

Toyoda Precepts / Basic Philosophy

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

Toyoda 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 Toyoda 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.



Type G automatic loom

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.

Regarding the legal violations in engine certification in Japan that we announced in March 2023, we received a corrective order from the Ministry of Land, Infrastructure, Transport and Tourism on February 22, 2024. Subsequently, on March 22, 2024, we announced the fundamental measures to prevent recurrence based on the recommendations of the Special Investigation Committee. We would like to take this opportunity to express our deepest and sincerest apologies for causing great inconvenience to our customers, business partners, shareholders and many other stakeholders.

In response to this certification issue, we have formulated recurrence prevention measures that contain the three reforms in terms of “culture,” “mechanism” and “organization/system” to do the right thing in the correct way. All of us at Toyota Industries are committed to making a concerted effort to prevent recurrence, and we humbly ask for your continued support.

Turning to the economic conditions in fiscal 2024 (ended March 31, 2024), although inflation slowed as a result of monetary tightening policies mainly in Europe and the United States, the outlook for the global economy remained uncertain due to recession concerns caused by higher policy interest rates and growing geopolitical risks in each region. Meanwhile, the recovery of the Japanese economy was moderate as a whole. The strong corporate performance benefiting from the weak yen and product price hikes has not translated into extensive wage increases and subsequent robust consumer spending. In this operating environment, the Toyota Industries Group increased both sales and profits compared to the previous fiscal year. We achieved this favorable performance by implementing initiatives to please customers in each market and field based on our commitment to delivering quality products and services to customers and contributing to various industries.

Toyota Industries determined the year-end cash dividend to be ¥140.0, an increase of ¥40.0. Including the interim cash dividend, we paid annual cash dividends per share of ¥240.0, an increase of ¥50.0 over the previous fiscal year. On a related note, Toyota Industries strives to take a flexible approach to shareholder returns, including purchasing treasury stock, while taking into consideration trends in share prices and the capital structure. We have decided to buy back treasury stock over the period of one year, starting from May 13, 2024, for a maximum of 10 million shares at a maximum total amount of ¥180 billion.

Looking at the surrounding business environment, the demands to realize a sustainable society have progressively diversified, and there have been ongoing innovations in digitalization and networking technologies. Amid this environment, competition has become increasingly fierce due mainly to technological advancements in electrification, autonomous driving and other domains relating to our products, new entrants from different industries utilizing IT technologies and changes in industry structure encompassing our customers. Toyota Industries is committed to rebuilding a stronger management platform, including thorough compliance and safety. While doing so, we will work to further reinforce the Logistics Solutions Business by leveraging our comprehensive strengths that take advantage of our manufacturing capabilities in the mobility-related field and by developing next-generation products. Through these efforts, we aim to achieve sustainable growth and increase corporate value.

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



Shigeki Terashi
Shigeki Terashi
Chairman

Koichi Ito
Koichi Ito
President

History of Toyota Industries Group

Toyota Industries was established to manufacture and sell the Type G automatic loom invented by founder Sakichi Toyoda as well as to engage in invention and research. Carrying on Sakichi's spirit of contributing to the development of society by manufacturing useful products, we will keep on flexibly responding to the changing times and achieve sustainable growth.

Since our founding in 1926, we have diversified our businesses through various challenges, with the Textile Machinery Business as our origin.

Business domain and scale expansion 1953–

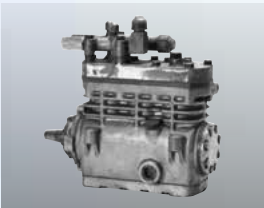
- 1953 Production of **Type S engines** launched; **assembly of automobiles** launched.
- 1954 Toyoda de Mexico established (withdrew from the country in 1961 due to changes in the surrounding environment).
- 1956 Production of **lift trucks** launched (started as part of new businesses).
- 1958 Agricultural machinery business launched (withdrew from the business in 1966 due to performance and sales issues).
- 1960 Production of **car air-conditioning compressors** launched.
- 1967 The Nagakusa Plant commences production of **small passenger cars**.



Production of Type S engines started



Production of lift trucks started



Production of car air-conditioning compressors started



Production of Type G automatic looms

Founding period 1926–

- 1926 Toyota Industries established to manufacture and sell **Type G automatic looms**.
- 1935 **Model A1 passenger car** prototype completed.
- 1937 Automobile Department spun off and Toyota Motor Co., Ltd. (now Toyota Motor Corporation) established.
- 1940 Steel Production Department spun off and Toyoda Steel Works, Ltd. (now Aichi Steel Corporation) established.

Expanding business domains utilizing strategic M&As and other schemes 2000–

- 2000 Welcomes the **BT Industries Group** as a subsidiary to facilitate further growth of the Materials Handling Equipment Business.
- 2001 Takes over Toyota Motor Corporation's industrial equipment sales division, **becoming responsible for both production and sales**.
- 2003 The world's first mass production of **electric compressors** commenced.
- 2011– Accelerates the establishment of plants in **emerging countries** (Indonesia, Brazil, etc.).
- 2017 Augments the Logistics Solutions Business by welcoming **Vanderlande** and **Bastian** as subsidiaries.
- 2021 Production of **bipolar nickel-metal hydride batteries** for HEVs launched.



