

# Relationship with Our Stakeholders

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## Relationship with Our Customers

Adhering to a quality first approach, Toyota Industries practices *monozukuri* (manufacturing) that quickly responds to the diverse, ever-changing needs of customers.

**“A product should never be sold unless it has been carefully manufactured and fully tested in the commercial trial, with completely satisfactory results.”**

Carrying on the spirit of founder Sakichi Toyoda, Toyota Industries strongly believes that quality is the lifeblood of a company. Focusing on quality first and ensuring customer safety and reassurance are our most important responsibilities to our customers and form the basis of our approach to CSR.

Toyota Industries strives to maintain and improve the total quality of our corporate activities, which encompasses not only “product quality” but also “marketing quality” and “management quality.” “Product quality” is embodied in the safety, eco-friendliness, durability, ease of use and workmanship of our products, while “marketing quality” entails excellent sales and service in addition to these attributes and “management quality” further enhances our overall corporate image and brand strength in terms of all of these attributes.

### ■ Types of Quality Sought by Toyota Industries



**“We should express our gratitude to our customers by providing them our best quality products.”**

Under our “Customer First” philosophy, Toyota Industries undertakes product development that meets customer expectations by capturing market needs and understanding how our products are actually used by customers.

At Toyota Industries, development of a new product entails defining specific goals to incorporate quality in every stage from product planning and design to production preparation, production, sales and after-sales services. We perform a

design review (DR), which allows a product to proceed to the next stage only when a responsible business division head examines and approves whether the product has reached the target quality level.

### Activities Based on the Quality Guidelines

Quality forms the basis of our operations and is essential in attaining the goals of our Vision 2020. As such, we formulated our Quality Vision 2020, which defines our philosophy in ensuring quality.

#### Quality Vision 2020

**All members in the Toyota Industries Group ensure quality first and build in quality with ownership at their own workplaces and positions in an effort to continuously supply attractive products/services that anticipate global customers’ needs.**

To achieve the goal of this vision, we issue the Quality Guidelines, which identify priority quality-related issues to be implemented in each fiscal year, to all production bases in and outside Japan and engage in quality assurance activities accordingly. The implementation status of these guidelines is reviewed by top management at the Quality Functional Meeting chaired by the head of the Production Headquarters\*1 for identifying additional issues and devising countermeasures. Issues raised are followed up at meetings of the Company-wide Council of Heads of Quality Assurance Departments chaired by the head of the Quality Control Department\*1. The president also checks on the outcome of these activities through *genchi genbutsu* inspections. In this

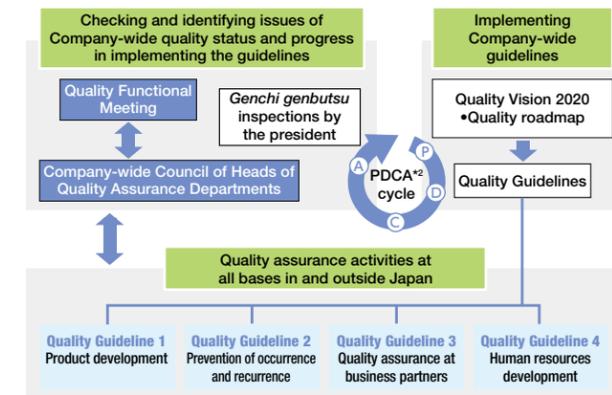


*Genchi genbutsu* inspection by the president

way, we are working to create a corporate culture that values the 3Gs: *genchi* (actual site), *genbutsu* (actual thing) and *genjitsu* (reality).

\*1: As of March 31, 2018

■ Quality Assurance Activities Based on the Quality Guidelines



\*2: PDCA (Plan, Do, Check, Act)

**Preventing Occurrence and Recurrence of Defects**

If a defect is found in a product after its launch, the Quality Assurance Department of the responsible business division takes the lead in swiftly implementing required countermeasures. At the same time, we examine and identify the cause of the defect both from the technological and process aspects and revise our new product development process as necessary. Through these measures, we strive to thoroughly avoid the recurrence of the defect in subsequent models.

Additionally, we make efforts to prevent the occurrence of defects in all products we develop and manufacture in the future. As an example, we provide education not only to employees of Toyota Industries but also to our business partners and affiliated companies in and outside Japan with an eye to preventing defects by improving work procedures and processes.

**Providing Support to Business Partners**

Since improving the quality of our products requires concerted efforts with our business partners in and outside Japan, we are strengthening joint quality assurance activities with major business partners.

In each annual quality audit, we determine priority areas, confirm the improvement status of the previously identified deficiencies and provide quality education on items that should be reinforced in order to cultivate a deeper understanding of *kaizen* (improvement).

In fiscal 2018, we held quality control training sessions for the *genchi genbutsu* sharing of best practices of quality control activities as part of efforts to attain mutual improvement of each business partner's quality control personnel.

These activities enable our business partners to attain the level of quality assurance required and establish a culture to foster quality assurance on their own.

