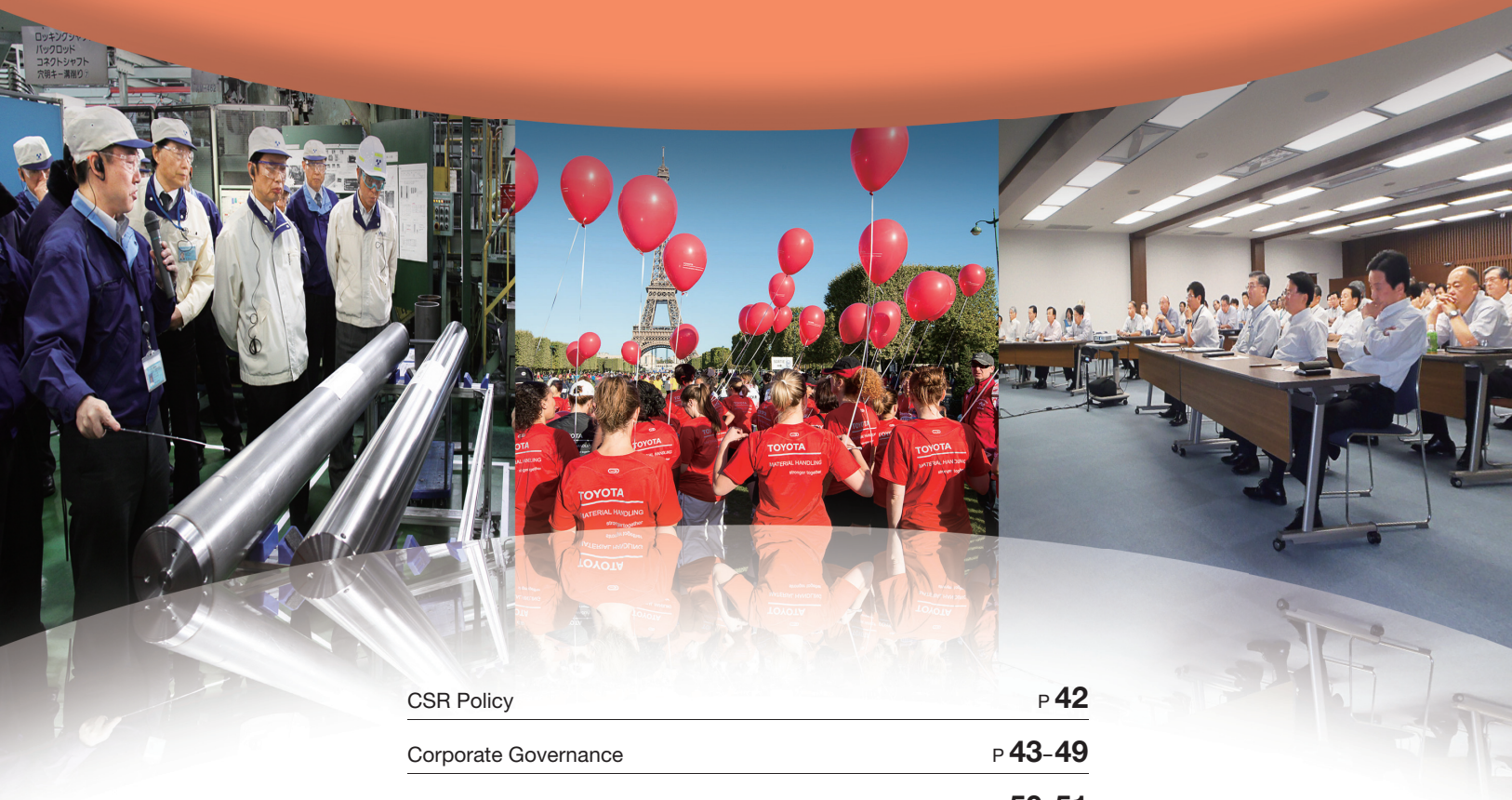


Corporate Social Responsibility



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CSR Policy

Based on the CSR Policy formulated with the aim of realizing the Basic Philosophy that carries on the spirit of founder Sakichi Toyoda, the Toyota Industries Group contributes to the harmonious and sustainable development of society and the Earth.

Guided by a strong ambition to “contribute to society and the world through *monozukuri* (manufacturing),” Toyota Group founder Sakichi Toyoda devoted himself to research and creativity and made various inventions including the non-stop shuttle-change Toyoda Automatic Loom, Type G. The spirit of Sakichi is enshrined in the Toyoda Precepts, formulated in 1935 and passed down today in our Basic Philosophy, which we established in 1992 and revised in 1998. (See the inside cover of this report for details.)

The business environment surrounding Toyota Industries is continuing to evolve rapidly and dramatically. Regardless of changes in the business environment and values, we remain unchanged in our belief that realizing our Basic Philosophy is the cornerstone of the Toyota Industries Group's corporate social responsibility (CSR). Acting on this belief, in March 2009 we formulated and implemented the Toyota Industries Group CSR Policy, which clarifies our relationships with stakeholders, namely customers, employees, business partners, shareholders and local and global communities.

The CSR Policy is divided into nine areas, and the CSR Committee* confirms and evaluates the implementation status of this policy and promotes CSR activities.

* Chaired by the president, the committee convenes twice per year and consists of directors, managing officers and audit & supervisory board members.

CSR Areas



Toyota Industries Group CSR Policy (Summary)

Preamble

- We contribute to the harmonious and sustainable development of society and the Earth.
- We comply with local, national, and international laws and regulations as well as the spirit thereof.
- We believe that management interacting with its stakeholders is of considerable importance.
- We expect our business partners to support this initiative and act in accordance with it.

Customers

- Based on our philosophy of “Customer First,” we provide innovative, safe, and high-quality products and services.
- We endeavor to protect the personal information of customers and everyone else with whom we are engaged in business, in accordance with the letter and spirit of each country's privacy laws.

Employees

- We respect our employees and encourage personal growth for our employees.
- We support equal employment opportunities and diversity for our employees and do not discriminate against employees.
- We strive to provide fair working conditions and to maintain a safe and healthy working environment for all our employees.
- We respect and honor human rights and do not use or tolerate any form of forced labor or child labor.
- Through communication and dialogue with our employees, we build and share the value of “Mutual Trust and Self-responsibility.”
- The management of each company takes leadership in fostering an ethical corporate culture.

Business Partners

- We respect our business partners and work to realize mutual growth based on mutual trust.
- Whenever we seek a new business partner, we are open to any and all candidates, regardless of nationality or size, and evaluate them based on their overall strengths.
- We maintain fair and free competition in accordance with the letter and spirit of each country's competition laws.

Shareholders

- We strive to enhance corporate value for the benefit of our shareholders.
- We provide timely and fair disclosure on our operating results and financial condition.

Global Society/Local Communities

[Environment]

- We strive to develop, establish, and promote technologies enabling the environment and economy to coexist harmoniously. We work to reduce the effect of climate change and preserve biodiversity.

[Community]

- We operate our business so as to earn the trust of respective communities.
- We pursue safer, cleaner technologies that meet the evolving needs of society.
- We do not tolerate bribery and maintain honest and fair relationships with government agencies and public authorities.

[Social Contribution]

- We actively promote and engage in social contribution activities that help strengthen communities and contribute to the enrichment of society.

Corporate Governance

As a global company operating in various countries and regions, Toyota Industries seeks efficient management while maintaining and enhancing the fairness and transparency of its corporate activities.

