

Outline of Businesses

Automobile

From vehicle assembly to parts production, the Automobile Segment engages in a wide variety of car-related businesses. Leveraging synergies among its business divisions in development and production, the Automobile Segment accounts for 56.5% of consolidated net sales and represents the largest business segment of Toyota Industries.

Vehicle	
With its strengths as an industry leader in quality, cost and delivery, the Vehicle Business produces compact to midsize automobiles.	Main Products <ul style="list-style-type: none">• Vitz (Yaris outside Japan)• RAV4• Mark X ZiO
Engine	
The Engine Business produces both diesel and gasoline engines. We co-develop diesel engines with Toyota Motor Corporation and possess a comprehensive structure ranging from planning and development to production.	Main Products <ul style="list-style-type: none">• Diesel engines (KD, AD, VD)• Gasoline engines (AR, AZ, MZ)
Car Air-Conditioning Compressor	
Toyota Industries' car air-conditioning compressors are highly acclaimed in terms of their reliability at high operating speeds and quiet operation in addition to such excellent environmental-related performance features as fuel efficiency, compactness and weight reduction. The Car Air-Conditioning Compressor Business captures the top global share in unit sales*.	Main Products <ul style="list-style-type: none">• Fixed-displacement type• Variable-displacement type• Electric type
* Survey by Toyota Industries Corporation	
Car Electronics	
Utilizing power electronics circuitry technology and electric drive system development capabilities, the Car Electronics Business develops and produces electronics products for hybrid vehicles and other electric vehicles.	Main Products <ul style="list-style-type: none">• PCU direct-cooling device• DC-DC converters• DC-AC inverters

Net Sales
(¥ Billion)

(FY)	08	09	10
Net Sales	950	750	780

Operating Income (Loss)
(¥ Billion)

(FY)	08	09	10
Operating Income (Loss)	40	-10	20

Percentage of Net Sales

Segment	Percentage of Net Sales
Automobile Segment	56.5%

Materials Handling Equipment

The Materials Handling Equipment Segment develops, produces, sells and provides services for a broad range of products, from industrial vehicles centered around a full lineup of lift trucks (0.5- to 43-ton load capacities) to warehouse equipment such as systems for transportation, storage and retrieval of goods. Lift trucks, a mainstay product of this segment, are delivered to customers around the world under the TOYOTA, BT, RAYMOND and CESAB brands through Toyota Material Handling Group.

Main Products <ul style="list-style-type: none"> • Lift trucks • Warehouse trucks • Aerial work platforms • Automated storage and retrieval systems • Automatic guided vehicles 	Net Sales (¥ Billion) (FY) 08 09 10	Operating Income (Loss) (¥ Billion) (FY) 08 09 10	Percentage of Net Sales 31.3%

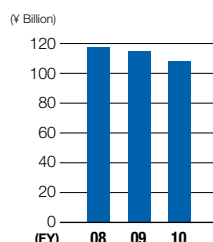
Logistics

The Logistics Segment is composed of three business pillars: planning, design and operation of distribution centers; land transportation services; and high value-added services such as cash collection and delivery and cash proceeds management services and data storage and management services.

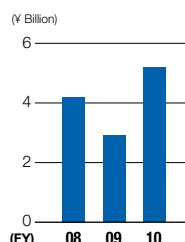
Main Services

- Logistics planning, operation of distribution centers
- Land transportation services
- Cash collection and delivery and cash proceeds management services
- Data storage, management, collection and delivery services

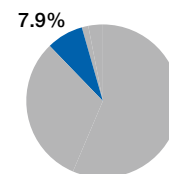
Net Sales



Operating Income



Percentage of Net Sales



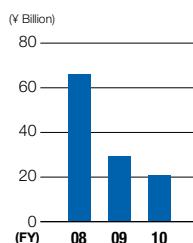
Textile Machinery

With a history dating back to the invention of an automatic loom by Toyota Industries founder Sakichi Toyoda, the Textile Machinery Business is a world leader in the textile industry backed by an integrated structure that encompasses development, production, sales and service of weaving and spinning machines.

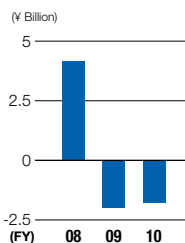
Main Products

- Air-jet looms
- High-speed ring spinning frames
- High-speed roving frames

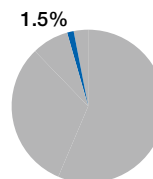
Net Sales



Operating Income (Loss)



Percentage of Net Sales



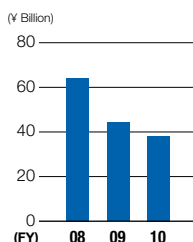
Others

The Others Segment includes consolidated subsidiaries that provide services to Toyota Industries as well as TIBC Corporation, a joint venture with IBIDEN CO., LTD., that produces semiconductor package substrates for PC microprocessor units.

