

TOYODA GOSEI
REPORT

2011



TOYODA GOSEI

TOYODA GOSEI REPORT 2011

Management
Philosophy

Boundless Creativity & Social Contribution

1. We aim to provide products and services with satisfying quality and price in a timely manner, through advanced R&D and production engineering. [Customer satisfaction]
2. We aim to realize a vibrant corporate culture through innovative thinking of individuals and enhanced team work value based on shared responsibility and mutual trust between employees and management. [Respect for individual]
3. We aim to, as a global corporation, strive to be a trustworthy, respected corporate citizen by honoring both the letter and the spirit of law and rule of every nation, and through community-based business activities and contributing to industry, economy and the society. [Good corporate citizenship]
4. We aim to dedicate ourselves to create a prosperous society and make the Earth a better place to live through our business activities such as providing environment preservation, energy-saving and safe products. [Respect for the environment]
5. We aim to ensure steady growth as a global leading manufacturer in high-polymer and LED technologies through a strengthened corporate structure and the management that can adapt to changes. [Steady growth]

About Toyoda Gosei Report 2011

Editorial policy

This report is designed to help all of Toyoda Gosei's stakeholders gain a deeper understanding of the business activities of the Toyoda Gosei Group. We have prepared and edited our 'Social and Environmental Report' and 'Annual Report' into a single volume to further enhance our trustworthy presence.

We tried to make our group activities easy to understand by focusing on the issues we want to convey to our stakeholders. We have also included opinions of our stakeholders and comments from our employees working on various activities.

This report is composed of the introduction part that includes special features plus the report part that shows five categories of Business, Management, Society, Environment and Finance. In our special features, we introduce our efforts for "Kaizen", which is the starting point of manufacturing that leads to the growth of individuals and our company, as well as our efforts for development and future directions as an LED component maker.

We have also introduced our activities in fiscal 2010 and the results in the report part. The 'Society Report' contains individual chapters for each of our stakeholder groups; 'Customers', 'Employees', 'Shareholders', 'Suppliers', and 'Local communities'. The 'Environment Report' introduces the Fifth Environmental Action Plan which has been recently formulated.

Target period

April 1, 2010 – March 31, 2011

*The above target period forms the basis, but if necessary, contents related to other periods may be included.

Scope

As a general rule, the target companies are those consolidated in the Toyoda Gosei Group. Some of the items are mentioned individually.

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Forward-looking statements

This report includes predictions and forecasts pertaining to the future plans, strategies, and achievements of Toyoda Gosei. These statements are based not on historical facts but on assumptions and opinions drawn from judgments made through information available at the time of writing. It also contains risks and uncertainties related to such factors as economic trends, intensification of competition in the automotive industry, market demand, taxation, laws, systemic changes, and natural disasters. Please note that actual results may vary significantly from our company's predictions.

Reference guidelines

- The Global Reporting Initiative (GRI)
'Sustainability Reporting Guidelines Version 3.0 (G3.1)' *
- Ministry of the Environment
'Environmental Reporting Guidelines 2007 Version' *
'Environmental Accounting Guidelines 2005 Version'
*A table of these guidelines is posted on our website. <http://www.toyoda-gosei.com/Information/environment/report.html>

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This report is also available for inspection on the Toyoda Gosei Homepage.
<http://www.toyoda-gosei.com>

Moving forward as true global supplier that provides the world markets with appealing products of good quality at reasonable prices.

Introduction

First of all, I would like to express my heartfelt sympathy to the victims of the Great East Japan Earthquake and pray for the earliest possible reconstruction of the affected areas.

Toyota Gosei has developed with polymer technologies, and is extending our business as a global system supplier of automotive components and LEDs through 45 facilities in 16 nations and regions worldwide. With a precise understanding of today's needs, we overcome a global competition and achieve continued growth to "globally supply our customers with appealing products of good quality at reasonable prices". Furthermore, we constantly strive to secure the trust of our customers by taking an approach of always giving the utmost priority to safety and quality in all of our business activities.

Establishing a business foundation that can globally secure profits

Our consolidated operating results for fiscal 2010 included sales of 516.9 billion yen and ordinary income of 27.5 billion yen with increase both in sales and profits. This is in part due to relatively strong auto sales in the first half of the year and rapid expansion of the tablet-type information device market in the optoelectronics business in spite of the negative effect of the earthquake on our main business of automotive components.

However, the effect of the Great East Japan Earthquake that occurred in March spread to Japan's industrial infrastructure, causing an unprecedentedly difficult situation in the automotive industry. In the midst of such difficult situation, we will solve various issues in a speedy manner and establish a stable business foundation that can globally secure profits by strengthening our price competitiveness through reinforcement of manufacturing capabilities and distributing resources to priority areas.

Ensuring competitiveness and expanding sales in growth markets and areas

In the automotive industry, markets of emerging countries such as China and India are growing rapidly and prices are becoming increasingly competitive as local manufacturers rise to the forefront. With growing environmental awareness, high-level technological development and intensified price competitions in the LED market sales for computers and lighting equipment have increased as a result of many new local manufacturers.

In order to overcome such difficult competition and achieve sustained growth, we will hasten the pace of our efforts by strengthening our business foundation in emerging countries and boosting our LED business that contributes to a low-carbon society as priority policies.

Strengthening technological and human resources development

In response to rising crude oil prices and a heightened awareness for our environment, an increasing number of vehicles such as HVs and EVs (hybrid and electric vehicles) are being powered by electricity. Under such circumstances, Toyota Gosei has set 'Environment/Safety/Saving Resources' as priority areas and develop new products that lead the industries in each field. In the Safety System Products, we have developed and mass produced a new-generation type, small/super-light driver's seat air bag module. In the Body Sealing Products, we have evolved the reproduction technology of a rubber material and raised a recycling rate of rubber materials by 2.5 times over last year. Also, in the Functional Parts Products, we have made a "plastic fuel filler pipe" that was first mass produced in Japan much lighter. In the optoelectronics business, we have developed and launched more high-brilliance and low-power-consumption products onto the market to meet the demands for tablet-type information devices and LED lighting bulbs in particular, while continuously expanding our product line-up.

Toyoda Gosei will accelerate the development in a speedy manner by properly screening several development themes and strengthening our management to make the most of limited resources. We will also focus on the development of global and professional human resources in order to support these development technologies.

Contribution to society as good corporate citizens

In order to establish ourselves as a good corporate citizen, Toyoda Gosei Group is actively involved in activities for environmental conservation and social contribution. We have formulated the "Fifth Environmental Action Plan" and set high targets for "reduction of environmentally harmful substances" and "environmental management". We will continue to switch our group lighting to LED equipment, get more involved in the activities for "Afforestation Project of our Plants", which started in 2009. In 2011, we plan to promote various step by step activities, including the activities for "Afforestation Project" at our four bases at home and abroad. Our efforts for environment ranked in the eighth place in the Manufacturing Section of the 'Environmental Management Ranking' by the rating company, generating high praise from outside the company.

To contribute to society, we have continued our activities by visiting welfare facilities to help with wheelchair repairs and supporting sport instructions and craft classes for children. We have also widened the scope of our activities by raising money through in-company cafeteria menus and donating LED Security Lighting to communities. We are also proactive about implementing measures to promote diversity and achieve a good Work-Life balance.

Finally, I would like express my humble appreciation to every one of our stakeholders, including our shareholders, customers, trading partners, all those involved in local communities, and our employees and their families. We aim to continue being a company that meets your high expectations, and ask for your continued guidance and support in the future.



A handwritten signature in black ink, reading "T. Arashima".

Tadashi Arashima

President, Toyoda Gosei Co., Ltd.



Manufacturing starts from “Kaizen”

“Kaizen” is important to evolve manufacturing. “Kaizen” produces huge results by eliminating waste and loss and making our work more efficient. It can be considered a starting point of manufacturing, leading to the growth of individuals and their company.

Improvement of competitiveness by multifaceted “kaizen”

For a company to survive and prosper, it is important to respond to rapidly changing environment and evolve with our manufacturing process. Our company is committed to thoroughly eliminating waste and loss through kaizen activities from the perspectives of S (Safety), Q (Quality), C (Cost), and D (Distribution) to enhance the level of manufacturing and strengthen our competitiveness. Even a slight amount of kaizen can produce a huge effect if all employees are united to act. We are improving and speeding up our work efficiency by reviewing our daily actions and operations consciously and putting our heads together to solve problems.

Effects produced by daily “kaizen” activities

Generally, kaizen means to eliminate operational inconvenience and enhance work efficiency. It is important to become aware of it on a daily basis. Toyoda Gosei constantly devises and reviews ways to eliminate irrational and inhibitory elements from production items and work contents in order to make our work safe and smooth at each section and process of the entire production bases.

When using components in the assembly line, for example, we usually supply the boxes that contain components to a line and return the empty boxes when we finish using them. However, this act of ‘returning’ the empty boxes is a waste and can be said as a non-value added work. Thus, we decided to improve this process by “supplying components only” to a shooter. By making



Example of “supplying parts only” without using a box



Supplying materials

the ‘return of the empty boxes’ a cyclic work, we not only improved the safety, quality and productivity but also made the space efficiency better. If it is difficult to supply ‘components only’, we sometimes use a tray. However, we have also performed kaizen to automatically return the tray by using a trick mechanism. (Fig. 1)

Besides, we also dealt with the loss of exchanging a work table for each product in the assembly line. We repeatedly discussed with the people in the manufacturing site from the design phase and performed kaizen to create a movable jig that is exchanged only with a switch. This not only eliminated the exchange of the work table but also shortened the retooling time, greatly reduced the space and eliminated risks associated with exchanging the work table.

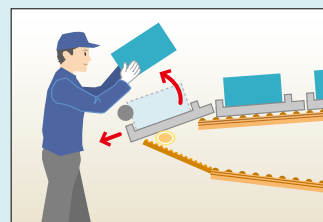
We are expanding such daily kaizen not only in the production department but also in the management and administrative departments as company-wide kaizen activities.



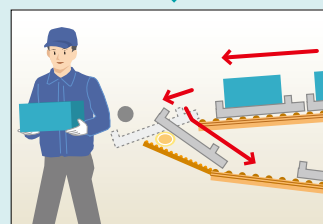
Movable jig with a shifting switch

Example of kaizen (Fig.1)

● Simple tray that automatically returns



When a worker picks up a product, a stopper comes off and an empty tray starts to move



When the back of the tray comes off from a conveyor, the tray drops to a conveyor below and is transferred to a location for collection



“Visualization” of production control in real time

While working on daily kaizen, we also have an example of having improved kaizen effects dramatically with cutting-edge IT. Our Seto Plant that produces interior and exterior parts of automobiles has “visualized” manufacturing performance by introducing an automated collection system of production performance and achieved to improve productivity, quality and cost reduction. Because the data registered for each work process by an “IC chip-mounted tag” are displayed in a huge monitor, we can check the operations and their progress in the entire production process in real time. By establishing a system that allows supervisors of each process to check the production status in the monitor and workers to concentrate on manufacturing, we can reduce wasteful moves and loss of time and carry out efficient production. Since we can automatically collect manufacturing performance, we no longer need to enter everyday performance into a system, which led to efficient office work. The introduction of the state-of-the-art control system can lead to visualization of loss in the manufacturing site and acceleration of improvement speed, which is expected to spread to other plants.



Manufacturing process using an IC tag



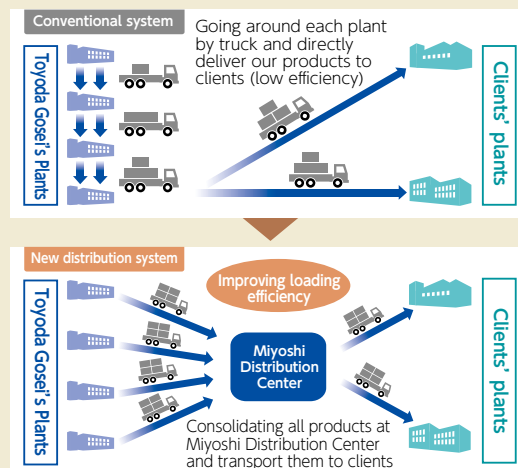
IC chip-mounted tag

“Kaizen” never ends

Progress stops the moment you think your work is finished when kaizen is done. A good product is born when each one of our employees is aware of being a major player and makes a tireless effort to repeat kaizen consistently. The efforts we make to remove even a small amount of waste conducted in every scene (=accumulation of kaizen) make our company’s manufacturing foundation solid.

Topics Ongoing kaizen in distribution

At the “Miyoshi Distribution Center” which started its operation in August 2010, we are significantly improving our transportation efficiency. By consolidating various functions of distribution for which each production base responsible to this Center, we have increased the loading efficiency of trucks and shortened running distance. As for in-plant space efficiency, we also cut the space necessary for a conventional-type distribution center in half and realized the actual operation capabilities by adopting free location (free seating) across the board.



Kazumi Otake Managing Director

(Deputy General Manager of Corporate Management Headquarters in charge of Production Administration Division/Operation Management Consulting Division)

“Manufacturing makes people.” A major player of kaizen is “people” and persistence to safety, quality, speed and cost. To repeat kaizen, while never being satisfied with the current situation and always being aware of the issues with open ideas, becomes a driving force to create new ideas and ingenuity, which eventually accelerates the progress of manufacturing, produces excellent products and improves customer satisfaction.



Our efforts for “LED development” to meet the needs of the age

Since the development of the world’s first blue LED, Toyoda Gosei has continued to develop various products to put unlimited potential of LEDs to practical use by taking advantage of our original technological capabilities. As a component maker, Toyoda Gosei will pioneer the future of LED to supply products that meet the needs of our clients in the growing LED market.

Progress of development as a component maker

In 1986 our company began to develop blue LED under the instruction and support of Isamu Akasaki, Doctor of Engineering, Professor of Meijo University and Special Professor of Nagoya University. Five years later in 1991, we succeeded in developing the world’s first blue LED. We discovered the blue LED when we combined the “three primary colors of light” with the previously available red and green LED. It significantly widened the scope of LED products and opened up great possibilities.

Ever since, Toyoda Gosei has developed various products to build on the possibilities of LED. We have steadily broadened the area of application for LEDs, for example, by improving the quality of products that apply blue LEDs for traffic signals and large displays and developing a white LED with combination of a yellow phosphor. The white LEDs have been adopted and widely used in familiar products including mobile phones, backlights for PC and other various lights. (Fig. 1)

Balance between high brilliance and low power consumption

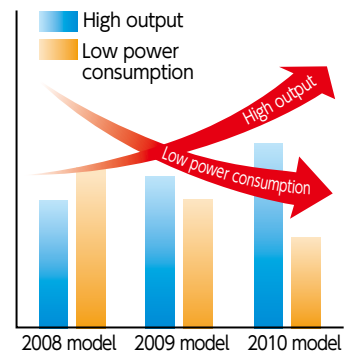
The current LED is much brighter and consumes less power than the conventional one when Toyoda Gosei first developed it. The LED continues to evolve, seeking the balance

between high brilliance and low power consumption. Especially since 2005, the Optoelectronics Business Unit has strived to enhance profitability through intensive quality reform, improvement of yields and increase of productivity. That’s because we had to strengthen our competitiveness in the area of quality, cost and development speed. Our efforts to develop and manufacture better LEDs to survive a fierce competition produced results in about one year. Since our LED was adopted in backlights for notebook computers, Toyoda Gosei grew to a leading company in the high-end LED models.

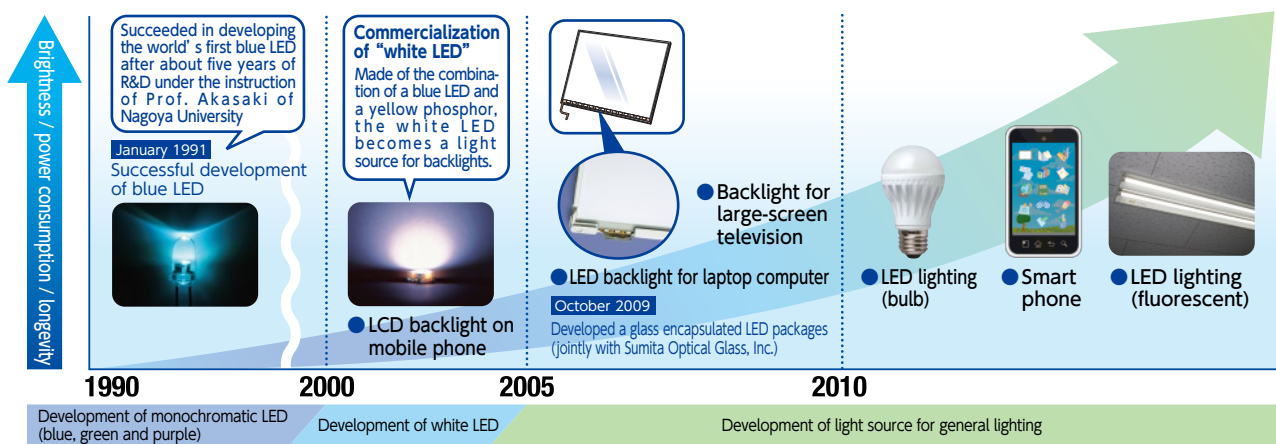
Now, new information devices such as smart phones and tablet-type devices are widely used. Since these devices with touch panels have protection sheets on their screens, an LED more brilliant than those used in general computers is required for backlights. In response to these information devices, we further evolve our technologies to pursue LEDs with a good balance between high brilliance and low power consumption.

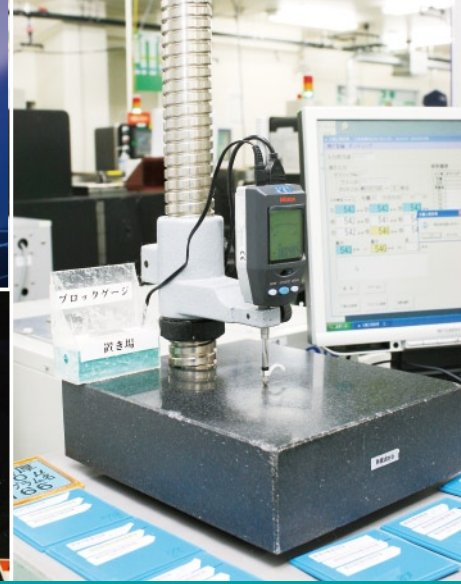
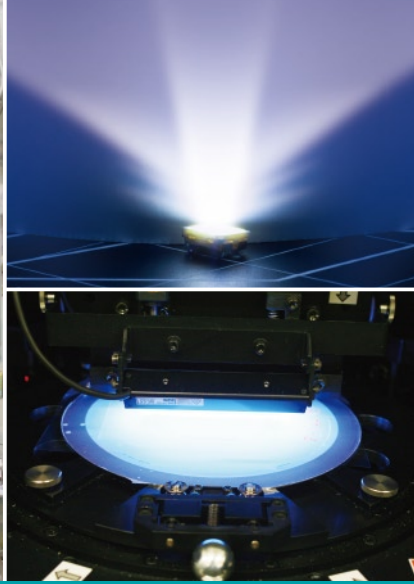
Development of a high-efficient chip

As a result of intensive pursuit of high brilliance and energy conservation, we realized the world’s top-level LED



Progress of LED development (Fig.1)





Broaden the possibilities of LED further with development that meets the needs of our clients

We continue to maintain a high share of backlight source LED already used in many products such as personal computers and smart phones. We will expand our accumulated technologies of high brilliance and low power consumption to the second cornerstone of our future business by developing them for “light source of general lighting” such as LED lighting bulbs and fluorescent lamps. The “glass encapsulated LED packages” that we newly developed has a longer life cycle and excels in weather resistance with less deterioration in luminosity compared with the conventional resin seal. As a result, this technology has been adopted in a light source for medical devices and its application to new areas is expected. We improve the product quality and further broaden the possibilities of LED by developing products that meet the needs of our clients by overcoming various issues.



Image of an application idea for “glass encapsulated LED package” (medical device)

Topics

Start of integrated production of LED at Saga Plant

The Saga Plant used to be responsible for the post-process of LED chip production, “property inspection and alignment.” From January 2011, however, it began the integrated production from manufacturing of LED chips to final inspections. Along with the Heiwacho Plant (in Aichi), we plan to increase the production capability about twice the current level. This will enable us to respond to a growing LED market such as LED for a tablet-type PC and lighting, which is expected to further expand, and to make for a smooth supply of our products.



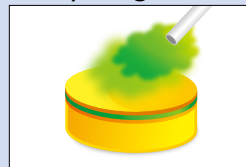
TG mark with LED lighting



Saga Plant

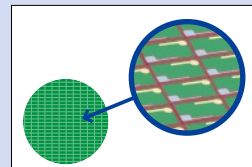
How the LED package is made Manufacturing processes of LED

1 Crystal growth



Spray gas such as nitrogen and gallium on a high-temperature sapphire substrate to crystallize it

2 Electrode formation



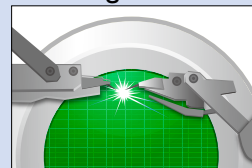
An electrode equivalent to several tens of thousands of LED chips is made on the completed substrate

3 Cutting



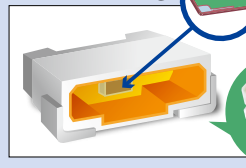
Cut the sapphire substrates piece by piece carefully

4 Identification test/arrangement



A chip is completed after measuring the electric property of each chip and classifying it for each application

5 Processing



Completion of LED package!

Mount a blue LED chip in a resin case, connect a gold wire with the electrode part and fill it with resins mixed with a yellow phosphor



Masayoshi Ichikawa

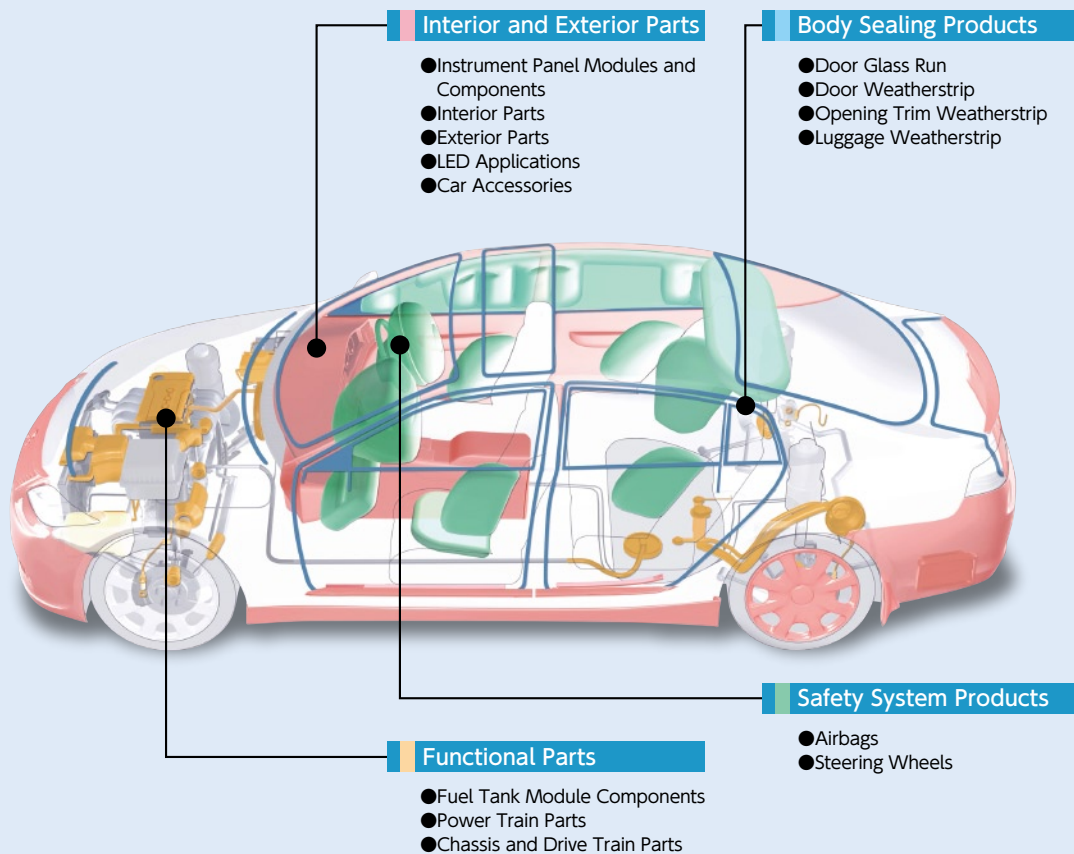
Managing Director

(General Manager of Research and Development Headquarters, General Manager of Optoelectronics Business Unit)

Speed is a key to survive the fierce cost and development competitions in LED market where product models quickly change in short cycle. With advanced development and manufacturing technological capabilities, our company excels at high value-added technologies. We continue to challenge ourselves with new ideas that anticipate the needs of our clients and realize a corporate culture that can secure strong profits even in a changing environment. By accelerating a high brilliance, high output and low power consumption, we increase the development speed and enforce the vertical startup that does not produce defective products.

Report by Business Units

We strive to create attractive e products by 'developing and offering high value-added products,' 'perfecting and advancing our manufacturing practices by focusing on the basics' and 'building and enriching systems for an optimal global supply network' as cornerstones of our operations. We will work hard to further exploit other markets using our advanced technical capabilities.



Optoelectronic Products

- LED Lamps, Chip

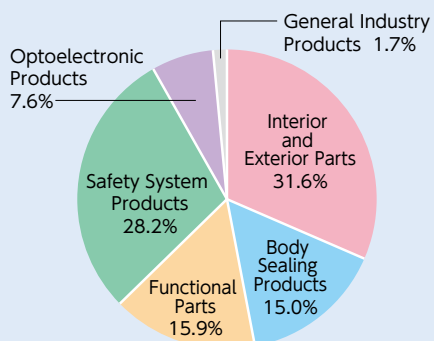


General Industry Products

- Communication Equipment Components
- Air Conditioning Products
- Home Construction Components
- Construction and Industrial Machinery Components



Sales by business units



(Round down less than 100 million yen)

	Fiscal 2010		Fiscal 2009		Year-on-year rate (%)
	¥ billion	Percentage of net sales (%)	¥ billion	Percentage of net sales (%)	
Interior and Exterior Parts	163.4	31.6	155.7	31.5	5.0
Body Sealing Products	77.4	15.0	76.6	15.5	1.0
Functional Parts	82.3	15.9	78.0	15.7	5.6
Safety System Products	145.7	28.2	144.0	29.1	1.3
Subtotal of automotive parts business	469.0	90.7	454.4	91.8	3.2
Optoelectronic Products	39.0	7.6	33.1	6.7	17.5
General Industry Products	8.8	1.7	7.4	1.5	19.1
Subtotal of non-automotive parts business	47.8	9.3	40.6	8.2	17.7
Total	516.9	100.0	495.0	100.0	4.4

Interior and Exterior Parts

Highlights of fiscal 2010

Development and mass production of genuine leather instrument panel

In order to survive an increasingly intense competition in the domestic automobile market, Toyoda Gosei is strengthening its corporate culture by returning to our starting point in manufacturing. It means to exhaustively inspect each manufacturing process to eliminate waste and loss and focus on the development of production technologies that shorten the lead time from procurement of materials to finishing products. By spreading this corporate culture to overseas production bases, we further refine our global competitiveness.

In 2010, we were able to mass produce genuine leather instrument panels, which are high value-added products, by taking advantage of our skills to make most of the quality unique to the leather from our clients' perspectives. We are also actively developing LED lighting for vehicle interiors, combining together the environmentally-friendly benefits (low power consumption) with superior design, while further incorporating this know-how into LED lighting for residential use.

Fiscal 2010 (consolidated)

Net Sales : 163.4 billion yen
Percentage of sales : 31.6%



Cockpit modules

Applying our accumulated technologies and know-how to promote modulization. Along with improving a sense of interior unity and quality, we have succeeded in large scale cost reduction.



