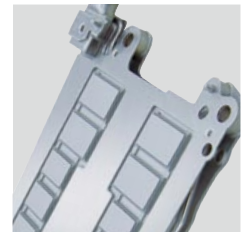


Toyota Industries Report 2010

Year ended March 31, 2010

TOYOTA INDUSTRIES CORPORATION

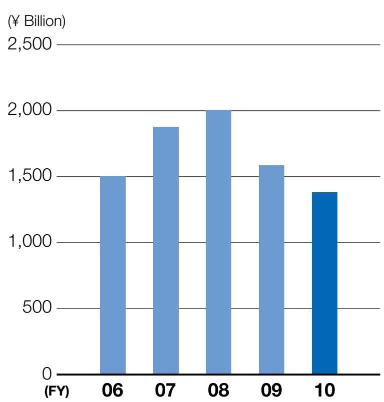
Contents

Financial Highlights

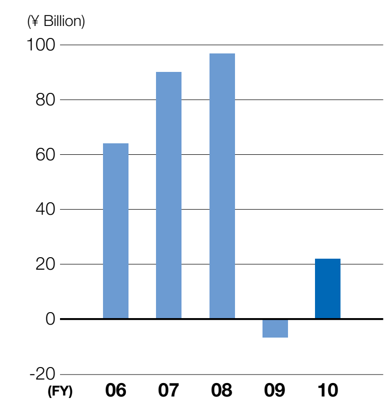
Toyota Industries Corporation
Years ended March 31

	Millions of yen					% change
	2006	2007	2008	2009	**2010**	2010 vs 2009
For the Year						
Net sales	1,505,955	1,878,398	2,000,536	1,584,252	**1,377,769**	(13.0)%
Operating income (loss)	64,040	89,954	96,853	(6,621)	**22,002**	–
Ordinary income	80,635	108,484	126,488	14,343	**31,756**	121.4
Net income (loss)	47,077	59,468	80,460	(32,767)	**(26,273)**	–
Research and development expenses	31,166	34,548	36,750	33,646	**26,826**	(20.3)
Cash dividends per share (yen)	38.00	50.00	60.00	40.00	**30.00**	(25.0)
At Year-End						
Total assets	3,245,341	3,585,857	2,965,585	2,327,432	**2,589,246**	11.2%
Total net assets	1,611,227	1,810,483	1,453,996	977,670	**1,104,929**	13.0
Number of employees	32,977	36,096	39,528	39,916	**38,903**	(2.5)

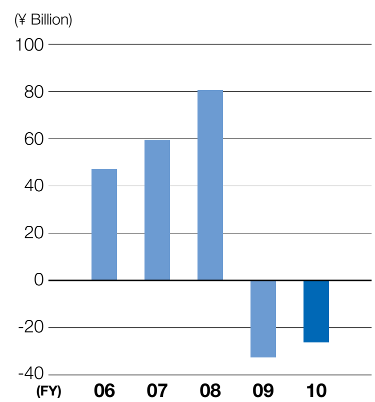
Net Sales



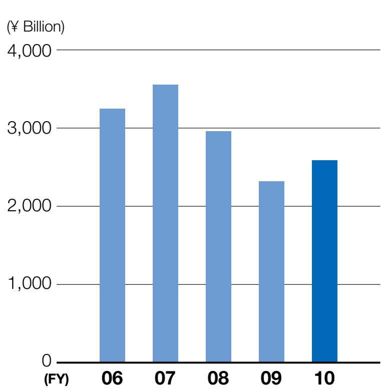
Operating Income (Loss)



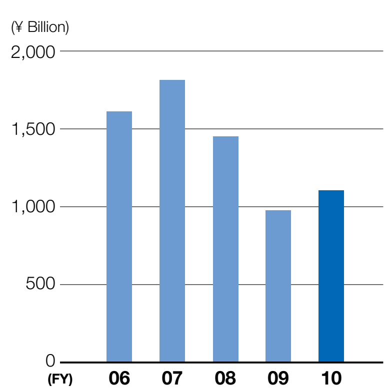
Net Income (Loss)



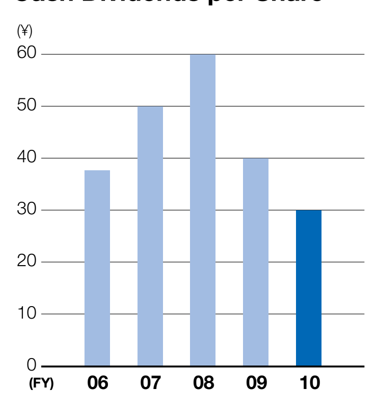
Total Assets



Total Net Assets



Cash Dividends per Share



Tadashi Ishikawa
Chairman

Tetsuro Toyoda
President

Message from the Chairman and President

Business Results for Fiscal 2010

Although various countries' economic stimulus measures led to a recovery trend in China and other Asian countries, a gradual upswing in the U.S. economy and bottoming out of European economies, the global economy in general remained sluggish throughout the fiscal year ended March 31, 2010 (fiscal 2010). In Japan, the economy steadily trended toward recovery, but still remained weak overall due mainly to declining consumer prices and a high unemployment rate.

In response to a rapidly deteriorating operating environment since autumn 2008, the Toyota Industries Group worked to thoroughly reduce fixed costs by systematically and quickly implementing emergency profit improvement activities.

In fiscal 2010, Toyota Industries posted consolidated net sales of ¥1,377.7 billion, a decrease of ¥206.5 billion, due in a large part to the sluggish materials handling equipment market. On the other hand, operating income was ¥22.0 billion, a turnaround from an operating loss recorded in the previous fiscal year, while ordinary income increased ¥17.4 billion to ¥31.7 billion. However, Toyota Industries recorded a net loss of ¥26.2 billion as a result of posting a loss arising from business restructuring of the Materials Handling Equipment Segment as an extraordinary loss.

Initiatives for the Coming Years

We expect the global economy to continue on a gradual recovery path in fiscal 2011, however, uncertainties remain with regard to persistent concerns over deteriorating financial and employment situations, the impact of the discontinuation of car replacement incentive measures and rising prices of raw materials such as iron and crude oil. As a result, the operating environment is expected to remain challenging.

Amid this difficult business climate, the Toyota Industries Group will band together to tackle various management issues to establish a stronger business foundation and further raise corporate value.

We believe the most urgent task at hand is to continue reforming the business and cost structures to strengthen the earnings foundation. Without loosening the reins, the entire Toyota Industries Group is determined to continue to push emergency profit improvement activities while launching forward-looking structural reforms. Specifically, we will maintain the streamlined structure through the reduction of fixed costs and enhancement of our competitiveness by strengthening cost planning activities for each product category.

Amid an uncertain market environment, signs of recovery are becoming visible in certain sectors. By quickly identifying such changes and turning them into business opportunities, we will implement various measures geared toward sales expansion.

In the medium to long term, our foremost focus remains on quality. Addressing environmental and safety concerns as well as enhancing our international competitiveness will also be equally imperative. Keeping these in mind, we will strive to develop products and cutting-edge technologies that are closely aligned with customer perspectives.

Specific initiatives include refining element technologies that will contribute to electrification, lighter weights and energy savings based on 3Es (energy, environmental protection and ecological thinking). By employing these element technologies in new automobile and materials handling equipment products, our mainstay businesses, we aim for further business expansion.

Concurrently, in emerging countries where economies are expected to grow, we will accelerate our efforts to plan and develop products and services matched to respective local needs as well as create optimum value chains for each market.

Strategies for Respective Businesses

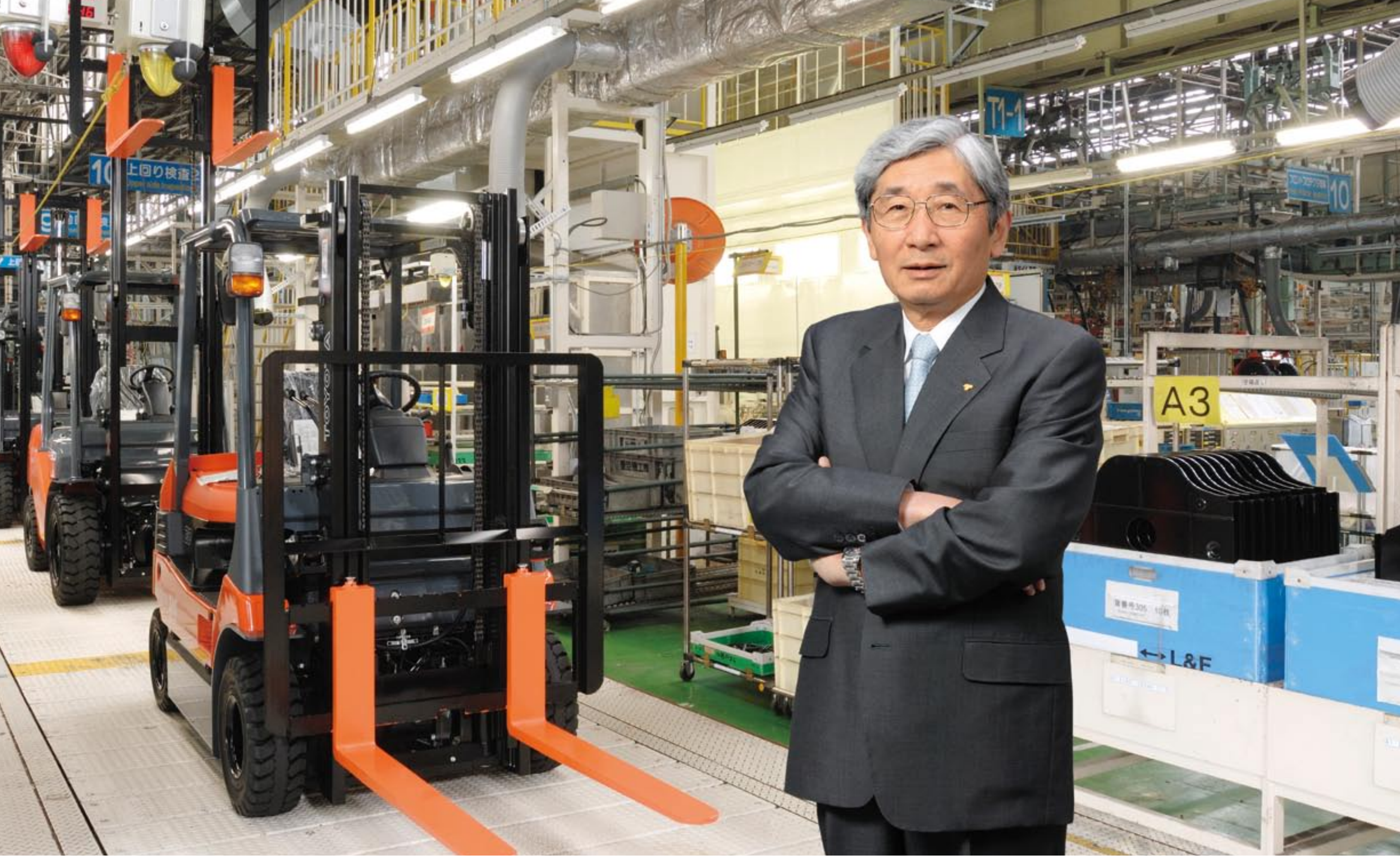
Anticipating a prolonged stagnation in the global materials handling equipment market, we have pursued structural downsizing at Materials Handling Equipment Segment sites in and outside Japan so that we can secure profits even when annual sales remain at 100,000 units, which is approximately 50% below previous peak levels. In the meantime, signs of an upswing started to become evident in the materials handling equipment market, which for a time seemed dim, even though differences remain among regions. By spotting any new developments, we will leverage our strengths through a full lineup of TOYOTA-, BT-, RAYMOND- and CESAB-brand products and proactively engage in sales activities to improve business performance.

At the same time, we will aim for product planning closely aligned with local customer needs and further accelerate the development of key components to ensure stronger product competitiveness. Based on a hybrid lift truck introduced to the market in December 2009, we will expand our hybrid lineup to midsize and larger models in our efforts to be the frontrunner in environmental technologies as well.

In the respective businesses of the Automobile Segment, we will work to create factories and foundations resistant to production volume fluctuations while maintaining a streamlined production structure in order to secure profitability.

In emerging country markets, we will strive to enhance sales of car air-conditioning compressors in China, which has now become the world's largest market for automobiles. Specifically, we will expand our market share by targeting higher-end models for which growth is anticipated in the China market and by leveraging our advanced technologies.

In the area of environmental technologies, developing power electronics products and electric compressors continues to be a priority in responding to the rapidly growing hybrid vehicle market. By further enhancing the functionality and lineup of electric compressors, we aim to expand sales



Tetsuro Toyoda
President

to automakers in Europe and the United States in addition to Toyota Motor Corporation and ensure we will be well positioned in the growing hybrid vehicle market. Moreover, in the plug-in hybrid vehicle (PHV) and electric vehicle (EV) field, Toyota Industries is strengthening initiatives for future business expansion. We will work to make the onboard charger fitted in Toyota's Prius Plug-in Hybrid smaller and more efficient to ensure expanded sales. In addition, we intend to contribute to the establishment of a charging infrastructure that supports greater use of PHVs and EVs by continuously improving the charging stand we introduced to the market in 2009 and developing a system for comprehensively managing usage data of charging stations and EVs.

In addition to the accumulation of technologies related to the entire automobile, Toyota Industries possesses numerous element technologies that have the potential to contribute to 3E fields, including technologies and know-how cultivated in the development of electric lift trucks. Based on collaborative efforts among business divisions, we will work constantly to refine these technologies and contribute to reducing environmental loads.

Environmental Conservation

Preserving the global environment for future generations is now a universally important theme. As laid out in our Global Environmental Commitment, we believe that it is essential to develop technologies that enable the compatibility of environmental conservation and economic growth in order to achieve a sustainable society. As a manufacturer, we are tackling head-on environmental and energy issues such as reducing the emission of greenhouse gases. Specifically, we are committed to developing environmentally sound products and reducing environmental load in the area of manufacturing, from the construction of plants and establishment of production lines to actual production. Setting even more ambitious targets, the entire Toyota Industries Group is determined to take a proactive approach toward environmental conservation activities.

Commitment to Quality

Quality is the lifeline of any manufacturer. Needless to say, it is an extremely important matter for Toyota Industries as well.

We have always committed ourselves to comprehensive quality assurance, with everybody involved in activities from day-to-day quality management to quality inspection by top management. In the area of product development, we ensure quality by utilizing a design review system in which respective business division heads thoroughly examine and confirm the level of quality at each principal stage, from product planning to customer satisfaction assessment, before product development proceeds to the next stage. Moreover, in March 2010 we carried out comprehensive quality inspections to ensure a structure that will never produce defects relating to safety. These inspections focused on whether we respond quickly enough in handling defects and on clarifying procedures and standards for dealing with defects. The results revealed we were not overlooking any major quality issues.

Based on our Customer First philosophy, we will strive to continually improve quality by building in quality within each process at product planning, design, procurement, production, quality assurance and service departments as well as promoting close cooperation among these departments. Through these activities, we will continue to provide products and services that customers can use with reassurance and thus enhance confidence from society.

Human Resources Development

To achieve sustainable growth amid a dramatically changing business environment, companies must develop human resources and create an organization that can prevail against fierce competition. We are committed to nurturing personnel capable of learning, thinking and acting independently and to fostering a vibrant work climate that enables the capabilities of employees and organizations to be utilized to the fullest.

An example of such achievements includes two of our employees winning a gold medal in the "lathe" and "structural ironsmith" categories at the 47th National Skills Competition held in October 2009. This accomplishment was made possible not only by the tremendous efforts of each participant but also by the foundation rooted in teamwork and successful passing down of technical skills we have accumulated to date.

We will put more efforts into developing human resources who will enable our next leap forward.

At a time when technologies and social structures are changing at an unprecedented speed, we must work to strengthen our management platform in terms of the environment, quality, safety and compliance. Staying true to our Basic Philosophy and the Toyoda Precepts, in which the spirit of founder Sakichi Toyoda is enshrined, we will continue to commit ourselves to a Customer First philosophy and respond to confidence from society in our efforts to sincerely fulfill our social responsibilities and achieve 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.

July 2010

Tadashi Ishikawa

Tadashi Ishikawa
Chairman

Tetsuro Toyoda
President

Outline of Businesses

Automobile

From vehicle assembly to parts production, the Automobile Segment engages in a wide variety of car-related businesses. Leveraging synergies among its business divisions in development and production, the Automobile Segment accounts for 56.5% of consolidated net sales and represents the largest business segment of Toyota Industries.

Vehicle

With its strengths as an industry leader in quality, cost and delivery, the Vehicle Business produces compact to midsize automobiles.

Main Products
- Vitz (Yaris outside Japan)
- RAV4
- Mark X ZiO

Engine

The Engine Business produces both diesel and gasoline engines. We co-develop diesel engines with Toyota Motor Corporation and possess a comprehensive structure ranging from planning and development to production.

Main Products
- Diesel engines (KD, AD, VD)
- Gasoline engines (AR, AZ, MZ)

Car Air-Conditioning Compressor

Toyota Industries' car air-conditioning compressors are highly acclaimed in terms of their reliability at high operating speeds and quiet operation in addition to such excellent environmental-related performance features as fuel efficiency, compactness and weight reduction. The Car Air-Conditioning Compressor Business captures the top global share in unit sales*.

* Survey by Toyota Industries Corporation

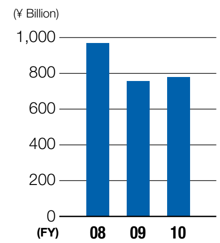
Main Products
- Fixed-displacement type
- Variable-displacement type
- Electric type

Car Electronics

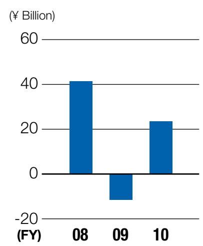
Utilizing power electronics circuitry technology and electric drive system development capabilities, the Car Electronics Business develops and produces electronics products for hybrid vehicles and other electric vehicles.

Main Products
- PCU direct-cooling device
- DC-DC converters
- DC-AC inverters

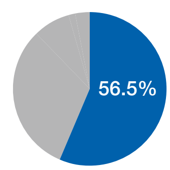
Net Sales



Operating Income (Loss)



Percentage of Net Sales

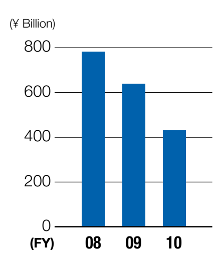


Materials Handling Equipment

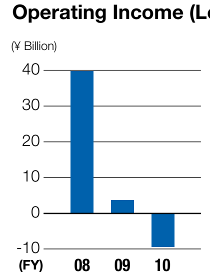
The Materials Handling Equipment Segment develops, produces, sells and provides services for a broad range of products, from industrial vehicles centered around a full lineup of lift trucks (0.5- to 43-ton load capacities) to warehouse equipment such as systems for transportation, storage and retrieval of goods. Lift trucks, a mainstay product of this segment, are delivered to customers around the world under the TOYOTA, BT, RAYMOND and CESAB brands through Toyota Material Handling Group.

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

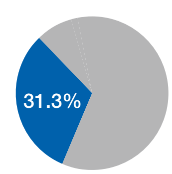
Net Sales



Operating Income (Loss)



Percentage of Net Sales



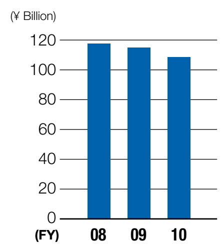
Logistics

The Logistics Segment is composed of three business pillars: planning, design and operation of distribution centers; land transportation services; and high value-added services such as cash collection and delivery and cash proceeds management services and data storage and management services.

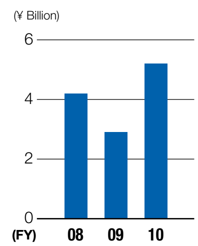
Main Services

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

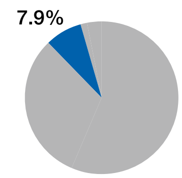
Net Sales



Operating Income



Percentage of Net Sales



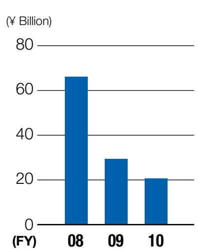
Textile Machinery

With a history dating back to the invention of an automatic loom 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 of weaving and spinning machines.

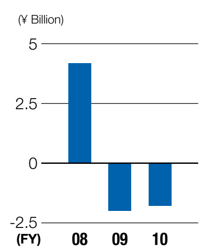
Main Products

- Air-jet looms
- High-speed ring spinning frames
- High-speed roving frames

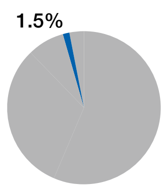
Net Sales



Operating Income (Loss)



Percentage of Net Sales



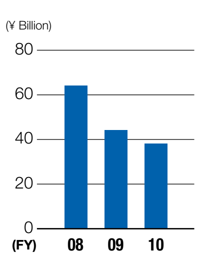
Others

The Others Segment includes consolidated subsidiaries that provide services to Toyota Industries as well as TIBC Corporation, a joint venture with IBIDEN CO., LTD., that produces semiconductor package substrates for PC microprocessor units.

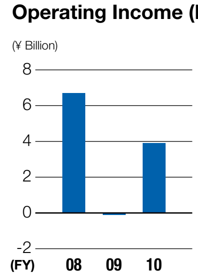
Main Products

- Semiconductor package substrates

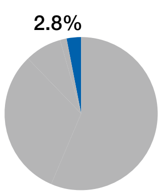
Net Sales



Operating Income (Loss)



Percentage of Net Sales



Vehicle

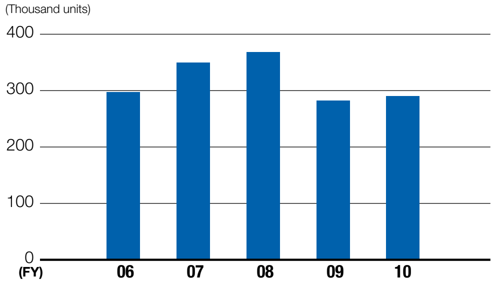
Expanding the Scope of Business Using Technologies for Realizing Lighter Weights

Business Overview in Fiscal 2010

In the automobile industry, the market headed toward a mild recovery thanks to government measures such as car replacement incentives. Under these conditions, despite lower sales of the Vitz (Yaris outside Japan) and the Mark X ZiO, higher sales of the RAV4 supported an increase of 8,000 units, or 3%, in unit sales to 291,000 vehicles and an increase of ¥20.6 billion, or 5%, in net sales to ¥398.7 billion.

Despite an increase in production volume in the second half of fiscal 2010, we strove to secure profitability by maintaining a leaner structure.

Vehicle Production



Cumulative Production of 8 Million Units

In January 2010, Toyota Industries' cumulative vehicle production, which is carried out under consignment from Toyota Motor Corporation (TMC), reached 8 million units. Since commencing production in May 1967, we have earned high acclaim as an automobile body manufacturer specializing in compact cars. In September 2007, we started production of the Mark X ZiO, thereby expanding our role as a manufacturer capable of producing midsize cars.

