

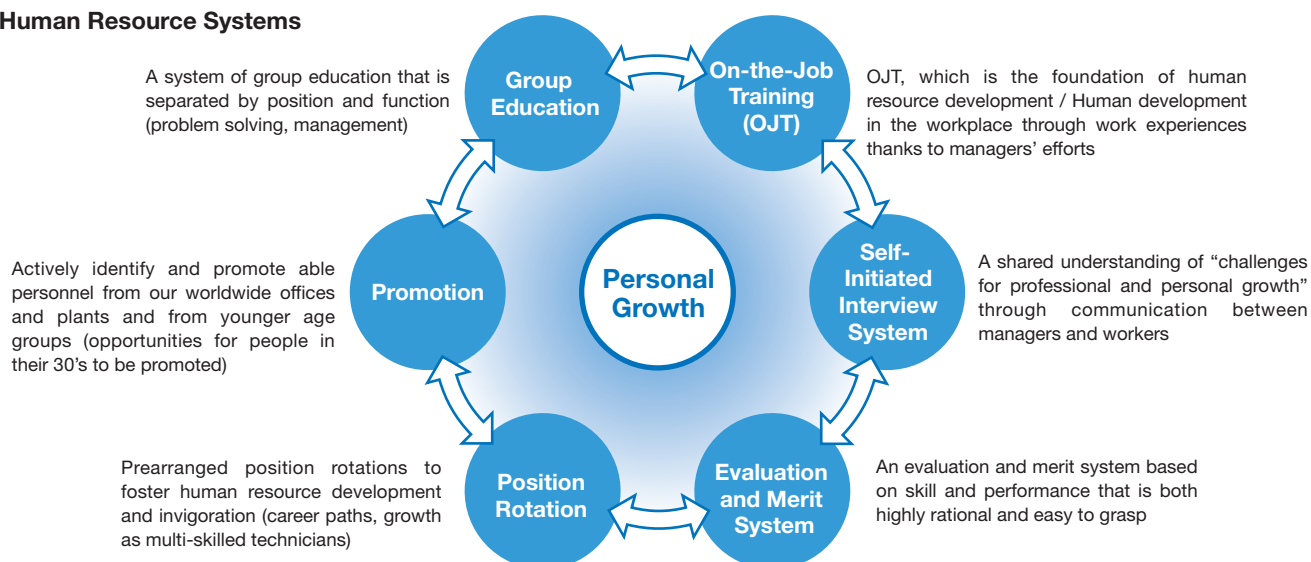
Relations with our Employees

With respect for humanity of the employees above all, under the philosophy of “Safety Comes First”, we are seeking to create a workplace where employees can stay mentally and physically healthy while they work. We have made efforts to create a vibrant corporate culture where individual creativity, innovative thinking and collaborative spirit are fostered and rewarded. Recently we have reinforced this effort in the overseas affiliated companies as well.

The Human Resource System and Developing Human Resources

Our management philosophy is “Humanistic Corporate Culture”. We are committed to creating a *lively workplace where employees can make full use of their abilities and can feel that they are personally growing as individuals through their work*, to further developing our human resource systems, and to development of human resources as well as to education.

●Human Resource Systems



Our Action on Child-Care Support

As part of our response to today's aging society with a falling birthrate, we are working to make our work environment and human resource systems more convenient for the employees in the child-caring age group. To bring this idea into shape, we reflected a wide range of opinions of people, who have experienced to deliver/raise children, into the child-care support system. We have enriched the systems enabling for each employee that has small children to choose their own way of working while keeping good balance of “work” and “life”, such as the introduction of a short-time working system and the support of day nursery on national holidays which are our operating days. And we support working fathers and mothers, allowing them to work with greater peace of mind and motivation. Such examples of our progressive commitment to child-care support are the reason we were recognized as the “Company Responding to Support the Development of the Next Generation” by the Ministry of Health, Labor and Welfare in April 2007 and given the logo of “Kurumin” (which indicates the nationally certified organization as supporting child-care). We will continue to carry out our duty as a recognized company to support the development of the next generation, and to actively work on creating/establishing a comfortable workplace where employees work free from anxiety on a long-term basis.



A Word from One of the Users

Tomonori Inoue Development Dept. I,
Research & Development Division,
Body Sealing Business Unit

I acquired a child-care leave for four months and devoted myself to caring for my second daughter at between five and nine month olds. It is uncommon for man to take a child-care leave, but I am grateful to have had the boss and the fellow workers' understanding and cooperation. I was relieved by the boss telling me that “working as an organization means we help each other when necessary”. I keenly realized how difficult the child-care is through preparing baby food, traveling with and bathing the baby by myself. I still feel happy that I got an opportunity to spend time with my daughter growing up little by little.