Radiator grilles

Development of radiator grilles corresponding to a millimeter wave radar that can detect obstacles ahead and alert passengers in danger.



Console boxes (double door)

Development of our original structured console box that allows you to open and close the door from both driver and passenger seat smoothly.



Lamp assy, Map & Room

Body Sealing Products

Highlights of fiscal 2010

Creating compact production processes and facilities

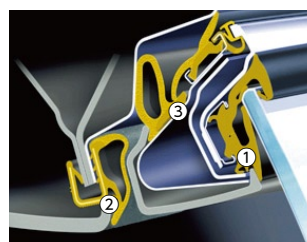
Expansion and development of desulfurizing reconstruction technique

As an environmentally-friendly manufacturer, we developed compact production processes and facilities aiming to reduce (or save) energy and CO₂ emissions and achieved 30% reduction of energy and CO₂ emissions. As a continuing project since last year, we are also actively involved in expanding de-solvent paint.

We have been implementing a desulfurizing reconstruction of rubber materials for some time and have expanded it to products that contain metal inserts (e.g. opening trim). The development of our unique technique to separate rubber materials from metal inserts before desulfurizing reconstruction has enabled us to increase a rubber recycling rate by 2.5 times higher than that in fiscal 2010, contributing to creating a more environmentally-friendly company.

Fiscal 2010 (consolidated)

Net Sales : 77.4 billion yen
Percentage of sales : 15.0%



- ①Door Glass Run
- ②Opening Trim Weatherstrip
- ③Door Weatherstrip



Always proposing the most suitable door seal structures in response to various door function and design needs



Light weight opening trim for compact cars

Achieved unprecedented weight reduction with devising rubber materials and metal inserts

Functional Parts

Highlights of fiscal 2010

Development and mass production of evolved low-cost plastic fuel filler pipe

With soaring fuel costs and the heightened environmental awareness of recent years, there is a greater demand for low-weight and low environmental impact products. In 2010, we evolved the plastic fuel filler pipe that was first mass produced in Japan in 2008 by mass producing a low-cost, high-performance version. We will continue to advance our policy of developing materials and products which utilize features of resin and rubber such as flexibility, electrical insulation, anti-thermal conductivity and light weight for alternative energy powered vehicles including hybrid systems, electric vehicles, and fuel cell-powered vehicles.

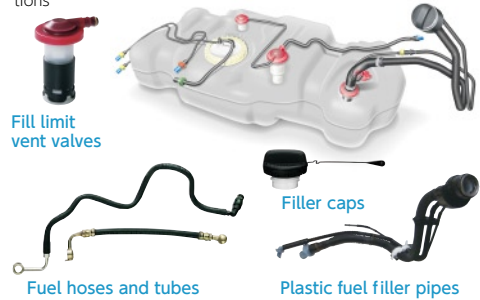
Amidst these difficult ongoing economic conditions, we will view model changes of existing products as opportunities for improvement. We aim to rigorously review waste at our domestic and overseas production sites and establish a speedier and more efficient production and supply system.

Fiscal 2010 (consolidated)

Net Sales : 82.3 billion yen
Percentage of sales : 15.9%

Fuel Tank Modules Components

We promote the production of goods that prioritizes the development of high performance components centered on those surrounding fuel tanks as well as environmental regulations



Hoses&Boots

Developing boot components that support the brake, running and steering systems of the engine



Safety System Products

Highlights of fiscal 2010

Development and mass production of a superlight and small airbag module as a new-generation type driver's seat standard module

Development of low cost products through technical innovation in design and production

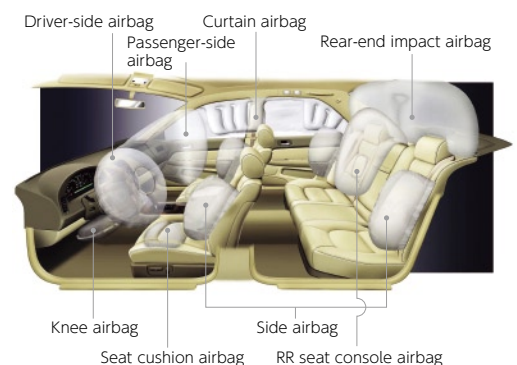
As a new-generation type driver's seat standard module, we have developed and mass produced a superlight and small airbag module.

We will also develop a "smart airbag" as a next-generation product that offers advanced passenger protection for both smaller and larger sized passengers. In addition to the collision safety features developed so far, we will proactively develop preventative safety features that integrate technological developments to offer functionality for drivers. These examples include drowsiness prevention and pre-crash systems to avoid collisions.

We will expand the scope of development from safety for passengers within the vehicle to include safety for pedestrians outside the vehicle. As part of that policy, we are currently developing devices for pedestrian protection. Having achieved lower costs through technical innovations in design and production, we are also focusing our efforts on markets of rapidly growing emerging countries centering on China and India.

Fiscal 2010 (consolidated)

Net Sales : 145.7 billion yen
Percentage of sales : 28.2%



Steering Wheels

Airbag handles with heightened operability due to their collection of switch types



Pedestrian protection airbags (under development)

Airbags that inflate in the event of a front-on impact to protect pedestrians

Optoelectronic Products

Highlights of fiscal 2010

- Best-ever sales figures recorded
- Sales of chips and packages for laptop PCs significantly increased

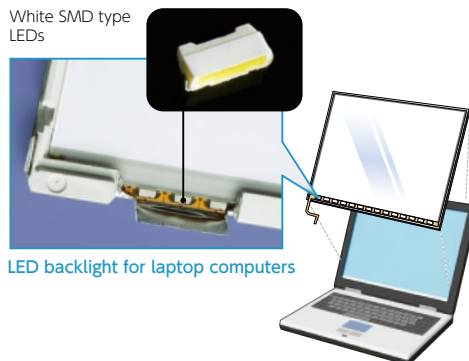
Due to the launch of the industry's top class LED chips and packages, we minimized the effects of the recession in Europe and the US and recorded our best ever sales figures in fiscal 2010. This is the result of our high luminance, highly effective, long lasting packages gaining recognition as the de facto standard in the laptop type PC market. By adopting these packages we have expanded in the tablet type PC market.

Furthermore, by working with these chips we are expanding not only to LED lighting bulbs but also to LED fluorescent lamps in the lighting market. Since rapid expansion of these chips is expected after fiscal year 2012, we are committed to further expanding our business by developing high value-added packages and modules.

Fiscal 2010 (consolidated)

Net Sales : 39.0 billion yen
Percentage of sales : 7.6%

White SMD type LEDs



LED backlight for laptop computers

White LED Package for lighting



LED fluorescent lamp

LED lighting bulb

General Industry Products

Highlights of fiscal 2010

- Strengthening of production system of mobile phone cases at our Chinese subsidiary

Mobile phone cases are one of our main products. The production, supply, and technological capabilities of our Chinese subsidiary company have been highly praised by new customers, leading to increased receipt of orders of new models. As a result, our production in China in fiscal 2011 remained the same as the previous year. We are currently working to optimize our supply process of mobile phone cases and reduce cost. We will continue to expand on our products produced in China to global markets.

Air purifiers represent our principal product in Japan in terms of sales. Due to continued receipt of orders, we anticipate that production in fiscal 2011 will be approximately the same as the previous year. We will improve the cost by shifting the production site of the models which used to be manufactured in Japan to China. In addition, we will make the most of our automotive technologies to concentrate on home-use components and construction machinery.

We also plan to handle products such as flashlights by utilizing our LED and expanding into a new business.

Fiscal 2010 (consolidated)

Net Sales : 8.8 billion yen
Percentage of sales : 1.7%



Mobile phone cases



Air purifiers



LED dynamo light

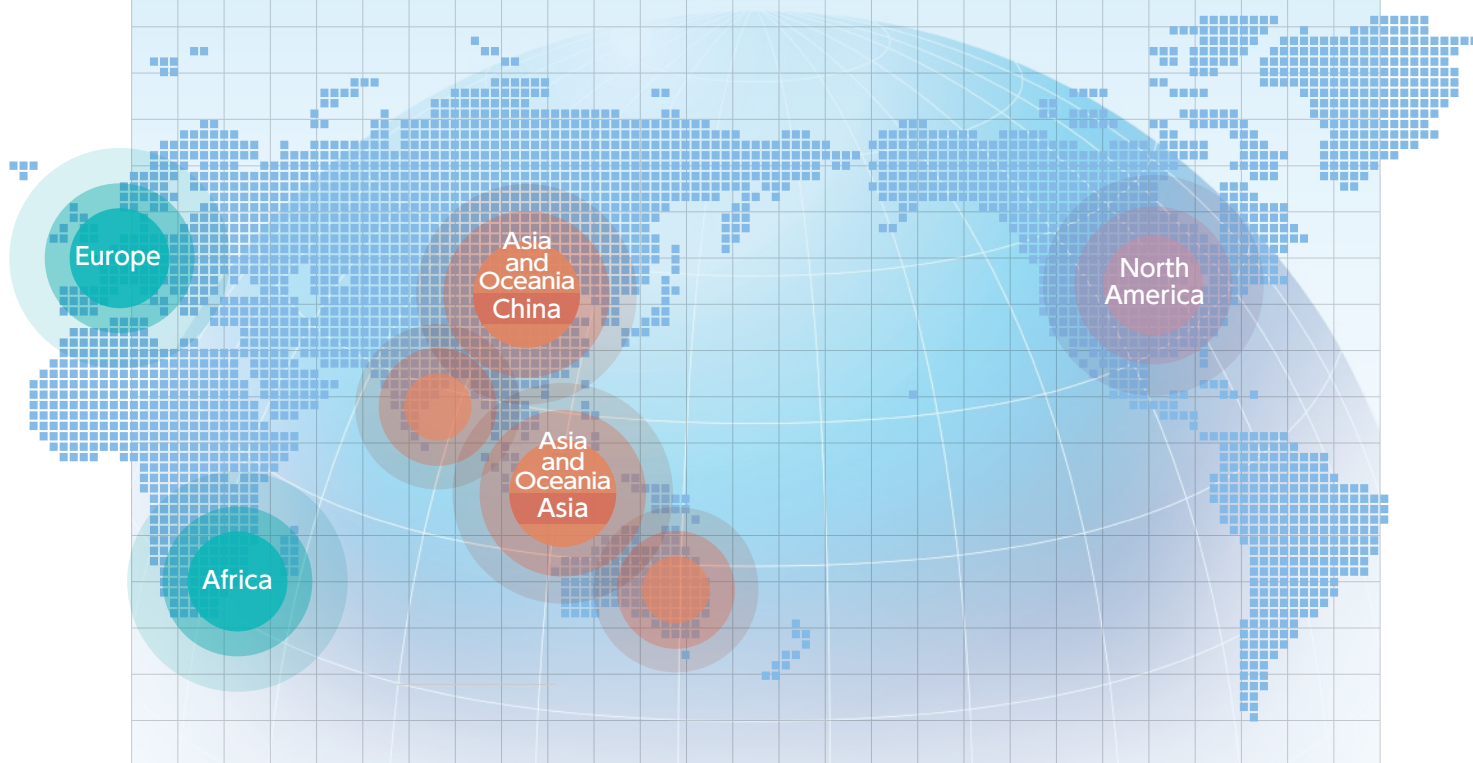
Report by Region



The Great East Japan Earthquake that hit in March 2011 caused a supply shortage of components and materials made in Japan, which gave a blow to overseas automotive, electronics industries, etc. In the global economy as a whole, however, there are signs of recovery from the worldwide recession such as an increase in the real economic growth rate in 2010. The economic development in Asia is particularly striking and the markets expected of strong demands are drawing worldwide attention. Among the Asian countries, China has grown with the world's No. 1 auto sales, surpassing the US for the second consecutive

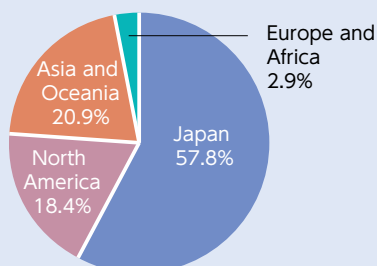
year. The auto sales in the United States are also on the increase, revitalizing the market. On the contrary, the expansion of the market has been dull in Europe where many world class auto makers are concerned in response to the end of auto demand stimulus packages.

With a keen look at this world trend, we Toyota Gosei will implement approaches that match each region and aim to become a more reliable company as a true global supplier that can properly meet the needs of our customers.



Sales by Region

(Round down less than 100 million yen)



	Fiscal 2010		Fiscal 2009	
	¥ billion	Percentage of net sales (%)	¥ billion	Percentage of net sales (%)
Japan	299.1	57.8	294.0	59.4
North America	95.2	18.4	100.5	20.3
Asia and Oceania	107.8	20.9	84.3	17.1
Europe and Africa	14.7	2.9	15.9	3.2
Total	516.9	100.0	495.0	100.0

- Regional management company, Research and development
- Manufacturing company
- Others

North America



Hiromi Ikehata
President
Toyota Gosei
North America Corporation



Improving quality and cost of delivery and promoting efforts for business expansion

〈 Regional outlook 〉

Although there were several factors of concern regarding the US economy in fiscal 2010, the possibility of hitting the bottom of a business cycle backed away due to recovery of consumer spending and the government's measures to boost the economy. Auto sales recovered to 13 million cars in the second half of the year as the market revitalized as a result of aggressive sales strategies of each automaker to secure the share. As automakers in Europe and the US are heading for recovery and automakers in South Korea are putting many new models in the market, Japanese automakers tried to make a big comeback, while facing hard times. Also, the consumer's desire for fuel-efficient and low-cost passenger and compact cars has become strong as a whole, while the sales of light trucks such as SUV and pick-up are on a recovery trend in 2010. Furthermore, the growing interest in environmental and energy issues has made each automaker intensify their move toward development and introduction of environmentally-friendly eco cars.

〈 Results of activities in fiscal 2010 and future efforts 〉

Amidst these difficult conditions, we focused on "further improvement of delivery quality," "securing of cost competitiveness" and "business expansion" as priority issues in fiscal 2010. We actively promoted measures to improve delivery quality through the concerted efforts of all bases in North America and strived to maintain and secure trust with our customers. Our efforts included enforcement of activities for no in-process defects, establishment and horizontal development of model line process and holding of brainstorming sessions for manufacturing.

In order to secure cost competitiveness, we promoted activities to reduce the total cost of all processes, aiming to establish a corporate culture that can secure profits consistent with increasing sales. We reduced material costs through development of and replacement by low-cost materials and advanced local procurement of raw materials and components.

For business expansion, we improved our business base in Mexico to meet the business needs of our customers. We also concentrated on establishing relationships of trust with automakers other than Japanese automakers through development of our unique technologies and products and active sales

expansion activities.

Although our major customers are forced to cut their production in fiscal 2011 due to the effects of the Great East Japan Earthquake, since the US market is growing strongly, the sales are expected to recover early once the supply network for components are stabilized. For this reason, we must maintain and secure our customers' trust and further reduce the cost now.

Understanding our North American market, and our customers' needs and potential growth of each business and component from mid- and long-term perspectives, we will formulate our 2015 business plan and advance specific measures for business expansion based on this plan.

Also, we must cultivate and secure local management to support future growth of the Toyota Gosei Group. With two local presidents taking office in fiscal 2010, we have now three local presidents among the nine manufacturing companies. For further independence and localization, we will cultivate and secure core personnel who play important roles in operating our bases in cooperation with the Japanese headquarters. In addition, we will activate exchange of personnel among the North American bases and create the working environment that can foster mutual trust.

As future challenges, we will proactively respond to the tightening of regulations by the government and consumers' growing awareness for "environment" and "safety" and expand the sales of our products to automakers other than our Japanese customers.

TOPICS



▲ TGKY and TGFSUS receiving awards from Honda Mexico

In January 2011, TGKY^{*1} and TGFSUS^{*2} received the Quality, Delivery & Cost Recognition Award from Honda Mexico. In March of the same year, TGASM^{*3} also received the Quality Certificate of Achievement from TEMA^{*3}.

*1 TG Kentucky, LLC

*2 TG Fluid Systems USA Corporation

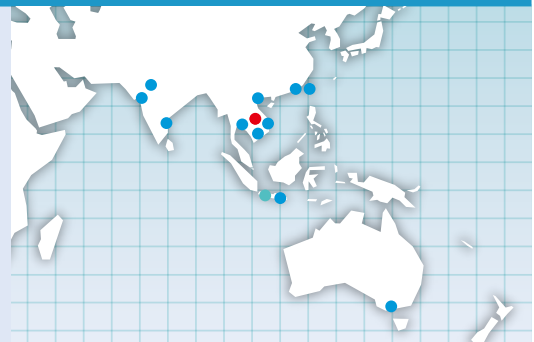
*3 Toyota Motor Engineering & Manufacturing North America, Inc.

- Regional management company, Research and development
- Manufacturing company
- Others

Asia and Oceania
Asia



Yuichi Shibui
President
Toyoda Gosei Asia Co., Ltd.



Realizing improvement of production capability and increase in profits by responding to rapidly growing markets

< Regional outlook >

Since pulling out of the worldwide recession ahead of other regions, the Asian region has been achieving astonishing growth, marking the record-high auto production and sales in the ASEAN nations and India in fiscal 2010. In response, automakers around the world are beefing up their production capabilities with great expectations for markets of increasing demands. On the other hand, we are facing a fierce cost competition in the growing compact car market as a result of intense catch-up by the makers that entered the market late.

such as reduction of cost and lightweight of our existing products, improvement of merchantability and a proposal of new products. Although the production volume is expected to increase in the future, because the cost competition will intensify more than ever, we strive to secure orders by further promoting the improvement of cost structure and strengthening of design activities. To realize these measures, we also focus on exploitation and cultivation of local human resources and upgrade the level of the entire region.

< Results of activities in fiscal 2010 and future efforts >

In fiscal 2010, we further improved our production capability to maintain and improve quality of our products and take responsibility of the stable supply in response to a rapid increase of auto production. In order to maintain and improve profits, we also worked on various activities to reduce costs from every possible aspect, including introduction of cost reduction from the design phase, review of materials and vigorous enforcement of Toyota Production System. In addition, we steadily implemented other activities for the future

TOPICS



In September 2010, TGRT*1 held a commemorative ceremony marking the tenth anniversary of its establishment. Many local government officials and business partners attended the ceremony and participated in a tree-planting event and a plant tour. TGRT has grown to a major base of the Global Toyoda Gosei Group with over 1,500 employees in the past ten years.

*1 Toyoda Gosei Rubber (Thailand) Co., Ltd.

Asia and Oceania
China



Kuniyasu Ito
President
Toyoda Gosei (Shanghai) Co., Ltd.



Responded to cost competition in the world's largest market and achieved the target by promoting cost reduction activities.

< Regional Outlook >

In China, which grew to the world's largest automotive market, the number of auto sales in fiscal 2010*2 reached approximately 18 million cars, a 30% increase over the previous year. In particular, there is a strong demand for compact cars which account for 60% of the entire automobile base. In this field, the Chinese makers occupy an overwhelming share. For this reason, while other automakers from Japan,

Europe and the US are strengthening their sales strategies, it is indispensable to significantly cut cost in order to make profits with compact cars whose average unit prices are low.

In the 12th five-year plan that starts from fiscal 2011, the Chinese government positioned the new energy car industry including eco cars as a priority industry to eliminate the country's huge energy deficit and prevent environmental pollution. This announcement has further intensified the

competition of worldwide automakers in the compact and eco car markets.

<Results of activities in fiscal 2010 and future efforts>

We faced the intensified competition with Chinese companies and the price increase in imported materials due to sharp appreciation of the yen in fiscal 2010. However, our sales and operating profits significantly surpassed the previous year with the support of our cost reduction activities through vigorous rationalization of production and local procurement of materials and components, as well as the increase in auto production of our major customers.

We continue to expand sales of our products not only to European and American makers but also to Chinese makers, secure our cost competitiveness and strengthen the technology and development departments in China where further growth is anticipated as the world's No.1 auto market. The fierce cost competition is considered to persist. Therefore, we boost our cost improvement activities by further promoting local procurement of materials, components and facilities and reducing the number of in-process personnel. Also, we strengthen and enrich technology and development departments to provide our technical support to Development Centers

established by our major customers and expand sales of our products to Chinese makers. In response to the demands of Chinese makers in particular, we promote the integrated response from technological development to design and production and expand the sales. In addition, we make our business base solid and strong by handing our technique in production technology and quality control onto local staff and creating and evolving new standards in China along with local management.

TOPICS



In November 2011, we held a "Manufacturing Workshop" for the purpose of upgrading the level of manufacturing in the Tianjin district and approximately 50 people including General Managers of Production Headquarters, General Managers of four automotive business units and heads of local bases participated. The workshop provided an opportunity for the participants to acquire skills and knowledge of manufacturing, as they witnessed the actual improvement of processes and eagerly asked many questions.

*2 The accounting year in China is from January to December

Europe and Africa



Tsuneji Obara
President
Toyota Gosei Europe N.V.

Thorough cost reduction in response to market changes and efforts for expansion of sales channels



< Regional Outlook >

As a reaction to the end of the incentive program introduced by major European countries to stimulate demands for automobiles, the sales volume of each automaker in Europe dropped below 14 million cars in fiscal 2010. However, that reaction has begun to stabilize first in Germany and there is a sense that the worst is behind. The export by the European automakers toward Asia and the US has been going strong. Some of them marked their largest sales volume.

In the African region, the consumers' preference diversified and the number of imported cars increased. As their growth foundation as an emerging market improved, the auto sales market is expected to expand in the future as the result of an increase in consumers' income.

< Results of activities in fiscal 2010 and future efforts >

In fiscal 2010, due to aggravation of market conditions and adjustment of production by the Japanese automakers, we worked harder to reduce costs in order to secure profits even at the time of low operation. We focused on thorough cost awareness by improv-

ing productivity through 2S1Y^{*3} activities and strengthening human resources development. In addition, we increased business deals that led to new business developments by raising our presence to European automakers through active communications in order to gain trust for our interior and exterior business, which was a new area of entry for us.

While difficult economic conditions are expected to continue, we maintain our cost competitiveness and improve the brand ability based on quality by vigorously implementing the Toyota Production System and increasing the rate of local procurement of components and materials. As a strategy for European automakers, we also promote new development to other businesses with our Body Sealing Products as a foothold.

Since the EU's regulations for CO₂ emissions will be tightened from January 2012, all automakers are going head-to-head in development and sales of fuel-efficient cars. Amidst such an environment, we present improvement measures such as reduction of materials and play our role as a trusted supplier.

*3 Seiri, Seiton and Yukaokinashi

Corporate Governance

We have established a corporate structure that can swiftly react to environmental changes by promoting sound management and efficient organization.

For realization of quick, efficient and sound business management

We enrich and strengthen corporate governance which aims at efficient and sound business management and set the stable improvement of shareholders' values as the most important task for management. Therefore, for the sake of meeting the expectations of all stakeholders including stockholders and customers, we build on and maintain an organizational system that can swiftly and appropriately respond to environmental changes with a , transparent and sound management system.

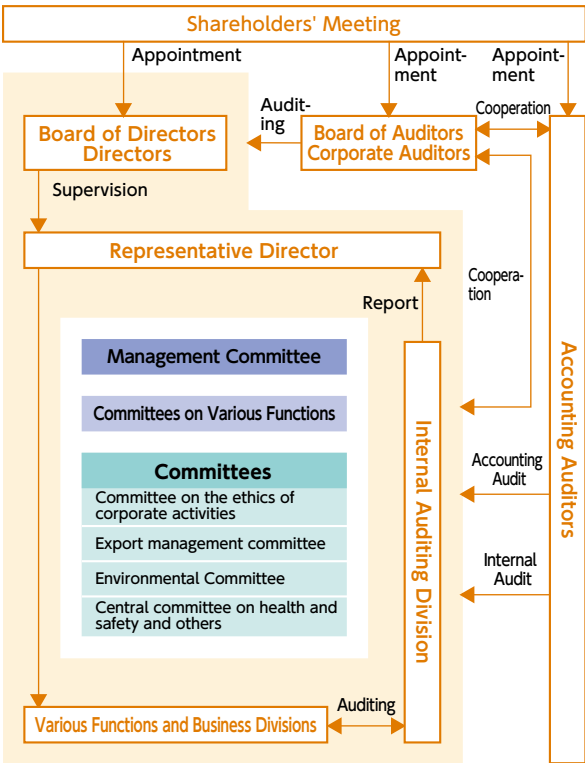
We have set up the necessary functions including shareholders' meetings, a board of directors, a board of auditors and accounting auditors as mandated by law. In addition, we have also developed/established an internal control system that deliberates important issues, checks business operations and reinforces internal auditing, in an effort to achieve; (1) appropriate business judgments; (2) efficient business operations; and (3) effective supervision and auditing processes. Also, we have shortened the terms of directors to one year in order to develop a flexible management system that can respond swiftly to changes in the business environment and to further clarify the management responsibilities of directors.

Strengthening internal auditing by implementing auditing in functional divisions


We conduct internal management and supervision based on corporate laws, etc. to check whether laws and corporate ethics are being properly observed at our company. The internal auditing that had been conducted by the Auditing Division was implemented in fiscal 2008 in the General Administration, Human Resource Development and Accounting Divisions. We also bolstered a checking system so that auditing can observe smaller details such as a method of managing classified information. There is a mechanism in place to collect the content of internal auditing within the functional divisions into the Auditing Division, through which we have built management/supervisory organizational systems. In fiscal 2010, we enriched the auditing operations by introducing a method of ERM* and adopting risk-based approaches based on multifaceted risk assessments. We also prepared and operated internal controls related to financial reporting based on the Financial Instruments and Exchange Law (J-SOX) to strengthen our continued governance.

*Enterprise Risk Management

Diagram of the Corporate Governance System



Voice



Takaya Sakuma
General Manager,
Audit Division

At the end of the fiscal year, the Auditing Department determines auditing themes and methods for the following fiscal year after exchanging opinions and advice about the results of internal audits conducted by each functional division. As part of the monitoring, we also witness the actual auditing by functional divisions and give instructions to improve the auditing method, etc. in some cases. As a result, the level of auditing technique by each functional division has been improved every year, strengthening the internal control system.

Compliance

By aiming to be good corporate citizens, we advance our efforts to establish compliance.

Ensuring compliance as Toyoda Gosei Group

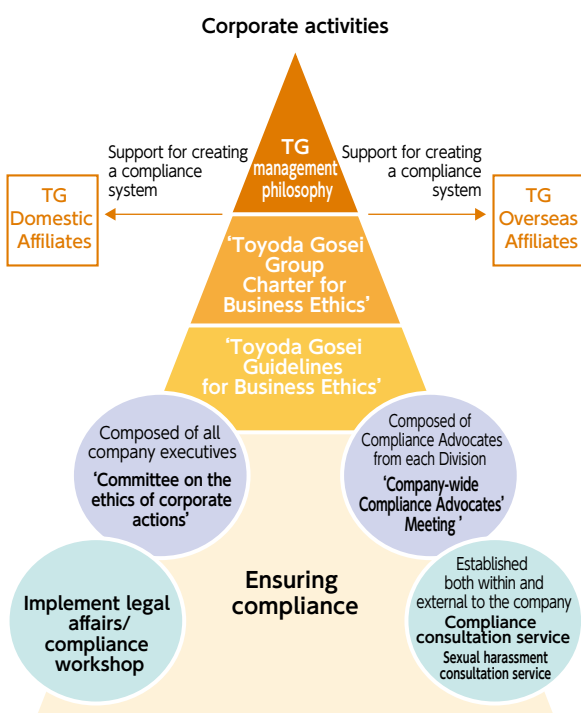
Toyoda Gosei vigorously seeks to ensure that each one of our employees complies with all laws and regulations not only from the standpoint of obeying the law but also from the standpoint of corporate ethics.