Vitz (Yaris outside Japan)

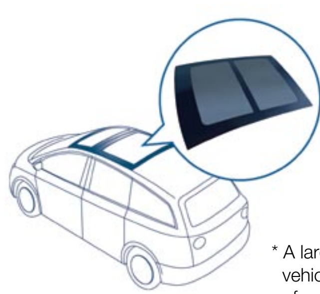
Contributing to Improved QCD for Toyota Cars

At its production plants, under the Toyota Production System (TPS), Toyota Industries' Vehicle Business maintains the highest level of quality, cost and delivery (QCD) among automobile body manufacturers in the Toyota Group by making continuous improvements. We actively participate in the development of new Toyota cars, focusing mainly on the vehicle models produced by Toyota Industries. These business activities have continually earned us acclaim, and in 2009 the Vehicle Business won the Superior Quality Performance Award in the Auto Body Category and the Excellent Value Improvement Award.

Looking ahead, while further enhancing QCD, we will draw on our strengths such as the ability to quickly start up production and a flexible production structure in terms of production volume and vehicle models. Through these initiatives, we will continue contributing to the development and production of Toyota vehicles.

Contributing to Lightweight Vehicles through Development of Plastic Glazing

Responding to demand for further improvements in vehicle fuel performance, Toyota Industries has developed plastic glazing, which is highly effective in realizing lighter-weight vehicles. Plastic glazing is approximately 40% lighter than glass and enables new design-in that cannot be achieved with the traditional combination of glass and steel sheet. Toyota Industries has successfully developed a surface processing technology that raises the durability of plastics and a molding technology for enabling large-size glazing. Leveraging these technologies and the inherent features of plastic glazing, the Vehicle Business plans to commercialize it as a panoramic roof* in 2011.



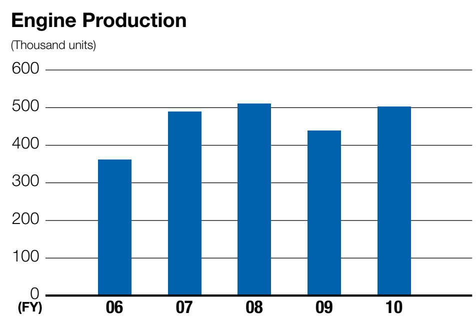
* A large-size window attached to the vehicle roof for more light and a sense of openness

Engine

Enhancing Our Development Capabilities and Production Technologies and Know-How to Further Enhance Product Competitiveness

Business Overview in Fiscal 2010

Toyota Industries recorded a year-on-year increase of 63,000 units, or 14%, in engine production to 502,000 units and an increase of ¥8.4 billion, or 5%, in net sales to ¥165.0 billion. These increases were supported by the startup of production of new AR gasoline engines at the end of 2008.



Solid Production of KD and AR Engines

Since 2005, Toyota Industries has produced the 2.5-liter and 3.0-liter KD diesel engines for TMC's Innovative International Multi-Purpose Vehicle (IMV) series. In September 2009, the scope of models fitted with this engine was extended to include the Hiace. Supported in part by favorable sales of IMV series vehicles for the Thai market, production of KD diesel engines in fiscal 2010 reached 179,000 units.

Toyota Industries also achieved steady growth in unit sales of 2.5-liter AR gasoline engines on the back of robust sales of the RAV4 for North America. After initially manufacturing this engine for the RAV4, we also began producing it for the Camry, and in fiscal 2010, production of AR gasoline engines reached 134,000 units.

Toyota Industries' total engine production increased in fiscal 2010 mainly due to contributions made by KD and AR engines.

Development and Production of Engines for Hybrid Lift Trucks

Toyota Industries developed and initiated production of 2.5-liter 1DZ-III diesel engines installed in the GENEO-HYBRID 3.5-ton diesel-engine hybrid lift truck launched in December 2009. Compared with conventional diesel-engine lift trucks, the GENEO-HYBRID reduces fuel consumption and CO_2 emissions by roughly 50%*. Toyota Industries is also striving to enhance product competitiveness in engines for industrial vehicles amid rising market needs for improving environmental performance.

* Measured data from Toyota Industries Corporation's evaluation pattern using lift trucks with standard specifications

Applying Development Capabilities and Production Technologies and Know-How

Toyota Industries is jointly developing clean diesel engines with TMC, including AD engines that clear Euro 5 emission standards, as part of integrated operations covering planning, development and production. Diesel engines are earning high environmental acclaim for achieving greater fuel efficiency compared with gasoline engines and cleaner emissions.

Toyota Industries remains committed to utilizing its capabilities gained through developing diesel engines and its production technologies and know-how in diesel and gasoline engines to further enhance product competitiveness.

KD diesel engine

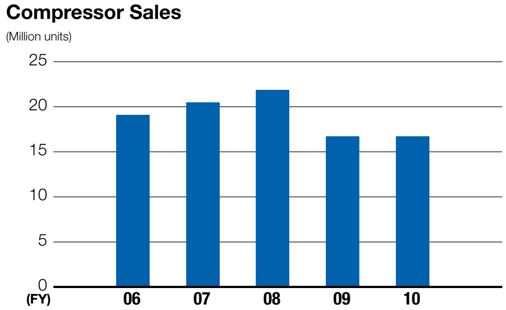
AR gasoline engine

Car Air-Conditioning Compressor

Leading the Industry with Forward-Looking Environmental Technologies

Business Overview in Fiscal 2010

Reflecting lower production by automakers, unit sales of car air-conditioning compressors remained on par with the previous fiscal year at 16.71 million units. The impact of currency exchange rates and other factors led to a decrease of ¥9.3 billion, or 5%, in net sales to ¥177.0 billion.



Cumulative Global Production Reaches 300 Million Units

Since commencing production of car air-conditioning compressors in 1960, Toyota Industries has consistently introduced products that anticipate the needs of the times, including compactness, lighter weights, quieter operation and fuel efficiency. Besides compressors for internal-combustion vehicles, in recent years Toyota Industries has responded to the trend toward the electrification of vehicles by developing and manufacturing electric compressors for hybrid vehicles. Toyota Industries currently produces compressors globally in the four regions of Japan, North America, Europe and China. We attained a noteworthy milestone in August 2009 when our cumulative global production of compressors reached 300 million units. Toyota Industries' compressors have been widely adopted by major Japanese and overseas automakers and capture the global No. 1* share in terms of sales volume.

* Survey by Toyota Industries Corporation

Expanding Sales of Electric Compressors for Hybrid Vehicles

Toyota Industries developed the ES18 electric compressor for the second-generation Prius and commenced the world's first mass production of electric compressors. For the ES14 electric compressor fitted in the third-generation Prius launched in May 2009, we successfully integrated into the compressor an inverter that previously required installation in a separate location. By doing so, we realized a more compact and lightweight compressor. Additionally, by expanding our electric compressor lineup ranging from compact to large-size products, Toyota Industries is able to offer a line of compressors that can be installed in a diverse range of vehicles. At present, all Toyota hybrid vehicles are equipped with Toyota Industries' electric compressors. Our sales record to TMC, coupled with high acclaim for fuel efficiency and quiet operation, led to adoption of our electric compressor by automakers in North America and Europe. We will continue to make efforts to expand sales to carmakers worldwide.

ES14 electric compressor

Leading the Industry with Outstanding Technologies

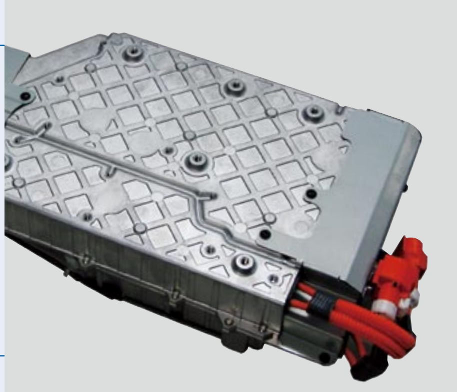
Given the economic slowdown that has persisted since fiscal 2009, Toyota Industries moved quickly to streamline its operations, including staff and facilities at its global production sites, as part of efforts to strengthen its profit structure. As initiatives for future growth, Toyota Industries has focused on responding to emerging countries, where market needs are rising, as well as on developing appealing products for compact cars.

Particularly in China, we will carry out sales activities by targeting higher-end models anticipated to grow in step with the expansion of the automobile market and by leveraging our advanced technologies.

Laws and regulations concerning vehicle fuel efficiency continue to be strengthened in North America, Europe and Japan. As such, we will continue to lead the industry by further enhancing our technological capabilities, beginning with environmental performance, which have earned extensive praise from automakers worldwide.

Car Electronics

Helping to Realize a Low-Carbon Society via the Development and Production of Electronic Components and Devices that Support the Advance of Electric Vehicles



Business Overview in Fiscal 2010

Toyota Industries' business activities in car electronics have centered on such auxiliary power source devices as DC-DC converters. In fiscal 2010, Toyota Industries developed a direct-cooling device for power control units (PCUs) for the third-generation Prius, thereby making our entry into core components for hybrid vehicle drive systems. Toyota Industries also worked to expand its business domains by developing an onboard charger for plug-in hybrid vehicles (PHVs).

DC-DC converter

Newly Developed PCU Direct-Cooling Device for Third-Generation Prius

PCUs raise the voltage of hybrid vehicle batteries and convert the direct current into an alternating current to drive the motor. Previously, a major technical issue was controlling the heat from the PCU's power semiconductor devices. To solve this issue, Toyota Industries utilized its independently developed direct-cooling method to create a device that significantly improves cooling performance, thus contributing to the realization of compact and lightweight PCUs.

Toyota Industries has also developed a DC-DC converter and an electric compressor integrated with an inverter for the third-generation Prius, which have enabled significant size reductions and lighter weights compared with previous products.

PCU direct-cooling device

New Development of Onboard Charger for PHVs

An onboard charger is an electric power converter that converts AC voltage used in households into DC voltage and recharges the high-voltage batteries of PHVs. Optimally designed to match the battery capacity, this charger is installed in the Prius PHV launched by TMC in December 2009.

New Development of Charging Stands for PHVs and EVs

Toyota Industries is also involved in the development of a charging infrastructure as part of initiatives for promoting greater use of PHVs and electric vehicles (EVs).

Adding communication device capabilities to its PHV and EV charging stands launched in 2009, Toyota Industries has developed a comprehensive management system enabling user authentication using an IC card and management of usage data at charging stations. This system is currently being used in demonstration testing promoted by government agencies.

Toyota Industries' solar charging station, which is equipped with a solar power generation system and electric storage device and also connected to the commercial power grid, is operated as part of an environmental model city project in Toyota City, Aichi Prefecture.

Charging stand

Solar charging station

Realizing a Low-Carbon Society

The implementation of measures to curb global warming and the shift away from fossil fuels are expected to further accelerate the trend toward the electrification of vehicles. We will promote Company-wide technological development utilizing our strengths obtained from a wide variety of business operations including industrial vehicles and automobiles. As a result, we will respond accurately and quickly to the electrification of vehicles, thereby contributing to the realization of a low-carbon society.

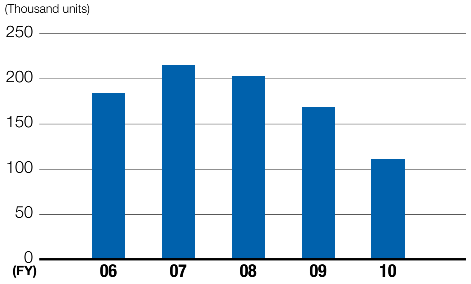
Materials Handling Equipment

Providing a Wide Range of Products and Services Globally as Experts in Materials Handling Equipment

Business Overview in Fiscal 2010

In the materials handling equipment industry, severe conditions persisted amid sluggish markets, with the exception of some emerging countries. Although Toyota Industries vigorously carried out sales activities globally, sales of our mainstay lift trucks decreased by 58,000 units, or 34%, from the previous fiscal year to 111,000 units. This decrease, along with lower sales of aerial work platforms, resulted in a decrease of ¥208.0 billion, or 33%, in net sales to ¥431.6 billion.

Materials Handling Equipment Sales



Market Conditions and Activities in 2009

Adversely affected by the global economic slowdown, the lift truck market in 2009 struggled, falling to an approximately 60% level versus the previous year. Under these circumstances, Toyota Industries worked to lower its break-even point through streamlining the structure including restructuring production sites and re-evaluating workforce balance, with the aim of realizing an optimal development, production and sales structure.

Along with these streamlining measures, we also focused on strengthening our business foundation in gearing up for future growth. Additionally, we took steps to enhance the appeal of our products by launching a new internal-combustion hybrid lift truck in Japan, introducing a new internal-combustion lift truck in North America and expanding our line of electric lift trucks in Europe. Despite facing harsh market conditions, Toyota Industries also proactively carried out sales activities. In Japan, we strengthened sales activities targeting robust industries, while implementing sales campaigns and a variety of other sales promotion activities in North America. In China, which has become the world's largest market for lift trucks, Toyota Industries made efforts to strengthen its sales structure by further expanding its sales network, mainly in urban areas.

Turning to the market for aerial work platforms, capital investments in Japan continued to be cut back in respective industries, while overseas demand cooled in Europe, which is a principal market. Within this challenging environment, the AICHI brand, which commands the top share of the Japanese market, opened its second Chinese production site in Hangzhou, Zhejiang Province, in the high-growth-potential China market. The new site will engage in development, production and sales and provide service for self-propelled aerial work platforms, for which demand is forecast to expand.

Addressing Emerging Countries and Environmental Technologies

Despite some variations between geographic regions, since the start of 2010 the global market for lift trucks has begun to recover. Of particular note, steady growth is expected in emerging countries, beginning with China. In view of this outlook, Toyota Industries is developing and launching products suited to the needs of emerging country markets. In response to globally rising needs for the electrification of lift trucks, we will strengthen the product appeal of small and midsize lift trucks, with an emphasis on electric lift trucks. For midsize and larger-class models, Toyota Industries will introduce internal-combustion hybrid models to raise fuel efficiency. From small to large models, we will strive to offer distinctive lift trucks that utilize our environmental technologies through electrification.

Looking ahead, Toyota Industries will continue to sincerely listen to customer needs worldwide and perceive market changes in striving to expand sales for the TOYOTA, BT, RAYMOND and CESAB brands.

Japanese Market

No. 1 Market Share in Lift Truck Sales

In 2009, harsh conditions prevailed in the lift truck market in Japan since 2008 due to the curbing of capital investment by domestic companies in response to the global economic slowdown. Reflecting these circumstances, unit sales by Toyota Material Handling Japan (TMHJ) in fiscal 2010 decreased 29% to 23,000 units.

Within this difficult market environment, TMHJ responded to growing environmental problems by strengthening its lineup of electric lift trucks while implementing proactive sales and service activities that included expanding sales to robust businesses such as the foods and pharmaceuticals industries. Thanks to these efforts, TMHJ secured a 40.9% share of the Japanese market, marking the 44th consecutive year that TMHJ has maintained the top position*[1] in the Japanese lift truck industry.

*1: Surveys by Japan Industrial Vehicles Association and Toyota Industries Corporation, 2009

Launch of Hybrid Lift Trucks

In recent years, there have been growing market needs for raising environmental performance of lift trucks, such as reducing CO_2 emissions and improving fuel efficiency. In December 2009, TMHJ launched the GENEO-HYBRID 3.5-ton diesel-powered internal-combustion hybrid lift truck as a means of reducing the environmental impact in the midsize-and-above classes of lift trucks, for which demand is particularly strong. The GENEO-HYBRID realizes world-class environmental performance by reducing fuel consumption and CO_2 emissions by approximately 50%*[2] while maintaining the same operating performance as currently available diesel-engine lift trucks.

*2: Measured data from Toyota Industries Corporation's evaluation pattern using lift trucks with standard specifications

GENEO-HYBRID

Strengthening Electric Lift Truck Lineup

In May 2009, TMHJ carried out a model change for its 1.8- and 2.0-ton Minimover electric pallet trucks and added 1.5- and 2.5-ton models. Also, in October 2009, TMHJ added new 5.5- to 8.5-ton electric lift trucks to its range of large-size electric lift trucks, for which there has been strong, long-standing customer demand. By expanding its lineup of electric lift trucks, TMHJ is responding to diversifying customer environmental needs.

TMHJ will continue to focus on the environment and safety in its efforts to provide optimal materials handling solutions for customers through an extensive product range encompassing lift trucks, warehouse trucks, aerial work platforms, automated storage and retrieval systems and automatic guided vehicles together with an abundance of know-how and an enhanced service structure.

North American Market

Maintained No. 1 Market Share

Throughout the industry, the North American material handling market declined in calendar year 2009. In this difficult situation, Toyota Material Handling North America (TMHNA) recorded overall unit sales of about 29,000, a decrease of 37%, for TOYOTA- and RAYMOND-brand products in fiscal 2010.

Toyota, as a full line supplier of lift trucks, maintained the top market share for the eighth consecutive year*[3] and Raymond, as a leading provider of lift trucks used in warehouse and distribution environments, was also highly regarded. Together with both brands, TMHNA remained the market share leader*[3].

*3: Survey by Crist Information & Research, LLC, 2009

Strengthening Business Structures

Since the original formation of TMHNA, the companies have worked closely together to improve business efficiencies in the areas of manufacturing, quality and procurement for both TOYOTA and RAYMOND brands. Examples of growing synergies include improved quality, joint sourcing and supply base consolidation, and accelerated implementation of TPS. In March 2010, Raymond transitioned and integrated Reach-Fork truck manufacturing from Brantford, Ontario, Canada, to Greene, New York, maximizing efficiency of lift truck production.

In addition, the Toyota Material Handling Group (TMHG) management team formalized the TMHNA management and operations structure in April 2010, newly establishing

TMHNA, Inc. to further strengthen North American regional coordination.

Launch of New Models, Expansion of Solutions Business

In fiscal 2010, Toyota launched the innovative new line of 8-Series 4-wheel AC electric lift trucks. The new 4-wheel models deliver longer runtimes and offer quicker acceleration in addition to excellent operability, durability and safety. Toyota also launched new large internal-combustion pneumatic lift truck models, ranging from 33,000- to 51,000-pound capacities.

Raymond introduced the Model 4450 3-wheel sit-down electric counterbalanced truck featuring reduced turn radius, easier access from either side of the truck and handling capacities up to 4,000 pounds. A “Pedestrian Safety in a Material Handling Environment” training module was developed by Raymond to assist an employer in teaching pedestrians how to act responsibly in environments where lift trucks are operated. To date, the Raymond iWarehouse fleet optimization system has been installed in well over 1,000 lift trucks throughout many large companies.

8-Series

Model 4450

Contributing to Materials Handling Efficiency

A moderate recovery is expected in the North American market in 2010. TMHNA will look for further synergies in the coming year to fully leverage both the TOYOTA and RAYMOND brands. Some of the expected synergies include consolidated sourcing and accelerated implementation of TPS. TMHNA will continue to offer industry-leading products and customer service aimed at improving customers’ operations.

European Market

Leaner Profit Structure in Harsh Markets

Over the past several years, Toyota Material Handling Europe (TMHE) has built a strong management structure along with an integrated European network representing the TOYOTA and BT brands in more than 30 countries, from Western Europe to Russia.

In Europe, the economic downturn spread and intensified during 2009 with the European materials handling equipment market declining by more than half compared with the previous year. Faced with these new business realities, TMHE took decisive action to reduce costs and align production and network capacity with lower market demand.

In this very difficult environment, TMHE worked to enhance sales by offering a broad, up-to-date range of products supported by services and business solutions packages. As a result, TMHE recorded unit sales of around 39,000 units in fiscal 2010, a 37% decrease compared with the previous fiscal year.

Strengthening Product Lineup

Since 2007, TMHE has renewed its product range, introducing new models that address more than 70% of the market. New TMHE warehouse products such as the BT Reflex reach truck, BT Levio powered pallet truck and BT Staxio stacker have strengthened TMHE’s position and reputation as a leader in warehouse equipment design and innovation. TMHE also reinforced its electric counterbalanced lineup with the TOYOTA Traigo 48 and TOYOTA Traigo HT models to complement its TOYOTA Traigo 24 range. The Traigo family, together with TOYOTA Tonero internal-combustion lift trucks and the BT warehouse equipment range, allow TMHE to offer customers a modern, highly diversified and competitive product portfolio.

The CESAB product range was also expanded in 2009 with the launch of the new M300 internal-combustion lift truck along with several new powered pallet, stacker and reach models.

Reflex

Traigo 48

Evolving Services and Solutions

In addition to new products, TMHE has also been developing its service and business solutions offerings in line with evolving customer needs and new market realities. Toyota Service Solutions give customers the flexibility to define the right service plan for their business, knowing that they will receive fast, consistent, high-quality service from a team of approximately 4,000 service technicians across Europe. Toyota I_Site moves beyond traditional fleet management with a unique combination of information, expertise and support that helps businesses manage their materials handling operations more effectively. Toyota Rental Solutions and Approved Used Trucks provide today's cost-conscious customers with additional options for putting together the right fleet with high-quality Toyota and BT products.

Providing Products and Added Value Services

In 2010, the European materials handling equipment market is expected to show little improvement as Europe faces continued low levels of economic growth and high levels of unemployment. Nevertheless, TMHE enters the new fiscal year with a leaner structure, a strong network presence and a balanced product, service and business solutions portfolio while continuing to enhance our strengths.

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.

In 2009, many TMHI and TMHCN markets were faced with a slowdown related to the global financial crisis that occurred at the end of 2008. Amid these challenging conditions, while TMHI and TMHCN aggressively moved to promote sales, unit sales of industrial vehicles in the international and Chinese markets decreased roughly 30% to around 19,000 units in fiscal 2010.

Reinforcing Structure for Production, Sales and Service Operations in Growing Markets

The organization in India continues to grow and gain strength throughout the country, working to improve market coverage for sales and service operations. As strong market growth is expected to continue, TMHI will work to strengthen its operations in India to provide a wide range of products supported by relevant customer services so that TMHI will be able to respond to the growing market.

In Brazil, TMHI has weathered a significant market downturn and is now in a position to take advantage of a return to market growth. Brazilian operations will continue to focus on increased market coverage and customer support.

China has become the world's largest market for lift trucks, surpassing the U.S. lift truck market in 2009. As continued market growth is expected, TMHCN will develop and introduce new products by drastically reviewing functions and specifications that suit the Chinese market. TMHCN has built a network that covers the majority of the Chinese market and plans to further expand into metropolitan areas with high demand. On the production side, Toyota Industry (Kunshan) Co., Ltd. has expanded local procurement and devoted efforts to reducing lead times.

A gradual return to growth in lift truck sales is expected in the major emerging country markets. TMHI and TMHCN will expand sales by responding to market growth and strengthening customer relationships via further enhancements to sales and service operations.

Toyota Industry (Kunshan) Co., Ltd.

