



Promotion of Environmental Management That Supports Consolidated Management

Comprehensive Environmental Management

The entire Toyota Auto Body group of companies is involved in comprehensive environmental management

In 1997, starting with receiving ISO14001 certification approval, we are completing our efforts for comprehensive environmental management at all Toyota Auto Body plants. Production-related group companies also completed certification, and in FY2005, we promoted construction of environmental management system at consolidated subsidiaries not involved in production.

Management system surveying allows for continuous activities

In-company surveying and external investigation

Every year, an in-company survey is carried out by Toyota Auto Body employed surveyors and an external investigation is conducted by an outside surveyor. Both internal and external surveying ensures the suitability of maintenance and *kaizen* of the environmental management system.

In FY2005, each plant satisfactorily complied with required regulatory items for the 2004 ISO14001, and Toyota Auto Body to receive feedback for continuing to promote *kaizen*.

Additionally, environmental management system surveying was also conducted for consolidated subsidiaries not involved in production.



In-company survey (Inabe Plant)



External Investigation (Yoshiwara Plant)



In-company survey (Toyota Auto Body R & D Co., Ltd.)

Actual application of the management system

Environmental risk inspection

Toyota Auto Body is implementing yearly environmental risk inspections to prevent of leaks PCB(Polychlorinated biphenyls) and also releases of emissions of polluted water.

In FY2005, the Yoshiwara Plant and group companies involved in production, inspect for preventive measures for such as emissions in the event of leaks and storage conditions for resins. Measures have been thoroughly taken for items judged to require *kaizen*.



Risk inspection for polluted water spills (Yoshiwara Plant)



Risk inspection for polluted water spills (Toyota Auto Body Seiko Co., Ltd.)

Emergency Training

As part of risk management, Toyota Auto Body is implementing emergency response training to meet conceivable emergency situations that may arise from environmental risks in production activities.

In FY2005, outside the west gate at the Fujimatsu Plant, emergency response training was held to simulate an oil spill from an oil and grease transport truck. Preparedness in the form of equipment and emergency preparations, along with prevention procedures for spills into rice paddies, streams, and rivers was confirmed.



Emergency training (Fujimatsu Plant)

Promotion of environmental management that supports consolidated management

Environmental education and enlightenment

Environmental activities at Toyota Auto Body are improving environmental awareness of all employees.

Activities for environmental awareness must be a steady and everlasting. The Toyota Auto Body Group considers education and enlightenment as a major component of human resources development.

Education and enlightenment activities in FY2005

Education

Education of new employees

New employees are made aware of the importance of environmental conservation and they are also educated to understand the efforts Toyota Auto Body is making prior to being posted.

Education of general employees

Toyota Auto Body is implementing environmental education that suits the level of the employee within the company (general, supervisor, or manager). In addition, workers that belong to facilities that have a large impact on the environment receive instruction from specialists.

Education for employees newly appointed to key posts

Educational support to group companies

We are implementing environmental law education and providing developmental education for ISO14001 internal auditors.



Employee education (managers and supervisors)



Environmental lecture meetings



Environmental study meetings

Enlightenment

Lectures on the environment

During "Environmental Month" in June every year, prominent figures on the environment are invited to speak. At the Aichi Exposition in 2005, the director of the Toyota Group Pavilion, Mikio Ogasawara gave a lecture at which 120 people attended.

Environmental study meetings

In 2005, 90 people attended a study session at Centrair, the Chubu International Airport, to study the environmentally-friendly facility.

Enlightenment through posters

Enlightenment of employees through company bulletin and the company intranet as well as announcing information to each group company



An example

Formerly, enlightening employees about environmental conservation was limited to information being only sent from our head office. In February, during Energy Saving Month, the theme of energy saving was taken up at the Toyota Auto Body C (communication) meeting. Workers from each department discussed the involvement in eco-activities of each employee in those departments.



Energy GE Environment Technical Section Environment Department
Mayuko Okabe Tomohiro Katayama

From April 2006, "ECO Plaza" was created in the environment corner in company information distributed to all employees. In "ECO Plaza", there are mutual communication activities where employees are introduced and invited to be involved in immediate ways to be involved in environmental conservation at the company and in their homes.

