

# Environmental & Social Report 2006



Toyota Auto Body was created within the Toyota Group in 1945 to specialize in the manufacture of truck bodies. Last year, we at Toyota Auto Body celebrated our 60th anniversary, and currently, the company mainly manufactures minivans and SUV vehicles.

We at Toyota Auto Body will continue to evolve as a manufacturer of high quality vehicles which offer the safety our customers desire, while we also contributing to the development of an affluent society.

From its foundation in 1945 through the 1950's	1960's	1970's
 <p>● <b>Large Truck (1951)</b> Success in being the first in Japan to mass-produce large trucks with all-steel cabs.</p>	 <p>● <b>CORONA (1965)</b> The development of the first hardtop vehicle in Japan.</p>	 <p>● <b>LITEACE (1971)</b> The Liteace was a wagon developed to provide the feel of a passenger vehicle that also met various needs of modern city life.</p>
 <p>● <b>LAND CRUISER BJ (1953)</b> This Land Cruiser came to represent the Toyota brand and established the Toyota name throughout the world.</p>	 <p>● <b>HIACE Van (1967)</b> This cab over type van was developed with an emphasis on carrying capacity while also serving as a passenger vehicle.</p>	 <p>● <b>Specially-equipped Vehicles (1972)</b> Container vehicles were developed which offer various needs to customers with trucks that offered refrigeration, freezing, and laborsaving loading functions.</p>
 <p>● <b>TOYOACE (1954)</b> The Toyoace was created with Toyota's ability to foresee the coming need for 4-wheel trucks in the domestic market.</p>		 <p>● <b>Welfare Vehicles (1978)</b> (Wheelchair loading and unloading equipment) Prior to 1981, the year physically challenged people were recognized internationally, Toyota Auto Body entered the field of welfare vehicle development by introducing power lift technology into van-type vehicles.</p>

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### Editing policy

Toyota Auto Body published its “Environmental Report” yearly beginning in 1999; however, from 2003, the range of topics covered in the report was expanded to cover social and economic aspects in its “Environmental and Social Report”.

This year, 2006, will be the fourth “Environmental and Social Report” issued. In addition to content that appeared in the last year’s report, the improved content in this year’s report has the main items covered as topics.

### Report Scope

**Environmental Aspects:** Efforts at Toyota Body and examples of activities at consolidated subsidiary companies. Progress in both domestic and overseas consolidated environment management.

**Social Aspects:** Case examples only at Toyota Auto Body and examples of activities at consolidated subsidiary companies.

**Applicable Period:** Data reported is mainly from April 2005 through March 2006. For items that show large progress, data is reported through June of 2006.

## Corporate Profile

as of the end of March 2006

Company Name	Toyota Auto Body Co., Ltd.	Number of employees	13,436 (consolidated)
Head Office	100 Kanayama, Ichiriyama-cho, Kariya city, Aichi Prefecture	Principal operations	Manufacturing of automobiles, automotive parts, Manufacturing and sales of welfare vehicles, welfare functions, and products for daily necessity
Established	August 31, 1945		
Paid-in Capital	10.37 billion yen		

### 1980's



#### ● HIACE (1982)

The Hiace van has become admired throughout the world (130 countries) for its stylish design, spacious interior, and high level of basic performance.

### 1990's



#### ● GRANVIA (1995)

The Granvia provides a higher degree of functionality and comfortable space found in luxury vehicles.

### 2000's



#### ● NOAH (2001)

The Noah achieves a higher degree of driving comfort, progressive styling, and fun-loaded interior space.



#### ● PRIUS (2004)

Amidst growing environmental awareness, the hybrid Prius meets increases for its demand.



#### ● ESTIMA (1990)

A new genre box-type vehicle with a novel design was pioneered.



#### ● LAND CRUISER 100 (1998)

The "Land Cruiser" series is admired for its quality world-wide in over 150 countries.



#### ● ALPHARD (2002)

As a true full-size top class minivan, the Alphard offers undoubted quality to a luxury class feeling combined with overwhelming dynamic performance.

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# Creation of a Prosperous Society Through Vehicle Manufacturing

## A contribution to society through fine products

We at Toyota Auto Body, as a manufacturing enterprise, believe our mission is to provide products that enrich the lives of people in society. Since the establishment of Toyota Auto Body in 1945, we have continued to contribute to industrial expansion in Japan through development and production of commercial trucks and vans.

Through changes in motorization in Japan after 1980, we foresaw an altering of the lifestyle of our customers and offered RVs (recreational vehicles). Along with always providing products that match the expectations of our customers, we have presented the idea of “providing comfortable freedom of movement to all people” and have offered to society the development of useful welfare-related products.

As a passed down testament to our unbroken spirit as found in our company motto set in 1963, there are the following words: “Contribute to society through fine products,” and “Development, Peace and Amity, and Appreciation,” which having been passed down for the past 60 years are contributing factors in continuing our work and growth.

## Continuous evolution in “Automobile manufacturing that is both Earth-friendly and user-friendly”

Hereafter as well, coexistence with automobiles in society requires us to work actively toward technical developments that support global environmental preservation and traffic safety.

Continuous evolution in “Automobile manufacturing that is both earth-friendly and user friendly” is necessary.

Toyota Auto Body is promoting further improvement in such areas as the top standards for collision safety performance, and in looking to establish a recycle-oriented society, we are also promoting planned research for using materials such as vegetable fibers instead of oil for making automotive materials.

We at Toyota Auto Body continue to improve our production activities by recognizing the importance of close communication with the community regarding the effects of production on the regional environment.

Toyota Auto Body actively promotes activities that contribute to society by focusing on enterprises that capitalize on certain fields, such as regional volunteer activities in which our in-house research of welfare vehicles take part.

Additionally, just as manufacturing can be said to be synonymous with developing human resources, “human resources” are the basis of everything. Along with efforts “to create a vibrant, enjoyable, and pleasant workplace” that are now firmly established, we will next promote human resource development programs.

## Looking Toward Practical Application of CSR

In recent years, Corporate Social Responsibility (CSR) has become the focus of attention; however, to continue to contribute to ongoing expansion between societies and the earth, further promotion of activities that contribute to society and the environment is necessary.

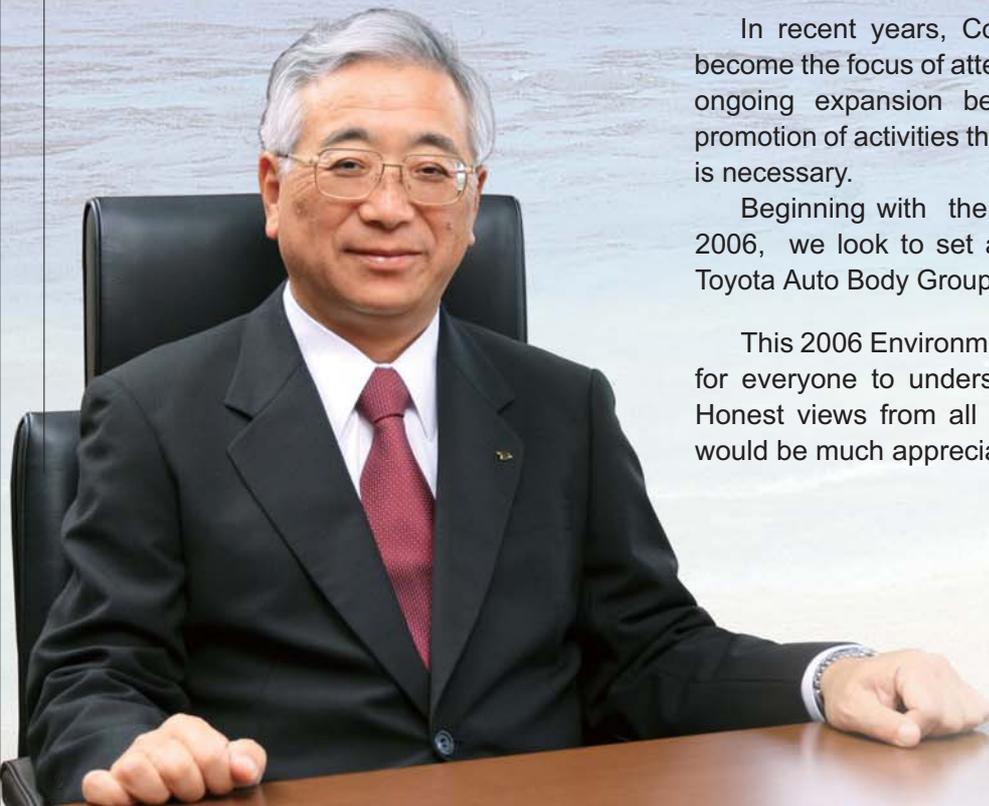
Beginning with the two pillar “CSR Management” system in 2006, we look to set a one pillar 2010 vision, a priority that all Toyota Auto Body Group companies will work systematically toward.

This 2006 Environmental and Social Report has been prepared for everyone to understand Toyota Auto Body Group activities. Honest views from all members of society regarding this report would be much appreciated.

June 2006

Toshio Mizushima  
President, Toyota Auto Body Co., Ltd.

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## Corporate Principles

Managerial ways of thinking and values for contributing to the ongoing expansion between societies and the earth are expressly written in our company motto and fundamental principles, which have shared approval from all generations.

### Company motto

#### company motto

Toyota Auto Body stand in the view of the world with the aim to support research and manufacturing while contributing to society with our fine products with tireless efforts to advance the work of our company.

#### Development:

Respect for timing and innovative thinking and to always be ahead of current trends and styles.

#### Peace and Amity:

Measure cooperation and openness by loyalty and trust.

#### Appreciation:

Reflection should be the nourishment for the enterprising spirit, and live happily with one's diligent labor.

### Fundamental Principles

1. Toyota Auto Body is a corporation that contributes to building plentiful society and also gain trust from the international community, which are both based on open and fair corporate ethics in harmony with the environment.
2. Toyota Auto Body will provide "fine products" to enrich our living environment through research and manufacturing, while placing priority on the customer.
3. Toyota Auto Body will invigorate the organization and its workers, and also create a corporate climate of creative power and energy for growth of the enterprise and happiness of company employees.
4. Toyota Auto Body will build relationships of trust with our business partners and make efforts to strengthen management practices, thereby creating prosperous coexistence and long-term stable growth.

### 2010 Vision

# Global Challenge 2010



# Corporate Governance

## Establishment of a Governance That Acts Swiftly to Changes in the Management Environment

We at Toyota Auto Body recognize the important issue of promoting and strengthening corporate governance for improving corporate value as an enterprise that contributes to society from which we have earned trust.

### The aim for appropriate, swift, and efficient management

At Toyota Auto Body, a board of directors meeting is held monthly where along with decision-making for the exercising of duties for directors is monitored.

On the occasion of the regular stockholder's meeting in June 2006, with the purpose of strengthening operation functions to meet the expansion of business scope and swift managerial decision-making, the "New Creation of Downsizing the Number of Directors and Executive Members" is a new member system introduced to serve as a pillar in further improving managerial efficiency.

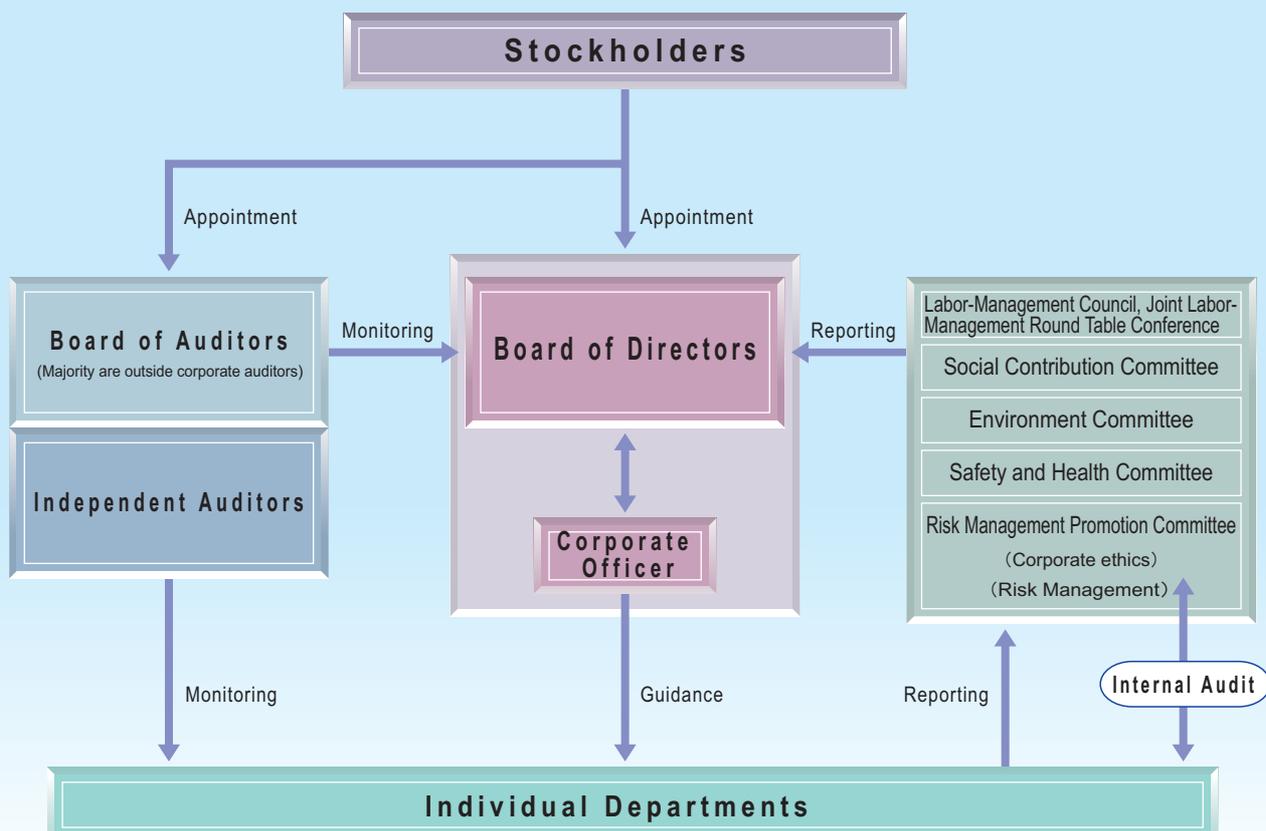
### Securing Transparent Management by a Board of Auditors Meeting

Based on auditing policies and auditing plans drawn up by the board of auditors meeting, auditors, the financial state and operations of Toyota Auto Body and consolidated subsidiary companies are monitored. The exercising of duties by the board of directors is monitored first through the attendance at important company board of director meetings, and operations and finances of the company are also monitored.

### Addressing Company-wide Issues by Individual Committee

Committees such as the Risk Management Promotion Committee, Environmental Committee, and Health and Safety Committee have been created to handle company-wide issues such as compliance, risk management, and environmental safety. There is also monitoring and discussion about management and company activities.

### ■ Toyota Auto Body's Corporate Governance



# Compliance

## Corporate Culture That Strengthens the Trust of Society

Compliance is not confined to legal compliance, but rather observance of corporate ethics by any worker at a company as an employee and member of society for the promotion of sound corporate culture activities which are reflected in consistently sound behavior.

### Thorough Compliance Centering on a Risk Management Promotion Committee

The Risk Management Promotion Committee, which consists of all board members, oversees general corporate activities such as compliance risk management in each Toyota Auto Body Group company.

The compliance system involves the creation of a Compliance Management Department that regulates each national law and local ordinances under the Risk Management Promotion Committee to enforce company-wide legal compliance.

### Penetration of Compliance Awareness

In order to enforce compliance for the company and its employees, Toyota Auto Body has established "Our Promise (Toyota Auto Body Group Action Policy)", in which we aim for continuous penetration of compliance awareness through education and training in calling for observance of laws and company regulations.

### The Compliance Hotline

In considering concerns of family and employees, the creation of a pleasant, well-ventilated work environment, Toyota Auto Body will lay the framework to allow for appropriately handling of labor issues, consultation, and doubts concerning issues of compliance through the Compliance Hotline (Honto Com Net) to handle e-mail, telephone, letters directly. Also, we contracted an outside law firm to establish a Compliance Hotline.

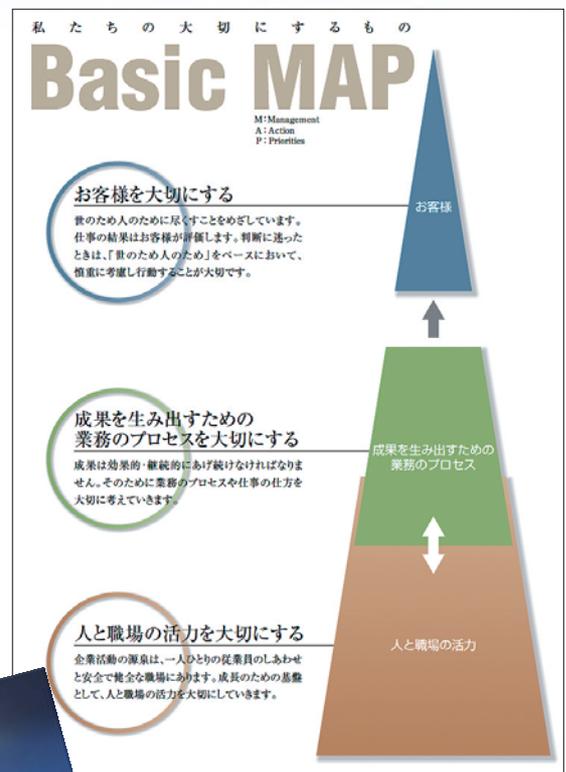
### Introducing and developing priorities (Basic Map)

We are introducing both our Employee Action Policy set with our principal axis of three policies which are comprehensible by directors and all employees.

The principal axis are as follows: Placing priority on the customer; Placing priority on the process of operations to achieve results; and Placing priority on the activities of workers and the work environment.



Toyota Auto Body Group Action Policy  
(Revised, March, 2005)



Basic Map  
(Published, September, 2003)



## Interweaving Environmental Technology Into the Development of the New ESTIMA



In January 2006, the first full-model change in six years for a new Estima began. The new ESTIMA is praised for being environmentally-friendly. This new ESTIMA interweaves improvements in weight savings that achieve improved fuel economy with advances in the ability to recycle more parts.



## Technology and Human Power Leading the Environment Age



## Expansion of Overseas Bases

As the principal region for production of automotive rubber products, In Indonesia, the merger subsidiary Toyota Auto Body-Tokai Extrusion was established in September of 2005. Also, Toyota Auto Body created its wholly-owned subsidiary in Malaysia, Toyota Auto Body Malaysia in October 2005.

(● Existing Overseas Bases)

## Establishment of the Fourth Toyota Auto Body Environmental Action Plan

Based on Toyota Auto Body being oriented toward manufacturing environmentally-friendly vehicles in the past, we have expanded operations from a position of having the elements of product development and technology for automobiles and automotive parts, plant planning, environmental safety in production activities, and resource conservation activities serving as an important pillar in developing our operations.

In October 2005, we introduced our fourth Toyota Auto Body Environmental Action Plan that will be carried out for five years from 2006 through 2010. Based on a plan set forth by Toyota, activities in the Toyota Auto Body Environmental Action Plan will be carried out through all divisions in the Toyota Auto Body Group which include development, production, management, and logistics.



- ① Energy and Warming
- ② Resource Recycling
- ③ Environmental Load Substances
- ④ Environmental Management

Based on these four themes, action for our Environmental Action Plan will be formulated in each area including development, production, logistics, and management.



## Aggregating the Welfare-Vehicle Production Process

The interspersed production process of welfare vehicles was aggregated in May 2005, with our Kariya plant, previously specializing in small truck production, now serving as a production base for specially-equipped vehicles. Under the theme of "Providing Comfortable Freedom of Movement", Toyota Auto Body will provide "Welfare vehicles that are easy to use and considerate of the user"

## For our 60th anniversary, Toyota Auto Body donates company products to the local community.

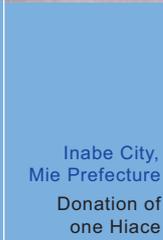
In celebrating our 60th anniversary, Toyota Auto Body and its consolidated subsidiary companies, showed appreciation to local communities in the vicinity of our main production plants by making donations of company products.



Kariya City, Aichi Prefecture  
Donation of one Hiace from Toyota Auto Body and one Everyday from each consolidated subsidiary company.



Chiryu City, Aichi Prefecture  
Donation of one Hiace



Inabe City, Mie Prefecture  
Donation of one Hiace



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Toyota City, Aichi Prefecture  
Donation of one Hiace



## "Everyday" Receives the Good Design Award

In October 2005, "Everyday", our electric wheelchair, received the Good Design Award. Toyota Auto Body incorporated the opinions of senior citizens to design this wheelchair based on the concept of safety and ease of operation.



Everyday



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## Successive Awards for a Contemporary Master Engineer and an Aichi Master Engineer

The award for Distinguished Engineer (Contemporary Master Craftsman) is Masami Kamiya, who is the first at Toyota Auto Body to receive this award. The recipient of the Outstanding Prefectural Engineer (Aichi Master Craftsman) award is Masanobu Aikawa.

## The Toyota Auto Body Women's Volleyball Club Team Advanced to the V League



In FY2006, the women's volleyball club team, which was founded in 1949, advanced to the V League, the top volleyball league in Japan. The Toyota Auto Body women's team members manage Toyota Auto Body sponsored volunteer volleyball matches at local junior high schools, and also work actively in providing sports-related support and instruction.

昇

# The Minivan for a New Era The Appeal of the New ESTIMA

## Estimind

### Shaping Beyond Imagination. Estimind.

This new Estima reaches new heights with a light interior that offers movement in comfort and open space balanced with styling that expresses a cutting edge image harnessed through its sweeping form.



The Evolution of the New ESTIMA

#### Cutting Edge Style

- A highly distinctive style that leads the era
- A low and wide sweeping silhouette
- A floating roof of black-out pillars

#### Open Space

- Functional open space
- A fine quality interior and roomy living space
- Folding of the third seat allows long sliding of the second seat

#### Velvet Dynamics

- Powerful performance and smoothness
- A high performance V 6 3.5 ℓ engine
- Numerous cutting edge safety equipment that surpasses its vehicle class



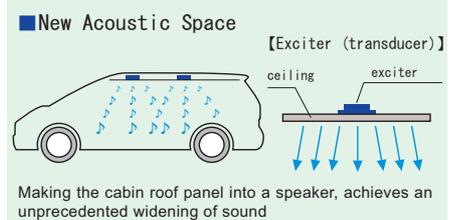
Super Relax Mode (Long sliding of the second seat)



A revolutionary wide-view front and side monitor



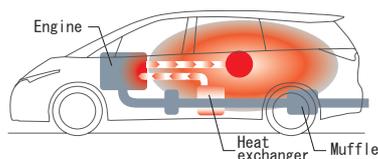
The room ceiling panel as the diaphragm for new speaker construction



### The New ESTIMA Hybrid



The adoption of a more powerful motor, battery, and also an exhaust heat recirculation system greatly improve energy performance and fuel economy.



the world that ranks with compact class vehicles.

**20.0km/ℓ**

A newly-equipped energy meter that indicates when gasoline is consumed.



#### Energy Meter

The energy meter panel displays the energy used by the odometer, climate controls, and electrical components. Recoverable energy is also displayed. This may assist in estimating how to drive more efficiently.

# Production Sites That Are Kind to Both the Earth and Humans

The new ESTIMA is manufactured at the Fujimatsu Plant where along with the pursuit of both resource and energy saving, through efforts such as the introduction of the latest robots and improving work operations, Toyota Auto Body is implementing production sites that consider the working environment of the employees.

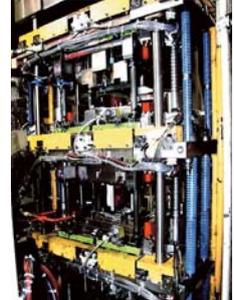
## Noise and Dust Prevention on Press Lines

PRESS

ESTIMA side and outer body panels are created on a press line that produces 2,800,000 pieces per month. On the large press line in particular, work stations surrounded by barriers made of polycarbonate are noise and dust prevention measures being taken in consideration of workers and the environment. In addition, a simple multi-stage press has been introduced to recycle small iron sheeting previously meant for disposal, and resource saving activities are being carried out.



● Sound insulating fence



● Simple Multi-Stage Press

Please refer to pages 31 and 57 for more details

## Pursuit of Energy and Resource Saving on a New Body Line

BODY



● High-efficiency heavy transport robots on GBL

Toyota Auto Body has introduced the Toyota world standard Global Body Line (GBL) on the forming line for body parts where pressed iron sheet parts were welded.

Improvements in transport and holding time efficiency have been achieved through reductions in the numbers of general application equipment and the elimination of fixed elevating machines for transferring vehicles bodies with the introduction of high-efficiency heavy transport robots. Additionally, improvements in spot and arc welding have, led to a more energy efficient and resource-saving production line.

## An Environmentally Oriented Paint Line

### Now Using Water-borne Paints Instead of Organic Solvent Paints

PAINT



● The new water-borne paint line

Vehicle manufacturer is suggesting all car manufacturers to use water-borne paints instead of solvent-based paints because water-borne paints emit less VOC (Volatile Organic Compounds).

In FY2005, water-borne paints were introduced for the top coating (base coat) on the painting lines in Fujimatsu Plant.

Based on the need to automate production involving increased loads, efficient production has been achieved by the use of robots to paint both outer and inner panels. The beautiful finish of the ESTIMA results from these efforts. In the future, Toyota Auto Body plans to implement these improvements at the Yoshiwara and Inabe plants.

Please refer to page 24 for more details

## An Assembly Line With a Clear and Easy Operating Environment

ASSEMBLY

Instead of past assembly lines had a wide variety of parts on the line side for assembling vehicles, Toyota Auto Body has implemented a system of Set Parts Supply (SPS) to achieve easier operations through dividing part selection and assembly, along with the implementation of construction method modules for assembling pre-assembled parts such as instrument panels and roof linings. Toyota Auto Body took into consideration both quality assurance and also what operations are involved in assembly which start from the product design stage, and an easier assembly process to conserve both energy and resource has been achieved.



● Instrument panel assembly made easier



● A cleaner side line

# Implementing Global “Eco-Factory Activities”

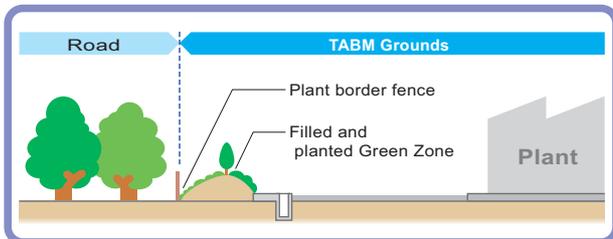
**We are developing new plant construction that is environmentally-friendly. These activities are being introduced by all-Toyota group companies as “Eco-Factory Activities”**

Toyota group is aiming for an eco-factory activities involving “Development and construction of a mechanism that clearly interweaves approaches to the environment from plant planning stages through operations” in addition to each of the following: 1) Activities aiming for zero complaints and abnormalities; 2) a reduction in risks to the environment, and 3) improvements in environmental performance. In synthesis of our interweaved environmental activities, beginning in FY2005, we at Toyota Auto Body have begun full implementation of these activities in our new domestic and overseas plants.