**Promoting Human Resources and Workplace Development**

Toyota Industries provides systematic quality education to all employees to help them acquire quality assurance skills needed in actual operations. To nurture human resources who think and act on their own and create a better workplace through all-employee *kaizen* activities, we are encouraging employees to use their creativity and ingenuity to propose *kaizen* ideas and promoting quality control (QC) circle activities.

To date, we have received 13 awards for employees' creative ideas in the Creativity category in the Commendation for Science and Technology by Japan's Minister of Education, Culture, Sports, Science and Technology. We have also presented the results of our QC circle activities at QC circle conventions both internally and externally and received multiple awards for our accomplishments.

**TOPIC**

Award ceremony of the QC Circle Kaoru Ishikawa Award program

Two QC circles of the Compressor Division were recognized for their contribution to more active and better QC circle activities and received an encouragement award under the QC Circle Kaoru Ishikawa Award program run by the Union of Japanese Scientists and Engineers. This is one of the most premier awards given only to some 40 out of more than 50,000 circles in Japan every year, and it was the first time that Toyota Industries received two awards in the same year. We have also received a gold prize in the final round of the competition held in the Tokai Regional Chapter. As seen above, our activities have been yielding positive outcomes.

Our production bases outside Japan also promote *kaizen* efforts and human resources development through QC circle activities. We help them undertake activities corresponding to their respective environments by training QC circle instructors and visiting them to give hands-on instructions for promoting QC circle activities. As a venue for presenting activity results, we hold the Global QC Circle Convention every year since 2015 and provide workshop sessions to raise skills. We have held a regional convention in China for two consecutive years and plan to expand regional activities in the future.

To reinforce our foundation for quality assurance, we are promoting the development of human resources and an open workplace based on the belief that manufacturing starts with nurturing excellent personnel.



Global QC Circle Convention

**Relationship with Our Business Partners**

Toyota Industries encourages open procurement and seeks co-existence and co-prosperity with our business partners (suppliers) based on mutual trust. We also facilitate environmentally preferable purchasing, local procurement, human resources development, fair trade and disaster prevention activities for a possible major earthquake.

**Fair Business Transactions Based on an Open Door Policy**

We provide fair and equal opportunities to all potential business partners. We comprehensively evaluate our business partners based on such factors as quality, price, adherence to delivery times, technological capabilities and management information. We also assess their initiatives for safety, the environment and compliance as we strive for the timely and stable procurement of excellent products at lower costs based on fair business transactions.

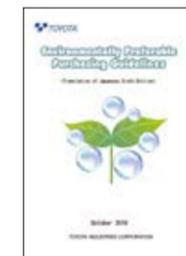
**Co-Existence and Co-Prosperity Based on Mutual Trust**

We work hard to realize co-existence and co-prosperity with our business partners based on mutual trust. Every year, we hold procurement policy meetings and top manager seminars for major business partners to facilitate mutual understanding and cooperation. In addition, we provide such programs as quality management and technical skills training, guidance directed toward *kaizen* at their production sites and safety and health education throughout the year.

**Reducing Environmental Impact through Environmentally Preferable Purchasing**

We aim to procure parts, raw materials and equipment from business partners that give sufficient consideration to the environment.

In the sixth edition of our Environmentally Preferable Purchasing Guidelines, we added the aspirations in 2050 of our Environmental Vision. Accordingly, we have been strengthening environmental management in our entire supply chain and undertaking relevant initiatives throughout the product lifecycle. In fiscal 2018, we also added to the list of substances managed under the Environmental Management Information System (EMIS) descriptions of laws and regulations serving as a legal basis and the impact on health to clearly highlight the importance of paying attention to the environment.



Environmentally Preferable Purchasing Guidelines

**Local Procurement for Good Corporate Citizenship**

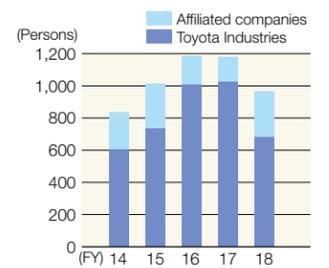
In view of increased local production outside Japan, we promote procurement from local business partners through consolidated subsidiaries in order to contribute to the local community as a good corporate citizen.

**Promoting Human Resources Development**

We proactively provide education to enhance procurement knowledge both internally and externally. In fiscal 2018, we

provided training on Japan's Subcontracting Law mainly for affiliated companies, with seminars attended by 300 participants. We also work with Hoeikai, an organization consisting of our business partners, to provide support to strengthen the management platforms of member companies through Toyota Production System (TPS) activities in manufacturing and QC circle activities.

■ Participants of Japan's Subcontracting Law Seminar



**Efforts toward Future-Oriented Trade Practices**

To realize fair trade and improve added value across the entire supply chain, Toyota Industries and its affiliated companies totally switched to pay in cash to subcontracting business partners in fiscal 2018. We held a briefing in May 2017 to explain the change to our major business partners. The scope of our business partner hotline that was established to receive inquiries from our business partners, namely Hoeikai members, was also extended to other companies. Through these efforts, we have been making steady progress toward becoming a "company on which society places greater trust."



