

I. Reinforcement of Global “Quality” Management

Group-Wide Emphasis on Improving Quality

The business activities of the Toyota Industries Group have globalized rapidly in recent years. Given our management philosophy of “Quality First”, we attempt to devote our utmost efforts to the reinforcement of our global quality management systems to achieve uniformly high standards of quality in production in every area of the world in which we operate.

In June 2000, Toyota Industries acquired BT Industries, one of the world’s largest manufacturers of warehouse truck, as a subsidiary. BT Industries combined with Toyota Material Handling Company (a division of Toyota Industries Corporation), to form the Toyota Material Handling Group (TMHG). TMHG now does business in 80 countries throughout the world, producing 183,000 forklifts annually, and employs a total workforce of 15,000. In May 2004, in Toyota Industries’ first collaborative development project with BT Industries, we began to develop a forklift truck designed specifically for the European market.

In January 2006, the resulting new model was launched on the European market under the Toyota, BT and CESAB (a BT Industries subsidiary) brands. The next few pages will focus on the globalization of the materials handling equipment business, which is exemplified by this joint development project, and report on the current situation in quality management, as well as future challenges that will need to be addressed.



Toyota Material Handling Company

The division of Toyota Industries Corporation responsible for the materials handling equipment business. In 2001, Toyota Motor Corporation’s industrial equipment sales division was transferred to Toyota Industries and added to the existing development and production divisions, thereby integrating manufacturing and sales operations. Toyota Material Handling Company is the world’s market leader in forklift sales.



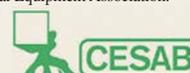
BT Industries

A world leader in the manufacturer of warehouse truck for indoor use based in Sweden. BT Industries had a long history as a world leader in the forklift industry, even before becoming a subsidiary of Toyota Industries in 2000.



CESAB

The Italian subsidiary of BT Industries, Cesab is one of Italy’s top manufacturers of industrial equipment, with a history spanning 64 years. The company’s president is a former Chairman of the European Industrial Equipment Association. Cesab specialises in the design and manufacture of electric forklifts.



Members of the Japan-Italy Joint Development Team

Italy, the Home of Design

Joint Development in Europe of New Forklift Model for Europe

Drawing Effectively and Efficiently on the Resources of the Whole Toyota Industries Group

In May 2004, Toyota Industries and Cesab, BT Industries' Italian subsidiary, began the joint development of an electric three-wheel rear-drive forklift designed specifically for the European market. The aim of this project was to make effective use of the development resources of the two companies by building systems for joint development, rather than having the companies each develop different models for the same market. It was decided to base the development project at Cesab's facilities in Italy. Our goal was to take advantage of the global nature of the Toyota Material Handling Group, which has business premises located throughout the world, thereby enabling us to offer products that directly reflect the specific needs of users in each regional market. As a pioneer of this concept, it was decided that the development of a new model for sale in Europe should be carried out in Europe.

The electric three-wheel rear-drive forklift is a light-duty truck, suited to small-scale, indoor operations. It is very compact and has a small turning circle for handling relatively light cargos over short periods of time. Although not a major seller in Japan, demand for this kind of forklift is particularly high in Europe. As it is used primarily for light duties, this type of forklift must be easy to operate, even by inexperienced operators.

To satisfy these requirements, the joint Japanese and Italian development team set out to enhance the basic functions, such as driving, loading and steering, while at the same time developing an ease of maneuverability that would allow operators to become accustomed to its operation from the very first time they board it. It was also important to project an image of "compactness" and "ease of handling", even for novice operators. Another requirement was to maintain consistency with the the respective existing models of three brands that it was to be sold under—Toyota, BT and Cesab—including external appearance and operating system design. It was decided, therefore, to take advantage of the unique design strengths that Cesab has cultivated in Italy, the home of design.

