

Relationship with Our Stakeholders

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Relationship with Our Customers

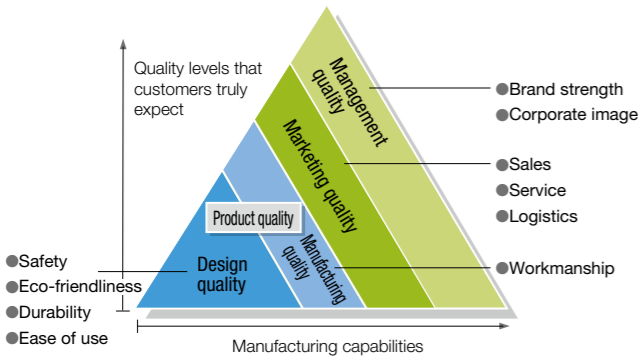
Regarding quality as one of its material issues, Toyota Industries practices *monozukuri* (manufacturing) that quickly responds to the diverse, ever-changing needs of customers.

■ **“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 as one of our material issues 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.”**

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.

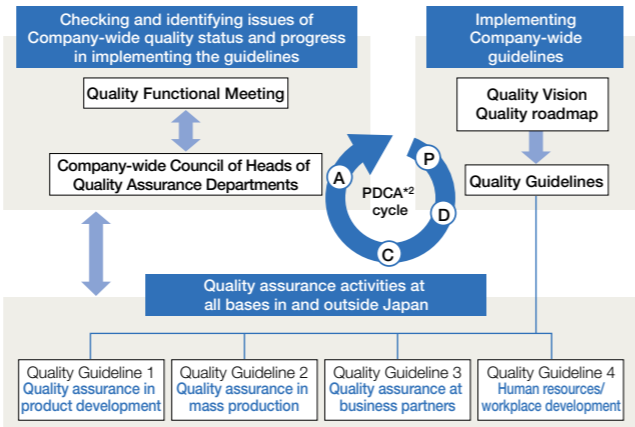
Quality Vision

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.

*1: As of March 31, 2020

■ 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 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). To foster voluntary quality improvement efforts of business partners, we have introduced a self-audit system, in which business partners satisfying our criteria perform in-house quality audits and autonomously improve their quality assurance systems. In fiscal 2020, we again provided education to nurture next-generation quality leaders as part of our ongoing efforts for human resources development at business partners.

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)*3 techniques and big data analysis.

To date, we have received 15 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.

Our production bases outside Japan also promote *kaizen* efforts and human resources development through QC circle activities. We help them undertake independent activities

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Toyota Industries' five QC circles won a gold prize at the International Convention on QC Circles in 2019, in which a total of 370 circles participated from 16 countries around the world. As an example, the project of Kirloskar Toyota Textile Machinery Pvt. Ltd. (KTTM), a subsidiary manufacturing textile machinery in India, was recognized for its *genchi genbutsu* and data-based improvement of the productivity of processing lines, which also resulted in personal growth of the project members.



Members receiving a gold prize at the International Convention on QC Circles

by training QC circle instructors. 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 launched a new program to provide basic education on big data analysis in addition to the existing SQC education. With a particular focus on practical application, we designed an original curriculum and textbook while keeping a balance between theory and practice. In the next five years, we will educate more than 1,000 engineers and simultaneously nurture core human resources in this area. Our ultimate goal is for all our engineers to possess basic knowledge on big data analysis so that they can solve problems using this technique.

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



Class providing basic education on big data analysis

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 other disasters 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.

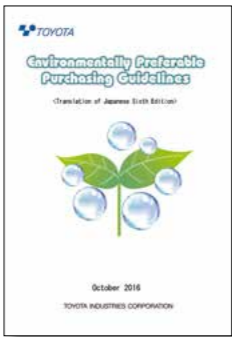
Co-Existence and Co-Prosperity based on Mutual Trust

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

Please visit our Website for details of our Environmentally Preferable Purchasing Guidelines.



