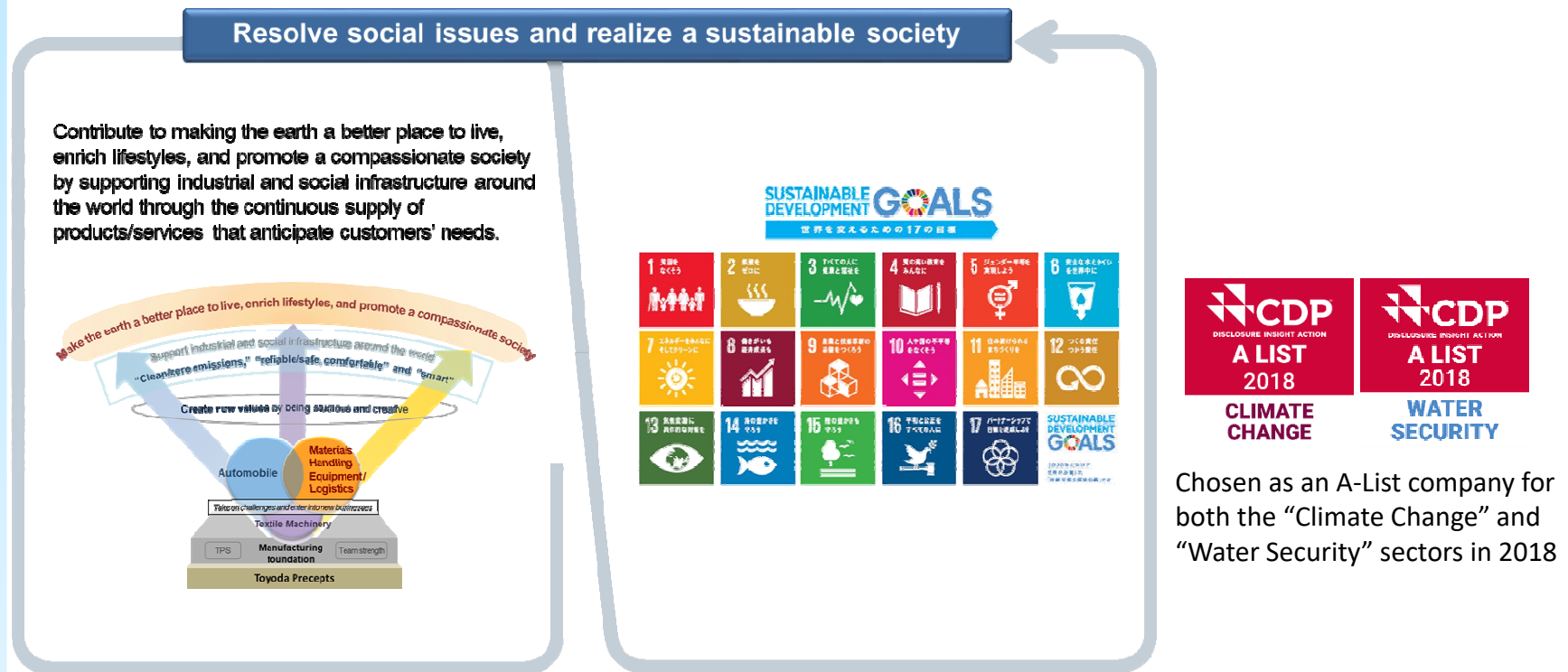
Contribute to making the earth a better place to live, enrich lifestyles, and promote a compassionate society by supporting industrial and social infrastructure around the world through the continuous supply of products/services that anticipate customers' needs.



3. Vision 2030

3) Our approach for realization of a sustainable society

TICO Group contributes towards the achievement of the United Nations' Sustainable Development Goals (SDGs) by striving to resolve social issues through corporate activities.