Fusion of the Contrasting Development Styles of Japan and Italy

When development began, the thing that most surprised the Japanese members of the development team was the speed with which the Italians worked. As soon as the plan for the basic performance and external design had been completed, the Italians immediately started to work on building a prototype. There were times when Italian development style (which emphasized speed) conflicted with the Japanese development (*monozukuri*) style (which emphasized through consideration at a slower pace). While the

Italian members of the team considered numerous aspects of the design and production simultaneously, the Japanese members of the team considered each aspect independently before "building up" the design. In a fusion of these contrasting styles of "creation", the project steadily moved forward and the resulting design was graceful and streamlined and functional as well.

Creating a Workplace Dedicated to Maintaining Quality

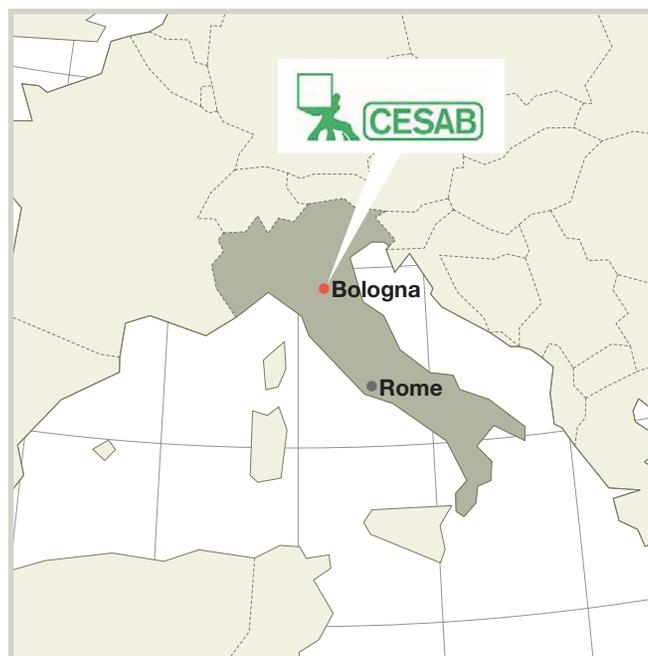
Forging Mutual Understanding in the Pursuit of Process Management, Quality Management and Quality Improvement Activities

Meeting the High Quality Standards of TMHG

Cesab is one of Italy's leading forklift manufacturers, with a workforce of 500 and an annual output of about 6,900 vehicles in fiscal year 2006. Enthusiastic about the introduction of new technologies, its firmly-established reputation for the manufacture of electric forklifts with an emphasis on quality was well-known to Toyota Industries even before the acquisition of BT Industries. Its TG (toll-gate) System, in which quality is checked at critical points along the manufacturing line, called toll-gates, is an example of Cesab's unique quality management system.

Since the acquisition of BT Industries also made Cesab a part of the Toyota Industries Group, Cesab has enthusiastically embraced the quality management know-how of Toyota Industries. Cesab has sent engineers from its manufacturing division to Japan to learn about the Toyota Production System (TPS), pursued the *mieruka**

* *Mieruka*: Bringing an issue out into the open and putting it into a form that all related parties can clearly see and comprehend.

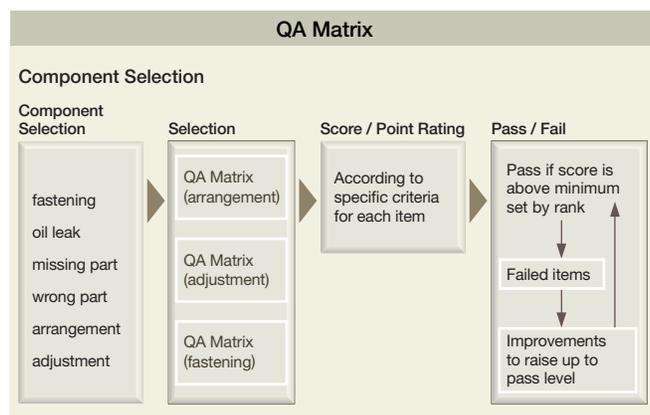


concept and voluntarily created *kaizen* case study maps and a *Kaizen* Room. Because Cesab has implemented these techniques and improved its manufacturing processes, Toyota and Cesab can prioritize making improvements in the dual areas of design and production process planning.

