

Promotion of ESG Initiatives

Further Promoting Initiatives to Sustain Growth in the Areas of Governance, Society and the Environment

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Corporate Governance

Toyota Industries strives to enhance its corporate value in a stable manner over the long term and maintains society's trust by earnestly fulfilling its social responsibilities in accordance with its Basic Philosophy. To that end, Toyota Industries endeavors to further enhance its corporate governance in its efforts to maintain and improve management efficiency and the fairness and transparency of its corporate activities.

Corporate Governance Structure

Basic Perspective on Corporate Governance

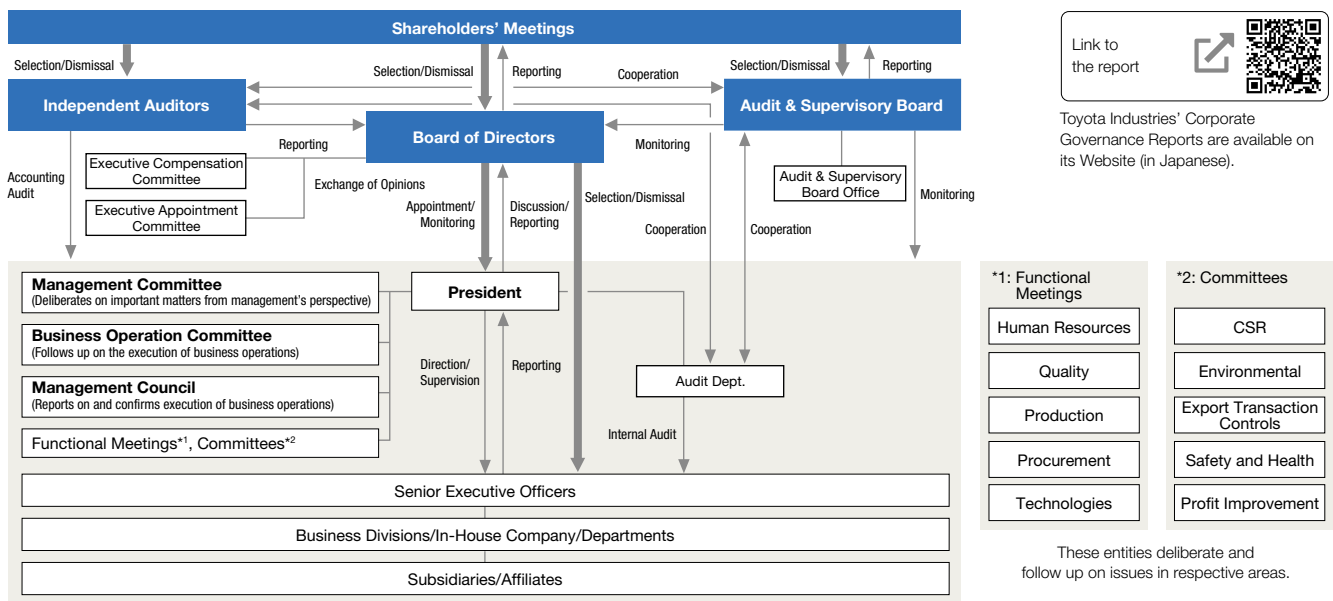
Toyota Industries regards the most important managerial task is to earn trust broadly from society and enhance our corporate value on a stable, long-term basis. We aim to do this task based on our Basic Philosophy and earnestly fulfilling our social responsibilities. Our basic focus is on contributing to the creation of an enriched society through business activities, and we believe it is essential to cultivate good relationships with stakeholders, including shareholders, customers, business partners, creditors, local communities and employees.

Accordingly, we strive to enhance our corporate governance in order to maintain and improve management efficiency, fairness and transparency. For example, we have established a structure to quickly and flexibly respond to

changes in the business environment and have been working to augment management oversight and ensure the timely disclosure of information.

More specifically, the following basic policies drive our initiatives.

- (1) We seek to ensure shareholders' rights and equality.
- (2) We seek to promote appropriate collaboration with stakeholders other than shareholders (including customers, business partners, creditors, local communities and employees).
- (3) We seek to conduct appropriate information disclosure and ensure transparency.
- (4) We seek to perform the roles and duties of the Board of Directors appropriately in order to make decisions in a transparent, fair, quick and resolute manner.
- (5) We seek to promote a constructive dialogue with shareholders.



