

Achieving Coexistence with Local Communities

Toyota Industries Is Committed to a Wide Range of Social Contribution Activities that Benefit Local Communities

Based on the Guiding Principles for Corporate Citizenship, Toyota Industries is committed to a wide range of social contribution activities that benefit local communities, mainly in the area of social welfare, education of young people, and environmental conservation. These activities include the provision of human resources to welfare facilities, traffic safety activities, donations to welfare events, community programs for the education of young people, community events, sports events, environmental conservation activities, and provision of company facilities for use in various community activities.

Toyota Industries also continues its support to the Toyota Commemorative Museum of Industry and Technology, Sculpture d' Esaka (art museum), and Kariya General Hospital. Toyota Industries is also involved in the management of these establishments.

In FY 2005, Toyota Industries proudly cooperated with the planning and operation of EXPO 2005 AICHI JAPAN and made contributions to the victims of the Niigata Chuetsu (a region in central western Japan) earthquakes, as well as to victims of the earthquakes that occurred off the coast of Sumatra and the Indian Ocean tsunami.

Guiding Principles for Corporate Citizenship

Basic Philosophy

Toyota Industries is respectful of the people, culture, and traditions of each region and country in which it operates. It also works to promote economic growth and social development in these regions and countries.

Basic Perspective

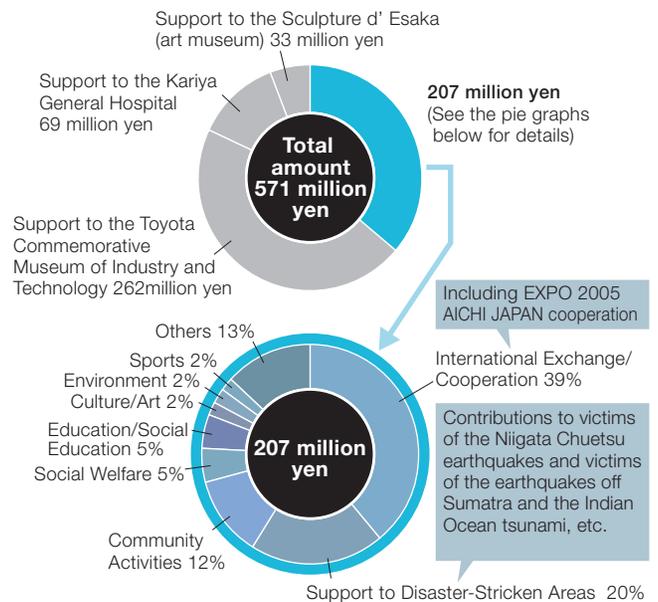
While achieving corporate development and longevity, Toyota Industries strives to fulfill its role as a good corporate citizen so that the regions that provide a foundation for its corporate activities and the life of its employees become more prosperous and more comfortable to live in. To accomplish this, Toyota Industries actively promotes cooperative support activities with the objective of contributing to local communities through the provision of human resources, facilities and funds. Toyota Industries' employees also endeavor to be of service to the community through such means as volunteer activities.

Social Contribution Activity System

To promote its social contribution activities, Toyota Industries has established a volunteer unit called Heartful Group in its General Administration Department. This group drafts annual plans to strengthen the voluntary planning of social contribution activities, communication with local communities, and in-house education and enlightenment activities. As a secretariat for the volunteer organization Toyota Industries Heartful Club, the group also promotes and supports the club's activities.

At present, Toyota Industries and its affiliates at home and abroad are undertaking social contribution activities in accordance with local circumstances. To balance the activities of the group as our business operations become even more globalized, Toyota Industries established the Corporate Citizenship Subcommittee in FY 2006, which has already begun to study plans for medium-term activities for social contribution.

Graph 1 Breakdown of Social Contribution Activities in FY 2005



In-House Employee Education and Enlightenment Activities

To increase employee awareness of social contribution activities and to encourage their positive participation in volunteer programs, Toyota Industries provides employees with education aimed at increasing their understanding of a company's social responsibilities and the meaning of activities for social responsibility.

Information about volunteer activities and recruitment is provided to all employees through Toyota Industries' intranet.

Case Study Learning through Experience at Welfare Facilities by the Students of Gino Senshu Gakuen

Toyota Industries' in-house Gino Senshu Gakuen (Technical Training School) organizes an unforgettable volunteer activities program to help employees experience welfare service and learn the working conditions of people with disabilities. In June 2005, the program was implemented at Ohisama, a welfare facility, and at Akebi-En, a workplace for the disabled, with 77 people taking part and learning through the practical experience program.