Basic Perspective of Corporate Governance

Toyota Industries strives to enhance the long-term stability of its corporate value and maintain society's trust by earnestly fulfilling its CSR commitments in accordance with its Basic Philosophy.

To that end, Toyota Industries strives to enhance its corporate governance based on the belief that maintaining and improving management efficiency and the fairness and transparency of its corporate activities is of utmost importance.

Corporate Governance Structure

Implementation Structure

Toyota Industries convenes monthly meetings of the Board of Directors to resolve important management matters and monitor the execution of duties by directors. We also appoint outside directors who are knowledgeable about our business operations. They attend meetings of the Board of Directors and give opinions and ask questions as deemed necessary. Through this supervisory function of outside directors, we ensure the legality and validity of the Board's decisions as well as directors' execution of duties from an objective perspective. The Management Committee, which is composed of directors above the executive vice president

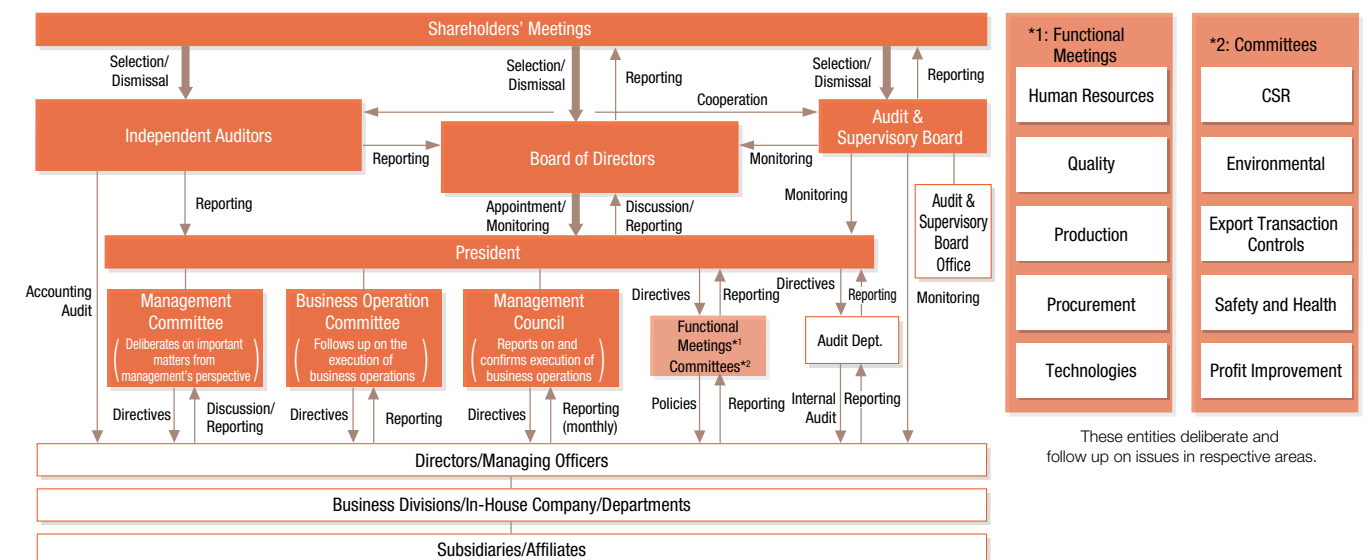
level as well as relevant directors, managing officers and audit & supervisory board members, deliberates on a variety of issues concerning important management matters such as our corporate vision, management policies, medium-term business strategies and major investments.

Toyota Industries has a divisional organization system, with significant authority delegated to each business division. For especially crucial matters, however, we have established the Business Operation Committee to enable the president to meet with the heads of each business division regularly to monitor and follow the status of their business execution. At meetings of the Management Council, directors, managing officers and audit & supervisory board members convene to report and confirm the monthly status of business operations and share overall deliberations at Board of Directors meetings and other management-related information.

In addition, issues pertaining to human resources, quality, production, procurement and technologies are discussed at the corresponding functional meetings. We have also put in place committees to deliberate on more specific matters, such as CSR, the environment and export transaction controls. These functional meetings and committees discuss important matters and action themes in respective areas.

Audit & Supervisory Board System

Toyota Industries has adopted an audit & supervisory board



(As of June 13, 2014)

*1: Functional Meetings	*2: Committees
Human Resources	CSR
Quality	Environmental
Production	Export Transaction Controls
Procurement	Safety and Health
Technologies	Profit Improvement

These entities deliberate and follow up on issues in respective areas.

system. Two full-time audit & supervisory board members and three outside audit & supervisory board members attend meetings of the Board of Directors to monitor the execution of duties by directors. At the same time, meetings of the Audit & Supervisory Board are held once a month to discuss and make decisions on important matters related to auditing. The full-time audit & supervisory board members carry out auditing by attending primary meetings and receiving reports directly from directors. Additionally, we have assigned dedicated personnel, while audit & supervisory board members monitor the legality and efficiency of management through collaboration with independent auditors and the Audit Department.

Appointment of Independent Director and Audit & Supervisory Board Members

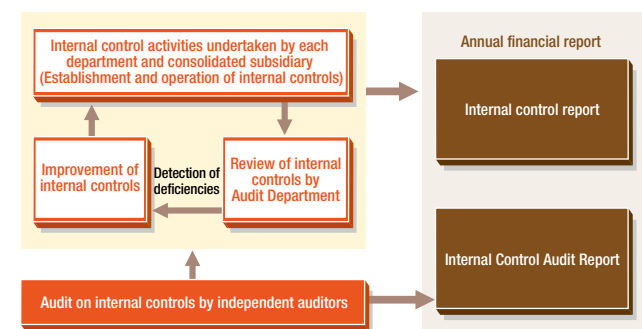
As a publicly listed company, Toyota Industries strives to ensure the fairness and transparency of management. Following the Securities Listing Regulations stipulated respectively by the Tokyo Stock Exchange and Nagoya Stock Exchange, to further enhance our corporate governance Toyota Industries has appointed one outside director and two outside audit & supervisory board members who are deemed to be independent and have no conflicts of interest with our shareholders.

Internal Control System

In accordance with the Corporation Law of Japan, in May 2006 Toyota Industries' Board of Directors adopted the Basic Policies for the Establishment of an Internal Control System (Basic Policies) to ensure compliance, risk management as well as the effectiveness and efficiency of business operations after giving consideration to each business segment's annual policies and day-to-day routine management. The CSR Committee, at its meeting held in March, assesses the progress made in implementing the Basic Policies in the year under review and determines actions for the coming year, including reviewing the implementation structure and enhancing day-to-day operational management.

Furthermore, based on the Financial Instruments and

Internal Control Assessment System (Based on J-SOX)



Exchange Law (so-called Japanese Sarbanes-Oxley Act (J-SOX)), we have established and appropriately operated an internal control system to maintain the reliability of financial reporting. The system's status and progress are reviewed by the Audit Department and audited by independent auditors. We determine which Toyota Industries Group companies fall within the scope of J-SOX based on the degree of impact on the reliability of financial reporting.

We determined that our internal controls over financial reporting as of the end of fiscal 2014 were effective, and accordingly, submitted an Internal Control Report in June 2014. The report was reviewed by independent auditors and judged fair in their Independent Auditors' Report.

