1. Review of Fiscal 2021

In fiscal 2021, COVID-19, which has become a global phenomenon, repeated the cycle of expanding infections and winding down, and this difficult situation is likely to continue around the world with the exception of a few countries. I would like to take this opportunity to extend my condolences to people who have lost their lives to the pandemic and wish for an early recovery of those who are suffering from COVID-19.

Looking back over the past year, Toyota Industries was struck hard by the pandemic and fell into the red in the first quarter but succeeded in getting on a track to recovery in and after the second quarter. I believe this was made possible because we maintained our Group-wide profit improvement activities that started from well before the pandemic and worked to resume business activities on a full-scale in keeping with a recovery in the market. Observing market trends and the post-COVID-19 world, we need to determine which initiatives to retain, accelerate or undo and adapt to “new normal” work styles.

2. Medium-Term Growth Scenario

In order to achieve growth over the medium term, it is essential to keep our eyes on changes in the market and make sure to seize growth opportunities.

Specifically, we regard two growth fields as having great potential. One is the Materials Handling Equipment Business encompassing logistics solutions to respond to changes in lifestyles, including more widespread use of e-commerce, and labor shortages. The other is responding to electrification in the automobile and other sectors. In these two growth fields, we will accurately capture changes in customer needs, leverage our strengths and turn them into business opportunities. The following highlights our major efforts in this regard.

Efforts in the Materials Handling Equipment Business

An increase in logistics volume is likely to continue with an expected post-pandemic recovery of the world economy and an expansion of e-commerce. In the logistics industry, labor shortages and a rise in labor costs are driving an increase in needs for mechanization and automation of logistics operations. These trends are expected to accelerate further, as new lifestyles and social distancing practices will become more prevalent as a result of COVID-19.

Under these circumstances, lift trucks and logistics solutions will play increasingly important roles. Demand for lift trucks is expected to remain strong due to their versatility. Along with expanding sales further, we will aim to contribute to customers throughout our entire value chain, including
Promotion of ESG Initiatives

Corporate Information

14 15

after-sales services. As for a rise in needs for even greater efficiencies in distribution centers, which has been driven by an expansion of e-commerce, three companies in the Logistics Solutions Business, namely, Bastian, Vanderlande and Toyota Industries, are collaborating to bolster business. The effort is beginning to bear fruit as evidenced by an increase in new orders in recent years. As one example of this collaboration, a system of Vanderlande has been adopted in a state-of-the-art distribution center established in Japan by a leading international logistics and parcel service operator.

We will make an accurate response to a broad range of customer needs by leveraging a wealth of know-how accumulated in dealing with customers worldwide as the top player in the lift truck market as well as synergies with logistics solutions.

In the Lift Truck Business, there has been a delay in acquiring certification from the environmental authority in the United States for engines of research and development. This is a fiercely competitive sector, but we will turn it into another growth pillar, following materials handling equipment. The effort is on-board increase their use in evacuation shelters and similar locations. For cars, we are expanding sales of electric compressors to automakers across the world. With the emerging need to cool batteries, we will apply our core compression technology.

Responding to Electrification

In the future, electrification is expected to gain momentum in a variety of fields due to the enforcement of more stringent fuel efficiency regulations and growing energy-saving awareness among customers. Amid this environment, Toyota Industries will make maximum use of our technologies in the materials handling equipment and automobile-related fields and increase our competitive edge by encouraging collaboration among these fields.

The future, electrification is expected to gain momentum in a variety of fields due to the enforcement of more stringent fuel efficiency regulations and growing energy-saving awareness among customers. Amid this environment, Toyota Industries will make maximum use of our technologies in the materials handling equipment and automobile-related fields and increase our competitive edge by encouraging collaboration among these fields.

We will make an accurate response to a broad range of customer needs by leveraging a wealth of know-how accumulated in dealing with customers worldwide as the top player in the lift truck market as well as synergies with logistics solutions.

In the Lift Truck Business, there has been a delay in acquiring certification from the environmental authority in the United States for engines of research and development. This is a fiercely competitive sector, but we will turn it into another growth pillar, following materials handling equipment. The effort is on-board increase their use in evacuation shelters and similar locations. For cars, we are expanding sales of electric compressors to automakers across the world. With the emerging need to cool batteries, we will apply our core compression technology.

In the future, electrification is expected to gain momentum in a variety of fields due to the enforcement of more stringent fuel efficiency regulations and growing energy-saving awareness among customers. Amid this environment, Toyota Industries will make maximum use of our technologies in the materials handling equipment and automobile-related fields and increase our competitive edge by encouraging collaboration among these fields.
3. Future Direction of Management

Changes in the External Environment
Even though there are many views on the post-pandemic society, no one knows for sure what it will be like. However, we have already witnessed several changes in how we live and work.

The transformation of society and lifestyles is expected to continue into the future, and changes that relate to our businesses include an increase in online transactions as seen in the further expansion of e-commerce. Additionally, environmental initiatives will be of even greater importance for companies, as green investments are spreading in an unprecedented scope. We also expect the progress in digitalization will entail changes in the industry structure.

Our Response
In responding to drastic changes, it will be crucial, more than anything else, to place top priority on safety while thoroughly ensuring quality, compliance and other basic matters.

As for quality, we will strive for an even higher level of quality by utilizing advanced technologies based on digital transformation (DX) on top of our ongoing efforts to maintain and improve quality. For example, we have newly developed AI to predict product defects in the aluminum die-casting process for car air-conditioning compressors and are now exploring its applications in further improving quality and productivity. In the future, we will leverage such digital technologies to transform our operations and business models.

After thoroughly ensuring basic matters such as these, it will be important to proceed with the creation of a flexible and lean organization in order to capture the aforementioned changes in society as new growth opportunities. We will channel our management resources into focused areas and leverage our own strengths to constantly create innovative products and services.

Our basic approach to promoting these efforts is to provide products and services that are needed by customers and are helpful to society, as embodied in the Toyota Precepts (corporate creed). This stance will remain unchanged.

Besides observing laws and regulations, another crucial element in ensuring corporate governance is that everyone, from top management to individual employees, respects the culture of each region and understands and trusts each other. We need to do more than just establishing a governance system for the sake of formality, but rather render it actually functional and effective. As such, our continued aim is to operate the system in a manner to further improve the efficiency, fairness and transparency of management. With regard to our relationships with companies in the Toyota Group, we will continue to reinforce collaboration in various ways to survive the difficult environment, since competition is increasingly intensifying in the automobile industry and automobile-related businesses form the core of our monozukuri (manufacturing).

