Cover design: The tree on the cover represents the Toyota Global Vision and illustrates what kind of company Toyota wants to be: the firm roots stand for Toyota’s shared values, the fruit for “always better cars” and enriching lives of communities, and the trunk for the stable base of business. The firm roots produce fruit and allow the trunk to grow thick and strong, ensuring the next crop of fruit. This virtuous circle reflects Toyota’s vision to be a company achieving sustainable growth.

Toyota has participated in activities of the WBCSD (World Business Council for Sustainable Development) as a member of this organization. WBCSD engages in advocacy activities aimed at realizing sustainable development based on the three pillars of economic growth, environmental protection and social development.

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Toyota is a supporter of Education for Sustainable Development (ESD).
ESD activities are aimed at creating a sustainable society.

Published by: Corporate Planning Div., Toyota Motor Corporation
Web version URL: http://www.toyota-global.com/sustainability/report/sr/

Published: September 2013
Next scheduled report: Summer 2014

EA-1309
Editorial Policy

The objective of this report is to convey Toyota’s efforts to realize harmony with people, societies, and the global environment, as well as a sustainable society through monozukuri (manufacturing).

Based on the Toyota Global Vision announced in March 2011, the contents of the report were rearranged in 2012 in line with the three elements of the Toyota Visionary Management—“Always better cars,” “Enriching lives of communities,” and “Stable base of business.” The section for each element includes a special feature, and information about Toyota’s initiatives. Beginning with this year, publishing of the print edition will be discontinued. An all-digital version of the report will be available on the Toyota website.

Overseas affiliates’ reports

In 2013 plans call for separate reports to be issued in a total of 16 countries and regions (including Japan) in which Toyota overseas affiliates and other companies operate. The information disclosed globally by these reports will cover about 87% of Toyota vehicles sold worldwide.
Overview of Toyota Motor Corporation

Company Profile

- **Company Name**: Toyota Motor Corporation
- **President and Representative Director**: Akio Toyoda
- **Company Address**:
  - Head Office: 1 Toyota-Cho, Toyota City, Aichi Prefecture 471-8571, Japan
  - Tokyo Head Office: 1-4-18 Koraku, Bunkyo-ku, Tokyo 112-8701, Japan
  - Nagoya Office: 6-7-1 Meiji, Nakamura-ku, Nagoya City, Aichi Prefecture 460-8711, Japan
- **Date founded**: August 28, 1937
- **Capital**: 397.05 billion yen (as of March 31, 2013)
- **Main Business Activities**: Motor Vehicle Production and Sales
- **Number of employees** (consolidated): 333,498 (as of March 31, 2013)
- **Number of consolidated subsidiaries**: 509
- **No. of RII: Accounted for Under the Equity Method**: 56

Automotive Business

- **Sales (consolidated)** (Trillion yen)
- **Production in Japan and Overseas**: (Thousand units)

Non-automatic Business

- **Housing**
  - Incorporating know-how and technology from the Toyota Group, Toyota Home offers three structures to meet different customer needs.
- **Financial Services**
  - Toyota Financial Services provides financial services primarily for vehicle purchases and leasing in more than 30 countries and regions worldwide.
- **e-TOYOTA Business**
  - With web-based vehicle information networks, onboard terminals and telematics, e-TOYOTA is finding ways to integrate IT systems and automobiles.
- **Marine**
  - From land to sea, Toyota is expanding into the marine business with eco-friendly pleasure craft and marine engines.
- **Biotechnology & Afforestation**
  - From a growing flower business to greenification of rooftops and afforestation, Toyota is branching out into biotechnology.
- **New Business Enterprises**
  - In the 21st Century, Toyota will continue to expand its non-automotive businesses including marine, biotechnology, housing and aerospace.

Global Expansion

- Toyota respects the culture and customs of every nation and region and contributes to economic and social development through corporate activities in the communities.

- **Europe**
- **Asia (Excl. Japan)**
- **North America**
- **Latin America**
- **Oceania**

Sustainability Report 2013
Message from the President

True Competitiveness for Sustainable Growth

Firstly, I would like to express my sincere gratitude for your continued support and understanding. Since 2009, Toyota has faced a series of prolonged crises. Looking back, these crises allowed us to gain invaluable experience and taught us many truths that would have remained hidden if conditions had been more settled.

Particularly during the global financial crisis, when we fell into the red, we learned that a traditionally broad-based auto industry, while positioned to enjoy the fruits of rapid growth, may also be vulnerable to abrupt decline that could bring anxiety to a substantial number of people. We are now more attuned to the importance of sustainable growth and have learned the critical lesson that an increase in production does not necessarily equate to growth.

The last four years have also been an opportunity to reconnect with our roots and return to the things that we have always held dear. Toyota’s roots lie in its founding principle of contributing to society by making automobiles. Put simply, our goal should ever be to make always better cars.

The products that are only just beginning to roll off the lines represent the first results of our groupwide emphasis on making always better cars. At the same time, we are making steady progress in reforming production technology and making new cars based on the Toyota New Global Architecture (TNGA).

There is a growing sense that the business model set forth in the Toyota Global Vision is steadily becoming more robust. It is important, however, to remember that we have merely reached the next starting line and that every member of the Toyota Group needs to focus on ensuring true competitiveness—competitiveness that will support sustainable growth regardless of external factors. Ultimately, true competitiveness cannot be measured simply in terms of profit and loss, but rather represents a challenge that must be met on a groupwide basis. Our efforts to meet this challenge are exemplified by our adoption of TNGA and the reorganization of our business units.

Toyota celebrated its 75th anniversary in November 2012. In establishing the Company all those years ago, Kiichiro Toyoda envisioned a strong Japanese auto industry with its roots in Japanese manufacturing traditions. Today, we are entering the final quarter of the auto industry’s first century. Over the next 25 years, we must set our gaze even further, and gain some insight into this industry’s second century. We must then use this insight to inform our own long-term business structure. We must always bear in mind that the sustainable growth we are striving for will create a better society for our children and grandchildren.

“Rewarded with a smile by exceeding your expectations,” all 330,000 of us at Toyota around the world work together as one to make always better cars and to contribute to society. We will examine social issues in collaboration with the people who live in those communities and work to carry out what Toyota can do and what Toyota is expected to do to help achieve sustainable growth of society and the planet. We kindly request the continued support and understanding of all our stakeholders.

Rewarded with a Smile by exceeding your expectations

Toyota will lead the way to the future of mobility, enriching lives around the world with the safest and most responsible ways of moving people.

Through our commitment to quality, constant innovation and respect for the planet, we aim to exceed expectations and be rewarded with a smile.

We will meet challenging goals by engaging the talent and passion of people, who believe there is always a better way.

Backdrop and Progress

In the backdrop of this vision, there is our fall into the red after the Lehman Brothers collapse, as well as our reflection over a series of quality issues.

To unite all Toyota together to advance our efforts for the recovery of business performance, we came to realize the necessity of having a dream or a path to take that all people who work for Toyota could have in common. We also felt the importance of making that dream and that path known broadly to society and to all our customers.

Based on our ideal for Toyota, the members of our team gathered to discuss and finalize the vision. This is a distillation of our resolve at Toyota for the future.

Toyota Visionary Management

The visionary management that we have in mind is making better cars that exceed customer expectations, and enriching lives in communities based on the shared values that have steered Toyota from the beginning, including the Guiding Principles at Toyota and the Toyota Way. In doing so, we are rewarded with smiles from customers and the public, leading to a stable base of business that generates virtuous cycles and achieves sustainable growth.

The Global Vision Tree Explained

We use a tree to represent the Toyota Global Vision. The “roots” of the tree are the shared values that have steered Toyota from the beginning, including the Guiding Principles at Toyota and the Toyota Way, which are the basis of our business. The “fruit” is our contribution to communities through making better cars that are chosen by customers and the public. The “trunk” of the tree, the result of these efforts, strengthens and stabilizes our base of business when large numbers of customers choose our products.

Rewarded with a Smile

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We will meet challenging goals by engaging the talent and passion of people, who believe there is always a better way.

August 2013

Akio Toyoda

President

Toyota Motor Corporation

Toyota Global Vision

The ‘Toyota Global Vision’ announced in March 2011 is an articulation of what kind of company we want to be — a clear statement of what values we esteem, what kind of company we ought to be, and what actions we should take. It defines our values of “wanting Toyota to be a company that customers choose and that brings a smile to every customer who chooses it.”
Seeking Harmony with People, Society, and the Global Environment, and Sustainable Development of Society through Monozukuri (Manufacturing)

Toyota's CSR Initiatives

Overview of Toyota's CSR Activities (automobile manufacturing, new business, and social contribution)

CSR Policy: Contribution towards Sustainable Development

Positioning of the CSR Policy

Guiding Principles at Toyota

<table>
<thead>
<tr>
<th>CSR Policy: Contribution towards Sustainable Development</th>
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<tr>
<td>&quot;CSR Policy: Contribution towards Sustainable Development&quot;</td>
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</table>

Toyota Global Vision

Medium- to long-term management plans

Company policies, annual policies, regional policies, head offices, and divisional policies

Regular business activities

Evaluation of Toyota's CSR Initiatives

CSR Promotion Structure

Toyota's social contribution activities

Social issues

Economic aspects

Informational environment

Compliance

Quality

Safety

Safety

Monozukuri (automobile manufacturing, new business, and social contribution)

Toyota Way 2001

Positioning of the CSR Policy

Chairman: Takeshi Uchiyamada

Established in 2007

CSR Committee

Corporate Planning Division

Corporate Citizenship Activity Sub-committee

Corporate Ethics Subcommittee

CSR Planning Lab committee

Risk Management Committee

Global Base of Maruike

Toyota's CSR Initiatives

CSR Policy: Contribution towards Sustainable Development

Preamble

We, Toyota Motor Corporation and our subsidiaries, engage in initiatives to contribute to harmonious and sustainable development of society and the earth through all business activities that we carry out in each country and region, based on our Guiding Principles. We comply with local, national and international laws and regulations as well as the spirit thereof and we conduct our business operations with honesty and integrity. In order to contribute to sustainable development, we believe that management interacting with its stakeholders as described below is of considerable importance, and we will endeavor to build and maintain sound relationships with our stakeholders through open and fair communication. We expect our business partners to support this initiative and act in accordance with it.

For further information on Toyota's CSR Policy, please see p.18.
Takeshi Uchiyamada
Chairman, Toyota Motor Corporation

Dialogue

Chairman

Chairman of experts in car planning and development.

Uchiyamada:

Our founder Sakichi Toyoda saw his mother working nights weaving cloth and invented the automatic loom to make her life easier. It was the long-held wish of Kiichiro Toyoda, who launched the automotive business, that cars be manufactured by Japanese people. Since its foundation, Toyota’s entrepreneurial spirit has long been based on the strong desire to serve and make positive contributions to people and the country, rather than on financial goals.

When I was in junior high school, I decided that I wanted to work for a car company because I dreamed of seeing families driving around town in cars that I created.

This dream was fulfilled long after I started working for Toyota. I had very nearly forgotten it when I was put in charge of driving around town in cars that I created.

When I was appointed, I was asked my supervisor why I had asked my supervisor why I

Uchiyamada:

When I asked my supervisor why I had been appointed, I was told that the missions of the project were to create a “vehicle for the 21st century” and to change development techniques, and also that I was the right person for the job because I was not familiar with prior development methods.

Later, global business expanded and the company enjoyed solid growth, but we were affected by the repercussions of the Lehman Brothers bankruptcy and a series of recall-related issues in North America that shook customer trust and confidence. We asked ourselves what we can do to restore Toyota, unify all global team members, and make a fresh start.

It was based on this concept that we adopted the Toyota Global Vision under the leadership of a foreign officer from North America.

In the Global Vision, we answered the question “What kind of company do we want Toyota to be?” by pursuing three objectives: Always Better Cars, Enriching the Lives of Communities, and a Stable Base of Business.

