



Tadashi Ishikawa
Chairman

Tetsuro Toyoda
President

Message from the Chairman and President

Business Results for Fiscal 2010

Although various countries' economic stimulus measures led to a recovery trend in China and other Asian countries, a gradual upswing in the U.S. economy and bottoming out of European economies, the global economy in general remained sluggish throughout the fiscal year ended March 31, 2010 (fiscal 2010). In Japan, the economy steadily trended toward recovery, but still remained weak overall due mainly to declining consumer prices and a high unemployment rate.

In response to a rapidly deteriorating operating environment since autumn 2008, the Toyota Industries Group worked to thoroughly reduce fixed costs by

systematically and quickly implementing emergency profit improvement activities.

In fiscal 2010, Toyota Industries posted consolidated net sales of ¥1,377.7 billion, a decrease of ¥206.5 billion, due in a large part to the sluggish materials handling equipment market. On the other hand, operating income was ¥22.0 billion, a turnaround from an operating loss recorded in the previous fiscal year, while ordinary income increased ¥17.4 billion to ¥31.7 billion. However, Toyota Industries recorded a net loss of ¥26.2 billion as a result of posting a loss arising from business restructuring of the Materials Handling Equipment Segment as an extraordinary loss.

Initiatives for the Coming Years

We expect the global economy to continue on a gradual recovery path in fiscal 2011, however, uncertainties remain with regard to persistent concerns over deteriorating financial and employment situations, the impact of the discontinuation of car replacement incentive measures and rising prices of raw materials such as iron and crude oil. As a result, the operating environment is expected to remain challenging.

Amid this difficult business climate, the Toyota Industries Group will band together to tackle various management issues to establish a stronger business foundation and further raise corporate value.

We believe the most urgent task at hand is to continue reforming the business and cost structures to strengthen the earnings foundation. Without loosening the reins, the entire Toyota Industries Group is determined to continue to push emergency profit improvement activities while launching forward-looking structural reforms. Specifically, we will maintain the streamlined structure through the reduction of fixed costs and enhancement of our competitiveness by strengthening cost planning activities for each product category.

Amid an uncertain market environment, signs of recovery are becoming visible in certain sectors. By quickly identifying such changes and turning them into business opportunities, we will implement various measures geared toward sales expansion.

In the medium to long term, our foremost focus remains on quality. Addressing environmental and safety concerns as well as enhancing our international competitiveness will also be equally imperative. Keeping these in mind, we will strive to develop products and cutting-edge technologies that are closely aligned with customer perspectives.

Specific initiatives include refining element technologies that will contribute to electrification, lighter weights and energy savings based on 3Es (energy, environmental protection and ecological thinking). By employing these element technologies in new automobile and materials handling equipment products, our mainstay businesses, we aim for further business expansion.

Concurrently, in emerging countries where economies are expected to grow, we will accelerate our efforts to plan and

develop products and services matched to respective local needs as well as create optimum value chains for each market.

