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(Securities code: 6201)
May 25, 2021

To Shareholders with Voting Rights:

Akira Onishi
President, Member of the Board
Toyota Industries Corporation
2-1, Toyoda-cho, Kariya-shi, Aichi, Japan

Notice of the 143rd Ordinary General Meeting of Shareholders

Dear Shareholders:

The 143rd Ordinary General Meeting of Shareholders will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing by submitting the enclosed form or by electromagnetic means. Please review the Reference Documents for the General Meeting of Shareholders (described hereinafter), and exercise your voting rights by 5:00 p.m. on Wednesday, June 9, 2021, Japan time.

1. **Date and Time:** Thursday, June 10, 2021 at 10:00 a.m., Japan time

2. **Place:** Multipurpose Auditorium, Takahama Plant of the Company, located at 2-1-1 Toyoda-cho, Takahama-shi, Aichi, Japan

3. **Meeting Agenda:**

Matters to be reported: The Business Report, Consolidated and Non-consolidated Financial Statements for the 143rd Fiscal Year (April 1, 2020 - March 31, 2021) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements

Proposals to be resolved:

Proposal No. 1: Election of 8 Members of the Board
Proposal No. 2: Election of one Audit & Supervisory Board Member
Proposal No. 3: Election of one Substitute Audit & Supervisory Board Member
Proposal No. 4: Issuance of Directors' bonuses

- **For those attending, please submit the enclosed ballot form at the reception desk on arrival at the meeting.** You are also kindly requested to bring this Notice as meeting materials when you attend.
- If the main venue becomes full, we will direct you to the secondary venue.
- For the method of exercising voting rights in writing or by electromagnetic means (via the Internet, etc.), please refer to pages 9 - 10.
- If any revisions are made to the Reference Documents for the General Meeting of Shareholders or the attached documents, the revised contents will be posted on the Company's web site (https://www.toyota-industries.com/).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1 Election of 8 Members of the Board

The term of office of the incumbent Members of the Board will expire at the conclusion of 143rd Ordinary General Meeting of Shareholders. The Company proposes the election of 8 Members of the Board.

The candidates are as follows:

No.	Name (Date of birth)	Positions, Main areas in charge of the Company and Term of office as a Member of the Board	Career summary, Important concurrent duties and Reasons for nomination as a director candidate	Number of Board of Directors meetings attended	Number of Company shares held
1	Tetsuro Toyoda (August 23, 1945) Reappointed	[Positions] Chairman of the Board [Main areas in charge] — [Term of office as a Member of the Board] 30 years	[Career summary] Apr. 1970 Joined Toyota Motor Sales Co., Ltd. June 1991 Director of the Company June 1997 Managing Director of the Company June 1999 Senior Managing Director of the Company June 2002 Executive Vice President of the Company June 2005 President of the Company June 2013 Chairman of the Company (to the present) [Important concurrent duties] — [Reasons for nomination as a director candidate] Mr. Toyoda has been involved for many years in the management of the Company and Group companies in and outside Japan, which includes serving as president and chairman (current position) of the Company. We have determined that Mr. Toyoda can continue to properly execute business duties as a director based on his wealth of experience and expertise in overall corporate management and we request that he be elected.	10 out of 10 times (100%)	645,085 shares
2	Akira Onishi (January 4, 1958) Reappointed	[Positions] President, Member of the Board [Main areas in charge] — [Term of office as a Member of the Board] 16 years	[Career summary] Apr. 1981 Joined the Company June 2005 Director of the Company June 2006 Managing Director of the Company June 2008 Senior Managing Officer of the Company June 2010 Senior Managing Director of the Company June 2013 President of the Company (to the present) [Important concurrent duties] — [Reasons for nomination as a director candidate] Mr. Onishi has been involved in management of the Company as a director from 2005 and president (current position) from 2013. We have determined that Mr. Onishi can continue to properly execute business duties as a director based on his wealth of experience and expertise in overall corporate management and we request that he be elected.	10 out of 10 times (100%)	21,063 shares

No.	Name (Date of birth)	Positions, Main areas in charge of the Company and Term of office as a Member of the Board	Career summary, Important concurrent duties and Reasons for nomination as a director candidate	Number of Board of Directors meetings attended	Number of Company shares held
3	Takuo Sasaki (December 3, 1956) Reappointed	[Positions] Executive Vice President, Member of the Board [Main areas in charge] General Manager of Corporate Headquarters; In charge of Audit Dept., Corporate Planning Dept. and Legal Dept. [Term of office as a Member of the Board] 6 years	[Career summary] Apr. 1980 Joined Toyota Motor Co., Ltd June 2009 Managing Officer of Toyota Motor Corporation June 2011 President of Toyota Financial Services Corporation June 2011 Advisor of Toyota Motor Corporation Apr. 2013 Managing Officer of the same June 2015 Senior Managing Director of the Company June 2016 Member of the Board, Senior Managing Officer of the Company June 2018 Executive Vice President of the Company (to the present) [Important concurrent duties] Outside director of UMC Electronics Co., Ltd. [Reasons for nomination as a director candidate] Mr. Sasaki possesses abundant experience in accounting and financial departments at Toyota Motor Corporation and its overseas subsidiaries, and has also been involved in management of the Company as a senior managing director from 2015, and as executive vice president (current position) from 2018. We have determined that Mr. Sasaki can continue to properly execute business duties as a director based on his wealth of experience and expertise in overall corporate management and we request that he be elected.	10 out of 10 times (100%)	13,500 shares
4	Yojiro Mizuno (March 9, 1960) Reappointed	[Positions] Member of the Board, Senior Executive Officer [Main areas in charge] President of Toyota Material Handling Company; In charge of Logistics Solution Division [Term of office as a Member of the Board] 3 years	[Career summary] Apr. 1983 Joined the Company June 2010 Managing Officer of the Company June 2018 Member of the Board, Senior Managing Officer of the Company June 2019 Member of the Board, Senior Executive Officer of the Company (to the present) [Important concurrent duties] — [Reasons for nomination as a director candidate] Mr. Mizuno possesses abundant experience at the Company in the Global Human Resources Department and the Corporate Planning Department, including overseas subsidiaries. He has also been involved in management as a director (current position) from 2018. We have determined that Mr. Mizuno can continue to properly execute business duties as a director based on his wealth of experience and expertise in overall corporate management and we request that he be elected.	10 out of 10 times (100%)	12,900 shares

No.	Name (Date of birth)	Positions, Main areas in charge of the Company and Term of office as a Member of the Board	Career summary, Important concurrent duties and Reasons for nomination as a director candidate	Number of Board of Directors meetings attended	Number of Company shares held
5	Yuji Ishizaki (August 9, 1956) Reappointed	[Positions] Member of the Board, Senior Executive Officer [Main areas in charge] General Manager of Compressor Division [Term of office as a Member of the Board] 3 years	[Career summary] Apr. 1980 Joined the Company June 2012 Managing Officer of the Company June 2018 Member of the Board, Senior Managing Officer of the Company June 2019 Member of the Board, Senior Executive Officer of the Company (to the present) [Important concurrent duties] — [Reasons for nomination as a director candidate] Mr. Ishizaki possesses abundant experience at the Company in the Corporate Planning Department and the Purchasing Department. He has also been involved in management as a top manager of a U.S. subsidiary (car air-conditioning compressor manufacturing) for two years from 2010 and director (current position) from 2018. We have determined that Mr. Ishizaki can continue to properly execute business duties as a director based on his wealth of experience and expertise in overall corporate management and we request that he be elected.	10 out of 10 times (100%)	12,700 shares
6	Shuzo Sumi (July 11, 1947) Reappointed Outside Independent	[Positions] Member of the Board [Main areas in charge] — [Term of office as a Member of the Board] 7 years	[Career summary] Apr. 1970 Joined Tokio Marine June 2000 Director and Chief Representative in London, Overseas Division of the same June 2002 Managing Director of the same Oct. 2004 Managing Director of Tokio Marine & Nichido June 2005 Senior Managing Director of the same June 2007 President of the same June 2007 President of Tokio Marine Holdings June 2013 Chairman of the Board of Tokio Marine & Nichido June 2013 Chairman of the Board of Tokio Marine Holdings June 2014 Director of the Company (to the present) Apr. 2016 Senior Executive Advisor of Tokio Marine & Nichido (to the present) June 2019 Retiring Chairman of the Board of Tokio Marine Holdings [Important concurrent duties] Outside director of Sony Group Corporation [Reasons for nomination as an outside director candidate and expected role] Mr. Sumi possesses abundant experience as a manager for many years at Tokio Marine & Nichido Fire Insurance Co., Ltd. and Tokio Marine Holdings, Inc. We continuously request that he be elected as an outside director expecting his advices based on his wealth of experience and expertise in overall corporate management in the management of the Company.	9 out of 10 times (90%)	—

No.	Name (Date of birth)	Positions, Main areas in charge of the Company and Term of office as a Member of the Board	Career summary, Important concurrent duties and Reasons for nomination as a director candidate	Number of Board of Directors meetings attended	Number of Company shares held
7	Kenichiro Yamanishi (February 25, 1951) Reappointed Outside Independent	[Positions] Member of the Board [Main areas in charge] — [Term of office as a Member of the Board] 6 years	[Career summary] Apr. 1975 Joined Mitsubishi Electric Corporation Apr. 2006 Executive Officer of the same Apr. 2008 Senior Executive Officer of the same Apr. 2010 Representative Executive Officer, President & CEO of the same June 2010 Director, Representative Executive Officer, President & CEO of the same Apr. 2014 Chairman of the same June 2015 Member of the Board of the Company Apr. 2018 Director & Executive Corporate Advisor of Mitsubishi Electric Corporation June 2018 Executive Corporate Adviser of Mitsubishi Electric Corporation (to the present) [Important concurrent duties] Executive Corporate Adviser of Mitsubishi Electric Corporation [Reasons for nomination as an outside director candidate and expected role] Mr. Yamanishi possesses abundant experience as a manager for many years at Mitsubishi Electric Corporation. We continuously request that he be elected as an outside director expecting his advices from a wide range of management perspective based on his wealth of experience and expertise in overall corporate management.	9 out of 10 times (90%)	—
8	Masahiko Maeda (February 10, 1969) Newly-appointed Outside	[Positions] Member of the Board [Main areas in charge] — [Term of office as a Member of the Board] —	[Career summary] Apr. 1994 Joined Toyota Motor Corporation Jan. 2018 Managing Officer of the same Jan. 2019 Operating Officer of the same (to the present) Jan. 2019 Chairman and President of Toyota Daihatsu Engineering & Manufacturing Co., Ltd. Jan. 2019 Chairman of P.T. Toyota Motor Manufacturing Indonesia [Important concurrent duties] Operating Officer of Toyota Motor Corporation [Reasons for nomination as an outside director candidate and expected role] Mr. Maeda is currently serving as the Chief Technology Officer at Toyota Motor Corporation. We request that he be elected as an outside director expecting his advices on managing a manufacturing company based on his wealth of experience and expertise in the manufacturing and technical fields.	—	—

(Notes) 1. No material conflicts of interest exist between the Company and any of the above candidates.
2. The term of office as a member of the board of each candidate is as of the conclusion of this Ordinary General Meeting of Shareholders.
3. The Company has concluded the Liability Limitation Agreement for its directors and officers with an insurance company that covers the compensation of damages and the cost of a lawsuit incurred by a director or an officer during the course of the execution of duties when acting in good faith and without gross negligence. Should respective candidates be appointed as director upon approval of this proposal, they will be automatically included in the insured persons of the Liability Limitation Agreement. The Company intends to renew the agreement with the same content during the middle of the term.
4. Mr. Sumi, Mr. Yamanishi and Mr. Maeda are candidates for Outside Members of the Board, as explained below. Mr. Sumi and Mr. Yamanishi are registered as Independent Directors as stipulated by the regulations of securities exchanges. The Company intends to continue the registration of their appointments upon approval of their reappointment as proposed.
(1) Mr. Maeda is, and has been for the past ten years, an executive director of Toyota Motor Corporation, with which the Company has an important business relationship.
(2) About Liability Limitation Agreement
The Company and Mr. Sumi and Mr. Yamanishi have concluded the Liability Limitation Agreement as stipulated in Article 423, Paragraph 1 of the Companies Act, and the liability limit shall be the amount stipulated in Article 425, Paragraph 1 of the act. In addition, the Company plans to enter into a similar agreement with Mr. Maeda if he is elected.

Proposal No. 2 Election of one Audit & Supervisory Board Member

Mr. Shinya Furukawa as Full-time Audit & Supervisory Board Member will resign at the conclusion of 143rd Ordinary General Meeting of Shareholders. The Company proposes the election of one Audit & Supervisory Board Member.

The Audit & Supervisory Board has already given its agreement regarding this proposal.

