Toyota Industries Report 2011

Financial Review for the Year Ended March 31, 2011

TOYOTA INDUSTRIES CORPORATION

Consolidated Eleven-Year Summary

Toyota Industries Corporation
Years ended March 31
The figures in this table are unaudited.

	Millions of yen										
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
For The Year											
Net sales	**¥1,479,839**	¥1,377,769	¥1,584,252	¥2,000,536	¥1,878,398	¥1,505,955	¥1,241,538	¥1,164,378	¥1,069,218	¥ 980,163	¥ 767,382
Operating income (loss)	**68,798**	22,002	(6,621)	96,853	89,954	64,040	53,120	52,631	52,477	46,330	47,304
Ordinary income	**73,911**	31,756	14,343	126,488	108,484	80,635	70,912	58,970	51,375	47,865	44,526
Net income (loss)	**47,205**	(26,273)	(32,767)	80,460	59,468	47,077	43,357	33,623	21,933	27,311	22,637
Investment in tangible assets	**¥ 38,254**	¥ 26,963	¥ 104,495	¥ 104,205	¥ 129,023	¥ 130,121	¥ 111,321	¥ 65,651	¥ 69,607	¥ —	¥ —
Depreciation	**62,372**	73,238	87,219	83,744	74,449	64,423	51,277	49,264	45,939	—	—
Research and development expenses	**27,788**	26,826	33,646	36,750	34,548	31,166	30,051	29,562	29,705	29,985	26,195
Per share of common stock (yen):											
Net income (loss) per share—basic	**¥ 151.51**	¥ (84.33)	¥ (105.16)	¥ 257.50	¥ 189.88	¥ 146.16	¥ 135.09	¥ 108.04	¥ 70.19	¥ 87.28	¥ 75.90
Net income per share—diluted	**—**	—	—	257.43	189.66	146.02	135.03	101.97	62.90	78.26	67.77
Total net assets per share	**3,300.17**	3,390.02	2,987.16	4,483.32	5,612.11	5,044.45	3,504.80	3,199.69	2,522.52	2,809.54	3,036.77
Cash dividends per share	**50.00**	30.00	40.00	60.00	50.00	38.00	32.00	24.00	22.00	19.00	17.00
At Year-End											
Total assets	**¥2,481,452**	¥2,589,246	¥2,327,432	¥2,965,585	¥3,585,857	¥3,245,341	¥2,326,824	¥2,011,995	¥1,650,391	¥1,770,401	¥1,869,642
Total net assets	**1,075,939**	1,104,929	977,670	1,453,996	1,810,483	1,611,227	1,115,747	1,016,763	738,867	878,812	951,298
Common stock	**80,462**	80,462	80,462	80,462	80,462	80,462	80,462	80,462	68,046	68,021	68,018
Number of shares outstanding (excluding treasury stock) (thousands)	**311,564**	311,570	311,577	311,589	312,075	319,320	318,237	317,666	292,777	312,796	313,260
Cash Flows											
Net cash provided by operating activities	**¥ 153,661**	¥ 203,452	¥ 65,768	¥ 188,805	¥ 177,467	¥ 131,784	¥ 100,095	¥ 92,406	¥ 103,183	¥ 81,078	¥ 78,412
Net cash used in investing activities	**(187,574)**	(36,855)	(114,217)	(138,789)	(164,446)	(205,013)	(128,230)	(92,667)	(95,120)	(106,710)	(155,870)
Net cash provided by (used in) financing activities	**(85,728)**	(38,230)	120,971	(33,992)	(19,749)	85,172	50,020	(56,015)	57,775	1,225	94,472
Cash and cash equivalents at end of year	**195,566**	317,590	188,011	121,284	108,569	112,596	100,535	77,212	136,929	71,119	95,296
Indices											
Return on equity (ROE) (%)	**4.5**	(2.6)	(2.8)	5.1	3.5	3.5	4.1	3.8	2.7	3.0	3.6
Return on assets (ROA) (%)	**1.9**	(1.1)	(1.2)	2.5	1.7	1.7	2.0	1.8	1.3	1.5	1.8
Operating profit margin (%)	**4.6**	1.6	(0.4)	4.8	4.8	4.3	4.3	4.5	4.9	4.7	6.2
Equity ratio (%)	**41.4**	40.8	40.0	47.1	48.8	49.7	48.0	50.5	44.8	49.6	50.9
EBITDA (millions of yen)	**¥ 150,481**	¥ 90,521	¥ 71,608	¥ 222,125	¥ 191,007	¥ 150,674	¥ 128,381	¥ 113,676	¥ 95,472	¥ 97,540	¥ 79,921
Number of employees	**40,825**	38,903	39,916	39,528	36,096	32,977	30,990	27,431	25,030	23,056	21,118

1. Net income (loss) per share is computed based on the average number of shares for each year.
2. ROE and ROA are computed based on the average total net assets and total assets, respectively, for each year.
3. Operating profit margin = Operating income (loss) / Net sales
4. Equity ratio = (Total net assets – Subscription rights to shares – Minority interests) / Total assets
5. EBITDA = Income before income taxes + Interest expenses – Interest and dividends income + Depreciation and amortization

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following Management's Discussion and Analysis of Financial Condition and Results of Operations are based on information known to management as of June 2011.

This section contains projections and forward-looking statements that involve risks, uncertainties and assumptions. You should be aware that certain risks and uncertainties could cause the actual results of Toyota Industries Corporation and its consolidated subsidiaries to differ materially from any projections or forward-looking statements. These risks and uncertainties include, but are not limited to, those listed under "Risk Information" and elsewhere in this report.

The fiscal year ended March 31, 2011 is referred to as fiscal 2011 and other fiscal years are referred to in a corresponding manner. All references to the "Company" herein are to Toyota Industries Corporation and references to "Toyota Industries" herein are to the Company and its 162 consolidated subsidiaries.

Result of Operations

Operating Performance

In fiscal 2011, the global economy began to recover gradually, as certain Asian countries, especially China, witnessed an economic recovery and the economies in the United States, Europe and other countries appear to have bottomed out. Despite the sharp appreciation of the yen and the end of the economic stimulus plan, the Japanese economy also showed signs of an upturn due to such factors as the stabilization of private sector capital investment and a steady revival of exports.

In this operating environment, Toyota Industries undertook efforts to strengthen its management platform by ensuring customer trust through its dedication to quality as well as responding quickly and flexibly to the recovery trend and expansion of sales. However, the Great East Japan Earthquake in March had a significant impact on the Japanese economy. Toyota Industries was also forced to suspend production partially due to the problem of parts supply from suppliers.

As a result, despite the aftermath effects of the earthquake, total consolidated net sales amounted to ¥1,479.8 billion, an increase of ¥102.1 billion (7%) from fiscal 2010.

Operating Performance Highlights by Business Segment

Operating results by business segment are as follows. Net sales for each segment do not include inter-segment transactions.

Automobile Segment

The automobile industry showed a mild recovery due to recovery of the U.S. market and the expansion of the Asian market. However, sales in the Japanese market declined, attributable to the end of the economic stimulus plan. Amid such operating conditions, net sales of the Automobile Segment totaled ¥804.1 billion, an increase of ¥25.8 billion (3%) from fiscal 2010. Operating income amounted to ¥32.8 billion, an increase of ¥9.2 billion (39%) from fiscal 2010.

Within this segment, net sales of the Vehicle Business amounted to ¥375.5 billion, a decrease of ¥23.2 billion (6%), due mainly to a decline in sales of the RAV4 and Mark X ZiO, although sales of the Vitz (Yaris outside Japan) increased.

Net sales of the Engine Business totaled ¥197.3 billion, an increase of ¥32.3 billion (20%), attributable primarily to an increase in sales of KD diesel engines and AR gasoline engines.

Net sales of the Car Air-Conditioning Compressor Business totaled ¥191.8 billion, an increase of ¥14.8 billion (8%), resulting from higher sales outside Japan, offsetting a sales decline in Japan.

Materials Handling Equipment Segment

In the materials handling equipment industry, the market in emerging countries, Europe, the United States and Japan saw signs of recovery. Toyota Industries aggressively engaged in global sales promotion and production activities for lift trucks, a mainstay product of this segment, in line with market recovery. As a result, net sales of the Materials Handling Equipment Segment totaled ¥490.6 billion, an increase of ¥59.0 billion (14%). Operating income amounted to ¥23.9 billion compared with an operating loss of ¥9.5 billion in fiscal 2010.

Logistics Segment

Net sales of the Logistics Segment amounted to ¥107.7 billion due to the steady performance of cash collection and delivery services and cargo transport business of automotive-related parts. Operating income amounted to ¥5.3 billion, an increase of ¥0.1 billion (2%) from fiscal 2010.

Textile Machinery Segment

Net sales of the Textile Machinery Segment totaled ¥42.7 billion, an increase of ¥21.9 billion (105%). This was due mainly to an increase in sales of air-jet looms and spinning machinery on the back of the economic recovery in Asia, this segment's primary market. Operating income amounted to ¥2.5 billion compared with an operating loss of ¥1.8 billion in fiscal 2010.

Others Segment

Net sales of the Others Segment totaled ¥34.4 billion, a decrease of ¥3.9 billion (10%) from fiscal 2010. Operating income was ¥3.4 billion, a decrease of ¥0.5 billion (13%) from fiscal 2010.

Operating Income

Operating income for fiscal 2011 was ¥68.7 billion, an increase of ¥46.7 billion (213%) from fiscal 2010. This was due to an increase in net sales and reduction of fixed costs despite rising prices of raw materials and exchange rate fluctuations.

Ordinary Income

Ordinary income amounted to ¥73.9 billion, an increase of ¥42.2 billion (133%) from fiscal 2010. This was due to operating income of ¥68.7 billion, an increase of ¥46.7 billion (213%) from fiscal 2010, despite equity in net losses of affiliated companies amounting to ¥0.4 billion compared with equity in net earnings of affiliated companies of ¥0.7 billion in fiscal 2010.

Income before Income Taxes and Minority Interests

Income before income taxes and minority interests amounted to ¥69.2 billion compared with loss before income taxes and minority interests of ¥11.3 billion in fiscal 2010. An extraordinary loss of ¥4.6 billion was recorded, which arose from the Great East Japan Earthquake.

Net Income

Net income totaled ¥47.2 billion compared with a net loss of ¥26.2 billion in fiscal 2010. Net income per share was ¥151.51 compared with a net loss per share of ¥84.33 in fiscal 2010.

Consolidated Financial Condition

Total assets decreased ¥107.8 billion from the end of the previous fiscal year to ¥2,481.4 billion due mainly to a decrease in market value of investment securities. Total liabilities decreased ¥78.8 billion from the end of the previous fiscal year to ¥1,405.5 billion due mainly to a decrease in bonds. Net assets amounted to ¥1,075.9 billion, a decrease of ¥29.0 billion from the end of the previous fiscal year.

Liquidity and Capital Resources

Toyota Industries' financial policy is to ensure sufficient financing and liquidity for its business activities and to maintain strong balance sheets. Currently, funds for capital investments and other long-term capital needs are provided from retained earnings and long-term debt, and working capital needs are met through short-term loans. Long-term debt financing is carried out mainly through issuance of corporate bonds and loans from financial institutions.

Toyota Industries continues to maintain its solid financial condition. Through the use of such current assets as cash and cash equivalents and securities, as well as free cash flows and funds procured from financial institutions, Toyota Industries believes that it will be able to provide sufficient funds for the working capital necessary to expand existing businesses and develop new projects, as well as for future investments.

Regarding fund management, the Company undertakes integrated fund management of its subsidiaries in Japan, while Toyota Industries North America, Inc. (TINA) and Toyota Industries Finance International AB (TIFI) centrally manage the funds of subsidiaries in North America and Europe, respectively.

Through close cooperation among the Company, TINA and TIFI, we strive for efficient, unified fund management on a global consolidated basis.

Cash Flows

Cash flows from operating activities resulted in an increase in cash of ¥153.6 billion in fiscal 2011 due mainly to income before income taxes and minority interests of ¥69.2 billion. Net cash provided by operating activities decreased by ¥49.8 billion from ¥203.4 billion in fiscal 2010.

Cash flows from investing activities resulted in a decrease in cash of ¥187.5 billion in fiscal 2011 attributable primarily to a net increase in time deposits amounting to ¥89.3 billion. Net cash used in investing activities increased by ¥150.7 billion from ¥36.8 billion for fiscal 2010.

Cash flows from financing activities resulted in a decrease in cash of ¥85.7 billion in fiscal 2011 due mainly to repayments of bonds of ¥49.1 billion.

After translation adjustments, cash and cash equivalents as of March 31, 2011 stood at ¥195.5 billion, a decrease of ¥122.0 billion (38%) from fiscal 2010.

Investment in Property, Plant and Equipment

During fiscal 2011, Toyota Industries made a total investment of ¥60.0 billion in property, plant and equipment (including vehicles and materials handling equipment for lease) in order to launch new products, streamline and upgrade production equipment.

In the Automobile Segment, investment in property, plant and equipment totaled ¥20.9 billion. A primary breakdown of this amount included ¥13.8 billion for the Company, ¥1.6 billion for Tokaiseiki Co., Ltd. and ¥1.0 billion for Michigan Automotive Compressor, Inc.

The Materials Handling Equipment Segment made an investment in property, plant and equipment in the total amount of ¥30.0 billion. The primary breakdown comprised ¥0.8 billion for the Company, ¥17.0 billion for the Toyota Material Handling Europe Group and ¥6.4 billion for the Toyota Material Handling Australia Group.

Investment in property, plant and equipment in the Logistics Segment totaled ¥6.7 billion, including ¥4.0 billion for Asahi Security Co., Ltd.

The Textile Machinery Segment made an investment in property, plant and equipment in the total amount of ¥0.3 billion, including ¥0.2 billion for the Company.

The Others Segment made an investment in property, plant and equipment in the total amount of ¥1.8 billion, including ¥0.8 billion for the Company.

Necessary funds were provided by a portion of bonds as well as cash on hand and bank loans.

Strategies and Outlook

Outlook for Results for Fiscal 2012

Although the global economy is projected to gradually recover in fiscal 2012, uncertainties remain with regards to credit contraction, further deterioration in the employment situation and fluctuations in raw material prices such as crude oil, as well as concerns about exchange rate fluctuations. The operating environment in Japan is expected to remain severe, as the impacts of the earthquake on the economy could become more serious or prolonged.

Amid this challenging environment, Toyota Industries will continue to undertake concerted efforts to strengthen its management platform and raise corporate value. As immediate tasks, we will make a strong effort to recover quickly from the production decrease owing to the effect of the earthquake. We will make a flexible production plan and support suppliers. We will also promote business and cost structure reforms to realize a solid management platform so that we can respond quickly to the changing market circumstances.

Specifically, we will maintain a streamlined structure through the reduction of fixed costs and enhance our business in established markets in developed countries. In addition, we will accelerate our business expansion into rapidly growing emerging countries by thoroughly and meticulously monitoring market conditions in respective regions and introducing products suited to the characteristics and needs of each market. Toyota Industries will also strive to establish production/supply structures to realize optimum product pricing and delivery and to enhance the value chain to provide a wide range of customer services in each country and region.

Based on quality first, Toyota Industries regards giving considerations to the environment and safety as well as increasing our competitive strengths to be important issues to tackle over the medium to long term. We will promote product development and advanced technology development to offer high value-added products that anticipate customer needs.

Specifically, we will pursue business expansion by refining our element technologies for contributing to electrification, lighter weight and energy efficiency and by incorporating these technologies into new products released by our mainstay businesses of automobiles and materials handling equipment. This approach is based on the keywords of the 3Es, which Toyota Industries defines as “energy,” “environmental protection” and “ecological thinking” incorporated into our products and operating activities.

To support such consolidated management on a global scale, Toyota Industries will strive to nurture people who take the initiative to learn, think and act and who will enhance the power of the workplace.

