

FINANCIAL SUMMARY

FY2005

(April 1, 2004 through March 31, 2005)

TOYOTA INDUSTRIES CORPORATION

English translation from the original Japanese-language document

Cautionary Statement with Respect to Forward-Looking Statements

This report contains projections and other forward-looking statements that involve risks and uncertainties. Our use of the words "expect," "anticipate," "estimate," "forecast," "plan" and similar expressions is intended to identify such forward-looking statements. Projections and forward-looking statements are based on the current expectations and estimates of Toyota Industries Corporation and its Group companies regarding their plans, outlook, strategies and results for the future. All such projections and forward-looking statements are based on management's assumptions and beliefs derived from the information available to it at the time of producing this report and are not guarantees of future performance. Toyota Industries and its Group companies undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Therefore, it is advised that you should not rely solely upon these projections and forward-looking statements in making your investment decisions. You should also be aware that certain risks and uncertainties could cause the actual results of Toyota Industries Corporation and its Group companies to differ materially from any projections or forward-looking statements appearing in this report. These risks and uncertainties include, but are not limited to, the following : 1) economic trends, 2) principal customers, 3) product development capabilities, 4) new businesses, 5) product defects, 6) price competition 7) reliance on suppliers of raw materials and components, 8) alliances with other companies, 9) exchange rate fluctuations, 10) effects of disasters, power blackouts and other incidents, 11) latent risks associated with international activities, 12) official restriction, 13) share price fluctuations and 14) retirement benefit liabilities.

Consolidated Financial Results for FY2005 (April 1,2004 - March 31,2005)

TOYOTA INDUSTRIES CORPORATION

Stock exchange listings: Tokyo, Osaka and Nagoya (Ticker code: 6201) (URL <http://www.toyota-industries.com/>)

Head office: 2-1, Toyoda-cho, Kariya-shi, Aichi-ken, 448-8671, Japan

Representative person : Tadashi Ishikawa, President

Contact person: Toshifumi Ogawa, General Manager of Accounting Department (Tel. +81-(0)566-22-2511)

Date of the meeting of the Board of Directors for FY2005 consolidated financial results: April 27, 2005

Name of parent company Toyota Motor Corporation (Code number:7203) Parent company's shareholding (24.3%)

US GAAP: Not Used

1. Financial Highlights for FY2005 (April 1, 2004 - March 31, 2005)

(1) Consolidated financial results

(Amounts less than one million yen are omitted.)

| | Net sales (% change from previous year) | Operating income (% change from previous year) | Ordinary income (% change from previous year) |
|---------------|---|--|---|
| | Million yen % | Million yen % | Million yen % |
| FY2005 | 1,241,538 (6.6) | 53,120 (0.9) | 70,912 (20.3) |
| FY2004 | 1,164,378 (8.9) | 52,631 (0.3) | 58,970 (14.8) |

| | Net income (% change from previous year) | Net income per share—basic | Net income per share—diluted | Return on equity | Ordinary income on assets | Ordinary income on sales |
|---------------|--|----------------------------|------------------------------|------------------|---------------------------|--------------------------|
| | Million yen % | Yen | Yen | % | % | % |
| FY2005 | 43,357 (29.0) | 135.09 | 135.03 | 4.1 | 3.3 | 5.7 |
| FY2004 | 33,623 (53.3) | 108.04 | 101.97 | 3.8 | 3.2 | 5.1 |

Notes: 1. Equity in net income of affiliates: FY2005—6,805 million yen, FY2004—1,842 million yen

2. Average number of shares outstanding in each year (consolidated) : FY2005—318,079,149 shares, FY2004—308,144,183 shares

3. Changes in accounting policies: No change

4. In FY2005, Early application has been made for Accounting Standards for Impairment of Fixed Assets.

(2) Consolidated financial position

| | Total assets | Shareholders' equity | Ratio of shareholders' equity | Shareholders' equity per share |
|---------------|------------------|----------------------|-------------------------------|--------------------------------|
| | Million yen | Million yen | % | Yen |
| FY2005 | 2,326,824 | 1,115,747 | 48.0 | 3,504.80 |
| FY2004 | 2,011,995 | 1,016,763 | 50.5 | 3,199.69 |

Note: Number of shares outstanding at end of each year (consolidated) : FY2005—318,236,815 shares, FY2004—317,665,682 shares

(3) Consolidated cash flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at the end of year |
|---------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| | Million yen | Million yen | Million yen | Million yen |
| FY2005 | 100,095 | (128,230) | 50,020 | 100,535 |
| FY2004 | 92,406 | (92,667) | (56,015) | 77,212 |

(4) Scope of consolidation and equity method

Consolidated subsidiaries: 145 companies

Unconsolidated subsidiaries accounted for under the equity method: 0 company

Affiliates accounted for under the equity method: 20 companies

(5) Changes in scope of consolidation and equity method

Consolidated subsidiaries: (increase) 14 companies, (decrease) 9 companies

Equity method : (increase) 0 company, (decrease) 0 company

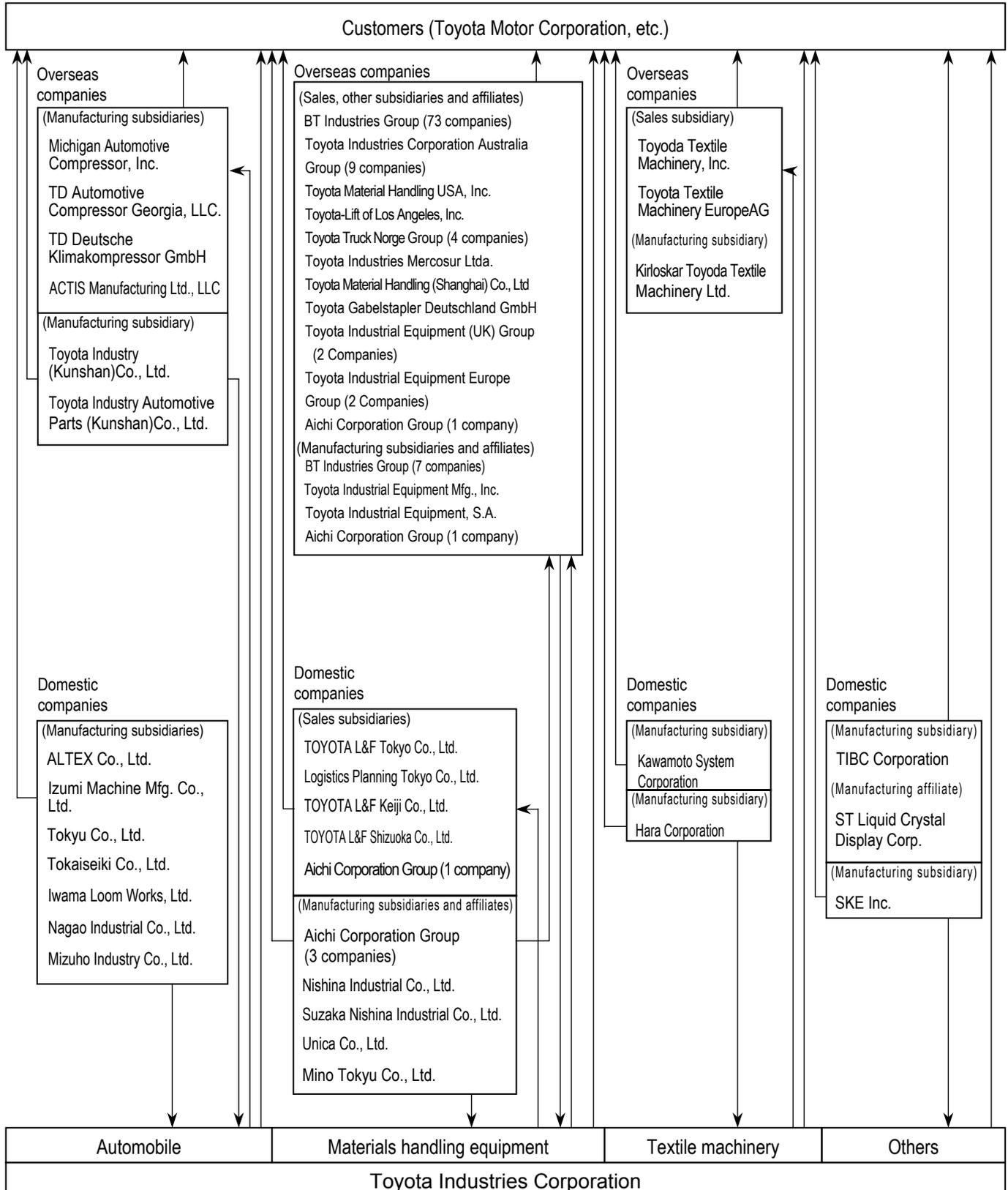
2. Forecasts of Consolidated Financial Results for FY2006 (April 1, 2005 - March 31, 2006)

| | Net sales | Ordinary income | Net income |
|--------------------|-------------|-----------------|-------------|
| | Million yen | Million yen | Million yen |
| FY2006 semi-annual | 690,000 | 34,000 | 21,000 |
| FY2006 | 1,450,000 | 75,000 | 45,000 |

Reference: (Forecast) Net income per share—basic (annual): 141.40yen

Overview of Associated Companies

Toyota Industries Corporation and its associated companies (Toyota Motor Corporation which has Toyota Industries Corporation as an affiliate, Toyota Industries Corporation's 145 subsidiaries and 31 affiliates) are engaged mainly in manufacture and sales of automobiles and related products, materials handling equipment, textile machinery and others. The associated companies' positions in the businesses and relation to the business segments are shown below



Management Policy

1. Basic Management Policy

The basic management policies of Toyota Industries Corporation and its Group companies (“Toyota Industries”) are upheld as its basic corporate philosophy. We believe putting the following stated beliefs into viable actions by all employees will lead to greater corporate value.

