



Corporate Social Responsibility

- 50 Responsibility to Our Customers
- 52 Responsibility to Our Business Partners
- 54 Responsibility to Our Associates
- 56 Responsibility to Our Local Communities

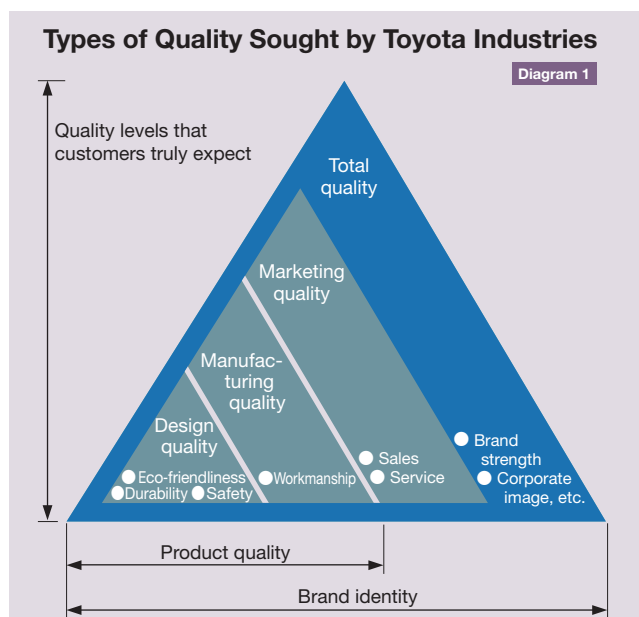
Responsibility to Our Customers

Placing Top Priority on Maintaining and Improving Quality

Quality is a Key Management Issue Diagram 1

Carrying on the spirit of the teachings of Toyota Industries' founder Sakichi Toyoda that "A product should never be sold unless it has been carefully manufactured and has been tested thoroughly and satisfactorily," Toyota Industries believes quality is its lifeline and a key management issue. Maintaining and improving quality is our most important responsibility to our customers and forms the basis of our corporate social responsibilities.

Toyota Industries encourages all employees to be an active part of its efforts to maintain and improve quality in all areas of its corporate activities, most notably "product quality," "marketing quality" and "total quality." "Product quality" is embodied in the durability, safety and eco-friendliness of our products, "marketing quality" in excellent sales and service and "total quality" in our overall corporate image and brand strength.



Establishing Daily Quality Assurance Systems Diagram 2

Developing and providing products from the customer's viewpoint summarizes Toyota Industries' comprehensive "market-in" approach.

In all processes, predetermined procedures are carried out according to instructions in order to ensure that no defective products are sent to post-processes and thereby achieve manufacturing through self-conclusion of the process. We believe this is the basis for ensuring high-quality products.

Whenever any of Toyota Industries' business divisions develops a new product, a design review (DR) system is utilized to evaluate quality at all stages until customer satisfaction is realized. This ensures that no product progresses to the next stage unless established target levels have been achieved.

Once new products are launched and important customer information reaches the quality assurance departments of each business division, it is immediately fed back to the responsible department (such as design and manufacturing) to quickly devise

countermeasures. At the same time, the DR system is reviewed to prevent the recurrence of any problems in subsequent models.

While making sure to undertake all measures to prevent defective products from proceeding to the next stage of the production process or leaving the factory, we also proactively tackle quality improvements throughout five stages, starting from cleanliness and neatness.

As part of such efforts, in 2006 we initiated a new "Thank-you-for-finding-the-defect award." This honor recognizes workers who sensed something unusual or different in their work and thereby detected a defect in the early stages, along with their superiors who took the necessary actions to help solve the problem.

Improving Quality throughout the Global Supply Chain by Reflecting Customer Opinions

In manufacturing, Toyota Industries devotes enormous efforts to the research and development of new functions, endeavoring to develop products that are ahead of the times. Using the DR system, general managers of each business division evaluate every step of the production process from product planning and design to production preparations, production, initial quality and customer satisfaction levels.

For example, in the Textile Machinery Business, when we deliver new machines to textile manufacturers in various parts of the world, we ask them to evaluate the product. These comments are in turn utilized in the development of new products and the improvement of our after-sales service.

In the Materials Handling Equipment Business, in which distributors and dealers handle sales and after-sales service, we attempt to ensure that customers can use our products in an excellent condition without any inconveniences. Distributors and dealers work together to optimize their response to customers while Toyota Industries directly interfaces with customers through customer consultation desks. Sales staff at distributors, dealers and Toyota Industries also visit customers to conduct actual usage fact-finding surveys.