(As of June 10, 2021)

Implementation Structure

Toyota Industries convenes monthly meetings of the Board of Directors to resolve important management matters and monitor the execution of duties by directors. We appoint outside directors who have a wealth of experience and knowledge concerning business management. They attend meetings of the Board of Directors and give opinions and ask questions as deemed necessary based on their individual, wide-ranging experience and insights related to the management of globally operating companies and *monozukuri* (manufacturing). Through this supervisory function of outside directors, we ensure the legality and validity of the Board's decisions as well as directors' execution of duties from an objective perspective. The Management Committee, which is composed of directors at the executive vice president level and above as well as senior executive officers and other executives, deliberates on a variety of issues concerning important management matters such as our corporate vision, management policies, medium-term business strategies and major investments.

Toyota Industries has a divisional organization system, with significant authority delegated to each business division. For especially crucial matters, however, we have established the Business Operation Committee to enable the president to meet with the heads of each business division regularly to monitor and follow the status of their business execution. At meetings of the Management Council, directors, audit & supervisory board members and senior executive officers convene to report and confirm the monthly status of business operations and share overall deliberations at Board of Directors meetings and other management-related information.

In addition, issues pertaining to human resources, quality, production, procurement and technologies are discussed at the corresponding functional meetings. We have also put in place committees to deliberate on more specific matters, such as corporate social responsibility (CSR), the environment and export transaction controls. These functional meetings and committees discuss important matters and action themes in respective areas. Moreover, we strive to maintain and improve internal controls by establishing the Audit Department and conducting internal audits of Toyota Industries' business divisions and departments as well as our subsidiaries.

Selection and Dismissal of Senior Management and Appointment of Director and Audit & Supervisory Board Member Candidates

■ Policies for Selection (and Dismissal) of Senior Management and Appointment of Director Candidates
We carry out comprehensive evaluations from the viewpoint of placing the right persons in the right positions. We seek a balance between making sound and quick decisions, managing risk appropriately and monitoring execution of business operations and covering a specific function or business division of Toyota Industries.

In appointing audit & supervisory board member candidates, we also perform comprehensive evaluations from the viewpoint of placing the right persons in the right positions, while ensuring a balance among the financial, accounting and legal insights, knowledge on our business

fields and the diversity of perspectives on corporate management.

■ Method of Determination

Based on these policies, we review proposals, exchange views and confirm details at the four-member Executive Appointment Committee, which consists of Toyota Industries' chairman, president and two independent outside directors, and submit these proposals to the Board of Directors for resolution.

Appointment of Independent Members of Management

As a publicly listed company, Toyota Industries strives to ensure the fairness and transparency of management. Following the Securities Listing Regulations stipulated by the Tokyo Stock Exchange and Nagoya Stock Exchange, respectively, to further enhance our corporate governance Toyota Industries has appointed as independent members of management two outside directors and two outside audit & supervisory board members who are deemed to have no conflicts of interest with our shareholders.

Determination of Compensation for Directors and Audit & Supervisory Board Members

■ Matters Related to Policy for Determining Individual Compensation for Directors

● Basic Perspective

- We ensure fairness and transparency.
- We emphasize incentives for achieving better business performance and sustainable growth, link compensation with the business performance of Toyota Industries and reflect individual duties and performance.

● Compensation Structure

- Compensation for directors consists of fixed compensation (basic compensation) and bonuses (compensation linked to business performance).
- A bonus is further divided into a portion linked to a single fiscal year indicator and a portion linked to medium-term indicators. However, bonuses for outside directors do not include the portion linked to medium-term indicators.

● Method of Determining Individual Compensation

- We have established the Executive Compensation Committee comprising four members, namely Toyota Industries' chairman, president and two independent outside directors.
- To ensure the Committee's objectivity and transparency, we have a rule that independent outside directors make up a half or more of the total number of its members.
- The Executive Compensation Committee deliberates on a policy for determining individual compensation for directors, proposed compensation for each director and important matters related to compensation.
- The Board of Directors votes on the policy based on the results of deliberations made at the Executive Compensation Committee.
- From the standpoint of determining directors' individual compensation amounts flexibly and swiftly, the Board of Directors delegates the related decision-making authority to the president (or to the chairman).
- The president (or the chairman) determines the directors' individual compensation amounts based on the policy

and the results of deliberations made at the Executive Compensation Committee.

