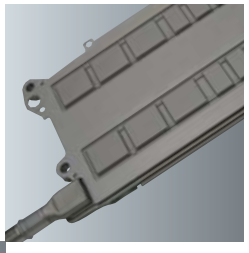
Toyota Industries Report 2009

Year ended March 31, 2009



TOYOTA INDUSTRIES CORPORATION

Contents

Cautionary Statement with Respect to Forward-Looking Statements

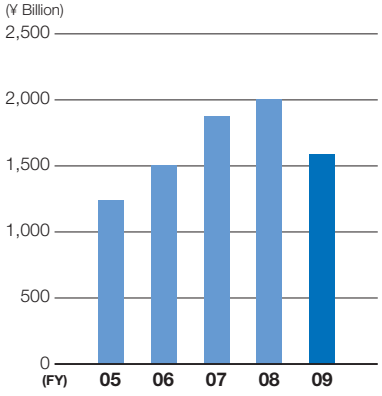
This report contains projections and other forward-looking statements that involve risks and uncertainties. The use of the words "expect," "anticipate," "estimate," "forecast," "plan" and similar expressions is intended to identify such forward-looking statements. Projections and forward-looking statements are based on the current expectations and estimates of the Toyota Industries Group regarding its plans, outlook, strategies and results for the future. All such projections and forward-looking statements are based on management's assumptions and beliefs derived from the information available at the time of producing this report and are not guarantees of future performance. Toyota Industries undertakes no obligation to publicly update or revise any forward-looking statements in this report, whether as a result of new information, future events or otherwise. Therefore, it is advised that you should not rely solely upon these projections and forward-looking statements in making your investment decisions. You should also be aware that certain risks and uncertainties could cause the actual results of Toyota Industries to differ materially from any projections or forward-looking statements discussed in this report. These risks and uncertainties include, but are not limited to, the following: (1) reliance on a small number of customers, (2) product development capabilities, (3) intellectual property rights, (4) product defects, (5) price competition, (6) reliance on suppliers of raw materials and components, (7) environmental regulations, (8) success or failure of strategic alliances with other companies, (9) exchange rate fluctuations, (10) share price fluctuations, (11) effects of disasters, power blackouts and other incidents, (12) latent risks associated with international activities and (13) retirement benefit liabilities.

Financial Highlights

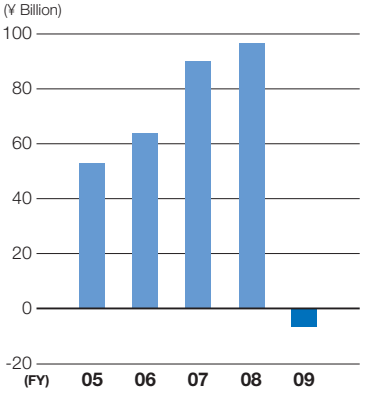
Toyota Industries Corporation
Years ended March 31

	Millions of yen					% change
	2005	2006	2007	2008	**2009**	2009 vs 2008
For the Year						
Net sales	1,241,538	1,505,955	1,878,398	2,000,536	**1,584,252**	(20.8)%
Operating income (loss)	53,120	64,040	89,954	96,853	**(6,621)**	–
Ordinary income	70,912	80,635	108,484	126,488	**14,343**	(88.7)
Net income (loss)	43,357	47,077	59,468	80,460	**(32,767)**	–
Research and development expenses	30,051	31,166	34,548	36,750	**33,646**	(8.4)
Cash dividends per share (yen)	32.00	38.00	50.00	60.00	**40.00**	(33.3)
At Year-End						
Total assets	2,326,824	3,245,341	3,585,857	2,965,585	**2,327,432**	(21.5)%
Total net assets	1,115,747	1,611,227	1,810,483	1,453,996	**977,670**	(32.8)
Number of employees	30,990	32,977	36,096	39,528	**39,916**	1.0

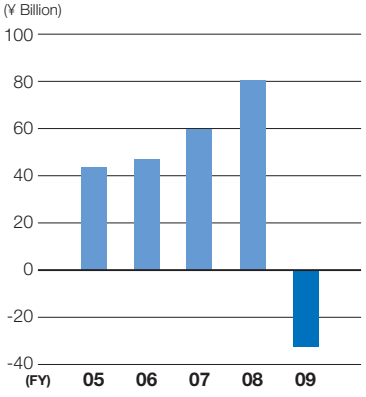
Net Sales



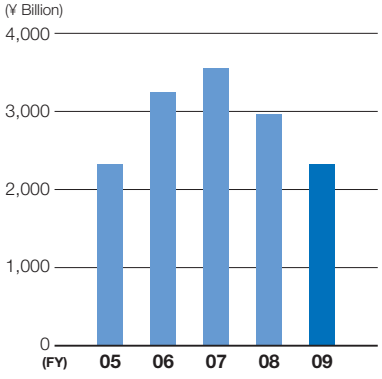
Operating Income (Loss)



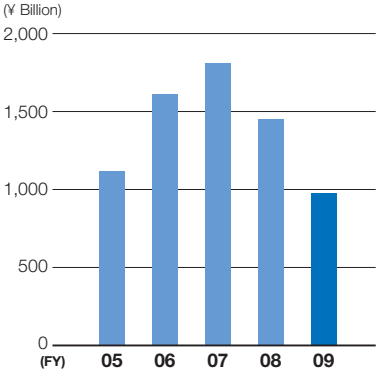
Net Income (Loss)



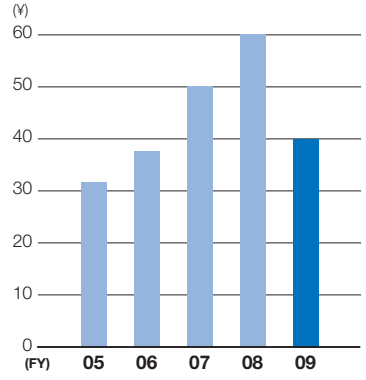
Total Assets



Total Net Assets



Cash Dividends per Share



Tadashi Ishikawa
Chairman

Tetsuro Toyoda
President

Message from the Chairman and President

Business Results for Fiscal 2009 and Initiatives in Fiscal 2010

The world economy declined abruptly in the year ended March 31, 2009 (fiscal 2009), as the worsening of the real economy spread beyond Europe and the United States to emerging countries, reflecting the severe impact of the global financial crisis.

To respond to this changing external environment, since spring 2008 the Toyota Industries Group has adopted out-of-the-box thinking with a set of new values based on the recognition that "times have changed" in order to enhance the Group's overall capabilities. In response to a sharp decline in net sales from autumn 2008, the entire Toyota Industries Group has made collective efforts since December 2008 to quickly and systematically implement comprehensive measures to achieve a recovery in earnings. Nevertheless, these measures were unable to compensate for the unprecedented speed at which markets have contracted, and Toyota Industries inevitably recorded steep declines in sales and profits, as illustrated by a ¥416.3 billion decline in consolidated net sales year-on-year to ¥1,584.2 billion. Meanwhile, we posted an operating loss of ¥6.6 billion, a decrease of ¥103.4 billion, whereas ordinary income declined ¥112.1 billion to ¥14.3 billion.

Although we ultimately posted disappointing business results, Toyota Industries' management keenly felt the pain of this downturn and quickly seized the initiative to achieve a recovery in our earnings. We believe this decisive response has yielded a number of positive results, such as prompting a change in the mindset of every employee and stimulating

concerted Group-wide efforts to vigorously tackle the various challenges we face.

Looking ahead to the fiscal year ending March 31, 2010 (fiscal 2010), we expect the operating environment surrounding the Toyota Industries Group to deteriorate further amid concerns about a protracted global slowdown as well as foreign exchange and stock market trends. The current economic turmoil is said to be a "once-in-a-century" crisis. Therefore, we must be prepared for this recession to be prolonged. Even when the economy eventually rebounds, society and industry could conceivably undergo significant structural changes in the aftermath of the turmoil. As these anticipated external changes unfold, the Toyota Industries Group must go back to the basics and vigorously promote its own structural reforms and adopt new ways of thinking as it fortifies its management foundation based on new values and concepts.

In working to accomplish these goals, our most urgent tasks will be to reform our business and cost structures and raise our profitability. We will streamline our corporate structure and lower our break-even point to build a solid foundation capable of securing profits even without sales growth. Specific measures will include bolstering and enhancing profit-improvement activities launched in late 2008 and making exhaustive efforts to lower fixed costs.

Along with these steps, we will formulate a range of measures for expanding sales, which include introducing new products and promoting sales expansion activities.

Setting our sights on medium- to long-term growth, we will accelerate our preparations for a future leap forward by planning and developing products from the perspective of customers. We will also promote the development of advanced technologies in order to provide high value-added products that anticipate customer needs. At the same time, we will strengthen and expand our sales and service networks as well as our value chain. With regards to technological development in particular, we will strive to accurately identify changes in the market and operating environment and swiftly examine technological themes that will form the core of our future growth, backed by the total commitment of all members of the Toyota Industries Group through the cooperation of each division.

Future Business Strategies

In the Materials Handling Equipment Segment, we will increase our competitiveness by standardizing internally developed key components and enhancing the product appeal of our electric lift trucks, for which we foresee increased demand in line with the rising importance of protecting the global environment. We will further bolster our lineup of lift trucks in December 2009 with the planned launch of a new hybrid lift truck that combines a diesel engine, electric motor and battery. Realized through the collective competencies of the Toyota Group, this innovative new product is just one way in which we will continue to lead the industry in environmental technologies.

On the sales front, we will focus on leveraging the strengths of the sales structure created through the integration of the TOYOTA- and BT-brand sales channels in Europe and other regions to expand our share in those countries, especially in Europe, the world's largest market. We will also fortify marketing functions to ensure timely response to rising demand in emerging countries, particularly BRICs (Brazil, Russia, India and China) markets.

In the Automobile Segment, we are actively developing and manufacturing products which meet growing demand for lightweight, compact, fuel-efficient, low-cost vehicles as well as in response to the expanding market for hybrid vehicles. In the Vehicle Business, we plan to reinforce our outstanding capabilities in QCD (quality, cost and delivery) for manufacturing compact vehicles to pursue the development of reasonably priced, high-quality products. Another task will be to accelerate development and aim for early commercialization of lightweight vehicle technologies, such as plastic glazing, that are essential for enhancing fuel efficiency.

In the Engine Business, we will enhance the product competitiveness of our clean diesel engines, which are one means for realizing a low-carbon society, while expanding sales of gasoline engines and industrial-use engines.

In the Car Air-Conditioning Compressor Business, we will solidify our overwhelmingly competitive advantage in fuel-efficient air-conditioning compressors for internal-combustion engine vehicles. We also plan to offer a series of electrically driven air-conditioning compressors for the Toyota Prius and other hybrid vehicles, which are expected to enjoy a large rise in demand. We anticipate these measures will enable

Tetsuro Toyoda
President

us to solidify our position as a top manufacturer of car air-conditioning compressors.

In the Car Electronics Business, converters for auxiliary equipment developed and manufactured by Toyota Industries have been fitted in numerous hybrid vehicles, most notably the Toyota Prius. The latest model launched in May 2009 also integrates a newly developed direct cooling system for the power control unit in addition to a converter for auxiliary equipment. Aided by such positive factors as tax breaks for eco-car purchases and the introduction of scrap incentives, we believe the field of hybrid vehicles, plug-in hybrid vehicles and electric vehicles to be one of the most promising markets. Looking ahead, we aim to build our Car Electronics Business into a core business by broadening our product domains in this field.

At Toyota Industries, we define 3Es to be energy, environmental protection and ecological thinking that are incorporated into our products and operating activities. We believe these 3Es are key to promoting environmental conservation and sustainable development globally. As such, we will emphasize these elements in our product development, with plans to further accelerate the electrification of industrial vehicles and automobiles. Toyota Industries stands firmly positioned to respond to this trend backed by its deep reservoir of electromotive technologies and know-how cultivated in the development of electric lift trucks as well as its comprehensive automotive technologies spanning vehicles, engines and components. We intend to integrate these element technologies to realize synergies for creating products that are ecological and benefit society throughout the world.

Environmental Conservation

Recognizing the growing importance of environmental protection, Toyota Industries actively undertakes environmental conservation activities in its role as a company involved in manufacturing. These activities are based on its corporate principle of “Toyota Industries believes that

economic growth and conservation of the natural environment are compatible. It strives to offer products and services that are clean, safe and of high quality."

As specific initiatives, we have designated curbing global warming and resource utilization as priority issues in our Fourth Environmental Action Plan. In addressing these issues, we are working to minimize environmental loads in all phases of our operations, from the product design and procurement stages through to production processes, logistics, product use and recycling.

The Toyota Industries Group strives for balance between protecting the earth's environment and economic development. In working toward this goal, management and all employees act together to realize "environmental management."

Social Contributions

As a responsible corporate citizen, Toyota Industries carries out wide-ranging social contribution activities focused on the local communities in which we do business. Responding to requests from regional governments and various organizations, Toyota Industries is proactively involved in a host of activities that include providing human resources for welfare facilities and traffic safety activities. We also make donations for welfare-related events as well as youth development, community, sports and environmental conservation activities, and open our facilities to the public for use as venues for various community events.

In Japan, we further demonstrated our commitment to enhancing our social contribution activities by opening the Heartful Volunteer Support Center in July 2008 for undertaking a variety of community-oriented efforts. The center disseminates volunteer-related information to employees along with relevant information to the residents of local communities. It also provides learning opportunities concerning volunteering for events and support for participants in volunteer activities.

We are also committed to engaging in local social contribution activities globally. Examples include the cleanup of nearby highways and participating in tree-planting activities in parks by employees at our U.S. subsidiaries. Also, after the Sichuan earthquake in China, we donated monetary aid and our lift trucks and sent relief supplies.

We will continue to broaden and enhance our social contribution activities throughout the world.

Human Resources Development

Within today's rapidly changing business environment, we believe that human resources development will play an unprecedented and important role in ensuring the sustainable growth of the Toyota Industries Group. As part of activities to commemorate the 80th anniversary of our founding, we established the Hazu Academy, a global learning center, in Aichi Prefecture. The academy functions as a venue for nurturing independent-minded personnel who take the initiative to think, learn and act, and thereby bear the torch to ensure the growth of the Toyota Industries Group in the future. Targeting management and employees from inside and outside of Japan, the academy provides training for promoting the penetration of Toyota Industries' management philosophy, formulating management strategies from a global perspective and enhancing problem-solving capabilities.

Looking to the future, we remain committed to further raising corporate value while aiming for sustainable growth in harmony with society. In closing, we truly appreciate the loyal support of all our stakeholders, including shareholders, customers, business partners, local communities and employees and their families, and ask for their continued guidance and understanding.

August 2009

Tadashi Ishikawa
Chairman

Tetsuro Toyoda
President

Business Performance for the Year Ended March 31, 2009

Materials Handling Equipment

Main Products

- Lift trucks
- Warehouse trucks
- Aerial work platforms
- Automated storage and retrieval systems
- Automatic guided vehicles

In the materials handling equipment industry as a whole, the global market deteriorated, experiencing an unprecedentedly sharp drop particularly since October 2008. Amid this environment, unit sales of lift trucks, a mainstay product of this segment, decreased for both the TOYOTA and BT brands despite vigorous sales promotion activities worldwide. In addition, a decrease in sales of aerial work platforms and the negative impact of foreign exchange rate fluctuations resulted in a decrease in net sales of ¥143.5 billion, or 18%, to ¥639.6 billion.

Automobile

Main Products

- Passenger vehicles (Vitz [Yaris outside Japan], RAV4, Mark X ZiO)
- Diesel engines
- Gasoline engines
- Car air-conditioning compressors
- Electronic components for automobiles
- Foundry parts
- Stamping dies

The automobile industry underwent a rapid market contraction in developed countries while market growth slowed in emerging markets, in which expansion was expected. Amid this environment, net sales of the Automobile Segment totaled ¥755.9 billion, a decrease of ¥213.3 billion, or 22%.

Within this segment, net sales of the Vehicle Business were ¥378.1 billion, a decrease of ¥122.0 billion, or 24%, due primarily to decreases in sales of the Vitz (Yaris outside Japan), RAV4 and Mark X ZiO.

Net sales of the Engine Business totaled ¥156.6 billion, falling ¥22.1 billion, or 12%. This was mainly attributable to a decrease in sales of AD diesel engines, which are installed primarily in the RAV4.

Net sales of the Car Air-Conditioning Compressor Business decreased ¥67.2 billion, or 26%, to ¥186.3 billion, as a result of a dramatic decrease in production at automakers in North America, Europe and Japan.

Logistics

Main Services

- Land transportation services
- Logistics planning
- Operation of distribution centers
- Cash collection and delivery and cash proceeds management services
- Data storage, management, collection and delivery services

The overall operating environment remained severe in the logistics industry as the volume of cargo transport continued to decline in the domestic market. Amid this environment, net sales of the Logistics Segment totaled ¥114.8 billion, a decrease of ¥2.7 billion, or 2%. Although sales rose for such specialized service operations as cash collection and delivery and cash proceeds management as well as data storage, management, collection and delivery services, this was offset by a decrease in sales of the cargo transport business of automotive parts.

Textile Machinery

Main Products

- Ring spinning frames
- Roving frames
- Air-jet looms

In the textile machinery industry, the markets rapidly deteriorated in China and India, our primary markets, as a result of the economic slowdown in Europe and the United States. Amid this environment, net sales of the Textile Machinery Segment amounted to ¥29.5 billion, a decrease of ¥36.7 billion, or 55%, attributable mainly to a sharp drop in sales of air-jet looms, our mainstay product, to China.

Others

Main Products

- Semiconductor package substrates
- Manufacturing equipment

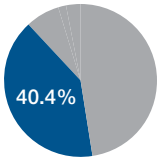
The Others Segment includes TIBC Corporation, a joint venture with IBIDEN CO., LTD., that produces semiconductor package substrates. Amid a deteriorating market environment, net sales of the Others Segment totaled ¥44.2 billion, a decline of ¥20.0 billion, or 31%.

GENEO-B
Electric counterbalanced lift truck

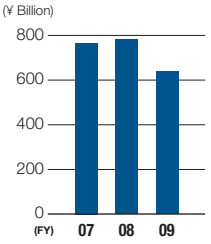
Traigo
Electric lift truck

SB12A
Truck mount aerial work platform

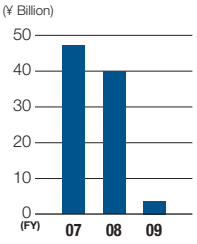
Percentage of Net Sales



Net Sales



Operating Income



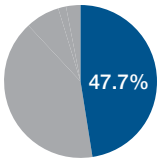
Vitz
(Yaris outside Japan)

AD diesel engine

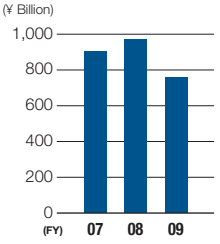
ES14 electric compressor
(Scroll type)

PCU direct cooling device for the new Prius

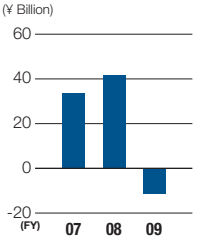
Percentage of Net Sales



Net Sales



Operating Income (Loss)

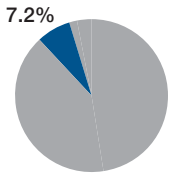


Cash collection and delivery and cash proceeds management services

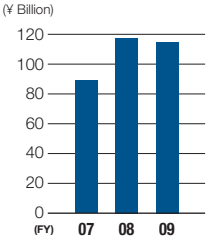
Data storage, management, collection and delivery services

Land transportation services

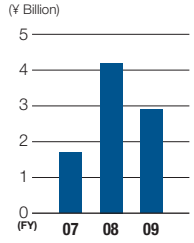
Percentage of Net Sales



Net Sales



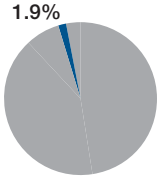
Operating Income



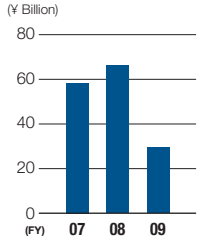
RX240 series
Ring spinning frame

JAT710
Air-jet loom

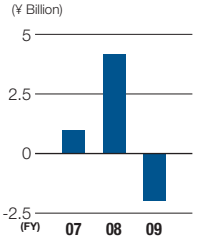
Percentage of Net Sales

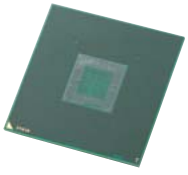


Net Sales



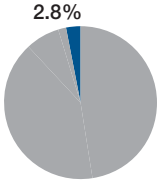
Operating Income (Loss)



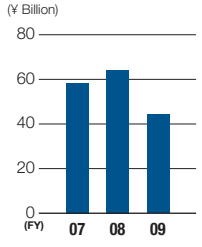


Flip chip package substrate for PC microprocessor unit

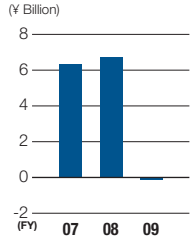
Percentage of Net Sales



Net Sales



Operating Income (Loss)



Note: Segment net sales figures do not include inter-segment transactions. However, segment operating income (loss) figures do include operating income (loss) arising from inter-segment transactions.

Materials Handling Equipment

The World's Leading Materials Handling Supplier—Providing Customers with Optimum Solutions

Toyota Industries' Materials Handling Equipment Business engages in the development, production, sales and service of industrial vehicles such as counterbalanced lift trucks with 0.5- to 43-ton load capacities and a wide range of warehouse equipment such as systems for transportation, storage and retrieval of goods.

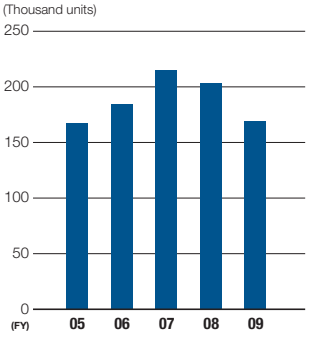
As a leading manufacturer of lift trucks and other materials handling equipment with expertise in logistics throughout the world, we offer a product range that includes the TOYOTA, BT, RAYMOND and CESAB brands under the organization of Toyota Material Handling Group (TMHG) as well as AICHI, a top brand in Japan for aerial work platforms.

Toyota Industries provides complete materials handling solutions, featuring high-quality products and services, cutting-edge technologies and extensive materials handling know-how through our global sales and service network. In doing so, we also remain keenly responsive to a variety of customer needs for logistics.

Toyota Material Handling Group

Toyota has a solid position for counterbalanced lift trucks in Japan and around the world. In March 2008, Toyota marked an important milestone, reaching cumulative production of its 2,000,000th lift truck. For warehouse trucks, BT is particularly strong in the European market and Raymond is in a leading position in North America. TMHG will continue to carry out aggressive sales promotion activities by leveraging each brand's strong presence in respective regions.

Lift Truck Sales



Responding to Changes in Business Environment

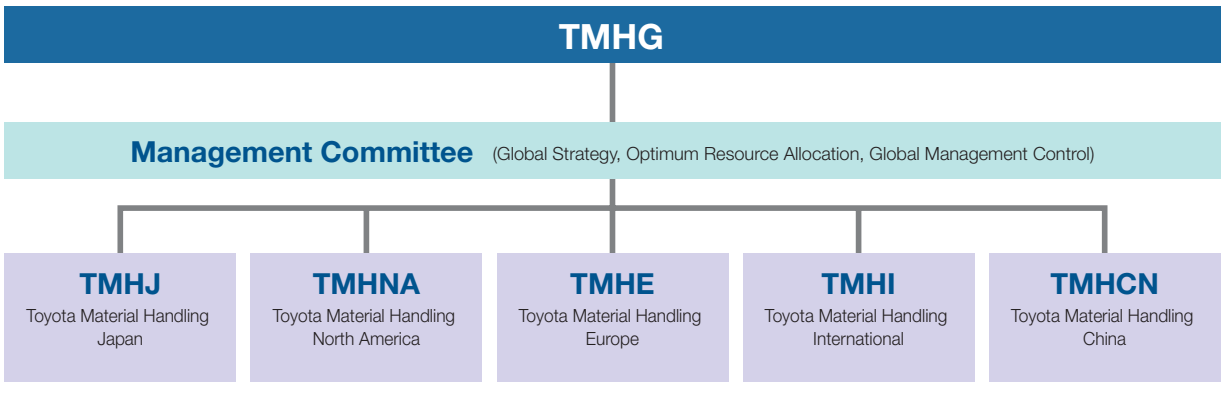
The slowdown in the U.S. economy continued during 2008. Markets that peaked in 2008, such as Europe, Asia and Oceania, began to contract from the second half, a trend that continued through the end of the fiscal year. In this challenging market environment, TMHG experienced lower unit sales in all markets in fiscal 2009.

While the materials handling equipment market is expected to remain challenging in 2009, we will continue to promote streamlining of our structure, including manufacturing equipment and personnel, in line with the level of sales and production.

TMHG is implementing various activities and measures to grow synergies in the group. Examples include joint product development, development of our own key components, strengthening of our production structure through the horizontal deployment of the Toyota Production System (TPS) throughout the entire group, integration of sales structures and the mutual supply of products. These efforts are steadily showing results across a wide range of fields.

Amid the difficult business environment, we will strengthen our management platform and lay the foundation for further growth by accelerating initiatives to maximize synergies.

Organizational Chart of Toyota Material Handling Group



Japanese Market

No. 1 Market Share in Lift Truck Sales

In 2008, difficult conditions continued in the lift truck market in Japan due to the impact of the global economic downturn triggered by the U.S. subprime mortgage crisis. Under these circumstances, unit sales by Toyota Material Handling Japan (TMHJ) in fiscal 2009 declined about 19% from the previous fiscal year to around 32,000 units.

TMHJ is committed to providing customers with top-quality, appealing products and engages in aggressive sales and service activities to ensure customer satisfaction after product purchases. Thanks to these initiatives, we maintained a 41.6% share of the Japanese market, marking the 43rd consecutive year that TMHJ has maintained the top-ranked position*1 in the Japanese lift truck industry despite the severe business environment.

*1: Surveys by Japan Industrial Vehicles Association and Toyota Industries Corporation, 2008

Releasing New Products with Excellent Environmental and Safety Features

In 2008, there was growing public interest in energy conservation and environmental issues spurred by soaring crude oil prices and the start of the first commitment period for reducing greenhouse gas emissions under the Kyoto Protocol. With sales of electric lift trucks now surpassing those for internal-combustion lift trucks, TMHJ worked to strengthen the appeal of its electric lift trucks by making minor model changes to the GENEO-B AC-powered electric counterbalanced lift truck in April 2008 and to the GENEO-R AC-powered electric reach truck in July 2008.

GENEO-B

GENEO-R

Along with products that contribute to environmental protection and energy conservation, TMHJ also introduced products that contribute to safety. In January 2009, a rear detection system was launched as an optional device for lift trucks to support the detection of persons working behind lift trucks during operation. Toyota Industries continues to contribute to the realization of safety at logistics sites.

Strengthening Product Appeal for Electric Lift Trucks and Other Products

The difficult conditions facing the lift truck market are expected to continue in 2009. Under these circumstances, TMHJ expects the proportion of sales accounted for by electric lift trucks to trend upward due to rising interest in energy conservation and environmental concerns as well as robust business in foods, pharmaceuticals and other industries that require clean working environments. In addressing these trends, TMHJ will make unprecedented efforts to strengthen its development of electric lift trucks and introduce highly competitive products.

Toyota Industries is preparing for the December 2009 launch of a new internal-combustion hybrid lift truck developed by combining a diesel engine, electric motor and battery to achieve a sharp improvement in fuel efficiency.

Based on the watchwords “environment and safety,” TMHJ will continue providing optimal materials handling solutions for customers through an extensive product lineup that encompasses lift trucks, warehouse trucks, automated storage and retrieval systems, automatic guided vehicles and aerial work platforms combined with an abundance of know-how and enhanced service structure.

North American Market

Leveraging Brand Strengths to Expand Business

The North American market continued to decline due to the slowdown in the U.S. economy. Toyota Material Handling North America (TMHNA) reported sales of around 47,000 units corresponding to a roughly 18% decrease in fiscal 2009.

TMHNA offers material handling solutions through a 2-channel, 2-brand strategy. The TOYOTA brand offers a broad range of electric and internal-combustion lift trucks. The RAYMOND brand is positioned to focus more on electric lift trucks for warehousing and distribution. Both brands have a demonstrated track record of performance and reliability.

Despite a decline in the market, Toyota grew its market share and remained the leading supplier of lift trucks for the seventh consecutive year*2. Raymond also gained market share in the warehouse truck market by having focused on its solutions-based product offering. Combined, the TOYOTA and RAYMOND brands have the largest market presence in North America.

*2: Survey by Crist Information & Research, LLC, 2008

Introducing Reach Trucks and Other New Products

In fiscal 2009, TMHNA introduced multiple products to the North American market. Toyota unveiled its new line of 8-Series AC reach trucks, including a single reach model in 3,500- and 4,500-pound load capacities and a 3,000-pound capacity double reach model. Toyota also introduced increased capacity (22,000- to 35,000-pound) internal-combustion pneumatic models. Raymond introduced its sit/stand Model 7600 Reach-Fork® and a new Model 9600 Swing-Reach®, which features AC technology and regenerative lowering for automatic battery recharging. Raymond also launched a Model 8900 pallet truck to enhance its product lineup. To expand its offering beyond lift trucks, Raymond launched its upgraded iWarehouse™ fleet optimization system, which featured a new data analysis and reporting via Web portal.

8-Series

9600 Swing-Reach®

Pursuing Further Efficiency in Logistics

The North American market is expected to be extremely challenging in 2009. Toyota will focus on the development and sales of electric models, for which market share is growing, and other products and continuing to provide the industry’s leading customer satisfaction, quality products and support. Raymond will continue to offer solutions-based innovations that increase customer efficiencies and improve operations. In this way, TMHNA will continuously search for ways to improve materials handling efficiency and operations to assist customers.

Materials Handling Equipment

European Market

Integrating the Sales Network for TOYOTA and BT Brands

During the first half of 2008, the lift truck market in Europe continued to grow, reaching a new peak before declining sharply in the second half of the year in the wake of the global economic downturn. Toyota Material Handling Europe (TMHE) reported unit sales of around 62,000 units for the TOYOTA, BT and CESAB brands in fiscal 2009, representing a roughly 16% decline compared with the previous fiscal year.

Since starting its operations in 2006, TMHE has built a new organization integrating Toyota and BT businesses in most European markets. With its comprehensive offering of Toyota counterbalanced lift trucks and BT warehouse trucks, service and added-value solutions, TMHE is now able to respond to a wide variety of customer requirements.

Promoting a Switchover to New Models

TMHE has completed a two-year program to enhance its lineup with new products manufactured at its factories in France, Sweden and Italy that address 70% of the European market potential. Initiatives kicked off with the launch in fiscal 2008 of the Toyota Tonero. In fiscal 2009, TMHE launched five new TOYOTA, BT and CESAB product series.

The new Toyota Traigo 48 range of 3-wheel and 4-wheel electric counterbalanced lift trucks addresses a key market sector with 10 compact models.

