Environmental Initiatives

Global Environmental Commitment

The Toyota Industries Group will contribute to the compatibility of environmental conservation and economic growth throughout its wide range of business activities, including automobile, materials handling equipment, logistics and electronics.

Basic Policy

- The Toyota Industries Group will continue to set challenging targets aimed at further reducing the environmental impact of its business activities, listening carefully to voices of its stakeholders such as customers, and acting in compliance with the letter and spirit of laws and regulations.

- The Toyota Industries Group will continuously improve its environmental management, placing environmental activities among its highest priorities. In particular, the Company will give priority to the following items.

Curb global warming
Aiming to reduce energy consumption and the output of greenhouse gases through the entire lifecycle of its products, services and production activities

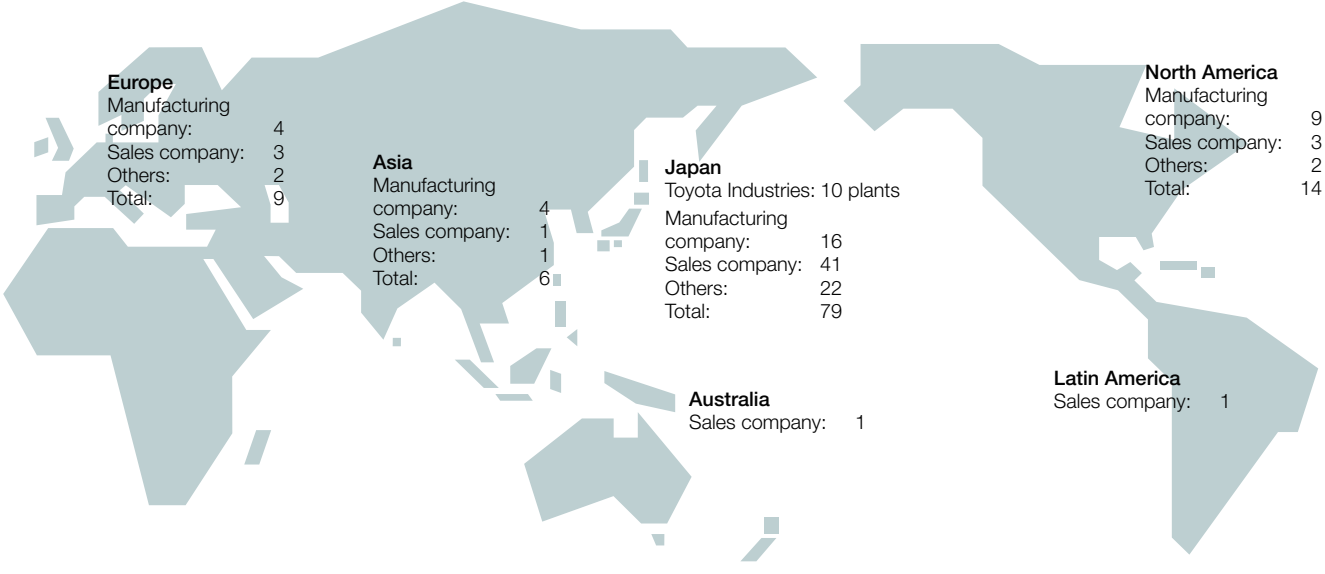
Use resources more efficiently
Utilizing raw materials, water and other resources efficiently while working to reduce, reuse and recycle waste products

Reduce environmental risk factors
Reducing the use and output of substances of concern while evaluating environmental risk factors at the planning stage of business activity in order to prevent pollution

- The Toyota Industries Group will aim to foster greater communication and teamwork within a wide range of partnerships, including those with customers and suppliers, in order to promote sustainable management of the environment. In addition, the Toyota Industries Group will act as an upstanding corporate citizen, taking an active part in the planning of activities that contribute to various regional communities as well as to our global society.

July 2005
Tetsuro Toyoda
President

Scope of Group-Wide Environmental Management



Environmental Management

Environmental Management System

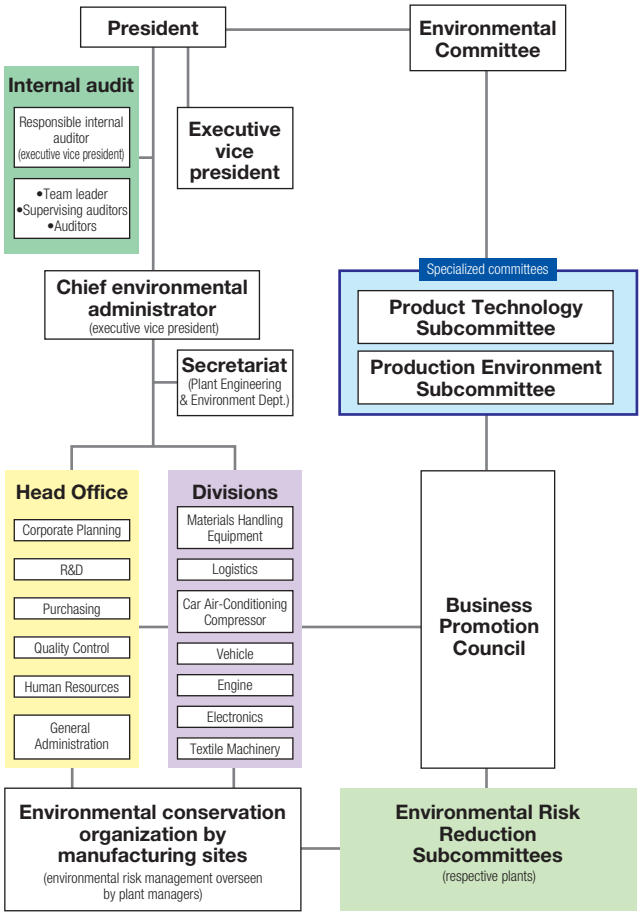
Toyota Industries uses an ISO 14001-based environmental management system (EMS) as an effective tool in its efforts to promote environmental management and fulfill its corporate social responsibility. EMS was previously operated independently at respective plants. Aiming for greater environmental management, however, in fiscal 2008 we newly established a Company-wide EMS, with the president at the top. We will continue to work to strengthen our environmental governance based on an environmental management structure compatible with Toyota Industries' business management structure. We will also strive to reduce environmental impacts that accompany our business activities in product development and manufacturing.

In fiscal 2008, Toyota Industries obtained EMS certifications for the corporate center as well as the Textile Machinery and Compressor divisions as a form of pre-integration of certification. In fiscal 2009, we plan to acquire Company-wide integration of certification that includes all business operations.

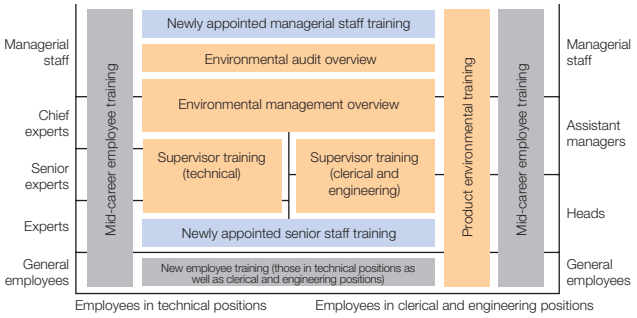
Environmental Education

Acting on its belief that manufacturing starts with nurturing excellent personnel, Toyota Industries regards human resource development as one of the most important management issues. In the environmental area as well, we revised environmental education programs after clarifying the capabilities required for the integration of a Company-wide EMS and reviewing targeted persons and educational objectives. Based on the latest environmental trends and effectiveness of education, we intend to continuously review these programs to nurture personnel well-versed in environmental affairs.

Environmental Management Structure



Environmental Education Program



Internal Environmental Audits

Previously, auditors assigned at respective Toyota Industries plants undertook internal environmental audits. This prompted external auditors to point out areas for improvement in terms of the independence and quality of audits. Taking the opportunity of the integration of a Company-wide EMS, a fundamental review of the structure and procedures of internal audits was conducted. Specifically, we have established an internal audit structure in which the executive vice president in charge of audits appoints a team leader tasked with implementing audits. Under the team leader are auditors selected from each business division.

In fiscal 2008, internal auditors detected underlying, intrinsic problems at respective organizations, and each organization subsequently implemented corrective measures. With regard to the external environmental audit conducted by an independent certification agency for fiscal 2008, Toyota Industries was commended for improving the level of its internal audits.

Internal Environmental Audit Structure

An internal environmental audit structure has been organized to strengthen the checking function of Toyota Industries' environmental efforts, as indicated below.

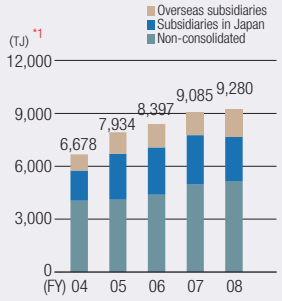
Business Activities and Their Environmental Impact

As a manufacturer of a wide variety of products, including lift trucks, car air-conditioning compressors, textile machinery and automobiles, Toyota Industries strives to understand the environmental impact of our products across their entire lifecycle from parts procurement through to production and disposal.

