

Environmental & Social Report 2008



 **TOYOTA AUTO BODY**

Environment and Social Report 2008

About this publication

Toyota Auto Body Co., Ltd. first published an Environment Report in 1999. Then in 2003, this publication was changed to become the Environment and Social Report, totaling 10 times of publication to date. In order to have all our stakeholders understand the contents involved in our efforts toward potential continued expansion of the earth and society, this year we are also aiming for solid contents which consider the opinions of all in continuing to build chapters on the environment, our company, and our employees.

In particular, we are trying to deepen understanding by reporting in detail about expanding our domestic afforestation activities, overseas plant cultivation, and progress of our Fourth Environment Action Plan, as well as changes such as additions of domestic consolidated subsidiaries and expansion of our overseas base.

In addition, we have taken the environmentally friendly step of no longer publishing this report in pamphlets, and instead we are only releasing this report on our internet home page. Detailed data combined with related information can be found by looking in other sections of our home page. We welcome everyone's opinion of this report through an electronic survey found on the last page of this report.

Toyota Auto Body Profile

Toyota Auto Body was founded in 1945 to specialize in manufacturing truck bodies for the Toyota Group. Currently, we manufacture minivans, Sport Utility Vehicles (SUV), and commercial vehicles. Hereafter, we look to evolve as manufacturer that creates safe, high-quality vehicles in contributing to the creation of more affluent society.

Overview

Company	: Toyota Auto Body Co., Ltd.	Number of employees	: 16, 067 (End of March 2008 consolidated)
Head office	: 100, Kanayama Ichiriyama-cho, Kariya City, Aichi Prefecture TEL.0566 (36) 2121	Land Area	: 2, 073,000 Sq. meters (End of March 2008)
Representative	: President, Toshio Mizushima	Manufacturing facilities	: Headquarters/Fujimatsu Plant Inabe Plant, Yoshiwara Plant, Kariya Plant Kotobuki New Development Center
Established	: August 31, 1945		
Paid-in Capital	: 10.371 billion yen (End of March 2008)		
Total sales	: 1, 571.5 billion yen (FY2007 consolidated)		



● View for related information and details
<http://www.toyota-body.co.jp/english/corporate/profile.html>

Business Activities and Our Products

Set on vehicle manufacturing that gives happiness and leaves impressions on our customers, we are responsible for all processes of manufacturing vehicles from planning and design stages through production.



● View for related information and details
<http://www.toyota-body.co.jp/english/products/index.html>



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Report Scope and Period

Report Scope : Toyota Auto Body Co., Ltd. and consolidated subsidiary companies

Reported Period : In principle, this report is to cover from April 2007 through March, 2008; however, this period is extended for items in progress that may lead to a deeper understanding of our activities.



Among several themes presented at the Hokkaido Toyako Summit held in July of this year, one of the most important themes debated was “The Environment and Climate Change.” During the summit, discussions between China, India, and all the main countries responsible for emissions about the future of our earth were extremely advantageous.

Global economic expansion has realized large benefits for people, yet this expansion has also seen a deepening concern about the environmental issue of global warming.

To make continuous expansion possible for the earth and its people, a balance between economic growth and preservation of the earth’s environment is important. Ways to refine our technology for handling the environment through energy-saving production activities and product development are being sought.

In looking toward the domestic situation in Japan, the structure of society is changing with an expanding aged population and decrease in population, concerns about our future living are increasing. According to a Welfare Ministry White Paper, aged people over age 65 comprise approximately 20% of our population, and this ratio is looking to increase to 27% in 2015. In 2035, the ratio of the elderly population will exceed 33% with one in three people being over 65, forecasting the arrival of an aged population in the world without precedent.

In order to lead a stable, affluent living, there is increasing awareness of the importance of providing enjoyment to all people through the freedom of movement.

In raising our basic principles of “providing fine vehicles that offer ample living space” and “harmony with the environment,” we at Toyota Auto Body are progressing in our business to be able to contribute to making an affluent society. Yet, this year, we have as our key phrase for management, “The environment and social welfare,” for which we are progressing with business activities that actively deal with this issue.

Although we established our “Toyota Auto Body 2020 Vision” this year in March, we have first clearly indicated “coexistence of society and earth’s environment and spreading the value we provide to the world” for which we have raised the important issue of “creating a good company for employees, society, and the environment” as our company policy we established as a concrete management plan.

We are pushing forward with an emphasis on social contribution activities toward environmental preservation centering on several areas. These activities focus on, domestic and overseas green activities, developing and providing welfare vehicles and devices that support independence for the elderly and physically challenged, creating plants that curb CO₂ emissions, and developing vehicles that are environmentally friendly by improving weight reductions and recycleability.

With this thinking, we at Toyota Auto Body have summarized our activities in this report with the social expectation for us to grow and become a “good company.” Honest views from everyone would be much appreciated.

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

(Created in 1963)

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 one should live happily with one's diligent labor.

Fundamental Principles

(Created in 1995; revised in 2004)

1. Toyota Auto Body is a corporation that contributes to building a plentiful society and also gains 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.

We at Toyota Auto Body are aiming to leap forward into the next generation of vehicles using the key word “Breakthrough” with a refining of foresight, allowing us to look ahead in the spirit of challenge and change since the founding of our company.

Breakthrough 2020

Innovation of Awareness and Technology in Leaping Forward Into the Next Generation

- Break through domestically and then through to the world
- Break through in technology
- Break through every mind

1. Coexist with the earth’s environment and society, and broaden the value we provide to the world
2. Evolve through refining technology in manufacturing by centering production on minivans, SUVs, and commercial vehicles.
3. Transform management to create management practices as a global company

Establishment of a Governance That Swiftly and Appropriately Meets Changes in the Management Environment

We at Toyota Auto Body acknowledge the basis of enhancing and strengthening corporate governance for improving corporate value as a company that contributes to society by which we are trusted.

The aim for appropriate, swift, and efficient management

At Toyota Auto Body, we monitor our monthly board of directors meeting for the exercising of duties and decision making. In our June 2006 regular stockholders' meeting, with the purpose of strengthening operation functions to meet the expansion of business scope and swift managerial decision making, we introduced "The New Creation of Downsizing the Number of Directors and Executive Members," a new member system that serves to further improve managerial efficiency.

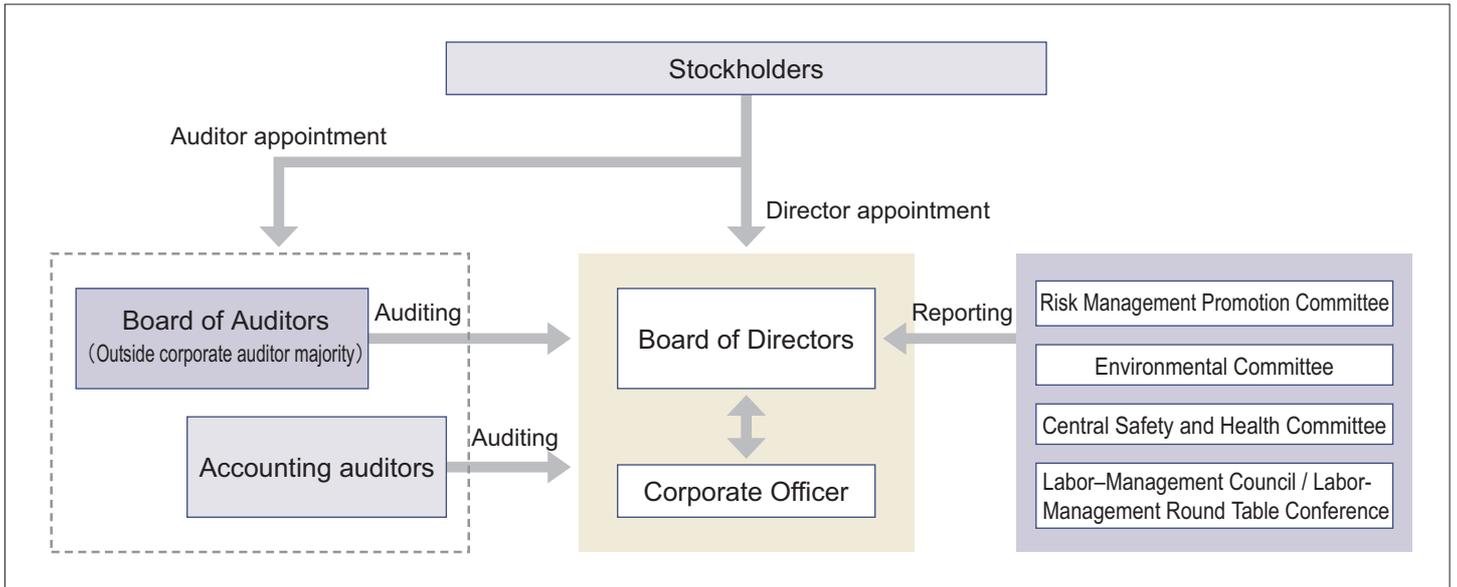
Securing Transparent Management by a Board of Auditors Meeting

Based on auditing plans and auditing policies established at the board of auditors meeting, auditors monitor the financial status and operations of Toyota Auto Body and its consolidated subsidiary companies, and also the exercising of duties of the directors by first monitoring attendance at important board of director meetings, company operations, and auditing of the finances of the company.

Addressing Company-wide Issues by Individual Committee

Committees have been created, such as The Risk Management Promotion Committee, The Environmental Committee, and The Health and Safety Committee, to handle company-wide issues including compliance, risk management, and environmental conservation. Also, management and company activities are monitoring and discussed.

In 2006, an Internal Committee was formed as a lower part of the Risk Management Internal Committee to enhance the system of internal control for new company law. In FY2007, further aims to reinforce the system were made with the J-SOX Act(Japanese Sarbanes Oxley Act), and we are moving forward with efforts to familiarize employees about these company-side issues.



Corporate Culture That Strengthens the Trust of Society

Compliance is not confined to legal compliance, but rather is the promotion of the sound corporate cultural activities of appropriate behavior that can be achieved by companies and every individual employee as a member of the company and society.

Improved Awareness and Thorough Compliance Centering on a Committee for Risk Management Promotion

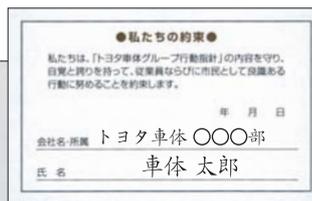
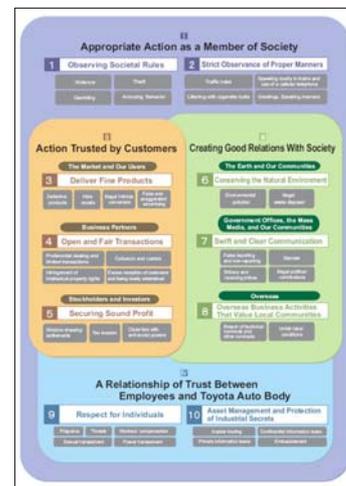
All directors of the Committee for Risk Management Promotion combine related company behavior for compliance and risk management in the Toyota Auto Body Group.

This compliance system achieves thorough observance of laws and ordinances of all companies in the Toyota Auto Body Group for such as the existence of self-evaluation for systemic problems that is carried out by the main managing department for compliance centered on the Committee for Risk Management Promotion.

In addition, “Our Promise(The Toyota Auto Body Group Action Policy)” was established to for thorough company and employee compliance. We are looking to achieve continued stringent compliance in our educational and training facilities. Moreover, we have further improved employee awareness of our action policy by issuing portable cards and also having every employee sign that they promise to comply with the action policy.



Toyota Auto Body Group Action Policy

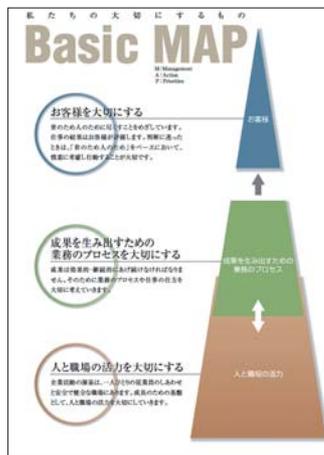
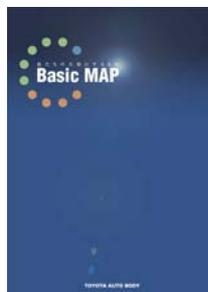


Toyota Auto Body Group Action Policy portable cards

 Click here for more details on our “Action Plan”.
<http://www.toyota-body.co.jp/english/csr/report/comp/pdf1.pdf>

Establishing and Developing Priorities (Basic MAP)

Toyota Auto Body is introducing the Basic MAP, which comprises 10 items of action that should be taken, in combination with the Employee Action Policy. Both are based on the main axis of (1) placing priority on the customer; (2) placing priority on the process of operations to achieve results; and (3) placing priority on the activities of workers and the work environment.



Basic MAP



Click here for more details on our "BasicMAP".
(Currently, only a Japanese version of this document can be viewed)
<http://www.toyota-body.co.jp/csr/report/comp/pdf2.pdf>

The Compliance Hotline

In looking to create a pleasant and open work environment that considers the views of our employees and their families, Toyota Auto Body provides a Compliance Hotline (Honto Com Net) for directly handling concerns and consultation relating to compliance and labor issues by E-mail, telephone, and letters. In addition, we have set up a Corporate Logic Hotline using a lawyer contracted from outside the company. Introducing these hotlines widely throughout the Toyota Auto Body Group provides an appropriate system for handling compliance and labor related issues.



A guide for the Toyota Auto Body compliance hotline



Click here for more details on our "A guide for the Toyota Auto Body compliance hotline".
(Currently, only a Japanese version of this document can be viewed)
<http://www.toyota-body.co.jp/csr/report/comp/pdf3.pdf>

Newly Introducing the King of the 4WD All Over the World, the Land Cruiser 200

(September 2007)

As one of our flagship vehicles, the Land Cruiser has gone through a full model change with the debut of the Land Cruiser 200 after the Land Cruiser 100 was first introduced 10 years ago. Toyota Auto Body has overseen the development of the Land Cruiser 200, which, with its refinement, is being aptly called the “King of the 4WD All Over the World” and combines world’s highest standards into the comfortable performance of luxury-class vehicle with reliability and off-road performance. The Land Cruiser 200 won the FY2007 Good Design Award.



Land Cruiser 200

The New Alphard and New Vehicle Vellfire

(May 2008)



Vellfire

Our first generation minivan, Alphard, achieved great success and the new Alphard and new vehicle Vellfire have been created anew. Achieving improvements in driving stability, operation, safety performance, and great improvements in fuel efficiency, the number of vehicles sold in the first month after being released surpassed our expectations and exceeded our sales target number by six times.

Establishing Auto Parts Manufacturing Mississippi Inc.

(July 2007)

The new plant of Auto Parts Manufacturing Mississippi Inc. will begin manufacturing press parts, welded parts, and resin parts to the Toyota Motor Corporation in the last half of 2010. This is our first expansion of operations in the United States.



President Mizushima announcing our entry into Mississippi

Gifu Auto Body Co., Ltd. Becomes Part of the Toyota Auto Body Group

(October 2007)

Gifu Auto Body Co., Ltd. has become part of the Toyota Auto Body Group as a 100%, fully-owned consolidated subsidiary. In achieving further strengthening of ties, we are looking to improve quality and cost competitiveness.



The main plant of Gifu Auto Body Co., Ltd.

Our exhibit at the Tokyo Motor Show 2007

(October 2007)

With the theme of “Happy vehicle, kind living,” we demonstrated our unique technological strength in displaying a total of eight vehicles. (Four were concept cars.)



(Left) The compact electric car COMS BP (bio-plastic) with its body made of plant materials.[Reference world premier exhibit]

Signing the “Cooperative Afforestation Effort With Industry” Agreement With Kirishima City

(February 2008)

We signed a cooperative agreement and provided support of activities for this “cooperative afforestation effort with industry” promoted by Kirishima City in Kagoshima Prefecture. This is our fifth afforestation effort after activities in Aichi, Mie, and Kochi Prefectures, and Indonesia.



Initiating support of the Toyota Auto Body R&D Co., Ltd. (Toyota Auto Body consolidated subsidiary)

Maintaining Three New Types of Occupational Training Systems

(March 2008)

At the Toyota Auto Body Technical Training Center, we have added educational courses for presses, resin molding, and auditing. By having this education coincide with the start of these occupations from December 2006, all new basic technical education has been streamlined for all occupational types.



Quality check for resin molding

Achieving Output of 2 million Vehicles at Our Inabe Plant

(March 2008)

The Inabe Plant achieved a cumulative output of 2 million vehicles in our 15th year of operations that began in 1993. In looking to achieve output of 3 million vehicles hereafter, we are aiming to solely manufacture safe and efficiently made Toyota vehicles of high quality.



Dedicating our efforts to safe, high-quality, and efficient vehicles hereafter at the Memorial Achievement Ceremony

Promotion of Company Sports

In our Triathlon Competition Club, the athlete Yamamoto was victorious at the Asia Games and qualified for the Beijing Olympic Games.

In field athletics, in addition to the Ohminami sisters (Hiromi and Takami), there was also Asoshina, who are challenging to run marathons.

In our men's Handball Club, last year again we made it to the playoffs, and placed fourth in the Japan Handball League.

Also, coach Sakamaki became the All-Japan coach, and five players in the club were selected to be All-Japan handball players.

In women's handball, we rose from last year to seventh in the V Premier League.



Photo by Satoshi Takasaki / JTU

Victory in the Asia Games (Yamamoto)



Cycling power at the Olympics (Yamamoto)

Environmental Policy

At Toyota Auto Body, we have raised our “Projection for Contributing to an Affluent 21st Century” in our Environmental Policy, and we are working toward reducing SOCs in all stages fro vehicle manufacturing, use, disposal, and recycling. In 2005, our fourth “Toyota Auto Body Environmental Plan (FY2006 through FY2010 activities) established our targets we look to achieve by FY2010 for the following: 1) Energy and global warming, 2) Resource recycling, and 3) Reducing SOCs.

The Toyota Auto Body Group is concentrating its efforts to promote this environmental policy.

Toyota Auto Body Environmental Basic Policy

1 Contributing to an Affluent Society of the 21st Century

In order to contribute to an affluent society of the 21st century, we aim for growth that harmonizes with the environment with our challenge to produce zero emissions through company activities in all communities.

2 The Pursuit of Environmental Technology

We are pursuing all possibilities for environmental technology with our efforts in developing and firmly establish new technologies that realize a balance between the environment and the economy.

3 Self-Initiated Efforts

In continuing to promote efforts with a basis in working for thorough countermeasures and strictly obiding by standard laws, and we have established a self-initiated *kaizen* plan based on environment issues on an earth scale.

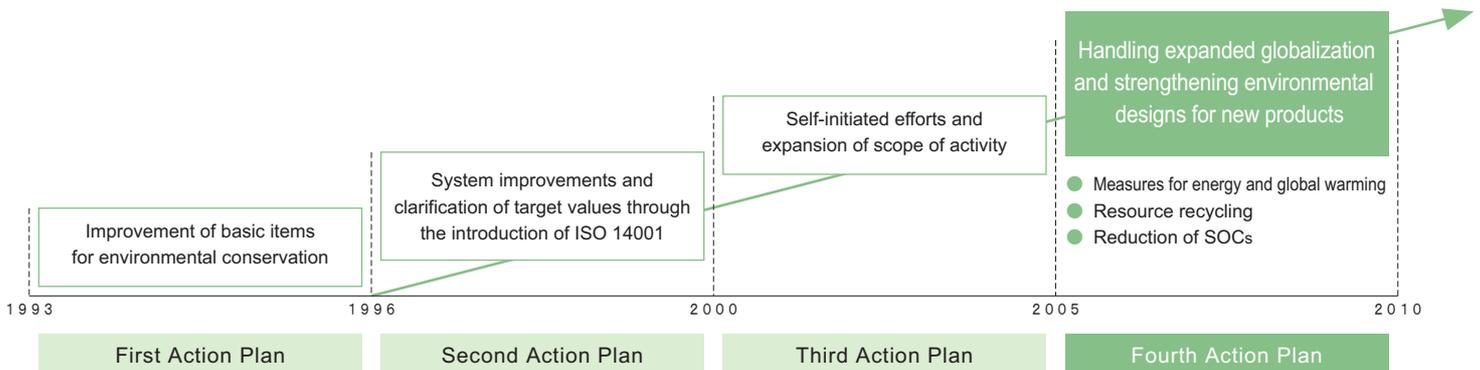
4 Cooperation With Society

Beginning with the government and self-governing bodies, we are building cooperation through many levels in society related to environmental conservation based on efforts by our associated and affiliated companies.