The new BT Levio powered pallet trucks and new BT Staxio pedestrian powered stackers address Europe's largest industrial truck market segment in terms of units sold. The new BT Reflex reach truck continues BT's tradition of reach truck excellence with five load capacities.

Levio

Traigo 48

CESAB also launched the new Eco/P high-tonnage electric counterbalanced lift truck, with load capacities of 6.0, 7.0 and 8.5 tons.

The Toyota Traigo 48 and CESAB Eco/P are manufactured in Italy, and the BT Levio, BT Staxio and BT Reflex are manufactured in Sweden.

Sales of TMHE's new products have been encouraging in today's difficult market environment. The Toyota Traigo 48 and BT Levio both received the prestigious iF Product Design Award 2009 for design excellence.

TMHE also rolled out a tailored fleet management system called Toyota I_Site, which gives companies the information they need to cut costs and optimize their fleets.

Delivering the Support Customers Need

In 2009, the European business climate is expected to remain highly challenging. In this situation, TMHE's new network structure brings it closer to customers with the complete product lineup supported by flexible services and solutions that add value in today's market. With short- and long-term rental, certified used trucks and fleet management backed by a comprehensive service organization, TMHE is positioned as a leading full-service materials handling supplier.

International and Chinese Markets

Engaging in Business in Emerging Countries

Toyota Material Handling International (TMHI) covers the markets of Asia, the Middle East, Oceania, Latin America and Africa, while Toyota Material Handling China (TMHCN) covers the Chinese market. These markets have long experienced increasing demand for industrial vehicles supported by global economic expansion. However, due to the negative impact from the global economic decline that began to spread throughout the world in the second half of fiscal 2009, unit sales of industrial vehicles in the International and Chinese markets dropped about 16% to around 28,000 units.

Reinforcing Structures for Production, Sales and Service in Respective Markets

TMHI has continued to develop its sales and service capabilities in many international markets, especially Brazil, India and Australia. TMHI has further strengthened its ability to offer a competitive product range to customers by launching the BT Levio powered pallet truck, BT Staxio pedestrian powered stacker and BT Reflex reach truck.

In Brazil, TMHI established a unified sales and service organization that has bolstered operations and provides customers with total support for the full range of products available in the market. This fortified position will enable TMHI to weather the current market slump and emerge stronger.

In India, the ability to provide comprehensive customer support via a single organization was achieved by merging all sales and service operations. At the CeMAT India international trade fair for materials handling and logistics held in August 2008, TMHI exhibited new products and attracted a great deal of interest from various types of customers.

In Australia, TMHI focused resources and started to introduce a new company structure that will improve operations and enhance customer value. Ongoing improvement of operations and strengthening of competitiveness will be pursued to meet customers' expectations toward TMHI as a strong and reliable business partner.

By implementing various measures to strengthen its presence in the International market, TMHI will build a strong foundation to ensure sustainable growth.

China has expanded to become the world's second largest market for lift trucks after the United States, and its importance is rising not only as a production base but also as a market for sales. To respond to customers' needs in this market, Toyota Material Handling (Shanghai) Co., Ltd., a sales company of TMHCN, strengthened its product lineup to encompass the BT and RAYMOND brands in addition to the TOYOTA brand, while strengthening its sales bases. In production, Toyota Industry (Kunshan) Co., Ltd. expanded local procurement and devoted efforts to reducing lead times.

Making Inroads into Untapped Markets

In 2009, the International and Chinese markets are expected to remain sluggish. In response, we will actively advance into untapped markets and engage in initiatives to enhance convenience for customers in terms of sales and services.

Topics

TMHNA: Exhibited at ProMat 2009

TMHNA exhibited new TOYOTA- and RAYMOND-brand products at ProMat 2009, North America's premier materials handling and logistics trade show held in Chicago in January 2009.

Toyota's exhibit featured the North American debut of the Toyota 8-Series AC Reach Truck as well as the Toyota Hybrid Concept Lift Truck. The concept truck was well received and demonstrated the company's global charter to develop innovative technologies and products that are environmentally responsible and economically viable.

Raymond showcased its new marketing campaign featuring custom solutions, with the latest updates on special services such as Leasing and Rental, Service and Support, and Raymond parts. Also presented were Raymond's latest advances in its iWarehouse™ fleet optimization system along with its innovative new products, the Sit/Stand Reach-Fork® and new energy-efficient Swing-Reach®.

TOYOTA booth

RAYMOND booth

Preparing to Launch Internal-Combustion Hybrid Lift Trucks

In December 2009, Toyota Industries will launch sales in Japan of the 3.5-ton GENEO-HYBRID, a hybrid lift truck that combines a diesel engine, electric motor and battery.

For the GENEO-HYBRID, Toyota Industries independently developed a hybrid system matched to the characteristics of lift trucks by utilizing Toyota Motor Corporation's hybrid technologies. This enables the GENEO-HYBRID to maintain the same work performance as current 3.5-ton diesel engine lift trucks, while reducing CO_2 emissions and fuel consumption by approximately 50%* and thereby realizing world top-class fuel performance.

Toyota Industries will continue to lead in developing and commercializing environmentally sound products that contribute to energy conservation and help reduce environmental impact.

* Measurement values by Toyota Industries using Japan Industrial Standards (JIS) work cycle

GENEO-HYBRID

Note: The external appearance of the actual product sold could differ from that shown in the photo.

TMHE: Exhibited at CeMAT 2008

With the theme "stronger together," TMHE unveiled its new, integrated organization as a reliable business partner with a comprehensive materials handling lineup at CeMAT 2008, which was held in Hanover, Germany, in May 2008.

For the first time at a leading European fair, TOYOTA and BT products shared the same stage, together with TMHE services and solutions including Toyota I_Site fleet management system. CESAB displayed a range of products including its new Eco/P high-tonnage electric counterbalanced lift truck.

The Toyota Hybrid Concept Lift Truck was presented for the first time in Europe and received keen interest from customers and journalists.

Toyota Hybrid Concept Lift Truck

TMHE booth

TMHI: Held Distributor Conference

Distributors from over 40 countries attended the TMHI Distributor Conference 2008 last October in Sweden. The agenda-packed event included product demonstrations, workshops and a factory tour.

In terms of product highlights, the new BT Reflex reach truck was launched, and the BT Levio powered pallet truck and BT Staxio pedestrian powered stacker were re-launched for TMHI markets.

Participants learned about functions and improvements of the new products and had the opportunity to try them out for future sales activities.

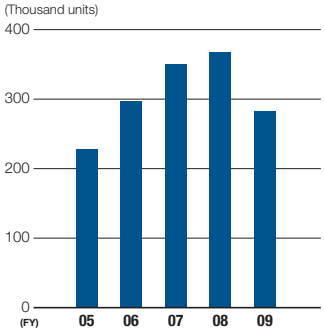
Vehicle

Top-Level QCD among Toyota Group Automobile Body Manufacturers

Toyota Industries assembles compact and midsize automobiles of Toyota Motor Corporation (TMC). We currently manufacture the Vitz (Yaris outside Japan), the RAV4 for overseas markets and the Mark X ZiO for the Japanese market.

Toyota Industries' Vehicle Business boasts top-level quality, cost and delivery (QCD) among automobile body manufacturers in the Toyota Group. Other strengths include a flexible production structure such as highly acclaimed production preparation in a short period of time.

Vehicle Production



Participating in the Planning and Development of Mark X ZiO Special-Edition Models

While assembling the Mark X ZiO, Toyota Industries also participated in the planning and development of two special-edition Mark X ZiO models: the Mark X ZiO Black Pearl Limited (August 2008 to January 2009) and the Mark X ZiO Aerial (from February 2009).

The Mark X ZiO Black Pearl Limited's entire exterior is adorned with black pearl-tone decorative patterns for an external appearance that radiates a mysterious, sophisticated aura. Meanwhile, the Mark X ZiO Aerial projects a sporty image by incorporating specialized aeroparts such as the front grille, front bumper and side mudguards in addition to customized seat upholstery.

Initiatives for Realizing Lightweight Car Bodies

Toyota Industries is progressing with the development of plastic glazing, which is highly effective in helping to realize lightweight vehicles.

Plastic glazing uses the raw material polycarbonate, which has approximately half the specific gravity of glass. The use of plastic glazing for a panorama roof enables the weight of a vehicle to be reduced by approximately 9kg compared with when using glass. Lowering the weight of automobile bodies in this manner provides a host of benefits that include reducing CO_2 and other substances of concern that place a load on the environment. Moreover, realizing lighter weights for the upper part of car bodies enables a low center of gravity and enhanced driving performance. Additionally, developing plastic glazing, which possesses a variety of potentials, allows for new styling proposals not possible when using the traditional combination of glass and steel sheet, a benefit that we expect will make an important contribution to the creation of future-generation vehicles.

Further Raising QCD

To the present, Toyota Industries strives to enhance production efficiency and quality improvements based on the Toyota Production System (TPS). Consequently, we have received the Superior Quality Performance Award numerous times from TMC in recognition of our outstanding achievements. We will further raise QCD by continuing to carry out improvement activities together with all departments of the Vehicle Business, including non-manufacturing departments.

Vehicles

Vitz (Yaris outside Japan)

RAV4

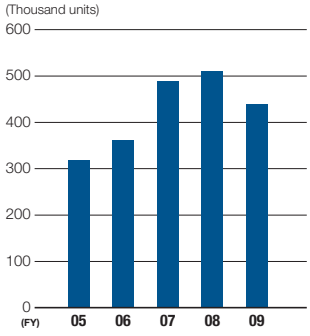
Mark X ZiO (Aerial)

Engine

Business Development Centered on the Two Pillars of Clean Diesel Engines and Gasoline Engines

Toyota Industries' Engine Business manufactures both diesel and gasoline engines. Of particular note, in diesel engines we are collaborating with Toyota Motor Corporation (TMC) in the development of fuel-efficient, clean diesel engines, with our involvement spanning all phases of this process from planning and development to production. In gasoline engines, we operate a flexible production structure that deploys automatic guided vehicles to respond quickly to changes in model types and production volumes.

Engine Production



AD Diesel Engines—World's First to be Certified as Euro 5 Compliant

In November 2008, Toyota Industries commenced production of 2.0- and 2.2-liter, in-line 4-cylinder AD clean diesel engines developed jointly with TMC.

These engines clear Euro 5 emission standards, the European emission standards that set the acceptable limits for NOx emissions at 0.18g/km and at 0.005g/km for particulate matter. AD diesel engines have become the world's first to be certified as Euro 5 compliant.

Besides achieving cleaner emissions thanks to an approximately 10% reduction in CO_2 emissions compared with the previous model, these AD diesel engines also realize a sharp rise in fuel efficiency in addition to offering enhanced driving performance features such as improved low-speed torque.

Toyota Industries' AD diesel engines are fitted in the Corolla and RAV4 for the European market.

Production of AR Gasoline Engines Begins

In December 2008, Toyota Industries began producing 2.5-liter, in-line 4-cylinder AR gasoline engines for TMC. AR engines are next-generation engines that are outstanding in terms of high performance, fuel efficiency and low emissions.

In gasoline engines, Toyota Industries boasts notable strengths in carrying out highly efficient production of multiple types of engines in small lots on the same production line. We have now broadened the scope of our Engine Business by starting production of AR gasoline engines fitted in a variety of mass-market vehicles such as the RAV4 for overseas markets.

Commencing Production of MZ Gasoline Engines

Toyota Industries began producing 3.3-liter, V6 MZ gasoline engines for TMC in December 2008. These engines are being installed in such models as the Highlander Hybrid and the Harrier Hybrid.

Starting Production of Materials Handling Equipment Engines that Comply with Act on Regulation, Etc. of Emissions from Non-Road Special Motor Vehicles

In August 2008, we began producing the 1DZ-III diesel engines developed by Toyota Industries for the GENEO internal-combustion counterbalanced lift truck and for skid steer loaders. This new diesel engine complies with Japan's Act on Regulation, Etc. of Emissions from Non-Road Special Motor Vehicles.

This is just one example illustrating that Toyota Industries significantly enhances the appeal of its engines by developing models matched to the characteristics of each type of our materials handling equipment.

Expanding Our Role as an Engine Manufacturer

As one choice for powering vehicles to realize a low-carbon society, diesel engines are enjoying increasing acclaim thanks to their enhanced fuel economy compared with gasoline engines as well as lower emissions.

Through developing and producing diesel engines, together with the production of gasoline and industrial-use engines, Toyota Industries will strive to expand its role as an engine manufacturer.

Engines

AD diesel engine

1DZ-Ⅲ diesel engine

AR gasoline engine

MZ gasoline engine

Car Air-Conditioning Compressor

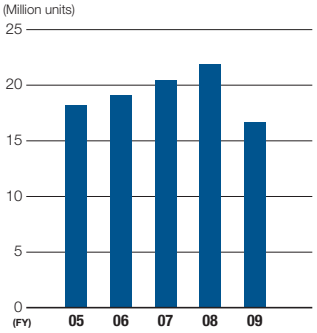
Outstanding Technologies and Superb Quality Have Earned Us the Highest Level of Trust from Automakers Worldwide

Toyota Industries' car air-conditioning compressors achieve world-class quality in terms of reliability at high operating speeds and quiet operation in addition to such environmental-related performance features as fuel efficiency, compactness and weight reduction.

We offer a wide range of variable-displacement compressors that suitably control cooling in accordance with the temperatures inside and outside the vehicle and the state of the vehicle's engine in addition to our line of compact, lightweight fixed-displacement compressors. Both types of compressors have been extensively adopted by leading-name Japanese and overseas automakers and command the global No. 1* share in terms of sales volume.

*Survey by Toyota Industries Corporation

Compressor Sales



Responding to Changes in Business Environment

In response to the decrease in the production volume of car air-conditioning compressors accompanied by the automobile market contraction, we are streamlining the structure, including manufacturing equipment and personnel, at respective manufacturing sites around the world in an effort to improve profitability.

By utilizing internally developed and fabricated production equipment, we strive to accumulate technology and know-how while at the same time carrying out high-quality, efficient manufacturing operations. This versatile equipment also enables efficient capital investment.

In product development, we have been involved in the development of car air-conditioning compressors not only for internal-combustion vehicles but also for electric vehicles from an early stage. In particular, our electric compressors for hybrid vehicles, for which demand is expected to grow substantially, have already been installed in a lineup of TOYOTA hybrid vehicles, including the Prius.

We will further strengthen our product appeal and strive to continue leading the industry in the field of electric compressors as well.

Development of the ES14 Electric Compressor for the Latest Prius

Toyota Industries developed the ES14 electric car air-conditioning compressor for the new Prius launched in May 2009. By realizing approximately 20% reductions in both cubic volume and weight, the new ES14 is more compact and lighter than the predecessor ES18 compressor.

As another noteworthy technical achievement, we have succeeded in integrating an inverter that previously required installation in a separate location into a car air-conditioning compressor, thus enabling a dramatic enhancement in the mountability of compressors. This inverter was developed by Toyota Industries' Electronics Division.

Toyota Industries has already integrated inverters into the ES27 compressor fitted in the Lexus RX450h and into the ES34 compressor fitted in the Lexus LS600h. In this manner, Toyota Industries is expanding its series of electric compressors ranging from compact to large-class vehicles, thereby offering a line of electric compressors that can be fitted in a diverse range of vehicles.

All of the aforementioned compressors are fully electrically driven and integrate a built-in motor that drives the compressor. Therefore, these compressors allow the air conditioner to be operated even when the hybrid vehicle's engine is stopped, thus realizing an ideal balance between fuel efficiency and comfort.

An Industry-Leading Company

Toyota Industries' Car Air-Conditioning Compressor Business has remained the industry leader by continually deploying its unique technological capabilities to develop new products ahead of competitors.

While striving to raise quality, we will maintain our commitment to developing new car air-conditioning compressors that respond quickly and accurately to the needs of customers worldwide.

Compressors

ES14 electric compressor
(Scroll type)

ES27 electric compressor
(Scroll type)

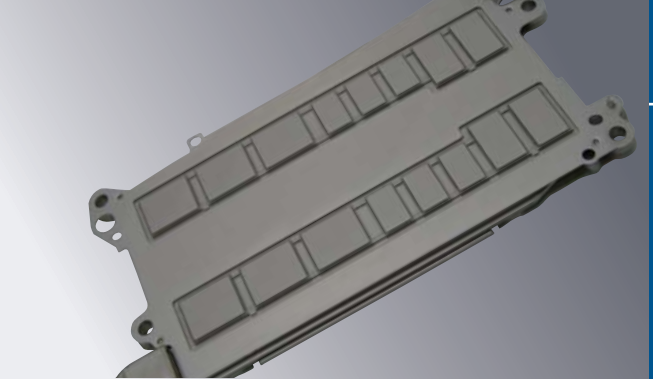
ES34 electric compressor
(Scroll type)

10S17 compressor
(Swash-plate fixed-displacement type)

7SBU16 compressor
(Swash-plate internally controlled variable-displacement type)

7SEU17 compressor
(Swash-plate externally controlled, clutchless variable-displacement type)

Note: Photos of cross sections of products are used.



Car Electronics

Components and Devices that Support Ongoing Advances in Hybrid Vehicles

Toyota Industries develops and manufactures an assortment of electronic components and devices for automobiles. Our development and manufacturing capabilities have been cultivated through our power electronics circuit technologies and electric drive system.

Development of a PCU Cooling Device for the New Prius

Based on power electronics technology applied in the development of electric lift trucks, we undertook in-house production of electronic components from each business division and have accumulated a vast array of technologies while carrying out development and manufacture of power source devices for hybrid vehicles.

Previously, our development activities in car electronics have been focused on such auxiliary power source devices as DC-DC converters. Recently, however, we developed a cooling device for the power control unit (PCU), which is a core component for hybrid vehicles and is installed in the new Prius launched in May 2009.

The PCU raises the voltage of the hybrid car battery and converts the direct current into an alternating current using an inverter to drive the motor of the hybrid vehicle. Previously, controlling the heat of the power semiconductor devices that compose the PCU was a major technical issue. By adopting a direct-cooling method utilizing our in-house technologies, however, Toyota Industries supported the realization of a compact PCU that lowers the cooling device's thermal resistance and significantly improves cooling performance. This miniaturization technology has won high acclaim, and in recognition of this achievement, Toyota Industries was presented with the fiscal 2009 Project Award (Technology Category) from Toyota Motor Corporation.

In addition to this cooling device, we manufacture reactors that raise the voltage of batteries and cases that store component parts.

DC-DC Converter Developed for the Latest Prius

We have developed a DC-DC converter for the latest Prius launched in May 2009. This new converter converts the high-voltage direct current of the main battery to a lower voltage to charge the auxiliary battery and supply power to the lights, wipers, horn and other in-car devices. After our converters were installed in the first-generation Prius, we have steadily expanded our series of DC-DC converters, which were subsequently chosen for the Camry Hybrid and the second-generation and new third-generation Prius.

Newly Developed DC-DC Converter for Electric Power Steering on the Lexus RX Hybrid

The needs for further fuel efficiency have spurred an ongoing transition from hydraulic power steering to electric power steering in vehicles. In responding to this trend, Toyota Industries has developed and manufactured a DC-DC converter, which converts the voltage of the battery to the voltage of power steering. This DC-DC converter is installed in the Toyota Harrier, Lexus LS460 and the Lexus LS600h. Most recently, our new high-power DC-DC converter has been installed in the Lexus RX450h introduced in April 2009.

100W DC-AC Inverter Developed for the New Alphard and Other Vehicles

Toyota Industries has developed a new 100W DC-AC inverter for vehicles including the new Alphard, which was released in May 2008. This inverter converts the 12V direct current of the auxiliary battery into a 100V alternating current and enables the use of maximum 100W home electric appliances in automobiles. Compared with previous products, this new inverter is approximately 36% more compact and 33% more lightweight. Moreover, the inverter significantly reduces the use of substances of concern.

Our lineup of DC-AC inverters ranges from 100W to 1,500W types, which are installed in a wide variety of vehicles.

Toward the Realization of a Low-Carbon Society

As we focus on further advances in hybrid vehicles, we are carrying out continuous quality-improvement activities, while cooperating with other business divisions to create technologies for compact, more lightweight and low-cost components and devices. To realize a low-carbon society, we are developing products for electric vehicles and plug-in hybrid vehicles, which can be recharged using household power sources. In addition, we are making efforts to build a recharging system including an infrastructure.

Car Electronics Devices

PCU direct cooling device for the new Prius

DC-DC converter for the new Prius

DC-DC converter for the new Lexus RX Hybrid

100W DC-AC inverter

Logistics

Proposing Efficient Logistics Services Utilizing Our Know-How Cultivated in Manufacturing

Toyota Industries' Logistics Business is composed of three business pillars: planning, design and operation of distribution centers, high value-added services and distribution of automotive parts. High value-added services are provided through two subsidiaries, Asahi Security Co., Ltd. (Asahi Security) and Wanbishi Archives Co., Ltd. (Wanbishi Archives), while the distribution of automotive parts is offered via the Taikoh Transportation Group.

Toyota Industries foresees a rising need for efficient, high-quality logistics and will strive to meet the expectations of numerous customers by making proposals for logistics services that eliminate waste based on the Toyota Production System (TPS).

Planning, Design and Operation of Distribution Centers

Serving as the core of these operations, the Advanced Logistics Division and Advanced Logistics Solutions Co., Ltd. (ALSO), a wholly owned subsidiary, make proposals for logistics plans and operate distribution centers for corporate customers. To the present, we have provided services to customers in a variety of sectors, including pharmaceutical companies, food wholesalers and supermarkets. We make every effort to go beyond merely providing consigned logistics services. Instead, we work to increase the overall efficiency of logistics by identifying and solving new problems from customers' viewpoints as we implement logistics solutions.

High Value-Added Services

Asahi Security meets the needs of customers in the retail and service sectors by engaging in the equipment security business and providing cash management outsourcing services such as cash collection and delivery and cash proceeds management services. As another indispensable, high value-added service, Wanbishi Archives provides sophisticated risk-related services that encompass storing, managing, collecting, delivering and confidentially carrying out data destruction for government agencies and companies and providing data backup in the event of disasters.

Asahi Security's cash collection and delivery and cash proceeds management services

Wanbishi Archives' data storage, management, collection and delivery services

Distribution of Automotive Parts

The Taikoh Transportation Group undertakes consigned transportation for numerous automotive parts manufacturers. These parts are collected according to each delivery destination and sorted onto pallets, thereby assuring that automakers are supplied with "what is needed, when it is needed, and in the amount needed." Through cooperation with Toyota Motor Corporation, Taikoh Transportation pioneered the completion of the industry's first automotive parts logistics system consisting of relay (intermediate) logistic bases, which supports the efficient production of automakers through logistics.

Taikoh Transportation's land transportation services

Helping Reduce Customers' Total Logistics Costs

Toyota Industries will continue responding to customer needs for reducing total logistics costs and improving logistics by drawing on its extensive expertise gained through the manufacture and sale of lift trucks, automated storage and retrieval systems and other materials handling equipment as well as by utilizing our TPS know-how cultivated at manufacturing sites.

Topics

Expanding the Use of Rail Transport of Completed Lift Trucks

In 2002, Toyota Industries became the first lift truck manufacturer to use rail transport for shipping completed lift trucks. To the present, we have shifted from sea to rail transport for our under-2-ton, small lift trucks. This shift gained further momentum in December 2008 when we commenced rail transport for shipping 2- to 3-ton, mid-sized lift trucks deploying 31-foot containers, as we made strides toward further reducing the environmental load from our logistics and enhancing logistics efficiency.

Our switchover to rail transport yields a host of benefits, chief among these, an approximately 40% reduction in CO_2 per lift truck shipped as well as a maximum 8-day reduction in lead times.

Looking ahead, we intend to further expand our use of rail transport and work to reduce CO_2 emissions and delivery times.

Asahi Security Begins Operating the Shin-Misato Center

In May 2009, Asahi Security began operating its new Shin-Misato Center in Saitama Prefecture as a center for its mainstay business of cash collection and delivery services for the retail industry.

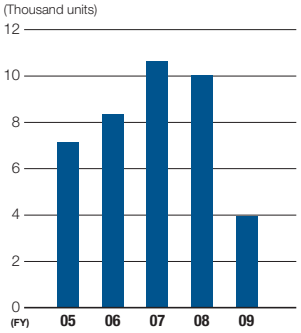
The Kanto area, which includes Tokyo, accounts for approximately 50% of sales generated in our cash collection and delivery services for the retail industry, and we foresee high growth rates for these services in this area. Easily accessible from both the Joban and Tohoku expressways, the Shin-Misato Center will allow us to raise our level of customer services in the growing northern Kanto market area, and we anticipate this will make an important contribution to our future business results.

Textile Machinery

Contributing to the Global Textile Industry through Our Technologies and Ingenuity

With a history dating back to the invention of an automatic loom (weaving machine) by Toyota Industries founder Sakichi Toyoda, the Textile Machinery Business is a world leader in the textile industry backed by an integrated structure that encompasses development, production, sales and service. Toyota Industries has consistently drawn on its technological capabilities honed throughout its long history and its tireless application of ingenuity to offer textile machinery that responds to the needs of customers. We operate a global service network consisting of 11 bases and an outstanding after-sales service structure to assist customers worldwide in raising productivity and quality.

Air-Jet Loom Sales



Supported by a Wide-Ranging Product Lineup and a Global Supply Structure

Our textile machinery can be generally divided into two categories, namely, spinning machinery that spins bundles of fibers from cotton into yarns and weaving machinery for weaving yarns into fabric.

The Spinning Machinery Business meets a broad range of customer needs by offering an extensive lineup of spinning machinery, including ring spinning frames and roving frames capable of both providing superior productivity and spinning high-quality yarns.

Overseas, Kirloskar Toyoda Textile Machinery Pvt. Ltd. (KTTM), our subsidiary in India, manufactures and supplies ring spinning frames, primarily for the local market, and serves as an important part of our global product supply structure. In fiscal 2009, we began sharing with KTTM a new technology developed by the Kariya Plant for spinning high-quality yarns with minimal fuzz. The sharing of this technology significantly enhances our ability to respond to the needs of the local market for high-grade yarns.

The Weaving Machinery Business has commanded the world's No. 1* share in unit sales for its mainstay air-jet looms for 11 consecutive years since 1997. However, in fiscal 2009 unit sales of air-jet looms experienced an unavoidable sharp decline due to the severe impact of the "once-in-a-century" global recession. Particularly noteworthy, sales in China, the largest market for these looms, were adversely affected by a combination of factors that included a decline in exports of textile products to the United States in addition to the Chinese government's revision of the tax system and credit-tightening policies. Nonetheless, there are hopes that tax refunds implemented at the beginning of 2009, combined with economic-stimulus measures, will spark a quick recovery for air-jet looms in China.

*Statistics from the International Textile Manufacturers Federation (ITMF)

Aiming to Be Global No. 1 in Textile Machinery

Toyota Industries expects that the volume of textile consumption will increase over the medium and long terms in line with a rise in the world's population. In response, we will work to raise the productivity and operability of our textile machinery. For air-jet looms, in particular, we will pursue technologies for weaving high value-added fabrics while raising environmental-related performance such as energy-saving and low-noise operation.

On the sales front, in addition to focusing on China, we will actively cultivate new markets such as Russia and central Asian countries. We will also enhance our service capabilities by strengthening training for local staff at service centers in China, Indonesia and other countries to offer highly focused after-sales service while also carrying out Internet sales of spare parts. By taking these measures, we will respond to customer demands and aim for the global No. 1 position in textile machinery.

Topics

In 2008, Toyota Industries exhibited its textile machinery at international trade fairs held in China and India, the world's two largest markets for this machinery. Toyota Industries' booths featured the largest number of air-jet looms and other products on display at both trade fairs and appealed our cutting-edge technologies to numerous visitors. Demonstrations of producing high value-added fabrics such as wool and Jacquard design towels as well as high-quality yarn attracted visitors from around the world.

ITMA ASIA + CITME 2008
held in July in Shanghai, China

INDIA ITME 2008
held in November in Bangalore, India

Spinning Machinery

RX240 series ring spinning frame

FL200 roving frame

Weaving Machinery

JAT710 air-jet loom

Special Feature >>> Environmental Design for Lift Trucks

Advancing toward the Realization of People- and Environment-Friendly Logistics

Lift trucks play a crucial role in logistics. As part of our firm commitment to creating environment-friendly logistics, Toyota Industries continues to take on challenges in developing lift trucks that take the environment into account.





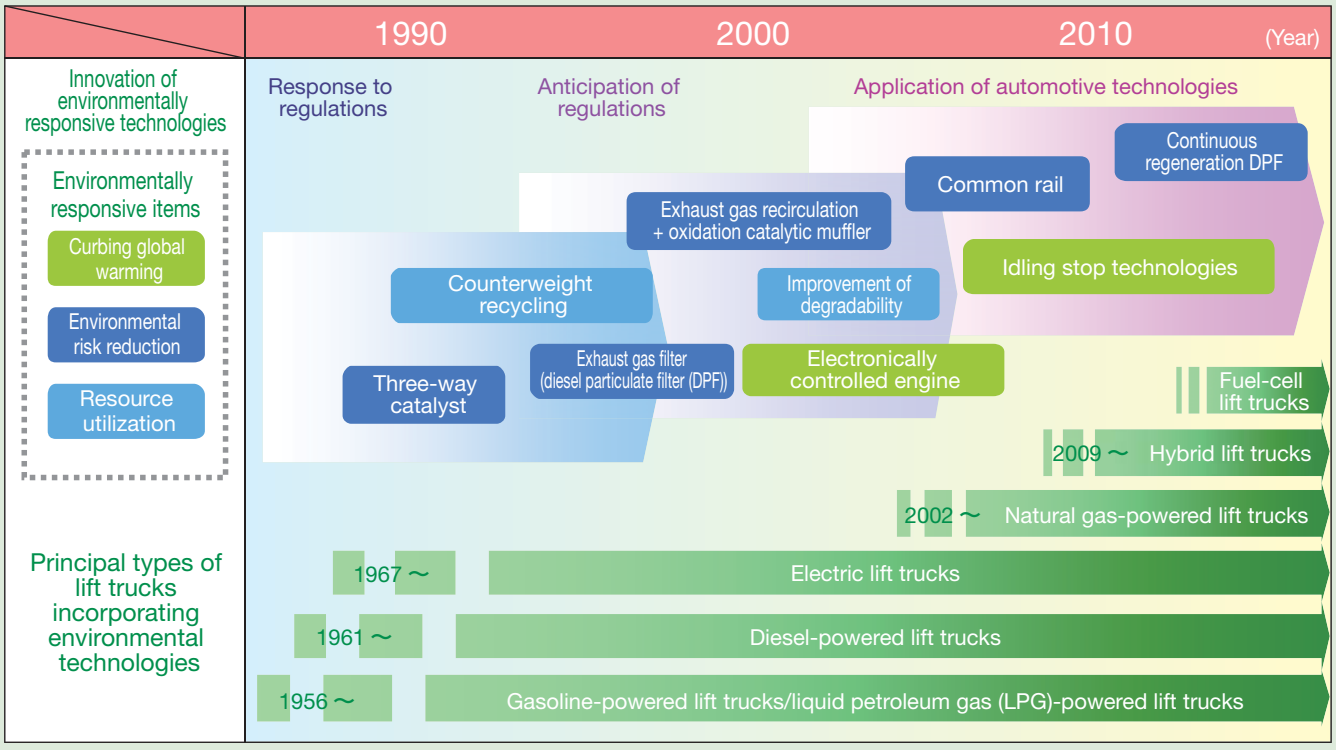
History of Continual Advances in Environmental Technologies for Lift Trucks

As a world-leading company in lift trucks and other materials handling equipment, Toyota Industries develops technologies for creating products with outstanding environmental performance to respond to a host of environmental challenges occurring with the changing of the times.