● Policy for Determining Fixed Compensation, Bonuses and Their Ratio

— Fixed Compensation —

- Fixed compensation for directors consists of monthly salaries, which are paid periodically while in service.
- We determine a reasonable level of individual compensation amounts while giving consideration to other companies' compensation levels as well as the rank and duties of each director.

— Bonuses —

- We pay a bonus at a certain time after the end of the General Shareholders' Meeting in each fiscal year.
- For the portion linked to a single fiscal year indicator, we use consolidated operating profit as the indicator and calculate the amount of bonuses for each rank based on the amount of consolidated operating profit for the previous fiscal year.
- For the portion linked to medium-term indicators, we evaluate such management indicators as operating profit ratio of the past three fiscal years and calculate the amount of bonuses for each rank based on the evaluation results.
- We have selected the said indicators because we have determined that they appropriately align with the basic perspective of our policy for determining individual compensation for directors.
- In determining the amount of bonuses, we give consideration to dividends, employees' and other companies' bonus levels, past records of bonus

payments and execution of duties and assigned work.

— Ratio —

- As a guide, we use the ratio of fixed compensation to a bonus of directors (excluding outside directors) of 60:40, with the portion linked to medium-term indicators accounting for roughly 10% of the bonus. However, this does not preclude us from using another ratio depending on the amount of operating profit for the corresponding fiscal year.

■ Compensation for Audit & Supervisory Board Members

Compensation for audit & supervisory board members only consists of fixed compensation, which is determined through discussion of audit & supervisory board members based on certain criteria determined by Toyota Industries.

Effectiveness of the Board of Directors and Its Evaluation

Through interviews with outside directors and audit & supervisory board members, Toyota Industries asks them to evaluate the effectiveness of the Board of Directors and collects their feedback. The results of their evaluation are summarized below.

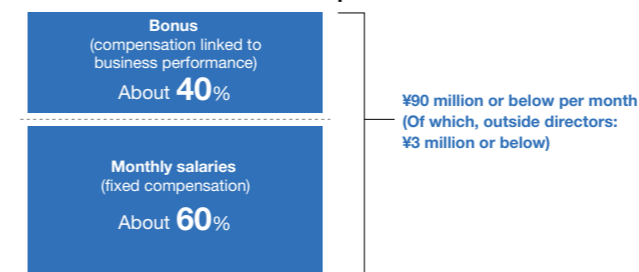
■ Evaluation

- (1) Opportunities are provided to share information and hold discussions about management issues and other matters.
- (2) Appropriate decision-making and management oversight are ensured by holding several discussions on important matters prior to the resolution and by reporting and following up on the progress after the resolution of these important matters. The Board successfully draws opinions and advice from outside directors and audit & supervisory board members based on their experiences in their respective companies and individual perspectives.
- (3) The atmosphere is open, encouraging directors to freely make comments and engage in lively discussion.
- (4) Meeting materials are simple and clear, and explanations are right to the point.

■ Suggestions for Further Improvement of the Effectiveness

- (1) Regarding major investments and other important projects, more opportunities should be provided to report the progress of each.
- (2) To further invigorate the Board's discussion, more opportunities should be provided to directly listen to the

Breakdown of Executives' Compensation



Compensation for Directors and Audit & Supervisory Board Members

Executive category	Total compensation (¥ million)	Monthly salaries (fixed compensation)	Bonuses (Compensation linked to business performance)	No. of applicable executives
Director (Of which, outside director)	546 (52)	346 (36)	200 (16)	10 (3)
Audit & supervisory board member (Of which, outside audit & supervisory board member)	106 (27)	106 (27)	— (—)	5 (2)
Total	653	453	200	15

Notes:

1. The figures include one director and one audit & supervisory board member who resigned at the closing of the 142nd General Shareholders' Meeting held on June 9, 2020.
2. Bonuses show the amounts approved by resolution of the 143rd General Shareholders' Meeting held on June 10, 2021.

