

TOYODA GOSEI REPORT 2012

[Report on Activities of Fiscal 2011]



TOYODA GOSEI

Management Philosophy Structure

Boundless Creativity & Social Contribution

[Customer satisfaction]

We aim to provide products and services with satisfying quality and price in a timely manner, through advanced R&D and production engineering.

[Respect for individual]

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.

[Good corporate citizenship]

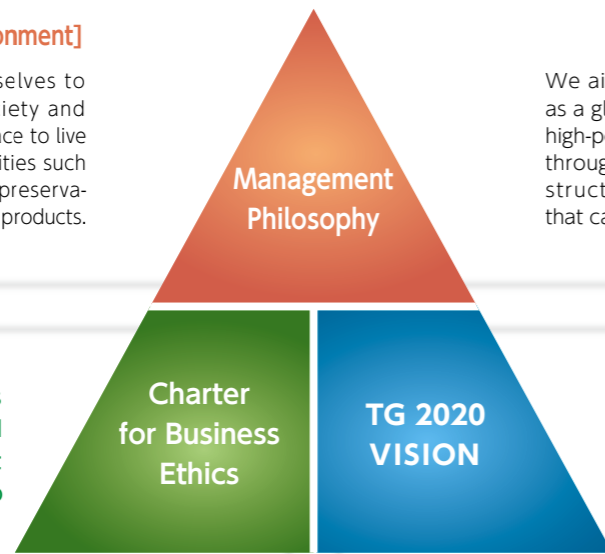
We aim to, as a global corporation, strive to be a trustworthy, respected corporate citizen by honoring both the letter and the spirit of law and rule of every nation, and through community-based business activities and contributing to industry, economy and the society.

[Respect for the environment]

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.

[Steady growth]

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.



The ethical standards and values that should be shared throughout the Toyoda Gosei Group are shown here.

In line with the purport of the Management Philosophy, the TG 2020 VISION clearly states what the Group ought to look like in 2020 and the direction that Group initiatives should take.

[Corporate Social Responsibility]

[Relationship Between Company and Employees]

- Creating healthy workplaces where everyone can work comfortably
- Asset and confidentiality management

[Company's Business Activities]

- Development and production / Sales / Procurement
- Overseas business / Environmental preservation

[Relationship Between Company and Society]

- Public relations activities
- Social contribution activities
- Elimination of anti-social forces
- Dealings with public agencies

[Personal Behavior]

- Wholesome behavior on the job
- Prohibition of insider trading
- Traffic safety

[What we aspire to become]

A true global supplier of choice that delivers happiness to customers all over the world.

[Main pillars of activity]

- ① Establishment of robust manufacturing sites that will emerge victorious from global competition
- ② Development of absolutely unrivaled technologies for environmental conservation, energy saving, and safety systems
- ③ Consolidation of our business foundations in growing markets and fields with growth potential throughout the world

[Human resource : The key to our activity]

Development of global human resources and utilization of the collective strength of the TG Group

(see p. 4 for details)

About Toyoda Gosei Report 2012

[Report on Activities of Fiscal 2011]

Editorial policy

In order to help all of Toyoda Gosei's stakeholders gain a deeper understanding of the stance and business activities of the Toyoda Gosei Group, and to facilitate even greater stakeholder trust in the Group, in this report we have prepared and edited our "Social and Environmental Report" and "Annual Report" in a single volume.

In this report, we weighted the issues we consider important and focused on those issues we want to convey to our stakeholders, so as to make our Group's business activities easy to understand. We have also included opinions from our stakeholders and comments from our employees engaged in various activities.

This report is composed of the introduction, which includes special features, plus the main report covering the five categories of Business, Management, Society, Environment and Finance. In the special features contained in the introduction, we outline initiatives employing our core technologies for weight reduction of rubber and resin components. In the report section, we have also introduced our activities in fiscal 2011 and their results.

Target period

April 1, 2011 - March 31, 2012

*The report basically covers the above target period, but contents related to other periods may be included as needed.

Scope

In principle, the companies covered are those consolidated in the Toyoda Gosei Group. For some of the items, the scope is outlined individually.

Precaution regarding forecasts

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

Reference guidelines

- The Global Reporting Initiative (GRI) "Sustainability Reporting Guidelines Version 3.0 (G3.1)" *
- Ministry of the Environment "Environmental Reporting Guidelines, 2007 Edition" * "Environmental Accounting Guidelines, 2005 Edition" *
*A comparative table of these guidelines can be found on our website. <http://www.toyoda-gosei.co.jp/csr/kankyou/houkoku.html>

Date of issue

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This report can also be viewed on the Toyoda Gosei website. <http://www.toyoda-gosei.com/>

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Aiming to earn the trust of society as a global system supplier who brings happiness to customers all over the world

Tadashi Arashima
President Toyoda Gosei Co., Ltd.



Introduction

Toyoda Gosei has grown along with the polymer and optical semiconductor fields, including rubber, resin and LED products, and we have expanded our business as a global system supplier of automotive components and LEDs to 46 facilities in 17 nations and regions worldwide. In recent years, against a backdrop of growing concern with environmental issues, we have been meeting the needs of the rapidly growing eco-friendly vehicles market, proactively developing lightweight and compact automotive components. In addition we have developed various types of LED light sources, seen as the next wave in lighting technology, and are aggressively pursuing activities aimed at achieving a low-carbon society.

Aiming to be a corporate group of choice that delivers happiness to customers

In today's global economy, with companies facing a rapidly shifting business environment and stronger competition, it is essential for us to clarify our future goals and the core areas of our business activities, and to respond swiftly and accurately to global customer needs. With this in mind, on January 1 of this year we formulated the TG2020 Vision.

In this Vision, we state our aspiration to be **"a true global supplier of choice that delivers happiness to customers all over the world,"** and define the following three main pillars of activity as we strive to realize this goal:

- ① **Establishment of robust manufacturing sites that will emerge victorious from global competition**
By going back to the basics of manufacturing, we aim to establish sites for manufacture of products that satisfy customers around the world in terms of quality, cost and delivery.
- ② **Development of absolutely unrivaled technologies for environmental conservation, energy saving, and safety systems**
As hybrid and electric vehicles grow more prevalent, the power sources that propel automobiles are drastically shifting. We are adapting to this change by developing new high-quality, low-cost products that fulfill customer demands for environmental performance, energy efficiency and safety.
- ③ **Consolidation of our business foundations in growing markets and fields with growth potential throughout the world**
In our automotive components business we practice community-based business activities, expanding our business scope by staying abreast of the specifics of automotive industries in each region. Meanwhile, in our optoelectronics business we pursue the latest advances in technology and are pushing for further expansion particularly in the Asian region.

With this **TG2020 Vision** in mind, we have identified that following four key areas of focus for fiscal 2012.

- ① **Development of personnel and workplaces that will absolutely avoid major accidents or serious product defects**
 - Boosting sensitivity to quality so as to reduce serious quality problems to zero
 - Total elimination of major accidents or situations that necessitate work stoppages through watchful safety measures
- ② **Steady promotion of mid-term measures aimed at consolidating our business foundations**

- Acceleration of profit structure reforms in each region and business area
- Boosting revenue with a focus on growth markets and fields with growth potential
- ③ **Boosting manufacturing power and cultivating human resources on a global scale**
 - Strengthening competitiveness to achieve further growth in emerging nations
 - Planned cultivation of human resources to drive global expansion and localization
- ④ **Enhancing CSR activities so as to be a company employees are proud to work for**
 - Working to create better local communities and comfortable work environments
 - Maintaining standards of behavior befitting members of society and the business community

Environmental protection and social contribution activities aimed at earning society's trust

Toyoda Gosei Group is actively involved in environmental protection initiatives and social contribution activities closely rooted in communities.

In terms of environmental protection initiatives, we are focusing on the increasingly vital areas of CO₂ emissions reduction and recycling technology development, in line with the "Fifth Environmental Action Plan" formulated in 2011. We continued with our Plant Afforestation Project, launched three years ago, planting trees at the Inazawa Plant in Japan and overseas subsidiaries in Hai Phong, Vietnam and Zhangjiagang, China in fiscal 2011. Moving forward, we will continue making active efforts in these areas while lending an ear to the opinions of people in communities. Our environmental efforts earned us a sixth-place ranking in the Manufacturing Section of an "Environmental Management Survey" conducted by a survey agency, the highest acclaim earned by an automotive components manufacturer.

To contribute to society, we implemented Neighborhood-Watch Anti-Crime Patrols by volunteer employees, which promote safer and more comfortable communities, and donated LED Security Lighting to communities as well. We also held social events with people with disabilities as part of our training for new employees, as well as educational programs on manufacturing and social sporting events. In addition, we provide support for the Ichinomiya Boys and Girls Invention Club for elementary and junior high school students, which uses industrial arts activities in a group setting to help cultivate human resources rich in creativity. In recognition of these activities, in fiscal 2011 we received an award from the Make a CHANGE Day Executive Committee, a nationwide volunteer activity promotion organization, for the third consecutive year. In addition, we earned an Award for Outstanding Achievements in Volunteer Activities from Aichi Prefecture.

In Closing

The Toyoda Gosei Group aims to be an enterprise that earns the trust of society, by developing products that bring happiness to customers worldwide, and through all of our business activities including environmental protection and social contribution efforts. We adopt an attitude of gratitude and humility toward all of our stakeholders, and hope to continue meeting their expectations. We ask for your continued guidance and support in the future.

TG 2020 VISION

The Toyoda Gosei Group strives to become :
"a true global supplier of choice that delivers happiness to customers all over the world."



What we aspire to become

A true global supplier of choice that delivers happiness to customers all over the world

The TG Group strives to become the best partner in the fields of high-polymer and optoelectronic products that bring happiness to customers all over the world, with a view toward advancing global motorization and realizing a low-carbon and recycling-oriented society.

Main pillars of activity

- ① **Establishment of robust manufacturing sites that will emerge victorious from global competition**
 - Securing excellent quality that spreads the global circle of TG fans
 - Developing new materials and engineering methods that make possible overwhelmingly superior yet moderately priced products
 - Constructing worker-friendly production processes and environmentfriendly plants
- ② **Development of absolutely unrivaled technologies for environmental conservation, energy saving, and safety systems**
 - Creating new products that facilitate the popularization of HVs, PHVs, EVs and low-cost compact cars
 - Perfecting our LED technologies to take the lead in the global lighting market
 - Developing new technologies, including those for recycling and reducing dependence on oil
- ③ **Consolidation of our business foundations in growing markets and fields with growth potential throughout the world**
 - Establishing sales and engineering systems that are customeroriented and community-based
 - Building globally optimal systems of procurement, production and delivery
 - Expanding our business scope in emerging countries in cooperation with our partners

The principle Construction of best in the region manufacturing sites, the merits of which will be horizontally deployed on a global scale

The principle Anticipation of customer needs to be the first to deliver the latest value

The principle Refinement of the quality of our work from the customer's perspective and from the viewpoint of global optimization

Human resource : The key to our activity

Development of global human resources and utilization of the collective strength of the TG Group

- Developing professional personnel equipped with a high level of expertise and a broader point of view
- Enhancing our capabilities to respond to region-specific challenges by assigning diverse, talented people from across the globe
- Practicing complementary human resource management and teamwork in ways that transcend the boundaries of regions and business units

The mindset Having the courage of challenge to change and getting into the habit of active communication

Keeping abreast of the eco-friendly weight-reduction technology era



As environmental awareness grows on a global scale, automakers worldwide are flooding the markets with a wide variety of environmentally friendly vehicles including hybrid cars, plug-in hybrids, electric vehicles, and gasoline-powered cars with dramatically improved fuel efficiency (the "third type" of eco-friendly vehicle), as well as motorized urban commuter vehicles expected to serve as the next generation of municipal transport.

As a company with automotive components as its key business area, we hit upon "weight reduction" when considering ways to offer products that meet the needs of the age. In addition to contributing to improved fuel efficiency for increased driving distances per fuel unit and reduction of CO₂ emissions, weight reduction has a wide range of benefits thanks to performance improvements in all the basic automobile maneuvers: "drive," "turn" and "stop." Weight reduction is an effective method for improving the performance of both conventional gasoline-powered and next-generation vehicles, as well as for minimizing impact on the environment.

Here we present some of our most recent initiatives to promote component weight reduction, building on our advanced core technologies in the rubber and resin products field.

Replacement of metal with resin, foreseeing the needs of the next generation

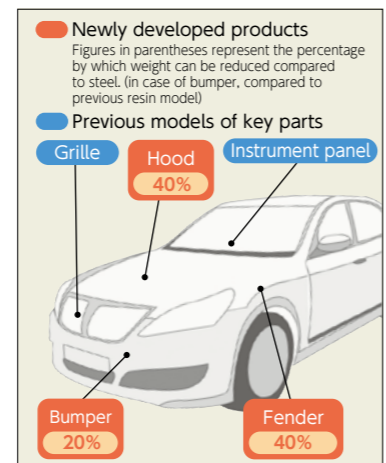
Interior and Exterior Parts

We are pursuing research and development of interior and exterior parts in which metal is replaced with resin, including hoods, fenders, side doors, back doors and glazing (glass parts).

Replacing steel with resin in hoods and fenders achieves an approximate 40% weight reduction with no loss of strength. In order to boost the sophistication of our automotive parts development, we mounted our products under development in a Toyota Vitz converted to an electric vehicle. Last year, this vehicle was employed as the lead vehicle for observation tour buses at Chubu Centrair International Airport, and demonstration experiments were conducted to measure its strength, durability and environmental performance. This vehicle is the follow-up to an electric vehicle fabricated in 2009 with the goal of stimulating demand for components for next-generation eco-friendly vehicles, and we ourselves performed each step from



Resin parts under development and key existing resin parts



engine conversion to car inspection (automobile inspection and registration system) registration. We are also researching the potential for converting doors to resin, and in the 42nd Tokyo Motor Show we exhibited resin front and back doors in addition to other resin parts. The substitution of resin for metal in hoods and fenders has a wide range of benefits in addition to weight reduction, including driving performance and safety benefits. When the front end of

an automobile becomes lighter, it lowers the vehicle's center of gravity, and if there should be a collision with a pedestrian, the pedestrian will suffer less severe injuries.

It also contributes to reduction in the number of parts used. In some car models, steel-plate hoods necessitate the installment of damper stays to absorb weight. Also, steel plate has limited capacity for shaping, meaning it must be fitted together with other parts in order to achieve the shape required by regulations, leading to a larger number of parts. However, a resin hood is light and can be shaped freely, meaning there is no need for damper stays, and regulatory compliance can be achieved with resin products alone. A weight reduction of approximately 40% can be achieved. Resin parts may seem to be costly when viewed as parts alone, but the concentration of functions into a smaller number of parts means that overall costs can be kept down. This is a major benefit of resin.

Our future development plans include research into modularization of fender and hood components for easy assembly, substitution of resin for glass, and conversion of instrument panel interior



Shigeru Yabuya / Tatsuya Oba, Managers, Development Center

components to resin. Working with the key words "low cost," "safety," "automotive beauty" and "improved driveability," we will continue to promote weight reduction of interior and exterior parts so as to benefit the environment.

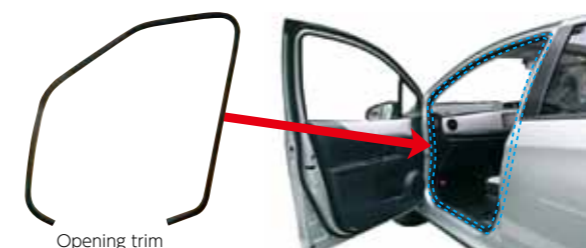
Opening trim with 20% reduced weight Earns high acclaim for easy substitution

Automotive Sealing Products

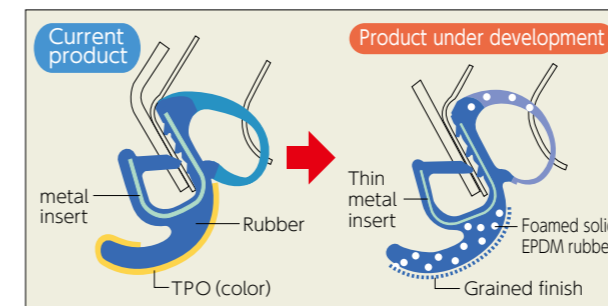
In the Automotive Sealing Business Unit, we are developing rubber seal parts that protect the vehicle's interior from rain, wind, and noise, and in particular we are focusing on weight reduction of doors and related parts.

The opening trim employed around the door aperture, and one segment of trim is approximately 3.5 meters in length and weighs between 0.8kg and 1kg. As four segments are used in each vehicle, reducing the weight of these parts could have a considerable effect.

We have developed new trim using foamed rubber to reduce specific gravity, and made the metal inserts inside the rubber thinner. As opening trim is an interior element visible to passengers, in the past TPO color material (material matching the color and pattern of the interior) was used, but the newly developed product instead features an attractive grained finish featuring fine protrusions and indentations on the surface, which allows for the elimination of TPO color material.



Improvements to materials and inserts, new grained finish (Fig. 1)



As a result, we verified that the overall weight had been reduced by approximately 20%. (Fig. 1)

The development process did not go smoothly at first. There was the vexing problem of the rubber losing durability when it was foamed, but we overcame it by forming separate materials development, technical development and manufacturing process teams, and working cooperatively to solve the problem. In this project, we were able to develop a new product without structurally altering the body to which the product is mounted, and without any loss of performance or function. It is easy to replace the old product with this one, and automakers do not need to modify their assembly lines. As the new product can be installed not only in new model vehicles but also in models already in production, we believe it has great potential for wide adoption. In fact, it has already been introduced by automakers in Japan as well as in North America, Europe, China and other Asian countries.

Moving forward, we will pursue development aimed at further weight reduction, considering structural modifications of the body to which the product is mounted and structural alterations of the product itself such as opening trim without metal inserts. We intend to continue fulfilling quality criteria and meeting customer expectations.

Yasushi Mizutani, Manager, / Yoshihiro Miura, Takeshi Iwamatsu, Group Leaders, Product Design Dept., Engineering Div., Automotive Sealing Business Unit



Plastic fuel filler pipes with weight reduced by 55%

Functional Parts

In the Functional Parts Business Unit, we are working to reduce the weight of fuel tank modules, boots and hoses. In particular, we reduced the weight of fuel filler pipes which bring fuel from the fuel filler aperture to the fuel tank by 45% in 2008 by replacing metal with resin.

Now, we have reduced weight even further with no loss of performance or functionality by eliminating mounting hardware, achieving an additional 10% weight reduction for a 55%

lighter weight compared to all-metal fuel filler pipes.

In the previous product, the metal pipe had been replaced with a resin one, but a large number of additional components were required including a grounding wire to conduct static electricity, a protector for the wire, an anti-fuel-leak protector to prevent fuel leakage, and a quick connector to connect the fuel tank and fuel filler pipe.

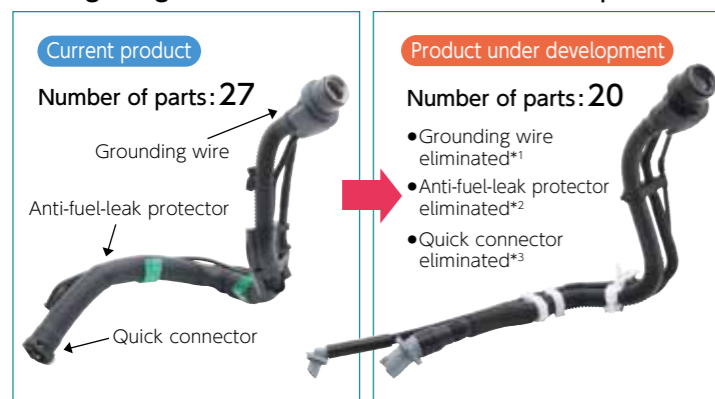
Keiji Miyoshi, Team Leader, Fuel Parts Engineering Dept., Functional Parts Business Unit

With this in mind, the current development project began with the goal of eliminating these components, starting with the grounding wire. Based

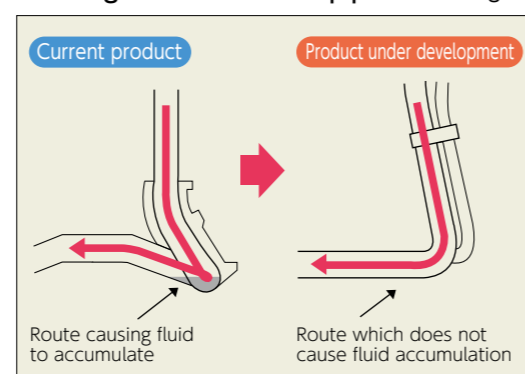
on the idea that "if resin can fulfill the role of the grounding wire, the wire and its protector will be unnecessary," we designed a grounding circuit employing electrically conductive resin*1. To compensate for the hard and brittle properties of conductive resin, we took steps such as boosting the impact resistance by using double layers of resin. The next step was to eliminate the anti-fuel-leak protector. The existing product featured a winding lower portion, in the lower part of which fuel accumulated, necessitating the attachment of an anti-fuel-leak protector to prevent fuel leakage in the event of an external impact on the vehicle. To address this situation, we collaborated from the start of the project with automakers to design a layout that would deliver fuel to the tank without it accumulating, and achieved this goal. (Fig. 1)*2

We also introduced an all-in-one tank structure so as to eliminate the quick connector that connects the pipe and the fuel tank. This was accomplished by turning the plastic fuel filler pipe and the tank into a single unit, which is delivered in compact form with the fuel filler pipe bent. As this was the first time this had ever been tried, the process entailed continual trial and error, but this was overcome through repeated discussions with fuel tank manufacturers, eventually arriving at an assembled form with optimum, flexible accordion structure which would not interfere with mounting to the vehicle.*3 Plastic fuel filler pipes are a new field for Toyoda Gosei, and the product is still under development. We intend to continue pursuing further weight reductions, create the world's lightest product of its kind and ship it worldwide.

Integrating functions to reduce the number of parts



Anti-fuel-leak protector eliminated through modification of pipe route (Fig. 1)



Lightweight airbag module with weight reduced by 22%

Safety System Products

In the Safety Systems Business Unit, we are working to reduce the weight of airbag modules. Recently automotive part weights are being reduced throughout the auto industry, and steering wheels are no exception. However, vibration and operability issues mean that steering wheels themselves must have a certain

amount of weight, and thus we focused instead on reducing the weight of airbag modules.

This product achieved a 45% reduction in number of components through integration of functions and structural modifications, and an approximately 22% reduction in weight. It was no

simple task to improve the product without detracting from its basic performance, manufacturers' assembly capacity, and freedom of design, but we worked through a process of trial and error with regards to which parts to integrate and how the layout could be fixed in place so as to minimize the number of parts. Eventually, the horn sounding function and the mechanism affixing it to the steering wheel was combined into one, allowing for the elimination of the pad cover affixing plate used in each car model depending on the steering wheel design. This meant that an assembly consisting of five types of parts could be combined into one part applicable to a wide range of models. (Fig. 2)

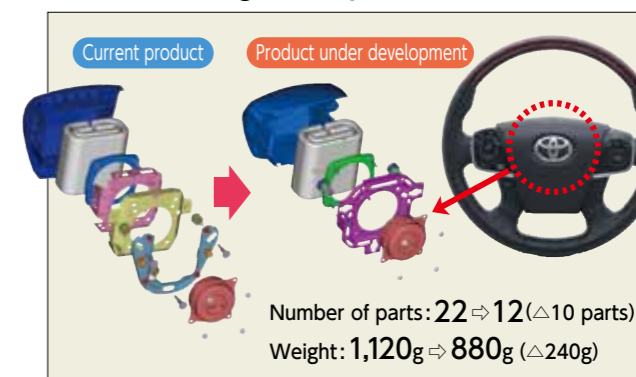
Reduction of the number of parts also benefits manufacturing sites by reducing the labor involved in assembly and cutting the amount of equipment space needed by 50%.

Currently, among airbag modules manufactured by Toyoda Gosei, only about 30% of models feature the newly developed product, but in the future we intend to expand its use to all airbags, and to have nearly 90% of vehicle models on the Japanese domestic market feature the newly developed product within a few years. There is great potential for global market expansion as many vehicles in emerging countries, etc. still do not have airbags. Our objective is to reduce the size of steering wheels, which have grown bigger as a result of the inclusion of airbags, to their pre-airbag size. We will continue taking on the challenges of weight reduction in pursuit of this goal.



Toshihiro Morita / Motoki Adachi, Group Leaders, Component & Module Engineering Dept. 2, Safety Systems Business Unit

Structural simplification achieved through functional integration (Fig. 2)



Weight reduction technology applicable to other fields as well

Our weight reduction technology is seen as having potential in other industries besides the auto industry. At the 2nd Automotive Weight Reduction Expo, in addition to the previously mentioned converted electric vehicle containing various weight-reduced products, we exhibited a resin airport luggage cart and a foldable, self-powered cart for use by people with disabilities in airports. There was a strongly positive reaction,

and we received multiple requests and inquiries from visitors from various manufacturing fields, who after seeing these exhibits expressed an interest in converting their own products to resin. Weight reduction technology applicable to non-automotive fields has potential to give rise to entirely new business areas.

Director's Message

Contributing to a low-carbon society in the polymer and optical semiconductor fields, paving the way for the next generation



Yoshiaki Takei
Director / Senior Managing Officer (General Manager of Production HQ and Automotive Sealing Business Unit)

Reduction of vehicle weights is a challenge that the auto industry must address to contribute to a low-carbon society. There is no doubt that it will also be essential to ensuring competitiveness in auto manufacturing in the future.