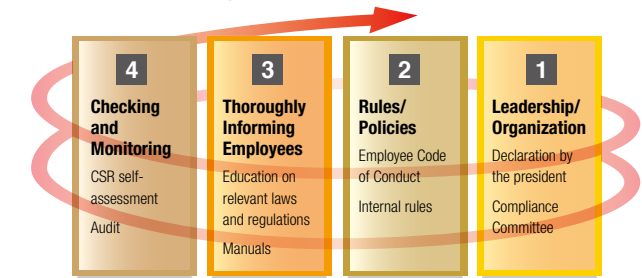
Compliance

Four Pillars of Compliance Activities

We believe that compliance means both adhering to laws and regulations and observing ethics and social norms. In order to ensure compliance, it is vital that we raise the awareness of each and every employee.

Under the strong leadership of top management, we promote compliance throughout the Toyota Industries Group, including consolidated subsidiaries in and outside Japan, by formulating a Code of Conduct and thoroughly informing employees together with checking and monitoring compliance.

Four Pillars of Compliance Activities



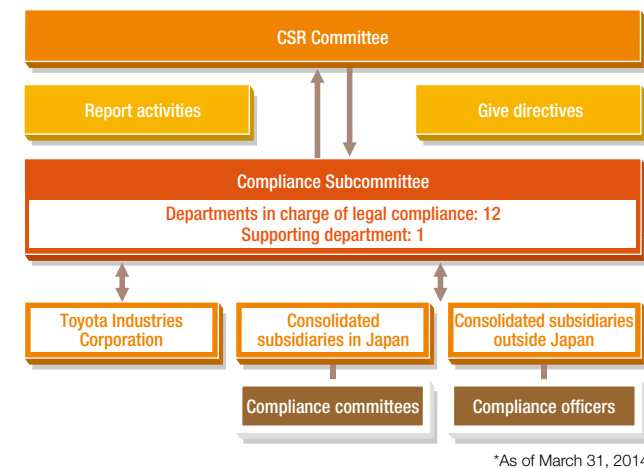
Establishment and Reinforcement of Implementation Organization

To promote compliance throughout the Toyota Industries Group, we have established the Compliance Subcommittee



North America Compliance Officers Conference participants

Organization for Promoting Compliance



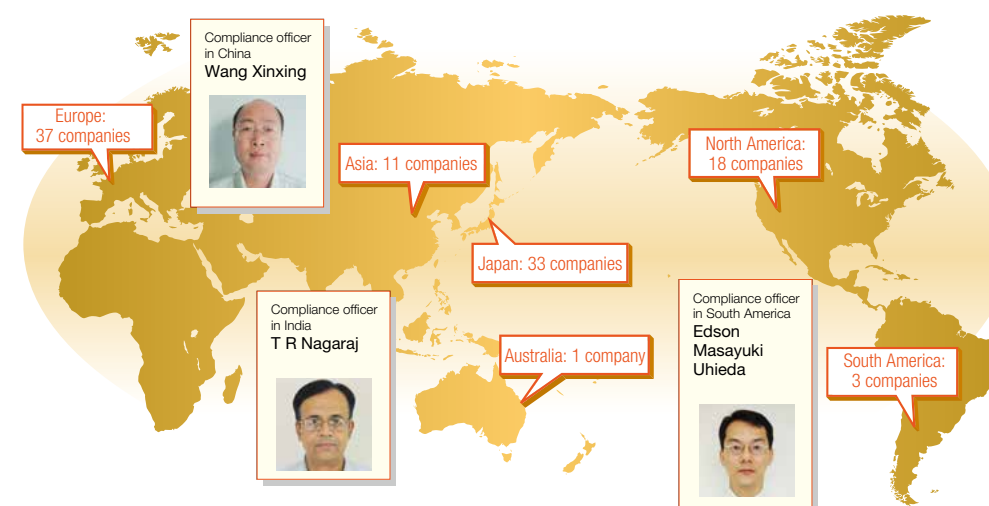
(led by executive vice president in charge of administration*) as a subordinate organization to the CSR Committee. Every year, the subcommittee formulates an action policy and conducts follow-up checks on its progress on a quarterly basis.

The Toyota Industries Group strives to further strengthen compliance initiatives. In fiscal 2014, we held a conference in North America, in which compliance officers from 16 bases attended and shared information on their respective compliance-related activities. They also discussed the establishment of a compliance committee at each base, with the intent of facilitating their individual, voluntary compliance initiatives. In China, we held a workshop on China's labor laws for top management of all bases within the country. Other compliance efforts included providing education on the

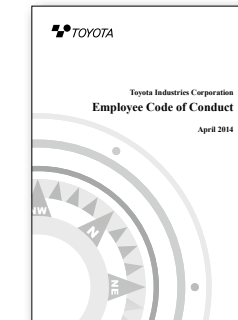


Workshop on China's labor laws

Compliance Officers (outside Japan) and Compliance Committees (in Japan) (As of March 31, 2014)



Employee Code of Conduct



prevention of misconduct to representatives from the business partners of Toyota Industry (Kunshan) Co., Ltd. (TIK), our largest production base in China.

Formulation of Code of Conduct and Dissemination

Toyota Industries has formulated and distributed to all employees the Code of Conduct, which serves as conduct guidelines that should be observed by employees. In April 2014, we made revisions to the code in order to make it more readily comprehensible for employees. Revisions included organizing the contents by stakeholder, adding up-to-date key terms such as the Safety Vision*1 and safe driving standards*2 and defining detailed action guidelines to ensure compliance with rules and regulations related to antitrust laws and anti-bribery laws.

Consolidated subsidiaries worldwide are also formulating, delivering to and educating employees on their own Code of Conduct matched to their respective business lines and corporate cultures. Toyota Industries' 33 consolidated subsidiaries in Japan and 69 consolidated subsidiaries outside Japan have already created their own Code of Conduct and have been working to instill an awareness among their employees.

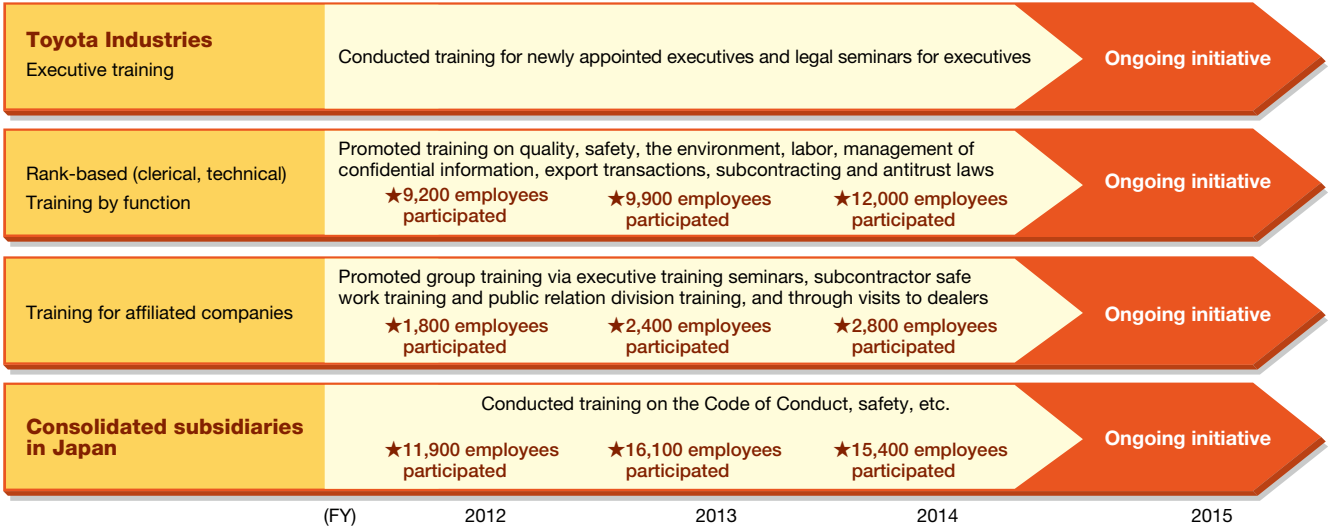
*1: Formulated in July 2013. See page 52 for more details.

