The performance of Toyota Industries' business segments varied for fiscal 2002. The Materials Handling Equipment Segment and the Automobile Segment showed year-on-year increases in sales due to the acquisition of BT Industries AB ("BT Industries") in June 2000 and a strong performance by the Car Air-Conditioning Compressor Business. On the other hand, the Textile Machinery Segment and the Others Segment saw sales decrease. The operating income of some businesses decreased from fiscal 2001, but overall Toyota Industries maintained the fiscal 2001 level. An overview of fiscal 2002 by segment follows.

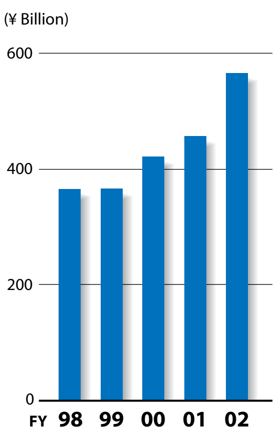
Note: Segment net sales figures do not include intersegment transactions. However, segment operating income figures do include operating income arising from intersegment transactions. U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥133.25=US$1, the approximate exchange rate on the Tokyo Foreign Exchange Market on March 29, 2002.

Automobile Segment

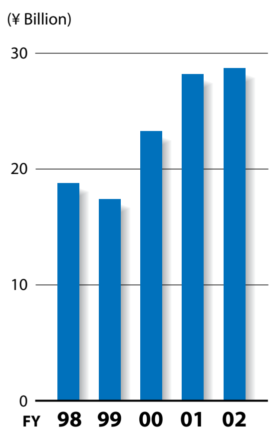
This segment consists of vehicle (automobile assembly), engine, car air-conditioning compressor and other businesses (including foundry parts and electronic components for automobiles).

Net sales amounted to ¥563.6 billion (US$4,229.6 million), up 23.2% over fiscal 2001 and accounting for 57.5% of total net sales of Toyota Industries. The increase was due mainly to a rise in sales of car air-conditioning compressors and the fact that Toyota Motor Corporation ("TMC") started charging for engines and other parts for automobiles we assemble that had previously been supplied free. Operating income was ¥29.0 billion (US$217.3 million), up 1.5%.

Net Sales of the Automobile Segment



Operating Income of the Automobile Segment



Vehicle Business

We currently assemble four models in the TMC lineup: Vitz (Yaris in Europe), TMC's strategic compact car; RAV4 compact sport utility vehicle; bB Open Deck; and Sprinter Carib (exported as the Corolla Wagon. Discontinued in the first half of fiscal 2003). Although the assembly of the RAV4 and bB Open Deck began in fiscal 2002, sales of the Vitz (Yaris), our mainstay vehicle, decreased due to TMC's commencement of production of this model in Europe and the ruthless domestic competition in the compact car market.

Total Vehicle Business production for fiscal 2002 was 247,000 units, down 29,000 from fiscal 2001. Sales of the Vehicle Business amounted to ¥280.1 billion (US$2,102.3 million), up 43.0% over fiscal 2001. Approximately half of this increase, ¥67.5 billion (US$506.6 million), was due to the fact that Toyota Industries now pays for parts previously supplied free by TMC and recoups an identical aggregate amount in the form of increased unit prices to TMC.

Engine Business

We produce gasoline and diesel engines for TMC vehicles and for our own line of forklift trucks and other industrial vehicles. For fiscal 2002, gasoline engine production totaled 172,000 units, a decrease of 11,000 from fiscal 2001. Though the production of the 2UZ gasoline engine from August 2000 made an excellent contribution to the total, production of 5E gasoline engines for automobiles and 4Y gasoline engines for industrial vehicles decreased. Production of diesel engines totaled 212,000 units, up 42,000. Production of 2000cc-class C-type diesel engines for automobiles decreased. This was outweighed by an increase in production of 1CD 2000cc direct injection turbo diesel engines with a common rail fuel system. Total engine production was 384,000 units, up 31,000 from fiscal 2001.

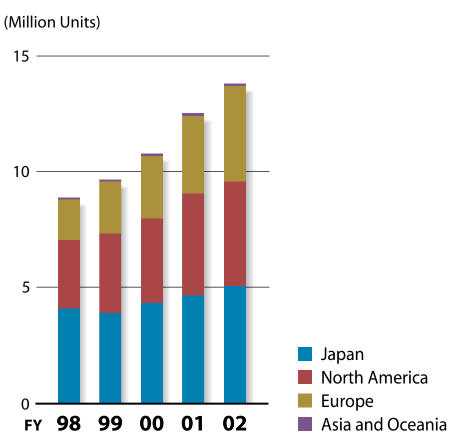
In April 2001, Toyota Industries absorbed TMC's Industrial Equipment Sales Division. Sales of engines for forklift trucks are now all intersegment transactions. Previously, we sold forklift engines to TMC, which were then supplied to us for production of forklift trucks. Excluding intersegment sales, sales of gasoline engines and diesel engines totaled 148,000 and 194,000 units, respectively. On the same basis, total engine sales amounted to 342,000 units, down 11,000 from fiscal 2001.