Meetings of the Board of Directors and Relevant Committees

Meeting body	No. of meetings held per year	Average attendance rate
Board of Directors	10	98% (Directors and audit & supervisory board members)
Executive Compensation Committee	1	100% (All committee members)
Executive Appointment Committee	1	100% (All committee members)
Audit & Supervisory Board	12	100% (Audit & supervisory board members)

voice of each site, including subsidiaries outside Japan. As shown above, Toyota Industries' Board of Directors has been evaluated as effective. In response to certain feedback calling for further improvement, we will undertake improvement efforts on a continuous basis.

Audit & Supervisory Board System

Toyota Industries has four audit & supervisory board members, two of whom are full-time members and two of whom are outside members.

The four members attend meetings of the Board of Directors and provide their opinions as appropriate. The full-time members also attend other important meetings to receive reports on the execution of duties by directors and other responsible persons. They also carry out such activities as on-site audits at the Head Office, major business sites and subsidiaries as necessary and collaborate with independent auditors and the Audit Department for overall audits.

Meetings of the Audit & Supervisory Board are held every month to share information on audits conducted by the full-time members with the outside members and to receive reports from directors, responsible persons and independent auditors. At these meetings, the members also discuss and make decisions on important matters, such as audit policies and plans, the audit method used by independent auditors and the appropriateness of their audit results.

Initiatives for Enhancing Corporate Governance

1971	Introduced a divisional organization system
2006	Reduced the number of directors (from 30 to 17)
2006	Introduced a managing officer system
2010	Appointed independent members of management
2016	Reduced the number of directors (from 17 to 11)
2017	Conducted an evaluation of the effectiveness of the Board of Directors
2019	Revised executive management structure and reduced the number and rank of executives

Cross-Shareholdings

Basic Policy

Cooperative relationships with various companies are essential in expanding business and achieving sustainable growth. From the medium- to long-term perspective of enhancing corporate value, our policy is to determine if cross-shareholdings are needed by comprehensively giving consideration to their importance in terms of our business strategies and relationships with business partners.

Verifying Appropriateness of Cross-Shareholdings

Each year, the Board of Directors verifies if the purpose of cross-shareholdings is appropriate and if associated benefits and risks are commensurate with capital cost. More specifically, we conduct verification by using both quantitative information, which is based on comparison of total shareholder return and weighted average capital cost as well as return on equity (ROE) of each investee company, and qualitative information, such as the transaction status and the outlook of future business relationships.

Exercise of Voting Rights

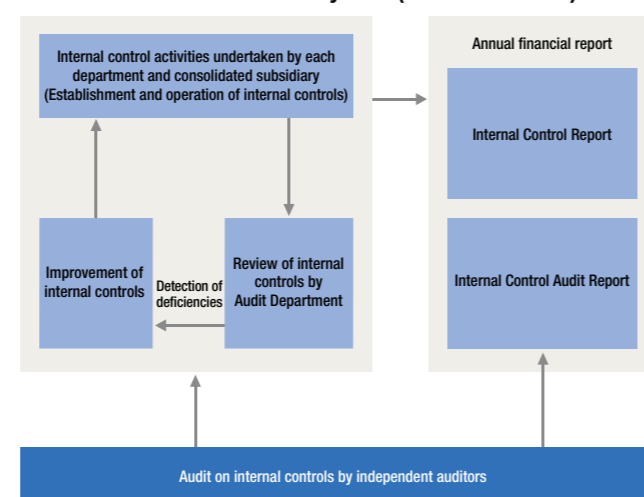
While respecting management policies of individual investee companies, we determine how we exercise our voting rights by checking each item on the agenda from the perspectives of medium- to long-term enhancement of corporate value, policy concerning shareholder returns, corporate governance and social responsibility.

Internal Control System

In accordance with the Companies Act, in May 2006 Toyota Industries' Board of Directors adopted the Basic Policies for the Establishment of an Internal Control System (Basic Policies) to ensure compliance, risk management as well as the effectiveness and efficiency of business operations by incorporating these policies into each business segment's annual policies and day-to-day routine management. The CSR Committee, at its meeting held in March, assesses the progress made in implementing the Basic Policies in the year under review and determines actions for the coming year, including reviewing the implementation structure and enhancing day-to-day operational management.

Furthermore, based on the Financial Instruments and Exchange Law (so-called Japanese Sarbanes-Oxley Act (J-SOX)), we have established and appropriately operated an internal control system to maintain the reliability of financial reporting. The system's status and progress are reviewed by the Audit Department and audited by independent auditors. We determine which Toyota Industries Group companies fall within the scope of J-SOX based on the degree of impact on the reliability of financial reporting. We determined that our internal controls over financial reporting as of the end of fiscal 2021 were effective, and accordingly, submitted an Internal Control Report in June 2021. The report was reviewed by independent auditors and judged fair in their Internal Control Audit Report.

