

# FY2007 1H Financial Results

Six months ended September 30, 2006



Fuel-cell lift truck



Hybrid lift truck

October 31, 2006

TOYOTA INDUSTRIES CORPORATION

# **I. Financial Summary**

## Increases in net sales and profits for 7th consecutive year

(Billion yen)

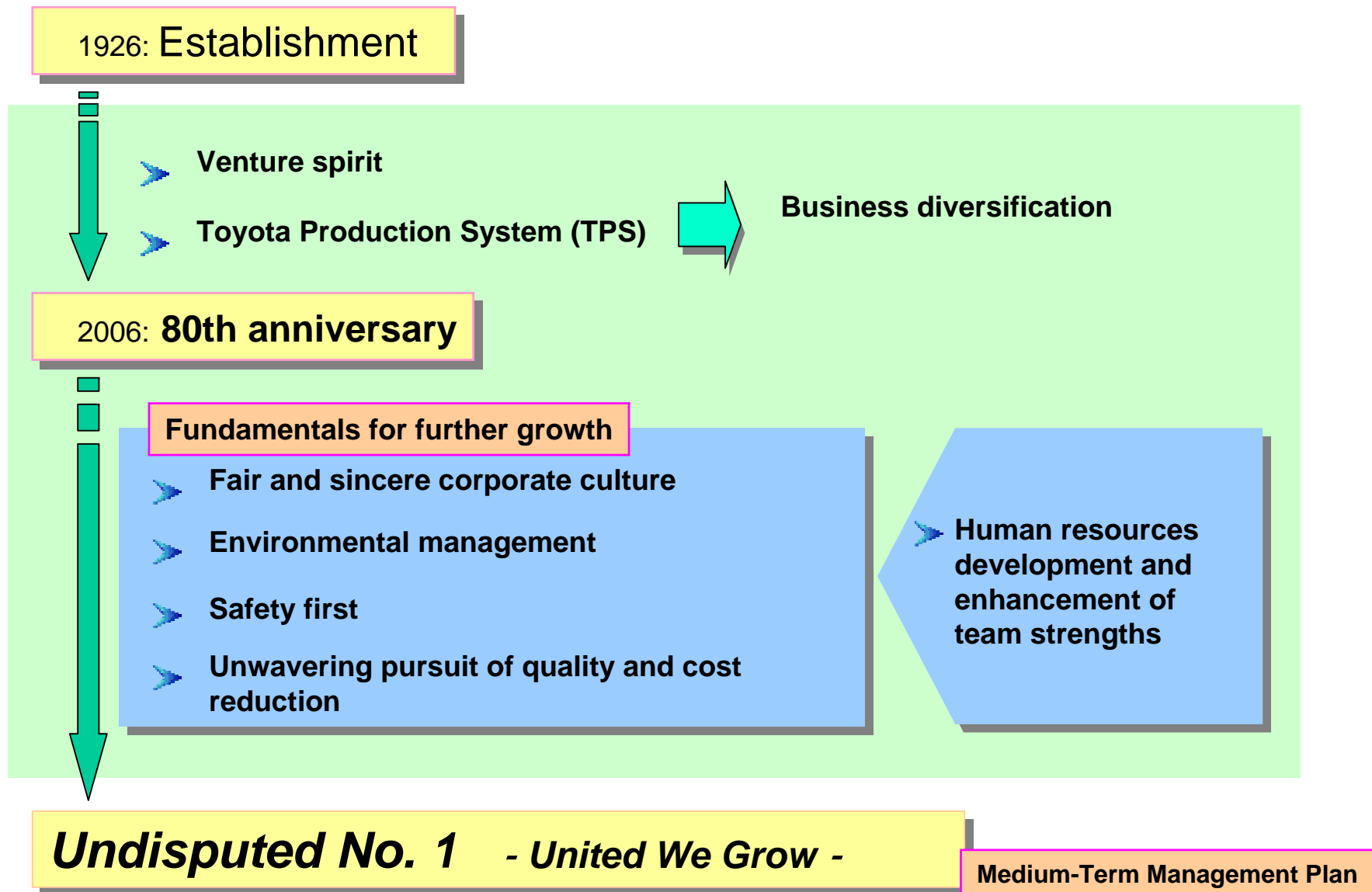
	<b><i>FY2007 1st half</i></b>	<b><i>FY2006 1st half</i></b>	<b><i>Change</i></b>	<b><i>Change (%)</i></b>
<i>Net sales</i>	<b>913.0</b>	<b>699.0</b>	<b>+ 214.0</b>	<b>+ 31%</b>
<i>Operating income</i>	<b>40.0</b>	<b>32.0</b>	<b>+ 8.0</b>	<b>+ 25%</b>
<i>Ordinary income</i>	<b>53.4</b>	<b>41.5</b>	<b>+ 11.9</b>	<b>+ 29%</b>
<i>Net income</i>	<b>30.2</b>	<b>25.0</b>	<b>+ 5.2</b>	<b>+ 21%</b>

## Increases in net sales and profits expected for 8th consecutive year

(Billion yen)

	<b>FY2007 forecast</b>	<b>FY2006</b>	<b>Change</b>	<b>Change (%)</b>
<i>Net sales</i>	<b>1,800.0</b>	<b>1,505.9</b>	<b>+ 294.1</b>	<b>+ 20%</b>
<i>Operating income</i>	<b>76.0</b>	<b>64.0</b>	<b>+ 12.0</b>	<b>+ 19%</b>
<i>Ordinary income</i>	<b>95.0</b>	<b>80.6</b>	<b>+ 14.4</b>	<b>+ 18%</b>
<i>Net income</i>	<b>53.0</b>	<b>47.0</b>	<b>+ 6.0</b>	<b>+ 13%</b>