Communication with Local Communities

To realize a harmonious coexistence with local residents and communities, Toyota Industries holds regular meetings with the members of the local community for the purpose of exchanging opinions and sharing information and solutions to various problems.

The participants in the meetings are representatives of local communities and those of related

departments, such as General Administration, Environment, Public Affairs and Human Resources. Administrators and legislators also attend the meetings whenever necessary. The subjects



Let's visit production sites

discussed include Toyota Industries' business activities, environmental risks, community events, crime and disaster prevention and traffic safety.

In addition, Toyota Industries participates in an annual event entitled "Let's visit production sites." This event offers people in local communities the opportunity to tour the factories of the seven companies comprising the Toyota Group, including Toyota Industries, based in Kariya, Aichi Prefecture.

Case Study Building a Good Relationship with the Community

— Michigan Automotive Compressor Inc. (MACI) [U.S.A.]

Michigan Automotive Compressor Inc. (MACI), a manufacturer of compressors for car air conditioners is based in Parma, Michigan, in the U.S., a village with a population of 800. MACI appoints a community coordinator in an effort to build good relationships with the local community.

MACI's community coordinator attends the village's monthly meetings and also takes part in the summer parade and other special events. The company also makes donations to the village's various projects and is working to become a community-based company by building a relationship of mutual trust with the community.

Toyota Industries Heartful Club—Volunteer Organization Composed of the Toyota Group's Present and Retired Employees and Their Families

In 1997, Toyota Industries established the Toyota Industries Heartful Club, which is comprised of present and retired employees (and their families) of the company and its affiliates who want to take part in volunteer activities for building a more prosperous society.

The club's aim is to plan and manage various volunteer activities in which the club's members play a central role. In addition, the club intends to encourage its members to take part in these volunteer programs for the purpose of raising their awareness and contributing to the realization of a more prosperous society.

As the club's secretariat, the Heartful Group in the General Administration Department supports the club's activities by, amongst other things, performing related business procedures, providing information, and serving as a contact point for outside organizations. The group also offers the club financial assistance for the cost of volunteer activities, volunteer insurance policies and other expenses. The club's activities are informal and are, in principle, performed outside the company and after office hours.

The result of a questionnaire directed at club members shows that many of them hope the company will reinforce the system for supporting their volunteer activities. Toyota Industries will examine this issue in an attempt to meet the members' needs.



Toyota Industries Heartful Club general meeting

Inter-Affiliate Meetings on Corporate Citizenship with Domestic Affiliates

To promote participation and cooperation with its social contribution activities, and to increase the activities undertaken by its domestic

affiliates, Toyota Industries has been holding the Inter-affiliates Meeting on Corporate Citizenship twice a year since 2004. At present, eight domestic affiliates take part in the meeting, and we will continue to work to increase the number of participating affiliates. At the meeting, Toyota Industries publicizes the policy and details of its business activities, examines the activities which can be carried out jointly, encourages participation in the Toyota Industries Heartful Club, drafts the plans of each affiliate's activities and checks the results of these activities.

Participating affiliates: Sun Valley, Co, Ltd., Taikoh Transportation Co., Ltd., Taikoh Taxi Co., Ltd., SKE, Shine's Co., Ltd., Sun Staff, Inc., Toyota High System Co., Ltd., and SK Maintenance Co., Ltd.

Corporate Citizenship Subcommittee Established to Promote Global Activities

In FY 2006, Toyota Industries established the Corporate Citizenship Subcommittee under the Corporate Code of Conduct Committee—the committee directly controlled by the President. The subcommittee has begun to study plans for mid-term activities for the group as a whole. The problems discussed by the subcommittee are "promotion of global activities for social responsibility" and "examination of the major activities for increasing corporate value". In 2005, the subcommittee carried out a fact-finding survey on the social contribution activities by each domestic and overseas member company. It is currently considering group policies for activities and opportunities to expand the scope of activities through reinforcement of exchange and cooperation with NGOs, NPOs and community organizations in Japan and overseas.

Social Welfare Activities

Toyota Industries undertakes a variety of activities for supporting people with disabilities. These activities include events planned by the employees of Toyota Industries themselves.