The candidate is as follows:

No.	Name (Date of birth)	Positions of the Company	Career summary, Important concurrent duties and Reasons for nomination as an Audit & Supervisory Board Member candidate	Number of Company shares held
1	Toru Inagawa (December 12, 1959) Newly-appointed	Executive Officer of the Company	[Career summary] Apr. 1982 Joined the Company June 2008 General Manager of TMHG planning Dept. of the Company Jan. 2009 General Manager of Corporate Planning Dept. of TMHG, Toyota Material Handling Company of the Company Jan. 2013 General Manager of TMHG Management Dept., Toyota Material Handling Company of the Company June 2014 Managing Officer of the Company June 2019 Executive Officer of the Company (to the present) [Important concurrent duties] — [Reasons for nomination as an Audit & Supervisory Board Member candidate] Mr. Inagawa possesses abundant experience at the Company in the Accounting & Finance Department and the Corporate Planning Department, including overseas subsidiaries. He has also been involved in management as a Managing Officer since 2014 and as an Executive Officer (current position) since 2019. We have determined that Mr. Inagawa can properly execute business duties as an Audit & Supervisory Board Member based on his wealth of experience and expertise in overall corporate management and we request that he be elected.	11,505 shares

(Notes) 1. No material conflicts of interest exist between the Company and the candidate.

2. The Company has concluded the Liability Limitation Agreement for its directors and officers with an insurance company that covers the compensation of damages and the cost of a lawsuit incurred by a director or an officer during the course of the execution of duties when acting in good faith and without gross negligence. Should Mr. Inagawa be appointed as Audit & Supervisory Board Member upon approval of this proposal, he will be automatically included in the insured persons of the Liability Limitation Agreement. The Company intends to renew the agreement with the same content during the middle of the term.

Proposal No. 3 Election of one Substitute Audit & Supervisory Board Member

In order to prepare in the event that the Company lacks the number of Audit & Supervisory Board Members and becomes less than required by laws and regulations, the Company proposes that one Substitute Audit & Supervisory Board Member be elected. This proposal is made to elect a substitute for either Mr. Akihisa Mizuno or Mr. Masanao Tomozoe, currently Outside Audit & Supervisory Board Member. In the event Mr. Hitoshi Furusawa becomes an Audit & Supervisory Board Member, his term of office shall be the remaining part of his predecessor's term.

This proposal shall be effective until the commencement of the next Ordinary General Meeting of Shareholders. However, this resolution may be cancelled before the proposed Substitute Audit & Supervisory Board Member assumes office, by a resolution of the Board of Directors, subject to the approval of the Audit & Supervisory Board.

The Audit & Supervisory Board has already given its agreement regarding this proposal.

The candidate is as follows:

No.	Name (Date of birth)	Positions of the Company	Career summary, Important concurrent duties and Reasons for nomination as a Substitute Audit & Supervisory Board Member candidate	Number of Company shares held
1	Hitoshi Furusawa (February 2, 1971) Reappointed Outside Independent	—	[Career summary] Apr. 1996 Registered as lawyer (Aichi Bar Association) Oct. 2000 Established Furusawa Law Firm (the present Koyama Furusawa & Hayase LPC) (to the present) [Important concurrent duties] — [Reasons for nomination as a Substitute Audit & Supervisory Board Member candidate] Although he has not participated directly in corporate management, Mr. Furusawa has been active as a lawyer mainly in the field of corporate legal affairs for many years and we have determined that Mr. Furusawa can properly execute business duties as an Outside Audit & Supervisory Board Member based on his wealth of experience and highly specialized expertise and we request that he be elected as Substitute Outside Audit & Supervisory Board Member.	—

(Notes) 1. No material conflicts of interest exist between the Company and the candidate.

2. The Company has concluded the Liability Limitation Agreement for its directors and officers with an insurance company that covers the compensation of damages and the cost of a lawsuit incurred by a director or an officer during the course of the execution of duties when acting in good faith and without gross negligence. Should Mr. Furusawa be appointed as Audit & Supervisory Board Member upon approval of this proposal, he will be automatically included in the insured persons of the Liability Limitation Agreement. The Company intends to renew the agreement with the same content during the middle of the term.

3. Matters concerning the candidate for Substitute Outside Audit & Supervisory Board Member are as follows.

(1) Mr. Hitoshi Furusawa is a candidate for Substitute Outside Audit & Supervisory Board Member.

(2) About Liability Limitation Agreement

In the event that Mr. Furusawa is elected under the measure and he assumes the duties of Audit & Supervisory Board Member, the Company and Mr. Furusawa will conclude a Liability Limitation Agreement as stipulated in Article 423, Paragraph 1 of the Companies Act, and the liability limit shall be the amount stipulated in Article 425, Paragraph 1 of the act.

(3) In the event that Mr. Furusawa is elected under the measure and he assumes the duties of Audit & Supervisory Board Member, the Company intends to register Mr. Furusawa as an independent member of management as stipulated by the regulations of securities exchanges.

Proposal No. 4 Issuance of Directors' bonuses

The Company proposes to issue the Director's bonus for 6 Members of the Board, 3 Outside Members of the Board who are in service as of the end of March 31, 2021 with 200,040,000 yen (Members of the Board 183,240,000 yen, Outside Members of the Board 16,800,000 yen) in consideration of financial results of the term in the fiscal year ended March 31, 2021 and other circumstances. The Company established a policy for determining individual Directors' remuneration among others at the Board of Directors meeting held on March 19, 2021, and the outline of the policy is shown on pages 19 to 21. The Company believes that this proposal is appropriate because it is in line with the policy.

Information about the Exercise of Voting Rights

There are 3 ways to exercise your voting rights. The following matters should be understood before exercising your voting rights.
If you intend to attend the meeting in person, voting in writing or via the Internet, is unnecessary.

If you intend to attend the meeting

When attending the meeting on the scheduled day, please bring this Notice of the Ordinary General Meeting of Shareholders and submit the enclosed Voting Rights Exercise Form at the reception desk.

[Date and Time] **Thursday, June 10, 2021 at 10:00 a.m., Japan time**

If you do not intend to attend the meeting

Exercise of Voting Rights in writing

You are requested to mark and return the Voting Rights Exercise Form with your vote of approval or disapproval.

[Exercise deadline] **Received by Wednesday, June 9, 2021 at 5:00 p.m., Japan time**

Exercise of Voting Rights via the Internet

You are requested to access **the Exercise of Voting Rights Web site (https://evote.tr.mufg.jp/)** designated by the Company and submit your vote of approval or disapproval.
(Please refer to the next page for details.)

[Exercise deadline] **Wednesday, June 9, 2021 at 5:00 p.m., Japan time**

Treatment of the Voting Rights When Exercised Multiple Times

(1) If you have exercised your voting rights both in writing and via the Internet, those exercised via the Internet will be taken as valid.

(2) If you have exercised your voting rights multiple times on the Internet, the final vote will be taken as valid. If you have exercised your voting rights by 2 or more means of computers, smart phones, tablets or mobile phones, the final vote will be taken as valid.

To Institutional investors,

If you have applied in advance for "Electronic Voting Platform for Institutional Investors" operated by ICJ Inc., you may use the platform in addition to the aforementioned "Exercising of Voting Rights via the Internet" as a means of exercising your voting rights in General Meeting of Shareholders of the Company.

Guide to the Exercise of Voting Rights via the Internet

When you exercise your voting rights via the Internet, the following matters should be understood before exercising your voting rights. You are requested to access the Exercise of Voting Rights Web site via computers, smart phones, tablets or mobile phones and exercise your voting rights in accordance with instructions on the screen.

Log in by reading QR Code (by Smartphones)

The voting Web site is logged in by reading the Log-in QR Code provided on the right side of the sub ticket of the Voting Rights Exercise Form.

* Log in by the method above is available only once.
* QR Code is a registered trademark of Denso Wave Inc.

When logging in after the second time…

You may access by reading QR Code on the right and log in in accordance with the following instructions.

Log in by entering log-in ID and temporary password

1. Access the Exercise of Voting Rights Web site (https://evote.tr.mufg.jp/) and then click “To the next page.”
2. Enter the log-in ID and the temporary password shown at the right bottom of the Voting Rights Exercise Form and then click “Log in.”
3. Enter both of “New password” and “New password (confirm)”, and then click “Submit.” Thereafter please submit your vote of approval or disapproval in accordance with instructions on the screen.

- Depending on your internet environment, service in use or phone model, you may not be able to use the Exercise of Voting Rights Web site.
- The service is not available from 2 a.m. to 5 a.m., Japan time daily.
- To protect against illegal access by persons other than qualified shareholders (“spoofing”) and the manipulation of voting details, please be aware that shareholders using the site will be asked to change their temporary password.
- Whenever a General Meeting of Shareholders is convoked, new log-in IDs and temporary passwords will be issued.
- The costs incurred when accessing the Exercise of Voting Rights Web site, including Internet access fees, telephone rates and packet transmission fees, will be the responsibility of the shareholder.

(Attached Documents)

Business Report

(From April 1, 2020 to March 31, 2021)

1. Overview of the Company Group

(1) Business Progress and Results

In FY2021 (ended March 31, 2021), the global economy contracted sharply due to the spread of COVID 19. However, the economy has bottomed out and begun to recover moderately thanks to such factors as the recuperating Chinese economy and underlying economic policies in respective countries. Although negatively affected by the declaration of a state of emergency, the Japanese economy is beginning to witness a moderate recovery as a result of a growth in exports mainly to China and robust consumer spending. In this operating environment, Toyota Industries undertook efforts to ensure customer trust through a priori ty to quality as well as to respond flexibly to market trends.
Total consolidated net sales amounted to 2,118.3 billion yen, a decrease of 53.0 billion yen, or 2%, from the previous fiscal year.

Operating results by business segment are as follows.

[Automobile]

The Automobile market shrank overall, although recovered in China. Amid such operating conditions, net sales of the Automobile Segment totaled 591.6 billion yen, a decrease of 22.2 billion yen, or 4%. Within this segment, net sales of the Vehicle Business amounted to 88.3 billion yen, a decrease of 1.6 billion yen, or 2%, owing to an increase in sales of RAV4 for Japan offset by a decrease abroad. Net sales of the Engine Business totaled 139.9 billion yen, an increase of 1.4 billion yen, or 1%, due to an increase in sales of foundry products, despite a decrease in sales of GD diesel engines and M20A gasoline engines. Net sales of the Car Air Conditioning Compressor Business totaled 301.6 billion yen, a decrease of 26.6 billion yen, or 8%, due primarily to a decrease of sales in North America and Europe. Net sales of the Electronics Parts and Others Business totaled 61.6 billion yen, an increase of 4.5 billion yen, or 8%, due to an increase in sales of on board chargers.

[Materials Handling Equipment]

The Materials Handling Equipment market recovered globally, led by China. Amid this operating climate, net sales of the Materials Handling Equipment Segment totaled 1,431.4 billion yen, on par with the previous fiscal year. Sales of lift trucks, a mainstay product of this segment, decreased primarily in Europe and North America although net sales of logistics solutions business increased.

[Textile Machinery]

The Textile Machinery market remained severe in general. Net sales of the Textile Machinery Segment totaled 40.8 billion yen, a decrease of 20.9 billion yen, or 34%, due mainly to a decrease in sales of weaving machinery and yarn quality measurement instruments.

In terms of overall profit, despite further advances in cost reduction efforts throughout the Toyota Industries Group, due mainly to a decrease in net sales and an increase in labor cost, Toyota Industries posted consolidated operating profit of 118.1 billion yen, a decrease of 10.1 billion yen, or 8%, from the previous fiscal year and profit before income taxes of 184.0 billion yen, a decrease of 12.2 billion yen, or 6%. Profit attributable to owners of the parent totaled 136.7 billion yen, a decrease of 9.1 billion yen, or 6%.
From FY2021, "the Electronics Parts, Foundry and Others Business" has been renamed as "the Electronics Parts and Others Business", while foundry products and others included in "the Electronics Parts, Foundry and Others Business" have been reclassified into "the Engine Business" and "the Car Air Conditioning Compressor Business". Figures for FY2020 have also been reclassified.

(2) Capital Investments

Toyota Industries paid out a total of 113.3 billion yen in capital investments, mainly for developing new products, streamlining and upgrading production equipments. The investment breakdown by the major business segments stood as follows: 27.2 billion yen for vehicles and engines, 19.4 billion yen for car air-conditioning compressors, 27.6 billion yen for electronics parts and others in the Automobile Segment, 30.6 billion yen for the Materials Handling Equipment Segment and 8.5 billion yen for the Textile Machinery Segment and others.

(3) Financing

Toyota Industries needs are met through the issuance of corporate bonds, commercial papers and medium-term notes as well as loans from financial institutions. Balance of debt obligations at the end of the year stood at 1345.3 billion yen.

(4) Issues to be Addressed

COVID 19 has induced dramatic changes affecting people's daily lives, including the widespread adoption of teleworking and online communications as well as the expanded use of e-commerce. In the political, economic and technological areas as well, changes are occurring at an accelerated pace such as the spread of nationalism, a gaining momentum for realizing a carbon neutral society and advancements in digitalization. In the markets for Automobile and Materials Handling Equipment, both of which constitute core businesses of Toyota Industries, competition among companies is intensifying, triggered by advancements in the fields of electrification and autonomous driving, new entries that leverage digital technologies, and the transformation of the industrial structure. In addition, with a global supply shortage of semiconductors exposing potential risks and vulnerability in the supply chain as well as other factors, the environment surrounding Toyota Industries precludes optimism.

