



Toyota Industries Report

2012

Business Activities

Materials Handling Equipment — P **26-31**

Automobile — P **32-36**

Vehicle / Engine / Car Air-Conditioning Compressor / Car Electronics

Logistics — P **37-38**

Textile Machinery — P **39-40**

Materials Handling Equipment

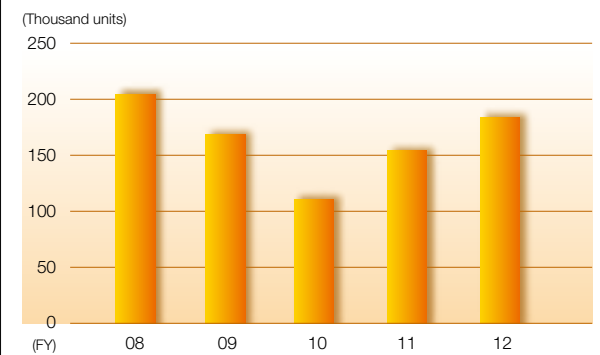
As the globally recognized top brand of lift trucks, Toyota Industries provides cutting-edge products and services to customers across the world, with the level of quality only an industry leader can achieve.



Business Overview in Fiscal 2012

In the materials handling equipment industry, emerging countries primarily in Asia, as well as Europe, North America and Japan, maintained an upward trend in their respective markets. Amid this environment, Toyota Industries reinforced production and sales structures and rolled out products matched to respective market conditions. As a result, sales of our mainstay lift trucks rose both in and outside Japan to a total of 184,000 units, an increase of 31,000 units, or 20%, over the previous fiscal year. Net sales rose ¥80.1 billion, or 16%, to ¥570.7 billion.

Materials Handling Equipment Sales



Toyota Material Handling Group (TMHG)

As a market leader with extensive knowledge of logistics needs across the world, Toyota Industries provides a full range of lift trucks and other materials handling equipment to customers worldwide.

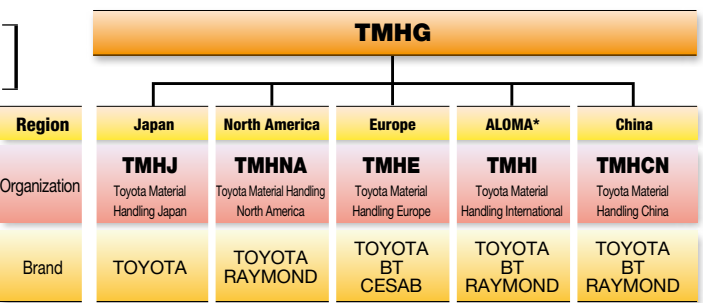
Under the TMHG management structure, we engage in business under the TOYOTA, BT,

RAYMOND and CESAB brands. Mutually utilizing the sales and development strengths of each brand, TMHG is promoting business expansion on a global scale.

Market Conditions and Business Activities in 2011

In 2011, the lift truck market in respective regions enjoyed favorable conditions driven by the market recovery in developed countries and market growth in emerging countries. In Japan, we were forced to partially suspend production operations after the Great East Japan Earthquake in March 2011. Nevertheless, we worked to quickly restore and make up for the delay in production by flexibly utilizing our unique supply chain. We also focused on expanding sales in the manufacturing industry where there was an upturn in capital investment. In Europe and North America, we reinforced our ability to accept large orders covering geographically extensive areas and proactively participated in various exhibitions to appeal the excellence of our products and services. With the aim of strengthening both our production and sales activities in emerging countries, we engaged in sales expansion activities through our new sales subsidiary established in India and decided to construct a lift truck production plant in Brazil.

Toyota Material Handling Group Organization Chart



* ALOMA stands for Asia, Latin America, Oceania, Middle East and Africa.

As for the Materials Handling Engineering Business, which is represented by automated storage and retrieval systems and automatic guided vehicles (AGVs), we stepped up our efforts to promote the development of such overseas markets as China.

Difficult conditions continued in the market for aerial work platforms due to such impacts as the earthquake and the economic downturn in Europe. To counter the situation, we concentrated on expanding sales of Aichi Corporation, which possesses the top brand of aerial work platforms in Japan, while pushing ahead with cost reduction efforts. As a result, net sales exceeded the previous fiscal year's level.

Japanese Market

No. 1 Market Share* in Lift Truck Sales

In 2011, the Japanese lift truck market was negatively affected by the earthquake, but subsequent recovery resulted in approximately 10% growth over the previous year. Toyota Material Handling Japan (TMHJ) quickly restored its suspended operations to make up for the delay in production and worked hard to expand sales to the manufacturing industry, including the transportation equipment sector, in keeping pace with a recovery in the market. Reflecting these efforts, unit sales in fiscal 2012 increased 21% year-on-year to 32,000 units. TMHJ secured a 42.7% share of the Japanese market in 2011 and maintained its top position* for the 46th consecutive year.

* Surveys by Japan Industrial Vehicles Association and Toyota Industries Corporation, 2011

Introducing Products Excellent in Environmental Performance and Work Efficiency

TMHJ added four optional attachments for the 3.5- to 4.5-ton GENE0-HYBRID diesel-powered internal-combustion hybrid lift trucks to make the GENE0-HYBRID more versatile in responding to diverse customer needs in various industries, including paper and pulp as well as lumber industries.