Company bulletin TAB (April Issue)





Environmental Accounting

In order to effectively use managerial resources for environmental conservation activities.

We are constructing an environmental accounting system for understanding the effects (environmental effect) of outlays and costs (environmental costs) for reducing the burden on the environmental from our manufacturing company's activities. In this report, we are aggregating the environmental costs and effects following the Environmental Accounting Guideline announced by Ministry of the Environment.

Environmental Costs

The below results of aggregate accounting for Toyota Auto Body environmental costs in FY2005 was 5.93 billion yen. The increase is mainly due to costs related to the consolidation of operations, *kaizen* of co-generator efficiency, and the change to water-borne paints. In FY2005, environmental costs for consolidated management group companies were aggregated for eight domestic and overseas consolidated subsidiaries involved in production, and also affiliated companies.

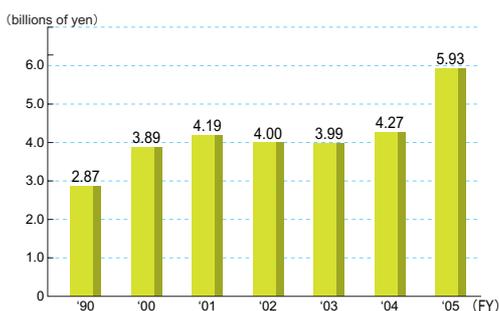
■ Aggregation results of environmental costs

(billions of yen)

Cost	Activity	Unconsolidated base(FY2005)		Consolidated subsidiary Totals (FY2005)	
		Invested	Costs	Invested	Costs
In-area operational costs	Implementation of energy saving equipment, measures and reductions for VOCs, and others	3.97	0.55	0.29	0.12
Up- and downstream costs	Green Energy vehicle purchases	—	0.01	—	—
Management activity costs	Environment and Social Report, press releases, environmental measuring, afforestation, and others	—	0.62	—	0.09
R&D costs *	Development of electric vehicles and fiber materials such as Kenaf	—	0.78	—	—
Societal activity costs	Support of environmental agencies and global environmental conservation activities	—	—	—	—
Costs for damages to the environment	Community action support	3.97	—	—	—
			1.96	0.29	0.21
		5.93		0.50	

* R&D costs were aggregated for the portion of environment-related products independently developed at Toyota Auto Body. R&D was done for vehicle bodies (exempting engine and suspension related components) with a portion of vehicle R&D costs being environmentally-related; however, costs arising from development in other areas extending beyond the environment are much more involved. These costs are not included in this cost aggregation.

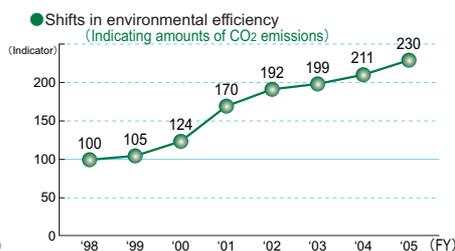
■ Environment cost shifts (Unconsolidated)



■ Environmental efficiency (Unconsolidated)

[Environmental efficiency = sales / environmental burden]

* The amount of waste substances and CO₂ emissions are indicated by the mark, 100, for the 1998 fiscal year.
* Indicators for the amount of waste substances include noncompensatory and compensatory recycling that combines landfilling and incineration of waste substances from previously.



Environmental Results

■ Economic Results

Aggregate accounting is limited to concretely based items, and does not include results that are based on presumptive calculations such as improving company image, avoiding environmental risk, or contributing to the added-value of products.

Item	Effective Amounts (Resulting amounts)	
	Unconsolidated base(FY2005)	Consolidated subsidiary Totals (FY2005)
Energy cost reductions	0.24 billion yen	0.04 billion yen
Recycled material selling amount	1.80 billion yen	1.14 billion yen
Total	2.04 billion yen	1.18 billion yen

■ Logistics Results

Logistical results (environmental burden *kaizen* results) from the infusion of environmental costs can be found on pages 22-27 and on page 36 of this report as the status of *kaizen* of each environmental effort.