Under this circumstance, Toyota Industries has undertaken profit improvement activities and work style reforms, such as reviewing and deferring costs and capital investments as well as improving/eliminating certain work transactions. Looking ahead, we intend to focus on the following three actions in order to further strengthen the management platform and enhance corporate value.

1) Thoroughly adhere to the basics

Adhere to such basics as safety, health, quality and compliance, which constitute the foundation of any company, and aim for manufacturing that places top priority on safety and focuses on improving quality and productivity on a continuous basis.

2) Strengthen management platform

At Toyota Industries, we regard change as opportunities for corporate growth. As such, we intend to promote a new form of work style that is free of conventional thinking and precedents and improve productivity by effectively utilizing digital tools and implementing other measures. We will also strengthen preparation against various risks and build a flexible and robust organization so that we can make an agile response in emergency situations.

3) Lay the groundwork for further growth

Capturing changes in the markets and industry, we will develop innovative technologies and products by proactively utilizing digital technologies and open innovation in order to seize every opportunity for further growth.

To support business development, we will continue our efforts to develop personnel who learn and think on their own and quickly take the initiative and create an organization and workplace environment that enables diverse human resources to fully demonstrate their abilities.

Through these initiatives, we aim for sustainable growth of each business and strive to support industries and social foundations around the world and contribute to making the earth a better place to live, enriched lifestyles and a comfortable society as described in Toyota Industries' Vision 2030.

We would like to ask for the continued support and guidance of our shareholders.

(5) Trends in Assets and Income

International Financial Reporting Standards (IFRS)

(million yen)

Item	FY2018 (from April 1, 2017 – March 31, 2018)	FY2019 (from April 1, 2018 – March 31, 2019)	FY2020 (from April 1, 2019 – March 31, 2020)	FY2021 (from April 1, 2020 – March 31, 2021)
Net sales	2,003,973	2,214,946	2,171,355	2,118,302
Operating profit	147,445	134,684	128,233	118,159
Profit before income taxes	209,827	202,225	196,288	184,011
Profit attributable to owners of the parent	168,180	152,748	145,881	136,700
Earnings per share—basic(YEN)	541.67	491.97	469.85	440.28
Total assets	5,258,500	5,261,174	5,279,653	6,503,986
Total equity	2,633,869	2,561,936	2,520,537	3,322,550

(6) Major Subsidiaries and Other Significant Matters

1) Major subsidiaries

Company Name		Location	Capital	Percentage of Voting Rights of The Company (%)	Principal Business
Japan	Tokyu Co., Ltd.	Oguchi-cho, Aichi	135 million YEN	100.00	Manufacture and sales of automotive parts and industrial machinery
	Tokaiseiki Co., Ltd.	Iwata-shi, Shizuoka	98 million YEN	100.00	Manufacture and sales of automotive parts
	Izumi machine Mfg. Co., LTD.	Obu-shi, Aichi	150 million YEN	100.00	Manufacture and sales of automotive parts and specialized machine tools
	Toyota L&F Tokyo Co., Ltd.	Shinagawa-ku, Tokyo	350 million YEN	100.00	Sales of industrial equipment
	Taikoh Transportation Co., Ltd.	Kariya-shi, Aichi	83 million YEN	54.07	Trucking, warehousing, distribution consulting
	Aichi Corporation	Ageo-shi, Saitama	10,425 million YEN	53.07	Manufacture and sales of aerial work platforms

Company Name		Location	Capital	Percentage of Voting Rights of The Company (%)	Principal Business
Overseas	Toyota Material Handling Manufacturing France S.A.S	Ancenis, France	9,000 thousand EUR	*100.00	Manufacture and sales of industrial equipment
	Michigan Automotive Compressor Inc.	Michigan, U.S.A.	146,000 thousand USD	60.00	Manufacture and sales of car air-conditioning compressors
	Toyota Industries Europe AB	Mjölby, Sweden	13,743 million SEK	100.00	Holding company for materials handling equipment business in Europe
	Toyota Material Handling Europe AB	Mjölby, Sweden	1,816 million SEK	*100.00	Headquarters for materials handling equipment business in Europe
	Toyota Industries North America, Inc.	Indiana, U.S.A.	1,077,900 thousand USD	100.00	Holding company in the U.S.A.
	Toyota Material Handling, Inc.	Indiana, U.S.A.	72,500 thousand USD	*100.00	Manufacture and sales of industrial equipment
	TD Deutsche Klimakompressor GmbH	Sachsen, Germany	20,451 thousand EUR	65.00	Manufacture and sales of car air-conditioning compressors
	Toyota Material Handling Australia Pty Limited	New South Wales, Australia	211,800 thousand AUD	100.00	Sales of industrial equipment
	TD Automotive Compressor Georgia, LLC	Georgia, U.S.A.	155,000 thousand USD	*77.40	Manufacture and sales of car air-conditioning compressors
	Uster Technologies AG	Zurich, Switzerland	82,302 thousand CHF	100.00	Manufacture and sales of instruments for yarn testing and cotton classing
	Industrial Components and Attachments, Inc	Oregon, U.S.A.	428,832 thousand USD	100.00	Holding company for industrial equipment component business
	Cascade Corporation	Oregon, U.S.A.	7,070 thousand USD	*100.00	Manufacture and sales of materials handling load engagement devices and related replacement parts
	Toyota Industry (Kunshan) Co., Ltd.	Jiangsu, China	61,840 thousand USD	63.40	Manufacture and sales of foundry parts and industrial equipment
	Toyota Industries Commercial Finance, Inc.	Texas, U.S.A.	400,000 thousand USD	*100.00	Materials handling equipment sales financing business

Company Name		Location	Capital	Percentage of Voting Rights of The Company (%)	Principal Business
Overseas	Yantai Shougang TD Automotive Compressor Co., Ltd.	Shandong, China	3,675 million YEN	50.10	Manufacture and sales of car air-conditioning compressors
	TD Automotive Compressor Kunshan Co., Ltd.	Jiangsu, China	22,170 thousand USD	*78.80	Manufacture and sales of car air-conditioning compressors
	P.T. TD Automotive Compressor Indonesia	West Java, Indonesia	1,152,000 million IDR	50.10	Manufacture and sales of car air-conditioning compressors
	Bastian Solutions LLC	Indiana, U.S.A.	15,759 thousand USD	*100.00	Logistics solutions
	Vanderlande Industries Holding B.V.	North Brabant, Netherland	1,495 thousand EUR	*100.00	Logistics solutions
	Toyota Industries Engine India Private Limited	Karnataka India	8,226,108 thousand INR	98.80	Manufacture and sales of diesel engines

(Note) * indicates the percentage of voting rights, including interests held by the subsidiaries

2) Other Significant Matters

Toyota Motor Corporation (Capital: 635,401 million yen) holds 24.7 % of the voting rights of the Company while its consolidated companies collectively hold 0.2% of the voting rights of the Company. The Company sells products from its Automobile Segment to Toyota Motor Corporation.

(7) Principal Business

Classification		Main Products and Services
Automobile	Vehicles	RAV4 (Engine, HV, PHV)
	Engines	Diesel engines, Gasoline engines, foundry for engines
	Car air-conditioning compressors	Car air-conditioning compressors
	Electronics Parts and Others	Electronics parts for automobiles
Materials Handling Equipment		Engine powered lift truck, electric lift truck, automated storage and retrieval systems, aerial work platforms, logistics solutions, sales financing business
Textile Machinery		Weaving machinery, spinning machinery, instruments for yarn testing and cotton classing
Others		Land transportation services

(8) Principal Offices and Plants

1) Toyota Industries Corporation

Head Office: 2-1, Toyoda-cho, Kariya-shi, Aichi

Name		Location
Branch	Tokyo Branch	Chiyoda-ku, Tokyo
Plants	Kariya Plant	Kariya-shi, Aichi
	Obu Plant	Obu-shi, Aichi
	Kyowa Plant	Obu-shi, Aichi
	Nagakusa Plant	Obu-shi, Aichi
	Takahama Plant	Takahama-shi, Aichi
	Hekinan Plant	Hekinan-shi, Aichi
	Higashichita Plant	Handa-shi, Aichi
	Higashiura Plant	Higashiura-cho, Aichi
	Anjo Plant	Anjo-shi, Aichi

2) Subsidiaries

Refer to "(6) Major Subsidiaries and Other Significant Matters 1) Major subsidiaries"

(9) Employees

Number of employees	Increase from previous fiscal year-end
66,947	469

(Note) The number of employees is the number of persons engaged in the Group (the number of employees excludes the Group employees dispatched to external companies and includes employees dispatched to the Group from external companies.)

(10) Major Lenders

(million yen)

Lenders	Outstanding balance of borrowings as of March 31, 2021
Sumitomo Mitsui Banking Corporation	175,810
Mizuho Bank, Ltd.	107,224
MUFG Bank, Ltd.	100,407
The Norinchukin Bank	90,840
Sumitomo Mitsui Trust Bank, Limited	78,275

2. Status of Shares

(1) Total Number of Authorized Shares

Total number of shares authorized to be issued 1,100,000,000 shares

Total number of shares outstanding 310,481,778 shares
(excluding 15,358,862 shares of treasury stock)

(2) Number of Shareholders 14,257

(3) Major Shareholders

Shareholder name	Number of Shares Held (Thousands)	Percentage of Total Shares in Issue (%)
Toyota Motor Corporation	76,600	24.67
DENSO Corporation	29,647	9.55
The Master Trust Bank of Japan, Ltd. (Trust account)	16,556	5.33
Towa Real Estate Co., Ltd.	16,291	5.25
Toyota Tsusho Corporation	15,294	4.93
Custody Bank of Japan, Ltd. (Trust account)	10,757	3.46
Nippon Life Insurance Company	6,580	2.12
Aisin Seiki Co., Ltd.	6,578	2.12
Aioi Nissay Dowa Insurance Co., Ltd.	4,903	1.58
Toyota Industries Corporation Employee Ownership Program	3,782	1.22

(Notes) 1. The Company also holds 15,358 thousand shares of treasury stock but is excluded from the above list.
2. The percentage of total shares in issue is calculated based on the number of shares outstanding excluding the number of shares of treasury stock.
3. Effective on April 1, 2021, Aisin Seiki Co., Ltd. merged Aisin AW Co., Ltd. and changed its company name to AISIN CORPORATION.

3. Company Officers

(1) Members of the Board and Audit & Supervisory Board Members

Name	Title	In charge and important concurrent duties
Tetsuro Toyoda	* Chairman of the Board	
Akira Onishi	* President, Member of the Board	
Kazue Sasaki	* Executive Vice President, Member of the Board	General Manager of R&D Headquarters; Chairman of Toyota Material Handling Company [Important concurrent duties] Outside director of Toyota Boshoku Corporation
Takuo Sasaki	* Executive Vice President, Member of the Board	General Manager of Corporate Headquarters; in charge of Audit Dept., Corporate Planning Dept. and Legal Dept.
Yojiro Mizuno	Member of the Board, Senior Executive Officer	President of Toyota Material Handling Company; in charge of Logistics Solution Division
Yuji Ishizaki	Member of the Board, Senior Executive Officer	General Manager of Compressor Division
Shuzo Sumi	Member of the Board	[Important concurrent duties] Outside director of Sony Corporation
Kenichiro Yamanishi	Member of the Board	[Important concurrent duties] Executive Corporate Adviser of Mitsubishi Electric Corporation
Mitsuhisa Kato	Member of the Board	[Important concurrent duties] Outside Audit & Supervisory Board Members of Aisin Seiki Co., Ltd.
Shinya Furukawa	Full-time Audit & Supervisory Board Member	
Toru Watanabe	Full-time Audit & Supervisory Board Member	
Akihisa Mizuno	Audit & Supervisory Board Member	[Important concurrent duties] Director & Honorary Advisor of Chubu Electric Power Co., Inc. Chairman of Central Japan Economic Federation
Masanao Tomozoe	Audit & Supervisory Board Member	[Important concurrent duties] Outside director of NORITAKE CO., LIMITED Outside director of HOSHIZAKI CORPORATION

(Notes)
1. A Representative Member of the Board is marked with an asterisk (*).
2. The Members of the Board Mr. Shuzo Sumi, Mr. Kenichiro Yamanishi and Mr. Mitsuhisa Kato are “Outside Members of the Board” as stipulated in Article 2, Paragraph 15 of the Companies Act.
3. The Audit & Supervisory Board Members Mr. Akihisa Mizuno and Mr. Masanao Tomozoe are “Outside Audit & Supervisory Board Members” as stipulated in Article 2, Paragraph 16 of the Companies Act.
4. Mr. Sumi, Mr. Yamanishi, Mr. Mizuno and Mr. Tomozoe are designated as independent officers stipulated by Stock Exchange.
5. Effective on April 1, 2021, Sony Corporation changed its company name to Sony Group Corporation.
6. Effective on April 1, 2021, Aisin Seiki Co., Ltd. merged Aisin AW CO., Ltd. and changed its company name to AISIN CORPORATION.

(2) Summary of Liability Limitation Agreement

Toyota Industries has concluded agreements with all Outside Members of the Board and Outside Audit & Supervisory Board Members to limit liabilities stipulated in Article 423, Paragraph 1 of the Companies Act, and the liability limit shall be the amount stipulated in Article 425, Paragraph 1 of t of the Companies Act.

