

# Environmental Accounting

We are continuing aggregate accounting that aims for figures that are used in environmental management.

We are progressing in building an environmental system for understanding outlays (environmental costs) and the effects from those costs (environmental effects) and for decreasing the burden on the environmental by our business activities in order to effectively use managerial resources toward environmental conservation activities. This report aggregates the environmental effects and environmental costs following the Environmental Accounting Guidelines announced by the Environment Ministry.

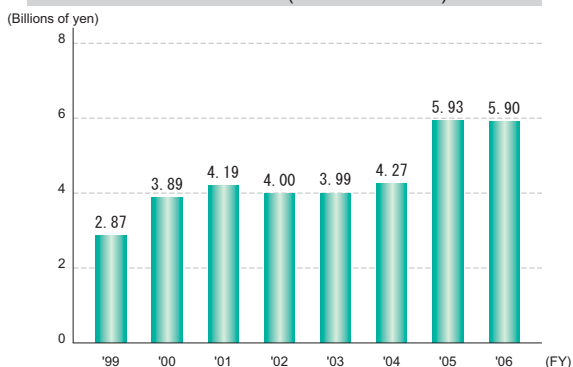
## Environmental Cost

FY2006 results for aggregate accounting for Toyota Auto Body as indicated below was a total of 5.9 billion yen for environmental costs (only Toyota Auto Body). These costs mainly involve disposal processing of components containing Polychlorinated biphenyl (PCB) and elimination of asbestos. In FY2006, environmental costs at consolidated management group companies were aggregated for six domestic and overseas consolidated subsidiaries involved in production.

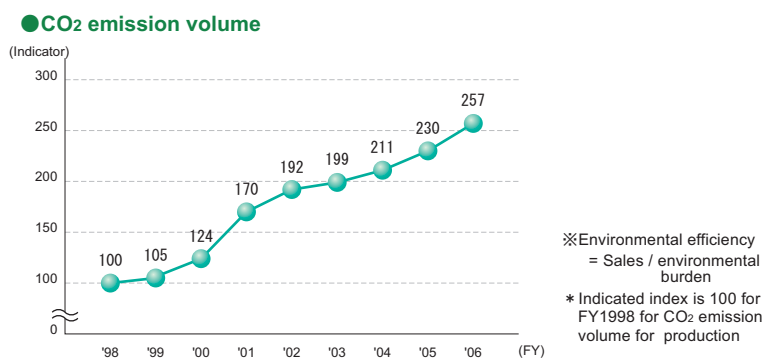
Cost	Activity	Unconsolidated base(FY2006)		Consolidated subsidiary totals(FY2006)*	
		Invested	Costs	Invested	Costs
In-area operation costs	Promotion of energy savings, measures and decreases in Volatile Organic Compound (VOC), etc.	3.47	0.86	0.26	0.04
Up and downstream costs	Hybrid vehicle purchasing, battery lifting	—	0.01	—	—
Activity management costs	Green activities, environmental measuring, press releases, the Environment and Social Report, etc.	0.05	0.63	—	0.08
R&D Costs	Development of plant materials such as Kenaf, electric vehicle (EV) technology development	—	0.87	—	—
Social activity costs	Domestic and overseas afforestation activities, support activities for environmental groups	—	0.01	—	—
Costs for damage to the environmental	Community action support	—	—	—	—
<b>Total</b>		<b>3.52</b>	<b>2.38</b>	<b>0.26</b>	<b>0.12</b>
		5.90		0.38	

\* Companies covered Domestic: Tokai Utility Motor Co., Ltd., Toyota Body Seiko Co., Ltd., Ace Industry Co., Ltd., Tokai Parts Industry Co., Ltd.  
Overseas: P.T. Sugity Creatives Co., Ltd., Chun Shyang Shin Yeh Industry Co., Ltd.

### Environmental Cost Shifts (Unconsolidated)



### Environmental Efficiency (Unconsolidated)



## Environmental Results

### Economic Results

Aggregate accounting of economic results is limited to concretely based items, and items based on hypothetical calculation, such as improved company image, avoidance of environmental risk, or contributing to the added-value of products are not calculated.

Item	Resulting amounts	
	Unconsolidated (FY2006)	Consolidated subsidiary (FY2006)
Decreases in energy costs	0.19 billion yen	0.02 billion yen
Recycled material sold	2.34 billion yen	0.79 billion yen
<b>Total</b>	<b>2.53 billion yen</b>	<b>0.81 billion yen</b>

### Effectiveness of Loads

The effect of investment on loads in terms of environmental cost was aggregated with less volume of CO2 emissions and steel scrap waste, which are important items in the Fourth Environmental Action Plan. *Kaizen* efforts are noted on pages 21 through 27 of this report.

Item	Amount of reduction	Amount of reduction	
		Unconsolidated (FY2006)	Consolidated subsidiary (FY2006)
Prevention of global warming	CO2 emission volume	2,400 tons-CO2	600 tons-CO2
Resource recycling	Scrap waste	7,900 tons-CO2	※

※Now being released for consolidated subsidiary companies