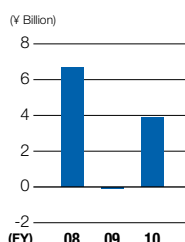
Main Products

- Semiconductor package substrates

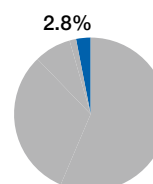
Net Sales



Operating Income (Loss)



Percentage of Net Sales



Vehicle

Expanding the Scope of Business Using Technologies for Realizing Lighter Weights

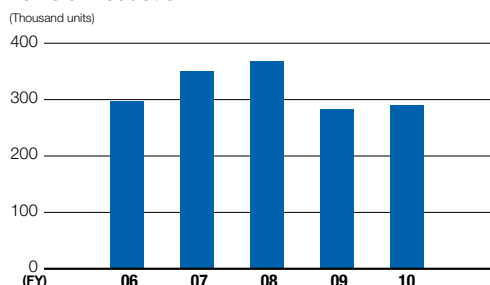


Business Overview in Fiscal 2010

In the automobile industry, the market headed toward a mild recovery thanks to government measures such as car replacement incentives. Under these conditions, despite lower sales of the Vitz (Yaris outside Japan) and the Mark X ZiO, higher sales of the RAV4 supported an increase of 8,000 units, or 3%, in unit sales to 291,000 vehicles and an increase of ¥20.6 billion, or 5%, in net sales to ¥398.7 billion.

Despite an increase in production volume in the second half of fiscal 2010, we strove to secure profitability by maintaining a leaner structure.

Vehicle Production



Cumulative Production of 8 Million Units

In January 2010, Toyota Industries' cumulative vehicle production, which is carried out under consignment from Toyota Motor Corporation (TMC), reached 8 million units. Since commencing production in May 1967, we have earned high acclaim as an automobile body manufacturer specializing in compact cars. In September 2007, we started production of the Mark X ZiO, thereby expanding our role as a manufacturer capable of producing midsize cars.



Vitz (Yaris outside Japan)

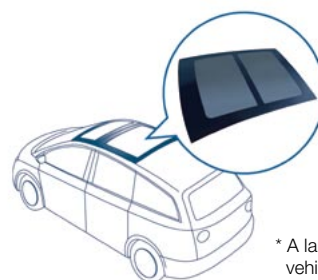
Contributing to Improved QCD for Toyota Cars

At its production plants, under the Toyota Production System (TPS), Toyota Industries' Vehicle Business maintains the highest level of quality, cost and delivery (QCD) among automobile body manufacturers in the Toyota Group by making continuous improvements. We actively participate in the development of new Toyota cars, focusing mainly on the vehicle models produced by Toyota Industries. These business activities have continually earned us acclaim, and in 2009 the Vehicle Business won the Superior Quality Performance Award in the Auto Body Category and the Excellent Value Improvement Award.

Looking ahead, while further enhancing QCD, we will draw on our strengths such as the ability to quickly start up production and a flexible production structure in terms of production volume and vehicle models. Through these initiatives, we will continue contributing to the development and production of Toyota vehicles.

Contributing to Lightweight Vehicles through Development of Plastic Glazing

Responding to demand for further improvements in vehicle fuel performance, Toyota Industries has developed plastic glazing, which is highly effective in realizing lighter-weight vehicles. Plastic glazing is approximately 40% lighter than glass and enables new design-in that cannot be achieved with the traditional combination of glass and steel sheet. Toyota Industries has successfully developed a surface processing technology that raises the durability of plastics and a molding technology for enabling large-size glazing. Leveraging these technologies and the inherent features of plastic glazing, the Vehicle Business plans to commercialize it as a panoramic roof* in 2011.



Panoramic roof*

* A large-size window attached to the vehicle roof for more light and a sense of openness

Engine

Enhancing Our Development Capabilities and Production Technologies and Know-How to Further Enhance Product Competitiveness

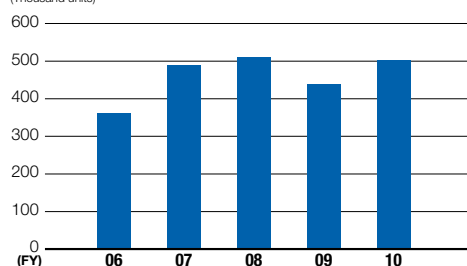


Business Overview in Fiscal 2010

Toyota Industries recorded a year-on-year increase of 63,000 units, or 14%, in engine production to 502,000 units and an increase of ¥8.4 billion, or 5%, in net sales to ¥165.0 billion. These increases were supported by the startup of production of new AR gasoline engines at the end of 2008.

