

# Relationship with Our Stakeholders

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## Relationship with Our Customers

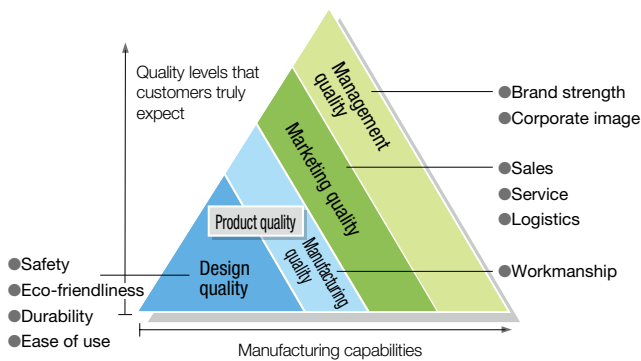
Adhering to a quality first approach, Toyota Industries practices *monozukuri* (manufacturing) that quickly responds to the diverse, ever-changing needs of customers.

**“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



**“Every one of us should fulfill the roles assigned to us and deliver our best quality products to customers.”**

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.

### Quality Assurance Activities Based on the Quality Guidelines

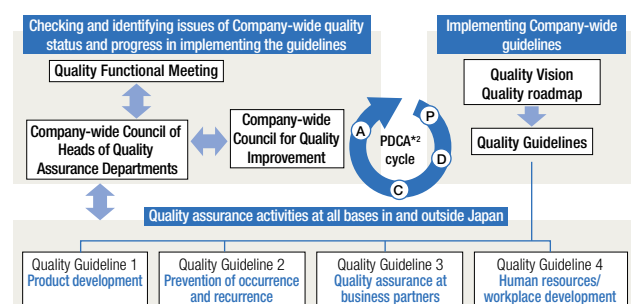
Quality forms the basis of our operations. As such, we formulated our Quality Vision, which defines our philosophy in ensuring quality.

#### Quality Vision

**Each and every member of the Toyota Industries Group makes sure to build in quality with ownership (*Jikotei Kanketsu*) at their own workplaces and positions to supply appealing products/services that exceed the expectations of customers around the world with safe and reliable quality.**

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 Company-wide Council for Quality Improvement, also chaired by the head of the Quality Control Department\*1, takes up issues in and addresses the

Quality Assurance Activities Based on the Quality Guidelines



needs of business divisions for discussion and resolution by all heads of quality assurance departments. In fiscal 2019, the council explored ways to expand the use of quality control by utilizing the Internet of Things (IoT), big data and artificial intelligence (AI).

\*1: As of March 31, 2019  
\*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 examining and identifying the cause by going back to its development, design and production processes. We implement countermeasures both from the process and technological 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 to production bases 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, conduct *genchi genbutsu* (go and see for yourself) inspections to 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 2019, we continued to hold 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. We also started educating and nurturing next-generation leaders in this area.

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. We have been soliciting creative proposals to nurture human resources who think and act on their own and create a better workplace through all-employee *kaizen* activities, while at the same time promoting the development of human resources who can take a scientific approach to quality assurance through

quality control (QC) circle activities and by using statistical quality control (SQC)\*<sup>3</sup> techniques and big data analysis.

To date, we have received 12 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

The Commendation for Science and Technology by Japan's Minister of Education, Culture, Sports, Science and Technology is a prestigious award given to persons who have contributed to technology improvements through excellent creative ideas. Toyota Industries has received the award for 34 consecutive years. Our efforts to encourage creative ideas among employees have contributed to the development of human resources who constantly seek improvements.



Commendation for Science and Technology presentation ceremony

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.

As for nurturing human resources who can take a scientific approach, we encourage both the cultivation of knowledge and practical use of the learned knowledge. As specific examples, we hold presentations for sharing best practices of each business division and promoting mutual improvement. We have also set up a structure to help encourage the use of SQC and big data analysis.

As described above, 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.

\*3: Using statistical techniques to promote quality control and process improvements

### TOPIC

For the last 35 years, we have been holding the SQC Convention to share the best SQC practices in various stages of our operations, from planning and development to production and services. In 2018, presentations started covering cases utilizing big data analysis.



Presentation for SQC best practices

## 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, human resources development, fair trade, disaster prevention activities for a possible major earthquake and more efficient purchasing.

### Fair and Equitable 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 control 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.

