



Materials Handling Equipment Business

Putting the Customer First, with the Themes of “Safety”, “Environment” and “Ease of Operation”



Mini-Mover
(Electric Pallet Truck)



New Geneo (1-3.5 ton Internal Combustion Engine Forklift)

Environmental Responsibilities

Forklifts

- To help curb global warming by reducing the level of energy consumed during operation
- To prevent atmospheric pollution by reducing emission of exhaust gases
- To dispose of hydraulic oils and spent batteries properly
- To develop and supply products that comply with the safety and environmental standards of each region in which our products are sold

Automated Storage and Retrieval Systems and Automatic Guided Vehicle Systems

- To help curb global warming by reducing the level of electricity consumed during operation
- To reduce noise during operation
- To dispose of hydraulic oils and spent batteries properly

Social Responsibilities

Forklifts, Automated Storage and Retrieval Systems and Automatic Guided Vehicle Systems

- To maintain and improve the reliability and durability of our products
- To prevent adverse impacts on the health of users by minimizing emissions of exhaust gases, noise and other factors
- To provide after-sales service to enable customers to continue to use our products safely and efficiently
- To enhance compliance with local social codes of conduct

Fulfilling Our Responsibility as the Global Leader in Forklifts

Toyota Industries recognizes our responsibility as a global leader in forklifts. 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 expect to continue to take the initiative and contribute to society by attempting to ensure that we meet this responsibility.

In fiscal year 2006, the Toyota Material Handling Group (TMHG) began operations by combining the operations of Toyota Material Handling Company and our overseas subsidiary, BT Industries. This framework enables these two companies to increase their mutual understanding through joint development of new products and production preparation. Based on the principle of “the customer comes first”, TMHG will pursue business activities that will continue to gain the confidence of our customers. (See our Special Feature on pages 6-9.)

Pursuing Customer Benefits Through Actual Observation and Analysis of Customer Operations

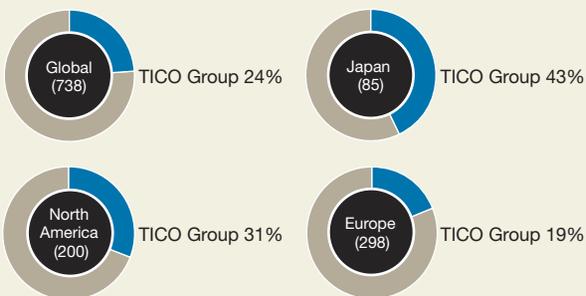
Forklifts play an important role in our customers’ manufacturing and distributing processes, so our customers expect their forklifts to work continuously without breaking down. We believe that this makes reliability and durability the two key factors that our customers expect from our forklifts. We gave reliability and durability top priority in the development of the new Geneo, launched in Japan in September 2006, with an emphasis placed on safety, the environment and ease of operation. (See topics on page 17.)

We have built a global network for sales and after-sales service to better serve our customers. The forklift industry differs from the auto industry, where customers go to dealers’ showrooms to choose a vehicle. Our sales staff and service mechanics actually visit our customers’ factories, warehouses and other premises where our products are used to observe and analyze our customers’ needs, operating conditions and environment. They then propose optimized solutions, taking into account efficiency, safety, environmental performance and other factors. Other support services that we offer our customers include regular servicing, recommendations for servicing and repairs appropriate to the operating situation, and safety training seminars.

To meet our customers’ demands for improved efficiency and quality of materials handling services, we have also developed a wide range of materials handling equipment and logistics management systems, as well as proposing improvements based on the principles of the Toyota Production System (TPS). By helping our customers to ensure a safe, efficient and well-organized workplace, we hope to help them reap the benefits of using our products, such as simultaneous cost reductions and efficiency improvements, the prevention of potential

Toyota Industries’ Share of Global Forklift Market

January-December 2005 (thousand units)



losses from down-time or low efficiency, not to mention a safe working environment.

Supporting Our Distributors and Dealers Worldwide

As part of our commitment to providing better sales and after-sales service based on accuracy, kindness and reliability, Toyota Industries provides comprehensive support for its distributors and dealers throughout the world. We provide materials for sales promotions and solutions proposals to help sales staff to provide even better proposals for our customers. Other ways in which we help our distributors to improve the quality of their sales and after-sales service include the introduction of a certification program to facilitate proper recognition of skills and to motivate sales staff and service mechanics, and the provision of well-organized training to upgrade their skills.

Considering the Work and Global Environments

Forklifts are closely linked to customers' costs and their working environment, highlighting the need for environmental consciousness. In internal combustion engine forklift development, we have made efforts to improve fuel efficiency, decrease the amount of toxic matter, such as NOx, found in emissions, developed DPFs (diesel particulate filters) and low-emission trucks (LPG and CNG) 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 trucks are being introduced for indoor use. Certain challenges remain in this area, however, such as initial costs and the down-time required for recharging batteries. 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 recharging time of electric

trucks are examples of our efforts. In fiscal year 2006, at CemAT 2005, the world's largest international logistics trade fair in Hannover, Germany, Toyota Industries exhibited the Toyota FCHV-F fuel-cell forklift (prototype). This embodiment of the technological know-how of the Toyota Group became the focus of a great deal of attention among visitors to the trade fair. (See related article on Page 11.)

Hybrid technology is another greatly anticipated technology for achieving major improvements in the fuel efficiency of internal combustion engine forklifts. Drawing on the understanding of hybrid technology and parts available within the Toyota Group, Toyota Industries has developed a highly efficient hybrid system for forklifts that is reliable, durable and inexpensive. A concept model of this hybrid forklift was revealed at Logis-Tech Tokyo 2006 in September. We believe that the hybrid forklift performs the same performance as conventional internal combustion forklifts but with major improvements in fuel efficiency, providing excellent performance in terms of both environment and economy. Technological development for the commercialisation of the hybrid forklift is continuing.

We are also promoting recycling and responsible disposal activities together with our dealers. Forklifts have a high recycling rate because they are made mainly of steel and iron. However, proper treatment by specialist companies is necessary when disposing of oil used in the hydraulic systems for loading and unloading, and the lead batteries used in electric trucks. We ensure that dealers 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 spent batteries.



Hybrid Forklift (Concept Model)

Topics

New Geneo—A Safer and More Environmentally Friendly Forklift for the Japanese Market

Internal combustion engine forklifts in the 1-ton to 3-ton class account for approximately 50% of the Japanese forklift market. The new Geneo, launched in 2006, is a forklift with a higher level of performance and functionality that was developed in response to the need for better operator safety, ease of operation and less environmental impact. A major element of the new Geneo project was the development of the speed controller function (option). An evolution of Toyota Industries' SAS (System of Active Safety), which we believe contributes to improved safety and efficiency of operation, this new function controls the speed of the forklift according to the condition of the load. We believe that the operator's forward and upward visibility has also been greatly increased in the new model.

Environmental improvements achieved with the new Geneo include the industry-first inclusion as standard of an electronically-controlled gasoline engine and a three-way catalytic muffler, thus achieving cleaner emissions and a greater level of engine output. The adoption of the electronically-controlled throttle (ECS), means that the fuel supply can be cut when the accelerator is released, resulting in a 15% improvement in fuel

efficiency over previous models. Improvements to paint and various other components were also made to achieve a significant reduction in the use of the substances of concern, hexavalent chromium and lead.