## **II. Measures toward Fundamentals for Further Growth**



## Fair and Sincere Corporate Culture

### Thorough enforcement of compliance

- Send a strong message as the top item of the Presidential Guidelines
  - Thorough enforcement of legal compliance
  - Respect for cultures and local customs
- Implement Group-wide in accordance with code of conduct guidelines

### Enhance systems and mechanisms through Corporate Code of Conduct Committee

- Promote through Compliance Subcommittee and Data Security Subcommittee
- Monitor and conduct compliance inspections through relevant divisions (including subsidiaries)

## Environmental Management

### **Augment consolidated environmental management through Global Environmental Commitment**

- Achieved all items of 3rd Environmental Action Plan (by FY2006)
  - Total CO<sub>2</sub> emissions reduced by 5% versus FY1991 levels
  - Environmental load emission volume reduced by 50% versus FY1999 levels
- Started implementation of 4th Environmental Action Plan (from FY2007)
  - Introduction of ecological products into the market
  - Reduction of environmental load in every stage from development to production, sales and service

## Safety First

### **Reacknowledging the fundamental concept of “safe operations is the first step of all operations”**

- Communicate the concept across in every top message, including Presidential Guidelines
- On-site safety inspection of actual products by top management



## Unwavering Pursuit of Quality and Cost Reduction

### Dispatch Quality Guidelines and Cost Guidelines from the President throughout the Company

#### Go back to fundamentals

- Based on TPS and Total Quality Control, make honest, steady and relentless efforts to improve quality, reduce cost and eliminate waste
- Drafting training of engineers



Drafting training

#### On-site inspection of actual products by top management

- On-site quality and cost inspection of actual products by top management



President Toyota  
conducting on-site  
inspection

### Human Resources Development and Enhancement of Team Strengths

#### **Cultivate personnel to lead the next generation**

- Go back to fundamentals and improve specialized techniques and management skills
  - Thorough training of basic operations at Technical Training Center
  - Cultivate personnel well versed in TPS
- Cultivate global-oriented personnel

