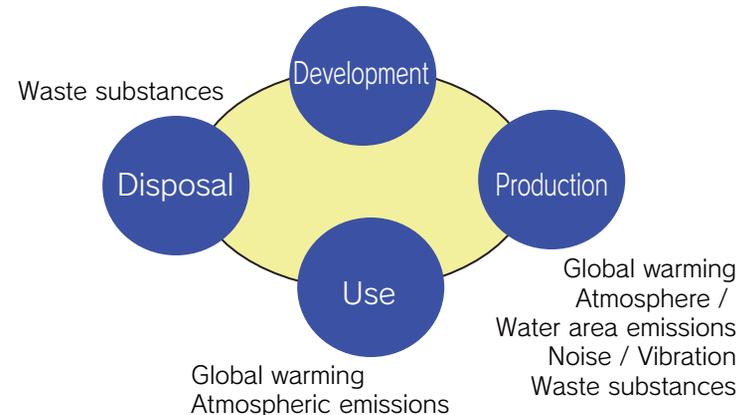


Environmental Policy

Aiming to Be an Ecology-Minded Company Respected By Society

As a member of the Toyota Group, we are making efforts to reduce burden on the environment in all stages from vehicle manufacturing, use, disposal, and recycling.

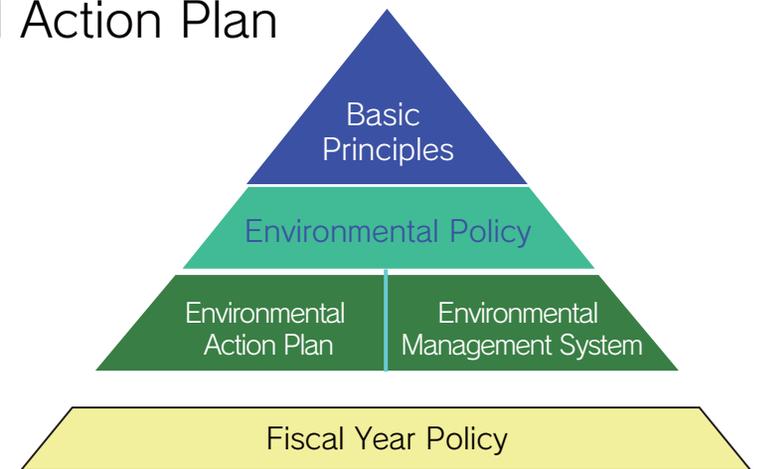
We at Toyota Auto Body are aiming to coordinate with Toyota Motor Corporation in vehicle design and development that considers the environment. We are also aiming to construct measures that place the environment first through continuing to increase globalization of our production base, uniting with our foreign and domestic affiliated companies, and maintaining a system of consolidated environmental management in realizing environmental management in the Toyota Auto Body Group.



Our Environmental Policy and Environmental Action Plan

Based on “open and fair industrial action and harmonizing with the environment” as found on page 1 of the Toyota Auto Body Basic Principles” (see page 6 of this report), we established our environmental policy for the Toyota Auto Body environmental efforts which is shared by our foreign and domestic group companies.

Toyota Auto Body is progressing with this environmental policy and has established concrete action through both our five-year Toyota Auto Body Environmental Action Plan and Environmental Management System.



■ Toyota Auto Body Environmental Policy (Revised in October 2004)

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 obeying 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.

Environmental Action Policy

1. Development and provide products that place no burden on the environment

- (1) Environmentally friendly design and development
- (2) Early evaluation of *SOCs and strengthening of a follow-up system

2. Pursue production activities that emit few waste substances

- (1) Further reduce environmental burden through conserving resources and energy
- (2) Introduce and follow up of high-minded self-initiated goals

3. Disseminate information, cooperate, and coordinate with society regarding environmental action as a member of society.

- (1) Coordinate and cooperate with affiliated companies
- (2) Contribute to non-business activities
- (3) Actively release information and promote enlightenment activities

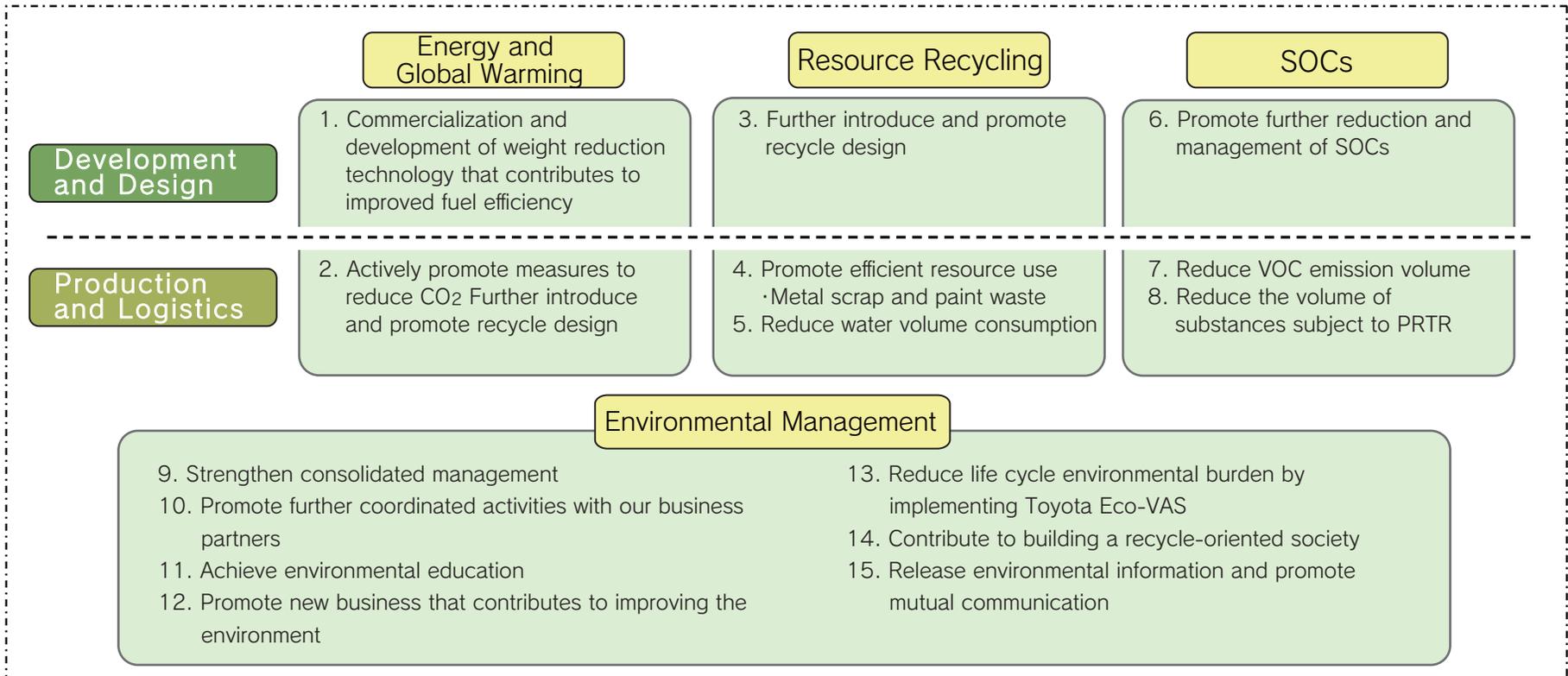
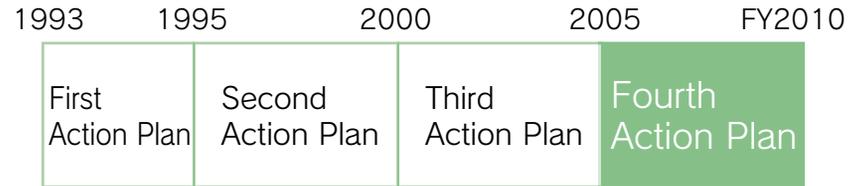
4. Promote environment management that addresses consolidated management

- (1) Strengthen Toyota Auto Body Group efforts

The Fourth Toyota Auto Body Environmental Action Plan

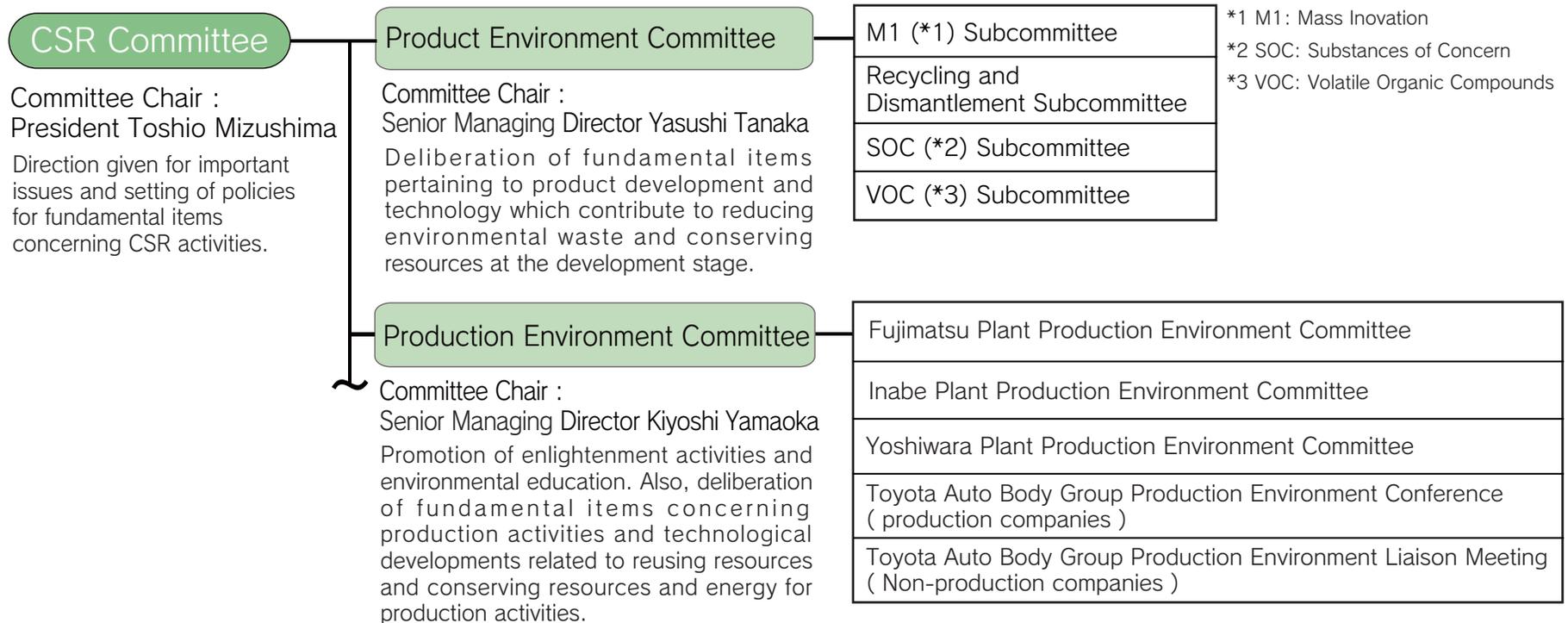
The Fourth Toyota Auto Body Environmental Action Plan is a clear five-year action plan from FY2006 through FY2010 for concretely executing our “Contribution to an Affluent 21st Century Society” as found on the first page of the Basic Policy for the unified Toyota Auto Body Group.