Environmental protection is a theme of growing importance for manufacturers, including Toyota Industries. We will continue to focus on this area under the Global Environmental Commitment and in accordance with the Environmental Vision 2050 and the newly formulated Seventh Environmental Action Plan. (See pages 64-65.) In the “Responding to Electrification” section of this message, I have explained about electrification in the lift truck, car air-conditioning compressor and electronics product sectors. However, our environment-friendly products, such as electrified or fuel-efficient products, actually cover every sector of our businesses. As examples, in the Vehicle Business, more than half of the RAV4 manufactured by Toyota Industries are HEVs and PHEVs. In the Engine Business, we also manufacture gasoline engines for HEVs. Our textile machinery products, which form our founding business, are renowned for their energy-saving performance. In the future as well, we will continue to fulfill our role as a manufacturer in protecting the global environment. (See Special Feature 2 “Contributing Both in Terms of Product Development and Production to the Establishment of a Carbon Neutral Society” on pages 22-25 for our environment-friendly products.)

4. In Conclusion

Since we were founded in 1926 to manufacture and sell an automatic loom invented by founder Sakichi Toyoda, we have attained sustainable growth by adapting our business portfolio to changes in society and customer needs and accordingly extending our reach in the automobile-related and materials handling equipment fields. The idea underpinning our growth basically aligns with the environmental, social and governance (ESG) concept and the United Nations’ Sustainable Development Goals (SDGs) in that we seek to respond to social issues from a long-term perspective.

To date, we have endeavored to develop a variety of competitive products and accumulate technologies and know-how. We have also built relationships of trust with our stakeholders, including business partners and customers, as we engage with them from a long-term perspective. Capitalizing on these tangible and intangible assets, we intend to strengthen business even further in order to attain growth over the medium to long term.
Taking the Initiative for Growth – 1

Contributing to Logistics Efficiencies of Customers by Providing Support throughout the Logistics Lifecycle

The needs for automation and labor saving in logistics operations are growing, driven mainly by a higher logistics volume on the back of an expanding world economy and a growth in e-commerce transactions as well as by the spread of COVID-19. Toyota Industries’ Materials Handling Equipment Business provides support throughout the value chain encompassing from the sales of lift trucks and other materials handling equipment to the provision of after-sales services. Leveraging the comprehensive strengths of engaging in the Lift Truck Business and Logistics Solutions Business, we are striving to assist customers in attaining greater logistics efficiencies.

Importance of Logistics and Market Growth Potential

In acting as a lubricant for economic activities, logistics have come to play an important role in our daily lives. Recently, logistics volume has been progressively increasing year after year marked by a rising global population and expanding economies. With the growth of the e-commerce market, the trend toward a higher logistics volume is expected to continue for the foreseeable future. In addition, a labor shortage in developed countries and a surge in labor costs mainly in emerging countries have converged to drive a further increase in needs for greater logistics efficiencies.

Offering Support throughout the Logistics Lifecycle

It is important to conduct proper maintenance on materials handling equipment and systems and keep them in optimum operating condition to maximize the efficiency of logistics sites. Toyota Industries has in place a structure that customers can rely on by establishing extensive sales and service networks throughout the world and assigning highly skilled staff. Moreover, we leverage the know-how nurtured by responding to various needs required at global logistics sites and propose the most advantageous solutions for logistics improvements for each and every customer.

In the future as well, we are committed to contributing to better logistics efficiencies by offering support to customers throughout the logistics lifecycle extending from after-sales services to fleet management and preventive maintenance utilizing IT technologies, lift truck leasing, consulting for logistics improvements and other logistics solutions.

Strengths of Toyota Industries’ Materials Handling Equipment Business

The following pages introduce case examples in which we leveraged these strengths to successfully contribute to greater logistics efficiencies of customers.
Providing a Stable and Efficient Logistics Environment through Extensive After-Sales Services

One of Toyota Material Handling Japan’s (TMHJ) strengths lies in its ability to render solid support to customers’ logistics environments through comprehensive after-sales services provided by highly experienced and skilled service staff. Offering full maintenance services, including preventive maintenance, contributes to avoiding unexpected breakdowns and realizing customers’ stable and efficient logistics operations.

Entrusted with Lift Truck Management

One of the strengths of Sobu Logistics Corporation is to operate six distribution center warehouses and 40 truck terminals that enable products to be delivered on the following day of orders placed. Lift trucks play a critical role of delivering products to customers in the optimum condition on time. At the Niida Delivery Center, where an average of 1,200 tons of Kikkoman products are shipped every day, approximately 40 lift trucks are in use for loading/unloading operations. Including lift trucks used at other distribution center warehouses, Sobu Logistics possesses more than 100 lift trucks. With numerous lift trucks in operation, the company had been faced with lift truck management issues such as arranging for repairs in times of unexpected breakdowns, incurring high maintenance costs and keeping track of the number of lift trucks required at any given time.

TMHJ conducted a multifaceted study on operating hours, traffic lines and other aspects of Sobu Logistics’ lift trucks and proposed an optimum logistics environment, which resulted in Sobu Logistics entrusting TMHJ with the management of all their lift trucks. Providing full maintenance services, including preventive maintenance, has contributed to decreasing unexpected breakdowns of lift trucks and reducing or leveling out maintenance and management costs. This has made it unnecessary to retain backup lift trucks, thereby reducing the total number of vehicles.

Responding to Stringent Safety Requirements and Offering Support to Customers

With an ever-increasing package volume for delivery, Danske Fragtmænd is striving to ensure the safety of its lift truck operators. Approximately 40 lift trucks are in operation within a limited space at their warehouse in Taulov, and the company wanted to reduce impacts between lift trucks and racks or loads, or collisions between lift trucks. To resolve this issue, TMHE made a proposal to utilize Toyota I_Site to raise safety awareness among lift truck operators and reduce accidents. Should an accident occur, the fleet management system makes it possible to identify the date and the pattern of the impact as well as which lift truck was involved and the driver. The system also evaluates each operator’s operation from safety and environmental aspects, such as hard braking, sudden acceleration and other reckless driving practices as well as the fuel consumption status, thereby contributing to increasing the safety awareness of operators. In addition, Toyota I_Site helps the company to reduce management costs by understanding the operational status of each lift truck in detail in real time, which in turn enables the optimization of the number of lift trucks needed for its logistics operations.

