

Reorganization of the Headquarters

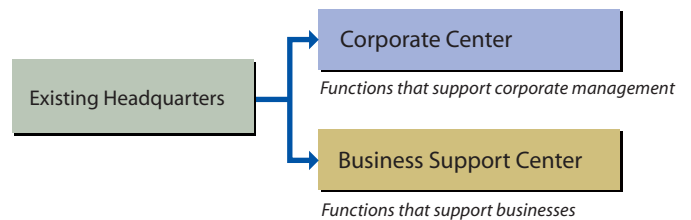
In recent years, both the scale and speed of changes in the business environment surrounding Toyota Industries, including market needs and technological development, have increased as never before. Unless we cope with the changes flexibly, we cannot survive in the face of unrelenting global competition. It is also increasingly important to develop technological and market synergies among our various businesses in order to create new values. As we build up our global business presence and advance into new business fields, it is vital that we reinforce the functions of the headquarters, which is responsible for plotting the course of the Company and acting as a catalyst for corporate growth.

In January 2002, we embarked on a reorganization of the headquarters with the aim of making full use of the strengths generated by our diverse business universe and promoting a higher level of growth and prosperity.

Based on its key functions, the headquarters was divided into the Corporate Center, which is responsible for the strategy and administration of the Company as a whole, and the Business Support Center, which provides support and services to divisions and departments. As a result of this move, we believe the role of the headquarters became clearer, enabling improved business efficiency and faster decision-making. We also established new departments and

strengthened those functions where the headquarters had not previously played a sufficiently satisfactory role. Specifically, the Corporate Center sets company-wide management strategies, allocates management resources, creates new growth businesses by moving into areas where we can apply our advantages, and develops management personnel. The Business Support Center provides each business division and the Corporate Center departments with highly specialized expertise.

Headquarters' Structural Reform



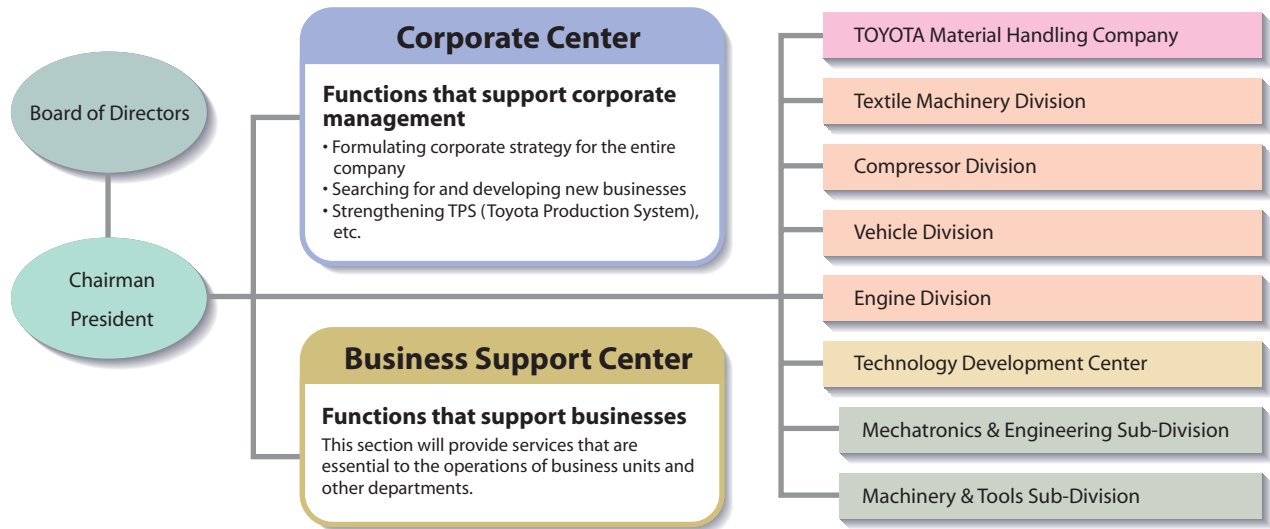
Dividing the existing headquarters into two functionally distinct organizations: a "Corporate Center" and a "Business Support Center"

Staff at the headquarters are also expected to change their way of thinking to a strategically oriented type. By transforming itself into a service-oriented entity with highly specialized expertise in order to provide optimal support and services, the headquarters will be able to act as a unifying force in the pursuit of clear strategic goals.

The headquarters will delegate even more authority for day-to-day operations to the individual divisions and the in-house company. This will enable each division to act as an autonomous entity, allowing swifter, more flexible and self-sufficient management in line with each division's characteristics.



Corporate Organization



Strengthening the Roles of the Headquarters

As part of the recent reorganization, we have established the Business Planning Department in the Corporate Center in order to focus our accumulated information, expertise and technologies on the task of continually and systematically generating ideas for the creation of new products and services that may develop into future business pillars. We have also set up the Technical Planning Department to unify and administer our diverse technologies. An organic combination of our technological resources will act both as a

catalyst in producing new value and a spur to the development and execution of our medium- to long-term technological strategies within the context of our latest technological development and company-wide management strategies.

The Toyota Production System (“TPS”), which was originally formulated by Toyota Motor Corporation, also symbolizes our basic concept of production and serves as one of the essential sources of our competitiveness. In order to fully establish TPS within Toyota Industries and familiarize more employees with the system, we set up a specialized department within the Corporate Center.