Individual comments and requests received from customers in this way are promptly fed back to the relevant department, such as design, and a response is subsequently provided to the customer through dealers.

As a company that supplies products to the global market, we believe that customer confidence in our quality is synonymous with the Toyota Industries brand, a precious element of our corporate value that must be preserved. We therefore aim to continue implementing quality assurance activities that encompass our entire global supply chain, including affiliates and business partners in Japan and overseas.

Dealing with Significant Quality Issues

In cases where serious quality issues arise, such as accidents that result in personal injury or property damage due to quality, the quality assurance department of the responsible business division must, in accordance with our Rules for Dealing with Significant Quality Issues, minimize the trouble to customers by promptly devising countermeasures; at the same time, the general manager of the business division must report the issue to the president and the

executive vice president in charge of quality. In addition, based on information provided to the Global Quality Control Department at the head office through the Significant Quality Issues Notification Form, the director in charge of quality will carry out quality audits as deemed necessary to prevent recurrence and ensure deployment of countermeasures in similar areas.

Distributing Quality Guidelines

Reflecting on the previous year's quality-related issues and identifying important quality improvements for the coming fiscal year, the president issues the Quality Guidelines to the entire Toyota Industries Group at the beginning of each fiscal year. At each of the

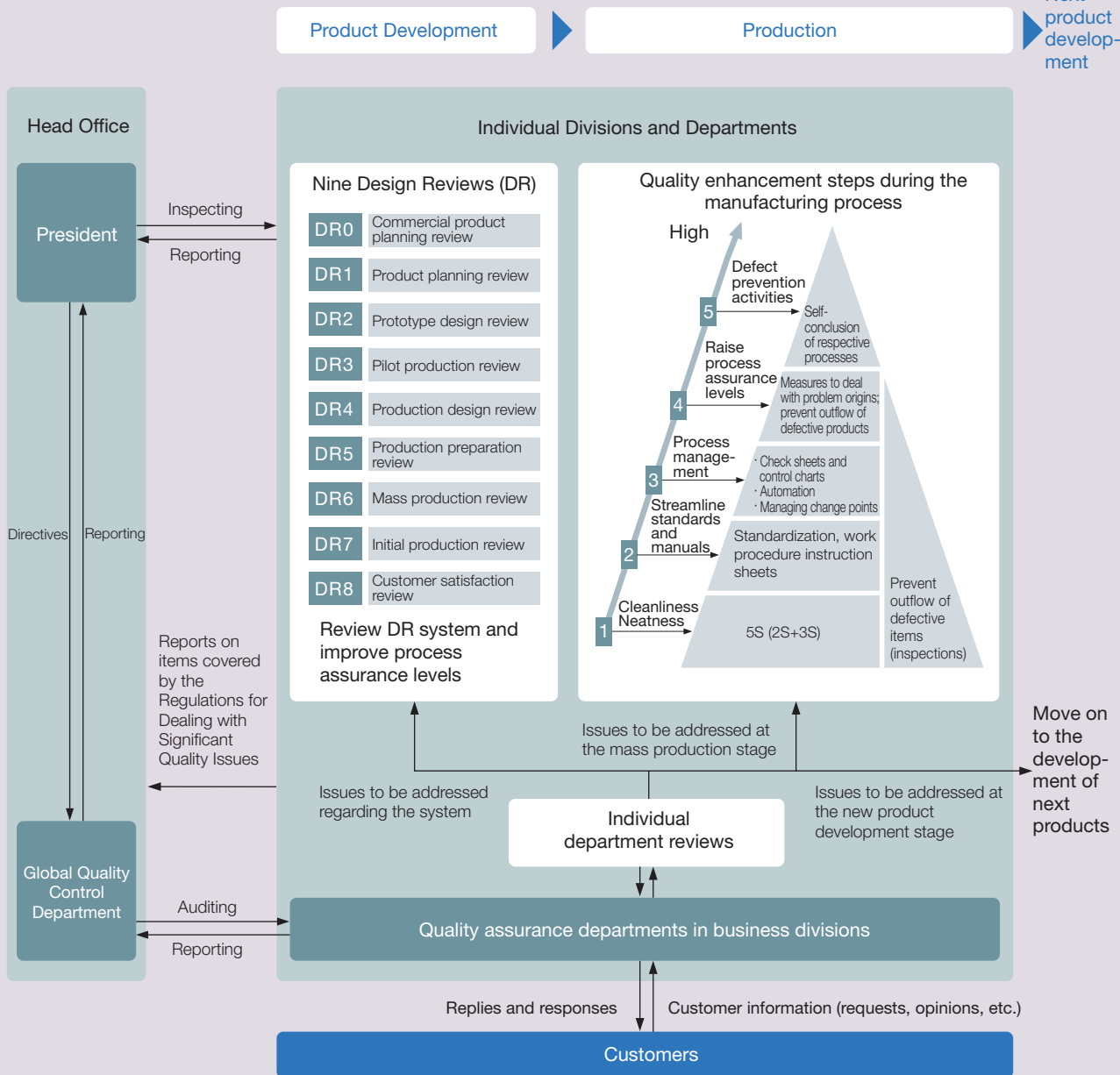
business divisions, the executive vice president in charge of quality confirms the implementation of the guidelines through the Quality Functional Committee, including on-site quality inspections. In order to sufficiently raise customer satisfaction, during fiscal 2008 we went back to the basics of our customer-first activities and identified and reviewed each business division's and department's shortcomings relative to the Quality Guidelines.

