

# FINANCIAL SUMMARY

FY2006 Semiannual

(April 1, 2005 through September 30, 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.*

# Semiannual Consolidated Financial Results for FY2006

## TOYOTA INDUSTRIES CORPORATION

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

Representative person: Tetsuro Toyoda, 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 FY2006: October 28, 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 FY2006 Semiannual (April 1, 2005 – September 30, 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	%
<b>FY2006 Semiannual</b>	<b>699,028</b>	<b>( 15.1 )</b>	<b>32,051</b>	<b>( 6.5 )</b>	<b>41,577</b>	<b>( 6.9 )</b>
FY2005 Semiannual	607,063	( 6.6 )	30,098	( 11.4 )	38,890	( 28.9 )
FY2005 Annual	1,241,538		53,120		70,912	

	Net income	( % change from previous year )	Net income per share — basic	Net income per share — diluted
	Million yen	%	Yen	Yen
<b>FY2006 Semiannual</b>	<b>25,008</b>	<b>( 4.4 )</b>	<b>78.41</b>	<b>78.38</b>
FY2005 Semiannual	23,945	( 40.1 )	75.31	75.28
FY2005 Annual	43,357		135.09	135.03

Notes: 1. Equity in net earnings (loss) of affiliates: FY2006 semiannual—1,267 million yen, FY2005 semiannual—4,210 million yen  
FY2005 annual—6,805 million yen

2. Average number of shares outstanding for each period: FY2006 semiannual—318,937,523 shares, FY2005 semiannual—317,933,860 shares,  
FY2005 annual—318,079,149 shares

3. Changes in accounting policies: No change.

#### (2) Consolidated financial position

	Total assets	Shareholders' equity	Ratio of shareholders' equity	Shareholders' equity per share
	Million yen	Million yen	%	Yen
<b>FY2006 Semiannual</b>	<b>2,682,651</b>	<b>1,326,134</b>	<b>49.4</b>	<b>4,153.23</b>
FY2005 Semiannual	2,173,329	1,098,215	50.5	3,451.12
FY2005 Annual	2,326,824	1,115,747	48.0	3,504.80

Note: Number of shares outstanding at the end of each period: FY2006 semiannual—319,302,325 shares, FY2005 semiannual—318,219,881 shares,  
FY2005 annual—318,236,815 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
<b>FY2006 Semiannual</b>	<b>58,759</b>	<b>(114,771)</b>	<b>30,187</b>	<b>73,793</b>
FY2005 Semiannual	45,198	(54,965)	9,422	76,827
FY2005 Annual	100,095	(128,230)	50,020	100,535

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

Consolidated subsidiaries: 149 companies

Unconsolidated subsidiaries accounted for under the equity method: 0 company

Affiliates accounted for under the equity method: 21 companies

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

Consolidated subsidiaries: (increase) 4 companies (decrease) 1 company

Affiliate accounted for under the equity method: (increase) 1 company

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

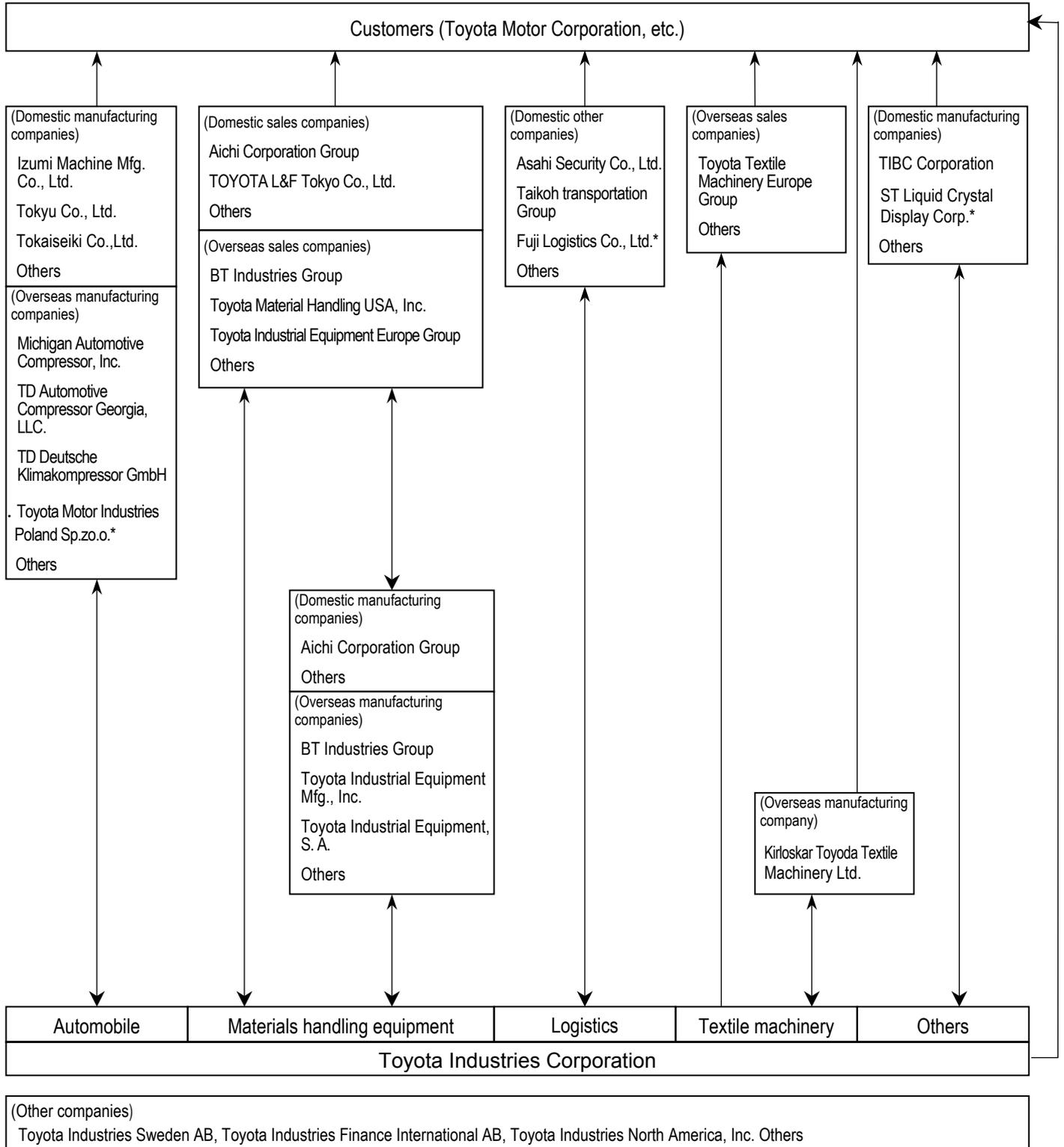
	Net sales	Ordinary income	Net income
	Million yen	Million yen	Million yen
FY2006 Annual	1,500,000	77,000	45,000

Reference: (Forecast) Net income per share—basic (annual): 140.93 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 149 subsidiaries and 32 affiliates) are engaged mainly in manufacture and sales of automobiles and related products, materials handling equipment, textile machinery and also in logistics solutions business. The associated companies' positions in the businesses and relation to the business segments are shown below



\*Affiliates accounted for under the equity method

# 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 further globalizing business operations to attain higher market share and improved business performance. The Textile Machinery Business will firmly maintain the world’s top share in air-jet looms to realize stable business management. The Electronics Business, which includes power electronics components for hybrid vehicles, and the Logistics Solutions Business 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

regard such considerations to the environment, safety and ergonomics as well as the enhancement of competitiveness as important issues to be addressed. Based on this stance, we will strive to develop and market leading-edge products closely tailored to customer needs. We will also further promote global consolidated management and build a business structure that can take advantage of the collective strengths of Toyota Industries while improving work environments and 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.