Business partner briefing

**Business Continuity Plan (BCP) Activities for Possible Major Earthquake**

In further promoting our BCP activities, we are making concerted efforts with business partners to reduce associated risks by implementing specific measures. As one example, we provided production restoration workshops (tabletop exercises) again in fiscal 2018 mainly to our affiliated companies and Hoeikai members. Designed to identify issues in advance, the workshops were effective in formulating production restoration measures corresponding to each site and its current status.

In response to a growing need for quick identification of damage in disasters other than earthquakes, we will add wind and flood disasters, fires and explosions to the scope of our BCP activities.



Production restoration workshop

## Relationship with Our Shareholders and Investors

We aim to obtain an appropriate company valuation in stock markets through timely and appropriate information disclosure while promoting good communications with shareholders and investors.

### Basic Perspective

Toyota Industries continually carries out timely, appropriate and fair information disclosure for shareholders and investors. In this way, we raise management transparency so that we obtain an appropriate company valuation in stock markets. We proactively provide not only information required under disclosure laws and regulations but also information on our management policy and business activities. Also, we engage in various investor relations activities to facilitate productive dialogue with shareholders and investors.

### General Shareholders' Meeting

We hold our annual general shareholders' meeting early to avoid the date on which many companies hold their respective shareholders' meetings so that more shareholders can attend. We are further facilitating the exercise of voting rights of our shareholders by allowing them to exercise such rights via the Internet and by joining the electronic voting platform for institutional investors.

We held our 139th General Shareholders' Meeting on June 9, 2017, in which a record-high 501 shareholders participated. Following the general shareholders' meeting, we invited our shareholders for a tour of a plant that manufactures our mainstay lift trucks to foster a better understanding of our business activities.

#### Number of Participants

	135th	136th	137th	138th	139th
Shareholders' meeting	396	348	418	475	501
Plant tour	185	144	163	198	208

(Persons)

### Investor Relations Activities

For institutional investors and securities analysts, our management conducts quarterly briefing sessions to explain our financial results, including business performance, progress achieved at each business division and future initiatives. In fiscal 2018, we conducted activities to help them better understand the effect of the International Financial Reporting Standards (IFRS) on our business performance, which we started applying from the end of fiscal 2017. In addition to accepting individual interviews, we hosted an information session for our Car Air-Conditioning Compressor Business. The session provided an opportunity to appeal the business's strengths in terms of both development and production aspects, as we explained our business policies, presented development-related initiatives through a tour of an R&D facility and showcased our way of *monozukuri* based on a *genchi genbutsu* approach.

As for institutional investors outside Japan, we visit some of them to explain our management policies and growth

strategies. We also participate in conferences hosted in Japan by securities companies and hold individual meetings.

For individual investors, we hold company information sessions mainly in regions in Japan where our bases are located to promote an understanding of our business and management policies. Our Website also provides our corporate history, overviews and technologies of each business as well as financial results in an easy-to-understand manner.

Opinions and requests we collect through various means of communications with shareholders and investors are fed back to executives and relevant business divisions to reflect them in our future business activities.



Company-hosted information session for the Car Air-Conditioning Compressor Business and tour of an R&D facility (December 2017)

#### Major IR Activities

##### For institutional investors and securities analysts in Japan

- Quarterly financial results briefings •Individual interviews/visits
- Small meetings •Teleconferencing •Business information sessions
- Facility tours •Issuing/delivering *Toyota Industries Reports*

##### For institutional investors outside Japan

- Individual interviews/visits •Teleconferencing
- Participation in conferences hosted by securities companies
- Issuing/delivering *Toyota Industries Reports*

##### For individual shareholders and investors

- Company information sessions •Company-hosted plant tours
- Issuing/delivering notice of general shareholders' meeting
- Issuing/delivering business reports

### Returning Profits to Shareholders

Toyota Industries regards ensuring shareholder benefits as one of the most important management policies.

Accordingly, we strive to continue paying dividends at the consolidated dividend payout ratio of roughly 30% and meet the expectations of shareholders upon comprehensively taking into consideration such factors as business results and demand for funds.

For fiscal 2018, Toyota Industries increased annual cash dividends by ¥25.0 over the previous fiscal year and paid annual cash dividends per share of ¥150.0 (interim cash dividend per share of ¥70.0 and year-end cash dividend per share of ¥80.0).

## Relationship with Our Associates

Our ultimate goal is to create safe and secure workplaces for everyone, where each and every associate can exercise their diverse potentials and play active roles.

### Building a Safety-Oriented Culture That Aims for Zero Industrial Accidents

In accordance with our fundamental policy of "creating people capable of autonomously maintaining occupational safety and health," Toyota Industries strives to prevent industrial accidents and occupational disorders as well as realize better work environments.