The most notable environmental impacts generated by Toyota Industries' operations include global warming caused by the use of energy in casting and coating processes and the use of greenhouse gases; waste from manufacturing processes such as casting and machining processes; the atmospheric impact of chemical substances used in the painting of automobiles, lift trucks and car air-conditioning compressors; and the impact of industrial wastewater on public waterways. Toyota Industries is systematically striving to reduce these kinds of environmental impacts.

Energy

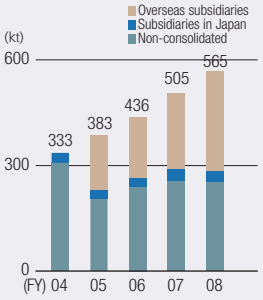
Energy Consumption



*1: Terajoule is a unit used to measure heat. 1 TJ = 10^{12} joules

Raw Materials*2

Raw Materials Consumption



*2: Metals such as iron and aluminum, as well as resins such as plastics

INPUT

Product Development

Business	Focus of Environmental Activities in Product Development
Materials Handling Equipment	Develop clean energy vehicles Improve fuel efficiency and achieve cleaner exhaust emissions Improve recyclability
Textile Machinery	Create designs with improved energy efficiency
Car Air-Conditioning Compressor	Reduce weight and improve efficiency Reduce power consumption and utilize new, environmentally friendly refrigerants
Vehicle	Reduce weight and improve recyclability
Engine	Improve fuel and combustion efficiency Reduce noise and vibration
Electronics	Contribute to the development of clean energy vehicles

Common themes: Reduce the use of substances of concern
Promote green procurement

Plant	Emissions and Environmental Impact of Each Process (as of March 2008)	
Takahama	Machining, cleaning	CO_2 (global warming) Waste
	Coating	VOC*4, chemical substances (air pollution) CO_2 (global warming)
Kariya	Machining, cleaning	CO_2 (global warming) Waste
	Coating	VOC, chemical substances (air pollution) CO_2 (global warming)
Kariya Obu Higashiura	Die-casting	CO_2 (global warming)
	Machining, cleaning	CO_2 (global warming)
	Coating	VOC (air pollution)
	Use of CFC substitutes	HFC*5 (global warming)
Nagakusa	Coating	VOC, chemical substances (air pollution) CO_2 (global warming)
	Machining, cleaning	CO_2, HFC (global warming) Water pollution, waste
Hekinan Higashichita Kyowa	Machining	CO_2 (global warming)
	Casting	CO_2 (global warming) SOx*6 (air pollution), waste products
Kyowa	Plating	Water pollution

OUTPUT

Into the Air

Greenhouse Gas Emissions

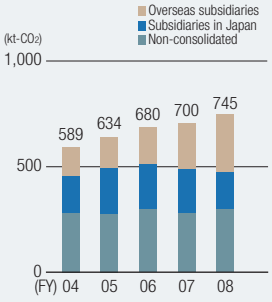
	Non-consolidated	Consolidated
CO_2	296kt	745kt
Other greenhouse gases (HFC, SF_6, etc.)	3kt	12kt
Total	299kt	757kt

Air Pollutant Emissions

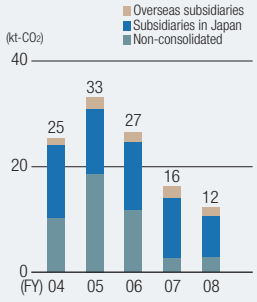
	Non-consolidated	Consolidated
SOx	0.3t	0.6t
NOx*7	141t	236t

*7: Nitrogen oxides

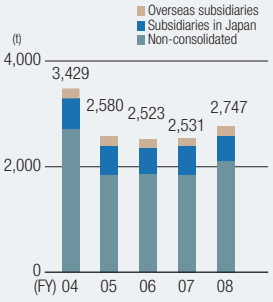
CO_2 Emissions



Emissions of Other Greenhouse Gases

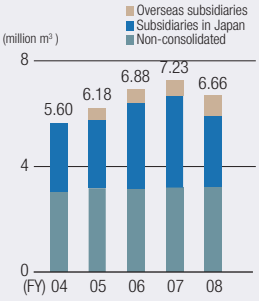


VOC Emissions



Water

Water Consumption



Chemical Substances

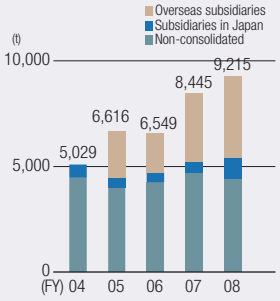
Chemical Substances Consumption (Japan only)

	Non-consolidated	Consolidated
•PRTR law*3 designated substances	3,031t	4,136t

*3: Short for Pollutant Release and Transfer Register, the PRTR law is a scheme whereby businesses measure the release and transfer of PRTR-designated pollutants and report their performance to the government. The government then compiles this data and releases it to the public.

Packaging Materials

Packaging Materials Consumption



CO_2 Emission Conversion Factors

Contents	Conversion factor
Electricity*	0.3817kg-CO_2/kWh
City gas	2.3576kg-CO_2/m³
LPG	3.0094kg-CO_2/kg
Coke	3.2502kg-CO_2/kg
A heavy oil	2.7000kg-CO_2/l
Kerosene	2.5308kg-CO_2/l
Light oil	2.6468kg-CO_2/l
Gasoline	2.3609kg-CO_2/l
LNG	2.790kg-CO_2/kg
Propylene	3.141kg-CO_2/kg

*The electricity conversion factor in the table is applied to companies in Japan.
Overseas companies uses factors publicly announced in each region.

CO_2 Emission Conversion Factors from Logistics

Contents	Conversion factor
Gasoline	2.32kg-CO_2/kWh
Light oil	2.62kg-CO_2/kg
LPG	3.00kg-CO_2/l

Focus of Environmental Activities → FY2008 Results

Curbing Global Warming

10% improvement compared with FY2004 levels in eco-efficiency of energy-derived CO_2 emissions (consolidated) by the end of FY2011

→ 25% improvement compared to FY2004 levels (eco-efficiency indicator: 1.25)

Resources Recycling

Reduce landfill waste (Japan consolidated) to less than 1% of FY1999 levels by the end of FY2011

→ Less than 1% compared with FY1999 levels

Reduction in Environmental Risk

Further reductions in emissions of substances of concern (Japan consolidated) by the end of FY2011 to 95% of FY2004 environmental impact levels

→ 1% reduction compared with FY2004 levels

*4: Volatile organic compounds
*5: Fluorocarbon substitute
*6: Sulfur oxide

Emissions and Major Environmental Impacts Generated during Transportation

CO_2 (global warming)
NOx and particulate matter (PM) (air pollution)

Focus of Environmental Activities

Reduction of CO_2 emissions

Major Environmental Impacts during Recovery, Recycling and Disposal

CO_2 emissions during recycling (global warming)
Generation of waste

Focus of Environmental Activities

Toyota Industries pursues product development that takes into account the 3Rs—Reduce, Reuse and Recycle. This is achieved by reducing waste through making products longer-lasting, smaller and lighter; reusing components; and recycling used products by reprocessing them and using them as different materials.

Major Environmental Impacts during Product Use

Materials Handling Equipment
Global warming caused by vehicle operation
Air pollution resulting from exhaust emissions

Textile Machinery
Global warming caused by power consumption

Car Air-Conditioning Compressor
Global warming caused by vehicle operation
Global warming caused by CFC substitutes

Vehicle
Global warming caused by vehicle operation
Air pollution caused by exhaust emissions

Engine
Global warming caused by vehicle operation
Air pollution caused by exhaust emissions

Electronics
Global warming caused by power consumption and vehicle operation

PRTR Law-Designated Substances

Emissions (Japan only)

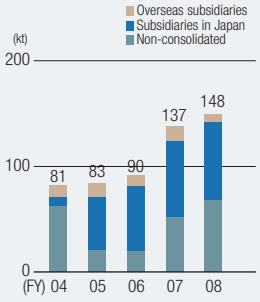
	Non-consolidated	Consolidated
Into the atmosphere	536t	626t
Into waterways	7t	12t
Into soil	–	–
Total	543t	638t

Transfers (Japan only)

	Non-consolidated	Consolidated
Waste	129t	867t
Sewage	–	–
Total	129t	867t

Waste

Waste Generation



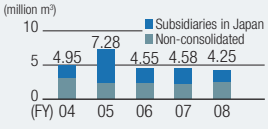
Into Waterways

Water Pollutants (Japan only)

	Non-consolidated	Consolidated
Nitrogen	20t	23t
Phosphorous	0.5t	0.6t
COD*8	13t	20t

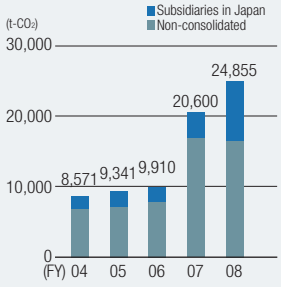
*8: Chemical oxygen demand (indicator of the degree of water pollution)

Wastewater Discharge (Japan only)



CO_2 from Logistics

CO_2 Emissions from Logistics Operations (Japan only)



*Certain environmental data have been updated

Targets and Results of the Fourth Environmental Action Plan

Outline of the Fourth Environmental Action Plan

As one of Toyota Industries' major approaches to the environment, we devise and implement a five-year Environmental Action Plan. In the Fourth Environmental Action Plan (fiscal 2007 to fiscal 2011), curbing global warming, using resources more efficiently, reducing environmental risk factors and consolidated management are positioned as the key areas of environmental activities. Target management is measured by the concept of "eco-efficiency," which quantifies the effectiveness of our environmental activities.

