

Annual Report 2005

Year ended March 31, 2005



Profile

Established in January 1918 by Sakichi Toyoda, Toyota Boshoku Corporation traces its existence back to before the formation of the Toyota Motor Group. With the then Toyoda Boshoku as its parent company, the Toyoda Automatic Loom Works (now Toyota Industries Corporation) was born, as was the Toyota Motor Co., Ltd. (now Toyota Motor Corporation). Toyota Boshoku started business in the textile industry, and it has expanded to include the development and manufacture of automobile parts. In an October 2004 merger, it took on the automotive interior business of Araco Corporation and all the operations of Takanichi Co., Ltd., with the objectives of broadening its business base to encompass all aspects of automotive interior systems, and becoming a world-leading supplier of interior systems and filters. By the end of March 2005, Toyota Boshoku had plants and offices in 22 locations in Japan, and 78 subsidiaries and affiliates in and outside Japan. At that time, Toyota Boshoku employed 6,476 people, and 18,068 on a consolidated basis.

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Cautionary Statement with Respect to Forward-Looking Statements

This Annual Report contains forecasts and expectations that relate to Toyota Boshoku's future plans and strategies and its expected future financial results. These forward-looking statements are not based on actual results from the past. Rather, they are based on assumptions and opinions that have been formed by the company from the information available to it at the time of writing. They also involve risks and uncertainties relating to such matters as economic trends, the severe competition affecting the automobile industry, and changes in global demand and taxation regulations, laws, and systems. Accordingly, the reader should be aware of the possibility that actual results may differ from forecasts.

Financial Highlights

Toyota Boshoku Corporation and Consolidated Subsidiaries
Years ended March 31

	(Millions of yen)				(Millions of U.S. dollars) (Note 1)	
	2003 (Note 2)	2004 (Note 2)	2005 (Note 3)	2005 YoY % Change	2005	2005 YoY % Change
Net sales	¥107,321	¥118,554	¥456,311	284.9	\$ 4,249	278.8
Operating income	5,035	5,332	17,867	235.1	166	229.8
Ordinary income	5,006	5,315	19,110	259.5	178	253.9
Net income	3,002	2,839	8,979	216.3	84	211.3
Shareholders' equity	26,967	29,396	109,471	272.4	1,019	266.5
Common stock	4,933	4,933	8,400	70.3	78	67.6
Total assets	64,527	71,434	311,656	336.3	2,902	329.4
Capital expenditures	7,815	6,942	21,306	206.9	198	202.1
Depreciation and amortization	5,872	5,774	14,380	149.1	134	145.1
R&D expenses	4,647	5,570	15,237	173.5	142	169.2

Per Share	(Yen)				(U.S. Dollars) (Note 1)	
	2003 (Note 2)	2004 (Note 2)	2005 (Note 3)	2005 YoY % Change	2005	2005 YoY % Change
Net income (Basic)	¥ 43.33	¥ 40.95	¥ 68.65	67.6	\$ 0.64	64.1
Shareholders' equity	403.42	439.31	583.31	32.6	5.43	30.5
Cash dividends	8	9	12	33.3	0.11	22.2

Shareholders' Equity (at the end of each FY)

	2003	2004	2005	2005 YoY % Change	2005	2005 YoY % Change
Market capitalization (millions of yen, millions of US dollars) (Note 4)	35,670	60,390	493,561	717.3	4,596	704.4

Financial Indicators

	2003	2004	2005
Operating income to net sales	4.7%	4.5%	3.9%
Ordinary income to net sales	4.7%	4.5%	4.2%
Return on equity (ROE)	11.1%	9.7%	8.2%

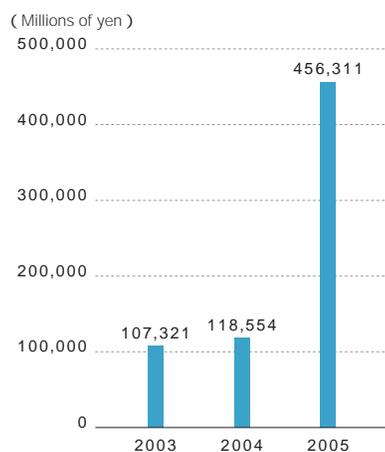
Note 1) Figures in U.S. dollars for 2005 were translated at ¥107.39, the exchange rate as of March 31, 2005.

Note 2) Figures for 2003 and 2004 are for the former TOYODA BOSHOKU CORPORATION.

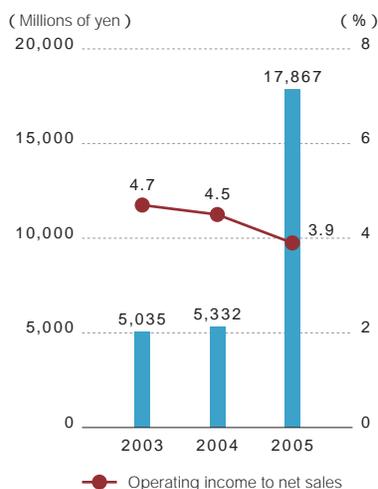
Note 3) Figures for the first half of 2005 (from April 1, 2004 to September 30, 2004) are for the former TOYODA BOSHOKU CORPORATION (pre-merger), and for the second half (from October 1, 2004 to March 31, 2005) for the new TOYOTA BOSHOKU CORPORATION.

Note 4) Market capitalization is calculated by multiplying the number of outstanding shares at the end of the fiscal year by the share price at the end of the period.

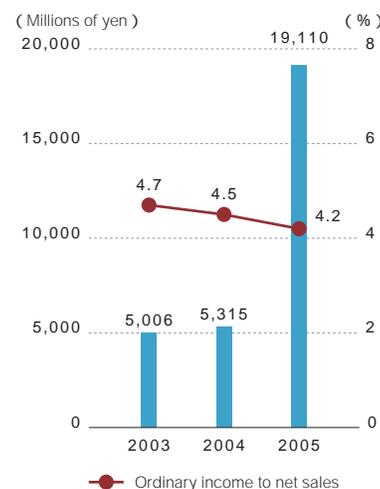
Net Sales



Operating Income / Operating Income to Net Sales



Ordinary Income / Ordinary Income to Net sales



Message to Shareholders and Investors

This is Toyota Boshoku's first annual report. It highlights the particular strengths of our business, focusing on our corporate vision and our management strategies. It also reviews our financial situation and explains our stance on corporate governance. We hope the report helps our readers - shareholders, investors and all other interested parties - to gain an appreciation of our corporate vision, as well as an understanding of our management strategies and the special strengths of our business.

Financial Reporting

Toyota Boshoku was formed in October 2004 with the merger of the former Toyoda Boshoku Corporation, the automotive interiors division of Araco Corporation, and Takanichi Co., Ltd. The aim was to create a world-leading supplier of automotive interiors and filters. The integration of the three businesses has been proceeding smoothly, and results were excellent for the year ended March 2005.

During the year, consolidated sales grew 284.9% to 456.3 billion yen. In particular, this was a result of efforts to promote the sale of new vehicle models by Toyota Motor, our major client, which led to increased production of our automotive interior systems and filter products. Consolidated ordinary income was up 259.5% to 19.1 billion yen. Consolidated net income for the period increased 216.3% to 9.0 billion yen.

For the year ending March 2006, we forecast a 64.4% increase in consolidated sales to 750 billion yen, a 62.2% rise in consolidated ordinary income to 31 billion yen, and a 72.6% increase in consolidated net income to 15.5 billion yen.

Business Opportunities

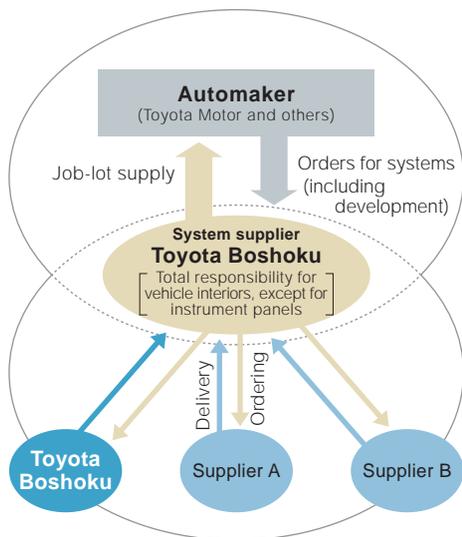
The core activities undertaken by Toyota Boshoku are our automotive interior components business and our automotive filtration and power train components business.

The market for automotive interior components is young and growing strongly. This can be attributed to two factors. First, when consumers decide on the purchase of a new vehicle, their preferences are focused not just on external appearances, but also on interiors. As a result, auto interiors are experiencing an increase in value added in qualitative terms, expressed in terms of "livability" and comfort. Second, sales of vehicles that have greater added functional value, such as minivans and SUVs, are increasingly strong in comparison with sales of traditional sedans. We believe that from now on, no change will be seen in the pursuit of comfort and convenience by consumers as they seek improved quality in seat materials, demand the ability to load personal items, and seek greater ability to move seats around. I believe that Toyota Boshoku has laid a strong foundation for growth in this direction.

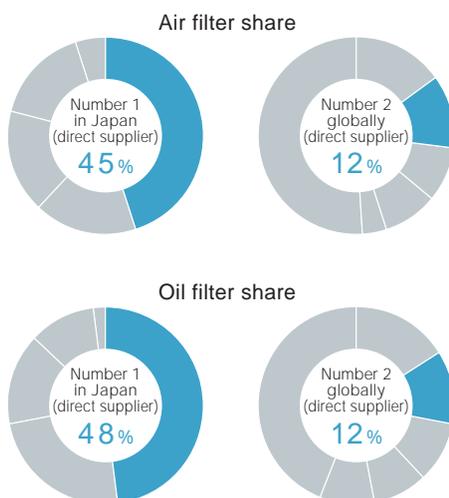
Next, let us discuss the market for filtration and power train components. By keeping our development goals firmly focused on the leading edge of technology, the breadth of the market has become clearly visible. The following are examples of products that have been created with filtration technologies at the forefront but with a clear focus on technical developments in related fields: (1) an air induction system comprised of an integrated air filter and engine head cover; (2) an improved automatic transmission fluid filter developed in response to increasingly fine tolerances in automatic transmission engineering; and (3) a hydrocarbon absorption filter developed in anticipation of more stringent exhaust gas emission standards. These products were developed using Toyota Boshoku's proprietary technologies, and they are one step ahead of similar products on a global basis. Our core filtration technologies have far-reaching potential, and we plan to use them to capitalize on market growth based on the expansion of our business into related fields.

Differentiating Toyota Boshoku in the Market

An automotive interior systems supplier that manages everything from development through production



World-Leading Market Share in Air Filters and Oil Filters



An automotive interior systems supplier that manages everything from development through production

Toyota Boshoku is an automotive systems supplier that considers the automobile's interior space in its totality, including seats, door trim, headliners and carpets (but excluding instrument panels). It integrates everything from conceptualization through product development, design, procurement and production. In terms of scale, the merger of October 2004 made us the largest manufacturer of automotive interiors in the Japanese market. On a global basis, we are one of the four largest manufacturers.

Because we coordinate all aspects of vehicle interiors from the earliest conceptual stage of development, we are able to meet our client automakers' expectations in terms of comfort and design on a timely basis, and at the same time meet social requirements for safety and environmental protection. Furthermore, thanks to the collaboration between Toyota Boshoku and other companies making interior parts, we are able to develop products with greater appeal, and in a more integrated and efficient manner.

The World's Best Filter Manufacturer

As a comprehensive air filter and oil filter manufacturer that supplies its product directly to automakers, Toyota Boshoku is currently ranked number one in Japan and number two in the world in terms of market share. By taking advantage of our core technologies in the textile industry, we have devoted our efforts to the development of leading-edge technologies. As a result, we have developed our own unique filtration technologies, producing filters that can be used for a greater range of substances and at the same time offer a longer working life.

Further, we have broadened the scope of our business operations by developing product systems and modules designed in consideration of the workings of the engine as a whole, and the automobile as a whole. This has given Toyota Boshoku a strong reputation among automakers as a comprehensive filter manufacturer that is able to propose product strategies.

Business Vision

Toyota Boshoku aims to become a world-class automotive interior systems supplier and filter manufacturer. Its three key business missions are to provide comfortable and healthy interior spaces for vehicles, to produce the world's best automotive filters, and to develop a global supply system. Operational objectives call for consolidated sales to exceed one trillion yen by early next decade, and for an ordinary income to sales ratio of more than 5%. Achievement of these objectives will certainly define us as an automotive parts supplier that can compete globally.

In May 2005, Toyota Boshoku released its three-year, mid-term business plan covering the period through March 31, 2008, as part of its efforts to achieve its business vision. This plan will be the first step in the process of achieving that vision. We are also confident that we will succeed with the next step, becoming a globally competitive supplier.

Business Strategy

It has been one year since the merger that resulted in the formation of Toyota Boshoku. We can already report definite results. We can see that, as an automotive parts supplier engaged in a globally competitive business, Toyota Boshoku has clearly established the scope of its business domain, determined its corporate culture, and established systems under which its employees are moving forward as a team.

We must also report that the pace of growth of our business with our main client, Toyota Motor, has increased, and that the scale of the business has also grown. Both the speed and scale of that growth vastly exceed our initial expectations, but this is a "good" problem. We are determined to do whatever it takes to accelerate the implementation of our business strategy.

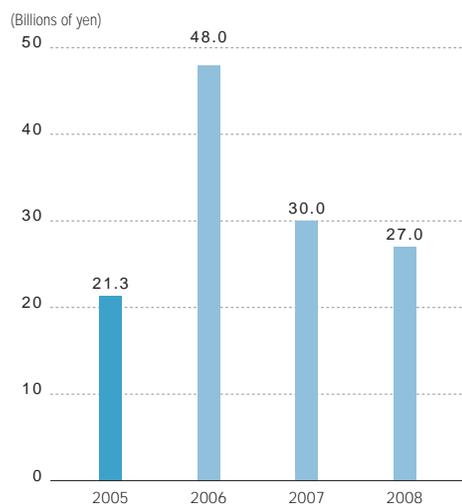
Toyota Boshoku is experiencing a period of extraordinary growth. So that we can transform the opportunities being presented into actual results, we will be aggressively expanding our capital investments so as to become a global player and a high value-added producer.

Because the automobile interiors market is young and seeing strong growth, it is important that we undertake the development of new products, but if we do not achieve a sufficient scale of operations, it may not be possible to attain those development objectives. Moreover, it is only by developing new products with fresh appeal that levels of profitability can be increased. Accordingly, Toyota Boshoku will focus on growing profits by pursuing economies of scale. Next, we believe it will be necessary to tie that in with a substantial change in profit structures, requiring Toyota Boshoku to acquire technical strengths and development capabilities exceeding those held by our client automakers, so that we can develop products with even greater added value. In effect, we believe that by positioning ourselves as a supplier able to do things automakers cannot do, we will create substantial positive changes in our intrinsic profit structures.

To achieve these goals, we are planning to invest 105 billion yen in plant and equipment over the three years commencing in April 2005. In particular, in the fiscal year ending March 31, 2006, we intend to invest 48 billion yen for this purpose. These funds will be allocated to investment in new product development and boosting competencies, with the aim of laying foundations for the future. We are confident that the benefits from these investments will be realized beginning in 2007.

Only by growing our business to the point where we can compete in global markets, and by acquiring technical strengths and development

Plans for Investment in Plant and Equipment



capabilities that will be appreciated by automakers, will we be able to realize our goal of achieving an ordinary income to sales ratio of more than 5%. We are convinced that, as a result, the company's value will increase in the eyes of shareholders.

Next, we will outline the business strategies of each business division.

Interiors Components Business

The objectives of our interior business are twofold. First, to develop our global business in tandem with Toyota Motor's global strategy by building global supply systems. Second, to take a proactive position in terms of product development. By participating in the development cycle from the earliest conceptual development stage, we will be able to strengthen our ability to offer innovative solutions to automakers.

Because Toyota Boshoku's business encompasses the whole range of automotive interior systems, including seats, door trim, headliners, carpets, etc. (but excluding instrument panels), the company is well-positioned to increase its ability to offer automakers proactive solutions that meet their needs. By focusing on that advantage, we will continue to build added value, which will further enhance our ability to actively develop total solutions. As an example, consider the fact that auto interiors incorporate lots of electronic components such as switches and wiring harnesses. By designing our interiors to incorporate these components, we are offering added value to automakers by helping to reduce their production costs. Toyota Boshoku's advantage

Corporate Vision

Our goal is to become the world's best automotive interior systems supplier and filter manufacturer.

To this end, we aim to produce:

- 1 Comfortable interior space for vehicles
- 2 The world's best automotive filters
- 3 A global supply system

Objectives: To achieve sales greater than one trillion yen and an ordinary income to sales ratio of more than 5% by early next decade.

Mid-Term Business Plans

Interior components business

Meet Toyota Motor's needs in its drive to accelerate its international expansion
Strengthen our ability to offer innovative solutions to automakers

Filtration and power train components business

Firmly establish production systems in our four key regional bases (North, Central and South America; Europe, Australia and other regions; Asia: Japan)
Promote value-added product development

Textiles and exterior components business

Grow sales by focusing on large-scale molding technologies

Consolidated Business Plans

	(Billions of yen)			
	2005	2006	2007	2008
Net Sales	456.3	750.0	820.0	855.0
Operating Income	17.8	29.0	31.5	38.0
Ordinary Income	19.1	31.0	33.0	40.0
Investment in plant and equipment	21.3	48.0	30.0	27.0

stems from the fact that it possesses the greatest level of expertise when it comes to decisions such as where to place what components, and how all the parts relate to each other in an integrated finished design. This allows us to develop excellent total design solutions. Neither should we forget that it is the actual opinions expressed by purchasers who end up driving vehicles that lend true support to our design strengths. Toyota Boshoku is not content to rely on consolidated market data. Instead, it builds its design advantage by directly listening to the concerns and opinions expressed by end users. We have every confidence that this is what gives us our ability to take a leadership role when proposing design solutions to automakers.