Logistics

Addressing Customers' Logistics Needs through Manufacturing Know-How

Business Overview in Fiscal 2010

The operating environment surrounding the Logistics Business remained difficult as the economic downturn from the latter half of 2008 led to sales declines and strong demands from customers regarding prices. As a result, in fiscal 2010 net sales of the Logistics Business decreased ¥6.3 billion, or 5%, to ¥108.5 billion. In response to these conditions, Toyota Industries worked to acquire new orders by enhancing the level of services and strengthened its business structure by improving earnings.

Planning, Design and Operation of Distribution Centers

We operate distribution centers for a diverse array of industries and customers. Despite a severe operating environment in fiscal 2010, we carried out proactive sales activities that allowed us to secure new orders for the consigned operation of distribution centers. Guided by the thinking embodied in TPS, we also vigorously promoted cost improvement activities at logistics sites as we worked to strengthen our profit structure. We also actively carried out consulting services to respond to customer needs.

Land Transportation Services

We posted a steep decrease in the volume of automotive parts transported in fiscal 2010 due to a decline in production volumes in the automobile industry, which is a principal customer. As a response, we lowered our break-even point by vigorously undertaking emergency profit improvement activities. Highlighting our concern for the environment, we also made efforts to promote eco-conscious transportation.

Taikoh Transportation Co., Ltd.'s land transportation services

High Value-Added Services including Cash Collection and Delivery and Cash Proceeds Management and Data Storage, Management, Collection and Delivery

The sluggish economy created difficult conditions for securing new orders in high value-added services. In our cash collection and delivery and cash proceeds management services, we worked to further raise efficiency by reorganizing our service center in the Kanto area, which accounts for approximately half of all sales to the retail industry and where high growth is anticipated in the future. In our business for storing, managing, collecting and delivering data, we vigorously promoted comprehensive cost-reduction measures, while cultivating overseas markets and strengthening our digital archive operations with the aim of expanding future business domains.

Asahi Security Co., Ltd.'s cash collection and delivery and cash proceeds management services

Building New Business Models

Toyota Industries is pursuing various possibilities to address all the logistics needs of customers. The Logistics Division and the Materials Handling Equipment Division are working together, for instance, to promote the Logistics Solutions Business by integrating hardware, software and operational aspects of logistics. We will combine the know-how of each business division and utilize the resources to build new business models.

Textile Machinery

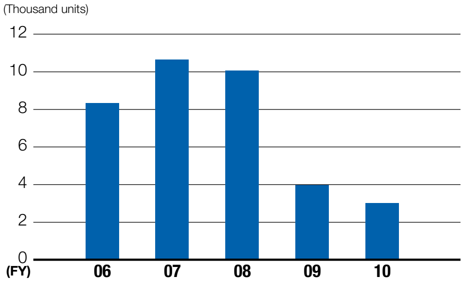
A Leading Manufacturer of Textile Machinery that Meets Diverse Customer Needs

Business Overview in Fiscal 2010

In the textile machinery industry, although demand is continuing to recover moderately from the worst of the downturn in the principal market of China, harsh conditions still prevailed worldwide. Within this environment, Toyota Industries posted a decline of ¥8.7 billion, or 29%, in net sales to ¥20.8 billion, reflecting lower sales of its mainstay air-jet looms in China.

Air-Jet Loom Sales

(Thousand units)



Sales in Fiscal 2010

Facing weak sales of textile machinery, Toyota Industries placed increased emphasis on after-sales services. Specifically, we focused on providing services from a customer perspective. These included performing machinery diagnostics to make needed adjustments for optimizing performance capabilities of textile machinery, making suggestions for parts replacements and enhancing Internet sales of spare parts. Through such concerted efforts, we are striving to further enhance customer confidence. Additionally, we strengthened our activities for obtaining orders for our mainstay air-jet looms and maintained the world's No. 1* share in unit sales for air-jet looms for the 13th consecutive year since 1997.

* Statistics from the International Textile Manufacturers Federation (ITMF), 2009

Capital Alliance with Uster Technologies AG

Uster Technologies AG of Switzerland possesses a proprietary business model that has built a global yarn quality measurement standard by drawing on its superb technologies and develops and sells yarn grading and yarn quality inspection systems. To the present, Toyota Industries and Uster have continued to explore areas where both companies can mutually utilize each other's strengths. To build even more amicable relations and promote development, in November 2009 Toyota Industries acquired a stake in Uster as part of that company's capital increase, becoming Uster's second largest shareholder, with a 22.45% stake.

By integrating Uster's know-how in yarn quality management in addition to defect detection and information processing technologies into our own textile machinery, we plan to develop easier-to-use, high value-added products for our customers.

Developing Machinery that Creates High Value-Added Textile Products

Textile machinery plays an indispensable role in clothing, one of the basic necessities of "food, clothing and shelter" that supports people's daily lives. In the future, per capita consumption of textile products is forecast to rise in tandem with population growth and rising standards of living, primarily in emerging countries. As this trend unfolds, Toyota Industries will respond to diverse customer needs by developing machinery that can create even higher value-added textile products, reducing substances of concern and enhancing the energy efficiency and operability of our textile machinery.

JAT710 air-jet loom

RX240 series high-speed ring spinning frame

An Interview with the Chief Environmental Administrator
~The Ideal Approach that Toyota Industries Should Pursue~

Striving to Foster Changes in Values and Actions by Restoring the Chain among Education, Ethics and Morals

Akira Imura
Executive Vice President*[1]

Having formulated the Fourth Environmental Action Plan as our medium-term environmental targets, we are undertaking an array of environmental conservation activities under this five-year plan that runs from fiscal 2007 to fiscal 2011. We expect to attain most of the plan's targets in fiscal 2011, the final year of the plan.

Society's concerns about environmental problems are rising in parallel with the Japanese government's announcement of its medium- and long-term CO_2 reduction targets and the convening of the 10th Conference of the Parties to the Convention on Biological Diversity in 2010. Here we ask Akira Imura, Executive Vice President*[1] and chief environmental administrator*[1], how Toyota Industries will reflect various social changes into the Fifth Environmental Action Plan.

*1: As of March 2010

Striving to realize zero CO_2 emissions over the medium and long terms should be the ideal approach taken by companies.

Q Various environmental problems, beginning with global warming, are becoming increasingly serious. What is the fundamental cause underlying these problems?

Let's consider what has changed over the past 50 years. Japanese lifestyles have become more materialistic as people moved from an age of frugality toward the pursuit of prosperity. The rise in standards of living has been accompanied by a corresponding increase in energy consumption. I believe that perhaps the notion that consuming large amounts of energy somehow equates to affluence has become deeply entrenched in people's minds. This kind of attitude has made it necessary to give voice to something so obvious as protecting the environment. I believe the way of thinking predominant during Japan's period of rapid economic growth, which was characterized by the pursuit of convenience and economic efficiency, has remained unchanged and this mindset is responsible for exacerbating environmental problems.

Q Global warming undoubtedly heads the list of today's environmental problems. Could you explain how Toyota Industries will work to curb global warming under the Fifth Environmental Action Plan?

The Japanese government has set the extremely high target of achieving a 25% reduction in greenhouse gases by 2020 compared with the 1990 level. When thinking about attaining these targets and looking beyond into the future, I believe the ideal approach taken by companies over the medium- and long-term should be to realize zero CO_2 emissions.

Toyota Industries is currently formulating various scenarios for its activities aimed at attaining the government's targets for 2020. I believe that first and foremost, continuous and thorough energy-conservation efforts in production activities are the basis of all efforts. We will also proactively introduce reusable energy when the timing is right. Still, we will be unable to realize zero CO_2 emissions by relying solely on these measures.

From the standpoint of protecting biodiversity, we will once again affirm and reinforce efforts focused on activities to curb global warming.

Meanwhile, there is also the concept of carbon offsets. In our Advanced Logistics Division within the Logistics Business, for instance, we provide consulting for improving customers' logistics processes and thus in a broad sense are able to contribute to a reduction in CO_2. We can also make similar contributions by pursuing greater energy efficiency in our products.

Even by implementing these measures, realizing "zero CO_2 emissions" realistically will still be difficult. I believe that our ultimate target should be to establish new businesses, for example, for absorbing CO_2. With a view toward such businesses, we are engaging in R&D on technologies based on the keyword 3Es*2 and will further strengthen initiatives in this area in the future.

*2: 3Es stands for energy, environmental protection and ecological thinking. Toyota Industries uses this keyword to express the direction of its future product R&D.

Q Besides global warming, biodiversity has recently attracted a high level of concern as an environmental issue. Could you tell us about the types of initiatives you are taking in this area?

The impact of global warming is considered as one cause underlying the biodiversity problem. From the perspective of Toyota Industries' business operations, I think that carrying out activities aimed at curbing global warming is the best way we can make the most direct contribution to protecting biodiversity at the moment. From the standpoint of protecting biodiversity, we will continue to channel our efforts toward activities aimed at curbing global warming. In tandem, we will undertake tree thinning at *Kaisho-no-Mori* (Kaisho Forest), which was begun in fiscal 2010, as well as participate in new activities such as biotopes in the future. Involvement in these activities has the potential to change the ways employees think about environmental problems.

I believe that changing the values and actions, even if gradually, of each person inhabiting our planet is extremely crucial for solving environmental problems, not just those related to biodiversity. To this end, I would like to focus on reforming the awareness of each employee through a series of activities.

Q You talk about reforming the awareness of individuals. Could you elaborate on its importance?

In carrying out our corporate activities, we cannot attain our targets if each employee does not share a common awareness. This awareness inherently is characterized by a chain of education, ethics and morals that spreads from employees to their families and to local communities. However, it appears that this chain has broken down somewhere in contemporary society.

It is of course crucial that we attain the targets of our environmental conservation activities as a company. On this basis, if each employee can help restore the broken chain and expand the scope of changes in awareness, this will have far-reaching effects. I believe this also represents a type of social contribution and will in turn lead to an acceleration of our environmental initiatives. Reforming the awareness of individuals and strengthening activities as a company is a synergy I would like to create.

I would like to create a synergy by reforming the awareness of individuals and strengthening our corporate activities.

Special Feature (Curbing Global Warming)

Continually Meeting Challenges as a Leading Company that Focuses on Earth- and People-Friendliness through Logistics

The development of the GENEO-HYBRID diesel-powered internal-combustion hybrid lift truck represents our strategic move for the future in creating environmentally conscious logistics that contributes to the realization of a low-carbon society.

Earth Friendly

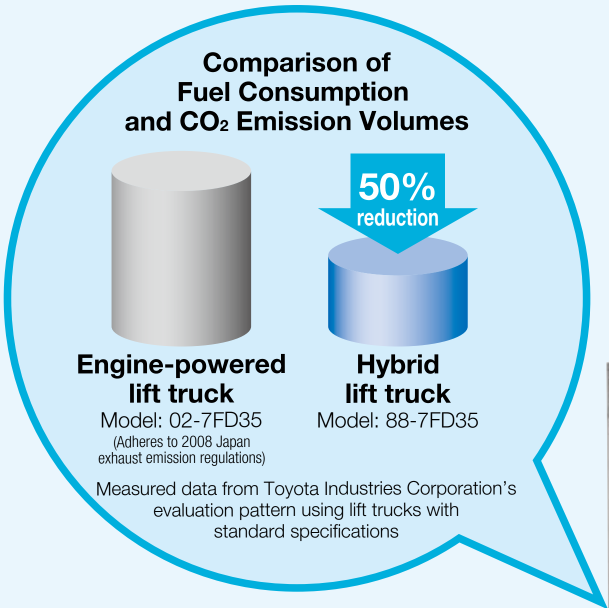
An Earth-Friendly Lift Truck that Halves the Environmental Impact

Making frequent starts and stops while transporting heavy loads, lift trucks require large amounts of energy during driving and loading operations.

Through a hybrid system that combines a diesel engine, an electric motor and a battery, the GENEO-HYBRID can realize efficient energy usage in accordance with actual operating conditions. Moreover, the adoption of the hybrid system enables a reduction in engine displacement and a more compact engine.

As a result, compared with Toyota Industries' currently available diesel-engine lift trucks in the same class, the GENEO-HYBRID reduces **fuel consumption and CO_2 emissions by almost 50%**, thereby realizing world-class*1 environmental performance.

*1: Survey by Toyota Industries Corporation as of October 2009

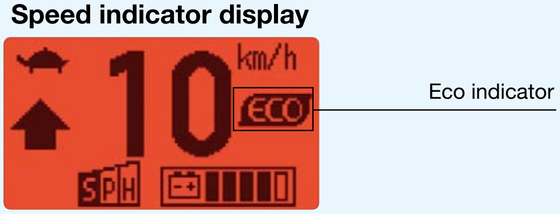


Helping Realize Earth Friendliness by Promoting an Awareness of Eco-Driving during Work Operations

Fuel consumption can fluctuate by up to 10% depending on the way of driving during lift truck operation.

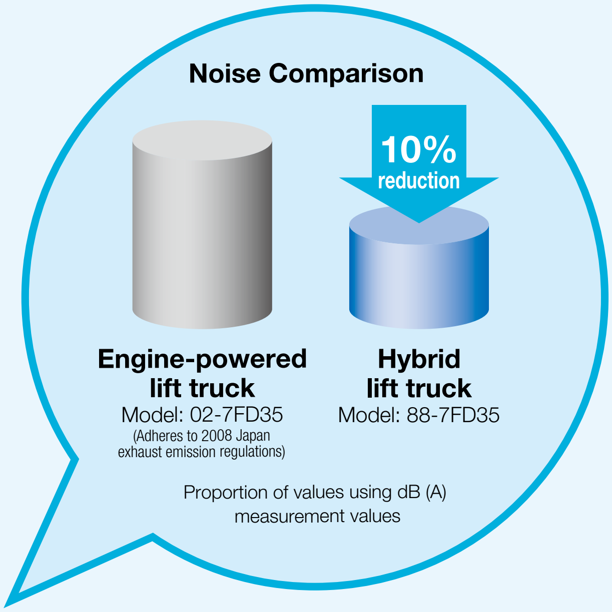
When the GENEO-HYBRID is operated in a fuel-efficient, eco-friendly manner, the "eco indicator" lights up on the LCD speed indicator display. By confirming the "eco indicator" status, the operator can maintain an awareness of ecological driving and thus improve fuel efficiency.

Speed indicator display



People Friendly

A People-Friendly Lift Truck that Realizes a Comfortable Work Environment



Since the engine room of a lift truck is located directly under the driver's seat, noise and vibrations felt by the operator tend to be greater compared with automobiles, thus placing a larger burden on the operator. Through the adoption of a hybrid system, the GENEO-HYBRID not only realizes a compact engine but also suppresses noise and vibrations by optimally controlling the number of engine revolutions.

As a result, compared with Toyota Industries' currently available diesel-engine lift trucks in the same class, the GENEO-HYBRID achieves an approximately **10% reduction in noise**, thereby lessening the burden on the operator, while reducing the level of noise audible to people in the surrounding areas.

For load handling, which requires extra power, a motor helps support the operation of the engine, which suppresses the burden on the engine and reduces the emission of black exhaust smoke.

The adoption of these measures has enabled a large improvement in the work environment.

Developing Even More Earth- and People-Friendly Lift Trucks— TMHG Continues to Take on Challenges with a Focus on the Logistics of Tomorrow

Developer Comments

Basically, there are no shortcuts leading to a revolutionary breakthrough. Rather, inventions require repeatedly making daily efforts and thorough verifications. The GENEO-HYBRID represents our best efforts at the moment but is not a final goal.

On the Toyota Industries Website, chief engineer Yoshiyasu Uchida describes the behind-the-scenes efforts leading up to the birth of the GENEO-HYBRID and explains his thoughts about development.

Yoshiyasu Uchida
Vehicle Engineering Office,
Engineering Department
Toyota Material Handling Company

Access Toyota Industries' Website for details.

GENEO HYBRID Search

http://www.toyota-lf.com/hybrid/ (Japanese only)

Environmentally Friendly Certified Products

Eco label

The GENEO-HYBRID has been certified as an environmentally friendly product under Toyota Industries' proprietary Environmentally Friendly Product Certification System*2.

*2: A system for comprehensively evaluating such areas as curbing global warming, recycling natural resources and risk management for substances of concern. This system conforms to the Type II environmental labeling standard (ISO 14021) prescribed by the International Organization for Standardization (ISO).

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

- 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

Environmental Management

Implementing an Environmental Management System

Toyota Industries has positioned environmental response as one of its most crucial management issues. To more vigorously undertake environmental response efforts, Toyota Industries reorganized its environmental management system (EMS) previously operated independently at respective plants and adopted a Company-wide integrated EMS, with the president at the top. We obtained certification for this EMS from an external certification body in fiscal 2009. The adoption of this EMS has enabled us to quickly reflect the decisions made by management into our business operations.

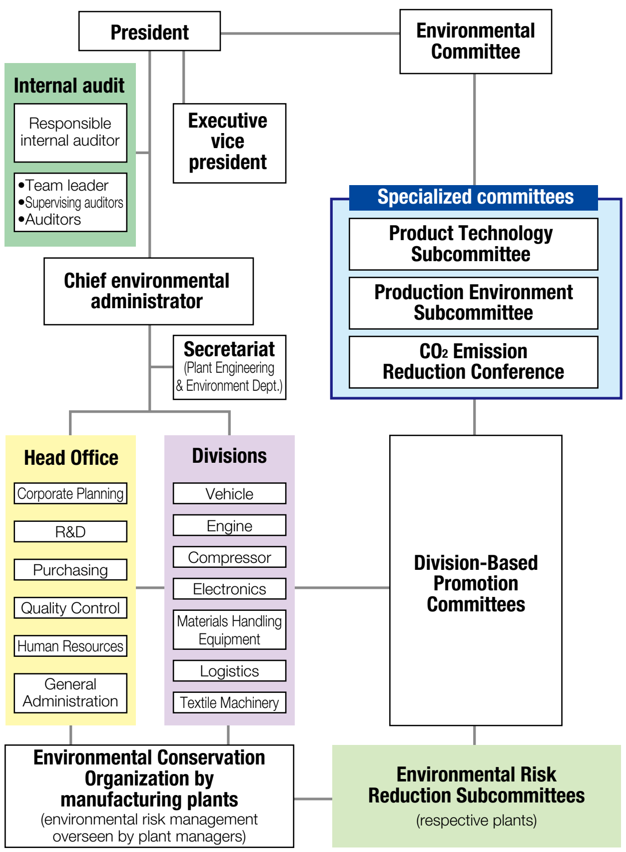
In fiscal 2010, we created the EMS Top Page, an internal site for environmental information on our intranet. This site lists trends in environmental performance and best practices in improvement activities, with the aims of promoting information sharing Company-wide on the status of EMS implementation in each business division and for improving communication internally. By setting up this site, details of outstanding activities can be shared throughout the Company, facilitating the implementation of new initiatives in each business division.

We will further promote the integration of environmental activities and management as we strive to continually raise the level of our environmental management.

Approach to Environmental Education

Based on its belief that manufacturing starts with nurturing excellent personnel, Toyota Industries 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

Environmental Management Structure



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 capable of making environmental responses.

New employee training

Evaluations of 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.

For internal audits in fiscal 2010, we achieved a reduction in the average number of citations from 1.03 in fiscal 2009 to 0.74. Improvement proposals were reported to the president by the Environmental Committee and then underwent a management review*.

In terms of the external audit, we received an evaluation of having “comprehensively satisfied the categories required under ISO 14001, with the EMS being properly implemented and improvements being pursued.” We are now executing corrective actions and making further improvements for one minor non-conformance cited during the audit.

* To ensure the appropriateness, adequacy and effectiveness of the 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 to the EMS and gives directions on measures to be taken.

Scope of Group-Wide Environmental Management

(As of March 31, 2010)

Basic Perspective 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 key areas. Further, specific action items and targets of the Toyota Industries Group are laid out. Target management is measured by the concept of "eco-efficiency," which quantifies the effectiveness of our environmental activities.

Curbing Global Warming

Reducing CO_2 Emissions through Internal ESCO*[1] Activities

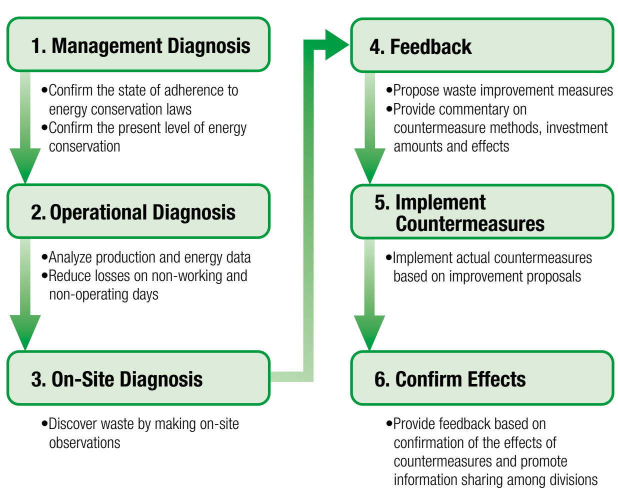
In fiscal 2010, Toyota Industries commenced internal ESCO activities with the aims of improving profitability through the reduction of energy costs and reducing CO_2 emissions in each business division. In undertaking these activities, we perform numerical analyses of facility usage conditions and make improvements to reduce CO_2 emissions without compromising production efficiency.

*1: ESCO stands for Energy Service COmpany. ESCO activities involve providing comprehensive services related to energy conservation and supporting energy conservation activities.

In fiscal 2010, the first year of our ESCO activities, we implemented ESCO activities for 13 projects and on a non-consolidated basis reduced CO_2 emissions by 2,067 tons and energy costs by ¥54 million.

In the future, we will carry out such measures as creating a manual for energy conservation activities and establishing an ESCO *dojo* to develop human resources who can promote energy conservation. Through these initiatives, we will strive to further reduce CO_2 emissions while focusing on firmly establishing our internal ESCO activities.

<Internal ESCO Activities>



Principal Activities

- **Identify losses during times of non-operation**
- **Investigate air leakages**
- **Conserve energy in blowers at effluent treatment sites**
- **Conserve energy by lowering pressure of air compressors**

Promoting Energy Conservation by Shifting Air-Conditioning Energy Sources

At the Hekinan Plant, which produces engines, we have primarily used steam- and gas-operated equipment as energy sources for air conditioning. Along with a recent renewal of aging steam-operated equipment, we implemented comprehensive energy conservation measures that enabled us to almost halve CO_2 emissions. Initiatives to be undertaken include proactively introducing high-efficiency air-conditioning energy sources, promoting the sharing of optimal control systems*[2] among business divisions and efficiently using exhaust heat.

*2: Forecasting demand for air conditioning based on meteorological information, the system selects optimal energy sources in terms of cost and CO_2 emissions for targeted time periods.

Principal Energy Conservation Countermeasures

1. Raise energy efficiency by shifting from steam-operated equipment to electric equipment.
2. Reduce energy costs and CO_2 emissions by using the best mix*[3] of electric power and gas.
3. Reduce the volume of energy usage by introducing facilities that integrate leading-edge technologies (make effective use of cogeneration waste heat through high-efficiency heat pumps; reduce power used in transportation through transportation equipment with high energy efficiency; and optimally operate air conditioning through the use of optimal control systems).