In terms of design, for example, the Japanese engineers were closely involved in the design drawing stages for the frame structure, and the reliability and durability testing of hydraulics and electronic components. In terms of production process planning, Toyota's engineers used a method called the QA Matrix* to check Cesab's plans, verifying the necessary checkpoints. In this way, we were assured that Cesab met the extremely high standards expected by the Toyota Material Handling Group.

Drawing on their own system of production planning, Cesab, meanwhile, started to develop concepts for production preparation from the design stage and was able to solve potential problems in the production stage from the product design stage.

* QA (Quality Assurance) Matrix: Potential defect events at each process phase are organised into a table or matrix and analysed for their correlation to the 4M (man, machine, material and method) elements.



Promoting Mutual Understanding of the Common Foundation of Toyotaism

The engineers from Toyota and Cesab possessed a wealth of experience in the development of forklifts, so there were no concerns in that regard. There were significant differences, however, between their preparation of development frameworks and work processes. A major challenge at the beginning of the project, therefore, was for the engineers to find a common foundation from which they could come to understand each other and work towards quality improvements.

This cross-cultural communication challenge was greatly facilitated by the Toyota principle of *genchi-genbutsu*, which means actually going to see for oneself the situation at the workplace, no matter what the problem. This "Toyotaism" went a long way to bridging the gap between the engineers at each of Toyota and Cesab.

The Toyota staff travelled to Cesab's manufacturing plants to actually check the products themselves, providing comprehensive support and working with the Cesab staff until the products were

acceptable to the entire team. The Cesab engineers involved in the inspection process were in turn invited to Japan for education, in Toyota's methodology and processes. This concept of *genchi-genbutsu* was a major factor in the successful collaboration between our two companies.

Cooperation with Local Parts Manufacturers

Improving Quality and Protecting the Environment

Meeting the High Quality Standards of TMHG

Northern Italy, where Cesab's manufacturing operations are based, has a long established manufacturing industry. It also has a broad support base of parts manufacturers, whose quality and technological capabilities are held in high regard in Italy and other countries. By selecting parts suppliers that excel in quality, price and delivery times, Cesab strives to improve quality and reduce costs.

During the development process for the new forklift model, component prices were checked to verify whether they would be reasonable in Italy and from a global perspective. As part of this process, the development team conducted simulations, including using drawings to determine how much parts would cost if they were to be procured in Japan as opposed to Italy. In this way, the production team was able to procure components at appropriate price levels.

Cesab obtained ISO 14001 (the international standard for environmental management systems) certification in May 2006. Cesab also requires its parts suppliers to prohibit, reduce and monitor the use of substances of environmental concern in their products and manufacturing processes.

Development based on Integrated Manufacturing and Marketing Processes

Utilizing the Unique Characteristics of Each Brand across the European Market

Integrating Manufacturing and Marketing to Ensure Customers of Each Brand are Satisfied

By making the integration of manufacturing and marketing processes a key element of the development project, the new model meets the needs of the respective customers of our three different brands. The new forklift will be launched under the three brands throughout the European market. The Toyota brand will cover the whole of Europe, Cesab will supply the Italian market, and BT will supply the rest of Europe, excluding Italy. Although they share a common platform, the development team canvassed the views of the respective marketing divisions of the three companies and created designs for

each brand that inherited their respective brand images. Forklifts marketed under the Toyota brand also have an added extra, not included in the other two brands—a unique safety system called the “SAS Function”.