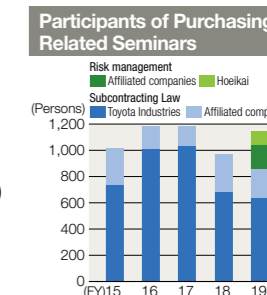


Environmentally Preferable Purchasing Guidelines

### Promoting Human Resources Development

We proactively provide education to enhance procurement knowledge both internally and externally. In fiscal 2019, along with education on Japan's Subcontracting Law, we provided training on risk management by using subjects closely related to business partners' daily operations. They included response to labor issues, appropriate sale of waste and response to the revisions to Japan's Dispatched Worker Act. These seminars were attended by some 300 participants from affiliated companies and Hoeikai, an organization consisting of our business partners. We also

work with Hoeikai to provide support to strengthen the management platforms of member companies through Toyota Production System (TPS) activities in manufacturing and QC circle activities.



### Realizing Fair Trade throughout the Supply Chain

As part of efforts to realize fair trade throughout the supply chain, Japan's Ministry of Economy, Trade and Industry announced an action plan for proper management of molds for parts. In response, Toyota Industries has set up a mold management project to examine how we can "reduce molds, revise management and establish new systems" as stipulated in the action plan. In fiscal 2019, we laid down clear rules for the reduction of molds and shared them with our business partners. We will continue to undertake activities to achieve the goals of the action plan.

### 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 2019 mainly to our affiliated companies and Hoeikai members. These workshops yielded effective results, as we were able to formulate production restoration measures corresponding to each site and its current status against issues identified in advance.

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.

### Efficient Procurement through Introduction of a Catalog Purchasing System

Toyota Industries introduced "e-TAPS," a catalog system to mainly purchase secondary materials used within a plant, and after deploying the system to business partners, initiated its operation in May 2019. All products of our existing business partners are evaluated in advance and cataloged on the system, thereby eliminating the previously required process of requesting a quotation for each purchase. This has enabled both our business partners and Toyota Industries to shorten the lead time for order placement and reduce the number of administrative processes.

## Relationship with Our Shareholders and Investors

We aim to obtain an appropriate company valuation in stock markets through timely, appropriate and fair 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 140th General Shareholders' Meeting on June 12, 2018, in which 440 shareholders participated. Following the general shareholders' meeting, we invited our shareholders for a tour of a plant that manufactures our mainstay lift trucks and a tour of the Toyota Commemorative Museum of Industry and Technology established as a joint project of the Toyota Group to foster a better understanding of our business activities.

### Investor Relations Activities

For institutional investors and securities analysts, we conduct quarterly briefing sessions to explain our financial results, including business performance, as well as progress achieved at each business division and the future direction of our operations. In fiscal 2019, in addition to accepting individual interviews with analysts and others, we hosted an information session for our Logistics Solutions Business, which we have been strengthening in recent years.

As for institutional investors outside Japan, we visit major investors 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 product information and initiatives to develop technologies for the future.

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.

#### 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

### Earning High Scores in an External Evaluation of Our IR Activities

Toyota Industries was named in the All-Japan Executive Team rankings hosted by *Institutional Investor*, a U.S. financial magazine, in Japan's Automobile Parts Manufacturers sector. The rankings are based on balloting by more than 1,000 securities analysts and institutional investors throughout the world, and Toyota Industries earned high scores in six out of the seven categories, including Best CEO, Best CFO, Best IR Professional and Best Investor Relations Program.

Best CEO	Ranked 3rd overall
Best CFO	Ranked 3rd overall
Best IR Professional	Ranked 2nd overall
Best Investor Relations Program	Ranked 3rd overall
Best Corporate Governance	Ranked 3rd overall
Best Analyst Days	Ranked 1st overall

### 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 2019, Toyota Industries increased annual cash dividends by ¥5.0 over the previous fiscal year and paid annual cash dividends per share of ¥155.0 (interim cash dividend per share of ¥75.0 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 by making equipment more immune to accidents or disorders as early as in their design stage.