In 1997, Toyoda Gosei established a 'Committee on the Ethics of Corporate Activities' with the President serving as Chairman and all company executives as members. In fiscal 2009, to replace the legal liaison officer who was in charge of disseminating information within Divisions, a Compliance Advocate was assigned to each Division to lead its compliance activities and ensure thorough, unified compliance of management and the site.

For occasions when employees are faced with compliance problems in daily business activities, we have also established compliance consultation services in and out of the company to solve the problems quickly.

In addition, we have established the 'Toyoda Gosei Group Charter for Business Ethics' as action agenda for compliance, which sets out the shared values and behavioral standards at Toyoda Gosei Group. Every group company in Japan and overseas, including Toyoda Gosei, formulates specific action agenda based on this Group Charter. We have also established the 'Toyoda Gosei Guidelines for Business Ethics' and distribute them to all employees.

Our approach towards compliance



Educational activities to strengthen and vigorously enforce compliance

Toyoda Gosei implements various educational activities to strengthen and vigorously enforce compliance by all employees. We not only continue to implement compliance workshops for executives and employees by rank and risk but also focus on enhancement of our employees' awareness for compliance using various educational tools. Specifically, we include the 'Compliance "Juku", which handles examples in cartoons, in company newsletter series and distribute the 'Compliance "Tsuushin" Communications' to company message board.

In fiscal 2010, we held workshops to develop leaders for compliance promoters in each division to help them acquire techniques to extract risks at workplaces and formulate various measures and recognize their roles at workplaces. At Manufacturing Divisions, we also held workshops to develop key persons for assistant managers and group leaders to help them learn the basics of compliance and acquire techniques for specific penetration activities at workplaces. Furthermore, concerning the compliance problems in each Division surveyed by the questionnaires in the previous year, we checked the improvement status in this year's questionnaires. As a result, improvements were made at most of the workplaces.



Practical compliance workshop

Number of attendees to major workshops

Workshop name	Frequency	Number of attendees
Workshop for new employees	Once each for employees graduated from high school/university	121
Workshop for newly-appointed management	Once	61
Workshop on legal affairs for appointees (for mid-career employees)	3 times	223
Workshop for promoters of compliance	4 times	98
Workshop for assistant managers/group leaders of plants	18 times in total at 7 plants	215

Strengthening the systems of overseas and domestic affiliates

For our overseas and domestic affiliates, we provide support and sharing of information to help them implement autonomous compliance activities at each company.

In fiscal 2010, we held workshops for domestic affiliates for the purpose of developing compliance leaders of each company. Also, we helped several affiliates to improve and check their company rules as required by laws.

For overseas affiliates, we conducted a survey to see whether the compliance system is properly put in place at each company. As a result, we helped some of the bases that required further improvement and enrichment of the system to strengthen it.

Risk Management

We strive not only to strengthen risk management through employee training and product assurance activities but also through advance information security measures and disaster countermeasures.

System for Risk Management

Toyota Gosei is working to ensure the company can respond to corporate risks that threaten management or business itself. For the management of confidential information in particular, we established 'Security Management Representative Meetings' composed of the directors of each Division based on the 'Committee on the Ethics of Corporate Actions' to thoroughly implement information security measures. With our 'Crisis Management Guidelines' and 'Operative Standards for Information Systems Security' as guidelines, we concentrated in fiscal 2010 on strengthening practical measures and lifting the awareness of all employees about information security.

Strengthening information security measures and heightening awareness

We inspect the compliance status once a year based on our confidentiality management rules in order to strengthen information security measures. Self-inspections are conducted in all Divisions and, based on the results, on-site auditing is implemented for applicable Divisions. In order to enhance employees' awareness for information security, we also issue a 'Guideline for Management of Confidentiality Information' that summarizes important elements excerpted from the 'Rules and Guidelines for Confidentiality Management'. The contents of this Guideline are revised as necessary and distributed to all Division Heads. The Guideline is also used for education of new employees to strengthen the employees' morale for confidentiality information. In addition,

Examples of Measure Enhancement

	Division	Implementation
Prevention for negligent leaks	Hard ware	<ul style="list-style-type: none"> ● Preventing documents from being inappropriately removed or discarded through ID authentication of employees by digital complex machines and output equipment exclusive for drawing.
	Soft ware	<ul style="list-style-type: none"> ● Data encryption of all PCs ● E-mail security reinforcement (making supervisor CC mandatory)
Prevention for malicious unauthorized leaks	Hard ware	<ul style="list-style-type: none"> ● Inspection for removed materials (inspect twice monthly) ● Increase in the number of surveillance cameras ● Wire setting for fixing PCs · Lap-Top PC · Desk-Top PC · external HDD
	Soft ware	<ul style="list-style-type: none"> ● Reinforcement in access privileges to the file server ● Restrictions on things taken out/enhancement of check function ● Acquisition and Monitoring system usage records and access records. ● Prevention for unauthorized access (main building/IS Center)
Moral measure		<ul style="list-style-type: none"> ● Review of Security Management Act ● In-house education of security management ● Onsite inspections for each division

our security news is distributed across the company and employees' attention is urged by introducing the examples of information security from other companies. In fiscal 2010, we advanced ID authentication of employees by digital complex machines and expanded the ID authentication to output equipment exclusive for drawings that can make large format printing possible, thus strengthening the prevention of information leak.

Initial activities in the event of a disaster and early response for restoration

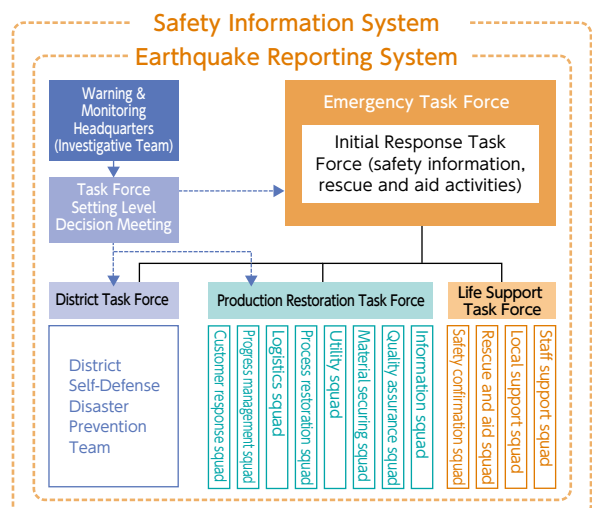
With the concepts of 'Life Comes First' and 'Quick Recovery' as principles of our disaster measures, we have implemented anti-seismic measures for buildings and equipment and enhance our periodic practical training based on various types of disaster response manuals in order to secure safety of our employees. We have also introduced the 'Earthquake Reporting System' that instantly notifies an earthquake occurrence and 'Safety Information System' that checks the safety of about 20,000 employees and their families.

In the recovery response phase, we have established a database showing location of alternative facilities and employees' skills/characteristics necessary for early recovery and implement the periodic maintenance. We also help our employees learn the procedures so that they can take partake in safe and proper initial and recovery responses in the event of a disaster. In response to the Great East Japan Earthquake in March 2011, we are closely examining all these functions in order to further improve them.



Disaster Task Force

Image of Disaster Response



▶ Relationship with our Customers

We offer attractive products and services based on the concepts of 'Customer First' and 'Quality First'.

Basic Policy for Quality

Everyone shall bear in mind the concepts of "Quality First" and "post-manufacturing = our customers" and provide excellent products and services that win the trust and satisfaction of our customers through 'mutual cooperation.'

Integrated quality assurance system from development to production

Toyoda Gosei aims to "become a global system supplier that will truly impress our customers by providing attractive products".

We promote our business activities under the integrated quality assurance system from development to production based on our Basic Policy for Quality.

Specifically, all our plants have obtained ISO9001^{*1} and ISO/TS16949^{*2} certifications which are the international standards of quality management system.

Each plant has also its own quality control goals based on the basic principles of TQM^{*3} and strives to produce attractive products.

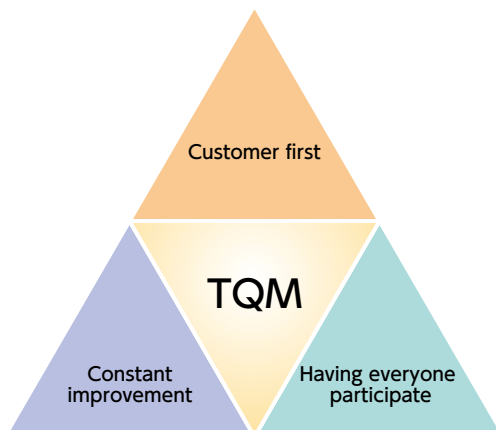
In addition, we issue the 'Quality System Global Standard' that contains know-how and tools for quality improvement. We distribute it to all bases as the guideline for local staff to follow from fiscal 2010 to uniform the quality of our products in all domestic and overseas bases.

*1 ISO9001 certification obtained by: JQA-QM7318, QMA11826/12256/12238/13130/12841

*2 ISO/TS 16949 certification obtained by: JQA-AU0094/0091/0160/0124

*3 TQM stands for 'Total Quality Management' and means 'activities that heighten the importance of people and organizations' through 'constant improvement' and 'participation by all' based on the principle of 'Customer First', in order to improve the quality of management as well as of goods and services.

Fundamental principles of TQM



Activities aiming at own-process completion in all operations including office staff

All employees at Toyoda Gosei take actions based on the principle of 'Customer First' and aim to complete their personal process in all of our operations.

Own-process completion means that "quality is built in during the production process", and is the idea on which all our work is based.

According to the idea of "No defects shall be tolerated in any production process to ensure that there will be no defects in post-production (i.e., in the product given to customers)" in manufacturing, we have set to achieve a robust design^{*4} as our goal to prevent against environmental changes and manufacturing scattering, are promoting the expansion of quality engineering across our company, and aiming for a zero defect production process for our mass produced goods as well as a defect-free production process from the very first day of production for a new product. Furthermore, we are expanding our ideas for own-process completion and know-how that have become firmly established on the assembly line (Manufacturing Division), to include the work of office staff (Administrative and Technical Divisions), and are striving to improve operations across the company with the objective of attaining own-process completion in which each individual 'can make judgments on site about work quality.'

*4 Strong product designs that come with little unevenness in quality and insusceptible to usage environment.

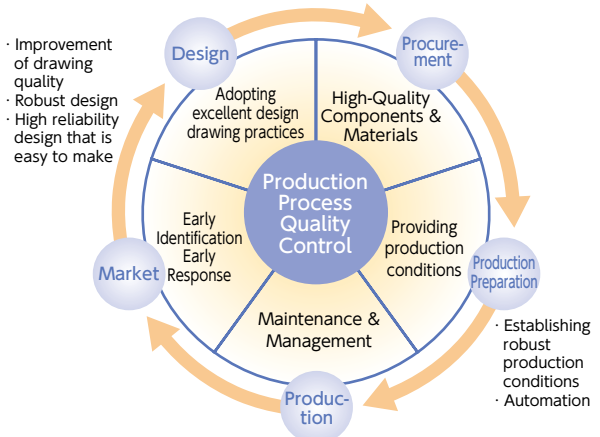


Exhibition on examples of own-process completion by office staff



Making observational rounds at plants

Production process quality control that aims for a zero defect production process



Sales activities responsive to customer needs

Standing at the front lines of our company, the Sales Division is responsible for listening to needs and development information from key members in technology and improvement and connecting those needs with sales promotion. While cultivating good relationships with customers, the Division collects and analyzes diverse information such as necessary matters and problems essential to customers. Based on the contents, it also builds a relationship of trust with customers by presenting unique proposals that meet diverse customer needs in cooperation with relevant internal departments.

Monitoring the manufacturing process and market quality and promoting measures to adapt

We are promoting own-process completion for all manufacturing processes of safety-critical parts that relate to a vehicle's basic functionality. In addition, a special project team is formed and full-time auditors conduct process audits of all domestic and overseas processes to ensure that there are no important quality defects from our company. We have established a system through which whenever quality problems occur in the market, that information is conveyed through car makers, then swiftly passed on to the relevant internal divisions, after which causes are investigated by analyzing recalled products and measures to prevent a recurrence of the problems are taken.

When it is difficult to find the cause of a problem and its solution at our company, we team up with the quality divisions of car makers, conduct tests using test vehicles etc. and work together to promote a swifter and more precise prevention of recurrences and preemptive measures for our next product.



Activities for improving market reliability

Praised by customers as a superior supplier

Our products are delivered to car makers around the world and support the basic performance of their automobiles. Each maker commends an excellent supplier every year and Toyoda Gosei has received commendations from numerous customers.

Award for quality in fiscal 2010

Award names	Awarded company	Origin of commendation
High Quality Award (among all six companies)	Zhangjiagang TGP	Sichuan FAW Toyota Motor Co., Ltd.
Appreciation of Quality Achievement	TGSSII	HINO MMI
Excellent Quality Award	Foshan TGP	Guangzhou Toyota Motor Co., Ltd.
Quality Cooperation Award (defective parts delivered below 15 PPM)	Foshan TGR	Guangzhou Toyota Motor Co., Ltd.
Quality Cooperation Award	Zhangjiagang TGSS	Guangzhou Toyota Motor Co., Ltd.
Excellent Quality Improvement Award	Foshan TGR	Guangqi Honda Automobile Co., Ltd.
Quality Achievement Award	Foshan TGR	Tianjin FAW Toyota Motor Co., Ltd.
Quality Achievement Award	Zhangjiagang TGSS	Sichuan FAW Toyota Motor CO., LTD.
High Quality Award	Tianjin TG	Guangzhou Toyota Motor Co., Ltd.
Quality Effort Award	Fong Yue	Kuozui Motors, Ltd.
Quality Award (Silver Award)	Tai-yue	China Motor (Mitsubishi)
2010 Supplier Performance Award	TGMO	American Honda Service Parts
Quality / Certificate of Recognition	TGCSZ	Toyota Motor Europe N.V.
Supplier Performance Award 2010	TGCSZ	Toyota Peugeot Citroen Automobile
2010 Quality & Delivery Award	TGKY.TGFSUS	Honda De Mexico
Zero Defect Performance for 2010	TGNA (TGKY)	Mitsubishi Motors North-America
Zero PPM defective parts delivered	TGKL	Toyota Kirloskar Auto Parts
Quality Certificate of Achievement	TGASMX	TEMA
Excellent Appreciation Award (Quality Division)	Toyoda Gosei	Honda Motor Corporation
Award for achieving target to reduce unpaid repairs (3-month registration for number of repairs)	Toyoda Gosei	Toyota Motor Corporation Takaoka Plant

Voice

Fumimichi Ozaki

General Manager
Quality Assurance Division



For us who are involved in quality assurance operations of products developed by Toyoda Gosei, we consider it our utmost mission never to produce any important quality defect and deliver even one defect to our customers. Based on our belief that a healthy child (product) is born from a sound mother (process), we routinely and closely check all manufacturing processes (including suppliers and overseas bases) for important products called safety-critical parts and constantly monitor quality management status of the manufacturing processes to make our customers feel secured.

Relations with our Employees

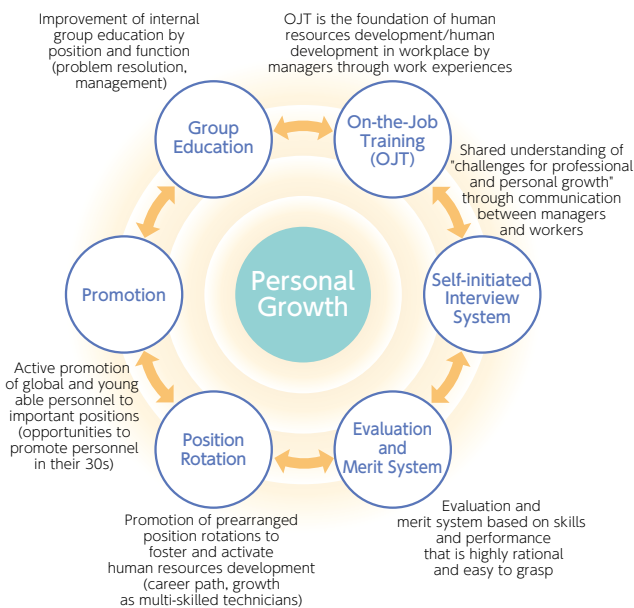
With "Respect for humanity" and "Safety comes first" as our fundamental principles, we aim to create a healthy workplace where employees can work with peace of mind.

Developing human resources who can think and act independently

At Toyoda Gosei, our employees share the value that 'the corporate ability is determined by human resources and the human resources are developed by the company'. We aim to create an environment that always allows human resources to develop through their work.

The center of human resources development is on-the-job training. In order to activate the OJT and foster consciousness for human resources development at work, we are concentrating our efforts on the preparation of a human resources system and the creation of a training structure.

Human Resource Systems



Activating human resources development with new education programs

Toyoda Gosei strives to strengthen our ability to develop human resources at workplaces and improve the problem resolution ability, aiming to create a workplace that can activate human resources development.

In fiscal 2010, we introduced a mid-career leader training program as a new educational program. This is an educational training to improve the level of mid-career leaders so that they can play certain roles when they are promoted to be supervisors by providing them with necessary education beforehand.

For staff employees, we introduced group improvement activities and enhanced the consciousness of managers to develop their subordinates through practical activities of performing PDCA cycles. We also implemented the problem resolution follow-up training for Level 4 employees who have worked around 10 years at our com-

pany. They acquired practical problem resolution abilities under the instructions of their supervisors and improved their personal skills.

To continuously activate human resources development, we have employed outside lecturers who were invited to our company's trainings to support our internal lecturers since fiscal 2009, allowing these experienced employees to directly instruct other employees. In fiscal 2010, we further promoted the conversion to internal lecturers and helped our employees to acquire practical knowledge and on-site response abilities by learning various experiences and wisdom of these lecturers.

Training Structure

Position title	Training according to employees' positions	Basic technical training					
		Education system for engineers	Education system for skills	Overseas-related education			
GM/Division Leaders	Management training for GM/Division Leaders	Education system for engineers	Education system for skills	Overseas-related education			
GL/Managers	Management training for GL/Managers						
TL	Management training for TL						
Assistant Managers	Management training for Assistant Managers						
Section Leaders	Training for Section Leaders Level 4 problem resolution follow-up training						
General employees	Level 3 training, Mid-career leader training program						
New employees	Training for new employees						

*Global Production Center

Number of attendees to major trainings

Training name	Number of attendees
Mid-career leader training program	43 attendees
Level 4 problem resolution follow-up training	125 attendees
Level 3 training	316 attendees (including suppliers)



PM basics training (education system for skills)



Mid-career leader training program

Learning a diverse range of local languages

We have enriched a wide range of language trainings such as TOEIC course, English training for expatriates, E-mail writing course and language correspondence course to help our staff employees acquire language skills in response to globalization. A total of 550 employees have taken the TOEIC every year and we check their learning results to help us develop human resources who can play central roles in global stages.

We also actively work on Chinese training to respond to the expanding Chinese market.

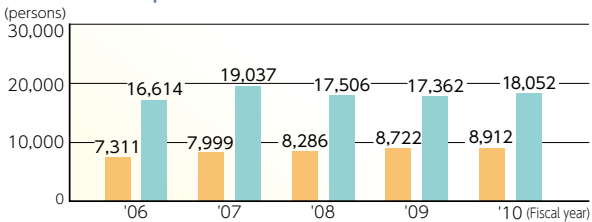


Language training

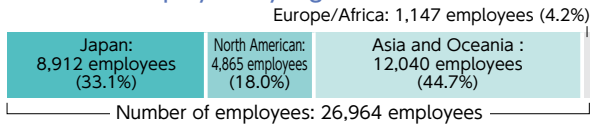
Employment of human resources

Toyoda Gosei promotes fair and impartial adoption and development of human resources with respect for diversity by ensuring stable employment and improving the working environment and systems that make work easier for our employees.

Transition of personnel



Number of employees by region (fiscal 2010)



Internal support to provide a stable Work-Life balance

We have enriched a system that enables each one of our employees to choose their own way of working, while considering the "work/life" balance and valuing independence. We also support our employees to work with greater peace of mind and motivation.

Promoting support for child and nursing care

In fiscal 2010, we set a 19th of each month as 'Family Day' to back up the child-bearing generation with the entire company. We also opened a 'Nursing Care Consultation Service' to listen to worries and consultations of our employees and their families for nursing care and give them appropriate advice. Besides, we continue to hold the 'Holiday In-house Nursery', 'Networking Event for Working Mothers' and 'TG Family Day'.

Commended of these proactive programs, our company was selected to receive a 'Recognition for Family Friendly Enterprises' from Aichi Prefecture. This award is given to a model company promoting to create the working environment that enables both men and women to achieve the work-and-life balance.



Holiday nursery



Receiving the Aichi Prefecture Recognition for Family Friendly Enterprises

Promoting diversity*

Toyoda Gosei is working to nurture the corporate culture that enables our employees to fully demonstrate their individual capabilities by using diverse individuality.

Our company has also established a system to encourage employees who are of retirement age or who have disabilities to continue working in stable jobs if they wish.

*Diversity refers to the utilization of human resources irrespective of race, nationality, gender or age

Promoting development of diverse human resources

In fiscal 2010, we inaugurated the 'Diversity Promotion Project' to utilize diverse human resources. We focused especially on the efforts to promote utilization of women. We strengthened the reform of consciousness and behaviors of the management, in particular, toward female employees and started a workshop to enforce the awareness for the company's policies and meaning of diversity, in which about 150 people participated. We also held a workshop that helps female employees to consider and enlighten their way of working and future career plans, in which about 280 participated.

We implemented a survey on the utilization of women for female employees and their supervisors to grasp issues such as how female employees perceive their job, how their supervisors develop their female subordinates and promote them, their ideas for a merit and evaluation system, the speed of pay-raise and promotion, etc. Based on the present issues extracted from the survey, we formulated a 3-year development plan for the utilization of female employees and started specific efforts such as workplace development.



Workshop for management to promote the utilization of female employees



Seminar for female employees who work vividly

Creating a workplace where people with disabilities can establish themselves and feel that their job is rewarding

Toyoda Gosei proactively employs people with disabilities in various practical capacities. In fiscal 2010, we targeted a 2.0% employment rate of disabled people which exceeds a 1.8% employment rate required by law. As a result, we employed 112 people with disabilities (as of April 1, 2011), achieving a 2.02% employment rate that exceeded the initial target.

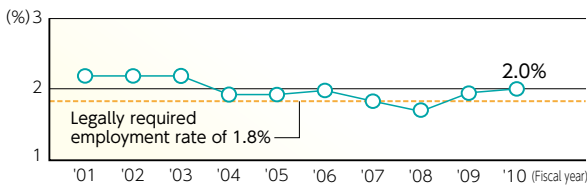
With the 'Committee for Promotion of Employment of People with Disabilities' as a center, we promote each activity ranging from hiring to assignment/education, establishment and enlightenment. In particular, we focus on establishment to understand the current

situation and improve the working environment through periodic interviews with people with disabilities. We have put a system in place that can implement from hiring to assignment in a planned manner by routinely exploring the jobs to which people with disabilities can adjust themselves. Also, we strive to promote employment of people with disabilities as the Toyota Gosei Group. For example, TG Welfare received a permission of special subsidiary.



Seminar of knowledge and how to treat people with hearing difficulties

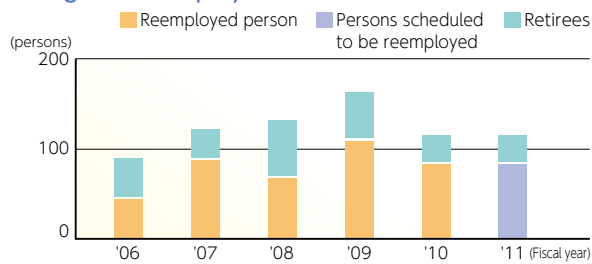
Changes in the employment rate of disabled people



Creation of a system that enables work with peace of mind after retirement

Starting in April of 2006, we established the "Retiree Reemployment System" and we are creating a system that enables work with peace of mind after retirement as well.

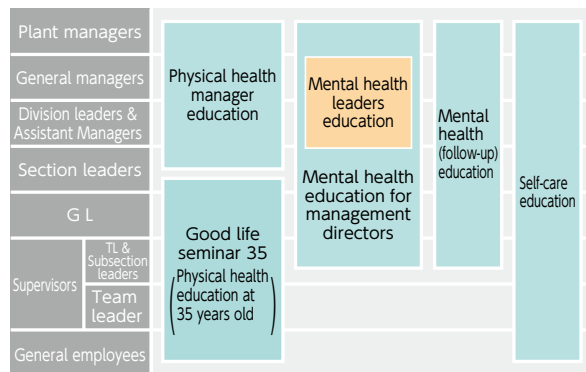
Changes in Reemployed Retirees



Maintaining mental and physical health support

Mental health and physical health are the major pillars of employee health management. We are taking several measures to promote and strengthen mental and physical health maintenance within the company.

Health Educational Structure



Continuing mental health education for management directors

To promote efficient workplace operation and smooth communication, we regularly held mental health education sessions in fiscal 2010 for each employee position, with a focus on newly appointed management directors, division leaders, and assistant managers, all of whom can be susceptible to stress. A qualified clinical nurse at each site works to enhance counseling services. With the number of consultants declining, the results are steadily beginning to show.

Raising awareness of healthcare

Since fiscal 2007, we have held the 'Good Life Seminar 35' for employees aged 35 years to provide education about keeping healthy in their daily lives and prevent lifestyle-related diseases.

In fiscal 2010, we began 'No Smoking Program' and worked on activities to help our employees who were challenging to quit smoking.

Continuing prevention of H1N1 influenza

A new strain of influenza (swine flu) that spread in fiscal 2009 weakened in fiscal 2010 with the number of infected people decreased. In case of the occurrence of highly infectious influenza, however, we continued to urge precautions including 'through hand-washing and gargling' to prevent the infection.

Voice

Ayumi Kizawa

Diversity Promotion Project
Human Resources
Development Division



I have returned to work since spring of 2010 after taking a child-care leave following my marriage and childbirth. I'm in charge of utilizing female employees. Though I sometimes worry about how to relate to work, I would like to use my experience as a mother and parent. The "Diversity Promotion Project" made a good start as the first step, but we still have many things to do. I will continue to make patient approaches from two-way directions of creating a system and enhancing awareness.

Promoting activities to achieve our goal of zero accidents

Under the direct leadership of our president, who is the General Health and Safety Manager of the whole company, we promote activities to achieve our goal of zero accidents with the 'Division for the Development of a Safe Workplace' and the 'Division for the Development of Safety Aware Personnel' as two wheels of one cart.

Acquisition of occupational safety management systems by 24 domestic and overseas sites

In the 'Development of a Safe Workplace', we are working on the creation of safe facilities and forklift-free activities, aiming to make our workplace free of the dangerous sites or causes of danger that are linked with accidents. As the Toyoda Gosei Group, we have obtained the OSHMS certification^{*1}, a common standard for occupational health and safety management systems, for domestic bases, and been advancing our activities to obtain the OHSAS certification^{*2} for our overseas bases. By the end of fiscal 2010, the sites written below have obtained these certifications.

*1 Occupational Safety and Health Management Systems
*2 Occupational Health and Safety Assessment Series

The state of occupational health and safety management systems acquisition

Toyoda Gosei	<ul style="list-style-type: none"> Heiwacho Plant Bisai Plant Haruhi Plant Nishimizoguchi Plant Inazawa Plant Morimachi Plant
Domestic Affiliates	<ul style="list-style-type: none"> Ichiei Kogyo Co., Ltd. Chusei Gosei Co., Ltd. TG Maintenance Co., Ltd. TG Opseed Co., Ltd. Hinode Gomu Kogyo Co., Ltd. Hoshin Gosei Co., Ltd. TG Logistics Co., Ltd.
Overseas Affiliates	<ul style="list-style-type: none"> Fong Yue Co.,Ltd. Toyoda Gosei Czech,s.r.o. Toyoda Gosei Texas,LLC Toyoda Gosei (Foshan) Rubber Parts Co., Ltd. Tianjin Toyoda Gosei Co., Ltd. TG Kirloskar Automotive Pvt.Ltd. Toyoda Gosei Australia (Pty) Ltd. Tianjin Star Light Rubber and Plastic Co., Ltd. Toyoda Gosei (Thailand) Co.,Ltd. Toyoda Gosei (Tianjin) Precise Plastic Co., Ltd. TG Minto Corporation

Implementing 'Safety-focused activities' for the independent resolution of health and safety issues

Creating "Safety Aware Personnel" is our awareness building activity that aims to cultivate individuals capable of identifying possible "threats" as risks by checking all employees and providing guidance to those who need it. Since fiscal 2009, we have been working on 'Safety-focused activities' to investigate and resolve problems or issues relating to health and safety in the workplace for each on-site unit of subsections and teams.