Toyota Industries remains committed to undertaking any and all measures to achieve "zero inconvenience" to our customers. We will continue to promote quality assurance activities through self-conclusion of the process to ensure there is no outflow of defects from respective processes.

Quality Assurance and Quality Control Structure

Diagram 2

Next
product
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Responsibility to Our Business Partners

Aiming for Co-Existence and Co-Prosperity with Business Partners

Procuring Parts, Materials and Equipment from around the World through Fair Trading Practices

Toyota Industries procures parts, materials and equipment in a variety of areas from business partners all over the world. We work toward the realization of co-existence and co-prosperity with our business partners from a long-term perspective. Through fair trading practices, we purchase high-quality products at lower costs while cooperating with our business partners in responding to environmental conservation and other social demands.

Procurement Policy

Fair Competition Based on an Open-Door Policy

We have an open and fair entry process that allows all potential suppliers, regardless of nationality, size and experience, the same opportunity to offer us their products or services. We select our business partners based on economic reasons such as the quality, price and volume of their products, as well as on their adherence to delivery times. In addition, we also comprehensively consider such matters as environmental awareness, company stability and technological development ability.

Amicable Relationship of Mutual Benefit Based on Mutual Trust

At Toyota Industries Corporation, we work hard to realize an amicable relation of mutual benefit with our suppliers based on mutual trust. We also believe that it is important to promote friendly communication with our suppliers by means of our procurement activities.

Environmentally Friendly Products Based on “Green Procurement”

In order to create environmentally friendly products, we aim to procure parts, materials and equipment that have low environmental impact from suppliers that always give sufficient consideration to the environment.

Localization of Business Based on Good Corporate Citizenship

As a company that undertakes local production overseas, we promote procurement from local suppliers in order to contribute to the local community.

Compliance with the Law

It is Toyota Industries' policy to strictly abide by both the letter and spirit of laws and regulations and to also carefully handle and protect our partner's confidential corporate information.

Conducting Procurement Policy Explanatory Meetings

Toyota Industries strives to communicate with business partners in various forms in its efforts to enhance mutual trust. For example, we hold procurement policy meetings for major business partners

in order to explain annual procurement policies and to gain their understanding and cooperation with our efforts.

We also hold topic-based meetings for important matters related to corporate social responsibilities so that our business partners can share information on our respective needs and reinforce our relationships with them.

Offering Business Opportunities to Suppliers Worldwide

Toyota Industries offers open procurement opportunities to suppliers worldwide through its Website to achieve broad and open procurement. To ensure fairness and equity, we publicly make available our standard procurement procedures from marketing to the conclusion of contracts so that suppliers clearly understand this process. To apply, potential suppliers must register the status of their environmental certifications, such as ISO 14001, as well as other basic information that includes the scale of their business and financial results.

Compliance with Subcontracting Act

Toyota Industries stresses compliance with the Act against Delay in Payment of Subcontract Proceeds, etc., to Subcontractors (hereinafter Subcontracting Act) in its commitment to fair trading practices. As of March 2008, some 800 suppliers are covered by the Subcontracting Act among our approximately 1,300 suppliers worldwide.