During fiscal 2008, we focused primarily on the development of products with superb environmental performance, four of which received in-house accreditation as eco-products. We also strove to further improve production eco-efficiency through the introduction of more efficient equipment and the implementation of efficiency improvement measures.

Eco-Efficiency Calculation Formula

Product

$$\text{Eco-efficiency} = \frac{\text{Product functions}}{\text{Environmental impact of products}}$$

Production

$$\text{Production efficiency} = \frac{\text{Production indicator (Net sales or production volume, etc.)}}{\text{Environmental impact of production activities}}$$

$$\text{Eco-efficiency} = \frac{\text{Production efficiency in subject year}}{\text{Production efficiency in base year}}$$

Progress of the Fourth Environmental Action Plan (Product-Related)

Action Policies		Specific Actions	FY2008 Achievements	FY2009 Plan	Page
Curbing Global Warming	Automobile-related products: Promote the development of technologies that achieve the best fuel-efficiency performance in each country and region	•Develop technologies to reduce vehicle weight •Develop engines to meet fuel efficiency targets set during the product planning stage •Develop high-efficiency car air-conditioning compressors	•Expanded the range of electrically driven compressors •Developed new continuous variable-displacement compressors	•Expand the range of electrically driven compressors •Develop new continuous variable-displacement type compressors •Make DC-AC inverters for vehicles smaller •Improve fuel efficiency of engines	P38, 39
	Non-automobile-related products: Promote the development of technologies that achieve the best energy efficiency in the industry	•Develop technologies to improve the energy efficiency of lift trucks •Develop industry-leading, energy-saving technologies for textile machinery •Improve the energy efficiency of industrial engines	•Improved fuel efficiency of shovel loaders by 15%		
	Promote the development of devices for clean energy vehicles	•Further improve the performance of devices for hybrid vehicles •Develop devices for the next generation of fuel-cell vehicles	•Improved power density of DC-DC converters for hybrid vehicles by 67%		
	Reduce greenhouse gases throughout products' lifecycles	•Steadily reduce lifecycle environmental impact through implementation of lifecycle assessments (LCA) for all products •Develop products with high eco-efficiency •Develop car air-conditioning compressors that use refrigerants with low global warming potential (GWP)	•Reduced power consumption of unit-type automated storage and retrieval systems for pallets by 15% •Improved fuel efficiency of engines		
Using Resources More Efficiently	Further promote the use of designs that are based on the Designs for Recycling (DfR) concept	•Steadily improve recyclability through the establishment of recyclability assessments for all products •Develop products that are easy to dismantle and recycle	•Improved dismantling feature of DC-DC converters and utilized reclaimed materials •Established targets for recoverability rate*1 for developed products	•Improve durability of lift truck parts •Establish targets for recoverability rate for products	P40
Reducing Environmental Risk Factors	Promote stricter control of and further reduction in the use of substances of concern	•Eliminate use worldwide of the four substances of concern (lead, mercury, cadmium and hexavalent chromium) (some parts are exempted) •Increase the number of substances of concern that are subject to controls	•Established compliance structure for REACH (Registration, Evaluation, Authorisation and restriction of Chemicals) regulations •Started voluntary control of four substances of concern	•Comply with voluntary control of four substances of concern •Establish chemical substances control system	P41
	Reduce exhaust emissions to improve air quality in urban areas in all countries and regions	•Develop high-efficiency clean diesel engines •Introduce top-performing, low-emissions lift trucks	•Complied with domestic emissions regulations for lift trucks •Complied with emissions regulations for automobiles	•Comply with domestic emissions regulations for lift trucks •Comply with emissions regulations for automobiles	

*1: Recoverability rate refers to reusable, recyclable and energy-recoverable rate relative to the weight of new vehicle

Progress of the Fourth Environmental Action Plan (Production-Related)

Action Policies			Specific Actions	Control Items	FY2008 Achievements Target	Result	Assessment	FY2009 Plan	Page
Curbing Global Warming	Production	Promote energy reduction and energy conservation through innovative production technologies	**Reduce CO_2 from energy use** •Streamline production processes •Optimize supplied energy •Promote introduction of alternative energy sources	**Non-consolidated** Energy-derived CO_2 eco-efficiency	1.30	1.36	○	•Curb total CO_2 emissions and improve emission volume per unit of sales amid business expansion •Launch Company-wide CO_2 reduction conference and promote activities	P42, 43
				Non-consolidated Emission volume per unit of sales (unit: t-CO_2/100 million yen)	26.1	24.3	○		
				Consolidated Eco-efficiency	1.19	1.25	○		
				Consolidated Emission volume per unit of sales (unit: t-CO_2/100 million yen)	38.9	37.2	○		
			CFCs •Review production process •Look for alternative materials	-	-	3kt-CO_2	-		
	Logistics	Reduce CO_2 emissions through green logistics	•Promote modal shift •Devise green logistics guidelines and strengthen cooperation with contractors	-	1.01	1.07	○	•Expand modal shift •Improve load capacity	
Using Resources More Efficiently	Raw Materials	Enhance resource productivity	**Resources** •Reduce the volume of discarded materials by taking action at the source, such as improving yields and other measures •Promote internal re-use	**Non-consolidated** External disposal eco-efficiency	1.00	1.12	○	•Reduce external disposal through reduction of defects and improvement of yields	P44
			Packaging materials •Reduce use of timber-derived packaging materials	**Non-consolidated** Packaging material eco-efficiency	1.35	2.06	○	•Reduce use of wood and cardboard as packaging materials	
		Reduce use of groundwater	•Promote recycling of wastewater •Reduce use of water	**Non-consolidated** Groundwater use (unit: km^3)	924	714	○	•Switch to industrial water from groundwater •Expand wastewater recycling	
	Waste	Reduce total environmental impacts of waste disposal	•Eliminate landfill disposal at all consolidated manufacturing companies •Establish measures to evaluate environmental impact of waste disposal	**Manufacturing sites in Japan** Landfill volume (unit: t)	183	46	○	•Select reputable recycling contractors •Promote further segmentation and optimization of waste separation	
Reducing Environmental Risk Factors	Production	Minimize environmental risks	•Establish environmental risk assessment systems at the planning stage (incorporate measures to reduce environmental impacts in the business planning stage) •Ensure appropriate management of chemical substances in accordance with social conditions •Enhance risk communication with stakeholders such as local residents	•Devise pilot guidelines for prior assessment system •Commence full implementation		•Devise regulations •Apply to 27 items	○	•Strengthen activities to reduce environmental abnormalities/claims through reciprocal patrols among plants	P45
		Further reduce emissions of substances of concern	•Reduce emissions of air pollutants, including volatile organic compounds (VOCs) –Expand use of water-soluble and powdered coatings –Introduce VOC removal equipment •Reduce emissions of water contaminants	**Non-consolidated** Environmental impact (unit: index)	20% reduction	17% reduction	×	•Expand use of water-soluble coatings in Materials Handling Equipment and Vehicle businesses	
				Manufacturing sites in Japan Environmental impact (unit: index)	23% reduction	21% reduction	×		

Progress of the Fourth Environmental Action Plan (Management)

Action Policies		Specific Actions	FY2008 Achievements
Consolidated Management	Strengthen cooperation with business partners	**Business partners** •Further promote green procurement –Improve environmental performance by supporting the establishment and promotion of environmental management systems (EMS) –Enhance management of substances of concern **Group companies** •Promote consolidated environmental management by enhancing mutual communication –Thorough environmental compliance (all companies) –Establish EMS (sales and service companies) –Introduce green procurement and environmental accounting (manufacturing companies) –Improve environmental performance and enhance external environmental communication (manufacturing companies)	•Confirmed management systems for substances of concern at all business partners •Supported environmental management at Group companies

Curbing Global Warming from Products

Approach to Curbing Global Warming

Products developed and manufactured by Toyota Industries inevitably exert various types of impact on the environment during all stages of the product lifecycle, including usage by customers and final disposal. These impacts include global warming from energy consumption, resource depletion from the use of raw materials and the emission of polluting substances at the time of final disposal. We believe that adopting initiatives starting from the development stage is particularly crucial for minimizing the environmental impact of our products. Acting on this belief, Toyota Industries has introduced the Environmentally Friendly Product Certification System in an effort to promote a broad array of environmental considerations, such as curbing global warming.