Filtration and Power Train Components Business

One key strategy for our filtration and power train components business is to firmly establish production systems in our four key regional bases (North, Central and South America; Europe, Australia and other regions; Asia; Japan) to serve as centers for the global supply of these products. Another key strategy is to simultaneously promote the development of high value-added products.

We will invest substantial business resources with the objective of enhancing our proactive development capabilities, and we will continue our push to develop new filtration materials and associated technologies. As an example of this strategy in action, we aim to become the world's No.1 company in the development of high-performance air cleaning technologies used to filter engine inlet air, as well as important functional technologies for controlling engine power and noise.

Turning to lubrication systems, Toyota Boshoku will maintain a close watch on developments in oil filter performance around the world. The aim will be to retain our technical superiority in this field, while at the same time developing more compact and cost-effective solutions. We will strive to achieve a 10% share of global sales as a direct supplier to automakers and as an after-market manufacturer.

The size of the market for cabin air filtration products in new vehicles is small, and we have not developed an after-market business in this field. Nevertheless there is the potential for swift growth in this area, especially considering the fact that this market is basically driven by the need for healthy vehicle interior space, featuring, for example, filtration of pollen allergens and negative ion generation. We therefore plan to concentrate on the development of high-performance, value-added products in this field, and will take the initiative in the after-market side of the business.

Textiles and Exterior Components Business

Toyota Boshoku possesses large-scale molding technologies. Taking full advantage of this strength, we will work to expand sales, using sales strategies tying in with Toyota Motor's own distribution system.

Operational Issues

Two operational issues the company is facing are human resources development and product quality.

First, in reference to human resources development, since Toyota Boshoku is currently experiencing sudden growth in its business, it is encountering a shortage of human resources. It is vital that we increase staff numbers, and we feel that developing and strengthening young leadership resources will help to address the accelerating pace of change. We will work hard to further enhance the sense of unity among all employees, with everyone working toward the same goals.

Let us now turn to product quality. Toyota Boshoku enjoys a strong reputation for excellent product quality, but standards could easily fall if those responsible for quality outcomes relaxed their vigilance, however slightly. Once quality slips, it is difficult to once more attain previously achieved standards of excellence. We will ensure that all staff continue to be motivated to contribute their best efforts toward achieving excellent product quality outcomes.

For Further Growth

Toyota Boshoku takes the position that by taking the side of the customer right from the early development stages, it can be engaged in conscientious product creation. As we gain experience and refine our development strategies in this way, we aim to continue to be a producer that pleases our customers.

One element of our corporate philosophy is “to promote growth in harmony with the needs of society as a good corporate citizen.” We will continue to seek to grow in this way, ensuring that we remain responsive to the needs of all interested stakeholders, including our shareholders and investors.



J Yoshikawa

Chairman Junichi Yoshikawa

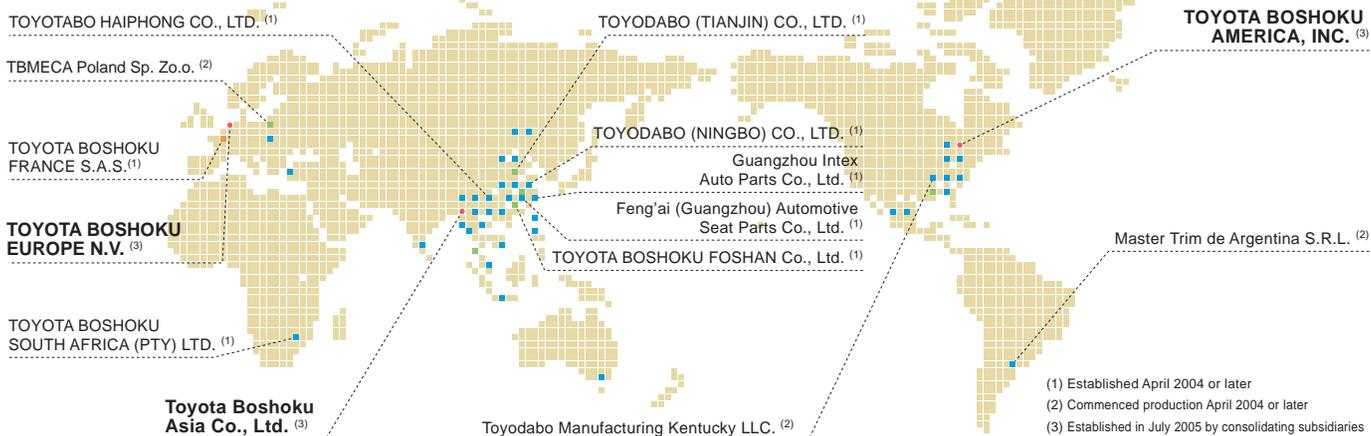
M Motonami

President Masanao Motonami



Toyota Boshoku aims to continue growing as a global automotive systems supplier, with Toyota Motor as its key partner.

Development, Production and Sales Organizations



	In Japan	Overseas	Total
Consolidated subsidiaries	16	51	67
Equity method affiliates	4	8	12
Total affiliates	20	59	79

As of August 31, 2005

Overseas affiliates	Americas	China	Rest of Asia	Other	Total
Regional Administrative and Development Headquarters	1	1	1	1	4
Manufacturing Companies (Automotive Interiors)	19	9	15	5	48
Manufacturing Companies (Filtration and Power Train Components)	2	2	1	1	6
Manufacturing Companies (Textiles and Exterior Components)				1	1
Total	22	12	17	8	59

In addition to supporting Toyota Motor's global production strategy by vigorously developing new overseas business bases, Toyota Boshoku will continue to strengthen its already robust overseas presence.

The strengthening of our overseas presence raises important considerations in moving toward the achievement of our corporate vision. One such consideration is the need to boost our overseas development capacity and strengthen our regional headquarters. In July 2005, regional administrative companies were designated to oversee local subsidiaries in the United States and ASEAN countries, and their functions were enhanced. The purpose of this move was to boost the effectiveness of administrative systems in each of these regions, and to strengthen development capabilities. A development company was also established in Shanghai, in response to the extraordinary growth being witnessed in China. In preparation for a future move into Europe, Toyota Boshoku increased its capacity to gather information on new products and product development there.

Another consideration is the move to bolster our regional production subsidiaries. Here the objective is to enhance the capabilities of these subsidiaries to achieve better results in the areas of product quality, cost and on-time delivery. Placing emphasis in this area will help us to work more closely with Toyota Motor in its plans to accelerate the global development of its automotive business. At the same time, it will result in Toyota Boshoku gaining a greater capacity for local manufacture, again in response to Toyota Motor's needs. To ensure that we achieve these aims, we are already building the foundations - preparing human resource development programs and devoting greater efforts to quality control, cost management and delivery scheduling.

Global development depends heavily upon the building of excellent relationships of trust with local societies and regional partners. Toyota Boshoku will continue to work as a good corporate citizen, in keeping with its corporate philosophy.

North, Central and South America

Toyota Boshoku regards North, Central and South America as its largest and most important market. In July 2005, three United States subsidiaries were integrated and Toyota Boshoku America, Inc., was established.

As a result of this integration, we now have in the Americas one regional administrative and development headquarters, 19 companies engaged in the production of automotive interiors, and two engaged in the manufacture of filtration and power train components.

Asia

In light of the remarkable growth in this region over the last several years, in September 2004 we established a new automotive interiors production company in a joint venture between Toyota Boshoku and Guangzhou Automotive Group Component Co., Ltd., in Guangzhou, China. At that time we also created another new company to produce automotive seats in a joint venture with Aisin Seiki Co., Ltd. Then, in April 2005, we established a filter manufacturer in Foshan, in Guangdong province, China, in a joint venture with DENSO Corporation. In July 2005, Toyota Boshoku Asia Co., Ltd., was established through a merger of two Thai subsidiaries to manage our operations in the ASEAN countries.

As a result of these changes, we now have two regional administrative and development companies, 24 companies engaged in the production of automotive interiors, and three engaged in the manufacture of filtration and power train components in this region.

Europe, Australia, and other regions

We established a company in France in December 2004 to manufacture replacement bumpers. It will supply replacement bumpers for Toyota Motor's made-in-Europe vehicles, such as the Corolla, Yaris and Avensis. In July 2005, Toyota Boshoku Europe Corporation was established in Belgium. It will be engaged in research into technical developments affecting product development and design in our European markets, and the collection of relevant data on sales, procurement and production management. With these functions, it will be the strategic planning hub for our European operations.

With these changes in Europe, our operations in Europe, Australia and other regions now have a total of one company responsible for administration and development, five companies engaged in the production of automotive interiors, one engaged in the manufacture of filtration and power train components, and one responsible for the production of exterior components.



Toyota Boshoku America, Inc.



Skyscrapers in Bangkok
The building in the background houses the offices of
Toyota Boshoku Asia Co., Ltd.



Ground-breaking ceremony for the office of
Toyota Boshoku France S.A.S.



Toyota Boshoku is committed to the development of products that will win the confidence of our customers and fully satisfy their needs.

Interior Components

When we imagine how automobile interiors will have evolved by 2010, we can see just how many areas are demanding new development. Our keywords in this sphere are quality and attractiveness, safety, environment, air treatment and heat, light and illumination, noise and sound, and utility. Toyota Boshoku is taking a comprehensive approach to the concepts represented by these keywords in its technical development efforts.

Most important is the fact that the kind of interior systems that we are striving for really require fundamental technical research and development. What does “ride comfort” mean? What exactly is “a pleasing vehicle interior?” Our development efforts aim to answer these crucial questions through the acquisition of essential technologies. This approach is exemplified in the development of high-precision parts such as the tiny-toothed round reclining screws for changing the seat back angle. Other examples include the development of products made from materials such as high-tensile steel, biodegradable plastics made from vegetable starches, and eco-friendly carbon neutral kenaf fiber, from the fast growing kenaf plant.

Another important issue is the weight of auto parts: lightweight parts are essential to lowering fuel consumption. Toyota Boshoku is striving to achieve weight reduction through the use of high-tensile steel and foam resins. Weight-based competition differs from cost competition in that the results are readily visible. While it is of course natural that clients will

Interior Components in 2010

Quality and attractiveness

Total quality that appeals to the senses

Safety

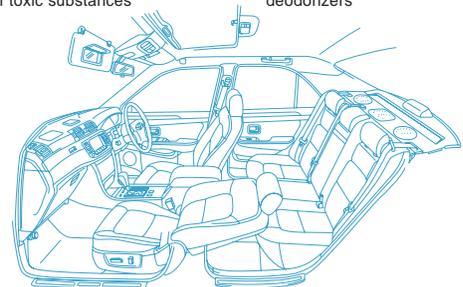
New seat systems; new airbag systems

Environment

Weight reduction; zero use of toxic substances

Air treatment and heat

Aromas; highly effective deodorizers



Light and illumination

Intelligent lighting

Noise

High-performance and lightweight noise dampening materials

Sound

New speaker systems

Utility

Increased passenger space and storage capacity

continue to demand such givens as performance and quality, competition is also based on absolute weight measurements. This underlines the necessity of undertaking fundamental materials development work.

Toyota Boshoku will continue to strive to develop high value-added products for its interior systems based on this kind of fundamental technical research.

Filtration and Power Train Components

Toyota Boshoku will concentrate its efforts in the filtration field to develop even more advanced filtration technologies through research into new filtration materials. We will also strengthen our technical capabilities in related fields, keeping a close watch on technical trends. Simultaneously with the pursuit of these technical improvements, we will utilize computer-assisted engineering (CAE) systems to facilitate technical analysis. By improving analytical capabilities, trial and error will be eliminated from the product development process. This will allow us to reduce design time frames and keep down the cost of prototype development.

It is crucial that, not only in the field of technical development, but also in terms of strategic planning, we constantly keep our focus on what is happening in the market. A company with a strong market share like ours might be tempted to rest on its laurels and neglect the imperative to pursue further progress. But this kind of attitude, which would result in a failure to give emerging trends enough attention, could plunge a business into crisis. At Toyota Boshoku, we have firmly resolved to keep our finger on the pulse of the market at all times, and to use this outside impetus to heighten the motivation of our technical development employees. Consistent with this goal, in September 2005, we established a facility within the Kariya Research Office, in the greater Nagoya area, that will closely monitor not only the technical aspects of our own products, but also various items produced around the world.



Plastic spare tire cover for Toyota Echo



Analysis using computer-assisted engineering tools

Value-Added Filtration and Power Train Products



* Gasoline vapor absorption filters

World's Best Quality



In a globally competitive market, Toyota Boshoku's success stems from its commitment to providing the world's best quality.

Our Development, Production Preparations and Production divisions work together to promote Toyota Boshoku's participation in industry-standard quality assurance systems, right from the early development stages. Great emphasis is placed on ensuring safe and effective vehicle operations, including steering and braking, as well as chassis fire safety and the overall safety of vehicle occupants. To date, seven Japanese and three overseas plants have been certified under the latest ISO/TS 16949 standard⁽¹⁾. High level quality management systems have been extensively deployed in order to guarantee our ability to deliver the highest possible quality of product. Recognizing the importance of quality as a key determinant of our competitive strength, we are constantly working to further boost quality outcomes.

A United States subsidiary, Trim Masters, Inc. (TMI) was ranked first in the J.D. Power and Associates 2004 U.S. Seat Quality ReportSM, and Toyota Boshoku (through one of its pre-merger entities, Araco Corporation) was ranked second in the same report. The independent report was prepared by J.D. Power and Associates on the basis of over 100,000 responses to a survey of owners of 2004 and early-2005 light cars and trucks. It surveyed user satisfaction relating to the overall design and quality of new car seating systems sold in the United States. This is the fourth year in a row that TMI and Araco Corporation were ranked first or second in the J.D. Power and Associates Seat Quality Report, and this is a solid indication of the level of user satisfaction that we enjoy. It is customer appreciation such as this that has led to an order from General Motors for seats for the Chevrolet HHR. We have been working with Chevrolet from the earliest stages of development, and production commenced in Mexico in July 2005.



Toyota Boshoku maintains ISO/TS 16949 certification.

1: The ISO/TS 16949 standard is a comprehensive quality management standard for the automotive industry that was developed out of the QS 9000 standard (United States), as well as the VDA6.1 (Germany), AVSQ (Italy) and EAQF (France) standards.



J.D. Power and Associates 2004 U.S. Seat Quality ReportSM



In this quality survey, the smaller the value is, the higher the evaluation. Source: J.D. Power and Associates 2004 U.S. Seat Quality ReportSM
*Trim Masters, Inc.(TMI) is Toyota Boshoku's U.S. subsidiary.

Cost Competitiveness



Toyota Boshoku aims to improve its cost competitiveness by enhancing the added value of its goods. This can offer a greater competitive advantage than just reducing input costs. We are also currently working to streamline our operations.

Rather than reducing the prices of our products, we believe that it is more important to improve our cost competitiveness by raising product appeal through such means as enhanced performance and functionality.

Based on this fundamental objective, Toyota Boshoku has established a Business Revolution and Value Innovation Promotion Committee, as a means of responding to the Value Innovation objectives adopted by Toyota Motor in its drive to reduce production costs. We will adopt a cross-functional approach as a way to link the key requirements, including the need to broaden the scope of the seat, trim and filter businesses, develop new products and new materials, and expand systems development work. The objective is to secure a highly competitive position for our products in the global market.

Toyota Boshoku will also be working to streamline its operational structures, seeking to take early advantage of the synergies generated by the recent merger. It will explore every opportunity to accelerate efforts to realize the potential benefits of synergy, choosing the most beneficial procurement channels, enhancing distribution efficiencies, introducing efficiencies in production and development facilities, and eliminating duplicate efforts.

Our overall aim is to further strengthen the competitive strength of our business by simultaneously devoting attention to enhancing cost competitiveness and eliminating operational inefficiencies.

Products at a Glance

Interior Components Business

The interiors business involves the development and production of automotive interior systems. Rather than only assembling interiors from parts and modules comprising individual elements such as seats, door trim, headliners and carpeting, Toyota Boshoku thinks of the vehicle interior as an integrated system. This allows us to concentrate on achieving such goals as comfort, safety and environmental responsibility, and to create fresh appeal and new added value.

Interior systems products



Filtration and Power Train Components Business

The filtration and power train components business develops and produces components across a number of fields. In the field of engine air induction systems, we make air inlet parts designed to improve engine efficiency and cut down on size and weight. Our engine oil circulation systems area produces oil filters with replaceable elements that halve environmental burdens. We also produce highly efficient dust- and odor-reduction filters and extremely effective pollen filters for vehicle cabin air treatment systems.

Air induction system



Textiles and Exterior Components Business

The textiles business encompasses the development and production of textiles for automobile seat fabrics, headliner surface treatments, and highly functional uniforms. Toyota Boshoku relies on its new materials development efforts to produce fabrics that are comfortable to wear and gentle on the environment.

The exterior components business is engaged in the development and sale of such items as replacement bumpers and fender liners.

Exterior components

Replacement bumpers



Fender liners

Engine undercovers

Seats



Door trims



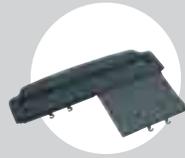
Floor carpets



Curtain-shield airbags



Tonneau covers



Partition nets



Silencers



Molded headliners



Wooden panels (1)



Seat belt webbing and strap belts



Floor mats (1)
Package trays
Airbag base fabrics
Luggage nets

(1) A Toyota Tsusho Corporation brand product

Air cleaners (2)



Oil filters (2)



Cabin air filters (2)



Automatic transmission fluid filters (2)



Plastic intake manifolds



Plastic cylinder head covers with built-in air cleaners (2)



Hydrocarbon absorption filters (2) *



ABS coils



Air filters (2)



Engine covers with original decorative design



Cylinder head covers
Resonators (2)
Air tubes
Ignition coils for motorcycles (2)

Timing belt covers
Rotation sensors

(2) DENSO brand products
* Gasoline vapor absorption filters

Seat fabrics



Aura moon valley series

Knee supporters



Sleeping socks
Blankets

Uniforms

Comfortable dust-proof coveralls



Functional flame-retardant wear

Interior Components Business

Sales recorded by the interior components business in the year ended March 2005 rose 582.3% to 377.7 billion yen. The main reasons for this were growth in production and the merger.