<<Environmental Action Plan transition>>



Environmental Action System

With President Mizushima as the Chair of the CSR Committee*, two separate special committees, the Product Environment Committee and Production Environment Committee, were established which address and deliberate on related issues and action policies. We are progressing with efforts in each field by coordinating among each concerned department and section in all companies in the Toyota Auto Body Group. *(Details on page 11 of this report)



Energy and Global Warming

Heading Toward Mid- to Long-Term Energy Conservation and Reductions in CO₂ Emission Volume

Basic Policy

Energy and global warming are the most pressing issues of the earth's environment. Climate change is a concern with its deep impact on the ecology and living environment for humans.

From the viewpoint of energy conservation, the Toyota Auto Body Group is actively moving forward with efforts to decrease CO₂ emissions. Working with Toyota Motor Corporation, our design and development departments are looking to improve vehicle fuel efficiency through our commitment to developing and introducing weight reduction technology in vehicle body steel sheets and vehicle interior materials.

In addition, our production and logistics departments are changing to clean energy through cumulatively improving and introducing energy conserving production technology in looking to have "Eco factories" that establish targets of a global management system and reductions in CO₂ emission volume. We are promoting efforts in all stages of vehicle design and development through production.

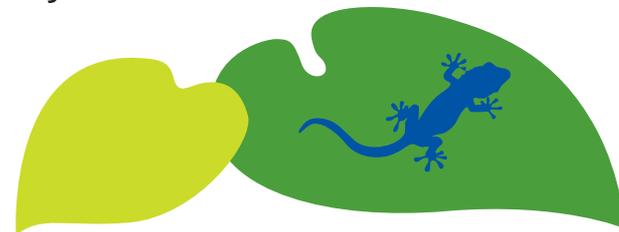
Action Items

Development and Design

- Commercialization and development of weight reduction technology that contributes to improved vehicle fuel efficiency

Production and Logistics

- Active promotion of measures to reduce CO₂



Activity Status

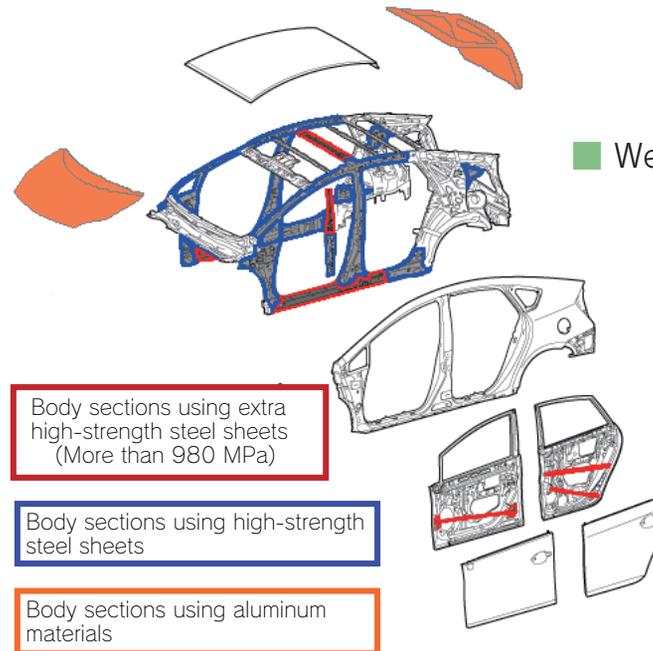
Development and Design

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

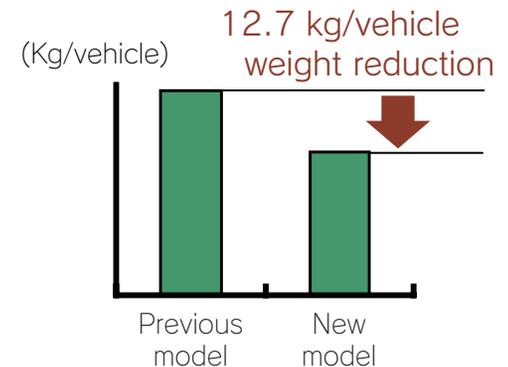
In conjunction with new-model and full-model changes, we are able to progress more easily toward improved fuel efficiency through being supplied with fuel efficient engines supplied by Toyota, the introduction of more efficient transmissions, and also Toyota Auto Body's commercialization and development of vehicle body and interior weight reduction technology.

Vehicle Body Weight Reduction by Using High-Strength Steel Sheets and Aluminum Materials

Many extra high-strength steel sheets and high-strength steel sheets in exterior panels in the vehicle body frame of the new model Prius achieve a rigid body of reduced weight that offers reduced vibration and noise while also ensuring collision and operational safety. Use of aluminum for exterior panels achieves further weight reduction.



Weight per vehicle body (cabin frame)



Activity Status

Development and Design

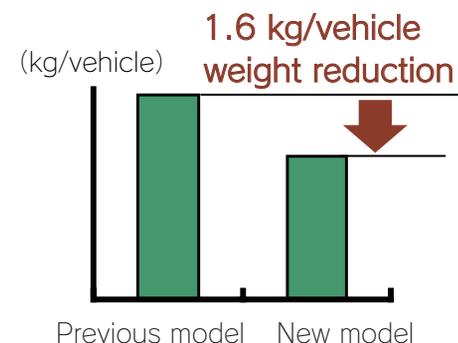
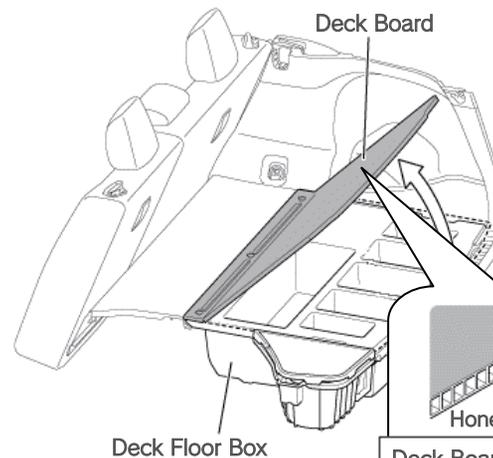
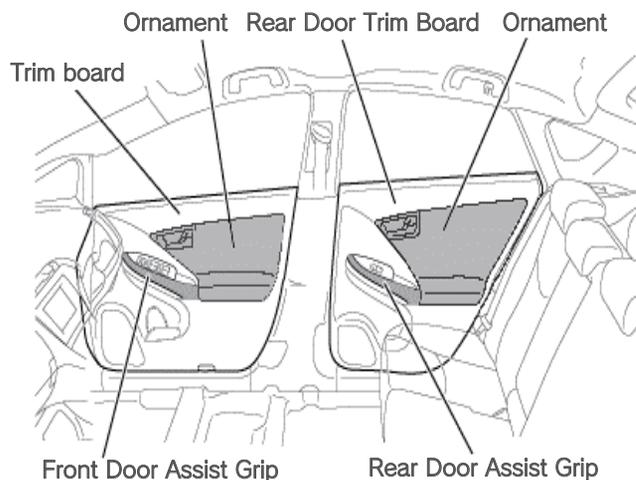
Commercialization and Development of Weight Reduction Technology That Contributes to Improved Vehicle Fuel Efficiency

■ Weight Reduction Achieved by Interior Materials and Reassessment of Structural Methods

We achieved weight reduction in the new model Prius by using a foam type material in the rear door trim board and front door trim board. Weight reduction was also achieved by using foam PP beads* in the deck floor box and we used an integrated-type honeycomb-structure deck board.