In addition to placing top priority on safety, we will thoroughly enforce compliance, including observance of laws and regulations, and actively participate in social contribution activities. Through these and further measures, Toyota Industries aims to meet the trust of society, raise corporate value and grow in harmony with society.

Dividend Policy

Toyota Industries regards the benefits of shareholders as one of its most important management policies. Based on this stance, we will strive to strengthen Toyota Industries' corporate constitution, promote proactive business development and raise its corporate value.

Toyota Industries' dividend policy is to meet the expectations of shareholders for continuous dividends while giving full consideration to business performance, funding requirements, the dividend payout ratio and other factors. Toyota Industries' Ordinary General Meeting of Shareholders, held on June 16, 2011, approved a year-end cash dividend of ¥25.0 per share. Including the interim cash dividend of ¥25.0 per share, cash dividends for the year totaled ¥50.0 per share, an increase of ¥20.0 per share from fiscal 2010.

Toyota Industries will use retained earnings to improve the competitiveness of its products, augment production capacity in and outside Japan, as well as to expand into new fields of business and strengthen its corporate constitution in securing future profits for its shareholders.

The Company's Articles of Incorporation stipulate that it may pay interim cash dividends as prescribed in Article 454-5 of the Corporation Law, and it is the Company's basic policy to pay dividends from retained earnings twice a year (interim and annual).

The Company's Articles of Incorporation also stipulate that what is prescribed in Article 459-1 of the Corporation Law can be added to the Articles of Incorporation. As the Company's policy, discretion to pay interim cash dividends is determined by the Board of Directors while payment of year-end cash dividends is subject to approval at the Ordinary General Meeting of Shareholders.

Risk Information

The following represent risks that could have a material impact on Toyota Industries' financial condition, business results and share prices. Toyota Industries judged the following as future risks as of March 31, 2011.

Principal Customers

Toyota Industries' automobile and engine products are sold primarily to Toyota Motor Corporation (TMC). In fiscal 2011, net sales to TMC accounted for 41.0% of consolidated net sales. Therefore, TMC's vehicle sales could have an impact on Toyota Industries' business results. As of March 31, 2011, TMC holds 24.61% of the Company's voting rights.

Product Development Capabilities

Based on the concept of “developing appealing new products,” Toyota Industries proactively develops new products by utilizing its leading-edge technologies, as it strives to anticipate increasingly sophisticated and diversifying needs of the market and ensure the satisfaction of its customers.

R&D activities are focused mainly on developing and upgrading products in current business fields and peripheral sectors. Toyota Industries expects that revenues derived from these fields will continue to account for a significant portion of total revenues and anticipates that future growth will be contingent on the development and sales of new products in these fields. Toyota Industries believes that it can continue to develop appealing new products. However, Toyota Industries may not be able to forecast market needs and develop and introduce appealing new products in a timely manner. This could result in lower future growth and have an adverse impact on Toyota Industries' financial condition and business results.

Such a situation could result from risks that include no assurance Toyota Industries can allocate sufficient future funds necessary for the development of appealing new products; no assurance that product sales will be successful, as forecasts of products supported by the market may not always be accurate; and no assurance that newly developed products and technologies will always be protected as intellectual property.

Intellectual Property Rights

In undertaking its business activities, Toyota Industries has acquired numerous intellectual property rights, including those acquired outside Japan, such as patents related to its products, product designs and manufacturing methods. However, not all patents submitted will necessarily be registered as rights, and these patents could thus be rejected by patent authorities or invalidated by third parties. Also, a third party could circumvent a patent of Toyota Industries and introduce a competing product into the market. Moreover, Toyota Industries' products utilize a wide range of technologies. Therefore, Toyota Industries could become a party subject to litigation involving the intellectual property rights of a third party.

Product Defects

Guided by the basic philosophy of “offering products and services that are clean, safe and of high quality,” Toyota Industries makes its utmost efforts to enhance quality. However, Toyota Industries cannot guarantee all its products will be defect-free and that product recalls will not be made in the future. Product defects that could lead to large-scale recalls and product liability indemnities could result in large cost burdens and have a significant negative impact on the evaluation of Toyota Industries. It could also have an adverse effect on Toyota Industries' financial condition and business results due to a decrease in sales, deterioration of profitability and decrease in share prices of Toyota Industries.

Price Competition

Toyota Industries faces extremely harsh competition in each of the industries in which it conducts business, including its Automobile and Materials Handling Equipment businesses, which are the core of Toyota Industries' earnings foundation. Toyota Industries believes it offers high value-added products that are unrivalled in terms of technology, quality and cost. Amid an environment characterized by intensifying price competition, however, Toyota Industries may be unable to maintain or increase market share against low-cost competitors or to maintain profitability. This could have an adverse impact on Toyota Industries' financial condition and business results.

Reliance on Suppliers of Raw Materials and Components

Toyota Industries' products rely on various raw materials and components from suppliers outside Toyota Industries. Toyota Industries has concluded basic business contracts with these external suppliers and assumes it can carry out stable transactions for raw materials and components. However, Toyota Industries has no assurances against future shortages of raw materials and components, which arise from a global shortage due to tight supply or an unforeseen accident involving a supplier. Such shortages could have a negative effect on Toyota Industries' production and cause an increase in costs, which could have an adverse impact on Toyota Industries' financial condition and business results.

Environmental Regulations

In view of its social responsibilities as a company, Toyota Industries strives to reduce any burden on the environment resulting from its production processes, as well as strictly adheres to applicable environmental laws and regulations. However, various environmental regulations could also be revised and strengthened in the future. Accordingly, any expenses necessary for continuous strict adherence to these environmental regulations could result in increased business costs and have an adverse impact on Toyota Industries' financial condition and business results.

Alliances with Other Companies

Aiming to expand its businesses, Toyota Industries engages in joint activities with other companies through alliances and joint ventures. However, a wildly fluctuating market trend or a disagreement between Toyota Industries and its partners, owing to business, financial or other reasons, could prevent Toyota Industries from deriving the intended benefits of its alliances.

Exchange Rate Fluctuations

Toyota Industries' businesses encompass the production and sales of products and the provision of services worldwide. Generally, the strengthening of the yen against other currencies (especially against the U.S. dollar and the euro, which account for a significant portion of Toyota Industries' sales) has an adverse impact on Toyota Industries' business, while a weakening of the yen has a favorable impact. An increase in the value of currencies in countries or regions where Toyota Industries carries out production could lead to an increase in local production, procurement and distribution costs. Such an increase in costs could reduce Toyota Industries' price competitiveness. Additionally, because export sales of several businesses are denominated mainly in yen, exchange rate fluctuations could have an adverse impact on Toyota Industries' financial condition and business results due to a change in market prices.

Share Price Fluctuations

Toyota Industries holds marketable securities, and therefore bears the risk of price fluctuations of these shares. Based on fair market value of these shares at the end of the fiscal year under review, Toyota Industries had unrealized gains. However, unrealized gains on marketable securities could worsen depending on future share price movements. Additionally, a fall in share prices could reduce the value of pension assets, leading to an increase in the pension shortfall.

Effects of Disasters, Power Blackouts and Other Incidents

Toyota Industries carries out regular checks and inspections of its production facilities to minimize the effect of production breakdown. However, there is no assurance Toyota Industries can completely prevent or lessen the impact of man-made or natural disasters and power blackouts occurring at Toyota Industries' and its suppliers' production facilities. Specifically, the majority of Toyota Industries' domestic production facilities and most of its business partners are situated in the Chubu region. Therefore, major disasters at this region could delay or stop production or shipment activities. Such prolonged delays and stoppages could have an adverse impact on Toyota Industries' financial condition and business results.

Latent Risks Associated with International Activities

Toyota Industries manufactures and sells products and provides services in various countries. Such unforeseen factors as social chaos, including political disruptions, terrorism and wars, as well as changes in economic conditions, could have an adverse impact on Toyota Industries' financial condition and business results.

Retirement Benefit Liabilities

Toyota Industries' employee retirement benefit expenses and liabilities are calculated based on expected rates of return on pension assets as well as assumptions upon making actuarial calculations that incorporate discount rates and other factors. Therefore, differences between actual results and assumptions as well as changes in the assumptions could have a significant impact on recognized expenses and calculated liabilities in future accounting periods.

Significant Accounting Policies and Estimates

Toyota Industries' financial statements are prepared in conformity with accounting principles and practices generally accepted in Japan. In preparing financial statements, management must make estimates, judgments and assumptions that affect reported amounts of assets and liabilities at fiscal year-end as well as revenues and expenses during each fiscal year. Among Toyota Industries' significant accounting policies, the following categories require a considerable degree of judgment and estimation and are highly complex.

Allowance for Doubtful Accounts

To prepare for the risk of receivables becoming uncollectible, Toyota Industries estimates its allowance for doubtful accounts by utilizing the percentage of historical experiences in credit losses for ordinary receivables and individually examining the feasibility of collection for receivables that seem to be uncollectible. Evaluating the allowance for doubtful accounts involves judgments made in accordance with the nature of the situation, and this allowance represents an essential and crucial estimate—including future estimates of cash flow amounts and timing—that could change significantly. Based on currently available information, Toyota Industries' management believes its present allowance for doubtful accounts is sufficient. However, the need to significantly increase allowance for doubtful accounts in the future could have an adverse impact on Toyota Industries' business results.

Allowance for Retirement Benefits

Calculations differ for retirement benefits, retirement benefit expenses and liabilities after employee retirement, as well as benefits for employees on leave of absence, because different assumptions are used at the time of calculation. Assumptions include such factors as discount rates, amount of benefits, interest expenses, expected rates of return on pension assets and mortality rates. The difference in amounts between these assumptions and actual results is calculated cumulatively and amortized over future accounting periods, and thus becomes an expense and is recognized as a liability in future accounting periods. Toyota Industries believes its assumptions are reasonable. However, differences between actual results or changes in the assumptions could have an impact on retirement benefits and retirement benefit expenses and liabilities after employee retirement.

Toyota Industries' Relationship to Toyota Motor Corporation

Due to historical reasons, Toyota Industries maintains close relationships with Toyota Motor Corporation (TMC) and Toyota Group companies in terms of capital and business dealings.

Historical Background

In 1933, Kiichiro Toyoda, the eldest son of founder Sakichi Toyoda and then Managing Director of Toyota Industries (then Toyoda Automatic Loom Works, Ltd.), established the Automobile Department within the Company based on his resolve to manufacture Japanese-made automobiles. In 1937, the Automobile Department was spun off and became an independent company, Toyota Motor Co., Ltd. (the present Toyota Motor Corporation).

Capital Relationship

In light of this historical background, Toyota Industries and TMC have maintained a close capital relationship. As of March 31, 2011, Toyota Industries holds 6.88% (215,640 thousand shares) of TMC's total shares issued. Likewise, as of the same date, TMC holds 24.61% of Toyota Industries' total voting rights. Toyota Industries is a TMC affiliate accounted for by the equity method.

Business Relationship

Toyota Industries assembles certain cars and produces automobile engines under consignment from TMC. Additionally, we sell a portion of our other components and products directly or indirectly to other Toyota Group companies. In fiscal 2011, our net sales to TMC accounted for 41.0% of our consolidated net sales.

Contributions to the Toyota Group

As a member of the Toyota Group, Toyota Industries aims to contribute to strengthening the competitiveness of TMC and other Toyota Group companies in such areas as quality, cost, delivery and technologies. Toyota Industries is confident that raising the Toyota Group's competitiveness will lead to increases in our sales to and profits from the Toyota Group, thereby contributing to raising Toyota Industries' corporate value.

Consolidated Balance Sheets

Toyota Industries Corporation
As of March 31, 2011 and 2010

	Millions of yen	
ASSETS	**2011**	2010
Current assets:		
Cash and deposits	**¥ 198,654**	¥ 287,965
Trade notes and accounts receivable (Note 8)	**152,121**	163,708
Lease investment assets (Notes 3 and 23)	**35,146**	—
Short-term investments	**132,430**	71,391
Merchandise and finished goods (Notes 4 and 8)	**42,940**	37,358
Work in process (Notes 4 and 8)	**31,256**	25,672
Raw materials and supplies (Notes 4 and 8)	**30,065**	25,318
Deferred tax assets (Note 22)	**18,493**	17,182
Other current assets	**32,646**	47,307
Allowance for doubtful accounts	**(2,863)**	(3,103)
Total current assets	**670,893**	672,801
Fixed assets:		
Property, plant and equipment:		
Buildings and structures (Notes 5 and 8)	**159,606**	169,991
Machinery, equipment and vehicles (Notes 5 and 8)	**185,988**	212,079
Tools, furniture and fixtures (Note 5)	**23,634**	21,840
Land (Note 8)	**119,697**	119,517
Construction in progress	**8,350**	8,547
Total property, plant and equipment	**497,278**	531,977
Intangible assets:		
Goodwill	**68,573**	72,745
Software	**10,767**	9,976
Total intangible assets	**79,340**	82,722
Investments and other assets:		
Investments in securities (Notes 7 and 8)	**1,123,306**	1,162,685
Long-term loans receivable	**—**	5,554
Deferred tax assets (Note 22)	**9,786**	10,429
Lease investment assets (Notes 3 and 23)	**71,480**	—
Other investments and other assets (Note 7)	**29,539**	123,278
Allowance for doubtful accounts	**(173)**	(202)
Total investments and other assets	**1,233,940**	1,301,744
Total fixed assets	**1,810,559**	1,916,444
Total assets	**¥2,481,452**	¥2,589,246

The accompanying notes are an integral part of these financial statements.

	Millions of yen	
LIABILITIES AND NET ASSETS	**2011**	2010
Current liabilities:		
Trade notes and accounts payable	**¥ 144,956**	¥ 141,787
Short-term loans payable (Note 8)	**99,946**	46,241
Commercial paper	**11,133**	9,575
Current portion of bonds	**30,829**	50,446
Lease obligations (Notes 3 and 23)	**37,873**	—
Accounts payable—other	**14,349**	13,149
Accrued income taxes	**18,320**	15,014
Deferred tax liabilities (Note 22)	**737**	316
Allowance for bonuses to directors and corporate auditors	**521**	310
Other current obligations (Note 8)	**153,275**	158,100
Total current liabilities	**511,944**	434,941
Long-term liabilities:		
Bonds payable (Note 6)	**205,649**	231,401
Long-term loans payable (Notes 6 and 8)	**236,602**	299,208
Lease obligations (Notes 2, 3 and 6)	**82,813**	108,014
Deferred tax liabilities (Note 22)	**309,256**	351,009
Allowance for retirement benefits (Note 9)	**46,924**	45,234
Other long-term liabilities (Notes 3 and 10)	**12,321**	14,507
Total long-term liabilities	**893,568**	1,049,375
Total liabilities	**1,405,512**	1,484,316
Shareholders' equity (Note 13)**:**		
Capital stock		
Authorized — 1,100,000,000 shares		
Issued — 325,840,640 shares as of March 31, 2011	**80,462**	80,462
325,840,640 shares as of March 31, 2010		
Capital surplus	**106,179**	106,179
Retained earnings	**412,029**	378,648
Treasury stock	**(50,703)**	(50,689)
14,275,721 shares as of March 31, 2011		
14,269,943 shares as of March 31, 2010		
Total shareholders' equity	**547,968**	514,601
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	**488,277**	544,068
Deferred gains or losses on hedges	**46**	(9)
Foreign currency translation adjustment	**(8,075)**	(2,430)
Total accumulated other comprehensive income	**480,248**	541,628
Subscription rights to shares	**2,132**	1,720
Minority interests	**45,589**	46,978
Total net assets	**1,075,939**	1,104,929
Total liabilities and net assets	**¥2,481,452**	¥2,589,246

Consolidated Statements of Income

Toyota Industries Corporation
For the years ended March 31, 2011 and 2010

	Millions of yen	
	2011	2010
Net sales	**¥1,479,839**	¥1,377,769
Cost of sales (Note 14)	**1,250,313**	1,194,399
Gross profit	**229,526**	183,370
Selling, general and administrative expenses (Notes 14 and 20)**:**		
Sales commissions	**8,913**	6,814
Salaries and allowances	**62,969**	64,716
Retirement benefit expenses	**2,020**	1,953
Depreciation	**6,332**	8,151
Research and development expenses	**21,727**	19,482
Others	**58,765**	60,248
Operating income	**68,798**	22,002
Non-operating income:		
Interest income	**9,172**	10,804
Dividends income	**14,975**	15,297
Gain on sales of marketable securities	**488**	135
Equity in net earnings of affiliated companies	**—**	744
Other non-operating income	**7,407**	7,413
Non-operating expenses:		
Interest expenses	**(15,773)**	(17,847)
Loss on disposal of fixed assets	**(1,281)**	(1,257)
Equity in net losses of affiliated companies	**(473)**	—
Other non-operating expenses	**(9,402)**	(5,535)
Ordinary income	**73,911**	31,756
Extraordinary losses (Note 15)**:**		
Losses on the Great East Japan Earthquake	**(4,631)**	—
Losses on business restructuring of the Materials Handling Equipment Segment	**—**	(43,099)
Income (loss) before income taxes and minority interests	**69,279**	(11,343)
Income taxes — current (Note 22)	**25,456**	13,320
Income taxes — deferred (Note 22)	**(5,234)**	(438)
Income before minority interests	**49,058**	—
Income on minority interests in consolidated subsidiaries	**1,852**	2,048
Net income (loss)	**¥ 47,205**	¥ (26,273)

	Yen	
Net income (loss) per share— basic (Note 28)	**¥ 151.51**	¥ (84.33)
Net income (loss) per share— diluted (Note 28)	**—**	—
Net assets per share (Note 29)	**3,300.17**	3,390.02
Cash dividends per share	**50.00**	30.00

The accompanying notes are an integral part of these financial statements.

