

# FINANCIAL SUMMARY

FY2005 Semiannual

(April 1, 2004 through September 30, 2004)

**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.*

# Semiannual Consolidated Financial Results for FY2005

## TOYOTA INDUSTRIES CORPORATION

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

Representative person: Tadashi Ishikawa, President

Location of the head office: Aichi prefecture, Japan

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 consolidated semiannual financial results for FY2005: October 28, 2004

US GAAP: Not used

### 1. Financial Highlights for FY2005 Semiannual (April 1, 2004 – September 30, 2004)

#### (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 Semiannual	607,063	( 6.6 )	30,098	( 11.4 )	38,890	( 28.9 )
FY2004 Semiannual	569,587	( 9.4 )	27,018	( 7.2 )	30,168	( 12.1 )
FY2004 Annual	1,164,378		52,631		58,970	

	Net income	( % change from previous year )	Net income per share — basic	Net income per share — diluted
	Million yen	%	Yen	Yen
FY2005 Semiannual	23,945	( 40.1 )	75.31	75.28
FY2004 Semiannual	17,095	( 25.6 )	58.12	51.65
FY2004 Annual	33,623		108.04	101.97

Notes: 1. Equity in net earnings (loss) of affiliates: FY2005 semiannual—4,210 million yen, FY2004 semiannual—246 million yen

FY2004 annual—1,842 million yen

2. Average number of shares outstanding for each period

FY2005 semiannual—317,933,860 shares, FY2004 semiannual—294,145,958 shares, FY2004 annual—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 Semiannual	2,173,329	1,098,215	50.5	3,451.12
FY2004 Semiannual	1,900,974	939,865	49.4	2,888.92
FY2004 Annual	2,011,995	1,016,763	50.5	3,199.69

Note: Number of shares outstanding at the end of each period

FY2005 semiannual—318,219,881 shares, FY2004 semiannual—325,334,171 shares, FY2004 annual—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 period
	Million yen	Million yen	Million yen	Million yen
FY2005 Semiannual	45,198	(54,965)	9,422	76,827
FY2004 Semiannual	32,343	(36,418)	(56,780)	72,886
FY2004 Annual	92,406	(92,667)	(56,015)	77,212

#### (4) Scope of consolidation and equity method

Consolidated subsidiaries: 142 companies, Unconsolidated subsidiaries accounted for under the equity method: 1 company

Affiliates accounted for under the equity method: 19 companies

#### (5) Changes in scope of consolidation and equity method

Consolidated subsidiaries: (increase) 4 companies (decrease) 2 companies

Affiliate accounted for under the equity method: No change

### 2. Forecast of Consolidated Financial Results for FY2005 (April 1, 2004 - March 31, 2005)

	Net sales	Ordinary income	Net income
	Million yen	Million yen	Million yen
FY2005 Annual	1,230,000	70,000	40,000

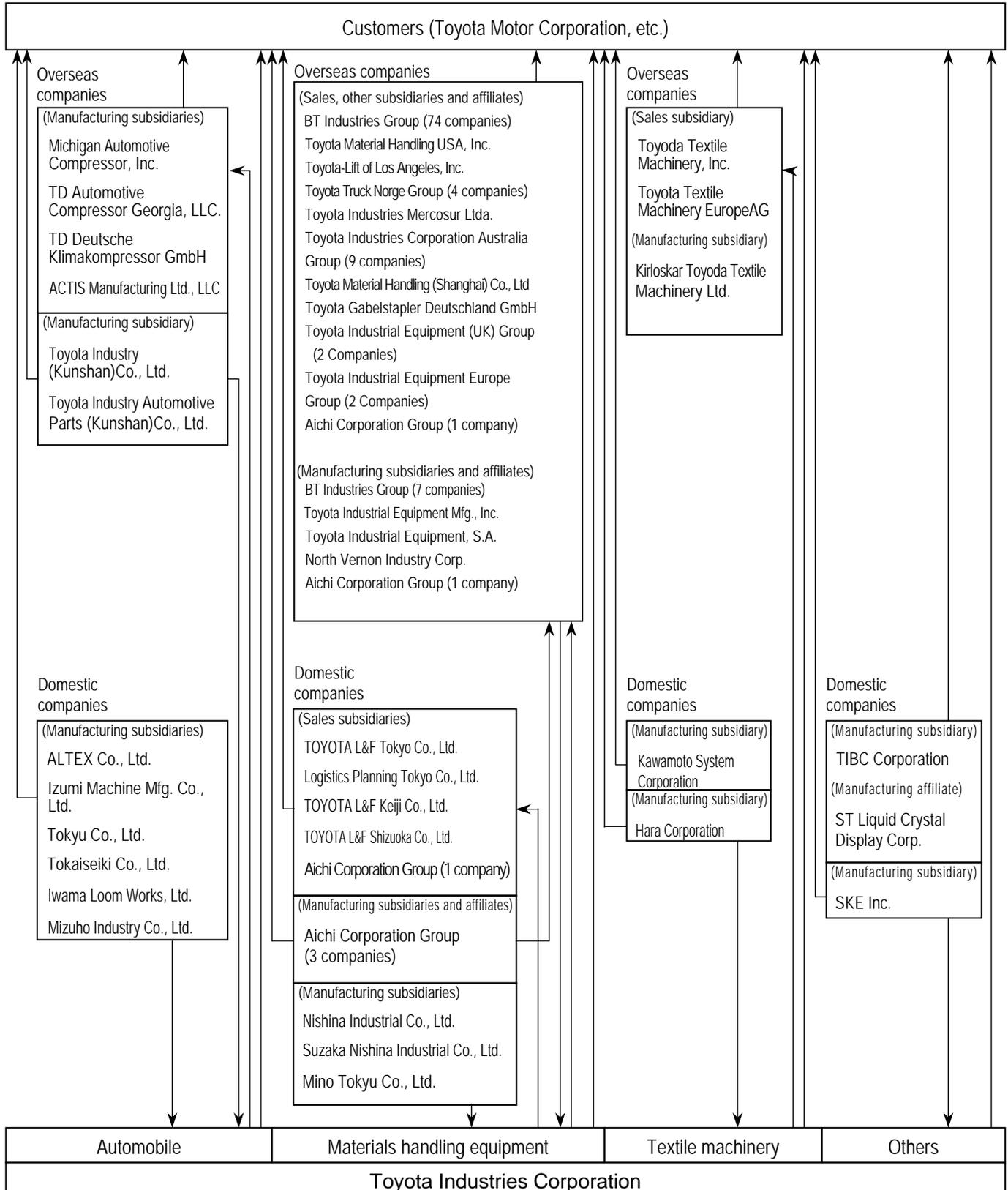
Reference: (Forecast) Net income per share — basic (annual): 125.70 yen

\* All projections are based on the information available to management at the time of producing this report and are not guarantees of future performance.

Certain risks and uncertainties could cause the actual results of Toyota Industries to differ materially from any projections discussed in this report.

# 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 143 subsidiaries and 29 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 as follows:

- (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 tradition 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’s dividend policy is based on maintaining stable dividends while giving full consideration to business performance, the dividend payout ratio and other factors as it makes every effort to meet the expectations of shareholders.

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**

In the medium to long term, Toyota Industries seeks to increase profitability and strengthen its management base. The Group seeks to grow by placing a high priority on research and development, thereby enabling the Group to bring to market leading-edge products and services.

