

# FINANCIAL SUMMARY

FY2003 annual

(April 1, 2002 through March 31, 2003)

**TOYOTA INDUSTRIES CORPORATION**

English translation from the original Japanese-language document

## Cautionary Statement with Respect to Forward-Looking Statements

*This Financial summary 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 should be understood in this context. 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 summary and are not guarantees of future performance. These projections and forward-looking statements are subject to change without notice, and Toyota Industries Corporation and its Group companies will not necessarily inform you of such changes. 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 discussed in this summary. These risks and uncertainties include, but are not limited to, the following:*

- i) Domestic and overseas economic conditions, particularly levels of consumer spending, demand for our products and private sector capital expenditure*
- ii) Adverse changes in laws and regulations, such as trade restrictions and tariffs, or stricter safety or emissions regulations, resulting in higher costs and/or sales restrictions*
- iii) Currency exchange rate fluctuations, notably involving yen, U.S. dollars, Asian currencies and the euro — the currencies in which Toyota Industries Corporation and its Group companies have holdings and use to conduct their international business*
- iv) Fluctuations in market prices of securities in which Toyota Industries Corporation and its Group companies have substantial holdings*
- v) The ability of Toyota Industries Corporation and its Group companies to maintain their strength in many product development and geographical areas, through such means as new product development and launches in highly competitive markets characterized by continual new product introductions, rapid technological advances and fluctuations in demand*
- vi) Effects of natural disasters, terrorist activities, war or political instability in the markets Toyota Industries Corporation and its Group companies serve*
- vii) Factors such as greater price competition in Asia, North America and Europe resulting from industry overcapacity or other factors; higher fuel prices or shortages of fuel; labor or other constraints on the ability of Toyota Industries Corporation and its Group companies to restructure their business; work stoppages at their facilities or those of key suppliers; and the discovery of defects in their products resulting in delays in new product launches, recall campaigns, increased warranty costs or litigation.*

# Consolidated Financial Results for FY2003 (April 2002 - March 2003)

## TOYOTA INDUSTRIES CORPORATION

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

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

Representative person : Tadashi Ishikawa, President

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

Date of the meeting of the Board of Directors for FY2003 consolidated financial results: April 24, 2003

US GAAP: Not Used

### 1. Financial Highlights for FY2003 (April 1, 2002 - March 31, 2003)

#### (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>FY2003</b>	<b>1,069,218</b>	<b>( 9.1 )</b>	<b>52,477</b>	<b>( 13.3 )</b>	<b>51,375</b>	<b>( 7.3 )</b>
FY2002	980,163	( 27.7 )	46,330	( -2.1 )	47,865	( 7.5 )

	Net income	( % change from previous year )	Net income per share—basic	Net income per share—diluted	Return on equity	Ordinary income on assets	Ordinary income on sales
	Million yen	%	Yen	Yen	%	%	%
<b>FY2003</b>	<b>21,933</b>	<b>( -19.7 )</b>	<b>70.19</b>	<b>62.90</b>	<b>2.7</b>	<b>3.0</b>	<b>4.8</b>
FY2002	27,311	( 20.6 )	87.28	78.26	3.0	2.6	4.9

Notes: 1. Equity in net loss of affiliates: FY2003—4,633 million yen, FY2002—928 million yen

2. Average number of shares outstanding in each year (consolidated) : FY2003—307,813,094 shares, FY2002—312,912,039 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>FY2003</b>	<b>1,650,391</b>	<b>738,867</b>	<b>44.8</b>	<b>2,522.52</b>
FY2002	1,770,401	878,812	49.6	2,809.54

Note: Number of shares outstanding at end of each year (consolidated) : FY2003—292,777,198 shares, FY2002—312,912,039 shares

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of year
	Million yen	Million yen	Million yen	Million yen
<b>FY2003</b>	<b>103,183</b>	<b>(95,120)</b>	<b>57,775</b>	<b>136,929</b>
FY2002	81,078	(106,710)	1,225	71,119

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

Consolidated subsidiaries: 118 companies

Unconsolidated subsidiaries accounted for under the equity method: 2 companies

Affiliates accounted for under the equity method: 16 companies

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

Consolidated subsidiaries: (increase) 8 companies, (decrease) 1 company

Equity method : (increase) 3 companies, (decrease) 4 companies

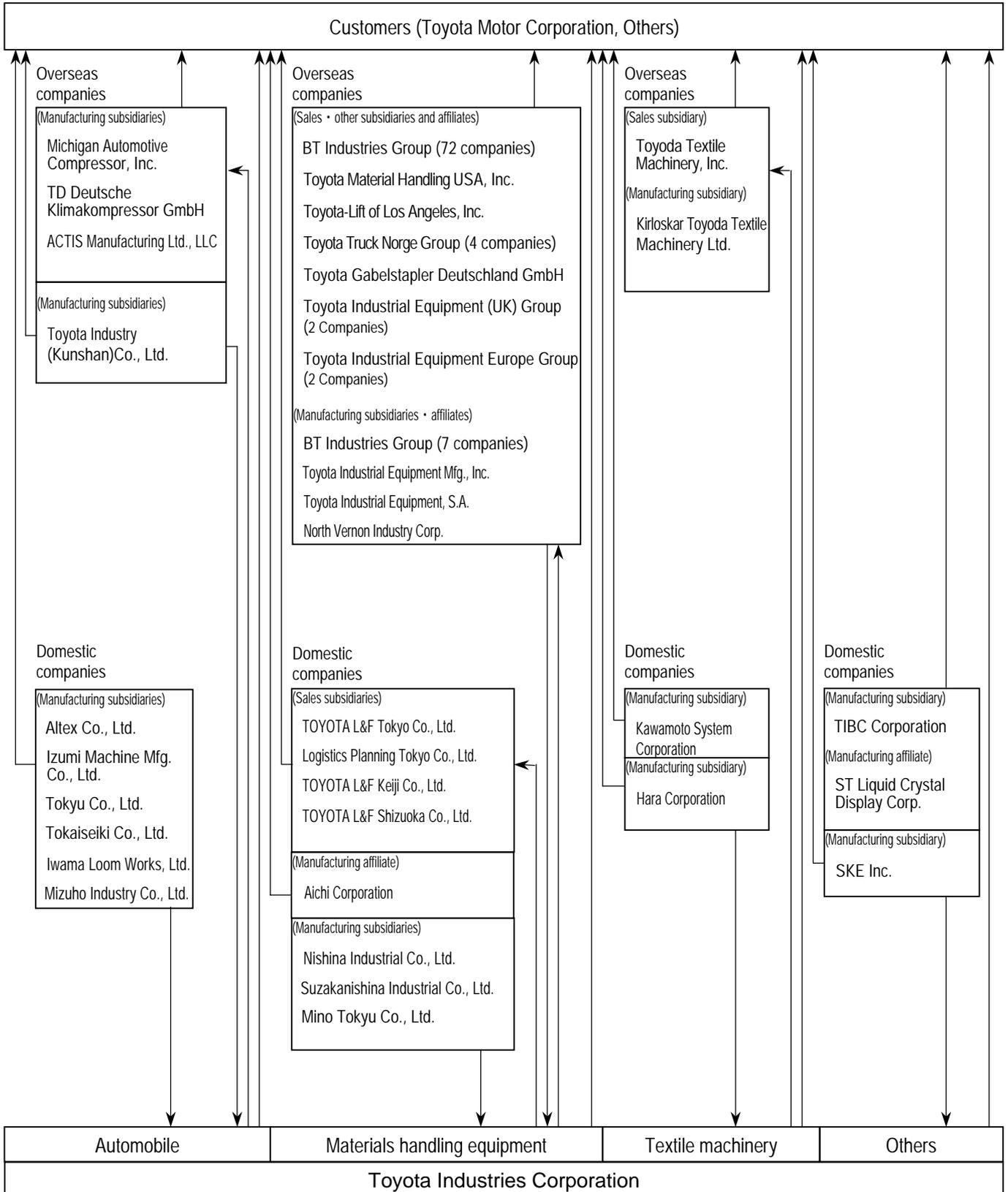
### 2. Forecasts of Consolidated Financial Results for FY2004 (April 1, 2003 - March 31, 2004)

	Net sales	Ordinary income	Net income
	Million yen	Million yen	Million yen
FY2004 semi-annual	540,000	27,000	16,000
FY2004	1,100,000	57,000	34,000

Reference: (Forecast) Net income per share—basic (annual): 116.13yen

# Overview of Associated Companies

Toyota Industries Corporation and its associated companies (Toyota Motor Corporation ("TMC"), which has Toyota Industries Corporation as an affiliate, Toyota Industries Corporation's 120 subsidiaries and 24 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 and electronic substrates for IC chipsets.

