Financial Section

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following Management's Discussion and Analysis of Financial Condition and Results of Operations are based on information known to management as of June 2010.

This section contains projections and forward-looking statements that involve risks, uncertainties and assumptions. You should be aware that certain risks and uncertainties could cause the actual results of Toyota Industries Corporation and its consolidated subsidiaries to differ materially from any projections or forward-looking statements. These risks and uncertainties include, but are not limited to, those listed under "Risk Information" and elsewhere in this annual report.

The fiscal year ended March 31, 2010 is referred to as fiscal 2010 and other fiscal years are referred to in a corresponding manner. All references to the "Company" herein are to Toyota Industries Corporation and references to "Toyota Industries" herein are to the Company and its 159 consolidated subsidiaries.

Result of Operations

Operating Performance

In fiscal 2010, the global economic recession persisted even though certain Asian countries, especially China, witnessed an economic recovery and economies in the United States, Europe and other countries appear to have bottomed out owing to the effects of economic stimulus measures. Despite signs of steady improvements such as increases in exports and decreases in private-sector capital investment leveling off, the Japanese economy still remained in grave condition overall due mainly to declining consumer prices and a high unemployment rate.

In such an operating environment, Toyota Industries undertook efforts to strengthen its management platform by ensuring customer trust through its dedication to quality as well as aggressively implementing fixed cost reductions across the board.

In response to a rapidly deteriorating operating environment since autumn 2008, the Toyota Industries Group worked to respond to harsh market conditions by systematically and quickly implementing emergency profit improvement activities. Consequently, Toyota Industries recorded operating income in fiscal 2010, compared with posting an operating loss in fiscal 2009. In fiscal 2010, total consolidated net sales of Toyota Industries amounted to ¥1,377.7 billion, a decrease of ¥206.5 billion (13%) from fiscal 2009 due to lower sales in the materials handling equipment market.

In terms of overall profit, due to concerted efforts during fiscal 2010 to realize and maintain a streamlined structure mainly through reductions in personnel costs, expenses and capital investments, such measures could offset lower sales in Japan and overseas. As a result, Toyota Industries posted consolidated operating income of ¥22.0 billion compared with an operating loss of ¥6.6 billion in the previous fiscal year. Ordinary income amounted to ¥31.7 billion, an increase of ¥17.4 billion (121%), while net loss totaled ¥26.2 billion, compared with a net loss of ¥32.7 billion in the previous fiscal year, due primarily to posting a loss arising from business restructuring of the Materials Handling Equipment Segment as an extraordinary loss.

Operating Performance Highlights by Business Segment

Operating results by business segment are as follows. Net sales for each segment do not include inter-segment transactions.

Automobile Segment

In fiscal 2010, the automobile industry saw a mild recovery in the market due to the effects of economic stimulus measures in the form of tax cuts or incentives. Amid such operating conditions, net sales of the Automobile Segment totaled ¥778.3 billion, an increase of ¥22.4 billion (3%) from fiscal 2009. Operating income amounted to ¥23.6 billion, compared with an operating loss of ¥11.5 billion in fiscal 2009.

Within this segment, net sales of the Vehicle Business amounted to ¥398.7 billion, an increase of ¥20.6 billion (5%), due mainly to an increase in unit sales of the RAV4 that offset decreases in unit sales of the Vitz (Yaris outside Japan) and Mark X ZiO.

Net sales of the Engine Business totaled ¥165.0 billion, an increase of ¥8.4 billion (5%), attributable primarily to an increase in unit sales of AR gasoline engines.

Net sales of the Car Air-Conditioning Compressor Business totaled ¥177.0 billion, a decrease of ¥9.3 billion (5%), resulting from declines in production volume by automakers.

Materials Handling Equipment Segment

In the materials handling equipment industry as a whole, the market remained in grave condition despite market growth in certain emerging countries. Although Toyota Industries aggressively engaged in global sales promotion activities for lift trucks, a mainstay product of this segment, unit sales decreased. A decline in unit sales of aerial work platforms was also a key factor. As a result, net sales of the Materials Handling Equipment Segment totaled ¥431.6 billion, a decrease of ¥208.0 billion (33%), while operating loss was ¥9.5 billion compared with operating income of ¥3.7 billion in fiscal 2009.

Logistics Segment

In the logistics industry as a whole, the overall operating environment remained severe as the volume of cargo transport continued to decline in the Japanese market. Net sales of the Logistics Segment amounted to ¥108.5 billion, a decrease of ¥6.3 billion (5%), despite the strong performance by businesses engaged in collection and delivery of cash and management of sales proceeds. This was offset by a decline in sales of the cargo transport business of automotive-related parts. Operating income amounted to ¥5.2 billion, an increase of ¥2.3 billion (82%) from fiscal 2009.

Textile Machinery Segment

In the textile machinery industry as a whole, the market remained severe even though the primary market of China experienced a mild recovery. Net sales of the Textile Machinery Segment totaled ¥20.8 billion, a decrease of ¥8.7 billion (29%), owing mainly to a significant decrease in unit sales of air-jet looms to China, while operating loss was ¥1.8 billion compared with an operating loss of ¥2.0 billion in fiscal 2009.

Others Segment

Net sales of the Others Segment totaled ¥38.3 billion, a decrease of ¥5.9 billion (13%) from fiscal 2009, while operating income was ¥3.9 billion compared with an operating loss of ¥46 million in fiscal 2009.

Sales by Geographical Segment

Below are Toyota Industries' operating results by geographical segment. Net sales for each geographical segment do not include inter-segment transactions.

Japan

Net sales decreased ¥71.4 billion (7%) from fiscal 2009 to ¥995.2 billion, while operating income was ¥29.9 billion compared with an operating loss of ¥1.6 billion in fiscal 2009. This was attributable primarily to decreases in personnel costs and expenses, despite decreases in unit sales of lift trucks.

North America

Net sales decreased ¥56.8 billion (29%) from fiscal 2009 to ¥137.0 billion, while operating loss was ¥1.4 billion compared with an operating loss of ¥4.7 billion in fiscal 2009, due mainly to decreases in unit sales of car air-conditioning compressors and lift trucks.

Europe

Net sales decreased ¥71.6 billion (26%) from fiscal 2009 to ¥200.5 billion, while operating loss was ¥7.1 billion compared with an operating loss of ¥3.9 billion in fiscal 2009. This was attributable primarily to a decrease in unit sales of lift trucks.

Others

Net sales totaled ¥44.9 billion, a decrease of ¥6.7 billion (13%) from fiscal 2009, while operating income increased ¥0.5 billion (23%) to ¥2.5 billion.

Operating Income (Loss)

Operating income for fiscal 2010 was ¥22.0 billion, compared with an operating loss of ¥6.6 billion in fiscal 2009, due to concerted efforts during fiscal 2010 to realize and maintain a streamlined structure mainly through reductions in personnel costs and expenses.

Ordinary Income

Ordinary income amounted to ¥31.7 billion, an increase of ¥17.4 billion (121%) from fiscal 2009. This was due to operating income of ¥22.0 billion, while an operating loss of ¥6.6 billion in fiscal 2009 and equity in net earnings of unconsolidated subsidiaries and affiliated companies amounting to ¥0.7 billion, compared with equity in net losses of unconsolidated subsidiaries and affiliated companies of ¥3.1 billion in fiscal 2009.

This was offset by a ¥22.5 billion (60%) decrease in dividends income from fiscal 2009 to ¥15.2 billion.

Loss before Income Taxes and Minority Interests

Loss before income taxes and minority interests amounted to ¥11.3 billion, compared with loss before income taxes and minority interests of ¥23.2 billion in fiscal 2009, as a result of a ¥17.4 billion (121%) increase in ordinary income to ¥31.7 billion. Extraordinary losses increased ¥5.5 billion from fiscal 2009 to ¥43.0 billion as a result of business restructuring of the Materials Handling Equipment Segment.

Net Loss

Net loss totaled ¥26.2 billion compared with a net loss of ¥32.7 billion in fiscal 2009. Net loss per share was ¥84.33 compared with net loss per share of ¥105.16 in fiscal 2009.

Consolidated Financial Condition

Total assets increased ¥261.8 billion from the end of the previous fiscal year to ¥2,589.2 billion due mainly to an increase in market value of investment securities. Net assets amounted to ¥1,104.9 billion, an increase of ¥127.3 billion from the end of the previous fiscal year.

Liquidity and Capital Resources

Toyota Industries' financial policy is to ensure sufficient financing and liquidity for its business activities and to maintain strong balance sheets. Currently, funds for capital investments and other long-term capital needs are provided from retained earnings and long-term debt, and working capital needs are met through short-term loans. Long-term debt financing is carried out mainly through issuance of corporate bonds and loans from financial institutions.

Toyota Industries continues to maintain its solid financial condition. Through the use of such current assets as cash and cash equivalents and securities, as well as free cash flows and funds procured from financial institutions, Toyota Industries believes that it will be able to provide sufficient funds for the working capital necessary to expand existing businesses and develop new projects, as well as for future investments.

Regarding fund management, the Company undertakes integrated fund management of its subsidiaries in Japan, while Toyota Industries North America, Inc. (TINA) and Toyota Industries Finance International AB (TIFI) centrally manage the funds of subsidiaries in North America and Europe, respectively.

Through close cooperation among the Company, TINA and TIFI, we strive for efficient, unified fund management on a global consolidated basis.

Cash Flows

Cash flows from operating activities resulted in an increase in cash of ¥203.4 billion in fiscal 2010, due mainly to depreciation and amortization of ¥110.1 billion and loss before income taxes and minority interests of ¥11.3 billion. Net cash provided by operating activities increased by ¥137.7 billion from ¥65.7 billion in fiscal 2009.

Cash flows from investing activities resulted in a decrease in cash of ¥36.8 billion in fiscal 2010, attributable primarily to payments for purchases of property, plant and equipment amounting to ¥48.3 billion. Net cash used in investing activities decreased by ¥77.4 billion from ¥114.2 billion for fiscal 2009.

Cash flows from financing activities resulted in a decrease in cash of ¥38.2 billion in fiscal 2010, due mainly to repayments of short-term loans payable of ¥37.6 billion.

After translation adjustments, cash and cash equivalents as of March 31, 2010 stood at ¥317.5 billion, an increase of ¥129.5 billion (69%) from fiscal 2009.

Investment in Property, Plant and Equipment

During fiscal 2010, Toyota Industries made a total investment of ¥47.5 billion in property, plant and equipment (including vehicles and materials handling equipment for lease) in order to launch new products, streamline and upgrade production equipment and augment R&D facilities.

In the Automobile Segment, investment in property, plant and equipment totaled ¥12.0 billion. A primary breakdown of this amount included ¥7.3 billion for the Company and ¥2.2 billion for Toyota Industry Automotive Parts (Kunshan) Co., Ltd.

The Materials Handling Equipment Segment made an investment in property, plant and equipment in the total amount of ¥26.0 billion. The primary breakdown comprised ¥0.6 billion for the Company, ¥15.5 billion for the Toyota Material Handling Europe Group and ¥6.3 billion for the Toyota Material Handling Australia Group.

Investment in property, plant and equipment in the Logistics Segment totaled ¥6.3 billion, including ¥4.2 billion for Asahi Security Co., Ltd. and ¥1.8 billion for Wanbishi Archives Co., Ltd.

The Textile Machinery Segment made an investment in property, plant and equipment in the total amount of ¥45 million, including ¥27 million for the Company.

The Others Segment made an investment in property, plant and equipment in the total amount of ¥3.1 billion, including ¥2.5 billion for the Company.

Necessary funds were provided by a portion of bonds as well as cash on hand and bank loans.

Strategies and Outlook

Outlook for Results for Fiscal 2011

Although we expect the global economy to continue on a gradual recovery path in fiscal 2011, uncertainties remain with regard to persistent concerns over deteriorating financial and employment situations, the impact of the discontinuation of car replacement incentive measures and rising prices of raw materials such as iron and crude oil. As a result, the business operating environment is expected to remain difficult.

Amid this challenging environment, Toyota Industries will continue to undertake concerted efforts on a global basis to quickly and thoroughly rebuild our business structure into a more muscular and stronger one. For medium- to long-term growth, we will pursue greater efficiency and further improvement of our business structure.

Specifically, our initiatives to reduce fixed costs will remain in place to maintain a streamlined business structure. At the same time, we will work to enhance our competitiveness by strengthening cost planning activities for each product category. We will pursue every opportunity geared toward sales expansion along with closely monitoring market needs.

In the medium to long term, our foremost focus remains on quality. Addressing environmental and safety concerns as well as enhancing our competitive strength will also be equally imperative. Keeping these in mind, we will strive to develop products and cutting-edge technologies that are closely aligned with customer perspectives.

Specific initiatives include refining element technologies that will contribute to electrification, lighter weights and energy savings based on 3Es (energy, environmental protection and ecological thinking). By employing these element technologies in new automobile and materials handling equipment products, our mainstay businesses, we aim for further business expansion.

Concurrently, in emerging countries where economies are expected to grow, we will strive to quickly establish more customer-oriented supply chain management via product planning and product development to meet the needs in respective local markets.

To support such consolidated management on a global scale, Toyota Industries will strive to nurture people who take the initiative to learn, think and act and who will enhance the power of the workplace.

In addition to placing top priority on safety, we will thoroughly enforce compliance, including observance of laws and regulations, and actively participate in social contribution activities. Through these and further measures, Toyota Industries aims to meet the trust of society, raise corporate value and grow in harmony with society.

Dividend Policy

Toyota Industries regards the benefits of shareholders as one of its most important management policies. Based on this stance, we will strive to strengthen Toyota Industries' corporate constitution, promote proactive business development and raise Toyota Industries' corporate value.