In addition, charging stands for plug-in hybrid vehicles (PHVs) and electric vehicles (EVs) are now available



Attachments available as an option for the GENE0-HYBRID

through TMHJ dealers located throughout Japan. Drawing on our servicing capabilities, which we have accumulated in the field of electric lift trucks, we are working to satisfy growing needs for maintenance services in the electric-powered vehicle field.

Appealing Energy Savings and Logistics Efficiency to Customers

TMHJ has been offering solutions for greater energy savings and logistics efficiency to customers under the theme "Warehouses Are Full of Improvement Seeds." In July 2011, TMHJ launched the Eco Lineup Campaign to expand sales of environmentally friendly electric and hybrid lift trucks.

Starting in November 2011, TMHJ ran a series of newspaper advertisements showing examples of its past *kaizen* (continuous improvement) solutions. At the same time, TMHJ provided free logistics diagnoses across Japan in an effort to capture latent customer needs.

TMHJ is providing optimal logistics solutions combining its extensive product lineup that ranges from lift trucks to a variety of materials handling systems with a wealth of logistics improvement know-how and superior service structure.

Kaizen Example for Customer in the Food Industry

Toyota Industries' automated storage and retrieval system significantly reduced the burden of moving barrels, which weigh 60 to 90 kg each, into and out of the warehouse. Moreover, three-dimensional use of the warehouse space created 1.5 times greater storage volume and enabled smooth movements of lift trucks to carry barrels within the warehouse.



Newspaper advertisement showing a kaizen example

Topic

In February 2012, Toyota Industries concluded a business and capital tie-up agreement with SEIBU ELECTRIC & MACHINERY CO., LTD. based in Koga, Fukuoka Prefecture.

With a view to strengthening our lineup of materials handling systems, such as automated storage and retrieval systems and transportation equipment, we consign a portion of our customized designing and production operations to SEIBU. Accordingly, we will shift our focus, which has been traditionally placed on materials handling equipment hardware, to strengthening software development.

■ North American Market

Maintaining Top Market Share*1 for 10th Consecutive Year

The North American lift truck market increased by more than 30% in calendar year 2011 compared with 2010. Toyota Material Handling North America (TMHNA) remained the market share leader*1 in fiscal 2012 with combined unit sales of TOYOTA and RAYMOND brands of approximately 59,000 units, an increase of 37%.

Toyota, as a full line supplier of lift trucks, remained the market share leader*1 in North America for the 10th consecutive year, and Raymond, as a leading provider of electric lift trucks and solutions used in warehouse and distribution environments, focused on helping warehouses and other facilities achieve more efficient and sustainable operations through Eco-Performance.

*1: Survey by Crist Information & Research, LLC, 2011

Proactively Launching New Products and Services

TMHNA introduced a compact battery compartment option available on Toyota 8-Series 4-wheel AC electric lift trucks. The new option supports customer requirements to operate in cramped warehouses and environments.



Toyota 8-Series 4-wheel AC electric lift truck

The new Raymond 7000 Series Reach-Fork trucks were introduced featuring industry-leading lift and lower speeds, and regenerative lowering, which produces energy when the forks are lowered to increase battery shift life. The newly developed Raymond Courier™ automated lift truck allows for flexible automation without system constraints through the integration of vision guided



Raymond 7000 Series Reach-Fork truck

technology that does not require lasers, magnetic tape, wires or additional infrastructure. As a result, the automated lift truck can be flexibly integrated into a variety of facilities.

Highly Acclaimed TOYOTA and RAYMOND Brands

TMHNA is committed to developing and providing products and services that satisfy the diverse needs of customers and assist them in setting up a highly efficient logistics environment.

In recognition of such initiatives, *Plant Engineering* magazine awarded TOYOTA's new 8-Series 4-wheel AC electric lift trucks the 2011 Product of the Year Gold Award in the Material Handling Category. *Plant Engineering* also awarded a 2011 Product of the Year award to RAYMOND's new Models 9300/9400 Sideloaders lift trucks.

Also, in an independent study of lift truck users, TOYOTA took top billing as the lift truck customers consider safest and most reliable*2. In the supply of parts as well, lift truck users voted Toyota genuine parts highest in quality and reliability for the third year in a row.

*2: Survey by Peerless Media Research Group, 2011

Aiming to Provide Customer-Oriented Services and Industry's Leading Products

Growth of the North American lift truck market is expected to slow in 2012 compared with the previous year. TMHNA will seek to further enhance synergies to ensure the full power of both the TOYOTA and RAYMOND brands is utilized. TMHNA will continue to offer customer-centric services and industry-leading products to enhance efficiency and productivity while lowering costs.

Topic

In 2011, Toyota Industrial Equipment Mfg., Inc. (TIEM), a subsidiary producing TOYOTA-brand lift trucks in North America, recorded cumulative total lift truck production of 400,000 units. TIEM was selected as one of the 10 Best Plants in North America in 2011 by *IndustryWeek* magazine and earned the Company of the Year Award for 2011 from the Columbus Area Chamber of Commerce. In addition, TIEM received the Occupational Excellence Achievement Award from the National Safety Council in recognition of recording a lost work time rate of less than 50% of companies in the same business classification, as well as the 2011 Governor's Award for Environmental Excellence from the governor of the U.S. state of Indiana.



The RAYMOND brand was exhibited at MODEX 2012, a trade show held in February 2012 in Atlanta, Georgia. During the event, the RAYMOND brand appealed to visitors its ability to offer solutions that enable energy savings and other benefits along with efficient logistics.



MODEX 2012 trade show

■ European Market

Increasing Unit Sales by Grasping Market Trends

In 2011, the lift truck market in Europe showed signs of recovery on an annual basis, although growth slowed in the second half. Overall, demand in the market increased by more than 20% year-on-year.