Positively Supporting Social Welfare Events Planned by Toyota Industries' Employees

Toyota Industries positively supports the social welfare events planned and managed by the Toyota Industries Heartful Club. Major annual events include clam digging, Social Welfare Get-Together Festival in Shines, and strawberry picking and sweet potato harvesting programs.

The clam digging event is held every spring by people at the workplace to give disabled local residents the chance to enjoy nature. The event has also become an occasion for friendly exchanges with people from other social welfare facilities. In FY 2005,



The clam digging event



Social Welfare Get-Together Festival

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about 300 people took part in this program, with new students of Toyota Industries' Gino Senshu Gakuen working as volunteers.

The Social Welfare Get-Together Festival in Shines is an event held in collaboration with the Kariya City Social Welfare Council (Kariya, Aichi Prefecture) where local Kariya residents with disabilities and their families are invited to Shines, the company's employee leisure and entertainment facility. During the day, participants enjoy handicrafts, self-made games, singing and dancing together with the company's volunteers. The eleventh festival held in February 2005 was attended by 206 guests and supported by the assistance of 127 volunteers.

The strawberry picking and sweet potato harvesting is a joint event with volunteers from Aisin Seiki Co., Ltd. Local residents with disabilities are invited to a citizens' farm in Denpark (a flower and greenery theme park in Anjo, Aichi Prefecture) where strawberries and sweet potatoes are cultivated. This event gives participants the chance to have contact with nature and is held twice a year. In spring, participants enjoy strawberry picking, and in fall, sweet potato harvesting.



Sweet potato harvesting in Denpark

Sumo Field Trips for Orphaned Children; the Shibatayama Stable Master and Wrestlers Visit Welfare Facilities

Every year, Toyota Industries invites local children who have been orphaned as a result of traffic accidents to the grand sumo tournament held in July in Nagoya through the Chunichi Shimbun Charity Organization. In 2005, 250 children watched the tournament.

In addition, Toyota Industries takes this opportunity to ask Shibatayama stable master Onokuni (62nd Yokozuna) and the wrestlers of his stable to visit local welfare facilities and offer support and encouragement to local residents. In July 2005, the stable master and wrestlers visited Akebi-En, a workplace for the disabled in Obu, Aichi Prefecture; Hidamari, a small workplace for the mentally and physically disabled in Obu; and Handa-dohoen, a social welfare corporation in Handa, Aichi Prefecture.



The Shibatayama stable master and wrestlers visit welfare facilities

Support to the Special Olympics

Toyota Industries is a sponsor of the Special Olympics (SO), an international organization that gives individuals with intellectual disabilities an opportunity to have daily training in sports and to show the training results at annual athletics meets, thereby assisting them to participate in society. We also volunteer our athletic grounds and gym facilities for use at these meets, as well as make donations to SO and support its activities and events. As a supporting company,

Toyota Industries gave a donation to the Special Winter Olympics held in Nagano in February 2005.

Participation in the Management of Toyota Medical Corporation's Kariya General Hospital

Kariya General Hospital is operated by Toyota Medical Corporation, an organization invested in by 7 companies of the Toyota Group as part of their corporate responsibility activities. In Kariya City, which has no public hospital, Kariya General Hospital plays a leading public role in, among others, providing first-aid medical service. Since its foundation in 1963, Toyota Industries has continued to provide human resources and financial support to the hospital. The aim of Kariya General Hospital is to become an institution more trusted by and more popular among people in the area. The hospital ranking (overall evaluation) by Nihon Keizai Shimbun gave this hospital the highest score "AAAA" and the eighth place in the country.

Case Study Welfare Taxi Business for the Future Aged Society

— Taikoh Taxi Co., Ltd. [Japan]

Taikoh Taxi Company's primary business has mainly been in taxi operation and offering its customers the best possible transportation service. In anticipation of an era of lowering birth rates and an aged society, the company has commenced a welfare taxi business to support the lives of elderly local residents. The company has taxi cabs with revolving seats for easier entry and exit, that are capable of taking wheelchairs, and bed-type cabs. Taikoh Taxi has also obtained a licence qualifying it as a business covered by Long-term Care Insurance. The company has drivers qualified as Grade 2 Home Helpers and, using these drivers, has begun offering a service for those who find it difficult to have a bath at home by themselves, whereby the driver transports a special bath tub by car to their home and assists them to take a bath.

Community Activities

Toyota Industries is engaged in a variety of support activities for building its friendship with people in local communities, such as traffic safety activities, involvement in local town-building plans and provision of facilities for community activities.

