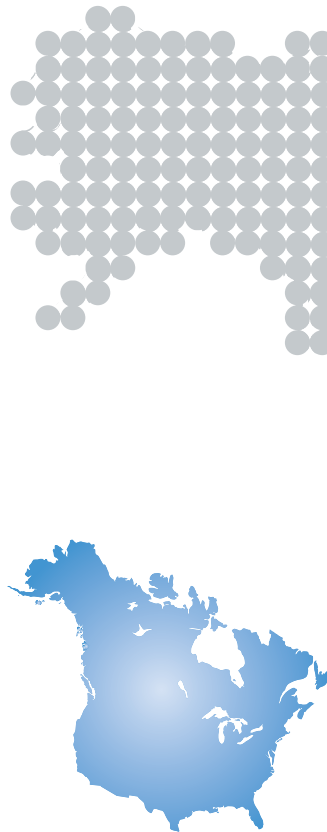


Everywhere

Wherever automakers produce quality vehicles, Toyota Gosei is there. Our global production network serves automakers and other customers in every principal market.



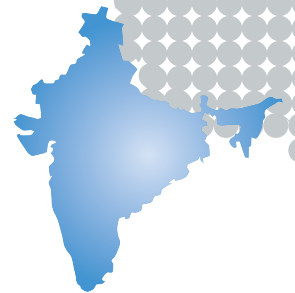
North America

The United States and Canada are our biggest markets outside Japan. Sales to automakers and other customers in North America totaled ¥69.3 billion (\$577 billion) in the past fiscal year. That was 3.8% more than in the previous year and accounted for 20.1% of our net sales. Our U.S. and Canadian plants manufacture nearly all of the products that we sell in North America. We also have localized a great deal of our product development there, and we coordinate our North American operations through a regional holding company.



Europe

Our fast-growing operations in Europe include a pair of plants that produce body sealing products and functional parts in the United Kingdom and a Czech plant that produces safety system products, all built in the past three years. Coordinating our European operations is a holding company in Belgium. Our main customers, Toyota and other Japanese automakers, are making important inroads into the European market after years of marking time there. We are expanding our European operations in step with the growth in their business there. At the same time, we are developing supply relationships with a growing range of European automakers.



India

India's automobile industry and market are poised for rapid and continuing growth, and we intend to be part of that growth. We have secured a strategic foothold in India through two plants that produce interior and exterior parts, safety system products and body sealing products.



China

We participate actively in a systematic program by the Toyota Group to establish a leading position in the Chinese automobile industry. Already, we have built three plants in China to manufacture products in all of our main lines of automotive components. Our Chinese presence also includes a liaison office in Shanghai.

Southeast Asia

Our extensive manufacturing operations in Southeast Asia comprise three plants in Thailand, two in Taiwan and one in Indonesia. The Indonesian plant began operation in 2003. Together, our plants in the region produce all the basic categories of Toyoda Gosei products for automobiles. A newly established management company in Thailand coordinates our operations there.

Japan

Our operations in Japan include our flagship R&D center, as well as our global headquarters and a network of plants for automotive components and systems. Japan is also the site of our development and manufacturing activity in optoelectronic components and in other diversified products.

Australia

Down Under, we operate a highly successful joint venture with the tire manufacturer Bridgestone Corporation. The venture produces interior and exterior parts, body sealing products and safety system products.

Interior & Exterior Parts

The Interior & Exterior Parts business unit is the largest of Toyota Gosei's business units, contributing more than one-fourth of net sales. This unit asserts formidable economies of scale, and it strengthens its competitiveness further with a continuing stream of innovative new products.

Strategy in this business unit focuses relentlessly on ever-higher value-added in products and technologies. That focus helps the unit cope with escalating price competition in its principal markets.

A good example of increasing value-added is Toyota Gosei's work as a Tier One supplier in creating integrated instrument panel modules. The company works with manufacturers of complementary parts to create modules that simplify installation and thereby reduce the incidence of defects during vehicle assembly. Toyota Gosei's

Fiscal 2003 sales:	Up 8.7%, to ¥92.3 billion (\$768 million)—26.8% of net sales
Projected sales in fiscal 2007*:	¥95 billion <small>*Including nonconsolidated operations</small>
Plants:	10 in 6 nations

instrument panel modules also heighten the aesthetic appeal of the vehicle interior and enhance the functionality of items that reside in the instrument panel. The company supplies instrument panel modules for a growing range of vehicle models.

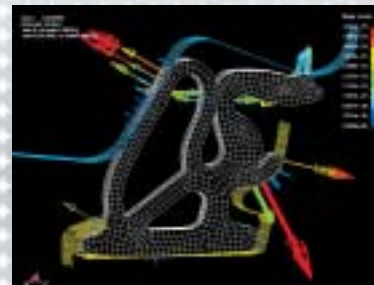
This business unit also continues to increase value-added in other product categories, including pillars, consoles and instrument clusters for vehicle interiors and side molding and back panels for vehicle exteriors. New kinds of value-added include incorporating Toyota Gosei LED technology and developing new materials and new kinds of surface finishing. The company also increases value-added in interior and exterior parts by adopting driver- and passenger-friendly universal design concepts.