Toyota Industrial Equipment Europe, a subsidiary of Toyota Industries that has overall control of forklift sales in Europe, conducted workshops at the major sales centres of each brand to establish a target market for the new model in terms of priority regions, target customer groups, sales prices and other factors. It then drew up marketing plans based on the responses received.

Because Cesab had not previously supplied products for the Toyota brand, there were many aspects in which obtaining a mutual understanding of each other’s systems was a major challenge, including in the areas of sales, logistics and services, and in particular in after-sales service. To deal with this problem, the Toyota team produced documentation that presented the work flow which was used as a sounding board to find out the views of the Cesab team, and from this, a work collaboration flow was born.

This development based on the integration of manufacturing and marketing resulted in the birth of a new model that meets the needs of the respective customers of all three brands, and in the creation of efficient marketing systems. As a result, since its launch in January 2006, the new model has been very favourably received by many customers and dealers. Annual sales of 2,500 units—far in excess of initial projections—are now anticipated by us, and work is underway which is expected to increase production capacity.

Making the Most of the Fruits of Joint Development

Promoting Creative Collaboration to Achieve a Common Platform for the Next-Generation Model

Importance of Showing Mutual Respect

This joint Japan-Italy development project was our first attempt at making effective use of development resources by developing a common platform for the basic elements of a new model, while also offering extensive differentiation between the Toyota, BT and Cesab brands. It was therefore necessary to spend a great deal of time setting up the best development environment, unity of intentions and sharing of information. As the differing approaches to production held by different regions and companies fused together, however, a process of creative collaboration was successfully forged. Rather than each of the three companies developing their own new model, the same result was achieved using far less resources. It also proved the remarkable effectiveness of using a European base, which has daily access to the needs of customers and trends in the market, to develop a new model specifically for the European market.

One of TMHG’s slogans is “respect”. This development project showed clearly the importance of an attitude of respect (a willingness



to learn from others) for each other’s experience, opinions and sensibilities.

Maximizing the Integrated Strengths of the Group

The Toyota Industries Group has many subsidiaries that possess superior products and technologies that should be shared with the world.

For example, the Raymond Corporation, the American subsidiary of BT Industries, has been a pioneer in the development of products and technology that promote ergonomics and operator health and safety. In fiscal year 2006, in the forklift sector, BT Raymond developed a new mast for standup reach trucks that keeps the operator’s neck at a comfortable angle during operation. We believed that this new design is a major improvement in visibility and safety and reduces operator fatigue. In the development of the BT Reflex, as well, a new tilting cabin was developed in which the entire driver cab tilts back automatically as the forks are raised, reducing neck strain for the operator.

BT Industries has established a high standard of technology and expertise in the area of sales and service, and offers its customers professional services to minimize the downtime of their products after they are sold. One example of these services is the introduction of IT support, in which BT engineers use hand-held terminals to provide speedy support to customers in real time.

These are just a few examples of the outstanding products, technologies and services offered within the Toyota Industries Group, across the entire spectrum of our business, from development to sales. By sharing them across the entire group on a global scale, we expect the group to become even stronger. We believe that the key to such an endeavour will be active communication that transcends the barriers of culture and language between countries and companies.

The success of the Japan-Italy joint development project can be said to have provided the cornerstone for future large-scale collaborative developments. Through international joint projects such as this, the Toyota Industries Group will continue to strive to maximize the strength of the group by promoting creative collaborations on the basis of mutual respect.

II. Launch of Fourth Environmental Action Plan

Promoting Activities to Lessen Environmental Impact of Both Products and Production in Japan and Overseas

In its three previous Environmental Action Plans, Toyota Industries Corporation has established targets, to be achieved over several years, relating to environmental issues such as curbing global warming and reducing the emission of substances of concern. Recognising, however, that environmental issues have escalated in recent years and that the global expansion of the Toyota Industries Group's business activities has increased its potential for a greater impact on the environment, we believe that we must redouble our environmental efforts. In October 2005, we announced the Toyota Industries Group Fourth Environmental Action Plan (FY 2007-FY 2011). In this report, we have outlined the essence of the new Action Plan. The Plan itself can be found on pages 68-69.