Item	Amount of decrease	Amount of decrease	
		Unconsolidated base(FY2005)	Consolidated subsidiary Totals (FY2005)
Global warming prevention	CO ₂ emissions	7,746 tons-CO ₂	1,525 tons-CO ₂
Water use reductions	Amount of water used	10,000 m ³	—

Promotion of environmental management that supports consolidated management

Group Environment Consolidated Company Efforts and Results

Toyota Auto Body has strengthened environmental efforts by promoting “Consolidated management” for eight domestic and overseas consolidated subsidiaries and affiliated companies at the Toyota Auto Body group production environment conference in October 2000. In FY2005, We promoted a liaison meeting for companies not involved in production (“Toyota Auto Body group non-production environment meeting”), and also expanded activities that included consolidated subsidiaries not involved in production.

Toyota Auto Body group environment affiliated company efforts

Production companies			Non-production companies		
Companies involved		Efforts undertaken	Companies involved		Efforts undertaken
Consolidated subsidiary companies	Domestic	Tokai Utility Motor Co., Ltd.	① ISO14001 certification ② Environmental efforts • Promotion of global warming prevention measures • Reduction of waste substances • Management and reduction of SOCs	Domestic	Mikawa Setsubi Co., Ltd.
		Toyota Body Seiko Co., Ltd.			① Creation of Environmental management
		Ace Industry Co., Ltd.			② Environmental efforts
		Tokai Parts Industry Co., Ltd.			• Promotion of energy saving activities
		P.T.Sugity Creatives Co., Ltd. (Indonesia)			• Activities for observance of sorting waste substances
	Overseas	Chun Shyang Shin Yeh Industry Co., Ltd. (Taiwan)	• Paper decreasing activities		
Affiliated companies	Domestic	Gifu Auto Body Co., Ltd.			
		Tokai Tekko Co., Ltd.			

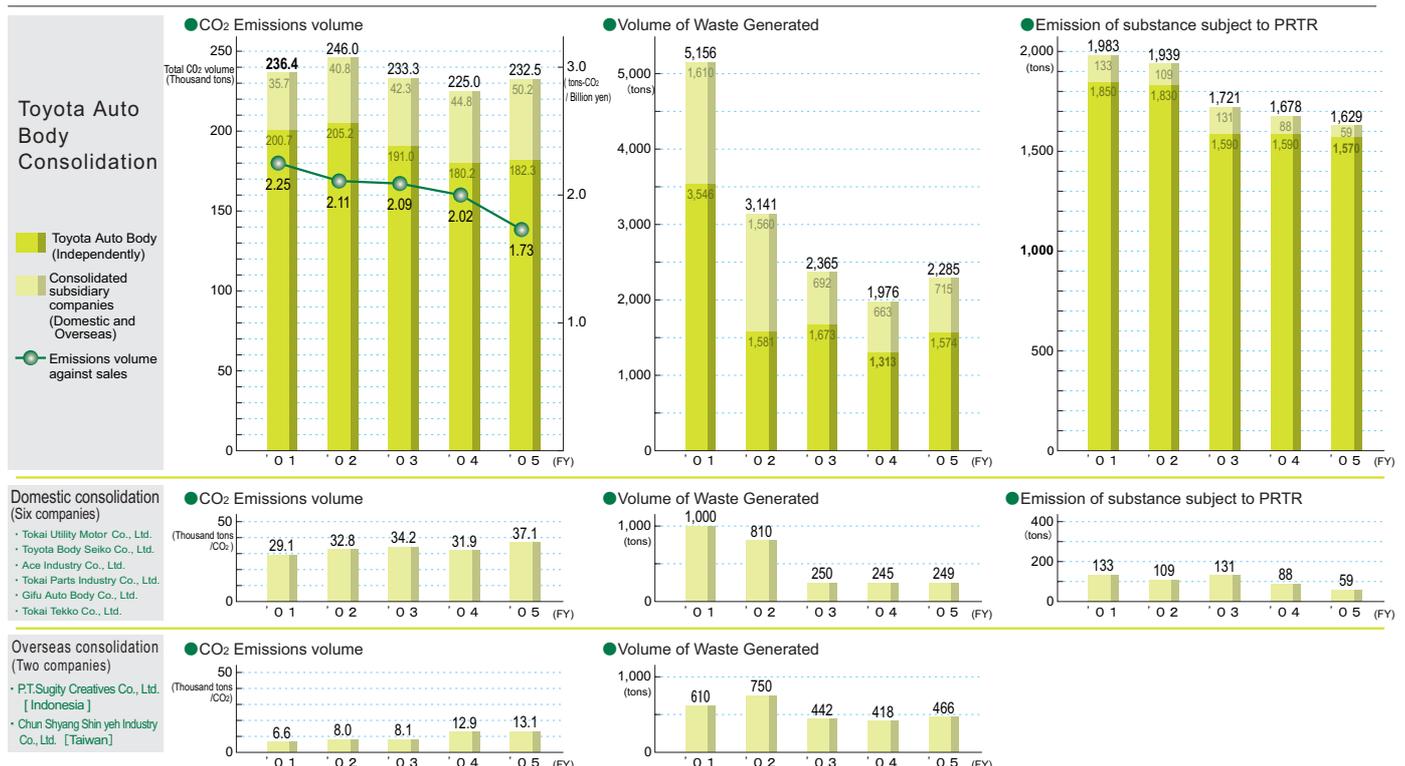
Producing subsidiary company environmental efforts