Consolidated Statements of Comprehensive Income

Toyota Industries Corporation
For the years ended March 31, 2011 and 2010

	Millions of yen	
	2011	2010
Income before minority interests (Note 16)	**¥ 49,058**	¥ —
Other comprehensive income		
Valuation difference on available-for-sale securities	**(55,834)**	—
Deferred gains or losses on hedges	**55**	—
Foreign currency translation adjustment	**(6,375)**	—
Share of other comprehensive income of associates accounted for using equity method	**(300)**	—
Comprehensive income	**(13,396)**	—
Profit attributable to:		
Owners of the parent	**(14,174)**	—
Minority interests	**777**	—

The accompanying notes are an integral part of these financial statements.

Consolidated Statements of Changes in Net Assets

Toyota Industries Corporation
For the years ended March 31, 2011 and 2010

	Millions of yen	
	2011	2010
Shareholders' equity		
Capital stock		
Balance at the end of previous period	**¥ 80,462**	¥ 80,462
Balance at the end of current period	**80,462**	80,462
Capital surplus		
Balance at the end of previous period	**106,179**	106,180
Changes of items during the period		
Disposal of treasury stock	**(0)**	(0)
Total changes of items during the period	**(0)**	(0)
Balance at the end of current period	**106,179**	106,179
Retained earnings		
Balance at the end of previous period	**378,648**	412,294
Changes of items during the period		
Dividends from surplus	**(14,020)**	(6,231)
Increase (decrease) due to increase in consolidated subsidiaries	**—**	(1,138)
Increase (decrease) due to decrease in consolidated subsidiaries	**196**	(1)
Net income (loss)	**47,205**	(26,273)
Total changes of items during the period	**33,381**	(33,646)
Balance at the end of current period	**412,029**	378,648
Treasury stock		
Balance at the end of previous period	**(50,689)**	(50,672)
Changes of items during the period		
Repurchase of treasury stock	**(15)**	(18)
Disposal of treasury stock	**1**	1
Total changes of items during the period	**(13)**	(16)
Balance at the end of current period	**(50,703)**	(50,689)
Total shareholders' equity		
Balance at the end of previous period	**514,601**	548,264
Changes of items during the period		
Dividends from surplus	**(14,020)**	(6,231)
Increase (decrease) due to increase in consolidated subsidiaries	**—**	(1,138)
Increase (decrease) due to decrease in consolidated subsidiaries	**196**	(1)
Net income (loss)	**47,205**	(26,273)
Repurchase of treasury stock	**(15)**	(18)
Disposal of treasury stock	**0**	0
Total changes of items during the period	**33,367**	(33,663)
Balance at the end of current period	**547,968**	514,601
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	**544,068**	392,489
Changes of items during the period		
Net changes of items other than shareholders' equity	**(55,790)**	151,578
Total changes of items during the period	**(55,790)**	151,578
Balance at the end of current period	**488,277**	544,068

The accompanying notes are an integral part of these financial statements.

	Millions of yen	
	2011	2010
Deferred gains or losses on hedges		
Balance at the end of previous period	**¥ (9)**	¥ 24
Changes of items during the period		
Net changes of items other than shareholders' equity	**55**	(33)
Total changes of items during the period	**55**	(33)
Balance at the end of current period	**46**	(9)
Foreign currency translation adjustment		
Balance at the end of previous period	**(2,430)**	(10,048)
Changes of items during the period		
Net changes of items other than shareholders' equity	**(5,645)**	7,618
Total changes of items during the period	**(5,645)**	7,618
Balance at the end of current period	**(8,075)**	(2,430)
Total accumulated other comprehensive income		
Balance at the end of previous period	**541,628**	382,466
Changes of items during the period		
Net changes of items other than shareholders' equity	**(61,380)**	159,162
Total changes of items during the period	**(61,380)**	159,162
Balance at the end of current period	**480,248**	541,628
Subscription rights to shares		
Balance at the end of previous period	**1,720**	1,224
Changes of items during the period		
Net changes of items other than shareholders' equity	**411**	496
Total changes of items during the period	**411**	496
Balance at the end of current period	**2,132**	1,720
Minority interests		
Balance at the end of previous period	**46,978**	45,715
Changes of items during the period		
Net changes of items other than shareholders' equity	**(1,389)**	1,263
Total changes of items during the period	**(1,389)**	1,263
Balance at the end of current period	**45,589**	46,978
Total net assets		
Balance at the end of previous period	**1,104,929**	977,670
Changes of items during the period		
Dividends from surplus	**(14,020)**	(6,231)
Increase (decrease) due to increase in consolidated subsidiaries	**—**	(1,138)
Increase (decrease) due to decrease in consolidated subsidiaries	**196**	(1)
Net income (loss)	**47,205**	(26,273)
Repurchase of treasury stock	**(15)**	(18)
Disposal of treasury stock	**0**	0
Net changes of items other than shareholders' equity	**(62,357)**	160,922
Total changes of items during the period	**(28,990)**	127,259
Balance at the end of current period	**¥1,075,939**	¥1,104,929

Consolidated Statements of Cash Flows

Toyota Industries Corporation
For the years ended March 31, 2011 and 2010

	Millions of yen	
	2011	2010
Cash flows from operating activities:		
Income (loss) before income taxes and minority interests	**¥ 69,279**	¥ (11,343)
Depreciation and amortization	**89,576**	110,119
Impairment loss	**—**	36,902
Increase (decrease) in allowance for doubtful accounts	**(195)**	84
Interest and dividends income	**(24,148)**	(26,101)
Interest expenses	**15,773**	17,847
Equity in net (earnings) losses of affiliated companies	**473**	(744)
(Increase) decrease in receivables	**11,650**	(777)
(Increase) decrease in inventories	**(16,953)**	17,334
Increase (decrease) in payables	**3,440**	36,164
Others, net	**19,228**	7,372
Subtotal	**168,125**	186,859
Interest and dividends income received	**24,173**	26,145
Interest expenses paid	**(15,882)**	(17,976)
Income taxes (paid) received	**(22,755)**	8,424
Net cash provided by operating activities	**153,661**	203,452
Cash flows from investing activities:		
Payments for purchases of property, plant and equipment	**(48,085)**	(48,312)
Proceeds from sales of property, plant and equipment	**7,645**	15,729
Payments for purchases of investment securities	**(56,000)**	(3,927)
Proceeds from sales of investment securities	**2,963**	197
Payments for acquisition of subsidiaries' stock resulting in change in scope of consolidation	**(25)**	(781)
Proceeds from sales of subsidiaries' stock resulting in change in scope of consolidation	**41**	—
Payments for loans made	**(30)**	(293)
Proceeds from collections of loans	**730**	2,003
Net decrease (increase) in time deposits	**(89,351)**	—
Others, net	**(5,461)**	(1,470)
Net cash used in investing activities	**(187,574)**	(36,855)
Cash flows from financing activities:		
Increase in short-term loans payable	**(6,759)**	(37,614)
Proceeds from long-term loans payable	**240**	27,820
Repayments of long-term loans payable	**(826)**	(1,915)
Proceeds from issuances of bonds	**4,002**	50,000
Repayments of bonds	**(49,180)**	(33,286)
Payments for repurchase of treasury stocks	**(15)**	(18)
Cash dividends paid	**(14,020)**	(6,231)
Cash dividends paid to minority shareholders	**(528)**	(625)
Proceeds from payment by minority shareholders	**143**	—
Others, net	**(18,784)**	(36,359)
Net cash used in financing activities	**(85,728)**	(38,230)
Translation adjustments of cash and cash equivalents	**(2,382)**	1,211
Net increase (decrease) in cash and cash equivalents	**(122,024)**	129,578
Cash and cash equivalents at beginning of year	**317,590**	188,011
Cash and cash equivalents at end of year	**¥ 195,566**	¥ 317,590

The accompanying notes are an integral part of these financial statements.

Notes to Consolidated Financial Statements

1. Basis of presenting consolidated financial statements:

The accompanying consolidated financial statements have been prepared based on the accounts maintained by Toyota Industries Corporation (the "Company") and its consolidated subsidiaries (together, hereinafter referred to as "Toyota Industries") in accordance with the provisions set forth in the Corporation Law of Japan and the Financial Instruments and Exchange Law, and in conformity with accounting principles generally accepted in Japan, which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards.

2. Summary of significant accounting policies:

(1) Consolidation

The consolidated financial statements include the accounts of the Company and its 162 subsidiaries (38 subsidiaries in Japan and 124 subsidiaries outside Japan) as of March 31, 2011, and 159 subsidiaries (40 subsidiaries in Japan and 119 subsidiaries outside Japan) as of March 31, 2010.

For the year ended March 31, 2011, 11 subsidiaries were newly added to the scope of consolidation and eight companies were excluded from the scope of consolidation because of liquidation and mergers as a result of reorganization. Changes in the number of consolidated subsidiaries for the year ended March 31, 2011 are listed below.

(increase)
TOYOTA L&F Fukui Co., Ltd.
Toyota Textile Machinery (Shanghai) Co., Ltd.
Wanbishi Archives China Co., Ltd.
P.T. TD Automotive Compressor Indonesia
Toyota Material Handling North America, Inc.
Toyota Material Handling India Pvt. Ltd.
Atlas Toyota Material Handling, LLC
Four companies of Toyota Material Handling Europe AB Group
(decrease)
TF Logistics Co., Ltd.
ACTIS Manufacturing, Ltd., LLC
Two companies of Aichi Corporation
Four companies of Toyota Material Handling Europe AB Group

For the year ended March 31, 2010, two subsidiaries were newly added to the scope of consolidation and three companies were excluded from the scope of consolidation because of liquidation and mergers as a result of reorganization. Changes in the number of consolidated subsidiaries for the year ended March 31, 2010 are listed below.

(increase)
North Vernon Industry Corp.
Cullman Casting Corporation
(decrease)
ALTRAN Corporation
Logistics Planning Tokyo Co., Ltd.
SKE INC.

The fiscal years of certain subsidiaries are different from the fiscal year of the Company. Since the difference is not more than three months, the Company is using those subsidiaries' statements for those fiscal years, making adjustments for significant transactions that materially affect the financial position or results of operations.

All significant inter-company transactions, balances and unrealized profits within Toyota Industries have been eliminated.

(2) Equity method

Investments in 12 major affiliates in 2011 and 13 major affiliates in 2010 are accounted for by the equity method of accounting.

For the year ended March 31, 2011, one company was excluded from the scope of equity-method accounting as a result of the changes in shareholdings. Changes in the number of affiliates to which the equity method applied for the year ended March 31, 2011 are listed below.

(decrease)
FUJI LOGISTICS CO., LTD.

For the year ended March 31, 2010, there were no changes in the scope of equity-method accounting.

Some of the affiliates are not accounted for under the equity method since their net income/losses, retained earnings and other financial amounts are immaterial.

(3) Translation of foreign currencies

Foreign currency denominated receivables and payables are translated into Japanese yen at the year-end exchange rates and the resulting transaction gains or losses are included in the consolidated statements of income.

All asset and liability accounts of foreign subsidiaries and affiliates are translated into Japanese yen at year-end exchange rates and all revenue and expense accounts are translated at prevailing fiscal average rates.

(4) Cash and cash equivalents

Cash and cash equivalents are cash on hand, readily available deposits and short-term highly liquid and low risk investments with maturities not exceeding three months at the time of purchase.

(5) Short-term investments and investment securities

Toyota Industries classifies securities into four categories by purpose of holding: trading securities, held-to-maturity securities, other securities and investments in affiliates. Toyota Industries did not have trading securities or held-to-maturity securities as of March 31, 2011 and 2010.

Other securities with readily determinable fair values are stated at fair value based on market prices at the end of the year. Unrealized gains and losses are included in "Valuation difference on available-for-sale securities" as a separate component of net assets. Cost of sales of such securities is determined by the moving-average method. Other securities without readily determinable fair values are stated at cost, as determined by the moving-average method.

Investments in affiliates are accounted for by the equity method (see Note 2 (2)).

Investments in affiliates not accounted for by the equity method are stated at cost due to their insignificant effect on the consolidated financial statements.

(6) Inventories
Inventories are stated mainly at cost determined by the moving-average method (the values on the consolidated balance sheets are calculated through the write-down method based on the deterioration of profitability).

(7) Property, plant and equipment, and depreciation (Except for lease assets)
Property, plant and equipment are stated at cost. Depreciation expenses of property, plant and equipment are computed mainly by the declining-balance method for the Company and subsidiaries.
Significant renewals and additions are capitalized at cost. Repairs and maintenance are charged to income as incurred.

(8) Intangible assets and amortization
Amortization of intangible assets is computed using the straight-line method. Software costs for internal use are amortized by the straight-line method over their expected useful lives (mainly five years).

(9) Lease transactions
The depreciation method of leased properties on finance leases that are deemed to transfer the ownership of the leased properties to lessees is the same as those applied to properties owned by Toyota Industries.
The depreciation method of leased properties on finance leases other than those deemed to transfer the ownership of leased properties to lessees is computed mainly by the straight-line method, which assumes zero residual value and the leasing term to be for the useful life of the asset.
As for the finance leases other than finance leases deemed to transfer the ownership of leased properties to lessees, those that came into effect before March 31, 2008 (inclusive) will continue to be accounted for by the former method (similar to the method applicable to ordinary operating leases).

(10) Allowances for doubtful accounts
Toyota Industries adopted the policy of providing an allowance for doubtful accounts in an amount sufficient to cover possible losses on collection by estimating individually uncollectible amounts and applying to the remaining accounts a percentage determined by certain factors such as historical collection experiences.

(11) Allowance for bonuses to directors, managing officers and corporate auditors
Bonuses to directors, managing officers and corporate auditors are recorded on the accrual basis with a related change to income.

(12) Allowance for retirement benefits
Toyota Industries accrues an amount which is considered to be incurred in the period based on the estimated projected benefit obligations and estimated pension assets at the end of the year. To provide for the retirement benefits for directors, managing officers and corporate auditors, an amount which is calculated at the end of the year as required by an internal policy describing the retirement benefits for directors and managing officers is accrued.