Engine Production

(Thousand units)



Solid Production of KD and AR Engines

Since 2005, Toyota Industries has produced the 2.5-liter and 3.0-liter KD diesel engines for TMC's Innovative International Multi-Purpose Vehicle (IMV) series. In September 2009, the scope of models fitted with this engine was extended to include the Hiace. Supported in part by favorable sales of IMV series vehicles for the Thai market, production of KD diesel engines in fiscal 2010 reached 179,000 units.

Toyota Industries also achieved steady growth in unit sales of 2.5-liter AR gasoline engines on the back of robust sales of the RAV4 for North America. After initially manufacturing this engine for the RAV4, we also began producing it for the Camry, and in fiscal 2010, production of AR gasoline engines reached 134,000 units.

Toyota Industries' total engine production increased in fiscal 2010 mainly due to contributions made by KD and AR engines.

Development and Production of Engines for Hybrid Lift Trucks

Toyota Industries developed and initiated production of 2.5-liter 1DZ-III diesel engines installed in the GENE0-HYBRID 3.5-ton diesel-engine hybrid lift truck launched in December 2009. Compared with conventional diesel-engine lift trucks, the GENE0-HYBRID reduces fuel consumption and CO₂ emissions by roughly 50%*. Toyota Industries is also striving to enhance product competitiveness in engines for industrial vehicles amid rising market needs for improving environmental performance.

* Measured data from Toyota Industries Corporation's evaluation pattern using lift trucks with standard specifications

Applying Development Capabilities and Production Technologies and Know-How

Toyota Industries is jointly developing clean diesel engines with TMC, including AD engines that clear Euro 5 emission standards, as part of integrated operations covering planning, development and production. Diesel engines are earning high environmental acclaim for achieving greater fuel efficiency compared with gasoline engines and cleaner emissions.

Toyota Industries remains committed to utilizing its capabilities gained through developing diesel engines and its production technologies and know-how in diesel and gasoline engines to further enhance product competitiveness.



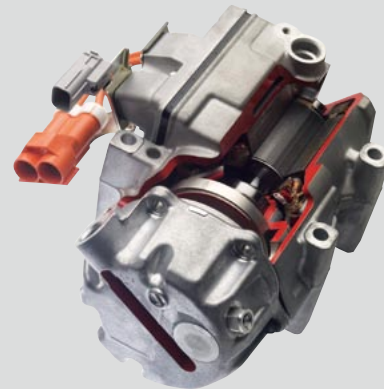
KD diesel engine



AR gasoline engine

Car Air-Conditioning Compressor

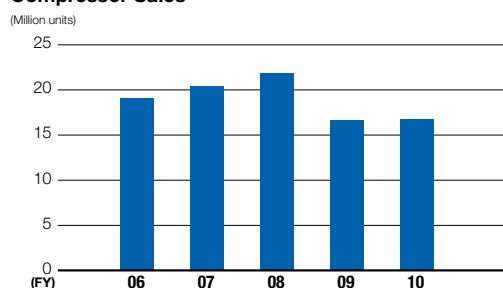
Leading the Industry with Forward-Looking Environmental Technologies



Business Overview in Fiscal 2010

Reflecting lower production by automakers, unit sales of car air-conditioning compressors remained on par with the previous fiscal year at 16.71 million units. The impact of currency exchange rates and other factors led to a decrease of ¥9.3 billion, or 5%, in net sales to ¥177.0 billion.

Compressor Sales



Cumulative Global Production Reaches 300 Million Units

Since commencing production of car air-conditioning compressors in 1960, Toyota Industries has consistently introduced products that anticipate the needs of the times, including compactness, lighter weights, quieter operation and fuel efficiency. Besides compressors for internal-combustion vehicles, in recent years Toyota Industries has responded to the trend toward the electrification of vehicles by developing and manufacturing electric compressors for hybrid vehicles. Toyota Industries currently produces compressors globally in the four regions of Japan, North America, Europe and China. We attained a noteworthy milestone in August 2009 when our cumulative global production of compressors reached 300 million units. Toyota Industries' compressors have been widely adopted by major Japanese and overseas automakers and capture the global No. 1* share in terms of sales volume.