Utilizing Telematics Functions to Increase Safety and Reduce Costs

Improvements in information and communication technology have advanced the use of the Internet of Things (IoT) in society. As such, the role of telematics technologies in the fleet management of lift trucks has become increasingly important. Toyota Material Handling Europe’s (TMHE) Toyota I_Site fleet management system harnesses cutting-edge technologies and the know-how cultivated through various improvement activities to make it possible to comprehend the operating status of lift trucks in real time and establish a safe and reliable logistics environment.

Case Example 1: Sobu Logistics Corporation

Sobu Logistics Corporation is responsible for logistics operations in Japan for the Kikkoman Group, which manufactures and sells condiments and processed foods. The company is consigned to provide comprehensive logistics operations, from receiving orders to purchasing products, of Kikkoman Corporation and Kikkoman Foods, Inc.

Case Example 2: Danske Fragtmænd

Danske Fragtmænd is Denmark’s largest logistics operator boasting more than a 100-year history. With more than 40,000 business customers, the company offers high-quality logistics services including next-day deliveries anywhere in the country.
Contributing Both in Terms of Product Development and Production to a Carbon Neutral Society

Environmental Vision 2050
As one tenet under our Basic Philosophy, Toyota Industries works to contribute to making the earth a better place to live and enriching lifestyles and also strives to offer products and services that are clean, safe and of high quality. Accordingly, we have established the Global Environmental Commitment, a specific environmental action guideline, and have been sharing and implementing it throughout the Toyota Industries Group.

We recognize that contributing to the establishment of a carbon neutral society is an important issue under the commitment. As such, we have been promoting initiatives in various fields, such as electrification, weight reduction, energy savings and adoption of renewable energy sources in seeking to realize a zero CO2 emissions society in 2050.

Review of the Sixth Environmental Action Plan — Establishing a Carbon Neutral Society —
Positioning the establishment of a carbon neutral society as our most crucial environmental issue, Toyota Industries has been carrying out production activities with a constant focus on saving energy. At the same time, we have accelerated the development of more environment-friendly products.

Under the Sixth Environmental Action Plan, a five-year plan implemented from fiscal 2017 to fiscal 2021, our two primary action policies were to “develop products and technologies possessing the utmost level of environmental performance” and “develop and introduce production engineering technologies with lower CO2 emissions and utilize clean energy.” We have steadily undertaken tasks defined for each policy and successfully achieved targeted results. Please see pages 62–63 for details.

Approach of the Seventh Environmental Action Plan — Establishing a Carbon Neutral Society —
We have formulated a new plan, the Seventh Environmental Action Plan covering five years from fiscal 2022 to fiscal 2026. With a view to products, we will emphasize reduction of CO2 emissions as early as from the technology development stage while further pursuing better energy-saving performance, lighter weight and development of technologies responding to electrification. In terms of production, while making all-out efforts to save energy, we will define a global target of total CO2 emissions and work toward the target so that we can curb emissions as we expand business. In addition, we will actively adopt renewable energy sources on a global basis by setting a target introduction rate. Please see pages 64–65 for details.

Reducing CO2 Emissions in Product Development
Toyota Industries develops products with excellent environmental performance by sharing and encouraging the evolution of technologies and know-how of each business, mainly the Materials Handling Equipment Business and the automobile-related businesses.

This section highlights our efforts related to electrification, which is key to developing products that can reduce CO2 emissions.

Automobile-Related Businesses
We develop and manufacture devices for a range of electrified vehicles, from hybrid electric vehicles (HEVs) to fuel cell electric vehicles (FCEVs), and enjoy the world’s top share* in the car air-conditioning compressor and electronics fields.

*1 Survey by Toyota Industries Corporation

Car Air-Conditioning Compressor
Providing Products with Excellent Energy-Saving Performance
Sales of various electrified vehicles, including HEVs, plug-in hybrid electric vehicles (PHEVs), battery electric vehicles (BEVs) and FCEVs, are increasing in line with the growing need for car electrification.

We offer car air-conditioning compressors to all these electrified vehicles in order to ensure compatibility with the growing need for car electrification.

Compressors Also Used for Cooling Key Components
In recent years, following car electrification and widespread use of autonomous driving technology, there has been a growing need to cool electronic devices, batteries and other key heat-emitting components. In response, we have developed a large-capacity model used not only for vehicle interior air conditioning but also for cooling those key components. As products in this field relate to the driving performance of automobiles, we believe that the reliability of our products will serve as an even greater strength of Toyota Industries.

Utilizing Compression Technologies to Provide Drive System Components
For FCEVs, which are a type of electrified vehicle that generates electricity through a chemical reaction of hydrogen and oxygen, we have applied compression technology of car air-conditioning compressors and developed such products as an oxygen-supplying air compressor, which efficiently compresses and supplies oxygen. The product is already fitted in the Mirai.

By leveraging our elemental technologies, we intend to increase our role in the fields that relate to the driving functionality of FCEVs, which are said to be the “ultimate eco-car.”

Products Utilizing Compression Technologies

Company Introduction
Strategies and Businesses
Promotion of ESG Initiatives
Corporate Information

Taking the Initiative for Growth – 2
Reducing CO2 Emissions in Production Activities

The two pillars of Toyota Industries’ efforts to reduce CO2 emissions in its production activities are promoting thorough energy savings and utilizing renewable energy, showing examples among such efforts in this area.

- **Promoting Thorough Energy Savings**
  In implementing thorough energy savings, we are making proactive, Company-wide efforts to “develop and introduce production engineering technologies with lower CO2 emissions” and to “promote implementation activities on a daily basis.” For the former, the Nagakusa Plant, a vehicle assembly plant in Aichi Prefecture, undertook an improvement project with a focus on minimizing the amount of heat used in a painting dry-off oven and suppressing heat dissipation, thus successfully achieving lower energy loss and a subsequent, drastic reduction in CO2 emissions. The project won the 2019 Minister of Economy, Trade and Industry Award in the Industrial Field, which is the highest award in the Energy Conservation Grand Prize program (Energy Saving Projects Category) run by the Energy Conservation Center, Japan.

- **Utilizing Renewable Energy**
  As part of an effort to utilize renewable energy, we are proactively introducing clean energy. Toyota Material Handling Europe AB (TMHE), a subsidiary serving as the regional headquarters of the materials handling equipment business in Europe, has formulated a two-pronged policy aimed at zero energy (waste) and zero carbon emissions by fiscal 2031. As an interim target, TMHE has worked to increase the ratio of electricity from renewable energy sources to 100% at all of its bases by fiscal 2023.

As a result, all of its five production bases and all 28 non-production companies achieved the interim target in fiscal 2019 and in April 2021 respectively. TMHE became the first company in the materials handling equipment industry to achieve 100% use of electricity from renewable energy sources at all bases in Europe.