Internal Control Assessment System (Based on J-SOX)



Compliance

Basic Perspective

We believe that compliance means both adhering to laws and regulations as well as ethics and social norms. As such, it is

vital to promote compliance throughout the Toyota Industries Group under the leadership of top management.

To promote compliance, we have established the Compliance Subcommittee (led by the head of the Corporate Headquarters) as a subordinate organization to the CSR Committee (led by the president). Every year, the subcommittee formulates an action policy that covers the entire Toyota Industries Group and conducts a follow-up check on the progress of corresponding activities twice during that year. We have also established a system to report serious violation cases that occur within the Toyota Industries Group, including bribery, corruption and violations of antitrust laws, to the Compliance Subcommittee.

CSR Material Issue

Number of serious compliance violations in the Toyota Industries Group: 0

Formulating the Employee Code of Conduct and Thoroughly Implementing Awareness-Raising Activities

Toyota Industries has formulated and distributed to executives and all employees the Toyota Industries Corporation Employee Code of Conduct, which serves as conduct guidelines that should be observed by employees. It covers such topics as prevention of bribery, corruption and profit sharing, conformance to antitrust laws, respect for human rights, safety and health as well as environmental conservation. Accordingly, we have been working to instill the Code through group training and other means. Consolidated subsidiaries in and outside Japan have formulated their own Code of Conduct appropriate to their respective business lines and corporate cultures and have been implementing Company-wide awareness-raising activities once a year. In addition, we have created and disseminated e-learning materials on 49 topics in order to cultivate a deeper understanding of compliance among employees of Toyota Industries Corporation and our consolidated subsidiaries in Japan and to create an environment in which employees learn about compliance on their own.

Example Topics of e-Learning Materials

Compliance; Antitrust laws; Prevention of bribery; Human rights; Various types of harassment; Safety behavior; Occupational accidents; Mental health; Environmental protection; Management of confidential information; Traffic safety; Product liability; Accounting process

Execution rate of Employee Code of Conduct enlightenment activities by Toyota Industries and consolidated subsidiaries outside Japan: 100%; Execution rate of Employee Code of Conduct enlightenment activities by consolidated subsidiaries in Japan: 75% (Unable to achieve 100% due to the impact of COVID-19)

Efforts for Prevention of Bribery and Corruption

To prohibit and prevent bribery, Toyota Industries has formulated the Global Guidelines for Bribery Prevention (or individual rules in countries high on the Corruption

Perceptions Index in accordance with their respective, applicable laws) and been conducting activities to familiarize employees with them in each country and region.

Efforts for Ensuring Compliance with Antitrust Laws and Competition Laws

As for antitrust laws, we operate a system to conduct a check and review before and after employees of Toyota Industries contact competitors and have been cultivating awareness among employees for not acting in a manner that may possibly constitute a violation of antitrust laws. Moreover, we have designated a particular month as "Antitrust Law Compliance Month" since fiscal 2016 to carry out enlightenment activities at relevant departments. Consolidated subsidiaries in and outside Japan have also been working to educate and raise awareness of employees for preventing violations of antitrust laws and competition laws, such as forming cartels, in accordance with local laws and regulations.

Early Detection and Prevention of Issues via Whistle-Blower System

The Toyota Industries Group has in place a whistle-blower system to report and seek consultation on compliance-related issues. In Japan as well as key countries in North America, Europe, Asia, Oceania and South America, we operate a compliance hotline (external helpline) that allows employees and other relevant parties to seek advice from external experts on compliance-related matters without being exposed to negative consequences. In fiscal 2021, we received 62 reports and inquiries from within Toyota Industries and from its consolidated subsidiaries in Japan on such matters as labor management, working environment and ethics. After verifying each report and inquiry, we have taken appropriate action regarding each case. Our responses have been reviewed and judged appropriate by external lawyers.

In fiscal 2017, we also set up a hotline for our major business partners to report and inquire about possible compliance violations by Toyota Industries employees. Through these initiatives, we ensure the early discovery and prevention of issues and intend to become a "company on which society places greater trust."