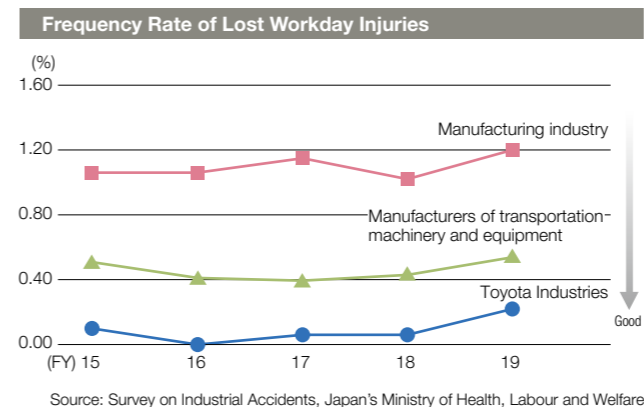
In fiscal 2019, we continued to promote primarily "activities aimed at establishing a safety-oriented culture" and "safety and health measures from human, object and administrative standpoints based on risk assessment."

In establishing a safety culture, we believe 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. We have accordingly expanded the target group of rank-based safety workshops. We also seek to nurture a mutual enlightenment-based safety culture, in which we encourage workers to exercise point-and-call practices and remind those persons showing unsafe behavior to instill basic safety procedures.

As for risk assessment, we aim to ensure the safety and security of the workplace and reduce risks by investigating and visualizing latent hazard sources within the workplace. As the investigation of risks requires information on past accidents and potentially serious near-accidents, we break down and organize such information into smaller stages of accident occurrence and disseminate it to improve the quality of risk assessment in each workplace.

In fiscal 2019, we experienced such unprecedented accidents as injuries caused by inappropriate handling of old equipment, to which we have made alterations to improve its usability but have not notified sufficiently of such alterations, and other cases of injuries caused by a change in the placement of goods, which went unnoticed. As a result, we recorded the frequency rate of lost workday injuries of 0.22.

We will step up our efforts more closely matched to each workplace based on the characteristics of the recent accidents.



### Measures to Prevent Explosions Caused by Combustible Gas

We have implemented basic countermeasures following industrial accidents at other companies in 2016, which involved an explosion in a heating furnace that uses combustible gas. In fiscal 2019, we tackled a remaining issue of detecting incomplete combustion in a high-temperature furnace. In collaboration with a gas detector manufacturer, we examined the most effective combination of a detector and cooling equipment and other devices. After repeated testing, we successfully improved the detection accuracy and came up with a gas concentration detection system with excellent maintainability. In the future, we will include this system as a standard feature when introducing a new furnace and promote its use for existing furnaces. We have introduced it at some of our bases outside Japan and plan to eventually make this system a global standard feature. Upon installation, we carry out *genchi genbutsu* activities to share technologies with local employees and mutually work to improve the system's management method.



Sharing technologies with employees from bases outside Japan

### Measures to Prevent the Breaking of Crane Wire Ropes

Since fiscal 2018, we have had several potentially serious near-accidents within Toyota Industries and at its consolidated subsidiaries, one of which involved the breaking of a crane wire rope that had passed a periodic inspection. We take the matter seriously and have been investigating the life of wire ropes jointly with a wire rope manufacturer. For the time being, our focus is on checking the status of internal damage of wire ropes, which appear to be fine externally, caused by age deterioration and the relationship between the internal damage and wire diameters. For wire ropes that appear to be fine externally but having internal damage, we have temporarily restricted the number of use and have been ensuring safety during operation.

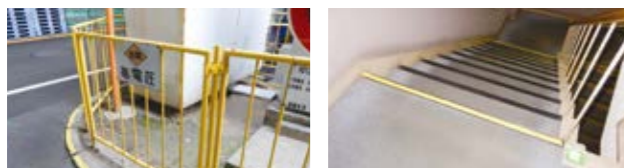


Checking the internal breaking of wire ropes

### Measures to Prevent Slip and Fall Accidents

In recent years in Japan, there has been a sharp increase in the number of slip and fall accidents. Facing the aging of the

workforce ourselves, we are concerned about this upward tendency and have been promoting activities to prevent slip and fall accidents. Along with raising associate awareness, we are doing everything we can to ensure intrinsic safety and meticulously provide visual warnings and preventive measures at hazardous points. These include installing anti-slip tapes and hazard markings on uneven floors and stairs as well as fixing shoe cleaning mats onto the floor.



Hazard markings on uneven floors and stairs

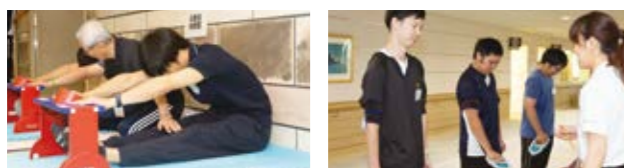
## Initiatives for Health Management and Improvement

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. This health education is designed to provide motivation for better health by letting associates think about their health over the course of the one-day program. Additionally, we will augment our initiatives to enable each associate to work and take active roles until the age of 65. We are now considering the enhancement of physical fitness measurement programs and implementation of measures to support associates' self-help efforts.