Eco-Friendly Product Certification System

Our proprietary Environmentally Friendly Product Certification System was established with the aims of pursuing environmental considerations during product development and properly providing Toyota Industries' customers with information on its eco-friendly products. This system is based on the International Standards Organization (ISO) Type II environmental labeling standard* (ISO 14021). Environmentally friendly products are certified if they meet Toyota Industries' in-house regulations in consideration of the main themes of the Fourth Environmental Action Plan, which was launched in fiscal 2007, during their product development.

Assessment under the certification program is conducted with focus on two categories. The first is a Factor Assessment, which assesses quantitatively how much the newly developed product's eco-efficiency has improved compared with that of the base product (existing Toyota Industries product). The second is a Development Process Assessment, which includes assessment of factors such as fuel efficiency improvements, smaller size and lighter weight. Products that satisfy the criteria are then checked by an independent verifying agency and evaluated within the Company before being granted certification. Certified products carry a Toyota Industries environmental label.

Under the Type II environmental labeling standard, ISO requires only self-declaration by the enterprise (no independent third-party certification required). To create an even more reliable program, however, Toyota Industries has decided to have its self-assessment confirmed by Bureau Veritas Japan Co., Ltd., an international inspection and certification organization.

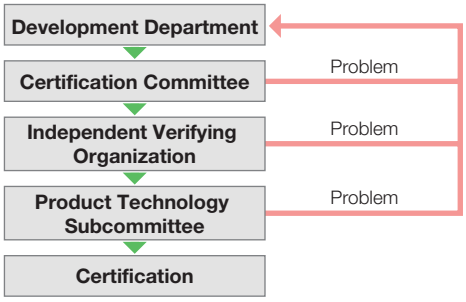
* Environmental labeling: Labeling that conveys to consumers the environmental aspects of a product or service through printed text on the product, advertisements, symbol marks and other means. ISO has established three categories of environmental labels: Type I labels, which indicate certification by an independent verifying organization; Type II labels, which indicate self-declaration by the enterprise that certain standards have been met; and Type III labels, which provide environmental impact data for the product.

Environmental Label

Certified products carry an "environmental label" containing the mark shown on the left on the product itself, its packaging, catalogs and other materials. The mark's circle represents the Earth, wrapped in a green leaf.

Environmentally Friendly Product Certification System

Certification Flow



Certification Criteria

Products that meet the Factor Assessment and Development Process Assessment are certified as Environmentally Friendly Products.

Factor Assessment

Rationale Embodied in the Factors

Improve product and service values → Maximize product performance and value

Reduce environmental impact → Minimize impact on the environment

Factor Computation Method

$$\text{Factor} = \frac{\text{Eco-efficiency of developed product}}{\text{Eco-efficiency of a comparable product}} = \frac{\dfrac{\text{Functionality}^{*1}\text{ of developed product}}{\text{Environmental impact of developed product}}}{\dfrac{\text{Functionality of comparable product}}{\text{Environmental impact of comparable product}}}$$

Assessment Category		Certification Standard
Curbing global warming	CO_2 emissions volume	Any of the factors in the assessment categories at the left is equal to 1.3 or above. Otherwise, all the categories are equal to 1.0 or above.
Using resources more efficiently	Resource consumption volume	
Reducing environmental risk factors	Environmental impact substances	

*1: Product functionality = Basic functionality
Examples: Cooling capabilities for car air-conditioning compressors; volume of work during product lifecycle of lift truck

Development Process Assessment

All items listed are evaluated.

Assessment Category		Items for Consideration
Curbing global warming	Energy consumption	Improved fuel efficiency (engines, internal combustion lift trucks)
		Improved cooling capability (car air-conditioning compressors)
		Reduced amount of energy consumption (textile machinery, electronic parts, electric lift trucks)
Using resources more efficiently	Resource savings	Miniaturization and reduced weights
		Reduced number of parts
		Use of recycled parts and materials as well as recyclable materials
	Recycling	Improved ability to break down and sort
		Indication of raw materials used (plastics, rubber parts)
		Number of fastening parts limited to bare minimum
		Improved the recoverability rate
Environmental risk factors	Substances of concern	Satisfying in-house regulations for control
Environmental information	Provision of information	Information about collection, disassembly, disposal and recycling methods provided in operation manuals

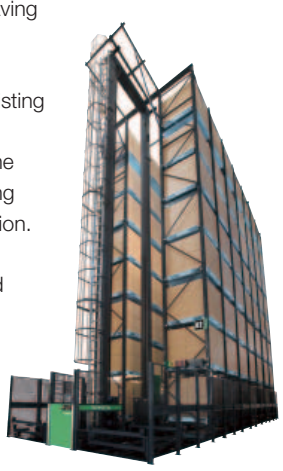
Examples of Products Certified in Fiscal 2008

Rack Sorter CO_2 factor 1.18

Energy-Saving Operation Achieved through Installation of Regenerative Units and More Efficient Movement

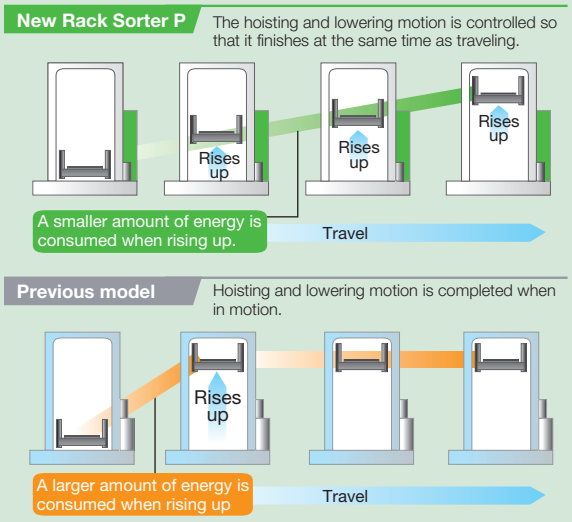
Launched in May 2007, the Rack Sorter P, a unit-type automated storage and retrieval system for pallets, incorporates a speed-control function and realizes energy-saving operations. For loading and unloading, when the sorter's traveling in a certain direction requires a longer time, the hoisting and lowering acceleration/deceleration will be controlled in accordance with the required traveling time, thereby reducing energy used for acceleration/deceleration. Accordingly, unnecessary motion is eliminated without delaying storing and retrieving at the warehouse.

Combining the speed control with the optional regenerating unit* enables a 15% reduction in energy consumption compared with previous models.



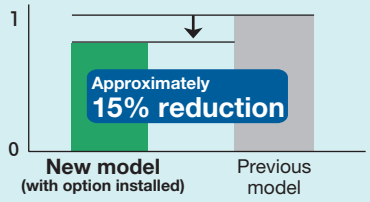
* Optional regenerating unit: device for recovering excess energy for reuse as electric power.

Speed Control Function of Rack Sorter P



Power Consumption*

The power consumption of previous models is set at one.



* Power consumption and energy savings vary depending on the model, height, length and speed specifications.

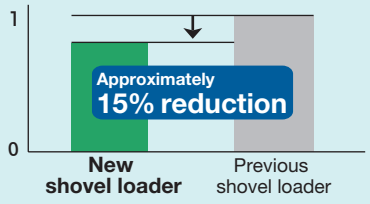
Two-Wheel Drive Shovel CO_2 factor 1.03-1.15

Realizing Excellent Fuel Economy with an Electronically Controlled Internal Combustion Engine

The Shovel Loader, our new two-wheel drive shovel launched in September 2006, incorporates an electronically controlled internal combustion engine as a standard feature. This engine minimizes the amount of fuel injection by cutting fuel consumption during idling, thereby realizing high power output and improved fuel economy, with fuel consumption reduced by approximately 15% compared with previous models.

Fuel Consumption*

The fuel consumption of previous models is set at one.



* Fuel consumption shows a comparison with values based on JISD6202 testing conditions. Fuel consumption could also differ accordingly depending on conditions (weather, road surface, vehicle and operating conditions) during actual operation.

Topics

Environmentally Friendly Product Certification System Earns Eco-Efficiency Award

In December 2007, Toyota Industries earned the Eco-Efficiency Award* 2007 from the Japan Forum on Eco-Efficiency. This accolade was received based on the high acclaim for Toyota Industries' introduction of an independent third-party review for its Environmentally Friendly Product Certification System. In the future, Toyota Industries plans to further improve its certification system by re-evaluating the criteria for certification. We believe these efforts will lead to the development of even more environmentally friendly products.

* This award is presented in recognition of the activities of companies taking initiatives to improve socio-economic conditions while reducing environmental impacts.

In-Product Features for Resource Saving

Approach to Resource Saving

To achieve efficient use of finite resources, Toyota Industries promotes design and development that implements the 3Rs: reduce materials used by using them more efficiently, reuse products and parts that have completed their service life and recycle resources.