For the medium term, Toyota Industries aims to achieve consolidated sales of 1.2 trillion yen, enhance profitability and improve capital efficiency.

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

Toyota Industries deems it highly important to establish and maintain an organization that can quickly and flexibly respond to changes in the management climate together with a fair, shareholder-oriented management system to promote greater management transparency and carry out effective corporate governance.

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 Corporation seeks to establish a responsive and efficient management as well as effective internal control system.

In June 2002, the Ordinary General Meeting of Shareholders approved the appointment of one additional external auditor, bringing the total number to five auditors. Further, Toyota Industries has newly established the Audit Office with dedicated staff, enhancing the auditing function for overseeing the performance of its directors.

The Company has strengthened supervision of each division and an 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 higher awareness of ethical issues.

Toyota Industries established a new 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.

# Business Results and Financial Position

## 1. Overview of Business results

In fiscal 2003 (ended March 31, 2003), the Japanese economy remained sluggish. In addition to a declining stock market, private sector capital investment continued to be stagnant. Consumer spending remained weak due to employment uncertainties. Overseas, although the European economy was on its way to a slow recovery, the U.S. economy started decelerating in the latter half of the year.

Against this background, total consolidated net sales of Toyota Industries amounted to 1,069.2 billion yen, an increase of 89.1 billion yen, or 9%, compared with fiscal 2002. The following is a review of operations for the major business segments.

Net sales of the Automobile Segment totaled 595.4 billion yen, an increase of 31.9 billion yen, or 6%, over fiscal 2002. Domestic automobile production was solid, thanks to an increase in sales in the latter half of the fiscal year as well as favorable exports. Within this segment, net sales of the Vehicle Business totaled 281.9 billion yen, an increase of 1.8 billion yen, or 1%, over fiscal 2002. Although intensified competition in the domestic small car market resulted in a drop in sales of the Vitz (Yaris in Europe), this decrease was offset by sales of the Corolla for North America, for which production commenced in January 2003. Net sales of the Engine Business totaled 117.6 billion yen, an increase of 2.8 billion yen, or 2%, over fiscal 2002, due mainly to increased sales of AZ-type and UZ-type gasoline engines. In August 2002, production of foundry parts for engines was transferred from the Obu Plant to the Higashichita Plant. In October 2002, the Company jointly established Toyota Motor Industries Poland Sp.zo.o. with Toyota Motor Corporation in Jelcz-Laskowice, Poland, with the intent of strengthening its position in the diesel car market in Europe. Operations are slated to start in early 2005. Net sales of the Car Air-Conditioning Compressor Business totaled 177.9 billion yen, an increase of 24.8 billion yen, or 16%, over fiscal 2002. Vigorous development of new products attuned to customer needs was carried out, together with strengthening sales activities targeting car manufacturers in Europe and the U.S. Production capacity was also bolstered by newly establishing the Higashiura Plant in Aichi Prefecture and relocating the Obu Plant.

Net sales of the Materials Handling Equipment Segment totaled 373.0 billion yen, an increase of 20.0 billion yen, or 6%, over fiscal 2002. Domestic sales showed signs of bottoming out in the second half of fiscal 2003, while an upturn in overseas sales became evident. Development of new products responsive to customer needs included the GENE0-E, a three-wheel electric counterbalanced forklift truck introduced to its lineup in January 2003. Aggressive sales promotion activities were also conducted in cooperation with our distributors. As a result, we achieved a 41.2% share in the Japanese forklift truck market for fiscal 2003, marking a record-high and capturing market share exceeding 40% for the fourth consecutive year. Overseas forklift truck sales were also strong, especially in Australia, Asia and Europe. In April 2002, Toyota Industries Corporation entered into a comprehensive agreement on capital and business collaboration with Aichi Corporation to solidify its superior position in the aerial lift equipment field. Also, in anticipation of expanding demand in China, preparations are underway for local production of forklift trucks at Toyota Industry (Kunshan) Co., Ltd., as well as establishment of a local sales subsidiary. Both facilities are planned to start operations in 2003.

Net sales of the Textile Machinery Segment totaled 48.7 billion yen, an increase of 18.0 billion yen, or 59%, over fiscal 2002, due mainly to a substantial increase in sales of air-jet looms in China. Sales of the JAT710 air-jet loom commenced in January 2003 in line with meeting diversifying and advancing customer needs.

In fiscal 2003, Toyota Industries' ordinary income amounted to 51.3 billion yen, an increase of 3.5 billion yen, or 7%, over fiscal 2002. This increase reflected expanded sales and enhanced

cost-reduction efforts company-wide, offsetting increases in labor costs and pre-production expenses. Net income, however, totaled 21.9 billion yen, a decrease of 5.4 billion yen, or 20%, from fiscal 2002. This decrease was due to falling stock market prices resulting in a loss in investment securities, as well as a loss from disposal of fixed assets that accompanied the relocation of a plant, which was posted as an extraordinary loss.

Net cash provided by operating activities was 103.1 billion yen, an increase of 22.1 billion yen over fiscal 2002. Income before income taxes and depreciation were 43.6 billion yen and 59.1 billion yen, respectively.

Net cash used in investing activities was 95.1 billion yen, a decrease of 11.6 billion yen from fiscal 2002. Payments for acquisition of business in the previous fiscal year offset payments for acquisition of fixed assets of 86.7 billion yen, including the establishment of the Higashiura Plant and the relocation of a plant.

Net cash provided by financing activities was 57.7 billion yen, an increase of 56.5 billion yen over fiscal 2002. This was due mainly to proceeds from issuance of corporate bonds in the amount of 79.6 billion yen. During the year, Toyota Industries Corporation repurchased treasury stock in the amount of 35.1 billion yen.

After translation adjustments, cash and cash equivalents as of March 31, 2003 stood at 136.9 billion yen, an increase of 65.8 billion yen over fiscal 2002.

## **2. Distribution of Profits for FY2003**

Including the interim cash dividend of 10.0 yen per common share, paid in November 2002, and a year-end cash dividend of 12.0 yen per common share, Toyota Industries Corporation intends that total cash dividends for fiscal 2003 will be 22.0 yen per common share, an increase of 3.0 yen per common share over fiscal 2002.

## **3. Forecast for the Fiscal Year Ending March 31, 2004**

Amid the current deflationary trend, Toyota Industries anticipates a package of government-led economic recovery measures will be implemented to positive effect; however, falling global stock prices and continuing uncertainties regarding employment and the U.S. economy will likely result in a rather sluggish business environment overall.

For fiscal 2004, ending March 31, 2004, Toyota Industries forecasts consolidated net sales of 1,100.0 billion yen, ordinary income of 57.0 billion yen and net income of 34.0 billion yen. We are determined to develop new products that are of high quality and accommodate customer needs, as well as enhance sales, service and cost-reduction activities company-wide.

Our projections are based on an exchange rate of ¥115.0=US\$1.