3. Vision 2030

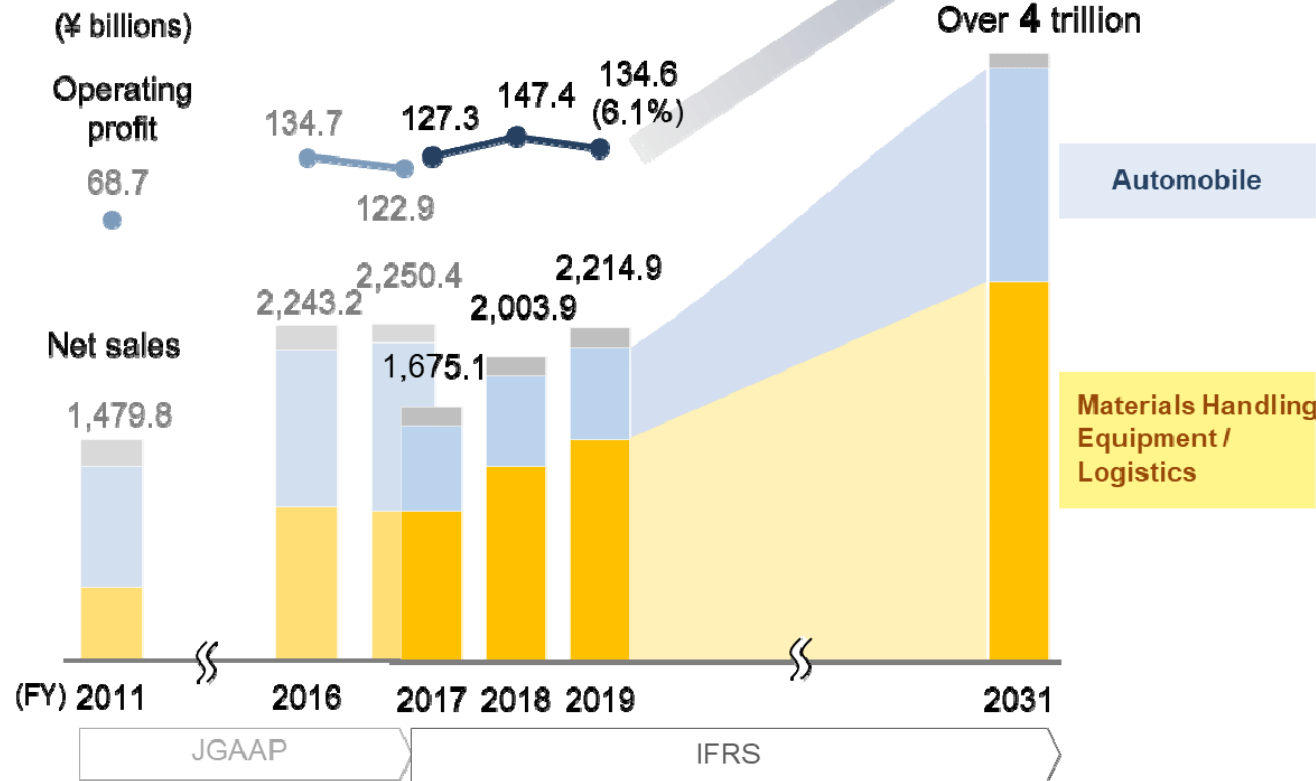
4) Numerical targets of the new Vision

FY 2031

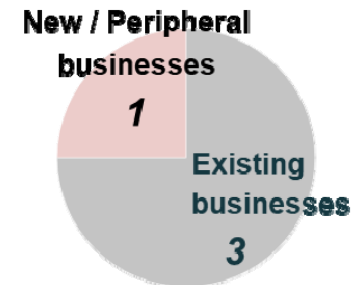
- Net sales over **¥4 trillion**
- Operating profit over **¥400 billion**
- Operating profit margin **10%**
- ROA* **5%** or more, ROE* **10%** or more

* Investment securities are calculated on the basis of purchase prices.

*Be in harmony with society
and create sustainable growth*



Aspirational business composition in FY2031



III. Our Business Initiatives

Materials Handling Equipment

Car Air-Conditioning Compressor

Vehicle / Engine

Textile Machinery

1. Surrounding Environment
2. Products and Services
3. Business Portfolio
4. Strengths of Lift Truck Business
5. Strengths of Logistics Solutions Business
6. Case Examples
7. Mid- to Long-term Business Growth

Materials Handling Equipment

1. Surrounding Environment

Quantitative and qualitative expansion of roles of logistics

- ✓ Increase of logistics volume backed by global business growth
- ✓ Growth of needs for more efficient logistics
 - Labor shortage centered on developed countries
 - Increase of labor cost in developing countries
 - Tightening of regulations i.e. energy saving, safety, work rules

