

# Toyota Precepts / Basic Philosophy

By engaging in value creation based on the Toyota Precepts and basic philosophy, we aim to contribute to making the earth a better place to live, enrich lifestyles and promote a compassionate society.



## Toyota Precepts (Corporate Creed)

Always be faithful to your duties, thereby contributing to the Company and to the overall good.

Always be studious and creative, striving to stay ahead of the times.

Always be practical and avoid frivolousness.

Always strive to build a homelike atmosphere at work that is warm and friendly.

Always have respect for spiritual matters, and remember to be grateful at all times.



We encapsulated the spirit of founder Sakichi Toyoda in the Toyota Precepts, which serve as Toyota Industries' corporate creed and upon which our Basic Philosophy is based.

## Basic Philosophy

### [Respect for the Law]

Toyota Industries is determined to comply with the letter and spirit of the law, in Japan and overseas, and to be fair and transparent in all its dealings.

### [Respect for Others]

Toyota Industries is respectful of the people, culture, and traditions of each region and country in which it operates. It also works to promote economic growth and prosperity in those regions and countries.

### [Respect for the Natural Environment]

Through its corporate activities, Toyota Industries works to contribute to regional living conditions and social prosperity and also strives to offer products and services that are clean, safe, and of high quality.

### [Respect for Customers]

Toyota Industries conducts intensive product research and forward-looking development activities to create new value for its customers.

### [Respect for Employees]

Toyota Industries nurtures the inventiveness and other abilities of its employees. It seeks to create a climate of cooperation, so that employees and the Company can realize their full potential.

# Message from the Chairman and President

Firstly, we would like to extend our sincere appreciation for your continued support of Toyota Industries Corporation and the Toyota Industries Group.

In fiscal 2022 (ended March 31, 2022), economic activities resumed thanks to the progress on COVID-19 vaccinations worldwide, which in turn prompted the global economy to recover, while the spread of COVID-19 infections shows no signs of subsiding. The momentum of the recovery is waning, however, due to semiconductor shortages, shipping delays caused by container shortages and the adverse effects of the conflict between Russia and Ukraine that began near the end of fiscal 2022. Meanwhile, the Japanese economy was also on a recovery trend, albeit belatedly, but its pace is likewise slowing down.

In this operating environment, Toyota Industries undertook efforts to ensure customer trust through placing a priority on quality. We also strived to expand sales by responding flexibly to market trends. As a result, we posted increases in both net sales and profits.

Toyota Industries determined the year-end cash dividend to be ¥90.0, an increase of ¥10.0. Including the interim cash dividend, we paid annual cash dividends per share of ¥170.0, an increase of ¥20.0. The same as last fiscal year, we decided to pay the year-end cash dividend early based on a resolution by the Board of Directors instead of basing our decision on the resolution of the General Shareholders' Meetings as we usually do.

Turning to the surrounding business environment, uncertainties abound with regard to the outlook of the global economy. In addition, in the political, economic and technological areas, changes are occurring at a growing pace such as accelerating global efforts to realize a carbon neutral society and advancements in digitalization. In this climate, we aim for further growth by promoting innovative technology and product development by proactively embracing digital technologies and open innovation.

To lay the groundwork for further growth, we will pay more vigilant attention to risks, while at the same time aim to further enhance corporate value by adhering to such basics as safety, health, quality and compliance as well as by strengthening the management platform and building a flexible and robust organization. To support such business development, we will continue our efforts to create an organization and workplace environment that enable diverse human resources to fully demonstrate their individual abilities.

In closing, we would like to sincerely ask for your continued understanding and support.

July 2022

Tetsuro Toyoda  
Chairman

Akira Onishi  
President



Tetsuro Toyoda  
Chairman



Akira Onishi  
President

# Business Overview

Using our resources and strengths as the foundation, we strive for growth in the Materials Handling Equipment, Automobile and Textile Machinery businesses. At the same time, we aim to enhance our competitiveness by leveraging synergies among these businesses.



## Materials Handling Equipment

### Lift Truck

Toyota Industries plans, develops, produces, sells and provides after-sales services for industrial vehicles centered around lift trucks, which capture the top global market share\*. Together with sales financing and proposals for logistics efficiencies, we strive to meet a variety of customer needs.