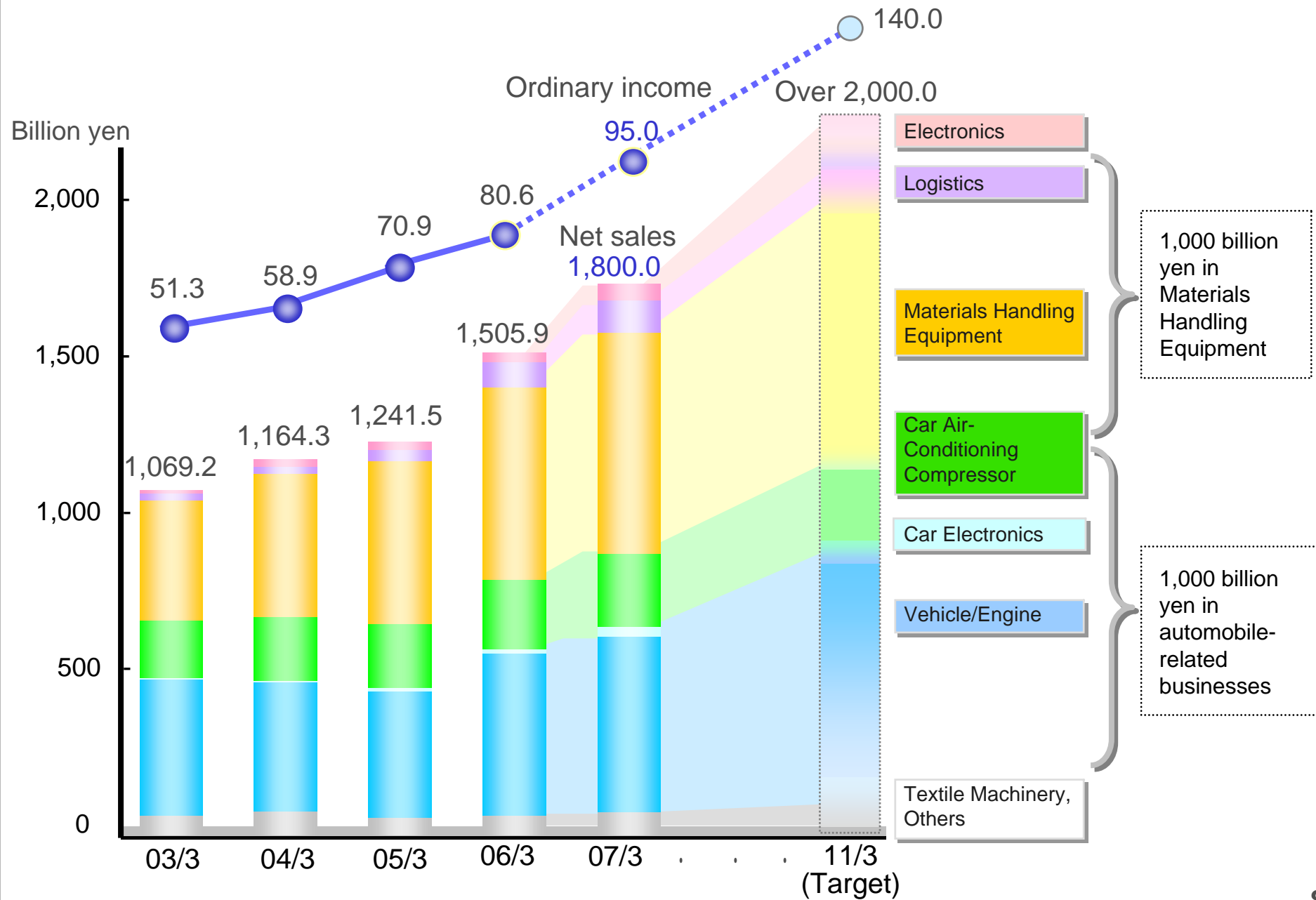


Technical Training Center

#### **Augment team strengths under a strong leadership**

- Develop spirit of harmony through close communication

# Medium-Term Growth Trajectory



## **III. Financial Results**

## Increases in net sales and profits for 7th consecutive year

(Billion yen)

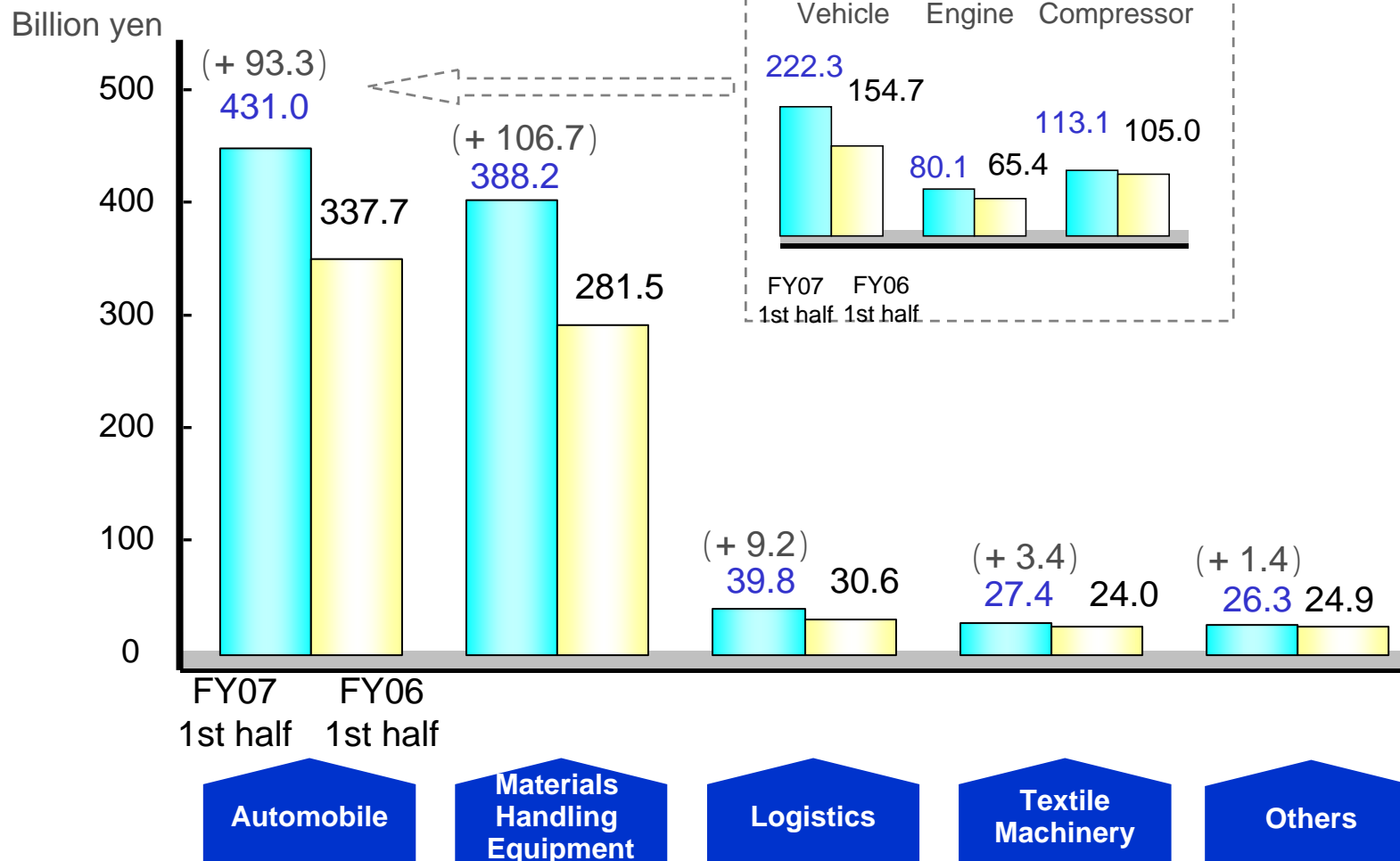
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# Net Sales by Segment