● Please view our home page for the “Toyota Auto Body Environment basic policy”.
<http://www.toyota-body.co.jp/csr/environment/policy/index.html>

Transitions in the Environmental Action Plan



Organization of Efforts (As of July, 2008)

Environment Committee

Chairman : President, Toshio Mizushima

Promotion and general management of company-wide activities and policy setting for basic items related to global and regional environmental conservation

Product Environment Committee

Chairman : Senior Managing Director, Yasushi Tanaka

Deliberation of main items relating to production development, resource conservation, and technology that contributes to reducing burdens on the environment.

Production Environment Committee

Chairman : Senior Managing Director, Kiyoshi Yamaoka

Promotion of environmental education and enlightenment, and also deliberation on basic items related to production activities and technology development tied to resource recycling and conservation of energy and resources.

MI *1 Subcommittee

Recycling and Dismantlement Subcommittee

SOC *2 Subcommittee

VOC *3 Subcommittee

Fujimatsu Plant Production Environment Committee

Inabe Plant Production Environment Committee

Yoshiwara Plant Production Environment Committee

Toyota Auto Body Group Production Environment Conference

Toyota Auto Body Group Non-production Environment Conference

*1 MI : Mass Innovation

*2 SOC : Substances Of Concern

*3 VOC : Volatile Organic Compounds



Progress Status for FY2007 Environmental Efforts

We decided on the fourth “Toyota Auto Body Environment Action Plan” and we are progressing toward steadily achieving the FY2010 target with the establishment of the FY2007 target. Despite an increase in newly manufactured vehicles, our target for reducing CO₂ was not achieved, although we have succeeded in showing results in areas such as research and development.



Please view our home page for the fourth “Toyota Auto Body Environment Action Plan”.
<http://www.toyota-body.co.jp/csr/environment/plan/pdf/torikumi4.pdf>

Efforts	FY2007 Target	Progress Status	Evaluation	Pages
Energy and Global Warming				
Development and Design ① Vehicle weight reduction	● Achieve planned weight reduction for new models Land Cruiser and Alphard	■ Achieved target for use of high strength steel sheets and weight reduction due to review of interior materials (Developed at Toyota Auto Body)	○	P21
Production and Logistics ② Measures to reduce CO ₂ emissions	● Reduce CO ₂ emissions volume CO ₂ emissions volume per sales unit: Less than 16.0 tons-CO ₂ /100 million yen Production line CO ₂ emissions: Less than 177,700 tons-CO ₂ ● Global activities to reduce CO ₂ emissions volume Global CO ₂ per sales unit : 17.0 tons-CO ₂ /100 million yen ● Reduce CO ₂ emissions in logistics Logistics CO ₂ emissions volume : Less than 8,200 tons-CO ₂	■ Introduction of new technology and elimination of production line efficiency waste (15.5 tons- CO ₂ /100 million yen) (185,200 tons- CO ₂) ■ CO ₂ emissions volume reductions promoted for 10 domestic and overseas consolidated companies (16.8 tons- CO ₂ /100 million yen) ■ Review of sending routes and <i>kaizen</i> for loading efficiency (8,200 tons- CO ₂)	⊗ ⊗ ○ ○	P23
Resource Recycling				
Development and Design ③ Promote vehicle recycle design	● Incorporate recycle design into the new model Land Cruiser and Alphard	■ Promotion of improved dismantlement and also recycling due to shortened recovery time for parts, and a reassessment of materials for interior and external parts	○	P27
Production and Logistics ④ Promote efficient use of resources ⑤ Decrease water consumption	● Activities for reducing discharged substances and emissions volume Less than 10.8 tons- CO ₂ /100 million yen ● Reduce packaging material volume Less than 2,300 tons/year ● Continue reducing water consumption Less than 3.6m ³ /vehicle	■ Reduced scrap through efficient use of pressed steel scrap (10.7/100 million yen) ■ Promoted quality packaging material and changed packaging forma (2,280 tons/year) ■ Furthered water saving efforts and reduced shower water volume usage for painting processes (3.3 m ³ /vehicle)	○ ○ ○	P29

Substances of Concern (SOCs)					
Development and Design	⑥Reduce SOC	<ul style="list-style-type: none"> ● Global abolishment of four SOC (lead, mercury, hexavalent chromium, and cadmium) ● Reduce VOCs in vehicle interiors 	<ul style="list-style-type: none"> ■ Complete abolishment of SOC for all vehicles including domestic, overseas, specially-equipped, and electric vehicles ■ Achieved our VOCs reduction target for the interiors of the new Land Cruiser and Alphard models 	○	P31
	⑦Reduce VOCs emission volume	<ul style="list-style-type: none"> ● Reduce VOCs emissions volume per area of body coating Less than 43 g / m² 	<ul style="list-style-type: none"> ■ Water-borne paint top coat used for model changes (42 g / m²) 	○	P33
Production and Logistics	⑧Reduce emission volume of substances subject to PRTR	<ul style="list-style-type: none"> ● Reduce emissions volume for substances subject to PRTR Less than 1,370 tons 	<ul style="list-style-type: none"> ■ Recovery of thinner and changing to a cleaning thinner with few substances subject to PRTR (1,170 tons) 	○	P33
Environmental Management					
	⑨Strengthening of consolidated management	<ul style="list-style-type: none"> ● Strengthen activities of domestic and overseas group companies 	<ul style="list-style-type: none"> ■ Conducted auditing for domestic and overseas group companies ■ Initiated Eco-factory activities of the North American consolidated subsidiary company (APMM) 	○	P35
	⑩Promote consolidated activities with our business partners	<ul style="list-style-type: none"> ● Promote environmental activities based on the Green Procurement Guideline (released August 2007) 	<ul style="list-style-type: none"> ■ Communicated with parts shipping companies and waste disposal companies 	○	P39
	⑪Decrease life-cycle waste substances by Eco-VAS *	<ul style="list-style-type: none"> ● Implement comprehensive environmental evaluation for all new model development processes 	<ul style="list-style-type: none"> ■ Implemented LCA by Toyota Motor Corporation cooperative for the new Land Cruiser and Alphard models 	○	P41
	⑫Promote new operations that contribute to environmental improvements	<ul style="list-style-type: none"> ● Promote environmental technological development related to vehicles 	<ul style="list-style-type: none"> ■ Promoted fuel cell element technology development and technology for using plant materials for automotive parts ■ Promoted recycling businesses for environmental analysis 	○	P42
	⑬Development of environmental education	<ul style="list-style-type: none"> ● Promote a fiscal year plan of enlightenment and stratified environmental education 	<ul style="list-style-type: none"> ■ Developed environmental education for mid-year entry employees (200), new employees, and newly appointed management staff. ■ Carried out planning for observation meetings and environmental lecture meetings 	○	P45
Cooperation With Society					
	⑭Contribute toward building a recycle-oriented society	<ul style="list-style-type: none"> ● Support green activities and nature conservation activities ● Support for domestic and overseas plant cultivation activities 	<ul style="list-style-type: none"> ■ Support for domestic and overseas plant cultivation activities ■ Kenaf cultivation at local elementary and kindergarten schools ■ Overgrown-grass cutting activities carried out with agreement of local residents 	○	P47
	⑮Improve disclosure of environmental information and mutual communication	<ul style="list-style-type: none"> ● Reinforce dialog with local communities 	<ul style="list-style-type: none"> ■ Informal discussions held with local residents about the environment 	○	P48

* Eco-VAS : Eco-Vehicle Assessment System

Energy and Global Warming

We at the Toyota Auto Body are promoting efforts to reduce CO₂ emissions volume through logistics efficiency, elimination in energy losses, *kaizen* in everyday applications, and introduction of new technologies involving development and production processes in weight reduction technology.

The aim of such efforts is to improve fuel efficiency as we look to have reduce carbon in society.

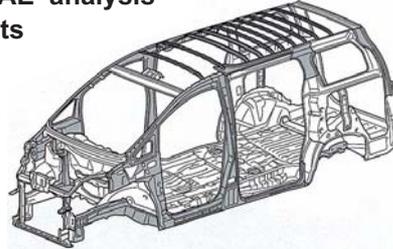
Action items	FY2007 Efforts	Progress Status
	Development and Design <ul style="list-style-type: none"> ● Achieve weight reduction target by incorporating weight reducing technologies in the new LAND CRUISER and ALPHARD models 	<ul style="list-style-type: none"> ● Achieved weight reduction target by reassessing interior material quality and using high strength steel sheets
	Production and Logistics <ul style="list-style-type: none"> ● Promote measures for reducing CO₂ emissions volume 	<ul style="list-style-type: none"> ● Implemented energy-saving measures for production processes and new products ● Nine domestic consolidated companies promoted CO₂ emissions volume reductions
	<ul style="list-style-type: none"> ● Promote activities to reduce CO₂ emissions volume through global consolidation 	<ul style="list-style-type: none"> ● Nine domestic consolidated companies promoted CO₂ emissions volume reductions
	<ul style="list-style-type: none"> ● Reduce logistics related CO₂ emissions volume 	<ul style="list-style-type: none"> ● Promoted reductions in CO₂ emissions volume in logistics

Development and Design Development of Weight Reduction Technology That Contributes to Improved Fuel Efficiency

We achieved vehicle body weight reduction for the new Alphard and Land Cruiser models by using new resin molding methods, optimizing body panel thickness, designing body structure by using CAE (Computer Aided Engineering), and expanding use of weight reducing materials such as high strength steel sheets.

Vehicle weight reduction through CAE analysis and use of high strength steel sheets

Using many high strength steel sheets in the cabin frame structure, we achieved a light weight and rigid body which ensures stable operability and crash safety with reductions in vibration and noise.



Changes to lighten the floor silencer

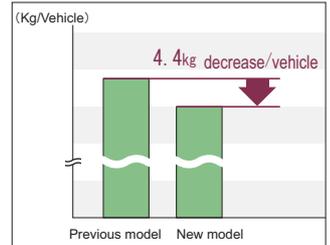
Changes to lighten the floor silencer have achieved weight reduction that limits excessive noise transfer to the cabin from the tires and engine through changing from a previously used asphalt sheet vibration control type coating, along with optimizing the position of the coating in the frame.



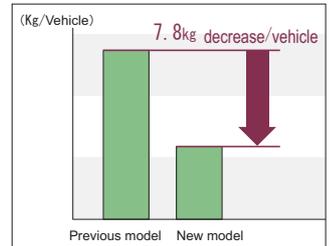
Weight reductions from reviewing interior material quality and construction methods.

We reduced weight in the Land Cruiser's interior and we are continuing to ensure sound absorbing performance through changes made to floor carpet materials and inner door trim noise dampening materials. In addition, weight reductions were also achieved in the Alphard through continuing to ensure stiffness with bubble molding used in interior panels, such as door trim.

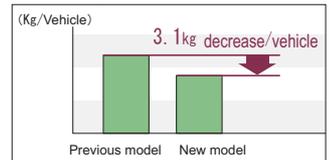
Body (cabin frame) weight per vehicle [ALPHARD]



Floor silencer weight per vehicle [Land Cruiser]



Door trim weight per vehicle [Alphard]





Activity Status

Production and Logistics Active promotion of measures to reduce CO2 in production activities

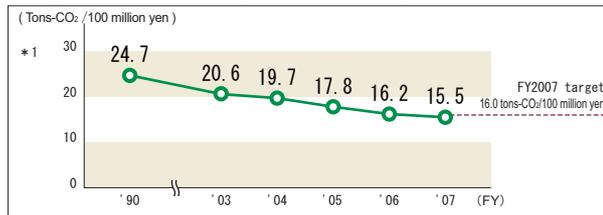
Our efforts to reduce CO2 involve activities such as introducing new technology and thoroughly eliminating efficiency waste from production lines. Already we have made great progress in achieving our FY2010 target for CO2 emissions volume per unit of sales. In looking to achieve further efficient production, we will promote even more stringent fiscal year targets. Our activities to reduce CO2 in production processes that coincide with our FY2007 planned model change with our energy-saving factory climate control and a decrease in the number of vehicle body welding points were not able to achieve our fiscal year target because of production increases of new vehicles.

Also, during this fiscal year, new and expanded large scale production process equipment involving transport and storage of parts from other companies resulted in increase in CO2 emissions volume (16,600 tons-CO2).

Although we incorporated the latest energy-saving technology for installing the new and expanded equipment, combining CO2 emissions volume from previous processes resulted in a total of 201,800 tons-CO2 (8% increase from FY1990).

Hereafter, for upgrading older painting processes we will be certain to promote decreases in CO2 by adding this as an additional action item involving saving energy for large scale equipment and facility upgrades.

CO2 emission volume per sales unit [FY2010 target: Less than 18.5 tons-CO2 /100 million yen] (10% decrease compared to FY2003)

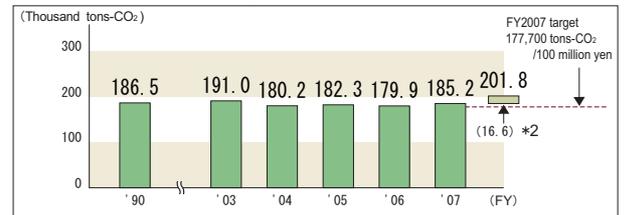


*1 The CO2 emissions volume per sales unit also includes offices for calculations done at Toyota Auto Body.

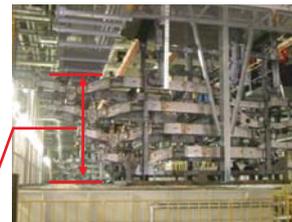
Yoshiwara Plant kaizen case example for new equipment processes — Energy saving on the chassis electrodeposition coating line —

We achieved large energy savings by low speed operation control when not activating a paint cycle pump and fluctuating process lengths by such methods as loading efficiency of chassis parts. (Four-layer loading resulted from pallet kaizen and new ways of placing loads.)

CO2 emissions volume in production processes [FY2010 target: Less than 168,700 tons-CO2] (10% decrease compared to FY1990)



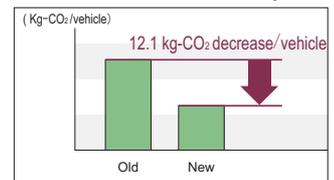
*2 Large scale new and expanded equipment included in this fiscal year calculation (Reference case example that incorporates energy saving in the new chassis electrodeposition-coating line below)



Chassis part loading (four-layered loading)

Chassis frame electrodeposition coating line

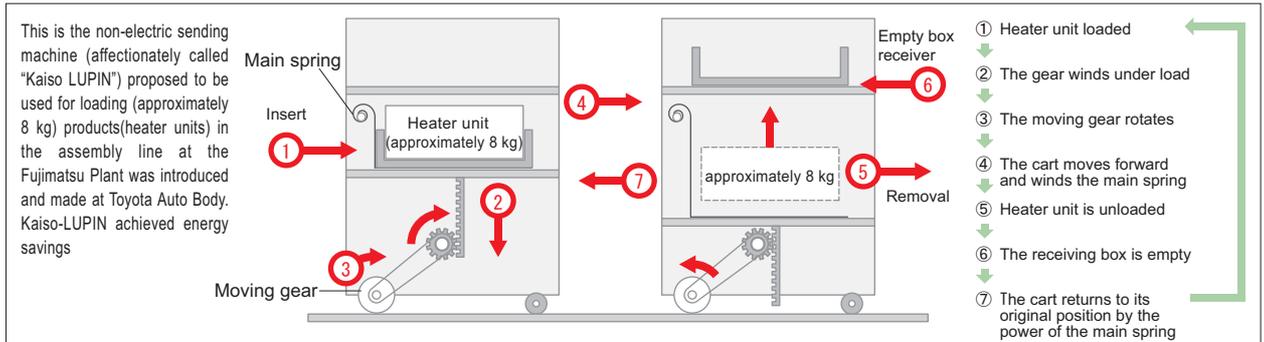
Chassis electrodeposition coating line CO2 emissions volume per vehicle



■ Development of non-electric part sender applied using a wind-up (*karakuri*) mechanism

In our production processes, we are aiming for “zero energy” for such applications as part transporting equipment, whereby operators worked together to propose the idea of “non-electric mechanized equipment” which has been created and introduced at Toyota Auto Body. By FY2007, such non-electric mechanized equipment will be contributing to energy savings, and we plan to have this mechanism number five pieces of equipment for body processes, eight in the painting processes, and 21 in the assembly processes.

■ The workings of the non-electric part sender (Case example of the Fujimatsu Plant assembly process)



● Look here to see a moving image of the non-electric part sender
<http://www.toyota-body.co.jp/english/csr/report/2008movie1.html>



Production Group
 Michinobu Shimokawa (Left)
 Tomio Itabashi (Right)



Production Group
 Tetsuro Ohya (Left)
 Yoshiaki Shigematsu (Right)

Voices of the inventors

We had a challenging time deciding the quality for the moving wheels and ways to reduce frame weight to make the sending machine work smoothly.



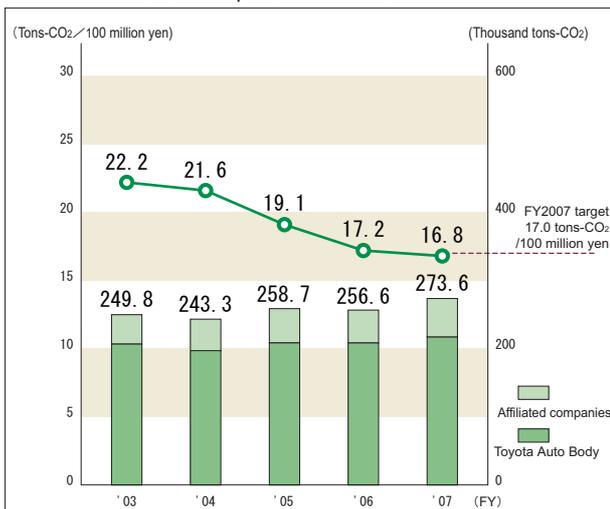
Kaiso-LUPIN

Activity Status

Production and Logistics Reduction Activities for Global CO₂ Emissions Volume

We are promoting CO₂ reduction activities through matching the pace of domestic and overseas consolidated subsidiaries (10 companies) in mutually releasing energy-saving case examples. For our activity target of CO₂ emissions volume per sales unit, we have already made great progress in achieving our FY2010 target (24% reduction compared to FY2003); however, in terms of total emissions volume, emissions volume increased 9.5% compared to FY2003 due to the addition of new businesses.

■ CO₂ Emissions Volume Per Global Sales unit
 [FY2010 target: Less than 20.4 tons-CO₂ / 100 million yen]
 (8% decrease compared to FY2003)



● Consolidated Subsidiary Energy-Saving Activity Case Example — Energy-saving Body Intermediate-Coat Painting Process (Gifu Auto Body) —

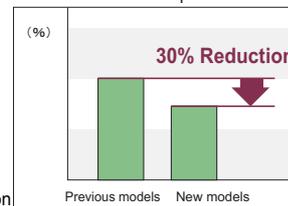
At Gifu Auto Body Co., Ltd., an emphasis has been placed on painting processes from FY2007 with efforts to increase equipment performance. However, with completion of one aspect of the “body intermediate-coat painting line,” and also recycling technology for spraying room climate control emissions, we have achieved great progress in energy savings through shortening process length by using spray robots and introducing the latest energy-saving technology.