Electric lift truck

### Logistics Solutions

Toyota Industries works closely with subsidiaries Bastian Solutions LLC and Vanderlande Industries Holding B.V. by leveraging each company's strengths to contribute to resolving customers' logistics issues through a combination of various logistics equipment and systems.



High-speed storage and picking system



Airport baggage handling system

## Automobile

### Vehicle

With its strengths as a leader in safety, environment, quality, cost and delivery among Toyota Group companies, the Vehicle Business plans, develops and produces the RAV4 for markets in and outside Japan.



RAV4 PHV

### Engine

In addition to automotive diesel engines produced under a structure ranging from planning and development to production, we also produce gasoline engines and industrial engines.



Diesel engine



Gasoline engine for hybrid vehicles

### Car Air-Conditioning Compressor

Toyota Industries' car air-conditioning compressors are highly acclaimed in terms of their reliability at high operating speeds and quiet operation in addition to such excellent environmental performance features as compactness, light weight and fuel efficiency. The Car Air-Conditioning Compressor Business captures the world-leading market share in unit sales\*.



Electric compressor



Oxygen-supplying air compressor for fuel cell vehicles

### Electronics and Others

Toyota Industries plans, develops and produces a wide variety of electronics products for electrified vehicles such as hybrid electric vehicles, as well as on-board batteries.



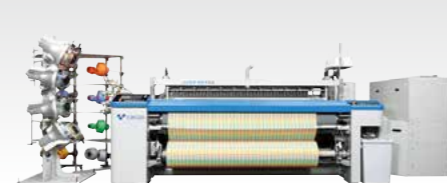
DC-DC converter



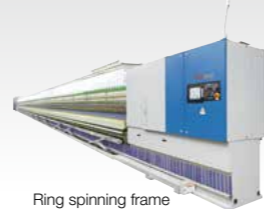
Bipolar nickel-metal hydride battery

## Textile Machinery

We undertake fully integrated operations from planning, development and production to sales and after-sales services for spinning machines that spin twisted fiber bundles into yarn and weaving machines that weave spun yarn into fabrics.

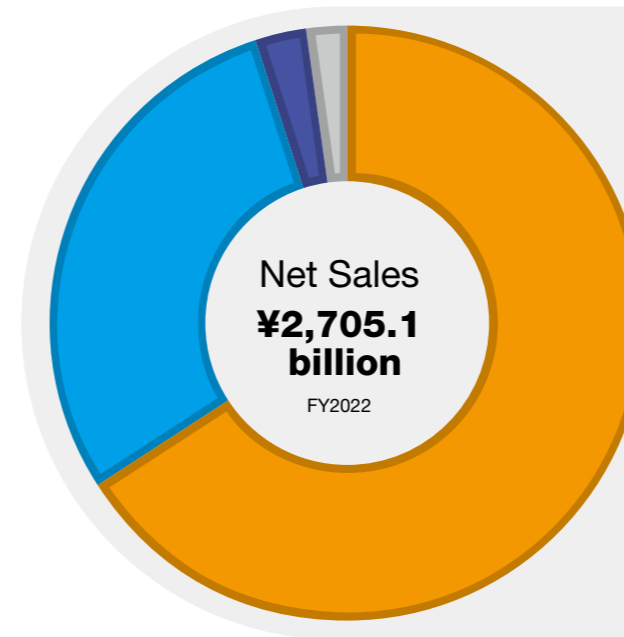


Air-jet loom

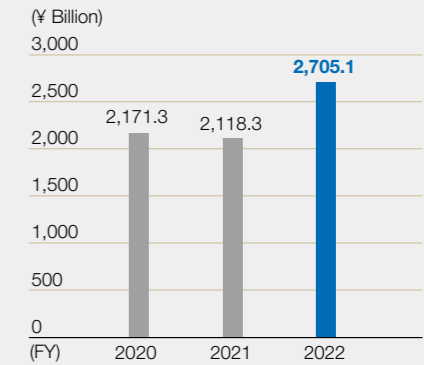


Ring spinning frame

\* Survey by Toyota Industries Corporation



### Net Sales



- 66% Materials Handling Equipment ¥1,789.4 billion
- 29% Automobile ¥792.8 billion
- 3% Textile Machinery ¥69.2 billion

### Materials Handling Equipment

Amid a surging global lift truck market, Toyota Industries' unit sales increased from the previous fiscal year mainly in Europe. Likewise, sales of the Logistics Solutions Business increased in step with an expansion of the e-commerce market. As a result, net sales rose ¥358.0 billion, or 25%, from the previous fiscal year to ¥1,789.4 billion.