Targets for Both Products and Production

Targets for the Entire Group From FY 2007-FY 2011

Implementation of the Kyoto Protocol and Reinforcement of Measures to Help Curb Global Warming

Of all the major environmental issues faced by the world, global warming, which is caused by emissions of carbon dioxide and other greenhouse gases in the use of energy, is one of the most serious.

The Intergovernmental Panel on Climate Change (IPCC) has made dire predictions about the critical situation the world faces. It forecasts that, if the average temperature of the Earth rises to 2-3°C higher than that of the time of the Industrial Revolution (1870s), 50-120 million more people will face danger of starvation and three billion people will be at risk of not having enough water. The Earth's average temperature is believed to have already risen by 0.6°C in the 100 years of the 20th century, and the general assessment around the world is that we are running out of time.

As much of the emissions of greenhouse gases such as carbon dioxide come from industrial activities, there is a great demand on industry to take positive action to achieve radical results in areas such as energy conservation and conversion. To fulfil its corporate social responsibility as a manufacturer, Toyota Industries will contribute to the curbing of global warming by further strengthening its efforts in energy conservation and the reduction of greenhouse gas emissions in product development and production. We will also work on the development of new products and technologies that will greatly reduce our impact on the environment.

Balancing Environmental Protection with Economic Activities

There is a growing sense of crisis among the people of the world about, not only global warming, but also other environmental issues, such as the depletion of resources and energy and environmental pollution. This sense of crisis is gradually becoming firmly entrenched throughout the whole of society.

Given these growing concerns, Toyota Industries sees environmental protection as a management priority and has established its Environmental Action Plans to outline its intentions

in this area. In the Third Environmental Action Plan, which ran from fiscal year 2002 to 2006, we concentrated our efforts on the introduction of equipment that promoted environmental protection and on energy conversion. In achieving the targets of the five-year plan, we also succeeded in reducing our consumption of resources and energy costs.

Under our current mid-term business plan, we are working towards a target of more than two trillion yen in sales revenue for fiscal year 2011. Revenue in fiscal year 2006 totalled 1.5 trillion yen. Accordingly, reaching this mid-term business plan target means increasing our revenue by 30% over five years. If environmental protection measures stayed at their current level, as our sales increased, our environmental impact would also increase proportionately. It was for this reason that we compiled the Fourth Environmental Action Plan, which contains even more stringent targets than previous plans. The main emphasis of the new action plan is the concept of balancing environmental protection with economic activities.

The development and provision of environmentally-friendly

Key Points of the Fourth Environmental Action Plan

Curbing Global Warming

Strengthen the development and sale of environmentally friendly products to promote environmental action at the product use stage of the product life cycle, when the impact on the environment is greatest.

Reducing Greenhouse Gas Emissions

Actively promote countermeasures to global warming, the most serious of the world's environmental issues.

Improving Resource Productivity

Promote the reduction of resource wastage, keeping in mind soaring raw materials costs caused by resource and energy problems.

Reducing Environmental Risk Factors

Reduce environmental risks by enhancing management of chemical substances and curtailing emissions of substances of concern.

Global Environmental Management

Keep in mind that, as production by Toyota Industries Group companies increases, the Group's overall impact on the environment rises. Strengthen consolidated environmental management, giving priority to curbing global warming, increasing resource productivity and the reduction of environmental risk factors.

products will lead to increased sales, while reduced consumption of resources and energy will also result in improved profits. By strengthening environmental protection measures, we fulfil our social responsibilities and in turn have a favourable impact on our business.

It is the belief of the Toyota Industries Group that, by actively contributing to environmental protection in the areas of products and production, more customers will support our products. The result will be less impact on the global environment and, in turn, a contribution to the realization of a sustainable society.