Growth of e-commerce market

Better Convenience

Increase of large distribution centers and growth in size

Process of wide variety of goods in small quantities

Smaller package

Increase of logistics volume

Frequent dispatch and delivery

Intensifying move of people and goods

Increase of air flights and baggage

Expansion of existing airports, construction of large airports

Increase of land and sea cargo transports

Materials Handling Equipment

2. Products and Services

Total offering of equipment and system used at logistics sites

Lift truck and various equipment



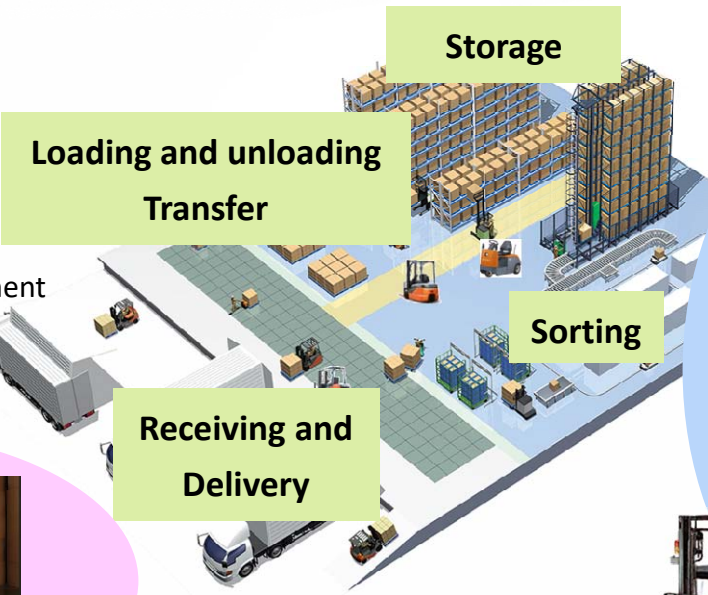
Internal combustion lift truck

Electric lift truck



Reach type electric lift truck

Warehouse equipment



Shuttle type AS/RS*



Sorter



Unit type AS/RS



Software



Automatic lift truck

Automatic Guided Vehicle

Logistics solutions



After-sales services
Spare parts



Fleet management
Warehouse management
Telematics

Value chain



Sales finance



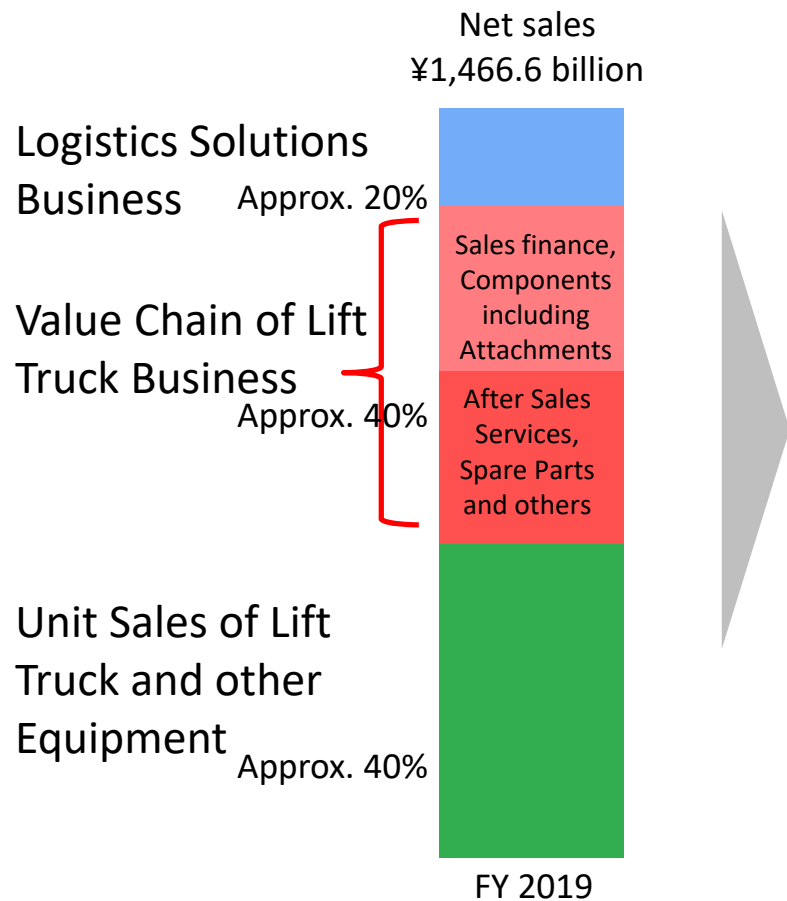
Components such as attachments

*: Automatic Storage and Retrieval System

Materials Handling Equipment

3. Business Portfolio

Pursue stable business growth in tandem with flow- and stock-type businesses



Logistics Solutions

- Advantages in e-commerce and baggage handling fields that are less affected by fluctuations of economy

Value Chain

- Stable earnings and gaining after sales services contracts through sales finance
- Retention of customers by after sales services leveraging global networks
- Leading market share and high profitability of attachment business based on customization capability

Lift Truck

- Boost-up of demand due to labor cost increase in developing countries, and labor shortage in developed countries
- Strong demand thanks to its flexibility, regardless of customer's business or way of use

Materials Handling Equipment

4. Strengths of Lift Truck Business

<Equipment>

- ✓ Differentiation of product capability by in-house development of key components
- ✓ Broad product lines including market leading lift trucks

<After Sales Services>

- ✓ Well experienced service technician with high skills
- ✓ Efficient and advanced fleet management as well as services by utilizing IT

<Components>

- ✓ Customization capability utilizing the advantage of wide variety of customer base in attachment business

<Sales Finance>

- ✓ Supporting customers for life-cycle of products

<Network>

- ✓ Well-developed sales and after sales services network throughout the world

<Solution Capability>

- ✓ Solution offering at operational fields based on long-term experience and TPS*

*: Toyota Production System

Initiatives for the growth

By leveraging our comprehensive strength of value chain as a whole, aim further business growth in collaboration with our Logistics Solutions Business

Materials Handling Equipment

5. Strengths of Logistics Solutions Business



<Products>
✓ Wide range of logistics systems

<System Capability>
✓ Superior software development capability

<Network>
✓ Operational structure with global coverage

<Customer Industries>
✓ Well-balanced customer industries as e-commerce, parcels and airports

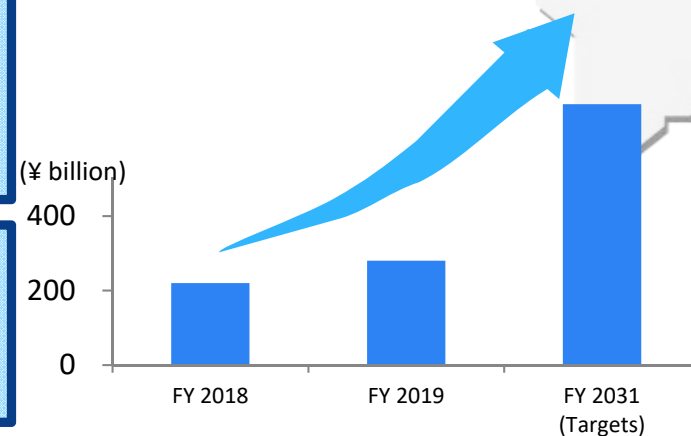
<Collaboration>
✓ Synergy effects of three complementary companies
✓ Collaboration with market leading Lift Truck Business