※: Foam PP beads: Polypropylene expanded 30 times

■ Door Trim weight per vehicle



Activity Status

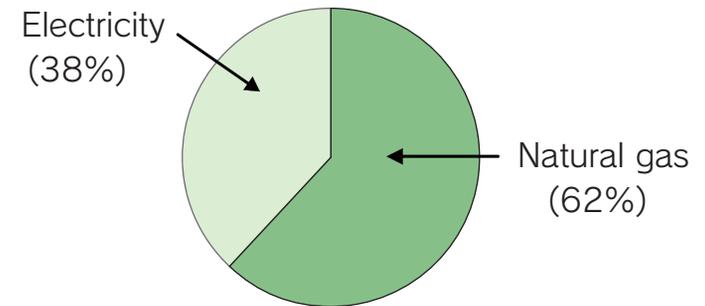
Production and Logistics

Active Promotion of Measures to Reduce CO₂

Reduce CO₂ Emission Volume From Fixed Sources of Release (1/2)

We at Toyota Auto Body are actively promoting the introduction of new technology and transitioning toward clean energy by using Natural gas (publicly supplied) as part of our activities to reduce CO₂. In particular, in the extremely tough economic conditions at the end of FY2008, all of our employees united in making energy conservation efforts such as production line summarization for more efficient production and decreasing energy losses during days production plants are closed and for periods of non-operation.

Comparison of Production Process Volume of Energy Heat (FY2008)



FY2008 Case Examples of Energy Conservation

Plant	CO ₂ reduction measure	Reduced volume (Thousand tons)
Yoshiwara	Introduced efficient turbo freezer	0.6
fujimatsu	Product line summarization (Stop operation of sealer drying oven)	1.0
inabe	Decrease air leaks in welding processes	0.2



Energy conservation by using a heat emitting winter highly efficient turbo freezer

In the winter, by efficiently using a heat emitting air compressor that previously emitted heat into the atmosphere, we made warm water with a heat pump type freezer and used it to heat our production plants.



[Highly efficient turbo freezer]

Activity Status

Production and Logistics

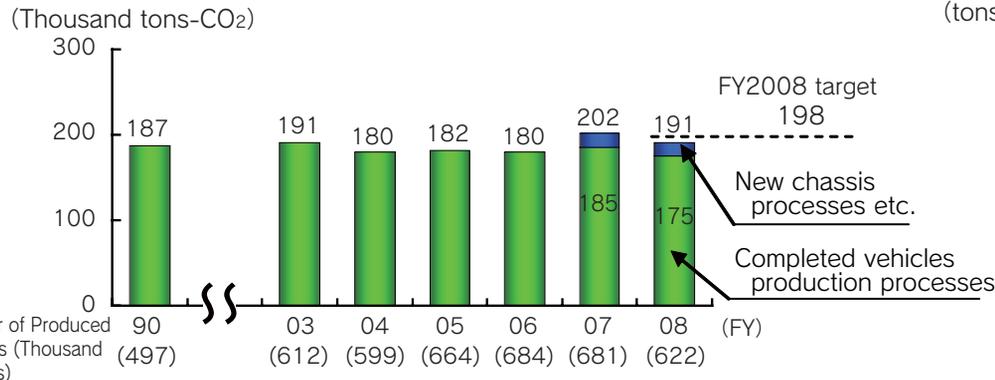
Active Promotion of Measures to Reduce CO₂

Reduce CO₂ Emission Volume From Fixed Sources of Release (2/2)

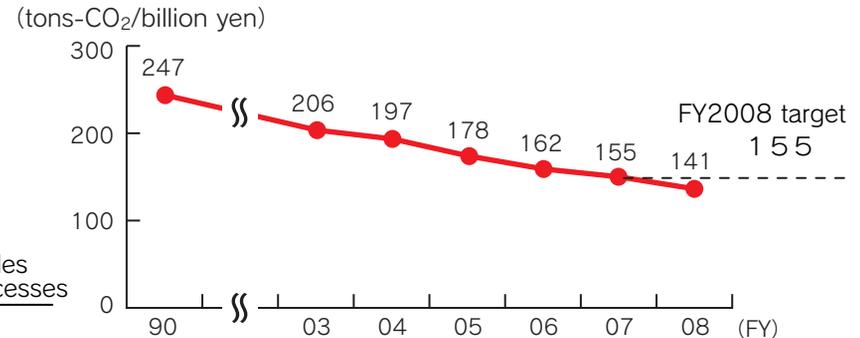
In FY2008, results were achieved from measures on the previous page, and with a reduction in the number of vehicles produced in the last half of the fiscal year, total emission were 191,000 tons-CO₂, and comparing FY1990 levels to the 2010 target of an increase of 5%, actual performance was achieved with an increase of 2%. Also, with regard to emissions per total sales unit, results came to 141 tons-CO₂ per billion yen, and a FY2003 10% decrease compared to the FY2010 target, we achieved a decrease of 32%.

Hereafter as well, in addition to introducing energy conserving equipment when reforming the factory, we are promoting the introduction of CO₂ reducing production technology and reductions in CO₂ emissions volume.

CO₂ emissions volume in production processes
 [FY2010 target : Less than 196,000 tons-CO₂] · · · ※ 1
 (5% increase compared to FY1990)



CO₂ emissions volume per sales unit
 [FY2010 target: Less than 185 tons-CO₂ per billion yen] · · · ※ 2
 (10% decrease compared to FY2003)



※ 1 CO₂ emissions volume : From the previous completed vehicle production process target (10% decrease compared to FY1990), we changed to a target that introduces all production processes such as the chassis newly equipped process from Toyota Motor Corporation (Less than 5% compared to FY1990). In FY2008, in the processes previously covering complete vehicle production process, despite a 25% increase in vehicles produced compared to FY1990 (622,000 vehicles produced by Toyota Auto Body on a unconsolidated basis), CO₂ emissions volume decreased by 6% (175,000 tons-CO₂).

※ 2 CO₂ emissions volume : We are promoting efforts to reduce emissions and we set a CO₂ emissions volume target that combines volumes for production processes and per sales unit non-production processes(offices etc.).

Activity Status

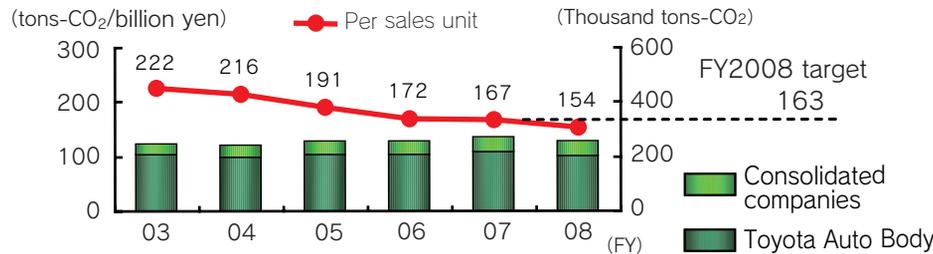
Production and Logistics

Active Promotion of Measures to Reduce CO₂

Reduction of Global CO₂ Emissions Volume From Production

Although we pushed forward with a target to reduce CO₂ emission volume per sales unit by FY2010 by 8% compared to FY2003, we achieved this target early. Hereafter, we will continue improving mutually introducing case examples of energy conservation by coordinating with 10 domestic and foreign consolidated companies

Global CO₂ Emissions Volume Per Sales Unit
 [FY2010 target: Less than 204 tons-CO₂/billion yen]
 (8% decrease compared to FY2003)



Switching to natural gas for boiler fuel at PT. Sugity Creatives in Indonesia.

Sugity Creatives switched to use natural gas instead of diesel, which was previously used for boiler fuel for painting bumpers. As a result, CO₂ emissions volume was reduced by 110 tons-CO₂ per year.

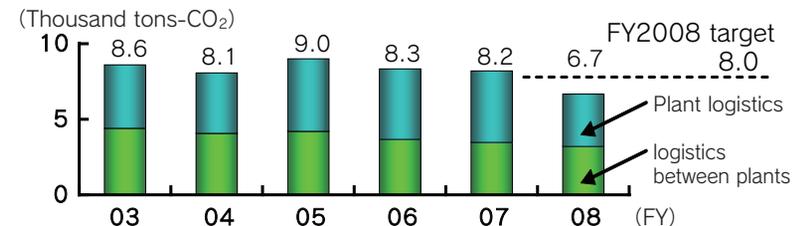


[Small type boiler for painting bumpers]

Reducing CO₂ Emissions Volume in Logistics

At Toyota Auto Body, we are actively moving toward electrifying plant tow vehicles and improving loading capacity of transport between plants (See map to the right). In looking to make production efficient within the Toyota Group, we at Toyota Auto Body are working to improve capacity efficiency from the shipping planning stage in order to transport mutual supplied parts shared for the same vehicle being made at other companies.

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



■ Topics

■ Thai Auto Works (Thailand) Won the Energy Award 2008

On July 31st 2008, President Ōno[※] of Thai Auto Works (Thailand), one of our group companies, was selected for the “Best Energy Top Management” award at the Thai Energy Awards 2008.

※Toyota Auto Body's Executive Corporate Officer as of July 2009

[President Ōno (Left) receiving the award from the Thailand Energy Minister]



■ Roof Greenification of Toyota Body Seiko Co., Ltd. New Toyohashi plant

At a group company, Toyota Body Seiko Co.,Ltd. Toyohashi Plant, in May of 2009, we promoted energy conservation by allowing in natural light which decreased electrical power use during the day. We also planted lawns on the roof of the No.2 factory building.



[Greenification of the Toyohashi No.2 plant building roof]

[The interior of the No.2 plant brightened by natural light]

Resource Recycling

Contributing to Building a Recycle-Oriented Society by Efficiently Using Resources

Basic Policy

The serious global issue of withering resources is a growing concern.

Japan depends on many resources from abroad and is also beset with issues such as illegal dumping and a lack of landfill sites.

In looking to contributing to build a recycle-oriented society, Toyota Auto Body is making further efforts efficiently use resources at our production bases and also improve vehicle recyclability.