* Survey by Toyota Industries Corporation

Expanding Sales of Electric Compressors for Hybrid Vehicles

Toyota Industries developed the ES18 electric compressor for the second-generation Prius and commenced the world's first mass production of electric compressors. For the ES14 electric compressor fitted in the third-generation Prius

launched in May 2009, we successfully integrated into the compressor an inverter that previously required installation in a separate location. By doing so, we realized a more compact and lightweight compressor. Additionally, by expanding our electric compressor lineup ranging from compact to large-size products, Toyota Industries is able to offer a line of compressors that can be installed in a diverse range of vehicles. At present, all Toyota hybrid vehicles are equipped with Toyota Industries' electric compressors. Our sales record to TMC, coupled with high acclaim for fuel efficiency and quiet operation, led to adoption of our electric compressor by automakers in North America and Europe. We will continue to make efforts to expand sales to carmakers worldwide.



ES14 electric compressor

Leading the Industry with Outstanding Technologies

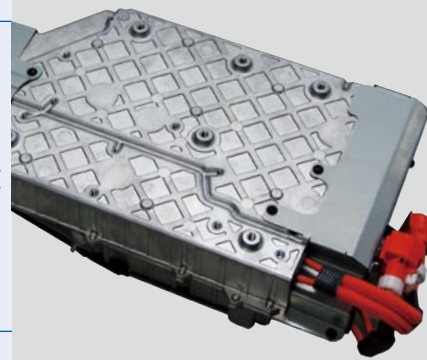
Given the economic slowdown that has persisted since fiscal 2009, Toyota Industries moved quickly to streamline its operations, including staff and facilities at its global production sites, as part of efforts to strengthen its profit structure. As initiatives for future growth, Toyota Industries has focused on responding to emerging countries, where market needs are rising, as well as on developing appealing products for compact cars.

Particularly in China, we will carry out sales activities by targeting higher-end models anticipated to grow in step with the expansion of the automobile market and by leveraging our advanced technologies.

Laws and regulations concerning vehicle fuel efficiency continue to be strengthened in North America, Europe and Japan. As such, we will continue to lead the industry by further enhancing our technological capabilities, beginning with environmental performance, which have earned extensive praise from automakers worldwide.

Car Electronics

Helping to Realize a Low-Carbon Society via the Development and Production of Electronic Components and Devices that Support the Advance of Electric Vehicles



Business Overview in Fiscal 2010

Toyota Industries' business activities in car electronics have centered on such auxiliary power source devices as DC-DC converters. In fiscal 2010, Toyota Industries developed a direct-cooling device for power control units (PCUs) for the third-generation Prius, thereby making our entry into core components for hybrid vehicle drive systems. Toyota Industries also worked to expand its business domains by developing an onboard charger for plug-in hybrid vehicles (PHVs).



DC-DC converter

Newly Developed PCU Direct-Cooling Device for Third-Generation Prius

PCUs raise the voltage of hybrid vehicle batteries and convert the direct current into an alternating current to drive the motor. Previously, a major technical issue was controlling the heat from the PCU's power semiconductor devices. To solve this issue, Toyota Industries utilized its independently developed direct-cooling method to create a device that significantly improves cooling performance, thus contributing to the realization of compact and lightweight PCUs.

Toyota Industries has also developed a DC-DC converter and an electric compressor integrated with an inverter for the third-generation Prius, which have enabled significant size reductions and lighter weights compared with previous products.



PCU direct-cooling device

New Development of Onboard Charger for PHVs

An onboard charger is an electric power converter that converts AC voltage used in households into DC voltage and recharges the high-voltage batteries of PHVs. Optimally

designed to match the battery capacity, this charger is installed in the Prius PHV launched by TMC in December 2009.

New Development of Charging Stands for PHVs and EVs

Toyota Industries is also involved in the development of a charging infrastructure as part of initiatives for promoting greater use of PHVs and electric vehicles (EVs).

Adding communication device capabilities to its PHV and EV charging stands launched in 2009, Toyota Industries has developed a comprehensive management system enabling user authentication using an IC card and management of usage data at charging stations. This system is currently being used in demonstration testing promoted by government agencies.

Toyota Industries' solar charging station, which is equipped with a solar power generation system and electric storage device and also connected to the commercial power grid, is operated as part of an environmental model city project in Toyota City, Aichi Prefecture.



