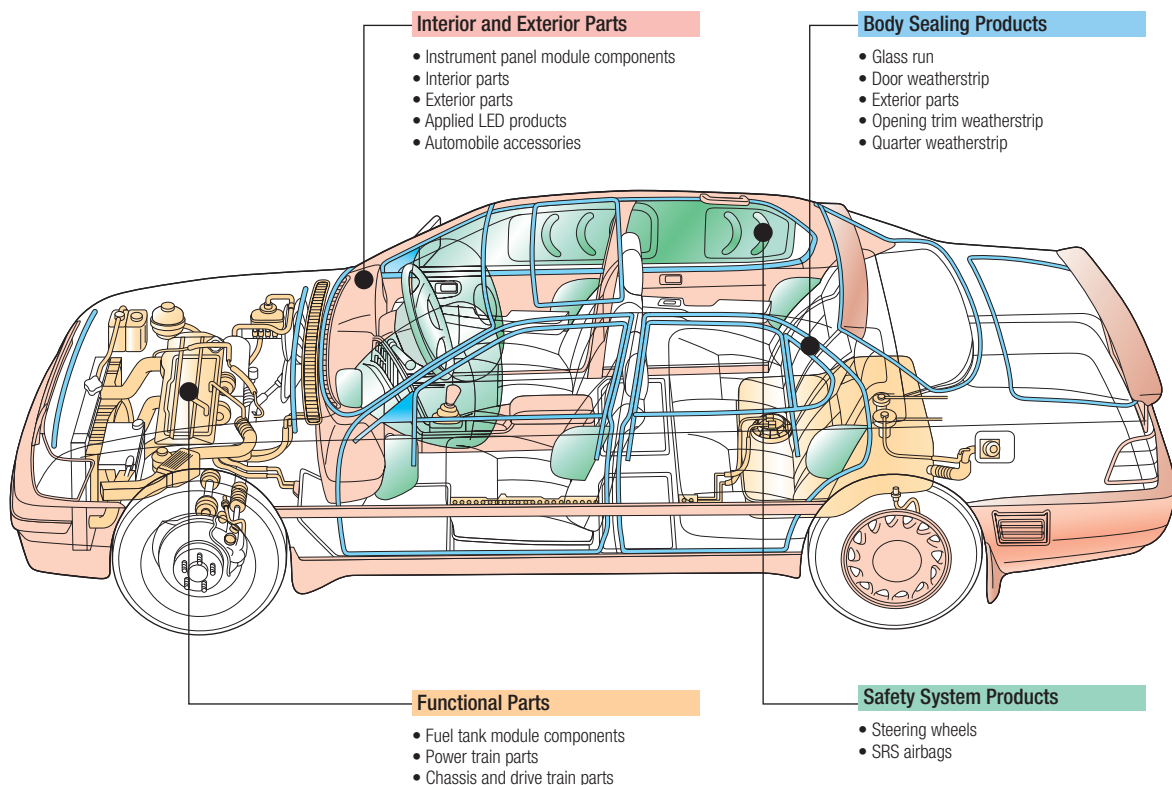


Business Units

Each of Toyota Gosei's business units is working to earn a leading market share in selected products. Those efforts center on (1) developing and offering high-value-added products; (2) adhering to manufacturing practices rigorously consistent with the fundamentals of making things well and working continuously to upgrade production processes; and (3) build and continuously strengthen a globally optimized supply network.



Optoelectronic Products

- LED lamps
- Applied LED products



General Industry Products

- Communications equipment components
- Air-conditioning products
- Home-related components
- Agricultural/construction/production machinery components
- Health and welfare-related products



Interior and Exterior Parts

Sales:	¥162.1 billion
Percentage of net sales:	27.3%
Year-on-year change:	Up 25.6%

A renewed focus on the fundamentals of manufacturing has restored the Interior and Exterior Parts business unit to profitability. That improvement has accompanied swift business expansion and has occurred across the board; the unit has reformed its structure of earnings without shedding a single product line. Meanwhile, acquiring the Optoelectronics business unit's automotive LED business has broadened the foundation for sales and earnings growth in this business unit.