Twice a year, each manufacturing



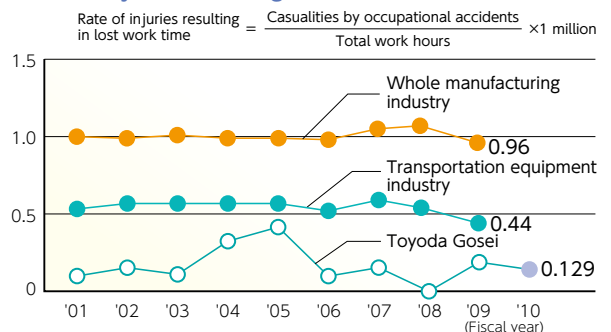
Presenting Safety-focused activities

division is evaluated for its approach to safety, knowledge, ability to get things done and ability to instruct workers. Those who excel in these fields are selected to be 'Safety Excellence Managers' and given public recognition. By the end of fiscal 2010, 29 managers and 50 supervisors had been recognized for this honor.

Main Activities in Fiscal 2010

Implementation	
Development of Safety Aware Personnel	1 ● Discovered defects by routine patrol of Manufacturing GM and Plant Manager and made improvements after on-site voices were heard
	2 ● Sub-sectional leaders, who are the center of safety activities, enhanced safety capabilities and improved the environment in accordance with the actual situation
	3 ● Promoted safety meeting/KYT education in own workplaces by strengthening KY education and foreman training for technical GL and TL
	4 ● Enhanced safety awareness and sensitivity by expanding and penetrating voluntary and independent safety activities including safety-focused activities
	5 ● Enhanced the quality of risk assessment of work
Development of a Safe Workplace	6 ● Ensured safety at the time of frequent suspension of facilities
	7 ● Standardized the operations such as molding work and improved inspections of crane wires
	8 ● Made the non-stop work such as robots and electric motors safer and promoted the abolishment of such work

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



Create a workplace that is easy to work in with the cooperation of labor unions

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

We regularly hold such meetings as the "Central Labor-Management Council" and the "Divisional Labor-Management Council". At the "Divisional Labor-Management Council" in particular, the division chiefs themselves and union members directly discuss matters closely related to the workplace, aiming to create a workplace where everyone is easy to work.



Central Labor-Management Council

Relationship with our Shareholders

By increasing corporate value and proactively disclosing information, we strive to enable understanding of our company's achievements and ways of thinking.

Achievements and rates of return

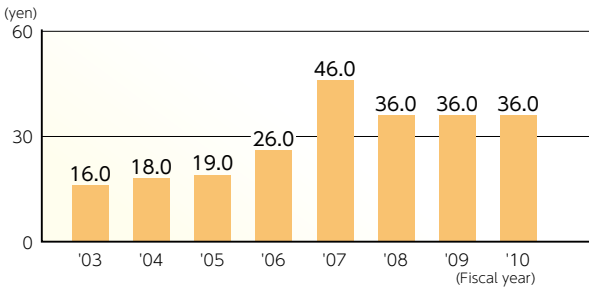
Despite of the effects of the earthquake on our staple business of automotive parts, the auto sales in the first half of the year were relatively strong and the market of tablet-type information devices in the optoelectronics business rapidly expanded. As a result, overall earnings came in at 516.9 billion yen, which represents a 4.4% increase from the previous year's figure of 495 billion yen. As for profit, the increased sales in the optoelectronics business together with the increased sales in the automotive parts business and our concerted efforts to reduce total costs across the Group boosted our overall ordinary income to 27.5 billion yen, an increase of 3.7% from the previous year's figure of 26.5 billion yen. Net income for the period came to 17.1 billion yen, a 20.1% increase from the previous year's figure of 14.2 billion yen.

As a result, we decided to distribute an annual dividend from surplus of 36 yen per share.

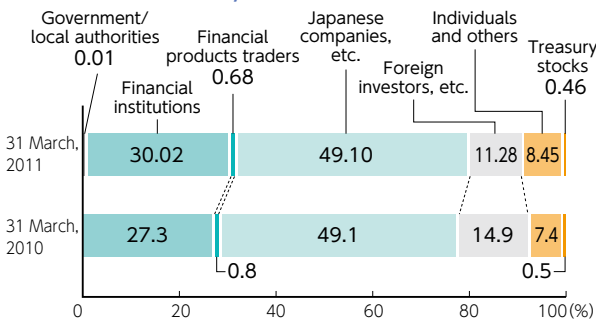


Report of our achievements

Changes in Dividends



Distribution Status by Shareholder



Proper disclosure of information

Our company strives for proper information disclosure by regularly disseminating information through our homepage and IR tools and promoting to hold financial briefings and IR events.

In fiscal 2010, we made efforts to enrich contents of IR information on our website. Twice yearly, we hold briefings for institutional investors and securities analysts to report our financial statements. We post the materials from these meetings, together with the relevant financial information, on our website to ensure proper disclosure. We also actively hold individual discussions and provide information to many investors within Japan and overseas. Furthermore, we participate in IR events, which includes overseas institutional investors, and strive to receive corporate recognition as an open corporation.

Main IR Activities

Targeted person	IR activities	
Domestic institutional investors Securities Analysts	Individual discussions, financial briefings	'Toyoda Gosei Report' issued
Overseas institutional investors	Individual discussions, participation in IR events	
Individual shareholders and investors	Plant tours held after the shareholders' general meeting	Dissemination of financial and IR information by the homepage
	Published "Report on Achievements"	



Briefing to report on financial statements



Briefing on account settlement by telephone conference

▶ Relationship with our Suppliers

We develop and grow together with supplies based on our strong cooperative ties.

Basic Procurement Policy

Our basic procurement policy is to "establish a procurement platform beneficial to us and carry out optimum global procurement by presenting relevant offices and suppliers with procurement plans, policies, etc. that properly reflect the changing procurement conditions as well as the attitudes of customers and competitors, so that we will be able to produce competitive products". Based on the idea that "suppliers support our company", we will put our company to work and develop structural strengthening policies for suppliers through the principles of "Genchi", "Genbutsu", and "Genjitsu".

Holding a procurement policy briefing session

We hold a procurement policy briefing session every April to present the direction we should follow toward creating the company atmosphere that surrounds our company and to have our procurement policy for the year firmly understood.

We ask 161 suppliers of products, parts, processing, materials, facilities, and metal molds to participate in this session to discuss "our challenges and actions to be taken" and, in relation to this year's "procurement policy", to talk about safety, quality, quantities, costs, technology, global expansion, CSR, etc. so we can enhance the level of coordination with these suppliers.

We also give awards to suppliers who have made a noteworthy contribution in each field to show our appreciation and encourage all the suppliers who participated to continue making progress. At the latest session, we presented awards in the fields of quality, cost, technology and the environment.



Procurement policy briefing session

Strengthening our collaboration with suppliers

Four times a year, about 100 suppliers participate in a procurement liaison meeting. The session consists of continuing themes such as developments in production information, quality control, compliance activities, safety activities, anti-earthquake measures, security management, and harmful substances management. In addition to enriching the contents of these recurring themes, we deepen our relationships with our suppliers by holding various educational sessions and lectures for development of human resources.

Our efforts for quality improvement, safety/fire protection, compliance, etc.

We are taking actions to grow with our suppliers through standardized work maintenance and activities for prevention of defective outflow, which are intended to avoid any significant quality problem. In addition to activities to reduce total costs for improving competitiveness, we also urge our suppliers to participate in the design of metal molds and products.

In fiscal 2010, we improved the level of safety and fire protection in particular through workshops and mutual visits with each supplier. Considering the current economic conditions, we are progressively open to discussions with our suppliers regarding management issues and activities to secure profits such as waste-eliminating activities.

Promoting green procurement

Based on our company's "Green Procurement Guidelines (3rd Edition)", we continue to expand environmental activities. The guidelines are composed of two components: "environmental management" and "harmful substances management".

We have produced good results in "environmental management" by acquiring ISO14001 certification involving energy saving and waste reduction.

As for the issue of "harmful substances management", we are working as a team with our suppliers to ensure appropriate handling of the EU's ELV*1 and REACH*2 regulations, as well as VOC*3 management.

*1 End of Life Vehicle
 *2 Registration, Evaluation, Authorization and Restriction of Chemicals
 *3 Volatile Organic Compounds

▶ Involvement in Local Communities

As a good corporate citizen in the community, we are working to create better local communities through interactions with local residents.

Further bolstering social contribution activities

As an automotive parts manufacturer, Toyoda Gosei strives to create better local communities through interactions with local residents. Aside from the essential educational activities on traffic safety, our other activities are based on the 3 cornerstone themes of 'support for the vulnerable', 'youth development', and 'environmental conservation'.

In order to encourage our employees and give them an incentive to widen the circle of volunteer activities, we have enhanced our employees' awareness for social con-

tribution activities and developed the support system by introducing the volunteer award system and education for social contribution. These efforts have enabled our employees to interact with local residents through various activities. Also in our overseas bases, we strive to create close relationships with local communities mainly through volunteer activities.

In fiscal 2010, we conducted various activities including the 'Declaration of Social Contribution Activities' by all employees and the introduction of 'charity meals' at our cafeterias.



Volunteer mark

Support for the Vulnerable



Support the independence of people with severe disabilities

We have started to support people with severe intellectual disabilities, who are challenged to support themselves in the society. TG Welfare obtained the certification of a special subsidiary.



Charity Meals

The cafeterias of our 7 facilities introduced 'charity meals' that raise 10 yen for one meal to buy wheelchairs. The wheelchairs were donated to three welfare facilities in the community.



Wheelchair Doctors

The volunteer group formed by the employees visit welfare facilities for the elderly and hospitals in the community every month, repair, to adjust or clean more than 300 wheelchairs a year. This activity has continued for more than 16 years.



Selling goods produced by vocational-training facilities

To support the independence of people who attend vocational facilities for the disabled, we provide a place to sell hand-made breads and cookies at our seven facilities every month. Any revenue earned is used to help finance the operation of the relevant vocational facility.

Environmental Conservation



Afforestation Project of our Plants

For the purposes of enhancing our employees' environmental awareness and promoting internal communications, we have started tree-planting activities at our plants since 2009. In fiscal 2010, we planted trees at our two bases each in Japan and overseas.



Community Cleaning Activities

In addition to routine cleaning activities at each facility, we implement the 'community cleaning activities across the company' twice a year. Each time, more than 1,300 people including our employees' families and students in the community participate in the cleaning activities.

Youth Development



Ichinomiya Boys and Girls Invention Club

To provide a setting that enables children to enjoy 'creating something' and help them grow into creative human beings, we have fully supported the club since their establishment and have participated in their planning and operation. In fiscal 2010, 106 children participated in the club.



Sponsorship and Support Activities for Sport

We are involved in activities to help elementary and junior high school children in the community get to know the pleasure of sports. Athletes from volleyball, handball and basketball clubs teach them how to play. We also routinely provide opportunities of interactions between these athletes and the disabled.

Other Activities



Activities to support the areas affected by the Great East Japan Earthquake

As the Toyoda Gosei Group, we donated a total of about 70 million yen to the affected areas and dispatched our employees and commodities including 1,000 LED flashlights and 2,300 meals of water and food. Our company's sports clubs also raised money in the streets.



Receiving the Recognition for Family Friendly Enterprises

We received the 'Recognition for Family Friendly Enterprises,' which is given to model companies that promote to create the working environment which allow men and women to achieve the work-and-life balance, from Aichi Prefecture.



Receiving the Award of Make a CHANGE Day two years in a row

We participated in the 'Make a CHANGE Day' when people all across the country conduct volunteer and civil activities all together. Our activities for 'Afforestation Project of our plants' received the award two years in a row.



Donation to the community

We donated our LED Security Lighting to Ichinomiya City to help them make the safer city without crime. This is our third donation following Kiyosu City and Inazawa City in 2009.



Declarations of Social Contribution

We enhance our employees' awareness for social contribution by letting all employees declare social contribution activities with their own targets.



Volunteer Award System

We give awards to our employees who have conducted excellent volunteer activities to increase our employees' motivation for volunteering and provide an incentive to expand its circle.



Traffic Safety Presentation (on Valentine's Day)

About 60 employees visit 14 nurseries and kindergartens around our facilities to teach the children the importance of traffic safety using picture-card shows and videos. In fiscal 2010, we marked the 25th anniversary of this activity.



Traffic Safety Patrols

We are involved in educational activities to promote traffic safety to reduce traffic accidents and protect vulnerable road users. On 10th, 20th and 30th days of each month, our employees voluntarily stand around each facility to call for traffic safety to people in the community.



Education on social contribution for new employees

We held the 'exchange event between our new employees and the disabled' to help our employees properly understand the 'disability' through interactions, learn how to support the disabled and nurture 'compassionate heart', to improve their social and cooperative skills and expand their perspectives.



Overseas volunteering

We held a family event to raise funds for charity. (Toyoda Gosei UK Ltd.)



We introduce the Japanese culture (e.g. origami, how to use chopsticks) at elementary schools in the community. (Toyoda Gosei North America Corporation)



We held an open house to teach Japanese calligraphy to local community. (TG Missouri Corporation)

Fifth Environmental Action Plan (Fiscal 2011 – Fiscal 2015)

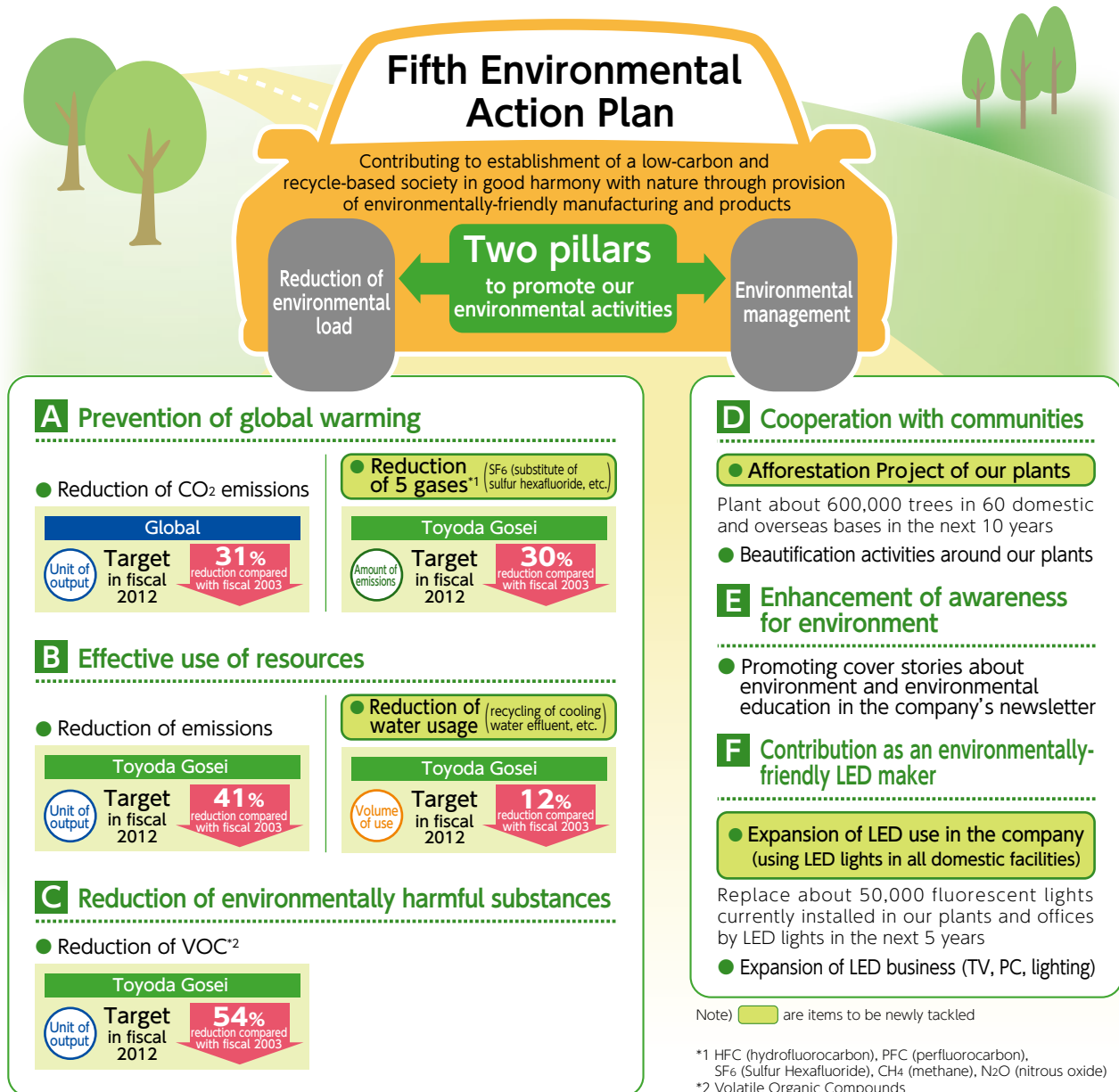
Formulating the 'Fifth Environmental Action Plan'

Toyota Gosei has formulated the 'Fifth Environmental Action Plan', the Toyota Gosei Group's action plan for environmental efforts from fiscal 2011 to fiscal 2015.

Since we first formulated the 'First Environmental Action Plan (fiscal 1993 to fiscal 1995)' in 1993, we have aggressively promoted environmental conservation activities. As a

result, we were able to achieve our goals in all items in the 'Fourth Environmental Action Plan (fiscal 2006 to fiscal 2010)'.

In response to this result, we will promote the 'Fifth Environmental Action Plan' with 'reduction of environmental load' and 'environmental management' as two pillars. We plan to further contribute to the establishment of a low-carbon and recycle-based society in good harmony with nature through provision of environmentally-friendly manufacturing and products, eyeing the achievement of our goals in 2020.



Results of our Activities for the Fourth Environmental Action Plan (Fiscal 2006 – Fiscal 2010)



In the 'Fourth Environmental Action Plan' we worked on from fiscal 2006 to fiscal 2010, all domestic and overseas companies in the Group collaborated with each other and implemented environmental conservation activities step by step to achieve the goals. As a result, we were able to achieve our goals for all items in the 'Fourth Environmental Action Plan'.

Theme	Implementation	Results of the activities in fiscal 2010	Reference page																																																						
Energy saving / Prevention of global warming	Development / Design ① Development of products and technologies which contribute to first-rate fuel consumption ▶ Development of products and technologies for weight reduction ▶ Development of products and technologies with lower power consumption ▶ Development of products and technologies for improving aerodynamics ② Development of built-in parts for clean energy vehicles and their effective introduction / popularization ▶ Development of products and technologies for fuel-cell vehicles ③ Development of technologies for various energy sources and fuels ▶ Development of products and technologies for vehicles ▶ Development of materials compatible with new fuels	▶ Examples of development in weight reduction — Practical implementation of plastic fuel filler pipe	P34																																																						
				④ Reduction of CO ₂ in production and Logistics activities	▶ Examples of our efforts for production — Downsizing of vulcanized tank — Further energy saving of million duct molding machine — Alternative gas for HFC ▶ Efforts for logistics — Improved efficiency of loading — Localization of productions among customers — Focused extensively on fuel-efficient driving	P34 P35																																																			
				<table border="1"> <thead> <tr> <th colspan="2"></th> <th>Item</th> <th>Goals for fiscal 2010</th> <th colspan="2">Results for fiscal 2010</th> <th>Evaluation^[3]</th> <th></th> </tr> </thead> <tbody> <tr> <td rowspan="3">Production</td> <td>Consolidated</td> <td>CO₂ emissions per sales unit</td> <td>Reduce by 8% compared to fiscal 2003</td> <td>71^[2]</td> <td>Achieved a 29% reduction compared to fiscal 2003</td> <td>○</td> <td>P34</td> </tr> <tr> <td rowspan="2">Nonconsolidated</td> <td>CO₂ emissions</td> <td>Reduce by 10% compared to fiscal 2003</td> <td>106,000 tons of CO₂</td> <td>Achieved a 14% reduction compared to fiscal 2003 (Reduced by 8% compared to fiscal 1990)</td> <td>○</td> <td>P34</td> </tr> <tr> <td>CO₂ emissions per sales unit</td> <td>Reduce by 15% compared to fiscal 2003</td> <td>78^[2]</td> <td>Achieved a 22% reduction compared to fiscal 2003</td> <td>○</td> <td>P34</td> </tr> <tr> <td rowspan="2">Logistics^[1]</td> <td rowspan="2">Nonconsolidated</td> <td>CO₂ emissions</td> <td>Reduce by 10% compared to fiscal 2003</td> <td>11,280 t-CO₂</td> <td>Achieved a 16% reduction compared to fiscal 2003</td> <td>○</td> <td>P35</td> </tr> <tr> <td>CO₂ emissions per sales unit</td> <td>Reduce by 10% compared to fiscal 2003</td> <td>76^[2]</td> <td>Achieved a 24% reduction compared to fiscal 2003</td> <td>○</td> <td>P35</td> </tr> </tbody> </table> <p>[1] Applicability: Delivery, mid-process, and procurement logistics [2] This value takes the figure in the base year as 100.</p>			Item	Goals for fiscal 2010	Results for fiscal 2010		Evaluation ^[3]		Production	Consolidated	CO ₂ emissions per sales unit	Reduce by 8% compared to fiscal 2003	71 ^[2]	Achieved a 29% reduction compared to fiscal 2003	○	P34	Nonconsolidated	CO ₂ emissions	Reduce by 10% compared to fiscal 2003	106,000 tons of CO ₂	Achieved a 14% reduction compared to fiscal 2003 (Reduced by 8% compared to fiscal 1990)	○	P34	CO ₂ emissions per sales unit	Reduce by 15% compared to fiscal 2003	78 ^[2]	Achieved a 22% reduction compared to fiscal 2003	○	P34	Logistics ^[1]	Nonconsolidated	CO ₂ emissions	Reduce by 10% compared to fiscal 2003	11,280 t-CO ₂	Achieved a 16% reduction compared to fiscal 2003	○	P35	CO ₂ emissions per sales unit	Reduce by 10% compared to fiscal 2003	76 ^[2]	Achieved a 24% reduction compared to fiscal 2003	○	P35	[3] ○ : Goal for the Fourth Environmental Action Plan was achieved. × : Goal for the Fourth Environmental Action Plan was not achieved									
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	Nonconsolidated	CO ₂ emissions	Reduce by 10% compared to fiscal 2003	106,000 tons of CO ₂	Achieved a 14% reduction compared to fiscal 2003 (Reduced by 8% compared to fiscal 1990)	○	P34																																																		
		CO ₂ emissions per sales unit	Reduce by 15% compared to fiscal 2003	78 ^[2]	Achieved a 22% reduction compared to fiscal 2003	○	P34																																																		
Logistics ^[1]	Nonconsolidated	CO ₂ emissions	Reduce by 10% compared to fiscal 2003	11,280 t-CO ₂	Achieved a 16% reduction compared to fiscal 2003	○	P35																																																		
		CO ₂ emissions per sales unit	Reduce by 10% compared to fiscal 2003	76 ^[2]	Achieved a 24% reduction compared to fiscal 2003	○	P35																																																		
Recycling of resources	Development / Design ⑤ Development of recycling technologies ▶ Development of technologies for improving ELV* parts recycling ⑥ Further promotion of designs which facilitate recycling	▶ Efforts for enhancing recycling efficiency — Establishing new recycling techniques — Responded to regulations of laws, such as the European Union's (EU) ELV* Directives and to the ELV Recycling Law — Establishing desulfurizing conditions for rubber product containing metal insert	P36																																																						
				⑦ Further promotion of effective utilization of resources for realizing the recycling society	▶ Examples of our efforts for production — Reduce defects of smart phone cases ▶ Efforts for logistics — Reduction of packaging materials — Rigorous management of returnable containers	P37 P37																																																			
	<table border="1"> <thead> <tr> <th colspan="3"></th> <th>Item</th> <th>Goals for fiscal 2010</th> <th colspan="2">Results for fiscal 2010</th> <th>Evaluation^[4]</th> <th></th> </tr> </thead> <tbody> <tr> <td rowspan="4">Production</td> <td rowspan="2">Materials discarded</td> <td>Consolidated</td> <td>Volume of waste per sales unit</td> <td>Reduce by 5% compared to fiscal 2003</td> <td>67^[2]</td> <td>Achieved a 33% reduction compared to fiscal 2003</td> <td>○</td> <td>P36</td> </tr> <tr> <td>Nonconsolidated</td> <td>Volume of waste per sales unit</td> <td>Reduce by 5% compared to fiscal 2003</td> <td>67^[2]</td> <td>Achieved a 33% reduction compared to fiscal 2003</td> <td>○</td> <td>P36</td> </tr> <tr> <td rowspan="2">Waste</td> <td>Nonconsolidated</td> <td>Landfill waste</td> <td>Maintain zero emissions</td> <td>0t</td> <td>—</td> <td>○</td> <td>P36</td> </tr> <tr> <td>Nonconsolidated</td> <td>Incinerated waste</td> <td>Zero emissions^[3]</td> <td>13t</td> <td>Achieved a 99% reduction compared to fiscal 1998</td> <td>○</td> <td>P36</td> </tr> <tr> <td rowspan="2">Logistics^[1]</td> <td rowspan="2">Packaging materials</td> <td>Nonconsolidated</td> <td>Volume of use</td> <td>Reduce by 10% compared to fiscal 2003</td> <td>100t</td> <td>Achieved a 43% reduction compared to fiscal 2003</td> <td>○</td> <td>P37</td> </tr> <tr> <td>Nonconsolidated</td> <td>Volume used per sales unit</td> <td>Reduce by 15% compared to fiscal 2003</td> <td>38^[2]</td> <td>Achieved a 62% reduction compared to fiscal 2003</td> <td>○</td> <td>P37</td> </tr> </tbody> </table> <p>[1] Applicability: Delivery, mid-process, and procurement logistics [2] This value takes the figure in the base year as 100.</p>				Item	Goals for fiscal 2010	Results for fiscal 2010		Evaluation ^[4]		Production	Materials discarded	Consolidated	Volume of waste per sales unit	Reduce by 5% compared to fiscal 2003	67 ^[2]	Achieved a 33% reduction compared to fiscal 2003	○	P36	Nonconsolidated	Volume of waste per sales unit	Reduce by 5% compared to fiscal 2003	67 ^[2]	Achieved a 33% reduction compared to fiscal 2003	○	P36	Waste	Nonconsolidated	Landfill waste	Maintain zero emissions	0t	—	○	P36	Nonconsolidated	Incinerated waste	Zero emissions ^[3]	13t	Achieved a 99% reduction compared to fiscal 1998	○	P36	Logistics ^[1]	Packaging materials	Nonconsolidated	Volume of use	Reduce by 10% compared to fiscal 2003	100t	Achieved a 43% reduction compared to fiscal 2003	○	P37	Nonconsolidated	Volume used per sales unit	Reduce by 15% compared to fiscal 2003	38 ^[2]	Achieved a 62% reduction compared to fiscal 2003	○	P37
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*End of Life Vehicle

