Risk Management

Striving to prevent risks associated with manufacturing activities

Determined to see that its business activities comply with all environmental requirements, Toyota Industries is continually working to prevent risks associated with its manufacturing activities. The company is committed to preventing soil pollution from its manufacturing operations, and has created systems to ensure strict legal compliance while working to reduce the various risks associated with each stage of the company's manufacturing activities. Toyota Industries also discloses information on its use of chemical substances to the community.

Regular Report on Soil Pollution

Toyota Industries is involved in the testing and purification of polluted soil and groundwater that resulted from the company's past use of trichloroethylene in its manufacturing processes. The company is working to prevent the outflow of pollutants beyond its plant boundaries and is taking measures to purify contaminated soil. Soil excavation*1, iron powder mixing*2, and vacuum pump extraction*3 techniques are being used to purify and recover contaminated soil found within the boundaries of its plants. The company regularly reports its testing results to government agencies and makes the data available to the public through regular meetings with the community.

In February 2003, Toyota Industries formulated a new set of procedures for equipment installations with the aim of preventing future recurrences of soil and groundwater pollution. These procedures specify the use of aboveground construction for new storage facilities and piping, and clarify the control methods used to prevent accidental leakage. Measures to prevent soil contamination were utilized to construct the company's new Higashichita and Higashiura Plants, and included the use of aboveground piping and underground pits with double-wall construction.

FY 2003 Trichloroethylene Readings Reference value: 0.03 mg/l

Plant	Average Density of Plant Groundwater	Present Status
Kariya Plant	1.31 mg/l	Ongoing purification efforts
Kyowa Plant	2.69 mg/l	Ongoing purification efforts

* Testing was performed at eight domestic plants. No trichloroethylene was detected at the other plants.

Legal Compliance and Environmental Litigation

Toyota Industries received no citations for legal infractions nor fines related to the environment during FY 2003.

Environmental Risk Prevention

Strict Enforcement of Legal Compliance

Toyota Industries CO/BS is responsible for monitoring changes to environmental laws and regulations, and communicating those changes to the manages and employees of the company's eight domestic plants.
In accordance with the EMS at each plant, the company identifies pertinent rules and regulations based on the plant's location and business activities in order to implement new regulatory requirements through concrete measures at each plant.

Accident Prevention: Prior Assessment System for Chemical Substances

A prior assessment system is used when the company is considering a procurement, whether of paint or any other new items used in manufacturing. Toyota Industries also performs risk assessments of chemical substances contained in new items, which assists the company in its efforts to reduce chemical substance usage.

Underground Oil Seepage Prevention Measures

Toyota Industries has established medium and long-term plans aimed at preventing soil contamination resulting from underground oil seepage. During FY 2003, the company conducted on-site surveys of specific underground tanks, underground pits, and waste storage areas where there was a risk of soil contamination. The company is planning to initiate such measures as converting to double-wall construction for both existing and future structures, and implementing routine inspections based on the new guidelines introduced in January 2004.

Environmental Accident Prevention: Management of High-Risk Equipment and Processes

High-risk equipment that could cause an environmental accident or lead to environmental-related complaints are thoroughly examined at the process level and routinely subjected to strict controls. The company regularly conducts safety drills and carries out testing with the aim of minimizing the damage that could occur in the event of an accidental leakage of a chemical substance.

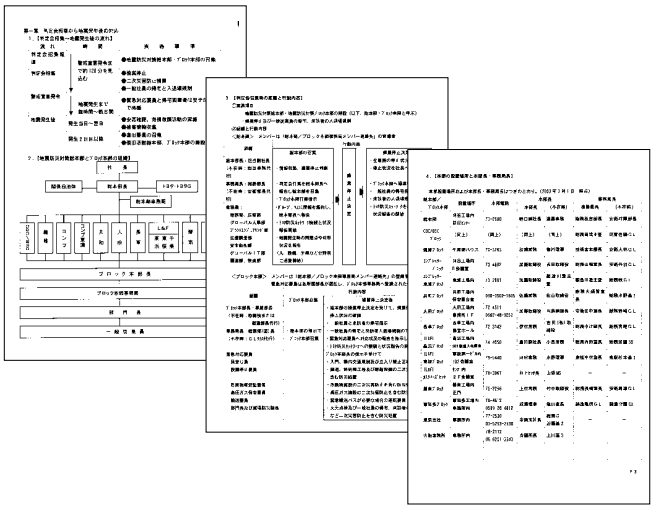
Fire Response Drill

Chemical Release Response Drill

*1 Soil excavation: technique involving excavation and purification of contaminated soil.
*2 Iron powder mixing: technique in which soil is mixed with iron powder and an oxidizing agent in order to break down pollutants.
*3 Vacuum pump extraction: technique involving the use of vacuum pumps to extract gaseous pollutants from soil, for adsorption and removal using active charcoal.

Tokai Earthquake Preparations

Aichi Prefecture, which is home to Toyota Industries, has been officially identified as an area that could potentially be affected by a major earthquake occurring in the Tokai region. In response, Toyota Industries has created an in-house Earthquake Response Manual based on the urgent need to implement earthquake measures. In an effort to prevent future earthquake-related accidents, the company is conducting surveys to determine the potential environmental impact of its manufacturing equipment in the event of a major earthquake, from the standpoint of both the environment and equipment safety.



Toyota Industries Earthquake Response Manual

Monitoring of Waste Processing: On-site Inspections of Subcontractors

Toyota Industries conducts annual on-site inspections of the waste processing and waste removal firms Toyota Industries contracts with, in order to ensure that these firms are properly disposing of the company's waste. During FY 2003, the company performed on-site inspections of 29 firms and began polling its subcontractors regarding the recycling rate of the company's waste, with the aim of ensuring that its recyclable resources are being effectively utilized.

Verification Checklist for Waste Processing Firms

Risk Communication

Toyota Industries holds annual meetings with community representatives to disclose information about its business activities and environmental activities, and to encourage a two-way dialogue with the community. Twelve meetings were conducted in FY 2003 and were used to convey information about the company's environmental data and its chemical substance management.

Risk Communication

Subsidiary Spotlight

Emergency Response Drills for LPG Storage Facility KTTM

India-based KTTM conducts training and emergency response drills for its suppliers and employees, which enables the company to better respond in the event of an explosion or fire at its on-site LPG storage facility.

Emergency Response Drill