Leading the sales growth in the Interior and Exterior Parts business unit in fiscal 2007 were gains in instrument panels, console boxes, glove compartments, and interior trim. Geographically, business benefited most from continuing expansion in North America and in Asian nations besides Japan and from renewed vitality in Japan.

The Interior and Exterior Parts business unit continues to expand and upgrade its global production capacity to meet escalating demand. New plants came on line in August 2006 in Foshan, China; in November 2006 in Texas; in December 2006 near Tokyo; and, after the turn of the fiscal year, in May 2007 near Nagoya. The unit is moving to expand production capacity

further in North America and to address the surging demand in large emerging economies.

Adopting energy-saving LEDs for lighting and illumination adds a new dimension to the Interior and Exterior Parts business unit's continuing emphasis on value-added products. That emphasis also includes developing and deploying instrument panel modules that contain airbags, innovative spring-driven covers and caps that open and close at the touch, and sophisticated plating and coating for exterior trim. In addition, the unit is expanding its offerings in low-cost products for entry-level vehicles. It continues working to support fuel-conserving weight savings by developing plastic alternatives to metallic components.



Instrument panel modules that reduce costs and simplify installation by integrating formerly separate components.



Radiator grilles equipped with milliwave radar collision-prevention functionality.

Body Sealing Products

Sales:	¥108.5 billion
Percentage of net sales:	18.3%
Year-on-year change:	Up 17.1%

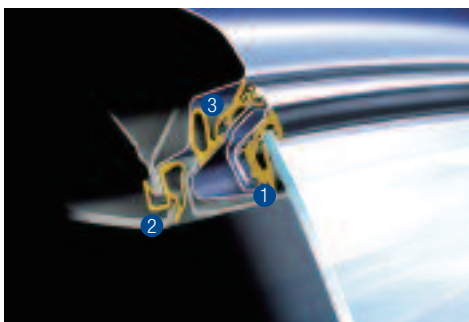
The Body Sealing Products business unit has bolstered its sales and earnings momentum by focusing rigorously on clear strategic priorities: expand business in value-added products; improve manufacturing processes to increase yields and lower costs; develop business in applications beyond the unit's traditional three main categories of door weatherstrip, glass runs, and opening trim weatherstrip; deploy cost-competitive products for entry-level vehicles.

Continuing improvements in production processes support progress in lowering costs while increasing production output in the Body Sealing Products business unit. The unit has reduced the processing time in the vulcanization process, for example, by optimizing the processing conditions, and it is pursuing further reductions in processing time by developing new product materials. In addition, the unit has raised material yield by developing new technologies for recycling process waste.

The Body Sealing Products business unit has paced the globalization of manufacturing at Toyoda Gosei, and it has pioneered important multinational initiatives in skills training. Leading those initiatives is the Global Production Center, based at the unit's flagship plant in Japan. That center furnishes

training to managers and engineers from the unit's plants around the world. It helps the unit attain common, high standards for quality, productivity, and lead times everywhere it operates. Achieving smooth production start-ups for new products is a special emphasis, and the Global Production Center has contributed notably to accelerating preparations for mass production.

Value-added product appeal in this business unit includes aesthetic texturing for exposed surfaces. Meanwhile, elastomers and other materials that facilitate recycling increase the appeal of the unit's products to ever-more environmentally conscious automakers. The unit works closely with automakers to achieve the optimal combination of performance and cost in body sealing products for each vehicle.



① Glass run
② Opening trim weatherstrip
③ Door weatherstrip
that, in combination, provide optimum sealing for any kind of door functionality and design.