Toyota Industries commenced production of gasoline-powered lift trucks in 1956. Since then, our environmental technologies for lift trucks, which initially focused on responding to environmental pollution regulations, gradually became more forward-looking in anticipation of regulations for pre-empting various environmental problems. In the 2000s, we expanded the scope of our efforts by actively applying to our lift trucks the leading-edge technologies cultivated in the Automobile Segment as a member of the Toyota Group.

With society confronting numerous environmental issues, Toyota Industries will address environmental needs by pursuing further technological advances in its lift trucks to realize logistics friendly to people, the earth as well as the cargo being handled.

■ History of Toyota Industries' Environmentally Responsive Technologies in Lift Trucks



Interview

Toward an Earth-Friendly Future in Logistics

The Ideal Future of Environmental Technologies for Lift Trucks

We asked Kazuo Ishikawa, assistant general manager of Toyota Material Handling Japan's Technology Research & Development Center, to explain the future of Toyota Industries' environmental initiatives in lift trucks.

Kazuo Ishikawa
Assistant general manager
Technology Research & Development Center
Toyota Material Handling Japan

"I regard environmental initiatives as being equally important as a crucial social responsibility for us as a manufacturer of lift trucks."

Can you tell us about Toyota Industries' environmental initiatives in lift trucks to the present?

Toyota Industries' first environmental initiative in lift trucks was the development of an exhaust-free electric lift truck*1. It was outstanding from the perspective of preserving a healthy natural environment. Besides emitting no exhaust, the electric lift truck was superior to the internal-combustion lift truck in terms of low running costs. However, even though we continued increasing the power of our electric lift trucks with each model change, they were still unable to match the power provided by internal-combustion lift trucks. Because of this power disparity, the electric lift truck was unable to fully satisfy the needs of customers on the basis of usability.

As a solution, we developed the GENEO-B electric lift truck fitted with an AC motor drive system. Launched in 1999, the GENEO-B realized clean emissions, yet achieved high power and high efficiency. As a result, this product earned extensive acclaim from customers as an "electric lift truck capable of replacing internal-combustion lift trucks." I believe the development of the GENEO-B marked the true start of Toyota Industries' proactive approach to developing environmental technologies for lift trucks.

Because lift trucks are used where logistics operations actually take place, safety measures are first and foremost an indispensable prerequisite. At the same time, however, I regard environmental initiatives as being equally important as a crucial social responsibility for us as a manufacturer of lift trucks.

What are some of the trends we can expect in your development of lift trucks over the next several years?

In the immediate future, we plan to roll out a new hybrid lift truck*2 in December 2009.

Regarding the development of internal-combustion lift trucks, we will continue to collaborate with the Automobile Segment on improving fuel efficiency. Nevertheless, internal-combustion lift trucks are powered by burning fossil fuels and this inevitably results in CO_2 and exhaust emissions. From this perspective, it is easy to say that electric lift trucks are the solution. Even though the GENEO-B represented a quantum leap in resolving the major drawback of electric lift trucks, namely, insufficient power, electric lift trucks are still unable to completely deliver power on a par with that of internal-combustion lift trucks. Our answer to this dilemma was the introduction of hybrid lift trucks to sharply raise fuel efficiency while maintaining the same level of power as provided by internal-combustion lift trucks and dramatically reducing CO_2 and exhaust emissions.

Our hybrid lift truck concept model unveiled in 2006 operated using the same type of motor as electric lift trucks. However, the motor fitted in this hybrid delivered higher performance than a regular electric motor and utilized a high-voltage system to boost power. For handling loads, we adopted a parallel method*3 for the engine and electric motor. By fitting the hybrid lift truck with a one-class-smaller engine in terms of exhaust emissions, we improved fuel efficiency, while the motor helped compensate for insufficient engine power when lifting loads. By taking this approach, we obtained the same level of power as provided by internal-combustion lift trucks.

Over the immediate term, a major theme will be to create the most optimal type of hybrid lift trucks by drawing on the extensive power electronics technologies cultivated through our long years of involvement in the development of electric lift trucks.

Hybrid lift truck
Concept model unveiled in 2006

*1: To maintain clean environments inside warehouses and at food processing plants, Toyota Industries was an early forerunner in developing and introducing electric lift trucks and has worked to promote the widespread use of these vehicles. In 2008, Toyota Industries' sales of electric lift trucks in Japan reached over 50% of total sales.
*2: In December 2009, Toyota Industries will launch sales in Japan of the 3.5-ton GENEO-HYBRID, which combines a diesel engine, electric motor and battery.
*3: Parallel method: A method for using the power of both the engine and the electric motor. Alternatively, with the series method, the engine generates power only while the electric motor provides the drive power.

What do you think lift trucks will look like a little farther down the road?

From a more long-term perspective, I believe that lift trucks should head toward full electrification.

At present, we are naturally pursuing high performance and high efficiency for each individual component, such as controllers and motors for electric lift trucks. Although we are attaining progress in these efforts, I believe we can further improve efficiency and reduce CO_2 emissions by transitioning completely to electric power, including for lifting and steering currently powered hydraulically. The main issue will be choosing the appropriate power source. In countries with low CO_2 emissions volume per units of sales, battery recharging can serve as a power source. However, in countries with high CO_2 emissions volume per units of sales that primarily rely on coal-fired electric power, the use of battery recharging as a power source is unlikely to significantly reduce CO_2 emissions. I believe it is better for such countries to consider fuel cells as a power source.

Additionally, some of our customers operate lift trucks around the clock. At present, these customers must recharge lift truck batteries, a process that requires long time periods, and use lift trucks while continually interchanging batteries. Under such conditions, I believe there are two viable choices for lowering running costs, namely, either rely on fast recharging of batteries or use fuel cells depending on the number of lift trucks in operation.

Because both choices have advantages, Toyota Industries must be able to offer customers proposals for lift trucks that operate on optimal types of energy. In doing so, we need to evaluate a broad range of factors such as whether a particular power source is suited to the scale of the customer's operations, length of operating times and CO_2 emissions volume per units of sales, as well as consider such questions as what is the best power source or whether fuel-cell trucks should be used from the outset.

Could you briefly touch upon any other key area besides power source measures?

One important issue is reducing energy consumption during the horizontal—forward and backward—operation of lift trucks. Lift trucks are equipped with a counterweight to maintain balance with the load being handled. Other than the actual loads handled, the counterweight is one of the heaviest parts of a lift truck and this weight leads to huge energy losses during horizontal transportation. One solution envisioned is dividing the process into two separate operations, specifically, loading and unloading as one operation and horizontal transportation as another. However, lift trucks are extremely useful precisely because these vehicles can perform both types of operations and are thus ideal for use at numerous logistics sites. Given these advantages, it is unlikely that demand for lift trucks will ever disappear. To reduce energy consumption during horizontal operation, I believe that several measures will need to be taken. These include reevaluating the actual structure and configuration of lift trucks to realize weight reductions.

Finally, what role do you envision for Toyota Industries in the future?

One of Toyota Industries' strengths is its comprehensive involvement in virtually all aspects of logistics. While taking an overview of the entire logistics process, we are able to orient the direction of our development from the perspective of the optimal types of lift trucks for each logistics operation. I believe our role in lift truck development is to respond to the logistics needs of all customers worldwide and propose the best energy mix from the dual perspectives of power sources and forms of transportation.

"I believe our role in lift truck development is to respond to the logistics needs of all customers worldwide and propose the best energy mix from the dual perspectives of power sources and forms of transportation."

Topics

Takahama Plant Showroom Introduces Toyota Material Handling Group (TMHG) Products

A showroom was opened at the Takahama Plant to introduce customers to Toyota Industries' industrial vehicles, including lift trucks and hybrid lift trucks, as well as materials handling equipment such as automated storage and retrieval systems. Also featured are a variety of displays, including a video presentation that covers the history of our products and introduces current products. These displays provide customers with a deeper understanding of our industrial vehicles and other materials handling equipment.

The Takahama Plant's TMHG Technical Center, which houses the showroom, was built in fiscal 2008. The center has adopted a host of eco-friendly measures to curb global warming, including the use of solar panels, rooftop greenery and optical duct systems.

Showroom interior at the Takahama Plant

Global Environmental Commitment

The Toyota Industries Group will contribute to the compatibility of environmental conservation and economic growth throughout its wide range of business activities, including automobile, materials handling equipment, logistics and electronics.

Basic Policy

- The Toyota Industries Group will continue to set challenging targets aimed at further reducing the environmental impact of its business activities, listening carefully to voices of its stakeholders such as customers, and acting in compliance with the letter and spirit of laws and regulations.
- The Toyota Industries Group will continuously improve its environmental management, placing environmental activities among its highest priorities. In particular, the Company will give priority to the following items.

Curb global warming
Aiming to reduce energy consumption and the output of greenhouse gases through the entire lifecycle of its products, services and production activities
Use resources more efficiently
Utilizing raw materials, water and other resources efficiently while working to reduce, reuse and recycle waste products
Reduce environmental risk factors
Reducing the use and output of substances of concern while evaluating environmental risk factors at the planning stage of business activity in order to prevent pollution

Address environmental concerns by working in harmony with both regional communities and global society.

Enhance the eco-efficiency of all our business activities, products and services.

Fulfill our social responsibility to participate in environmental conservation.

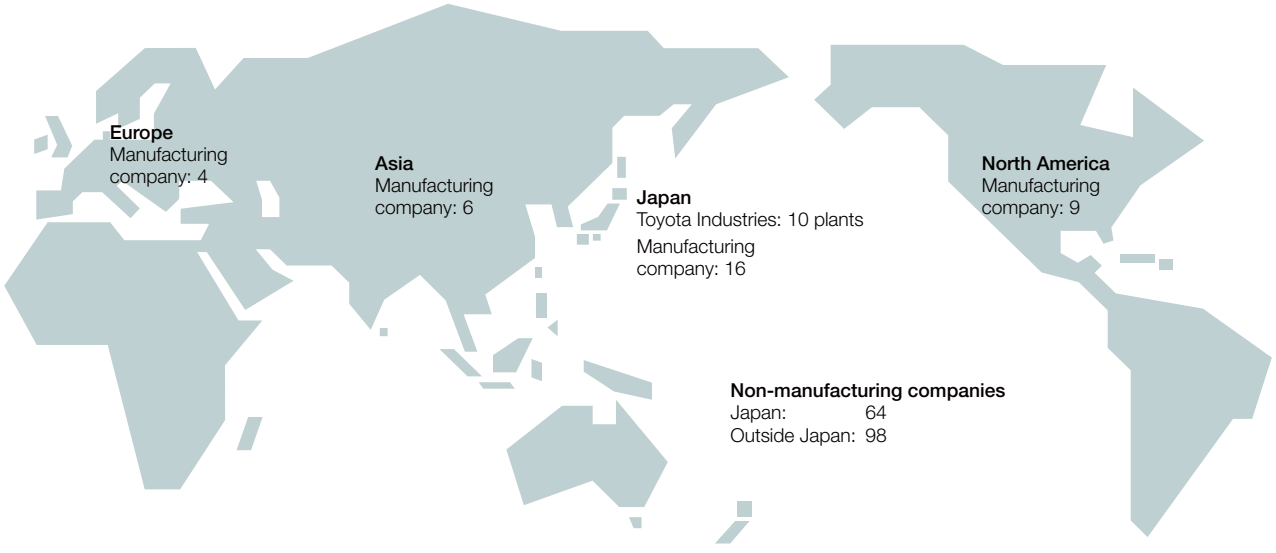
- The Toyota Industries Group will aim to foster greater communication and teamwork within a wide range of partnerships, including those with customers and suppliers, in order to promote sustainable management of the environment. In addition, the Toyota Industries Group will act as an upstanding corporate citizen, taking an active part in the planning of activities that contribute to various regional communities as well as to our global society.

July 2005

Tetsuro Toyoda
President

Scope of Group-Wide Environmental Management

(As of March 31, 2009)



Environmental Management

Environmental Management System

Toyota Industries uses an ISO 14001-based environmental management system (EMS) as an effective tool in its efforts to promote environmental management and fulfill its corporate social responsibility. To further raise the level of its environmental management, in fiscal 2008 Toyota Industries reorganized its EMS previously operated independently at respective plants and began operating a Company-wide EMS, with the president at the top. In fiscal 2009, the Company-wide EMS underwent an external audit for ISO 14001 certification and successfully obtained integrated certification.

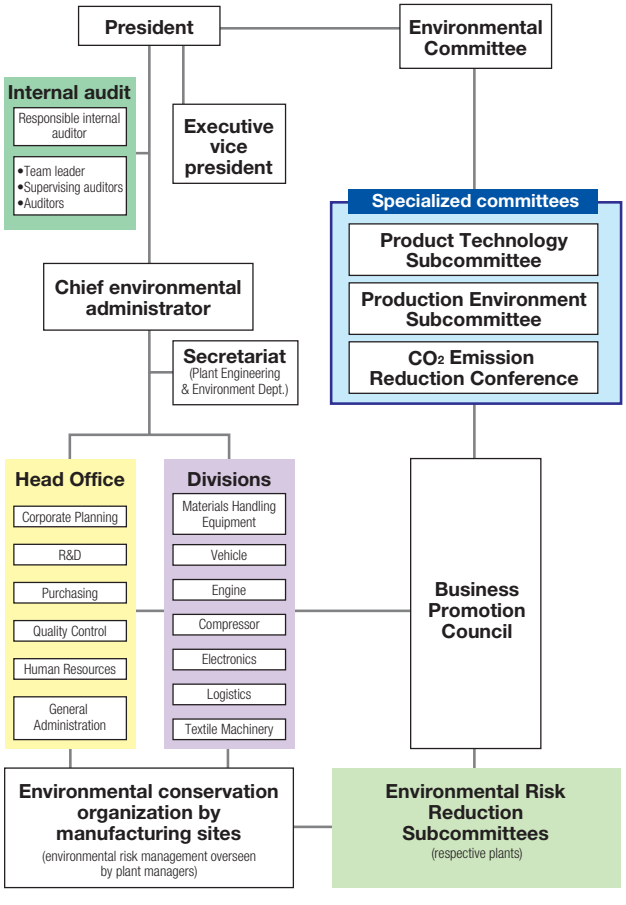
We intend to strengthen our environmental activities and accelerate decision-making for environmental responses by operating our Company-wide EMS in accordance with our business formats. At the same time, we plan to formulate a medium- and long-term vision for this system and promote various initiatives to realize ideal environmental management.

Establishment of the Company-Wide CO_2 Emission Reduction Conference

Toyota Industries' activities to curb global warming in production activities have traditionally focused on resource utilization and reducing risk in addition to determining policies, targets and activity plans at meetings of the Production Environment Subcommittee.

Nevertheless, with the increased urgency and importance of CO_2 reduction activities to attain the targets of the Kyoto Protocol, Toyota Industries inaugurated the Company-wide CO_2 Emission Reduction Conference, a specialized committee in activities to reduce CO_2 emissions with the aim of further bolstering our initiatives in this area. The Business Division Working Group, set up as a subordinate organization under the newly established committee, will devise and implement measures for attaining the respective fiscal year targets for each business division and share related information across the Company. This approach will maximize the effectiveness of environmental activities in vigorously promoting CO_2 reductions.

Environmental Management Structure



Environmental Education

Based on its belief that manufacturing starts with nurturing excellent personnel, Toyota Industries regards human resources development as one of its most important management issues, and thus actively provides environmental education programs and carries out enlightenment activities for its employees. Toyota Industries has clarified the environmental-related knowledge and capabilities required for each job position and rank, and accordingly, is building an environmental education program. Specifically, we offer rank-based environmental education, introductory courses for environmental management and environmental audits as well as environmental product education.

Based on the latest environmental trends and effectiveness of education, we intend to review our environmental education programs to continuously nurture personnel well-versed in environmental affairs.

Environmental Audits

Toyota Industries implements annual internal environmental audits as well as external audits carried out by an independent third-party institute. We utilize the results of these audits in our Company-wide EMS in working to reduce environmental risk and continually improve environmental performance. To ensure the independence and high quality of our internal audits, we have established an internal audit organization in which the senior managing director, who is appointed by the president as the person in charge of audits, selects a team leader. The organization is also comprised of auditors selected from each business division. In fiscal 2009, we conducted the second internal audits since integrating our Company-wide EMS, and the average number of citations declined from 1.98 to 1.03. This decline underscores the effectiveness of improvement activities in response to citations and recommendations for improvement made through previous audits. These recommendations that benefited management were reported to the president as audit results and then underwent a management review*.

The external audit undertaken in fiscal 2009 for integrated ISO 14001 certification recognized improvements in the quality of the content of our internal audits. We are now implementing corrective actions and making further improvements for five cases of minor non-conformance cited during that audit.

* Management review: To ensure the appropriateness, adequacy and effectiveness of the Company-wide EMS, the president receives a report on the status of environmental activities by the Environmental Committee once a year, and then evaluates the need for changes and improvements and gives directions on measures to be taken.

Topics

Opening an Environmental Dojo at the Takahama Plant

Based on the concept of establishing a "place where each individual attains a self-awareness of the ideas embodied in the Global Environmental Commitment," we opened the "environmental dojo" at the Takahama Plant. The dojo has seven theme-based areas, including the "global environment," "energy conservation," "eco-product design" and "what I can do" areas and serves as a venue for enabling Toyota Industries' specific environmental activities to be experienced firsthand.

Business Activities and Their Environmental Impact

As a manufacturer of a wide variety of products, including automobiles, car air-conditioning compressors, lift trucks and textile machinery, Toyota Industries strives to understand the environmental impact of our products across their entire lifecycle from parts procurement through to production and disposal.

The most notable environmental impacts generated by Toyota Industries' operations include global warming caused by the use of energy and greenhouse gas emissions; resource depletion from the use of raw materials; the atmospheric impact of using chemical substances; and the impact of industrial wastewater on public waterways. Toyota Industries is systematically striving to reduce these kinds of environmental impacts.

CO_2 Emission Conversion Factors

Contents	Conversion factor (energy-derived)	Conversion factor (logistics-derived)
Electricity (*1)	0.3817kg-CO_2/kWh	–
City gas	2.3576kg-CO_2/m^3	–
LPG	3.0094kg-CO_2/kg	3.00kg-CO_2/l
A heavy oil	2.7000kg-CO_2/l	–
Kerosene	2.5308kg-CO_2/l	–
Coke	3.2502kg-CO_2/kg	–
Gasoline	2.3609kg-CO_2/l	2.32kg-CO_2/kWh
Light oil	2.6468kg-CO_2/l	2.62kg-CO_2/kg
LNG	2.790kg-CO_2/kg	–
Propylene	3.141kg-CO_2/kg	–

*1: The electricity conversion factor in the table is applied to companies in Japan. Overseas companies use factors publicly announced in each region.

Environmental Impact Flow

INPUT

◆Energy

Total consumption	6,977TJ*2
Electricity	760,931MWh
City gas	89,702km³N
LPG	1,846t
A heavy oil	364kl
Kerosene	244kl
Coke	4,825t
Petroleum coke	341t
Anthracite coal	1,026t
Gasoline	520kl
Light oil	3,666kl
LNG	687t
Propylene	11t

*2: Terajoule is a unit used to measure heat. 1 TJ = 10^{12} joules

◆Raw Materials

Raw materials consumption	434,558t
Metals	431,579t
Non-metals	2,978t

◆Water

Water consumption	4,294km³

◆Chemical Substances

PRTR law*3 designated substances (Japan only)	2,589t

*3: Short for Pollutant Release and Transfer Register, the PRTR law is a scheme whereby businesses measure the release and transfer of PRTR-designated pollutants and report their performance to the government. The government then compiles this data and releases it to the public.

◆Packaging Materials

Packaging materials consumption	5,693t

R&D/Design

Procurement

Production

Transportation/Sales

Usage

Recovery/Recycling

OUTPUT

◆Into the Air

Greenhouse gas emissions	570,866t-CO_2
CO_2	566,250t-CO_2
Other greenhouse gases	4,616t-CO_2
SOx (Sulfur oxide)	526kg
NOx (Nitrogen oxide)	146t
VOC (Volatile organic compound)	1,914t

◆Chemical Substances

Emissions (Japan only)	472t
Transfers (Japan only)	183t

◆Waste

Waste generation (Japan only)	113,472t

◆Into Waterways

Water pollutants (Japan only)	26t
Wastewater discharge (Japan only)	2,676km³

◆CO_2 from Logistics

CO_2 emissions from logistics operations	57,829t-CO_2

Targets and Results of the Fourth Environmental Action Plan

Outline of the Fourth Environmental Action Plan

As one of Toyota Industries' major approaches to the environment, we devise and implement a five-year Environmental Action Plan. In the Fourth Environmental Action Plan (fiscal 2007 to fiscal 2011), curbing global warming, resource utilization, reducing environmental risk factors and consolidated management are positioned as the key areas of the Toyota Industries Group's environmental activities. Target management is measured by the concept of "eco-efficiency," which quantifies the effectiveness of our environmental activities.

Calculation Formula

Product

$$\text{Eco-efficiency} = \frac{\text{Product functions}}{\text{Environmental impact of products}}$$

Production

$$\text{Production efficiency} = \frac{\text{Production indicator (Net sales or production volume, etc.)}}{\text{Environmental impact of production activities}}$$

$$\text{Eco-efficiency} = \frac{\text{Production efficiency in subject year}}{\text{Production efficiency in base year}}$$

Progress of the Fourth Environmental Action Plan (Product-Related)

Action Policies		Specific Actions	FY2009 Achievements
Curbing Global Warming → P25	Automobile-related products: Promote the development of technologies that achieve the best fuel-efficiency performance in each country and region	Develop high-efficiency car air-conditioning compressors	Developed new continuous variable-displacement compressors
	Non-automobile related products: Promote the development of technologies that achieve the best energy efficiency in the industry	Develop industry-leading, energy-saving technologies for textile machinery	Implemented baseline assessment for reducing air-jet loom's air consumption
	Promote the development of devices for clean energy vehicles	Further improve the performance of devices for hybrid vehicles	Developed compact in-vehicle DC-AC inverters
	Reduce greenhouse gases throughout products' lifecycles	Develop products with high eco-efficiency	Developed new electrically driven compressors
Resource Utilization → P28	Further promote the use of designs that are based on the Designs for Recycling (DfR) concept	Improve durability of lift trucks	Improved battery life and durability of parts
Reducing Environmental Risk Factors → P29	Promote stricter control of and further reduction in the use of substances of concern	Establish chemical substances control system	Commenced full implementation of chemical substances control system
	Reduce exhaust emissions to improve air quality in urban areas in all countries and regions	Introduce top-performing, low-emissions lift trucks	Complied with domestic emissions regulations for lift trucks

Progress of the Fourth Environmental Action Plan (Production-Related)

Action Policies		Specific Actions	Control Items (FY2011 Target)	FY2009 Achievements		
				Target	Result	Assessment
Curbing Global Warming → P26	Promote energy reduction and energy conservation through innovative production technologies	Reduce CO_2 from energy use •Streamline production processes •Optimize supplied energy •Promote introduction of alternative energy sources	Non-consolidated Energy-derived CO_2 eco-efficiency: 1.30 (vs FY1991)	1.42	1.40	×
			Consolidated Energy-derived CO_2 eco-efficiency: 1.10 (vs FY2004)	1.10	1.07	×
	Reduce CO_2 emissions through green logistics	•Promote modal shift	—	1.02	1.08	○
Resource Utilization → P28	Enhance resource productivity	Resources •Reduce the volume of discarded materials by taking action at the source, such as improving yields and other measures	Non-consolidated External disposal eco-efficiency: 1.05 (vs FY2004)	1.06	1.08	○
	Reduce use of groundwater	•Promote recycling of wastewater •Reduce use of water	Non-consolidated Groundwater use: 50% reduction (vs FY2004) (Total volume is indicated in parentheses; unit: km^3)	58% reduction (531)	72% reduction (356)	○
	Reduce total environmental impacts of waste disposal	•Eliminate landfill disposal at all consolidated manufacturing companies	Manufacturing sites in Japan Landfill volume: less than 1% (vs FY1999) (Total volume is indicated in parentheses; unit: t)	0.74% (74)	0.22% (22)	○
Reducing Environmental Risk Factors → P29	Minimize environmental risks	•Establish environmental risk assessment systems at the planning stage (incorporate measures to reduce environmental impacts in the business planning stage)	•Strengthen activities to reduce environmental abnormalities/claims through reciprocal patrols among plants		Conducted 21 plant inspections	○
	Further reduce emissions of substances of concern	•Reduce emissions of air pollutants, including volatile organic compounds (VOCs) •Reduce emissions of water contaminants	Non-consolidated Environmental impact: 10% reduction (vs FY2004)	20% reduction	40% reduction	○
			Manufacturing sites in Japan Environmental impact: 5% reduction (vs FY2004)	22% reduction	45% reduction	○

Curbing Global Warming

Approach to Curbing Global Warming

The year 2008 marked the start of the commitment period to reduce greenhouse gas emissions obligated by the Kyoto Protocol, an international framework for curbing global warming, amid the emergence of various problems worldwide attributed to global warming.

In the international community, the focus of discussion is now shifting toward the establishment of a framework from 2013, following the end of the commitment period of the Kyoto Protocol, and movements to formulate measures to curb global warming are gaining momentum. As these developments unfold, CO_2 emissions in Japan during fiscal 2008 rose 8.7% over levels for fiscal 1991, the base year for the Kyoto Protocol, highlighting the need for further emission reduction efforts for Japan to attain its targets.

Toyota Industries has designated the curbing of global warming as one of its most urgent management tasks to help attain the Kyoto Protocol targets and to realize a low-carbon society. All companies in the Group are committed to working together in continuing proactive initiatives for curbing global warming by developing technologies that take the environment into account, innovating production technologies for energy conservation and promoting green logistics.

Products Inauguration of the Study for Curbing Global Warming

Toyota Industries' principal businesses are broadly classified into the Automobile, Materials Handling Equipment, Logistics and Textile Machinery businesses. Products developed and manufactured in these businesses, such as vehicles, lift trucks and textile machinery, are used widely throughout the world. At the same time, however, Toyota Industries' products either directly or indirectly emit CO_2, mainly during the usage stage. Nonetheless, Toyota Industries foresees difficulties in achieving further large reductions in CO_2 emissions by relying on conventional product development methods.

In view of this situation, in fiscal 2009 we initiated the Study for Curbing Global Warming, which began to carry out various activities for reevaluating our businesses within the context of an ideal society in the future. The research findings will be reflected in our Fifth Environmental Action Plan from fiscal 2012.

Products 10SR Series of Rotary Valve Compressors Contribute to the Curbing of Global Warming

Toyota Industries' 10SR series of rotary valve compressors has attained a large reduction in power consumption by utilizing a rotary valve in the intake mechanism. Integrating an oil-separating function allows a one-rank reduction in compressor capacity while also realizing more compact and lightweight compressors. This technology is making major contributions to enhancing vehicle fuel efficiency and reducing CO_2 emissions.

10SR series of rotary valve compressors

Products Scope of Environmentally Friendly Product Certification System Expanded to Cover All Group Products

In December 2006, we introduced our proprietary Environmentally Friendly Product Certification System, with six products certified so far. Based on the International Standards Organization (ISO) Type II environmental labeling standard (ISO 14021), this system comprehensively evaluates our activities in terms of curbing global warming, resource utilization and reduction in environmental risk.

Under the Type II environmental labeling standard, ISO does not require independent third-party certification (only self-declaration by the enterprise). To create an even more reliable program, however, Toyota Industries has its self-assessment confirmed by an independent third party. In recognition of this decision, in fiscal 2008 Toyota Industries received the Eco-Efficiency Award 2007*1 from the Japan Forum on Eco-Efficiency.

To step up the promotion of environmentally friendly products, in fiscal 2009 we modified stipulations and expanded the system's scope of coverage to all Group products. In April 2009, the BT Lifter hand pallet truck, one of the Materials Handling Equipment Business's warehouse trucks, became the first environmentally friendly product certified under the expanded scope of coverage. The BT Lifter is more compact and lighter than previous models and has a 1.9 CO_2 factor*2 during the product lifecycle.

*1: This is a program for recognizing the activities of companies making continuous efforts to enhance socio-economic activities while reducing the environmental load.
*2: CO_2 factor: Ratio that quantitatively assesses how much a newly developed product's eco-efficiency has improved compared with that of the base product with regards to reducing CO_2 emissions during its lifecycle

CO_2 factor	1.9

BT Lifter LHM230

Certificate of Environmentally Friendly Product

Topics

10SR Series of Rotary Valve Compressors Earn the Bronze Prize for the Aichi Environmental Awards

Toyota Industries earned the Bronze Prize for the Aichi Environmental Awards for its 10SR series of rotary valve compressors. The award was presented in recognition of Toyota Industries' contributions to reducing the environmental load from vehicles by developing and mass-producing compact, lightweight car air-conditioning compressors that consume little power and raise the fuel efficiency of vehicles.

Curbing Global Warming

Production Reducing Energy Usage to Curb CO_2 Emissions

To combat global warming, Toyota Industries focuses on realizing energy reductions and conservation via innovations in production technology and promoting measures to curb global warming in its Fourth Environmental Action Plan.

In fiscal 2009, Toyota Industries carried out activities on a non-consolidated and consolidated basis aimed at attaining targets equivalent to or higher than those in the Fourth Environmental Action Plan.

On a non-consolidated basis, Toyota Industries set the target of raising eco-efficiency 42% over fiscal 1991 levels. Specific measures toward achieving this objective included increasing energy efficiency through the electrification of heat sources for air conditioning at the Kariya Plant and effectively utilizing steam from cogeneration at the Obu Plant.

On a consolidated basis, Toyota Industries established the target of raising eco-efficiency 10% over fiscal 2004 levels and promoted such initiatives as implementing measures against air leakages at all consolidated companies and conducting energy audits.

With the across-the-board collaboration of departments that manage the supply of energy and production sites that use this energy, Toyota Industries continued to implement proactive initiatives that led to a 40,000-ton reduction in CO_2 emissions on a non-consolidated basis in fiscal 2009.

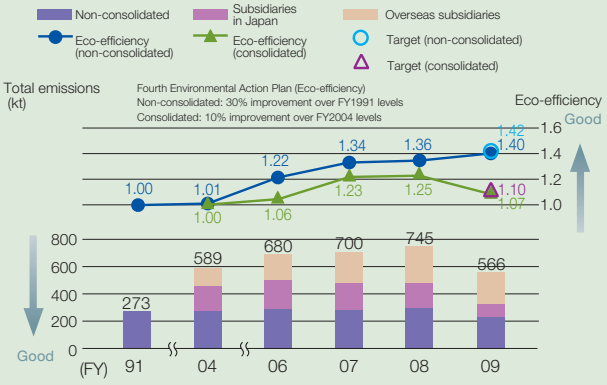
Nevertheless, although we attained a 40% improvement in eco-efficiency on a non-consolidated basis over fiscal 1991 levels and a 7% improvement on a consolidated basis over fiscal 2004 levels, these figures fell short of the targets set for fiscal 2009 due to the rapid deterioration of the business environment. In working to attain even higher targets in the future, Toyota Industries will focus on promoting energy reductions and conservation measures.