Amid this environment, Toyota Material Handling Europe (TMHE) participated in various exhibitions to capture latent demand by offering logistics solutions and to promote a wide array of products and services. As a result of these proactive sales expansion activities, TMHE recorded unit sales of 60,000 units, an increase of 21% over the previous fiscal year.

Sales Expansion Efforts Including New Product Series and Services

TMHE launched the new BT Optio L, an ergonomically designed order picker introducing the new "Smooth Operator" concept. The product features a function to automatically control the operating speed when going around a curve and a suspension mechanism to ensure a smooth ride by absorbing vibrations from under the driver's seat. The BT Optio L-series won the Gold Award, the highest among the iF Product Design Awards*, for its excellent performance, functionality and quality of design.

TMHE has also been focusing on logistics solutions services, and as a result of its proactive sales expansion activities, obtained a number of new customers in fiscal 2012. TMHE contributes to reducing operational costs and enhancing safety by offering a variety of solutions, including automated logistics.

* The iF Product Design Award is one of the world's most prestigious awards presented every year since 1954 by the Germany-based organization International Forum Design.



BT Optio L-series order picker

Appealing Excellent Quality of Products and Services at Exhibitions

In May 2011, TMHE participated in CeMAT, the world's leading intralogistics trade fair, in Hannover, Germany. Visitors were able to see the full range of products and services offered by TMHE under the corporate theme "Responsible Together" in three areas: Responsible Innovation, Safety Dojo and Empowering Your Business. Attendees could experience a live demonstration of the Toyota GENEO HYBRID lift truck and automated order picking along with using interactive tools to discover innovative logistics solutions to help reduce customers' costs.



TMHE booth at CeMAT

At CeMAT, the new range of CESAB-brand counterbalanced lift trucks featuring improved mast operability and superior safety in addition to warehouse trucks were exhibited.



CESAB booth at CeMAT

At the Inter Airport Europe exhibition held in October 2011 in Munich, Germany, TMHE presented its flight carriers, a range of towing tractors designed for airport materials handling, which have been introduced at airports all over the world.



Toyota towing tractor

Helping Customers Reduce Operational Costs and Contributing to Better Materials Handling Environment

TMHE will continue to support customers across Europe to reduce their operational costs through advanced automated systems and an extensive product lineup, as well as excellence in service, with innovative solutions like the Toyota I_Site fleet management system. TMHE will continue with its activities to work responsibly together with its customers, suppliers and partners for a better materials handling environment. Its ongoing partnership with EU-OSHA (European Agency for Safety and Health at Work) is one example of such initiatives. Under the theme "Working Together for Risk Prevention," both management and the workforce will increase collaboration to ensure safety in the workplace.

ALOMA* and Chinese Markets

Further Upgrading Sales and Service Capabilities

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

In 2011, these markets have experienced strong demand for lift trucks supported by continued economic expansion. Although both TMHI and TMHCN engaged in key efforts to further strengthen their competitive position in sales and services, sluggish sales in China resulted in unit sales in these markets decreasing 3% to around 33,000 units in fiscal 2012.

* ALOMA stands for Asia, Latin America, Oceania, Middle East and Africa.

Reinforcing Production and Sales Operations in Growing Markets

To secure a competitive position in the expanding Indian market, Toyota Material Handling India Pvt. Ltd. (TMH India) started operations in May 2011. Concerted efforts are being made to expand sales and service operations to further improve capabilities to serve customers nationwide based on a full range of products.

In Brazil, which is the largest industrial vehicle market in Latin America, besides stepping up sales activities, the decision was made to construct a new production plant in São Paulo. In October 2013, the new plant will commence production of internal-combustion lift trucks, for which there is strong market demand. Production will gradually be extended to cover other products.

In Vietnam, Toyota Industrial Equipment Vietnam Co., LTD. (TIEV) commenced production of motors for electric lift trucks in April 2012. By supplying these motors to lift truck assembly plants worldwide, TIEV is strengthening its price competitiveness.



Toyota Industrial Equipment Vietnam Co., LTD.

In China, Toyota Industry (Kunshan) Co., Ltd. (TIK) launched production of the new 8FBN electric lift truck, a global model. The 8FBN was rolled out in the Chinese market in June 2011 and subsequently in the ALOMA markets in February 2012. A plant was also set up to produce BT-brand low lift trucks in Foshan, Guangdong Province, and another one to manufacture RAYMOND-brand compact towing tractors in Dalian, Liaoning Province. On the sales front, in addition to upgrading the capabilities of existing distributors, a joint sales company was established and began operations in September 2011. These activities were aimed at further reinforcing sales and service networks in major cities.



Toyota 8FBN electric lift truck

Offering Products Attuned to Needs in Each Region and Building Optimum Supply Structure

An upward trend in demand for lift trucks is expected in the ALOMA and Chinese markets in 2012. TMHI and TMHCN will continue to enhance their capabilities in terms of providing a full range of excellent lift trucks and services matched to needs in respective regions and establishing an optimum supply structure to meet customer expectations.

Topic

The 2nd TMHI Distributor Conference held in November 2011 brought together around 70 representatives from 42 distributors of the TOYOTA, BT and RAYMOND brands in 35 countries in the ALOMA markets. TMHI's medium-term targets and action plans for achieving them were presented. In addition, participants also increased their product knowledge about lift trucks, warehouse trucks and towing tractors for each brand, together with visiting a service facility of a TMHJ dealer to learn about sales management and site operations.