For Toyota Industries, it is a top priority to develop safe, environmentally friendly products, which are of high quality and satisfy changing customer needs. Toyota Industries is also determined to maintain and enhance its position as a leader in its respective business fields through vigorous sales efforts, superior service, cost-reduction activities and constant enhancement of quality throughout all its operations.

Within the Automobile Segment, the Vehicle Business will strive to enhance production engineering technologies and product development capabilities to deliver outstanding customer satisfaction through its assembly of TOYOTA-brand cars for customers. The Engine Business will strive to expand its business scope by strengthening production and development capabilities and playing a greater role in production of diesel engines for the Toyota Group. Also within the Automobile Segment, the Car Air-Conditioning Compressor Business will solidify its global number one position through advanced technologies and superior cost competitiveness.

The Materials Handling Equipment Segment will collaborate with TOYOTA Material Handling Company and the BT Industries Group to enhance its business by expanding its product lineup, bolstering marketing activities and providing global customers with optimal solutions that will lower their materials handling costs.

The Textile Machinery Segment will continue to produce a high-quality range of weaving and spinning machinery.

Toyota Industries will also strengthen the range and scope of its Electronics Business, including low-temperature polysilicon TFT-LCD panels, electronic substrates for IC chipsets and power electronics parts for automobiles.

As a result of concerted efforts Group-wide, it is expected that we will be able to clear the ambitious target of consolidated net sales of 1.2 trillion yen within fiscal 2005 (ending 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 a 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 Auditors 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.

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.

# Business Results and Financial Position

## 1. Business Results

During the first half of fiscal 2005 (the six months ended September 30, 2004), the Japanese economy steadily recovered. A strong export performance was accompanied by an increase in capital expenditures, and consumer spending slowly increased. Overseas, the overall economic outlook was brighter, with an expanding U.S. economy and the European economy slowly picking up.

In this operating environment, total consolidated net sales of Toyota Industries amounted to 607.0 billion yen, an increase of 37.5 billion yen, or 7%, compared with the first half of fiscal 2004. The following is a review of operations for the major business segments.

Net sales of the Automobile Segment totaled 308.6 billion yen, an increase of 12.5 billion yen, or 4%, over the first half of fiscal 2004. Within this segment, net sales of the Vehicle Business totaled 139.3 billion yen, an increase of 3.9 billion yen, or 3%, compared with the same period of fiscal 2004. While sales of the Corolla Sedan for North America and Vitz decreased, sales of the RAV4 and Yaris (European version of the Vitz) for Europe were strong.

Net sales of the Engine Business totaled 56.5 billion yen, an increase of 4.3 billion yen, or 8%, over the first half of fiscal 2004. This was due largely to an increase in sales of the CD-type diesel engine, which is fitted in TOYOTA-brand cars for Europe, such as the RAV4 and Avensis. In April 2004, we established Toyota Industry Automotive Parts (Kunshan) Co., Ltd. ("TIAP") in Jiangsu Province, China, as a joint venture with Toyota Tsusho Corporation and Lioho Machine Works, Ltd. TIAP is slated to begin production and sales of automotive foundry parts in April 2005.

Net sales of the Car Air-Conditioning Compressor Business totaled 101.2 billion yen, a slight improvement over the first half of fiscal 2004. While sales in the domestic market were approximately the same level as for the first half of fiscal 2004, sales of our overseas subsidiaries were strong. In July 2004, Toyota Industries and DENSO Corporation jointly established TD Automotive Compressor Georgia, LLC in Georgia, the United States, as a plant specializing in the manufacture of variable displacement compressors. 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.

Net sales of the Materials Handling Equipment Segment totaled 239.9 billion yen, an increase of 23.6 billion yen, or 11%, over the first half of fiscal 2004. We sold 47,000 TOYOTA-brand forklift trucks, an increase of 18% over the same period of fiscal 2004. We engaged in sales promotion activities targeting major clients in Japan, while implementing a variety of sales measures around the world, including in North America, Central and South America, Europe and Asia. 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, we sold 33,000 BT-brand forklift trucks, an increase of 6%. This increase was attributable mainly to vigorous sales promotion activities by BT Industries AB, one of our subsidiaries and a major manufacturer of warehouse trucks, as well as strong sales in North American and European markets.

Net sales of the Textile Machinery Segment totaled 22.2 billion yen, a decrease of 1.6 billion yen, or 7%, from the first half of fiscal 2004. Economic belt-tightening by the Chinese government resulted in fewer orders for air-jet looms.

During the first half of fiscal 2005, Toyota Industries' ordinary income amounted to 38.8 billion yen, an increase of 8.7 billion yen, or 29%, over the same period of fiscal 2004. This increase was due largely to a sales increase, productivity improvement and cost-reduction activities, as well as a strong performance by ST Liquid Crystal Display Corp., a joint venture with Sony Corporation.

Toyota Industries' Board of Directors voted to distribute an interim cash dividend of 13.0 yen per common share, an increase of 1.0 yen over the first half of fiscal 2004.

Cash flows from operating activities increased by 45.1 billion yen in the first half of fiscal 2005, due largely to income before income taxes in an amount of 38.4 billion yen. Net cash provided by operating activities increased by 12.8 billion yen from 32.3 billion yen in the same period of fiscal 2004. Cash flows from investing activities resulted in a decrease in cash by 54.9 billion yen in the first half of fiscal 2005, attributable primarily to payments for acquisition of fixed assets amounting to 45.8 billion yen. Net cash used in investing activities increased by 18.5 billion yen from 36.4 billion yen for the same period of fiscal 2004. Cash flows from financing activities resulted in an increase in cash by 9.4 billion yen in the first half of fiscal 2005, due mainly to long-term debt in an amount of 7.7 billion yen. Net cash provided by financing activities increased by 66.1 billion yen from 56.7

billion yen in net cash used in financing activities for the same period of fiscal 2004, when repayments of bonds and payments to convertible bond redemption funds were posted.

After translation adjustments, cash and cash equivalents as of September 30, 2004 stood at 76.8 billion yen, a decrease of 0.4 billion yen, or 1%, from the first half of fiscal 2004.

## **2. Forecast for the Fiscal Year Ending March 31, 2005**

Toyota Industries expects the Japanese economy to continue in its recovery. However, uncertainties persist regarding the U.S. economic outlook, the fluctuations of exchange rates and rising oil prices.

For fiscal 2005, ending March 31, 2005, Toyota Industries forecasts consolidated net sales of 1,230.0 billion yen and ordinary income of 70.0 billion yen. We are determined to develop and market new products that are of high quality and attuned to customer needs, as well as enhance sales, service and cost-reduction activities Group-wide.

Our projections are based on an exchange rate of ¥109.0 = US\$1.