Toyota Industries' dividend policy is to meet the expectations of shareholders for continuous dividends while giving full consideration to business performance, funding requirements, the dividend payout ratio and other factors. Toyota Industries' Ordinary General Meeting of Shareholders, held on June 23, 2010, approved a year-end cash dividend of ¥20.0 per share. Including the interim cash dividend of ¥10.0 per share, cash dividends for the year totaled ¥30.0 per share, a decrease of ¥10.0 per share from fiscal 2009.

Toyota Industries will use retained earnings to improve the competitiveness of its products, augment production capacity in Japan and overseas, as well as to expand into new fields of business and strengthen its corporate constitution in securing future profits for its shareholders. Toyota Industries will also use retained earnings to repurchase treasury stock.

The Company's Articles of Incorporation stipulate that it may pay interim cash dividends as prescribed in Article 454-5 of the Corporate Law, and it is the Company's basic policy to pay dividends from retained earnings twice a year (interim and annual).

The Company's Articles of Incorporation also stipulate that what is prescribed in Article 459-1 of the Corporate Law can be added to the Articles of Incorporation. As the Company's policy, discretion to pay interim cash dividends is determined by the Board of Directors while payment of year-end cash dividends is subject to approval at the Ordinary General Meeting of Shareholders.

Risk Information

The following represent risks that could have a material impact on Toyota Industries' financial condition, business results and share prices. Toyota Industries judged the following as future risks as of March 31, 2010.

Principal Customers

Toyota Industries' automobile and engine products are sold primarily to Toyota Motor Corporation (TMC). In fiscal 2010, net sales to TMC accounted for 43.6% of consolidated net sales. Therefore, TMC's vehicle sales could have an impact on Toyota Industries' business results. As of March 31, 2010, TMC holds 24.61% of the Company's voting rights.

Product Development Capabilities

Based on the concept of "developing appealing new products," Toyota Industries proactively develops new products by utilizing its leading-edge technologies, as it strives to anticipate increasingly sophisticated and diversifying needs of the market and ensure the satisfaction of its customers.

R&D activities are focused mainly on developing and upgrading products in current business fields and peripheral sectors. Toyota Industries expects that revenues derived from these fields will continue to account for a significant portion of total revenues and anticipates that future growth will be contingent on the development and sales of new products in these fields. Toyota Industries believes that it can continue to develop appealing new products. However, Toyota Industries may not be able to forecast market needs and develop and introduce appealing new products in a timely manner. This could result in lower future growth and have an adverse impact on Toyota Industries' financial condition and business results.

Such a situation could result from risks that include no assurance Toyota Industries can allocate sufficient future funds necessary for the development of appealing new products; no assurance that product sales will be successful, as forecasts of products supported by the market may not always be accurate; and no assurance that newly developed products and technologies will always be protected as intellectual property.

Intellectual Property Rights

In undertaking its business activities, Toyota Industries has acquired numerous intellectual property rights, including those acquired overseas, such as patents related to its products, product designs and manufacturing methods. However, not all patents submitted will necessarily be registered as rights, and these patents could thus be rejected by patent authorities or invalidated by third parties. Also, a third party could circumvent a patent of Toyota Industries and introduce a competing product into the market. Moreover, Toyota Industries' products utilize a wide range of technologies. Therefore, Toyota Industries could become a party subject to litigation involving the intellectual property rights of a third party.

Product Defects

Guided by the basic philosophy of "offering products and services that are clean, safe and of high quality," Toyota Industries makes its utmost efforts to enhance quality. However, Toyota Industries cannot guarantee all its products will be defect-free and that product recalls will not be made in the future. Product defects that could lead to large-scale recalls and product liability indemnities could result in large cost burdens and have a significant negative impact on the evaluation of Toyota Industries. It could also have an adverse effect on Toyota Industries' financial condition and business results due to a decrease in sales, deterioration of profitability and decrease in share prices of Toyota Industries.

Price Competition

Toyota Industries faces extremely harsh competition in each of the industries in which it conducts business, including its Automobile and Materials Handling Equipment businesses, which are the core of Toyota Industries' earnings foundation. Toyota Industries believes it offers high value-added products that are unrivalled in terms of technology, quality and cost. Amid an environment characterized by intensifying price competition, however, Toyota Industries may be unable to maintain or increase market share against low-cost competitors or to maintain profitability. This could have an adverse impact on Toyota Industries' financial condition and business results.

Reliance on Suppliers of Raw Materials and Components

Toyota Industries' products rely on various raw materials and components from suppliers outside Toyota Industries. Toyota Industries has concluded basic business contracts with these external suppliers and assumes it can carry out stable transactions for raw materials and components. However, Toyota Industries has no assurances against future shortages of raw materials and components, which arise from a global shortage due to tight supply or an unforeseen accident involving a supplier. Such shortages could have a negative effect on Toyota Industries' product production and cause an increase in costs, which could have an adverse impact on Toyota Industries' financial condition and business results.

Environmental Regulations

In view of its social responsibilities as a company, Toyota Industries strives to reduce any burden on the environment resulting from its production processes, as well as strictly adheres to applicable environmental laws and regulations. However, various environmental regulations could also be revised and strengthened in the future. Accordingly, any expenses necessary for continuous strict adherence to these environmental regulations could result in increased business costs and have an adverse impact on Toyota Industries' financial condition and business results.

Alliances with Other Companies

Aiming to expand its businesses, Toyota Industries engages in joint activities with other companies through alliances and joint ventures. However, a wildly fluctuating market trend or a disagreement between Toyota Industries and its partners, owing to business, financial or other reasons, could prevent Toyota Industries from deriving the intended benefits of its alliances.

Exchange Rate Fluctuations

Toyota Industries' businesses encompass the production and sales of products and the provision of services worldwide. Generally, the strengthening of the yen against other currencies (especially against the U.S. dollar and the euro, which account for a significant portion of Toyota Industries' sales) has an adverse impact on Toyota Industries' business, while a weakening of the yen has a favorable impact. An increase in the value of currencies in countries or regions where Toyota Industries carries out production could lead to an increase in local production, procurement and distribution costs. Such an increase in costs could reduce Toyota Industries' price competitiveness. Additionally, because export sales of several businesses are denominated mainly in yen, exchange rate fluctuations could have an adverse impact on Toyota Industries' financial condition and business results due to a change in market prices.

Share Price Fluctuations

Toyota Industries holds marketable securities, and therefore bears the risk of price fluctuations of these shares. Based on fair market value of these shares at the end of the fiscal year under review, Toyota Industries had unrealized gains. However, unrealized gains on marketable securities could worsen depending on future share price movements. Additionally, a fall in share prices could reduce the value of pension assets, leading to an increase in the pension shortfall.

Effects of Disasters, Power Blackouts and Other Incidents

Toyota Industries carries out regular checks and inspections of its production facilities to minimize the effect of production breakdown. However, there is no assurance Toyota Industries can completely prevent or lessen the impact of man-made or natural disasters, including malfunctions of production facilities, fires at production facilities and power blackouts. For example, the majority of Toyota Industries' domestic production facilities and most of its business partners are situated in the Chubu region. Therefore, a major earthquake such as the Tokai Earthquake, or an incident that affects other operations, could delay or stop production or shipment activities. Such prolonged delays and stoppages could have an adverse impact on Toyota Industries' financial condition and business results.

Latent Risks Associated with International Activities

Toyota Industries manufactures and sells products and provides services in various countries. Such unforeseen factors as social chaos, including political disruptions, terrorism and wars, as well as changes in economic conditions, could have an adverse impact on Toyota Industries' financial condition and business results.

Retirement Benefit Liabilities

Toyota Industries' employee retirement benefit expenses and liabilities are calculated based on expected rates of return on pension assets as well as assumptions upon making actuarial calculations that incorporate discount rates and other factors. Therefore, differences between actual results and assumptions as well as changes in the assumptions could have a significant impact on recognized expenses and calculated liabilities in future accounting periods.

Significant Accounting Policies and Estimates

Toyota Industries' financial statements are prepared in conformity with accounting principles and practices generally accepted in Japan. In preparing financial statements, management must make estimates, judgments and assumptions that affect reported amounts of assets and liabilities at fiscal year-end as well as revenues and expenses during each fiscal year. Among Toyota Industries' significant accounting policies, the following categories require a considerable degree of judgment and estimation and are highly complex.

Allowance for Doubtful Accounts

To prepare for the risk of receivables becoming uncollectible, Toyota Industries estimates its allowance for doubtful accounts by utilizing the percentage of historical experiences in credit losses for ordinary receivables and individually examining the feasibility of collection for receivables that seem to be uncollectible. Evaluating the allowance for doubtful accounts involves judgments made in accordance with the nature of the situation, and this allowance represents an essential and crucial estimate—including future estimates of cash flow amounts and timing—that could change significantly. Based on currently available information, Toyota Industries' management believes its present allowance for doubtful accounts is sufficient. However, the need to significantly increase allowance for doubtful accounts in the future could have an adverse impact on Toyota Industries' business results.

Allowance for Retirement Benefits

Calculations differ for retirement benefits, retirement benefit expenses and liabilities after employee retirement, as well as benefits for employees on leave of absence, because different assumptions are used at the time of calculation. Assumptions include such factors as discount rates, amount of benefits, interest expenses, expected rates of return on pension assets and mortality rates. The difference in amounts between these assumptions and actual results is calculated cumulatively and amortized over future accounting periods, and thus becomes an expense and is recognized as a liability in future accounting periods. Toyota Industries believes its assumptions are reasonable. However, differences between actual results or changes in the assumptions could have an impact on retirement benefits and retirement benefit expenses and liabilities after employee retirement.

Toyota Industries' Relationship to Toyota Motor Corporation

Due to historical reasons, Toyota Industries maintains close relationships with Toyota Motor Corporation (TMC) and Toyota Group companies in terms of capital and business dealings.

Historical Background

In 1933, Kiichiro Toyoda, the eldest son of founder Sakichi Toyoda and then Managing Director of Toyota Industries (then Toyoda Automatic Loom Works, Ltd.), established the Automobile Department within the Company based on his resolve to manufacture Japanese-made automobiles. In 1937, the Automobile Department was spun off and became an independent company, Toyota Motor Co., Ltd. (the present Toyota Motor Corporation).

Capital Relationship

In light of this historical background, Toyota Industries and TMC have maintained a close capital relationship. As of March 31, 2010, Toyota Industries holds 6.42% (201,195 thousand shares) of TMC's total shares issued. Likewise, as of the same date, TMC holds 24.61% of Toyota Industries' total voting rights. Toyota Industries is a TMC affiliate accounted for by the equity method.

Business Relationship

Toyota Industries assembles certain cars and produces automobile engines under consignment from TMC. Additionally, we sell a portion of our other components and products directly or indirectly to other Toyota Group companies. In fiscal 2010, our net sales to TMC accounted for 43.6% of our consolidated net sales.

Contributions to the Toyota Group

As a member of the Toyota Group, Toyota Industries aims to contribute to strengthening the competitiveness of TMC and other Toyota Group companies in such areas as quality, cost, delivery and technologies. Toyota Industries is confident that raising the Toyota Group's competitiveness will lead to increases in our sales to and profits from the Toyota Group, thereby contributing to raising Toyota Industries' corporate value.

Consolidated Balance Sheets

Toyota Industries Corporation
As of March 31, 2010 and 2009

	Millions of yen	
ASSETS	**2010**	2009
Current assets:		
Cash and deposits	**¥ 287,965**	¥ 169,743
Trade notes and accounts receivable (Note 8)	**163,708**	158,798
Short-term investments	**71,391**	58,838
Merchandise and finished goods (Notes 4 and 8)	**37,358**	44,237
Work in process (Notes 4 and 8)	**25,672**	30,500
Raw materials and supplies (Notes 4 and 8)	**25,318**	27,423
Deferred tax assets (Note 20)	**17,182**	16,600
Other current assets	**47,307**	64,632
Allowance for doubtful accounts	**(3,103)**	(2,806)
Total current assets	**672,801**	567,967
Fixed assets:		
Property, plant and equipment:		
Buildings and structures (Notes 5 and 8)	**169,991**	182,214
Machinery, equipment and vehicles (Notes 5 and 8)	**212,079**	252,402
Tools, furniture and fixtures (Note 5)	**21,840**	25,598
Land (Note 8)	**119,517**	110,078
Construction in progress	**8,547**	18,970
Total property, plant and equipment	**531,977**	589,264
Intangible assets:		
Goodwill	**72,745**	107,072
Software	**9,976**	11,736
Total intangible assets	**82,722**	118,809
Investments and other assets:		
Investments in securities (Note 8)	**1,162,685**	907,524
Long-term loans receivable	**5,554**	5,954
Deferred tax assets (Note 20)	**10,429**	11,578
Other investments and other assets	**123,278**	126,534
Allowance for doubtful accounts	**(202)**	(199)
Total investments and other assets	**1,301,744**	1,051,391
Total fixed assets	**1,916,444**	1,759,464
Total assets	**¥2,589,246**	¥2,327,432

The accompanying notes are an integral part of these financial statements.