Increase in net sales in all segments

**FY07 1H** (+214.0) **FY06 1H**  
**913.0** ← **699.0**

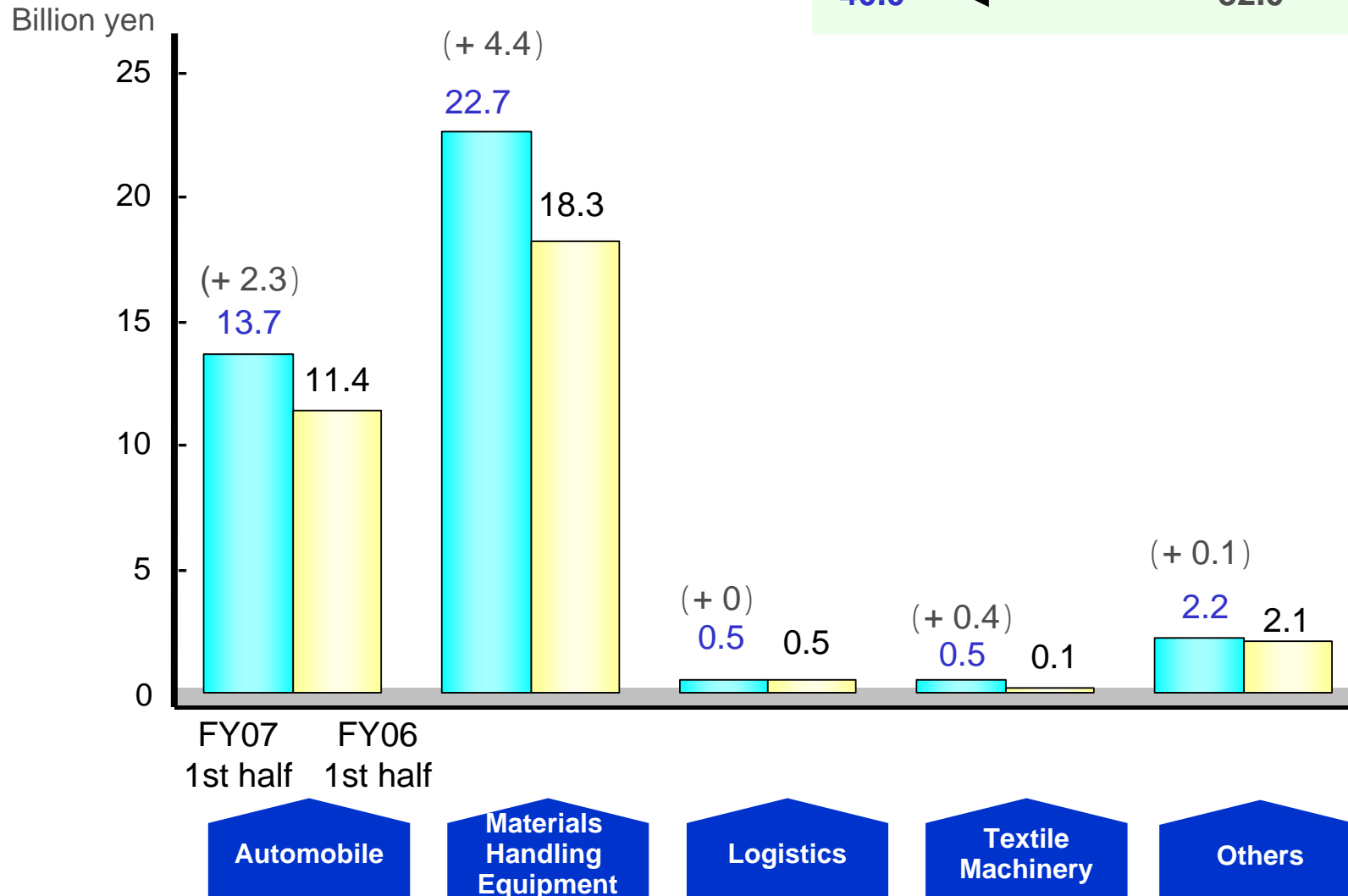


# Operating Income by Segment



Increase in profit for both Materials Handling Equipment and Automobile segments

FY07 1H **40.0** ← (+ 8.0) FY06 1H 32.0

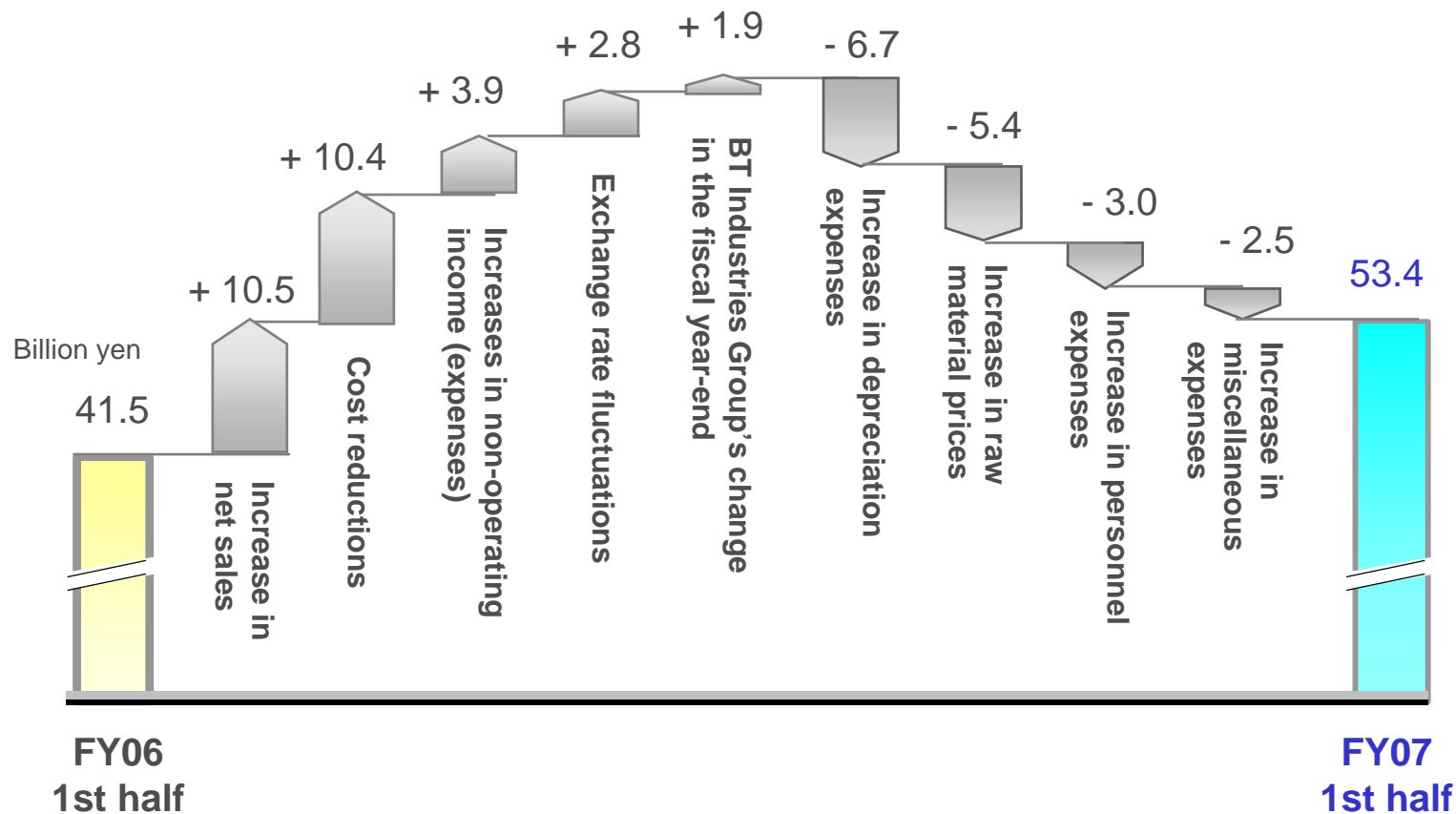


# Change in Ordinary Income



Sales expansion and cost-reduction