- (1) Toyota Industries is determined to comply with the letter and the spirit of the law, in Japan and overseas, and to be fair and transparent in all its dealings.
- (2) Toyota Industries is respectful of the people, culture and traditions of each country and region in which it operates. It also works to promote economic growth and prosperity in those countries and regions.
- (3) Toyota Industries believes that economic growth and conservation of the natural environment are compatible. It strives to offer products and services that are clean, safe and of high quality.
- (4) Toyota Industries conducts intensive product research and forward-looking development activities to create new value for its customers.
- (5) Toyota Industries nurtures the inventiveness and other abilities of its employees. It seeks to create a climate of cooperation, so that both employees and the Company can realize their full potential.

2. Basic Policy on the Distribution of Profits

Toyota Industries Corporation 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 its corporate value.

Toyota Industries Corporation’s dividend policy is to meet the expectations of shareholders while giving full consideration to business performance, capital demand, dividend payout ratio on consolidated bases and other factors.

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

3. Medium- to Long-Term Management Strategies

Rooted in its basic philosophy, Toyota Industries “strives to offer products and services that are clean, safe and of high quality.” We are fully committed to continuing to improve corporate value for future growth.

Specifically, the Vehicle and Engine businesses will expand their respective scopes of business by contributing to the global strategy of Toyota Motor Corporation. The Materials Handling and Car Air-Conditioning Compressor businesses, both of which are the core operations of Toyota Industries, will strive to solidify the leading global position while aiming for higher market share and better performance through business reinforcement. The Logistics Solutions and Electronics businesses will engage in stabilizing operations to ensure steady growth and develop into future core businesses of Toyota Industries.

In the medium to long term, we will always place utmost emphasis on product quality. We will strive to develop and market leading-edge products that incorporate considerations to safety, environment and ergonomics as well as anticipate customer needs. We will also further promote global consolidated management and build a business structure that can take advantage of the

collective strength of Toyota Industries while nurturing personnel of international caliber who will lead the Toyota Industries Group to the next level of growth.

The successful implementation of these measures will in turn heighten Toyota Industries' corporate value. Through sincere considerations for the environment and local communities, we also aim for socially harmonious growth.

As a result of concerted efforts Group-wide, we have already cleared the ambitious target of consolidated net sales of 1.2 trillion yen within fiscal 2005 (ended March 31, 2005)—one year ahead of the schedule originally set out in the Medium-Term Management Vision introduced in fiscal 2002.

4. Basic Stance toward Corporate Governance and Measures for Implementation

Toyota Industries Corporation deems it highly important to make corporate governance function effectively for the purpose of management efficiency and corporate soundness. To this end, we aim to establish an organizational structure that can quickly and flexibly respond to changes in the management environment, as well as a fair management system with an emphasis on shareholders.

Toyota Industries' Board of Directors holds a meeting every month to decide subjects of material importance and supervise business operations. The Company has also instituted the Management Committee and the Business Operation Committee. The Management Committee deliberates upon Company-wide strategies while the Business Operation Committee deliberates upon strategies in each business segment. Through these bodies, Toyota Industries seeks to establish responsive and efficient management as well as an effective internal control system.

At Toyota Industries, we maintain a corporate auditor system based on the Japanese Commercial Code. We have five corporate auditors (including three outside corporate auditors). We have also set up the Corporate Auditor's Office with full-time staff to strengthen auditing of the execution of directors' duties.

The Company has strengthened the supervision of each division and the internal auditing structure, and regularly holds meetings of the Code of Conduct Council to ensure that it adheres fully to the letter of the law and conducts its management and business affairs based on its basic management policies. Toyota Industries will continue to endeavor to promote its business activities with an increased awareness of ethical issues. Moreover, we established a corporate ethics hotline staffed by outside lawyers, who field queries from employees regarding fraudulent or unethical conduct, for the purpose of early detection and quick handling of important compliance-related irregularities. In addition, we provide clearly articulated action guidelines, which serve as the basis of employee actions.

Toyota Industries established a department dedicated to investor relations activities to promote better management transparency. Through such efforts, the Company will continue to ensure a high level of corporate accountability to shareholders and stakeholders.

The certified public accountants who audited Toyota Industries' accounting practices are Mr. Kazunori Tajima, Mr. Masaki Horie and Mr. Fusahiro Yamamoto of ChuoAoyama PricewaterhouseCoopers. Mr. Tajima and Mr. Horie have auditing experiences of 10 years and 12 years, respectively. They are further supported by an additional ten certified public accountants, six junior accountants and two assistants in auditing Toyota Industries' accounting practices.

With these measures, Toyota Industries strives to secure further growth, prosperity and profit. We intend to meet the high expectations of our stakeholders, notably shareholders and customers, and sincerely carry out our social responsibilities.

5. Matters related to the parent company

(1) Trade name and other items related to the parent company

(As of March 31, 2005)

| Parent company | Attributes | Percentage of voting rights held by parent company (%) | Stock exchanges on which shares issued by the parent company are listed |
|--------------------------|---|--|---|
| Toyota Motor Corporation | The relevant other company when a listed company is an affiliated company of this other company | 24.33 (0.23) | Tokyo Stock Exchange, First Section Nagoya Stock Exchange, First Section Osaka Securities Exchange, First Section Fukuoka Stock Exchange Sapporo Stock Exchange New York Stock Exchange (U.S.) London Stock Exchange (U.K.) |

Notes: The figure shown inside the parenthesis indicates the percentage of indirectly held voting rights among all voting rights held by the parent company.

(2) Matters related to transactions with the parent company

FY2005 (April 1, 2004 - March 31, 2005)

| Details of affiliation | | Transaction details | Transaction amount (¥ millions) | Category | Year-end balance (¥ millions) |
|---|--|--|---------------------------------|---------------------|-------------------------------|
| Concurrent post of directors (names) | Business affiliation | | | | |
| Concurrent posts: 3 Employment transfers: 11 | Sale of products of the Automobile Segment | Sale of automobiles and engines*1 | 414,235 | Accounts receivable | 31,593 |
| | | Purchase of components for automobiles and engines*2 | 285,019 | Accounts Payable | 35,780 |

- Notes: 1. Transaction conditions and determining policies of transaction conditions
- *1 Regarding sales of automobiles and engines, the Company presents its desired prices based on total costs, and settles on prices in a similar manner as for ordinary transaction conditions upon undertaking price negotiations for each fiscal term.
 - *2 Regarding purchases of components for automobiles and engines, based on the prices presented, the Company settles on prices in a similar manner as for ordinary transaction conditions upon undertaking price negotiations for each fiscal term.
2. There are no matters in the above-mentioned "details of affiliation" and "transaction details" that would restrict the Company's independence. There are no monetary loan debit and credit relationships or guarantee or warranty relationships.

Business Results and Financial Position

1. Business Results

In fiscal 2005 (ended March 31, 2005), consumer spending did not fully recover due to unstable employment conditions. However, the economy continued on its slow path to recovery as private-sector capital investment increased on the back of improved corporate earnings. Overseas, the overall economic outlook was brighter, with an expanding U.S. economy and the European economy maintaining underlying strengths.

In this operating environment, Toyota Industries made efforts to strengthen its corporate structure by ensuring customer trust through its dedication to quality, the development of appealing new products, aggressive sales promotions and execution of a Group-wide program to reduce costs.

As a result, total consolidated net sales of Toyota Industries amounted to 1,241.5 billion yen, an increase of 77.2 billion yen, or 7%, over fiscal 2004 (ended March 31, 2004). The following is a review of operations for the major business segments.

In the automobile industry as a whole, domestic sales were almost the same as in fiscal 2004. Domestic production, on the other hand, increased over the same period.

Net sales of the Automobile Segment of Toyota Industries totaled 616.2 billion yen, an increase of 12.4 billion yen, or 2%, over fiscal 2004.

Within this segment, net sales of the Vehicle Business totaled 278.8 billion yen, almost the same as in fiscal 2004. While sales of the Corolla Sedan for North America and Yaris (European version of the Vitz) decreased, sales of the RAV4 for Europe increased. Sales of the fully remodeled Vitz, which was re-launched in February 2005 in Japan, also contributed to overall results.

Net sales of the Engine Business totaled 113.2 billion yen, an increase of 5.9 billion yen, or 6%, over fiscal 2004. Despite decreases in sales of the UZ-type gasoline engine, which is mounted on the Land Cruiser, and the AZ-type gasoline engine, which is mounted on the Estima, sales of the CD-type diesel engine, which is mounted on TOYOTA-brand cars for Europe, such as the RAV4 and Avensis, increased. Toyota Industry Automotive Parts (Kunshan) Co., Ltd. ("TIAP") in Jiangsu Province, China, which was established as a joint venture with Toyota Tsusho Corporation and Lioho Machine Works, Ltd. to produce and sell automotive foundry parts, began operations in April 2005. Also, Toyota Motor Industries Poland Sp.zo.o. ("TMIP"), jointly established with Toyota Motor Corporation ("TMC") in October 2002, started production of the latest AD-type diesel engine to be mounted on the Avensis, which is assembled in England by TMC.

Net sales of the Car Air-Conditioning Compressor Business totaled 197.9 billion yen, approximately the same level as for fiscal 2004. While sales in the domestic market increased as a result of an increase in models mounting our car air-conditioning compressors, sales overseas suffered due mainly to sluggish sales of some automobiles mounting our products. In July 2004, Toyota Industries Corporation and DENSO Corporation jointly established TD Automotive Compressor Georgia, LLC ("TACG") in Georgia, the United States, as a plant manufacturing of variable type of compressors. It is slated to start operation in December 2005. In April 2004, our cumulative production of car air-conditioning compressors in Japan, North America and Europe reached 200 million units since we commenced production in 1960.

In the materials handling equipment industry as a whole, sales increased substantially over fiscal 2004. Sales were strong in the Japanese market thanks to an improvement in private-sector capital investment, while the global economic recovery contributed to brisk sales in the overseas markets.

Net sales of the Materials Handling Equipment Segment of Toyota Industries totaled 503.9 billion yen, an increase of 60.5 billion yen, or 14%, over fiscal 2004. We sold 103,000 TOYOTA-brand forklift trucks and other materials handling equipment during January to December 2004, an increase of 21% over the same period in 2003. This increase was due largely to an implementation of a variety of sales measures, such as proposal-based sales, in Japan, as well as an enhancement of the global sales network, especially in North America, Europe, Asia and South America, and vigorous sales promotion activities targeting major clients. This marked a world first for a single brand to sell more than 100,000 units in a single year. We achieved a 42.6% share in the Japanese forklift truck market in 2004, the same percentage as in 2003. In August 2004, we enhanced our product lineup with the re-introduction of all 14 models of large forklift trucks (10-ton to 24-ton) after a full model change.