LIABILITIES AND NET ASSETS	Millions of yen 2010	2009
Current liabilities:		
Trade notes and accounts payable	**¥ 141,787**	¥ 104,658
Short-term loans payable (Note 8)	**46,241**	63,187
Commercial paper	**9,575**	26,356
Current portion of bonds	**50,446**	32,072
Accounts payable—other	**13,149**	25,349
Accrued income taxes	**15,014**	7,570
Deferred tax liabilities (Note 20)	**316**	249
Allowance for bonuses to directors and corporate auditors	**310**	214
Other current liabilities (Note 8)	**158,100**	154,720
Total current liabilities	**434,941**	414,379
Long-term liabilities:		
Bonds (Note 6)	**231,401**	231,501
Long-term loans payable (Notes 6 and 8)	**299,208**	285,340
Lease obligations (Notes 2, 3 and 6)	**108,014**	104,245
Deferred tax liabilities (Note 20)	**351,009**	252,209
Allowance for retirement benefits (Note 9)	**45,234**	44,055
Other long-term obligations	**14,507**	18,029
Total long-term liabilities	**1,049,375**	935,382
Total liabilities	**1,484,316**	1,349,762
Shareholders' equity (Note 12)**:**		
Capital stock		
Authorized — 1,100,000,000 shares		
Issued — 325,840,640 shares as of March 31, 2010	**80,462**	80,462
325,840,640 shares as of March 31, 2009		
Capital surplus	**106,179**	106,180
Retained earnings	**378,648**	412,294
Treasury stock	**(50,689)**	(50,672)
14,263,943 shares as of March 31, 2010		
14,263,027 shares as of March 31, 2009		
Total shareholders' equity	**514,601**	548,264
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	**544,068**	392,489
Deferred gains or losses on hedges	**(9)**	24
Foreign currency translation adjustment	**(2,430)**	(10,048)
Total valuation and translation adjustments	**541,628**	382,466
Subscription rights to shares	**1,720**	1,224
Minority interests	**46,978**	45,715
Total net assets	**1,104,929**	977,670
Total liabilities and net assets	**¥2,589,246**	¥2,327,432

Consolidated Statements of Income

Toyota Industries Corporation
For the years ended March 31, 2010 and 2009

	Millions of yen	
	2010	2009
Net sales	**¥1,377,769**	¥1,584,252
Cost of sales (Note 13)	**1,194,399**	1,389,002
Gross profit	**183,370**	195,249
Selling, general and administrative expenses (Notes 13 and 18)**:**		
Sales commissions	**6,814**	10,287
Salaries and allowances	**64,716**	75,426
Retirement benefit expenses	**1,953**	2,012
Depreciation	**8,151**	8,734
Research and development expenses	**19,482**	23,610
Other	**60,248**	81,800
Operating income (loss)	**22,002**	(6,621)
Non-operating income:		
Interest income	**10,804**	12,677
Dividends income	**15,297**	37,781
Gain on sales of marketable securities	**135**	498
Equity in net earnings of unconsolidated subsidiaries and affiliated companies	**744**	–
Other non-operating income	**7,413**	8,356
Non-operating expenses:		
Interest expenses	**(17,847)**	(19,770)
Loss on disposal of fixed assets	**(1,257)**	(4,131)
Equity in net losses of unconsolidated subsidiaries and affiliated companies	**–**	(3,130)
Other non-operating expenses	**(5,535)**	(11,314)
Ordinary income	**31,756**	14,343
Extraordinary losses (Note 14)**:**		
Losses on business restructuring of the Materials Handling Equipment Segment	**(43,099)**	–
Losses on impairment of property, plant and equipment due to a decrease in production volume	**–**	(26,526)
Losses of discontinuing production of designated electronic parts	**–**	(11,064)
Loss before income taxes and minority interests	**(11,343)**	(23,247)
Income taxes — current (Note 20)	**13,320**	8,248
Income taxes — deferred (Note 20)	**(438)**	8,240
Income (loss) on minority interests in consolidated subsidiaries	**2,048**	(6,968)
Net loss	**¥ (26,273)**	¥ (32,767)

	Yen	
Net loss per share — basic (Note 26)	**¥ (84.33)**	¥ (105.16)
Net loss per share — diluted (Note 26)	**–**	–
Net assets per share (Note 27)	**3,390.02**	2,987.16
Cash dividends per share	**30.00**	40.00

The accompanying notes are an integral part of these financial statements.

Consolidated Statements of Changes in Net Assets

Toyota Industries Corporation
For the years ended March 31, 2010 and 2009

	Millions of yen	
	2010	2009
Shareholders' equity		
Capital stock		
Balance at the end of previous period	**¥ 80,462**	¥ 80,462
Balance at the end of current period	**80,462**	80,462
Capital surplus		
Balance at the end of previous period	**106,180**	106,184
Changes of items during the period		
Disposal of treasury stock	**(0)**	(4)
Total changes of items during the period	**(0)**	(4)
Balance at the end of current period	**106,179**	106,180
Retained earnings		
Balance at the end of previous period	**412,294**	466,780
Effect of changes in accounting policies applied to foreign subsidiaries	**–**	(2,400)
Changes of items during the period		
Dividends from surplus	**(6,231)**	(19,318)
Decrease due to increase in consolidated subsidiaries	**(1,138)**	–
Decrease due to decrease in consolidated subsidiaries	**(1)**	–
Net loss	**(26,273)**	(32,767)
Total changes of items during the period	**(33,646)**	(52,086)
Balance at the end of current period	**378,648**	412,294
Treasury stock		
Balance at the end of previous period	**(50,672)**	(50,644)
Changes of items during the period		
Repurchase of treasury stock	**(18)**	(41)
Disposal of treasury stock	**1**	12
Total changes of items during the period	**(16)**	(28)
Balance at the end of current period	**(50,689)**	(50,672)
Total shareholders' equity		
Balance at the end of previous period	**548,264**	602,783
Effect of changes in accounting policies applied to foreign subsidiaries	**–**	(2,400)
Changes of items during the period		
Dividends from surplus	**(6,231)**	(19,318)
Decrease due to increase in consolidated subsidiaries	**(1,138)**	–
Decrease due to decrease in consolidated subsidiaries	**(1)**	–
Net loss	**(26,273)**	(32,767)
Repurchase of treasury stock	**(18)**	(41)
Disposal of treasury stock	**0**	8
Total changes of items during the period	**(33,663)**	(52,118)
Balance at the end of current period	**514,601**	548,264
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	**392,489**	752,553
Changes of items during the period		
Net changes of items other than shareholders' equity	**151,578**	(360,063)
Total changes of items during the period	**151,578**	(360,063)
Balance at the end of current period	**544,068**	392,489
Deferred gains or losses on hedges		
Balance at the end of previous period	**24**	140
Changes of items during the period		
Net changes of items other than shareholders' equity	**(33)**	(115)
Total changes of items during the period	**(33)**	(115)
Balance at the end of current period	**(9)**	24
Foreign currency translation adjustment		
Balance at the end of previous period	**(10,048)**	41,477
Changes of items during the period		
Net changes of items other than shareholders' equity	**7,618**	(51,525)
Total changes of items during the period	**7,618**	(51,525)
Balance at the end of current period	**(2,430)**	(10,048)
Total valuation and translation adjustments		
Balance at the end of previous period	**382,466**	794,171
Changes of items during the period		
Net changes of items other than shareholders' equity	**159,162**	(411,705)
Total changes of items during the period	**159,162**	(411,705)
Balance at the end of current period	**541,628**	382,466
Subscription rights to shares		
Balance at the end of previous period	**1,224**	695
Changes of items during the period		
Net changes of items other than shareholders' equity	**496**	528
Total changes of items during the period	**496**	528
Balance at the end of current period	**1,720**	1,224
Minority interests		
Balance at the end of previous period	**45,715**	56,345
Changes of items during the period		
Net changes of items other than shareholders' equity	**1,263**	(10,630)
Total changes of items during the period	**1,263**	(10,630)
Balance at the end of current period	**46,978**	45,715
Total net assets		
Balance at the end of previous period	**977,670**	1,453,996
Effect of changes in accounting policies applied to foreign subsidiaries	**–**	(2,400)
Changes of items during the period		
Dividends from surplus	**(6,231)**	(19,318)
Decrease due to increase in consolidated subsidiaries	**(1,138)**	–
Decrease due to decrease in consolidated subsidiaries	**(1)**	–
Net loss	**(26,273)**	(32,767)
Repurchase of treasury stock	**(18)**	(41)
Disposal of treasury stock	**0**	8
Net changes of items other than shareholders' equity	**160,922**	(421,807)
Total changes of items during the period	**127,259**	(473,926)
Balance at the end of current period	**¥1,104,929**	¥ 977,670

The accompanying notes are an integral part of these financial statements.

Consolidated Statements of Cash Flows

Toyota Industries Corporation
For the years ended March 31, 2010 and 2009

	Millions of yen	
	2010	2009
Cash flows from operating activities:		
Loss before income taxes and minority interests	**¥ (11,343)**	¥ (23,247)
Depreciation and amortization	**110,119**	125,543
Impairment loss	**36,902**	35,868
Increase (decrease) in allowance for doubtful accounts	**84**	1,207
Interest and dividends income	**(26,101)**	(50,458)
Interest expenses	**17,847**	19,770
Equity in net (earnings) losses of unconsolidated subsidiaries and affiliated companies	**(744)**	3,130
(Increase) decrease in receivables	**(777)**	61,870
(Increase) decrease in inventories	**17,334**	3,939
Increase (decrease) in payables	**36,164**	(93,949)
Others, net	**7,372**	(8,141)
Subtotal	**186,859**	75,534
Interest and dividends income received	**26,145**	50,435
Interest expenses paid	**(17,976)**	(19,622)
Income taxes (paid) received	**8,424**	(40,577)
Net cash provided by operating activities	**203,452**	65,768
Cash flows from investing activities:		
Payments for purchases of property, plant and equipment	**(48,312)**	(122,422)
Proceeds from sales of property, plant and equipment	**15,729**	10,991
Payments for purchases of investment securities	**(3,927)**	(4,982)
Proceeds from sales of investment securities	**197**	12,367
Payments for acquisition of subsidiaries' stock resulting in change in scope of consolidation	**(781)**	(11)
Payments for loans made	**(293)**	(4,465)
Proceeds from collections of loans	**2,003**	5,126
Others, net	**(1,470)**	(10,820)
Net cash used in investing activities	**(36,855)**	(114,217)
Cash flows from financing activities:		
Increase (decrease) in short-term loans payable	**(37,614)**	6,947
Proceeds from long-term loans payable	**27,820**	126,178
Repayments of long-term loans payable	**(1,915)**	(10,420)
Proceeds from issuances of bonds	**50,000**	39,399
Repayments of bonds	**(33,286)**	(20,000)
Payments for repurchase of treasury stocks	**(18)**	(41)
Cash dividends paid	**(6,231)**	(19,318)
Cash dividends paid to minority shareholders	**(625)**	(1,310)
Proceeds from payment by minority shareholders	**–**	575
Others, net	**(36,359)**	(1,038)
Net cash provided by (used in) financing activities	**(38,230)**	120,971
Translation adjustments of cash and cash equivalents	**1,211**	(5,795)
Net increase (decrease) in cash and cash equivalents	**129,578**	66,727
Cash and cash equivalents at beginning of year	**188,011**	121,284
Cash and cash equivalents at end of year	**¥317,590**	¥188,011

The accompanying notes are an integral part of these financial statements.

Notes to Consolidated Financial Statements

1. Basis of presenting consolidated financial statements:

The accompanying consolidated financial statements have been prepared based on the accounts maintained by Toyota Industries Corporation (the "Company") and its consolidated subsidiaries (together, hereinafter referred to as "Toyota Industries") in accordance with the provisions set forth in the Corporate Law of Japan and the Financial Instruments and Exchange Law, and in conformity with accounting principles generally accepted in Japan, which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards.

2. Summary of significant accounting policies:

(1) Consolidation

The consolidated financial statements include the accounts of the Company and its 159 subsidiaries (40 domestic subsidiaries and 119 overseas subsidiaries, which are listed on pages 38 and 39) as of March 31, 2010, and 160 subsidiaries (43 domestic subsidiaries and 117 overseas subsidiaries) as of March 31, 2009.

For the year ended March 31, 2010, two subsidiaries were newly added to the scope of consolidation and three companies were excluded from the scope of consolidation because of liquidation and mergers as a result of reorganization.

For the year ended March 31, 2009, four subsidiaries were newly added to the scope of consolidation and seven companies were excluded from the scope of consolidation because of mergers and acquisitions as a result of reorganization.

The fiscal years of certain subsidiaries are different from the fiscal year of the Company. Since the difference is not more than three months, the Company is using those subsidiaries' statements for those fiscal years, making adjustments for significant transactions that materially affect the financial position or results of operations.

All significant inter-company transactions, balances and unrealized profits within Toyota Industries have been eliminated.

A full portion of the assets and liabilities of the acquired subsidiaries is stated at fair value as of the date of acquisition of control.

In June 2009, Toyota Industries Sweden AB changed the company name to Toyota Material Handling Europe AB.

(2) Equity method

Investments in 13 major affiliates in 2010 and 2009 are accounted for by the equity method of accounting.

For the year ended March 31, 2010, there were no changes in the scope of equity-method accounting.

For the year ended March 31, 2009, two companies were excluded from the scope of equity-method accounting because of transfer to the scope of consolidation.

Some of the affiliates are not accounted for under the equity method since their net income/losses, retained earnings and other financial amounts are immaterial.

The major affiliates accounted for by the equity method are listed on page 39.

(3) Translation of foreign currencies

Foreign currency denominated receivables and payables are translated into Japanese yen at the year-end exchange rates and the resulting transaction gains or losses are included in the consolidated statements of income.

All asset and liability accounts of foreign subsidiaries and affiliates are translated into Japanese yen at year-end exchange rates and all revenue and expense accounts are translated at prevailing fiscal average rates.

(4) Cash and cash equivalents

Cash and cash equivalents include all highly liquid investments, generally with original maturities of three months or less, that are readily convertible to known amounts of cash and are so near maturity that they present insignificant risk of changes in value because of changes in interest rates.

(5) Short-term investments and investment in securities

Toyota Industries classifies securities into four categories by purpose of holding: trading securities, held-to-maturity securities, other securities and investments in affiliates. Toyota Industries did not have trading securities or held-to-maturity securities as of March 31, 2010 and 2009.

Other securities with readily determinable fair values are stated at fair value based on market prices at the end of the year. Unrealized gains and losses are included in "Valuation difference on available-for-sale securities" as a separate component of net assets. Cost of sales of such securities is determined by the moving-average method. Other securities without readily determinable fair values are stated at cost, as determined by the moving-average method.

Investments in affiliates are accounted for by the equity method (see Note 2 (2)).