Traffic Safety Activities Aiming to Achieve the Goal of Zero Traffic Accidents

As an automotive-related manufacturer, Toyota Industries proactively provides its employees with traffic safety-related educational programs and cooperates with local traffic safety activities to promote model traffic safety practices and achieve the goal of zero traffic accidents.

Toyota Industries' Central Traffic Safety Committee decides the traffic safety programs to be implemented, with the Traffic Safety Committee at each plant responsible for promoting these activities at the plant. At every workplace, the members of the traffic safety committee play a major role in holding monthly meetings to promulgate traffic rules to all employees and to prevent traffic accidents. Educational activities include the publicity of the action policy, decision on the workplace's activities, written oaths on safety driving by employees and prediction of dangers using actual cases

of traffic accidents.

Toyota Industries also works to improve its traffic safety education through new employee education, driving simulations and lectures on traffic laws conducted by local police.

During the nationwide traffic safety campaigns conducted in spring, summer, fall and winter, Toyota Industries carries out the Yellow Stop Campaign in cooperation with the Toyota Group and local governments. Our employees station themselves at the streets near the company's plants to encourage drivers to drive safely. They also carry out this activity on Zero Traffic Accident Day, and in FY 2005, a total of 1,745 employees took part in this campaign.

Cooperating with and Participating in Community Events and Contributing to the Protection of Traditional Culture

Toyota Industries supports Kariya City in holding the Mando Festival (which has been officially recognized as an intangible cultural asset by Aichi Prefecture) in July each year. Employees and students of Gino Senshu Gakuen, together with Kariya residents, repair the giant mando lanterns, practice flute playing and drum beating and make other preparations as early as three months in advance. In 2004, about 170 employees participated in lantern-carrying parades on the day of the festival. Toyota Industries also supports other local summer festivals and Bon Festival dances, such as the Kariya Wansaka Festival and Fireworks Display.



Mando Festival (which has been officially recognized as an intangible cultural asset by Aichi prefecture)

Providing Facilities for Community Activities

Toyota Industries volunteers the use of its athletic grounds, gym facilities, tennis courts, judo halls and training rooms for various sports activities, school club activities and other community activities. We also offers our corporate buses for social welfare programs and lend trucks for environmental conservation activities to support these community activities.



Providing the company's gym facilities

Educational and Cultural Activities

Toyota Industries supports educational activities in the community, including youth education programs and sports events, as well as donations to universities. In addition, we proactively sponsor cultural and art activities.

Supporting the Invention Club for Boys and Girls to Help Youth Education

To help foster youth education, Toyota Industries supports the Obu Invention Club for Boys and Girls and the Kariya Invention Club for Boys. We offer financial assistance to the management of the Obu Invention Club and give support to the Invention Club Booth at the

Obu Festival of Industry and Culture. In addition, in cooperation with the Obu Invention Club, Toyota Industries holds the Summer Vacation Loom Course every year to give elementary school children in the city the opportunity to experience the pleasure and sense of achievement of making products in handicraft and experiment programs.

The Kariya Invention Club for Boys is operated by the Toyota Institute of Physics and Chemistry, and 11 companies of the Toyota Group provide financial assistance to the club's management.



Invention Club Booth at the Obu Festival of Industry and Culture

Case Study Cooperating with Vocational Experience Programs for Junior High School Students

— Sun River Co., Ltd. [Japan]

Sun River is a company that operates sports facilities, restaurants and other establishments. This company cooperates with learning through vocational experience programs aimed at developing the autonomy and independence of youths, and accepts junior high school students every year for this purpose.

In the programs, junior high school students do cleaning work and load commodities into automatic vendors at golf courses and other location. Examples of comments from participating students include, "the program allowed me to realize how hard work is and provided me with a valuable experience", while the community rates Sun River's commitment to youth education quite highly.

Case Study Providing Environmental Education at Local High Schools

— Kirloskar Toyoda Textile Machinery Private Ltd (KTTM) [India]

Kirloskar Toyoda Textile Machinery Private (KTTM) in India is the manufacturer and seller of spinning machines and automotive parts. The company provides environmental education to teachers and students at local high schools. The aim is to have young people who will lead in the future understand the need for environmental conservation and to promote exchange between the company and the community.

In FY 2005, Kirloskar Toyoda provided environmental education to 160 students at local high schools. At Jingai High School, the teaching programs included environmental changes in the area, such as lake pollution and dust pollution caused by granite industries; the importance of forests; and the negative effects of plastic shopping bags. This education is helping increase the students' awareness of the environment; with one student commenting that, "environmental conservation should be promoted not only by individuals but also by people's concerted efforts".