*2: Internal standards stipulated for the purpose of ensuring safe driving and preventing traffic accidents

Thoroughly Informing Employees about Applicable Laws and Regulations

Toyota Industries provides compliance education to all levels of employees. This includes providing required legal knowledge to employees according to their job ranks or positions, familiarizing them with the emergency procedures

Compliance Education Provided (As of March 31, 2014)



that should be followed upon the occurrence of a problem and educating them on risk management. To new or young employees, in particular, we provide easy-to-understand guidance on “what to do” and “what not to do” in order to instill compliance awareness based on laws and corporate ethics, using our Code of Conduct as an instructional material.

In order to cultivate a deeper understanding of compliance among employees, we introduce cases of possible compliance violations in internal newsletters, providing commentaries on problem areas in detail. In an effort to create an environment in which employees educate themselves about compliance and related issues on their own, starting from fiscal 2014 we are disseminating e-learning materials on one specific theme every month.

Example Topics of e-Learning Materials

	Contents	Target audience
1	What is compliance?	All employees
2	Environment (water quality and waste)	
3	Traffic safety	
4	Japan's Personal Information Protection Law	
5	Compliance hotline	

Checking and Monitoring Compliance

In order to monitor the status of compliance, we request internal departments and our consolidated subsidiaries in and outside Japan to perform a compliance self-assessment.

Toyota Industries’ subsidiaries answer a checklist comprised of 60 to 250 items defined for each of the applicable laws. If any of these items are found to be insufficient, each responsible department and respective subsidiaries work together to make improvements.

We also operate a compliance hotline that allows employees and their families to seek advice on compliance-related matters without being exposed to negative consequences, as well as to make adequate responses. This compliance hotline is cited in our Code of Conduct, and we regularly hand out a leaflet to subsidiaries’ employees to inform them of the service.

Compliance Hotline Leaflet



The ninja character on the right is a corporate character selected for promoting compliance.

Management of Confidential Information

Basic Perspective

We recognize that the personal information of customers, employees and business partners as well as information concerning our technologies and sales activities are assets that need to be protected. Accordingly, we are making our utmost efforts to safeguard confidential information and strengthen its management as one of the CSR areas.

Implementation Structure

Toyota Industries has set up the Information Security Subcommittee (led by a director in charge of general administration*)1) as a subordinate organization to the CSR Committee to promote proper management of confidential information, taking appropriate actions against the leakage of confidential information and complying with the Unfair Competition Prevention Act and the Personal Information Protection Law.

To thoroughly implement the initiatives adopted by the subcommittee, we appoint information security managers*2 and information security administrators*3 at each department. We strive to raise awareness about information security among their staff by holding workplace meetings and conducting self-checks regarding their information security practices.

Examples of such activities include attaching a security cable with a lock to all PCs to prevent employees from taking their PCs off the premises without permission, systemically restricting the copying of electronic data on recording media, monitoring email correspondences, applying more stringent restrictions on taking photographs on company premises and regularly reviewing rules for management of confidential information.

In addition, we collaborate with other Toyota Group companies to carry out “All Toyota Confidentiality Management Month” activities in May and October. As part of this effort, we are working to discourage and monitor unauthorized carrying out of PCs and recording media.

Our consolidated subsidiaries in and outside Japan also appoint respective information security managers and information security administrators. We also have formulated common guidelines concerning management of confidential information and follow up on their activities on a periodic basis.

*1: As of March 31, 2014
*2: Head of each department
*3: A person within the department, appointed by the head



Internal newsletter

Risk Management

Basic Perspective

Based on the Basic Policies for the Establishment of an Internal Control System, which was set up by the Board of Directors in May 2006 in compliance with the Corporation Law of Japan, Toyota Industries is working to strengthen regulations and a structure to promote risk management. We regard the following two aspects as the basics of risk management.

- (1) Incorporating measures to prevent and reduce potential risks into daily routines and following up on the progress of implementation
- (2) Ensuring quick and precise actions to minimize the impact on business and society when a risk becomes apparent

Implementation Structure

Business divisions and other departments at the Head Office develop and promote annual action policies that integrate measures to prevent and control risks related to quality, safety, the environment, personnel, export transactions, disasters and information security. Progress is assessed and followed up by each functional management entity such as the CSR Committee and the Environmental Committee. At the same time, functional departments at the Head Office such as those responsible for quality, safety and the environment formulate rules and regulations and manuals from a Group-wide perspective, including consolidated subsidiaries. By confirming and following up on the progress through operational audits and workplace inspections, they provide support for raising the level of risk management at each business division and consolidated subsidiary.

Our Crisis Response Manual provides specific examples of significant risks and lays out basic rules for appropriate decisions and actions when a risk becomes evident or a major problem occurs. This manual is distributed to executives and those in managerial positions of Toyota Industries as well as to top management at consolidated subsidiaries as a means of facilitating risk management as the Toyota Industries Group.

Crisis Response Manual



Response to Possible Major Earthquake

We consider the occurrence of a major earthquake in and around Japan as one of the most significant risks and implement disaster prevention measures that focus on three basic policies, namely placing maximum priority on human life; placing top priority on the recovery of local communities; and ensuring the quickest possible recovery.

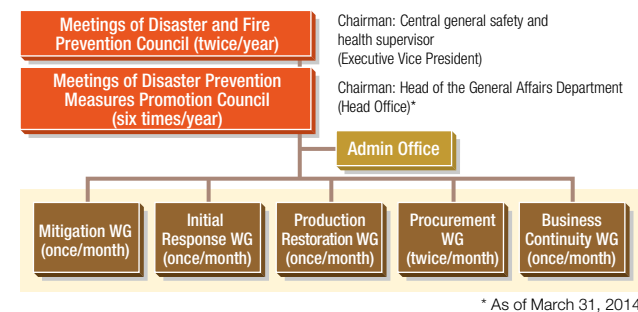
Furthermore, we divide these measures into the three categories of “mitigation,” “initial response to be followed immediately after the disaster” and “restoration of production,” and are respectively making Company-wide efforts.

In fiscal 2014, we formulated a business continuity plan (BCP) in each category and undertook activities accordingly. More specifically, we upgraded disaster prevention drills at each plant, established a disaster prevention organization that oversees Company-wide initiatives and simulated responses in the event of a disaster.

Implementation Structure

The Disaster and Fire Prevention Council devises overall policies while the Disaster Prevention Measures Promotion Council monitors progress. Specific measures are formulated and implemented by working groups (WGs) consisting of members of the functional departments at the Head Office and representatives from each plant.

Structure for Promoting Disaster Prevention Measures



Primary Measures for Disaster Prevention

1 Mitigation Measures

Activities in this area primarily focus on disaster prevention measures concerning equipment and other devices to protect the lives of employees.

1) Equipment

We developed quake resistance standards for equipment within plants and implemented measures to avoid turning over, falling and sudden sliding of equipment.

2) Buildings

We created a prioritized list of buildings requiring antiseismic treatment and have been carrying out reinforcement work.