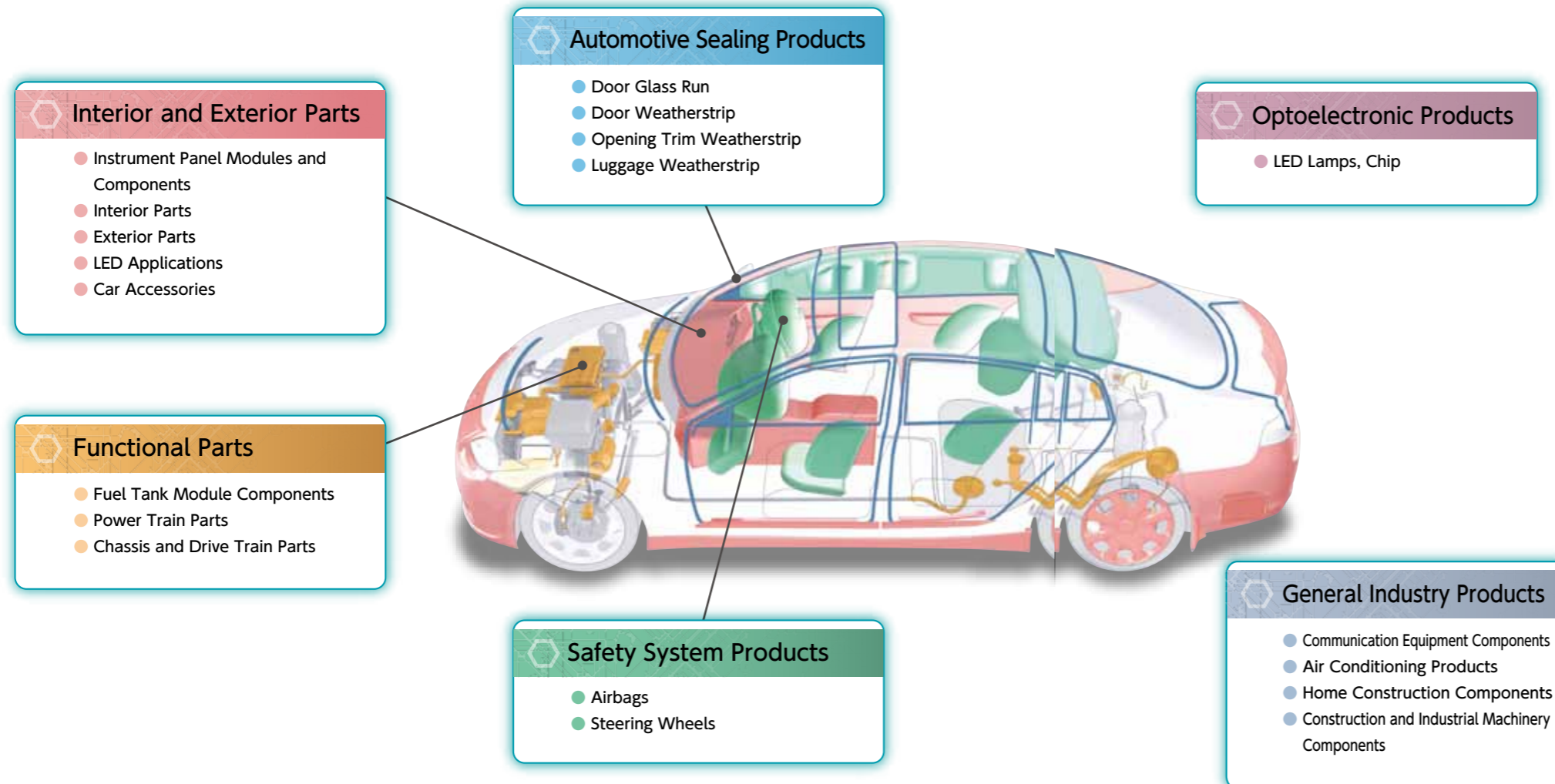
At Toyoda Gosei, we are strengthening our understanding and expertise by equipping electric vehicles with a wide range of weight-reduced products, and exploring new possibilities with an eye on the next generation of technology.

Moving forward, we will continue integrating sophisticated technologies and providing customers with high-added-value products, working with the key concepts of "lightweight," "energy-saving" and "environmentally friendly" as we contribute to the realization of a low-carbon society as the best business partner in the fields of polymers such as resin and rubber and optical semiconductors such as LEDs.

Business Overview

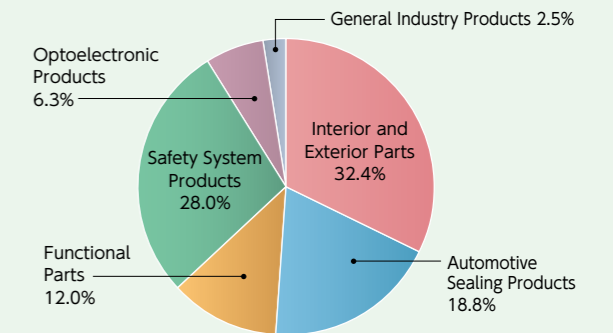
We are expanding our business on a global scale, partner in the fields of polymer technologies and

as the best business optical semiconductors.



DATA

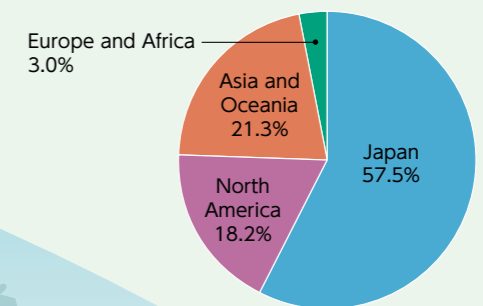
Sales by field



(amounts less than 100 million yen are rounded down)

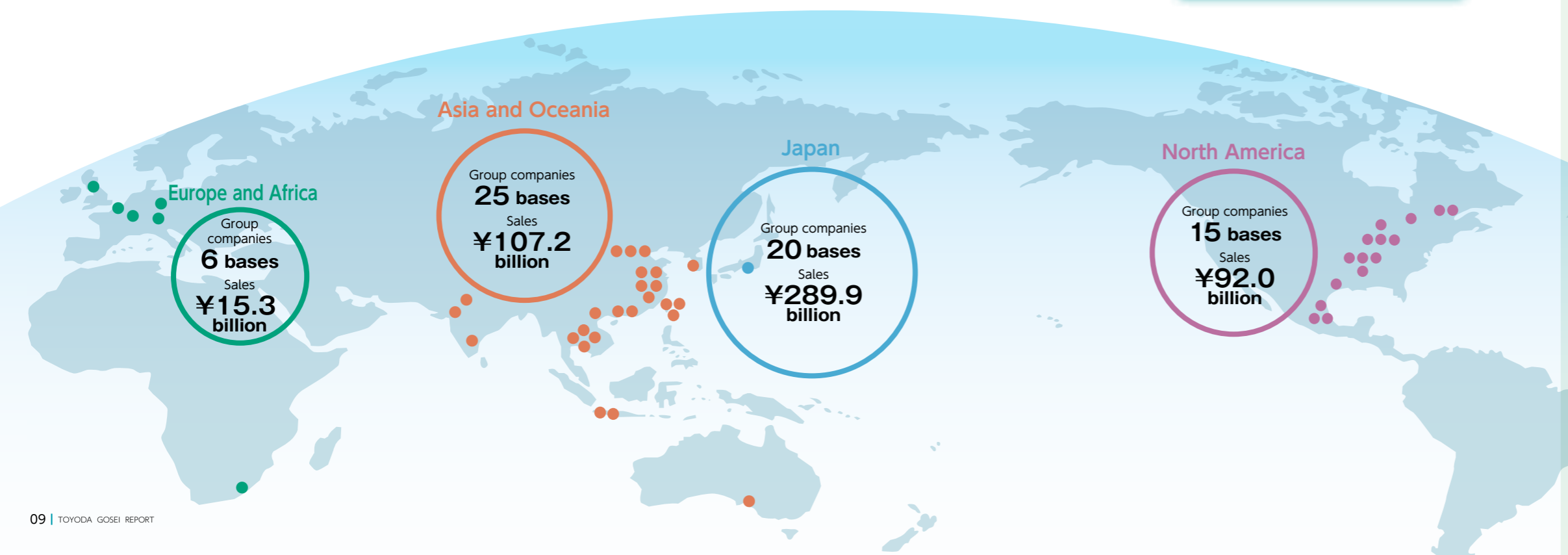
	Fiscal 2011		Fiscal 2010		Year-on-year rate (%)
	Billion of yen	Percentage of net sales (%)	Billion of yen	Percentage of net sales (%)	
Interior and Exterior Parts	163.4	32.4	163.4	31.6	0.0
Automotive Sealing Products	94.9	18.8	98.1	19.0	-3.3
Functional Parts	60.5	12.0	61.6	11.9	-1.8
Safety System Products	141.2	28.0	145.7	28.2	-3.1
Subtotal of automotive Parts business	460.2	91.2	469.0	90.7	-1.9
Optoelectronic Products	31.5	6.3	39.0	7.6	-19.2
General Industry Products	12.6	2.5	8.8	1.7	+42.6
Total	504.5	100.0	516.9	100.0	-2.4

Sales by region



(amounts less than 100 million yen are rounded down)

	Fiscal 2011		Fiscal 2010	
	Billion of yen	Percentage of net sales (%)	Billion of yen	Percentage of net sales (%)
Japan	289.9	57.5	299.1	57.8
North America	92.0	18.2	95.2	18.4
Asia and Oceania	107.2	21.3	107.8	20.9
Europe and Africa	15.3	3.0	14.7	2.9
Total	504.5	100.0	516.9	100.0



Report by Business Units

Interior and Exterior Parts

Highlights of fiscal 2011

- Development and mass production of instrument panel module (produced in Europe)
- Development and mass production of surface-emitting automotive room lamps

In order to survive ever-fiercer competition in the domestic and international automobile markets, Toyota Gosei is strengthening its business fundamentals by returning to our starting point in manufacturing. This entails inspecting each manufacturing process exhaustively to eliminate waste and loss, and focusing on the development of production technologies that shorten the lead time from procurement of materials to finished products. We will further hone our global competitiveness by expanding this corporate culture to our overseas production bases. In fiscal 2011, we launched production of instrument panel modules in Europe. Building on our knowledge of resin products for automobiles, we are engaged in development and production of automotive LED lighting that balances environmental (power consumption) and design concerns. In 2011, we employed ergonomically based brightness control and optical design technology to develop and mass-produce the world's first surface-emitting LED automotive room lamps.

Fiscal 2011 (consolidated) Net sales : 163.4 billion yen
Percentage of net sales : 32.4%



Instrument panel
Instrument panel module employing new design



Radiator grilles
Chrome grilles featuring Toyota Gosei's unique spindle design



Convenient console boxes
Lid slides back and forth for improved operability when opening and closing

Surface-emitting LED room lamp

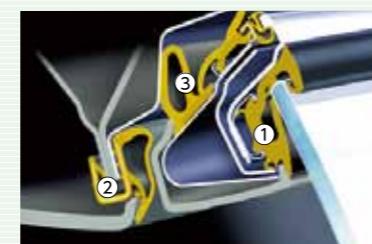
Automotive Sealing Products

Highlights of fiscal 2011

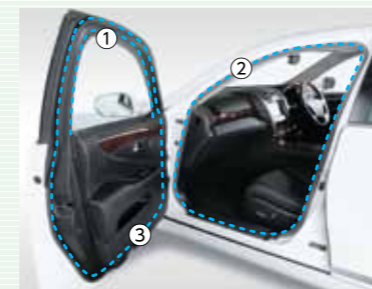
- Expansion of weight reduction and recycling rate

To promote environmentally conscious manufacturing, we developed compact production processes and equipment intended to reduce the energy consumed during manufacture of products and the volume of CO₂ emitted. As a result, we achieved a 30% reduction in energy consumption and CO₂ emissions. As a continuing project since last year, we are also actively involved in expanding the use of non-solvent (water-based) paint. We have been performing desulfurizing reconstruction of rubber materials for some time and have expanded it to products that contain metal inserts (for example, opening trim). We developed a unique technique to separate rubber materials from metal inserts before desulfurizing reconstruction, which enabled us to increase the rubber recycling rate to 2.5 times higher than fiscal 2010 levels, leading us to become a more environmentally-friendly company.

Fiscal 2011 (consolidated) Net sales : 94.9 billion yen
Percentage of net sales : 18.8%



①Door Glass Run
②Opening Trim Weatherstrip
③Door Weatherstrip



We always propose the most suitable door seal structures to fulfill various door function and design needs.



Light weight opening trim for compact cars
Unprecedented weight reduction achieved through ingenious use of rubber materials and metal inserts

Functional Parts

Highlights of fiscal 2011

- Development and mass production of lightweight rubber air cleaner hoses
- Development and mass production of plastic fuel filler lids and turbo ducts

With skyrocketing fuel costs and increasing environmental awareness in recent years, there is growing need for light weight products which have less impact on the environment. We employed materials design technology to mass-produce thinner, lighter and yet robust rubber hoses, and successfully launched the mass production of fuel filler lids and turbo ducts in which metal is replaced with resin. We will continue to pursue a policy of developing materials and products which capitalize on features of resin and rubber such as flexibility, electrical insulation, anti-thermal conductivity and light weight, to be used in alternative-energy powered vehicles including hybrid systems, electric vehicles, and fuel cell-powered vehicles. As harsh economic conditions continue, we will thoroughly review wasteful practices at domestic and overseas production bases, and work toward the establishment of a speedier and more efficient production and supply system.

Fiscal 2011 (consolidated) Net sales : 60.5 billion yen
Percentage of net sales : 12.0%

Fuel Tank Module Components

We are moving forward with the production of goods that prioritizes the development of high performance components centered on those surrounding fuel tanks as well as environmental regulations.



Hoses, Turbo Ducts and Boots

Development of hoses and boots that support brake, engine and drive systems



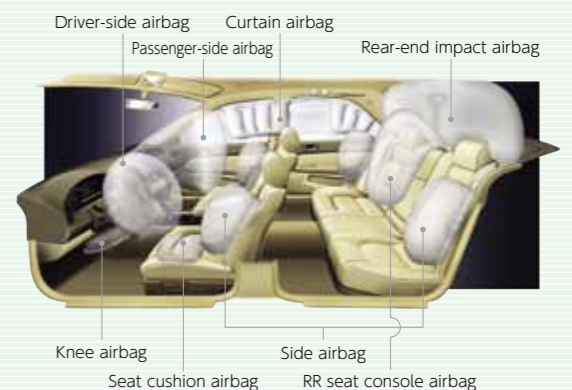
Safety System Products

Highlights of fiscal 2011

- Mass production of lightweight and compact airbags
- Increased application of internal inflators

We began global mass production of newly developed lightweight, compact passenger-side airbags, side airbags, curtain airbags and knee airbags, in addition to the driver-side airbags we already produced. In addition, we increased the number of items employing internal inflators. Moving forward, we will work to develop high-performance airbags with improved capability to protect drivers and passengers from all sorts of collisions. In addition to the collision safety features developed so far, we will proactively develop preventative safety features that integrate technological developments to maximize passenger safety. In other development efforts, we are expanding our focus from safety for passengers within the vehicle to include safety for pedestrians outside the vehicle, and 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 in emerging countries such as China and India where wider use of airbags is being promoted.

Fiscal 2011 (consolidated) Net sales : 141.2 billion yen
Percentage of net sales : 28.0%



Steering wheel
Steering wheel with lightweight, compact driver-side airbag

Pedestrian protection airbags (under development)
Airbags that inflate in the event of a front-end impact to protect pedestrians

Report by Business Units

Optoelectronic Products

Highlights of fiscal 2011

- Significant increase in sales of packages, primarily for tablet computers and lighting

We have positioned products for tablet computers as one of our core areas, and identified lighting-oriented products as the second major area for this business unit. In particular, sales of LEDs for the lighting market in fiscal 2011 grew to more than double the previous fiscal year.

We owe these strong sales to the lighting market's positive response to our LED chips and packages for lighting, developed for laptop computers, which employ our high-luminosity, high-efficiency, long-service-life technologies and have been incorporated into a great number of lighting products such as LED light bulbs and LED fluorescents. From now on the lighting market is expected to continue its dramatic growth, and we will aim to expand this business segment further by developing packages and modules with high added value.

Fiscal 2011 (consolidated) **Net sales :** 31.5 billion yen
Percentage of net sales : 6.3%

General Industry Products

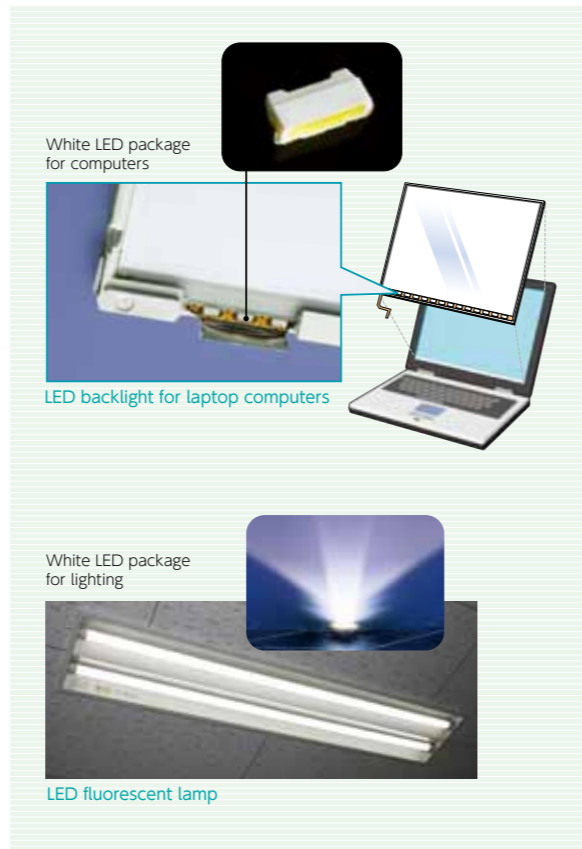
Highlights of fiscal 2011

- Development of products in new fields

Sales of mobile phone cases, produced by our Chinese subsidiaries, grew in fiscal 2011 with the production of global models. We are currently making efforts to reduce costs and boost competitiveness in the local Chinese market, and will continue to expand sales of our products produced in China in global markets.

In Japan, as well, we were able to achieve sales surpassing those of the previous year through increased production of air purifiers, our principal product in Japan. In fiscal 2012, we will continue steady production of air purifiers for which we receive continuous orders. We will also take on the challenge of developing products in new fields, building on the technologies we have amassed thus far to develop globally compatible construction machinery, home-use components and flashlights employing our LEDs.

Fiscal 2011 (consolidated) **Net sales :** 12.6 billion yen
Percentage of net sales : 2.5%



Report by Region

● Regional management company / Research and development ● Manufacturing company ● Others

North America



Toru Koyama
 President
 Toyota Gosei
 North America
 Corporation

Fiscal 2011 (consolidated)

Sales : ¥92 billion
Percentage of net sales : 18.2%

Optimizing production systems throughout North America. Working to reinforce local response capabilities.

<Regional outlook>

The parts shortage triggered by the Great East Japan Earthquake had a severe impact on the North American market. Automakers, particularly those based in Japan, were forced to reduce production volumes, and the number of vehicles sold, which had resurged to 13 million (end-of-year figure, as are figures below) after hitting a low point following the global financial crisis of 2008, fell to 11 million immediately following the earthquake.

However, during the second half of the fiscal year the supply of parts was restored, and the introduction of new models and proactive sales campaigns by automakers produced results, keeping the number of vehicles sold on an upward trend. The effects of the Thai floods of late 2011 were also felt, but by the end of the fiscal year the number of vehicles sold in North America had rebounded to 14 million.

Examination of individual automakers' performance shows that US and European companies performed strongly and South Korean automakers continued to show robust growth. Japanese automakers as well recovered somewhat from the earthquake during the second half of the fiscal year, and there are hopeful signs for the future.

<Results of activities in fiscal 2011 and future efforts>

During fiscal 2011, all North American companies in the Group focused on cost reduction and profit structure reform so as to respond flexibly to production volume fluctuations resulting from external factors such as natural disasters.

Regular business meetings composed of the heads of North American entities are held, subdivided by business unit. On the agenda are considerations of production layouts taking into account the overall optimization of the North American region, and development of specific measures for transfer of production between production entities. In October 2011 a North American Strategy Conference was held, with participants including top executives from our Japanese headquarters. Mid-term targets were set based on the 2015 sales strategy which considers market and customer needs and the growth potential of each business unit and component. In order to meet these targets, we will make every effort not only to maintain business ties with our primary existing customers, but also to deepen mutual trust with non-Japanese automakers so as to expand sales.

We also focused our efforts on risk management and crisis response. In addition to the Great East Japan Earthquake and floods in Thailand, in April a tornado directly struck our automotive sealing manufacturing base in Kentucky, USA. The building and production facilities were damaged, but thanks to the concerted efforts of Japa-

nese headquarters and the entire North American Group as well as the strong support of customers, suppliers and the local community, we were able to restore normal production and shipment capacity in approximately one week. These events prompted our North American Group companies to take steps such as revising their crisis response plans. We also made efforts to cultivate and secure human resources for future growth, such as dispatching potential future heads of business locations to Japanese HQ to undergo management training.

Moving forward, as our primary customers are accelerating local production and procurement, we will promote further localization of Group companies in North America, from the standpoint of avoiding currency market risks due to the strong yen, building on the lessons of the earthquake to ensure stable supply, and securing cost competitiveness. Also, rising gasoline prices mean that customers are increasingly concerned with fuel efficiency and attracted to eco-friendly vehicles, and the development race among manufacturers is growing rapidly. For this reason, we are strengthening our local systems for development of original products in line with consumer trends. Also, as our key customers are promoting global integration of parts supply and ordering procedures spanning multiple regions and vehicle types, the entire Toyota Gosei Group is working together to put in place a global sales framework incorporating inter-regional cooperation. Moving forward, we will continue to tackle these and other challenges swiftly and flexibly, placing the customer's viewpoint first.

Topics Full production begins at Mississippi plant



In September 2011 the Mississippi Plant, a branch plant of our subsidiary TG Missouri Corporation, went on line. After it was established in Mississippi, USA in 2008, plant operations were suspended due to the slowdown of the North American automobile market and other factors, but it has now started operating thanks to the recovery of the market. The plant will primarily supply interior parts such as instrument panel components and console boxes.

Report by Region

● Regional management company / Research and development ● Manufacturing company ● Others

Asia and Oceania



Kyoji Ikki
President
Toyoda Gosei Asia Co., Ltd.

Fiscal 2011 (consolidated)

Sales : ¥107.2 billion

Percentage of net sales : 21.3%

Boosting production capacity to respond to the needs of growing markets.

Promoting localization to further boost competitiveness.

<Regional outlook>

During fiscal 2011, we were forced to slash production drastically due to the Great East Japan Earthquake and floods in Thailand, but production levels were restored with the post-disaster recovery. In addition, growing domestic demand and a positive export outlook led automakers to boost their production capacity in India, Indonesia and elsewhere as well as in Thailand, currently the main production center. In the growing low-priced compact car market, however, competition is growing fiercer as a result of intense catch-up by manufacturers that entered the market late. Automakers in developed countries have been responding by accelerating the localization of production and procurement. Meanwhile in China, the government is promoting the popularization of electric vehicles as an environmental measure, but failure to boost demand has led them to broaden the policy to cover hybrid and plug-in hybrid vehicles as well. Throughout the Asian region, wage levels continue to rise. Continually increasing personal incomes are boosting private consumption, which supports domestic demand, meaning that the rise in wage levels must be seen as an inevitable element of the development of emerging nations. Considering our responsibility to supply customers with products and secure profits, there is a growing need to monitor and respond to employee demands and enhance communication activities with the aim of accurately understanding current social conditions.

<Results of activities in fiscal 2011 and future efforts> [China]

China is expected to remain the world's largest automotive market for the foreseeable future. However, in fiscal 2011 intense competition with Chinese manufacturers drove down the unit price of parts, while the skyrocketing yen led to price increases in materials imported from Japan, to which was added the impact of the Great East Japan Earthquake. As a result, despite cost-reduction measures including thorough streamlining of production processes and localization of materials and parts procurement, both revenue and operating profits declined year-on-year. In fiscal 2012, we plan to boost our competitiveness by intensifying cost-cutting efforts, and strengthening technology and development systems to reinforce our business foundations for expanded sales and acquisition of new customers. We will also work to cultivate human resources and promote the independence of local staff at our business locations.

As a part of these efforts, in March 2012 we reinforced the technological, development and sales structures of our Shanghai base, Toyoda Gosei (Shanghai) Co., Ltd. Chinese automakers expect us, as an automotive parts manufacturer, to have a fully integrated framework for technical development, design and production in China, for which structural reinforcement of technical development divisions and cultivation of local human resources are indispensable. While conveying the expertise we have amassed over the years to local employees, we are also joining forces with local managers to establish and promote new standards in China. In order to expand sales not only to Japanese automakers but to Chinese, European and North American ones as well, we are enhancing technical support systems and pushing for cost reductions through further localization of parts and materials procurement. We believe these steps will thoroughly firm up our business foundations in China and allow us to grow as a global supplier along with the Chinese auto market.