Promoting Human Resources Development

We proactively provide education to enhance procurement knowledge both internally and externally. In fiscal 2020, we again provided training on risk management, including education on Japan's Subcontracting Law, response to labor issues that are closely related to their daily operations and

appropriate sale of waste. These seminars were attended by 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.

Participants of Purchasing-Related Seminars



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 has announced an action plan for proper management of molds for parts. In response, Toyota Industries has set up a mold management project and examined how we can "reduce molds, revise management and establish new systems" as stipulated in the action plan. In fiscal 2020, we laid down clear rules for mold management and shared them with our business partners, thereby completing our work concerning the action plan.

Business Continuity Plan (BCP) Activities

In further promoting our BCP activities, we are making concerted efforts with business partners to reduce associated risks by implementing specific measures. In fiscal 2020, to deal with frequent natural disasters in recent years, we extended the scope of our IT system-based damage assessment from earthquakes to other natural disasters. We will also identify business partners with flood risk based on hazard maps and take action accordingly.

In the face of the spread of COVID-19, we have also started implementing measures against infectious diseases in order to reduce supply risks in our supply chain caused by an excessive concentration of production at a specific site.

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 141st General Shareholders' Meeting on June 11, 2019, in which 483 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

At the financial results briefing, we mainly explained our newly formulated Vision 2030 and our recent focus on the Logistics Solutions Business and electrification efforts. In addition to accepting individual interviews with analysts and others, we hosted an information session for our electric compressor business. The session included a tour of a plant as an opportunity to promote a deeper understanding of our strengths in the development and production fields.

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. Our Website provides our corporate history, overviews of each business as well as product information and initiatives to develop technologies for the future mainly for individual investors.

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

Major Investor Relations 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-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 2020, Toyota Industries increased annual cash dividends by ¥5.0 over the previous fiscal year and paid annual cash dividends per share of ¥160.0 (interim cash dividend per share of ¥80.0 and year-end cash dividend per share of ¥80.0). Given the slowing economy due to the spread of COVID-19, we made sure to pay the year-end cash dividend during May 2020 on the basis of the resolution of the Board of Directors instead of basing our decision on the resolution of the General Shareholders' Meetings as we usually do.

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 “fostering safe, healthy and pleasant workplaces,” 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 2020, we continued to promote primarily safety and health measures from human, object and administrative standpoints based on risk assessment.

The analysis results of past accidents and interviews with plant personnel revealed that many operators lacked sufficient awareness of hazard sources and conditions. As an effort to increase their individual consciousness for latent hazards in the workplace, we added hazard-related matters to which they should pay attention into their routinely used workplace reports of industrial accidents and potentially serious near-accidents as well as reports of risk prediction activities.

With the aim of identifying all risks associated with ancillary facilities and logistics during production preparations, we conducted interviews with each workplace to check issues they have encountered in conducting risk assessment. Based on the results, we created and distributed manuals and guidelines matched to actual operations to make sure that risks are identified and reduced.



In spite of all these efforts, an associate got caught in a machine in a fatal accident at the Higashichita Plant in Aichi Prefecture on December 6, 2019.

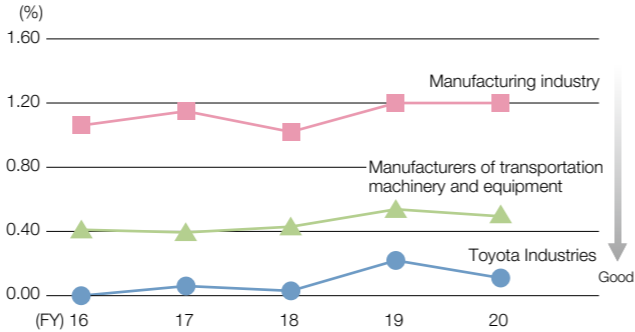
We recognized it was a grave situation that seriously threatens our corporate foundation. For never repeating such an accident in the future, we made efforts to identify deficiencies and took measures to prevent recurrence. Specifically, we conducted a full inspection of similar machines and operations at all our plants and affiliated companies around the world and added physical measures to the machines themselves to counter the identified deficiencies.