efforts offset increase in depreciation expenses and rising raw materials prices

**Year-on-year comparison (FY06 1st half and FY07 1st half)**  
(YoY +11.9 billion yen)





**Increases in net sales and profits expected for 8th consecutive year**

(Billion yen)

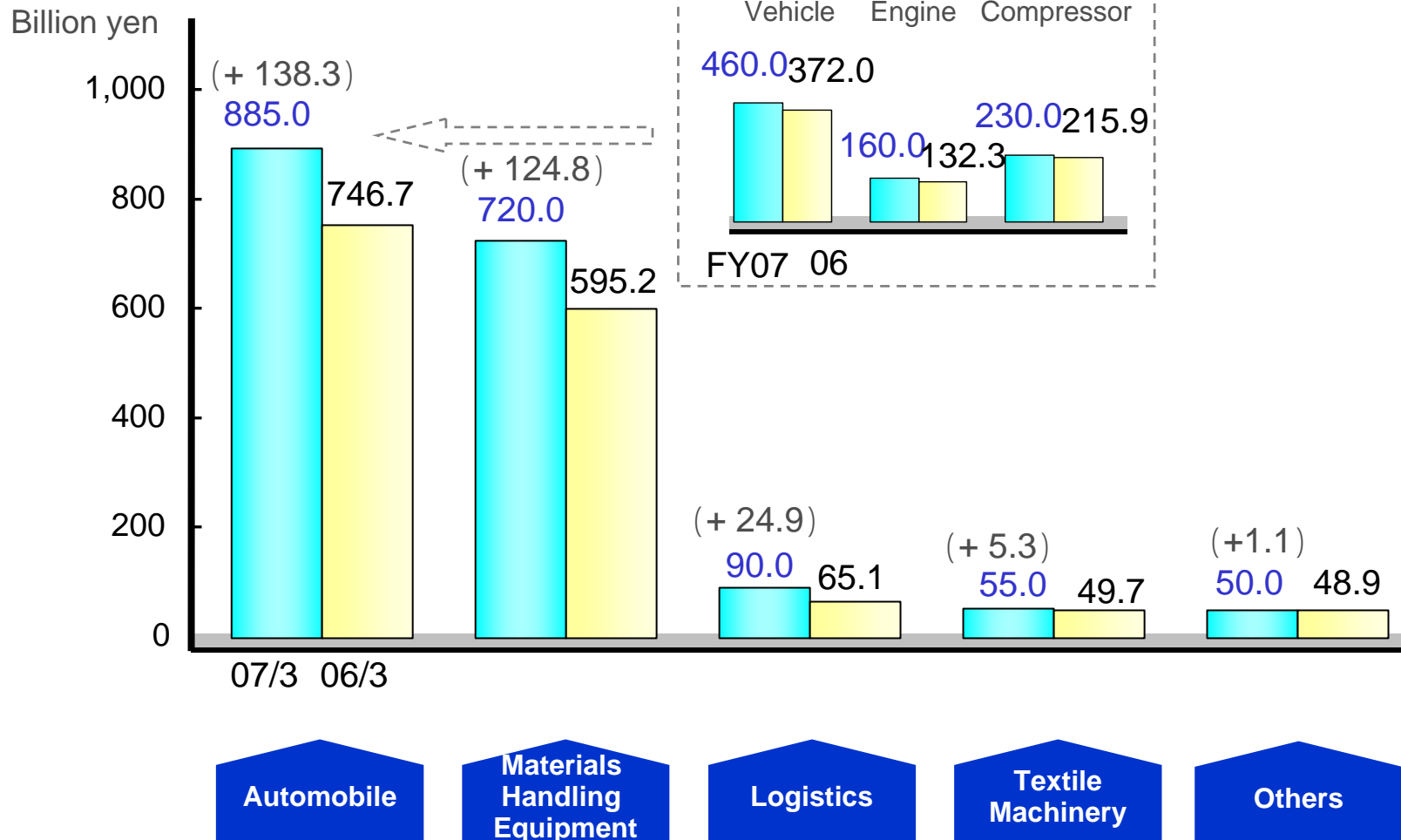
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# Net Sales by Segment (FY2007 Forecasts)