[Thailand]

In fiscal 2011, we constructed Toyoda Gosei (Thailand) Co. Ltd.'s third plant, and otherwise strove to expand our production capacity so as to meet the needs of Thai automakers who are drastically boosting production. However, the flood in Thailand had economic ripple effects reaching beyond Thailand to other Asian countries, Japan and the entire world, and the Thai auto industry was forced to reduce production despite having unprecedentedly ambitious manufacturing and sales plans. In fiscal 2012, we will work to meet the needs of automakers boosting their production levels, and to secure unprecedented profits by reducing costs to compensate for rising labor and materials costs and falling prices owing to intensifying competition. At the same time, we intend to focus strongly on cultivating local human resources so that Thai employees can work independently to boost productivity and cut costs. For Japanese automakers, Thailand is a key site for manufacturing and exports to other Asian countries, and is expected to grow further in importance. We will put in place a robust framework to meet customer demands for quality, cost and delivery so as to come out on top of the ongoing fierce competition.

[India]

In fiscal 2011, rising gasoline and diesel fuel costs and interest rates led to a year-on-year slowdown in the number of vehicles sold in India. However, India has the world's second largest population, and is expected to replace China as the world's most populous nation by 2020, meaning that prospects for further market growth are hopeful. At TGMIN, our subsidiary in northern India, fiscal 2011 saw the launch of an automotive sealing (rubber) business unit in addition to the safety systems business unit in operation since the firm's establishment.

Moving forward, we will promote the localization of raw materials and parts procurement, secure increased competitiveness and strengthen our business foundations.

[Indonesia]

The number of vehicles sold in Indonesia in fiscal 2011 reached an unprecedented high of 900,000. P.T. Toyoda Gosei Safety Systems Indonesia, engaged in manufacture of parts such as steering wheels and pad covers, was sustained by robust domestic demand and showed sales of 102% year-on-year despite the effects of the Great East Japan Earthquake and floods in Thailand. The company received an award for outstanding quality from one of its key customers. In fiscal 2012, we expect to see a major year-on-year increase in sales. We will make every effort to secure dominance in the market, boosting production capacity by augmenting our facilities and taking aggressive steps to cut costs.

Topics

Launch of fully integrated production process for automotive sealing products in India



In July 2011, Toyoda Gosei Minda India Pvt. Limited. began construction of a fully integrated production process for automotive sealing products, aiming to boost competitiveness in the Indian market where there are high expectations for future growth. We are working to localize all processes from kneading of materials to manufacture of finished products, aiming to maximize competitiveness. Also, in order to promote smooth and swift business activities firmly rooted in Indian society, we have requested the management participation of our local Indian subsidiary Minda Investment Limited.

● Regional management company / Research and development ● Manufacturing company ● Others

Europe and Africa



Tetsumi Ichioka
President
Toyoda Gosei Europe N.V.

Fiscal 2011 (consolidated)

Sales : ¥15.3 billion

Percentage of net sales : 3.0%

A new area, our interior and exterior business, gets off to a good start.

We will work to firm up foundations for sustained growth.

<Regional outlook>

The European auto industry is facing a slumping market and intense price competition due to the euro-zone financial crisis. While manufacturers of low-end vehicles with negligible exports outside Europe are struggling, luxury automakers with strong export performance are showing robust profits thanks to the weak euro and surging demand in emerging nations. In Africa, growth slowed in some areas due to increasingly unstable political situations, but the overall market grew, primarily driven by South Africa. However, manufacturers of vehicles imported from outside Africa are making aggressive strides, and manufacturers producing vehicles locally are facing fierce competition.

<Results of activities in fiscal 2011 and future efforts>

In fiscal 2011 Japanese automakers, our primary customers, were forced to curb production as a result of the Great East Japan Earthquake and the Thai floods. However, we were able to ensure quality of parts delivered to European automakers for new vehicle models and maintain competitiveness thanks to thorough implementation of the Toyota production method, the bedrock of our manufacturing, as well as intensified cost-cutting through localization of parts and materials procurement and close cooperation between regions. The newly launched interior and exterior business unit progressed smoothly, with a new

European base established. In Africa, Toyoda Gosei South Africa (Pty) Ltd showed improvements in quality which earned the company commendation from key customers. In fiscal 2012 we intend to boost market share, building on our automotive sealing business unit and expanding our interior and exterior parts and safety systems business units so as to increase the volume of trade with European automakers. Moving forward, as an enterprise with sustainable growth and strong ties to the region, we will address increasingly cutthroat competition with respect for diverse cultures and development of work environments conducive to the growth of competent and independent human resources, so that Group companies in each region conduct business with maximum energy and vigor.

Topics

Toyoda Gosei UK Wales plant goes on line



In December 2011 a branch plant in Wales, UK, established as a subsidiary of Toyoda Gosei UK Ltd., commenced operation. It is our first European manufacturing site dedicated to production of resin interior parts including automotive instrument panels and console boxes, which entail complex design. With the launch of production at this site, we have achieved a supply network for interior and exterior parts which spans the four corners of the earth (Japan, North America, Asia and Oceania, and Europe and Africa.)

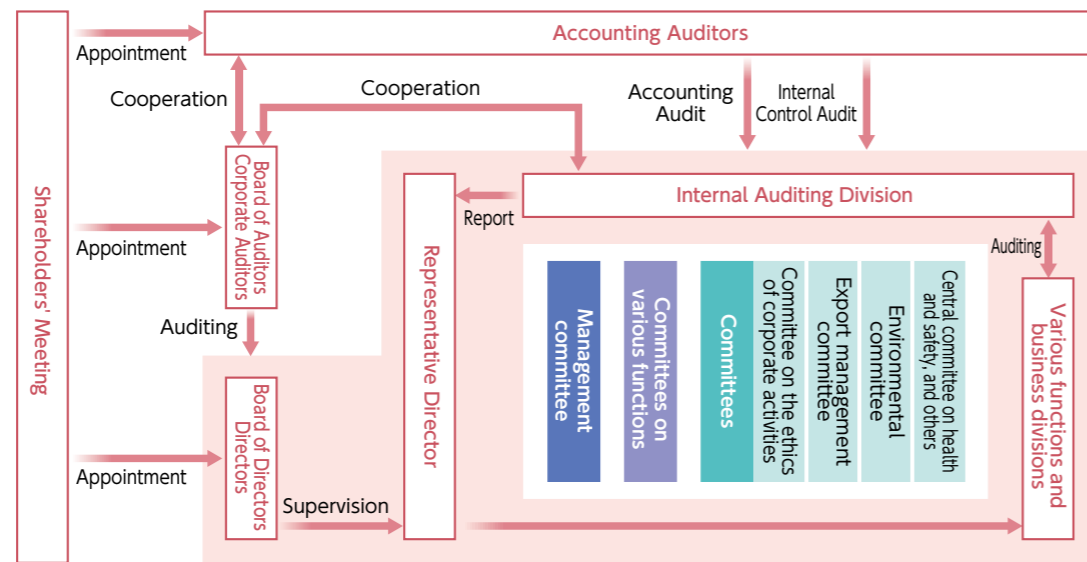
Corporate Governance

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 view the stable improvement of shareholder value as the most important management task. In order to meet the expectations of all stakeholders including shareholders and customers, we build and maintain an organizational system capable of responding swiftly and appropriately to environmental changes, and a fair, sound and transparent management system. We have put in place the legally mandated functions including shareholders' meetings, a board of directors, a board of auditors, and accounting auditors. In addition, we have developed and established an internal control system that deliberates on 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.

Diagram of the Corporate Governance System



We conduct internal management and supervision based on corporate laws, etc. to check whether our corporate activities are being conducted in accordance with laws and corporate ethics. Internal auditing is conducted not only in the Audit Division, but also in the General Administration, Human Resources Development and Finance & Accounting Divisions. We also strengthened our checking system so that auditing can observe smaller details such as methods of managing classified information. There is a mechanism in place to collect the content of internal auditing performed within each functional division into the Audit Division, and at the end of the fiscal year, the Audit Division 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, the Audit Division also witnesses 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 and building a reliable and comprehensive risk management system. 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.

Strengthening internal auditing

*ERM: Enterprise Risk Management

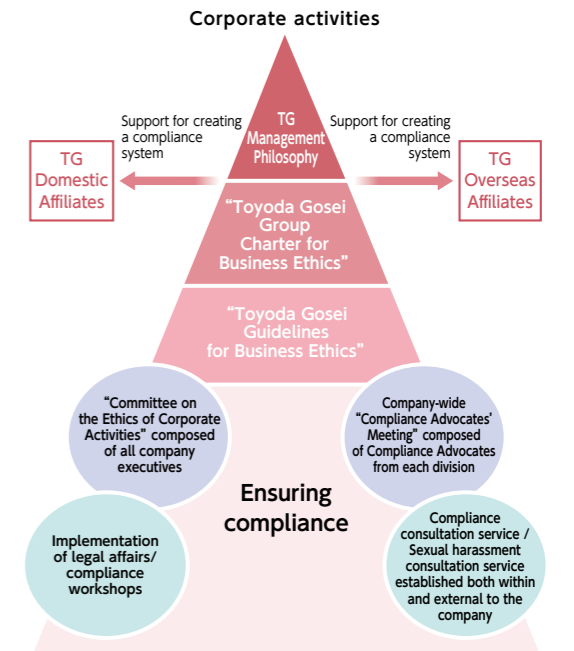
Compliance

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

Ensuring compliance as the Toyoda Gosei Group

Toyoda Gosei maintains an unwavering commitment to compliance in order to ensure that each one of our employees not only obeys all laws and regulations, but also maintains a keen sense 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 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 by both management and employees on-site. We have also established compliance consultation services inside and outside the company to provide quick solutions when employees are faced with compliance problems in daily business activities. In addition, we have established the "Toyoda Gosei Group Charter for Business Ethics" as a compliance action agenda which sets out the shared values and behavioral standards of the Toyoda Gosei Group. Every group company in Japan and overseas, including Toyoda Gosei, formulates specific action agendas based on this Group Charter. We have also established the "Toyoda Gosei Guidelines for Business Ethics" which we distribute 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 all employees by rank and risk, but also focus on enhancement of our employees' awareness of compliance using various educational tools. Specifically, these include the "Compliance Juku (cram school)," which presents case examples in cartoons run in a series in the company newsletter, and posting on the company message board of "Compliance Tsuushin (communications)" which explores and explains examples of court cases. In fiscal 2011, we implemented compliance awareness activities based around the Toyoda Gosei Guidelines for Business Ethics in all divisions, in order to reaffirm fundamental ethics standards. Also, we conducted compliance training for executives and managers, and held workshops to cultivate assistant managers and group leaders as key persons for compliance information dissemination in manufacturing divisions. Furthermore, we performed surveys of compliance awareness level and compliance-related problems through questionnaires. With regards to divisions where problems were pervasive, we formulated and implemented improvement plans and worked to make improvements.

Number of attendees to major workshops

Workshop name	No. of times held	No. of attendees
Workshop for new employees	Once each for employees graduated from high school/university	130
Workshop for newly-appointed management	Once	66
Workshop on legal affairs for appointees (for mid-career employees)	3 times	184
Workshop for division managers	Once	65
Workshop for executives	Once	38
Workshop for assistant managers/group leaders of plants	13 times in total at 3 plants	204



Compliance workshop for division managers



Compliance workshop for executives

Strengthening the systems of overseas and domestic affiliates

For our overseas and domestic affiliates, we provide necessary support to help them implement autonomous compliance activities based on Toyoda Gosei company policies. In fiscal 2011, building on the training to foster Compliance Leaders conducted at each domestic affiliate in fiscal 2010, we had each affiliate independently assess and elucidate its own compliance risks and implement measures aimed at preventing these risks. For overseas affiliates, we confirmed whether compliance systems and mechanisms are in place at key business locations, and made improvements where necessary.

Risk Management

Our risk management extends beyond employee training and quality assurance activities, encompassing information security and disaster preparedness measures as well.

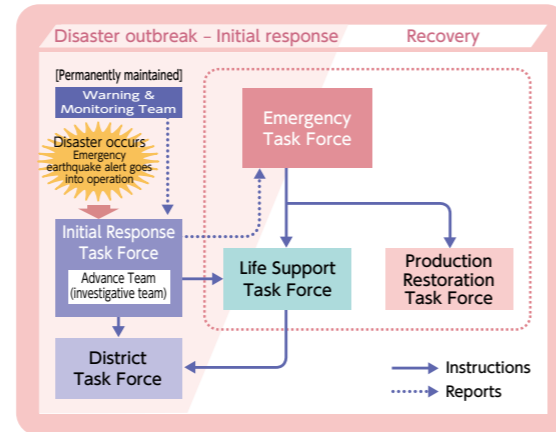
System for Risk Management

Toyoda 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 Activities" to thoroughly implement information security measures. With our Crisis Management Guidelines and Operative Standards for Information Systems Security as guidelines, we concentrate on strengthening practical measures and lifting the awareness of all employees about information security.

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

Based on the concepts of "Life Comes First" and "Quick Recovery," we have implemented anti-seismic measures for buildings and equipment, and conduct periodic practical training based on various types of disaster response manuals. We have also introduced an "Earthquake Reporting System" and a "Safety Information System" that verifies the safety status of employees and their families. Also, we have established a database showing the location of alternative facilities and employees' skills/characteristics necessary for early recovery, and perform periodic maintenance. During the Great East Japan Earthquake of March 2011, the company suffered no human casualties and there was no major impact on production or quality, but we are nonetheless taking all available measures to improve systems for maximum preparedness.

Image of Disaster Response



Launch of Crisis Management Organization Project

We have launched the Crisis Management Organization Project, intended to address crisis management issues that came to light in the aftermath of the Great East Japan Earthquake. Its activities include review of various aspects of crisis management, including the structure of our disaster response organization, initial response procedures, safety status verification, maintenance and follow-up of the Crisis Management Guidelines and related rules, anti-seismic measures for buildings, response procedures for the Morimachi Plant located within a 30-km radius of the Hamamatsu Nuclear Power Plant (Shizuoka Prefecture), restoration preparations and decisions on suspending production. These revisions are premised on earthquakes, the type of disaster expected to cause the most damage, but the Project also addresses responses to other types of disasters and coordination with overseas bases.

Strengthening information security measures and heightening awareness

Toyoda Gosei maintains thorough information control so as to strengthen confidentiality management. We inspect compliance status and perform on-site auditing of relevant divisions once a year based on our confidentiality management rules. In addition, we issue "Operative Standards for Information Systems Security" as well as "Guidelines for Management of Confidential Information" that summarize important elements excerpted from the "Security Management Rules." The contents of these Guidelines are revised as necessary and distributed to all Division Heads, as well as being used for education of new employees. In addition, we take steps to focus employees' attention on security issues such as distributing news on such issues across the company. In fiscal 2011, we conducted ongoing inspections of usage logs so as to check for possible improper usage of technical systems, and enhanced mechanisms and systems for more effective follow-up. Also, in response to the Great East Japan Earthquake, in June 2011 we increased the frequency of remote data backups from three times a year to once a month.

Examples of Measure Enhancement

	Classification	Measure implemented
Prevention of negligent leaks	Hard	● Preventing documents from being inappropriately removed or discarded through ID authentication of employees at multi-function digital copy-print machines and printing equipment exclusively for drawings
	Soft	● Data encryption of all PCs ● E-mail security reinforcement (making supervisor CC mandatory)
Prevention for malicious unauthorized leaks	Hard	● Inspection for removed materials (inspect twice monthly) ● Increase in the number of surveillance cameras ● Wire setting for fixing PCs - Laptop PCs - Desktop PCs - external HDD
	Soft	● Reinforcement in access privileges to the file server ● Restrictions on things taken out/enhancement of check function ● Acquisition and monitoring of system usage records and access records ● Prevention of unauthorized access (main building/IS Center)
Moral measures		● Review of Security Management Rules ● In-house security management education ● On-site inspections of each division

Social Report

Integrated quality assurance system from development to production

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

*2 ISO/TS16949 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.

Activities aiming at own-process completion by all employees

* Robust design: Strong product designs that have little unevenness in quality and are not susceptible to change due to usage environment.

Relationship with our Customers

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

Toyoda Gosei aims to "become a true global supplier who brings happiness to customers all over the world."

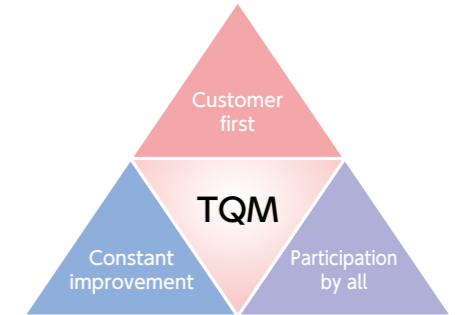
We conduct business activities under an integrated quality assurance system covering every stage from development to production, based on our Basic Policy for Quality.

All our plants have obtained ISO9001*1 and ISO/TS16949*2 certification, which are the international standards for quality management systems. Each plant also sets its own quality control goals based on the basic principles of TQM*3 and makes every effort to produce attractive products. In addition, we issue "Quality System Global Standards" containing rules and expertise for quality improvement. Since fiscal 2010, we have distributed it to all bases as the guidelines for local staff to follow to ensure consistent product quality at all domestic and overseas bases.

Basic Policy for Quality

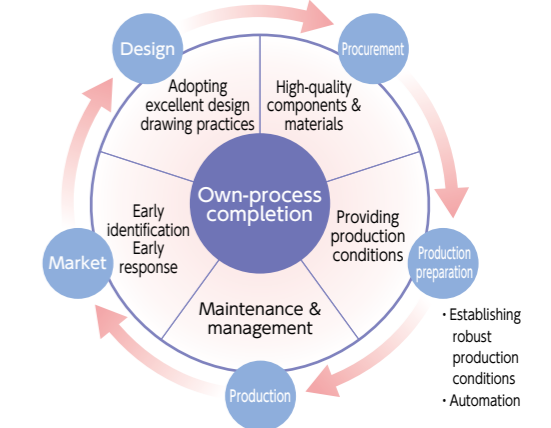
Everyone shall bear in mind the concepts of "Quality First" and "The Next Process is the Customer," and engage in mutual cooperation so as to provide outstanding products and services that win the trust and satisfaction of our customers.

Fundamental principles of TQM



Own-process completion to achieve a zero-defect production process

- Improvement of drawing quality
- Robust design
- High-reliability design that is easy to make



All employees at Toyoda Gosei take actions based on the principle of "Customer First" and aim for own-process completion in all of our operations.

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

In manufacturing, we adhere to the concept that "No defects shall be tolerated in any production process, so as to ensure that there will be no defects in post-production (i.e., in the product given to customers)." We aim for robust design* which stands up to environmental changes and variations in manufacturing, and promote quality engineering on a company-wide basis, with the goal of achieving zero defects not only during mass-production processes, but from the first day a new product is launched. In addition, we are applying the concepts and know-how of own-process completion, solidly entrenched on production lines (manufacturing divisions), to office-staff (administrative and technical divisions) as well, so as to improve operations company-wide based on the ethos of own-process completion in which each individual can make on-the-spot judgments about work quality. In fiscal 2011, we newly established a TQM Promotion Division with the aim of more rigidly defining our approach to quality control.



Exhibition on examples of own-process completion by office staff



Making inspections at plants

Sales activities responsive to customer needs

Standing at the front lines of our company, the Sales Division is responsible for listening to needs and obtaining development information from key members in technology and procurement and applying these to sales promotion, so as to respond to the needs of a global and diverse customer base. While cultivating good relationships with customers, the Division collects and analyzes diverse information on matters essential to customers and the problems they face. Based on the contents, it also builds a relationship of mutual 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 parts that relate to a vehicle's basic functioning. In addition, we form a special project team and full-time auditors conduct process audits of all domestic and overseas processes to make absolutely sure that there are no major quality defects arising from our company. We have established a system through which information on any quality problems occurring in the market is conveyed through automakers, then swiftly passed on to the relevant internal divisions, after which products are recalled and analyzed, the causes are immediately investigated, and measures are taken to prevent a recurrence of the problems.



Activities for improving market reliability

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 automakers, conduct tests using test vehicles, etc. We then cooperate to promote swifter and more precise prevention of recurrences, and take preventive measures for future products.

Praised by customers as a superior supplier

Our products are delivered to automakers around the world and underpin their vehicles' basic performance. Each automaker commends excellent suppliers every year, and Toyoda Gosei has received a great number of such commendations.

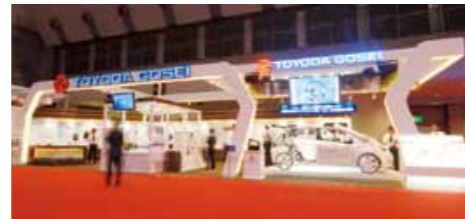
Awards for quality in fiscal 2011

Award names	Company receiving award	Origin of commendation
Quality Achievement Award (certificate of appreciation)	TGMINTO	Toyota Motor Engineering & Manufacturing North America, Inc.
Quality Achievement Award (certificate of appreciation)	TGFSUS	Toyota Motor Engineering & Manufacturing North America, Inc.
Excellent Quality and Delivery Award	TGMO	Yamaha Motor Manufacturing Corporation of America
Quality Award	TGCZ	Toyota Peugeot Citroën Automobile Czech, s.r.o.
Zero Delivery-Related Complaints Award	TGSSI	PT.Toyota Motor Manufacturing Indonesia
Quality Achievement Award	Tianjin TG	Tianjin FAW Toyota Engine Co., Ltd.
Quality Achievement Award	Tianjin TG	FAW Toyota (Changchun) Engine Co.,Ltd.
Best Supplier Award	Tianjin TG	Chongqing Changan Suzuki Automobile Co., Ltd.
Quality Achievement Award	Tianjin TG	Sichuan FAW Toyota Motor Co.,Ltd.
Quality Cooperation Award	Tianjin TG	GAC Toyota Motor Co., Ltd.
Quality Achievement Award	Tianjin Star Light	Sichuan FAW Toyota Motor Co.,Ltd.
Quality Achievement Award	Foshan TGR	Sichuan FAW Toyota Motor Co.,Ltd.
Quality Achievement Award	Zhangjiagang TGSS	Sichuan FAW Toyota Motor Co.,Ltd.
Quality Achievement Award	Fu-Yue	Sichuan FAW Toyota Motor Co.,Ltd.
Award for Quality Cooperation	Foshan TGR	GAC Toyota Motor Co., Ltd.

Topics

Tokyo Motor Show
The pursuit of weight reduction, safety measures and efficient energy use

At the 42nd Tokyo Motor Show, held in November 2011, Toyoda Gosei presented its products with three main PR areas (Future Potential, Mass-Produced Items, and LEDs), under the overall concept of "a comprehensive supplier of rubber, resin and LED products: contributing to car manufacturing in a low-carbon society through environmental, safety, and resource-saving technologies." Exhibits included lightweight and safety-oriented products for next-generation vehicles such as environmentally friendly automobiles, shown in a wire-frame vehicle.



Overall view of booth

In the Future Potential zone, various products the company aims to put into practical use in the future (some of which are already in practical use) were exhibited. These include car bodies made with resin instead of steel, weatherstrips without metal inserts, and a concept airbag that protects pedestrians' heads to maximize their safety, as well as LED light sources for headlights, all of which make contributions to weight reduction, safety measures and efficient energy use.



A wire-frame model vehicle containing various products under development

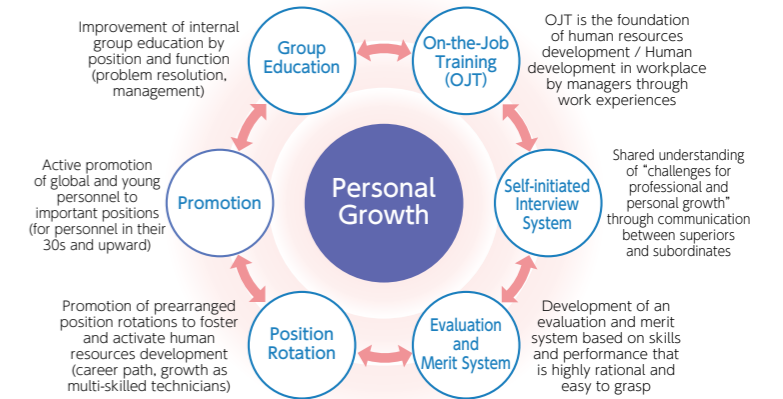
Developing globally-minded human resources who can think and act independently

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.

At Toyoda Gosei, all employees share a common belief that "corporate power means human resources, which must be nurtured and developed." We aim to create an environment that always allows human resources to develop through their work. We focus strongly on language education for younger employees so as to cultivate human resources that can succeed on the global stage.

Human Resource Systems



Activating human resources development with enhanced education programs

Toyoda Gosei is striving to enhance our education programs so as to develop human resources capable of responding effectively to internationalization and formulating problems.

In fiscal 2011, we launched "Newly Appointed GL (Group Leader) Policy Development Training." This training aims to foster the ability to identify issues, focus on key challenges, come up with strategies, and resolve problems in the workplace. Also, we are continuing to implement the problem resolution follow-up training and mid-career leader training programs launched in fiscal 2010. We are also focusing on language education for new or younger employees.

Our "English Training for New Employees" conveys to these employees the necessity of language abilities and teaches study skills, through distance learning and two-day language study workshops. These have led to an average 50-point improvement in TOEIC score over the past year. Also, 180 employees in their 20s and 30s received training in English and Chinese in the "Language Skills Cultivation Program for Younger Employees." To continuously activate human resources development, since fiscal 2009 we have been implementing a shift from outside lecturers to internal lecturers, except for specialized education. By conveying the knowledge and skills they have accumulated on the job, these highly experienced employees helped other employees to acquire practical knowledge and skills applicable to actual work duties. Moving forward, we will continue honing our education programs to promote the cultivation of competent human resources.