Action Items

Development and Design

- Further Promote and Introduce Vehicle Recycle Design

Production and Logistics

- Further Promote Efficient Resource Use in Looking to Build a Recycle-Oriented Society
- Reduce Water Volume Consumption



Activity
StatusDevelopment
and Design

Promoting and Introducing Further Recycle Design for Vehicles

■ Addressing Vehicle Recycling Laws in Japan and Abroad

In January 2005, vehicle recycling laws were implemented, whereby a system began for hauling and recycling various types of freon gas, airbags, and Automobile Shredder Residue (ASR) from used vehicles.

Also in Europe, an End of Life Vehicle (ELV) disposal ordinance came into effect in 2000, which instituted vehicle recycle law in the European Union. From January of 2007, vehicle manufacturers in certain countries will begin all hauling and recycling of disposed vehicles.

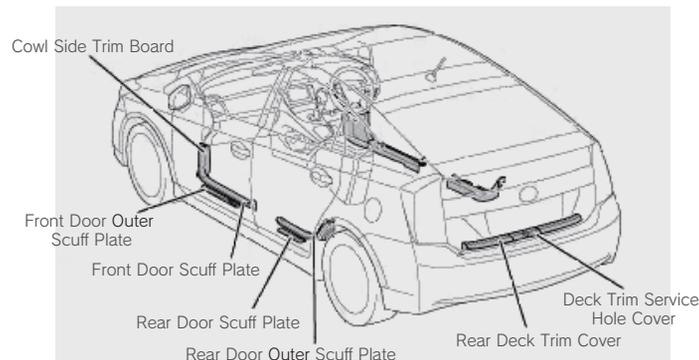
In coordination with Toyota Motor Corporation, we at Toyota Auto Body are making efforts from the development and design stages to develop and introduce vehicles that are easy to dismantle and recycle. We are also making efforts to expand use of potentially recyclable resources.

■ “Eco-Plastic” in the New Model Prius Harmonizes With the Environment

■ Eco-Plastic parts

We are developing “Eco-Plastic” made from potentially recyclable plant resources.

Eco-Plastic is being used in parts of the new model Prius such as the scuff plate and driver’s side seat cushion.



Driver's side seat cushion

Activity Status

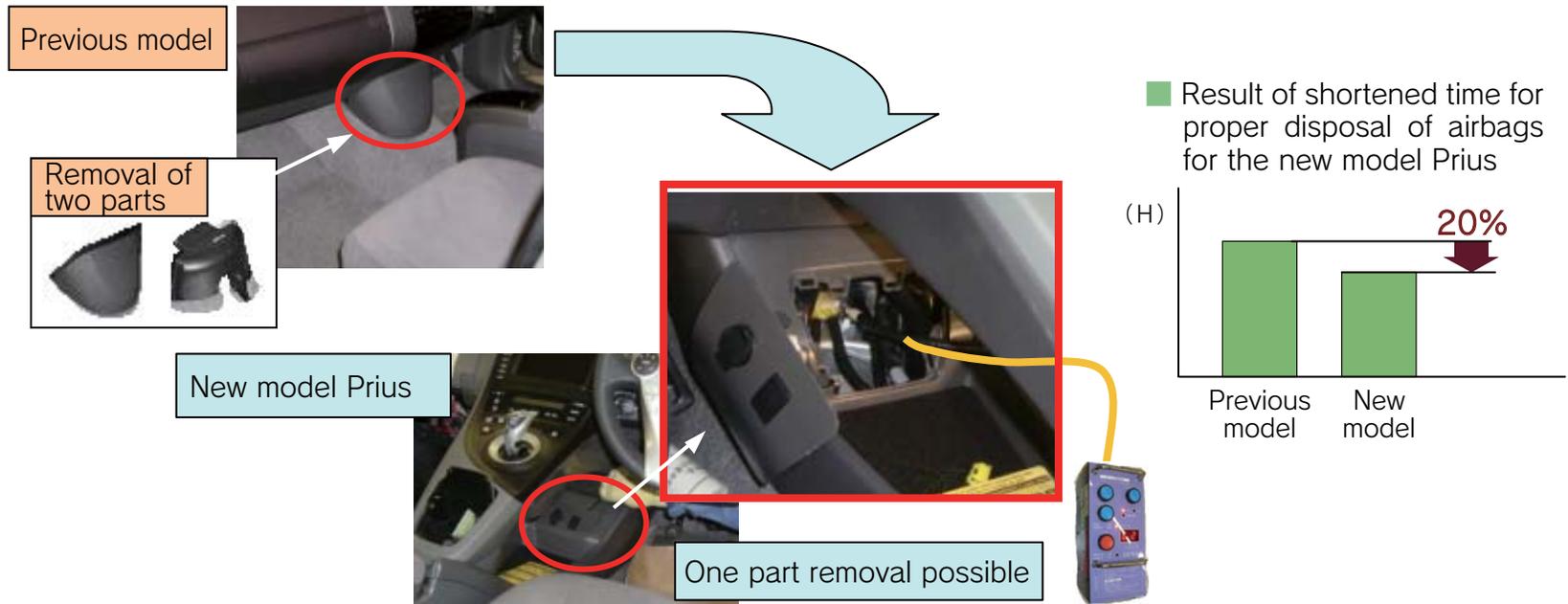
Development and Design

Promoting and Introducing Further Recycle Design for Vehicles

Efforts to Improve Vehicle Dismantlement and Recyclability

Toyota Auto Body has accumulated knowledge and improved technology in aiming to improve used vehicle recyclability and part dismantlement.

In the new model Prius, for parts that are recoverable under the recycle law, we have made efforts to shorten the time for proper disposal of airbags (single disposal introduced) by introducing a single disposal method, which resulted in a 20% shorter disposal time compared to previous models.



Activity Status

Production and Logistics

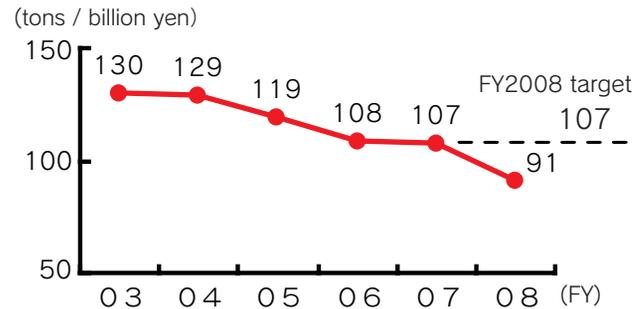
Promoting Further Effective Resource Use in Looking to Build a Recycle-Oriented Society

Activities to Reduce Waste Emissions Outside Our Company

Toyota Auto Body has created a reduction target for waste emissions within and outside our plants that includes not only waste substances, but also waste recycled for a fee. We are working to limit defects and also promote reduction in the volume of materials discarded.

FY2008 waste emissions volume outside our company was 134,000 tons.

- Waste emission outside our company per sales unit waste emission [FY2010 target: Less than 126 tons/billion yen] (3% decrease compared to FY2003)

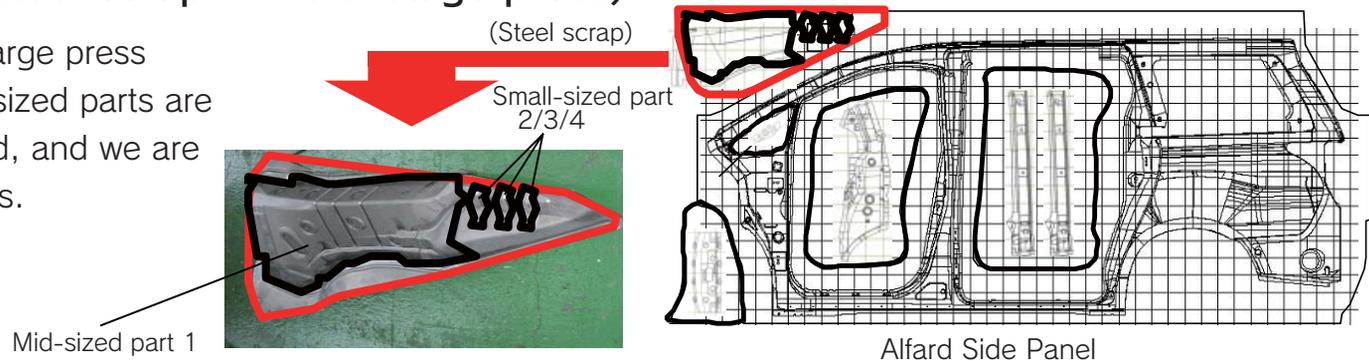


Breakdown of FY2008 waste emissions outside our company



Case Example of Improved Press Steel Yield Loss (Use of press steel scrap in multi-stage press)

Using steel scrap for large press parts, mid- and small-sized parts are simultaneously pressed, and we are achieving fewer defects.



Activity Status

Production and Logistics

Promoting Further Effective Resource Use in Looking to Build a Recycle-Oriented Society

Reducing Use of Packaging Material Volume in Logistics

Toyota Auto Body is progressively simplifying and changing packing layout to lighter materials by switching from wooden boxes to cardboard, and then to vinyl bags for packaging materials in production parts logistics and supply parts logistics.