(3) Summary of Contents of Liability Insurance Agreement for Officers

Toyota Industries has concluded the Liability Limitation Agreement for its directors and officers with an insurance company that covers the compensation of damages and the cost of a lawsuit incurred by the insureds due to claims for damages arising from the execution of duties by the insureds. However, the Company has taken measures to ensure that the appropriateness of the execution of duties by officers is not impaired by excluding from compensation any damage caused by criminal acts or intentional violations of laws and regulations. The insureds under this insurance agreement are Members of the Board, Audit & Supervisory Board Members, Senior Executive Officers, Executive Officers and Officers of subsidiaries, and the Company bears the entire premium for all insured persons.

(4) Remuneration to Members of the Board and Audit & Supervisory Board Members for the fiscal year ended March 31, 2021

1) The policy for determining the details of individual remuneration of Members of the Board

i) Basic Concept

- The Company ensures fairness and transparency.
- Emphasizing incentives for performance improvement and sustainable growth, the Company ensures linkage with company performance and reflects job responsibilities and results.

ii) Remuneration System

- The remuneration for Members of the Board consists of fixed remuneration as basic remuneration and bonuses as performance-linked remuneration.
- Furthermore, bonuses are composed of the amount linked to the fiscal year indicators and the amount linked to medium-term indicators. (However, Outside Members of the Board are excluded from the amount linked to medium-term indicators.

iii) Method of determining the amount of remuneration for each individual

- The Company has established “Executive Remuneration Committee” consisting of the Chairman of the Board, President of the Board and independent Outside Members of the Board.
- In order to ensure objectivity and transparency, more than half of the members are independent Outside Members of the Board.
- “Executive Remuneration Committee” deliberates this policy, individual remuneration proposals for Members of the Board and other important matters related to remuneration.
- Meetings of the Board has resolved this policy based on the results of deliberations by the "Executive Remuneration Committee.
- Meetings of the Board delegates the decision on the amount of remuneration for each individual to President of the Board (or Chairman of the Board) from the viewpoint of flexibility and quick action.
- President of the Board (or Chairman of the Board) determines the amount of remuneration for each individual Members of the Board in accordance with this policy, based on the results of deliberations by the "Executive Remuneration Committee.

iv) Policy for Determination of Fixed Remuneration, Bonuses and their Composition Ratio

Fixed Remuneration

- The fixed remuneration for Members of the Board is monthly remuneration, which is paid periodically during their term of office.
- The amount of remuneration by individual is set at a reasonable level in consideration of Members of the Board's position and responsibilities, while referring to the levels of other companies.

Bonuses

- Bonuses are paid at a certain time after the close of the Ordinary General Meeting of Shareholders in each fiscal year.
- The amount linked to the fiscal year indicators is calculated for each position using the consolidated operating income as indicator, according to the consolidated operating income of the previous fiscal year.
- The amount linked to medium-term indicators is calculated for each position based on the evaluation of the results of management indicators such as consolidated operating income ratio for the past three fiscal years.
- The reason for the selection of this indicator is that we have determined that it is an appropriate indicator to reflect the basic concept of this policy.
- In determining the amount to be paid, the Company takes into account a comprehensive range of factors, including dividends, the level of employee bonuses, the level of other companies' bonuses, past payment performance, the job responsibilities, performance of duties, and others.

Composition Ratio

- The ratio of fixed remuneration and bonuses for Members of the Board, excluding outside Members of the Board, is approximately 60:40. (The ratio of bonuses linked to medium-term indicators is approximately 10%.) However, the Company is not precluded from using a ratio different from the above, depending on the circumstances of the consolidated operating income amount and others.

2) Remuneration for Audit & Supervisory Board Members

Remuneration for Audit & Supervisory Board Members is fixed remuneration only, and is determined through discussions among Audit & Supervisory Board Members in accordance with certain standards established by the Company.

3) Resolutions of the General Meeting of Shareholders regarding remuneration of Members of the Board and Audit & Supervisory Board Members

At the 130th Ordinary General Meeting of Shareholders held on June 20, 2008, a resolution was passed to limit the total amount of remuneration for Members of the Board to 90 million yen per month (including 3 million yen per month for Outside Members of the Board). The number of Members of the Board as of the close of this Ordinary General Meeting of Shareholders is 17. (including one Outside Members of the Board) At the 132nd Ordinary General Meeting of Shareholders held on June 23, 2010, a resolution was passed to limit the total amount of remuneration for Members of the Board to 15 million yen per month. The number of Audit & Supervisory Board Members as of the close of this Ordinary General Meeting of Shareholders is 5.

4) The delegation of responsibility for determining the details of individual remuneration of Members of the Board

In the Company, Akira Onishi, President of the Board, determines the specific amount of remuneration for each individual Member of the Board based on the delegated resolution of Meetings of the Board. The content of such authority is the amount of monthly remuneration for each Member of the Board and the evaluation and allocation of bonuses based on each Member of the Board's performance. The reasons for the delegation and the measures to be taken to ensure that the authority is exercised appropriately are shown in " 1) The policy for determining the details of individual remuneration of Members of the Board iii) Method of determining the amount of compensation for each individual". Since the President of the Board, who has been delegated this task, has made decisions in accordance with this policy based on the results of deliberations by the "Executive Remuneration Committee", Meetings of the Board believes that the content comply with the decision policy.

5) Total amount of remuneration for Members of the Board and Audit & Supervisory Board Members

Classification of officer	Total of Remuneration (million yen)	Total amount of remuneration by type (million yen)		Number of eligible officers
		Fixed Remuneration (Basic Remuneration)	Bonuses (Performance-linked Remuneration)	
Members of the Board (Outside Members of the Board)	546 (52)	346 (36)	200 (16)	10 (3)
Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members)	106 (27)	106 (27)	- (-)	5 (2)
Total	653	453	200	15

(Notes) 1. One Member of the Board and one Audit & Supervisory Board Member who resigned as of the closing of the 142nd Ordinary General Meeting of Shareholders held on June 9, 2020 are included in the above figures.

2. Bonuses are posted at the amount to be resolved at the 143rd Ordinary General Meeting of Shareholders held on June 10, 2021.

(5) Matters Regarding Outside Officers

1) Important concurrent duties

Classification	Name	Important concurrent duties
Outside Members of the Board	Shuzo Sumi	Outside director of Sony Corporation
	KenichiroYamanishi	Executive Corporate Adviser of Mitsubishi Electric Corporation
	Mitsuhisa Kato	Outside Audit & Supervisory Board Members of Aisin Seiki Co., Ltd.
Outside Audit & Supervisory Board Members	Akihisa Mizuno	Director & Honorary Advisor of Chubu Electric Power Co., Inc. Chairman of Central Japan Economic Federation
	Masanao Tomozoe	Outside director of NORITAKE CO., LIMITED Outside director of HOSHIZAKI CORPORATION

(Notes) 1. Effective on April 1, 2021, Sony Corporation changed its name to Sony Group Corporation.

2. Aisin Seiki Co., Ltd. is a major shareholder of the Company, with holdings of 6,587 thousand shares.

3. Effective on April 1, 2021, Aisin Seiki Co., Ltd. merged Aisin AW CO., Ltd. and changed its company name to AISIN CORPORATION.

2) Main Activities during the fiscal year ended March 31, 2021

Classification	Name	Main Activities
Outside Members of the Board	Shuzo Sumi	He attended 9 of 10 regularly held Meetings of the Board. He is expected to apply his wealth of experience and high level of insight in the management of the Company, and he actively speaks from this perspective at Meetings of the Board of the Company, and plays an appropriate role as an Outside Audit & Supervisory Board Member by supervising and advising on business execution. In addition, as a member of Executive Personnel Committee and Executive Remuneration Committee, he attends these committees and plays an important role as a member by proactively making statements and engaging in deliberations from an independent and objective standpoint.
	Kenichiro Yamanishi	He attended 9 of 10 regularly held Meetings of the Board. He is expected to apply his wealth of experience and high level of insight in the management of the Company, and he actively speaks from this perspective at Meetings of the Board of the Company, and plays an appropriate role as an Outside Audit & Supervisory Board Member by supervising and advising on business execution. In addition, as a member of the Personnel Committee for Directors and the Remuneration Committee for Directors, he attends these committees and plays an important role as a member by proactively making statements and engaging in deliberations from an independent and objective standpoint.
	Mitsuhisa Kato	He attended 10 of 10 regularly held Meetings of the Board. He is expected to apply his wealth of experience and high level of insight in managing a manufacturing company, and he actively speaks from this perspective at Meetings of the Board of the Company, and plays an appropriate role as an Outside Audit & Supervisory Board Member by supervising and advising on business execution.
Outside Audit & Supervisory Board Members	Akihisa Mizuno	He attended 10 of 10 regularly held Meetings of the Board and 12 of 12 regularly held Audit & Supervisory Board. He provided his opinions on overall corporate management based on his wealth of experience and expertise in managing a company.
	Masanao Tomozoe	He attended 10 of 10 regularly held Meetings of the Board and 12 of 12 regularly held Audit & Supervisory Board after June 11 2019. He provided his opinions on overall corporate management based on his wealth of experience and expertise in managing a company.

(Note) In addition to the above number of Meetings of the Board, there were two resolutions in writing during the fiscal year ended March 31, 2021, which were deemed to be resolutions of Meetings of the Board pursuant to Article 370 of the Companies Act and Article 26, Paragraph 2 of the Company's Articles of Incorporation, as well as notices of matters to be reported to Meetings of the Board pursuant to Article 372 of the Companies Act.

4. Accounting Auditor

(1) Name of Accounting Auditor

PricewaterhouseCoopers Aarata LLC

(2) Remuneration for the Accounting Auditor for the fiscal year ended March 31, 2021

1) Remuneration for audit services as provided in Article 2 Paragraph 1 of the Certified Public Accountants Act

129 million yen

2) Total amount of cash and other proprietary benefits to be paid by the Company and its consolidated subsidiaries to the Accounting Auditor

202 million yen

(Notes) 1. The amount in 1) above includes remuneration for audit services under the Financial Instruments and Exchange Act.

2. The Audit & Supervisory Board has concluded that the amount of remuneration for the Accounting Auditor was appropriate after reviewing and confirming the details of the audit plan, its performance of audit services and the basis for calculation of estimating remuneration, thereby agreeing to the amount.

(3) Non-audit services

Besides business work under Article 2, Paragraph 1 of the Certified Public Accountants Act of Japan, the Company paid accounting auditors compensation for work for the preparation of comfort letters and other matters.

(4) Policy for Determination of Dismissal or Non-reappointment of the Accounting Auditor

The Audit & Supervisory Board will dismiss the Accounting Auditor upon consent of all the Audit & Supervisory Board Members, if the Accounting Auditor falls subject to any of the provisions of the sub-paragraphs of Article 340 Paragraph 1 of the Companies Act.

If Accounting Auditor has become difficult to perform the duties appropriately, The Audit & Supervisory Board will determine the proposal of calling for the dismissal or non-reappointment to be submitted to the General Meeting of Shareholders.

(5) Audit of the major subsidiaries and overseas subsidiaries of the Company

Of the major subsidiaries of the Company, overseas subsidiaries are subject to audits by audit firms other than the Accounting Auditor of the Company.

5. Toyota Industries' Corporate Governance

Toyota Industries regards the most important managerial task is to earn trust broadly from society and enhance our corporate value on a stable, long-term basis. We aim to do this task based on our Basic Philosophy, which consists of "Respect for the Law," "Respect for Others," "Respect for the Natural Environment," "Respect for Customers" and "Respect for Employees," and earnestly fulfilling our social responsibilities. Our basic focus is on contributing to the creation of an enriched society through business activities, and we believe it is essential to cultivate good relationships with stakeholders, including shareholders, customers, business partners, creditors, local communities and employees.

Accordingly, we strive to enhance our corporate governance in order to maintain and improve management efficiency, fairness and transparency. For example, we have established a structure to quickly and flexibly respond to changes in the business environment and have been working to augment management oversight and ensure the timely disclosure of information.

More specifically, the following basic policies drive our initiatives.

(1) We seek to ensure shareholders' rights and equality.
(2) We seek to promote appropriate collaboration with stakeholders other than shareholders (including customers, business partners, creditors, local communities and employees).
(3) We seek to conduct appropriate information disclosure and ensure transparency.
(4) We seek to perform the roles and duties of the Board of Directors appropriately in order to make decisions in a transparent, fair, quick and resolute manner.
(5) We seek to promote a constructive dialogue with shareholders.

6. Policies regarding the determination of distribution of surplus

Toyota Industries is to meet the expectations of shareholders for continuous dividends while giving full consideration to business performance, funding requirements, the dividend payout ratio and other factors.
Toyota Industries will use retained earnings to improve the competitiveness of its products, augment production capacity in Japan and overseas, as well as to expand into new fields of business and strengthen its corporate constitution in securing future profits for its shareholders.
With regard to the dividend for shareholders at the end of the current fiscal year, the resolution has passed at Meetings of the Board held on April 28, 2021 to pay a dividend of 80 yen per share of the Company's common stock (total dividend; ¥24,838,542,240), with the effective date set for May 26, 2021. The total shareholder dividend for FY2021, including the interim dividend, is 150 yen per share.