During the same period, BT Industries AB, one of our subsidiaries and a major manufacturer of warehouse trucks, achieved a substantial increase in sales on the back of vigorous sales activities and strong sales in North American and European markets.

In the textile machinery industry, the mainstay Chinese market showed signs of recovery.

However, the lingering effects of monetary tightening and other factors contributed to a lack in dynamism in terms of capital investment.

Net sales of the Textile Machinery Segment totaled 43.9 billion yen, a decrease of 2.0 billion yen, or 4%, from fiscal 2004. Although orders for spinning frames from Pakistan increased, a decrease in orders for air-jet looms from China, as well as a decrease in orders for water-jet looms due to high prices of synthetic yarns arising from a drastic hike in crude oil prices worldwide, were incurred.

Net sales of the Others Segment amounted to 77.4 billion yen, an increase of 6.3 billion yen, or 9%, over fiscal 2004. TIBC Corporation, a joint venture with Ibiden Co., Ltd. that manufactures and sells ball grid array plastic package substrates, underwent strong demand for plastic package substrates for personal computers.

As one core business for driving future growth, Toyota Industries entered the Logistics Solutions Business, which undertakes all phases of logistics from logistics planning to the operation of distribution centers for the purpose of reducing logistics costs for customers. Sales of this business are steadily expanding. To expand the scope of services available in this business, Toyota Industries made Asahi Security Co., Ltd. into one of its subsidiaries in March 2005. The company provides comprehensive cash management outsourcing services, including cash collection and delivery, sales proceeds management and equipment security, to retailers, service businesses and transportation operators.

During fiscal 2005, Toyota Industries' ordinary income amounted to 70.9 billion yen, an increase of 12.0 billion yen, or 20%, over fiscal 2004. Despite the effects of a steep rise in crude oil and steel prices, increases in labor and pre-production expenses and unfavorable exchange rate fluctuations, this increase was largely achieved due to an increase in global sales, improvements in productivity and Group-wide cost-reduction activities, as well as a strong performance by ST Liquid Crystal Display Corp., a joint venture with Sony Corporation that is accounted for by the equity method. Net income amounted to 43.3 billion yen, an increase of 9.7 billion yen, or 29%, over fiscal 2004.

Cash flows from operating activities amounted to 100.0 billion yen in fiscal 2005, due largely to income before income taxes resulted in an amount of 70.3 billion yen. Net cash provided by operating activities increased by 7.6 billion yen from 92.4 billion yen in fiscal 2004. Cash flows from investing activities resulted in a decrease in cash by 128.2 billion yen in fiscal 2005, attributable primarily to payments for acquisition of fixed assets amounting to 110.1 billion yen. Net cash used in investing activities increased by 35.6 billion yen from 92.6 billion yen for fiscal 2004. Cash flows from financing activities resulted in an increase in cash by 50.0 billion yen in fiscal 2005, due mainly to proceeds from issuance of corporate bonds in an amount of 50.0 billion yen. Net cash provided by financing activities increased by 106.0 billion yen from 56.0 billion yen in net cash used in financing activities for fiscal 2004.

After translation adjustments, cash and cash equivalents as of March 31, 2005 stood at 100.5 billion yen, an increase of 23.3 billion yen, or 30%, over fiscal 2004.

2. Distribution of Profits for FY2005

Including the interim cash dividend of 13.0 yen per common share paid in November 2004, and a year-end cash dividend of 19.0 yen per common share, Toyota Industries Corporation declares that total cash dividends for fiscal 2005 will be 32.0 yen per common share, an increase of 8.0 yen per common share over fiscal 2004.

3. Forecast for the Fiscal Year Ending March 31, 2006

Toyota Industries expects the Japanese economy to continue along a steady path toward recovery. However, the pace of recovery will likely remain slow, and temporary economic stagnation is anticipated due to a correction phase. Conversely, uncertainties persist regarding the fluctuations of exchange rates and the rising prices of raw materials such as oil and steel in Japan and abroad. Overseas, concerns over the deceleration of the U.S., European and Chinese economies preclude optimism.

For fiscal 2006, ending March 31, 2006, Toyota Industries forecasts consolidated net sales of 1,450.0 billion yen, ordinary income of 75.0 billion yen and net income of 45.0 billion yen. We are determined to heighten the comprehensive capabilities of the Toyota Industries Group as a whole through the development of appealing new products with an unwavering emphasis on quality, as well as the enhancement of sales, service and cost-reduction activities Group-wide.

Our projections are based on an exchange rate of ¥105.0 = US\$1.

4. Risk Information

The following represent risks that could have a material impact on Toyota Industries' financial condition, business results and share prices. The forward-looking statements herein are based on information known to management as of March 31, 2005.

Principal Customers

Toyota Industries' automobile and engine products are sold primarily to TMC. In fiscal 2005, net sales to TMC accounted for 33.4% of consolidated net sales. Therefore, TMC's vehicle sales could have an impact on Toyota Industries' business results. As of March 31, 2005, TMC held 24.3% of 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. Toyota Industries is insured for product liability indemnity. However, Toyota Industries cannot guarantee that this insurance will sufficiently cover final indemnity amounts incurred. 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 the Toyota Industries Group. 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 environment-related 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 held marketable securities, and therefore bears the risk of price fluctuation of these shares. Based on fair market value of these shares at the end of this period, 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 the 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.

Consolidated Balance Sheets

| | FY2005 (As of March 31, 2005) | FY2004 (As of March 31, 2004) | Increase (Decrease) |
|--------------------------------------|----------------------------------|----------------------------------|------------------------|
| <u>Assets</u> | | | |
| Current assets | 4 6 2 , 9 7 3 | 3 4 9 , 9 1 4 | 1 1 3 , 0 5 9 |
| Cash and deposits | 8 4 , 9 1 5 | 5 7 , 3 7 5 | 2 7 , 5 4 0 |
| Trade notes and accounts receivable | 1 7 3 , 4 5 9 | 1 4 4 , 5 7 5 | 2 8 , 8 8 4 |
| Marketable securities | 4 0 , 0 5 6 | 2 0 , 0 6 4 | 1 9 , 9 9 2 |
| Inventories | 9 4 , 0 2 4 | 7 7 , 5 7 4 | 1 6 , 4 5 0 |
| Deferred tax assets | 2 0 , 3 7 9 | 1 7 , 5 3 3 | 2 , 8 4 6 |
| Other current assets | 5 2 , 4 9 1 | 3 5 , 1 2 8 | 1 7 , 3 6 3 |
| Less—allowance for doubtful accounts | (2 , 3 5 1) | (2 , 3 3 7) | (1 4) |
| Fixed assets | 1 , 8 6 3 , 8 5 0 | 1 , 6 6 2 , 0 8 0 | 2 0 1 , 7 7 0 |
| Property, plant and equipment | 4 5 7 , 0 7 8 | 3 8 9 , 3 9 6 | 6 7 , 6 8 2 |
| Buildings and structures | 1 3 2 , 4 1 9 | 1 2 4 , 4 2 2 | 7 , 9 9 7 |
| Machinery, equipment and vehicles | 1 8 5 , 4 2 4 | 1 6 0 , 7 8 7 | 2 4 , 6 3 7 |
| Tools, furniture and fixtures | 1 8 , 8 3 3 | 1 5 , 5 6 5 | 3 , 2 6 8 |
| Land | 7 8 , 6 5 8 | 7 1 , 7 8 6 | 6 , 8 7 2 |
| Construction in progress | 4 1 , 7 4 2 | 1 6 , 8 3 4 | 2 4 , 9 0 8 |
| Intangible assets | 1 1 6 , 9 7 1 | 9 9 , 8 5 6 | 1 7 , 1 1 5 |
| Software | 1 2 , 4 1 0 | 1 1 , 9 9 3 | 4 1 7 |
| Goodwill | 1 0 4 , 5 6 1 | 8 7 , 8 6 2 | 1 6 , 6 9 9 |
| Investments and other assets | 1 , 2 8 9 , 7 9 9 | 1 , 1 7 2 , 8 2 8 | 1 1 6 , 9 7 1 |
| Investments in securities | 1 , 2 2 2 , 6 5 8 | 1 , 1 1 2 , 7 7 6 | 1 0 9 , 8 8 2 |
| Long-term loans | 9 , 8 0 4 | 9 , 7 5 6 | 4 8 |
| Long-term prepaid expenses | 1 3 , 2 1 8 | 1 3 , 5 5 3 | (3 3 5) |
| Deferred tax assets | 7 , 2 3 4 | 3 , 5 3 7 | 3 , 6 9 7 |
| Other investments and other assets | 3 7 , 2 1 4 | 3 3 , 4 5 3 | 3 , 7 6 1 |
| Less—allowance for doubtful accounts | (3 3 0) | (2 5 0) | (8 0) |
| Total assets | 2 , 3 2 6 , 8 2 4 | 2 , 0 1 1 , 9 9 5 | 3 1 4 , 8 2 9 |

| | | | |
|---|-----------------------------|-----------------------------|-----------------------------|
| Notes: 1. Accumulated depreciation of property, plant and equipment | 5 4 1 , 3 8 2 | 5 0 9 , 3 7 8 | 3 2 , 0 0 4 |
| 2. Liabilities for guarantees | 2 9 , 9 5 6 | 2 4 , 5 9 4 | 5 , 3 6 2 |
| 3. Number of shares of treasury stock | 7 , 6 0 3 , 8 2 5 shares | 8 , 1 7 4 , 9 5 8 shares | (5 7 1 , 1 3 3) shares |
| 4. Allowance for retirement and severance benefits for directors and corporate auditors (included in allowance for retirement benefits) | 5 , 2 3 4 | 4 , 6 0 0 | 6 3 4 |

(Million yen; amounts less than one million yen are omitted.)