“We will not become a company that pursues numerical targets. ” “We will make always better cars.” We decided to become this kind of company through the efforts of all employees. Make better cars, receive heart-felt gratitude from customers and local communities, use that feedback to solidify our management foundations, and make the next better car—this is the goal of the Toyota Global Vision, and pursuing this is our mission.

As it turns out, we announced the new vision internally just two days before the Great East Japan Earthquake. I felt that the vision served as a basis for employee thinking as we fought desperately to achieve recovery and revitalization from the disaster.

To Be Rewarded by the Smiles of Customers—Starting from Making “Always Better Cars”

Unno: What measures have you taken to penetrate the Vision and put it into practice globally?

Uchiyamada: The driving force is “always better cars.” Since he was appointed, President Akin Toyoda has been continuously telling us that we need to “make better cars.”

What he means is that making better cars is not an issue that concerns just development and design, but all employees—including those in production, purchasing, sales, management, and advertising—should think about what they can do to contribute to making better cars. When we ask “what is a better car?”, however, this is a difficult question to answer. Everyone’s opinion is different. To address this issue, we created four major categories: cars specialized to meet tastes and sensibilities of the region. The sports car is a vehicle whose value according to the region. Sports cars, for example, must not be changed depending on the region. The sports car is a vehicle whose value depends on the region.

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In the case of mass production vehicles such as the Corolla, the name is the same, but the vehicles are different from those in Japan and are tailored to regional characteristics based on feedback from local customers.

* Toyota’s global strategy models, enshrined in the mission of creating multipurpose vehicles that can meet the various needs of customers around the world.

Business Initiatives that Can Develop with Local Communities and Create Community Value

Unno: The Vision also carries Toyota’s aspirations to contribute to “enriching the lives of communities.” CSR is about businesses taking action within their operations toward sustainable development, and therefore, in conjunction with making always better cars, it is also important to adopt a posture of active engagement in community development.

There is a growing public awareness to turn interests towards corporate behavior and whether a company—as well as the products and services provided—can be trusted.

Chairman Dialogue

Unno was responsible for marketing strategy and environmental business development at Roland Berger Japan. Since the foundation of So-Tech Consulting in 1997, she has been active in the development of corporate environmental and sustainability strategies and has built a worldwide network of experts. Her strengths focus on creating sustainable value and implementing global CSR for Japanese businesses.

Mizue Unno, Managing Director, So-Tech Consulting Inc.

What Kind of Company Do We Want to Be? The Answer Is in the Toyota Global Vision

Uchiyamada: Our founder Sakichi Toyoda saw his mother working nights weaving cloth and invented the automatic loom to make her life easier. It was the long-held wish of Kiichiro Toyoda, who launched the automotive business, that cars be manufactured by Japanese people.

Since its foundation, Toyota’s entrepreneurial spirit has long been based on the strong desire to serve and make positive contributions to people and the country, rather than on financial goals.

Mizue Unno, Managing Director, So-Tech Consulting Inc.
Uchiyamada: An essential condition of our business activities is that they be accepted by the local community, and our objective is to develop together with the community. We believe that there is absolutely no contradiction between the sustainability of Toyota and the sustainability of the local community. One example is our plant construction. Once we build a plant, it establishes permanent ties within the community.

Toyota has never closed a plant because of internal circumstances. This is something we can be proud of. Our plants have a close connection to not just the people who work there, but also suppliers and their families and many other people in the wider community. They are a presence with substantial impact. Therefore, we always conduct business with an awareness of these numerous stakeholders.

Unno: That’s exactly the Toyota Way, the foundation of Toyota Visionary Management.

Uchiyamada: Approaches to manufacturing are without a doubt different in Japan and other countries and regions. In Toyota’s case, however, its approach to manufacturing is the same in Japan and every other country. This is why we make considerable efforts within the company to find ways of gaining an accurate understanding of Toyota’s concepts overseas too, and we manufacture cars without changing those concepts.

Ensuring Accountability for Stakeholders in the Midst of Global Diversity

Unno: Toyota is highly commended for considerable accomplishments made within the company as well as a series of community initiatives in various areas such as human development. At the same time, however, such efforts by Toyota may not be conveyed effectively to external stakeholders. At times, there is an impression that the company is rather forcing its own ideas on interested parties. I believe that, in addition to undertaking various initiatives in many countries and regions, interpreting those efforts by clarifying the rationales will facilitate broader understanding of Toyota.

Uchiyamada: It is true that there has long been a culture within Toyota of “If people simply look at our cars, they’ll understand, so all we need to do is to continue making cars to the best of our ability” and of not publicizing our positive actions.

Unno: We can possibly understand each other without communicating things directly in Japan, but sensibilities and ways of thinking vary in other countries. If you don’t engage in dialogue with people, you won’t understand what you’re trying to convey. The key is to engage in communication with local stakeholders in ways that differ from those used in Japan. Just building a plant, it establishes permanent ties within the community. One example is our plant construction. Once we build a plant, it establishes permanent ties within the community. This is something we can be proud of. Our plants have a close connection to not just the people who work there, but also suppliers and their families and many other people in the wider community. They are a presence with substantial impact. Therefore, we always conduct business with an awareness of these numerous stakeholders.

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Listening to Stakeholders to Become a More Transparent Company

Unno: Finally, I note that Toyota introduced external directors this fiscal year. Would it be fair to say that in addition to having a transparent board of directors, Toyota believes that it is also important to incorporate stakeholders’ commitment in the key stages of the decision-making process?

Uchiyamada: We introduced external directors not just to secure mechanisms, but also to examine individual actions from diverse perspectives and obtain advice. We have had external corporate auditors for a long time, and an organization known as the International Advisory Board has been convened which consists of advisors to global Toyota selected from all around the world. In each country and region, we have systems for viewing things from outside in individual managing companies. It’s best to have mechanisms where governance is undertaken automatically in day-to-day operations, and we have various people observing our operations to complement these mechanisms. I believe that this is fundamental.

There were some within the company who believed that all internal matters should be handled by internal personnel who deeply understand our company, but when awareness inside the company is different from that in society in general, external personnel can point this out to us. We made the decision based on the belief that this is the most important thing.

Unno: I also have experience as an external director. When an outsider points out something critical, even if it doesn’t lead to immediate change, I feel that it brings the significant effect of inspiring management to stay focused.

Uchiyamada: With regard to our accountability to regional stakeholders, we will also consider carefully what is being asked of us and that we should convey more critical information and become an even more transparent company. Thank you for your many valuable opinions. We will continue putting Toyota Visionary Management into practice, and you can look forward to additional measures intended to achieve sustainable growth of society and the planet.
Making always better cars in order to exceed customer expectations

What customers expect from their cars depends on their lifestyle, family configuration, country/region of residence, driving situation, etc. For example, they may want to use their cars to visit certain places or to go on family outings. Toyota believes that giving its full attention to carefully listening to customers is the starting point for making better cars. Furthermore, to accurately respond to the wide-ranging needs of customers, Toyota is employing a new framework for developing better cars, called the Toyota New Global Architecture (TNGA). Toyota is committed to continuing to make always better cars that exceed customer expectations. By making better cars that deliver high quality, safety, and security and are simultaneously exciting and environmentally considerate, Toyota’s wish is to bring a smile to every customer’s face.

Always Better Cars

Customers’ expectations and ways of using cars vary widely.

- Easy-to-use
- Good styling
- Smooth driving
- Environmentally considerate
- Comfortable ride
- Advanced technologies
- Reasonably priced
- Durability
- Quality
- Safety
- Environment

KPI for Always Better Cars in FY2012

<table>
<thead>
<tr>
<th>Quality</th>
<th>J.D. Power (US) Initial Quality Study (IQS) ranking No. 1</th>
<th>5 segments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Percentage of calls taken at the Toyota Customer Assistance Center</td>
<td>94%</td>
</tr>
<tr>
<td>Safety</td>
<td>No. of models that acquired NCAP 5-star safety rating (total for Japan, US, Europe and China)</td>
<td>8 models</td>
</tr>
<tr>
<td>Environment</td>
<td>Cumulative hybrid vehicle sales (as of the end of December 2012)</td>
<td>4.794 million units</td>
</tr>
<tr>
<td></td>
<td>Global average fuel efficiency (Japan, US and Europe) (index assuming the 1997 figure to be 1)</td>
<td>1.43</td>
</tr>
</tbody>
</table>

Toyota’s New Approach to Car-making

Toyota New Global Architecture (TNGA) – making affordable cars that satisfy customer needs.

- Regional optimization and differentiation to suit customer preferences
- New architecture to intelligently improve basic performance

Toyota’s New Organizational Structure

The TNGA Planning Division and the Product & Business Planning Division were established to position the notion of making always better cars at the core of company management.

The automotive business was reorganized into four business units.

1. Lexus International
2. Toyota No. 2
3. Toyota No. 1
4. Unit Center (Engine, transmission and other “unit”-related operations)
5. Toyota’s Global Vision

– Always Better Cars

– Making always better cars in order to exceed customer expectations

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Toyota aims to manufacture vehicles that earn smiles from our customers in each country and region through our business activities that are strongly entrenched in those countries and regions.

Toyota's basic stance towards doing business outside Japan is to contribute to the development of the economy, employment, transportation, and other areas of the country in question through the automotive industry. This stance has underpinned Toyota's initiatives in emerging nations in particular over the past half century as it has made operations more deeply rooted in local regions and manufactured vehicles that earn smiles from our customers. The global network that Toyota has built up to date forms a solid base to make ever better vehicles going forward.

### Toyota’s Initiatives in Emerging Nations – Manufacturing Vehicles with a View to Developing Local Industry and Contributing to the Betterment of Society

Ever since commencing sales in Taiwan in 1949 and establishing a production plant in Brazil in 1959, Toyota has continued to produce and sell vehicles in emerging nations, including Latin America, Asia, Africa, and elsewhere throughout the world. Toyota’s basic stance towards expanding into emerging nations is to “contribute to the development and welfare of the country” (a Toyota Precept), which means identifying, cultivating, and developing the supporting industries and creating strong bonds with the local communities. This thinking has underpinned Toyota’s efforts over the last half century to create employment, contribute to economic development, and actively promote numerous social contribution activities in the various local communities where Toyota does business.

Since the 1970s, Toyota has worked with local residents in the ASEAN region to develop the automotive industry there, focusing on producing vehicles that earn smiles from our customers and contributing to improving the quality of life of local communities, and on developing automotive industry infrastructure and fostering parts suppliers.

With the sudden globalization of the world economy from the latter half of the 1990s, Toyota has matched pace and accelerated the globalization of its operations. Toyota launched the IMV Project in 2004, a global strategy to localize procurement and production and develop products that meet differing needs in various countries and regions. In March 2012, the total number of IMV series vehicles produced reached five million units. These have been sold in 170 countries around the world, and produced by 12 overseas affiliates in emerging regions.

### Key Development Aspects of the IMV Project Aimed at Providing Customers with Vehicles that Earn Smiles from Our Customers

1. **Organization of 10 southeast Asian countries with collaborative relations covering economic, social, political, defense, and cultural aspects**

2. **Toyota’s global strategy models, so named with the aim of creating multipurpose vehicles that can meet the various needs of customers around the world**

The IMV Project has to date launched a number of different models specifically developed for emerging nations. Amid our plan to produce vehicles in emerging nations, and sell more than one million vehicles a year to more than 100 countries and regions around the world, Toyota began exporting the small car Etios and the Etios Liva hatchback, produced by Toyota Kirloskar Motor Pvt. Ltd. (TKM), India, to South Africa in April 2012.