## Consolidated Balance Sheets

	FY2003 (As of March 31, 2003)	FY2002 (As of March 31, 2002)	Increase (Decrease)
<b><u>Assets</u></b>			
<b>Current assets</b>	<b>3 7 1 , 8 0 7</b>	<b>2 9 5 , 3 2 6</b>	<b>7 6 , 4 8 1</b>
Cash and deposits	8 7 , 8 4 0	5 0 , 2 7 8	3 7 , 5 6 2
Trade notes and accounts receivable	1 1 9 , 0 4 7	1 0 7 , 8 2 0	1 1 , 2 2 7
Marketable securities	5 2 , 7 8 0	2 8 , 8 2 0	2 3 , 9 6 0
Inventories	6 9 , 1 4 0	7 0 , 5 1 1	( 1 , 3 7 1 )
Deferred tax assets	1 4 , 0 7 2	1 0 , 0 8 0	3 , 9 9 2
Other current assets	3 0 , 9 2 4	2 9 , 7 3 2	1 , 1 9 2
Less — allowance for doubtful accounts	( 1 , 9 9 8 )	( 1 , 9 1 7 )	( 8 1 )
<b>Fixed assets</b>	<b>1 , 2 7 8 , 5 8 3</b>	<b>1 , 4 7 5 , 0 7 4</b>	<b>( 1 9 6 , 4 9 1 )</b>
<b>Property, plant and equipment</b>	<b>3 6 2 , 1 9 3</b>	<b>3 3 7 , 6 4 2</b>	<b>2 4 , 5 5 1</b>
Buildings and structures	1 1 8 , 4 4 8	1 0 2 , 6 5 9	1 5 , 7 8 9
Machinery, equipment and vehicles	1 5 7 , 7 3 3	1 4 9 , 2 5 9	8 , 4 7 4
Tools, furniture and fixtures	1 6 , 0 0 6	1 5 , 4 8 2	5 2 4
Land	5 6 , 2 5 4	4 6 , 5 4 9	9 , 7 0 5
Construction in progress	1 3 , 7 4 9	2 3 , 6 9 1	( 9 , 9 4 2 )
<b>Intangible assets</b>	<b>9 6 , 7 7 3</b>	<b>9 4 , 8 7 4</b>	<b>1 , 8 9 9</b>
Software	9 , 1 9 5	6 , 3 4 7	2 , 8 4 8
Goodwill	8 7 , 5 7 7	8 8 , 5 2 7	( 9 5 0 )
<b>Investments and other assets</b>	<b>8 1 9 , 6 1 6</b>	<b>1 , 0 4 2 , 5 5 7</b>	<b>( 2 2 2 , 9 4 1 )</b>
Investments in securities	7 6 2 , 0 2 6	9 8 6 , 3 5 4	( 2 2 4 , 3 2 8 )
Long-term loans	1 0 , 5 2 1	1 1 , 5 3 3	( 1 , 0 1 2 )
Long-term prepaid expenses	1 5 , 0 8 1	1 1 , 9 2 6	3 , 1 5 5
Deferred tax assets	2 , 8 6 2	2 , 2 3 7	6 2 5
Other investments and other assets	2 9 , 3 7 0	3 0 , 6 2 1	( 1 , 2 5 1 )
Less — allowance for doubtful accounts	( 2 4 7 )	( 1 1 6 )	( 1 3 1 )
<b>Total assets</b>	<b>1 , 6 5 0 , 3 9 1</b>	<b>1 , 7 7 0 , 4 0 1</b>	<b>( 1 2 0 , 0 1 0 )</b>

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

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

	FY2003 (As of March 31, 2003)	FY2002 (As of March 31, 2002)	Increase (Decrease)
<b><u>Liabilities</u></b>			
<b>Current liabilities</b>	<b>3 9 3 , 3 6 5</b>	<b>2 3 6 , 6 3 9</b>	<b>1 5 6 , 7 2 6</b>
Trade notes and accounts payable	1 1 7 , 4 2 4	1 1 1 , 2 5 1	6 , 1 7 3
Short-term bank loans	7 8 , 0 5 2	3 3 , 3 7 1	4 4 , 6 8 1
Current portion of bonds	2 0 , 0 0 0	-	2 0 , 0 0 0
Current portion of convertible bonds	7 5 , 6 9 2	-	7 5 , 6 9 2
Other payables	1 7 , 4 0 6	2 1 , 6 6 1	( 4 , 2 5 5 )
Accrued expenses	4 2 , 0 2 7	3 6 , 3 2 6	5 , 7 0 1
Accrued income taxes	1 4 , 1 4 3	8 , 6 1 1	5 , 5 3 2
Deposits received from employees	1 9 , 2 3 4	1 8 , 5 4 7	6 8 7
Deferred tax liabilities	1 , 1 9 1	4 9 3	6 9 8
Other current liabilities	8 , 1 9 3	6 , 3 7 5	1 , 8 1 8
<b>Long-term liabilities</b>	<b>4 9 4 , 1 6 4</b>	<b>6 3 6 , 0 9 4</b>	<b>( 1 4 1 , 9 3 0 )</b>
Bonds	2 0 0 , 3 0 0	1 4 0 , 3 0 0	6 0 , 0 0 0
Convertible bonds	-	7 5 , 7 4 2	( 7 5 , 7 4 2 )
Long-term bank loans	3 6 , 5 7 6	6 5 , 9 4 1	( 2 9 , 3 6 5 )
Deferred tax liabilities	2 1 2 , 3 5 5	3 1 5 , 9 7 8	( 1 0 3 , 6 2 3 )
Allowance for retirement benefits	3 4 , 1 0 0	2 8 , 8 3 9	5 , 2 6 1
Other long-term liabilities	1 0 , 8 3 2	9 , 2 9 2	1 , 5 4 0
<b>Total liabilities</b>	<b>8 8 7 , 5 3 0</b>	<b>8 7 2 , 7 3 3</b>	<b>1 4 , 7 9 7</b>
<b>Minority interest in consolidated subsidiaries</b>	<b>2 3 , 9 9 3</b>	<b>1 8 , 8 5 5</b>	<b>5 , 1 3 8</b>
<b><u>Shareholders' equity</u></b>			
<b>Common stock</b>	<b>6 8 , 0 4 6</b>	<b>6 8 , 0 2 1</b>	<b>2 5</b>
<b>Capital surplus</b>	<b>8 9 , 3 6 4</b>	<b>8 9 , 3 2 6</b>	<b>3 8</b>
<b>Retained earnings</b>	<b>2 6 9 , 3 8 0</b>	<b>2 5 3 , 9 7 5</b>	<b>1 5 , 4 0 5</b>
<b>Net unrealized gain on other securities</b>	<b>3 3 1 , 6 6 7</b>	<b>4 5 6 , 4 1 5</b>	<b>( 1 2 4 , 7 4 8 )</b>
<b>Translation adjustments</b>	<b>1 6 , 8 9 0</b>	<b>1 2 , 3 6 1</b>	<b>4 , 5 2 9</b>
<b>Treasury stock at cost</b>	<b>( 3 6 , 4 8 3 )</b>	<b>( 1 , 2 8 7 )</b>	<b>( 3 5 , 1 9 6 )</b>
<b>Total shareholders' equity</b>	<b>7 3 8 , 8 6 7</b>	<b>8 7 8 , 8 1 2</b>	<b>( 1 3 9 , 9 4 5 )</b>
<b>Total liabilities and shareholders' equity</b>	<b>1 , 6 5 0 , 3 9 1</b>	<b>1 , 7 7 0 , 4 0 1</b>	<b>( 1 2 0 , 0 1 0 )</b>