TMHI Distributor Conference

In the fields of vehicle assembly, engines, car air-conditioning compressors and car electronics, Toyota Industries is contributing to the creation of eco-friendly and comfortable automobiles by leveraging its environmental technologies for energy savings, electrification and lighter weight.



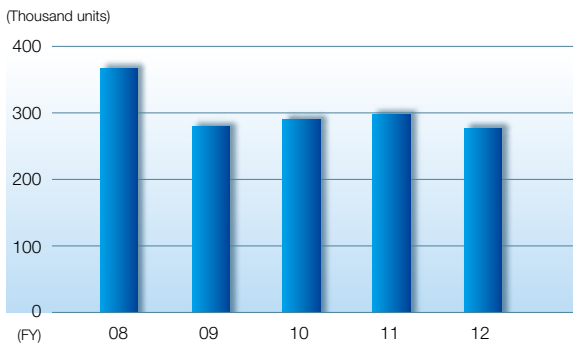
Vehicle

Business Overview in Fiscal 2012

In the automobile industry, despite sluggish growth of the Japanese market, the global market grew in line with continued market expansion in Asia and a market upturn in North America. Although adversely affected by the earthquake in Japan and the flooding in Thailand, Toyota Industries worked hard to restore production activities.

In fiscal 2012, unit production dropped by 17,000 vehicles, or 6%, from the previous fiscal year to 278,000 vehicles, due to lower sales of the RAV4 and Vitz (Yaris outside Japan). Net sales were down ¥21.1 billion, or 6%, to ¥354.4 billion.

Vehicle Production



Plastic Glazing Panoramic Roof for the Prius α (Prius v in North America and Prius + in Europe)

Toyota Industries commenced production of a panoramic roof made of plastic glazing for the Prius α, a hybrid

vehicle marketed by Toyota Motor Corporation (TMC) in May 2011. In light of the growing demand for reduced vehicle weight, we have developed plastic glazing as a lighter-weight substitute for glass. This product retains the beautiful surface quality typical of a glass roof yet is approximately 40% lighter* than its glass counterpart, improving vehicle fuel efficiency and thus contributing to the reduction of CO₂ emissions. We are currently receiving numerous inquiries from many automakers in and outside Japan. Toyota Industries will continue to develop attractive new products that leverage the distinctive characteristics of plastic glazing.

* Survey by Toyota Industries Corporation



Enhancing Appeal of the Vitz

Both Toyota Industries and TMC had undertaken domestic production of the Vitz until March 2010; however, we became the sole producer in Japan. We also designed a portion of its upper body and interior, as well as the RS, a sporty model in the Vitz family, thereby undertaking a full range of processes from development to production. With a view to turning the Vitz into a long-selling series, Toyota

Industries collaborates with TMC to make suggestions on new vehicle specifications and car-related goods under the banner “Make Our Vitz More Attractive by Ourselves.” At the same time, we also undertake activities to expand our customer base by enhancing the appeal of the Vitz through our support to motorsports events.

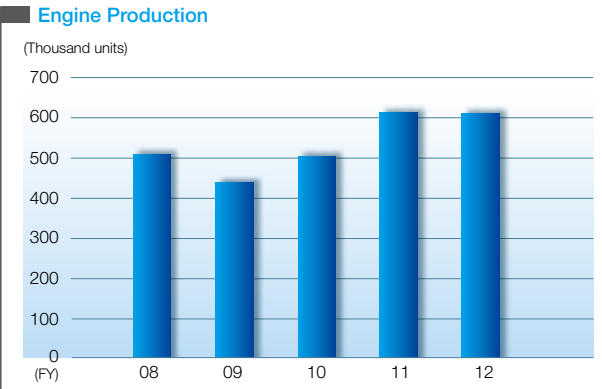
Highest-Level QCD to Contribute to Production of Attractive Toyota Cars

In the face of the shrinking automobile market in Japan, we are further strengthening our superior level of quality, cost and delivery (QCD). We also are working to leverage our ability to quickly start up production and a flexible structure in terms of production volume and vehicle models to contribute to production in Japan of Toyota vehicles.

Engine

Business Overview in Fiscal 2012

An increase in production primarily of KD diesel engines was offset by a drop in production of AR gasoline engines, and production volume in fiscal 2012 remained on par with the previous fiscal year at 610,000 units. Net sales were at the same level as the previous fiscal year at ¥197.1 billion.



Toyota Industries' Diesel Engines Highly Acclaimed by Customers Worldwide

Toyota Industries' diesel engines, fitted in a variety of Toyota vehicles sold around the world, have gained high market recognition for their cleaner emissions, greater fuel efficiency and higher performance. KD diesel engines, for which production started in 2005, are installed in TMC's Innovative International Multi-Purpose Vehicle (IMV) series, and their sales have been achieving steady growth mainly in Asia and Latin America. The V-type 8-cylinder VD diesel engine, which was developed primarily by Toyota Industries, is installed in the Land Cruiser, and sold particularly well in Australia, Russia and the Middle East.

The RAV4 and Lexus IS for Europe are equipped with our AD diesel engine that cleared Euro 5 emission standards in 2008. In 2011, our KD and VD diesel engines also passed Euro 5 emission standards, and we worked to attain greater fuel efficiency for our AD diesel engines.



Developing Competitive Engines in Fields Other than Automobiles

Toyota Industries' engines are highly renowned for their excellent environmental performance in non-automotive fields as well. These engines are used for a wide variety of applications, including GENEO-HYBRID diesel-powered internal-combustion hybrid lift trucks, and adopted by GHP*1 manufacturers in Japan and CHP*2 manufacturers worldwide.