The company is devoting efforts to further strengthening the interior systems segment of its business. We supplied interior components to 10 Toyota vehicle models that commenced production in Japan during the year - the Scion tC, Crown Majesta, Noah, Voxy, Porte, HiAce, Isis, Mark-X and Vitz. Overseas, interiors were supplied to Toyota Motor's Innovative International Multi-purpose Vehicle (IMV), which commenced production in Thailand, Indonesia, Argentina, India, the Philippines and Malaysia.



Interior of the Crown Majesta

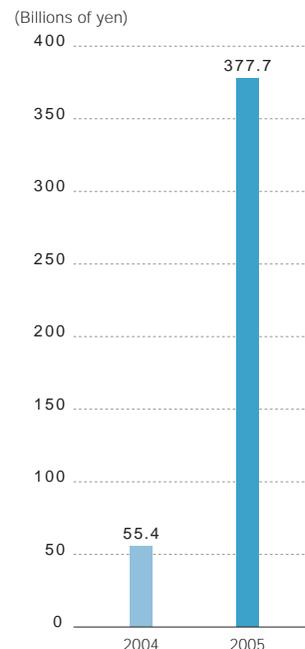


The Crown Majesta



IMV Hilux VIGO

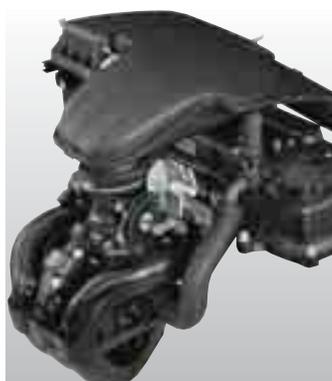
Interior Components Business: Sales Trends



Filtration and Power Train Components Business

Sales recorded by the filtration and power train components business in the year ended March 2005 rose 20.1% to 58.3 billion yen. The main reason behind this increase was a growth in production.

Air induction systems were supplied for two new Toyota models (Passo and Vitz), and automatic transmission fluid filters were supplied to Honda and Aisin Seiki for trucks for which production commenced during the year. Pollen filters were installed in a wide variety of vehicle models.



Air induction system

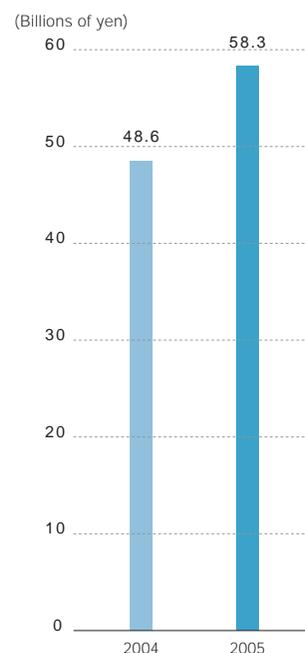


Cabin air filters



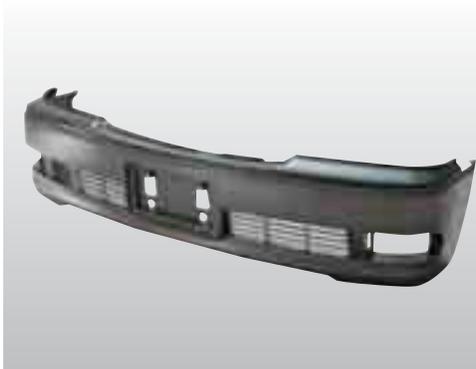
Automatic transmission fluid filters

Filtration and Power Train Components Business: Sales Trends



Textiles and Exterior Components Business

Sales recorded by the textiles and exterior components business in the year ended March 2005 grew 39.1% to 20.3 billion yen. The main reason behind this growth was the fact that the production of replacement bumpers increased dramatically.

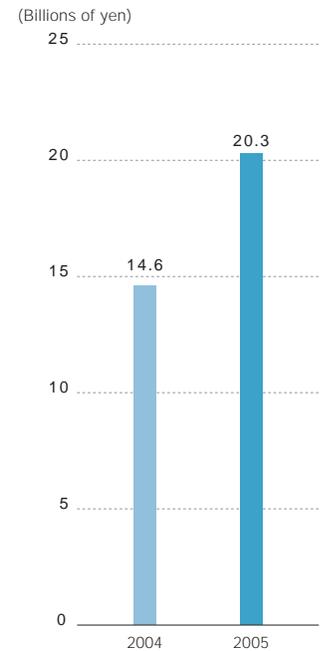


Replacement bumpers

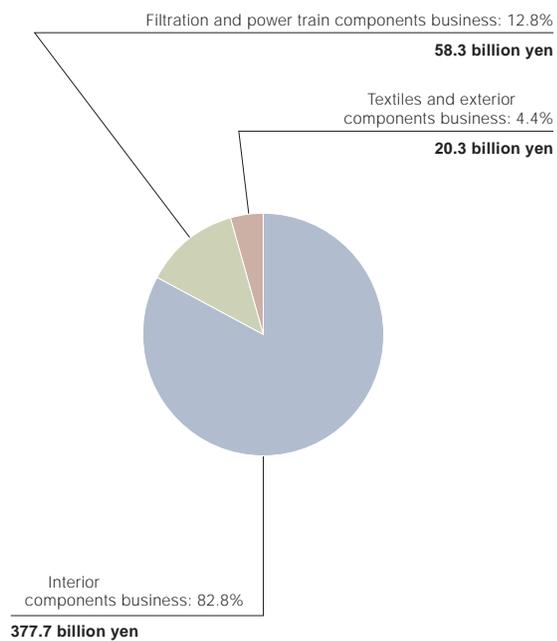


Seat fabrics

Textiles and Exterior Components Business: Sales Trends



Sales by Segment: April 2004 - March 2005



Information by Region

(Pre-merger regional country groupings are used on pages 18 and 19.)

Japan

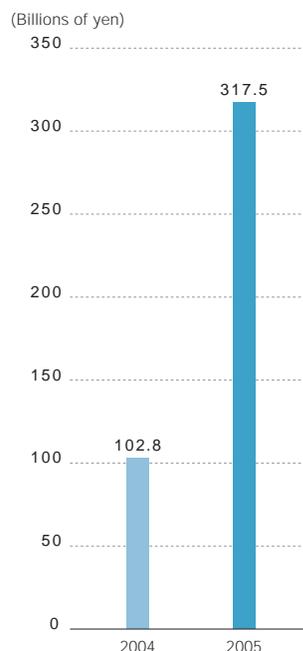
In the year ended March 2005, sales in Japan grew 208% over the previous year, reaching 317.5 billion yen. The main reasons for this growth were the effects of the corporate merger, the introduction of new vehicle models by Toyota Motor, and an increase in Japanese domestic production. Operating income was 119% higher than the previous year, at 11.2 billion yen.

Further growth can be expected in the current year and beyond as a result of the commencement of production of new Toyota vehicle models (Estima, Camry and Corolla) as well as Lexus models (GS, SC, IS and LS).

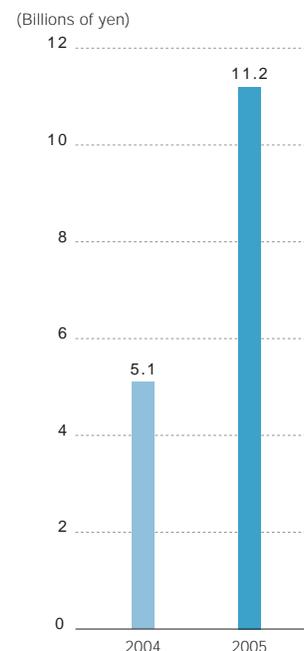


Seat assembly

Japan: Sales



Japan: Operating Income



North, Central and South America

(United States, Canada, Mexico, Argentina)

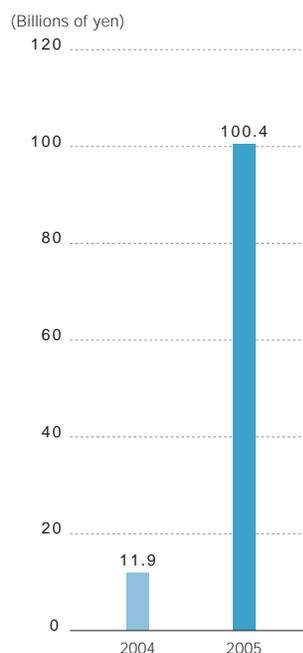
Sales in the Americas rose 743% year on year to 100.4 billion yen. Key factors behind the increase were the effects of the merger and sales of vehicle interiors for the production of new models (Corolla, Camry, Tacoma, in North America; IMV series in South America). Operating income rose 16-fold over the previous year, to 3.4 billion yen.

Orders for seats for two new GM models were received in the year ended March 2005, and production commenced in July 2005.

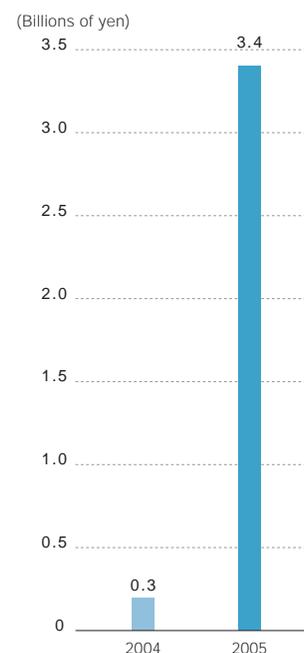


A General Motors seat production line (Araco de México, S.A. de C.V.)

North, Central and South America: Sales



North, Central and South America: Operating Income



Asia (China, Thailand, Vietnam, the Philippines, Indonesia, India)

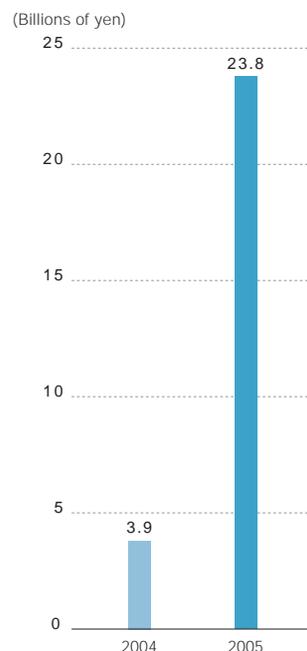
Sales to Asian markets grew 526% year on year to 23.8 billion yen. Major factors behind the growth were the effects of the merger and increased production of Toyota Motor's global strategic vehicle, the IMV series, in Thailand, Indonesia and India. Operating income rose 46-fold over the previous year to 1.5 billion yen.

Production of the Toyota Crown commenced in Tianjin, China, in fiscal 2005. In Guangzhou, production of the Toyota Camry will start in fiscal 2006, with the Mark-X and Corolla to follow.

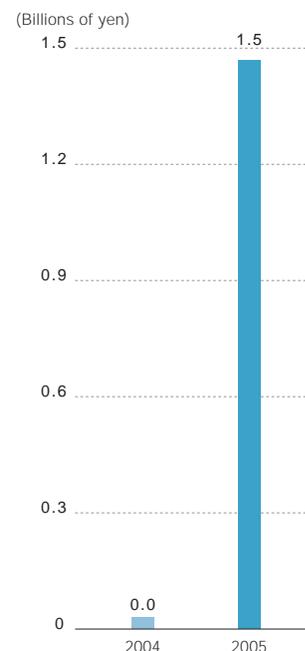


Toyota Boshoku's interiors for the Hilux Vigo, manufactured in Thailand

Asia: Sales



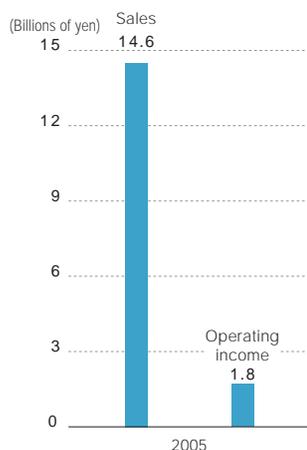
Asia: Operating Income



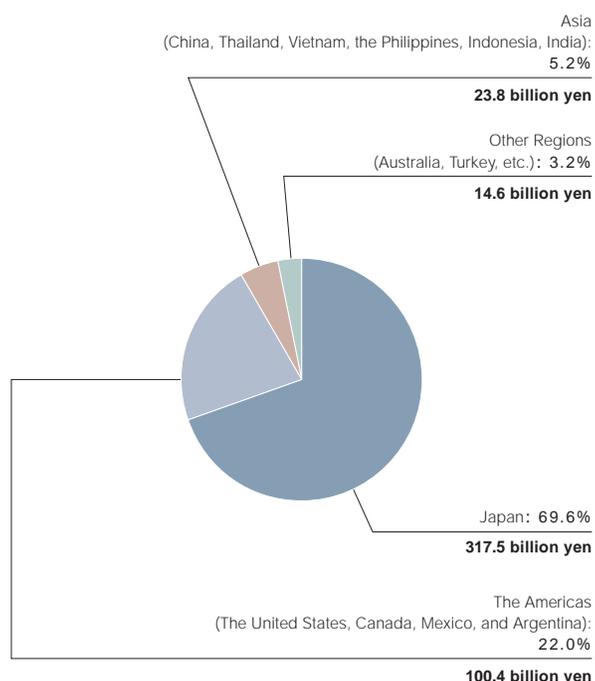
Others (Australia, Turkey, etc.)

Sales in other regions amounted to 14.6 billion yen, and operating income was 1.8 billion yen. As a result of the merger, the company has expanded its market for automotive interiors for the Corolla to Turkey, and for the Camry and the Avalon to Australia.

Sales and Operating Income in Other Regions



Sales by Region (April 2004 - March 2005)



Corporate Philosophy

Toyota Boshoku established its Corporate Philosophy in October 2004. In addition to satisfying the needs of society, our customers, our shareholders and our trading partners, we will, in the words of the primary goal of our Corporate Philosophy, "promote corporate growth while fulfilling our responsibilities as a good corporate citizen." In terms of our relationship with our stakeholders, including shareholders and investors, we will follow the basic objective of building highly transparent management systems that allow for swift reaction to changes in business environments and foster an open stance on the disclosure of information.

Toyota Boshoku's Corporate Philosophy

Toyota Boshoku will:

Promote corporate growth while fulfilling the following responsibilities as a good corporate citizen.

To This end, it will

1. Maintain ethical values, ensuring our corporate activities are fair and transparent;
2. Supply safe products that do not harm the natural world, and promote corporate activities that protect the global environment;
3. Contribute to society as a member of various local communities.

Develop innovative technologies and products that satisfy customers and respect product standards.

Promote innovative management policies that ensure future corporate growth and the trust of our shareholders.

Respect the individuality of our employees and ensure that the workplace is safe and easy to work in, fulfilling our duty to strive for harmonious labor-management relations.

Promote amicable business relations with our clients, joining with them to increase mutual know-how and ensure mutual long-term growth.

Management Systems

There were 19 directors in the year ended March 2004. As a result of the merger in October 2004 with the automotive interior division of Araco Corporation and with Takanichi Co., Ltd., an executive officer system was adopted, and the number of directors was reduced to 16. As of the end of June 2005, the number of directors stands at 17, and there are 26 executive officers.

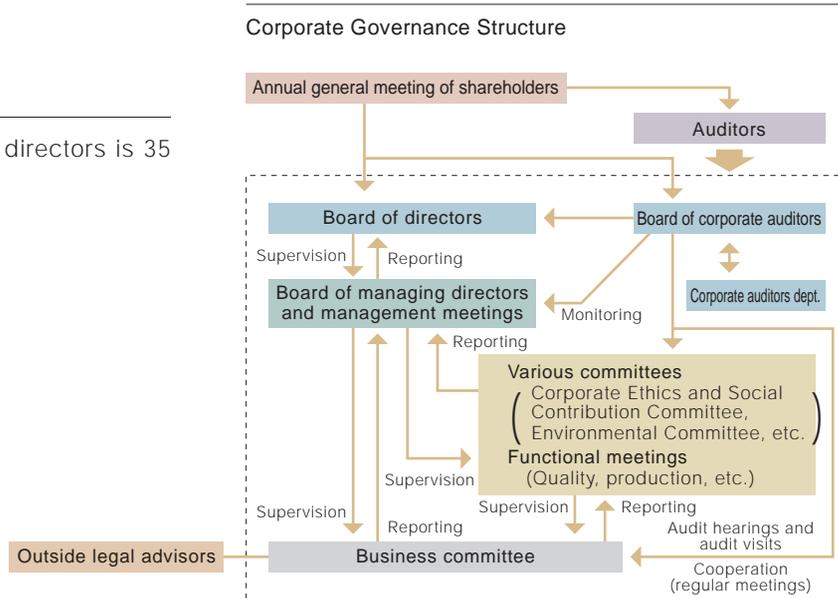
The purpose of the introduction of the executive officer system was to further strengthen the management decision-making functions and operational supervision functions performed by directors, as well as to realize management efficiencies by having executive officers concentrate on day-to-day execution.

At a Shareholders' meeting in June 2004 it was decided that the term for directors would be one year. This decision was made with the understanding that this arrangement would help the directors to focus on addressing the tasks at hand with a sense of urgency.

In addition, an auditor system was adopted and an Audit Office was set up. There are six auditors, including three external auditors. They attend key company meetings and conduct audit hearings and visiting audits, monitoring the administrative activities of directors and the administration and financial affairs of subsidiaries in Japan and overseas. Full-time employees are assigned to the Audit Office to further boost the effectiveness of the auditors.

Director and Auditor's Compensation

The maximum total monthly salaries paid to directors is 35 million yen, and to auditors 6 million yen.



Internal Control Systems and Risk Management

Toyota Boshoku holds regular meetings of its Business Ethics and Social Contribution Committee, chaired by the President, Mr. Motonami. These meetings examine the overall activities of the company from both legal and ethical points of view.