# Consolidated Statements of Income

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

	FY2003 ( April 1, 2002 - March 31, 2003 )	FY2002 ( April 1, 2001 - March 31, 2002 )	Increase (Decrease)
<b>Net sales</b>	1,069,218	980,163	89,055
Cost of sales	899,702	828,626	71,076
<b>Gross profit</b>	169,516	151,537	17,979
Selling, general and administrative expenses	117,038	105,206	11,832
<b>Operating income</b>	52,477	46,330	6,147
<b>Non-operating income</b>	26,335	23,122	3,213
Interest income	8,985	8,617	368
Dividends income	8,888	7,725	1,163
Other non-operating income	8,461	6,779	1,682
<b>Non-operating expenses</b>	27,438	21,587	5,851
Interest expenses	10,522	10,844	(322)
Other non-operating expenses	16,915	10,743	6,172
<b>Ordinary income</b>	51,375	47,865	3,510
<b>Extraordinary losses</b>	7,705	-	7,705
Revalued loss of investment securities	4,298	-	4,298
Loss on disposal of property, plant and equipment	3,407	-	3,407
<b>Income before income taxes</b>	43,669	47,865	(4,196)
Income taxes—current	28,120	20,842	7,278
Income taxes—deferred	(7,304)	(1,136)	(6,168)
Minority interest in consolidated subsidiaries	919	847	72
<b>Net income</b>	21,933	27,311	(5,378)

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

29,705

29,985

(280)

## Consolidated Statements of Shareholder's Equity

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

	FY2003 ( April 1, 2002 - March 31, 2003 )	FY2002 ( April 1, 2001 - March 31, 2002 )	Increase (Decrease)
<b>(Capital surplus)</b>			
<b>Capital surplus at beginning of year</b>	8 9 , 3 2 6	8 8 , 5 1 2	8 1 4
<b>Increase in capital surplus</b>	3 8	8 1 4	( 7 7 6 )
Conversion of convertible bonds	2 4	2	2 2
Gain on disposal of treasury stock	1 3	-	1 3
Increase due to merger of a subsidiary	-	8 1 1	( 8 1 1 )
<b>Decrease in capital surplus</b>	-	-	-
<b>Capital surplus at end of year</b>	8 9 , 3 6 4	8 9 , 3 2 6	3 8
<b>(Retained earnings)</b>			
<b>Retained earnings at beginning of year</b>	2 5 3 , 9 7 5	2 3 3 , 3 6 7	2 0 , 6 0 8
<b>Increase in retained earnings</b>	2 1 , 9 3 3	2 7 , 3 1 1	( 5 , 3 7 8 )
Net income	2 1 , 9 3 3	2 7 , 3 1 1	( 5 , 3 7 8 )
<b>Decrease in retained earnings</b>	6 , 5 2 8	6 , 7 0 3	( 1 7 5 )
Cash dividends	6 , 2 4 6	5 , 6 3 4	6 1 2
Bonuses to directors and corporate auditors	2 8 2	2 5 7	2 5
Decrease in retained earnings due to merger of a subsidiary	-	8 1 1	( 8 1 1 )
<b>Retained earnings at end of year</b>	2 6 9 , 3 8 0	2 5 3 , 9 7 5	1 5 , 4 0 5

# Consolidated Statements of Cash Flows

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

	FY2003 ( April 1, 2002 - March 31, 2003 )	FY2002 ( April 1, 2001 - March 31, 2002 )	Increase (Decrease)
<b>Cash flows from operating activities</b>	<b>1 0 3 , 1 8 3</b>	<b>8 1 , 0 7 8</b>	<b>2 2 , 1 0 5</b>
Income before income taxes	4 3 , 6 6 9	4 7 , 8 6 5	( 4 , 1 9 6 )
Depreciation and amortization	5 9 , 1 5 4	5 5 , 1 7 3	3 , 9 8 1
Increase in allowance for doubtful accounts	2 1 9	2 5 0	( 3 1 )
Interest and dividends income	( 1 7 , 8 7 4 )	( 1 6 , 3 4 3 )	( 1 , 5 3 1 )
Interest expenses	1 0 , 5 2 2	1 0 , 8 4 4	( 3 2 2 )
Equity in net loss of affiliates	4 , 6 3 3	9 2 8	3 , 7 0 5
(Increase) decrease in receivables	( 7 , 4 0 6 )	8 , 0 8 0	( 1 5 , 4 8 6 )
Decrease (increase) in inventories	1 , 2 5 2	( 1 , 3 7 1 )	2 , 6 2 3
Increase (decrease) in payables	5 , 4 3 1	( 3 , 4 0 2 )	8 , 8 3 3
Others, net	2 0 , 4 1 7	( 1 7 3 )	2 0 , 5 9 0
Subtotal	1 2 0 , 0 2 0	1 0 1 , 8 5 3	1 8 , 1 6 7
Interest and dividends income received	1 7 , 9 8 2	1 6 , 3 7 1	1 , 6 1 1
Interest expenses paid	( 1 0 , 9 4 4 )	( 1 0 , 9 0 6 )	( 3 8 )
Income taxes paid	( 2 3 , 8 7 5 )	( 2 6 , 2 3 9 )	2 , 3 6 4
<b>Cash flows from investing activities</b>	<b>( 9 5 , 1 2 0 )</b>	<b>( 1 0 6 , 7 1 0 )</b>	<b>1 1 , 5 9 0</b>
Payments for purchases of marketable securities	( 1 , 6 6 4 )	( 5 , 8 8 4 )	4 , 2 2 0
Proceeds from sales of marketable securities	8 , 4 4 7	4 , 2 1 2	4 , 2 3 5
Payments for purchases of property, plant and equipment	( 8 6 , 7 0 3 )	( 7 3 , 6 0 5 )	( 1 3 , 0 9 8 )
Proceeds from sales of property, plant and equipment	7 4 9	2 , 6 1 7	( 1 , 8 6 8 )
Payments for purchases of investment securities	( 2 1 , 8 9 6 )	( 2 1 , 1 2 0 )	( 7 7 6 )
Proceeds from sales of investment securities	9 , 7 9 2	4 , 0 3 2	5 , 7 6 0
Acquisition of subsidiaries' stock resulting in change in scope of consolidation	9 4 4	( 7 0 5 )	1 , 6 4 9
Payments for loans made	( 1 , 6 6 4 )	( 3 , 1 3 8 )	1 , 4 7 4
Proceeds from collections of loans	2 , 9 3 1	2 , 5 7 5	3 5 6
Payments for acquisition of business	-	( 2 3 , 7 1 9 )	2 3 , 7 1 9
Others, net	( 6 , 0 5 6 )	8 , 0 2 4	( 1 4 , 0 8 0 )
<b>Cash flows from financing activities</b>	<b>5 7 , 7 7 5</b>	<b>1 , 2 2 5</b>	<b>5 6 , 5 5 0</b>
Increase in short-term bank loans, net	5 , 8 8 6	1 , 0 6 2	4 , 8 2 4
Proceeds from long-term bank loans	2 1 , 7 9 7	8 , 0 4 8	1 3 , 7 4 9
Repayments of long-term bank loans	( 9 , 8 0 8 )	( 2 , 7 5 5 )	( 7 , 0 5 3 )
Proceeds from issuances of bonds	7 9 , 6 9 0	-	7 9 , 6 9 0
Payments for repurchase of treasury stock	( 3 5 , 1 9 5 )	( 1 , 3 8 9 )	( 3 3 , 8 0 6 )
Cash dividends paid	( 6 , 2 4 4 )	( 5 , 6 3 3 )	( 6 1 1 )
Cash dividends paid for minority shareholders	( 1 9 4 )	( 6 1 4 )	4 2 0
Others, net	1 , 8 4 4	2 , 5 0 7	( 6 6 3 )
<b>Translation adjustments of cash and cash equivalents</b>	<b>( 2 8 )</b>	<b>2 3 0</b>	<b>( 2 5 8 )</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>6 5 , 8 0 9</b>	<b>( 2 4 , 1 7 7 )</b>	<b>8 9 , 9 8 6</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>7 1 , 1 1 9</b>	<b>9 5 , 2 9 6</b>	<b>( 2 4 , 1 7 7 )</b>
<b>Cash and cash equivalents at end of year</b>	<b>1 3 6 , 9 2 9</b>	<b>7 1 , 1 1 9</b>	<b>6 5 , 8 1 0</b>