In 2019, Toyota Material Handling Manufacturing Sweden AB (TMHMS), a TMHE Group company, went a step beyond using electricity from renewable energy and introduced biogas in place of liquefied petroleum gas (LPG), thereby becoming the first zero CO2 emissions plant in the Toyota Industries Group.

TMHE is undertaking activities to switch all energy sources used at business sites to renewable energy by 2030.

Summary
As highlighted in this section, Toyota Industries is aggressively working to reduce CO2 emissions both in terms of products and production toward the establishment of a carbon neutral society. As a result of such efforts, we were selected for the A List, the highest rating, for three consecutive years in a survey conducted on climate change by CDP*, a U.K.-based international environmental NGO.

For as long as we expect that more stringent environmental regulations will be put in place in various countries and growing energy-saving consciousness among customers will further accelerate the electrification of cars and materials handling equipment in the future. Amid this environment, we will holistically leverage our broad range of technologies accumulated in the automobile-related businesses and Materials Handling Equipment Business to further reinforce our development efforts geared toward electrification.

In terms of production, we have announced our target to reduce CO2 emissions by 25% in fiscal 2026 from the fiscal 2014 level in becoming carbon neutral (zero CO2 emissions) in 2050. Actually, however, we are aiming for an even more ambitious target of achieving a 50% reduction by fiscal 2031 from the fiscal 2014 level. We recognize that thorough improvement of our energy use efficiency and efforts to introduce renewable energy will be crucial in achieving this target. Specifically, we will need to intensify and utilize exhaust heat from foundry and other processes, which form a distinctive part of our business. In promoting the utilization of renewable energy, we will expand the regional, unique effort first undertaken by our based in Europe to the entire Group while defining new targets. Simultaneously, we will take up a challenge of spurring innovation in manufacturing to achieve carbon neutrality. The challenge will include introducing production engineering technologies that have undergone repeated discussions on CO2 reduction from the product design stage. Further endeavors will also entail proactively carrying out demonstration and introduction of new carbon neutral technologies, such as the use of hydrogen and capturing CO2 in zero CO2 production processes.

* An international NGO operating a project in which institutional investors work together and request companies around the world to disclose their strategies against climate change and greenhouse gas emissions data.
Business Activities

Materials Handling Equipment

As a market leader with an extensive knowledge of global logistics needs, Toyota Industries provides a range of materials handling equipment, mainly lift trucks, and logistics solutions to customers.

Medium-Term Direction of Business

We will work to develop and propose new products and services incorporating cutting-edge technologies through the proactive use of open innovation and co-creation with customers.

Our plan is to become the logistics solutions partner of the first choice for customers by meeting their wide-ranging needs and helping them increase their logistics efficiencies based on the Toyota Industries Group’s comprehensive strengths covering both the lift trucks and logistics solutions fields.

Business Characteristics

Strengths

- An extensive logistics-related product lineup both for lift trucks (internal combustion type, electric type, fuel cell [FC] type, etc.) and logistics solutions products (automated storage and retrieval systems, automatic guided vehicle [AGV] systems, automated lift trucks, etc.)
- High technological capabilities, including those linked to environmental and safety performance
- Production know-how that ensures high levels of quality and production efficiency
- Global, well-developed production, sales and service networks
- An extensive value chain encompassing in-house development and production of engines, motors and other key components; total after-sales services including maintenance and inspections as well as operational management; and sales financing operations offering more options in sales
- Top 1* in lift truck unit sales in the world
- A wealth of experience and know-how as well as a global network in the Logistics Solutions Business
- Software development capability to create such systems as a warehouse management system

*1: Survey by Toyota Industries Corporation

Opportunities

- An expansion of global logistics volumes in line with an increase in the world population and economic growth
- Growing need for electric lift trucks and products with high fuel efficiency and low environmental impact following enforcement of more stringent environmental regulations around the world
- Rising need for higher logistics efficiencies prompted mainly by a growth in e-commerce transactions as well as soaring labor costs and labor shortages
- Growing need for automation and labor saving driven by the emerging need for contactless operations due to COVID-19
- Increased recognition that logistics is an essential business

Risks

- Restrained capital investment due mainly to a slowing economy and disaster
- Weaker sales due to intensifying competition
- Change in business environment triggered by an expanding market of low- to mid-priced lift trucks
- Suspension of production caused by supply chain disruptions
- Weaker demand for internal combustion lift trucks resulting from more stringent environmental regulations
- Emergence of next-generation robotics products as an alternative to lift trucks

Business Structure

Toyota Industries’ Materials Handling Equipment Business is operated under a two-organization structure: Toyota Material Handling Group (TMHG) responsible for the Lift Truck Business and Toyota Advanced Logistics Group (TALG) engaging in the Logistics Solutions Business. TMHG and TALG collaborate with each other to achieve overall growth of the Materials Handling Equipment Business while reinforcing individual businesses.

Toyota Material Handling Group (TMHG)

Toyota Industries assists customers worldwide in attaining greater logistics efficiencies as a market leader in the materials handling equipment and logistics fields by delivering optimal logistics solutions based on its comprehensive strengths to respond to their specific and ever-changing needs on a global scale.

Under the TMHG management structure, we engage in the Lift Truck Business under the TOYOTA, BT, RAYMOND, CESARELLI and Tailift brands. Mutually utilizing the development and sales strengths of each brand, TMHG is promoting business globally.

We basically carry out product development in three regions, namely Japan, North America and Europe. Based on this structure, we develop and manufacture products in each region, which are matched to the specific local needs and characteristics, and ensure quick product delivery to customers. At the same time, we seek greater product appeal by conducting in-house development and production of such key components as engines and motors.

which greatly influence the performance of lift trucks. In response to the enforcement of stricter environmental regulations and growing eco-consciousness worldwide, we are improving the energy-saving performance and enhancing our electric lift truck lineup. We are also promoting the development of autonomous driving technology as a response to growing needs for greater logistics efficiencies mainly driven by labor shortages.

In addition to supplying high-quality products, we consider our strength to be able to support customers throughout our entire value chain that encompasses from providing after-sales services through our extensive networks to offering sales financing operations. On the sales front, we are offering products and logistics improvement solutions optimally matched to individual customers’ logistics sites. Simultaneously, we are responding to needs for fleet management that optimizes the operation of multiple lift trucks for customers conducting business globally. In terms of services, we assign experienced and highly skilled personnel and utilize leading-edge information technology (IT) to provide high-quality after-sales services to customers. Our service personnel visit customers on a periodic basis and provide maintenance services to prevent troubles from occurring. When a problem does occur, they swiftly make a visit to the customer and promptly take appropriate action. We are also strengthening our internal sales financing operations mainly in Europe, the United States and other developed countries in order to flexibly respond to customers’ diverse needs, including those for fund procurement in equipment sales.