*1: Short for gas heat pump; air conditioner driven by a gas engine
*2: Short for combined heat and power; co-generation system

Aiming to Bring Satisfaction to More Customers

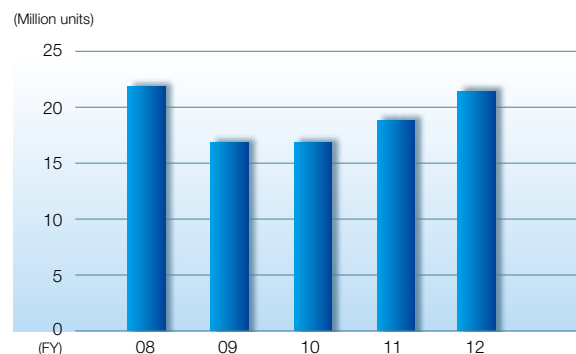
Toyota Industries has been making efforts to achieve shorter development cycles with improved efficiency. At the same time, we have been carrying out development of next-generation automobile engines that can clear Euro 6 and other stringent emission standards, as well as engines for materials handling equipment and general purposes, featuring greater fuel economy and lower costs. We have been participating in various overseas exhibitions, with an eye to acquiring new customers for our general-purpose engines. Looking ahead, we will establish optimum sales and service structures matched to each market with a focus on sales expansion activities mainly in emerging countries.

Car Air-Conditioning Compressor

Business Overview in Fiscal 2012

Unit sales of car air-conditioning compressors increased both in and outside Japan, pushing up overall unit sales by 2.72 million units, or 14%, to 21.55 million units. Net sales rose ¥14.7 billion, or 8%, over the previous fiscal year to ¥206.5 billion.

Compressor Sales

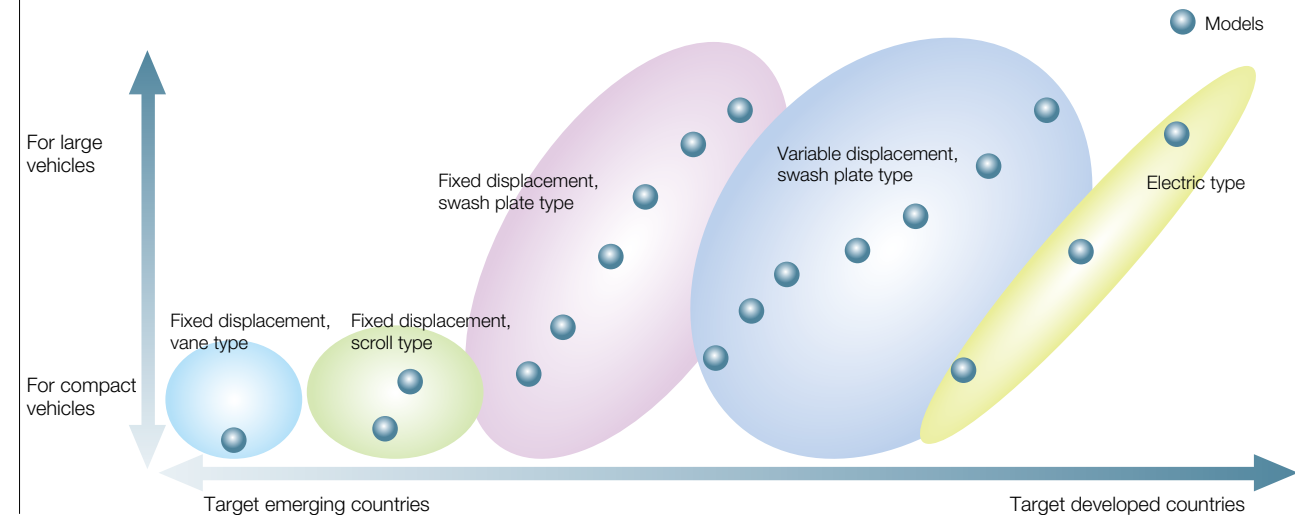


Enhancing Appeal of Our Extensive Lineup

In order to meet a diverse range of customer needs, Toyota Industries offers a full lineup of car air-conditioning compressors, including a vane type for compact vehicles, fixed-displacement type for medium to large vehicles, variable-displacement type and electric type.

Our extensive lineup can adequately respond to the regionally diverse needs of customers both in developed and emerging countries. We intend to further enhance the appeal of our extensive lineup.

Toyota Industries' Compressor Lineup



For developed countries, we are promoting the development of variable-displacement type compressors with greater fuel efficiency and electric compressors that are compact, lighter and quiet.

Since initially being installed in the second-generation Prius, our electric compressors have been fitted in all Toyota hybrid vehicles (HVs), from the third-generation Prius to the Aqua (Prius c in North America). Backed by our proven sales track record to TMC coupled with strong product appeal, we have been receiving an increasing number of inquiries from other automakers around the world for application in their HVs, plug-in hybrid vehicles (PHVs) and electric vehicles (EVs).

In emerging countries, we are working to improve the reliability and price competitiveness of our fixed-displacement type compressors. We are also striving to optimally match functionality and costs for variable-displacement type compressors, for which demand is growing. Combining the appeal of our products with our ability to provide excellent technical support required by automakers, we intend to increase our share in respective emerging countries where our sales presence is relatively small.