Increases net sales in all segments expected

<b>FY07</b>	<b>(+ 294.1)</b>	<b>FY06</b>
<b>1,800.0</b>	←	<b>1,505.9</b>



# Unit Sales Forecasts (FY2007 Forecast)



Increases unit sales in all segments expected

(Thousand units)

	Unit sales forecasts				Factors for increase (decrease) other than unit sales
	<i>FY07 forecast</i>	<i>FY06</i>	Change	Change (%)	
<b>Materials Handling Equipment</b>	<b>216</b>	<b>184</b>	<b>+ 32</b>	<b>+ 17 %</b>	Increase in depreciation expenses Higher raw material prices Effects of new products Costs for new products launch Strong performance by Aichi Demand for lower prices overseas Decrease in pre-production expenses
<b>Car Air-Conditioning Compressor</b>	<b>20,300</b>	<b>19,110</b>	<b>+ 1,190</b>	<b>+ 6 %</b>	
<b>Vehicle</b>	<b>350</b>	<b>297</b>	<b>+ 53</b>	<b>+ 18 %</b>	
<b>Engine</b>	<b>494</b>	<b>362</b>	<b>+ 132</b>	<b>+ 36 %</b>	

\*1 Unit sales of materials handling equipment are based on factory shipments (others are based on sales).

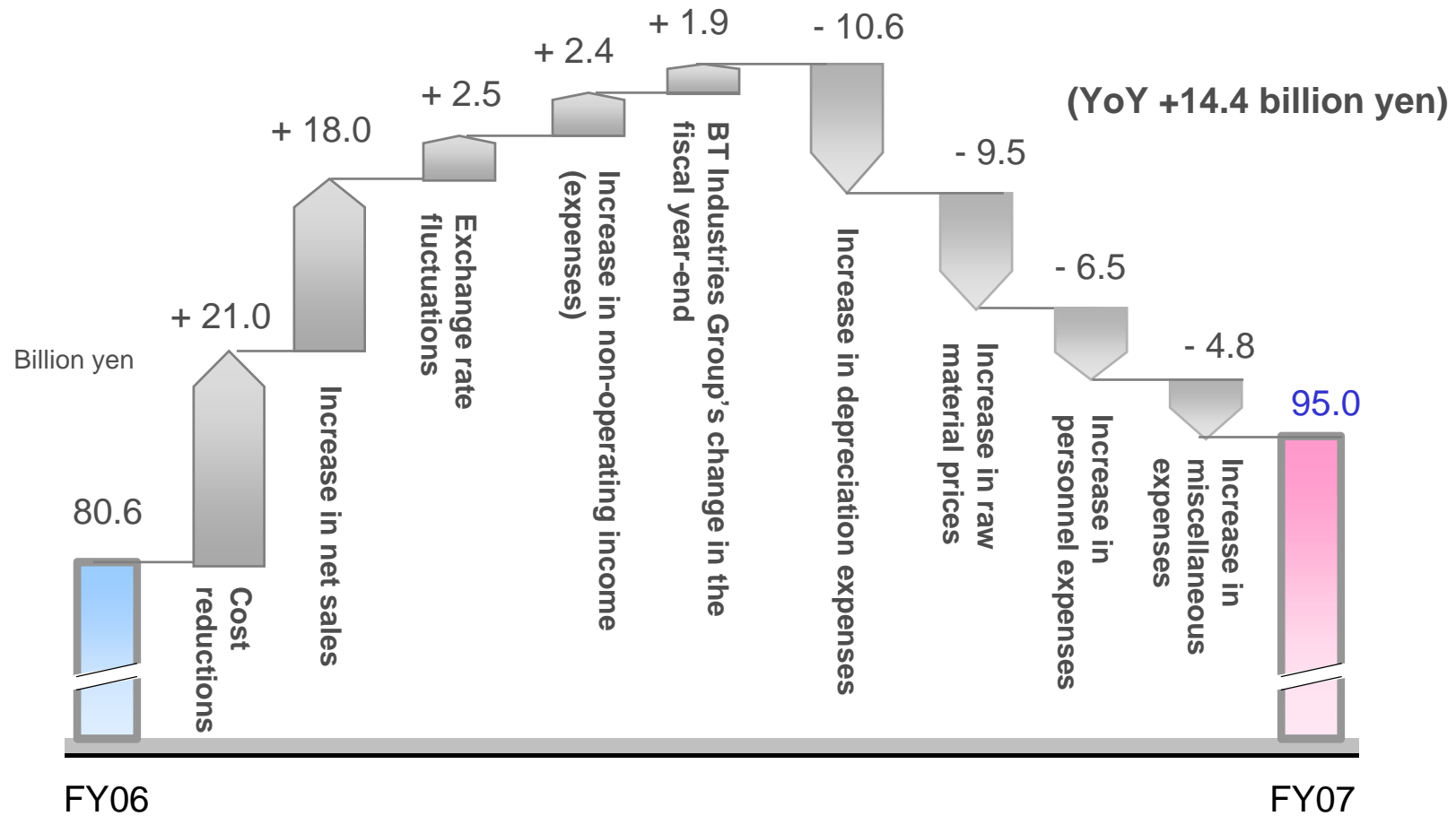
\*2 Unit sales of engines exclude those used in lift trucks (intersegment transactions) and CKDs.