(13) Accounting standards for finance lease transactions
As for the accounting standards for finance lease transactions, net sales and cost of sales are recognized when the lease payments are received or when the lease transactions are started.

(14) Hedge accounting
(a) Method of hedge accounting
Mainly the deferral method of hedge accounting is applied. In the case of foreign currency forward contracts and foreign currency option contracts, the hedged items are translated at contracted forward rates if certain conditions are met.
As for the interest rate swap contracts, which meet the requirements of the preferential accounting method, the preferential accounting method is applied.
(b) Hedging instruments and hedged items

Hedging instruments:	Derivative instruments (foreign currency forward contracts, foreign currency option contracts, foreign currency swaps and interest rate swaps)
Hedged items:	Risk of change in interest rate on borrowings, receivables and payables and risk of change in forward exchange rates on transactions denominated in foreign currencies (borrowings, receivables and payables, and forecasted transactions)

(c) Hedging policy
Hedging transactions are executed and controlled based on Toyota Industries' internal policy and Toyota Industries is hedging interest rate risks and foreign currency risks. Toyota Industries' hedging activities are reported periodically to a director responsible for accounting.
(d) Method used to measure hedge effectiveness
Hedge effectiveness is measured by comparing accumulated changes in market prices of hedged items and hedging instruments or accumulated changes in estimated cash flows from the inception of the hedge to the date of measurements performed. Currently it is considered that there are high correlations between them.

(15) Goodwill and amortization
Goodwill, if material, is amortized principally over less than 20 years on a straight-line basis, while immaterial goodwill is charged to gain or loss as incurred.

(16) Consumption tax
The consumption tax under the Japanese Consumption Tax Law withheld by Toyota Industries on sales of goods is not included in the amount of net sales in the accompanying consolidated statements of income, and the consumption tax paid by Toyota Industries under the law on purchases of goods and services and expenses is not included in the related amount.

(17) Income taxes
The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax liabilities and assets for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities.

(18) Net income per share
The computation of basic net income per share is based on the weighted-average number of outstanding shares of common stock. The calculation of diluted net income per share is similar to the calculation of basic net income per share, except that the weighted-average number of shares outstanding includes the additional dilution from potential common stock equivalents such as subscription rights to shares. Cash dividends per share shown in the statements of income are the amounts applicable to the respective years.

3. Changes in accounting policies and adoption of new accounting standards:

For the year ended March 31, 2011

Accounting Standard for Asset Retirement Obligations
Effective from the fiscal year beginning April 1, 2010, Toyota Industries applies Financial Accounting Standard No. 18 "Accounting Standard for Asset Retirement Obligations" and its Implementation Guidance No. 21 "Guidance on Accounting Standard for Asset Retirement Obligations," both of which were issued on March 31, 2008 by the Accounting Standards Board of Japan.
As a result, operating income decreased by ¥93 million. Ordinary income and income before income taxes also decreased by ¥1,090 million, respectively.

Classification Change in Consolidated Financial Statements
(1) Consolidated Balance Sheets
"Lease investment assets" (included in "Other current assets" and "Other investments and other assets" in the previous fiscal year) and "Lease obligations" (included in "Other current liabilities" under "Current liabilities" in the previous fiscal year) are listed as a separate item from the fiscal year beginning April 1, 2010 due to the increase in materiality.
In the previous fiscal year, ¥15,455 million of "Lease investment assets" was in "Other current assets" under "Current assets," ¥95,064 million of "Lease investment assets" was in "Other investments and other assets" under "Investments and other assets" and ¥15,576 million of "Lease obligations" was in "Other current liabilities" under "Current liabilities."
"Long-term loans receivable" (listed as a separate item in the previous fiscal year), amounting to ¥4,865 million, is included in "Other investments and other assets" under "Investments and other assets" in the fiscal year beginning April 1, 2010 due to the decrease in materiality.

(2) Consolidated Statements of Income
Effective from the fiscal year beginning April 1, 2010, Toyota Industries applies Ordinance of the Ministry of Justice No. 7 "Ordinance for Partial Revision of Enforcement Regulations of the Corporation Law and the Company Accounting Regulations," which was issued on March 27, 2009 and is based on Financial Accounting Standard No. 22 "Accounting Standard for Consolidated Financial Statements" issued on December 26, 2008 by the Accounting Standards Board of Japan. Accordingly, Toyota Industries includes "Income before minority interests" in the financial statements from the fiscal year beginning April 1, 2010.

(3) Consolidated Statements of Cash Flows
"Net decrease (increase) in time deposits" (included in "Others, net" under "Cash flows from investing activities" in the previous fiscal year), amounting to ¥9 million, is listed as a separate item from the fiscal year beginning April 1, 2010 due to the increase in materiality.

Accounting Standard for Presentation of Comprehensive Income
Effective from the fiscal year beginning April 1, 2010, Toyota Industries applies Financial Accounting Standard No. 25 "Accounting Standard for Presentation of Comprehensive Income," which was issued on June 30, 2010.
As a result, "Valuation and translation adjustments" and "Total valuation and translation adjustments" are newly stated as "Accumulated other comprehensive income" and "Total accumulated other comprehensive income" due to a change in presentation.

For the year ended March 31, 2010

Accounting Standard for Construction Contracts
Effective from the fiscal year beginning April 1, 2009, Toyota Industries applies Financial Accounting Standard No. 15 "Accounting Standard for Construction Contracts" and its Implementation Guidance No. 18 "Guidance on Accounting Standard for Construction Contracts," both of which were issued on December 27, 2007 by the Accounting Standards Board of Japan. This modification does not have a significant effect on the income (or loss) of the Company.

Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)
Effective from the fiscal year beginning April 1, 2009, Toyota Industries applies Financial Accounting Standard No. 19 "Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)," which was issued on July 31, 2008 by the Accounting Standards Board of Japan. This modification has no effect on the income (or loss) of the Company.

4. Inventories:

Inventories as of March 31, 2011 and 2010 consist of the following:

	Millions of yen	
	2011	2010
Merchandise and finished goods	¥ **42,940**	¥ 37,358
Raw materials	**18,383**	14,127
Work in process	**31,256**	25,672
Supplies	**11,682**	11,190
Total	¥ **104,263**	¥ 88,349

5. Property, plant and equipment:

Accumulated depreciation as of March 31, 2011 and 2010 is as follows:

	Millions of yen	
	2011	2010
Buildings and structures	**¥ 208,325**	¥ 196,985
Machinery, equipment and vehicles	**591,219**	569,604
Tools, furniture and fixtures	**88,272**	86,215
Total	**¥ 887,816**	¥ 852,805

6. Long-term debt:

(1) Bonds payable as of March 31, 2011 and 2010 consist of the following:

	Millions of yen	
	2011	2010
1.91% bonds due 2010 without collateral	**¥ —**	¥ 20,000
1.13% bonds due 2012 without collateral	**50,000**	50,000
1.03% bonds due 2012 without collateral	**30,000**	30,000
1.46% bonds due 2014 without collateral	**20,000**	20,000
1.01% bonds due 2010 without collateral	**—**	20,000
1.66% bonds due 2015 without collateral	**30,000**	30,000
0.45–2.65% medium-term notes due 2012–2015 without collateral	**8,485**	13,853
1.95% bonds due 2016 without collateral	**19,994**	19,993
1.72% bonds due 2018 without collateral	**26,000**	26,000
1.35% medium-term notes due 2014 without collateral	**2,000**	2,000
2.109% bonds due 2019 without collateral	**50,000**	50,000
Total	**¥ 236,479** **(30,829)**	¥ 281,847

The amount shown in parentheses in total for 2011 is that redeemed within one year.

(2) Annual maturities of bonds payable as of March 31, 2011 are as follows:

	Millions of yen
Year ending March 31	Total
2012	¥ 30,829
2013	50,000
2014	4,504
2015	20,000
2016	35,150
2017 and thereafter	95,994
Total	¥ 236,479

(3) Other debts as of March 31, 2011 and 2010 consist of the following:

	Millions of yen		Weighted-average interest rate (%)
	2011	2010	
Short-term loans payable	**¥ 40,712**	¥ 33,510	1.33
Long-term loans payable:			
Current portion	**59,233**	12,731	1.00
Non-current portion	**236,602**	299,208	1.47
Lease obligations:			
Current portion	**37,873**	15,576	—
Non-current portion	**82,813**	108,014	—
Commercial paper	**11,133**	9,575	2.17
Total	**¥ 468,368**	¥ 478,617	—

The interest rate is the weighted-average interest rate for the ending balances of those debts. The interest rate of lease obligations is omitted since the amount shown on the consolidated balance sheets does not exclude interest receivable, which is included in total lease payment receivable.

(4) Annual maturities of other debts as of March 31, 2011 are as follows:

	Millions of yen		
Year ending March 31	Long-term loans payable	Lease obligations	Total
2013	¥ 46,489	¥ 31,527	¥ 78,016
2014	55,088	26,998	82,086
2015	35,024	15,332	50,356
2016	27,500	6,600	34,100
2017 and thereafter	72,501	2,356	74,857
Total	¥ 236,602	¥ 82,813	¥ 319,415

7. Investments in affiliated companies:

Investments in affiliated companies as of March 31, 2011 and 2010 are as follows:

	Millions of yen	
	2011	2010
Investment securities (stock)	**¥ 8,473**	¥ 10,964
Investments and other assets (others)	**3,556**	4,440

8. Assets pledged as collateral:

(1) Assets pledged as collateral as of March 31, 2011 and 2010 are as follows:

	Millions of yen	
	2011	2010
Investment securities	**¥ 68,600**	¥ 70,680
Machinery, equipment and vehicles	**708**	1,734
Accounts receivable	**264**	283
Buildings and structures	**115**	2,004
Land	**—**	466
Merchandise and finished goods	**—**	335
Work in process	**—**	122
Raw materials and supplies	**—**	77
Total	**¥ 69,688**	¥ 75,704

(2) Secured liabilities as of March 31, 2011 and 2010 are as follows:

	Millions of yen	
	2011	2010
Other current liabilities	**¥ 23,217**	¥ 22,410
Short-term loans payable	**894**	2,246
Long-term loans payable	**89**	492
Total	**¥ 24,200**	¥ 25,149

9. Allowance for retirement benefits:

Allowance for retirement benefits including the allowance for retirement benefits to directors (including managing officers) for the years ended March 31, 2011 and 2010 is as follows:

	Millions of yen	
	2011	2010
Allowance for retirement benefits to directors (including managing officers)	**¥ 3,021**	¥ 3,741

10. Asset retirement obligations:

The amount of asset retirement obligations as of March 31, 2011, which is less than 1% of total liabilities and net assets, is omitted pursuant to Article 92, paragraph (2) of the Regulation for Terminology, Forms and Preparation of Consolidated Financial Statements.

11. Contingent liabilities:

Toyota Industries is contingently liable for guarantees as of March 31, 2011 and 2010 as follows:

	Millions of yen	
	2011	2010
Guarantees given by consolidated subsidiaries	**¥ 34**	¥ 67

12. Export discount bills:

Export discount bills as of March 31, 2011 and 2010 are as follows:

	Millions of yen	
	2011	2010
Export discount bills	**¥ 67**	¥ 314

13. Net assets:

Under the Corporation Law of Japan, amounts equal to at least 10% of the sum of the cash dividends and other external appropriations paid by the Company and its subsidiaries in Japan must be set aside as a legal reserve until it equals 25% of capital stock. The legal reserve may be used to reduce a deficit or may be transferred to capital stock taking appropriate corporate action. In consolidation, the legal reserves of the Company and its subsidiaries in Japan are accounted for as retained earnings. The year-end cash dividend is approved at the Ordinary General Meeting of Shareholders of the Company held after the close of the fiscal year to which the dividend is applicable. In addition, interim cash dividends may be paid upon resolution of the Board of Directors, subject to limitations imposed by the Corporation Law of Japan.

14. Research and development expenses:

Research and development expenses, which are included in selling, general and administrative expenses and manufacturing costs, amounted to ¥27,788 million and ¥26,826 million for the years ended March 31, 2011 and 2010, respectively.

15. Extraordinary losses:

For the year ended March 31, 2011, Toyota Industries recorded extraordinary losses on the Great East Japan Earthquake of ¥4,631 million, including fixed costs arising from the suspension of operations (¥4,532 million), expenses for recovery support and monetary condolence.

For the year ended March 31, 2010, Toyota Industries recorded extraordinary losses on business restructuring of the Materials Handling Equipment Segment. The amount of impairment losses related to property, plant and equipment and goodwill was ¥36,902 million. Toyota Industries also recorded extraordinary losses associated with restructuring expenses of closing a plant in Canada and an early retirement scheme in France.

The total amount was ¥3,464 million in Japan, ¥5,075 million in the United States and Canada, ¥27,606 million in Europe and ¥755 million in Australia.

By category of assets, impairment losses totaled ¥27,606 million for goodwill, ¥4,334 million for machinery, equipment and vehicles, ¥2,697 million for buildings and structures, ¥1,213 million for tools, furniture and fixtures, ¥452 million for software, ¥414 million for land and ¥183 million for construction in progress.

The recoverable amount of assets is measured based on the value in use. The value in use is calculated by discounting the expected future cash in-flow mainly using a 9% discount rate.

16. Comprehensive income:

(1) Comprehensive income as of March 31, 2010 is as follows:

	Millions of yen
	2010
Comprehensive income attributable to:	
Owners of the parent	¥ 132,888
Minority interests	1,848
Total	¥ 134,737

(2) Other comprehensive income as of March 31, 2010 is as follows:

	Millions of yen
	2010
Valuation difference on available-for-sale securities	¥ 151,677
Deferred gains or losses on hedges	(33)
Foreign currency translation adjustment	7,018
Share of other comprehensive income of associates accounted for using equity method	300
Total	¥ 158,962

17. Financial instruments:

(1) For the year ended March 31, 2011

1) Matters concerning financial instruments:

(A) Policy for financial instruments

Toyota Industries borrows funds from financial institutions and issues corporate bonds to procure funds to meet its needs for long-term funding. Toyota Industries also borrows funds from financial institutions and issues commercial paper to procure funds to meet its needs for short-term working capital. Toyota Industries manages its cash reserves as highly safe financial assets. The purpose of using derivative instruments is to reduce risk, not to obtain earnings from exchanges or for speculative purposes.

(B) Contents and risk of financial instruments

Cash and deposits are subject to credit risk of financial institutions and foreign currency risk. Trade notes and accounts receivable are subject to counterparty credit risk and foreign currency risk. Lease investment assets are subject to counterparty credit risk, foreign currency risk and interest rate risk.

Short-term investments and investment securities are subject to market risk and foreign currency risk.

Trade notes and accounts payable include those denominated in foreign currencies and are thus subject to foreign currency risk. All of them are due within one year. Loans payable, commercial paper, bonds payable and lease obligations are subject to foreign currency risk and interest rate risk.

Toyota Industries uses derivative instruments (foreign currency forward contracts, foreign currency option contracts, foreign currency swaps and interest rate swaps) to cover such kinds of risks, and these transactions are subject to credit risk of financial institutions.

With regard to foreign currency risk, Toyota Industries uses derivative instruments (foreign currency forward contracts and foreign currency option contracts) for the amount of foreign currency trade assets (trade notes and accounts receivable) offset by foreign currency trade liabilities (trade notes and accounts payable). Foreign currency swaps and interest rate swaps are used for hedging the foreign currency risk and interest rate risk of loans, bonds and others.

As for the hedge accounting, the method, items, policy and evaluation method of measure of effectiveness are referred to in Note 2 "(14) Hedge accounting."