Theme	Implementation	Results of the activities in fiscal 2010	Reference page														
Development / Design / Mass production Environmentally harmful substances	⑧ Management of environmentally harmful substances. Further promotion of reduction activities Total elimination worldwide of 4*1 environmentally harmful substances subject to restriction	▶ Established the global management system and promoted reduction activities	P37														
	⑨ Reduction of emissions of PRTR*2 substances	▶ Reduced PRTR substances	P38														
	<table border="1"> <thead> <tr> <th colspan="2"></th> <th>Item</th> <th>Goals for fiscal 2010</th> <th colspan="2">Results for fiscal 2010</th> <th>Evaluation^[1]</th> </tr> </thead> <tbody> <tr> <td>Production</td> <td>Nonconsolidated</td> <td>Volume of PRTR emissions (to the atmosphere)</td> <td>Reduce by 55% compared to fiscal 2000</td> <td>201t</td> <td>Reduce by 68% compared to fiscal 2000</td> <td>○</td> </tr> </tbody> </table>			Item	Goals for fiscal 2010	Results for fiscal 2010		Evaluation ^[1]	Production	Nonconsolidated	Volume of PRTR emissions (to the atmosphere)	Reduce by 55% compared to fiscal 2000	201t	Reduce by 68% compared to fiscal 2000	○	— Improvement of paint coating efficiency [1] ○ : Goal for the Fourth Environmental Action Plan was achieved, × : Goal for the Fourth Environmental Action Plan was not achieved	
		Item	Goals for fiscal 2010	Results for fiscal 2010		Evaluation ^[1]											
Production	Nonconsolidated	Volume of PRTR emissions (to the atmosphere)	Reduce by 55% compared to fiscal 2000	201t	Reduce by 68% compared to fiscal 2000	○											
Production / Logistics	⑩ Reduction of VOC*3 emissions	▶ Reduction of VOC emissions	P38														
	<table border="1"> <thead> <tr> <th colspan="2"></th> <th>Item</th> <th>Goals for fiscal 2010</th> <th colspan="2">Results for fiscal 2010</th> <th>Evaluation^[2]</th> </tr> </thead> <tbody> <tr> <td>Production</td> <td>Nonconsolidated</td> <td>VOC emissions per sales unit</td> <td>Reduce by 50% compared to fiscal 2000</td> <td>33^[1]</td> <td>Reduce by 67% compared to fiscal 2000</td> <td>○</td> </tr> </tbody> </table>			Item	Goals for fiscal 2010	Results for fiscal 2010		Evaluation ^[2]	Production	Nonconsolidated	VOC emissions per sales unit	Reduce by 50% compared to fiscal 2000	33 ^[1]	Reduce by 67% compared to fiscal 2000	○	— Making surface mold coat of instrument panel water-based — Using less painting for glass run [1] This value takes the figure in the base year as 100. [2] ○ : Goal for the Fourth Environmental Action Plan was achieved, × : Goal for the Fourth Environmental Action Plan was not achieved	
		Item	Goals for fiscal 2010	Results for fiscal 2010		Evaluation ^[2]											
Production	Nonconsolidated	VOC emissions per sales unit	Reduce by 50% compared to fiscal 2000	33 ^[1]	Reduce by 67% compared to fiscal 2000	○											
Management Environmentally management	⑪ Further CO ₂ reductions from global business activities	▶ Understood the actual reduction in global CO ₂ emissions and promoted the established reduction plan.....	P39														
	⑫ Enhancement of consolidated environmental management	▶ Enhancement of consolidated environmental management	P39														
		— Domestic and overseas sites acquired ISO14001 and the current assessment status	P39														
		— Environmental Audits (Internal Environmental Auditing, External Environmental Auditing)	P41														
		— Efforts of the domestic affiliated companies (Hinode Gomu Kogyo Co., Ltd.)	P41														
	— Efforts of overseas affiliated companies (Toyota Gosei (Foshan) Auto Parts Co.,Ltd.)																
	⑬ Further promotion of environmental management by business partners	▶ Promoted Procurement Policy	P27														
		— Held briefings on our Procurement Policy	P37														
		— Global development of management system of environmentally harmful substances															
⑭ Enhancement of environmental education	▶ Implemented systematic environmental education programs	P40															
⑮ Promotion of new business activities which contribute to improving the environment	▶ Examples of promotion of new business activities which contribute to improving the environment	P42															
	— Expansion of LED business for consumer use																
⑯ Steady reduction of environmental burden in life cycle through full-scale application and popularization of Eco-VAS*4.	▶ Regularly reported data on resource consumption and environmental impact based on clients' systems	—															
Cooperation with society	⑰ Contribution to formation of a recycle oriented society	▶ Our efforts for community	P28														
		— Carried out community cleaning activities	P29														
		— Contributing proactively to society at our overseas sites	P43														
	— Afforestation Project of our plants																
	⑱ Disclosure of environmental information and enhancement of interactive communication	▶ Disclosure of environmental information and enhancement of interactive communications	P42														
		— Exhibited at the "3rd LED/OLED Lighting Technology Expo - Lighting Japan".....															
		— Publication of "Toyota Gosei Report 2011"															
	⑲ Proactively contributing to and advising on environmental policies with a view to sustainable development	▶ Participated in the environmental policies of the Japan Auto Parts Industries Association, the Japan Rubber Manufacturers Association and other organizations	—														

*1 Lead, mercury, cadmium, and hexavalent chromium
 *2 Pollutant Release and Transfer Register
 *3 Volatile Organic Compounds
 *4 Eco-Vehicle Assessment System

Energy Saving / Prevention of Global Warming

We are striving for high productivity and streamlined logistics by enhancing lighter weights for vehicle bodies as well as measures for dealing with a diverse range of energies. We aim to reduce our CO₂ emissions.

Development / Design

Handling vehicle weight reduction and clean energy

For product and technical developments under the "Fourth Environmental Action Plan", we promoted ① lighter vehicle bodies for improved performance in fuel efficiency; and ② adaptations for clean energy vehicles and fuel diversification.

In fiscal 2010, we accelerate the weight reduction of vehicle bodies through technical developments such as making the plastic fuel filler pipe lighter and the plastic products thinner.

CASE STUDY

Development / Design

Weight reduction of plastic fuel filler pipe

We made the plastic fuel filler pipe that feeds oil from a filler opening to a fuel tank lighter by cutting the number of parts and integrating the functions.

Specifically, we minimized the number of parts and achieved about 15% weight reduction by consolidating the fuel tank and the filler pipe through joint development with a fuel tank maker to reduce the connectors and using a conductive plastic for an earth circuit. We also reduced the bending process by changing a small-diameter tube to an accordion shape and making it flexible.



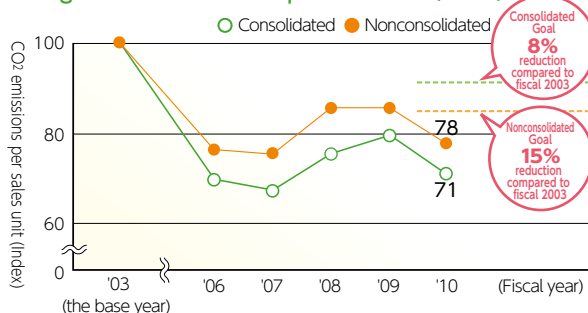
◀ Developed product (tank-loaded specification)

Production

Elimination of wasteful energy and reduction of CO₂ emissions

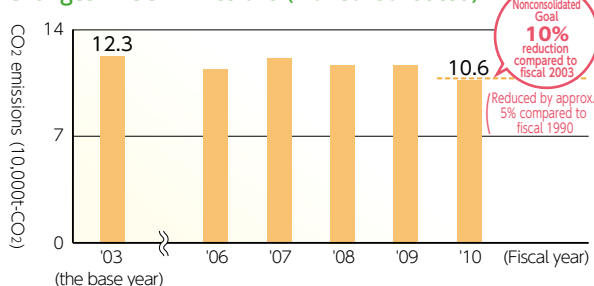
The Toyota Gosei Group has aggressively promoted to prevent global warming by improving productivity and simultaneously reducing energy consumption. In fiscal 2010, we implemented on-site measures to thoroughly eliminate energy waste by inspecting proper energy use on holidays and forming a "waste-eliminating plant squad". We also continue to exchange information with the production technology groups of other divisions and carry out advance reviews from various perspectives, including environmental aspects.

Changes of CO₂ Emissions per sales unit (index)



*CO₂ Emissions per sales unit (Index) takes the figure for CO₂ emissions in fiscal 2003 as 100.

Changes in CO₂ Emissions (Nonconsolidated)



*For the CO₂ conversion factor, the following figures are used:
Electricity: 0.3817kg-CO₂/kWh
Heavy Oil A: 2.7kg-CO₂/L
City gas: 2.3576kg-CO₂/Nm³
LPG: 3.0094kg-CO₂/kg
Kerosene: 2.5308kg-CO₂/L

CASE STUDY

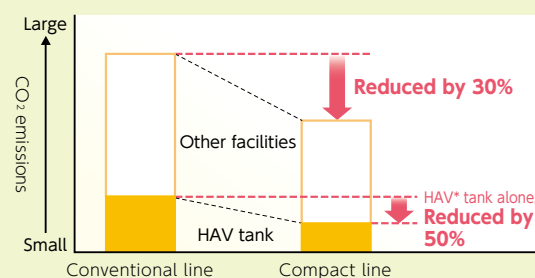
Production

Downsizing of vulcanized tank

We reduced the CO₂ emissions by 30% by downsizing the heating oven in the weather-strip manufacturing process.

We improved the heat efficiency by cutting the cross-sectional area by less than half of the conventional area and increasing the internal wind speed by more than twice, thus shortening the vulcanizing time. This not only reduces the heat loss but also decreases waste materials.

CO₂ emissions per one line



* Hot Air Vulcanization

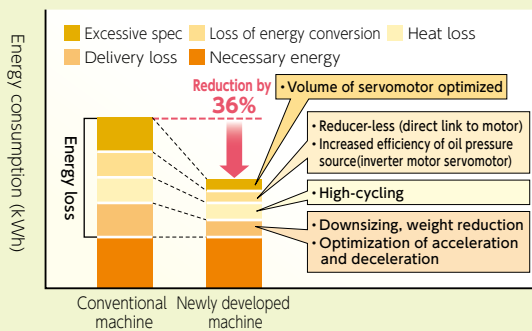
CASE STUDY

Production

Further energy saving of million duct molding machine

For the purpose of reducing energy, we further upgraded our self-developed million-duct molding machine and surpassed the energy loss.

Specifically, we optimized the volume of a servomotor and significantly cut the excessive energy. We also controlled the loss of energy conversion by directly linking to the motor without a reducer and reduced energy by 36% compared to the conventional machine. Furthermore, our efforts to control heat loss by high-cycling and make the molding machine itself lighter have led to the reduction of delivery loss. These efforts enabled us to shorten the manufacturing cycles and improve the productivity by 40%.

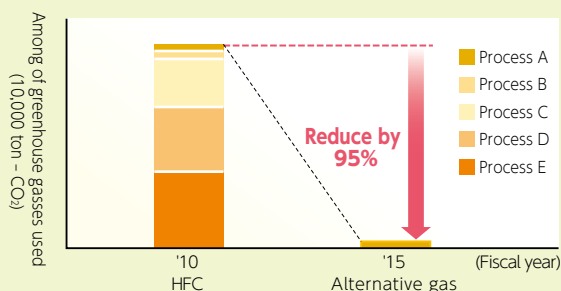


Production Alternative gas for HFC

We established a technology to reduce greenhouse gases by switching HFC (hydrofluorocarbon) gas, which is fluorine gas with a high global warming potential, to alternative gas in the working process of a sapphire substrate in the LED chip manufacturing and started the mass production.

We will accelerate the switch of fluorine gasses step by step and reduce the use of fluorine gases by 95% in CO₂ equivalent in 2015 toward the total eradication of such gasses.

The switch of fluorine gasses also led to excellent workability and quality improvement.



Logistics

Making transport more efficient by newly setting up distribution bases

To reduce CO₂ emissions during transportation, we promote shorter logistics flow lines, improved loading efficiency and appropriate dispatch of delivery vehicles corresponding to production volumes based on the "3 Gen-isms" ('Genchi', 'Genbutsu', and 'Genjitsu', which are translated as 'actual locations', 'actual materials' and 'actual situations', respectively). In fiscal 2010, we set up the Miyoshi Distribution Center, shortened the running distance of delivery trucks and reduced the loss of load capacity by consolidating small-scale distribution functions, which had been dispersed to each production base, into one location. This also reduced the number of running trucks and decreased the number of trucks by about 20%. The opening of this Center can improve transportation and loading efficiency, which also leads to reduce the running distance of trucks. Thus, we have set our goal of reducing the CO₂ emissions by 15%. The change in our distribution system also led to prevention of delayed arrival to our clients.

Besides, we curbed the CO₂ emissions by changing about 50 fork lifts within the plants from a gasoline type to a battery type and gave consideration to the working environ-

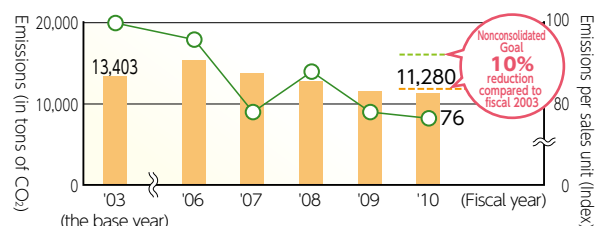


Miyoshi Distribution Center

Three Pillars for Activities Designed to Reduce CO₂ Emissions from Logistics Operation

- 1 Actions to increase transportation and loading efficiency and to reduce the number of vehicles dispatched
- 2 Shortening flow line through route alterations and localization of production sites
- 3 Pursuing transportations producing less CO₂ emissions

Changes in CO₂ Emissions from Logistics Operation and in Emissions per sales unit (Index) (Nonconsolidated)



*CO₂ Emissions per sales unit (Index) takes the figure for CO₂ emissions in fiscal 2003 as 100.

*Applied to: Delivery, mid-process, and procurement logistics

Resource Circulation

We contribute to a resource circulation-based society through recycling design and activities to reduce production bases.

Development / Design

Ways of thinking about recycling design

Toyota Gosei always designs its products with recycling in mind. In fiscal 2010, we committed to enhance our high-quality material recycling technology and composite material separation technology to expand the reuse of high polymer materials such as rubber products. We are accumulating technology that enables mid process recycling technology to be used in ELV* parts recycling.

*End of Life Vehicle

Technological Development for ELV Parts Recycling

Key items	Approaches
New recycling	<ul style="list-style-type: none"> • New recycling techniques (high-quality material recycling) • Techniques to separate composite materials
Installing parts made of recycled materials in vehicles	<ul style="list-style-type: none"> • Development of applications for recycled materials • ELV parts recycling technology
Designing products that are easy to recycle	<ul style="list-style-type: none"> • Easy-to-recycle materials, and compositional changes • Easy-to-dismantle designs for products

CASE STUDY

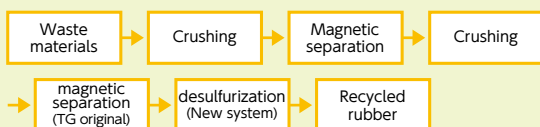
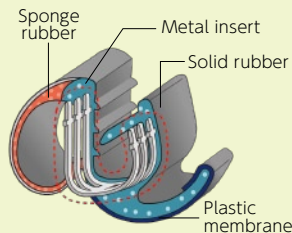
Development / Design

Establishing desulfurizing conditions for rubber product containing metal insert

We used to perform desulfurization centering on the product composed of one type of rubber. Then, we succeeded in unique development of a technology to separate a rubber from a metal and made it possible to desulfurize the product composed of multiple types of rubbers/plastics and metal inserts.

Specifically, after making it easy to separate rubbers from metals by crushing the waste materials, we remove large metal blocks using a magnetic separator. We then achieved the separation from rubber by repeating the crush and magnetic separation.

We also adopted a new system for desulfurization of composite materials, which enabled us to desulfurize composite products with large production volume and expand the recycling of rubber.



Production

Reducing Waste and Materials Discarded

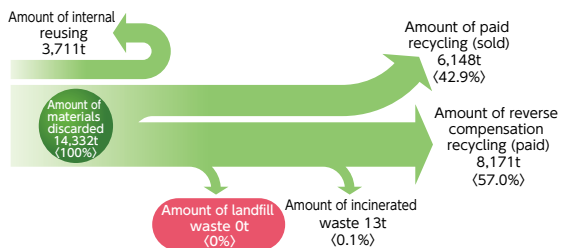
We are promoting 3 reduction activities, namely, 'landfill waste', 'incinerated waste', and 'discarded materials' as part of our efforts to tackle resource recycling at our production bases.

Our goal of 'zero direct landfill waste' was first achieved in December, 2002, and has been maintained continuously through to fiscal 2010.

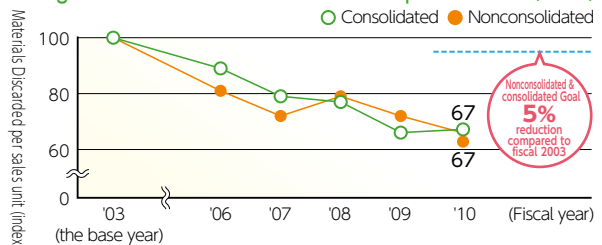
As for reductions in discarded materials, we have been desulfurizing rubber products containing metal inserts and expanding our efforts to re-make pellets from discarded resin. These measures helped us to significantly reduce the volume of discarded materials per sales unit to levels that are approximately 36% less than fiscal 2003 figures.

Amount of Waste Generated / Waste Disposal Situation

(Results for fiscal 2010) Numbers inside () are proportions of the emissions

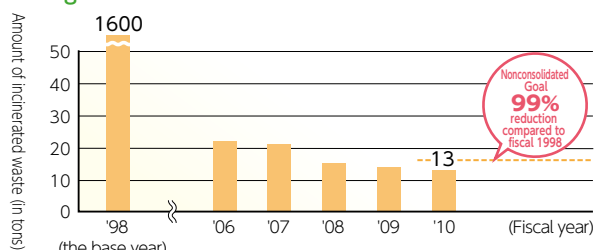


Changes in Amount of Materials Discarded per sales unit (index)



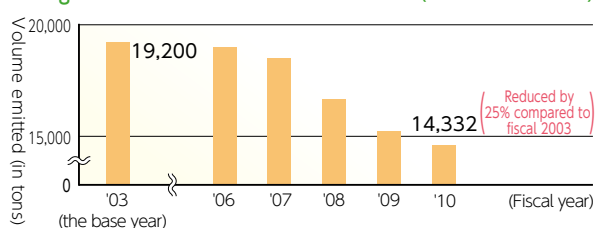
*Materials discarded per sales unit takes the figure for materials discarded in fiscal 2003 as 100.

Changes in Amount of Incinerated Waste



*Figures are converted into annual values at the end of the fiscal year.

Changes in Amount of Materials Discarded (Nonconsolidated)



CASE STUDY

Production

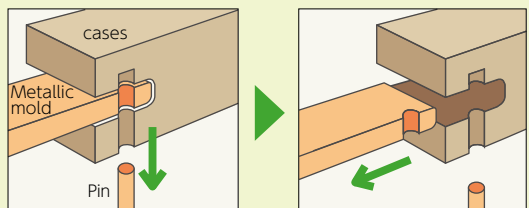
Reducing defects of smart phone cases

In the chassis structure of a smart phone, we reduced defects by performing the process of making a hole in the bottom of a rear cover that connects the chassis with a metallic molding.

The complicated chassis usually requires the post-process of making a pin hole after molding. However, we were able to eliminate the post-process by adopting 2-phase slide-type metallic molding. This enabled us to reduce the occurrence of defects caused by scratches and dirt on the surface, which used to occur during the conventional post-processing, by 20%, leading to improvement of productivity.



Smart phone cases [Xperia™]



① The pin is removed

② Metallic mold comes off after

Logistics

Promoting proper management of returnable containers*1

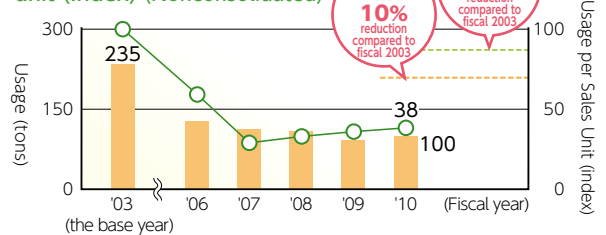
We have vigorously reduced the usage of disposable packaging materials used in the returnable cases for transporting products by preventing returnable containers from getting dirty.

In addition to the cleansing of returnable containers and cleaning at all plants, we installed an exclusive washing and drying machine at the Miyoshi Distribution Center and prevented the returnable containers used by our partners from getting dirt. These efforts enabled us to reduce the disposable packaging materials such as dirt-preventing paper placed on the bottom of the boxes. Our company sets a challenging goal every year and aim to completely eliminate the disposable packaging materials as the ultimate goal.

Also, we have made the water used by the washing and drying machine at the Miyoshi Distribution Center recyclable so that we can reuse the water and control the amount of water discharge.

*1 Boxes used repeatedly for transportation of parts and products

Changes in Use of Product Packaging Materials and Usage per sales unit (Index) (Nonconsolidated)



*Usage per sales unit (index) shown takes the figure from fiscal 2003 as 100.

*Applicability: Delivery, mid-process, and procurement logistics

Environmentally Harmful Substances

To respond adequately to increasingly stringent global regulations pertaining to environmentally harmful substances, we are reexamining materials we use throughout our manufacturing processes.

Development / Design

Reduction of environmentally harmful substances and our global response

As a global corporation, our company strives to obtain information on regulations of each country and respond to various regulations in cooperation with overseas affiliates. The regulations for environmentally harmful substances are increasing every year and the number of countries that set new regulations is also increasing.

In such circumstances, we properly responded to the regulations

and legal changes implemented by the EU (European Union) and other countries such as China. We are also proceeding with preparations to respond to tightening of regulations in the future and preparing to establish a global management system for environmentally harmful substances.

In response to the voluntary control of the Japan Automobile Manufacturers Association, we are tackling vehicle interior VOC*2 reduction and adopting non-VOC adhesives and water-based paints for interior parts of adhesives as we continue with our review of the materials we use throughout our manufacturing processes.

*2 Volatile Organic Compounds

Efforts to Reduce Environmentally Hazardous Substances

Division	Key countermeasure substances (Applications)	Situation of countermeasure
Response to legal controls	Lead compounds (Rubber vulcanizing agent) (PVC*3 stabilizer and lubricant) (Vulcanizing adhesive) (Cation electro-coated paint) (Soldering)	'98 Totally eliminated
		'01 Totally eliminated
		'02 Totally eliminated
		'04 Totally eliminated
		Lead free soldering has been applied to new parts
	Hexavalent chromium	'07 Totally eliminated
Response to voluntary control	PVC	Reduced usage
	Environmental hormones (endocrine-disrupting chemicals)	Banned use in new products
	VOCs in vehicle interiors (Paints and Adhesives)	Responded to clients' voluntary controls

*3 Polyvinyl Chloride

Production

Reduction of environmentally harmful substances in the production process and dig-up of improvement themes through 'Genchi' and 'Genbutsu' (actual locations and actual materials)

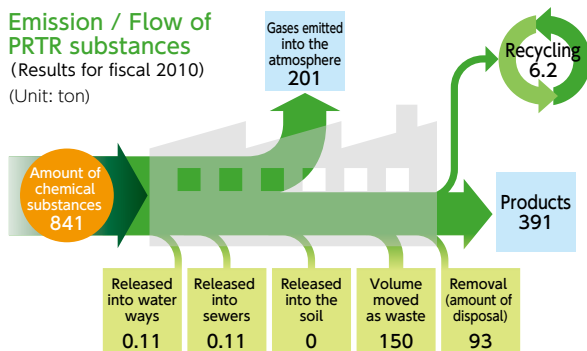
We have been reducing environmentally harmful substances in the production process such as the PRTR*4 and VOC substances toluene and xylene by reducing the amount of washing thinners used and using less paint for glass runs. We also exchange information and introduce good examples among business units principally at the VOC Reduction Working Group, a sub-organization of the Production Environment Subcommittee, with the purpose of reducing environmentally harmful substances.

In fiscal 2010, the members of this Working Group actually checked the operations at production sites and found improvement themes and ideas for the reduction of environmentally harmful substances in order to formulate the Fifth Environmental Action Plan.

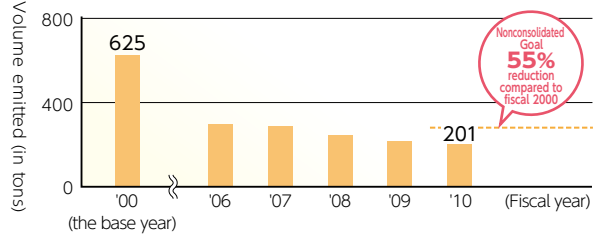
The examples of our efforts to reduce VOC also appeared in the publication of Aichi Prefecture for business operators within the prefecture.

*4 Pollutant Release and Transfer Register

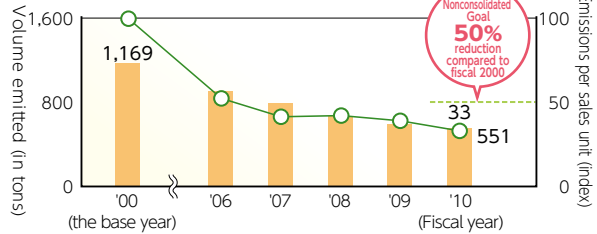
Emission / Flow of PRTR substances (Results for fiscal 2010) (Unit: ton)



Changes of PRTR Substances Emitted (Nonconsolidated)



Changes of VOC Emissions/Emissions per sales unit (Index) (Nonconsolidated)



*VOC Emissions per sales unit (Index) takes the figure for VOC emissions in fiscal 2000 as 100

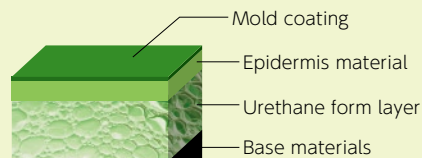
CASE STUDY

Production

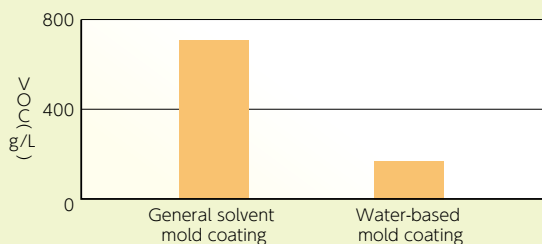
Making surface mold coating of instrument panel water-based

Our company adopts water-based emulsion-type mold coating that contains almost no VOC to control the use of VOC.

Although we use a urethane material for the epidermis and form of a vehicle's instrument panel, we apply coating treatment to the epidermal side with mold coating to prevent deterioration and improve light resistance. While lacquer that contains VOC is often used for mold coating, we only use water-based lacquer for the products that apply mold coating to newly-ordered instrument panels.



▲Cross-sectional diagram of instrument panel epidermis



Environmental management

The entire Toyota Gosei Group cooperates together to promote thorough environmental management and to reduce our environmental impact.

Enhancing environmental education at Toyota Gosei Group

The entire Toyota Gosei Group makes the concerted efforts to proactively promote environmental management and activities to reduce our environmental impact. We have been collecting environmental data from each group company, starting with domestic affiliated companies in fiscal year 2001 and overseas affiliated companies in fiscal year 2004, set the Group's goals by fiscal 2010 based on its environmental data (CO₂ emissions, volume of waste) and put our plans into practice step by step. As a result, we were able to achieve our goals. Furthermore, in order to achieve the Fifth Environmental Action Plan, we are drawing our plans and promoting various activities.