## ■ An Example of Eco-Factory Activities Toyota Auto Body Malaysia (TABM) [Operation scheduled for August 2006]

### The Green Zone : Plant Scenery and Noise Considerations

The plant grounds have verdant scenery with more area reserved for planting than required by law and we plant trees in the Green Zone.



● The Green Zone

### Use of Natural Energy (Solar Power Generation)

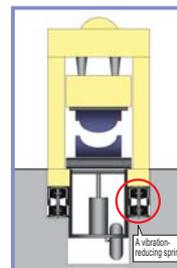
Solar power equipment installed on the roof of the entrance way will cover a portion of the plant's electrical consumption. (Approximately 3 KW)



● Rubber Forming Equipment



● A crushing machine to be introduced



● A vibration-reducing press



● Cooling equipment for noise reduction

### Thorough Reduction in Lighting Usage and Recycling With the Goal of Zero-Waste

As an example, waste from the manufacture of bumpers in our rubber plant will be sorted and 100% recycled by the above planned crushing machine. Additionally, ceiling construction will allow for sufficient natural light.

### The Aim for a Quieter Plant With Reduced Noise and Vibration

In order to reduce the effects of noise and vibration to areas near the plant, manufacturing equipment is located near the center of the plant. In addition, the plant building and its equipment are constructed with soundproof specifications along with the presses having vibration-reducing specifications.

# Environmental Aspects



## Environmental Policy and the Environmental Action Plan

### Steady Implementation of the Environmental Action Plan based on Toyota Auto Body's Principal Environmental Policy

Based on the Toyota Auto Body Fundamental Principles, we work toward open and fair corporate action along with promoting harmony with the environment, which together serve as the basis for our activities. As our strategy at Toyota Auto Body, we will announce and develop our Environmental Action Plan, and the establishment of the Toyota Auto Body Basic Environmental Policy, as a continuous and concrete behavior through the collective effort of all our group companies. Both our plan and policy center on taking environmental measures as the pillar of management on a shared basis with the "Toyota Global Environment Charter".

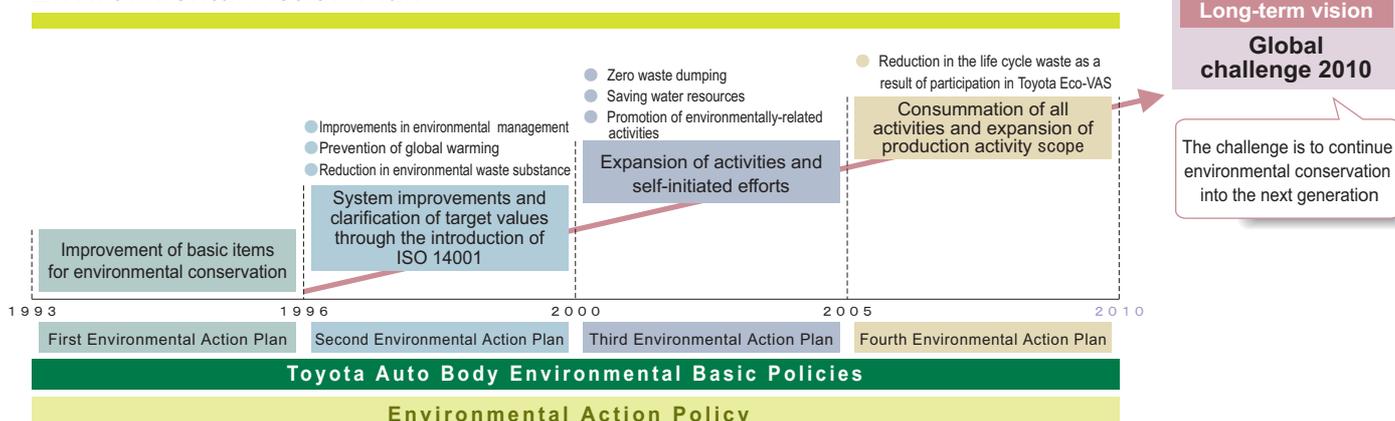
#### Toyota Auto Body Basic Environmental Policy (revised October 2004)

- 1 Contributing to a prosperous 21st century**  
In contributing to having a prosperous 21st Century, Toyota Auto Body has set a challenge to have zero emissions. This will be achieved through operation activities in all regions with the aim to achieve harmonious growth with the environment.
- 2 Pursuing environmental technology**  
In seeking a balance between the environment and economics, we will work toward developing and securing new technologies while also pursuing all potential applications of environmental technologies.
- 3 Independent efforts**  
In continuing our effort for thoroughly preventive measures along with complying fully with the law, Toyota Auto Body will establish independent improvement plans that entail environmental issues on a global scale.
- 4 Cooperation and partnership with the community**  
In building cooperation and partnerships for the purpose of addressing environmental preservation, we will work with governments and municipalities, and also seek efforts from consolidated subsidiary companies and partners.

#### Environmental Action Guidelines (revised October 2004)

- 1 Developing and supplying environmentally-friendly products**  
(1) Environmentally-friendly designing and development  
(2) More rigorous early assessments and follow-up of environmental waste substances
- 2 Pursuing non-polluting production activities**  
(1) Further decrease environmental waste through resource and energy conservation  
(2) Introduce and follow-up planning of important self-initiated goals
- 3 As a responsible member of society, partnership with outside companies regarding information dissemination about environmental action**  
(1) Cooperation with consolidated subsidiaries  
(2) Contribute also to non-profit activities  
(3) Actively disclose information and promote environmental awareness
- 4 Promotion of administration for environmental management**  
(1) The Toyota Auto Body Group will intensify its environmental management efforts

### Environmental Action Plan



### FY2005 Organization Framework

(revised April 2005)





## Provision and Development of Environmentally-Friendly Products

We are intensifying its efforts to design vehicles that place no burden on people or society

### Basic Approach

Based on the third Environmental Action Plan,<sup>\*1</sup> Toyota Auto Body develops and delivers products that offer reductions in environmental waste substances alongside improvements in fuel economy and recycling of materials. These three areas of improvement serve as the pillar of our efforts to contribute to our customers and society.

\*1 [▶ Please refer to page 13](#)

### The Third Environmental Action Plan Framework and Implementation

Organization	Task Themes	Implementation Items	
Product and Environment Committee	Weight Reduction Subcommittee	Improve fuel efficiency	Development and commercialization of weight reducing technology to improve fuel efficiency.
	Recycling and Dismantlement Subcommittee	Improve recoverability	Implement initiatives to increase vehicle recovery rates in Japan to reach 95% by 2015.
	SOC <sup>*2</sup> Subcommittee	Reduction and management of environmental waste substance content	Reduction in environmental waste substances along with upgrading and expanding of their management.
	VOC <sup>*3</sup> Subcommittee		Improvements to vehicle interior environments (Activities to decrease the use of volatile organic compounds in vehicle interiors)

\*2 S O C : Substances Of Concern (Environmental Waste Substances)

\*3 V O C : Volatile Organic Compounds (Volatile organic compounds in vehicle interiors)

### The development and design concept of the new ESTIMA

The new ESTIMA is clearly distinctive as the “next-generation minivan”, offering comfort and ease of operation while aiming to reduce its impact on the environment through a decrease in waste substances and improvements in the recyclability of parts. In addition, improved fuel efficiency results from weight reductions and a decrease in air resistance.



New Concept Vehicle Development Team



● New ESTIMA AERAS

[▶ Please refer to pp.15-17 for details on our efforts for the new ESTIMA](#)



## Improving Fuel Consumption (vehicle weight reduction)

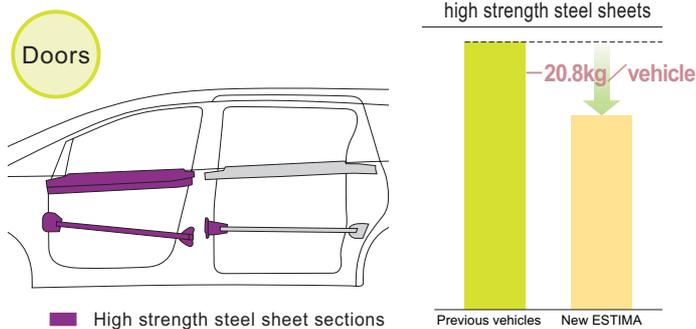
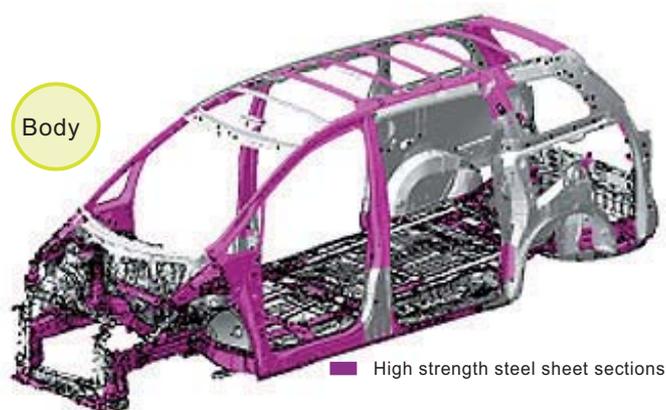
Toyota Auto Body has reduced body weight through expanded use of lightweight materials such as high strength steel sheets, and also the use of new molding methods, optimization of sheet thickness, and construction that extensively uses CAE\*<sup>1</sup>.

\*1 CAE : Computer Aided Engineering

### Weight reductions through CAE analysis and use of high strength steel sheets

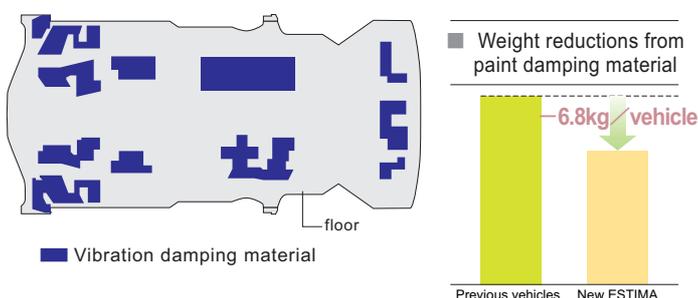
In addition to use of high strength steel sheets, optimizing sheet thicknesses and streamlining of construction by sensitivity analysis of both vibration noise and extensive CAE analysis achieve further weight reductions.

■ Sections using high strength steel sheets and weight reduction results



### Floor weight reductions through paint damping material

A reduction in floor weight from previous vehicles has been achieved through lighter coats of paint damping material.

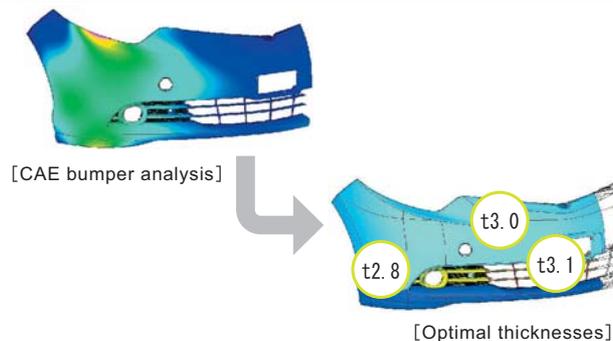


### Weight reductions from optimizing molded part design

For designing outer body parts, such as bumpers, optimal thicknesses for molded parts have been achieved through further CAE analysis of higher strength and thermal resistance materials using high-strength TSOP\*<sup>2</sup>. Weight reductions of approximately 10% were achieved in the front and rear bumpers.

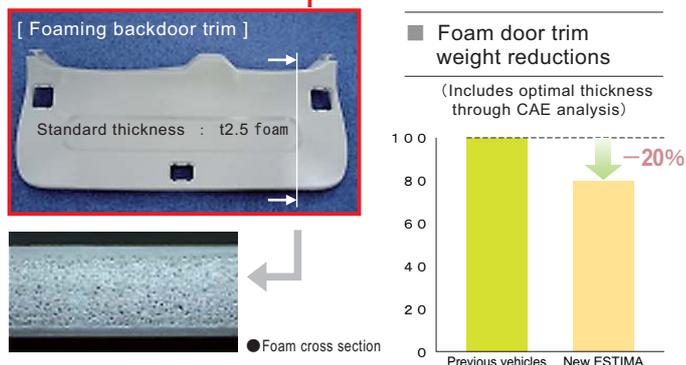
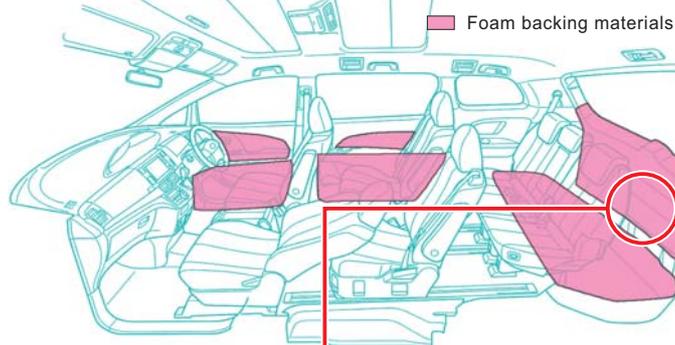
\*2 TSOP : Toyota Super Olefin Polymer

■ Optimal bumper thickness by CAE analysis



### Weight reductions through interior foam backing materials

Weight reductions have been achieved through the use of foam backing materials for interior parts



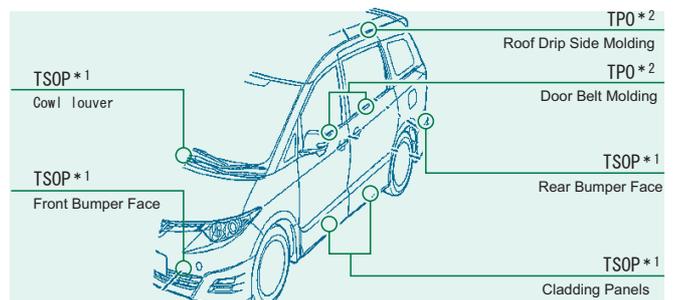
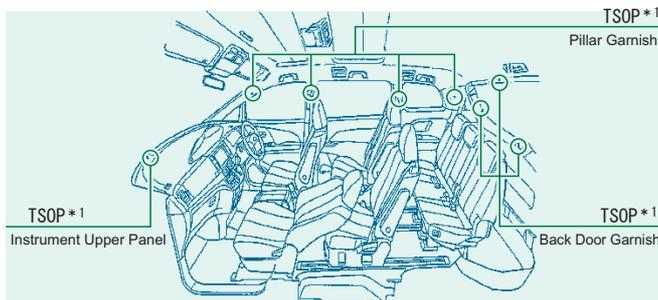
## Development and Provision of Environmentally-Friendly Products

### Improved Recycling Efficiency

We at Toyota Auto Body are promoting vehicle manufacturing that interweaves items for recycling from the first stages of development up through designing and planning and considers the rate of recyclability from vehicle production through dismantlement.

#### Improvements in the recoverability of resin parts

Toyota Auto Body uses TSOP\*1, which is an excellent recyclable material, for resin parts. Also, a decrease in the amount used of polyvinyl chloride has been met with an increase in the use of TPO\*2



\*1 TSOP : Toyota Super Olefin Polymer (Toyota Super Olefin Polymer)

\*2 TPO : Thermo Plastic Olefin

#### Improvements in vehicle dismantlement

The dismantling time of the new ESTIMA has been reduced by 10% from previous models. Toyota Auto Body is also developing ways to facilitate dismantling and reduce disposal fees for air conditioning (A/C) systems and air bags, which are items under the Automotive Recycle Law, effective from 2005.

##### Instrument panel dismantlement

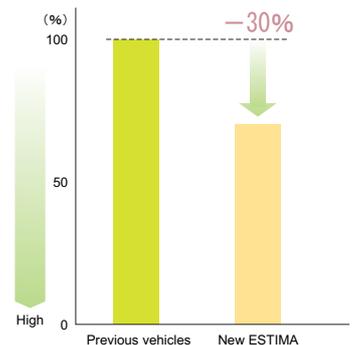
###### Considerations for dismantlement



###### Examples involving construction that allows



###### Changes in time to dismantle parts

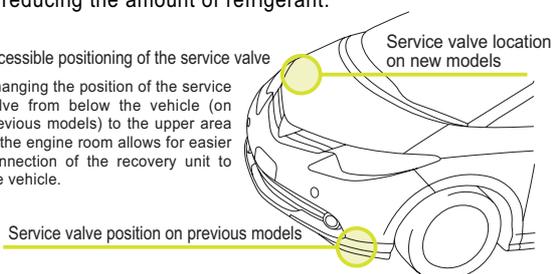


##### Improvements in recovery of A/C refrigerant

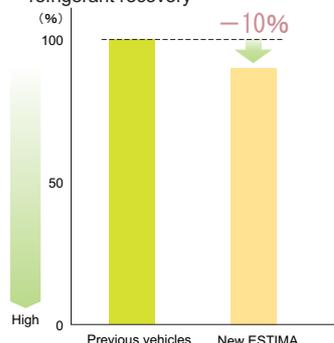
Toyota Auto Body is developing vehicles that allow for easier recovery of A/C refrigerant by making the service valve more accessible and reducing the amount of refrigerant.

###### Accessible positioning of the service valve

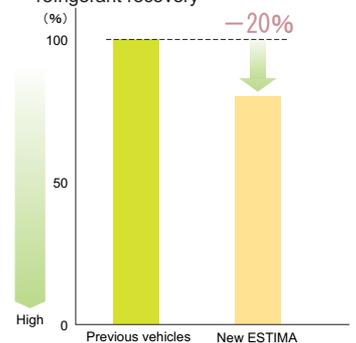
Changing the position of the service valve from below the vehicle (on previous models) to the upper area of the engine room allows for easier connection of the recovery unit to the vehicle.



###### Changes in reduction of A/C refrigerant recovery



###### Total changes in reduction of A/C refrigerant recovery





## Management and Reduction of Substances of Concern (SOCs)

We are promoting a decrease in substances of concern, and recommending an environmental impact assessment of the total life cycle of products.

### Reduction of Substances of Concern

Toyota Auto Body is advocating vehicle manufacturing that does not impact the environment through the abolishment of substances of concern (4 substances\*<sup>3</sup>) from a year ago in meeting based on EU ELV Directive and the voluntary goals of the automobile industry in Japan. We are also making efforts to decrease SOC in specially-equipped vehicles.

\* 3 4 Substances: Lead, Cadmium, Mercury, and Hexavalent Chrome

■ Progress in changing over from SOC 4 Substances (European Regulations)    ■ : Changeover    ■ : Regulated

Regulated	Regulated Substances	Regulations	2005	2006	2007	2008	2009
Standard Vehicles	Lead	07 Regulations					
		08 Regulations					
	Mercury	03 Regulations (Not included)					
	Cadmium	06 Regulations					
	Hexavalent Chrome	07 Regulations					

※ Non-applicable parts are not included.

### Reduction of VOC (Volatile Organic Compounds) inside the Cabin

To reduce volatile organic compounds such as formaldehyde that is the smell that is responsible for irritating the nose and throat, Toyota Auto Body has reexamined and curtailed emitting of amounts of these VOCs from certain interior materials and adhesives. In coordination with Toyota, Toyota Auto Body has also made efforts to reexamine and control the release of irritants from these compounds in the new ESTIMA.

### Efforts toward LCA

Toyota Auto Body applied LCA (Life Cycle Assessment).

LCA is an evaluation of environmental impact over the total life span of product, from the material manufacturing stage, through the parts and body manufacturing stages, to the transportation, use, maintenance and disposal stages.

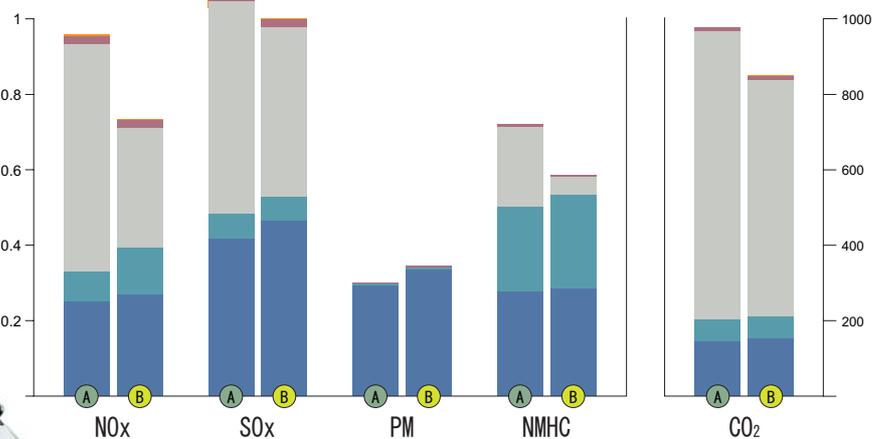
LCA enables Toyota Auto Body to reduce the total volume of CO<sub>2</sub> and other air-polluting substances released throughout the entire lifecycle of its vehicles.



#### (LCA Implementation Results)

● A : 2002 average for Toyota vehicles in the same class ※  
● B : ESTIMA (2.4 0 )

■ : Material manufacturing    ■ : Driving  
■ : Vehicle manufacturing    ■ : Maintenance  
■ : Disposal



NOx : Nitrogen Oxide  
SOx : Sulfur Oxide  
PM : Particulate Matter  
NMHC : Non Methane Hydrocarbons

● Results from driving in modes 10 and 15 for the vehicle life of 100,000 kilometers (10 years)  
● For the purpose of confirming the relative environmental merits of LCA at Toyota, the evaluation results are indicated by indexing. In addition, CO<sub>2</sub> levels are in tons(t), and all other discharged/emitted items are in kilograms (kg) and are indicated separately by indexing.  
※ Toyota considers the model cycle to be every four years. These results for new model LCA value improvement are evaluated based on reduced amounts of gases in comparison to average values for Toyota vehicles in the same class from four years earlier.

## Development and Delivery of Environmentally-Friendly Products

### Promotion of environment-related operations

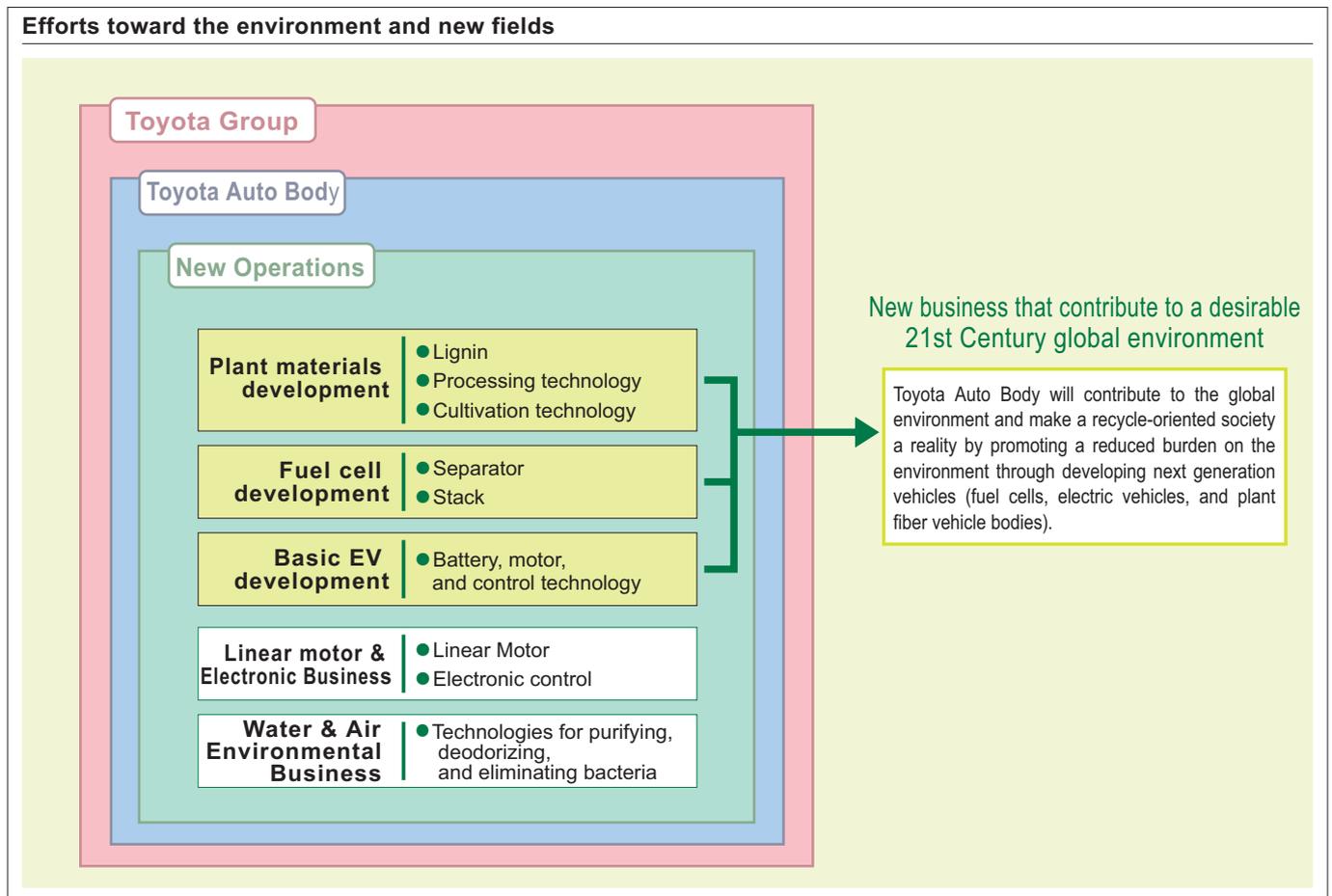
#### New business that contribute to a desirable 21st Century global environment (recycle-oriented society)

We at Toyota Auto Body cultivate the application of technology, and introduce environmental activities related to linear and electron operations, as well as to those relating to water and the atmosphere. Moreover, Toyota Auto Body supports research and development in taking steps toward a “recycle-oriented society” by decreasing burdens on the environment.

Until this time, Toyota Auto Body has offered products such as curtains, doors, and transport equipment, and is also active in a wide range of other fields that include bacteria eliminating and deodorizing products that use ozone, and even rear motor vehicles.

Toyota Auto Body is also looking to “realize a recycle-oriented society” through using technological developments to become involved in “global environmental conservation” for next generation vehicles. Steps toward these goals are reflected through such research as plant materials that immobilize CO<sub>2</sub> and also the development of power control systems and fuel cells for ultra-compact vehicles that eliminate emissions of CO<sub>2</sub>.

#### Efforts toward the environment and new fields



#### Essential development of EV and fuel cells

As a basis for the motorized mini-car COMS, Toyota Auto Body is initiating the development that includes systems such as a highly-efficient compact fuel cell for ultracompact eco-cars and also a rechargeable system that uses a lithium battery.

We at Toyota Auto Body are developing systems and essential technologies that will allow hydrogen to be used in fuel. Clean and environmentally-friendly vehicles of the next generation will emit absolutely zero toxic substances such as CO<sub>2</sub>, but rather only “water” will be discharged into the atmosphere.

