

# Environment and Social Report 2008

## About this publication

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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

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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

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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

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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

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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 CO<sub>2</sub> 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**

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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**

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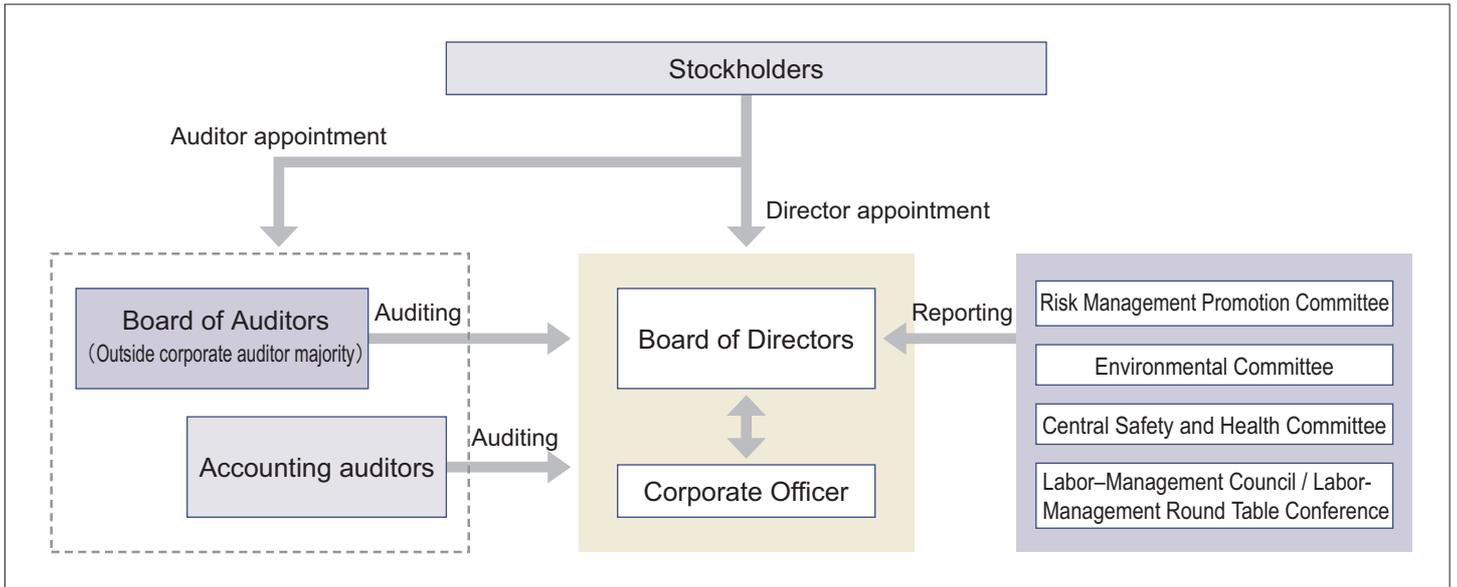
Based on auditing plans and auditing policies established at the board of auditors meeting, auditors monitor the financial status and operations of Toyota Auto Body and its consolidated subsidiary companies, and also the exercising of duties of the directors by first monitoring attendance at important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

### **Addressing Company-wide Issues by Individual Committee**

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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

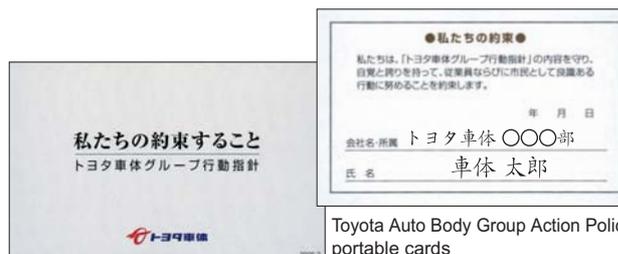
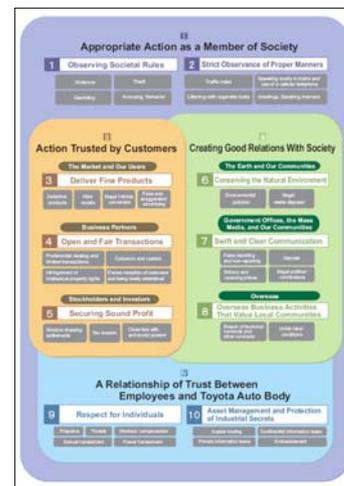
All directors of the Committee for Risk Management Promotion combine related company behavior for compliance and risk management in the Toyota Auto Body Group.

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

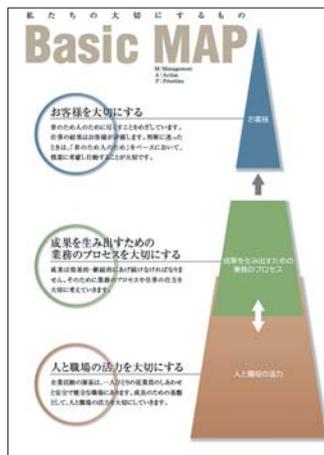
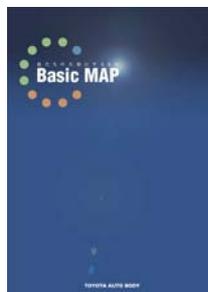


Toyota Auto Body Group Action Policy portable cards

 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)