| | FY2005 (As of March 31, 2005) | FY2004 (As of March 31, 2004) | Increase (Decrease) |
|---|----------------------------------|----------------------------------|------------------------|
| <u>Liabilities</u> | | | |
| Current liabilities | 4 2 1 , 5 3 9 | 3 2 6 , 3 3 7 | 9 5 , 2 0 2 |
| Trade notes and accounts payable | 1 6 0 , 2 3 1 | 1 2 9 , 8 2 1 | 3 0 , 4 1 0 |
| Short-term bank loans | 5 9 , 9 4 5 | 7 0 , 4 4 1 | (1 0 , 4 9 6) |
| Commercial paper | - | 1 5 , 0 0 0 | (1 5 , 0 0 0) |
| Current portion of bonds | 2 0 , 3 0 0 | - | 2 0 , 3 0 0 |
| Other payables | 4 5 , 4 6 1 | 1 9 , 0 6 7 | 2 6 , 3 9 4 |
| Accrued expenses | 5 9 , 3 5 6 | 5 1 , 5 8 6 | 7 , 7 7 0 |
| Accrued income taxes | 1 5 , 2 9 7 | 8 , 8 4 5 | 6 , 4 5 2 |
| Deposits received from employees | 2 0 , 0 5 4 | 1 9 , 4 9 6 | 5 5 8 |
| Deferred tax liabilities | 4 , 0 6 6 | 2 , 7 4 2 | 1 , 3 2 4 |
| Other current liabilities | 3 6 , 8 2 6 | 9 , 3 3 5 | 2 7 , 4 9 1 |
| Long-term liabilities | 7 4 8 , 6 3 3 | 6 3 3 , 9 6 8 | 1 1 4 , 6 6 5 |
| Bonds | 2 3 0 , 0 0 0 | 2 0 0 , 3 0 0 | 2 9 , 7 0 0 |
| Long-term debt | 7 3 , 4 9 1 | 3 5 , 2 2 4 | 3 8 , 2 6 7 |
| Deferred tax liabilities | 3 8 1 , 7 8 7 | 3 4 6 , 3 3 5 | 3 5 , 4 5 2 |
| Allowance for retirement benefits | 4 4 , 4 6 2 | 3 4 , 2 6 4 | 1 0 , 1 9 8 |
| Other long-term liabilities | 1 8 , 8 9 1 | 1 7 , 8 4 3 | 1 , 0 4 8 |
| Total liabilities | 1 , 1 7 0 , 1 7 2 | 9 6 0 , 3 0 5 | 2 0 9 , 8 6 7 |
| Minority interest in consolidated subsidiaries | 4 0 , 9 0 4 | 3 4 , 9 2 6 | 5 , 9 7 8 |
| <u>Shareholders' equity</u> | | | |
| Common stock | 8 0 , 4 6 2 | 8 0 , 4 6 2 | - |
| Capital surplus | 1 0 5 , 6 0 0 | 1 0 5 , 7 4 3 | (1 4 3) |
| Retained earnings | 3 2 5 , 3 3 0 | 2 9 4 , 6 7 2 | 3 0 , 6 5 8 |
| Net unrealized gains on other securities | 5 9 1 , 2 1 8 | 5 3 4 , 0 7 8 | 5 7 , 1 4 0 |
| Foreign currency translation adjustments | 2 9 , 8 6 1 | 1 9 , 7 8 2 | 1 0 , 0 7 9 |
| Treasury stock at cost | (1 6 , 7 2 6) | (1 7 , 9 7 5) | 1 , 2 4 9 |
| Total shareholders' equity | 1 , 1 1 5 , 7 4 7 | 1 , 0 1 6 , 7 6 3 | 9 8 , 9 8 4 |
| Total liabilities and shareholders' equity | 2 , 3 2 6 , 8 2 4 | 2 , 0 1 1 , 9 9 5 | 3 1 4 , 8 2 9 |

Consolidated Statements of Income

(Million yen; amounts less than one million yen are omitted.)

| | FY2005 (April 1, 2004 - March 31, 2005) | FY2004 (April 1, 2003 - March 31, 2004) | Increase (Decrease) |
|--|---|---|------------------------|
| Net sales | 1,241,538 | 1,164,378 | 77,160 |
| Cost of sales | 1,041,780 | 978,458 | 63,322 |
| Gross profit | 199,758 | 185,919 | 13,839 |
| Selling, general and administrative expenses | 146,638 | 133,288 | 13,350 |
| Operating income | 53,120 | 52,631 | 489 |
| Non-operating income | 38,284 | 30,183 | 8,101 |
| Interest income | 8,159 | 8,174 | (15) |
| Dividends income | 13,760 | 10,997 | 2,763 |
| Other non-operating income | 16,363 | 11,010 | 5,353 |
| Non-operating expenses | 20,491 | 23,843 | (3,352) |
| Interest expenses | 9,735 | 9,755 | (20) |
| Other non-operating expenses | 10,756 | 14,087 | (3,331) |
| Ordinary income | 70,912 | 58,970 | 11,942 |
| Extraordinary gains | - | 621 | (621) |
| Gains from transition of benefit plan into defined contribution pension plan | - | 621 | (621) |
| Extraordinary losses | 558 | 1,851 | (1,293) |
| Impairment loss of fixed assets | 558 | - | 558 |
| Provision for retirement and severance benefits for directors and corporate auditors | - | 1,851 | (1,851) |
| Income before income taxes | 70,353 | 57,740 | 12,613 |
| Income taxes—current | 26,808 | 23,967 | 2,841 |
| Income taxes—deferred | (4,557) | (3,220) | (1,337) |
| Minority interest in consolidated subsidiaries | 4,744 | 3,370 | 1,374 |
| Net income | 43,357 | 33,623 | 9,734 |

Note: R&D expenses(included in selling, general and administrative expenses and manufacturing cost)

29,535

29,562

(27)

Consolidated Statements of Shareholder's Equity

(Million yen; amounts less than one million yen are omitted.)

| | FY2005 (April 1, 2004 - March 31, 2005) | FY2004 (April 1, 2003 - March 31, 2004) | Increase (Decrease) |
|--|---|---|------------------------|
| (Capital surplus) | | | |
| Capital surplus at beginning of year | 1 0 5 , 7 4 3 | 8 9 , 3 6 4 | 1 6 , 3 7 9 |
| Increase in capital surplus | - | 1 6 , 3 7 8 | (1 6 , 3 7 8) |
| Issuance of equity due to conversion of convertible bonds | - | 1 2 , 4 1 4 | (1 2 , 4 1 4) |
| Gain on disposal of treasury stock | - | 3 , 9 6 3 | (3 , 9 6 3) |
| Decrease in capital surplus | 1 4 2 | - | 1 4 2 |
| Loss on disposal of treasury stock | 1 4 2 | - | 1 4 2 |
| Capital surplus at end of year | 1 0 5 , 6 0 0 | 1 0 5 , 7 4 3 | (1 4 3) |
| (Retained earnings) | | | |
| Retained earnings at beginning of year | 2 9 4 , 6 7 2 | 2 6 9 , 3 8 0 | 2 5 , 2 9 2 |
| Increase in retained earnings | 4 3 , 3 5 7 | 3 3 , 6 2 3 | 9 , 7 3 4 |
| Net income | 4 3 , 3 5 7 | 3 3 , 6 2 3 | 9 , 7 3 4 |
| Decrease in retained earnings | 1 2 , 6 9 9 | 8 , 3 3 2 | 4 , 3 6 7 |
| Cash dividends | 7 , 9 4 8 | 7 , 4 1 7 | 5 3 1 |
| Bonuses to directors and corporate auditors | 3 3 1 | 2 9 0 | 4 1 |
| Net decrease due to minimum pension liability adjustments of consolidated subsidiaries | 4 , 4 1 9 | - | 4 , 4 1 9 |
| Change in subsidiaries' year-ends | - | 6 2 4 | (6 2 4) |
| Retained earnings at end of year | 3 2 5 , 3 3 0 | 2 9 4 , 6 7 2 | 3 0 , 6 5 8 |

Consolidated Statements of Cash Flows

(Million yen; amounts less than one million yen are omitted.)