Initiatives for the growth

Maximize synergy effects by cooperation between the three companies and clarification of roles, such as areas and customer's industry and size, in consideration of each company's strengths

Acceleration of development of autonomous driving as core technology

Net Sales of Logistics Solutions Business



Materials Handling Equipment

6. Case Examples

Development of autonomous driving technology for practical use

1) Autonomous vehicle of baggage handling system



Starts practical use at Rotterdam The Hague Airport, trial use at Hong Kong International Airport

2) Automatic driving tow tractor



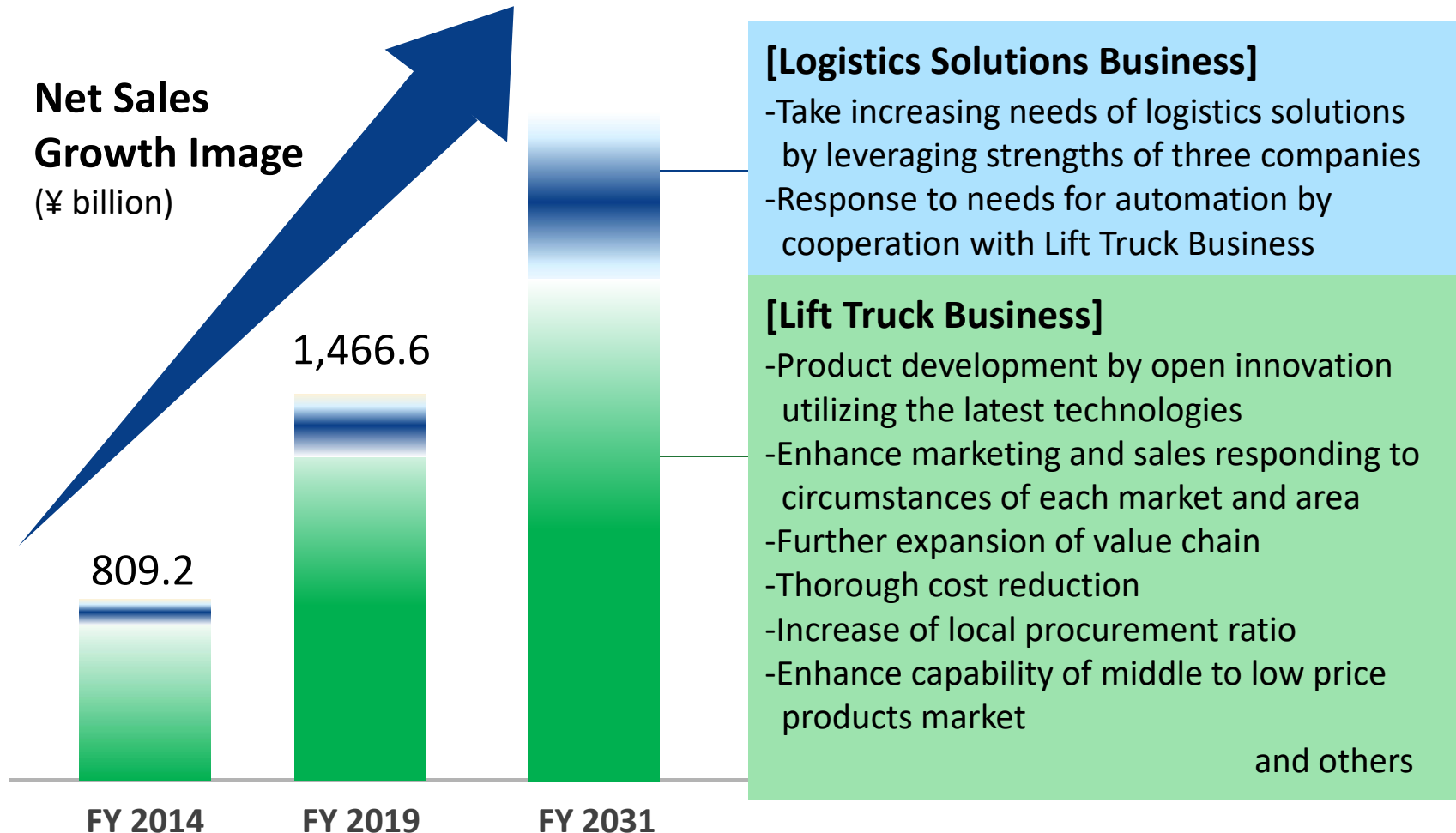
Conducts test driving at the Saga Airport in Japan in March 2019, continues further development aiming practical use in 2020

Materials Handling Equipment

7. Mid- to Long-term Business Growth

Aim for global No.1 comprehensiveness by further enhancing strengths of both Lift Truck and Logistics Solutions Businesses while accelerate collaboration of the two businesses

Net Sales
Growth Image
(¥ billion)



