Exploring Toyota Industries

Toyota Industries' diverse businesses derive their competitiveness from its clear-cut management principles and corporate strategy. It also comes from a fair and unwavering corporate stance, organizational capabilities that enable strategies to be firmly executed, an 80-year tradition and history, and our high aspirations. These attributes combine to form our corporate DNA and support the competitive advantage of each of our businesses. Also shaping Toyota Industries are our vision, systems, organizational structure and our fulfillment of responsibilities as a corporate citizen. On the following pages, we explore the various elements, including our management and Toyota Industries Group companies, which form the foundation of Toyota Industries' efforts to realize its aspirations.

Medium-Term Management Plan

Toyota Industries formulated a new Medium-Term Management Plan and is undertaking strategic management from a mid-term perspective to ensure future business growth and achieve a stable increase in corporate value.

Previous Medium-Term Management Plan (Fiscal 2002 - Fiscal 2006)

Targets Achieved through Proactive Growth Strategies

Under the recently completed five-year Medium-Term Management Plan, which we launched in fiscal 2002, we set the ambitious targets of consolidated net sales of more than ¥1,200 billion and consolidated ordinary income of ¥80.0 billion by fiscal 2006, the final year of the plan. In working to attain these targets, Toyota Industries proactively carried out a wide range of activities.

Specifically, we took steps to further sharpen the competitiveness of the Materials Handling Equipment and Automobile segments, our core businesses, while also promoting initiatives to build a solid foundation for our Logistics Solutions and Electronics businesses. Thanks to these measures, we exceeded our targets by recording consolidated net sales of ¥1,506.0 billion and consolidated ordinary income of ¥80.6 billion in fiscal 2006.

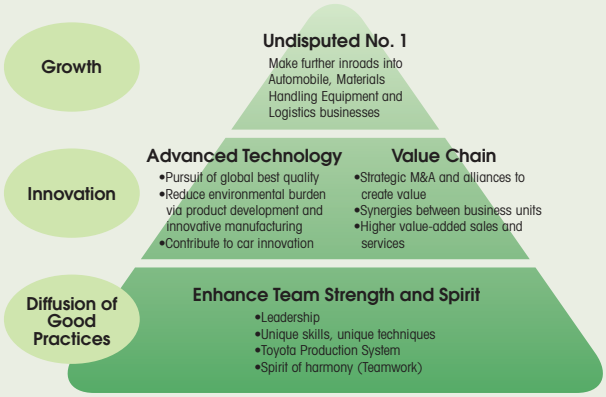
New Medium-Term Management Plan Launched (Fiscal 2007 - Fiscal 2011)

Aiming for Sustainable Growth

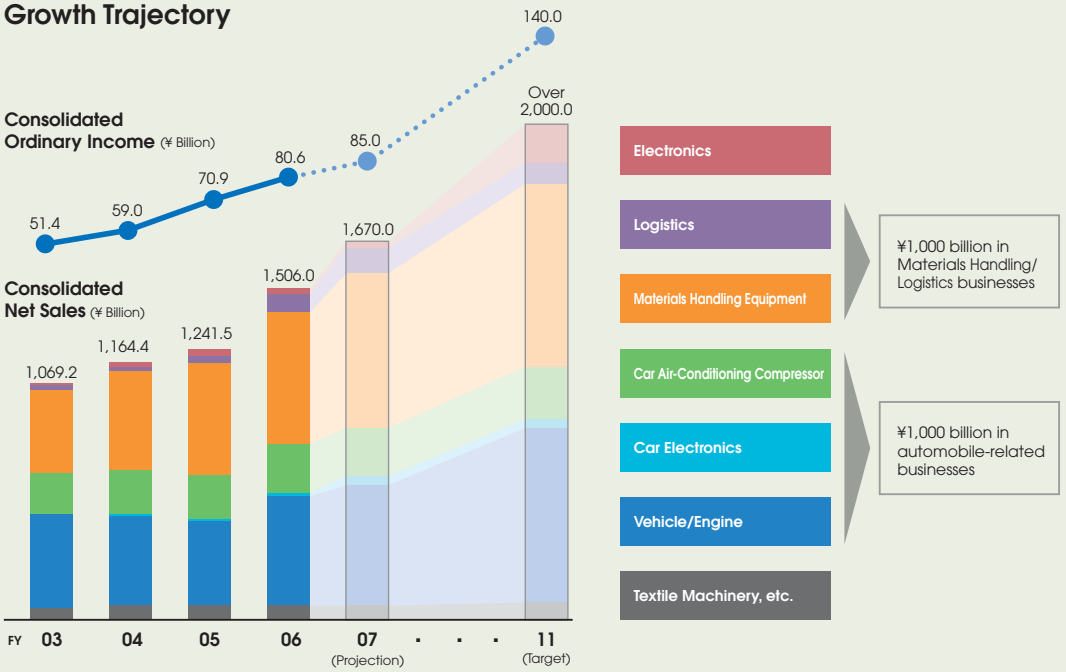
In fiscal 2007, ending March 2007, Toyota Industries launched a new five-year Medium-Term Management Plan (April 2006–March 2011). We have set the targets of achieving more than ¥2,000 billion in consolidated net sales and ¥140.0 billion in consolidated ordinary income in fiscal 2011, the final year of the plan.

Through our business, we are striving to generate ¥1,000 billion in sales in the Automobile Segment, which engages in vehicles, engines, car air-conditioning compressors and car electronics. Concurrently, we will aim for ¥1,000 billion in sales in the Materials Handling Equipment Segment,consisting

Vision 2010—Uniting Our Group Strengths



Growth Trajectory



of the Toyota Material Handling Group (TMHG) and Aichi Corporation, and in the Logistics Segment.

Along with the new plan, the Vision 2010 was formulated, expressing the desired status of Toyota Industries. With the cornerstone of our plan being building a spirit of harmony and fortifying workplace strengths, beginning with human resources development, we will strive for the highest levels of quality and execute reforms by developing leading-edge technologies and strengthening our value chain in order to realize growth as a company with market-leading businesses.

Solidifying the Strengths of Our Businesses for Sustainable Growth

By fiscal 2011, we hope to reach our desired status of each business, which will aim to reinforce the strengths of each business and fortify the competitiveness of our core businesses, while accelerating the growth of our new businesses through measures that include establishing new business models.

Status in 2010 by Business

Business	Future Market	Status in 2010
Materials Handling Equipment	•Stable growth in the U.S. and European markets •Expanding markets in BRICs and East European countries •Heightening awareness toward the environment and safety	•Securing undisputed global No. 1 position by maximizing synergies under the framework of TMHG •Annual lift truck sales of 250,000 units (one-third of global market share)
Logistics	•Increasing need to improve logistics efficiency in Japan •Shift to outsourcing logistics operations at companies •Rising need for large-scale distribution centers	•Growth as one of the core businesses •Establishment of new business models Toyota Production System (TPS) Establishing platforms M&As, alliances
Vehicle	•Toyota Global 15 (Toyota Motor Corporation's (TMC) scheme to secure 15% global share in the early 2010s) •Shift to fuel-efficient vehicles and compact cars	•Establishing position as a specialized compact car manufacturer •Global No. 1 in quality, cost and delivery (by contributing to development and pre-production process)
Engine	•Toyota Global 15 •Expansion of diesel engines in Europe •Reassessment of diesel engines in the United States and Japan	•Top manufacturer of diesel engines in Toyota Group (joint development with TMC) •Serialize the new generation of clean, quiet and fuel-efficient diesel engines
Car Electronics	•Expansion of hybrid vehicles •Advancement in electronic in-car devices through technological innovation	•Leading manufacturer in power source devices and systems for hybrid vehicles •Marketing of new electronics products for automobiles
Car Air-Conditioning Compressor	•Steady market expansion in Europe and the United States •Rapid market expansion in China and emerging countries •Expansion in hybrid vehicles •Commercialization of car air conditioners using CO_2 as refrigerant	•Aiming for 50% global market share •Expanded sales of electrically driven compressors and CO_2 compressors
Textile Machinery	•Asia as the primary market •Although susceptible to economic trends, expanded demand expected as a result of increasing global population and growth in emerging countries	•Top share and leading technological edge in air-jet looms •Growth of air-jet looms as core product •Establishing position to outdistance other global players

Research and Development

In keeping with its founding spirit of "Be ahead of the times through endless creativity, inquisitiveness and pursuit of improvement," Toyota Industries carries out strategic research and development (R&D) that aims not merely at improving short-term business results but also at attaining sustained growth in the future. Recognizing that R&D activities are essential for maintaining the competitive advantage of the Toyota Industries Group in the years ahead, we undertake efficient R&D activities by concentrating the allocation of management resources in specifically targeted fields.