In fiscal 2018, we continued to promote primarily "activities aimed at establishing a safety-oriented culture" and "safety measures from human, object and administrative standpoints based on risk assessment."

For a safety culture to firmly take hold, it is vital that all associates, under the leadership of managers and supervisors, engage in relevant activities with strong safety awareness and a conviction that we can eliminate industrial accidents. It is equally important that individual workplaces identify their specific health and safety issues and voluntarily plan, execute and sustain their own activities to reduce industrial accidents.

For managers and supervisors, we provide an opportunity to observe the workplaces of other plants to learn from others' creative ideas in safety and health activities and raise awareness. They in turn apply the insight to improve safety activities in their own workplaces.

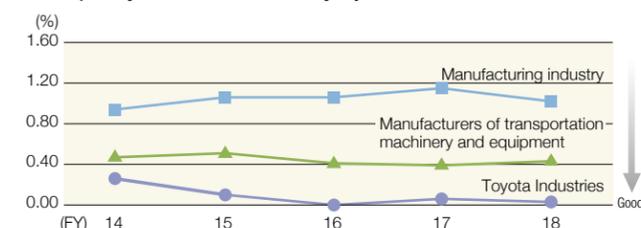


Managers and supervisors observing safety culture activities and work procedures at other plants

As basic safety culture activities, we encourage point-and-call practices within plants to check safety, instruct associates to use hand rails when going up or down stairs and let associates remind each other to mutually raise awareness. Through these activities, we have increased opportunities to hold safety dialogues within Toyota Industries, thus making steady progress toward zero industrial accidents.

In fiscal 2018, we continued to record no accidents caused by production facilities. However, as there was

#### Frequency Rate of Lost Workday Injuries



(Source: Survey on Industrial Accidents, Japan's Ministry of Health, Labour and Welfare)

an accident involving injuries while walking, we recorded the frequency rate of lost workday injuries of 0.03. We will continue to expand unfaltering safety initiatives to achieve zero industrial accidents and raise the level of our mutual enlightenment-based safety culture, in which associates voluntarily remind each other.

Following an industrial accident at another company in 2016, which involved an explosion in a heating furnace that uses combustible gas, we conducted inspections on gas-fired equipment used within the Toyota Industries Group. Specifically, we performed checks on automatic ventilation at the time of ignition, devices used to monitor individual gas-fired equipment, operation of the dual automatic gas shut-off valves and the contents of operational manuals. As we must rely on human eyes to check incomplete combustion in a high-temperature furnace, we have started joint R&D of a gas detector with a manufacturer. We are conducting research on the effects of high-temperature gas, dusts and chemical substances on the gas detector, which is currently in its trial stage. We will continue to seek improved safety measures that leverage the latest safety technology.



On-site inspection of detection performance

Overseas, we continue to hold a health and safety regional meeting, which was started in fiscal 2016, at bases in Europe and North America. At the meetings, these bases work jointly to facilitate an understanding of how to apply cause analysis methods to prevent a recurrence of an industrial accident and how to ensure safety in logistics operations while using vehicles within a plant.

We aim to maximize the effectiveness of our recurrence prevention measures by creating a manual to be shared among the bases, which compiles the cause analysis results



Health and safety regional meeting at a base in Europe



Health and safety regional meeting at a base in North America

for and measures taken in response to the past industrial accidents.

We will continue to reinforce ties among bases within Japan and among bases in each region, with the ultimate goal of establishing a health and safety culture at the highest level in respective regions.

### Initiatives for Health Management and Improvement

As a task for the medium term, we are promoting health improvement of associates, mainly focusing on prevention of lifestyle diseases and mental health support activities, to counter risks associated with aging and greater stress.

For prevention of lifestyle diseases, we conduct periodic age-based health education for all associates. We also feed back to associates the results of an annual health checkup and measurements conducted on the same day, including physical fitness, body fat percentage and amount of fat around internal organs, along with advice to improve lifestyle habits. Our health checkup is designed to provide motivation for better health by letting associates think about their health over the course of the one-day program.

For preventing and ameliorating symptoms of metabolic syndrome, we provide health promotion guidance to associates with mild obesity or who are slightly overweight, in addition to specific health guidance required by the Japanese government. By doing so, we encourage associates to improve lifestyle habits early on.