Major Principles of 3R Design

3R Design

Reduce
Rationalize the use of raw materials, etc./promote long-term use of products

Reuse
Make better use of raw materials/improve construction/ensure the safety of the disposal process

Recycle

Create recycle-friendly designs
Make better use of raw materials/improve construction/improve the methods for separating trash for recycling/ensure the safety of the disposal process/consider recycle-friendly design with minimal environmental impact

Create designs free of hazardous substances
Avoid banned substances/reduce the use of substances of concern

Implementing 3R Design for All Products

To ensure easy implementation of reducing, reusing and recycling of resources, starting from the development and design stages we pursue the rationalization of raw materials usage and the safety and efficiency of dismantling processes. Several examples illustrate the scope of our efforts in this area. For our new two-wheel drive shovel (Shovel Loader), a certified Environmentally Friendly Product, Toyota Industries utilized recycled materials for the counterweight and re-evaluated the structure of the headlights to improve ease of dismantling and recycling. Regarding our new unit-type automated storage and retrieval system for pallets (Rack Sorter P), we improved the ease of dismantling by making it unnecessary to use special tools to remove the wheel bearings and deceleration gear shift. To ensure customers can use this product over an even longer operating life, we have enhanced maintenance features by incorporating an automatic function for displaying a parts-replacement warning.

Rack Sorter P display for parts replacement warning

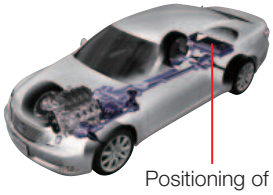
Utilization of Reclaimed Materials

Our DC-DC converter for electric power steering (EPS) down-converts the high voltage of a hybrid vehicle into a lower voltage for use by the EPS. We have improved dismantling features and enhanced the ease of recycling by utilizing reclaimed aluminum for the converter's case and reducing the number of fastened parts. Also, by significantly re-evaluating electronic parts and making such innovations as optimizing the configuration of the heat dissipation structure through the use of computer-aided engineering (CAE), we minimized an increase in the size of the converter that accompanied an expansion in power output. At the same time, we reduced the amount of raw materials used.

Shovel loader

DC-DC converter

Installed Model: Lexus LS600h



Positioning of DC-DC converter (above HV battery)

Reduction of Product-Derived Environmental Risks

Approach to Environmental Risks

As measures to reduce environmental risks during the product usage and final disposal stages, Toyota Industries works to lower or eliminate the use of substances of concern while striving to reduce engine exhaust emissions.

Management of Substances of Concern

The management of products containing substances of concern has become increasingly critical in line with implementation of Europe's REACH*1 regulation enacted in June 2007. Accordingly, Toyota Industries has totally rebuilt its Chemical Substances Management System and strengthened the functions and handling capabilities to comply with REACH legislation. We are now firmly positioned to quickly provide customers with in-depth information, while swiftly responding to public inquiries by providing information on products containing substances of very high concern (SVHC) as stipulated by REACH. In designing our Chemical Substances Management System, we established a flexible system framework to respond to additional environmental regulations in the future. Together with strengthening such internal structures, we are also enhancing our individual consulting to business partners so that they can quickly provide information on chemical substances contained in their products.

In compliance with the European Union's (EU) directive on end-of-life vehicles (ELV), which targets automobiles and automotive parts, Toyota Industries has completed its replacement of four substances prohibited by the directive, specifically lead, mercury, cadmium and hexavalent chromium with alternative substances. We are working on a changeover for currently exempt applications under the EU's ELV directive. Additionally, Toyota Industries aims to eliminate use of these four substances in its lift trucks and other non-automotive products not covered by the directive.

*1: REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) is a system for the comprehensive registration, evaluation, authorization and restriction of substances of concern within the EU, and targets parties involved in the manufacture and import of substances of concern.

Environmental Measures for GENEO-PRO

The GENEO-PRO lift truck underwent a minor change in 2007. The product now features an electronically controlled internal combustion engine and a three-way catalytic muffler as standard equipment. These features enable clean exhaust emissions, lower fuel consumption and a reduction in substances of concern while achieving high power output (in compliance with Japan's 2007 special motor vehicle exhaust emission regulations).

Exhaust Emissions Reduction

By adding a three-way catalytic muffler and electronically controlled internal combustion engine as standard features, we have achieved a balance between realizing a lift truck with increased power and clean exhaust emissions (CO_2 emissions reduced by approximately 94%, NOx emissions by approximately 97% and HC emissions by approximately 96%).

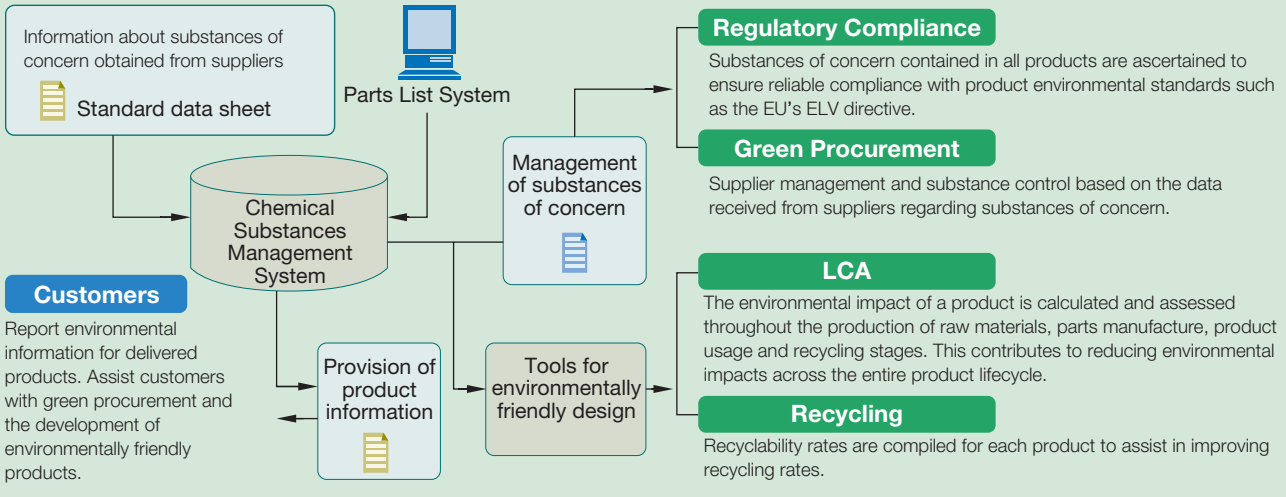
Improved Fuel Efficiency

The use of an electronically controlled fuel-injection system enables an approximately 7% improvement*2 in fuel efficiency of the lift truck compared with other internal combustion lift trucks.

*2: Values in Toyota Industries' prescribed testing conditions

GENEO-PRO

Outline of the Chemical Substances Management System



Prevention of Global Warming Factors in Production

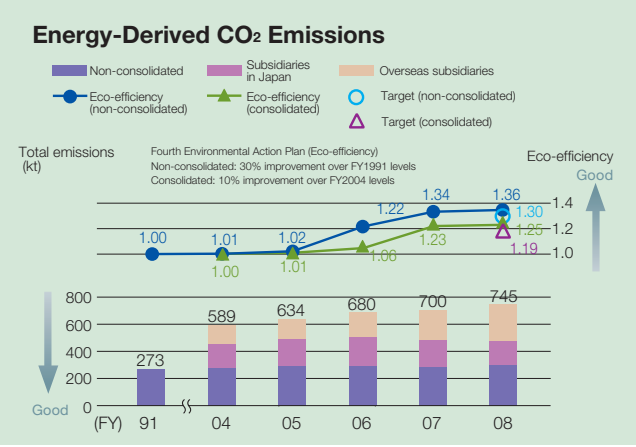
Approach to Curbing Global Warming

The year 2008 marked the start of the first commitment period (2008 – 2012) of the Kyoto Protocol—an international framework for curbing global warming—amid the emergence of various problems worldwide attributed to global warming. Toyota Industries has designated the prevention of global warming as one of its most crucial management issues and thus focuses on "realizing energy reductions and conservation via innovations in production technology" and "promoting measures to curb global warming." For fiscal 2008, Toyota Industries set the target of improving its eco-efficiency by 30% on a non-consolidated basis compared with fiscal 1991 levels. To attain this target, we utilized the Toyota Production System as part of exhaustive efforts to reduce energy consumption.

On a Group-wide basis, Toyota Industries established the target of a 19% improvement in eco-efficiency from fiscal 2004 levels, and respective Group companies adopted proactive approaches to achieve this goal. As one example, U.S-based Toyota Industrial Equipment Mfg., Inc., which manufactures materials handling equipment, reduced its natural gas consumption by enhancing the efficiency of its powder coating drying furnace. In addition, Toyota Industries is implementing energy efficiency diagnoses and looking at various ways to reduce energy consumption for Group companies.