## Consolidated Balance Sheets

	FY2005 ( As of September 30, 2004 )	FY2004 ( As of March 31, 2004 )	Increase (Decrease)	FY2004 ( As of September 30, 2003 )
<b>(Assets)</b>				
<b>Current assets</b>	<b>3 6 9 , 0 9 9</b>	<b>3 4 9 , 9 1 4</b>	<b>1 9 , 1 8 5</b>	<b>3 9 5 , 0 4 3</b>
Cash and deposits	5 6 , 9 4 5	5 7 , 3 7 5	( 4 3 0 )	7 3 , 0 0 7
Trade notes and accounts receivable	1 5 0 , 5 6 9	1 4 4 , 5 7 5	5 , 9 9 4	1 3 8 , 6 6 6
Marketable securities	2 0 , 0 2 1	2 0 , 0 6 4	( 4 3 )	1 1 4
Inventories	8 6 , 5 2 4	7 7 , 5 7 4	8 , 9 5 0	7 7 , 9 9 3
Deferred tax assets	1 9 , 8 7 9	1 7 , 5 3 3	2 , 3 4 6	1 3 , 2 6 2
Other current assets	3 7 , 5 2 4	3 5 , 1 2 8	2 , 3 9 6	9 4 , 2 3 3
Less - allowance for doubtful accounts	( 2 , 3 6 5 )	( 2 , 3 3 7 )	( 2 8 )	( 2 , 2 3 3 )
<b>Fixed assets</b>	<b>1 , 8 0 4 , 2 3 0</b>	<b>1 , 6 6 2 , 0 8 0</b>	<b>1 4 2 , 1 5 0</b>	<b>1 , 5 0 5 , 9 3 1</b>
<b>Property, plant and equipment</b>	<b>4 0 9 , 9 7 0</b>	<b>3 8 9 , 3 9 6</b>	<b>2 0 , 5 7 4</b>	<b>3 8 1 , 8 5 4</b>
Buildings and structures	1 2 9 , 1 2 7	1 2 4 , 4 2 2	4 , 7 0 5	1 2 1 , 7 6 8
Machinery, equipment and vehicles	1 7 0 , 7 1 2	1 6 0 , 7 8 7	9 , 9 2 5	1 6 2 , 2 4 7
Tools, furniture and fixtures	1 5 , 8 0 6	1 5 , 5 6 5	2 4 1	1 6 , 0 5 4
Land	7 2 , 2 8 9	7 1 , 7 8 6	5 0 3	6 6 , 4 3 1
Construction in progress	2 2 , 0 3 5	1 6 , 8 3 4	5 , 2 0 1	1 5 , 3 5 2
<b>Intangible assets</b>	<b>9 5 , 9 2 4</b>	<b>9 9 , 8 5 6</b>	<b>( 3 , 9 3 2 )</b>	<b>1 0 1 , 3 6 5</b>
Software	1 2 , 1 5 5	1 1 , 9 9 3	1 6 2	1 0 , 3 3 9
Goodwill	8 3 , 7 6 9	8 7 , 8 6 2	( 4 , 0 9 3 )	9 1 , 0 2 6
<b>Investments and other assets</b>	<b>1 , 2 9 8 , 3 3 4</b>	<b>1 , 1 7 2 , 8 2 8</b>	<b>1 2 5 , 5 0 6</b>	<b>1 , 0 2 2 , 7 1 1</b>
Investments in securities	1 , 2 3 3 , 2 6 5	1 , 1 1 2 , 7 7 6	1 2 0 , 4 8 9	9 6 1 , 6 8 9
Long-term loans	9 , 6 2 4	9 , 7 5 6	( 1 3 2 )	9 , 9 0 5
Long-term prepaid expenses	1 3 , 7 2 5	1 3 , 5 5 3	1 7 2	1 3 , 8 5 8
Deferred tax assets	6 , 0 7 4	3 , 5 3 7	2 , 5 3 7	3 , 4 8 1
Other investments and other assets	3 5 , 9 1 0	3 3 , 4 5 3	2 , 4 5 7	3 4 , 0 0 2
Less - allowance for doubtful accounts	( 2 6 6 )	( 2 5 0 )	( 1 6 )	( 2 2 6 )
<b>Total assets</b>	<b>2 , 1 7 3 , 3 2 9</b>	<b>2 , 0 1 1 , 9 9 5</b>	<b>1 6 1 , 3 3 4</b>	<b>1 , 9 0 0 , 9 7 4</b>

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

(Yen in millions; amounts less than one million yen are omitted.)

	FY2005 (As of September 30, 2004)	FY2004 (As of March 31, 2004)	Increase (Decrease)	FY2004 (As of September 30, 2003)
<b>(Liabilities)</b>				
<b>Current liabilities</b>	<b>3 6 5 , 9 4 8</b>	<b>3 2 6 , 3 3 7</b>	<b>3 9 , 6 1 1</b>	<b>3 5 2 , 3 1 9</b>
Trade notes and accounts payable	1 3 4 , 5 5 2	1 2 9 , 8 2 1	4 , 7 3 1	1 2 4 , 7 1 2
Short-term loans	7 5 , 6 7 1	7 0 , 4 4 1	5 , 2 3 0	9 4 , 5 9 2
Commercial paper	1 5 , 0 0 0	1 5 , 0 0 0	-	3 0 , 0 0 0
Current portion of bonds	2 0 , 0 0 0	-	2 0 , 0 0 0	-
Other payables	1 8 , 5 7 3	1 9 , 0 6 7	( 4 9 4 )	1 5 , 6 5 1
Accrued expenses	5 5 , 1 1 6	5 1 , 5 8 6	3 , 5 3 0	4 9 , 1 8 2
Accrued income taxes	1 3 , 5 5 0	8 , 8 4 5	4 , 7 0 5	6 , 0 8 9
Deposits received from employees	1 9 , 8 6 1	1 9 , 4 9 6	3 6 5	1 9 , 2 8 7
Deferred tax liabilities	3 , 1 4 4	2 , 7 4 2	4 0 2	1 , 9 1 1
Other current liabilities	1 0 , 4 7 6	9 , 3 3 5	1 , 1 4 1	1 0 , 8 8 9
<b>Long-term liabilities</b>	<b>6 7 0 , 9 4 4</b>	<b>6 3 3 , 9 6 8</b>	<b>3 6 , 9 7 6</b>	<b>5 7 5 , 0 5 7</b>
Bonds	1 8 0 , 3 0 0	2 0 0 , 3 0 0	( 2 0 , 0 0 0 )	2 0 0 , 3 0 0
Long-term loans	4 1 , 3 8 9	3 5 , 2 2 4	6 , 1 6 5	3 5 , 1 8 7
Deferred tax liabilities	3 8 8 , 3 2 2	3 4 6 , 3 3 5	4 1 , 9 8 7	2 8 8 , 9 9 9
Allowance for retirement benefits	4 2 , 4 8 6	3 4 , 2 6 4	8 , 2 2 2	3 4 , 0 0 0
Other long-term liabilities	1 8 , 4 4 7	1 7 , 8 4 3	6 0 4	1 6 , 5 7 0
<b>Total liabilities</b>	<b>1 , 0 3 6 , 8 9 3</b>	<b>9 6 0 , 3 0 5</b>	<b>7 6 , 5 8 8</b>	<b>9 2 7 , 3 7 7</b>
<b>Minority interest in consolidated subsidiaries</b>	<b>3 8 , 2 2 0</b>	<b>3 4 , 9 2 6</b>	<b>3 , 2 9 4</b>	<b>3 3 , 7 3 1</b>
<b>(Shareholders' equity)</b>				
<b>Common stock</b>	<b>8 0 , 4 6 2</b>	<b>8 0 , 4 6 2</b>	<b>-</b>	<b>8 0 , 4 6 2</b>
<b>Capital surplus</b>	<b>1 0 5 , 6 2 1</b>	<b>1 0 5 , 7 4 3</b>	<b>( 1 2 2 )</b>	<b>1 0 5 , 7 4 2</b>
<b>Retained earnings</b>	<b>3 1 0 , 0 5 4</b>	<b>2 9 4 , 6 7 2</b>	<b>1 5 , 3 8 2</b>	<b>2 8 2 , 0 4 8</b>
<b>Net unrealized gain on other securities</b>	<b>5 9 8 , 8 6 8</b>	<b>5 3 4 , 0 7 8</b>	<b>6 4 , 9 7 0</b>	<b>4 4 7 , 1 9 2</b>
<b>Translation adjustments</b>	<b>1 9 , 9 6 7</b>	<b>1 9 , 7 8 2</b>	<b>1 8 5</b>	<b>2 5 , 3 2 0</b>
<b>Treasury stock at cost</b>	<b>( 1 6 , 7 5 9 )</b>	<b>( 1 7 , 9 7 5 )</b>	<b>1 , 2 1 6</b>	<b>( 9 0 0 )</b>
<b>Total shareholders' equity</b>	<b>1 , 0 9 8 , 2 1 5</b>	<b>1 , 0 1 6 , 7 6 3</b>	<b>8 1 , 4 5 2</b>	<b>9 3 9 , 8 6 5</b>
<b>Total liabilities and shareholders' equity</b>	<b>2 , 1 7 3 , 3 2 9</b>	<b>2 , 0 1 1 , 9 9 5</b>	<b>1 6 1 , 3 3 4</b>	<b>1 , 9 0 0 , 9 7 4</b>