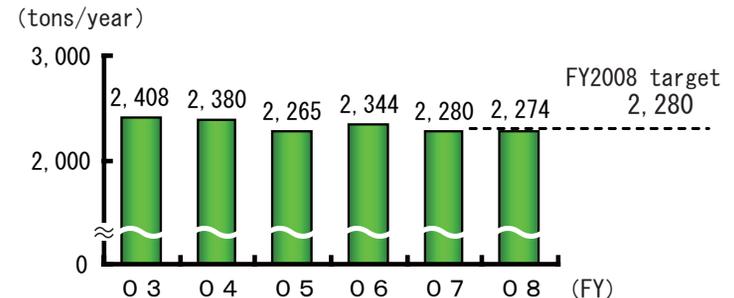


Previously used vehicle packaging (cardboard paper)



New model PRIUS packaging (Air cap packaging)

■ Packaging material volume
 [FY2010 target: Less than 2,280 tons/year]
 (5% decrease compared to FY2003)



Activity Status

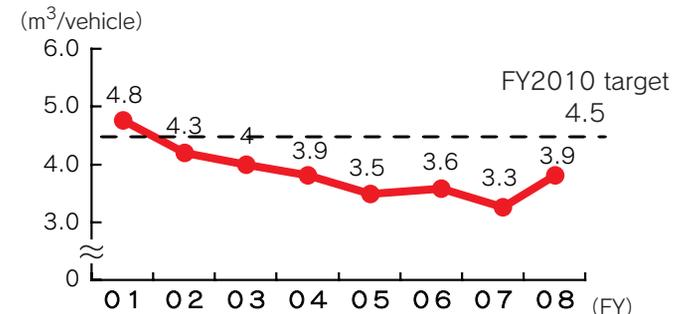
Production and Logistics

Reduce Water Consumption

Toyota Auto Body are Continuing to Promote Water Conservation in Production Processes

Amid the serious shortage of water resources in the world, efforts to conserve water at Toyota Auto Body center on painting processes.

■ Water volume consumption in Toyota Auto Body production processes
 [FY2010 target: Maintained at 4.5m³/vehicle]



Substances of Concern

Reduction and Management of SOCs in Products and Production

Basic Policy

We in the Toyota Auto Body Group are making efforts to strengthen activity to reduce emissions volume of SOCs that are a concern to our health and our environment.

Regarding vehicles, following in step with the End of Life Vehicle (ELV) European regulations, in 2007 the Registration Evaluation Authorization and Restriction of Chemicals (REACH※¹) was issued. REACH made clear industry's responsibility for managing chemicals and the expansion of target substances. In addition, we are promoting reduction activities for chemical substances at the time of production, which are conforming to the basis of PRTR systems. Hereafter, we will continue to move toward products and production that limit SOCs as much as possible by use of chemical substances.

Action items

Development and Design

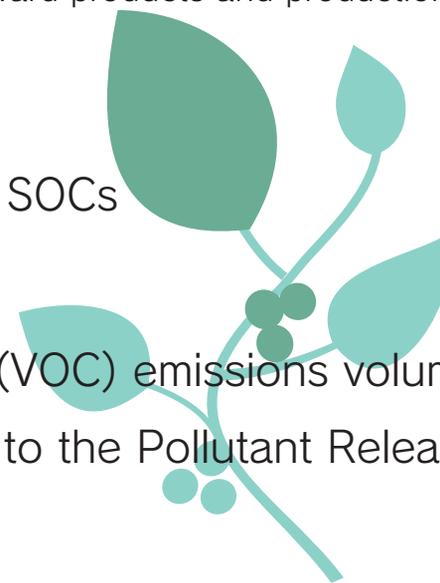
- Promoting further reductions and management of SOCs

Production and Logistics

- Measures to reduce Volatile Organic Compound (VOC) emissions volume
- Reduce emissions volume of substances subject to the Pollutant Release and Transfer Register (PRTR).

※1 REACH : The Registration Evaluation Authorization and Restriction of Chemicals

These chemical substance regulations aim to clarify industry's responsibility for chemical substance management and minimize impact of chemical substances on people and the environment.



Activity Status

Development and Design

Promoting Further Reductions and Management of SOCs

■ Complete Elimination of the Four SOCs

Toyota Auto Body has been making effort for the early elimination of the four SOCs (lead, mercury, cadmium, hexavalent chromium) based on the European ELV regulations and Japan Automobile Manufacturers Association(JAMA) self-initiated targets. As a result, we have almost completely eliminated SOCs in all Toyota Auto Body products, including domestically produced vehicles in 2006, and also electric vehicles and specially-equipped vehicles at the end of 2007.

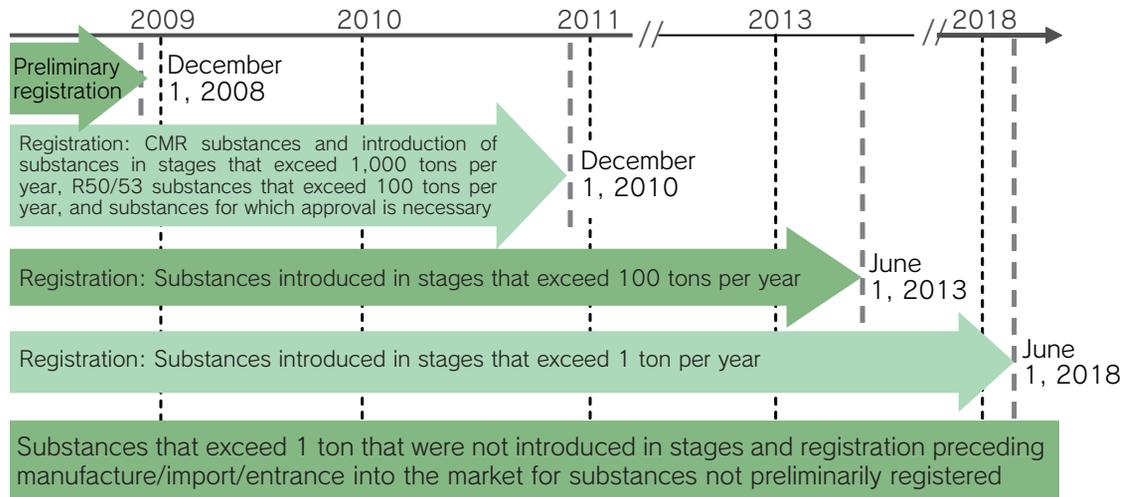
■ Achieved Vehicle Interior VOC Japan Automobile Manufacturers Association Self-Initiated Targets

Through reassessing vehicle interior adhesives and materials with reductions in VOCs for such as formaldehyde, which is indicated for volatilization from interior parts and also bad smells and irritation of the throat and nose, we achieved self-initiated reduction targets established by the Japan Automobile Manufacturers Association for the new model Prius.

■ Addressing European New Chemical Substance REACH* Regulations

From FY2008, we have been promoting activities to be consistently carried out at the same time as Toyota Motor Corporation in looking to assure that REACH regulations are addressed.

■ REACH regulation schedule



Reference: Guideline concerning the Japan Automobile Manufacturers Association Translation of REACH

*REACH : Registracton Evaluation Authorization and Restriction Chemicals

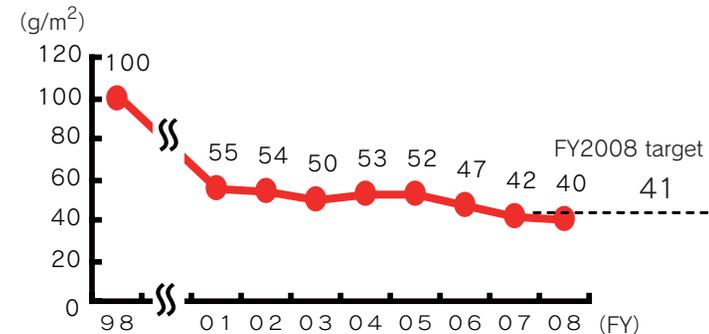
Activity Status

Production and Logistics

Reducing VOC Emissions Volume in Production Processes

One cause of photochemical oxidant is considered to be linked to VOCs. Activities at Toyota Auto Body to reduce VOC emissions volume include concerted efforts to switch over to water-borne paints and recover cleaning solvents after painting. In FY2008, we achieved our FY2010 target two years early with an average emissions volume per painted area of 40 g/m² for the entire painting line.

- VOC emissions volume per painted area (Body painting)
 [FY2010 target: Less than 40g/m²]
 (60% decrease compared to FY1998)



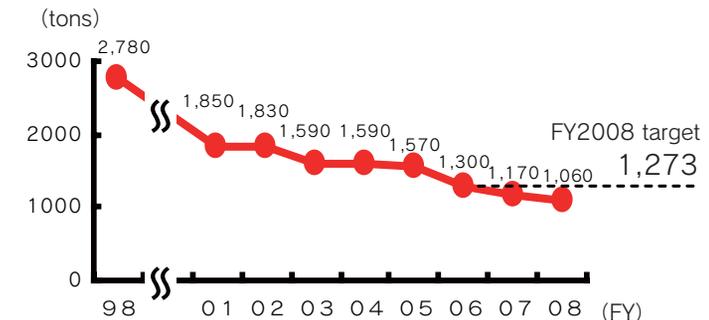
Activity Status

Production and Logistics

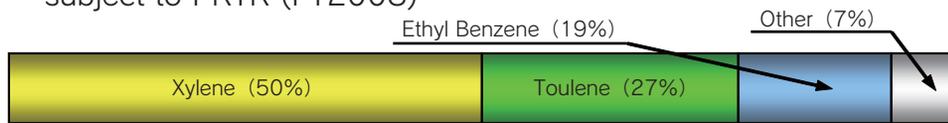
Reducing Emission Volume of Substance Subject to PRTR

Substances subject to PRTR released into the atmosphere from Toyota Auto Body are mostly toluene and xylene that are found in paint and thinner. In FY2008, by switching to intermediate coat paint with low levels of PRTR materials at our Yoshiwara, Inabe, and Fujimatsu plants, we emitted 1,060 tons/year of PRTR, a 62% decrease compared to FY1998, and similar to VOC, we achieved our FY2010 target early.

- Emissions volume of substances subject to PRTR (Atmospheric release)
 [FY2010 target: Less than 1,100 tons]
 (60% decrease compared to FY1998)



- Comparison of composition of emissions volume of substances subject to PRTR (FY2008)



Environmental Management

Strengthening Environmental Management That Addresses Globalization

Basic Policy

At Toyota Auto Body, we have set environmental management as one of our most important issues and we are progressing in addressing environmental issues through various technological innovations in car manufacturing. In addition, we are actively promoting efforts and cooperating with affiliated companies and consolidated subsidiary businesses in Japan and abroad.