Production Reducing CO_2 Emissions from Transportation

Reducing CO_2 emissions during product shipping and all other phases of logistics is also another crucial issue. Toyota Industries is currently collaborating with transportation operators to reduce CO_2 emissions during the logistics process.

In fiscal 2009, we carried out activities aimed at improving eco-efficiency by 2% over fiscal 2007 levels on a non-consolidated basis by promoting measures such as expanding the rail transport of completed lift trucks in the Materials Handling Equipment Business and improving transportation routes in the Logistics Business. As a result, we dramatically exceeded our target to achieve an 8% improvement over fiscal 2007 levels.

Energy-Derived CO_2 Emissions & Eco-Efficiency



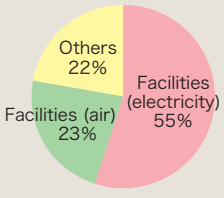
Topics

Building a Model Production Line that Utilizes Energy-Saving Devices for Reducing CO_2 Emissions

For many years, the Car Air-Conditioning Compressor Business has adopted a variety of approaches to promote energy conservation at its production lines. Determined to further strengthen initiatives for reducing CO_2, in fiscal 2009 we once again selected a model line from among the production lines for car air-conditioning compressors at the Kariya Plant and implemented various reduction measures.

Looking at a breakdown of CO_2 emission sources at car air-conditioning compressor production lines, electricity and compressed air account for the greatest proportion of CO_2 emissions. With this in mind, we are striving to reduce CO_2 emissions based on two themes. Specifically, we will aim for "just in size" by reducing the use of power required for production to an absolute minimum while eliminating waste. We will also aim for "zero compressed air" by eliminating its use. Compressed air causes large losses from the air-generation to usage stage as a result of electric conversion losses and leaks inside pipes. In adhering to these themes, we are identifying what needs to be done to yield significant results through partial modifications to facilities based on the assumption that these measures will be deployed across the Group.

Breakdown of CO_2 Emissions at Car Air-Conditioning Compressor Production Lines



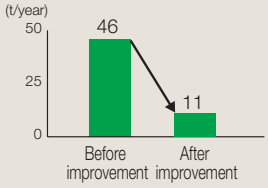
Case Example of an Improvement at a Model Line

Improving the Drying Process for Finished Products

Toyota Industries significantly improved the drying process for finished products by shifting to using low-pressure air blowers to dispel cleaning water instead of high-pressure air. Since using an air nozzle with the same radius as that for the high-pressure method would not deliver sufficient force to dispel the cleaning water, we expanded the radius of the air nozzle while increasing the flow volume of the low-pressure air to attain the same effect.

By adopting this method, we have achieved a 35-ton, or 76%, reduction in CO_2 emissions. In tandem, we are carrying out in-house manufacturing of blowers, which utilize the existing technologies of the Car Air-Conditioning Compressor Business, thereby yielding dramatic cost benefits.

CO_2 Emissions



Internally manufactured blower (Under development)

Topics

Hazu Academy Global Learning Center Preserves the Surrounding Rich Natural Landscape and Protects the Environment

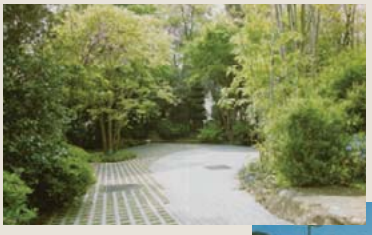
The Hazu Academy, a global learning center opened in May 2009 in Hazu, Aichi Prefecture, adopts numerous environmentally conscious measures, including the use of natural energy and rooftop greenery to curb global warming.

Exterior concept image of the Hazu Academy global learning center

• Preserving the Surrounding Landscape

The Hazu Academy makes use of innovative schemes and concepts in all areas for "creating, protecting and cultivating a rich landscape." For example, to maintain the natural topography of the grounds, which straddle the coastline, the center's building features a sectional configuration to diminish any sense of encroachment into the surrounding areas. Additionally, extensive efforts were made to maximize the protection of existing green spaces throughout the entire premises while aiming for harmony with the surrounding natural environment via a well-balanced blending of existing and new green areas.

As another noteworthy feature, the center's walkways and parking lot are made from recycled concrete blocks spaced at regular intervals, with the spaces in between the blocks filled with a paving material that promotes grass growth. This innovative scheme helps to mitigate rises in summer temperatures of regular road and other surfaces and increases green spaces.



Walkway green blocks

Parking lot green blocks

• Solar Power Generation

CO_2 emission reduction effect (approximate calculation): 66.8t-CO_2/year

Solar cells are installed on the rooftops of the main building and the outside parking lot and are linked to the center's electric power facilities. Surplus power is then sold to electric power companies.

Solar panels

• Wind Power Generation

CO_2 emission reduction effect (approximate calculation): 0.05t-CO_2/year

Five vertical-axis wind turbines, which can operate regardless of wind direction, have been installed at the center. These turbines are also ideal for harmonizing with the surrounding area because they rotate more quietly and are less subject to bird strikes than propeller-type turbines.

Wind-power unit

• Rooftop Greenery

CO_2 emission reduction effect (approximate calculation): 0.4t-CO_2/year

By greening part of the rooftop, we are reducing the heat load from the center's roof.

Rooftop greenery

• Optical Ducts

CO_2 emission reduction effect (approximate calculation): 0.2t-CO_2/year

Capturing sunlight with optical ducts for internal illumination contributes to energy savings during the daytime.

Optical duct

Resource Utilization

Approach to Resource Utilization

To achieve efficient use of finite resources, Toyota Industries promotes design and development that implements the 3Rs: reduce materials used by using them more efficiently, reuse products and parts that have completed their service life and recycle resources.

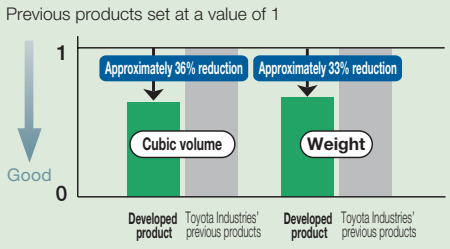
We also aim to improve resource efficiency and reduce waste generation at the source through such measures as increasing yields at every manufacturing process, while also promoting in-house reuse and recycling.

Products Promoting Resource Savings through Miniaturization and Reduced Weights

By reducing materials used, in fiscal 2009 Toyota Industries achieved an approximately 36% reduction in cubic volume and a roughly 33% weight reduction for its 100W DC-AC inverter, which is certified as an environmentally friendly product. Moreover, recycled aluminum was used as the primary covering material for the inverter.

100W DC-AC inverter

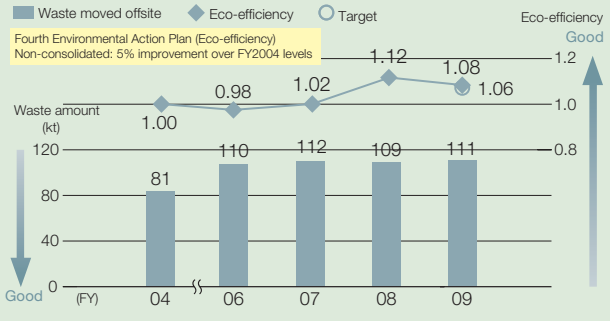
Comparison of Cubic Volume and Weight



Production Curbing of Waste Generation at the Source

In fiscal 2009, we carried out production activities targeting a 6% increase in eco-efficiency over fiscal 2004 levels. The Obu Plant switched chemicals for treating wastewater to reduce the volume of sludge generated. In addition, we implemented measures to raise the yields of presses at the Takahama Plant. These initiatives enabled us to attain our target, as we achieved an 8% improvement in eco-efficiency over fiscal 2004 levels. We will continue to promote improvement activities with the aim of attaining a balance between operational efficiency and resource efficiency.

Waste Generated



Production Building a System for Resource Utilization by Sharing Information among Business Divisions

Toyota Industries' Compressor Division examined the possibility of reusing protective materials (PVC sheets) from inbound deliveries of components, which it previously discarded, in other business divisions. It was found that the Textile Machinery Division could reuse these materials as cushioning materials for auxiliary parts shipped externally.

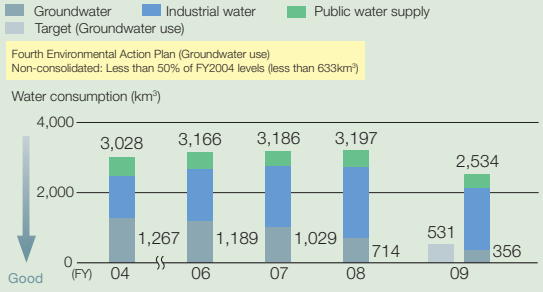
Accordingly, we set up a dedicated collection box for gathering such materials from the Compressor Division for use by the Textile Machinery Division. The introduction of this recycling system has led to the complete elimination of discarded protective materials.

We will continue to promote information sharing through active interchanges among business divisions and will implement measures that allow us to utilize resources while eliminating waste.

Production Reduction in Water Consumption

Giving strong consideration to the risks of ground sinkage and effective use of limited resources, Toyota Industries places particular emphasis on efforts to curtail the use of groundwater. In fiscal 2009, we achieved our target by realizing a 20% reduction in the use of groundwater compared with the previous fiscal year by taking such steps as recycling wastewater and recovering and reusing steam drainage.

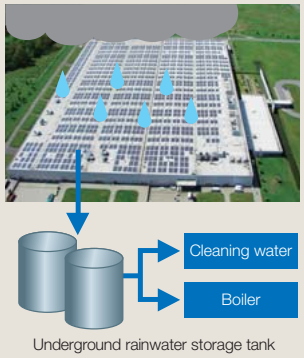
Total Water Consumption



Topics

Rainwater Capture System

To make more effective use of water resources, Toyota Industries has installed a rainwater capture system at the Higashiura Plant and the Takahama Plant's TMHG Technical Center. The system also has been adopted overseas at TD Deutsche Klimakompressor GmbH (TDDK), our car air-conditioning compressor manufacturing base in Germany. At TDDK, rainwater collected on the roof of the building is stored in an underground tank and used for washers and other machines.



Underground rainwater storage tank

Reduction in Environmental Risk

Approach to Environmental Risks

Toyota Industries recognizes that the prevention of environmental risks, such as environmental pollution and violations of environmental laws resulting from its business activities, is a crucial corporate responsibility. Based on this awareness, in developing products, Toyota Industries works to strengthen the management of chemical substances and reduce amounts of chemicals used, focusing on the entire product lifecycle, from development and production to disposal and collection.

In conducting operations, top priority is placed on preventing risk during the production process, and emergency training drills are implemented to ensure quick response to any possible contingencies.

Products Management of Substances of Concern

To strengthen the management of chemical substances in accordance with the European REACH*1 regulation, Toyota Industries has completely rebuilt the MARSY*2 system to ensure the integrated management of constituent materials as well as chemical substances contained in all our products. By revamping this system, we have dramatically strengthened the system's functions and handling capabilities.

Under this system, we are now able to tabulate the amounts of chemical substances contained as well as identify components that use chemical substances on a cross-divisional, Group-wide basis.

*1: REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) is a system for the comprehensive registration, evaluation, authorization and restriction of substances of concern within the EU, and targets parties involved in the manufacture and import of substances of concern.
*2: MARSY stands for Material-Data Research System.

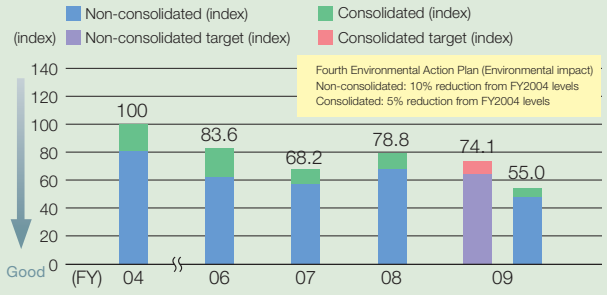
Production Risk Assessment Program Based on a Quantified Environmental Impact Index

As articulated in the Fourth Environmental Action Plan, Toyota Industries' action policies for the reduction of environmental risks in production are to "minimize environmental risks" and "further reduce emissions of substances of concern." As it undertakes its activities, Toyota Industries implements its own quantified management index to properly calculate environmental impacts*3.

Toyota Industries has already achieved fiscal 2011 targets contained in the Fourth Environmental Action Plan and has set even higher targets as we proactively carry out our business activities. For fiscal 2009, we targeted a 20% reduction in environmental impact on a non-consolidated basis and a 22% reduction on a consolidated basis (manufacturing companies in Japan) compared with fiscal 2004 levels. To attain these targets, we promoted reduction activities focused mainly on coating processes, which use large amounts of substances of concern. As specific measures, for the piston coating process, the Compressor Division promoted a switchover from conventional spray coating to roll coating, which has better coating adhesion efficiency. In fiscal 2009, we completed the switchover at approximately 90% of the coating lines. Toyota Material Handling Japan and the Vehicle Division also proceeded with a switchover to coatings and thinners containing smaller amounts of substances of concern. As a result of these activities, Toyota Industries attained a 40% reduction in environmental impact on a non-consolidated basis and 45% reduction for consolidated operations. The entire Toyota Industries Group is committed to continuing to achieve further reductions in emissions of substances of concern.

*3: Environmental impact
In fiscal 2007, we introduced a quantified environmental impact index for the integrated management of environmental impacts to properly manage different substances of concern with environmental and water pollutant properties as well as clarify priority.
<Substances covered by calculations for environmental impact index>
- Hydro-fluorocarbon (HFC) and Pollutant Release and Transfer Register (PRTR) law-designated substances emission volumes (volatile organic compound (VOC) derived)
- Water contaminants (biochemical oxygen demand (BOD), chemical oxygen demand (COD), nitrogen, phosphorous)

Environmental Impact Index



Production Legal Compliance

Toyota Industries continually undertakes activities to prevent quality abnormalities in wastewater, abnormal concentrations of soot and other risks occurring in the production process. In fiscal 2009, the chairman of the Production Environment Subcommittee (executive vice president in charge of overseeing production) and plant managers inspected manufacturing plants to make on-site confirmations of the status of risk management at each phase of production. Risk management methods at each plant are shared at all Toyota Industries' plants and utilized to manage risk and prevent abnormalities.


Inspecting the Nagakusa Plant

As part of measures to manage quality of wastewater discharged from production processes, we monitored tendencies when using varied amounts of chemicals during each process to ascertain any changes that would lead to abnormalities at facilities.

In fiscal 2009, both in Japan and overseas, no infringements of environmental legal standards were committed and Toyota Industries was not subject to any fines or penalties. Also, no environment-related legal action was taken against Toyota Industries.

Production Soil and Groundwater Pollution Countermeasures (Status Report)

Toyota Industries carries out surveys and purification of soil and groundwater contaminated from its past use of trichloroethylene as a cleaning agent. We report the survey results to local government authorities and provide information at local community meetings. As measures to prevent pollution from substances covered by the Soil Contamination Countermeasures Law as well as from grease and oils, we have drilled observation wells at all plants to conduct regular checks.

Trichloroethylene Readings (FY2009)

Plant	Weighted Average Concentration in Groundwater (mg/l)	Current Status
Kariya Plant	0.67	Cleanup in progress
Kyowa Plant	0.72	Cleanup in progress

Environmental Communication

Promoting Internal and External Environmental Communication

The Toyota Industries Group promotes environmental activities closely linked with society. Placing an emphasis on communicating our environmental activities to the Toyota Industries Groups' stakeholders, we strive to disclose a broad array of information to the general public through such means as the *Toyota Industries Report*, our Website and exhibits. At the same time, we are undertaking concerted efforts to interact with local communities, holding community roundtables and providing environmental education programs for local elementary school students.

Within the Company, we utilize the Environment Section of our Intranet to communicate and share pertinent information and hold environmental lectures for employees, while our monthly in-house magazine publishes articles on environmental issues to foster greater environmental awareness among our employees and their families.

We also held an Environmental Liaison Conference, which brings together personnel responsible for environmental programs at each Group company.

To further deepen environmental communications both within the Group and externally, we will continue to focus on sharing important environmental information.

Environment information available via Website (http://www.toyota-industries.com/csr/)

TMHU Hosts Tree Planting Events for TMHU and TIEM Employees and Their Families

In May 2008, Toyota Material Handling, U.S.A., Inc. (TMHU), a Toyota Industries Group subsidiary for selling lift trucks, hosted Columbus Volunteer Tree Planting events at two parks in Columbus, Indiana. In cooperation with staff in charge of managing green areas in Columbus, 50 trees such as black cherry trees donated by Toyota Industrial Equipment Mfg., Inc. (TIEM), a subsidiary for manufacturing lift trucks, were planted at each of the two venues.

Held to enhance green areas in the local community, the events were attended by numerous TMHU and TIEM employees and their families, and contributed to raising the environmental awareness of all participants.

Planting trees during Columbus Volunteer Tree Planting event

Columbus Volunteer Tree Planting signboard

BCSWMD Awards TIEM with a Certificate of Appreciation

TIEM has been sponsoring an Earth Day recycling event hosted by the Bartholomew County Solid Waste Management District (BCSWMD) since fiscal 2008. In April 2008, a BCSWMD commissioner awarded TIEM a certificate of appreciation for its ongoing support of the recycling center and its various programs.

Award ceremony

Participating in Eco-Products Exhibition

In December 2008, we exhibited our products at Eco-Products 2008, held at Tokyo Big Sight, to communicate our environmental initiatives. Along with presenting environmental technologies by showcasing Toyota Industries' hybrid vehicle components, car air-conditioning compressors and a tugcart (automatic guided vehicle system), an entertaining, easy-to-understand visual presentation introduced our environmental activities. A broad range of people ranging from elementary and junior high school students to various companies and the general public visited our booth. We also displayed structural models of car air-conditioning compressors, representative of Toyota Industries' long-time dedication to technological innovation. These models attracted a great deal of attention, effectively enabling visitors to see firsthand how car air-conditioning compressors have evolved over the years.

Toyota Industries booth

Entertaining visual presentation to introduce Toyota Industries' environmental initiatives

Unica Sets Up Environmental Activities Bulletin Board for Customers and Employees

In April 2008, Unica Co., Ltd. (Unica), a manufacturer of electric in-house transporters for the Toyota Industries Group, set up an environmental activities bulletin board to promote their initiatives to customers visiting their office and employees. Through the bulletin board, Unica strives to raise employees' environmental awareness and increase understanding of Unica's environmental activities both within the company and externally.

Visiting customers looking at environmental activities bulletin board

Environmental Accounting/On-Site Verification

Environmental Accounting

Toyota Industries regards environmental accounting, which evaluates the effectiveness of its environmental activities from the perspective of cost, as a critical tool not only for corporate management but also for the disclosure of quantitative information about the environment. As such, we are continually striving to further enhance our environmental accounting systems. Environmental accounting data is collected in compliance with the Ministry of the Environment's *Environmental Accounting Guidelines 2005 Edition*.

Scope of data collection: Toyota Industries, TIBC Corporation
Data collection period: April 1, 2008 – March 31, 2009

Fiscal 2009 Results

Environmental Conservation Costs*1

The total cost of environmental conservation programs in fiscal 2009 was ¥9.4 billion. Global environmental conservation costs primarily included the introduction of a solar power generating system, wind power generating system and optical duct system at the Hazu Academy, a global learning center, in Hazu, Aichi Prefecture.

Research and development costs included the development of the following products: a diesel engine hybrid lift truck, which reduces the CO_2 emissions and fuel consumption by approximately 50% while maintaining the same level of performance as the current diesel engine lift truck, as well as the ES14 electric compressor developed specifically for the latest Prius that is roughly 20% smaller and lighter than the previous compressor.

*1: Depreciation expenses are not included in environmental conservation costs. Costs and investments that include objectives other than environmental aspects either have the difference aggregated or the component removed.

Environmental Conservation Benefits

The benefits of environmental conservation indicate the accumulated outcomes of yearly environmental conservation measures.

In fiscal 2009, CO_2 emissions were reduced by a total of 72,000 tons. As a major achievement, the Energy Supply Control Section and manufacturing bases cooperated to implement vigorous energy conservation initiatives, which culminated in the reduction of roughly 40,000 tons in CO_2 emissions on a non-consolidated basis alone.

Economic Benefits of Environmental Conservation Initiatives

Toyota Industries calculates the actual economic benefits of environmental conservation initiatives through calculable benefits, including reductions in energy costs and wastewater treatment costs, as well as profits from the sale of recycled waste products.

On-Site Verification

Up until fiscal 2008, we had asked an external institution for an independent verification of the accuracy and consistency of environmental data included in the *Toyota Industries Report*. In fiscal 2009, however, Toyota Industries' Plant Engineering & Environment Department primarily conducted on-site verification by utilizing accumulated know-how.

[On-site Verification Sites]

Nagakusa Plant: Manufacture of automobiles
Nishina Industrial Co., Ltd.: Manufacture and sales of devices for industrial vehicles and construction machinery

[Items to be Verified]

1. Adequacy of the scope of data collection; validity of data measurement, collection and calculation methods; validity of internal verification
2. Trustworthiness and accuracy of collected/calculated data as well as data reported to the Head Office; accuracy of reporting method to the Head Office

[Results]

1. The verified sites retained original data (evidence) for all statistics, which were confirmed valid.
2. All discrepancies identified during verification have been corrected.

Environmental Conservation Costs

(Millions of yen)

Category		FY2009		FY2008	
		Investment	Expenses	Investment	Expenses
Business area costs	Pollution prevention costs -Preventing air pollution -Preventing water pollution	330	1,014	1,074	753
	Global environmental conservation costs	1,075	3,665	934	3,055
	Resource utilization costs	123	1,545	225	1,718
Upstream/downstream costs		–	–	–	25
Management costs		109	1,068	48	906
Research and development costs		–	393	–	909
Social contribution activity costs		7	30	8	14
Environmental remediation costs		–	9	1	20
Total		1,644	7,724	2,290	7,400
		9,368		9,690	

Environmental Conservation Benefits

Environmental Impact	Achievements
CO_2	72,000t decrease
VOC	538t decrease
Generation of waste products	24,982t decrease
Water	901,000m^3 decrease
SO_X	0.1t decrease
NO_X	34t decrease
COD	5.6kg decrease

Economic Benefits of Environmental Conservation Initiatives

(Millions of yen)

Item	Details	Amount
Revenue	Returns from sale of recycled waste products	5,635
Cost Reduction*2	Energy cost reductions	2,591
	Cost reduction by resource savings (including reductions in amount of water use and amount of wastewater)	94
Total		8,320

*2: Cost reduction is calculated by multiplying the volume of reduction in environmental impacts by the unit cost.

Corporate Governance

Aiming for Sound and Efficient Management to Maintain the Trust of Society

Governance Structure

Basic Perspective of Corporate Governance

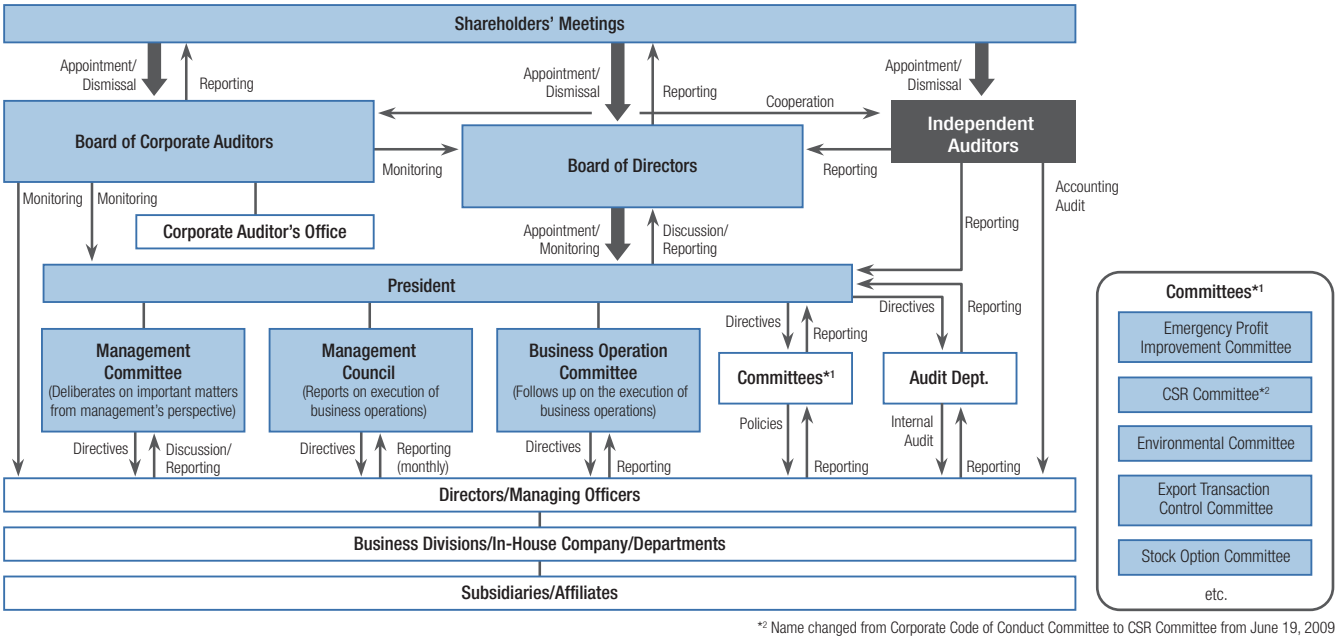
Toyota Industries believes that it is of utmost importance to enhance the long-term stability of corporate value and maintain society's trust by implementing the Basic Philosophy of "Respect for the Law," "Respect for Others," "Respect for the Natural Environment," "Respect for Customers" and "Respect for Employees," and earnestly fulfilling our corporate social responsibilities. Together with contributing to the enrichment of society through our business activities, we also believe it is important to build an amicable relationship with all stakeholders, starting from shareholders and customers to business partners, local communities and employees. Acting on this conviction, we are striving to maintain and enhance management efficiency and the fairness and transparency of our corporate activities by building a corporate governance structure that can respond quickly and flexibly to changes in the business environment. At the same time, we are bolstering management supervision and emphasizing the timely disclosure of accurate information as part of efforts to upgrade our corporate governance.

Implementation Structure

Toyota Industries convenes monthly Board of Directors meetings to discuss and resolve important management matters and monitor the execution of the duties by directors. Important matters such as corporate vision, management policies, medium-term business strategies and major investments are discussed at meetings of the Management Committee composed of directors above the executive vice president level, corporate auditors and other relevant directors. The committee thoroughly discusses a variety of matters before such matters are passed on for debate at Board of Directors meetings, in addition to deliberating on responses to a broad range of management issues. In addition to delegating significant authority to each business division under the divisional organization system, we have established the Business Operation Committee to enable the president to meet with heads of each business division regularly to monitor and follow the status of execution of the business policies in each division. At meetings of the Management Council, which are held after Board of Directors meetings, directors, managing officers and corporate auditors convene to share management information with regards to matters resolved at respective Board of Directors meetings as well as the monthly status of the operations of each business. Furthermore, specialized committees are set up to discuss and follow through on such themes as compliance, quality, safety, the environment, human resources, export transaction controls and information disclosure.

Corporate Auditor System

Toyota Industries has adopted a corporate auditor/board of corporate auditors system. Two standing corporate auditors and three external corporate auditors attend meetings of the Board of Directors to monitor the execution of duties by directors. Meetings of the Board of Corporate Auditors are held once a month to discuss and make decisions on such important matters as auditing policy. The standing corporate auditors collect management information by attending primary meetings including those of the Management Committee and receiving reports directly from directors. This also enables the standing corporate auditors to monitor the execution of duties by directors. Additionally, the Corporate Auditor's Office has been established with a staff of dedicated personnel



*2 Name changed from Corporate Code of Conduct Committee to CSR Committee from June 19, 2009

Emergency Profit Improvement Committee

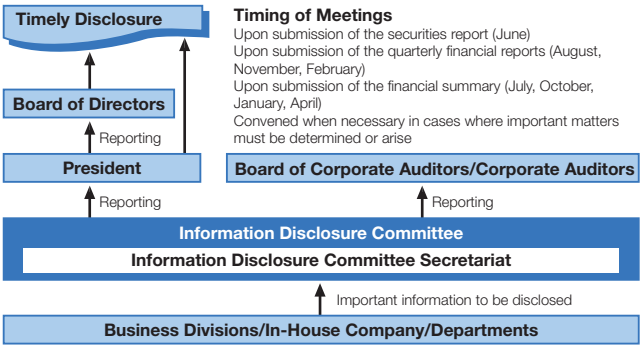
In response to the rapid downturn in our business environment, Toyota Industries has established the Emergency Profit Improvement Committee on December 1, 2008 directly under the president. Under the Emergency Profit Improvement Committee, we have set up 14 different subcommittees, such as the General Expenses Subcommittee, and are actively working on profit improvement activities throughout the Company.

To the present, together with management and all employees, we have focused on thoroughly implementing cost reduction activities. We will also enhance planning and the execution of measures to increase sales and income.

who are independent from the chain of command of directors to assist in the auditing tasks of corporate auditors and reinforce the auditing of duties carried out by the directors. The corporate auditors also exchange opinions and cooperate with independent auditors and the Audit Department to ensure the legality, soundness and efficiency of management.

Timely Information Disclosure

Toyota Industries has established the Information Disclosure Committee to provide all stakeholders with important corporate information, even if the information is unfavorable, to ensure management transparency and accountability. The committee discusses and determines the comprehensiveness and appropriateness of timely disclosure of information in such documents as the securities report.



Internal Control System

In accordance with the Corporate Law, in May 2006 Toyota Industries' Board of Directors adopted the Basic Policies for the Establishment of an Internal Control System to ensure compliance, risk management as well as the effectiveness and efficiency of business operations. Furthermore, based on the Financial Instruments and Exchange Law, we are building, operating and evaluating a system to maintain the reliability of financial reporting, while assessing the effectiveness of our internal controls and undergoing audits by independent auditors.

Compliance Implementation Structure

Basic Perspective

Toyota Industries believes that compliance transcends the mere adherence to laws and regulations and also encompasses practicing corporate ethics and respecting local cultures and customs in a manner that is in step with the changing times. We believe each and every employee must behave fairly and sincerely with a high law-abiding spirit and an acute sense of ethics.

Implementation Structure

Based on the Basic Policies for the Establishment of an Internal Control System, we are putting in place a compliance implementation structure. We have designated the Legal Department at the Head Office and 10 other departments as departments in charge of legal compliance, which keep abreast of the enactment and amendment of laws and regulations, engage in activities to familiarize employees with compliance matters through education and the Intranet as well as monitor and provide guidance on compliance. The progress of such activities is reported at meetings of the Corporate Code of Conduct Committee, which are held twice a year and attended by the president, directors, managing officers and corporate auditors. If deemed necessary, further measures are discussed and decided to reinforce these activities.