Body intermediate-coat line starting operation

■ Intermediate-coat Painting Process

Effectiveness of CO₂ emissions volume reduction per vehicle



Other than Toyota Auto Body, relevant global consolidated subsidiary companies are as follows:

Domestic: Tokai Utility Motor Co., Ltd., Toyota Body Seiko Co., Ltd., Ace Industry Co., Ltd.

Tokai Parts Industry Co., Ltd., and Gifu Auto Body Co., Ltd. (Gifu Auto Body Co., Ltd. became a consolidated subsidiary of Toyota Auto Body in October 2007).

Overseas: Chun Shyang Shin Yeh Industry Co., Ltd., P.T. Sugity Creatives Co., Ltd., T-TEC(P.T.Toyota Auto Body-Tokai Extrusion),

Thai-TAC(Thai Auto Conversion Co., Ltd.), and TABM(Toyota Auto Body Malaysia Sdn. Bhd.)

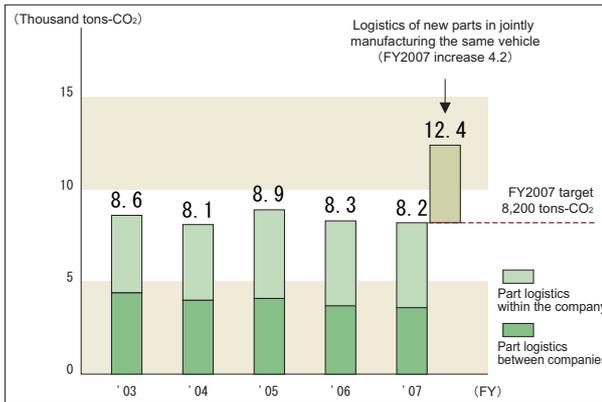
(Gifu Auto Body Co., Ltd. was retroactive to FY2003, and T-TEC and TABM were added from FY2007). In addition, the entire portion for Toyota Auto Body includes offices.

Production and Logistics Reduction of CO₂ Emissions Volume in Logistics

Our activities to decrease CO₂ in logistics, involving electrification of towing vehicles in our plants and also improving loading efficiency, are achieving CO₂ decreases according to plan for our previous scope of logistics. Emissions volume was also calculated for logistics of new parts being used in jointly manufacturing the same type of vehicle with another company, which is making efforts to improve loading efficiency from the transport and planning stages.

■ Logistics-related CO₂ emission volume

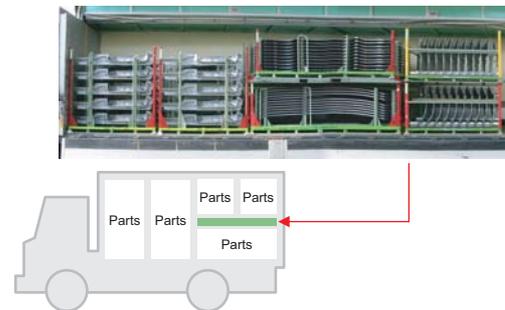
[FY2010 target : Less than 8,000 tons-CO₂]
 (10% decrease compared to FY2003)



● Logistics CO₂ Reduction Case Example

— Making Logistics for New Parts Efficient —

From the planning stage of shipping parts, we developed transport hardware that allows stratified loading of different large and small parts. By greatly decreasing the number of trucks carrying parts, we achieved reductions in CO₂.



“Movement to Reduce Plastic Shopping Bags at the Check-out Register” was Introduced Throughout the Toyota Auto Body Group

Toyota Auto Body began a “Movement to Reduce Plastic Shopping Bags at the Check-out Register” by coordinating with the Toyota Auto Body Coop in an effort toward preventing global warming. At registers at Toyota Auto Body company shops, we actively ask, “Do you need a bag?” By asking this question, we are calling for every employee to take part in global warming prevention activities. Before this movement began, in December 2007, we offered and distributed a personal reusable shopping bag to all employees who desired one.





Resource Recycling

Our efforts to promote recycling at all stages from development through disposal involve effective use of resources in production and logistics and vehicle recycle design.

Action items

FY2007 Efforts	Progress Status
Development and Design <ul style="list-style-type: none"> ● Incorporate recycle design into the new Land Cruiser and Alphard models 	<ul style="list-style-type: none"> ● Improved dismantling and recycling of vehicles through reduced recovery time for parts and also reassessment of materials for interior and exterior parts.
Production and Logistics <ul style="list-style-type: none"> ● Activities to reduce emissions volume 	<ul style="list-style-type: none"> ● Reduced scrap through effective use of leftover steel from presses.
<ul style="list-style-type: none"> ● Reduce packaging materials volume 	<ul style="list-style-type: none"> ● Changes to packaging quality and packaging material formats.
<ul style="list-style-type: none"> ● Continue activities for reducing water consumption 	<ul style="list-style-type: none"> ● Continue conserving water through reducing shower water volume usage in painting processes.

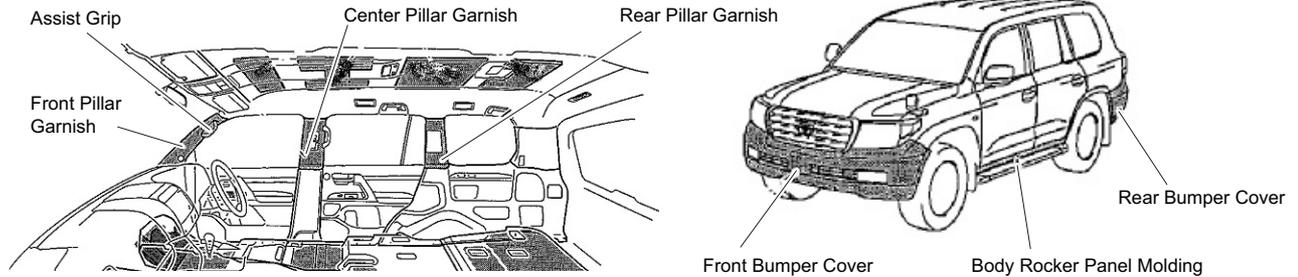
Development and Design Promotion and Expansion of Vehicle Recycle Design

In looking to manufacture vehicles with a high recycle rate that spans production through disposal stages we are incorporating recycle items with countermeasures to improve dismantlement and also reassess material quality for interior and exterior parts from the first stages of development through planning and design.

■ Use of Materials for Resin Parts With Superior Recyclability

We use TSOP(Toyota Super Olefin Polymer) for interior and exterior parts such as bumper covers and pillar garnishes because of its superior recycle rate.

● Examples of TSOP Use in the Land Cruiser



■ Dismantlement Improved Through Shortening Wire Harness Recovery Time

Reusing steel materials from dismantled vehicles requires recovering wire harnesses, which account for approximately half the copper used in the parts of a vehicle. Through incorporating design that allows removal of the wire harness from around other parts and also fixed terminal shapes, we succeeded in shortening wire harness recovery time by approximately 50% compared to previous vehicles.

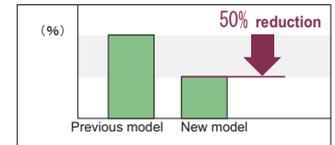


Wire harness routing for removal without the harness being blocked by other parts



Clear indication of the wire harness separation point

■ Effectiveness of reduced recovery time for Land Cruiser wire harnesses



●click View the moving image of wire harness removal as part of our improved vehicle dismantling activities
<http://www.toyota-body.co.jp/english/csr/report/2008movie2.html>

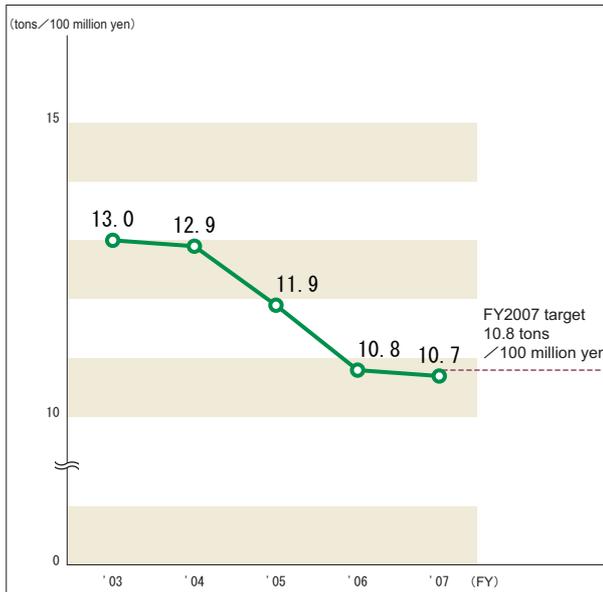
Activity Status

Production and Logistics Promoting Activities to Reduce Waste Emissions Volume

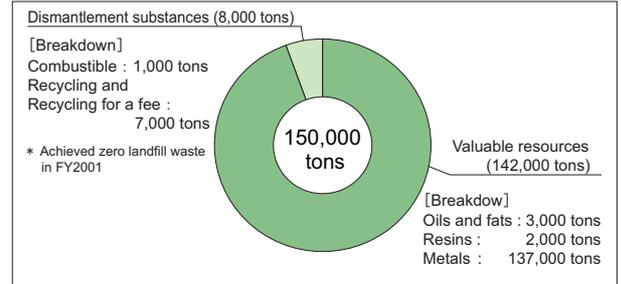
We are expanding use of small, leftover steel scrap from presses by introducing a Simple Multi-Stage press as part of our efforts to limit defects in making adjustments for model changes.

■ Emission waste Volume

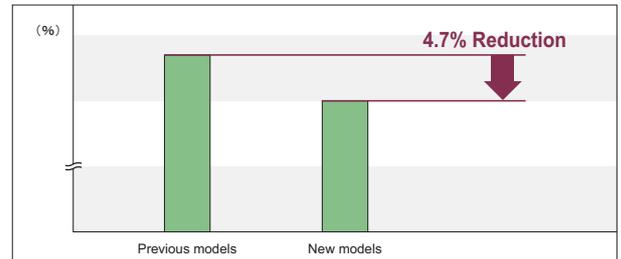
[FY2010 target: Less than 12.6 tons/ 100 million yen]
 (3% decrease compared to FY2003)



■ Breakdown of FY2007 Emission Waste



■ Effectiveness of Reducing Press Steel Scrap Volume Per Vehicle [Land Cruiser example]



■ Case Example of Reducing Press Steel Scrap

We are introducing a Simple Multi-Stage press that sets dies vertically parallel for forming small parts made by effectively using small, leftover scrap from the press process. In addition, we are achieving improved productivity through installing this press machine in the welding process which uses these parts. We have reduced the volume of steel use by approximately 300 tons per year with 17 parts used in the model change for the Land Cruiser.

■ Reducing Waste Volume Through Effective Use of Resin Molding Materials

We are effectively using waste materials for molding the instrument panel in the new Alphard.

1. Use of waste and non-color coated materials by mixing them for molding parts that are not visible.
2. For visible parts, a special small nozzle used for spraying reduces waste material volume during repainting of another color.

Effective use of resin material reduced the volume by approximately 85 tons annually.

1. Use of waste and non-color coated materials by mixing them for molding parts that are not visible
2. Visible parts were sprayed using a special small nozzle (Coloring agent)

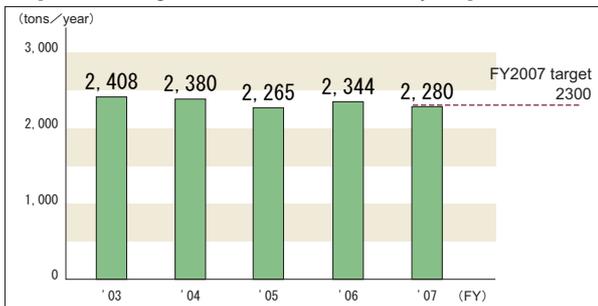


The new Alphard instrument panel

■ Reducing Waste Substances in Logistics

For reducing the volume of packaging and wrapping materials, we are progressing in simplifying the material quality and changing the shape of the packaging materials.

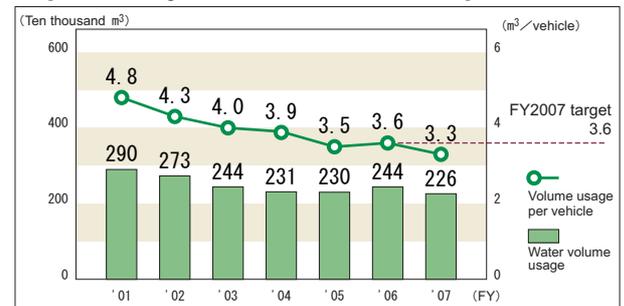
■ Packaging Materials Volume Use
[FY2010 target : Less than 2,280 tons / year]



■ Reducing Water Consumption

For reducing water consumption in our production processes, we are making progress for using the proper shower water volume and also implementing daily water conservation activities.

■ Water Consumption in Production Processes
[FY2010 target : Less than 4.5 m³ / vehicle]





Substances of Concern

We at Toyota Auto Body are introducing a company-wide system for decreasing substances of concern (SOC) from both products and production.

We have finished eliminating the four SOC (lead, mercury, hexavalent chromium, and cadmium) from all domestic and overseas vehicles.

In addition, we have achieved solid results in our production processes through use of water-borne paints.

Action Items

FY2007 Efforts	Progress Status
Development and Design <ul style="list-style-type: none"> ● Global elimination of the four SOC (Lead, mercury, hexavalent chromium, and cadmium) 	<ul style="list-style-type: none"> ● Completely eliminated the four SOC in all products, our electric, specially-equipped, domestic and overseas vehicles.
<ul style="list-style-type: none"> ● Reduce vehicle interior VOCs 	<ul style="list-style-type: none"> ● Achieved reduction target of vehicle interior VOCs in the new Land Cruiser and Alphard models.
Production and Logistics <ul style="list-style-type: none"> ● Promote VOCs reduction activities for each painted body area 	<ul style="list-style-type: none"> ● Promoted water-borne paints for the top coat to meet the production schedule for model changes.
<ul style="list-style-type: none"> ● Promote reduction activities for substances subject to PRTR 	<ul style="list-style-type: none"> ● Promoted recycling of thinner and switched to use of a cleaning thinner with low levels of substances subject to PRTR.

Development and Design **Managing and Decreasing Substances Subject to PRTR**

■ Promoting complete elimination of the four SOC

Based on a domestic industry self-initiation target and European ELV Directives(End of Life Vehicle Directives), we completely eliminated SOC's(lead, mercury, hexavalent chromium, and cadmium) from all our products, including our electric, specially-equipped, domestic, and overseas vehicles. In addition, we are steadily promoting ways of handling new regulations for substances other than those that were to be regulated.

■ Status of SOC reductions

		2003	2004	2005	2006	2007	2008
Regulations and other	Europe (EU-ELV directives)	Four SOC prohibited (Some non-regulated substances)					
	Japan (JAMA Self-initiated regulation)	Following rules and European regulations					
1. Domestic manufactured vehicles (materials procured within Japan)			Design changes and switching over completed				
2. Overseas manufactured vehicles(Locally procured parts)			(Parts procurement support countries) China, Taiwan, Thailand, Indonesia, Malaysia, Philippines, India, Vietnam, Pakistan, South Africa, and South America.			Design changes and switching over completed	
3. Specially-equipped vehicles (Load capacity and welfare) Electric vehicles,parts, and low lifts.					Design changes and switching over completed		

■ Reducing vehicle interior VOCs (Volatile organic compounds)

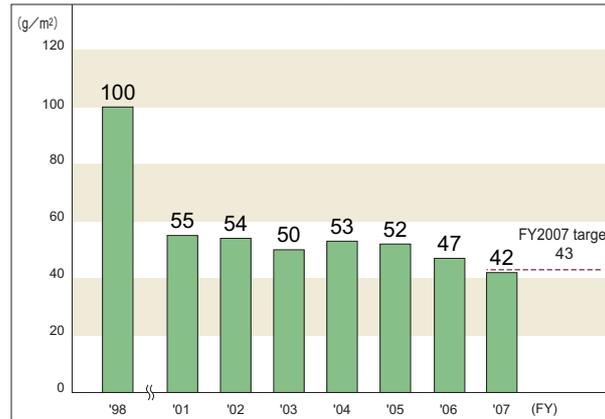
We have limited the volume of released VOCs by re-assessing the use of adhesives and interior materials such as door trim boards (inner lining) in order to reduce the VOCs formaldehyde, which smells and causes irritation to the nose and throat.

Activity
Status

Production and Logistics **Decreasing VOC Emission Volume in Production Processes**

The efforts of Toyota Auto Body to reduce VOC emissions volume are progressing by switching over to water-borne paints. Following the adoption of water-borne paints at the Fujimatsu Plant in FY2005, the switch over to using water-borne paints was completed in FY2007 at the Yoshiwara Plant for the top coat base paint of the Land Cruiser body. We are also promoting measures to improve the ratio of recycled cleaning thinner in painting processes.

■ **VOC Emission Volume Per Painted Area (Vehicle body painting)**
[FY2010 target : Less than 40g/m²]

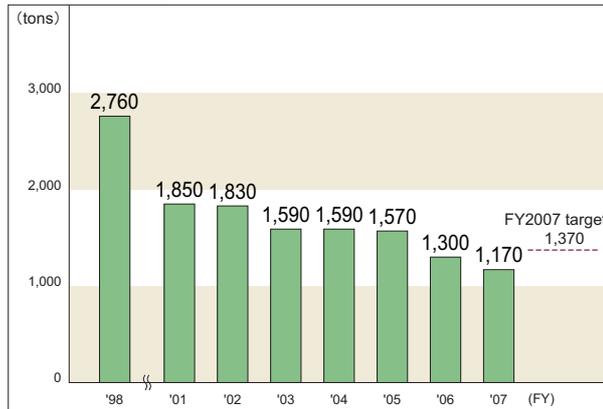


Decreases in Emission Volume of Substances Subject to PRTR

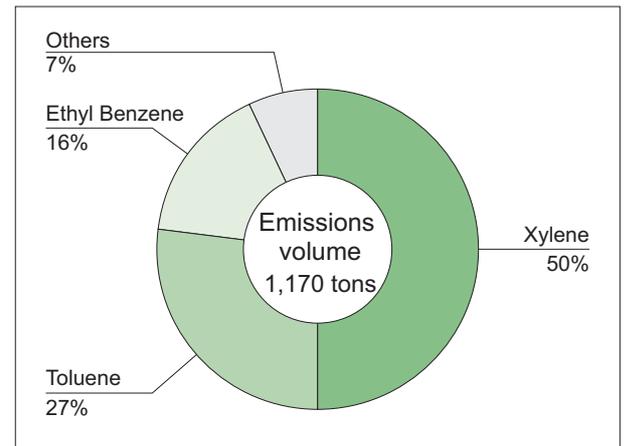
We are progressing with activities to reduce ethyl benzene, toluene, and xylene, which constitute over 90% of substances subject to PRTR(Pollutant Release and Transfer Register). These three substances were reduced in FY2007 at our Fujimatsu and Inabe plants by switching over to use of materials with low levels of PRTR in our intermediate coat painting process (body and resins). Also in FY2007, reductions of these three substances were achieved by switching over to water-borne paint at our Yoshiwara Plant for the top coat base paint. We are promoting countermeasures to improve the recovery rate of cleaning thinners and reduce usage volume in painting processes.