Charging stand



Solar charging station

Realizing a Low-Carbon Society

The implementation of measures to curb global warming and the shift away from fossil fuels are expected to further accelerate the trend toward the electrification of vehicles. We will promote Company-wide technological development utilizing our strengths obtained from a wide variety of business operations including industrial vehicles and automobiles. As a result, we will respond accurately and quickly to the electrification of vehicles, thereby contributing to the realization of a low-carbon society.

Materials Handling Equipment

Providing a Wide Range of Products and Services Globally
as Experts in Materials Handling Equipment

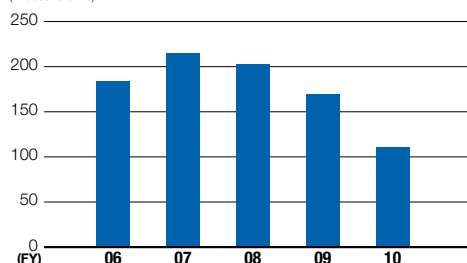


Business Overview in Fiscal 2010

In the materials handling equipment industry, severe conditions persisted amid sluggish markets, with the exception of some emerging countries. Although Toyota Industries vigorously carried out sales activities globally, sales of our mainstay lift trucks decreased by 58,000 units, or 34%, from the previous fiscal year to 111,000 units. This decrease, along with lower sales of aerial work platforms, resulted in a decrease of ¥208.0 billion, or 33%, in net sales to ¥431.6 billion.

Materials Handling Equipment Sales

(Thousand units)



Market Conditions and Activities in 2009

Adversely affected by the global economic slowdown, the lift truck market in 2009 struggled, falling to an approximately 60% level versus the previous year. Under these circumstances, Toyota Industries worked to lower its break-even point through streamlining the structure including restructuring production sites and re-evaluating workforce balance, with the aim of realizing an optimal development, production and sales structure.

Along with these streamlining measures, we also focused on strengthening our business foundation in gearing up for future growth. Additionally, we took steps to enhance the appeal of our products by launching a new internal-combustion hybrid lift truck in Japan, introducing a new internal-combustion lift truck in North America and expanding our line of electric lift trucks in Europe. Despite facing harsh market conditions, Toyota Industries also proactively carried out sales activities. In Japan, we strengthened sales activities targeting robust industries, while implementing sales campaigns and a variety of other sales promotion activities

in North America. In China, which has become the world's largest market for lift trucks, Toyota Industries made efforts to strengthen its sales structure by further expanding its sales network, mainly in urban areas.

Turning to the market for aerial work platforms, capital investments in Japan continued to be cut back in respective industries, while overseas demand cooled in Europe, which is a principal market. Within this challenging environment, the AICHI brand, which commands the top share of the Japanese market, opened its second Chinese production site in Hangzhou, Zhejiang Province, in the high-growth-potential China market. The new site will engage in development, production and sales and provide service for self-propelled aerial work platforms, for which demand is forecast to expand.

Addressing Emerging Countries and Environmental Technologies

Despite some variations between geographic regions, since the start of 2010 the global market for lift trucks has begun to recover. Of particular note, steady growth is expected in emerging countries, beginning with China. In view of this outlook, Toyota Industries is developing and launching products suited to the needs of emerging country markets. In response to globally rising needs for the electrification of lift trucks, we will strengthen the product appeal of small and midsize lift trucks, with an emphasis on electric lift trucks. For midsize and larger-class models, Toyota Industries will introduce internal-combustion hybrid models to raise fuel efficiency. From small to large models, we will strive to offer distinctive lift trucks that utilize our environmental technologies through electrification.

Looking ahead, Toyota Industries will continue to sincerely listen to customer needs worldwide and perceive market changes in striving to expand sales for the TOYOTA, BT, RAYMOND and CESAB brands.

Japanese Market

No. 1 Market Share in Lift Truck Sales

In 2009, harsh conditions prevailed in the lift truck market in Japan since 2008 due to the curbing of capital investment by domestic companies in response to the global economic slowdown. Reflecting these circumstances, unit sales by Toyota Material Handling Japan (TMHJ) in fiscal 2010 decreased 29% to 23,000 units.

Within this difficult market environment, TMHJ responded to growing environmental problems by strengthening its lineup of electric lift trucks while implementing proactive sales and service activities that included expanding sales to robust businesses such as the foods and pharmaceuticals industries. Thanks to these efforts, TMHJ secured a 40.9% share of the Japanese market, marking the 44th consecutive year that TMHJ has maintained the top position^{*1} in the Japanese lift truck industry.

