

## Building a Recycling-Oriented Society

### Basic Philosophy

In order to mitigate resource depletion and water risks, we not only take measures for defects and yield, which are the focus of our manufacturing divisions, but also work on emission control and recycling involving material and production technologies in the sourcing divisions for contributing to the attainment of a

recycling-oriented society. For water, we identify risks in each country and region where we conduct business globally while also striving to reduce risks by reducing water usage, recycling water, and returning cleaner wastewater to the community.

### Risks and Opportunities Related to Resource Recycling

We consider risks and opportunities related to resource recycling as important management issues, and we are working on them company-wide as one of our priority issues to be addressed.

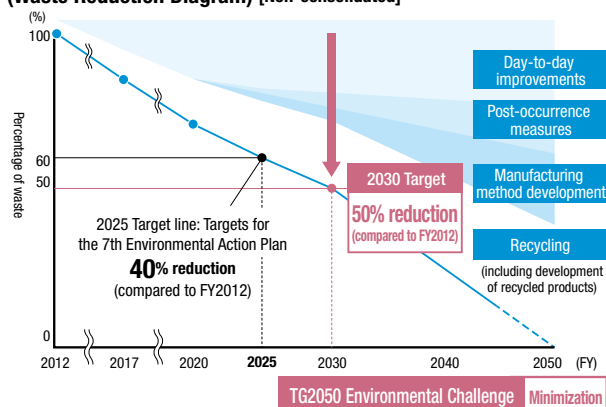
Issue	Risks	Opportunities	Measures
Resource depletion (shortage)	<ul style="list-style-type: none"> <li>Reduced earnings and production hindered by difficulty in procurement of raw materials and price hikes</li> </ul>	<ul style="list-style-type: none"> <li>Improved earnings through recycling technology and reduced material usage volume</li> <li>Improved corporate value through development of the above-mentioned technologies</li> </ul>	<ul style="list-style-type: none"> <li>Development of more lightweight products</li> <li>Development of recycling technology for raw materials</li> <li>Expanding the use of plant-derived biomaterials and recycled materials</li> </ul>
Water risk (quantity and quality)	<ul style="list-style-type: none"> <li>Production hindered by difficulty in securing water necessary for production</li> <li>Drop in product quality due to deterioration in water quality</li> <li>Production hindered by water damage</li> </ul>	<ul style="list-style-type: none"> <li>Improved earnings through reuse of water and reduced water usage</li> <li>Improved corporate value through development of the above-mentioned technologies</li> </ul>	<ul style="list-style-type: none"> <li>Development of water reuse technology</li> <li>Expanding the use of rainwater</li> <li>Review of production system and installation locations of electrical facilities</li> </ul>

### Reduction of Industrial Waste

#### Establishment of 2030 Milestones

We are working to reduce industrial waste through measures such as curbing emissions, addressing sources of waste, recycling rubber and plastic scraps, and ensuring thorough sorting to maximize resource utilization.

Scenario for Minimizing Amount of Industrial Waste (Waste Reduction Diagram) [Non-consolidated]



Milestones for Minimizing Waste Volume: Global

Item	2025	2030	2050 (FY)
Toyoda Gosei	Compared to FY2012: 40% reduction	Compared to FY2012: 50% reduction	Minimization of waste volume
Overseas affiliates	Compared to FY2015: 50% reduction	Compared to FY2015: 55% reduction	

### Development of Product Recycling Technology

Materials Design Manufacturing Collection/recycling

We develop and design easily recyclable products and materials by taking into consideration the entire lifecycle of automobiles. We are also developing recycling technology for waste material.

### Technology Development for Recycling ELV\* Parts

Key Item	Measures Implemented
New recycling	<ul style="list-style-type: none"> <li>Composite material separation technology</li> <li>New recycling technology (high-quality material recycling)</li> </ul>
Use of recycled materials in vehicles	<ul style="list-style-type: none"> <li>ELV parts recycling technology</li> <li>Development of uses for recycled materials</li> </ul>
Design of easily-recyclable products	<ul style="list-style-type: none"> <li>Product design for easy dismantling</li> <li>Materials and composition changes for easy recycling</li> </ul>

\* ELV: End of Life Vehicle

### Reduction of Waste Materials in the Production Stage

Manufacturing Collection/recycling

The Production Engineering Dept. and the Manufacturing Division are working together to implement source-level measures and recycling initiatives. At each plant, we are conducting inspections for all types of waste to identify items for reducing waste by using the genchi-genbutsu

system (collecting facts and data at the actual site of the work or problem) to implement waste reductions. We also share examples of waste reduction with both domestic and international Group companies to implement waste reduction throughout the entire Group.