Additionally, TMHG is collaborating with TALG to create synergies between the lift trucks and logistics solutions fields in development and other domains.

Business Overview in Fiscal 2021

The lift truck market in 2020 turned downward except for China, where sales continued to increase. Amid this operating climate, Toyota Industries engaged in sales and after-sales service activities matched to respective markets. However, unit sales of lift trucks for fiscal 2021 were down 28,000 units, or 10%, to a total of 250,000 units from the previous fiscal year. Meanwhile, as the need for higher logistics efficiencies in warehouses is getting stronger, underpinned by an expansion of the e-commerce market, Toyota Industries made efforts for reinforcement of the Logistics Solutions Business through collaboration with subsidiaries in the United States and Europe. Net sales in fiscal 2021 were roughly on par with the previous fiscal year at ¥1,431.4 billion.
Toyota Advanced Logistics Group (TALG)

With accelerated expansion of the e-commerce market due in part to the growing need for contactless operations as a result of COVID-19, the need for logistics automation has been on the rise worldwide. This has entailed increases in the number and size of distribution centers, which in turn have necessitated solutions for more advanced logistics services.

Amid this environment, we go a step beyond just providing a broad range of materials handling equipment and associated software programs and are reinforcing our Logistics Solutions Business to more meticulously satisfy each customer's varying needs by leveraging our logistics improvement know-how accumulated to date.

Under the TALG management structure, the Logistics System Engineering Department of Toyota Material Handling Japan, U.S.-based Bastian Solutions LLC and Netherlands-based Vanderlande Industries Holding B.V. are collaborating with each other in development, sales and other activities to expand business while leveraging their individual strengths.

Toyota Advanced Logistics Group

**Main Products and Systems**

- **Simple AGV**
- **SU**
- **High-speed kitting and picking system**
- **Airport baggage handling system**
- **Automated storage and retrieval system**

**Activities of TMHG**

**Japanese Market**

In 2020, while an expansion of the e-commerce market pushed up the demand for lift trucks, customers postponed their capital investment projects due to COVID-19, and the Japanese lift truck market declined overall. Unit sales of Toyota Industries’ lift trucks were on par with the previous fiscal year's position of 45,000 units in fiscal 2021, but still maintained the top position*1 in calendar 2020 for the 55th consecutive year.

As the diversification of customer needs, heightened on the back of an expansion of the e-commerce market, labor shortages and growing safety and environmental consciousness among companies, has further accelerated amid the COVID-19 pandemic. As the leading manufacturer of materials handling equipment, Toyota Industries has been proactively promoting the development and release of new products that lead to resolving issues facing customers. As with the automobile industry, where development has been proceeding for cars equipped with advanced safety technologies, the logistics industry is facing a growing need for more widespread use of lift trucks equipped with functions to support safe operations. As a response, in April 2020 we added a safety operation assistance function, which had been available as an option, to our mainstay GENED-series internal-combustion lift trucks and gene B-series electric lift trucks as a standard feature. Through a synergistic effect with the System of Active Safety (SAS)*5, a proprietary safety system fitted in our main lift truck models since 1998, we will further help reduce accidents caused by lift trucks.

Needs are also growing for the automation of materials handling equipment to increase the efficiency of logistics operations and make them more flexible. In cooperation with All Nippon Airways Co., Ltd., we have carried out trials of autonomous towing tractors to carry baggage at Kyushu Airport. The test trial has been a first*6 in Japan to carry baggage using next-generation lithium-ion batteries. Paired with the WARHOUSE fleet management system, it will increase the productivity of logistics operations, optimize battery usage and simplify maintenance work, thereby allowing cost reductions throughout the lift truck lifecycle.

In the United States, with cumulative total production of 250,000 units, down 13% from the previous fiscal year, but still remained the market share leader*7 in 2020. Meanwhile, parts sales and orders for after-sales services remained strong.

In 2020, Toyota celebrated 30 years of manufacturing in the United States, with cumulative total production surpassing 700,000 units. Along with enhancing the product offerings with the release of new electric lift trucks and a high-capacity internal-combustion lift truck, Toyota proactively enhanced optional features that are based on ergonomics and serve to increase operability and reliability. In response to the growing need to automate intralogistics, Toyota launched AGFs fitted with the latest navigation system using Light Detection and Ranging (LIDAR) technology. Additionally, efforts related to the After Sales Service Evaluation and Certification (ASEC) program designed to increase the competitiveness of dealers and an initiative to improve operational efficiency in a systematic manner have proceeded methodically and produced positive results.

Raymond has also been active in releasing new products and enhancing functionality to satisfy various customer needs. The product lineup has been enhanced with the release of an electric low lift truck with battery management functionality and an automated lift truck for intralogistics, which boasts improved telematics functionality and utilizes a vision-guided technology of a partner company. Raymond has also started sales of a battery management system using next-generation lithium-ion batteries that have shorter charging time and are more compact and highly functional than conventional lead-acid batteries. Paired with the WARHOUSE fleet management system, it will increase the productivity of logistics operations, optimize battery usage and simplify maintenance work, thereby allowing cost reductions throughout the lift truck lifecycle.

**North American Market**

With a year-on-year decline in the North American lift truck market in 2020, Toyota Industries posted combined unit sales of the TOYOTA and RAYMOND brands of 80,000 units, down 13% from the previous fiscal year, but still remained the market share leader*7 in 2020. Meanwhile, Despite dropping sharply due to COVID-19, the world’s lift truck market grew overall in 2020 as evidenced by a recovery trend after bottoming out in the first quarter in China and in the second quarter elsewhere. Over the full year, the market exhibited positive growth in China, but shrank slightly from the previous year’s level in Japan, North America, Europe and other emerging countries. Amid this environment, we worked to enhance the product appeal of our mainstay lift trucks and expand our IT-based services, enhance safety and augment our competitiveness in the environmental field mainly through our IT-based services, enhance safety and augment our respective research projects.

We will continue to leverage the strengths of each brand and reinforce technological development by utilizing automation, telematics and other advanced technologies. In addition, through close cooperation with the Logistics Solutions Business, we will accurately respond to customers’ needs for greater logistics efficiencies.