In fiscal 2008, the Purchasing Department, which is responsible for ensuring compliance with the Subcontracting Act, held 43 in-house training seminars regarding this act, training a total of 2,650 employees involved in procurement in their respective business divisions. The department also publishes a monthly “News Concerning Subcontracting Act” newsletter via the Intranet in its efforts to keep employees up-to-date regarding legislative amendments and important notices.

Since fiscal 2006, Toyota Industries has been providing a hotline to handle complaints and consultations from business partners regarding the Subcontracting Act. Such efforts in turn provide a platform for maintaining mutual trust and improving our procurement activities.

Although the hotline is placed within the Purchasing Department, fairness is maintained by having impartial personnel who are not responsible for business transactions in charge of the hotline.

Supporting Business Partner Reforms

Toyota Industries supports business partners' efforts to improve their management platform in order to consistently procure better products. For Hoeikai, which is comprised of 65 business partners working with Toyota Industries, we proactively support quality and cost improvements, safety and health management as well as environmental conservation.

In fiscal 2008, a total of 904 people attended quality training programs held for our business partners on 30 occasions. In addition

to providing guidance and cooperation directed toward improving manufacturing processes at business partners' production sites on 51 occasions, we also held a Safety, Health and Environment Convention. Furthermore, we encourage major business partners to enroll in the TPS dojo* to facilitate the development and strengthening of personnel well-versed in the Toyota Production System (TPS). In fiscal 2008, we accepted six people from five business partners.

* TPS dojo: A training program established in January 2000 for workers to experience for themselves a basic education in the Toyota Production System (TPS) as a means of developing "thoughts and actions" and acquiring *kaizen* (continuous improvement) skills.

Promoting Environmentally Friendly Procurement

Based on our Green Procurement Guidelines, we promote procurement of products with minimal environmental loads from business partners with an established environmental management system.

We make it a rule for parts and raw materials suppliers to acquire external certification on their environmental management systems such as ISO 14001.

In order to adhere to regulations regarding the use of substances of concern, we require the suspension and reduction of use as well as the management of usage of these substances if they are included in our products or manufacturing processes.

In March 2005, we held an Environmental Response Meeting for almost all our business partners in seeking to establish a management system for substances of concern. Follow-through

efforts are being carried out with regard to setting specific targets.

Our procurement system requires our business partners to submit in advance a non-use declaration of prohibited substances as well as data on substances of concern, including a report on the substances contained in parts. Before purchasing products that will become a component of Toyota Industries' products, the information in these reports is confirmed by the quality assurance departments of each business division. For products that will be used in our manufacturing processes, confirmation is carried out by the Plant Engineering & Environment Department before purchasing.

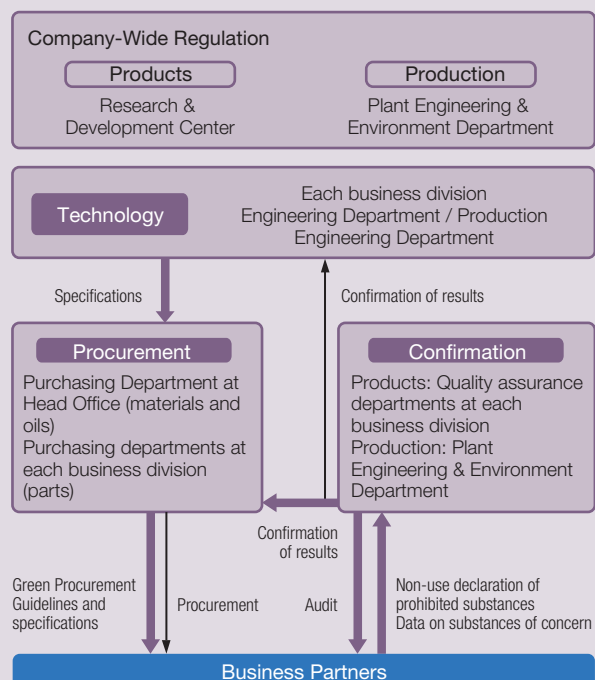
In addition, we visit our business partners' production plants as deemed necessary in order to carry out process inspections. Furthermore, in an effort to strengthen management of substances of concern, analysis equipment was introduced in fiscal 2005 to carry out random inspections of supplied products.

Supporting Compliance at Suppliers

In response to growing demand for greater corporate social responsibility, Toyota Industries requires all business partners to fully comply with laws and regulations.

In April 2007, we held a Procurement Policy Explanatory Meeting, in which we presented a summary of related laws and regulations and requested full compliance. We also held a total of four study sessions on various laws and regulations in an effort to help raise the level of knowledge and compliance awareness among our business partners. We plan to continue these programs according to a prearranged annual schedule.