#### Major Health Promotion Activities in Fiscal 2018

Participants of age-based health education	(2,445 persons)
Persons having completed guidance program on prevention of lifestyle diseases	(1,056 persons)
Stop smoking enlightenment events	
•World No Tobacco Day: One-day no smoking (May 31)	
•No Smoking Days: Half-day no smoking (for nine days)	
Participants of stop smoking campaigns (held jointly with health insurance association)	(12 persons)
Participants of walking events (held jointly with health insurance association)	(5,061 persons)



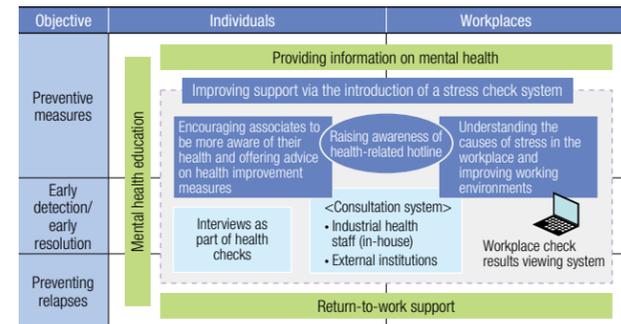
Age-based health education

As part of mental health support activities, we have in place a system to offer early consultation through a health-related hotline. Other activities include upgrading our self-care/line-care education to prevent new cases of mental health problems and operation of a return-to-work support program for persons on long-term leave for prevention of relapses. We have successfully achieved positive results through these activities.

Under the stress check system introduced in fiscal 2017, we again conducted a check on all associates in fiscal 2018. As in fiscal 2017, we fed back the check results to all participants and workplaces with suggestions for improvement. We also set up an individual interview

with a doctor for those wishing to do so and provided improvement support as necessary to individual workplaces. As a new initiative and as a means to feed back the results to workplaces, we started operating an IT-based workplace check results viewing system that allows the users to perform a precise search of results and tips for improvement.

#### Improving Mental Health Support Systems (Introducing a Stress Check System)



For these efforts, Toyota Industries was recognized in the large enterprise category (White 500) of the 2017 Certified Health and Productivity Management Organization Recognition Program jointly promoted by Japan's Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi. We will continue to undertake activities to promote both mental and physical health and create a workplace that enables all associates to work actively.

### Enhancing Team Strength

Toyota Industries believes that it is essential to enhance team strength so that each associate can work with vitality and the Company can achieve sustainable growth.

We believe that team strength is made up of "technical skills" that form the basis of manufacturing operations, "management skills" that supports both. While further enhancing our team strength, we are striving to extend and hand it down beyond all business domains, generations and geographic regions.



#### Technical Skills

To develop skills to support manufacturing, the Technical Learning Center, one of our training facilities, plays the central role in associate education, offering basic skills training at the Technical Training School and facilitating efforts to enhance the skills of young technical staff through in-house skills contests. We also work to cultivate highly skilled specialists through participation in the national and international skills competitions.

At the 55th National Skills Competition\*1 held in 2017, the Toyota Industries team won one gold medal in the "structural ironsmith" category and received prizes in various other categories, thereby attaining medals for the 17th consecutive competition.

In addition, the Toyota Industries team won a silver medal in the "welding" category at the 44th WorldSkills Competition held in Abu Dhabi, the United Arab Emirates, in 2017.



Junya Kasagi, who won a silver medal at the 44th WorldSkills Competition

\*1: Skills competition for determining Japan's top young engineers

#### Number of Medals Won at the National Skills Competition

	FY2014	FY2015	FY2016	FY2017	FY2018
Gold medal	1	1	1	1	1
Silver medal	2	3	2	3	4
Bronze medal	3	1	3	1	1
Total	6	5	6	5	6

#### Management Skills

We conduct TICO Business Practices (TIBP) training targeting associates in administrative and engineering fields, with the aim of mutually sharing the thinking and values that the Company gives importance to, as well as to improve our associates' problem-solving capabilities. TIBP training programs are also provided at subsidiaries outside Japan in our efforts to raise the level of management skills throughout the Toyota Industries Group.

#### Spirit of Harmony

We are creating a bright, energetic and caring work environment that fosters a dynamic workforce and allows every member to demonstrate his or her capabilities both as an individual and as a team. We are proactively encouraging communication not only during work hours but also through social gatherings, sports days, summer festivals, Group-wide *ekiden* long-distance relay races and cheer squads for various sports events.

#### Initiatives for Promoting Active Roles of Female Associates

- FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
<b>Enhancing support systems</b> <ul style="list-style-type: none"> <li>•Extending the period of child care leave</li> <li>•Introducing a leave system to allow parental care of children with illnesses</li> <li>•Establishing on-site day care center</li> <li>•Introducing a "welcome-back" system*2</li> </ul>								
<b>Cultivating corporate culture</b> <ul style="list-style-type: none"> <li>•Opening a Diversity Navi page on the intranet</li> <li>•Holding exchange meetings and lectures to share experiences of female associates in balancing work and family</li> </ul>						<ul style="list-style-type: none"> <li>•Project for promoting active roles of female associates</li> <li>•Message from president</li> </ul>		
<b>Increasing the ratio of female associates</b> <ul style="list-style-type: none"> <li>•Starting to recruit main career track female associates (for engineering positions in fiscal 1987 and administrative positions in fiscal 1997)</li> </ul>						<ul style="list-style-type: none"> <li>•Introducing a telecommuting system</li> <li>•Expanding telecommuting options</li> <li>•Installing delivery lockers</li> </ul>		
<b>Cultivating career consciousness</b> <ul style="list-style-type: none"> <li>•Individual interviews with female assistant managers and their superiors</li> <li>•Formulating individual development plans</li> </ul>						<ul style="list-style-type: none"> <li>•Sending trainees overseas</li> <li>•Training for career development for assistant managers</li> </ul>		
<b>Setting targets for the number of female associates in managerial positions</b> <ul style="list-style-type: none"> <li>Tripling the number of female associates in managerial positions by 2020</li> <li>Toyota Industries [25 (2014); 31 (2017); 75 (target for 2020)]</li> <li>•"Eruboshi" certification</li> </ul>								