As one effort toward a consolidated environment, Toyota Auto Body has promoted ISO14001 certification for consolidated subsidiaries in order to also have them construct environmental management. By FY2003, eight domestic companies received ISO14001 certification from outside surveying agencies. These companies continue *kaizen*(improvement) and appropriately maintain standards. In addition, Toyota Auto Body is promoting activities for newly established subsidiaries to receive ISO14001 certification.

Non-producing subsidiary company environmental efforts

By FY2005, construction of environmental management was completed at the Toyota Auto Body R&D Co.,Ltd. and service-related companies. In addition, Toyota Auto Body are promoting efforts in the service sector for creating a system for real progress for more immediate efforts such as paper reducing activities, waste substance sorting, and energy saving.

Results of environmental efforts



Domestic consolidated subsidiaries

Efforts at production subsidiary companies

Introducing environmental efforts of Toyota Auto Body group production-related companies (Employees are as of the end of March, 2006)



Tokai Utility Motor Co., Ltd.



We at Tokai Utility Motor are working to promote activities to promote environmental conservation activities that involve inspecting, repair, and inspection certification of vehicles, as well as production of welfare vehicles and energy saving vehicles. We are also producing specially-equipped vehicles such as aluminum vans, cool storage vehicles, and freezer trucks.

In order to achieve environmental policy, we are centering our activities to produce noticeable environmental effects by setting environmental targets and goals to execute environmental conservation activities to improve the level of the environmental management system.

Company profile

- Address ● 38 Iarai, Takatana-cho, Anjo city, Aichi Pref. 446-0053
- Established ● November 1959
- Paid-in Capital ● 96 million yen
- Products ● Specially-equipped vehicles, Special-purpose vehicles
- Number of employees ● 280

President
Shigeo Yamazaki



Main products



Freezer



Communication base station

Environmental conservation efforts

Company-wide environmental protection activities

The vehicle maintenance divisions (Kariya City, Aichi Pref. and Inabe City, Mie Pref.) have been approved for environmental conservation systems. In addition, our organization is working to support all companies for environmental conservation. Activities to reduce waste substances involved support of all companies through efforts toward achieving zero landfill waste from 2001. From FY2002, our company achieved zero waste and from FY2004, we implemented zero landfill waste for maintenance divisions.

A decrease in CO₂ emissions from having the production lines in large rooms

In FY2005, CO₂ emission reduction activities involved decreasing noise and electric energy use from having the production lines in a large rooms, and through introducing inverter air-conditioning and energy saving equipment, we have reduced emissions of CO₂ by 35 tons. Additionally, we have even promoted a decrease of incineration waste substances through the "implementation of 3R activities," which involves recycling and summer recycling (includes such as foam scrap, door ABS materials, and cotton work gloves).