III. Our Business Initiatives

Materials Handling Equipment

Car Air-Conditioning Compressor

Vehicle / Engine

Textile Machinery

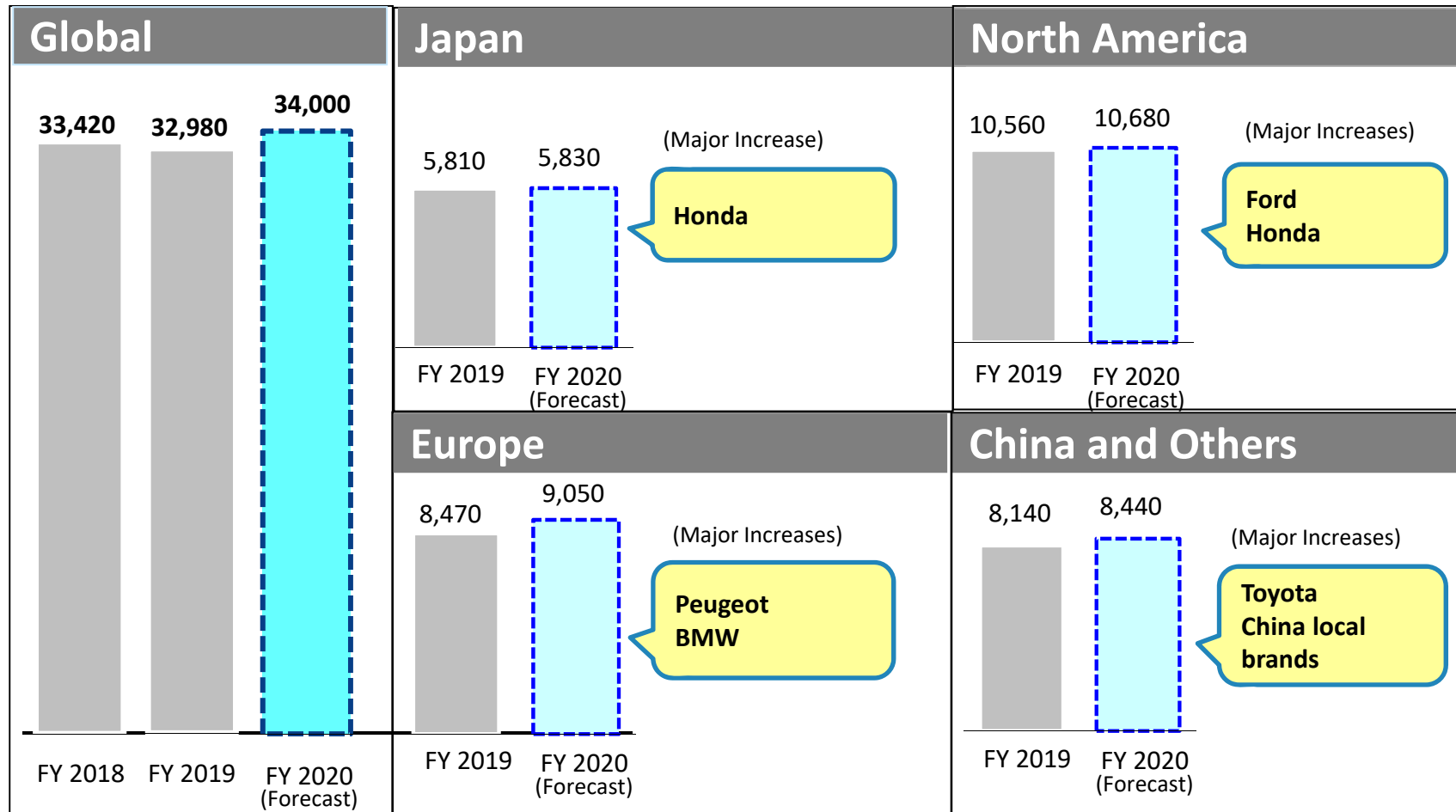
- 1. Our Compressor Sales and Forecast**
- 2. Compressor Market and our Initiatives**
- 3. Initiatives of R&D**
- 4. Initiatives of Production**
- 5. Mid- to Long-Term Initiatives**

Car Air-Conditioning Compressor

1. Our Compressor Sales and Forecast

While automobile sales growth slows down, aim for further sales expansion centered on North America, Europe and China and Others regions backed by past increase of order intake

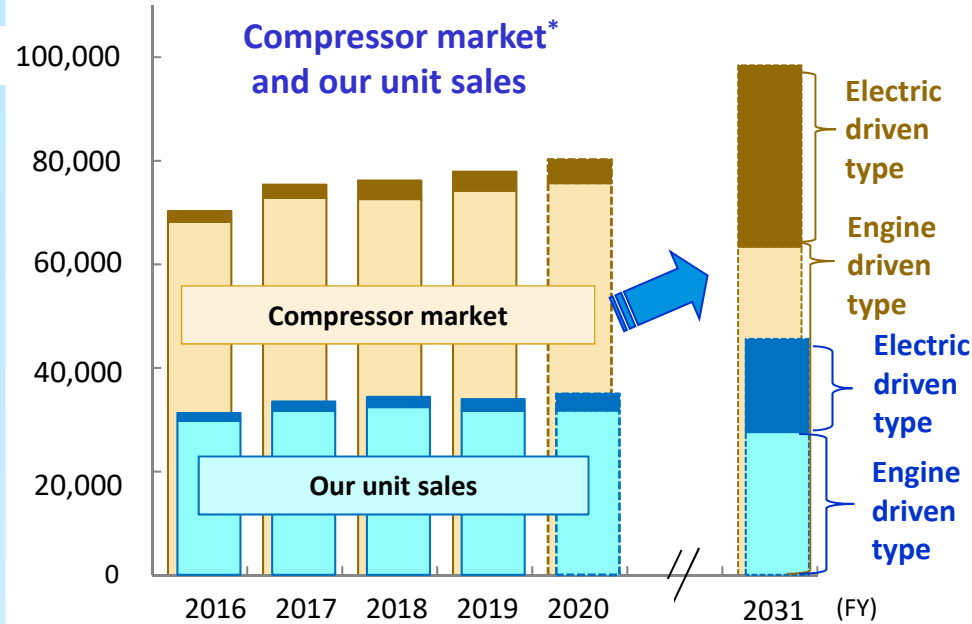
(Thousand units)