Toyota Industries' R&D activities can be broadly classified into the two areas of product development and improvements performed independently within each business division and R&D undertaken mainly by the Research & Development Center. The latter is conducted separate from the activities of the business divisions and carried out with a view toward Company-wide management strategy.

Toyota Industries is active in a variety of business domains, and each of its divisions possesses its own distinctive technological strengths, core technologies and market characteristics. Instrumental to efficiently developing new products matched to customer needs, the technical departments of each division must lead the way in product improvement, technology development and applied research. For this purpose, each division maintains its own staff of engineers, experiment facilities and research laboratories and engages in proactive technology development efforts guided by product development plans.

The Research & Development Center is involved in R&D in such technology fields as materials fields that serve as a common foundation for all divisions as well as R&D in new fields that include leading-edge technologies. In accordance with specific research themes, we also collaborate with Toyota Central Research & Development Laboratories, Inc., an R&D facility of the Toyota Group involved in basic research, as well as with universities and other outside R&D institutions.

The Research & Development Center, situated within the Corporate Center (corporate headquarters), handles the promotion of Company-wide new business development and technology management. To enhance the efficiency of our Company-wide R&D structure, the center facilitates lateral transfers of technologies among divisions that span various domains and investigates new technology development themes. At the same time, the center promotes the systematic and continuous creation of new products and services that will serve as pillars of future business utilizing the extensive accumulated technological know-how and external networks (both human and information) of each business division.

Functioning as a development base for our information systems, our "e-Lab" IT research laboratory is engaged in R&D activities in various IT-related fields. This laboratory's activities include research on digital simulation technologies for shortening product development times and reducing lead-times from development to production and shipping. Also, the lab engages in the development of an optimal network system for joint development of parts with suppliers as well as for parts procurement.

In fiscal 2006, R&D expenditures totaled ¥31.2 billion, up ¥1.1 million (3.7%) from the previous fiscal year. R&D expenditures accounted for 2.1% of consolidated net sales, a decline of 0.3 percentage point. By segment, R&D expenses amounted to ¥16.6 billion in the Automobile Segment, ¥12.9 billion in the Materials Handling Equipment Segment, ¥731 million in the Textile Machinery Segment and ¥1.0 billion in the Others Segment.

e-Lab, Toyota Industries' development base for in-house information systems

New Products Developed and Launched in Fiscal 2006

Materials Handling Equipment Segment

Development of Fuel-Cell Lift Truck

Toyota Industries developed the TOYOTA FCHV-F fuel-cell lift truck that incorporates a fuel-cell hybrid system jointly developed with Toyota Motor Corporation (TMC). Toyota Industries exhibited the lift truck at CeMAT 2005, an international trade fair for intralogistics held in Hannover, Germany, in October 2005. By collaborating with TMC in the use of leading-edge technologies and components for automobiles, we will continue to aim for the further development of high-performance, low-cost fuel-cell systems and plan to carry out mass production of such systems.

TOYOTA FCHV-F

Full Model Change for Compact Electric Tow Tractors

Toyota Industries introduced the new Tugnova (CBT/CBTY) series of electric tow tractors (2- to 4-ton towing capacity) into the Japanese and overseas markets in March 2006 after a full model change. Addressing the recent trend toward small-lot logistics, the Tugnova series is Toyota Industries' first compact electric tow tractors to be fitted with an AC drive system, featuring superior operability and lower maintenance costs. Additionally, this series offers the highest levels of safety, operability and economical operation that includes excellent safety features, a compact design to enable superior tight turning and an extended battery life with a larger capacity for longer operation.

Tugnova (CBT)

Automobile Segment (Car Air-Conditioning Compressors)

Development of 7SBH17 Externally Controlled One-Way Swash-Plate Variable-Displacement Compressor for the TOYOTA Estima

Toyota Industries began supplying an upgraded externally controlled one-way swash-plate variable-displacement compressor* for the TOYOTA Estima, which underwent a full model change in January 2006.

7SBH17

These compressors offer enhanced efficiency and increased cooling capabilities compared with previous externally controlled variable-displacement compressors.

* Externally controlled variable-displacement compressors send signals about interior temperature, external temperature and revolution to the control valve. This highly precise displacement control allows compressors to operate at optimal displacement, thereby enabling large improvements in fuel economy.

Automobile Segment (Car Electronics)

Development of Air-Cooled DC-DC Converter

Toyota Industries has developed an air-cooled DC-DC converter that down-converts the high voltage of the main battery—the drive source for hybrid cars—to a lower voltage. The realization of high efficiencies enables this DC-DC converter to be air-cooled instead of the conventional method of water-cooling, thus allowing greater freedom for positioning within the vehicle. The DC-DC converter is fitted on the Camry Hybrid that TMC began selling in North America in May 2006.

Air-Cooled DC-DC Converter

Development of 150W DC-AC Inverter

With the development of a new 150W AC inverter, we have expanded our lineup of DC-AC inverters that convert currents used in vehicles to the same voltage as household electricity. We began supplying these for the DaimlerChrysler Dodge Caliber in January 2006.

150W DC-AC Inverter

Corporate Governance

Toyota Industries believes that achieving a stable increase in corporate value over the long term and maintaining the trust of society are crucial management issues. Therefore, we consider it imperative to build good relationships with such stakeholders as shareholders, customers, business partners, local communities and employees based on our determination to contribute to the enrichment of society through our business activities.

In accordance with these objectives, we are striving to maintain and enhance management efficiency as well as the fairness and transparency of our corporate activities. To that end, we are aiming to improve our corporate governance through measures that include strengthening management monitoring and ensuring timely information disclosure, while building a governance system that can respond quickly and flexibly to changes in the business environment.

Toyota Industries' Management System

Toyota Industries' Board of Directors, Management Council, Management Committee and Business Operation Committee work to ensure prompt decision-making on matters with a major influence on shareholders' interests and on crucial issues affecting business operations. The Board of Directors generally convenes once a month to discuss and resolve crucial management matters, such as those necessitated by law. As of June 22, 2006, the Board of Directors consisted of 17 directors, including one external director.

Based on Japan's Commercial Code, Toyota Industries has chosen to maintain the traditional "Corporate Auditor/Board of Corporate Auditors" system. With a long history in Japan, a Board of Corporate Auditors is a body that is completely independent from the management of a company and functions in parallel with the Board of Directors. Toyota Industries believes this auditing system adequately ensures the proper execution of duties by the Board of Directors.