Safeguarding the environment is a pressing issue for automakers everywhere, and Toyota Gosei helps address that issue. The Interior & Exterior Parts business unit continues to achieve fuel-saving weight reductions. In addition, it adopts materials and designs that simplify recycling. Technological development in this business unit includes work on biodegradable materials.

Business outside Japan accounts for most of the sales growth that Toyota Gosei projects for interior and exterior Parts by the year to March 2007. This business unit will promote instrument panel modules and other high-value-added products aggressively, especially in North America and China.



Digital prototyping of instrument panel module (left)
Instrument panel module (below)



Stress distribution analysis (above)
Cross-sectional diagram of body sealing products for frame door (right)



Body Sealing Products

Toyota Gosei's Body Sealing Products business unit maintains a large market share and possesses convincing prospects for continued growth. Core strengths for this business unit include world-leading capabilities in waterproofing, noise insulation and other facets of body sealing. Underpinning those capabilities is an integrated concept-to-product platform that extends from the earliest stages of product planning to the manufacturing and delivery of finished products. Management at Toyota Gosei is eyeing strong growth in sales and market share in this business unit.

This business unit accompanies leadership in pertinent technologies with a well-established global production network. A large portion of the unit's product deliveries are in fulfillment of comprehensive, whole-

vehicle orders. Those deliveries comprise all of the door weatherstrip, glass runs, opening trim and outer weatherstrip installed in vehicles. Increasing the proportion of whole-vehicle deliveries in total shipments is a core marketing emphasis in the Body Sealing Products business unit.

In addition to leading the industry in body sealing technologies, this business unit can handle the design of entire door assemblies. That capability positions the Body Sealing Products business unit to take the initiative in proposing innovative new product concepts to automakers.

The Body Sealing Products unit, like other Toyota Gosei business units, leads the development of technologies to safe-

guard the environment. That effort has included the development of the world's first technology for recycling ethylene propylene diene monomer (EPDM), a widely used synthetic rubber.

Management is counting on operations outside Japan to lead the growth envisioned in the four-year sales projection for this business unit. The Body Sealing Products unit is upgrading its development capabilities in North America with an eye to expanding business there with non-Japanese automakers, as well as with Japanese automakers.

Fiscal 2003 sales:	Up 0.9%, to ¥60.7 billion (\$505 million)—17.6% of net sales
Projected sales in fiscal 2007*:	¥100 billion <small>*Including nonconsolidated operations</small>
Plants:	14 in 10 nations

Functional Parts

The Functional Parts business unit develops and supplies components and assemblies—including modular assemblies—for fuel management, power train and chassis drive train applications. Nearly all of these products support crucial vehicle functions and therefore need to fulfill the most demanding criteria for quality and reliability. This business unit achieved sales growth in the past fiscal year despite a sharp decline in market prices. Leading the unit's growth in unit sales volume were gains in fuel management products.

FTS Co., Ltd., a joint venture with Horie Metal Co., Ltd., and Toyota Motor

A fuel tank module produced by FTS, an LEV II fill limit vent valve (lower left), a pair of fuel tank caps and two sets of fuel hoses and tubes



Fiscal 2003 sales:	Up 6.3%, to ¥71.6 billion (\$596 million)—20.7% of net sales
Projected sales in fiscal 2007*:	¥105 billion <small>*Including FTS Co., Ltd. (see below) and other nonconsolidated operations</small>
Plants:	14 in 7 nations

Corporation, is Toyoda Gosei's platform for developing and manufacturing plastic fuel tanks. That joint venture uses a fast-growing volume of fuel valves, tubes and other items supplied by Toyoda Gosei. FTS, which presently produces fuel tanks in Japan, will inaugurate production in California in 2004.

Fuel management products are subject to especially rigorous environmental regulations. Products supplied by the Functional Parts business unit in this category fulfill the

world's most demanding environmental regulations, including Japan's newly enacted regulations, the European Union's Euro IV regulations and California's LEV II regulations.

Along with developing new products for conventional vehicles, the Functional Parts business unit develops components and systems for next-generation vehicles. It is creating innovative new product concepts for gasoline-electric hybrid cars, fuel cell vehicles and other new kinds of vehicles.



Three brake hoses (top), a water hose (left), two constant velocity joint boots and a noise unreflective duct for air intake



Dual-stage driver- and passenger-side airbags and knee airbags (above) Side airbag and curtain airbag (left)

Safety System Products

The Safety System Products business unit produces airbags and steering wheels. This business unit has increased its international competitiveness steadily and has expanded its operations greatly. It acquired the airbag operations of Toyo Tire and Rubber Co., Ltd., in April 2002 and now supplies about 36% of the airbags installed in Japan and is expanding its airbag operations worldwide. With an eye to further growth, Toyoda Gosei is developing airbag and seat belt products with Tokai Rika Co., Ltd., a leading manufacturer of seat belts.