Furthermore, we have compiled specific conduct guidelines in the *Handbook for Corporate and Employee Conduct* (first edition issued in 1998, revised in 2006) and require all employees to engage in sound conduct. The handbook focuses closely on laws and corporate ethics and clearly describes acceptable and unacceptable behavior. We continuously strive to promote a deeper penetration of these guidelines via education and training as well as distribution of a portable handbook. The Group companies outside Japan have also compiled conduct guidelines in accordance with their respective countries' laws and practices to familiarize their employees with these guidelines through education and training. We also conduct legal education based on career path and position.

Corporate Ethics Hotline

As one channel for employee consultation on compliance-related matters, we established the corporate ethics hotline staffed by outside lawyers. By strictly protecting employee privacy to ensure they are not placed in a disadvantageous position, we are building a structure that enables employees to rest assured when seeking advice on a variety of compliance-related matters. As part of a structure capable of properly responding to compliance matters, we have also set up various types of consultation desks to address opinions and requests of customers and local residents as well as to respond to an array of concerns and questions from employees and their families.

Risk Management

Basic Perspective

Based on the Basic Policies for the Establishment of an Internal Control System, we are establishing regulations and systems regarding risk management that may entail any losses or damages. When a risk or a danger of a risk becomes evident, we classify it as either a problem or a crisis judging by potential losses on business operations and the magnitude of social impact. We are putting in place a quick and precise initial-response system that will enable us to solve a problem at an early stage in which its impact is relatively small and to prevent such problems from developing into a crisis.

Implementation Structure

Risks related to quality, safety, the environment, human resources and export transaction controls are discussed by the respective committees. If deemed necessary, we make new rules and manuals, familiarize employees with them and monitor operations to minimize risks. The Corporate Code of Conduct Committee makes decisions regarding policies and has established a prevention system for risks regarding compliance, earthquake responses and information security. As an example, we have compiled the *Rules in Case of Earthquakes* (first edition issued in March 2003, revised in October 2007) and distributed the handbook to all employees. We require them to carry this handbook at all times to facilitate precise action and response in the event an earthquake occurs.

Responsibility to Our Customers

Aiming for Further Quality Improvement with Customer-First Principle

Quality a Key Management Issue

Carrying on the spirit of the teachings of Toyoda Industries' founder Sakichi Toyoda that "A product should never be sold unless it has been carefully manufactured and has been tested thoroughly and satisfactorily," Toyota Industries believes quality is its lifeline and a key management issue. Maintaining and improving quality is our most important responsibility to our customers and forms the basis of our corporate social responsibilities.

Toyota Industries encourages all employees to be an active part of its efforts to maintain and improve quality in all areas of its corporate activities, most notably "product quality," "marketing quality" and "total quality." "Product quality" is embodied in the durability, safety and eco-friendliness of our products, "marketing quality" in excellent sales and service and "total quality" in our overall corporate image and brand strength.

Types of Quality Sought by Toyota Industries

Quality Assurance Systems

Based on the stance of "customer first," Toyota Industries develops and provides products from the customer's viewpoint.

Whenever any of Toyota Industries' business divisions develops a new product, a design review (DR) system is utilized to evaluate quality at all stages from product planning and development to production preparation, production and customer satisfaction assessment. This ensures that the process of product development progresses to the next stage only when a division head thoroughly checks to confirm that established quality target levels have been achieved. Once customer information reaches the quality assurance departments of each business division after the product launch, it is fed back to the responsible department (such as design and manufacturing) to quickly devise countermeasures. At the same time, the DR system is reviewed as necessary to prevent the recurrence of any problems in subsequent models.

Improving Quality throughout the Global Supply Chain

We constantly strive to deliver products that satisfy customers. To this end, we always listen to customer voices and pour our efforts into R&D on new products and new functions that anticipate the needs of the times.

As an example, in its efforts to ensure that customers can use our products in an excellent condition without any inconveniences, the Materials Handling Equipment Business provides services not only through distributors and dealers but also by directly interfacing with customers through customer consultation desks and visiting customers to conduct actual usage fact-finding surveys.

Comments and requests received from customers in this way are promptly fed back to the relevant department, such as design, and a response is subsequently provided to the customer through dealers. At the same time, we make good use of these comments and requests in product improvements and new product development.

We procure parts from our entire global supply chain, including affiliates and business partners all over the world, while supplying products to the global market. We engage in quality assurance activities by sharing our customer-first stance throughout the supply chain.

Distributing Quality Guidelines

Every year, we issue the Quality Guidelines that identifies important quality improvements to all manufacturing bases in and outside of Japan. Respective business divisions hold Quality Functional Committee meetings attended by management to confirm the implementation of the guidelines and follow through via on-site inspections.

In order to meet customer expectations, in fiscal 2010 we are going back to the basics of our customer-first activities and identifying each business division's and department's shortcomings, further enhancing our DR evaluation system and reviewing prerequisites for manufacturing non-defective products.

Toyota Industries is committed to improving the degree of customer satisfaction. In attaining this objective, predetermined procedures are carried out in all processes according to instructions to ensure no defective products are sent to post-processes, thereby achieving manufacturing through self-conclusion of the process that guarantees zero defects. We are implementing this practice at manufacturing bases not only in Japan but throughout the world.

Responsibility to Our Business Partners

Aiming for Co-Existence and Co-Prosperity with Business Partners

Procuring Parts, Materials and Equipment from around the World through Fair Trading Practices

Toyota Industries procures parts, materials and equipment in a variety of areas from business partners all over the world. We work toward the realization of co-existence and co-prosperity with our business partners from a long-term perspective. Through fair trading practices, we purchase high-quality products at lower costs while cooperating with our business partners in responding to environmental conservation and other social demands.

Fair Competition Based on an Open-Door Policy

We have an open and fair entry process that allows all potential business partners, regardless of nationality, size and experience, the same opportunity to offer us their products or services through our Website to achieve broad and open procurement. To apply, potential business partners must register the status of their environmental certifications, such as ISO 14001, as well as other basic information that includes their main product lineup and contact information.

We evaluate our business partners based on economic reasons such as the quality, price and volume of their products, as well as on their adherence to delivery times. In addition, we comprehensively evaluate such matters as environmental awareness, company stability and technological development ability.

Amicable Relationship of Mutual Benefit Based on Mutual Trust

We work hard to realize an amicable relation of mutual benefit with our business partners based on mutual trust. We hold procurement policy meetings for major business partners in order to explain annual procurement policies and to gain their understanding and cooperation. We also hold topic-based meetings for important matters related to corporate social responsibilities so that our business partners can share information on our respective needs and reinforce our relationships with them.

We also support business partners' efforts to improve their management platform in order to consistently procure better products. For major business partners, we proactively support quality and cost improvements, safety and health management as well as environmental conservation.

In fiscal 2009, a total of 892 people attended quality training programs held for our business partners on 35 occasions, and a total of 84 people attended technical skill training programs. In addition to providing guidance and cooperation directed toward improving manufacturing processes at business partners' production sites on 48 occasions, we also held a Safety, Health and Environment Convention. Furthermore, to facilitate the development and strengthening of personnel well-versed in the Toyota Production System (TPS), we encourage major business partners to enroll in the TPS dojo* as part of such efforts. In fiscal 2009, we accepted four people from four business partners.

* TPS dojo: A training program established in January 2000 for employees to experience for themselves a basic education in the TPS as a means of developing "thoughts and actions" and acquiring *kaizen* (continuous improvement) skills

Environmentally Friendly Products Based on "Green Procurement"

In order to create environmentally friendly products, we aim to procure parts, materials and equipment that have low environmental impact from business partners that always give sufficient consideration to the environment. Based on our Green Procurement Guidelines, we require our business partners to establish an environmental management system. We make it a rule for business partners to acquire external certification on their environmental management systems such as ISO 14001 for Toyota Industries to procure parts and raw materials. In order to adhere to regulations regarding the use of substances of concern, we require the suspension and reduction of use as well as the management of usage of these substances if they are included in our products or manufacturing processes.

For products that will become a component of Toyota Industries' products or that will be used in our manufacturing processes, our procurement system requires our business partners to submit in advance a non-use declaration of prohibited substances as well as data on substances of concern, including a report on the substances contained in parts. Only after confirmation is carried out do we purchase these parts.

In addition, we visit our business partners' production plants as deemed necessary in order to carry out process inspections. Furthermore, in an effort to strengthen management of substances of concern, analysis equipment was introduced in fiscal 2005 to carry out random inspections of supplied products.

Localization of Business Based on Good Corporate Citizenship

As a company that undertakes local production overseas, we promote procurement from local business partners in order to contribute to the local community.

Compliance with the Law

It is Toyota Industries' and our business partners' policy to strictly abide by both the letter and spirit of laws and regulations and to also carefully handle and protect our business partners' confidential corporate information.

Toyota Industries stresses compliance with the Act against Delay in Payment of Subcontract Proceeds, etc., to Subcontractors (hereinafter Subcontracting Act) in its commitment to fair trading practices. As of March 2009, some 750 business partners are covered by the Subcontracting Act among our approximately 1,300 business partners worldwide.

In fiscal 2009, the Purchasing Department at the Head Office, which is responsible for ensuring compliance with the Subcontracting Act, held 71 in-house training seminars regarding this act, training a total of about 4,400 employees involved in procurement in their respective business divisions.

In response to growing demand for greater corporate social responsibility, we require all business partners to fully comply with laws and regulations.

In April 2008, we held a Procurement Policy Explanatory Meeting, in which we presented a summary of related laws and regulations and requested full compliance by major business partners. We also held a total of four study sessions on various laws and regulations in an effort to help raise the level of knowledge and compliance awareness among our business partners. We plan to continue these programs according to a prearranged annual schedule.

Responsibility to Our Associates

Aiming to Create a Workplace Where Associates Can Work Actively and Safely

Ensuring Occupational Health and Safety

Initiatives for Realizing "Zero Danger"

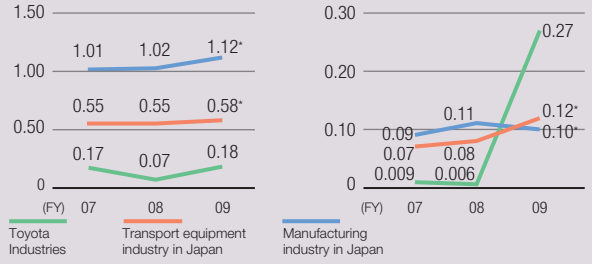
In accordance with our fundamental policy of "creating workplaces and people capable of autonomously maintaining occupational health and safety," Toyota Industries strives to prevent industrial accidents and realize better work environments to achieve "improvement from zero accidents to zero danger."

In fiscal 2009, activities in this area were carried out under three major policies, namely, reconfiguring an occupational health and safety management system (OHSMS) to enhance workplace strengths, pursuing equipment safety and nurturing safety-oriented associates.

1. **Reconfiguring an Occupational Health and Safety Management System**
   We reviewed our risk assessment activities and strove to reconfigure a more effective activity structure.
2. **Pursuing Equipment Safety**
   In order to prevent collisions between people and in-building vehicles, we instituted measures to isolate associates from vehicles inside factory buildings and other facilities.
3. **Nurturing Safety-Oriented Associates**
   Each manufacturing base launched its own safety dojo to nurture associates able to engage in safe behavior.

On May 7, 2008, an explosion regrettably occurred at the Obu Plant. Reflecting on this accident, we thoroughly investigated the cause of the explosion and devised preventive countermeasures. A decisive course of action was ingrained in each and every associate through meetings held at all workplaces, and confirmations and countermeasures were carried out via on-site inspections.

Since industrial accidents are on the rise among relatively experienced associates, we focused our attention on the review of standard procedures for non-routine work such as measures regarding extraordinary incidents. We are also making a concerted effort to prevent industrial accidents and occupational illnesses as well as engaging in other measures to prevent disasters.



Frequency rate
Number of occupational injuries resulting in lost workdays ÷ Total working hours x 1,000,000
(Value indicates the frequency of occurrence of occupational injuries per 1 million working hours.)

Severity rate
Workdays lost ÷ Total working hours x 1,000
(Value indicates the severity of occupational injuries per 1,000 working hours.)

*Figures for fiscal 2009 are taken from the Industrial Accident Trend Survey.

Health Management and Improvement

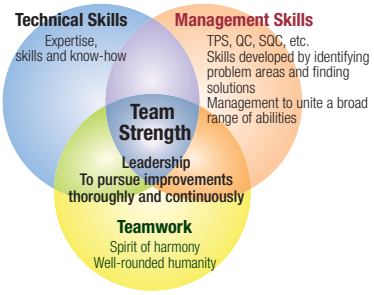
In response to the medium-term task of promoting Company-wide health improvement programs concerning risks associated with aging and greater stress, we have implemented a variety of measures to help support and maintain the health of our associates. Efforts include providing health guidance for persons with metabolic syndrome from fiscal 2008, as well as holding one-day health education courses (mandatory) targeting associates reaching certain ages to prevent lifestyle diseases.

Mental health care activities include strengthening self-care/line-care education and consultation hotlines as well as introducing a preparatory work system, which allows associates to work half days.

Human Resources

Enhancing Team Strength and Spirit and Associate Relations Built on Mutual Trust

In order for each associate to be enthusiastic about their work, as well as to ensure continued development of the Company, increasing team strength (organizational power) is essential.



Team strength is comprised of technical skills, which serve as the originating source of manufacturing; management skills, which fully utilize technical skills; and teamwork, which supports the first two skills. While further enhancing our team strength, which also serves as a strong asset of the Toyota Industries Group, we are striving to extend and hand down team strength beyond business domains, generations and geographic regions.

Nurturing Associates to Realize Sustainable Growth of Toyota Industries Group

With approximately half of our associates working at Group companies outside Japan, Toyota Industries is undertaking efforts to develop human resources capable of playing globally active roles that transcend regions and countries. In May 2009, we established the Hazu Academy, a global learning center, in Hazu, Aichi Prefecture, as our base for developing truly global leaders in and outside of Japan. Despite the harsh management environment, we will provide training on improving capabilities to devise management strategies along with other courses, while committing ourselves to developing human resources who will be the bearers of Toyota Industries' sustainable growth.


Hazu Academy

In 2007, Toyota Industries established the Technical Learning Center to nurture engineers possessing expertise and execution capabilities as well as highly skilled technicians capable of handling the fundamentals of manufacturing. Aiming for the improvement of techniques and skills of associates throughout the Toyota Industries Group, including affiliates, we are providing training on technical skills, the cornerstone of manufacturing.

As testimony to these efforts, 14 Toyota Industries associates participated in five categories of the 46th National Skills Competition held in Chiba Prefecture from October 31 to November 3, 2008, and earned medals in all categories. Among the participants, Yuichi Mori, who competed in the electrical welding category, won a gold medal for two consecutive years.

Supporting a Balance between Work and Child Care/Nursing Care, Ensuring Equal Opportunities and Respecting Diversity

We are implementing a host of measures to establish fair and impartial workplaces where a diverse range of human resources can fully exercise their capabilities. In our commitment to supporting a balance between work and child care, in March 2009 we introduced a shorter work-hour system for child care. To ensure equal opportunities and diversity, we proactively promote the employment of persons with disabilities. In fiscal 2009, the employment rate of persons with disabilities was 1.98% (179 people, non-consolidated basis).

Responsibility to Our Local Communities

Aiming for More Harmonious Co-Existence with Local Communities

Toyota Industries carries out a broad range of social contribution activities based on its Guiding Principles for Corporate Citizenship. With particular emphasis on social welfare, youth development and environment, we are vigorously making efforts to promote close relationships with local communities.

Guiding Principles for Corporate Citizenship

Basic Philosophy

Toyota Industries is respectful of the people, culture and traditions of each region and country in which it operates. We also work to promote economic growth and social development in these regions and countries.

Basic Perspective

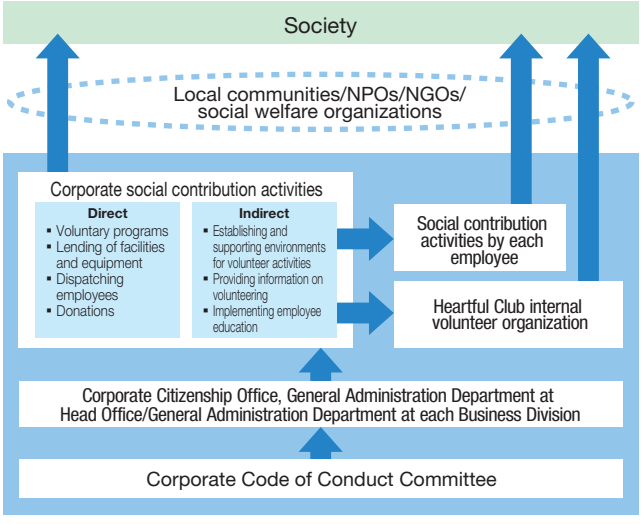
While striving to achieve sustainable growth as a company, we strive to fulfill our role as a good corporate citizen and actively undertake social contribution activities in every community where Toyota Industries does business in our efforts to help realize a prosperous and healthy society. To accomplish this, Toyota Industries actively promotes cooperative support activities with the objective of contributing to local communities through the provision of human resources, facilities, funds and know-how. Each of our employees also endeavors to be of service to the community through such means as volunteer activities.

Social Contribution Promotion Structure

We established the Corporate Citizenship Office within the General Administration Department at the Head Office. Through this office, we promote initiatives for implementing voluntary programs, facilitating communications with local communities and enhancing internal education and enlightenment programs. The Corporate Code of Conduct Committee, which is directly controlled by the president, deliberates on the format and specific details of social contribution plans.

In 1997, we established the Heartful Club as an internal volunteer organization composed of volunteers that include current and former employees of Toyota Industries and its subsidiaries as well as their families. Through this organization, we engage in a range of activities aimed at raising awareness of volunteerism and contributing to social prosperity.

In 2008, we opened the Heartful Volunteer Support Center as a primary base for social contribution activities, engaging in a broad range of activities such as holding events in cooperation with non-profit organizations (NPOs), preparing for community festivals and organizing lectures. This facility is open to the community and freely available to all local residents.



Examples of Social Contribution Activities

Theme	Main Activities
Social Welfare	Holding events that people with disabilities can enjoy without stress or anxiety • Clam digging excursions • Welfare Festival • Spring harvest festival and autumn harvest festival (sweet potato digging) Inviting children orphaned from traffic accidents to Nagoya grand sumo tournament Creating Christmas cards using drawings by children living in an orphanage Donating bazaar goods to welfare facilities Collecting and donating unusable postcards, stamps and non-Japanese bank notes Sales support of products made at vocational aid center
Youth Development	Support for youth invention clubs • Organizing classes on weaving machinery during summer vacations • Holding handmade kite-flying competitions Participating in Obu industrial culture festival • Organizing a handicraft corner • Producing and donating a model car for a dream car competition Organizing an internship program for junior high school students (experiences in labor/manufacturing/environments) Organizing an internship program for school teachers
Environment	Promoting pallets made of lumber harvested from forest thinning in Japan Donating benches made of thinned wood in Japan Organizing cleanup activities around plants worldwide • Cleaning up highway near a plant in U.S.A.
Community Activities	Monitoring traffic safety Crime-prevention patrols Participating in traditional cultural events in local communities
Others	Organizing "Toyota Industries Presents Autumn Concert" Organizing year-end charity drive throughout Toyota Industries Group (soliciting donations) Support and donations for areas affected by the Sichuan Earthquake in China

Topics

Welfare Festival

In February 2009, we invited people with disabilities who attend welfare facilities in Kariya, Aichi Prefecture, as well as their families to treat them to a variety of programs, including music, dance and craft workshops. In fiscal 2009, the 15th year of this event, we welcomed 248 people, and 80 employees and local volunteers assisted in running the event. This occasion served to promote deeper interaction between invited participants and volunteers as well as between Toyota Industries and local communities.

Cleanup of Highway near a Plant in U.S.A.

A volunteer team of employees at U.S.-based Michigan Automotive Compressor, Inc. (MACI), a manufacturer of car air-conditioning compressors located in Michigan, helps clean up about 3 kilometers along the local highway near the plant. This cleanup activity is held three times a year, every May, July and September, and is fully appreciated by the local community.

Major Plants (Parent Company)

	Main Products	Start of Operations
Kariya Plant	Textile machinery, car air-conditioning compressors	1927
Obu Plant	Parts for car air-conditioning compressors	1944
Kyowa Plant	Electronic equipment, automotive press dies, production facilities, engine parts	1953
Nagakusa Plant	Automobiles	1967
Takahama Plant	Industrial equipment, materials handling systems	1970
Hekinan Plant	Diesel engines, gasoline engines	1982
Higashichita Plant	Foundry parts, diesel engines	2000
Higashiura Plant	Parts for car air-conditioning compressors	2002
Anjo Plant	Electronic equipment	2007

Major Consolidated Subsidiaries

	Company Name	Location	Ownership Ratio*
Japan			
	Aichi Corporation	Saitama	51.0%
	Wanbishi Archives Co., Ltd.	Tokyo	100.0%
	TIBC Corporation	Aichi	60.0%
	HANDA Casting Company	Aichi	100.0%
	Mail & e Business Logistics Service Co., Ltd.	Mie	50.5%
	Asahi Security Co., Ltd.	Tokyo	100.0%
	TOYOTA L&F Tokyo Co., Ltd.	Tokyo	100.0%
	Altex Co., Ltd.	Shizuoka	100.0%
	Sun River Co., Ltd.	Osaka	100.0%
	IZUMI MACHINE MFG. CO., LTD.	Aichi	100.0%
	TOYOTA L&F Keiji Co., Ltd.	Kyoto	75.0%
	Tokyu Co., Ltd.	Aichi	100.0%
	Advanced Logistics Solutions Co., Ltd.	Aichi	100.0%
	Toyoda High System, Incorporated	Aichi	100.0%
	Nishina Industrial Co., Ltd.	Nagano	97.5%
	KTL Co., Ltd.	Tokyo	50.5%
	TF Logistics Co., Ltd.	Tokyo	51.0%
	Tokaiseiki Co., Ltd.	Shizuoka	100.0%
	Taikoh Transportation Co., Ltd.	Aichi	51.8%
	SKE Inc.	Aichi	100.0%
	SKM CORPORATION	Aichi	100.0%
	Unica Co., Ltd.	Aichi	100.0%
	Iwama Loom Works, Ltd.	Aichi	100.0%
	Nagao Kogyo Co., Ltd.	Aichi	100.0%
	TOYOTA L&F Shizuoka Co., Ltd.	Shizuoka	100.0%
	TOYOTA L&F Hyogo Co., Ltd.	Hyogo	100.0%
	Hara Corporation	Gifu	100.0%
	Sun Valley Inc.	Aichi	100.0%
	Miduho Industry Co., Ltd.	Aichi	100.0%
	Sun Staff, Inc.	Aichi	100.0%
	ALT Logistics Co., Ltd.	Aichi	60.0%
	Shine's Co., Ltd.	Aichi	100.0%
	Toyota Industries Well Support Corporation	Aichi	100.0%
Europe			
Sweden	Toyota Industries Europe AB	Linköping	100.0%
	Toyota Industries Sweden AB	Linköping	100.0%
	BT Products AB	Mjölby	100.0%
	Toyota Material Handling Sweden AB	Bromma	100.0%
	Toyota Industries Finance International AB	Linköping	100.0%
Norway	Toyota Material Handling Norway AS	Trondheim	100.0%
Finland	Toyota Material Handling Finland OY	Vantaa	100.0%
Latvia	Toyota Material Handling Baltic SIA.	Riga	100.0%

*Including indirect investment

	Company Name	Location	Ownership Ratio*
Poland	Toyota Material Handling Polska Sp. z o.o.	Pruszków	100.0%
Denmark	Toyota Material Handling Danmark A/S	Slangerup	100.0%
U.K.	Toyota Material Handling UK Limited	Slough, Berkshire	100.0%
Germany	Toyota Material Handling Deutschland GmbH	Langenhagen	100.0%
	TD Deutsche Klimakompressor GmbH	Bernsdorf	65.0%
France	Toyota Industrial Equipment, S.A.	Ancenis	80.0%
	BT France S.a.r.l	Marne La Vallée	100.0%
France/Belgium	Toyota Industrial Equipment Europe, S.A.R.L.	Ancenis (France)/Brussels(Belgium)	100.0%
Belgium	Toyota Material Handling Europe NV/SA	Brussels	100.0%
	Toyota Material Handling Belgium NV/SA	Wilrijk	100.0%
Netherlands	Toyota Material Handling Nederland B.V.	Ede	100.0%
Spain	Toyota Material Handling España, S.A.	Barberá del Vallés	100.0%
Austria	Toyota Material Handling Austria GmbH	Wiener Neudorf	100.0%
Czech Republic	Toyota Material Handling CZ s.r.o	Rudna	100.0%
Slovakia	Toyota Material Handling Slovensko s.r.o.	Bratislava	100.0%
Hungary	Toyota Material Handling Hungary Ltd.	Vecsés	100.0%
Switzerland	Toyota Material Handling Schweiz AG	Zürich	50.0%
	Toyota Textile Machinery Europe, AG	Uster	100.0%
Italy	CESAB Carrelli Elevatori S.p.A.	Bologna	100.0%
	Toyota Carrelli Elevatori Italia S.r.l.	Bologna	100.0%
	BTCESAB S.r.l.	Bologna	100.0%
Greece	Toyota Material Handling Greece SA	Athens	100.0%
North America			
U.S.A.	Toyota Industries North America, Inc.	Elk Grove Village, Illinois	100.0%
	Toyota Industrial Equipment Mfg., Inc.	Columbus, Indiana	100.0%
	The Raymond Corporation	Greene, New York	100.0%
	Raymond-Muscatine Inc.	Muscatine, Iowa	100.0%
	Indiana Hydraulic Equipment, Corp.	Franklin, Indiana	100.0%
	Toyota Material Handling, U.S.A., Inc.	Irvine, California	100.0%
	Michigan Automotive Compressor, Inc.	Parma, Michigan	60.0%
	TD Automotive Compressor Georgia, LLC	Pendergrass, Georgia	65.0%
	ACTIS Manufacturing, Ltd. LLC	Grapevine, Texas	60.0%
	Toyoda Textile Machinery, Inc.	Charlotte, North Carolina	100.0%
	Toyota Industries Personnel Service of America, Inc.	Elk Grove Village, Illinois	100.0%
Canada	Raymond Industrial Equipment Ltd.	Brantford, Ontario	100.0%
	Lift-Rite Inc.	Brampton, Ontario	100.0%
	G. N. Johnston Equipment Co., Ltd.	Mississauga, Ontario	100.0%
South America			
Brazil	Toyota Material Handling Mercosur Comercio de Equipamentos LTDA	São Paulo	100.0%
	Toyota Máquinas Têxteis Brasil Ltda	São Paulo	100.0%
Asia and Oceania			
Australia	Toyota Material Handling Australia Pty Limited	New South Wales	100.0%
India	Kirloskar Toyoda Textile Machinery Pvt. Ltd.	Bangalore	95.1%
China	Toyota Material Handling (Shanghai) Co., Ltd.	Shanghai	100.0%
	TD Automotive Compressor Kunshan Co., Ltd.	Kunshan, Jiangsu	59.8%
	Toyota Industry (Kunshan) Co., Ltd.	Kunshan, Jiangsu	70.0%
	Toyota Industry Automotive Parts (Kunshan) Co., Ltd.	Kunshan, Jiangsu	60.0%
	Toyota Industries Trading & Logistics (China) Co., Ltd.	Shanghai	100.0%

Major Affiliates Accounted for by the Equity Method

	Company Name	Location	Ownership Ratio*
Japan			
	Fuji Logistics Co., Ltd.	Tokyo	26.6%
Europe			
Poland	Toyota Motor Industries Poland Sp. z o.o.	Jelcz-Laskowice	40.0%

*Including indirect investment

Board of Directors, Corporate Auditors and Managing Officers (As of June 19, 2009)

Board of Directors

Chairman
Tadashi Ishikawa

President
Tetsuro Toyoda

Executive Vice President
Tatsuo Matsuura

Executive Vice President
Akira Imura

Senior Managing Directors

Shigetaka Yoshida
Masafumi Kato
Yasuharu Toyoda
Yutaka Murodono
Kazunori Yoshida
Kosaku Yamada
Toshiyuki Sekimori
Kimpei Mitsuya

Directors

Tatsuro Toyoda
Norio Sato

Corporate Auditors

Standing Corporate Auditors

Masanori Ito
Kakuo Ishikawa

Corporate Auditors

Fumio Kawaguchi
Katsuaki Watanabe
Shinichi Sasaki

Managing Officers

Senior Managing Officers

Satoshi Kaseda
Kazue Sasaki
Hirotaka Morishita
Shinya Furukawa
Akira Onishi

Managing Officers

Takaki Ogawa
Takashi Okubo
Norio Sasaki
Toshifumi Ogawa
Toshifumi Onishi
Kohei Nozaki
Osamu Miura
Taku Yamamoto
Yukihisa Tsuchimoto
Kan Otsuka
Masaharu Suzuki
Hiroaki Asai
Takashi Ito
Toshiya Yamagishi

Financial Section

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following Management's Discussion and Analysis of Financial Condition and Results of Operations are based on information known to management as of June 2009.

This section contains projections and forward-looking statements that involve risks, uncertainties and assumptions. You should be aware that certain risks and uncertainties could cause the actual results of Toyota Industries Corporation and its consolidated subsidiaries to differ materially from any projections or forward-looking statements. These risks and uncertainties include, but are not limited to, those listed under "Risk Information" and elsewhere in this annual report.

The fiscal year ended March 31, 2009 is referred to as fiscal 2009 and other fiscal years are referred to in a corresponding manner. All references to the "Company" herein are to Toyota Industries Corporation and references to "Toyota Industries" herein are to the Company and its 160 consolidated subsidiaries.

Result of Operations

Operating Performance

In fiscal 2009, global economic conditions became extremely harsh. The deterioration of the real economy triggered by the financial crisis spread beyond the United States and Europe to emerging countries. Concurrently, the Japanese economy rapidly declined as exports, production and private-sector capital investment sharply decreased, accompanied by the escalation of the severity of the employment situation.

In this operating environment, Toyota Industries undertook efforts to strengthen its management platform by ensuring customer trust through its dedication to quality, developing attractive new products, engaging in aggressive sales promotions and implementing Group-wide cost-reduction activities. Toyota Industries also systematically, quickly and thoroughly proceeded with earnings recovery activities in order to respond to the sharp decline in net sales since autumn 2008. However, such efforts were unable to counteract the extremely fast pace of market contractions. As a result, total consolidated net sales amounted to ¥1,584.2 billion, a decrease of ¥416.3 billion (21%) from fiscal 2008.

In terms of overall profit, Toyota Industries undertook vigorous cost reduction activities in terms of purchased parts costs and processing expenses as well as productivity improvements. In addition, Toyota Industries organized the Emergency Profit Improvement Committee in December 2008 to thoroughly reduce costs. However, significantly lower sales in Japan and overseas, rises in raw materials and parts prices and the negative impact of exchange rate fluctuations led to an operating loss of ¥6.6 billion, a decrease of ¥103.4 billion from fiscal 2008. Ordinary income amounted to ¥14.3 billion, a decrease of ¥112.1 billion (89%) from fiscal 2008. Toyota Industries recorded extraordinary losses arising from losses on impairment of property, plant and equipment due to a decrease in production volume as well as from losses of discontinuing production of designated electronics parts. These factors led to a net loss of ¥32.7 billion, a decrease of ¥113.1 billion from fiscal 2008.