*1 Survey by Toyota Industries Corporation based on data published by Japan Industrial Vehicles Association
*2: Toyota Advanced Logistics North America (Holding Company of Bastian)
*3: Survey by Aichi Corporation
*4: Top position in calendar 2020
*5: A safety system that helps to prevent the overturning of a lift truck and load tilting. It includes a function which detects unloading by monitoring the load’s center of gravity, and function to automatically control the angle of the rear wheels when the lift truck is loaded.
*6: The test trial of baggage transportation in actual airport operations was the first of its kind conducted globally, and the trial also confirmed the application of the Japanese government's guidelines for autonomous operations within an airport.
*7: Survey by Clark Information & Research, LLC, 2020

**Next generation Li-ion battery**
European Market

Following the previous year, sales in the European lift truck market continued to decrease in 2020. Toyota Industries posted unit sales of 77,000 units in fiscal 2021, down 18% from the previous fiscal year. Conversely, orders for after-sales services and sales of parts remained steady.

In Europe, increases in logistics volume and small cargo delivery as well as a requirement for a shorter delivery time have pushed the need for increasing the efficiency of logistics operations, mainly those of lift trucks, at distribution centers. As a response, Toyota Industries offers the I_Site fleet management system that can manage more than 150,000 lift trucks to a network. Besides lift trucks’ operational status, the system collects various information, such as data on impact detection and battery consumption. By analyzing the information and sharing the results with customers, the system not only achieves better lift truck operation and lowers costs but also helps to increase safety awareness.

ALOMA® and Chinese Markets

Toyota Industries covers the ALOMA markets of some 60 countries in Asia, Latin America, Oceania, the Middle East, and Africa as well as the Chinese market. We are serving these markets with a lineup consisting of TOYOTA, BT, RAYMOND and Tailift brands.

The environment surrounding materials handling equipment in the ALOMA and Chinese markets underwent an unprecedented change in 2020. These markets temporarily turned downward from the previous year due to the rapid spread of COVID-19, but many ALOMA markets already began to recover in the latter half, showing a 96% year-on-year growth over the full term. Similarly, the Chinese market was quick to indicate a dramatic recovery and grew sharply by 137% over the previous year. The diversification of market needs has also accelerated further in the ALOMA and Chinese markets, as seen in strong environmental consciousness among more customers and a growing awareness of logistics costs. Against this backdrop, we have been making various efforts, such as initiating sales of Enelore, a new lithium-ion battery replaceable with lead-acid batteries used in our electrified lift trucks, releasing small electric hand pallet trucks in more countries and promoting the used lift truck business.

Jointly with dealers, Toyota Industries operates a program to promote sales activities with a focus on logistics improvement solutions and has been making proposals to visualize customers’ logistics sites, improve their safety and reduce costs. Through the program, we have been strengthening our relationships of trust with customers and have successfully expanded our business domains. In the field of after-sales services, we have established a structure to provide swifter and more efficient after-sales services by centrally and digitally managing information on lift trucks owned by customers and their history of repairs. We are putting in place a structure to offer extensive after-sales services by establishing a system to certify dealers’ after-sales service facilities and offering programs to train service staff so that customers can use our products with an increased sense of reassurance.

As a total solutions partner capable of satisfying diverse logistics needs, we will make concerted efforts with dealers in each country to undertake various initiatives.

Going forward, we will work to enhance the lineup of models equipped with lithium-ion batteries. We are adding these models to low lift trucks and counterbalanced lift trucks in order to meet the diversifying needs of customers. Among internal-combustion lift trucks, a model fitted with our internally-developed engine that satisfies the latest EU regulations is highly recognized in the market.

Activities of TALG

Logistics System Engineering Department of Toyota Material Handling Japan

A sharp growth of the e-commerce market in recent years has increased inquiries and orders for large distribution centers. In response, we are striving to provide logistics solutions that combine our logistics process, encompassing the systems and equipment of Vanderlande and Bastian. Logistics automation, in particular, has drawn much attention since a need for contactless operations grew in step with the spread of COVID-19.

In 2020, we put an automated lift truck to practical use in a freezer warehouse for the first time in Japan and received a feasibility test jointly with Nichirei Logistics Group Inc. Additionally, we have conducted a feasibility test with TRUSCO Nakayama Corporation on the AiR-T autonomous intelligent mobile robot that assists picking operations in distribution centers. At the Aichi Robot Showcase, a project of Aichi Prefecture to promote the implementation of robot operations in society, we made proposals on the use of the AiR-T in an office building and at an office building.

In dealing with diversifying customer needs, we have taken a stake in +Automation Inc., a startup company providing a warehouse robotics system subscription service. Through this arrangement, we have been examining new sales methods and have reinforced the lineup of sorting robots used in distribution centers.

Bastian

Bastian, mainly operating in the North American market, has been responding to the logistics automation needs of customers in a broad range of fields, including the manufacturing, retail and e-commerce sectors, and receiving an increasing number of orders. Based on a wealth of know-how accumulated in past projects, Bastian has increased its capabilities for large system development and integration, thereby successfully receiving orders for a number of large projects in fiscal 2021.

Capitalizing on its strengths in software and other technology development, Bastian has been promoting collaboration with other companies in the Toyota Industries Group. For example, Bastian has received, jointly with Vanderlande, an order for a project of a leading e-commerce operator in North America and started to provide software programs to the Logistics System Engineering Department of TMHJ. In North America, Bastian has also been accelerating its offering of logistics solutions to lift truck users by reinforcing collaboration with dealers of the TOYOTA and RAYMOND brands.

Vanderlande

Vanderlande, offering logistics solutions globally, has received many orders from leading companies in various business categories for their projects to establish distribution centers, capturing growing needs prompted by COVID-19 for more advanced logistics in the e-commerce, retail and parcel services sectors. For the warehouse logistics and parcel/postal services businesses, Vanderlande has been accelerating its system development respectively optimized for operations of industry’s top companies and focused business categories. In the airport business, amid difficult operating conditions Vanderlande obtained orders for systems for new terminals from existing airport customers as well as long-term servicing contracts based on its long-standing relationships of trust. Vanderlande is also promoting collaboration to further augment relationships with other companies within the Toyota Industries Group, working together with the Logistics System Engineering Department of TMHJ and Bastian to introduce its systems into the markets in Japan and North America, respectively.
Automobile
In the fields ranging from vehicle to engines, car air-conditioning compressors and electronics, Toyota Industries continues to meet the expectations and trust of its customers.