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

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

# Basis of Presenting Consolidated Financial Statements

## 1. Scope of consolidation and equity method

### (1) Scope of consolidation

	Companies	
Consolidated subsidiaries	118	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., Teion Shokuhin Ryutsu Co., Ltd., Toyoda High System, Incorporated, Nishina Industrial Co., Ltd., Suzaka Nishina Industrial Co., Ltd., Tokaiseiki Co., Ltd., Logistec Co., Ltd., SKE Inc., Taikoh Transportation Group (5 companies), SK Maintenance Inc., Iwama Loom Works, Ltd., Kawamoto System Corporation, Arti Inc., TOYOTA L&F Shizuoka Co., Ltd., Hara Corporation, Mizuho Industry Co., Ltd., Sun Valley Inc., Sun Staff, Inc., Tokai System Institute Corp., Shine's Inc., Toyoda International Sweden AB, BT Industries Group (63 companies), Michigan Automotive Compressor, Inc., Toyota Industries North America, Inc., Toyota Industrial Equipment Mfg., Inc., Toyota Material Handling USA, Inc., ACTIS Manufacturing Ltd., LLC, Toyota-Lift of Los Angeles, Inc., Toyoda Textile Machinery, Inc., Toyota Industries Personnel Service of America, Inc., TD Deutsche Klimakompressor GmbH, Kirloskar Toyoda Textile Machinery Ltd., Toyota Industry (Kunshan) Co., Ltd., Toyota Truck Norge Group (4 companies), Toyota Industrial Equipment, S.A., Toyota Gabelstapler Deutschland GmbH, Toyota Industrial Equipment (UK) Group (2 companies), Toyota Industrial Equipment Europe Group (2 companies)
Unconsolidated subsidiaries	2	BT Industries Group (2 companies)

### (2) Scope of equity method

	Companies	
Unconsolidated subsidiaries	2	BT Industries Group (2 companies)
Affiliates	16	ST Liquid Crystal Display Corp., Aichi Corporation, BT Industries Group (14 companies)

(3) TAL Personnel Service Inc changed its name to Toyota Industries Personnel Service of America, Inc as of October 24, 2002.

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

### Consolidated subsidiaries

	Companies (or Company)	
(Increase)	8	Teion Shokuhin Ryutsu Co., Ltd., Suzaka Nishina Industrial Co., Ltd., Taikoh Transportation Group (5 companies), BT Industries Group (1 company)
(Decrease)	1	BT Industries Group (1 company)

### Affiliates accounted for under the equity method

	Companies	
(Increase)	3	Aichi Corporation, BT Industries Group (2 companies)
(Decrease)	4	Taikoh Transportation Co., Ltd, BT Industries Group (3 companies)

## 3. Fiscal years of consolidated subsidiaries

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

December 31	TIBC Corporation, Sun River Co., Ltd., Izumi Machine Mfg. Co., Ltd., Mino Tokyu Co., Ltd., Toyoda High System, Incorporated, Logistec Co., Ltd., SKE Inc., Taikoh Transportation Group (1 company), SK Maintenance Inc., Kawamoto System Corporation, Arti Inc., Hara Corporation, Mizuho Industry Co., Ltd., Sun Valley Inc., Sun Staff, Inc., Tokai System Institute Corp., Shine's Inc., Toyoda International Sweden AB, BT Industries Group (63 companies), Michigan Automotive Compressor, Inc., Toyota Industries North America, Inc., Toyota Industrial Equipment Mfg., Inc., Toyota Material Handling USA, Inc., ACTIS manufacturing Ltd., LLC, Toyota-Lift of Los Angeles, Inc., Toyoda Textile Machinery, Inc., Toyota Industries Personnel Service of America, Inc., TD Deutsche Klimakompressor GmbH,
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Kirloskar Toyoda Textile Machinery Ltd., Toyota Industry (Kunshan) Co., Ltd.,  
 Toyota Truck Norge Group (4 companies), Toyota Industrial Equipment, S.A.,  
 Toyota Gabelstapler Deutschland GmbH, Toyota Industrial Equipment (UK) Group (2 companies),  
 Toyota Industrial Equipment Europe Group (2 companies)

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

Suzaka Nishina Industrial Co., Ltd. changed its fiscal year-end from May 31 to March 31. Accordingly, this consolidated financial statements includes 10 months of operations.

One Taikoh Group company changed its fiscal year-end from November 30 to March 31. This consolidated financial statements includes 9 months of operations.

#### 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 year  
 (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 year. Provision for retirement and severance benefits for directors and corporate auditors are recorded at the amounts required at the end of year 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 FY2003, interest rate swaps are utilized to hedge interest rate exposures of borrowings. The foreign exchange forward contracts and foreign currency options are used to hedge foreign currency risks in transactions denominated in foreign currencies.

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

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

#### 5. Valuation of assets and liabilities of consolidated subsidiaries

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

#### 6. Amotization of goodwill

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

#### 7. Appropriation of retained earnings

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

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

Cash and cash equivalents on the consolidated statements of cash flows include cash on hand, bank deposits to be withdrawn at any time and short-term investments with original maturities of three months or less that are readily convertible to known amounts of cash and are so near maturity that they present insignificant risk of changes in fair value.

# Segment Information

## 1. Business segment information

(1) FY2003 (April 1, 2002 - March 31, 2003)

(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	595,459	373,007	48,740	52,010	1,069,218	-	1,069,218
(2) Intersegment transactions	15,523	89	5	13,078	28,697	(28,697)	-
<b>Total</b>	<b>610,983</b>	<b>373,097</b>	<b>48,745</b>	<b>65,089</b>	<b>1,097,915</b>	<b>(28,697)</b>	<b>1,069,218</b>
<b>Operating expenses</b>	<b>580,875</b>	<b>356,922</b>	<b>46,436</b>	<b>61,177</b>	<b>1,045,412</b>	<b>(28,671)</b>	<b>1,016,740</b>
<b>Operating income</b>	<b>30,107</b>	<b>16,174</b>	<b>2,308</b>	<b>3,912</b>	<b>52,503</b>	<b>(25)</b>	<b>52,477</b>
<b>Assets</b>	<b>328,370</b>	<b>337,453</b>	<b>30,921</b>	<b>51,839</b>	<b>748,584</b>	<b>901,806</b>	<b>1,650,391</b>
<b>Depreciation and amortization</b>	<b>34,156</b>	<b>20,800</b>	<b>1,006</b>	<b>3,486</b>	<b>59,451</b>	<b>(296)</b>	<b>59,154</b>
<b>Capital expenditures</b>	<b>49,379</b>	<b>24,350</b>	<b>2,164</b>	<b>12,067</b>	<b>87,962</b>	<b>(403)</b>	<b>87,559</b>

(2) FY2002 (April 1, 2001 - March 31, 2002)