Toyota Boshoku also establishes and updates various rules and regulations (such as those governing treatment of confidential information designed to minimize damage from exposure to risk). Based on those regulations, each division carries out its tasks and prepares outcome reports for the Business Ethics and Social Contribution Committee, the Health and Safety Committee (chaired by the president), or other bodies as required. Where necessary, these committees refer matters to managing director meetings or management meetings, and/or prepare appropriate reports for their information.

Disclosure

Toyota Boshoku believes that, in order to build highly transparent management systems, it is important to have a proactive stance on the disclosure of information.

The company's Corporate Information Disclosure Committee discusses and decides upon the swift disclosure of corporate information at the appropriate time. This committee is chaired by the director of General Affairs and Public Relations, who holds responsibility for information management, and its membership includes the directors responsible for the Business Planning Division, the General Affairs and Public Relations Division and the Accounting Division, as well as the general managers of those divisions.

Toyota Boshoku is also keenly involved in investor relations activities. It has organized meetings to explain its financial results, as well as meetings to outline the company's activities, for individual investors. There is also a substantial amount of information available to investors on our website, and we are keen to maintain close communication with our shareholders and all other stakeholders.

Compliance

Toyota Boshoku aims to ensure that all of its employees are thoroughly imbued with an understanding of compliance responsibilities. Apart from being taught a general respect for the law, employees are made to understand the need for corporate activities to be clearly based on high ethical standards. They are also made aware of our Corporate Philosophy and the Guiding Principles for Employee Conduct. Standards of compliance are reinforced not only through communication in day-to-day tasks within the workplace; they are also thoroughly taught in staff development sessions planned for specific levels and workplaces.

Guiding Principles for Employee Conduct

The document “Guiding Principles for Employee Conduct” was published and distributed to all employees in November 2004. It clarifies appropriate attitudes and acceptable workplace behaviors.

Outline

1. Work issues

- (1) Dealings with clients
- (2) Dealings with suppliers
- (3) Gifts, entertainment and donations
- (4) How to respond to anti-social organizations
- (5) Our responsibilities in relation to the production of goods
- (6) Consideration of the environment
- (7) Overseas business activities

2. Relations between employees and the company

- (1) Protection of company assets
- (2) Respect for intellectual property rights
- (3) Prohibition of unacceptable personal behavior in the company
- (4) Prohibition of outside employment and cooperation with competitors
- (5) Taking advantage of one's employment position
- (6) Handling confidential information
- (7) Corporate information and insider trading
- (8) Prohibition of illegal and antisocial acts

3. In the workplace

How to build a cheerful workplace

4. As members of society

- (1) A healthy social lifestyle
- (2) Contributing to society
- (3) Corporate information and publicity
- (4) Traffic safety



Establishment of Employee Counseling Office

An “Anything Goes Counseling Office” has been established within the company as a place where employees can receive advice on such matters as workplace issues, work difficulties, emotional problems, health issues, family matters, and care of aged relatives. This office is also where employees can report breaches of the law or dishonesty within the company. An external inquiry office has also been set up from which lawyers respond to employees’ complaints, to foster an environment conducive to consultations and reporting.



A publicity card for the “Anything Goes Counseling Office” distributed to all employees.

Social Contributions

Based on the key principle of its Corporate Philosophy (“To promote corporate growth while fulfilling our responsibilities as a good corporate citizen”), Toyota Boshoku promotes activities that contribute to the development of local communities.

Social Contribution Activities

In November 2004, we established the Toyota Boshoku Volunteer Center, which organizes social contribution activities in three main areas.

The first area of activity is based on the establishment of a scholarship fund and contributions to external bodies, as well as the opening up of the company's facilities to people in local communities. To date, our Toyoaki Scholarship Fund has granted scholarships to 26 Japanese students and exchange students visiting Japan. Contributions have also been made to Expo 2005 Aichi Japan, and to aid relief efforts for those affected by the Sumatran earthquake and tsunami.

The second area of activity is a program currently engaged in interacting with children who have Down's Syndrome, as well as in collecting used clothing for disaster refugee relief efforts. In response to the Niigata Chuetsu earthquake of October 2004, employees volunteered to transport relief supplies from Toyota city residents and our employees to the affected area using Toyota Boshoku trucks.

The third area is the coordination of volunteer activities for employees. The company provides employees with relevant information and education and, in one project, the company worked with children in the restoration of an old Toyota model Publica, with the objective of getting them to think about various product manufacturing problems and the value and intrinsic interest in creating new things.

Toyota Boshoku is currently considering means of working in cooperation with overseas companies to expand our social contribution activity programs to other countries.

Structure of Social Contribution Activities



Corporate Ethics and Social Contribution Committee
(Considers direction and progress of activities)



Programs for interaction with children with Down's Syndrome



The MONO DUKURI NAZE? NAZE? (“Why Do We Make Things?”) Project

Sports Promotion Activities

Track and Field Club

Toyota Boshoku has fielded a team in the New Year Ekiden long distance relay race for the past eight years. The team won the February 2005 Nagoya to Gifu Ekiden, two years after a previous win in 2003.

Women's Basketball Club

Our women's basketball team, the Sunshine Rabbits, is currently competing in the Japan Women's Basketball W1 League.

Boat Club

Our four-person rowing crew has won the All Japan Rowing Championships for three years running.



Track and Field Club



Women's Basketball Club



Boat Club

Environmental Preservation Activities

From early on, Toyota Boshoku has taken the stance that the need to actively resolve environmental problems is a crucial business issue, and has been manufacturing products from materials that reduce environmental impact. Examples include sound dampening materials made from shredder dust derived from junked vehicles, and door trim incorporating carbon-neutral kenaf fiber. We have also introduced various activities, such as cogeneration systems, designed to reduce energy consumption during production.

Promotion of Environmental Protection Activities

Toyota Boshoku has established an Environment Committee, chaired by the President, in order to pursue concerted company-wide environmental initiatives.

Toyota Boshoku Earth Charter

Toyota Boshoku issued its Toyota Boshoku Earth Charter in December 2004.

Toyota Boshoku Earth Charter

1. Contribute toward a prosperous 21st century society

Aim for growth that is in harmony with the environment, and set a challenge to reduce environmental burdens throughout all areas of business activities.

2. Develop environmental technologies

By seeking to tap the potential offered by environmentally technologies, we will produce goods that are both comfortable and ecologically responsible. We will involve ourselves in the development of new technologies that can make worthwhile social contributions.

3. Take action voluntarily

Develop a voluntary improvement plan based on thorough preventive measures and compliance with laws, that addresses environmental issues while promoting continuous implementation toward the global environmental conservation.

4. Work in cooperation with society

Build close and cooperative relationships with a wide spectrum of individuals and organizations involved in environmental preservation, including related companies and industries.

December 1, 2004
Masanao Motonami
Chairman, Environment Committee
President, Toyota Boshoku Corporation

Toyota Boshoku and all subsidiaries share the Charter as the Toyota Boshoku Group charter. The Charter is modeled after Toyota Earth Charter.

Environmental Management Systems

To support continuous and systematic efforts to promote its environmental protection activities, Toyota Boshoku has been carrying out activities to maintain ISO 14001 environmental management certification, and to continue to improve its internal systems based on that certification. By 2003, the 17 existing factories of Toyota Boshoku had all been certified, while all factories built in 2004 will also acquire this certification in due course.

Environmental Accounting

If we are to develop more effective business operations and facilitate more reasonable decision making, we believe that it is important to ascertain how much has been invested in environmental protection and what effect those investments have had. Another reason we are developing an environmental accounting system is because we believe that this will allow our stakeholders to see our environmentally related information from a broader perspective.



Report on the Environment and Society

Financial Section

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10-Year Financial Summary (Net Sales, Operating Income, Net Income, Shareholders' Equity, etc.)

TOYOTA BOSHOKU CORPORATION March 31

	2005 (Note 1)	2004 (Note 2)	2003 (Note 2)	2002 (Note 2)
Net sales	¥456,311	¥118,554	¥107,321	¥91,864
Operating income	17,867	5,332	5,035	4,337
Ordinary income	19,110	5,315	5,006	4,373
Net income	8,979	2,839	3,002	2,508
Shareholders' equity	109,471	29,396	26,967	25,415
Common stock	8,400	4,933	4,933	4,933
Total assets	311,656	71,434	64,527	60,270
Capital expenditures	21,306	6,942	7,815	6,327
Depreciation and amortization	14,380	5,774	5,872	6,016
R&D expenses	15,237	5,570	4,647	3,473
Per Share				
Net income (Basic)	¥ 68.65	¥ 40.95	¥ 43.33	¥ 37.33
Net income (Diluted) (Note 5)	68.56	40.93		
Cash dividends	12.0	9.0	8.0	7.0
Shareholders' equity	583.31	439.86	403.42	378.36
Financial Indicators				
Operating income to net sales (%)	3.9	4.5	4.7	4.7
Ordinary income to net sales (%)	4.2	4.5	4.7	4.8
Return on equity (ROE) (%)	8.2	9.7	11.1	9.9
Shareholders' Equity (at the end of each FY)				
Number of shares issued (thousands)	187,666	67,174	67,174	67,174
Share price (yen, U.S.dollars)	2,630	899	531	671
Market capitalization (millions of yen, millions of U.S.dollars) (Note 6)	493,561	60,390	35,670	45,074
Number of employees	18,068	3,494	3,089	2,750

Note 1) Figures for the first half of 2005 (from April 1, 2004 to September 30, 2004) are for the former TOYODA BOSHOKU CORPORATION (pre-merger), and for the second half (from October 1, 2004 to March 31, 2005) for the new TOYOTA BOSHOKU CORPORATION.

Note 2) Figures for 2004 and before are for the former TOYODA BOSHOKU CORPORATION, and those for 1999 and before are non-consolidated figures of the former TOYODA BOSHOKU CORPORATION.

Note 3) Three plants have been taken over as a result of a merger with Toyota Kakoh Co., Ltd. in October 2000.

Note 4) Figures in U.S. Dollars for 2005 were converted at ¥107.39, the exchange rate as of March 31, 2005.

Note 5) With regard to the diluted net income-per share of common stock before 2003, dilutive factors did not exist.

Note 6) Market capitalization is calculated by multiplying the number of outstanding shares at the end of the fiscal year by the share price at the end of the period.

Breakdown of Segments by Business (4 years)

	Millions of yen				Millions of U.S. dollars
	2005 (Note 1)	2004 (Note 2)	2003 (Note 2)	2002 (Note 2)	2005 (Note 3)
Interior components	¥377,653	¥55,350			\$3,517
Filtration & power train components	58,308	48,569			543
Textiles and exterior components	20,350	14,635			190

Note 1) Figures for the first half of 2005 (from April 1, 2004 to September 30, 2004) are for the former TOYODA BOSHOKU CORPORATION (pre-merger), and for the second half (from October 1, 2004 to March 31, 2005) for the new TOYOTA BOSHOKU CORPORATION.

Note 2) The Company began breaking down segments by business category from 2004.

Note 3) Figures in U.S. Dollars for 2005 were converted at ¥107.39, the exchange rate as of March 31, 2005.

						Millions of yen	Millions of U.S. dollars
2001	2000	1999	1998	1997	1996		2005
(Note 2, 3)	(Note 2)		(Note 4)				
¥81,792	¥50,109	¥46,332	¥41,451	¥40,316	¥38,085		\$4,249
3,980	2,579	1,626	1,141	1,098	770		166
3,924	2,552	1,559	1,135	1,015	726		178
571	1,375	435	374	396	316		84
23,556	18,315	17,402	17,339	17,337	16,893		1,019
4,933	4,558	4,558	4,558	4,558	4,369		78
52,088	38,138	36,720	30,143	29,583	28,404		2,902
6,612	8,562	3,950	4,294	3,817	2,750		198
5,108	4,163	3,489	3,044	2,494	1,948		134
3,075	2,331	1,914	1,691	1,569	1,602		142
						yen	U.S. dollars
¥ 9.00	¥ 23.05	¥ 7.29	¥ 6.27	¥ 6.65	¥ 5.38		\$ 0.64
6.5	6.5	5.5	5.5	5.5	5.0		0.64
350.67	306.92	291.62	290.56	290.52	287.54		0.11
4.9	5.1	3.5	2.8	2.7	2.0		
4.8	5.1	3.4	2.7	2.5	1.9		
2.4	7.5	2.5	2.2	2.3	1.9		
67,174	59,674	59,674	59,674	59,674	58,751		
671	778	310	315	340	411		\$ 24.49
45,074	46,427	18,499	18,797	20,289	24,147		\$ 4,596
2,135	1,584	1,380	1,307	1,206	1,292		

Sales by Geographical Segments (4 years)

	Millions of yen				Millions of U.S. dollars
	2005	2004	2003	2002	2005
	(Note 1)	(Note 2,3)	(Note 2,3)	(Note 2,3)	(Note 4)
Japan	¥326,208	¥105,681	¥94,265	¥84,491	\$3,038
North, Central and South America (U.S.A., Canada, Mexico, Argentina)	100,924	11,957	13,208	6,737	940
Asia (China, Thailand, Vietnam, Philippines, Indonesia, India)	25,600	4,841	2,048	1,004	238
Others (Australia, Turkey, etc.)	14,542				135

Note 1) Figures for the first half of 2005 (from April 1, 2004 to September 30, 2004) are for the former TOYODA BOSHOKU CORPORATION (pre-merger), and for the second half (from October 1, 2004 to March 31, 2005) for the new TOYOTA BOSHOKU CORPORATION.

Note 2) Figures for 2003 and 2004 are for the former TOYODA BOSHOKU CORPORATION.

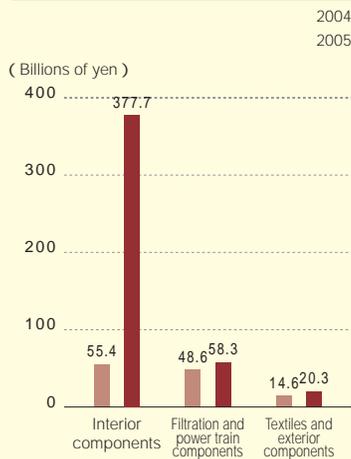
Note 3) With regard to the figures for geographical segments (other than Japan), for 2002, 2003 and 2004, relevant figures only exist for the North, Central and South American areas for the U.S.A., and only for China for the Asian area. No applicable figures exist for other markets.

Note 4) Figures in U.S. Dollars for 2005 were converted at ¥107.39, the exchange rate as of March 31, 2005.

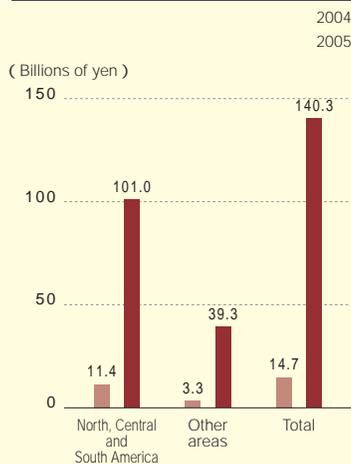
Management's Discussion and Analysis of Financial Conditions and Operating Results

TOYOTA BOSHOKU CORPORATION March 31, 2005 and 2004

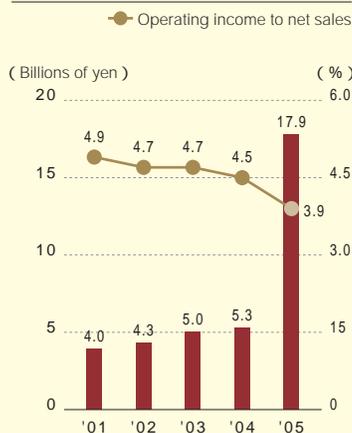
Net sales by product



Overseas net sales



Operating income / Operating income to net sales



Note: Figures from 2001 through 2004 are for the former TOYODA BOSHOKU CORPORATION.

Overview

TOYOTA BOSHOKU CORPORATION (the "Company") (the former TOYODA BOSHOKU CORPORATION) merged with Araco Corporation's automotive interior component division and Takanichi Co., Ltd. on October 1, 2004. TOYOTA BOSHOKU CORPORATION and its subsidiaries (collectively "Companies") consists of 65 subsidiaries and 13 affiliates accounted for by the equity method in the consolidated fiscal year.

In the year 2005, automobile industry domestic sales declined however overall domestic production exceeded prior year levels due to increased exports to Europe.

Net sales increased by 337.7 billion yen (284.9%) to 456.3 billion yen.

Ordinary income increased by 13.8 billion yen (259.5%) to 19.1 billion yen from the previous year. Net income increased by 6.2 billion yen (216.3%) to 9.0 billion yen from the previous fiscal year, even as Companies reported extraordinary losses this period in the amount of 2.3 billion yen, which included a depreciation expense for previous years due to changes in residual value caused by the merger.

Sales

Net sales increased by 337.7 billion yen (284.9%) to 456.3 billion yen from the previous year due to the merger and production increases. A breakdown of net sales follows:

Sales of interior components such as seats and door trim increased by 322.3 billion yen (582.3%) to 377.7 billion yen from the previous year.

Sales of filtration and power train components increased by 9.7 billion yen (20.1%) to 58.3 billion yen from the previous year due to increased production of air filters.

Sales of textiles and exterior components increased 5.7 billion yen (39.1%) to 20.3 billion yen from the previous year.

Additionally, the merger and global expansion increased the number of overseas subsidiaries, and the ratio of overseas sales to consolidated sales increased from 12.4% to 30.7%.

Operating income

While increased labor costs and product price fluctuations had a negative impact, the production increase associated with the merger and cost reductions at all group companies raised operating income from 12.6 billion yen (235.1%) to 17.9 billion yen.

Net income / Net income to sales



Note: Figures from 2001 through 2004 are for the former TOYODA BOSHOKU CORPORATION.

Non-operating income (expenses)

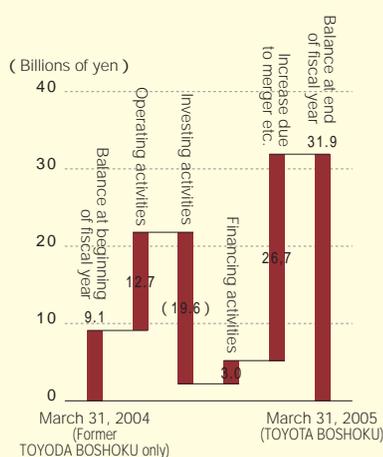
Non-operating income, net increased from 0 billion yen to 1.2 billion yen compared with the previous year.