# Change in Ordinary Income (FY2007 Forecast)

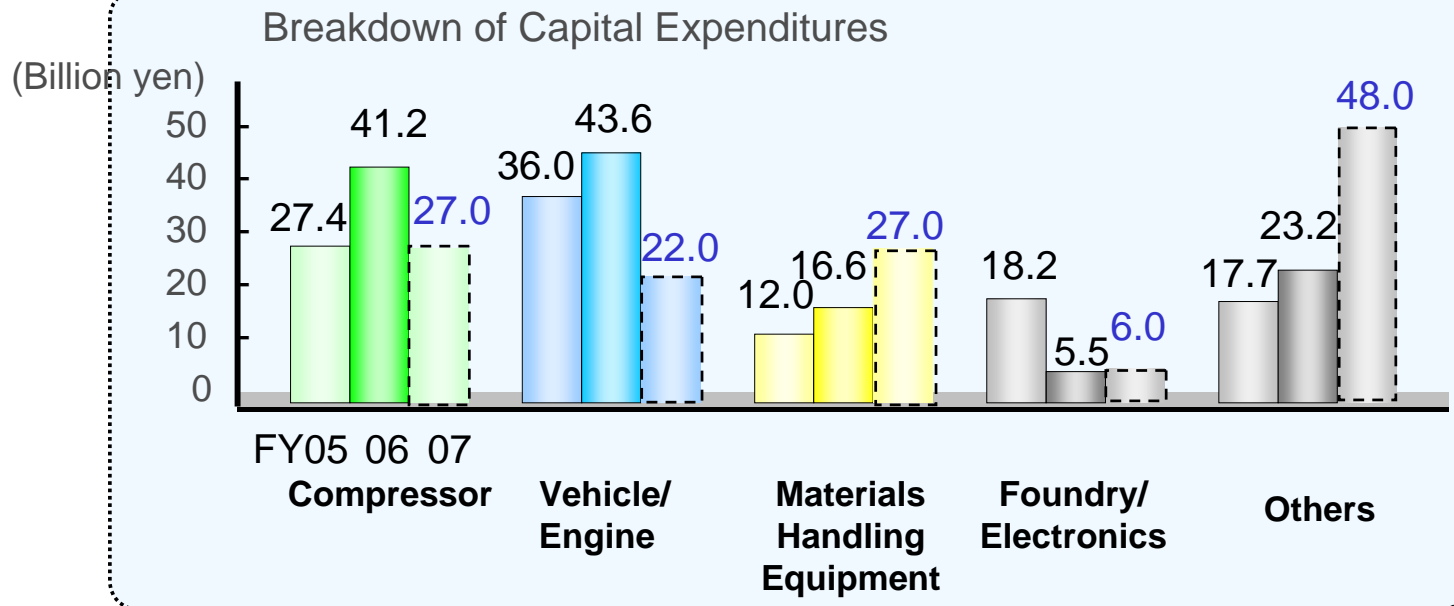
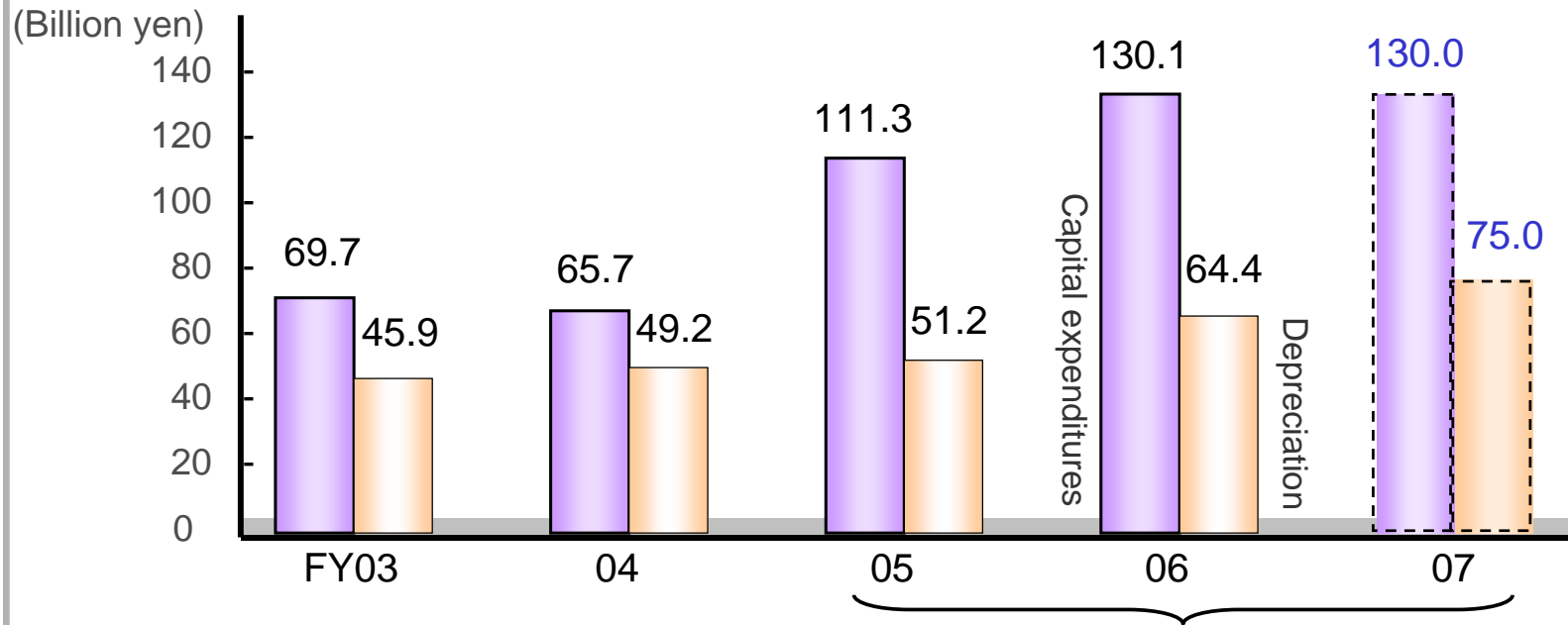