■ Shifts in Emission Volume of Substances Subject to PRTR (Atmospheric emissions)

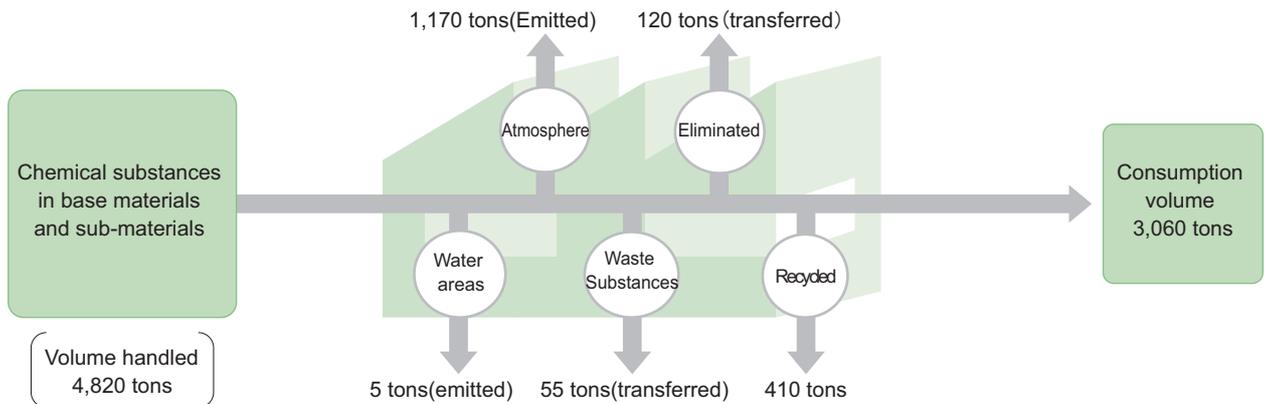
[FY2010 target: Less than 1,100 tons]



■ Emissions volume ration of substances subject to PRTR



■ Material balance for substances subject to PRTR (Data)





Environmental Management

We are promoting and maintaining environment management system for effectively coordinating with our domestic and overseas group companies and suppliers. We are also implementing planned enlightenment and education which serves as a basis for company-wide promotion of our activities.

Action Items

■ FY2007 Efforts	■ Progress Status
<ul style="list-style-type: none"> ● Promote consolidated domestic and overseas group company activities for the environment 	<ul style="list-style-type: none"> ● Environmental audit conducted by domestic and overseas group companies ● Our North American consolidated subsidiary (APMM), began eco-factory activities.
<ul style="list-style-type: none"> ● Promote environmental consolidation based on Green Purchasing Guidelines (published in March 2007) with our suppliers 	<ul style="list-style-type: none"> ● Communication among parts shipping companies and waste disposal treatment companies.
<ul style="list-style-type: none"> ● Promote comprehensive assessment through all development processes by Eco-VAS. 	<ul style="list-style-type: none"> ● Lifecycle assessment(LCA) carried out for the new Land Cruiser and Alphard models through coordination between Toyota Motor Corporation and companies that coordinated with Toyota.
<ul style="list-style-type: none"> ● Promote environmental businesses, and also environmental technology development that contributes to improving the environment. 	<ul style="list-style-type: none"> ● Promotion of fuel cell element technology development for using plant materials for automotive parts. ● Promotion of recycle businesses and environmental analysis.
<ul style="list-style-type: none"> ● Promote planned enlightenment and stratified environmental education for our employees. 	<ul style="list-style-type: none"> ● Education for new employees and newly-appointed managerial staff. ● Planned observation meetings and environmental lecture meetings.

Strengthening Environmental Management

Environmental efforts by not only Toyota Auto Body, but also the efforts combining all of our group companies to reduce burdens on the environment is important.

Consolidated environmental management began in FY2000 with the “Toyota Auto Body Group Production Division Environmental Conference” which included domestic and overseas consolidated subsidiaries in production and also companies with which we are strongly affiliated.

Consolidated management is carried out by 15 domestic and overseas production companies.

*Currently, Auto Parts Manufacturing Mississippi (APMM) is under construction and eco-factory activities are being introduced.
(The plant is not included among the above mentioned 15 companies.)

Production Companies	Domestic	Tokai Utility Motor Co., Ltd.
		Toyota Body Seiko Co., Ltd.
		Ace Industry Co., Ltd.
		Tokai Parts Industry Co., Ltd.
		Gifu Auto Body Co., Ltd.
		Tokai Tekko Co., Ltd.
		Toyotomi kiko Co., Ltd.
	Overseas	Kintec Co., Ltd.
		P.T. Sugity Creatives Co., Ltd.
		Chun Shyang Shin Yeh Industry Co., Ltd.
		Thai Auto Works Co., Ltd.
		Thai Auto Conversion Co., Ltd.
		Toyota Auto Body-Tokai Extrusion Co., Ltd.
		Taiwan Auto Conversion Co., Ltd.
		Toyota Auto Body Malaysia Sdn. Bhd.
Non-production Companies	Domestic	Auto Parts Manufacturing Mississippi
		Toyota Auto Body R & D Co., Ltd.
		Life Service & Security Corporation
		Inatec Co., Ltd.
		Life Creation Co., Ltd.
		Life Support Co., Ltd.
TABMEC (Formerly Mikawa Setsubi Co., Ltd.)		

Consolidated subsidiary companies
(others are affiliated companies)

Toyota Auto Body Group Action Items

- ISO14001 certification (Non-production companies are constructing an environmental management system)
- Sharing the “Toyota Auto Body Basic MAP”, each group company is establishing its own environmental policy
- Production companies are promoting the solid establishment of medium - to long-term action plan
- Non-production companies are implanting activities to reduce environmental burden based on their ability to conserve energy

Activity Status

■ Toyota Auto Body Group Production and Environmental Meetings

We periodically hold a liaison meeting to share information among 10 companies comprising Toyota Auto Body and six consolidated subsidiary companies, and TABMEC Co., Ltd.

At these meetings, each company reports the status of environmental efforts, and also transmits a lot of environmentally related information such as trends in environmental law.



Toyota Auto Body Group Production and Environmental Meeting

■ Environmental Auditing of Domestic Group Companies

In FY2007, we conducted an audit for our consolidated subsidiary and affiliate companies. In the audit, the status of observance of environmental laws and ordinances was an important item, and *kaizen* was performed in FY2007 for items specified in the audit.



Auditing at Toyota Body Seiko Co., Ltd.

■ Environmental Auditing at Overseas Group Companies

For continued expansion of society, promotion of environmental conservation activities is important not only in Japan, but also for our businesses in every country overseas. In FY2007, we conducted an audit of overseas consolidated subsidiary production companies, which centered on the status of observance of environmental laws and ordinances.



An audit at Thai Auto Conversion Co., Ltd.

■ Holding a Farm Harvesting Festival (Ace Industry Co., Ltd.)

We held harvesting activities for vegetables we raised ourselves at our company farm in order to have people enjoy harvesting and environmental conservation. After the festival, we enjoyed eating the harvested vegetables at a “Barbeque Competition” at which the president participated.



Harvesting vegetables at the festival

Activity Status

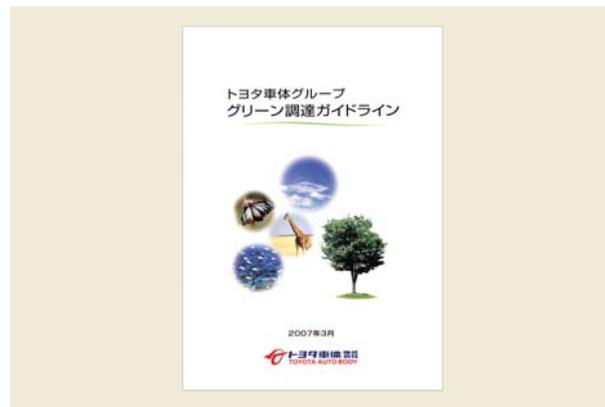
Promotion of Coordination Activities With Our Business Partners

The publication of the Toyota Auto Body Group Green Purchasing Guideline is one aspect of the variety of previous environmental conservation activities that we implemented with the theme of “automotive manufacturing that is kind to humans and the earth.” Other aspects of these activities are liaisons meetings and exchanges of information with our suppliers to have them better understand Toyota Auto Body management. Such activities also serve to unite us in making solid efforts in activities that contribute to society.

■ Publication of the Green Purchasing Guideline

In addition to our previous suppliers (automotive parts, raw materials, and sub-material delivery companies) we have expanded our activities from FY2007 by adding types of work relating to facility operation companies, landscape gardening, and grounds keeping.

Contents of the guideline cover activities such as reducing packaging and wrapping material volume; decreasing CO₂ emissions volume in logistics; and implementing environmental efforts related to business activities of every one of our business partners. Also covered in the guideline are management of products delivered to Toyota Auto Body and previously approved ISO14001 certification.



Green Purchasing Guideline (Revised March 2007)



● Please view our home page for "Toyota Auto Body Group Green Purchasing Guideline".
(Currently, only a Japanese version of this document can be viewed)
<http://www.toyota-body.co.jp/csr/environment/guideline/index.html>

■ Information Exchanges With Waste Disposal Companies

We hold exchanges of information annually with waste disposal companies to whom we entrust our disposal operations. In our fourth meeting in FY2007 in which 33 staff from 27 companies participated, we introduced Toyota Auto Body's environmental efforts and a recent industry-wide waste substance disposal example of administrative guidance. We also requested complete observance of waste disposal laws and ordinances and also had an exchange of opinions in order to strengthen coordination between disposal companies and those companies with our plants as a first move ever for us to work closely with disposal companies.



An information exchange with waste disposal companies

■ Liaison Meetings With Parts and Materials Transporters

We hold liaison meetings annually for 71 transport companies that deliver parts and raw materials to Toyota Auto Body that address noise prevention during loading and unloading operations in our plants. In order to have transport companies further understand our environmental efforts and safety, we introduced case examples of our activities.



FY2007 liaison meeting with transport companies

■ Green Purchasing

We are promoting "purchasing environmentally friendly products." We are expanding our activities to implement a gradual switch to using hybrid vehicles and vehicles that have better fuel economy, as well as promoting green products for office supplies and office automation equipment.



Activity Status

Reducing Life-Cycle Environmental Burden Through Eco-VAS

The Toyota Environmental Assessment System (Eco-VAS) strengthens management by those responsible for vehicle development by implementing comprehensive environmental assessment of all processes of vehicle development from production and use through to disposal.

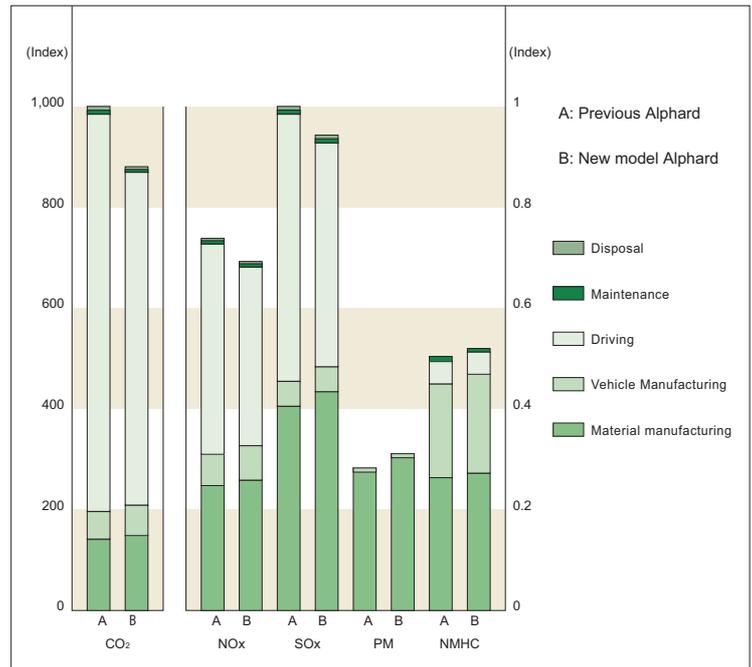
Eco-VAS*1 manages the volume of SOC usage and recoverability of exhaustive resource consumption volume, atmospheric polluting substances, and global warming gases in the entire life cycle and also manages at the stage of fuel efficiency, gas emissions, and noise at the stage of vehicle use.

Life Cycle Assessment LCA*2 was implemented in FY2007 by Eco-VAS for new vehicles and full model changes to the Vellfire, Alphard, and Land Cruiser. Life cycle CO2 environmental volume decreased approximately 9% for the Alphard compared to previous models.

*1 Eco-Vas: Eco-vehicle assessment System
*2 LCA: Life Cycle Assessment

LCA comprehensively assesses the environmental impact at each stage of material and vehicle production, vehicle driving, maintenance, and disposal.

Results of Alphard LCA



- NOx : Nitrogen Oxide
- SOx : Sulfur Oxide
- PM : Particulate Matter
- NMHC : Non Methane Hydrocarbons
- Results are for driving in modes 10 and 15 for a total distance 100,000km (10 years) for the life of the vehicle.
- At Toyota, evaluation results are given in figures for the purpose of confirming relative environmental merits by LCA. In addition, figures are indicated separately because CO2 levels are in tons(t) and other emitted items are in kilograms(kg).

Activity
Status

Promotion of New Operations That Contribute to Environment *Kaizen*

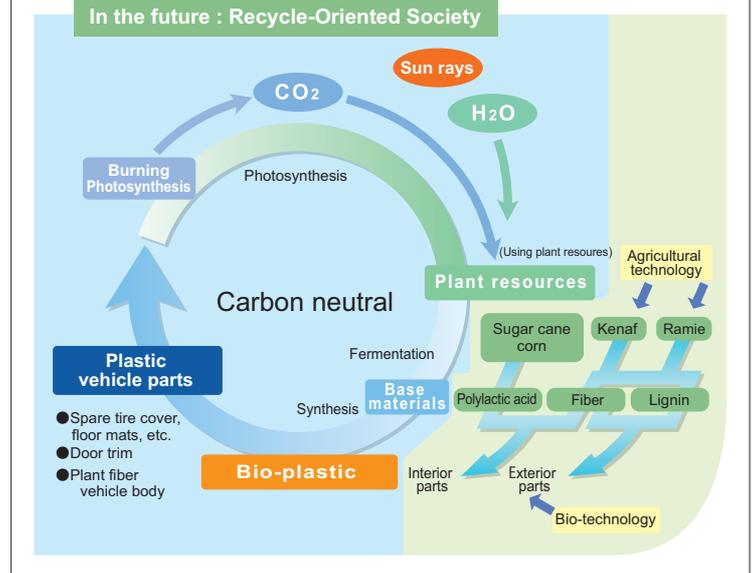
Our development of environmental products involves efforts for commercialization and technical development of the next generation vehicles, development of motor power control systems, and fuel cell batteries for very small eco-cars which have no CO₂ emissions, and research of plant material that absorbs CO₂ in looking to inhibit global warming. In addition, we are also actively introducing environmental work such as waste recycling and environmental analysis.

■ Developing Plant Material Technology

We are developing technologies for reproducing new materials that aim toward next generation vehicles, and we are processing Kenaf, a plant material that absorbs high level of airborne CO₂.

■ The Meaning of Carbon Neutral

In the product life cycle, carbon neutral is the action of neutralizing CO₂ levels that circulate in the atmosphere.



■ Developing Fuel Cell Batteries and EV Constituent Technology

We at Toyota Auto Body are promoting the development of Toyota Motor Corporation fuel cell battery vehicles by linking vehicle development with fuel cell parts development.

The new fuel cell battery vehicle “Toyota FCHV” is a part of the successful development of this new technology.



The fuel cell battery vehicle “Toyota FCHV”

The Toyota Auto Body 2007 Tokyo Motor Show Exhibit

At the October 2007 Tokyo Motor Show, Toyota Auto Body exhibited “COMS BP,” a very small electric vehicle with its body made from plant materials. Also at our exhibit was the “i-REAL” with one part, the under cover, made from plant materials.



COMS BP
(Bio-plastic body vehicle)



Under cover



i-REAL

■ Waste Disposal Recycling (TABMEC Co., Ltd.)

As a comprehensive maintenance company, TABMEC is expanding the recycling operations for industrial waste substances (disposable plastic, disposable fluorescent lighting tubes, dry cell batteries, etc.) as part of our eco-business. TABMEC also maintains buildings and incidental equipment. Have a wide scope of operations, with the motto of “Making the Environment Kind to Humans and the Earth.,” TABMEC is trying to make the environments of the workplace and society more comfortable.



A crushing and separating machine at the recycle center

■ Environmental Analysis Business (Inatec Co., Ltd.)

In October 2000, Inatec Co., Ltd. became a separate and independent company from Toyota Auto Body and became by approved Mie Prefecture as an agency for measuring environmental operations and as an environmental measurement certifying business. Also, in February 2004, Inatec became a designated survey organization based on the “Soil Contamination Countermeasures Law” (Environment Ministry’s law for countering soil pollution) and Inatec performs environmental analysis of water, air, and soil quality. Toyota Auto Body is contributing to environmental conservation activities of the community and industry through surveys of rivers and streams, water quality, and soil , as well as we conduct surveys and analysis of SOCs relating to vehicles and parts of the Toyota Group and all group parts manufacturers.



Water quality analysis being performed at Inatec Co., Ltd.

Activity
Status

Achieving Environmental Education

Improving environmental awareness involves steady activities which must be everlasting. The Toyota Auto Body Group is making yearly efforts for the setting of environmental education and enlightenment as one pillar of personnel development.

■ Environmental Education

In FY2007, we implemented environmental education for each of our 730 new employees(regular and mid-term entry) and 83 newly promoted managerial staff to have them more deeply acknowledge their roles, responsibilities, and contents of our efforts.

In addition, we conduct regular specialized education for technical staff involved in facilities and operations that greatly influence the environment. Stratified education(general, supervisor, and manager) is also conducted as a refresher for employees.

As educational support for Toyota Auto Body Group companies, we are implementing training of ISO140001 internal auditors and specialized education relating to environmental law.



Environmental education for mid-term entry employees.

■ Environmental Enlightenment

Toyota Auto Body is planning and implementing enlightenment activities centering around “Environmental Month” and “Energy Conservation Month” to increase environmental awareness among employees.

[Environmental Lecture Meeting]

Every year in June during Environmental Month, we invite a distinguished person in their field to speak at our Environmental Lecture Meeting. In FY2007, we invited Mr. Kanbe, the section chief of the CSR Promotion Section of Dai Nippon Printing Co., Ltd. to give a lecture. Then in FY2008, the professional weather forecaster, Kaoru Kawai, gave a lecture on the theme of “Global Warming and Our Lives From a Meteorological Perspective.”



Kaoru Kawai



An environmental lecture meeting

[Environmental Observance Meeting]

Sixty people visited the SANYO Electric Co., Ltd. Solar Battery Science Hall, the “Solar Arch.” The visitors learned about the connection between humans and the sun and also the facility exhibits that use solar energy.



Solar Arch visitors receiving an outdoor exhibit explanation

Coordinating With Society

As “good corporate citizens”, we are actively promoting environmental enlightenment activities and environmental conservation activities in aiming to be a necessary industry, which is trusted by communities that serve as operating bases of our businesses.

Action Items

FY2007 Efforts

- Support natural conservation activities and green activities
- Active promotion of environmental volunteer activities
- Achieve environmental communication with local communities



Progress Status

- Supported domestic and overseas afforestation activities
- Grew Kenaf with youngsters at local elementary schools.
- Cut overgrown grass with the agreement of local residents
- Held community discussion meetings with local residents to discuss the environment

Promotion of Nature Conservation, Green Activities, and Volunteer Activities.