Non-operating income, net increase was the result of increase in equity in net earnings of affiliated companies from 0.0 billion yen to 0.9 billion yen compared with previous year, as well as increase in rent income from 0.3 billion yen to 0.5 billion yen compared with the previous year.

Minority interest in net income of subsidiaries

Minority interest in net income of subsidiaries rose 918.5% to 2.1 billion yen.

Cash flows



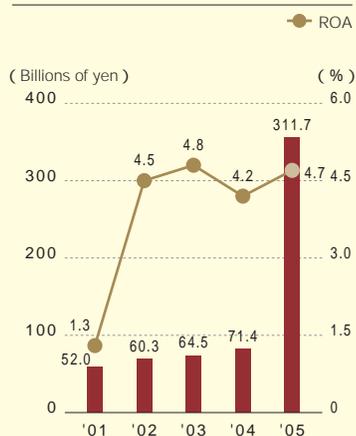
Net income

Net income increased by 6.1 billion yen (216.3%) to 9.0 billion yen from the previous year, despite 2.3 billion yen extraordinary losses derived from depreciation expenses for the previous year due to changes in the residual value caused by the merger.

Cash flows

Cash and cash equivalents totaled 31.9 billion yen at the end of the current fiscal year, a 22.8 billion yen increase over the end of the previous fiscal year. 25.1 billion yen of cash and cash equivalents resulted from the merger of Araco Corporation's automotive interior division and Takanichi Co., Ltd. on October 1, 2004, despite large capital expenditures.

Total assets / ROA

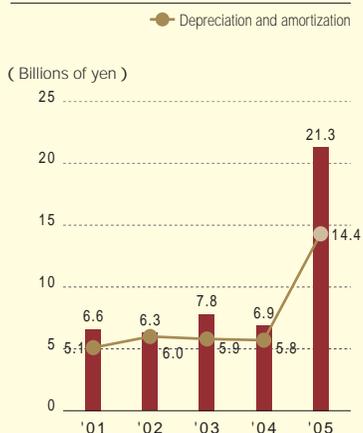


Note: Figures from 2001 through 2004 are for the former TOYODA BOSHOKU CORPORATION.

Financial condition

Total assets rose 336.3% to 311.7 billion yen from the previous year. This was primarily due to assets acquired through the merger with Araco Corporation's automotive interior division and Takanichi Co., Ltd. on October 1, 2004.

Capital expenditures / Depreciation and amortization



Note: Figures from 2001 through 2004 are for the former TOYODA BOSHOKU CORPORATION.

Capital expenditures

As a result of investment in new seat and trim products, as well as the expansion of production sites overseas, particularly in China and other countries in Asia, capital expenditures increased by 208.7% to 21.3 billion yen from the previous fiscal year. As a result of this increase in capital expenditures, depreciation and amortization rose 150.9% to 14.4 billion yen from the previous fiscal year.

Future outlook

Net sales are expected to increase by 64.4% to 750 billion yen from the previous year, ordinary income is expected to increase by 62.2% to 31 billion yen from the previous year, and net income is expected to increase by 72.6% to 15.5 billion yen from the previous year, during the year ending March 31, 2006.

Business risks

In operating results, stock price and financial condition of Companies are exposed to the risks described below. However, this is not a comprehensive list of all risks affecting the Group. There are other risks in addition to those listed below that could influence investors' decisions.

Perspective items are assessed as of date of the submission of the consolidated financial statement of June 30, 2005.

1. Economic conditions

Companies' business includes the manufacture and sale of products and services around the world. Demand for automobile-related products, their major business, can be affected in part by economic conditions in their markets. Accordingly, economic downturns and a decrease in demand for automobiles in their major markets, including Japan, North, Central and South America, Asia, and Europe, may have a negative impact on their operating results and financial condition.

2. Dependence on specific customers

The Company's parent company is Toyota Motor Corporation (TMC). As of the end of the current fiscal year, TMC had 47.0% direct ownership in the Company and 2.7% indirect ownership. Companies sold 40.0% of their products to TMC during the last fiscal year. TMC's automobile sales may impact on their operating results and financial condition.

3. Potential risks of international activities and overseas operations

Companies' worldwide markets in Japan, North, Central and South America, Asia and Europe, have the following risks due to varying country conditions within those markets:

- (1) Unforeseen changes in laws and regulations
- (2) Unfavorable political or economic factors
- (3) Difficulty in hiring and maintaining personnel
- (4) Unfavorable changes in tax systems
- (5) Social ferment caused by terrorism, war and other factors

4. Fluctuations in foreign exchange rates

Companies' business includes the manufacture and sale of products and services around the world. Foreign currency-denominated items such as sales, expenses, assets and liabilities are translated into Japanese yen when preparing consolidated financial statements. The converted value of these items in yen may be affected by fluctuations in exchange rates, even if local prices are the same. In general, appreciation of the yen against other currencies may have a negative impact on Companies' operating results and financial condition.

5. Price competition

The automobile industry faces severe price competition. Automobile manufacturers have requested more competitive pricing from us in recent years.

While Companies believe their products are competitive in technology, quality and price, there is no guarantee that they will be able to compete effectively in the future, due to the chance of a rapid expansion in market share caused by the emergence of new competitors and tie-ups between existing competitors in Companies' product markets and their regional markets. The loss of customers due to the pressure exerted on prices and inability to compete effectively may have a negative impact on their operating results and financial condition.

6. Dependence on raw materials and parts suppliers

Companies' production is dependent on several external suppliers for raw materials and parts. They have concluded basic contracts with external suppliers so that a stable supply of raw materials and parts ensures stable production, but supply pressures caused by global product shortages and unforeseen accidents on the part of suppliers could lead to a shortage of raw materials and products. This may lead to production delays and raise unit costs.

7. Ability to develop new products

One of Companies' basic philosophies is to develop innovative technologies and products that satisfy customers and meet high quality standards. In accordance with this philosophy, they anticipate the needs of the sophisticated, diverse market and strive to develop new products that will satisfy their customers. Companies will continue to develop and market new products, but this process is complex and uncertain and carries various risks, including those listed below:

- (1) There is no guarantee that Companies will be able to secure adequate money and resources to invest in new products and technology.
- (2) There is no guarantee that long-term and large investments of resources will result in successful new products and technologies.
- (3) Companies' products could become outdated due to rapid technological advances and changes in market needs.
- (4) Delays in marketing new technologies currently being developed could prevent us from meeting market demand.

8. Intellectual property rights

Companies strive to build up and protect their technology and expertise to differentiate their products from other companies' products, but it is difficult to completely protect intellectual property rights in some regions, and some of those rights can only be partially protected. As a result, there is a possibility that Companies may be unable to prevent a third party from using their intellectual property to produce similar products. There is also a possibility that they will be unable to prevent other companies from developing similar or superior technology, and/or copying or performing reverse engineering on patents and corporate secrets. Furthermore, there could be a negative impact on Companies' operating results and financial condition in the event that it is determined that their future products and technology impinge on other companies' intellectual property rights.

9. Product defects

One of Companies' basic philosophies is to supply safe products that do not harm the natural world, and promote corporate activities that protect the global environment. Companies continually strive to improve the quality of their products.

Although Companies have product liability indemnity, product deficiencies leading to the award of very large product liability damages could lead to large costs, a damaged reputation and decreased sales and profits, thereby having a negative impact on its operating results and financial condition.

10. Influence of natural disasters and power failures

Companies regularly examine and check their production facilities. Nevertheless, there is no guarantee that they will be able to completely prevent and alleviate the influence of human and natural disasters, such as the breakdown of production facilities, and fires and power failures at production facilities. For example, the majority of their domestic factories are located in the Chubu region. Accordingly, their operating results and financial condition may suffer a negative impact in the event of a large-scale earthquake or other such event that affects operations.

11. Employee retirement benefits

Costs and liabilities for employee retirement benefits are calculated based on actuarial assumptions such as the discount rate, as well as the expected return on pension assets. Differences between actual results and assumptions, as well as changes in those assumptions, could have a significant impact on reported future costs and liabilities.

The aforementioned risks could lead to unforeseen events and impede production and other business activities. Such occurrences may have a negative impact on Companies' operating results and financial condition.

Consolidated Balance Sheets

TOYOTA BOSHOKU CORPORATION March 31, 2005 and 2004

Assets:	Millions of yen		Millions of U.S. dollars
	2005	2004	2005
Current assets			
Cash and cash equivalents	¥ 31,881	¥ 9,106	\$ 297
Short-term investments	1,471		14
Trade notes and accounts receivable (Note 17)	105,428	19,310	982
Inventories (Note 7)	17,825	3,927	166
Deferred tax assets (Note 14)	4,750	1,538	44
Other current assets	12,270	2,025	114
Less: allowance for doubtful accounts	(200)	(111)	(2)
Total current assets	173,425	35,795	1,615
Property, plant and equipment, at cost (Note 8)			
Land	15,614	2,953	145
Buildings and structures	86,614	21,619	807
Machinery, equipment and vehicles	124,891	41,171	1,163
Tools, furniture and fixtures	61,370	25,854	572
Construction in progress	2,594	1,427	24
Total property, plant and equipment	291,083	93,024	2,711
Less: accumulated depreciation	(177,810)	(62,574)	(1,656)
Net property, plant and equipment	113,273	30,450	1,055
Investments and other assets			
Investments in securities (Notes 5,6)	7,479	2,881	70
Deferred tax assets (Note 14)	10,740	1,060	100
Consolidating adjustment account	106	439	1
Other investments (Note 6)	6,792	821	62
Less: allowance for doubtful accounts	(159)	(12)	(1)
Total investments and other assets	24,958	5,189	232
Total assets	¥311,656	¥71,434	\$2,902

The accompanying notes are an integral part of these consolidated financial statements.

	Millions of yen		Millions of U.S. dollars
	2005	2004	2005
Liabilities, minority interest in subsidiaries and shareholder's equity			
Current liabilities			
Short-term borrowings (Note 12)	¥ 13,240	¥ 4,924	\$ 123
Current portion of long-term debt (Note 12)	3,334	1,252	31
Trade notes and accounts payable (Note 17)	104,712	17,592	975
Accrued expenses	17,671	5,446	165
Income taxes payable	4,347	2,053	40
Allowance for product warranties	1,881		18
Other current liabilities (Note 14)	6,123	1,432	57
Total current liabilities	151,308	32,699	1,409
Fixed liabilities			
Long-term debt (Note 12)	2,898	3,137	27
Allowances for employee retirement benefits (Note 13)	18,062	3,079	168
Allowances for directors retirement benefits	523	659	5
Other fixed liabilities (Note 14)	4,453	291	42
Total fixed liabilities	25,936	7,166	242
Total liabilities	177,244	39,865	1,651
Minority interest in subsidiaries	24,941	2,173	232
Commitments and contingent liabilities (Notes 8, 10)			
Shareholders' equity			
Common stock:	8,400	4,933	78
Authorized - 500,000,000 shares in 2005 200,000,000 shares in 2004			
Issued - 187,665,738 shares in 2005 67,174,338 shares in 2004			
Capital surplus	9,019	2,798	84
Retained earnings	94,677	21,579	882
Net unrealized gain on available-for-sale securities	1,114	960	10
Foreign currency translation adjustments	(3,413)	(468)	(32)
Less: treasury stock, at cost - 470,356 shares in 2005 600,277 shares in 2004	(326)	(406)	(3)
Total shareholders' equity	109,471	29,396	1,019
Total liabilities, minority interest in subsidiaries, and shareholders'	¥311,656	¥71,434	\$ 2,902

Consolidated Statements of Income

TOYOTA BOSHOKU CORPORATION
For the years ended March 31, 2005 and 2004

	Millions of yen		Millions of U.S. dollars
	2005	2004	2005
Net sales (Notes 16, 17)	¥456,311	¥118,554	\$4,249
Cost of sales (Notes 10)	419,810	106,302	3,909
Gross profit	36,501	12,252	340
Selling, general and administrative expenses (Notes 10)	18,634	6,920	174
Operating income	17,867	5,332	166
Non-operating income			
Interest income	237	2	2
Interest on securities	152	2	1
Dividends income	34	19	0
Rent income	505	252	5
Equity in net earnings of affiliated companies	873	33	8
Other non-operating income	987	114	10
Total non-operating income	2,788	422	26
Non-operating expenses			
Interest expense	418	151	4
Loss on disposal of property, plant and equipment	161	59	1
Depreciation	213	20	2
Exchange loss		85	
Other non-operating expenses	753	124	7
Total non-operating expenses	1,545	439	14
Ordinary income	19,110	5,315	178
Extraordinary losses			
Loss on impairment of property, plant and equipment	658		6
Loss on changes in welfare plans	110		1
Loss on recomputation of residual values for property, plant and equipment	1,568		15
Income before income taxes and minority interest	16,774	5,315	156
Income taxes-current	6,894	3,132	64
Income taxes-deferred	(1,187)	(861)	(11)
Less: minority interest in net income of subsidiaries	2,088	205	19
Net income	¥ 8,979	¥ 2,839	\$ 84

	Yen		U.S. dollars
	2005	2004	2005
Per share:			
Net income			
Basic	¥68.65	¥40.95	\$0.64
Diluted	68.56	40.93	0.64
Cash dividend	12.00	9.00	0.11

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Shareholders' Equity

TOYOTA BOSHOKU CORPORATION
For the years ended March 31, 2005 and 2004

	Millions of yen		Millions of U.S. dollars
	2005	2004	2005
Capital surplus:			
Balance at beginning of year	¥ 2,798	¥ 2,798	\$ 26
Increase in additional paid-in capital due to mergers	6,216		58
Gain on disposal of treasury stock	5		0
Balance at end of year	9,019	2,798	84
Retained earnings:			
Balance at beginning of year	21,579	19,379	201
Increase in retained earnings due to mergers	64,814		604
Increase in retained earnings due to adoption of inflation accounting	118		1
Net income	8,979	2,839	84
Cash dividends	700	533	7
Bonus to directors and corporate auditors	113	106	1
Balance at end of year	¥94,677	¥21,579	\$882

Consolidated Statements of Cash Flows

TOYOTA BOSHOKU CORPORATION
For the years ended March 31, 2005 and 2004

	Millions of yen		Millions of U.S. dollars
	2005	2004	2005
Cash flows from operating activities			
Income before income taxes and minority interest	¥16,774	¥ 5,315	\$ 156
Depreciation and amortization	14,273	5,774	133
Loss on impairment of property, plant and equipment	658		6
Loss on impairment of securities	42	15	0
Increase in allowance for doubtful accounts	15	6	0
Increase in allowance for retirement benefits	716	289	7
Interest and dividend income	(423)	(23)	(4)
Interest expense	418	151	4
Gain on sale of property, plant and equipment	(121)	(20)	(1)
Loss on sale and disposal of property, plant and equipment	169	62	2
Increase in trade notes and accounts receivable	(1,389)	(5,868)	(13)
Increase in inventories	(1,719)	(581)	(16)
(Decrease) increase in notes and accounts payable	(12,579)	5,984	(117)
Payment of directors' bonuses	(113)	(106)	(1)
Others, net	1,341	1,452	12
Sub-total	18,062	12,450	168
Interest and dividend income received	1,216	46	11
Interest paid	(431)	(154)	(4)
Income taxes paid	(6,101)	(2,528)	(57)
Net cash provided by operating activities	12,746	9,814	118
Cash flows from investing activities			
Payment for purchase of property, plant and equipment	(18,761)	(9,524)	(175)
Payment for purchase of investments in securities	(25)	(7)	0
Increase in time deposits	(2,216)	(505)	(21)
Decrease in time deposits	750	532	7
Others, net	670	(457)	7
Net cash used in investing activities	(19,582)	(9,961)	(182)
Cash flows from financing activities			
Net increase in short-term borrowings, net	5,562	1,431	52
Repayments of long-term debt	(1,363)	(1,788)	(13)
Cash dividends paid	(700)	(533)	(7)
Cash dividends paid for minority shareholders	(1,139)	(330)	(11)
Payments for purchase of treasury stock		(5)	
Others, net	630	12	7
Net cash provided by (used in) financing activities	2,990	(1,213)	28
Translation adjustment of cash and cash equivalents	(339)	(315)	(3)
Net decrease in cash and cash equivalents	(4,185)	(1,675)	(39)
Cash and cash equivalents at beginning of year	9,106	10,781	85
Increase of cash and cash equivalents due to mergers	25,143		234
Increase of cash and cash equivalents of newly consolidated subsidiaries	1,817		17
Cash and cash equivalents at end of year	¥31,881	¥ 9,106	\$ 297

The accompanying notes are an integral part of these consolidated financial statements.

1. Basis of presenting consolidated financial statements

The accompanying consolidated financial statements of TOYOTA BOSHOKU CORPORATION (the "Company") and its subsidiaries (collectively "Companies") have been prepared in accordance with the provisions set forth in the Japanese Commercial Code and Securities and Exchange Law, and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

Certain items presented in the consolidated financial statements submitted to the Director of Kanto Finance Bureau of Japan have been reclassified in these accounts for the convenience of readers outside of Japan.

2. Yen and U.S. dollars amounts

Japanese yen amounts are shown in units of one million yen. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside of Japan. These translations should not be construed as representations that the Japanese yen amounts have been, could have been or could in the future be, translated into U.S. dollars at the given rate or any other rate. The translations have been made at the rate of 107.39 yen to \$1 U.S., the rate of exchange on March 31, 2005.

3. Merger

On October 1, 2004, the Company, the former TOYODA BOSHOKU CORPORATION, merged with Araco Corporation's automotive interior division and Takanichi Co., Ltd., on an equal basis to be a world-class automotive interior system supplier and filter manufacturer.

4. Summary of significant accounting policies

(1) Principles of consolidation

The consolidated financial statements include the accounts of all 65 subsidiaries.

