

Third-party Opinion

With regard to the Toyoda Gosei Report 2009, opinions from third parties have been received.

As symbolized by the Big Three in America which is still suffering from reconstruction, the automotive industry is exposed to the severe environment due to the reduced worldwide market. Under such circumstances, Toyoda Gosei, which has 95% of its business in automotive parts, has an 18% decrease in sales compared to the previous year but it still manages to be in the black. They are requested to put in effort in reducing the cost via dynamic management innovations and sound financial management.

During such difficult economic times, a worrying problem is that of downsizing of manpower. As seen from the changes in the number of employees in Japan, there has been an increase of approx. 300 workers since the previous year. On the other hand, there has been a decrease of approx. 1500 workers in overseas. Regarding the reduction of manpower overseas due to 2 overseas sites decrease (one has been put off Toyoda Gosei's subsidiary company, the other has been liquidated). As a matter of fact, efforts such as a wage/overtime work control and through operational efficiency leading to the maintenance of employment are put in.

For this report, it is an integration of the Social and Environmental Report and the Annual Report, with new chapters including the "Business Report", "Management Report" and "Financial Report". These 3 new chapters contribute to the "Economic Report", and are expected to report on the Triple Bottom Line of the economic, social and environmental issues.

However, it is difficult to say if this report is giving an overall picture of management and financial situations. For instance, to understand the enterprise named Toyoda Gosei more, I would like to see the information concerning the sales compositions according to customers and the compositions of employees. As for the financial report, only the financial data are disclosed, while explanations on the changes in the business environment that contribute to the data background are desired. Additionally, I would like to ask for proactive disclosure of information for themes with the great interest of the stakeholders such as the concern on the reduction of manpower.

The special feature is on the "manufacturing" and "human resource development" that support the technology based

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enterprise. From the readers' point of view, there are not enough concrete content and depth on the strategies adopted by Toyoda Gosei on how to strengthen their technology development and human resources development in difficult times like this.

With regard to compliance, there is a description on the "compliance adherence rate survey" that is given to all the employees. I expect a report with the results of the survey and utilized its improvement activities. In addition, I am interested in the "lecture on a lay judge system".

It is possible to look for steady advancement about the activities from the environmental aspect. This is especially so in the reduction of the release of incineration waste and that material recycling is exceeding thermal recycling, via efforts in re-pellet. Moreover, in view of the Conference of the parties to the Convention on Biological Diversity (COP10) which will be held in Aichi Prefecture next year, it is important that there is "afforestation at plant sites" which is started by the "Heiwacho Plant".

It seems that while looking forward to the 60th anniversary of the business, in the automotive parts field, there will be important strategies on the development of parts that cater to eco-cars and compact cars, with respect to the expected high demand of hybrid system and electric cars. Furthermore, the automotive part market reduction crisis should be regarded as a chance to bolster residential LED illumination. Also, the system supplier of the non-automotive parts division has an opportunity to make an impression, while there have been high expectations on the making of "enterprises that are independent on petroleum".

Response to Third-party Opinion

After the previous fiscal year, we had an opinion from Mr. Hiromitsu Kumetani, Commissioner of NPO "Workers Club for Eco-harmonic Renewable Society"

This year's report will present a clearer overall picture on the Toyoda Gosei Group with the integration of the Annual Report and the Social and Environmental Report.

While there has been a step forward from the previous year in that this report being on the triple bottom line of economy, society and the environment, there has been indications that this report fails to give clear and comprehensive overall picture on management and finance. It is thought that the whole image of management could be conveyed on the page of "Message from president". In the coming year, efforts will be made in the disclosure of not only the financial data, but also affairs of the financial and economic aspects, so that the stakeholders will have a better understanding. Moreover, referring to the governance/social aspects, there have been plans of

introducing the users of the child care support system, a thorough compliance, and a strengthening of the internal audit of the compliance. In the future, such results are revealed, and the results on the improved activities by PDCA will be seen.

As for the environmental aspect, the evaluation on the result of conversion to material recycling has been obtained, and it will aim towards the activities of effective use of resources while cutting the emission of waste.

Based on the comments we received, we will make an improvement on information disclosure from now onward. At the same time, we will put effort in the style of continuous spiraling to improve the contents and the results for easy comprehension.

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