^{*1}: Surveys by Japan Industrial Vehicles Association and Toyota Industries Corporation, 2009

Launch of Hybrid Lift Trucks

In recent years, there have been growing market needs for raising environmental performance of lift trucks, such as reducing CO₂ emissions and improving fuel efficiency. In December 2009, TMHJ launched the GENE0-HYBRID 3.5-ton diesel-powered internal-combustion hybrid lift truck as a means of reducing the environmental impact in the midsize-and-above classes of lift trucks, for which demand is particularly strong. The GENE0-HYBRID realizes world-class environmental performance by reducing fuel consumption and CO₂ emissions by approximately 50%^{*2} while maintaining

the same operating performance as currently available diesel-engine lift trucks.

^{*2}: Measured data from Toyota Industries Corporation's evaluation pattern using lift trucks with standard specifications



GENE0-HYBRID

Strengthening Electric Lift Truck Lineup

In May 2009, TMHJ carried out a model change for its 1.8- and 2.0-ton Minimover electric pallet trucks and added 1.5- and 2.5-ton models. Also, in October 2009, TMHJ added new 5.5- to 8.5-ton electric lift trucks to its range of large-size electric lift trucks, for which there has been strong, long-standing customer demand. By expanding its lineup of electric lift trucks, TMHJ is responding to diversifying customer environmental needs.

TMHJ will continue to focus on the environment and safety in its efforts to provide optimal materials handling solutions for customers through an extensive product range encompassing lift trucks, warehouse trucks, aerial work platforms, automated storage and retrieval systems and automatic guided vehicles together with an abundance of know-how and an enhanced service structure.

North American Market

Maintained No. 1 Market Share

Throughout the industry, the North American material handling market declined in calendar year 2009. In this difficult situation, Toyota Material Handling North America (TMHNA) recorded overall unit sales of about 29,000, a decrease of 37%, for TOYOTA- and RAYMOND-brand products in fiscal 2010.

Toyota, as a full line supplier of lift trucks, maintained the top market share for the eighth consecutive year^{*3} and Raymond, as a leading provider of lift trucks used in warehouse and distribution environments, was also highly regarded. Together with both brands, TMHNA remained the market share leader^{*3}.

^{*3}: Survey by Crist Information & Research, LLC, 2009

Strengthening Business Structures

Since the original formation of TMHNA, the companies have worked closely together to improve business efficiencies in the areas of manufacturing, quality and procurement for both TOYOTA and RAYMOND brands. Examples of growing synergies include improved quality, joint sourcing and supply base consolidation, and accelerated implementation of TPS. In March 2010, Raymond transitioned and integrated Reach-Fork truck manufacturing from Brantford, Ontario, Canada, to Greene, New York, maximizing efficiency of lift truck production.

In addition, the Toyota Material Handling Group (TMHG) management team formalized the TMHNA management and operations structure in April 2010, newly establishing

TMHNA, Inc. to further strengthen North American regional coordination.

Launch of New Models, Expansion of Solutions Business

In fiscal 2010, Toyota launched the innovative new line of 8-Series 4-wheel AC electric lift trucks. The new 4-wheel models deliver longer runtimes and offer quicker acceleration in addition to excellent operability, durability and safety. Toyota also launched new large internal-combustion pneumatic lift truck models, ranging from 33,000- to 51,000-pound capacities.

Raymond introduced the Model 4450 3-wheel sit-down electric counterbalanced truck featuring reduced turn radius, easier access from either side of the truck and handling capacities up to 4,000 pounds. A "Pedestrian Safety in a Material Handling Environment" training module was developed by Raymond to assist an employer in teaching pedestrians how to act responsibly in environments where lift trucks are operated. To date, the Raymond iWarehouse fleet optimization system has been installed in well over 1,000 lift trucks throughout many large companies.



8-Series



Model 4450

Contributing to Materials Handling Efficiency

A moderate recovery is expected in the North American market in 2010. TMHNA will look for further synergies in the coming year to fully leverage both the TOYOTA and RAYMOND brands. Some of the expected synergies include consolidated sourcing and accelerated implementation of TPS. TMHNA will continue to offer industry-leading products and customer service aimed at improving customers' operations.

European Market

Leaner Profit Structure in Harsh Markets

Over the past several years, Toyota Material Handling Europe (TMHE) has built a strong management structure along with an integrated European network representing the TOYOTA and BT brands in more than 30 countries, from Western Europe to Russia.

In Europe, the economic downturn spread and intensified during 2009 with the European materials handling equipment market declining by more than half compared with the previous year. Faced with these new business realities, TMHE took decisive action to reduce costs and align production and network capacity with lower market demand.