Strategies for Respective Businesses

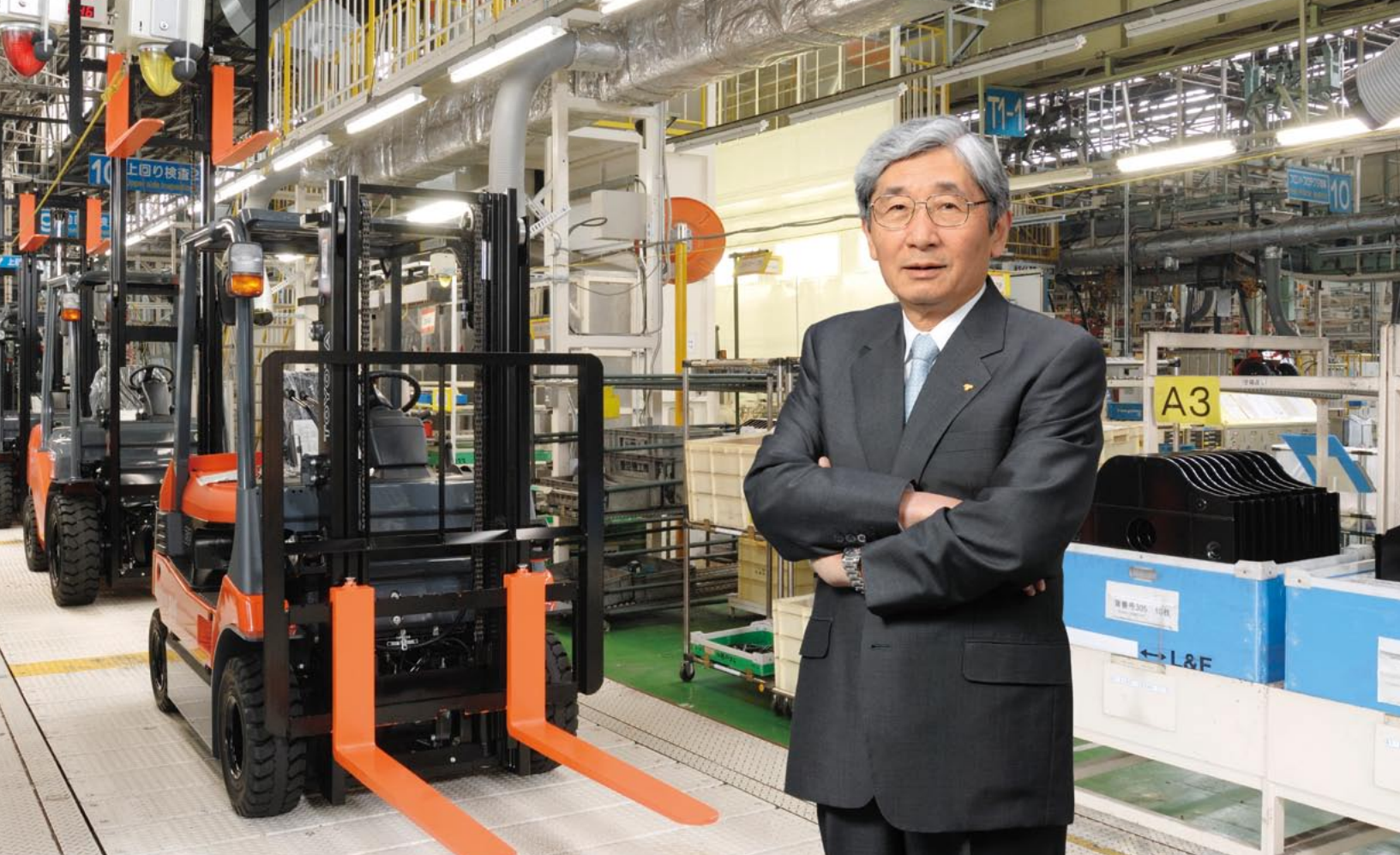
Anticipating a prolonged stagnation in the global materials handling equipment market, we have pursued structural downsizing at Materials Handling Equipment Segment sites in and outside Japan so that we can secure profits even when annual sales remain at 100,000 units, which is approximately 50% below previous peak levels. In the meantime, signs of an upswing started to become evident in the materials handling equipment market, which for a time seemed dim, even though differences remain among regions. By spotting any new developments, we will leverage our strengths through a full lineup of TOYOTA-, BT-, RAYMOND- and CESAB-brand products and proactively engage in sales activities to improve business performance.

At the same time, we will aim for product planning closely aligned with local customer needs and further accelerate the development of key components to ensure stronger product competitiveness. Based on a hybrid lift truck introduced to the market in December 2009, we will expand our hybrid lineup to midsize and larger models in our efforts to be the frontrunner in environmental technologies as well.

In the respective businesses of the Automobile Segment, we will work to create factories and foundations resistant to production volume fluctuations while maintaining a streamlined production structure in order to secure profitability.

In emerging country markets, we will strive to enhance sales of car air-conditioning compressors in China, which has now become the world's largest market for automobiles. Specifically, we will expand our market share by targeting higher-end models for which growth is anticipated in the China market and by leveraging our advanced technologies.