In order to establish a process to install equipment in a manner to ensure and maintain its safety, we formed the Study Group for Intrinsic Equipment Safety led by the production engineering departments to promote the introduction of machinery and equipment that are safe

for operators to use. As a specific effort, we will design a circuit configuration that completely shuts down a machine by cutting off its power when an operator accesses the machine while disabling its safety device to extract a product in production processes. This circuit configuration will be incorporated in new equipment we will install in the future. We are also retrofitting a power shut-down feature to our existing equipment. Until we complete the modification, we will protect the safety of operators through periodic equipment checkups.

In the wake of the accident, we will instill the safety first approach firmly in all associates in seeking to establish a safety-oriented culture that aims for zero industrial accidents within the Toyota Industries Group.

Frequency Rate of Lost Workday Injuries



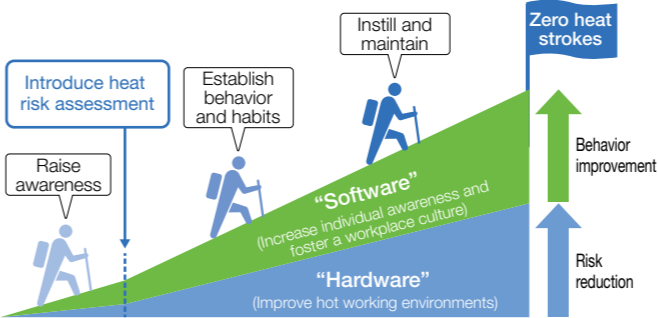
Source: Survey on Industrial Accidents, Japan's Ministry of Health, Labour and Welfare

Promoting Activities to Reduce Heat Strokes

We introduced heat risk assessment in fiscal 2018. Since then, we have been improving hot working environments for heat strokes according to the identified risks and adopting preventive measures. As we expect the trend of unusually hot summers such as the one in fiscal 2019 to continue in the future, we are stepping up our efforts to improve hot environments. We have conducted on-site surveys at workplaces where cases of heat strokes have occurred to quantitatively define sites requiring immediate action and have been implementing measures accordingly under a two-year plan. For workplaces whose operations preclude the adoption of usual measures, we have devised tailored means, optimized the layout of air conditioners and effectively reduced the associated risks. Through the implementation of additional preventive measures, such as providing education on heat stroke prevention and encouraging a practice by supervisors to directly hand out hydration drinks to operators, we successfully eliminated the number of heat stroke cases in fiscal 2020.

We will continue to raise individual awareness for the prevention of heat strokes and foster a workplace culture that quickly recognizes and responds to such disorders.

Notional Image of Activities to Eliminate Heat Strokes



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. In fiscal 2020, we examined and adopted measures to foster health promotion and maintenance activities by closely supporting associates.

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. In fiscal 2020, we added nine items to the physical fitness measurement, which relate to flexibility, agility, bodily balance, muscle strength and endurance, to provide motivation for promoting physical fitness. Besides measurement results, we feed back physical fitness propensity scores and countermeasures, how physically fitted for work, assessment of physical fitness age and recommended exercises in order to raise relevant awareness among associates so that they can work and take active roles until an older age.



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. In fiscal 2020, as a measure to support associates' self-help efforts for health promotion and maintenance, we expanded the scope of our financial aid system to include expenses for influenza vaccination, medical examinations for early detection of diseases, exercises and health promotion tools. In fiscal 2021, we will introduce a body composition analyzer*1 to measure amounts of fat,

muscle, bone and water within the body as well as basal metabolic expenditure. Using these measurements along with the body mass index (BMI) based on height and weight, which had conventionally served as our only indicator, we plan to capture individual physical conditions in more detail and provide appropriate health guidance.