### Toyota’s History in ASEAN Emerging Nations

- **Toyota Precept (Chion)**
  - Postwar reconstruction
  - Establishment of automobile industry infrastructure, start of collaboration with suppliers

- **1970s – 1980s**
  - Establishment of a global supply structure

- **Latter half of the 1990s**
  - Localization of R&D to more efficiently develop products and better meet local needs

- **Present day**
  - Integrate Toyota’s global strategy models, so named with the aim of creating multipurpose vehicles that can meet the various needs of customers around the world

### New Compact Cars to Meet Customer Needs in the Growing Emerging Markets

Automobile markets in emerging nations are growing every year in tandem with their developing economies. In particular, the number of customer’s wanting compact cars is increasing. In response to this situation, Toyota has positioned the Asia region (primarily ASEAN nations) as its “second home base” and is strengthening the production and supply of compact cars there as a second pillar of its business in Asia alongside the IMV Project.

Starting with the Etios launched in India in December 2010, Toyota intends to introduce a total of eight different compact car models specifically developed for emerging nations.

### Future Initiatives

- **Positioning of the Asia region as Toyota’s “second home base”**
  - Make better compact cars that meet market needs based on compact car feedback
  - Annual sales of one million compact cars, across eight different models, aimed at emerging nations
Vios Development Started with a Return to the Viewpoint of Customers in Growth Markets

At the Bangkok Motor Show in Thailand in March 2013, Toyota debuted the new Vios, a compact car specifically designed for emerging nations. Developed based on the concept of sharing the dream of car ownership with first time buyers, the Vios has achieved the highest level of comfort and fuel efficiency within its class, along with a refined exterior, providing the ultimate in the joy of car ownership, the pleasure of driving, and comfort.

In economically thriving emerging nations, customer needs are rapidly evolving. To precisely satisfy customers’ needs at an affordable price, the new Vios features carefully selected performance levels, equipment, and specifications.

The Vios, along with the Echo, is positioned as the ultimate compact car in emerging nations.

From the developer

The excitement on the children’s faces when that first car is delivered, the father’s proud smile, the happy times the family will spend traveling in that vehicle—are these the images we set out to create a car that would allow us to share this dream and this joy with customers. To that end, it was important for us to create a car with amazing value at a genuinely affordable price. We revised the usual approach of planning for normal evolution in a redesign and carefully selected the performance and equipment that customers really need. One such example is the inclusion of an audio system compatible with a USB-based external media player. We listened to customer input because we wanted to develop the new Vios as a car that would bring joy and the realization of their dreams to as many customers as possible.

Takeshi Matsuda
Chief Engineer for the Vios

The new Yaris

Yaris

Takeshi Matsuda
Chief Engineer for the Vios

Gateway Fast (Thailand) where the Vios is produced

Focus
Making Always Better Cars for the Japanese, European, and North American Markets

Toward the realization of the Toyota Global Vision and to achieve sustainable growth, Toyota restructured its automotive operations into four business units in April 2013. With the goal of building a truly competitive business group, Toyota No. 1 will be responsible for the Japanese, European, and North American markets while Toyota No. 2 will be responsible for markets in emerging nations. Each of these units will handle the entire business process from product planning to production and sales. This section describes the initiatives taken in FY2012 in the Japanese, European, and North American markets.

Three Key Selling Points of the Vios

Dynamic exterior design and interior quality feel to create a “class-above” presence

The exterior, interior, and color bolster the visual impact, and everything including the specifications and quality provide complete value. The “class-above” presence expresses a magnificence that the owner will want to proudly present to family members and friends.

Class-surpassing spacious cabin and luggage space

An expanded vehicle size has enabled a class-leading spacious cabin and luggage space. As a hospitality space, particular attention was paid to the comfort of the rear seats. Extensive surveys on actual luggage space usage have led to a large trunk space that is easy to use.

The Toyota brand’s high levels of basic performance and durability

The Vios was developed with particular attention given to the basic performance of “earning”, “serving” and “upgrading” as well as reliability so that customers would truly appreciate its greatness once they drive it and use it for a while. The Vios also features excellent driving stability and riding comfort that allow the driver to drive it with a sense of security even on rough roads.

New Yaris Premiered at the Shanghai Auto Show

Toyota displayed the new Yaris as a world premier car at the Shanghai International Automobile Industry Exhibition held in April 2013. Production and sales of the new Yaris, based on the global-strategic concept car unveiled at the Beijing Auto Show last year, will commence in China at the end of 2013. Two world premier cars—to be sold exclusively in China—were also on display at the show: a concept car equipped with a hybrid system currently under development and a six-seater developed to appeal to young Chinese consumers.
**Initiatives to Improve Quality**

### Toyota’s Basic Philosophy Regarding Quality

Quality is achieved through the integration of various business activities, including development, design, purchasing, production, sales and after-sales service. Each area is indispensable in the delivery of satisfactory quality to customers.

Toyota continues to aim to put the principles of “Customer First” and “Quality First” into practice and to respond to the expectations of customers and society at large. That is why every member across Toyota’s operations maintains high consciousness of quality, takes accountability for issues that may arise and responsibility for implementing improvements. All areas cooperate closely with one another towards enhancing customer confidence and trust in Toyota.

### Customer First and Quality First Activities Promoted and Enhanced through the Customer First Promotion Group

In April 2012, with the goal of becoming a quality leader from the customer’s perspective, Toyota combined the Customer Service Operations Group and the Quality Group to establish the Customer First Promotion Group. The Customer First Promotion Group is promoting various customer-first and quality-first initiatives with the major objectives of improving the ability to respond quickly to quality issues, bolstering support for after-sales service functions at dealers and distributors, and strengthening internal systems toward quality improvements. The Customer First Promotion Group, which acts as a direct link between customers and the appropriate internal departments, is striving to proactively disseminate market information as a customer advocate, strengthen initiatives to discover and resolve issues early by paying utmost attention to initial reports of quality issues from customers, and enhance Toyota’s ability to support dealers with troubleshooting and repair.

### Major Activities in Each Area for FY2012 and Plans for FY2013

- **Sales and after-sales service**
  - Start of initiatives to pay greater attention to initial reports of quality issues from customers, with the goal of discovering and correcting them at the earliest possible stage.
  - Enhancement of Toyota’s ability to provide information to customers including understanding and repair by utilizing remote information on the vehicle’s current status.

- **Quality**
  - Establish the Customer First Promotion Group.
  - Support to make processes that are critical to customer satisfaction ready for certification.
  - Audits of existing suppliers on a global scale to ensure continued production of high-quality parts.

- **Finance**
  - Initiatives taken from the customer’s perspective to strengthen Toyota’s capabilities to completely solve problems on the first try.

- **Human Resources**
  - Collaboration with development, design, engineering and manufacturing divisions to ensure product safety, development and design divisions are working on developing various products in order to improve customer confidence. The work being done on developing a method of issuing warnings that can be easily understood by customers based on the philosophy of helping the customer feel safe even if an unlikely failure occurs.

### Before reorganization

- **Customer**
- **Customer Service Operations Group**
- **Quality Group**
- **Engineering and manufacturing divisions**

### After reorganization

- **Customer**
- **Customer First Promotion Group**
- **Customer Service Field**
- **Engineering and manufacturing divisions**

### Promoting Customer Satisfaction Initiatives Globally to Achieve Satisfaction Levels that Surpass Customer Expectations

High product quality and excellent sales and after-sales services are both essential to customer and must be improved.

By thoroughly understanding how each customer feels, Toyota is striving to improve customer satisfaction. In its global customer satisfaction initiatives, Toyota is pouring resources into educating dealer staff and is working to strengthen the skill levels of Service Advisors, repair technicians, and vehicle parts technicians through an education/certification system.

In FY2012, Toyota enhanced its Customer Quality Learning Center, providing training aids that involve all five senses, such as panels, videos and actual customer feedback, and is expanding its use in employee education and various events.

### Ensuring Quality in Product Safety and Taking Steps to Steadily Improve Customer Confidence

In addition to working with production engineering and manufacturing divisions to ensure product safety, development and design divisions are working on developing various products in order to improve customer confidence. One example is the work being done on developing a method of issuing warnings that can be easily understood by customers based on the philosophy of helping the customer feel safe even if an unlikely failure occurs. For example, in the past, when a brake fluid leak occurred, only a warning light would light up on the dashboard display. In order to properly communicate to the customer what has happened and what action should be taken, Toyota has begun adopting a warning method that also sounds an alarm in addition to showing the warning details on the display.

### Strengthening the System for Developing Human Resources Involved in Various Quality Aspects by Incorporating the Lessons Learned from Quality Issues

Designating February 24, the date when a public hearing on quality issues in North America was held, as the “Toyota Restart Day.” Toyota has been moving forward to build a framework that will ensure that the focus on quality remains in place. By incorporating this framework into company-wide education, Toyota is working to develop global human resources involved in various quality aspects.

In FY2012, Toyota enhanced its Customer Quality Learning Center, a “hands-on” learning facility where employees can learn based on the genuine problems (on-site, hands-on experiences) concept. In addition to classroom learning, the Center provides learning aids that involve all five senses, such as panels, videos and actual customer feedback, and is expanding its use in employee education and various events.

**Promoting Customer Satisfaction Initiatives Globally to Achieve Satisfaction Levels that Surpass Customer Expectations**

**Ensuring Quality in Product Safety and Taking Steps to Steadily Improve Customer Confidence**

**Strengthening the System for Developing Human Resources Involved in Various Quality Aspects by Incorporating the Lessons Learned from Quality Issues**
Applying Customer Feedback to the Creation of Better Products and Services

Toyota’s principle of Customer First exists for the purpose of providing customers with products and services that earn their smiles. On this basis, Toyota hopes to offer cars with superior features in terms of environmental, safety and quality performance, while also offering the intrinsic appeal of cars, such as driving performance, at an affordable price. Therefore, in order to make better cars, Toyota makes rigorous use of customer opinions gleaned from dealers and the Customer Assistance Center.

Toyota Customer Assistance Center and Lexus Information Desk

The Toyota Customer Assistance Center, as well as the Lexus Information Desk dedicated to Lexus brand models, offer toll-free phone consultation 365 days a year and accept brochure requests 24 hours a day in Japan. With this convenient customer-oriented system, Toyota offers speedy, appropriate and empathetic responses to customer inquiries, and listens to opinions and requests, based on the principle of Customer First. At the same time, Toyota undertakes initiatives to link this feedback to the creation of better products and services.

Furthermore, the Salesperson Support Desk was established in order to support dealers in implementing the Customer First principle.

Toyota also conducts surveys of customers who use the telephone service via an automated response system, in an effort to make further improvements. In FY2012, 420,000 telephone calls were received, of which 352,000 were for matters of consultation, 32,000 were related to salesperson matters of consultation, 36,000 were for expressing opinions and making requests, and 32,000 were related to salesperson support.

Ongoing Customer First Staff Education

Toyota has named the nationally designated Consumer’s Month of May as Customer’s Month, and is continuing to undertake initiatives aimed at permeating awareness of the Customer First principle throughout the company.

In FY2013, Toyota held customer feedback experience events, exhibitions, and lectures with the aim of encouraging them to perceive customer feedback with a sense of ownership and to take action. These events were based on the theme “What areas of your behavior have changed in what ways in order to be rewarded with the smiles of customers?” As part of internal training, Toyota also holds customer feedback experience seminars throughout the year to monitor customer feedback at the Customer Assistance Center.