The new Medium-Term Management Vision, which started during fiscal 2006 (ending March 31, 2006), targets consolidated net sales of more than 2 trillion yen in fiscal 2010 (ending March 31, 2010).

#### **4. Basic Stance toward Corporate Governance and Measures for Implementation**

Toyota Industries 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. Fusahiro Yamamoto and Mr. Mitsutaka Kawahara of ChuoAoyama PricewaterhouseCoopers. Mr. Tajima has 11 years of auditing experience. They are further supported by an additional six 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 September 30, 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	24.25 (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, 2005 – September 30, 2005)

Details of affiliation		Transaction details	Transaction amount (¥ millions)	Category	Year-end balance (¥ millions)
Concurrent post of directors (names)	Business affiliation				
Concurrent posts: 4 Employment transfers: 11	Sale of products of the Automobile Segment	Sale of automobiles and engines*1	230,657	Accounts receivable	38,368
		Purchase of components for automobiles and engines*2	158,393	Accounts Payable	34,761

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

During the first half of fiscal 2006 (the six months ended September 30, 2005), the economy continued on its slow path to recovery as private-sector capital investment increased on the back of improved corporate earnings. Consumer spending also picked up. Overseas, the overall economic outlook was bright. The U.S. economy continued to expand, the European economy maintained its underlying strengths and the Chinese economy moved full speed ahead.

In this operating environment, Toyota Industries posted total consolidated net sales of 699.0 billion yen, an increase of 92.0 billion yen, or 15%, compared with the first half of fiscal 2005 (the six months ended September 30, 2004). The following is a review of operations for the major business segments.

Net sales of the Automobile Segment totaled 337.7 billion yen, an increase of 29.1 billion yen, or 9%, over the first half of fiscal 2005.

Within this segment, net sales of the Vehicle Business totaled 154.7 billion yen, an increase of 15.4 billion yen, or 11%, over the first half of fiscal 2005. Sales of the fully remodeled Vitz, which was re-launched in February 2005 in Japan, were strong. Overseas, sales of the Yaris (European version of the Vitz) and the RAV4 increased.

Net sales of the Engine Business totaled 65.4 billion yen, an increase of 8.9 billion yen, or 16%, over the first half of fiscal 2005. This increase was due largely to an increase in sales of the AD diesel engine (successor to the CD diesel engine), which is mounted on the Avensis for Europe, as well as the commencement in June 2005 of production of the KD diesel engine for Toyota Motor Corporation's (TMC) Innovative International Multi-Purpose Vehicle (IMV) Project. Toyota Industry Automotive Parts (Kunshan) Co., Ltd., which was established in Jiangsu Province, China, in April 2004 to meet an increase in demand in foundry parts for engines, began operations in April 2005.

Net sales of the Car Air-Conditioning Compressor Business totaled 105.0 billion yen, an increase of 3.8 billion yen, or 4%, over the first half of fiscal 2005. While sales in the domestic market were approximately the same level as for the first half of fiscal 2005, sales overseas increased as a result of a rise in sales to North America and Europe. In May 2005, Toyota Industries, DENSO Corporation, Toyota Tsusho Corporation and Toyota Industry (Kunshan) Co., Ltd. jointly established TD Automotive Compressor Kunshan, Co., Ltd. to meet expanding demand in car air conditioning in the Chinese market. Production of fuel-efficient variable-displacement car air-conditioning compressors is slated to start in April 2006.

Net sales of the Materials Handling Equipment Segment of Toyota Industries totaled 281.5 billion yen, an increase of 41.6 billion yen, or 17%, over the first half of fiscal 2005. This increase was a result of robust sales in both the Japanese and overseas markets on the back of global economic recovery. During the period, Toyota Industries strove to enhance its global sales network and implemented vigorous sales promotion activities. For example, in August 2005, we established the Toyota National Customer Center, an experience-based showroom, in the U.S. state of Indiana. Also, Toyota Industries strengthened its product line by equipping the GENE0 Series (7 Series overseas) lift trucks with the operator presence sensing system as a standard specification to enhance operator safety.

Net sales of the Logistics Solutions Segment totaled 30.6 billion yen, a significant increase from the first half of fiscal 2005, due in large part to the contribution by Asahi Security Co., Ltd., which became one of Toyota Industries' subsidiaries in March 2005. Toyota Industries focused on expansion of the logistics solutions business, which undertakes total logistics operations on an outsourced basis directed toward lowering the logistics costs of customers, as well as implemented vigorous sales promotion activities.

Net sales of the Textile Machinery Segment totaled 24.0 billion yen, an increase of 1.8 billion yen, or 8%, from the first half of fiscal 2005. This increase was attributable mainly to strong sales of air-jet looms, our flagship product, and an increase in sales of spinning machinery in India, Thailand and Indonesia.

During the first half of fiscal 2006, Toyota Industries' ordinary income amounted to 41.5 billion yen, an increase of 2.7 billion yen, or 7%, over the first half of fiscal 2005. Despite the effects of a rise in raw materials costs and increases in depreciation and personnel expenses, this increase was largely achieved due to an increase in global sales, Group-wide cost-reduction activities and an increase in non-operating income.

Cash flows from operating activities increased by 58.7 billion yen during the first half of fiscal

2006, due largely to income before income taxes in an amount of 41.5 billion yen. Net cash provided by operating activities increased by 13.6 billion yen from 45.1 billion yen in the first half of fiscal 2005. Cash flows from investing activities resulted in a decrease in cash by 114.7 billion yen during the first half of fiscal 2006, attributable primarily to payments for acquisition of fixed assets amounting to 95.5 billion yen. Net cash used in investing activities increased by 59.8 billion yen from 54.9 billion yen for the first half of fiscal 2005. Cash flows from financing activities resulted in an increase in cash by 30.1 billion yen during the first half of fiscal 2006, due mainly to proceeds from issuance of commercial paper in an amount of 52.3 billion yen. Net cash provided by financing activities increased by 20.7 billion yen from 9.4 billion yen for the first half of fiscal 2005.

After translation adjustments, cash and cash equivalents as of September 30, 2005 stood at 73.7 billion yen, a decrease of 3.1 billion yen, or 4%, over the first half of fiscal 2005.

## **2. Distribution of Profits**

Toyota Industries Corporation will distribute an interim cash dividend of 18 yen per common share, an increase of 5 yen per common share over the first half of fiscal 2005.

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

Toyota Industries expects the global economy to continue along a steady path toward recovery. Uncertainties persist regarding the temporary deceleration of the U.S. economy due to hurricane damages, exchange rate fluctuations and the rising prices of raw materials worldwide.