Training Structure

Position title	Training according to employees' positions	Basic technical training	Overseas-related training
GM/Division Leaders	Management training for GM/Division Leaders	Training system for engineers	Language training
GL/Managers	Management training for GL/Managers Newly Appointed GL Policy Development Training		
TL	Management training for TL		
Assistant Managers	Management training for Assistant Managers		
Section Leaders	Training for Section Leaders		
General employees	Level 4 problem resolution follow-up training Level 3 training, Mid-career leader training program		
New employees	Training for new employees English training for new employees	GPCC activities	Training for transferred/local employees

*GPC: Global Production Center



Newly Appointed GL Policy Development Training



English training for new employees



Naoto Makita
Human Resources Dept.
Human Resources Development Division



I am primarily in charge of running staff-related training and personnel systems. Bearing in mind that my division is one with a mission and responsibility to foster the growth of employees and the organization, I aim to provide the right training at the right time, strengthening the company and promoting the self-realization of training attendees, and keep going until the goal has been achieved. To this end, I keep in mind that the job is not finished when the training ends, but follow it up with post-training questionnaires, follow-up problem-solving to assess understanding, and workplace surveys, building on the results to improve training programs and maximize their effectiveness at all times.

Global human resource cultivation

To pursue optimum production in various countries throughout the world, it is necessary to implement autonomous, regionally based management, and to localize our overseas affiliates. To this end, Toyoda Gosei is promoting a shift to hiring of local workers and training of said workers, with a global human resources cultivation initiative in effect since fiscal 2010. In fiscal 2011, we implemented the "Overseas Base Second-in-Command Human Resources Cultivation Program" for 13 North American / European vice presidential candidates, and the Overseas Base General Manager Human Resources Cultivation Program" for 16 general manager candidates in China. In addition, we introduced a "reverse overseas transfer" program in which employees from overseas bases are dispatched to Toyoda Gosei in Japan to undergo training alongside their regular duties. There are currently two employees from India and one from China in Japan on "reverse overseas transfer," and we intend to increase the number of participants in the future. Our other measures include accepting 14 local employees from China, Thailand and Vietnam through the Association for Overseas Technical Scholarship (AOTS) to undergo training for periods of between one and six months.



Global human resources executive training

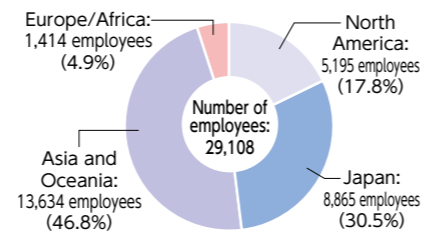
Toyoda Gosei promotes fair and impartial adoption and development of human resources with respect for diversity by ensuring stable employment and improving the working environment and systems that make work easier for our employees.

Workforce composition (non-consolidated)

	Fiscal 2010			Fiscal 2011		
	Male	Female	Total	Male	Female	Total
No. of employees	6,293	712	*7,005	6,242	728	*6,970
Average age	40.3	35.7	39.8	40.8	35.9	40.2
Average length of employment	16.2 years	10.9 years	15.6 years	16.7 years	11.1 years	16.1 years

*Total no. of employees does not include 406 employees dispatched overseas

Number of employees by region (consolidated) (fiscal 2011)



Employment of human resources

Internal support to provide a stable work-life balance

We have created and worked to enhance a system which prioritizes work-life balance and emphasizes independence while enabling each one of our employees to choose their own way of working. We also provide support for our employees so they can work with greater peace of mind and motivation. In fiscal 2011, there was a diminished number of related company events due in part to the massive earthquake that struck Japan, but nonetheless we implemented "Child-Rearing Day," "Networking Event for Working Mothers," "TG Family Day" and "Holiday In-house Nursery." Among these, "Holiday In-house Nursery" is in increasing demand, and we boosted the number of nurseries and improved the system accordingly. There were nursery-related problems due to the change in the July-September calendar resulting from the earthquake, but municipalities, employees and their families all cooperated to get through the crisis. Moving forward, we will continue to provide support to employees and in particular enhance support for employees providing nursing care.

In April 2011, we received our second certification from the Ministry of Health, Labor and Welfare as an enterprise that proactively supports the nurturing of the next generation, based on the concept of work-life balance. We are currently redoubling our efforts, particularly in the area of promoting workplace understanding.



TG Family Day



"Kurumin" Next Generation Nurturing Support certification mark

Promoting diversity*

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

Toyoda Gosei is working to foster a corporate culture that enables our employees to demonstrate their individual capabilities fully through diverse individuality.

We have also established a system to enable employees of retirement age or with disabilities to continue working in stable jobs.

Promoting development of diverse human resources

In fiscal 2010 we inaugurated the "Diversity Promotion Group," a specialized organization, in order to utilize diverse human resources to the fullest. We focused especially on efforts to promote utilization of women. We strengthened the reform of the awareness and behavior of the management, in particular, toward female employees, and started a workshop to enforce awareness of the company's policies and meaning of diversity, in which about 150 people participated. We also held a workshop that helped female employees to consider and heighten their awareness of their working style and future career plans, in which about 280 participated.

We conducted a survey on the utilization of women to enable female employees and their supervisors to grasp issues such as how female employees perceive their jobs, how their supervisors cultivate and promote female subordinates, their ideas for a merit and evaluation system, the pace of pay raises and promotions, etc. Based on the current issues identified through the survey, we formulated a three-year development plan for the utilization of female employees, and are moving forward with specific efforts such as development of workplace environments.



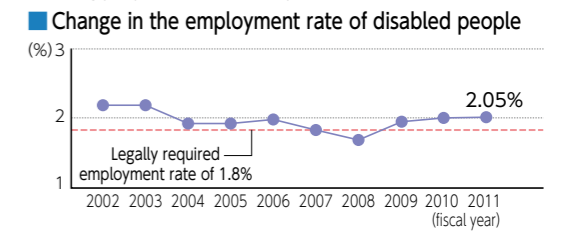
Workshop for management to promote the utilization of female employees



Seminar for female employees

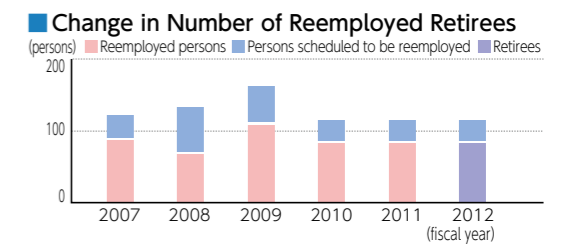
Creating a workplace where people with disabilities can establish themselves and feel that their job is rewarding

Toyoda Gosei proactively employs people with disabilities in various practical capacities. In fiscal 2011, we set a 2.0% target employment rate for disabled people, which exceeds the 1.8% employment rate required by law. As a result, we employed 114 people with disabilities (as of April 1, 2012), achieving a 2.08% employment rate that exceeded the initial target. The "Committee for Promotion of Employment of People with Disabilities" plays a core role in various relevant activities, ranging from hiring to assignment/education, firm establishment in stable positions, and raising people's awareness. In particular, we focus on establishment of people with disabilities in stable positions, and aim to grasp the current situation and improve working environments through periodic interviews with people with disabilities. We have put a system in place that can implement each stage from hiring to assignment in a planned manner, by routinely exploring jobs to which people with disabilities can adjust themselves. The special subsidiary TG Welfare and the entire Toyoda Gosei Group strive to promote employment of people with disabilities.



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

In April of 2006 we established the "Retiree Re-employment System," and we are working to construct a system that facilitates work with peace of mind after retirement.



Fumitoshi Honda
President
TG Welfare Co., Ltd.

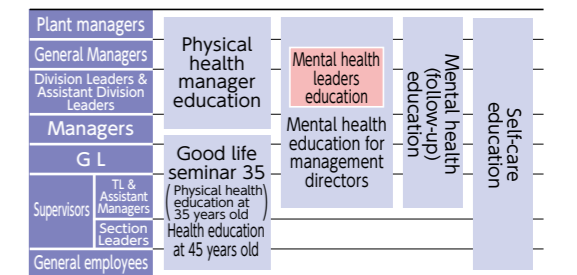


The majority of our employees with disabilities are persons with severe mental disabilities. At first they were incapable of continuing to work even for a few minutes, but they made incredible progress, until observers started asking "Do these people really suffer from severe mental disabilities?" With the proper tools and learning procedures, a disability ceases to be a hindrance. After all, if it weren't for the development of eyeglasses, I myself would not be able to work due to farsightedness. With this perspective, I continue exploring human potential alongside our employees day by day.

Maintaining mental and physical health support

We are taking several measures to promote and strengthen employee health, focusing on the key areas of mental and physical health maintenance.

Health Education 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 2011 for each employee position, with a focus on newly appointed management directors, division leaders, and assistant division leaders, all of whom can be susceptible to stress. A qualified clinical nurse at each site provide optimum 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, to provide education about keeping healthy day-to-day and prevent lifestyle-related diseases. In fiscal 2010, we launched the "No Smoking Program" and moved forward with activities to help employees attempting to quit smoking. In fiscal 2011, we started a program of practical education for employees aged 45 covering eating habits, types of exercise and consumption of alcohol, and suspended on-site sales of cigarettes for World No-Tobacco Day and No-Smoking Week. In addition, we are advising caution and promoting thorough hand-washing and gargling in order to prevent infectious diseases such as seasonal and new types of influenza. In the future, we intend to continue these activities and move forward with the progressive removal of cigarette vending machines from company premises.

Promoting activities to achieve our goal of zero accidents

*1 OSHMS: Occupational Safety and Health Management Systems

*2 OHSAS: Occupational Health and Safety Assessment Series

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 "Development of a Safe Workplace" and the "Development of Safety Aware Personnel" as two wheels of one cart.

Acquisition of occupational safety and health management systems by 25 domestic and overseas sites

In our "Development of a Safe Workplace" program, we are working on the creation of safe facilities and forklift-free activities, aiming to keep our workplaces free of dangerous sites or causes of danger that are linked with accidents. The Toyoda Gosei Group has obtained the OSHMS certification*1, a common standard for occupational safety and health management systems, for domestic bases, and been advancing our activities to obtain the OHSAS certification*2 for our overseas bases. As of the end of fiscal 2011, the sites shown at right have obtained these certifications.

The status of occupational safety and health 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 Gomu 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. Tianjin Toyoda Gosei Co., Ltd. Toyoda Gosei Czech, s.r.o. TG Kirloskar Automotive Pvt. Ltd. Toyoda Gosei Texas, LLC 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. Toyoda Gosei (Foshan) Rubber Parts Co., Ltd. TG Minto Corporation P.T. Toyoda Gosei Safety Systems Indonesia

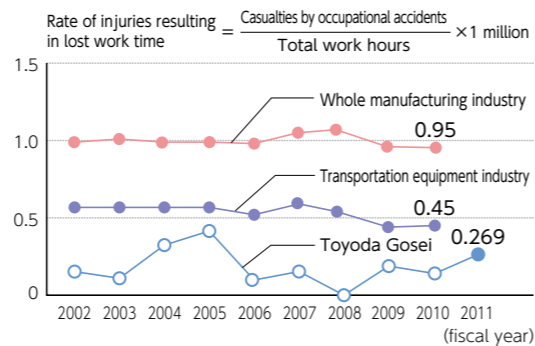
Implementing "safety-focused activities" for the independent resolution of health and safety issues

Cultivating "safety-aware personnel" is an awareness-building activity that aims to foster individuals capable of identifying possible threats 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 subsection and team. Twice a year, each manufacturing 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 2011, 40 managers and 79 supervisors had been recognized for this honor.

Main Activities in Fiscal 2011

	Implemented activities
Development of Safety Aware Personnel	1 Establishment of "safety-focused activities" in each workplace
	2 Thorough safety guidance provided by management to employees, tailored to each job category
	3 Boosting the management level of safety activities through thoroughgoing OSHMS operation
Development of a Safe Workplace	4 Manufacturing division heads and plant managers personally make the rounds to make inspections and corrections
	5 Completion of "hard" countermeasures for STOP7 accident elimination program
	6 Inspections and corrections of hazards made personally by employees in charge of fire prevention at each base
	7 Re-examination and overhaul of earthquake countermeasures in the wake of the Great East Japan Earthquake

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



Central Labor-Management Council

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

We regularly hold meetings such as the "Central Labor-Management Council" and the "Divisional Labor-Management Council." At the "Divisional Labor-Management Council" in particular, division chiefs themselves and union members directly discuss matters of key importance to the workplace, aiming to create an environment where all employees can work comfortably.

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

Business results and rates of return

While there was decreased production in the automotive parts business in the first half of the fiscal year due to the effects of the Great East Japan Earthquake, auto production surged in the second half and the consolidated sales for the year stayed on par with the previous year. On the other hand, the optoelectronics business declined due to factors such as price slashing by overseas chip manufacturers. As a result, overall earnings came in at 504.5 billion yen, which represents a 2.4% decrease from the previous year's figure of 516.9 billion yen.

As for profit, despite our concerted efforts to reduce total costs across the Group in the optoelectronics and automotive parts businesses, we felt the effects of factors including major shifts in the market environment and currency fluctuations. Our overall ordinary income amounted to 20.2 billion yen, a decrease of 26.4% from the previous year's figure of 27.5 billion yen. Net income for the period came to 8.9 billion yen, a 47.6% decrease from the previous year's figure of 17.1 billion yen. As a result, we decided to distribute an annual dividend from surplus of 36 yen per share.

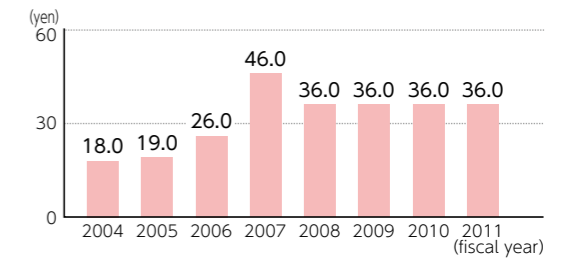


Report of our business results

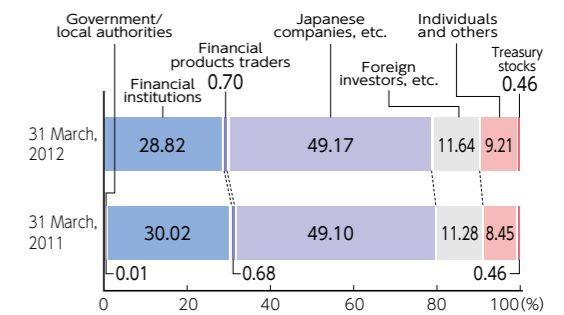
Relationship with our Shareholders

We strive to maximize understanding of Toyoda Gosei's achievements by boosting corporate value and proactively disclosing information.

Change in Dividends



Distribution Status by Shareholder



Proper disclosure of information

We endeavor to disclose information properly, regularly disseminating information through our homepage and IR tools and convening financial briefings and IR events.

In fiscal 2011, we made efforts to enrich the contents of IR information on our website. Twice yearly, we hold briefings for institutional investors and securities analysts to present 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 discussions with individual investors and provide information to many investors within Japan and overseas. Furthermore, we participate in IR events, which include overseas institutional investors, and strive to receive recognition as an open and transparent corporation.

Main IR Activities

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



Briefing to report on financial statements

Relationship with our Suppliers

We develop and grow together along with our suppliers, based on strong cooperative ties.

Basic Procurement Policy

Our basic procurement policy is to "establish a procurement framework beneficial to us and achieve optimum global procurement, by swiftly and accurately gauging changing procurement conditions as well as the attitudes of customers and competitors, ensuring compliance and conducting business in a fair and open manner, so as to produce competitive products." Based on the idea that "suppliers support our company," we will mobilize our company and work to strengthen the business foundations of our suppliers through the principles of "Genchi," "Genbutsu," and "Genjitsu." (translated as "actual locations", "actual materials" and "actual situations," respectively).

We hold a procurement policy briefing session every April to present suppliers with the current business environment and directions we intend to follow, and to ensure solid understanding of our procurement policy for the year. We ask 160 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, quantity, cost, technology, global expansion, CSR, etc. so as to boost the level of coordination with these suppliers. We also give awards each year to suppliers who have made noteworthy contributions in various fields, to show our appreciation and to encourage all participating suppliers to continue making progress. In most years we hold an awards ceremony as part of the policy briefing session, but in fiscal 2011, out of consideration for suppliers who were affected by the Great East Japan Earthquake, Toyoda Gosei executives visited each company in turn to present awards.



Procurement policy briefing session

Four times a year, about 100 suppliers participate in a procurement liaison meeting. The meeting focuses on ongoing 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 contents related to these ongoing themes, we deepen our relationships with our suppliers by holding various educational sessions and lectures for cultivation of human resources.

We are taking actions to grow and develop along with our suppliers through codification of standard operating procedures and activities for prevention of defective outflow, intended to prevent significant quality problems. In addition to efforts to reduce total costs and improve competitiveness, we also urge supplier participation in the design of metal molds and products. In fiscal 2011, we focused particularly on improving levels of safety, fire protection and quality, through workshops and reciprocal visits with suppliers. Considering the drop in revenue due to the Great East Japan Earthquake and current economic conditions, we are actively engaging in discussions with our suppliers regarding management issues, and activities to secure profits such as cost reduction activities.

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

We have produced good results in "building environmental management systems" and "regulatory compliance and environmental performance improvement," by requesting that suppliers make organizational and systemic enhancements and production improvements so as to alleviate environmental burden, acquiring ISO14001 certification, and promoting energy saving and waste reduction.

In terms of "harmful substances management," we comply with the globally increasing number of harmful substance regulations, and request that our suppliers monitor the chemical substances in products or materials they supply us with. We also work closely with suppliers to comply with the European ELV*1 and REACH*2 regulations and VOC*3 management regulations.

Procurement policy briefing sessions held

Strengthening our collaboration with suppliers

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

Promoting green procurement

*1 ELV: 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 three cornerstone themes of "support for the vulnerable," "youth development," and "environmental protection."

In order to encourage our employees and give them an incentive to widen the circle of volunteer activities, we have enhanced our employees' awareness of social contribution activities, and developed the support system by introducing a volunteer award system and social contribution education. 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 2011, we conducted various activities including neighborhood-watch anti-crime patrols by employees and designation of the Heiwacho Plant as a cutting-edge "green factory" serving as a model for factories engaged in environmental activities.



Volunteer mark



Keichi Ito

General Affairs Division
Volunteer Center

At the Volunteer Center, we conduct a wide range of volunteer-based activities that contribute to society, such as neighborhood-watch anti-crime patrols, the cutting-edge "green factory," Wheelchair Doctors, Ichinomiya Boys and Girls Invention Club, blood donations, and community cleaning activities. An essential element of volunteer activities is employee understanding. Every day we strive to boost the number of supporters so as to facilitate voluntary ongoing, enjoyable participation in volunteer activities.

Support for the Vulnerable



Support for the independence of people with severe disabilities

We support the social independence of people with severe intellectual disabilities who may otherwise have difficulty in leading independent lives. Group company TG Welfare obtained certification as a special subsidiary.



Charity Meals

The cafeterias of seven of our facilities introduced "charity meals" that raise 10 yen per meal to buy wheelchairs. The wheelchairs were donated to three welfare facilities in the community.



Wheelchair Doctors

This volunteer group formed by employees visits welfare facilities for the elderly and hospitals in the community every month to repair, adjust or clean more than 300 wheelchairs a year. This program has continued for more than 17 years.



Selling goods produced by vocational-training facilities

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

Environmental Protection



Plant Afforestation Project

To enhance our employees' environmental awareness and promote communication within the company, we have conducted tree-planting activities at our plants since 2009. In fiscal 2011, we planted trees at three bases in Japan and overseas.



Company-wide Community Cleanups

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

Youth Development



Ichinomiya Boys and Girls Invention Club

To provide a setting that enables children to enjoy making things, and help them grow into creative human beings, we have fully supported this club since its establishment, taking part in their planning and operation. In fiscal 2011, 97 children participated in the club.



Sponsorship and Support Activities for Sports

We are involved in activities to encourage local elementary and junior high school children to enjoy sports, contributing to their sound growth and development. Athletes from volleyball, handball and basketball clubs serve as instructors. We also routinely provide opportunities for interactions with people with disabilities.

Overseas Volunteering



Participation in Earth Day

TGNA in the United States participated for the second year in a row in Earth Day, a day of action to benefit the planet that is among the world's largest environmental events. Around 30 people including the company president took part in community cleanup activities.



Cooperation with Big Bike activities

In Canada, TG Minto cooperates with the activities of Big Bike, a charity organization that raises funds for heart disease and stroke prevention. Volunteers rode on the group's giant, iconic 30-person bicycle to raise funds for and awareness of cardiovascular health, collecting about 3,000 dollars from individual and corporate donors.



Factory tours for local elementary school students

TGHP in Vietnam invited local elementary school students to tour its plant. In response to a request from the Vietnamese Chamber of Commerce, 50 students were welcomed to the plant, where they had their safety awareness raised by observing manufacturing processes and viewing a video on airbag development and testing.

Other Activities



Neighborhood-watch anti-crime patrols

We have launched a program of neighborhood-watch anti-crime patrols, in which employees volunteer to patrol key crime-prevention areas such as the vicinities of elementary and junior high schools and train stations. Patrols are being conducted in Kiyosu, Inazawa and Ichinomiya cities.

Other Activities



Donation to the community

Since 2009 we have been donating our LED Security Lighting to communities to help them make brighter and safer cities without crime. In fiscal 2011 we made our fourth donation, to Ichinomiya City, following donations to Kiyosu City and Inazawa City.



Traffic Safety Presentation (on Valentine's Day)

About 50 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 2011, we marked 26 years since this activity began.



Traffic Safety Patrols

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



Education on social contribution for new employees

We hold events for exchange between new employees and people with disabilities, to help our employees properly understand disabilities through interaction, learn ways to support people with disabilities, nurture a compassionate heart, improve their social and cooperative skills and expand their perspectives.

Other Activities



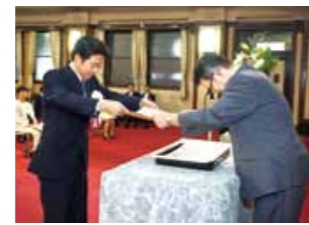
Environmental education for high school students

As part of a "Career Education Coordination" initiative that connects schools, communities and companies, we conducted environmental education at a high school in Gifu Prefecture in response to a request from the prefecture. Students were provided with general environmental knowledge and case examples of environmental initiatives by companies.



Volunteer Award System

We give awards to our employees who have conducted outstanding volunteer activities. This increases our employees' motivation to volunteer, and provides an incentive to widen the circle of volunteers.



Receipt of award for outstanding achievements in volunteering

Aichi Prefecture recognized our long-term, continuous and proactive volunteer activities such as Wheelchair Doctors, Traffic Safety Awareness, and Company-wide Community Cleanups, presenting an award for outstanding achievements.



Receipt of the Make a CHANGE Day Award for the third year in a row

We participated in "Make a CHANGE Day," in which people across the country conduct volunteer activities all together. Our "Neighborhood-Watch Anti-Crime Patrols" program was acclaimed, and we received commendation for the third year in a row.

Topics 1

Efforts in Response to the Great East Japan Earthquake

Donation of LED flashlights, food and other supplies. 70 million yen in assistance provided

After the Great East Japan Earthquake struck, Toyoda Gosei took part in a wide range of relief efforts. On March 12, the day after the disaster, we dispatched a relief party of 14 people to deliver relief supplies such as food, water and blankets, and thereafter provided other materials such as LED flashlights and dispatched additional employees to do volunteer reconstruction work. In addition, the Toyoda Gosei Group made donations totaling 70 million yen.



Volunteer reconstruction activities in the disaster-hit region

Preventing a decline in quality in post-recovery operations

In the immediate aftermath of the earthquake, there were dizzying fluctuations in production, which was first halted, then re-started at a reduced level, then boosted to above normal levels to compensate for the lost time. During the suspension of operations from March 14 onward and subsequent re-start, all items stored long-term on company premises, in warehouses, and in transit inside trucks were inspected for possible quality deterioration. Through quality checks were conducted during the first production run after the re-start, and no quality defects were found. Other steps were taken, including revision of the number of workers per supervisor, and optimum deployment of personnel based on timely tracking of production information. Also, in addition to day-to-day energy-saving efforts, the company responded to a request from JAMA (the Japan Automobile Manufacturers Association) and shifted the weekend to Thursday and Friday for the three months from July to September, reducing weekday power demand. (See related information on page 34).

Earthquake countermeasures implemented to ensure the safety of employees

After the earthquake, we re-inspected our buildings for seismic resistance and other factors. As a countermeasure against scattered shards of glass from broken windows, anti-scattering film was stretched over windows progressively starting with the most hazardous locations. Other measures were taken to ensure the safety of employees, such as reinforcement of ceilings in all rooms of 500 square meters or larger, and countermeasures to prevent heavy-duty glass smoke-proof barriers from falling through floors.



Ceiling reinforcement work

Crisis Management Control Project launched

Toyoda Gosei had already been engaged in disaster preparedness efforts, but during the earthquake and tsunami of March 11, 2011, some mechanisms failed to operate and some unforeseen events occurred. Working toward solutions to the problems that came to light, we launched the Crisis Control Management Project and are working to build a more strongly disaster-resistant enterprise. (See page 19 for details)

Topics 2

Launch of "cutting-edge green factory" project at Heiwacho Plant

With the launch of the "cutting-edge green factory" project, we have designated the Heiwacho Plant as a model factory engaged in a wide variety of environmental activities. In 2011, environmental conservation activities at the plant included an ecosystem survey and cleanup of nearby rivers, establishment of a Seedling Center, and "hands-on green learning." Moving forward, we will continue contributing to community improvement through cyclical environmental activities including incorporation of hands-on learning into the ecosystem survey and cleanup program.