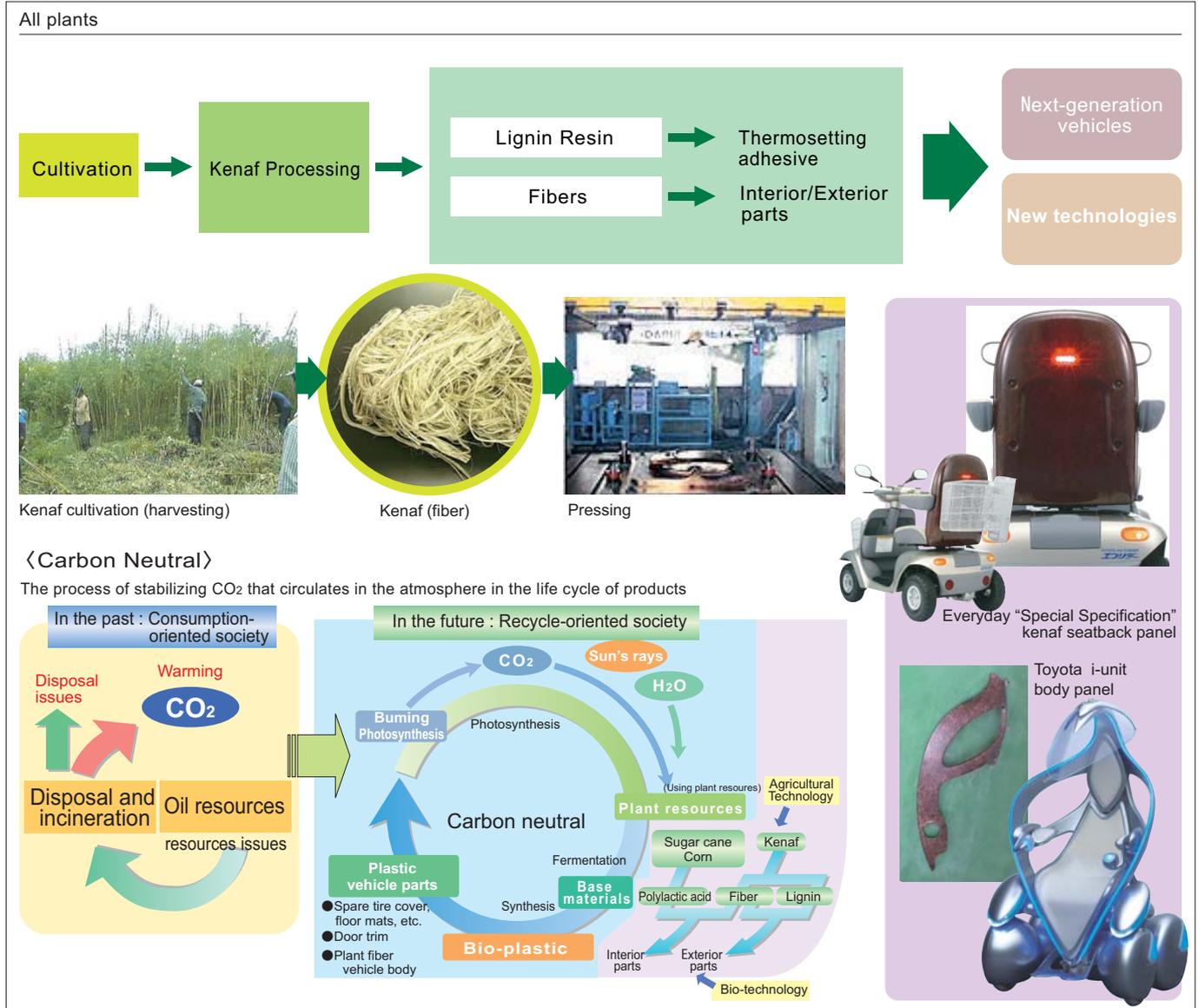


COMS FCHV  
(Ultra-compact Fuel Cell Vehicle)



## Development of plant material technology

We at Toyota Auto Body are developing technologies for creating new materials for next generation vehicles such as kenaf, a plant material that grows quickly and has a high absorption rate of atmospheric CO<sub>2</sub>. By using them, we can immobilize CO<sub>2</sub> and we are developing environmentally-friendly materials and products.

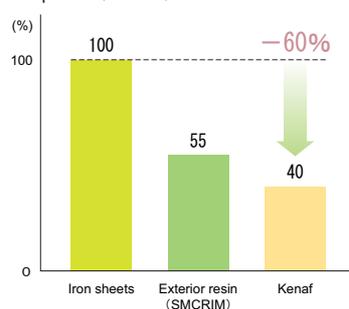


## Desired Emission Levels

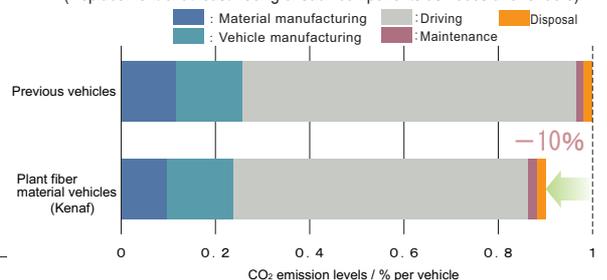
### CO<sub>2</sub> emission levels



### Weight savings fender panel ("Porte")



### A total LCA (Production · fuel economy · discarding) using thermal curing bio-FRP resulted in a 100 kg/vehicle weight reduction (Replacement of at least 150Kg of such components as hoods and fenders).



## Development and Provision of Environmentally-Friendly Products

### Leading all people to user-friendly doors

In 1985, with van type vehicles achieving unparalleled luxury status, Toyota Auto Body developed and succeeded at mass-producing the world's first automobile linear motor curtain. Thereafter, Toyota Auto Body expanded applications of this motorized curtain to products including linear curtains and linear doors for homes, and even transport equipment.

The linear motor has few parts that wear which greatly reduces the need for regular replacement of parts. In addition, the quiet operation, high-level of safety, and ability to resist dust from gathering has

expanded its use into such as medical and care facilities, and food and electronics plants. The linear curtain is also used by large convenience store chains because the curtain is barrier-free and saves energy.

In 2004, Toyota Auto Body began selling automatic doors for entryway doors for homes. We at Toyota Auto Body are aiming for use of these doors to range from homes all the way to commercial buildings and care facilities in "creating comfortable space living for all people who use the linear curtain."

1985

2006

**Linear Motors**  
Curtain rails

MM30  
Home interior linear doors

**Linear Automatic Doors**

MM50  
Commercial building interior linear doors

- ◆ Hospitals
- ◆ Elderly care facilities
- ◆ Clean rooms
- ◆ Office building interiors among many other applications

**Transport Equipment**  
Linear transport equipment

MM100  
Commercial Exterior Linear Doors

- ◆ Convenience stores and store fronts
- ◆ Building entrances among many other applications

#### Linear Products



Linear motor curtain rail



Commercial Interior Linear Door



Business Exterior Linear Door



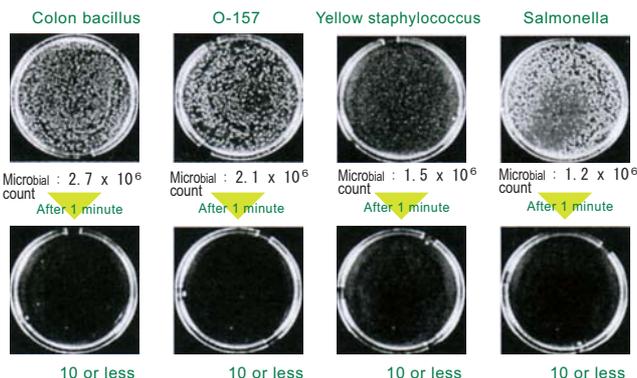
Linear transport equipment

### The power of ozone products that help the high-quality hygienic environment of Japan

In 1989, Toyota Auto Body developed deodorizing equipment for the cargo rooms in transport trucks, and sold Ozone Water Deodorizer Cleaner. Since that time, we have pushed on to further please our customers through hearing their needs for smaller, lighter, and refined functions. Customers are satisfied with the effectiveness of our deodorizing and bacteria eliminating in many industries requiring a higher level of hygiene for the environment such as supermarkets, fisheries, and food processing facilities.

Our products have shown to be extraordinarily effective in sterile filtration of ozone water, Colon bacillus, Yellow staphylococcus, Salmonella, and O-157.

Source: Test for Bactericidal Effects No.397040615-001, May 27, 1997, Japan Food Research Laboratories (JFRL)



#### Ozone products



Ozone Water Deodorizer Cleaner  
OZONE DASH TWIN 60PSA



Freezer vehicle Deodorizer Cleaner  
OZO FRESH MINI



Ozone Water Deodorizer Cleaner  
OZONE DASH HANDY 8



Air Deodorizer Cleaner  
CLEAN PRO



## Group Company Environment-related Operations (Environmental analysis and waste substance recycling)

※The following two companies are consolidated subsidiaries of Toyota Auto Body. (As of the end of March 2006)

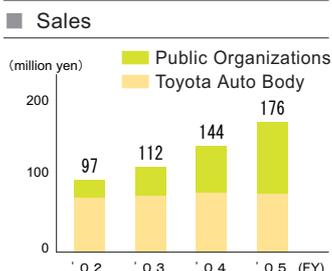
### Inatec Co., Ltd.

Inatec contributes to society through environmental analysis and the company supports problem solving for environmental issues for its customers through the company's pursuit of advanced analysis techniques.

Tomihiko Takegami , President

The former Toyota Auto Body environmental analysis division became independent in 2000, and was established as a separate company, Inatec has been approved by the Aichi prefectural government to be a certified environment measurer and also as an agency for measuring business operations and the environment. Additionally, in February of 2004, Inatec became a designated survey organization based on the Environment Ministry's law for countering soil pollution and Inatec performs environmental analysis of water, air, and soil quality.

Various surveying efforts that include public organization operations for monitoring of rivers and streams, water surveying in the Inabe River, and also soil surveying in Inabe City have allowed Toyota Auto Body Group companies and part makers to contribute to regional and industrial conservation activities for the environment through surveys and analysis of the Substances of Concern (SOC) that are generated from Toyota Auto Body vehicles and parts.



#### Company Profile

Company address ... 10 Ichinohara, Inabe-cho, Inabe City, Mie Pref.  
 Established ... October, 2000  
 Paid-in Capital ... 5 million yen  
 Number of employees ... 10

#### Main business

Certifying environmental measuring  
 Operations & environmental measuring  
 Applied analysis  
 Environmental surveying and the environment assessment  
 Consulting

- Atmospheric, fetid aromas, waste water, ocean water, river and stream water, low-quality ground water, soil, waste substances, and environmental hormones.
- Organic solvents
- Evaluation and development of materials and analysis of chemicals and materials.
- Surveys of water quality, the atmosphere, soil, and also measuring of noise and vibration.
- Improvements in waste water processing facility.



Fluorescent X-ray analysis equipment (XDR)



Analysis



Surveying river & stream water quality



Fourier transform infrared spectrophotometer (FT/IR)

### Mikawa Setsubi Co., Ltd.

Mikawa Setsubi responsibly contributes to environmental preservation as a comprehensive maintenance company.

Yasumi Kataoka , President

Mikawa Setsubi makes efforts to make social surroundings pleasant in following with our company motto of "Kind management of people and the environment." Comprehensive maintenance at Mikawa Setsubi varies from building and ancillary facility equipment to safety and preservation, and extends to the cycle of production waste substances.

#### Environmental Policies

1. Mikawa Setsubi works toward reducing environmental burden through observing environmental regulations and other requirements, evaluating effects on the environment in advance, and preventing pollution.
2. Mikawa Setsubi works actively to reduce waste substances through the efforts of all employees in company activities, along with efforts for energy and resource saving in order to conserve limited resources.
3. Mikawa Setsubi looks to continuously improve environmental preservation through regularly reexamining and establishing targets and goals for the environment.
4. Mikawa Setsubi aims for all employees who work at this company and for this company to be informed, and have thought and action in being responsible and aware regarding environmental preservation.

In following with these policies, Mikawa Setsubi has made significant progress in reducing environmental burden through reductions in waste substances and improved energy savings, and we will continue to work diligently to challenge our goals.

#### Company Profile

Company address ... 17-1 Higashi Sakai-cho, Kariya City, Aichi Pref.  
 Established ... April, 1985  
 Paid-in Capital ... 30 million yen  
 Number of employees ... 170

#### Main business

Building, civil engineering, and landscaping  
 Manual training and transport machines  
 Facility preservation  
 Environmental maintenance  
 Eco-business

- Services for buildings, architectural equipment, civil engineering, and landscaping
- Production aids such as pallets, and folding dollies for painting
- Maintenance improvement of multi-purpose instruments and equipment
- Equipment for substrate treatment in painting, spraying booths, and cleaning of baking oven.
- Recycling of industrial waste substances (Plastic waste, fluorescent tube waste, and dry cell batteries)

#### Recycling of industrial waste substances



Iron and lacing



Rubber and resin scrap

#### Decreasing waste

- Making organic fertilizer by raw-waste processing machine by using used tea leaves.
- Recycling by sorting and decomposing composite materials.
- Preparing spare parts by disassembling recyclable jig pallets.

## Pursuit of Clean Production Activities

**Toyota Auto Body continues the challenge of achieving clean production processes.**

### Emissions generated in the environment and resource input volume

The below diagram shows emissions from the environment and resource input volume for production processes for which Toyota Auto Body is working toward reducing substances of concern while also effectively using resources.

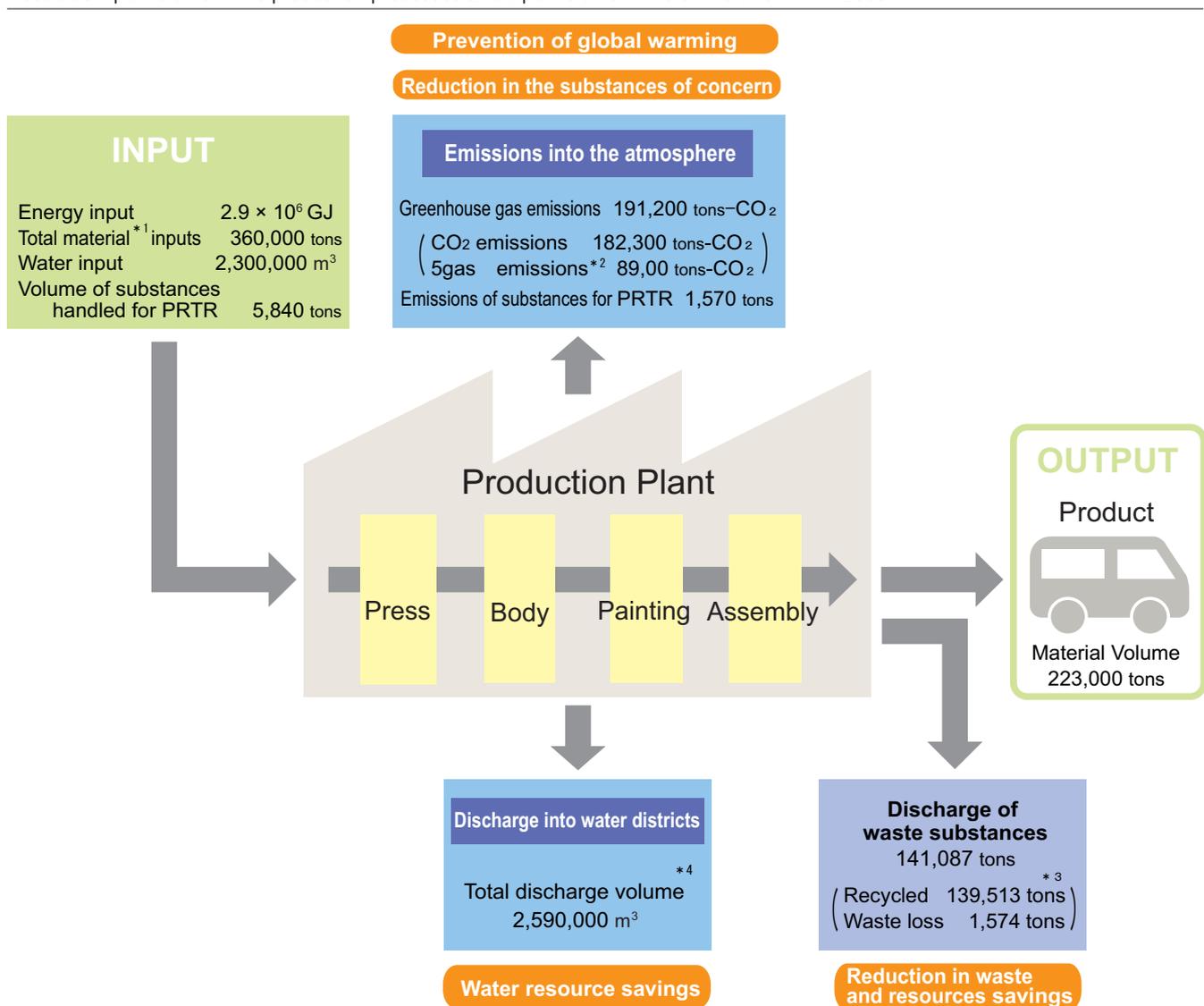
Input volume of input resources (INPUT) for production processes in 2005 was  $2.9 \times 10^6$  GJ for various electrical demands, 360,000 tons of resources for main materials, and 2,300,000 m<sup>3</sup> of plant water resources for plant water.

In addition, emissions of substances of concern consisted of greenhouse gases of 191,000 tons of CO<sub>2</sub> discharged into the atmosphere, and 2,590,000 m<sup>3</sup> of water discharged into water districts.

Among 141,087 tons of waste substances, 139,513 tons were recycled by being sold, or made into cement materials, and 1,574 tons became unrecyclable waste.

➤ Efforts to reduce emissions in production are in the report on pages 23-31.

Resource input volume in the production processes and input volume in the environment in FY2005



\* 1 Total substances: steel sheets, molded materials, paint etc.

\* 2 5gas: The five greenhouse gases other than CO<sub>2</sub>, are methane (CH<sub>4</sub>), dinitrogen monoxide (N<sub>2</sub>O), hydrofluorocarbon (HFC), perfluorocarbons (PFC), and sulfur hexafluoride (SF<sub>6</sub>).

\* 3 Indicates the volume of either various possible recyclable materials that have value or that are inverse onerous contract materials. Also indicated is whether the disposal volume is not enough to be processed or can be directly disposed of in landfills.

\* 4 Total of water volume used is large because initial rainwater is processed and then released.



## Promotion of Global Warming Prevention

### Promoting reduced CO<sub>2</sub> emissions by changing to clean fuels and introducing new technologies.

#### Reducing the amount of greenhouse gas emissions

Emissions of CO<sub>2</sub> cause global warming, and we at Toyota Auto Body set the target to reduce FY1990 CO<sub>2</sub> emissions 5% by the end of FY2005. To achieve this reduction target, our efforts mainly focused on areas such as “developing and introducing energy saving production equipment” and also “removing *Muda* (waste) from the production line.”

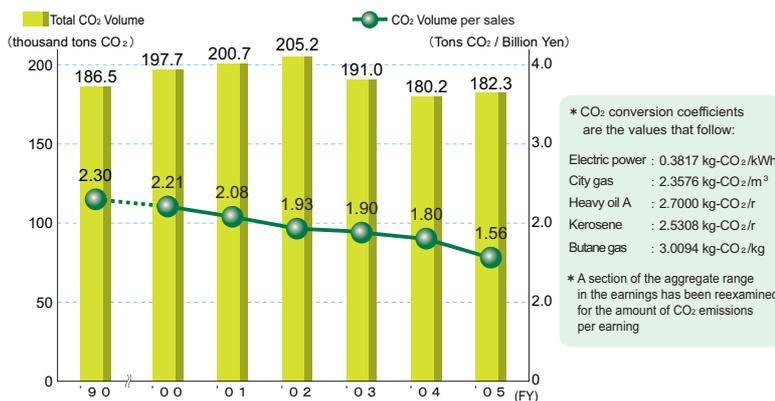
In FY2005, Toyota Auto Body achieved a large decrease in CO<sub>2</sub> emissions through various efforts that include shortening painting booths and dry-off oven involving new changes to painting booths for top-coating at the Fujimatsu plant, as well as recycling of

exhaust heat recovered from the air-conditioning of booths.

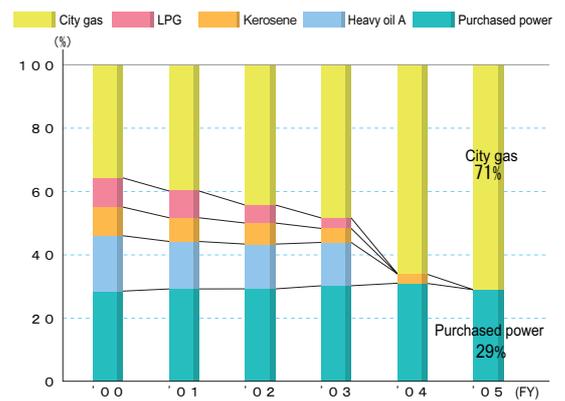
In addition, Toyota Auto Body changed to using clean natural gas for fuel instead of kerosene for its boilers, and in FY2005, Toyota Auto Body used only electricity and city supplied gas for production processes.

In FY2005, despite an 11% increase in production of vehicles from FY2004, CO<sub>2</sub> emissions from production processes were minimized at 1% (1,823,000 tons of CO<sub>2</sub>) compared to the previous year. The target “to reduce 1990 CO<sub>2</sub> emissions 5% by the end of FY2005” resulted in a “2.2% reduction compared to FY1990.”

#### CO<sub>2</sub> Volume ( Production process )



#### Energy amounts used

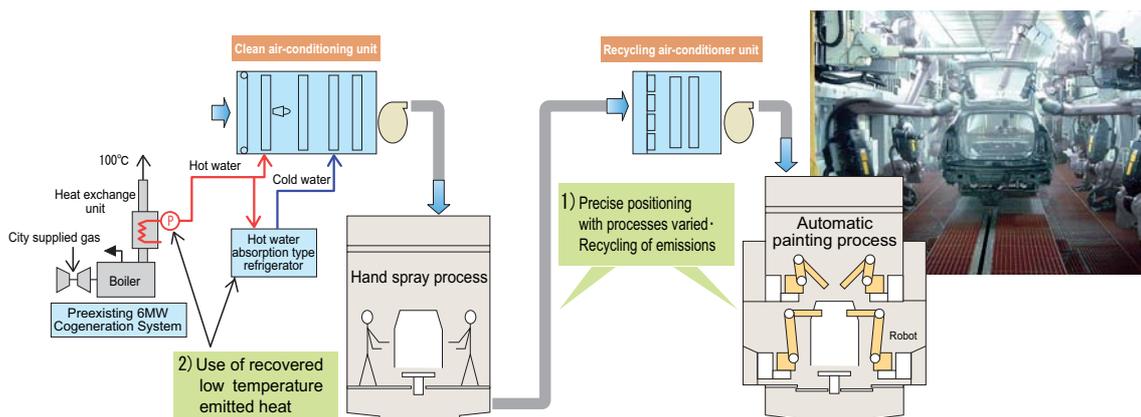


#### An example Comprehensive energy saving in the top-coat painting process at Fujimatsu Plant

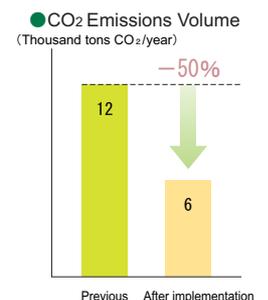
For the new top-coat painting process facility, Toyota Auto Body has worked to decrease energy required for the heat source supply method, air-conditioning systems, and the method of construction.

- 1) Air emissions from air-conditioning used in the hand-spraying process is recycled to the automatic painting process, and air-conditioning air volume has been reduced in booths due to precision positioning of paint robots and varying the lengths of the coating processes.
  - 2) Toyota Auto Body has achieved substantial reductions in energy used for air-conditioning by utilizing the preexisting natural gas cogeneration system to use the air-conditioning heat source of the top-coat painting process and also to recover heat emitted at low temperatures.
- By these efforts, Toyota Auto Body was recognized as being a company that supports business through the streamlining of energy use.

#### System Flow



#### Low energy effects



## Pursuit of Clean Production Activities

### Reduction of substances of concern

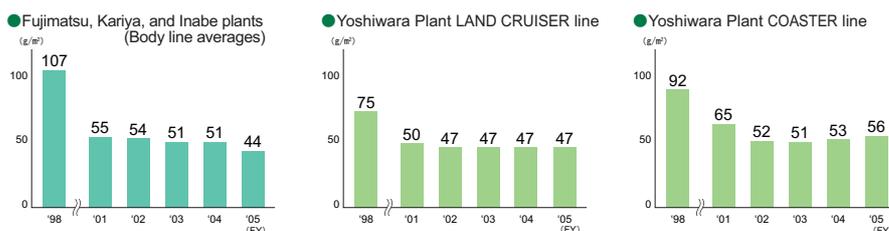
Toyota Auto Body produced results in reducing the substances of concern such as VOC and the volume of substances subject to PRTR by introducing water-borne paints.

#### Reductions in the volume of VOC emissions

Toyota Auto Body achieved its goal for reducing the main VOC, thinner, used in the body painting process, by implementing successful measures to “recover purge solvents” and “improve paint adhesion.”

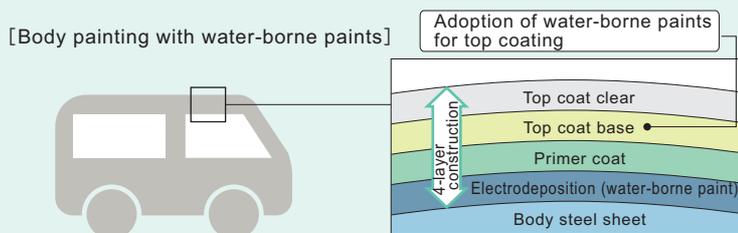
A further reduction in VOC came with implementing a change to use water-borne paints in FY2005.

Amount of VOC emissions (grams) per painted area (square meters)



#### An example Reductions in VOC emissions by using water-borne paints Fujimatsu Plant body line

In FY2005, a change to using water-borne paints for the top coating was implemented to coincide with the new Estima model change and upgrading of the painting booths at the Fujimatsu Plant. As a result, there was a significant reduction in VOC emissions.