Activities in the Toyota Industries Group

Each consolidated subsidiary of the Toyota Industries Group has set up a compliance committee (in Japan) and appointed a compliance officer (outside Japan) to lead and promote








Compliance Officer Conference in China

autonomous activities in respective communities. In North America, Europe, China and Asia/Oceania, compliance officers regularly hold conferences and facilitate collaborative activities within each region.

In fiscal 2021, compliance officers from eight bases in China attended the Compliance Officer Conference held online. They shared information about compliance activities of each company and updates to relevant laws to learn how to thoroughly implement basic points of compliance and improve response capabilities. After the conference, these bases have been conducting activities in a mutually coordinated manner.

Main Compliance Officers

	Europe Toyota Material Handling Europe AB Andreas Lundh
	United States Toyota Industries North America, Inc. Sheena Seger
	China Toyota Industries Management (China) Co., Ltd. Zhu Lingling
	India Toyota Material Handling India Pvt. Ltd. Pragya Sharma
	Vanderlande Group Vanderlande Industries Holding B.V. Carl Messemaeckers

Information Security

Basic Perspective

We recognize that the personal information of customers, employees and business partners as well as information concerning our technologies and sales activities are assets that need to be protected. Accordingly, with the aim of safeguarding our information assets and strengthening their management, we have formulated the Basic Policies for Information Security.

Basic Policies for Information Security

- (1) Legal compliance**
We comply with laws and regulations related to information security while fostering awareness of them among employees.
- (2) Maintaining a stable business foundation**
We safeguard and manage information assets appropriately, carry out information security-related education and enlightenment activities on an ongoing basis and seek to maintain a stable business foundation.
- (3) Providing safe products and services**
We provide safe products and services to customers and society by implementing information security measures in our business activities, including development, design and manufacture of products and services.
- (4) Information security management**
We build a governance structure to enforce and manage information security and continue to promote and refine the structure.

Implementation Structure

Toyota Industries has set up the Information Security Subcommittee (led by an executive in charge of the General Administration Department) as a subordinate organization to the CSR Committee to reduce information security risks. To thoroughly implement the initiatives adopted by the subcommittee, we appoint information security managers*1 and information security administrators*2 at each department

of Toyota Industries.

For consolidated subsidiaries around the world, we regularly hold meetings of information technology (IT) managers in each region to share information on security incidents and countermeasures both in and outside the Toyota Industries Group and to disseminate relevant policies. Through these and other measures, we are increasing the levels of security and security awareness throughout the Group.

*1: Head of each department
*2: A person within the department, appointed by the head

Information Security Management

Information Security Monitoring and Incident Response

To ensure the early detection of and prompt action against cyberattacks, we have in place systems to monitor the security of PCs and all other terminals used within the Toyota Industries Group and to respond to incidents 24 hours a day, 7 days a week. Upon the occurrence of an incident, we immediately report it to the president and senior management and share relevant information within Toyota Industries. We also share threat information with our consolidated subsidiaries in and outside Japan to swiftly alert each company.

CSR Material Issue

Number of serious incidents occurred: 0

Providing Education on Information Security

We believe that awareness among all executives, employees and contract employees is crucial in preventing information security incidents. Based on this belief, we provide training on targeted attacks via e-mail and after-action education more than four times a year per person. We also send periodic reminders internally using incidents that have occurred elsewhere as examples.

Preventing Leakage of Confidential Information

We strive to raise the level of information security by holding workplace meetings and conducting self-checks regarding our information security practices. In terms of technological measures, we implement a multi-layer defense that includes encrypting PCs, restricting and monitoring the copying of files on recording media and

preventing malware penetration and data leakage caused by cyberattacks.

Conducting Information Security Audits

In accordance with the All Toyota Security Guidelines (ATSG)*3, we biannually inspect the implementation status of information security at Toyota Industries and our consolidated subsidiaries around the world in order to maintain and improve the level of information security on a continuous basis.

*3: Security guidelines of the Toyota Group, which conform to the Cyber Security Framework of the National Institute of Standards and Technology (NIST CSF) and ISO 27000 series of standards for information security management systems

Risk Management

Basic Perspective

Based on the Basic Policies for the Establishment of an Internal Control System in compliance with the Companies Act, Toyota Industries is working to strengthen regulations and a structure to promote risk management. We regard the following aspects as the basics of risk management and implement initiatives accordingly.