■ Promotion of afforestation and green activities

(Please refer to pages 69-72 of this report for afforestation and green activities)

■ Cultivating Kenaf

In coordination with our community and elementary schools, we are planting Kenaf, which as an excellent non-forest resource is effective in preventing global warming by its superior ability to absorb carbon dioxide. The harvested Kenaf is processed into paper and donated to nearby community welfare institutions.



Harvesting Kenaf with local elementary school students

■ 530 (Zero Trash) and Overgrown-Grass Cutting Activities

On May 30th, we collected garbage on nearby roads parking lots of all Toyota Auto Body plants. In aiming to raise the spirit of volunteerism among employees, every year we have employees use their hour lunch break engage in garbage collection. In FY2007, we collected a total of approximately 330 kg of garbage at all our plants. Every year from spring to summer, employees at our Yoshiwara Plant join with people in the community to cut overgrown grass along road around the plant.



Cutting grass together with people in the community

Mutual Communication and Information Disclosure

■ Disclosing information on the environment

Information on topics concerning environmental conservation and environmental data from different offices are released on our company website.



● Please view our home page at the below address.
(Currently, only a Japanese version of this document can be viewed)

<http://www.toyota-body.co.jp/csr/index.html>

■ Community Discussion Meetings

We hold regular discussion meetings with local residents from each community around our plants. (Kariya and Toyota cities in Aichi Prefecture and Inabe City in Mie Prefecture.) In addition to having the community understand our environmental efforts through activities, we have an exchange of opinions to better co-exist with our community.



Community Discussion Meetings for our main office and the Fujimatsu District

The Inabe Plant Awarded As the "Road Beautification Volunteer"

The "INATY Circle" of our Inabe Plant was chosen to be the "Road Beautification Volunteer" of the Japan Road Association, which is awarded to individuals and groups in road maintenance. The award ceremony was held at the Inabe City Hall in August 2007. The "INATY Circle," promoted by Mie Prefecture, comprises a volunteer group of employees who have participated in making "short walking paths along roads." Our efforts also include cutting 1.2 kilometers of overgrown grass along prefectural roads around our plants as an aspect of activities that contribute to society and the preservation of the community environment.



Presenting the "Road Beautification Volunteer" certificate of recognition



Environmental Accounting

We aggregate environmental cost from “environmental investing” and “maintenance costs.” We are progressing in building an environmental accounting system for understanding expenses (environmental cost) and also the effect (economic effects) of those expenses as the aim in reducing burdens on the environment from business activities. This report aggregates the environmental effects and environmental costs following Environmental Accounting Guidelines announced by the Ministry of Environment.

* Please refer to the pages for efforts concerning “Energy and Global Warming,” “Resource Recycling,” and “Substances of Concern(SOCs)” for improved effects (material volume effects) on environmental burden.

Activity Status

Environmental Cost

FY2007 results for aggregate accounting for Toyota Auto Body as indicated below was a total of 5.65 billion yen for environmental costs(only Toyota Auto Body). These costs mainly involve countermeasures for odor control and investment for energy conservation.

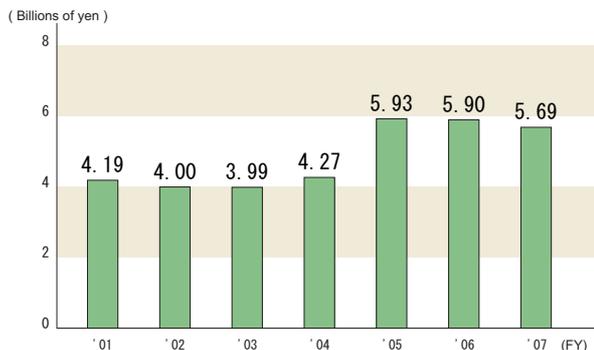
In FY2007, environmental costs at consolidated management group companies was aggregated for seven domestic and overseas consolidated subsidiary companies involved in production.

■ Aggregate Environmental Cost Results (billions of yen)				
Cost	Unconsolidated base(FY2007)		Consolidated subsidiary totals(FY2007)	
	Invested	Costs	Invested	Costs
In-area operation costs	3.41	0.63	0.41	0.15
Up and downstream costs	—	—	—	—
Activity management costs	0.1	0.57	—	0.06
R&D Costs	—	0.93	—	—
Social activity costs	—	0.01	—	—
Environmental damage costs	—	—	—	—
Total	3.51	2.14	0.41	0.21
	5.65		0.62	

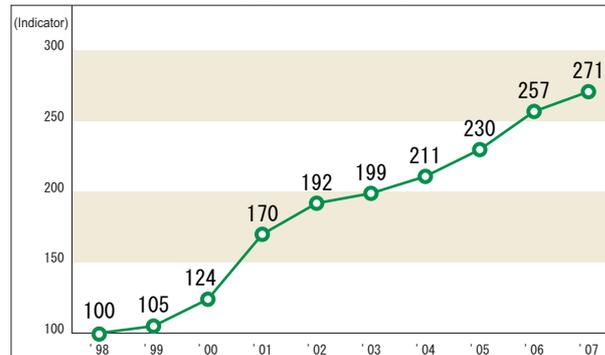
*Companies covered Domestic: Tokai Utility Motor Co., Ltd., Toyota Body Seiko Co., Ltd., Ace Industry Co., Ltd., Tokai Parts Industry Co., Ltd., Gifu Auto Body Co., Ltd. Overseas: P.T. Sugity Creatives Co., Ltd., Chun Shyang Shin Yeh Industry Co., Ltd.

*From FY2007, Gifu Auto Body Co., Ltd. was added as a consolidated subsidiary

■ Environmental Cost Shifts (Unconsolidated)



■ Environmental Efficiency (Unconsolidated)···CO₂ emission volume



* Environmental efficiency = Sales / environmental burden

* FY1998 indicated index is 100 for CO₂ emissions volume for production

Environmental Results (Economic effects)

Economic effects from energy conservation through “energy cost reductions” and recycled material purchasing” were reductions of 4.28 billion yen for Toyota Auto Body above and 2.29 billion yen for our consolidated subsidiary companies.

Please note:

Calculations limited to those items of a sound basis, excluding economic effects based on imaginative accounting such as “contributions toward product added value ” or “environmental risk recovery.”

Item	Amount of Reduction	
	Unconsolidated	Consolidated subsidiary
Energy cost reductions	0.14 billion yen	0.03 billion yen
Recycled material purchasing price	4.14 billion yen	2.26 billion yen
Total	4.28 billion yen	2.29 billion yen

Data

Incorporating Environment Data for Products (Main Environment Data for the New Alphard)

■ Toyota ALPHARD Environmental Specifications

Vehicle Specifications	Vehicle type		DBA-GGH20W		DBA-GGH25W		DBA-ANH20W		DBA-ANH25W		
	Engine	Type	2GR-FE				2AZ-FE				
	Total displacement (ℓ)	3.46				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	6A/T				CVT					
Environmental Information	Rate of fuel consumption	10·15 mode fuel economy(National Land and Transport Agency)*1 (km/ℓ)	9.5	9.2 *2	9.4	9.1 *2	11.6		11.4		
		CO ₂ emissions (g/km)	244	252	247	255	200		204		
		Remarks	All vehicles have clear the 2010 fuel economy standard * 2 , and conform to the Green Purchasing Law								
		Main measures for improving fuel efficiency	Variable valve timing, electric power steering, and charging control				Variable valve timing, electric power steering, and charging control, Automatic non-stage transmission(CVT)				
	Exhaust gases	Approved level(Ministry of Land, Infrastructure, and Transport)		SU-LEV *4 *5							
		Approved level values(g/km)	CO	1.15							
			NMHC	0.013							
			NOx	0.013							
		Remarks	Conform to LEV-7 (Low-emission vehicle) standards in 8 municipalities incl. Tokyo, Osaka, Kyoto, and Kobe area								
	Exterior noise	Conforming noise level regulation (dB-A)	Acceleration speed noise regulation value: 76 dB-A								
Air conditioning cooling use (type of refrigerant)		750 (Alternative freon HFC 134-A)									
SOC consumption		Lead	Achieved the Japan Automobile Manufacturers Association Self-Initiated Target Less than 1/10 compared to 1996)								
		Mercury	Achieved the Japan Automobile Manufacturers Association Self-Initiated Target (Prohibited from use after January 2005)								
		Cadmium	Achieved the Japan Automobile Manufacturers Association Self-Initiated Target (Prohibited from use after January 2007)								
		Hexavalent chromium	Achieved the Japan Automobile Manufacturers Association Self-Initiated Target (Prohibited from use after January 2008)								
Interior VOC		Achieved the Japan Automobile Manufacturers Association Self-Initiated Target									
Recycling	Parts of easily recycled materials	TSOP	Front and rear bumpers, rocker molding, side mud guards, pillar garnish, ceiling illumination garnish, backdoor garnish (interior), etc								
		TPO	Door trim cover, assist grip, seat backboard cover,and door seal								
	Plastic and rubber parts for part indication		Indicated								
	Use of recycled materials	PET bottle	Floor silencer, carpet(pile, sound insulation), pillar garnish silencer								
Recycled chip urethane		Rear floor raising material									

*1. Fuel efficiency may differ depending on the environment of vehicle use (weather, traffic, etc.) and driving methods (quick acceleration) , a/c use, etc.

*2. Value for vehicle weight more than 2,020 kg. *3. Targeted standard fuel economy set based on energy conservation law. *4. 10 · 15 +11 mode driving.

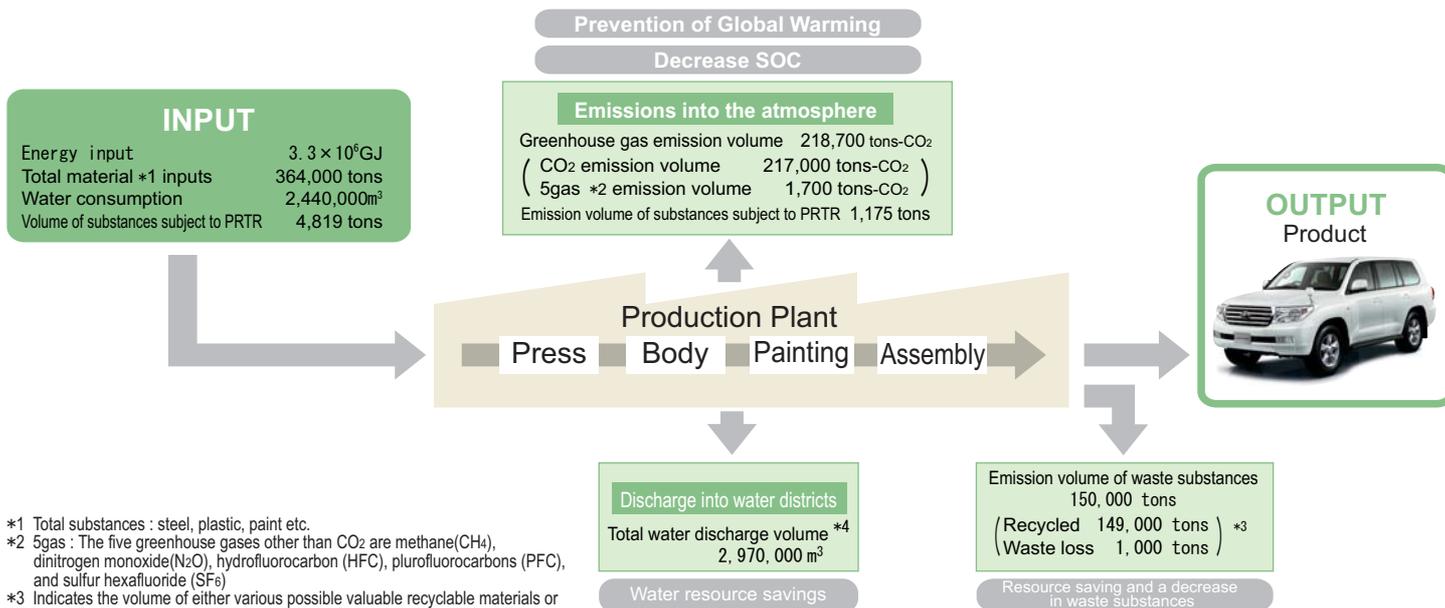
*5. Heisei 17 (2005) level for standard emissions gas reduced 75%

Hybrid Vehicle Production Numbers (FY2007)

Vehicle name	Number produced
Alpard Hybrid	3,916
Estima Hybrid	7,467
Prius (Produced at Toyota Auto Body)	134,891



Environmental Data in Business Activities (FY2007 invested resource volume and emission volume)



*1 Total substances : steel, plastic, paint etc.

*2 5gas : The five greenhouse gases other than CO₂ are methane(CH₄), dinitrogen monoxide(N₂O), hydrofluorocarbon (HFC), plurofluorocarbons (PFC), and sulfur hexafluoride (SF₆)

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

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



Environment Accidents and Complaints

At our Fujimatsu Plant, we received noise complaints from local residents for excessive noise from loudspeaker announcements within the plant. We stopped the announcements at night and spread out the speakers as measures to reduce noise, which we explained to local residents and the city hall in securing their understanding. We continue to make efforts to reduce plant noise for the community.

■ Law violations, accidents, and complaints

	Fujimatsu	Kariya	Inabe	Yoshiwara Kotobuki
Law violations	0	0	0	0
Environmental accidents	0	0	0	0
Complaints	1	0	0	0

Environmental Risk Management

● Ground Water Management

We are implementing self-initiated ground water surveys, in which densities of substances not previously recorded for use were detected at levels that exceed environmental standards. These results for the higher density substances are thought to be inflow from outside our plants, which we explained to the community and government. In addition, previously our Kariya Plant exceeded standard values, but now the values meet standards.

■ Fujimatsu Plant Ground Water Measurements

(Units : mg/l)

	Measurement value	Environmental Standard
Tetrachloroethylene	0.018	0.01
Tetrachloro-carbon	0.0074	0.002
Trichloroethylene	0.029	0.03

■ Kariya Plant Ground Water Measurements

(Units : mg/l)

	Measurement value	Environmental Standard
Trichloroethylene	0.006	0.03
1.1 dichloroethylene	0.019	0.02

● Dioxin Monitoring

At the Yoshiwara plant, one incinerator must be secured by observing the standard for maintenance management and emission density standards at a level below 1/1000th as stipulated in ordinances.

● Storing devices containing PCB

We have begun proper disposal of PCB* containing devices in conforming to FY2006 ordinances. Currently, we are managing and storing only three condensers.

*P C B : Polychloride Vinyl

■ Status of PCB-containing device storage

	Disposal Completed	Continued Storage
Transformers	3	0
Condensers	88	3

Environmental Auditing Results

In our internal and external audits relating to FY2007 environmental management, items in the table to right were indicated, but corrections were completed within FY2007.

■ Numbers of items indicated in the internal and exterior audits

Plant	Internal Audit		External Audit	
	Identified	KAIZEN request	Identified	Monitored Items
Fujimatsu/Kariya	1	21	0	4
Inabe	3	17	0	3
Yoshiwara/Kotobuki	7	29	1	2



● Please view our home page for environmental data for each of our offices and consolidated subsidiary production companies.
<http://www.toyota-body.co.jp/csr/environment/approach/toyotabody/data.html>

Relations With Customers

Delivering Fine Products by Considering the Customer First

Toyota Auto Body makes efforts to have customers use our products with the feeling of security as a responsibility that spans all stages, from research to development on through production and after-service, in our pursuit of product safety and quality.

Basic Policy

At Toyota Auto Body, our quality policy of having the world's No.1 quality is presented to all employees. In addition, in Our Promise (Basic MAP), placing the customer first is made clear, and we are promoting activities to have every employee work to follow our policy in their varied daily tasks to judge whether what is being done is for our society.

Activity Status

Improving Quality Through Developing Efficiently Produced Vehicles

Progressing from the development stage with vehicles that are easy to produce, we then link this to building in quality after we reach the mass-production stage. The result is a vehicle of fine quality, an example being the development of the Land Cruiser 200, for which special attention was given to the Land Cruiser's ease of production.

[Fundamental Ways of Progressing]

- 1) In coordinating with Toyota Motor Corporation, we understand our customers' opinion in the marketplace and reflect their opinions in planning and design.
- 2) We conduct test assessment and design by fully considering customers' use and the environmental conditions of a vehicle in order to improve design quality.
- 3) From the development stage, we are promoting integral activities with the development and production engineering departments, our plants, and suppliers to eliminate difficult operations in order build in quality in our production processes.

■ Main Improvements for the LAND CRUISER 200

- 1)-1 *Kaizen* and visualization for ease of production and degrees of quality assurance of individual parts and systems. (Inspection of each elemental task of wiring layout, removal, insertion, setting, and assembly).
- 2)-2 Moving up the schedule for ease of production *kaizen* activities
- 3)-3 Visualization by one-dimensional use of IT in the above activities, and its use in future projects

■ *Kaizen* for Ease of Production in All Elemental Operations (Activity case example efforts 3)

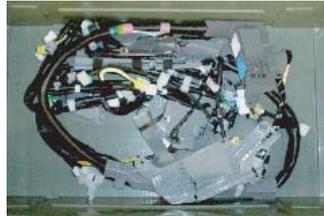
At the development stage, we have completed our goal of *kaizen* for ease of production at the elemental operation level. At the mass-production stage, we have confirmed targeted quality by checking in accordance with the operation requirements.

■ An Objective *Kaizen* Case Example

●Wiring layout before assembly

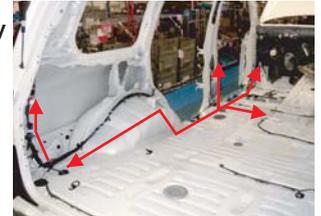
Kaizen of wire layout by considering removal, detachment, and assembly (cooperative efforts with our suppliers)

1. Prevention of assembly error by clearly initiating the assembly points.
2. Wiring that is grouped and easily transported
3. Wiring that doesn't get tangled



●After Assembly

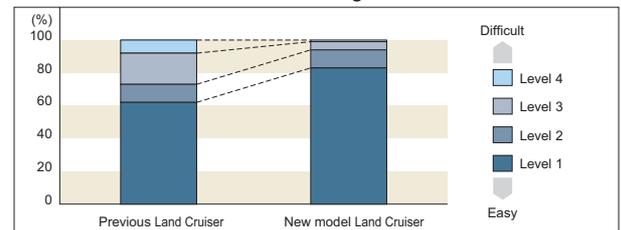
Prevention of wire twisting, entanglement, or cutting (chaffing).



■ Activity Results

By building in quality at the mass-production stage and from the above mentioned efforts, we are working to lessen burdens on the environment through reducing disposable parts that result during operations, as well as reducing operational burden.

■ *Kaizen* for Ease of Manufacturing



Activity
Status

Efforts for Assuring Quality in Mass Production

Even in mass production, we are progressing in confirming quality assurance by “strengthening the power of the workplace.

■ Efforts toward “zero” defects on the line

With a basis of *kaizen* by standard operations, we are making progress on all production lines with *kaizen* for latent problems in difficult tasks, and also removal of defect causes in each task and countermeasures for defects.

■ Raising employee awareness for quality assurance

Together with the ease of creating a manufacturing process, all employees are thoroughly made aware of the importance of quality assurance management activities and heightened awareness for quality assurance is achieved through education, lectures, and regular case example exhibitions.