For fiscal 2006, ending March 31, 2006, Toyota Industries forecasts consolidated net sales of 1,500.0 billion yen, ordinary income of 77.0 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 matched to customer needs 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 ¥110.0 = 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 September 30, 2005.

### Principal Customers

Toyota Industries' automobile and engine products are sold primarily to TMC. During the first half of fiscal 2006, net sales to TMC accounted for 33.0% of consolidated net sales. Therefore, TMC's vehicle sales could have an impact on Toyota Industries' business results. As of September 30, 2005, TMC held 24.3% of total shares issued.

### 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. Consequently, in businesses that Toyota Industries manufactures products in Japan for export, the strengthening of the yen against other currencies reduces the relative price competitiveness of Toyota Industries' products on a global basis. Such currency trends could have an adverse impact on Toyota Industries' financial condition and business results.

### 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

	FY2006 ( As of September 30, 2005 )	FY2005 ( As of March 31, 2005 )	Increase (Decrease)	FY2005 ( As of September 30, 2004 )
<b>(Assets)</b>				
<b>Current assets</b>	<b>4 3 8 , 7 1 9</b>	<b>4 6 2 , 9 7 3</b>	<b>( 2 4 , 2 5 4 )</b>	<b>3 6 9 , 0 9 9</b>
Cash and deposits	8 9 , 7 6 6	8 4 , 9 1 5	4 , 8 5 1	5 6 , 9 4 5
Trade notes and accounts receivable	1 8 1 , 7 6 4	1 7 3 , 4 5 9	8 , 3 0 5	1 5 0 , 5 6 9
Marketable securities	1 0 , 0 5 7	4 0 , 0 5 6	( 2 9 , 9 9 9 )	2 0 , 0 2 1
Inventories	9 6 , 3 6 0	9 4 , 0 2 4	2 , 3 3 6	8 6 , 5 2 4
Deferred tax assets	1 5 , 9 4 2	2 0 , 3 7 9	( 4 , 4 3 7 )	1 9 , 8 7 9
Other current assets	4 7 , 0 7 7	5 2 , 4 9 1	( 5 , 4 1 4 )	3 7 , 5 2 4
Less - allowance for doubtful accounts	( 2 , 2 4 8 )	( 2 , 3 5 1 )	1 0 3	( 2 , 3 6 5 )
<b>Fixed assets</b>	<b>2 , 2 4 3 , 9 3 1</b>	<b>1 , 8 6 3 , 8 5 0</b>	<b>3 8 0 , 0 8 1</b>	<b>1 , 8 0 4 , 2 3 0</b>
<b>Property, plant and equipment</b>	<b>4 9 6 , 8 3 5</b>	<b>4 5 7 , 0 7 8</b>	<b>3 9 , 7 5 7</b>	<b>4 0 9 , 9 7 0</b>
Buildings and structures	1 4 4 , 9 9 0	1 3 2 , 4 1 9	1 2 , 5 7 1	1 2 9 , 1 2 7
Machinery, equipment and vehicles	2 1 4 , 0 6 7	1 8 5 , 4 2 4	2 8 , 6 4 3	1 7 0 , 7 1 2
Tools, furniture and fixtures	2 0 , 0 5 2	1 8 , 8 3 3	1 , 2 1 9	1 5 , 8 0 6
Land	8 3 , 0 0 3	7 8 , 6 5 8	4 , 3 4 5	7 2 , 2 8 9
Construction in progress	3 4 , 7 2 1	4 1 , 7 4 2	( 7 , 0 2 1 )	2 2 , 0 3 5
<b>Intangible assets</b>	<b>1 0 8 , 1 4 1</b>	<b>1 1 6 , 9 7 1</b>	<b>( 8 , 8 3 0 )</b>	<b>9 5 , 9 2 4</b>
Software	1 2 , 8 2 3	1 2 , 4 1 0	4 1 3	1 2 , 1 5 5
Goodwill	9 5 , 3 1 8	1 0 4 , 5 6 1	( 9 , 2 4 3 )	8 3 , 7 6 9
<b>Investments and other assets</b>	<b>1 , 6 3 8 , 9 5 4</b>	<b>1 , 2 8 9 , 7 9 9</b>	<b>3 4 9 , 1 5 5</b>	<b>1 , 2 9 8 , 3 3 4</b>
Investments in securities	1 , 5 7 2 , 0 6 0	1 , 2 2 2 , 6 5 8	3 4 9 , 4 0 2	1 , 2 3 3 , 2 6 5
Long-term loans	9 , 0 1 8	9 , 8 0 4	( 7 8 6 )	9 , 6 2 4
Long-term prepaid expenses	1 1 , 9 6 6	1 3 , 2 1 8	( 1 , 2 5 2 )	1 3 , 7 2 5
Deferred tax assets	6 , 5 1 3	7 , 2 3 4	( 7 2 1 )	6 , 0 7 4
Other investments and other assets	3 9 , 6 0 8	3 7 , 2 1 4	2 , 3 9 4	3 5 , 9 1 0
Less - allowance for doubtful accounts	( 2 1 2 )	( 3 3 0 )	1 1 8	( 2 6 6 )
<b>Total assets</b>	<b>2 , 6 8 2 , 6 5 1</b>	<b>2 , 3 2 6 , 8 2 4</b>	<b>3 5 5 , 8 2 7</b>	<b>2 , 1 7 3 , 3 2 9</b>