In the area of environmental technologies, developing power electronics products and electric compressors continues to be a priority in responding to the rapidly growing hybrid vehicle market. By further enhancing the functionality and lineup of electric compressors, we aim to expand sales



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to automakers in Europe and the United States in addition to Toyota Motor Corporation and ensure we will be well positioned in the growing hybrid vehicle market. Moreover, in the plug-in hybrid vehicle (PHV) and electric vehicle (EV) field, Toyota Industries is strengthening initiatives for future business expansion. We will work to make the onboard charger fitted in Toyota's Prius Plug-in Hybrid smaller and more efficient to ensure expanded sales. In addition, we intend to contribute to the establishment of a charging infrastructure that supports greater use of PHVs and EVs by continuously improving the charging stand we introduced to the market in 2009 and developing a system for comprehensively managing usage data of charging stations and EVs.

In addition to the accumulation of technologies related to the entire automobile, Toyota Industries possesses numerous element technologies that have the potential to contribute to 3E fields, including technologies and know-how cultivated in the development of electric lift trucks. Based on collaborative efforts among business divisions, we will work constantly

to refine these technologies and contribute to reducing environmental loads.

Environmental Conservation

Preserving the global environment for future generations is now a universally important theme. As laid out in our Global Environmental Commitment, we believe that it is essential to develop technologies that enable the compatibility of environmental conservation and economic growth in order to achieve a sustainable society. As a manufacturer, we are tackling head-on environmental and energy issues such as reducing the emission of greenhouse gases. Specifically, we are committed to developing environmentally sound products and reducing environmental load in the area of manufacturing, from the construction of plants and establishment of production lines to actual production. Setting even more ambitious targets, the entire Toyota Industries Group is determined to take a proactive approach toward environmental conservation activities.

Commitment to Quality

Quality is the lifeline of any manufacturer. Needless to say, it is an extremely important matter for Toyota Industries as well.

We have always committed ourselves to comprehensive quality assurance, with everybody involved in activities from day-to-day quality management to quality inspection by top management. In the area of product development, we ensure quality by utilizing a design review system in which respective business division heads thoroughly examine and confirm the level of quality at each principal stage, from product planning to customer satisfaction assessment, before product development proceeds to the next stage. Moreover, in March 2010 we carried out comprehensive quality inspections to ensure a structure that will never produce defects relating to safety. These inspections focused on whether we respond quickly enough in handling defects and on clarifying procedures and standards for dealing with defects. The results revealed we were not overlooking any major quality issues.

Based on our Customer First philosophy, we will strive to continually improve quality by building in quality within each process at product planning, design, procurement, production, quality assurance and service departments as well as promoting close cooperation among these departments. Through these activities, we will continue to provide products and services that customers can use with reassurance and thus enhance confidence from society.

Human Resources Development

To achieve sustainable growth amid a dramatically changing business environment, companies must develop human resources and create an organization that can prevail against fierce competition. We are committed to nurturing personnel capable of learning, thinking and acting independently and to fostering a vibrant work climate that enables the capabilities of employees and organizations to be utilized to the fullest.

An example of such achievements includes two of our employees winning a gold medal in the “lathe” and “structural ironsmith” categories at the 47th National Skills Competition held in October 2009. This accomplishment was made possible not only by the tremendous efforts of each

participant but also by the foundation rooted in teamwork and successful passing down of technical skills we have accumulated to date.

We will put more efforts into developing human resources who will enable our next leap forward.

At a time when technologies and social structures are changing at an unprecedented speed, we must work to strengthen our management platform in terms of the environment, quality, safety and compliance. Staying true to our Basic Philosophy and the Toyoda Precepts, in which the spirit of founder Sakichi Toyoda is enshrined, we will continue to commit ourselves to a Customer First philosophy and respond to confidence from society in our efforts to sincerely fulfill our social responsibilities and achieve sustainable growth in harmony with society.

In closing, we truly appreciate the loyal support of all our stakeholders, including shareholders, customers, business partners, local communities and employees and their families, and ask for their continued guidance and understanding.

July 2010



Tadashi Ishikawa

Chairman



Tetsuro Toyoda

President