Exploiting Synergies and Brand Power for Top Market Share

Determined to further strengthen its global competitiveness, the Materials Handling Equipment Segment has commenced a host of activities under Toyota Material Handling Group, a new organization that integrates TOYOTA Material Handling Company, the world leader in counterbalanced lift trucks, and the BT Industries Group, the world's top company in warehouse trucks. Although not included in TMHG, this segment also includes Aichi Corporation, one of Toyota Industries' subsidiaries that commands the dominant share of Japan's market for aerial work platforms. By providing optimum solutions to meet diverse customer needs, the Materials Handling Equipment Segment maintains a solid position as a leading manufacturer of materials handling equipment.

Toyota Material Handling Group—Maximizing Synergies

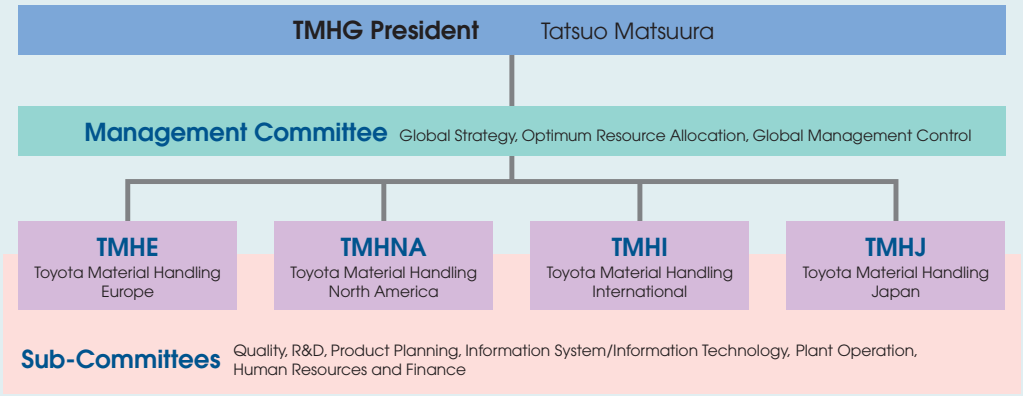
Within the Materials Handling Equipment Segment, Toyota Material Handling Company (TMHC) and the BT Industries Group have made strenuous efforts to realize synergies by mutually supplying each other's brand products, sharing sales and production know-how, exchanging personnel and jointly procuring components. Backed by the success of these efforts, in April 2006 we integrated both entities under the framework of Toyota Material Handling Group (TMHG), a new organization that we expect will allow us to maximize synergies as we strive to achieve our target of becoming "undisputed No. 1" in the global lift truck market.

In carrying out its operations, TMHG has divided its global markets into four regions—Europe, North America, Japan and International—and established a Board as the decision-making body within each of these four regional organizations. A Management Committee, composed of TMHG top management and representatives of each regional organization, formulates strategies and manages TMHG as a whole.

TMHG has also set up Sub-Committees, comprising functional sections of each regional organization, to handle such principal functions as quality, R&D, product planning, information system/information technology, plant operation, human resources and finance. Cross-sectional linkages permeating the entire organization facilitate the sharing of best practices and know-how cultivated regionally as well as by TMHC and the BT Industries Group. Measures to be stressed include the ongoing transfer and sharing of the Toyota Production System—the source of our competitive edge—joint procurement of components, joint transport of components and products, standardization of platforms and joint development of key components. By undertaking business closely focused on the needs of customers in its own geographic region, TMHG aims to further accelerate global development and capture a one-third share of the global lift truck market as early as possible in the 2010s.

The formation of Toyota Material Handling Group was announced at the Toyota Industries World Convention 2005 to maximize the synergies of TOYOTA, BT and Raymond brands.

Organizational Chart of Toyota Material Handling Group



Brand Portfolio

Subsequent to establishing TMHG, we will continue to firmly maintain the TOYOTA, BT and Raymond brands, with TMHG carrying out activities globally utilizing the strong power of each of these brands. The BT and Raymond brands boast strong recognition in Europe and the United States, respectively, while the TOYOTA brand is solidly positioned in Japan and the United States. TMHG seeks to fully execute its business utilizing these brand assets. Although not a part of the TMHG organization, Aichi Corporation (Aichi) also possesses its own strong brand and is promoting its business globally.

TOYOTA Brand

TOYOTA-brand lift trucks and other industrial vehicles are sold in Japan under the brand name of TOYOTA L&F (Logistics and Forklifts). Outside Japan, the TOYOTA INDUSTRIAL EQUIPMENT brand/emblem is used.

BT Brand

BT-brand warehouse trucks enjoy strong recognition in Europe and other regions.

Raymond Brand

The Raymond brand is well recognized in North America.

Aichi Brand

Aichi, a leading manufacturer of aerial work platforms in Japan, uses the AICHI brand throughout the world. Visit *www.aichi-corp.jp* for further information.

Other Brands

The CESAB and Lift-Rite brand names are also used in designated markets.

Business Activities in Fiscal 2006

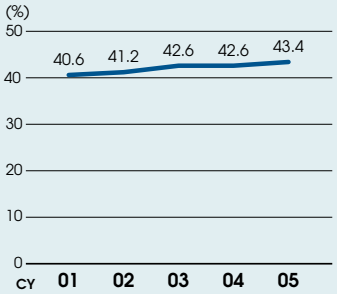
Japanese Market

Amid a strong recovery in the Japanese economy, total demand in the domestic market for lift trucks in calendar year 2005 increased 9% from 2004 to 82.0 thousand units.

Responding to brisk demand, aggressive sales activities implemented within Toyota Industries' Materials Handling Equipment Business included promoting proposal-based marketing and fortifying response to large-scale and wide-ranging customers. Mirroring the rising environmental awareness of companies, we achieved a particularly large increase in sales of electric counterbalanced lift trucks. As a result, the Materials Handling Equipment Business recorded an 11% increase in sales to 35.6 thousand units.

For calendar year 2005, Toyota Material Handling Japan (TMHJ) garnered a record-high market share of 43.4% for sales of lift trucks in Japan, marking the seventh year running that its market share has topped 40% and the 40th consecutive year that it has maintained the top-ranked position in the Japanese lift truck industry.

Toyota's Growing Share in the Japanese Lift Truck Market



Aichi recorded a sharp rise in sales from the previous fiscal year, supported by solid replacement demand from such principal customers as the electric power and telecommunications industries.

North American Market

The North American market for lift trucks showed continued strong growth in 2005. Toyota Material Handling North America (TMHNA) took advantage of the sustained growth, with the TOYOTA brand recording its highest sales volume to date, and solidified its position as the top-selling lift truck brand in North America for the fourth consecutive year, improving its position relative to other industry players. Sales of Raymond-brand electric lift trucks were also at record levels, exhibiting particularly strong sales growth in the warehousing and distribution segment to maintain Raymond's top-selling position in this critical segment of the materials handling market. The combination of these industry-leading brands firmly establishes TMHNA as the number-one supplier of materials handling equipment in North America.

Calendar year 2005 was not only a record sales year for TMHNA but also one of significant milestones. The Raymond brand introduced two new models featuring its exclusive ACR System™: the AC-powered 5000 Series orderpickers and 8000 Series pallet trucks. In addition, the TOYOTA brand was recently honored by Reed Research Group as the leading supplier of lift trucks in terms of quality and value in the United States for the second consecutive year. Additionally, the 5,000-pound capacity TOYOTA internal combustion, cushion tire lift truck was named the most fuel efficient and productive lift truck by USAC Properties, Inc., a subsidiary of the United States Auto Club.

Year-to-date 2006 has already provided some significant milestones. Toyota built and celebrated the production of its 250,000th lift truck at the Toyota Industrial Equipment Mfg., Inc. (TIEM) facility in Columbus, Indiana. TIEM, home to the state-of-the-art National Customer Center (NCC), builds 99% of the TOYOTA-brand lift trucks sold in North America. During its first year of operation, the NCC welcomed more than 340 guests representing nearly 100 companies.

Sonny Toyoda, president of TIEM; Al Rawson, president of Atlas Toyota Material Handling and chairman of Toyota's National Dealer Advisory Council; Shankar Basu, president and CEO of Toyota Material Handling USA, Inc.; and Tatsuo Matsuura, president of Toyota Material Handling Group, celebrate the production of the 250,000th lift truck, a four-wheel internal combustion cushion tire model.

TOYOTA-brand lift trucks are sold and supported by a network of 69 dealers through 187 locations. Raymond-brand trucks are sold and supported by an international network of Raymond dealers who provide comprehensive materials handling solutions. In North America, 39 dealers serve the United States, Canada and Mexico, selling and servicing Raymond trucks through 108 locations.

Materials Handling Equipment

European Market

The European market for industrial trucks continued to grow significantly during the year in continuation of a decades-long period of solid growth. At the same time, there has recently been a marked increase in cyclical demand as well. As a whole, market growth was strongest in Eastern Europe.

The total European market at the end of calendar year 2005 reached 298,000 units. Market share in Europe for Toyota Material Handling Europe (TMHE) was close to 20%, clearly demonstrating TMHE's prominence as one of the three major suppliers in the European market.

The competitive climate continues to be intense. Further, a prolonged rise in raw materials costs combined with a recurrent unwillingness of large customers to absorb price increases present a significant challenge in a market with very strong European-based competitors.

