

Harmonious Coexistence with the Environment and Local Communities

Environmental Protection Activities

Basic Principle

Acutely aware that global environmental problems could jeopardize the survival of humankind, Toyota Industries has designated environmental soundness as a key medium- to long-term management priority. Our basic corporate principle states that “Toyota Industries believes that economic growth and conservation of the natural environment are compatible. It strives to offer products and services that are clean, safe and of high quality.” In keeping with the spirit of this principle, Toyota

Industries has been proactively engaged in the protection of the environment.

Corporate Commitment to the Environment

In January 2003, we introduced the Toyota Industries Group Corporate Commitment to the Environment. This declaration highlights Toyota Industries’ firm resolve to fulfill its corporate responsibilities to society and to reinforce its environmental protection activities.

Toyota Industries Group Corporate Commitment to the Environment

Toyota Industries carries out its everyday business activities to contribute to global economic development and enhance the quality of life through its products and services. In all our business activities, we always consider environmental issues throughout the entire lifecycles of our

products. In aiming for a balance between environmental protection and economic development, we have designated “sustainable management” as an issue of the highest priority, as all Toyota Industries employees combine their efforts to tackle environmental issues.

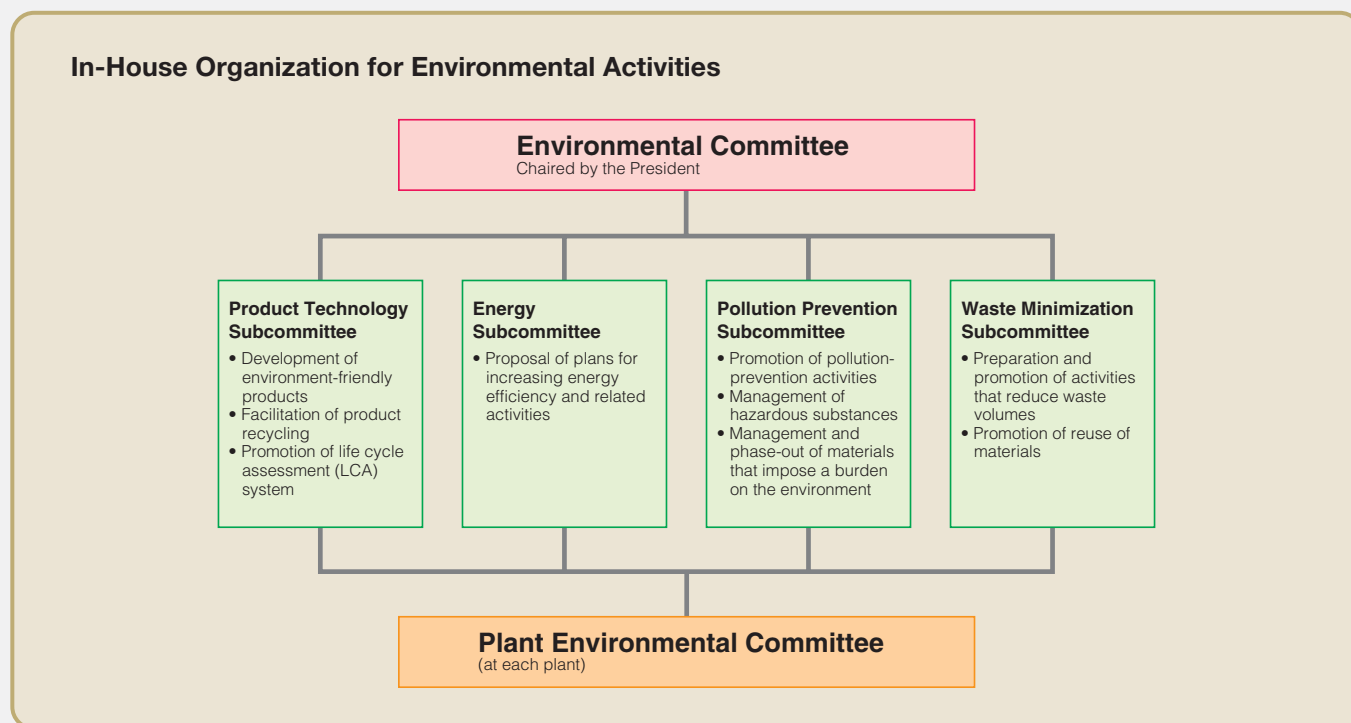
Global Vision

Collaborate with local communities and global society in addressing environmental protection.



Corporate Commitment

1. The Toyota Industries Group will strive for further reduction of environmental impact, as well as compliance with environmental laws and regulations.
2. The Toyota Industries Group will develop and provide products and services with top-level environmental performance.
3. The Toyota Industries Group will conduct production activities, in a manner that takes into account prevention of global warming, effective applications of energy and resources, and reduction of substances of environmental concern.
4. The Toyota Industries Group will communicate closely with a wide range of stakeholders, including its customers and shareholders, and continually improve its system of “sustainable management.”
5. The Toyota Industries Group will actively address various environmental issues in local communities and global society as a good corporate citizen.