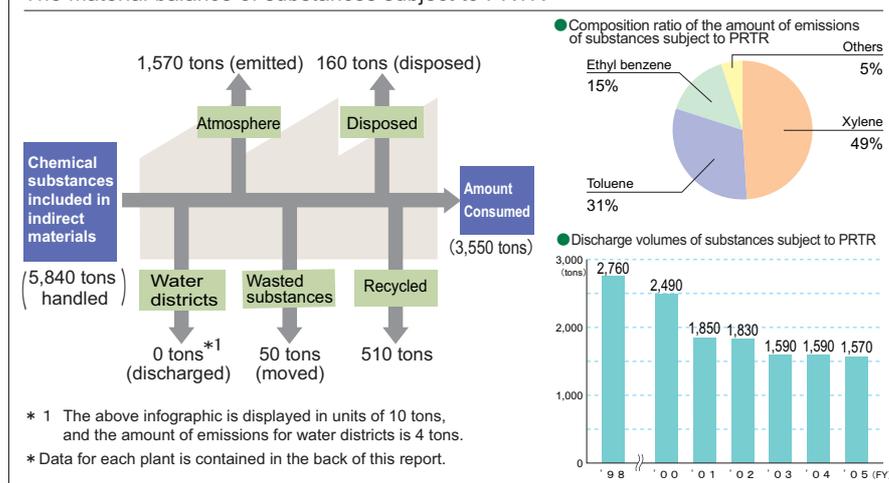
#### Reduction in the volume of PRTR emissions

More than half of the substances subject to PRTR emitted during production processes are paint solvents such as xylene and toluene. A significant decrease in the use of these substances were achieved similarly to the efforts to reduce the volume of VOCs introduced in the previous example of changing to water-borne paints at the Fujimatsu plant body painting process.

In FY2005, there was an increase of 11% in the vehicles produced compared to the previous year, FY2004, while there was a 1% decrease (1,570 tons) of substances subject to PRTR.

Our goal to “reduce substances subject to PRTR by 50% from FY1998 volume,” resulted in a “43% reduction subject to PRTR compared to FY1998 volume.”

The material balance of substances subject to PRTR



#### PCB storage

As of the end of FY2005, the laws required storage conditions for PCB to have items such as three transformers, 91 condensers, and fluorescent ballast among other items.

#### Dioxin monitoring

At the Yoshiwara plant, there must be one incinerator that must be maintained with strict accordance to ordinances so that the emission density standard is at a level below 1/1000th.



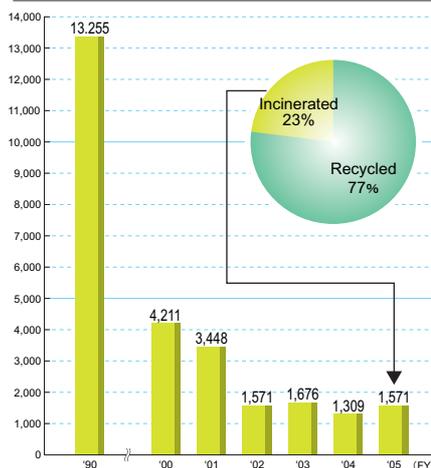
## Reduction of Waste Materials and Resource Saving

Toyota Auto Body achieved the goal to reduce combustible waste substances and have zero landfill waste as implemented in the Third Environmental Action Plan.

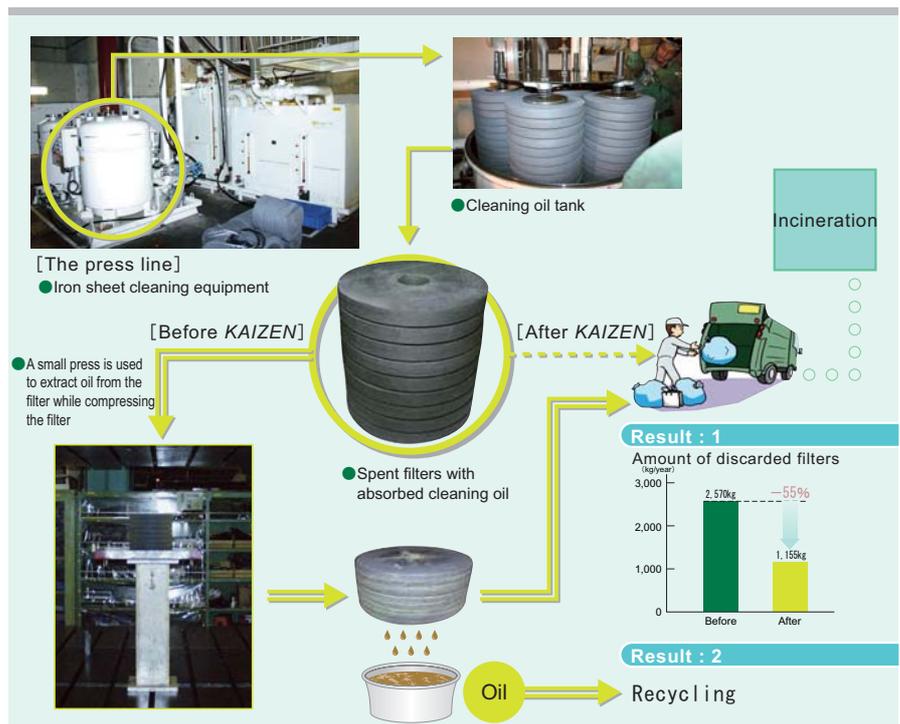
### Zero landfill waste substances and combustible waste substances reductions

As the first step in reducing waste substances, zero landfill waste was achieved in 2001, and thereafter, the company-wide target for combustible waste reduction was achieved three years earlier than the original plan. After our main efforts to "reduce the volume of waste", "reduce waste at the source", and "reuse and recycle waste" were achieved, we endeavored to maintain these efforts. In FY2005, an increase in production was met with an increase of 262 tons of waste.

#### Combustible Waste Substances



**An example** On the press line, Toyota Auto Body made efforts to make large reductions of completely used filters from iron sheet cleaning equipment.



### Correct disposal of waste substances

As a measure to improve trust in the handling of waste substances, Toyota Auto Body has educated employees in charge of waste substances at each plant to strictly manage and control waste substances when entrusted with them in such cases as recovery and issuance an accurate manifest. In addition, meetings to exchange views on disposal of waste substances have been held since last year to communicate with the waste disposal engineers.

In FY2005, confirmation of the designated disposal companies allowed all 67 companies be included in this plan.



● Education for the correct disposal of waste substances



● Exchanging of views with disposal companies

### Resource saving activities

Toyota Auto Body is working to improve the extraction rate of iron sheets that constitute vehicle bodies. In 2005, we also made efforts to reexamine and reduce loss in waste of materials from die assemblies and cutting processes, and also undertook recycling of scrap iron, reducing discarded amounts of front and rear milling ends, and reducing damaged steel coils.

## Pursuit of Clean Production Activities

### Saving Water Resources and Streamlining of Material Flow

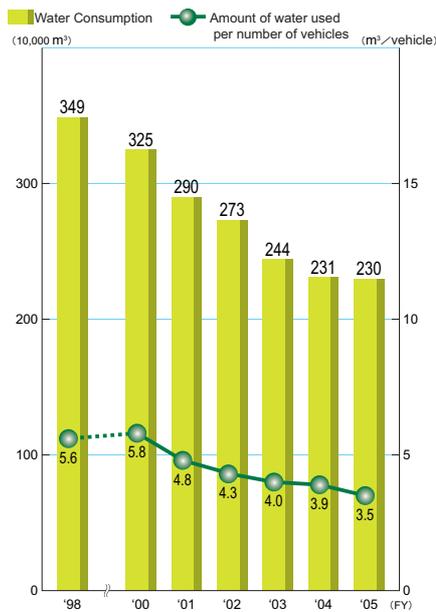
Toyota Auto Body is making efforts to reduce packaging materials and CO<sub>2</sub> in logistics and also save important water resources.

#### Conserving water resources

Toyota Auto Body has already succeeded in meeting its target of reducing water resources (4.5 m<sup>3</sup>/vehicle), and we continue our effort to conserve water.

In 2005, we made efforts to "reduce water used in cooling systems."

#### Water use in the production process



#### An example

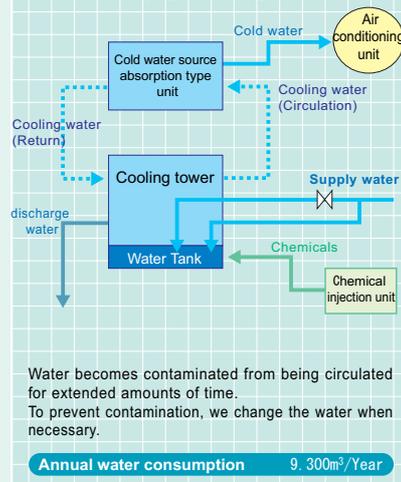
A reduction in the amount of water used by a cooling tower water filtration unit

Use of a water filtration unit to prevent contamination for water cooling systems led to reductions in the amount of water use.

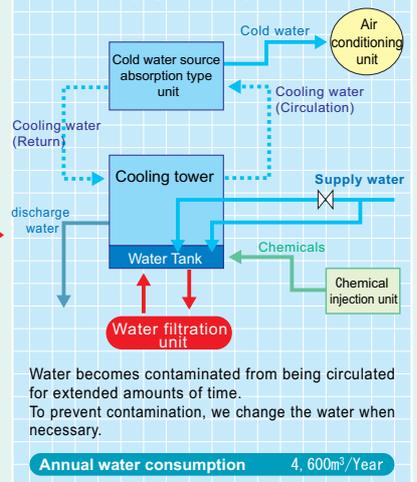
Annual water use reduction 4,700m<sup>3</sup>/Year



#### Before kaizen (Improvement)



#### After kaizen (Improvement)

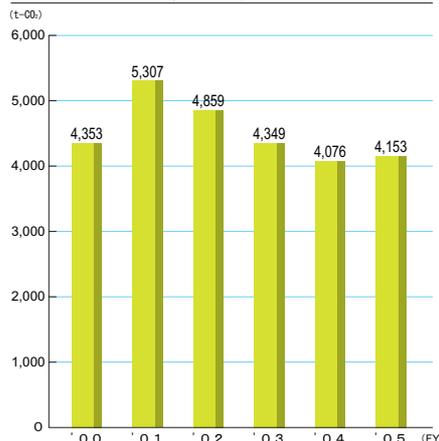


#### Improvements in logistics

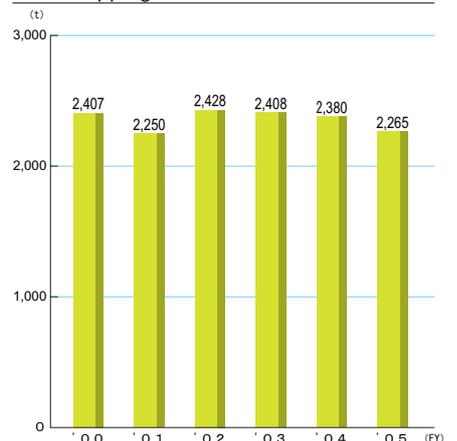
Toyota Auto Body has achieved better efficiency by reexamining transport routes and also through kaizen of cargo layouts for transport of vehicle parts.

In addition, we are continuing activities to reduce the amount of packaging and wrapping materials that we use. In 2005, the result of our efforts led us to achieve our targets of 5,163 tons of CO<sub>2</sub> for logistics and 2,344 tons of packaging and wrapping materials.

#### CO<sub>2</sub> emissions volume caused by transportation



#### Usage of Packaging and Wrapping Materials





## Regional Environment Conservation

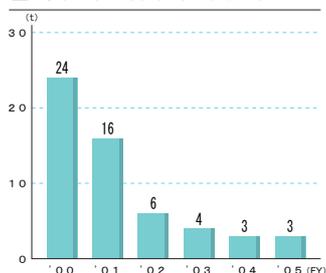
Toyota Auto Body observes environment-related laws for the atmosphere, water quality, and soil which together form the foundation of environmental conservation.

### Managing the atmosphere

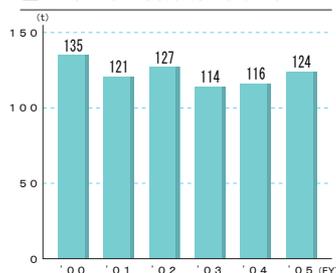
We are taking measures for managing NOx and sulfur oxides (SOx), which pollute the atmosphere and cause acid rain, by changing to use city gas in addition to management of incineration conditions and the use a low nitrous oxide (NOx) burners.

All the plants have satisfied the exhaust gas regulation in the atmosphere in TY2005.

■ SOx emissions volume



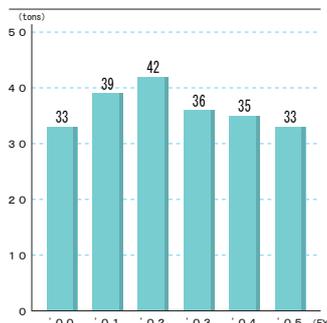
■ NOx emissions volume



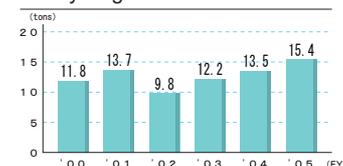
### Managing water

Control and disposal of water emissions is done at a comprehensive water emission disposal plant for all our plants. Even in FY2005, all the plants satisfied within the regulatory values for water emissions. Substances for comprehensive volume regulation, levels of COD (chemically oxidized demand) hydrogen, and phosphor are currently changing to be lower by between 10 to 40% of regulation values.

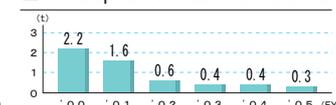
■ COD contamination loads



■ Hydrogen emissions volume



■ Phosphor emissions volume



### Noise concerns ( Construction of a soundproofing wall in the western area of the Kariya Plant )

From January of 2006, the body line began production in the western section of the Kariya Plant. With an expected increase in noise in the southern side of the plant, we built a soundproofing wall.



Soundproofing wall

### Conservation efforts for soil and ground water

Toyota Auto Body is taking the initiative in surveying soil and ground water. We found that while all plants were confirmed to be below the environmental standard for substances with records of being used in the past, we also found that at certain plants, concentrations of substances were detected for which there was no record of use had exceeded the environmental standard.

A plausible reason for these findings is these substances flowed in to the soil and ground water from outside the plants. Toyota Auto Body is reporting measurement results to the government and local communities.

■ Substances used and their year of elimination

Plant	Substances used	Year of elimination
Fujimatsu Plant	1.1.1-trichloroethane	1995
	Dichloromethane	1996
Kariya Plant	1.1.1-trichloroethane	1985
	Dichloromethane	1967
Yoshiwara Plant	Dichloromethane	1998
	Tetrachloroethylene	2001

\* No records exist for the Inabe Plant

■ Fujimatsu Plant ground water measurements (FY2005)

Substance name	Measurement value	Environmental standard (units: mg/ℓ)
Tetrachloroethylene	0~0.057	0.01
Tetrachloro-carbon	0~0.024	0.002
Trichloroethylene	0~0.086	0.03

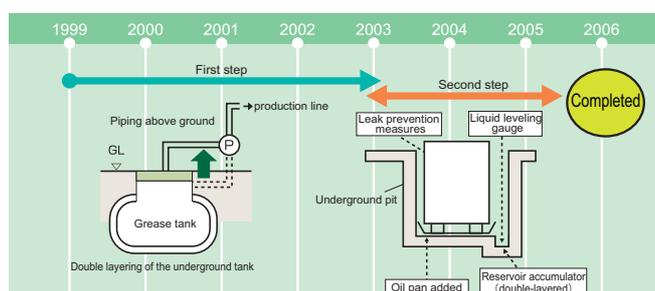
■ Kariya Plant ground water measurements (FY2005)

Substance name	Measurement value	Environmental standard (units: mg/ℓ)
Trichloroethylene	0~0.003	0.03
1.1-dichloroethylene	0~0.023	0.02

\* Both Inabe and Yoshiwara plants were below environmental standards

### Prevention of Soil Contamination by Oil Leakage

In 1999, Toyota Auto Body established measures to prevent soil pollution with the first step being to double layer tanks buried underground. The second step was to initiate main efforts toward double layering reservoir accumulators, which was completed by the FY2005.



## Production Plant Action

At production plants, Toyota Auto Body is implementing steady progress in solid environmental conservation activities with environmental management.



### The Fujimatsu and Kariya plants

In aiming to have harmony with the environment, Toyota Auto Body takes the lead in protecting the environment in order to contribute to a prosperous 21st century society. We are setting the challenge to reduce waste substances and also substances of concern.

We are making efforts to foresee our impact on the environment and prevent pollution based on our observance of environmental regulations.

Toyota Auto Body contributes to society by educating and enlightening our employees to be mindful of environmental conservation, and also contributes through achieving communication by coordinated efforts both inside and outside our company, and also in local communities.

Managing Director / Fujimatsu Plant Manager **Sadao Kondo**

#### Plant Outline

- Address ● 100 Kanayama, Ichiriyama-cho, Kariya City, Aichi Prefecture, Japan 448-8666
- Number of employees ● 7,288 (As of the end of March, 2006)
- Land area ● 423,000m<sup>2</sup> (Kariya Plant : 123,000m<sup>2</sup>)

#### Main products



#### Environmental conservation efforts

Toyota Auto Body is making solid progress in activities for environmental conservation to save energy and resources, and to have zero emissions (zero waste substances). Additionally, based on the total clean principle for achieving harmony with the environment, Toyota Auto Body also produces hybrid vehicles (PRIUS and ESTIMA), made possible through Toyota concurrent evolution of ecology and power.

##### Energy saving activities

- In order to decrease CO<sub>2</sub> emissions, all employees are taking part in "CoolBiz" and "WarmBiz" dress code activities.
- We are also promoting activities that limit energy loss through the implementation of energy saving equipment such as cogeneration and inverters.

##### Promotion of energy saving and zero emissions

- We achieved "Zero emissions" with no waste substances in landfills by FY2002 from effective use of sorting of 28 waste substances(waste plastics,paint waste,etc). In addition, through coordination between the design production divisions, we are promoting activities that reduce resource losses of such as steel materials and resins.

Explaining standard sorting of waste substances to junior high school students



##### Coexistence with local communities

- Communication with Fujimatsu Elementary School students for planting and harvesting kenaf.
- Efforts to provide environmental learning such as an Anjo Junior HighSchool Observation.
- Periodic measurements of emissions taken for water quality and the atmosphere.
- Periodic patrols for daily environmental conservation in addition to implementation of emergency training for unexpected events.



Kenaf plantation

##### Improving the education and common knowledge of all employees

- Participation in 530 (Zero waste), sorting of waste substances, and education to turn off lights unnecessary.
- Creation of an Environmental PR corner to improve employee awareness.



Environmental PR corner



## Inabe Plant

The Inabe Plant began operations in 1993 under the concept of "coexistence of nature, people, and technology".

The plant mainly produces minivans, and annual production of the ALPHARD, ALPHARD hybrid, HIACE, and welfare vehicles is approximately 200,000 vehicles.

With the plant surrounded by natural settings, the plant is actively implementing environmental conservation activities by taking such action as becoming receiving approval for the 1997 ISO 14001 International Standard approved, in addition to Toyota Auto Body self-initiating strict standard values for measurement activities.



Executive Corporate Officer / Inabe Plant Manager **Masatoshi Shirai**

### Plant Outline

- Address ● 10 Ichinohara, Inabe-cho, Inabe City, Mie Prefecture, Japan 511-0201
- Number of employees ● 2,188 (As of the end of March, 2006)
- Land area ● 785,000m<sup>2</sup>

### Main products



ALPHARD



HIACE · REGIUSACE



TOWNACE · LITEACE VAN



REGIUSACE Welfare Vehicles

### Environmental conservation efforts

By applying an environmental management system, the Inabe Plant is showing good results for its efforts to reduce waste substances, and save energy and water resources. We are also having communication with local community.

#### Environmental auditing

- In order to strengthen our effort toward environmental conservation, in 1997 we received approval for the became ISO14001 International Standard approved and in October of 2005, the plant passed a surveillance by an outsourced auditor.



Surveillance of the Inabe Plant

#### Emergency training

- The Inabe plant also conducts training for unexpected emergencies in production activities. In FY2005, we implemented a training simulating the flow of polluted water into the Hosoya River, into which water used at the plant is usually sent.



Emergency training at the Hosoya River

#### Communication with the local community

- The Inabe plant holds regular meetings to address such items as city requests to the plant and meetings with local government officials, in addition to providing explanations of our environmental conservation activities to the city and at local government meetings. For local communities to understand more about our plant, we invite people in the community to various events in the plant to facilitate better communication with employees.



DREAMS in INATY

#### Coexisting with the community (Social contributions)

- The Inabe Plant regularly cleans and weeds the 1 km section of the prefectural road that runs near the plant and from 1999, the plant has participated in the prefectural road "Foster parent system" which is promoted by Mie Prefecture. Other activities include a transport service for physically challenged and elderly people that began in 2003, which is provided by volunteer employees who register. This year, the transport service has operated 21 times (42 people).



Employee weeding and cleaning activities

## Environmental efforts at production plants



### Yoshivara Plant

In 1999, the Yoshivara Plant received ISO14001, and we are actively promoting activities for all employees to effectively use resources, prevent global warming, and engage in regional environmental conservation.

From 2003, this plant succeeded in zero waste substances for landfills (disposing no waste substances in landfills), reduced the amount of CO<sub>2</sub> emissions by 10% compared to 1990 levels, and we are currently expanding activities to our suppliers. All employees of the Yoshivara Plant work together under our plant slogan of “decide, protect, and confirm”. This plant is involved in reducing SOC<sub>s</sub> and also activities for excellent and efficient production.

Executive Corporate Officer / Yoshivara Plant Manager **Muraaki Ogawa**  
(Managing Director from June of 2006)

#### Plant Outline

- Address ● 25 Kamifujike, Yoshivara-cho, Toyota City, Aichi Prefecture Japan 473-8512
- Number of employees ● 1,419 (As of the end of March, 2006)
- Land area ● 289,700m<sup>2</sup>

#### Main Products



LAND CRUISER 100

COASTER

Delivery Vans

#### Environmental conservation efforts

The Yoshivara Plant is surrounded by rice paddies and a residential community. Fortunate to be in such an environment, all the employees of this plant are involved in environmental conservation activities to preserve the atmosphere and water quality, while reducing noise and waste substances

##### Considerations for Regional environmental conservation

■ We at the Yoshivara Plant are promoting planned kaizen activities to reduce our burden on the environment by not only observing legally set standard, but we have initiated standards that are even stricter in order to enforce emissions of disposed water and gas emissions, and even reductions in noise. In particular, we are working to further implement measures for decreasing noise, for which the strictest standards have been set, by building soundproofing walls and making efforts to reduce transport truck noise.



A soundproofing wall for a charging transformer

##### Activities for saving energy and reducing waste substances

■ For activities that involve reducing waste substances, the Yoshivara Plant has implemented sorting and recycling of 62 types of waste substances from each work area. Our efforts for energy saving involve deciding target values for each work area to attain through a spirit of competition and also through conducting mutual study. These efforts have produced significant results. Hereafter, we at the Yoshivara Plant consider contributing to both prevention of global warming and reducing the burden on the environment and local communities as the overriding issues of concern, and are promoting the coordination of environmental conservation activities with the local community.



An energy-saving example presentation

##### Regional coexistence (Activities that contribute to society)

■ During the environmental awareness month of June, we are implementing activities to beautify the environment. On that day, 183 plant employees participated in contributing to the community.



GOMIZERO (Zero Trash) activities

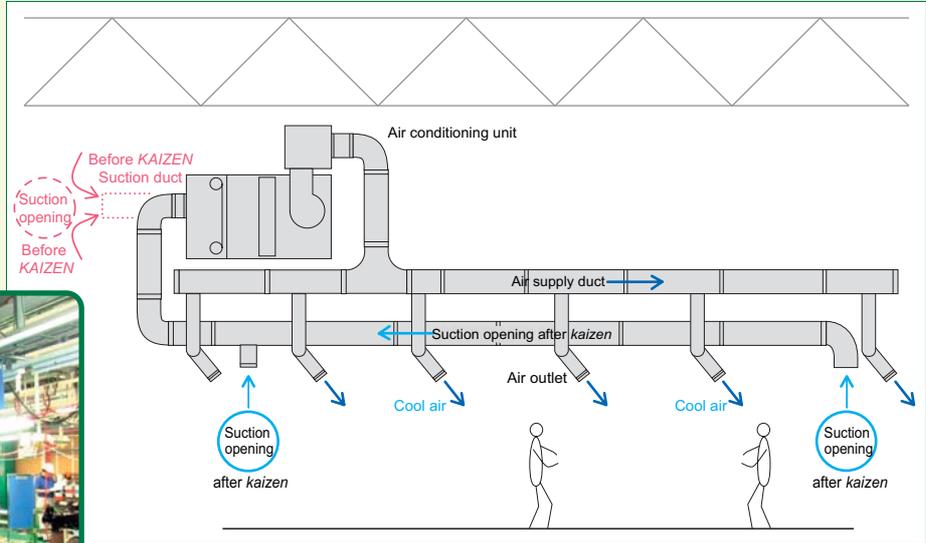


# Environmental Topics

## Energy-saving air conditioning equipment (Yoshiwara Plant)

For the new production line, we changed the location of the air conditioning suction opening from being near the ceiling (warm air) to being near the production line (cool air), in order to use emitted cool air. This change increased air conditioning efficiency by reducing energy use by 20%.

Suction opening after kaizen

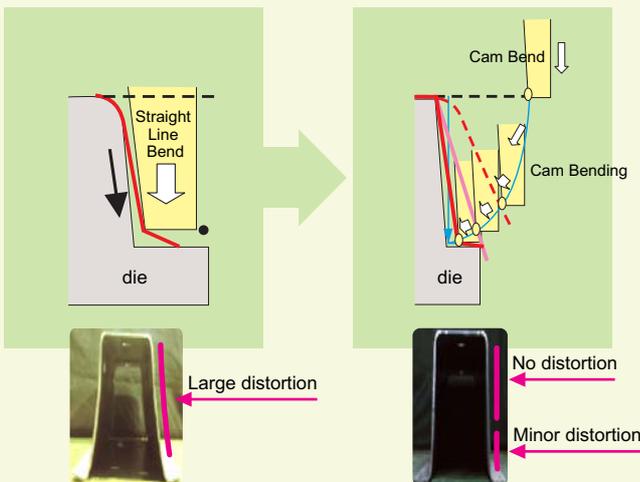


## Energy savings in the cam bending process

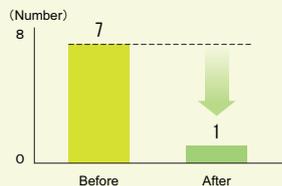
As a process to avoid imprecision in the high-strength steel sheet bending process for vehicle body frameworks, the cam bender was developed. Toyota Auto Body has been able to lessen the amount of residual internal stress in the steel sheets which is the cause for imprecision in this method of bending. Aside from improving the precision of parts, we have reduced the energy use by shortening the bending process (elimination of the distortion correction die), and also improved efficiency of die assembly maintenance. This technology was recognized by the JSTP (Japan Society for Technology of Plasticity)-Tokai branch and it received a technology award.

