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Suspension of Domestic Shipment in Japan due to Potential Violation of Regulations related to Certification of Engines for Forklifts

2023.3.17 [News Release](#) [Management](#) [Products](#)

[Translation]

Toyota Industries Corporation ("TICO," "we," or "us") has confirmed the excess over the domestic (Japanese) emissions regulation values due to aging degradation, and potential violation of regulations related to Japanese certification for emissions, of TICO-manufactured engines for forklifts for the Japanese market. Given these, today, TICO has decided to suspend the shipping in Japan of forklifts equipped with two models of diesel engines and one model of gasoline engines, a total of three models, and made a report to the Japanese Ministry of Land, Infrastructure, Transport and Tourism (MLIT), the Japanese Ministry of the Environment, and the Japanese Ministry of Economy, Trade and Industry.

We sincerely apologize for a great deal of inconvenience to our customers, dealers, suppliers, and many other stakeholders. Going forward, based on the decisions and instructions of the relevant Japanese authorities, we will put all our efforts into measures toward resuming shipping and corrective measures on already sold products, as well as recurrence prevention.

1. Main Background

1) Second half of 2020

When making a yearly application for certification for 2021 for forklift gasoline engines for the North American market, TICO handled data confirmation and information requests from the U.S. environmental authorities.

May 2021

During the process of handling U.S. environmental authority matters, TICO became concerned about data used for past applications in the U.S., and began to voluntarily verify data used for past applications for forklift gasoline engines for the North American market and commenced an investigation led by external lawyers. Furthermore, in terms of the U.S. certifications, TICO has been making reports on contents thereof to the U.S. authorities. So far each relevant U.S. authority commenced their own investigations, and TICO is cooperating with such investigations.

2) January 2022

TICO voluntarily expanded the scope of the investigation led by external lawyers to include the Japanese certification for gasoline engines.

April 2022

TICO voluntarily began the verification and investigation concerning diesel engines as well (including conducting a deterioration durability testing*).

3) March 2023

TICO has confirmed the issues with regard to Japanese certifications for emissions and has decided to suspend shipping in Japan of forklift trucks equipped with the subject engines (forklifts subject to shipment suspension: around 1.4 thousand trucks manufactured per month).

*deterioration durability testing: a test to confirm engine emissions performance after running the engine for a certain number of hours.

2. Overview of matters confirmed

1) Diesel engines

Model	Sales volume of forklifts equipped with the subject engines	
1ZS model / 1KD model: 2014 application	FY2021: 9.4 thousand trucks	Total (accumulated) at the end of February 2023: 71.3 thousand trucks

Excess over the Japanese emissions regulation values due to aging degradation,* and potential violation of the procedure and method of deterioration durability testing specified by the regulations is confirmed.

*PM (particulate matter), among the regulated four constituents of exhaust gas, exceeded.

2) Gasoline engines

Model	Sales volume of forklifts equipped with the subject engines	
4Y model: 2009 application	FY2021: 7.1 thousand trucks	Total (accumulated) at the end of February 2023: 88.3 thousand trucks

Potential violation of the procedure and method of deterioration durability testing specified by the Japanese regulations is confirmed.

3. Response to customers

With respect to the forklifts subject to the shipment suspension in Japan, we will keep up efforts to resume shipping along with the instructions of the relevant Japanese authorities. During this time, we will commit to minimizing the impact on our customers' operations through smooth maintenance services for machines currently used by our customers, or proposals appropriate to the relevant situations of our customers' logistics sites, etc.

With respect to the diesel engine forklifts that were already sold, given the excess over the Japanese emissions regulation values due to aging degradation, we will proceed to handle necessary matters promptly after measures such as recalls are decided.

Until we contact our customers concerning corrective measures on already sold products, etc., they can continue to use their lift trucks without taking any measures on their own.

4. Recurrence prevention

In addition to the investigation led by external lawyers so far, we will establish a special investigation committee consisting of independent external experts, clarify the details of the case and analyze the root causes of these issues, and compile recurrence prevention measures based on the same.

Composition of the special investigation committee

Chairperson	Hiroshi Inoue (Lawyer/Certified Fraud Examiner; Former Superintending Prosecutor, Fukuoka High Public Prosecutors Office)
Member	Haruka Matsuyama (Lawyer)
Member	Makoto Shimamoto (Counsel, Yamaha Motor Co., Ltd.)

5. Declination to Receive Executives' Compensation

In light of the situation where this matter brings great inconveniences to many stakeholders including our customers, dealers, and suppliers, directors will decline to receive their compensation as below:

Title	Name	Return of compensation
Chairman	Tetsuro Toyoda	100% of monthly compensation × 6 months

President	Akira Onishi	100% of monthly compensation × 6 months
Executive Vice President (President, TOYOTA Material Handling Company)	Yojiro Mizuno	30% of monthly compensation × 6 months
Senior Executive Officer (General Manager, Engine Division)	Hiroshi Matsumoto	30% of monthly compensation × 6 months

After a report from the special investigation committee, we will make an announcement anew on the subject executives and details thereof.

6. Engines other than engines for forklifts

In terms of 1KD diesel engines, TICO has obtained Japanese certification separately from engines for forklifts, and sells them externally as engines for construction machinery. The shipment of the said engines will be also suspended in Japan because procedures and methods provided by law were not followed.

7. Impact on business results

We are currently examining the impact of this case on our consolidated business results. If anything requiring disclosure arises, we will promptly make a disclosure.

<Reference materials>  PDF [283.9KB / 03ページ]