(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	563,598	353,042	30,705	32,816	980,163	-	980,163
(2) Intersegment transactions	15,411	44	49	11,055	26,561	(26,561)	-
<b>Total</b>	<b>579,010</b>	<b>353,087</b>	<b>30,754</b>	<b>43,872</b>	<b>1,006,724</b>	<b>(26,561)</b>	<b>980,163</b>
<b>Operating expenses</b>	<b>550,050</b>	<b>339,720</b>	<b>31,145</b>	<b>39,390</b>	<b>960,307</b>	<b>(26,474)</b>	<b>933,832</b>
<b>Operating income</b>	<b>28,960</b>	<b>13,366</b>	<b>(390)</b>	<b>4,481</b>	<b>46,417</b>	<b>(86)</b>	<b>46,330</b>
<b>Assets</b>	<b>317,133</b>	<b>319,334</b>	<b>22,323</b>	<b>31,639</b>	<b>690,431</b>	<b>1,079,969</b>	<b>1,770,401</b>
<b>Depreciation and amortization</b>	<b>33,403</b>	<b>18,882</b>	<b>796</b>	<b>2,306</b>	<b>55,389</b>	<b>(215)</b>	<b>55,173</b>
<b>Capital expenditures</b>	<b>61,023</b>	<b>26,336</b>	<b>522</b>	<b>902</b>	<b>88,785</b>	<b>(465)</b>	<b>88,319</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, skid steer loaders

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

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

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

## 2. Geographical segment information

(1) FY2003 (April 1, 2002 - March 31, 2003)

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

	Japan	North America	Europe	Others	Total	Eliminations	Consolidated
<b>Net sales</b>							
(1) Outside customer sales	733,869	192,385	139,514	3,449	1,069,218	-	1,069,218
(2) Intersegment transactions	78,517	1,411	4,899	1,033	85,862	(85,862)	-
<b>Total</b>	<b>812,387</b>	<b>193,796</b>	<b>144,413</b>	<b>4,483</b>	<b>1,155,080</b>	<b>(85,862)</b>	<b>1,069,218</b>
<b>Operating expenses</b>	<b>767,341</b>	<b>187,597</b>	<b>142,468</b>	<b>4,559</b>	<b>1,101,966</b>	<b>(85,225)</b>	<b>1,016,740</b>
<b>Operating income</b>	<b>45,045</b>	<b>6,199</b>	<b>1,945</b>	<b>(75)</b>	<b>53,114</b>	<b>(636)</b>	<b>52,477</b>
<b>Assets</b>	<b>554,033</b>	<b>144,739</b>	<b>223,445</b>	<b>9,758</b>	<b>931,977</b>	<b>718,413</b>	<b>1,650,391</b>

(2) FY2002 (April 1, 2001 - March 31, 2002)

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

	Japan	North America	Europe	Others	Total	Eliminations	Consolidated
<b>Net sales</b>							
(1) Outside customer sales	675,346	180,534	121,035	3,246	980,163	-	980,163
(2) Intersegment transactions	61,097	1,392	5,425	651	68,567	(68,567)	-
<b>Total</b>	<b>736,443</b>	<b>181,927</b>	<b>126,461</b>	<b>3,897</b>	<b>1,048,730</b>	<b>(68,567)</b>	<b>980,163</b>
<b>Operating expenses</b>	<b>695,442</b>	<b>177,442</b>	<b>125,344</b>	<b>4,011</b>	<b>1,002,240</b>	<b>(68,407)</b>	<b>933,832</b>
<b>Operating income</b>	<b>41,001</b>	<b>4,484</b>	<b>1,117</b>	<b>(113)</b>	<b>46,490</b>	<b>(159)</b>	<b>46,330</b>
<b>Assets</b>	<b>511,855</b>	<b>156,188</b>	<b>202,078</b>	<b>5,757</b>	<b>875,879</b>	<b>894,521</b>	<b>1,770,401</b>

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

## 3. Overseas sales

(1) FY2003 (April 1, 2002 - March 31, 2003)

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

	North America	Europe	Others	Total
Overseas sales	192,421	181,347	77,825	451,593
Consolidated sales				1,069,218
Ratio of overseas sales to consolidated sales	18.0%	17.0%	7.3%	42.2%

(2) FY2002 (April 1, 2001 - March 31, 2002)

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

	North America	Europe	Others	Total
Overseas sales	181,176	160,455	54,837	396,470
Consolidated sales				980,163
Ratio of overseas sales to consolidated sales	18.5%	16.4%	5.6%	40.4%

## Breakdown of Consolidated Net Sales

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

	FY2003 ( April 1, 2002 - March 31, 2003 )		FY2002 ( April 1, 2001 - March 31, 2002 )		Increase (Decrease)	% Change
	Amount	Component ratio	Amount	Component ratio		
<b>Automobile</b>		%		%		%
Vehicle	281,927	26.4	280,125	28.6	1,802	0.6
Engine	117,669	11.0	114,874	11.7	2,795	2.4
Car air-conditioning compressor	177,914	16.6	153,124	15.6	24,790	16.2
Foundry and others	17,948	1.7	15,473	1.6	2,475	16.0
<b>Subtotal</b>	<b>595,459</b>	<b>55.7</b>	<b>563,598</b>	<b>57.5</b>	<b>31,861</b>	<b>5.7</b>
<b>Materials handling equipment</b>	<b>373,007</b>	<b>34.9</b>	<b>353,042</b>	<b>36.0</b>	<b>19,965</b>	<b>5.7</b>
<b>Textile machinery</b>	<b>48,740</b>	<b>4.6</b>	<b>30,705</b>	<b>3.1</b>	<b>18,035</b>	<b>58.7</b>
<b>Others</b>	<b>52,010</b>	<b>4.8</b>	<b>32,816</b>	<b>3.4</b>	<b>19,194</b>	<b>58.5</b>
<b>Total</b>	<b>1,069,218</b>	<b>100.0</b>	<b>980,163</b>	<b>100.0</b>	<b>89,055</b>	<b>9.1</b>

# Non-consolidated Financial Results for FY2003 (April 2002 - March 2003)

## TOYOTA INDUSTRIES CORPORATION

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

Representative person: Tadashi Ishikawa, President

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

Date of the meeting of the Board of Directors for non-consolidated financial results for FY2002: April 24, 2003

Date of the Ordinary General Meeting of Shareholders: June 27, 2003

Provision for interim cash dividends: Provision exists.

Share trading unit: 100 shares

### 1. Financial Highlights for FY2003 (April 1, 2002 - March 31, 2003)

#### (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>FY2003</b>	<b>747,637</b>	<b>( 7.8 )</b>	<b>39,410</b>	<b>( 4.2 )</b>	<b>42,321</b>	<b>( 5.4 )</b>
FY2002	693,345	( 20.5 )	37,824	( 2.7 )	40,140	( 8.4 )

	Net income	( % change from previous year )	Net income per share—basic	Net income per share—diluted	Return on equity	Ordinary income on assets	Ordinary income on sales
	Million yen	%	Yen	Yen	%	%	%
<b>FY2003</b>	<b>20,118</b>	<b>( -19.6 )</b>	<b>64.63</b>	<b>57.96</b>	<b>2.5</b>	<b>2.8</b>	<b>5.7</b>
FY2002	25,015	( 20.1 )	79.94	71.72	2.8	2.5	5.8

Notes: 1. Average number of shares outstanding each year: FY2003—307,823,074 shares, FY2002—312,924,039 shares

2. Changes in accounting policies: No change

#### (2) Cash dividends

	Annual cash dividends per share			Total amount of annual cash dividends	Dividend payout ratio	Total amount of dividends on shareholders' equity
	Interim	Year-end				
	Yen	Yen	Yen	Million yen	%	%
<b>FY2003</b>	<b>22.00</b>	<b>10.00</b>	<b>12.00</b>	<b>6,631</b>	<b>34.0</b>	<b>0.9</b>
FY2002	19.00	9.00	10.00	5,943	23.8	0.7

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

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	Million yen	Million yen	%	Yen
<b>FY2003</b>	<b>1,420,342</b>	<b>718,041</b>	<b>50.6</b>	<b>2,451.75</b>
FY2002	1,565,087	864,293	55.2	2,763.12

Note: 1. Number of shares outstanding at end of each year: FY2003—292,777,198 shares, FY2002—312,796,158 shares

