

Environmental Accounting

Effective Use of Managerial Resources Toward Environmental Conservation Activities

Basic Policy

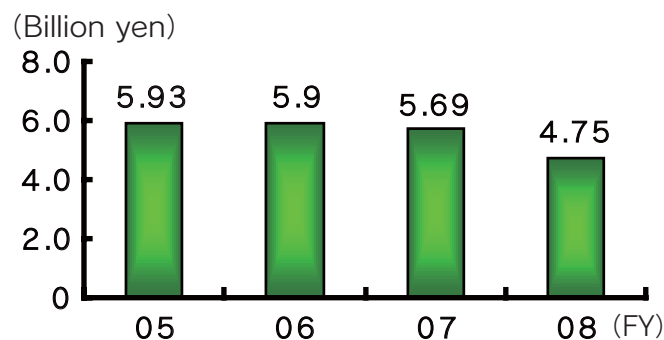
We at Toyota Auto Body promote building an environmental accounting system for understanding the expense (environmental cost) and effects (economic effects) from those expenses as a target of reducing environmental burden of our business activities. In this report, we have calculated the environmental effects and environmental costs in following with the “Environmental Accounting Guideline” of the Environment Ministry. We are also calculating environmental efficiency from the viewpoint of economic efficiency.

Environmental Cost

Toyota Auto Body is calculating environmental cost by dividing the cost into “environmental investment” and “maintenance costs (expense).” In addition, we have added the costs of the environmental portion (constant rate) included in direct environmental investment and regular equipment investment. In the extremely severe economic conditions of the second half of FY2008, with large scale cuts in equipment investment outlays (cuts decreased 31% from the previous year), Toyota Auto Body alone had costs of 4.75 billion yen, a decrease of 0.94 billion yen from the previous year (17% decrease).

※ Total equipment investment (Tangible base) :
 FY2008 26.4 billion yen (FY2007 38.0 billion yen)

Environmental cost transitions



■ FY2008 Environmental Cost Calculation Results (unit: million yen)

	Toyota Auto Body		Consolidated companies	
	Invested	Costs	Invested	Costs
In-area operation costs	2,494	652	440	111
Up and downstream costs	—	—	—	—
Activity management costs	—	757	—	77
R&D costs	—	822	—	—
Social activity costs	—	16	—	—
Environmental damage costs	—	4	—	—
Total	4, 745		628	

Economic Results

From energy cost savings and purchasing recycled materials, Toyota Auto Body saved 4.12 billion yen and our consolidated affiliated companies saved 1.89 billion yen.

Note as follows:

- (1) Calculations are 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.”
- (2) For improvement results of environmental burden (material volume results), please refer to the page(s) regarding “Energy and Global Warming,” “Resource Recycling,” and “Substances of Concern” .
- (3) <Environmental Cost> and <Economic Results> 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.
 Overseas : Chun Shyang Shin Yeh Industry Co., Ltd.(Taiwan), and PT. Sugity Creatives (Indonesia)

Environmental Efficiency

We at Toyota Auto Body are following up on CO2 emissions volume as our economic efficiency indicator. With 1998 as the standard at 100, FY2008 was at 273, a 10.5% improvement compared to the previous year.

Note :

- (4) One value for FY2007 Environmental Efficiency was miscalculated.
 (Calculation error) 271 → (Corrected calculation) 247

FY2008 Environmental Results (Economic results)
 (Units: million yen)

	Cost Results	
	Toyota Auto Body	Consolidated companies
Energy cost savings	90	49
Recycle purchasing costs	4,030	1,836
Total	4,120	1,885

Environmental Efficiency
 (Only Toyota Auto Body CO2 emissions volume for FY1998 was at 100)

※Environmental efficiency= Sales / environmental burden