Consolidated Financial Statements

Consolidated Statement of Financial Position

Unit: millions of yen
(Amounts less than 1 million yen are omitted)

Description	FY2021 (As of March 31, 2021)	(Reference) FY2020 (As of March 31, 2020)	Description	FY2021 (As of March 31, 2021)	(Reference) FY2020 (As of March 31, 2020)
(Assets)			**(Liabilities)**		
Current assets	**1,948,081**	**1,739,883**	**Current liabilities**	**1,188,239**	**974,314**
Cash and cash equivalents	238,248	358,144	Trade payables and other payables	613,579	519,330
Time deposits with deposit terms of over three months	353,864	175,216	Corporate bonds and loans	435,238	329,143
Trade receivables and other receivables	962,270	867,088	Other financial liabilities	78,673	75,382
Other financial assets	5,947	5,273	Accrued income taxes	22,786	20,435
Inventories	292,461	255,738	Provisions	13,343	10,300
Income tax receivables	22,630	13,756	Other current liabilities	24,617	19,721
Other current assets	72,658	64,664			
Non-current assets	**4,555,904**	**3,539,770**	**Non-current liabilities**	**1,993,196**	**1,784,801**
Property, plant and equipment	1,043,405	991,195	Corporate bonds and loans	910,124	1,010,627
Goodwill and intangible assets	363,449	354,701	Other financial liabilities	88,364	85,833
Trade receivables and other receivables	3,519	4,123	Net defined benefit liabilities	104,900	101,784
Investments accounted for by the equity method	16,812	10,991	Provisions	10,225	7,764
Other financial assets	3,051,702	2,120,298	Deferred tax liabilities	854,644	556,880
Net defined benefit assets	33,997	22,547	Other non-current liabilities	24,937	21,911
Deferred tax assets	37,615	30,877	**Total liabilities**	**3,181,436**	**2,759,115**
Other non-current assets	5,401	5,034			
			(Equity)		
			Share of equity attributable to owners of the parent	**3,236,038**	**2,438,807**
			Capital stock	80,462	80,462
			Capital surplus	102,307	103,515
			Retained earnings	1,369,775	1,267,521
			Treasury stock	(59,321)	(59,307)
			Other components of shareholders' equity	1,742,814	1,046,614
			Non-controlling interests	**86,511**	**81,730**
			Total equity	**3,322,550**	**2,520,537**
Total assets	**6,503,986**	**5,279,653**	**Total liabilities and equity**	**6,503,986**	**5,279,653**

Consolidated Statement of Profit or Loss

Unit: millions of yen
(Amounts less than 1 million yen are omitted)

Description	FY2021 (April 1, 2020 - March 31, 2021)	(Reference) FY2020 (April 1, 2019 - March 31, 2020)
Net sales	**2,118,302**	**2,171,355**
Cost of sales	1,627,894	1,664,923
Gross profit	**490,407**	**506,432**
Selling, general and administrative expenses	374,648	381,473
Other income	18,956	18,890
Other expenses	16,555	15,615
Operating profit	**118,159**	**128,233**
Financial income	73,999	74,864
Financial expenses	9,830	8,283
Share of profit (loss) of investments accounted for by the equity method	1,682	1,472
Profit before income taxes	**184,011**	**196,288**
Income taxes	42,576	46,101
Profit	**141,435**	**150,187**
Profit attributable to:		
Owners of the parent	136,700	145,881
Non-controlling interests	4,735	4,305

Consolidated Statement of Changes in Equity

(April 1, 2020 - March 31, 2021)

Unit: millions of yen
(Amounts less than 1 million yen are omitted)

	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 March 31, 2020	80,462	103,515	1,267,521	(59,307)	1,138,219	-
Profit			136,700			
Other comprehensive income					641,463	12,128
Total comprehensive income			136,700		641,463	12,128
Repurchase of treasury stock				(14)		
Disposal of treasury stock		0		0		
Dividends			(46,572)			
Changes in ownership interest of subsidiaries		(1,208)				
Changes in non-controlling interests as a result of change in scope of consolidation						
Reclassified into retained earnings			12,126		2	(12,128)
Other increases (decreases)						
Total transactions with owners	-	(1,208)	(34,445)	(14)	2	(12,128)
Balance as of March 31, 2021	80,462	102,307	1,369,775	(59,321)	1,779,685	-

	Share of equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of shareholders' equity			Total		
	Translation adjustments of foreign operations	Cash flow hedges	Total			
Balance as of March 31, 2020	(93,662)	2,057	1,046,614	2,438,807	81,730	2,520,537
Profit				136,700	4,735	141,435
Other comprehensive income	54,579	154	708,326	708,326	4,336	712,662
Total comprehensive income	54,579	154	708,326	845,026	9,072	854,098
Repurchase of treasury stock				(14)		(14)
Disposal of treasury stock				0		0
Dividends				(46,572)	(1,627)	(48,200)
Changes in ownership interest of subsidiaries				(1,208)	(2,662)	(3,871)
Changes in non-controlling interests as a result of change in scope of consolidation				-		-
Reclassified into retained earnings			(12,126)	-		-
Other increases (decreases)				-		-
Total transactions with owners	-	-	(12,126)	(47,794)	(4,290)	(52,085)
Balance as of March 31, 2021	(39,082)	2,211	1,742,814	3,236,038	86,511	3,322,550

Notes to the Consolidated Financial Statements

I. Notes to the Basis for Preparation of Consolidated Financial Statements

1. Basis of preparation of consolidated financial statements
   Toyota Industries Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) pursuant to the provisions of Article 120 (1) of the Ordinance on Accounting of Companies. These consolidated financial statements are prepared with the partial omission of the disclosure items required by IFRS as allowed by the provisions of the latter part of the Article.

2. Matters regarding the scope of consolidation

Number of consolidated subsidiaries	256
Names of major subsidiaries	Tokyu Co., Ltd., Tokaiseiki Co., Ltd., Izumi Machine Manufacturing Co., Ltd., Toyota L&F Tokyo Co., Ltd., Taikoh Transportation Co., Ltd., Aichi Corporation, Toyota Material Handling Manufacturing France SAS, Michigan Automotive Compressor, Inc., Toyota Industries Europe AB, Toyota Material Handling Europe AB, Toyota Industries North America, Inc., Toyota Material Handling, Inc., TD Deutsche Klimakompressor GmbH, Toyota Material Handling Australia Pty Limited, TD Automotive Compressor Georgia, LLC, Uster Technologies AG, Industrial Components and Attachments, Inc. Cascade Corporation, Toyota Industry (Kunshan) Co., Ltd., Toyota Industries Commercial Finance, Inc., Yantai Shougan Toyota Industries Co., Ltd., TD Automotive Compressor Kunshan Co., Ltd., P.T. TD Automotive Compressor Indonesia, Bastian Solutions, LLC, Vanderlande Industries B.V. Toyota Industries Engine India Pvt. Ltd. and other 230 subsidiaries

3. Application of the equity method

Number of affiliates to which the equity method applied	20
Names of major affiliates	TOYOTA L&F Kinki Co., Ltd., UMC Electronics Co., Ltd., 1 group company of Aichi Corporation Group, 2 group companies of Toyota Industries North America, Inc. Group, 4 group companies of The Raymond Corporation Group, 1 group company of Vanderlande Industries B.V. Group and other 10 affiliates

4. Matters regarding changes in the scope of consolidation and the application of the equity method

Number of newly consolidated subsidiaries	4
	Hakuai Nursing Villa Co., Ltd. and 3 group companies of Toyota Industries Europe AB Group joined the subsidiaries of the Company and have been included in the scope of consolidation.
Number of companies excluded from the scope of consolidation	4
	3 group companies of Toyota Industries Europe AB Group and 1 group company of Vanderlande Industries B.V. Group have been excluded from the scope of consolidation according to extinction through merger and liquidation.
Number of affiliates to which the equity method newly applied	1
	UMC Electronics Co., Ltd. has been included in the companies to which the equity method applied.
Number of affiliates excluded from the companies to which the equity method applied	1
	Hakuai Nursing Villa Co., Ltd. has been excluded from the companies to which the equity method applied due to additional acquisition of their stocks.

5. Matters regarding fiscal years of the consolidated subsidiaries
Among the consolidated subsidiaries, the fiscal year-end of the following subsidiaries is different from the consolidated fiscal year-end (March 31).
Toyota Industry (Kunshan) Co., Ltd. (December 31), TD Automotive Compressor Kunshan Co., Ltd. (December 31), Yantai Shougan Toyota Industries Co., Ltd. (December 31) and 7 other subsidiaries
These subsidiaries use financial statements based on the provisional settlement of accounts performed on March 31, which is the consolidated fiscal year-end.

6. Matters regarding the standards for accounting policies
(1) Standards and methods for valuation of financial assets
A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Group recognizes a financial asset or a financial liability when it becomes a party to the contract of a financial instrument. A purchase or sale of financial assets is recognized or derecognized at the trade date.

(i) Non-derivative financial assets
Toyota Industries categorizes non-derivative assets into financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income (FVTOCI) and financial assets measured at fair value through profit or loss (FVTPL).

(Financial assets measured at amortized cost)
Toyota Industries categorizes financial assets as financial assets measured at amortized cost if financial assets are held with the objective of collecting contractual cash flows and their contractual terms provide cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding. Financial assets measured at amortized cost are initially measured at fair value. The carrying amount of financial assets measured at amortized cost is subsequently measured using the effective interest method.

(Financial assets measured at fair value)
Toyota Industries categorizes financial assets other than financial assets measured at amortized cost as financial assets measured at fair value. Financial assets measured at fair value are further divided into the following classifications according to holding purpose.

(Equity instruments measured at fair value through other comprehensive income (FVTOCI))
Shares and other financial assets held mainly for the purpose of maintaining or enhancing business relationships with investees are designated at initial recognition as financial assets at FVTOCI.
Equity instruments at FVTOCI are measured at fair value at initial recognition and changes in fair value thereafter are recognized in other comprehensive income. However, dividends arising from financial assets at FVTOCI are in principle recognized in profit or loss.
If an equity instrument at FVTOCI is derecognized, the cumulative amount of other comprehensive income recognized in other components of equity on the consolidated statements of financial position is directly transferred to retained earnings.

(Financial assets measured at fair value through profit or loss (FVTPL))
Financial assets not designated as financial assets at FVTOCI of financial assets measured by Toyota Industries are classified as financial assets at FVTPL.
Financial assets at FVTPL are measured at fair value at initial recognition and changes in fair value thereafter are recognized in profit or loss.

(ii) Derivatives
Toyota Industries holds derivative financial instruments to hedge foreign currency and interest rate fluctuation risks, including foreign currency forward contracts, currency options, currency swaps, interest rate swaps, interest rate currency swaps and interest rate options.
For all of these derivatives, Toyota Industries recognizes financial assets or financial liabilities when it becomes the party to these derivatives contracts.
Some of derivatives Toyota Industries holds for hedging purposes do not meet hedge accounting requirements.
Changes in fair value of these derivatives are immediately recognized in profit or loss.
Toyota Industries adopts cash flow hedges and fair value hedges as a hedge accounting method.

(2) Standards and methods for valuation of inventories
Inventories are stated at the lower of cost or net realizable value. Cost of inventories includes purchase costs, processing costs and all other costs incurred in bringing them to their existing location and condition, and is calculated primarily using the moving average method.
Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to sell.

(3) Method for depreciation and amortization of Property, Plant and Equipment and Intangible Assets
1) Property, Plant and Equipment
Property, plant and equipment, excluding land and construction in progress, are depreciated on a straight-line basis over their estimated useful lives. Right-of-use assets are depreciated on a systematic basis from the commencement date to the earlier of the end of the economic life of the underlying asset or the end of the lease term.
The estimated useful lives for major classes of assets are as follows.
Buildings and structures: 5 to 60 years
Machinery and vehicles: 3 to 22 years
2) Intangible Assets
Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives. The estimated useful lives of major classes of assets are as follows.
Software: 3 to 5 years
Development assets: 2 to 10 years

(4) Impairment Losses

1) Financial assets

Financial assets measured at amortized cost are assessed for impairment losses based on expected credit losses.

At the end of the reporting period, if credit risk has not increased significantly after initial recognition, the amount of loss allowance is calculated based on the expected credit losses resulting from default events that are possible within 12 months after the reporting date (12-month expected credit losses). On the other hand, at the end of the reporting period, if credit risk has increased significantly after initial recognition, the amount of loss allowance is calculated based on the expected credit losses resulting from all possible default events over the life of the financial instrument (lifetime expected credit losses).

However, regardless of the above, lifetime expected credit loss measurement always applies to trade receivables and lease investment assets without a significant financing component.

2) Non-financial assets

Toyota Industries reviews carrying amounts of non-financial assets, excluding inventories and deferred tax assets, at every reporting fiscal year-end to determine whether there is any indication of impairment. If there is any indication of impairment, impairment testing is conducted based on the recoverable amount of the asset. Goodwill and intangible assets with indefinite useful lives are tested annually for impairment regardless of whether there is any indication of impairment.