During the year, close integration between the Toyota and BT organizations within TMHG became even stronger, underpinned by the two-brand strategy. As one sign of this deeper integration, a joint development project was carried out, resulting in the launch of a new range of 24-volt electric counterbalanced lift trucks towards the end of 2005. The market reception of this new product has been extremely positive.

Cargo Blitz TRAIGO

24-volt three-wheel counterbalanced lift trucks jointly developed by Toyota, BT and CESAB

Other International Markets

Africa, Asia, Oceania, the Middle East and South America, which comprise substantial and varied business areas, encompass emerging markets with rapid growth prospects, such as the BRICs (Brazil, Russia, India and China) countries. This range of diversity clearly means that the challenges and economic performance factors are different in character.

In general, all markets have demonstrated growth, with economic development inevitably spurring higher levels of business activity. In such an environment, potential sales of counterbalanced lift trucks and warehouse trucks are strong.

The key approach in international markets has centered on maximizing our business opportunities by offering a full range of products to meet our customers' total materials handling needs. We must also ensure our impressive product portfolio is available to all customers in all markets through our different distribution channels.

The total market for lift trucks in 2005 expanded 17%, along with 15% and 25% growth for counterbalanced lift trucks and warehouse trucks, respectively. Overall market shares for Toyota Material Handling International (TMHI) showed favorable growth over the same period. Encouragingly, both growth in total market size and market share for TMHI was achieved in all of these other international areas.

Topic

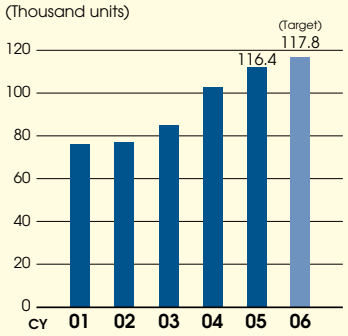
Record-High Unit Sales of TOYOTA-Brand Lift Trucks

During calendar year 2005, total worldwide unit sales of TOYOTA-brand lift trucks amounted to a record-high 116.4 thousand units. TOYOTA is the only brand in the industry to achieve annual sales exceeding 100,000 units as a single brand.

Currently manufactured at production bases in Japan, the United States, France and China, TOYOTA-brand lift trucks are sold and serviced at 320 global sales and service bases all over the world.

Please visit *www.global-toyotaforklifts.com* for more information on the global sales network and TOYOTA-brand products.

Unit Sales of TOYOTA-Brand Lift Trucks



Looking Ahead

Japanese Market

The year 2006 marks the 50th anniversary since the commencement of sales of TOYOTA-brand lift trucks in Japan. During this commemorative year, TMHJ expects continued solid growth in the domestic lift truck market.

In the future, TMHJ will strive to expand sales and market share by offering products and services that we hope will deliver even greater customer satisfaction. In line with these efforts, TMHJ plans to carry out proposal-based marketing that offers solutions that accurately address customer needs as well as promote fleet management contracts to major customers spanning a wide range of geographic regions. In September 2006, the series of 1- to 3.5-ton internal combustion counterbalanced lift trucks with higher standards for both safety and environmental features will be reintroduced in Japan after a full model change. TMHJ believes this will serve as the tailwind to further penetrate the market. Also, TMHJ will actively market and sell a wide lineup of materials handling systems that include racks, automatic guided vehicle systems and automated storage and retrieval systems.

North American Market

In 2006, TMHNA anticipates the North American market for materials handling equipment will reflect the overall economic outlook, with a slowing pace of growth. Both the TOYOTA and Raymond brands are well situated to take advantage of these market conditions to expand their industry leadership positions. We hope to strengthen the TOYOTA brand's position as the number-one selling brand in North America with the introduction of the much-anticipated 8-Series line, with internal combustion, pneumatic and cushion tire models that range from 3,000 to 6,500 pounds. The 8-Series has been designed to build on Toyota's strengths with increased visibility, improved ergonomics, enhanced productivity and superior durability, all while maintaining its position as the industry's safety leader. In January 2007, Toyota will exhibit at ProMat, the largest materials handling show in North America, where consumers will get their first look at the 8-Series. We hope to solidify the Raymond brand's leadership role in the warehouse and distribution market with products featuring improved performance and reliability at reduced cost of ownership, expanding the range of products with the advantages of AC power. Both of TMHNA's brands will seek to expand fleet services and fleet management offerings in response to demand by large customers who want to optimize their lift truck fleets and control costs.

8FGU25

The year 2006 will mark a number of significant events for TMHNA. Toyota will commemorate its 40th anniversary of establishing operations in North America and Raymond celebrates its 85th anniversary. Additionally, in early 2007 the Raymond brand expects to ship its 300,000th lift truck.

TMHNA will continue to accelerate the implementation of the Toyota Production System (TPS) at its manufacturing facilities in Columbus, Indiana; Greene, New York; Muscatine, Iowa; and Brantford, Ontario, Canada. As a result, we will further improve our already strong reputation for product quality and reliability. In conjunction with TPS, TMHNA operates under a global charter that promotes environmental responsibility throughout the entire company. Of significant importance is the exclusive emissions system employed by the 8-Series that not only surpasses 2007 Federal EPA emissions standards, but also meets California's stringent 2010 emission standards—three years early.

European Market

For 2006, the general growth trend in the European market is expected to continue, albeit at a somewhat lower rate than the last couple of years. Most regional areas are expected to show growth, especially in Eastern Europe. On the other hand, an overall increase in GDP levels in Western Europe is expected to fuel higher market demand in the materials handling industry in these markets as well.

In line with continued integration of its European organizations, TMHE expects to reap additional synergies in different areas, further increasing its competitiveness to the benefit of its customers.

Other International Markets

In 2006, TMHI anticipates continued growth in other key international markets, with strong growth expected in designated markets, along with business expansion in the automotive sector and other industries in each region.

In line with ongoing growth in important markets such as China and Australia, TMHI plans to further strengthen its levels of activity and local operations. TMHI aims to ensure that its reputation for quality products is complemented by strong support capabilities, including maintaining an emphasis on providing sophisticated systems solution sales for the more complex warehousing installations planned by many of its internationally active customers in third party logistics and warehousing sectors.

It is also clear that key markets in the Middle East, Asia and South America require ever-higher levels of sales and service support, and the focus will remain directed toward satisfying these needs. Backed by the current Toyota/BT sales network, TMHI approaches the market with a determination to forge deeper relationships and develop stronger ties with its dealers and customers.

Topics

Toyota Industries World Convention 2005

In April 2005, the Toyota Industries World Convention was held in Japan to share the vision for further growth of the Materials Handling Equipment Business among the TOYOTA/BT-related distributors and dealers around the world. At the convention, everyone present pledged their unity to solidify Toyota Industries' global top position in the materials handling equipment industry under the slogan "United We Grow." The integration of TMHC and the BT Industries Group under the framework of TMHG as a means of further creating synergies was also announced.

Development of Fuel-Cell Lift Trucks

Toyota Industries developed the fuel-cell hybrid system for lift trucks in-house, a first among lift truck manufacturers. The TOYOTA FCHV-F lift truck, which incorporates the fuel-cell hybrid system jointly developed with Toyota Motor Corporation (TMC), was exhibited at CeMAT 2005, an international trade fair for intralogistics held in Hannover, Germany, in October 2005. Although a few technical issues must still be addressed prior to commercialization and widespread use, the fuel-cell lift truck has great market potential due to its superior features.

FCHV-F fuel-cell lift truck

Full Model Change of Compact Electric Tow Tractors

The new Tugnova* (CBT/CBTY) series of electric tow tractors (2- to 4-ton towing capacity) was introduced into the Japanese and overseas markets in March 2006 after a full model change. This was the first time for Toyota Industries to incorporate an AC drive system in its compact tow tractors, achieving superior operability and lower maintenance costs and ensuring a high standard of safety.

Tugnova (CBT)

* A coined word that combines the English word "tug" and the Latin word "nova," which means "new," as well as the English word "innovation," meaning a new kind of tow tractors

BT Industries Celebrates its 60th Anniversary

A key part of TMHG's operations, BT Industries AB was established in Sweden in 1946, when it began selling construction and transportation equipment, and has since expanded its operations worldwide. In addition to acquiring The Raymond Corporation of the United States in 1997 and CESAB Carrelli Elevatori S.p.A of Italy in 1999, BT Industries subsequently established a production and sales structure in the United States, while expanding its product lineup in Europe. In 2000, BT Industries became one of Toyota Industries' subsidiaries and is now carrying out its business by pursuing synergies with the TOYOTA brand under the framework of TMHG.

50th Anniversary of Lift Truck Sales in Japan and 20th Anniversary of Domestic Sales of Materials Handling Systems

In 2006, Toyota Industries marked the 50th anniversary of selling TOYOTA-brand lift trucks in Japan and its 20th anniversary since commencing sales of materials handling systems such as automatic guided vehicle systems. A ceremony was held in April 2006 to celebrate these anniversaries with domestic distributors and related persons.

Joint Development of Electric Counterbalanced Lift Trucks for the European Market

TMHC and the BT Industries Group jointly developed a three-wheel electric counterbalanced lift truck for the European market and started shipment of the product in January 2006. Cesab, which is part of the BT Industries Group, took the initiative in the development and produces the product in Italy. The lift truck is marketed as the TRAIGO under the TOYOTA brand, the Cargo under the BT brand and the Blitz under the CESAB brand.