*3: Combining energy sources and supplying the optimal balance of energy

Resource Utilization

[Product-Related] Promoting Resource Conservation through Compact, Lightweight Products

For the ES14 electric compressor fitted on the TOYOTA Prius launched in May 2009, we realized high-speed revolutions and integrated the previously separate inverter that controls revolutions into the car air-conditioning compressor. By doing so, we created a compressor that is more compact and lightweight. As a result, we achieved a significant reduction in raw materials used and approximately 20% reductions*1 in both cubic volume and weight while maintaining the same level of cooling capabilities compared with the predecessor ES18 compressor.


ES14 electric compressor

*1: Comparison between the ES14 and the ES18, including the inverter

[Production-Related] Reducing Amounts of Sludge Generated

At the Nagakusa Plant, a vehicle assembly plant, we optimized the amount of sludge flocculants used in wastewater treatment and realized an approximately 26% reduction. As a result, we attained an approximately 34% reduction in the volume of sludge generated.

[Production-Related] Recycling Raw Garbage at MACI

Michigan Automotive Compressor, Inc. (MACI), a U.S.-based subsidiary for manufacturing car air-conditioning compressors, converted some 200kg of raw garbage from employees' lunch into compost and created a small garden, where employees grow flowers and vegetables. The garden also provides a venue for promoting internal communications.


Participating staff with plants grown using the compost

Reduction in Environmental Risk

[Product-Related] Establishing a Company-Wide Management System Capable of Responding to New Chemical Substances Regulations

In January 2009, beginning the operation of a newly rebuilt chemical substances management system (MARSY*2), Toyota Industries is accumulating information on constituent materials as well as chemical substances contained in our products of all divisions. By confirming whether our products contain substances subject to various new chemical substance regulations, we can quickly ascertain the impact of any such regulations on Toyota Industries.

Also, regarding the disclosure of information on whether our products contain SVHC*3 as required by the European REACH*4 regulation, we set up an information management structure by establishing the REACH Response Committee as a Company-wide organization.

*2: MARSY stands for MAterial data Research SYstem.
*3: SVHC stands for Substances of Very High Concern.
*4: REACH (Registration, Evaluation, Authorisation and restriction of CHemicals) is a system for the comprehensive registration, evaluation, authorization and restriction of substances of concern prescribed by the EU, and targets parties involved in the manufacture and import of substances of concern within the EU.

[Production-Related] Status of Compliance with Environmental Laws

In fiscal 2010, there were instances of effluents from the plant exceeding standard values at three subsidiaries within the Toyota Industries Group. Each of these subsidiaries has already taken corrective measures and subsequent confirmations have been made to ensure there are no recurrences.

We will work to prevent environmental risks in the future by sharing information throughout the Toyota Industries Group on cases of problems in the past and their countermeasures as well as effective methods of risk management. In addition, we will strengthen our initiatives to minimize the environmental impact should other incidents occur.

Environmental Communication

Environmental Education for Elementary School Children in Local Communities

To help continue preserving the Earth and its abundance of nature, we strive to raise the environmental awareness of children, who are the bearers of the future, by providing them with opportunities to experience Toyota Industries' various environmental activities. As part of these efforts, we hold observation tours of our plants and dispatch staff for environmental classes at schools for elementary and junior-high school children in local communities.

Children participating in hands-on learning at the environmental *dojo*

In September 2009, fifth graders from an elementary school in Takahama City, Aichi Prefecture, visited the Takahama Plant, which produces materials handling equipment. The children listened to explanations on environmental activities at the Takahama Plant, observed a fuel-cell lift truck, visited a recycling center that recycles fallen leaves on the grounds of the plant into mulch and were given a hands-on learning experience at the environmental *dojo*.

We will continue to communicate to children the importance of protecting the natural environment.

Letters and pictorial diaries written by children

Forest Conservation Activities

Commencing "TICO Ecocoro Tree Thinning Activity to Cultivate the Spirit of Ecology"

As part of its social-contribution activities in local communities, in November 2009 Toyota Industries began participating in the *Kaisho-no-Mori* (Kaisho Forest) Conservation Project*1 being promoted by the Aichi Kaisho-no-Mori Center. Under the name "TICO Ecocoro Tree Thinning Activity to Cultivate the Spirit of Ecology," Toyota Industries plans to carry out tree thinning at Kaisho-no-Mori (Seto City, Aichi Prefecture) over an area covering 6,000 square meters during a three-year period. We are contributing to the preservation of the forest and park through planning, operation and tree thinning activities carried out mainly by members of the Toyota Industries Team Leader Association*2.

For the first activity, actual tree thinning was held following a nature walk and lecture on the current state of the forest and the necessity of tree thinning. The thinned trees are used to build a bridge spanning a stream in the forest and steps. Impressed by the awe-inspiring expansiveness of nature, participants also made such positive comments as "I would like to see even more people become aware of the importance of tree thinning" and "How about using the thinned trees for making benches for use in rest areas at each plant?"

In the future, we plan to further advance these activities including holding woodworking workshops using thinned trees.

Participant Comments

Kiyotaka Sanji
Logistics Section,
Manufacturing Department
Toyota Material Handling Company

I participated in tree thinning activities because I wanted to preserve a rich natural environment for future generations. I now understand the need for tree thinning and the importance of nature. I hope these activities play an important role in raising employee awareness of nature conservation.

Tree thinning activities

*1: Aichi Kaisho-no-Mori Center engages in forest maintenance activities and in the *Satoyama* regeneration initiative with the participation of prefectural residents and companies.

*2: An autonomous Company-wide organization consisting of approximately 1,700 young leaders at manufacturing sites, the organization carries out cleanup and other community activities, promotes interchanges for self-development and holds recreational activities to deepen interaction among members.

Targets and Results of the Fourth Environmental Action Plan

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

Action Policies		Specific Actions	FY2010 Achievements
Curbing Global Warming	Promote technology development for lightweight vehicles	Develop components and materials for attaining compact and lightweight vehicles	•Developed a plastic glazing quarter window •Developed a CFRP crash box
	For non-automobile related products, promote the development of technologies that achieve the best energy efficiency in the industry	Develop technologies for improving lift truck fuel efficiency	•Developed a diesel-engine hybrid lift truck
	Promote the development of devices for clean energy vehicles	Further improve the performance of devices for hybrid vehicles	•Developed a DC-DC converter •Developed a PCU direct-cooling device •Developed charging infrastructure facilities
Resource Utilization	Further promote the use of designs that are based on the Designs for Recycling concept	Steadily increase recycling rate by carrying out recycling rate evaluation in all product fields	•Developed the ES14 electric compressor
Reducing Environmental Risk Factors	Promote stricter control of and further reduction in the use of substances of concern	Further expand range of control of substances of concern	•Established a Company-wide management system capable of responding to various chemical substance regulations

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

Action Policies		Specific Actions	Control Items (FY2011 Target)	FY2010 Achievements		
				Target	Result	Assess-ment
Curbing Global Warming	Promote energy reduction and energy conservation through innovative production engineering	•Streamline production processes •Optimize supplied energy •Promote introduction of alternative energy sources	Energy-derived CO_2 emissions			
			Eco-efficiency: 1.30 (Non-consolidated) [vs FY1991]	1.35	1.56	○
			Eco-efficiency: 1.10 (Consolidated) [vs FY2004]	1.08	1.16	○
	Reduce CO_2 emissions through green logistics	•Promote modal shift	Eco-efficiency: 1.04 (Consolidated) [vs FY2007]	1.03	1.08	○
Resource Utilization	Enhance resource productivity	•Reduce the volume of discarded materials by taking action at the source, such as improving yields and other measures	External disposal Eco-efficiency: 1.05 (Non-consolidated) [vs FY2004]	1.09	1.16	○
	Reduce use of groundwater	•Promote recycling of wastewater •Reduce use of water	Groundwater use 50% reduction (Non-consolidated) [vs FY2004] (Total volume is indicated in parentheses; unit: km^3)	62% reduction (480)	73% reduction (346)	○
	Reduce total environmental impacts of waste disposal	•Eliminate landfill disposal at all consolidated manufacturing companies	Landfill volume Less than 1% (Manufacturing sites in Japan consolidated) [vs FY1999] (Total volume is indicated in parentheses; unit: t)	1.37% (140)	0.20% (21)	○
Reducing Environmental Risk Factors	Further reduce emissions of substances of concern	•Reduce emissions of air pollutants, including volatile organic compounds (VOCs) •Reduce emissions of water contaminants	Environmental impact			
			10% reduction (Non-consolidated) [vs FY2004]	32% reduction	57% reduction	○
			5% reduction (Manufacturing sites in Japan) [vs FY2004]	39% reduction	59% reduction	○

Calculation Formula of Eco-Efficiency **Production-Related**

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

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

Business Activities and Their Environmental Impact

Environmental Impact Flow

INPUT

Energy [consolidated]

Total consumption	8,728TJ*1
Electricity	700,454MWh
City gas	83,943km³N
LPG	1,954t
Petroleum products	3,108kl
Coal products	5,770t
LNG	804t

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

Raw Materials [consolidated]

Raw materials consumption	362,506t

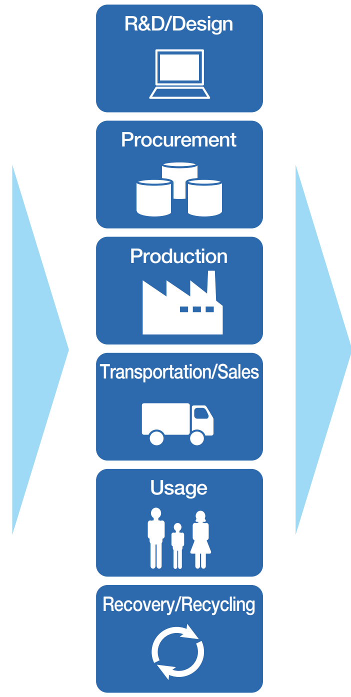
Water [consolidated]

Water consumption	3,621km³

Chemical Substances [Japan consolidated]

PRTR law*2 designated substances	2,316t

*2: 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.



OUTPUT

Into the Air [consolidated]

CO_2	531,403t-CO_2
Greenhouse gases other than CO_2	3,507t-CO_2
CO_2 from logistics	50,813t-CO_2
SOx (Sulfur oxides)	495kg
NOx (Nitrogen oxides)	164t
VOC (Volatile organic compounds)	1,581t

Chemical Substances [Japan consolidated]

Emissions/transfers of PRTR law designated substances	530t

Waste [Japan consolidated]

Waste generation	87,413t

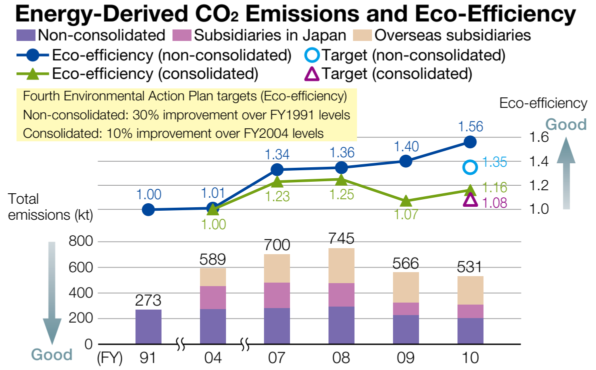
Into Waterways [Japan consolidated]

Water pollutants	27t
Discharge of treated wastewater	2,683km³

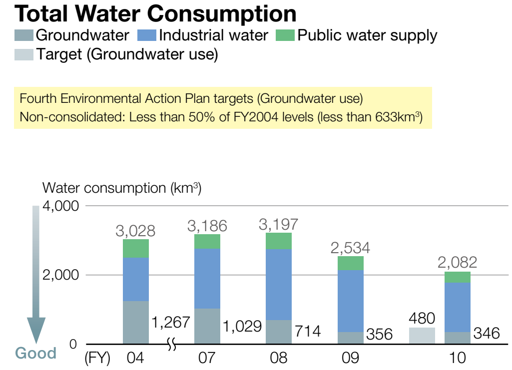
Trends in Environmental Performance

Toyota Industries' principal environmental performance trends are as follows.

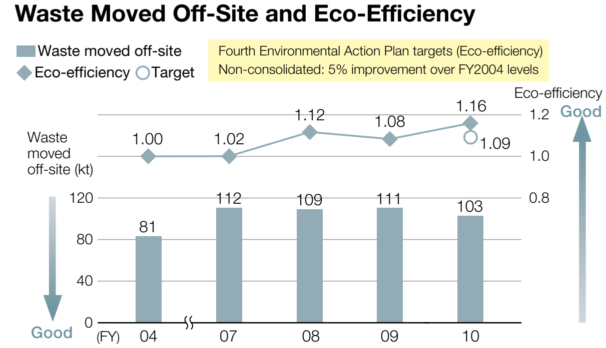
Energy-Derived CO_2 Emissions and Eco-Efficiency



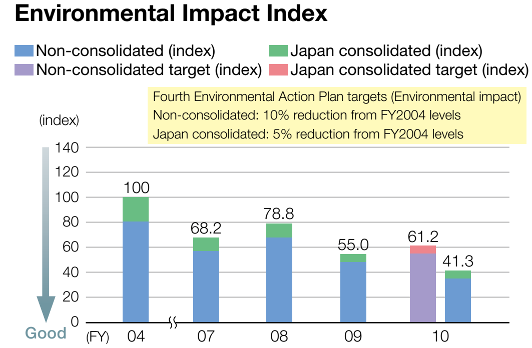
Total Water Consumption



Waste Moved Off-Site and Eco-Efficiency



Environmental Impact Index



Soil and Groundwater Pollution Countermeasures

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 (FY2010)

Plant	Weighted Average Concentration in Groundwater (mg/l)	Current Status
Kariya Plant	0.67	Cleanup in progress
Kyowa Plant	0.34	Cleanup in progress

Environmental Accounting/On-Site Verification

Fiscal 2010 Environmental Accounting*

Scope of data collection: Toyota Industries
TIBC Corporation

Data collection period: April 1, 2009 – March 31, 2010

* Environmental accounting data is collected in compliance with the Ministry of the Environment's *Environmental Accounting Guidelines 2005 Edition*.

Environmental Conservation Cost

(Millions of yen)

Category		FY2010		FY2009	
		Investment	Expenses	Investment	Expenses
Business area costs	Pollution prevention costs	485	518	330	1,014
	Global environmental conservation costs	33	3,257	1,075	3,665
	Resource recycling costs	5	433	123	1,545
Upstream/downstream costs		–	–	–	–
Management costs		39	720	109	1,068
Research and development costs		3	81	–	393
Social contribution activity costs		–	6	7	30
Environmental remediation costs		–	5	–	9
Total		565	5,020	1,644	7,724
		5,585		9,368	

Environmental Conservation Benefits

Environmental Impact	Comparison with Previous Fiscal Year
CO_2	26,961t decrease
VOC	241t decrease
Generation of waste products	25,810t decrease
Water	484,876m^3 decrease
SOx	0.02t decrease
NOx	9t decrease
COD (Chemical oxygen demand)	0.16t increase

Economic Benefits of Environmental Conservation Initiatives

(Millions of yen)

Item	Details	Amount
Revenue	Returns from sale of recycled waste products	3,087
Cost Reduction	Energy cost reductions	899
	Cost reduction by resource savings (including reductions in amount of water use and wastewater treatment costs)	81
Total		4,067

On-Site Verification

In fiscal 2010, Toyota Industries Head Office's Plant Engineering & Environment Department primarily conducted on-site verification of the accuracy and consistency of environmental data included in the *Toyota Industries Report* as follows.

[On-Site Verification Sites]

Hekinan Plant: Manufacture of diesel engines and gasoline engines

Higashichita Plant: Manufacture of castings and diesel engines

Hara Corporation: Manufacture and sale of textile machinery and related components

[Items to be Verified]

1. Adequacy of the scope of data collection; validity of data 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 as were the scope and method of data collection.
2. All discrepancies identified during verification have been corrected.
3. Considerations of improvements will be made for data collected using complex collection methods.

Corporate Philosophy (Toyoda Precepts, Basic Philosophy and CSR Policy)

Contributing to Sustainable Development in Harmony with Society and the Earth

Guided by a strong ambition to “contribute to society and the world through *monozukuri* (manufacturing),” Toyota Group founder Sakichi Toyoda devoted himself to “endless creativity, inquisitiveness, and the pursuit of improvement” and made various inventions including the non-stop shuttle-change Toyoda Automatic Loom (Type G). The spirit of Sakichi is enshrined in the Toyoda Precepts, formulated in 1935 and passed down today in our Basic Philosophy, which we established in 1992 and revised in 1998.

The business environment surrounding Toyota Industries is continuing to evolve with unprecedented speed. Regardless of changes in the business environment and values, we remain unchanged in our belief that realizing our Basic Philosophy is the cornerstone of the Toyota Industries Group’s corporate social responsibility (CSR). Acting on this belief, in March 2009 we formulated and implemented the Toyota Industries Group CSR Policy, which clarifies our relationships with stakeholders, namely customers, employees, business partners, shareholders and local and global communities.

The Toyota Industries Group CSR Policy is divided into nine areas, and the CSR Committee* confirms and evaluates the implementation status of this policy and promotes CSR activities.

* Chaired by the president, the committee convenes twice per year and consists of directors, managing officers and auditors.

CSR Areas

Toyoda Precepts

- Always be faithful to your duties, thereby contributing to the Company and to the overall good.
- Always be studious and creative, striving to stay ahead of the times.
- Always be practical and avoid frivolousness.
- Always strive to build a homelike atmosphere at work that is warm and friendly.
- Always have respect for God, and remember to be grateful at all times.

Basic Philosophy

Respect for the Law

Toyota Industries is determined to comply with the letter and spirit of the law, in Japan and overseas, and to be fair and transparent in all its dealings.

Respect for Others

Toyota Industries is respectful of the people, culture, and traditions of each region and country in which it operates. It also works to promote economic growth and prosperity in those regions and countries.

Respect for the Natural Environment

Through its corporate activities, Toyota Industries works to contribute to regional living conditions and social prosperity and also strives to offer products and services that are clean, safe and of high quality.

Respect for Customers

Toyota Industries conducts intensive product research and forward-looking development activities to create new value for its customers.

Respect for Employees

Toyota Industries nurtures the inventiveness and other abilities of its employees. It seeks to create a climate of cooperation, so that employees and the Company can realize their full potential.

Toyota Industries Group CSR Policy

We, Toyota Industries Corporation and our subsidiaries, contribute to the harmonious and sustainable development of society and the Earth through all business activities that we carry out in each country and region based on our Basic Philosophy.

We comply with local, national, and international laws and regulations as well as the spirit thereof, and we conduct our business operations with honesty and integrity.

In order to realize sustainable development, we carry out management with an emphasis on stakeholders, and we will endeavor to build and maintain sound relationships with our stakeholders through open and fair communication.

We expect our business partners to support this initiative and act in accordance with it.

Customers

- Based on our philosophy of "Customer First," we develop and provide innovative, safe, and high-quality products and services that meet a wide variety of customers' demands to enrich the lives of people around the world.
- We will endeavor to protect the personal information of customers and everyone else with whom we are engaged in business, in accordance with the letter and spirit of each country's privacy laws.

Employees

- We respect our employees and encourage personal growth for our employees based on our belief that the success of our business is led by nurturing each individual's character and abilities, and realization of the Group's full potential.
- We support equal employment opportunities and diversity for our employees and strive to enhance our team strength. We do not discriminate against employees.
- We strive to provide fair working conditions and to maintain and improve a safe and healthy working environment for all our employees.
- We respect and honor the human rights of people involved in our business and, in particular, do not use or tolerate any form of forced or child labor.
- Through communication and dialogue with our employees, we build and share the value of "Mutual Trust and Self-responsibility" and work together for the success of our employees and the company.
- Management of each company takes leadership in fostering and implementing a corporate culture that promote ethical behavior.

Business Partners

- We respect our suppliers, dealers, and other business partners and work with them to realize mutual growth based on mutual trust from a long-term perspective.
- Whenever we seek a new business partner, we are open to any and all candidates, regardless of nationality or size, and evaluate them based on their overall strengths.
- We maintain fair and free competition in accordance with the letter and spirit of each country's competition laws.

Shareholders

- We strive to enhance corporate value while achieving stable and long-term growth for the benefit of our shareholders.
- We provide our shareholders and investors with timely and fair disclosure on our operating results and financial condition.

Local Communities/Global Society [Environment]

- We strive for environmental conservation through all of our business activities and develop and promote technologies enabling the environment and economy to coexist harmoniously. At the same time, we work with a wide spectrum of individuals and organizations to curb global warming and protect biodiversity with the aim of realizing growth in harmony with the environment.

[Community]

- We operate our business so as to earn the trust of respective communities by honoring the cultures, customs, histories, and laws of each country.
- We constantly search for safer, cleaner, and superior technologies that meet the evolving needs of society.
- We do not tolerate bribery of or by any business partner, government agency, or public authority, and maintain honest and fair relationships with government agencies and public authorities.

[Social Contribution]

- Wherever we do business, we actively promote and engage, both individually and with partners, in social contribution activities that help strengthen communities and contribute to the enrichment of society.

Corporate Governance

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

Corporate Governance Structure

Basic Perspective of Corporate Governance

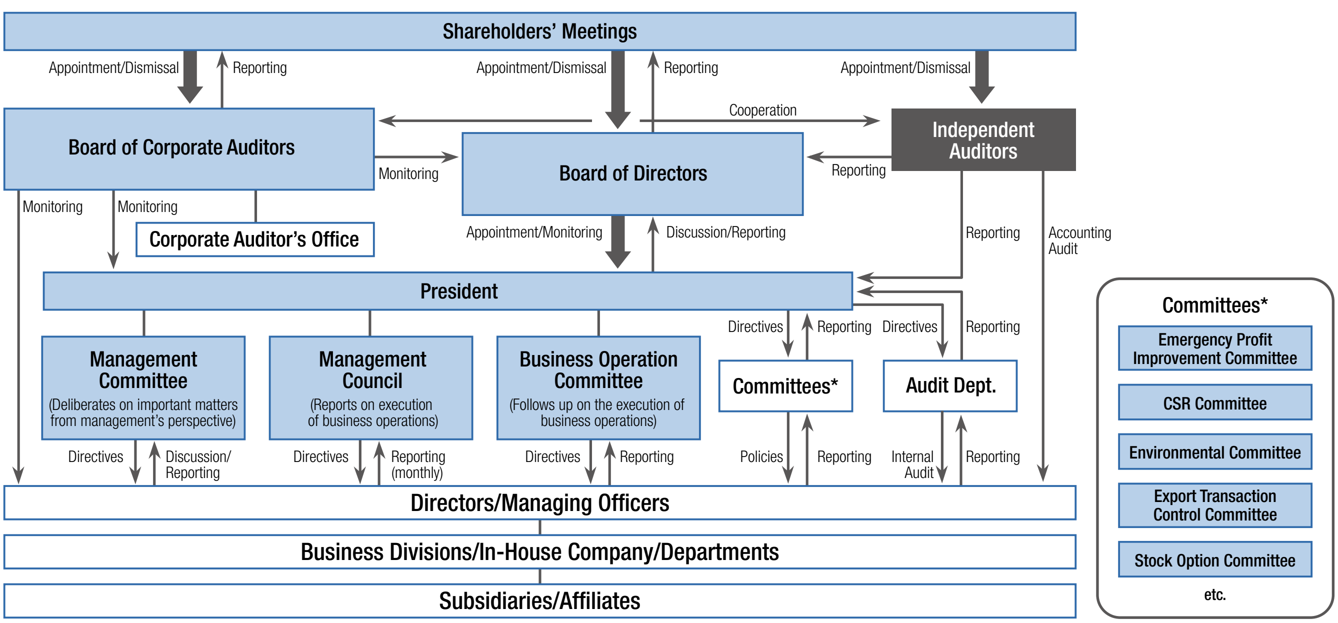
Toyota Industries strives to enhance the long-term stability of its corporate value and maintain society's trust by earnestly fulfilling its CSR commitments in accordance with its Basic Philosophy.

