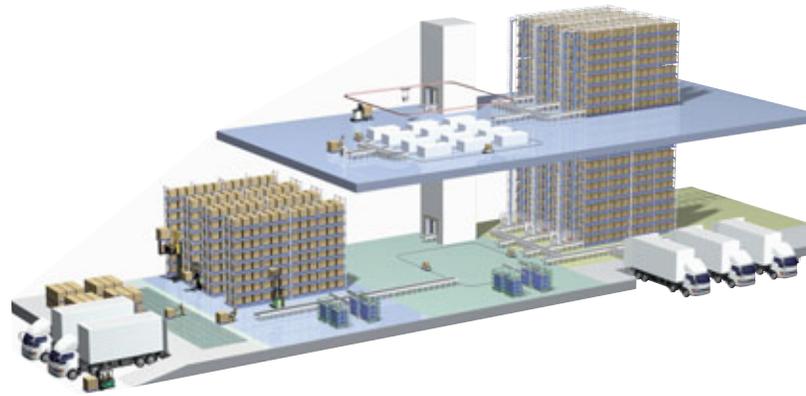


# 7 Improve Logistics in Japan

*We Aim to Optimize Logistics Using Continuous Improvement (kaizen) Know-How from the Toyota Production System*



### Responding to Expectations of Customers that Are Striving to Reduce Their Logistics Costs and Commercializing Improvement of Logistics Operations

The common demand from many companies in the food distribution industry when we visited them in order to expand our forklift sales in 2001 was “What we need is not just forklifts but Toyota’s continuous improvement (kaizen) know-how fostered through experiences at production sites”. These customers’ needs resulted in Toyota Industries launching its 3PL business the following year.

Toyota Industries’ 3PL business, which aims to reduce total logistics costs, does not merely engage in establishing and operating logistics centers for customers. Our 3PL business assists customers, particularly retailers with in-store distribution issues, such as at shelves or backyard centers, by introducing TPS to promote reform in a comprehensive way that is not limited to a logistics center.

What our 3PL business aims for is “optimization of the whole logistics process from the stand point of shoppers.” That is, the logistics of “market-in” where “we provide the products that are needed in the amount needed, when they are needed” in accordance with the needs of the market. In the future, we will proactively provide solutions including co-sharing logistics

### In-Store Logistics Consulting



operations with other industries and improving the production sites of manufacturers. We will carry out these activities in order to pursue an “optimum logistics solution”, or, provide an entire solution for processes, from production sites to the checkout counter of retail stores.

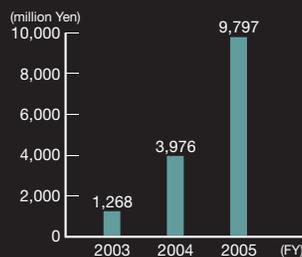
In the two years since launching this business, our customer base has expanded to include many industries, such as the food, daily goods, pharmaceutical products and the home improvement industries.

### Provide thorough instruction in Compliance that Is the Premise for the Creation of Added Value

In the past, logistics and logistics departments used to be regarded as “cost centers that just cost money”. In order to change these industry views on logistics, improvements to change logistics to profit centers with high value and thorough implementation of compliance that is the premise for improvements are necessary. In the future, Toyota Industries will continue to promote optimal logistics solutions that contribute to promoting an even greater awareness of compliance in the industry.

Based on such ideas, we established the Compliance Group within the Advanced Logistics Division in March 2005. We organize regulations according to the industry and operational theme, and prepare and use these lists of regulations for self-checking of compliance status. We take the initiative in compliance efforts and require other logistics companies with which we cooperate to do the same. The social responsibility of the 3PL business of Toyota Industries is to transform logistics into a high value-added business and improve its social status.

### Sales of AL Business



Work management board



Line markings to easily indicate dolly locations