Thanks to these efforts, Toyota Industries improved eco-efficiency by 36% from fiscal 1991 levels on a non-consolidated basis and 25% compared with fiscal 2004 levels for the Group as a whole.

Total CO_2 emissions have been increasing along with an expansion in business. With a view toward the first commitment period of the Kyoto Protocol, we have established the CO_2 Emission Reduction Conference to make concerted efforts to promote activities throughout our businesses to curb global warming. The conference will act to promote rapid decision-making and facilitate across-the-board activities.



Reducing CO_2 Emissions from Transportation

With transportation operations accounting for approximately 20% of our energy-derived CO_2 emissions, we have long collaborated with cargo carriers to reduce CO_2 emissions.

In fiscal 2008, we targeted the achievement of a 1% improvement in eco-efficiency from fiscal 2007 on a non-consolidated basis. However, we significantly surpassed this target and attained a 7% improvement via such measures as reorganizing truck transportation routes to reduce transportation distances and the number of delivery trips. We also improved load capacity efficiencies and expanded our modal shift (switching to different modes of transportation).

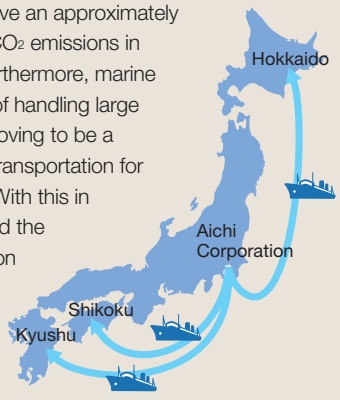
Topics

Introduction of Solar Panels (TDDK)

TD Deutsche Klimakompressor GmbH (TDDK), a company that manufactures car air-conditioning compressors in Germany, undertook initiatives to reduce increased CO_2 emissions in line with an expansion in business. Solar panels were installed over the roof area (approximately 20,000 m^2) of its production plant in December 2007. These solar panels, the largest-scale installation in Europe, will generate close to 700 MWh of power annually. This is expected to reduce CO_2 emissions by around 500 tons, equivalent to approximately 3.6% of TDDK's annual CO_2 emissions.

Promoting a Modal Shift (Aichi Corporation)

Aichi Corporation, which develops and manufactures aerial work platforms, is shifting transportation modes to reduce CO_2 emissions in its logistics operations. Specifically, Aichi is shifting to marine transport using large ships as a substitute for transportation previously handled by trailer trucks for long-distance shipping, mainly to such destinations in Japan as Kyushu, Shikoku and Hokkaido. This modal shift has enabled Aichi to achieve an approximately 28% reduction in annual CO_2 emissions in its logistics operations. Furthermore, marine transportation is capable of handling large volumes of freight, thus proving to be a highly effective means of transportation for reducing CO_2 emissions. With this in mind, Aichi will also expand the use of marine transportation for medium-distance shipping.



Eco-Factory Activities

Toyota Industries undertakes its eco-factory activities in view of realizing the ideal mode of production with consideration to the environment. In relation, in fiscal 2007 Toyota Industries introduced the Prior Assessment System for verifying the appropriateness of health, safety and environmental measures for buildings and facilities at the planning stage as well as after installation or completion. Establishing this system will enable more efficient and effective implementation of environmental measures.

Flow of Prior Assessment System

Planning	Factor in safety and environmental measures in the plan for new buildings and facilities
▼	
Prior Assessment	Assessment of health, safety and environmental measures
▼	
Construction and Installation	Inspections for health, safety and environmental measures
▼	
After Opening	Confirmation of effects

Overview of Standards for Prior Assessment System

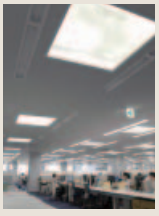
Category	Principal Categories for Verification
Health and safety	Meeting standards for use of specified chemical substances, dust, summer temperatures, etc.
Legal compliance	Compliance with the Air Pollution Control Law, Water Pollution Prevention Law, Noise Regulation Law, Vibration Regulation Law, etc.
Prevention of environmental accidents	Implementation of measures to prevent underground seepage
Improvement of eco-performance	Reduction of CO_2 emissions, reduction of externally discharged waste, reduction of water usage, curbing of VOC emissions, etc.

Topics

Environmentally Friendly TMHG Technical Center

In December 2007, the TMHG Technical Center was constructed at our Takahama Plant, which develops and manufactures materials handling equipment, under the framework of our Prior Assessment System. In keeping with the concepts of “curbing increases in office energy consumption” and “thoroughly managing newly installed equipment and visualizing energy-saving effects,” environmental considerations encompass all aspects of the new building. A central focus was placed on global warming prevention measures such as making use of solar power and rooftop greenery.

❶ Light Duct and Light Control System



Light duct system
Lets sunlight inside the building as a substitute for regular office lights
Light control system
Controls the degree of lighting to an appropriate level

Effect in reducing CO_2 emissions:
40 t-CO_2 annually

❷ Rooftop Greenery

Effective in reducing solar heat gain and electrical heat for better cooling efficiency

Effect in reducing CO_2 emissions:
3.4 t-CO_2 annually

❸ Solar Power Generating System

Effect in reducing CO_2 emissions:
38.3 t-CO_2 annually

Resource Utilization in Production

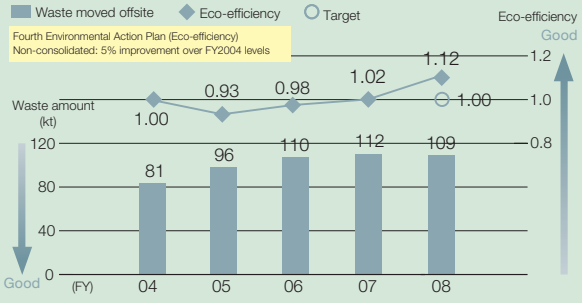
Approach to Waste Reduction

To promote the effective utilization of finite resources, Toyota Industries aims to improve resource efficiency and reduce waste generation at the source through such measures as increasing yields at every manufacturing process, while also promoting in-house reuse and recycling. In fiscal 2008, we implemented a host of improvement measures such as reducing the use of steel materials in the Textile Machinery Business. As a result, we attained our target for eco-efficiency, with a 12% improvement compared with fiscal 2004 levels.

We also promoted segmentation and optimization of separated waste to achieve zero landfill waste at subsidiaries in Japan. As a result, in fiscal 2008 we disposed of 46 tons of waste at landfill sites, a more than 99% reduction compared with fiscal 1999 levels.

We will continue to thoroughly implement improvement activities directed toward achieving a balance between business efficiency and resource efficiency.

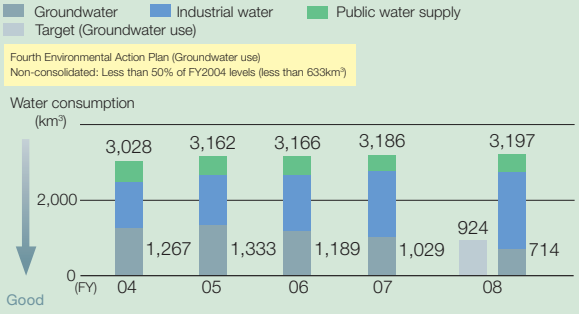
Waste Generated



Approach to Water Consumption

Giving strong consideration to the risks of ground sinkage, Toyota Industries places particular emphasis on efforts to curtail the use of groundwater. In fiscal 2008, Toyota Industries achieved its target by realizing a 44% reduction in the use of groundwater compared with fiscal 2004 levels by taking such steps as changing its feed water control method and switching to greater use of industrial water. Conversely, despite undertaking water-saving activities at each plant, including recycling of wastewater and recovery and reuse of steam drainage, the total volume of water used in fiscal 2008 rose 1% from the previous fiscal year due to increased production and full-scale operation of the Anjo Plant. We will strive to reduce total water consumption through such initiatives as implementing water-saving measures in all manufacturing processes and making thorough efforts to recycle wastewater.

Total Water Consumption

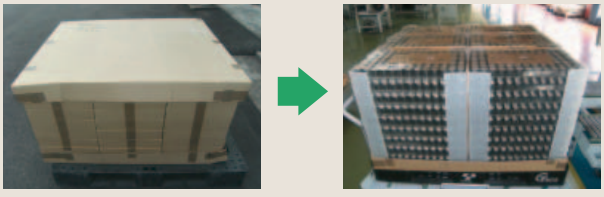


Topics

Improved Packaging Method for Pistons

In the Car Air-Conditioning Compressor Business, piston parts produced at the Higashiura Plant were previously packed into small cardboard boxes and shipped to our overseas subsidiaries. To decrease the amount of cardboard used, we began using egg-pack plastic packaging materials as a substitute for dividers and shock-absorbing materials, which enabled us to eliminate the use of cardboard boxes and increase load capacity. Unlike cardboard packaging materials, egg packs can be reused repeatedly, thereby reducing the volume of waste cardboard by 70% annually.