Customer feedback experience seminars

Distributes customer feedback to all employees on the Toyota intranet

Exhibitions

Features feedback from customers both in Japan and overseas, as well as examples of actions being taken from the customer’s perspective

Lectures

Invites representatives from other companies that are practicing the Customer First principle, visiting instructors to lecture on the topic of “Being rewarded with the smiles of customers”

Improve Quality Ratings by Third Parties

In the Vehicle Dependability Study (VDS), published in February 2013 by J.D. Power and Associates, a global organization specializing in surveys and consulting in customer satisfaction, Toyota cars won the first place in seven segments: Lexus ES 350, Lexus RX, Scion xB, Scion xD, Toyota Prius, Toyota Sienna, and Toyota RAV4. In the study, the Lexus ranked third by brand (first in 2012) and Toyota ranked sixth in vocal.
Initiatives for Improving Traffic Safety

Status of Traffic Accidents around the World and Toyota’s Basic Philosophy Regarding Safety

According to a World Health Organization (WHO) survey, 1.24 million people worldwide die in traffic accidents each year, making them the eighth-leading cause of death. While the number of deaths due to traffic accidents has been decreasing slightly in Japan, North America, Europe, and Asia, it has been steadily increasing in emerging nations where traffic safety education and transportation infrastructure have not kept up with increases in the number of cars on the road. On a global scale, traffic fatalities continue to increase steadily and are expected to become the fifth leading cause of death by 2030 unless countermeasures are implemented.

Toyota believes it is important to promote an Integrated Three Part Initiative, involving people, vehicles, and the traffic environment, as well as to pursue “real-world safety” by learning from accidents and incorporating that knowledge into vehicle development. Toyota has also defined its Integrated Safety Management Concept as the basic philosophy behind technologies for achieving the elimination of traffic casualties and is moving forward with developing such technologies.

Integrated Three Part Initiative involving People, Vehicles and the Traffic Environment

Pursuing Real-world Safety by Learning from Actual Accidents and Reflecting the Results in Products

Integrated Safety Management Concept

Toyota’s approach is to improve the safety level through development of various safety systems that work together in a car rather than thinking of each separately. In the pursuit of optimum driving support, the scope of driver support is widened from the traditional focus on the moments immediately before and after an accident, to cover “every stage of the driving experience” from parking, to normal operation, the pre-and post-crash time-frame, and post-accident rescue.

Integration of Individual Technologies and Systems

Issues Include Rear-end Collisions, Accidents at Intersections (Corner-to-corner Collisions, Collisions during Right/Left Turns) and Collisions Caused by Pedal Misapplication

In Japan, rear-end collisions account for approximately 30 percent of all accidents, followed by accidents at intersections, such as corner-to-corner collisions. More recently, accidents in parking lots caused by drivers, especially elderly drivers, who mistake the accelerator for the brake pedal have also become a major social issue. With the goal of creating vehicles that are safe for everyone, Toyota is developing safety technologies that help minimize damage even when accidents occur.

Initiatives to Help Prevent Rear-end Collisions (Factor 1)

Analyzing Actual Traffic Accidents to Develop Real-world Safety Measures and Technologies toward the Elimination of Traffic Casualties

To reduce the number of rear-end collisions requires technologies that help reduce damage or avoid the collision all together by enabling the driver to sense a potential collision and be prepared. Before such systems and technologies can be developed, it is necessary to investigate the actual conditions surrounding rear-end collisions. Based on the pursuit of real-world safety, Toyota has used a driving simulator to investigate driver behaviors during rear-end collisions. The results showed that approximately 90 percent of drivers were able to apply the brakes in time if warned prior to a potential rear-end collision. Based on this result, Toyota developed a system that addressed both those drivers who were able to apply the brakes and those who were not. This new system, which uses powerful brake assist and an automatic brake to help drivers avoid rear-end collisions, was developed by adding functional enhancements to the Pre-collision System.

Pre-collision System Developed based on Toyota’s Original Safety Philosophy

Working with test results showing that approximately 90 percent of drivers were able to apply the brakes in time, Toyota is pursuing real-world safety. Toyota’s Pre-collision System (PCS), based on the belief that the driver must be fully engaged, assists drivers who are able to apply the brakes upon hearing an alarm by greatly increasing the braking force. If the driver fails to apply the brakes, PCS activates the automatic brake to help avoid a rear-end collision by automatically decelerating the vehicle at a rate of up to 30 km/h. Toyota believes that deceleration of 60 km/h will help prevent at least 90 percent of rear-end collisions. In addition to these safety technologies that assist drivers, Toyota is also developing technologies for a PCS with pedestrian detection and collision avoidance support functions.

Conceptualization of the Pre-collision System

1 When the driver’s car is traveling at 60 km/h and the preceding car is traveling at 25 km/h, PCS enables deceleration of up to 60 km/h.
2 When the driver’s car is traveling at 50 km/h and the preceding car is traveling at 20 km/h, PCS enables deceleration of approximately 25 km/h if the brakes are not applied (Note: this capability may not be possible in certain road environments or under certain weather conditions)
3 Breakage only
4 Maximum deceleration of 40 km/h
**Initiatives to Help Prevent Collisions Caused by Pedal Misapplication (Factor 2)**

**Characteristics of Collisions in Parking Lots Caused by Driver Error**

Each year, the approximately 7,000 collisions (in Japan) caused by pedal misapplication result in a higher death rate than collisions caused by other driver errors. In most cases, these collisions are caused by elderly drivers, panicked drivers, or drivers operating unfamiliar vehicles. Because it is difficult for the driver to take a corrective step once pedal misapplication has occurred, it is important for the vehicle itself to provide assistance. Toyota is developing a system that will help reduce both collision impact and damage even if the vehicle suddenly stops due to driver error.

**Detection of Obstacles Ahead or Behind Intelligent Clearance Sonar**

This system helps reduce the impact and damage caused by collision with an obstacle, when the driver presses the wrong pedal or presses a pedal other than the accelerator pedal. When the clearance sonar detects an obstacle the vehicle is at risk of colliding with, such as a wall, when starting off in a parking garage or other similar environment, the system warns the driver with a buzzer and display, reduces engine or motor output depending on the situation and automatically applies the brakes.

When Vehicle Approaches an Obstacle with the Accelerator in the ON State when Starting Off

1. Reduces engine output
2. Applies the brake
3. Warns the driver with a buzzer and display when reducing engine output
4. Automatically applies the brake

**Limits Sudden Starts Due to Erroneous Gear Stick Shifting Drive-start Control**

This system prevents sudden starts caused by erroneous shifting of the vehicle’s shift lever when the accelerator peda is applied. If either excessive shift detection, a warning is displayed and engine or motor output is reduced to limit sudden starts or acceleration.

**Reduces the Engine Output and Warns the Driver in the Scenarios Below**

1. Collision during backing
2. The driver shifts from R to D while erroneously stepping on the accelerator pedal instead of the brake
3. Sudden starts or acceleration
4. Impact-absorbing bumper structures

**Focus**

**The Corolla, Pursuing the Highest Safety Performance Level within Its Class, Receives Five-star Rating from JNCAP**

In the FY2012 Japan New Car Assessment Program (JNCAP), the Corolla Fielder and Corolla Axio received the maximum five-star rating for achieving the highest level of safety*. These models employ impact-absorbing bodies and high-strength passenger cabins in compact body sizes. In addition, a high passenger safety performance is realized for both front and rear seats by featuring six SRS airbags including side and curtain shield airbags, 3-point seatbelt with pretensioner and force limiters (front seat and left/right sides of rear seats) as standard equipment. Furthermore, features such as the newest Pedestrian Protection car structure, vehicle body structures received high ratings, helping the Corolla Fielder and Corolla Axio to become the first models to receive a five-star rating in the compact vehicle class (with displacement of 1,500 cc or less), confirming their safety performance level as the highest within their class.

**Initiatives to Help Prevent Accidents at Intersections (Corner-to-Corner Collisions and Collisions during Right/Left Turns) (Factor 3)**

**Reducing the Number of Traffic Accidents by Utilizing Intelligent Transport System (ITS) Technologies**

Traffic accident statistics show that accidents at intersections (corner-to-corner collisions and collisions during right/left turns) rank second following rear-end collisions. Because corner-to-corner collisions at intersections with poor visibility are difficult to prevent with safety equipment installed in cars alone, it is hoped that ITS technologies will help reduce this type of accident.

**Reducing the Number of Accidents at Intersections**

Vehicle-infrastructure cooperative systems that support safe driving aim to reduce the number of traffic accidents by notifying drivers of non-visible information and traffic signal information through the continuous exchange of road-to-vehicle, vehicle-to-vehicle and pedestrian-to-vehicle information.

**For example, even at an intersection with poor visibility where oncoming vehicles cannot be seen, direct communication between vehicles enables drivers to obtain information about the other vehicle. Alerting the driver of each vehicle to an approaching oncoming vehicle promotes safe driving. In addition to developing the technologies needed, Toyota is taking various steps toward the commercialization of vehicle-infrastructure cooperative systems that support safe driving in collaboration with the government, including building a basic infrastructure, such as standardizing the communication method, and conducting public-road verification tests.**

**Vehicle-to-Vehicle Communication System (support for detecting objects around the vehicle)**

**Road-to-Vehicle Communication System (system to help prevent collisions during right turns)**

**Social Contribution Activities**

**Safe-driving Programs and Traffic Safety Classes at “mobilitas”**

The Toyota Safety Education Center “mobilitas” holds a safe driving program called Toyota Driver Communication, targeting the general public, corporations, and other organizations. Participants learn how to use safety equipment and experience how vehicles behave when driven beyond their limits. “mobilitas” also holds hands-on traffic safety events together with local governments, corporations, and dealers. Participants engage in various activities that raise their level of safety awareness, such as the simulated experience of walking under the influence of alcohol and the benefits of using reflective materials.

**For further information on Toyota’s social contribution activities, please see p.13**
Environmental Initiatives

In Pursuit of the Ultimate Eco-car

Among its initiatives to make sustainable mobility a reality so that people can coexist in harmony with the environment, Toyota has been concentrating its efforts on developing the ultimate eco-car. Because fossil fuels are finite, energy diversification is essential. At Toyota, we will continue to develop various vehicles, along with our emphasis of conventional vehicles and hybrid vehicles as fundamental core technology while pursuing further advancement. Based on these core technologies, Toyota will develop next-generation vehicles utilizing alternative fuels such as gas, electricity, and hydrogen.

Using Various Types of Next-generation Eco-cars According to Benefits, Customer Needs, and Usage Mode

As alternatives to petroleum, gas, electricity, and biofuels, next-generation vehicles utilizing alternative fuels such as gas fuel, electricity and hydrogen. Toyota believes that these next-generation eco-cars will be increasingly utilized in the future for specific applications depending on customer needs and usage mode. Therefore, Toyota is taking a comprehensive approach to developing EVs, PHVs, and FCVs using hybrid technologies as the core.

Hybrid Technologies as the Powertrain Core

Cars are likely to continue using petroleum as their main fuel for the time being, but will eventually diversify into using alternative energy sources such as electricity, hydrogen, and biofuels. In the process leading to the ultimate eco-car, having the “right vehicle, for the right place, at the right time” is essential. Therefore, Toyota is positioning hybrid technologies that employ core technologies for components such as the motor, power control unit, and battery as the technologies of the future as it proceeds with the development of future eco-cars.

Fuel Cell Vehicle (FCV), the Nearest Thing yet to an Ultimate Eco-car, Nears Mass Production

Since FCVs use hydrogen as fuel and emit no air-polluting CO₂, they can be considered very close to the ultimate eco-car. Toyota is moving forward with plans to begin mass production of FCVs in 2015. To ensure an adequate supply infrastructure, Toyota is also establishing hydrogen-charging stations in major metropolitan areas.

FCV with Improved Performance Nears Commercial Launch

Toyota began selling its first fuel cell hybrid vehicles (FCHV) on a limited basis in 2002. In 2005, Toyota introduced its first fuel cell vehicle type certification for its FCHV and leased a total of 20 vehicles in Japan and the U.S. In 2008, Toyota commercialized its improved FCHV and leased more than 100 units. In this improved model, the maximum pressure for the hydrogen storage tank was increased from 35 MPa to 70 MPa, thus extending the cruising range on a full charge to more than 800 km. So far, Toyota FCHVs have traveled a total distance exceeding two million kilometers in Japan, the U.S., and Europe. Toyota’s FCV is based on a hybrid system that combines fuel cell technology with a battery that assists with quick acceleration and stores the energy recovered during braking, thereby improving the vehicle’s fuel efficiency.