Full Model Change of 1- to 3.5-Ton Internal Combustion Lift Trucks

In September 2006, Toyota Industries will commence sales of 1- to 3.5-ton internal combustion lift trucks in Japan following a full model change (sold as the GENEO in Japan and the 8-Series overseas). The 1- to 3.5-ton class internal combustion lift trucks dominate approximately 50% of the Japanese lift truck market and are used by a wide variety of customers primarily in the transport and warehouse industries. Toyota Industries embarked on the development of new lift trucks to attain an even higher level of performance and functionality in the areas of safety, environmental features and ease of operation. This product series will be introduced gradually to the U.S. and European markets.

New GENEO (8-Series) internal combustion counterbalanced lift truck

Products for the Japanese Market

TOYOTA L&F

Products for the Japanese Market — Industrial Vehicles

GENEO (8FG25)
Internal combustion counterbalanced lift truck

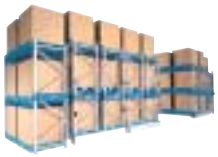
GENEO-B (7FB15)
Electric counterbalanced lift truck

GENEO-E (7FBE15)
Three-wheel electric counterbalanced lift truck

GENEO-R (7FBR15)
Electric reach truck

2TE18
Electric tow tractor

Products for the Japanese Market — Materials Handling Systems



Partner Rack
Rail-less mobile rack

Rack Sorter B
Automated storage and retrieval system (Plastic container type)

Rack Sorter P
Automated storage and retrieval system (Pallet type)

Road Sorter H (ACBH10)
Automatic guided vehicle system

2AFBR15
Automatic guided lift truck

APLB8
Automatic guided pallet truck

AICHI CORPORATION

Please visit *www.aichi-corp.jp* for more information.

Truck Mount Aerial Work Platforms

SH15B

SE08B

TZ-10A type "RR"

SC40A

Self-Propelled Aerial Work Platforms

SR-18AJ

RX07B

Note: Although Aichi Corporation is not integrated into the Toyota Material Handling Group, it comprises an important part of the Materials Handling Equipment Segment.

Products for the North American Market

TOYOTA INDUSTRIAL EQUIPMENT

Please visit *www.toyotaforklift.com* for more information.

7FGU70
Internal combustion pneumatic tire counterbalanced lift truck

8FGCU25
Internal combustion cushion tire counterbalanced lift truck

7FGCU55-BCS
Internal combustion cushion tire counterbalanced lift truck—boxcar special model

7BPUE15
Electric order picker

8FGU25
Internal combustion pneumatic tire counterbalanced lift truck

7FBEU20
Three-wheel electric counterbalanced lift truck

7FBCU25
Electric cushion tire counterbalanced lift truck

RAYMOND
Above. And beyond.™

Please visit *www.raymondcorp.com* for more information.

Raymond Model 7400 *Reach-Fork* Truck
Reach truck

Raymond EAS*i* Pacer Stand-Up Counterbalanced Truck
Electric counterbalanced truck

Raymond Model 5600 Orderpicker
Order picking truck

Raymond *Swing-Reach* Truck
Very narrow aisle truck

Raymond Model 8400 Pallet Truck
Electric pallet truck

Products for the European Market

TOYOTA
INDUSTRIAL EQUIPMENT

Please visit *www.toyota-tiee.com* for more information.

7FG/DF30
Internal combustion counterbalanced lift truck with deluxe cabin

7FBMF25
Electric counterbalanced lift truck (80V)

7FBEF15
Three-wheel electric counterbalanced lift truck (48V)

TRAIGO
Three-wheel electric counterbalanced lift truck (24V)

7FBRE14
Electric reach truck

7SLL
Powered stacker

BT®

Please visit *www.bt-industries.com* for more information.

Cargo E*
Three-wheel electric counterbalanced truck

Cargo D
Diesel-engined counterbalanced truck

Vector*
Very narrow aisle truck with shuttle forks

Reflex
Reach truck

Ixion*
Support arm stacker truck

Opus
Low-level order picking truck

Minimover*
Electric stacker truck

Pro Lifter
Hand pallet truck

* Launched during the years 2005-2006

Applying Unrivalled Technologies to Create Revolutionary Products

The Car Air-Conditioning Compressor Business is a core business of the Automobile Segment in addition to being an important strategic business of Toyota Industries. Drawing on a wealth of cutting-edge technologies, we efficiently develop and manufacture high-quality products that are closely tailored to customer needs. By doing so, Toyota Industries is contributing to enhancements in comfort and technological advances of vehicles manufactured not only by Toyota Motor Corporation but the world's other top-name automakers as well.

Breakthrough Innovations and Cutting-Edge Compressors for Hybrid Vehicles

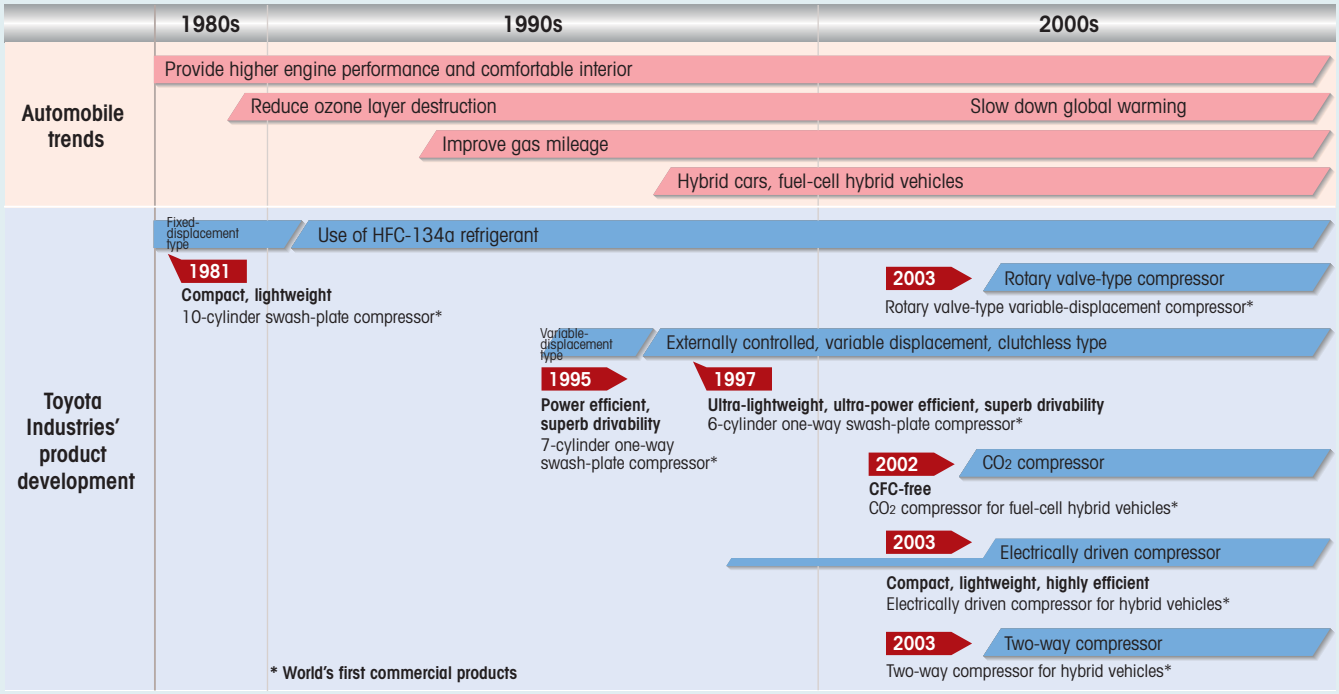
Toyota Industries' car air-conditioning compressors are noted for unsurpassed quality and reliability, attributes that have won extensive acclaim from Toyota Motor Corporation (TMC) and other leading automakers. As testimony to our unsurpassed technological development capabilities, our Car Air-Conditioning Compressor Business has solidly established its competitive superiority in the industry.

This business has a proven track record in consistently developing new epoch-making products that continually foresee evolving market needs, and in turn, stimulate further technological innovation of automakers. As prime examples, in the 1960s we developed Japan's first swash-plate compressor, while in the 1980s we developed a compact, lightweight 10-cylinder swash-plate fixed-displacement compressor noted for its outstanding reliability at high operating speeds. We followed this accomplishment in the 1990s by responding to growing concerns about the environment with the development of an internally controlled one-way swash-plate variable-displacement compressor that reduces the load on the engine to raise fuel efficiency. Building on this momentum, in the late 1990s Toyota Industries unveiled an externally controlled continuous variable-displacement clutchless compressor that enhances acceleration and reduces energy consumption by sensing changes in the external environment, such as engine acceleration. Demonstrating a dedicated commitment to combating such environmental problems as destruction of the earth's ozone layer and global warming, in 2002 Toyota Industries and DENSO Corporation (DENSO) developed an electrically driven compressor for fuel-cell hybrid vehicles that uses CO_2 as a substitute refrigerant for hydrofluorocarbons. Also in collaboration with DENSO, in 2003 we developed a two-way compressor with a built-in motor for hybrid vehicles and an electrically driven compressor for hybrid vehicles. The two-way compressor is driven alternately by the engine during driving and by a built-in motor during engine stop, while the electrically driven compressor realizes an optimal balance between fuel efficiency and comfort since the car air conditioner can remain turned on even during engine stop. Each of these pioneering compressors was developed and commercialized ahead of our competitors, offering further evidence of our technological and competitive superiority.