Reducing the Environmental Impact of our Products

Stringent Prior Assessment of Potential for Reducing Environmental Impact

Development of Products that Help Curb Global Warming

Taking action to lessen the environmental impact of our products themselves has become increasingly important in our efforts to help curb global warming. This is particularly true for Toyota Industries, many of whose products have long life spans, such as ten years for automobiles and automobile-related components, fifteen years for lift trucks and twenty years or more for textile machinery.

To take the example of lift trucks, more than 80% of their environmental impact over their entire life cycle comes from CO₂ emissions from the use of oil (fuel) in the product use stage of that life cycle. We must, therefore, make even stronger efforts in product development to minimize our products' environmental impact during the product use stage. The development of next-generation lift trucks, fitted with fuel cell systems is one such effort currently being pursued.

With this in mind, Toyota Industries has implemented Life Cycle Assessment (LCA) programs in which the environmental impact of a product throughout its entire life cycle is assessed at the initial stages of development and design. This has formed the basis of our Design-for-Environment (DfE) programs. To make these programs even more effective, we have introduced a new concept of "environmental efficiency" as part of the Fourth Environmental Action Plan.

The concept of environmental efficiency utilizes a ratio of the value of a product, as determined in terms of its function and life expectancy, compared to the product's total environmental impact throughout its life cycle. The lower the environmental impact and the higher the product value, the better its environmental efficiency.

We believe that the development of these environmental efficiency indicators will allow us to determine comprehensively and objectively how far products developed in the future improve over the standard products of the past (that is, how much more environmentally efficient they will be).

Toyota Industries will use this concept of environmental efficiency to develop products that help to curb global warming.

Topics

Materials Handling Equipment Business

Development of Fuel-Cell Lift Truck that is Both Environmentally Friendly and Highly Efficient Prototype Exhibited at International Trade Fair in Germany in 2005

Finding maximum fuel efficiency is a vital element in the development of lift trucks. Toyota Industries is currently enjoying strong sales and production volumes are growing. We believe that simply improving conventional systems to improve fuel efficiency will not be enough to achieve significant reductions in CO₂ emissions.

In December 2004, in collaboration with Toyota Motor Corporation, Toyota Industries began the development of a fuel-cell hybrid system for use in lift trucks. In October 2005, the Toyota FCHV-F (prototype) fuel-cell lift truck was exhibited at CeMAT2005, one of the world's largest international logistics trade fairs, in Hanover, Germany, at which the forklift (which we view as an embodiment of the technological know-how of the Toyota Group) received a great deal of attention among fair visitors.

We believe that the most striking feature of this fuel-cell hybrid system is its environmental performance. Because the FCHV-F is fuelled by high-pressure hydrogen, its only emission is water. Also, whereas conventional electric lift trucks had long recharging times, necessitating the extra work of replacement with a spare battery, the fuel-cell lift truck requires only a few minutes to refuel with hydrogen, which we believe increases operational efficiency. We expect demand for this new model to be particularly high in North America, where many extremely large logistics centers operate lift trucks continuously 24 hours a day.

With its low environmental impact, fuel cell technology has

enormous potential as a power source of the future for use in a wide range of business areas, including household appliances, automobiles and industrial equipment. Toyota Industries will continue its verification testing of this new system and perfect the fuel-cell lift truck.



Prototype Fuel-Cell Lift Truck exhibited at CeMAT2005 in October 2005

Extending Product Life Spans and Promoting 3R

In our efforts to achieve effective use of finite resources, Toyota Industries is pursuing product development and design that will achieve longer product life spans and incorporate the “3R” concept of “Reduce” (reducing waste by making products smaller and lighter), “Reuse” (reusing spent products and parts) and “Recycle”.