Toyota Industries' Substances of Concern Management System



Topics

Holding Compliance Seminars for Major Business Partners

On October 18 and 25, 2007, Toyota Industries held compliance seminars for major business partners. We provided detailed and updated interpretations regarding the spirit of the law and compliance requirements in the areas of health and safety administration, environmental conservation, labor management, contracts, the Subcontracting Act and the management of classified materials, and requested full compliance.



Responsibility to Our Associates

Maintaining Workplaces Where Associates Can Work Actively and Safely

Ensuring Occupational Health and Safety

Initiatives for Realizing “Zero Danger”

In accordance with our fundamental policy of “creating workplaces and people capable of autonomously maintaining occupational health and safety,” Toyota Industries strives to prevent industrial accidents and realize safe work environments to achieve “improvement from zero accidents to zero danger.”

In fiscal 2008, activities in this area were carried out under three major policies, namely firmly establishing an occupational health and safety management system (OHSMS) to enhance workplace strengths while promoting activities to raise work ethics; pursuing equipment safety; and promoting improvements in work environments.

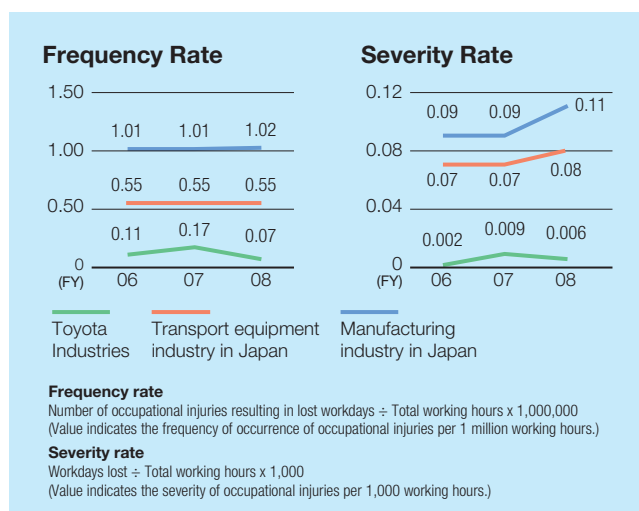
Besides in operational departments, we are striving to establish OHSMS activities in administrative departments as well.

An analysis of the cause of industrial accidents revealed numerous instances involving relatively inexperienced workers. To address this issue, we carried out highly focused prevention activities, which included preparing detailed work procedure manuals and undertaking work observations and interviews at worksites under the principle of on-site checking.

In pursuing equipment safety, since 2005 a lockout* is being fully introduced in an effort to thoroughly prevent industrial accidents caused by the erroneous operation of machinery by others. We have further extended the lockout to outside subcontractors carrying out work operations inside our plants, with the aim of preventing industrial accidents by all workers at our plants.

Recognizing the importance of safety countermeasures and instructions whenever we place orders for work performed by outside subcontractors, we are making preparations to introduce a qualification system for persons placing such orders, with introduction scheduled for fiscal 2009.

* Lockout: This is a system where locks will be used to ensure that the shutdown state of machinery will be maintained once the power to that machine has been cut off. This will allow workers to protect themselves against being injured by incorrect operation of the machinery by other persons.



Supporting the Improvement of Health and Safety Activities at Subsidiaries

In cooperation with the relevant internal departments, Toyota Industries holds study sessions for our subsidiaries in Japan focused mainly on compliance-related themes while carrying out periodic on-site inspections and providing guidance. Additionally, we issue reports on industrial accidents at subsidiaries, strengthen activities to offer specific industrial accident countermeasures as well as conduct on-site checking. By taking these measures, we are working to raise levels of occupational health and safety.

Health Management and Improvement

Toyota Industries promotes a diversity of activities to help support and maintain the health of our associates. In response to the medium-term task of promoting Company-wide health improvement programs concerning risks associated with aging and greater stress, we have implemented a variety of measures to prevent lifestyle diseases. Efforts include providing health guidance for persons with metabolic syndrome from fiscal 2008, as well as holding age-based, one-day health education courses targeting all associates aged 30, 35, 40, 45, 50, 55 and 59.

Mental health care activities include strengthening self-care/line-care education and health consultation hotlines as well as introducing a preparatory work system, which allows associates to work half days.