# Consolidated Statements of Income

(Yen in millions; amounts less than one million yen are omitted.)

	FY2005 April 1, 2004 - (September 30, 2004)	FY2004 April 1, 2003 - (September 30, 2003)	Increase (Decrease)	FY2004 April 1, 2003 - March 31, 2004)
<b>Net sales</b>	6 0 7 , 0 6 3	5 6 9 , 5 8 7	3 7 , 4 7 6	1 , 1 6 4 , 3 7 8
Cost of sales	5 0 5 , 9 0 2	4 7 8 , 5 7 5	2 7 , 3 2 7	9 7 8 , 4 5 8
<b>Gross profit</b>	1 0 1 , 1 6 1	9 1 , 0 1 2	1 0 , 1 4 9	1 8 5 , 9 1 9
Selling, general and administrative expenses	7 1 , 0 6 2	6 3 , 9 9 3	7 , 0 6 9	1 3 3 , 2 8 8
<b>Operating income</b>	3 0 , 0 9 8	2 7 , 0 1 8	3 , 0 8 0	5 2 , 6 3 1
<b>Non-operating income</b>	1 8 , 9 3 2	1 6 , 0 4 4	2 , 8 8 8	3 0 , 1 8 3
Interest income	3 , 9 3 4	4 , 1 7 2	( 2 3 8 )	8 , 1 7 4
Dividends income	7 , 0 6 0	5 , 6 0 4	1 , 4 5 6	1 0 , 9 9 7
Other non-operating income	7 , 9 3 6	6 , 2 6 7	1 , 6 6 9	1 1 , 0 1 0
<b>Non-operating expenses</b>	1 0 , 1 4 1	1 2 , 8 9 5	( 2 , 7 5 4 )	2 3 , 8 4 3
Interest expenses	4 , 5 8 9	4 , 9 6 9	( 3 8 0 )	9 , 7 5 5
Other non-operating expenses	5 , 5 5 1	7 , 9 2 5	( 2 , 3 7 4 )	1 4 , 0 8 7
<b>Ordinary income</b>	3 8 , 8 9 0	3 0 , 1 6 8	8 , 7 2 2	5 8 , 9 7 0
<b>Extraordinary gains</b>	-	6 2 1	( 6 2 1 )	6 2 1
Gain on transfer to a defined contribution pension plan	-	6 2 1	( 6 2 1 )	6 2 1
<b>Extraordinary losses</b>	4 1 4	1 , 8 5 1	( 1 , 4 3 7 )	1 , 8 5 1
Impairment loss of fixed assets	4 1 4	-	4 1 4	-
Provision for retirement and severance benefits for directors and corporate auditors	-	1 , 8 5 1	( 1 , 8 5 1 )	1 , 8 5 1
<b>Income before income taxes and minority interest in consolidated subsidiaries</b>	3 8 , 4 7 6	2 8 , 9 3 8	9 , 5 3 8	5 7 , 7 4 0
Income taxes - current	1 5 , 4 8 3	8 , 5 0 3	6 , 9 8 0	2 3 , 9 6 7
Income taxes - deferred	( 3 , 2 3 2 )	1 , 6 5 2	( 4 , 8 8 4 )	( 3 , 2 2 0 )
Minority interest in consolidated subsidiaries	2 , 2 8 0	1 , 6 8 6	5 9 4	3 , 3 7 0
<b>Net income</b>	2 3 , 9 4 5	1 7 , 0 9 5	6 , 8 5 0	3 3 , 6 2 3

# Consolidated Statements of Retained Earnings

(Yen in millions; amounts less than one million yen are omitted.)

	FY2005 ( April 1, 2004 - September 30, 2004 )	FY2004 ( April 1, 2003 - September 30, 2003 )	Increase (Decrease)	FY2004 ( April 1, 2003 - March 31, 2004 )
<b>(Capital surplus)</b>				
<b>Capital surplus at beginning of period</b>	1 0 5 , 7 4 3	8 9 , 3 6 4	1 6 , 3 7 9	8 9 , 3 6 4
<b>Increase in capital surplus</b>	-	1 6 , 3 7 7	( 1 6 , 3 7 7 )	1 6 , 3 7 8
Issuance of equity due to conversion of convertible bonds	-	1 2 , 4 1 4	( 1 2 , 4 1 4 )	1 2 , 4 1 4
Gain on disposal of treasury stock	-	3 , 9 6 2	( 3 , 9 6 2 )	3 , 9 6 3
<b>Decrease in capital surplus</b>	1 2 1	-	1 2 1	-
Loss on disposal of treasury stock	1 2 1	-	1 2 1	-
<b>Capital surplus at end of period</b>	1 0 5 , 6 2 1	1 0 5 , 7 4 2	( 1 2 1 )	1 0 5 , 7 4 3
<b>(Retained earnings)</b>				
<b>Retained earnings at beginning of period</b>	2 9 4 , 6 7 2	2 6 9 , 3 8 0	2 5 , 2 9 2	2 6 9 , 3 8 0
<b>Increase in retained earnings</b>	2 3 , 9 4 5	1 7 , 0 9 5	6 , 8 5 0	3 3 , 6 2 3
Net income for the period	2 3 , 9 4 5	1 7 , 0 9 5	6 , 8 5 0	3 3 , 6 2 3
<b>Decrease in retained earnings</b>	8 , 5 6 2	4 , 4 2 8	4 , 1 3 4	8 , 3 3 2
Cash dividends	3 , 8 1 1	3 , 5 1 3	2 9 8	7 , 4 1 7
Bonuses to directors and corporate auditors	3 3 1	2 9 0	4 1	2 9 0
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 )	6 2 4
<b>Retained earnings at end of period</b>	3 1 0 , 0 5 4	2 8 2 , 0 4 8	2 8 , 0 0 6	2 9 4 , 6 7 2

# Consolidated Statements of Cash Flows

(Yen in millions; amounts less than one million yen are omitted.)