| | FY2005 (April 1, 2004 - March 31, 2005) | FY2004 (April 1, 2003 - March 31, 2004) | Increase |
|--|---|---|------------------------|
| Cash flows from operating activities | 1 0 0 , 0 9 5 | 9 2 , 4 0 6 | 7 , 6 8 9 |
| Income before income taxes and minority interest in consolidated subsidiaries | 7 0 , 3 5 3 | 5 7 , 7 4 0 | 1 2 , 6 1 3 |
| Depreciation and amortization | 7 0 , 2 1 3 | 6 5 , 3 5 1 | 4 , 8 6 2 |
| Impairment loss of fixed assets | 5 5 8 | - | 5 5 8 |
| Increase in allowance for doubtful accounts | 3 7 1 | 4 5 | 3 2 6 |
| Interest and dividends income | (2 1 , 9 2 0) | (1 9 , 1 7 2) | (2 , 7 4 8) |
| Interest expenses | 9 , 7 3 5 | 9 , 7 5 5 | (2 0) |
| Equity in net earnings of affiliates | (6 , 8 0 5) | (1 , 8 4 2) | (4 , 9 6 3) |
| Increase in receivables | (2 2 , 9 2 3) | (1 1 , 0 5 0) | (1 1 , 8 7 3) |
| (Increase) decrease in inventories | (1 2 , 8 5 1) | 7 5 0 | (1 3 , 6 0 1) |
| Increase in payables | 2 6 , 8 9 3 | 2 , 6 3 0 | 2 4 , 2 6 3 |
| Others, net | (4 , 0 6 3) | 9 , 7 4 1 | (1 3 , 8 0 4) |
| Subtotal | 1 0 9 , 5 6 1 | 1 1 3 , 9 5 1 | (4 , 3 9 0) |
| Interest and dividends received | 2 1 , 9 7 1 | 1 8 , 9 0 0 | 3 , 0 7 1 |
| Interest paid | (8 , 7 1 0) | (9 , 8 4 5) | 1 , 1 3 5 |
| Income taxes paid | (2 2 , 7 2 7) | (3 0 , 6 0 0) | 7 , 8 7 3 |
| Cash flows from investing activities | (1 2 8 , 2 3 0) | (9 2 , 6 6 7) | (3 5 , 5 6 3) |
| Payments for purchases of marketable securities | - | (1 0 1) | 1 0 1 |
| Securities | - | 3 , 8 7 4 | (3 , 8 7 4) |
| Proceeds from sales of marketable securities | - | - | - |
| Payments for purchases of property, plant and equipment | (1 1 0 , 1 1 1) | (7 8 , 2 6 7) | (3 1 , 8 4 4) |
| Proceeds from sales of property, plant and equipment | 1 0 , 0 4 3 | 3 , 2 0 0 | 6 , 8 4 3 |
| Payments for purchases of investment securities | (9 , 5 6 2) | (1 4 , 3 0 1) | 4 , 7 3 9 |
| Proceeds from sales of investment securities | 3 , 2 9 9 | 2 , 6 1 4 | 6 8 5 |
| Proceeds from acquisition of subsidiaries' stock resulting in change in scope of consolidation | - | 1 , 2 1 5 | (1 , 2 1 5) |
| Payments for acquisition of subsidiaries' stock resulting in change in scope of consolidation | (1 6 , 9 4 3) | - | (1 6 , 9 4 3) |
| Payments for loans made | (2 , 3 7 0) | (4 , 9 7 7) | 2 , 6 0 7 |
| Proceeds from collections of loans | 2 , 7 8 3 | 5 , 4 4 7 | (2 , 6 6 4) |
| Payments for acquisition of business | - | (9 6 0) | 9 6 0 |
| Others, net | (5 , 3 6 8) | (1 0 , 4 1 1) | 5 , 0 4 3 |
| Cash flows from financing activities | 5 0 , 0 2 0 | (5 6 , 0 1 5) | 1 0 6 , 0 3 5 |
| Decrease in short-term loans | (1 3 , 6 8 6) | (1 0 , 9 5 8) | (2 , 7 2 8) |
| (Decrease) increase in commercial paper | (1 5 , 0 0 0) | 1 5 , 0 0 0 | (3 0 , 0 0 0) |
| Proceeds from long-term loans | 4 0 , 7 8 5 | 4 , 5 2 2 | 3 6 , 2 6 3 |
| Repayments of long-term loans | (6 , 9 6 4) | (8 , 5 2 9) | 1 , 5 6 5 |
| Proceeds from issuance of bonds | 5 0 , 0 0 0 | - | 5 0 , 0 0 0 |
| Repayments of bonds | - | (3 1 , 6 7 7) | 3 1 , 6 7 7 |
| Payments to convertible bond redemption funds | - | (5 6 , 6 7 0) | 5 6 , 6 7 0 |
| Proceeds from convertible bond redemption funds | - | 5 6 , 6 7 0 | (5 6 , 6 7 0) |
| Payments for purchase of treasury stocks | (5 2) | (1 7 , 0 9 4) | 1 7 , 0 4 2 |
| Cash dividends paid | (7 , 9 4 8) | (7 , 4 1 3) | (5 3 5) |
| Cash dividends paid for minority shareholders | (6 6 7) | (2 5 2) | (4 1 5) |
| Others, net | 3 , 5 5 4 | 3 8 9 | 3 , 1 6 5 |
| Translation adjustments of cash and cash equivalents | 1 , 4 3 8 | 3 2 2 | 1 , 1 1 6 |
| Net increase (decrease) in cash and cash equivalents | 2 3 , 3 2 3 | (5 5 , 9 5 3) | 7 9 , 2 7 6 |
| Cash and cash equivalents at beginning of period | 7 7 , 2 1 2 | 1 3 6 , 9 2 9 | (5 9 , 7 1 7) |
| Net decrease in cash and cash equivalents due to change in subsidiaries' year-ends | - | (3 , 7 6 3) | 3 , 7 6 3 |
| Cash and cash equivalents at end of period | 1 0 0 , 5 3 5 | 7 7 , 2 1 2 | 2 3 , 3 2 3 |

Note: Breakdown of cash and cash equivalents by accounts on the consolidated balance sheets:

| | | | |
|-----------------------|-------------|-------------|-------------|
| Cash and deposits | 6 0 , 5 3 0 | 5 7 , 1 9 3 | 3 , 3 3 7 |
| Marketable securities | 4 0 , 0 0 5 | 2 0 , 0 1 8 | 1 9 , 9 8 7 |

Basis of Presenting Consolidated Financial Statements

1. Scope of consolidation and equity method

(1) Scope of consolidation

| | Companies | |
|---------------------------|-----------|--|
| Consolidated subsidiaries | 145 | Aichi Corporation Group (5 companies), TIBC Corporation, Asahi Security Co., Ltd., TOYOTA L&F Tokyo Co., Ltd., Logistics Planning Tokyo Co., Ltd., ALTEX CO., Ltd., Sun River Co., Ltd., Izumi Machine Mfg. Co., Ltd., TOYOTA L&F Keiji Co., Ltd., Tokyu Co., Ltd., Mino Tokyu Co., Ltd., Advanced Logistics Solutions Co., Ltd., Teionshokuhin Ryutsu Inc., Toyoda High System, Inc., Nishina Industrial Co., Ltd., Suzaka Nishina Industrial Co., Ltd., ALTRAN Corporation, KTL Co., Ltd., TF Logistics Co., Ltd., Tokaiseiki Co., Ltd., Taikoh transportation Group (5 companies), SKE Inc., SK Maintenance Inc., Unica Co., Ltd., Iwama Loom Works, Ltd., Kawamoto System Corporation, Nagao Industry Co. Ltd., TOYOTA L&F Shizuoka Co., Ltd., Hara Corporation, Mizuho Industry Co., Ltd., Sun Valley Inc., Sun Valley CVS Takaramachi Co., Ltd., Sun Staff, Inc., ALT Logistics Co., Ltd., Shine's Inc., TOYOTA INDUSTRIES WELL SUPPORT CORPORATION, Toyota Industries Sweden AB, BT Industries Group (64 companies), Toyota Industries Finance International AB, Michigan Automotive Compressor, Inc., TD AUTOMOTIVE COMPRESSOR GEORGIA, LLC, Kirloskar Toyoda Textile Machinery Ltd., Toyota Industries Corporation Australia Group(9 companies), Toyota Industries North America, Inc., Toyota Industrial Equipment Mfg., Inc., Toyota Material Handling USA, Inc., ACTIS manufacturing Ltd., LLC, Toyota-Lift of Los Angeles, Inc., Toyoda Textile Machinery, Inc., Toyota Industries Personnel Service of America Inc., TD Deutsche Klimakompressor GmbH, Toyota Industry (Kunshan) Co., Ltd., Toyota Truck Norge Group (4 companies), Toyota Industries Automotive Parts (Kunshan) Co., Ltd., Toyota Industrial Equipment, S.A., Toyota Industries Mercosur Ltda., Toyota Material Handling (Shanghai) Co., Ltd, Toyota Gabelstapler Deutschland GmbH, Toyota Textile Machinery Europe, AG, Toyota Industrial Equipment (UK) Group (2 companies), Toyota Industrial Equipment Europe Group (2 companies) |

(2) Scope of equity method

| | Companies | |
|------------|-----------|--|
| Affiliates | 20 | Aichi Corporation Group (2 companies), ST Liquid Crystal Display Corp., FUJI LOGISTICS CO., LTD., BT Industries Group (16 companies) |

2. Changes in scope of consolidation and equity method

Consolidated subsidiaries

| | Companies | |
|------------|-----------|---|
| (Increase) | 14 | Asahi Security Co., Ltd., TF Logistics Co., Ltd., Unica Co., Ltd., Nagao Hold Co. Ltd., Nagao Industry Co. Ltd., Nagao Seiko Co. Ltd., Nagao Co. Ltd., Sun Valley CVS Takaramachi Co., Ltd., BT Industries Group (3 companies), TD AUTOMOTIVE COMPRESSOR GEORGIA, LLC, Toyota Industries Automotive Parts (Kunshan) Co., Ltd., Toyota Textile Machinery Europe, AG, |
| (Decrease) | 9 | Aichi Corporation Group (1 company), Logistec Co., Ltd., Nagao Industry Co. Ltd., Nagao Seiko Co. Ltd., Nagao Co. Ltd., Arti Inc., Tokai System Institute Corp., BT Industries Group (2 companies), |

Affiliates accounted for the equity method

| | Companies |
|----------------------|-----------|
| (Increase /Decrease) | 0 |

3. Fiscal years of consolidated subsidiaries

(1) Some consolidated subsidiaries have a closing date other than March 31. The details are given below.

| | |
|-------------|---|
| December 31 | Toyota Industries Sweden AB, BT Industries Group (64 companies), Toyota Industries Finance International AB, Toyota Industry (Kunshan) Co., Ltd., Toyota Industries Automotive Parts (Kunshan) Co., Ltd., Toyota Material Handling (Shanghai) Co., Ltd. |
|-------------|---|

(2) The consolidated financial statements were prepared based on financial statements as of the closing date of each company.

Some consolidated subsidiaries change its closing date from December 31 to March 31. The details are given below.

Toyota Industries Corporation Australia Group (1 company)

4. Significant accounting policies

(1) Valuation of significant assets

a. Marketable securities

| | |
|---------------------------------------|---|
| Other securities with market value | Fair value method using market price at the end of period (Unrealized gains and losses are recorded as a portion of shareholders' equity. Sales cost of marketable securities is determined by the moving average method.) |
| Other securities without market value | At cost determined by the moving average method |

b. Inventories

.... Mainly at cost determined by the moving average method

(2) Depreciation and amortization

Depreciation expenses of property, plant and equipment are computed mainly by the declining-balance method.

Amortization of software (intangible assets) is computed by the straight-line method.

(3) Deferred charges

Bond issuance costs are expensed as incurred.

(4) Significant allowances

a. Allowance for doubtful accounts is estimated by such means as using the percentage of historical experiences in credit losses for ordinary receivables and by examining the feasibility of collection individually for receivables that seem to be uncollectible.

b. For the purpose of preparation for future payments of employees' retirement benefits, allowance for retirement benefits is recorded at the amount incurred based on projected benefit obligations and pension assets at the end of period. Provision for retirement and severance benefits for directors and corporate auditors are recorded at the amounts required at the end of period by a internal rule describing the retirement benefits for directors and corporate auditors.