Ecosystem survey and cleanup program

We conducted an ecosystem survey of the Sukadani River, where wastewater from the factory is released, which found 86 individuals of 17 species at an upstream survey point, and 120 individuals of 18 species at a downstream survey point. In conjunction with the survey, we implemented a river cleanup and purification with EM organisms*1.



Establishment of a Seedling Center

We have established a Seedling Center to grow seedlings from acorns collected by volunteer employees. The future plan is for this center to produce 15% of the seedlings to be used in the Plant Afforestation Project currently underway (see p. 43).



Hands-on green learning

We invited local elementary school students to the Heiwacho Plant to present the "cutting-edge green factory" project to them, as well as to take part in hands-on learning aimed at boosting their environmental awareness. These "hands-on green learning" activities included a hands-on LED class and "EM ball** tossing." We will continue implementing these activities every year.



Environmentally friendly facilities

We have introduced a co-generation system, which uses natural gas as a fuel and efficiently captures electricity and heat so as to reduce CO₂ emissions, as well as external LED lights powered by renewable energy sources such as solar, wind and hydropower. In fiscal 2011, we took other measures including the re-painting of the roof with highly thermal-insulating paint.



*1EM organisms: Effective Micro Organisms **EM ball: EM organisms (in activated liquid form) mixed with soil and formed into a ball, fermented and dried.

Promoting Environmental Protection Activities on a Global Scale

Toyota Gosei formulates Environmental Action Plans so as to address the environmental challenges facing the world today. We promote environmental protection activities incorporating our domestic and overseas affiliates and suppliers as well.

We conduct numerous activities with the environment in mind based on our Environmental Policy. In addition to taking the environment into consideration in every process from development through production and sales, we quickly respond to changes in the regulations and needs of our time. The Toyota Gosei Group works together on environmental activities. We also strive to enhance the environmental awareness of each one of our employees to promote the vitalization of our activities. Moving forward, we will continue our activities based on the "Fifth Environmental Action Plan," the Toyota Gosei Group's action plan for environmental efforts from fiscal 2011 to fiscal 2015.

Environmental Policy

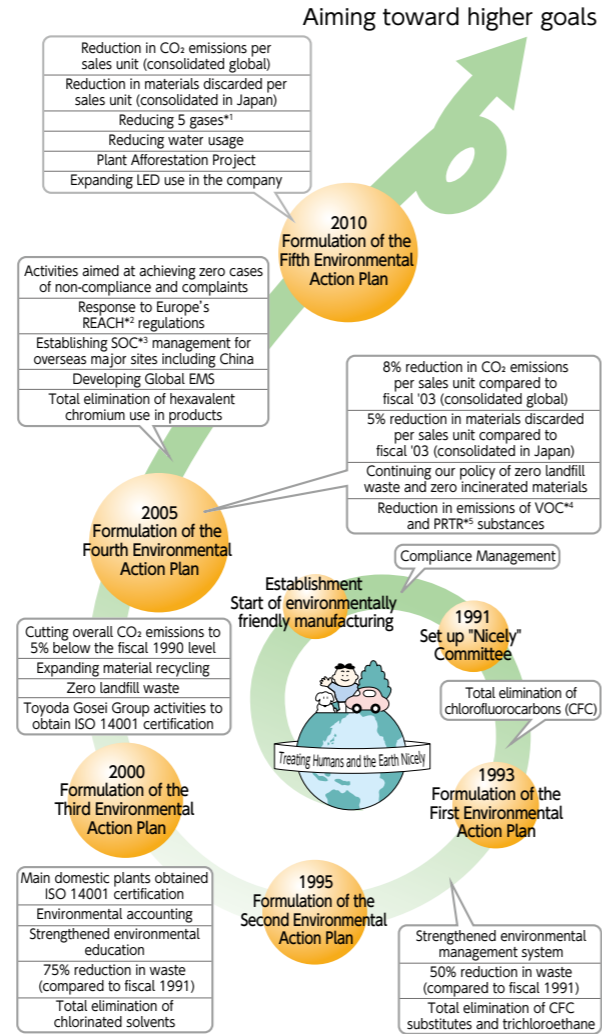
1 Promotion of environmentally-friendly corporate activities

Maintain the awareness that our business is deeply linked to the environment at every stage from development, production, to sales and disposal. Promote environmentally-friendly corporate activities in cooperation with customers and the public sector, as the entire Toyota Gosei Group including domestic and overseas affiliated companies and suppliers, as well as all the business units of Toyota Gosei.

2 Efforts as a good corporate citizen

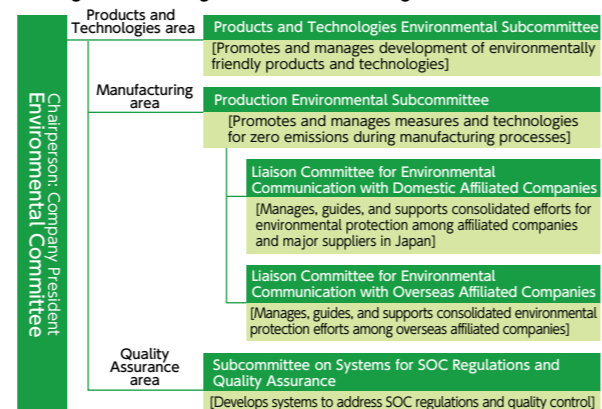
Take a progressive approach to local and social environmental activities as a good corporate citizen while participating in and offering support for and cooperation with environmental activities with various organizations. Educate our employees so that they participate in environmental activities as a member of the region or community, while offering them support for their social contribution and volunteer activities.

3 Disseminate information about these efforts broadly, and listen to a variety of opinions for greater improvement of activities.



*1 HFCs (hydrofluorocarbons), PFCs (perfluorocarbons), SF₆ (Sulfur Hexafluoride), CH₄ (methane), N₂O (nitrous oxide)
 *2 Registration, Evaluation, Authorization and Restriction of Chemicals
 *3 Substances of Concern (Environmentally harmful substances)
 *4 Volatile Organic Compounds
 *5 Pollutant Release and Transfer Register

Diagram of the Organization for Promoting Environmental Action



The Environmental Committee and subcommittees send information to plants and other worksites through specialized committees established according to their own ISO14001 systems.

Organization for Promoting Environmental Action

The "Environmental Committee", with our President as its Chairman, discusses and decides upon environmental policies and other important issues for the Toyota Gosei Group as a whole. Our Environmental Committee is composed of 3 subcommittees in the fields of products, production and quality. These subcommittees strive to link together with other subsidiary organizations such as liaison committees and work with groups to promote environmental protection and management activities from their own professional viewpoints.

Fifth Environmental Action Plan : Activities and Results

(Fiscal 2011 – Fiscal 2015)

Toyota Gosei Group is making aggressive efforts centered on the areas of "reduction of environmental impacts" and "environmental management," as part of the Fifth Environmental Action Plan aimed at achieving a low-carbon, recycling-oriented society in harmony with nature. We will set numerical targets for fiscal 2015 within fiscal 2012, and begin taking action toward fulfilling them.

Theme	Implementation	Results of the activities in fiscal 2011	Reference page																						
Prevention of climate change	① Reduction of CO₂ emissions [Production] <ul style="list-style-type: none"> Replaced inefficient facilities and equipment and improved existing equipment Promotion of switchover to LED lighting for inspection and production processes 	▶ Examples of our efforts for production — Reduction of electricity consumption through switchover to resin for CVJ boots	P34																						
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	[Logistics] Applied to: Delivery, mid-process, and procurement logistics <ul style="list-style-type: none"> Improving transportation efficiency 	▶ Efforts for logistics — Improved efficiency of loading — Shorter logistics flow lines through production located near customers — Deployment of appropriate number of vehicles in response to production volume	P34																						
	<table border="1"> <thead> <tr> <th></th> <th>Item</th> <th>Goals for fiscal 2012</th> <th>Results for fiscal 2011</th> <th>Evaluation^[2]</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Toyota Gosei</td> <td>CO₂ emissions from logistic operation per sales unit</td> <td>Reduce by 25% compared to fiscal 2003</td> <td>76^[1]</td> <td>Achieved a 24% reduction compared to fiscal 2003</td> <td>○</td> </tr> <tr> <td>CO₂ emissions</td> <td>Reduce by 20% compared to fiscal 2003</td> <td>11,344 tons of CO₂</td> <td>Achieved a 15% reduction compared to fiscal 2003</td> <td>○</td> </tr> </tbody> </table>		Item	Goals for fiscal 2012	Results for fiscal 2011	Evaluation ^[2]	Toyota Gosei	CO ₂ emissions from logistic operation per sales unit	Reduce by 25% compared to fiscal 2003	76 ^[1]	Achieved a 24% reduction compared to fiscal 2003	○	CO ₂ emissions	Reduce by 20% compared to fiscal 2003	11,344 tons of CO ₂	Achieved a 15% reduction compared to fiscal 2003	○								
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[Products] <ul style="list-style-type: none"> Product design and materials development for weight reduction Development of products and technologies in new fields in line with new energy trends 	▶ Examples of our efforts for products — Reduced the weight of air cleaner hoses	P35																							
② Reduction of 5 gases* <ul style="list-style-type: none"> Promote the use of substitute gases (in place of HFC, PFC, SF₆) used for magnesium casting and LED manufacture 	▶ Examples of our efforts for 5 gases — Changed shielding gas used in magnesium casting process	P35																							
<table border="1"> <thead> <tr> <th></th> <th>Item</th> <th>Goals for fiscal 2012</th> <th>Results for fiscal 2011</th> <th>Evaluation^[2]</th> </tr> </thead> <tbody> <tr> <td>Toyota Gosei</td> <td>Emissions of 5 gases</td> <td>Reduce by 30% compared to fiscal 2003</td> <td>15,000 tons of CO₂</td> <td>Achieved a 25% reduction compared to fiscal 2003</td> <td>○</td> </tr> </tbody> </table>		Item	Goals for fiscal 2012	Results for fiscal 2011	Evaluation ^[2]	Toyota Gosei	Emissions of 5 gases	Reduce by 30% compared to fiscal 2003	15,000 tons of CO ₂	Achieved a 25% reduction compared to fiscal 2003	○														
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Reduction of environmental impacts	③ Reduction of emissions [Production] <ul style="list-style-type: none"> Promotion of emission source countermeasures through improvement of yields Promotion of in-house recycling of rubber, resin and metals Maintenance of zero landfill waste 	▶ Examples of our efforts for production — Reduced liquid waste through introduction of reduced-pressure dewatering apparatus — Developed non-cutting metal processing technology	P36																						
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	[Logistics] Applied to: Delivery, mid-process, and procurement logistics <ul style="list-style-type: none"> Volume reduction of disposable packaging materials Increased use of returnable containers 	▶ Efforts for logistics — Thorough cleaning of returnable containers — Inspections and corrective actions at returnable container storage points	P36																						
	<table border="1"> <thead> <tr> <th></th> <th>Item</th> <th>Goals for fiscal 2012</th> <th>Results for fiscal 2011</th> <th>Evaluation^[2]</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Toyota Gosei</td> <td>Volume of packaging materials used per sales unit</td> <td>Reduce by 63% compared to fiscal 2003</td> <td>33^[1]</td> <td>Achieved a 67% reduction compared to fiscal 2003</td> <td>○</td> </tr> <tr> <td>Volume of packaging materials</td> <td>Reduce by 60% compared to fiscal 2003</td> <td>87t</td> <td>Achieved a 63% reduction compared to fiscal 2003</td> <td>○</td> </tr> </tbody> </table>		Item	Goals for fiscal 2012	Results for fiscal 2011	Evaluation ^[2]	Toyota Gosei	Volume of packaging materials used per sales unit	Reduce by 63% compared to fiscal 2003	33 ^[1]	Achieved a 67% reduction compared to fiscal 2003	○	Volume of packaging materials	Reduce by 60% compared to fiscal 2003	87t	Achieved a 63% reduction compared to fiscal 2003	○								
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[Products] <ul style="list-style-type: none"> Product design and technological development for easy recycling 	▶ Examples of our efforts for products — Use of recycled materials for smartphone battery covers	P37																							
④ Reduction of water usage	▶ Reducing water usage and using water effectively	P37																							
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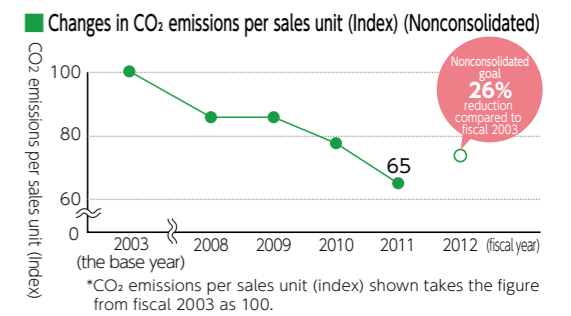
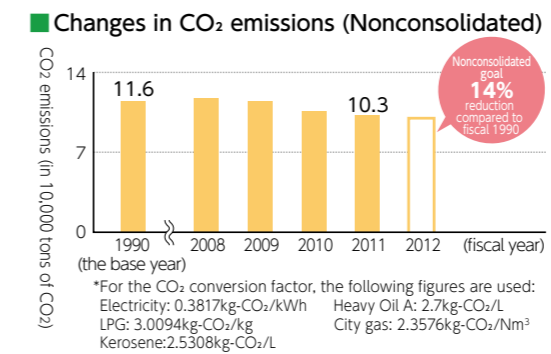
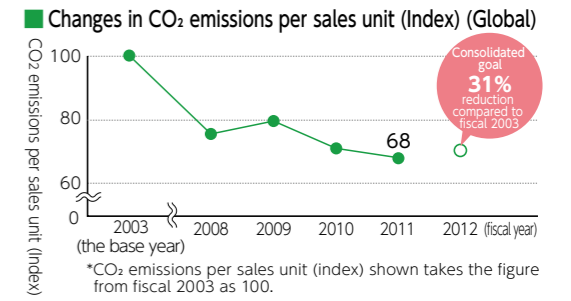
Prevention of Climate Change

We are promoting reduction of CO₂ emissions through weight reduction of vehicle bodies and adaptations for fuel diversification, as well as improvements in productivity and the efficiency of logistics.

Production

Elimination of wasteful energy use and reduction of CO₂ emissions

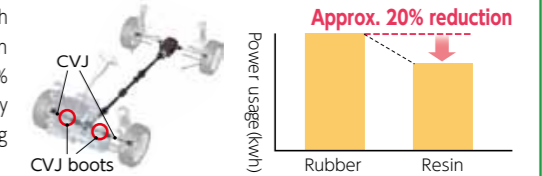
The Toyoda Gosei Group is promoting prevention of climate change by improving productivity and simultaneously reducing energy consumption. In fiscal 2011, we continued with measures from the prior fiscal year, inspecting proper energy use on holidays and forming a "waste-eliminating plant squad" to thoroughly eliminate energy waste. In order to deal with peak power cuts and power consumption reductions following the Great East Japan Earthquake, we adjusted air conditioner temperatures and reduced the number of fluorescent light fixtures and copy machines in use. Also, in compliance with the decision by the Japan Automobile Manufacturers Association, we have designated Thursday and Friday as holidays and thereby reduced weekday power consumption.



Example of our efforts

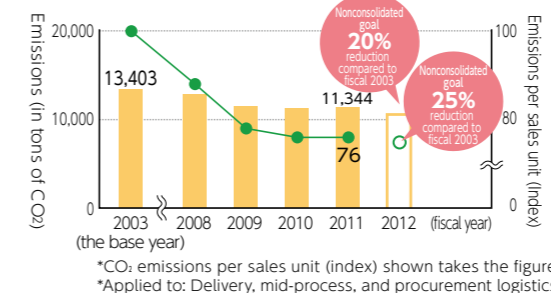
Production Reduction of electricity consumption through switchover to use of resin for CVJ* boots

Changing the material used to produce CVJ boots for drive shafts from rubber to resin, eliminates the need for the vulcanization process which consumes a large amount of electricity, cutting power consumption during the production process by approximately 20%. Switching to resin requires sophisticated technology for performing casting using different methods inside the same component, but this challenge was overcome through modifications to manufacturing processes and a reduction in power consumption was achieved. We also achieved a 25% increase in durability and a 50% reduction in weight. Currently the ratio of rubber products to resin is 4 to 6, but moving forward, we intend to continue making the transition to resin.



To reduce CO₂ emissions during transportation, we promote improved loading efficiency, shorter logistics flow lines, 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 2011 there were major fluctuations in automobile production volume due to natural disasters and other factors, but we minimized loss from transportation by consolidating shipments from production bases at the Miyoshi Distribution Center and then shipping them from the Center to our customers' plants. In addition, we obtained customer cooperation so as to adjust the number of vehicles dispatched mid-month in response to fluctuations in production volume, rather than setting the number of vehicles on a monthly basis. Thanks to these efforts, we were able to meet our CO₂ reduction target for fiscal 2011. Moving forward, we will continue constructing a logistics system that is highly adaptable to change, reorganize logistics bases, and take further steps to reduce transportation loss.

Changes in CO₂ emissions from logistics operations and in emissions per sales unit (Index) (Nonconsolidated)



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

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

Logistics

Thorough-going efforts to reduce transportation loss

Theme	Implementation	Results of the activities in fiscal 2011	Reference page															
Reduction of environmental impacts	5 Reduction of VOC¹ <ul style="list-style-type: none"> Promotion of VOC usage reduction through transition to water-based paints, use of fewer solvents, use of substitute washing thinners and optimization of thinner usage amounts 	► Examples of our efforts for VOC emissions reduction <ul style="list-style-type: none"> More efficient painting of hubcaps Use of water-based paints for air bags 	P38															
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Cooperation with communities	6 Enhanced management of chemical substances in products <ul style="list-style-type: none"> Promotion of a global management framework for chemical substances in products 	► Compliance with Europe's REACH regulations and other regulations and directives in China, South Korea, etc.	P38															
	7 Plant Afforestation Project <ul style="list-style-type: none"> Plant about 600,000 trees in 60 domestic and overseas bases in the next 10 years 	► Examples of our efforts for the Plant Afforestation Project <ul style="list-style-type: none"> Trees planted at four domestic and overseas bases 	P43															
	8 Promotion of social contribution activities <ul style="list-style-type: none"> Carried out community cleaning activities Contributed proactively to society at our overseas sites 	► Our efforts for communities	P28 P29															
Enhancement of environmental awareness and management	9 Contributing to environmental policy	► Participated in formation of environmental policies of the Japan Auto Parts Industries Association, the Japan Rubber Manufacturers Association and other organizations	—															
	10 Enhancing environmental awareness	► Promotion of enhanced environmental awareness <ul style="list-style-type: none"> Implemented systematic environmental education programs Promoted heightened awareness and monthly environmental activities through company newsletter Award for Excellence received at the 2011 Eco Kentei Awards 	P40 P41 P41															
	11 Enhancement of consolidated environmental management	► Enhancement of consolidated environmental management <ul style="list-style-type: none"> Domestic and overseas sites acquired ISO14001 and current assessment status Environmental audits (Internal environmental auditing, external environmental assessments) Consolidated global environmental management Efforts of domestic affiliated companies (Ichiei Kogyo Co., Ltd.) Efforts of overseas affiliated companies (Fong Yue Co.,Ltd) 	P40 P41 P42 P42															
	12 Environmental activities in conjunction with business partners	► Promoted Procurement Policy <ul style="list-style-type: none"> Held briefings on our Procurement Policy Global development of management system for environmentally harmful substances 	P27															
	13 Disclosure of environmental information	► Disclosure of environmental information <ul style="list-style-type: none"> Exhibited in 42nd Tokyo Motor Show Issued Toyoda Gosei Report 2012 	P21															
	14 Promotion of LCA² (Life Cycle Assessment) during product development	► Enhanced visualization of efforts toward CO₂ emissions reduction and product recyclability																
	Contribution as an environmentally friendly LED maker	15 Expanded use of LED on company premises	► Expanded use of LED on company premises <ul style="list-style-type: none"> Switched lighting to LED at domestic business locations 	P39														
		16 Expansion of LED business	► Expansion of LED business <ul style="list-style-type: none"> Expanded LED lighting business 	P39														

¹ VOC: Volatile Organic Compounds
² LCA: Life Cycle Assessment (assessment of the environmental impact [CO₂ emissions, etc.] over the entire life cycle of a product from production and use through disposal)
 [1] This value takes the figure in the base year as 100. [2] ○: Goal for the fiscal year was achieved, ×: Goal for the fiscal year was not achieved

Products

Handling vehicle weight reduction and clean energy

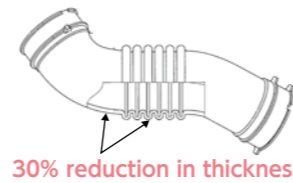
*EMS: Environmental Management System

We are promoting weight reductions in the areas of product and technical development. In fiscal 2011, the first year of the "Fifth Environmental Action Plan," we commenced an initiative aimed at enabling "visualization" of each designer and developer's efforts, to reduce weights in line with the launch of our design/development EMS*. We are also promoting adaptations for clean energy vehicles and fuel diversification. In addition, we lightened vehicle bodies by reducing the weight of air cleaner hoses, making resin products thinner, etc.

Example of our efforts

Products Reducing the weight of air cleaner hoses

In order to reduce vehicle weights, we reduced the thickness of the air cleaner hose that brings air from the air cleaner to the engine. This was accomplished by adapting high-durability polymer as a rubber product, boosting durability and reducing thickness by 30% and weight by 25% compared to the previous product. Lightweight air cleaner hoses currently account for approximately 10% of overall production of this item. We plan to raise material use to approx. 50% over the next three years. We are also moving forward with efforts to develop even lighter-weight hoses.

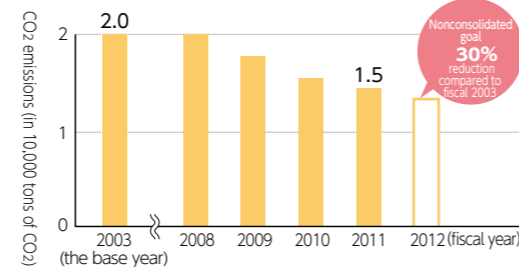


30% reduction in thickness

Reduction of greenhouse gases (5 gases)

There are calls to reduce emissions of five greenhouse gases other than CO₂, of which we use three. We are moving forward with new initiatives to reduce emissions of these gases. In fiscal 2010 we replaced the cleaning gas used in LED chip manufacture with a substitute, and in fiscal 2011 did the same with the shielding gas used in steering wheel armatures. These measures achieved a reduction in fiscal 2011 emissions of 25% compared to fiscal 2003.

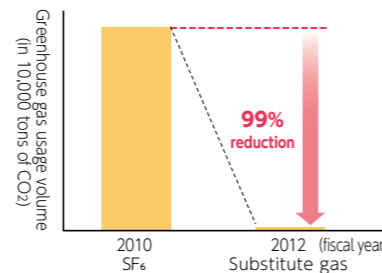
Changes in emissions of greenhouse gases (5 gases) (converted to CO₂)



Example of our efforts

Substitution of shielding gas used in magnesium casting process

In manufacture of steering wheel armatures, we switched over from using SF₆* during the magnesium casting process to using a substitute gas, achieving a 99% reduction in greenhouse gas utilization. Molten magnesium has a risk of combustibility when it encounters air. SF₆ was used in order to prevent this. We replaced SF₆ with a substitute gas which contributes negligibly to climate change (a 99% or greater reduction). Moving forward, we will work toward further optimization of the substitute gas concentration so as to reduce the usage volume.



* SF₆: Sulfur hexafluoride

Effective Use of Resources

Through reduction of waste products and designs which facilitate recycling, we are promoting effective use of resources and contributing to a recycling-oriented society.

Toyoda Gosei Group is working to reduce the amount of waste generated through measures to counter waste material sources, as well as promotion of recycling. In fiscal 2011 we promoted information sharing via lateral development of waste reduction efforts in and outside the company. We achieved reductions in rubber and resin waste through defect prevention and yield increase measures already in place, and reductions in waste liquids through construction of new wastewater treatment facilities. As for recycling, we have been expanding our efforts to desulfurize rubber products containing metal inserts and make pellets from resin, greatly reducing both the overall volume of discarded materials and the volume of discarded materials per sales unit.

Starting on the next page, we will present the winning declarations from the My Eco Declaration contest (for details on My Eco Declaration, see p. 41)

Logistics

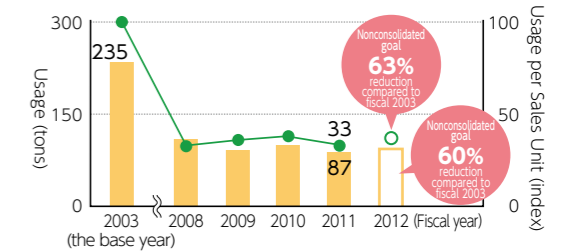
Promoting proper management of returnable containers*

*Returnable containers: Boxes used repeatedly for transportation of parts and products

We set a challenging goal every year in order to reduce the usage of disposable packaging materials used in returnable cases for transporting products. We also appropriately manage returnable containers with the ultimate goal of completely eliminating disposable packaging materials. In fiscal 2011, we continued from the previous year with the cleansing of returnable containers, cleaning at all plants and we installed a washing and drying machine for returnable containers. We also carried out inspections and corrective actions at storage points for already washed returnable containers. Thanks to these efforts, we were able to reduce the volume of disposable packaging per sales unit by 13% compared to fiscal 2010. We will continue this initiative in fiscal 2012, adding more

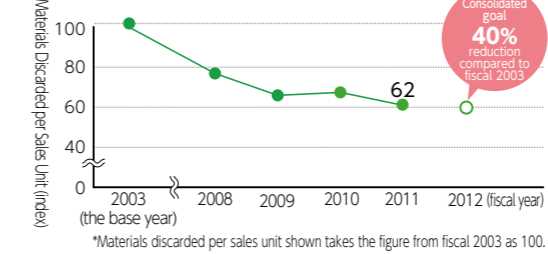
washing and drying machines for returnable containers and further enhancing our system of management.