Investments in affiliates not accounted for by the equity method are stated at cost due to their insignificant effect on the consolidated financial statements.

(6) Inventories

Inventories are stated mainly at cost determined by the moving-average method (the values on the consolidated balance sheets are calculated through the write-down method based on the deterioration of profitability).

(7) Property, plant and equipment, and depreciation (Except for lease assets)

Property, plant and equipment are stated at cost. Depreciation expenses of property, plant and equipment are computed mainly by the declining-balance method for the Company and subsidiaries.

Significant renewals and additions are capitalized at cost. Repairs and maintenance are charged to income as incurred.

In accordance with the revision of the Corporation Tax Act of Japan, as a result of a review of the useful lives, Toyota Industries revised the useful lives of tangible assets and applied the revision from the consolidated fiscal year ended March 31, 2009.

As a result, operating income decreased by ¥5,824 million and ordinary income and income before income taxes and minority interests decreased by ¥5,843 million, respectively.

(8) Intangible assets and amortization

Amortization of intangible assets is computed using the straight-line method. Software costs for internal use are amortized by the straight-line method over their expected useful lives (mainly five years).

Goodwill, if material, is amortized principally over less than 20 years on a straight-line basis, while immaterial goodwill is charged to income as incurred.

(9) Lease transactions

The depreciation method of leased properties on finance leases that are deemed to transfer the ownership of the leased properties to lessees is the same as those applied to properties owned by Toyota Industries.

The depreciation method of leased properties on finance leases other than those deemed to transfer the ownership of leased properties to lessees is computed mainly by the straight-line method, which assumes zero residual value and the leasing term to be for the useful life of the asset.

As for the finance leases other than finance leases deemed to transfer the ownership of leased properties to lessees, those that came into effect before March 31, 2008 (inclusive) will continue to be accounted for by the former method (similar to the method applicable to ordinary operating leases).

(10) Method of accounting of deferred assets

As for bond issuance costs, the full amount is treated as an expense at the time of payout.

(11) Allowances for doubtful accounts

Toyota Industries adopted the policy of providing an allowance for doubtful accounts in an amount sufficient to cover possible losses on collection by estimating individually uncollectible amounts and applying to the remaining accounts a percentage determined by certain factors such as historical collection experiences.

(12) Allowance for bonuses to directors and corporate auditors

Bonuses to directors and corporate auditors are recorded on the accrual basis with a related change to income.

(13) Allowance for retirement benefits

Toyota Industries accrues an amount which is considered to be incurred in the period based on the estimated projected benefit obligations and estimated pension assets at the end of the year. To provide for the retirement benefits for directors, corporate auditors and managing officers, an amount which is calculated at the end of the year as required by an internal policy describing the retirement benefits for directors, corporate auditors and managing officers is accrued.

(14) Accounting standards for finance lease transactions

As for the accounting standards for finance lease transactions, net sales and cost of sales are recognized when the lease payments are received.

(15) Hedge accounting

(a) Method of hedge accounting

Mainly the deferral method of hedge accounting is applied. In the case of foreign currency forward contracts and foreign currency option contracts, the hedged items are translated at contracted forward rates if certain conditions are met.

As for the interest rate swap contracts, which meet the requirements of preferential accounting method, the preferential accounting method is applied.

(b) Hedging instruments and hedged items

Hedging instruments:	Derivatives instruments (foreign currency forward contracts, foreign currency option contracts, foreign currency swaps and interest rate swaps)
Hedged items:	Risk of change in interest rate on borrowings, receivables and payables and risk of change in forward exchange rates on transactions denominated in foreign currencies (borrowings, receivables and payables, and forecasted transactions)

(c) Hedging policy

Hedging transactions are executed and controlled based on Toyota Industries' internal policy and Toyota Industries is hedging interest rate risks and foreign currency risks. Toyota Industries' hedging activities are reported periodically to a director responsible for accounting.

(d) Method used to measure hedge effectiveness

Hedge effectiveness is measured by comparing accumulated changes in market prices of hedged items and hedging instruments or accumulated changes in estimated cash flows from the inception of the hedge to the date of measurements performed. Currently it is considered that there are high correlations between them.

(16) Consumption tax

The consumption tax under the Japanese Consumption Tax Law withheld by Toyota Industries on sales of goods is not included in the amount of net sales in the accompanying consolidated statements of income, and the consumption tax paid by Toyota Industries under the law on purchases of goods and services, and expenses is not included in the related amount.

(17) Income taxes

The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax liabilities and assets for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities.

Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized.

(18) Net income per share

The computation of basic net income per share is based on the weighted-average number of outstanding shares of common stock. The calculation of diluted net income per share is similar to the calculation of basic net income per share, except that the weighted-average number of shares outstanding includes the additional dilution from potential common stock equivalents such as subscription rights to shares. Cash dividends per share shown in the statements of income are the amounts applicable to the respective years.

3. Changes in accounting policies and adoption of new accounting standards:

For the year ended March 31, 2010

Accounting Standard for Construction Contracts

Effective from the fiscal year beginning April 1, 2009, Toyota Industries applies Financial Accounting Standard No. 15 "Accounting Standard for Construction Contracts" and its Implementation Guidance No. 18 "Guidance on Accounting Standard for Construction Contracts," both of which were issued on December 27, 2007 by the Accounting Standards Board of Japan. This modification does not have a significant effect on the income (or loss) of the Company.

Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)

Effective from the fiscal year beginning April 1, 2009, Toyota Industries applies Financial Accounting Standard No. 19 "Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)," which was issued on July 31, 2008 by the Accounting Standards Board of Japan. This modification has no effect on the income (or loss) of the Company.

For the year ended March 31, 2009

Accounting Standard for Measurement of Inventories

Effective from the fiscal year beginning from April 1, 2008, Toyota Industries applies Financial Accounting Standard No. 9 "Accounting Standard for Measurement of Inventories" issued on July 5, 2006 by the Accounting Standards Board of Japan.

With regard to the measurement method, inventories are stated mainly at cost determined by the moving-average method (the values on the consolidated balance sheets are calculated through the write-down method based on the deterioration of profitability).

As a result, operating income, ordinary income and income before income taxes and minority interests decreased by ¥692 million, respectively.

Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements

Effective from the fiscal year beginning from April 1, 2008, Toyota Industries applies Practical Issue Task Force No. 18 "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" issued on May 17, 2006 by the Accounting Standards Board of Japan.

As a result, operating income increased by ¥2,197 million, ordinary income and income before income taxes and minority interests increased by ¥2,213 million, respectively, and retained earnings at the beginning of the consolidated fiscal year beginning from April 1, 2008 decreased by ¥2,400 million.

Accounting Standard for Lease Transactions

Effective from the fiscal year beginning from April 1, 2008, Toyota Industries applies Financial Accounting Standard No. 13 "Accounting Standard for Lease Transactions" (issued by the Accounting Standards Board of Japan on June 17, 1993; latest revision, March 30, 2007) and Implementation Guidance No. 16 "Guidance on the Accounting Standard for Lease Transactions" (issued by the Accounting Standards Board of Japan on January 18, 1994; latest revision, March 30, 2007). In accordance with the Standard and the Guidance, finance leases other than those deemed to transfer the ownership of leased properties to lessees are accounted for mainly by a method similar to that applicable to ordinary sales transactions, instead of by the former method, which was similar to that applicable to ordinary operating leases.

As a result, operating income, ordinary income and income before income taxes and minority interests increased by ¥608 million, respectively.

As for finance leases other than finance leases deemed to transfer the ownership of leased properties to lessees, those that came into effect before March 31, 2008 (inclusive) will continue to be accounted for by the former method (similar to the method applicable to ordinary operating leases).

Classification Change in Consolidated Statement of Income

Effective from the fiscal year beginning April 1, 2008, rental income of fixed assets, which was listed as a separate component of non-operating income, is included in other non-operating income because the amount is immaterial. Rental income of fixed assets in fiscal 2009 was ¥1,061 million.

4. Inventories:

Inventories as of March 31, 2010 and 2009 consist of the following:

	Millions of yen	
	2010	2009
Merchandise and finished goods	**¥ 37,358**	¥ 44,237
Raw materials	**14,127**	15,941
Work in process	**25,672**	30,500
Supplies	**11,190**	11,482
Total	**¥ 88,349**	¥102,162

5. Property, plant and equipment:

Accumulated depreciation as of March 31, 2010 and 2009 is as follows:

	Millions of yen	
	2010	2009
Buildings and structures	**¥ 196,985**	¥ 180,043
Machinery, equipment and vehicles	**569,604**	524,949
Tools, furniture and fixtures	**86,215**	78,162
Total	**¥ 852,805**	¥ 783,154

6. Long-term debt:

(1) Long-term debt as of March 31, 2010 and 2009 consists of the following:

	Millions of yen	
	2010	2009
1.94% bonds due 2009 without collateral	**¥ –**	¥ 15,000
1.91% bonds due 2010 without collateral	**20,000**	20,000
1.13% bonds due 2012 without collateral	**50,000**	50,000
1.03% bonds due 2012 without collateral	**30,000**	30,000
1.46% bonds due 2014 without collateral	**20,000**	20,000
1.01% bonds due 2010 without collateral	**20,000**	20,000
1.66% bonds due 2015 without collateral	**30,000**	30,000
0.50-2.65% medium-term notes due 2010-2014 without collateral	**13,853**	30,582
1.95% bonds due 2016 without collateral	**19,993**	19,992
1.72% bonds due 2018 without collateral	**26,000**	26,000
1.35% medium-term notes due 2014 without collateral	**2,000**	2,000
2.109% bonds due 2019 without collateral	**50,000**	–
Long-term loans payable	**311,939**	294,005
Lease obligations	**123,591**	115,537
Less: current portion of long-term loans payable and bonds	**(63,177)**	(40,737)
Less: current portion of lease obligations	**(15,576)**	(11,292)
Total	**¥638,624**	¥621,088

(2) Annual maturities of long-term debt as of March 31, 2010 are as follows:

	Millions of yen		
Year ending March 31	Long-term loans payable and bonds	Lease obligations	Total
2012	¥ 112,732	¥ 36,819	¥ 149,552
2013	75,330	31,485	106,816
2014	61,552	23,840	85,393
2015	55,000	14,492	69,493
2016 and thereafter	225,993	1,377	227,371
Total	¥ 530,609	¥ 108,014	¥ 638,624

7. Investments in affiliated companies:

Investments in affiliated companies as of March 31, 2010 and 2009 are as follows:

	Millions of yen	
	2010	2009
Investments in securities (stock)	**¥ 10,964**	¥ 7,520
Investments and other assets (others)	**4,440**	3,434

8. Assets pledged as collateral:

(1) Assets pledged as collateral as of March 31, 2010 and 2009 are as follows:

	Millions of yen	
	2010	2009
Investments in securities	**¥ 70,680**	¥ 51,520
Buildings and structures	**2,004**	532
Machinery, equipment and vehicles	**1,734**	–
Land	**466**	396
Merchandise and finished goods	**335**	486
Accounts receivable	**283**	–
Work in process	**122**	–
Raw materials and supplies	**77**	–
Total	**¥ 75,704**	¥ 52,935

(2) Secured liabilities as of March 31, 2010 and 2009 are as follows:

	Millions of yen	
	2010	2009
Other current liabilities	**¥ 22,410**	¥ 23,056
Short-term loans payable	**2,246**	505
Long-term loans payable	**492**	44
Total	**¥ 25,149**	¥ 23,606

9. Allowance for retirement benefits:

Allowance for retirement benefits including the allowance for retirement benefits to directors (including managing officers) for the years ended March 31, 2010 and 2009 is as follows:

	Millions of yen	
	2010	2009
Allowance for retirement benefits to directors (including managing officers)	**¥ 3,741**	¥ 5,460

10. Contingent liabilities:

Toyota Industries is contingently liable for guarantees as of March 31, 2010 and 2009 as follows:

	Millions of yen	
	2010	2009
Guarantees given by consolidated subsidiaries	**¥ 67**	¥ 134

11. Export discount bills:

Export discount bills as of March 31, 2010 and 2009 are as follows:

	Millions of yen	
	2010	2009
Export discount bills	**¥ 314**	¥ 158

12. Net assets:

Under the Corporate Law of Japan, amounts equal to at least 10% of the sum of the cash dividends and other external appropriations paid by the Company and its domestic subsidiaries must be set aside as a legal reserve until it equals 25% of capital stock. The legal reserve may be used to reduce a deficit or may be transferred to capital stock taking appropriate corporate action. In consolidation, the legal reserves of the Company and its domestic subsidiaries are accounted for as retained earnings. The year-end cash dividend is approved at the Ordinary General Meeting of Shareholders of the Company held after the close of the fiscal year to which the dividend is applicable. In addition, interim cash dividends may be paid upon resolution of the Board of Directors, subject to limitations imposed by the Corporate Law of Japan.

13. Research and development expenses:

Research and development expenses, which are included in selling, general and administrative expenses and manufacturing costs, amounted to ¥26,826 million and ¥33,646 million for the years ended March 31, 2010 and 2009, respectively.

14. Impairment losses:

For the year ended March 31, 2010, Toyota Industries recorded extraordinary losses on business restructuring of the Materials Handling Equipment Segment. The amount of impairment losses related to property, plant and equipment and goodwill was ¥36,902 million. Toyota Industries also recorded extraordinary losses associated with restructuring expenses of closing a plant in Canada and an early retirement scheme in France.

The total amount was ¥3,464 million in Japan, ¥5,075 million in the United States and Canada, ¥27,606 million in Europe and ¥755 million in Australia.

By category of assets, impairment losses totaled ¥27,606 million for goodwill, ¥4,334 million for machinery, equipment and vehicles, ¥2,697 million for buildings and structures, ¥1,213 million for tools, furniture and fixtures, ¥452 million for software, ¥414 million for land and ¥183 million for construction in progress.