Before kaizen

After kaizen



● Number of die corrections



● Energy

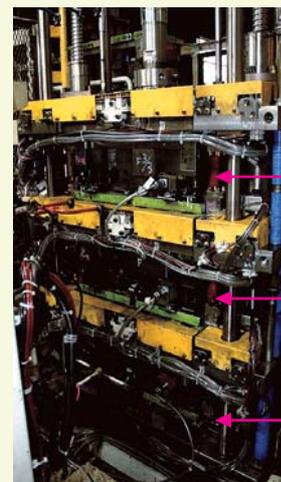
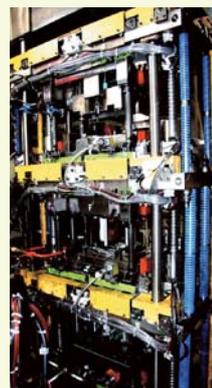


## Resource conservation in the Simple Multi-Stage Press

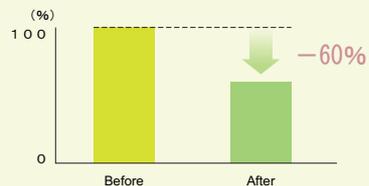
Previously, remainder materials of small presses that were designated as scrap are now effectively used with the introduction of the Simple Multi-Stage Press, whereby small part forming presses are arranged vertically. With the part able to be pressed near the production line waste associated with transporting parts has been reduced. A total of 12 parts are pressed, and there has been a reduction in part cost and consumed energy loss.

Inserting and removing materials

Pressing



● Part cost



## As a Member of Society, Partnership and Cooperation of Dissemination Information Externally Regarding Environmental Action

### Partnership Strengthening

Toyota Auto Body is continuing to promote activities with related suppliers based on a revamped Green Procurement Guideline of March 2003.

#### Green Procurement Guideline

■ Procurement guideline : Expectations for suppliers

- ① **Construction of our environmental management system**
  - Construction of an ISO14001 based environmental management system.
- ② **Management of SOCs**
  - Reduction of SOCs found in parts and materials used for vehicles.
  - Reduction in SOCs found in raw materials and indirect materials used in plants.
  - Management of SOCs found in raw materials and indirect materials used by suppliers in their plants.

#### Green Purchasing

Toyota Auto Body is promoting the "purchase of products that are environmentally friendly (Green Purchasing)". By 2005, we completed its changeover to new environmentally-friendly office goods and paper, in addition to office automation (OA) machines. Currently, we are intensifying our Green Purchasing with activities to include company-owned vehicles and reexamination of our Green Purchasing standards.

### Social Contribution Activities

#### An example.1 Cultivation of kenaf

Toyota Auto Body is coordinating with local communities and elementary schools to plant the kenaf plant. Kenaf has the merit of being a non-wood resource material for paper with superior carbon dioxide absorbing qualities, which are useful in preventing global warming. We are also sharing "the joy of raising" through kenaf-related events such as contests, in addition to planting and harvesting ceremonies.

#### The three purposes of Kenaf plantation

- ① **Planting** : Prevents global warming
- ② **Harvesting** : A non- wood resource material used for paper
- ③ **Enlightening** : Elevation of awareness for global environmental protection

#### Planting and harvesting ceremonies



Planting ceremony (June)



Harvesting ceremony (November)

Planting and harvesting ceremonies are held with the cooperation of local communities and elementary schools.

#### Donating kenaf paper

We made donations of paper made from cultivated kenaf to local communities and welfare facilities.



Kenaf paper donations to the Inabe City Welfare Council

#### An example.2 Environmental protection activities in native Rabbit-ear-iris colony

We, as "environmental volunteers", are caring for native *Kakitsubata* (Rabbit-ear-iris) colony (special national treasure) in Kozutsumi-nishi-ike Pond, Aichi Prefecture.



### Press Activities and Information disclosure to other vendors

#### Community discussion commissions

A discussion meeting was held for "Chemical substances discussion at regional commissions (risk communication)" at the Fujimatsu plant. At the meeting were approximately 40 people that participated from the community, companies, and government offices. Hosted by Nihon Fukushi University and Assistant Professor Satoshi Chikami, there was a lively exchange of opinions based on Chemical Substance Advisor Tomohisa Yamamoto's analysis of chemical substances.



Community discussion commission



Environment and Social Report 2005 Website



# 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)

##### 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



Environmental lecture meetings



Environmental study meetings

#### 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.

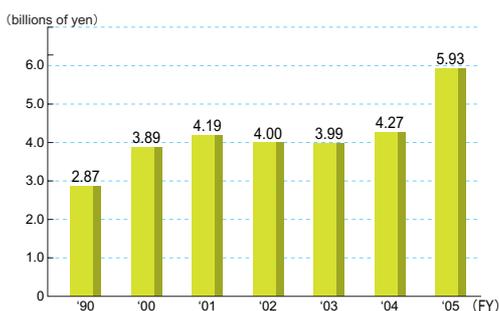
#### ■ Aggregation results of environmental costs

(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.

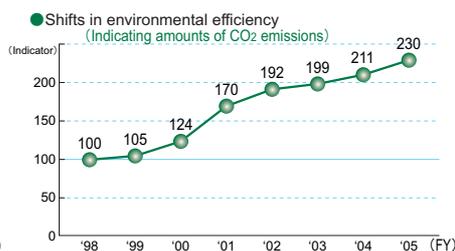
#### ■ Environment cost shifts (Unconsolidated)



#### ■ Environmental efficiency (Unconsolidated)

[Environmental efficiency = sales / environmental burden]

\* The amount of waste substances and CO<sub>2</sub> 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 <sub>2</sub> emissions	7,746 tons-CO <sub>2</sub>	1,525 tons-CO <sub>2</sub>
Water use reductions	Amount of water used	10,000 m <sup>3</sup>	—

## 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	<b>① ISO14001 certification</b>  <b>② Environmental efforts</b> <ul style="list-style-type: none"> <li>• Promotion of global warming prevention measures</li> <li>• Reduction of waste substances</li> <li>• Management and reduction of SOCs</li> </ul>	Domestic	Mikawa Setsubi Co., Ltd.	<b>① Creation of Environmental management</b>  <b>② Environmental efforts</b> <ul style="list-style-type: none"> <li>• Promotion of energy saving activities</li> <li>• Activities for observance of sorting waste substances</li> <li>• Paper decreasing activities</li> </ul>
	Toyota Body Seiko Co., Ltd.			Toyota Auto Body R&D Co., Ltd.	
	Ace Industry Co., Ltd.			Life Service & Security Corporation	
	Tokai Parts Industry Co., Ltd.			Inatec Co., Ltd.	
	Overseas			P.T.Sugity Creatives Co., Ltd. (Indonesia)	
Chun Shyang Shin Yeh Industry Co., Ltd. (Taiwan)	Life Creation Co., Ltd.				
Affiliated companies	Domestic				
	Gifu Auto Body Co., Ltd.				
	Tokai Tekko Co., Ltd.				

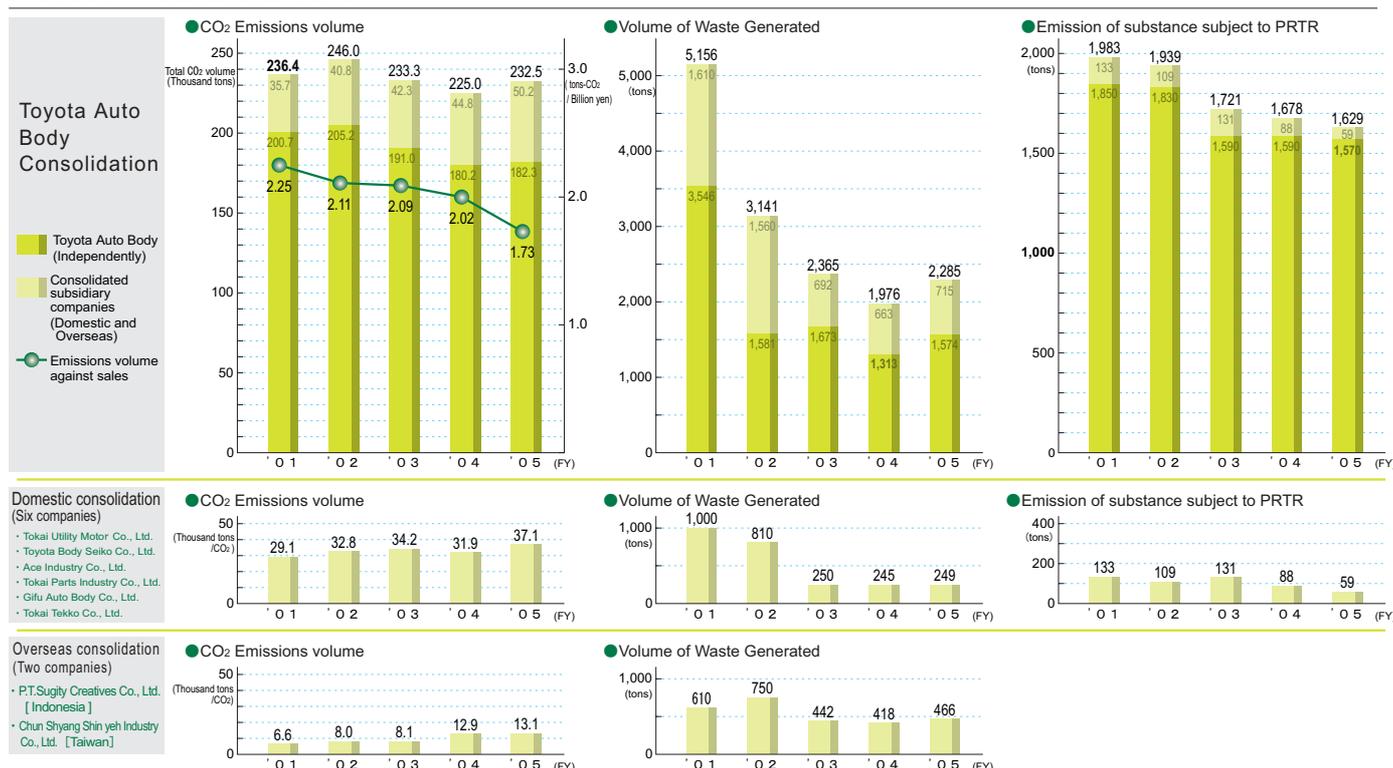
#### Producing subsidiary company environmental efforts

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 CO<sub>2</sub> emissions from having the production lines in large rooms

In FY2005, CO<sub>2</sub> 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 CO<sub>2</sub> 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.

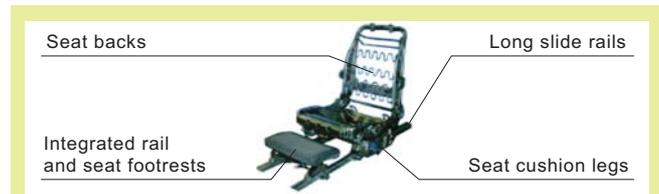
### Company profile

- 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 CO<sub>2</sub> 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 of "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 CO<sub>2</sub> 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 CO<sub>2</sub> 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 CO<sub>2</sub> emissions by 130 tons by use of a daylight switch that automatically shuts off lights during the day.

### Tokai Tekko Co., Ltd.



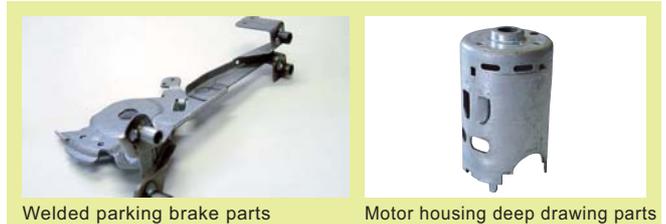
We at Tokai Tekko provide press work and weld fabricated products to vehicle and electrical tool manufacturers. As a press work manufacturer, we are working on measures to reduce vibration and noise in operations. After we received the ISO14001 certification in 2002, we widened the range of activities to achieve effective *kaizen* for such as reductions in the amount of CO<sub>2</sub> 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 CO<sub>2</sub> 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)

# The Fourth Environmental Action Plan



## The Toyota Auto Body Group continues to challenge to achieve its 2010 target.

### Establishing the Fourth Action Plan

#### Basic Approach

We established and announced the fourth Environmental Action Plan in October 2005. In this five year plan from 2006 to 2010, we clearly established our goals and the items which Toyota Auto Body should work toward based on the fourth Toyota Action Plan for constructing a recycle-oriented society.

With the special characteristic of supporting the expansion of globalization and designing new environmentally-friendly products,

we organized each effort into the following items:

- ① Energy and global warming
- ② Resource circulation
- ③ Substances of concern(SOCs)
- ④ Environmental Management

### The Fourth Toyota Auto Body Environmental Action Plan

Action Items		Implementation Items and Targets
Energy and Warming	Development and Design	<ul style="list-style-type: none"> <li>① Development and commercialization of weight reduction technology to improve vehicle fuel economy</li> </ul> <ul style="list-style-type: none"> <li>• Promotion of vehicle body weight reductions through changing to high strength materials and steel sheets.</li> <li>• Promotion of expanded use of unibody construction and designing vehicle body weight reductions from streamlined construction with use of CAE.</li> </ul>
	Production and Logistics	<p>&lt;Production&gt;</p> <ul style="list-style-type: none"> <li>• Promotion of CO<sub>2</sub> reduction through improving planned productivity along with production technology innovations among others. (Implementing activities that involve participation from office workers)</li> </ul> <p>[FY2010 Targets]</p> <ul style="list-style-type: none"> <li>• A 10% reduction in the amount of CO<sub>2</sub> emissions compared to FY1990 for the production line, and a 5% reduction compared to FY2005 for non-production bases.</li> <li>• A 10% reduction of CO<sub>2</sub> emissions against sales compared to FY2003. (Approximately a 25 % reduction compared to FY1990 for the production line)</li> <li>• An 8% reduction in the amount of CO<sub>2</sub> emissions against sales compared to FY2003 (includes global coordination both domestically and overseas)</li> </ul> <hr/> <p>&lt;Logistics&gt;</p> <ul style="list-style-type: none"> <li>• Execution of measures to reduce the amount of CO<sub>2</sub> emissions through transport <i>kaizen</i>.</li> </ul> <p>[FY2010 Target]</p> <ul style="list-style-type: none"> <li>• A 10% reduction in CO<sub>2</sub> emissions compared to FY2003 (Areas affected: Part logistics and spare parts logistics)</li> </ul>
Resource Recycling	Development and Design	<ul style="list-style-type: none"> <li>③ Development and further promotion of designs for recycling</li> </ul> <ul style="list-style-type: none"> <li>• Introduction and promotion of developing vehicles that are easier to dismantle and recycle</li> <li>• Expanded use of recyclable materials and resources that can be reused such as Toyota Eco-Plastic</li> </ul>
	Production and Logistics	<p>&lt;Production&gt;</p> <ul style="list-style-type: none"> <li>• Reduction in waste substances through measures for the source of such as improvements in the yield percentage. (Continued zero landfill waste disposal along with a reduction in disposable waste and valuable resources, such as metal)</li> </ul> <p>[FY2010 Targets]</p> <ul style="list-style-type: none"> <li>• A 3% reduction in the amount of waste substances against sales of waste materials compared to FY2003.</li> <li>• Introduction of reduction and control activities for the amount of waste materials emitted even for domestically consolidated operations.</li> <li>• Foreign-based consolidated subsidiaries introduced activities for actively reducing waste substances.</li> </ul> <hr/> <p>&lt;Logistics&gt;</p> <ul style="list-style-type: none"> <li>• Reduction in the amount of packing materials as a result of such as an increase in weight reduction and minimalization.</li> </ul> <p>[FY2010 Target]</p> <ul style="list-style-type: none"> <li>• A 5 % reduction in the amount of packing material used compared to FY2003. (Areas affected: Part production logistics and spare parts logistics)</li> </ul>
		⑤ Reduced water use



## The Fourth Environmental Action Plan

Action Items		Concrete Execution Items and Targets
Substances of Concern(SOC)	Development · Designing	⑥ Further promotion of management and reductions of SOC <ul style="list-style-type: none"> <li>Global elimination of four SOC : lead, mercury, cadmium, and hexavalent chrome</li> <li>From 2006, introduction of vehicles in Europe and Japan that completely eliminate the four SOCs (2007 completion, and some SOCs are not applicable)</li> <li>Achieve early and complete elimination worldwide of the four SOCs (including overseas consolidated subsidiary products)</li> <li>Elimination of the four SOCs in specially-equipped vehicles (2007 completion, and some SOCs are not applicable)</li> <li>Broaden SOCs to be managed</li> <li>Reduction of VOC in new model vehicle interiors by 2010</li> </ul>
	Production · Logistics	⑦ Measures for reducing the amount of VOC emissions <ul style="list-style-type: none"> <li>Increase the use of water-borne painting and further reduce the amount of cleaning thinner for the painting line</li> <li><b>[ FY2010 Targets ]</b></li> <li>A 60% reduction in the amount of emissions per painted area for VOCs painted vehicle bodies compared to FY1998.</li> <li>Implement activities to reduce the amount of emissions for non-body parts painted with VOCs</li> </ul>
		⑧ Reduction in the amount of emissions for PRTR substances <ul style="list-style-type: none"> <li>Reduction of emissions subject to PRTR with a focus on the painting line</li> <li><b>[ FY2010 Targets ]</b></li> <li>A 60% reduction in the amount of emissions of substances subject to PRTR compared to FY1998</li> </ul>
Environmental Management	Management	⑨ Strengthening Coordinated Management <ul style="list-style-type: none"> <li>&lt; Production Affiliates &gt;</li> <li>Introduction of global eco-factory activities that interface environmental measures from the planning stage with improvements in environmental performance, (minimized environmental risk, zero customer complaints, and no violation of laws.)</li> <li>&lt; Non-Production Affiliates &gt;</li> <li>Improving and managing the environmental performance of each affiliate for such as CO<sub>2</sub>.</li> </ul>
		⑩ Further promotion of coordinated activities with suppliers <ul style="list-style-type: none"> <li>Effective management of SOCs that are part of raw materials and parts sent to Toyota Auto Body</li> <li>Requests for self-initiated activities to improve environmental performance</li> </ul>
		⑪ Successes in environmental education <ul style="list-style-type: none"> <li>Continuous implementation of environmental education that contributes to <i>kaizen</i> of work duties along with environmental awareness among all workers.</li> <li>Success in environmental education for domestic and overseas coordinated affiliates</li> </ul>
		⑫ Promotion of new businesses that contribute to environmental <i>kaizen</i> <ul style="list-style-type: none"> <li>Promotion of the development and commercialization of environmental products (Bio-agricultural, plant materials, and fuel cell batteries)</li> <li>Successful environmentally-related operations such as environmental analysis</li> </ul>
		* 1 ⑬ Reduction in life cycle environmental waste through active planning toward Toyota Eco-VAS * 2 (Eco-Vehicle Assessment System) <ul style="list-style-type: none"> <li>Through cooperative operations with Toyota, this system is applied for every development of new model vehicles and for model changes.</li> </ul>
	Coordinating With Society	⑭ Contributions toward constructing a recycle-oriented society <ul style="list-style-type: none"> <li>Support involving activities for protection of nature and greening</li> <li>Active promotion of environment volunteer activities</li> </ul>
		⑮ Achieving mutual communication and environmental information disclosure <ul style="list-style-type: none"> <li>Continued issuance and satisfaction of the Toyota Auto Body Environmental and Social Report.</li> <li>Successfully provide environmental information for use on the Toyota Auto Body website.</li> <li>Successful communication with companies in the community</li> </ul>

\* 1 Setting of new items undertaken from the Fourth Action Plan

\* 2 "Eco-VAS" (Eco- Vehicle Assessment System) is a new environmental evaluation system introduced by Toyota . This system implements a comprehensive evaluation of the environment that uses thinking of LCA (Life Cycle Assessment) for vehicle production, use, and disposal through the fully developed process for vehicles.

# Social Aspects



## Together with the Stakeholders

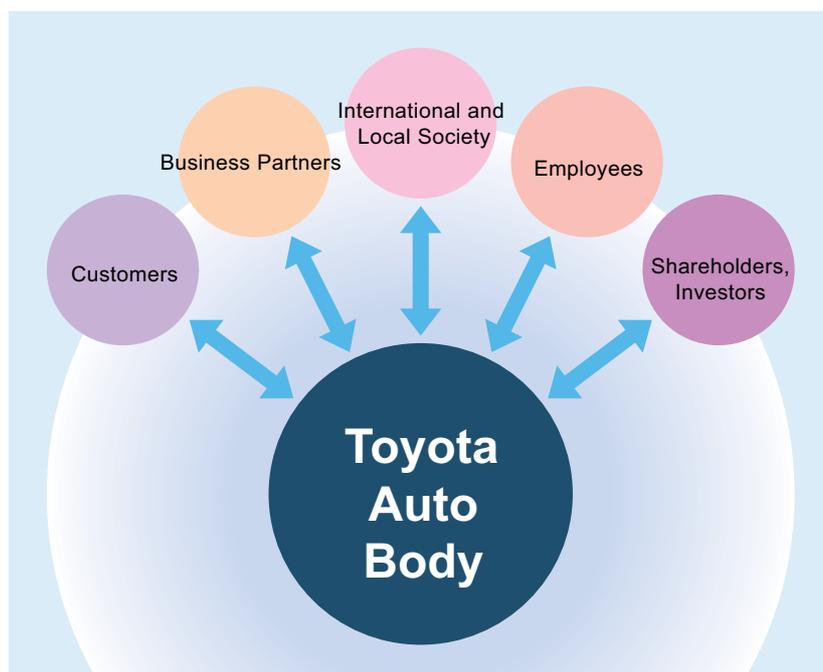
By communicating with various stakeholders, Toyota Auto Body promotes the CSR management that attached great importance to responsibility to society and environment.

In order to contribute to the sustainability of the earth and society, in our company, they are not only promoting the environmental preservation but also management with an emphasis on all of its stakeholders. Taking advantage of the opinion and requests which were obtained through the close communication with you, stakeholders, we will make use of them for corporate activities and strive to offer valuable products.



Aspects
Customer Relations
Partner Company Relations
Community Relations
Employee Relations
Relations with Shareholders

Communication with Stakeholders





Main Principal Directions	Main Means of Communication	Main Communication Tools	
<ul style="list-style-type: none"> <li>■ <b>Achieving Customer Satisfaction and Joy through Toyota Auto Body's Products and Services</b></li> <li>• Collection and deployment of customer information</li> <li>• Quality assurance and improvement</li> <li>• Safety performance</li> <li>• Welfare vehicles (Welcab) that offers all people easy mobility</li> </ul>	<ul style="list-style-type: none"> <li>• Various exhibitions</li> <li>• User visit</li> <li>• Information exchange meeting with dealers</li> </ul>	<ul style="list-style-type: none"> <li>• Company website (Products Information)</li> <li>• Company brochure</li> <li>• Catalogue of products</li> </ul>	P 46~
<ul style="list-style-type: none"> <li>■ <b>Mutual Trust and Mutual Benefit</b></li> <li>• Being open to any and all suppliers</li> </ul>	<ul style="list-style-type: none"> <li>• Presentation of new product/technology by dealers</li> <li>• Purchasing policy presentation</li> <li>• Presentation of supplier products</li> <li>• Presentation of significant achievements (Kyowa-kai)</li> </ul>	<ul style="list-style-type: none"> <li>• Challenge "Kyowa kai" Report</li> </ul>	P 51
<ul style="list-style-type: none"> <li>■ <b>Symbiosis with an Area</b></li> <li>• Philanthropy activity</li> <li>• Local exchange</li> </ul>	<ul style="list-style-type: none"> <li>• Supporting social contribution activities</li> <li>• Local round-table conference and exchange meeting</li> <li>• Plant tours and events</li> <li>• Local crime prevention patrol</li> </ul>	<ul style="list-style-type: none"> <li>• Company website (Philanthropy)</li> </ul>	P 52~
<ul style="list-style-type: none"> <li>■ <b>Reservation of Safety and Health</b></li> <li>• Creating a safe and comfortable work environment</li> <li>• Supporting mental health care and physical care</li> <li>■ <b>Promoting Human Resources Development at workplace</b></li> <li>• Toyota Auto Body's objective for human resources development</li> <li>• Making use of human resource diversity and promoting an equal opportunity</li> <li>• Continuing good communication and good labor-management relations</li> </ul>	<ul style="list-style-type: none"> <li>• Safety and health committee</li> <li>• Mental health care</li> <li>• C (Communication) meeting</li> <li>• Employee opinion poll (morale survey)</li> <li>• Employer-and-employees round-table conference</li> <li>• Line leader interview</li> <li>• Various company events</li> </ul>	<ul style="list-style-type: none"> <li>• Intranet "TAB-Site"</li> <li>• "TAB-Site News, animation news"</li> <li>• Company newsletter "TAB"</li> <li>• Personnel news</li> <li>• MBO (Management By Object for Self-control)</li> <li>• Challenge sheet</li> <li>• Career plan sheet</li> </ul>	P 56~
<ul style="list-style-type: none"> <li>■ <b>Improvement in Company Value</b></li> <li>• Return of Profits</li> <li>• Positive Enterprise Deployment</li> <li>• Timely Information Disclosure</li> </ul>	<ul style="list-style-type: none"> <li>• Shareholders meeting</li> <li>• Publishing financial results of the company</li> </ul>	<ul style="list-style-type: none"> <li>• Company website (Financial information)</li> <li>• Enterprise report</li> <li>• Securities report</li> </ul>	

## Customer Relations

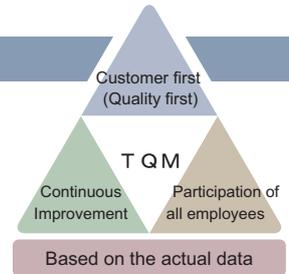
### ■ Providing Products That Satisfy and Impress Customers

**In order to deliver fine products, Toyota Auto Body place the customer first.**

Along with providing products with the value our customers desire, the Toyota Auto Body Group actively works to meet requests from society. Our company takes responsibility in our pursuit in producing products of quality and safety. These efforts span from research and development through production and includes all aspects through after-service in order for our customers to use our products with a sense of security.

#### Basic Policy

Toyota Auto Body are promoting activities in the industry that place the customer first in order to provide fine products, vehicles, and related products that enrich living space through research and creativity. In addition, we are promoting activities for mutual cooperation between each division to judge if various aspects of daily activities are based on being for the world and for people. We are continuing to introduce TQM (Total Quality Management) activities to support CS (Customer Satisfaction) that until this time have been activities that create quality learned through receiving ISO14001 certification, the Japan Quality Management Award, and the Deming Prize.



## Collecting and Presenting Customer Information

### Our customers come first

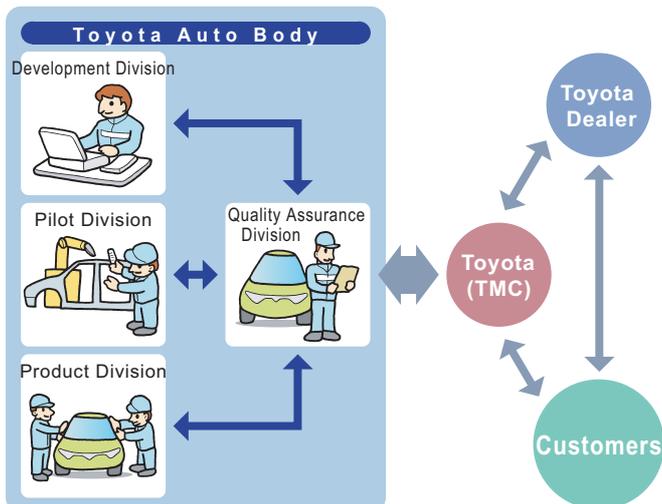
#### ■ Quality Policy

All employees are presented with our quality policy of "The World's No.1 Quality." Additionally, even in our valued "Basic MAP", our customers comes first and we focus our guidelines on the daily affairs of each worker.