(C) Risk management of financial instruments

a) Management of credit risk (risk of non-execution of contract by counterparty)
In accordance with its treasury policy, Toyota Industries carries out regular monitoring of principal counterparties and strives to quickly ascertain and minimize concerns about collecting credits due to worsening financial and other conditions of counterparties. In using derivatives, to reduce credit risk of financial institutions, Toyota Industries engages in transactions only with those financial institutions that have high credit ratings.

b) Management of market risk (foreign currency risk, interest rate risk, others)
In accordance with its treasury policy, in principle, Toyota Industries uses foreign currency forward contracts, foreign currency option contracts and foreign currency swaps to hedge foreign currency risk for each currency for its monetary credits and liabilities denominated in foreign currencies. Toyota Industries uses interest rate swaps to hedge interest rate risk on monetary liabilities. Toyota Industries monitors the financial condition and reviews the valuations of short-term investments and investment securities.

c) Management of financing-related liquidity risk (risk that payments cannot be made on due date)
In accordance with its treasury policy, Toyota Industries manages liquidity risk with cash reserves and commitment lines.

(D) Supplemental explanation of financial instruments
The fair value of financial instruments includes values based on market values as well as rationally calculated values when market values cannot be determined. These calculated values could also conceivably change along with the adoption of different premises.

2) Matters concerning the fair value of financial instruments:
The amounts in the consolidated balance sheets, fair values and the differences between those as of March 31, 2011 are as follows. Financial instruments for which ascertaining fair value is extremely difficult are not included in the following chart. Refer to Note 2 regarding these financial instruments.

	Millions of yen		
	Carrying amount *1,*2	Fair value	Difference
Cash and deposits	¥ 198,654	¥ 198,654	¥ —
Trade notes and accounts receivable	149,270	149,269	(0)
Lease investment assets (current assets)	35,146	35,146	—
Short-term investments and investment securities			
Investments in affiliated companies	3,911	6,745	2,834
Other securities	1,230,638	1,230,638	—
Lease investment assets (fixed assets)	71,480	68,643	(2,837)
Total assets	¥1,689,102	¥1,689,098	¥ (3)
Trade notes and accounts payable	¥ (144,956)	¥ (144,956)	¥ —
Short-term loans payable	(99,946)	(99,946)	—
Commercial paper	(11,133)	(11,133)	—
Current portion of bonds	(30,829)	(30,829)	—
Lease obligations (current liabilities)	(37,873)	(37,873)	—
Bonds payable	(205,649)	(214,580)	(8,930)
Long-term loans payable	(236,602)	(244,838)	(8,235)
Lease obligations (long-term liabilities)	(82,813)	(82,577)	236
Total liabilities	¥ (849,805)	¥ (866,735)	¥ (16,929)
Derivative transactions *3			
Derivative instruments for which hedge accounting is not applied	¥ 403	¥ 403	¥ —
Derivative instruments for which hedge accounting is applied	(93)	(93)	—
Total derivative transactions	¥ 309	¥ 309	¥ —

*1: Allowance for doubtful accounts is excluded from total assets.
*2: The figures for liabilities are indicated in parentheses.
*3: Stated values are the net amounts of assets and liabilities arising from derivative transactions. Net liabilities are represented with parentheses.

1. Methods for calculating fair value of financial instruments and matters concerning marketable securities and derivatives

(Assets)

(1) Cash and deposits
All deposits are short term and fair value approximates the carrying amount. Therefore, fair value for deposits is calculated at the carrying amount.

(2) Trade notes and accounts receivable
These items are categorized into a specified time period, and are stated at present value calculated by the discount rate, which takes into account the respective period.

(3) Lease investment assets (current assets)
Lease investment assets (current assets) are short term and fair value approximates the carrying amount. Therefore, fair value for these items is calculated at the carrying amount.

(4) Short-term investments and investment securities
Fair value of stocks in investments in affiliated companies is calculated based on prices listed on stock exchanges. Other securities are stocks, money management funds and negotiable certificates of deposit. Fair value of stocks in other securities is calculated based on prices listed on stock exchanges. Fair value of money management funds and negotiable certificates of deposit approximates the carrying amount. Therefore, fair value is calculated at the carrying amount.
Details regarding other securities are referred to in Note 18 "Marketable securities."

(5) Lease investment assets (fixed assets)
Fair value is calculated by discounting to net present value the total amount of lease receipts using an expected interest rate when newly undertaking the same lease transaction.

(Liabilities)

(1) Trade notes and accounts payable
All notes and accounts payable are short term and fair value approximates the carrying amount. Therefore, fair value for notes and accounts payable is calculated at the carrying amount.

(2) Short-term loans payable, (3) Commercial paper, (4) Current portion of bonds, (5) Lease obligations (current liabilities)
These items payable are short term and fair value approximates the carrying amount. Therefore, fair value for these items is calculated at the carrying amount.

(6) Bonds payable
Fair value is calculated by discounting to net present value the total of principal and interest using expected interest rates when newly borrowing the same amount.

(7) Long-term loans payable
Fair value is calculated by discounting to net present value the total of principal and interest using expected interest rates when newly borrowing the same amount.
Interest rate swaps that meet the requirement for the preferential accounting method are handled together with the aforementioned long-term loans payable. The fair value of interest rate swaps is included in the fair value of the aforementioned long-term loans payable. The fair value is calculated by discounting expected future cash flow using interest rates when newly borrowing the same amount.

(8) Lease obligations (long-term liabilities)
Fair value is calculated by discounting to net present value the total amount of lease payments using an expected interest rate when newly undertaking the same lease transaction.

(Derivative transactions)
Details regarding derivative transactions are referred to in Note 19 "Derivative instruments."

2. Financial instruments for which ascertaining fair value is extremely difficult

	Millions of yen
	Carrying amount
Non-listed stocks	
Investments in affiliated companies	¥ 4,562
Other securities	16,625
Total	¥ 21,187

Non-listed stocks are not included in "Short-term investments and investment securities" because there are no market prices and ascertaining fair value is extremely difficult.

3. Amounts of projected future redemptions after March 31, 2011 for monetary credits and liabilities as well as marketable securities with maturities

	Millions of yen			
Year ending March 31	2012	2013–2016	2017–2021	2022 and thereafter
Cash and deposits	¥ 198,654	¥ —	¥ —	¥ —
Trade notes and accounts receivable	149,098	172	—	—
Lease investment assets (fixed assets)	—	70,205	1,275	—
Total	¥ 347,752	¥ 70,377	¥ 1,275	¥ —

4. Scheduled repayments of bonds payable, long-term loans payable, lease obligations (long-term liabilities) and other interest-bearing debt after the consolidated settlement date

	Millions of yen			
Year ending March 31	2012	2013–2016	2017–2021	2022 and thereafter
Bonds payable	¥ —	¥ **109,655**	¥ **95,994**	¥ **—**
Long-term loans payable	**—**	**164,102**	**72,500**	**—**
Lease obligations (long-term liabilities)	**—**	**80,458**	**1,956**	**398**
Total	¥ **—**	¥ **354,216**	¥ **170,450**	¥ **398**

(2) For the year ended March 31, 2010

1) Matters concerning financial instruments:

(A) Policy for financial instruments

Toyota Industries borrows funds from financial institutions and issues corporate bonds to procure funds to meet its needs for long-term funding. Toyota Industries also borrows funds from financial institutions and issues commercial paper to procure funds to meet its needs for short-term working capital. Toyota Industries manages its cash reserves as highly safe financial assets. The purpose of using derivative instruments is to reduce risk, not to obtain earnings from exchanges or for speculative purposes.

(B) Contents and risk of financial instruments

Cash and deposits are subject to credit risk of financial institutions and foreign currency risk. Trade notes and accounts receivable are subject to counterparty credit risk and foreign currency risk. Loans receivable are subject to counterparty credit risk and foreign currency risk. With regards to foreign currency risk, Toyota Industries uses derivative instruments (foreign currency forward contracts and foreign currency option contracts) for the amount of foreign currency trade assets (trade notes and accounts receivable) offset by foreign currency trade liabilities (trade notes and accounts payable).

Trade notes and accounts payable include those denominated in foreign currencies and are thus subject to foreign currency risk. All of them are due within one year. Loans payable, commercial paper, bonds payable and lease obligations are subject to foreign currency risk and interest rate risk. Toyota Industries uses derivative instruments (foreign currency swaps and interest rate swaps) to cover such kinds of risks. The longest redemption date is 12 years after the closing date on March 31, 2010.

Toyota Industries uses derivative instruments (foreign currency forward contracts, foreign currency option contracts, foreign currency swaps and interest rate swaps) in order to hedge the above risk and derivative instruments are subject to credit risk of financial institutions.

As for the hedge accounting, the method, items, policy and evaluation method of measure of effectiveness are referred to in Note 2 “(14) Hedge accounting.”

(C) Risk management of financial instruments

a) Management of credit risk (risk of non-execution of contract by counterparty)
In accordance with its treasury policy, Toyota Industries carries out regular monitoring of principal counterparties and strives to quickly ascertain and minimize concerns about collecting credits due to worsening financial and other conditions of counterparties. In using derivatives, to reduce credit risk of financial institutions, Toyota Industries engages in transactions only with those financial institutions that have high credit ratings.

b) Management of market risk (foreign currency risk, interest rate risk, others)
In accordance with its treasury policy, in principle, Toyota Industries uses foreign currency forward contracts, foreign currency option contracts and foreign currency swaps to hedge foreign currency risk for each currency for its monetary credits and liabilities denominated in foreign currencies. Toyota Industries uses interest rate swaps to hedge interest rate risk on monetary liabilities. Toyota Industries monitors the financial condition and reviews the valuations of short-term investments and investment securities.

c) Management of financing-related liquidity risk (risk that payments cannot be made on due date)
In accordance with its treasury policy, Toyota Industries manages liquidity risk with cash reserves and commitment lines.

(D) Supplemental explanation of financial instruments

The fair value of financial instruments includes values based on market values as well as rationally calculated values when market values cannot be determined. These calculated values could also conceivably change along with the adoption of different premises.

2) Matters concerning the fair value of financial instruments:

The amounts in the consolidated balance sheets, fair values and the differences between those as of March 31, 2010 are as follows. Financial instruments for which ascertaining fair value is extremely difficult are not included in the following chart. Refer to Note 2 regarding these financial instruments.

	Millions of yen		
	Carrying amount *1,*2	Fair value	Difference
Cash and deposits	¥ 287,965	¥ 287,965	¥ —
Trade notes and accounts receivable	160,608	160,607	(0)
Short-term investments and investment securities			
Investments in affiliated companies	6,380	5,410	(969)
Other securities	1,207,913	1,207,913	—
Long-term loans receivable	5,552	5,552	—
Total assets	¥1,668,420	¥1,667,449	¥ (970)
Trade notes and accounts payable	¥ (141,787)	¥ (141,787)	¥ —
Short-term loans payable	(46,241)	(46,241)	—
Commercial paper	(9,575)	(9,575)	—
Current portion of bonds	(50,446)	(50,446)	—
Bonds payable	(231,401)	(238,739)	(7,338)
Long-term loans payable	(299,208)	(307,370)	(8,161)
Lease obligations	(108,014)	(108,146)	(132)
Total liabilities	¥ (886,674)	¥ (902,306)	¥ (15,632)
Derivative transactions *3			
Derivative instruments for which hedge accounting is not applied	¥ 1,317	¥ 1,317	¥ —
Derivative instruments for which hedge accounting is applied	(559)	(861)	(301)
Total derivative transactions	¥ 757	¥ 455	¥ (301)

*1: Allowance for doubtful accounts is excluded from total assets.
*2: The figures for liabilities are indicated in parentheses.
*3: Stated values are the net amounts of assets and liabilities arising from derivative transactions. Net liabilities are represented with parentheses.

1. Methods for calculating fair value of financial instruments and matters concerning marketable securities and derivatives

(Assets)

(1) Cash and deposits
All deposits are short term and fair value approximates the carrying amount. Therefore, fair value for deposits is calculated at the carrying amount.

(2) Trade notes and accounts receivable
These items are categorized into a specified time period, and are stated at present value calculated by the discount rate, which takes into account the respective period and credit risk.

(3) Short-term investments and investment securities
Fair value of stocks in investments in affiliated companies is calculated based on prices listed on stock exchanges. Other securities are stocks, money management funds and negotiable certificates of deposit. Fair value of stocks in other securities is calculated based on prices listed on stock exchanges. Fair value of money management funds and negotiable certificates of deposit approximates the carrying amount. Therefore, fair value is calculated at the carrying amount.

Details regarding other securities are referred to in Note 18 “Marketable securities.”

(4) Long-term loans receivable
The majority of these are loans with floating interest rates made to employees, with fair value approximating the carrying amount. Therefore, fair value is calculated at the carrying amount.

(Liabilities)

(1) Trade notes and accounts payable
All notes and accounts payable are short term and fair value approximates the carrying amount. Therefore, fair value for notes and accounts payable is calculated at the carrying amount.

(2) Short-term loans payable, (3) Commercial paper, (4) Current portion of bonds
These items payable are short term and fair value approximates the carrying amount. Therefore, fair value for these items is calculated at the carrying amount.

(5) Bonds payable
Fair value is calculated by discounting to net present value the total of principal and interest using expected interest rates when newly borrowing the same amount.

(6) Long-term loans payable
Fair value is calculated by discounting to net present value the total of principal and interest using expected interest rates when newly borrowing the same amount.

Interest rate swaps that meet the requirement for the preferential accounting method are handled together with the aforementioned long-term loans payable. The fair value of interest rate swaps is included in the fair value of the aforementioned long-term loans payable. The fair value is calculated by discounting expected future cash flow using interest rates when newly borrowing the same amount.

(7) Lease obligations
Fair value is calculated by discounting to net present value the total amount of lease payments using an expected interest rate when newly undertaking the same lease transaction.

(Derivative transactions)
Details regarding derivative transactions are referred to in Note 19 “Derivative instruments.”

2. Financial instruments for which ascertaining fair value is extremely difficult

	Millions of yen
	Carrying amount
Non-listed stocks	
Investments in affiliated companies	¥ 4,584
Other securities	15,198
Total	¥ 19,783

Non-listed stocks are not included in “Short-term investments and investment securities” because there are no market prices and ascertaining fair value is extremely difficult.

3. Amounts of projected future redemptions after March 31, 2010 for monetary credits and liabilities as well as marketable securities with maturities

	Millions of yen			
Year ending March 31	2011	2012–2015	2016–2020	2021 and thereafter
Cash and deposits	¥ 287,965	¥ —	¥ —	¥ —
Trade notes and accounts receivable	160,541	66	—	—
Long-term loans receivable	771	2,109	1,198	1,472
Total	¥ 449,279	¥ 2,176	¥ 1,198	¥ 1,472

4. Scheduled repayments of bonds payable, long-term loans payable, lease obligations and other interest-bearing debt after the consolidated settlement date

	Millions of yen			
Year ending March 31	2011	2012–2015	2016–2020	2021 and thereafter
Bonds payable	¥ —	¥ 105,407	¥ 125,993	¥ —
Long-term loans payable	—	199,208	100,000	—
Lease obligations	—	106,637	1,376	0
Total	¥ —	¥ 411,254	¥ 227,369	¥ 0

Application of Accounting Standard for Financial Instruments
Effective from the fiscal year beginning April 1, 2009, Toyota Industries applies Financial Accounting Standard No. 10 “Accounting Standard for Financial Instruments” and its Implementation Guidance No. 19 “Guidance on Disclosures about Fair Value of Financial Instruments,” both of which were issued on March 10, 2008 by the Accounting Standards Board of Japan.