As of June 22, 2006, Toyota Industries' Board of Corporate Auditors consisted of five corporate auditors, with two standing corporate auditors and three outside corporate auditors. Appointed at the Shareholders' Meeting, the corporate auditors' primary duties encompass auditing of business operations and accounting activities. An audit of business operations determines whether directors are stringently adhering to ordinances and the articles of incorporation in the execution of their duties. An audit of finances involves the oversight of business results and a variety of financial-related activities. In addition, the corporate auditors have the authority to inspect relevant documents, make auditing visits to headquarters, business divisions and subsidiaries and conduct investigations firsthand. The Corporate Auditor's Office at Toyota Industries has been staffed with specialist personnel who facilitate the proper execution of the corporate auditors' duties.

Reforming the Management System

Effective June 22, 2006, we reformed our management system by streamlining the Board of Directors and newly creating the position of managing officer. To ensure quick decision-making amid intensifying global competition, we reduced the number of Board members from 30 to 17. At the same time, we adopted the Managing Officer System to ensure speedy operational execution. Managing officers are non-Board members, who are appointed for a one-year term, tasked with the operational execution of respective businesses of which they are in charge.

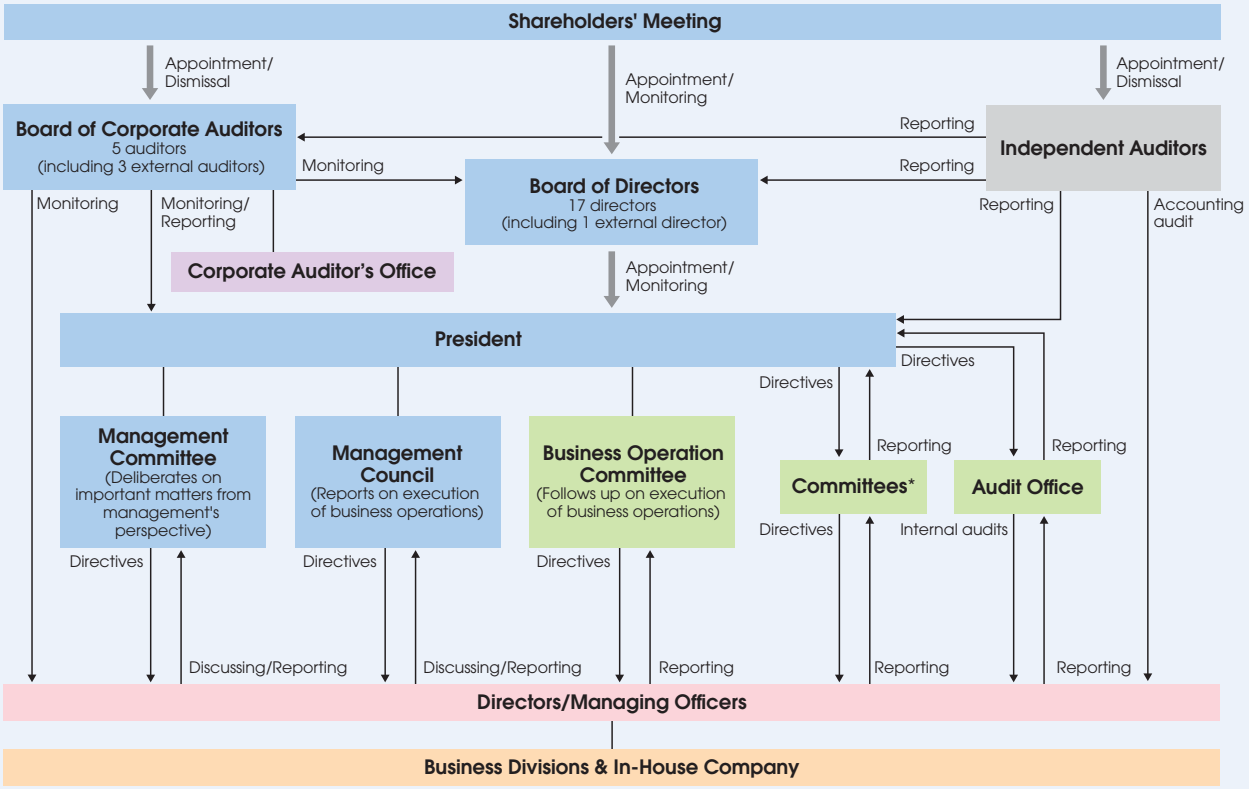
Information Disclosure

Toyota Industries considers it an important element of corporate governance to disclose corporate and financial information, and accordingly, strives for strict accountability to shareholders and investors. Starting from fiscal 2004, we have been publishing quarterly financial statements. In 2005, Toyota Industries set up the Information Disclosure Committee to monitor the completeness, appropriateness and timeliness of important information disclosed in financial statements and other materials. Pertinent information is also promptly disclosed to the public through the Investor Relations section of our Web site and other media channels.

Investor relations section of Toyota Industries' Web site

Corporate Governance Structure of Toyota Industries Corporation

With the exception of matters resolved at the Shareholders' Meeting, the Board of Directors discusses and decides all important management matters. Toyota Industries has also independently set up the Management Council, Management Committee and Business Operation Committee to increase efficiency and the speed of management and decision-making as well as facilitate appropriate judgment. By deliberating on important matters related to management strategies and individual businesses, these bodies assist top management and the Board of Directors in appropriate decision-making. Among the issues deliberated on by the Management Council, Management Committee and Business Operation Committee, the crucial issues prescribed in Japan's Commercial Code are put forth for discussion by the Board of Directors.



Management Council

Directors and managing officers convene to share reports on the status of operations of each business.

Management Committee

The Management Committee deliberates on crucial matters related to all areas of management, including Company-wide strategy and allocation of management resources. The committee consists of directors above the executive vice president level. When the president considers it necessary, relevant other directors and managers also attend committee meetings.

Business Operation Committee

The Business Operation Committee deliberates on crucial matters related to each business segment. The president, directors in charge of corporate planning and directors assigned to oversee divisional operations (division managers, etc.) attend committee meetings.

* Major Committees

- Corporate Code of Conduct Committee
  - Compliance Subcommittee
  - Data Security Subcommittee
  - Crisis Response Subcommittee
  - Regional Society Contribution Subcommittee
- Environmental Committee
- Export Transaction Control Committee
- Stock Option Committee

Strengthening Compliance

Toyota Industries believes that compliance extends beyond adherence to laws and ordinances to also include respecting local cultures and customs in step with changes in the times. The Corporate Code of Conduct Committee plays a central role in strengthening our compliance systems and frameworks while stipulating conduct guidelines and thoroughly informing all employees of these guidelines via education activities. Additionally, Toyota Industries is reinforcing compliance systems at domestic and overseas subsidiaries, while its Purchasing Department closely monitors suppliers to ensure their compliance as well.

With Toyota Industries' president serving as chairman, the Corporate Code of Conduct Committee is tasked with controlling the Group's corporate activities in areas related to compliance and crisis response. Consisting of most directors, corporate auditors and managing officers, the committee convenes several times per year to confirm the status of any crucial problems that may have arisen as well as countermeasures and responses to be taken. The committee also deliberates on initiatives to be taken in the next fiscal year.

Under the jurisdiction of the Corporate Code of Conduct Committee, we designated a number of departments as legal compliance departments, which monitor laws and ordinance for ensuring thorough Company-wide compliance. We also set up the Compliance Subcommittee and the Data Security Subcommittee. Chaired by a director, these subcommittees consist of members selected from relevant divisions and departments, and in principle, convene monthly while undertaking activities in accordance with their respective plans.