Community Communication



Plant tours for local elementary school



Town water emission canal cleanup participation

Toyota Body Seiko Co., Ltd.



Established in 1961, this company combined with the seat producing sectors of Toyota Auto Body and formed into a new company, Toyota Body Seiko Co., Ltd. with its main office and plant located in Takahama city. We are dedicated to all stages of production from pressing, assembly, and shipping of seat functional parts and seat frames. With the slogan of "Creation of products through solid technology and development of human resources achieved through the power of execution," we produce products with priority placed on customers and quality. We engage in activities that allow us to contribute to society and the community.

Company profile

- Address ● 1-1 Shinden-cho Takahama city Aichi Pref. 444-1301
- Established ● July 1992
- Paid-in Capital ● 869 million yen
- Products ● Vehicle seat frame parts, seat rails, and functional parts of rotating seat bases
- Number of employees ● 532

President
Yoshiaki Hirano



Main products



Examples of seat frames and functional seat parts

Environmental conservation efforts

Upgrades to oily water separation equipment

With our head office and Takahama plant facing Kinuura Bay, we have placed emphasis on promoting activities that prevent water contamination ever since we began operations. We are working to conserve the environment through achieving a high degree of oil separation through three steps of oily water separation processing that are as follows:

- 1) separating floating oil by differences in specific gravity,
- 2) separation of oil through clumping by electrolytic treatment,
- 3) high density filtration.

Environmental conservation education and activities that contribute to society

We have begun thorough environmental conservation education for all employees for developing better company workers. With the goal of enlightenment, we are actively participating in activities for community environment volunteer groups and zero waste activities along the roads around our plant. This year, through providing a place for learning through work experience to schools and we are inviting local residents to attend our plant tours, which together function to deepen our ties of coexistence with the community. We aim to raise our level of human resource development and environmental conservation activities.

Community Communication



Zero waste activities



Learning through work experience

Domestic consolidated subsidiaries

Efforts at production subsidiary companies

Ace Industry Co., Ltd.



We at Ace Industries produce products that meet diverse customer needs. Moreover, with regard to environmental conservation, through following environmental policy we are making efforts toward making social welfare, the environment, and residences a new human society more comfortable from cars with our motto "Products that are friendly to both humans and the earth."

In the future, we will follow environmental policy and work toward the "promotion of comprehensive environmental management" and also the "Prevention of global warming."

Company profile

- Address ● 1-8 Hachiken-cho, Kariya city, Aichi Pref. 448-0021
- Established ● September 1974
- Paid-in Capital ● 30 million yen
- Products ● Automotive parts, electronic parts, machine equipment, residential linear curtains, environmental machines
- Number of employees ● 173

President
Kuniaki Oma



Main products



Machine microprocessor control boards for equipment



Ozone water deodorizer and sterilizing units

Environmental conservation efforts

An environmental *kaizen* (improvement) case example announcement meeting

In FY2005, under the activity theme of "Reductions in the amount of CO₂ emissions is equal to the energy savings tied to operation *kaizen*," we set the goal for every member in the staff department to have a theme from the first year. In December 2005, an announcement meeting for the case example results was held. Of the 23 themes introduced, 12 themes were announced as representative case examples from each department.

Creation of zero waste activities and an Ace Organic Farm

With the aim to "familiarizing oneself with the land in the area around the plant and feeling the joy of harvesting while understanding the importance of environment," we created the Ace organic farm. Employees and their families planted and harvested of Japanese sweet potatoes. (Planting was done on May 14 and harvesting on October 15.)

Community communication



Environmental case example announcement meeting



Creation of the Ace Organic Farm

Tokai Parts Industry Co., Ltd.