#### ■ Collecting and Presenting Customer Information

We mainly receive customer information such as input and requests from dealerships and customers through Toyota. Based on this information, timely improvement, and analysis from detailed coordination with Toyota, the results are reflected in the development of new model vehicles.

If items related to important quality issues arise, swift correction measures are taken and the president is notified. In addition, top management regularly confirms information not related to quality issues once a month in management conferences and plant conferences.



## Quality Assurance and Quality Improvement

### Quality Assurance

#### ■ Basic Approach

Our fundamental thinking for quality assurance is "Build quality into development and output quality in products." We ensure quality by building it in at the development and pilot stages, and the production division will perform operation precisely based on a standard of easily created design structure and equipment. We consider performing quality assurance an important point.

- (1) In particular, we are promoting efforts to ensure a degree of quality assurance for aspects of the stages from development to diagrams. These effort extend to equipment, the construction method, and line management relating to important quality characteristics for driving, turning, and stopping, as well as "vehicle accidents" and "safety."
- (2) We are aiming to promote "zero" quality defects in pursuing ease of production. Also we are aiming for "zero" defects in outward appearance and sensory characteristics in addition to such defects related to assembly, noise, and the construction of our vehicles.
- (3) We are also aiming to improve customer satisfaction for their requests to improve quality standards and mechantability. This is achieved through efforts that include the early stages of development for new models.

Quality assurance items and the person responsible for quality assurance and improvement activities are clearly stated in the "Quality Assurance Regulations." Also, we are promoting quality assurance to function to coordinate with development, production technology, production, and procurement divisions.

		Step			
		Engineering Development	Product Planning Commercialization	Production start-up	Mass Production
Function	Quality	← Consistency →			
	Quantity Delivery Date	↑ Integration ↓			
	Cost	↓			



## New Product Efforts (ESTIMA)

Production of the new Estima involves the introduction of activities, such as those that follow, to ensure building in quality from the development stage as mentioned on previous pages.

- (1) We will complete our goal of promoting improvement to completely eliminate procedural concerns while also confirming a degree of quality assurance for design, equipment, processing, and logistics. In other words, we have introduced an aim to attain quality assurance when standard operations are followed and preformed correctly at the mass production stage.

Significantly Promoted Characteristics			
Important Quality Characteristics	(1) Tightening	(4) Wiring	(6) Missing parts
	(2) Liquid injection	(5) Piping	(7) Rain leaks (entry)
	(3) Welding	(6) Specifications (part type)	
Exterior Appearance Quality Characteristics	(1) Paint	(4) Part fit	(7) Body fit
	(2) Surface scratches	(5) Noises and operational noise	(8) Operational feel
	(3) Part scratches and contamination	(6) Wind noise	(9) Alignment

- (2) In addition, the production division is involved in development planning from an early stage. Through evaluating vehicle interior assembly procedures for each process, the production division confirms and develops solutions for those tasks that require improvement. This is achieved through large room activities with top management attending the development production technology, and plant divisions. In the next model, we are promoting the ability to ensure "zero" quality problems for early stages of production. In addition, we are integrating visualization for promoting conditions for the introduction of standard types as well as degrees of quality assurance by part and system.

### Improvements in operations that consider the posture of line workers

Example: Cooler duct assembly



Before improvement

Laborer's load **10**

Assembly done by entering the vehicle in a semi-crouching position



After improvement

Laborer's load **1**

Assembly of the roof lining in a standard position

Difficulty of procedure					
Standing 0~30	Back extension with heels raised	Slight forward bend 0~30	Crouching with heels on ground	Considerable forward bend 45~90	Crouching and body bent forward
1	3	4	5	6	10
					
Ideal posture			Poor posture		

## Mass Production Efforts

Promotion of quality assurance through strengthening the cooperation of each department.

### (1) Efforts for "zero" procedural failures

With improvement through standard procedures as a basis, on all lines, we are promoting improvement to counter and isolate factors in the emergence of defects in each procedure.

### (2) Raising worker quality awareness

In addition to procedures that are easy to create, we thoroughly emphasize the importance of quality management awareness to all employees by offering education on quality and holding regular quality case example exhibits and lectures on quality.

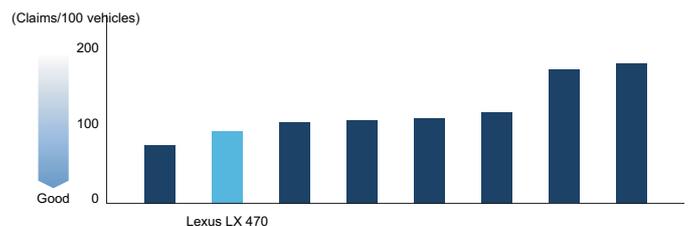


Quality Case Example Exhibit

## Automobile manufacturing that satisfies customers

- (1) With its progressive, stylish design with roomy space, the new ESTIMA is well-received and incorporates many ideas that include ceiling speakers, floor stowable seats, a very long sliding seat, and a low floor. We also aim to further increase customer satisfaction with the ESTIMA's body and paint quality.
- (2) In 2005, our Lexus LX 470 ranked 2nd in the Premium Luxury SUV segment according to a customer study conducted by J.D. Power in its IQS (Initial Quality Study). Customer opinions and evaluations are reflected in our daily improvement efforts.

### J.D. Power IQS (2005 Premium Luxury SUV segment)



## System and actions for recalls

If measures need to be created when defective products surface, we at Toyota Auto Body circulate customer information and coordinate closely with Toyota to take action.

## Customer Relations

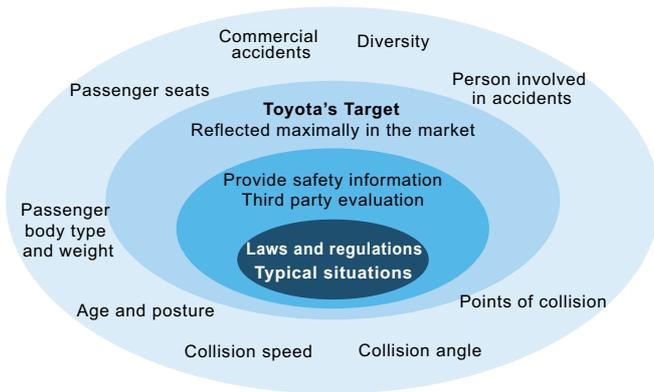
# ■ ■ Providing Products That Satisfy and Impress Customers

## Safety Performance

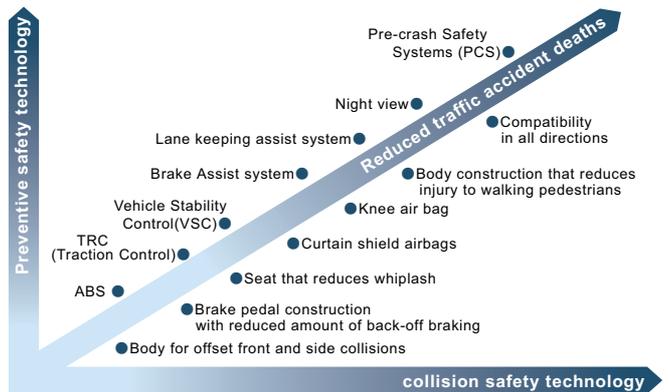
### The perspectives of “preventive safety” and “collision safety.”

Toyota Auto Body consider “safety” as the basis of car manufacturing. Based on this thinking, we are working to develop car manufacturing that is safe from the view point of “collision safety” in order to minimize injury during collisions. In addition, we look to diminish the possibility of accidents from occurring through “preventive safety.”

#### ■ Our thinking on collision safety



#### ■ Efforts toward improving vehicle safety



#### Pursuing improvements in preventive safety performance

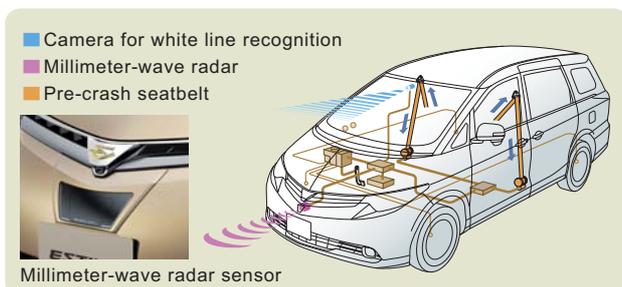
The basis for preventive safety technology is in a car's original functions of driving, turning, and stopping according to the intent of the driver. Along with these three functions, we at Toyota Auto Body are on the cutting edge in working to improve performance.

#### ■ Preventive Safety Functions

- Pre-crash Safety System (Millimeter-wave radar type)
- AFS (Adaptive Front-Lighting System)
- S-VSC (Steering-assisted Vehicle Stability Control)
- EBD (Electronic Brake force Distribution) with ABS

#### Pre-crash Safety System (Millimeter-wave radar type)

The pre-crash sensor warns the driver with a buzzer or other means when the pre-crash sensor judges if there is danger of a collision with opposing or leading vehicles, or some obstruction on the road. When braking, pre-crash brake assistance functions and increases braking control. Even when the brakes are not operated, the pre-crash safety system is activated to reduce collision speed, which also reduces collision injury and increases restraining performance of the occupants through early tightening of the pre-crash seatbelt.

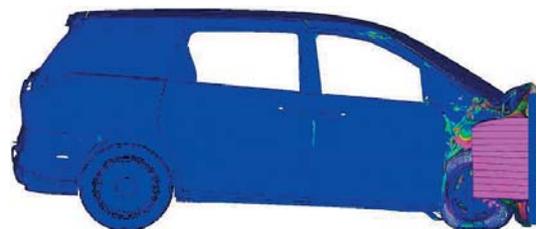


#### Pursuing improvements in collision safety performance

On the new ESTIMA, a “passive safety body” (GOA: Global Outstanding Assessment) that comprises a high-strength cabin and impact absorbent body is used to ensure survival space and occupant protection performance in full front, offset front, or side collisions.

#### ■ Collision safety performance

By exploiting CAE analysis, we are aiming to develop a body that can ensure space in each room of the vehicle, and minimize cabin deformation even in front or side collisions, which are the most severe kinds of collisions.



Offset front collision CAE analysis



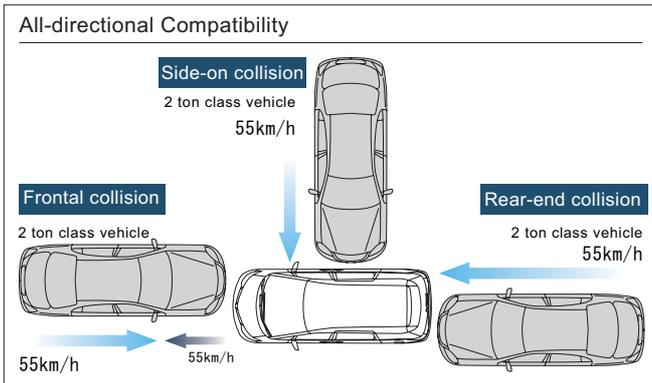
Offset front collision test



■ "GOA" body construction for compatibility<sup>※1</sup> in all directions

Toyota Auto Body are pursuing collision safety performance that compares with other vehicles at the same level of the top class for emissions. "GOA" comprises a high-strength cabin with a collision absorbing body which has further evolved. The collision test incorporates Toyota's own concept of all-direction compatibility in pursuing shape compatibility in a collision for vehicles that differ by weight and height. Toyota Auto Body achieved an outstanding cabin structure which absorbs a collision impact by dissipating the impact load throughout the entire vehicle body structure.

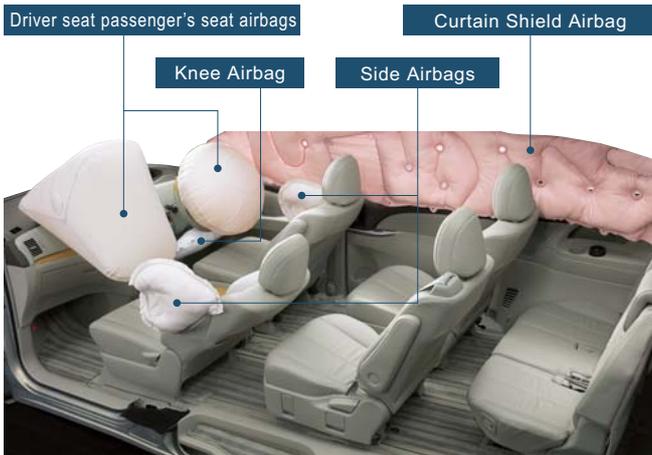
※1 Consideration is given to the aim of safety in reducing damage from large vehicles, and assurance of collision safety for small vehicles



Front collision test

■ Airbags

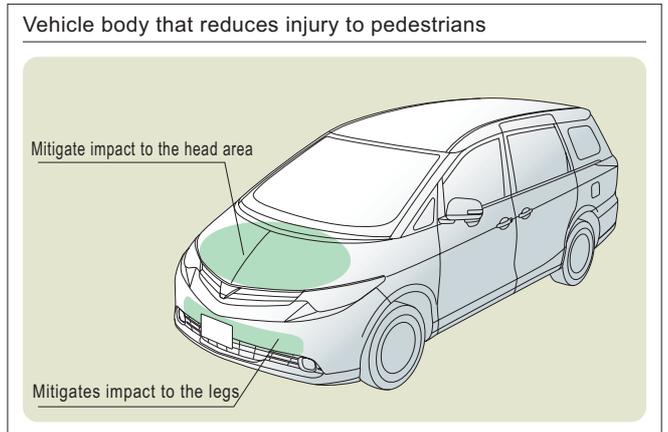
SRS airbags operate if there is ever a strong impact to the front of the vehicle. The airbags function in conjunction with seatbelts to inhibit impacts to chests and head of occupants. Manufacturer options include several types of SRS airbag such as SRS curtain shield airbags that increase covering protection for the side of the heads of front and rear occupants. These curtain shield airbags are located along the length of the vehicle cabin, while another type of airbag, SRS side airbags, are on the side of the front seats. The SRS side airbags mitigate impacts from the side. Finally, an SRS knee airbag for the driver deploys to enhance protection of the entire body by mitigating the impact to the lower extremities.



Airbags

■ A vehicle body that reduces injury to pedestrians

An impact absorbing bumper and hood(bonnet) are constructed (used) to mitigate head and leg impact are used if pedestrians were ever to be hit by the vehicle.



■ ALPHARD, NOAH, and WISH have gained high evaluation for collision safety performance

In the "Japan Automobile Assessment" by the National Land and Transportation Agency, ALPHARD, for which the vehicle body type was developed and produced by Toyota Auto Body; WISH(2003), whose body type was developed by Toyota Auto Body; and the NOAH(2002), all gained a peak evaluation of 6 stars(★★★★★★) for both the driver and passenger's seats on the collision test.



ALPHARD

driver's seat	★★★★★★
passenger's seats	★★★★★★



NOAH

driver's seat	★★★★★★
passenger's seats	★★★★★★



WISH

driver's seat	★★★★★★
passenger's seats	★★★★★★

## Customer Relations

### ■ ■ Providing Products That Satisfy and Impress Customers

#### Welfare vehicles that provide comfortable freedom of movement

Welfare vehicle that we at Toyota Auto Body undertook to develop now has 60% of the entire market. Along with our dedication to product development and improvement that consider potential needs, we always reflect product creation based on a sincere interest in the voice of customers in order to provide freedom of movement to all customers.

#### Production creation that applies the voice of customers

Exhibits and visits by users allow their opinions and requests to be reflected in production planning.



#### Welfare vehicles that answer to diverse needs

As the top manufacturer of welfare vehicles, we at Toyota Auto Body are looking to develop new products based on “providing comfortable freedom of movement to all customers and have elders and those physically-challenged enjoy life the same as the rest of society.” Toyota and other domestic automobile manufacturers and also overseas manufacturers have used our products.

**Lift Type**



HIACE and REGIUSACE  
Wheelchair-adapted model



COASTER saloon



TOWNACE, LITEACE  
Wheelchair-adapted model

**Lift up seat type**



ESTIMA  
Passenger seat lift up seat model



VOXY  
Side lift up seat model (fully detachable)



PORTE  
Side access model

Offering freedom of movement to all customers

**Self-Operation Type**



PRIUS  
Special vehicles for friendmatic installation



SIENTA  
Special vehicles for friendmatic installation



PORTE  
Power steering only for PORTE

**Slope type**



SIENTA  
Wheelchair-adapted model (Slope type)



ALPHARD  
Wheelchair-adapted model (Slope type)



NOAH  
Wheelchair-adapted model (Slope type)

※ Other than the above vehicles, we are developing and producing various other welfare vehicles and welfare equipment.



## Open and Fair Transactions

The Toyota Auto Body Group strictly observes market rules and pursues fair transactions. For each transaction, we are in full compliance for basic contract agreements, and we are making efforts to ensure openness and fairness along with rational and we are creating fair opportunities for entry for domestic and overseas suppliers who desire to have new transactions.

We are also strengthening consolidation with suppliers to build relationships of mutual trust and mutual prosperity.

### Prosperous coexistence with suppliers

We are taking an active part in aiming to establish basic procurement policies of mutual trust and prosperity.

For example, we offer the development center Presentation Room for receiving proposals for new products and technology from our suppliers.

In FY2005, 25 companies used the Presentation Room, resulting in a lively exchange of numerous proposals between the development department and our suppliers.

For communicating important policies of Toyota Auto Body, we also have a procurement policy presentation meeting. In April 2006, 174 companies participated and at the meeting we presented awards to outstanding supplier for their policies on quality and cost.



The convention to present Toyota Auto Body purchasing policy



Awards to the suppliers who displayed significant achievements

We also have activities for deepening mutual brainstorming and exchanges with the aim to be No.1 company in terms of cost, and to be only 1 in terms of technology.

In particular, a research meeting has been set up which involves the three themes of management, quality, and cost. Meetings are held regularly and good mutual communication is achieved through presentations. There are also lectures concerning safety and quality.



Presentation for mutual study and communication

### The Toyota Auto Body Kyowa-kai

The Toyota Auto Body Kyowa-kai, consisting of a supplier's voluntary group of 120 companies, is deepening mutual exchanges and brainstorming for creating the No.1 minivans and SUVs in the world. At our "Superior case presentation" that concerns such a matters as safety and quality, presented their daily research results, and of the participating 82 case examples in FY2005, 11 were selected as superior case.



Superior case presentation



## Community Relations

### ■ ■ Coexistence With the local communities

#### Social Contribution Activities

**Toyota Auto Body aims to be a company that is kind to both society and individuals**

As “corporate citizens,” we are working toward protecting the natural environment as well as contributing to the expansion of our global society in order to fulfill our responsibilities to society.

#### Objectives and basic policy of social contribution activities

##### Objectives

Sustained expansion and enrichment of society

##### Our position on efforts

We will work actively toward solving societal issues and supporting human resource development for the next generation. We will also make effective use of available resources by combining the broad range and power of society.

##### Basic policy

In considering Toyota Auto Body as a member of society, a loss in growth of society precludes the growth of companies. We consider it important to pursue company activities that always maintain harmony with society, as well as actively undertake activities“ for the world and for its people from the standpoint of corporate citizens.”

#### Three pillars of social contribution activities

##### Self-initiated Programs

Societal welfare activity efforts which are centered on Toyota Auto Body

##### Participation in volunteer activities

We are active in various fields that include welfare, the environment, and the community.

##### Support to outside organizations

We support various activities

Results of activities for FY2005	New promotion activities for the future
<p><b>1 Promotion of activity efforts which are centered on Toyota Auto Body</b></p> <p>①Welfare vehicles support physically-challenged and elderly people to be outside ※</p> <p>②Support and guidance activities for sports ※</p> <p>③ST campaign for “Getting to know Toyota Auto Body” (receiving plant tour)</p> <p>④Cleaning activities for the areas surrounding all our companies ※</p> <p>⑤Environmental enlightenment through kenaf planting</p> <p><b>2 Participation in volunteer activities</b></p> <p>①Participation in environmental conservation volunteer activities ※</p> <p>②Participation in traffic safety volunteer activities</p> <p><b>3 Support other social contribution activities</b></p> <p>①Support through Donations ※</p> <p>②Assistance by sending employees (Class that teaches how to make things and automobiles)</p> <p>※ Case examples of these activities are on the following pages</p>	<p>■ <b>Environmental conservation and environmental enlightenment</b></p> <p>■ <b>Coexistence of industrial bases in their local communities</b></p> <p>■ <b>Activities to achieve “Further harmony between people and cars in society”</b></p> <p><b>1 Promotion of activity efforts which are centered on Toyota Auto Body</b></p> <p>①Environmental conservation activities consolidated with overseas operations</p> <p>②Environmental conservation activities consolidated with communities active in environmental conservation activities and communities that form domestic operation bases</p> <p><b>2 Participation in volunteer activities among others</b></p> <p>①Participation in the above volunteer activities ①, ②</p> <p><b>3 Support to outside organizations</b></p> <p>①Support for such as scientific technology advancement</p>



## Self-initiated Programs

### Case example 1 Welfare vehicles support physically-challenged and elderly people to be outside

A transport service called “Odekakekun” began in 1998 for driving disabled and elderly people who use wheelchairs. The service area that previously included Kariya, Toyota, and Inabe cities, was expanded to include Chiryu in 2005.

Introduction of a volunteer employee

Equipment Maintenance Section  
Shogo Terui

I have been participating in the Toyota Auto Body transport service since it began. Going out to places I have never been before and having new experiences has been meaningful in broadening my knowledge. It is great because even with my comfortable sense of fatigue, I have fun memories. People who use the service are thoughtful and forward-looking. Moreover, they have gained a wealth of knowledge through their extensive studies.



Until now, more than 1,000 people have been pleased using this transport service for shopping.

### Case example 2 Communication With the Local Community

#### Support and guidance for sports activities

In addition to opening gymnasiums and grounds for various spots and club activities in the community, we are also contributing to the healthy development of young people through guidance provided by club athletes.



Women's volleyball club guidance at 176 local junior and high schools over the course of the year.

#### ST Campaign

“ST (Getting to Know Toyota Auto Body) Campaign,” help visitors learn more aspects about Toyota Auto Body. We conducted various plant tours, such as “Social Studies for elementary school students”, “Have a Look Into How Things are Made,”.

About 6500 people attended the tour in FY2005.

Participants commented on their experiences by saying such things as “It was so interesting to see process of making a car as it was coming alive,” and also the comment of “I think it was a wonderful experience for children.”



#### GOMIZERO (Zero Trash) Activities

About three thousand employees annually clean up areas around each plant during lunch hour in order to enhance the environmental consciousness of employee and local communities. The goals of this activity are to practice environmental conservation activities as well as promote contributions to society and employee volunteer awareness.



Approximately 3,000 employees participated in GOMIZERO (Zero Trash) Activities at three plants.

## Participation in Volunteer Activities

### Case example 3 Cooperation in Ensuring Local Safety

#### Traffic Safety Activities

Having a societal responsibility as an automotive manufacturer, we at Toyota Auto Body are working to prevent accidents and we actively promote traffic safety activities. We are also participating in the planning for traffic safety citizen activities in cooperation with the government, the Toyota Group, and related companies.



We are working to prevent accidents with the aim to improve safety through yellow-stop activities.

#### Community Crime Prevention Activities

We are making efforts through activities to prevent high incidences of street crimes (e.g., purse snatching and car break-ins) by forming “Community Crime Prevention Patrol Groups” in each community, while also coordinating with residents, police officers, and city officials.

Toyota Auto Body also supports and participates in these activities. In addition, we perform night patrols in communities with our patrol vehicle that we use independently. We are working toward realizing a community where it is safe to live.



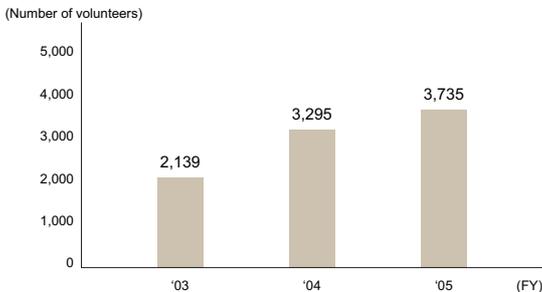
Patrolling city by Toyota Auto Body's patrol vehicle

## Community Relations

### Coexistence with the local communities

#### Participation in Volunteer Activities

##### Participation and Dispatching in Volunteer Activities



Agricultural guidance for foreign research students

##### Employee volunteer introduction

Attended EXPO 2005 Aichi, Japan as volunteers



Hitoshi Kondo, Audit Department  
Miwa Shimizu, Accounting Management Department

#### Support to outside organizations

##### Donations

We at Toyota Auto Body have been providing support through contributions to the community and organization through research and activities for those in need of financial assistance. Contributing began in 1990 with the enlightened "Federation of Economic Organizations 1% Club" that contributes approximately 1% of its earnings to society.

Main Beneficiaries of Support	Arts and Culture	International exchange	Healthy medicine
	<ul style="list-style-type: none"> <li>● Nagoya Philharmonic Orchestra</li> <li>● Kariya Wind Orchestra</li> </ul>	<ul style="list-style-type: none"> <li>● Japan National Tourist Organization</li> <li>● OISCA International Aichi Branch</li> </ul>	<ul style="list-style-type: none"> <li>● Kariya Medical Enterprise</li> <li>● Japan Red Cross</li> </ul>
	Community Activity	Environmental Preservation	Social welfare
	<ul style="list-style-type: none"> <li>● Kariya City Sightseeing Association</li> <li>● Aichi Traffic Safety Association Kariya Branch</li> </ul>	<ul style="list-style-type: none"> <li>● Kariya Tree Planting Promotion Conference</li> <li>● Japanese Research Association for Medical and Hygienic Use of Ozone</li> </ul>	<ul style="list-style-type: none"> <li>● Foundation "ASUTE"</li> <li>● Aichi Life Line</li> </ul>
Pedagogy way research	Advancement of Sports	Historic Sites and Traditional Culture	
<ul style="list-style-type: none"> <li>● Kariya Boy's Invention Club</li> <li>● Commemorative Museum of Industry and Technology</li> </ul>	<ul style="list-style-type: none"> <li>● Central Japan Student Baseball Association</li> <li>● Kariya Football Association</li> </ul>	<ul style="list-style-type: none"> <li>● Kariya Cultural Association</li> <li>● Kariya "Wansaka" Festival</li> <li>● Toyota "Oiden" Festival</li> </ul>	

#### Community Exchanges

In order to achieve communication with the community, we at Toyota Auto Body are setting up community discussion meetings, the local round-table conference, and exchange meetings that focus on environmental efforts, as well as facility training meetings. In addition, we report and explain results for handling complaints we have received. We are also aiming to have exchanges between Toyota Auto Body employees and people from the community through events held at each plant.



Discussion meetings to maintain good relations with the community



Participants checking water discharge at processing facilities (Community discussion meeting for chemical substances) [Risk Communication]



## Group Company Contributions to the Community

※The below three companies are Toyota Auto Body consolidated subsidiary companies. (Companies consolidated as of March 2006)

### Nursing-care services ● Life Support Co., Ltd.

We at Life Support provide comprehensive support for the various needs of elders in our society. From day service and home help through sales and renting of nursing-care products, we at Life Support aim to support and solve all problems for the elderly and other people who require nursing care. In the Toyota area, our transport services "Life Support" runs on weekdays.