The recoverable amount of assets is measured based on the value in use. The value in use is calculated by discounting the expected future cash in-flow mainly using a 9% discount rate.

For the year ended March 31, 2009, Toyota Industries recorded impairment losses on property, plant and equipment for automobile parts of ¥25,709 million due to a decrease in production volume. The total amount was ¥8,170 million in Japan and ¥17,023 million in the United States.

Also, Toyota Industries recorded impairment losses on equipment for materials handling equipment of ¥514 million due to a decrease in production volume in Japan.

Toyota Industries recorded impairment losses on property, plant and equipment of ¥10,159 million due to discontinuing production of designated electronics parts in Japan.

By category of assets, impairment losses totaled ¥20,487 million for machinery, equipment and vehicles, ¥10,448 million for buildings and structures, ¥4,247 million for construction in progress, ¥580 million for tools, furniture and fixtures and ¥102 million for software.

The recoverable amount of assets is calculated based on net selling price.

15. Financial instruments:

(1) Matters concerning financial instruments for the year ended March 31, 2010:

(a) Policy for financial instruments

Toyota Industries borrows funds from financial institutions and issues corporate bonds to procure funds to meet its needs for long-term funding. Toyota Industries also borrows from funds and issues commercial paper to procure funds to meet its needs for short-term working capital. Toyota Industries manages its cash reserves as highly safe financial assets. The purpose of using derivative instruments is to reduce risk, not to obtain earnings from exchanges or for speculative purposes.

(b) Contents and risk of financial instruments

Cash and deposits are subject to credit risk of financial institutions and foreign currency risk. Trade notes and accounts receivable are subject to counterparty credit risk and foreign currency risk.

Loans receivable are subject to counterparty credit risk and foreign currency risk. With regards to foreign currency risk, Toyota Industries uses derivative instruments (foreign currency forward contracts and foreign currency option contracts) for the amount of foreign currency trade assets (trade notes and accounts receivable) offset by foreign currency trade liabilities (trade notes and accounts payable).

Short-term investments and investment in securities are subject to market risk and foreign currency risk.

Trade notes and accounts payable are subject to foreign currency risk. All of them are due within one year.

Loans payable, commercial paper, bonds and lease obligations are subject to foreign currency risk and interest rate risk.

Toyota Industries uses derivative instruments (foreign currency swaps and interest rate swaps) to cover such kinds of risks. The longest redemption date is 12 years after the closing date on March 31, 2010.

Toyota Industries uses derivative instruments (foreign currency forward contracts, foreign currency option contracts, foreign currency swaps and interest rate swaps) in order to hedge the above risk and derivative instruments are subject to credit risk of financial institutions.

As for the hedge accounting, the method, items, policy and evaluation method of measure of effectiveness are referred in Note 2 “(15) Hedge accounting.”

(c) Risk management of financial instruments

1) Management of credit risk (risk of non-execution of contract by counterparty)

In accordance with its treasury policy, Toyota Industries carries out regular monitoring of principal counterparties and strives to quickly ascertain and minimize concerns about collecting credits due to worsening financial and other conditions of counterparties. In using derivatives, to reduce credit risk of financial institutions, Toyota Industries engages in transactions only with those financial institutions that have high credit ratings.

2) Management of market risk (foreign currency risk, interest rate risk, others)

In accordance with its treasury policy, in principle, Toyota Industries uses foreign currency forward contracts, foreign currency option contracts and foreign currency swaps to hedge foreign currency risk for each currency for its monetary credits and liabilities denominated in foreign currencies. Toyota Industries uses interest swaps to hedge interest rate risk on monetary liabilities. Toyota Industries monitors the financial condition and reviews the valuations of short-term investments and investments in securities.

3) Management of financing-related liquidity risk (risk that payments cannot be made on payment date)

In accordance with its treasury policy, Toyota Industries manages liquidity risk with cash reserves and commitment lines.

(d) Supplemental explanation of financial instruments

The fair value of financial instruments includes values based on market values as well as rationally calculated values when market values cannot be determined. These calculated values could also conceivably change along with the adoption of different premises.

(2) Matters concerning the fair value of financial instruments:

Consolidated balance sheet amounts, fair values as well as respective differentials as of March 31, 2010 are as follows. Financial instruments for which ascertaining fair value is extremely difficult are not included. Refer to Note 2 regarding these financial instruments.

	Millions of yen		
	Carrying amount *1,*2	Fair value	Difference
Cash and deposits	¥ 287,965	¥ 287,965	¥ –
Trade notes and accounts receivable	160,608	160,607	(0)
Short-term investments and investments in securities			
Investments in affiliated companies	6,380	5,410	(969)
Other securities	1,207,913	1,207,913	–
Long-term loans receivable	5,552	5,552	–
Total assets	¥1,668,420	¥1,667,449	¥ (970)
Trade notes and accounts payable	¥ (141,787)	¥ (141,787)	¥ –
Short-term loans payable	(46,241)	(46,241)	–
Commercial paper	(9,575)	(9,575)	–
Current portion of bonds	(50,446)	(50,446)	–
Bonds	(231,401)	(238,739)	(7,338)
Long-term loans payable	(299,208)	(307,370)	(8,161)
Lease obligations	(108,014)	(108,146)	(132)
Total liabilities	¥ (886,674)	¥ (902,306)	¥(15,632)
Derivative transactions			
Derivative instruments for which hedge accounting is not applied	¥ 1,317	¥ 1,317	¥ –
Derivative instruments for which hedge accounting is applied	(559)	(861)	(301)
Total derivative transactions	¥ 757	¥ 455	¥ (301)

*1: Allowance for doubtful accounts is excluded from total assets.

*2: The figures for liabilities are indicated in parentheses.

1. Methods for calculating fair value of financial instruments and matters concerning marketable securities and derivatives
(Assets)
(1) Cash and deposits
All deposits are short term and fair value approximates the carrying amount. Therefore, fair value for deposits is calculated at the carrying amount.
(2) Trade notes and accounts receivable
Fair value is calculated by discounting to net present value the amounts of receivables for each category of receivables for each specified time period using interest rates that incorporate time (interest) risk and credit risk up to maturity.
(3) Short-term investments and investments in securities
The fair value of stocks in investments in affiliated companies is calculated based on prices listed on stock exchanges. Other securities are stocks, money management funds and negotiable certificates of deposit. The fair value of stocks in other securities is calculated based on prices listed on stock exchanges. The fair value of money management funds and negotiable certificates of deposit approximates the carrying amount. Therefore, fair value is calculated at the carrying amount.

Details regarding other securities are referred to in Note 16 “Marketable securities.”
(4) Long-term loans receivable
The majority of these are loans with floating interest rates made to employees, with fair value approximating the carrying amount. Therefore, fair value is calculated at the carrying amount.
(Liabilities)
(1) Trade notes and accounts payable
All notes and accounts payable are short term and fair value approximates the carrying amount. Therefore, fair value for notes and accounts payable is calculated at the carrying amount.
(2) Short-term loans payable, (3) Commercial paper, (4) Current portion of bonds
These items are short term and fair value approximates the carrying amount. Therefore, fair value for these items is calculated at the carrying amount.
(5) Bonds
Fair value is calculated by discounting to net present value the total of principal and interest using expected interest rates when newly borrowing the same amount.
(6) Long-term loans payable
Fair value is calculated by discounting to net present value the total of principal and interest using expected interest rates when newly borrowing the same amount.

Interest rate swaps that meet the requirement for the preferential accounting method are handled together with the aforementioned long-term loans payable. The fair value of interest rate swaps is included in the fair value of the aforementioned long-term loans payable. The fair value is calculated by discounting expected future cash flow using interest rates when newly borrowing the same amount.
(7) Lease obligations
Fair value is calculated by discounting to net present value the total amount of lease payments using an expected interest rate when newly undertaking the same lease transaction.
(Derivative transactions)
Details regarding derivative transactions are referred to in Note 17 “Derivative instruments.”

2. Financial instruments for which ascertaining fair value is extremely difficult

	Millions of yen
	Carrying amount
Non-listed stocks	
Investments in affiliated companies	**¥ 4,584**
Other securities	**15,198**
Total	**¥19,783**

Non-listed stocks are not included in “Short-term investments and investments in securities” because there are no market prices and ascertaining fair value is extremely difficult.

3. Amounts of projected future redemptions after March 31, 2010 for monetary credits and liabilities as well as marketable securities with maturities

	Millions of yen			
Year ending March 31	2011	2012-2015	2016-2020	Over 10 years
Cash and deposits	**¥287,965**	**¥ –**	**¥ –**	**¥ –**
Trade notes and accounts receivable	**160,541**	**66**	**–**	**–**
Long-term loans receivable	**771**	**2,109**	**1,198**	**1,472**
Total	**¥449,279**	**¥ 2,176**	**¥ 1,198**	**¥1,472**

4. Scheduled repayments of bonds, long-term loans payable, lease obligations and other interest-bearing debt after the consolidated settlement date

	Millions of yen			
Year ending March 31	2011	2012-2015	2016-2020	Over 10 years
Bonds	**¥ –**	**¥105,407**	**¥125,993**	**¥ –**
Long-term loans payable	**–**	**199,208**	**100,000**	**–**
Lease obligations	**–**	**106,637**	**1,376**	**0**
Total	**¥ –**	**¥411,254**	**¥227,369**	**¥ 0**

Application of Accounting Standard for Financial Instruments
Effective from the fiscal year beginning April 1, 2009, Toyota Industries applies Financial Accounting Standard No. 10 “Accounting Standard for Financial Instruments” and its Implementation Guidance No. 19 “Guidance on Disclosures about Fair Value of Financial Instruments,” both of which were issued on March 10, 2008 by the Accounting Standards Board of Japan.

16. Marketable securities:

(1) As of and for the year ended March 31, 2010:

(a) Other securities with readily determinable fair value as of March 31, 2010 are as follows:

	Millions of yen		
	Acquisition cost	Carrying amount	Difference
Securities with carrying amount exceeding acquisition cost:			
Stocks	**¥223,373**	**¥1,130,531**	**¥907,157**
Subtotal	**223,373**	**1,130,531**	**907,157**
Securities with carrying amount not exceeding acquisition cost:			
Stocks	**7,432**	**5,991**	**(1,441)**
Others	**71,391**	**71,391**	**–**
Subtotal	**78,824**	**77,382**	**(1,441)**
Total	**¥302,197**	**¥1,207,913**	**¥905,716**

Non-listed stocks (total amount is ¥15,198 million in the Consolidated Balance Sheet) are not included in “Other securities” because there are no market prices and ascertaining fair value is extremely difficult.

Others in securities with the carrying amount not exceeding acquisition cost are money management funds and negotiable certificates of deposit.

(b) Other securities sold during the year ended March 31, 2010 are as follows:

Millions of yen		
Proceeds	Realized gains	Realized losses
¥197	**¥135**	**¥0**

(2) As of and for the year ended March 31, 2009:

(a) Other securities with readily determinable fair value as of March 31, 2009 are as follows:

	Millions of yen		
	Acquisition cost	Carrying amount	Difference
Securities with carrying amount exceeding acquisition cost:			
Stocks	¥215,764	¥873,947	¥658,183
Subtotal	215,764	873,947	658,183
Securities with carrying amount not exceeding acquisition cost:			
Stocks	15,179	10,785	(4,394)
Subtotal	15,179	10,785	(4,394)
Total	¥230,943	¥884,732	¥653,788

(b) Other securities sold during the year ended March 31, 2009 are as follows:

Millions of yen		
Proceeds	Realized gains	Realized losses
¥12,368	¥498	¥3

(c) The carrying amount of securities (excluding held-to-maturity bonds which are included within securities with fair value) without readily determinable fair values as of March 31, 2009 are as follows:

	Millions of yen
	Carrying amount
Other securities:	
Domestic unlisted stocks excluding over-the-counter stocks	¥15,271
Money management funds	40,338
Negotiable certificates of deposit	18,500

17. Derivative instruments:

(1) Quantitative disclosure about derivatives for the year ended March 31, 2010

1) Derivative instruments for which hedge accounting is not applied

(a) Foreign currency transactions as of March 31, 2010 are as follows:

Category	Type	Millions of yen			
		Notional amount	Over one year of notional amount	Fair value	Net unrealized gain/loss
Transactions other than market transactions	Foreign currency forward contracts transactions				
	Buy JPY / Sell USD	**¥ 119**	**¥–**	**¥ 120**	**¥ (1)**
	Buy JPY / Sell EUR	**68**	**–**	**64**	**3**
	Buy JPY / Sell SEK	**27**	**–**	**26**	**0**
	Buy SEK / Sell EUR	**22,796**	**–**	**22,541**	**254**
	Buy SEK / Sell USD	**4,477**	**–**	**4,547**	**(70)**
	Buy SEK / Sell AUD	**3,336**	**–**	**3,420**	**(83)**
	Buy SEK / Sell DKK	**1,783**	**–**	**1,724**	**59**
	Buy SEK / Sell NOK	**1,332**	**–**	**1,332**	**0**
	Buy SEK / Sell CHF	**328**	**–**	**327**	**0**
	Buy SEK / Sell CZK	**208**	**–**	**208**	**0**
	Buy SEK / Sell THB	**206**	**–**	**215**	**(9)**
	Buy SEK / Sell CAD	**118**	**–**	**127**	**(8)**
	Buy SEK / Sell HUF	**28**	**–**	**28**	**0**
	Sell JPY / Buy USD	**45**	**–**	**46**	**1**
	Sell SEK / Buy EUR	**13,742**	**–**	**13,735**	**(7)**
	Sell SEK / Buy CAD	**3,865**	**–**	**3,913**	**47**
	Sell SEK / Buy NOK	**2,854**	**–**	**2,894**	**40**
	Sell SEK / Buy GBP	**911**	**–**	**908**	**(3)**
	Sell SEK / Buy USD	**637**	**–**	**635**	**(2)**
	Sell SEK / Buy PLN	**243**	**–**	**249**	**6**
	Sell SEK / Buy DKK	**135**	**–**	**134**	**(1)**
	Sell SEK / Buy CHF	**130**	**–**	**131**	**1**
	Sell SEK / Buy HUF	**79**	**–**	**80**	**0**
	Sell SEK / Buy CZK	**5**	**–**	**4**	**(0)**
	Sell PLN / Buy EUR	**49**	**–**	**48**	**(0)**
	Sell USD / Buy CAD	**28**	**–**	**28**	**0**
	Sell EUR / Buy USD	**46**	**–**	**45**	**0**
	Total	**¥57,609**	**¥–**	**¥57,546**	**¥226**

Category	Type	Millions of yen			
		Notional amount	Over one year of notional amount	Fair value	Net unrealized gain/loss
Transactions other than market transactions	Foreign currency swap transactions				
	Payment SEK / Receipt USD	**¥ 4,730**	**¥ –**	**¥ 4,482**	**¥ (248)**
	Payment JPY / Receipt USD	**7,042**	**2,378**	**8,482**	**1,439**
	Total	**¥11,772**	**¥2,378**	**¥12,964**	**¥1,191**

The fair value calculation method is based on the index price as of March 31, 2010.