The Audit Office and designated legal compliance departments cooperate in implementing compliance audits of each department and domestic and overseas subsidiaries. We also implement Company-wide employee education programs according to the level of employees' positions and fields of specialization, while the designated legal compliance departments handles education of persons in charge of related departments. In addition, we undertake various enlightenment activities to raise employee compliance awareness levels.

The Toyoda Precepts*

1. Be a contributor to the development and welfare of the country by working together, regardless of position, in faithfully fulfilling your duties.
2. Be ahead of the times through endless creativity, inquisitiveness and pursuit of improvement.
3. Be practical and avoid frivolity.
4. Be kind and generous; strive to create a warm, homelike atmosphere.
5. Be reverent, and show gratitude for things great and small in thought and deed.

* The Toyoda Precepts were assembled in 1935 to commemorate the six-year passing of company founder Sakichi Toyoda. Since then, the precepts have served as the basis of the thinking and guiding principles of the entire Toyota Group.

Basic Philosophy

The following is a statement of Toyota Industries' basic philosophy. This basic philosophy constitutes the expressly stated beliefs of the management and serves as a guide for corporate behavior.

Respect for the Law
Toyota Industries is determined to comply with the letter and spirit of the law, in Japan and overseas, and to be fair and transparent in all its dealings.

Respect for Others
Toyota Industries is respectful of the people, culture and traditions of each region and country in which it operates. It also works to promote economic growth and prosperity in those regions and countries.

Respect for the Natural Environment
Toyota Industries believes that economic growth and conservation of the natural environment are compatible. It strives to offer products and services that are clean, safe and of high quality.

Respect for Customers
Toyota Industries conducts intensive product research and forward-looking development activities to create new value for its customers.

Respect for Employees
Toyota Industries strives to nurture the inventiveness and other abilities of its employees. It seeks to create a climate of cooperation, so that both employees and the Company can realize their full potential.

Five Values

We also have Five Values that form an action guide for our employees to enforce our basic philosophy.

Global Perspective
Learning from the best in the world, we aim to become the best in the world.

Customer First
We forge partnerships with our customers and strive to exceed their expectations.

Welcoming New Challenges
Unbound by convention, we embrace the challenge of creation.

Encouraging Professional Excellence
We develop our strengths, and think and act responsibly.

Encouraging Effective Teamwork
We recognize the human worth of each individual and collaborate to achieve goals.

Environmental and Social Contribution Efforts

Toyota Industries recognizes that being a good corporate citizen entails far-reaching responsibilities to the environment as well as to the local communities in which we operate. Accordingly, we undertake independent environmental activities that include reducing CO_2 emissions and other substances, promoting recycling and obtaining ISO 14001 certification at our facilities. At the same time, Toyota Industries also believes in giving back to society, and as such, promotes employees' volunteer efforts and interaction with local communities.

Environmental Protection Activities

In order to help protect the environment while contributing to global economic development and the enrichment of society, Toyota Industries has continually strengthened its Group-wide environmental activities. As examples of these efforts, in January 2003 we unveiled the Toyota Industries Group Corporate Commitment to the Environment, which articulated the Group's basic policies toward the environment. Since then, we have worked vigorously to promote the sharing of a unified environmental awareness among subsidiaries around the world and directed each Group company to establish an environmental management system. At the same time, every month we have collected environmental data based on uniform criteria from our Group production companies and monitored the progress of the Group's overall environmental management. Consequently, amid evolving social circumstances, the vital issues requiring responses from the Toyota Industries Group became evident. For that reason, in July 2005 we revised the Toyota Industries Group Corporate Commitment to the Environment and renamed it the Global Environmental Commitment,

Global Environmental Commitment

The Toyota Industries Group will contribute to a balance between environmental protection and economic growth in its wide-ranging businesses.

Basic Policies

- The Toyota Industries Group will continue to set challenging targets aimed at further reducing the environmental impact of its business activities, listening carefully to the voices of its stakeholders, and acting in compliance with the letter and spirit of laws and regulations.

Global Vision

Collaborate with local communities and global society in addressing environmental protection.

Improve eco-efficiency for all our business activities, products and services.

Fulfill our social responsibility of environmental protection.

- The Toyota Industries Group plans to improve its environmental management, placing environmental activities among its highest priorities. In particular, Toyota Industries will give priority to the following items.

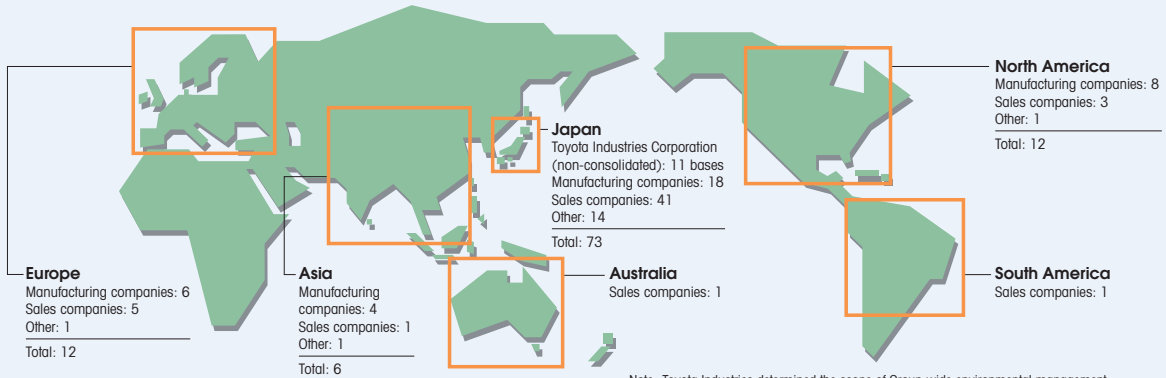
  Curb global warming— Aiming to reduce energy consumption and the output of greenhouse gases through the entire lifecycle of its products, services and production activities

  Use resources more efficiently— Utilizing raw materials, water and other resources efficiently while working to reduce, reuse and recycle waste products

  Reduce environmental risk factors— Reducing the use and output of harmful chemical substances of concern while evaluating environmental risk factors at the planning stage of business activity in order to prevent pollution

- The Toyota Industries Group will aim to foster greater communication and teamwork within a wide range of partnerships, including those with customers and suppliers, in order to promote sustainable management of the environment. In addition, the Toyota Industries Group will act as an upstanding corporate citizen, taking an active part in the planning of activities that contribute to various regional communities as well as to our global society.

Scope of Group-Wide Environmental Management *(As of March 31, 2006)*



Note: Toyota Industries determined the scope of Group-wide environmental management companies by considering the characteristics of each of its subsidiaries and affiliates. Consequently, the scope of consolidation for environmental management companies is different from the scope of consolidation based on financial definition.

which embodies policies shared by all consolidated Group companies, as we further bolster our Group-wide environmental management.

Environmental Management Systems and the Fourth Environmental Action Plan

Since 1996, Toyota Industries has been striving to enhance its environmental activities by improving its environmental management system. In line with these efforts, we acquired ISO 14001 certification for all eight of the Company's non-consolidated production bases in Japan by March 2003. From fiscal 2002, Toyota Industries expanded the scope of sections securing ISO 14001 certification beyond manufacturing sections to include product development, management and service sections. Furthermore, in response to the revision of ISO 14001 in November 2004, we have been strengthening initiatives to reduce the indirect environmental impact of our operations.

In our efforts to further improve the effectiveness of our environmental management system, in fiscal 2005 we promoted measures that included on-site verification and evaluation of the status of implementation of environmental management systems at domestic manufacturing subsidiaries and instructed the management to make any necessary improvements. Our environmental management system also extends to reducing the environmental load throughout the entire product lifecycle and within our supply chain.