At the Forefront of the Market with Superb Technological Capabilities

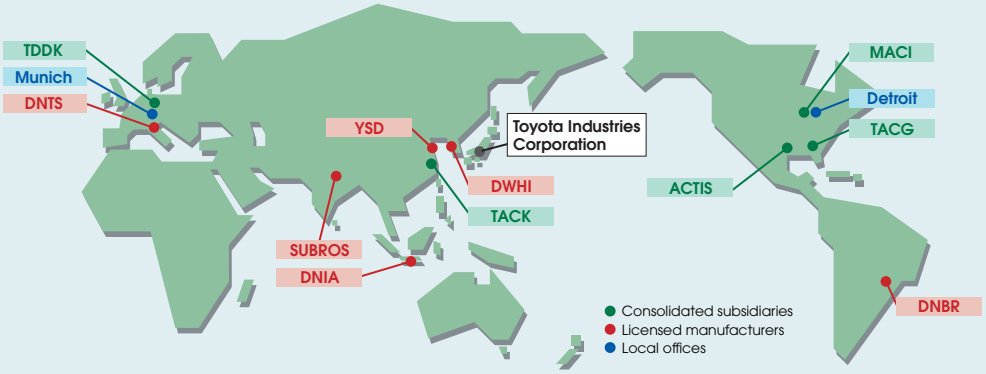
In fiscal 2006, Toyota Industries' total global production and sales of car air-conditioning compressors amounted to 19.1 million units, giving us the top share of the global market. In the Japanese market, we sold approximately 5.5 million compressors to TMC and other principal domestic automakers, which made us the market leader.

Automobile Trends and Toyota Industries' Product Development



Car Air-Conditioning Compressor

Car Air-Conditioning Compressor Manufacturing Bases



Toyota Industries produces compressors through a global tripolar structure encompassing Europe, the United States and Asia, including Japan, established through direct investments. We also license production in Asia (excluding Japan) and South America. By carrying out production near our markets, we are better able to supply products precisely tailored to local market needs while reducing shipment costs and exchange rate risks.

In the United States, during fiscal 2006 Toyota Industries sold 7.6 million car air-conditioning compressors, primarily comprising fixed-displacement compressors (including exports and local production), to major U.S. automakers and Japanese auto manufacturers in North America. In Europe, we sold approximately 5.6 million compressors, mainly variable-displacement compressors (including exports and local production), during fiscal 2006.

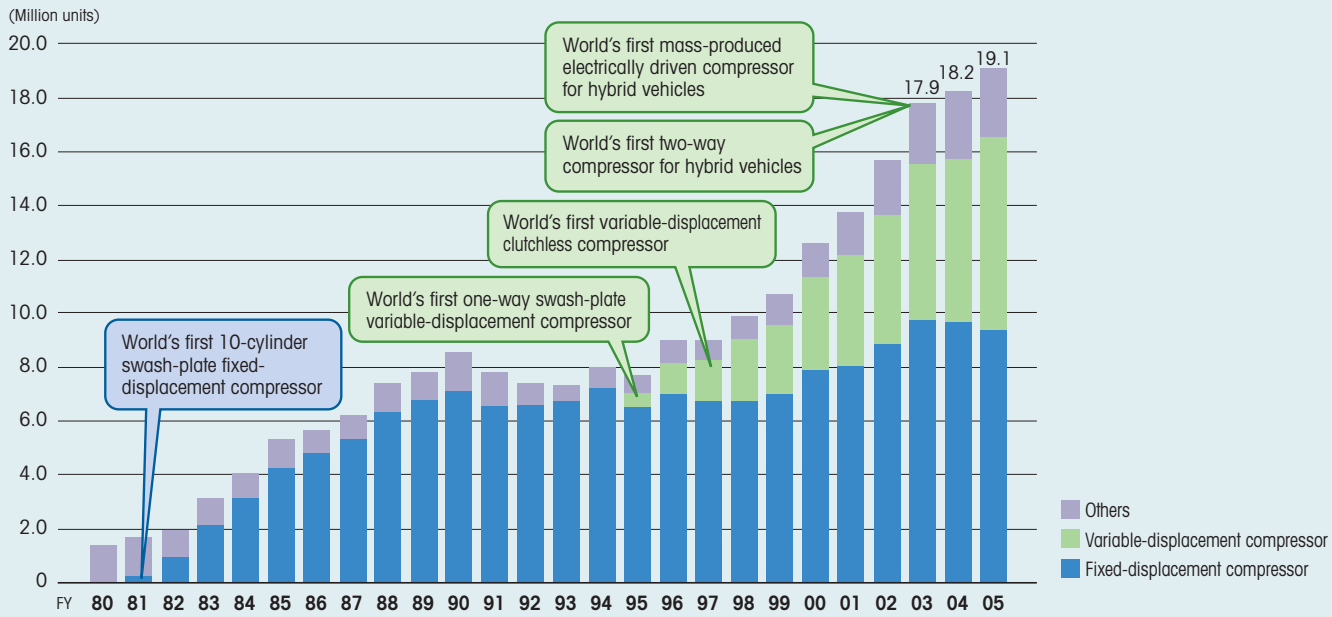
Operating an Optimal Global Production Structure

With bases in Japan, North America, Europe and Asia, Toyota Industries has established an optimal global production structure for its Car Air-Conditioning Compressor Business.

In Japan, our largest production base, we have built an efficient three-plant integrated production structure that encompasses all phases of operations from production of materials to processing and assembly.

In the United States, Michigan Automotive Compressor, Inc. (MACI)* produces swash-plate fixed-displacement compressors. In July 2004, Toyota Industries and DENSO jointly established TD Automotive Compressor Georgia, LLC (TACG)**, a second North American compressor production base situated near Atlanta in the U.S. state of Georgia that began operations in December 2005. Although fixed-displacement compressors have been the main type of compressor used in North America, we expect that rising global environmental awareness will spur increased demand for

Consolidated Compressor Sales



variable-displacement compressors, which offer excellent energy efficiency. To respond to this increase in demand, TACG was established as a new plant specializing in variable-displacement compressors in the southern United States, where automakers have been actively setting up operations. TACG plans to produce 2 million compressors annually by 2010.

TD Automotive Compressor Georgia, LLC

In Europe, TD Deutsche Klimakompressor GmbH (TDDK)* produces swash-plate variable-displacement compressors.

* MACI and TDDK are joint ventures with DENSO. As of March 31, 2006, Toyota Industries held 60% and 65%, respectively, of the shares of these companies.

** TACG is capitalized at US$78 million as of March 31, 2006. Toyota Industries North America, Inc. (a holding company controlling Toyota Industries' North American operations) invested 65% of this capital and DENSO International America, Inc. (a company controlling DENSO's North American operations) invested 35%.

TD Automotive Compressor Kunshan Co., Ltd.

In China, where future demand is expected to grow, Toyota Industries established a joint venture, TD Automotive Compressor Kunshan Co., Ltd. (TACK), in May 2005. TACK began producing variable-displacement compressors on schedule in April 2006. Yantai Shougang DENSO Co., Ltd. (YSD, in which Toyota Industries holds a 15% stake), a joint venture established in 1994 with DENSO and Shougang Corporation, began producing variable-displacement compressors in April 2006 in addition to fixed-displacement compressors already being produced.

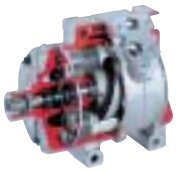
Looking Ahead

Regarding the future direction of our business, we plan to undertake activities geared mainly toward further penetration of overseas markets. In Europe, where the proportion of new cars fitted with car air conditioners has risen to nearly 80%, Toyota Industries will work to expand sales by cultivating new customers and further penetrating markets. These efforts will be directed mainly toward supplying products matched to the needs of the European market.

In the United States, we expect to work actively to secure new orders. Aggressive sales promotion activities will also be undertaken in cooperation with DENSO in the BRICs (Brazil, Russia, India and China) markets, where automobile sales continue to expand.

All of Toyota Industries' car air-conditioning compressors are supplied to DENSO, which in turn sells these to leading automakers worldwide. DENSO not only sells our compressors as a single unit but also incorporates them in DENSO's car air-conditioning systems.

Fixed-Displacement Type



10S17 compressor
(Swash-plate type)

SCS06 compressor
(Scroll type)

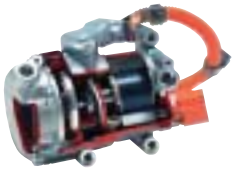
SV07 compressor
(Vane type)

Continuous Variable-Displacement Type

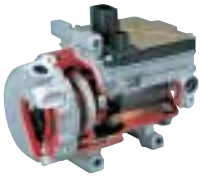
7SBU16 compressor
(Swash-plate type)

7SEU17 compressor
(Externally controlled, clutchless type)

For Hybrid Vehicles



ES18 electric compressor
(Hermetic scroll type)



ES27 electric compressor
(Hermetic scroll type)

Realizing Global Competitiveness via Operational Excellence

Toyota Industries contributes to Toyota Motor Corporation's car production through the assembly of automobiles and the manufacture of engines. In recent years, the Vehicle and Engine businesses have undertaken a host of initiatives for expanding their operations in response to TMC's global strategy. Highly aware that outstanding production capabilities are the wellspring of competitiveness for these businesses, we expect to make unrelenting efforts to achieve continuous improvements and further strengthen competitiveness.