FY2008 was the third year since we initiated our fourth Toyota Auto Body Environment Action Plan (Activities between FY2006 through FY2010). We are making definite progress in following our plan. In order to address gradually expanding globalization, we are strengthening domestic and overseas environmental management and also further coordinating environmental management with society.

Action Item

- Strengthen consolidated environmental management
- Progress further in coordinating activities with customers
- Achieve environmental education
- Promote new business that contributes to improving the environment
- Reduce life cycle environmental burden by active participation toward Toyota's Eco-VAS
- Contribute toward building a recycle-oriented society (Details on page 70 of this report)
- Mutually communicate and disclose environmental information
- Efforts toward activities that obey laws
- Progress status for FY2008 environmental efforts



Activity Status

Strengthening Consolidated Environmental Management

In order to progress steadily with environmental efforts in domestic and overseas entities, in 2000 we started a Toyota Auto Body Group Production Environment Committee as a domestic entity, and we are promoting the implementation of management auditing and also sharing activities and information.

Toyota Auto Body Group activities expanded from FY2006 with the number of overseas entities increasing steadily. We also received ISO14001 approval, and similar to Law Abiding Activities and Global Warming Prevention Activities begun in FY2006, we began auditing by Toyota Auto Body.

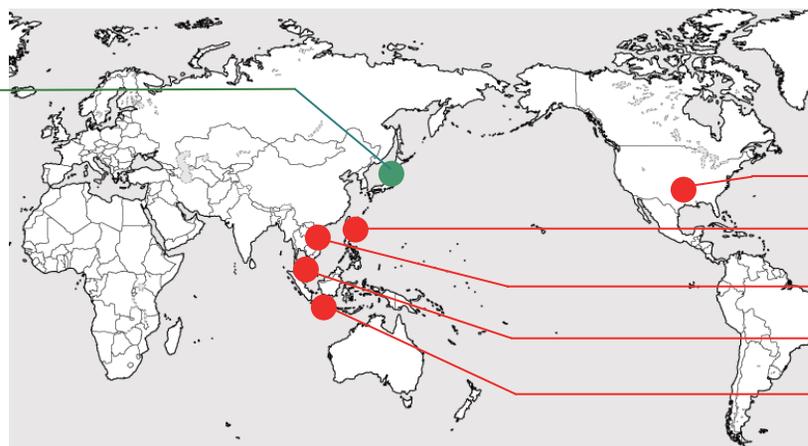


[Toyota Body Seiko Co., Ltd. (Aichi Prefecture, Takahama City) Environmental risk auditing of merged sewage treatment tanks]

Locations of Toyota Auto Body Group Entities

Domestic entities

- Production entities (8)
- Non-production entities (6)



Overseas production entities

- America (1 entity under construction)
- Taiwan (1 entity)
- Thailand (2 entity)
- Malaysia (1 entity)
- Indonesia (2 entities)

*Refer to page 56 of this report for companies that are part of the Toyota Auto Body consolidated environmental management

Strengthening Consolidated Environmental Management

■ Topics

■ Gifu Auto Body Co., Ltd. in (Kakamigahara City, Gifu Prefecture) Was Designated as an Excellent Kakamigahara City Environmental Action Business.

In May 2008, Gifu Auto Body Co., Ltd, a 100% Toyota Auto Body wholly-owned company, applied to the “Office for Active Countermeasures for the Environment and Waste” and was awarded a Certificate of Approval from the mayor for being an “Excellent Environmental Action Business.”

*In FY2008, a total of 22 businesses were approved.



【Certificate of Approval (Left) and display sticker】



【Certificate of Approval Ceremony on May 18, 2008】

Activity
Status

Strengthening Coordination Activities With Business Partners

Environmental efforts must be coordinated with our business partners, not only the Toyota Auto Body Group. In March 2007, Toyota Auto Body requested items concerning business activities of each partner for edited and appended environmental action items in the The Green Purchasing Guideline. This request follows a previous request for items concerning environmentally friendly delivery parts.



Please view our home page for details of the 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>



【Green Purchasing Guideline
(Revised in March 2007)】

■ Environmental Exchanges With Waste Disposal Companies

Toyota Auto Body is promoting periodic exchanges and refresher education for each waste disposal company and companies that cooperate with us on a daily basis in production activities by handling parts, delivering raw materials, and shipping. Opinions are exchanged on information and environmental trends in society in addition to having the companies understand the environmental efforts of Toyota Auto Body.



【An outstanding shipping company driver receives an award at a refresher education session for one of our shipping companies.】

Activity
Status

Achieving Environmental Education

It is important to continuously and steadily improve environmental awareness. In setting environmental education as one of the pillars of personnel development at Toyota Auto Body, we are aiming to have employees be aware of the environment in the workplace and at home.

- Stratified education (Entering employees, newly appointed managerial staff)
- Environmental E-learning Education for all employees
- Environmental lecture meetings
- Environmental improvement Case Example Presentation Meeting

■ Topics

On Environment Day on June 5th 2008, weather forecaster Kaoru Kawai was invited to lecture on the theme of “Global Warming and Our Living From the Viewpoint of Meteorology.”

Ms. Kawai gave actual examples of abnormal weather in recent years in a relaxed atmosphere while speaking about the close relationship between global warming and recent phenomenon of intense rain, which in Japanese has come to be called a “sudden downpour.” Ms. Kawai also posed questions to the audience about how our climate will be in 50 to 100 years from now.



lecturer : Kaoru Kawai

Activity Status

Promoting New Operations That Contribute to Environmental Improvements

Promoting Development and Commercialization of Environmental Products

In looking to the next generation of vehicles, we at Toyota Auto Body are making efforts in technical developments and commercialization by developing environmental products such as fuel cell batteries and motor power source control units for very small eco-cars which limit global warming, and plant materials we researched to stabilize CO₂ emissions.

Electrical Vehicle (EV) Elemental Technology and Fuel Cell Battery Development

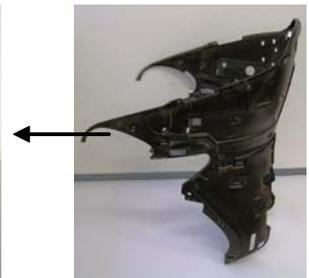
In aiming to establish small electric vehicles (EV) as next generation environmental technology, we are developing a rechargeable which uses a lithium battery system first in our small mini-car COMS. We are also making efforts to develop vehicle bodies made from plant materials, and also small, high-performance fuel cell battery systems.



【COMS BP (Bio-plastic vehicle)】



【i-REAL】



【Upper frame made from plant materials】

The very small electric vehicle COMS BP, with its body made from plant materials, was displayed at the Toyota Auto Body booth at the Tokyo Motor Show in October 2007.

Also at Chubu Centrair International Airport, another vehicle that uses plant materials, the i-REAL, is being used to show practicality of this kind of vehicle.

Developing Plant Material Technology

We are advancing even further in developing technology to be used in products by commercializing outer body panels on next generation vehicles which are now used on part of the Dakar Rally entry vehicle, the Toyota Land Cruiser 200.



Parts partially using materials derived from plants such as the rear door and back door (Natural PP + plant fiber)

【2009 Dakar Rally entry vehicle】

Activity
Status

Promoting New Operations That Contribute to Environmental improvement

■ Achieving Environmentally Related Operations

Other than the main business of manufacturing vehicles, Toyota Auto Body is actively introducing environmentally related operations such as environmental analysis businesses and waste recycling businesses through our group companies. We are also contributing to environmental preservation activities for local communities and self-governing agencies.

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

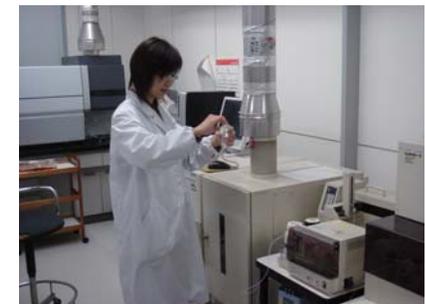
At TABMEC Co., Ltd, a 100% wholly-owned Toyota Auto Body company, we are promoting our waste recycling business as an environment-related business. In addition, from FY2008, we have been coordinating with a home appliance maker and administering and handling our Solar Photovoltaic Generation System for homes and businesses. In naming this business the Earth Eco-Project, we are contributing to preventing global warming, an issue that will continue into our future.

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

In October of 2000, Inatec Co., Ltd. became a separate and independent company from Toyota Auto Body and became approved by Mie Prefecture as an environmental measurement certifying business. In February of 2004, Inatec became a designated survey organization based on the Soil Contamination Countermeasure Law of the Environment Ministry to perform surveys of rivers and streams and also water and soil. Inatec also contributes to environmental conservation activities of the community and industry through surveys and analysis of SOCs for the Toyota Auto Body Group and each of its businesses.



[An image of a Solar Photovoltaic Generation System for homes]



[Water analysis at Inatec Co., Ltd.]