Net sales excluding intersegment sales totaled ¥114.9 billion (US$862.1 million), an increase of 12.5%, reflecting a higher ratio of value-added products and consequent increase in the average unit sales price.

Car Air-Conditioning Compressor Business

Car air-conditioning compressors developed and manufactured by Toyota Industries are marketed to the leading auto manufacturers worldwide through DENSO Corporation ("DENSO"). Sales of car air-conditioning compressors in the domestic market remained strong. Overseas, increased orders and stable car sales in Europe worked to our advantage. Orders increased in North America as well. In Japan, we sold 5.1 million units, up 436,000 over fiscal 2001. Overseas, we sold 8.7 million units, up 788,000. Total unit sales amounted to 13.8 million, up 1.2 million.

Car Air-Conditioning Compressor Unit Sales



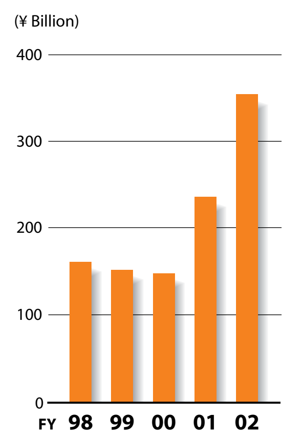
Net sales totaled ¥153.1 billion (US$1,149.1 million), up 9.7% over fiscal 2001.

In May 2001, in order to enhance the efficiency and therefore global competitiveness of operations in this area, Toyota Industries and DENSO agreed to integrate their production of car air-conditioning compressors. Toyota Industries now takes the lead in product development and manufacturing, while DENSO undertakes sales and limited manufacturing operations. Toyota Industries is taking over production of car air-conditioning compressors at DENSO's Toyohashi Plant in Japan. Overseas, production will be shared between the two companies on a country-by-country basis.

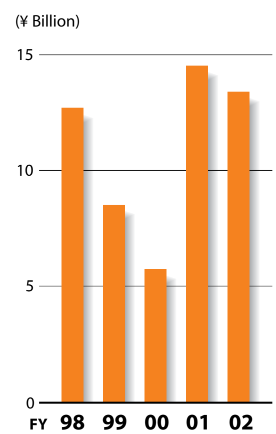
Materials Handling Equipment Segment

The Materials Handling Equipment Segment manufactures and sells forklift trucks, warehouse trucks and materials handling systems such as automated storage and retrieval systems, and automatic guided vehicle systems.

Net Sales of the Materials Handling Equipment Segment



Operating Income of the Materials Handling Equipment Segment



Net sales of the Materials Handling Equipment Segment totaled ¥353.0 billion (US$2,649.5 million), an increase of 49.3% over fiscal 2001. Operating income was ¥13.4 billion (US$100.3 million), down 8.1%, due mainly to a one-time amortization of goodwill in an amount of approximately ¥2.1 billion (US$15.6 million) following the acquisition of TMC's Industrial Equipment Sales Division in April 2001.

The substantial increase in sales reflected two major factors. First, in June 2000 Toyota Industries acquired BT Industries, a leading warehouse truck manufacturer based in Sweden. BT Industries' sales were consolidated in Toyota Industries' results for the full fiscal year, whereas they were consolidated only for the second half of fiscal 2001. Second, in April 2001 TMC transferred its Industrial Equipment Sales Division to Toyota Industries, which accounted for approximately ¥27 billion (US$202 million) of the increase in net sales.

In the forklift truck business excluding BT Industries, sales were down in North America but up in Europe. In the domestic market, sales of our exhaust-free GENEO-B (7FB outside Japan) electric counterbalanced forklift truck continued strong, supported by good demand for environment-friendly vehicles. The GENEO-R (7FBR outside Japan) electric reach trucks, launched in January 2001 mainly for the Japanese market, and the High-Pick Lift (7FBPR and 7FBP) electric order picking trucks, marketed in October 2001, also contributed to total sales.

Sales of materials handling systems, which comprise automatic guided vehicle systems and automated storage and retrieval systems for the domestic market, increased substantially, contributing to the overall good performance of this segment. BT Industries' orders received were slightly up over fiscal 2001. Orders received in Europe remained steady, but orders received in North America showed a large decrease due to the adverse economic environment. On the other hand, BT Industries' sales registered a double-digit percentage increase over fiscal 2001, with sales in Europe continuing strong and sales in North America slightly up, reflecting order backlogs at the beginning of 2001. However, since sales in North America for fiscal 2002 exceeded orders received, the order backlog decreased.