Business Characteristics

Strengths
- An agile structure to undertake all aspects from planning and development to production within a plant (Vehicle)
- Highest-level production efficiency and quality among all Toyota-affiliated automobile body manufacturers (Vehicle)
- Know-how on the development and production of diesel engines and turbocchargers (Engine)
- Highly efficient production of high-quality gasoline engines, including those for use in hybrid electric vehicles (HEVs) (Engine)
- Excellent product development capability centered around fuel efficiency and car electrification (Car air-conditioning compressor)
- Global top share¹ products for use in a full range of vehicles, from internal combustion vehicles to HEVs, plug-in hybrid electric vehicles (PHEVs), battery electric vehicles (BEVs) and fuel cell electric vehicles (FCEVs) (Car air-conditioning compressor)
- Monocore (manufacturing) using equipment created in-house to produce high-quality products and flexibly accommodate changes in production volume (Car air-conditioning compressor)
- Higher technological capabilities accumulated through the development and production of products for Toyota Motor Corporation (TMC), external sales and internal use (Electronics)
- Development, production and top-level quality of electronic parts and devices for electrified vehicles (Electronics)

Opportunities
- Increasing needs for fuel-efficient products due to stricter environmental regulations and growing environmental consciousness
- Sales expansion in each sector in line with growth of the automobile market

Risks
- Shrinking of the automobile market caused by economic slowdown
- Customers becoming less willing to buy fuel-efficient products following less stringent environmental regulations
- A drop in product competitiveness due to the year’s appreciation or a rise in raw material costs
- Suspension of production caused by supply chain disruptions

¹: Survey by Toyota Industries Corporation

---

Vehicle

Medium-Term Direction of Business

We will contribute to TMC as a development and production base of compact sports utility vehicles (SUV) by leveraging our comprehensive strengths derived from the highest level of safety, environment, quality, cost and delivery (SEQCD) among all Toyota-affiliated automobile body manufacturers and through greater collaboration within the Toyota Industries Group.

Business Overview in Fiscal 2021

In fiscal 2021, sales of the RAV4 posted an increase in Japan, which was offset by a decline in sales elsewhere. As a result, unit sales remained on par with the previous fiscal year at 323,000 units. Net sales decreased by ¥1.6 billion, or 2% year on year, to ¥88.3 billion.

Nagakusa Plant to Initiate Production of a PHEV Model Added to the RAV4 Lineup

For the RAV4, which became the first Toyota vehicle in a decade to receive the Car of the Year Japan 2019-2020 award, a PHEV version was added to the lineup in June 2020, and Toyota Industries’ Nagakusa Plant initiated production of the new model. The RAV4 PHV is equipped with a high-capacity, high-output lithium-ion battery, which achieves a driving range of 95 km in the EV mode. The model also realizes powerful acceleration and boasts greater fuel efficiency, thus offering superior environmental performance. Moreover, a system to feed power externally, useful during disasters and for outdoor activities, is a standard feature of the RAV4 PHV.

The Nagakusa Plant is the only plant in Japan to manufacture the RAV4 PHV. As such, we will continue to help promote car electrification in the future.

Engine

Medium-Term Direction of Business

In line with the adoption of the Paris Agreement, an international framework to address climate change issues in 2020 and beyond as well as the announcement by some countries to accelerate efforts toward carbon neutrality, there is a growing demand for engines with even greater fuel efficiencies and cleaner emissions. Amid this environment, we aim to contribute to a reduction of CO2 emissions by meticulously meeting customer needs for diverse engine systems and developing new, globally top-level technologies and products that also respond to car electrification.
**Business Overview in Fiscal 2021**

Unit sales in fiscal 2021 totaled 760,000 units, a decrease of 42,000 units, or 5%, from the previous fiscal year due to declines in sales of GD diesel engines and M2GA gasoline engines. Thanks to an increase in sales of foundry parts, however, net sales increased by ¥1.4 billion, or 1% on year, to ¥139.9 billion.

### Engines for Automobiles

**Diesel Engines**

Needs for powertrains are becoming diverse depending on the region. The requirement is also growing mainly in emerging countries for diesel engines, which have high fuel efficiency and excellent torque at a low speed, as a power unit suited for SUVs and such commercial vehicles as pickup trucks. Toyota Industries’ diesel engines are mounted in a variety of vehicles, including the Toyota Land Cruiser series, the world’s renowned full-fledged four-wheel drive (4WD) model, and TMC’s Innovative International Multipurpose Vehicle (MIV) series targeting emerging countries. Their high performance and reliability have gained strong market recognition. Currently, our mainstay products are in-line 4-cylinder GD diesel engines and V-type 8-cylinder GD diesel engines. The GD diesel engine is equipped with a turbocharger that effectively improves fuel efficiency through the adoption of new technologies, such as a ball bearing-type system. As a global engine supplier, we will continue to undertake entire operation from development to production and supply diesel engines that can win the hearts of customers worldwide.

**Gasoline Engines**

Our Toyota New Global Architecture (TNGA)* gasoline engines, namely the 2.5-liter A25A and 2.0-liter M20A, are mainly fitted in the RAV4 and HARRIER, which are achieving robust sales. Developed based on the TNGA concept, these engines offer both excellent driving performance and environmental performance. Responding to the advancement of car electrification, we have also added an HV6 version of the A25A engine to our lineup. In April 2021, we also started production of a turbocharger for gasoline engines mainly fitted in the Lexus RX and Crown. We are working to steadily increase the number of models equipped with this turbocharger. We will further improve the quality and productivity of our gasoline engines and turbochargers used in these engines and contribute to the creation of “ever-better cars” by TMC.

* TMC’s Development Policy and Method for Vehicle Creation Based on a Modular Platform

### Engines for Industrial Fields

Toyota Industries’ engines are highly renowned for their reliability and excellent environmental performance in industrial fields as well. These engines are used for a wide variety of applications, including our lift trucks, and adopted by many manufacturers of GPs**-**, ChiPs**, generators and construction machinery. These engines offer down-sized displacement compared with conventional models with equivalent output, resulting in higher fuel efficiency, cleaner emissions and a reduction in size.

*GPs**: Short for combined heat and power; **ChiPs**: Short for gas heat pump; air conditioner driven by a gas engine
*5: Short for gas heat pump; air conditioner driven by a gas engine
*6: Short for combined heat and power; **ChiPs**: Short for gas heat pump; air conditioner driven by a gas engine

### Development Efforts Centered around Fuel Efficiency and Car Electrification

Even though growth in the car-air-conditioning compressor market is currently slowing down due to the stagnating automobile market, we expect continued growth over the medium term on the back of expanding automobile sales and an increase in the number of vehicles fitted with an air conditioner. Unit sales of electric vehicles, in particular, are expected to grow significantly for the foreseeable future as automakers aggressively roll out new models to accommodate stricter fuel efficiency regulations in respective countries and expanding customer needs. Amid this environment, we will further reinforce product development for not only compressors for internal-combustion vehicles, which are still mainstream products as of now, but also compressors for electric vehicles, for which we anticipate stronger demand.