After returning to work, I feel my motivation for the work is getting higher by thriving on this precious time.

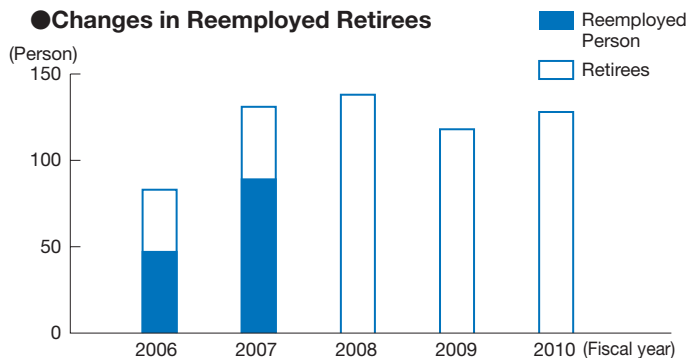
Relations with our Employees

Employing the Elderly

Since 1997, we have had a reemployment system for retired employees called "Senior Meister System", which was redesigned as the "Retiree Reemployment System" in April 2006 when the Law Concerning the Stabilization of Employment of Older Persons took effect.

Period of Reemployment	Up until the age of 65
Criteria for Reemployment	Health, capabilities and attitude are evaluated.
Rate of Reemployment	More than 90 % of its applicants

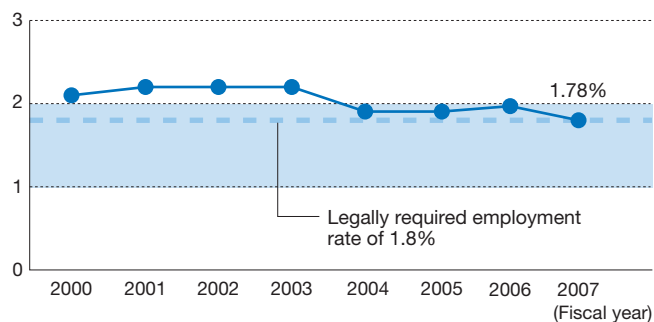
Changes in Reemployed Retirees



Employment of Disabled People

Eighty-one disabled people at the moment work in various divisions and we are positively working on the recruitment of disabled people.

Changes in the employment rate of disabled people



Relations between Labor and Management

Based upon our fundamental philosophy on labor-management relations, establishing "mutual trust and sharing responsibilities between employees and management", we hold extensive discussions with the labor union on wage, working environment, working style and other general working conditions.

We regularly hold meetings of the "Central Labor-Management Council" and the "Divisional Labor-Management Council" as a space for discussions. The Divisional Labor-Management Council meets six times a year with managers him/herself making a direct contribution to discuss with union members about daily issues of concern to each workplace, in order to create a pleasant and rewarding workplace.

Human Resource Development and Education

All our employees share a sense of values that "as a corporation we are only as strong as our human resources and that it is these very human resources that are our true products". Under the creed that "employees and the company are inseparably joined", we expect all of our employees, in terms of behavioral guidelines, to exhibit "personal responsibility", to "grow", and to "challenge themselves", whereas the company has its own three pillars of "human resource development", "working with an awareness of QC (quality control)", and "roles and actions" which provide employees with training specific to their positions. Our ideal is to provide a workplace where employees can be constantly nurtured through their work. "Engineer Training", with a primary focus on young engineers, and "Skill Training", centered on enhancing assembly-line TPS / maintenance / manufacturing skills, provide fundamental knowledge/skills for those respective specialties.

The core of human resource development is on-the-job training. To activate on-the-job training, the Workplace Sempai System was introduced as one measure in fiscal 2006 to get recently recruited back-office employees to provide practical training to new employees and raise awareness for human resource development in the workplace. On the other hand, for the managerial workers, we placed subordinates nurturing as their important role, and in order to make them act this role, we carried out communication training for all the managerial workers in fiscal 2007. Through the improved communication, we are aiming to create a workplace that subordinates can work highly-motivated and self-reliantly. Furthermore, for the managerial workers in the overseas sites, we have carried out overseas trainer training since fiscal 2007, aiming at the reinforcement of management skills sharing the same values as Japanese managerial workers. We train them in Japan for a certain period. Seventeen trainees at ten sites in North America have completed the training, and eighteen at twelve sites in Europe/Oceania/China are now under the training. And we are planning to carry out management trainings by these trainers locally from now on. Furthermore, with regard to manufacturing, GPC activities were begun in fiscal 2005 and we have been carrying out educational training of the standards to be shared in order to provide the customers same quality products at any sites in the world. These company-wide efforts for human resource development are evaluated/promoted by the Education Committee, with the vice president serving as its chairperson.