Vehicle Business

Advantages as a Compact and Midsize Automobile Manufacturer

Toyota Industries plays a vital role in Toyota Motor Corporation's (TMC) car production as one of the vehicle assembly arms within the Toyota Group. Our Vehicle Business primarily assembles compact and midsize automobiles under consignment from TMC. At present, we manufacture two models, the RAV4 for Europe and the United States and the Vitz (Yaris outside Japan). Our Vehicle Business has won high acclaim for its top-class quality and quick production launch within the Toyota Group. Moreover, the adoption of the Toyota Production System ensures the thorough elimination of all waste from production operations and that our plants are utilized with the utmost efficiency.

The Vehicle Business's automobile assembly operations date back to the Publica (van) and Corolla (van) in the late 1960s and early 1970s. Based on the success of these operations, the full-scale assembly business commenced with the Starlet at the Nagakusa Plant in 1978. We subsequently started manufacturing the Vitz (Yaris outside Japan), the successor vehicle of the Starlet, in 1999. The first-generation Vitz sparked an expansion in the compact car market in Japan and was later recognized as a global-standard compact car. Re-introduced in Japan in February 2005 after undergoing a full model change, the second-generation Vitz integrates the most advanced safety features and environmental technologies, offering the highest level of quality.

The RAV4 also underwent a full model change and was re-introduced in November 2005. The newest RAV4 is a truly global model, offering an even wider interior, high driving performance and world-class environmental and safety performance.

Highly Efficient Pre-Production Process

To launch production of the new Vitz and RAV4 in a short time period, we conducted a sweeping review of our entire pre-production process that included reducing the burden of the actual pre-production process as well as equalizing peak burdens. Along with these measures, we removed many barriers among relevant manufacturing, production technology and quality control departments. By eliminating such obstacles as communication gaps—an impediment to speed—and delayed decision-making, we successfully implemented concurrent engineering whereby everyone worked as part of a unified organization to handle multiple tasks simultaneously.

We also improved infrastructure at our assembly plant to better respond to TMC's global expansion and be ready to manufacture at a high, stable level.

While further raising production capabilities, which are the strength of our Vehicles Business, we expect to produce vehicles with superior quality and cost efficiency, thereby further contributing to TMC's car manufacturing operations.

Topic

AD Diesel Engine Fitted in the RAV4 for Europe

Highly fuel-efficient, diesel engine vehicles are widely popular as ecological vehicles, especially in Europe since they emit less CO_2.

Toyota Industries developed the ecological AD diesel engine jointly with TMC. The engine is produced at Toyota Industries' Hekinan Plant and fitted in the new RAV4 for Europe, which is assembled by the Vehicle Business.

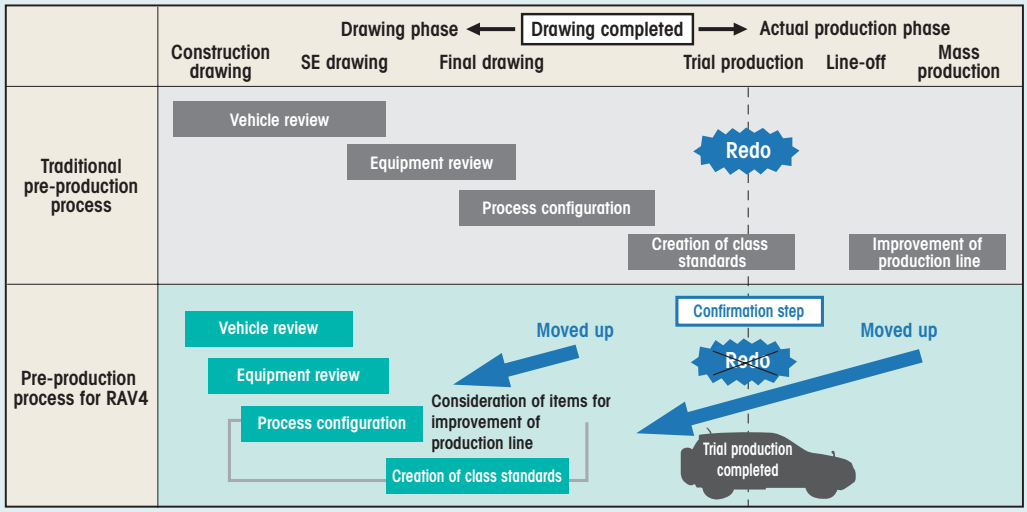
AD diesel engine

Vehicles

Vitz
(Yaris outside Japan)

RAV4

Pre-Production Process Innovation



The pre-production process for the new RAV4 began in parallel with that for the Vitz (Yaris outside Japan). To prepare for the production launch of the two models in a short period of time, Toyota Industries conducted a sweeping review of its pre-production process in order to reduce the burden of the actual pre-production process as well as to equalize peak burdens.

Engine Business

Our Strengths in Development and Production

Toyota Industries' Engine Business manufactures diesel and gasoline engines ranging in capacity from 1500 cc to 5200 cc. Manufactured under consignment from TMC, all our automobile engines are installed on designated TOYOTA cars. Our diesel engines developed in collaboration with TMC, in particular, offer high power and lighter weight in addition to lower noise and vibration. Moreover, Toyota Industries commands the world's largest market share of high-output, environmentally friendly industrial engines for lift trucks and other materials handling equipment in addition to engines such as gas engine-driven heat pumps. Other activities of the Engine Business include the manufacture of an assortment of foundry parts integrating sophisticated technologies.

Utilizing an automatic guided vehicle system, our Engine Business operates a flexible structure that responds quickly to production fluctuations and achieves operational excellence, which includes superior capabilities in making quick production launches.

The Engine Business is also at the forefront of developing new technologies that reduce environmental load. A noteworthy trend in recent years has been an increase in the proportion of diesel engine vehicles, especially in Europe, spurred by the realization that diesel engines are more effective in enhancing fuel efficiency and lowering CO_2 emissions. At the same time, TMC aims to raise its presence in the European market and thus plans to increase sales by bolstering its diesel vehicle lineup. In response, Toyota Industries aims to contribute to their European strategy through joint development of diesel engines with TMC and production of high-quality diesel engines.

Establishment of Global Production Structure

In March 2005, we started production of 2.2-liter direct-injection AD diesel engines at the Hekinan Plant in Japan and at Toyota Motor Industries Poland Sp.zo.o.* (TMIP), a joint venture in Europe with TMC. This engine is also fitted in the RAV4 and Lexus IS in addition to the Avensis and Corolla Verso that TMC assembles in the United Kingdom and Turkey, respectively.

The Hekinan Plant, together with the Kyowa and Higashichita plants, function as mother plants for overseas bases that manufacture engines and foundry parts. In carrying out this crucial role, these mother plants take the lead in adopting the latest production technologies developed in Japan and work to refine the production process and technologies before transferring the most advanced production know-how and expertise to overseas bases.

* Toyota Industries' stake is 40%. Toyota Industries is chiefly responsible for production operations at TMIP.

Contributing to TMC's IMV Project

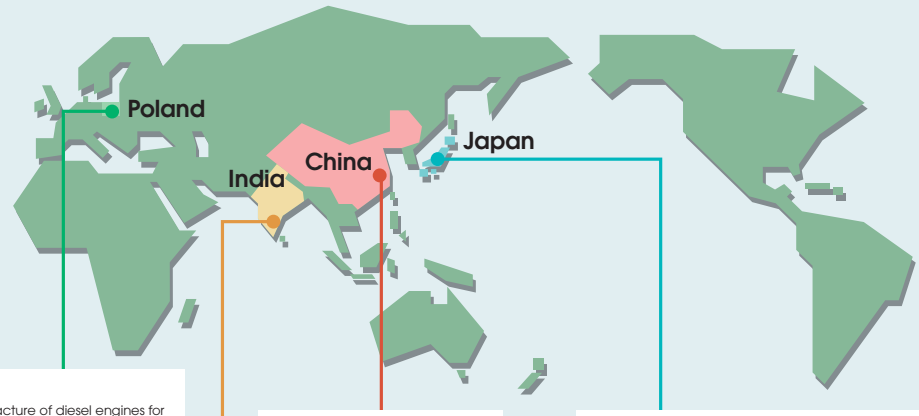
In June 2005, the Higashichita Plant commenced production of the 2.5-liter and 3.0-liter direct-injection KD diesel engines for TMC's Innovative International Multi-Purpose Vehicle (IMV)

Project. This project involves the establishment of a globally optimal production and supply structure to develop new pickup trucks and multi-purpose vehicles to be marketed in more than 140 countries around the world. Utilizing Toyota Industries' strengths in production operations, we launched the production line for manufacturing and processing aluminum die cast components and assembly of engines within a short pre-production period.

Toyota Industries will continue contributing to the establishment of TMC's IMV supply structure that will mutually link numerous production bases on a global scale. As a prime example, in May 2004, Kirloskar Toyoda Textile Machinery Private Limited (KTTM), one of Toyota Industries' subsidiaries in India that manufactures and sells textile machinery, initiated production of aluminum die cast components for manual transmissions. KTTM supplies these components to Toyota Kirloskar Auto Parts Private Ltd. (TKAP, a joint venture in India with TMC and the Kirloskar Group, in which Toyota Industries has a 26% stake), which in turn supplies manual transmission systems to the IMV Project.

Toyota Industry (Kunshan) Co., Ltd. (TIK), our subsidiary in China, is manufacturing foundry parts mainly for automobile engines. Addressing a shortage in production capacity resulting from increased demand, we established our second manufacturing base in the country, Toyota Industry Automotive Parts (Kunshan) Co., Ltd. (TIAP), a joint venture in which Toyota Industries has a 60% stake, in cooperation with Taiwan-based Lioho Machine Works, Ltd. and Toyota Tsusho Corporation. TIAP commenced production in April 2005.

