

## Caring for the Environment

### Basic Principle

Toyota Industries, recognizing that preservation of the global environment is an issue that concerns the survival of mankind, embraces environmental soundness as a crucial medium- to long-term business concern. 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 accordance with this principle, we have been actively engaged in the protection of the environment.

### Corporate Commitment to the Environment

In January 2003, Toyota Industries unveiled "Toyota Industries Group Corporate Commitment to the Environment." It lays down the strong resolve of the entire Toyota Industries Group to fulfill its corporate responsibilities to society and further engage in environmental protection activities.

### Third Environmental Action Plan

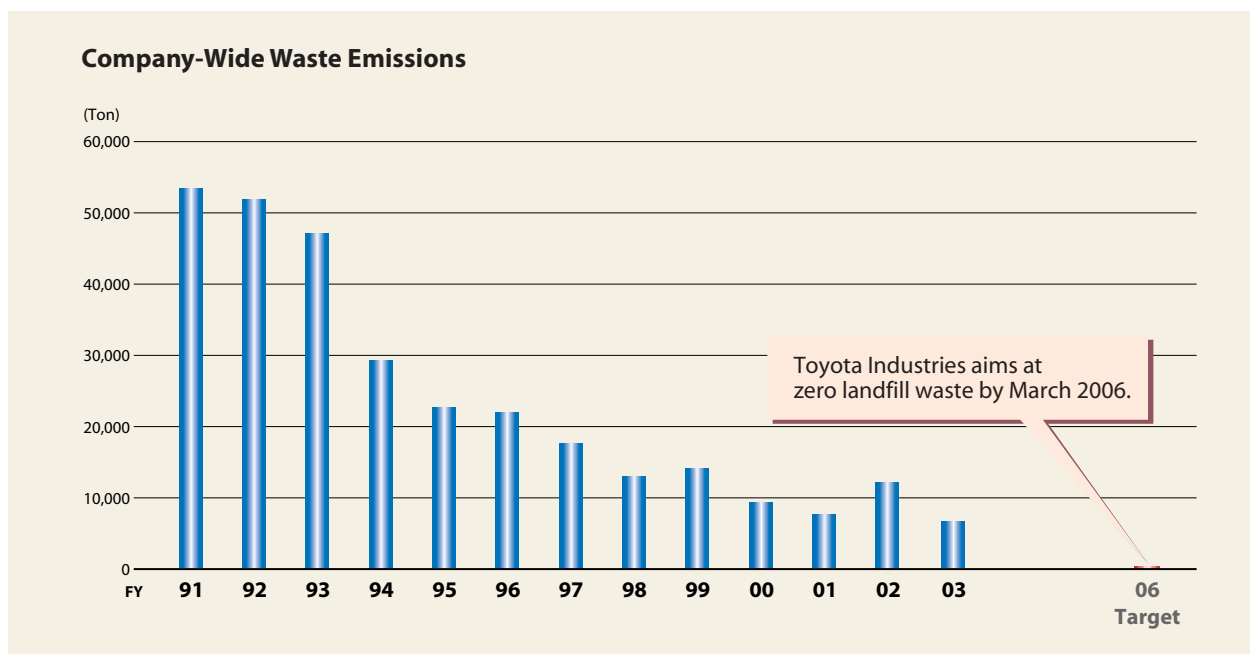
Since we devised the First Environmental Action Plan in 1993, we have tackled environmental issues systematically. In 1996, we revised the plan and announced the Second Environmental

Action Plan. As the targets set out in the second plan had almost been met, we unveiled the Third Five-Year Environmental Action Plan (April 2001 – March 2006) in August 2000. This plan defines specific targets and activity guidelines, including "zero landfill waste"\* at all of the Company's domestic plants. The following is an outline of the plan.

\* Toyota Industries defines "zero landfill waste" as a reduction in direct landfill waste of over 95% compared with fiscal 1999 levels, and a reduction in indirect landfill waste of over 95% compared with fiscal 2000 levels.