Sales expansion and cost-reduction efforts expected to offset increase in depreciation expenses and rising raw materials prices

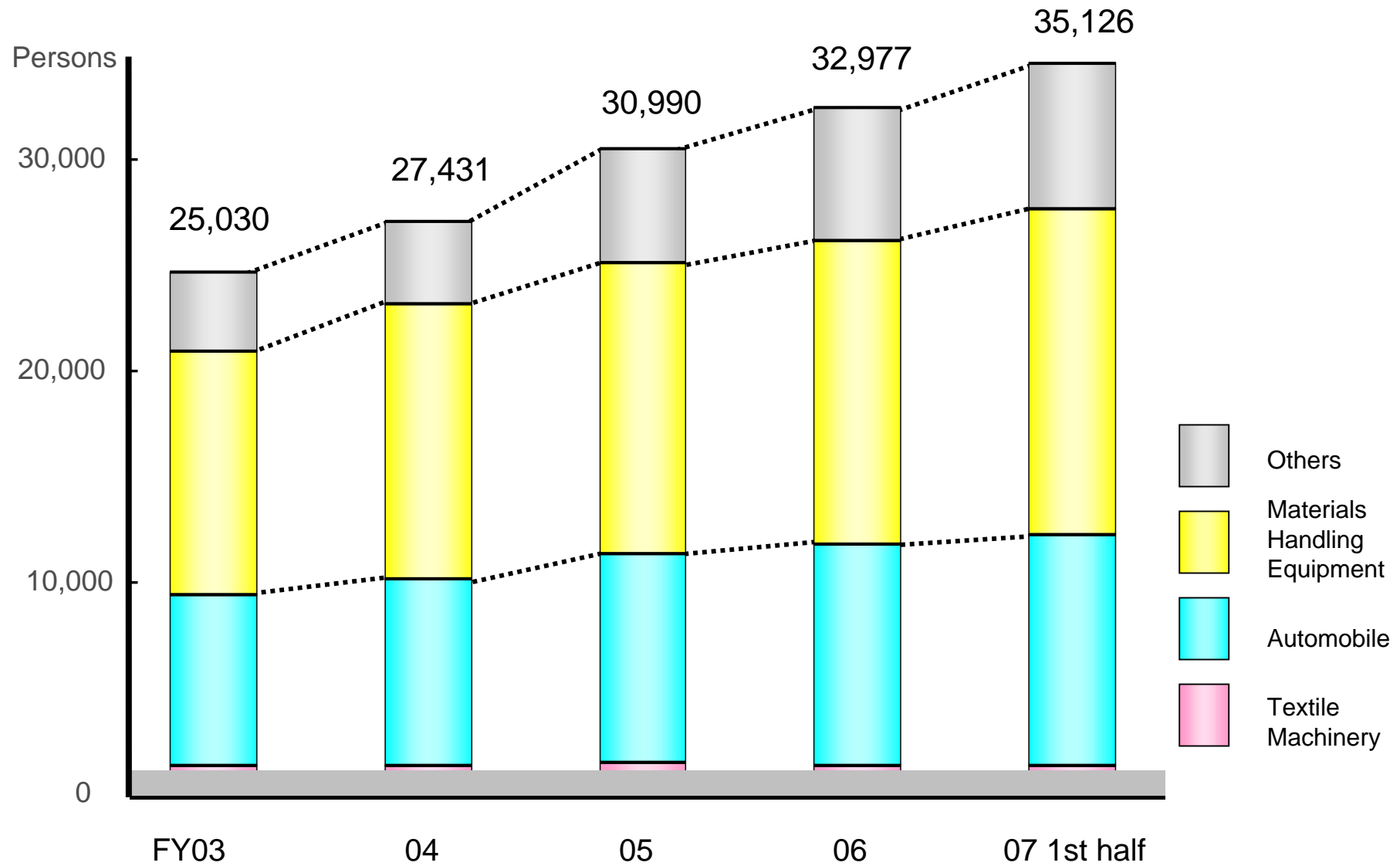
## Year-on-year comparison (FY06 Result and FY07 Forecast)



# Capital Expenditures and Depreciation



# Number of Employees



# Net Income per Share, Dividends and Payout Ratio