As a manufacturer of small and medium size body parts, we at Tokai Parts Industry aim to be a manufacturer that aims to have part manufacturing technology that offers high quality at a competitive cost. We are promoting the essence of *kaizen* toward improving the level of environmental preservation, productivity, and quality through participation of all employees. We are also aiming to strengthen management and earn the trust of our community.

Company profile

- Address ● 25 Takeshita Hitotsugi-cho, Kariya city, Aichi Pref, Japan 448-0003
- Established ● July 1999
- Paid-in Capital ● 66 million yen
- Products ● Automotive presses and sheet metal parts
- Number of employees ● 463

President
Tsuyoshi Yamanaka



Main products



Body lower back frame support



Radiator Supports

Environmental conservation efforts

In heading into our fourth year of ISO14001, we are at the stage of taking significant steps toward changes with the renewal of ISO14001, we are placing emphasis on our efforts for the following:

- In the past, we made significant environmental management for daily *kaizen* of the production line and summarization.
- In FY2005, with the opportunity of a vehicle model change, we promoted *kaizen* and the essence of *kaizen* through company-wide measures to pursue substantial *kaizen*.

Noise prevention

We are promoting measures for soundproofing the plant to operate at night without any issues of noise relative to daytime operations at the production plant.

Supporting prevention of global warming

- Energy savings by distributing by the type of line and process for efficient use at the time of operation.
- A 20% reduction in the use of welding electricity by using a new model servo gun.

Community communication



Zero waste activities



Efforts at production subsidiary companies



P.T. Sugity Creatives Co., Ltd.



Located in the suburbs of Jakarta, Sugity Creatives plant is in a beautiful natural environment of verdant surroundings.

The Indonesian government is nationally committed to environmental conservation and we at Sugity Creatives consider conservation as a priority managerial issue.

Last year, we donated an environmental education study room and library room to a community elementary school. Children learn the importance of environmental conservation through these books and we hope that Indonesia will grow as a great country in the future.

Company profile

Address ● Cikarang Barat, Bekasi 17520, West Java, Indonesia

Established ● April 1995

Paid-in Capital ● 17 million dollars

Products ● Automotive plastic molded parts, Automotive extrusion rubber parts, Toyota Dyna assembly and other operations

Number of employees ● 1,194

President
Kanemitsu Nakayama



Main products



Plastic molded parts



Plated parts

Environmental conservation efforts

Significant decrease in production waste substances

At our plastics plant, in making changes for such as color, every setup generates purging material. Activities to decrease the amount of materials generated is one activity in our plan to thoroughly recycle by new technological developments.

Complete management for processing waste emissions

Waste water from our paint and plating plants are initially processed before being finally released from the comprehensive waste water treatment facility in the industrial complex.

We are always initiating *kaizen* for processing equipment and while collecting information from the waste emission process, we thoroughly manage recycling operations to ensure observance of operating protocol.

Plant greening activities and community action

We have been emphasizing activities that raise awareness to take action in the area around the plant, such as planting in the company grounds. As part of our action that contributes to society, we donated a library to a local school.

Community communication



Plant greening activities



Donated environmental study room and library to elementary school

Chun Shyang Shin Yeh Industry Co., Ltd.



Through our production of press assemblies and presses, along with sheet metal products, we at Shun Shyang Shin Yeh Industry contribute to the growth to the Taiwanese automobile industry. In recent years, even in Taiwan, industry has been strongly encouraged to deal with environmental issues.

In response to this request, we are aiming to achieve harmony with the verdant surroundings and protect the natural environment by strengthening our coordination with a local partner company, Chun Yuan Steel Industry Co., Ltd. and also the community.

Company profile

Address ● Lungtuan Hsiang, Taoyuan Hsien 325, Taiwan

Established ● July 1997

Paid-in Capital ● 140 million New Taiwan dollars (Approximately 0.5 billion yen)

Products ● Sheet metal parts, and press die assemblies

Number of employees ● 260

President
Toshikatsu Kasukabe



Main products



Press die assemblies



Presses and sheet metal parts

Environmental conservation efforts

Decreasing amounts of CO₂ emissions

Lighting became necessary in our parts plant, which is older and poorly lit during daytime hours. Through the addition of brighter and energy saving acrylic panels to the roof created an work environment with more natural lighting.