Functional Parts

Sales:	¥117.3 billion
Percentage of net sales:	19.8%
Year-on-year change:	Up 13.5%

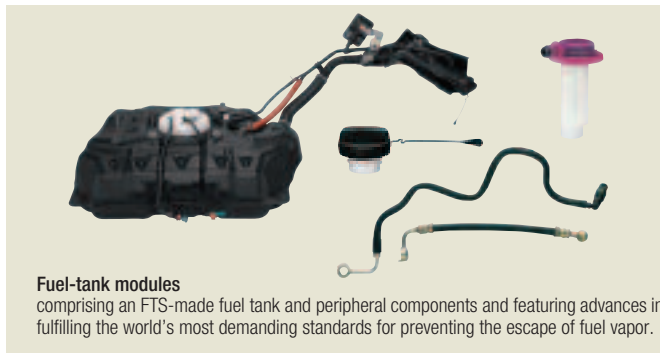
Prioritizing products has fortified sales and earnings in the Functional Parts business unit, and this unit continues to sharpen its focus on products where it can assert a compelling edge. The unit has been notably successful in promoting plastic fuel tanks and peripheral parts and assemblies. In other strategic emphases, the Functional Parts business unit has strengthened its market position in constant velocity joint boots, rack-and-pinion boots, brake hoses, engine covers, and battery parts for hybrid cars. It has a large market share in all of the preceding products and is working to expand its share further while maintaining sound profit margins.

The Functional Parts business unit is aiming for global market leadership in fuel-system components such as caps, valves, and tubes and in other functional components, including brake hoses and boots. And the business unit is allocating resources to those products on a priority basis to achieve that goal. It participates effectively, meanwhile, in Toyota Gosei's companywide campaign to develop a full range of cost-competitive products for entry-level vehicles.

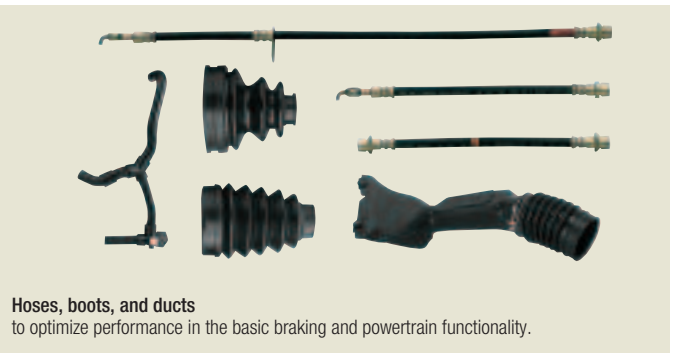
A Toyota Gosei subsidiary, Fuel Total Systems (FTS), manufactures plastic fuel tanks at plants in Japan and the United States. The Functional Parts business unit, with FTS, develops and supplies integrated fuel-tank modules that comprise the tanks and a complete array of related caps, valves, and hoses.

It has been aggressive in anticipating and responding to demand for ultralow-profile tanks designed to maximize interior space in vehicles. Those tanks mesh with vehicle underbodies in complex shapes and thus require advanced fabrication technology and highly miniaturized components. Those requirements have enabled the unit to assert a competitive edge through unique and well-established technological strengths.

Expanding business in battery parts and other components for hybrid vehicles is an especially high priority for the Functional Parts business unit. The unit is also adapting and developing products to accommodate fuel-cell vehicles, flexible-fuel vehicles, and alternative-energy vehicles.



Fuel-tank modules
comprising an FTS-made fuel tank and peripheral components and featuring advances in fulfilling the world's most demanding standards for preventing the escape of fuel vapor.



Hoses, boots, and ducts
to optimize performance in the basic braking and powertrain functionality.

Safety System Products

Sales:	¥166.0 billion
Percentage of net sales:	28.0%
Year-on-year change:	Up 18.8%

Sales and earnings remain robust in the largest business unit at Toyota Gosei. Demand for airbags continues to outpace the growth in unit vehicle sales as automakers adopt a large and broadening range of airbags in middle-market and premium-grade vehicles and as they augment the airbag protection in entry-level vehicles. The Safety System Products business unit maximizes the sales and earnings contribution of unit sales growth by developing and deploying higher value added products, such as omni-support airbags and dual stage inflation airbags. It has bolstered its cost competitiveness by building a value chain of complementary manufacturing platforms, especially in Asia.

Contributing most notably to the sales growth in the Safety System Products business unit in fiscal 2007 were strong gains in curtain airbags, side airbags, and knee airbags. Demand for those new products surged as automakers offered them as optional or standard equipment in a fast-growing range of vehicle models. Sales increased slightly in steering-wheel airbags and in passenger-side instrument-panel airbags.