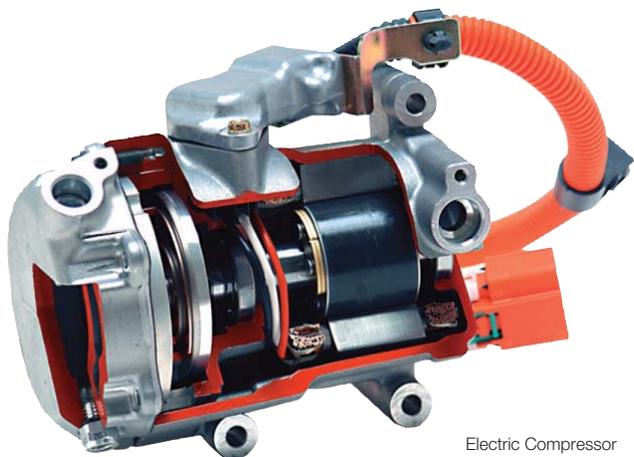
As described above, Toyota Industries’ products have particularly long life spans from production to disposal. Given that our products have such long life spans, during the product design and development stage, we look at the situation in the product use and product disposal stages of the product life cycle, and pursue safety and efficiency of maintenance, disassembly and other tasks, as well as ease of recycling and disposal.

To promote 3R design even further, we compiled new 3R Design Guidelines to replace the previous guidelines for recyclable design, incorporating the added concepts of reduce and reuse. Based on these new guidelines, we will further increase the efficiency of our design for the environment.

Preventing Risks to the Environment from Our Products

Unless substances of concern contained in products themselves are disposed of appropriately at the end of the products’ life, they have the potential to harm the environment or to be detrimental to human health. Toyota Industries, therefore, has long endeavoured to abolish or reduce the use of such substances.

In the area of automotive products (car air-conditioning compressors, automobiles, engines, automotive electronics), we have, in principle, banned the use of the four substances (lead, mercury, cadmium and hexavalent chromium) whose use has been restricted by the European Union’s directive on end-of-life vehicles (ELV), and we expect to strengthen our measures to abolish our use of these substances throughout the world in the future. Although lift trucks, textile machinery and other products are not subject to the EU’s ELV directive, we expect to handle them in the same manner as those products that do come under the directive.



Electric Compressor

Reducing the Environmental Impact of Production Activities

Three-Pronged Approach of Addressing Global Warming, Increasing Resource Productivity and Reducing Environmental Risk

Building World-Class Energy-Conserving Production Lines

Toyota Industries has embarked on a range of measures to conserve energy in its production activities, with a focus on the energy supply side, in an effort to reduce energy-related emissions of CO₂. These measures include the introduction of co-generation systems and conversion to fuels with low CO₂ emissions.

We have already achieved the target established in our Third Environmental Action Plan of a 5% reduction in our total CO₂ emissions compared to fiscal year 1991 levels. As our production volumes continue to increase, however, our CO₂ emissions will also rise unless we undertake further reduction measures. To reduce our energy consumption levels even further, it is essential that we implement energy conservation measures in the areas that use the most energy, namely on the manufacturing lines.

In the Fourth Environmental Action Plan, we have set a global target of curbing the rise in our CO₂ emissions and improving our environmental efficiency by 10% compared to fiscal year 2004 levels. As a priority measure to achieve this target, new manufacturing lines must consume 30% less energy than existing facilities. In this way, we plan to build world-class energy-conserving production lines. We also expect to put energy conservation management into full swing in all of our consolidated subsidiaries in Japan and around the world. In the area of global warming as well, we will attempt to produce a collection of case studies on energy-conservation activities, and roll out successful measures to our affiliates. We will also attempt to provide support to our production subsidiaries in the area of energy conservation through energy diagnostics and other measures, because of their particularly high levels of energy consumption.