Car Air-Conditioning Compressor

2. Compressor Market and Our Initiatives

(Thousand units)



*: Estimate by TICO

Market trend

- Sustainable growth of compressor market is expected
 - Increase of automobile sales
 - Increase of car-air conditioner fitted ratio
- Although electrification of automobile is expected in mid- to long-term, its pace is uncertain

Our initiatives

[R&D] Introduce such electrical type with low radio wave noise and superior in quietness into European and Chinese markets.

[Production] Build stronger production structure responding to volume fluctuations of fixed-displacement, variable-displacement and electric types with minimum investments.

Car Air-Conditioning Compressor

3. Initiatives of R&D

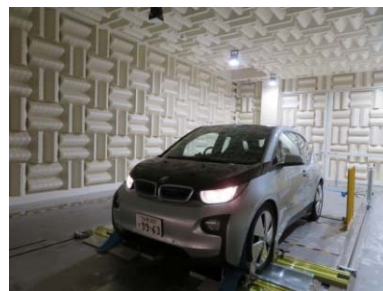
Differentiation of R&D processes to meet respective needs of electric driven vehicles from HEVs to EVs

Common initiatives for all HEVs, PHEVs and EVs

Pursuance of quietness

- Sensory assessment of quietness through actual driving in the proving ground
- Quantitative experiment of quietness in the insulated wind tunnel experiment facility that recreates the actual driving conditions

[Newly opened Kameyama Proving Ground]



Initiatives focused on PHEVs and EV

Reduction of radio wave noise

- Leveraging our simulation technology, swiftly conduct vehicle conformance designing for various types of vehicles on radio wave noise which is typical for EVs
- Proposal of problem solution procedure to car manufacturer by leveraging analytic capability built through development of variety of electric types

[Analysis]



[Radio wave anechoic chamber]



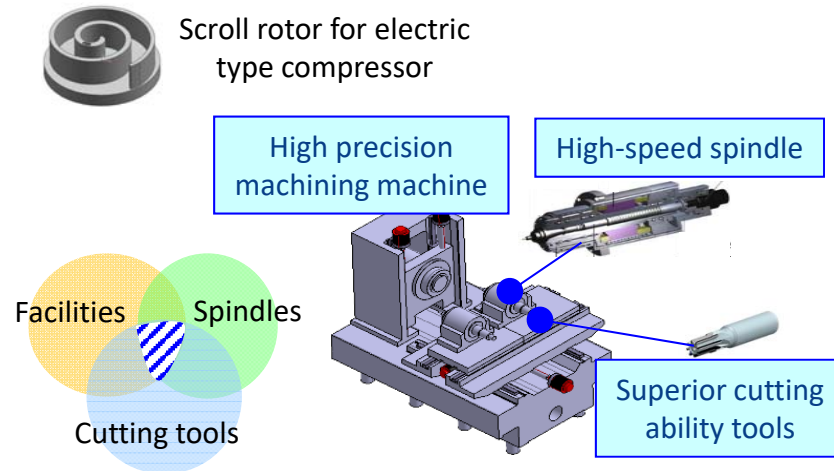
Car Air-Conditioning Compressor

4. Initiatives of Production

Flexibly respond to volume fluctuations of compressors for both engine- and electric-driven vehicles

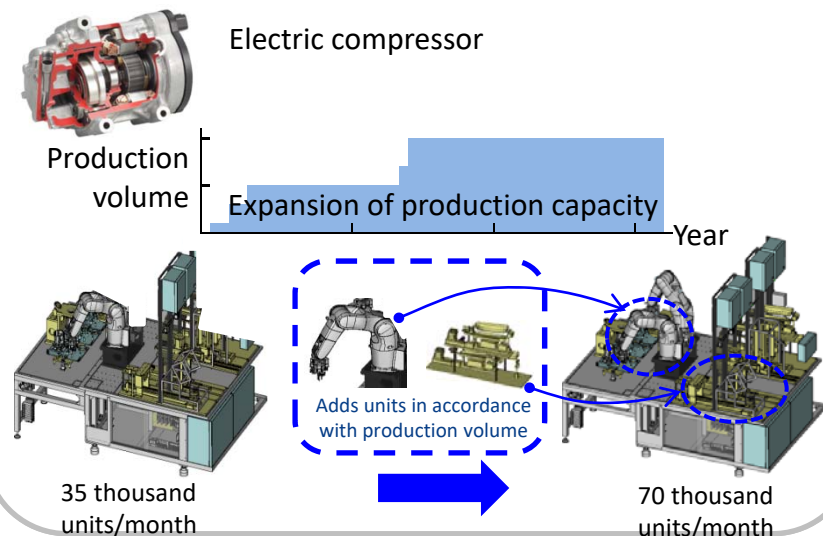
Further precise machining that is also important for electric type