18. Marketable securities:

(1) As of and for the year ended March 31, 2011:
(a) Other securities with readily determinable fair value as of March 31, 2011 are as follows:

	Millions of yen		
	Acquisition cost	Carrying amount	Difference
Securities with carrying amount exceeding acquisition cost:			
Stocks	**¥ 275,747**	**¥1,090,265**	**¥ 814,518**
Others	**101**	**116**	**14**
Subtotal	**275,848**	**1,090,381**	**814,532**
Securities with carrying amount not exceeding acquisition cost:			
Stocks	**9,325**	**7,825**	**(1,499)**
Others	**132,430**	**132,430**	**—**
Subtotal	**141,756**	**140,256**	**(1,499)**
Total	**¥ 417,605**	**¥1,230,638**	**¥ 813,033**

Non-listed stocks (total amount is ¥16,625 million in the consolidated balance sheets) are not included in “Other securities” because there are no market prices and ascertaining fair value is extremely difficult. “Others” above are mainly money management funds and negotiable certificates of deposit.

(b) Other securities sold during the year ended March 31, 2011 are as follows:
Other securities sold is omitted due to its quantitative immateriality.

(2) As of and for the year ended March 31, 2010:
(a) Other securities with readily determinable fair value as of March 31, 2010 are as follows:

	Millions of yen		
	Acquisition cost	Carrying amount	Difference
Securities with carrying amount exceeding acquisition cost:			
Stocks	¥ 223,373	¥1,130,531	¥ 907,157
Subtotal	223,373	1,130,531	907,157
Securities with carrying amount not exceeding acquisition cost:			
Stocks	7,432	5,991	(1,441)
Others	71,391	71,391	—
Subtotal	78,824	77,382	(1,441)
Total	¥ 302,197	¥1,207,913	¥ 905,716

Non-listed stocks (total amount is ¥15,198 million in the consolidated balance sheets) are not included in “Other securities” because there are no market prices and ascertaining fair value is extremely difficult. “Others” in “Securities with carrying amount not exceeding acquisition cost” above are mainly money management funds and negotiable certificates of deposit.

(b) Other securities sold during the year ended March 31, 2010 are as follows:

Millions of yen		
Proceeds	Realized gains	Realized losses
¥197	¥135	¥0

19. Derivative instruments:

(1) Quantitative disclosure about derivatives for the year ended March 31, 2011
1) Derivative instruments for which hedge accounting is not applied
(a) Foreign currency transactions as of March 31, 2011 are as follows:

Category	Type	Millions of yen			
		Notional amount		Fair value	Net unrealized gain/loss
		Total	Maturity over 1 year		
Transactions other than market transactions	Foreign currency forward contracts transactions				
	Buy JPY / Sell SEK	**¥ 257**	**¥ —**	**¥ (7)**	**¥ (7)**
	Buy JPY / Sell CNY	**424**	**—**	**6**	**6**
	Buy SEK / Sell EUR	**16,799**	**—**	**(154)**	**(154)**
	Buy SEK / Sell USD	**9,252**	**—**	**181**	**181**
	Buy SEK / Sell AUD	**6,793**	**—**	**(46)**	**(46)**
	Buy SEK / Sell DKK	**668**	**—**	**(0)**	**(0)**
	Buy SEK / Sell NOK	**348**	**—**	**(1)**	**(1)**
	Buy SEK / Sell CHF	**139**	**—**	**1**	**1**
	Buy SEK / Sell CZK	**96**	**—**	**0**	**0**
	Buy SEK / Sell RON	**652**	**—**	**(30)**	**(30)**
	Buy SEK / Sell HUF	**25**	**—**	**(0)**	**(0)**
	Sell SEK / Buy EUR	**12,066**	**—**	**42**	**42**
	Sell SEK / Buy CAD	**5,055**	**—**	**(11)**	**(11)**
	Sell SEK / Buy NOK	**3,696**	**—**	**10**	**10**
	Sell SEK / Buy GBP	**2,422**	**—**	**(39)**	**(39)**
	Sell SEK / Buy USD	**151**	**—**	**(1)**	**(1)**
	Sell SEK / Buy PLN	**703**	**—**	**3**	**3**
	Sell SEK / Buy DKK	**298**	**—**	**0**	**0**
	Sell SEK / Buy HUF	**24**	**—**	**0**	**0**
	Sell PLN / Buy EUR	**52**	**—**	**0**	**0**
	Subtotal	**59,928**	**—**	**(45)**	**(45)**
	Foreign currency swap transactions				
	Payment JPY / Receipt USD	**3,506**	**3,506**	**471**	**471**
	Subtotal	**3,506**	**3,506**	**471**	**471**
	Total	**¥ 63,435**	**¥ 3,506**	**¥ 426**	**¥ 426**

The fair value calculation method is based on the index price as of March 31, 2011.

(b) Interest rate transactions as of March 31, 2011 are as follows:

Category	Type	Notional amount: Total (Millions of yen)	Notional amount: Maturity over 1 year (Millions of yen)	Fair value (Millions of yen)	Net unrealized gain/loss (Millions of yen)
Transactions other than market transactions	Interest rate swap transactions				
	Fixed rate payment / Floating rate receipt	¥ 5,269	¥ 3,333	¥ (32)	¥ (32)
	Floating rate payment / Fixed rate receipt	829	—	9	9
	Total	¥ 6,098	¥ 3,333	¥ (22)	¥ (22)

The fair value calculation method is based on the index price as of March 31, 2011.

2) Derivative instruments for which hedge accounting is applied

Category	Type	Contents of hedge	Notional amount: Total (Millions of yen)	Notional amount: Maturity over 1 year (Millions of yen)	Fair value (Millions of yen)	Net unrealized gain/loss (Millions of yen)	Evaluation method
Deferred hedge method	Foreign currency forward contracts transactions	Accounts receivable					By the exchange rate on foreign currency market
	Buy JPY / Sell USD		¥ 1,486	¥ —	¥ (9)	¥ (9)	
	Buy JPY / Sell EUR		376	—	(13)	(13)	
	Buy JPY / Sell AUD		229	—	(9)	(9)	
	Buy JPY / Sell SEK		24	—	(1)	(1)	
	Buy SEK / Sell GBP		1,501	—	70	70	
	Buy SEK / Sell EUR		1,066	—	16	16	
	Buy SEK / Sell USD		562	—	28	28	
	Buy SEK / Sell NOK		349	—	0	0	
	Buy SEK / Sell AUD		190	—	3	3	
	Buy SEK / Sell THB		176	—	6	6	
	Buy SEK / Sell CHF		141	—	1	1	
	Buy SEK / Sell DKK		64	—	0	0	
	Buy SEK / Sell CAD		60	—	0	0	
	Buy SEK / Sell HUF		9	—	(0)	(0)	
	Buy SEK / Sell PLN		8	—	(0)	(0)	
	Buy SEK / Sell CZK		4	—	(0)	(0)	
	Sell SEK / Buy EUR		332	—	(2)	(2)	
	Sell SEK / Buy GBP		170	—	(3)	(3)	
	Sell SEK / Buy DKK		26	—	(0)	(0)	
	Sell SEK / Buy PLN		17	—	0	0	
	Sell SEK / Buy HUF		8	—	0	0	
	Sell SEK / Buy NOK		7	—	0	0	
	Sell SEK / Buy CZK		4	—	(0)	(0)	
	Buy USD / Sell EUR		86	—	(3)	(3)	
	Foreign currency option contracts transactions	Accounts receivable					By the price on currency option market
	Sell						
	Call USD / Put JPY		1,663 <16>	—	15	1	
	Call EUR / Put JPY		517 <8>	—	17	(9)	
	Call AUD / Put JPY		361 <5>	—	11	(6)	
	Buy						
	Put USD / Call JPY		1,663 <16>	—	8	(8)	
	Put EUR / Call JPY		517 <8>	—	1	(7)	
	Put AUD / Call JPY		361 <5>	—	1	(4)	
	Total		¥ 11,993	¥ —	¥ 141	¥ (50)	

The amounts indicated in brackets for foreign currency option contracts transactions refer to the option fee, and the related figures for fair value and net unrealized gain/loss are also shown.

Category	Type	Contents of hedge	Notional amount: Total (Millions of yen)	Notional amount: Maturity over 1 year (Millions of yen)	Fair value (Millions of yen)	Net unrealized gain/loss (Millions of yen)	Evaluation method
Fair value hedge accounting	Foreign currency forward contracts transactions *1	Accounts receivable					By the exchange rate on foreign currency market
	Buy JPY / Sell EUR		¥ 48	¥ —	¥ (1)	¥ (1)	
	Buy JPY / Sell SEK		14	—	(0)	(0)	
	Buy JPY / Sell USD		13	—	(0)	(0)	
	Buy SEK / Sell GBP		881	—	48	48	
	Buy SEK / Sell EUR		813	—	6	6	
	Buy SEK / Sell USD		390	—	21	21	
	Buy SEK / Sell PLN		239	—	(0)	(0)	
	Buy SEK / Sell AUD		179	—	0	0	
	Buy SEK / Sell THB		123	—	7	7	
	Buy SEK / Sell DKK		91	—	2	2	
	Buy SEK / Sell CHF		64	—	0	0	
	Buy SEK / Sell CAD		38	—	0	0	
	Buy SEK / Sell NOK		26	—	(0)	(0)	
	Buy SEK / Sell HUF		8	—	(0)	(0)	
	Buy SEK / Sell CZK		7	—	0	0	
	Sell SEK / Buy EUR		609	—	(3)	(3)	
	Sell SEK / Buy DKK		44	—	0	0	
	Sell SEK / Buy PLN		31	—	(0)	(0)	
	Sell SEK / Buy CZK		11	—	0	0	
	Sell SEK / Buy AUD		8	—	(0)	(0)	
	Buy BRL / Sell CHF		153	—	2	2	
	Foreign currency option contracts transactions	Accounts receivable					By the price on currency option market
	Sell						
	Call USD / Put JPY		748 <9>	—	3	6	
	Call EUR / Put JPY		305 <4>	—	10	(5)	
	Call AUD / Put JPY		275 <4>	—	7	(3)	
	Buy						
	Put USD / Call JPY		748 <9>	—	2	(7)	
	Put EUR / Call JPY		305 <4>	—	0	(4)	
	Put AUD / Call JPY		275 <4>	—	0	(3)	
	Interest rate swap transactions Fixed rate payment / Floating rate receipt	Lease investment assets	21,056	12,945	(208)	(208)	By the rate on interest swap market
Net valuation method using forward foreign exchange contracts	Foreign currency forward contracts transactions	Accounts receivable			*2	*2	By the exchange rate on foreign currency market
	Buy JPY / Sell USD		1,274	—			
	Buy JPY / Sell EUR		380	—			
	Buy JPY / Sell AUD		74	—			
Preferential accounting method of interest rate swap transactions	Interest rate swap transactions Fixed rate payment / Floating rate receipt	Long-term loans payable	25,000	25,000	*2	*2	By the rate on interest swap market
	Total		¥ 66,238	¥ 37,945	¥ 40	¥ (93)	

*1: The amounts indicated in brackets for foreign currency option contracts transactions refer to the option fee, and the related figures for fair value and net unrealized gain/loss are also shown.

*2: Fair value and net unrealized gain/loss of derivative instruments for which these accounting methods are applied are inclusively reported as a portion of fair value of their hedge instruments such as accounts receivable and long-term loans payable (see Note 17).

(2) Quantitative disclosure about derivatives for the year ended March 31, 2010

1) Derivative instruments for which hedge accounting is not applied

(a) Foreign currency transactions as of March 31, 2010 are as follows:

Category	Type	Millions of yen			
		Notional amount		Fair value	Net unrealized gain/loss
		Total	Maturity over 1 year		
Transactions other than market transactions	Foreign currency forward contracts transactions				
	Buy JPY / Sell USD	¥ 119	¥ —	¥ 120	¥ (1)
	Buy JPY / Sell EUR	68	—	64	3
	Buy JPY / Sell SEK	27	—	26	0
	Buy SEK / Sell EUR	22,796	—	22,541	254
	Buy SEK / Sell USD	4,477	—	4,547	(70)
	Buy SEK / Sell AUD	3,336	—	3,420	(83)
	Buy SEK / Sell DKK	1,783	—	1,724	59
	Buy SEK / Sell NOK	1,332	—	1,332	0
	Buy SEK / Sell CHF	328	—	327	0
	Buy SEK / Sell CZK	208	—	208	0
	Buy SEK / Sell THB	206	—	215	(9)
	Buy SEK / Sell CAD	118	—	127	(8)
	Buy SEK / Sell HUF	28	—	28	0
	Sell JPY / Buy USD	45	—	46	1
	Sell SEK / Buy EUR	13,742	—	13,735	(7)
	Sell SEK / Buy CAD	3,865	—	3,913	47
	Sell SEK / Buy NOK	2,854	—	2,894	40
	Sell SEK / Buy GBP	911	—	908	(3)
	Sell SEK / Buy USD	637	—	635	(2)
	Sell SEK / Buy PLN	243	—	249	6
	Sell SEK / Buy DKK	135	—	134	(1)
	Sell SEK / Buy CHF	130	—	131	1
	Sell SEK / Buy HUF	79	—	80	0
	Sell SEK / Buy CZK	5	—	4	(0)
	Sell PLN / Buy EUR	49	—	48	(0)
	Sell USD / Buy CAD	28	—	28	0
	Sell EUR / Buy USD	46	—	45	0
	Total	¥ 57,609	¥ —	¥57,546	¥ 226

Category	Type	Millions of yen			
		Notional amount		Fair value	Net unrealized gain/loss
		Total	Maturity over 1 year		
Transactions other than market transactions	Foreign currency swap transactions				
	Payment SEK / Receipt USD	¥ 4,730	¥ —	¥ 4,482	¥ (248)
	Payment JPY / Receipt USD	7,042	2,378	8,482	1,439
	Total	¥ 11,772	¥ 2,378	¥ 12,964	¥ 1,191

The fair value calculation method is based on the index price as of March 31, 2010.

(b) Interest rate transactions as of March 31, 2010 are as follows:

Category	Type	Millions of yen			
		Notional amount		Fair value	Net unrealized gain/loss
		Total	Maturity over 1 year		
Transactions other than market transactions	Interest rate swap transactions				
	Fixed rate payment / Floating rate receipt	¥ 9,545	¥ 4,734	¥ 9,429	¥ (116)
	Floating rate payment / Fixed rate receipt	923	923	938	15
	Total	¥ 10,469	¥ 5,657	¥ 10,367	¥ (101)

The fair value calculation method is based on the index price as of March 31, 2010.

2) Derivative instruments for which hedge accounting is applied

Category	Type	Contents of hedge	Millions of yen				Evaluation method
			Notional amount		Fair value	Net unrealized gain/loss	
			Total	Maturity over 1 year			
Deferred hedge method	Foreign currency forward contracts transactions						
	Buy JPY / Sell USD	Accounts receivable	¥ 1,580	¥ —	¥ 1,627	¥ (46)	By the exchange rate on foreign currency market
	Buy JPY / Sell AUD		338	—	355	(17)	
	Buy JPY / Sell EUR		184	—	187	(2)	
	Buy SEK / Sell GBP		1,807	—	1,746	61	
	Buy SEK / Sell EUR		1,396	—	1,346	49	
	Foreign currency option contracts transactions	Accounts receivable					By the price on currency option market
	Sell						
	Call USD / Put JPY		1,860 <29>	—	44	(14)	
	Call AUD / Put JPY		358 <9>	—	15	(6)	
	Call EUR / Put JPY		199 <3>	—	3	(0)	
	Buy						
	Put USD / Call JPY		1,860 <29>	—	9	(20)	
	Put AUD / Call JPY		358 <9>	—	1	(7)	
	Put EUR / Call JPY		199 <3>	—	1	(2)	
	Interest rate swap transactions						
	Fixed rate payment / Floating rate receipt	Long-term loans payable	632	148	575	(57)	By the rate on interest swap market
	Total		¥ 10,864	¥ 148	¥ 5,915	¥ (63)	

The amounts indicated in brackets for foreign currency option contracts transactions refer to the option fee, and the related figures for fair value and net unrealized gain/loss are also shown.