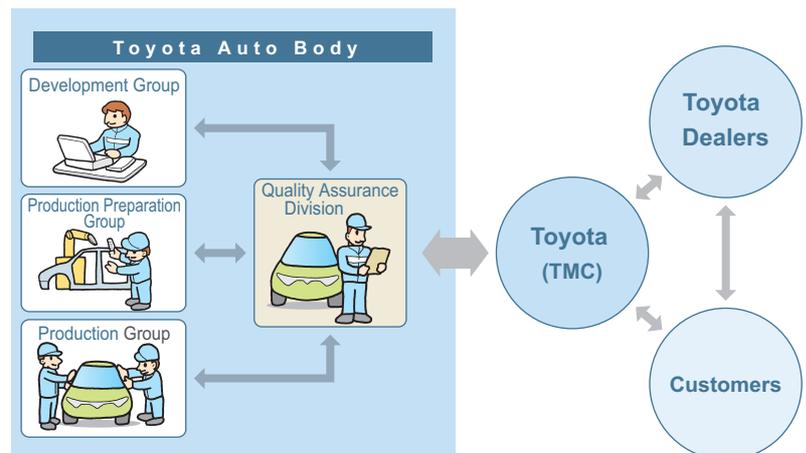
Quality assurance lecture meeting

Early Detection and Resolving of Problems By Using Information From Customers

Toyota Auto Body receives valuable quality-related information from customers and dealerships with a majority of that information received through Toyota Motor Corporation. Such information is disseminated through EDER(Early Detection and Early Resolution) activities by closely coordinating with Toyota Motor Corporation. EDER, which stands for “Early Detection and Early Resolution” is our activity that finds quality issues quality in the marketplace immediately solves any problems and quickly provides feedback to customers about results of improvements or *kaizen*.

■ Main EDER Efforts

- 1) Presenting information gathered early from around the world to the concerned departments.
- 2) Confirming any defects early through genchi-genbutsu (observing on-site work processes and dealerships)
- 3) Carrying out countermeasures through immediate decision making.

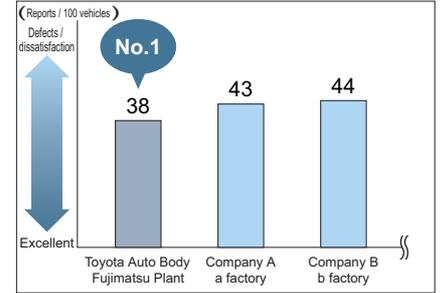


No.1 in the Asia-Pacific Region

Toyota Auto Body's efforts in mass-production are progressing with the same thinking for all mass-produced vehicles.

In a customer evaluation, IQS (Initial Quality Survey), by J.D. Power and Associates in the United States, our Fujimatsu Plant, which produces the Prius, received the highest quality rating among Asia-Pacific Region factories.

American J.D. Power IQS Evaluation (Asia-Pacific region)



System and Actions for Recalls

- 1 When defects in products are found, Toyota Auto Body circulates customer information and coordinates closely with Toyota in taking the necessary action if it has been decided to formulate measures for such defects.
- 2 In addition, for Toyota Auto Body's own electric vehicles, and living-related products, we take necessary steps toward the customers, who the most important. When accident information relating to our products is received, we immediately contact the related government agencies and offices as part of our revised law for consumer product safety.

Relations With Customers

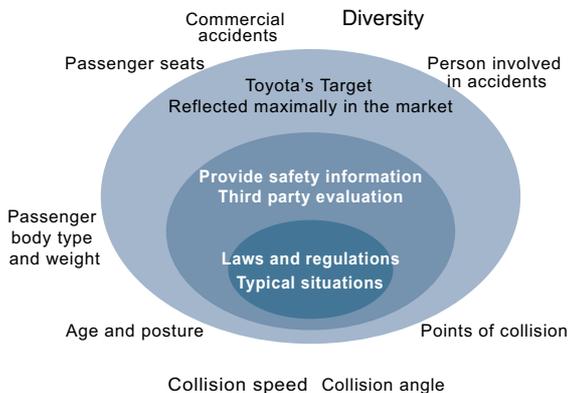
Our Pursuit of Safety That Gives a Great Sense of Security

Based on the thinking that vehicle manufacturing is founded in “safety,” we are working to develop safe vehicles from the viewpoint of “preventive safety” and “collision safety.”

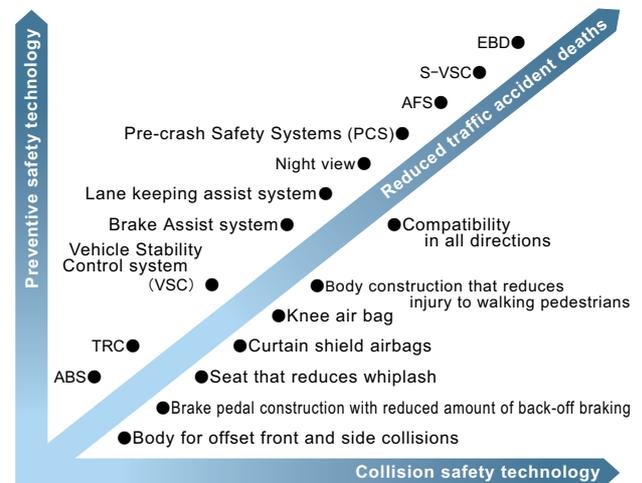
Basic Policy

In supporting our development concept of safe vehicle manufacturing that allows people to feel secure, we are working to lessen damage in all driving situations to achieve improved safety technology which always centers on humans.

Our thinking on collision safety



Efforts toward improving vehicle safety

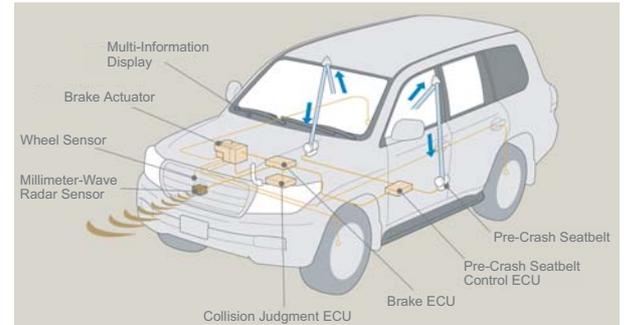


Improving Preventive Safety Through the Latest Technology

The basis of preventive safety is in a vehicle's fundamental functions of driving, turning, and stopping in accordance with the driver's intention. We at Toyota Auto Body are working to improve the performance of these three functions by exploiting the latest technology.

■ Lessening Damage With Our Pre-Crash Safety System(Millimeter-wave radar system)

Our pre-crash sensor warns a driver by a buzzer or other means in the event that the sensor judges the danger of a collision with a vehicle ahead, and oncoming vehicle, or an object on the road surface. If the brakes are operated, the pre-crash brake assist functions to increase braking control. Even if the brakes are not operated, the pre-crash brake activates to reduce collision speed and increases the restraining performance of occupants by early belt winding of the pre-crash seatbelt, thereby decreasing collision damage.



■ Other Preventive Safety Functions

- AFS : Adaptive Front-Lighting System
- S-VSC : Steering-assisted Vehicle Stability Control
- EBD : ABS with Electronic Brake force Distribution

Activity
Status

Improvement in Collision Safety Through “Collision-Safe Body” Development

We are developing a “collision safety body” (GOA: Global Outstanding Assessment) that achieves both a high-strength cabin and impact absorbent body in aiming to have survival space and occupant protection performance in full front, offset front, or side collisions.

■ Development of the All-Direction Compatibility “GOA”

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*1 in a collision for vehicles that differ by weight and height. Toyota Auto Body achieved an outstanding cabin structure which absorbs 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.

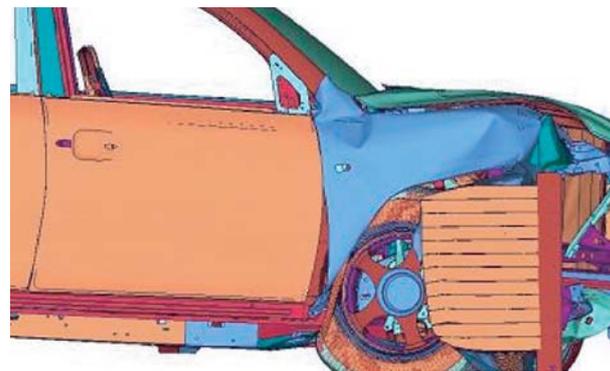
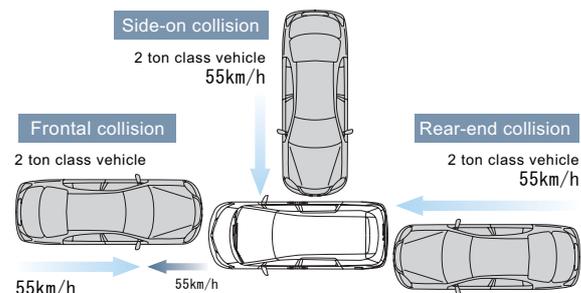
■ Developing Vehicle Bodies by Using CAE Analysis

We are developing a body that ensures the safety of each space in each section of the vehicle by exploiting CAE analysis, which limits cabin deformation to a minimum for the most severe kinds of collision from the vehicle front and side.



Offset front collision test

■ All-directional Compatibility



Offset front collision CAE analysis

■ Developing Airbags That Offer Protection to Occupants

SRS airbags deploy in the event there is ever a collision from the front, which together with the movement of seatbelts restrains impact to the chests and heads of the front seat occupants.

We have improved safety performance further by improving both SRS side air bags (front seat), which mitigate side impact, and also front and rear seat SRS curtain shield airbags, which assist in protecting the side of the occupant's head as the airbag deploys to cover the head. These airbags along with improved SRS knee airbags (driver seat), which increase protection for the entire body by absorbing the force of the collision to the legs of the front occupants, are used in 10 locations.



10 airbags

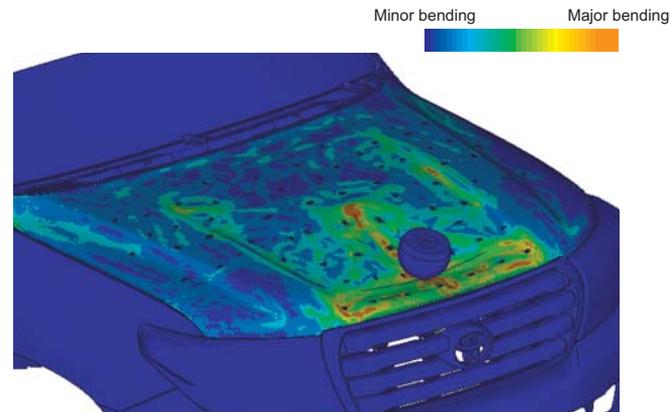
■ Injury to Pedestrians Decreased With Our Collision-absorbing Vehicle Body Structure

Use of a collision absorbing structure through using CAE analysis for bumpers, cowl fenders, and hood reduces chest and head injuries of pedestrians if they are hit by a vehicle.



Body structure that decreases pedestrian injuries

- A : Hood section
- B : Fender section
- C : Cowl section



CAE analysis projection of a collision to the front of the hood.

Relations with Customers

Providing Many People Enjoyment and Freedom of Movement Through Welfare Products

- With the coming of an aging society and the spreading of social welfare,
- Toyota Auto Body is developing and producing welfare vehicles to support independence of the disabled and elderly with Toyota Auto Body as the top manufacturer.

Basic Policy

At Toyota Auto Body, we making efforts to do public relations and activities to spread information on the welfare vehicle and equipment we develop and produce based on the thinking of “providing comfortable freedom of movement and allow the elderly and disabled to enjoy living just as other do in society.

Activity Status

Developing Various Welfare Vehicles That Suit the Uses and Purposes of Our Customers

Vehicle development began in 1968 by modifying vehicles to accommodate more people in wheelchairs.

Thereafter, we joined with Toyota Motor Corporation in considering surveying and planning for customers’ purposes of use, and we have broadened vehicle types by achieving enhancements to functions and equipment. Hereafter, we will make efforts to keep foreign markets in sight as develop and promote the spread of welfare vehicles and equipment with appropriate operation types for people who desire to drive by themselves.

Wheelchair Specification Vehicles	
'68	Rear lift vehicle (Micro bus)
'75	Rear lift vehicle (Box type)
'99	Welfare taxis
'01	Slope vehicles



Liftup-Seat Vehicles and Vehicles With Rotating Seats	
'94	Side-liftup seat
'96	Passenger liftup seat
'96	Passenger rotating seat
'98	Side liftup seat (Installation and removal type)
'00	Rotating slide seats for all passenger seats
'02	New Type liftup unit
'04	Passenger liftup seat (Installation and removal type)



Automatic Type	
'01	Driver liftup seat (Installation and removal type)
'06	Driver liftup seat (Side sliding and installation/removal type)
'07	Drive lift-up seat (side sliding) with a wheelchair crane
'07	Remote control type power driver seat



Toyota Auto Body Welfare Equipment Has the No.1 Share in the Welfare Vehicle Market

Our efforts to promote the spread of welfare vehicles and equipment we produce begins with Toyota Motor Corporation, followed by all domestic vehicle manufacturers.

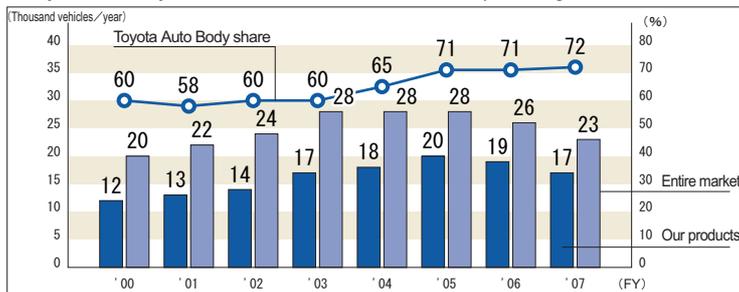
Public Relations for Welfare Vehicles to Reach Our Many Customers

Our public relations activities to promote the spread of welfare vehicles involve entering our welfare vehicles at all welfare events in each part of Japan, where we allow our products to be used. At the events, we ask the opinions of our customers who are actually using our products and we reflect their opinions in our products.



● Please view details about our welfare vehicle "Product Lineup"
<http://www.toyota-body.co.jp/english/products/welfare.html>

■ Toyota Auto Body Domestic Welfare Vehicle Market Share (Excluding small cars and buses)



Reflecting customer opinion in the development of products.



One of our welfare vehicle exhibits



Relations With Business Partners

Mutual Trust and Mutual Prosperous Coexistence

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 rationale, 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.

Basic Policy

We at Toyota Auto Body are acting with a basic policy of the speediest procurement of the very best materials at the lowest cost based on the fundamental principle of “realizing mutual prosperous existence and secure, long-term growth in working to strengthen mutual management with the opening of transactions and mutual trust with suppliers serving as a foundation.”

Activity Status

Mutual Prosperous Coexistence With Suppliers

Every year in April, we hold a procurement policy presentation meeting to communicate the important policies of Toyota Auto Body. In April 2008, 196 suppliers participated in the meeting.

In addition, every year we clarify issues concerning quality and cost with our suppliers and we have *kaizen* activities. Also, we present a certificate of appreciation to suppliers who carry out excellent activities in all fields.

■ Promoting Farther Fair Transactions

Based on the “Guidelines for the Promotion of Fair Subcontracting Practices” issued by the Ministry of Economy, Trade and Industry” a meeting was held in December 2007 to achieve further promotion of fair transactions. At the meeting, we emphasized the importance of mutual understanding and approval. We also explained the status of our efforts along with our fundamental thinking about fair transactions with Toyota Auto Body.



The procurement policy presentation meeting for communicating fiscal year policies of Toyota Auto Body

■ Promoting Fair Participation Opportunity

We also have exhibit activities for achieving mutual prosperity by fair opportunity to participate in transactions. In February 2008, we coordinated with the Gifu Economic and Industrial Promotion Center to hold the “New Industrial Methods and Technology Exhibit.” Many suppliers from outside Toyota Auto Body participated, and we achieved exchanges with other companies that participated at the exhibit.



Gifu New Industrial Methods and Technology Exhibit

Mutual Study and Exchanges With Our Suppliers

■ Communication Achieved Through Research Meetings

The Toyota Auto Body Kyowa-kai, consisting of a supplier’s voluntary group of 115 companies, is deepening mutual exchanges and brainstorming for creating the number one minivans and SUVs in the world.

Our efforts involved the creation of a research meeting related to the three themes of management, safety, and quality assurance, and also we achieved solid mutual cooperation through presentation and regular meetings as well as lectures.

At our “Outstanding Case Example Exhibit”, which focuses on such areas as safety and quality assurance, daily research results of each participating company were introduced. Of 87 participant case examples in FY2007, 11 case examples were selected as outstanding examples.



A presentation meeting to achieve mutual brainstorming

Community Relations

Social Contribution Activities

In order to fulfill our social responsibility as “good corporate citizen,” we are promoting green activities and activities to achieve coexistence with local communities.

Basic Policy

- 1) We at Toyota Auto Body are promoting activities that place emphasis on environment areas in aiming to be an environmentally progressive company and also realize “harmony with the environment” as set forth in our basic principles.
- 2) From the position of being a corporate citizen, we are promoting activities that aim for the coexistence with our local communities as well as maintaining good relationships among other necessary matters and the trust from the communities that are the foundations for our businesses.

Activity Status

Promoting Green Activities in Japan and Overseas

We at Toyota Auto Body are carrying out domestic and overseas thinning of forests and afforestation activities to conserve forest resources and prevent global warming, as well as raise environmental awareness in every one of our employees.

■ Support for Domestic Forest Making

We are carrying out environmental conservation activities with efforts in communities in Japan that serve as operating bases for our businesses, communities that are actively making forests, and also through coordinated thinning of forests.

■ Support for Overseas Green Activities

We are coordinating with overseas companies in Indonesia to carry out environmental conservation activities through forest making. In addition, we are also making efforts to restrain illegal clearing of forest land, and give instruction on how to make a living instead by growing fruit

●Please refer to pages 68-71 for a special feature that gives details on green activities



Forest thinning in Japan

Coexistence With Local Communities

Toyota Auto Body is making efforts toward activities to assure community safety and exchanges of opinion with local residents in aiming to be a company that is needed and trusted by the community.

■ Support for the Elderly and Disabled to Get Outside in Our Welfare Vehicles

As the top manufacturer of welfare vehicles, we run a shuttle service (Odekakekun) for picking up and sending off wheelchair-bound disabled and elderly people. In FY2007, approximately 1,000 people used the shuttle service.

■ 6,800 People Participated in Our ST Campaign (Get to Know Toyota Auto Body)

For people to understand the business activities of Toyota Auto Body, we are allowing people to tour our company.

■ Crime Prevention Activities Through Community Patrols

Toyota Auto Body is active in forming “Community Crime Prevention Patrol Groups” by coordinating with communities to prevent high incidents of street crimes.

■ Community Exchanges Through Facility Observation Tours

We are holding meetings for exchanges of opinions and also meetings for community discussion action, as well as explanatory meetings on the environment and facility observation tours in order to achieve communication with everyone in our communities. We also have people in the community participate in events at each plant.



Our shuttle service being used and enjoyed for leisure and shopping



A Community Discussion Meeting to maintain good community relations



- Visit us at the below website address for information on Toyota Auto Body's other social contribution activities. (Currently, only a Japanese version of this document can be viewed)

<http://www.toyota-body.co.jp/csr/contribution/index.html>



Supporting Forest Making In Japan

In Japan, Toyota Auto Body is supporting forest making in Aichi, Mie, and Kagoshima prefectures which serve as the bases for the main offices and plants of Toyota Auto Body and our consolidated subsidiaries, and our supports also extends to communities making progressive efforts (Kochi Prefecture).



● Click Please visit the below address for details on our support for domestic forest making. (Currently, only a Japanese version of this document can be viewed)
<http://www.toyota-body.co.jp/csr/environment/activities/domestic.html>

Activity Targets and Our Communities

- 1 Natural environment conservation through forest thinning
- 2 Employee awareness and enlightenment for environmental conservation

Kochi Prefecture
"Cooperative forest making"

Kagoshima Prefecture
"Cooperative forest making with companies"

Aichi Prefecture
"Forest thinning model forest"

Mie Prefecture
"Forest Making with our companies"

Our Activities

1 Natural environment conservation through forest thinning

Results: A decrease of 210 tons-CO₂ /up to 2007

We supported forest maintenance by thinning forests and carrying out other activities in four previously non-maintained 25 hectare areas in mountain forests. By 2012, we plan to support 103 hectares of mountain forest.