-Realizing high-speed and highly precise machining by in-house spindles, cutting tools and production facilities



Response to production increase with minimum investment

-Established gradual production expansion structure by adding certain units in production lines



Car Air-Conditioning Compressor

5. Mid- to Long-Term Initiatives

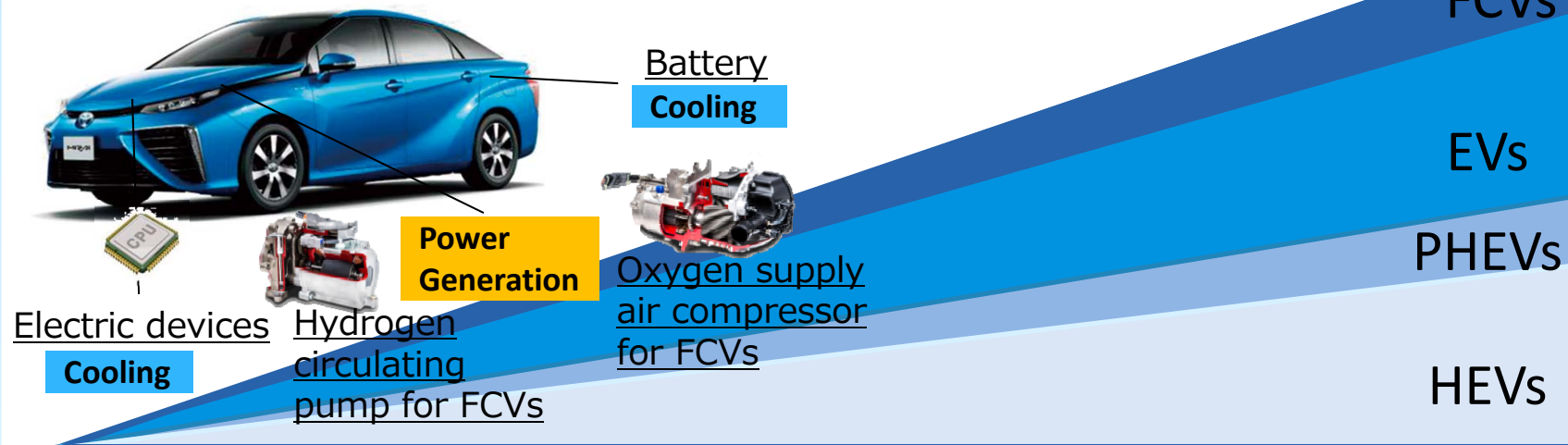
Expansion of business field by leveraging core technologies

-Increase of importance of cooling such components as electric devices and batteries which generate heat

▶ **Maximize function of electric devices by superior cooling performance**

-Change of element technologies for driving

▶ **Utilize our core technologies such as compression aiming to expand our business field to driving components**