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

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

	FY2006 ( As of September 30, 2005 )	FY2005 ( As of March 31, 2005 )	Increase (Decrease)	FY2005 ( As of September 30, 2004 )
<b>(Liabilities)</b>				
<b>Current liabilities</b>	<b>4 1 9 , 6 5 9</b>	<b>4 2 1 , 5 3 9</b>	<b>( 1 , 8 8 0 )</b>	<b>3 6 6 , 2 4 8</b>
Trade notes and accounts payable	1 5 9 , 5 8 9	1 6 0 , 2 3 1	( 6 4 2 )	1 3 4 , 5 5 2
Short-term loans	2 9 , 9 7 6	5 9 , 9 4 5	( 2 9 , 9 6 9 )	7 5 , 6 7 1
Commercial paper	5 0 , 8 7 6	-	5 0 , 8 7 6	1 5 , 0 0 0
Current portion of bonds	1 5 , 0 0 0	2 0 , 3 0 0	( 5 , 3 0 0 )	2 0 , 3 0 0
Other payables	2 4 , 7 2 5	4 5 , 4 6 1	( 2 0 , 7 3 6 )	1 8 , 5 7 3
Accrued expenses	6 2 , 3 6 1	5 9 , 3 5 6	3 , 0 0 5	5 5 , 1 1 6
Accrued income taxes	1 0 , 4 4 5	1 5 , 2 9 7	( 4 , 8 5 2 )	1 3 , 5 5 0
Deposits received from employees	2 0 , 7 0 4	2 0 , 0 5 4	6 5 0	1 9 , 8 6 1
Deferred tax liabilities	3 , 7 5 9	4 , 0 6 6	( 3 0 7 )	3 , 1 4 4
Other current liabilities	4 2 , 2 2 0	3 6 , 8 2 6	5 , 3 9 4	1 0 , 4 7 6
<b>Long-term liabilities</b>	<b>8 9 3 , 0 0 7</b>	<b>7 4 8 , 6 3 3</b>	<b>1 4 4 , 3 7 4</b>	<b>6 7 0 , 6 4 4</b>
Bonds	2 2 0 , 3 9 4	2 3 0 , 0 0 0	( 9 , 6 0 6 )	1 8 0 , 0 0 0
Long-term loans	9 8 , 8 2 6	7 3 , 4 9 1	2 5 , 3 3 5	4 1 , 3 8 9
Deferred tax liabilities	5 1 1 , 5 2 9	3 8 1 , 7 8 7	1 2 9 , 7 4 2	3 8 8 , 3 2 2
Allowance for retirement benefits	4 4 , 1 3 0	4 4 , 4 6 2	( 3 3 2 )	4 2 , 4 8 6
Other long-term liabilities	1 8 , 1 2 5	1 8 , 8 9 1	( 7 6 6 )	1 8 , 4 4 7
<b>Total liabilities</b>	<b>1 , 3 1 2 , 6 6 7</b>	<b>1 , 1 7 0 , 1 7 2</b>	<b>1 4 2 , 4 9 5</b>	<b>1 , 0 3 6 , 8 9 3</b>
<b>Minority interests in consolidated subsidiaries</b>	<b>4 3 , 8 4 9</b>	<b>4 0 , 9 0 4</b>	<b>2 , 9 4 5</b>	<b>3 8 , 2 2 0</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 6 9</b>	<b>1 0 5 , 6 0 0</b>	<b>6 9</b>	<b>1 0 5 , 6 2 1</b>
<b>Retained earnings</b>	<b>3 4 2 , 0 7 5</b>	<b>3 2 5 , 3 3 0</b>	<b>1 6 , 7 4 5</b>	<b>3 1 0 , 0 5 4</b>
<b>Net unrealized gain on other securities</b>	<b>7 8 8 , 7 7 4</b>	<b>5 9 1 , 2 1 8</b>	<b>1 9 7 , 5 5 6</b>	<b>5 9 8 , 8 6 8</b>
<b>Translation adjustments</b>	<b>2 3 , 5 4 2</b>	<b>2 9 , 8 6 1</b>	<b>( 6 , 3 1 9 )</b>	<b>1 9 , 9 6 7</b>
<b>Treasury stock at cost</b>	<b>( 1 4 , 3 8 9 )</b>	<b>( 1 6 , 7 2 6 )</b>	<b>2 , 3 3 7</b>	<b>( 1 6 , 7 5 9 )</b>
<b>Total shareholders' equity</b>	<b>1 , 3 2 6 , 1 3 4</b>	<b>1 , 1 1 5 , 7 4 7</b>	<b>2 1 0 , 3 8 7</b>	<b>1 , 0 9 8 , 2 1 5</b>
<b>Total liabilities and shareholders' equity</b>	<b>2 , 6 8 2 , 6 5 1</b>	<b>2 , 3 2 6 , 8 2 4</b>	<b>3 5 5 , 8 2 7</b>	<b>2 , 1 7 3 , 3 2 9</b>

# Consolidated Statements of Income

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

	FY2006 ( April 1, 2005 - September 30, 2005 )	FY2005 ( April 1, 2004 - September 30, 2004 )	Increase (Decrease)	FY2005 ( April 1, 2004 - March 31, 2005 )
<b>Net sales</b>	<b>6 9 9 , 0 2 8</b>	<b>6 0 7 , 0 6 3</b>	<b>9 1 , 9 6 5</b>	<b>1 , 2 4 1 , 5 3 8</b>
Cost of sales	5 8 6 , 7 5 3	5 0 5 , 9 0 2	8 0 , 8 5 1	1 , 0 4 1 , 7 8 0
<b>Gross profit</b>	<b>1 1 2 , 2 7 4</b>	<b>1 0 1 , 1 6 1</b>	<b>1 1 , 1 1 3</b>	<b>1 9 9 , 7 5 8</b>
Selling, general and administrative expenses	8 0 , 2 2 3	7 1 , 0 6 2	9 , 1 6 1	1 4 6 , 6 3 8
<b>Operating income</b>	<b>3 2 , 0 5 1</b>	<b>3 0 , 0 9 8</b>	<b>1 , 9 5 3</b>	<b>5 3 , 1 2 0</b>
<b>Non-operating income</b>	<b>2 1 , 8 3 4</b>	<b>1 8 , 9 3 2</b>	<b>2 , 9 0 2</b>	<b>3 8 , 2 8 4</b>
Interest income	4 , 4 0 6	3 , 9 3 4	4 7 2	8 , 1 5 9
Dividends income	1 0 , 6 8 7	7 , 0 6 0	3 , 6 2 7	1 3 , 7 6 0
Other non-operating income	6 , 7 3 9	7 , 9 3 6	( 1 , 1 9 7 )	1 6 , 3 6 3
<b>Non-operating expenses</b>	<b>1 2 , 3 0 8</b>	<b>1 0 , 1 4 1</b>	<b>2 , 1 6 7</b>	<b>2 0 , 4 9 1</b>
Interest expenses	5 , 2 5 8	4 , 5 8 9	6 6 9	9 , 7 3 5
Other non-operating expenses	7 , 0 4 9	5 , 5 5 1	1 , 4 9 8	1 0 , 7 5 6
<b>Ordinary income</b>	<b>4 1 , 5 7 7</b>	<b>3 8 , 8 9 0</b>	<b>2 , 6 8 7</b>	<b>7 0 , 9 1 2</b>
<b>Extraordinary losses</b>	<b>-</b>	<b>4 1 4</b>	<b>( 4 1 4 )</b>	<b>5 5 8</b>
Impairment loss of fixed assets	-	4 1 4	( 4 1 4 )	5 5 8
<b>Income before income taxes and minority interests</b>	<b>4 1 , 5 7 7</b>	<b>3 8 , 4 7 6</b>	<b>3 , 1 0 1</b>	<b>7 0 , 3 5 3</b>
Income taxes – current	1 1 , 8 2 7	1 5 , 4 8 3	( 3 , 6 5 6 )	2 6 , 8 0 8
Income taxes – deferred	2 , 2 0 4	( 3 , 2 3 2 )	5 , 4 3 6	( 4 , 5 5 7 )
Minority interests in consolidated subsidiaries	2 , 5 3 6	2 , 2 8 0	2 5 6	4 , 7 4 4
<b>Net income</b>	<b>2 5 , 0 0 8</b>	<b>2 3 , 9 4 5</b>	<b>1 , 0 6 3</b>	<b>4 3 , 3 5 7</b>