A cash-generating unit (CGU), which is a unit for conducting impairment testing, is the smallest group of assets that generates cash inflows that are generally independent of cash flows of other assets or groups of assets. A CGU for goodwill is the smallest unit monitored for internal control purposes and is no larger than an operating segment before aggregation. Impairment testing for goodwill is conducted at a CGU or a group of CGUs for the smallest unit monitored for internal control purposes and within the scope of an operating segment before aggregation.

The recoverable amount of an asset or CGU is the greater of its value in use or its fair value less cost to sell. In calculating the value in use, estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects the time value of money and risks specific to the asset not considered in estimating future cash flows.

Because corporate assets do not generate independent cash inflows, if there is an indication that a corporate asset may be impaired, impairment testing is conducted based on the recoverable amount for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. An impairment loss recognized in relation to a CGU is allocated to reduce the carrying amount of assets within the CGU on a pro rata basis determined by the relative carrying amount of each asset.

An asset or CGU impaired in prior years is reviewed at every reporting fiscal year-end to determine whether there is any indication of a reversal of impairment loss recognized in prior years. The recoverable amount is estimated for an impairment loss recognized in prior years for an asset or CGU with an indication of reversal of impairment, and the impairment loss is reversed if the recoverable amount exceeds the carrying amount. The carrying amount after reversal of the impairment loss must not exceed the carrying amount of the asset that would be determined if no impairment had been recognized and the asset had been depreciated or amortized until the reversal. An impairment loss recognized for goodwill is not reversed.

(5) Standards for recording provisions

The Company recognizes provisions if it has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of obligation can be reliably estimated.

In case the time value of money is material, the amount of a provision is measured at the present value of the amount of expenditures expected to be required to settle the obligation.

(6) Employee Benefits

1) Post-employment benefits

Toyota Industries adopts the pension and lump-sum payment defined benefit plan and the defined contribution plan.

Toyota Industries' liabilities (assets) in respect of defined benefit plans is calculated for each plan by estimating the amount of future benefits earned by employees in the previous fiscal year and the fiscal year under review, discounting that amount to the present value, deducting the fair value of plan assets, making adjustments concerning the asset ceiling to that amount and, where necessary, considering economic benefits available. Remeasurements of liabilities (assets) in respect of defined benefit plans are recognized in other comprehensive income and at the time of their occurrence directly transferred from other components of equity to retained earnings. Prior service cost is recognized in profit or loss as it occurs. Market yields on high-quality corporate bonds with roughly the same maturity as that of Toyota Industries' net defined benefit liabilities at the end of the reporting period are used as the discount rate. Interest expenses on liabilities (asset) in respect of defined benefit plans are presented as financial expenses.

Contributions under the defined contribution plan are expensed as the employees' services are provided.

2) Short-term employee benefits

Short-term employee benefits are expensed as the relevant services are provided and are not discounted.

For bonuses, if Toyota Industries has the present legal and constructive obligation to pay them as the result of past services provided by employees and the amount can be reliably estimated, the amount estimated to be paid is recognized as a liability.

3) Other long-term employee benefits

The amount of an obligation in respect of the long-service travel award scheme is calculated by estimating the amount of future benefits earned by employees in the current and prior fiscal years and discounting that amount to the present value.

Market yields on high-quality corporate bonds with roughly the same maturity as that of Toyota Industries' long-term employee benefits at the end of the reporting period are used as the discount rate.

4) Share-based compensation

Toyota Industries adopts the cash-settled share-based compensation plan for some of its subsidiaries outside Japan. Cash-settled share-based compensation is measured at the fair value of the goods or services received and liabilities incurred. The fair value of the liabilities is remeasured at the end of each reporting period and on the settlement date, and changes in fair value are recognized in profit or loss.

(7) Revenues

Toyota Industries recognize revenue based on the following five-step model.

Step 1: Identify the contract with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Toyota Industries sells automotive-related products such as vehicles, engines, car air-conditioning compressors, electronics parts and foundry in the Automobile Business; lift trucks, warehouse trucks and aerial work platforms in the Materials Handling Equipment Business; and weaving machinery, spinning machinery, instruments for yarn testing and cotton classing in the Textile Machinery Business. For sales of such products, since the customer obtains control over the product when a customer accepts goods after inspection, and therefore performance obligation is judged to have been satisfied, Toyota Industries normally recognizes revenue when a customer accepts goods after inspection.

Revenue is measured at the amount of consideration promised in a contract with the customer, net of discounts, incentives to distributors and other items.

For maintenance contracts and other services that include construction contracts such as automated storage and retrieval systems, and logistics solutions, Toyota Industries recognizes revenue based on the progress of performance obligation. The progress level is mainly computed according to the ratio of cumulative cost incurred against the total amount of estimated cost.

(8) Foreign Currencies

1) Foreign currency transactions

Foreign currency transactions are converted into the functional currency of each companies of Toyota Industries using the exchange rate prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies are converted into the functional currency using the exchange rate at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the spot rate using the exchange rate at the fair value calculation date.

Any exchange difference arising from the retranslation and settlement is recognized in profit or loss of the period.

2) Foreign operations

Assets and liabilities of foreign operations including goodwill and fair value adjustments arising from acquisition are translated at the exchange rates at the end of the reporting period. Income and expenses of foreign operations are translated at the average exchange rates during the fiscal year, except in cases where exchange rates fluctuate significantly. If exchange rates fluctuate significantly, the exchange rate at the transaction date is used.

Foreign currency differences from the translation are recognized in other comprehensive income. When a foreign operation is disposed of or control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation is reclassified to profit or loss as part of the gain or loss on the disposal.

(9) Accounting treatment of consumption taxes

Tax Exclusion Method is applied in the accounting treatment of consumption taxes.

7. Changes in Accounting Policies

Effective from the fiscal year beginning April 1, 2020, Toyota Industries has adopted Interest Rate Benchmark Reform Amendments to IFRS 9, IAS 39 and IFRS 7 (issued in September 2019).

Since the amendments enable hedge accounting to continue during the period of uncertainty before replacing existing benchmarks with alternative rates, there is no impact on the consolidated financial statements of the Toyota Industries Group.

8. Notes to accounting estimates

(1) Valuation for goodwill and intangible assets with indefinite useful lives

1) Amount as of the end of this fiscal year

Goodwill	170,865 million yen
Intangible assets with indefinite useful lives	37,377 million yen

2) Information regarding contents of significant accounting estimates on identified items

Toyota Industries performs, with respect to goodwill, impairment testing as necessary during each period or in case there is a sign of impairment. The recoverable value in impairment testing is calculated based on value in use.

Value in use is calculated by discounting the estimated amount of cash flows based on the business plan for the next five years that has been primarily approved by the management in present value. The estimation of cash flows is based on the assumption that cash flows of more than five years will increase at a certain growth rate. The growth rate is determined by referencing the long-term expected growth rate of the market in which cash-generating units belong (about 0 to 3%). The discount rate is calculated based on the weighted-average capital cost before tax of cashgenerating units (about 7 to 10%).

Toyota Industries concluded that even if there were reasonably possible changes in key assumptions used in the impairment assessment, it is unlikely that a material impairment would arise.

(2) Employee Benefit　Actuarial assumptions

1) Amount as of the end of this fiscal year　104,900 million yen

2) Information regarding contents of significant accounting estimates on identified items
The calculation method of the amount is as described in "6. Matters regarding the standards for accounting policies (6) Employee Benefits 1) Post-employment benefits".

Important actuarial assumptions (weighted average) used for the calculation of the present value of the defined benefit obligation consist of the following.

	Japan	Outside Japan
Discount rate	0.67%	2.25%

In cases where the discount rate fluctuates at the ratios indicated below, assuming there are no changes to other assumptions, the defined benefit obligation as of the end of the fiscal year ended March 31, 2021 would have been impacted as follows. While the sensitivity analysis assumes that there are no changes in other assumptions, it is possible that changes in other assumptions could impact the sensitivity analysis.

(Millions of yen)

Discount rate	Japan	0.5% increase	(10,773)
		0.5% decrease	11,852
	Outside Japan	0.5% increase	(9,434)
		0.5% decrease	9,671

II. Notes to Consolidated Statement of Financial Position

1. Accumulated depreciation of property, plant and equipment 1,467,421 million yen
   The accumulated depreciation includes accumulated impairment loss.

2. Loss valuation provisions directly deducted from assets
   Trade receivables and other receivables 9,145 million yen

3. Pledged assets, and assets pledged as collateral for secured debts
   (1) Assets pledged as collateral

Trade receivables and other receivables	49,593 million yen
Inventories	3,010 million yen
Property, plant and equipment	1,259 million yen
Investment securities	181,404 million yen
Total	235,267 million yen

   (2) Secured debts

Short-term loans payable	4,073 million yen
Long-term loans payable	41,594 million yen
Other liabilities	32,594 million yen
Total	78,262 million yen

4. Export bills discounted 175 million yen

III. Notes to Consolidated Statement of changes in Equity

1. Type and total number of outstanding shares at the end of the consolidated fiscal year
   Common stock 325,840,640 shares

2. Matters regarding dividends payable
   (1) Dividends paid for the year ended March 31, 2020

Resolution	Class of stock	Total amount of dividends payable	Dividends per share	Record date	Effective date
April 30, 2020, Board of Directors meeting	Common stock	24,838 million yen	80 yen	March 31, 2020	May 25, 2019
October 29, 2020, Board of Directors meeting	Common stock	21,733 million yen	70 yen	September 30, 2020	November 26, 2020

   (2) Dividends with a record date in the fiscal year ended March 31, 2021 for which the effective date falls in the following fiscal year

Resolution	Class of stock	Total amount of dividends payable	Source for dividend	Dividends per share	Record date	Effective date
April 28, 2021, Board of Directors meeting	Common stock	24,838 million yen	Retained earnings	80 yen	March 31, 2021	May 26, 2021

IV. Notes to Financial Instruments

1. Matters concerning Financial Instruments

(1) Capital management

Toyota Industries' financial policy is to ensure sufficient financing and liquidity for its business activities and to maintain strong financial position. Through the use of such current assets as cash and cash equivalents and short-term investments, as well as cash flows from operating activities, issuance of corporate bonds and loans from financial institutions, Toyota Industries believes that it will be able to provide sufficient funds for the working capital necessary to expand existing businesses and develop new projects. The Company defines equity capital as the amount of share of equity attributable to owners of the parent excluding the subscription rights to shares.

The Company is not subject to external capital controls as of March 31, 2021.

(2) Matters concerning risk management

Risk management policy

Toyota Industries is exposed to financial risks related to its marketing activities (credit risk, liquidity risk, market risk, etc.). These risks are managed, based on the treasury policy for avoiding or reducing the effects of such risks.

The Company uses derivatives to avoid the risks explained below and does not engage in speculative transactions.

i) Credit risk

The main receivables of Toyota Industries such as accounts receivable, lease investment assets and loans receivable related to the sales financing business have credit risk (risk concerning non-performance of an agreement by the counterparty). In accordance with internal rules including the treasury policy, Toyota Industries strives to promptly identify and reduce concerns about collection due to a deterioration in the financial conditions and others of its main counterparties by regularly monitoring their situation based on their financial statements, ratings and others, and conducting due date management and balance management. Collection risk of lease investment assets is minimal because their ownership is not transferred and due date management and balance management are conducted. Toyota Industries has no significant concentrations of credit risk with any counterparty.

When using derivative transactions, Toyota Industries mainly deals with only financial institutions evaluated as highly creditworthy by rating agencies to mitigate the counterparty risk.

Regarding accounts receivable, lease investment assets and loans receivable related to the sales financing business, if all or part of them cannot be collected or are deemed to be extremely difficult to collect, they are regarded as nonperforming.

The total carrying amount of financial assets represents the maximum exposure to credit risk.

Measuring expected credit loss for accounts receivable and lease investment assets

Because there is no significant financing component in accounts receivable, the loss evaluation allowance is calculated as lifetime expected credit losses until collection of accounts receivable. For lease investment assets, the loss evaluation allowance is calculated as lifetime expected credit losses until collection of lease investment assets. With regard to accounts receivable and lease investment assets of debtors who have no significant problems in their business conditions, the expected credit loss rate is measured collectively, taking into account the past track record of bad debts and others.

Measuring expected credit loss for loans receivable related to the sales financing business

If credit risk has not increased significantly as of the end of the fiscal year since initial recognition, the loss evaluation allowance for loans receivable related to the sales financing business is calculated by collectively estimating the expected credit loss rate for the following 12 months based on the past track record of bad debts and others. If there are significant effects of changes in economic and other conditions, the loan loss provision ratio based on the past track record of bad debts will be adjusted and reflected in the forecast of present and future economic situations. On the other hand, if credit risk has increased significantly as of the end of the fiscal year since the initial recognition, the loss evaluation allowance for financial instruments is calculated by individually estimating the lifetime expected credit losses of collecting financial instruments based on the past track record of bad debts and the collectible amount in the future among other factors. Assets that are regarded as non-performing are recorded as credit impaired financial assets.

ii) Liquidity risk

With financing through corporate bonds and loans, Toyota Industries is exposed to liquidity risk that a payment cannot be made on the due date because of a deterioration in financing and other conditions. In accordance with the treasury policy, Toyota Industries prepares funding plans and secures liquidity with funds on hand and commitment lines.

iii) Market risk

(a) Foreign currency risk

Engaged in business globally, Toyota Industries conducts transactions in foreign currencies and is exposed to the risk that profit or loss, cash flow and others will be affected by exchange rate fluctuations. In accordance with its treasury policy, in principle, Toyota Industries uses foreign currency forward contracts, foreign currency option contracts and foreign currency swaps to hedge foreign currency risk for each currency for its monetary credits and liabilities denominated in foreign currencies.