*1: A tool to measure body composition, including muscle, fat, bone and body water

Major Health Promotion Events in Fiscal 2020

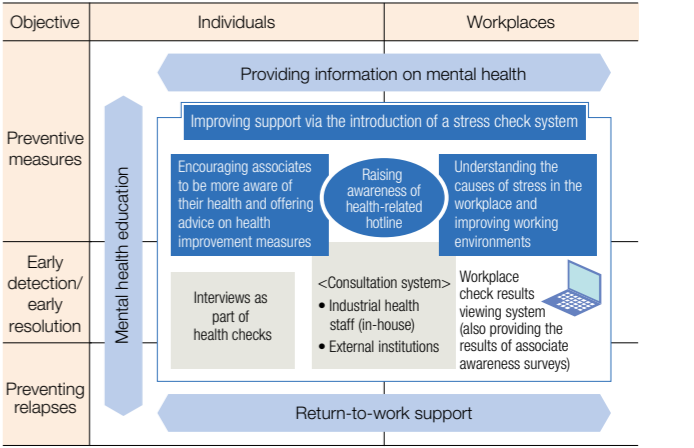
Stop smoking awareness events	
•World No Tobacco Day: One-day no smoking (May 31)	
•No Smoking Days: Half-day no smoking (for eight days)	
Participants of walking events (held jointly with health insurance association)	5,627 persons

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 2020. As in the previous fiscal year, 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 fiscal 2020, we started providing the results of associate awareness surveys and related improvement

Improving Mental Health Support Systems

(Introduced a Stress Check System in Fiscal 2017)



Major Activity Indicators

Activity indicator	FY2018	FY2019	FY2020
Participants of age-based health education*2	2,422 persons	2,470 persons	2,357 persons
Rate of undergoing a stress check	97%	99%	99%

*2: Temporarily suspended from March 2020 for prevention of COVID-19

examples on the same system, allowing individual workplaces to analyze their respective conditions from a multifaceted viewpoint and voluntarily engage in improvement activities.

For these efforts, Toyota Industries was again recognized in the large enterprise category of the 2020 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.

Efforts for Prevention of COVID-19

Toyota Industries is promoting measures for prevention of COVID-19 by formulating a response manual based on the Japanese government's and other related guidelines. We encourage all associates to take seven measures such as checking body temperature every morning, frequent hand washing and following proper cough etiquette. Each workplace is also striving to cut back person-to-person contact by promoting working from home and online meetings as well as eliminating non-urgent business trips. We have also established a system to prevent the spread of infection should an associate get infected or become suspected of infection. Outside Japan, we are undertaking business activities while thoroughly implementing infection prevention measures as per the instruction of the government of each country.

We will continue to take necessary preventive measures matching to the conditions of each company and strive to create workplaces where associates feel safe to work.

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, R&D and other production-related 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 functions, 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 57th National Skills Competition*3 held in 2019, in addition to receiving prizes in various other categories the Toyota Industries team won a gold medal in the "electrical welding" category, silver medals in the "structural ironsmith"

and "mechatronics" categories and bronze medals in the "mechanical engineering design – CAD" and "structural ironsmith" categories, thereby attaining medals for the 19th consecutive competition.

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



Number of Medals Won at the National Skills Competition

	FY2016	FY2017	FY2018	FY2019	FY2020
Gold medal	1	1	1	0	1
Silver medal	2	3	4	0	2
Bronze medal	3	1	1	3	2
Total	6	5	6	3	5

[Management Skills]

We conduct TICO Business Practices (TIBP) training targeting managers and associates in office work and engineering fields, with the aim of mutually sharing the thinking and values that the Company gives importance to, as well as to enable our associates to solve problems effectively and efficiently. TIBP training programs are also provided at affiliated companies around the world 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 organized by each workplace, sports days and summer festivals held by respective business divisions, Group-wide *Eki-den* long-distance relay races and cheer squads for various sports events held jointly among Toyota Industries Group companies.

Establishing Work Environments Where Diverse Human Resources Can Play Active Roles

We are implementing a variety of measures to create a workplace environment that enables a diverse range of human resources to fully exercise their capabilities. These include helping associates maintain a work-life balance, 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.