# Consolidated Statements of Retained Earnings

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

	FY2006 ( April 1, 2005 - September 30, 2005 )	FY2005 ( April 1, 2004 - September 30, 2004 )	Increase (Decrease)	FY2005 ( April 1, 2004 - March 31, 2005 )
<b>(Capital surplus)</b>				
<b>Capital surplus at beginning of period</b>	<b>1 0 5 , 6 0 0</b>	<b>1 0 5 , 7 4 3</b>	<b>( 1 4 3 )</b>	<b>1 0 5 , 7 4 3</b>
<b>Increase in capital surplus</b>	<b>6 8</b>	<b>-</b>	<b>6 8</b>	<b>-</b>
Gain on disposal of treasury stock	6 8	-	6 8	-
<b>Decrease in capital surplus</b>	<b>-</b>	<b>1 2 1</b>	<b>( 1 2 1 )</b>	<b>1 4 2</b>
Loss on disposal of treasury stock	-	1 2 1	( 1 2 1 )	1 4 2
<b>Capital surplus at end of period</b>	<b>1 0 5 , 6 6 9</b>	<b>1 0 5 , 6 2 1</b>	<b>4 8</b>	<b>1 0 5 , 6 0 0</b>
<b>(Retained earnings)</b>				
<b>Retained earnings at beginning of period</b>	<b>3 2 5 , 3 3 0</b>	<b>2 9 4 , 6 7 2</b>	<b>3 0 , 6 5 8</b>	<b>2 9 4 , 6 7 2</b>
<b>Increase in retained earnings</b>	<b>2 5 , 0 0 8</b>	<b>2 3 , 9 4 5</b>	<b>1 , 0 6 3</b>	<b>4 3 , 3 5 7</b>
Net income for the period	2 5 , 0 0 8	2 3 , 9 4 5	1 , 0 6 3	4 3 , 3 5 7
<b>Decrease in retained earnings</b>	<b>8 , 2 6 3</b>	<b>8 , 5 6 2</b>	<b>( 2 9 9 )</b>	<b>1 2 , 6 9 9</b>
Cash dividends	6 , 0 4 6	3 , 8 1 1	2 , 2 3 5	7 , 9 4 8
Bonuses to directors and corporate auditors	3 9 5	3 3 1	6 4	3 3 1
Net decrease due to minimum pension liability adjustments of consolidated subsidiaries	-	4 , 4 1 9	( 4 , 4 1 9 )	4 , 4 1 9
Decrease due to increase in affiliates accounted for under the equity method	1 , 8 2 1	-	1 , 8 2 1	-
<b>Retained earnings at end of period</b>	<b>3 4 2 , 0 7 5</b>	<b>3 1 0 , 0 5 4</b>	<b>3 2 , 0 2 1</b>	<b>3 2 5 , 3 3 0</b>

# Consolidated Statements of Cash Flows

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

	FY2006 (April 1, 2005 - September 30, 2005)	FY2005 (April 1, 2004 - September 30, 2004)	Increase (Decrease)	FY2005 (April 1, 2004 - March 31, 2005)
<b>Cash flows from operating activities</b>	<b>58,759</b>	<b>45,198</b>	<b>13,561</b>	<b>100,095</b>
Income before income taxes and minority interests	41,577	38,476	3,101	70,353
Depreciation and amortization	39,169	32,707	6,462	70,213
Impairment loss of fixed assets	-	414	(414)	558
Increase (decrease) in allowance for doubtful	7	23	(16)	371
Interest and dividends income	(15,094)	(10,995)	(4,099)	(21,920)
Interest expenses	5,258	4,589	669	9,735
Equity in earnings of affiliates	(1,267)	(4,210)	2,943	(6,805)
(Increase) decrease in receivables	(11,695)	(5,295)	(6,400)	(22,923)
(Increase) decrease in inventories	(3,737)	(8,527)	4,790	(12,851)
Increase (decrease) in payables	(479)	3,704	(4,183)	26,893
Others, net	9,274	(1,399)	10,673	(4,063)
Subtotal	63,014	49,487	13,527	109,561
Interest and dividends received	15,090	11,025	4,065	21,971
Interest paid	(5,278)	(4,557)	(721)	(8,710)
Income taxes paid	(14,067)	(10,756)	(3,311)	(22,727)
<b>Cash flows from investing activities</b>	<b>(114,771)</b>	<b>(54,965)</b>	<b>(59,806)</b>	<b>(128,230)</b>
Payments for purchases of property, plant and equipment	(95,546)	(45,870)	(49,676)	(110,111)
Proceeds from sales of property, plant and equipment	3,976	985	2,991	10,043
Payments for purchases of investment securities	(21,375)	(9,029)	(12,346)	(9,562)
Proceeds from sales of investment securities	2,153	1,100	1,053	3,299
Payments for acquisition of subsidiaries' stock resulting in change in scope of consolidation	-	-	-	(16,943)
Payments for loans made	(2,393)	(839)	(1,554)	(2,370)
Proceeds from collections of loans	1,055	1,943	(888)	2,783
Others, net	(2,641)	(3,255)	614	(5,368)
<b>Cash flows from financing activities</b>	<b>30,187</b>	<b>9,422</b>	<b>20,765</b>	<b>50,020</b>
Increase (decrease) in short-term loans	(29,942)	5,739	(35,681)	(13,686)
Increase (decrease) in commercial paper	52,303	-	52,303	(15,000)
Proceeds from long-term loans	28,413	7,773	20,640	40,785
Repayments of long-term loans	(2,531)	(2,140)	(391)	(6,964)
Proceeds from issuances of bonds	5,692	-	5,692	50,000
Repayments of bonds	(20,300)	-	(20,300)	-
Payments for purchase of treasury stocks	(22)	(16)	(6)	(52)
Cash dividends paid	(6,041)	(3,813)	(2,228)	(7,948)
Cash dividends paid for minority shareholders	(616)	(485)	(131)	(667)
Others, net	3,232	2,365	867	3,554
<b>Translation adjustments of cash and cash equivalents</b>	<b>(918)</b>	<b>(39)</b>	<b>(879)</b>	<b>1,438</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(26,742)</b>	<b>(384)</b>	<b>(26,358)</b>	<b>23,323</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>100,535</b>	<b>77,212</b>	<b>23,323</b>	<b>77,212</b>
<b>Cash and cash equivalents at end of period</b>	<b>73,793</b>	<b>76,827</b>	<b>(3,034)</b>	<b>100,535</b>

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

Cash and deposits	63,793	56,807	6,986	60,530
Marketable securities	10,000	20,020	(10,020)	40,005

# Basis of Presenting Consolidated Financial Statements

## 1. Scope of consolidation and equity method

### (1) Scope of consolidation

	Companies	
Consolidated subsidiaries	149	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, Incorporated, Nishina Industrial Co., Ltd., Suzaka Nishina Industrial Co., Ltd., ALTRAN Corporation, KTL Co., Ltd., Tokaiseiki Co., Ltd., TF Logistics Co., Ltd., Taikoh transportation Group (5 companies), SKE Inc., SK Maintenance Inc., Unica Co., Ltd., Iwama Loom Works, Ltd., Kawamoto System Corporation, Nagao kogyo Co., Ltd., TOYOTA L&F Shizuoka Co., Ltd., Hara Corporation, Mizuho Industry Co., Ltd., Sun Valley Group (2 companies), Sun Staff, Inc., ALT Logistics Co., Ltd., 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 Group (2 companies), 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 (10 companies), TD Automotive Compressor Kunshan, Co., Ltd., Toyota Material Handling (Shanghai) Co., Ltd., Toyota Industries Trading & Logistics (China) Co., Ltd., Toyota Gabelstapler Deutschland GmbH, Toyota Industrial Equipment (UK) Group (2 companies), Toyota Industrial Equipment Europe Group (3 companies)

### (2) Scope of equity method

	Companies	
Affiliates	21	Aichi Corporation Group (2 companies), ST Liquid Crystal Display Corp., Fuji Logistics Co., Ltd., BT Industries Group (16 companies), Toyota Motor Industries Poland Sp.zo.o.