Changes in Use of Product Packaging Materials and Usage per Sales Unit (Index) (Nonconsolidated)



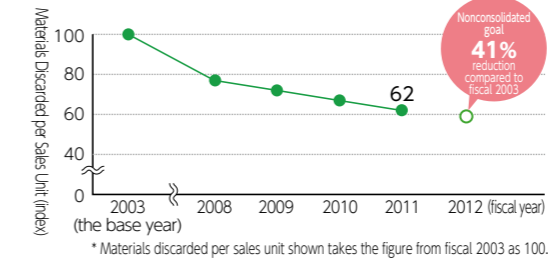
*Usage per sales unit (index) shown takes the figure from fiscal 2003 as 100. *Applied to: Delivery, mid-process, and procurement logistics

Changes in Amount of Materials Discarded per Sales Unit (Index) (Japan)



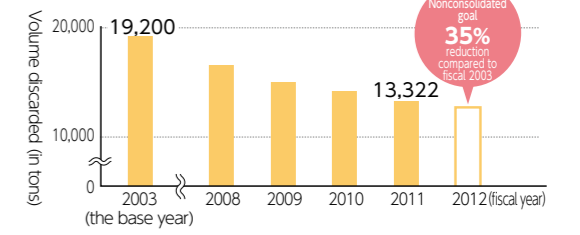
*Materials discarded per sales unit shown takes the figure from fiscal 2003 as 100.

Changes in Amount of Materials Discarded per Sales Unit (Index) (Nonconsolidated)

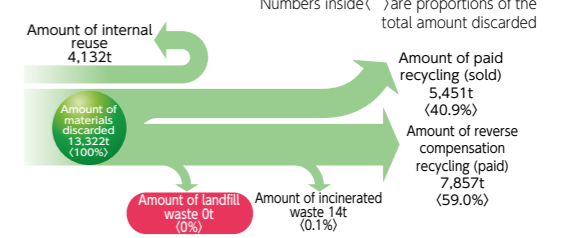


*Materials discarded per sales unit shown takes the figure from fiscal 2003 as 100.

Changes in Amount of Materials Discarded (Nonconsolidated)



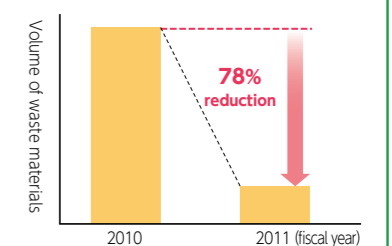
Amount of Waste Generated / Waste Disposal Situation (Results for fiscal 2011)



Example of our efforts

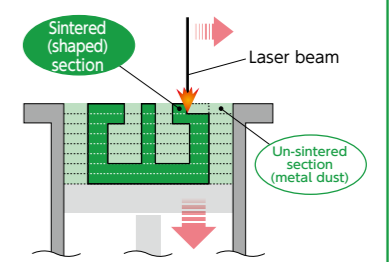
Production Reduction of liquid waste through introduction of reduced-pressure dewatering apparatus

In order to curb waste emissions, we reduced the volume of liquid waste generated by boosting the concentration of wastewater treatment of mold release agents used to facilitate easy insertion of products (hoses) into molds. We remove water from mold release agent waste liquid through low-temperature vacuum distillation and dispose of only the residue as industrial waste. However the 23-year-old existing treatment facility was antiquated and large amounts of water remained in the residue. To improve the situation, we installed new and more effective treatment equipment, reducing the volume of residue by 78% compared to the previous equipment. Some of the collected water is re-used, helping to reduce water consumption as well.



Production Development of non-cutting metal processing technology

By introducing technology for non-cutting metal processing in which metal dust is seared with lasers, we reduced the amount of metal scrap generated. In general, manufacturing with molds entails cutting of metal materials, generating large amounts of scrap. However, by adopting this method, we have managed to reduce metal scrap to a minimal amount during the finishing process. Other merits include that cutting oil is no longer required, and it is possible to fabricate molds with more complex shapes than was previously possible.



Production

Reduction of waste (discarded) materials

My Eco Declaration I will curb energy consumption by inspecting and cleaning air conditioners when the season for their use begins, and by strictly controlling temperature settings. (Production Engineering Dept. 2, Silver Prize)

Products

Approach to designs that facilitate recycling

*ELV: End of Life Vehicle

Toyota Gosei develops and designs its products with recycling in mind, taking the entire vehicle life cycle into account, and is working to develop more advanced material recycling technology. In fiscal 2011, we worked to develop separation technology for composite materials containing rubber and non-rubber materials so as to expand the reuse of high polymer materials such as rubber products. These efforts helped us to expand recycling of composite materials composed of rubber, metal, etc., and use of recycled materials.

Technological Development for ELV* Parts Recycling

Key items	Measures implemented
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"> Material and compositional changes that enable easy recycling Easy-to-dismantle designs for products

Example of our efforts

Products Use of recycled materials for smartphone battery covers

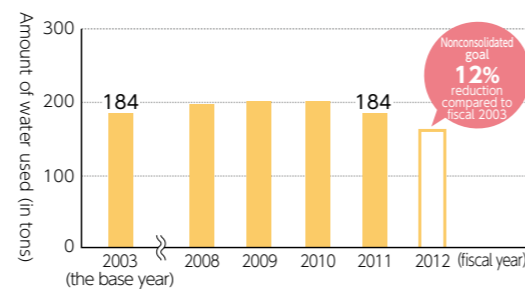
We use materials with recycled content for the battery covers for the Xperia Acro smartphone (produced by Sony Ericsson Mobile Communications AB, currently Sony Mobile Communications AB), in order to make effective use of limited resources. There were issues such as liquidity and thermal deterioration, leading to a decline in material strength during mold injection, and tendency toward generation of gases that affect the molds, but these issues were resolved through modifications of manufacturing techniques and design. Moving forward, we intend to make further improvements aimed at curbing environmental impact, such as switching to water-based paints for covers.



Reducing water usage

We are moving forward with efforts to further reduce water usage. In addition to making effective use of water as a resource, we expect to curb CO2 emissions by reducing the force of water pumps. In fiscal 2011, we cut the amount of supplementary water to cooling towers in our plants, as well as implementing measures to prevent leaks and conserve water. Thanks to these efforts, we were able to reduce water usage in fiscal 2011 by 8% compared to the previous year.

Changes in Amount of Water Used (Nonconsolidated)

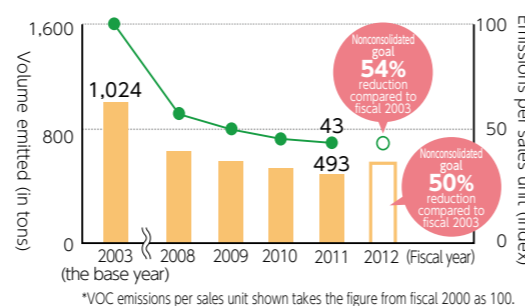


Control and Reduction of Environmentally Harmful Substances

Regulations for environmentally harmful substances are being strengthened worldwide, and our company strives to comply with various regulations and revise materials and manufacturing processes accordingly.

We have been reducing environmentally harmful substances such as the PRTR*1 and VOC*2 in production processes by using less paint for glass runs, switching to use of robots, thereby reducing the amount of mold release agent used in the steering wheel formation process and by reducing the amount of solvent used for hubcap painting. We also exchange information and introduce good examples among business units principally at the VOC Reduction Working Group, a sub-organization

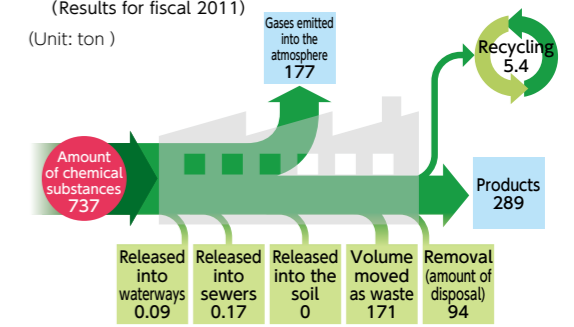
Changes in VOC Emissions/Emissions per Sales Unit (Index) (Nonconsolidated)



My Eco Declaration When formulating equipment plans, I will prioritize the weight reduction of moving parts and the selection of optimal power devices. (Machine Design Sect., Silver Prize)

of the Production Environmental Subcommittee. We also take other steps such as across-the-board switchover to low-VOC thinner as printing roller washing material for brake hose printing, with the purpose of reducing environmentally harmful substances. Moving forward, we will continue reducing the amount of washing thinners used and switching to alternative substances.

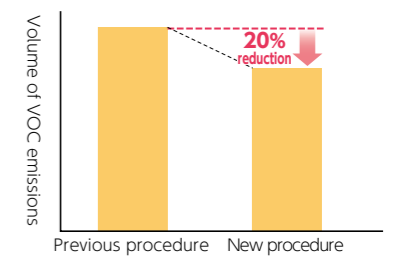
Emission / Flow of PRTR substances (Results for fiscal 2011)



Example of our efforts

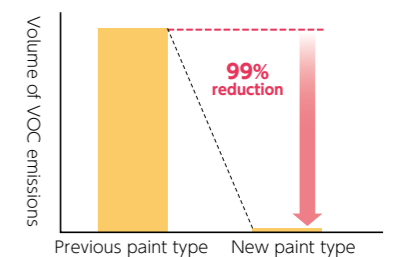
Production More efficient use of hubcap paint

By boosting the efficiency of paint use during the hubcap painting process, we have reduced VOC emissions. In the past, highly pressurized air was used to spray the paint, spreading it over a wide area and causing waste. To address this, we improved the nozzle of the spray gun so that it employs low air pressure to apply paint over an appropriate area, achieving a 20% reduction in VOC emissions. Moving forward, we plan to implement similar improvements for other painted products.



Products Making paint for airbag covers water-based

We have reduced VOC emissions by switching from solvent-based to water-based paint for driver's-side airbag covers. Airbag covers are often painted for design reasons, and solvent-based paints had been used, but we switched to water-based paint as of fiscal 2011. We have developed and transition to a new water-based paint and system (equipment and painting conditions) for application it in optimal amounts.



Enhancement of management of chemical substances in products

As a global corporation, our company strives to obtain information on regulations of each country and region, 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 fiscal 2011, we properly responded to the EU (European Union) regulations on impact assessment and information reporting for SVHC (Substances of Very High Concern), to new chemical substance regulations in China, as well as other regulations and legal changes implemented by Taiwan, the United States, South Korea and other countries. Also we are actively gathering information in preparation of an instant response to the tightening of regulations of the future. In response to the voluntary control of the Japan Automobile Manufacturers Association, we are working to reduce VOC in automobile interiors by adopting non-VOC adhesives and water-based paints, as we continue with our review of materials use throughout our manufacturing processes.

Regulations governing chemical substances in products

Region	2010	2011	2012
EU	◆ EU ELV Directive Annex II revision	◆ EU ELV Directive Annex II revision	◆ EU ELV Directive Annex II revision
	◆ Turkey ELV Regulations	◆ EU RoHS Directive revision	◆ EU RoHS Directive revision
	◆ EU REACH regulations 31 SVHC newly added	◆ EU REACH regulations 200 SVHC by 2020	◆ EU REACH regulations 200 SVHC by 2020
	◆ EU CLP regulations Classification and labeling requirements	◆ EU CLP regulations Classification and labeling requirements	◆ EU CLP regulations Classification and labeling requirements
North America	◆ United States EPA Action Plans	◆ United States EPA Action Plans	◆ United States EPA Action Plans
	◆ Turkish REACH regulations	◆ Turkish REACH regulations	◆ Turkish REACH regulations
Asia	◆ Environmental Administration of New Chemical Substances in China	◆ Environmental Administration of New Chemical Substances in China	◆ Environmental Administration of New Chemical Substances in China
	◆ Chemical Substance Notification in Taiwan	◆ Chemical Substance Notification in Taiwan	◆ Chemical Substance Notification in Taiwan
Japan	◆ Amendment of Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc.	◆ Amendment of Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc.	◆ Amendment of Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc.

Reduction of environmentally harmful substances in the production process

*1 PRTR: Pollutant Release and Transfer Register
*2 VOC: Volatile Organic Compounds

My Eco Declaration I will plan production and modify production order so as to maximize efficiency and minimize electricity consumption (TG Opseed Co., Ltd., Bronze Prize)

Working to Popularize Highly Environmentally Efficient LEDs

We carry out fully integrated production of environmentally friendly LED products. We are working to popularize them and thereby make a contribution to the prevention of climate change.

Expanding use of LED lighting on company premises

Our efforts to popularize and raise awareness of LED products include expanding the use of LED lighting on company premises. A five-year plan starting in fiscal 2011 has been compressed to three years, during which all 50,000 or so fluorescent tubes currently installed at all our business locations in Japan will be replaced with Toyoda Gosei's own LED lighting. This will reduce power consumption and CO₂ emissions. During fiscal 2011, the first year of the plan, approximately 10,000 fluorescents were replaced with LED for inspection processes in areas for welcoming visitors, and in some offices. People involved in inspection processes have given feedback such as "it's brighter and easier to see," and "it's easier to spot scratches and debris." In fiscal 2012 the LED lighting will be installed in offices and some parts of the production line, with the remainder of the production line to follow in fiscal 2013.



Heiwacho Plant Shop-Talk Corner Morimachi Plant

Expansion of LED business

We carry out integrated development and production of environmentally efficient LED products, characterized by low energy consumption and long service life, from components through light source modules. Until now, our LED products have been widely used as backlight sources in LCDs in laptop and tablet PCs and smartphones, as well as automobile meters, etc., but since the end of fiscal 2010 we have been expanding our lineup of LED light sources for general lighting as well. We intend to expand this lineup further, turning the lighting sector into the second pillar of our LED business alongside backlights.

Promoting introduction of LED in offices, facilities, etc.

In fiscal 2011, our LED lighting was installed in the offices of Angel Park Corporation, Toyota Boshoku Corporation and other members of Kyowakai (a Toyota Auto Body voluntary group of parts supply companies.) Moving forward, we will continue to promote the adoption of our LED lighting in offices and facilities within the Toyota Group and elsewhere.



Angel Park Corporation Offices of Toyota Boshoku Corporation

Proactively introducing LED lighting in exhibition booths at events, etc.

Through our participation at trade shows and other events, we exhibit as an elements manufacturer at the fourth LED/OLED Lighting Technology Expo - Lighting Japan, publicizing the effects and future potential of LED lighting. At Messe Nagoya 2011 and the Tokyo Motor Show 2011, we used all LED lighting in our booths. At the Tokyo Motor Show in particular, we employed daylight-white lighting for the displays and light bulb tint for the areas where people congregate, showing the versatile color possibilities of LED lighting.



Lighting Japan Tokyo Motor Show 2011

Verifying a wide range of LED effects, including subjective color temperature and visibility differences

Toyoda Gosei is devoting considerable resources to the assessment and verification of LED products. We assess the subjective experience and degree of visibility when LED lighting is used. In addition to applying the results to further product development, we use them to propose new ways of using LED lighting, turning LED lighting into the keystone of a comfortable interior environment. Other new potential applications include use as a light source in plant factories, for which we intend to perform demonstration experiments.

My Eco Declaration I will patrol the premises, aiming for the goal of zero non-production energy consumption, and take corrective actions where waste occurs.(Air Bag Sect. 3, Bronze Prize)

Enhancing environmental education at Toyoda Gosei Group

Environmental Management

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

The entire Toyoda Gosei Group makes 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 2001 and data on overseas affiliated companies in fiscal 2003. This environmental data (CO₂ emissions, volume of waste), outlined the Group's goals through fiscal 2010 in the Fourth Environmental Action Plan as we put our plans into practice step by step. The Fifth Environmental Action Plan was launched in fiscal 2011, we are aggressively promoting various activities in order to achieve the goals set forth in the new Plan.

Subjects of Consolidated Efforts for Environmental Protection (production locations)

Toyoda Gosei	<ul style="list-style-type: none"> ● Haruhi Plant ● Nishimizoguchi Plant ● Iwate Plant ● Seto Plant ● Inazawa Plant ● Bisai Plant ● Kitakyushu Plant ● Saga Plant ● Morimachi Plant ● Heiwacho Plant ● Kanagawa Plant ● Fukuoka Plant
Domestic Affiliates	<ul style="list-style-type: none"> ● Ichiei Kogyo Co., Ltd. ● Kaiyo Gomu Co., Ltd. ● Hoshin Gosei Co., Ltd. ● Hinode Gomu Kogyo Co., Ltd. ● Toyoda Gosei Interior Manufacturing Co., Ltd. ● TG Opseed Co., Ltd. ● TGAP 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 ● Toyoda Gosei Minda India Private Limited ● 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

Toyoda Gosei implements internal environmental audits by forming audit teams composed of members of plants that are not subject to the audits. The Toyoda 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 2011, no issues were indicated at either Toyoda Gosei or any of its associates, and it was demonstrated that management is being conducted appropriately.



Internal environmental auditing External environmental auditing

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, 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		Targeted person	Toyoda Gosei	Affiliate Companies	
		Japan	Overseas			Japan	Overseas
Common company-wide	Education for new managers			ISO 14001-related	Education for environmental staff		
	Education for workers stationed abroad				Education to upgrade internal auditors		
	Education for environmental key-persons				Education to register internal auditors		
	Environment-related qualifications acquisition				Education for supervising managers		
	Education for new employees				Education for workers in environmentally significant work		
	Educational activities for environmentally focused months				Education for general workers		

My Eco Declaration I will thoroughly check that circuit breakers are off when production lines are not in use. (Weatherstrip Sect. 2, Bronze Prize)

We carry out activities focused on participation-based approaches to ensure that each one of our employees has firm environmental awareness and reflects this awareness in their actions.

Further promoting our environmental efforts through environmentally focused months and energy saving months

In fiscal 2011, we made further efforts to educate our employees by displaying posters, and featuring articles that enhance environmental awareness or provide information on the environment in our newsletters to coincide with the environmentally focused month of June. In response to the suspension of the Hamaoka Nuclear Power Plant, we designated June through September an "energy saving campaign period," and dedicated ourselves to reducing power consumption and cutting peak power use. Also, we implemented the "Eco Declaration" campaign. All employees made their own Eco Declaration and evaluated whether they were able to adhere it. Eight employees who made Eco Declarations that were particularly beneficial to the environment and had potential for implementation in other departments, received the Declaration of Eco Excellence award. In addition, 36 employees took the Eco Certification exam which is held in July and December every year.

Aside from the environmentally focused month of June, in February we survey the status of energy-saving measures and formed a "waste-eliminating plant squad," to thoroughly eliminate energy waste in factories in line with the Japanese Ministry of Economy, Trade and Industry's designation of February as Energy Saving Month.



Our newsletter (TG Times)

Declaration from the Eco Declaration gold prize winner

During the morning greeting, I will check for lights that people forgot to extinguish and discuss energy-saving case examples, ensuring that the workplace is a thoroughly eco-aware one.
(Mold Production Sect. 2)

*Declarations from the Eco Declaration silver and bronze prize winners are posted on the bottoms of pages 34 through 42.

Bisai Plant wins Award for Excellence at the 2011 Eco Kentei Awards

At the 2011 Eco Kentei Awards (held by the Tokyo Chamber of Commerce and Industry), which honor the results of environmental protection activities at business locations and organizations, our Bisai Plant earned an Award for Excellence for their ongoing plant-wide activities that began with the Plant Afforestation Project launched in fiscal 2010 (see p. 43). These efforts went beyond tree planting and included a wide variety of events involving local community residents and incorporating both "hard" and "soft" aspects, becoming an initiative that will be carried on into the future, and earning acclaim for its raising of the environmental awareness of employees and community residents alike.

These activities included the designation of the second Sunday in November as Bisai Plant Greenery Day, as well as the creation of an artist's conception of the completed forest based on all plant employees' imagined projections of the forest 10 years in the future.

Moving toward the project's realization, in fiscal 2011 employees planted trees on Bisai Plant Greenery Day, aiming to create "a forest where everyone can experience the seasons." Designating thematic zones including four seasonal zones, a zone to attract insects, and so forth. A year-round hands-on learning corner called Manabiya Bisai (Bisai Academy) was also established on the plant premises to provide environmental education. Having had these efforts recognized with the Eco Kentei Award for Excellence, the employees at the plant have become even more enthusiastic about environmental protection activities.



Award for Excellence at the 2011 Eco Kentei Awards



Employees and management of the Bisai Plant hold an unveiling ceremony to mark the designation of Bisai Plant Greenery Day

Bisai Plant Greenery Day

Our company formulates a Global EMS* 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 aimed at environmental controls in the China regions from fiscal 2010.

My Eco Declaration I will use test equipment efficiently, minimizing standby time and shortening operating times as much as possible. (Technical Research & Development Dept., Bronze Prize)

*EMS: Environmental Management System

Efforts of Affiliated Companies

*PRTR: Pollutant Release and Transfer Register

*Adopt-A Program: Local cleaning and beautification (community development) program carried out jointly by citizens and government

Ichiei Kogyo Co., Ltd.

Working to reduce CO₂ emission and volume of waste discarded. Environmental activities pursued in partnership with Ichinomiya City

Ichiei Kogyo Co., Ltd., which is engaged in the manufacture and processing of automotive steering wheels and related products, is devoting energy not only to production-based environmental protection activities and activities in partnership with the community, but also to the afforestation of the plant premises and vicinity.

In terms of CO₂ emissions reduction, plant personnel turned their attention to generated heat, taking steps to collect and re-use exhaust heat such as installing heat exchangers in aluminum melting furnaces. Efforts to reduce volumes of waste discarded included yield improvement measures such as elimination of trial-run periods during the aluminum mold injection process. The challenge of residual mold release agent inside molds was overcome through changes in coating methods and conditions, and the trial-run period elimination was achieved. Also, resources were conserved through in-house recycling of leftover material from aluminum armatures removed during the product completion process. These actions achieved an 8% reduction in both CO₂ emissions and discarded waste in fiscal 2011. The company also promoted the use of non-PRTR* materials, and abolished the use of Class I designated chemical substances.

In the local community, the company has registered with the Ichinomiya City Adopt-A Program*, and implemented monthly "530" (which reads "garbage zero" when pronounced in Japanese) cleanups of plant grounds, providing relay points and rest areas during city-led cleanup campaigns, aiming to contribute to both the environment and society.



Ichiei Kogyo Co., Ltd.



Outdoor rest area

DATA

- Location / Meichi, Ichinomiya City, Aichi Prefecture, Japan
- Established / June 1960
- Capital / 457 million yen
- Business / Manufacture, processing and sales of automotive steering wheel products
- ISO9001 certification acquired / November 1998
- ISO14001 certification acquired / October 2003
- OSHMS certification acquired / April 2008 (first to acquire it within the Toyoda Gosei Kyowakai members group)

Fong Yue Co.,Ltd.

Proactively engaging in environmental protection activities and volunteer activities

Fong Yue, located in the Hsinchu industrial district about an hour's drive from Taipei, marks the 25th anniversary of its foundation in 2012. The company is proactively engaged in activities aimed at curbing energy consumption, reducing CO₂ emissions, reducing the volume of waste discarded, and boosting the recycling rate. As many years have passed since the factory first opened, the company took steps such as replacing old mold injection equipment with more energy-efficient inverter or servo motor models, reducing the number and usage time of mercury lamps on factory premises, and replacing overly powerful compressors with appropriate ones, achieving a 1.5% year-on-year reduction in energy consumption in fiscal 2011. Other activities included boosting the recycling rate through strict garbage separation and remaking waste resin from mold injection processes into pellets. Also, in order to reduce VOCs, the company reduced the number of recolorings by implementing planned production that makes effective use of color tones, cutting the amount of cleanser required.

Activities in partnership with the community include planting tree saplings distributed by the Hsinchu industrial district on company premises and designating open space in the industrial park so as to promote the afforestation of the plant grounds and vicinity. In fiscal 2012, the company plans full-fledged implementation of the Plant Afforestation Project. The company's efforts are characterized by ambitious contributions to the community as well as environmental protection activities. Among its proactive volunteer activities, employees have formed a charitable organization, 仁愛工作隊, which each month collects donations and pays visits to the homes or facilities of underprivileged children.

Fong Yue has also been acclaimed by customers from the standpoint of cost reduction, cost targeting, and export expansion, and was honored with an award from one of its primary customers, Kuozui Motors, for the second consecutive year.



Fong Yue Co.,Ltd.