3) Prevention of Secondary Disasters

In fiscal 2014, the disaster prevention team of the Head Office conducted *genchi genbutsu* (go and see for yourself) inspections based on the Disaster Mitigation Plan and Initial Response Action Guidelines to check the validity and full implementation of these measures at each plant.



On-site inspection at the Anjo Plant in Aichi Prefecture

2 Initial Response

1) Initial Response Procedures

Placing maximum priority on the protection of human life, we formulated and disseminated initial response procedures to be followed by employees immediately after a disaster.

2) Safety Confirmation System

Since July 2011, we have operated a safety confirmation system to account for employees in case of an earthquake. When an earthquake with a magnitude of 5 or greater occurs, this system automatically sends email messages to employees' cell phones and other devices, to which employees send replies together with information on their safety status.

3) Disaster Drills

(a) Upgrading Disaster Drills

We set up a new disaster prevention organization with clearly defined functions and roles at each plant and base. In addition to conventional disaster drills, we conducted more practical drills centered on transportation and rescue of injured persons.



Drill for rescuing injured persons



Drill for initial firefighting

(b) Drills at Disaster Prevention Response Headquarters

Drills that were conducted in fiscal 2013 were again carried out at the disaster prevention response headquarters, which coordinates Company-wide measures in case of a disaster. We also conducted drills at the plant headquarters, which oversees plant-level activities in emergency situations. Through these drills, we simulated earthquake responses from immediately

after occurrence to the following day and reaffirmed response procedures and the allocation of roles. We seek to raise the level of our response both in taking action in emergency situations and readiness in peacetime.



Drills at the plant headquarters

4) Strengthening Activities to Raise Awareness for Disaster Prevention

In July 2013, we invited a consultant to give a lecture on disaster prevention for the members of the Disaster and Fire Prevention Council, including executives, as well as the personnel tasked with disaster prevention activities at consolidated subsidiaries. Through the lecture, participants reviewed Toyota Industries' disaster prevention measures based on the lessons learned from the Great East Japan Earthquake.

We also set up a disaster prevention corner at such company events as Toyota Industries' annual *Aozora Ichiba* cross-organizational exhibition to share best practices for improvement and various other initiatives undertaken at each Group company as well as the *Shokki Festa*, a festival for promoting interaction with local communities. In this way, we sought to instill a higher awareness in and encourage each employee to take stronger disaster prevention measures not only at work but also at home.



Lecture on disaster prevention



Aozora Ichiba



Shokki Festa

3 Restoration of Production

To meet the expectations of society and customers in and outside Japan, Toyota Industries has been implementing measures to quickly restore production operations. Starting from fiscal 2011, we have been enhancing function-based initiatives by setting up a Company-wide Production Restoration WG. Since September 2012, the Procurement WG, which makes up the organizational structure for promoting Company-wide disaster prevention measures, has been working on initiatives concerning the supply chain.

1) Initiatives Related to Organization and Personnel Assignments

(a) Organization for Restoration

Anticipating emergency situations and a prolonged restoration period, we set up a structure in which two or more responsible persons (leader and co-leader) are appointed at the Head Office and respective departments in each business division.

(b) Responsible Personnel during Restoration

We have established a structure to quickly initiate measures to restore production by selecting trained persons capable of taking the lead in restoration activities and making adequate responses at a place of disaster as well as restoration personnel having appropriate experience, knowledge and skills.

2) Pre-Disaster Mitigation Measures

Each business division carries out Production Restoration WG activities to promote pre-disaster mitigation measures. Members from various departments tasked with restoring production participate to identify latent risks and issues and engage in the following activities.

(a) Infrastructure Restoration

We are reinforcing facilities and equipment for such utilities as electricity, gas and water as well as for information systems, all of which are vital for restoring production, along with undertaking measures for vulnerable spots in wiring and pipework.

(b) Formulating Production Restoration Procedures

We have formulated production restoration procedures for the Company and individual business divisions. The procedures lay out the target timeline and clearly define implementation items and time allocation for each item at departments tasked with restoration work.

(c) Production Equipment

Upon clarifying processes that should be prioritized for restoring production and identifying latent risks and issues, we are considering methods of restoration and making a list of required materials and supplies.

(d) Logistics

We are examining the infrastructures around each plant and review the results to define safe logistics routes.

(e) Backup Logistics Support

We have clarified the division of labor and implementation items among departments tasked with providing production restoration support, including how to obtain food and water, manage work shifts and clarify commuting routes and means of transportation.



Production restoration workshop (identifying risks and contemplating countermeasures)

Relationship with Our Customers

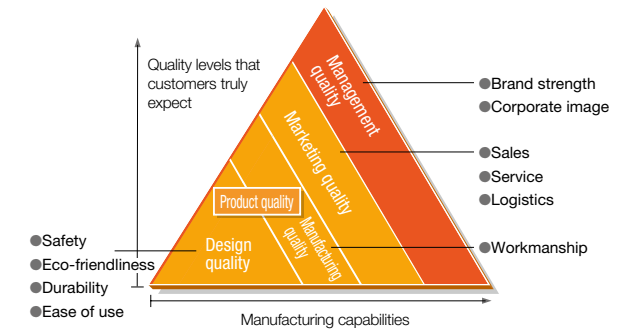
Adhering to a quality first approach, Toyota Industries strives to realize *monozukuri* (manufacturing) that quickly responds to the diverse, ever-changing needs of customers.

“A product should never be sold unless it has been carefully manufactured and has been tested thoroughly and satisfactorily.”

Carrying on the spirit of founder Sakichi Toyoda, Toyota Industries strongly believes that quality is the lifeblood of a company. Focusing on quality first and ensuring customer safety and reassurance are our most important responsibilities to our customers and form the basis of our CSR approach.

Toyota Industries strives to maintain and improve the total quality of our corporate activities, which encompasses “product quality,” “marketing quality” and “management quality.” “Product quality” is embodied in the safety, eco-friendliness, durability, ease of use and workmanship of our products, while “marketing quality” entails excellent sales, service and other aspects in addition to these attributes and “management quality” further enhances our overall corporate image and brand strength in terms of all of these attributes.

Types of Quality Sought by Toyota Industries



“We should express our gratitude to our customers by providing them our best quality products.” (from Toyota Industries’ Quality Guidelines)

Placing top priority on our “Customer First” philosophy, Toyota Industries undertakes product development that meets customer expectations.

At Toyota Industries, development of a new product entails defining specific goals to incorporate quality in every stage from product planning and design to production preparation, production, sales and after-sales services. We perform a design review (DR), which allows a product to proceed to the next stage only when a responsible business division head examines and approves whether the product has reached the target quality level.

Should a defect occur after the product launch, the quality assurance departments of each business division immediately devise necessary measures. At the same time, a probable

cause is identified from both technical and structural aspects, and if deemed necessary, the new product development system itself is reviewed to prevent recurrence.

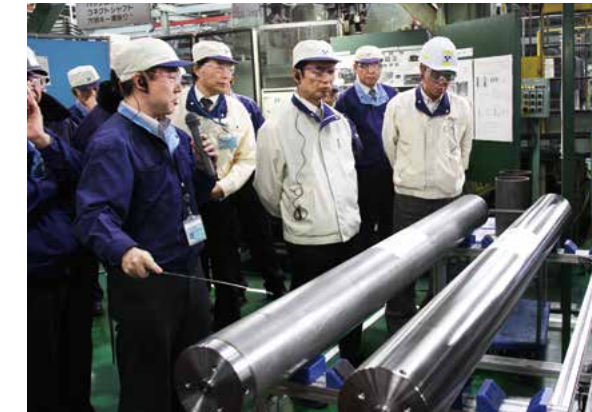
Activities Based on the Quality Guidelines

Quality forms the basis of our operations and is essential in attaining the goals of our Vision 2020. As such, we formulated our Quality Vision 2020, which defines our philosophy in ensuring quality.