From the Dual Perspectives of Resource Productivity and Economic Viability

Resource depletion is another grave environmental issue. In order to maximise the effective utilization of finite resources, Toyota Industries has pursued a campaign to achieve zero landfill waste (non-recyclable waste that is disposed of in landfill). Through comprehensive waste separation and recycling measures, we achieved our goal of zero landfill waste in fiscal year 2005. We expect to compile the knowledge and expertise that we have accumulated and use it to spread the “zero landfill” message to all of our production centers around the world. Soaring prices of metals and energy caused by burgeoning global demand in recent years have had a major impact on the market economy. Toyota Industries has long pursued the effective use of waste from the perspective of

fulfilling our responsibilities. In the face of these changes in the market, however, maximization of the use of finite resources and loss reduction have also become increasingly important from the perspective of cost reductions. Now more than ever Japan needs to renew its awareness of its unique “*mottainai*” spirit and culture, and endeavor to improve the productivity of its natural resources.

Toward this end, Toyota Industries has redoubled its efforts into resource cycle approaches, such as minimising the disposal of raw materials (increasing yield), repeated use (in-house re-use) and avoiding defective products. We believe this will reduce wasted raw materials costs and, consequently, contribute to the improvement of profit margins. Because we believe that strengthening environmental actions such as these will lead directly to enhanced corporate competitiveness, we will work exhaustively to implement such measures.

Eco-Factory Activities

The pollution of the regional environment has the potential to impact immensely on the living environment of local residents. We believe it is our corporate social responsibility to prevent such pollution at all costs.

Having experienced a case of soil contamination ourselves in the past, Toyota Industries is keenly aware of how difficult it is to fully purify a polluted environment, and how important it is to prevent such pollution in the first place. Furthermore, the laws on soil and groundwater contamination have been reinforced, including the enactment of the Soil Contamination Countermeasures Law in May 2002 and the amendment of the Water Pollution Control Law in April 2005.

Toyota Industries’ Fourth Environmental Action Plan calls for the establishment of an Environmental Risk Assessment System, in which we expect risk factors such as substances of concern and the risk of soil pollution, to be dealt with from the initial planning stages of facilities and production line construction. On that basis, we will attempt to promote “eco-factory” activities that incorporate environmental measures at the project planning stage.

Eco-factory activities refer to the thorough consideration of the environment in all aspects of factory construction, from land acquisition through to the construction of manufacturing lines and factory buildings. Process and equipment design that does not discharge substances of concern, building design that cuts down on energy requirements for lighting and air-conditioning, and reduction of CO₂ emissions through the use of natural energy sources, such as solar and wind power generation are all examples of the kinds of innovations and new technologies that we will explore and hope to introduce in our efforts to build environmentally-friendly factories.

In fiscal year 2007, we have prepared company standards for the construction of eco-factories and will pursue this kind of construction whenever a new factory is planned (including large-scale expansion or renovation of manufacturing lines), both in Japan and overseas.

TOPICS

Compressor Business

Eco-Factory Case Study 1: Obu Plant

Toyota Industries Obu Plant, in Obu City, Aichi Prefecture, underwent a complete overhaul of its manufacturing facilities in 2002. On the themes of “energy conservation”, “long life”, “resource conservation” and “co-existence with nature”, we believe it was reborn into a highly environmentally friendly factory with solar power generation, roof-top greenification, reduced industrial waste, effective water use and many other environmental features.



Roof-top greenification of Obu Plant

Eco-Factory Case Study 2: Higashiura Plant

Built in line with the concept of “using natural energy and attaining harmony with the surrounding environment”, the Higashiura Plant, in Higashiura-cho, Chita-gun, Aichi Prefecture, was commissioned in July 2002. The goal during construction was to reduce electricity consumption of the manufacturing lines to 20% less than that of conventional factories. To achieve this, clean energy systems and energy conservation systems, including solar and wind power generation, co-generation systems and an ice-storage air-conditioning heat transfer system were adopted. Importance was placed on communication with local residents and, as a result, we believe the new factory has blended in well with the local community as an eco-factory that co-exists with nature and the community.



Wind-powered and solar-powered electricity generation has been introduced at the Higashiura Plant