Further demonstrating our commitment to addressing various environmental issues, we also established the Environmental Committee, chaired by the president and composed of four specialized subcommittees. Recognizing the importance of taking a Group-wide approach to environmental protection, in fiscal 2001 we introduced consolidated environmental management to ascertain the environmental impact of all our business activities. We also formulated and implemented the Third Environmental Action Plan, which ran from fiscal 2002 through fiscal 2006, and successfully attained the plan's targets for the Company on a non-consolidated basis in all categories (for detailed information, please refer to our *Social & Environmental Report*). To further promote our environmental activities, in October 2005 we formulated the Fourth Environmental Action Plan to be implemented from fiscal 2007 through fiscal 2011. Aimed at further strengthening Group-wide environmental management, the Fourth Environmental Action Plan establishes activity policies and targets covering the entire Toyota Industries Group in Japan and overseas, with the overall objective of reducing the environmental load throughout the entire product lifecycle as well as in production activities.

Key Points of the Fourth Environmental Action Plan

(1) Expanding our lineup of ecological products
Strengthen development and sales of environment-friendly products that help protect the environment during the usage stage in which a product exerts the greatest environmental impact, with these efforts covering the entire product lifecycle.

(2) Reducing emissions of greenhouse gases
Actively promote measures to tackle global warming.

(3) Using resources more efficiently
Promote a reduction in resource loss, bearing in mind the sharp rises in raw material costs caused by energy and other resource problems.

(4) Reducing environmental risk factors
Upgrade chemical substance monitoring and curb emissions of environment-impacting substances, thereby reducing environmental risk factors, preventing the incurrence of costs arising from damage claims and preventing a loss of trust by society.

(5) Augmenting consolidated environmental management
Be aware of the Group-wide trend toward increased environmental impact accompanying an expansion in production by the Group's consolidated companies.

Social Contribution Activities

Toyota Industries actively promotes support activities that contribute to society by providing human resources, facilities and financial resources. Toyota Industries' employees also make self-initiated efforts to serve the community via such means as volunteer activities.

At present, Toyota Industries and its global subsidiaries are undertaking social contribution activities that are self-initiated by local bases and tailored to each community. To carry out balanced Group social contribution activities as our business operations become even more globalized, Toyota Industries established the Corporate Citizenship Subcommittee in fiscal 2006 and has begun devising medium-term initiatives for our social contributions.

Participating in the Management of the Toyota Commemorative Museum of Industry and Technology

Founded jointly by 13 Toyota Group companies, the Toyota Commemorative Museum of Industry and Technology strives to promote an understanding by young people about the "spirit of research and creation" and the importance and pleasure of *monozukuri* (creating things). The museum also aims to preserve and utilize the museum building, designated as an important urban landmark building by Nagoya City, as a historic industrial site.

Toyota Industries provides the museum with human resources, funds to cover operating costs and articles for exhibit, while also participating in the museum's management.

Toyota Commemorative Museum of Industry and Technology

Circular loom invented by Sakichi Toyoda on display at the entrance of the Toyota Commemorative Museum of Industry and Technology

Support for the Special Olympics

Toyota Industries supports the activities of the Special Olympics Nippon Aichi. The Special Olympics is an international organization that provides persons with intellectual disabilities with opportunities for daily training in sports and for displaying their training results at year-round athletic competitions. In accordance with the primary mission of its activities, we make our athletic grounds, gymnasiums and other facilities available for use at these competitions, as well as provide donations to Special Olympics and support its activities and events.

In March 2006, 23 athletes from Toyota Industries' women's softball club participated in the Special Olympics Nippon Aichi-sponsored Sports Experience Caravan as support staff, providing more than 100 participants with instruction on catching and batting, and thereby showing participants the fun of softball.

Athletes from Toyota Industries' women's softball club instructing participants at the Sports Experience Caravan

Communications on Environmental Protection and Social Contribution Activities

Toyota Industries publishes the *Social & Environmental Report*, which summarizes the initiatives and achievements of our environmental protection and social contribution activities. To obtain a copy of this report, please see the contact information listed on the last page of this annual report. The contents of the *Social & Environmental Report*, along with the recent details of our environmental protection and social contribution activities, are also available on our Web site (*www.toyota-industries.com*). Through utilizing such communication tools, Toyota Industries will proactively continue to disclose information to stakeholders about the ways in which we fulfill our social responsibilities.

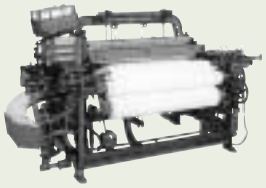
Social & Environmental Reports

Toyota Industries' 80 Years of History

Foundation – 1980s

Founder
Sakichi Toyoda

Sakichi Toyoda was born in Shizuoka Prefecture, Japan, in 1867. He became an inventor while still in his teens and devoted his life to the study and development of textile machinery. Starting with a wooden handloom, he subsequently pioneered a new era in textile machinery with inventions that included Japan's first power loom, the circular loom and the Toyoda Automatic Loom Type G. Sakichi was awarded 84 patents and 35 utility models in his lifetime and is remembered with pride in Japan as one of the world's greatest inventors. We at Toyota Industries are proud to carry on the engineering spirit of our illustrious founder.



1924
Toyoda Automatic Loom Type G invented by Sakichi Toyoda.

1926
Toyoda Automatic Loom Works, Ltd. (now Toyota Industries Corporation) established to manufacture and market automatic looms invented by Sakichi Toyoda.

1929
Spinning frame production starts.

Automatic loom patent sold to Platt Brothers & Co., Ltd. of the U.K.

1933
Automobile Division set up.

1934
A-type automobile engine completed.

1935
Prototype of Model A1 passenger car completed.

Company unveils Model G1 truck at a new-car-release exhibition in Shibaura, Tokyo.

1937
Automobile Division separates and becomes Toyota Motor Co., Ltd. (now Toyota Motor Corporation).

1940
Steel Production Division separates and becomes Toyoda Steel Works, Ltd. (now Aichi Steel Corporation).

1944
Obu Plant starts operations, producing castings.

1949
Company stock listed on Tokyo, Osaka and Nagoya stock exchanges.

1952
Automobile engine (S-type gasoline engine) production starts.

1953
Kyowa Plant starts operations, producing engines and assembling automobiles.

1955
Vehicle Division set up.

1956
Lift truck production starts.

1959
P-type gasoline engine production starts.

1960
Shovel loader production starts.

Car air-conditioning compressor (CC3A type, CC3B type) production starts.

1963
Dump truck production starts.

Friction welder production starts.

1964
J-type diesel engine production starts.

1967
Nagakusa Plant starts operations, producing small commercial vehicles.

Publica (van) and Mini Ace (automobile) production starts.

Electric counterbalanced lift truck production starts.

1968
Open-end spinning machine production starts.

1970
Takahama Plant starts operations, producing industrial vehicles.

1971
Corolla (van) production starts.

Divisional organization system introduced (3 divisions: Textile Machinery, Industrial Vehicle and Vehicle).

Toyoda-Sulzer Manufacturing Ltd. established as a joint venture with Sulzer Brothers, Ltd. of Switzerland to produce projectile looms.

1974
6P compressor production starts.

1977
Swash-plate compressor technology licensed to Chrysler and Ford.

Compressor Division separates from Textile Machinery Division.

1978
Starlet (automobile) production starts.

Aerial lift equipment production starts.

1980
JA air-jet loom production starts.

1981
10P compressor production starts.

1982
Production starts on C-type diesel engines for small passenger cars.

Hekinan Plant starts operations, producing automobile diesel engines.

1985
Engine Division separates from Vehicle Division.

10PA compressor production starts.