	FY2005 (April 1, 2004 - September 30, 2004)	FY2004 (April 1, 2003 - September 30, 2003)	Increase (Decrease)	FY2004 (April 1, 2003 - March 31, 2004)
<b>Cash flows from operating activities</b>	45,198	32,343	12,855	92,406
Income before income taxes and minority interest in consolidated subsidiaries	38,476	28,938	9,538	57,740
Depreciation and amortization	32,707	30,562	2,145	65,351
Impairment loss of fixed assets	414	-	414	-
Increase (decrease) in allowance for doubtful accounts	23	(32)	55	45
Interest and dividends income	(10,995)	(9,777)	(1,218)	(19,172)
Interest expenses	4,589	4,969	(380)	9,755
Equity in earnings of affiliates	(4,210)	(246)	(3,964)	(1,842)
Increase in receivables	(5,295)	(3,988)	(1,307)	(11,050)
(Increase) decrease in inventories	(8,527)	1,258	(9,785)	750
Increase (decrease) in payables	3,704	(4,359)	8,063	2,630
Others, net	(2,296)	(2,105)	(191)	9,741
Subtotal	48,590	45,219	3,371	113,951
Interest and dividends received	11,025	9,433	1,592	18,900
Interest paid	(4,557)	(5,081)	524	(9,845)
Income taxes paid	(9,859)	(17,227)	7,368	(30,600)
<b>Cash flows from investing activities</b>	(54,965)	(36,418)	(18,547)	(92,667)
Payments for purchases of marketable securities	-	(43)	43	(101)
Proceeds from sales of marketable securities	-	2,702	(2,702)	3,874
Payments for purchases of property, plant and equipment	(45,870)	(29,752)	(16,118)	(78,267)
Proceeds from sales of property, plant and equipment	985	1,749	(764)	3,200
Payments for purchases of investment securities	(9,029)	(10,074)	1,045	(14,301)
Proceeds from sales of investment securities	1,100	2,198	(1,098)	2,614
Payments for acquisition of subsidiaries' stock resulting in change in scope of consolidation	-	2,293	(2,293)	1,215
Payments for loans made	(839)	(2,526)	1,687	(4,977)
Proceeds from collections of loans	1,943	2,702	(759)	5,447
Payments for acquisition of business	-	(943)	943	(960)
Others, net	(3,255)	(4,724)	1,469	(10,411)
<b>Cash flows from financing activities</b>	9,422	(56,780)	66,202	(56,015)
Increase (decrease) in short-term loans	5,739	9,658	(3,919)	(10,958)
Proceeds from issuance of commercial paper	-	30,000	(30,000)	15,000
Proceeds from long-term loans	7,773	1,334	6,439	4,522
Repayments of long-term loans	(2,140)	(5,726)	3,586	(8,529)
Repayments of bonds	-	(31,677)	31,677	(31,677)
Payments to convertible bond redemption funds	-	(56,670)	56,670	(56,670)
Proceeds from convertible bond redemption funds	-	-	-	56,670
Payments for purchase of treasury stocks	(16)	(11)	(5)	(17,094)
Cash dividends paid	(3,813)	(3,510)	(303)	(7,413)
Cash dividends paid for minority shareholders	(485)	(252)	(233)	(252)
Others, net	2,365	74	2,291	389
Translation adjustments of cash and cash equivalents	(39)	576	(615)	322
<b>Net decrease in cash and cash equivalents</b>	(384)	(60,279)	59,895	(55,953)
<b>Cash and cash equivalents at beginning of period</b>	77,212	136,929	(59,717)	136,929
<b>Net decrease in cash and cash equivalents due to change in subsidiaries' year-ends</b>	-	(3,763)	3,763	(3,763)
<b>Cash and cash equivalents at end of period</b>	76,827	72,886	3,941	77,212

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

Cash and deposits	56,807	72,819	(16,012)	57,193
Marketable securities	20,020	66	19,954	20,018

# Basis of Presenting Consolidated Financial Statements

## 1. Scope of consolidation and equity method

### (1) Scope of consolidation

	Companies	
Consolidated subsidiaries	142	Aichi Corporation Group (5 companies), TIBC Corporation, 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., Tokaiseiki Co., Ltd., TF Logistics Co., Ltd., Logistec Co., Ltd., Taikoh transportation Group (5 companies), SKE Inc., SK Maintenance Inc., Iwama Loom Works, Ltd., Kawamoto System Corporation, TOYOTA L&F Shizuoka Co., Ltd., Hara Corporation, Mizuho Industry Co., Ltd., Sun Valley Inc., Sun Staff, Inc., ALT Logi Co., Ltd., Tokai System Institute Corp., Shine's Inc., Toyota Industries Well Support Corporation, *Toyota Industries Sweden AB, BT Industries Group (63 companies), Toyota Industries Finance International AB, Michigan Automotive Compressor, Inc., TD Automotive Compressor Georgia, LLC., Kirloskar Toyoda Textile Machinery Ltd., 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 Textile Machinery, Europe AG, Toyota Industries Personnel Service of America Inc., TD Deutsche Klimakompressor GmbH, Toyota Industry (Kunshan) Co., Ltd., Toyota Industry Automotive Parts (Kunshan) Co., Ltd, Toyota Truck Norge Group (4 companies), Toyota Industrial Equipment, S.A., Toyota Industries Mercosur Ltda., Toyota Industries Corporation Australia (9 companies), Toyota Material Handling (Shanghai) Co., Ltd, Toyota Gabelstapler Deutschland GmbH, Toyota Industrial Equipment (UK) Group (2 companies), Toyota Industrial Equipment Europe Group (2 companies)
Unconsolidated subsidiaries	1	BT Industries Group (1 company)

### (2) Scope of equity method

	Companies	
Unconsolidated subsidiaries	1	BT Industries Group (1 company)
Affiliates	19	Aichi Corporation Group (2 companies), ST Liquid Crystal Display Corp., Fuji Logistics Co., Ltd., BT Industries Group (15 companies)

## 2. Changes in scope of consolidation and equity method

### Consolidated subsidiaries

	Companies	
(Increase)	4	TF Logistics Co., Ltd., TD Automotive Compressor Georgia, LLC., Toyota Textile Machinery, Europe AG Toyota Industry Automotive Parts (Kunshan) Co.
(Decrease)	2	Aichi Corporation Group (1 company), Arti Inc.,

### 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 September 30. The details are given below.

June 30	Toyota Industries Sweden AB, BT Industries Group (63 companies), Toyota Industries Finance International AB, Toyota Material Handling (Shanghai) Co., Ltd., Toyota Industry (Kunshan) Co., Ltd., Toyota Industry Automotive Parts (Kunshan) Co., Ltd.
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#### 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) 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.

(4) 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.

(5) 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.

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

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

#### 5. 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 segments

(1) FY2005 Semiannual (April 1, 2004 - September 30, 2004)

(Yen in millions; amounts less than one million yen are omitted.)

	Automobile	Materials handling equipment	Textile machinery	Others	Total	Eliminations	Consolidated
<b>Net sales</b>							
(1) Sales to external customers	308,666	239,909	22,272	36,213	607,063	-	607,063
(2) Inter-segment sales and transfers	8,814	64	9	9,684	18,572	(18,572)	-
<b>Total</b>	<b>317,481</b>	<b>239,974</b>	<b>22,282</b>	<b>45,898</b>	<b>625,636</b>	<b>(18,572)</b>	<b>607,063</b>
<b>Operating expenses</b>	<b>302,291</b>	<b>227,932</b>	<b>22,423</b>	<b>42,559</b>	<b>595,206</b>	<b>(18,241)</b>	<b>576,964</b>
<b>Operating income</b>	<b>15,190</b>	<b>12,041</b>	<b>(141)</b>	<b>3,339</b>	<b>30,430</b>	<b>(331)</b>	<b>30,098</b>

(2) FY2004 Semiannual (April 1, 2003 - September 30, 2003)

(Yen in millions ; amounts less than one million yen are omitted.)