Materials Handling Equipment Business strengthened through M&As and other schemes



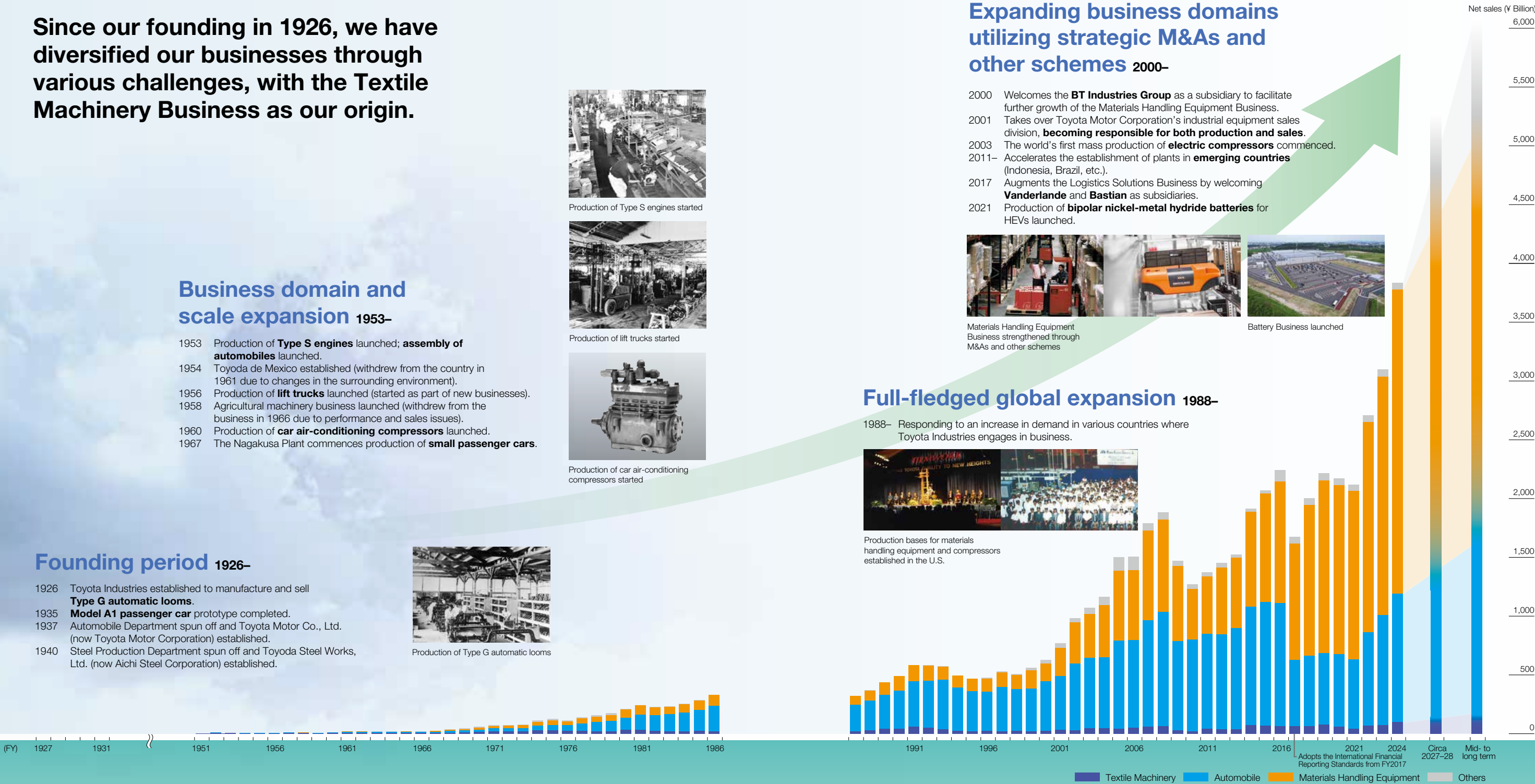
Battery Business launched

Full-fledged global expansion 1988–

1988– Responding to an increase in demand in various countries where Toyota Industries engages in business.



Production bases for materials handling equipment and compressors established in the U.S.



■Mid- to long-term targets

1926–
[Founding period]

1953–
[Business domain and scale expansion]

1988–
[Full-fledged global expansion]

2000–
[Strengthening businesses utilizing strategic M&As and other schemes]

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

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.



Gasoline engine for hybrid electric 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 electric 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.



Integrated on-board charger and AC inverter unit



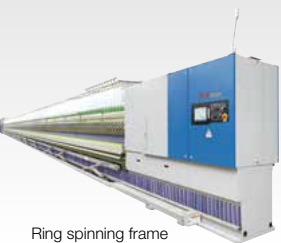
Bipolar nickel-metal hydride battery

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

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Editorial policy	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 and social activities as well as corporate governance over the past year as well as its future direction.
Period covered by the report	This report focuses on activities carried out in fiscal 2024 (April 1, 2023 to March 31, 2024), but also includes some information outside this period.
Organizations covered in the report	Toyota Industries Corporation and its consolidated subsidiaries
Reference guidelines	<ul style="list-style-type: none">Global Reporting Initiative (GRI) StandardISO 26000Environmental Accounting Guidelines 2005 by Japan's Ministry of the EnvironmentEnvironmental Reporting Guidelines 2018 by Japan's Ministry of the EnvironmentInternational Integrated Reporting Framework by IFRS Foundation

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, 2024 is referred to as fiscal 2024 and other fiscal years are referred to in a corresponding manner.

Toyota Industries Report 2024 PDF

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