Communication training



Overseas trainer training

Training Structure

Position title	Training according to employees' positions	Basic techniques	Overseas-related education
General managers / Division leaders	Management training for general managers / division leaders	Educational system for engineers	GPC activities
GL / Section leaders	Management training for GL / section leaders		
Subsection leaders	Management training for subsection leaders		
Team leaders	Training for team leaders		
General employees	Third/Fifth grade training	Educational system for skills	Education for transferred/medical employees
New employees	Training for new employees		
			Language training

Workplace Sempai System

Based on our basic belief that human beings develop through practical experience in the workplace, we started the “Workplace Sempai System” in fiscal 2006 to create a culture that fosters personal growth in the workplace.

We assign a “sempai” employee (i.e., one with longer experience) to each newly recruited back-office employee placed in the workplace to train them for eight months. New employees are told about their major tasks and the goals to be reached at the end of the training period but are given as much time as possible to think independently, for themselves. Sempai employees offer a helping hand only if new employees are totally out of ideas as to how to proceed. This is to aim the self-directed growth of new employees and to develop the leadership and management abilities of sempai employees.

GPC Activities

GPC stands for “Global Production Centre”, which is an education program started in fiscal 2005 for supervisors and engineers at overseas sites.

We have established the GPC at each plant and have been carrying out practical educational training by product kinds. Its mission is to carry out human resource development on the global scale and to share the manufacturing standards formed in Japan among the Toyota Gosei Group throughout the world.

We completed training for about 42 trainees at 18 sites throughout the world in fiscal 2007 and 190 trainees in total since its initiation in fiscal 2005.



Health Care

We are taking a number of measures for the health care of our employees, which we believe is important both for employees themselves and also from the perspective of ensuring a healthy workforce.

As a result of the extensive stress education by health nurses for all employees up until fiscal 2007, the turnout reached 98% of the workforce, totaling more than 5,000 employees. This education heightened employees’ interest in stress, and the use of counseling services increased. Currently all our nurses have a counseling license, making the service more accessible at each workplace.

We also carried out a check on mental health level* for all employees between fiscal 2006 and 2007. The results were sent directly to the employees themselves and only to them (not bypassing the company), since they were expected to understand their own level of health. We have also started giving advice on physical issues. In fiscal 2006, our industrial physicians saw employees of 45 years of age or older and if anyone was found to have signs of obesity or lifestyle-related diseases, they were given advice sessions at three month intervals. In fiscal 2007 we expanded its target to all employees and carried out the sessions. Moreover, we held a symposium for the prevention of arteriosclerosis causing stroke and heart infarction by inviting pioneering doctors in Japanese medical establishment in February this year, and are planning to hold it twice in fiscal 2008.

We are sending our industrial physicians to employees stationed overseas to provide physical health education and counseling. In fiscal 2007, this program was implemented in South Africa, Czech, Belgium, England, Australia and Taiwan, and we will continue to send the doctors out.

*The “Regular Mental Health Examination (JMI) system”, developed by the Mental Health Research Institute of the Japan Productivity Center for Socio-Economic Development (Incorporated Foundation) with the help of industry and academic experts for the improvement of mental health of working people

Health Educational Structure

		Health Care			
Plant managers		Physical health manager education	Mental health leaders education	Mental health (follow-up) education	Stress education
General managers					
Division leaders / Assistant managers					
Section leaders		Good life seminar 35 (Physical health education at 35 years old)	Mental health education for management directors		
G L					
Supervisors	Subsection leaders				
	Team leaders				
General employees					



Arteriosclerosis Prevention Enlightenment Symposium
From right
Tokyo Medical University
Chief Professor Yamashina
Juntendo University Professor Yoda
Tokyo Teishin Hospital Doctor Miyazaki

Relations with our Employees

Health and Safety

Under the direct leadership of our president, who is the General Health and Safety Manager of the whole company, and driven by two powerful forces - the "Division for the Development of a Safe Workplace" and the "Division for the Development of Safety Aware Personnel" - we are actively working to achieve our goal of zero accidents.