(b) Interest rate risk

Toyota Industries procures funds through borrowings from financial institutions and issuances of corporate bonds and is exposed to interest rate risks associated with raising and managing funds. With regard to interest rate risks, in principle, Toyota Industries hedges such risks by interest rate swaps, interest rate options and matching cash flows of receivables and payables, among other methods.

(c) Price fluctuation risk of equity financial instruments

Toyota Industries holds listed shares of companies with business relationships and is exposed to price fluctuation risk of equity financial instruments. Toyota Industries constantly reviews the status of its holdings of these financial instruments, taking into account relationships with and financial conditions of business partners.

Toyota Industries does not hold equity financial instruments for trading purposes and does not actively trade these investments.

2. Matters Concerning the Fair Value of Financial Instruments

The carrying amount and fair values of financial instruments consist of the following.

(1) Financial instruments measured at amortized cost

Unit: millions of yen
(Amounts less than 1 million yen are omitted)

	Carrying amount	Fair value
Financial assets:		
Loans receivable and Loans receivable related to the sales financing business (Note)	138,594	136,727
Lease investment assets	365,008	368,749
Financial liabilities:		
Corporate bonds (Note)	586,691	596,399
Long-term loans (Note)	683,031	684,671

(Note) Loans receivable, Loans receivable related to the sales financing business, corporate bonds and long-term loans include the balance to be repaid and redeemed within one year.

Notes are omitted for such short-term financial assets as cash equivalents and trade receivables and other receivables (excluding loans receivable and loans receivable related to the sales financing business and lease investment assets) as well as for such short-term financial liabilities as trade payables and other liabilities that are measured at amortized cost because the fair value approximates the carrying amount.

The fair value of lease investment assets is calculated with present value obtained by discounting the total amount of future lease receivables with the expected interest rate when newly undertaking similar lease transactions.

The fair value of loans receivable and loans receivable related to the sales financing business is calculated with present value obtained by discounting the total amount of principal and interest with the expected interest rate when newly undertaking similar lending.

The fair values of corporate bonds and long-term loans are calculated with present value obtained by discounting the total amount of future principal and interest with the expected interest rate when newly undertaking similar borrowings.

(2) Fair values of financial assets and liabilities continuously at fair value

Unit: millions of yen
(Amounts less than 1 million yen are omitted)

	Carrying amount	Fair value
Financial assets measured at fair value through profit or loss:		
Derivative assets	9,422	9,422
Others	8,023	8,023
Financial assets measured at fair value through other comprehensive income	3,029,286	3,029,286
Financial liabilities measured at fair value through profit or loss:		
Derivative liabilities	7,889	7,889

Derivatives are transactions for forward exchange contracts, foreign currency option contracts, interest rate swaps, interest rate and currency swaps and interest rate options.
Fair value of forward exchange contracts is calculated based on observable market data including forward exchange rates. Data for the fair value of foreign currency option contracts, interest rate swaps, interest rate and currency swaps and interest rate options are calculated by financial institutions based on observable market data.
Toyota Industries uses the modified book value method when measuring the fair value of unlisted shares and other equity securities categorized as financial assets measured at fair value through other comprehensive income. The illiquidity discount, which is an important unobservable input used to measure the fair value of unlisted shares, is calculated as 30%.

V. Notes to Per Share Information

1. Equity per share: attributable to owners of the parent 10,422.64 yen
2. Earnings per share- basic 440.28 yen

Accounting Auditor's report on the Consolidated Financial Statements (duplicated copy)

Independent Auditor's Report

(English Translation)

May 10, 2021

To the Board of Directors of Toyota Industries Corporation

PricewaterhouseCoopers Aarata LLC
Nagoya office
Kosaku Kawahara, CPA
Designated limited liability Partner
Engagement Partner
Masahide Kobayashi , CPA
Designated limited liability Partner
Engagement Partner

Opinion

We have audited, pursuant to Article 444 (4) of the Companies Act of Japan, the accompanying consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity and notes to the consolidated financial statements of Toyota Industries Corporation (hereinafter referred to as the "Company") for the fiscal year from April 1, 2020 to March 31, 2021.

In our opinion, the above consolidated financial statements prepared by partially omitting the disclosure items required by International Financial Reporting Standards in accordance with the provision of the latter part of Article 120 (1) of the Ordinance of Accounting of Companies present fairly, in all material respects, the financial position and its financial performance of the corporate group which consists of the Company and its consolidated subsidiaries for the period covered by the consolidated financial statements .

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management, Audit & Supervisory Board Members and Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the provision of the latter part of Article 120 (1) of the Ordinance of Accounting of Companies that allow the partial omission of the disclosure items required by International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as applicable, matters related to going concern in accordance with the provision of the latter part of Article 120 (1) of the Ordinance of Accounting of Companies that allow the partial omission of the disclosure items required by International Financial Reporting Standards.

Audit & Supervisory Board Members and Audit & Supervisory Board are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes

our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the financial statement audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures of the consolidated financial statements are in accordance with the provision of the latter part of Article 120 (1) of the Ordinance of Accounting of Companies that allow the partial omission of the disclosure items required by International Financial Reporting Standards, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board Members and Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board Members and Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company and its consolidated subsidiaries which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Non-consolidated Financial Statements (JGAAP)

Non-consolidated Balance Sheet

Unit: millions of yen
(Amounts less than 1 million yen are omitted)

Description	FY2021 (As of March 31, 2021)	(Reference) FY2020 (As of March 31, 2020)	Description	FY2021 (As of March 31, 2021)	(Reference) FY2020 (As of March 31, 2020)
(Assets)			**(Liabilities)**		
Current assets	**768,893**	**662,521**	**Current liabilities**	**565,994**	**417,029**
Cash and deposits	477,987	419,606	Trade notes payable	13,401	12,328
Trade notes receivable	11,900	10,066	Trade Accounts payable	196,805	160,290
Accounts receivable	154,517	125,687	Current portion of bonds	136,894	45,555
Merchandise and finished goods	3,288	3,741	Current portion of long term loans payable	49,733	36,139
Work in process	35,323	32,482	Accounts payable-other	10,587	13,840
Raw materials and supplies	14,070	12,838	Accrued expenses	51,902	46,649
Prepaid expenses	440	499	Accrued income taxes	4,332	9,366
Other current assets	71,386	57,615	Advance received	4,172	4,510
Allowance for doubtful accounts	(21)	(17)	Deposits received	64,405	56,872
			Other current liabilities	33,759	31,474
Fixed assets	**3,874,685**	**2,952,311**			
Property, plant and equipment	**321,288**	**296,856**	**Long-term liabilities**	**1,343,019**	**1,139,108**
Buildings	79,517	68,993	Bonds payable	228,090	334,551
Structures	10,716	11,183	Long-term loans payable	347,785	311,544
Machinery and equipment	95,979	101,427	Deferred tax liabilities	718,916	446,757
Vehicles and delivery equipment	1,460	1,845	Allowance for retirement benefits	44,668	42,698
Tools, furniture and fixtures	7,802	9,578	Other long-term liabilities	3,558	3,556
Land	82,772	82,713	**Total liabilities**	**1,909,013**	**1,556,137**
Construction in progress	43,040	21,114			
			(Net assets)		
Intangible assets	**18,252**	**20,306**	**Shareholders' equity**	**985,403**	**949,189**
Software	18,252	20,306	Capital stock	80,462	80,462
			Capital surplus	105,539	105,539
Investments and other assets	**3,535,143**	**2,635,149**	Legal capital surplus	101,766	101,766
Investments securities	890,746	478,693	Other capital surplus	3,773	3,773
Stocks of subsidiaries and affiliates	2,529,770	2,015,505	Retained earnings	858,722	822,493
Investments in capital	4,806	4,837	Legal retained earnings	17,004	17,004
Investments in capital of subsidiaries and affiliates	34,828	34,828	Other retained earnings	841,717	805,489
Long-term loans receivable	49,874	76,422	Reserve for advanced depreciation of non-current assets	214	218
Long-term prepaid expenses	23,685	23,430	General reserve	280,000	280,000
Other investments and other assets	1,462	1,466	Retained earnings brought forward	561,502	525,270
Allowance for doubtful accounts	(30)	(34)	Treasury stock	(59,321)	(59,307)
			Valuation and translation adjustments	**1,749,161**	**1,109,506**
			Valuation difference on available-for-sale securities	1,749,463	1,109,458
			Deferred gains or losses on hedges	(301)	48
			Total net assets	**2,734,565**	**2,058,695**
Total assets	**4,643,579**	**3,614,833**	**Total liabilities and net assets**	**4,643,579**	**3,614,833**

Non-consolidated Statement of Income

Unit: millions of yen
(Amounts less than 1 million yen are omitted)

Description	FY2021 (April 1, 2020 - March 31, 2021)	(Reference) FY2020 (April 1, 2019 - March 31, 2020)
Net sales	**1,563,591**	**1,541,801**
Cost of sales	1,435,831	1,398,364
Gross profit	**127,759**	**143,436**
Selling, general and administrative expenses	106,303	108,266
Operating income	**21,456**	**35,170**
Non-operating income	**88,368**	**95,321**
Interest and dividends income	80,550	84,027
Other non-operating income	7,817	11,294
Non-operating expenses	**11,701**	**12,509**
Interest expenses	4,631	4,114
Other non-operating expenses	7,069	8,394
Ordinary income	**98,123**	**117,982**
Income before income taxes	**98,123**	**117,982**
Income taxes - current	18,600	22,160
Income taxes - deferred	(3,277)	(1,252)
Net income	**82,801**	**97,074**

Non-consolidated Statement of Changes in Net Assets

(April 1, 2020 - March 31, 2021)

Unit: millions of yen
(Amounts less than 1 million yen are omitted)

	Shareholders' equity								
		Capital surplus			**Retained earnings**				
						Other retained earnings			
	Capital stock	Legal capital surplus	Other capital surplus	**Total capital surplus**	Legal retained earnings	Reserve for advanced depreciation of non-current assets	General reserve	Retained earnings brought forward	**Total retained earnings**
Balance at March 31, 2020	**80,462**	101,766	3,773	**105,539**	17,004	218	280,000	525,270	**822,493**
Changes of items during the period									
Reversal of reserves						(3)		3	–
Dividends paid								(46,572)	**(46,572)**
Net income for the period								82,801	**82,801**
Repurchase of treasury stock									
Disposal of treasury stock			0	**0**					
Change to items other than shareholders' equity during accounting period									
Total changes of items during the period	–	–	0	**0**	–	(3)	–	36,232	**36,228**
Balance at March 31, 2021	**80,462**	101,766	3,773	**105,539**	17,004	214	280,000	561,502	**858,722**

	Shareholders' equity		**Valuation and translation adjustments**			**Total net assets**
	Treasury stock	**Total shareholders' equity**	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	**Total valuation and translation adjustments**	
Balance at March 31, 2020	**(59,307)**	**949,189**	1,109,458	48	**1,109,506**	**2,058,695**
Changes of items during the period						
Reversal of reserves		–				–
Dividends paid		**(46,572)**				**(46,572)**
Net income for the period		**82,801**				**82,801**
Repurchase of treasury stock	**(14)**	**(14)**				**(14)**
Disposal of treasury stock	**0**	**0**				**0**
Change to items other than shareholders' equity during accounting period			640,004	(349)	**639,655**	**639,655**
Total changes of items during the period	**(14)**	**36,214**	640,004	(349)	**639,655**	**675,870**
Balance at March 31, 2021	**(59,321)**	**985,403**	1,749,463	(301)	**1,749,161**	**2,734,565**

Notes to Non-consolidated Financial Statements

I. Notes to Significant Accounting Policies

1. Standards and methods of valuation of assets
   (1) Marketable Securities
   Stocks of subsidiaries and affiliates
   Stated at cost using the moving-average method
   Other securities
   - Securities with market quotations
   Stated at fair market value on the account closing date with unrealized gains and losses reported in a separate component of net assets. The cost of securities sold is calculated by the moving-average method.
   - Securities without market quotations
   Stated at cost using the moving-average method
   (2) Inventories
   Stated at cost determined by the moving-average method (the values on the non-consolidated balance sheet are calculated through the write-down method based on the deterioration of profitability).

2. Depreciation method for fixed assets
   Property, plant and equipment
   Declining-balance method
   Intangible assets
   Straight-line method

3. Method of accounting for deferred assets
   As for bond issuance cost, full amount is treated as expenses at the time of payout.