Award received from Kuozui Motors



Tree planting in Hsinchu industrial district



仁愛工作隊

DATA

- Location / Hunan Village Hukou, Hsinchu County, Taiwan
- Established / May 1987
- Capital / 200 million Taiwan dollars
- Business / Manufacture of safety system products and Interior and Exterior Parts
- ISO14001 certification acquired / May 1997
- ISO9001 certification acquired / June 1998
- OHSAS18001 certification acquired / December 2006

My Eco Declaration I will execute designs so as to use the minimum number of electrodes, curbing consumption of electricity for unnecessary processing and electrical discharge. (Mold Production Sect. 1, Bronze Prize)

Activities aimed at achieving zero cases of non-compliance and complaints

Proper disposal and storage of equipment containing PCB

Conserving Soil & Groundwater

Expanding the Plant Afforestation Project activities to domestic and overseas bases

We are working on activities promoting "Zero Cases of Non-compliance and Complaints" at Toyoda Gosei Group to ensure thorough compliance. In fiscal 2011, we independently analyzed six 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.

We exercise the utmost care in storing used high-voltage transformers and fluorescent stabilizers that contain harmful and recalcitrant PCB (polychlorinated biphenyl) and have properly disposed of 65 power capacitors so far.

Equipment containing high concentrations of PCBs	Number of pieces of equipment stored	Status of countermeasures
Power capacitors	—	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 exercise the utmost caution in storing used high-voltage transformers that were confirmed to have contamination with low-level PCB.

We are taking actions to monitor and purify soil/groundwater contamination by toxic substances such as trichloroethylene used as a cleaner in the past, as well as toxic substances that enter the premises from outside.

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 Contamination Countermeasures Act.

Plant	Object	Status of countermeasures
Haruhi Plant	Ground water	Purification in progress (proactively purifying, although the possibility of off-site pollution source exists)
Inazawa Plant	Ground water	Since material detected is not in our past use records, only measurement results are reported regularly to the government.

With the 60th anniversary of its foundation in 2009 as a starting point, Toyoda Gosei launched the Plant Afforestation Project. Our activities extend beyond the basic stance of protection of biodiversity and prevention of climate change, aiming to work with communities to create an environment where humans and nature can coexist through planting of approximately 600,000 trees in about 60 domestic and overseas bases. These activities are based on the three pillars of ① promoting the afforestation of factories, ② enhancing our employees' environmental awareness ("eco mind") and fostering of a sense of solidarity through full participation, and ③ integrating with hosting communities by working together with regional people. We are advancing "true afforestation," which allows us to cultivate trees that match the natural environment in the community from acorns, and restore the natural forest.

We incorporated various event elements so that family members and people in the community can easily participate and enjoy the tree-planting.

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.

In fiscal 2011, we implemented tree-planting events at 4 bases; Inazawa Plant in Japan, and overseas, Toyoda Gosei Haiphong (Vietnam) and Zhangjiagang TGP and Zhangjiagang TGSS (China). The cumulative number of trees planted reached about 136,000 trees, and a total of about 15,000 people participated in the tree-planting.

Our Bisai Plant was recognized for its Plant Afforestation Project efforts from fiscal 2010 onward, and received the Award for Excellence at the Eco Kentei Awards honoring the results of environmental protection activities by business locations, organizations and individuals. (see p. 41).



↑ Tree-planting event at Inazawa Plant (Japan)



↑ Tree-planting event at Toyoda Gosei Haiphong (Vietnam)



↑ Tree-planting events at Zhangjiagang TGP and Zhangjiagang TGSS (China)



We record the growing situation of trees through fixed-point observation.



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



2011



2012

Environmental cost

For our environmental costs in fiscal 2011, we focused on research & development, the Plant Afforestation Project, 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: ¥100 million)

Type of cost	Toyoda Gosei	Total of domestic affiliated companies
Cost for research and development ^{*1}	5.2	—
Cost incurred within the operational area ^{*2}	16.5	0.9
Cost for management activities ^{*3}	1.0	0.3
Cost for social contributions ^{*4}	0.5	0.1
Cost for dealing with environmental damage ^{*5}	0.1	0
Total	23.3	1.3

*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.

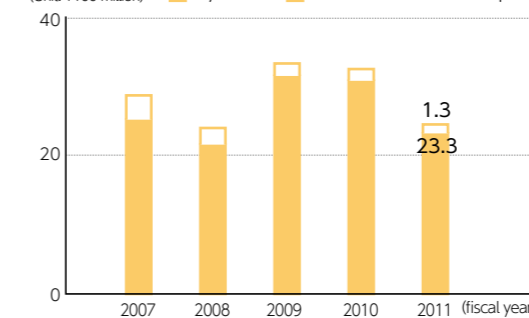
*3 Cost for management, including education, maintenance of the environmental management system, and measurement.

*4 Cost for such measures as forestation and beautification.

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

Changes in Environmental Cost

(Unit: ¥100 million) Toyoda Gosei Total of domestic affiliated companies



Effects

(Unit: ¥100 million)

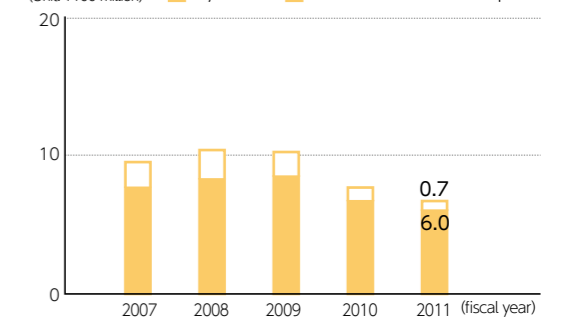
Type of effect	Economic effects ^{*6}	
	Toyoda Gosei	Total of domestic affiliated companies
Energy cost	2.8	0.3
Cost for waste processing	3.2	0.4
Total	6.0	0.7
Type of effect	Physical effects ^{*7}	
Prevention of climate change (amount of CO ₂ reduced)	9,000t-CO ₂	
Reduction of waste disposal (amount of waste reduced)	1,484t	
Legal Compliance Activity	See p.43 (domestic plant data posted on Toyoda Gosei website)	

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

*7 Physical effects are calculated for Toyoda Gosei alone.

Changes in Economic Effect

(Unit: ¥100 million) Toyoda Gosei Total of domestic affiliated companies



Please visit the Toyoda Gosei website for environmental data. <http://www.toyoda-gosei.co.jp/csr/kankyoku/houkoku.html>

Independent Opinion



Mitsuru Sano

Professor, Graduate School of Environmental Studies, Nagoya University

The main purpose of this report by Toyoda Gosei is to report on the status of the company's environmental measures and ongoing dialogue with society. I will offer my third-party opinions from this perspective.

The volume of CO₂ emissions per sales unit generated during production processes has fallen by 32% since fiscal 2003, and the volume of waste discarded is also down 38% compared to fiscal 2003. These results are a proud achievement, made possible through cooperation and partnership with affiliated companies, customers and government to implement environmentally friendly business activities at every stage from product and service development through production and sales.

The technological developments I was particularly impressed with were a technique for metal processing without cutting, and the use of an alternative shielding gas during the magnesium casting process. I was quite surprised that a technique had been developed in which metal dust was seared with a laser so that a mold could be made without cutting. This production process combining mold and forging technologies makes a major contribution to the realization of a resource recycling-oriented society. I have high hopes for the further elaboration of this technology. Also, the processing of metallic magnesium usually entails the use of SF₆, a gas with approximately 24,000 times the greenhouse effect of CO₂. I was impressed with the switch to a substitute gas, which enabled a 99% reduction in the use of greenhouse gases. I imagine that the process is a costly one, but I was quite positively struck by the sincere attitude with which the company sought to fulfill its responsibilities and make contributions to the global environment.

Toyoda Gosei also implements environmental initiatives and contributes to society through its business activities, for example by curbing transportation loss, appropriately managing returnable containers, designs which facilitate recycling, expansion of the LED business, reducing the weight of air cleaner hoses and progressively switching to resin for CVJ boots. In last year's report, I wrote that I "expect the company to include episodes behind the development of its products to convey thoughts and ideas of the developers in the report," and indeed this year's report presents numerous case examples and is quite compelling reading.

Moving forward, I hope that Toyoda Gosei will formulate a Sixth Environmental Action Plan which clearly states its basic environmental policy, and apply the MFCA* manufacturing process analysis method.

*Material Flow Cost Accounting

Analysis of Business Performance

During this period, the world economy showed a slowdown in the recovery of developed nations due to factors such as government debt crises in some European countries and poor housing and employment figures in the United States. However, the economies of emerging countries continued to expand, driving a gradual overall trend toward recovery. As for the domestic economy, there were signs of recovery after the major downturn following the Great East Japan Earthquake, but the pace of this recovery was slowed by the appreciation of the yen, which stayed at historically high levels.

In the automotive industry, the total number of vehicles manufactured worldwide increased, driven by growth in North America and emerging economies. In Japan, while there were adverse effects from the Great East Japan Earthquake and floods in Thailand, all automakers boosted production thereafter to compensate for cutbacks during and immediately following the disasters. In addition, demand-stimulation measures such as subsidies and tax breaks for eco-friendly vehicles were implemented, leading to a slight year-on-year increase. In the LED industry, while sales for applications such as lighting are increasing due to increasing awareness of environmental issues and the need for energy conservation, price competition with overseas manufacturers in China, South Korea and elsewhere has grown increasingly fierce.

Under these circumstances, we at the Toyoda Gosei Group have been placing particular emphasis on reinforcing our profitability, enhancing our production system, and strengthening our technological development capabilities. In order to reinforce our profitability, while the Great East Japan Earthquake and Thai floods led to major fluctuations in number of vehicles produced, we worked to minimize the impact of lowered operations by modifying operating systems for greater production flexibility, while aiming to maximize profit during times of heightened operations. We looked upon the recent period of lowered operations as a

good opportunity to review fixed expenses, and performed an all-encompassing inspection of our costs and equipment investments, aiming to eliminate waste and improve our profit structure.

In terms of enhancing our production system, in our automotive interior and exterior parts business, we launched production at our new plants in Wales, UK and Mississippi, USA, and built a third Toyoda Gosei (Thailand) Co., Ltd. plant to boost production capacity in response to increased numbers of vehicles produced by our customers in Thailand. In India, as well, Toyoda Gosei India Pvt. Ltd. (currently known as Toyoda Gosei Minda India Pvt. Ltd.) introduced a production process fully integrated from the extrusion stage onward so as to boost cost competitiveness in the automotive sealing products sector. We are seeking to strengthen the performance of this business unit by joining forces with Minda Investment Limited, a powerful local player, combining our manufacturing technology with Minda's proven track record in the Indian market.

In our optoelectronics business, we further boosted production capacity including that of our LED production line at the Saga Plant in Kyushu, and reorganized our Seoul offices, establishing the new local subsidiary Toyoda Gosei Opto-Electronics Korea Co., Ltd., in preparation for expected expansion of the South Korean market.

As for "strengthening our technological development capabilities," we identified "safety, environment and energy conservation" as the keystones of our development, and strove to develop industry-leading new products in each field.

A highlight of our automotive interior and exterior parts business was the development and mass production of surface-emitting LED room lamps built with state-of-the-art optical design technology and featuring ergonomic brightness control. Meanwhile, in the field of automotive sealing products, we focused on environmentally friendly manufacturing, adopting compact production processes and equipment that reduce energy consumption and CO₂ emissions by 30% compared with previously. In the field of functional parts, we began mass production of thinner, lighter and yet robust rubber

hoses, and developed and began mass-producing turbo ducts and fuel filler lids in which metal is replaced with resin. Also, in the safety systems products field, we launched mass production of compact and lightweight passenger-side, side, curtain, and knee airbag modules in addition to our existing driver-side airbag module.

In our optoelectronics business unit, where we continue to enrich our product lineup, we focused particularly on the development and marketing of brighter, more energy-efficient products geared toward tablet computer and fluorescent tube-type LED applications.

As a result, in our automotive parts business, although net sales fell in the first half of the fiscal year due to the March 11, 2011 earthquake and other factors, there was a major surge in the number of vehicles produced in the second half of the fiscal year, and overall sales for the period under review ended up nearly equal to those of the previous period. In our optoelectronics business, however, factors such as a price war among overseas chip manufacturers led to a year-on-year drop in revenue. Overall sales for the period came to 504.5 billion yen (a 2.4% decrease from the previous period).

In terms of profits, while the entire Group made every effort to reduce costs in both the automotive parts and optoelectronics fields, shrinking revenue and other factors led to major decline in profits. Operating income fell to 20.2 billion yen (a 31.8% decrease from the previous period), ordinary income dropped to 20.2 billion yen (a 26.4% decrease from the previous period), and net income for the period plummeted to 8.9 billion yen (a 47.6% decrease from the previous period).

Analysis of financial condition

Status of assets, liabilities and total net assets

Total assets in the current period rose to 454.7 billion yen, an increase of 38.2 billion yen over the end of the previous period,

largely due to an increase in receivables. Liabilities also rose to 217.4 billion yen, an increase of 34.9 billion yen, largely due to an increase in accounts payable and loans.

Total net assets came to 237.3 billion yen, an increase of 3.2 billion yen over the end of the previous period, mainly due to an increase in retained earnings.

Status of cash flows

Cash and cash equivalents (hereinafter referred to as "funds") at the end of the period under review came to 69.9 billion yen, an increase of 15.5 billion yen over the figure of 54.3 billion yen at the end of the previous period. 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 during the period under review included 19.0 billion yen of income before income taxes and minority interests and 41.9 billion yen of depreciation and amortization. Due to posting of a 23.1 billion yen increase in receivables, an increase of 6.3 billion yen in inventory assets, and 5.1 billion yen in corporate taxes paid, total funds acquired from operating activities fell to 51.1 billion yen, a decrease of 11.4 billion yen from the previous period's figure of 62.5 billion yen.

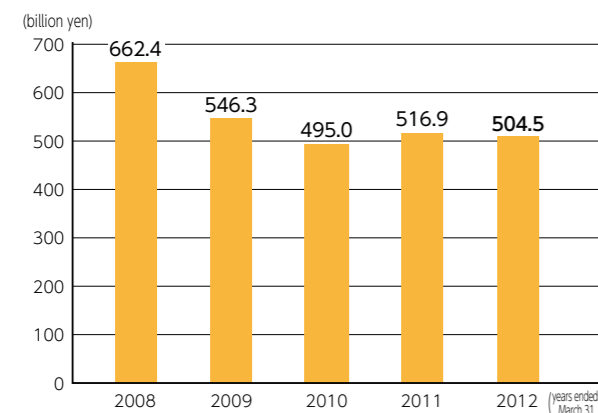
Cash flows from investing activities

Due to capital investment for switching to new products and boosting of production capacity, funds spent for investing activities came to 37.0 billion yen, a decrease of 15.5 billion yen over the previous period's figure of 52.5 billion yen.

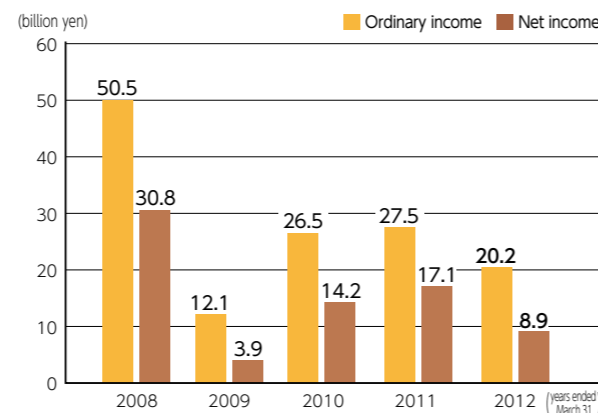
Cash flows from financing activities

Due to increased loans and other factors, funds acquired through financing activities came to +2.2 billion yen, an increase of 21.0 billion yen over the previous period's figure of -18.7 billion yen (net expenditures totaled 18.7 billion yen).

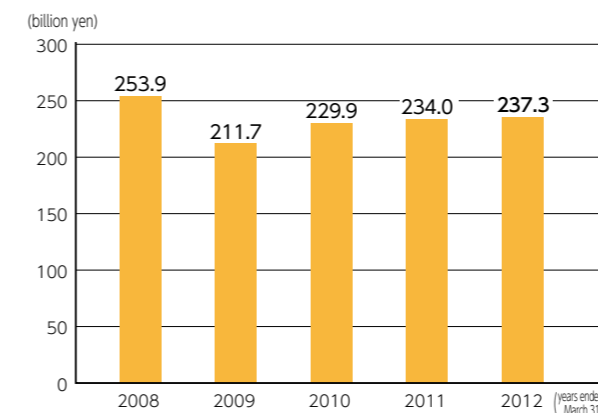
Net sales



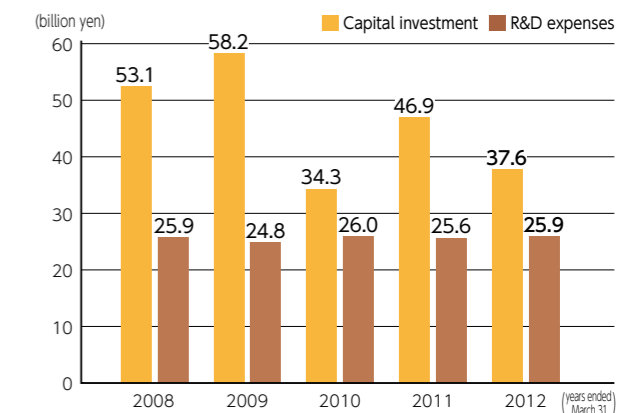
Ordinary income / Net income



Total net assets



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)

	2012	2011	2010	2009	2008
For The Year					
Net sales	¥504,518	¥516,982	¥495,002	¥546,380	¥662,497
Operating income	20,415	29,952	26,202	15,833	52,125
Ordinary income	20,287	27,549	26,574	12,155	50,541
Net income	8,971	17,116	14,255	3,951	30,802
Overseas sales	¥233,650	¥242,158	¥233,425	¥242,893	¥279,701
Depreciation and amortization	41,964	44,481	43,007	41,258	40,309
Capital expenditures	37,623	47,832	35,190	59,429	54,612
R&D expenses	25,936	25,617	26,066	24,837	25,989
Per share of common stock (yen)					
Net income per share - basic	¥69.33	¥132.27	¥110.19	¥30.55	¥238.61
Net income per share - diluted	—	132.27	110.17	30.55	237.97
Total net assets per share	1,708.41	1,680.96	1,650.90	1,523.16	1,781.08
Cash dividends per share	36	36	36	36	46
At Year-End					
Total assets	¥454,794	¥416,562	¥434,344	¥391,757	¥476,741
Total net assets	237,367	234,074	229,915	211,702	253,961
Capital stock	28,027	28,027	28,027	28,027	28,027
Number of shares outstanding (excluding treasury stock) (thousands of shares)	129,407	129,407	129,399	129,334	129,307
Cash Flows					
Net cash provided by operating income	¥51,112	¥62,586	¥68,199	¥47,843	¥75,229
Net cash used in investing activities	(37,027)	(52,579)	(36,574)	(55,945)	(55,291)
Net cash provided by (used in) financing activities	2,224	(18,785)	(7,426)	5,604	(20,742)
Cash and cash equivalents at end of year	69,914	54,326	67,490	42,701	53,372
Indices					
Return on equity (ROE) (%)	4.1	7.9	6.9	1.8	14.2
Return on assets (ROA) (%)	4.7	6.5	6.4	2.8	10.8
Return on sales (ROS) (%)	4.0	5.8	5.3	2.9	7.9
Debt/Equity ratio (%)	24.3	21.2	27.7	31.4	22.5
Interest coverage (times)	21.3	35.7	24.2	13.0	24.1
EBITDA (millions of yen)	61,237	71,878	67,652	50,668	89,493
Number of employees at year-end	29,108	26,964	26,084	25,792	27,036

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

Toyoda Gosei Co., Ltd. and its Consolidated Subsidiaries
March 31 2012 and 2011

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

ASSETS	2012	2011
Current assets		
Cash and cash equivalents	70,555	56,586
Trade notes and accounts receivable	99,358	75,998
Short-term investments	160	—
Goods and products	16,054	11,214
Works-in-process	8,893	8,547
Raw materials and stored goods	14,125	12,943
Deferred tax assets	4,950	3,776
Other current assets	15,249	14,344
Less allowance for doubtful accounts	(109)	(118)
Total current assets	¥229,238	¥183,293
Fixed assets		
Property, plant and equipment		
Buildings and structures	139,224	134,208
Less accumulated depreciation	(74,382)	(68,537)
Buildings and structures, net	64,841	65,670
Machinery, equipment and vehicles	287,509	273,424
Less accumulated depreciation	(221,558)	(205,944)
Machinery, equipment and vehicles, net	65,950	67,480
Tools, furniture and fixtures	133,603	129,380
Less accumulated depreciation	(111,639)	(107,330)
Tools, furniture and fixtures, net	21,963	22,050
Land	23,098	22,327
Construction in progress	8,009	13,732
Total property, plant and equipment	183,864	191,261
Intangible assets		
Goodwill	45	66
Patent rights	6	48
Software	1,739	2,189
Other intangible assets	823	754
Total intangible assets	2,615	3,059
Investments and other assets		
Investments in securities	25,119	24,178
Deferred tax assets	10,267	10,687
Other investments and other assets	3,768	4,256
Less allowance for doubtful accounts	(80)	(175)
Total investments and other assets	39,075	38,947
Total fixed assets	¥225,555	¥233,268
Total assets	¥454,794	¥416,562

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

LIABILITIES	2012	2011
Current liabilities		
Trade notes and accounts payable	80,256	60,060
Short-term bank loans payable	13,237	4,871
Current portion of long-term loans payable	63	15,328
Current portion of bonds payable	10,000	—
Accrued expenses	23,710	21,153
Accrued income taxes	4,386	2,308
Provision for directors' bonuses	183	225
Provision for product warranties	1,472	590
Deposits received from employees	4,493	4,490
Other current liabilities	12,165	14,349
Total current liabilities	¥149,698	¥123,379
Long-term liabilities		
Bonds payable	—	10,000
Long-term bank loans payable	34,397	19,348
Deferred tax liabilities	2,530	1,297
Provision for retirement benefits	27,369	25,361
Reserve for retirement benefits for directors and corporate auditors	1,503	1,602
Other long-term liabilities	1,655	1,497
Total long-term liabilities	¥67,457	¥59,107
Total liabilities	¥217,155	¥182,486
NET ASSETS		
Shareholders' equity		
Capital stock	28,027	28,027
Capital surplus	29,844	29,844
Retained earnings	181,855	176,820
Treasury stock at cost	(1,327)	(1,326)
Total Shareholders' equity	238,400	233,365
Accumulated other comprehensive income		
Net unrealized gains or losses on other securities	4,421	3,796
Foreign currency translation adjustments	(21,740)	(19,634)
Total accumulated other comprehensive income	(17,319)	(15,837)
Subscription rights to shares	640	748
Minority interests in consolidated subsidiaries	15,646	15,798
Total net assets	¥237,367	¥234,074
Total liabilities and net assets	¥454,794	¥416,562

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, 2012 and 2011

Consolidated Statements of Income

			(Amount: millions of yen) (Rounded down to the nearest million yen)	
	2012	2011	2012	2011
Net Sales	504,518	516,982		
Cost of sales	446,559	449,451		
Gross profit	57,959	67,530		
Selling, general and administrative expenses	37,544	37,577		
Operating income	20,415	29,952		
Non-operating income	3,641	3,777		
Interest and dividend income	797	653		
Equity in net earnings of affiliates	189	1,202		
Other non-operating income	2,654	1,921		
Non-operating expenses	3,769	6,181		
Interest expenses	994	858		
Loss on retirement and sale of fixed assets	412	793		
Foreign exchange losses	613	3,263		
Other non-operating expenses	1,748	1,265		
Ordinary income	20,287	27,549		
Extraordinary income	281	148		
Reversal of allowance for bad debts	—	12		
Gain on reversal of subscription rights to shares	253	135		
Other	28	—		
Extraordinary losses	1,492	504		
Loss on revaluation of investments in securities	32	29		
Impairment loss on long-lived assets	66	—		
Effect of application of accounting standards for asset retirement obligations	—	351		
Loss due to disaster	—	11		
Loss on revision of retirement benefit plan	—	108		
Provision for product warranties	906	—		
Loss on litigation	388	—		
Other extraordinary losses	98	4		
Income before income taxes and minority interests	19,076	27,192		
Income taxes – current	7,949	6,253		
Income taxes – deferred	643	1,609		
Income before minority interests	10,484	19,329		
Minority interests in consolidated subsidiaries	1,512	2,213		
Net income	¥8,971	¥17,116		

Consolidated Statements of Changes in Net Assets

Toyoda Gosei Co., Ltd. and its Consolidated Subsidiaries
For the year ended March 31, 2012 and 2011

	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 April 1, 2011	¥28,027	¥29,844	¥176,820	(¥1,326)	¥233,365	¥3,796	(¥19,634)	(¥15,837)	¥748	¥15,798	¥234,074
Changes of items during consolidated fiscal year											
Dividends paid			(4,658)		(4,658)						(4,658)
Changes in scope of equity method			631		631						631
Changes in surplus (net) due to the changes to accounting year of consolidated subsidiaries			90		90						90
Net income for the period			8,971		8,971						8,971
Repurchase of treasury stock				(0)	(0)						(0)
Changes of items (net) during the consolidated fiscal year for items other than shareholders' equity						624	(2,106)	(1,481)	(108)	(151)	(1,741)
Total changes of items during consolidated fiscal year	—	—	5,034	(0)	5,034	624	(2,106)	(1,481)	(108)	(151)	3,293
Balance at March 31, 2012	¥28,027	¥29,844	¥181,555	(¥1,327)	¥238,400	¥4,421	(¥21,740)	(¥17,319)	¥640	¥15,646	¥237,367

