



Achieving Coexistence with Local Communities

Committed to a Wide Range of Corporate Citizenship 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 and 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 KARITA TOYOTA General Hospital. Toyota Industries is also involved in the management of these establishments.

The total amount of Toyota Industries' corporate citizenship activities in fiscal year 2006 was 848 million yen, 277 million yen more than in fiscal year 2005. Most of this increase came from a donation of 215 million yen to a school that opened in Gamagori City in April 2006 with the aim of nurturing young people; a cause in which Toyota Industries believes strongly.

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

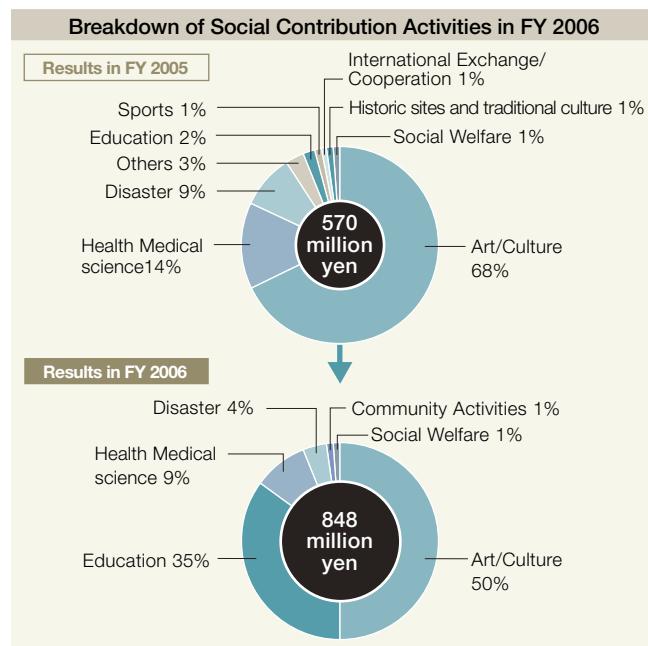
While achieving corporate development and longevity, Toyota Industries strives to fulfill its role as a good corporate citizen so that the regions that provide a foundation for its corporate activities and the life of its employees become more prosperous and more comfortable to live in. To accomplish 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

Toyota Industries and its affiliates at home and abroad are promoting social contribution activities at each location in accordance with local circumstances. For example, Heartful Group, a volunteer unit established in Toyota Industries' General Administration Department, drafts annual plans that aim to enhance voluntary activity planning, communication with local communities, and in-house education and enlightenment activities, among other initiatives.

In addition, Toyota Industries has been holding the Inter-affiliates Meeting on Corporate Citizenship twice a year since fiscal year 2005. This event provides us with an opportunity to examine and offer support for the action plans of our domestic affiliates while inviting their participation and collaboration in activities sponsored by Toyota Industries.

In order to promote social contribution activities throughout the Toyota Industries Group, including at our overseas affiliates, Toyota Industries established the Corporate Citizenship Subcommittee under the Corporate Code of Conduct Committee—the committee directly controlled by the President—in fiscal year 2006.



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

The Toyota Industries Heartful Club is a volunteer organization established by the company in 1997. Its members, who are current and retired employees (and their families) of Toyota Industries and its affiliates, aim to spread the cause of volunteerism and contribute to the building of a more prosperous society. The Club plans and organizes a variety of volunteer activities, such as taking residents of local welfare facilities out on clam digging expeditions, and a Social Welfare Festival at Toyota Industries' employee leisure and entertainment facility.

The Heartful Group in the General Administration Department of Toyota Industries' Corporate Center acts as the secretariat for the Heartful Club, assisting it with administrative procedures for the organization of these events. The company also subsidizes the costs of the activities and volunteer insurance premiums.

The results of a questionnaire survey of Heartful Club members conducted in fiscal year 2006 revealed that many members wanted the



Responsibility to
Our Customers



Responsibility to
Our Shareholders



Responsibility to
Our Business Partners



Responsibility to
Our Local Communities



Responsibility to
Our Employees

company to enhance its systems for support of the Club's volunteer activities. In response, in fiscal year 2006, Toyota Industries looked at the introduction of a "volunteer leave" system.

