

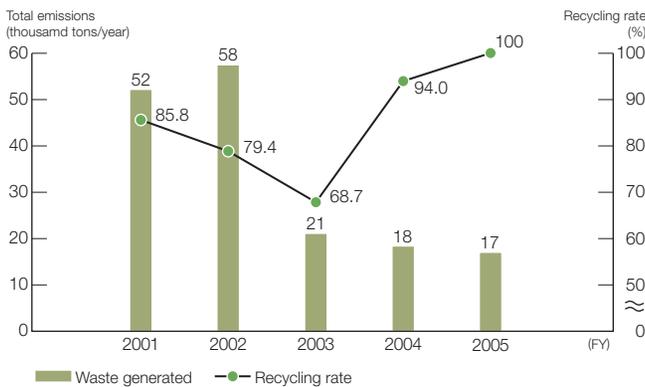
Resource Conservation and Recycling

Resource Conservation and Recycling Policy ▶Graph 11

To efficiently use our valuable resources, Toyota Industries focuses on reducing landfill waste by recycling waste, reducing water consumption, and reducing the amount of materials used for product packaging.

Through these efforts, we achieved the recycling of nearly all waste generated. However, since we must consider the impact of recycling treatment on the environment, such as the global warming effect generated by energy consumed in treating waste, we will continue to strive to reduce waste by improving production efficiency, reducing the volume of industrial waste by reusing materials, and choosing methods for processing industrial waste that have minimum environmental impact.

Graph 11 Volume of Waste Generated and Recycling Rate



Reduction and Recycling of Industrial Waste

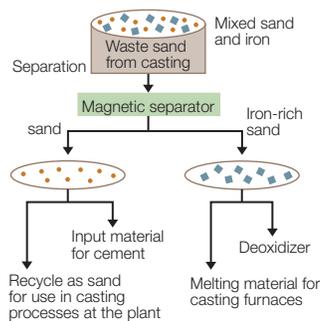
Achieved “Zero Landfill Waste” Target at All Plants ▶Chart 6

In response to an imminent shortage of capacity at landfill waste disposal facilities, Toyota Industries has strived to reduce the volume of waste that cannot be recycled and constrain the rising volume of landfill waste to a maximum level of 5% of FY 1999 levels.

Nearly all landfill waste of Toyota Industries has been waste sand generated in the casting process for the engine business at the Higashichita Plant. Consequently, we are working to increase the rate of recycling through stricter separation of sand from iron waste and reusing recycled sand for casting and as an input material for cement.

Although Toyota Industries was not able to fully implement these programs within the target year of FY 2004, it did recycle nearly all landfill waste in FY 2005 through a variety of methods such as diligently separating waste.

Chart 6 Recycling Waste Sand from Casting



Generating Less Waste and Reducing the Environmental Impact of Waste Disposal

Toyota Industries will continue these efforts in FY 2006 and maintain a “zero landfill waste” policy by promoting the recycling of waste.

In addition to strengthening our efforts to generate less industrial waste through more efficient use of resources, Toyota Industries will also take steps to reduce costs, such as reducing the number of defective products and improving production efficiency by cutting back the use of paints.

To further reduce CO₂ emissions and other environmental impacts generated at the time of waste disposal, we plan to construct a structure for selecting the optimum waste disposal method based on a comparative review of all potential methods and their respective environmental impact. We will also enhance our system for monitoring waste disposal in order to prevent illegal dumping.

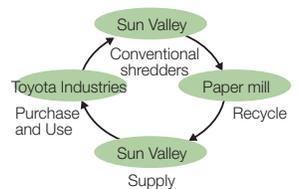
Case Study Internal Recycling of Used Paper by Wet Shredder Method ▶Chart 7

— Sun Valley Inc. [Japan]

Sun Valley Inc. introduced wet shredders in FY 2005 to promote the recycling of used paper. The use of conventional shredders to shred paper into very small pieces for the purpose of safeguarding the confidentiality of information tends to make recycling difficult. The wet shredder method, however, adds water to re-pulp the used paper, which can then be more readily processed by paper mills into recycled paper.

Toyota Industries is also progressively introducing the disposal of used paper using wet shredders. A portion of the paper used for this report was produced from wet shredded recycled paper.

Chart 7 Internal Recycling of Used Paper



Case Study Reusing Hydrofluoric Acid Wastewater

— ST Liquid Crystal Display Corp. [Japan]

ST Liquid Crystal Display Corp., an LCD display manufacturer, uses hydrofluoric acid in its production operations. In FY 2004, the emission of hydrofluoric acid wastewater accounted for approximately 25% of total waste, with disposal costs incurred accounting for approximately 40% of the company's total disposal costs.

Although the company had sought potential ways to reuse hydrofluoric acid and had been considering identifying companies who could recycle the hydrofluoric acid wastewater, several recycling-related issues remained, including the handling of impurities, such as silicon and boron contained in the wastewater, and the wide variance in their concentration. The company determined wastewater composition and concentration by conducting an ongoing analysis of wastewater, compiling the data, and conducting sample tests. As a result, the company ultimately found a waste disposal company able to reuse the wastewater and began recycling its wastewater in April 2004. This recycling effort reduced the company's total waste disposal costs by approximately 33%. The company also achieved an 80% recycling rate for boron that had previously been discarded.

The company is striving to further reduce the costs of disposing of waste by finding other wastewater recycling companies and thereby reducing waste through the reuse of wastewater.