Worldwide Manufacturing Bases of Engine Business



TMIP
Manufacture of diesel engines for TMC's plants in the U.K. and Turkey

TKAP
Manufacture of transmissions for the IMV Project

KTTM
Manufacture of transmission parts for TKAP

TIK
Manufacture of foundry parts for Japan and manufacturing bases in Poland and India

TIAP
Manufacture of foundry parts for engines

Hekinan Plant
Manufacture of diesel and gasoline engines

Higashichita Plant
Manufacture of foundry parts
Manufacture and supply of diesel engines for IMV Project

Kyowa Plant
Manufacture of engine parts

Engines

2AD diesel engine
(Displacement: 2.2 liters, used in the Avensis, RAV4, Corolla Verso and Lexus IS)

2KD diesel engine
(Displacement: 2.5 liters, used in the Hilux Vigo)

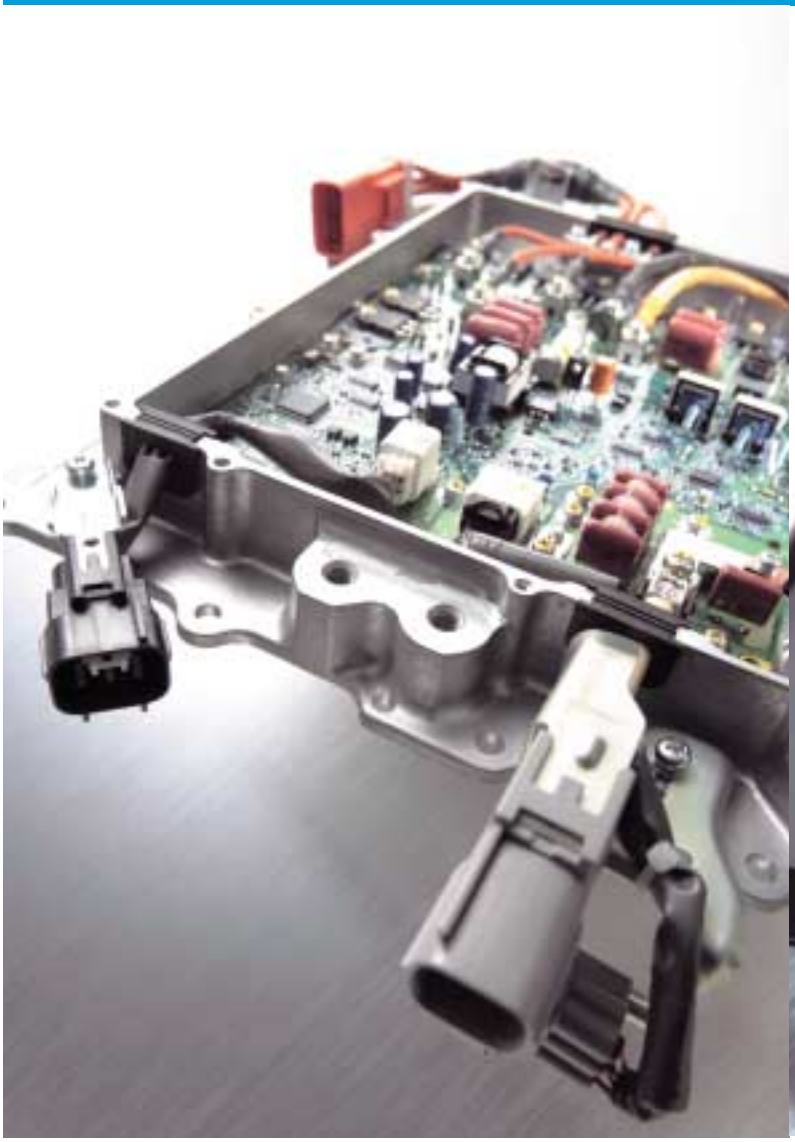
1HD-FTE diesel engine
(Displacement: 4.2 liters, used in the Land Cruiser)

2AZ-FE gasoline engine
(Displacement: 2.4 liters, used in the Estima)

1FZ-FE gasoline engine
(Displacement: 4.5 liters, used in the Land Cruiser)

Aiming for Future Growth with Leading-Edge Electronics Components

The Electronics Business engages in the development, manufacture and sales of power electronics components for automobiles as well as manufactures and sells low-temperature polysilicon TFT-LCDs and semiconductor package substrates through joint ventures. Toyota Industries expects the Electronics Business to be a key driver of its future growth.



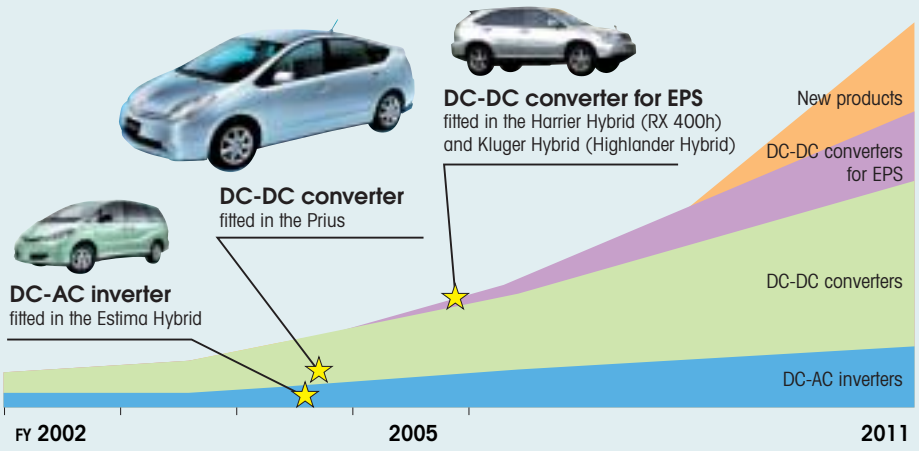
Car Electronics

Toyota Industries' Electronics Division develops and manufactures an assortment of automobile-related electronics components.

Our DC-DC converters, which are fitted in Toyota Motor Corporation's (TMC) Prius and Camry Hybrid, were developed by tapping an abundance of know-how and experience acquired through the development of control devices for electric counterbalanced lift trucks. A key device in hybrid cars, the converter down-converts the high-voltage DC current of the main battery to a lower voltage to recharge the auxiliary battery and supply power to the lights, wipers, horn and other in-car devices. The division also develops and manufactures compact, low-cost DC-DC converters for electric power steering (EPS) systems for hybrid cars, and these are currently installed in TMC's Harrier Hybrid (RX 400h) and Kluger Hybrid (Highlander Hybrid). As an integral part of our product lineup, we also develop and manufacture a diverse choice of DC-AC inverters for cars with hybrid and conventional engines that are capable of converting currents into the same voltage as household electricity, thereby allowing the operation of various household electronic appliances.

With growing worldwide interest in environmental protection, we foresee a steady rise in demand for hybrid cars. In gearing up to meet such demand, the Electronics Division will continue working to establish a solid position as a manufacturer of power electronics devices for hybrid cars.

Car Electronics Products for Hybrid Cars



Car Electronics

DC-DC converter for the Prius

DC-DC converter for electric power steering for the Harrier Hybrid (RX 400h) and Kluger Hybrid (Highlander Hybrid)

DC-AC inverter for the Alphard Hybrid and Estima Hybrid (1.5 kW)

DC-AC inverter for the Tacoma (400 W)

Low-Temperature Polysilicon TFT-LCD Panels

ST Liquid Crystal Display Corp. (STLCD) was established as a joint venture with Sony Corporation (Sony). Holding a 50% stake in this company, Toyota Industries accounts for STLCD as an affiliate by the equity method.

As a core operation within the Electronics Business, STLCD manufactures small and medium-sized low-temperature polysilicon (poly-Si) TFT-LCD panels primarily for such applications as video and digital still cameras and mobile phones. These TFT-LCD panels are noted for such basic features as high resolution and low energy consumption. In addition, Sony is actively promoting its system-on-glass technology that integrates the display device and its driver circuits onto a single glass substrate (panel), enabling highly reliable, lightweight and miniaturized display modules. Accordingly, these TFT-LCD panels integrate Sony's cutting-edge technological prowess.

By combining Sony's excellent LCD development capabilities with Toyota Industries' outstanding expertise in quality control and manufacturing technology, STLCD has built an optimal production system for manufacturing high-quality, high-performance LCD panels. Since inaugurating mass production in 1999, STLCD has earned a high level of trust from an extensive range of customers for its product quality, cost competitiveness and reliable, on-time delivery.

STLCD presently operates with a monthly production capacity of 40,000 panels (600 x 720 mm) and is establishing a structure capable of providing stable supplies of displays for mobile devices that quickly meet customer needs.

On a different front, Sony acquired the LCD panel manufacturing business of International Display Technology Co., Ltd. and subsequently established ST Mobile Display Corporation (STMD) in March 2005 to manufacture low-temperature poly-Si TFT-LCD panels for mobile devices in anticipation of expanded market demand. STMD commenced mass production in April 2006. Sony will position STMD alongside STLCD as a crucial manufacturing base for low-temperature poly-Si TFT-LCD panels for mobile devices. Toyota Industries made a 20% capital investment in STMD.

ST Liquid Crystal Display Corp.