\*2: A system to enable reinstatement under certain preconditions

### Establishing Work Environments Where Diverse Human Resources Can Play Active Roles

We are implementing a variety of measures to create work environments where a diverse range of human resources can fully exercise their capabilities. These include promoting active roles of female associates, supporting the employment of persons with disabilities and creating an environment in which older associates can work more actively.

#### Promoting Active Roles of Female Associates

We have been formulating plans to harness a more diverse range of human resources and continuing to carry out activities since 2008.

We have been working to enhance support systems through such measures as introducing a shorter work-hour system for child care and a telecommuting system. As a result, the average length of service increased overall in administrative and engineering positions, with a significant rise for female associates. In addition, by introducing "a return-to-work ("welcome-back") system," which allows associates who have left work to care for children and family members or to accompany their spouse for a job transfer to get reinstated under certain preconditions, we provide an environment for associates to work at Toyota Industries for longer years with peace of mind.

In terms of measures to promote more active roles for female associates, we have set the target of increasing the ratio of female graduate recruits to 40% in administrative positions and 10% in engineering positions, and tripling the number of female associates in managerial positions by the year 2020 compared with 2014, and intend to step up activities to achieve our goal.

In 2015, we set up a project to promote more active roles for female associates, comprising 11 males and females from different departments. This project was key for the identification of issues and formulation of policy proposals in promoting the increased active roles of female associates through discussions and exchanges among project members and stakeholders. The results of these discussions formed the basis for the development of a Company-wide action plan in clarifying the initiatives for this project. In carrying out the

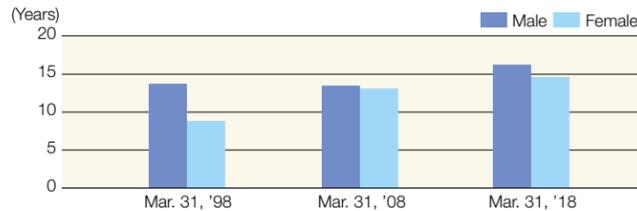
action plan, we specifically focus on the initiatives to change the mindset among managerial staff and across all associates, provide career support for female associates and promote flexible working practices.

Since 2016, we have held a seminar for a cumulative total of more than 1,200 managerial staff members who directly engage in the mentoring and development of associates. The aim is to promote an understanding of how female associates regard their career paths as well as the environment in which they are working and to raise awareness of human resources development that takes into account their life events.

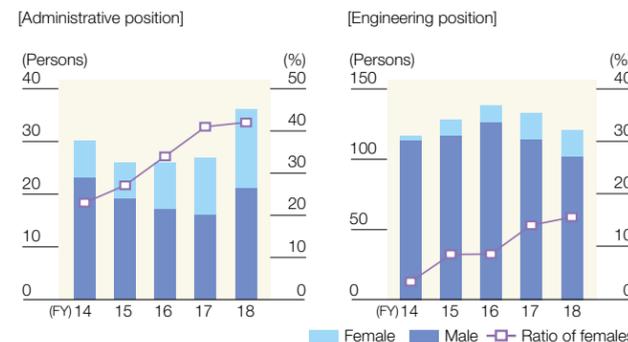
In order to create an environment to allow associates who are balancing work and child/nursing care to work with higher motivation and pursue career development, we have enhanced our programs to support the early return to work from a break in their career. Efforts include a full-day telecommuting system launched in October 2016; pre-maternity leave seminars started in December 2017 for associates and their spouses to think about a way of working

Action Plan		FY2016	FY2017	FY2018	FY2019
Changing mindsets among managerial staff and across all associates	(1) Launch, message from president	Implementation			
	(2) Awareness seminar for managerial staff		Implementation		
	(3) Follow-up on individual development plans	(Ongoing)			
	(4) Getting spouses involved in pre-maternity leave seminars			Implementation	
	(5) Lectures by male role models			Implementation	
Career support for female associates	(1) Sending associates overseas for training at an early stage in their careers	(Ongoing)			
	(2) Career training and interviews for female assistant managers		Implementation		
	(3) Role model exchange meetings			Implementation	
	(4) Early return-to-work support (pre-maternity leave seminars)			Implementation	
	(5) Early return-to-work support (financial aid system for day care costs)			Implementation	
Promoting flexible working practices	(1) Expanding telecommuting options		Implementation		
	(2) Establishing satellite offices		Implementation		
	(3) Installing refrigerated delivery lockers		Implementation		

**Average Service Years by Male and Female Associates (Administrative and Engineering Positions, Non-Consolidated)**



**Hiring of New Graduates (Non-Consolidated)**



after returning to work; and a financial aid system for day care costs adopted in April 2018 for associates working while taking care of infants younger than one year old.