	Automobile	Materials handling equipment	Textile machinery	Others	Total	Eliminations	Consolidated
<b>Net sales</b>							
(1) Sales to external customers	296,183	216,330	23,824	33,248	569,587	-	569,587
(2) Inter-segment sales and transfers	7,434	192	7	6,803	14,437	(14,437)	-
<b>Total</b>	<b>303,618</b>	<b>216,523</b>	<b>23,831</b>	<b>40,051</b>	<b>584,025</b>	<b>(14,437)</b>	<b>569,587</b>
<b>Operating expenses</b>	<b>288,901</b>	<b>207,671</b>	<b>23,427</b>	<b>36,935</b>	<b>556,936</b>	<b>(14,367)</b>	<b>542,568</b>
<b>Operating income</b>	<b>14,716</b>	<b>8,851</b>	<b>404</b>	<b>3,116</b>	<b>27,088</b>	<b>(70)</b>	<b>27,018</b>

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

(Yen in millions; amounts less than one million yen are omitted.)

	Automobile	Materials handling equipment	Textile machinery	Others	Total	Eliminations	Consolidated
<b>Net sales</b>							
(1) Sales to external customers	603,862	443,443	45,968	71,103	1,164,378	-	1,164,378
(2) Inter-segment sales and transfers	15,698	138	15	14,131	29,984	(29,984)	-
<b>Total</b>	<b>619,561</b>	<b>443,582</b>	<b>45,984</b>	<b>85,234</b>	<b>1,194,363</b>	<b>(29,984)</b>	<b>1,164,378</b>
<b>Operating expenses</b>	<b>592,030</b>	<b>424,233</b>	<b>45,884</b>	<b>79,484</b>	<b>1,141,633</b>	<b>(29,885)</b>	<b>1,111,747</b>
<b>Operating income</b>	<b>27,530</b>	<b>19,348</b>	<b>100</b>	<b>5,750</b>	<b>52,729</b>	<b>(98)</b>	<b>52,631</b>

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 forklift trucks, warehouse trucks, 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

## 2. Geographical segments

(1) FY2005 Semiannual (April 1, 2004 - September 30, 2004)

(Yen in millions; amounts less than one million yen are omitted.)

	Japan	North America	Europe	Others	Total	Eliminations	Consolidated
<b>Net sales</b>							
(1) Sales to external customers	398,524	105,517	90,067	12,955	607,063	-	607,063
(2) Inter-segment sales and transfers	48,299	466	3,618	1,389	53,775	(53,775)	-
<b>Total</b>	<b>446,823</b>	<b>105,984</b>	<b>93,686</b>	<b>14,345</b>	<b>660,839</b>	<b>(53,775)</b>	<b>607,063</b>
<b>Operating expenses</b>	<b>421,828</b>	<b>102,216</b>	<b>91,173</b>	<b>14,409</b>	<b>629,627</b>	<b>(52,662)</b>	<b>576,964</b>
<b>Operating income</b>	<b>24,995</b>	<b>3,768</b>	<b>2,512</b>	<b>(64)</b>	<b>31,211</b>	<b>(1,112)</b>	<b>30,098</b>

(2) FY2004 Semiannual (April 1, 2003 - September 30, 2003)

(Yen in millions; amounts less than one million yen are omitted.)

	Japan	North America	Europe	Others	Total	Eliminations	Consolidated
<b>Net sales</b>							
(1) Sales to external customers	383,452	100,332	81,525	4,277	569,587	-	569,587
(2) Inter-segment sales and transfers	40,705	569	3,031	735	45,042	(45,042)	-
<b>Total</b>	<b>424,158</b>	<b>100,902</b>	<b>84,556</b>	<b>5,012</b>	<b>614,629</b>	<b>(45,042)</b>	<b>569,587</b>
<b>Operating expenses</b>	<b>399,971</b>	<b>97,523</b>	<b>83,075</b>	<b>4,918</b>	<b>585,490</b>	<b>(42,921)</b>	<b>542,568</b>
<b>Operating income</b>	<b>24,186</b>	<b>3,378</b>	<b>1,480</b>	<b>93</b>	<b>29,139</b>	<b>(2,120)</b>	<b>27,018</b>

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

(Yen in millions; amounts less than one million yen are omitted.)

	Japan	North America	Europe	Others	Total	Eliminations	Consolidated
<b>Net sales</b>							
(1) Sales to external customers	785,253	198,752	167,511	12,860	1,164,378	-	1,164,378
(2) Inter-segment sales and transfers	87,271	1,113	5,895	1,630	95,910	(95,910)	-
<b>Total</b>	<b>872,524</b>	<b>199,866</b>	<b>173,407</b>	<b>14,490</b>	<b>1,260,289</b>	<b>(95,910)</b>	<b>1,164,378</b>
<b>Operating expenses</b>	<b>826,696</b>	<b>193,745</b>	<b>170,262</b>	<b>14,622</b>	<b>1,205,326</b>	<b>(93,579)</b>	<b>1,111,747</b>
<b>Operating income</b>	<b>45,828</b>	<b>6,121</b>	<b>3,145</b>	<b>(131)</b>	<b>54,962</b>	<b>(2,331)</b>	<b>52,631</b>

### 3.Overseas sales

(1)FY2005 Semiannual (April 1, 2004 – September 30, 2004)

(Yen in millions; amounts less than one million yen are omitted.)

	North America	Europe	Others	Total
Overseas sales	104,062	109,480	51,657	265,200
Consolidated sales				607,063
Ratio of overseas sales to consolidated sales	17.2%	18.0%	8.5%	43.7%

(2)FY2004 Semiannual (April 1, 2003 - September 30, 2003)

(Yen in millions; amounts less than one million yen are omitted.)

	North America	Europe	Others	Total
Overseas sales	99,875	104,435	43,363	247,675
Consolidated sales				569,587
Ratio of overseas sales to consolidated sales	17.5%	18.3%	7.6%	43.5%

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

(Yen in millions; 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

(Yen in millions; amounts less than one million yen are omitted.)

	FY2005 ( April 1, 2004 - September 30, 2004 )		FY2004 ( April 1, 2003 - September 30, 2003 )		Increase (Decrease)	% Change	FY2004 ( April 1, 2003 - March 31, 2004 )	
	Amount	Ratio	Amount	Ratio			Amount	Ratio
<b>Automobile</b>		%		%		%		%
Vehicle	139,368	22.9	135,470	23.8	3,898	2.9	280,484	24.1
Engine	56,507	9.3	52,285	9.2	4,222	8.1	107,357	9.2
Car air-conditioning compressor	101,252	16.7	100,754	17.7	498	0.5	198,398	17.1
Foundry, Electronics parts and others	11,538	1.9	7,673	1.3	3,865	50.4	17,623	1.5
<b>Subtotal</b>	308,666	50.8	296,183	52.0	12,483	4.2	603,862	51.9
<b>Materials handling equipment</b>	239,909	39.5	216,330	38.0	23,579	10.9	443,443	38.1
<b>Textile machinery</b>	22,272	3.7	23,824	4.2	(1,552)	(6.5)	45,968	3.9
<b>Others</b>	36,213	6.0	33,248	5.8	2,965	8.9	71,103	6.1
<b>Total</b>	607,063	100.0	569,587	100.0	37,476	6.6	1,164,378	100.0

# Semiannual Non-consolidated Financial Results for FY2005

## TOYOTA INDUSTRIES CORPORATION

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

Representative person: Tadashi Ishikawa, President

Location of the head office: Aichi prefecture, Japan

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 semiannual financial results for FY2005: October 28, 2004

Provision for interim cash dividends: Provision exists.