Principal Health Improvement and Mental Health Care Programs Implemented

Program	Details
Lifestyle disease prevention	<ul style="list-style-type: none"> • Introduce specific health examinations for metabolic syndrome • Implement guidance on health maintenance following specific health examinations • Provide age-based, one-day health education courses
Job monitoring	<ul style="list-style-type: none"> • Anticipatory management for proper job posting (restrictions on overseas travel, late-night work and overtime work)
Strengthening support systems	<ul style="list-style-type: none"> • Support a return to work through preparatory work system

Report on Explosion

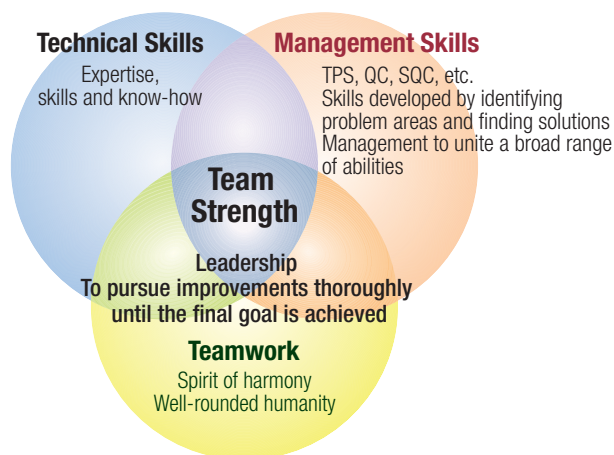
On May 7, 2008, an explosion occurred at the Obu Plant, claiming the life of one associate. To prevent a recurrence of such an accident, we are investigating the cause of the explosion, while identifying the causes of other hazardous incidents at all workplaces and devising preventive countermeasures.

Human Resources

Enhancing Team Strength and Spirit

In order for each associate to be enthusiastic about their work, as well as to ensure continued development of the Company, increasing team strength (organizational power) is essential.

Team strength is comprised of technical skills, which serve as the originating source of manufacturing; management skills, which fully utilize technical skills; and teamwork, which supports the first two techniques. While further enhancing our team strength, which also serve as a strong asset of the Toyota Industries Group, we are striving to extend and hand down team strength beyond business domains, generations and geographic regions.



Associate Relations Built on Mutual Trust

Mutual trust between associates and management is one of the basic principles of Toyota Industries in the area of associate relations. In realizing this principle, we have established the Labor-Management Council along with various types of meetings and numerous forums for exchanging opinions as we work to nurture a vibrant corporate culture. Additionally, we carry out audits to ascertain that this principle has firmly taken root at overseas Group companies.

Human Resources Development

Cultivating Global Leaders

With approximately half of our associates working at Group companies outside Japan, Toyota Industries is undertaking efforts to develop human resources capable of playing globally active roles that transcend national and regional boundaries. In working to achieve this objective, we began implementing Global Management Training (GMT) for managers of overseas Group companies in 2005. Moreover, in fiscal 2008, we commenced construction of the Hazu Academy, a global learning center, in Hazu, Aichi Prefecture. The academy will function as our base for developing truly global leaders in Japan and overseas.

Improving Techniques and Skills

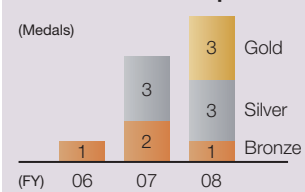
In January 2007, Toyota Industries established the Technical Learning Center to nurture engineers possessing expertise and execution capabilities as well as highly skilled technicians capable of handling the fundamentals of manufacturing.

At the International Skills Festival for All, Japan 2007, held in November 2007, Koji Tsuchiya won the gold medal as Japan's representative in the mechanical device control category. Thereafter, 11 Toyota Industries associates participated in the National Skills Competition in February 2008 and earned a total of seven medals, including three gold medals.



Gold medal winner Koji Tsuchiya

Number of medals won at National Skills Competition



Ensuring Equal Opportunities and Respecting Diversity

Toyota Industries is working to establish fair and impartial workplaces where a diverse range of human resources can fully exercise their capabilities. To realize such workplaces, we are implementing a host of measures. This includes support that allows associates to achieve a balance between work and child care or nursing care; employment and skills development support for the persons with disabilities support for re-employment after mandatory retirement; and opportunities that enable temporary associates to become regular associates.