●Prior to forest thinning

Almost all light was blocked by the dense tree cover. The forest's original functions were not sustainable because the lack trees and growth resulted in less absorption of CO₂, and also less water retention, thus water runoff and landslides would result.



●After forest thinning

Light poured down to the forest floor where foliage grows, and with more growth and trees, mountain soil is more stable because it retains more water. Forest thinning is extremely important for making healthy forests.



2 Employee Awareness and Enlightenment for Environmental Conservation

Employees are achieving enlightenment in environmental conservation awareness through cultivating Kenaf and participating in “diagnosing forest health.”



Performing a survey of the health condition of the forest and confirming necessary maintenance.

A participant's comment



Participating in this “Forest Health Check-Up”, I learned the importance of forest health that in protecting the basis of our lives, water, we must thin forests and plant trees.

In recent years, I began to become aware of ecology, and although I have been satisfied with using an eco-bag and carrying my own drinking bottle, I feel it's necessary to be more open-minded and think ecologically in order to protect our forests and nature.

As an individual, I want to start acting and thinking for the environment, but by being able to participate easily in the company's activities, I would like to participate again in the future.

Administrative Group **Yuki Takeda**

Supporting Overseas Green Activities

As our first step in overseas activities, we at Toyota Auto Body are coordinating with our on-site consolidated subsidiary P.T. Sugity Creatives Co., Ltd., in our five-year plan of expanding afforestation activities of “Forest of Toyota Auto Body Group” in Indonesia.



● Click Please visit the below website address for details on support overseas green.
(Currently, only a Japanese version of this document can be viewed)
<http://www.toyota-body.co.jp/csr/environment/activities/foreign.html>

Activity Target and Communities

- 1 Natural environment conservation through forest creation and developing water resources
- 2 Environmental education for maintenance management of forest creation and developing water resources

Sukabumi Province, Indonesia
Forest area :
(25 times the size of Nagoya Dome)



Our Activities

1 Natural Environment Conservation By Sustaining Water Resources and Remaking Forests

Result: A decrease of 235 tons-CO₂ / until 2007

In order to help others in making a living, we supported tree planting activities for growing trees that can be used for construction materials (mahogany, etc.) and fruit trees (avocados, etc.) for land repeatedly slashed and burned, leaving the land unable to naturally become fertile again.

Until now, we have planted 28 hectares and plan to give support for planting 120 hectares by 2010.

● Before planting trees

Forests were illegally cleared, leaving devastated mountain replanting trees



● 1 year after planting trees

Plant and tree growth restored through afforestation



2 Environmental Education Through Basic Agricultural Guidance

We supported holding seminars for farmers to educate farmers to make seedbeds, and not to engage in slash and burn agriculture. We are also supporting environmental educational activities for children who will engage in farming in the future.

Educating on the importance of protecting forests and planting trees.



A Participant's Comment



I had intended to understand global warming through newspapers, but in becoming active in Toyota Auto Body's forest, I gain a sense of the disparity of on-site residents by their homes, clothing, electricity, and actions. In nearby villages, I felt what it is like to finally be able to eat on a given day. In addition, when going into the forest I experienced firsthand the progression of global warming and the earth's dryness by the site of red soil making river water brownish red from squalls and fields left bare by cutting the trees just to eek out a living day to day, even though it was public land.

Production Engineering Group **Mikio Watabe**



Community Relations

Contributing to Communities Through Our Group Companies

We are making efforts to expand activities aimed to expand car culture and create communities that make living easier and that have social welfare.

■ Life Service and Security Corporation

This company carries out activities and business for protecting the precious lives and property of our community and employees through traffic safety, and prevention of crime, disasters, and fire.

■ Company profile

Head Office	100, Kanayama, Ichiryama-cho, Kariya city, Aichi Pref. (Part of the main office of Toyota Auto Body Co., Ltd.)
Established	April, 2000
Paid-in Capital	20 million yen
Number of employees	469
Main Business	Office and social service facility management / security and protection administrative services / dispatching workers



Formation and training of special self-defense fire units to be ready for outbreaks of fire and in the community and company.

■ Life Support Co., Ltd.

This company provides comprehensive support for a variety of needs in our aging society through services such as sales and rental of care goods, home help, and daycare services with the goal of providing care workers, the people who need care workers, and elderly people with support and solving of all problems.

■ Company profile	
Head Office	13-4, 1-chome, Mikawa-Anjyo Minami-cho, Anjyo city, Aichi Pref.
Established	January, 1999
Paid-in Capital	80 million yen
Number of employees	96
Main Business	Selling nursing products, home help service



Day service by our professional staff

■ Life Creation Co., Ltd.

This company contributes to the growth of car culture through expanded activities that develop driving manners and skill, and also teaches proper handling of its RVs and SUVs through running an off-road course and a four-wheel training business.

■ Company profile	
Head Office	16-1, Mukaiyama, Ibo-cho, Toyota City, Aichi Pref.
Established	September, 1993
Paid-in Capital	75 million yen
Number of employees	11
Main Business	Off-road facility management



Driving the Land Cruiser on an off-road course

Creation of a Safe and Comfortable Workplace

A safe and comfortable workplace is the source of corporate power all of us desire at Toyota Auto Body. We are expanding risk management that uses safety and health management in making efforts for safety as the first priority.

Basic Policy

Toyota Auto Body Safety and Health Basic Policy

Basic Principles

Ensuring the health and safety of all people working at Toyota Auto Body is the foundation of management, and beyond recognizing our social responsibility, and in being solely devoted to “human respect” and “safety first”, we are actively making efforts to support a healthy mind and body, as well as create a safe and comfortable workplace in aiming for “zero disasters” and “zero illness”.

Action Policy

1. Prioritize safety and health above all else.
2. Observance of company rules, and also safe hygiene 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 management.



Action Status

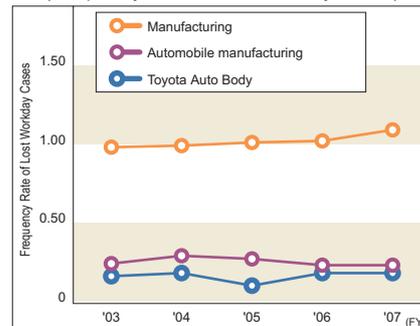
Activities for Observing Genuine Safety for Equipment and Basic Safety Rules With the Introduction of the Lock Out System

In FY2007, we placed emphasis on implementing the introduction of a system for locking the start mechanism of a machine to prevent a person from becoming stuck when the machine is started.



The Lock Out System for preventing equipment from being started by a third party.

Frequency of Labor Accidents (Frequency Rate of Lost Workday Cases)

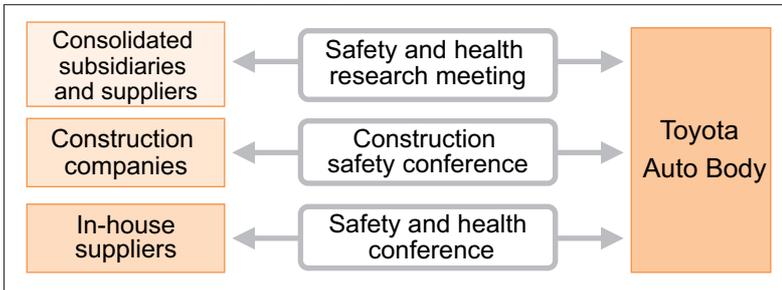


$$\text{Frequency Rate of Lost Workday Cases} = \frac{\text{Number of lost workday accident cases}}{\text{Total labor hours}} \times 1,000,000$$

Assuring Safety of All People Associated With Our Company Through Affiliated Organizations

We at Toyota Auto Body are working to assure safety through firmly establishing daily management activities, improving the standard of health, and creating affiliated organizations for each type of transaction.

Comprehensive Safety Management



Construction safety conference

- We at Toyota Auto Body place emphasis on measures from the aspects of people, equipment, and management for a safe and comfortable workplace.

[Safety]

- ◎Promote real safety for equipment in order to prevent serious disasters.
- ◎Thoroughly observe rules by understanding and acceptance of basic safety rules.
- ◎Improve awareness and knowledge through educational training by danger sensory learning.
- ◎Promote *kaizen* for planned operation environments for noise and seasonal summer and winter temperature variations.

[Health]

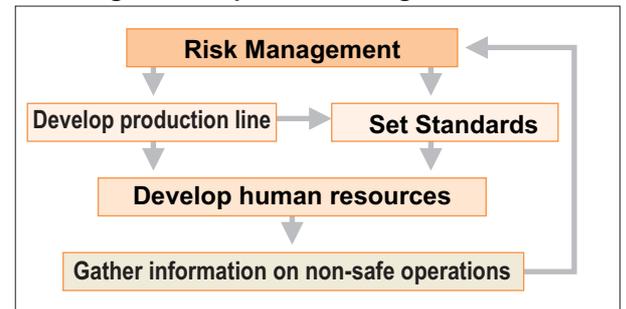
- ◎Broaden an system for maintaining one's inner health (mental health care)
- ◎Promote enlightenment for physical health



- A Core of Risk Assessment Management of on-site managers and supervisors

We at Toyota Auto Body are progressing in making a workplace of security and safety that emphasizes ease of working through performing *kaizen* of work methods by exposing risk that is deeply buried in operations (risk assessment) and reducing any risks, as well as acquiring information on non-safe operations through dialog between workers and monitoring operations.

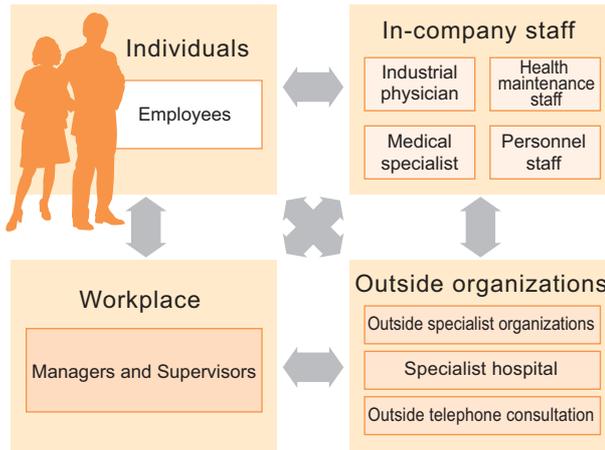
- Manager and Supervisor Management



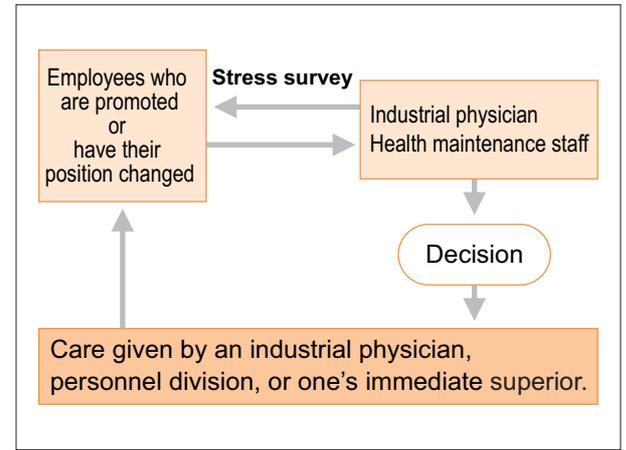
Enhancing Mental Health by Adding Care for Employees Who Are Promoted or Whose Company Positions Change

Toyota Auto Body is advancing in achieving a mental health care system for the mental health of our workers. In recent years, we have added a care system that surveys stress and diagnoses for anxiety resulting from promotion and position changes within the company.

Mental Health Care System



Care for Employees Who Are Promoted or Have Position Changes



Staff Comment

We are the specialists who support plant safety and health activities.

After starting our system of plant safety specialists in 1987, our plant total safety and health managers have been the one's on-site performing support and inspections.

Human Resource Development and Career Support

「Employees form the basis of all business activities, and we are supporting self-realization of individuals through Toyota Auto Body's Career Support Program (CSD).

Basic Policy

We are aiming to build a relationship of sharing and maintaining the high aspirations of our employees and our company.

Company

Contributing to society through achieving customer satisfaction

Relationship of shared high aspirations

Individuals

Self-realization through work and exhibiting creativeness

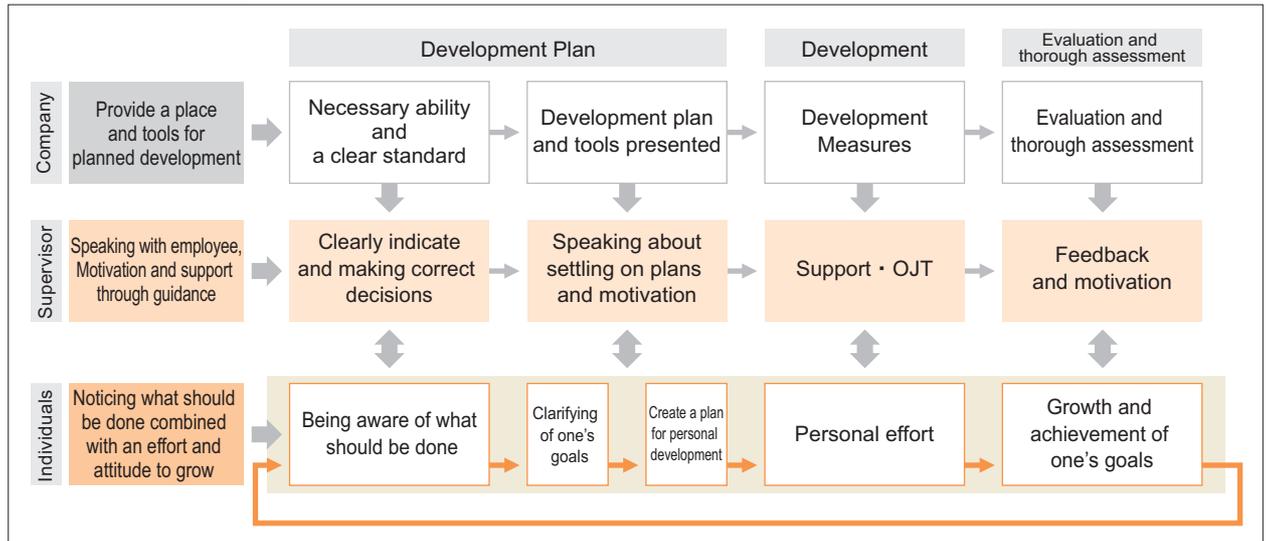
Development of Self-disciplined Employee

We promote individual growth and we are building a planned, mid-term system for human resource development, as well as clarifying our “image of employees we are aiming to develop.”

■ Supporting Growth for Individuals With Our Career Support Programs

In promoting growth of individuals, we are constructing a planned, mid-term system for personal development that clarifies the “image of employees we are aiming to develop” in order to have each employee think and act on their own in being active as “self-disciplined employees.”

■ Career Support Program (CSP)



■ Shifts in Employment Numbers

(People)

(Year)	2005	2006	2007
Regular entry	202	425	513
Mid-year entry	415	418	205
Total	617	843	718

Activity
Status**■ Centralized Training Facilities to Strengthen Manufacturing Ability**

The Toyota Auto Body Group is aiming to be NO.1 in manufacturing through SQSD (Safety, Quality, Cost, and Delivery) by progressing with continued kaizen activities on the basis of “standard operations” with visualization of processes by employees with the key word “jikotei kanketsu”(defect-free process completion to ensure that no defective product is passed on to other production processes). As a concrete example of our efforts, we have centralized skill training facilities, previously located in each plant, to be at the Global Production Support Center (GPC) from December 2006, making uniform skill training possible. Currently, other than for new employees, we are also conducting skill not only for new employees, but we are also training staff dispatched from staffing agencies as well as those hired as skilled labor every month before workers are assigned to a specific manufacturing-related position. In FY2007, we trained 4,300 employees who are now active in manufacturing.

■ Skill Training at GPC Before Workers Are Assigned to a Position

New employee skill training



Skilled labor performing skill training



Dispatched staff performing skill training



■ Achieving Global Human Resource Development

In looking to ensure and develop employees who will be active in manufacturing globally, we have constructed a registration system for employees demanded globally. We are also promoting planned human resource development through advancing in actively conducting international training that begins with language training. Furthermore, from overseas companies, we are developing employees who support Toyota Auto Body internally and externally to expand globally in putting energy toward human resource development for “allowing on-site instruction” through practical education by managers and supervisors who form the core of our on-site staff.



Language training



Practical training for Indonesian trainees



■ Three Employees Awarded From Outside the Company for Being Distinguished Skilled Workers

In April 2007, Toyota Auto Body employees who possess superior skills were awarded the Yellow Ribbon(Ohju-Hosho) for the first time in our company history. In addition, the employees received the “Aichi Skill Award” from Aichi Prefecture.



Yellow ribbon Award winner
Production Group: Masami Kamiya



Aichi Skill Award winner
Production Group: Hiroshi Abe



Production Group: Koichi Nakane

Creating an Energetic Workplace

Toyota Auto Body is progressing in invigorating communication for creating an energetic workplace with the cooperation of labor in aiming to expand society and the happiness of individual employees.

Activity Status

Enhancing Communication

Workplace communication through introducing the TL (Team Leader) System

In January 2008, we introduced a leader system (TL System) comprising a small number of employees for bringing about “teaching skills and the custom of being taught” as a result of monitoring subordinates and based squarely on the actual condition of the manufacturing work area.

Communication Between Employees in the Workplace

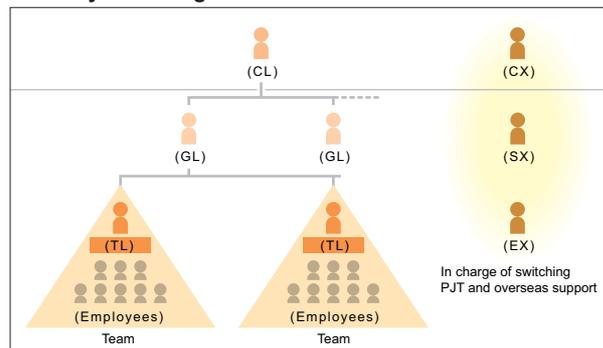
Establishment of the C Meeting System

To enhance communication in the workplace, the C (communication) Meeting system was introduced from 2004. Held every month for one hour, the meetings involve all workers who talk over common themes, which contribute to creating an open atmosphere for discussion.

FY2007 C Meeting Themes

- Managing industrial secrets
- Human rights week
- Workplace safety
- Energy conservation

TL System Image



A C-Meeting at the workplace

■ Communication With Employees and Their Families

● Improving Communication That Includes Family Communication at Plant Events

Toyota Auto Body is achieving improved communication at events held at plants once a year as a place for employees, their families, and the community to have fun.



Head office and Fujimatsu Plant
15,000 people attended



Inabe Plant 5,200 people attended



Yoshiwara Plant 5,000 people attended

● Set Up an Information Website

Enhanced communication in the workplace

With the aim to invigorate workplace communication, we set up a “creation information site in June 2007 to support exchanges of opinion in the workplace and between workplaces.

(This site gives information on word-of-mouth information, special event information, and the latest recommended recreational facilities.)

I. Facility and event information page

(1) Facility information

Information on where to inquire for company facilities and tie-up facilities and also fees

(2) Event information

Information sent from workplaces, companies, events, and scheduled car-sharing events, etc.