(b) Interest rate transactions as of March 31, 2010 are as follows:

Category	Type	Millions of yen			
		Notional amount	Over one year of notional amount	Fair value	Net unrealized gain/loss
Transactions other than market transactions	Interest rate swap transactions				
	Fixed rate payment / Floating rate receipt	**¥ 9,545**	**¥4,734**	**¥ 9,429**	**¥(116)**
	Floating rate payment / Fixed rate receipt	**923**	**923**	**938**	**15**
	Total	**¥10,469**	**¥5,657**	**¥10,367**	**¥(101)**

The fair value calculation method is based on the index price as of March 31, 2010.

2) Derivative instruments for which hedge accounting is applied

Category	Type	Contents of hedge	Notional amount (Millions of yen)	Over one year of notional amount (Millions of yen)	Fair value (Millions of yen)	Net unrealized gain/loss (Millions of yen)	Evaluation method
Deferred hedge method	Foreign currency forward contracts transactions						
	Buy JPY / Sell USD	Accounts receivable	¥ 1,580	¥ –	¥ 1,627	¥ (46)	By the exchange rate on foreign currency market
	Buy JPY / Sell AUD		338	–	355	(17)	
	Buy JPY / Sell EUR		184	–	187	(2)	
	Buy SEK / Sell GBP		1,807	–	1,746	61	
	Buy SEK / Sell EUR		1,396	–	1,346	49	
	Foreign currency option contracts transactions						
	Sell	Accounts receivable					By the price on currency option market
	Call USD / Put JPY		1,860 <29>	–	<44>	(14)	
	Call AUD / Put JPY		358 <9>	–	<15>	(6)	
	Call EUR / Put JPY		199 <3>	–	<3>	(0)	
	Buy						
	Put USD / Call JPY		1,860 <29>	–	<9>	(20)	
	Put AUD / Call JPY		358 <9>	–	<1>	(7)	
	Put EUR / Call JPY		199 <3>	–	<1>	(2)	
	Interest rate swap transactions						
	Fixed rate payment / Floating rate receipt	Long-term loans payable	632	148	575	(57)	By the rate on interest swap market
	Total		¥10,864	¥ 148	¥ 5,915	¥ (63)	

The amounts indicated in brackets for foreign currency option contracts transactions refer to the option fee, and the related figures for fair value and net unrealized gain/loss are also shown.

Category	Type	Contents of hedge	Notional amount (Millions of yen)	Over one year of notional amount (Millions of yen)	Fair value (Millions of yen)	Net unrealized gain/loss (Millions of yen)	Evaluation method
Fair value hedge accounting	Foreign currency forward contracts transactions						
	Buy SEK / Sell GBP	Accounts receivable	¥ 947	¥ –	¥ 901	¥ 46	By the exchange rate on foreign currency market
	Buy SEK / Sell EUR		943	–	891	51	
	Foreign currency option contracts transactions						
	Sell	Accounts receivable					By the price on currency option market
	Call USD / Put JPY		744 <14>	–	<17>	(2)	
	Call AUD / Put JPY		255 <6>	–	<9>	(3)	
	Call EUR / Put JPY		62 <0>	–	<0>	0	
	Buy						
	Put USD / Call JPY		744 <14>	–	<1>	(13)	
	Put AUD / Call JPY		255 <6>	–	<0>	(5)	
	Put EUR / Call JPY		62 <0>	–	<0>	(0)	
	Interest rate swap transactions						
	Fixed rate payment / Floating rate receipt	Lease assets	21,577	13,925	21,108	(468)	By the rate on interest swap market
Net valuation method using forward foreign exchange contracts	Foreign currency forward contracts transactions						
	Buy JPY / Sell USD	Accounts receivable	2,338	–	2,421	(83)	By the exchange rate on foreign currency market
	Buy JPY / Sell AUD		239	–	255	(15)	
	Buy JPY / Sell EUR		73	–	74	(1)	
Preferential accounting method of interest rate swap transactions	Interest rate swap transaction						
	Fixed rate payment / Floating rate receipt	Long-term borrowings	25,000	25,000	24,698	(301)	By the rate on interest swap market
	Total		¥53,245	¥38,925	¥50,379	¥(798)	

The amounts indicated in brackets for foreign currency option contracts transactions refer to the option fee, and the related figures for fair value and net unrealized gain/loss are also shown.

(2) Quantitative disclosure about derivatives for the year ended March 31, 2009

1) Qualitative disclosure about derivatives

(a) Contents of derivative instruments into which Toyota Industries entered, policy with respect to entering into derivative instruments and purpose of using derivative instruments:
Toyota Industries uses foreign currency forward contracts, foreign currency swaps and foreign currency option contracts to hedge foreign currency risks on transactions denominated in foreign currencies (borrowings, receivables and payables, and forecasted transactions).

Toyota Industries also uses interest rate swaps agreements to reduce interest rate risks on borrowings, receivables and payables.

The purpose of using derivative instruments is to reduce risk, not to obtain earnings from exchanges or for speculative purposes.

(b) Contents of risks related to derivative instruments:
Interest rate swaps, foreign currency forward contracts and foreign currency option contracts into which Toyota Industries entered have risks of fluctuations in interest rates and in foreign currency exchange rates. Due to the fact that counterparties to Toyota Industries represent major financial institutions which have high creditworthiness, Toyota Industries believes that the overall credit risk related to its financial instruments is insignificant.

(c) Controls in place over transactions handling derivative instruments:
Hedging transactions are executed and controlled based on Toyota Industries' internal policy, and Toyota Industries' hedging activities are reported periodically to a director responsible for accounting.

2) Quantitative disclosure about derivatives

(a) Foreign currency transactions as of March 31, 2009 are as follows:

Category	Type	Millions of yen			
		Notional amount	Over one year of notional amount	Fair value	Net unrealized gain/loss
Transactions other than market transactions	Foreign currency swap transactions				
	Payment SEK / Receipt USD	¥16,892	¥4,977	¥14,220	¥(2,671)
	Payment JPN / Receipt USD	¥12,278	¥7,410	¥13,723	¥ 1,444

The fair value calculation method is based on the index price as of March 31, 2009.
The derivative instruments to which hedge accounting is applied were excluded from disclosure.

(b) Interest rate transactions as of March 31, 2009 are as follows:

Category	Type	Millions of yen			
		Notional amount	Over one year of notional amount	Fair value	Net unrealized gain/loss
Transactions other than market transactions	Interest rate swap transactions				
	Fixed rate payment / Floating rate receipt	¥13,740	¥9,237	¥13,508	¥(232)
	Floating rate payment / Fixed rate receipt	¥ 971	¥ 971	¥ 980	¥ 9

The fair value calculation method is based on the index price as of March 31, 2009.
The derivative instruments to which hedge accounting is applied were excluded from disclosure.

18. Retirement benefits:

(1) Outline of retirement benefit plans:

The Company and its domestic subsidiaries maintain tax-qualified pension plans, lump-sum indemnities plans and welfare pension fund plans, all of which are non-contributory defined benefit pension plans. In addition, certain foreign subsidiaries maintain non-contributory defined benefit pension plans.

Since 1987, the Company has been transferring the covering percentages of its pension plan from its lump-sum indemnities plan to its tax-qualified pension plan. As of March 31, 2010 and 2009, its tax-qualified pension plan covers 50% of total plans. Also, the Company established an employee retirement benefit trust. In April 2003, the Company transferred a portion of the lump-sum indemnities plan to a defined contribution pension plan.

(2) Components of allowance for retirement benefits as of March 31, 2010 and 2009 are as follows:

	Millions of yen	
	2010	2009
Benefit obligation	**¥(152,615)**	¥(139,954)
Plan assets	**92,936**	75,012
Unfunded benefit obligation	**(59,678)**	(64,941)
Unrecognized actuarial gains or losses	**19,953**	30,491
Unrecognized loss in prior service obligation	**(186)**	(163)
Net amount recognized on the balance sheets	**(39,911)**	(34,612)
Prepaid pension expenses	**1,580**	3,982
Allowance for retirement benefits	**¥ (41,492)**	¥ (38,595)

Certain subsidiaries use the simplified method to determine benefit obligations.
Prepaid pension expenses are included in other investments and other assets.

(3) Components of retirement benefit expenses for the years ended March 31, 2010 and 2009 are as follows:

	Millions of yen	
	2010	2009
Service cost	**¥ 8,968**	¥7,794
Interest cost	**4,111**	3,869
Expected return on plan assets	**(2,673)**	(3,121)
Amortization of prior service obligation	**36**	57
Amortization of unrecognized actuarial gains or losses	**2,150**	638
Retirement benefit expenses	**¥12,593**	¥9,238

Retirement expenses of subsidiaries which adopted the simplified method are included in service cost.

(4) Assumptions used for calculation of retirement benefits for the years ended March 31, 2010 and 2009 are as follows:

	2010	2009	
Method of attribution of estimated retirement benefits to periods of employee service: Straight-line method			
Discount rate	**2.00%**	2.00%	
Expected return on plan assets	**3.00%**	3.00%	
Amortization of prior service obligation	**6–11 years**	6–11 years	— Straight-line method over the remaining service period of employees
Amortization period of unrecognized actuarial gains or losses	**20 years**	20 years	— Straight-line method over the average remaining service period of employees

(5) Plan assets relating to welfare pension fund under multiemployer pension plan:

Information regarding the welfare pension fund under multiemployer plans as of March 31, 2010 is as follows.

As of March 31, 2009	The Japan Society of Industrial Machinery Manufacturers' welfare pension fund	Other welfare pension funds
Plan assets	¥ 72,130 million	¥118,423 million
Estimated benefit obligation	104,869 million	172,737 million
Variance	¥ (32,739 million)	¥ (54,313 million)
As of March 31, 2010		
Toyota Industries Group contribution to welfare pension plan	6.01%	4.66%

As of March 31, 2008	The Japan Society of Industrial Machinery Manufacturers' welfare pension fund	Other welfare pension funds
Plan assets	¥ 83,238 million	¥150,411 million
Estimated benefit obligation	104,244 million	178,666 million
Variance	¥ (21,006 million)	¥ (28,254 million)
As of March 31, 2009		
Toyota Industries Group contribution to welfare pension plan	5.59%	4.61%

19. Stock options:

(1) Stock option expenses recorded in the fiscal year and class of options

	Millions of yen	
	2010	2009
Selling, general and administrative expenses	**¥604**	¥575

(2) The amount recorded as a profit because of forfeitures of stock option rights

	Millions of yen	
	2010	2009
	¥108	¥ 46

(3) Stock option details, number of stock options and state of fluctuation

1) Stock option details

	2010	2009	2008
Company name	**The Company**	The Company	The Company
Position and number of grantees	**Directors: 14** **Managing officers and employees: 153**	Directors: 17 Managing officers and employees: 159	Directors: 16 Managing officers and employees: 159
Class and number of shares*	**1,157,000 shares of common stock**	1,360,000 shares of common stock	830,000 shares of common stock
Date of issue	**August 3, 2009**	August 1, 2008	August 1, 2007
Condition of settlement of rights	**1. Grantee must be employed as a director, managing officer or regular employee of the Company at the time of exercise. However, this does not apply if no more than 18 months have elapsed after retirement or resignation from the Company.**	Same as left	Same as left
	2. Other conditions of exercise shall be decided as prescribed by the Contract for Allotment of Subscription Rights to Shares concluded by the Company and grantee in accordance with resolutions at the General Meeting of Shareholders and resolutions on the issue of subscription rights to shares by the Board of Directors.	Same as left	Same as left
	3. In the case where grantee becomes no longer applicable to the conditions of exercise, the grantee immediately loses subscription rights to shares and must return the rights to the Company without consideration.	Same as left	Same as left
Periods that grantees must provide service in return for stock options	**From August 3, 2009 to July 31, 2011**	From August 1, 2008 to July 31, 2010	From August 1, 2007 to July 31, 2009
Periods that stock subscription rights are to be exercised	**From August 1, 2011 to July 31, 2015**	From August 1, 2010 to July 31, 2014	From August 1, 2009 to July 31, 2013

	2007	2006	2005
Company name	The Company	The Company	The Company
Position and number of grantees	Directors: 17 Managing officers and employees: 152	Directors: 30 Employees: 134	Directors: 30 Employees: 135
Class and number of shares*	802,000 shares of common stock	791,000 shares of common stock	775,000 shares of common stock
Date of issue	August 1, 2006	August 1, 2005	August 2, 2004
Condition of settlement of rights	1. Grantee must be employed as a director, managing officer or regular employee of the Company at the time of exercise. However, this does not apply if no more than 18 months have elapsed after retirement or resignation from the Company.	Same as left	Same as left
	2. Other conditions of exercise shall be decided as prescribed by the Contract for Allotment of Subscription Rights to Shares concluded by the Company and grantee in accordance with resolutions at the General Meeting of Shareholders and resolutions on the issue of subscription rights to shares by the Board of Directors.	Same as left	Same as left
Periods that grantees must provide service in return for stock options	From August 1, 2006 to July 31, 2008	From August 1, 2005 to June 30, 2007	From August 2, 2004 to June 30, 2006
Periods that stock subscription rights are to be exercised	From August 1, 2008 to July 31, 2012	From July 1, 2007 to June 30, 2011	From July 1, 2006 to June 30, 2010

*Number of options granted by class are listed as number of shares.