Packaging of Piston Parts



Before improvement

After improvement

Reducing Groundwater Use

The Kariya Plant, which develops and manufactures textile machinery and car air-conditioning compressors, uses groundwater when faced with a shortage of industrial water. When the amount of industrial water supplied per hour to the Kariya Plant exceeded the contracted amount, the control device on the plant's water-drawing pump would recognize this situation as a shortage of water, regardless of the actual water level in the plant's raw water tank, pumping unneeded groundwater to the plant. To correct this situation, we adopted a new control method whereby the plant's water-drawing pump operates according to actual water levels. As a result, the Kariya Plant now pumps only the necessary amount of groundwater, reducing the total groundwater use by 25,000 m^3, or approximately 43%, annually.

Rainwater Capture System

Completed in December 2007, the Takahama Plant's TMHG Technical Center (see page 43) is installed with a rainwater capture system to make more effective use of water resources. Rainwater collected on the roof of the building is stored for such uses as watering rooftop greenery as well as lavatory flushing.

Reduction of Environmental Risks in Production

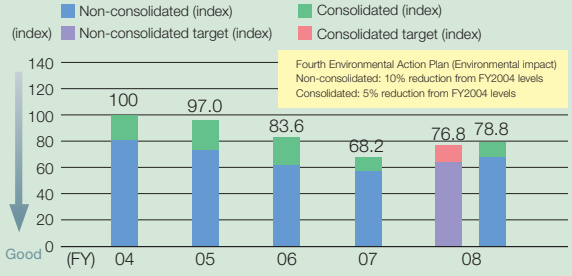
Risk Assessment Program

Toyota Industries recognizes that its wide-ranging business activities entail crucial responsibility for protecting the environment of local communities and preventing any adverse impacts from environmental accidents. Accordingly, Toyota Industries' action policies for the reduction of environmental risks in production place emphasis on the "minimization of environmental risk factors" and "further reductions in the emissions of substances of concern." In carrying out its activities, Toyota Industries utilizes its own quantified environmental impact index* to calculate environmental impacts.

For fiscal 2008, a 20% reduction in the environmental impact index was targeted on a non-consolidated basis and a 23% reduction on a consolidated basis (manufacturing companies in Japan) compared with fiscal 2004 levels. To attain these targets, we implemented such measures as changing our piston coating method (Car Air-Conditioning Compressor Business) and raising a thinner recovery ratio (Vehicle Business). Despite progress, we fell slightly short of our targets, attaining a 17% reduction on a non-consolidated basis and a 21% reduction for consolidated operations. This was due mainly to the effects of a production increase in the Materials Handling Equipment Business and giving priority to the implementation of measures to curb global warming in lieu of large-scale energy consumption countermeasures.

We intend to promote more balanced activities to reduce the Company's environmental impacts as well as overall impacts on global warming. Through such measures as expanded use of water-based coatings in the Materials Handling Equipment and Automobile businesses, we aim to attain fiscal 2011 targets set out in the Fourth Environmental Action Plan.

Environmental Impact Index



* Toyota Industries properly manages different substances of concern with environmental and water pollutant properties, among others. To clarify priority, in fiscal 2007 we introduced a quantified environmental impact index for the integrated management of environmental impacts.

<Substance covered by calculations for environmental impact index>
HFC PRTR emission volumes (VOC-derived)
Water contaminants (BOD, COD, nitrogen, phosphorous)

Soil and Groundwater Pollution Countermeasures (Status Report)

Toyota Industries carries out surveys and purification of soil and groundwater contaminated from its past use of trichloroethylene as a cleaning agent. We report the survey results to local government authorities and provide information at local community meetings. As measures to prevent pollution from substances covered by the Soil Contamination Countermeasures Law as well as from grease and oils, we have drilled observation wells at all plants to conduct regular checks.

Trichloroethylene Readings (FY2008)

Plant	Weighted Average Concentration in Groundwater (mg/l)	Current Status
Kariya Plant	0.99	Cleanup in progress
Kyowa Plant	0.79	Cleanup in progress

Legal Compliance

In November 2007, it was learned that oil concentration levels in wastewater at the Obu Plant surpassed standard values. The primary causes of this incident was a decline in oil-dissolving and processing capabilities due to faulty coagulation at the plant's wastewater treatment facility, as well as an ambiguous framework for detecting abnormal values in wastewater. To prevent a recurrence, we switched to a different coagulant and made Company-wide improvements to our framework for facilitating communications and detecting abnormal values in wastewater. We will strengthen our approach to realizing zero abnormalities and claims by taking such steps as carrying out reciprocal patrols among our plants.

In fiscal 2008, both in Japan and overseas, no infringements of environmental legal standards were committed and Toyota Industries was not subject to any fines or penalties. Also, no environment-related legal action was taken against Toyota Industries.

Topics

VOC* Reduction by Overseas Subsidiaries

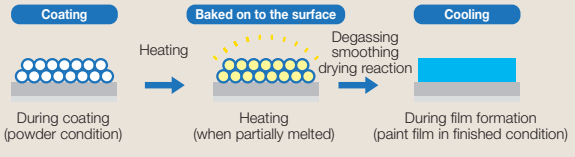
To prevent atmospheric pollution from VOC emissions during the coating process, overseas subsidiaries involved in lift truck production are proactively undertaking emission-reduction activities by changing their coating methods and improving coating efficiency. In fiscal 2008, France-based Toyota Industrial Equipment S.A. switched to a coating containing less solvents, which reduced annual VOC emissions by approximately 25%. In North America, The Raymond Corporation Greene and Lift-Rite Inc. decided to expand the use of a VOC-free powdered coating.

Toyota Tonero

* VOC: Volatile Organic Compounds

Powder Coating Process

Heat is applied to a powder coating that uses no VOCs, then it forms into the finished paint film



Environmental Communication

Promoting Internal and External Environmental Communication

The Toyota Industries Group promotes environmental activities closely linked with society. Working to foster a deeper understanding of our environmentally friendly products, we strive to disclose a broad array of information to the general public through such means as our annual environmental reports, Website and exhibits. At the same time, we are undertaking concerted efforts to interact with local communities, holding community roundtables and providing environmental education programs for local elementary school students.

Within the Company, we utilize the Environment Section of our Intranet to communicate and share pertinent information, while our monthly in-house magazine publishes articles on environmental issues to foster a greater environmental awareness among our employees and their families.

In fiscal 2008, we held an Environmental Liaison Conference, which brings together personnel responsible for environmental programs at each Group company in Japan. To further deepen environmental communications both within the Group and externally, we will continue to focus on sharing important environmental information.

Environment information available via Website (http://www.toyota-industries.com/csr/)

Participating in Eco-Products Exhibition

In December 2007, we exhibited our products at Eco-Products 2007 held at Tokyo Big Sight. The exhibition is held every year to promote interaction and communicate companies' environmental initiatives. In keeping with this year's theme, "Diet! CO_2," we introduced our environmental technologies by showcasing Toyota Industries' hybrid lift trucks and various hybrid vehicle components. A broad range of people, from elementary and junior high school students to various companies and the general public, visited our booth.

Eco-Products Exhibition

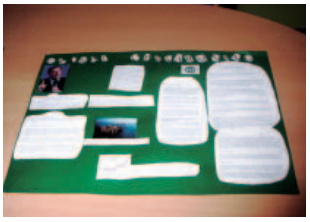
Recycled Compost Distributed to Local Communities

Toyota Industries recycles branches pruned from trees at its plants as compost. The compost is not only used to grow trees at our plants but also distributed free-of-charge to employees, local residents and local facilities for flowerbeds and vegetable gardens.

Flowers in Hanakatsumi Garden in Agui Town to which Toyota Industries provides compost

BT Products Provides Environmental Education to Local Elementary Schools

In May 2007, Sweden-based BT Products AB (BTP) provided local elementary school children with an educational program covering such topics as global environmental problems and environment-related activities of BTP and the Toyota Industries Group. A collection of presentation materials used in the children's program was displayed in BTP's cafeteria to further enlighten employees on environmental issues.



Children's environmental presentation

Environmental Awards

Toyota Industries' environmental activities have earned wide acclaim, and in fiscal 2008 we received environmental awards in three fields, as shown below.

Environmental Award Earned in Fiscal 2008

Recipient	Name of Award	Activities Acclaimed
Toyota Industries	Eco-Efficiency Award 2007 from Japan Forum on Eco-Efficiency	Effective use of eco-efficiency via proprietary Environmentally Friendly Product Certification System (See page 39 for details.)
Kariya Plant	Outstanding Energy Management Facility Awards from Chubu Bureau of Economy, Trade and Industry	Contribution to the rationalization of energy use through continuous implementation of energy management initiatives
Higashichita Plant	Environmental Project Award of the Japan Environmental Management Awards	Reduction in the volume of external CO_2 emissions by reducing pig iron consumption and effective use of scrap metals

Participating in Environmental Partnership Organizing Club

Environmental Partnership Organizing Club (EPOC) encourages cooperation in environmental activities carried out by companies in the Chubu Region and promotes exchanges with citizens and schools. As a corporate member of EPOC, Toyota Industries participates in the School Exchange Subcommittee for promoting environmental education at schools.