(3) Model plans (under preparation)

Model plans from various event information and facilities

(4) Useful information for planning recreation

Useful workplace recreation and health maintenance information and subsidy fees for planning recreation

II. Information Sending Page

(1) Information sent for other workplaces

An example would be recruiting opponent players for a softball game

(2) Word-of-mouth information

Restaurants and facilities people recommend

(3) Opinion and things people seek

Informal activity support site

Activity
Status

Good Labor and Management Relations

■ Labor and Management Meetings

Our employee labor policy of “mutual trust between labor and management” is our principle. At Toyota Auto Body, we are deepening mutual understanding through holding regular discussion such as our individual department “Workplace Labor and Management Discussion Meeting” and also monthly meetings such as the “Plant Labor and Management Discussion” at each plant, and the “Production Communication Meeting,” at which production issues are discussed for labor needs and line operations for that following month. Also, there is a weekly administrative discussion for daily processing management between labor and management. The “Labor and Management Conference Meeting” discusses issues between labor and management for labor conditions.



Labor and Management Discussion Meeting

Observance of Human Rights, Equal Opportunity, and Diversity

■ Observing Human Rights

In the “Toyota Auto Body Group Action Policy,” we are thoroughly achieving uniformity in the group by clarifying in writing that we do not discriminate by social identity, physical or mental condition, sex, principles, nor race.

● Enlightenment Through Lecture Meetings and Education on Human Rights

We are implementing human rights education for newly promoted managers and new employees to be aware of the importance of having every employee observe human rights. In addition, in January 2008, all managers and department heads, and also the presidents of related companies, together numbering 100, participated and listened intently to a human rights lecture meeting.



Human rights training



A human rights lecture by Suehiro Kitaguchi

■ Employing 147 Disabled People at All Our Companies

Currently, as of April 2008, there were 147 disabled people engaged in administrative work in various workplaces in our companies. We are progressively making attractive environment that allows the disabled to live alongside others in society by improving our workplaces and company dormitories.

■ Shifts in the Ratio and Number of Disabled People Employed

	2005	2006	2007
Number employed (Month average)	136	144	147
Employment ratio (FY average)	1.93%	1.95%	1.90%
Statutory employment ratio	1.80%	1.80%	1.80%

■ Employment Support for the Disabled (Mute)

(1) Maintaining a System of Integration

- Implementing education prior to entry into assigned positions in production processes
- Installing a light that flashes to alert the employee of a problem along the production line

(2) Communication

- Preparation of a whiteboard and notes for communication
- Representative section leaders overseeing disabled employees attend sign language seminars



Production Group
Igawa Takahiro

Entered Toyota Auto Body in April 2008,
Nagoya School for the Aurally Disabled
- Machinery Science Graduate

An Employee's Comment

Work and Company Life

I remember most how I was sleepy just before my shift and going into a deep sleep when I had a late ? night shift on my first day at work. I am able to experience many things doing my work and my boss and other workers help me if I have any difficulty. Now, I'm capable of doing work on my own, and I enjoy every day at work.





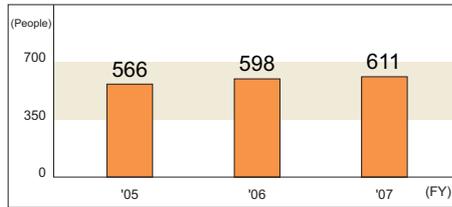
Activity Status

Promoting Diversity in Human Resources

● **Supporting the Role of Women Employees**
 We believe that broadening opportunities for women of high ability and will to be active is essential.

1. Maintaining the number of female employees
2. We are promoting a change (promotion) to having female employees who were previously assigned general duties to be engaged in work involving multiple tasks.

■ Number of registered female employees

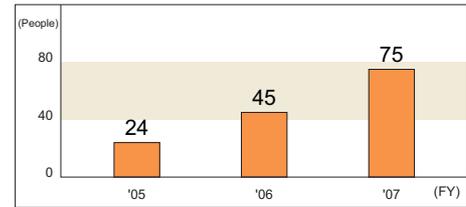


● **Promotion of 75 Dispatched Workers to Become Regular Employees**

We have mainly factory-skilled dispatch workers in large numbers working alongside regular employees in the same division.

We are promoting many of these workers to become regular employees

■ Number of dispatched workers who became regular employees



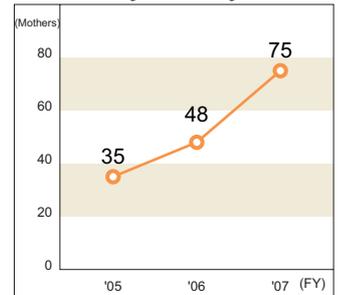
Balanced Support for Work and Childcare

■ **Achieving a Child Support System**

We have been supporting a balance between work and childcare with previous effort for creating a work environment that allow female employees the choice to continue working and demonstrating their abilities while also raising children.

Pregnancy and delivery through the child's first year	Work Restrictions	Exemptions from overtime, holidays, and late night work
	Maturity protection when pregnant and after delivery	Maternity protection measures taken based on physician's instructions
	Time off before and after delivery	8 weeks prior to and after delivery (14 weeks for multiple births)
	Nursing time	30 minutes per day x2 for childcare
Until 3 years old	Maternity leave	Until 3 years old (Technical positions: up to 2 years)
Until entry into elementary school	Work Restrictions	No work over set hours (Not to exceed 24 hrs/month, 150 hrs/year)
	Nursing time off	Exempt from late night work Child injury or hospitalized for illness (5 days/year)
Until 8 years old	Work Restrictions	No overtime
	Shortened work time	set work hours per day reduced by 2 hours

■ Number of Mothers Using Maternity Leave System



■ Balancing Work and Child Raising at the Cooperative Daycare Center “Tacchi-chi House”

In October 2007, Toyota Auto Body and four Toyota group companies jointly established the daycare center “Tacchi-chi House” for our employees. The daycare center was built in Aichi and Mie prefectures in five locations where our businesses are centered and serve to support the needs of employees. The centers allow employees to balance their work and child raising with center hours matching work hours and days for newborn children on up through elementary school children.



Tacchi-chi House Fujimatsu

FY2007 Usage	39 (all ages)
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Development Group
Mirai Numata and her baby boy.

A Mother's Comment

Up until the child is born, there is an unimaginable difficulty involved in childcare, and I was worried whether I would be able to work the same way as I had before my maternity leave.

Yet, because Tacchi-chi House is close to the company, and I can go quickly over to the center during work puts my mind at ease.

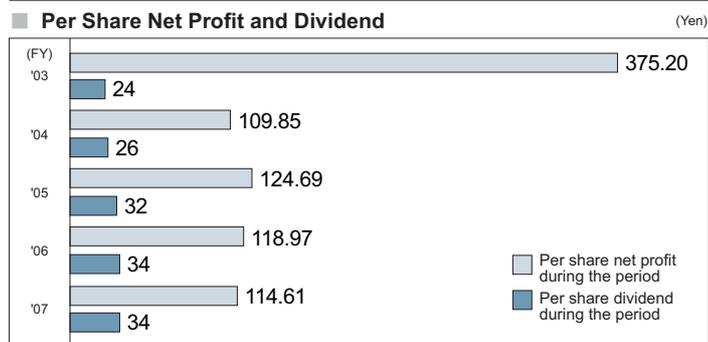
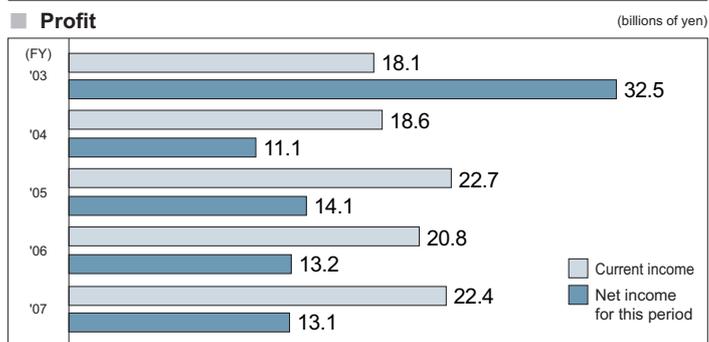
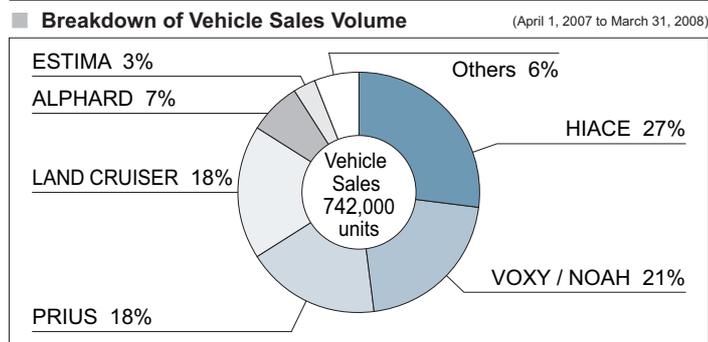
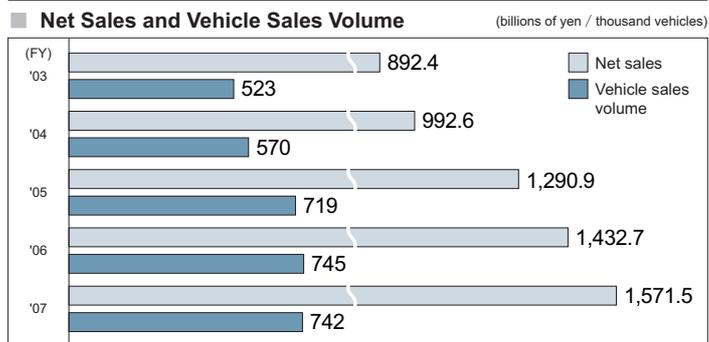
I also decided to use the center because the center is open until 8:30, allowing me to work a little overtime if necessary.

Although I realize my son may be a little saddened, I want him to grow up being strong.

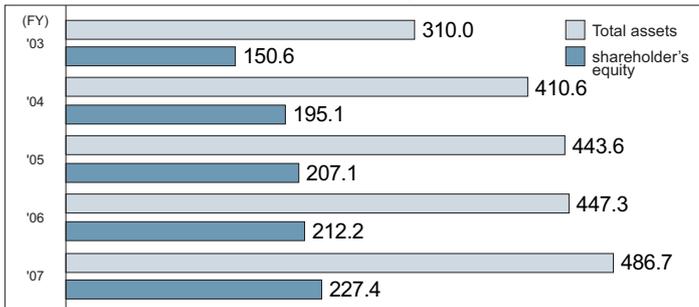
Economic Performance

In FY2007, consolidated net sales were 1,571.5 billion yen, an increase of 9.7% from the previous period of 138.8 billion yen. Consolidated current income also increased 1.6 billion yen, or 7.7%, to 22.4 billion from the previous period due to increased consolidated net sales and streamlining of Toyota Auto Body Group activities.

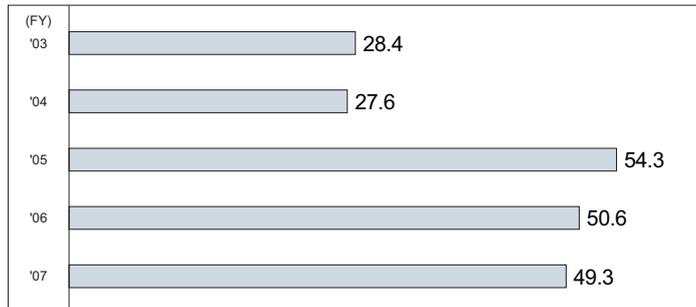
Shifts in Economic Indicators (consolidated sales)



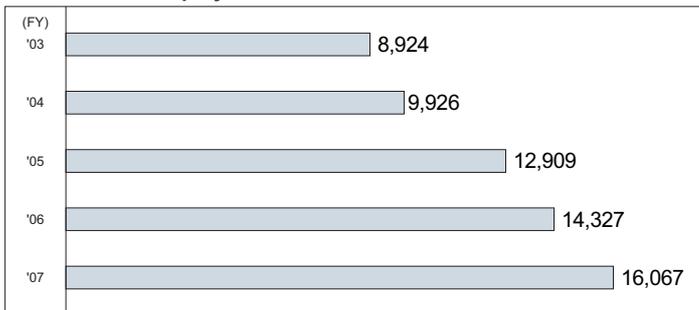
■ Total assets and shareholder's equity (billions of yen)



■ Capital investment (billions of yen)



■ Number of employees (People)



■ Unconsolidated and consolidated economic index (FY2007)

	Unconsolidated	Consolidated
Net sales	1,502.2 billion yen	1,571.5 billion yen
Current income	21.1 billion yen	22.4 billion yen
Net income	11.4 billion yen	13.1 billion yen
Net income per share	100.25 yen	114.61 yen
Total assets	450.6 billion yen	486.7 billion yen
Shareholder's equity	213.0 billion yen	227.4 billion yen
Return on Asset (ROA)	2.6%	2.8%
Return on Equity (ROE)	5.6%	6.1%
Capital investment	38.0 billion yen	49.3 billion yen
Number of employees (March 2008)	11,564	16,067



● For more information, please visit our website homepage for "Shareholders and Investors"
<http://www.toyota-body.co.jp/ir/index.html>

Main Plants



■ Head office · Fujimatsu Plant

100, Kanayama Ichiriyama-cho, Kariya City, Aichi Prefecture

Main products

- ESTIMA
- VOXY
- IPSUM
- ESTIMA HYBRID
- NOAH
- PRIUS



■ Inabe Plant

10, Ichinohara Inabe-cho, Inabe City, Mie Prefecture

Main products

- ALPHARD
- HIACE
- VELLFIRE
- REGIUS ACE



■ Yoshiwara Plant

25, Kamifujiike Yoshiwara-cho, Toyota City, Aichi Prefecture

Main products

- LAND CRUISER 200
- LEXUS 570 (Export Model)
- LAND CRUISER 70 (Export model)
- COASTER



■ 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

Domestic and Overseas Consolidated Subsidiary Companies and Affiliate Companies

(2008年4月1日)

			Company Name	Main Business
Domestic	Production Companies	Consolidated companies	Tokai Utility Motor Co., Ltd.	Manufacture and sales of special-purpose vehicles
			Toyota Body Seiko Co., Ltd.	Manufacture and sales of seat functions and precision parts
			Ace Industry Co., Ltd.	Manufacture and sales of auto parts, equipments, ozone products , linear motors
			Tokai Parts Industry Co., Ltd.	Manufacture and sales of presses and sheet metal parts
			Gifu Auto Body Co., Ltd.	Manufacture and sales of vehicle bodies and match parts
		Affiliated Companies	Toyotomi Kiko Co., Ltd.	Manufacture and sales of automotive parts
			Coberuku Co., Ltd.	Manufacture and sales of automotive parts
	Others	Consolidated companies	TABMEC Co., Ltd. (Formerly Mikawa Setsubi Co.,Ltd.)	Comprehensive maintenance of plants and facilities
			Toyota Auto Body R & D Co., Ltd.	Testing and designing auto parts
			Life Service & Security Corporation	Offers administrative and welfare programs services and security agency
			Inatec Co., Ltd.	Environmental analysis and measurement approval
			Life Creation Co., Ltd.	Management of off-road and auto camp facilities
			Life Support Co., Ltd.	Sales of nursing-care goods and home help services
	Overseas	Production companies	Consolidated companies	P.T.Sugity Creatives Co., Ltd.
Toyota Auto Body-Tokai Extrusion Co., Ltd.				Manufacture and sales of extrusion molded plastic and rubber parts in Indonesia
Chun Shyang Shin Yeh Industry Co., Ltd.				Manufacture and sales of dies, sheet metal parts, and pressed parts in Taiwan
Taiwan Auto Conversion Co., Ltd.				Manufacture and sales of specially-equipped vehicles in Taiwan
Thai Auto Conversion Co., Ltd.				Manufacture and sales of vehicle bodies and match parts in Thailand
Toyota Auto Body Malaysia Sdn.Bhd.				Manufacture and sales of large plastic parts for automotive use in Malaysia
Auto Parts Manufacturing Mississippi Inc.				Manufacture of automotive stamped, body weld and plastic parts in the U.S.A
Affiliated Companies		Thai Auto Works Co., Ltd.	Manufacture and sales of vehicle bodies and match parts in Thailand	

Third Party Independent Review

What to Expect of Toyota Auto Body

Representative, System Management Research Ltd.
Vice Chairman, Special Non-profit Activity Foundation of the Japan Environmental Auditing Association
CEAR registered ISO 14001 Head Auditor, and registered as a Safety Consultant for machinery with the Minister
of Health, Labour and Welfare Engaged in education and consulting for environmental and labor safety

Kenichi Yamashina



The Direction and Activities of the 2020 Vision

The announcement of a year 2020 Vision from the 2010 vision up until last in this report indicates a large shift in the course of Toyota Auto Body. When considering the challenges surrounding vehicles last year with worsening global-environmental issues and the increase in crude oil prices, I praise Toyota Auto Body for quickly indicating a vision for 10 years further in the future. This vision raises “Breakthrough” comprising “From Japan to the World,” “Techoonology” and “Individual Minds.” These three breakthroughs conform to the activity content indicated in this report and allow for a clear understanding of the direction of Toyota Auto Body.

In addition, from this year, this report considers the environment in only being posted on the internet, and although the number of pages had decreased from last year, related information can be viewed on other web pages and I think it is an appropriate attempt with the increase in the total volume of information being presented.

Although vehicles are currently an indispensable part of our lives all the major negative impacts vehicles have on the environment are a responsibility of automotive manufacturers that should not be understated.

Similar to last year's efforts, based on environmentally friendly design and production, usage reductions of SOCs and conserving of resources are part of improving recyclability, vehicle weight reductions, and energy conservation, in production and logistics, and in improved fuel economy. I give great credit to Toyota Auto Body's active stance in making environmental efforts with the introduction of green activities and other activities in Japan.

In addition, Toyota Auto Body includes efforts in being socially responsible as a company with numerous policies that elicit the vitality of employees, activities that contribute to communities, and relations with customers and business partners through product quality. Also the considerable number of graphs and activity case examples introduced in the report make the report easy to read.

Future Expectations

Although CO₂ reduction targets of the Kyoto Protocol and discussion covering climate change at this summer's Toyoko Summit are being considered, in the future I think achieved targets and activities for reducing CO₂ outlined in the "Technology Breakthrough" will need to show results squarely based on the 2020 Vision.

Furthermore, when looking at environmental performance as a result of environmental management, every piece of environmental datum, including consolidated data, are not easily measured. A method for recorded shifts in results of environmental management for every fiscal year for all of Toyota Auto Body should be considered.

In the future, I recommend a comprehensive method for comparing fiscal years for environmental performance. Despite active efforts in safety and hygiene management, and also having a safe and comfortable workplace as a source of vitality for the company, it is essential to clearly indicate the target and direction of Toyota Auto Body's aim. Even though shifts in the frequency rate lost workdays is a good standard for comparing to other companies in the same industry, an area to be carefully considered is that safety and hygiene activities are an extreme aim for preventing large disasters shifts the degree of the seriousness of the disaster.

With Toyota Auto Body serving as a major component in supporting the world's NO.1 Toyota Motor Corporation, stakeholders have high expectations. In looking to realize the 2020 Vision, I will expect more study and expansion.

Please share your opinion and anything that you think is needed concerning this report.

A survey can be filled out in our website homepage in the address below
(Also found on the top of the Environmental and Social Report homepage)



<http://www.toyota-body.co.jp/english/csr/contacts/enquete2008.html>

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Participation in the “Team Minus 6%” National Movement for the Prevention of Global Warming

Toyota Auto Body is Participating in the “Team Minus 6%” national movement for the prevention of global warming.

①Setting air conditioning temperature to 28°C, and ②we are making efforts to limit CO2 emissions and we are encouraging dressing lightly during the summer months.



Stop Global Warming!

Team minus 6%