### Environmental Policies

1. Conduct corporate activities that are considerate of the environment at every stage of a product's life cycle, from development through design, production, use and disposal, so as to provide clean and safe products
2. Strive to intensify environmental management, including that of consolidated subsidiaries, for the further advancement of corporate activities that support environmental protection
3. Promote social contribution, information disclosure and knowledge through wide-ranging cooperation with society on environmental protection, with the ultimate aim of achieving a better global environment





### Action Guidelines

1. *Develop and provide clean products with minimal environmental impact*
2. *Promote manufacturing that strives for zero landfill waste*
3. *Expand environmental management systems*
4. *Actively participate in public environmental protection efforts as a responsible corporate citizen*

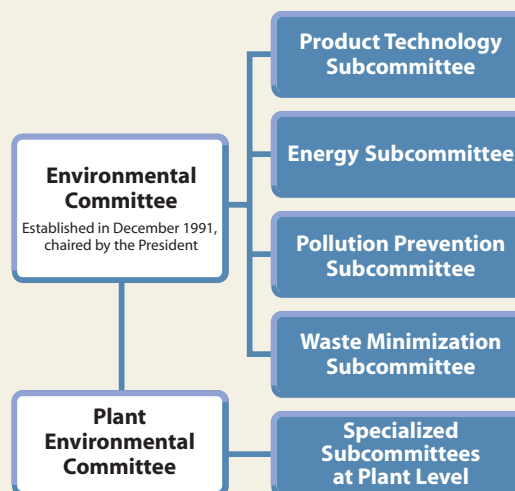
Specific numerical targets include the following: By the end of March 2006, total CO<sub>2</sub> emissions to be 95% of the fiscal 1991 level, and by the end of March 2011 to be 90% of the fiscal 1991 level; by the end of March 2006, total emissions of PRTR (Pollutant Release and Transfer Register) substances specified by the Ministry of the Environment to be 50% of the fiscal 1999 level; and by the same date total VOC (Volatile Organic Compound) emissions from paint lines to be 50% of the fiscal 1999 level.

### System for Environmental Activities (In-House Organization)

To tackle environmental issues in a consistent and organized manner, we have set up the Environmental Committee, chaired by the President. The committee has four specialized subcommittees. Also, each plant has organized its own Plant Environmental Committee and specialized subcommittees to deal with environmental issues regarding individual manufacturing facilities.

We realize the need to set up an encompassing organizational structure to uniformly and efficiently manage and promote the environmental activities that each Toyota Industries Group company has been engaged in. We are conducting a feasibility study on this task.

### In-House Organization for Environmental Activities



### Compliance with International Environmental Standards

Toyota Industries is working to obtain ISO14001 certification in order to establish a company-wide environmental management system and fulfill its corporate responsibilities for international environmental protection. All the production plants of the Company, including the Higashichita and Higashiura plants, which started operation in 2001 and 2002, respectively, had received ISO14001 as of March 2003. Several of our domestic subsidiaries and affiliates have been certified, while others are preparing to obtain certification. TIEM, MACI, TIESA, TIK, KTTM and TDDK, i.e., all our overseas production bases except BT Industries, have been certified. So have several plants of BT Industries. We are working to obtain certification for all our Group companies.

### Environmentally Preferable Purchasing (EPP)

In March 2001, we devised an EPP Guideline and distributed copies to our materials and parts suppliers as notification of our intention to commence "green" procurement. The guideline lays out our intention to procure parts and materials from only those companies considered to have established an environmental management system, which supervises the usage of substances harmful to the environment, and have stopped using prohibited substances. In February 2003, we revised the EPP Guideline and included our intention to tighten the usage of chemicals.



### Environmental Accounting

As environmental issues to tackle increase, so does the importance of accurate analysis and understanding of the costs and effectiveness of environmental investment from the standpoints of corporate management and information disclosure to investors and shareholders. Since international standards regarding the range and definition of environmental costs have not yet been established, we have devised our own criteria using the guidelines (2002 edition) laid down by the Japanese Ministry of the Environment as a reference, and have been accordingly calculating the costs of environmental investment and protection and studying the cost-efficiency of our environmental activities.

### Environmental Reporting

Over the years, we have on various occasions fulfilled our belief that responsible corporate citizens should disclose their environmental protection activities to the general public. For example, we hold regular meetings with local communities. Since 1999, we have also published an Environmental Report, detailing the activities and performance of our environmental protection programs. For details on how to obtain copies of this report, see the last page of this annual report. The contents of the latest Environmental Report, together with details of our recent activities and related matters, are also posted on our Web site (<http://www.toyota-industries.com/environment/>) dedicated to environmental issues, launched in April 2002. Through our Web site and Environmental Report, we are proactively disclosing our environmental protection activities to our stakeholders.



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

