

Letter to Shareholders

Dear Shareholders:

Toyota Industries made tremendous strides in strengthening our management structure and expanding our business foundation under a five-year Medium-Term Management Plan that was completed in the fiscal year ended March 31, 2006 (fiscal 2006). As a result, we are pleased to report that in fiscal 2006, the plan's final year, Toyota Industries achieved consolidated net sales of ¥1,506.0 billion and consolidated ordinary income of ¥80.6 billion, thereby surpassing the targets of ¥1,200 billion in consolidated net sales and ¥80.0 billion in consolidated ordinary income.

In spite of these positive results, we will continue to push ahead to realize a potentially greater level of performance. In the fiscal year ending March 31, 2007, Toyota Industries initiated a new five-year Medium-Term Management Plan (April 2006 – March 2011) that we believe will guide us on a path to further growth. Under the new plan, we have significantly raised the bar for performance by setting the extremely challenging targets of surpassing ¥2,000 billion in consolidated net sales and ¥140.0 billion in consolidated ordinary income. To achieve these objectives, we will strive to further reinforce the strengths of such core businesses as the Materials Handling Equipment and automobile-related businesses while actively cultivating the Logistics Solutions and other new businesses. In essence, our new management plan clearly articulates the strategic directions Toyota Industries plans to pursue as we enter a new phase of growth.

Along with the new management plan, we have devised the 2010 Vision, which envisions the desired status of the Toyota Industries Group in 2010—namely, the attainment by each business division of an overwhelmingly dominant competitive advantage in the areas of quality, cost and delivery. To achieve this, we need to continue to develop leading-edge technologies that anticipate the needs of the times and enhance our value chain by forging deeper synergies among business divisions, which would not be possible without the combined efforts and capabilities of our employees. Accordingly, we intend to commit our energy to the development of personnel with superior skills as well as the augmentation of workplace strengths that foster a spirit of teamwork.



Tadashi Ishikawa
Chairman

Tetsuro Toyoda
President

To achieve stable growth over the long term, it is essential that companies undertake business activities with a view toward promoting harmony between society and the global environment while maintaining healthy relationships with stakeholders. Furthermore, we believe that initiatives to ensure thorough compliance and strengthen corporate governance are also indispensable. With an eye toward the future, we remain committed to attaining sustainable growth and raising our corporate value to meet the expectations of our shareholders and other stakeholders.

August 2006

Tadashi Ishikawa
Chairman

Tetsuro Toyoda
President