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

### Consolidated subsidiaries

	Companies	
(Increase)	4	Toyota Industries Corporation Australia (1 company), TD Automotive Compressor Kunshan, Co., Ltd., Toyota Industries Trading & Logistics (China) Co., Ltd., Toyota Industrial Equipment Europe Group (1 company)
(Decrease)	1	BT Industries Group (1 company)

### Affiliates accounted for the equity method

	Companies	
(Increase)	1	Toyota Motor Industries Poland Sp.zo.o.

## 3. Fiscal years of consolidated subsidiaries

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., TD Automotive Compressor Kunshan, Co., Ltd., Toyota Industries Trading & Logistics (China) 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 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 segment information

(1) FY2006 Semiannual (April 1, 2005 - September 30, 2005)

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

	Automobile	Materials handling equipment	Logistics	Textile machinery	Others	Total	Eliminations	Consolidated
<b>Net sales</b>								
(1) Outside customer sales	337,751	281,597	30,615	24,094	24,968	699,028	-	699,028
(2) Intersegment transactions	10,195	137	2,786	10	8,823	21,953	(21,953)	-
<b>Total</b>	<b>347,946</b>	<b>281,735</b>	<b>33,402</b>	<b>24,104</b>	<b>33,792</b>	<b>720,981</b>	<b>(21,953)</b>	<b>699,028</b>
<b>Operating expenses</b>	<b>336,528</b>	<b>263,415</b>	<b>32,874</b>	<b>23,913</b>	<b>31,673</b>	<b>688,406</b>	<b>(21,429)</b>	<b>666,976</b>
<b>Operating income</b>	<b>11,418</b>	<b>18,319</b>	<b>528</b>	<b>191</b>	<b>2,118</b>	<b>32,575</b>	<b>(523)</b>	<b>32,051</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 forklifts, warehouse equipment, automated storage and retrieval system, truck mount aerial work platforms

Logistics ..... Transportation services, logistics planning, operation of distribution centers, collection and delivery of cash and management of sales proceeds

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

Others ..... Ball grid array-type plastic package substrates for IC chipsets

3. Changes in business segment

The logistics-related business, which was included in the Others Segment until the previous fiscal year, has been separated and declared independently as the Logistics Segment starting from this fiscal year (fiscal 2006). Sales of the Logistics Segment for FY2005 semiannual were 17,540 million yen and an operating loss of 75 million yen. For FY2005 annual, the segment recorded sales of 37,913 million yen and an operating loss of 650 million yen.

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

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

	Automobile	Materials handling equipment	Textile machinery	Others	Total	Eliminations	Consolidated
<b>Net sales</b>							
(1) Outside customer sales	308,666	239,909	22,272	36,213	607,063	-	607,063
(2) Intersegment transactions	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>

(3) 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
<b>Net sales</b>							
(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)	-
<b>Total</b>	<b>634,422</b>	<b>504,138</b>	<b>43,927</b>	<b>99,025</b>	<b>1,281,514</b>	<b>(39,975)</b>	<b>1,241,538</b>
<b>Operating expenses</b>	<b>611,659</b>	<b>478,053</b>	<b>44,698</b>	<b>93,782</b>	<b>1,228,193</b>	<b>(39,775)</b>	<b>1,188,418</b>
<b>Operating income</b>	<b>22,763</b>	<b>26,084</b>	<b>(771)</b>	<b>5,243</b>	<b>53,320</b>	<b>(200)</b>	<b>53,120</b>

## 2. Geographical segments

(1) FY2006 Semiannual (April 1, 2005 - September 30, 2005)

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

	Japan	North America	Europe	Others	Total	Eliminations	Consolidated
Net sales							
(1) Sales to external customers	461,876	119,484	102,181	15,485	699,028	-	699,028
(2) Inter-segment sales and transfers	53,537	742	4,183	1,749	60,213	(60,213)	-
Total	515,413	120,227	106,365	17,235	759,242	(60,213)	699,028
Operating expenses	490,894	116,133	103,235	16,631	726,895	(59,918)	666,976
Operating income	24,519	4,093	3,129	604	32,346	(295)	32,051

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

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

	Japan	North America	Europe	Others	Total	Eliminations	Consolidated
Net sales							
(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)	-
Total	446,823	105,984	93,686	14,345	660,839	(53,775)	607,063
Operating expenses	421,828	102,216	91,173	14,409	629,627	(52,662)	576,964
Operating income	24,995	3,768	2,512	(64)	31,211	(1,112)	30,098

(3) 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) Sales to external customers	815,039	212,253	188,668	25,576	1,241,538	-	1,241,538
(2) Inter-segment sales and transfers	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

### 3.Overseas sales

(1)FY2006 Semiannual (April 1, 2005 – September 30, 2005)

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

	North America	Europe	Others	Total
Overseas sales	118,995	119,210	58,833	297,039
Consolidated sales				699,028
Ratio of overseas sales to consolidated sales	17.0%	17.1%	8.4%	42.5%

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

(Million yen; 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%

(3)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%

## Breakdown of Consolidated Net Sales

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

	FY2006 (April 1, 2005 - September 30, 2005)		FY2005 (April 1, 2004 - September 30, 2004)		Increase (Decrease)	% Change	FY2004 (April 1, 2003 - March 31, 2004)	
	Amount	Ratio	Amount	Ratio			Amount	Ratio
<b>Automobile</b>		%		%		%		%
Vehicle	154,701	22.1	139,368	22.9	15,333	11.0	278,841	22.5
Engine	65,414	9.4	56,507	9.3	8,907	15.8	113,295	9.1
Car air-conditioning compressor	105,000	15.0	101,252	16.7	3,748	3.7	197,984	15.9
Foundry, Electronics parts and others	12,635	1.8	11,538	1.9	1,097	9.5	26,079	2.1
Subtotal	337,751	48.3	308,666	50.8	29,085	9.4	616,200	49.6
Materials handling equipment	281,597	40.3	239,909	39.5	41,688	17.4	503,989	40.6
Logistics	30,615	4.4	-	-	30,615	-	-	-
Textile machinery	24,094	3.4	22,272	3.7	1,822	8.2	43,902	3.5
Others	24,968	3.6	36,213	6.0	(11,245)	(31.1)	77,446	6.3
<b>Total</b>	699,028	100.0	607,063	100.0	91,965	15.1	1,241,538	100.0

Notes: The logistics-related business, which was included in the Others Segment until the previous fiscal year, has been separated and declared independently as the Logistics Segment starting from this fiscal year (fiscal 2006). Sales of the Logistics Segment for FY2005 semiannual and annual were 15,541 million yen and 33,306 million yen, respectively.