2) Number of stock options and state of fluctuation

Stock options are those outstanding in the fiscal year and are listed as the number of shares.

(a) Number of stock options

Non-exercisable stock options (shares)

	2010	2009	2008	2007	2006	2005
Stock options outstanding at the end of the previous fiscal year	**–**	1,358,000	828,000	–	–	–
Stock options granted	**1,157,000**	–	–	–	–	–
Forfeitures	**–**	–	–	–	–	–
Conversion to exercisable stock options	**–**	–	828,000	–	–	–
Stock options outstanding at the end of the fiscal year	**1,157,000**	1,358,000	–	–	–	–

Exercisable stock options

(shares)

	2010	2009	2008	2007	2006	2005
Stock options outstanding at the end of the previous fiscal year	**–**	–	–	743,000	130,500	12,000
Conversion from non-exercisable stock options	**–**	–	828,000	–	–	–
Stock options exercised	**–**	–	–	–	–	–
Forfeitures	**–**	–	72,000	78,000	10,000	2,000
Stock options outstanding at the end of the fiscal year	**–**	–	756,000	665,000	120,500	10,000

(b) Price of options

	Exact yen amounts					
	2010	2009	2008	2007	2006	2005
Paid-in value	**¥2,570**	¥3,410	¥5,866	¥4,642	¥3,306	¥2,652
Average market price of the stock at the time of exercise	**–**	–	–	–	–	–
Fair value of options on grant date	**581**	421	682	759	–	–

(4) Methods for estimating fair value of stock options

The methods for estimating fair value of stock options granted for fiscal 2010 and 2009 are as follows:
(a) Valuation methods used: Black-Scholes model
(b) Principal basic values and estimation methods

	2010	2009
Share price fluctuations *1	**32.47%**	24.63%
Projected remaining period *2	**4 years**	4 years
Projected dividend *3	**¥40/share**	¥60/share
Non-risk interest rate *4	**0.600%**	1.000%

*1: Computed based on actual share prices during a four-year period (from August 2005 to July 2009) and (from August 2004 to July 2008)
*2: Because of a lack of accumulated data and difficulty in making rational estimates, it is assumed the rights are exercised at the midpoint of the exercise period.
*3: For fiscal 2010, based on the year-end dividend for the fiscal year ended March 31, 2009; For fiscal 2009, based on the year-end dividend for the fiscal year ended March 31, 2008 and the estimated interim dividend on the grant date
*4: Yields on government bonds for the period corresponding to the projected remaining period

(5) Method for estimating the number of confirmed stock option rights

Specifically, because of the difficulty in rationally estimating the number of expired rights in the future, a method has been adopted that reflects actual past expirations.

20. Income taxes:

(1) The significant components of deferred tax assets and liabilities as of March 31, 2010 and 2009 are as follows:

	Millions of yen	
	2010	2009
Deferred tax assets:		
Allowance for retirement benefits	**¥ 17,339**	¥ 16,509
Depreciation	**15,628**	14,683
Net operating loss carry-forwards for tax purposes	**8,949**	8,833
Accrued expenses	**6,988**	6,520
Securities	**5,036**	3,791
Trade receivables	**1,839**	1,316
Other	**19,490**	18,577
Subtotal	**75,271**	70,232
Less: valuation allowance	**(28,696)**	(25,348)
Total deferred tax assets	**46,574**	44,883
Deferred tax liabilities:		
Other securities	**(361,032)**	(260,677)
Depreciation	**(2,258)**	(2,307)
Land	**(562)**	(562)
Reserve for advanced depreciation of non-current assets	**(456)**	(509)
Reserve for special depreciation	**(288)**	(406)
Other	**(5,689)**	(4,700)
Total deferred tax liabilities	**(370,288)**	(269,164)
Net deferred tax liabilities	**¥(323,714)**	¥(224,280)

Net deferred tax liabilities consist of the following components on the consolidated balance sheets.

	Millions of yen	
	2010	2009
Current assets — deferred tax assets	**¥ 17,182**	¥ 16,600
Investments and other assets — deferred tax assets	**10,429**	11,578
Current liabilities — deferred tax liabilities	**(316)**	(249)
Long-term liabilities — deferred tax liabilities	**(351,009)**	(252,209)
Net deferred tax liabilities	**¥(323,714)**	¥(224,280)

(2) Reconciliations of differences between the statutory rate of income taxes and the effective rate of income taxes for the years ended March 31, 2010 and 2009 are as follows:

	2010	2009
Statutory rate of income taxes	**39.9%**	39.9%
Addition (reduction) in taxes resulting from:		
Dividends income and others permanently not recognized as taxable income	**–**	–
Other	**–**	–
Effective rate of income taxes	**39.9%**	39.9%

Toyota Industries eliminated the line item for the year ended March 31, 2010 because it recorded a loss before income taxes and minority interests.

21. Leases:

(1) Finance leases

As for finance leases other than finance leases deemed to transfer the ownership of leased properties to lessees, those that came into effect before March 31, 2008 (inclusive) will continue to be accounted for by the former method (similar to the method applicable to ordinary operating leases).

1) Finance leases (as a lessee)

(a) Pro forma information regarding the leased properties such as acquisition cost and accumulated depreciation, which are not reflected in the accompanying consolidated balance sheets under finance leases as of March 31, 2010 and 2009 are as follows:

		Millions of yen	
		2010	2009
Buildings and structures:	Acquisition cost equivalents	**¥ 245**	¥ 245
	Accumulated depreciation equivalents	**178**	137
Buildings and structures net balance equivalents		**66**	107
Machinery, equipment and vehicles:	Acquisition cost equivalents	**¥7,980**	¥11,568
	Accumulated depreciation equivalents	**4,696**	6,930
Machinery, equipment and vehicles net balance equivalents		**3,283**	4,638
Tools, furniture and fixtures:	Acquisition cost equivalents	**¥9,761**	¥12,172
	Accumulated depreciation equivalents	**6,742**	7,081
Tools, furniture and fixtures net balance equivalents		**3,018**	5,090
Software:	Acquisition cost equivalents	**¥ 100**	¥ 107
	Accumulated depreciation equivalents	**63**	49
Software net balance equivalents		**36**	57
Total net leased properties		**¥6,405**	¥ 9,893

Acquisition cost equivalents include the imputed interest expense portion because the percentage which is computed by dividing future minimum lease payments by total balance of property, plant and equipment at year-end is immaterial.

(b) Pro forma information regarding future minimum lease payments as of March 31, 2010 and 2009 is as follows:

	Millions of yen	
	2010	2009
Due within one year	**¥3,061**	¥ 4,421
Due after one year	**4,641**	7,801
Total	**¥7,702**	¥12,222

The amount equivalent to future minimum lease payments as of the end of the year includes the imputed interest expense portion because the percentage which is computed by dividing future minimum lease payments by total balance of property, plant and equipment at year-end is immaterial.

(c) Total lease payments and pro forma depreciation expenses for the years ended March 31, 2010 and 2009 are as follows:

	Millions of yen	
	2010	2009
Lease payments	**¥3,606**	¥4,918
Pro forma depreciation expenses	**¥3,606**	¥4,918

Pro forma depreciation expenses, which are not reflected in the accompanying consolidated statements of income, are computed mainly by the straight-line method, which assumes zero residual value and leasing term to be useful lives for the years ended 2010 and 2009, and are equivalent to the amount of total lease payments of the above.

2) Finance leases (as a lessor)

(a) Information regarding leased properties such as acquisition cost and accumulated depreciation under finance leases as of March 31, 2010 and 2009 is as follows:

	Millions of yen	
	2010	2009
Machinery and equipment:		
Acquisition cost	**¥6,302**	¥7,865
Accumulated depreciation	**5,541**	6,220
Total net leased property	**¥ 761**	¥1,645

(b) Pro forma information regarding future minimum lease income as of March 31, 2010 and 2009 is as follows:

	Millions of yen	
	2010	2009
Due within one year	**¥1,651**	¥2,072
Due after one year	**1,016**	2,961
Total	**¥2,667**	¥5,033

Future minimum lease income under finance leases include the imputed interest income portion because the percentage which is computed by dividing the total of future minimum lease income and estimated residual value by the total of future minimum lease income and estimated residual value and the balance of operating receivables at the year-ends is immaterial.

(c) Total lease payments to be received and depreciation expenses for the years ended March 31, 2010 and 2009 are as follows:

	Millions of yen	
	2010	2009
Total lease payments to be received	**¥1,793**	¥2,157
Depreciation expenses	**951**	1,695

(2) Operating leases

1) Operating leases (as a lessee)

Pro forma future lease payments under operating leases as of March 31, 2010 and 2009 are as follows:

	Millions of yen	
	2010	2009
Due within one year	**¥ 9,069**	¥ 8,818
Due after one year	**34,148**	34,229
Total	**¥43,217**	¥43,048

2) Operating leases (as a lessor)

Pro forma information regarding future minimum rentals under operating leases as of March 31, 2010 and 2009 is as follows:

	Millions of yen	
	2010	2009
Due within one year	**¥19,491**	¥17,187
Due after one year	**29,056**	28,385
Total	**¥48,547**	¥45,572

22. Changes in net assets:

(1) Common stock outstanding for the years ended March 31, 2010 and 2009:

	shares
Balance at March 31, 2008	325,840,640
Increase	–
Decrease	–
Balance at March 31, 2009	325,840,640
Increase	**–**
Decrease	**–**
Balance at March 31, 2010	**325,840,640**

(2) Treasury stock outstanding for the years ended March 31, 2010 and 2009:

	shares
Balance at March 31, 2008	14,251,070
Increase due to purchase of odd stock	15,557
Decrease due to exercise of stock options	(3,600)
Balance at March 31, 2009	14,263,027
Increase due to purchase of odd stock	**7,277**
Decrease due to sale of odd stock	**(361)**
Balance at March 31, 2010	**14,269,943**

(3) Subscription rights to shares outstanding for the years ended March 31, 2010 and 2009:

	Millions of yen	
	2010	2009
The Company	**¥1,720**	¥1,224

(4) Dividends

(a) Dividends paid for the year ended March 31, 2010

Resolutions	Class of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 19, 2009	Common stock	¥3,115	¥10	March 31, 2009	June 22, 2009
Board of Directors meeting held on October 30, 2009	Common stock	3,115	10	September 30, 2009	November 26, 2009

(b) Dividends with a record date in the fiscal year ended March 31, 2010 for which the effective date falls in the following fiscal year

Resolutions	Class of shares	Total dividends (Millions of yen)	Source of dividends	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 23, 2010	Common stock	¥6,231	Retained earnings	¥20	March 31, 2010	June 24, 2010

(c) Dividends paid for the year ended March 31, 2009

Resolutions	Class of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 20, 2008	Common stock	¥9,970	¥32	March 31, 2008	June 23, 2008
Board of Directors meeting held on October 30, 2008	Common stock	9,347	30	September 30, 2008	November 26, 2008

(d) Dividends with a record date in the fiscal year ended March 31, 2009 for which the effective date falls in the following fiscal year

Resolutions	Class of shares	Total dividends (Millions of yen)	Source of dividends	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 19, 2009	Common stock	¥3,115	Retained earnings	¥10	March 31, 2009	June 22, 2009

23. Subsequent events:

There were no subsequent events for the year ended March 31, 2010.