Category	Type	Contents of hedge	Millions of yen				Evaluation method
			Notional amount		Fair value	Net unrealized gain/loss	
			Total	Maturity over 1 year			
Fair value hedge accounting	Foreign currency forward contracts transactions						
	Buy SEK / Sell GBP	Accounts receivable	¥ 947	¥ —	¥ 901	¥ 46	By the exchange rate on foreign currency market
	Buy SEK / Sell EUR		943	—	891	51	
	Foreign currency option contracts transactions	Accounts receivable					By the price on currency option market
	Sell						
	Call USD / Put JPY		744 <14>	—	17	(2)	
	Call AUD / Put JPY		255 <6>	—	9	(3)	
	Call EUR / Put JPY		62 <0>	—	0	0	
	Buy						
	Put USD / Call JPY		744 <14>	—	1	(13)	
	Put AUD / Call JPY		255 <6>	—	0	(5)	
	Put EUR / Call JPY		62 <0>	—	0	(0)	

Category	Type	Contents of hedge	Millions of yen: Notional amount: Total	Maturity over 1 year	Fair value	Net unrealized gain/loss	Evaluation method
Fair value hedge accounting	Interest rate swap transactions Fixed rate payment / Floating rate receipt	Lease investment assets	¥ 21,577	¥ 13,925	¥ 21,108	¥ (468)	By the rate on interest swap market
Net valuation method using forward foreign exchange contracts	Foreign currency forward contracts transactions	Accounts receivable					By the exchange rate on foreign currency market
	Buy JPY / Sell USD		2,338	—	2,421	(83)	
	Buy JPY / Sell AUD		239	—	255	(15)	
	Buy JPY / Sell EUR		73	—	74	(1)	
Preferential accounting method of interest rate swap transactions	Interest rate swap transactions Fixed rate payment / Floating rate receipt	Long-term borrowings	25,000	25,000	24,698	(301)	By the rate on interest swap market
	Total		¥ 53,245	¥ 38,925	¥ 50,379	¥ (798)	

The amounts indicated in brackets for foreign currency option contracts transactions refer to the option fee, and the related figures for fair value and net unrealized gain/loss are also shown.

20. Retirement benefits:

(1) Outline of retirement benefit plans:

The Company and its subsidiaries in Japan maintain tax-qualified pension plans, lump-sum indemnities plans and welfare pension fund plans, all of which are non-contributory defined benefit pension plans. In addition, certain foreign subsidiaries maintain non-contributory defined benefit pension plans.

Since 1987, the Company has been transferring the covering percentages of its pension plan from its lump-sum indemnities plan to its tax-qualified pension plan. As of March 31, 2011 and 2010, its tax-qualified pension plan covers 50% of total plans. Also, the Company established an employee retirement benefit trust. In April 2003, the Company transferred a portion of the lump-sum indemnities plan to a defined contribution pension plan. In April 2011, the Company transferred tax-qualified pension plans to defined benefit corporate pension plans.

(2) Components of allowance for retirement benefits as of March 31, 2011 and 2010 are as follows:

	Millions of yen: **2011**	2010
Benefit obligation	**¥ (146,537)**	¥ (152,615)
Plan assets	**89,737**	92,936
Unfunded benefit obligation	**(56,800)**	(59,678)
Unrecognized actuarial gains or losses	**17,737**	19,953
Unrecognized loss in prior service obligation	**(3,987)**	(186)
Net amount recognized on the balance sheets	**(43,050)**	(39,911)
Prepaid pension expenses	**853**	1,580
Allowance for retirement benefits	**¥ (43,903)**	¥ (41,492)

Certain subsidiaries use the simplified method to determine benefit obligations. Prepaid pension expenses are included in other investments and other assets.

(3) Components of retirement benefit expenses for the years ended March 31, 2011 and 2010 are as follows:

	Millions of yen: **2011**	2010
Service cost	**¥ 8,149**	¥ 8,968
Interest cost	**4,345**	4,111
Expected return on plan assets	**(3,194)**	(2,673)
Amortization of prior service obligation	**57**	36
Amortization of unrecognized actuarial gains or losses	**2,290**	2,150
Retirement benefit expenses	**¥ 11,648**	¥ 12,593

Retirement expenses of subsidiaries which adopted the simplified method are included in service cost.

(4) Assumptions used for calculation of retirement benefits for the years ended March 31, 2011 and 2010 are as follows:

	2011	2010	
Method of attribution of estimated retirement benefits to periods of employee service:			
Straight-line method			
Discount rate	**2.00%**	2.00%	
Expected return on plan assets	**3.00%**	3.00%	
Amortization of prior service obligation	**20 years**	6–11 years	—Straight-line method over the remaining service period of employees
Amortization period of unrecognized actuarial gains or losses	**20 years**	20 years	—Straight-line method over the average remaining service period of employees

(5) Plan assets relating to welfare pension fund under multiemployer pension plan:

Information regarding the welfare pension fund under multiemployer plans as of March 31, 2011 and 2010 are as follows.

As of March 31, 2010	The Japan Society of Industrial Machinery Manufacturers' welfare pension fund	Other welfare pension funds
Plan assets	¥ 82,259 million	¥ 229,880 million
Estimated benefit obligation	¥ 95,550 million	¥ 299,583 million
Variance	¥ (13,291 million)	¥ (69,703 million)

As of March 31, 2011		
Toyota Industries Group contribution to welfare pension plan	6.02%	2.78%

As of March 31, 2009	The Japan Society of Industrial Machinery Manufacturers' welfare pension fund	Other welfare pension funds
Plan assets	¥ 72,130 million	¥ 118,423 million
Estimated benefit obligation	¥ 104,869 million	¥ 172,737 million
Variance	¥ (32,739 million)	¥ (54,313 million)

As of March 31, 2010		
Toyota Industries Group contribution to welfare pension plan	6.01%	4.66%

21. Stock options:

(1) Stock option expenses recorded in the fiscal year and class of options

	Millions of yen: **2011**	2010
Selling, general and administrative expenses	**¥720**	¥604

(2) The amount recorded as a profit because of forfeitures of stock option rights

	Millions of yen: **2011**	2010
	¥308	¥108

(3) Stock option details, number of stock options and state of fluctuation

1) Stock option details

	2011	2010	2009
Company name	**The Company**	The Company	The Company
Position and number of grantees	**Directors: 16** **Managing officers and employees: 146**	Directors: 14 Managing officers and employees: 153	Directors: 17 Managing officers and employees: 159
Class and number of shares*	**1,262,000 shares of common stock**	1,157,000 shares of common stock	1,360,000 shares of common stock
Date of issue	**August 2, 2010**	August 3, 2009	August 1, 2008
Condition of settlement of rights	**1. Grantee must be employed as a director, managing officer or regular employee of the Company at the time of exercise. However, this does not apply if no more than 18 months have elapsed after retirement or resignation from the Company.**	Same as left	Same as left
	2. Other conditions of exercise shall be decided as prescribed by the Contract for Allotment of Subscription Rights to Shares concluded by the Company and grantee in accordance with resolutions at the General Meeting of Shareholders and resolutions on the issue of subscription rights to shares by the Board of Directors.	Same as left	Same as left
	3. In the case where grantee becomes no longer applicable to the conditions of exercise, the grantee immediately loses subscription rights to shares and must return the rights to the Company without consideration.	Same as left	Same as left
Periods that grantees must provide service in return for stock options	**From August 2, 2010 to July 31, 2012**	From August 3, 2009 to July 31, 2011	From August 1, 2008 to July 31, 2010
Periods that stock subscription rights are to be exercised	**From August 1, 2012 to July 31, 2016**	From August 1, 2011 to July 31, 2015	From August 1, 2010 to July 31, 2014

	2008	2007	2006
Company name	The Company	The Company	The Company
Position and number of grantees	Directors: 16 Managing officers and employees: 159	Directors: 17 Managing officers and employees: 152	Directors: 30 Employees: 134
Class and number of shares*	830,000 shares of common stock	802,000 shares of common stock	791,000 shares of common stock
Date of issue	August 1, 2007	August 1, 2006	August 1, 2005
Condition of settlement of rights	1. Grantee must be employed as a director, managing officer or regular employee of the Company at the time of exercise. However, this does not apply if no more than 18 months have elapsed after retirement or resignation from the Company.	Same as left	Same as left
	2. Other conditions of exercise shall be decided as prescribed by the Contract for Allotment of Subscription Rights to Shares concluded by the Company and grantee in accordance with resolutions at the General Meeting of Shareholders and resolutions on the issue of subscription rights to shares by the Board of Directors.	Same as left	Same as left
	3. In the case where grantee becomes no longer applicable to the conditions of exercise, the grantee immediately loses subscription rights to shares and must return the rights to the Company without consideration.	—	—
Periods that grantees must provide service in return for stock options	From August 1, 2007 to July 31, 2009	From August 1, 2006 to July 31, 2008	From August 1, 2005 to June 30, 2007
Periods that stock subscription rights are to be exercised	From August 1, 2009 to July 31, 2013	From August 1, 2008 to July 31, 2012	From July 1, 2007 to June 30, 2011

*Number of options granted by class are listed as number of shares.

2) Number of stock options and state of fluctuation

Stock options are those outstanding in the fiscal year and are listed as the number of shares.

(a) Number of stock options

Non-exercisable stock options (shares)

	2011	2010	2009	2008	2007	2006
Stock options outstanding at the end of the previous fiscal year	**—**	1,157,000	1,358,000	—	—	—
Stock options granted	**1,262,000**	—	—	—	—	—
Forfeitures	**—**	—	—	—	—	—
Conversion to exercisable stock options	**—**	—	1,358,000	—	—	—
Stock options outstanding at the end of the fiscal year	**1,262,000**	1,157,000	—	—	—	—

Exercisable stock options (shares)

	2011	2010	2009	2008	2007	2006
Stock options outstanding at the end of the previous fiscal year	**—**	—	—	756,000	665,000	120,500
Conversion from non-exercisable stock options	**—**	—	1,358,000	—	—	—
Stock options exercised	**—**	—	—	—	—	—
Forfeitures	**—**	—	239,000	147,000	142,000	6,800
Stock options outstanding at the end of the fiscal year	**—**	—	1,119,000	609,000	523,000	113,700

(b) Price of options

	Exact yen amounts					
	2011	2010	2009	2008	2007	2006
Paid-in value	**¥2,449**	¥2,570	¥3,410	¥5,866	¥4,642	¥3,306
Average market price of the stock at the time of exercise	**—**	—	—	—	—	—
Fair value of options on grant date	**686**	581	421	682	759	—

(4) Methods for estimating fair value of stock options

The methods for estimating fair value of stock options granted for fiscal 2011 and 2010 are as follows:

(a) Valuation method used: Black-Scholes model

(b) Principal basic values and estimation methods

	2011	2010
Share price fluctuations *1	**42.97%**	32.47%
Projected remaining period *2	**4 years**	4 years
Projected dividend *3	**¥30/share**	¥40/share
Non-risk interest rate *4	**0.280%**	0.600%

*1: Computed based on actual share prices during a four-year period (from August 2006 to July 2010) and (from August 2005 to July 2009)
*2: Because of a lack of accumulated data and difficulty in making rational estimates, it is assumed the rights are exercised at the midpoint of the exercise period.
*3: For fiscal 2011, based on the estimated dividend on the grant date; For fiscal 2010, based on the year-end dividend for the fiscal year ended March 31, 2009
*4: Yields on government bonds for the period corresponding to the projected remaining period

(5) Method for estimating the number of confirmed stock option rights

Specifically, because of the difficulty in rationally estimating the number of expired rights in the future, a method has been adopted that reflects actual past expirations.

22. Income taxes:

(1) The significant components of deferred tax assets and liabilities as of March 31, 2011 and 2010 are as follows:

	Millions of yen	
	2011	2010
Deferred tax assets:		
Allowance for retirement benefits	**¥ 18,096**	¥ 17,339
Depreciation	**12,928**	15,628
Net operating loss carry-forwards for tax purposes	**7,940**	8,949
Accrued expenses	**7,598**	6,988
Securities	**6,070**	5,036
Trade receivables	**1,303**	1,839
Other	**18,122**	19,490
Subtotal	**72,061**	75,271
Less: valuation allowance	**(22,482)**	(28,696)
Total deferred tax assets	**49,578**	46,574
Deferred tax liabilities:		
Other securities	**(324,127)**	(361,032)
Depreciation	**(2,149)**	(2,258)
Land	**(562)**	(562)
Reserve for advanced depreciation of non-current assets	**(447)**	(456)
Reserve for special depreciation	**(206)**	(288)
Other	**(3,798)**	(5,689)
Total deferred tax liabilities	**(331,293)**	(370,288)
Net deferred tax liabilities	**¥ (281,715)**	¥ (323,714)

Net deferred tax liabilities consist of the following components on the consolidated balance sheets.

	Millions of yen	
	2011	2010
Current assets — deferred tax assets	**¥ 18,493**	¥ 17,182
Investments and other assets — deferred tax assets	**9,786**	10,429
Current liabilities — deferred tax liabilities	**(737)**	(316)
Long-term liabilities — deferred tax liabilities	**(309,256)**	(351,009)
Net deferred tax liabilities	**¥ (281,715)**	¥ (323,714)

(2) Reconciliations of differences between the statutory rate of income taxes and the effective rate of income taxes for the years ended March 31, 2011 and 2010 are as follows:

	2011	2010
Statutory rate of income taxes	**39.9%**	39.9%
Addition (reduction) in taxes resulting from:		
Valuation allowance	**(9.0%)**	—
Dividends income and others permanently not recognized as taxable income	**(4.6%)**	—
Other	**2.9%**	—
Effective rate of income taxes	**29.2%**	39.9%

Toyota Industries eliminated the line item for the year ended March 31, 2010 because it recorded a loss before income taxes and minority interests.

23. Leases:

(1) Finance leases

1) Finance leases (as a lessee)

Lease assets are mainly materials handling equipment which is leased as operating leases.

The depreciation method of leased assets is referred to in Note 2(9).

As for finance leases other than finance leases deemed to transfer the ownership of leased properties to lessees, those that came into effect before March 31, 2008 (inclusive) will continue to be accounted for by the former method (similar to the method applicable to ordinary operating leases).

(a) Pro forma information regarding the leased properties such as acquisition cost and accumulated depreciation, which are not reflected in the accompanying consolidated balance sheets under finance leases as of March 31, 2011 and 2010 are as follows:

	Millions of yen	
	2011	2010
Buildings and structures:		
Acquisition cost equivalents	**¥ 88**	¥ 245
Accumulated depreciation equivalents	**52**	178
Buildings and structures net balance equivalents	**36**	66
Machinery, equipment and vehicles:		
Acquisition cost equivalents	**¥ 7,474**	¥ 7,980
Accumulated depreciation equivalents	**5,203**	4,696
Machinery, equipment and vehicles net balance equivalents	**2,270**	3,283
Tools, furniture and fixtures:		
Acquisition cost equivalents	**¥ 5,568**	¥ 9,761
Accumulated depreciation equivalents	**4,409**	6,742
Tools, furniture and fixtures net balance equivalents	**1,159**	3,018
Software:		
Acquisition cost equivalents	**¥ 90**	¥ 100
Accumulated depreciation equivalents	**73**	63
Software net balance equivalents	**17**	36
Total net leased properties	**¥ 3,484**	¥ 6,405

Acquisition cost equivalents include the imputed interest expense portion because the percentage which is computed by dividing future minimum lease payments by total balance of property, plant and equipment at year-end is immaterial.

(b) Pro forma information regarding future minimum lease payments as of March 31, 2011 and 2010 is as follows:

	Millions of yen	
	2011	2010
Due within one year	**¥ 2,015**	¥ 3,061
Due after one year	**2,227**	4,641
Total	**¥ 4,242**	¥ 7,702

The amount equivalent to future minimum lease payments as of the end of the year includes the imputed interest expense portion because the percentage which is computed by dividing future minimum lease payments by total balance of property, plant and equipment at year-end is immaterial.