High-end luxury vehicles now contain as many as 10 airbags. Airbag technology has thus largely enveloped the driver and passengers, and the focus of growth in this product sector will shift to middle-market and entry-

level vehicles and to newly emerging markets. Serving the expected growth in demand in those model strata and markets will require further progress in lowering costs. The Safety System Products business unit is developing cost-competitive product technologies and deploying production resources globally to optimize its airbag offerings for every class of vehicle and for every geographical market.

New kinds of airbag products are on the horizon. Airbags for protecting pedestrians, for example, are under study in the Safety System Products business unit.



Airbags
for up to 10 positions in the vehicle interior to protect the occupants.



Airbag-equipped steering wheels
that exhibit Toyota Gosei strengths in combining diverse components and in achieving continual advances in performance.

Optoelectronic Products

Sales:	¥16.4 billion
Percentage of net sales:	2.8%
Year-on-year change:	Up 12.9%

A series of breakthroughs in developing and launching high-output white LEDs supported strong sales growth in the Optoelectronics business unit. Sales growth in the unit was especially strong in the second half of fiscal 2007, and management projects sales growth of about 7% in the present fiscal year.

Mobile phone backlights and keypads are the biggest market, by far, for the LEDs supplied by the Optoelectronics business unit. The other principal markets are outdoor display panels and lighting products. In fiscal 2007, increased shipments to Japanese and Korean mobile phone manufacturers accounted for the unit's overall sales growth. Spurring the unit's renewed strength in the mobile phone sector were high-luminosity white LEDs launched in October 2006. The powerful new LEDs have positioned Toyoda Gosei in the industry's top tier in regard to luminosity, and the Optoelectronics business unit is reinforcing that positioning by launching even more luminous white LEDs in the present fiscal year.

In addition to advances in output, the Optoelectronics business unit is strengthening its competitiveness by increasing chip yields. Spectral wave length varies across the semiconductor wafers that LED manufacturers dice into numerous LED diodes. Keeping that variation within the bounds of usable wave lengths maximizes yields and, therefore, productivity. The unit achieved process improvements in the past fiscal year that supported a dramatic improvement in yields. It is also strengthening its competitiveness by automating processes further and by improving processes in other ways.



High-luminosity white LEDs suitable for backlights in liquid-crystal displays for televisions and laptop computers and even for future applications in general illumination.

Outdoor LED displays with a wide viewing angle and high visibility, developed for large-scale applications, such as sports stadiums.



General Industry Products

Sales:	¥16.9 billion
Percentage of net sales:	2.8%
Year-on-year change:	Up 19.7%

Strong growth in sales of cases for mobile phones and continuing strength in air purifiers led the sales growth in General Industry Products in fiscal 2007. The unit's new Chinese subsidiary for producing plastic mobile phone cases began operation in May 2006. China is the world's largest production platform for mobile phones, and the Chinese plant has enabled the unit to achieve a long-standing goal of expanding its clientele for mobile phone cases. Developing business in new product categories, such as residential building materials, remains a strategic emphasis for the unit.

The sales growth in mobile phone cases in fiscal 2007 benefited from a surge in demand for magnesium cases. Metallic-bodied phones were a phenomenal product success for the unit's chief customer in that product category, and management is projecting lower sales for the unit in the present fiscal year in the wake of that windfall. The successful start-up at the Chinese production venture bodes well, however, for long-term vitality in mobile phone cases.

Apart from the Chinese subsidiary, the General Industry Products business unit outsources all production. It specializes in conceiving, planning,

designing, and marketing products. The unit's successful line of air purifiers, marketed through Japan's largest manufacturer of residential air conditioners, is a sterling example of that approach. Another good example is a promising line of dampers for installing in the upper floors of prefabricated homes to absorb the sounds of footsteps. The unit also maintains a steady volume of business in supplying body panels and other exterior and interior products for farm and industrial equipment. It is exploring applications for LEDs in possible new products for residential settings.



Mobile phones equipped with cases developed and manufactured by Toyoda Gosei.

Air purifiers developed and manufactured by Toyoda Gosei and marketed through Japan's largest manufacturer of residential air conditioners.