Efforts to Support Work-Life Balance

Since around 2002, we have been setting up various systems to help associates balance work and family. These include an on-site day care center; 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; a shorter work-hour system for child care;

Initiatives for Promoting Active Roles of Female Associates

	Phase 1 Establishing and enhancing work-life balance support systems to instill related practices	Phase 2 Cultivating a culture to encourage more active roles	Phase 3 Undertaking initiatives to promote even greater roles
	2002 —	2008 —	2015 —
Promoting active roles		Cultivating a culture <ul style="list-style-type: none">Opening a diversity-related page on the intranetFemale associate exchange meetingsHolding lectures	Project to promote more active roles for female associates in office work and engineering fields <ul style="list-style-type: none">Changing mindsets among managerial staff and across all associatesCareer support for female associatesPromoting flexible working practices
Supporting work-life balance	Enhancing support systems <ul style="list-style-type: none">Extending the period of child care leaveIntroducing a leave system to allow parental care of children with illnessesEstablishing on-site day care centerIntroducing a "welcome-back" system		
		<ul style="list-style-type: none">Introducing a shorter work-hour system for child careIntroducing a work-at-home systemInstalling delivery lockers	<ul style="list-style-type: none">Introducing a financial aid system for day care costsIntroducing a system of leave for fertility treatment

and a leave system and loan system for fertility treatment. Through these systems, we provide an environment for associates to work at Toyota Industries for longer years with peace of mind.

As an effort to support associates to balance their work and nursing care, we distributed the Handbook for Balancing Work with Nursing Care to associates aged 40 and above to help them gain knowledge on nursing care and to create a workplace culture that allows associates to seek advice easily. We also regularly hold seminars on balancing work with nursing care for associates and their families and provide newsletters on nursing care to those who are interested. As a result of these efforts, Toyota Industries received "Platinum Kurumin" certification from the Ministry of Health, Labour and Welfare in August 2019 in recognition of our excellent efforts concerning work-life balance as well as a "Family-Friendly Company" award from the Aichi prefectural government in February 2020.



Promoting Active Roles of Female Associates

In addition to enhancing various systems to support work-life balance, we have proceeded with the creation of an environment that allows female associates to continue working, and in recent years, augmented our efforts to promote their even greater roles.

In 2015, we set up a project to promote more active roles for female associates in office work and engineering fields, comprising males and females from different departments. This project was key for the identification of issues and formulation of policy proposals in promoting active roles of female associates, which 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 managers 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 managers who directly engage in the mentoring and development of associates. In fiscal 2020, we conducted enlightenment activities to foster

Action Plan

		FY2016 – FY2021
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	(6) Promoting further engagement of male associates in child care	Implementation
	(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
Promoting flexible working practices	(5) Early return-to-work support (financial aid system for day care costs)	Implementation
	(1) Expanding work-at-home options	Implementation
	(2) Establishing satellite offices	Implementation
Promoting more active roles of female associates in engineering field	(3) Installing refrigerated delivery lockers	Implementation
		Implementation



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 work-at-home 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.

As a result of these initiatives, the number of female associates holding the assistant manager or higher position has doubled from the initial level. In October 2016, we received “Eruboshi (“L Star”: L stands for Lady, Labour and Laudable)” certification, which is given to companies making excellent efforts in promoting female engagement in the workplace, from Japan’s Ministry of Health, Labour and Welfare. In November 2019, we also received an “Excellent Company” award from the Aichi prefectural government under its “Female-Friendly Company” certification program.