Date of starting actual payment of interim cash dividends: November 26, 2004

Number of shares in unit share system: 100 shares

### 1. Financial Highlights for FY2005 Semiannual (April 1 – September 30, 2004)

#### (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 Semiannual	386,317	( 5.6 )	18,948	( 6.5 )	23,808	( 20.2 )
FY2004 Semiannual	365,908	( 0.3 )	17,783	( -8.0 )	19,813	( -12.6 )
FY2004 Annual	749,616		31,334		34,705	

	Net income	( % change from previous year )	Net income per share - basic
	Million yen	%	Yen
FY2005 Semiannual	15,956	( 28.9 )	50.19
FY2004 Semiannual	12,376	( - 5.7 )	42.07
FY2004 Annual	21,103		67.69

Notes: 1. Average number of shares issued each year

FY2005 Semiannual—317,933,860 shares, FY2004 Semiannual—294,150,025 shares, FY2004 Annual—308,146,251 shares

2. Changes in accounting policies: No change

#### (2) Cash dividends

	Interim cash dividends per share	Cash dividends per share
	Yen	Yen
FY2005 Semiannual	13	—
FY2004 Semiannual	12	—
FY2004 Annual	—	24

#### (3) Non-consolidated financial position

	Total assets	Shareholders' equity	Ratio of shareholders' equity	Shareholders' equity per share
	Million yen	Million yen	%	Yen
FY2005 Semiannual	1,870,875	1,058,418	56.6	3,326.06
FY2004 Semiannual	1,624,935	906,297	55.8	2,785.71
FY2004 Annual	1,735,323	980,533	56.5	3,085.91

Note: 1. Number of shares outstanding at the end of period

FY2005 Semiannual—318,219,881 shares, FY2004 Semiannual—325,338,411 shares, FY2004 Annual—317,665,682 shares

2. Number of treasury stock at the end of period

FY2005 Semiannual—7,620,759 shares, FY2004 Semiannual—502,229 shares, FY2004 Annual—8,174,958 shares

### 2. Forecast of Non-consolidated Financial Results for FY2005 (April 1, 2004 - March 31, 2005)

	Net sales	Ordinary income	Net income	Annual cash dividends per share	
	Million yen	Million yen	Million yen	Year end Yen	Yen
FY2005 Annual	770,000	42,000	27,000	13	26

Reference: (Forecast) Net income per share—basic (annual): 84.85 yen

## Non-consolidated Balance Sheets

	FY2005 ( As of September 30, 2004 )	FY2004 ( As of March 31, 2004 )	Increase (Decrease)	FY2004 ( As of September 30, 2003 )
<b>(Assets)</b>				
<b>Current assets</b>	<b>1 9 5 , 3 1 1</b>	<b>1 8 7 , 1 8 9</b>	<b>8 , 1 2 2</b>	<b>2 3 7 , 1 9 6</b>
Cash and deposits	2 6 , 9 2 7	2 9 , 3 3 0	( 2 , 4 0 3 )	5 3 , 7 5 7
Trade notes receivable	1 , 3 8 6	7 9 4	5 9 2	1 , 2 3 6
Trade accounts receivable	8 2 , 6 5 5	7 6 , 2 7 1	6 , 3 8 4	7 1 , 7 2 9
Marketable securities	2 0 , 0 0 3	2 0 , 0 0 2	1	-
Finished goods	2 , 4 7 4	2 , 6 8 5	( 2 1 1 )	2 , 3 4 4
Raw materials	3 7 3	3 5 2	2 1	2 1 2
Work in process	1 9 , 4 7 1	1 8 , 0 8 9	1 , 3 8 2	1 6 , 9 2 6
Supplies	4 , 0 9 9	4 , 0 1 1	8 8	3 , 8 0 8
Prepaid expenses	2 6 7	1 7 3	9 4	5 1 0
Deferred tax assets	1 3 , 9 5 5	1 3 , 0 3 5	9 2 0	9 , 0 4 2
Other current assets	2 3 , 7 0 6	2 2 , 4 4 4	1 , 2 6 2	7 7 , 6 3 0
Less - allowance for doubtful accounts	( 9 )	( 2 )	( 7 )	( 2 )
<b>Fixed assets</b>	<b>1 , 6 7 5 , 5 6 4</b>	<b>1 , 5 4 8 , 1 3 3</b>	<b>1 2 7 , 4 3 1</b>	<b>1 , 3 8 7 , 7 3 9</b>
<b>Property, plant and equipment</b>	<b>2 4 1 , 3 8 3</b>	<b>2 3 4 , 0 5 9</b>	<b>7 , 3 2 4</b>	<b>2 2 6 , 9 5 9</b>
Buildings	7 3 , 7 6 4	7 2 , 5 8 0	1 , 1 8 4	6 9 , 1 7 0
Structures	9 , 0 1 7	7 , 7 6 5	1 , 2 5 2	7 , 3 8 5
Machinery and equipment	9 3 , 5 2 0	9 2 , 9 4 2	5 7 8	9 3 , 2 4 0
Vehicles and delivery equipment	1 , 0 4 1	1 , 1 3 3	( 9 2 )	1 , 1 2 3
Tools, furniture and fixture	8 , 9 3 0	8 , 7 8 5	1 4 5	9 , 3 0 6
Land	4 1 , 1 6 2	4 0 , 5 6 7	5 9 5	3 5 , 8 8 3
Construction in progress	1 3 , 9 4 6	1 0 , 2 8 4	3 , 6 6 2	1 0 , 8 4 9
<b>Intangible assets</b>	<b>9 , 7 9 9</b>	<b>9 , 4 4 3</b>	<b>3 5 6</b>	<b>8 , 1 5 7</b>
Software	9 , 7 9 9	9 , 4 4 3	3 5 6	8 , 1 5 7
<b>Investments and other assets</b>	<b>1 , 4 2 4 , 3 8 1</b>	<b>1 , 3 0 4 , 6 3 0</b>	<b>1 1 9 , 7 5 1</b>	<b>1 , 1 5 2 , 6 2 1</b>
Investments in securities	1 , 2 3 7 , 5 7 1	1 , 1 2 1 , 1 1 7	1 1 6 , 4 5 4	9 7 2 , 5 8 5
Investments in subsidiaries	1 5 4 , 9 3 4	1 5 3 , 3 0 9	1 , 6 2 5	1 5 1 , 8 0 2
Long-term loans	1 0 , 7 9 4	1 0 , 4 1 0	3 8 4	1 0 , 8 1 7
Long-term prepaid expenses	1 0 , 7 9 0	1 0 , 7 5 4	3 6	1 1 , 3 0 7
Other investments and other assets	1 0 , 4 0 3	9 , 1 3 4	1 , 2 6 9	6 , 1 7 5
Less - allowance for doubtful accounts	( 1 1 2 )	( 9 5 )	( 1 7 )	( 6 7 )
<b>Total assets</b>	<b>1 , 8 7 0 , 8 7 5</b>	<b>1 , 7 3 5 , 3 2 3</b>	<b>1 3 5 , 5 5 2</b>	<b>1 , 6 2 4 , 9 3 5</b>

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

(Yen in millions; amounts less than one million yen are omitted.)