Weekday transport service in the Toyota area.

#### ■ Company profile

Head Office	... 99-1 Shofukuda, Minowa-cho, Anjo-city, Aichi
Established	... January, 1999
Paid-in capital	... 80 million yen
Number of employees	... 84

#### ■ Main business

- Welcome and send-off services and Nursing-care services
- Adult daycare
- Home help and nursing care
- Bath services by visiting nursing-care workers
- Sales and rental of welfare and nursing products

Day care with expert staff



### Life service ● Life Service & Security Corporation

We provide security for the protection of the valuable life and property of everyone in the community as well as traffic safety, fire prevention, and crime prevention, among other services.



Daily training of fire fighting self-defense units organized for fires and disasters in the community and companies.

#### ■ Company profile

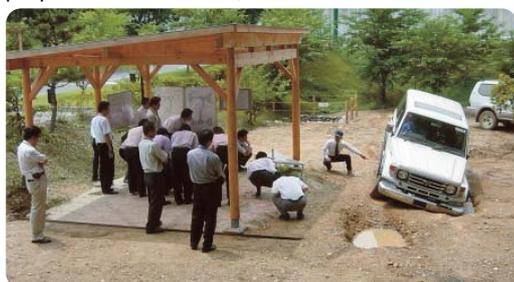
Head Office	... 100, Kanayama, Ichiryama-cho, Kariya-city, Aichi
Established	... April, 2000
Paid-in capital	... 20 million yen
Number of employees	... 340

#### ■ Main Business

Staffing service	... Dispatching staff to companies
Facility security	... Facility security (prevention of crime, fires, and disaster), traffic safety, traffic guidance, event security, and other types of security
Office Agency	... Payroll accounting, insurance, various credit funds, allocations processing, reception, and other services
Facility Management	... Dormitories, company housing resident services, maintenance inspection of dormitories, etc

### Recreational services ● Life Creation Co., Ltd.

With the aim of educating young people and also expanding beautiful outdoor life, we at Life Creation provide a plan for friends and family to interact (Sanage Adventure Field). We also disseminate information about driving techniques and manners, as well as information on the proper use of vehicles, such as SUVs.



#### ■ Company profile

Head Office	... 16-1, Mukaiyama, Ibo-cho, Toyota-city, Aichi
Established	... September, 1993
Paid-in capital	... 75 million yen
Number of employees	... 9

#### ■ Main Business

- Management of Sanage Adventure Field
- Setting up off-road facilities and management consulting
- Publication of outdoor related books
- Development and sale of outdoor products
- Safe driving services to disseminate information on safe driving
- Dissemination of safe driving services (Holding lecture meetings, Lectures, and other services)

Our "Safe Driving Lecture" allows for an easy understanding of the structure of control equipment and the power train by experiencing actual driving on poor condition roads.

## Relations with employees

# Assurance of Safety, Hygiene, and Health

## Creation of a Safe and Comfortable Work Environment

Toyota Auto Body are working actively to secure the safety and health of all employees beginning with our employees, by establishing “Toyota Auto Body safety and health basic policy.”

### Toyota Auto Body safety and health basic policy

#### 【Fundamental Policies】

Ensuring the health and safety of all people who work at Toyota Auto Body is the foundation of our policy, which is based on the acknowledgement of our societal responsibility. Through our belief in “Safety first” and “Respect for humans,” we are working actively toward making a healthy mind and body, and also creating a safe and comfortable work environment in aiming for “zero accidents” and “zero illnesses.”

#### 【Action Policy】

- 1) Prioritize safety and health over all things.
- 2) Observance of company rules, and also safety and health in aiming for a high standard for a safe and healthy work environment.
- 3) Good communication and activities that allow all employees to participate in bringing together the originality and ingenuity of each employee.
- 4) We persist in our efforts to eliminate danger and harmful factors and we promote continuous improvement for safety and health management.

## System of Safety and Health Activities

In order to create a safe and comfortable work environment and also create a healthy mind and body, our Safety and Health Committee, which comprises labor and management, deliberates over efforts regarding safety, sanitation, and health. Committee results are then used for daily maintenance improvement activities by production line management.

For auditing if line management is on target, an auditing room has been created for each division general manager to have direct control.



## Observance of Basic Safety Rules and Work Environment Improvement Activities

To prevent occupational injury, Toyota Auto Body have made safety rules clear. It is important that all employees observe these rules. The Basic Safety Rules at Toyota Auto Body were reorganized to be clearer from last fiscal year. Also, we have promoted educating workers about these rules. This allows operators to more easily observe the rules and also allows supervisors to give instruction for the proper use of the forklifts. This fiscal year, we devised a way to display the rules to make them more conspicuous. In addition, we are promoting observance of these rules by repetitive drill practice. One example of displaying the rules is the placing of a mark on the forklift mast to allow for a clear forward view for the operator.

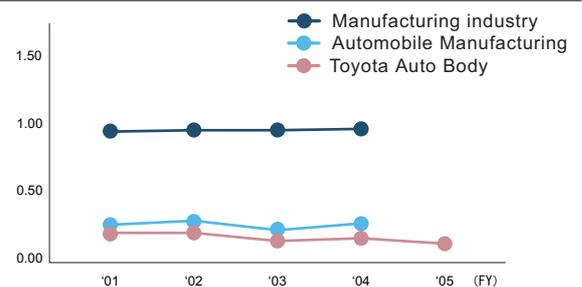
**Basic rule**

**Pallet carrying height**  
 <Ensuring fields of view for forward movement>  
 Carrying of loads below the height of the red line (1300 mm from the floor) on the outer mast.

1300mm

Display of the carrying height in forklift operation

■ Frequency of occupational accidents (Rate of lost-workday injuries)



$$\text{Rate of lost-workday injuries} = \frac{\text{Number of lost-workday accident cases}}{\text{Total labor hours}} \times 1,000,000$$



## Efforts to reduce physical burden for assembly line workers

Among vehicle assembly line operations, a reduction in interior overhead part installation and assembly involving entry and exit from the vehicle reduces fatigue as well as physical burden on the line worker.

From the development stage for the production of the new Estima, designing, production technology, and the plants are integrated. Through such changes as part installation structural changes and modulation, assembly has been made easier with significant improvement for line worker posture during vehicle assembly.

For example, modulation and other such improvement results in the line worker not having to enter the vehicle to for installation of cabin roof components, which reduces working in a semi-crouched position and looking upward to perform installation. Moreover, reducing physical burden has improved production quality.

Example: Reduced physical burden by ceiling modulation



## Efforts toward reducing noise

Reduction of work environment noise is an important issue for improving operation efficiency and also for the prevention of reduced hearing ability. Up to this time, Toyota Auto Body has planned to reduced noise; however, currently we have introduced an attractive method that results in significant noise reduction and also allows for monitoring of machinery.

On the press line, we are using a method that significantly reduces sound by surrounding the area around press machines with polycarbonate noise-proofing walls.

Noise reduction by press line noise-proofing walls



## Efforts toward asbestos

Throughout our company, we are promoting a consolidated system for asbestos.

We have confirmed that asbestos is not used in any products, although asbestos does exist in certain buildings in our plants, we have taken measures to prevent concern by following regulations set by law.

## Efforts toward basic technical education

In order for new workers to quickly acquire basic technical knowledge necessary for production sites, we have compiled and summarized the best curriculum, methods of instruction, and tools for drill practice to promote intensive education at our education center.

# Support for creating a healthy mind and body

## Effort toward mental health

For having a healthy mind, we are promoting the creation of a system for mental health.

- To prevent employees from “suffering from mental stress,” workers are able to diagnose their condition. In addition, we are introducing the use of a system from an outside agency which provides information for individuals to become mentally strong people.
- To “detect the onset of anxiety and quickly resolve it,” we are promoting awareness education for managers and supervisors. In FY2005, 311 people participated in courses and we plan to continue promoting education after FY2006.
- For employees “to be linked to treatment if they are suffering from mental stress,” we have increased the number of our mental health care staff.

Using the internet, item, one's mental condition is diagnosed and output.

Advice is displayed on how to become a mentally stronger person

By inputting the problem Individuals can be diagnosed Either the office or at home.

Performing a self-mental check by using computer diagnosis and through providing information



## Employee Relations

### ■ Invigoration of people and the work environment

#### Aiming for ideal human resources

We are introducing our “Toyota Auto Body Career Development Program” and we are also aiming for developing human resources for the mid-term to long-term in order for each worker to perform with enhanced ability.

#### [1] Policy

- ① We aim for building relationships of sharing and respect for mutual aspirations between individuals and our company.
- ② We promote growth of the individual and we are building a planned, mid-term to long-term “human resources” clear.

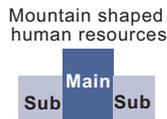


#### [2] Toyota Auto Body's aim for ideal workers

##### ■ Office and engineering positions

**Establishing professionalism through experience gained in various fields**

- ① Possess skills as a professional that are acknowledged by others. Various expert abilities through having a main career and sub career.
- ② Possess the ability to step out in a new direction based on environmental data.
- ③ Leadership skills to carry an organization.
- ④ Have the power to execute with the will to perform globally



##### ■ Technical positions

**Improve one's ability within a certain type of work and secure a high degree of well-rounded skill**

- ① Possess a wide range of skills that allow for flexibility with changes in production.
- ② Possess improvement skills to carry out through safety, quality improvement, and cost reduction in a balanced manner.
- ③ Possess leadership that achieves an orderly workplace.
- ④ Possess skills for execution and a strong belief in creating products.

#### [3] Global development of human resources

We are aiming to develop necessary overseas human resources through actively promoting international training that centers on training and support for globalization. One way we are developing human resources that support global expansion within and outside the company.

Other than previously educating supervisors of domestic consolidated subsidiaries, we newly built a Global Production Support Center in February 2006. The center emphasizes “developing workers to be taught on-site” through hands-on education that also involves managers and supervisors of overseas affiliated companies.



Together with trainees from Malaysia



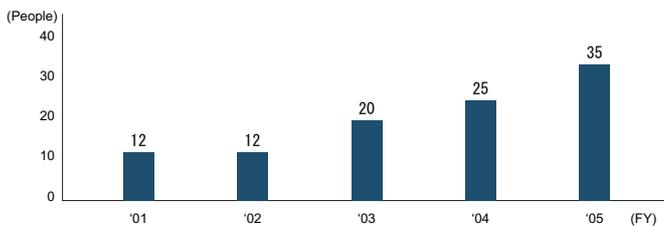
## Promotion of equal opportunity and respect for diversity

Amidst changes in the environment surrounding the labor market, with the coming progress of women in society and the diversification of individual's values, an increase in competitiveness together with the social nature of companies is considered a significant problem by management, which has harnessed the diversification of human resources. Based on this thinking, we are actively working to also enhance "child support," "reemployment of elders," and "employment of disabled people."

### Childcare Support System

Our company has come to support balancing work and child raising more than in the past. We think that it is the "duty of the company to create an environment that allows talented and willing employees to be active," which is based on the thinking that the company allows employees to provide their own nursing and childcare. Further improvements came with extensions for baby breaks for childcare leave and the period allotted for shortened working hours in October 2005.

#### Number of employees using childcare leave



#### Childcare Support System

Age of child	Contents	Age of child								Applicable				
		Pregnancy	1	2	3	4	5	6	7	8	Office and engineering	Technical		
Pregnancy Delivery ~ through Child's first year	① Overtime and late night work restrictions when pregnant	No overtime or late night work	6w week											
	② Time off before and after delivery	6 weeks prior to delivery (14 weeks for multiple births), No work for 8 weeks after delivery	8w week											
	③ Maternity protection measures during pregnancy and after delivery	Maternity protection measures taken based on physician's instructions during pregnancy and for one year after delivery												
	④ Childcare time	Child rearing time (30 minutes x 2 per day)												
Until 3 years old	⑤ Maternity leave (period)	Office and engineering positions ...Child is under 2 years old. Technical positions ...Child is under 3 years old.												
	⑥ Restrictions on late night work	No late night work												
Until 6 years old	⑦ Restrictions on overtime (within a set time)	No work beyond set hours Not to exceed 24 hours in one month 150 hours for the year												
	⑧ Child nursing leave	Allowance of five days per year for nursing care if child is injured or ill for children up to the time they enter elementary school. (Five days per year)												
Until 8 years old	⑨ Overtime restrictions	No overtime												
	⑩ Short work hours	Set working hours per day reduced by 2 hours												
	⑪ Flexible time system	Allow for flexible hours (starting and finishing work)												

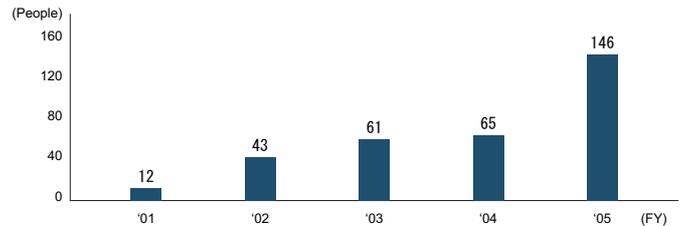
Legend: Light blue = Newly established in April 2005; Dark blue = Improved in October 2005

### Reemploying elder workers (Career Partner System)

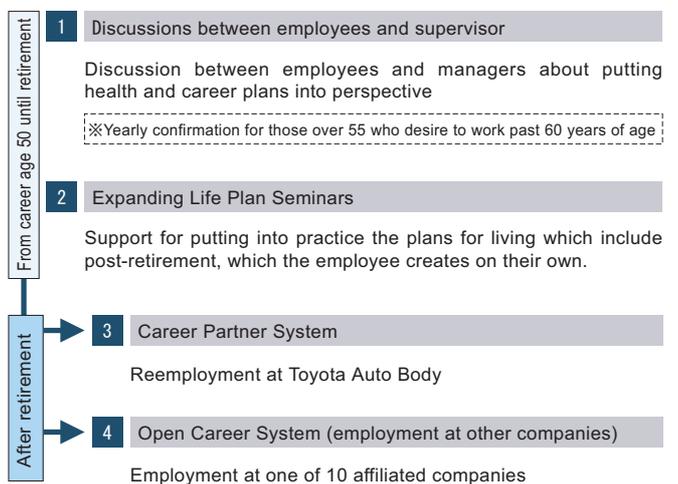
We are introducing a "Career Partner System" (from fiscal 2001) to allow eligible retirees 60 or older to willingly harness their cultivated and rich experiences based on the needs of the company and the desire of the individual.

In addition, supporting the Law for the Stabilization of Employment of the Aged passed in April 2006, we respect the diverse lifestyles and work attitudes of each employee over 60 by improving the support system to help aged workers achieve these through self-reliance.

#### Transition in the reemployment of the aged



#### Outline for reviewing the reemployment system for the aged



### Employment of disabled people

As of April 2006, 138 disabled people are engaged in various work. At Toyota Auto Body, we are promoting the creation of an attractive place for living through such efforts as improvements for dormitories and offices so that disabled people are able to be satisfied with their work life alongside other employees.

Smooth oral and written communication even without the use of sign language.





## Employee Relations

### ■ ■ Invigoration of people and the work environment



## Continue good labor-management relations and improvement of communication

### Establishing a C(Communication) Meeting System

To achieve workplace communication, the “C (Communication) Meeting” system was introduced from 2004. These C Meetings are held for one hour every month and are well-received. All employees engage in communication themes with the aim to create an open atmosphere for discussion. In 2005, all technical workers developed an environment that allows for information to be provided by the intranet.

#### FY2005 main topics

- Rigid enforcement of greetings
- Security control
- Observance of safety in the workplace
- Telephone handling
- Traffic safety
- Fire prevention and energy saving activities



C (Communication) meeting at technical workplaces

### Implementation of a morale survey

Beginning in 1971, every year our morale survey, the Worker Attitude Survey, allows for feedback to the workplace. In addition, company policies are enforced based on a grasp of the actual attitudes of individual employees and among the team.

Discussion about the feedback results from each division leads to improvement of relative weaknesses.

### Labor and Management Efforts

Our personnel labor policy of “mutual trust between labor and management” is our basic principle. Mutual understanding is deepened through various labor and management discussions such as “workplace discussions” to debate labor and management issues at the level of each workplace in the company. There is also our “Labor and Management Conference” where we deliberate over important labor conditions such as wages and bonuses.



Labor and management discussions

# Economic Aspects ▪ DATA



## Economic Performance

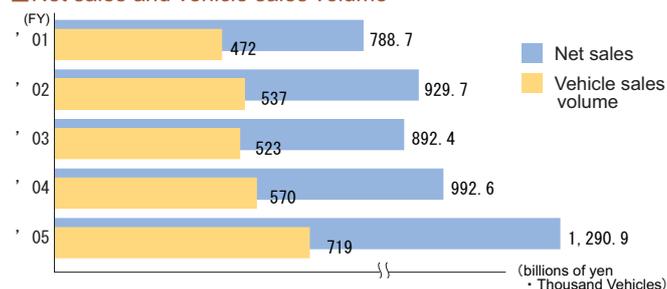
### Aiming to further improve company value and strengthen our revenue base.

In FY2005, consolidated net sales were 1,290.9 billion yen, 30% higher than the previous period. Consolidated ordinary income increased 22% to 22.7 billion yen. Put together, these results are the largest profit ever recorded for our company.

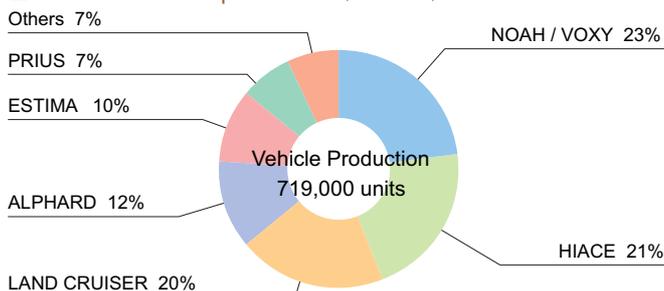
We are also working to continue strengthening earnings, and to develop and efficiently produce attractive products.

#### Trend in Consolidated Sales Status

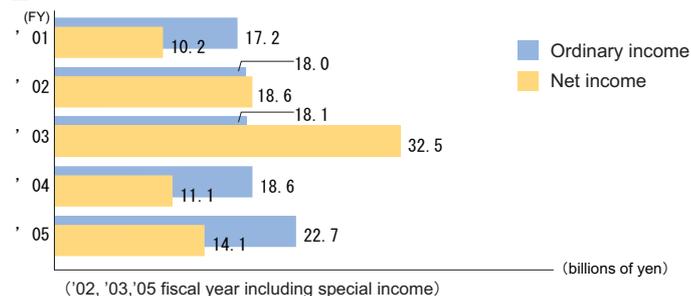
##### Net sales and vehicle sales volume



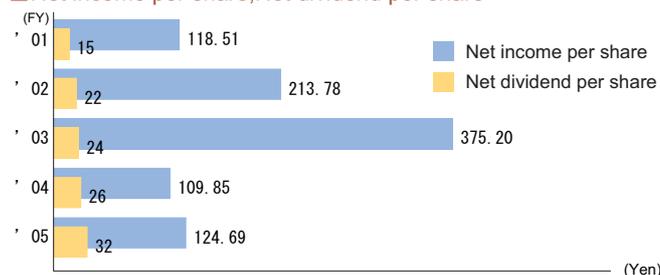
##### Number of vehicle production (FY2005)



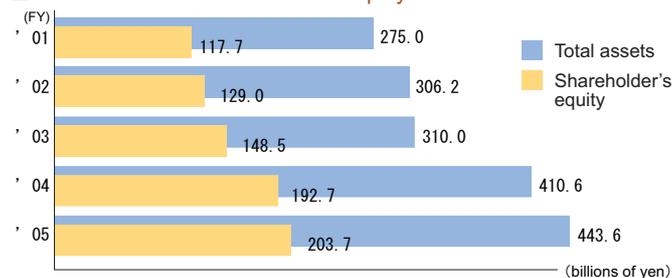
##### Income



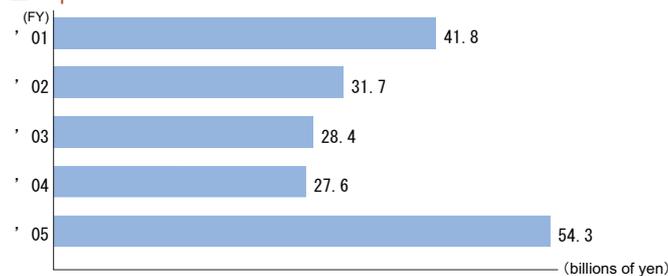
##### Net income per share, Net dividend per share



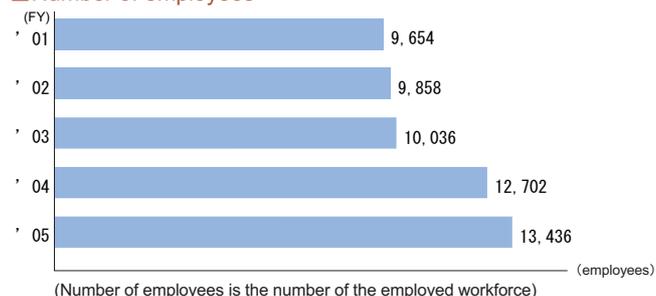
##### Total assets and shareholder's equity



##### Capital investment



##### Number of employees



##### Unconsolidated and Consolidated Sales Status (FY2005)

	Unconsolidated	Consolidated
Net sales	1,258.0 billion yen	1,290.9 billion yen
Ordinary income	21.5 billion yen	22.7 billion yen
Net income	13.6 billion yen	14.1 billion yen
Net income per share	120.20 yen	124.69 yen
Total assets	414.9 billion yen	443.6 billion yen
Shareholder's equity	192.0 billion yen	203.7 billion yen
Return on Asset (ROA)	3.4%	3.3%
Return on Equity (ROE)	7.3%	7.2%
Capital investment	41.6 billion yen	54.3 billion yen
Number of employees (March 2006)	10,628	13,436

For more detailed information, please refer to our "Financial Information" on our Website. <http://www.toyota-body.co.jp/zaimu/index.html>



## Main Plants



### ■ Head office · Fujimatsu Plant

100 Kanayama, Ichiriyama-cho, Kariya City, Aichi Prefecture  
 〈Main products〉  
 Estima, Estima Hybrid, Voxy, Noah,  
 Ipsum, Prius



### ■ Inabe Plant

101 Ichinohara, Inabe-cho, Inabe city, Mie Prefecture  
 〈Main products〉  
 Alphard, Alphard Hybrid, Hiace, Regius ace,  
 Liteace Van, Townace Van



### ■ Yoshiwara Plant

25 Kamifujiike, Yoshiwara-cho, Toyota City, Aichi Prefecture  
 〈Main products〉  
 Land Cruiser 100, Land Cruiser 70 (Export model), Lexus 470 (Export Model),  
 Coaster, Quick Delivery 200 (Delivery van)



### ■ Kariya Plant

2-1 Showa-cho, Kariya City, Aichi Prefecture  
 〈Main products〉  
 Welfare vehicles (Welcab)



### ■ Kotobuki New Development Center

1-36-1 Kotobuki-cho, Toyota City, Aichi Prefecture  
 〈Main products〉  
 Coms



## Domestic and Overseas Consolidated Subsidiaries and Affiliated Companies

		Company Name	Main Business		
Domestic	Production companies	Consolidated subsidiaries	Tokai Utility Motor Co., Ltd. Toyota Body Seiko Co., Ltd. Ace Industry Co., Ltd. Tokai Parts Industry Co., Ltd.	Manufacture and sales of specially-equipment vehicle Manufacture and sales of seat functions and precision parts Manufacture and sales of auto parts, equipments, ozone products , linear motors Manufacture and sales of presses and sheet metal parts	
		Affiliated companies	Toyotomi Kiko Co., Ltd. Coberuku Co., Ltd. Gifu Auto Body Co., Ltd.	Manufacture and sales of automotive parts Manufacture and sales of automotive parts Manufacture and sales of vehicle bodies and match parts	
		Others	Consolidated subsidiaries	Mikawa Setsubi Co., Ltd. Toyota Auto Body R & D Co., Ltd. Life Service & Security Corporation Inatec Co., Ltd. Life Creation Co., Ltd. Life Support Co., Ltd.	Comprehensive maintenance of plants and facilities Testing and designing auto parts Offers administrative and welfare programs services and security agency Environmental analysis and measurement approval Management of off-road and auto camp facilities Sales of nursing-care goods and home help services
			Production companies	Consolidated subsidiaries	P.T.Sugity Creatives Co., Ltd. Toyota Auto Body-Tokai Extrusion Co., Ltd. Chun Shyang Shin Yeh Industry Co., Ltd. Taiwan Auto Conversion Co., Ltd. Thai Auto Conversion Co., Ltd. Toyota Auto Body Malaysia Sdn.Bhd
	Affiliated companies	Thai Auto Works Co., Ltd.		Manufacture and sales of vehicle bodies and match parts in Thailand	

# Environmental Data Classified by Plant

## Fujimatsu Plant

### Environmental Performance

Prevention of Global Warming	CO <sub>2</sub> Emissions volume	89,000 tons-CO <sub>2</sub>
	Energy consumption	1,360 × 10 <sup>3</sup> GJ
Reduction in waste substances	Volume of landfill	1,023 tons
	At production plants	1,150,000 m <sup>3</sup>
Water Consumption	Total water consumption	1,240,000 m <sup>3</sup>

### Accidents · Claims

None

### Environmental Data

#### Air Quality (Air Pollution Control Law, Prefectural regulations)

Units [NO<sub>x</sub> : ppm, Dust : g/Nm<sup>3</sup>, SO<sub>x</sub> : K-values]

Item	Equipment	Regulated Value	Result*
NO <sub>x</sub>	Boiler	237	72
		150	11
		142	0
	GTG	35	27
	Drying Oven	237	196
Soot & Dust	Boiler	184	45
		0.3	0.001
		0.2	0
	GTG	0.1	0.001
	Drying Oven	0.05	0.001
SO <sub>x</sub>	Boiler	0.35	0.001
		0.2	0.001
		3.5	0
	GTG	1.75	0.12
	Drying Oven	1.75	0

\* Result values indicate movement result maximums for regulated values for each type of equipment

#### Water Quality (Water Pollution Control Law, Prefectural regulations)

Units [pH, Excluding the number of coliform bacilli mg/ℓ]

Item	Regulated Value	Result		
		Maximum	Minimum	Average
PH	5.8~8.6	7.4	6.2	6.6
COD	—	24.3	5.8	14.9
BOD	20	8.5	0.9	3.0
SS	20	5.4	ND	1.4
Oil content	5	1.3	ND	0.3
Number of coliform bacilli	3000 bacteria/cc	ND	ND	ND
Total nitrogen	60	9.9	3.3	6.6
Total phosphorus	8	0.52	0.04	0.16
Zinc	5	0.31	ND	0.09
Iron	10	0.79	0.14	0.45
Manganese	10	1.37	0.39	0.77
Fluorine	8	2.2	0.7	1.6
Boron	10	0.03	ND	0.02
Ammonia Nitrate nitrogen Nitrous acid characteristic nitrogen	100	3.7	0.9	1.7

\* ND indicates below the inspection limit.