# Semiannual Non-consolidated Financial Results for FY2006

## TOYOTA INDUSTRIES CORPORATION

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

Representative person: Tetsuro Toyoda, 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 FY2006: October 28, 2005

Provision for interim cash dividends: Provision exists

Date of starting actual payment of interim cash dividends: November 25, 2005

Number of shares in unit share system: 100 shares

### 1. Financial Highlights for FY2006 Semiannual (April 1 – September 30, 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	%
<b>FY2006 Semiannual</b>	<b>434,957</b>	<b>( 12.6 )</b>	<b>17,172</b>	<b>( - 9.4 )</b>	<b>25,184</b>	<b>( 5.8 )</b>
FY2005 Semiannual	386,317	( 5.6 )	18,948	( 6.5 )	23,808	( 20.2 )
FY2005 Annual	784,399		30,075		39,785	

	Net income	( % change from previous year )	Net income per share - basic
	Million yen	%	Yen
<b>FY2006 Semiannual</b>	<b>17,593</b>	<b>( 10.3 )</b>	<b>55.16</b>
FY2005 Semiannual	15,956	( 28.9 )	50.19
FY2005 Annual	26,320		81.87

Notes: 1. Average number of shares issued each year

FY2006 Semiannual — 318,937,523 shares, FY2005 Semiannual — 317,933,860 shares, FY2005 Annual — 318,087,484 shares

2. Changes in accounting policies: No change

#### (2) Cash dividends

	Interim cash dividends per share	Cash dividends per share
	Yen	Yen
<b>FY2006 Semiannual</b>	<b>18</b>	—
FY2005 Semiannual	13	—
FY2005 Annual	—	32

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

	Total assets	Shareholders' equity	Ratio of shareholders' equity	Shareholders' equity per share
	Million yen	Million yen	%	Yen
<b>FY2006 Semiannual</b>	<b>2,332,538</b>	<b>1,267,713</b>	<b>54.3</b>	<b>3,970.26</b>
FY2005 Semiannual	1,870,875	1,058,418	56.6	3,326.06
FY2005 Annual	1,980,211	1,056,828	53.4	3,320.01

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

FY2006 Semiannual — 319,302,325 shares, FY2005 Semiannual — 318,219,881 shares, FY2005 Annual — 318,236,815 shares

2. Number of treasury stock at the end of period

FY2006 Semiannual — 6,538,315 shares, FY2005 Semiannual — 7,620,759 shares, FY2005 Annual — 7,603,825 shares

### 2. Forecast of Non-consolidated Financial Results for FY2006 (April 1, 2005 - March 31, 2006)

	Net sales	Ordinary income	Net income	Annual cash dividends per share	
	Million yen	Million yen	Million yen	Year end	Yen
<b>FY2006 Annual</b>	<b>960,000</b>	<b>46,000</b>	<b>31,000</b>	<b>18</b>	<b>36</b>

Reference: (Forecast) Net income per share — basic (annual): 97.09 yen

## Non-consolidated Balance Sheets

	FY2006 ( As of September 30, 2005 )	FY2005 ( As of March 31, 2005 )	Increase (Decrease)	FY2005 ( As of September 30, 2004 )
<b>(Assets)</b>				
<b>Current assets</b>	<b>2 3 6 , 5 9 2</b>	<b>2 5 5 , 5 1 3</b>	<b>( 1 8 , 9 2 1 )</b>	<b>1 9 5 , 3 1 1</b>
Cash and deposits	4 6 , 8 1 1	2 8 , 7 2 1	1 8 , 0 9 0	2 6 , 9 2 7
Trade notes receivable	4 1 4	7 2 5	( 3 1 1 )	1 , 3 8 6
Trade accounts receivable	1 0 4 , 0 5 8	9 4 , 0 4 8	1 0 , 0 1 0	8 2 , 6 5 5
Marketable securities	1 0 , 0 0 0	4 0 , 0 0 5	( 3 0 , 0 0 5 )	2 0 , 0 0 3
Finished goods	2 , 3 2 2	1 , 7 2 4	5 9 8	2 , 4 7 4
Raw materials	2 7 7	4 7 2	( 1 9 5 )	3 7 3
Work in process	2 1 , 5 5 4	2 1 , 3 1 8	2 3 6	1 9 , 4 7 1
Supplies	5 , 1 8 0	4 , 7 3 1	4 4 9	4 , 0 9 9
Prepaid expenses	3 3 4	1 2 4	2 1 0	2 6 7
Deferred tax assets	9 , 9 3 9	1 3 , 5 2 6	( 3 , 5 8 7 )	1 3 , 9 5 5
Other current assets	3 5 , 7 1 2	5 0 , 1 2 8	( 1 4 , 4 1 6 )	2 3 , 7 0 6
Less - allowance for doubtful accounts	( 1 3 )	( 1 4 )	1	( 9 )
<b>Fixed assets</b>	<b>2 , 0 9 5 , 9 4 6</b>	<b>1 , 7 2 4 , 6 9 8</b>	<b>3 7 1 , 2 4 8</b>	<b>1 , 6 7 5 , 5 6 4</b>
<b>Property, plant and equipment</b>	<b>3 0 1 , 1 4 4</b>	<b>2 7 7 , 9 0 7</b>	<b>2 3 , 2 3 7</b>	<b>2 4 1 , 3 8 3</b>
Buildings	8 2 , 5 1 8	7 5 , 1 5 8	7 , 3 6 0	7 3 , 7 6 4
Structures	1 0 , 5 9 4	8 , 9 8 7	1 , 6 0 7	9 , 0 1 7
Machinery and equipment	1 2 3 , 7 7 7	1 0 4 , 0 1 1	1 9 , 7 6 6	9 3 , 5 2 0
Vehicles and delivery equipment	1 , 3 4 6	1 , 2 0 0	1 4 6	1 , 0 4 1
Tools, furniture and fixture	1 1 , 8 2 3	1 1 , 1 6 0	6 6 3	8 , 9 3 0
Land	5 0 , 4 0 2	4 6 , 0 9 6	4 , 3 0 6	4 1 , 1 6 2
Construction in progress	2 0 , 6 8 3	3 1 , 2 9 1	( 1 0 , 6 0 8 )	1 3 , 9 4 6
<b>Intangible assets</b>	<b>9 , 4 0 5</b>	<b>9 , 4 0 7</b>	<b>( 2 )</b>	<b>9 , 7 9 9</b>
Software	9 , 4 0 5	9 , 4 0 7	( 2 )	9 , 7 9 9
<b>Investments and other assets</b>	<b>1 , 7 8 5 , 3 9 4</b>	<b>1 , 4 3 7 , 3 8 3</b>	<b>3 4 8 , 0 1 2</b>	<b>1 , 4 2 4 , 3 8 1</b>
Investments in securities	1 , 5 7 2 , 0 5 5	1 , 2 2 3 , 9 9 5	3 4 8 , 0 6 0	1 , 2 3 7 , 5 7 1
Investments in subsidiaries	1 8 1 , 7 6 1	1 8 1 , 2 3 1	5 3 0	1 5 4 , 9 3 4
Long-term loans	1 1 , 9 0 8	1 1 , 8 5 5	5 3	1 0 , 7 9 4
Long-term prepaid expenses	9 , 1 3 6	1 0 , 0 2 9	( 8 9 3 )	1 0 , 7 9 0
Other investments and other assets	1 0 , 6 1 5	1 0 , 4 4 2	1 7 3	1 0 , 4 0 3
Less - allowance for doubtful accounts	( 8 1 )	( 1 7 1 )	9 0	( 1 1 2 )
<b>Total assets</b>	<b>2 , 3 3 2 , 5 3 8</b>	<b>1 , 9 8 0 , 2 1 1</b>	<b>3 5 2 , 3 2 7</b>	<b>1 , 8 7 0 , 8 7 5</b>