We have been making ongoing efforts to improve workplaces to offer females a wider range of jobs and higher quality of work, launching new initiatives to promote active roles of female associates in production operations and creating a better working environment to enable all

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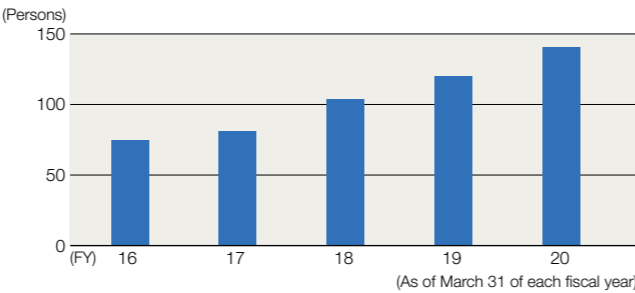
Promoting More Active Roles of Female Associates in Engineering Field

We aspire that all associates engaging in production operations fully work and take active roles until an older age. In order for female associates to do so, we need to overcome issues of gender-related differences in physical strength and frame as well as the challenges of working during pregnancy, after giving birth and while raising children. As a means of doing so, we formed a Female Working Group and Job Level Working Group in fiscal 2020. These groups have been working to review current issues, identify countermeasures and formulate an action plan for the next and following fiscal years.



Working group participants

Number of Female Associates Holding Assistant Manager or Higher Position



Pre-maternity leave seminar

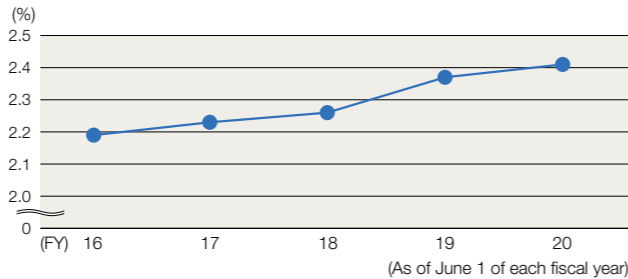


associates working under time constraints to fulfill their individual potential.

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 2020, the ratio of associates with disabilities on a non-consolidated basis was 2.41%.

Ratio of Associates with Disabilities (Non-Consolidated)



Creating a Work Environment for Older Associates

In order to enable older associates to work and take active roles in production operations, we have been focusing on creating a better, less physically stressful work environment for them by formulating rules common to all workplaces on the handling of heavy objects, working posture and other practices, as well as by improving processes in production lines.

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.



Improvement activity on an engine production line

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.



Link to activities.

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* 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	Events to interact with persons with disabilities ・ “Walk Rally (orienteering),” harvest festival, festival Support for welfare facilities ・ Support for charity bazaars at facilities by providing goods ・ Volunteer work for facility cleanup/repair/pruning/weeding ・ Support for sales of products from facilities for persons with disabilities by providing opportunities to set up stalls ・ Volunteer listening activities at elderly care facilities Cooperating in a Soccer Class for Children with Autism or Down Syndrome (China) (P54)
Youth development	Support for Youth Invention Clubs ・ Monozukuri workshops for elementary school children during summer vacations ・ Holding handmade kite-flying competitions ・ Running craft corners at local events Providing plant-hosted environmental education to elementary school children Providing monozukuri lessons at school Holding Mini Concerts at Elementary Schools (P53) Helping to Distribute School Supplies to Children (U.S.A.) (P54)
Environmental protection	Initiatives for forest conservation ・ Tree thinning activities for conservation of prefecture-owned forests ・ Producing and donating benches that made effective use of thinned wood Tree-Planting Activities for Creating Rich Forests (P53) Changing and Reducing Packaging Materials (Netherlands) (P54)
Community contribution	Participation in local traditional event (Mando Festival) Road cleanup activities in areas around plants Activities to raise awareness for traffic safety Crime prevention patrols Cooperating in Local Firefighting Operations and Becoming a “Partner of Firefighters” (Germany) (P54)
Other	Holding charity concert Support for international NGO through volunteer activities to collect spoiled postcards and others Periodic blood donation drives

(Activities without country designation were conducted in Japan.)

Activity Examples of Toyota Industries (Japan)

Holding Mini Concerts at Elementary Schools

Youth development

With an aspiration to provide children, who are the leaders of the coming age, with an opportunity to cultivate richness of mind through “real” music, we started inviting violinists, pianists and other professional musicians and organizing mini concerts at elementary schools in fiscal 2011. In fiscal 2020, we held such a concert at seven elementary schools in Aichi Prefecture. At Yoshihama Elementary School in Takahama City, in particular, we invited a choral group from Latvia, known as the singing nation, who sung the school song as a surprise gift for the children. More than 500 children were completely immersed in the choir’s beautiful, transparent voices.