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 2019	
Participants of age-based health education	2,470 persons
Persons having completed guidance program on prevention of lifestyle diseases	1,117 persons
Stop smoking enlightenment events	
•World No Tobacco Day: One-day no smoking (May 31)	
•No Smoking Days: Half-day no smoking (for eight days)	
Participants of stop smoking campaigns (held jointly with health insurance association)	19 persons
Participants of walking events (held jointly with health insurance association)	5,069 persons

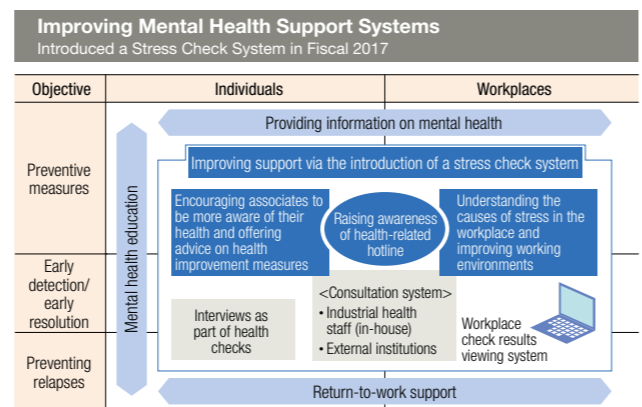


Age-based health education

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 2019. As in fiscal 2018, 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 means to feed back the results to workplaces, we operate an IT-based workplace check results viewing system that allows the users to perform a precise search of results and tips for improvement. In the future, we will further reinforce our workplace improvement activities by linking them with associate awareness surveys.

For these efforts, Toyota Industries was again recognized in the large enterprise category of the 2019 Certified Health and Productivity Management Organization Recognition Program (White 500) 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" to make maximum use of technical skills and a "spirit of harmony" 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 56th National Skills Competition\*1 held in 2018, in addition to receiving prizes in various other categories the Toyota Industries team won bronze medals in the "structural ironsmith" and "electrical welding" categories, thereby attaining medals for the 18th consecutive competition.



Winners of a bronze medal in the 56th National Skills Competition

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

Number of Medals Won at the National Skills Competition					
	FY2015	FY2016	FY2017	FY2018	FY2019
Gold medal	1	1	1	1	0
Silver medal	3	2	3	4	0
Bronze medal	1	3	1	1	3
Total	5	6	5	6	3

### [Management Skills]

We conduct TICO Business Practices (TIBP) training targeting managers and 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.

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

We are implementing a variety of measures to support a diverse range of human resources who 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 introduced such measures as a shorter work-hour system for child care and a telecommuting system. 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

Initiatives for Promoting Active Roles of Female Associates										
~ FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	
<b>Enhancing support systems</b>										
•Extending the period of child care leave		•Introducing a shorter work-hour system for child care		•Introducing a telecommuting system		•Introducing a financial aid system for day care costs		•Introducing a system of leave for fertility treatment		
•Introducing a leave system to allow parental care of children with illnesses		•Establishing on-site day care center		•Introducing a "welcome-back" system*2		•Expanding telecommuting options		•Installing delivery lockers		
<b>Cultivating corporate culture</b>										
•Opening a Diversity Navi page on the intranet		•Project for promoting active roles of female associates		•Message from president		•Female associate exchange meetings among 6 Toyota Group companies		•Pre-maternity leave seminars		
•Holding exchange meetings and lectures to share experiences of female associates in balancing work and family		•Seminars for female students in science track		•Increasing recruitment of female associates from non-engineering university departments		•Seminars for female associates in managerial positions		•Lectures by male role models		
<b>Increasing the ratio of female associates</b>										
•Starting to recruit main career track female associates (for engineering positions in fiscal 1987 and administrative positions in fiscal 1997)		•Seminars for female students in science track		•Increasing recruitment of female associates from non-engineering university departments		•Seminars for female associates in managerial positions		•Lectures by male role models		
<b>Cultivating career consciousness</b>										
•Individual interviews with female assistant managers and their superiors		•Formulating individual development plans		•Sending trainees overseas		•Training for career development for assistant managers		•Eruoboshi certification		
<b>Setting targets for the number of female associates in managerial positions</b>										
Tripling the number of female associates in managerial positions by 2020 Toyota Industries [25 (2014); 31 (2017); 75 (target for 2020)]										

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

## 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 sharing information on volunteer activities and providing venues for volunteer activities that encourage the participation of all employees. Employee associations\*1 are actively undertaking various activities to contribute to local communities, mainly in the areas of supporting welfare facilities and protecting the natural environment.