The Toyota FCV, the nearest thing yet to an ultimate eco-car, is almost here and nearing commercial launch with improved performance.

Development of an External Power Supply System for Toyota’s Fuel Cell Bus

Toyota has developed an external power supply system that enables the fuel cell bus (FC Bus) to supply the electricity it generates to power home appliances. Since a fuel cell vehicle converts hydrogen into electrical energy, it can generate electricity without emitting any CO₂. It is possible to install turbines capable of outputting AC power (100 V and 1.5 kW) inside the bus to supply a maximum of 3 kW of power for 100 hours or more. Toyota is also in the process of developing a system that will supply this electricity through the electrification of buildings, with the goal of continuously supplying a maximum of 9.8 kW for around 50 hours.

The FC Bus External Power Supply System and the Concept of using the V2H (Vehicle to House) System to Supply Power

Supplying power using the external power supply system

Supplying power using the V2H system currently under development

Examination center of hybrid automobile Power from commercial grid

Powering the electrical grid

FC BUS in use in the shuttle service between Toyota City and the Iwate Airport

From FCHV users (drivers who participated in field testing the bus)

- Excellent acceleration at start-up and hill-climbing performance, easy to handle, and very smooth driving performance.
- Driving this bus is not tiring because it runs quietly with little vibration.
- This has run so quietly that pedestrians and bicyclists don’t notice its approach easily. It would be great if the bus were equipped with a quiet horn to warn pedestrians.
- Inspection takes much less time because there is no need to replenish oils and fluids.

Toyota and BMW Group Sign Agreement to Collaborate in Developing Fuel Cell System

In January 2013, Toyota concluded an agreement with the BMW Group on joint development of a fuel cell system. The agreement calls for the two companies to bring together their technologies to develop a fuel cell stack system, as well as other basic system components such as the hydrogen tank, motor, and battery. By 2020, Toyota and the BMW Group will also cooperate on drawing up specifications and standards related to the establishment of the infrastructures necessary for promoting the widespread use of FCVs.
Enriching Lives of Communities

Realizing new mobility societies and enriched local communities

In the modern world, so many issues, including energy shortage, resource shortage, global warming, loss of biodiversity, food and water shortages, poverty, discrimination, unemployment, and aging populations, are prevalent and continue to spread globally. Against this backdrop, corporations must work to help solve these issues as members of the regions where they operate.

In its Global Vision, Toyota articulates its intention to contribute to “enriching lives of communities.” Toyota hopes to continue working with people in local communities to achieve this goal. Toyota’s efforts will include improving product performance, making cars that are environmentally considerate throughout their entire lifecycle, creating a comfortable next-generation society together with local stakeholders by utilizing the technologies Toyota currently possesses in other fields, and enriching lives of communities through social contribution activities.

KPI for Enriching Lives of Communities in FY2012

Environment
- Total CO2 emissions (global): 7.59 million tons
- Total waste volume (global): 487 thousand tons
- Total water consumption (global): 29.2 million m³
- Vehicle recycling/recovery rate in Japan: 99%

Collaboration with dealers and suppliers
- Number of parts suppliers (worldwide total): 2,686 companies
- Number of dealers (worldwide total excluding Japan): 8,725 bases

Contribution to local communities
- Total expenses for social contribution activities (consolidated): 13.7 billion yen
Report from Tohoku on the “Enriching Lives of Communities” Initiative

New Collaboration between Tohoku, Toyota’s Third Manufacturing Hub in Japan, and Local Communities

Through its initiative to enrich lives of communities, Toyota hopes to contribute to creating Japan’s future through monozukuri (manufacturing), developing people, and developing regions. Toyota is starting its initiative in Tohoku, a key production base for its compact cars, helping the region rebuild itself into a new community. To promote monozukuri at one with the region, Toyota Motor East Japan, Inc. was established in July 2012 with Tohoku as its base for making the most competitive and attractive compact cars in the world. In its effort to develop people, Toyota founded the Toyota East Japan Technical Skills Academy in April 2013 to develop human resources that will form the core of monozukuri. Furthermore, to contribute to regional development, Toyota established the F-Grid Concept to build infrastructures that would support monozukuri and people development, as well as a new project to foster collaboration between agriculture, commerce, and industry. In this way, the entire Toyota Group continues to work on helping restore Tohoku through monozukuri, developing people, and developing regions.

Lives of Communities

Monozukuri (Manufacturing): Automotive Business

Taking Advantage of Tohoku’s Unique Strength in Monozukuri and Working with Local Monozukuri Industries to Improve Competitiveness

Resilient production structures, high levels of technology achieved in cooperation with suppliers, and monozukuri with high value addition represented by hybrid vehicle development were all born in Japan. Capitalizing on these strengths and refining Japan’s monozukuri can improve Japan’s global competitiveness. As Toyota’s third manufacturing hub in Japan, Tohoku plays an important role toward this goal.

Monozukuri: New Businesses

New Agriculture-Commerce-Industry Collaboration Project Starts with Goal of Increasing Self-sufficiency in Japan

In July of this year, TMEJ and Toyota Tsusho jointly established Vegi Dream Kurihara Corporation’s third paprika growing facility on approximately three hectares of land adjacent to the Miyagi-Shira Plant of TMEJ Head Office and began full-scale cultivation of paprika. Paprika was chosen because 90 percent of paprika consumed in Japan is imported. The plant grows 10 different colors of paprika in a greenhouse with reduced use of agricultural chemicals and expects production of around 315 tons/year.

Furthermore, the heat for the greenhouse is supplied from the F-Grid and water is supplied from a rainwater tank, enabling an ultra energy-saving and competitive farming operation. Vegi Dream Kurihara’s goal is to establish a new model of collaboration between agriculture, commerce, and industry to expand the market for fresh, domestically grown agricultural products through a safe, secure supply, thus increasing Japan’s self-sufficiency.

Competitive Paprika Farming with the Heat to the Greenhouse Supplied by the Plant,
Toyota East Japan Technical Skills Academy, Designed to Support Monozukuri (Manufacturing) in Tohoku and Develop the People Who Will Create its Future, Opens Its Doors in April

Toyota established the Toyota East Japan Technical Skills Academy, an intra-company training school inside the site of the Miyagi Ohira Plant of the Toyota Motor East Japan Head Office, to develop people and support regional revitalization through monozukuri at one with the region from a medium- to long-term perspective. Based on Toyota’s philosophy of “monozukuri is about developing people,” the Academy’s work is to develop young leaders who carry Tohoku’s monozukuri heritage into the future under an integrated three-part initiative*.

* Consists of three main activities: “human resources development,” “environmental and energy management,” and “coordination with local communities.”

System for Developing People Who Will Help Build Tohoku’s Future through Technical Education Based on the Concept of Toyota East Japan Technical Skills Academy

Practical training for basic technical skills at the Tokyo East Japan Technical Skills Academy

The Academy opened its doors on April 1, 2013, selecting its students from applicants who were new graduates of technical high schools in the six prefectures in Tohoku. The Academy also accepts employees of local companies. A total of 20 students enrolled in the inaugural class, including five employees from local companies.

Technical education at the Academy is characterized by a focus on learning basics and fundamentals through the concept of genchi genbutsu (On-site Hands-on Experience). With the goal of learning from monozukuri in Tohoku, the Academy’s educational program is designed to help students learn from the Tohoku people’s attitude of using things wisely and the spirit from the old days of Japan through monozukuri.

For example, it incorporates Wakayanagi Jiori, a traditional cotton cloth-weaving craft with deep roots in Tohoku.

Monozukuri, which is a core company philosophy, is characterized by “ki” (human spirit) and “tai” (human body), which the students must learn to develop together to achieve a unified goal utilizing our skills knowledge, minds and bodies. Thanks to the healthy lifestyle habits I learned at the Academy, I was able to attend all my classes without missing even a single day. I hope to help regional development and the restoration of Tohoku through monozukuri in the future.

Masaki Ishigaki Student of the Toyota East Japan Technical Skills Academy inaugural class.

Developing People

From a student from the inaugural class who had spent a year at the Specialized Skills Department of the Toyota Technical Skills Academy in Aichi Prefecture before the opening of the Toyota East Japan Technical Skills Academy.

Meeting the needs of customers in Tohoku to grow into the future leaders of the 21st century.

The Academy opens its doors to classes on monozukuri to people working at local companies in Tohoku in the future. The Academy offers 8-week seminars designed especially for them.

Developing the Region

Social Contribution

Toyota Group’s Social Contribution Initiatives Receive the 2012 Mécénat Award for Supporting Hearts

Toyota received the 2012 Mécénat Award for Supporting Hearts from the Association for Corporate Support of the Arts, Japan for the restoration efforts it carried out under its Kekore Hakebu Project* (recovery and revitalization support activities through art and cultural events). This award in the Mécénat Grand Prize category recognized Toyota’s continuous and long-term recovery and revitalization support activities with “kokoro” (heart)!

Toyota has been involved in the Kokore Hakebu Project, which was launched in June 2011, and the efforts to support the Tohoku region in various ways.

Majer activities:
- Activities relating to culture and arts
- Activities relating to the Kokore Hakebu Project, in which volunteers create songs with elementary school students in Minamisanriku-cho and sang them at memorial ceremonies
- Concerts by Toyota Motor Papers, Music & Sounds and Musica
- Toyota Community Concerts and visiting concerts in disaster-stricken areas by amateur groups
- Financial donations to the City of Ofunato, the Shingakuen Association, the Toyoda House, the Great East Japan Earthquake Recovery Project (F-Grid), etc.:
- Relics supplies
- Monetary donations, contribution, etc.

* The general name for the disaster area support activities. Toyota launched in June 2011, based on the idea of bringing more than temporary applications of human resources and material resources to the recovery effort.

For further information on Toyota’s social contribution activities, please see pp 52-55.

Toyota East Japan Technical Skills Academy

Toyota’s commitment to supporting the region of Tohoku is evident in its ‘Enriching Lives of Communities’ Initiative. The F-Grid project, which began in 2011, aims to create a self-sufficient energy system to support communities in disaster-prone areas.

F-Grid Showing the Way to Create Next-generation Monozukuri and Regional Development

Toyota East Japan Technical Skills Academy

Enriching Lives of Communities Initiative

Toyota’s commitment to supporting the region of Tohoku is evident in its ‘Enriching Lives of Communities’ Initiative. The F-Grid project, which began in 2011, aims to create a self-sufficient energy system to support communities in disaster-prone areas.

F-Grid Showing the Way to Create Next-generation Monozukuri and Regional Development

Toyota East Japan Technical Skills Academy

Enriching Lives of Communities Initiative

Toyota’s commitment to supporting the region of Tohoku is evident in its ‘Enriching Lives of Communities’ Initiative. The F-Grid project, which began in 2011, aims to create a self-sufficient energy system to support communities in disaster-prone areas.

F-Grid Showing the Way to Create Next-generation Monozukuri and Regional Development

Toyota East Japan Technical Skills Academy

Enriching Lives of Communities Initiative

Toyota’s commitment to supporting the region of Tohoku is evident in its ‘Enriching Lives of Communities’ Initiative. The F-Grid project, which began in 2011, aims to create a self-sufficient energy system to support communities in disaster-prone areas.
Environmental Initiatives

Environmental Philosophy, Policies and the Toyota Environmental Action Plan

The Fifth Toyota Environmental Action Plan (FY2011-FY2015)

The Fifth Toyota Environmental Action Plan sets the future direction of Toyota's environmental activities, outlines the company's ideal form and defines the action plan and goals for the five-year period starting in FY2011. In developing the new plan, Toyota streamlined actions from two points of view: environmental risks and business opportunities (such as penetration of eco-cars) in corporate operations and environmental initiatives expected of a company toward the decade 2020 between 2030. The company positioned these issues under the three priority themes of: [1] contribution to a low-carbon society, [2] contribution to a recycling-based society and [3] environmental protection and contribution to a harmony with nature society. Embracing these themes, Toyota will contribute to the sustainable development of society and the world through monozukuri (manufacturing), kurumazukuri (car-making), and products and services that are in harmony with the global environment.