Supporting a Balance between Work and Child Care/Nursing Care

Toyota Industries provides support for helping associates achieve a balance between work and child care or nursing care. As a prime example, in October 2007 Toyota Industries and four companies in the Toyota Group jointly opened a day-care center for associates. Situated in Kariya, Aichi Prefecture, the new center is open to pre-elementary school children. We have also publicized to all associates the opinions of male associates who have taken child care leave. In March 2008, we published a handbook to promote a deeper understanding and use of various internal systems.

Support for the Employment and Skills Development of Persons with Disabilities

Toyota Industries established an internal promotion team to facilitate the employment of persons with disabilities. In fiscal 2008, the employment rate of persons with disabilities was 1.93% (168 people, non-consolidated basis). We are also actively promoting the support of in-house skills development for persons with disabilities. In February 2008, actual examples of these efforts were introduced at the "60th Anniversary of the Universal Declaration of Human Rights/22nd National Human Rights Enlightenment Workshop."

Responsibility to Our Local Communities

Co-Existing in Harmony with Local Communities

Toyota Industries carries out a broad range of social contribution activities based on its Guiding Principles for Corporate Citizenship, with particular emphasis on social welfare, youth development and nature and environmental conservation. At the same time, we place high value on fostering good relations with local communities, making efforts to promote close communications via regular meetings with residents. Further, as a responsible corporate citizen, we also vigorously participate in various activities, including cleanup, traffic safety and crime-prevention activities.

Guiding Principles for Corporate Citizenship Basic Philosophy

Toyota Industries is respectful of the people, culture and traditions of each region and country in which it operates. We also work to promote economic growth and social development in these regions and countries.

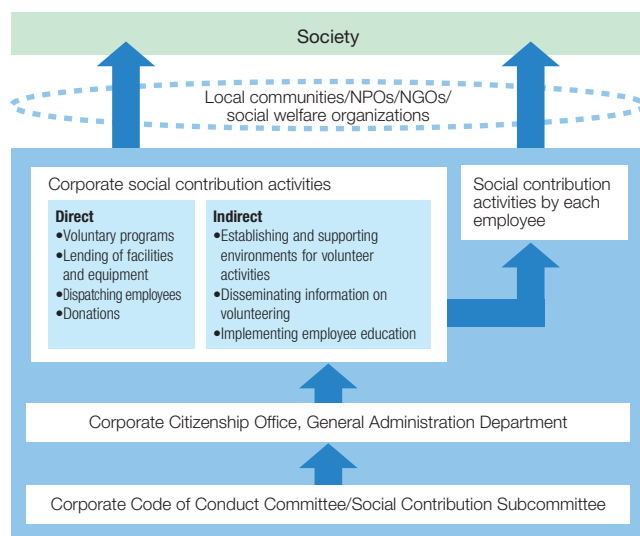
Basic Perspective

While striving to achieve sustainable growth as a company, we strive to fulfill our role as a good corporate citizen and actively undertake social contribution activities in every community where Toyota Industries does business in our efforts to help realize a prosperous and healthy society.

To accomplish this, Toyota Industries actively promotes cooperative support activities with the objective of contributing to local communities through the provision of human resources, facilities and funds. Each of our employees also endeavors to be of service to the community through such means as volunteer activities.

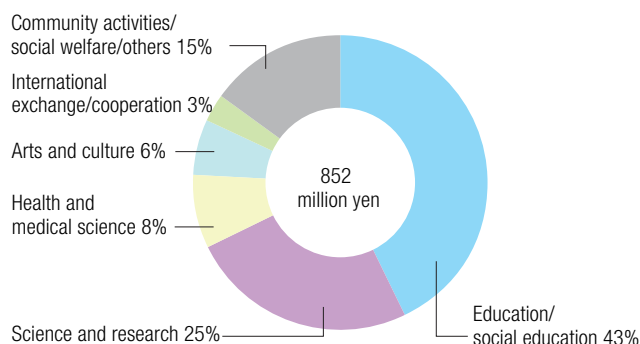
Social Contribution Promotion Structure

We established the Corporate Citizenship Office as a dedicated organization within the General Administration Department at the Head Office. Through this office, we promote initiatives for implementing voluntary programs, facilitating communications



with local communities and enhancing internal education and enlightenment programs. We have also organized the Social Contribution Subcommittee under the Corporate Code of Conduct Committee, which is directly controlled by the president. This subcommittee deliberates together with relevant departments on the format and specific details of social contribution plans. In 1997, we established the Heartful Club as an internal volunteer organization to encourage each employee to proactively participate in social contribution activities. The Heartful Club is composed of volunteers that include current and former employees of Toyota Industries and its subsidiaries as well as their families, and engages in a range of activities aimed at raising awareness of volunteerism and contributing to social prosperity.