We are working to improve workplaces so as to offer females a wider range of jobs and higher quality of work, and at the same time, to enable all associates working under time constraints to fulfill their individual potential.

In January 2016, we were certified by the Aichi Labour Bureau as a "Female-Friendly Company" and received "Eruboshi ("L Star": L stands for Lady, Labour and Laudable)" certification from the Ministry of Health, Labour and Welfare in October of the same year.

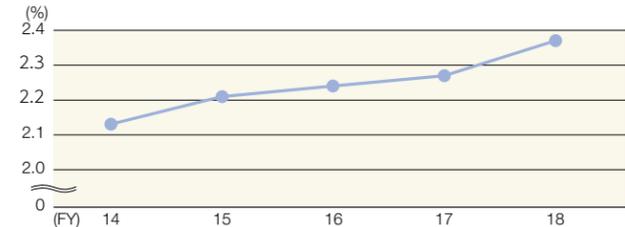
We will continue to promote activities aimed at creating more active roles for female associates.



**Employment of Persons with Disabilities**

We respect the idea of people with and without disabilities working together and sharing life and work values. Under this basic policy, we continue to employ persons with disabilities every year. They are assigned to a variety of sections and work with other members to perform their designated tasks. In fiscal 2018, the ratio of associates with disabilities on a non-consolidated basis was 2.37%.

**Ratio of Associates with Disabilities (Non-Consolidated)**



**Creating a Work Environment for Older Associates**

We focus on creating a better work environment for older associates by adjusting the height of jigs in production lines and modifying processes to compensate for deterioration of vision so that they can work with less stress.

In addition, we hold "Seminars for an Active Life" for associates reaching the age of 50 and 55 to give them an opportunity to envision life and work for the next 10 years.

**Relationship with Our Local Communities**

With a view toward creating an enriched and healthy society and ensuring its sustainable growth, we fulfill our role as a good corporate citizen and actively undertake social contribution activities in every region where we do business.

**Activities as a Good Corporate Citizen**

Based on "Respect for Others" as described in our Basic Philosophy, we strive to fulfill our role as a good corporate citizen in every region where we do business and actively engage in social contribution activities to realize an enriched and healthy society. In our activities that emphasize social welfare, youth development, environmental protection and community contribution, we not only provide cooperation and support through personnel, facilities, funds and know-how but also strive to closely connect with participants. To foster employees' awareness of their ties to society and raise their interest in contributing to society, we make enlightenment efforts such as providing a venue for volunteer activities and sharing information on volunteer activities that encourage the participation of all employees. Employee associations\* are actively undertaking various activities to contribute to local communities, mainly in the areas of supporting welfare facilities and protecting the natural environment.

\* Voluntary organizations formed by employees at each job level

**Structure for Promoting Social Contribution Activities**

The CSR Committee deliberates on policies of our social contribution activities while the Social Contribution Group within the General Administration Department at the Head Office takes the initiative in carrying out activities.

**Major Social Contribution Activities of Toyota Industries and Group Companies**

Theme	Activities
Social welfare	<ul style="list-style-type: none"> <li>Events to interact with persons with disabilities</li> <li>"Walk Rally (orienteering)," harvest festival, festival</li> <li>Support for welfare facilities</li> <li>Support for charity bazaars at facilities by providing goods</li> <li>Volunteer work for facility cleanup/repair/pruning/weeding</li> <li>Support for sales of products from facilities for persons with disabilities by providing opportunities to set up stalls</li> <li><b>Volunteer visit to an elderly care facility (P57)</b></li> <li><b>Donation to the American Cancer Society and participation in a walking event (U.S.A.) (P58)</b></li> <li><b>Providing livelihood support to care facilities for the elderly and persons with mental and physical disabilities (India) (P58)</b></li> <li>Providing food aid to economically challenged households during the Christmas season (U.S.A.)</li> </ul>
Youth development	<ul style="list-style-type: none"> <li>Support for Youth Invention Clubs</li> <li>Monozukuri workshops for elementary school children during summer vacations</li> <li>Holding handmade kite-flying competitions</li> <li>Running craft corners at local events</li> <li>Providing plant-hosted environmental education to elementary school children</li> <li>Holding mini concerts at elementary schools</li> <li><b>Participating in a Company Open Day and holding a plant tour for young people (Germany) (P58)</b></li> <li>Holding a painting and essay competition under the themes of "environmental protection" and "health is wealth" (India)</li> </ul>
Environmental protection	<ul style="list-style-type: none"> <li>Initiatives for forest conservation</li> <li>Tree thinning activities for conservation of prefecture-owned forests</li> <li>Producing and donating benches made of thinned wood</li> <li>Tree-planting activities for reforestation</li> <li><b>Conducting recycling activities for environmental protection (Argentina) (P58)</b></li> </ul>
Community contribution	<ul style="list-style-type: none"> <li>Participation in local traditional event (Mando Festival)</li> <li>Road cleanup activities in areas around plants</li> <li>Activities to raise awareness for traffic safety</li> <li>Crime prevention patrols</li> <li>Providing support for activities such as local cleanup, garden maintenance and landscaping (U.S.A.)</li> <li>Conducting health checkups for mothers and babies and donating nutraceuticals (Indonesia)</li> </ul>
Other	<ul style="list-style-type: none"> <li>Holding charity concert</li> <li>Support for international NGO through volunteer activities to collect spoiled postcards and others</li> <li>Periodic blood donation drives</li> </ul>