ST Mobile Display Corporation

STLCD

Low-temperature polysilicon TFT-LCDs

Semiconductor Package Substrates

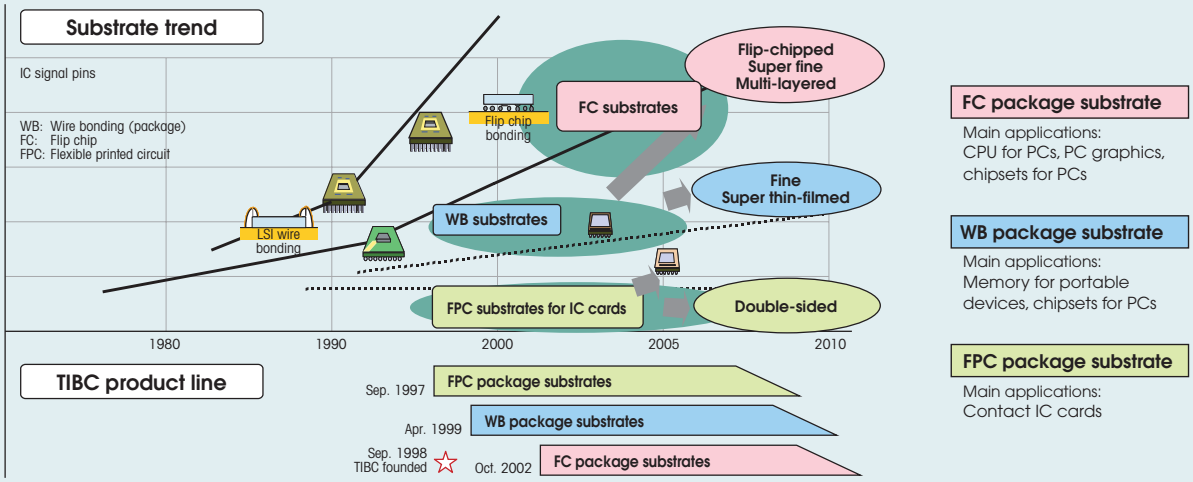
Toyota Industries entered the semiconductor package substrates business in 1998 when it established TIBC Corporation (TIBC), a joint venture with Ibiden Co., Ltd. (Ibiden). Semiconductor package substrates are indispensable components of PCs, digital still and video cameras, mobile phones, home video game consoles, IC cards and memory cards. Adopting technologies introduced from Ibiden, TIBC has steadily expanded its product lineup from its initial manufacturing of flexible printed circuit (FPC) substrates for IC cards to wire bonding (WB) package substrates and flip chip (FC) package substrates.

TIBC's semiconductor package substrates are sold through Ibiden to the world's premier semiconductor manufacturers and semiconductor-packaging companies for such applications as PCs and mobile phones. TIBC's FPC substrates are also marketed through Ibiden to SIM card and smart card suppliers mainly in Europe and China for integration into credit cards and telephone cards.

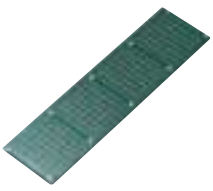
Amid high demand for applications in PCs and mobile phones during fiscal 2006, TIBC recorded a strong performance primarily as a result of a switch to high value-added products.

TIBC Corporation

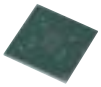
Semiconductor Package Substrate Trend and TIBC's Production Engineering Development



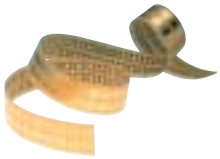
TIBC



Wire bonding (WB) package substrate



Flip chip (FC) package substrate



Flexible printed circuit (FPC) package substrate

Applying Proven Expertise to Offer Comprehensive Logistics Solutions

In addition to cargo transport and warehousing operations, Toyota Industries carries out the Logistics Solutions Business to help companies reduce logistics costs. We handle all aspects of customers' logistics by combining our extensive business experience in lift trucks, automated storage and retrieval systems and other materials handling equipment with our production and logistics know-how cultivated from monozukuri *(creating things). As we proactively undertake our Logistics Solutions (3PL) Business, we are building proprietary business models that strive to optimize the overall flow of goods, money and information from the manufacturer to the consumer.*

Creating Logistics Solutions by Adopting Proprietary Know-How

As one core business that will support future growth, Toyota Industries is involved in the full-scale operation of its Logistics Solutions (3PL) Business in Japan. Through this business, we offer comprehensive solutions to customers' logistics that include handling all aspects of their logistics from the planning and operation of distribution centers to improving their entire supply chain. Toyota Industries aims to help customers reduce their total logistics costs and address their needs for logistics improvements by tapping a wealth of accumulated experience gained via the production and sales of lift trucks, automated storage and retrieval systems and other materials handling equipment, as well as our production know-how that is exemplified by the Toyota Production System. Toyota Industries considers "logistics" as an ongoing process that continues until a product passes the checkout counter at a retail store. From the perspective of optimizing the overall flow of goods, we thus aim to build proprietary business models that enable extensive improvements, including logistics reforms within retail outlets.

Formats for Optimizing the Entire Flow of Goods, Money and Information

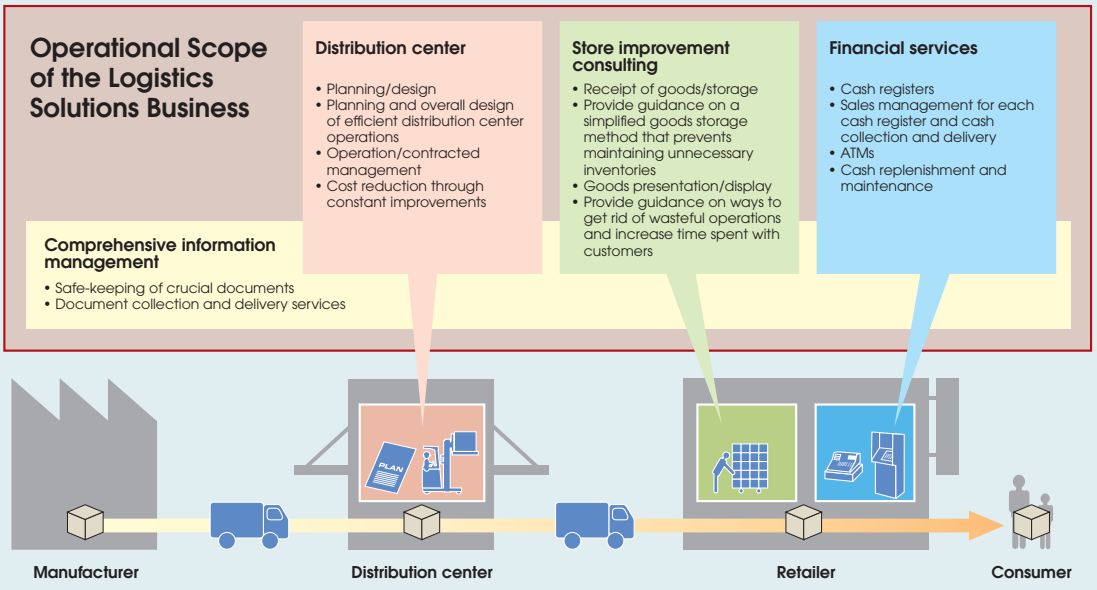
Primarily through the Advanced Logistics Division, Toyota Industries is promoting an array of business formats aimed at providing optimal solutions for individual customers. These include the establishment of Advanced Logistics Solutions Co., Ltd. (ALSO), a wholly owned subsidiary, along with the planning, total design and operation of distribution centers via joint ventures with customers and logistics operators as well as the acquisition of equity stakes in logistics operators.

In March 2005, we took an important step in bolstering our Logistics Solutions Business by acquiring Asahi Security Co., Ltd. (Asahi Security) and making this company into a wholly owned subsidiary. Asahi Security offers comprehensive cash management outsourcing services, including cash collection and delivery, cash proceeds management and equipment security for the retail, services and transportation sectors. We further bolstered our Logistics Solutions Business in January 2006 by acquiring an equity stake (41.4% share) in Wanbishi Archives Co., Ltd., which stores and manages crucial data for companies and government agencies as well as provides data backup services in the event of disasters. Based on the view that logistics extends far beyond the mere "flow of goods" to encompass the "flow of cash" and "flow of information," the aforementioned acquisitions and investments were aimed at expanding the spheres of our Logistics Solutions Business and were also in line with our business strategy of providing solutions that enable customers to optimize their overall supply chain.

We plan to effectively allocate management resources to our Logistics Solutions Business, while making major efforts to accelerate the growth of this business and position it as a key aspect of Toyota Industries' future operations.

Supporting Customers' Logistics through Cargo Transport and Warehousing Operations

Toyota Industries is engaged in general logistics activities, including cargo transport. Taikoh Transportation Co., Ltd., a Toyota Industries Group company, provides a variety of trucking services that extend throughout Japan via its automotive parts logistics network, as well as warehouse storage operations.



Logistics Solutions

Principal Initiatives of the Logistics Solutions Business

March 2002:
Advanced Logistics Solutions Co., Ltd. (ALSO) established as a wholly owned subsidiary to plan logistics and operate distribution centers.

November 2002:
Commenced operation of a room-temperature distribution center for convenience stores commissioned by Mitsui & Co., Ltd.

Invested in Teion Shokuhin Ryutsu Inc., which engages in storage and delivery of frozen and chilled foods (in which Toyota Industries has a 60% stake via indirect investment through ALSO).