Cost of Sales and Selling, General and Administrative Expenses

Cost of sales for fiscal 2009 decreased ¥289.4 billion (17%) from fiscal 2008 to ¥1,389.0 billion. This was due mainly to the decline in sales.

Selling, general and administrative expenses decreased ¥23.3 billion (10%) from fiscal 2008 to ¥201.8 billion, due primarily to a decrease in personnel expenses.

Operating Income (Loss)

Operating loss for fiscal 2009 was ¥6.6 billion compared with operating income of ¥96.8 billion in fiscal 2008, due to the impact of rising raw material and purchased parts costs and exchange rate fluctuations as well as the decline in net sales.

Operating Performance Highlights by Business Segment

Following are the operating results by business segment. Net sales for each segment do not include inter-segment transactions.

Automobile Segment

In fiscal 2009, the automobile industry saw the market rapidly contract in developed nations and a slowdown in market growth in emerging countries, in which expansion was expected. Amid this environment, net sales of the Automobile Segment totaled ¥755.9 billion, a decrease of ¥213.3 billion (22%) from fiscal 2008, while operating loss was ¥11.5 billion compared with operating income of ¥41.5 billion in fiscal 2008.

Within this segment, net sales of the Vehicle Business totaled ¥378.1 billion, a decrease of ¥122.0 billion (24%) from fiscal 2008, due mainly to decreases in unit sales of the Vitz (Yaris outside Japan), RAV4 and Mark X ZiO.

Net sales of the Engine Business totaled ¥156.6 billion, a decrease of ¥22.1 billion (12%) from fiscal 2008, as a result of a decline in unit sales of AD diesel engines installed mainly in the RAV4.

Net sales of the Car Air-Conditioning Compressor Business

totaled ¥186.3 billion, a decrease of ¥67.2 billion (26%) from fiscal 2008, due to significant decreases in production volume by automakers in North America, Europe and Japan.

Materials Handling Equipment Segment

In the materials handling equipment industry as a whole, the market experienced a downturn worldwide. Particularly since October 2008, unit sales plummeted on an unprecedented level both in Japan and overseas. Amid this backdrop, net sales of the Materials Handling Equipment Segment totaled ¥639.6 billion, a decrease of ¥143.5 billion (18%) from fiscal 2008. Operating income amounted to ¥3.7 billion, a decrease of ¥36.1 billion (91%) from fiscal 2008. Although Toyota Industries aggressively engaged in global sales promotion activities for lift trucks, a mainstay product of this segment, unit sales decreased for both TOYOTA- and BT-brand products. A decline in unit sales of truck mount aerial work platforms and the negative impact of exchange rate fluctuations were also key factors.

Logistics Segment

The overall operating environment remained severe in the logistics industry as the volume of cargo transport continued to decline in the Japanese market. In this environment, net sales of the Logistics Segment totaled ¥114.8 billion, a decrease of ¥2.7 billion (2%) from fiscal 2008. Despite the strong performance by businesses engaged in collection and delivery of cash and management of sales proceeds services as well as secure storage, management, collection and delivery of corporate documents services, this was offset by a decline in sales of the cargo transport business of automotive-related parts. Operating income amounted to ¥2.9 billion, a decrease of ¥1.3 billion (31%) from fiscal 2008.

Textile Machinery Segment

In the textile machinery industry as a whole, the primary markets of China and India rapidly deteriorated resulting from an economic downturn in the United States and Europe. In such an economic climate, net sales of the Textile Machinery Segment totaled ¥29.5 billion, a decrease of ¥36.7 billion (55%) from fiscal 2008, owing mainly to a significant decrease in unit sales of air-jet looms sold to China, while operating loss was ¥2.0 billion compared with operating income of ¥4.2 billion in fiscal 2008.

Others Segment

Net sales of the Others Segment totaled ¥44.2 billion, a decrease of ¥20.0 billion (31%) from fiscal 2008, while operating loss was ¥46.0 million compared with operating income of ¥6.7 billion in fiscal 2008.

Sales by Geographical Segment

Below are Toyota Industries' operating results by geographical segment. Net sales for each geographical segment do not include inter-segment transactions.

Japan

Net sales decreased ¥276.4 billion (21%) from fiscal 2008 to ¥1,066.6 billion, while operating loss was ¥1.6 billion compared with operating income of ¥82.0 billion in fiscal 2008. This was attributable primarily to decreases in unit sales of vehicles, engines, car air-conditioning compressors and lift trucks.

North America

Net sales decreased ¥71.7 billion (27%) from fiscal 2008 to ¥193.8 billion, while operating loss was ¥4.7 billion compared with operating income of ¥3.5 billion in fiscal 2008, due mainly to decreases in unit sales of car air-conditioning compressors and lift trucks.

Europe

Net sales decreased ¥55.6 billion (17%) from fiscal 2008 to ¥272.1 billion, while operating loss was ¥3.9 billion compared with operating income of ¥7.9 billion in fiscal 2008. This was attributable primarily to a decrease in unit sales of lift trucks.

Others

Net sales totaled ¥51.6 billion, a decrease of ¥12.5 billion (20%) from fiscal 2008, while operating income decreased ¥3.1 billion (59%) from fiscal 2008 to ¥2.0 billion.

Non-Operating Income and Expenses

Non-operating income decreased ¥5.6 billion (9%) from fiscal 2008 to ¥59.3 billion in fiscal 2009 and non-operating expenses totaled ¥38.3 billion, an increase of ¥3.1 billion (9%) from fiscal 2008.

This is due mainly to equity in net losses of affiliated companies in fiscal 2009, despite posting equity in net earnings of affiliated companies in fiscal 2008.

Extraordinary Gains and Losses

Extraordinary losses totaled ¥37.5 billion, due mainly to losses on impairment of property, plant and equipment due to a decrease in production volume as well as from losses of discontinuing production of designated electronics parts.

Income (Loss) before Income Taxes and Minority Interests

Loss before income taxes and minority interests amounted to ¥23.2 billion compared with income before income taxes and minority interests of ¥132.3 billion in fiscal 2008, as a result of a ¥112.1 billion (89%) decrease in ordinary income from fiscal 2008 to ¥14.3 billion. Extraordinary losses totaled ¥37.5 billion.

Income Taxes

Income taxes decreased ¥28.1 billion (63%) from fiscal 2008 to ¥16.4 billion, due mainly to a decrease in corporate income taxes of the Company.

Minority Interests in Consolidated Subsidiaries

Loss on minority interests in consolidated subsidiaries amounted to ¥6.9 billion compared with income of ¥7.3 billion in fiscal 2008.

Net Income (Loss)

Net loss totaled ¥32.7 billion compared with net income of ¥80.4 billion in fiscal 2008. Net loss per share was ¥105.16 compared with net income per share of ¥257.50 in fiscal 2008.

Liquidity and Capital Resources

Toyota Industries' financial policy is to ensure sufficient financing and liquidity for its business activities and to maintain strong balance sheets. Currently, funds for capital investments and other long-term capital needs are provided from retained earnings and long-term debt, and working capital needs are met through short-term loans. Long-term debt financing is carried out mainly through issuance of corporate bonds and loans from financial institutions.

Toyota Industries continues to maintain its solid financial condition. Through the use of such current assets as cash and cash equivalents and securities, as well as free cash flows and funds procured 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, as well as for future investments.

Regarding fund management, the Company undertakes integrated fund management of its subsidiaries in Japan, while Toyota Industries North America, Inc. (TINA) and Toyota Industries Finance International AB (TIFI) centrally manage the funds of subsidiaries in North America and Europe, respectively.

Through close cooperation among the Company, TINA and TIFI, we strive for efficient, unified fund management on a global consolidated basis.

Cash Flows

Cash flows from operating activities amounted to ¥65.7 billion in fiscal 2009, due mainly to loss before income taxes and minority interests in the amount of ¥23.2 billion compared with income before income taxes and minority interests in the amount of ¥132.3 billion in fiscal 2008. Net cash provided by operating activities decreased by ¥123.1 billion (65%) from ¥188.8 billion in fiscal 2008.

Cash flows from investing activities resulted in a decrease in cash of ¥114.2 billion in fiscal 2009, attributable primarily to payments for purchases of property, plant and equipment amounting to ¥122.4 billion, a decrease of ¥13.1 billion (10%). Net cash used in investing activities decreased by ¥24.5 billion (18%) from ¥138.7 billion for fiscal 2008.

Cash flows from financing activities resulted in an increase in cash of ¥120.9 billion in fiscal 2009, due mainly to proceeds from long-term loans payable in the amount of ¥126.1 billion, an increase of ¥74.5 billion (144%) from fiscal 2008. Net cash provided by financing activities increased by ¥86.9 billion compared with net cash used in financing activities of ¥33.9 billion in fiscal 2008.

After translation adjustments, cash and cash equivalents as of March 31, 2009 stood at ¥188.0 billion, an increase of ¥66.8 billion (55%) from fiscal 2008.

Investment in Property, Plant and Equipment

During fiscal 2009, Toyota Industries made a total investment of ¥134.5 billion in property, plant and equipment (including vehicles and materials handling equipment for lease) in order to launch new products, streamline and upgrade production equipment and augment R&D facilities.

In the Automobile Segment, investment in property, plant and equipment totaled ¥52.8 billion. A primary breakdown of this amount included ¥32.9 billion for the Company, ¥5.4 billion for Tokyu Co., Ltd., ¥4.8 billion for Tokaiseiki Co., Ltd., ¥2.8 billion for Toyota Industry Automotive Parts (Kunshan) Co., Ltd., ¥1.6 billion for Iwama Loom Works, Ltd. and ¥1.5 billion for TD Deutsche Klimakompressor GmbH.

The Materials Handling Equipment Segment made an investment in property, plant and equipment in the total amount of ¥53.4 billion. The primary breakdown comprised ¥3.4 billion for the Company, ¥30.8 billion for the Toyota Industries Sweden Group, ¥1.9 billion for Handa Casting Co., Ltd. and ¥1.5 billion for the Aichi Group.

Investment in property, plant and equipment in the Logistics Segment totaled ¥13.9 billion, including ¥25.0 million for the Company, ¥7.0 billion for Wanbishi Archives Co., Ltd., ¥3.6 billion for Asahi Security Co., Ltd., ¥1.9 billion for Taikoh Transportation Co., Ltd. and ¥1.0 billion for Tokai-Kouun Transportation Co., Ltd.

The Textile Machinery Segment made an investment in property, plant and equipment in the total amount of ¥0.4 billion, including ¥0.3 billion for the Company.

The Others Segment made an investment in property, plant and equipment in the total amount of ¥13.8 billion, including ¥11.9 billion for the Company and ¥1.3 billion for TIBC Corporation.

Necessary funds were provided by a portion of bonds as well as treasury stock and bank loans.

Due to a decrease in production volume accompanied by severe economic conditions, losses on impairment of property, plant and equipment amounted to ¥25.1 billion in the Automobile Segment, ¥0.5 billion in the Materials Handling Equipment Segment and ¥10.1 billion in the Others Segment.

Strategies and Outlook

Outlook for Results for Fiscal 2010

For the foreseeable future, the business environment surrounding

Toyota Industries is expected to become even more challenging, with concerns over a protracted global economic downturn as well as the directions of exchange rates and stock markets.

In order to improve profitability in such an environment, Toyota Industries will make a concerted effort to quickly and thoroughly promote reforms in the business and cost structures, as well as rebuild our management platform into a more muscular and strong one. Specifically, Toyota Industries will continue to undertake vigorous measures to reduce fixed costs, including labor costs, depreciation and other expenses, as well as to downsize the corporate structure and lower the break-even point. Toyota Industries will also implement a wide variety of measures to enhance sales, such as releasing new products and engaging in sales expansion activities.

For fiscal 2010, ending March 31, 2010, Toyota Industries forecasts consolidated net sales of ¥1,300.0 billion, an operating loss of ¥10.0 billion, an ordinary loss of ¥11.5 billion and a net loss of ¥10.0 billion. By segment, we forecast net sales of ¥655.0 billion in the Automobile Segment and ¥480.0 billion in the Materials Handling Equipment Segment.

Our projections are based on assumed exchange rates of ¥95.0 = US$1 and ¥125.0 = €1.

Dividend Policy

The Company regards the benefits of shareholders as one of its most important management policies. Based on this stance, we will strive to strengthen Toyota Industries' corporate constitution, promote proactive business development and raise its corporate value. The Company's dividend policy is to meet the expectations of shareholders while giving full consideration to business performance, capital demand, the dividend payout ratio on a consolidated basis and other factors. Toyota Industries' Ordinary General Meeting of Shareholders, held on June 19, 2009, approved a year-end cash dividend of ¥10.0 per share. Including the interim cash dividend of ¥30.0 per share, cash dividends for the year totaled ¥40.0 per share, a decrease of ¥20.0 per share from fiscal 2008.

Toyota Industries will use retained earnings to improve the competitiveness of its products, augment production capacity in Japan and overseas, as well as expand into new fields of business and strengthen its corporate constitution in securing future profits for its shareholders.

The Company's Articles of Incorporation stipulate that it may pay interim cash dividends as prescribed in Article 454-5 of the Corporate Law, and it is the Company's basic policy to pay dividends from retained earnings twice a year (interim and annual). The Company's Articles of Incorporation also stipulate that what is prescribed in Article 459-1 of the Corporate Law can be added to the Articles of Incorporation. As the Company's policy, discretion to pay interim cash dividends is determined by the Board of Directors while payment of year-end cash dividends is subject to approval at the Ordinary General Meeting of Shareholders.

Risk Information

The following represent risks that could have a material impact on Toyota Industries' financial condition, business results and share prices. Toyota Industries judged the following as future risks as of March 31, 2009.

Principal Customers

Toyota Industries' automobile and engine products are sold primarily to Toyota Motor Corporation (TMC). In fiscal 2009, net sales to TMC accounted for 35.7% of consolidated net sales. Therefore, TMC's vehicle sales could have an impact on Toyota Industries' business results. As of March 31, 2009, TMC holds 24.6% of the Company's voting rights.

Product Development Capabilities

Based on the concept of "developing appealing new products," Toyota Industries proactively develops new products by utilizing its leading-edge technologies, as it strives to anticipate increasingly sophisticated and diversifying needs of the market and ensure the satisfaction of its customers. R&D activities are focused mainly on developing and upgrading products in current business fields and peripheral sectors. Toyota Industries expects that revenues derived from these fields will continue to account for a significant portion of total revenues and anticipates that future growth will be contingent on the development and sales of new products in these fields. Toyota Industries believes that it can continue to develop appealing new products. However, Toyota Industries may not be able to forecast market needs and develop and introduce appealing new products in a timely manner. This could result in lower future growth and have an adverse impact on Toyota Industries' financial condition and business results.

Such a situation could result from risks that include no assurance Toyota Industries can allocate sufficient future funds necessary for the development of appealing new products; no assurance that product sales will be successful, as forecasts of products supported by the market may not always be accurate; and no assurance that newly developed products and technologies will always be protected as intellectual property.

Intellectual Property Rights

In undertaking its business activities, Toyota Industries has acquired numerous intellectual property rights, including those acquired overseas, such as patents related to its products, product designs and manufacturing methods. However, not all patents submitted will necessarily be registered as rights, and these patents could thus be rejected by patent authorities or invalidated by third parties. Also, a third party could circumvent a patent of Toyota Industries and introduce a competing product into the market. Moreover, Toyota Industries' products utilize a wide range of technologies. Therefore, Toyota Industries could become a party subject to litigation involving the intellectual property rights of a third party.

Product Defects

Guided by the basic philosophy of "offering products and services that are clean, safe and of high quality," Toyota Industries makes its utmost efforts to enhance quality. However, Toyota Industries cannot guarantee all its products will be defect-free and that product recalls will not be made in the future. Product defects that could lead to large-scale recalls and product liability indemnities could result in large cost burdens and have a significant negative impact on the evaluation of Toyota Industries. It could also have an adverse effect on Toyota Industries' financial condition and business results due to a decrease in sales, deterioration of profitability and decrease in share prices of Toyota Industries.

Price Competition

Toyota Industries faces extremely harsh competition in each of the industries in which it conducts business, including its Automobile and Materials Handling Equipment businesses, which are the core of Toyota Industries' earnings foundation. Toyota Industries believes it offers high value-added products that are unrivalled in terms of technology, quality and cost. Amid an environment characterized by intensifying price competition, however, Toyota Industries may be unable to maintain or increase market share against low-cost competitors or to maintain profitability. This could have an adverse impact on Toyota Industries' financial condition and business results.

Reliance on Suppliers of Raw Materials and Components

Toyota Industries' products rely on various raw materials and components from suppliers outside the Toyota Industries Group. Toyota Industries has concluded basic business contracts with these external suppliers and assumes it can carry out stable transactions for raw materials and components. However, Toyota Industries has no assurances against future shortages of raw materials and components, which arise from a global shortage due to tight supply or an unforeseen accident involving a supplier. Such shortages could have a negative effect on Toyota Industries' product production and cause an increase in costs, which could have an adverse impact on Toyota Industries' financial condition and business results.

Environmental Regulations

In view of its social responsibilities as a company, Toyota Industries strives to reduce any burden on the environment resulting from its production processes, as well as strictly adheres to applicable environmental laws and regulations. However, various environmental regulations could also be revised and strengthened in the future. Accordingly, any expenses necessary for continuous strict adherence to these environmental regulations could result in increased business costs and have an adverse impact on Toyota Industries' financial condition and business results.

Alliances with Other Companies

Aiming to expand its businesses, Toyota Industries engages in joint activities with other companies through alliances and joint ventures. However, a wildly fluctuating market trend or a disagreement between Toyota Industries and its partners, owing to business, financial or other reasons, could prevent Toyota Industries from deriving the intended benefits of its alliances.

Exchange Rate Fluctuations

Toyota Industries' businesses encompass the production and sales of products and the provision of services worldwide. Generally, the strengthening of the yen against other currencies (especially against the U.S. dollar and the euro, which account for a significant portion of Toyota Industries' sales) has an adverse impact on Toyota Industries' business, while a weakening of the yen has a favorable impact. An increase in the value of currencies in countries or regions where Toyota Industries carries out production could lead to an increase in local production, procurement and distribution costs. Such an increase in costs could reduce Toyota Industries' price competitiveness. Additionally, because export sales of several businesses are denominated mainly in yen, exchange rate fluctuations could have an adverse impact on Toyota Industries' financial condition and business results due to a change in market prices.

Share Price Fluctuations

Toyota Industries holds marketable securities, and therefore bears the risk of price fluctuations of these shares. Based on fair market value of these shares at the end of the fiscal year under review, Toyota Industries had unrealized gains. However, unrealized gains on marketable securities could worsen depending on future share price movements. Additionally, a fall in share prices could reduce the value of pension assets, leading to an increase in the pension shortfall.

Effects of Disasters, Power Blackouts and Other Incidents

Toyota Industries carries out regular checks and inspections of its production facilities to minimize the effect of production breakdown. However, there is no assurance Toyota Industries can completely prevent or lessen the impact of man-made or natural disasters, including malfunctions of production facilities, fires at production facilities and power blackouts. For example, the majority of Toyota Industries' domestic production facilities and most of its business partners are situated in the Chubu region. Therefore, a major earthquake such as the Tokai Earthquake, or an incident that affects other operations, could delay or stop production or shipment activities. Such prolonged delays and stoppages could have an adverse impact on Toyota Industries' financial condition and business results.

Latent Risks Associated with International Activities

Toyota Industries manufactures and sells products and provides services in various countries. Such unforeseen factors as social chaos, including political disruptions, terrorism and wars, as well as

changes in economic conditions, could have an adverse impact on Toyota Industries' financial condition and business results.

Retirement Benefit Liabilities

Toyota Industries' employee retirement benefit expenses and liabilities are calculated based on expected rates of return on pension assets as well as assumptions upon making actuarial calculations that incorporate discount rates and other factors. Therefore, differences between actual results and assumptions as well as changes in the assumptions could have a significant impact on recognized expenses and calculated liabilities in future accounting periods.

Significant Accounting Policies and Estimates

Toyota Industries' financial statements are prepared in conformity with accounting principles and practices generally accepted in Japan. In preparing financial statements, management must make estimates, judgments and assumptions that affect reported amounts of assets and liabilities at fiscal year-end as well as revenues and expenses during each fiscal year. Among Toyota Industries' significant accounting policies, the following categories require a considerable degree of judgment and estimation and are highly complex.

Allowance for Doubtful Accounts

To prepare for the risk of receivables becoming uncollectible, Toyota Industries estimates its allowance for doubtful accounts by utilizing the percentage of historical experiences in credit losses for ordinary receivables and individually examining the feasibility of collection for receivables that seem to be uncollectible. Evaluating the allowance for doubtful accounts involves judgments made in accordance with the nature of the situation, and this allowance represents an essential and crucial estimate—including future estimates of cash flow amounts and timing—that could change significantly. Based on currently available information, Toyota Industries' management believes its present allowance for doubtful accounts is sufficient. However, the need to significantly increase allowance for doubtful accounts in the future could have an adverse impact on Toyota Industries' business results.

Allowance for Retirement Benefits

Calculations differ for retirement benefits, retirement benefit expenses and liabilities after employee retirement, as well as benefits for employees on leave of absence, because different assumptions are used at the time of calculation. Assumptions include such factors as discount rates, amount of benefits, interest expenses, expected rates of return on pension assets and mortality rates. The difference in amounts between these assumptions and actual results is calculated cumulatively and amortized over future accounting periods, and thus becomes an expense and is recognized as a liability in future accounting periods. Toyota Industries believes its assumptions are reasonable. However, differences between actual results or changes in the assumptions could have an impact on retirement benefits and retirement benefit expenses and liabilities after employee retirement.

Toyota Industries' Relationship to Toyota Motor Corporation

Due to historical reasons, Toyota Industries maintains close relationships with TMC and Toyota Group companies in terms of capital and business dealings.

Historical Background

In 1933, Kiichiro Toyoda, the eldest son of founder Sakichi Toyoda and then Managing Director of Toyota Industries (then Toyoda Automatic Loom Works, Ltd.), established the Automobile Department within the Company based on his resolve to manufacture Japanese-made automobiles. In 1937, the Automobile Department was spun off and became an independent company, Toyota Motor Co., Ltd. (the present Toyota Motor Corporation).

Capital Relationship

In light of this historical background, Toyota Industries and TMC have maintained a close capital relationship. As of March 31, 2009, Toyota Industries holds 6.4% (200,195 thousand shares) of TMC's total shares issued. Likewise, as of the same date, TMC holds 24.6% of Toyota Industries' total voting rights. Toyota Industries is a TMC affiliate accounted for by the equity method.

Business Relationship

Toyota Industries assembles certain cars and produces automobile engines under consignment from TMC. Additionally, we sell a portion of our other components and products directly or indirectly to other Toyota Group companies. In fiscal 2009, our net sales to TMC accounted for 35.7% of our consolidated net sales.

Contributions to the Toyota Group

As a member of the Toyota Group, Toyota Industries aims to contribute to strengthening the competitiveness of TMC and other Toyota Group companies in such areas as quality, cost, delivery and technologies. Toyota Industries is confident that raising the Toyota Group's competitiveness will lead to increases in our sales to and profits from the Toyota Group, thereby contributing to raising Toyota Industries' corporate value.

Consolidated Balance Sheets

Toyota Industries Corporation
As of March 31, 2009 and 2008

	Millions of yen	
ASSETS	**2009**	2008
Current assets:		
Cash and deposits	**¥ 169,743**	¥ 115,557
Trade notes and accounts receivable	**158,798**	244,035
Short-term investments	**58,838**	40,621
Inventories (Notes 5 and 9)	**–**	124,633
Merchandise and finished goods (Notes 5 and 9)	**44,237**	–
Work in process (Note 5)	**30,500**	–
Raw materials and supplies (Note 5)	**27,423**	–
Deferred tax assets (Note 19)	**16,600**	18,860
Other current assets	**64,632**	54,391
Allowance for doubtful accounts	**(2,806)**	(2,486)
Total current assets	**567,967**	595,612
Fixed assets:		
Property, plant and equipment		
Buildings and structures (Notes 6 and 9)	**182,214**	188,776
Machinery, equipment and vehicles (Note 6)	**252,402**	266,347
Tools, furniture and fixtures (Note 6)	**25,598**	28,145
Land (Note 9)	**110,078**	107,727
Construction in progress	**18,970**	31,849
Total property, plant and equipment	**589,264**	622,847
Intangible assets:		
Goodwill	**107,072**	137,163
Software	**11,736**	12,522
Total intangible assets	**118,809**	149,685
Investments and other assets:		
Investments in securities (Notes 4 and 9)	**907,524**	1,513,779
Long-term loans receivable	**5,954**	8,056
Deferred tax assets (Note 19)	**11,578**	8,578
Other investments and other assets	**126,534**	67,202
Allowance for doubtful accounts	**(199)**	(177)
Total investments and other assets	**1,051,391**	1,597,439
Total fixed assets	**1,759,464**	2,369,972
Total assets	**¥2,327,432**	¥2,965,585

The accompanying notes are an integral part of these financial statements.

LIABILITIES AND NET ASSETS	Millions of yen 2009	2008
Current liabilities:		
Trade notes and accounts payable	**¥ 104,658**	¥ 214,084
Short-term loans payable (Note 9)	**63,187**	52,326
Commercial papers	**26,356**	33,700
Current portion of bonds	**32,072**	20,000
Accounts payable—other	**25,349**	30,389
Accrued income taxes	**7,570**	27,137
Deferred tax liabilities (Note 19)	**249**	1,881
Allowance for bonuses to directors and corporate auditors	**214**	626
Other current liabilities (Note 9)	**154,720**	157,894
Total current liabilities	**414,379**	538,041
Long-term liabilities:		
Bonds (Note 7)	**231,501**	230,766
Long-term loans payable (Notes 7 and 9)	**285,340**	185,513
Lease obligations (Notes 2, 3 and 7)	**104,245**	–
Deferred tax liabilities (Note 19)	**252,209**	482,787
Allowance for retirement benefits (Note 10)	**44,055**	47,102
Other long-term obligations	**18,029**	27,376
Total long-term liabilities	**935,382**	973,547
Total liabilities	**1,349,762**	1,511,588
Shareholders' equity (Note 13)**:**		
Capital stock		
Authorized — 1,100,000,000 shares		
Issued — 325,840,640 shares as of March 31, 2009	**80,462**	80,462
325,840,640 shares as of March 31, 2008		
Capital surplus	**106,180**	106,184
Retained earnings	**412,294**	466,780
Treasury stock	**(50,672)**	(50,644)
14,263,027 shares as of March 31, 2009		
14,251,070 shares as of March 31, 2008		
Total shareholders' equity	**548,264**	602,783
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	**392,489**	752,553
Deferred gains or losses on hedges	**24**	140
Foreign currency translation adjustment	**(10,048)**	41,477
Total valuation and translation adjustments	**382,466**	794,171
Subscription rights to shares	**1,224**	695
Minority interests	**45,715**	56,345
Total net assets	**977,670**	1,453,996
Total liabilities and net assets	**¥2,327,432**	¥2,965,585

Consolidated Statements of Income

Toyota Industries Corporation
For the years ended March 31, 2009 and 2008

	Millions of yen	
	2009	2008
Net sales	**¥1,584,252**	¥2,000,536
Cost of sales (Note 14)	**1,389,002**	1,678,493
Gross profit	**195,249**	322,043
Selling, general and administrative expenses (Notes 14 and 18)**:**		
Sales commissions	**10,287**	11,650
Salaries and allowances	**75,426**	82,362
Retirement benefit expenses	**2,012**	2,063
Depreciation	**8,734**	10,058
Research and development expenses	**23,610**	22,365
Other	**81,800**	96,688
Operating income (loss)	**(6,621)**	96,853
Non-operating income:		
Interest income	**12,677**	14,737
Dividends income	**37,781**	34,850
Gain on sales of marketable securities	**498**	3,043
Rental income of fixed assets	**–**	987
Equity in net earnings of unconsolidated subsidiaries and affiliated companies	**–**	2,749
Other non-operating income	**8,356**	8,547
Non-operating expenses:		
Interest expenses	**(19,770)**	(19,453)
Loss on disposal of fixed assets	**(4,131)**	(2,988)
Equity in net losses of unconsolidated subsidiaries and affiliated companies	**(3,130)**	–
Other non-operating expenses	**(11,314)**	(12,840)
Ordinary income	**14,343**	126,488
Extraordinary gains:		
Proceeds from sales of investment securities	**–**	5,866
Extraordinary losses (Note 15)**:**		
Losses on impairment of property, plant and equipment due to a decrease in production volume	**(26,526)**	–
Losses of discontinuing production of designated electronic parts	**(11,064)**	–
Income (loss) before income taxes and minority interests	**(23,247)**	132,355
Income taxes — current (Note 19)	**8,248**	47,057
Income taxes — deferred (Note 19)	**8,240**	(2,528)
Income (loss) on minority interests in consolidated subsidiaries	**(6,968)**	7,365
Net income (loss)	**¥ (32,767)**	¥ 80,460

	Yen	
Net income (loss) per share — basic (Note 25)	**¥ (105.16)**	¥ 257.50
Net income (loss) per share — diluted (Note 25)	**–**	257.43
Total net assets per share (Note 26)	**2,987.16**	4,483.32
Cash dividends per share	**40.00**	60.00

The accompanying notes are an integral part of these financial statements.