Further Augmenting Global Production and Procurement Structures

We have been increasing production of our variable-displacement type compressors in North America and Europe in response to the growing need for higher fuel efficiency in developed countries. In Japan, we have been expanding our capacity to manufacture electric compressors.

In emerging countries, P.T. TD Automotive Compressor Indonesia (TACI), a new car air-conditioning compressor production base, commenced production operations in June 2011. We will further augment TACI's production capacity to respond to the growing ASEAN automobile markets.



10SA13 fixed-displacement type compressor produced by TACI and installed in TMC's IMV series vehicles and the Etios



Personnel engaged in development work

In terms of procurement, we will take steps to reduce costs by establishing an optimum procurement structure on a global basis and increasing procurement from local business partners.

Establishment of Production Base for Variable-Displacement Type Car Air-Conditioning Compressor Parts in the United States

In February 2012, we established Toyota Industries Compressor Parts America, Co. (TICA), a production base for car air-conditioning compressor parts for the North American market, in the U.S. state of Georgia.

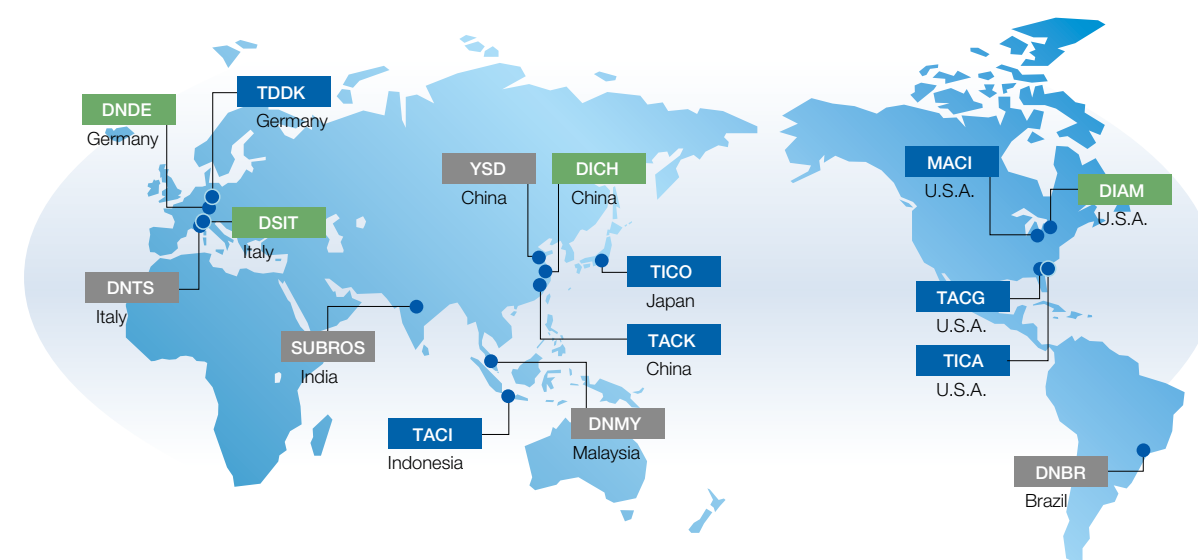
Through the establishment of the new company, we aim to meet the growing demand in North America for fuel-efficient variable-displacement type compressors, increase the ratio of compressor parts procured locally and improve our price competitiveness.

TICA plans to start the production of parts in September 2013 for two compressor production bases in the United States. By fiscal 2017, TICA intends to produce parts for 6 million compressors annually.



Testing

Worldwide Bases of Car Air-Conditioning Compressors



■ : Consolidated production bases ■ : Licensed manufacturers ■ : Technical service stations

Toyota Industries' car air-conditioning compressors are widely adopted by automakers around the world, garnering the No. 1* position in global sales.

* Survey by Toyota Industries Corporation

Business Overview in Fiscal 2012

In fiscal 2012, Toyota Industries posted an increase in net sales of car electronics products, fueled by a rise in production of the Toyota Prius and other HVs, and an increase in the number of models fitted with our products, such as the Aqua and the Prius Plug-in Hybrid.

Gaining Experience and Greater Role in Electric-Powered Vehicle Field

Toyota Industries develops and produces electronic components and devices for electric-powered vehicles, including HVs, PHVs and EVs.

Auxiliary Power Source Devices

A DC-DC converter converts the high voltage of HV batteries to a lower voltage level suitable for operating lights, wipers, horns and other auxiliary devices. Since being adopted in the first-generation Prius, we have continuously developed more compact and lighter weight models to be fitted in the third-generation Prius and Aqua. As of the end of February 2012, cumulative production hit 4 million units.



DC-DC converter fitted in the Prius

A DC-AC inverter is used to run home electric appliances in a vehicle. Following the earthquake in Japan, it has been drawing much attention as an emergency power source device.

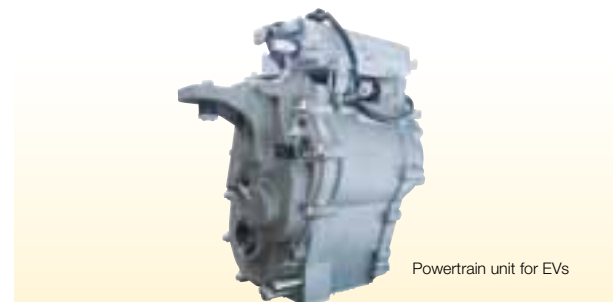
With regard to onboard chargers, we have developed and made sales approaches by utilizing our technologies and know-how in developing EV chargers in the 1990s and 1,500W AC power source devices. The resulting onboard charger is fitted in the Prius Plug-in Hybrid introduced to the market by TMC in January 2012.

