

1 Putting the Customer First with High Quality Products and Enhanced Sales and Service

Fulfilling Our Responsibilities as a Leading Manufacturer of Forklift Trucks



Toyota Industries Is Proactively Creating Optimized Material Handling Solutions through Actual Observation and Analysis of Customer Operations.

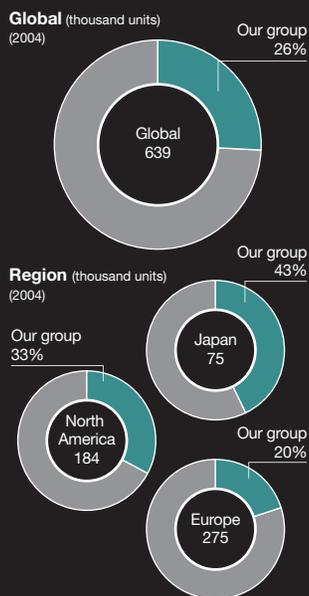
A forklift is an essential tool in a business's materials handling operations, which typically comprise loading/unloading and transportation of materials. Approximately 640 thousand new forklifts are sold around the world and 80 thousand units are delivered in Japan annually. They play an important role in the manufacturing and logistics operations of a variety of industries. Toyota Industries Group maintains the top share for forklift sales in the world. Toyota Industries' materials handling equipment business supplies optimized materials handling solutions to each customer through the provision of industrial vehicles, including forklifts, and materials handling equipment and systems, such as automated storage and retrieval systems.

We recognize our responsibility as a global leader in forklift development and manufacture. In order to fulfill this responsibility, we continually enhance our activities in the area of research and development of new products that anticipate customer needs, and ensure the continuous improvement of quality, sales and service to achieve customer satisfaction. We shall continue to take the initiative and contribute to society by ensuring we meet this responsibility. In research and development, we are developing new technologies and functions that put more emphasis on safety, environmental performance and ergonomics, as well as improving basic performance.

As forklifts play an important role in customers' manufacturing or distributing processes, our customers expect constant forklift operation, making reliability and durability two key factors. We are now developing our new product series, which ensures reliability and durability with considerations for safety, environment and ergonomics.

To meet our customers' demands for improved efficiency and quality of materials handling service, we have also developed various logistic management systems.

Forklift Market Share



Safety Features

1) The world's first SAS (System of Active Safety)

Even after 7 years since it was first released, we are still the only company providing such technology. This system reduces the risk of tipovers by bracing the four wheels. It optimally controls the movement of the mast to prevent forward rolling when tilting the mast forward, and spilling of loads when tilting the mast backward.



Rear stabilization with Swing Lock Cylinder

2) OPS (Operator Presence Sensing) System

This is a safety feature that prevents accidents caused when the operator is not in the forklift. This function has been developed in accordance with upcoming ISO regulations reform to be implemented from January 2007. It will be installed on all major models from August 2005, with installation on other models to commence shortly thereafter.

In terms of sales and after service, we have built a global network to serve our customers in their respective countries and areas. As part of the forklift sales side of our business, which is different from the auto industry where retailers invite customers to come their outlets, our sales staff and service mechanics visit our customers' factories, warehouses and other premises where our products are used to observe and analyze our customers' needs, propose optimized solutions that consider efficiency, safety and environmental performance, and carry out the appropriate maintenance and repairs accurately and carefully, thereby establishing a trusting relationship with our customers.

We propose products, specifications and support frameworks that best match our customers' operations by proposing improvements based on TPS (the Toyota Production System), implementing instruction and training for operators, recommending periodical maintenance and inspection and maintenance depending on work situations, safety training seminars and 24 hour support exclusive for material handling equipment and systems.

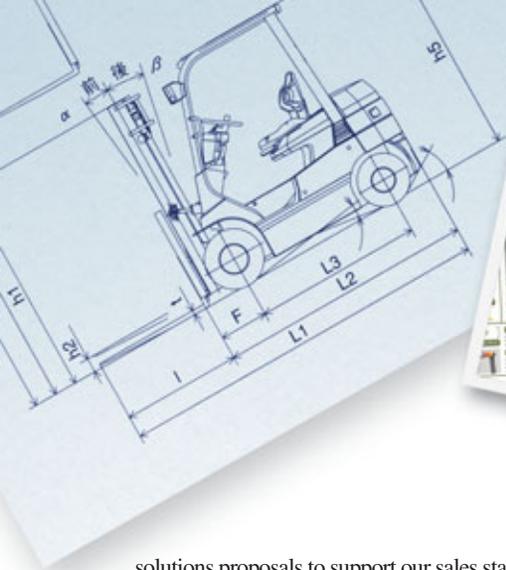
Our proposals aim to ensure a safe, efficient and well-organized work place that leads to benefits for our customers, such as cost reductions, preventing potential loss through down-time or low efficiency and securing a safe working environment.