\* For the below items not listed, all are below the inspection limit:

Phenol, Copper, All chrome, Cadmium, Cyanide, Organic phosphorus, Lead, Hexavalent chrome, Arsenic, Total mercury, Alkyl mercury, PCB, Selenium, Trichloroethylene, Tetrachloroethylene, Carbon tetrachloride, Dichloro-methane, 1,2-dichloroethane, 1,1,1-torikuroethane, 1,1,2-torikuroethane, 1,1-dichloroethylene, Cis-1,2-dichloroethylene, Benzene, 1,3-jikuropropen, Chiuramu, Sima gin, Thiobencarb

#### PRTR Substances (PRTR Law)

units [tons / year]

Substance name	Handling quantity	Discharge quantity		
		Air	Waters	Waste
Zinc compound (Dissolved)	16.8	—	—	2.0
Bisphenol A epoxy resin (liquid)	36.3	—	—	10.1
Ethyl benzene	182.1	120.9	—	—
Ethylene glycol	818.0	—	—	—
Xylene	752.8	372.4	—	—
Ethylene glycol mono ethyl ether acetate	1.8	1.8	—	—
Organic tin compound	7.1	—	—	0.3
1,3,5-trimethylbenzene	96.0	42.4	—	—
Toluene	409.2	262.4	—	—
Nickel compounds	3.5	—	—	2.2
Phthalic acid di-2-ethylhexyl	1.2	—	—	—
Hydrogen fluoride & those water soluble salts	4.4	—	2.1	2.3
Benzene	68.0	0.1	—	—
Manganese compounds	8.5	—	0.3	2.9

\* Round up to the second decimal place, and "—" is indicated for less than 0.1.

\* Regulated values not established by PRTR law.

## Kariya Plant

### Environmental Performance

Prevention of Global Warming	CO <sub>2</sub> Emissions volume	6,000 tons-CO <sub>2</sub>
	Energy consumption	84 × 10 <sup>3</sup> GJ
Reduction in waste substances	Volume of landfill	102 tons
	At production plants	100,000 m <sup>3</sup>
Water Consumption	Total water consumption	110,000 m <sup>3</sup>

### Accidents · Claims

When making safety barriers, sprayed paint hit nearby vehicles, arising in claims. The vehicle were restored to standard condition, and this claim was transmitted throughout the company to prevent further incidents.

### Environmental Data

#### Air Quality (Air Pollution Control Law, Prefectural regulations)

Units [NO<sub>x</sub> : ppm, Dust : g/Nm<sup>3</sup>, SO<sub>x</sub> : K-values]

Item	Equipment	Regulated Value	Result *
NO <sub>x</sub>	Drying Oven	184	75
Soot & Dust	Boiler	0.3	0.001
	Drying Oven	0.2	0.001
SO <sub>x</sub>	Boiler	1.75	0
	Drying Oven	1.75	0

\* Result values indicate movement result maximums for regulated values for each type of equipment.

#### Water Quality (Water Pollution Control Law, Prefectural regulations)

Units [pH, Excluding the number of coliform bacilli mg/ℓ]

Item	Regulated Value	Result		
		Maximum	Minimum	Average
PH	5.8~8.6	7.8	6.6	7.0
COD	—	21.7	4.5	9.6
BOD	20	6.9	0.6	2.8
SS	20	7.9	ND	1.2
Oil content	5	0.8	ND	0.02
Number of coliform bacilli	3000 bacteria/cc	ND	ND	ND
Total nitrogen	60	16.0	5.4	10.2
Total phosphorus	8	2.64	0.02	0.53
Zinc	5	0.06	ND	0.03
Iron	10	0.06	0.03	0.05
Manganese	10	0.88	0.06	0.28
Fluorine	8	2.1	0.3	1.1
Boron	10	0.03	ND	0.01
Ammonia Nitrate nitrogen Nitrous acid characteristic nitrogen	100	13.0	5.3	8.9

\* ND indicates below the inspection limit.

\* For the below items not listed, all are below the inspection limit:

Phenol, Copper, All chrome, Cadmium, Cyanide, Organic phosphorus, Lead, Hexavalent chrome, Arsenic, Total mercury, Alkyl mercury, PCB, Selenium, Trichloroethylene, Tetrachloroethylene, Carbon tetrachloride, Dichloro-methane, 1,2-dichloroethane, 1,1,1-torikuroethane, 1,1,2-torikuroethane, 1,1-dichloroethylene, Cis-1,2-dichloroethylene, Benzene, 1,3-jikuropropen, Chiuramu, Sima gin, Thiobencarb

#### PRTR Substances (PRTR Law)

units [tons / year]

Substance name	Handling quantity	Discharge volume		
		Air	Waters	Waste
Ethyl benzene	14.7	12.9	—	—
Xylene	28.8	23.7	—	—
1,3,5-trimethylbenzene	3.8	2.1	—	—
Toluene	20.5	19.3	—	—

\* Round up to the second decimal place, and "—" is indicated for less than 0.1.



## Inabe Plant

### Environmental Performance

Prevention of Global Warming	CO <sub>2</sub> Emissions volume	60,000 tons-CO <sub>2</sub>
	Energy consumption	891 × 10 <sup>3</sup> GJ
Reduction in waste substances	Volume of landfill	408 tons
	At production plants	600,000 m <sup>3</sup>
Water Consumption	Total water consumption	710,000 m <sup>3</sup>

### Accidents · Claims

None

### Environmental Data

#### Air Quality (Air Pollution Control Law, Prefectural regulations)

Units [NO<sub>x</sub>: ppm, Dust: g/Nm<sup>3</sup>, SO<sub>x</sub>: K-values]

Item	Equipment	Regulated Value	Result*
NO <sub>x</sub>	Boiler	130	77
	GTG	100	72
	Diesel engine	950	435
	Drying Oven	230	41
Soot & Dust	Boiler	0.1	0.001
	GTG	0.05	0.001
	Diesel engine	0.1	0.008
	Drying Oven	0.2	0.003
SO <sub>x</sub>	Boiler	17.5	0
	GTG	17.5	0
	Diesel engine	17.5	0.15
	Drying Oven	17.5	0

\* Result values indicate movement result maximums for regulated values for each type of equipment.

#### Water Quality (Water Pollution Control Law, Prefectural regulations)

Units [pH, Excluding the number of coliform bacilli mg/ℓ]

Item	Regulated Value	Result		
		Maximum	Minimum	Average
PH	5.8~8.6	7.4	6.7	7.1
COD	—	6.4	4.9	5.6
BOD	20	3.2	0.4	1.3
SS	70	1.8	ND	0.6
Oil content	1	ND	ND	ND
Number of coliform bacilli	3000 bacteria/cc	ND	ND	ND
Total nitrogen	60	1.8	1.0	1.3
Total phosphorus	8	0.24	0.03	0.13
Zinc	5	0.49	ND	0.30
Iron	10	0.56	0.16	0.35
Manganese	10	0.68	ND	0.25
Fluorine	8	3.7	1.8	2.8
Boron	10	0.03	ND	0.02
Ammonia Nitrate nitrogen Nitrous acid characteristic nitrogen	100	0.9	0.2	0.4

\* ND indicates below the inspection limit.

\* For the below items not listed, all are below the inspection limit:

Phenol, Copper, All chrome, Cadmium, Cyanide, Organic phosphorus, Lead, Hexavalent chrome, Arsenic, Total mercury, Alkyl mercury, PCB, Selenium, Trichloroethylene, Tetrachloroethylene, Carbon tetrachloride, Dichloro-methane, 1,2-dichloroethane, 1,1,1-torikuroethane, 1,1,2-torikuroethane, 1,1-dichloroethylene, Cis-1,2-dichloroethylene, Benzene, 1,3-jikuropropen, Chiuramu, Sima gin, Thiobencarb

#### PRTR Substances (PRTR Law)

units [tons / year]

Substance name	Handling quantity	Discharge volume		Transfer volume Waste
		Air	Waters	
Zinc compound (Dissolved)	18.9	—	0.2	2.2
Bisphenol A epoxy resin (liquid)	48.8	—	—	11.2
Ethyl benzene	88.9	61.1	—	—
Ethylene glycol	884.0	—	—	—
Xylene	561.4	239.0	—	—
Organic tin compound	6.0	—	—	0.3
1,3,5-trimethylbenzene	77.5	30.9	—	—
Toluene	324.4	120.6	—	—
Nickel compound	2.1	—	—	1.4
Phthalic acid di-2-ethylhexyl	2.7	—	—	—
Benzene	16.9	0.1	—	—
Poly(oxyethylene)=Alkyl ether	4.9	—	0.7	—
Manganese compound	6.8	—	—	2.5

\* Round up to the second decimal place, and "—" is indicated for less than 0.1.

## Yoshiwara Plant

### Environmental Performance

Prevention of Global Warming	CO <sub>2</sub> Emissions volume	33,000 tons-CO <sub>2</sub>
	Energy consumption	654 × 10 <sup>3</sup> GJ
Reduction in waste substances	Volume of landfill	0 tons
	At production plants	550,000 m <sup>3</sup>
Water Consumption	Total water consumption	630,000 m <sup>3</sup>

### Accidents · Claims

None

### Environmental Data

#### Air Quality (Air Pollution Control Law, Law Concerning Special Measures against Dioxins, Prefectural regulations)

Units [NO<sub>x</sub>: ppm, Dust: g/Nm<sup>3</sup>, SO<sub>x</sub>: K-values, Dioxins: ng-TEQ/Nm<sup>3</sup>]

Item	Equipment	Regulated Value	Result*
NO <sub>x</sub>	Boiler	150	68
	GTG	35	27
	Drying Oven	237	33
		218	36
		184	62
Incinerator	—	109	
Soot & Dust	Boiler	0.1	ND
	GTG	0.05	ND
	Drying Oven	0.35	ND
		0.2	ND
Incinerator	0.7	0.043	
SO <sub>x</sub>	Boiler	9.0	0
	GTG	9.0	0
	Drying Oven	9.0	0
	Incinerator	9.0	0.972
Dioxins	Incinerator	10	0.00012

\* Result values indicate movement result maximums for regulated values for each type of equipment.

#### Water Quality (Water Pollution Control Law, Prefectural regulations)

Units [pH, Excluding the number of coliform bacilli mg/ℓ]

Item	Regulated Value	Result		
		Maximum	Minimum	Average
PH	5.8~8.6	7.6	6.6	7.1
COD	—	20.0	6.9	13.9
BOD	20	4.5	1.5	2.5
SS	20	1.0	ND	0.8
Oil content	5	1.0	ND	0.5
Number of coliform bacilli	3000 bacteria/cc	—	—	ND
Total nitrogen	60	9.0	5.1	6.4
Total phosphorus	8	0.12	0.03	0.07
Zinc	5	0.18	0.03	0.12
Iron	5	—	—	ND
Manganese	5	—	—	ND
Fluorine	8	—	—	0.8
Boron	10	—	—	0.04
Ammonia Nitrate nitrogen Nitrous acid characteristic nitrogen	100	—	—	6.3

\* ND indicates below the inspection limit.

\* For the below items not listed, all are below the inspection limit:

Phenol, Copper, All chrome, Cadmium, Cyanide, Organic phosphorus, Lead, Hexavalent chrome, Arsenic, Total mercury, Alkyl mercury, PCB, Selenium, Trichloroethylene, Tetrachloroethylene, Carbon tetrachloride, Dichloromethane, 1,2-dichloroethane, 1,1,1-torikuroethane, 1,1,2-torikuroethane, 1,1-dichloroethylene, Cis-1,2-dichloroethylene, Benzene, 1,3-jikuropropen, Chiuramu, Sima gin, Thiobencarb

#### PRTR Substances (PRTR Law)

units [tons / year] Only Dioxin [ng-TEQ/year]

Substance name	Handling quantity	Discharge volume		Transfer volume Waste
		Air	Waters	
Zinc compound (Dissolved)	12.2	—	—	1.5
Bisphenol A epoxy resin (liquid)	36.7	—	—	3.0
Ethyl benzene	49.6	35.8	—	—
Ethylene glycol	743.8	—	—	—
Xylene	257.4	139.0	—	—
Organic tin compound	2.6	—	—	0.1
Dioxins	—	0.0026	—	0.0092
1,3,5-trimethylbenzene	7.6	6.5	—	—
Toluene	186.9	80.6	—	—
Nickel compound	2.3	—	—	1.4
Phthalic acid di-2-ethylhexyl	12.3	—	—	0.4
Benzene	4.2	—	—	—
Poly(oxyethylene)=Alkyl ether	1.7	—	0.3	—
Manganese compound	2.1	—	—	0.8

\* Round up to the second decimal place, and "—" is indicated for less than 0.1 (Excluding Dioxins).

# Environmental Data Classified By Environmental Affiliate Company

## ● Domestic Consolidated Production Subsidiaries

### Tokai Utility Motor Co., Ltd.

#### Air Quality

( Air Pollution Control Law, Prefectural regulations )

Units [NOx : ppm, Dust : g/Nm<sup>3</sup>, SOx : K-values]

Item	Equipment	Regulated Value	Result*
NOx	Drying Oven	150	51
Dust	Boiler	0.1	0.035
SOx	Boiler	—	0

\* Result values indicate movement result maximums for regulated values for each type of equipment.  
\* Companies below have the same way statement.

#### Water Quality

( Water Pollution Control Law, Prefectural regulations )

Units [pH, Excluding the number of coliform bacilli mg/ℓ]

Item	Regulated Value	Result		
		Maximum	Minimum	Average
PH	5.8~8.6	7.4	6.6	7.0
COD	20	8.4	7.3	7.85
BOD	10	6.8	5.4	6.1
SS	10	9	2	5.5
Oil content	2	1	0.5	0.75
Number Of coliform bacilli	300 bacteria/cc	36	30	33

#### PRTR Substances (PRTR Law)

units [tons / year]

Substance name	Handling quantity	Discharge quantity		Transfer volume Waste
		Air	Waters	
Xylene	4.9	4.2	—	—
Toluene	4.1	3.6	—	—

\* Round up to the second decimal place, and "—" is indicated for less than 0.1.  
\* Companies below have the same way statement.

Accidents • Claims  
None

### Toyota Body Seiko Co., Ltd.

#### Air Quality

( Air Pollution Control Law, Prefectural regulations )

Units [NOx : ppm, Dust : g/Nm<sup>3</sup>, SOx : K-values]

Item	Equipment	Regulated Value	Result
NOx	Boiler	180	95
Dust	Boiler	0.3	0.007
SOx	Boiler	1.75	0.05

#### Water Quality

( Water Pollution Control Law, Prefectural regulations )

Units [pH, Excluding the number of coliform bacilli mg/ℓ]

Item	Regulated Value	Result		
		Maximum	Minimum	Average
PH	5.8~8.6	7.9	6.0	7.2
COD	20	9.5	1.6	7.2
BOD	10	6.1	1.1	3.2
SS	10	6	1	1.8
Oil content	2	< 1	< 1	< 1
Number Of coliform bacilli	300 bacteria/cc	30	< 30	< 30

#### PRTR Substances (PRTR Law)

units [tons / year]

Substance name	Handling quantity	Discharge quantity		Transfer volume Waste
		Air	Waters	
Toluene	1.1	1.1	—	—
Manganese compound	2.5	—	—	—

Accidents • Claims  
None

### Ace Industry Co., Ltd.

#### Air Quality

( Air Pollution Control Law, Prefectural regulations )

No corresponding items

#### Water Quality

( Water Pollution Control Law, Prefectural regulations )

No corresponding items

#### PRTR Substances (PRTR Law)

No corresponding items

Accidents • Claims  
None

### Tokai Parts Industry Co., Ltd.

#### Air Quality

( Air Pollution Control Law, Prefectural regulations )

No corresponding items

#### Water Quality

( Water Pollution Control Law, Prefectural regulations )

No corresponding items

#### PRTR Substances (PRTR Law)

No corresponding items

Accidents • Claims  
None

## ● Domestic Affiliated Companies

### Gifu Auto Body Co., Ltd. (Head Office)

#### Air Quality

( Air Pollution Control Law, Prefectural regulations )

Units [NOx : ppm, Dust : g/Nm<sup>3</sup>, SOx : K-values]

Item	Equipment	Regulated Value	Result
NOx	Boiler	150	67
	Drying Oven	230	19
Dust	Boiler	0.1	0
	Drying Oven	0.2	0.038
SOx	Boiler	11.5	0

#### Water Quality

( Water Pollution Control Law, Prefectural regulations )

Units [pH, Excluding the number of coliform bacilli mg/ℓ]

Item	Regulated Value	Result		
		Maximum	Minimum	Average
PH	5.8~8.6	7.03	6.83	6.92
COD	33.3	20.6	6.7	12.4
BOD	20	9.4	0.9	5.9
SS	50	9	0	3
Oil content	5	1.1	0	0.2
Number Of coliform bacilli	3000 bacteria/cc	0	0	0
Zinc	5	0.93	0.53	0.73
Iron	10	0.04	0.04	0.04
Manganese	10	0.05	0.04	0.045
Nitrogen (density)	60	17	6.4	13
Total phosphorus (density)	8	4.27	0.42	1.36
Fluorine	8	1.5	1.2	1.35
Ammonia Nitrate nitrogen Nitrous acid characteristic nitrogen	100	14.5	8.7	11.6

#### PRTR Substances (PRTR Law)

units [tons / year]

Substance name	Handling quantity	Discharge quantity		Transfer volume Waste
		Air	Waters	
Bisphenol A epoxy resin (liquid)	2.5	—	—	1.1
Ethyl benzene	24.8	16.8	—	—
Ethylene glycol	280.6	—	—	—
Xylene	51.2	26.3	—	—
Organic tin compound	1.7	—	—	—
1.3.5-trimethylbenzene	13.8	5.4	—	—
Toluene	25.4	3.4	—	—
Nickel compounds	3.2	—	—	2.1
Benzene	1.3	—	—	—
Manganese compounds	3.2	—	—	1.2

### Tokai Tekko Co., Ltd.

#### Air Quality

( Air Pollution Control Law, Prefectural regulations )

No corresponding items

#### Water Quality

( Water Pollution Control Law, Prefectural regulations )

No corresponding items

#### PRTR Substances (PRTR Law)

units [tons / year]

Substance name	Handling quantity	Discharge quantity		Transfer volume Waste
		Air	Waters	
Manganese compounds	1.1	—	—	—

Accidents • Claims  
None

## ● Overseas Consolidated Production Subsidiaries

### Chun Shyang Shin Yeh Industry Co., Ltd.

#### Air Quality (Air pollution control law)

No corresponding items

#### Water Quality (Water Pollution Control Law)

Item	Regulated Value	Result
COD	100	42
BOD	30	10

Accidents • Claims  
None

### P.T. Sugity Creatives Co., Ltd.

#### Air Quality (Air pollution prevention government ordinance)

Units [Dust : g/Nm<sup>3</sup>]

Item	Equipment	Regulated Value	Result
Dust	Resin Plating Stack	350	2.15
	Rubber Extrusion Stack		6.05
	Resin Painting Stack		1.13

\* Result values indicate movement result maximums for regulated values for each type of equipment.

#### Water Quality

Item	Regulated Value	Result
COD	400	120
BOD	200	59
SS	400	226
Oil content	10	< 0.2

\* Regulation value shows the agreement value of the industrial complex.

Accidents • Claims  
None



## History of Environmental Conservation

Western calendar	Action items
1992	Total elimination of specified chlorofluorocarbons(CFCs)
1993	Establishment of the Toyota Auto Body Basic Environmental Policy and the Environmental Action Plan (1993-1995) Setting up of an environmental committee, environmental technical committee, and production environmental committee
1995	1.1.1-trichlorethane completely eliminated
1996	Complete elimination of dichloromethane Establishment of the second Environmental Action Plan (1996-2000) Setting up the Environmental Enlightenment Committee Introduction of gas turbines at the Yoshiwara Plant
1997	Inabe Plant ISO14001 certification
1998	ISO14001 certification for the Kariya and Fujimatsu plants Introduction of environmental accounting
1999	Yoshiwara Plant ISO14001 certification
2000	Establishment of the third Environmental Action Plan (2001-2005) Revision of the Toyota Auto Body Basic Environmental Policy and Toyota Auto Body Group Action Policy All Toyota Auto Body Production Environment Committee Established
2001	The first regional discussion meeting held The original target for company-wide achievement of the goal for the end of FY2003 was brought forward so that zero landfill waste* was achieved on a company-wide basis in 2001. * :Landfill waste substances zero : landfill waste substances emitted from plants to be below 5% from FY1998 Issuance of the "Green Procurement Guideline" Integration of the Kariya and Fujimatsu plants,Integration of ISO14001 certification
2002	The original target which was set for the end of FY2005, was brought forward.(Less than 1/3 of FY1990 levels by FY2005)
2003	Completion of ISO14001 certification form outside agencies for all 8 companies for consolidated environmental management
2004	Revision of the Toyota Auto Body Basic Environmental Policy, Environmental Action Policy, and Environmental Action Plan (2001-2005) Establishment of the Toyota Auto Body Group Environmental Liaison Meeting for environmental efforts of consolidated subsidiaries not involved in production
2005	Establishment of the fourth Environmental Action Plan (2006-2010) Began global eco-factory activities

## Toyota ESTIMA Environmental Specifications (Taken from ESTIMA Catalog)

Vehicle Specification	Vehicle type	DBA-GSR50W	DBA-GSR55W	DBA-ACR50W	DBA-ACR55W	
	Engine	Type	2GR-FE		2AZ-FE	
	Total displacement ( ℓ )	3.456		2.362		
	Fuel	Unleaded premium gasoline		Unleaded regular gasoline		
Drive assembly	Drive system	2WD (Front wheel drive)	4WD (4 wheel drive)	2WD (Front wheel drive)	4WD (4 wheel drive)	
	Transmission	6AT		CVT (Automatic non-stage transmission )		
Rate of fuel consumption	10·15 mode fuel economy (National Land and Transport Ministry auditor value) (km/ℓ) *1	9.8	9.4	12.4	11.8 * 2	
	Amount of CO <sub>2</sub> emissions (g/km)	236.9	247.0	187.2	196.8	
	For reference	All vehicles have cleared the "Heisei 22 fuel economy standard *3+5%, and conform to the Green Purchasing Law				
Exhaust gases	Main measures for improving fuel economy	Variable valve timing, electric power steering, and charging control, and an automatic non-stage transmission (2AZ -FE				
	Approved level (Ministry of Land, Infrastructure and Transport)	SU-LEV * 4 * 5				
	Approved level values (g/km)	CO		1.15		
		NMHC		0.013		
		NO <sub>x</sub>		0.013		
	For reference	Conform to LEV (Low-emission vehicle) standards in 8 municipalities incl. Tokyo and 6 Osaka, Kyoto, and Kobe area				
Exterior Noise	Conforming noise regulation level	Acceleration speed noise regulation value : 76 dB-A				
Amount air conditioning cooling is used (Type of refrigerant )		750g (Alternative freon HFC134-a)				
Amount of SOCs used	Lead	Less than 1/10 compared to 1996 (Achieved "Japan Automobile Manufacturers Association,Inc." 2006 target)				
	Mercury	Very small amount * 6 (Achieved "Japan Automobile Manufacturers Association,Inc. target)				
	Cadmium	Non-use (Achieved "Japan Automobile Manufacturers Association,Inc. target)				
Recycling	Part that use easily recycled materials	TSOP				Front bumper, rear bumper,cladding panels, pillar garnish, back door garnish, etc.
		TPO *7				Roof mole, door trim leather cover
	Materials displayed for plastic and rubber parts	Exists				

\* 1 Fuel economy values under prescribed test conditions. During actual driving, the value may differ depending on conditions (weather, roads, vehicles, driving, maintenance, etc.)

\* 2 Value when vehicle weight is over 1,770 kg. \* 3 Fuel economy target standard established by the "Law Regarding the Rationalization of Energy Use"

\* 4 10·15+11 mode driving \* 5 75% reduction level for standard exhaust in 2005 \* 6 Limited use of minimum necessary parts for securing vehicle performance \* 7 TPO : Thermo Plastic Olefin

## Number of Hybrid Vehicle Production

Vehicle Production	
ALPHARD HYBRID	6,009 Units
ESTIMA HYBRID	1,516 Units
PRIUS	51,571 Units



## Third Party Independent Review

### Expectations for Toyota Auto Body



Environmental Control Center Corporation  
Environmental consulting affairs division

**Reiko Aoki**

Technician (Environmental Sector), Eco-action 21 auditor  
Consulting for the environment, CSR management,  
Self-Governance Basic Environmental Proposal Planning

#### Impression of this report

##### Fundamental Orientation toward CSR Practice

Toyota Auto Body is a company that has a large impact on improving the standard of living of people and domestic and overseas economies and social expansion. As a leading company in the industry, Toyota Auto Body has a well-developed, comprehensive report based on its management system and highly technical capabilities. The top message of "Vehicle manufacturing that is kind to the earth and its people" indicates the enthusiasm for practicing its CSR and also having future visions for progressing to support traffic safety and global environmental conservation. Toyota Auto Body's cutting-edge approach on efforts in such areas as developing a variety of welfare vehicles, preventive safety functions, and vehicle bodies made from raw plant materials and fuel cell is impressive. It is also impressive getting a sense of the daily efforts of those involved with this company.

##### Setting targets and the results of efforts

Efforts are promoted through establishing concrete measures and fiscal quantity targets in each field of the third Environmental Action Plan. By displaying results for targets alongside issues that may arise in the future, as well as factor analysis for achieving conditions, the persuasiveness of the report is deepened and the objectivity of the PDCA of the entire company is enhanced. Increased emphasis in two particular areas of the report would further reinforce the outstanding efforts of Toyota Auto Body. One area more emphasis should be placed is the aim to balance both the environment and the economy through improvements in environmental efficiency related to the amount of waste substance emissions and CO<sub>2</sub>. The other is to have a grasp of the good economic effects of environmental accounting. Even for the societal aspect of CSR, efforts are not only focused on their main business involving, for example, developing welfare vehicles, but efforts also include actively carrying out communication and activities that contribute to society based in the region.

#### Future Expectations

##### Pursuit of the appropriate form of a sustainable society

A requirement for the continual expansion of the automobile industry is to have enlightening activities as the axis for promoting CSR, which would further delve into issues of morality and safety awareness for drivers. This involves having state-of-the-art product development for collision safety and preventive safety in order to realize a safer automotive society. There is also the expectation to further promote reuse of energy and resources, along with a reduction in substances that create high environmental burden. I hope products that achieve integration for environmentally-friendly recycling and reuse pervade the 21st century. For this to be realized, I suggest continuous dialog and sending of information and messages to society and vehicle users for shaping a society that preserves the environment and is also safe with peace of mind.

##### Exhibiting leadership for building a society of continuous potential

Based on the macro view point of impact on the environment and domestic and overseas economic societies, I think it is important to consider management of each region that includes overseas bases, and the reduction of environmental burden on the entire global supply chain. I am looking forward to leadership for potentially continuous society building that will take the lead to bring forth improvements in social welfare and environmental preservation in all industries.

# Environmental & Social Report 2006

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