Core Components for Drive Systems

Toyota Industries applied its proprietary direct-cooling method to develop a device with significantly higher cooling performance. We have entered the field of core components for drive systems such as power control units (PCUs) for the third-generation Prius.

In January 2010, we initiated an electric powertrain promotion project as a Company-wide organization to promote electrification of our products. We have since worked to bolster the development of core components and systems for drive systems.

As the first product developed under this project, we released a powertrain unit for EVs in November 2011. We integrated designs of functional components, such as an inverter, motor and reduction gears, into one package and successfully reduced the size and weight.



Powertrain unit for EVs

Charging Infrastructure

We developed a public-use charging stand for PHVs and EVs jointly with Nitto Kogyo Corporation and launched sales in July 2009. Upon the market introduction of the Prius Plug-in Hybrid, we co-developed with Nitto Kogyo in 2011 a home-use charging unit that features a simple design and easy-to-use functionality.



Home-use charging unit

Accelerating Development Activities to Contribute to Realization of Low-Carbon Society

Demand for environment-friendly products with high energy efficiency is expected to grow more rapidly, with the trend toward electrification likely to expand not only for automobiles but also for such non-automotive products as materials handling equipment. Enhancement of the charging infrastructure will also take a greater role in promoting the spread of PHVs and EVs.

Targeting the high-growth, electric-powered vehicle market, we will accelerate development of technologies and products in the fields of auxiliary power source devices, core components and systems for drive systems and charging infrastructure, thereby making a significant contribution to the realization of a low-carbon society.

Logistics

Toyota Industries offers customers highly advanced, efficient logistics services to respond to their diverse needs, including consigned operation of distribution centers; land transportation services; cash collection and delivery and cash proceeds management services; and data storage, management, collection and delivery services.



Business Overview in Fiscal 2012

The logistics industry recovered from the effects of the earthquake and the flooding in Thailand relatively quickly, generating a steady logistics volume. Toyota Industries continued to seek new orders and strengthen the business structure through profit improvement activities. However, due to such factors as selling our shares in a logistics service subsidiary, Mail and e Business Logistics Service Co., Ltd., net sales in fiscal 2012 were down ¥14.8 billion, or 14%, from the previous fiscal year to ¥92.9 billion.

Planning, Design and Operation of Distribution Centers

Toyota Industries operates distribution centers for various industries and customers. During fiscal 2012, operation of existing distribution centers was less affected by the earthquake and the flooding and generated a relatively steady logistics volume. We continued to promote cost reduction activities at logistics sites based on the thinking embodied in the Toyota Production System (TPS) to strengthen our profit structure.

We continued our proactive sales activities by making proposals to optimize the entire supply chain of each customer. As a result, we successfully obtained two new orders for the consigned operation of distribution centers.

We also actively carry out consulting services to respond to customer needs in an effort to capture latent demand for consigned operation of distribution centers and logistics systems.

Land Transportation Services

The Taikoh Transportation Group provides land transportation services under consignment from many automotive parts manufacturers. The group collects finished parts from manufacturers, compiles them by their destination and delivers to automakers "what is needed, when it is needed and in the quantity needed."

During fiscal 2012, while the automobile industry, our principal customer, was affected by the earthquake and the flooding, an early recovery in production operations and growing demand for eco cars resulted in a steady increase in the volume of automotive parts transportation.

Under these circumstances, we continued our profit improvement activities by promoting efficient cargo transport while aggressively undertaking activities to ensure safe and eco-conscious operations.

We will further reinforce our sales activities to capture new customers and expand our business domain.



Taikoh Transportation Group's land transportation services

■ Initiating Feasibility Test of a Delivery Locker

With the aim of expanding our business domains, Toyota Industries has conducted a feasibility study and product development in the delivery locker business. Based on these efforts, we have successfully developed a locker with advanced security features, including the ability to identify individual users, and initiated feasibility trials in cooperation with universities and public transportation service providers. Through these trials, we aim to analyze its serviceability for users and utilize the results in future development.

The recent sharp increase in the use of online shopping services has spurred the needs for greater user convenience and higher efficiency in logistics operations. We will leverage the advanced functionality of our distribution lockers as a relay between senders and recipients and accelerate business development targeting home-delivery service providers, commercial facilities, companies and homes, with the ultimate goal of contributing to the establishment of a social infrastructure in the field of delivery services.

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

■ Cash Collection and Delivery and Cash Proceeds Management

Asahi Security Co., Ltd. provides cash collection and delivery and cash proceeds management services on a 24/7 basis to about 2,450 customers mainly in the retail and service industries.

In addition to cash collection and delivery services tailored to each customer's specific needs, Asahi Security offers comprehensive services that include management of gift certificates and accounting operations at customers' retail outlets and aims to be a total service provider for customers.

During fiscal 2012, with a view to reinforcing its



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

nationwide support service network, Asahi Security opened cash collection and delivery centers in Okinawa and Kagoshima prefectures while relocating and expanding the existing base in Nagoya. Logistics sites were also opened in Hokkaido, Ehime, Nagano and Tochigi prefectures.

At each business base, Asahi Security conducts regular training on its own as well as emergency training jointly with local police departments in order to provide safe and trusted services to customers.

■ Data Storage, Management, Collection and Delivery

Wanbishi Archives Co., Ltd. provides support to about 4,000 companies and organizations, including large financial institutions and government agencies, to ensure the security and efficient use of their information assets. Under its robust security structure, Wanbishi Archives offers a comprehensive range of services covering the entire lifecycle of critical information assets, from storage and utilization to destruction.