1986
Company awarded the Deming Prize for quality control implementation.

Deming Prize

X300 series lift truck production starts.

1987
Sprinter Cielo (exported as the Corolla Lift Back) production starts.

Electronics Sub-Division set up.

1988
Toyota Industrial Equipment Mfg., Inc. (TIEM) established in Columbus, Indiana, U.S., as a joint venture with Toyota Motor Corporation.

RX100 ring spinning frame production starts.

1989
Michigan Automotive Compressor, Inc. (MACI) established in Jackson, Michigan, U.S., as a joint venture with DENSO Corporation.

1990s – 2000s –

1990
Sprinter Carib (automobile; exported as the Corolla Wagon) production starts.

Company receives 1990 PM Excellent Plant Award.

1992
Materials Handling System Division set up.

Production starts on automated storage and retrieval systems.

JAT600 air-jet loom production starts.

1993
RX200 ring spinning frame production starts.

1994
X500 series internal combustion counterbalanced lift truck production starts.

Toyota Industry (Kunshan) Co., Ltd. (TIK) established in China as a joint venture with Toyota Tsusho Corporation and Lioho Machine Works, Ltd.

R500 reach truck production starts.

1995
Toyota Industrial Equipment, S.A. (TIESA) established in France as a joint venture with Toyota Motor Corporation and Manitou B.F.

7SB compressor production starts.

B500 electric counterbalanced lift truck production starts.

Kirloskar Toyoda Textile Machinery Private Limited (KTTM) established in India as a joint venture with the Kirloskar Group.

1996
JAT610 air-jet loom production starts.

RX240 ring spinning frame production starts.

1997
Compressor production at Kariya Plant reaches 100 million units.

6SE compressor production starts.

ST Liquid Crystal Display Corp. (STLCD) established as a joint venture with Sony Corporation.

1998
TD Deutsche Klimakompressor GmbH (TDDK) established in Germany as a joint venture with DENSO Corporation to produce car air-conditioning compressors.

GENEO (7FG/D outside Japan) internal combustion counterbalanced lift trucks introduced.

TIBC Corporation (TIBC) established as a joint venture with Ibiden Co., Ltd. to produce semiconductor package substrates.

10S compressor production starts.

1999
Vitz (Yaris outside Japan) production starts.

Company takes over water-jet loom business from Nissan Texsys Co., Ltd.

1CD diesel engine production starts.

GENEO-B (7FB outside Japan) electric counterbalanced lift trucks introduced.

2000
LW600 series water-jet loom production starts.

BT Industries AB of Sweden, a world-leading manufacturer of warehouse trucks, becomes a Toyota Industries subsidiary.

2UZ gasoline engine production starts.

Higashichita Plant starts operations, producing foundry parts.

2001
GENEO-R (7FBR outside Japan) reach truck production starts.

Company takes over the Industrial Equipment Sales Division of Toyota Motor Corporation.

TOYOTA Material Handling Company established as an in-house company.

RAV4 production starts.

Name changed to Toyota Industries Corporation.

2002
Advanced Logistics Solutions Co., Ltd. (ALSO) established to plan overall logistics operations and operate distribution centers.

Higashiura Plant starts operations, producing parts for car air-conditioning compressors.

Toyota Motor Industries Poland Sp.zo.o. (TMIP) established in Poland as a joint venture with Toyota Motor Corporation to produce diesel engines.

2003
JAT710 air-jet loom production starts.

GENEO-E (7FBE outside Japan) three-wheel electric counterbalanced lift truck production starts.

Aichi Corporation, a manufacturer of special-purpose vehicles, becomes one of Toyota Industries' subsidiaries.

2004
Toyota Industry Automotive Parts (Kunshan) Co., Ltd. (TIAP) established in China as a joint venture with Toyota Tsusho Corporation and Lioho Machine Works, Ltd. to produce foundry parts.

TD Automotive Compressor Georgia, LLC (TACG) established in the U.S. as a joint venture with DENSO Corporation to produce car air-conditioning compressors.

2005
Asahi Security Co., Ltd., which engages in collection and delivery of cash, management of sales proceeds and equipment security, becomes a subsidiary of Toyota Industries.

Vitz (Yaris outside Japan) production starts after a full model change.

TD Automotive Compressor Kunshan, Co., Ltd. (TACK) established in China as a joint venture with DENSO Corporation and other entities to produce car air-conditioning compressors.

AD diesel engine production starts.

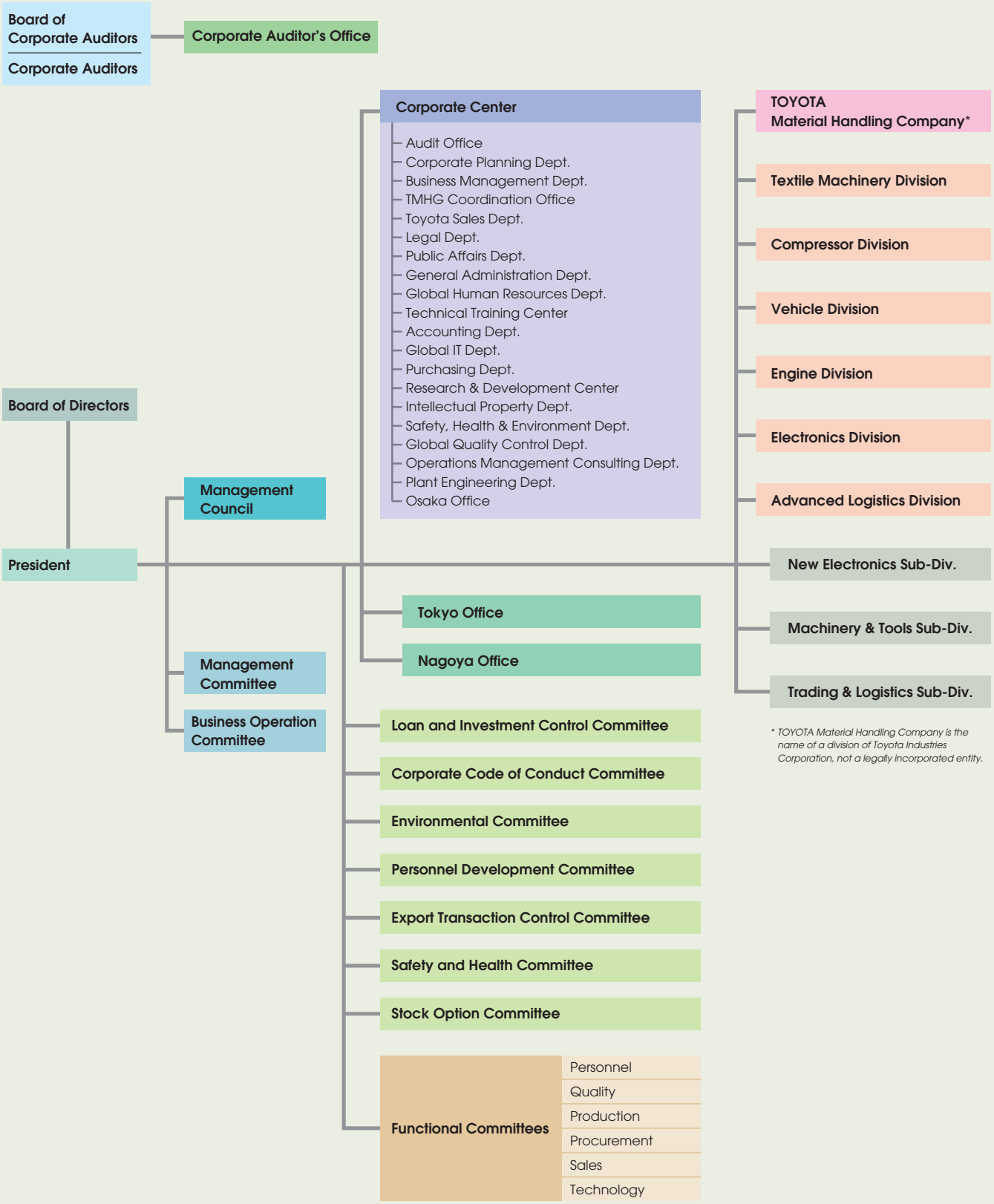
KD diesel engine production starts.