Education at a local high school

Case Study Contributing to Child Education through Cooperation for the Our House Children's Museum

— Toyota Industrial Equipment Mfg. (TIEM) [U.S.A.]

The Children's Museum in Columbus was established as a facility for developing children's inquiring minds, creativity and cooperativeness, and for learning about the world and community around them. The museum has several places for displaying various exhibits and providing entertainment, with "Our House" being one

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of these locations. Every year, the house holds an exhibition of the living environment, culture and life of countries around the world, and chose Japan as the first country for the show. Employees and families of employees of Toyota Industrial Engineering Mfg. (TIEM), a Japanese affiliate in Columbus, volunteered to assist with displaying Japanese culture and lifestyle correctly at Our House. The company made both financial and non-financial contributions (display items) to the exhibition. In June 2005, TIEM's employees took charge of the show and helped hold the opening event of Our House.



Children's Museum Our House

Sponsoring Classical Music Performances

The Toyota Group, including Toyota Industries, sponsors charity concerts held by the Nagoya Philharmonic Orchestra entitled Box Seats Full of Dreams. The group invited local residents with disabilities and their families to the concert held in October 2004 at the Kariya Citizens' Hall in Kariya, Aichi Prefecture.

Toyota Industries is also a supporter of the annual New Year's Concert sponsored by Aioi Insurance Co., Ltd. The concert was held in January 2005 at the Aichi Prefectural Concert Hall of Arts and Culture as a partnership project for EXPO 2005 AICHI JAPAN.

Contributing to the Development and Promotion of Amateur Sports

Toyota Industries contributes to the development and promotion of sports activities through donations to and sponsorship of sports promotion organizations and sports meets, mainly those in the local area.

In FY 2005, Toyota Industries supported the Sports Promotion Fund, Kariya Physical Education Association, Kariya Softball Federation, Central Japan Student Nanshiki Baseball Federation and other sports promotion organizations. We also sponsored the Higashiura Marathon Race (in Obu, Aichi Prefecture), National Invitational University and Business Sumo Tournament in Kariya, World Orienteering Championships, Toyota International Youth Football Championship, Student Formula SAE Competition of Japan and other sports events.

Participating in the Management of the Toyota Commemorative Museum of Industry and Technology

The Toyota Commemorative Museum of Industry and Technology was jointly founded by 13 companies of the Toyota Group. Its purpose is to increase the understanding of young people about the spirit of research and creation and the importance and pleasure of making products. The museum also aims at conserving and utilizing as an historic industrial object the museum building, which has been designated as an important building for cityscape by Nagoya City. (The building was once part of the former Toyoda Automatic Weaving Co. and was constructed in 1911 by Sakichi Toyoda, the founder of the Toyota Group, for use as an experimental factory for developing new automatic looms.) Toyota Industries provides the

museum with human resources, funds for covering management costs and exhibits, and also participates in its management.

Supporting the Management of the Sculpture d' Esaka (Art Museum)

Toyota Industries supports the management of the Sculpture d'Esaka, an art museum operated by Sun River, one of our affiliates. We also give financial assistance and provide exhibits to the museum.

Environmental Conservation Activities

Toyota Industries supports a variety of environmental conservation activities through the volunteer efforts of its employees, including community cleanup events and nature conservation activities.

Community Cleanup Events

Toyota Industries carries out a company-wide environment beautification campaign in which its employees volunteer to clean the areas surrounding its plants. This campaign has gradually been expanded to or affiliates, and in FY 2005, a total of about 2,300 employees, including those from 9 affiliates, took part in the event. In addition, the company's Managers' Council conducts environmental beautification activities, while the Toyota Industries Council of Retired Employees (an organization comprising retired Toyota Industries employees) takes part in cleanup events in the areas around public facilities, such as parks and stations.

In FY 2005, Toyota Industries began to participate in the cleanup campaign in the area around Aburagafuchi, the largest natural lake in Aichi Prefecture. About 100 Toyota Industries' employees and their families took part in the lake's cleanup event held in July, 2004.