Mini concert at an elementary school

Tree-Planting Activities for Creating Rich Forests

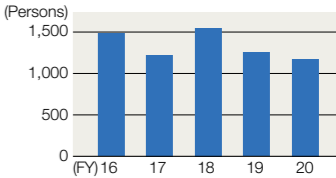
Environmental protection

The team leader association of Toyota Industries has been undertaking tree-planting activities since fiscal 2012 with the aim of restoring biodiversity and creating rich forests. In fiscal 2020, about 130 members and their families planted cedar saplings in Hamamatsu, Shizuoka Prefecture. It will take some 50 years for these saplings to mature, and the participants planted each sapling with care, hoping for healthy growth.



Tree-planting activity for creating a rich forest

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)

China Cooperating in a Soccer Class for Children with Autism or Down Syndrome

Social welfare

Toyota Industries Management (China) Co., Ltd. (TIMC)

[Import-export trade, logistics operations within China and operation of distribution centers]

Toyota Material Handling (Shanghai) Co., Ltd. (TMHS)

[Sales of materials handling equipment]

Toyota Textile Machinery (Shanghai) Co., Ltd. (TTMS)

[Installation, servicing and sales of supply parts of textile machinery]

TIMC, TMHS and TTMS volunteered in a soccer class held to support the rehabilitation of children with autism or Down syndrome. During the class, about 20 children enjoyed physical exercise through soccer and experienced the joy of scoring a goal through teamwork. At the end of the event, the three companies donated stationary goods with the Toyota Material Handling Group logo and bath towels made by using our air-jet looms.



Participants of a soccer class for children with autism or Down syndrome

U.S.A. Helping to Distribute School Supplies to Children

Youth development

Uster Technologies, Inc. (USTER USA)

[Production, sales and after-sales services of quality measurement instruments for fiber, yarn and fabric]

In August 2019, USTER USA participated in the annual “Shoes for School” event organized by the local NPO Knoxville Area Urban League. The event is conducted with the aim of supporting children to head back to school and start their academic year well prepared with new shoes, socks, school supplies and free haircuts. At the event, associates packed and distributed 6,000 pairs of socks donated from an apparel manufacturer. USTER USA volunteers were grateful to be part of the local community that came together to bring a smile on children’s faces.



Children receiving school supplies at the “Shoes for School” event

Netherlands Changing and Reducing Packaging Materials

Environmental protection

Vanderlande Industries Holding B.V. (Vanderlande)

[Provision of logistics solutions]

For protection of the environment, Vanderlande changed and reduced packaging materials used to transport spare parts necessary for maintenance of logistics systems. Firstly, Vanderlande changed packing tape from vinyl to recyclable paper, which is expected to reduce its annual plastic consumption equivalent of 30,000 meters of tape. Another improvement was a reusable separator to place a maximum of eight small parts, which had been packaged separately, in one box. Vanderlande will continue to make effective use of resources and undertake its corporate activities in an environmentally friendly manner.



Package using a reusable separator

Germany Cooperating in Local Firefighting Operations and Becoming a “Partner of Firefighters”

Community contribution

TD Deutsche Klimakompressor GmbH (TDDK)

[Production of car air-conditioning compressors]

In rural areas near Bersndorf in the Free State of Saxony, where TDDK is located, local fire brigades are mostly on a volunteer basis and in case of need volunteer firefighters get an alert. TDDK supports their activities through donations as well as encouraging and allowing associates to respond to alert calls during their work time. As a show of gratitude, TDDK was honored as a “Partner of Firefighters” in October 2019 by the county’s head of firefighters. TDDK will continue its ongoing efforts to cooperate in local firefighting operations.



Local fire brigade supported by TDDK