(c) Total lease payments and pro forma depreciation expenses for the years ended March 31, 2011 and 2010 are as follows:

	Millions of yen	
	2011	2010
Lease payments	**¥ 2,388**	¥ 3,606
Pro forma depreciation expenses	**2,388**	3,606

Pro forma depreciation expenses, which are not reflected in the accompanying consolidated statements of income, are computed mainly by the straight-line method, which assumes zero residual value and leasing term to be useful lives for the years ended March 31, 2011 and 2010, and are equivalent to the amount of total lease payments of the above.

2) Finance leases (as a lessor)

(a) Lease investment assets listed on the consolidated balance sheets as of March 31, 2011 and 2010 are as follows:

	Millions of yen	
	2011	2010
Lease receivables	**¥ 95,851**	¥ —
Residual value	**26,861**	—
Unearned interest income	**(16,085)**	—
Total	**¥ 106,627**	¥ —

(b) Amounts of projected future recovery after March 31, 2011 for the portion of lease payment receivable in lease investment assets is as follows:

	Millions of yen	
	2011	2010
Year ending March 31		
2012	**¥ 35,902**	¥ —
2013	**27,447**	—
2014	**18,194**	—
2015	**9,936**	—
2016	**3,612**	—
2017 and thereafter	**757**	—
Total	**¥ 95,851**	¥ —

As for finance leases other than finance leases deemed to transfer the ownership of leased properties to lessees, those that came into effect before March 31, 2008 (inclusive) will continue to be accounted for by the former method (similar to the method applicable to ordinary operating leases).

(c) Information regarding leased properties such as acquisition cost and accumulated depreciation under finance leases as of March 31, 2011 and 2010 is as follows:

	Millions of yen	
	2011	2010
Machinery and equipment:		
Acquisition cost	**¥ 4,990**	¥ 6,302
Accumulated depreciation	**4,609**	5,541
Total net leased property	**¥ 380**	¥ 761

(d) Pro forma information regarding future minimum lease income as of March 31, 2011 and 2010 is as follows:

	Millions of yen	
	2011	2010
Due within one year	**¥ 699**	¥ 1,651
Due after one year	**288**	1,016
Total	**¥ 988**	¥ 2,667

Future minimum lease income under finance leases include the imputed interest income portion because the percentage which is computed by dividing the total of future minimum lease income and estimated residual value by the total of future minimum lease income and estimated residual value and the balance of operating receivables at the year-end is immaterial.

(e) Total lease payments to be received and depreciation expenses for the years ended March 31, 2011 and 2010 are as follows:

	Millions of yen	
	2011	2010
Total lease payments to be received	**¥ 606**	¥ 1,793
Depreciation expenses	**¥ 282**	¥ 951

(2) Operating leases

1) Operating leases (as a lessee)

Pro forma future lease payments under operating leases as of March 31, 2011 and 2010 are as follows:

	Millions of yen	
	2011	2010
Due within one year	**¥ 6,889**	¥ 9,069
Due after one year	**29,645**	34,148
Total	**¥ 36,534**	¥ 43,217

2) Operating leases (as a lessor)

Pro forma information regarding future minimum rentals under operating leases as of March 31, 2011 and 2010 is as follows:

	Millions of yen	
	2011	2010
Due within one year	**¥ 20,437**	¥ 19,491
Due after one year	**35,652**	29,056
Total	**¥ 56,090**	¥ 48,547

24. Changes in net assets:

(1) Common stock outstanding for the years ended March 31, 2011 and 2010:

	shares
Balance at March 31, 2009	325,840,640
Increase	—
Decrease	—
Balance at March 31, 2010	325,840,640
Increase	**—**
Decrease	**—**
Balance at March 31, 2011	**325,840,640**

(2) Treasury stock outstanding for the years ended March 31, 2011 and 2010:

	shares
Balance at March 31, 2009	14,263,027
Increase due to purchase of odd stock	7,277
Decrease due to sale of odd stock	(361)
Balance at March 31, 2010	14,269,943
Increase due to purchase of odd stock	**6,183**
Decrease due to sale of odd stock	**(405)**
Balance at March 31, 2011	**14,275,721**

(3) Subscription rights to shares outstanding for the years ended March 31, 2011 and 2010:

	Millions of yen	
	2011	2010
The Company	**¥ 2,132**	¥ 1,720

(4) Dividends

(a) Dividends paid for the year ended March 31, 2011

Resolutions	Class of shares	Total dividends Millions of yen	Dividends per share Yen	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 23, 2010	**Common stock**	**¥6,231**	**¥20**	**March 31, 2010**	**June 24, 2010**
Board of Directors meeting held on October 29, 2010	**Common stock**	**7,789**	**25**	**September 30, 2010**	**November 26, 2010**

(b) Dividends with a record date in the fiscal year ended March 31, 2011 for which the effective date falls in the following fiscal year

Resolutions	Class of shares	Total dividends Millions of yen	Source of dividends	Dividends per share Yen	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 16, 2011	**Common stock**	**¥7,789**	**Retained earnings**	**¥25**	**March 31, 2011**	**June 17, 2011**

(c) Dividends paid for the year ended March 31, 2010

Resolutions	Class of shares	Total dividends Millions of yen	Dividends per share Yen	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 19, 2009	Common stock	¥3,115	¥10	March 31, 2009	June 22, 2009
Board of Directors meeting held on October 30, 2009	Common stock	3,115	10	September 30, 2009	November 26, 2009

(d) Dividends with a record date in the fiscal year ended March 31, 2010 for which the effective date falls in the following fiscal year

Resolutions	Class of shares	Total dividends Millions of yen	Source of dividends	Dividends per share Yen	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 23, 2010	Common stock	¥6,231	Retained earnings	¥20	March 31, 2010	June 24, 2010

25. Subsequent events:

There were no subsequent events for the years ended March 31, 2011 and 2010.

26. Segment information:

(1) Outline of reporting segments

The operating segments reported below are the segments of Toyota Industries for which separate financial information is available and for which operating income/loss amounts are evaluated regularly by executive management in deciding how to allocate resources and in assessing performance.

The reporting segments of Toyota Industries consist of Automobile, Materials Handling Equipment, Logistics, Textile Machinery and Others.

The similarity of products and services are taken into account for the separation. Within the Automobile Segment, vehicles, engines, car air-conditioning compressors and others are included due to the similarity of their business environments. The main products and services of each segment are as follows.

Automobile	Vehicles, diesel and gasoline engines, car air-conditioning compressors, foundry parts for engines, electronics components for automobiles
Materials Handling Equipment	Lift trucks, warehouse trucks, automated storage and retrieval systems, aerial work platforms
Logistics	Land transportation services, cash collection and delivery and cash proceeds management services, data storage, management, collection and delivery services
Textile Machinery	Weaving machinery, spinning machinery
Others	Semiconductor package substrates

(2) Calculation method of reporting segment information

The accounting method of reporting segment information is based on "Summary of significant accounting policies."
Segment income is based on operating income.
Inter-segment sales and transactions are based on arm's-length price.

(3) Business segments

As of and for the years ended March 31, 2011 and 2010:

	Millions of yen	
	2011	2010
Sales:		
Automobile		
Outside customer sales	**¥ 804,167**	¥ 778,356
Inter-segment transactions	**21,151**	12,810
	825,319	791,166
Materials Handling Equipment		
Outside customer sales	**490,676**	431,619
Inter-segment transactions	**654**	999
	491,330	432,618
Logistics		
Outside customer sales	**107,773**	108,596
Inter-segment transactions	**8,069**	5,685
	115,842	114,282
Textile Machinery		
Outside customer sales	**42,795**	20,878
Inter-segment transactions	**12**	57
	42,807	20,936
Others		
Outside customer sales	**34,426**	38,317
Inter-segment transactions	**11,853**	10,301
	46,279	48,619
Subtotal	**1,521,580**	1,407,623
Elimination of inter-segment transactions	**(41,740)**	(29,853)
Total	**¥1,479,839**	¥1,377,769

	Millions of yen	
	2011	2010
Segment income (loss):		
Automobile	**¥ 32,876**	¥ 23,663
Materials Handling Equipment	**23,999**	(9,549)
Logistics	**5,397**	5,294
Textile Machinery	**2,592**	(1,836)
Others	**3,445**	3,971
Elimination of inter-segment transactions	**485**	459
Total	**¥ 68,798**	¥ 22,002
Assets:		
Automobile	**¥ 305,871**	¥ 346,068
Materials Handling Equipment	**499,120**	500,652
Logistics	**191,774**	190,745
Textile Machinery	**15,277**	14,037
Others	**61,808**	56,187
Corporate or elimination of inter-segment transactions	**1,407,600**	1,481,555
Total	**¥2,481,452**	¥2,589,246
Depreciation:		
Automobile	**¥ 41,813**	¥ 50,085
Materials Handling Equipment	**30,845**	38,130
Logistics	**7,298**	7,166
Textile Machinery	**904**	1,032
Others	**1,725**	2,306
Corporate or elimination of inter-segment transactions	**—**	—
Total	**¥ 82,587**	¥ 98,722
Amortization of goodwill:		
Automobile	**¥ 0**	¥ —
Materials Handling Equipment	**2,465**	7,828
Logistics	**3,374**	3,568
Textile Machinery	**—**	—
Others	**—**	—
Corporate or elimination of inter-segment transactions	**—**	—
Total	**¥ 5,840**	¥ 11,396
Investment in equity method company:		
Automobile	**¥ 1,691**	¥ 2,575
Materials Handling Equipment	**2,148**	2,169
Logistics	**—**	2,468
Textile Machinery	**—**	—
Others	**—**	—
Corporate or elimination of inter-segment transactions	**—**	—
Total	**¥ 3,840**	¥ 7,213
Increase in tangible assets and intangible assets:		
Automobile	**¥ 22,953**	¥ 14,984
Materials Handling Equipment	**37,453**	29,908
Logistics	**7,215**	6,963
Textile Machinery	**473**	72
Others	**1,433**	1,104
Corporate or elimination of inter-segment transactions	**—**	—
Total	**¥ 69,528**	¥ 53,033

(4) Related information
Geographical segments
As of and for the year ended March 31, 2011:

	Millions of yen
	2011
Sales:	
Japan	**¥ 937,349**
U.S.A.	**148,756**
Others	**393,734**
Total	**¥1,479,839**
Tangible assets:	
Japan	**¥ 376,797**
Others	**120,480**
Total	**¥ 497,278**
Major customer:	
Sales (Automobile Segment)	
Toyota Motor Corporation	**¥ 607,201**
Total	**¥ 607,201**
Unamortized segment balance of goodwill:	
Automobile	**—**
Materials Handling Equipment	**¥ 17,027**
Logistics	**51,546**
Textile Machinery	**—**
Others	**—**
Corporate or elimination of inter-segment transactions	**—**
Total	**¥ 68,573**
Impairment loss: Not applicable	
Negative goodwill: Negative goodwill is omitted due to its quantitative immateriality.	

(Additional Information)
Effective from the fiscal year beginning April 1, 2010, Toyota Industries applied Financial Accounting Standard No. 17 "Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" issued on March 27, 2009 and its Implementation Guidance No. 20 "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" issued on March 21, 2008 by the Accounting Standards Board of Japan.

27. Related party transactions:

The following transactions were carried out with related parties:
(1) Sales of goods and services for the years ended March 31, 2011 and 2010 were as follows:

	Millions of yen	
	2011	2010
Toyota Motor Corporation	**¥ 606,592**	¥ 599,217

Toyota Motor Corporation held 24.61% of the Company's voting rights as of March 31, 2011. As for the sales of automobiles and engines, etc., the Company offers prices on such products based on their overall costs and negotiates conditions for each fiscal year, as per conditions on arm's-length transactions. The above transactions are carried out based on commercial terms and conditions. Transaction amounts exclude consumption taxes.

(2) Purchase of goods for the years ended March 31, 2011 and 2010 were as follows:
Purchase of goods:

	Millions of yen	
	2011	2010
Toyota Motor Corporation	**¥ 434,947**	¥ 435,232

As for the purchase of parts of automobiles and engines, etc., the Company negotiates conditions for each fiscal year, based on offered prices on such products, as per conditions on arm's-length transactions. The above transactions are carried out based on commercial terms and conditions. Transaction amounts exclude consumption taxes.

(3) Outstanding balances arising from sale/purchase of goods/services as of March 31, 2011 and 2010 were as follows:
Receivables from a related party:

	Millions of yen	
	2011	2010
Toyota Motor Corporation	**¥ 11,102**	¥ 32,841

Payables to a related party:

	Millions of yen	
	2011	2010
Toyota Motor Corporation	**¥ 36,309**	¥ 47,212

The balance as of March 31, 2011 and 2010 includes consumption taxes.

28. Net income (loss) per share (EPS):

The basis of calculation for net income (loss) per share basic and net income (loss) per share diluted is as follows:

	Millions of yen	
	2011	2010
Net income (loss) per share—basic:		
Net income (loss)	**¥ 47,205**	¥ (26,273)
Net income not attributable to common shareholders (bonuses for directors and statutory auditors that are paid through appropriation)	**—**	—
Net income (loss) attributable to common shareholders	**47,205**	(26,273)
Weighted-average shares (thousands)	**311,568**	311,573
Net income (loss) per share—basic (exact yen amounts)	**¥ 151.51**	¥ (84.33)
Net income (loss) per share—diluted:		
Weighted-average shares for diluted computation (thousands)	**—**	—
Net income (loss) per share—diluted (exact yen amounts)	**—**	—

Amounts for net income (loss) per share—diluted are not shown due to no dilutive shares.

29. Net assets per share:

The basis of calculation for net assets per share is as follows:

	Millions of yen	
	2011	2010
Net assets per share:		
Total net assets	**¥1,075,939**	¥1,104,929
Amounts deducted from total net assets		
Subscription rights to shares	**2,132**	1,720
Minority interests in consolidated subsidiaries	**45,589**	46,978
Net assets applicable to common stock at end of year	**1,028,217**	1,056,230
Outstanding shares of common stock at end of year used for the computation of net assets per share (thousands)	**311,564**	311,570
Net assets per share (exact yen amounts)	**¥ 3,300.17**	¥ 3,390.02

30. Cash and cash flows:

The relationship between the accounts in the consolidated balance sheets and the remaining balance of cash and cash equivalents as of March 31, 2011 and 2010 are as follows:

	Millions of yen	
	2011	2010
Cash and deposits	**¥ 198,654**	¥ 287,965
Deposits which have a maturity of over three months to one year	**(90,087)**	(30)
Short-term investments (securities) which have an original maturity within three months	**132,430**	71,391
Cash and deposits for business engaged in collection and delivery	**(45,431)**	(41,736)
Cash and cash equivalents	**¥ 195,566**	¥ 317,590

Report of Independent Auditors

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Report of Independent Auditors

To the Board of Directors of Toyota Industries Corporation

We have audited the accompanying consolidated balance sheet of Toyota Industries Corporation ("the Company") and its subsidiaries as of March 31, 2011, and the related consolidated statements of income, comprehensive income, changes in net assets and cash flows for the year then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company and its subsidiaries as of March 31, 2011, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

PricewaterhouseCoopers Aarata

July 20, 2011

PricewaterhouseCoopers Aarata
JR Central Towers 33rd Floor, 1-1-4 Meieki, Nakamura-ku, Nagoya-shi, Aichi 450-6033, Japan
T: +81 (52) 588 3951, F: +81 (52) 588 3952, www.pwc.com/jp/assurance

TOYOTA

TOYOTA INDUSTRIES CORPORATION

2-1, Toyoda-cho, Kariya-shi, Aichi 448-8671, Japan
Telephone: +81-(0)566-22-2511 Facsimile: +81-(0)566-27-5650
www.toyota-industries.com

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