New RAV4 production starts after a full model change.

2006
New GENEO (8FG/D outside Japan) internal combustion counterbalanced lift truck production starts.

Corporate Organization

(As of July 1, 2006)



* *TOYOTA Material Handling Company is the name of a division of Toyota Industries Corporation, not a legally incorporated entity.*

Directors, Corporate Auditors and Managing Officers

(As of June 22, 2006)

Board of Directors

Chairman
Tadashi Ishikawa*

President
Tetsuro Toyoda*

Executive Vice President
Norio Sato*

Executive Vice President
Shinjiro Kamimura*

Executive Vice President
Yoshikatsu Mizuno*

Executive Vice President
Tatsuo Matsuura*

Senior Managing Directors

Akira Imura
Shigetaka Yoshida
Masafumi Kato
Yasuharu Toyoda
Yutaka Murodono
Kazunori Yoshida
Kosaku Yamada
Toshiyuki Sekimori
Kimpei Mitsuya

Honorary Chairman

Yoshitoshi Toyoda

Director

Tatsuro Toyoda

** Representative Director*

Corporate Auditors

Standing Corporate Auditors

Shigetaka Mitomo
Masanori Ito

Corporate Auditors

Hiroshi Okuda
Fumio Kawaguchi
Katsuaki Watanabe

Managing Officers

Hiroya Kono
Kenji Takenaka
Satoshi Kaseda
Hirofumi Tsuji
Yukio Yamakita
Takaki Ogawa
Kazue Sasaki
Hirotaka Morishita
Shinya Furukawa
Hironori Ito
Akira Onishi
Per Zaunders
Hiroshi Sakai
Eishi Furuta
Tadayoshi Baba
Takashi Okubo
Norio Sasaki
Toshifumi Ogawa
Hayato Ikeda
Toshifumi Onishi

Corporate Data

(As of March 31, 2006)

Major Plants (Parent Company)

		Number of Employees	Start of Operations
Kariya Plant	Textile machinery, car air-conditioning compressors	1,723	1927
Obu Plant	Parts for car air-conditioning compressors	506	1944
Kyowa Plant	Electronic equipment, automotive press dies, production facilities, engine parts	890	1953
Nagakusa Plant	Automobiles	2,238	1967
Takahama Plant	Lift trucks, materials handling systems	1,566	1970
Hekinan Plant	Engines for automobiles and industrial equipment	1,505	1982
Higashichita Plant	Foundry parts, engine parts	665	2001
Higashiura Plant	Parts for car-airconditioning compressors	120	2002

Consolidated Subsidiaries

Company Name	Location in Japan	Capital (thousands in local currency)	% of Voting Rights
Japan			
Aichi Corporation Group (4 companiess) [*1]	–	–	–
TIBC Corporation	Aichi	¥3,250,000	60.0%
Asahi Security Co., Ltd.	Tokyo	¥516,360	100.0%
TOYOTA L&F Tokyo Co., Ltd.	Tokyo	¥350,000	100.0%
Logistics Planning Tokyo Co., Ltd.	Tokyo	¥10,000	100.0%
Altex Co., Ltd.	Shizuoka	¥200,000	75.0%
Sun River Co., Ltd.	Osaka	¥150,000	100.0%
Izumi Machine Mfg. Co., Ltd.	Aichi	¥150,000	68.8%
TOYOTA L&F Keiji Co., Ltd.	Kyoto	¥140,000	75.0%
Tokyu Co., Ltd.	Aichi	¥135,000	63.3%
Mino Tokyu Co., Ltd.	Gifu	¥18,000	93.4%
Advanced Logistics Solutions Co., Ltd.	Aichi	¥100,000	100.0%
Teion Shokuhin Ryutsu Inc.	Tokyo	¥55,000	60.0%
Toyoda High System, Incorporated	Aichi	¥100,000	90.0%
Nishina Industrial Co., Ltd.	Nagano	¥100,000	82.0%
Suzaka Nishina Industrial Co., Ltd.	Nagano	¥50,000	96.8%
ALTRAN Corporation	Aichi	¥100,000	60.0%
KTL Co., Ltd.	Tokyo	¥100,000	50.5%
TF Logistics Co.,Ltd.	Tokyo	¥100,000	51.0%
Tokaiseiki Co., Ltd.	Shizuoka	¥98,000	92.1%
Taikoh Transportation Group (5 Companies) [*2]	–	–	–
SKE Inc.	Aichi	¥80,000	100.0%
SK Maintenance Corporation	Aichi	¥50,000	70.0%
Unica Co., Ltd.	Aichi	¥50,000	100.0%
Iwama Loom Works, Ltd.	Aichi	¥49,920	100.0%
Kawamoto System Corporation	Aichi	¥47,000	100.0%
Nagao Kogyo Co., Ltd.	Aichi	¥31,000	100.0%
TOYOTA L&F Shizuoka Co., Ltd.	Shizuoka	¥30,000	100.0%
Hara Corporation	Gifu	¥23,193	100.0%
Sun Valley Inc.	Aichi	¥22,500	100.0%
Sun Valley CVS Takaramachi Inc.	Aichi	¥3,000	100.0%
Mizuho Industry Co., Ltd.	Aichi	¥20,000	93.8%
Sun Staff, Inc.	Aichi	¥20,000	100.0%
ALT Logistics Co., Ltd.	Aichi	¥20,000	60.0%
Shine's Inc.	Aichi	¥10,000	100.0%
Toyota Industries Well Support Corporation	Aichi	¥10,000	100.0%