Consolidated Statements of Changes in Net Assets

Toyota Industries Corporation
For the years ended March 31, 2009 and 2008

	Millions of yen	
	2009	2008
Shareholders' equity		
Capital stock		
Balance at the end of previous period	**¥ 80,462**	¥ 80,462
Balance at the end of current period	**80,462**	80,462
Capital surplus		
Balance at the end of previous period	**106,184**	105,055
Changes of items during the period		
Disposal of treasury stock	**(4)**	1,128
Total changes of items during the period	**(4)**	1,128
Balance at the end of current period	**106,180**	106,184
Retained earnings		
Balance at the end of previous period	**466,780**	402,431
Effect of changes in accounting policies applied to foreign subsidiaries	**(2,400)**	–
Changes of items during the period		
Dividends from surplus	**(19,318)**	(17,489)
Increase in consolidated subsidiaries	**–**	(1,316)
Decrease in consolidated subsidiaries	**–**	(77)
Increase in change of scope of equity method	**–**	2,771
Net income (loss)	**(32,767)**	80,460
Total changes of items during the period	**(52,086)**	64,349
Balance at the end of current period	**412,294**	466,780
Treasury stock		
Balance at the end of previous period	**(50,644)**	(47,253)
Changes of items during the period		
Repurchase of treasury stock	**(41)**	(8,728)
Disposal of treasury stock	**12**	5,337
Total changes of items during the period	**(28)**	(3,390)
Balance at the end of current period	**(50,672)**	(50,644)
Total shareholders' equity		
Balance at the end of previous period	**602,783**	540,696
Effect of changes in accounting policies applied to foreign subsidiaries	**(2,400)**	–
Changes of items during the period		
Dividends from surplus	**(19,318)**	(17,489)
Increase in consolidated subsidiaries	**–**	(1,316)
Decrease in consolidated subsidiaries	**–**	(77)
Increase in change of scope of equity method	**–**	2,771
Net income (loss)	**(32,767)**	80,460
Repurchase of treasury stock	**(41)**	(8,728)
Disposal of treasury stock	**8**	6,466
Total changes of items during the period	**(52,118)**	62,087
Balance at the end of current period	**548,264**	602,783
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	**752,553**	1,157,793
Changes of items during the period		
Net changes of items other than shareholders' equity	**(360,063)**	(405,239)
Total changes of items during the period	**(360,063)**	(405,239)
Balance at the end of current period	**392,489**	752,553

	Millions of yen	
	2009	2008
Deferred gains or losses on hedges		
Balance at the end of previous period	**140**	(0)
Changes of items during the period		
Net changes of items other than shareholders' equity	**(115)**	140
Total changes of items during the period	**(115)**	140
Balance at the end of current period	**24**	140
Foreign currency translation adjustment		
Balance at the end of previous period	**41,477**	52,912
Changes of items during the period		
Net changes of items other than shareholders' equity	**(51,525)**	(11,434)
Total changes of items during the period	**(51,525)**	(11,434)
Balance at the end of current period	**(10,048)**	41,477
Total valuation and translation adjustments		
Balance at the end of previous period	794,171	1,210,704
Changes of items during the period		
Net changes of items other than shareholders' equity	**(411,705)**	(416,533)
Total changes of items during the period	**(411,705)**	(416,533)
Balance at the end of current period	**382,466**	794,171
Subscription rights to shares		
Balance at the end of previous period	**695**	202
Changes of items during the period		
Net changes of items other than shareholders' equity	**528**	493
Total changes of items during the period	**528**	493
Balance at the end of current period	**1,224**	695
Minority interests		
Balance at the end of previous period	**56,345**	58,878
Changes of items during the period		
Net changes of items other than shareholders' equity	**(10,630)**	(2,532)
Total changes of items during the period	**(10,630)**	(2,532)
Balance at the end of current period	**45,715**	56,345
Total net assets		
Balance at the end of previous period	**1,453,996**	1,810,483
Effect of changes in accounting policies applied to foreign subsidiaries	**(2,400)**	–
Changes of items during the period		
Dividends from surplus	**(19,318)**	(17,489)
Increase in consolidated subsidiaries	**–**	(1,316)
Decrease in consolidated subsidiaries	**–**	(77)
Increase in change of scope of equity method	**–**	2,771
Net income (loss)	**(32,767)**	80,460
Repurchase of treasury stock	**(41)**	(8,728)
Disposal of treasury stock	**8**	6,466
Net changes of items other than shareholders' equity	**(421,807)**	(418,573)
Total changes of items during the period	**(473,926)**	(356,486)
Balance at the end of current period	**¥ 977,670**	¥1,453,996

The accompanying notes are an integral part of these financial statements.

Consolidated Statements of Cash Flows

Toyota Industries Corporation
For the years ended March 31, 2009 and 2008

	Millions of yen	
	2009	2008
Cash flows from operating activities:		
Income (loss) before income taxes and minority interests	**¥ (23,247)**	¥ 132,355
Depreciation and amortization	**125,543**	119,905
Impairment loss	**35,868**	–
Increase (decrease) in allowance for doubtful accounts	**1,207**	(365)
Interest and dividends income	**(50,458)**	(49,588)
Interest expenses	**19,770**	19,453
Equity in net earnings (losses) of unconsolidated subsidiaries and affiliated companies	**3,130**	(2,749)
(Increase) decrease in receivables	**61,870**	(6,623)
(Increase) decrease in inventories	**3,939**	(7,490)
Increase (decrease) in payables	**(93,949)**	7,568
Others, net	**(8,141)**	(6,777)
Subtotal	**75,534**	205,687
Interest and dividends income received	**50,435**	49,506
Interest expenses paid	**(19,622)**	(19,318)
Income taxes paid	**(40,577)**	(47,069)
Net cash provided by operating activities	**65,768**	188,805
Cash flows from investing activities:		
Payments for purchases of property, plant and equipment	**(122,422)**	(135,561)
Proceeds from sales of property, plant and equipment	**10,991**	15,456
Payments for purchases of investment securities	**(4,982)**	(1,568)
Proceeds from sales of investment securities	**12,367**	26,551
Payments for acquisition of subsidiaries' stock resulting in change in scope of consolidation	**(11)**	(36,929)
Proceeds from acquisition of subsidiaries' stock resulting in change in scope of consolidation	**–**	424
Payments for loans made	**(4,465)**	(2,320)
Proceeds from collections of loans	**5,126**	3,059
Other, net	**(10,820)**	(7,901)
Net cash used in investing activities	**(114,217)**	(138,789)
Cash flows from financing activities:		
Increase (decrease) in short-term loans payable	**6,947**	7,115
Proceeds from long-term loans payable	**126,178**	51,662
Repayments of long-term loans payable	**(10,420)**	(10,210)
Proceeds from issuances of bonds	**39,399**	–
Repayments of bonds	**(20,000)**	(60,000)
Payments for repurchase of treasury stocks	**(41)**	(8,728)
Cash dividends paid	**(19,318)**	(17,489)
Cash dividends paid to minority shareholders	**(1,310)**	(1,594)
Proceeds from payment by minority shareholders	**575**	–
Other, net	**(1,038)**	5,252
Net cash provided by (used in) financing activities	**120,971**	(33,992)
Translation adjustments of cash and cash equivalents	**(5,795)**	(3,309)
Net increase (decrease) in cash and cash equivalents	**66,727**	12,714
Cash and cash equivalents at beginning of year	**121,284**	108,569
Cash and cash equivalents at end of year	**¥ 188,011**	¥ 121,284

The accompanying notes are an integral part of these financial statements.

Notes to Consolidated Financial Statements

1. Basis of presenting consolidated financial statements:

The accompanying consolidated financial statements have been prepared based on the accounts maintained by Toyota Industries Corporation (the "Company") and its consolidated subsidiaries (together, hereinafter referred to as "Toyota Industries") in accordance with the provisions set forth in the Corporate Law of Japan and the Financial Instruments and Exchange Law, and in conformity with accounting principles generally accepted in Japan, which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards.

2. Summary of significant accounting policies:

(1) Consolidation

The consolidated financial statements include the accounts of the Company and its 160 subsidiaries (43 domestic subsidiaries and 117 overseas subsidiaries, which are listed on pages 38 and 39) as of March 31, 2009, and 163 subsidiaries (45 domestic subsidiaries and 118 overseas subsidiaries) as of March 31, 2008.

For the year ended March 31, 2009, four subsidiaries were newly added to the scope of consolidation and seven companies were excluded from the scope of consolidation because of mergers and acquisitions as a result of reorganization.

For the year ended March 31, 2008, two subsidiaries were newly added to the scope of consolidation and three companies were excluded from the scope of consolidation because of liquidation, sales, mergers and acquisitions. Additionally, 12 subsidiaries were newly added to the scope of consolidation and 10 companies were excluded from the scope of consolidation because of mergers and acquisitions as a result of reorganization of the sales structure.

The fiscal years of certain subsidiaries are different from the fiscal year of the Company. Since the difference is not more than three months, the Company is using those subsidiaries' statements for those fiscal years, making adjustments for significant transactions that materially affect the financial position or results of operations.

All significant intercompany transactions, balances and unrealized profits within Toyota Industries have been eliminated.

A full portion of the assets and liabilities of the acquired subsidiaries is stated at fair value as of the date of acquisition of control.

In June 2009, Toyota Industries Sweden AB changed the company name to Toyota Material Handling Europe AB.

(2) Equity method

Investments in 13 major affiliates in 2009 and 15 major affiliates in 2008 are accounted for by the equity method of accounting.

For the year ended March 31, 2009, two companies were excluded from the scope of equity-method accounting because of transfer to the scope of consolidation.

For the year ended March 31, 2008, one affiliate was newly added to the scope of equity-method accounting from the scope of consolidation and seven affiliates were excluded from the scope of equity-method accounting because of transfer to the scope of consolidation, mergers and a decline of holding shares.

Some of the affiliates are not accounted for under the equity method since their net income/losses, retained earnings and other financial amounts are immaterial.

The major affiliates accounted for by the equity method are listed on page 39.

(3) Translation of foreign currencies

Foreign currency denominated receivables and payables are translated into Japanese yen at the year-end exchange rates and the resulting transaction gains or losses are included in the consolidated statements of income.

All asset and liability accounts of foreign subsidiaries and affiliates are translated into Japanese yen at year-end exchange rates and all revenue and expense accounts are translated at prevailing fiscal average rates.

(4) Cash and cash equivalents

Cash and cash equivalents include all highly liquid investments, generally with original maturities of three months or less, that are readily convertible to known amounts of cash and are so near maturity that they present insignificant risk of changes in value because of changes in interest rates.

(5) Marketable securities and investment in securities

Toyota Industries classifies securities into four categories by purpose of holding: trading securities, held-to-maturity securities, other securities and investments in affiliates. Toyota Industries did not have trading securities or held-to-maturity securities as of March 31, 2009 and 2008.

Other securities with readily determinable fair values are stated at fair value based on market prices at the end of the year. Unrealized gains and losses are included in "Valuation difference on available-for-sale securities" as a separate component of net assets. Cost of sales of such securities is determined by the moving-average method. Other securities without readily determinable fair values are stated at cost, as determined by the moving-average method.

Investments in affiliates are accounted for by the equity method (see Note 2 (2)).

Investments in affiliates not accounted for by the equity method are stated at cost due to their insignificant effect on the consolidated financial statements.

(6) Inventories

Inventories are stated mainly at cost determined by the moving-average method (the values on the consolidated balance sheets are calculated through the write-down method based on the deterioration of profitability).

(7) Property, plant and equipment, and depreciation (except for lease assets)

Property, plant and equipment are stated at cost. Depreciation expenses of property, plant and equipment are computed mainly by the declining-balance method for the Company and subsidiaries.

Significant renewals and additions are capitalized at cost. Repairs and maintenance are charged to income as incurred.

In accordance with the revision of the Corporation Tax Act of Japan, as a result of a review of the useful lives, Toyota Industries revised the useful lives of tangible assets and applied the revision from the consolidated fiscal year ended March 31, 2009.

As a result, operating income decreased by ¥5,824 million and ordinary income and income before income taxes and minority interests decreased by ¥5,843 million, respectively.

(8) Intangible assets and amortization
Amortization of intangible assets is computed using the straight-line method. Software costs for internal use are amortized by the straight-line method over their expected useful lives (mainly five years).

Goodwill, if material, is amortized principally over less than 20 years on a straight-line basis, while immaterial goodwill is charged to income as incurred.

(9) Lease transactions
The depreciation method of leased properties on finance leases that are deemed to transfer the ownership of the leased properties to lessees is the same as those applied to properties owned by Toyota Industries.

The depreciation method of leased properties on finance leases other than those deemed to transfer the ownership of leased properties to lessees is computed mainly by the straight-line method, which assumes zero residual value and the leasing term to be for the useful life of the asset.

As for the finance leases other than finance leases deemed to transfer the ownership of leased properties to lessees, those that came into effect before March 31, 2008 (inclusive) will continue to be accounted for by the former method (similar to the method applicable to ordinary operating leases).

Lease obligations previously included in "Other long-term obligations" under "Long-term obligations" for the fiscal year ended March 31, 2008 is listed as a separate component from the fiscal year ended March 31, 2009. Lease obligations for the fiscal year ended March 31, 2008 totaled ¥13,188 million.

(10) Method of accounting of deferred assets
As for bond issuance costs, the full amount is treated as an expenditure at the time of payout.

(11) Allowance for doubtful accounts
Toyota Industries 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.

(12) Allowance for bonuses to directors and corporate auditors
Bonuses to directors and corporate auditors are recorded on the accrual basis with a related change to income.

(13) Allowance for retirement benefits
Toyota Industries 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. To provide for the retirement benefits for directors and corporate auditors, an amount which is calculated at the end of the year as required by an internal policy describing the retirement benefits for directors and corporate auditors is accrued.

(14) Hedge accounting
(a) Method of hedge accounting
Mainly the deferral method of hedge accounting is applied. In the case of foreign currency forward contracts and foreign currency option contracts, 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.

(b) Hedging instruments and hedged items

Hedging instruments:	Derivatives instruments (foreign currency forwards, foreign currency swaps, foreign currency option contracts and interest rate swaps)
Hedged items:	Risk of change in interest rate on borrowings, assets and liabilities and risk of change in forward exchange rate on transactions denominated in foreign currencies (borrowings, assets and liabilities, and forecasted transactions)

(c) Hedging policy
Hedging transactions are executed and controlled based on Toyota Industries' internal policy and Toyota Industries is hedging interest rate risks and foreign currency risks. Toyota Industries' hedging activities are reported periodically to a director responsible for accounting.
(d) Method used to measure hedge effectiveness
Hedge effectiveness is measured by comparing accumulated changes in market prices of hedged items and hedging instruments or accumulated changes in estimated cash flows from the inception of the hedge to the date of measurements performed. Currently it is considered that there are high correlations between them.
(e) Others
Due to the fact that counterparties to Toyota Industries represent major financial institutions which have high creditworthiness, Toyota Industries believes that the overall credit risk related to its financial instruments is insignificant.

(15) Consumption tax
The consumption tax under the Japanese Consumption Tax Law withheld by Toyota Industries on sales of goods is not included in the amount of net sales in the accompanying consolidated statements of income, and the consumption tax paid by Toyota Industries under the law on purchases of goods and services, and expenses is not included in the related amount.

(16) Accounting standards for finance lease transactions
As for the accounting standards for finance lease transactions, net sales and cost of sales are recognized when the lease payments are received.

(17) Income taxes
The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax liabilities and assets for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities.

Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized.

(18) Net income per share
The computation of basic net income per share is based on the weighted-average number of outstanding shares of common stock. The calculation of diluted net income per share is similar to the calculation of basic net income per share, except that the weighted-average number of shares outstanding includes the additional dilution from potential common stock equivalents such as subscription rights to shares. Cash dividends per share shown in the statements of income are the amounts applicable to the respective years.

3. Changes in accounting policies and adoption of new accounting standards:

Accounting standards for measurement of inventories
Effective from the consolidated fiscal year beginning from April 1, 2008, the Company applies Financial Accounting Standard No. 9 "Accounting Standard for Measurement of Inventories" issued on July 5, 2006 by the Accounting Standards Board of Japan.

Regarding with the measurement method, inventories are stated mainly at cost determined by the moving-average method (the values on the consolidated balance sheets are calculated through the write-down method based on the deterioration of profitability).

As a result, operating income, ordinary income and income before income taxes and minority interests decreased by ¥692 million, respectively.

Practical solution on unification of accounting policies applied to foreign subsidiaries for consolidated financial statements
Effective from the consolidated fiscal year beginning from April 1, 2008, the Company applies Practical Issue Task Force No. 18 "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" issued on May 17, 2006 by the Accounting Standards Board of Japan.

As a result, operating income increased by ¥2,197 million, ordinary income and income before income taxes and minority interests increased by ¥2,213 million, respectively, and retained earnings at the beginning of the consolidated fiscal year beginning from April 1, 2008 decreased by ¥2,400 million.

Accounting standard for lease transactions
Effective from the consolidated fiscal year beginning from April 1, 2008, the Company applies Financial Accounting Standard No. 13 "Accounting Standard for Lease Transactions" (issued by the Accounting Standards Board of Japan on June 17, 1993; latest revision, March 30, 2007) and Implementation Guidance No. 16 "Guidance on the Accounting Standard for Lease Transactions" (issued by the Accounting Standards Board of Japan on January 18, 1994; latest revision, March 30, 2007). In accordance with the Standard and the Guidance, finance leases other than those deemed to transfer the ownership of leased properties to lessees are accounted for mainly by a method similar to that applicable to ordinary sales transactions, instead of by the former method, which was similar to that applicable to ordinary operating leases.

As a result, operating income, ordinary income and income before income taxes and minority interests increased by ¥608 million, respectively.

As for finance leases other than finance leases deemed to transfer the ownership of leased properties to lessees, those that came into effect before March 31, 2008 (inclusive) will continue to be accounted for by the former method (similar to the method applicable to ordinary operating leases).

Classification change in consolidated statements of income
Effective from the fiscal year beginning April 1, 2008, rental income of fixed assets, which was listed as a separate component of non-operating income, is included in other non-operating income because the amount is immaterial. Rental income of fixed assets in fiscal 2009 was ¥1,061 million.

For the year ended March 31, 2008
Classification change in consolidated statements of income
Effective from the fiscal year beginning April 1, 2007, depreciation expense, which was listed as a separate component of non-operating expenses, is included in other non-operating expenses because the amount is immaterial. Depreciation expense in fiscal 2008 was ¥60 million.

Change in depreciation method for property, plant and equipment
As for property, plant and equipment acquired before April 1, 2007, Toyota Industries applied the pre-revised depreciation method during the fiscal year beginning April 1, 2007. Among these, property, plant and equipment for which the allowable limit on the depreciable amount has been reached are to be depreciated evenly over five years beginning from the following fiscal year.

As a result, operating income decreased ¥1,762 million and ordinally income and income before income taxes decreased ¥1,763 million, respectively.

4. Marketable securities:

(1) As of and for the year ended March 31, 2009:
(a) Other securities with readily determinable fair value as of March 31, 2009 are as follows:

	Millions of yen		
	Acquisition cost	Carrying amount	Difference
Securities with carrying amount exceeding acquisition cost:			
Stocks	**¥215,764**	**¥873,947**	**¥658,183**
Subtotal	**215,764**	**873,947**	**658,183**
Securities with carrying amount not exceeding acquisition cost:			
Stocks	**15,179**	**10,785**	**(4,394)**
Subtotal	**15,179**	**10,785**	**(4,394)**
Total	**¥230,943**	**¥884,732**	**¥653,788**

(b) Other securities sold during the year ended March 31, 2009 are as follows:

Millions of yen		
Proceeds	Realized gains	Realized losses
¥12,368	**¥498**	**¥3**

(c) The carrying amount of securities (excluding held-to-maturity bonds which are included within securities with fair value) without readily determinable fair values as of March 31, 2009 are as follows:

	Millions of yen
	Carrying amount
Other securities:	
Domestic unlisted stocks excluding over-the-counter stocks	**¥15,271**
Money management funds	**40,338**
Negotiable certificate of deposit	**18,500**

(2) As of and for the year ended March 31, 2008:

(a) Other securities with readily determinable fair value as of March 31, 2008 are as follows:

	Millions of yen		
	Acquisition cost	Carrying amount	Difference
Securities with carrying amount exceeding acquisition cost:			
Stocks	¥219,262	¥1,472,631	¥1,253,369
Subtotal	219,262	1,472,631	1,253,369
Securities with carrying amount not exceeding acquisition cost:			
Stocks	7,081	6,318	(763)
Others	340	340	–
Subtotal	7,421	6,658	(763)
Total	¥226,683	¥1,479,290	¥1,252,606

(b) Other securities sold during the year ended March 31, 2008 are as follows:

Millions of yen		
Proceeds	Realized gains	Realized losses
¥6,567	¥5,866	–

(c) The carrying amount of securities (excluding held-to-maturity bonds which are included within securities with fair value) without readily determinable fair values as of March 31, 2008 are as follows:

	Millions of yen
	Carrying amount
Other securities:	
Domestic unlisted stocks excluding over-the-counter stocks	¥27,021
Money management funds	25,211
Negotiable certificate of deposit	15,400

5. Inventories:

Inventories as of March 31, 2009 and 2008 consist of the following:

	Millions of yen	
	2009	2008
Merchandise and finished goods	**¥ 44,237**	¥ 57,959
Raw materials	**15,941**	19,116
Work in process	**30,500**	35,873
Supplies	**11,482**	11,683
Total	**¥102,162**	¥124,633

6. Property, plant and equipment:

Accumulated depreciation as of March 31, 2009 and 2008 is as follows:

	Millions of yen	
	2009	2008
Buildings and structures	**¥180,043**	¥159,862
Machinery, equipment and vehicles	**524,949**	468,784
Tools, furniture and fixtures	**78,162**	75,233
Total	**¥783,154**	¥703,879

7. Long-term debt:

(1) Long-term debt as of March 31, 2009 and 2008 consists of the following:

	Millions of yen	
	2009	2008
2.15% bonds due 2008 without collateral	**¥ –**	¥ 20,000
1.94% bonds due 2009 without collateral	**15,000**	15,000
1.91% bonds due 2010 without collateral	**20,000**	20,000
1.13% bonds due 2012 without collateral	**50,000**	50,000
1.03% bonds due 2012 without collateral	**30,000**	30,000
1.46% bonds due 2014 without collateral	**20,000**	20,000
1.01% bonds due 2010 without collateral	**20,000**	20,000
1.66% bonds due 2015 without collateral	**30,000**	30,000
0.49-2.65% medium-term notes due 2009-2014 without collateral	**30,582**	25,775
1.95% bonds due 2016 without collateral	**19,992**	19,991
1.72% bonds due 2018 without collateral	**26,000**	–
1.35% medium-term notes due 2014 without collateral	**2,000**	–
Long-term loans payable	**294,005**	192,019
Lease obligations	**115,537**	–
Less: current portion of long-term loans payable	**(40,737)**	(26,506)
Less: current portion of lease obligations	**(11,292)**	–
Total	**¥621,088**	¥416,279

(2) Annual maturities of long-term debt as of March 31, 2009 are as follows:

	Millions of yen		
Year ending March 31	Long-term debt	Lease obligations	Total
2011	¥ 62,573	¥ 22,971	¥ 85,544
2012	88,585	22,766	111,351
2013	75,097	26,086	101,183
2014	59,471	25,101	84,573
2015 and thereafter	231,114	7,320	238,435
Total	¥516,842	¥104,245	¥621,088

8. Investments in affiliated companies:

Investments in affiliated companies as of March 31, 2009 and 2008 are as follows:

	Millions of yen	
	2009	2008
Investments in securities (stock)	**¥7,520**	¥7,467
Investments and other assets (others)	**3,434**	8,329

9. Assets pledged as collateral:

(1) Assets pledged as collateral as of March 31, 2009 and 2008 are as follows:

	Millions of yen	
	2009	2008
Investments in securities	**¥51,520**	¥40,530
Buildings and structures	**532**	425
Merchandise and finished goods	**486**	–
Inventories	**–**	1,153
Land	**396**	875
Total	**¥52,935**	¥42,984

(2) Secured liabilities as of March 31, 2009 and 2008 are as follows:

	Millions of yen	
	2009	2008
Other current liabilities	**¥23,056**	¥22,359
Short-term loans payable	**505**	1,187
Long-term loans payable	**44**	33
Total	**¥23,606**	¥23,579

10. Allowance for retirement benefits:

Allowance for retirement benefits including the allowance for retirement benefits to directors (including managing officers) for the years ended March 31, 2009 and 2008 is as follows:

	Millions of yen	
	2009	2008
Allowance for retirement benefits to directors (including managing officers)	**¥5,460**	¥5,276

11. Contingent liabilities:

Toyota Industries is contingently liable for guarantees as of March 31, 2009 and 2008 as follows:

	Millions of yen	
	2009	2008
Guarantee forwards given by the Company	**–**	¥402
Guarantees given by consolidated subsidiaries	**¥134**	324

12. Export discount bills:

Export discount bills as of March 31, 2009 and 2008 are as follows:

	Millions of yen	
	2009	2008
Export discount bills	**¥158**	¥394

13. Net assets:

Under the Corporate Law of Japan, amounts equal to at least 10% of the sum of the cash dividends and other external appropriations paid by the Company and its domestic subsidiaries must be set aside as a legal reserve until it equals 25% of capital stock. The legal reserve may be used to reduce a deficit or may be transferred to capital stock taking appropriate corporate action. In consolidation, the legal reserves of the Company and its domestic subsidiaries are accounted for as retained earnings.

The year-end cash dividend is approved at the Ordinary General Meeting of Shareholders of the Company held after the close of the fiscal year to which the dividend is applicable. In addition, interim cash dividends may be paid upon resolution of the Board of Directors, subject to limitations imposed by the Corporate Law of Japan.

14. Research and development expenses:

Research and development expenses, which are included in selling, general and administrative expenses and manufacturing costs, amounted to ¥33,646 million and ¥36,750 million for the years ended March 31, 2009 and 2008, respectively.

15. Impairment losses:

The Company recorded impairment losses on property, plant and equipment for automobile parts of ¥25,709 million due to a decrease in production volume. The total amount was ¥8,170 million in Japan and ¥17,023 million in the United States.

Also, the Company recorded impairment losses on equipment for materials handling equipment of ¥514 million due to a decrease in production volume in Japan.

The Company recorded impairment losses on property, plant and equipment of ¥10,159 million due to discontinuing production of designated electronics parts in Japan.

By category of assets, impairment losses totaled ¥20,487 million for machinery, equipment and vehicles, ¥10,448 million for buildings and structures, ¥4,247 million for construction in progress, ¥580 million for tools, furniture and fixtures and ¥102 million for software.

The recoverable amount of assets is calculated based on net selling price.

16. Derivative instruments:

(1) Qualitative disclosure about derivatives

(a) Contents of derivative instruments into which Toyota Industries entered, policy with respect to entering into derivative instruments, and purpose of using derivative instruments:

Toyota Industries uses foreign currency forward contracts, foreign currency swaps and foreign currency option contracts to hedge foreign currency risks on transactions denominated in foreign currencies (borrowings, assets and liabilities, and forecasted transactions).

Toyota Industries also uses interest rate swap agreements to reduce interest rate risks on borrowings, assets and liabilities.

The purpose of using derivative instruments is to reduce risk, not to obtain earnings from exchanges or for speculative purposes.

(b) Contents of risks related to derivative instruments:
Interest rate swaps, foreign currency forward contracts and foreign currency option contracts into which Toyota Industries entered have risks of fluctuations in interest rates and in foreign currency exchange rates. Due to the fact that counterparties to Toyota Industries represent major financial institutions which have high creditworthiness, Toyota Industries believes that the overall credit risk related to its financial instruments is insignificant.

(c) Controls in place over transactions handling derivative instruments:
Hedging transactions are executed and controlled based on Toyota Industries' internal policy and Toyota Industries' hedging activities are reported periodically to a director responsible for accounting.

(2) Quantitative disclosure about derivatives

(a) Foreign currency transactions as of March 31, 2009 are as follows:

		Millions of yen			
		Notional amount	Over one year of notional amount	Fair value	Net unrealized gain/loss
Transactions other than market transactions	Foreign currency swap transactions				
	Payment SEK / Receipt USD	**¥16,892**	**¥4,977**	**¥14,220**	**¥(2,671)**
	Payment YEN / Receipt USD	**¥12,278**	**¥7,410**	**¥13,723**	**¥ 1,444**

The fair value calculation method is based on the index price as of March 31, 2009.
The derivative instruments to which hedge accounting is applied were excluded from disclosure.

(b) Interest rate transactions as of March 31, 2009 are as follows:

		Millions of yen			
		Notional amount	Over one year of notional amount	Fair value	Net unrealized gain/loss
Transactions other than market transactions	Interest rate swap transactions				
	Fixed rate payment / Floating rate receipt	**¥13,740**	**¥9,237**	**¥13,508**	**¥(232)**
	Floating rate payment / Fixed rate receipt	**¥ 971**	**¥ 971**	**¥ 980**	**¥ 9**

The fair value calculation method is based on the index price as of March 31, 2009.
The derivative instruments to which hedge accounting is applied were excluded from disclosure.

(c) Foreign currency transactions as of March 31, 2008
Toyota Industries omitted this information because hedge accounting is applied to all of the derivative instruments into which Toyota Industries entered.

(d) Interest rate transactions as of March 31, 2008
Toyota Industries omitted this information because hedge accounting is applied to all of the derivative instruments into which Toyota Industries entered.

17. Retirement benefits:

(1) Outline of retirement benefit plans

The Company and its domestic subsidiaries maintain tax-qualified pension plans, lump-sum indemnities plans and welfare pension fund plans, all of which are non-contributory defined benefit pension plans. In addition, certain foreign subsidiaries maintain non-contributory defined benefit pension plans.

Since 1987, the Company has been transferring the covering percentages of its pension plan from its lump-sum indemnities plan to its tax-qualified pension plan. As of March 31, 2009 and 2008, its tax-qualified pension plan covers 50% of total plans. Also, the Company established an employee retirement benefit trust. In April 2003, the Company transferred a portion of the lump-indemnities plan to a defined contribution pension plan.

(2) Components of allowance for retirement benefits as of March 31, 2009 and 2008 are as follows:

	Millions of yen	
	2009	2008
Benefit obligation	**¥(139,954)**	¥(149,465)
Plan assets	**75,012**	105,287
Unfunded benefit obligation	**(64,941)**	(44,178)
Unrecognized actuarial gains or losses	**30,491**	7,668
Unrecognized loss in prior service obligation	**(163)**	267
Net amount recognized on the balance sheets	**(34,612)**	(36,242)
Prepaid pension expenses	**3,982**	5,584
Allowance for retirement benefits	**¥ (38,595)**	¥ (41,826)

Certain subsidiaries use the simplified method to determine benefit obligations. Prepaid pension expenses are included in other investments and other assets.

(3) Components of retirement benefit expenses for the years ended March 31, 2009 and 2008 are as follows:

	Millions of yen	
	2009	2008
Service cost	**¥ 7,794**	¥ 8,897
Interest cost	**3,869**	5,235
Expected return on plan assets	**(3,121)**	(3,847)
Amortization of prior service obligation	**57**	1,207
Amortization of unrecognized actuarial gains or losses	**638**	(0)
Retirement benefit expenses	**¥ 9,238**	¥11,493

Retirement expenses of subsidiaries which adopted the simplified method are included in service cost.

(4) Assumptions used for calculation of retirement benefits for the years ended March 31, 2009 and 2008 are as follows:

	2009	2008	
Method of attribution of estimated retirement benefits to periods of employee service: Straight-line method			
Discount rate	**2.00%**	2.00%	
Expected return on plan assets	**3.00%**	3.00%	
Amortization period of prior service obligation	**6–11 years**	6–11 years	— Straight-line method over the remaining service period of employees
Amortization period of unrecognized actuarial gains or losses	**20 years**	20 years	— Straight-line method over the average remaining service period of employees

(5) Plan assets relating to welfare pension fund under multiemployer pension plan:
Effective from the fiscal year beginning April 1, 2007, Toyota Industries applied a new method of disclosure of retirement benefits. Information regarding the welfare pension fund under multiemployer plans as of March 31, 2009 is as follows.

As of March 31, 2008	The Japan Society of Industrial Machinery Manufacturers' welfare pension fund	Other welfare pension funds
Plan assets	¥ 83,238 million	¥150,411 million
Estimated benefit obligation	¥104,244 million	¥178,666 million
Variance	¥ (21,006 million)	¥ (28,254 million)
As of March 31, 2009		
Toyota Industries Group contribution to welfare pension plan	5.59%	4.61%

As of March 31, 2007	The Japan Society of Industrial Machinery Manufacturers' welfare pension fund	Other welfare pension funds
Plan assets	¥97,361 million	¥174,653 million
Estimated benefit obligation	¥99,244 million	¥166,460 million
Variance	¥ (1,883 million)	¥ 8,192 million
As of March 31, 2008		
Toyota Industries Group contribution to welfare pension plan	4.99%	4.47%

(6) Additional note regarding retirement benefit
Effective from the fiscal year beginning April 1, 2007, Toyota Industries applied Implementation Guideline No.14 "Partial Revision No. 2 of Accounting Standard for Retirement Benefit" issued on May 15, 2007 by the Accounting Standards Board of Japan.