For the year ended March 31, 2005, the merger with Araco Corporation (automotive interior division) and Takanichi Co., Ltd. on October 1, 2004 resulted in the consolidation of the following new subsidiaries: Araco Kyushu Co., Ltd., Takanichi Transport Co., Ltd., the 12 companies of the Trim Masters Inc. group, Takanichi-USA, Inc., Total Interior Systems-America, LLC., ARACO AMERICA INC., P.T.Abadi Baringo Autotech, Araco Automotive India Private Limited, Ningbo ARACO Co., Ltd., ARST (Thailand) Co., Ltd., Araco Australia, Pty. Ltd., Takanichi Otomotiv Doseme Parcalari Sanayi Ve Ticaret A.S. etc.

Tianjin Intex Auto Parts Co., Ltd. was added to the scope of consolidation instead of the scope of equity method.

Araco Kyushu changed its name to Toyota Boshoku Kyushu Co., Ltd. as of April 1, 2005.

The following companies have different fiscal years from the Company:

Twelve companies of the Trim Masters Inc. group (September 30)

Ningbo ARACO Co., Ltd., Tianjin Intex Auto Parts Co., Ltd., Guangzhou Intex Auto Parts Co., Ltd., Feng'ai (Guangzhou) Automotive Seat Parts Co., Ltd. and eight other companies (December 31).

The Company is using the subsidiaries' financial statements temporarily closed as of March 31 for the 12 companies of the Trim Masters Inc. group, which have a fiscal year-end date of September 30 and using other subsidiaries' financial statements for their own fiscal years.

(2) Affiliates accounted for by the equity method

All 13 affiliates are accounted for by the equity method. The merger on October 1, 2004 with Araco Corporation (automotive interior division) and Takanichi Co., Ltd., resulted in the following new affiliates: NARUCO CORPORATION, Co-Werk Co., Ltd., Shin San Shing, Co., Ltd., Tianjin Kahou Automobile Decoration Co., Ltd. and Thai Automotive Seating & Interior Co., Ltd. These affiliates were accounted for by the equity method for the year ended March 31 2005.

(3) Cash and cash equivalents

Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value. Cash and cash equivalents include cash on hand, demand deposits and short-term investments that mature or become due within three months from the date of acquisition.

(4) Securities

Companies do not have trading securities that are held for the purpose of generating profits on short-term differences in prices or held-to-maturity debt securities that it intends to hold to maturity. Other securities with readily determinable fair values are stated at fair value based on market prices at the fiscal year end. Net unrealized gain and loss on these securities are included in net unrealized gain on available-for-sale securities as a separate item in the shareholders' equity at a net-of-tax amount. Cost of sales of such securities is determined by the moving average method. Other securities without readily determinable fair values are stated at cost, as determined by the moving average method.

(5) Inventories

Inventories for finished goods, raw materials, work in progress and supplies are mainly stated at cost, determined by the periodic average method.

(6) Property, plant and equipment

Property, plant and equipment are stated at cost. Depreciation is computed mainly by the declining balance method, at rates based on the useful lives and residual values stipulated in the Corporation Tax Law in Japan. The effective residual values are mainly used for machinery, equipment, and vehicles as well as tools, furniture and fixtures.

As a result of the Company's merger with Araco Corporation's automotive interior division and Takachi Co., Ltd., the Company and certain domestic subsidiaries changed from the residual values of machinery, equipment and vehicles stipulated in the Corporation Tax Law in Japan to the effective residual values. Accordingly, operating income and ordinary income decreased by ¥246 million (\$2 million), income before income taxes and minority interest decreased by ¥1,814 million (\$17 million) and net income decreased by ¥1,286 million (\$12 million) for the ended March 31, 2005, as compared with previous method.

(7) Accounting for impairment of fixed assets

On August 9, 2002, the Business Accounting Council issued a Statement of Opinion, "Implementation Guidance for the Accounting Standard for Impairment of Fixed Assets," and on October 31, 2003, the Accounting Standards Board of Japan (ASB) issued ASB Guidance No. 6, "Guidance for the Accounting Standard for Impairment of Fixed Assets." These new pronouncements can be applied for the fiscal years from the fiscal year ending on March 31, 2004. The Company and its domestic subsidiaries have adopted the new accounting standard for impairment of fixed assets as of April 1, 2004. As a result of the adoption of this accounting standard, income before income taxes and minority interest decreased by ¥242 million (\$2 million).

(8) Finance leases

Where a finance lease does not transfer ownership of the leased property to the lessee during the term of the lease, the leased property of the Company and its domestic subsidiaries is not capitalized, and the related rental and lease expenses are charged to income as incurred.

(9) Allowance for employee retirement benefits

Companies accrue the amount that is considered to have been incurred in that period, based on the estimated projected benefit obligations and estimated pension assets at the end of year.

Actuarial gains or losses are amortized and charged to income over employees' average remaining service period (14-20 years) starting from the following fiscal year in which they occur.

Past service costs are amortized and charged to income over employees' average remaining service period (14-20 years).

(10) Allowance for director retirement benefits

To provide for the retirement benefits for directors, the amount which is calculated at fiscal year-end, based on internal rule is accrued.

(11) Allowance for doubtful accounts

Allowance for doubtful accounts has been provided for as the aggregate amount of estimated credit loss for doubtful or troubled receivables, and a general allowance for other receivables is calculated on the basis of the historical loss experienced for a certain past period.

(12) Allowance for product warranties

Allowance for product warranties has been provided for the amount of estimated claims.

(13) Corporate income taxes, resident taxes and enterprise taxes

The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized.

With the implementation of the "Revision of the Local Tax Law" (Legislation No.9, 2003) on March 31, 2003, size-based corporate taxes for local government enterprise taxes have been newly levied the fiscal year beginning April 1, 2004. As a result, the Company and its domestic subsidiaries have recorded enterprise taxes calculated based on the "added value" and "capital" amounts in the amount of ¥245 million (\$2 million) as selling, general and administrative expenses for the year ended March 31, 2005 in accordance with the practical solution report issued by Accounting Standard Board of Japan.

(14) Translation of foreign currencies

Receivables, payables and securities denominated in foreign currencies are converted into Japanese yen at the exchange rates at fiscal year end. Transaction in foreign currencies are recorded based on the prevailing exchange rate on the transaction dates and the resulting translation gains or losses are included in income statements. In respect of the financial statement items of overseas subsidiaries, all assets and liability and all income and expense accounts are translated into Japanese yen by applying the exchange rates in effect at the fiscal year-end. Translation differences after allocating to minority interest for portions attributable to minority interest are reported as foreign currency translation adjustments in a separate component of shareholders' equity in the accompanying consolidated balance sheets.

(15) Appropriation of retained earnings

Cash dividends and bonuses to directors and corporate auditors are recorded in the fiscal year in which a proposed appropriation of retained earnings is approved by the Board of Directors and at the Shareholders' Meeting.

(16) Per share data

Basic net income per share is computed by dividing income available to common shareholders by the weighted average number of shares of common stock outstanding during a respective year. Diluted net income per share is computed assuming that stock options were exercised at the beginning of the relevant year or (if later) on their first exercise date, and as if the funds obtained thereby were used to purchase common stock at the average market price during the relevant years under the treasury stock method.

Cash dividends per share shown for each fiscal year in the accompanying consolidated statements of income represent dividends declared by the Company as applicable to the relevant years.

5. Marketable securities

Marketable investment securities are classified other than trading or held-to-maturity, that is to say, available-for-sale securities, and are stated at fair values with unrealized gain and loss excluded from the current earnings and reported as a net amount within the shareholders' equity account until realized.

Companies did not have trading or held-to-maturity securities as of March 31, 2005 and 2004.

(a) Other investment securities with readily determinable fair value as of March 31 2005 and 2004 were as follows:

Securities with carrying amounts exceeding acquisition cost as of March 31, 2005 and 2004 were as follows:

	Millions of yen		
	Acquisition cost	Carrying amount	Difference
Stock as of March 31, 2005	¥399	¥2,049	¥1,650
Stock as of March 31, 2004	383	1,980	1,597

	Millions of U.S. dollars		
	Acquisition cost	Carrying amount	Difference
Stock as of March 31, 2005	\$4	\$19	\$15

Securities with carrying amounts exceeding acquisition cost as of March 31, 2004 were as follows:

(b) Other investment securities without readily determinable fair value as of March 31, 2005 and 2004 were as follows:

	Millions of yen		Millions of U.S. dollars
	2005	2004	2005
Unlisted stocks	¥ 796	¥ 703	\$ 8

6. Investments in securities

Investments in securities and other investments in affiliates are as follows:

	Millions of yen		Millions of U.S. dollars
	2005	2004	2005
Investments in securities (stock)	¥4,634	¥198	\$43
Other investments	1,350	284	13

7. Inventories

Inventories as of March 31, 2005 and 2004 were as follows:

	Millions of yen		Millions of U.S. dollars
	2005	2004	2005
Finished products	¥ 3,557	¥1,132	\$33
Work in progress	3,909	1,153	36
Raw materials and supplies	10,359	1,642	97

8. Assets pledged as collateral

Assets pledged as collateral and liabilities with collateral pledged as of March 31, 2005 were as follows:

(a) Assets pledged as collateral

	Millions of yen		Millions of U.S. dollars
	2005	2004	2005
Land	¥1,172		\$11
Buildings and structures	0		0
Tools furniture and fixtures	889		8
Total	¥2,061		\$19

(b) Liabilities with collateral pledged

	Millions of yen		Millions of U.S. dollars
	2005	2004	2005
Guarantee deposits received	¥1,174		\$11

9. Contingent liabilities

Contingent liabilities as of March 31, 2005 and 2004 were as follows. These are all guarantees of bank loans:

	Millions of yen		Millions of U.S. dollars
	2005	2004	2005
ECO Technology, Inc.	¥124	¥103	\$1
Other	30		0
Total	¥154	¥103	\$1

10. R&D expenses

Anticipating the greater sophistication and diversification of customers' needs, the Company is engaged in research and development (R&D) in mutual affiliation with each Technology Section in the Basic Research, New Business, Interior, and Filtration and Power Train Components Sections based on the concept of "developing products that will earn the trust and satisfaction of customers." The Company is also actively involved in both internal and external affiliates, and exchanges technology with other companies' technology divisions possessing expertise and unique knowledge, as well as with research institutes engaged in R&D in cutting-edge technology. This system enables the Company to develop new technology and products for the next generation.

Research and Development expenses included in general and administrative expenses and manufacturing costs for the years ended March 31, 2005 and 2004 were as follows:

	Millions of yen		Millions of U.S. dollars
	2005	2004	2005
R&D expenses	¥15,237	¥5,570	\$142

11. Leases

The finance leases (as lessee), other than those for which ownership of the related goods is considered to have been transferred to the lessee, were as follows:

(a) Equivalent amounts of acquisition cost, accumulated depreciation and end of year balance of the leased assets

	Millions of yen		
	Machinery, equipment and vehicles	Tools, furniture and fixtures	Total
Leased properties for 2005			
Acquisition cost equivalent	¥121	¥446	¥567
Accumulated depreciation equivalent	39	349	388
Net balance equivalent	82	97	179

	Millions of U.S. dollars		
	Machinery, equipment and vehicles	Tools, furniture and fixtures	Total
Acquisition cost equivalent	\$1	\$4	\$5
Accumulated depreciation equivalent	0	3	3
Net balance equivalent	1	1	2

	Millions of yen		
	Tools, furniture and fixtures	Other	Total
Leased properties for 2004			
Acquisition cost equivalent	¥178	¥59	¥238
Accumulated depreciation equivalent	173	59	233
Net balance equivalent	5		5

Note: Acquisition cost equivalents include the imputed interest expense portion because the percentage which is computed by dividing future minimum base payments by total balance of property plant and equipment at year-end is immaterial.

(b) Estimated prepaid leases at the end of the fiscal term

	Millions of yen		Millions of U.S. dollars
	2005	2004	2005
Due within 1 year	¥72	¥5	\$1
Due after 1 year	107		1
Total	¥179	¥5	\$2

Note: Acquisition cost equivalents include the imputed interest expense portion because the percentage which is computed by dividing future minimum base payments by total balance of property plant and equipment at year-end is immaterial.

(c) Leases payments depreciation expenses equivalent

	Millions of yen		Millions of U.S. dollars
	2005	2004	2005
Leases payments	¥100	¥43	\$1
Depreciation expenses equivalent	100	43	1

(d) Calculation method for the depreciation equivalent

A straight-line depreciation method is applied, setting the lease term as the useful life of the asset and assuming a zero residual value.

12. Borrowings

Borrowings as of March 31, 2005 and 2004 were as follows:

	Millions of yen		Millions of U.S. dollars	%	Repayment date
	2005	2004	2005	Interest rate	
Short-term borrowings	¥13,240	¥4,924	\$123	2.51	
Current portion of long-term debt	3,334	1,252	31	2.78	
Long-term debt	2,898	3,137	27	2.79	2006 - 2012
Total	¥19,472	¥9,313	\$181		

The interest rate is the weighted average of the interest rate and outstanding loans as of the end of the fiscal years.

Annual maturities of long-term debt as of March 31, 2005 are as follows:

Year ending March 31	Millions of yen	Millions of U.S. dollars
2007	¥1,568	\$15
2008	369	3
2009	354	3
2010	328	3
2011 and thereafter	279	3
Total	¥2,898	\$27

13. Allowance for employee retirement benefits

(a) Overview of the retirement benefit system adopted by the Company

The Company and its domestic subsidiaries maintain a tax qualified pension plan and a lump-sum retirement benefit plan as its defined benefit plan. Certain foreign subsidiaries maintain defined contribution pension plans. The Company merged with Araco Corporation (automotive interior division) and Takanichi Co., Ltd. on October 1, 2004, and the Company has succeeded the retirement benefit plans of each company.

(b) Projected benefit obligations

	Millions of yen		Millions of U.S. dollars
	2005	2004	2005
Projected benefit obligation	¥46,456	¥10,235	\$432
Fair value of pension plan assets at end of year	(18,620)	(3,081)	(173)
Subtotal	27,836	7,154	259
Unrecognized actuarial loss	(8,065)	(3,587)	(75)
Unrecognized past service cost	(1,772)	(488)	(17)
Prepaid pension cost	63		1
Liability recognized on the consolidated balance sheets	¥18,062	¥3,079	\$168

Certain subsidiaries use the simplified method to calculate projected benefit obligations.

(c) Component of net periodic retirement benefit expenses

	Millions of yen		Millions of U.S. dollars
	2005	2004	2005
Service cost	¥1,631	¥556	\$15
Interest cost	529	212	5
Expected return on pension plan assets	(216)	(74)	(2)
Recognized actuarial loss	441	182	4
Amortization of past service cost	10	25	0
Net periodic retirement benefit expenses	¥2,395	¥901	\$22

The retirement benefit expenses of subsidiaries for which the simplified method was used were included in service costs.

(d) Basis of calculation for projected benefits obligation

	2005	2004
Method attributing the projected benefits to periods of services	Straight-line method	Straight-line method
Discount rate	2.0%	2.0%
Expected return on pension plan assets	1.5%-3.0%	3.0%
Amortization period of unrecognized actuarial gain or loss	14-20 years*	16 years
Amortization period of past service cost	14-20 years*	16 years

* 15-17 years subsequent to the business combination

14. Deferred Income Taxes

(a) Summary of the components of deferred income taxes

	Millions of yen		Millions of U.S. dollars
	2005	2004	2005
Accrued bonus	¥ 2,525	¥ 717	\$ 24
Accrued expenses	770	306	7
Enterprise taxes payable	354	167	3
Allowance for employee retirement benefits	7,030	1,179	65
Allowance for director retirement benefits	204	262	2
Loss on impairment of securities	340	232	3
Other	9,960	811	93
Deferred tax assets subtotal	21,183	3,674	197
Valuation allowance	(3,928)		(36)
Total deferred tax assets	17,255	3,674	161
Special depreciation of acquired assets	719	378	7
Unrealized gain on available-for-sale securities	536	637	5
Special depreciation reserve	779		7
Others	658	135	6
Deferred tax liabilities	2,692	1,150	25
Net deferred tax assets	¥14,563	¥2,524	\$136

Net deferred tax assets are included in the consolidated balance sheet as of March 31, 2005 and 2004 as follows:

	Millions of yen		Millions of U.S. dollars
	2005	2004	2005
Current assets – deferred tax assets	¥ 4,750	¥1,538	\$ 44
Investments and other assets – deferred tax assets	10,740	1,060	100
Current liabilities – other current liabilities	31		0
Fixed liabilities – other fixed liabilities	¥ 896	¥ 74	\$ 8

(b) Reconciliation of the difference between the statutory income tax rate and the effective income tax rate

	2005
Statutory income tax rate	39.9%
(Adjustment)	
Dividends received	4.6%
Tax benefits on operating loss carry forwards of subsidiaries	2.3%
Tax credit of R&D expenses	(5.3%)
Difference of tax rates on foreign subsidiaries	(5.2%)
Equity earnings of affiliates	(2.1%)
Others	(0.2%)
Effective income tax rate	34.0%

For the year ended March 31, 2004, the difference between the statutory income tax rate and the effective income tax rate was less than 5% and was thus not presented.

15. Significant non-funded transaction

The breakdown of the assets and liabilities taken over by the Company upon the merger of the Araco Corporation (automotive interior division) and Takanichi Co., Ltd., as well as their subsidiaries, is shown below. Capital and capital surplus increased by ¥3,467 million (\$32 million) and ¥6,216 million (\$58 million) respectively as a result of the merger.

	Millions of yen	Millions of U.S. dollars
Current assets	¥168,127	\$1,565
Fixed assets	120,770	1,125
Total assets	288,897	2,690
Current liabilities	155,588	1,449
Fixed liabilities	50,358	469
Total liabilities	¥205,946	\$1,918

The assets and liabilities of companies whose status changed from equity-method affiliates to consolidated subsidiaries are as shown below:

	Millions of yen	Millions of U.S. dollars
Current assets	¥1,913	\$18
Fixed assets	1,039	9
Total assets	2,952	27
Current liabilities	295	3

16. Segment information

(a) Business Segments

Companies business is primarily the manufacture and sale of automotive parts. Since automotive parts make up over 90% of total sales, operating income and assets in all segments, information of business segment is not presented.