Toyota’s philosophy and policies on the environment are based on the Guiding Principles at Toyota, which were established in 1992 and revised in 1997. Policies for environmental initiatives were formulated as the Toyota Earth Charter in 1992 and then revised in 2000. This Charter is shared among 562 Toyota consolidated affiliates around the world. The Toyota Global Vision announced in 2011 stresses the importance of “respect for the planet.” Based on the above philosophy and policies, Toyota will aim to realize a 25 percent improvement in global average fuel efficiency by FY2015, compared to FY2005, as well as launch new and fully redesigned hybrid motor vehicle models in 21 vehicle series by the end of the FY2015. Toyota will also concurrently proceed with the development of a wide range of technologies, including plug-in hybrids (PHVs), electric vehicles (EVs) and fuel cell vehicles (FCVs), so that customers can choose the type of eco-car best suited to their applications.

Implementation Structure

The "Environmental Product Design Assessment Committee," "Production Environment Committee," and the "Resource Recycling Committee" were established under the Toyota Environment Committee, which is chaired by the president, to investigate issues and develop response policies in their respective areas of responsibility. Each committee collaborates with all relevant divisions to promote company-wide action.

Promotion of Global Environmental Management

As Toyota’s business expands on a global scale, a consolidated environmental management system (consolidated EMS) was introduced to promote environmental action in concert with consolidated subsidiaries. Toyota presents its environmental policies and guidelines to all companies subject to consolidated EMS, and requests that all companies adopt and implement five-year environmental action plans, create environmental management systems and undertake environmental activities at the highest levels in each country or region. Toyota also supports environmental management by affiliates through the sharing of best practices and exchanges of information to mutually strengthen relationships.

Social Contribution Activities

Toyota Environmental Activities Grant Program: Environmental Conservation Activities in Kenya

The Toyota Environmental Activities Grant Program assisted the NPO Commuting Road Empowerment with the Cherangani Hills Brassossetto Reforestation Project to help local farmers restore the forest in the Cherangani Hills, one of the five most important water sources in Kenya. This project trains groups of farmers in the western Kenyan hills in tree seeding production in order to restore a natural forest that is a critical water source. The project also helps local farmers learn a terracing technique that uses Do-nou technology (Japanese term for terracing, making it possible to prevent farmland destruction and topslope erosion while enabling farmers to carry out stable farming in harmony with the environment.

Roads that used to turn muddy during the rainy season were repaired with Do-nou technology, ensuring year-round passage and allowing farmers to stably carry their harvest and seedlings to market. Encouraged by this project, farmers who used to grow tree seedlings on only a small scale got together to form groups, expanding their organizations. In the future, a system capable of stably selling 100,000 seedlings a year will be built, with the goal of achieving independent organizational management. Commuting Road Empowerment also plans to initiate other activities, such as reducing environmental impact on the mountain range by helping local farmers become self-sufficient in terms of firewood and livestock feed, and preserving the water catchment area by planting trees.

Assistance Provided to Date

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Assistance Provided to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>77</td>
</tr>
<tr>
<td>Europe</td>
<td>22</td>
</tr>
<tr>
<td>Asia (excluding Japan)</td>
<td>19</td>
</tr>
<tr>
<td>Japan</td>
<td>19</td>
</tr>
<tr>
<td>Other</td>
<td>22</td>
</tr>
<tr>
<td>Total</td>
<td>233</td>
</tr>
</tbody>
</table>
Contribution to a Low-carbon Society

As both global energy consumption and CO₂ emissions, one of the causes of global warming, continue to increase, there is an increasing level of concern about climate change and the serious impact on human living environments and on ecosystems. Toyota positions taking action to reduce further global warming as a top priority management issue, and is working to reduce CO₂ emissions by decreasing energy consumption at all stages of the vehicle lifecycle, including development, design, production, logistics, and sales, as well as in all of Toyota’s business areas.

Toyota’s Basic stance Regarding Issues Related to Energy, Climate Change and Global Warming

- Development of next-generation vehicle technologies focusing on CO₂ efficiency improvements, and hybrid and plug-in hybrid vehicles
- Development of fuel efficiency technologies
- Development of lightweight technologies and structural design
- Development of environmental technologies, and the implementation of activities for reducing environmental load
- Continuous improvement of energy efficiency
- Utilization of renewable energies considering the characteristics of each country and region
- Improvement of transportation efficiency
- Minimization of CO₂ emissions from sources other than energy use

Promote CO₂ reduction activities by further improving transport efficiency

Conform to the Energy Savings Act and reduce per unit production energy at the annual rate of 70%

Note: The mission set forth in this report is based on the Environmental Action Plan (CO₂ Emission Reduction), which was established by the Ministry of Economy, Trade and Industry and the Ministry of Land, Infrastructure, Transport and Tourism, etc.

CO₂ Emissions Reduction Initiatives in the Painting Process

- CO₂ emissions from the painting process account for approximately 20 percent of the total CO₂ emissions from Toyota’s vehicle production processes. Since the painting process was a large volume of steam, that causes significant air supply loss, Toyotahas been taking steps toward achieving a steam-less line. In 2011, the Painting Shop No. 1 at the Tahara Plant was designated a model steam-less line. In 2011, the Painting Shop No. 1 at the Tahara Plant was designated a model steam-less line. In 2011, the Painting Shop No. 1 at the Tahara Plant was designated a model steam-less line. (FY2011) The Corporate Value Chain (Scope 3) Standard is a new standard established to encourage corporations to account for and disclose greenhouse gas emission volumes not only from their supply chain (manufacturing, transportation, business travel, employee commuting, etc.), but also both direct and indirect emissions from all corporate activities including the value chain. So far, Toyota has assessed emissions from Category 6 (Business Travel) and Category 9 (Downstream Transportation and Distribution), and is considering increasing the number of categories.

Focus

CO₂ Emissions Reduction Initiatives in the Painting Process

- CO₂ emissions from the painting process account for approximately 20 percent of the total CO₂ emissions from Toyota’s vehicle production processes. Since the painting process was a large volume of steam, that causes significant air supply loss, Toyotahas been taking steps toward achieving a steam-less line. In 2011, the Painting Shop No. 1 at the Tahara Plant was designated a model steam-less line. In 2011, the Painting Shop No. 1 at the Tahara Plant was designated a model steam-less line. In 2011, the Painting Shop No. 1 at the Tahara Plant was designated a model steam-less line. (FY2011)
The use of heavy machinery for dismantling to remove parts such as wiring harnesses introduces a new dimension to vehicle dismantlability even further. Through this initiative, Toyota aims to improve dismantlability at the new design stage. By introducing heavy machinery for dismantling to its development stage, Toyota became the first automaker to introduce heavy machinery for dismantling, which had come into wide use for recycling end-of-life vehicles more than 40 years ago, and promoting activities to utilize resources efficiently and reduce water usage by modifying spray nozzles and optimizing process cleaning frequency. These improvements enabled Toyota to reduce its water usage per vehicle within the painting process by at least 35 percent.

Contribution to a Recycling-based Society

Promoting New Businesses that Contribute to Environmental Improvement

Toyota teamed up with Suntory Midorie Ltd., which develops and sells new alternative materials to soil, to establish Toyota Suntory Midorie Ltd. in China. The joint venture will sell jointly developed products. In addition to rooftop greening, Toyota Roof Garden also conducts wall greening and businesses that utilize green parking systems, with the goal of easing the urban heat-island effect. The company also produces and sells easy-care shrubbery, Zuyasa Grass (YM), and other new types of grasses developed by Toyota.

*Data for FY2011 was revised due to the addition of companies to the scope of calculation.
Since Toyota debuted the Prius 16 years ago, it has built its own recovery network to collect end-of-life hybrid vehicle (HV) batteries to be recycled. To date, Toyota has collected 30,000 end-of-life HV batteries and recycled all of them.

HV batteries contain precious resources such as nickel, cobalt, and rare earth elements. Toyota has developed and adopted the world’s first technologies to enable these precious resources to be reused in new batteries. It is expected that tens of thousands of end-of-life HV batteries will be generated by the middle of the 2020s. Toyota has also developed the world’s first technologies for reusing or recycling HV batteries. The batteries are reused as replacement batteries or as stationary batteries in photovoltaic power generation systems. Toyota further plans to promote the skillful reuse of batteries from end-of-life vehicles as part of measures to utilize renewable energy in an environmentally considerate manner.

When even these reused batteries finally reach the end of their use cycle, their metal parts are recycled into new batteries again.

Toyota is always thinking about the importance of effectively using limited resources and is expanding its initiatives to Europe, the U.S. and other countries.

Since 1997, 30,000 End-of-life HV Batteries Collected in Japan, All of Which Were Recycled

Building Toyota’s Unique Collection Network

Collection and Recycling in Other Countries Where Hybrid Vehicles are Sold

Reusing HV batteries as replacement Prius batteries

- Original charging/discharging device developed
- Replacing end-of-life cells and reusing batteries as replacement batteries

Reusing HV batteries in storage battery systems used to reduce peak electricity demand

- Batteries are tested using an original measuring instrument. Only those passing the test are built into a storage battery system that is then connected to an energy management system and used to reduce peak electricity demand at Toyota dealers.
- During an emergency, electricity can be supplied from the storage battery system to an electrical outlet or to specific devices.

Recycling of rare metals and rare earth elements

- Through an original recycling method, batteries that cannot be reused and end-of-life batteries that have already been reused are reduced to metals, which are then recycled as resources for producing new batteries.

TOPICS

Promoting Reuse and Recycling to Make Effective Use of the Earth’s Limited Resources for the Future
Environmental Protection and Contribution to a Harmony with Nature Society

In order to pass the beautiful Earth to future generations, Toyota is implementing various environmental protection measures, such as measures to reduce exhaust gas emissions and manage the usage of chemical substances. It is said that approximately 100,000 types of chemical substances are currently being manufactured and sold in the world. Recently, the concept that each corporation must assess the danger of each chemical substance it uses and use it under appropriate control has become mainstream.

Each corporation is required to identify the chemical substances it uses and the risks involved, take actions appropriate to the evaluation results and assessed risk, and provide pertinent information to the government and society. Toyota continues to reduce the release of chemical substances covered by the PRTR Law from its plants. Additionally, in cooperation with its supply chain, Toyota is working to reduce the amount of substances of concern (SDCs) contained in its products. Toyota is also aware of the critical need for nature and biodiversity conservation, and is engaged in contributing to a society in harmony with nature through its automotive business and social contribution activities.

### Development and Design

**Vehicles that Meet Japanese LEV Emission Standards**

In FY2012, almost 100% of Toyota vehicles produced were certified as meeting the Ultra-Low Emission Vehicle (UL-LEV) or higher standards by the Japanese Ministry of Land, Infrastructure, Transport and Tourism.

**Percentage of Total Production in FY2012 that Qualifies as LEVs Based on 2009 Exhaust Emissions Standards**

<table>
<thead>
<tr>
<th>Classification Reduction level</th>
<th>Percentage of total production</th>
</tr>
</thead>
<tbody>
<tr>
<td>75% lower than standard levels for 2005</td>
<td>97.4% (FY2012)</td>
</tr>
<tr>
<td>80% lower than standard levels for 2005</td>
<td>99.5% (FY2012)</td>
</tr>
<tr>
<td>90% lower than standard levels for 2005</td>
<td>99.5% (FY2012)</td>
</tr>
<tr>
<td>95% lower than standard levels for 2005</td>
<td>100% (FY2012)</td>
</tr>
</tbody>
</table>

### Ensuring Compliance with REACH and Other Global Regulations on Chemical Substances

Since the turn of the century, regulations on chemical substances have been getting tighter all over the world, like the EU ELV Directive and REACH regulation. These regulations require corporations to collect information on the chemical substance content of their products and manage their supply chains. In response to these chemical regulations, Toyota has built a chemical substance management framework in cooperation with its suppliers. In FY2012, Toyota propagated this framework globally through revision of the Toyota Green Purchasing Guidelines at its regional companies (in Europe, North America, South America, Asia, China, and South Africa, etc.) and supplier meetings.