\*1: 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 (orientteering)," 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>Volunteer listening activities at elderly care facilities</li> </ul> <p><b>Supporting the Special Olympics Nippon National Summer Games in Aichi (P59)</b>  <b>Holding an Awareness-Raising Workshop for Facilitating an Understanding of Disabilities (France) (P60)</b></p>
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>Providing plant-hosted environmental education to elementary school children</li> <li>Holding mini concerts at elementary schools</li> <li>Providing monozukuri lessons at school</li> </ul> <p><b>Holding an After-School Craft Workshop for Elementary School Children (P59)</b>  <b>Hosting "Dream Yume Camp" for Children with Disabilities (Indonesia) (P60)</b></p>
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 that made effective use of thinned wood</li> <li>Tree-planting activities for reforestation</li> </ul> <p><b>Cooperating with an Animal Protection Program of the Bannerghatta National Park (India) (P60)</b>                      Conducting county road cleanup activities in areas around plants (U.S.A.)</p>
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> </ul> <p><b>Joining the American National Red Cross Home Fire Campaign (U.S.A.) (P60)</b>                      Supporting infrastructure development in areas around plants (India)</p>
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 Examples of Toyota Industries (Japan)

#### Supporting the Special Olympics Nippon National Summer Games in Aichi

Social Welfare

The Special Olympics Nippon National Summer Games, which are hosted every four years by the Special Olympics (SO) Nippon Foundation\*2, were held in Aichi Prefecture. With Kariya City and several other cities and a town within the prefecture hosting competitions, some 1,000 athletes from across Japan gathered and enthusiastically competed in 13 events, including track and field, soccer and volleyball. Toyota Industries made a monetary donation to the project and cooperated in operating shuttle buses. During the three-day event, 53 employees volunteered to support the athletes and run the games.



\*2: A global sports organization providing opportunities for people with intellectual disabilities to receive sports training and participate in competitions as an effort to support their independence and social engagement

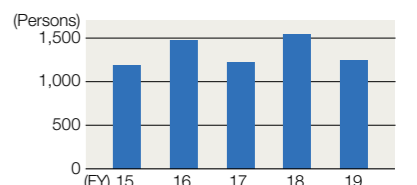
#### Holding an After-School Craft Workshop for Elementary School Children

Youth Development

Toyota Industries' manager association visited an after-school club at an elementary school and held a workshop for 73 students, from first to sixth graders. The members of the association served as instructors to carefully teach the children to make simple mechanical toys and let them experience the joy of playing with toys they have made on their own.



#### 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.

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.

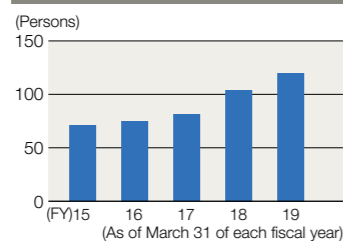
Since fiscal 2017, we have held a seminar for a cumulative total of more than 1,300 managerial staff members who directly engage in the mentoring and development of associates. In fiscal 2019, we conducted enlightenment activities to foster an understanding of the environment in which associates, both male and female, having limited working hours due to nursing care or child care are working. We also worked 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 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 also introduced a system of leave for fertility treatment in September 2018 and a loan system in April 2019.

As a result of these initiatives, the number of female associates holding the assistant manager or higher position has been increasing every year. In January 2016, we were certified by the Aichi Labor 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. The latter certification is given to companies making excellent efforts in promoting active female roles in the workplace.

We are working to improve workplaces so as to offer females a wider

#### Number of Female Associates Holding Assistant Manager or Higher Position



Seminar for managerial staff members



Pre-maternity leave seminar



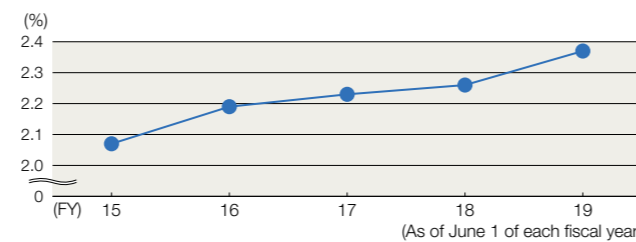
Refrigerated delivery lockers

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.