Toyoda Gosei is expanding its global production network for safety system products rapidly. In recent years, it has supplemented airbag production in Japan and North America with newly established manufacturing operations in the Czech Republic,

Thailand, China and Indonesia. In product development, this business unit has strengthened its responsiveness to customer needs in North America by establishing a technical center there with Tokai Rika.

The Safety System Products business unit continues to fortify its product line. It began supplying driver-side knee airbags in 2002 for the Toyota Caldina, sold in Japan. In 2003, Toyota began installing Toyoda Gosei's driver-side knee airbags in the newly remodeled Avensis at its U.K. vehicle plant. The Avensis has earned a five-star safety assessment—the highest ranking—from Euro NCAP. Toyoda Gosei is preparing to supply

driver- and passenger-side knee airbags for a growing range of vehicle models in Japan, Europe, North America and Asian nations besides Japan.

Engineers at Toyoda Gosei continue to develop new kinds of protection for drivers and passengers. That includes creating products to minimize injury from side-impact and rollover accidents, as well as from frontal collisions. Products under development in the Safety System Products business unit include curtain airbags and side airbags.

Fiscal 2003 sales:	Up 20.1%, to ¥79.3 billion (\$660 million)—23.0% of net sales
Projected sales in fiscal 2007*:	¥110 billion <small>*Including nonconsolidated operations</small>
Plants:	12 in 10 nations

Optoelectronic Products

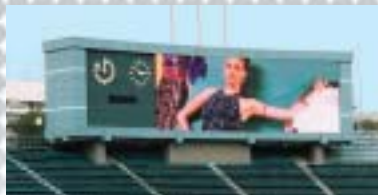
Toyoda Gosei is an industry leader in light-emitting diodes (LEDs). The Optoelectronic Products business unit is achieving, sustainable, rapid growth.

Making the most of the exciting growth potential of this product sector is Toyoda Gosei's chief management priority in LEDs. The company is moving aggressively in production and in marketing to serve the surging demand for LEDs in cellular phones. It also is working successfully to develop new applications for its LED products. And it is putting in place a global marketing network to serve customers responsively in markets beyond Japan.

A new line of high-output white LEDs for cellular phones contributed greatly to the sales growth of the past fiscal year. Business also benefited from sales gains in LEDs for large signboard displays in China and Europe. An especially promising devel-



White chip LED (above)
LED full-color display
(right)



General Industry Products

The General Industry Products business unit, along with the Optoelectronic Products unit, develops business for Toyoda Gosei in markets beyond automotive components. This business unit is a highly entrepreneurial enterprise that operates essentially as a virtual manufacturer. It outsources nearly all production work to independent contractors and concentrates on developing business by incorporating Toyoda Gosei technologies and other technologies in innovative new products.

Business in the General Industry products unit centers on plastic cases for cellular phones that incorporate thin molding technology and on plastic cases for air purifiers that incorporate Toyoda Gosei expertise in creating modular products. New orders for air purifier cases were the primary reason for

Fiscal 2003 sales:	Up 81.7%, to ¥25.3 billion (\$210 million)—7.3% of net sales
Projected sales in fiscal 2007:	¥70 billion
Plants:	1, in Japan

opment was the growing demand for LEDs in automotive applications, such as interior lamps. Meanwhile, the company settled patent-infringement disputes with Nichia Corporation completely in 2002.

Strategic priorities:

- Win business with cellular phone manufacturers who do not use Toyoda Gosei LEDs yet
- Develop backlight applications in palmtop computers, digital cameras and other new products
- Expand business in the automotive and signboard display sectors

Toyoda Gosei's LED production capacity at fiscal year-end was about 120 million dies per month. It will increase to more

than 150 million dies per month in 2003, and the company is preparing to increase its production capacity to 250 million dies per month.

Geographically, moves in the present fiscal year will include expanding this business unit's U.S. and European sales offices and establishing a Chinese sales office. Technologically, Toyoda Gosei continues working to

- Achieve higher crystalline quality and purity with an eye to developing LEDs for applications in general lighting
- Develop semiconductor lasers
- Create high-frequency high electron mobility transistors (HEMTs) for future applications in telecommunications

Cellular phones



Air purifier



the sales growth in this business unit in the past fiscal year.

Strategic priorities:

- Increase value-added in products for agricultural machinery, construction equipment and industrial vehicles by combining interior and exterior components in integrated assemblies and modules.
- Expand business in environmental products by promoting new and existing products in housing materials, air-conditioner components, weight-dispersing mattresses and other categories.

- Increase sales in telecommunications and information processing equipment by broadening business in cases for cellular phones and by developing business in similar components for audio and video equipment.
- Use Toyoda Gosei LED technology and new kinds of precision processing technology to develop business in completely new product sectors.
- Increase profitability by raising productivity, by pursuing dramatic reductions in material costs and by globalizing production and purchasing.

Fiscal 2003 sales:	Up 49.8%, to ¥12.9 billion (\$108 million)—3.8% of net sales
Projected sales in fiscal 2007:	¥20 billion
Plants:	None, outsources 97% of production