Subjects to Consolidated Efforts for Environmental Conservation

Toyota Gosei	<ul style="list-style-type: none"> ● Haruhi Plant ● Nishimizoguchi Plant ● Iwate Plant ● Seto Plant ● Inazawa Plant ● Bisai Plant ● Kitakyusyu Plant ● Saga Plant ● Morimachi Plant ● Heiwacho Plant ● Kanagawa Plant ● Fukuoka Plant
Domestic Affiliates	<ul style="list-style-type: none"> ● Ichie Kogyo Co., Ltd. ● Toyoda Gosei Interior Manufacturing Co., Ltd. ● Kaiyo Gomu Co., Ltd. ● Hoshin Gosei Co., Ltd. ● Hinode Gomu Kogyo Co., Ltd. ● TG Opseed Co., Ltd.
Overseas Affiliates	<ul style="list-style-type: none"> ■ North America <ul style="list-style-type: none"> ● TG Missouri Corporation ● TG Kentucky, LLC ● TG Automotive Sealing Kentucky, LLC ● TG Fluid Systems USA Corporation ● Toyoda Gosei Texas, LLC ● TAPEX Mexicana S.A. DE C.V. ● Waterville TG Inc. ● TG Minto Corporation ● Toyoda Gosei Automotive Sealing Mexico S.A DE C.V. ■ Asia and Oceania <ul style="list-style-type: none"> ● Toyoda Gosei (Thailand) Co., Ltd. ● Toyoda Gosei Rubber (Thailand) Co., Ltd. ● Toyoda Gosei Haiphong Co., Ltd. ● TG Kirloskar Automotive Pvt. Ltd. ● P. T. Toyoda Gosei Safety Systems Indonesia ● Fong Yue Co.,Ltd. ● Tai-yue Rubber Industrial Co.,Ltd. ● Toyoda Gosei Australia (Pty) Ltd. ● Tianjin Toyoda Gosei Co., Ltd. ● Tianjin Star Light Rubber and Plastic Co., Ltd. ● Toyoda Gosei (Zhangjiagang) Co.,Ltd. ● Toyoda Gosei (Zhangjiagang) Plastic Parts Co.,Ltd. ● Toyoda Gosei (Foshan) Rubber Parts Co., Ltd. ● Toyoda Gosei (Foshan) Auto Parts Co., Ltd. ● Fuzhou Fu-Yue Rubber & Plastic Industrial Co., Ltd. ● Toyoda Gosei (Tianjin) Precise Plastic Co., Ltd. ■ Europe and Africa <ul style="list-style-type: none"> ● Toyoda Gosei UK Ltd. ● Toyoda Gosei Czech, s.r.o. ● Toyoda Gosei South Africa (Pty) Ltd.

● Acquired ISO14001 certification
 New companies and main plants are encouraged to acquire ISO14001 certification within three years of starting operations

Implementation of Environmental Audits

Toyota Gosei implements internal environmental audits by forming audit teams comprising members of plants that are not subject to the audits. The Toyota Gosei Group also commissions the Japan Quality Assurance Organization (JQA), an external assessment and registration organization, to review whether our environmental management systems are being properly implemented in accordance with the ISO14001 (revised fiscal year 2004 version). In fiscal 2010, no issues were indicated at either Toyota Gosei or any of its associates, and it was demonstrated that management is being conducted appropriately.



External environmental auditing at Morimachi Plant



Internal environmental auditing at Hinode Gomu Kogyo Co., Ltd.

Establishment of environmental management system at overseas affiliated company

Our company formulates a 'Global EMS' (Environmental Management System) to unify domestic and foreign environmental management levels. We then steadily improve environmental management systems of our overseas affiliates, share information and manage legal compliance. Since fiscal year 2009, we have been conducting a survey of the local situation at our Chinese production sites, extracting environmental issues and exchanging ideas with various site managers to strengthen the environmental management system in China, where environmental laws and regulations are being tightened and enforced in particular. As part of our efforts to strengthen the management system, we also started to implement activities in Chinese regions aimed at environmental controls from fiscal 2010.

Promoting environmental education at Toyoda Gosei Group

We provide environmental education for Toyoda Gosei Group employees concerning environmental problems such as the destruction of our natural environment and environmental contamination, impact of production on the environment, and observance of environmental laws.

Environmental Education System of the Toyoda Gosei Group

Targeted person	Toyoda Gosei	Affiliate Companies	
		Japan	Overseas
Company-wide commonness	Education for new managers		
	Education for workers stationed abroad		
	Education for environmental key-men		
	Environmental related qualifications acquisition		
	Education for new employees		
	Educational activities for environmentally-focused months		
In relation of ISO 14001	Education for environmental staffs		
	Education to upgrade internal auditors		
	Education to register internal auditors		
	Education for supervising managers		
	Education for workers in environmental significant work		
	Education for general workers		

Developing environmental educational activities

As an educational activity to heighten environmental awareness, we carry out activities focusing on participation-based approaches to ensure that each one of our employees can have firm environmental awareness.

Improving environmental awareness of each employee through full participation

In fiscal 2010, we made further efforts to educate our employees not only by implementing on-site compliance inspections and displaying posters to coincide with the environmentally-focused month of June but also by featuring articles that enhance environmental awareness or information on environment in our newsletters.



Our newsletter

In fiscal 2010 again, we implemented 'Eco declaration'. All employees made their own 'Eco Declaration' taking into account 'eco-life' and 'eco-work' and evaluated their own performance. Ten employees who made 'eco' declarations that were particularly beneficial to the environment and had potential for lateral deployment received the award of 'Declaration of Eco Excellence'. Simultaneously, we invited ideas for our company's original environmental posters and environmental character from all employees and determined 4 'Excellent Awards' for our environmental posters and 1 'Best Award' for our environmental character. The environmental posters were posted in the venues during the COP10 held in Nagoya City and in the company to coincide with Energy Saving Month. The environmental character appeared in our company's newsletters, etc. as an introducer of eco activities to visually appeal the importance of environmental awareness. Besides, 14 employees took the Eco Certification exam which is held in July every year.



Environmental character Eco-gaeru (Eco frog)



Environmental posters

Declarations from the gold prize 'Eco' declaration winner

In performing the trial, I will never fail to stop a hydraulic pump of the molding machine during the time when molding is not necessary. Also, I will promptly contact an administrator in the event of oil leakage.

Declarations from the silver and bronze prize 'Eco' declaration winners are posted on the bottoms of pages 32 through 40.

Further promoting our environmental efforts through eco activities and month of energy saving

Except during the environmentally-focused month, we also ran the "Eco Activities Boosting Campaign" for three months from October to December and recruited eco ideas from our employees. Among the 483 ideas collected from 3 blocks of Manufacturing, Technology and Administration, we determined 3 excellent ideas from each block and awarded the workplace with the highest rate of eco ideas as an excellent workplace.

In February that coincides to the energy saving month advocated by the Ministry of Economy, Trade and Industry, we carried out thorough elimination of wastes at all sites by conducting the survey on actual energy-saving status and forming a "waste-eliminating plant squad". We also invited proposals for energy saving from our employees, selected effective proposals for lateral deployment across the company and awarded them as excellent proposals.

Efforts of the Domestic and Overseas Affiliated Companies

Hinode Gomu Kogyo Co., Ltd.

Promoting environmental conservation by setting strict level of voluntary regulation

Hinode Gomu Kogyo Co., Ltd. that manufactures, processes and sells automotive rubber parts has concluded a resident agreement with the City of Yokkaichi to set voluntary regulations on water quality, air and noise stricter than the standard levels set by the city and prefecture and routinely report the results of our efforts to the city.

As part of 530 (zero waste) activities from both aspects of environmental conservation and social contribution, we implement cleaning activities around our plants once in 3 months and our employees voluntarily participate in cleaning and trash-picking each time. In the production process, we also promote use of exhaust heat by introducing a cogeneration system. We also focus our efforts on measures for noise control within our plants and are effectively controlling noise by developing a technology that can lessen slip resistance with a mold's new surface treatment. Our special sections 'restore' molds not used for a long time to maintain the product quality and promote the reduction of waste. In the mold-based incidental facilities, additional installment of a changeover valve to a cold water circulator enabled us to stop the pump while cooling the mold, contributing to the energy-saving effect of about 32 ton CO₂ annually.



Hinode Gomu Kogyo Co.,Ltd.



530(zero waste) activities

DATA

- Location: Yamada-machi, Yokkaichi City, Mie
- Established: June 1927
- Business details: Manufacturing, processing and sales of automotive rubber parts
- ISO14001 certification acquired: December 2002
- ISO9001 certification acquired: December 2004
- Capital: 473.6 million yen
- OSHMS certification acquired: April 2008

Toyoda Gosei(Foshan) Auto Parts Co., Ltd.

Receiving high acclaim for energy-saving efforts

Located in the Wusha Section of Foshan City, southeast of Guangdong Province in the south of China, Toyoda Gosei (Foshan) Auto Parts Co., Ltd. (TGP) focuses its energy saving activities on electricity in response to the domestic condition of sufficient power supply. Because molding and coating require a large amount of electricity, we are producing our products with 17% reduction of power usage, which is below our target of 15% reduction, through invention and thorough management of facilities such as installment of an inverter to a molding motor. We also made it possible to resin materials, which used to be difficult, and increased the recycling rate from 70% to 81% by proactively working on recycling of resins and adding a regenerator. The improvement in coating efficiency reduced the usage of VOC*-containing solvents by 16%. These environmental activities have received high acclaim on the spot, attracting high interest especially in our efforts for energy conservation. As a result, our company has been recognized as an excellent company for promotion of energy conservation and prevention of environmental contamination, and many corporate representatives and government officials have visited our facilities. Our good cooperative relationships with employees also received the Award for Excellent Labor-Management Relationship Model Company from the local city and our labor-management policy and corporate culture were introduced through TV and newspapers. Since being commended of our proactive participation in the local sports festival, we have been also focusing on interactions with communities and support of sports promotion within the company.

*Volatile Organic Compounds



Toyoda Gosei(Foshan) Auto Parts Co., Ltd.



Plant tour



Cleaning around plant

Received the Award for Excellent Labor-Management Relationship Model Company from Foshan City

DATA

- Location: Shunde, Foshan City, Guangdong Province, 528333, China
- Established: October 2004
- Business details: Manufacturing of interior & exterior parts
- ISO14001 certification acquired: April 2008
- Capital: 1,560,000 Chinese yuan

Promote the popularization of LED products, for which high expectations are held as an environmentally-friendly product.

LED products are extremely environmentally-friendly, having low power consumption, long-lasting performance and curtailed CO₂ emissions, and are drawing attention in a variety of different fields. Toyoda Gosei conducts consistent development and production of LED products from chips to devices and strives to spread their popularity. We are expanding the application of LED products from products with a long period of use such as lighting equipment in plants and commercial facilities to products with a short period of use such as residential lighting equipment to improve the recognition of LED products.

Proposing LED lighting from stores and offices to general households

In fiscal 2010, we expanded the spread of LED lighting from stores and offices to individual houses and introduced our LED technological capabilities and products in various exhibitions.

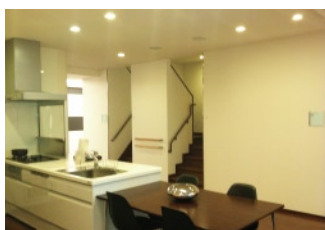
Our LED products were adopted for a new building of Denso Corporation's Tokyo Office. This is expected to reduce the annual power consumption by 36% for lighting and significantly cut the costs including electricity and expenses to replace bulbs. Our proposal to Toyota Housing Corporation to change the down lights in the 1st floor showroom of the Headquarters Building to LED lighting was also adopted. Compared to conventional halogen lighting, we were able to significantly reduce the power consumption by about 90%. For individuals, we proposed to change the lighting of newly-built homes of our employees all to LED and installed



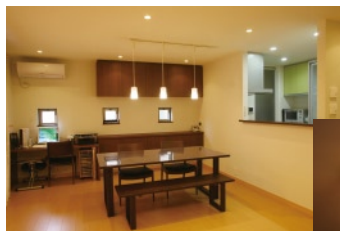
Tokyo Office Building of Denso Corporation



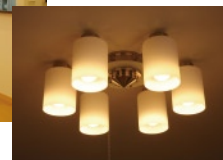
Sakae Showroom of Toyota Housing Corporation



LED lighting for monitoring. Considering the residential LED lighting, we adopted easy-to-exchange bulb-type lighting and ensured the brightness equal to fluorescent lamps. While the fluorescent lamps are slow to light up in low temperature during winter, LED lighting can instantly generate lights and ensure brightness, offering comfortable use. Also, because the cycle of exchanging bulbs is long, LED lighting can reduce the trouble of exchanging them and cut the power consumption by 40% compared to fluorescent lamps.



Individual home with LED lighting installed



Promoting the use of LED lighting in event exhibits and public facilities

Toyoda Gosei exhibited its products during the '3rd LED/OLED Lighting Technology Expo (LIGHTING JAPAN)', which was held in January 2011, as a component maker and displayed the effects and possibilities of LED lighting. We created the space that expressed how LED lighting is used in offices and homes in our booth so that visitors can experience the effects of LED lighting in a realistic situation.

In order to give people a broad understanding of advantages of LED lighting, we donated LED Security Lighting to Kiyosu, Inazawa and Ichinomiya cities as part of our regional contribution activities. Compared to normal Security Lighting, LED lighting can not only reduce power consumption and CO₂ emissions but also bring advantages to public facilities from both environmental and economic aspects since the cycle of exchanging bulbs is long.

Beyond such lighting equipment, the use of LED in various fields is expanding. We will strive to further spread our LED products by properly meeting the market needs and advancing necessary technological development.



LED security lights

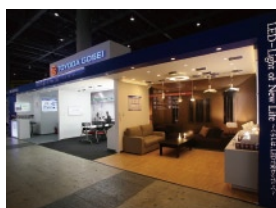


Exhibit during Lighting Japan



Spreading activities for 'Afforestation Project of our plants' to domestic and overseas bases

With the 60th anniversary of its foundation in 2009 as a start, Toyota Gosei began the activities for 'Afforestation Project of our plants'. Our activities for protection of biodiversity and prevention of global warming aim to create the environment where humans and nature can coexist with the communities through planting of approximately 600,000 trees in about 60 domestic and overseas bases. These activities are based on ① promotion of plant greening, ② enhancement of our employees' environmental awareness (eco mind) and fostering of a sense of solidarity through full participation, and ③ integration with the communities by working together with regional people as 3 pillars. We are advancing 'true afforestation' which allows us to cultivate the trees that match the nature environment in the community from seedlings and restore the natural forest.

Following our Heiwacho Plant in fiscal year 2009, we implemented tree-planting events at 4 bases; Bisai Plant and Miyoshi Distribution Center in our domestic bases and TG Thailand and Tianjin TG in our overseas bases. The number of trees planted amounted to about 80,000 trees and a total of about 10,000 people participated in the tree-planting. We also incorporated various event elements so that people in the community are easy to participate and enjoy the tree-planting. For our bases that are scheduled to plant trees in near future, we are making preparations based on the procedures manual that summarizes our accumulated know-how from soil making to tree-planting.



Tree-planting event at Bisai Plant



Tree-planting event at Miyoshi Distribution Center



Tree-planting event at TG Thailand



Tree-planting event at Tianjin TG

In addition, we continue to record the growing situation of trees in the tree-planted bases through fixed-point observation and manage each base, while our employees are involved in weeding.



At the time of tree-planting at Heiwacho Plant (November 2009)



February 2011

Disclosing environmental cost information

For our environmental costs in fiscal 2010, we focused on Afforestation Project of our plants, research & development, remaking pellets from resin material and reduction of greenhouse gasses. Economic results included the reduction in waste disposal costs resulting from recycling and measures to counter waste material sources, as well as the reduction in electricity costs through improved efficiency in utility equipment.

Environmental Cost

(Unit: billion yen)

Type of cost	Toyota Gosei	Total of domestic affiliated companies
Cost for research and development ^{*1}	7.7	—
Cost incurred within the operational area ^{*2}	21.0	1.3
Cost for management activities ^{*3}	1.0	0.3
Cost for social contributions ^{*4}	1.1	0.1
Cost for dealing with environmental damage ^{*5}	0	0
Total	30.8	1.7

*1 Cost for research and development of products to reduce environmental impacts.

*2 Cost to reduce environmental impacts generated in production, such as pollution control, energy saving, and waste disposal.

*3 Cost for management, including education, maintenance of the environmental management system, and measurement.

*4 Cost for such measures as forestation and beautification.

*5 Cost for dealing with environmental damage caused by business operations.

Effects

(Unit: billion yen)

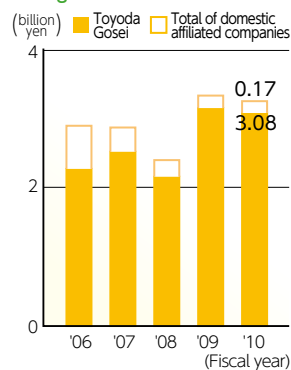
Type of effect	Economic effects ^{*6}	
	Toyota Gosei	Total of domestic affiliated companies
Energy cost	2.8	0.3
Cost for waste processing	3.9	0.7
Total	6.7	1.0

Type of effect	Physical effects ^{*7}
Prevention of global warming (amount of CO ₂ reduced)	9,026t-CO ₂
Reduction of waste disposal (amount of waste reduced)	1,886t
Legal Compliance Activity	on P40

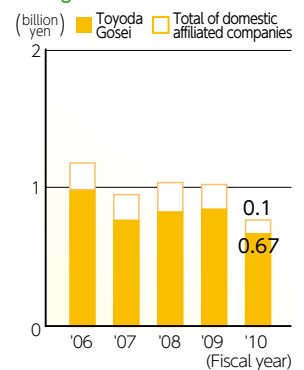
*6 The economic effect calculated here covers that which can be grasped based on solid ground.

*7 Physical effects are calculated for Toyota Gosei alone.

Changes in Environmental Cost



Changes in Economic Effect



Legal Compliance Activity

In order to observe the laws and regulations while promoting corporate activities, we have put a strict survey and check management system in place.

Strengthened management through activities promoting 'Zero Cases of Non-compliance and Complaints'.

We are working on activities promoting 'Zero Cases of Non-compliance and Complaints' at Toyoda Gosei Group to ensure thorough compliance. In fiscal 2010, we independently analyzed 6 incidents from other companies. We then inspected our equipment similar to any involved in the other companies' incidents and implemented measures beforehand to ensure that no comparable incidents would occur at our company.

Proper disposal and storage of equipment containing PCB

We stringently store used electrical condensers and fluorescent stabilizers that contain harmful and recalcitrant PCB (polychlorinated biphenyl) and have disposed of 65 such devices so far.

Equipment containing PCB	Number of equipments	Situation of countermeasure
Condensers for electricity use	—	Properly disposed at the Toyota Office of the Japan Environmental Safety Corporation in fiscal 2006 (65 units)
Fluorescent stabilizers	Approx. 1200	Appropriately stored (properly disposed sequentially when PCB disposing facility is fully-equipped)

* As is the case with PCB wastes, we stringently store high-voltage transformers that were confirmed to have contamination with low-level PCB.

Conserving Soil & Groundwater

We are taking actions to monitor and purify soil/groundwater contamination by toxic substances such as trichloroethylene used as a cleaner in the past.

We also installed observation wells at all plants to routinely check that there is no soil or groundwater contamination from oil or other substances targeted by the Soil Pollution Countermeasures Law.

Plants	Objects	Situation of countermeasure
The former Nagoya Plant	Soil	After the excavation removal, purified soil was backfilled and completed in 2006.
	Groundwater	Completed purification measures in August 2010
Haruhi Plant	Groundwater	Purification in progress (proactively purifying while the possibilities of off-site pollutions found)
Inazawa Plant	Groundwater	Since the material without our use records was detected in the past, only measurement result is reported regularly to the government.

Please refer to our website for the details on our environmental data. <http://www.toyoda-gosei.co.jp/csr/kankyoku/houkoku.html>

Independent opinion



Mitsuru Sano
Professor, Graduate School of Environmental Studies, Nagoya University

I think the main purpose of this report by Toyoda Gosei is to report how the company is contributing to society and being involved in society through its primary polymer technology. I will offer my third-party opinions from such perspectives.

I recognize that a wide range of approaches have been taken to make automobiles safer and lighter through development and mass production of super-light/small airbag modules and plastic filler pipes. I also see the company's willingness and attitude to sincerely contribute to society through its main business. The examples include development of LED products, establishment of desulfurization/regeneration processes of rubber products by in-house monitoring or recycling design, reduction of greenhouse gasses by replacing HFC with alternative gasses, efforts for 'kaizen' and the formulation of the Fifth Environmental Action Plan. In addition, Toyoda Gosei prepares the social and environmental report and annual report that include chapters for each stakeholder to convey its activities in an easy-to-understand manner.

As future challenges, I expect that Toyoda Gosei should place characteristics of its main business more clearly in the basic environmental policy to clearly position its contribution to society through the main business and combine 'kaizen' with 'MFCA*', a method to analyze manufacturing processes. I also expect the company to include episodes behind the development of its products to convey thoughts and ideas of the developers in the report. I'm sure such report will further inspire and attract readers.

*Material Flow Cost Accounting

Analysis on management results

The world economy in the current period is on a recovery trend as business activities of emerging countries continue to expand and business conditions in Europe and the US are supported by stimulus packages. However, because of rising crude oil prices triggered by growing tension in the Middle East and North African countries and other factors, economic uncertainty still continues.

As for the domestic economy which had shown a sign of recovery, the recession is now inevitable due to the effects of a downturn in consumer confidence caused by the Great East Japan Earthquake in addition to slowdown of exports resulting from appreciation of the yen.

In the automotive industry, too, although the auto production had been recovering mainly in emerging markets, the industry was greatly affected by the effects of the Earthquake after mid March as all automakers shut down or cut back the production despite of a rush demand in the Japanese market in association with the end of subsidies for eco cars.

In the LED industry, while the sales for personal computers and lighting are increasing due to growing needs for resource saving, the competition for higher brightness and lower cost has been increasingly severe.

In such circumstances, we, Toyoda Gosei Group, have been striving not only to 'strengthen a profit-making corporate culture' as activities to forge solid footing but also to 'enrich our production system' and 'strengthen technological development capabilities' mainly in overseas and optoelectronics businesses toward future growth.

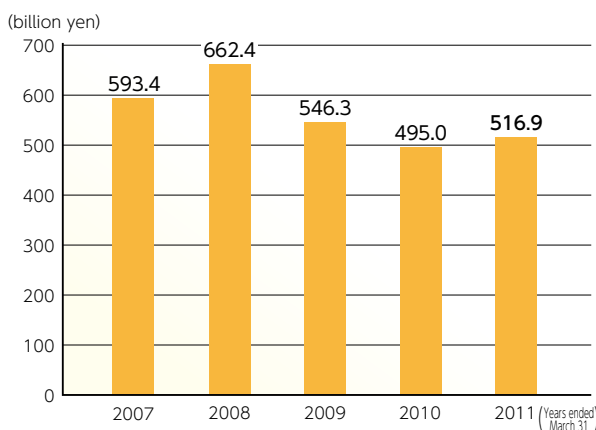
In order to 'strengthen a profit-making corporate culture',

we continued to reduce the total cost by taking priority-based approaches for expenses, R&D expenses and capital investment through the activities of the 'Profit Recovery Committee', aiming to create a corporate structure that can ensure profits even at the time of low operation. Furthermore, we are advancing development of new products that incorporate the ideas of cost reduction for development and production technologies from the initial phase in addition to our activities to make new products better and less expensive in order to provide reasonable prices to our clients globally.

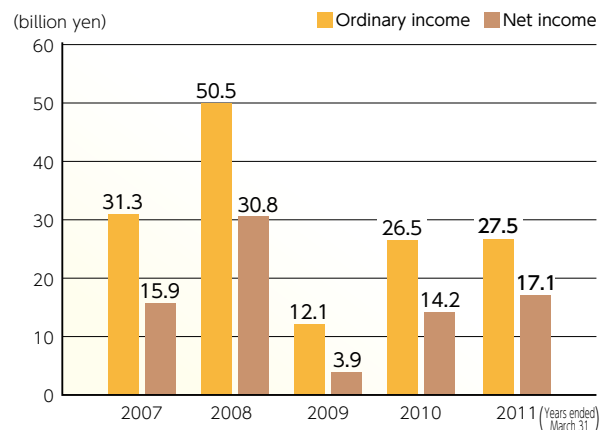
As for 'enriching our production system', in our overseas automotive parts business, we are not only preparing the production of interior and exterior parts at our new plant in Wales, UK but also resuming the preparation for production in the Mississippi plant in the US. We also boosted our production capacity for body sealing products in the Indian market with great growth potential and for resin plate products in our Chinese bases. Meanwhile, the Miyoshi Distribution Center began its full-scale operation, aiming to achieve significantly efficient distribution. In the optoelectronics business, the operation of integrated production line for LED products began at our Saga Plant in Kyushu. In Taiwan, we established a joint venture, TE Opto Corporation, to take advantages of our company's technological capabilities and the production capacity of Epistar Corporation for expanded sales of our products in Asian countries.

As for 'strengthening of technological development capabilities', we set 'safety, environment and resource saving' as focus of our development and strived to develop new product that lead the industry in each field. We developed and mass produced a 'new generation-type small/super light airbag module for driver's seat' in safety system products. In body sealing products, we evolved the technology to regenerate rubber materials and increased the recycling rate of rubber materials by 2.5 times over the previous year.

Net sales



Ordinary income / Net income



As for our 'plastic fuel filler pipe' that we first mass produced in Japan, we also developed the much lighter type and mass produce it. In our optoelectronics business, we developed products that are much brighter and consume less power to meet growing needs for tablet-type information devices and LED lighting bulbs in particular and put them into markets, while continuously expanding our product lineup.

As a result, despite of the effects of the Earthquake on our main automotive parts business, overall net sales in the current period grew to 516.9 billion yen (4.4% increase over the previous period) thanks to relatively strong automotive sales in the first half of the year and increased revenue in our optoelectronics business due to rapid expansion of tablet-type information device market.

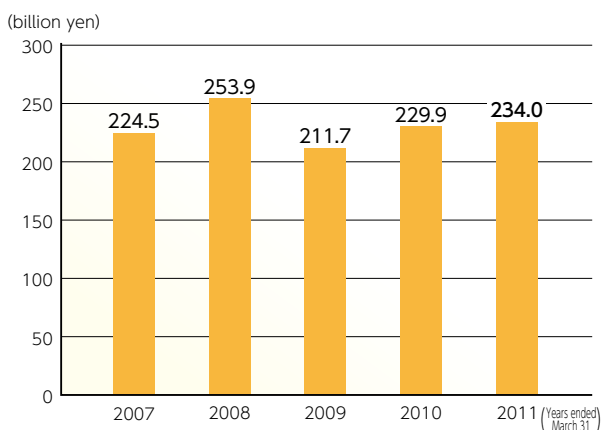
The increased sales in our optoelectronics business together with the increased sales in the automotive parts business and cost reduction across our group boosted overall ordinary income to 27.5 billion yen (3.7% increase over the previous period). Net income came to 17.1 billion yen (20.1% increase over the previous period), achieving the increase in revenue.

Analysis on financial condition

Status of assets, liabilities and total net assets

Total assets in the current period dropped to 416.5 billion yen, a decrease of 17.7 billion yen over the end of previous period due to the decrease in receivables and return of bank loans. Liabilities also dropped to 182.4 billion yen, a decrease of 21.9 billion yen, due to the return of bank loans and decrease in accounts payable.

Total net assets



Total net assets came to 234 billion yen, an increase of 4.1 billion yen over the end of previous period, mainly due to the increase in retained earnings.

Status of cash flows

Cash and cash equivalents (hereinafter, 'funds') in the end of the current period came to 54.3 billion yen, a decrease of 13.1 billion yen over the end of the previous period's figure of 67.4 billion yen. The status of each cash flow in the current period and related factors are described below.

● Cash flows from operating activities

The funds acquired from operating activities included 27.1 billion yen of income before income taxes and minority interests and 44.4 billion yen of depreciation and amortization. However, due to posting of 11.0 billion yen of income taxes paid and an increase of 7 billion yen in inventories, total funds acquired from operating activities decreased by 5.6 billion yen over the previous period's figure of 68.1 billion yen.