III. Our Business Initiatives

Materials Handling Equipment

Car Air-Conditioning Compressor

Vehicle / Engine

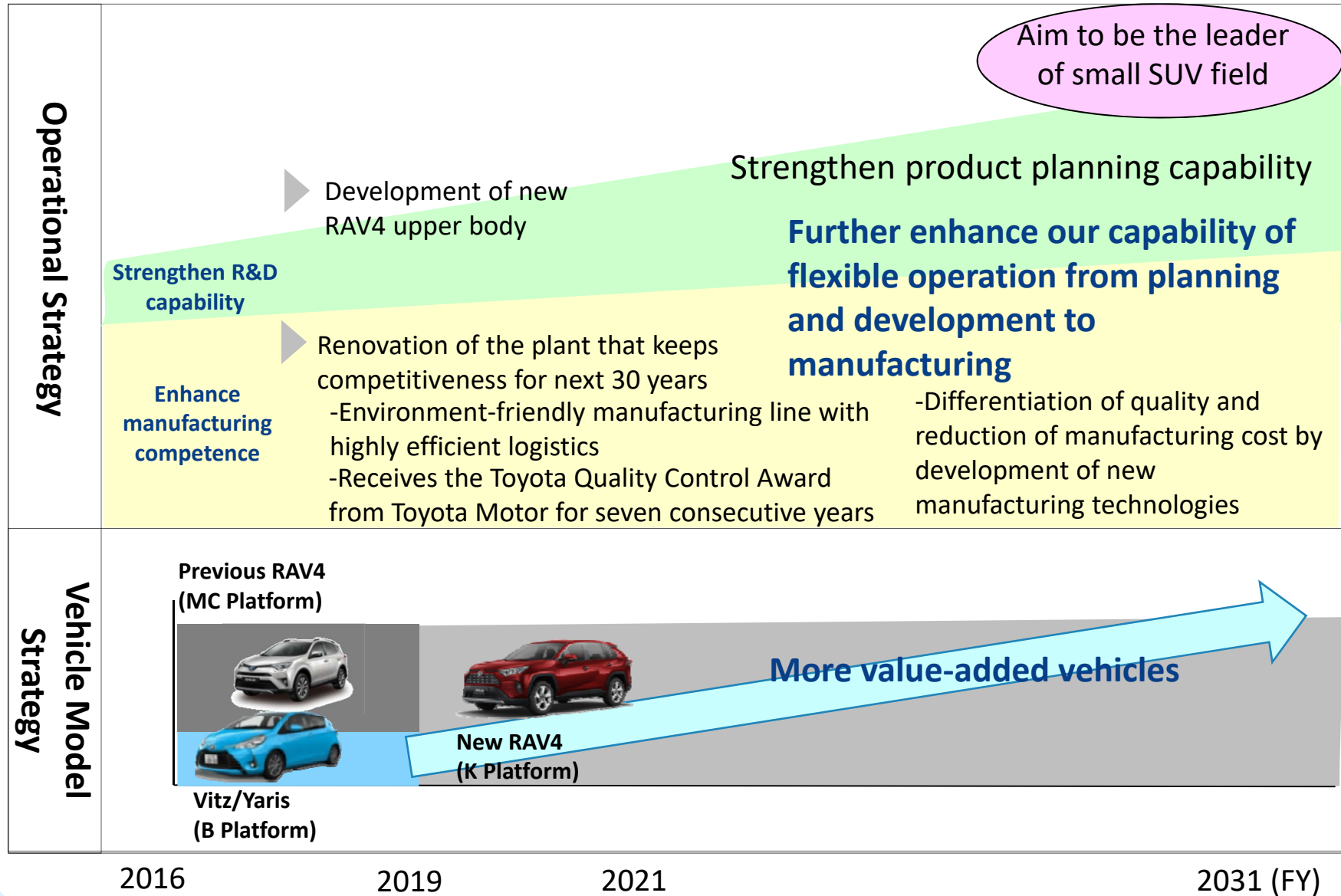
Textile Machinery

**Vehicle: Strengthen R&D capability based on
manufacturing competence**

**Engine: Enhancement of competence of engines
including turbo chargers**

Vehicle

Strengthen R&D capability based on manufacturing competence



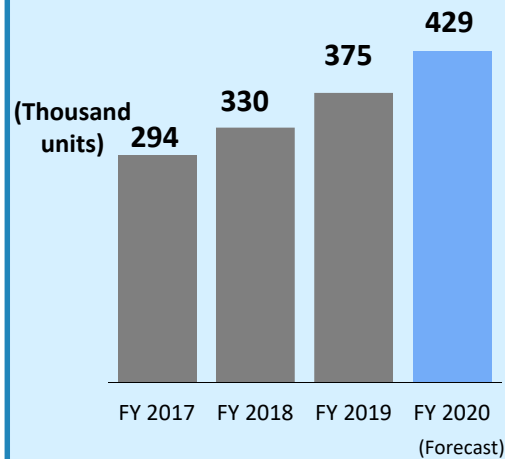
Aim to be the leader of small SUV field

Engine

Enhancement of competence of engines including turbo chargers

Diesel Engines

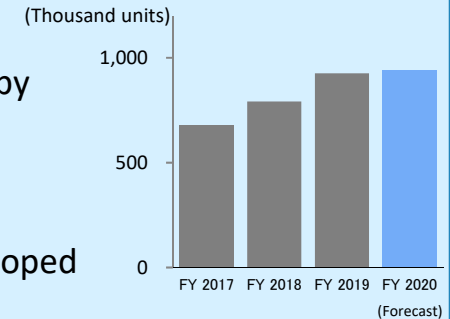
- Response to continuous demands for commercial vehicles and SUVs in emerging countries
- Expansion of production capacity of GD type
- Further improvement of development and production efficiency by consolidating the business from TMC
- Development of next generation engines anticipating zero emission



GD type diesel engine

Turbo Chargers

- Enhancement of product competitiveness
- Increase of vehicles mounting diesel engines fitted with our turbocharger
- Entry into gasoline engine field
- Sales expansion to auto makers other than TMC
- Product differentiation by technological development together with in-house developed engine



Turbo Chargers

Gasoline Engines

Gasoline Engines

- Increase of manufacturing units of TNGA engines which succeeds AR type
- Challenge into product development



TNGA gasoline engine

III. Our Business Initiatives

Materials Handling Equipment

Car Air-Conditioning Compressor

Vehicle / Engine

Textile Machinery

Our Air Jet Loom Expanding Needs of Use

Textile Machinery

Our Air-Jet Loom Expanding Needs of Use

-Leveraging its quality, our air-jet loom expands its use to industrial fabrics

Blow weft yarn with high accuracy, and weave high quality printed board cloth

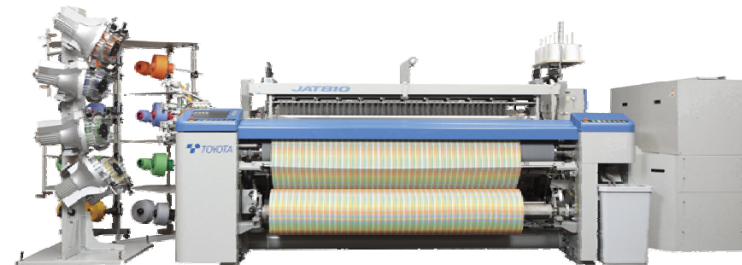
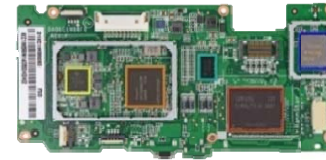
Applicable to wide range of materials for air bags and tents and others

-Demand increase due to more stringent regulations for discharged water

Replacement from water-jet looms

Promote sales expansion activities by differentiating our superior environmental performance

Printed board for electric device



Air-jet loom

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.