The Materials Handling Equipment Segment also manufactures and sells tow tractors, shovel loaders, sweepers and other industrial equipment. As a result of our acquisition of TMC's Industrial Equipment Sales Division in April 2001, we now undertake comprehensive materials handling equipment operations, from design through production to sales and marketing. This puts us in an even better position to deliver high levels of customer satisfaction.

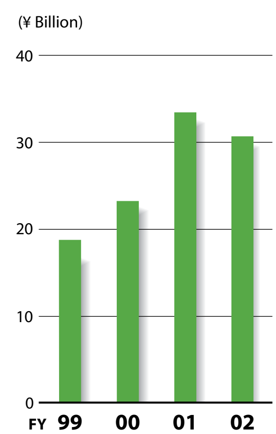
Note: Toyota Industries consolidated BT Industries' operating results from the second half of 2000. The year-on-year comparative information on BT Industries' orders and sales is for reference only.

Textile Machinery Segment

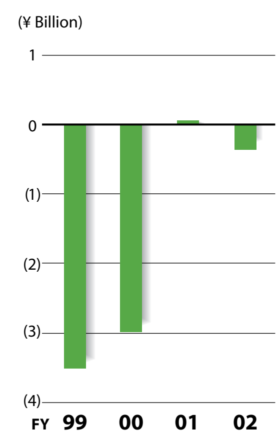
This segment comprises the Spinning Machinery Business, with the manufacture of ring spinning frames at its core, and the Weaving Machinery Business, based on the manufacture of air-jet looms. Toyota Industries is a world leader in the air-jet loom and spinning machinery fields.

Net sales of the Textile Machinery Segment amounted to ¥30.7 billion (US$230.4 million), a decrease of 7.6% from fiscal 2001. Despite aggressive organizational reform, decreased sales resulted in an operating loss of ¥0.4 billion (US$2.9 million). The export ratio in this segment is very high, and exports, mainly to Asia, accounted for approximately 93% of total net sales for fiscal 2002.

Net Sales of the Textile Machinery Segment



Operating Income (Loss) of the Textile Machinery Segment



Spinning Machinery Business

Although exports to Uzbekistan decreased, sales in Bangladesh increased on the back of vigorous sales activities. As a result, net sales of the Spinning Machinery Business totaled ¥12.3 billion (US$92.1 million), up 3.7% over fiscal 2001.

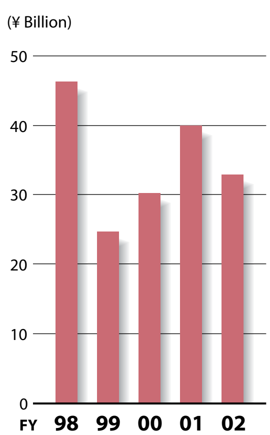
Weaving Machinery Business

Sales of air-jet looms totaled 3,322 units, a decrease of 1,256 from fiscal 2001. Sales in India increased, but were down in China, Indonesia, South Korea and Taiwan. Sales of water-jet looms, at 1,225 units, showed a slight increase. Sales in China increased, but decreased in South Korea and the U.S. Net sales of the Weaving Machinery Business totaled ¥18.4 billion (US$138.4 million), down 13.9% from fiscal 2001.

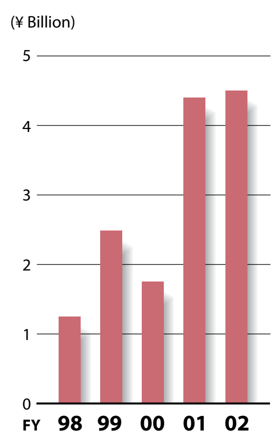
Others Segment

This segment, currently relatively small, comprises mainly new businesses that have outstanding growth potential. A core business in this segment is ST Liquid Crystal Display Corp. ("ST-LCD"), a joint venture that we established with Sony Corporation in 1997. ST-LCD manufactures low-temperature polysilicon TFT-LCDs, expected to be the next-generation LCD. TIBC Corporation ("TIBC"), a joint venture with Ibiden Co., Ltd. established in 1998, is another core business within this segment. TIBC manufactures ball grid array (BGA) plastic package substrates for IC chipsets, and flexible printed circuit (FPC) substrates for smart cards. This segment also includes the manufacture and sales of press dies and production equipment, and other businesses.

Net Sales of the Others Segment



Operating Income of the Others Segment
(Including Elimination of Intersegment Transactions)



Net sales of the Others Segment totaled ¥32.8 billion (US$246.3 million), down 18.0% from fiscal 2001. This was due to the adverse impact of the worldwide IT crash on the Electronics Business, including TIBC. Sales of press dies and production equipment also decreased. Operating income was ¥4.5 billion (US$33.6 million), up 2.7%, due mainly to improved profitability of businesses other than the Electronics Business.

Note: ST-LCD is not consolidated but is accounted for by the equity method in Toyota Industries' consolidated financial results. Its operating income (loss) is not included in the operating income (loss) for this segment.