Third Environmental Action Plan

Toyota Industries has been systematically involved in a diverse range of environmental protection activities since formulating its First Environmental Action Plan in 1993. In 1996, we revised this action plan and launched the Second Environmental Action Plan. Having virtually attained our targets, we re-evaluated all aspects of the second plan and in August 2000 introduced the Third Five-Year Environmental Action Plan (April 2001 - March 2006). We continue to work toward attaining the objectives of this plan.

With respect to specific numerical targets, by the end of March 2006 we aim to reduce our volume of CO₂ emissions by 5% compared with the fiscal 1991 level (and achieve a 10% reduction by the end of March 2011, using the same fiscal 1991 level as the comparison), and by the end of March 2006 we intend to reduce total emissions of PRTR (Pollutant Release and Transfer Register) substances as designated by the Ministry of the Environment by 50% compared with fiscal 1999 levels.

In-House Organization for Environmental Activities

Determined to address environmental issues in an organized and systematic manner, Toyota Industries has established the Environmental Committee, chaired by the President. The committee has four specialized subcommittees. In addition, each plant has organized its own Plant Environmental Committee and specialized subcommittees for addressing individual manufacturing issues.

We have placed top priority on establishing an encompassing organizational framework to uniformly and efficiently manage and promote the environmental activities carried out individually by Toyota Industries Corporation and its subsidiaries. To augment the Toyota Industries Group Corporate

Commitment to the Environment, we are currently examining additional ways to strengthen our environmental approach.

Complying with International Environmental Standards

Toyota Industries is making vigorous efforts to obtain ISO14001 certification in line with plans to establish a company-wide environmental management system and fulfill its corporate responsibilities for global environmental protection. All production plants of the Company had obtained ISO14001 as of March 2003. Most of our major domestic subsidiaries and affiliates have also received this certification while others are making preparations to do so.

Overseas, our principal manufacturing bases, including MACI, TIEM, TIESA, TIK, KTTM and TDDK, have been certified. Several production bases of the BT Industries Group have also received this certification. We are working to obtain certification at all companies in the Toyota Industries Group.

Environmental Accounting

Today, there are a growing number of environmental issues. Accordingly, accurate analysis of the costs and effectiveness of environmental investment has become increasingly important for management decision-making and information disclosure to investors and shareholders. There are currently no uniform international standards on the scope and definition of environmental costs. However, using guidelines (2002 edition) prescribed by the Japanese Ministry of the Environment, the Company has formulated its own internal standards for calculating the cost effectiveness of environmental protection investments and the cost efficiency of our environmental activities. Please see our *Social & Environmental Report* for details.

Social Contribution Activities

Fundamental Thinking

While striving for sustained corporate growth, Toyota Industries works to fulfill its role as a good corporate citizen to contribute to the betterment of local communities that provide the foundation for our corporate activities and employees' lives. As part of these efforts, Toyota Industries cooperates closely with local communities to carry out an assortment of activities that contribute to society. We also enthusiastically support volunteer activities by employees.

Support for Employees' Volunteer Activities

Toyota Industries set up the Heartful Club as an organization for supporting volunteer activities by employees. The club provides registered members with information about volunteering, solicits volunteers and encourages employee participation in such volunteer activities as social welfare and environmental protection events.



Employees volunteer for cleanup activities along the coastline near production plants.

Sponsoring Social Welfare and Cultural Events

We provide broad-ranging support for social welfare and cultural events, mainly in regions near our headquarters and production bases. This includes supporting events for disabled children and children orphaned by traffic accidents. We also support concerts as part of our cultural support activities.



At the "Public Welfare Communication Festival," we invite physically handicapped children living near our head office to our company facilities.

Communicating about Environmental Protection and Social Contribution Activities

Toyota Industries publishes the *Social & Environmental Report*, a summary of our approach toward and the achievements of our environmental protection and social contribution activities. Until 2003, we published a report that contained information mainly on our environmental protection activities. From 2004, however, we added information about our social contribution activities and re-christened the publication as the *Social & Environmental Report*. To obtain a copy of our *Social & Environmental Report*, see the contact information listed on the last page of this annual report. The contents of the *Social & Environmental Report*, together with details of our recent environmental protection and social contribution activities, are also available on our Web site (<http://www.toyota-industries.com>).

Through our Web site and *Social & Environmental Report*, Toyota Industries proactively discloses information to stakeholders about how it fulfills its social responsibilities.



Social & Environmental Report



<http://www.toyota-industries.com/environment/>