Quality Vision 2020
All members in the Toyota Industries Group place utmost emphasis on quality first and continuously supply attractive products/services that anticipate global customers’ needs.

To achieve the goal of this vision, we issue the Quality Guidelines, which identify priority quality-related issues to be implemented in each fiscal year, to all production bases in and outside Japan. The implementation status of these guidelines is reviewed by top management at the Quality Functional Meeting and the Quality Confirmation and Proactive Prevention Meeting, both chaired by the executive vice president in charge of quality control*, for identifying additional issues and devising countermeasures. Issues raised are followed up at meetings of the Company-wide Council of Heads of Quality Assurance Departments chaired by a quality control department head*. The president also checks on the outcome of these activities through *genchi genbutsu* inspections.

For critical quality issues, we enforce Company-wide, horizontally aligned activities to prevent both recurrence in the responsible business divisions and occurrence in other

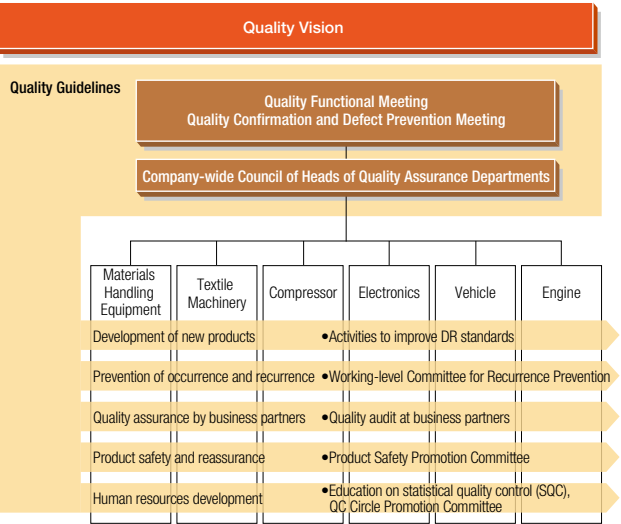


Quality inspection by top management

business divisions. Under these efforts, we have standardized procedures to ensure the specified level of quality and formulated related guidelines.

* As of March 31, 2014

Company-Wide, Horizontally Aligned Quality Assurance Activities



Initiatives to Ensure Product Safety

As one priority issue under the Quality Guidelines to meet customers’ expectations for safety and reassurance, we reinforced the system to minimize risks at the design stage based on the assumption that customers make use of our products in diverse ways, including foreseeable misuse.

In an effort to raise the level of our Company-wide activities, we have established the Product Safety Promotion Committee comprising representatives from the engineering and quality assurance departments of each business division to share best practices throughout the Company. In each business division, the members of the committee take the lead in organizing a Divisional Product Safety Promotion Meeting, which undertakes activities covering all functional areas from engineering and quality assurance to sales and after-sales services.

When developing new products, we use the R-Map risk assessment tool, which was developed by the Union of Japanese Scientists and Engineers and recommended by Japan’s Ministry of Economy, Trade and Industry, to evaluate associated risks. If the results of an assessment fall within level A or B, we incorporate additional risk reduction measures into our products and seek to keep risks to an absolute minimum. In this way, we offer products seeking the highest level of safety to our customers.

R-Map

Probability of occurrence	5	Frequent	C	B3	A1	A2	A3	Level A
	4	Probable	C	B2	B3	A1	A2	
	3	Occasional	C	B1	B2	B3	A1	
	2	Remote	C	C	B1	B2	B3	Level B
	1	Improbable	C	C	C	B1	B2	
	0	Rare	C	C	C	C	C	Level C
			None	Negligible	Marginal	Critical	Catastrophic	
			0	I	II	III	IV	
			Severity of harm					

Providing Support to Business Partners

Improving the quality of our products requires the upgrading of quality control capabilities of our business partners in and outside Japan. For this reason, we work to augment our supply chain primarily by means of an annual quality audit.

Our annual quality audit is based on 28 audit items spanning nine areas, including quality assurance systems and response to defects. Our certified auditors assess these items and identify strengths and weaknesses of each business partner. We also seek to raise the level of quality assurance by sharing best practices among business partners. Moreover, our business partners make voluntary efforts to analyze discrepancies between the results of their self-assessment and those of our assessment, thereby fostering a culture to continue to progress on their own.

Promoting Human Resources Development

Toyota Industries provides systematic quality education to all employees to help them acquire quality assurance skills needed in actual operations. In the basic education program, employees gain a perspective and learn the concepts of quality control (QC), basic *kaizen* (improvement) techniques and how to proceed with *kaizen* activities by utilizing our originally developed textbook that describes the quality assurance approach of Toyota Industries. After completing the basic program, they move on to practical training tailored to the specific needs of their respective workplaces.

Our production bases outside Japan also promote *kaizen* efforts and development of human resources through QC circle activities.

Focusing our efforts on the area of human resources development, we intend to combine the Group’s strengths and facilitate quality assurance activities globally to achieve the level of quality that exceeds customers’ expectations.

Relationship with Our Associates

Our ultimate goal is to create safe and healthy workplaces where each and every associate can exercise their diverse potentials and play active roles.

Building a Safety-Oriented Culture That Aims for Zero Industrial Accidents

In accordance with our fundamental policy of “creating people capable of autonomously maintaining occupational safety and health,” Toyota Industries strives to prevent industrial accidents and occupational disorders as well as realize better work environments.

In fiscal 2014, we reflected on what we have achieved through safety and health activities to date and accelerated our efforts in attaining an even higher level of safety that forms the basis of our business operations.

Based on the idea of building “a homelike atmosphere at work that is warm and friendly” as stated in the Toyoda

Precepts, we had several long, thorough discussions about “the true meaning of safety” and “the form of safety we seek” and formulated the Safety Vision in July 2013.

One of the top priority issues in fiscal 2014 was to instill this Safety Vision among all associates. With top management declaring the Company’s commitment to safety, managers and supervisors took the lead and became a role model for others in enforcing required action.

With a view to communicating the Safety Vision and consequently reinforcing our idea of safety within the Toyota Industries Group, we also held workshops mainly for leaders responsible for ensuring safety and health in our consolidated subsidiaries worldwide.

In the future, we will enhance our safety awareness further and step up safety and health activities.



Workshop for affiliated companies in Japan



Workshop for affiliated companies outside Japan

Safety Vision

Each and every associate in the Toyota Industries Group guided by the spirit of our corporate creed, aims to create a corporate culture that places a top priority on maintaining safety in all areas and focuses on mutual courtesy and safety as well as realizing workplaces where associates work each day with a sense of happiness and pride.

July 1, 2013



Initiatives for Health Management and Improvement

As a task for the medium term, we are promoting associate health improvement programs to counter risks associated with aging and greater stress.

Specifically, we proactively provide health guidance to prevent lifestyle diseases for persons with metabolic syndrome and actively encourage follow-up after annual health checkups. We also conduct periodic age-based health education for all associates to maintain and promote their health and wellness.