Reducing Water Consumption and Recycling Water

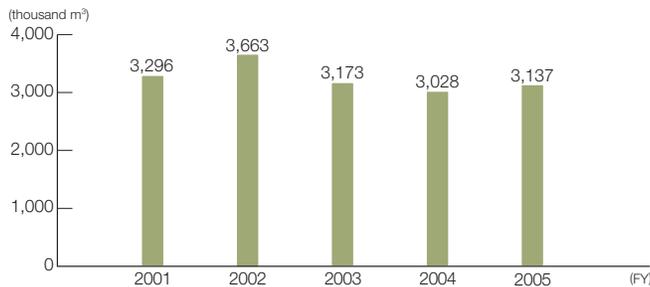
Water Consumption per Vehicle Manufactured Reduced by Approximately 30% Compared with FY 1996 ▶Graph 12, 13

Toyota Industries has strived to control and reduce the amount of water consumed at every plant. We have focused such efforts on the vehicle business, which consumes a large volume of water, with a target of reducing water consumption per vehicle manufactured by 20% compared with FY 1996 levels by the end of FY 2006. To date, we have reduced water consumption per vehicle manufactured by 29% compared with FY1996 levels through such measures as eliminating vehicle washing after intermediate painting.

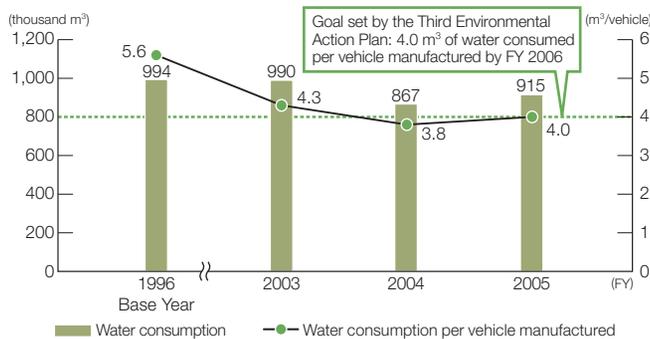
To further reduce water consumption, we will start to recycle wastewater in line with the completed refurbishment of the wastewater treatment facility at the Nagakusa Plant in FY 2006. Through such efforts, we expect the recycling rate of used water* will rise from 2% in FY 2005 to 9%.

* The recycling rate of used water: recycling water volume / (recycling water volume + water consumption volume)

Graph 12 Water Consumption (Total for All 8 Plants in Japan)



Graph 13 Total Water Consumption and Consumption per Vehicle Manufactured in the Vehicle Business



Reducing Packaging Materials

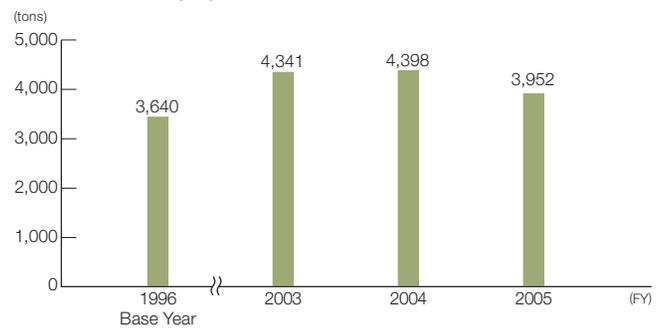
Reduced Consumption of Packaging Materials and Achieved target Consumption per Production Volume; Packaging Methods Will Be Reviewed in FY 2006 ▶Graph 14, 15

While striving to reduce the total consumption of packaging materials used in transporting products in the materials handling equipment, car air conditioning compressor and textile machinery businesses, Toyota Industries sets a target for reducing packaging materials consumed per unit of production by 20% compared with FY 1996

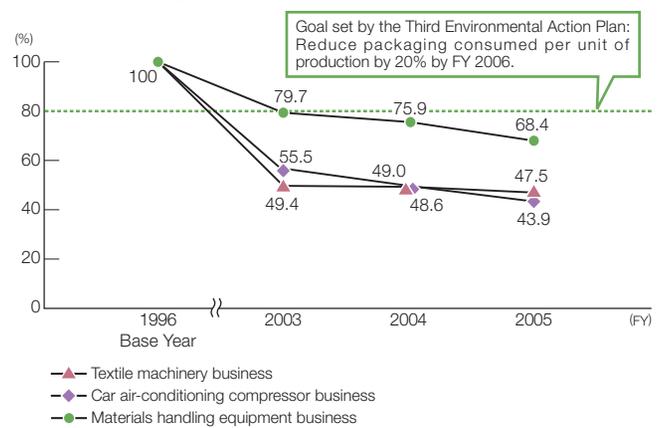
levels by the end of FY 2006.

The total consumption of packaging materials in FY 2005 increased 8% compared with FY 1996 due partly to increased production volume driven by the growth in exports of textile machinery to China. However, as a result of changing packaging materials and reviewing packaging methods, packaging materials consumed per unit of production declined substantially to 68.4% in the materials handling equipment business, 43.9% in the car air-conditioning compressor business and 47.5% in the textile machinery business, based on 100% for FY 1996, far exceeding the target for each business.

Graph 14 Packaging Materials Consumed



Graph 15 Packaging Materials Consumed per Unit of Production



Case Study Reduction of Cardboard Consumption by Converting to Returnable Packaging Containers

—TD Deutsche Klimakomprssor GmbH (TDDK) [Germany]

TD Deutsche Klimakomprssor GmbH (TDDK) began to use returnable plastic packaging containers for its compressor shipments in order to reduce its use of packaging materials (cardboard). The company expects to reduce its consumption of cardboard for packaging purposes by 130 tons over the 10 month period from February to December 2005. It is gradually expanding the use of its returnable packaging container program to other areas of its operations.



Returnable package