(b) Geographical Segments

For the year ended March 31, 2005			Millions of yen	Millions of U.S. dollars
Sales	Japan	Customers	¥317,507	\$2,957
		Inter-segment	8,701	81
		Total	326,208	3,038
	North, Central and South America	Customers	100,426	935
		Inter-segment	498	5
		Total	100,924	940
	Asia	Customers	23,835	222
		Inter-segment	1,765	16
		Total	25,600	238
	Others	Customers	14,542	135
		Inter-segment	0	0
		Total	14,542	135
		Eliminations	(10,963)	(102)
		Consolidated	456,311	4,249
Operating costs and expenses	Japan		314,970	2,933
	North, Central and South America		97,507	908
	Asia		24,130	225
	Others		12,746	119
	Eliminations		(10,909)	(102)
	Consolidated		438,444	4,083
Operating income	Japan		11,237	105
	North, Central and South America		3,416	32
	Asia		1,469	14
	Others		1,799	16
	Eliminations		(54)	(1)
	Consolidated		17,867	166
Assets	Japan		213,180	1,985
	North, Central and South America		66,518	619
	Asia		39,036	363
	Others		12,811	120
	Eliminations		(19,889)	(185)
	Consolidated		¥311,656	\$2,902

Notes:

- Classification of countries and regions is based on geographical proximity.
- Primary countries and regions belonging to classifications other than Japan are: North, Central and South America: United States, Canada, Mexico, Argentina; Asia: China, Thailand, Vietnam, the Philippines, Indonesia, India; Others: Australia, Turkey.
- Corporate assets included in eliminations (¥12,169 million [\$113 million]) consist primarily of cash and deposits, securities and investment securities.
- As a result of the Company's merger with Araco Corporation (automotive interior division) and Takanichi Co., Ltd., the classifications of countries and regions were changed from "Japan, North America, and Other" to "Japan, North, Central and South America, Asia, and Others," effective the current consolidated fiscal year. This change did not have any effect on sales, operating income and assets when compared to the classifications used for the previous consolidated fiscal year. "Asia" was included in "Others" in the previous fiscal year, but was given its own classification this fiscal year, as it comprised over 10% of total assets for all segments. In the previous fiscal year, sales in Asia totaled 4,839 million yen, operating income was 31 million yen, and assets amounted to 6,929 million yen.
- As a result of adoption of the new accounting standard for impairment of fixed assets, assets in Japan were decreased by ¥242 million (\$2 million).

For the year ended March 31, 2004			Millions of yen
Sales	Japan	Customers	¥102,812
		Inter-segment	2,869
		Total	105,681
	North America	Customers	11,908
		Inter-segment	49
		Total	11,957
	Others	Customers	3,833
		Inter-segment	1,008
		Total	4,841
		Eliminations	(3,925)
	Consolidated	118,554	
Operating costs and expenses	Japan		100,557
	North America		11,703
	Others		4,809
	Eliminations		(3,847)
	Consolidated		113,222
Operating income	Japan		5,124
	North America		253
	Others		32
	Eliminations		(77)
	Consolidated		5,332
Assets	Japan		50,983
	North America		6,496
	Others		6,931
	Eliminations		7,024
	Consolidated		¥ 71,434

Notes:

1. Classification of countries and regions is based on geographical proximity.
2. Primary countries and regions belonging to classifications other than Japan are: North America: United States; Others: Thailand, China.
3. Corporate assets included in eliminations (¥9,417 million) consist primarily of cash and deposits, securities and investment securities.

(c) Overseas sales by destination

For the year ended March 31, 2005	Millions of yen		
	North, Central and South America	Others	Total
Overseas sales	¥101,006	¥39,293	¥140,299
Total sales			456,311
Ratio of overseas sales to total sales (%)	22.1%	8.6%	30.7%

For the year ended March 31, 2005	Millions of U.S. dollars		
	North, Central and South America	Others	Total
Overseas sales	\$941	\$365	\$1,306
Total sales			4,249
Ratio of overseas sales to total sales (%)	22.1%	8.6%	30.7%

Notes:

1. Classification of countries and regions is based on geographical proximity.
2. Primary countries and regions belonging to classifications other than Japan are: North, Central and South America: United States, Canada, Mexico, Argentina; Others: China, Thailand, Australia, Turkey.
3. Overseas sales are attributed to region based on location of customers, excluding customers in Japan.
4. As a result of the Company's merger with Araco Corporation (automotive interior division) and Takanichi Co., Ltd., the classifications of countries and regions were changed from "North America and Other" to "North, Central and South America and Others," effective the current consolidated fiscal year. This change did not have any effect on sales when compared to the classifications used for the previous consolidated fiscal year.

For the year ended March 31, 2004	Millions of yen		
	North America	Others	Total
Overseas sales	¥11,433	¥3,284	¥ 14,717
Total sales			118,554
Ratio of overseas sales to consolidated sales (%)	9.6%	2.8%	12.4%

Notes:

1. Classification of countries and regions is based on geographical proximity.
2. Primary countries and regions belonging to classifications other than Japan are: North America: United States; Other: Thailand, China.
3. Overseas sales are attributed to region based on location of customers, excluding customers in Japan.

17. Related party transactions

Companies had transactions with Toyota Motor Corporation, which directly and indirectly owns 49.7% equity interest of the Company as of March 31, 2005, during the years ended March 31, 2005 and 2004. The transactions between the companies for the years ended or as of March 31, 2005 and 2004 were as follows:

	Millions of yen		Millions of U.S. dollars
	2005	2004	2005
For the year			
Sale of automotive parts	¥182,547	¥33,976	\$1,700
Purchase of parts	38,870		362

	Millions of yen		Millions of U.S. dollars
	2005	2004	2005
At year-end:			
Accounts receivable	¥43,655	¥6,511	\$407
Accounts payable	13,955		130

18. Stock-based compensation

In June 2004, the Ordinary General Shareholders Meeting of the Company approved "share acquisition rights" which earmark 156,000 shares of common stock to be further distributed among the Company's directors and employees. The purpose of this was to raise motivation and incentives to improve the business performance.

The exercise price shall be set at an amount equivalent to the average closing price of the common stock in normal trades on the Tokyo Stock Exchange during the month prior to the month in which the share acquisition rights were issued multiplied by 1.03. Fractions of less than one yen shall be rounded up. However, if this amount is lower than the closing price on the day the share acquisition rights were issued, the price shall be set as the closing price on the day the share acquisition rights were issued.

Share acquisition rights may be exercised during the period from July 1, 2006 to June 30, 2011. The status of share acquisition rights already issued is shown below:

	June 26, 2002	June 27, 2003	June 24, 2004
Date of issuance decision			
Number of share acquisition rights	11	163	1,560
Classes of stocks available for share acquisition rights	Common stock	Common stock	Common stock
Number of shares available for share acquisition rights	11,000	163,000	156,000
Exercise price for share acquisition rights	¥697/per share	¥595/per share	¥2,021/per share
Exercise period for share acquisition rights	July 1, 2004 - June 30, 2009	July 1, 2005 - June 30, 2010	July 1, 2006 - June 30, 2011

ChuoAoyama PricewaterhouseCoopers

PRICEWATERHOUSECOOPERS

Dai Nagoya Building
3-28-12, Aonoki, Nakamura-ku
Nagoya 450-8565 Japan
Telephone: 81-52-551-1000
Facsimile: 81-52-551-4303

Report of Independent Auditors

To the Board of Directors and Shareholders of
TOYOTA BOSHOKU CORPORATION

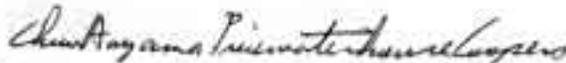
We have audited the accompanying consolidated balance sheets of TOYOTA BOSHOKU CORPORATION and its subsidiaries as of March 31, 2005 and 2004, and the related consolidated statements of income, shareholders' equity, and cash flows for the years then ended, all expressed in Japanese Yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of TOYOTA BOSHOKU CORPORATION and its subsidiaries as of March 31, 2005 and 2004, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

As described in Note 4(7), effective for the year ended March 31, 2005, TOYOTA BOSHOKU CORPORATION and its domestic subsidiaries have adopted the new accounting standard for impairment of fixed assets.

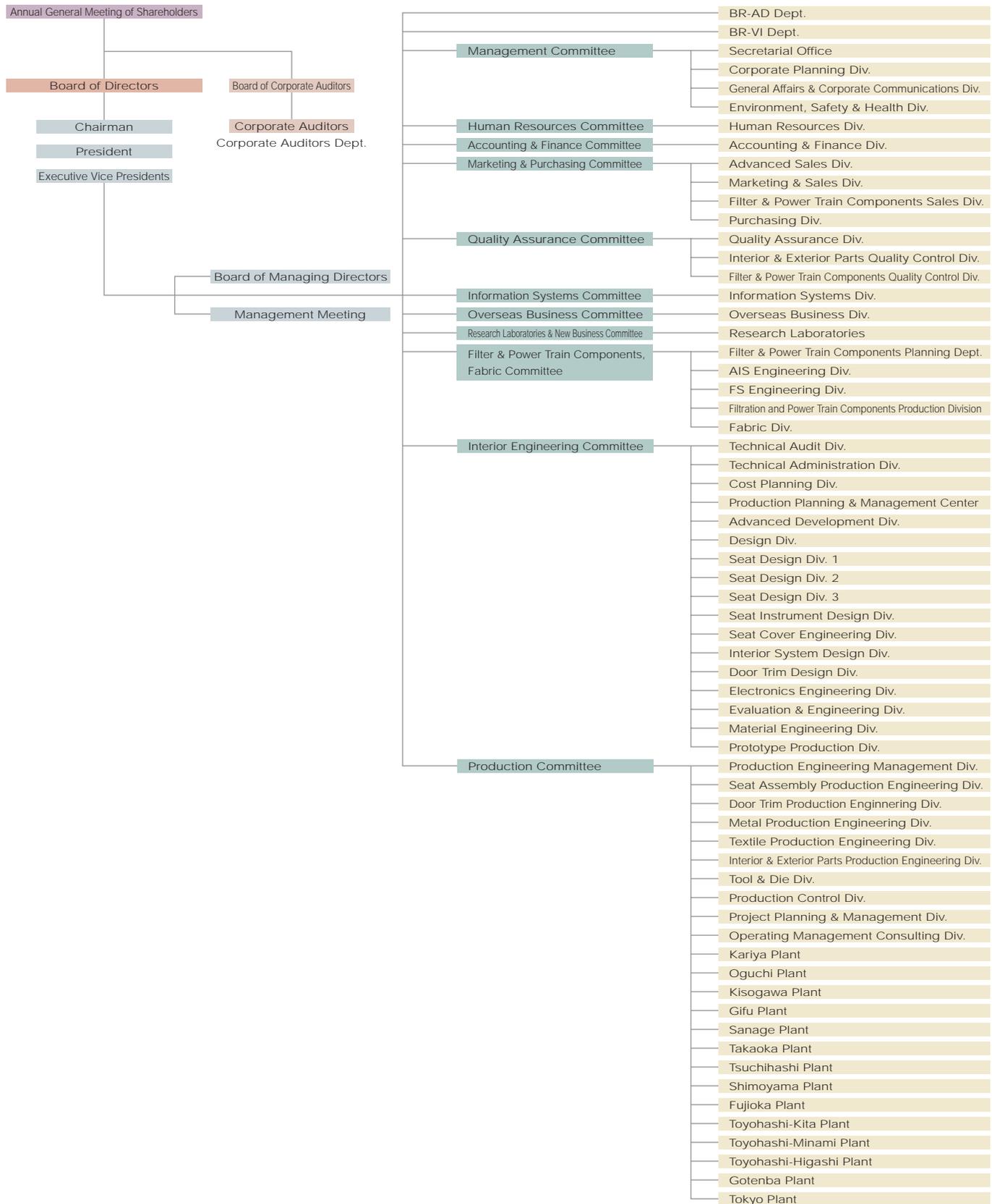
The amounts expressed in U.S. dollars, which are provided solely for the convenience of the reader, have been translated on the basis set forth in Note 2 to the accompanying consolidated financial statements.



ChuoAoyama PricewaterhouseCoopers
Nagoya, Japan
June 22, 2005

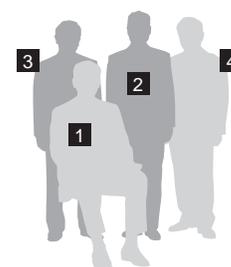
Corporate Organization

As of June 22, 2005



Top Management

As of June 22, 2005



- 1** Chairman
Junichi Yoshikawa
- 2** President
Masanao Motonami
- 3** Executive Vice President
Shuheï Toyoda
- 4** Executive Vice President
Yoshihiko Doi

Directors and Auditors

Chairman

Junichi Yoshikawa

President

Masanao Motonami

Executive Vice Presidents

Shuheï Toyoda

Yoshihiko Doi

Senior Managing Directors

Tadaaki Sawasaki

Kiyoshi Imaizumi

Mitsuyuki Noguchi

Managing Directors

Noriyuki Yokouchi

Terutsune Moto

Norikazu Fujikawa

Hiroyoshi Ono

Ritsuo Torii

Hideki Murase

Yasushi Nakagawa

Director (with Managing Director Status)