4. Standards of accounting for reserves
   (1) Allowance for doubtful accounts
   The Company adopted the policy of providing an allowance for doubtful accounts in an amount sufficient to cover possible losses on collection by estimating individually uncollectible amounts and applying to the remaining accounts a percentage determined by certain factors such as historical collection experiences.
   (2) Allowance for retirement benefits
   The Company accrues an amount which is considered to be incurred in the period based on the estimated projected benefit obligations and estimated pension assets at the end of the year.
   A. Method of attributing expected benefit to periods
   The value of accrued benefit obligations is calculated using benefit formula standard.
   B. Treatment of actuarial gains and losses and past service costs
   Unrecognized past service costs are amortized by the straight-line method over the remaining average service period of the employees. Unrecognized actuarial gain or loss at the end of prior year is amortized by the straight-line method over the remaining average service period of the employees.
   To provide for the retirement benefits for directors, an amount which is calculated at the end of the year as required by an internal policy describing the retirement benefits for directors and managing officers is accrued.

5. Method of hedge accounting
   Mainly the deferral method of hedge accounting is applied. In the case of foreign currency forward contracts, foreign currency option contracts and foreign currency swaps, the hedged items are translated at contracted forward rates if certain conditions are met.
   As for the interest rate swap contracts, which meet the requirements of preferential accounting method, the preferential accounting method is applied.
   In order to hedge the risk of changes in foreign exchange rates on transactions denominated in loans payable, bonds payable, receivable and payable, and forecasted transactions, and the risk of changes in interest rates on loans payable and bonds payable, Toyota Industries uses derivative instruments (foreign currency forwards contracts, foreign currency option contracts, foreign currency swaps and interest rate swaps) during the fiscal year under review.

6. Accounting treatment of retirement benefits
   The accounting method of unrecognized actuarial gain and loss and past service cost is different from the consolidated financial statement.

7. Accounting treatment of consumption taxes
   Tax Exclusion Method is applied in the accounting treatment of consumption taxes.

II. Notes to Changes in Accounting Policies

Effective from FY2021, the Company adopted Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR (PITF No.40, issued on September 29, 2020). Since this enables it to be deemed that the interest rate benchmarks referred to by the hedged items and hedging instruments will not be affected by the reform of interest rate benchmarks and will not be changed from the existing interest rate benchmarks, there is no impact on the Company.

III. Notes to Changes in Presentation

Effective from FY2021, the Company adopted Accounting Standard for Disclosure of Accounting Estimates (ASBJ Statement No. 31, issued on March 31, 2020). "IV. Notes to accounting estimates" is included in this document.

IV. Notes to Accounting estimates

1. Valuation of stocks of subsidiaries without market price
   (1) Amount recognized for FY2021 463,164 million yen
   (2) Information regarding contents of significant accounting estimates on identified items
   If the actual price of any stocks of subsidiaries without market price declines more than approximately 50% compared with its acquisition cost due to the deterioration of financial conditions of an issuing company of the said subsidiary's stocks, Toyota Industries determines that the actual price has decreased significantly and recognizes an impairment loss at the end of a fiscal year, except when recovery within approximately 5 years is substantiated by sufficient evidence in business plans and other strategies.
   If assumptions such as business plans fluctuate significantly due to changes in the business environment in the future, the recoverability may not be substantiated by sufficient evidence and impairment loss may be required.
2. Allowance for retirement benefits
   (1) Amount recognized for FY2021
   Allowance for retirement benefits 44,668 million yen
   (2) Information regarding contents of significant accounting estimates on identified items
   Method of calculating amount is as detailed in "I. Notes to Significant Accounting Policies 4. Standards of accounting for reserves (2) Allowance for retirement benefits".
   Discount rate used for the calculation of the present value of the defined benefit obligation is 0.45%.
   In cases where the discount rate fluctuates at the ratios indicated below, assuming there are no changes to other assumptions, the defined benefit obligation as of the end of the fiscal year would have been impacted as follows. While the sensitivity analysis assumes that there are no changes in other assumptions, it is possible that changes in other assumptions could impact the sensitivity analysis.
   0.5% increase (10,446) million yen
   0.5% decrease 11,680 million yen

V. Notes to Non-consolidated Balance Sheet

1. Pledged assets, and assets pledged as collateral for secured debts
   (1) Assets pledged as collateral
   Investment securities 181,404 million yen
   (2) Secured debts
   Other current liabilities 32,585 million yen
2. Accumulated depreciation of property, plant and equipment 663,088 million yen
   The accumulated depreciation includes accumulated impairment loss.
3. Guarantee liability
   (1) Guarantee liability to financial institutions 220,210 million yen
   (2) Guarantee liability from operating transactions 10,935 million yen
4. Export bills discounted 175 million yen
5. Monetary receivables from and payables to subsidiaries and affiliates
   (1) Short-term monetary asset 142,980 million yen
   (2) Long-term monetary asset 48,266 million yen
   (3) Short-term monetary liability 179,298 million yen
   (4) Long-term monetary liability 621 million yen

VI. Notes to Non-consolidated Statement of Income

Transactions with affiliates
(1) Net sales 1,271,159 million yen
(2) Net purchases 915,463 million yen
(3) Transactions other than operating transactions 70,119 million yen

VII. Notes to Non-consolidated Statement of Changes in Net Assets

Matters regarding the numbers of treasury stock

Class of stock	Number of shares as of the beginning of FY2021	Increase in the number of shares in FY2021	Decrease in the number of shares in FY2021	Number of shares as of the end of FY2021
Common stock	15,357,028 shares	1,944 shares	110 shares	15,358,862 shares

VIII. Notes to Tax Effect Accounting

The main contributing factors to the deferred tax assets are amounts of allowance for retirement benefits and accrued expenses, exceeding provision limit for tax deductible expenses (amount of valuation reserve deducted), and the main contributing factor to the deferred tax liabilities incurred is net unrealized gains or losses on available-for-sale securities.

IX. Notes to Transactions with Affiliates

Parent company and major corporate shareholders — Unit: millions of yen

Class	Name	Owning (or owned) shares with voting rights	Contents of relationship	Contents of transaction	Amount of transactions	Description	Balance as of the end of FY2021
Other affiliate	Toyota Motor Corporation	owned 24.7% (directly) 0.2% (indirectly)	Sales of the Company's products and purchase of automobile parts	Sales of Automobiles and engines etc. (1)	1,034,305	Trade notes receivable	10,947
						Accounts receivable	58,370
				Purchase of parts of automobiles and engines etc. (2)	807,992	Accounts payable	100,081

(Notes) 1. Conditions of transactions and determination policies etc.
(1) As for the sales of automobiles and engines etc., the Company offers prices on such products based on their overall costs, considering conditions on arm's-length transactions, and negotiates prices for each fiscal year.
Conditions other than the prices are determined based on arm's-length transactions.
(2) As for the purchase of parts of automobiles and engines etc., the Company negotiates prices for each fiscal year, considering offered prices on such products and conditions on arm's-length transactions.
Conditions other than the prices are determined based on arm's-length transactions.
2. The amount of transactions does not include consumption taxes, whereas the balance as of the end of FY2021 includes consumption taxes.

Subsidiaries, affiliates to which the equity method applied and others — Unit: millions of yen

Class	Name	Owning (or owned) shares with voting rights	Contents of relationship	Contents of transaction	Amount of transactions	Description	Balance as of the end of FY2021
Subsidiary	Toyota Industries Commercial Finance, Inc.	Own 100.0% (indirectly)	Loan of funds and guarantee of liability	Guarantee of liability for medium term note (1)	113,145	—	—
Subsidiary	Toyota Industries Finance International AB	Own 100.0% (indirectly)	Guarantee of liability	Guarantee of liability for medium term note (1)	107,064	—	—

(Notes) Conditions of transactions and determination policies etc.
(1) Guarantees of liability provided to Toyota Industries Commercial Finance, Inc. and Toyota Industries Finance International AB are for Medium Term Note issued by them and the company receives guarantee fees based on a fix rate.
The amounts of transactions are balances of guarantee of liability as of the end of FY2021.

X. Notes to Per Share Information

1. Net assets per share 8,807.49 yen
2. Net income per share 266.68 yen

Accounting Auditor's report on the Non-consolidated Financial Statements (duplicated copy)

Independent Auditor's Report

(English Translation)

May 10, 2021

To the Board of Directors of Toyota Industries Corporation

PricewaterhouseCoopers Aarata LLC
Nagoya office

Kosaku Kawahara, CPA
Designated limited liability Partner
Engagement Partner

Masahide Kobayashi, CPA
Designated limited liability Partner
Engagement Partner

Opinion

We have audited, pursuant to Article 436 (2) (i) of the Companies Act of Japan, the accompanying financial statements, which comprise the balance sheet, profit and loss statement, statement of changes in net assets and notes to the financial statements, and the supplementary schedules of Toyota Industries Corporation (hereinafter referred to as the "Company") for the 143rd fiscal year from April 1, 2020 to March 31, 2021.

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and its financial performance for the period covered by the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements and the Supplementary Schedules section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements and the supplementary schedules in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management, Audit & Supervisory Board Members and Audit & Supervisory Board for the Financial Statements and the Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the financial statements and the supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and Audit & Supervisory Board are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and the Supplementary Schedules

Our objectives are to obtain reasonable assurance about whether the financial statements and the supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the supplementary schedules.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the financial statement audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures of the financial statements and the supplementary schedules are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the financial statements and the supplementary schedules, including the disclosures, and whether the financial statements and the supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board Members and Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board Members and Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Audit & Supervisory Board's report (duplicated copy)

Audit Report

(English Translation)

The Audit & Supervisory Board, following deliberations on the reports made by each Audit & Supervisory Board member concerning the audit of execution of duties by Members of the Board of the Company for the 143rd fiscal year from April 1, 2020 to March 31, 2021, has prepared this Audit Report and hereby submit it as follows:

1. Summary of Auditing Methods by Audit & Supervisory Board members and Audit & Supervisory Board

(1) The Audit & Supervisory Board established the auditing policies and plans, received reports and explanations regarding the status of audits and the results thereof from each Audit & Supervisory Board member, as well as reports and explanations regarding the status of the execution of duties from the Members of the Board and Accounting Auditor, and requested explanation as necessary.

(2) In accordance with the auditing policies and plans determined by the Audit & Supervisory Board, each Audit & Supervisory Board Member communicated with the Members of the Board and employees in charge of internal auditing and other duties of the Company, made their best efforts to collect information and improve the auditing environment, and conducted an audit in the following way.

1. Each Audit & Supervisory Board Member attended the Board of Directors' meetings and other important meetings to receive reports regarding the execution of duties from Members of the Board and employees and requested explanations as necessary. Each Audit & Supervisory Board Member inspected the approved documents and examined the status of operations and conditions of assets at its head office and principal offices. Audit & Supervisory Board Members also received from subsidiaries their business reports as necessary through communication and information sharing with their Members of the Board and Audit & Supervisory Board Members.

2. Each Audit & Supervisory Board Member received status reports from Members of the Board, employees of the internal control department and other employees on a regular basis about the resolutions adopted by the Board of Directors as to establishing the system set forth in Paragraph 4, Item 6 of Article 362 of the Companies Act as well as Paragraphs 1 and 3 of Article 362 of the Companies Act, and the status of such system (Internal Control System) established in accordance with the resolution of the Board of Directors and requested explanations as necessary.

3. The Audit & Supervisory Board Members monitored and verified whether the Accounting Auditor maintained independence and conducted the audits appropriately, received reports and explanations regarding the status of the execution of duties from the Accounting Auditor and requested explanations as necessary. The Audit & Supervisory Board Members were also informed by the Accounting Auditor of its arrangements, as appropriate, under the Article 131 of the Ordinance for Corporate Accounting with respect to standards for quality control of audit work and requested explanations as necessary.

In accordance with the procedures mentioned above, the Audit & Supervisory Board Members reviewed the business reports and supplementary schedules, the non-consolidated financial statements (non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in net assets and notes to non-consolidated financial statements) and the supplementary schedules thereof, and the consolidated financial statements (consolidated statement of financial position, consolidated statements of profit or loss, consolidated statements of changes in equity and the notes to the consolidated financial statements) for the fiscal year under review.

2. Results of Audit
   (1) Results of Audit of Business Report and Other Relevant Documents
      1. In our opinion, the business report and the supplementary schedules are in accordance with the related laws and regulations and Articles of Incorporation, and fairly represent the Company's condition.
      2. We have found no evidence of wrongful action or material violation of related laws and regulations, nor of any violation with respect to the Articles of Incorporation, related to performance of duties by the Members of the Board.
      3. In our opinion, the contents of the resolutions of the Board of Directors related to the internal controls system are fair and reasonable. In addition, we have found no matters on which to remark regarding the performance of duties by the Members of the Board related to such internal controls system.
   (2) Results of Audit of Non-consolidated Financial Statements and Supplementary Schedules
   In our opinion, the methods and results employed and rendered by PricewaterhouseCoopers Aarata LLC, are fair and reasonable.
   (3) Results of Audit of Consolidated Financial Statements
   In our opinion, the methods and results employed and rendered by PricewaterhouseCoopers Aarata LLC, are fair and reasonable.

May 13, 2021

Audit & Supervisory Board, Toyota Industries Corporation

Full-time Audit & Supervisory Board Member	Shinya Furukawa
Full-time Audit & Supervisory Board Member	Toru Watanabe
Outside Audit & Supervisory Board Member	Akihisa Mizuno
Outside Audit & Supervisory Board Member	Masanao Tomozoe