2. Number of treasury stock: FY2003—20,547,253 shares, FY2002—503,091 shares

### 2. Forecasts of non-consolidated Financial Results for FY2004 (April 1, 2003 - March 31, 2004)

	Net sales	Ordinary income	Net income	Annual cash dividends per share		
				Interim	Year-end	
	Million yen	Million yen	Million yen	Yen	Yen	Yen
FY2004 semi-annual	340,000	19,000	12,500	11.00	-	-
FY2004	700,000	40,000	26,000	-	12.00	23.00

Reference: (Forecast) Net income per share—basic (annual): 88.80 yen

## Non-consolidated Balance Sheets

	FY2003 (As of March 31, 2003)	FY2002 (As of March 31, 2002)	Increase (Decrease)
<b><u>Assets</u></b>			
<b>Current assets</b>	<b>2 4 0 , 9 9 1</b>	<b>1 8 0 , 2 3 9</b>	<b>6 0 , 7 5 2</b>
Cash and deposits	6 0 , 1 8 8	3 1 , 1 4 9	2 9 , 0 3 9
Trade notes receivable	3 , 0 5 9	1 , 0 1 3	2 , 0 4 6
Trade accounts receivable	6 8 , 4 1 8	6 4 , 8 8 1	3 , 5 3 7
Marketable securities	5 2 , 7 0 8	2 8 , 3 7 7	2 4 , 3 3 1
Finished goods	3 , 3 4 7	2 , 3 7 7	9 7 0
Raw materials	1 4 1	1 5 6	( 1 5 )
Work in process	1 5 , 6 4 8	1 9 , 6 0 0	( 3 , 9 5 2 )
Supplies	3 , 9 1 9	3 , 1 8 1	7 3 8
Prepaid expenses	1 9 8	1 2 7	7 1
Deferred tax assets	1 0 , 8 0 7	7 , 7 1 5	3 , 0 9 2
Other current assets	2 2 , 6 2 2	2 1 , 8 1 8	8 0 4
Less—allowance for doubtful accounts	( 6 8 )	( 1 5 9 )	9 1
<b>Fixed assets</b>	<b>1 , 1 7 9 , 3 5 1</b>	<b>1 , 3 8 4 , 8 4 7</b>	<b>( 2 0 5 , 4 9 6 )</b>
<b>Property, plant and equipment</b>	<b>2 2 5 , 4 7 2</b>	<b>2 2 1 , 2 0 6</b>	<b>4 , 2 6 6</b>
Buildings	7 0 , 8 4 7	6 0 , 0 0 8	1 0 , 8 3 9
Structures	7 , 3 6 3	6 , 0 3 5	1 , 3 2 8
Machinery and equipment	9 4 , 3 5 9	9 4 , 8 0 0	( 4 4 1 )
Vehicles and delivery equipment	1 , 2 0 8	1 , 1 5 4	5 4
Tools, furniture and fixtures	9 , 6 8 2	9 , 2 7 3	4 0 9
Land	3 5 , 2 7 9	3 2 , 3 8 3	2 , 8 9 6
Construction in progress	6 , 7 3 0	1 7 , 5 5 1	( 1 0 , 8 2 1 )
<b>Intangible assets</b>	<b>7 , 9 3 7</b>	<b>5 , 5 8 7</b>	<b>2 , 3 5 0</b>
Software	7 , 9 3 7	5 , 5 8 7	2 , 3 5 0
<b>Investments and other assets</b>	<b>9 4 5 , 9 4 1</b>	<b>1 , 1 5 8 , 0 5 2</b>	<b>( 2 1 2 , 1 1 1 )</b>
Investments in securities	7 7 6 , 3 8 7	9 9 4 , 0 0 8	( 2 1 7 , 6 2 1 )
Investments in subsidiaries	1 4 2 , 3 2 2	1 3 8 , 7 3 4	3 , 5 8 8
Long-term loans	1 0 , 8 8 7	1 0 , 1 1 9	7 6 8
Long-term prepaid expenses	1 1 , 8 0 4	9 , 4 7 5	2 , 3 2 9
Other investments and other assets	4 , 6 2 1	5 , 7 3 3	( 1 , 1 1 2 )
Less—allowance for doubtful accounts	( 8 2 )	( 1 8 )	( 6 4 )
<b>Total assets</b>	<b>1 , 4 2 0 , 3 4 2</b>	<b>1 , 5 6 5 , 0 8 7</b>	<b>( 1 4 4 , 7 4 5 )</b>

Notes: 1. Accumulated depreciation of

property, plant and equipment	3 4 0 , 3 1 5	3 3 9 , 9 8 8	3 2 7
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2. Liabilities for guarantees	3 6 , 6 1 7	4 , 1 4 3	3 2 , 4 7 4
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3. Allowance for retirement and severance benefits for directors and corporate auditors (included in allowance for retirement benefits)	2 , 3 2 1	2 , 0 4 7	2 7 4
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(Million yen; amounts less than one million yen are omitted.)

	FY2003 (As of March 31, 2003)	FY2002 (As of March 31, 2002)	Increase (Decrease)
<b><u>Liabilities</u></b>			
<b>Current liabilities</b>	<b>2 5 0 , 8 4 9</b>	<b>1 5 0 , 8 7 0</b>	<b>9 9 , 9 7 9</b>
Trade notes payable	5 , 7 2 4	4 , 7 7 7	9 4 7
Trade accounts payable	8 2 , 8 5 4	8 0 , 8 7 7	1 , 9 7 7
Current portion of binds	2 0 , 0 0 0	-	2 0 , 0 0 0
Current portion of convertible bonds	7 5 , 6 9 2	-	7 5 , 6 9 2
Other payables	1 3 , 7 0 2	1 9 , 1 8 8	( 5 , 4 8 6 )
Accrued expenses	2 2 , 6 9 7	2 0 , 8 7 0	1 , 8 2 7
Accrued income taxes	9 , 8 6 6	5 , 8 6 8	3 , 9 9 8
Advance received	1 0 6	1 1 5	( 9 )
Deposits received	1 , 2 7 0	7 0 4	5 6 6
Deposits received from employees	1 8 , 9 3 5	1 8 , 4 6 8	4 6 7
<b>Long-term liabilities</b>	<b>4 5 1 , 4 5 2</b>	<b>5 4 9 , 9 2 3</b>	<b>( 9 8 , 4 7 1 )</b>
Bonds	2 0 0 , 0 0 0	1 4 0 , 0 0 0	6 0 , 0 0 0
Convertible bonds	-	7 5 , 7 4 2	( 7 5 , 7 4 2 )
Long-term loans	2 0 , 0 0 0	-	2 0 , 0 0 0
Deferred tax liabilities	2 0 7 , 8 2 9	3 1 1 , 9 7 3	( 1 0 4 , 1 4 4 )
Allowance for retirement benefits	2 2 , 3 7 2	2 1 , 0 5 6	1 , 3 1 6
Other long-term liabilities	1 , 2 5 0	1 , 1 5 2	9 8
<b>Total liabilities</b>	<b>7 0 2 , 3 0 1</b>	<b>7 0 0 , 7 9 4</b>	<b>1 , 5 0 7</b>
<b><u>Shareholders' equity</u></b>			
<b>Common stock</b>	<b>6 8 , 0 4 6</b>	<b>6 8 , 0 2 1</b>	<b>2 5</b>
<b>Capital surplus</b>	<b>8 9 , 3 5 1</b>	<b>8 9 , 3 2 6</b>	<b>2 5</b>
Capital reserve	8 9 , 3 5 1	8 9 , 3 2 6	2 5
<b>Retained earnings</b>	<b>2 6 5 , 4 9 9</b>	<b>2 5 1 , 8 3 5</b>	<b>1 3 , 6 6 4</b>
Legal reserve	1 7 , 0 0 4	1 7 , 0 0 4	-
General reserve	1 8 0 , 5 5 7	1 8 0 , 2 8 2	2 7 5
Reserve for special depreciation	4 0 9	1 2 5	2 8 4
Reserve for reduction of acquisition cost of fixed assets	1 4 7	1 5 6	( 9 )
General reserves	1 8 0 , 0 0 0	1 8 0 , 0 0 0	-
Unappropriated retained earnings at end of year	6 7 , 9 3 7	5 4 , 5 4 7	1 3 , 3 9 0
<Included net income for year>	< 2 0 , 1 1 8 >	< 2 5 , 0 1 5 >	< - 4 , 8 9 7 >
<b>Net unrealized gain on other securities</b>	<b>3 3 1 , 6 2 6</b>	<b>4 5 6 , 3 9 7</b>	<b>( 1 2 4 , 7 7 1 )</b>
<b>Treasury stock at cost</b>	<b>( 3 6 , 4 8 3 )</b>	<b>( 1 , 2 8 7 )</b>	<b>( 3 5 , 1 9 6 )</b>
<b>Total shareholders' equity</b>	<b>7 1 8 , 0 4 1</b>	<b>8 6 4 , 2 9 3</b>	<b>( 1 4 6 , 2 5 2 )</b>
<b>Total liabilities and shareholders' equity</b>	<b>1 , 4 2 0 , 3 4 2</b>	<b>1 , 5 6 5 , 0 8 7</b>	<b>( 1 4 4 , 7 4 5 )</b>