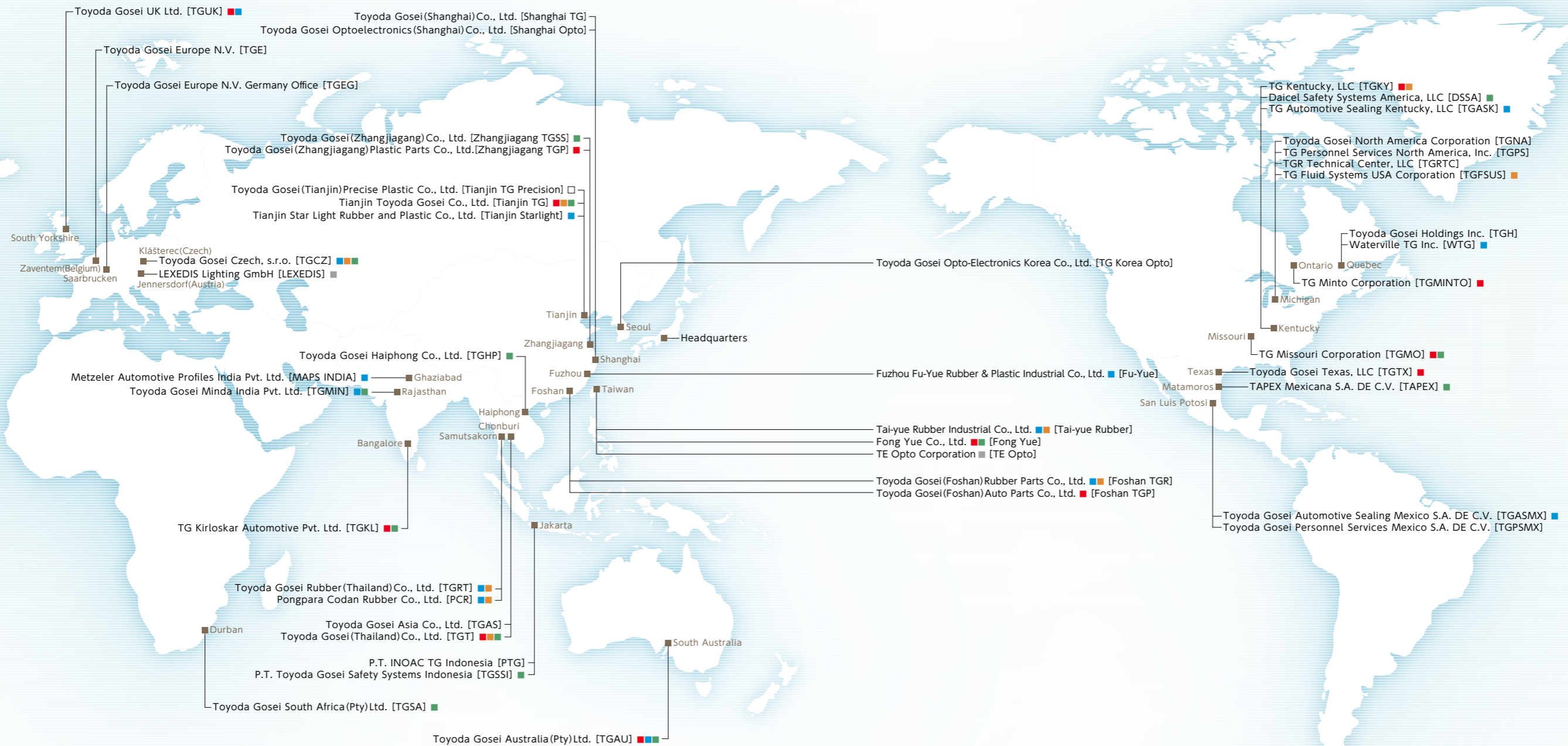
Consolidated Statements of Cash Flows

Toyoda Gosei Co., Ltd. and its Consolidated Subsidiaries
For the years ended March 31, 2012 and 2011

	(Amount: millions of yen) (Rounded down to the nearest million yen)	
	2012	2011
Cash flows from operating activities		
Income before income taxes and minority interests	19,076	27,192
Depreciation and amortization	41,964	44,481
Impairment loss	66	—
Amortization of goodwill	18	54
Increase /Decrease in allowance for doubtful accounts	(101)	23
Increase /Decrease in provision for product warranties	867	73
Increase /Decrease in provision for retirement benefits	2,083	1,740
Increase /Decrease in prepaid pension expenses	—	65
Increase /Decrease in reserve for retirement benefits for directors and corporate auditors	(98)	(328)
Interest and dividends income	(797)	(653)
Interest expenses	994	858
Foreign exchange gain and loss	636	1,533
Equity in net earnings of affiliates	(189)	(1,202)
Gain/Loss on sale and revaluation of investments in securities	32	29
Gain/Loss on retirement or sale of property, plant and equipment, net	295	739
Increase /Decrease in receivables	(23,122)	10,142
Increase /Decrease in inventories	(6,326)	(7,077)
Increase /Decrease in other current assets	(2,040)	(3,506)
Increase /Decrease in payables	22,697	(2,690)
Increase /Decrease in other current liabilities	275	1,629
Others, net	(22)	399
Subtotal	56,307	73,504
Interest and dividends income received	969	961
Interest expenses paid	(1,036)	(858)
Income taxes paid	(5,127)	(11,020)
Cash flows from operating activities	51,112	62,586
Cash flows from investing activities		
Payments for purchases of investment securities	(0)	(1,880)
Proceed from sales and redemption of investments in securities	0	28
Acquisition of subsidiary company stocks	—	(5)
Payments for purchase of property, plant and equipment and intangible assets	(39,931)	(49,535)
Proceeds from sales of property, plant and equipment	1,634	739
Net increase /decrease in time deposits	1,350	(2,013)
Others, net	(80)	87
Cash flows from investing activities	(37,027)	(52,579)
Cash flows from financing activities		
Increase /Decrease in short-term loans payable	8,227	(5,108)
Proceeds from long-term loans	16,320	4,990
Repayments of long-term loans	(16,428)	(12,136)
Proceeds from payment by minority shareholders	364	49
Proceed from disposal of treasury stock	—	16
Payments for repurchase of treasury stock	(0)	(1)
Cash dividends paid	(4,656)	(5,302)
Cash dividends paid to minority shareholders	(1,624)	(1,151)
Others, net	22	(141)
Cash flows from financing activities	2,224	(18,785)
Translation adjustments of cash and cash equivalents	(808)	(2,686)
Net increase /decrease in cash and cash equivalents	15,500	(11,465)
Cash and cash equivalents at beginning of year	54,326	67,490
Increase /Decrease in cash and cash equivalents due to changes to scope of consolidation	—	338
Increase in cash and cash equivalents at beginning of year due to changes to accounting year of consolidated subsidiaries	87	(2,037)
Cash and cash equivalents at end of year	¥69,914	¥54,326

With 46 facilities in 17 nations and regions around the world (Except Japan)

- Production Items**
- Interior & exterior parts
 - Automotive sealing products
 - Functional parts
 - Safety system products
 - Optoelectronic products
 - General industry products
- Company names in the square brackets [] are abbreviations.



Headquarters



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.



Tianjin Toyoda Gosei Co., Ltd.



Toyoda Gosei Minda India Pvt. Ltd.



TG Kirloskar Automotive Pvt. Ltd.



Toyoda Gosei Czech, s.r.o.

Domestic Network As of June, 2012



Kitajima Technical Center



Miwa Technical Center



Miyoshi Distribution Center



Haruhi Plant



Inazawa Plant



Morimachi Plant



Bisai Plant



Heiwacho Plant



Seto Plant

Company Profile As of March 31, 2012

Company emblem / Corporate name



Date of Establishment June 15, 1949

Capital 28,027 millions of yen

Number of employees Consolidated 29,108
Non-consolidated 6,970

Location of Headquarters

1 Haruhinagahata, Kiyosu, Aichi

Fiscal year end March 31

Directors • Corporate Auditors / Corporate Officers As of June 20, 2012

Chairman

Hajime Wakayama

President

Tadashi Arashima

Director, Senior Managing Officers

Nobuyuki Shimizu Yoshiaki Takei

Nobuo Fujiwara Masayoshi Ichikawa

Director, Managing Officers

Kazumi Otake Daisuke Kobayashi

Standing Corporate Auditors

Yasushi Matsui Koichi Ota

Corporate Auditors

Shinichi Sasaki Tsuchio Hosoi
Hiroyuki Ioku

Managing Officers

Kyoji Ikki Yasushi Miyamoto

Corporate Officers

Atsushi Sumida Kinichi Nishikawa

Tomonobu Yamada Shinichi Goto

Mitsuo Mori Masakazu Hashimoto

Motoo Tanaka Kazuaki Maeda

Toshihiro Yokoi Hiroshi Yasuda

Toru Koyama

Stock Information As of March 31, 2012

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 16,416

Transfer agent Mitsubishi UFJ Trust and Banking
Corporation

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

Major shareholders (ten largest)

Shareholder name	Number of shares held (Unit:1,000 shares)	Investment ratio (%)
Toyota Motor Corporation	55,459	42.65
The Master Trust Bank of Japan, Ltd. (Trust Account)	8,372	6.44
Japan Trustee Services Bank, Ltd.(Trust Account)	6,624	5.09
Sumitomo Mitsui Banking Corporation	5,049	3.88
Japan Trustee Services Bank, Ltd. (Trust Account 9)	2,761	2.12
Nippon Life Insurance Company	1,714	1.31
The Dai-ichi Life Insurance Company, Limited	1,493	1.14
Mitsui Sumitomo Insurance Co., Ltd.	1,411	1.08
Aioi Nissay Dowa Insurance Co., Ltd.	1,200	0.92
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	1,061	0.81



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 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/>



- This report is printed on paper with FSC certification, indicating that it was produced from properly managed forests.
- We use vegetable oil-based ink not containing VOCs (volatile organic compounds).
- We print using a waterless printing method that does not produce harmful waste liquid in the printing process.
- This environmentally friendly product was printed at a Green Printing-certified plant using printing materials that conform to green criteria.
- We use a Universal Design font with outstanding visibility and readability.
- We gave extra consideration to the display so as many people as possible can easily see and read it, regardless of individual differences in color vision.

Environmental Data

- [P e r i o d] • April, 2011 to March, 2012
 [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~0.06

*Refer to Toyoda Gosei Report P.43

■ No violations of laws, etc. ■ No complaints

■ PRTR Data

Substance name	Substance number (item 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	4,013	0	0	0	0	597	2	0	3,415
Tetramethylthiuram disulfide	268	5,786	0	0	0	0	312	0	0	5,473
Di-n-butyl phthalate	354	2,774	0	0	0	0	416	0	0	2,358
Bis (2-ethylhexyl) phthalate	355	2,409	0	0	0	0	341	7	0	2,061

■ Data for use of resources / volume emitted

Category	Result	
Waste	Volume generated	1,604
	Volume emitted	1,310
	Final volume disposed	0
Greenhouse gas	CO ₂ emissions	7,500
Water	Volume used	38

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

Item measured	Regulation value	Result
pH	5.8~8.6	7.4
BOD (Biochemical Oxygen Demand)	25	4.7
SS	30	1.4
Oil content	5	0.5
Total nitrogen	120	1.4
Total phosphorus	16	0.5
Thiram	0.06	ND
Fluorine	8	0.27

Morimachi Plant

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

Main Products

• Automotive 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	Substance number (item 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	5,682	0	0	0	0	284	57	0	5,341
2-imidazolidin thionate	42	10,331	0	0	0	0	413	413	0	9,504
Ethylbenzene	53	17,089	12,509	0	0	0	3,486	273	0	820
Xylene	80	19,685	14,429	0	0	0	4,036	305	0	915
Tetraethylthiuram disulfide	259	1,208	0	0	0	0	65	0	0	1,143
Tetramethylthiuram disulfide	268	14,331	0	0	0	0	774	0	0	13,557
1,3,5-trimethylbenzene	297	1,008	738	0	0	0	206	16	0	48
Toluene	300	53,732	33,880	0	0	0	17,142	1,162	0	1,548
Zinc bis (N,N- dimethyldithiocarbamate)	328	5,920	0	0	0	0	237	237	0	5,447
Di-n-butyl phthalate	354	19,008	0	0	0	0	950	190	0	17,868
Bis(2-ethylhexyl)phthalate	355	3,871	0	0	0	0	135	28	0	3,708
Phthalic anhydride	413	1,162	0	0	0	0	54	11	0	1,098
Methylenebis (4,1-phenylene) = diisocyanate	448	4,249	0	0	0	0	425	0	0	3,824
2-Mercaptobenzothiazole	452	33,779	0	0	0	0	1,824	0	0	31,955

■ Data for use of resources / volume emitted

Category	Result	
Waste	Volume generated	5,180
	Volume emitted	4,486
	Final volume disposed	0
Greenhouse gas	CO ₂ emissions	21,600
Water	Volume used	22

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

Item measured	Regulation value	Result
pH	5.8~8.5	7.6
BOD (Biochemical Oxygen Demand)	25	3.2
SS	50	3.7
Oil content	5	ND
Thiram	0.06	ND
Zinc	0.5	0.16

Heiwacho Plant

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

Main Products

- Automotive Sealing Products
- Functional Parts
- Safety System Products
- Optoelectronic Products

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

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

■ No violations of laws, etc. ■ No complaints

■ PRTR Data

Substance name	Substance number (item 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	54,926	5	0	0	110	54,811	0	0	0
Ethylbenzene	53	1,812	1,431	0	0	0	236	36	0	109
Xylene	80	2,704	2,136	0	0	0	351	54	0	162
Toluene	300	3,518	2,779	0	0	0	457	70	0	211

■ Data for use of resources / volume emitted

Category	Result	
Waste	Volume generated	2,099
	Volume emitted	1,815
	Final volume disposed	0
Greenhouse gas	CO ₂ emissions	22,800
	PFC emissions	2,900
	HFC emissions	1,500
Water	Volume used	32

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

Item measured	Regulation value	Result
pH	5~9	7.2
BOD (Biochemical Oxygen Demand)	600	120
SS	600	23
Oil content	30	3
Total nitrogen	240	18
Total phosphorus	32	0.8
Fluorine	8	0.5

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
	Co-generation(gas)	600

■ Groundwater

Item measured	Environmental Standard	Result
Trichloroethylene*1	0.03	ND ~ 0.005
Cis-1,2-Dichloroethylene*1	0.04	ND ~ 0.029

*1 Substances that have no record of being used. * Refer to Toyoda Gosei Report P.43

■ No violations of laws, etc. ■ No complaints

■ PRTR Data

Substance name	Substance number (item 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	3,924	3,100	0	0	0	510	78	0	235
Xylene	80	7,605	6,008	0	0	0	989	152	0	456
Chromium and trivalent chromium compounds	87	4,556	0	36	0	0	3,608	0	0	911
Hexavalent chromium compounds	88	4,556	0	0	0	0	0	0	4,556	0
Copper water-soluble salts (excluding complex salts)	272	2,558	0	26	0	0	1,918	0	0	614
Toluene	300	24,497	19,267	0	0	0	3,270	505	0	1,455
Nickel	308	63,473	0	0	0	0	0	0	63,473	0
Nickel compounds	309	67,862	0	14	0	0	8,808	0	0	59,040
Bis (2-ethylhexyl) phthalate	355	4,986	0	0	0	0	349	0	0	4,637
Water-soluble salts of peroxodisulfuric acid	395	4,400	0	0	0	0	3,300	0	0	1,056
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	3,284
	Volume emitted	1,634
	Final volume disposed	0
Greenhouse gas	CO ₂ emissions	9,200
Water	Volume used	44

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

Item measured	Regulation value	Result
pH	5.8~8.6	7.0
BOD (Biochemical Oxygen Demand)	25	3.7
SS	30	4.2
Oil content	5	0.9
Total nitrogen	120	8.1
Total phosphorus	16	0.8
Hexavalent chromium	0.5	ND
Total chromium	2	0.08
Copper	1	0.06
Fluorine	8	0.1
Boron	10	3.3

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	42
SS	300	12
Oil content	30	0.6

■ No violations of laws, etc. ■ No complaints

■ PRTR Data

Substance name	Substance number (item 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	11,710	9,251	0	0	0	1,522	234	0	703
Xylene	80	15,999	12,639	0	0	0	2,080	320	0	960
Toluene	300	42,122	33,288	0	0	0	5,487	837	0	2,510
Methylenebis (4,1-phenylene) = diisocyanate	448	31,816	4	0	0	0	3,182	0	0	28,631

■ Data for use of resources/volume emitted

Category	Result	
Waste	Volume generated	2,385
	Volume emitted	1,027
	Final volume disposed	0
Greenhouse gas	CO ₂ emissions	11,400
	SF ₆ emissions	10,800
Water	Volume used	19

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	7.7
BOD (Biochemical Oxygen Demand)	20	1.4
SS	20	0.4
Total nitrogen	10	1.7
Total phosphorus	4	0.16

■ No violations of laws, etc. ■ No complaints

■ PRTR Data

Substance name	Substance number (item 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	62,385	0	0	0	0	6,238	0	0	56,146

■ Data for use of resources/volume emitted

Category	Result	
Waste	Volume generated	502
	Volume emitted	502
	Final volume disposed	0
Greenhouse gas	CO ₂ emissions	3,200
Water	Volume used	1.2

■ No violations of laws, etc. ■ No complaints

■ PRTR Data

Substance name	Substance number (item 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	1,093	864	0	0	0	142	22	0	66

■ Data for use of resources/volume emitted

Category	Result	
Waste	Volume generated	126
	Volume emitted	88
	Final volume disposed	0
Greenhouse gas	CO ₂ emissions	700
Water	Volume used	0.2

Kanagawa Plant

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

Main Products

- Interior and Exterior Parts
- Functional Parts

Kitakyushu Plant

1-2 Kitahoraoka
Maeda, Yahata-
higashi, Kitakyushu,
Fukuoka,
Japan
805-0058

Main Products

- Interior and Exterior Parts
- Automotive Sealing Products
- Functional Parts
- Safety System Products

■No violations of laws, etc. ■No complaints

PRTR Data

Substance name	Substance number (item 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			
Chromium and trivalent chromium compounds	87	4,402	0	0	0	0	3,487	0	0	880
Hexavalent chromium compounds	88	4,402	0	0	0	0	0	0	4,402	0
Toluene	300	14,562	11,408	0	0	0	2,015	285	0	854
Nickel	308	21,397	0	0	0	0	0	0	21,397	0
Nickel compounds	309	21,397	0	0	0	0	2,777	0	0	18,615

Data for use of resources/volume emitted

Category	Result	
Waste	Volume generated	895
	Volume emitted	863
	Final volume disposed	0
Greenhouse gas	CO ₂ emissions	5,500
Water	Volume used	1.6

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

PRTR Data

Substance name	Substance number (item 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	7,009	5,536	0	0	0	913	140	0	420

Data for use of resources/volume emitted

Category	Result	
Waste	Volume generated	870
	Volume emitted	655
	Final volume disposed	0
Greenhouse gas	CO ₂ emissions	2,900
Water	Volume used	0.02

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

Item measured	Regulation value	Result
pH	5.8~8.6	7.4
BOD (Biochemical Oxygen Demand)	10	1.9
SS	25	5.7
Oil content	2	0.5

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	0.01
NOx Boilers(gas)	150	37

■No violations of laws, etc. ■No complaints

PRTR Data

Substance name	Substance number (item 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	32,425	3	0	0	65	32,357	0	0	0

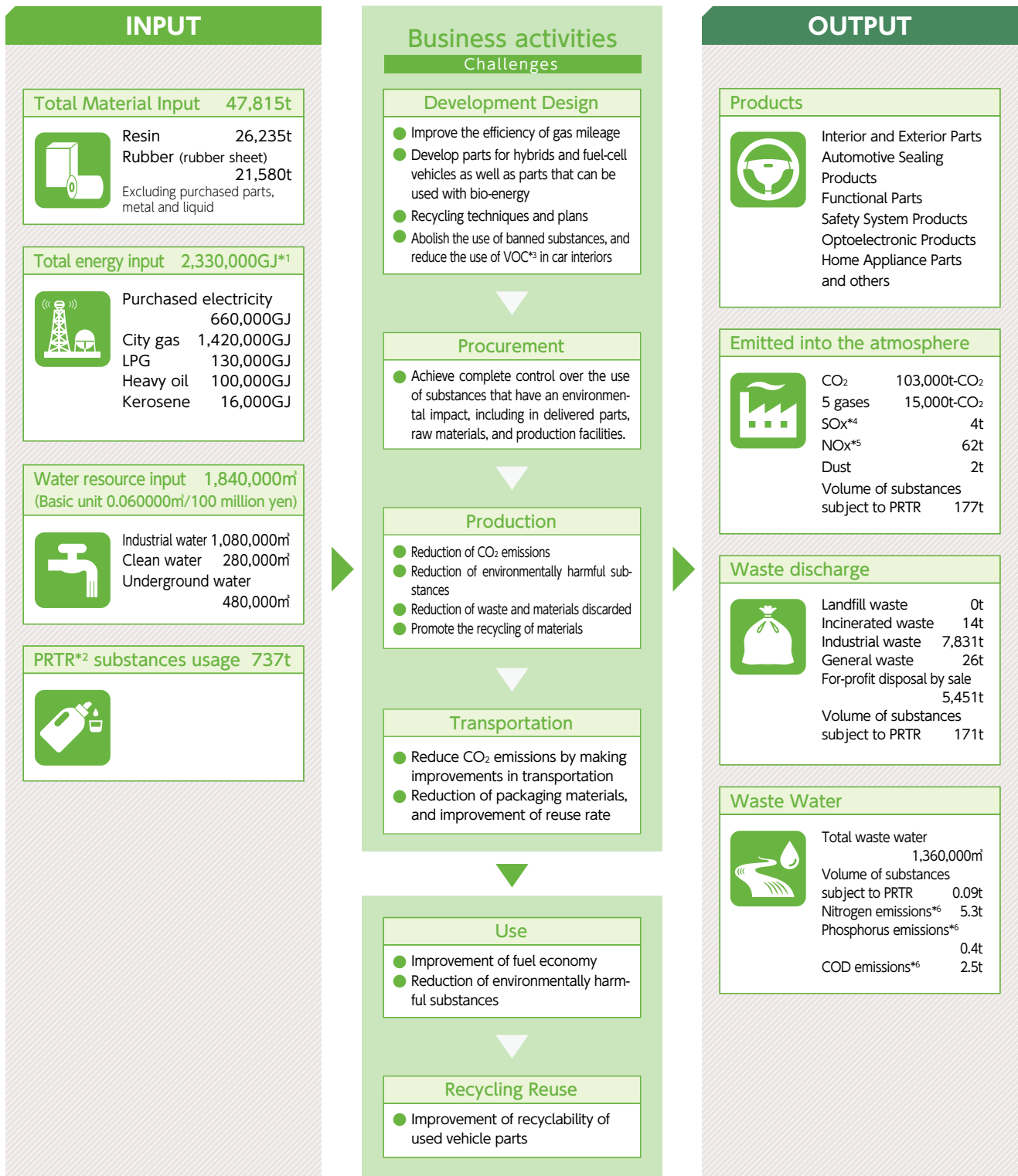
Water (Water Pollution Control Law, prefectural regulations, etc.)

Item measured	Regulation value	Result
pH	5.8~8.6	7.4
BOD (Biochemical Oxygen Demand)	20	6.2
SS	50	1.5
Oil content	5	ND

Data for use of resources/volume emitted

Category	Result	
Waste	Volume generated	344
	Volume emitted	344
	Final volume disposed	0
Greenhouse gas	CO ₂ emissions	6,200
	PFC emissions	0
Water	Volume used	10

Resource Input and Output to the Environment in Business Activities in fiscal 2011



*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

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.	P9-10
2.3 Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	P51-53
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.	P51-53
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.	P2
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. 	P2
3.6 Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	P2
3.7 State any specific limitations on the scope or boundary of the report.	P2
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.	P2
3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	P2
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
Commitments to External Initiatives	
4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	P32-33
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.	P20-30
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.	P20-30
5. Management Approach and Performance Indicators	
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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.	P44
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.	P28-30
Environmental Performance Indicators	
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EN1 Materials used by weight or volume.	Homepage
EN2 Percentage of materials used that are recycled input materials.	P35, homepage
Energy	
EN3 Direct energy consumption by primary energy source.	Homepage
EN4 Indirect energy consumption by primary source.	Homepage
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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
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EN8 Total water withdrawal by source.	P37, homepage
EN9 Water sources significantly affected by withdrawal of water.	Homepage
EN10 Percentage and total volume of water recycled and reused.	P37, 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	
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EN17 Other relevant indirect greenhouse gas emissions by weight.	P32, 34, 36
EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved.	P32, 34-36
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.	P37, homepage
EN23 Total number and volume of significant spills.	Homepage

Guideline items	Main corresponding pages
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EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	P39
EN27 Percentage of products sold and their packaging materials that are reclaimed by category.	P36
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.	P34
Overall	
EN30 Total environmental protection expenditures and investments by type.	P44
Labor Practices and Decent Work Performance Indicators	
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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
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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
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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
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SO3 Percentage of employees trained in organization's anti-corruption policies and procedures.	P18
SO4 Actions taken in response to incidents of corruption.	P19
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SO5 Public policy positions and participation in public policy development and lobbying.	Back cover
Product Responsibility Performance Indicators	
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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
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Current related situation between environmental consideration and management	P31-33
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Current situation of Toyota Gosei's social activities	P17-30