To that end, we strive to enhance our corporate governance based on the belief that maintaining and improving management efficiency and the fairness and transparency of our corporate activities is of utmost importance.

Implementation Structure

Toyota Industries convenes monthly Board of Directors meetings to resolve important management matters and monitor the execution of duties by directors. External directors attend meetings of the Board of Directors, in which they give opinions and ask questions as deemed necessary to ensure legality and validity of the Board's decisions as well as directors' execution of duties. Additionally, we have adopted the Managing Officers System, which enables managing officers to focus solely on the execution of business operations and speed up decision making. In June 2010, we added two directors and three managing officers to further strengthen our management structure directed toward future business expansion. The Management Committee, which is composed of directors above the executive vice president level as well as relevant directors, managing officers and corporate auditors, deliberates on a variety of issues concerning important management matters such as corporate vision, management policies, medium-term business strategies and major investments.

Toyota Industries has a divisional organization system, with significant authority delegated to each business division. For especially crucial matters, however, we have established the Business Operation Committee to enable the president to meet with the heads of each business division regularly to monitor and follow the status of their business execution. To strengthen our business structure, in June 2010 we set up the new position of business division executive director to perform such duties as drawing up strategies, while the division heads concentrate on the execution of business operations. At meetings of the Management Council, directors, managing officers and corporate auditors convene to share management information with regards to matters resolved at the respective Board of Directors meetings as well as the monthly status of the operations of each business.



Discuss and follow issues in each field

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 16 different subcommittees, such as the General Expenses Subcommittee, and are actively working on profit improvement activities throughout the Company. We will standardize cost reduction activities in each department, while strengthening planning and execution of measures to increase sales.

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. At the same time, 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 carry out auditing by attending primary meetings and receiving reports directly from directors. Additionally, we have assigned a staff of dedicated personnel who monitor the legality, soundness and efficiency of management through collaboration with independent auditors and the Audit Department.

Toyota Industries has striven to maintain the fairness of management. As part of such efforts, taking into consideration the revisions (revised on December 22, 2009 and enforced on December 30, 2009) to Securities Listing Regulations and Enforcement Rules for Securities Listing Regulations for the Tokyo Stock Exchange, Osaka Securities Exchange and Nagoya Stock Exchange, in June 2010 we designated two external auditors as independent officers (an increase of one auditor), as we further raise the independence and fairness of management.

Internal Control System

In accordance with the Corporate Law of Japan, in May 2006 Toyota Industries' Board of Directors adopted the Basic Policies for the Establishment of an Internal Control System (Basic Policies) to ensure compliance, risk management as well as the effectiveness and efficiency of business operations. Furthermore, based on the Financial Instruments and Exchange Law (so-called Japanese Surbanes-Oxley Act), we have built and continued 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

Basic Perspective

We believe that compliance not only means the mere adherence to laws and regulations but 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

In accordance with the Basic Policies, we have put in place a compliance implementation structure. In June 2009, we established the Compliance Subcommittee, consisting of the heads of 12 departments in charge of legal compliance and chaired by the executive in charge of legal affairs. This subcommittee re-examines laws deemed to be most crucial for Toyota Industries and improves compliance monitoring methods, including at subsidiaries, to efficiently familiarize employees with laws, perform monitoring and provide guidance. These activities are reported to and discussed and approved by the CSR Committee along with activities for the next half year. Furthermore, we have compiled conduct guidelines in our *Code of Conduct for the Company and Employees* to promote a deeper understanding among employees via education and the distribution of a portable handbook. The Group companies outside Japan have also established a code of conduct in accordance with their respective countries' laws and practices and work to thoroughly familiarize their employees with these guidelines primarily through compliance officers.

Compliance Hotline

As one channel for employee consultation on compliance-related matters, we established the compliance hotline staffed by external lawyers. It ensures employees do not have to worry about being placed in a disadvantageous position when seeking advice on compliance-related matters. In addition, 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, we are establishing regulations and systems regarding risk management as part of thorough measures to prevent any risks. When 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 believe that a quick and precise initial response is imperative while its impact is relatively small.

Implementation Structure

Risks related to quality, safety, the environment, human resources and export transactions are discussed by the respective committees and appropriate responses are made accordingly. For example, the CSR Committee determines policies for risks concerning the leakage of confidential information or information about customers and employees while the Information Security Subcommittee implements various risk prevention measures. Specifically, we regularly re-evaluate the Confidential Information Management Regulations (formulated in April 1987 and revised in March 2010) and thoroughly promote an awareness of the importance of properly managing confidential information at workplace meetings with directors and persons in charge of managing confidential information. We carry out training on initial action to be taken and have also compiled the *Rules in Case of Earthquakes*, which lays down standards of action in the event of an earthquake. We strive to exhaustively familiarize employees with correct responses in the event of an earthquake by requiring all employees to carry this handbook at all times.

Responsibility to Our Customers

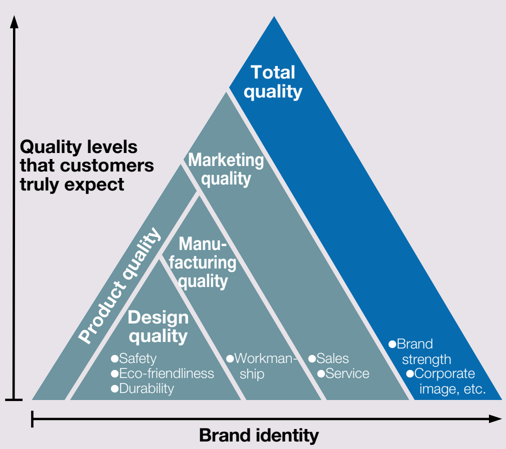
Pursuing Further Quality Improvement under Our “Customer First” Philosophy

“A product should never be sold unless it has been carefully manufactured and has been tested thoroughly and satisfactorily.”

Carrying on the spirit of founder Sakichi Toyoda, Toyota Industries believes quality is its lifeline and a key management issue. Maintaining and improving quality that encompasses safety is our most important responsibility to our customers and forms the basis of our CSR approach.

Toyota Industries strives to maintain and improve every aspect of its corporate activities, most notably “product quality,” “marketing quality” and “total quality.” “Product quality” is embodied in the safety, eco-friendliness and durability 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



Ensuring Superior Quality Levels

Placing top priority on our Customer First philosophy, Toyota Industries undertakes product development 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 information on a product defect 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 as part of thorough efforts to prevent the recurrence of any problems in subsequent models.

Reflecting the Opinions and Needs of Customers into Products

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

As an example, in our efforts to ensure that customers can continually use our lift trucks in an excellent condition without any inconveniences, we provide services not only through distributors and dealers but also by directly interfacing with customers by establishing internal customer consultation desks. We also directly visit customers to conduct actual usage fact-finding surveys. The valuable comments and requests received from customers 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.

Based on our determination to ensure a structure that will never produce defects relating to safety, in March 2010 we implemented comprehensive quality inspections from the customer’s viewpoint in quality assurance and design departments. These inspections focused on whether we respond quickly enough in handling defects and on clarifying procedures and standards for dealing with defects. The results revealed we have not been subject to any major quality issues.

Steadily Promoting Self-Concluding Quality Control Activities

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

In fiscal 2010, we worked to improve production processes for which actual work operations were difficult to perform. Moreover, newly identified problems were closely followed by the Company-wide Council of General Managers of Quality Assurance Departments to solve these issues quickly.

In fiscal 2011, we will thoroughly promote our Customer First philosophy by placing top priority on the customer’s viewpoint, prevention and creating workplaces focusing first and foremost on quality.

Toyota Industries is committed to improving the level of customer satisfaction. To that end, 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 resolutely implementing this practice at manufacturing sites in Japan and overseas.

Responsibility to Our Associates

Creating a Workplace Where Associates Can Work Safely and with Reassurance

Building a Culture of Safety that Aims for Zero Accidents and Illnesses

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 risk." In fiscal 2010, we carried out activities under the following three principal policies.

1. Rebuild Risk Assessment Activities

We re-evaluated details of each risk assessment activity, which included establishing a manual for preventing any failure to remove risks and formulating evaluation guidelines.

2. Enhance Safety in the Fundamental Aspects of Lift Truck Operations

While continuing to require lift truck operators to wear seat belts at all times, we re-evaluated the scope of work operations and separated zones designated for walking and operating lift trucks.

3. Create a Foundation for Realizing a Culture of Safety

We worked to create a culture of safety with such measures as establishing a safety *dojo* in each plant to promote safe work operations and safety awareness and behavior.

Safety *dojo* at the Takahama Plant

Health Management and Improvement

We promote Company-wide health improvement programs concerning risks associated with aging and greater stress. Based on the results of health check-ups, we provide health guidance for persons with metabolic syndrome as well as health education targeting associates reaching certain ages to prevent lifestyle diseases.

Mental health care activities included providing self-care/line-care education, establishing consultation hotlines and enhancing work-resumption support systems.

Health education for associates reaching certain ages (exercise instruction)

Creating Bright, Energetic and Caring Workplaces

Toyota Industries is working to create bright, energetic and caring workplaces where all superiors and their subordinates are linked by strong bonds of trust and all associates can combine their strengths. We believe the key to realizing such workplaces is to develop mutual understanding, a sense of solidarity and teamwork via thorough communication. In addition to good communication during work, we are promoting measures for enhancing communication that include holding social gatherings at each workplace, athletic festivals and summer festivals at each business division, and long-distance relay races on a Company-wide level.

Human Resource Development for Maximizing the Capabilities of Each Person

With approximately half of our associates working at Group companies outside Japan, Toyota Industries is making efforts to develop human resources capable of playing globally active roles that transcend regions and countries. In 2009, we established the Hazu Academy, a global learning center, in Hazu Town, Aichi Prefecture. While developing global leaders, the academy provides training for nurturing human resources capable of learning, thinking and acting independently.

In 2007, Toyota Industries established the Technical Learning Center to develop engineers possessing expertise and execution capabilities as well as highly skilled technicians capable of handling the fundamentals of manufacturing as we work toward the improvement of techniques and skills across the entire Toyota Industries Group. At the 47th National Skills Competition held in October 2009, 13 associates participated in five categories and earned awards in all categories. Among the participants, Kazuma Tateno won a gold medal in the "lathe" category and Hiroyuki Kajitani won a gold medal in the "structural ironsmith" category.

Establishing Work Environments Where Diverse Human Resources Can Play Active Roles

We are implementing a variety of measures to create work environments where a diverse range of human resources can fully exercise their capabilities. These measures include supporting a balance between work and child care/nursing care, enhancing a re-employment system for associates who reach the mandatory retirement age and supporting the employment and skills development of persons with disabilities.

Responsibility to Our Business Partners

Aiming for Co-Existence and Co-Prosperity with Business Partners Based on Mutual Trust

Fair Competition Based on an Open Door Policy

We have a 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.

We evaluate our business partners based on economic reasons such as the quality, price and their adherence to delivery times. In addition, we comprehensively evaluate such matters as technological capabilities, company stability and environmental awareness as we strive for the timely procurement of excellent products at lower costs based on fair business transactions.

Co-Existence and Co-Prosperity 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 annual procurement policy meetings for major business partners to gain their understanding and cooperation. We also support business partners' efforts to improve their management platform in order to consistently procure better products.

In fiscal 2010, we held quality and technical skills training programs in addition to providing guidance directed toward improving manufacturing processes at business partners' production sites.

Reducing Environmental Impact through Green Procurement

In order to create environmentally friendly products, we aim to procure parts, materials and equipment 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. Particularly for parts and raw materials, we make it a rule for business partners to acquire external certification on their environmental management systems such as ISO 14001.

Regarding environmental impact, we require the suspension and reduction of the use of substances of concern 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.

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.

Further Promoting CSR

We provide education internally to all relevant persons for the purpose of stringently complying with the competition laws of each country and to maintain fair business transactions.

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

In fiscal 2010, we held study sessions on various laws and regulations for our suppliers. In fiscal 2011, upon formulating guidelines, our policy is to ensure that business partners more thoroughly carry out CSR.

Responsibility to Our Shareholders and Investors

Raising Management Transparency through Timely and Appropriate Disclosure

Basic Perspective

Toyota Industries continually carries out timely and appropriate information disclosure for shareholders and investors. In this way, we raise the management transparency so that we obtain an appropriate company valuation through stock markets.

We make our utmost efforts to proactively disclose management policy and financial information not only from the standpoint of rigidly complying with legal disclosure standards but also to foster a deeper understanding of Toyota Industries.

Principal Activities

Toyota Industries strives to promote good communications with its shareholders and investors. These efforts include holding quarterly explanation meetings of financial results and individual meetings with institutional investors and securities analysts. We also hold explanation meetings for individual investors and conduct tours of our plants following the conclusion of the general shareholders' meeting. Additionally, the Toyota Industries Website features an Investor Relations section for prompt information disclosure. We also publish the annual *Toyota Industries Report**, which provides a variety of information that includes a summary of our business activities, our environmental responses, CSR commitments and financial information.

* This publication combines our *Annual Report* and *CSR and Environmental Report*.

Investor Relations site
http://www.toyota-industries.com/ir/

Explanation meeting for individual investors

Dividend Policy

Toyota Industries believes the interests of its shareholders are an important management policy. Accordingly, we strive to enhance and strengthen the management platform, actively carry out business activities and raise corporate value.

In accordance with this policy, upon taking into consideration such factors as its business results and demand for funds, Toyota Industries paid annual cash dividends per share of ¥30.0 (interim cash dividend per share of ¥10.0 and year-end cash dividend per share of ¥20.0) for fiscal 2010.

Responsibility to Our Local Communities

Promoting Harmonious Co-Existence with Local Communities

Actively Promoting Social Contribution Activities

While striving to achieve sustainable growth as a company, we work to fulfill our role as a good corporate citizen and actively undertake social contribution activities in every community where we do business in our efforts to help realize a prosperous and healthy society.

To accomplish this, Toyota Industries proactively offers cooperation and support with the objective of contributing to local communities by providing human resources, facilities, funds and know-how. Each of our employees also strives to contribute to society through such means as volunteer activities.

Topics

Charity Drive by Employees of U.S. Subsidiary

As part of social contribution activities, Toyota Material Handling, U.S.A., Inc. (TMHU), a U.S. subsidiary engaged in the sale of materials handling equipment, collected over three tons of foods and housewares from employees and donated these to food banks. Such activities are primarily carried out during the November and December holidays. TMHU is also actively involved in charities such as gathering unneeded toys and donating these to children.

Examples of Social Contribution Activities

Theme	Main Activities
Social Welfare	Holding events for interaction with people with disabilities • Clam digging excursions, harvest festival, other festivals Inviting children orphaned from traffic accidents to sports events Support for charity bazaars Organizing year-end charity drive (fund solicitation)
Youth Development	Providing environmental education programs • "Aim for 21st century *monozukuri* (manufacturing)" program Support for youth invention clubs • Organizing workshops for children during summer vacations • Holding handmade kite-flying competitions Organizing an internship program for junior high school students Support for Robot Club (Raymond, U.S.A.)
Environment	Forest conservation activities • Tree thinning activities • Promoting pallets made of lumber harvested from tree thinning in Japan • Donating benches made of thinned wood in Japan Participating in tree-planting festivals (TIEM, U.S.A.)
Community Activities	Organizing cleanup activities Roadside campaign for traffic safety Crime-prevention patrols Participating in traditional cultural events in local communities Donating to food banks (TMHU, U.S.A.)

Major Operations (As of March 31, 2010)

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%
	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%
North America			
U.S.A.	Toyota Industries North America, Inc.	Columbus, Indiana	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%
	North Vernon Industry Corp.	North Vernon, Indiana	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%

*Including indirect investment

	Company Name	Location	Ownership Ratio*
North America			
U.S.A.	ACTIS Manufacturing, Ltd. LLC	Grapevine, Texas	60.0%
	Toyoda Textile Machinery, Inc.	Charlotte, North Carolina	100.0%
	Toyota Industries Personnel Service of America, Inc.	Columbus, Indiana	100.0%
Canada	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%
Europe			
Sweden	Toyota Industries Europe AB	Linköping	100.0%
	Toyota Material Handling Europe 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%
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%
	Toyota Industrial Equipment Europe, S.A.R.L.	Ancenis	100.0%
	BT France S.a.r.l	Marne La Vallée	100.0%
Belgium	Toyota Material Handling Europe Brussels 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 Kft.	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%
	BTCESAB S.r.l.	Bologna	100.0%
Greece	Toyota Material Handling Greece SA	Athens	100.0%
Asia and Oceania			
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%
India	Kirloskar Toyoda Textile Machinery Pvt. Ltd.	Bangalore	95.1%
Australia	Toyota Material Handling Australia Pty Limited	New South Wales	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 23, 2010)

Board of Directors

Chairman
Tadashi Ishikawa

Vice Chairman
Akira Imura

President
Tetsuro Toyoda

Executive Vice President
Kazunori Yoshida

Executive Vice President
Yasuharu Toyoda

Executive Vice President
Kimpei Mitsuya

Senior Managing Directors

Masafumi Kato
Kosaku Yamada
Toshiyuki Sekimori
Shinya Furukawa
Akira Onishi

Directors

Kazue Sasaki
Hirotaka Morishita
Yorihito Ikenaga
Tatsuro Toyoda
Norio Satoh

Corporate Auditors

Standing Corporate Auditors

Shigetaka Yoshida
Kakuo Ishikawa

Corporate Auditors

Katsuaki Watanabe
Toshio Mita
Hans-Juergen Marx

Managing Officers

Senior Managing Officers

Takaki Ogawa
Takashi Okubo
Norio Sasaki
Toshifumi Ogawa
Toshifumi Onishi
Kohei Nozaki

Managing Officers

Taku Yamamoto
Yukihisa Tsuchimoto
Kan Otsuka
Masaharu Suzuki
Hiroaki Asai
Takashi Ito
Toshiya Yamagishi
James J. Malvaso
Junichi Harada
Mikihiko Okamoto
Suguru Nakano
Tamotsu Sawada
Yasuhiro Murata
Yojiro Mizuno
Masahiro Kawaguchi
Susumu Toyoda

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 2010.

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, 2010 is referred to as fiscal 2010 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 159 consolidated subsidiaries.

Result of Operations

Operating Performance

In fiscal 2010, the global economic recession persisted even though certain Asian countries, especially China, witnessed an economic recovery and economies in the United States, Europe and other countries appear to have bottomed out owing to the effects of economic stimulus measures. Despite signs of steady improvements such as increases in exports and decreases in private-sector capital investment leveling off, the Japanese economy still remained in grave condition overall due mainly to declining consumer prices and a high unemployment rate.

In such an operating environment, Toyota Industries undertook efforts to strengthen its management platform by ensuring customer trust through its dedication to quality as well as aggressively implementing fixed cost reductions across the board.

In response to a rapidly deteriorating operating environment since autumn 2008, the Toyota Industries Group worked to respond to harsh market conditions by systematically and quickly implementing emergency profit improvement activities. Consequently, Toyota Industries recorded operating income in fiscal 2010, compared with posting an operating loss in fiscal 2009. In fiscal 2010, total consolidated net sales of Toyota Industries amounted to ¥1,377.7 billion, a decrease of ¥206.5 billion (13%) from fiscal 2009 due to lower sales in the materials handling equipment market.

In terms of overall profit, due to concerted efforts during fiscal 2010 to realize and maintain a streamlined structure mainly through reductions in personnel costs, expenses and capital investments, such measures could offset lower sales in Japan and overseas. As a result, Toyota Industries posted consolidated operating income of ¥22.0 billion compared with an operating loss of ¥6.6 billion in the previous fiscal year. Ordinary income amounted to ¥31.7 billion, an increase of ¥17.4 billion (121%), while net loss totaled ¥26.2 billion, compared with a net loss of ¥32.7 billion in the previous fiscal year, due primarily to posting a loss arising from business restructuring of the Materials Handling Equipment Segment as an extraordinary loss.

Operating Performance Highlights by Business Segment

Operating results by business segment are as follows. Net sales for each segment do not include inter-segment transactions.

Automobile Segment

In fiscal 2010, the automobile industry saw a mild recovery in the market due to the effects of economic stimulus measures in the form of tax cuts or incentives. Amid such operating conditions, net sales of the Automobile Segment totaled ¥778.3 billion, an increase of ¥22.4 billion (3%) from fiscal 2009. Operating income amounted to ¥23.6 billion, compared with an operating loss of ¥11.5 billion in fiscal 2009.

Within this segment, net sales of the Vehicle Business amounted to ¥398.7 billion, an increase of ¥20.6 billion (5%), due mainly to an increase in unit sales of the RAV4 that offset decreases in unit sales of the Vitz (Yaris outside Japan) and Mark X ZiO.

Net sales of the Engine Business totaled ¥165.0 billion, an increase of ¥8.4 billion (5%), attributable primarily to an increase in unit sales of AR gasoline engines.

Net sales of the Car Air-Conditioning Compressor Business totaled ¥177.0 billion, a decrease of ¥9.3 billion (5%), resulting from declines in production volume by automakers.

Materials Handling Equipment Segment

In the materials handling equipment industry as a whole, the market remained in grave condition despite market growth in certain emerging countries. Although Toyota Industries aggressively engaged in global sales promotion activities for lift trucks, a mainstay product of this segment, unit sales decreased. A decline in unit sales of aerial work platforms was also a key factor. As a result, net sales of the Materials Handling Equipment Segment totaled ¥431.6 billion, a decrease of ¥208.0 billion (33%), while operating loss was ¥9.5 billion compared with operating income of ¥3.7 billion in fiscal 2009.

Logistics Segment

In the logistics industry as a whole, the overall operating environment remained severe as the volume of cargo transport continued to decline in the Japanese market. Net sales of the Logistics Segment amounted to ¥108.5 billion, a decrease of ¥6.3 billion (5%), despite the strong performance by businesses engaged in collection and delivery of cash and management of sales proceeds. This was offset by a decline in sales of the cargo transport business of automotive-related parts. Operating income amounted to ¥5.2 billion, an increase of ¥2.3 billion (82%) from fiscal 2009.