Mental health care activities include providing self-care/line-care education and setting up a health-related hotline. We have also successfully worked to build closer collaboration with external medical institutions, prevent relapses by launching a return-to-work support program for persons on long-term leave and take preventive measures by offering follow-up support to persons assigned to new positions.



Physical fitness measurement conducted during age-based health education

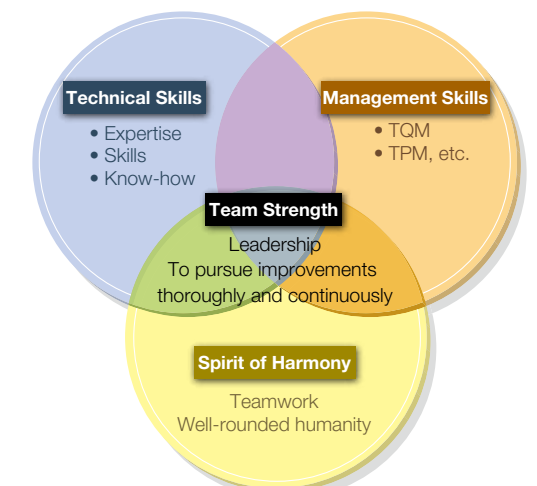


Seminar held as part of age-based health education

Enhancing Team Strength

Toyota Industries believes that enhancing team strength is vital to forming a dynamic workforce and achieving sustainable corporate growth.

We believe that team strength is made up of “technical skills” that form the basis of manufacturing operations, “management skills” to make maximum use of technical skills and “spirit of harmony” that supports both. While further enhancing our team strength, we are striving to extend and hand it down beyond all business domains, generations and geographic regions.



Technical Skills

We are currently working to enhance the skills of our technical staff primarily by providing training programs at the Technical Learning Center, one of our training facilities, to gain skills to support manufacturing. At the 51st National Skills Competition held in November 2013, the Toyota Industries team won one gold medal in the “mechatronics” category and received prizes in the categories of “mechanical device control,” “structural ironsmith,” “electrical welding” and “lathe,” thereby attaining medals for the 13th consecutive competition. We believe this is the result of our success at nurturing basic manufacturing skills and cultivating top-caliber specialists.



51st National Skills Competition

Relationship with Our Business Partners

■ Management Skills

We conduct work procedures training on problem solving targeting associates in administrative and engineering fields with the aim of sharing our thinking and values regarding work procedures and improving their problem-solving capabilities. This training is also provided at subsidiaries outside Japan in an effort to hone these management skills throughout the Toyota Industries Group.

■ Spirit of Harmony

Toyota Industries is creating a bright, energetic and caring work environment that fosters a dynamic workforce and allows every member to demonstrate his or her capabilities both as an individual and as a team. Throughout the world, we are proactively encouraging communication not only during work hours but also through social gatherings, sports days, summer festivals, Group-wide *ekiden* long-distance relay races and cheer squads for various sports events.



Ekiden long-distance relay race



Cheer squad in action at a company sports event

■ Establishing Work Environments Where Diverse Human Resources Can Play Active Roles

We are implementing a variety of measures to create work environments where a diverse range of human resources can fully exercise their capabilities. These measures include supporting managing both work and family, supporting the employment of persons with disabilities and creating a work environment in which older associates can play active roles.

■ Support for Managing Both Work and Family

As part of efforts to offer an easier-to-work environment for associates managing both their work and family and help them develop their career, we have introduced a telecommuting system that allows them to perform part of their work at home.

■ Employment of Persons with Disabilities

We respect the idea of people with and without disabilities working together and sharing life and work values. Under this basic policy, we continue to employ persons with disabilities every year. They are assigned to a variety of sections and work with other members to perform their designated tasks. In fiscal 2014, the ratio of associates with disabilities on a non-consolidated basis was 2.13%.

■ Creating a Work Environment for Older Associates

Since the introduction of a re-employment system for associates who reach the mandatory retirement age of 60, the number of associates who choose to continue working has been increasing. In response, we hold “55 Career Training” for associates reaching the age of 55 to give them an opportunity to envision life and work after the age of 60 and think about how they should work during the remaining pre-retirement period.



55 Career Training

Toyota Industries encourages open procurement and seeks co-existence and co-prosperity with our business partners based on mutual trust. We also facilitate environmentally preferable purchasing, CSR-oriented procurement practices and disaster prevention activities for a possible major earthquake.

Fair Competition Based on an Open Door Policy

We have a fair entry process that allows all potential business partners, regardless of nationality, size and experience, the same opportunity to offer us their products or services through our Website to achieve broad and open procurement.



Procurement page on our Website

We comprehensively evaluate our business partners based on quality, price, their adherence to delivery times, technological capabilities and company stability. We also assess their initiatives for safety, the environment and compliance as we strive for the timely and stable procurement of excellent products at lower costs based on fair business transactions.

Co-Existence and Co-Prosperity Based on Mutual Trust

We work hard to realize co-existence and co-prosperity with our business partners based on mutual trust. We hold annual procurement policy meetings and an executive seminar for major business partners to gain their understanding and cooperation. In order to consistently procure better products, we also conduct quality and technical skills training programs and safety and health education as well as provide guidance directed toward *kaizen* at business partners' production sites.

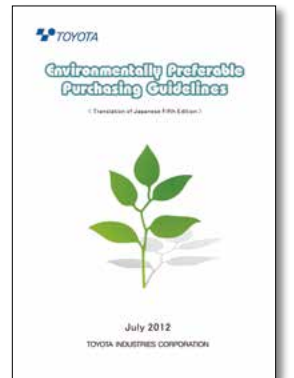
Reducing Environmental Impact through Environmentally Preferable Purchasing

In order to create environmentally friendly products, we aim to procure parts, materials and equipment from business partners that give sufficient consideration to the environment.

Our Environmentally Preferable Purchasing Guidelines, which we have formulated to enforce “green” purchasing,

apply not only to parts and raw materials but also to packaging materials. By working to prevent prohibited substances of concern from being mixed into our products and associated packaging, we deliver even greater safety and reassurance to customers along with environment-friendly products.

The guidelines also clarify Toyota Industries' point of view and initiatives regarding the protection of biodiversity, which is included in our Fifth Environmental Action Plan, and seek the understanding of business partners.



Environmentally Preferable
Purchasing Guidelines

Localization of Business for Good Corporate Citizenship

In view of increased local production outside Japan, we promote procurement from local business partners in order to contribute to the local community through consolidated subsidiaries.

Disaster Prevention Activities for Possible Major Earthquake

We engage in disaster prevention activities in anticipation of a major earthquake in Japan. To improve our preparedness for resuming the supply of products to customers at the earliest possible opportunity in the event of a disaster, we are making concerted efforts with business partners to ensure the stable supply of parts and raw materials during the restoration of production.

More specifically, we held seminars to cultivate a deeper understanding on the importance of disaster prevention and conducted disaster mitigation workshops (tabletop exercises) that help business partners formulate and implement their own mitigation plans.

In order to render their mitigation plans effective, we share information with, provide support to and check progress with business partners.



Disaster mitigation workshop

Relationship with Our Shareholders and Investors

We aim to obtain an appropriate company valuation in stock markets through timely and appropriate information disclosure while promoting good communications with shareholders and investors.

Basic Perspective

Toyota Industries continually carries out timely and appropriate information disclosure for shareholders and investors. In this way, we raise management transparency so that we obtain an appropriate company valuation in stock markets. We provide not only information required under disclosure laws and regulations but also information on our management policy and business activities. Also, we strive to promote communications with shareholders and investors and feed back their comments to executives and relevant business divisions to reflect them in our business activities.