(5) Accounting for significant lease transactions

Financing leases other than those that are deemed to transfer the ownership of the leased properties to lessees are mainly accounted for by the method similar to that applicable to ordinary operating leases.

(6) Hedge accounting method

Mainly the deferral method of hedge accounting is applied. In case of foreign currency forward contracts, the hedged items are translated at contracted forward rate if certain conditions are met. In this period, interest rate swap contracts are used for hedging risk of change in interest rate relating loans. Foreign exchange forward contracts and foreign currency option contracts are also used for hedging risk of change in foreign exchange rate relating to foreign currency transactions.

(7) Other significant accounting policies for preparing consolidated financial statements

The consumption tax : computed based on the net-of-tax method

5. Valuation of assets and liabilities of consolidated subsidiaries

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.

6. Amotization of goodwill

Goodwill is amortized on a straight-line basis over a period generally not exceeding 20 years, except for insignificant goodwill which is charged to income as incurred.

7. Appropriation of retained earnings

The approved amount during the relevant fiscal year is reflected in the consolidated statements of retained earnings.

8. Scope of cash and cash equivalents on the consolidated statements of cash flows

Cash and cash equivalents on the consolidated statements of cash flows include cash on hand, bank deposits to be withdrawn at any time and short-term investments 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 fair value.

Segment Information

1. Business segment information

(1) FY2005 (April 1, 2004 - March 31, 2005)

(Million yen; amounts less than one million yen are omitted.)

| | Automobile | Materials handling equipment | Textile machinery | Others | Total | Eliminations | Consolidated |
|--------------------------------------|----------------|------------------------------|-------------------|----------------|------------------|------------------|------------------|
| Net sales | | | | | | | |
| (1) Outside customer sales | 616,200 | 503,989 | 43,902 | 77,446 | 1,241,538 | - | 1,241,538 |
| (2) Intersegment transactions | 18,222 | 148 | 24 | 21,579 | 39,975 | (39,975) | - |
| Total | 634,422 | 504,138 | 43,927 | 99,025 | 1,281,514 | (39,975) | 1,241,538 |
| Operating expenses | 611,659 | 478,053 | 44,698 | 93,782 | 1,228,193 | (39,775) | 1,188,418 |
| Operating income | 22,763 | 26,084 | (771) | 5,243 | 53,320 | (200) | 53,120 |
| Assets | 407,435 | 465,831 | 25,621 | 148,712 | 1,047,601 | 1,279,222 | 2,326,824 |
| Depreciation and amortization | 37,075 | 27,015 | 897 | 5,215 | 70,204 | 8 | 70,213 |
| Capital expenditures | 92,692 | 33,972 | 1,612 | 8,222 | 136,500 | 5 | 136,506 |

(2) FY2004 (April 1, 2003 - March 31, 2004)

(Million yen; amounts less than one million yen are omitted.)

| | Automobile | Materials handling equipment | Textile machinery | Others | Total | Eliminations | Consolidated |
|--------------------------------------|----------------|------------------------------|-------------------|----------------|------------------|------------------|------------------|
| Net sales | | | | | | | |
| (1) Outside customer sales | 603,862 | 443,443 | 45,968 | 71,103 | 1,164,378 | - | 1,164,378 |
| (2) Intersegment transactions | 15,698 | 138 | 15 | 14,131 | 29,984 | (29,984) | - |
| Total | 619,561 | 443,582 | 45,984 | 85,234 | 1,194,363 | (29,984) | 1,164,378 |
| Operating expenses | 592,030 | 424,233 | 45,884 | 79,484 | 1,141,633 | (29,885) | 1,111,747 |
| Operating income | 27,530 | 19,348 | 100 | 5,750 | 52,729 | (98) | 52,631 |
| Assets | 338,246 | 406,384 | 24,743 | 100,626 | 870,000 | 1,141,994 | 2,011,995 |
| Depreciation and amortization | 35,793 | 23,537 | 931 | 5,442 | 65,705 | (353) | 65,351 |
| Capital expenditures | 48,793 | 32,204 | 1,203 | 7,748 | 89,950 | (441) | 89,508 |

Notes 1. Business segments are divided by the type and nature of the product.

2. Main products of each segment:

Automobile Passenger vehicles, diesel and gasoline engines, car air-conditioning compressors

Materials handling equipment ... Counterbalanced forklifts, warehouse equipment, skid steer loaders, truck mount aerial work platforms

Textile machinery Ring spinning frames, air jet looms, water jet looms

Others Ball grid array-type plastic package substrates for IC chipsets, transportation services

3. Assets included in the "Eliminations" are mainly cash and deposits, marketable securities and investments in securities of Toyota Industries Corporation.

2. Geographical segment information

(1) FY2005 (April 1, 2004 - March 31, 2005)

(Million yen; amounts less than one million yen are omitted.)

| | Japan | North America | Europe | Others | Total | Eliminations | Consolidated |
|-------------------------------|----------------|----------------|----------------|---------------|------------------|------------------|------------------|
| Net sales | | | | | | | |
| (1) Outside customer sales | 815,039 | 212,253 | 188,668 | 25,576 | 1,241,538 | - | 1,241,538 |
| (2) Intersegment transactions | 99,464 | 1,125 | 7,221 | 2,776 | 110,588 | (110,588) | - |
| Total | 914,503 | 213,379 | 195,890 | 28,352 | 1,352,126 | (110,588) | 1,241,538 |
| Operating expenses | 870,928 | 207,068 | 191,202 | 27,712 | 1,296,911 | (108,493) | 1,188,418 |
| Operating income | 43,575 | 6,311 | 4,688 | 639 | 55,214 | (2,094) | 53,120 |
| Assets | 788,827 | 151,047 | 264,274 | 33,639 | 1,237,789 | 1,089,034 | 2,326,824 |

(2) FY2004 (April 1, 2003 - March 31, 2004)

(Million yen; amounts less than one million yen are omitted.)

| | Japan | North America | Europe | Others | Total | Eliminations | Consolidated |
|-------------------------------|----------------|----------------|----------------|---------------|------------------|-----------------|------------------|
| Net sales | | | | | | | |
| (1) Outside customer sales | 785,253 | 198,752 | 167,511 | 12,860 | 1,164,378 | - | 1,164,378 |
| (2) Intersegment transactions | 87,271 | 1,113 | 5,895 | 1,630 | 95,910 | (95,910) | - |
| Total | 872,524 | 199,866 | 173,407 | 14,490 | 1,260,289 | (95,910) | 1,164,378 |
| Operating expenses | 826,696 | 193,745 | 170,262 | 14,622 | 1,205,326 | (93,579) | 1,111,747 |
| Operating income | 45,828 | 6,121 | 3,145 | (131) | 54,962 | (2,331) | 52,631 |
| Assets | 643,180 | 136,829 | 238,388 | 22,081 | 1,040,479 | 971,515 | 2,011,995 |

Notes: Assets included in the "Eliminations" are mainly cash and deposits, marketable securities and investments in securities of Toyota Industries Corporation.

3. Overseas sales

(1) FY2005 (April 1, 2004 - March 31, 2005)

(Million yen; amounts less than one million yen are omitted.)

| | North America | Europe | Others | Total |
|---|---------------|---------|---------|-----------|
| Overseas sales | 208,675 | 225,409 | 104,917 | 539,002 |
| Consolidated sales | | | | 1,241,538 |
| Ratio of overseas sales to consolidated sales | 16.8% | 18.2% | 8.4% | 43.4% |

(2) FY2004 (April 1, 2003 - March 31, 2004)

(Million yen; amounts less than one million yen are omitted.)

| | North America | Europe | Others | Total |
|---|---------------|---------|--------|-----------|
| Overseas sales | 196,860 | 211,081 | 89,415 | 497,356 |
| Consolidated sales | | | | 1,164,378 |
| Ratio of overseas sales to consolidated sales | 16.9% | 18.1% | 7.7% | 42.7% |

Breakdown of Consolidated Net Sales

(Million yen; amounts less than one million yen are omitted.)

| | FY2005 (April 1, 2004 - March 31, 2005) | | FY2004 (April 1, 2003 - March 31, 2004) | | Increase (Decrease) | % Change |
|--|---|--------------------|---|--------------------|------------------------|----------|
| | Amount | Component ratio | Amount | Component ratio | | |
| Automobile | | % | | % | | % |
| Vehicle | 278,841 | 22.5 | 280,484 | 24.1 | (1,643) | (0.6) |
| Engine | 113,295 | 9.1 | 107,357 | 9.2 | 5,938 | 5.5 |
| Car air-conditioning compressor | 197,984 | 15.9 | 198,398 | 17.1 | (414) | (0.2) |
| Foundry, Electronics parts and others | 26,079 | 2.1 | 17,623 | 1.5 | 8,456 | 48.0 |
| Subtotal | 616,200 | 49.6 | 603,862 | 51.9 | 12,338 | 2.0 |
| Materials handling equipment | 503,989 | 40.6 | 443,443 | 38.1 | 60,546 | 13.7 |
| Textile machinery | 43,902 | 3.5 | 45,968 | 3.9 | (2,066) | (4.5) |
| Others | 77,446 | 6.3 | 71,103 | 6.1 | 6,343 | 8.9 |
| Total | 1,241,538 | 100.0 | 1,164,378 | 100.0 | 77,160 | 6.6 |

Non-consolidated Financial Results for FY2005 (April 2004 - March 2005)

TOYOTA INDUSTRIES CORPORATION

Stock exchange listings: Tokyo, Osaka and Nagoya (Ticker code: 6201) (URL <http://www.toyota-industries.com/>)

Representative person : Tadashi Ishikawa, President

Contact person: Toshifumi Ogawa, General Manager of Accounting Department (Tel. +81-(0)566-22-2511)

Date of the meeting of the Board of Directors for non-consolidated financial results for FY2004: April 27, 2005

Date of the Ordinary General Meeting of Shareholders: June 22, 2005

Provision for interim cash dividends: Provision exists.