Textile Machinery Segment
In the textile machinery industry as a whole, the market remained severe even though the primary market of China experienced a mild recovery. Net sales of the Textile Machinery Segment totaled ¥20.8 billion, a decrease of ¥8.7 billion (29%), owing mainly to a significant decrease in unit sales of air-jet looms to China, while operating loss was ¥1.8 billion compared with an operating loss of ¥2.0 billion in fiscal 2009.

Others Segment
Net sales of the Others Segment totaled ¥38.3 billion, a decrease of ¥5.9 billion (13%) from fiscal 2009, while operating income was ¥3.9 billion compared with an operating loss of ¥46 million in fiscal 2009.

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 ¥71.4 billion (7%) from fiscal 2009 to ¥995.2 billion, while operating income was ¥29.9 billion compared with an operating loss of ¥1.6 billion in fiscal 2009. This was attributable primarily to decreases in personnel costs and expenses, despite decreases in unit sales of lift trucks.

North America
Net sales decreased ¥56.8 billion (29%) from fiscal 2009 to ¥137.0 billion, while operating loss was ¥1.4 billion compared with an operating loss of ¥4.7 billion in fiscal 2009, due mainly to decreases in unit sales of car air-conditioning compressors and lift trucks.

Europe
Net sales decreased ¥71.6 billion (26%) from fiscal 2009 to ¥200.5 billion, while operating loss was ¥7.1 billion compared with an operating loss of ¥3.9 billion in fiscal 2009. This was attributable primarily to a decrease in unit sales of lift trucks.

Others
Net sales totaled ¥44.9 billion, a decrease of ¥6.7 billion (13%) from fiscal 2009, while operating income increased ¥0.5 billion (23%) to ¥2.5 billion.

Operating Income (Loss)
Operating income for fiscal 2010 was ¥22.0 billion, compared with an operating loss of ¥6.6 billion in fiscal 2009, due to concerted efforts during fiscal 2010 to realize and maintain a streamlined structure mainly through reductions in personnel costs and expenses.

Ordinary Income
Ordinary income amounted to ¥31.7 billion, an increase of ¥17.4 billion (121%) from fiscal 2009. This was due to operating income of ¥22.0 billion, while an operating loss of ¥6.6 billion in fiscal 2009 and equity in net earnings of unconsolidated subsidiaries and affiliated companies amounting to ¥0.7 billion, compared with equity in net losses of unconsolidated subsidiaries and affiliated companies of ¥3.1 billion in fiscal 2009.

This was offset by a ¥22.5 billion (60%) decrease in dividends income from fiscal 2009 to ¥15.2 billion.

Loss before Income Taxes and Minority Interests
Loss before income taxes and minority interests amounted to ¥11.3 billion, compared with loss before income taxes and minority interests of ¥23.2 billion in fiscal 2009, as a result of a ¥17.4 billion (121%) increase in ordinary income to ¥31.7 billion. Extraordinary losses increased ¥5.5 billion from fiscal 2009 to ¥43.0 billion as a result of business restructuring of the Materials Handling Equipment Segment.

Net Loss
Net loss totaled ¥26.2 billion compared with a net loss of ¥32.7 billion in fiscal 2009. Net loss per share was ¥84.33 compared with net loss per share of ¥105.16 in fiscal 2009.

Consolidated Financial Condition

Total assets increased ¥261.8 billion from the end of the previous fiscal year to ¥2,589.2 billion due mainly to an increase in market value of investment securities. Net assets amounted to ¥1,104.9 billion, an increase of ¥127.3 billion from the end of the previous fiscal year.

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 resulted in an increase in cash of ¥203.4 billion in fiscal 2010, due mainly to depreciation and amortization of ¥110.1 billion and loss before income taxes and minority interests of ¥11.3 billion. Net cash provided by operating activities increased by ¥137.7 billion from ¥65.7 billion in fiscal 2009.

Cash flows from investing activities resulted in a decrease in cash of ¥36.8 billion in fiscal 2010, attributable primarily to payments for purchases of property, plant and equipment amounting to ¥48.3 billion. Net cash used in investing activities decreased by ¥77.4 billion from ¥114.2 billion for fiscal 2009.

Cash flows from financing activities resulted in a decrease in cash of ¥38.2 billion in fiscal 2010, due mainly to repayments of short-term loans payable of ¥37.6 billion.

After translation adjustments, cash and cash equivalents as of March 31, 2010 stood at ¥317.5 billion, an increase of ¥129.5 billion (69%) from fiscal 2009.

Investment in Property, Plant and Equipment

During fiscal 2010, Toyota Industries made a total investment of ¥47.5 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 ¥12.0 billion. A primary breakdown of this amount included ¥7.3 billion for the Company and ¥2.2 billion for Toyota Industry Automotive Parts (Kunshan) Co., Ltd.

The Materials Handling Equipment Segment made an investment in property, plant and equipment in the total amount of ¥26.0 billion. The primary breakdown comprised ¥0.6 billion for the Company, ¥15.5 billion for the Toyota Material Handling Europe Group and ¥6.3 billion for the Toyota Material Handling Australia Group.

Investment in property, plant and equipment in the Logistics Segment totaled ¥6.3 billion, including ¥4.2 billion for Asahi Security Co., Ltd. and ¥1.8 billion for Wanbishi Archives Co., Ltd.

The Textile Machinery Segment made an investment in property, plant and equipment in the total amount of ¥45 million, including ¥27 million for the Company.

The Others Segment made an investment in property, plant and equipment in the total amount of ¥3.1 billion, including ¥2.5 billion for the Company.

Necessary funds were provided by a portion of bonds as well as cash on hand and bank loans.

Strategies and Outlook

Outlook for Results for Fiscal 2011

Although we expect the global economy to continue on a gradual recovery path in fiscal 2011, uncertainties remain with regard to persistent concerns over deteriorating financial and employment situations, the impact of the discontinuation of car replacement incentive measures and rising prices of raw materials such as iron and crude oil. As a result, the business operating environment is expected to remain difficult.

Amid this challenging environment, Toyota Industries will continue to undertake concerted efforts on a global basis to quickly and thoroughly rebuild our business structure into a more muscular and stronger one. For medium- to long-term growth, we will pursue greater efficiency and further improvement of our business structure.

Specifically, our initiatives to reduce fixed costs will remain in place to maintain a streamlined business structure. At the same time, we will work to enhance our competitiveness by strengthening cost planning activities for each product category. We will pursue every opportunity geared toward sales expansion along with closely monitoring market needs.

In the medium to long term, our foremost focus remains on quality. Addressing environmental and safety concerns as well as enhancing our competitive strength will also be equally imperative. Keeping these in mind, we will strive to develop products and cutting-edge technologies that are closely aligned with customer perspectives.

Specific initiatives include refining element technologies that will contribute to electrification, lighter weights and energy savings based on 3Es (energy, environmental protection and ecological thinking). By employing these element technologies in new automobile and materials handling equipment products, our mainstay businesses, we aim for further business expansion.

Concurrently, in emerging countries where economies are expected to grow, we will strive to quickly establish more customer-oriented supply chain management via product planning and product development to meet the needs in respective local markets.

To support such consolidated management on a global scale, Toyota Industries will strive to nurture people who take the initiative to learn, think and act and who will enhance the power of the workplace.

In addition to placing top priority on safety, we will thoroughly enforce compliance, including observance of laws and regulations, and actively participate in social contribution activities. Through these and further measures, Toyota Industries aims to meet the trust of society, raise corporate value and grow in harmony with society.

Dividend Policy

Toyota Industries 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 Toyota Industries' corporate value.

Toyota Industries' dividend policy is to meet the expectations of shareholders for continuous dividends while giving full consideration to business performance, funding requirements, the dividend payout ratio and other factors. Toyota Industries' Ordinary General Meeting of Shareholders, held on June 23, 2010, approved a year-end cash dividend of ¥20.0 per share. Including the interim cash dividend of ¥10.0 per share, cash dividends for the year totaled ¥30.0 per share, a decrease of ¥10.0 per share from fiscal 2009.

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

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, 2010.

Principal Customers

Toyota Industries' automobile and engine products are sold primarily to Toyota Motor Corporation (TMC). In fiscal 2010, net sales to TMC accounted for 43.6% of consolidated net sales. Therefore, TMC's vehicle sales could have an impact on Toyota Industries' business results. As of March 31, 2010, TMC holds 24.61% 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 Toyota Industries. 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 Toyota Motor Corporation (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, 2010, Toyota Industries holds 6.42% (201,195 thousand shares) of TMC's total shares issued. Likewise, as of the same date, TMC holds 24.61% 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 2010, our net sales to TMC accounted for 43.6% 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, 2010 and 2009

	Millions of yen	
ASSETS	**2010**	2009
Current assets:		
Cash and deposits	**¥ 287,965**	¥ 169,743
Trade notes and accounts receivable (Note 8)	**163,708**	158,798
Short-term investments	**71,391**	58,838
Merchandise and finished goods (Notes 4 and 8)	**37,358**	44,237
Work in process (Notes 4 and 8)	**25,672**	30,500
Raw materials and supplies (Notes 4 and 8)	**25,318**	27,423
Deferred tax assets (Note 20)	**17,182**	16,600
Other current assets	**47,307**	64,632
Allowance for doubtful accounts	**(3,103)**	(2,806)
Total current assets	**672,801**	567,967
Fixed assets:		
Property, plant and equipment:		
Buildings and structures (Notes 5 and 8)	**169,991**	182,214
Machinery, equipment and vehicles (Notes 5 and 8)	**212,079**	252,402
Tools, furniture and fixtures (Note 5)	**21,840**	25,598
Land (Note 8)	**119,517**	110,078
Construction in progress	**8,547**	18,970
Total property, plant and equipment	**531,977**	589,264
Intangible assets:		
Goodwill	**72,745**	107,072
Software	**9,976**	11,736
Total intangible assets	**82,722**	118,809
Investments and other assets:		
Investments in securities (Note 8)	**1,162,685**	907,524
Long-term loans receivable	**5,554**	5,954
Deferred tax assets (Note 20)	**10,429**	11,578
Other investments and other assets	**123,278**	126,534
Allowance for doubtful accounts	**(202)**	(199)
Total investments and other assets	**1,301,744**	1,051,391
Total fixed assets	**1,916,444**	1,759,464
Total assets	**¥2,589,246**	¥2,327,432

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

LIABILITIES AND NET ASSETS	Millions of yen 2010	2009
Current liabilities:		
Trade notes and accounts payable	**¥ 141,787**	¥ 104,658
Short-term loans payable (Note 8)	**46,241**	63,187
Commercial paper	**9,575**	26,356
Current portion of bonds	**50,446**	32,072
Accounts payable—other	**13,149**	25,349
Accrued income taxes	**15,014**	7,570
Deferred tax liabilities (Note 20)	**316**	249
Allowance for bonuses to directors and corporate auditors	**310**	214
Other current liabilities (Note 8)	**158,100**	154,720
Total current liabilities	**434,941**	414,379
Long-term liabilities:		
Bonds (Note 6)	**231,401**	231,501
Long-term loans payable (Notes 6 and 8)	**299,208**	285,340
Lease obligations (Notes 2, 3 and 6)	**108,014**	104,245
Deferred tax liabilities (Note 20)	**351,009**	252,209
Allowance for retirement benefits (Note 9)	**45,234**	44,055
Other long-term obligations	**14,507**	18,029
Total long-term liabilities	**1,049,375**	935,382
Total liabilities	**1,484,316**	1,349,762
Shareholders' equity (Note 12)**:**		
Capital stock		
Authorized — 1,100,000,000 shares		
Issued — 325,840,640 shares as of March 31, 2010	**80,462**	80,462
325,840,640 shares as of March 31, 2009		
Capital surplus	**106,179**	106,180
Retained earnings	**378,648**	412,294
Treasury stock	**(50,689)**	(50,672)
14,263,943 shares as of March 31, 2010		
14,263,027 shares as of March 31, 2009		
Total shareholders' equity	**514,601**	548,264
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	**544,068**	392,489
Deferred gains or losses on hedges	**(9)**	24
Foreign currency translation adjustment	**(2,430)**	(10,048)
Total valuation and translation adjustments	**541,628**	382,466
Subscription rights to shares	**1,720**	1,224
Minority interests	**46,978**	45,715
Total net assets	**1,104,929**	977,670
Total liabilities and net assets	**¥2,589,246**	¥2,327,432

Consolidated Statements of Income

Toyota Industries Corporation
For the years ended March 31, 2010 and 2009

	Millions of yen	
	2010	2009
Net sales	**¥1,377,769**	¥1,584,252
Cost of sales (Note 13)	**1,194,399**	1,389,002
Gross profit	**183,370**	195,249
Selling, general and administrative expenses (Notes 13 and 18)**:**		
Sales commissions	**6,814**	10,287
Salaries and allowances	**64,716**	75,426
Retirement benefit expenses	**1,953**	2,012
Depreciation	**8,151**	8,734
Research and development expenses	**19,482**	23,610
Other	**60,248**	81,800
Operating income (loss)	**22,002**	(6,621)
Non-operating income:		
Interest income	**10,804**	12,677
Dividends income	**15,297**	37,781
Gain on sales of marketable securities	**135**	498
Equity in net earnings of unconsolidated subsidiaries and affiliated companies	**744**	–
Other non-operating income	**7,413**	8,356
Non-operating expenses:		
Interest expenses	**(17,847)**	(19,770)
Loss on disposal of fixed assets	**(1,257)**	(4,131)
Equity in net losses of unconsolidated subsidiaries and affiliated companies	**–**	(3,130)
Other non-operating expenses	**(5,535)**	(11,314)
Ordinary income	**31,756**	14,343
Extraordinary losses (Note 14)**:**		
Losses on business restructuring of the Materials Handling Equipment Segment	**(43,099)**	–
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)
Loss before income taxes and minority interests	**(11,343)**	(23,247)
Income taxes — current (Note 20)	**13,320**	8,248
Income taxes — deferred (Note 20)	**(438)**	8,240
Income (loss) on minority interests in consolidated subsidiaries	**2,048**	(6,968)
Net loss	**¥ (26,273)**	¥ (32,767)

	Yen	
Net loss per share — basic (Note 26)	**¥ (84.33)**	¥ (105.16)
Net loss per share — diluted (Note 26)	**–**	–
Net assets per share (Note 27)	**3,390.02**	2,987.16
Cash dividends per share	**30.00**	40.00

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, 2010 and 2009

	Millions of yen	
	2010	2009
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	**106,180**	106,184
Changes of items during the period		
Disposal of treasury stock	**(0)**	(4)
Total changes of items during the period	**(0)**	(4)
Balance at the end of current period	**106,179**	106,180
Retained earnings		
Balance at the end of previous period	**412,294**	466,780
Effect of changes in accounting policies applied to foreign subsidiaries	**–**	(2,400)
Changes of items during the period		
Dividends from surplus	**(6,231)**	(19,318)
Decrease due to increase in consolidated subsidiaries	**(1,138)**	–
Decrease due to decrease in consolidated subsidiaries	**(1)**	–
Net loss	**(26,273)**	(32,767)
Total changes of items during the period	**(33,646)**	(52,086)
Balance at the end of current period	**378,648**	412,294
Treasury stock		
Balance at the end of previous period	**(50,672)**	(50,644)
Changes of items during the period		
Repurchase of treasury stock	**(18)**	(41)
Disposal of treasury stock	**1**	12
Total changes of items during the period	**(16)**	(28)
Balance at the end of current period	**(50,689)**	(50,672)
Total shareholders' equity		
Balance at the end of previous period	**548,264**	602,783
Effect of changes in accounting policies applied to foreign subsidiaries	**–**	(2,400)
Changes of items during the period		
Dividends from surplus	**(6,231)**	(19,318)
Decrease due to increase in consolidated subsidiaries	**(1,138)**	–
Decrease due to decrease in consolidated subsidiaries	**(1)**	–
Net loss	**(26,273)**	(32,767)
Repurchase of treasury stock	**(18)**	(41)
Disposal of treasury stock	**0**	8
Total changes of items during the period	**(33,663)**	(52,118)
Balance at the end of current period	**514,601**	548,264
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	**392,489**	752,553
Changes of items during the period		
Net changes of items other than shareholders' equity	**151,578**	(360,063)
Total changes of items during the period	**151,578**	(360,063)
Balance at the end of current period	**544,068**	392,489

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

	Millions of yen	
	2010	2009
Deferred gains or losses on hedges		
Balance at the end of previous period	**24**	140
Changes of items during the period		
Net changes of items other than shareholders' equity	**(33)**	(115)
Total changes of items during the period	**(33)**	(115)
Balance at the end of current period	**(9)**	24
Foreign currency translation adjustment		
Balance at the end of previous period	**(10,048)**	41,477
Changes of items during the period		
Net changes of items other than shareholders' equity	**7,618**	(51,525)
Total changes of items during the period	**7,618**	(51,525)
Balance at the end of current period	**(2,430)**	(10,048)
Total valuation and translation adjustments		
Balance at the end of previous period	**382,466**	794,171
Changes of items during the period		
Net changes of items other than shareholders' equity	**159,162**	(411,705)
Total changes of items during the period	**159,162**	(411,705)
Balance at the end of current period	**541,628**	382,466
Subscription rights to shares		
Balance at the end of previous period	**1,224**	695
Changes of items during the period		
Net changes of items other than shareholders' equity	**496**	528
Total changes of items during the period	**496**	528
Balance at the end of current period	**1,720**	1,224
Minority interests		
Balance at the end of previous period	**45,715**	56,345
Changes of items during the period		
Net changes of items other than shareholders' equity	**1,263**	(10,630)
Total changes of items during the period	**1,263**	(10,630)
Balance at the end of current period	**46,978**	45,715
Total net assets		
Balance at the end of previous period	**977,670**	1,453,996
Effect of changes in accounting policies applied to foreign subsidiaries	**–**	(2,400)
Changes of items during the period		
Dividends from surplus	**(6,231)**	(19,318)
Decrease due to increase in consolidated subsidiaries	**(1,138)**	–
Decrease due to decrease in consolidated subsidiaries	**(1)**	–
Net loss	**(26,273)**	(32,767)
Repurchase of treasury stock	**(18)**	(41)
Disposal of treasury stock	**0**	8
Net changes of items other than shareholders' equity	**160,922**	(421,807)
Total changes of items during the period	**127,259**	(473,926)
Balance at the end of current period	**¥1,104,929**	¥ 977,670

Consolidated Statements of Cash Flows

Toyota Industries Corporation
For the years ended March 31, 2010 and 2009

	Millions of yen	
	2010	2009
Cash flows from operating activities:		
Loss before income taxes and minority interests	**¥ (11,343)**	¥ (23,247)
Depreciation and amortization	**110,119**	125,543
Impairment loss	**36,902**	35,868
Increase (decrease) in allowance for doubtful accounts	**84**	1,207
Interest and dividends income	**(26,101)**	(50,458)
Interest expenses	**17,847**	19,770
Equity in net (earnings) losses of unconsolidated subsidiaries and affiliated companies	**(744)**	3,130
(Increase) decrease in receivables	**(777)**	61,870
(Increase) decrease in inventories	**17,334**	3,939
Increase (decrease) in payables	**36,164**	(93,949)
Others, net	**7,372**	(8,141)
Subtotal	**186,859**	75,534
Interest and dividends income received	**26,145**	50,435
Interest expenses paid	**(17,976)**	(19,622)
Income taxes (paid) received	**8,424**	(40,577)
Net cash provided by operating activities	**203,452**	65,768
Cash flows from investing activities:		
Payments for purchases of property, plant and equipment	**(48,312)**	(122,422)
Proceeds from sales of property, plant and equipment	**15,729**	10,991
Payments for purchases of investment securities	**(3,927)**	(4,982)
Proceeds from sales of investment securities	**197**	12,367
Payments for acquisition of subsidiaries' stock resulting in change in scope of consolidation	**(781)**	(11)
Payments for loans made	**(293)**	(4,465)
Proceeds from collections of loans	**2,003**	5,126
Others, net	**(1,470)**	(10,820)
Net cash used in investing activities	**(36,855)**	(114,217)
Cash flows from financing activities:		
Increase (decrease) in short-term loans payable	**(37,614)**	6,947
Proceeds from long-term loans payable	**27,820**	126,178
Repayments of long-term loans payable	**(1,915)**	(10,420)
Proceeds from issuances of bonds	**50,000**	39,399
Repayments of bonds	**(33,286)**	(20,000)
Payments for repurchase of treasury stocks	**(18)**	(41)
Cash dividends paid	**(6,231)**	(19,318)
Cash dividends paid to minority shareholders	**(625)**	(1,310)
Proceeds from payment by minority shareholders	**–**	575
Others, net	**(36,359)**	(1,038)
Net cash provided by (used in) financing activities	**(38,230)**	120,971
Translation adjustments of cash and cash equivalents	**1,211**	(5,795)
Net increase (decrease) in cash and cash equivalents	**129,578**	66,727
Cash and cash equivalents at beginning of year	**188,011**	121,284
Cash and cash equivalents at end of year	**¥317,590**	¥188,011

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 159 subsidiaries (40 domestic subsidiaries and 119 overseas subsidiaries, which are listed on pages 38 and 39) as of March 31, 2010, and 160 subsidiaries (43 domestic subsidiaries and 117 overseas subsidiaries) as of March 31, 2009.

For the year ended March 31, 2010, two subsidiaries were newly added to the scope of consolidation and three companies were excluded from the scope of consolidation because of liquidation and mergers as a result of reorganization.

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.

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 inter-company 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 2010 and 2009 are accounted for by the equity method of accounting.

For the year ended March 31, 2010, there were no changes in the scope of equity-method 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.

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) Short-term investments 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, 2010 and 2009.

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).

(10) Method of accounting of deferred assets

As for bond issuance costs, the full amount is treated as an expense at the time of payout.

(11) Allowances 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, corporate auditors and managing officers, an amount which is calculated at the end of the year as required by an internal policy describing the retirement benefits for directors, corporate auditors and managing officers is accrued.

(14) 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.

(15) 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 forward contracts, foreign currency option contracts, foreign currency swaps and interest rate swaps)
Hedged items:	Risk of change in interest rate on borrowings, receivables and payables and risk of change in forward exchange rates on transactions denominated in foreign currencies (borrowings, receivables and payables, 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.

(16) 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.

(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:

For the year ended March 31, 2010

Accounting Standard for Construction Contracts

Effective from the fiscal year beginning April 1, 2009, Toyota Industries applies Financial Accounting Standard No. 15 “Accounting Standard for Construction Contracts” and its Implementation Guidance No. 18 “Guidance on Accounting Standard for Construction Contracts,” both of which were issued on December 27, 2007 by the Accounting Standards Board of Japan. This modification does not have a significant effect on the income (or loss) of the Company.

Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)

Effective from the fiscal year beginning April 1, 2009, Toyota Industries applies Financial Accounting Standard No. 19 “Partial Amendments to Accounting Standard for Retirement Benefits (Part 3),” which was issued on July 31, 2008 by the Accounting Standards Board of Japan. This modification has no effect on the income (or loss) of the Company.

For the year ended March 31, 2009

Accounting Standard for Measurement of Inventories

Effective from the fiscal year beginning from April 1, 2008, Toyota Industries applies Financial Accounting Standard No. 9 “Accounting Standard for Measurement of Inventories” issued on July 5, 2006 by the Accounting Standards Board of Japan.

With regard to 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 fiscal year beginning from April 1, 2008, Toyota Industries 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 fiscal year beginning from April 1, 2008, Toyota Industries 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 Statement 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.

4. Inventories:

Inventories as of March 31, 2010 and 2009 consist of the following:

	Millions of yen	
	2010	2009
Merchandise and finished goods	**¥ 37,358**	¥ 44,237
Raw materials	**14,127**	15,941
Work in process	**25,672**	30,500
Supplies	**11,190**	11,482
Total	**¥ 88,349**	¥102,162

5. Property, plant and equipment:

Accumulated depreciation as of March 31, 2010 and 2009 is as follows:

	Millions of yen	
	2010	2009
Buildings and structures	**¥ 196,985**	¥ 180,043
Machinery, equipment and vehicles	**569,604**	524,949
Tools, furniture and fixtures	**86,215**	78,162
Total	**¥ 852,805**	¥ 783,154

6. Long-term debt:

(1) Long-term debt as of March 31, 2010 and 2009 consists of the following:

	Millions of yen	
	2010	2009
1.94% bonds due 2009 without collateral	**¥ –**	¥ 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
0.50-2.65% medium-term notes due 2010-2014 without collateral	**13,853**	30,582
1.95% bonds due 2016 without collateral	**19,993**	19,992
1.72% bonds due 2018 without collateral	**26,000**	26,000
1.35% medium-term notes due 2014 without collateral	**2,000**	2,000
2.109% bonds due 2019 without collateral	**50,000**	–
Long-term loans payable	**311,939**	294,005
Lease obligations	**123,591**	115,537
Less: current portion of long-term loans payable and bonds	**(63,177)**	(40,737)
Less: current portion of lease obligations	**(15,576)**	(11,292)
Total	**¥638,624**	¥621,088

(2) Annual maturities of long-term debt as of March 31, 2010 are as follows:

	Millions of yen		
Year ending March 31	Long-term loans payable and bonds	Lease obligations	Total
2012	¥ 112,732	¥ 36,819	¥ 149,552
2013	75,330	31,485	106,816
2014	61,552	23,840	85,393
2015	55,000	14,492	69,493
2016 and thereafter	225,993	1,377	227,371
Total	¥ 530,609	¥ 108,014	¥ 638,624

7. Investments in affiliated companies:

Investments in affiliated companies as of March 31, 2010 and 2009 are as follows:

	Millions of yen	
	2010	2009
Investments in securities (stock)	**¥ 10,964**	¥ 7,520
Investments and other assets (others)	**4,440**	3,434

8. Assets pledged as collateral:

(1) Assets pledged as collateral as of March 31, 2010 and 2009 are as follows:

	Millions of yen	
	2010	2009
Investments in securities	**¥ 70,680**	¥ 51,520
Buildings and structures	**2,004**	532
Machinery, equipment and vehicles	**1,734**	–
Land	**466**	396
Merchandise and finished goods	**335**	486
Accounts receivable	**283**	–
Work in process	**122**	–
Raw materials and supplies	**77**	–
Total	**¥ 75,704**	¥ 52,935

(2) Secured liabilities as of March 31, 2010 and 2009 are as follows:

	Millions of yen	
	2010	2009
Other current liabilities	**¥ 22,410**	¥ 23,056
Short-term loans payable	**2,246**	505
Long-term loans payable	**492**	44
Total	**¥ 25,149**	¥ 23,606

9. 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, 2010 and 2009 is as follows:

	Millions of yen	
	2010	2009
Allowance for retirement benefits to directors (including managing officers)	**¥ 3,741**	¥ 5,460

10. Contingent liabilities:

Toyota Industries is contingently liable for guarantees as of March 31, 2010 and 2009 as follows:

	Millions of yen	
	2010	2009
Guarantees given by consolidated subsidiaries	**¥ 67**	¥ 134

11. Export discount bills:

Export discount bills as of March 31, 2010 and 2009 are as follows:

	Millions of yen	
	2010	2009
Export discount bills	**¥ 314**	¥ 158

12. 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.

13. Research and development expenses:

Research and development expenses, which are included in selling, general and administrative expenses and manufacturing costs, amounted to ¥26,826 million and ¥33,646 million for the years ended March 31, 2010 and 2009, respectively.

14. Impairment losses:

For the year ended March 31, 2010, Toyota Industries recorded extraordinary losses on business restructuring of the Materials Handling Equipment Segment. The amount of impairment losses related to property, plant and equipment and goodwill was ¥36,902 million. Toyota Industries also recorded extraordinary losses associated with restructuring expenses of closing a plant in Canada and an early retirement scheme in France.

The total amount was ¥3,464 million in Japan, ¥5,075 million in the United States and Canada, ¥27,606 million in Europe and ¥755 million in Australia.

By category of assets, impairment losses totaled ¥27,606 million for goodwill, ¥4,334 million for machinery, equipment and vehicles, ¥2,697 million for buildings and structures, ¥1,213 million for tools, furniture and fixtures, ¥452 million for software, ¥414 million for land and ¥183 million for construction in progress.

The recoverable amount of assets is measured based on the value in use. The value in use is calculated by discounting the expected future cash in-flow mainly using a 9% discount rate.

For the year ended March 31, 2009, Toyota Industries 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, Toyota Industries recorded impairment losses on equipment for materials handling equipment of ¥514 million due to a decrease in production volume in Japan.

Toyota Industries 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.

15. Financial instruments:

(1) Matters concerning financial instruments for the year ended March 31, 2010:

(a) Policy for financial instruments
Toyota Industries borrows funds from financial institutions and issues corporate bonds to procure funds to meet its needs for long-term funding. Toyota Industries also borrows from funds and issues commercial paper to procure funds to meet its needs for short-term working capital. Toyota Industries manages its cash reserves as highly safe financial assets. The purpose of using derivative instruments is to reduce risk, not to obtain earnings from exchanges or for speculative purposes.
(b) Contents and risk of financial instruments
Cash and deposits are subject to credit risk of financial institutions and foreign currency risk. Trade notes and accounts receivable are subject to counterparty credit risk and foreign currency risk.

Loans receivable are subject to counterparty credit risk and foreign currency risk. With regards to foreign currency risk, Toyota Industries uses derivative instruments (foreign currency forward contracts and foreign currency option contracts) for the amount of foreign currency trade assets (trade notes and accounts receivable) offset by foreign currency trade liabilities (trade notes and accounts payable).

Short-term investments and investment in securities are subject to market risk and foreign currency risk.

Trade notes and accounts payable are subject to foreign currency risk. All of them are due within one year.

Loans payable, commercial paper, bonds and lease obligations are subject to foreign currency risk and interest rate risk.

Toyota Industries uses derivative instruments (foreign currency swaps and interest rate swaps) to cover such kinds of risks. The longest redemption date is 12 years after the closing date on March 31, 2010.

Toyota Industries uses derivative instruments (foreign currency forward contracts, foreign currency option contracts, foreign currency swaps and interest rate swaps) in order to hedge the above risk and derivative instruments are subject to credit risk of financial institutions.

As for the hedge accounting, the method, items, policy and evaluation method of measure of effectiveness are referred in Note 2 "(15) Hedge accounting."
(c) Risk management of financial instruments
1) Management of credit risk (risk of non-execution of contract by counterparty)
In accordance with its treasury policy, Toyota Industries carries out regular monitoring of principal counterparties and strives to quickly ascertain and minimize concerns about collecting credits due to worsening financial and other conditions of counterparties. In using derivatives, to reduce credit risk of financial institutions, Toyota Industries engages in transactions only with those financial institutions that have high credit ratings.
2) Management of market risk (foreign currency risk, interest rate risk, others)
In accordance with its treasury policy, in principle, Toyota Industries uses foreign currency forward contracts, foreign currency option contracts and foreign currency swaps to hedge foreign currency risk for each currency for its monetary credits and liabilities denominated in foreign currencies. Toyota Industries uses interest swaps to hedge interest rate risk on monetary liabilities. Toyota Industries monitors the financial condition and reviews the valuations of short-term investments and investments in securities.
3) Management of financing-related liquidity risk (risk that payments cannot be made on payment date)
In accordance with its treasury policy, Toyota Industries manages liquidity risk with cash reserves and commitment lines.
(d) Supplemental explanation of financial instruments
The fair value of financial instruments includes values based on market values as well as rationally calculated values when market values cannot be determined. These calculated values could also conceivably change along with the adoption of different premises.

(2) Matters concerning the fair value of financial instruments:

Consolidated balance sheet amounts, fair values as well as respective differentials as of March 31, 2010 are as follows. Financial instruments for which ascertaining fair value is extremely difficult are not included. Refer to Note 2 regarding these financial instruments.

	Millions of yen		
	Carrying amount *1,*2	Fair value	Difference
Cash and deposits	**¥ 287,965**	**¥ 287,965**	**¥ –**
Trade notes and accounts receivable	**160,608**	**160,607**	**(0)**
Short-term investments and investments in securities			
Investments in affiliated companies	**6,380**	**5,410**	**(969)**
Other securities	**1,207,913**	**1,207,913**	**–**
Long-term loans receivable	**5,552**	**5,552**	**–**
Total assets	**¥1,668,420**	**¥1,667,449**	**¥ (970)**
Trade notes and accounts payable	**¥ (141,787)**	**¥ (141,787)**	**¥ –**
Short-term loans payable	**(46,241)**	**(46,241)**	**–**
Commercial paper	**(9,575)**	**(9,575)**	**–**
Current portion of bonds	**(50,446)**	**(50,446)**	**–**
Bonds	**(231,401)**	**(238,739)**	**(7,338)**
Long-term loans payable	**(299,208)**	**(307,370)**	**(8,161)**
Lease obligations	**(108,014)**	**(108,146)**	**(132)**
Total liabilities	**¥ (886,674)**	**¥ (902,306)**	**¥(15,632)**
Derivative transactions			
Derivative instruments for which hedge accounting is not applied	**¥ 1,317**	**¥ 1,317**	**¥ –**
Derivative instruments for which hedge accounting is applied	**(559)**	**(861)**	**(301)**
Total derivative transactions	**¥ 757**	**¥ 455**	**¥ (301)**

*1: Allowance for doubtful accounts is excluded from total assets.
*2: The figures for liabilities are indicated in parentheses.

1. Methods for calculating fair value of financial instruments and matters concerning marketable securities and derivatives
(Assets)
(1) Cash and deposits
All deposits are short term and fair value approximates the carrying amount. Therefore, fair value for deposits is calculated at the carrying amount.
(2) Trade notes and accounts receivable
Fair value is calculated by discounting to net present value the amounts of receivables for each category of receivables for each specified time period using interest rates that incorporate time (interest) risk and credit risk up to maturity.
(3) Short-term investments and investments in securities
The fair value of stocks in investments in affiliated companies is calculated based on prices listed on stock exchanges. Other securities are stocks, money management funds and negotiable certificates of deposit. The fair value of stocks in other securities is calculated based on prices listed on stock exchanges. The fair value of money management funds and negotiable certificates of deposit approximates the carrying amount. Therefore, fair value is calculated at the carrying amount.

Details regarding other securities are referred to in Note 16 “Marketable securities.”
(4) Long-term loans receivable
The majority of these are loans with floating interest rates made to employees, with fair value approximating the carrying amount. Therefore, fair value is calculated at the carrying amount.
(Liabilities)
(1) Trade notes and accounts payable
All notes and accounts payable are short term and fair value approximates the carrying amount. Therefore, fair value for notes and accounts payable is calculated at the carrying amount.
(2) Short-term loans payable, (3) Commercial paper, (4) Current portion of bonds
These items are short term and fair value approximates the carrying amount. Therefore, fair value for these items is calculated at the carrying amount.
(5) Bonds
Fair value is calculated by discounting to net present value the total of principal and interest using expected interest rates when newly borrowing the same amount.
(6) Long-term loans payable
Fair value is calculated by discounting to net present value the total of principal and interest using expected interest rates when newly borrowing the same amount.

Interest rate swaps that meet the requirement for the preferential accounting method are handled together with the aforementioned long-term loans payable. The fair value of interest rate swaps is included in the fair value of the aforementioned long-term loans payable. The fair value is calculated by discounting expected future cash flow using interest rates when newly borrowing the same amount.
(7) Lease obligations
Fair value is calculated by discounting to net present value the total amount of lease payments using an expected interest rate when newly undertaking the same lease transaction.
(Derivative transactions)
Details regarding derivative transactions are referred to in Note 17 “Derivative instruments.”

2. Financial instruments for which ascertaining fair value is extremely difficult

	Millions of yen
	Carrying amount
Non-listed stocks	
Investments in affiliated companies	**¥ 4,584**
Other securities	**15,198**
Total	**¥19,783**

Non-listed stocks are not included in “Short-term investments and investments in securities” because there are no market prices and ascertaining fair value is extremely difficult.

3. Amounts of projected future redemptions after March 31, 2010 for monetary credits and liabilities as well as marketable securities with maturities

	Millions of yen			
Year ending March 31	2011	2012-2015	2016-2020	Over 10 years
Cash and deposits	**¥287,965**	**¥ –**	**¥ –**	**¥ –**
Trade notes and accounts receivable	**160,541**	**66**	**–**	**–**
Long-term loans receivable	**771**	**2,109**	**1,198**	**1,472**
Total	**¥449,279**	**¥ 2,176**	**¥ 1,198**	**¥1,472**

4. Scheduled repayments of bonds, long-term loans payable, lease obligations and other interest-bearing debt after the consolidated settlement date

	Millions of yen			
Year ending March 31	2011	2012-2015	2016-2020	Over 10 years
Bonds	**¥ –**	**¥105,407**	**¥125,993**	**¥ –**
Long-term loans payable	**–**	**199,208**	**100,000**	**–**
Lease obligations	**–**	**106,637**	**1,376**	**0**
Total	**¥ –**	**¥411,254**	**¥227,369**	**¥ 0**

Application of Accounting Standard for Financial Instruments
Effective from the fiscal year beginning April 1, 2009, Toyota Industries applies Financial Accounting Standard No. 10 “Accounting Standard for Financial Instruments” and its Implementation Guidance No. 19 “Guidance on Disclosures about Fair Value of Financial Instruments,” both of which were issued on March 10, 2008 by the Accounting Standards Board of Japan.

16. Marketable securities:

(1) As of and for the year ended March 31, 2010:

(a) Other securities with readily determinable fair value as of March 31, 2010 are as follows:

	Millions of yen		
	Acquisition cost	Carrying amount	Difference
Securities with carrying amount exceeding acquisition cost:			
Stocks	**¥223,373**	**¥1,130,531**	**¥907,157**
Subtotal	**223,373**	**1,130,531**	**907,157**
Securities with carrying amount not exceeding acquisition cost:			
Stocks	**7,432**	**5,991**	**(1,441)**
Others	**71,391**	**71,391**	**–**
Subtotal	**78,824**	**77,382**	**(1,441)**
Total	**¥302,197**	**¥1,207,913**	**¥905,716**

Non-listed stocks (total amount is ¥15,198 million in the Consolidated Balance Sheet) are not included in “Other securities” because there are no market prices and ascertaining fair value is extremely difficult.

Others in securities with the carrying amount not exceeding acquisition cost are money management funds and negotiable certificates of deposit.

(b) Other securities sold during the year ended March 31, 2010 are as follows:

Millions of yen		
Proceeds	Realized gains	Realized losses
¥197	**¥135**	**¥0**

(2) 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 certificates of deposit	18,500

17. Derivative instruments:

(1) Quantitative disclosure about derivatives for the year ended March 31, 2010

1) Derivative instruments for which hedge accounting is not applied

(a) Foreign currency transactions as of March 31, 2010 are as follows:

Category	Type	Millions of yen			
		Notional amount	Over one year of notional amount	Fair value	Net unrealized gain/loss
Transactions other than market transactions	Foreign currency forward contracts transactions				
	Buy JPY / Sell USD	**¥ 119**	**¥–**	**¥ 120**	**¥ (1)**
	Buy JPY / Sell EUR	**68**	**–**	**64**	**3**
	Buy JPY / Sell SEK	**27**	**–**	**26**	**0**
	Buy SEK / Sell EUR	**22,796**	**–**	**22,541**	**254**
	Buy SEK / Sell USD	**4,477**	**–**	**4,547**	**(70)**
	Buy SEK / Sell AUD	**3,336**	**–**	**3,420**	**(83)**
	Buy SEK / Sell DKK	**1,783**	**–**	**1,724**	**59**
	Buy SEK / Sell NOK	**1,332**	**–**	**1,332**	**0**
	Buy SEK / Sell CHF	**328**	**–**	**327**	**0**
	Buy SEK / Sell CZK	**208**	**–**	**208**	**0**
	Buy SEK / Sell THB	**206**	**–**	**215**	**(9)**
	Buy SEK / Sell CAD	**118**	**–**	**127**	**(8)**
	Buy SEK / Sell HUF	**28**	**–**	**28**	**0**
	Sell JPY / Buy USD	**45**	**–**	**46**	**1**
	Sell SEK / Buy EUR	**13,742**	**–**	**13,735**	**(7)**
	Sell SEK / Buy CAD	**3,865**	**–**	**3,913**	**47**
	Sell SEK / Buy NOK	**2,854**	**–**	**2,894**	**40**
	Sell SEK / Buy GBP	**911**	**–**	**908**	**(3)**
	Sell SEK / Buy USD	**637**	**–**	**635**	**(2)**
	Sell SEK / Buy PLN	**243**	**–**	**249**	**6**
	Sell SEK / Buy DKK	**135**	**–**	**134**	**(1)**
	Sell SEK / Buy CHF	**130**	**–**	**131**	**1**
	Sell SEK / Buy HUF	**79**	**–**	**80**	**0**
	Sell SEK / Buy CZK	**5**	**–**	**4**	**(0)**
	Sell PLN / Buy EUR	**49**	**–**	**48**	**(0)**
	Sell USD / Buy CAD	**28**	**–**	**28**	**0**
	Sell EUR / Buy USD	**46**	**–**	**45**	**0**
	Total	**¥57,609**	**¥–**	**¥57,546**	**¥226**

Category	Type	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	**¥ 4,730**	**¥ –**	**¥ 4,482**	**¥ (248)**
	Payment JPY / Receipt USD	**7,042**	**2,378**	**8,482**	**1,439**
	Total	**¥11,772**	**¥2,378**	**¥12,964**	**¥1,191**

The fair value calculation method is based on the index price as of March 31, 2010.

(b) Interest rate transactions as of March 31, 2010 are as follows:

Category	Type	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	**¥ 9,545**	**¥4,734**	**¥ 9,429**	**¥(116)**
	Floating rate payment / Fixed rate receipt	**923**	**923**	**938**	**15**
	Total	**¥10,469**	**¥5,657**	**¥10,367**	**¥(101)**

The fair value calculation method is based on the index price as of March 31, 2010.

2) Derivative instruments for which hedge accounting is applied

Category	Type	Contents of hedge	Millions of yen: Notional amount	Over one year of notional amount	Fair value	Net unrealized gain/loss	Evaluation method
Deferred hedge method	Foreign currency forward contracts transactions						
	Buy JPY / Sell USD	Accounts receivable	¥ 1,580	¥ –	¥ 1,627	¥ (46)	By the exchange rate on foreign currency market
	Buy JPY / Sell AUD		338	–	355	(17)	
	Buy JPY / Sell EUR		184	–	187	(2)	
	Buy SEK / Sell GBP		1,807	–	1,746	61	
	Buy SEK / Sell EUR		1,396	–	1,346	49	
	Foreign currency option contracts transactions						
	Sell	Accounts receivable					By the price on currency option market
	Call USD / Put JPY		1,860 <29>	–	<44>	(14)	
	Call AUD / Put JPY		358 <9>	–	<15>	(6)	
	Call EUR / Put JPY		199 <3>	–	<3>	(0)	
	Buy						
	Put USD / Call JPY		1,860 <29>	–	<9>	(20)	
	Put AUD / Call JPY		358 <9>	–	<1>	(7)	
	Put EUR / Call JPY		199 <3>	–	<1>	(2)	
	Interest rate swap transactions						
	Fixed rate payment / Floating rate receipt	Long-term loans payable	632	148	575	(57)	By the rate on interest swap market
	Total		¥10,864	¥ 148	¥ 5,915	¥ (63)	

The amounts indicated in brackets for foreign currency option contracts transactions refer to the option fee, and the related figures for fair value and net unrealized gain/loss are also shown.

Category	Type	Contents of hedge	Millions of yen: Notional amount	Over one year of notional amount	Fair value	Net unrealized gain/loss	Evaluation method
Fair value hedge accounting	Foreign currency forward contracts transactions						
	Buy SEK / Sell GBP	Accounts receivable	¥ 947	¥ –	¥ 901	¥ 46	By the exchange rate on foreign currency market
	Buy SEK / Sell EUR		943	–	891	51	
	Foreign currency option contracts transactions						
	Sell	Accounts receivable					By the price on currency option market
	Call USD / Put JPY		744 <14>	–	<17>	(2)	
	Call AUD / Put JPY		255 <6>	–	<9>	(3)	
	Call EUR / Put JPY		62 <0>	–	<0>	0	
	Buy						
	Put USD / Call JPY		744 <14>	–	<1>	(13)	
	Put AUD / Call JPY		255 <6>	–	<0>	(5)	
	Put EUR / Call JPY		62 <0>	–	<0>	(0)	
	Interest rate swap transactions						
	Fixed rate payment / Floating rate receipt	Lease assets	21,577	13,925	21,108	(468)	By the rate on interest swap market
Net valuation method using forward foreign exchange contracts	Foreign currency forward contracts transactions						
	Buy JPY / Sell USD	Accounts receivable	2,338	–	2,421	(83)	By the exchange rate on foreign currency market
	Buy JPY / Sell AUD		239	–	255	(15)	
	Buy JPY / Sell EUR		73	–	74	(1)	
Preferential accounting method of interest rate swap transactions	Interest rate swap transaction						
	Fixed rate payment / Floating rate receipt	Long-term borrowings	25,000	25,000	24,698	(301)	By the rate on interest swap market
	Total		¥53,245	¥38,925	¥50,379	¥(798)	

The amounts indicated in brackets for foreign currency option contracts transactions refer to the option fee, and the related figures for fair value and net unrealized gain/loss are also shown.

(2) Quantitative disclosure about derivatives for the year ended March 31, 2009

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, receivables and payables, and forecasted transactions).
Toyota Industries also uses interest rate swaps agreements to reduce interest rate risks on borrowings, receivables and payables.
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:

Category	Type	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 JPN / 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:

Category	Type	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.