In this very difficult environment, TMHE worked to enhance sales by offering a broad, up-to-date range of products supported by services and business solutions packages. As a result, TMHE recorded unit sales of around 39,000 units in fiscal 2010, a 37% decrease compared with the previous fiscal year.

Strengthening Product Lineup

Since 2007, TMHE has renewed its product range, introducing new models that address more than 70% of the market. New TMHE warehouse products such as the

BT Reflex reach truck, BT Levio powered pallet truck and BT Staxio stacker have strengthened TMHE's position and reputation as a leader in warehouse equipment design and innovation. TMHE also reinforced its electric counterbalanced lineup with the TOYOTA Traigo 48 and TOYOTA Traigo HT models to complement its TOYOTA Traigo 24 range. The Traigo family, together with TOYOTA Tonero internal-combustion lift trucks and the BT warehouse equipment range, allow TMHE to offer customers a modern, highly diversified and competitive product portfolio.

The CESAB product range was also expanded in 2009 with the launch of the new M300 internal-combustion lift truck along with several new powered pallet, stacker and reach models.



Reflex



Traigo 48

Evolving Services and Solutions

In addition to new products, TMHE has also been developing its service and business solutions offerings in line with evolving customer needs and new market realities. Toyota Service Solutions give customers the flexibility to define the right service plan for their business, knowing that they will receive fast, consistent, high-quality service from a team of approximately 4,000 service technicians across Europe. Toyota I_Site moves beyond traditional fleet management with a unique combination of information, expertise and support that helps businesses manage their materials handling operations more effectively. Toyota Rental Solutions and Approved Used Trucks provide today's cost-conscious customers with additional options for putting together the right fleet with high-quality Toyota and BT products.

Providing Products and Added Value Services

In 2010, the European materials handling equipment market is expected to show little improvement as Europe faces continued low levels of economic growth and high levels of unemployment. Nevertheless, TMHE enters the new fiscal year with a leaner structure, a strong network presence and a balanced product, service and business solutions portfolio while continuing to enhance our strengths.

International and Chinese Markets

Engaging in Business in Emerging Countries

Toyota Material Handling International (TMHI) covers the markets of Asia, the Middle East, Oceania, Latin America and Africa, while Toyota Material Handling China (TMHCN) covers the Chinese market.

In 2009, many TMHI and TMHCN markets were faced with a slowdown related to the global financial crisis that occurred at the end of 2008. Amid these challenging conditions, while TMHI and TMHCN aggressively moved to promote sales, unit sales of industrial vehicles in the international and Chinese markets decreased roughly 30% to around 19,000 units in fiscal 2010.

Reinforcing Structure for Production, Sales and Service Operations in Growing Markets

The organization in India continues to grow and gain strength throughout the country, working to improve market coverage for sales and service operations. As strong market growth is expected to continue, TMHI will work to strengthen its operations in India to provide a wide range of products supported by relevant customer services so that TMHI will be able to respond to the growing market.

In Brazil, TMHI has weathered a significant market downturn and is now in a position to take advantage of a return to market growth. Brazilian operations will continue to focus on increased market coverage and customer support.

China has become the world's largest market for lift trucks, surpassing the U.S. lift truck market in 2009. As continued market growth is expected, TMHCN will develop

and introduce new products by drastically reviewing functions and specifications that suit the Chinese market. TMHCN has built a network that covers the majority of the Chinese market and plans to further expand into metropolitan areas with high demand. On the production side, Toyota Industry (Kunshan) Co., Ltd. has expanded local procurement and devoted efforts to reducing lead times.

A gradual return to growth in lift truck sales is expected in the major emerging country markets. TMHI and TMHCN will expand sales by responding to market growth and strengthening customer relationships via further enhancements to sales and service operations.



Toyota Industry (Kunshan) Co., Ltd.

Logistics

Addressing Customers' Logistics Needs through Manufacturing Know-How



Business Overview in Fiscal 2010

The operating environment surrounding the Logistics Business remained difficult as the economic downturn from the latter half of 2008 led to sales declines and strong demands from customers regarding prices. As a result, in fiscal 2010 net sales of the Logistics Business decreased ¥6.3 billion, or 5%, to ¥108.5 billion. In response to these conditions, Toyota Industries worked to acquire new orders by enhancing the level of services and strengthened its business structure by improving earnings.