Efforts to "Develop a Safe Workplace"

In order to "develop a safe workplace", in fiscal 2007 we 1) launched a division for forklift-free operations in which forklifts aren't used, 2) promoted built-in safety throughout the entire production line, 3) thoroughly implemented STOP 7, 4) implemented earthquake measures, and 5) thoroughly implemented prevention activity of fire and explosion. We are also carrying out to obtain OSHMS* certification, a common standard for occupational health and safety management systems, at all the operation sites of the Toyoda Gosei Group. In fiscal 2006 Heiwacho, Haruhi, Inazawa, Bisai, and Nishimizoguchi Plants obtained the certification, and Morimachi Plant and two of the domestic affiliated companies and seven in overseas (Tianjin Xingguang, Fuyu, BSTG, Tianjin TG, TGCZ, TGT, TGKL) were certified in fiscal 2007. The rest of our affiliated companies are also expected to obtain the certification in fiscal 2008.

*Short for Occupational Safety and Health Management Systems. Japanese standard for occupational health and safety management systems. Managed/Operated by Japan Industrial Safety and Health Association (JISHA).



Morimachi plant certification ceremony



OHSAS18001 certification

STOP7
 II (zero)
Safety TG 0
 Accident Program

The number "7" refers to the following seven types of accidents

- 1 Jamming
- 2 Heavy item-related
- 3 Vehicle-related
- 4 Falls and drops
- 5 Physical contact with superheated materials / explosion / gas
- 6 Electric shocks
- 7 Dismemberment

Our Efforts on "Safety Aware Personnel"

Creating "Safety Aware Personnel" is an awareness building activity that focuses on identifying possible "threats" as risks. Since we believe that some people get injured because they have an injury-inducing factor, we administer operational aptitude tests to all employees and provide advice to people who need it.

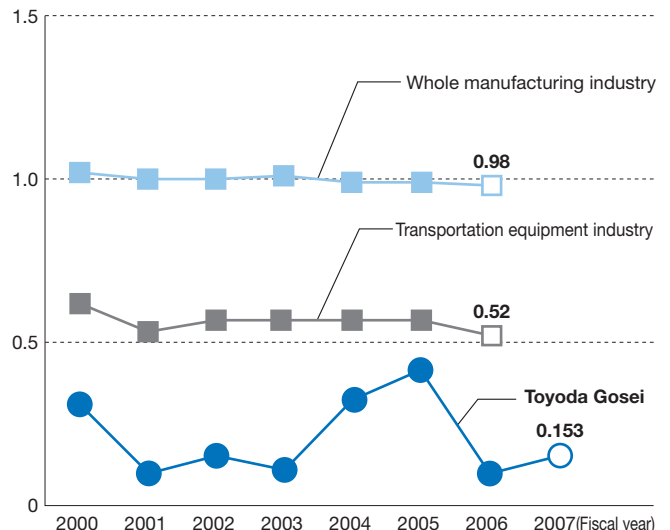
We also appraise the secure capability of the supervisors and, if any supervisor is found to be in need of training, the plant manager gives them training as part of a training program that is specific to employees' positions. We give out awards to excellent supervisors as well.

Although we have been performing these activities, unfortunately one severe accident happened in fiscal 2007. In fiscal 2008, on the basis of this accident, we will proactively conduct the activities as shown in the table below.

Main Activities in Fiscal 2008

Implementation issues	
Development of Safety Aware Personnel	1 <ul style="list-style-type: none"> ○Evaluating and working to improve every employee's abilities to ensure safety ○Improving and commending supervisors' abilities to evaluate aptitude for safety assurance
	2 <ul style="list-style-type: none"> ○Awareness-raising of all employees · Implementing "danger sensitivity education"
	3 <ul style="list-style-type: none"> ○Safety aware personnel activities for engineers · "Genchi-Genbutsu KY education" and "danger sensitivity education"
Development of a Safe Workplace	4 <ul style="list-style-type: none"> ○Forklift-free for operations, promoting to separate employees in platforms/passageways from forklift work area
	5 <ul style="list-style-type: none"> ○Conducting risk assessment of facilities and tasks (countermeasures against defects & against stationary condition) ○Prevention measure for metal molds dropped based on the storage specifications ○Standardizing an operational sequence from acceptance, storage and to exchange of metal molds
	6 <ul style="list-style-type: none"> ○Outworking of anti-earthquake measure and following-ups of the suppliers ○Prevention of fire/explosion and reinforcement of daily monitoring activity

Changes in the Rate of Work Accidents (rate of injuries resulting in lost work time)



Rate of injuries resulting in lost work time = Casualties accompanied by lost work time X 1 million / Total work hours