Breakdown of Social Contribution Activities in FY2008



Volunteer Support Center

We established the Volunteer Support Center in recognizing the importance of each employee's compassion to contribute to society. The center serves as a base to facilitate participation in social contribution activities by as many employees as possible. Another purpose is to work together with local communities for the betterment of society while nurturing relationships with respective communities. Through a variety of initiatives mainly undertaken via the center, we are cultivating a flexible and creative corporate culture. Concurrently, we aim to take a proactive approach toward working with members of local communities in solving a host of social issues as we strive to create a better future.



Examples of Social Contribution Activities

Social Welfare Activities

Shokki Festa Welfare Corner

Every May, we hold the *Shokki Festa*, a festival that serves as a forum for promoting interaction between members of local communities and Toyota Industries employees and their families. The festival includes a social welfare corner where booths are set up by vocational aid centers to sell their own products. Besides providing people with disabilities with the opportunity to sell their products, the festival also allows vocational aid centers to widely publicize their activities. In fiscal 2008, a total of 13 vocational aid centers set up booths and generated sales exceeding ¥270,000.



Clam Digging Excursions

Every May, we invite people with disabilities living in communities near our plants to participate in clam digging excursions. As part of a program to gain social experience, students from the Technical Training School set up tents, assist participants with disabilities and engage in beach cleanup activities. This is a truly meaningful event, providing people with disabilities with an opportunity to interact with nature and other members of society while enabling students to acquire volunteer experience.



Youth Development

Support for Youth Invention Clubs

With the aim of developing youth full of creativity, we provide various forms of support for Youth Invention Clubs in Nagoya, Kariya, Obu, Takahama and Anjo. For example, we assist the Obu Youth Invention Club with administrative expenses. We also dispatch instructors and volunteers and lend buses for a number of events, including classes on weaving machinery during summer vacations and handmade kite-flying competitions.



Kariya Rugby School

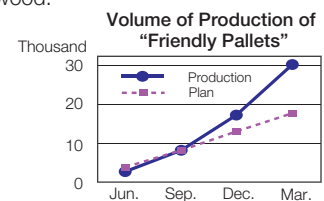
Twice a month, Toyota Industries holds the Kariya Rugby School for elementary and junior high school students at our athletic grounds. Approximately 70 students currently participate, with instruction provided mainly by former members of Toyota Industries' rugby club. Serving as "big brothers," the former rugby club members teach young students not only about the joy of sports but also about the importance of rules and communication. The Kariya Rugby School also enjoys appreciation from participating students' families.



Nature Protection and Environmental Conservation

Present from the Forest Program

In cooperation with Friends of the Earth Japan, an international environmental NGO, we create wooden "friendly pallets" through the use of lumber harvested from forest thinning in Japan. By actively encouraging the participation of pallet manufacturers and users, we took part in the maintenance of 10.7 hectares of forest, which significantly exceeded our targets, and created 30,000 "friendly pallets" in fiscal 2008. We will continue such support with a view toward promoting environmental conservation through the maintenance of forests and revitalizing Japan's forest industry through increased demand for thinned wood.



Beautification of Local Communities

Every September, Toyota Industries carries out Company-wide beautification activities. In fiscal 2008, more than 4,000 employees, including those from 19 subsidiaries, participated. Also, our Managers' Councils, which consist of employees grouped by job position, along with Toyota Industries Council of Retired Employees, take part in annual cleanup activities on a regular basis. Additionally, we participate in the Adopt-an-Area Program beautification activities carried out in cooperation with local government.



Community Activities

Traffic Safety Activities

As an automotive-related manufacturer, Toyota Industries is working to achieve the goal of zero traffic accidents as a positive example to society. To this end, we provide employees with various education and enlightenment programs and support community-based traffic safety activities. Our employees station themselves near plants to carry out patrol activities at times such as during national traffic safety campaigns and on Zero Traffic Accident Day together with local governments and other Toyota Group companies. In fiscal 2008, the Company's 13,000 employees participated in these activities. In cooperation with local governments and police authorities, we are carrying out enlightenment activities aimed at preventing traffic accidents.



Crime-Prevention Patrols

Each month on dates that contain the numeral five, our employees volunteer for crime-prevention patrols. At year-end, we also take part in crime-prevention patrols in local communities in cooperation with police authorities.