Planning, Design and Operation of Distribution Centers

We operate distribution centers for a diverse array of industries and customers. Despite a severe operating environment in fiscal 2010, we carried out proactive sales activities that allowed us to secure new orders for the consigned operation of distribution centers. Guided by the thinking embodied in TPS, we also vigorously promoted cost improvement activities at logistics sites as we worked to strengthen our profit structure. We also actively carried out consulting services to respond to customer needs.

Land Transportation Services

We posted a steep decrease in the volume of automotive parts transported in fiscal 2010 due to a decline in production volumes in the automobile industry, which is a principal customer. As a response, we lowered our break-even point by vigorously undertaking emergency profit improvement activities. Highlighting our concern for the environment, we also made efforts to promote eco-conscious transportation.



Taikoh Transportation Co., Ltd.'s land transportation services

High Value-Added Services including Cash Collection and Delivery and Cash Proceeds Management and Data Storage, Management, Collection and Delivery

The sluggish economy created difficult conditions for securing new orders in high value-added services. In our cash collection and delivery and cash proceeds management services, we worked to further raise efficiency by reorganizing our service center in the Kanto area, which accounts for approximately half of all sales to the retail industry and where high growth is anticipated in the future. In our business for storing, managing, collecting and delivering data, we vigorously promoted comprehensive cost-reduction measures, while cultivating overseas markets and strengthening our digital archive operations with the aim of expanding future business domains.



Asahi Security Co., Ltd.'s cash collection and delivery and cash proceeds management services

Building New Business Models

Toyota Industries is pursuing various possibilities to address all the logistics needs of customers. The Logistics Division and the Materials Handling Equipment Division are working together, for instance, to promote the Logistics Solutions Business by integrating hardware, software and operational aspects of logistics. We will combine the know-how of each business division and utilize the resources to build new business models.

Textile Machinery

A Leading Manufacturer of Textile Machinery that Meets Diverse Customer Needs

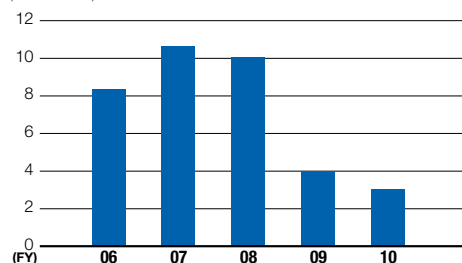


Business Overview in Fiscal 2010

In the textile machinery industry, although demand is continuing to recover moderately from the worst of the downturn in the principal market of China, harsh conditions still prevailed worldwide. Within this environment, Toyota Industries posted a decline of ¥8.7 billion, or 29%, in net sales to ¥20.8 billion, reflecting lower sales of its mainstay air-jet looms in China.

Air-Jet Loom Sales

(Thousand units)



Sales in Fiscal 2010

Facing weak sales of textile machinery, Toyota Industries placed increased emphasis on after-sales services. Specifically, we focused on providing services from a customer perspective. These included performing machinery diagnostics to make needed adjustments for optimizing performance capabilities of textile machinery, making suggestions for parts replacements and enhancing Internet sales of spare parts. Through such concerted efforts, we are striving to further enhance customer confidence. Additionally, we strengthened our activities for obtaining orders for our mainstay air-jet looms and maintained the world's No. 1* share in unit sales for air-jet looms for the 13th consecutive year since 1997.

* Statistics from the International Textile Manufacturers Federation (ITMF), 2009

Capital Alliance with Uster Technologies AG

Uster Technologies AG of Switzerland possesses a proprietary business model that has built a global yarn quality measurement standard by drawing on its superb technologies

and develops and sells yarn grading and yarn quality inspection systems. To the present, Toyota Industries and Uster have continued to explore areas where both companies can mutually utilize each other's strengths. To build even more amicable relations and promote development, in November 2009 Toyota Industries acquired a stake in Uster as part of that company's capital increase, becoming Uster's second largest shareholder, with a 22.45% stake.

By integrating Uster's know-how in yarn quality management in addition to defect detection and information processing technologies into our own textile machinery, we plan to develop easier-to-use, high value-added products for our customers.

Developing Machinery that Creates High Value-Added Textile Products

Textile machinery plays an indispensable role in clothing, one of the basic necessities of "food, clothing and shelter" that supports people's daily lives. In the future, per capita consumption of textile products is forecast to rise in tandem with population growth and rising standards of living, primarily in emerging countries. As this trend unfolds, Toyota Industries will respond to diverse customer needs by developing machinery that can create even higher value-added textile products, reducing substances of concern and enhancing the energy efficiency and operability of our textile machinery.



JAT710 air-jet loom



RX240 series high-speed ring spinning frame