Company Name	Location	Capital (thousands in local currency)	% of Voting Rights
Outside Japan			
Toyota Industries Sweden AB [*3]	Mjölby, Sweden	SEK6,652,977	100.0%
BT Industries Group [*3*4] (65 companies)	–	–	–
Toyota Industries Finance International AB [*3]	Mjölby, Sweden	SEK25,000	100.0%
Michigan Automotive Compressor, Inc.	Parma, Michigan, U.S.A.	US$146,000	60.0%
Toyota Industries North America, Inc. [*5]	Schaumburg, Illinois, U.S.A.	US$37,900	100.0%
Toyota Industrial Equipment Mfg., Inc. [*5]	Columbus, Indiana, U.S.A.	US$60,000	100.0%
TD Automotive Compressor Georgia, LLC [*5]	Jefferson, Georgia, U.S.A.	US$78,000	65.0%
Toyota Material Handling USA, Inc. [*5]	Irvine, California, U.S.A.	US$12,500	100.0%
ACTIS Manufacturing Ltd. LLC [*5]	Grapevine, Texas, U.S.A.	US$2,000	60.0%
Toyoda Textile Machinery, Inc. [*5]	Charlotte, North Carolina, U.S.A.	US$1,300	100.0%
Toyota-Lift of Los Angeles, Inc. [*5]	Santa Fe Springs, California, U.S.A.	US$1,500	100.0%
Toyota Industries Personnel Service of America, Inc. [*5]	Schaumburg, Illinois, U.S.A.	US$100	100.0%
Aichi Corporation Group (1 company) [*1]	–	–	–
Toyota Industry (Kunshan) Co., Ltd.	Kunshan, Jiangsu, China	US$23,000	70.0%
Toyota Industry Automotive Parts (Kunshan) Co., Ltd.	Kunshan, Jiangsu, China	US$12,500	60.0%
TD Automotive Compressor Kunshan Co., Ltd.	Kunshan, Jiangsu, China	US$6,600	61.0%
Toyota Material Handling (Shanghai) Co., Ltd.	Shanghai, China	US$1,000	70.0%
Toyota Industries Trading & Logistics (China) Co., Ltd.	Shanghai, China	US$1,000	100.0%
Kirloskar Toyoda Textile Machinery Private Limited	Bangalore, Karnataka, India	Rs2,426,200	95.1%
TD Deutsche Klimakompressor GmbH	Straßgräbchen, Germany	EUR20,452	65.0%
Toyota Gabelstapler Deutschland GmbH	Duisburg, Germany	EUR720	100.0%
Toyota Industrial Equipment, S.A.	Ancenis, France	EUR9,000	60.0%
Toyota Material Handling Europe NV/SA	Brussels, Belgium	EUR 62	100.0%
Toyota Industrial Equipment Europe, S.A.R.L.	Ancenis, France/Brussels, Belgium	EUR75	100.0%
Toyota Material Handling Belgium SA/NV	Temse, Belgium	EUR2,000	100.0%
Toyota Carrelli Elevatori Italia S.r.l.	Bologna, Italy	EUR3,249	100.0%
Toyota Truck Norge AS	Trondheim, Norway	NOK110,000	100.0%
Toyota Truckutleie Norge AS	Trondheim, Norway	NOK100	100.0%
Toyota Truck Danmark A/S	Vejle, Denmark	DKK10,000	100.0%
Toyota Truckudlejning Danmark A/S	Vejle, Denmark	DKK500	100.0%
Toyota Industrial Equipment (UK) Limited	Castleford, West Yorkshire, U.K.	GBP48	100.0%
Toyota Industrial Equipment (Northern) Limited	Castleford, West Yorkshire, U.K.	GBP2,043	100.0%
Toyota Textile Machinery Europe AG	Zurich, Switzerland	SFR3,000	100.0%
Toyota Maquinas Texteis Brasil Ltda.	São Paulo, Brazil	US$200	100.0%
Toyota Industries Corporation Australia Group [*7] (11 companies)	Sydney, Australia	–	–
Toyota Industries Mercosur Ltda.	São Paulo, Brazil	R$26,510	100.0%

Affiliates Accounted for by the Equity Method

Company Name	Location	Capital (thousands in local currency)	% of Voting Rights
Japan			
ST Liquid Crystal Display Corp.	Aichi	¥23,000,000	50.0%
Fuji Logistics Co., Ltd.	Tokyo	¥2,979,675	26.8%
Aichi Corporation Group (1 company) [*1]	–	–	–
Wanbishi Archives Co., Ltd.	Tokyo	¥4,000,000	43.1%
Outside Japan			
BT Industries Group [*4] (16 companies)	–	–	–
Aichi Corporation Group (1 company) [*1]	–	–	–
Toyota Motor Industries Poland Sp.zo.o.	Jelcz-Laskowice, Poland	PLN500,000	40.0%

*1 Aichi Corporation Group comprises Aichi Corporation, its four subsidiaries and two affiliates. Aichi Corporation is headquartered in Saitama Prefecture and capitalized at ¥10,425 million. Toyota Industries Corporation holds 51.1% of voting rights of Aichi Corporation.
*2 Taikoh Transportation Group comprises Taikoh Transportation Co., Ltd. and its four subsidiaries. Taikoh Transportaion Co., Ltd. Is headquartered in Aichi Prefecture and capitalized at ¥83,985 thousand. Toyota Industries Corporation holds 51.4% of voting rights of Taikoh Transportation Co., Ltd.
*3 Toyota Industries Sweden AB is a holding company which holds a 100% share of BT Industries AB, Toyota Industries Finance International AB and Toyota Material Handling Europe NV/SA.
*4 BT Industries Group comprises BT Industries AB, its 64 subsidiaries and 16 affiliates. BT Industries AB is headquartered in Mjölby, Sweden and capitalized at SEK560 million.
*5 Toyota Industries North America, Inc. is a holding company that exercises control over Toyota Industrial Equipment Mfg., Inc., Toyota Material Handling USA, Inc., ACTIS Manufacturing Ltd. LLC, Toyota-Lift of Los Angeles, Inc., Toyoda Textile Machinery, Inc., Toyota Industries Personnel Service of America, Inc. and TD Automotive Compressor Georgia, LLC.
*6 Toyota Industries Corporation Australia Group comprises Toyota Industries Corporation Australia Pty Limited and its 10 subsidiaries. Toyota Industries Corporation Australia Pty Limited is headquartered in Sydney, Australia and capitalized at AUD62.8 million. Toyota Industries Corporation holds 100.0% of voting rights of Toyota Industries Corporation Australia Pty Limited.

Note: ¥–Japanese yen; SEK–Swedish krona; US$–U.S. dollar; EUR–Euro; Rs–Indian rupee; NOK–Norwegian krone; DKK–Danish krone; GBP–British Pound; AUD–Australia dollar; R$–Brazil real; SFR–Swiss franc; PLN–Poland zloty

Locations of Major Subsidiaries Outside Japan

(As of March 31, 2006)

	Company Name
	North America
1	Toyota Industries North America, Inc.
2	Toyota Industrial Equipment Mfg., Inc.
3	Toyota Material Handling USA, Inc.
4	Toyota-Lift of Los Angeles, Inc.
5	Michigan Automotive Compressor, Inc.
6	TD Automotive Compressor Georgia, LLC
7	ACTIS Manufacturing, Ltd. LLC
8	Toyoda Textile Machinery, Inc.
9	Toyota Industries Personnel Service of America, Inc.
	South America
10	Toyota Industries Mercosur Ltda.
11	Toyota Maquinas Texteis Brasil Ltda.
	Europe
12	Toyota Industries Sweden AB
13	Toyota Material Handling Europe NV/SA
14	BT Industries AB[*1]
15	Toyota Industrial Equipment, S.A.
16	Toyota Industrial Equipment Europe, S.A.R.L.[*2]
17	Toyota Gabelstapler Deutschland GmbH

	Company Name
18	Toyota Truck Norge AS
19	Toyota Truckutleie Norge AS
20	Toyota Truck Danmark A/S
21	Toyota Truckudlejning Danmark A/S
22	Toyota Carrelli Elevatori Italia S.r.l.
23	Toyota Industrial Equipment (UK) Limited
24	Toyota Industrial Equipment (Northern) Limited
25	Toyota Material Handling Belgium SA/NV
26	TD Deutsche Klimakompressor GmbH
27	Toyota Textile Machinery Europe AG
28	Toyota Industries Finance International AB
	Asia & Oceania
29	Toyota Industries Corporation Australia Pty Limited
30	Toyota Industry (Kunshan) Co., Ltd.
31	Toyota Industry Automotive Parts (Kunshan) Co., Ltd.
32	Toyota Material Handling (Shanghai) Co., Ltd.
33	TD Automatic Compressor Kunshan Co., Ltd.
34	Kirloskar Toyoda Textile Machinery Private Limited
35	Toyota Industries Trading & Logistics (China) Co., Ltd.

*1 BT Industries AB has 80 subsidiaries and affiliates (as of March 31, 2006).
*2 Toyota Industrial Equipment Europe's sales and marketing office is located in Brussels, Belgium.