We will make continued efforts to strengthen our sales and service organization throughout the globe. In China in particular we are preparing for rapid market expansion by building service facilities at all our sales outlets.

Our materials handling equipment business has been working together with group companies such as BT Industries on reliable business activities based on the principle of "the customer comes first".

Supporting Distributors throughout the World to Improve Overall Sales and Service Quality

Toyota Industries is committed to improving the quality of our distributors' sales and service activities. We provide materials for sales promotions and



solutions proposals to support our sales staff in preparing even better proposals for our customers. We have also introduced certification programs to facilitate accurate recognition and motivation of sales staff and service mechanics and provide well-organized training to improve their skills.

Our service activities include the introduction of the "Toyota Industrial Equipment Service Skill Qualification System" to Japan, which has been approved by Japan's Minister of Health, Labour and Welfare and sets a target level for each service mechanic to increase the level of their skills. One of our aims is to ensure mechanics that have achieved Level 1 (the top level of our qualification) are placed at every service point for Toyota forklifts.

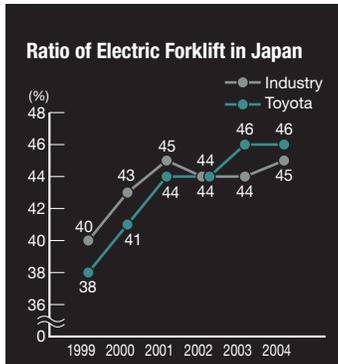
The ASEC (After Sales Service Evaluation & Certification) program was introduced to classify the service quality level of Toyota forklift's overseas distributors with our service guidelines. The ability of service mechanics is classified according to the "Step Program", and all mechanics are encouraged to pass from Step 1 to Step 2. These programs will enable us to provide even better service to our customers throughout the world.

Development of Environmentally Friendly Products to Reduce the Burden on the Work and Global Environments

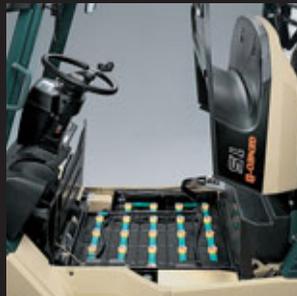
Forklifts are closely linked to customers' cost and working environment, highlighting the need for environmental consciousness.

In internal combustion forklift development, we have made efforts to improve fuel efficiency, decrease the amount of toxic matter in emissions, such as NOx, developed DPFs (diesel particulate filters) and low-emission trucks (LPG and CNG trucks) and reduced overall noise levels. Electric forklifts have also become quite popular as we have achieved the same level of performance by utilizing an AC motor system that extends running time and improves energy efficiency.

As customers become more and more aware of their working environments, more electric



Battery Compartment, 7FB



Second Toyota Industries World Convention Held under the Slogan, "United We Grow"



The Convention

The second Toyota Industries World Convention was held in April 2005 at the Kyoto International Conference Hall and other venues. Over 1,200 Toyota/BT-related people including distributors and dealers from over 60 countries gathered to pledge their support for future growth and a shared vision and goals under the slogan, "United We Grow".

trucks are being introduced for indoor use. Today, electric forklifts account for 45% of the market and 46% of our sales in Japan. However, certain issues remain for electric forklifts, including initial cost and the down time required to recharge batteries. Currently, we are also promoting the sale of low-emission trucks (LPG and CNG) and the development of environmentally conscious products. R&D activities to ensure cost reductions, better performance and shorter charging time of electric trucks are examples of our activities in this area.

We are also promoting recycling and disposal activities together with dealerships. The recycling rate for forklifts is high, as they are made mainly of steel and iron. However, proper treatment by professional companies is necessary when disposing of oil used in hydraulic systems for loading/unloading, and the lead batteries used in battery trucks.

We ensure that dealerships carry out the necessary disposals properly when performing maintenance, parts replacement and trade-ins. As the number of electric forklifts in operation continues to increase, our industry must deal with the issue of proper disposal of used batteries.

Aim to Maximize Group Strengths through a Shared Vision and Targets

The second Toyota Industries World Convention was held in April 2005 with the aim of sharing our common vision and targets with our dealers, distributors and group companies. Our materials handling equipment business has been operated by TOYOTA Material Handling Company and BT Industries Group. The convention gave us the opportunity to announce the establishment of the Toyota Material Handling Group to facilitate the further integration of operations and maximize our groups' strengths.