Activity Status

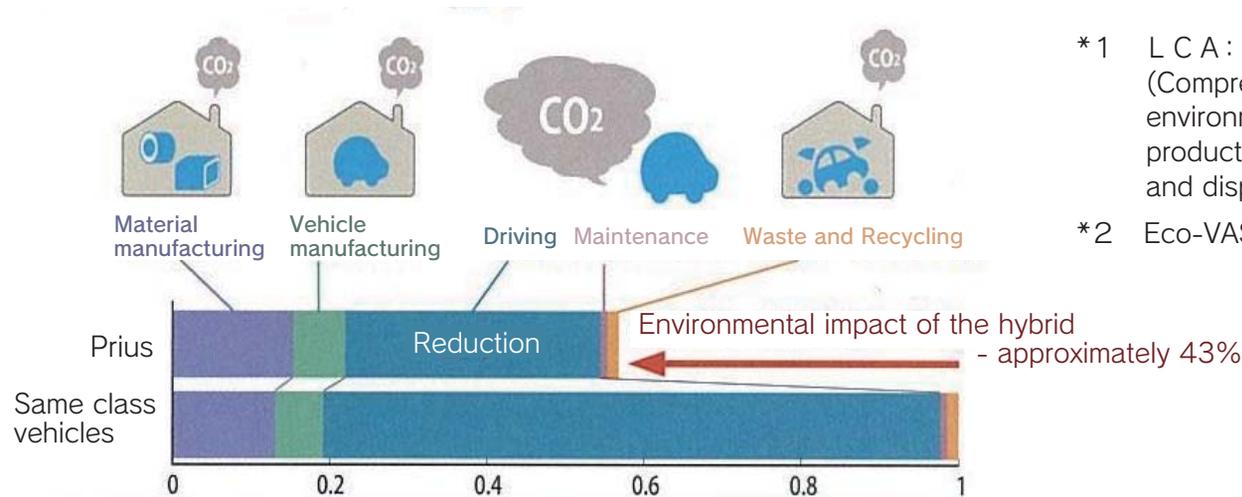
Reducing Life-Cycle Environment Burden Through Eco-VAS

The Toyota Environmental Assessment System (Eco-VAS) implements comprehensive environmental assessment of all processes of vehicle development from production and use through to disposal.

Eco-VAS 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.

In FY2008, Life Cycle Assessment (LCA) was implemented by Eco-VAS for the new model Prius, which decreased life cycle CO₂ emissions volume by 43% compared to vehicles in the same class.

LCA Evaluation of the New Model Prius (A CO₂ example)



* 1 L C A : Life Cycle Assessment
(Comprehensive assessment based on the environmental impact of materials, vehicle production, vehicle driving, maintenance, and disposal)

* 2 Eco-VAS : Eco-Vehicle Assessment System

(Reference : From the new model Prius product catalog)

Activity
Status

Achieving Mutual Communication and Disclosure of Environmental Information

Our Toyota Auto Body home page introduces the status of our efforts concerning the environment in order for our many stakeholders to understand our environment efforts.

In addition, we are continuing to hold opinion exchanges for coexisting with our communities and we are also holding regular community discussion meetings with members of local residents in communities in which our operations are located (Kariya and Toyota cities in Aichi Prefecture and Inabe City in Mie Prefecture).



Information on topics concerning environmental conservation, environmental data from different offices, and the status of our environmental efforts are on our company website. Viewing these topics will be highly informative.
<http://www.toyota-body.co.jp/csr/index.html>



[Toyota Auto Body home page
(Contributions to the environment and society)]



[Listening to a Dakar Rally entry vehicle explanation at a community discussion meeting at our head office and in the Fujimatsu community. <Community officials>]

Activity
Status

Law-Abiding Activity Efforts

In looking to have no complaints or abnormalities, we are aiming toward prevention by implementing thorough company-wide analysis of the causes, which includes not only actual examples of what has occurred, but also case examples of causes of “abnormal events and serious complaints.” Also, our efforts to eliminate risk concerning organic chemical substances involves continuous activities for management of underground water, PCB*, and dioxin.

■ Abnormalities and Complaints

In March of 2009, an incident occurred in which the pH value of emissions of water used by the community exceeded legal standards at our Fujimatsu Plant. Release of water was immediately stopped, a report was made with the authorities concerned, and proper neutralization measures were taken. A lack of confirmation during work on a plant holiday was found to be the cause. We installed equipment to continuously monitor abnormalities and a thorough system of confirmation within the company when work is being performed.

■ Underground Water Management

Every year, Toyota Auto Body executes a self-initiated underground water survey.

Previously, in certain facilities, concentrations of substances were detected to exceed environmental standards even though those substances had never been used in the past. These substances were thought to have flown into our facilities, which we reported and explained to members of the community and government. At all of our other facilities, environmental standard levels are being met.

■ PCB and Dioxin Management

From FY2006, Toyota Auto Body began requesting waste disposal companies from outside our company to dispose of equipment containing polychlorinated biphenyl (PCB). Already, 91 pieces of equipment have been disposed of, and the remaining three condensers are being stored and managed properly. For remaining equipment of concern that contains dioxin emissions, combustion furnaces at the Yoshiwara Plant were removed and decommissioned. The concentration of dioxin had become below 1/1000th of the legal standard.

■ FY2008 Underground Water Measurement Results at the Kariya and Fujimatsu plants

	Environmental Standard	Measurement Value (mg/l)	
		Fujimatsu	Kariya
Tetrachloroethylene	0.01	0.024	—
Tetrachloro-carbon	0.002	0.012	—
Trichloroethylene	0.03	0.033	0.006
1,1 dichloroethylene	0.02	—	0.026

Activity Status

Progressive Status of FY2008 Environmental Efforts (1 / 2)

The main items of progress for the FY2010 Target Activities established in the fourth Toyota Auto Body Environmental Action Plan are as follows:

- (1) Energy and Global Warming : Despite severe decreases in production numbers of vehicles, we were able to achieve the total prospective target for production, and hereafter we are continuing efficient production efforts with reduced energy losses.
- (2) Resource Recycling : We are steadily addressing vehicle recycle laws in Japan and abroad. We are promoting development of recycling technology and improved dismantlement in aiming further to stabilize the rate of recyclability.
- (3) Substances Of Concern (SOC) : In looking to abolish the four SOCs, we have completed the switch to not use the four SOCs in vehicle production in Japan and abroad. In addition, we are progressing toward implementing the new chemical substance REACH regulations.

The Fourth Environmental Action Plan (Through FY2010 activities)		FY2008 Action Status	Direction for FY2009
Energy and Global Warming	Development and Design	<ul style="list-style-type: none"> ● Changes to interior materials and use of high-strength steel sheets · Achieved new model Prius weight reduction target (Toyota Auto Body Development) 	<ul style="list-style-type: none"> · Expanding use of high-strength steel sheets, and promoting development of weight reduction technologies such as structural modulation
	Production and Logistics	<ul style="list-style-type: none"> 2) CO₂ reduction measures · CO₂ emissions volume (5% increase compared to 1990) · Per sales unit (10% decrease compared to FY2003) · Logistics CO₂ emissions volume (10% decrease compared to FY2003) · Global CO₂ per sales unit (8% decrease compared to FY2003) <ul style="list-style-type: none"> ● Introduced new technologies and reduced energy during non-operation · CO₂ emissions volume (2% increase) · Per sales unit (32% decrease) ● Shipping between plants and implementing efficient activities within the plants · Logistics CO₂ emissions volume (22% decrease) ● Mutual introduction of energy conservation case examples · Global CO₂ per sales unit (31% decrease) 	<ul style="list-style-type: none"> · With production numbers decreasing, further thoroughness in eliminating energy losses in aiming to be more efficient · Limit CO₂ emissions volume by improving shipping efficiency further for loading efficiency, etc. · Setting forth of activities stemming from the introduction of case examples at each of our companies in Japan and abroad

Activity Status

Progress Status of FY2008 Environmental Efforts (2 / 2)

The Fourth Environmental Action Plan (Through FY2010 activities)		Progress Status of FY2008 Environmental Efforts	Direction for FY2009	
Resource Recycling	Development and Design	3) Promote vehicle recycle design · Vehicle development that allows easy dismantlement and recycling	<ul style="list-style-type: none"> ● Reduced dismantlement time and use of eco-plastics · Achieved new model Prius recycle target 	<ul style="list-style-type: none"> · Steadily promote plans to develop recycling technologies that include improving dismantling of hybrid vehicles
	Production and Logistics	4) Promote effective use of resources · Per sales unit (3% decrease compared to FY2003) · Logistics packaging material volume (5% decrease compared to FY2003) 5) Reduce water consumption · Volume per vehicle unit (20% decrease maintained compared to FY1995)	<ul style="list-style-type: none"> ● Use of press steel and reduced defects · Per sales unit (30% decrease) ● Changed material quality and simplified structures · Logistics packaging material volume (6% decrease) ● Comprehensive water-use management · Volume per vehicle unit (31% decrease) 	<ul style="list-style-type: none"> · Plans progressing with activities to reduce waste substances · Continue improving packaging specifications through coordination with our suppliers · Continue water conservation activities
Substances Of Concern (SOC)	Development and Design	6) Reduction and management of SOCs · Complete elimination of the four SOCs · Reduce vehicle interior VOCs	<ul style="list-style-type: none"> ● Switched from use of SOCs in vehicles manufactured abroad · Completed eliminated SOCs from vehicles produced in Japan and abroad · Achieved SOCs target for new model Prius 	<ul style="list-style-type: none"> · Plans progressing with REACH regulations · Achieve switching over target for all vehicles manufactured in the future
	Production and Logistics	7) Reduce VOC emissions volume · VOC emissions volume per body painting area (60% decrease compared to FY1998) 8) Reduce substances subject to PRTR · Total emissions volume (60% decrease compared to FY1998)	<ul style="list-style-type: none"> ● Introduced water-borne paints · VOC emissions volume per painting area (60% decrease) ● Improved recyclability of cleaning solvents · Total emissions volume (61% decrease) 	<ul style="list-style-type: none"> · Improve paint adhesive efficiency in conjunction with plant refurbishment · Reduce cleaning solvents volume and continue improvement activities for recovering cleaning solvents