Tadashi Naito

Directors

Kazuo Okamoto

Oyuki Ogawa

Standing Corporate Auditors

Yutaka Ueda

Minoru Ikeda

Kuniyuki Kitayama

Corporate Auditors

Katsuaki Watanabe

Tadashi Ishikawa

Hiromu Okabe

Managing Officers and Officers

Managing Officers

Kunihiko Terasaka

Keiichi Suzuki

Koichi Sawa

Tsuyoshi Kuriyamoto

Hideo Kawakubo

Toshimitsu Watanabe

Kunihiko Kiyohara

Kazutami Shibata

Nobuyuki Kobayashi

Fumitaka Ito

Officers

Hidemi Itatani

Noriyuki Shimada

Ikuo Sengoku

Yoshio Taguchi

Koji Iida

Akira Furusawa

Koichi Terasaka

Yasunobu Hara

Masaki Katsuragi

Masafumi Suzuki

Hiroshi Ueda

Katashi Sakai

Toru Miyata

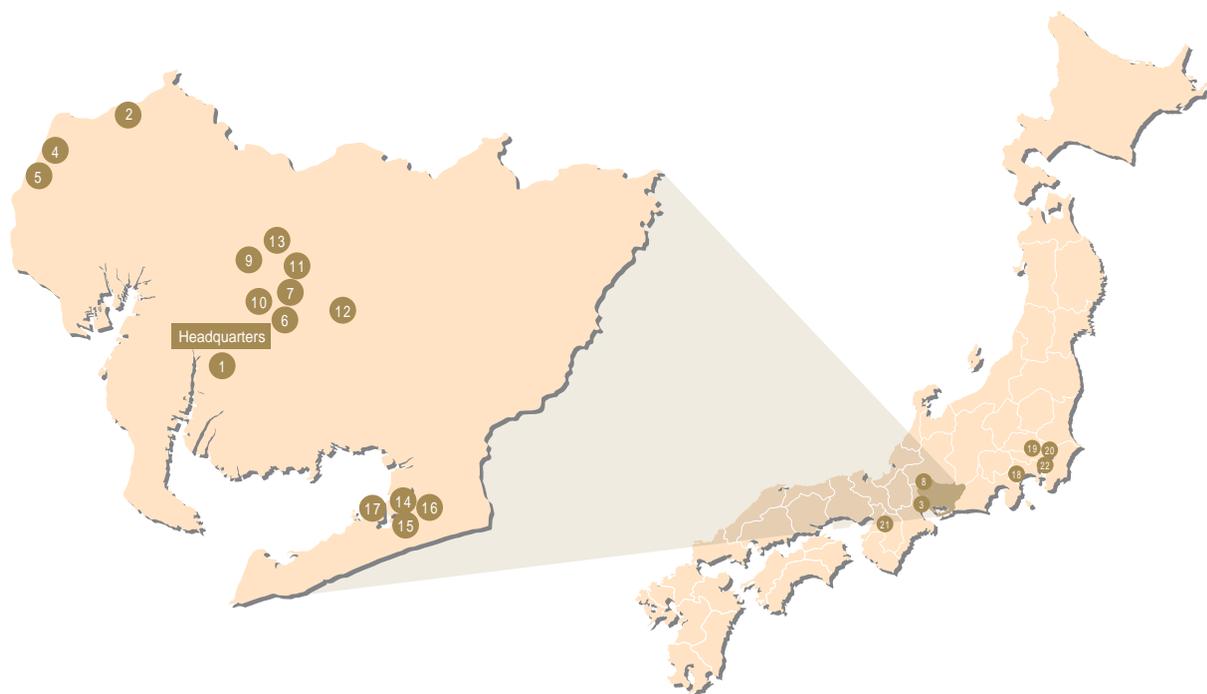
Toshiyuki Tsutaki

Takumi Shimizu

Sunao Yamamoto

Accounting auditor: ChuoAoyama PricewaterhouseCoopers

Corporate Data

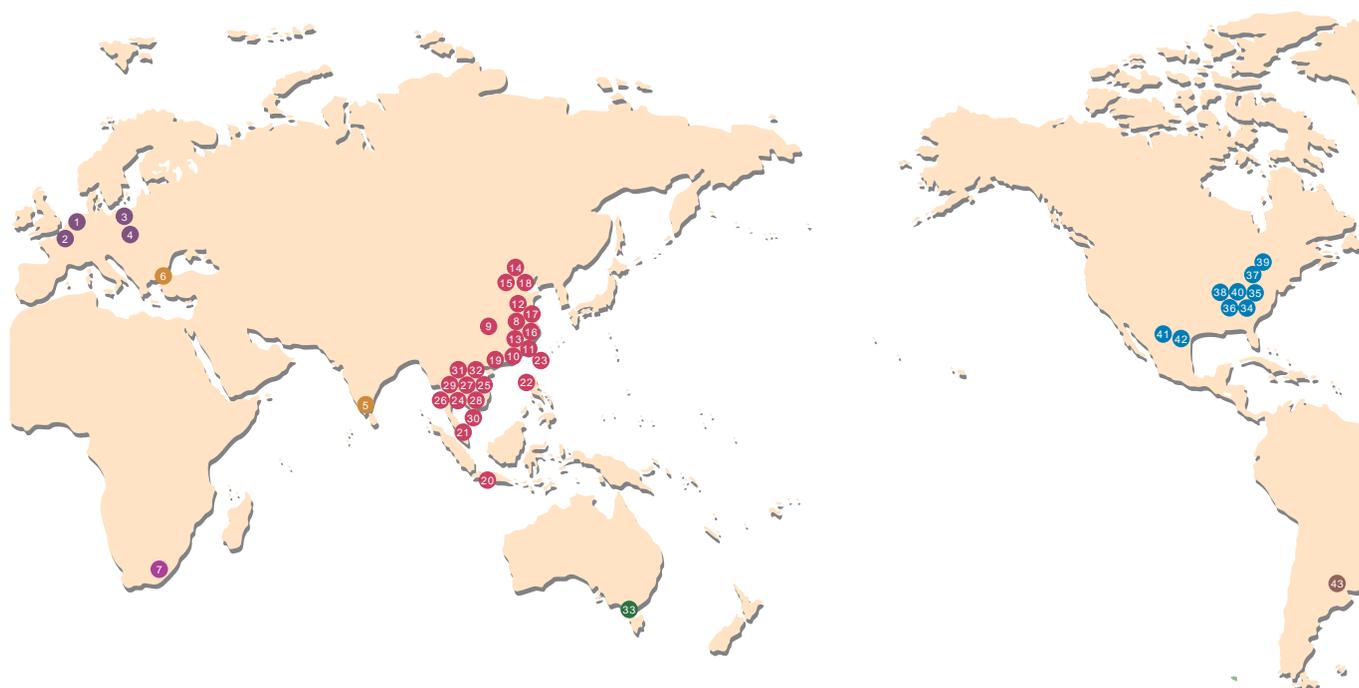


Plants and Offices in Japan

Base	Established	Item Produced or function	Base	Established	Item Produced or function
Headquarters	May 1950		Takaoka Plant	April 1967	Seats
Kariya Plant	November 1923	Oil filters, air filters, cabin air filters, revolving sensors, ABS coils and other products	Tsuchihashi Plant	June 1961	Seats
Oguchi Plant	July 1956	Molded headliners, seat fabric, fender liners, silencers, blended yarn, etc.	Shimoyama Plant	December 1968	Seat covers
Inabe Plant	May 2004	Processing and on-time shipping of automotive interior components	Fujioka Plant	April 1986	Door trim
Kisogawa Plant	September 1973	Floor carpet and pillar garnish	Toyohashi-Kita Plant	May 1982	Seats and door trim
Bisai Plant	December 1997	Floor mats and strap belts	Toyohashi-Minami Plant	January 1990	Seats and door trim
Tsutsumi Plant	August 2004	Floor carpets, processing and on-time shipping of automotive interior components	Toyohashi-Higashi Plant	October 1985	Floor carpet, wood panels and products/materials made from recycled carpet
Tsutsumi-Kita Plant	March 1996	Silencers and floor raisers	Tahara Plant	December 2002	Processing and on-time shipping of automotive interior components
Gifu Plant	March 1968	Bumpers, seat belt webbing and airbag base fabric	Gotemba Plant	July 1999	Seats and door trim
Sanage Plant	March 1967	Seats, door trim and other interior components	Tokyo Plant	April 1970	Door trim
			Tokyo Marketing Office	January 1997	
			Osaka Marketing Office	January 1998	
			Kanto Center	November 2000	Design and experimental manufacture

Worldwide Affiliates (Japan) (by chronological order of establishment)

Subsidiaries			TB High-Tech Corporation	Manufacture of dies and machine tools
Famic Co., Ltd.	Manufacture of seat covers and other interior components		TB Create Staff Corporation	Subcontracting work for various projects, and general labor dispatch service
Green Kasei Co., Ltd.	Manufacture of tree-planting equipment, disaster prevention equipment and gardening supplies		TD Laboratory Corporation	Research and development of seats and subcontracting product tests and evaluations
KYOEI ARACO Co., Ltd.	Manufacture of seats and seat covers		TB Engineering Corporation	Dispatching of design technicians and subcontracting technical development
Aiho Corporation	Food service and sale of sundry goods		TB Iwate Corporation	Manufacture of auto components
Toyota Boshoku Kyushu Corporation	Manufacture of seats, door trim and other interior components			
TB Transport Co., Ltd.	Transport service		Affiliated Companies	
AR Service Co., Ltd.	Factory shop, travel agency, other general services		NARUCO CORPORATION	Manufacture of auto components
TB Service Corporation	Transport and cargo-handling services		Co-Werk Co., Ltd.	Manufacture of auto interior components
Takatech Co., Ltd.	Manufacture of machinery and equipment for auto seats, door trim and other interior components		High Need Industry Co., Ltd.	Manufacture of auto interior and exterior materials
Technical Links Design Co., Ltd.	Product design, visual design, etc.		AITEC Co., Ltd.	Manufacture of auto components



Worldwide affiliates (outside Japan)

Europe	Company	Established	Item produced or function
Belgium	TOYOTA BOSHOKU EUROPE N.V.	July 2005	Research on European motor vehicles, and manufacture and marketing of interior components
France	TOYOTA BOSHOKU FRANCE S.A.S.	January 2005	Manufacture of bumpers
Poland	TBMECA Poland Sp. Zo.o.	October 2003	Manufacture and marketing of cylinder head covers, intake manifolds, air filters, oil filters, and other power train components
Slovakia	TRIM LEADER, A.S.	May 2000	Manufacture and marketing of seat covers
Middle East	Company	Established	Item produced or function
India	ARACO AUTOMOTIVE INDIA PRIVATE LIMITED	July 1998	Manufacture and marketing of seats, interior components and molded products
Turkey	TAKANICHI OTOMOTIV DOSEME PARCALARI SANAYI VE TICARET A.S.*	October 1997	Manufacture and marketing of seats and interior components
Africa	Company	Established	Item produced or function
South Africa	TOYOTA BOSHOKU SOUTH AFRICA (PTY) LTD.	July 2005	Manufacture and marketing of seats, door trim and other interior components

* The company name will be changed from September 2005.

Corporate Data

Worldwide Affiliates (Outside Japan)

Asia	Company	Established	Item Produced or function
China	ARACO (SHANGHAI) CO., LTD.*	March 2002	Development and design of seats and interior components
	CHENGDU ARACO CAR INTERIOR PARTS Co.,Ltd.*	March 1999	Manufacture and marketing of seats and interior components
	Feng'ai (Guangzhou) Automotive Seat Parts Co.,Ltd.	September 2004	Manufacture and marketing of metal components for automotive seats
	Guangzhou Intex Auto Parts Co., Ltd.	September 2004	Manufacture and marketing of seats, door trim and molded headliners
	Kunshan Takanichi Automobile Interior Trim Parts Co., Ltd.*	March 1995	Manufacture and marketing of seats and interior components
	Ningbo ARACO Co., Ltd.	May 2002	Manufacture and marketing of seats and interior components
	Tianjin Intex Auto Parts Co., Ltd.	April 2003	Manufacture and marketing of seats and interior components
	Tianjin Kahou Automobile Decoration Co., Ltd.	October 1995	Manufacture and marketing of seats, interior components and molded products
	TOYODABO (NINGBO) CO., LTD.	July 2004	Manufacture and marketing of seat fabric
	TOYODABO (SHANGHAI) CO., LTD.*	September 2001	Manufacture and marketing of seat belt webbing, strap belts and luggage nets
	TOYODABO (TIANJIN) CO., LTD.*	June 2004	Manufacture and marketing of air filters, oil filters and cabin air filters
TOYOTA BOSHOKU FOSHAN Co., Ltd.*	April 2005	Manufacture and marketing of oil filters	
Indonesia	P.T. ABADI BARINDO AUTOTECH	March 1988	Manufacture and marketing of seats and interior components
Malaysia	TAKANICHI SIM SDN. BHD.	August 2003	Manufacture, cutting, sewing and marketing of automotive seats and interior components
Philippines	Toyota Boshoku Philippines Corporation	March 1996	Manufacture and marketing of seats and interior components
Taiwan	SHIN SAN SHING CO., LTD.	April 1987	Manufacture and marketing of seats and interior components
Thailand	ARST (Thailand) Co.,Ltd.	September 2002	Manufacture and marketing of seats and interior components
	SK AUTO INTERIOR CO., LTD.	January 1995	Manufacture of floor asphalt sheeting and other auto products
	STB TEXTILES INDUSTRY CO., LTD.	March 1995	Manufacture and marketing of seat fabric, air cleaners and curtain-shield airbags
	Thai Automotive Seating & Interior Co., Ltd.	August 1997	Manufacture and marketing of seats and door trim
	THAI SEAT BELT CO., LTD.	May 1994	Manufacture and marketing of automobile seat belt assemblies and seat belt webbing
	TOYOTA BOSHOKU ASIA CO., LTD.	June 2001	Supply of seats and interior component systems, and marketing of air filters and oil filters
	TOYOTA BOSHOKU FILTRATION SYSTEM (THAILAND) CO.,LTD.	March 2002	Manufacture and marketing of oil filters and other filters, and molded headliners
Vietnam	Takanichi Vietnam Co., Ltd.	August 1996	Manufacture and marketing of seats and interior components
	TOYOTABO HAIPHONG CO., LTD.	September 2004	Manufacture and marketing of curtain-shield air bags

* The company name will be changed from September 2005.

Oceania	Company	Established	Item Produced or function
Australia	ARACO AUSTRALIA PTY. LTD.	October 2002	Manufacture and marketing of seats and interior components

North America	Company	Established	Item Produced or function
USA	ARJ MANUFACTURING, L.L.C.	June 2001	Manufacture and marketing of seats and interior components
	ECO TECHNOLOGY, INC.	November 2001	Manufacture and marketing of soundproofing materials made from recycled materials
	TBDN TENNESSEE COMPANY	September 1989	Manufacture and marketing of air cleaners, oil filters and fuel filters
	TOTAL INTERIOR SYSTEMS-AMERICA, LLC	November 2000	Manufacture and marketing of seats and door trim
	TOYODABO MANUFACTURING KENTUCKY LLC.	April 2003	Manufacture and marketing of molded headliners
	TOYOTA BOSHOKU AMERICA, INC.	May 2001	Development, design, manufacture and marketing of interior components
	TRIM MASTERS INC.	October 1989	Manufacture and marketing of seats and interior components
Mexico	Araco de Mexico, S.A. de C.V.	October 2003	Manufacture and marketing of seats
	Mexico Takanichi Automobile Interior Corporation, S.A. DE C.V.	February 2002	Processing of seat covers on commission for Total Interior Systems-America (TISA)

South America	Company	Established	Item Produced or function
Argentina	Master Trim de Argentina S. R. L.	July 2003	Manufacture and marketing of seats and interior components

History

January 1918	Toyoda Boshoku Corporation is established by Sakichi Toyoda	 <p>Sakichi Toyoda</p>
November 1943	Merged with Toyota Motor Co., Ltd. (now Toyota Motor Corporation)	
May 1950	Became independent from Toyota Motor Co., Ltd. (now Toyota Motor Corporation) as the Minsei Spinning Co., Ltd.	
August 1950	Listed on the Nagoya Stock Exchange	
August 1967	Changed name to Toyoda Boshoku Corporation	
December 1972	"Manufacture and sale of other automotive components" added to business objectives	
February 1973	Commenced production of ignition coils	
October 1973	Commenced production of seat fabrics	
April 1985	Commenced production of air filters	
March 2000	Shares listed on the First Section of the Tokyo Stock Exchange	
May 2000	Commenced activity as a supplier of automotive interior systems to Toyota Motor Corporation. First vehicle with supplied interiors produced.	
October 2000	Merged with Toyota Kakoh Co., Ltd. As a result, inherited three plants, including the Kisogawa Plant, and added floor carpet to product lineup.	
September 2001	Acquired 51% of the shares of Purodenso Company in U.S.A. (a partnership), now TBDN Tennessee Company, a consolidated subsidiary	
March 2003	Established TOYODABO Filtration System (Thailand) Co., Ltd. (now Toyota Boshoku Filtration System [Thailand] Co., Ltd.), a consolidated subsidiary	
April 2003	Established Tianjin Intex Auto Parts Co., Ltd., a consolidated subsidiary	
September 2004	Established TOYODABO HAIPHONG CO., LTD. (Now TOYOTABO HAIPHONG CO., LTD.), a consolidated subsidiary Established Guangzhou Intex Auto Parts Co., Ltd., a consolidated subsidiary Established Feng'ai (Guangzhou) Automotive Seat Parts Co., Ltd., a consolidated subsidiary	
October 2004	Merged with Araco Corporation's automotive interior division and with Takanichi Co.,Ltd., ; changed name to Toyota Boshoku Corporation Inherited seven plants as a result of the merger, including the Sanage and the Takaoka Plants.; added seats and door trim to product lineup. Added 49 consolidated subsidiaries (12 in Japan, 37 abroad), eight affiliates (two in Japan, six abroad)	

Stock Information

As of March 31, 2005

Stock Breakdown

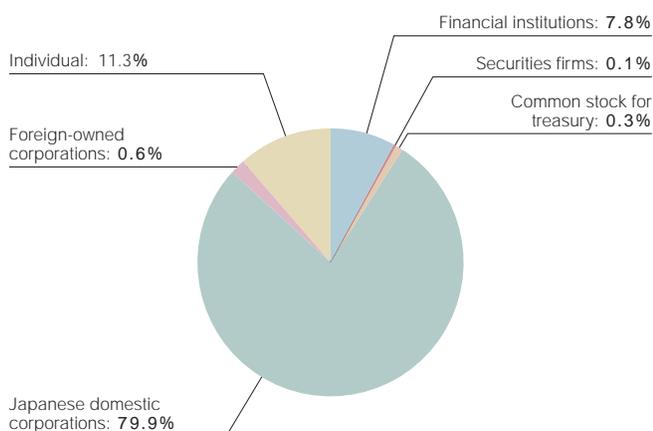
1) Common stock

Authorized: 500,000,000 shares
 Issued: 187,665,738 shares

2) Number of shareholders

5,717

3) Shareholders



Major Shareholders (top ten)

Shareholder	Number of shares
Toyota Motor Corporation	87,873,995
Towa Real Estate Co., Ltd	18,346,209
Denso Corporation	12,192,100
Toyota Industries Corporation	8,756,062
NHK Spring Co., Ltd.	8,220,525
Japan Trustee Services Bank, Ltd.	5,331,700
Toyota Auto Body Co., Ltd.	5,016,000
Toyota Tsusho Corporation	4,930,100
The Master Trust Bank of Japan, Ltd.	2,411,500
Toyota Boshoku Employees' Shareholding Society	1,749,718

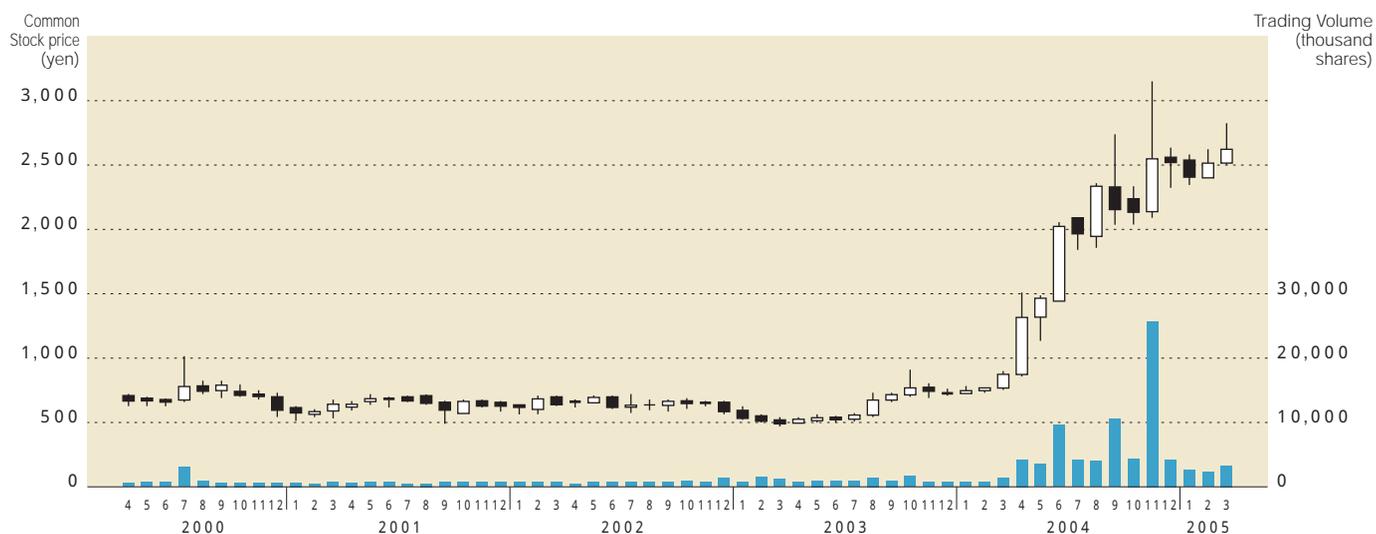
Corporate Data

Established: May 1950
 Capital: 8.4 billion yen
 Number of employees: 18,068
 Headquarters: 1-1 Toyoda-cho, Kariya-shi, Aichi, Japan

Contact for Investors

Headquarters (General Affairs & Corporate Communications Division.)
 1-1 Toyoda-cho, Kariya-shi, Aichi, Japan 448-8651
 Phone: +81-566-23-6611
 Fax: +81-566-26-0400

Common Stock Price on the Tokyo Stock Exchange





1-1 Toyoda-cho, Kariya-shi, Aichi, Japan
Telephone: +81-566-23-6611 Fax: +81-566-26-0400 URL: <http://www.toyota-boshoku.co.jp/>

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