October 2003:
KTL Co., Ltd. (KTL) established as a joint venture (in which Toyota Industries has a 50.5% stake) with Kokuyo Logitem Co., Ltd., a logistics subsidiary of Kokuyo Co., Ltd.

November 2003:
KTL commenced operation of the Kokuyo Tokyo Metropolitan Area Integrated Distribution Center (IDC).

March 2004:
Acquired a share of Fuji Logistics Co., Ltd. (Fuji Logistics, in which Toyota Industries has a 26% stake, with shares acquired from Fuji Electric Holdings Co., Ltd.).

April 2004:
TF Logistics Co., Ltd. established as a joint venture (in which Toyota Industries has a 51% stake) with Fuji Logistics for the transport and maintenance of information devices.

March 2005:
Asahi Security Co., Ltd. made into a wholly owned subsidiary.

January 2006:
Acquired a share of Wanbishi Archives Co., Ltd. (in which Toyota Industries has a 41.4% stake).

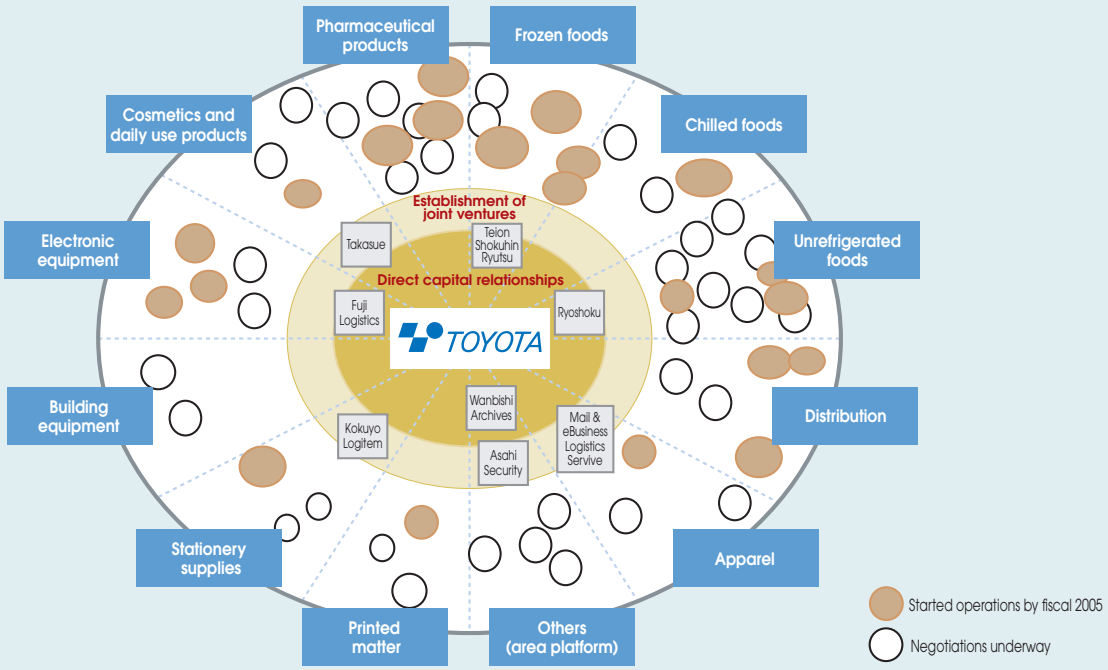
June 2006:
Nissen Logistics Service Co., Ltd. (currently Mail & eBusiness Logistics Service Co., Ltd.) became a subsidiary (in which Toyota Industries has a 50.5% stake).

Topic

Entry into Mail-Order Logistics

In June 2006, Toyota Industries acquired a 50.5% stake from Nissen Co., Ltd. (Nissen), one of the largest mail-order companies in Japan that engages in producing and selling clothing and interior goods, in Nissen Logistics Service Co., Ltd. The company, which became a subsidiary and was renamed Mail & eBusiness Logistics Service Co., Ltd. (Mail & eBusiness Logistics), is involved in the shipping, storage and inspection of goods made by Nissen and its affiliates. Toyota Industries will cooperate with Nissen to reform Mail & eBusiness Logistics' operations by optimizing the overall flow of logistics from procurement to customer delivery. Toyota Industries aims to further develop its Logistics Solutions Business through expansion into the mail-order logistics business, which has a broad-based supply chain.

Toyota Industries' Expanding Logistics Solutions Business



Realizing Distinctive, All-Around Quality and Top Customer Service

The history of the Toyota Group began with the invention of an automatic loom by Toyota Industries' originator Sakichi Toyoda. During the intervening years, the Textile Machinery Business, Toyota Industries' founding business, has made significant contributions to the development of the textile industry not only in Japan but also around the globe.

Toyota Industries' Textile Machinery Business undertakes integrated operations encompassing development, manufacturing and sales of top-quality spinning and weaving machinery. Backed by cutting-edge technologies and finely tailored services, we are able to meet evolving customer needs the world over.

With an increasing global population and economic advancement in emerging countries, continued expansion of textile consumption is expected. On the other hand, the industry is also witnessing intensifying competition for survival as a result of the emergence of regional manufacturers. Amid this trend, Toyota Industries will strengthen its technological development capabilities and raise levels of customer services as it works to reinforce its position as one of the leading manufacturers of textile machinery. We will strive to differentiate ourselves by exploiting our technological capabilities to develop weaving machinery that is capable of weaving high value-added fabrics for the latest fashion.

To meet increasingly sophisticated market needs, we develop and produce superior spinning and weaving machinery that incorporates cutting-edge control, communications and mechatronics technologies. Of particular note, Toyota Industries commands the top global share for its mainstay air-jet looms. Additionally, as an industry leader, we have also earned high global acclaim from customers for ring spinning frames and roving frames.

Please visit *www.toyota-industries.com/textile* for further information about our Textile Machinery Business.

Weaving Machinery

Toyota Industries develops, manufactures and sells two types of weaving machinery: air-jet looms, which insert weft yarns using air, and water-jet looms, which use water for the same purpose. We provide customers around the world with state-of-the-art products that meet and exceed basic performance requirements demanding high speed and reliability as well as that incorporate such advanced functions as monitoring and remote setting of the machines via the Internet. Toyota Industries also develops, manufactures and sells such preparatory machinery for weaving as sizing machines that enable uniform, high-quality sizing of yarns.

Spinning Machinery

Toyota Industries provides spinning-related machinery such as high-speed ring spinning frames and roving frames to meet a vast spectrum of customer needs. These products excel in spinning high-quality yarns as well as in providing superior productivity. We also produce and sell drawing frames and combers.

Toyota Kirloskar Textile Machinery Private Limited, our subsidiary in India, manufactures ring spinning frames for the local market.

Weaving Machinery

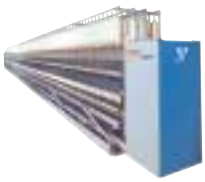
JAT710 air-jet loom

LW600 water-jet loom

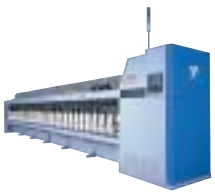
Mackee
Sizing machine for spun yarn

Filamaster
Sizing machine for filament yarn

Spinning Machinery



RX240NEW ring spinning frame



FL100 roving frame

DX8 drawing frame

VC5A comber

Focus on Business 7

Automotive Stamping Dies

Manufacture and Quick Delivery of High-Quality Automotive Stamping Dies

Toyota Industries' Machinery & Tools Sub-Division handles the design and manufacture of stamping dies for Toyota Motor Corporation (TMC), Toyota Industries' Vehicle Division and TOYOTA Material Handling Company (TMHC). The sub-division manufactures and provides quick delivery of top-quality stamping dies by blending the skills of its experienced engineers with leading-edge simulation technology. Moreover, the sub-division is winning high acclaim for its outstanding capabilities and has received such accolades as TMC's "Super" Award for Quality Performance on numerous occasions.

Expanding manufacturing stamping dies at overseas locations is also being actively pursued. Addressing the rapid growth of the Chinese automobile market, Toyota Industries established Lio Fung Tool & Die (Kunshan) Co., Ltd. (LFTD, in which Toyota Industries has a 35% stake) as a joint venture with Taiwan-based Lioho Machine Works, Ltd. LFTD began operation in April 2004 and currently produces stamping dies for TOYOTA vehicles manufactured in China as well as for Toyota Industries' lift trucks.

By manufacturing these stamping dies, Toyota Industries is contributing to TMC's automobile business as well as their global strategy.

Hood panel trim die

Rear door outer draw die

Focus on Business 8

Manufacturing Equipment

In-House Production of Vital Manufacturing Equipment and Production Technologies to Support Product Competitiveness

Toyota Industries actively produces its own essential manufacturing equipment such as machining and assembly equipment. Our Mechatronics Systems Department manufactures and supplies customized manufacturing equipment for the Compressor Division, Engine Division, TMHC, our affiliates and other divisions. The internal production of manufacturing equipment permits unified product development and design, quick development and production times, and facilitates the rapid launch of production lines. Toyota Industries' excellent production facilities contribute to the Toyota Industries Group's *monozukuri* (creating things), serve as a source of competitiveness in each business and protect against any outflow of proprietary production know-how. The Mechatronics Systems Department is also entrusted with the crucial role of cultivating human resources skilled in various production technologies for creating new manufacturing equipment and deploying these personnel where needed throughout the Group.

NC machine tool for aluminum parts

Circuit board inspection system with high-resolution line scan camera