

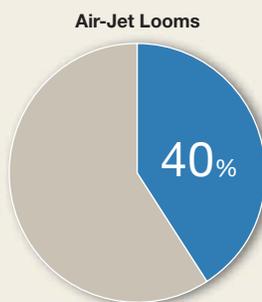
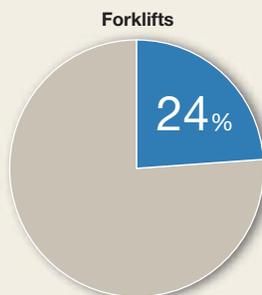
Businesses and Responsibilities of the Toyota Industries Group

Fulfilling Responsibilities with High Quality Products

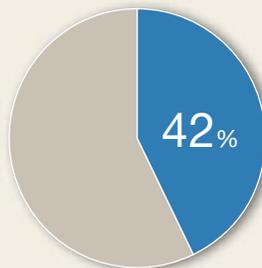
The Toyota Industries Group is characterized by the variety of business operations it carries out in diverse markets and the large number of products that hold high shares in their respective markets.

This chapter introduces the group's seven major business divisions and presents the "high quality products" that these divisions offer, as well as explaining what types of responsibilities each division is striving to fulfill.

Top-Selling Products Throughout the World (Share of Global Market)



Car Air-Conditioning Compressors



NB: Figures for forklifts and air-jet looms are for 2005 (Jan-Dec). Figure for compressors is for FY 2006 (Apr 2005 – Mar 2006). All figures are internal estimates.

Materials Handling Equipment Business

⇒ P16



Textile Machinery Business

⇒ P18



Car Air-Conditioning Compressor Business

⇒ P19



Vehicle Business

⇒ P20



Engine Business

⇒ P21



Electronics Business

[Car Electronics Business, New Electronics Business]

⇒ P22



AL Business

(Advanced Logistics Business)

⇒ P23



Toyota Industries' materials handling equipment business develops, manufactures, and sells industrial vehicles such as forklifts, tow tractors, and shovel loaders. We are also dedicated to providing customers with optimal materials handling systems for conveying, storing and sorting, using automated storage and retrieval systems and automatic guided vehicle systems. We provide a broad range of forklifts, ranging in capacity from 0.5 tons to heavy-duty models with a capacity of over 40-tons, including both internal combustion trucks (gasoline, diesel, LPG, and CNG) and electric trucks. Toyota Industries maintains a top share of the forklift market, capturing 43% of the

Japanese market and 24% of the global market (internal estimate) in 2005.

In 2000, we acquired BT Industries AB of Sweden, the world's leading supplier of warehouse trucks as a wholly-owned subsidiary.

In 2001, we took over the industrial equipment sales and marketing operations of Toyota Motor Corporation and established TOYOTA Material Handling Company, an internal company that integrates manufacturing and marketing operations. In order to maximize our group strengths, we have since established the Toyota Material Handling Group, which combines the operations of TOYOTA Material Handling Company and BT Industries.

Since the founding of the Toyota Group, the textile machinery business has been engaged in a continuous unbroken line of operations, offering spinning machinery (which spins bundles of fibers into yarn) and weaving machinery (which weaves yarns into fabric) to customers throughout the world. Textile machinery has evolved over the years to embody a wide range of highly

advanced technologies, such as control, communications and mechatronics technology.

Our mainstay air-jet loom boasts the number one share of the global market and we believe that we are held in high regard throughout the world as the leading company in the spinning machinery industry.

Toyota Industries has long offered world-leading products as a car air-conditioning compressor manufacturer. We believe that variable-displacement compressors (which automatically control cooling capabilities) and fixed-displacement compressors (which are highly reliable in harsh environments, lightweight and feature upgraded functions) are

giving us a dominant share in the global market.

Recently, Toyota Industries developed an electrically driven compressor and a two-way compressor with a built-in motor for hybrid vehicles. Toyota Industries is also currently working to develop next-generation compressors, such as a CFC-free CO₂ refrigerant compressor.

Toyota Industries' vehicle business manufactures automobiles under consignment from Toyota Motor Corporation. With built-upon and proven experience in manufacturing mainly compact and midsize automobiles, Toyota Industries' vehicle business is currently manufacturing two models: the Vitz (Yaris in Europe), which was re-launched in Japan in February 2005 after undergoing a full model change, and the RAV4 for Europe and

the United States.

Through our untiring pursuit of improvements and reforms to our production operations using the Toyota Production System (TPS), Toyota Industries' vehicle business has won high acclaim within the Toyota Group for its top-class quality and quick production launch.

Toyota Industries' engine business manufactures diesel and gasoline engines ranging in capacity from 1,500 cc to 5,200 cc. Our automobile engines are manufactured under consignment from Toyota Motor Corporation (TMC) and installed on designated Toyota vehicles. Our industrial engines are installed on Toyota Industries' own industrial equipment, such as forklifts and gas engine-driven heat pumps.

Our diesel engines in particular, which were developed in collaboration with TMC, are lightweight and offer high power in addition to lower noise and vibration. We are proactively promoting the development of technologies that will reduce the impact of our engines on the environment, such as through cleaner exhaust emissions.

Toyota Industries' electronics business produces power electronics components for automobiles, liquid crystal displays and semiconductor package substrates. For components for automobiles, we are continuing to strengthen our efforts in the development and production of electronics components and equipment used in automobiles, such as compact, highly efficient and lower cost DC-DC converters, and DC-AC inverters for use in

vehicles, thereby enabling home appliances to be used inside the vehicle.

In 1997, we established ST Liquid Crystal Display Corp. (STLDC) as a joint venture with Sony Corporation to manufacture liquid crystal display panels, while in 1998, TIBC was established as a joint venture with Ibiden Co., Ltd. to produce semiconductor package substrates.

In 2002, Toyota Industries launched its Advanced Logistics business, which develops logistics systems for our customers and provides comprehensive management and operation services for our customers' logistics centers. We are currently working on the rationalization of logistics operations for various industries by making use of the experiences that we have acquired in our development, manufacturing and sales of materials

handling equipment. As a member of the Toyota Group, we are also drawing upon *kaizen* (continuous improvement) know-how acquired from our experience at production sites.

Toyota Industries aims to reform logistics operations in Japan by proposing comprehensive solutions for planning, building and operating logistic centers, while optimizing processes throughout the entire supply chain.