Details of the Heartful Club's activities can be found on the Toyota Industries website (<http://www.toyota-industries.com.>).

Regional Society Contribution Subcommittee Starts Working towards the Promotion of Global Activities

Toyota Industries' Regional Society Contribution Subcommittee is studying medium-term actions that the entire Toyota Industries Group can take to promote corporate citizenship on a global scale and considering key activities that improve our corporate value. In fiscal year 2006, the Subcommittee began a survey of the status of corporate citizenship activities at our centers throughout Japan and the world as the first step towards developing a Group Action Plan. It has also worked on exchange and collaboration with non-governmental organizations (NGOs) and non-profit organizations (NPOs), as well as local community groups in Japan and overseas to expand the circle of its activities.

So far, Toyota Industries and the eight affiliates involved in the annual Inter-affiliates Meeting on Corporate Citizenship have collected ruined postcards and donated them to the Kariya City Welfare Corporation to assist in UNESCO's World Terakoya Movement^{*1}. They also collect spent prepaid cards, new stamps and foreign currency notes to support Hunger-Free World^{*2}.

In addition to these activities, a new activity adopted by Toyota Industries in fiscal year 2006 was its participation in the Present from the Forest Program^{*3} run by the international environmental NGO, FoE Japan, with the aim of protecting the world's forests. Volunteers from Toyota Industries' workforce have assembled wooden benches made of forest thinnings from the Yahagi River basin and donated them to 10 childcare centers in Kariya City. We are currently looking into the use of these forest thinnings to make wooden cargo pallets.

In fiscal year 2007, the Subcommittee will work on strengthening corporate backup systems and expanding contribution strategies from a global perspective, as well as promoting communications with interest groups other than local residents.

*1 World Terakoya Movement: A movement that aims to create the best environment to teach illiterate people around the world how to read and write.

*2 Hunger-Free World: An NGO dedicated to eradicating starvation and poverty around the world.

*3 Present from the Forest Program: A program to preserve Japan's forests by using lumber from forest thinnings, thus limiting the use of imported wood and helping to preserve the world's forest resources.

Inter-Affiliate Meetings on Corporate Citizenship with Domestic Affiliates

At the Inter-affiliates Meeting on Corporate Citizenship, Toyota Industries clarifies the policy and details of its social contribution activities, and examines activities that can be carried out jointly. Participation in the Toyota Industries Heartful Club is also encouraged. Eight domestic affiliates took part in the club in fiscal year 2006, and we will continue to work to increase the number of participating affiliates.

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.

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 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.



Discussions with Local Residents

Social Welfare Activities

Participation in the Management of KARIYA TOYOTA General Hospital*

Because there is no public hospital in Kariya City, Toyota Industries and six other Toyota Group companies located in Kariya City established the TOYOTA-KAI Medical Corporation, together contributing 100% of its capital. KARIYA TOYOTA General Hospital, which is operated by TOYOTA-KAI Medical Corporation, opened in 1963. Since then, the hospital has played a leading public role in providing emergency medical and other services, and has worked to become a central hospital for the area that is trusted by and well-loved by the local community. In a national ranking of hospitals (overall evaluation, published in March 2004) by Japan's foremost business daily newspaper, Nihon Keizai Shimbun, Kariya General Hospital was ranked 8th nationally.

Toyota Industries provides 69 million yen in donations to the hospital every year and also seconds two employees to work in the hospital.

* KARIYA TOYOTA General Hospital: Toyota, the name of the medical corporation that manages the hospital, was added to the hospital's former name (Kariya General Hospital) in April 2006 to better reflect the corporate citizenship philosophies of the TOYOTA-KAI Medical Corporation.

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.

In March 2006, 23 members of Toyota Industries' women's softball club participated as supporters in the Sports Experience Caravan organized by the Special Olympics. Under the direction of Taeko Utsugi (manager of Japan's Athens Olympic softball team), they taught the approximately 100 participants practical skills, such as catching the ball and batting, and conveyed to them the fun of the sport of softball.



Sports Experience Caravan

Community Activities

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

As an automotive-related manufacturer, Toyota Industries is working to set a positive example and achieve the goal of zero traffic accidents by pouring its efforts into providing its employees with traffic safety-related educational programs and cooperating with local traffic safety activities.