**More Compressors with High Fuel Efficiency to Receive Off-Cycle Credits**

More stringent fuel efficiency standards have been enforced across the world, pushing the need for higher fuel efficiency both for internal-combustion vehicles and electric vehicles. In the United States, our SES series for internal-combustion vehicles became the industry’s first compressor to be approved under the country’s off-cycle credits program. The program gives off-cycle credits to technologies that can effectively improve fuel efficiency. Since receiving the first* accreditation, we have acquired credits for our compressors for electric vehicles as well, and the number of models equipped with these compressors has been growing.

### Strengths of Toyota Industries’ Electric Compressors

Since launching the world’s first* mass production of electric compressors in 2003, our products have been used in HEVs, PH-EVs, BEVs and FCEVs of Toyota, Ford, Daimler, Honda, Nissan and other automobile brands. We have been undertaking efforts to further increase the appeal of these compressors based on our technology and know-how accumulated through the development of a broad range of models. Among various electrified vehicles, BEVs in particular are facing the growing need for higher electric efficiency while a heater is turned on as well as for cooling heat-emitting key components, such as batteries. In response, we have been developing and manufacturing high-capacity types by leveraging our strengths represented by high efficiency and reliability.

In addition to enhancing product appeal, we plan to further reinforce our capability to support automakers, for example, by proposing solutions to issues related to an automobile as a whole, and ultimately expand sales.

### Utilizing Compression Technology to Extend Our Role into the Field of Core Components for Drive Systems

**Challenges and Actions**

Going a step beyond the cooling functionality of car air-conditioning compressors, we have utilized our compression technology accumulated to date to develop and manufacture air compressors, which take in and compress air to efficiently supply the oxygen necessary to generate power, as well as hydrogen circulation pumps. We aim to play a role in realizing a hydrogen-based society by contributing to an improvement in the performance of FCEVs through the development of these components.
The new MIRAI FCEV released by TMC in December realizing a 41% weight reduction. This makes it possible to change the material used for the pump from stainless steel to aluminum, thereby realizing a 41% weight reduction.

In step with the move toward more stringent fuel efficiency regulations and car electrification, the car air-conditioning compressor market is expected to witness fluctuations in demand for compressors both for internal-combustion vehicles and electrified vehicles. In response, we are building a production structure less vulnerable to changes in demand by promoting the local production of electric compressors. We have already initiated local production at TD Automotive Compressor Kunshan Co., Ltd. (TACK) in March 2020 and at Yantai Shouguang TD Automotive Compressor Co., Ltd. (YST) in June 2021.

Meanwhile, we expect the rapid spread of electrified vehicles in China driven by the country’s new energy vehicles (NEV) regulation. Accordingly, we will make sure to capture booming demand by promoting the local production of electric compressors. We will leverage our technology and know-how cultivated through responding to the stringent demands of automakers worldwide and by developing new seal structures that offer better corrosion resistance.

In addition, we have been contributing to car electrification also in terms of infrastructure by developing public charging stands for PHEVs and BEVs.

Use of an Electrified Vehicle as a Power Source during a Disaster

In recent years, there has been a growing public attention to the use of high-capacity batteries of electrified vehicles as a power source. The 1.5-kW type AC inverter, in particular, can operate appliances that require more power, such as rice cookers and hot plates, and has drawn much attention as an emergency power source in a disaster in addition to camping, outdoor events and other applications.

In July 2020, we conducted a disaster prevention drill using the AC inverter’s power source functionality.

Charging stand for PHEVs and BEVs

Disaster prevention drill using AC inverter’s power source functionality
Textile Machinery
Carrying on the philosophy of founder Sakichi Toyoda, which reflects his strong commitment to manufacturing, Toyota Industries responds to a broad range of needs with its extensive product lineup, from air-jet looms, for which we enjoy the world-leading market share* in unit sales, to ring spinning frames and roving frames.

Business Characteristics

Strengths
- Broad product lineup both in the spinning and weaving machinery fields
- World-leading market share* in unit sales of air-jet looms
- Global, well-developed service network
- Ability to develop products that excel in reliability, energy-saving performance and versatility

Opportunities
- A rise in textile demand in line with an increase in the world population
- Further increasing applications in industrial textile products
- Increasing need for high-quality and highly functional yarn and textile products, following the economic growth of emerging countries

Risks
- Changes in each government’s policies concerning promotion of the country’s textile industry
- Weaker sales due to intensifying competition
- A decline in capital investment due to economic slowdown and raw cotton and/or yarn price fluctuations

Medium-Term Direction of Business
With growing environmental consciousness worldwide, needs are expected to increase further for textile machinery offering superior environmental performance. Toyota Industries’ products are highly acclaimed by customers for their excellent reliability and productivity as well as energy-saving performance. We will continue to develop energy-saving and other innovative technologies and seek to achieve further growth and evolution as a leading manufacturer of textile machinery.

Business Overview in Fiscal 2021
On the whole, the environment surrounding the textile machinery market continued to be difficult. Unit sales of air-jet looms decreased 2,100 units, or 31% year on year, to 4,700 units. Combined with a decrease in sales of quality measurement instruments for fiber, yarn and fabric, net sales were down ¥20.9 billion, or 34%, from the previous fiscal year to ¥40.8 billion.

Growing Needs for Air-Jet Looms
Toyota Industries’ air-jet looms are adopted by customers in China, India and many other countries. Produced fabrics are used broadly for towels, shirts and other clothing purposes as well as in industrial products such as vehicle airbags. Recently, the need has been on the rise for fabrics such as woven glass fiber for use in smartphone substrates, and it is anticipated that applications for air-jet looms will expand further.

MOSAIC Yarn Spinning Device Receiving an Award at the National Commendation for Invention
Our MOSAIC yarn spinning device, offered as an option to the RX300 high-speed ring spinning frame, received the Minister of Economy, Trade and Industry Award at the 2020 National Commendation for Invention. The award recognized the device’s ability to flexibly change the mixing ratio of two different types of roving materials in one yarn and to completely switch over between the two types, such as by chopping and reconnecting the roving materials. The resulting MOSAIC yarns enable unconventional, diverse fabric designs, helping to create a new market in the textile industry, mainly in the apparel field.