Share trading unit: 100 shares

1. Financial Highlights for FY2005 (April 1, 2004 - March 31, 2005)

(1) Non-consolidated financial results

(Amounts less than one million yen are omitted.)

| | Net sales | (% change from previous year) | Operating income | (% change from previous year) | Ordinary income | (% change from previous year) |
|---------------|----------------|---------------------------------|------------------|---------------------------------|-----------------|---------------------------------|
| | Million yen | % | Million yen | % | Million yen | % |
| FY2005 | 784,399 | (4.6) | 30,075 | (-4.0) | 39,785 | (14.6) |
| FY2004 | 749,616 | (0.3) | 31,334 | (-20.5) | 34,705 | (-18.0) |

| | Net income | (% change from previous year) | Net income per share—basic | Net income per share—diluted | Return on equity | Ordinary income on assets | Ordinary income on sales |
|---------------|---------------|---------------------------------|----------------------------|------------------------------|------------------|---------------------------|--------------------------|
| | Million yen | % | Yen | Yen | % | % | % |
| FY2005 | 26,320 | (24.7) | 81.87 | 81.83 | 2.6 | 2.1 | 5.1 |
| FY2004 | 21,103 | (4.9) | 67.69 | 63.90 | 2.5 | 2.2 | 4.6 |

Notes: 1. Average number of shares outstanding each year: FY2005—318,087,484 shares, FY2004—308,146,251 shares

2. Changes in accounting policies: No change

3. In FY2005, Early application has been made for Accounting Standards for Impairment of Fixed Assets.

(2) Cash dividends

| | Annual cash dividends per share | | | Total amount of annual cash dividends | Dividend payout ratio | Total amount of dividends on shareholders' equity |
|---------------|---------------------------------|--------------|--------------|---------------------------------------|-----------------------|---|
| | Interim | Year-end | | | | |
| | Yen | Yen | Yen | Million yen | % | % |
| FY2005 | 32.00 | 13.00 | 19.00 | 10,183 | 39.1 | 1.0 |
| FY2004 | 24.00 | 12.00 | 12.00 | 7,716 | 35.5 | 0.8 |

(3) Non-consolidated financial position

| | Total assets | Shareholders' equity | Shareholders' equity ratio | Shareholders' equity per share |
|---------------|------------------|----------------------|----------------------------|--------------------------------|
| | Million yen | Million yen | % | Yen |
| FY2005 | 1,980,211 | 1,056,828 | 53.4 | 3,320.01 |
| FY2004 | 1,735,323 | 980,533 | 56.5 | 3,085.91 |

Note: 1. Number of shares outstanding at end of each year: FY2005—318,236,815 shares, FY2004—317,665,682 shares

2. Number of treasury stock: FY2005—7,603,825 shares, FY2004—8,174,958 shares

2. Forecasts of non-consolidated Financial Results for FY2006 (April 1, 2005 - March 31, 2006)

| | Net sales | Ordinary income | Net income | Annual cash dividends per share | | |
|---------------------------|----------------|-----------------|---------------|---------------------------------|--------------|--------------|
| | | | | Interim | Year-end | |
| | Million yen | Million yen | Million yen | Yen | Yen | Yen |
| FY2006 semi-annual | 430,000 | 20,000 | 14,000 | 17.00 | - | - |
| FY2006 | 930,000 | 44,000 | 29,000 | - | 17.00 | 34.00 |

Reference: (Forecast) Net income per share—basic (annual): 91.13 yen

Non-consolidated Balance Sheets

| | FY2005 (As of March 31, 2005) | FY2004 (As of March 31, 2004) | Increase (Decrease) |
|--------------------------------------|----------------------------------|----------------------------------|------------------------|
| <u>Assets</u> | | | |
| Current assets | 2 5 5 , 5 1 3 | 1 8 7 , 1 8 9 | 6 8 , 3 2 4 |
| Cash and deposits | 2 8 , 7 2 1 | 2 9 , 3 3 0 | (6 0 9) |
| Trade notes receivable | 7 2 5 | 7 9 4 | (6 9) |
| Trade accounts receivable | 9 4 , 0 4 8 | 7 6 , 2 7 1 | 1 7 , 7 7 7 |
| Marketable securities | 4 0 , 0 0 5 | 2 0 , 0 0 2 | 2 0 , 0 0 3 |
| Finished goods | 1 , 7 2 4 | 2 , 6 8 5 | (9 6 1) |
| Raw materials | 4 7 2 | 3 5 2 | 1 2 0 |
| Work in process | 2 1 , 3 1 8 | 1 8 , 0 8 9 | 3 , 2 2 9 |
| Supplies | 4 , 7 3 1 | 4 , 0 1 1 | 7 2 0 |
| Prepaid expenses | 1 2 4 | 1 7 3 | (4 9) |
| Deferred tax assets | 1 3 , 5 2 6 | 1 3 , 0 3 5 | 4 9 1 |
| Other current assets | 5 0 , 1 2 8 | 2 2 , 4 4 4 | 2 7 , 6 8 4 |
| Less—allowance for doubtful accounts | (1 4) | (2) | (1 2) |
| Fixed assets | 1 , 7 2 4 , 6 9 8 | 1 , 5 4 8 , 1 3 3 | 1 7 6 , 5 6 5 |
| Property, plant and equipment | 2 7 7 , 9 0 7 | 2 3 4 , 0 5 9 | 4 3 , 8 4 8 |
| Buildings | 7 5 , 1 5 8 | 7 2 , 5 8 0 | 2 , 5 7 8 |
| Structures | 8 , 9 8 7 | 7 , 7 6 5 | 1 , 2 2 2 |
| Machinery and equipment | 1 0 4 , 0 1 1 | 9 2 , 9 4 2 | 1 1 , 0 6 9 |
| Vehicles and delivery equipment | 1 , 2 0 0 | 1 , 1 3 3 | 6 7 |
| Tools, furniture and fixtures | 1 1 , 1 6 0 | 8 , 7 8 5 | 2 , 3 7 5 |
| Land | 4 6 , 0 9 6 | 4 0 , 5 6 7 | 5 , 5 2 9 |
| Construction in progress | 3 1 , 2 9 1 | 1 0 , 2 8 4 | 2 1 , 0 0 7 |
| Intangible assets | 9 , 4 0 7 | 9 , 4 4 3 | (3 6) |
| Software | 9 , 4 0 7 | 9 , 4 4 3 | (3 6) |
| Investments and other assets | 1 , 4 3 7 , 3 8 3 | 1 , 3 0 4 , 6 3 0 | 1 3 2 , 7 5 3 |
| Investments in securities | 1 , 2 2 3 , 9 9 5 | 1 , 1 2 1 , 1 1 7 | 1 0 2 , 8 7 8 |
| Investments in subsidiaries | 1 8 1 , 2 3 1 | 1 5 3 , 3 0 9 | 2 7 , 9 2 2 |
| Long-term loans | 1 1 , 8 5 5 | 1 0 , 4 1 0 | 1 , 4 4 5 |
| Long-term prepaid expenses | 1 0 , 0 2 9 | 1 0 , 7 5 4 | (7 2 5) |
| Other investments and other assets | 1 0 , 4 4 2 | 9 , 1 3 4 | 1 , 3 0 8 |
| Less—allowance for doubtful accounts | (1 7 1) | (9 5) | (7 6) |
| Total assets | 1 , 9 8 0 , 2 1 1 | 1 , 7 3 5 , 3 2 3 | 2 4 4 , 8 8 8 |

| | | | |
|---|---------------|---------------|-------------|
| Notes: 1. Accumulated depreciation of property, plant and equipment | 3 6 8 , 9 3 7 | 3 5 4 , 4 8 6 | 1 4 , 4 5 1 |
| 2. Liabilities for guarantees | 2 8 , 3 5 4 | 1 4 , 5 6 4 | 1 3 , 7 9 0 |
| 3. Allowance for retirement and severance benefits for directors and corporate auditors (included in allowance for retirement benefits) | 4 , 5 3 2 | 4 , 1 1 5 | 4 1 7 |

(Million yen; amounts less than one million yen are omitted.)

