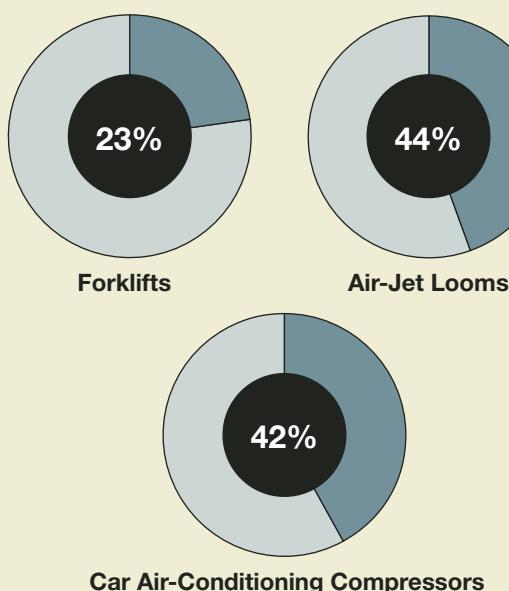


# Fulfilling Responsibilities with High Quality Products

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 market 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.

► Graph 1 Top-Selling Products Throughout the World (Share of Global Market)



Note: Figures for forklifts and air-jet looms are for 2006 (Jan-Dec). The figure for compressors is for FY 2007 (Apr 2006 – Mar 2007). All figures are internal estimates.

## Materials Handling Equipment Business



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 23% of the global

market (internal estimate) in 2006.

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 in-house 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.

## Textile Machinery Business



Since the founding of Toyota Industries, 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.

## Car Air-Conditioning Compressor Business



Toyota Industries has long offered world-leading products as a car-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 for hybrid vehicles. Toyota Industries is also currently working to develop next-generation compressors, such as a CFC-free CO<sub>2</sub> refrigerant compressor.

## Vehicle Business



Toyota Industries' vehicle business manufactures automobiles under consignment from Toyota Motor Corporation. With our accumulated and proven experience in manufacturing mainly compact and midsize automobiles, Toyota Industries' vehicle business is currently manufacturing two models: the Vitz (Yaris overseas) 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.

## Engine Business



Toyota Industries' engine business manufactures diesel and gasoline engines ranging in capacity from 1,500cc to 5,200cc. Our automobile engines are manufactured under consignment from Toyota Motor Corporation (TMC) and installed on designated Toyota vehicles. Our industrial engines are installed on forklifts of Toyota Industries 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.

## Electronics Business



Toyota Industries' electronics business produces power electronics components for automobiles, liquid crystal displays, and semiconductor package substrates. We are continuing to strengthen our efforts in the development and production of electronic 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, that will

enable 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 Corporation was established as a joint venture with Ibiden Co., Ltd. to produce semiconductor package substrates.

## AL Business (Advanced Logistics Business)



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 and systems. 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.