Participation in the Adopt-an-Area Program

The Adopt-an-Area Program is a new type of town beautification program implemented by citizens, businesses and the local government. The word "adopt" means "to take someone else's child as your son or daughter." Under this program, citizens and businesses regard a certain public area as an "adopted child" and clean and beautify that area as its "foster parents". The local government supports the program by, among other means, providing cleaning equipment and collecting rubbish. At each area selected as an "adopted child", a signboard showing the name of the "foster parents" is put up, which helps to inform citizens about the program. Toyota Industries has four "adopted children" in Handa and Obu, where it carries out cleanup and beautification activities. We are now also considering participation in the program in Kariya.



A signboard



Cleanup and beautification activities

Nature Conservation Activities in Local Communities

Toyota Industries' employees volunteer to participate in nature conservation activities in local communities and help conserve forests and protect wild life. For example, they are engaged in the campaign to conserve the habitats of wild Japanese rises, which are government-designated protected species, such as Kozutsumi-nishiike Pond in Kariya, Aichi Prefecture.



Nature conservation activities in Kozutsumi-nishiike Pond in Kariya, Aichi prefecture

Supporting Environmental Conservation Activities

Toyota Industries gives donations to organizations such as the Keidanren Nature Conservation Fund and the Fund for the Promotion of the Proper Disposal of Industrial Wastes. We support the Nordic-Japan Environmental Conference, Honokuni Forest Festival, Council for the Development and Water in Chubu, and Nationwide Festival of Children's Eco-Clubs.

Aid to Disaster-Stricken Areas

Assistance Disaster-Stricken Areas in Japan and Overseas

Toyota Industries collected contributions from its employees for the victims of the Niigata Chuetsu earthquakes and sent its employees to the area as volunteers to assist with recovery efforts. Toyota Industries and its affiliates also made contributions to the victims of the earthquakes off Sumatra and the Indian Ocean tsunami.

Disaster Volunteer Net

The Toyota Group Disaster V (Volunteer) Net is a group formed to help the victims of natural disasters and disaster-stricken areas become independent and restore themselves. In collaboration with the local government's volunteer headquarters, the network supports the quick implementation of volunteer activities by providing disaster information to registered volunteers via the Internet. The network now has 96 employees registered as volunteers that take part in events and other programs aimed at helping to prepare them for relief activities in the event of a disaster.

Cooperating with the Hosting of EXPO 2005 AICHI JAPAN

EXPO 2005 AICHI, Japan, was held from March to September 2005 under the theme of "Nature's Wisdom". Toyota Industries participated in the hosting of the Expo in various ways.

Toyota Group Pavilion

As a member of the Toyota Group, Toyota Industries exhibited at the Toyota Group Pavilion. The booth displayed near-future equipment for distribution within premises, developed using our original ITS technology. Exhibits included a Warehouse Management System that supports the distribution center, information technology that increases the efficiency and safety of forklift operations, and technology for assisting picking operations, which are essential for distribution.

Toyota Industries' technology also played an active role in many locations at the Expo site. For example, our technology for operating an unmanned carrier was utilized in the development of the automatic control system for the unmanned i-unit—a single-seater futuristic concept vehicle. In addition, our zero-emission battery-operated industrial vehicles were also used as rubbish collection cars at the Expo site.



The Toyota Group Pavilion



The i-unit—a future concept vehicle

Topics in FY 2005

Participation in the Eco-Talk Session Sponsored by the Environmental Partnership Organizing Club (EPOC)*

In June 2005, the Environmental Partnership Organizing Club sponsored an Eco Talk Session held at the EXPO Hall at the EXPO site. Toyota Industries, together with Toyota Motor Corporation, DENSO Corporation and Aisin Seiki Co., Ltd., participated in the talk session with the children from Takahama Municipal Tsubasa Elementary School and discussed environmentally-friendly cars as part of the common theme of, "establishing an environmentally-friendly motorized society for the future". The Vice President of Toyota Industries attended the session and answered the children's questions and responded to each of their energy saving and water pollution prevention proposals. In response to the Tsubasa Elementary School's declaration, "We will work together to realize an environmentally-friendly lifestyle and to keep the air and water clean," the company gave them its message, "We will contribute to the creation of an earth and prosperous society that is comfortable to live in through the production of environmentally-friendly products and services".



Eco-Talk Session

* Environmental Partnership Organizing Club (EPOC)

Founded in 2000 and comprised of approximately 300 businesses and other organizations in Chubu, including Toyota Industries. The club provides various kinds of information about environmental measures being implemented in the Chubu region and aims to make the region an advanced area in the field of environmental conservation and aims to build a safe and comfortable recycling-type economy and society.