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

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

	FY2006 (As of September 30, 2005)	FY2005 (As of March 31, 2005)	Increase (Decrease)	FY2005 (As of September 30, 2004)
<b>(Liabilities)</b>				
<b>Current liabilities</b>	<b>2 37,724</b>	<b>2 38,536</b>	<b>(812)</b>	<b>2 01,315</b>
Trade notes payable	1,577	941	636	1,089
Trade accounts payable	109,412	112,543	(3,131)	91,182
Commercial paper	25,000	-	25,000	15,000
Current portion of bonds	15,000	20,000	(5,000)	20,000
Other payables	17,393	38,616	(21,223)	14,200
Accrued expenses	30,143	29,614	529	26,400
Accrued income taxes	4,144	8,221	(4,077)	9,008
Advance received	706	999	(293)	418
Deposits received	13,479	7,342	6,137	4,073
Deposits received from employees	20,606	19,965	641	19,778
Other current liabilities	260	290	(30)	163
<b>Long-term liabilities</b>	<b>8 27,100</b>	<b>6 84,846</b>	<b>1 42,254</b>	<b>6 11,142</b>
Bonds	215,000	230,000	(15,000)	180,000
Long term loan	82,500	55,000	27,500	25,000
Deferred tax liabilities	507,168	376,610	130,558	383,639
Allowance for retirement benefits	21,172	20,856	316	20,153
Other long-term liabilities	1,258	2,378	(1,120)	2,350
<b>Total liabilities</b>	<b>1,064,824</b>	<b>923,382</b>	<b>141,442</b>	<b>812,457</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>105,647</b>	<b>105,579</b>	<b>68</b>	<b>105,585</b>
Capital reserve	101,766	101,766	-	101,766
Other capital reserve	3,880	3,812	68	3,819
Gain on disposal of treasury stock	3,880	3,812	68	3,819
<b>Retained earnings</b>	<b>308,355</b>	<b>297,087</b>	<b>11,268</b>	<b>290,860</b>
Legal reserve	17,004	17,004	-	17,004
General reserves	200,943	180,844	20,099	180,844
Reserve for special depreciation	679	711	(32)	711
Reserve for reduction of acquisition cost of fixed assets	263	133	130	133
General reserves	200,000	180,000	20,000	180,000
Unappropriated retained earnings at end of period	90,407	99,238	(8,831)	93,011
<i>&lt;Included net income for period&gt;</i>	<i>&lt;17,593&gt;</i>	<i>&lt;26,320&gt;</i>	<i>&lt;(8,727)&gt;</i>	<i>&lt;15,956&gt;</i>
<b>Net unrealized gain on other securities</b>	<b>787,637</b>	<b>590,426</b>	<b>197,211</b>	<b>598,268</b>
<b>Treasury stock</b>	<b>(14,389)</b>	<b>(16,726)</b>	<b>2,337</b>	<b>(16,759)</b>
<b>Total shareholders' equity</b>	<b>1,267,713</b>	<b>1,056,828</b>	<b>210,885</b>	<b>1,058,418</b>
<b>Total liabilities and</b>	<b>2,332,538</b>	<b>1,980,211</b>	<b>352,327</b>	<b>1,870,875</b>

# Non-consolidated Statements of Income

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

	FY2006 ( April 1, 2005 - September 30, 2005 )	FY2005 ( April 1, 2004 - September 30, 2004 )	Increase (Decrease)	FY2005 ( April 1, 2004 - March 31, 2005 )
<b>(Ordinary profits and losses)</b>				
<b>Operating revenue and expenses</b>				
<b>Operating revenue</b>	<b>4 3 4 , 9 5 7</b>	<b>3 8 6 , 3 1 7</b>	<b>4 8 , 6 4 0</b>	<b>7 8 4 , 3 9 9</b>
Net sales	4 3 4 , 9 5 7	3 8 6 , 3 1 7	4 8 , 6 4 0	7 8 4 , 3 9 9
<b>Operating expenses</b>	<b>4 1 7 , 7 8 5</b>	<b>3 6 7 , 3 6 9</b>	<b>5 0 , 4 1 6</b>	<b>7 5 4 , 3 2 2</b>
Cost of sales	3 8 7 , 2 0 4	3 3 8 , 5 6 7	4 8 , 6 3 7	6 9 5 , 5 6 4
Selling, general and administrative expenses	3 0 , 5 8 1	2 8 , 8 0 1	1 , 7 8 0	5 8 , 7 5 8
<b>Operating income</b>	<b>1 7 , 1 7 2</b>	<b>1 8 , 9 4 8</b>	<b>( 1 , 7 7 6 )</b>	<b>3 0 , 0 7 5</b>
<b>Non-operating income and expenses</b>				
<b>Non-operating income</b>	<b>1 5 , 4 9 2</b>	<b>1 0 , 1 6 6</b>	<b>5 , 3 2 6</b>	<b>2 0 , 6 5 3</b>
Interest and dividends income	1 1 , 8 5 2	7 , 9 1 5	3 , 9 3 7	1 4 , 9 3 6
Other non-operating income	3 , 6 3 9	2 , 2 5 1	1 , 3 8 8	5 , 7 1 6
<b>Non-operating expenses</b>	<b>7 , 4 8 0</b>	<b>5 , 3 0 6</b>	<b>2 , 1 7 4</b>	<b>1 0 , 9 4 3</b>
Interest expenses	2 , 2 4 0	1 , 7 3 2	5 0 8	3 , 7 0 0
Other non-operating expenses	5 , 2 4 0	3 , 5 7 4	1 , 6 6 6	7 , 2 4 2
<b>Ordinary income</b>	<b>2 5 , 1 8 4</b>	<b>2 3 , 8 0 8</b>	<b>1 , 3 7 6</b>	<b>3 9 , 7 8 5</b>
<b>(Extraordinary gains and losses)</b>				
<b>Extraordinary losses</b>	-	-	-	<b>1 4 4</b>
Impairment loss of fixed assets	-	-	-	1 4 4
<b>Income before income taxes</b>	<b>2 5 , 1 8 4</b>	<b>2 3 , 8 0 8</b>	<b>1 , 3 7 6</b>	<b>3 9 , 6 4 1</b>
Income taxes - current	4 , 3 7 4	9 , 9 4 0	( 5 , 5 6 6 )	1 6 , 8 0 2
Income taxes - deferred	3 , 2 1 6	( 2 , 0 8 8 )	5 , 3 0 4	( 3 , 4 8 1 )
<b>Net income</b>	<b>1 7 , 5 9 3</b>	<b>1 5 , 9 5 6</b>	<b>1 , 6 3 7</b>	<b>2 6 , 3 2 0</b>
Unappropriated retained earnings brought forward	7 2 , 8 1 4	7 7 , 0 5 5	( 4 , 2 4 1 )	7 7 , 0 5 5
Interim cash dividends	-	-	-	4 , 1 3 6
<b>Unappropriated retained earnings at end of period</b>	<b>9 0 , 4 0 7</b>	<b>9 3 , 0 1 1</b>	<b>( 2 , 6 0 4 )</b>	<b>9 9 , 2 3 8</b>