18. Stock options:

(1) Stock option expenses recorded in the fiscal year and class of options

	Millions of yen	
	2009	2008
Selling, general and administrative expenses	**¥575**	¥493

(2) The amount recorded as a profit because of forfeitures of stock option rights

	Millions of yen	
	2009	2008
	¥46	–

(3) Stock option details, number of stock options and state of fluctuation

(1) Stock option details

	2009	2008	2007
Company name	**The Company**	The Company	The Company
Position and number of grantees	**Directors: 17** **Managing officers and employees: 159**	Directors: 16 Managing officers and employees: 159	Directors: 17 Managing officers and employees: 152
Class and number of shares*	**1,360,000 shares of common stock**	830,000 shares of common stock	802,000 shares of common stock
Date of issue	**August 1, 2008**	August 1, 2007	August 1, 2006
Condition of settlement of rights	**1. Grantee must be employed as a director, managing officer or regular employee of the Company at the time of exercise. However, this does not apply if no more than 18 months have elapsed after retirement or resignation from the Company.**	Same as left	Same as left
	2. Other conditions of exercise shall be decided as prescribed by the Contract for Allotment of Subscription Rights to Shares concluded by the Company and grantee in accordance with resolutions at the General Meeting of Shareholders and resolutions on the issue of subscription rights to shares by the Board of Directors.	Same as left	Same as left
	3. In the case where the grantee becomes no longer applicable to the conditions of exercise, the grantee immediately loses subscription rights to shares and must return the rights to the Company without consideration.	Same as left	–
Periods that grantees must provide service in return for stock options	**From August 1, 2008 to July 31, 2010**	From August 1, 2007 to July 31, 2009	From August 1, 2006 to July 31, 2008
Periods that stock subscription rights are to be exercised	**Four years after determination of rights**	Same as left	Same as left

	2006	2005	2004
Company name	The Company	The Company	The Company
Position and number of grantees	Directors: 30 Managing officers and employees: 134	Directors: 30 Managing officers and employees: 135	Directors: 30 Managing officers and employees: 128
Class and number of shares*	791,000 shares of common stock	775,000 shares of common stock	750,000 shares of common stock
Date of issue	August 1, 2005	August 2, 2004	August 1, 2003
Condition of settlement of rights	1. Grantee must be employed as a director, managing officer or regular employee of the Company at the time of exercise. However, this does not apply if no more than 18 months have elapsed after retirement or resignation from the Company.	Same as left	Same as left
	2. Other conditions of exercise shall be decided as prescribed by the Contract for Allotment of Subscription Rights to Shares concluded by the Company and grantee in accordance with resolutions at the General Meeting of Shareholders and resolutions on the issue of subscription rights to shares by the Board of Directors.	Same as left	Same as left
Periods that grantees must provide service in return for stock options	From August 1, 2005 to June 30, 2007	From August 2, 2004 to June 30, 2006	From August 1, 2003 to June 30, 2005
Periods that stock subscription rights are to be exercised	Four years after determination of rights	Same as left	Same as left

*Number of options granted by class are listed as number of shares.

(2) Number of stock options and state of fluctuation

Stock options are those outstanding in the fiscal year and are listed as the number of shares.

(a) Number of stock options

Non-exercisable stock options

(shares)

	2009	2008	2007	2006	2005	2004
Stock options outstanding at the end of the previous fiscal year	**–**	830,000	802,000	–	–	–
Stock options granted	**1,360,000**	–	–	–	–	–
Forfeitures	**2,000**	2,000	–	–	–	–
Conversion to exercisable stock options	**–**	–	802,000	–	–	–
Stock options outstanding at the end of the fiscal year	**1,358,000**	828,000	–	–	–	–

Exercisable stock options

(shares)

	2009	2008	2007	2006	2005	2004
Stock options outstanding at the end of the previous fiscal year	**–**	–	–	130,500	13,600	2,000
Conversion from non-exercisable stock options	**–**	–	802,000	–	–	–
Stock options exercised	**–**	–	–	–	1,600	2,000
Forfeitures	**–**	–	59,000	–	–	–
Stock options outstanding at the end of the fiscal year	**–**	–	743,000	130,500	12,000	–

(b) Price of options

	Exact yen amounts					
	2009	2008	2007	2006	2005	2004
Paid-in value	**¥3,410**	¥5,866	¥4,642	¥3,306	¥2,652	¥2,074
Average market price of the stock at the time of exercise	**–**	–	–	–	3,188	3,350
Fair value of options on grant date	**421**	682	759	–	–	–

(4) Methods for estimating fair value of stock options

The methods for estimating fair value of stock options granted for fiscal 2009 and 2008 are as follows:
(a) Valuation methods used: Black-Scholes model
(b) Principal basic values and estimation methods

	2009	2008
Share price fluctuations *1	**24.63%**	21.78%
Projected remaining period *2	**4 years**	4 years
Projected dividend *3	**¥60/share**	¥56/share
Non-risk interest rate *4	**1.000%**	1.210%

*1 Computed based on actual share prices during a four-year period (from August 2004 to July 2008) and (from August 2003 to July 2007)
*2 Because of a lack of accumulated data and difficulty in making rational estimates, it is assumed the rights are exercised at the midpoint of the exercise period.
*3 Based on the year-end dividend for the fiscal years ended March 31, 2008 and 2007, respectively, and the estimated interim dividend on the grant date
*4 Yields on government bonds for the period corresponding to the projected remaining period

(5) Method for estimating the number of confirmed stock option rights

Specifically, because of the difficulty in rationally estimating the number of expired rights in the future, a method has been adopted that reflects actual past expirations.

19. Income taxes:

(1) The significant components of deferred tax assets and liabilities as of March 31, 2009 and 2008 are as follows:

	Millions of yen	
	2009	2008
Deferred tax assets:		
Allowance for retirement benefits	**¥ 16,509**	¥ 16,576
Depreciation	**14,683**	5,206
Net operating loss carry-forwards for tax purposes	**8,833**	2,712
Accrued expenses	**6,520**	8,198
Securities	**3,791**	3,163
Trade receivables	**1,316**	992
Enterprise tax payable	**–**	1,830
Other	**18,577**	11,324
Subtotal	**70,232**	50,004
Less: valuation allowance	**(25,348)**	(1,341)
Total deferred tax assets	**44,883**	48,663
Deferred tax liabilities:		
Other securities	**(260,677)**	(499,760)
Depreciation	**(2,307)**	(6,590)
Land	**(562)**	(562)
Reserve for advanced depreciation	**(509)**	(484)
Reserve for special depreciation	**(406)**	(470)
Other	**(4,700)**	1,975
Total deferred tax liabilities	**(269,164)**	(505,893)
Net deferred tax liabilities	**¥(224,280)**	¥(457,230)

Net deferred tax liabilities consist of the following components on the consolidated balance sheets.

	Millions of yen	
	2009	2008
Current assets — deferred tax assets	**¥ 16,600**	¥ 18,860
Investments and other assets — deferred tax assets	**11,578**	8,578
Current liabilities — deferred tax liabilities	**(249)**	(1,881)
Long-term liabilities — deferred tax liabilities	**(252,209)**	(482,787)
Net deferred tax liabilities	**¥(224,280)**	¥(457,230)

(2) Reconciliations of differences between the statutory rate of income taxes and the effective rate of income taxes for the years ended March 31, 2009 and 2008 are as follows:

	2009	2008
Statutory rate of income taxes	**39.9%**	39.9%
Addition (reduction) in taxes resulting from:		
Dividends income and others permanently not recognized as taxable income	**–**	(5.4)
Other	**–**	(0.9)
Effective rate of income taxes	**–**	33.6%

Toyota Industries eliminated the line item for the year ended March 31, 2009 because it recorded a loss before income taxes and minority interests.

20. Leases:

(1) Finance leases

As for finance leases other than finance leases deemed to transfer the ownership of leased properties to lessees, those that came into effect before March 31, 2008 (inclusive) will continue to be accounted for by the former method (similar to the method applicable to ordinary operating leases).

1) Finance leases (as a lessee)

(a) Pro forma information regarding the leased properties such as acquisition cost and accumulated depreciation, which are not reflected in the accompanying consolidated balance sheets under finance leases as of March 31, 2009 and 2008 are as follows:

	Millions of yen	
	2009	2008
Buildings and structures:		
Acquisition cost equivalents	**¥ 245**	¥ 276
Accumulated depreciation equivalents	**137**	125
Buildings and structures net balance equivalents	**107**	150
Machinery and equipment:		
Acquisition cost equivalents	**¥11,568**	¥17,656
Accumulated depreciation equivalents	**6,930**	8,965
Machinery and equipment net balance equivalents	**4,638**	8,691
Tools, furniture and fixtures:		
Acquisition cost equivalents	**¥12,172**	¥14,946
Accumulated depreciation equivalents	**7,081**	7,306
Tools, furniture and fixtures net balance equivalents	**5,090**	7,639
Software:		
Acquisition cost equivalents	**¥ 107**	¥ 132
Accumulated depreciation equivalents	**49**	49
Software net balance equivalents	**57**	82
Total net leased properties	**¥ 9,893**	¥16,564

Acquisition cost equivalents include the imputed interest expense portion because the percentage which is computed by dividing future minimum lease payments by total balance of property, plant and equipment at year-end is immaterial.

(b) Pro forma information regarding future minimum lease payments as of March 31, 2009 and 2008 is as follows:

	Millions of yen	
	2009	2008
Due within one year	**¥ 4,421**	¥ 6,134
Due after one year	**7,801**	13,741
Total	**¥12,222**	¥19,876

The amount equivalent to future minimum lease payments as of the end of the year includes the imputed interest expense portion because the percentage which is computed by dividing future minimum lease payments by total balance of property, plant and equipment at year-end is immaterial.

(c) Total lease payments and pro forma depreciation expenses for the years ended March 31, 2009 and 2008 are as follows:

	Millions of yen	
	2009	2008
Lease payments	**¥4,918**	¥5,997
Pro forma depreciation expenses	**¥4,918**	¥5,997

Pro forma depreciation expenses, which are not reflected in the accompanying consolidated statements of income, are computed mainly by the straight-line method, which assumes zero residual value and the leasing term to be useful lives for the years ended 2009 and 2008, and are equivalent to the amount of total lease payments of the above.

2) Finance leases (as a lessor)

(a) Information regarding leased properties such as acquisition cost and accumulated depreciation under finance leases as of March 31, 2009 and 2008 is as follows:

	Millions of yen	
	2009	2008
Machinery and equipment:		
Acquisition cost	**¥7,865**	¥10,957
Accumulated depreciation	**6,220**	7,297
Total net leased property	**¥1,645**	¥ 3,660

(b) Pro forma information regarding future minimum lease income as of March 31, 2009 and 2008 is as follows:

	Millions of yen	
	2009	2008
Due within one year	**¥2,072**	¥3,073
Due after one year	**2,961**	5,832
Total	**¥5,033**	¥8,906

Future minimum lease income under finance leases include the imputed interest income portion because the percentage which is computed by dividing the total of future minimum lease income and estimated residual value by the total of future minimum lease income and estimated residual value and the balance of operating receivables at the year-ends is immaterial.

(c) Total lease payments to be received and depreciation expenses for the years ended March 31, 2009 and 2008 are as follows:

	Millions of yen	
	2009	2008
Total lease payments to be received	**¥2,157**	¥2,543
Depreciation expenses	**1,695**	2,239

(2) Operating leases

1) Operating leases (as a lessee)

Pro forma future lease payments under operating leases as of March 31, 2009 and 2008 are as follows:

	Millions of yen	
	2009	2008
Due within one year	**¥ 8,818**	¥ 9,143
Due after one year	**34,229**	43,762
Total	**¥43,048**	¥52,906

2) Operating leases (as a lessor)

Pro forma information regarding future minimum rentals under operating leases as of March 31, 2009 and 2008 is as follows:

	Millions of yen	
	2009	2008
Due within one year	**¥17,187**	¥22,406
Due after one year	**28,385**	26,638
Total	**¥45,572**	¥49,044

21. Changes in net assets:

(1) Common stock outstanding for the years ended March 31, 2009 and 2008:

	Shares
Balance at March 31, 2007	325,840,640
Increase	–
Decrease	–
Balance at March 31, 2008	325,840,640
Increase	**–**
Decrease	**–**
Balance at March 31, 2009	**325,840,640**

(2) Treasury stock outstanding for the years ended March 31, 2009 and 2008:

	Shares
Balance at March 31, 2007	13,765,165
Increase due to repurchase of treasury stock in accordance with the resolutions at Board of Directors meeting	2,000,000
Increase due to acquisition from shareholders by share exchange	26,000
Increase due to purchase of odd stock	14,280
Decrease due to share exchange	(871,975)
Decrease due to exercise of stock options	(682,400)
Balance at March 31, 2008	14,251,070
Increase due to purchase of odd stock	**15,557**
Decrease due to exercise of stock options	**(3,600)**
Balance at March 31, 2009	**14,263,027**

(3) Subscription rights to shares outstanding for the years ended March 31, 2009 and 2008:

	Millions of yen	
	2009	2008
The Company	**¥1,224**	¥695

(4) Dividends

(a) Dividends paid for the year ended as of March 31, 2009

Resolutions	Class of shares	Total dividends Millions of yen	Dividends per share Yen	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 20, 2008	Common stock	¥9,970	¥32	March 31, 2008	June 23, 2008
Board of Directors meeting held on October 30, 2008	Common stock	9,347	30	September 30, 2008	November 26, 2008

(b) Dividends with a record date in the fiscal year ended March 31, 2009 for which the effective date falls in the following fiscal year

Resolutions	Class of shares	Total dividends Millions of yen	Source of dividends	Dividends per share Yen	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 19, 2009	Common stock	¥3,115	Retained earnings	¥10	March 31, 2009	June 22, 2009

(c) Dividends paid for the year ended as of March 31, 2008

Resolutions	Class of shares	Total dividends Millions of yen	Dividends per share Yen	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 21, 2007	Common stock	¥8,738	¥28	March 31, 2007	June 22, 2007
Board of Directors meeting held on October 31, 2007	Common stock	8,751	28	September 30, 2007	November 26, 2007

(d) Dividends with a record date in the fiscal year ended March 31, 2008 for which the effective date falls in the following fiscal year

Resolutions	Class of shares	Total dividends Millions of yen	Source of dividends	Dividends per share Yen	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 20, 2008	Common stock	¥9,970	Retained earnings	¥32	March 31, 2008	June 23, 2008

22. Subsequent events:

In accordance with a resolution of the Board of Directors meeting held on February 19, 2009, the Company issued the 18th unsecured bonds as follows:

(1) Total amount of bonds to be issued	50,000 million yen
(2) Issue price	100 yen (par issuance for the stated value of 100 yen)
(3) Date of payment	April 22, 2009
(4) Date of maturity	March 20, 2019
(5) Interest rate	2.109% per annum
(6) Redemption price	100 yen for the stated value of 100 yen
(7) Appropriation of the raised fund	Allotted for redemption of bonds and capital investment of the Company

There were no subsequent events for the year ended March 31, 2008.

23. Segment information:

(1) Business segments

As of and for the years ended March 31, 2009 and 2008:

	Millions of yen	
	2009	2008
Sales:		
Automobile		
Outside customer sales	**¥ 755,924**	¥ 969,226
Inter-segment transactions	**18,465**	26,026
	774,389	995,252
Materials Handling Equipment		
Outside customer sales	**639,656**	783,173
Inter-segment transactions	**3,931**	3,415
	643,587	786,589
Logistics		
Outside customer sales	**114,825**	117,591
Inter-segment transactions	**6,927**	7,942
	121,753	125,533
Textile Machinery		
Outside customer sales	**29,556**	66,264
Inter-segment transactions	**46**	7
	29,603	66,271
Others		
Outside customer sales	**44,289**	64,280
Inter-segment transactions	**21,531**	21,386
	65,821	85,666
Subtotal	**1,635,154**	2,059,313
Elimination of inter-segment transactions	**(50,902)**	(58,777)
Total	**¥1,584,252**	¥2,000,536
Operating costs and expenses:		
Automobile	**¥ 785,894**	¥ 953,734
Materials Handling Equipment	**639,816**	746,747
Logistics	**118,851**	121,303
Textile Machinery	**31,662**	61,974
Others	**65,867**	78,958
Elimination of inter-segment transactions	**(51,218)**	(59,035)
Total	**¥1,590,874**	¥1,903,682
Operating income (loss):		
Automobile	**¥ (11,504)**	¥ 41,518
Materials Handling Equipment	**3,770**	39,841
Logistics	**2,901**	4,230
Textile Machinery	**(2,058)**	4,297
Others	**(46)**	6,708
Elimination of inter-segment transactions	**315**	258
Total	**¥ (6,621)**	¥ 96,853
Assets:		
Automobile	**¥ 354,661**	¥ 434,952
Materials Handling Equipment	**580,945**	601,299
Logistics	**192,977**	187,064
Textile Machinery	**8,959**	17,811
Others	**74,842**	81,342
Corporate or elimination of inter-segment transactions	**1,115,047**	1,643,115
Total	**¥2,327,432**	¥2,965,585
Depreciation and amortization:		
Automobile	**¥ 58,195**	¥ 57,987
Materials Handling Equipment	**51,291**	46,609
Logistics	**10,098**	9,012
Textile Machinery	**1,264**	1,310
Others	**4,692**	4,985
Corporate or elimination of inter-segment transactions	**–**	–
Total	**¥ 125,543**	¥ 119,905
Impairment losses:		
Automobile	**¥ 25,194**	–
Materials Handling Equipment	**514**	–
Logistics	**–**	–
Textile Machinery	**–**	–
Others	**10,159**	–
Corporate or elimination of inter-segment transactions	**–**	–
Total	**¥ 35,868**	¥ –
Capital expenditures:		
Automobile	**¥ 64,268**	¥ 50,145
Materials Handling Equipment	**57,083**	68,945
Logistics	**14,543**	15,067
Textile Machinery	**606**	1,869
Others	**2,269**	6,130
Corporate or elimination of inter-segment transactions	**–**	–
Total	**¥ 138,770**	¥ 142,158

1. Business segments are divided by the type and nature of the product.
2. Main products of each segment are as follows:

Fiscal 2009

Automobile	Passenger vehicles, diesel and gasoline engines, car air-conditioning compressors, foundry parts, electronics components
Materials handling equipment	Counterbalanced lift trucks, warehouse trucks, automated storage and retrieval systems, truck mount aerial work platforms
Logistics	Transportation services, logistics planning, operation of distribution centers, collection and delivery of cash and management of sales proceeds, secure storage, management, collection and delivery of corporate documents
Textile machinery	Air-jet looms, water-jet looms, ring spinning frames
Others	Semiconductor package substrates

Fiscal 2008

Automobile	Passenger vehicles, diesel and gasoline engines, car air-conditioning compressors, foundry parts, electronics components
Materials handling equipment	Counterbalanced lift trucks, warehouse trucks, automated storage and retrieval systems, truck mount aerial work platforms
Logistics	Transportation services, logistics planning, operation of distribution centers, collection and delivery of cash and management of sales proceeds, secure storage, management, collection and delivery of corporate documents
Textile machinery	Air-jet looms, water-jet looms, ring spinning frames
Others	Semiconductor package substrates

3. Corporate assets included in corporate or elimination of inter-segment transactions consist mainly of cash and cash equivalents, short-term investments and investments in securities held by the Company. Corporate assets were ¥1,182,062 million and ¥1,707,060 million as of March 31, 2009 and 2008, respectively.
4. Effective from the consolidated fiscal year ended March 31, 2009, the Company applies Practical Issues Task Force No. 18 “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” issued on May 17, 2006 by the Accounting Standards Board of Japan.

As a result, operating income increased by ¥2,197 million in the Materials Handling Equipment Segment.

5. In accordance with the revision of the Corporation Tax Act of Japan, Toyota Industries revised the useful lives of tangible assets and applied them from the consolidated fiscal year ended March 31, 2009.

As a result, operating income decreased by ¥5,008 million in the Automobile Segment, ¥388 million in the Materials Handling Equipment Segment, ¥3 million in the Logistics Segment and ¥424 million in the Others Segment.

(2) Geographical segments

As of and for the years ended March 31, 2009 and 2008:

	Millions of yen	
	2009	2008
Sales:		
Japan		
Outside customer sales	**¥1,066,635**	¥1,343,041
Inter-segment transactions	**93,389**	132,206
	1,160,024	1,475,248
North America		
Outside customer sales	**193,884**	265,571
Inter-segment transactions	**1,875**	2,185
	195,760	267,756
Europe		
Outside customer sales	**272,108**	327,785
Inter-segment transactions	**6,087**	7,821
	278,195	335,607
Others		
Outside customer sales	**51,624**	64,137
Inter-segment transactions	**6,139**	7,630
	57,763	71,768
Subtotal	**1,691,744**	2,150,380
Elimination of inter-segment transactions	**(107,491)**	(149,843)
Total	**¥1,584,252**	¥2,000,536
Operating costs and expenses:		
Japan	**¥1,161,639**	¥1,393,225
North America	**200,496**	264,232
Europe	**282,153**	327,674
Others	**55,675**	66,633
Elimination of inter-segment transactions	**(109,089)**	(148,083)
Total	**¥1,590,874**	¥1,903,682
Operating income (loss):		
Japan	**¥ (1,614)**	¥ 82,022
North America	**(4,736)**	3,524
Europe	**(3,957)**	7,933
Others	**2,087**	5,134
Elimination of inter-segment transactions	**1,598**	(1,760)
Total	**¥ (6,621)**	¥ 96,853
Assets:		
Japan	**¥ 821,724**	¥ 906,548
North America	**140,847**	165,525
Europe	**350,298**	356,570
Others	**61,314**	71,882
Corporate or elimination of inter-segment transactions	**953,247**	1,465,058
Total	**¥2,327,432**	¥2,965,585

1. Geographical segments are divided into categories based on their geographical proximity.
2. Significant countries or areas belonging to each segment are as follows:

Fiscal 2009

North America	U.S.A., Canada
Europe	Sweden, Germany, France
Others	Australia, China, Brazil

Fiscal 2008

North America	U.S.A., Canada
Europe	Sweden, Germany, France
Others	Australia, China, Brazil

3. Corporate assets included in corporate or elimination of inter-segment transactions consist mainly of cash and cash equivalents, short-term investments and investments in securities held by the Company. Corporate assets were ¥1,182,062 million and ¥1,707,060 million as of March 31, 2009 and 2008, respectively.
4. Effective from the consolidated fiscal year ended March 31, 2009, the Company applies Practical Issues Task Force No. 18 “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” issued on May 17, 2006 by the Accounting Standards Board of Japan.
As a result, operating income increased by ¥729 million in North America and ¥1,467 million in Europe.
5. In accordance with the revision of the Corporation Tax Act of Japan, Toyota Industries revised the useful lives of tangible assets and applied them from the consolidated fiscal year ended March 31, 2009.
As a result, operating income decreased by ¥5,824 million in Japan.

(3) Overseas sales

For the years ended March 31, 2009 and 2008:

	Millions of yen	
	2009	2008
Overseas sales:		
North America	**¥ 192,678**	¥ 265,942
Europe	**302,812**	373,374
Others	**130,503**	190,539
Total	**¥ 625,994**	¥ 829,855
Total sales	**¥1,584,252**	¥2,000,536
Ratio of overseas sales to total sales (%):		
North America	**12.2%**	13.3%
Europe	**19.1**	18.7
Others	**8.2**	9.5
Total	**39.5%**	41.5%

1. Geographical segments are divided into categories based on their geographical proximity.
2. Significant countries or areas belonging to each segment are as follows:

Fiscal 2009

North America	U.S.A., Canada
Europe	Germany, France, Russia
Others	China, Australia, Brazil

Fiscal 2008

North America	U.S.A., Canada
Europe	Germany, France, Russia
Others	China, Australia, Indonesia

3. Overseas sales are sales of the Company and its consolidated subsidiaries in countries and areas other than Japan.

24. Related party transactions:

The following transactions were carried out with related parties:

(1) Sales of goods and services for the years ended March 31, 2009 and 2008 were as follows:

	Millions of yen	
	2009	2008
Toyota Motor Corporation	**¥563,665**	¥710,976

Toyota Motor Corporation held 24.6% of the Company’s voting rights as of March 31, 2009. As for the sales of automobiles and engines, etc., the Company offers prices on such products based on their overall costs, and negotiates conditions for each fiscal year, as per conditions on ordinary transactions. The above transactions are carried out based on commercial terms and conditions. Transaction amounts exclude consumption taxes.

(2) Purchase of goods for the years ended March 31, 2009 and 2008 were as follows:
Purchase of goods:

	Millions of yen	
	2009	2008
Toyota Motor Corporation	**¥405,120**	¥521,644

As for the purchase of parts of automobiles and engines, etc., the Company negotiates conditions for each fiscal year, based on offered prices of such products, as per conditions on ordinary transactions. The above transactions are carried out based on commercial terms and conditions. Transaction amounts exclude consumption taxes.

(3) Outstanding balances arising from sale/purchase of goods/services as of March 31, 2009 and 2008 are as follows:
Receivables from a related party:

	Millions of yen	
	2009	2008
Toyota Motor Corporation	**¥22,692**	¥30,282

Payable to a related party:

	Millions of yen	
	2009	2008
Toyota Motor Corporation	**¥22,678**	¥49,571

The balance as of March 31, 2009 and 2008 includes consumption taxes.

25. Net income (loss) per share (EPS):

The basis of calculation for net income (loss) per share basic and net income per share diluted is as follows:

	Millions of yen	
	2009	2008
Net income (loss) per share basic:		
Net income (loss)	**¥ (32,767)**	¥ 80,460
Net income not attributable to common shareholders (bonuses for directors and statutory auditors that are paid through appropriation)	**–**	–
Net income (loss) attributable to common shareholders	**(32,767)**	80,460
Weighted-average shares (thousand)	**311,584**	312,467
Net income (loss) per share basic (exact yen amounts)	**¥ (105.16)**	¥ 257.50
Net income per share diluted:		
Weighted-average shares for diluted computation (thousand)	**0**	85
Net income per share diluted (exact yen amounts)	**¥ –**	¥ 257.43

Regarding with net income per share diluted, it's not shown due to that it was loss number.

26. Net assets per share:

The basis of calculation for net assets per share is as follows:

	Millions of yen	
	2009	2008
Net assets per share:		
Total net assets	**¥ 977,670**	¥1,453,996
Amounts deducted from total net assets		
Subscription rights to shares	**1,224**	695
Minority interests in consolidated subsidiaries	**45,715**	56,345
Net assets applicable to common stock at end of year	**930,730**	1,396,955
Outstanding shares of common stock at end of year used for the computation of net assets per share (thousand)	**311,577**	311,589
Net assets per share (exact yen amounts)	**¥2,987.16**	¥ 4,483.32

27. Cash and cash flows:

The relationship between the accounts in the consolidated balance sheet and the remaining balance of cash and cash equivalalents as of March 31, 2009 and 2008 are as follows:

	Millions of yen	
	2009	2008
Cash and deposits	**¥169,743**	¥115,557
Deposits with a maturity of over 3 months to 1 year	**(21)**	(35)
Short-term investments (securities) which has the redemption within 3 months	**58,838**	40,611
Cash and deposits for business engaged in collection and delivery	**(40,549)**	(34,849)
Cash and cash equivalents	**¥188,011**	¥121,284

Report of Independent Auditors

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JR Central Towers 33rd Floor
1-1-4 Meieki, Nakamura-ku
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Report of Independent Auditors

To the Board of Directors of Toyota Industries Corporation

We have audited the accompanying consolidated balance sheets of Toyota Industries Corporation ("the Company") and its subsidiaries as of March 31, 2009, and the related consolidated statements of income, changes in net assets and cash flows for the year then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company and its subsidiaries as of March 31, 2009, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

As described in Note 2(7) to the consolidated financial statements, in accordance with the revision of the Corporation Tax Act, as a result of the review over the useful lives, the Company and its subsidiaries revised the useful lives to the tangible assets and applied the revision from the consolidated fiscal year ended as of March 31, 2009.

July 10, 2009

Investor Information (As of March 31, 2009)

Corporate Head Office
TOYOTA INDUSTRIES CORPORATION
2-1, Toyoda-cho, Kariya-shi, Aichi, 448-8671, Japan
Telephone: +81-(0)566-22-2511
Facsimile: +81-(0)566-27-5650

Date of Establishment
November 18, 1926

Common Stock
No par value
Authorized: 1,100,000,000 shares
Issued: 325,840,640 shares

Stock Exchange Listings
Tokyo, Osaka and Nagoya (Ticker Code: 6201)

Number of Shareholders
22,550

Independent Accountants
PricewaterhouseCoopers Aarata
Shin-Marunouchi Bldg., 32nd Floor
1-5-1, Marunouchi, Chiyoda-ku, Tokyo, 100-6532, Japan

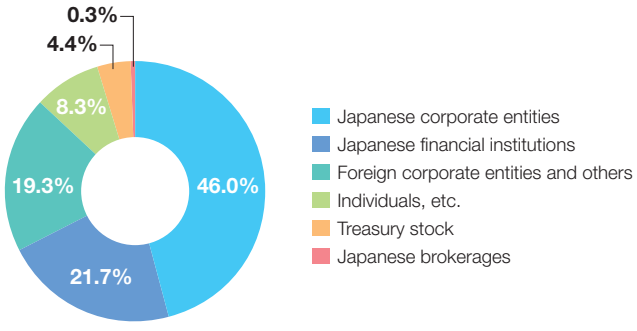
Transfer Agent
Special Account Management Institution
Mitsubishi UFJ Trust and Banking Corporation
1-4-5, Marunouchi, Chiyoda-ku, Tokyo, 100-8212, Japan

Major Shareholders (Top 10) (As of March 31, 2009)

	Number of Shares Held (Thousands)	Percentage of Total Shares in Issue (%)
Toyota Motor Corporation	76,600	23.51
DENSO Corporation	29,647	9.10
Third Avenue Fund-Custodial Trust Company	18,576	5.70
Towa Real Estate Co., Ltd.	15,697	4.82
The Master Trust Bank of Japan, Ltd. (Trust Account)	9,068	2.78
Toyota Tsusho Corporation	8,289	2.54
Japan Trustee Services Bank, Ltd. (Trust Account 4G)	8,177	2.51
Japan Trustee Services Bank, Ltd. (Trust Account)	6,975	2.14
Nippon Life Insurance Company	6,735	2.07
Aisin Seiki Co., Ltd.	6,578	2.02
Total	186,347	57.19

Notes:
1. Toyota Industries Corporation also holds 14,263 thousand shares of treasury stock but is excluded from the above list.
2. Shares held for the purpose of trust services of respective banks are as follows:
   Third Avenue Fund-Custodial Trust Company 18,576 (Thousands)
   The Master Trust Bank of Japan, Ltd. (Trust Account) 9,068
   Japan Trustee Services Bank, Ltd. (Trust Account 4G) 8,177
   Japan Trustee Services Bank, Ltd. (Trust Account) 6,975

Distribution of Shares
(As of March 31, 2009)



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