#### Net Sales (¥ Billion)

(FY)	Net Sales (¥ Billion)
20	~1,400
21	~1,400
22	1,789.4

#### Operating Profit (¥ Billion)

(FY)	Operating Profit (¥ Billion)
20	~100
21	~100
22	~110

### Automobile

The automobile market as a whole was on a recovery trend buoyed by growth in Asia. Amid this climate, although sales of the RAV4 decreased from the previous fiscal year, sales of engines and car air-conditioning compressors increased. As a result, net sales totaled ¥792.8 billion, up ¥201.2 billion, or 34.0%.

#### Net Sales (¥ Billion)

(FY)	Net Sales (¥ Billion)
20	~600
21	~600
22	792.8

#### Operating Profit (¥ Billion)

(FY)	Operating Profit (¥ Billion)
20	~15
21	~15
22	~30

### Textile Machinery

The textile machinery market was solid in Asia, including China, our primary market. Amid this climate, sales increased for air-jet looms and quality measurement instruments for fiber, yarn and fabrics. As a result, net sales surged ¥28.4 billion, or 69%, to ¥69.2 billion.

#### Net Sales (¥ Billion)






(FY)	Net Sales (¥ Billion)
20	~60
21	~40
22	69.2

#### Operating Profit (Loss) (¥ Billion)

(FY)	Operating Profit (Loss) (¥ Billion)
20	~2
21	~1
22	~6



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

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<b>Editorial policy</b>	In aiming to realize a deeper understanding of the Toyota Industries Group among a broad spectrum of stakeholders, the Annual Report and Social and Environmental Report have been combined into the Toyota Industries Report from the fiscal year ended March 31, 2008. In addition to the Toyota Industries Group's management policies, the report provides easy-to-understand information regarding its business, environmental initiatives, social activities and corporate governance over the past year as well as its future direction.
<b>Period covered by the report</b>	This report focuses on activities carried out in fiscal 2022 (April 1, 2021 to March 31, 2022), but also includes some information outside this period.
<b>Organizations covered in the report</b>	Toyota Industries Corporation and its consolidated subsidiaries
<b>Reference guidelines</b>	<ul style="list-style-type: none"> <li>• Global Reporting Initiative (GRI) Standard</li> <li>• ISO 26000</li> <li>• Japan's Ministry of the Environment Environmental Accounting Guidelines (2005 Version)</li> <li>• Japan's Ministry of the Environment Environmental Reporting Guidelines (2018 Version)</li> <li>• International Integrated Reporting Framework by International Integrated Reporting Council (IIRC) (2021 Version)</li> </ul>

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**Cautionary Statement with Respect to Forward-Looking Statements**

This report contains projections and other forward-looking statements that involve risks and uncertainties. The use of the words "expect," "anticipate," "estimate," "forecast," "plan" and similar expressions is intended to identify such forward-looking statements. Projections and forward-looking statements are based on the current expectations and estimates of the Toyota Industries Group regarding its plans, outlook, strategies and results for the future. All such projections and forward-looking statements are based on management's assumptions and beliefs derived from the information available at the time of producing this report and are not guarantees of future performance. Toyota Industries undertakes no obligation to publicly update or revise any forward-looking statements in this report, whether as a result of new information, future events or otherwise. Therefore, it is advised that you should not rely solely upon these projections and forward-looking statements in making your investment decisions. You should also be aware that certain risks and uncertainties could cause the actual results of Toyota Industries to differ materially from any projections or forward-looking statements discussed in this report. These risks and uncertainties include, but are not limited to, the following: (1) reliance on certain customers, (2) product development capabilities, (3) intellectual property rights, (4) product defects, (5) price competition, (6) reliance on suppliers of raw materials and components, (7) environmental regulations, (8) success or failure of strategic alliances with other companies, (9) exchange rate fluctuations, (10) share price fluctuations, (11) effects of disasters, power blackouts and other incidents, (12) latent risks associated with international activities and (13) retirement benefit liabilities.

The fiscal year ended March 31, 2022 is referred to as fiscal 2022 and other fiscal years are referred to in a corresponding manner.