	FY2005 (As of September 30, 2004)	FY2004 (As of March 31, 2004)	Increase (Decrease)	FY2004 (As of September 30, 2003)
<b>(Liabilities)</b>				
<b>Current liabilities</b>	<b>201,315</b>	<b>170,114</b>	<b>31,201</b>	<b>191,794</b>
Trade notes payable	1,089	2,478	(1,389)	5,794
Trade accounts payable	91,182	87,156	4,026	79,640
Short-term loans	-	-	-	18,000
Commercial paper	15,000	15,000	-	30,000
Current portion of bonds	20,000	-	20,000	-
Other payables	14,200	13,661	539	12,086
Accrued expenses	26,400	26,296	104	22,945
Accrued income taxes	9,008	4,027	4,981	2,139
Advance received	418	53	365	104
Deposits received	4,236	2,017	2,219	1,873
Deposits received from	19,778	19,422	356	19,208
<b>Long-term liabilities</b>	<b>611,142</b>	<b>584,674</b>	<b>26,468</b>	<b>526,843</b>
Bonds	180,000	200,000	(20,000)	200,000
Long term loan	25,000	20,000	5,000	20,000
Deferred tax liabilities	383,639	341,727	41,912	284,491
Allowance for retirement benefits	20,153	19,427	726	18,836
Other long-term liabilities	2,350	3,519	(1,169)	3,515
<b>Total liabilities</b>	<b>812,457</b>	<b>754,789</b>	<b>57,668</b>	<b>718,637</b>
<b>(Shareholders' equity)</b>				
<b>Common stock</b>	<b>80,462</b>	<b>80,462</b>	<b>-</b>	<b>80,462</b>
<b>Capital surplus</b>	<b>105,585</b>	<b>105,707</b>	<b>(122)</b>	<b>105,707</b>
Capital reserve	101,766	101,766	-	101,766
Other capital reserve	3,819	3,941	(122)	3,941
Gain on disposal of treasury stock	3,819	3,941	(122)	3,941
<b>Retained earnings</b>	<b>290,860</b>	<b>278,962</b>	<b>11,898</b>	<b>274,138</b>
Legal reserve	17,004	17,004	-	17,004
General reserves	180,844	180,714	130	180,714
Reserve for special depreciation	711	572	139	572
Reserve for reduction of acquisition cost of fixed assets	133	142	(9)	142
General reserves	180,000	180,000	-	180,000
Unappropriated retained earnings at end of period	93,011	81,243	11,768	76,419
<Included net income for period>	<15,956>	<21,103>	<(5,147)>	<12,376>
<b>Net unrealized gain on other securities</b>	<b>598,268</b>	<b>533,377</b>	<b>64,891</b>	<b>446,881</b>
<b>Treasury stock</b>	<b>(16,759)</b>	<b>(17,975)</b>	<b>1,216</b>	<b>(892)</b>
<b>Total shareholders' equity</b>	<b>1,058,418</b>	<b>980,533</b>	<b>77,885</b>	<b>906,297</b>
<b>Total liabilities and</b>	<b>1,870,875</b>	<b>1,735,323</b>	<b>135,552</b>	<b>1,624,935</b>

## Non-consolidated Statements of Income

(Yen in millions; amounts less than one million yen are omitted.)

	FY2005 ( April 1, 2004 - September 30, 2004 )	FY2004 ( April 1, 2003 - September 30, 2003 )	Increase (Decrease)	FY2004 ( April 1, 2003 - March 31, 2004 )
<b>(Ordinary profits and losses)</b>				
<b>Operating revenue and expenses</b>				
Operating revenue	3 8 6 , 3 1 7	3 6 5 , 9 0 8	2 0 , 4 0 9	7 4 9 , 6 1 6
Net sales	3 8 6 , 3 1 7	3 6 5 , 9 0 8	2 0 , 4 0 9	7 4 9 , 6 1 6
Operating expenses	3 6 7 , 3 6 9	3 4 8 , 1 2 4	1 9 , 2 4 5	7 1 8 , 2 8 2
Cost of sales	3 3 8 , 5 6 7	3 2 1 , 2 9 5	1 7 , 2 7 2	6 6 3 , 2 5 8
Selling, general and administrative expenses	2 8 , 8 0 1	2 6 , 8 2 8	1 , 9 7 3	5 5 , 0 2 4
Operating income	1 8 , 9 4 8	1 7 , 7 8 3	1 , 1 6 5	3 1 , 3 3 4
<b>Non-operating income and expenses</b>				
Non-operating income	1 0 , 1 6 6	8 , 6 2 3	1 , 5 4 3	1 5 , 8 7 7
Interest and dividends income	7 , 9 1 5	6 , 1 1 6	1 , 7 9 9	1 1 , 6 3 4
Other non-operating income	2 , 2 5 1	2 , 5 0 6	( 2 5 5 )	4 , 2 4 3
Non-operating expenses	5 , 3 0 6	6 , 5 9 3	( 1 , 2 8 7 )	1 2 , 5 0 6
Interest expenses	1 , 7 3 2	1 , 8 4 3	( 1 1 1 )	3 , 5 7 5
Other non-operating expenses	3 , 5 7 4	4 , 7 4 9	( 1 , 1 7 5 )	8 , 9 3 0
Ordinary income	2 3 , 8 0 8	1 9 , 8 1 3	3 , 9 9 5	3 4 , 7 0 5
<b>(Extraordinary gains and losses)</b>				
Extraordinary gains	-	6 2 1	( 6 2 1 )	6 2 1
Gain on transfer to a defined contribution pension plan	-	6 2 1	( 6 2 1 )	6 2 1
Extraordinary losses	-	1 , 8 5 1	( 1 , 8 5 1 )	1 , 8 5 1
Provision for retirement and severance benefit for director and corporate auditors	-	1 , 8 5 1	( 1 , 8 5 1 )	1 , 8 5 1
<b>Income before income taxes</b>	2 3 , 8 0 8	1 8 , 5 8 3	5 , 2 2 5	3 3 , 4 7 5
Income taxes - current	9 , 9 4 0	3 , 9 7 9	5 , 9 6 1	1 5 , 5 6 0
Income taxes - deferred	( 2 , 0 8 8 )	2 , 2 2 8	( 4 , 3 1 6 )	( 3 , 1 8 8 )
<b>Net income</b>	1 5 , 9 5 6	1 2 , 3 7 6	3 , 5 8 0	2 1 , 1 0 3
Unappropriated retained earnings brought forward	7 7 , 0 5 5	6 4 , 0 4 3	1 3 , 0 1 2	6 4 , 0 4 3
Interim cash dividends	-	-	-	3 , 9 0 4
<b>Unappropriated retained earnings at end of period</b>	9 3 , 0 1 1	7 6 , 4 1 9	1 6 , 5 9 2	8 1 , 2 4 3