18. 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, 2010 and 2009, 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-sum indemnities plan to a defined contribution pension plan.

(2) Components of allowance for retirement benefits as of March 31, 2010 and 2009 are as follows:

	Millions of yen	
	2010	2009
Benefit obligation	**¥(152,615)**	¥(139,954)
Plan assets	**92,936**	75,012
Unfunded benefit obligation	**(59,678)**	(64,941)
Unrecognized actuarial gains or losses	**19,953**	30,491
Unrecognized loss in prior service obligation	**(186)**	(163)
Net amount recognized on the balance sheets	**(39,911)**	(34,612)
Prepaid pension expenses	**1,580**	3,982
Allowance for retirement benefits	**¥ (41,492)**	¥ (38,595)

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, 2010 and 2009 are as follows:

	Millions of yen	
	2010	2009
Service cost	**¥ 8,968**	¥7,794
Interest cost	**4,111**	3,869
Expected return on plan assets	**(2,673)**	(3,121)
Amortization of prior service obligation	**36**	57
Amortization of unrecognized actuarial gains or losses	**2,150**	638
Retirement benefit expenses	**¥12,593**	¥9,238

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, 2010 and 2009 are as follows:

	2010	2009	
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 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:

Information regarding the welfare pension fund under multiemployer plans as of March 31, 2010 is as follows.

As of March 31, 2009	The Japan Society of Industrial Machinery Manufacturers' welfare pension fund	Other welfare pension funds
Plan assets	¥ 72,130 million	¥118,423 million
Estimated benefit obligation	104,869 million	172,737 million
Variance	¥ (32,739 million)	¥ (54,313 million)
As of March 31, 2010		
Toyota Industries Group contribution to welfare pension plan	6.01%	4.66%

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%

19. Stock options:

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

	Millions of yen	
	2010	2009
Selling, general and administrative expenses	**¥604**	¥575

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

Millions of yen	
2010	2009
¥108	¥ 46

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

1) Stock option details

	2010	2009	2008
Company name	**The Company**	The Company	The Company
Position and number of grantees	**Directors: 14** **Managing officers and employees: 153**	Directors: 17 Managing officers and employees: 159	Directors: 16 Managing officers and employees: 159
Class and number of shares*	**1,157,000 shares of common stock**	1,360,000 shares of common stock	830,000 shares of common stock
Date of issue	**August 3, 2009**	August 1, 2008	August 1, 2007
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 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	Same as left
Periods that grantees must provide service in return for stock options	**From August 3, 2009 to July 31, 2011**	From August 1, 2008 to July 31, 2010	From August 1, 2007 to July 31, 2009
Periods that stock subscription rights are to be exercised	**From August 1, 2011 to July 31, 2015**	From August 1, 2010 to July 31, 2014	From August 1, 2009 to July 31, 2013

	2007	2006	2005
Company name	The Company	The Company	The Company
Position and number of grantees	Directors: 17 Managing officers and employees: 152	Directors: 30 Employees: 134	Directors: 30 Employees: 135
Class and number of shares*	802,000 shares of common stock	791,000 shares of common stock	775,000 shares of common stock
Date of issue	August 1, 2006	August 1, 2005	August 2, 2004
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, 2006 to July 31, 2008	From August 1, 2005 to June 30, 2007	From August 2, 2004 to June 30, 2006
Periods that stock subscription rights are to be exercised	From August 1, 2008 to July 31, 2012	From July 1, 2007 to June 30, 2011	From July 1, 2006 to June 30, 2010

*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)

	2010	2009	2008	2007	2006	2005
Stock options outstanding at the end of the previous fiscal year	**–**	1,358,000	828,000	–	–	–
Stock options granted	**1,157,000**	–	–	–	–	–
Forfeitures	**–**	–	–	–	–	–
Conversion to exercisable stock options	**–**	–	828,000	–	–	–
Stock options outstanding at the end of the fiscal year	**1,157,000**	1,358,000	–	–	–	–

Exercisable stock options

(shares)

	2010	2009	2008	2007	2006	2005
Stock options outstanding at the end of the previous fiscal year	**–**	–	–	743,000	130,500	12,000
Conversion from non-exercisable stock options	**–**	–	828,000	–	–	–
Stock options exercised	**–**	–	–	–	–	–
Forfeitures	**–**	–	72,000	78,000	10,000	2,000
Stock options outstanding at the end of the fiscal year	**–**	–	756,000	665,000	120,500	10,000

(b) Price of options

	Exact yen amounts					
	2010	2009	2008	2007	2006	2005
Paid-in value	**¥2,570**	¥3,410	¥5,866	¥4,642	¥3,306	¥2,652
Average market price of the stock at the time of exercise	**–**	–	–	–	–	–
Fair value of options on grant date	**581**	421	682	759	–	–

(4) Methods for estimating fair value of stock options

The methods for estimating fair value of stock options granted for fiscal 2010 and 2009 are as follows:
(a) Valuation methods used: Black-Scholes model
(b) Principal basic values and estimation methods

	2010	2009
Share price fluctuations *1	**32.47%**	24.63%
Projected remaining period *2	**4 years**	4 years
Projected dividend *3	**¥40/share**	¥60/share
Non-risk interest rate *4	**0.600%**	1.000%

*1: Computed based on actual share prices during a four-year period (from August 2005 to July 2009) and (from August 2004 to July 2008)
*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: For fiscal 2010, based on the year-end dividend for the fiscal year ended March 31, 2009; For fiscal 2009, based on the year-end dividend for the fiscal year ended March 31, 2008 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.

20. Income taxes:

(1) The significant components of deferred tax assets and liabilities as of March 31, 2010 and 2009 are as follows:

	Millions of yen	
	2010	2009
Deferred tax assets:		
Allowance for retirement benefits	**¥ 17,339**	¥ 16,509
Depreciation	**15,628**	14,683
Net operating loss carry-forwards for tax purposes	**8,949**	8,833
Accrued expenses	**6,988**	6,520
Securities	**5,036**	3,791
Trade receivables	**1,839**	1,316
Other	**19,490**	18,577
Subtotal	**75,271**	70,232
Less: valuation allowance	**(28,696)**	(25,348)
Total deferred tax assets	**46,574**	44,883
Deferred tax liabilities:		
Other securities	**(361,032)**	(260,677)
Depreciation	**(2,258)**	(2,307)
Land	**(562)**	(562)
Reserve for advanced depreciation of non-current assets	**(456)**	(509)
Reserve for special depreciation	**(288)**	(406)
Other	**(5,689)**	(4,700)
Total deferred tax liabilities	**(370,288)**	(269,164)
Net deferred tax liabilities	**¥(323,714)**	¥(224,280)

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

	Millions of yen	
	2010	2009
Current assets — deferred tax assets	**¥ 17,182**	¥ 16,600
Investments and other assets — deferred tax assets	**10,429**	11,578
Current liabilities — deferred tax liabilities	**(316)**	(249)
Long-term liabilities — deferred tax liabilities	**(351,009)**	(252,209)
Net deferred tax liabilities	**¥(323,714)**	¥(224,280)

(2) Reconciliations of differences between the statutory rate of income taxes and the effective rate of income taxes for the years ended March 31, 2010 and 2009 are as follows:

	2010	2009
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	**–**	–
Other	**–**	–
Effective rate of income taxes	**39.9%**	39.9%

Toyota Industries eliminated the line item for the year ended March 31, 2010 because it recorded a loss before income taxes and minority interests.

21. 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, 2010 and 2009 are as follows:

		Millions of yen	
		2010	2009
Buildings and structures:	Acquisition cost equivalents	**¥ 245**	¥ 245
	Accumulated depreciation equivalents	**178**	137
Buildings and structures net balance equivalents		**66**	107
Machinery, equipment and vehicles:	Acquisition cost equivalents	**¥7,980**	¥11,568
	Accumulated depreciation equivalents	**4,696**	6,930
Machinery, equipment and vehicles net balance equivalents		**3,283**	4,638
Tools, furniture and fixtures:	Acquisition cost equivalents	**¥9,761**	¥12,172
	Accumulated depreciation equivalents	**6,742**	7,081
Tools, furniture and fixtures net balance equivalents		**3,018**	5,090
Software:	Acquisition cost equivalents	**¥ 100**	¥ 107
	Accumulated depreciation equivalents	**63**	49
Software net balance equivalents		**36**	57
Total net leased properties		**¥6,405**	¥ 9,893

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, 2010 and 2009 is as follows:

	Millions of yen	
	2010	2009
Due within one year	**¥3,061**	¥ 4,421
Due after one year	**4,641**	7,801
Total	**¥7,702**	¥12,222

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, 2010 and 2009 are as follows:

	Millions of yen	
	2010	2009
Lease payments	**¥3,606**	¥4,918
Pro forma depreciation expenses	**¥3,606**	¥4,918

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 leasing term to be useful lives for the years ended 2010 and 2009, 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, 2010 and 2009 is as follows:

	Millions of yen	
	2010	2009
Machinery and equipment:		
Acquisition cost	**¥6,302**	¥7,865
Accumulated depreciation	**5,541**	6,220
Total net leased property	**¥ 761**	¥1,645

(b) Pro forma information regarding future minimum lease income as of March 31, 2010 and 2009 is as follows:

	Millions of yen	
	2010	2009
Due within one year	**¥1,651**	¥2,072
Due after one year	**1,016**	2,961
Total	**¥2,667**	¥5,033

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, 2010 and 2009 are as follows:

	Millions of yen	
	2010	2009
Total lease payments to be received	**¥1,793**	¥2,157
Depreciation expenses	**951**	1,695

(2) Operating leases

1) Operating leases (as a lessee)

Pro forma future lease payments under operating leases as of March 31, 2010 and 2009 are as follows:

	Millions of yen	
	2010	2009
Due within one year	**¥ 9,069**	¥ 8,818
Due after one year	**34,148**	34,229
Total	**¥43,217**	¥43,048

2) Operating leases (as a lessor)

Pro forma information regarding future minimum rentals under operating leases as of March 31, 2010 and 2009 is as follows:

	Millions of yen	
	2010	2009
Due within one year	**¥19,491**	¥17,187
Due after one year	**29,056**	28,385
Total	**¥48,547**	¥45,572

22. Changes in net assets:

(1) Common stock outstanding for the years ended March 31, 2010 and 2009:

	shares
Balance at March 31, 2008	325,840,640
Increase	–
Decrease	–
Balance at March 31, 2009	325,840,640
Increase	**–**
Decrease	**–**
Balance at March 31, 2010	**325,840,640**

(2) Treasury stock outstanding for the years ended March 31, 2010 and 2009:

	shares
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
Increase due to purchase of odd stock	**7,277**
Decrease due to sale of odd stock	**(361)**
Balance at March 31, 2010	**14,269,943**

(3) Subscription rights to shares outstanding for the years ended March 31, 2010 and 2009:

	Millions of yen	
	2010	2009
The Company	**¥1,720**	¥1,224

(4) Dividends

(a) Dividends paid for the year ended March 31, 2010

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 19, 2009	Common stock	¥3,115	¥10	March 31, 2009	June 22, 2009
Board of Directors meeting held on October 30, 2009	Common stock	3,115	10	September 30, 2009	November 26, 2009

(b) Dividends with a record date in the fiscal year ended March 31, 2010 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 23, 2010	Common stock	¥6,231	Retained earnings	¥20	March 31, 2010	June 24, 2010

(c) Dividends paid for the year ended 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

(d) 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

23. Subsequent events:

There were no subsequent events for the year ended March 31, 2010.

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

24. Segment information:

(1) Business segments

As of and for the years ended March 31, 2010 and 2009:

	Millions of yen	
	2010	2009
Sales:		
Automobile		
Outside customer sales	**¥ 778,356**	¥ 755,924
Inter-segment transactions	**12,810**	18,465
	791,166	774,389
Materials Handling Equipment		
Outside customer sales	**431,619**	639,656
Inter-segment transactions	**999**	3,931
	432,618	643,587
Logistics		
Outside customer sales	**108,596**	114,825
Inter-segment transactions	**5,685**	6,927
	114,282	121,753
Textile Machinery		
Outside customer sales	**20,878**	29,556
Inter-segment transactions	**57**	46
	20,936	29,603
Others		
Outside customer sales	**38,317**	44,289
Inter-segment transactions	**10,301**	21,531
	48,619	65,821
Subtotal	**1,407,623**	1,635,154
Elimination of inter-segment transactions	**(29,853)**	(50,902)
Total	**¥1,377,769**	¥1,584,252
Operating costs and expenses:		
Automobile	**¥ 767,503**	¥ 785,894
Materials Handling Equipment	**442,168**	639,816
Logistics	**108,987**	118,851
Textile Machinery	**22,772**	31,662
Others	**44,647**	65,867
Elimination of inter-segment transactions	**(30,313)**	(51,218)
Total	**¥1,355,767**	¥1,590,874
Operating income (loss):		
Automobile	**¥ 23,663**	¥ (11,504)
Materials Handling Equipment	**(9,549)**	3,770
Logistics	**5,294**	2,901
Textile Machinery	**(1,836)**	(2,058)
Others	**3,971**	(46)
Elimination of inter-segment transactions	**459**	315
Total	**¥ 22,002**	¥ (6,621)

	Millions of yen	
	2010	2009
Assets:		
Automobile	**¥ 346,068**	¥ 354,661
Materials Handling Equipment	**500,652**	580,945
Logistics	**190,745**	192,977
Textile Machinery	**14,037**	8,959
Others	**56,187**	74,842
Corporate or elimination of inter-segment transactions	**1,481,555**	1,115,047
Total	**¥2,589,246**	¥2,327,432
Depreciation and amortization:		
Automobile	**¥ 50,085**	¥ 58,195
Materials Handling Equipment	**45,958**	51,291
Logistics	**10,735**	10,098
Textile Machinery	**1,032**	1,264
Others	**2,306**	4,692
Corporate or elimination of inter-segment transactions	**–**	–
Total	**¥ 110,119**	¥ 125,543
Impairment losses:		
Automobile	**¥ –**	¥ 25,194
Materials Handling Equipment	**36,902**	514
Logistics	**–**	–
Textile Machinery	**–**	–
Others	**–**	10,159
Corporate or elimination of inter-segment transactions	**–**	–
Total	**¥ 36,902**	¥ 35,868
Capital expenditures:		
Automobile	**¥ 14,984**	¥ 64,268
Materials Handling Equipment	**29,908**	57,083
Logistics	**6,963**	14,543
Textile Machinery	**72**	606
Others	**1,104**	2,269
Corporate or elimination of inter-segment transactions	**–**	–
Total	**¥ 53,033**	¥ 138,770

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

Fiscal 2010

Automobile	Vehicles, diesel and gasoline engines, car air-conditioning compressors, foundry parts, electronics components
Materials Handling Equipment	Lift trucks, warehouse trucks, automated storage and retrieval systems, aerial work platforms
Logistics	Land transportation services, cash collection and delivery and cash proceeds management services, data storage, management, collection and delivery services
Textile Machinery	Weaving machinery, spinning machinery
Others	Semiconductor package substrates

Fiscal 2009

Automobile	Vehicles, diesel and gasoline engines, car air-conditioning compressors, foundry parts, electronics components
Materials Handling Equipment	Lift trucks, warehouse trucks, automated storage and retrieval systems, aerial work platforms
Logistics	Land transportation services, cash collection and delivery and cash proceeds management services, data storage, management, collection and delivery services
Textile Machinery	Weaving machinery, spinning machinery
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 ¥1,536,600 million and ¥1,182,062 million as of March 31, 2010 and 2009, 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, 2010 and 2009:

	Millions of yen	
	2010	2009
Sales:		
Japan		
Outside customer sales	**¥ 995,264**	¥1,066,635
Inter-segment transactions	**80,763**	93,389
	1,076,027	1,160,024
North America		
Outside customer sales	**137,038**	193,884
Inter-segment transactions	**967**	1,875
	138,005	195,760
Europe		
Outside customer sales	**200,556**	272,108
Inter-segment transactions	**4,243**	6,087
	204,800	278,195
Others		
Outside customer sales	**44,910**	51,624
Inter-segment transactions	**4,642**	6,139
	49,552	57,763
Subtotal	**1,468,386**	1,691,744
Elimination of inter-segment transactions	**(90,617)**	(107,491)
Total	**¥1,377,769**	¥1,584,252
Operating costs and expenses:		
Japan	**¥1,046,048**	¥1,161,639
North America	**139,480**	200,496
Europe	**211,932**	282,153
Others	**46,992**	55,675
Elimination of inter-segment transactions	**(88,687)**	(109,089)
Total	**¥1,355,767**	¥1,590,874
Operating income (loss):		
Japan	**¥ 29,979**	¥ (1,614)
North America	**(1,474)**	(4,736)
Europe	**(7,131)**	(3,957)
Others	**2,560**	2,087
Elimination of inter-segment transactions	**(1,930)**	1,598
Total	**¥ 22,002**	¥ (6,621)
Assets:		
Japan	**¥ 787,274**	¥ 821,724
North America	**127,491**	140,847
Europe	**296,827**	350,298
Others	**69,895**	61,314
Corporate or elimination of inter-segment transactions	**1,307,757**	953,247
Total	**¥2,589,246**	¥2,327,432

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 2010

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

Fiscal 2009

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 ¥1,536,600 million and ¥1,182,062 million as of March 31, 2010 and 2009, 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, 2010 and 2009:

	Millions of yen	
	2010	2009
Overseas sales:		
North America	**¥ 137,260**	¥ 192,678
Europe	**221,054**	302,812
Others	**102,630**	130,503
Total	**¥ 460,944**	¥ 625,994
Total sales	**¥1,377,769**	¥1,584,252
Ratio of overseas sales to total sales (%):		
North America	**10.0%**	12.2%
Europe	**16.0**	19.1
Others	**7.5**	8.2
Total	**33.5%**	39.5%

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 2010

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

Fiscal 2009

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

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

25. Related party transactions:

The following transactions were carried out with related parties:

(1) Sales of goods and services for the years ended March 31, 2010 and 2009 were as follows:

	Millions of yen	
	2010	2009
Toyota Motor Corporation	**¥599,217**	¥563,665

Toyota Motor Corporation held 24.61% of the Company's voting rights as of March 31, 2010. 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 arm's-length 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, 2010 and 2009 were as follows:
Purchase of goods:

	Millions of yen	
	2010	2009
Toyota Motor Corporation	**¥435,232**	¥405,120

As for the purchase of parts of automobiles and engines, etc., the Company negotiates conditions for each fiscal year, based on offered prices on such products, as per conditions on arm's-length 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, 2010 and 2009 are as follows:
Receivables from a related party:

	Millions of yen	
	2010	2009
Toyota Motor Corporation	**¥32,841**	¥22,692

Payables to a related party:

	Millions of yen	
	2010	2009
Toyota Motor Corporation	**¥47,212**	¥22,678

The balance as of March 31, 2010 and 2009 includes consumption taxes.

26. Net loss per share (EPS):

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

	Millions of yen	
	2010	2009
Net loss per share — basic:		
Net loss	**¥ (26,273)**	¥ (32,767)
Net income not attributable to common shareholders (bonuses for directors and statutory auditors that are paid through appropriation)	**–**	–
Net loss attributable to common shareholders	**(26,273)**	(32,767)
Weighted-average shares (thousand)	**311,573**	311,584
Net loss per share — basic (exact yen amounts)	**¥ (84.33)**	¥ (105.16)
Net loss per share — diluted:		
Weighted-average shares for diluted computation (thousand)	**–**	0
Net loss per share — diluted (exact yen amounts)	**¥ –**	¥ –

Amounts for net loss per share—diluted are not shown due to being negative numbers.

27. Net assets per share:

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

	Millions of yen	
	2010	2009
Net assets per share:		
Total net assets	**¥1,104,929**	¥ 977,670
Amounts deducted from total net assets		
Subscription rights to shares	**1,720**	1,224
Minority interests in consolidated subsidiaries	**46,978**	45,715
Net assets applicable to common stock at end of year	**1,056,230**	930,730
Outstanding shares of common stock at end of year used for the computation of net assets per share (thousand)	**311,570**	311,577
Net assets per share (exact yen amounts)	**¥ 3,390.02**	¥ 2,987.16

28. Cash and cash flows:

The relationship between the accounts in the consolidated balance sheets and the remaining balance of cash and cash equivalents as of March 31, 2010 and 2009 are as follows:

	Millions of yen	
	2010	2009
Cash and deposits	**¥287,965**	¥169,743
Deposits with a maturity of over three months to one year	**(30)**	(21)
Short-term investments (securities) which have an original maturity within three months	**71,391**	58,838
Cash and deposits for business engaged in collection and delivery	**(41,736)**	(40,549)
Cash and cash equivalents	**¥317,590**	¥188,011

PRICEWATERHOUSECOOPERS

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Report of Independent Auditors

To the Board of Directors of Toyota Industries Corporation

We have audited the accompanying consolidated balance sheet of Toyota Industries Corporation ("the Company") and its subsidiaries as of March 31, 2010, 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, 2010, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

PricewaterhouseCoopers Aarata

July 16, 2010

Further Detail

For further information, please visit our Investor Relations Website. (http://www.toyota-industries.com/ir/)

Investor Information (As of March 31, 2010)

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
22,143

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

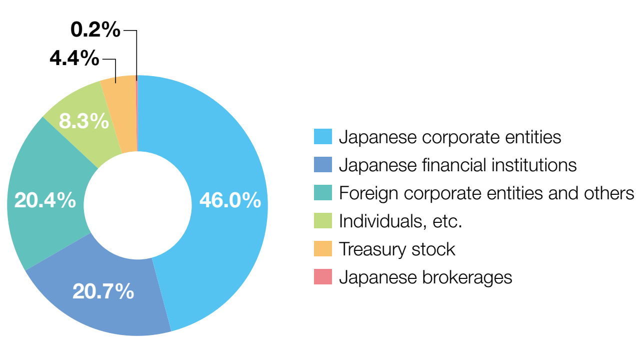
Transfer Agent
Special Account Management Institution
Mitsubishi UFJ Trust and Banking Corporation
1-4-5, Marunouchi, Chiyoda-ku, Tokyo, 100-8212, Japan

Major Shareholders (Top 10) (As of March 31, 2010)

	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	17,400	5.34
Towa Real Estate Co., Ltd.	15,697	4.82
The Master Trust Bank of Japan, Ltd. (Trust Account)	9,160	2.81
Toyota Tsusho Corporation	8,289	2.54
Japan Trustee Services Bank, Ltd. (Trust Account)	6,814	2.09
Nippon Life Insurance Company	6,735	2.07
Aisin Seiki Co., Ltd.	6,578	2.02
The National Mutual Insurance Federation of Agricultural Cooperatives	6,097	1.87
Total	183,022	56.17

Notes:
1. Toyota Industries Corporation also holds 14,269 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:
The Master Trust Bank of Japan, Ltd. (Trust Account) 9,160 (Thousands)
Japan Trustee Services Bank, Ltd. (Trust Account) 6,814

Distribution of Shares (As of March 31, 2010)



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