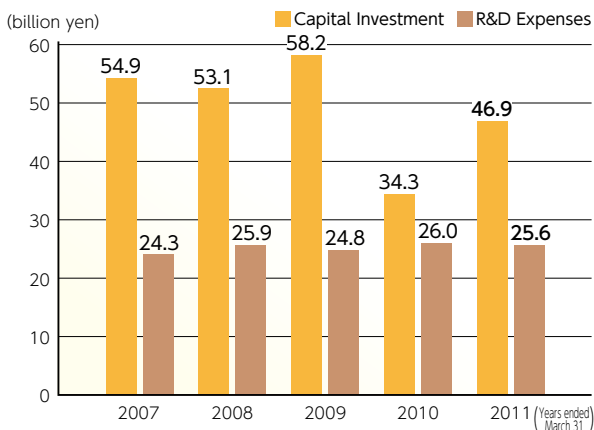
● Cash flows from investing activities

Due to capital investment for switch to new products and boosting of production capacity, the funds spent for investing activities came to 52.5 billion yen, an increase of 16 billion yen over the previous period's figure of 36.5 billion yen.

● Cash flows from financing activities

Due to the return of long-term bank loans and payment of dividends, the funds spend for financing activities came to 18.7 billion yen, an increase of 11.3 billion yen over the previous period's figure of 7.4 billion yen.

Capital Investment / R&D Expenses



Consolidated Five-Year Financial Summary

Toyoda Gosei Co., Ltd. and its Consolidated Subsidiaries
Years ended March 31

(Amount: millions of yen)
(Rounded down to the nearest million yen)

	2011	2010	2009	2008	2007
For The Year					
Net Sales	¥516,982	¥495,002	¥546,380	¥662,497	¥593,454
Operating income	29,952	26,202	15,833	52,125	31,550
Ordinary Income	27,549	26,574	12,155	50,541	31,347
Net Income	17,116	14,255	3,951	30,802	15,943
Overseas sales	¥242,158	¥233,425	¥242,893	¥279,701	¥252,707
Depreciation and amortization	44,481	43,007	41,258	40,309	36,829
Capital expenditures	47,832	35,190	59,429	54,612	55,690
R&D expenses	25,617	26,066	24,837	25,989	24,321
Per share of common stock (yen, U.S. dollars)					
Net Income per share - basic	¥132.27	¥110.19	¥30.55	¥238.61	¥123.78
Net income per share - diluted	132.27	110.17	30.55	237.97	123.63
Total net assets per share	1,680.96	1,650.90	1,523.16	1,781.08	1,591.52
Cash Dividends per share	36	36	36	46	26
At Year-End					
Total assets	¥416,562	¥434,344	¥391,757	¥476,741	¥459,087
Total net assets	234,074	229,915	211,702	253,961	224,551
Capital stock	28,027	28,027	28,027	28,027	28,027
Number of shares outstanding (excluding treasury stock) (thousands of shares)	129,407	129,399	129,334	129,307	128,826
Cash Flows					
Net cash provided by operating income	¥62,586	¥68,199	¥47,843	¥75,229	¥67,325
Net cash used in investing activities	(52,579)	(36,574)	(55,945)	(55,291)	(52,963)
Net cash provided by (used in) financing activities	(18,785)	(7,426)	5,604	(20,742)	9,307
Cash and cash equivalents at end of year	54,326	67,490	42,701	53,372	55,970
Indices					
Return on equity (ROE) (%)	7.9	6.9	1.8	14.2	8.1
Return on assets (ROA) (%)	6.5	6.4	2.8	10.8	7.4
Return on sales (ROS) (%)	5.8	5.3	2.9	7.9	5.3
Debt/equity ratio (%)	21.2%	27.7%	31.4%	22.5%	32.7%
Interest coverage (times)	35.7	24.2	13.0	24.1	13.7
EBITDA (millions of yen, thousands of U.S. dollars)	71,878	67,652	50,668	89,493	67,687
Number of employees at year-end	26,964	26,084	25,792	27,036	23,925

Note 1. Net income per share, ROE and ROA are computed based on the average number of shares, total net assets and total assets, respectively, for each consolidated fiscal year.
 Note 2. Debt/equity ratio = Interest-bearing debt / Total net assets
 Note 3. Interest coverage = (Operating income + Interest and dividend income) / Interest expenses
 Note 4. EBITDA = Income before income taxes + Interest expenses - Interest and dividends income + Depreciation and amortization

Consolidated Balance Sheets



Toyota Gosei Co., Ltd. and its Consolidated Subsidiaries
March 31 2011 and 2010

ASSETS	(Amount: millions of yen) (Rounded down to the nearest million yen)	
	2011	2010
Current assets		
Cash and cash equivalents	56,586	64,960
Trade notes and accounts receivable	75,998	88,415
Short-term investments	—	2,822
Goods and products	11,214	9,386
Work-in-process	8,547	7,058
Raw materials and stored goods	12,943	10,220
Deferred tax assets	3,776	5,766
Other current assets	14,344	10,001
Less - allowance for doubtful accounts	(118)	(94)
Total of current assets	¥183,293	¥198,537
Fixed assets		
Property, plant and equipment		
Buildings and structures	65,670	64,648
Machinery, equipment and vehicles	67,480	75,069
Tools, furniture and fixtures	22,050	25,233
Land	22,327	22,049
Construction in progress	13,732	7,456
Total of property, plant and equipment	191,261	194,457
Intangible assets		
Patent rights	48	97
Software	2,189	2,107
Goodwill	66	42
Other intangible assets	754	1,129
Total of intangible assets	3,059	3,377
Investments and other assets		
Investments in securities	24,178	23,041
prepaid pension expenses	—	65
Deferred tax assets	10,687	10,481
Other investments and other assets	4,256	4,465
Less - allowance for doubtful accounts	(175)	(82)
Total of investments and other assets	38,947	37,972
Total of fixed assets	¥233,268	¥235,807
Total of assets	¥416,562	¥434,344

LIABILITIES	(Amount: millions of yen) (Rounded down to the nearest million yen)	
	2011	2010
Current liabilities		
Trade notes and accounts payable	60,060	65,046
Short-term bank loans	4,871	8,982
Current portion of long-term loans payable	15,328	10,373
Accrued expenses	21,153	21,016
Accrued income taxes	2,308	5,430
Provision for directors' bonuses	225	314
Provision for product warranties	590	532
Deposits received from employees	4,490	4,492
Other current liabilities	14,349	14,667
Total of current liabilities	¥123,379	¥130,857
Long-term liabilities		
Bonds	10,000	10,000
Long-term bank loans	19,348	34,245
Provision for retirement benefits	25,361	23,733
Reserve for retirement benefits for directors and corporate auditors	1,602	1,925
Deferred tax liabilities	1,297	1,894
Other long-term liabilities	1,497	1,773
Total of long-term liabilities	¥59,107	¥73,572
Total of liabilities	¥182,487	¥204,429

NET ASSETS

Shareholders' equity	233,365	221,724
Capital stock	28,027	28,027
Capital surplus	29,844	29,844
Retained earnings	176,820	165,195
Treasury stock at cost	(1,326)	(1,343)
Accumulated other comprehensive income	(15,837)	(8,097)
Net unrealized gains or losses on other securities	3,796	4,603
Foreign currency translation adjustments	(19,634)	(12,700)
Subscription rights to shares	748	626
Minority interests in consolidated subsidiaries	15,798	15,662
Total net assets	¥234,074	¥229,915

Consolidated Statements of Income / Consolidated Statements of Changes in Net Assets



Toyoda Gosei Co., Ltd. and its Consolidated Subsidiaries
For the years ended March 31, 2011 and 2010

Consolidated Statements of Income

	(Amount: millions of yen) (Rounded down to the nearest million yen)		(Amount: millions of yen) (Rounded down to the nearest million yen)		
	2011	2010	2011	2010	
Net Sales	516,982	495,002	Extraordinary gains	148	32
Cost of sales	449,451	434,332	Reversal of Allowance for Bad Debts	12	4
Gross profit	67,530	60,669	Gain on reversal of subscription rights to shares	135	28
Selling, general and administrative expenses	37,577	34,467	Extraordinary losses	504	2,680
Operating income	29,952	26,202	Investments in securities	29	151
Non-operating income	3,777	5,189	Impairment loss on long-lived assets	—	2,527
Interest and dividends income	653	381	Effect of application of accounting for asset retirement obligations	351	—
Equity in net earnings of affiliates	1,202	878	Loss due to disaster	11	—
Other non-operating income	1,921	3,929	Loss on revision of retirement benefit plan	108	—
Non-operating expenses	6,181	4,817	Other extraordinary losses	4	0
Interest expenses	858	1,100	Income before income taxes and minority interests	27,192	23,926
Loss on retirement of fixed assets	793	775	Income taxes – current	6,253	8,862
Foreign exchange losses	3,263	1,417	Income taxes – deferred	1,609	(1,194)
Other non-operating expenses	1,265	1,524	Income before minority interests	19,329	—
Ordinary Income	27,549	26,574	Minority interests in consolidated subsidiaries	2,213	2,003
			Net Income	¥17,116	¥14,255

Consolidated Statements of Changes in Net Assets

Toyoda Gosei Co., Ltd. and its Consolidated Subsidiaries
For the year ended March 31, 2011 and 2010

(Amount: millions of yen)
(Rounded down to the nearest million yen)

	Capital stock					Accumulated other comprehensive income			Subscription rights to shares	Minority interests in consolidated subsidiaries	Total net assets
	Capital	Capital surplus	Retained earnings	Treasury stock at cost	Total shareholders' equity	Net unrealized gains or losses on other securities	Foreign currency translation adjustments	Total of accumulated other comprehensive income			
Balance at March 31, 2010	¥28,027	¥29,844	¥165,195	(¥1,343)	¥221,724	¥4,603	(¥12,700)	(¥8,097)	¥626	¥15,662	¥229,915
Changes of items during the consolidated fiscal year											
Dividends paid			(5,305)		(5,305)						(5,305)
Increase/Decrease due to the changes in accounting treatment of the affiliates accounted for under the equity method			8		8						8
Changes of items in dividends due to the increase of consolidated subsidiaries			(183)		(183)						(183)
Changes of items in dividends due to the changes in accounting term of consolidated subsidiaries			(11)		(11)						(11)
Net Income for the period			17,116		17,116						17,116
Repurchase of treasury stock				(1)	(1)						(1)
Disposal of treasury stock		0		17	17						17
Changes of items during the consolidated fiscal year for items other than shareholders' equity						(807)	(6,933)	(7,740)	122	135	(7,482)
Total of changes of items during the consolidated fiscal year	—	0	11,624	16	11,641	(807)	(6,933)	(7,740)	122	135	4,159
Balance at March 31, 2011	¥28,027	¥29,844	¥176,820	(¥1,326)	¥233,365	¥3,796	(¥19,634)	(¥15,837)	¥748	¥15,798	¥234,074

Consolidated Statements of Cash Flows



Toyoda Gosei Co., Ltd. and its Consolidated Subsidiaries
For the years ended March 31, 2011 and 2010

(Amount: millions of yen)
(Rounded down to the nearest million yen)

	2011	2010
Cash flows from operating activities		
Income before income taxes and minority interests	27,192	23,926
Depreciation and amortization	44,481	43,007
Impairment loss	—	2,527
Amortization of goodwill	54	52
Increase /Decrease in allowance for doubtful accounts	23	11
Increase /Decrease in provision for product warranties	73	(219)
Increase /Decrease in provision for retirement benefits	1,740	858
Increase /Decrease in prepaid pension expenses	65	1,465
Increase /Decrease in reserve for retirement benefits for directors and corporate auditors	(328)	362
Interest and dividends income	(653)	(381)
Interest expenses	858	1,100
Foreign exchange gain and loss	1,533	600
Equity in net earnings of affiliates	(1,202)	(878)
Investments in securities appraisal loss and sale profit and loss	29	151
Loss on sales or disposal of property, plant and equipment, net	739	651
Increase /Decrease in receivables	10,142	(33,347)
Increase /Decrease in inventories	(7,077)	3,537
Increase /Decrease in other current assets	(3,506)	(1,791)
Increase /Decrease in payables	(2,690)	26,169
Increase /Decrease in other current liabilities	1,629	(639)
Others, net	399	280
Subtotal	73,504	67,445
Interest and dividends income received	961	400
Interest expenses paid	(858)	(1,095)
Income taxes paid or received	(11,020)	1,448
Cash flows from operating activities	62,586	68,199
Cash flows from investing activities		
Payments for purchases of investment securities	(1,880)	(25)
Proceed from sales and redemption of investments in securities	28	173
Payment from the acquisition of the subsidiary company stocks	(5)	(209)
Payment for intangible assets and purchase of property, plant and equipment	(49,535)	(37,518)
Proceeds from sales of property, plant and equipment	739	920
Net Increase /Decrease in time deposits	(2,013)	—
Others, net	87	83
Cash flows from investing activities	(52,579)	(36,574)
Cash flows from financing activities		
Increase /Decrease in short-term loans payable	(5,108)	(6,114)
Proceeds from long-term loans	4,990	3,891
Repayments of long-term loans	(12,136)	(1,257)
Proceeds from payment by minority shareholders	49	35
Proceed from disposal of treasury stock	16	152
Payments for repurchase of treasury stock	(1)	(2)
Cash dividends paid	(5,302)	(3,362)
Cash dividends paid to minority shareholders	(1,151)	(619)
Others, net	(141)	(149)
Cash flows from financing activities	(18,785)	(7,426)
Translation adjustments of cash and cash equivalents	(2,686)	439
Net Increase /Decrease in cash and cash equivalents	(11,465)	24,637
Cash and cash equivalents at beginning of year	67,490	42,701
Amount of Increase /Decrease of cash and equivalent due to the changes in the consolidation scope	338	—
Amount of increase of cash and cash equivalent of beginning of period due to changes in the accounting period of consolidated subsidiaries	(2,037)	151
Cash and cash equivalents at end of year	¥54,326	¥67,490

Business Report

Management Report

Social Report

Environmental Report

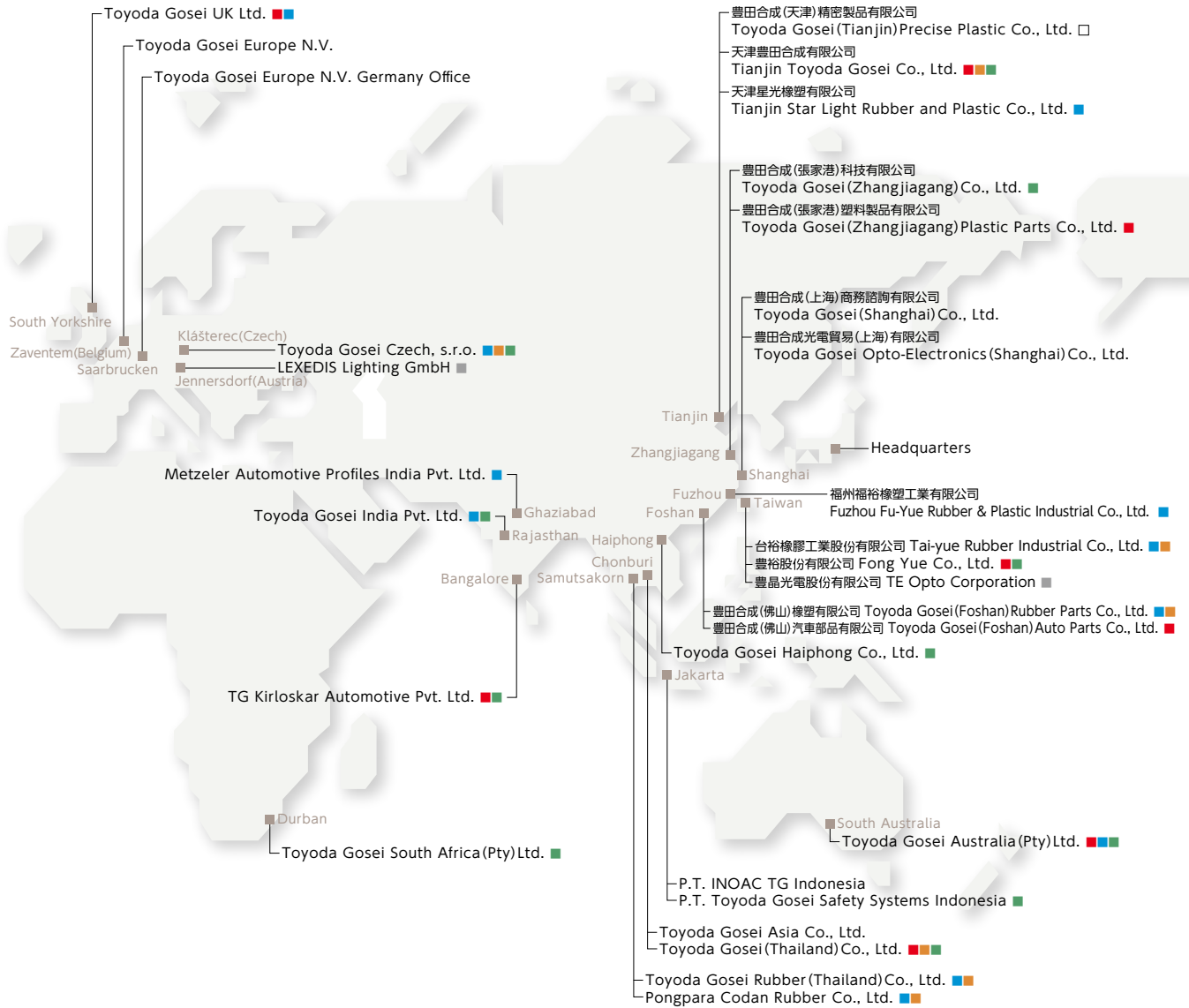
Financial Report

Corporate Data

Corporate Data

Global Network With 45 facilities in 16 nations and regions around the world (Except Japan)

As of June.2011



Headquarters



Kitajima Technical Center



Miwa Technical Center



Haruhi Plant



Toyoda Gosei North America Corporation



Toyoda Gosei Asia Co., Ltd.



Toyoda Gosei Europe N.V.



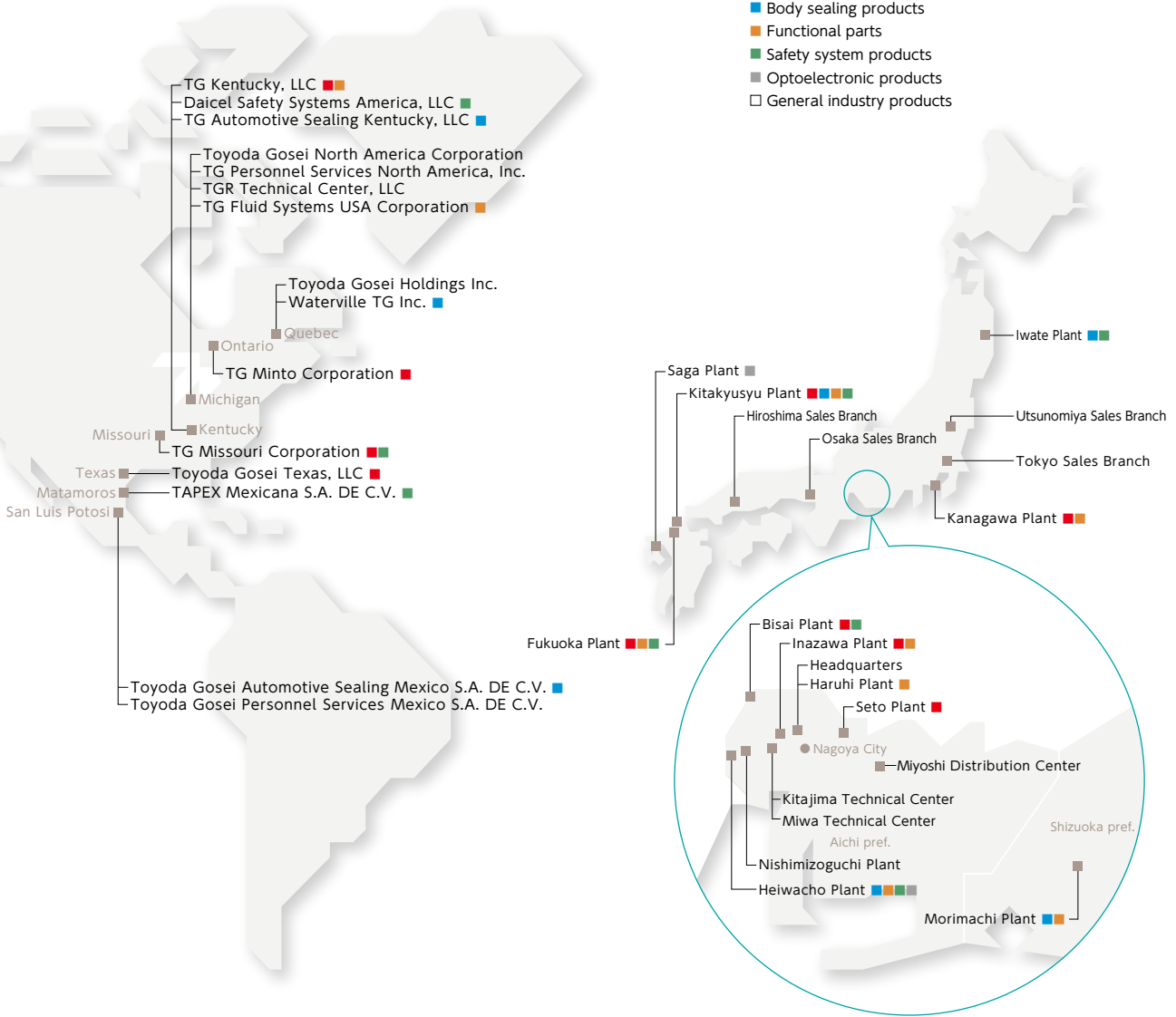
TG Missouri Corporation



Toyoda Gosei Automotive Sealing Mexico S.A. DE C.V.

Production Items

- Interior & exterior parts
- Body sealing products
- Functional parts
- Safety system products
- Optoelectronic products
- General industry products



Inazawa Plant



Morimachi Plant



Bisai Plant



Heiwacho Plant



Seto Plant



Tianjin Toyoda Gosei Co., Ltd.



Toyoda Gosei (Foshan) Rubber Parts Co., Ltd.



Toyoda Gosei (Foshan) Auto Parts Co., Ltd.



TG Kirloskar Automotive Pvt. Ltd.



Toyoda Gosei Czech, s.r.o.

Executive structure

As of June 23, 2011

Directors

Chairman

Hajime Wakayama

President

Tadashi Arashima

Senior Managing Directors

Takayasu Hiramatsu **Yuichi Shibui** **Takasuke Haruki** **Nobuyuki Shimizu**
Yoshiaki Takei

Managing Directors

Hiromi Ikehata **Noboru Kato** **Kuniyasu Ito** **Nobuo Fujiwara** **Masayoshi Ichikawa**
Yukio Kawakita **Kazumi Otake**

Directors

Kyoji Ikki **Kanji Kumazawa** **Atsushi Sumida** **Daisuke Kobayashi** **Kinichi Nishikawa**
Tomonobu Yamada **Shinichi Goto** **Yasushi Miyamoto** **Mitsuo Mori**

Corporate Auditors

Standing Corporate Auditors

Hiroyuki Ioku **Koichi Ota** **Yasushi Matsui**

Corporate Auditors

Shinich Sasaki **Tsuchio Hosoi**

Company Profile

As of March 31, 2011

company emblem / corporate name


TOYODA GOSEI CO., LTD.

Location of Headquarters

1 Haruhinagahata, Kiyosu, Aichi

Date of Establishment June 15, 1949

Capital 28,027 million yen

 Number of employees Consolidated 26,964
 Non-consolidated 7,005

Fiscal year end March 31

Stock Information

As of March 31, 2011

 Common stock Authorized 200,000,000 shares
 Issued 130,010,011 shares

 Stock Exchange Listings Tokyo Stock Exchange and
 Nagoya Stock Exchange

Number of Shareholders 15,696 people

 Transfer agent Mitsubishi UFJ Trust and
 Banking Corporation
 〒137-8081
 7-10-11 Higashi-suna, Koto-ku, Tokyo
 Mitsubishi UFJ Trust and Banking
 Corporation Stock Transfer Agency
 TEL.0120-232-711 (Toll free number)

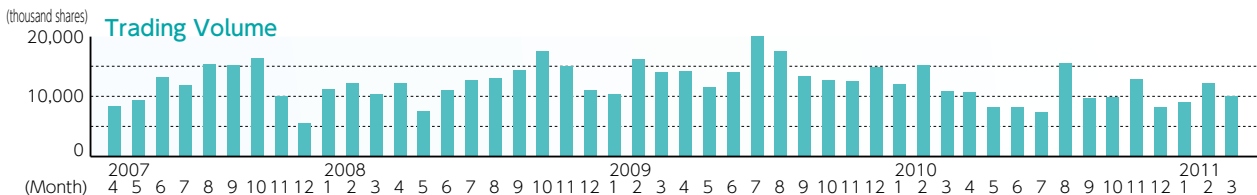
Major Share holders (Ten from the top)

Names of shareholders	Number of share holding (thousand shares)	Investment ratio (%)
Toyota Motor Corporation	55,459	42.85
The Master Trust Bank of Japan, Ltd. (Trust Account)	8,633	6.64
Japan Trustee Services Bank, Ltd. (Trust Account)	6,328	4.86
Sumitomo Mitsui Banking Corporation	5,049	3.88
Japan Trustee Services Bank, Ltd. (Trust Account 9)	3,968	3.08
Nippon Life Insurance Company	1,714	1.32
Mitsui Sumitomo Insurance Co., Ltd.	1,661	1.28
The Dai-ichi Mutual Life Insurance Company	1,493	1.15
Tokio Marine & Nichido Fire Insurance Co., Ltd.	1,226	0.94
Aioi Nissay Dowa Insurance Co., Ltd.	1,200	0.92

Share Price Range



Trading Volume





With regard to “creating an environment that is kind to both people and the earth” and from the perspective of environmental conservation and the valid use of resources, three points, three things on which we need to base our actions are “Don’t make (“Don’t use”) [Tsukuranai],” “Don’t throw away[Sute-nai],” and “Don’t leave it to others [Makase-nai].” Together, these phrases make the slogan “Nicely” (the three “nai’s”, which sounds like “Nicely” when pronounced with a Japanese accent). “Treating humans and the earth nicely” is the trademark of Toyoda Gosei’s environmental activities.

TOYODA GOSEI CO., LTD.

General Administration Division, General Administration & Public Affairs Dept.

1 Haruhinagahata, Kiyosu, Aichi, 452-8564, Japan

Tel: +81-52-400-1055 Fax: +81-52-409-7491

<http://www.toyoda-gosei.com/>



We use vegetable-oil-based ink not containing VOC (volatile organic compounds).



We print using a waterless printing method that does not produce harmful waste liquid in the printing process.

Color Universal Design

We gave extra consideration to the display so that many people are easy to see and read regardless of individual differences in color vision.

Universal Design Font

We use a universal design font which is excellent in visibility and readability.

Environmental Data

- [P e r i o d] • April, 2010 to March, 2011
 [A i r] • Units are as follows: NOx = ppm, PM (particulate matter) = mg/Nm³ • ND: below the minimum determination limit (not detected)
 • Values shown in the results column are averages of the results of the measurements.
 [W a t e r] • Units are all in mg/L except for pH • pH: hydrogen ion concentration • BOD: Biochemical Oxygen Demand • SS: concentration of suspended solids in water
 • ND: below the minimum determination limit (not detected) • Values shown in the results column are averages of the results of the measurements.
 [Groundwater] • Units are all in mg/L • ND: below the minimum determination limit (not detected).
 [PRTR*Data] • Units are in kg • Values less than 1kg are rounded up if ≥0.5 and down if 0.5. There are some cases in which values for total volume and volume handled are not in agreement.
 [Data for use of resources / volume emitted] • Units are: t/year for waste, t-CO₂/year for greenhouse gas and 10,000m³/year for water.