### Production and Logistics

**VOC Emissions from Paint Reduced to an Average of 20 g/m² in Body Painting Processes**

Since the previous year, Toyota continued efforts to limit use of solvents in washing processes and recapture a larger percentage of waterborne cleaning solvent. As a result of these VOC reduction activities, total VOC emissions from Toyota body paint lines averaged 20 g/m² in FY2012.

**VOC Emissions Volume in TMC Vehicle Body Painting Processes (Average for All Lines)**

<table>
<thead>
<tr>
<th>Emissions per unit of painted area (g/m²)</th>
<th>100</th>
</tr>
</thead>
<tbody>
<tr>
<td>50</td>
<td></td>
</tr>
<tr>
<td>30</td>
<td></td>
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<tr>
<td>20</td>
<td></td>
</tr>
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<td>10</td>
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<tr>
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</tr>
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</tr>
<tr>
<td>0.1</td>
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<tr>
<td>0.05</td>
<td></td>
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<tr>
<td>0.01</td>
<td></td>
</tr>
<tr>
<td>0.005</td>
<td></td>
</tr>
</tbody>
</table>

### Community and Society-based Forestry Initiatives

**Forests serve to fix CO₂ and provide wood, which is renewable resource, function as biodiversity conservation and soil and water conservation. Toyota conducts its forestry efforts as social contribution activities and as businesses because we believe forests not only contribute to the establishment of a low-carbon society, a recycling-based society and a society in harmony with nature, but are also an essential foundation for communities and society.**

When we formulated the Forest of Toyota project in 1992, we started by confronting the issues facing forests today. We continue to expand various initiatives aimed at sustainable forestry activities, through "human resources development and partnership with communities" and "establishing a society that maintains harmony with forests."

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*Japanese term applied to the interface between cities and nature that have been utilized by people

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*Voluntary Organic Compounds

### Social Contribution Activities

**Forest of Toyota Providing Opportunities to Learn about the Environment through Satoyama Restoration**

Toyota is restoring a company-owned forest in Toyota City to the satoyama ecosystem that once played an important role in people's lives, utilizing it as a field for hands-on nature programs.

The Forest of Toyota was opened to the public in 1997. Various programs are held there, including fun events in the forest designed for families. A hands-on nature program for local elementary school students that started in 2001 now hosts approximately 7,000 school children each year.

Because of these activities, the Forest of Toyota was recognized in 2011 as Superative Stage, the highest rating for a corporate forest given by the Social and Environmental Green Evaluation System (SEGES) of the Organization for Landscapes and Urban Green Infrastructure.

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*Satoyama

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*Japanese term applied to the interface between cities and nature that have been utilized by people

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*Voluntary Organic Compounds
Creating the Future Society

Helping Create the Future Mobility Society and Enriched Lifestyles

To help realize the mobility society of the future in a broader sense, Toyota is working on a wide variety of initiatives, including some outside the automobile field. Through collaboration with governments, local communities, corporations, and academic circles, Toyota is helping realize a sustainable society where everyone is happy. These efforts take the form of initiatives such as building environmentally considerate communities where people can connect with each other more freely and developing robots that support enriched lifestyles.

Smart Mobility Society Envisioned by Toyota

Toyota is aiming to help accelerate the realization of a future smart mobility society, i.e., a society where everyone feels secure and happy in all aspects of their lives from car transport to everyday life. Through initiatives in the four major areas of telematics, ITS, urban traffic, and energy management, Toyota is committed to enriching the lives of communities, as stated in the Toyota Global Vision.

Enriching Lives of Communities

SAFETY

Creating enriched and comfortable car utilization experiences for customers by providing a range of services that address various driving situations.

COMFORT

Optimizing energy use for the entire society and realizing stress-free and environmentally considerate living with a high quality of life.

ECOLOGY

Creating a stress-free traffic environment where everyone can move around smoothly, exactly as they wish.

CONVENIENCE

Services that constitute a smart mobility society

1. Vehicle Data Management System
2. Traffic Data Management System
3. Energy Data Management System

Toyota City Low-Carbon Verification Project

Smart Melit (Smart Mobility & Energy Life in Toyota City)

As part of efforts to create a smart mobility society, Toyota City, Toyota, and other private corporations began in 2010 to work together on initiatives related to the creation of a low-carbon society and alternative energy sources. In this project, Toyota is incorporating the Traffic Data Management System (TDMS) from the traffic field into the Energy Data Management System (EDMS) in the energy field to optimize energy usage in living spaces at the community level, including homes, traffic, and regions.

EDMS monitors the Home Energy Management System (HEMS) installed in individual homes to project the amount of power generated from renewable energy sources. Energy Data Management System (EDMS) monitors the Home Energy Management System (HEMS) installed in individual homes to project the amount of power generated from renewable energy sources.

Toyota City, under operation with 10 EVs and 100 members. The plan is to expand to full-scale testing with 20 vehicles stations, 100 EVs, and 1,000 members by October 2013.

Next-generation Traffic Network System Linked by Ha:mo that Will Make Transportation More People- and Community-Friendly

Ha:mo (Harmonious Mobility Network) is a new urban transport support system for which verification testing began in October 2012 as part of the Smart Mobility & Energy Life in Toyota City Project. Ha:mo aims to reduce CO2 emissions and achieve comfortable mobility by optimally and efficiently combining private car and public transportation. The current verification testing involves two services: Ha:mo NAVI, an information system that supports seamless mobility, and Ha:mo RIDE, a car-sharing system that uses ultra-compact electric vehicles for urban short-distance transport (the “last mile”). Ha:mo RIDE, which has five vehicle stations in Toyota City, began operation with 10 EVs and 100 members. The plan is to expand to full-scale testing with 20 vehicle stations, 100 EVs, and 1,000 members by October 2013.

Toyota Dream Car Art Contest 2012 (6th) Toyota Dream Car Art Contest World Contest Winner (Gold Prize, Under 10 years)
New Lifestyle - Partner Robots

Toyota’s Basic Philosophy

Since Toyota’s founding, its corporate philosophy has been to “contribute to the world and to people by enriching society through monozukuri (manufacturing).” Based on this spirit, Toyota has been working to develop human-assisting partner robots to help enrich people’s lives.

The company’s goal is to build robots that embody “gentleness” and “intelligence” and will be able to assist with human activities in a wide range of applications, including nursing/healthcare, welfare, mobility support, and housework support. In this way, Toyota is contributing to help create a more sustainable society and universal access to a rich lifestyle.

Toyota is working with various partners in its efforts to develop and field test partner robots. Merging car, IT, and state-of-the-art technologies from other fields, Toyota aims to commercialize partner robots as early as possible within this decade.

Daily Life-assistance Robot that Helps the Disabled Live More Independently at Home

In September 2012, as a new addition to the Partner Robot family, Toyota announced a human support robot (HSR) prototype that will assist people with limited arm or leg mobility to live more independently at home. The HSR—operable by a tablet PC—can perform various household tasks such as picking up an object off the floor and handing it to the person, retrieving an object from a high location, and opening curtains.

In the process of developing the HSR, Toyota conducted in-home trials of the robot on individuals with limb disabilities and incorporated their feedback into the robot’s design. In the future, Toyota plans to make it possible even to watch over and care for the elderly remotely by using network and communication functions, thus allowing people to stay connected to the outside world and to society via robots.

Three Key Development Concepts

Compact and lightweight
Offers compact size that works well at homes and octave of use

Simple operation
Easy to use for everyone

Safety and confidence
Ensuring safe design that allows people to live in harmony with robots

Defining the Future Mobility Society through WBCSD

The World Business Council for Sustainable Development (WBCSD), headquartered in Geneva, is made up of approximately 200 member companies from a wide range of industries all over the world. It carries out surveys and offers advice based on the three pillars of economic growth, environmental protection and social development in its aim of sustainable development. Following its founding in 1990 with the Rio de Janeiro Earth Summit of 1992, the WBCSD has devised an environmental management system (ISO 14001) and the concept of Eco-efficiency, and is considered to be a leading business advocate on sustainable development. As a member since the establishment of the organization, Toyota has taken part in a variety of projects such as the Sustainable Mobility Project.

Toyota participates in the Urban Infrastructure Initiative [UII], launched in January 2010, as one of 15 member companies. The goal of this project is informing cities’ sustainability visions into practical and inter-disciplinary strategies by encouraging them to engage in talks with individual companies and draw on their expertise. So far, the UII has held talks with 10 cities worldwide, including Turku (Finland), Philadelphia (U.S.), and Kobe (Japan).

Working with Wide Variety of Stakeholders to Define Future Mobility as Part of the Social System under WBCSD

The world is changing drastically, as exemplified by population growth, economic advance particularly in emerging nations, the aging of the global population, and the manifestation of environmental issues and resource limitations. As a result, the ideal future mobility society is also about to undergo significant changes.

When considering the mobility society of the future, it is important to begin with the concept of “market orientation.”

Starting and Leading a Project to Define the Ideal Future Mobility Society

In 2012, Toyota began leading dialogues with other WBCSD member companies about how to globally define the ideal future mobility society. In response, the WBCSD decided to implement its Sustainable Mobility Project 2.0 (SMP 2.0) in 2013 to define the ideal future mobility society, envisioning its realization in the year 2050.

In addition to automotive companies from Japan, Europe, and the U.S., companies involved in railroads, logistics, petroleum, information systems, road management and automotive parts have expressed their intention to participate in SMP 2.0. Furthermore, internationally distinguished scholars and experts are being added as advisors to contribute objectivity to the study, and experts from cities around the world have also been invited to participate. As a co-chairing company, Toyota will lead the three-year SMP 2.0 project.

SMP 2.0 Timeline

Focus Toward a Future When Robots Will Live with People Everywhere, All the Time

In order to create a future in which humans, robots, cars, homes, and cities are interlinked as well as a new relationship between humans and robots, Toyota has been participating in the Kibo (Kōbo) Robot Project. Through this project, a communication robot called “Kirobo” was jointly developed that links hope for the future to the present and hope for the earth to the universe. Kirobo is equipped with a speech engine, a recognition engine, a conversation engine, and an intelligence engine, all developed by Toyota, which together endow it with “gentleness” (heart) and “intelligence” (brain), as well as the ability to communicate with people.

Kirobo will be stationed at the International Space Station (ISS) beginning in summer 2013, where its autonomous and remote control functions will be employed to converse with the astronauts and support their activities. Through joint development and joint verification of the Kibo Robot Project, Toyota hopes to improve the conversational ability and intelligence level of robots, evolving them into partner robots that will support people everywhere, at all times.
Collaboration with Business Partners

Toyota’s Basic Philosophy Regarding Business Partners

In order to contribute to society through automobile manufacturing and monozukuri (manufacturing) and put into practice the principle of “Customer First,” it is necessary to implement various activities in a spirit of cooperation and share principles with our business partners. In addition to pursuing open and fair business activities, Toyota has, for many years now, been engaged in CSR and other related activities. In order to further raise customer satisfaction levels, Toyota is committed to improving quality in terms of safety and customer confidence through increased cooperation with suppliers, dealers and other business partners.