General Shareholders' Meeting

We hold our annual general shareholders' meeting early to avoid the date on which many companies hold their respective shareholders' meetings so that more shareholders can attend.

We are laying the groundwork for further facilitating the exercise of voting rights of our shareholders by allowing them to exercise such rights via the Internet and by joining the electronic voting platform for institutional investors.

We held our 135th General Shareholders' Meeting on June 13, 2013, in which 396 shareholders participated. For the purpose of fostering a better understanding of our business activities, we invited our shareholders for a lift truck plant tour following the general shareholders' meeting.

Starting with the 136th meeting, we printed in color our Notice of the General Shareholders' Meeting and added topics on current business initiatives in order to provide improved readability.

Investor Relations Activities

For institutional investors and securities analysts, our management conducts briefing sessions to explain our quarterly financial results, including business performance, progress achieved at each business division and future initiatives. In addition to accepting individual interviews and making visits to institutional investors, we also hold plant tours to facilitate a deeper understanding of the Company and its operations. To respond to the growing number of institutional investors from outside Japan

requesting a meeting, we visit some of them to explain our management policies and business overview. We also participate in conferences hosted in Japan by securities companies and hold individual meetings.

Toyota Industries provides a variety of information, including financial information as well as an overview of our business and various initiatives, via the company Website. We use RSS feeds (in Japanese) to promptly provide the latest information.

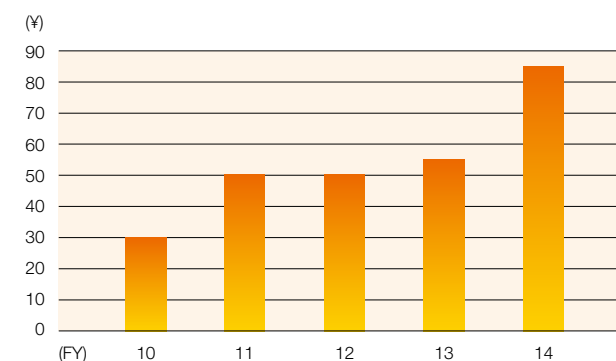


Briefing on financial results for fiscal 2014 by the president (May 2014)

Dividend Policy

Toyota Industries regards returning profits to shareholders as one of the most important management policies. Accordingly, we strive to continue paying dividends and meet the expectations of shareholders upon taking into consideration such factors as business results, demand for funds and the payout ratio. For fiscal 2014, Toyota Industries paid annual cash dividends per share of ¥85.0 (interim cash dividend per share of ¥35.0 and year-end cash dividend per share of ¥50.0).

■ Cash Dividends per Share (Annual)



Relationship with Our Local Communities

With a view toward fostering community growth and creating an enriched society, we actively undertake social contribution activities in every region where we do business.

Activities as a Good Corporate Citizen

Based on "Respect for Others" as described in our Basic Philosophy, we strive to fulfill our role as a good corporate citizen in every region where we do business and actively engage in social contribution activities to realize an enriched and healthy society. In our activities, we not only provide cooperation and support through personnel, facilities, funds and know-how but also strive to closely connect with participants. To foster employees' awareness of their ties to society and raise their interest in contributing to society, we promote enlightenment efforts such as sharing information on volunteer activities and providing a venue for volunteer activities that encourage the participation of all employees.

Structure for Promoting Social Contribution Activities

The CSR Committee deliberates on policies of our social contribution activities while the Social Contribution Group within the General Administration Department at the Head Office takes the initiative in carrying out activities.

Three Pillars of Our Social Contribution Activities

Toyota Industries is engaging in various activities in close cooperation with every local community in which we operate, placing particular emphasis on social welfare, youth development and environmental protection.

■ Social Welfare

To help develop local communities where everyone enjoys an active life, we hold various social welfare events to encourage exchange with persons with disabilities and conduct joint fund-raising programs with our consolidated subsidiaries in Japan.

■ Youth Development

With the aim of providing opportunities for youth, who will lead the next generation, to learn the importance of *monozukuri* (manufacturing) and the meaning of work through actual experiences, we hold events jointly with Youth Invention Clubs, host work experience activities and conduct environmental education.

■ Environmental Protection

We carry out a range of environment-related activities, including promoting the use of wood thinned from forests in Japan, conserving forests through employee volunteer programs and engaging in cleanup activities in the community where our plants are located, to contribute to environmental preservation and the development of a sustainable society.

Activity Examples of Toyota Industries and Consolidated Subsidiaries (Japan)

Environmental Education for Local Elementary School Children

In December 2013, we invited fifth graders of a local elementary school to the Higashiura Plant in Aichi Prefecture to show our safe and efficient manufacturing operations and a range of environmental initiatives. Combining quizzes and experiments, we communicated to the children that environment-conscious manufacturing activities will become increasingly important in the future and encouraged them to think about what they can do to protect the environment.



Children watching an experiment on wastewater treatment

Agreement to Cooperate in the Event of a Disaster

In June 2013, TOYOTA L&F Tokyo Co., Ltd., a consolidated subsidiary in Japan engaging in sales and servicing of materials handling equipment, concluded an agreement with the local government of Shinagawa-ku, Tokyo, to cooperate in disaster relief activities using its lift trucks. This agreement is aimed at reinforcing a system to promptly and smoothly deliver relief supplies to evacuation shelters in the event of a disaster. These lift trucks are expected to allow a small group of people to efficiently accept and deliver a large quantity of relief supplies in a short time.



Concluding a disaster cooperation agreement with Shinagawa-ku, Tokyo

Activity Examples of Consolidated Subsidiaries (outside Japan)

Indonesia Support for Community Health Care

P.T. TD Automotive Compressor Indonesia (TACI)

Subsidiary producing car air-conditioning compressors

In April 2013, TACI worked jointly with the village office and a local health center and provided medicines and medical advice by a doctor free of charge to residents living in the neighborhood of its plant. As another effort to support local residents in promoting their health, TACI distributed nutritional supplements for infants.



Providing nutritional supplements for infants

France Support for Breast Cancer Research

Toyota Material Handling France SAS (TMHFR)

Subsidiary engaging in sales and servicing of materials handling equipment

To improve awareness for breast cancer and help raise funds for related medical research, a marathon event was held in Paris in September 2013. A team of about 40 female employees of TMHFR participated, wearing team T-shirts and bringing additional excitement to the event. Participation fees were donated to a breast cancer research foundation.



Employees participating in the marathon event

Sweden Joining and Supporting Environmental Protection Activities

BT Products AB (BTP)

Subsidiary producing materials handling equipment

The environmental event "Golden Garbage Festival" was held in July 2013 in Vadstena, a city near BTP's plant. BTP employees and their families participated in the event and gained an awareness of environmental conservation through such programs as a workshop to create toys from milk cartons and egg containers. BTP also provided financial support to the event.



Employees and their families participating in environmental event

U.S.A. Support for Education and Job Placement Guidance for Local High School Students

North Vernon Industry Corp. (NVIC)

Subsidiary producing materials handling equipment parts

In November 2013, NVIC contributed to the local community by collaborating with a local high school. NVIC employees served as interviewers in mock interviews and as lecturers in the classroom to provide guidance for students proceeding to higher education or those applying for a job. NVIC has been engaging in this initiative for the 11th consecutive year, and more than 200 students participated in the event in fiscal 2014.



Employee conducting a mock interview with a high school student