- (1) Incorporating measures to prevent and reduce potential risks into daily routines and following up on the progress of implementation
- (2) Ensuring quick and precise actions to minimize the impact on business and society when a risk becomes apparent

Implementation Structure

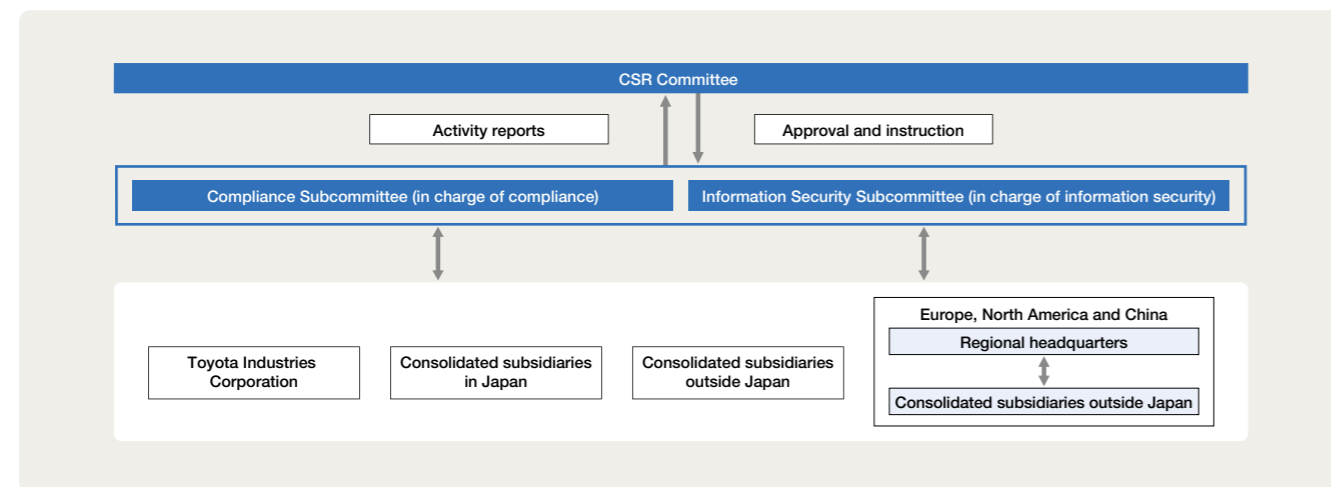
Business divisions and other departments at the Head Office develop and promote annual action policies that integrate measures to prevent and control risks related to quality, safety, the environment, personnel, export transactions, disasters and information security. Progress is assessed and followed up by each functional management entity such as the CSR Committee and the Environmental Committee. At the same time, functional departments at the Head Office such as those responsible for quality, safety and the environment formulate rules and regulations and create manuals from a Group-wide perspective, including consolidated subsidiaries. By confirming and following up on the progress through operational audits and workplace inspections, they provide support for raising the level of risk management at each business division and consolidated subsidiary.

We have also formulated the Risk Response Manual, which defines our initial response to an emergency. This manual lays out basic rules to be followed when a risk becomes evident. The aim is to ensure quick reporting to top management, perform an accurate assessment of the impact on society and business activities and minimize damage through appropriate actions. As a countermeasure to the ongoing COVID-19 pandemic, we are making an appropriate response based on this manual. The content of the manual is reviewed and revised as deemed necessary in response to changes in businesses and the surrounding environment.

Response to Possible Major Earthquake

We consider the impact of a major earthquake as one of the most significant risks and have accordingly formulated

Organization for Promoting Compliance and Information Security under the CSR Committee



Primary Activity Examples

Activities in fiscal 2021

- Enhancing security services for consolidated subsidiaries in and outside Japan
- Facilitating tools (measures) to support actions against leakage of confidential information
- Publishing information security newsletters
- More advanced e-mail security training (targeted attacks via e-mail on specific departments and after-action education; four times a year/person)
- Performing a more stringent check on information devices brought into the plant premises from outside
- Providing information security education to on-site plant workers
- Providing incident response training
- Reinforcing a system of collaboration with consolidated subsidiaries and with dealers in and outside Japan
- Operating a system on a trial basis that automatically detects unauthorized removal of information off the premises