| | FY2004 (As of March 31, 2004) | FY2004 (As of March 31, 2004) | Increase (Decrease) |
|--|----------------------------------|----------------------------------|------------------------|
| <u>Liabilities</u> | | | |
| Current liabilities | 2 3 8 , 5 3 6 | 1 7 0 , 1 1 4 | 6 8 , 4 2 2 |
| Trade notes payable | 9 4 1 | 2 , 4 7 8 | (1 , 5 3 7) |
| Trade accounts payable | 1 1 2 , 5 4 3 | 8 7 , 1 5 6 | 2 5 , 3 8 7 |
| Commercial paper | - | 1 5 , 0 0 0 | (1 5 , 0 0 0) |
| Current portion of bonds | 2 0 , 0 0 0 | - | 2 0 , 0 0 0 |
| Other payables | 3 8 , 6 1 6 | 1 3 , 6 6 1 | 2 4 , 9 5 5 |
| Accrued expenses | 2 9 , 6 1 4 | 2 6 , 2 9 6 | 3 , 3 1 8 |
| Accrued income taxes | 8 , 2 2 1 | 4 , 0 2 7 | 4 , 1 9 4 |
| Advance received | 9 9 9 | 5 3 | 9 4 6 |
| Deposits received | 7 , 3 4 2 | 1 , 9 0 4 | 5 , 4 3 8 |
| Deposits received from employees | 1 9 , 9 6 5 | 1 9 , 4 2 2 | 5 4 3 |
| Other current liabilities | 2 9 0 | 1 1 2 | 1 7 8 |
| Long-term liabilities | 6 8 4 , 8 4 6 | 5 8 4 , 6 7 4 | 1 0 0 , 1 7 2 |
| Bonds | 2 3 0 , 0 0 0 | 2 0 0 , 0 0 0 | 3 0 , 0 0 0 |
| Long-term loans | 5 5 , 0 0 0 | 2 0 , 0 0 0 | 3 5 , 0 0 0 |
| Deferred tax liabilities | 3 7 6 , 6 1 0 | 3 4 1 , 7 2 7 | 3 4 , 8 8 3 |
| Allowance for retirement benefits | 2 0 , 8 5 6 | 1 9 , 4 2 7 | 1 , 4 2 9 |
| Other long-term liabilities | 2 , 3 7 8 | 3 , 5 1 9 | (1 , 1 4 1) |
| Total liabilities | 9 2 3 , 3 8 2 | 7 5 4 , 7 8 9 | 1 6 8 , 5 9 3 |
| <u>Shareholders' equity</u> | | | |
| Common stock | 8 0 , 4 6 2 | 8 0 , 4 6 2 | - |
| Capital surplus | 1 0 5 , 5 7 9 | 1 0 5 , 7 0 7 | (1 2 8) |
| Capital reserve | 1 0 1 , 7 6 6 | 1 0 1 , 7 6 6 | - |
| Other capital reserve | 3 , 8 1 2 | 3 , 9 4 1 | (1 2 9) |
| Gain on disposal of treasury stock | 3 , 8 1 2 | 3 , 9 4 1 | (1 2 9) |
| Retained earnings | 2 9 7 , 0 8 7 | 2 7 8 , 9 6 2 | 1 8 , 1 2 5 |
| Legal reserve | 1 7 , 0 0 4 | 1 7 , 0 0 4 | - |
| General reserve | 1 8 0 , 8 4 4 | 1 8 0 , 7 1 4 | 1 3 0 |
| Reserve for special depreciation | 7 1 1 | 5 7 2 | 1 3 9 |
| Reserve for reduction of acquisition cost of fixed assets | 1 3 3 | 1 4 2 | (9) |
| General reserves | 1 8 0 , 0 0 0 | 1 8 0 , 0 0 0 | - |
| Unappropriated retained earnings at end of year | 9 9 , 2 3 8 | 8 1 , 2 4 3 | 1 7 , 9 9 5 |
| <Included net income for year> | < 2 6 , 3 2 0 > | < 2 1 , 1 0 3 > | < 5 , 2 1 7 > |
| Net unrealized gain on other securities | 5 9 0 , 4 2 6 | 5 3 3 , 3 7 7 | 5 7 , 0 4 9 |
| Treasury stock at cost | △ 1 6 , 7 2 6 | (1 7 , 9 7 5) | 1 , 2 4 9 |
| Total shareholders' equity | 1 , 0 5 6 , 8 2 8 | 9 8 0 , 5 3 3 | 7 6 , 2 9 5 |
| Total liabilities and shareholders' equity | 1 , 9 8 0 , 2 1 1 | 1 , 7 3 5 , 3 2 3 | 2 4 4 , 8 8 8 |

Non-consolidated Statements of Income

(Million yen; amounts less than one million yen are omitted.)

| | FY2005 (April 1, 2004 - March 31, 2005) | FY2004 (April 1, 2003 - March 31, 2004) | Increase (Decrease) |
|---|---|---|------------------------|
| <u>Ordinary profits and losses</u> | | | |
| Operating revenue and expenses | | | |
| Operating revenue | 7 8 4 , 3 9 9 | 7 4 9 , 6 1 6 | 3 4 , 7 8 3 |
| Net sales | 7 8 4 , 3 9 9 | 7 4 9 , 6 1 6 | 3 4 , 7 8 3 |
| Operating expenses | 7 5 4 , 3 2 2 | 7 1 8 , 2 8 2 | 3 6 , 0 4 0 |
| Cost of sales | 6 9 5 , 5 6 4 | 6 6 3 , 2 5 8 | 3 2 , 3 0 6 |
| Selling, general and administrative expenses | 5 8 , 7 5 8 | 5 5 , 0 2 4 | 3 , 7 3 4 |
| Operating income | 3 0 , 0 7 5 | 3 1 , 3 3 4 | (1 , 2 5 9) |
| Non-operating income and expenses | | | |
| Non-operating income | 2 0 , 6 5 3 | 1 5 , 8 7 7 | 4 , 7 7 6 |
| Interest income and dividends income | 1 4 , 9 3 6 | 1 1 , 6 3 4 | 3 , 3 0 2 |
| Other non-operating income | 5 , 7 1 6 | 4 , 2 4 3 | 1 , 4 7 3 |
| Non-operating expenses | 1 0 , 9 4 3 | 1 2 , 5 0 6 | (1 , 5 6 3) |
| Interest expenses | 3 , 7 0 0 | 3 , 5 7 5 | 1 2 5 |
| Other non-operating expenses | 7 , 2 4 2 | 8 , 9 3 0 | (1 , 6 8 8) |
| Ordinary income | 3 9 , 7 8 5 | 3 4 , 7 0 5 | 5 , 0 8 0 |
| (Extraordinary gains and losses) | | | |
| Extraordinary gains | - | 6 2 1 | (6 2 1) |
| Gain on transfer to a defined contribution pension plan | - | 6 2 1 | (6 2 1) |
| Extraordinary losses | 1 4 4 | 1 , 8 5 1 | (1 , 7 0 7) |
| Impairment loss of fixed assets | 1 4 4 | - | 1 4 4 |
| Provision for retirement and severance benefits for directors and corporate auditors | - | 1 , 8 5 1 | (1 , 8 5 1) |
| Income before income taxes | 3 9 , 6 4 1 | 3 3 , 4 7 5 | 6 , 1 6 6 |
| Income taxes—current | 1 6 , 8 0 2 | 1 5 , 5 6 0 | 1 , 2 4 2 |
| Income taxes—deferred | (3 , 4 8 1) | (3 , 1 8 8) | (2 9 3) |
| Net income | 2 6 , 3 2 0 | 2 1 , 1 0 3 | 5 , 2 1 7 |
| Unappropriated retained earnings brought forward | 7 7 , 0 5 5 | 6 4 , 0 4 3 | 1 3 , 0 1 2 |
| Interim cash dividends | 4 , 1 3 6 | 3 , 9 0 4 | 2 3 2 |
| Unappropriated retained earnings at end of year | 9 9 , 2 3 8 | 8 1 , 2 4 3 | 1 7 , 9 9 5 |

Proposed Appropriation of Non-consolidated Retained Earnings

(Million yen; amounts less than one million yen are omitted.)

| | FY2005 | FY2004 | Increase (Decrease) |
|---|--|--|------------------------|
| Unappropriated retained earnings at end of year | 9 9 , 2 3 8 | 8 1 , 2 4 3 | 1 7 , 9 9 5 |
| Reversal of reserve for special depreciation | 1 2 8 | 9 6 | 3 2 |
| Reversal of reserve for reduction of acquisition cost of fixed assets | 7 | 8 | (1) |
| Total | 9 9 , 3 7 4 | 8 1 , 3 4 7 | 1 8 , 0 2 7 |
| The above will be appropriated as follows: | | | |
| Cash dividends | 6 , 0 4 6 <i>< 19.00 yen per share</i> | 3 , 8 1 1 <i>< 12.00 yen per share></i> | 2 , 2 3 5 |
| Bonuses to directors | 2 5 0 | 2 2 0 | 3 0 |
| Bonuses to corporate auditors | 2 9 | 2 6 | 3 |
| Reserve for special depreciation | 9 6 | 2 3 4 | (1 3 8) |
| Reserve for reduction of acquisition cost of fixed assets | 1 3 7 | - | 1 3 7 |
| General reserves | 2 0 , 0 0 0 | - | 2 0 , 0 0 0 |
| Unappropriated retained earnings to be carried forward | 7 2 , 8 1 4 | 7 7 , 0 5 5 | (4 , 2 4 1) |

Note: On November 26, 2004, an interim cash dividend of 13.00 yen per share, or a total of 4,136 million yen was paid.

Changes in Members of the Board of Directors and Corporate Auditors

1. New Candidates for the Board of Directors

| | |
|---------------------|---|
| | (Current Title) |
| Toshiyuki Sekimori | (Division Manager, Electronics Division) |
| Hiroataka Morishita | (General Manager, Vehicle Division, Personnel and General Administration Dept.) |
| Shinya Furukawa | (President, Toyota Industrial Equipment Europe, S.A.R.L) |
| Hironori Ito | (General Manager, Corporate Technical Center, New Electronic Planning Dept.) |
| Akira Onishi | (General Manager, TOYOTA Material Handling Company, Business Planning Dept.) |

2. New Candidates for the Board of Corporate Auditors

| | |
|--------------------|--|
| | (Current Title) |
| Takeshi Uchiyamada | (Senior Managing Director, Toyota Motor Corporation) |

3. Retiring Members of the Board of Directors

| | |
|------------------|---|
| | (Current Title) |
| Akira Yokoi | (Chairman, Member of the Board) |
| Masazumi Konishi | (Senior Managing Director, Member of the Board) |
| Iwao Katayama | (Senior Managing Director, Member of the Board) |
| Hiroya Kono | (Director, Member of the Board) |
| Satoshi Kaseda | (Director, Member of the Board) |

4. Retiring Members of the Board of Corporate Auditors

| | |
|------------------|---------------------|
| | (Current Title) |
| Kosuke Shiramizu | (Corporate Auditor) |

5. Planned change in the Titles of the Members of the Board of Directors

Chairman

| | |
|------------------|----------------------------------|
| | (Current Title) |
| Tadashi Ishikawa | (President, Member of the Board) |

Executive Vice Chairman

| | |
|------------------|---|
| | (Current Title) |
| Shozo Nakayama | (Executive Vice President, Member of the Board) |
| Koichiro Noguchi | (Executive Vice President, Member of the Board) |

President

| | |
|----------------|---|
| | (Current Title) |
| Tetsuro Toyoda | (Executive Vice President, Member of the Board) |

Executive Vice President

Shiro Endo

Kazuhiko Takeuchi

Shinjiro Kamimura

(Current Title)

(Senior Managing Director, Member of the Board)

(Senior Managing Director, Member of the Board)

(Senior Managing Director, Member of the Board)

Senior Managing Director

Shigetaka Yoshida

Masafumi Kato

Yasuharu Toyoda

(Current Title)

(Managing Director, Member of the Board)

(Managing Director, Member of the Board)

(Managing Director, Member of the Board)

Managing Director

Yutaka Murodono

Kazunori Yoshida

Shoji Shimo

Ryoji Inoue

Kosaku Yamada

Kimpei Mitsuya

(Current Title)

(Director, Member of the Board)

(Director, Member of the Board)