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

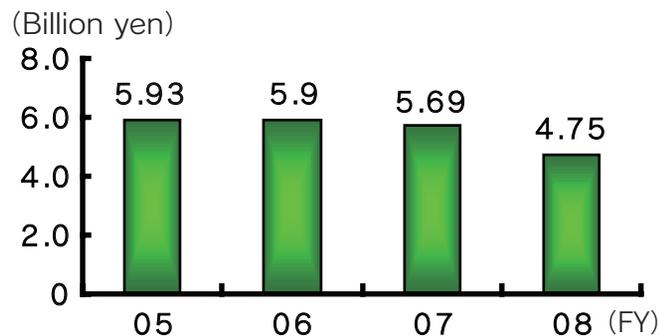
Toyota Auto Body is calculating environmental cost by dividing the cost into “environmental investment” and “maintenance costs (expense).” In addition, we have added the costs of the environmental portion (constant rate) included in direct environmental investment and regular equipment investment. In 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)

■ 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	

■ Environmental cost transitions



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)

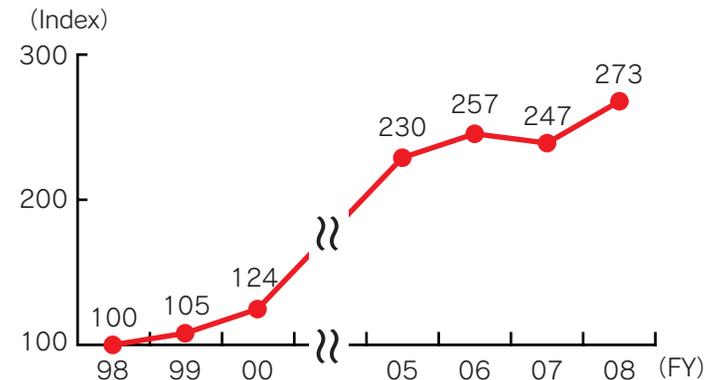
(Units: million yen)

	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



Data

■ New Model Prius Main Environmental Data

(Referencing: New model Prius Parts Catalog)

Rate of fuel consumption	10 · 15 mode fuel-efficiency rate *1 (National Land and Transport Agency survey values)		(km/L)	35.5 *2	38.0 *3
	CO2 emissions volume		(g/km)	65	61
	JC08 mode fuel-efficiency rate *1 (National Land and Transport Agency survey values)		(km/L)	30.4 *2	32.6 *3
	CO2 emissions volume		(g/km)	76	71
	Remarks		(All vehicles have cleared the 2010 fuel economy standard 4, and conform to the Green Purchasing Law)		
Main measures for improving fuel efficiency		Main measures for improving fuel efficiency Hybrid system, idling stop components, automatic non-stage transmission, variable valve timing, electric power steering			
Exhaust gases	Approved level and conforms to regulations (National Land and Transport Agency)			SU-LEV	*5 *6
	Approved level values and conforming regulation values (g/km)	CO		1.15	
		NMHC *7		0.013	
		NOx		0.013	
Remarks		Conforms 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	
Air conditioning cooling use (type of refrigerant)		(g)		470 (Alternative freon HFC 134-a)	
SOC reductions	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 *8		Achieved the Japan Automobile Manufacturers Association Self-Initiated Target			
Recycling	Parts of easily recycled materials	TSOP *9	Bumper Cover, Front Grill, Rocker Panel Molding, Inner Pillar Garnish		
		TPO *10	Driver's seat SRS airbag		
	Plastic and rubber parts for part indication		Indicated		
	Environmental harmonizing materials (Eco-plastic)		Scuff Plate, Seat Cushion (Driver's seat)		
	Use of recycled materials	RSPP *11	Floor Silencer		
		Felt made from recycled plastic PET bottles	Roof silencer (Exempting L-grade)		
Recycled polypropylene		Engineer Under Cover, Rear Seat Side Cover, Front Seat Shield			

*1 Fuel consumption rate is a value set under test conditions. Fuel consumption rate may differ depending on conditions of customer vehicle use (weather, traffic etc.) and driving habits (sudden start-off, air conditioning use etc.) JC08 mode is a newly constructed testing method that is closer to actual driving than 10 · 15 mode, whereby the value for the fuel consumption rate is generally lower. *2. When vehicle weight is 1,350 kg *3. When vehicle weight is 1,310 kg *4. Fuel economy target standard according to the Energy Conservation Law *5. 10 · 15 and JC08 driving *6. 2005 75% reduction level for exhaust gases *7. NMHC: Non-Methane Hydrocarbons *8. VOC: Volatile Organic Compounds (Formaldehyde, Acetaldehyde, Toulene) *9. TSOP: Toyota Super Olefin Polymer *10. TPO: Thermo Plastic Ofefin *11. RSPP: Recycled Sound-Proofing Products

Hybrid Production Numbers (Number produced at Toyota Auto Body)

FY2008 Production Numbers

Vehicle name	Number produced
Prius	119,441
Estima Hybrid	11,265
Total	130,706

● New model Prius

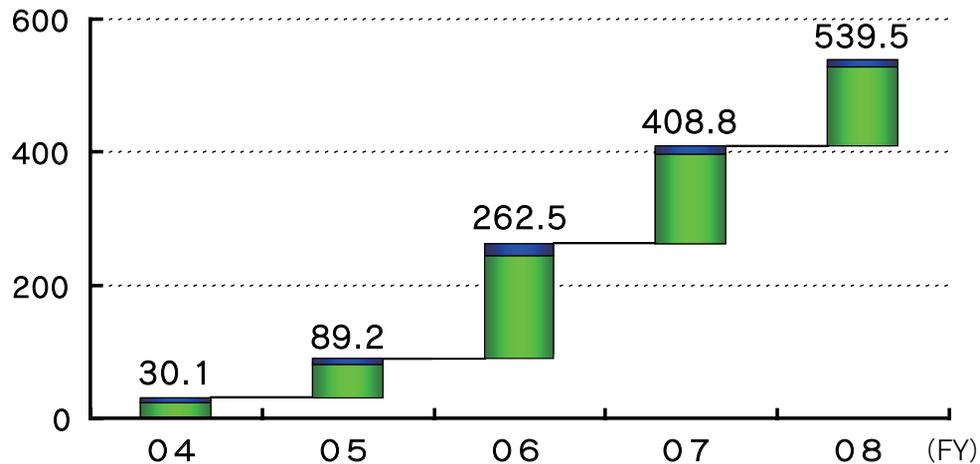


● Estima Hybrid



Cumulative Toyota Auto Body Hybrid Production Numbers

(Thousands of vehicles)



■ : Prius
 ■ : Other hybrid vehicles (Estima, Alphard)

Environmental Data in Business Activities (FY2008 invested resource volume and emissions volume)

Prevention of Global Warming

Decrease SOCs

INPUT

Energy input : 3.0×10^6 G J
 Total material input ※1 : 340,000 tons
 Water Consumption : 2,450,000m³
 Volume of substances subject to PRTR : 4,709 tons

Atmospheric emissions

Greenhouse gas emissions volume : 205,300 tons-CO₂
 (CO₂ emission volume : 205,000 tons-CO₂)
 (5 gases※2 emissions volume : 3,000 tons CO₂)
 Substances subject to PRTR : 1,060 tons

OUTPUT
Product



Production Plant

Press Body Painting Assembly

- ※1 Substance total : steel, plastic, paint etc.
- ※2 5 gases : The five greenhouse gases are greenhouse gases other than CO₂. At Toyota Auto Body, these correspond to freon gas used only for automobiles. improvement of certain facilities reduced the 1,700 tons-CO₂ emissions volume of these gases greatly from FY 2008. last year.
- ※3 Recycling and other reuse indicates the volume of various possible valuable recyclable materials or the volume of inverse onerous contract materials. The disposal volume indicates whether substances are insufficient for processing or if the substances may be directly disposed of in landfills.
- ※4 For water volume consumed, the total water volume is large because initial rainwater is processed and then released.

Total water discharge volume※4 : 3,190,000m³

Total waste substance emissions volume : 134,000 tons ※3
 Volume recycled : 133,000 tons
 Waste volume loss : 1,000 tons

Water resource savings

Waste substance reduction and resource savings

■ Toyota Auto Body Audit and Audit Results

At Toyota Auto Body, we regularly conduct internal and exterior audits to perform continuous improvement of our environmental management system.

For internal audits, we are working to improve our environmental management system by having departments mutually audit each other and also having each department self-initiate an audit. In addition, we randomly select excellent case examples and present this to other departments in aiming to improve our environmental management system.

In our FY2008 external audit, a minor point revealed that the name of an ordinance called “Requirements for Law Revision” issued by our head office had been leaked from a document in one of our offices. We immediately set out to cover the breach.

■ FY2008 Internal and External Audit Results

Audited Offices (Three plant facilities)		Auditing evaluation
Internal Audit	Improvement guidance	2
	Improvement advice	42
	Outstanding case example	3
External Audit	Nonconformity(Slightness)	1
	Observed items	9

■ Toyota Auto Body Environment Management Companies

● : Consolidated company
 ◎ : Affiliated company

Production companies		Non-production companies
Domestic	Overseas	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. ◎Kintec Co., Ltd.	●PT.Sugity Creatives (Indonesia) ●PT.Toyota Auto Body-Tokai Extrusion (Indonesia) ●Chun Shyang Shin Yeh Industry Co.,Ltd. (Taiwan) ●Thai Auto Conversion Co.,Ltd. (Thailand) ●Toyota Auto Body(Malaysia) Sdn. Bhd. ◎Thai Auto Works Co.,Ltd. (Thailand) ●Auto Parts Manufacturing Mississippi Inc. (U.S.A.) *	●Toyota Auto Body R & D Co., Ltd. ●Life Service & Security Corporation ●Inatec Co., Ltd. ●Life Creation Co., Ltd. ●Life Support Co., Ltd. ●TABMEC Co., Ltd.

* As of March 2009, Auto Parts Manufacturing Mississippi Inc. was still under construction