# Non-consolidated Statements of Income

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

	FY2003 ( April 1, 2002 - March 31, 2003 )	FY2002 ( April 1, 2001 - March 31, 2002 )	Increase (Decrease)
<b><u>Ordinary profits and losses</u></b>			
<b>Operating revenue and expenses</b>			
<b>Operating revenue</b>	7 4 7 , 6 3 7	6 9 3 , 3 4 5	5 4 , 2 9 2
Net sales	7 4 7 , 6 3 7	6 9 3 , 3 4 5	5 4 , 2 9 2
<b>Operating expenses</b>	7 0 8 , 2 2 7	6 5 5 , 5 2 1	5 2 , 7 0 6
Cost of sales	6 5 6 , 0 6 3	6 0 9 , 9 8 6	4 6 , 0 7 7
Selling, general and administrative expenses	5 2 , 1 6 4	4 5 , 5 3 4	6 , 6 3 0
<b>Operating income</b>	3 9 , 4 1 0	3 7 , 8 2 4	1 , 5 8 6
<b>Non-operating income and expenses</b>			
<b>Non-operating income</b>	1 4 , 7 6 8	1 3 , 0 9 4	1 , 6 7 4
Interest income and dividends income	9 , 5 7 5	8 , 9 2 3	6 5 2
Other non-operating income	5 , 1 9 3	4 , 1 7 1	1 , 0 2 2
<b>Non-operating expenses</b>	1 1 , 8 5 7	1 0 , 7 7 9	1 , 0 7 8
Interest expenses	3 , 4 2 4	3 , 0 6 5	3 5 9
Other non-operating expenses	8 , 4 3 3	7 , 7 1 3	7 2 0
<b>Ordinary income</b>	4 2 , 3 2 1	4 0 , 1 4 0	2 , 1 8 1
<b><u>Extraordinary losses</u></b>			
<b>Extraordinary losses</b>	8 , 8 8 2	-	8 , 8 8 2
Revalued loss of investment securities	5 , 4 7 4	-	5 , 4 7 4
Loss on disposal of property, plant and equipment	3 , 4 0 7	-	3 , 4 0 7
<b>Income before income taxes</b>	3 3 , 4 3 8	4 0 , 1 4 0	( 6 , 7 0 2 )
Income taxes—current	2 0 , 0 1 5	1 5 , 3 2 0	4 , 6 9 5
Income taxes—deferred	( 6 , 6 9 5 )	( 1 9 5 )	( 6 , 5 0 0 )
<b>Net income</b>	2 0 , 1 1 8	2 5 , 0 1 5	( 4 , 8 9 7 )
Unappropriated retained earnings brought forward	5 0 , 9 3 6	3 2 , 3 4 7	1 8 , 5 8 9
Interim cash dividends	3 , 1 1 8	2 , 8 1 5	3 0 3
<b>Unappropriated retained earnings at end of year</b>	6 7 , 9 3 7	5 4 , 5 4 7	1 3 , 3 9 0

## Proposed Appropriation of Non-consolidated Retained Earnings

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

	FY2003	FY2002	Increase (Decrease)
Unappropriated retained earnings at end of year	6 7 , 9 3 7	5 4 , 5 4 7	1 3 , 3 9 0
Reversal of reserve for special depreciation	6 5	2 1	4 4
Reversal of reserve for reduction of acquisition cost of fixed assets	8	9	( 1 )
<b>Total</b>	<b>6 8 , 0 1 1</b>	<b>5 4 , 5 7 8</b>	<b>1 3 , 4 3 3</b>
The above will be appropriated as follows:			
Cash dividends	3 , 5 1 3 <i>&lt; 12.00 yen per share &gt;</i>	3 , 1 2 7 <i>&lt; 10.00 yen per share &gt;</i>	3 8 6
Bonuses to directors	2 0 0	1 8 7	1 3
Bonuses to corporate auditors	2 3	2 1	2
Reserve for special depreciation	2 2 7	3 0 5	( 7 8 )
Reserve for reduction of acquisition cost of fixed assets	3	-	3
Unappropriated retained earnings to be carried forward	6 4 , 0 4 3	5 0 , 9 3 6	1 3 , 1 0 7

Note: On November 26, 2002, an interim cash dividend of 10.00 yen per share, or a total of 3,118 million yen was paid.

## Changes in Members of the Board of Directors and Corporate Auditors

### 1. New Candidates for the Board of Directors

	(Current Title)
Shoji Shimo	(General Manager, Overseas Sales & Marketing Dept, TOYOTA L&F Company)
Yutaka Murodono	(General Manager, Global Human Resources Dept)
Ryoji Inoue	(General Manager, AL Project)
Hirofumi Tsuji	(General Manager, Fleet Sales & Marketing Dept, TOYOTA L&F Company)
Yukio Yamakita	(General Manager, Sales & Marketing Dept, Textile Machinery Div)
Takaki Ogawa	(General Manager, Engineering Dept, TOYOTA L&F Company)
Kazue Sasaki	(General Manager, Engineering Dept, Engine Div)

### 2. New Candidate for the Board of Corporate Auditors

	(Current Title)
Masanori Itoh	(Managing Director , Member of the Board)

### 3. Planned change in the Titles of the Members of the Board of Directors

#### Senior Managing Director

	(Current Title)
Norio Sato	(Managing Director, Member of the Board)
Masazumi Konishi	(Managing Director, Member of the Board)
Shinjiro Kamimura	(Managing Director, Member of the Board)
Tatsuo Matsuura	(Managing Director, Member of the Board)

#### Managing Director

	(Current Title)
Shigetaka Yoshida	(Director, Member of the Board)
Masafumi Kato	(Director, Member of the Board)
Yasuharu Toyoda	(Director, Member of the Board)

### 4. Retiring Members of the Board of Directors

	(Current Title)
Morio Kawamura	(Senior Managing Director, Member of the Board)
Masanori Itoh	(Managing Director, Member of the Board)
Akira Imura	(Managing Director, Member of the Board)
Yoshimitsu Ogihara	(Director, Member of the Board)
Seiji Ueda	(Director, Member of the Board)
Tsuneyoshi Kajiwara	(Director, Member of the Board)
Shinichiro Matsuyama	(Director, Member of the Board)

### 5. Retiring Member of the Board of Corporate Auditors

	(Current Title)
Tadashi Komiya	(Corporate Auditor)