(Activities without country designation were conducted in Japan.)

**Activity Example of Toyota Industries (Japan)**

**Team Leader Association**

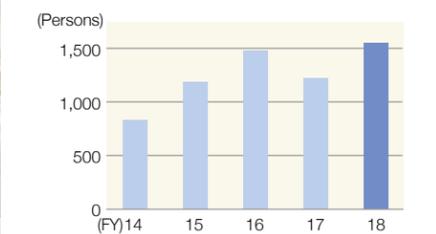
**Volunteer Visit to an Elderly Care Facility**

The Team Leader Association of the Hekinan Plant, comprising young leaders of the manufacturing department, visited a local elderly care facility and held a get-together event with elderly people. Everyone enjoyed various recreation activities led by the 18 members of the association, including a flag game, a game of passing a ball using a newspaper and singing songs with some physical exercise.



A visit to an elderly care facility

**Number of Participants of Social Contribution Activities of Employee Associations**



Each employee association voluntarily and proactively engages in social contribution activities, with the number of participants remaining at a high level every year.

## Activity Examples of Consolidated Subsidiaries (Outside Japan)

### ■ U.S.A.

#### Social Welfare

#### Donation to the American Cancer Society and Participation in a Walking Event

##### The Raymond Corporation (Raymond)

Subsidiary producing warehouse trucks

Raymond's employee volunteer team Ray of Hope raised donation funds through the sale of homemade bread and an in-house event called Jeans Day, and together with the matching amount provided by The Raymond Foundation, donated a total of \$3,725 to the American Cancer Society\* to support its activities. Team members, pleased with the outcome of their activities, participated in and livened up a PR walking event hosted by the society.

\* An NPO established in the United States in 1913, primarily engaging in three activities of providing information, supporting patients and cancer research



Employees who participated in donation activities for the American Cancer Society

### ■ India

#### Social Welfare

#### Providing Livelihood Support to Care Facilities for the Elderly and Persons with Mental and Physical Disabilities

##### Toyota Material Handling India Pvt. Ltd. (TMHI)

Subsidiary engaging in sales and servicing of materials handling equipment

TMHI donated blankets, wheel chairs, full electric medical beds and other items to about 400 residents of a care facility for the elderly and persons with mental and physical disabilities in northern India. Dealers in Bangalore, Chennai and Pune also conducted social contribution activities locally by donating beds, sets of daily necessities, large refrigerators and water purifiers to children living in care facilities for persons with disabilities in addition to planting trees in the facilities' gardens.



An employee who participated in activities to support a care facility

### ■ Germany

#### Youth Development

#### Participating in a Company Open Day and Holding a Plant Tour for Young People

##### TD Deutsche Klimakompressor GmbH (TDDK)

Subsidiary producing car air-conditioning compressors

TDDK joined a local Company Open Day and accepted many visitors to their facilities. The event was part of an employment assistance program jointly hosted by an occupational school and companies, and about 1,000 local children, students and their families learned about TDDK's business by participating in a plant tour and sessions to explain its products and technologies. The opening ceremony of the event was held at TDDK, giving the guests, including the Prime Minister and mayors of Saxony as well as corporate representatives, an opportunity to tour its plant and visit an area set up on the company premises to showcase Japanese culture.



Plant tour held on Company Open Day

### ■ Argentina

#### Environmental Protection

#### Conducting Recycling Activities for Environmental Protection

##### Toyota Material Handling Mercosur Indústria e Comércio de Equipamentos Ltda (TMHM-A)

Subsidiary engaging in sales and servicing of materials handling equipment

TMHM-A undertakes environmental protection activities every year under its environmental management program. As one activity, TMHM-A provides recycling bins to collect PET bottles and caps from employees. In fiscal 2018, TMHM-A sold about 80 kg of bottle caps collected and donated the proceeds through the All for Mia campaign for the treatment of a girl in Argentina with an intractable disease.



An employee participating in recycling activities