In accordance with a resolution of the Board of Directors meeting held on February 19, 2009, the Company issued the 18th unsecured bond as follows:

(1) Total amount of bonds to be issued	50,000 million yen
(2) Issue price	100 yen (par issuance for the stated value of 100 yen)
(3) Date of payment	April 22, 2009
(4) Date of maturity	March 20, 2019
(5) Interest rate	2.109% per annum
(6) Redemption price	100 yen for the stated value of 100 yen
(7) Appropriation of the raised fund	Allotted for redemption of bonds and capital investment of the Company

24. Segment information:

(1) Business segments

As of and for the years ended March 31, 2010 and 2009:

	Millions of yen	
	2010	2009
Sales:		
Automobile		
Outside customer sales	**¥ 778,356**	¥ 755,924
Inter-segment transactions	**12,810**	18,465
	791,166	774,389
Materials Handling Equipment		
Outside customer sales	**431,619**	639,656
Inter-segment transactions	**999**	3,931
	432,618	643,587
Logistics		
Outside customer sales	**108,596**	114,825
Inter-segment transactions	**5,685**	6,927
	114,282	121,753
Textile Machinery		
Outside customer sales	**20,878**	29,556
Inter-segment transactions	**57**	46
	20,936	29,603
Others		
Outside customer sales	**38,317**	44,289
Inter-segment transactions	**10,301**	21,531
	48,619	65,821
Subtotal	**1,407,623**	1,635,154
Elimination of inter-segment transactions	**(29,853)**	(50,902)
Total	**¥1,377,769**	¥1,584,252
Operating costs and expenses:		
Automobile	**¥ 767,503**	¥ 785,894
Materials Handling Equipment	**442,168**	639,816
Logistics	**108,987**	118,851
Textile Machinery	**22,772**	31,662
Others	**44,647**	65,867
Elimination of inter-segment transactions	**(30,313)**	(51,218)
Total	**¥1,355,767**	¥1,590,874
Operating income (loss):		
Automobile	**¥ 23,663**	¥ (11,504)
Materials Handling Equipment	**(9,549)**	3,770
Logistics	**5,294**	2,901
Textile Machinery	**(1,836)**	(2,058)
Others	**3,971**	(46)
Elimination of inter-segment transactions	**459**	315
Total	**¥ 22,002**	¥ (6,621)

	Millions of yen	
	2010	2009
Assets:		
Automobile	**¥ 346,068**	¥ 354,661
Materials Handling Equipment	**500,652**	580,945
Logistics	**190,745**	192,977
Textile Machinery	**14,037**	8,959
Others	**56,187**	74,842
Corporate or elimination of inter-segment transactions	**1,481,555**	1,115,047
Total	**¥2,589,246**	¥2,327,432
Depreciation and amortization:		
Automobile	**¥ 50,085**	¥ 58,195
Materials Handling Equipment	**45,958**	51,291
Logistics	**10,735**	10,098
Textile Machinery	**1,032**	1,264
Others	**2,306**	4,692
Corporate or elimination of inter-segment transactions	**–**	–
Total	**¥ 110,119**	¥ 125,543
Impairment losses:		
Automobile	**¥ –**	¥ 25,194
Materials Handling Equipment	**36,902**	514
Logistics	**–**	–
Textile Machinery	**–**	–
Others	**–**	10,159
Corporate or elimination of inter-segment transactions	**–**	–
Total	**¥ 36,902**	¥ 35,868
Capital expenditures:		
Automobile	**¥ 14,984**	¥ 64,268
Materials Handling Equipment	**29,908**	57,083
Logistics	**6,963**	14,543
Textile Machinery	**72**	606
Others	**1,104**	2,269
Corporate or elimination of inter-segment transactions	**–**	–
Total	**¥ 53,033**	¥ 138,770

1. Business segments are divided by the type and nature of the product.
2. Main products of each segment are as follows:

Fiscal 2010

Automobile	Vehicles, diesel and gasoline engines, car air-conditioning compressors, foundry parts, electronics components
Materials Handling Equipment	Lift trucks, warehouse trucks, automated storage and retrieval systems, aerial work platforms
Logistics	Land transportation services, cash collection and delivery and cash proceeds management services, data storage, management, collection and delivery services
Textile Machinery	Weaving machinery, spinning machinery
Others	Semiconductor package substrates

Fiscal 2009

Automobile	Vehicles, diesel and gasoline engines, car air-conditioning compressors, foundry parts, electronics components
Materials Handling Equipment	Lift trucks, warehouse trucks, automated storage and retrieval systems, aerial work platforms
Logistics	Land transportation services, cash collection and delivery and cash proceeds management services, data storage, management, collection and delivery services
Textile Machinery	Weaving machinery, spinning machinery
Others	Semiconductor package substrates

3. Corporate assets included in corporate or elimination of inter-segment transactions consist mainly of cash and cash equivalents, short-term investments and investments in securities held by the Company. Corporate assets were ¥1,536,600 million and ¥1,182,062 million as of March 31, 2010 and 2009, respectively.
4. Effective from the consolidated fiscal year ended March 31, 2009, the Company applies Practical Issues Task Force No. 18 “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” issued on May 17, 2006 by the Accounting Standards Board of Japan. As a result, operating income increased by ¥2,197 million in the Materials Handling Equipment Segment.
5. In accordance with the revision of the Corporation Tax Act of Japan, Toyota Industries revised the useful lives of tangible assets and applied them from the consolidated fiscal year ended March 31, 2009. As a result, operating income decreased by ¥5,008 million in the Automobile Segment, ¥388 million in the Materials Handling Equipment Segment, ¥3 million in the Logistics Segment and ¥424 million in the Others Segment.

(2) Geographical segments

As of and for the years ended March 31, 2010 and 2009:

	Millions of yen	
	2010	2009
Sales:		
Japan		
Outside customer sales	**¥ 995,264**	¥1,066,635
Inter-segment transactions	**80,763**	93,389
	1,076,027	1,160,024
North America		
Outside customer sales	**137,038**	193,884
Inter-segment transactions	**967**	1,875
	138,005	195,760
Europe		
Outside customer sales	**200,556**	272,108
Inter-segment transactions	**4,243**	6,087
	204,800	278,195
Others		
Outside customer sales	**44,910**	51,624
Inter-segment transactions	**4,642**	6,139
	49,552	57,763
Subtotal	**1,468,386**	1,691,744
Elimination of inter-segment transactions	**(90,617)**	(107,491)
Total	**¥1,377,769**	¥1,584,252
Operating costs and expenses:		
Japan	**¥1,046,048**	¥1,161,639
North America	**139,480**	200,496
Europe	**211,932**	282,153
Others	**46,992**	55,675
Elimination of inter-segment transactions	**(88,687)**	(109,089)
Total	**¥1,355,767**	¥1,590,874
Operating income (loss):		
Japan	**¥ 29,979**	¥ (1,614)
North America	**(1,474)**	(4,736)
Europe	**(7,131)**	(3,957)
Others	**2,560**	2,087
Elimination of inter-segment transactions	**(1,930)**	1,598
Total	**¥ 22,002**	¥ (6,621)
Assets:		
Japan	**¥ 787,274**	¥ 821,724
North America	**127,491**	140,847
Europe	**296,827**	350,298
Others	**69,895**	61,314
Corporate or elimination of inter-segment transactions	**1,307,757**	953,247
Total	**¥2,589,246**	¥2,327,432

1. Geographical segments are divided into categories based on their geographical proximity.
2. Significant countries or areas belonging to each segment are as follows:

Fiscal 2010

North America	U.S.A., Canada
Europe	Sweden, Germany, France
Others	Australia, China

Fiscal 2009

North America	U.S.A., Canada
Europe	Sweden, Germany, France
Others	Australia, China, Brazil

3. Corporate assets included in corporate or elimination of inter-segment transactions consist mainly of cash and cash equivalents, short-term investments and investments in securities held by the Company. Corporate assets were ¥1,536,600 million and ¥1,182,062 million as of March 31, 2010 and 2009, respectively.
4. Effective from the consolidated fiscal year ended March 31, 2009, the Company applies Practical Issues Task Force No. 18 “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” issued on May 17, 2006 by the Accounting Standards Board of Japan. As a result, operating income increased by ¥729 million in North America and ¥1,467 million in Europe.
5. In accordance with the revision of the Corporation Tax Act of Japan, Toyota Industries revised the useful lives of tangible assets and applied them from the consolidated fiscal year ended March 31, 2009. As a result, operating income decreased by ¥5,824 million in Japan.

(3) Overseas sales
For the years ended March 31, 2010 and 2009:

	Millions of yen	
	2010	2009
Overseas sales:		
North America	**¥ 137,260**	¥ 192,678
Europe	**221,054**	302,812
Others	**102,630**	130,503
Total	**¥ 460,944**	¥ 625,994
Total sales	**¥1,377,769**	¥1,584,252
Ratio of overseas sales to total sales (%):		
North America	**10.0%**	12.2%
Europe	**16.0**	19.1
Others	**7.5**	8.2
Total	**33.5%**	39.5%

1. Geographical segments are divided into categories based on their geographical proximity.
2. Significant countries or areas belonging to each segment are as follows:

Fiscal 2010

North America	U.S.A., Canada
Europe	Germany, France, U.K.
Others	Australia, China

Fiscal 2009

North America	U.S.A., Canada
Europe	Germany, France, Russia
Others	China, Australia, Brazil

3. Overseas sales are sales of the Company and its consolidated subsidiaries in countries and areas other than Japan.

25. Related party transactions:

The following transactions were carried out with related parties:

(1) Sales of goods and services for the years ended March 31, 2010 and 2009 were as follows:

	Millions of yen	
	2010	2009
Toyota Motor Corporation	**¥599,217**	¥563,665

Toyota Motor Corporation held 24.61% of the Company's voting rights as of March 31, 2010. As for the sales of automobiles and engines, etc., the Company offers prices on such products based on their overall costs and negotiates conditions for each fiscal year, as per conditions on arm's-length transactions. The above transactions are carried out based on commercial terms and conditions. Transaction amounts exclude consumption taxes.

(2) Purchase of goods for the years ended March 31, 2010 and 2009 were as follows:
Purchase of goods:

	Millions of yen	
	2010	2009
Toyota Motor Corporation	**¥435,232**	¥405,120

As for the purchase of parts of automobiles and engines, etc., the Company negotiates conditions for each fiscal year, based on offered prices on such products, as per conditions on arm's-length transactions. The above transactions are carried out based on commercial terms and conditions. Transaction amounts exclude consumption taxes.

(3) Outstanding balances arising from sale/purchase of goods/services as of March 31, 2010 and 2009 are as follows:
Receivables from a related party:

	Millions of yen	
	2010	2009
Toyota Motor Corporation	**¥32,841**	¥22,692

Payables to a related party:

	Millions of yen	
	2010	2009
Toyota Motor Corporation	**¥47,212**	¥22,678

The balance as of March 31, 2010 and 2009 includes consumption taxes.

26. Net loss per share (EPS):

The basis of calculation for net loss per share basic and net income per share diluted is as follows:

	Millions of yen	
	2010	2009
Net loss per share — basic:		
Net loss	**¥ (26,273)**	¥ (32,767)
Net income not attributable to common shareholders (bonuses for directors and statutory auditors that are paid through appropriation)	**–**	–
Net loss attributable to common shareholders	**(26,273)**	(32,767)
Weighted-average shares (thousand)	**311,573**	311,584
Net loss per share — basic (exact yen amounts)	**¥ (84.33)**	¥ (105.16)
Net loss per share — diluted:		
Weighted-average shares for diluted computation (thousand)	**–**	0
Net loss per share — diluted (exact yen amounts)	**¥ –**	¥ –

Amounts for net loss per share—diluted are not shown due to being negative numbers.

27. Net assets per share:

The basis of calculation for net assets per share is as follows:

	Millions of yen	
	2010	2009
Net assets per share:		
Total net assets	**¥1,104,929**	¥ 977,670
Amounts deducted from total net assets		
Subscription rights to shares	**1,720**	1,224
Minority interests in consolidated subsidiaries	**46,978**	45,715
Net assets applicable to common stock at end of year	**1,056,230**	930,730
Outstanding shares of common stock at end of year used for the computation of net assets per share (thousand)	**311,570**	311,577
Net assets per share (exact yen amounts)	**¥ 3,390.02**	¥ 2,987.16

28. Cash and cash flows:

The relationship between the accounts in the consolidated balance sheets and the remaining balance of cash and cash equivalents as of March 31, 2010 and 2009 are as follows:

	Millions of yen	
	2010	2009
Cash and deposits	**¥287,965**	¥169,743
Deposits with a maturity of over three months to one year	**(30)**	(21)
Short-term investments (securities) which have an original maturity within three months	**71,391**	58,838
Cash and deposits for business engaged in collection and delivery	**(41,736)**	(40,549)
Cash and cash equivalents	**¥317,590**	¥188,011

Report of Independent Auditors

PRICEWATERHOUSECOOPERS

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JR Central Towers 33rd Floor
1-1-4 Meieki, Nakamura-ku
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Report of Independent Auditors

To the Board of Directors of Toyota Industries Corporation

We have audited the accompanying consolidated balance sheet of Toyota Industries Corporation ("the Company") and its subsidiaries as of March 31, 2010, and the related consolidated statements of income, changes in net assets and cash flows for the year then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company and its subsidiaries as of March 31, 2010, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

PricewaterhouseCoopers Aarata

July 16, 2010

Further Detail

For further information, please visit our Investor Relations Website. (http://www.toyota-industries.com/ir/)

Investor Information (As of March 31, 2010)

Corporate Head Office
TOYOTA INDUSTRIES CORPORATION
2-1, Toyoda-cho, Kariya-shi, Aichi, 448-8671, Japan
Telephone: +81-(0)566-22-2511
Facsimile: +81-(0)566-27-5650

Date of Establishment
November 18, 1926

Common Stock
No par value
Authorized: 1,100,000,000 shares
Issued: 325,840,640 shares

Stock Exchange Listings
Tokyo, Osaka and Nagoya (Ticker Code: 6201)

Number of Shareholders
22,143

Independent Accountants
PricewaterhouseCoopers Aarata
Shin-Marunouchi Bldg., 32nd Floor
1-5-1, Marunouchi, Chiyoda-ku, Tokyo, 100-6532, Japan

Transfer Agent
Special Account Management Institution
Mitsubishi UFJ Trust and Banking Corporation
1-4-5, Marunouchi, Chiyoda-ku, Tokyo, 100-8212, Japan

Major Shareholders (Top 10) (As of March 31, 2010)

	Number of Shares Held (Thousands)	Percentage of Total Shares in Issue (%)
Toyota Motor Corporation	76,600	23.51
DENSO Corporation	29,647	9.10
Third Avenue Fund	17,400	5.34
Towa Real Estate Co., Ltd.	15,697	4.82
The Master Trust Bank of Japan, Ltd. (Trust Account)	9,160	2.81
Toyota Tsusho Corporation	8,289	2.54
Japan Trustee Services Bank, Ltd. (Trust Account)	6,814	2.09
Nippon Life Insurance Company	6,735	2.07
Aisin Seiki Co., Ltd.	6,578	2.02
The National Mutual Insurance Federation of Agricultural Cooperatives	6,097	1.87
Total	183,022	56.17

Notes:
1. Toyota Industries Corporation also holds 14,269 thousand shares of treasury stock but is excluded from the above list.
2. Shares held for the purpose of trust services of respective banks are as follows:
   The Master Trust Bank of Japan, Ltd. (Trust Account) 9,160 (Thousands)
   Japan Trustee Services Bank, Ltd. (Trust Account) 6,814

Distribution of Shares (As of March 31, 2010)