Subsidiary Spotlight

Taikoh Transportation Co., Ltd.

Activities to Improve Logistics Efficiency

Taikoh Transportation Co., Ltd. is engaged in various efforts to prevent global warming by improving the efficiency of its logistics operations. The company has set a medium range goal of achieving a 6% improvement in the fuel economy of its transport fleet by FY 2006, compared with FY 2001 levels. As of FY 2002, Taikoh Transportation had already achieved a 3% improvement in the fuel economy of its fleet, which surpassed its 2% target for FY 2002.

As part of its efforts to improve the fuel economy of its fleet, the company has adopted "Digital Tachograph" driving assistance systems for its vehicles. The software-based system warns drivers when fuel is not being used optimally. Due to their effectiveness, the company has increased its rate of adoption for these systems, which are now installed in 61% of the company's fleet or 380 vehicles. Taikoh Transportation is also experimenting with other changes designed to improve its load efficiency and route efficiency.

"Digital Tachograph" Driving Assistance System

Reducing Packaging

Toyota Industries is taking a variety of steps to reduce packaging throughout the company, including the development of reusable packaging methods.

● Medium Range Goals and Major Objectives

Toyota Industries is reducing its packaging consumption used in the transport of products and parts destined for Japan and overseas. The company's Third Environmental Action Plan sets a goal of achieving a 20% reduction in packaging consumption by FY 2005, compared with FY 1995 levels. Toyota Industries is achieving this goal by constantly making small improvements using the Toyota Production System, which was originally formulated by Toyota Motor Corporation.

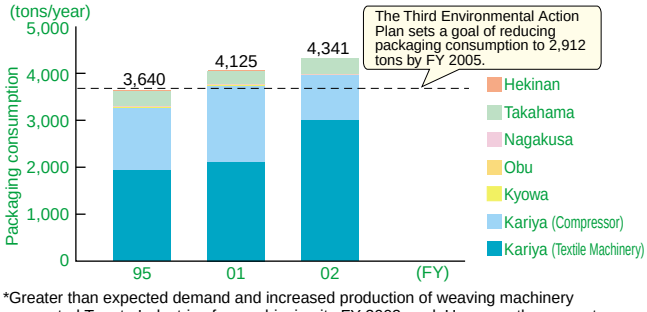
● FY 2002 Measures

Description	Measure	Plant
Change packaging method	• Switch from wood crates to reinforced cardboard boxes • Reduce packaging material consumption by modifying loading method for parts	Kariya Plant (Textile Machinery Division)
	• Switch to returnable packaging container	Takahama Plant Case Study (Toyota Material Handling Company)
Improve packaging method	• Reduce materials used in pallets	Kariya Plant (Textile Machinery Division)
	• Switch from cushioning materials to materials made from wood thinnings	Takahama Plant (Toyota Material Handling Company)

● FY 2002 Achievements

In FY 2002, Toyota Industries set a goal of achieving a 10% reduction in packaging consumption compared with the previous fiscal year. The company was unable to meet this objective due to extrinsic factors such as increased production of textile machinery. However, the company reduced its packaging consumption by 49% compared with FY 2001 levels, when measured on a production unit basis.

Packaging Consumption



*Greater than expected demand and increased production of weaving machinery prevented Toyota Industries from achieving its FY 2002 goal. However, the amount of packaging consumed per weaving machine produced decreased from 0.63 tons in FY 2001 to 0.31 tons per machine in FY 2002, a decrease of over 50%.
*Excludes data from the Higashichita Plant and Higashiura Plant, which started operations in FY 2001 and FY 2002, respectively.

Case Study Adoption of Returnable Packaging Containers

Annual packaging consumption reduction: 18 tons

As part of its operations, Toyota Industries' Takahama Plant distributes forklift truck parts to dealers in Japan and overseas. Previously, the Takahama Plant had been using cardboard packaging for its forklift truck parts used in Japan, which required excess packing in the form of cushioning materials to protect parts from external forces and wrapping to prevent stacks of boxes from tipping over.

In order to reduce its use of packaging materials, the Takahama Plant began to use returnable packaging containers to transport its forklift truck parts. Consequently, the Takahama Plant reduced its annual purchases of packaging, cushioning materials and wrapping products by 18 tons. The plant is gradually expanding use of its returnable packaging container, which is currently being used by 14 dealers and in 138 locations, primarily in the Chubu region of Japan.

Conventional Cardboard Boxes

New Returnable Packaging Containers

New Collapsible Returnable Packaging Containers

Future Activities

In FY 2003, Toyota Industries will continue its efforts to reduce its use of packaging. Measures will include switching from wood to cardboard packaging, expanding its program of using returnable packaging containers in Japan and continued efforts to reuse cardboard packaging.