Toyota Industries' Central Traffic Safety Committee, comprised of both labor union and management, outlines a safety action policy each fiscal year while working to familiarize every workplace with their plant's traffic safety committee. Monthly meetings, attended primarily by members of traffic safety promotion committees, are held at each workplace in order to check activity progress and advance countermeasures.

Activities in fiscal 2006 were based on two policies: elimination of traffic accidents and promotion of the Yellow Stop Campaign. Workshops were held to re-familiarize participants of things to be aware of while driving or commuting, and a pamphlet addressing traffic accident of bicycle prevention was distributed. Inspections and other measures are also implemented to ensure that the above cautions are being properly carried out at each workplace.

In addition, a target of 500 participants was set for the Yellow Stop Campaign, which is carried out in cooperation with the Toyota Group and local governments. Our employees station themselves at the streets near company plants to carry out patrolling activities at times such as

during national traffic safety campaigns and on Zero Traffic Accident Day. A total of 506 employees took part in these activities.

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 offer our corporate buses for social welfare programs and lend trucks for environmental conservation activities to support these community activities.

Case Study

Opening Factories Up to the Local Residents

— BT Industries (Sweden)

BT Industries opens up its factories to the residents living in and around Mjölby, where its head office is located for one day every three years. From 10:00 a.m. to 3:00 p.m., all of the factories, including those that produce powered trucks, hand pallets and special-specification trucks, and BT Svenska, open their doors to the local public.

Many events for children are planned for the day and, along with coffee and cake, a wide range of information about BT Industries' manufacturing operations is provided. The last open day was held on September 3, 2005.



Educational and Cultural Activities

Supporting Invention Clubs for Boys and Girls* to Help Youth Education

To help foster the healthy education of our youth, Toyota Industries utilizes a variety of means to support invention clubs for boys and girls in Kariya, Obu, Takahama and Handa, where our plants are located.

For example, we provide donations to the Obu Invention Club for Boys and Girls to assist with administrative expenses, as well as providing financial assistance, volunteer helpers (Toyota Industries employees) and the loan of buses for the various events organized by the Club.

In fiscal year 2006, we responded to a request from the Club by donating a second-hand company car that had been used at one of our plants.

The Kariya Invention Club for Boys is operated



Donation of a second-hand company car

Achieving Coexistence with Local Communities

by the Toyota Institute of Physics and Chemistry, which is supported by Toyota Industries and ten other companies in the Toyota Group.

* Invention Clubs for Boys and Girls: A program launched by the Japan Institute of Invention and Innovation in 1974. Clubs have been formed in various parts of Japan with the cooperation of local governments, boards of education, schools and companies.

Contributing to the Development and Promotion of Amateur Sports Table 1

Toyota Industries continues to contribute to the development and promotion of sports activities through donations to and sponsorship of sports promotion organizations and sports meets that are mainly in the local area. The Kariya Club, a local rugby club team consisting primarily of former members of the Toyota Industries Rugby Team, runs a rugby school for local children at the Toyota Industries Rugby Ground every year.



Rugby School

Table 1 Major Donations and Sponsorships in FY 2006

Donations to Sports Promotion Organizations	Sports Promotion Foundation Kariya Physical Education Association Kariya Softball Federation Central Japan Student Nanshiki Baseball Federation
Sponsorship of Sports Events	Higashimura Marathon Race (Obu City, Aichi Prefecture) National Invitational University and Business Sumo Tournament World Orienteering Championships Toyota International Youth Football Championship Student Formula SAE Competition of Japan

Participation in Program for School Teacher Training at Private-Sector Companies

In fiscal year 2006, Toyota Industries began participating in a program run by the Keizai Koho Center (Japan Institute for Social and Economic Affairs) for school teachers to receive training in private-sector companies.

In this program, teachers from elementary, junior high and senior high schools are invited to attend training during the school summer holidays to increase their awareness of industry



Teacher training at private-sector companies

and corporate activities by experiencing them for themselves. 91 companies around Japan participate in the program. From 29 to 31 August, Toyota Industries welcomed six teachers from the Kami-cho Board of Education in Hyogo Prefecture and helped them to increase their understanding of issues such as health and safety education, environmental conservation activities and personnel and human resources development systems.