Wanbishi Archives also offers high value-added services in its outsourcing business, such as digitizing paper documents, by being closely involved in customers' business processes.

Based on a survey conducted after the earthquake in March 2011 on how companies manage their information assets, Wanbishi Archives opened Tohoku Center 1, an information management center, in Natori, Miyagi Prefecture, in November 2011. The survey results were announced the following month.

After the massive earthquake, making a backup of information assets has become a matter of great importance in terms of developing a reliable business continuity plan (BCP). Wanbishi Archives is improving the quality of its services by enhancing its data backup services through its secure remote backup and storage operations.

Outside Japan, Wanbishi Archives launched full-scale information assets management services in China through its local subsidiary established in Kunshan. Capitalizing on its experience and know-how accumulated in Japan, Wanbishi Archives provides support to companies and organizations doing business in China to ensure the security and efficient use of their information assets. Through such efforts, Wanbishi Archives is actively pursuing business opportunities in growth markets.



Wanbishi Archives Co., Ltd.'s Tohoku Center 1

Textile Machinery

Based on the philosophy of founder Sakichi Toyoda, which reflects his strong commitment to manufacturing, Toyota Industries responds to a broad range of needs with its extensive product lineup, from air-jet looms, for which we enjoy the top global market share* in unit sales, to spinning frames and roving frames.



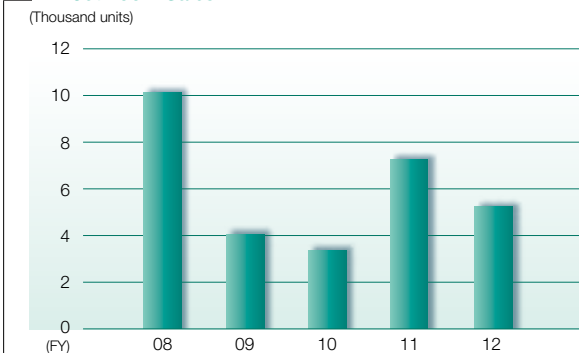
* Toyota Industries holds the world's No.1 position for the 15th consecutive year since 1997. Statistics from the International Textile Manufacturers Federation (ITMF), 2011

Business Overview in Fiscal 2012

In the textile machinery field, unit sales were down 2,000 units, or 28%, to 5,200 units, reflecting a drop in sales of air-jet looms to China. Net sales accordingly declined ¥4.2 billion, or 10%, from the previous fiscal year to ¥38.5 billion.

With the aim of further reinforcing the Textile Machinery Business, we made Swiss-based Uster Technologies AG into a Toyota Industries subsidiary in February 2012.

Air-Jet Loom Sales



Further Enhancing Product Appeal

For our mainstay air-jet looms, we improved the electronic shedding device that enables the weaving of fabrics with complex patterns in May 2011. For this latest device, we also developed the proprietary water-cooled motor, which is compact and consumes less electricity. The air-jet loom also is equipped with a new weft yarn inserting system to reduce the amount of air required to carry the weft yarn.

In the field of spinning machinery, we launched sales of the RX300 high-speed ring spinning frame in September 2011. This product is equipped with a new type of highly efficient motor and a new type of pneumatic suction cleaning device, offering excellent energy-saving performance.

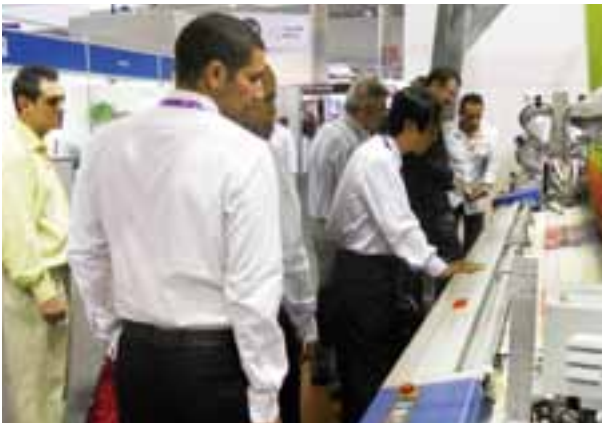


RX300 high-speed ring spinning frame



Participation in ITMA 2011

In September 2011, ITMA 2011, the world's largest textile machinery trade show, was held in Barcelona, Spain. At the trade show, Toyota Industries displayed the JAT710 air-jet loom, which was equipped with the new electronic shedding device, a new weft yarn inserting system and other devices, as well as the latest RX300 high-speed ring spinning frame. By demonstrating their actual operations, we appealed our excellent technological capabilities and strong commitment to environmental performance to visitors from many countries, including India, Brazil and Pakistan.



Toyota Industries' booth at ITMA 2011

Strengthening Product Appeal through Alliance with Uster Technologies AG

In February 2012, Uster Technologies AG joined the Toyota Industries Group. Uster develops, produces and sells cotton classing and yarn testing instruments that are used throughout the world. Uster defined quality benchmarks using yarns that it had stockpiled from all over the world for more than 50 years and subsequently developed yarn testing instruments based on these benchmarks. Yarns tested and cleared with these instruments guarantee a globally accepted level of quality. The company also possesses leading-edge sensor technology. We intend to develop innovative products by applying their world's most advanced technology to our air-jet looms and other textile machinery.



Cotton classing instrument



Yarn testing instrument



Uster Technologies AG