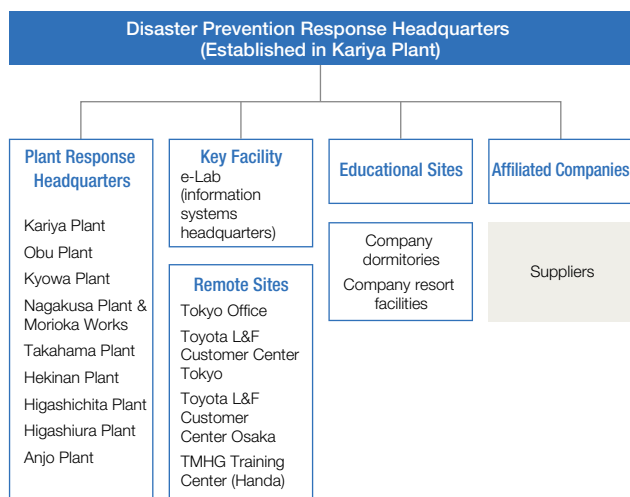
a business continuity plan. Based on the three basic policies of placing maximum priority on human life, placing top priority on the recovery of local communities and ensuring the quickest possible recovery, we are making Company-wide efforts in three relevant areas, specifically, “precautionary, pre-disaster mitigation,” “initial response to be followed immediately after the disaster” and “restoration of production.”

Disaster Prevention Structure

We strive to reinforce our disaster prevention structure to enable a smooth transition from the initial response stage to the production restoration stage.

The Disaster Prevention Response Headquarters, led by an executive vice president and consisting of representatives from the functional departments at the Head Office, is responsible for collecting information from plants and other relevant parties and making Company-wide decisions based on the information collected.

Disaster Prevention Structure



Promoting Disaster Prevention at Home and Related Enlightenment Activities

Starting from fiscal 2017, we have been undertaking enlightenment activities for employees and their families as a measure to promote disaster prevention and avoid disaster-inflicted damage at home. Specifically, we encourage them to take three actions: preventing the overturning of furniture and securing an evacuation route; deciding how to contact and where to meet with family members in a disaster; and stockpiling emergency goods, food and other necessities.

Efforts to Cultivate Personnel to Engage in Disaster Prevention Activities

■ 1. Training at Disaster Prevention Response Headquarters

As one important role assigned to the Disaster Prevention Response Headquarters that oversees Company-wide disaster response, we conduct training in which employees collect information on damages to both inside and outside the company premises, swiftly make decisions and disseminate these decisions throughout Toyota Industries. In fiscal 2021, we canceled comprehensive training to



Aggregating information within the Company

prevent COVID-19. Instead, we conducted training by function, such as aggregating information within Toyota Industries. As an effort to reinforce our disaster prevention structure, we also conducted a drill for plant security staff to use IT tools to distribute information, assuming a nighttime earthquake.

■ 2. Initial Response Training at Plant Response Headquarters

In fiscal 2021, as with the Disaster Prevention Response Headquarters, we avoided large-group training as much as possible and conducted training for the Plant Response Headquarters in small groups and by role to confirm the action of each member. Specifically, the members aggregated damage information and distributed information using a simple wireless device. By conducting training repeatedly, we intend to create a structure under which every member understands his or her role and responds to the situation flexibly.

■ 3. Individual Training at Each Plant

a) Power Restoration Drill

Based on the procedures to restore power supplies, including electricity and gas, which are essential in restoring production activities, each plant conducts *genchi genbutsu* (go and see for yourself) training on a periodic basis. Through the training, we are identifying problems and making improvements to step up our efforts to ensure quick restoration activities.

b) System Restoration Drill

We conduct system restoration drills jointly with Toyota Industries IT Solutions, Incorporated, a consolidated subsidiary engaged in development and operation of information infrastructures and systems, and work to improve our readiness for quick restoration.

■ 4. Training for Identifying Disaster Damage

We repeatedly conduct drills jointly with our affiliated companies and business partners in order to familiarize them with the use of IT tools to quickly identify the damage status during a disaster.

Future Activities

Preparing for floods and other natural disasters in addition to earthquakes has been gaining significance. Accordingly, we will draw on our response measures that have been implemented mainly for earthquakes and extend our efforts to other disasters in order to increase our overall disaster readiness.