Waste substance recycling

In the past, positioning block wood for coil materials was disposed for profit; however, upon consulting a transport company, we decided to change to use a recyclable type of material that we are now able to collect and recycle.

Greening the plant area

With the cooperation of Chun Yuan Steel Industry Co., Ltd., we are working to create a company work environment with workers initiating maintenance through green conservation in the plant area in the form of planting and creating flower beds.

Community communication



Recycling of wood



Greening activities

Domestic affiliated companies

■ ■ Efforts at production affiliated companies

Gifu Auto Body Co., Ltd.



Five years have passed since we implemented the ISO14001 Environment Management System.

In aiming to achieve our basic principles of "Placing customers first, contributing to society, and having respect for human beings," we at Gifu Auto Body have established clear goals and targets.

Company profile

- Address ● 6-455 Mitsuike-cho, Unuma, Kagamihara city, Gifu Pref, Japan 509-0192
- Established ● October 1940
- Paid-in Capital ● 1,175 million yen
- Products ● Hiace, Himedic, and pressed parts
- Number of employees ● 1,700



Main products



Environmental conservation efforts

Realizing material recycling of vinyl chloride products.

In the past, recycling of vinyl chloride products involved only burning and a portion was buried in landfills; however, with the cooperation of disposal companies, 100% of the materials have become recyclable. Through sorting out non-vinyl chloride and by a process of eliminating impurities, we then compress the material into a solid form before making it into man-made crushed stones and other vinyl chloride products.

■ Vinyl chloride products changed to man-made crushed stones



Decreases in the amounts of CO₂ emissions by changing to use an energy saving type fluorescent tubes instead of mercury-vapor tubes.

In completely re-examining plant lighting, we changed to energy saving lighting in the work area with the use of fluorescent lights from the previously used mercury-vapor tubes. This involved changing the 400W mercury-vapor tubes to 250 W ceramic metal halide lights. As a result, we reduced the amount of CO₂ emissions by 130 tons by use of a daylight switch that automatically shuts off lights during the day.

Tokai Tekko Co., Ltd.



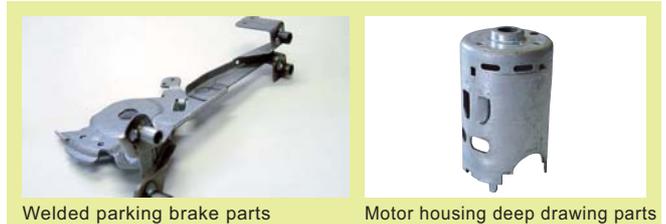
We at Tokai Tekko provide press work and weld fabricated products to vehicle and electrical tool manufacturers. As a press work manufacturer, we are working on measures to reduce vibration and noise in operations. After we received the ISO14001 certification in 2002, we widened the range of activities to achieve effective *kaizen* for such as reductions in the amount of CO₂ emissions. In the future, we look to contribute to enriching our company by basing our company actions to consider harmony with the environment.

Company profile

- Address ● 231 Sakagami Komashin-cho Toyota city Aichi Pref, Japan 423-0926
- Established ● April 1960
- Paid-in Capital ● 20 million yen
- Products ● Vehicle parts and electrical tool parts
- Number of employees ● 250



Main products



Environmental conservation efforts

Activities to reduce the amount of CO₂ emissions

In addition to supporting the hardware side for such as the introduction of highly efficient electrical equipment that used environmental impact assessment, and electrification of forklifts, we are also managing maintenance improvements on the software side.

Activities for reducing disposable waste substances

We have reduced waste by performing separate activities based on recycling, reusing, and reducing. In FY2005, we worked to further reduce waste by increasing the types of waste sorting from 24 to 26 items.

Education for Environmental Preservation

Environmental education is not only for new employees, but also for foreign employees. We have materials in the native languages of foreign employees so that every worker will have environmental awareness on a daily basis. We are also working toward having all employees continue *kaizen* in the future.

■ Community Communication



Emergency situation training

Employee education (for waste substances)