Environmental Accounting

Toyota Industries regards environmental accounting, which evaluates the effectiveness of its environmental activities from the perspective of cost, as a critical tool not only for corporate management but also for the disclosure of quantitative information about the environment. As such, we are continually striving to further enhance our environmental accounting systems. Environmental accounting data is collected in compliance with the Ministry of the Environment's *Environmental Accounting Guidelines 2005 Edition.*

Scope of data collection: Toyota Industries, TIBC Corporation
Data collection period: April 1, 2007 – March 31, 2008

Fiscal 2008 Results

Environmental Conservation Costs Table 1

The total cost of environmental conservation programs in fiscal 2008 was ¥9.69 billion, consisting of ¥2.29 billion in investment and ¥7.4 billion in expenses. Global environmental conservation costs primarily included introduction of a solar power generating system and light duct and light control system at the TMHG Technical Center at the Takahama Plant.

Research and development costs included development of the following products: the Rack Sorter P, a unit-type automated storage and retrieval system for pallets that realizes a reduction in electricity consumption during operation as well as the GENEO-PRO internal combustion lift truck, which is equipped with an electronically controlled engine and a three-way catalytic muffler to achieve cleaner exhaust emissions and lower fuel consumption while offering high power output.

Environmental Conservation Benefits Table 2

The benefits of environmental conservation indicate the accumulated outcomes of yearly environmental conservation measures. In fiscal 2008, waste generation increased approximately 11,000 tons. This is because since September 2006 we started counting casting debris generated at the Higashichita Plant as waste instead of valuable resources.

Economic Benefits of Environmental Conservation Initiatives Table 3

Toyota Industries calculates the actual economic benefits of environmental conservation initiatives through calculable benefits, including reductions in energy costs and wastewater treatment costs, as well as profits from the sale of valuable resources. The economic benefit achieved in fiscal 2008 was ¥7.86 billion, an increase of ¥0.84 billion from fiscal 2007. The main contributor to the total was the profits from the sale of valuable resources, which accounted for ¥7.58 billion.

Environmental Conservation Costs*1 Table 1

Category		Principal Approaches in FY2008	FY2008 Investment	FY2008 Expenses	FY2007 Investment	FY2007 Expenses
Business area costs	Pollution prevention costs -Preventing air pollution -Preventing water pollution	Expanding number of plants in which water-based coating of lift trucks is introduced Renovation and maintenance of wastewater treatment facility	1,074	753	483	866
	Global environmental conservation costs	Introduction of a solar power generating system and high-efficiency motors, countermeasures for air leakage	934	3,055	875	3,147
	Resource recycling costs	Promotion of waste recycling and converting waste into valuable resources	225	1,718	4	1,715
Upstream/downstream costs		Promoting green procurement	–	25.0	–	15.3
Management costs		Newspaper advertising promoting environmental considerations, publication of *Social and Environmental Report*	48	906	–	1,123
Research and development costs		Development of Rack Sorter P unit-type automated storage and retrieval system for pallets, etc.	–	909	92	3,592
Social contribution activity costs		Support for environmental organizations	8	14	–	10
Environmental remediation costs		Purification of soil and groundwater contamination, measures to prevent occurrence of oil and grease ground seepage	1	20	1	26
Total			2,289	7,400	1,455	10,494
			9,689		11,949	

Environmental Conservation Benefits*2

Table 2

Environmental Impact	Comparison with Previous Fiscal Year
CO_2	13kt decrease
VOC	135t increase
Generation of waste products	10,783t increase
Water	442t decrease
SO_x	0.04t decrease
NO_x	6t decrease
COD	0

Economic Benefits of Environmental Conservation Initiatives

Table 3

Item	Details	FY2008	FY2007
Revenue	Returns from sale of recycled waste products	7,577	6,237
Cost reductions*3	Energy cost reductions	278	632
	Cost reduction by resource savings (including reductions in amount of water use and amount of wastewater)	8	156
Total		7,863	7,025

*1: Depreciation expenses are not included in environmental conservation costs. Costs and investments that include objectives other than environmental aspects either have the difference aggregated or the component removed.
*2: Figures are calculated after correcting the sales volume difference as the difference between the volume of environmental impacts in the previous fiscal year and the volume of environmental impacts in the current applicable period. Effects of environmental conservation = Amount of environmental impacts in previous year x (Sales volume in applicable period/Sales volume in previous year) - Environmental impacts of applicable period
*3: Cost reduction is calculated by multiplying the volume of reduction in environmental impacts by the unit cost.

Independent Verification

Reference View

Bureau Veritas Japan has verified environmental data collection activities at the Head Office and the designated sites and has concluded the following.

Good Points

All manufacturing sites, both national and international, are now included in the scope of verification, in turn contributing to the monitoring and disclosure of environmental burden data of the whole Group more accurately.

Environmental Efficiency, added as a new report subject in 2006, is effectively used to drive improvement actions and is a guideline for evaluation of activities with a potential environmental impact.

For waste classification, the specification of waste types, confirmation of amounts and clarification over its storage are deemed to be appropriate. In addition, the handling, storage, collection and transportation of waste management involving contracted parties are effectively integrated and the location of waste management facilities at each site is commendable.

Follow-up on Issues from Verification Report on *Social & Environmental Report* for 2007

With the introduction and implementation of revised environmental performance data aggregation rules, there appears to be a reduced discrepancy between the scope of data collection at each plant and the Head Office, with closer alignment of data aggregation across sites.

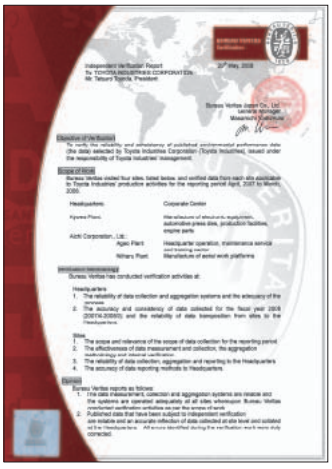
The organizational structure which collects and processes environmental performance data is better defined, resulting in improved data management to better manage environmental risks.

The process for the classification of both waste and recycling materials has been further defined and clarified, enabling the identification of reusable and recyclable materials. Recycling activity has increased not only at Toyota Industries' plants but also subsidiary and affiliate sites.

Opportunities for Improvement

Head Office/domestic plants

While activities are well-managed for data collection through to reporting, there is less attention currently paid to the quantitative monitoring of parameters less related to direct purchase such as underground water usage; this could be incorporated into the data management and reporting for complete consumption figures.



The management of recycling has improved through implementation of a systemic approach. There could be room to further improve recycling activities through cooperation with sub-contracted and third parties.

Domestic manufacturing subsidiaries

Training has been implemented for people in charge of data management; however, to ensure continuous application of the processes for data management, it will be necessary to establish such an approach across the whole Group.

The English versions of the Independent Verification Report and Reference View from Bureau Veritas Japan are translated from the original Japanese versions. The Japanese versions shall be the sole official texts in case of discrepancy.

Manufacturing Subsidiaries and Affiliates in the Consolidated Performance Data

Subsidiaries in Japan	ISO14001 Certification Acquisition Date
Nishina Industrial Co., Ltd.	Jan. 2002
Tokaiseiki Co., Ltd.	Mar. 2002
Tokyu Co., Ltd.	Nov. 2001
Mino Tokyu Co., Ltd.	May 2007
Izumi Machine Mfg. Co., Ltd.	Dec. 2002
Hara Corporation	Nov. 2003
Iwama Loom Works, Ltd.	Apr. 2004
Miduho Industry Co., Ltd.	Sep. 2003
Aichi Corporation	Jul. 2004
Nagao Kogyo Co., Ltd.	Oct. 2002
Unica Co., Ltd.	Nov. 2002
Altex Co., Ltd.	Sep. 2003
SKE Inc.	Mar. 2003
TIBC Corporation	Jan. 2000

Overseas Subsidiaries	ISO14001 Certification Acquisition Date
Toyota Industrial Equipment Mfg., Inc.	Jun. 1999
Michigan Automotive Compressor, Inc.	Jun. 1999
The Raymond Corporation	Mar. 1999
Raymond Industrial Equipment Ltd.	Feb. 2001
Raymond-Muscatine Inc.	Sep. 2004
Lift-Rite Inc.	May 2007
ACTIS Manufacturing, Ltd. LLC	Mar. 2005
TD Automotive Compressor Georgia, LLC	–
BT Products AB	Nov. 1997
TD Deutsche Klimakompressor GmbH	Mar. 2002
Toyota Industrial Equipment, S.A.	Jan. 2001
CESAB Carrelli Elevatori S.p.A.	May 2006
Toyota Industry (Kunshan) Co., Ltd.	Oct. 2001
Toyota Industry Automotive Parts (Kunshan) Co., Ltd.	–
Kirloskar Toyoda Textile Machinery Pvt. Ltd.	Jan. 2002