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 creating things. 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 Art Museum Management

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.

In November 2005, a concert was held in the museum's lobby to commemorate the eighth anniversary of the opening of the museum. Also, in collaboration with the Kansai Council's Kansai Culture Day, admission to the museum was free of charge for two days only.

Case Study

Promoting Sports and Cultural Activities at Local Schools

— Kirloskar Toyoda Textile Machinery Private Ltd. (KTMM) (India)

To encourage youth to participate in sports and cultural activities, promote mutual exchanges among students and contribute to student education, Kirloskar Toyoda Textile Machinery (KTMM) established a sports awards program in July 2004 and continues to assist with the implementation and running of the program. School teachers are invited to talk about the importance of sports. Local NGOs have also joined in to support the program. The program is very popular and has raised the corporate image of KTMM.



Award ceremony



Environmental Conservation Activities

Community Cleanup Events

Every year in September, Toyota Industries conducts a company-wide environment beautification campaign to clean the areas surrounding its plants. Group companies are also encouraged to participate, and in fiscal year 2006, about 3,200 employees, including those from nine affiliates, volunteered.

The company's Managers' Councils* also conduct 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 train stations.

* Managers' Councils: Groups of employees arranged by supervisory level and funded by membership fees with the aim of self-development and exchange activities. They include groups such as the "General Managers Council" and "Team Leaders Council" and employees. Membership is voluntary for employees.



Clean-up Activities

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. Under this program, citizens and businesses "adopt" a certain public area and clean and beautify that area as its "foster parents". The local government supports the program by, among other means, providing cleaning equipment and taking away the rubbish collected. At each area selected for "adoption", a signboard showing the name of the "foster parents" is displayed, helping to inform citizens about the program.

Toyota Industries has four "adopted areas" in Handa and Obu, where Managers' Councils and other groups of employee volunteers carry out cleanup and beautification activities during their lunch hours and at other times. This activity was extended to the Kariya area from June 2006.



Signboard

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 and Council for the Development and Water in Chubu. In fiscal year 2006, in connection with EXPO 2005 AICHI, Japan, and event called the "Environmental Forum", sponsored by the Safety, Health & Environment Departments, was held with the cooperation of the Takahama Plant and Takahama Tsubasa Elementary School.

Case Study

Donations to SOS Children's Villages^{*1} and WWF^{*2}

— BT Industries (Sweden)

BT Industries supports SOS Children's Villages and the Worldwide Fund for Nature (WWF). From a marketing perspective, distributors in each country are free to select those organizations in their own countries that they wish to support. BT Industries, however, wanted to select organizations that all of their employees could be interested in, so decided to support SOS Children's Villages, a purely private-sector international child welfare organization, and the WWF, the world's largest privately financed conservation organization.

Relating strongly to their respective missions of "freeing children from tragedy and bringing smiles back to their faces" and "protecting wild animals in danger of extinction", BT Industries makes donations to these two organizations.

*1 SOS Children's Villages: SOS Children's Villages was established in Austria in 1949 to help children who had become orphans in World War II. The motto of the organization is "putting smiles back on children's faces". In the villages, orphans and children who have been abused live in proper family homes with people who act as their parents and give them a family life. There are currently 439 such villages in 131 countries around the world, supporting children in need of care in a variety of ways.

*2 WWF: The World Wide Fund for Nature (WWF) is the world's largest non-government nature conservation organisation, operating in over 100 countries. It was established in Switzerland in 1961 with the aim of protecting wild animals in danger of extinction.

Aid to Disaster-Stricken Areas

Disaster Volunteer Net

Thirteen companies in the Toyota Group have formed the Toyota Group Disaster V (Volunteer) Net to help the victims of natural disasters and disaster-stricken areas get back on their feet and restore and rebuild their communities themselves. Toyota Industries currently has 96 employees registered with the Disaster V Net.

The Disaster V Net has set up an information network to enable appropriate action to be taken to assist restoration and rebuilding efforts, and it also conducts regular seminars. At times of disaster, the organization liaises with the regional volunteer headquarters set up by local governments and assists them by advertising for volunteers and in other ways.