#### 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 2019, 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.

As an effort to support associates to balance their work and nursing care, we created the Handbook for Balancing Work with Nursing Care and distributed it to associates aged 40 or older to help them gain knowledge on nursing care and to create a workplace culture that allows associates to seek advice easily. We also hold lectures for managers and seminars on balancing work with nursing care for associates and their families.



Improvement activity on an engine production line



Seminar on balancing work with nursing care

Action Plan		Implementation				
		FY2016	FY2017	FY2018	FY2019	FY2020
Changing mindsets among managerial staff and across all associates	(1) Launch, message from president	→				
	(2) Awareness seminar for managerial staff	→	→	→	→	→
	(3) Follow-up on individual development plans	(Ongoing)				
	(4) Getting spouses involved in pre-maternity leave seminars			→	→	→
	(5) Lectures by male role models			→		
	(6) Promoting further engagement of male associates in child care				→	→
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	→	→	→	→	→
	(3) Role model exchange meetings		→	→	→	→
	(4) Early return-to-work support (pre-maternity leave seminars)			→	→	→
	(5) Early return-to-work support (financial aid system for day care costs)				→	→
Promoting flexible working practices	(1) Expanding telecommuting options		→	→	→	→
	(2) Establishing satellite offices		→	→	→	→
	(3) Installing refrigerated delivery lockers		→	→	→	→

## Activity Examples of Consolidated Subsidiaries (Outside Japan)

### France Holding an Awareness-Raising Workshop for Facilitating an Understanding of Disabilities

Social Welfare

#### Toyota Material Handling France SAS (TMHFR) Subsidiary engaging in sales and servicing of materials handling equipment

With the support of an external organization, TMHFR held a workshop to raise awareness for disabilities. The workshop is designed for employees without disabilities to better understand the difficulties and feelings of employees with visual, hearing and other physical disabilities or those with a psychosomatic disease in their daily lives. The event was attended by 81 employees, in which they experienced cooking with blinders or earplugs. They shared the feeling of their challenged colleagues through the disability simulations and exchanged information on disabilities.



Disability simulation

### Indonesia Hosting “Dream Yume Camp” for Children with Disabilities

Youth Development

#### P.T. TD Automotive Compressor Indonesia (TACI) Subsidiary producing car air-conditioning compressors

Jointly with the Wheelchairs and Friendship Center of Asia (WAFCA)\*3, Toyota Motor Corporation (TMC) and DENSO Corporation, TACI hosted the first “Dream Yume Camp” and invited 12 children with disabilities. This event aims to help children with disabilities to act spontaneously and realize the importance of taking on challenges. The children watched games at a disability sports event, in which TMC’s athletes participated, enjoyed interactive sessions with these athletes and joined in a wheelchair sport. At the end of the event, each child talked about his or her dream for the future.



Participants of the first Dream Yume Camp

\*3: Certified non-profit organization donating wheelchairs to children with disabilities as a means of going out and seeking to help realize a society where everyone lives equally

### India Cooperating with an Animal Protection Program of the Bannerghatta National Park

Environmental Protection

#### Kirloskar Toyota Textile Machinery Pvt. Ltd. (KTTM) Subsidiary producing textile machinery

To expand animal protection activities among citizens, KTTM cooperated with a program of the Bannerghatta National Park located near its plant. The goal of the program is to maintain a safe animal habitat by soliciting donations from individuals and companies to cover animal rearing and medical expenses. KTTM signed a one-year contract starting from October 2018 for the protection of nine animals and birds, including Asian elephants, white tigers, ostriches and lion-tailed macaque, and donated 350,000 rupees.



Animal protection activity

### U.S.A. Joining the American National Red Cross Home Fire Campaign

Community Contribution

#### Toyota Material Handling, U.S.A., Inc. (TMHU) Subsidiary engaging in sales and servicing of materials handling equipment

TMHU joined the Home Fire Campaign promoted by the American National Red Cross jointly with fire departments throughout the United States. Employee volunteers received training at local fire departments and learned how to install smoke alarms and create a fire evacuation plan. They were then divided into small groups to visit residents in their respective areas, explain the need to ensure fire safety at home, test smoke alarms and install smoke alarms if residents do not have them. In 2018, 73 employees participated in the campaign and installed 106 smoke alarms.



Inspecting a smoke alarm