*Pollutant Release and Transfer Register (the registration system monitoring emissions of substances that pollute the environment and moves/transfers of them)

Data on Main Domestic Plants

Haruhi Plant

1 Haruhinagahata
 Kiyosu, Aichi,
 Japan
 452-8564

- Main Products
- Functional parts

■ Air (Air Pollution Control Law, prefectural regulations, etc.)

Item measured	Regulation value	Result
Dust	Boilers(gas)	0.1
	Co-generation(gas)	0.05
NOx	Boilers(gas)	150
	Co-generation(gas)	600

■ Groundwater

Item measured	Environmental Standard	Result
Trichloroethylene	0.03	ND
Cis-1,2-Dichloroethylene	0.04	ND ~ 0.059

*Refer to Toyoda Gosei Report P.44

■ No violations of laws, etc. ■ No complaints

■ PRTR Data

Substance name	Number	Amount handled	Volume emitted			Volume moved		Volume recycled	Total removed (processed)	Total consumed (products)
			Into the air	Into bodies of water	Into the ground	Volume moved via sewers	Volume moved as waste			
2-imidazolidin thionate	42	4,583	0	0	0	0	671	6	0	3,906
Tetramethylthiuram disulfide	268	6,732	0	0	0	0	364	0	0	6,368
Di-n-butyl phthalate	354	1,188	0	0	0	0	178	0	0	1,010
Bis (2-ethylhexyl) phthalate	355	2,798	0	0	0	0	399	7	0	2,391
2-Mercaptobenzothiazole	452	1,030	0	0	0	0	56	0	0	974

■ Data for use of resources / volume emitted

Category	Result	
Waste	Volume generated	1,567
	Volume emitted	183
	Final volume disposed	0
Greenhouse gas	CO ₂ emissions	8,200
Water	Volume used	46.1

■ Water (Water Pollution Control Law, prefectural regulations, etc.)

Item measured	Regulation value	Result
pH	5.8~8.6	7.6
BOD (Biochemical Oxygen Demand)	25	3.4
SS	30	0.8
Oil content	5	ND
Total nitrogen	120	1.5
Total phosphorus	16	0.6
Thiram	0.06	ND
Fluorine	8	0.3

Morimachi Plant

1310-128
 Mutsumi, Mori,
 Shuchi, Shizuoka,
 Japan
 437-0213

- Main Products
- Body sealing products
- Functional parts

■ Air (Air Pollution Control Law, prefectural regulations, etc.)

Item measured	Regulation value	Result
Dust	Boilers(heavy oil)	0.3
NOx	Boilers(heavy oil)	260

■ No violations of laws, etc. ■ No complaints

■ PRTR Data

Substance name	Number	Amount handled	Volume emitted			Volume moved		Volume recycled	Total removed (processed)	Total consumed (products)
			Into the air	Into bodies of water	Into the ground	Volume moved via sewers	Volume moved as waste			
Antimony and its compounds	31	5,619	0	0	0	0	281	56	0	5,282
2-imidazolidin thionate	42	9,760	0	0	0	0	390	390	0	8,980
Ethylbenzene	53	14,052	10,286	0	0	0	2,867	225	0	674
Xylene	80	16,317	11,968	0	0	0	3,353	249	0	747
Tetraethylthiuram disulfide	259	1,346	0	0	0	0	73	0	0	1,274
Tetramethylthiuram disulfide	268	15,928	0	0	0	0	860	0	0	15,068
1,3,5-trimethylbenzene	297	1,094	801	0	0	0	223	18	0	53
Toluene	300	52,112	32,780	0	0	0	16,709	1,136	0	1,487
Zinc bis (NN- dimethylidithiocarbamate)	328	5,900	0	0	0	0	236	236	0	5,428
Di-n-butyl phthalate	354	21,186	0	0	0	0	1,059	212	0	19,915
Bis(2-ethylhexyl)phthalate	355	4,685	0	0	0	0	163	34	0	4,488
Phthalic anhydride	413	1,202	0	0	0	0	56	11	0	1,135
Methylenebis (4,1-phenylene) = diisocyanate	448	4,011	0	0	0	0	401	0	0	3,610
2-Mercaptobenzothiazole	452	34,313	0	0	0	0	1,853	0	0	32,460

■ Data for use of resources / volume emitted

Category	Result	
Waste	Volume generated	5,012
	Volume emitted	4,489
	Final volume disposed	0
Greenhouse gas	CO ₂ emissions	21,800
Water	Volume used	23.5

■ Water (Water Pollution Control Law, prefectural regulations, etc.)

Item measured	Regulation value	Result
pH	5.8~8.6	7.7
BOD (Biochemical Oxygen Demand)	25	5.7
SS	50	7.8
Oil content	5	0.5
Thiram	0.06	ND
Zinc	0.5	0.2

Heiwacho Plant

710 Origuchi, Shimomiyake, Heiwa, Inazawa, Aichi, Japan 490-1312

Main Products

- Body sealing products
- Functional parts
- Safety system products
- Body sealing products
- Optoelectronic products

■ Air (Air Pollution Control Law, prefectural regulations, etc.)

Item measured	Regulation value	Result	
Dust	Boilers(heavy oil)	0.15	ND
	Boilers(gas)	0.05	ND
	Co-generation(gas)	0.05	0.008
NOx	Boilers(heavy oil)	140	73
	Boilers(gas)	120	35
	Co-generation(gas)	200	113

■ No violations of laws, etc. ■ No complaints

■ PRTR Data

Substance name	Number	Amount handled	Volume emitted			Volume moved		Volume recycled	Total removed (processed)	Total consumed (products)
			Into the air	Into bodies of water	Into the ground	Volume moved via sewers	Volume moved as waste			
2-aminoethanol	20	53,998	5	0	0	108	53,885	0	0	0
Ethylbenzene	53	4,606	3,639	0	0	0	599	92	0	276
Xylene	80	5,722	4,520	0	0	0	744	114	0	343
Toluene	300	7,046	5,566	0	0	0	916	141	0	423
Methylenebis(4,1-phenylene) = diisocyanate	448	1,501	0	0	0	0	150	0	0	1,351

■ Data for use of resources / volume emitted

Category	Result	
Waste	Volume generated	1,923
	Volume emitted	1,767
	Final volume disposed	0
Greenhouse gas	CO ₂ emissions	22,000
	PFC emissions	2,512
	HFC emissions	393
Water	Volume used	34.9

■ Water (Sewerage Law, prefectural regulations, etc.)

Item measured	Regulation value	Result
pH	5~9	7.2
BOD (Biochemical Oxygen Demand)	600	86
SS	600	19
Oil content	30	0.9
Total nitrogen	240	11
Total phosphorus	32	0.5
Fluorine	8	0.4

Inazawa Plant

1 Komeyasakai, Kitajima, Inazawa, Aichi, Japan 492-8542

Main Products

- Interior and exterior parts
- Functional parts

■ Air (Air Pollution Control Law, prefectural regulations, etc.)

Item measured	Regulation value	Result	
NOx	Boilers(gas)	150	47
	Co-generation(gas)	600	160

■ Groundwater

Item measured	Environmental Standard	Result
Trichloroethylene* ¹	0.03	ND
Cis-1,2-Dichloroethylene* ¹	0.04	ND ~ 0.005

*¹ Substances that have no record of being used. * Refer to Toyoda Gosei Report P.44

■ No violations of laws, etc. ■ No complaints

■ PRTR Data

Substance name	Number	Amount handled	Volume emitted			Volume moved		Volume recycled	Total removed (processed)	Total consumed (products)
			Into the air	Into bodies of water	Into the ground	Volume moved via sewers	Volume moved as waste			
Ethylbenzene	53	5,033	3,976	0	0	0	654	101	0	302
Xylene	80	9,652	7,625	0	0	0	1,255	193	0	579
Chromium and trivalent chromium compounds	87	4,949	0	40	0	0	3,920	0	0	990
Hexavalent chromium compounds	88	4,949	0	0	0	0	0	0	4,949	0
Copper water-soluble salts (excluding complex salts)	272	3,571	0	36	0	0	2,678	0	0	857
Toluene	300	30,640	24,115	0	0	0	4,074	629	0	1,823
Nickel	308	71,457	0	0	0	0	0	0	71,457	0
Nickel compounds	309	81,496	0	16	0	0	10,578	0	0	70,902
Bis (2-ethylhexyl) phthalate	355	4,976	0	0	0	0	348	0	0	4,628
N-hexane	392	1,650	1,304	0	0	0	215	33	0	99
Boron compounds	405	1,294	0	13	0	0	970	0	0	310

■ Data for use of resources / volume emitted

Category	Result	
Waste	Volume generated	3,339
	Volume emitted	1,968
	Final volume disposed	0
Greenhouse gas	CO ₂ emissions	11,100
Water	Volume used	45.8

■ Water (Water Pollution Control Law, prefectural regulations, etc.)

Item measured	Regulation value	Result
pH	5.8~8.6	7.1
BOD (Biochemical Oxygen Demand)	25	4.6
SS	30	1.2
Oil content	5	ND
Total nitrogen	120	11.1
Total phosphorus	16	1.3
Hexavalent chromium	0.5	0.02
Total chromium	2	0.11
Copper	1	0.04
Fluorine	8	0.1
Boron	10	4.8

Bisai Plant

40
Higashishimoshiro,
Meichi, Ichinomiya,
Aichi, Japan
494-8502

Main Products

- Interior and exterior parts
- Safety system products

■ Air (Air Pollution Control Law, prefectural regulations, etc.)

Item measured	Regulation value	Result
Dust	Boilers(heavy oil)	0.3
	Boilers(gas)	0.05
	Co-generation(gas)	0.05
NOx	Boilers(heavy oil)	180
	Boilers(gas)	150
	Co-generation(gas)	600

■ Water (Sewerage Law, prefectural regulations, etc.)

Item measured	Regulation value	Result
pH	5.7~8.7	7.0
BOD (Biochemical Oxygen Demand)	300	37.6
SS	300	9.3
Oil content	30	1.3

■ No violations of laws, etc. ■ No complaints

■ PRTR Data

Substance name	Number	Amount handled	Volume emitted			Volume moved		Volume recycled	Total removed (processed)	Total consumed (products)
			Into the air	Into bodies of water	Into the ground	Volume moved via sewers	Volume moved as waste			
Ethylbenzene	53	13,730	10,847	0	0	0	1,785	275	0	824
Xylene	80	18,402	14,537	0	0	0	2,392	368	0	1,104
Toluene	300	53,730	42,461	0	0	0	6,999	1,068	0	3,203
Methylenebis (4,1-phenylene) = diisocyanate	448	120,265	5	0	0	0	12,027	0	0	108,234

■ Data for use of resources / volume emitted

Category	Result	
Waste	Volume generated	2,084
	Volume emitted	1,527
	Final volume disposed	0
Greenhouse gas	CO ₂ emissions	13,400
	SF ₆ emissions	9,560
Water	Volume used	25.3

Seto Plant

141 Sosaku,
Seto, Aichi, Japan
489-0843

Main Products

- Interior and exterior parts

■ Air (Air Pollution Control Law, prefectural regulations, etc.)

Item measured	Regulation value	Result
Dust	Boilers (kerosene)	0.2
NOx	Boilers (kerosene)	150

■ Water (Water Pollution Control Law, prefectural regulations, etc.)

Item measured	Regulation value	Result
pH	5.8-8.6	7.5
BOD (Biochemical Oxygen Demand)	20	4.4
SS	20	0.9
Total nitrogen	10	3.7
Total phosphorus	4	0.05

■ No violations of laws, etc. ■ No complaints

■ PRTR Data

Substance name	Number	Amount handled	Volume emitted			Volume moved		Volume recycled	Total removed (processed)	Total consumed (products)
			Into the air	Into bodies of water	Into the ground	Volume moved via sewers	Volume moved as waste			
Methylenebis (4,1-phenylene) = diisocyanate	448	69,690	0	0	0	0	6,969	0	0	62,721

■ Data for use of resources / volume emitted

Category	Result	
Waste	Volume generated	597
	Volume emitted	595
	Final volume disposed	2
Greenhouse gas	CO ₂ emissions	3,700
Water	Volume used	2.4

Kanagawa Plant

19-5 Suzukawa,
Isehara, Kanagawa,
Japan
259-1146

Main Products

- Interior and exterior parts
- Functional parts

■ No violations of laws, etc. ■ No complaints

■ PRTR Data

Substance name	Number	Amount handled	Volume emitted			Volume moved		Volume recycled	Total removed (processed)	Total consumed (products)
			Into the air	Into bodies of water	Into the ground	Volume moved via sewers	Volume moved as waste			
Toluene	300	1,427	1,128	0	0	0	186	29	0	86

■ Data for use of resources / volume emitted

Category	Result	
Waste	Volume generated	181
	Volume emitted	95
	Final volume disposed	86
Greenhouse gas	CO ₂ emissions	900
Water	Volume used	0.2

Kitakyushu Plant

1-2 Kitahoraoka
Maeda, Yahatahi-
gashi, Kitakyushu,
Fukuoka,
Japan
805-0058

Main Products

- Interior and exterior parts
- Body sealing products
- Functional parts
- Safety system products

■No violations of laws, etc. ■No complaints

PRTR Data

Substance name	Number	Amount handled	Volume emitted			Volume moved		Volume recycled	Total removed (processed)	Total consumed (products)
			Into the air	Into bodies of water	Into the ground	Volume moved via sewers	Volume moved as waste			
Xylene	80	1,030	813	0	0	0	134	21	0	62
Chromium and trivalent chromium compounds	87	1,256	0	0	0	0	1,005	0	0	251
Hexavalent chromium compounds	88	1,256	0	0	0	0	0	0	1,256	0
Toluene	300	15,493	12,073	0	0	0	2,226	298	0	895
Nickel	308	15,170	0	0	0	0	0	0	15,170	0
Nickel compounds	309	15,170	0	0	0	0	1,972	0	0	13,198

Data for use of resources/volume emitted

Category	Result	
Waste	Volume generated	1,032
	Volume emitted	1,032
	Final volume disposed	0
Greenhouse gas	CO ₂ emissions	4,500
Water	Volume used	1.7

Fukuoka Plant

2223-1 Kurahisa,
Miyawaka,
Fukuoka,
Japan
823-0017

Main Products

- Interior and exterior parts
- Functional parts
- Safety system products

■No violations of laws, etc. ■No complaints

■Water (Water Pollution Control Law, prefectural regulations, etc.)

Item measured	Regulation value	Result
pH	5.8-8.6	7.7
BOD (Biochemical Oxygen Demand)	10	1.7
SS	25	3.3
Oil content	2	ND

PRTR Data

Substance name	Number	Amount handled	Volume emitted			Volume moved		Volume recycled	Total removed (processed)	Total consumed (products)
			Into the air	Into bodies of water	Into the ground	Volume moved via sewers	Volume moved as waste			
Ethylbenzene	53	1,040	822	0	0	0	135	21	0	62
Xylene	80	1,375	1,086	0	0	0	179	28	0	83
Toluene	300	8,069	6,373	0	0	0	1,051	161	0	484
Methylenebis (4,1-phenylene) = diisocyanate	448	1,332	0	0	0	0	133	0	0	1,198

Data for use of resources/volume emitted

Category	Result	
Waste	Volume generated	864
	Volume emitted	731
	Final volume disposed	0
Greenhouse gas	CO ₂ emissions	3,200
Water	Volume used	0.02

Saga Plant

9966-9 Kawako,
Wakaki, Takeo,
Saga,
Japan
843-0151

Main Products

- Optoelectronic Products

■Air (Air Pollution Control Law, prefectural regulations, etc.)

Item measured	Regulation value	Result
Dust Boilers(gas)	0.1	0.002
NOx Boilers(gas)	150	52

■No violations of laws, etc. ■No complaints

■Data for use of resources/volume emitted

Category	Result	
Waste	Volume generated	29
	Volume emitted	29
	Final volume disposed	0
Greenhouse gas	CO ₂ emissions	4,200
	PFC emissions	515
Water	Volume used	4.8

PRTR Data

Substance name	Number	Amount handled	Volume emitted			Volume moved		Volume recycled	Total removed (processed)	Total consumed (products)
			Into the air	Into bodies of water	Into the ground	Volume moved via sewers	Volume moved as waste			
2-aminoethanol	20	1,936	0	0	0	4	1,932	0	0	0

■Water (Water Pollution Control Law, prefectural regulations, etc.)

Item measured	Regulation value	Result
pH	5.8-8.6	7.4
BOD (Biochemical Oxygen Demand)	20	1.2
SS	50	1.1
Oil content	5	0.2

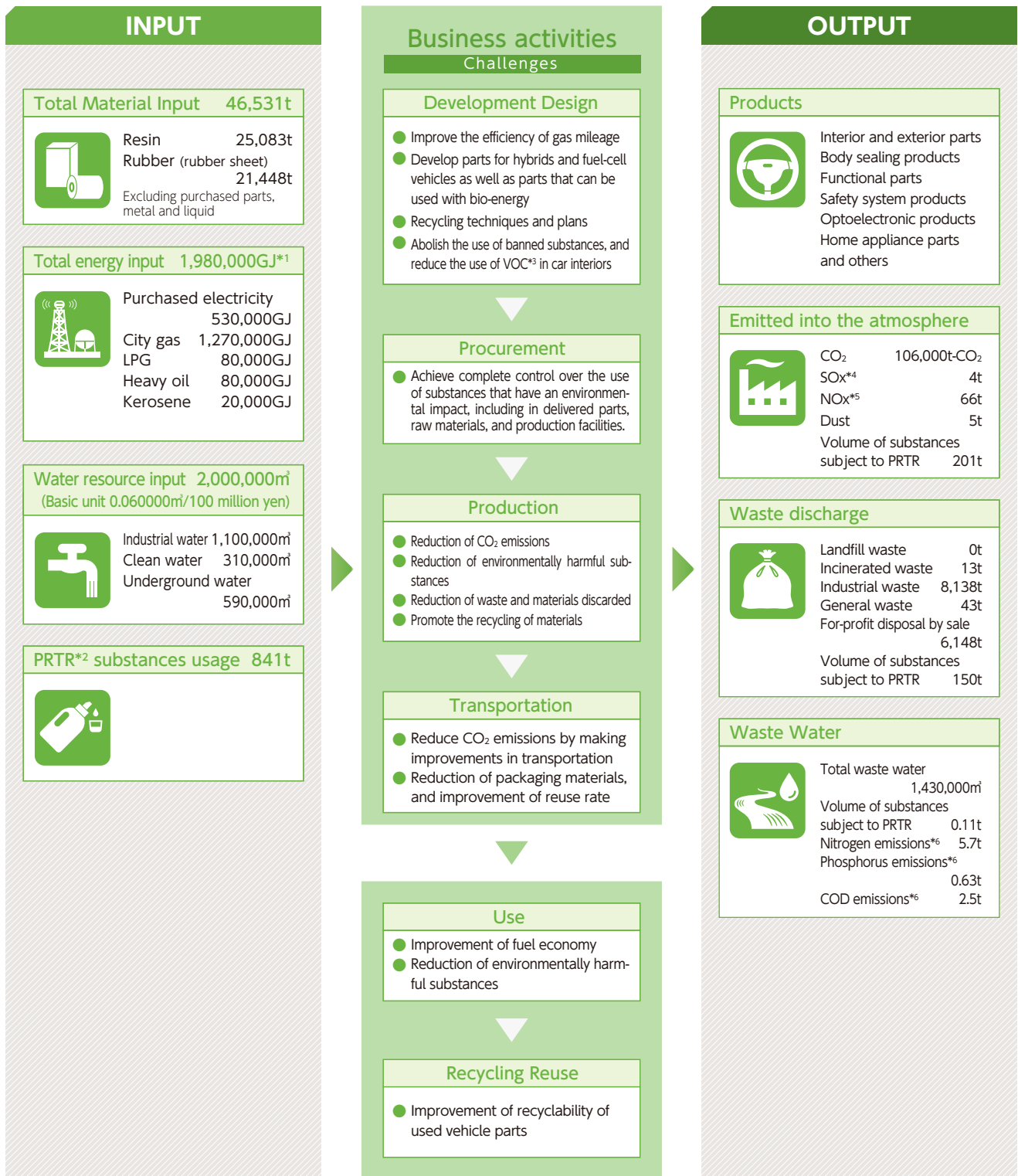
Nagoya Plant

1-23-13 Kikui,
Nishi, Nagoya,
Aichi, Japan
451-0044

■Groundwater

Item measured	Environmental value	Result
Trichloroethylene	0.03	ND
Cis-1,2-Dichloroethylene	0.04	0.012

Resource Input and Output to the Environment in Business Activities in fiscal 2010



*1 Gigajoule (1,000,000,000 joules)

*2 Pollutant Release and Transfer Register

*3 Volatile Organic Compounds

*4 Sulfur Oxide

*5 Nitrogen Oxide

*6 Range of target: 4 plants of Haruhi, Inazawa, Heiwacho and Seto, Kitajima Technical Center, Miwa Technical Center and Sun-Court Inoguchi Dormitory

GRI Guidelines and the corresponding cross referenced pages

Guideline items	Main corresponding pages
1. Strategy and Analysis	
1.1 Statement from the most senior decisionmaker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	P3-4
1.2 Description of key impacts, risks, and opportunities.	P3-4, 19
2. Organizational Profile	
2.1 Name of the organization.	P54
2.2 Primary brands, products, and/or services.	P9
2.3 Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	P51-52
2.4 Location of organization's headquarters.	P54
2.5 Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	P51-52
2.7 Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	P9-16
2.8 Scale of the reporting organization, including: <ul style="list-style-type: none"> • Number of employees; • Net sales (for private sector organizations) or net revenues (for public sector organizations); • Total capitalization broken down in terms of debt and equity (for private sector organizations); and • Quantity of products or services provided. 	P23,45-46
2.10 Awards received in the reporting period.	P21
3. Report Parameters	
Report Profile	
3.1 Reporting period (e.g., fiscal/calendar year) for information provided.	P1
3.2 Date of most recent previous report (if any).	P2
3.3 Reporting cycle (annual, biennial, etc.)	P2
3.4 Contact point for questions regarding the report or its contents.	P2
Report Scope and Boundary	
3.5 Process for defining report content, including: <ul style="list-style-type: none"> • Determining materiality; • Prioritizing topics within the report; and • Identifying stakeholders the organization expects to use the report. 	P1-2
3.6 Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	P1
3.7 State any specific limitations on the scope or boundary of the report.	P1-2
3.9 Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	P1-2
3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	P1
GRI Content Index	
3.12 Table identifying the location of the Standard Disclosures in the report. Identify the page numbers or web links where the following can be found.	P2
4. Governance, Commitments, and Engagement	
Governance	
4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	P17
4.2 Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	P17
4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided.	P17
4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	P1
4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	P17

Guideline items	Main corresponding pages
4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	P32-33
Commitments to External Initiatives	
4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization.	P19
Stakeholder Engagement	
4.14 List of stakeholder groups engaged by the organization.	P2
4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	P20-29
4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	P20-29
5. Management Approach and Performance Indicators	
Economic Performance	
EC1 Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	P45-50
EC2 Financial implications and other risks and opportunities for the organization's activities due to climate change.	P43
Market Presence	
EC6 Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	P27
Indirect Economic Impacts	
EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	P28-29
Environmental Performance Indicators	
Materials	
EN1 Materials used by weight or volume.	Homepage
EN2 Percentage of materials used that are recycled input materials.	P36, homepage
Energy	
EN3 Direct energy consumption by primary energy source.	Homepage
EN4 Indirect energy consumption by primary source.	Homepage
EN5 Energy saved due to conservation and efficiency improvements.	P34
EN6 Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	P34-38, 42
EN7 Initiatives to reduce indirect energy consumption and reductions achieved.	P34
Water	
EN8 Total water withdrawal by source.	Homepage
EN9 Water sources significantly affected by withdrawal of water.	Homepage
EN10 Percentage and total volume of water recycled and reused.	Homepage
Biodiversity	
EN12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	P43
EN14 Strategies, current actions, and future plans for managing impacts on biodiversity.	P43
Emissions, Effluents, and Waste	
EN16 Total direct and indirect greenhouse gas emissions by weight.	P32, 34, 37, homepage
EN17 Other relevant indirect greenhouse gas emissions by weight.	P32, 34, 37
EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved.	P32, 34-37
EN19 Emissions of ozone-depleting substances by weight.	Homepage
EN20 NO, SO, and other significant air emissions by type and weight.	Homepage
EN21 Total water discharge by quality and destination.	Homepage
EN22 Total weight of waste by type and disposal method.	P34, homepage
EN23 Total number and volume of significant spills.	Homepage

Guideline items	Main corresponding pages
Products and Services	
EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	P42
EN27 Percentage of products sold and their packaging materials that are reclaimed by category.	P35
Compliance	
EN28 Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	Homepage
Transport	
EN29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	P35
Overall	
EN30 Total environmental protection expenditures and investments by type.	P43
Labor Practices and Decent Work Performance Indicators	
Occupational Health and Safety	
LA8 Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	P19, 24-25
LA9 Health and safety topics covered in formal agreements with trade unions.	P25
Training and Education	
LA11 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	P22-23

Guideline items	Main corresponding pages
Diversity and Equal Opportunity	
LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	P23
Human Rights Performance Indicators	
Investment and Procurement Practices	
HR2 Percentage of significant suppliers, contractors and other business partners that have undergone screening on human rights and actions taken	P27
Society Performance Indicators	
Corruption	
SO3 Percentage of employees trained in organization's anti-corruption policies and procedures.	P18
SO4 Actions taken in response to incidents of corruption.	P19
Public Policy	
SO5 Public policy positions and participation in public policy development and lobbying.	Back cover
Product Responsibility Performance Indicators	
Customer Health and Safety	
PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	P20-21
Product and Service Labeling	
PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	P21

Environmental Reporting Guidelines (Fiscal 2007 Version) and the corresponding cross referenced pages

Guideline items	Main corresponding pages
Basic items	
Message from the president	P3-4
Basic requirements for the report	P1-2
Business conditions	P9-16
General overview of the environmental report	P3-4, 30-44
Material balance in Toyota Gosei's business activities	Homepage
Current situation of environmental administration such as environmental management	
Current situation of environmental management	P30-31, 39-40
Current situation of compliance with environmental regulations	P44, homepage
Environmental accounting information	P43
Current situation of supply chain management	P27, 39-41
Current situation of green purchasing/procurement	P27
Current situation with R&D of DfE etc. for new environmentally-friendly technologies	P34-38, 42
Current situation with environmentally-friendly transportation	P35, 37
Current situation of the conservation of biodiversity and the sustainable use of biological resources	P43
Current situation with environmental communication	P40
Current situation of environment-related social contribution activities	P28-29
Current situation of products/services to reduce environmental impacts	P34-38, 42

Guideline items	Main corresponding pages
Environmental impact of Toyota Gosei's business activities and current situation with commitments for environmental impact reduction	
Total energy input and measures for its reduction	P34, homepage
Total material input and measures for its reduction	P34-35, homepage
Water resource input and measures for its reduction	Homepage
Quantity of recycled and reused materials within the operational area	P36, homepage
Total production quantity and total product sales	P9-13, 45-46
Emission of greenhouse gases and measures for their reduction	P32, 34-35, homepage
Air pollution and life environment loads and measures for their reduction	Homepage
Emission and transference of chemical substances and measures for their reduction	P38, homepage
Total waste discharge and total final waste disposal, and measures for their reduction	P36, homepage
Total water discharge and measures for its reduction	P38, homepage
Current related situation between environmental consideration and management	
Current related situation between environmental consideration and management	P30-33
Current situation of Toyota Gosei's social activities	
Current situation of Toyota Gosei's social activities	P17-29