Collaboration with Suppliers

Since its establishment, Toyota has sought to work closely with its suppliers in its manufacturing activities. In good times and bad, Toyota and its suppliers have faced the same issues together and Toyota has built strong and close relationships with them based on the need for mutual support and a harmonious society. With the recent globalization of business activities, Toyota will cherish these ties—including those with new partners—and together will promote the Customer First policy.

Toyota’s Basic Purchasing Policies

Toyota believes that the most important task in purchasing is the creation of relationships in which Toyota and suppliers do business on an equal footing based on mutual respect, thus building firm bonds of trust and promoting mutual growth and development. It is also important to contribute to the sustainable development of society and the sustainability of the earth by working with suppliers in various countries and regions to ensure legal compliance and respect for human rights, and to carry out initiatives that take local communities and the regional environment into consideration.

Toyota’s global purchasing activities based on close cooperation revolve around the following three policies making up the Basic Purchasing Policies.

1. Fair competition based on an open-door policy
2. Mutual benefit based on mutual trust
3. Contribution to local economic vitality through localization: good corporate citizenship

Implementation of Policies

Revision of the Toyota Supplier CSR Guidelines

To clarify the expectations of its suppliers, Toyota issued the Toyota Supplier CSR Guidelines in February 2009. Toyota suppliers are asked to implement their own independent CSR activities based on the Toyota Supplier CSR Guidelines, and in turn expand their individual CSR policies and guidelines to their own suppliers. Furthermore, in December 2012, Toyota revised the guidelines to clearly indicate to companies in its supply chain its principles regarding human rights issues (strengthening of monitoring and corrective actions, and approaches towards Conflict Minerals). Toyota also held suppliers’ briefing meetings to ask suppliers to enhance and strengthen the global scale CSR initiatives society expects of them.

Support for Supplier Activities

Toyota holds CSR Study Meetings to support the CSR activities of suppliers. In FY2012, study meetings targeting around 340 Japanese suppliers were held based on the themes of compliance (management of confidential information, competition laws, and anti-corruption) and human rights/labor (respect for human rights, labor management). At the global level, Toyota also participated in CSR education activities targeted at suppliers belonging to the Automotive Industry Action Group (AIAG)* in an effort to propagate CSR promotion activities to suppliers inside and outside the U.S.

* Cooperation which keeps down the cost ofinsk in the U.S. automobile industry

Suppliers’ CSR Activities

Toyota suppliers also voluntarily engage in various activities to promote CSR and Toyota’s supplier associations, Kyohokai and Eihokai, jointly hold the CSR Lecture every year. In an effort to improve the awareness level among member companies about the importance of CSR in management, Chief Executive Hire Motoki of E-Square Inc. was featured as a guest speaker in July 2012 and lectured on “Implementing CSR Management in a Global Society.”

Furthermore, continuing from last year the Kyohokai and Eihokai took part in the Make a CHANCE Day event as part of their CSR activities. Volunteer activities were held to collect goods for people living in the areas struck by the Great East Japan Earthquake. All items collected were donated to the disaster-stricken Iwate Prefecture.

Approaches towards Conflict Minerals Issue

Based on the Toyota's Policies and Approaches towards Conflict Minerals*, Toyota strives for raw material procurement and usage that are free from conflict minerals, which can involve the infringement of human rights.

In 2011, Toyota established the Conflict Minerals Task Force consisting of representatives from relevant departments within the company to begin considering the actions to be taken regarding conflict minerals. Toyota has also participated in the AIAG’s working group on conflict minerals and promoted the consideration of unified action to be jointly taken by the automobile industry. In addition, Toyota has worked with other Japanese automobile manufacturers and the Japan Auto Parts Industries Association (JAPIA) to establish an investigation method that will effectively and efficiently assess the usage status of conflict minerals and which also takes impact on suppliers into consideration. The automotive industry as a whole agreed to adopt the Electronics Industry Citizenship Coalition’s Global e-Sustainability Initiative (EICC-GsSI) Conflict Minerals Reporting Template standardized by the electronic industry.

In 2012, Toyota revised the Toyota Supplier CSR Guidelines, asking companies in its supply chain to engage in responsible material procurement. Furthermore, Toyota conducted a survey of suppliers who are JAPIA members and asked them to identify their smelters. Since then, Toyota has also been taking initiatives that cut across industry boundaries, for example, by providing seminar tools and support for seminars co-sponsored by JAPIA/Japan Electronics and Information Technology Industries Association (JETIA).

Toyota, on a global scale, plans to have its overseas subsidiaries explain the issue to their suppliers to seek their understanding and conduct surveys in the same way as in Japan. The surveys will be carried out in all of Toyota’s business areas, including its automotive, marine, and housing businesses. Toyota will report the survey results to the U.S. Securities and Exchange Commission in May 2014 and will also post them on Toyota’s website.

For further information on Toyota’s Policies and Approaches towards Conflict Minerals, please see p. 37.
Collaboration with Business Partners
Enriching Lives of Communities

Relations with Dealers in Japan
Within Japan, Toyota has concluded contracts directly with approximately 280 dealers who operate around 5,600 sales outlets including used car outlets. Based on the policy of “Customer First, Dealer Second, Manufacturer Third,” Toyota believes that dealer success, which ultimately leads to Toyota’s growth, can be achieved if Toyota supports and collaborates with dealers to meet customers’ expectations and raise their level of satisfaction.

Japanese Dealers’ CSR Activities
The Toyota National Dealers’ Advisory Council (TNDAC) issued the TNDAC CSR Guidelines in 2005 to promote unified CSR activities involving all Toyota Japanese dealers. In FY2012, the CSR Lecture, offered annually since 2006, was held in October with the theme, “CSR Activities of Toyota Japanese Dealers from the Perspective of Compliance.” Over the two-day period, the lectures were attended by 408 representatives from dealers all over Japan. Comments from participants included, “The lecture reminded me of the importance of approaching issues from the customer’s perspective.”

All dealers are promoting CSR activities under the three pillars of Compliance, Environment, and Social Contribution and are consistently going through the Plan-Do-Check-Act cycle with self-auditing. Toyota is sharing know-how to support the CSR activities of dealers by cooperating in activities such as revising and upgrading the self-auditing tool (the CSR Checklist) and making improvements to the system for collecting results to be audited.

In FY2012, all 90 items on the checklist were revised and improved with the aim of strengthening compliance related activities.

Aqua Social FES to Promote Protection of Local Environments
As part of its Aqua branding campaign, Toyota is running the Aqua Social FES (ASF) nationwide to motivate the general public to participate in this regional environment protection and conservation initiative named after the vehicle and focused on water (aqua). The event was held 131 times in 50 locations throughout Japan last year and 11,533 people participated, mostly young people, in activities involving all Toyota dealers. In FY2013, the CSR Lecture, held in October with the theme, “CSR Activities of Toyota Japanese Dealers from the Perspective of Compliance,” was attended by 408 representatives from dealers throughout Japan.

Welcab Station Where Customers Can Test Drive and Seek Advice Regarding Purchasing a Welcab
A Welcab Station is a dealer’s sales outlet where customers can experience Toyota’s assisted-mobility cars, the Welcab series. Both demonstration models and Welcabs for test drive are always available and consultants possessing specialized knowledge are always on duty. These outlets are barrier-free and equipped with wheelchair-accessible bathrooms and parking spaces for assisted-mobility vehicles, meaning everyone can visit with peace of mind. Welcab Station consultants can assist in choosing the right vehicle for the elderly, people with physical disabilities, and those with difficulty getting in and out of cars. As of the end of March 2013, there were 204 Welcab Station sales outlets operated by 119 dealers.

Welcabs, which are rarely displayed in normal dealer outlets, are always on display. Customers can try getting into a Welcab while seated in their wheelchairs to check ease of use.

Relations with Overseas Dealers and Distributors
Toyota’s approximately 170 distributors and 8,700 dealers located overseas serve as key partners in highlighting the attractiveness of Toyota vehicles to customers. They also engage in a variety of activities to advertise the value of products and cars to customers.

Overseas Initiatives
15% CO2 Emissions Reduction Achieved across UK Dealer Network in 2012
In 2012, Toyota’s dealer network across the UK achieved a 15% reduction in CO2 emissions. More than 3,700 tons of CO2 emissions are being reduced each year, equivalent to the emissions from 22.2 million kilometers driven in an average car.

Following a pilot scheme in 2009 that revealed substantial energy savings could be made without the need for heavy capital investment, all Toyota and Lexus Centers initiated measures towards realizing a 20% reduction in CO2 emissions by the end of 2014. In order to oversee the progress of these activities, all premises were equipped with energy monitoring devices by the end of 2011. Initiatives include a range of practical measures that are simple and in many cases cost-free to implement, such as adjustment of heating and air conditioning systems to match building occupancy hours. Some Centers have also made individual investment in low-energy equipment, such as LED lighting.

LED lights in Toyota JEMCA Edinburgh showroom
From the Manager, Corporate Social Responsibility and Environmental Affairs
Our commitment to environmental responsibility is not confined to building efficient and cost-effective solutions. It extends to all areas of our business operations, not least our network of Toyota and Lexus Centers.
Thomas Roselle
Creating Thriving Communities

Toyota’s Basic Philosophy Regarding Social Contribution Activities

Aiming for the enrichment of society and sustainable development, Toyota joins forces with a broad range of individuals and organizations to make effective use of resources while engaging in social contribution activities that focus on “the environment,” “traffic safety,” and “education,” to resolve social issues.

Environment

Toyota adds environmental and social contribution elements to its global activities by promoting activities centered on satoyama (a Japanese term applied to the interface between cities and nature that have been utilized by people) and forest management in the farming and mountain villages in Toyota City. The core of this initiative is the Toyomori Institute of Sustainable Living. In May 2019, the project’s first group of 30 participants was selected from public applicants and given the goal of developing business plans that would connect cities and rural communities. The participants learned together over a period of about two years through once-a-month classroom instruction and fieldwork in the mountain villages. The 26 participants of the second phase were selected from public applicants in April 2011 and completed their activities, which spanned two years and were centered on the Asahi District of Toyota City. The third phase will last from June 2013 through March 2016, with its Asahi District again the main field of activities, and will focus on developing human resources who can create new, community-based ways of living.

Initiatives in Japan

“Toyomori” Project—Connecting People to Forests Developing Human Resources that Will Take Root and Thrive in Local Communities

Toyomori, which focuses on human resource development. The project aims to foster people who can—utilizing local natural resources—create new businesses and livelihoods that will touch the lives of people living in the farming and mountain villages in Toyota City. The core of this initiative is the Toyomori Institute of Sustainable Living. In May 2019, the project’s first group of 30 participants was selected from public applicants and given the goal of developing business plans that would connect cities and rural communities. The participants learned together over a period of about two years through once-a-month classroom instruction and fieldwork in the mountain villages. The 26 participants of the second phase were selected from public applicants in April 2011, and completed their activities, which spanned two years and were centered on the Asahi District of Toyota City. The third phase will last from June 2013 through March 2016, with its Asahi District again the main field of activities, and will focus on developing human resources who can create new, community-based ways of living.

Overseas Initiatives (Brazil)

Working with Local Communities and NGOs to Help Protect the Ecosystem, Including Highly Endangered Species such as the Manatee

The APA Costa dos Corais, which straddles Brazil’s northeastern states of Alagoas and Pernambuco and has a total length of 135 km, is the largest coastal ecosystem in Brazil and the second largest in the world. However, due to the absence of policies and rules that ensure sustainable utilization and protection of natural resources, the environment there had been severely degraded. In 2009, Toyota do Brasil established the Toyota do Brasil Foundation and in 2011 created the Toyota APA dos Corais Project in partnership with SOS Atlantic Forest—a local NGO—and Chico Mendes Institute for Biodiversity Conservation—a government agency—with the goal of protecting plants and animals in the region, such as coral reefs, mangroves, and the endangered manatee.

Overseas Initiatives (Thailand)

Road Safety Education Project that Sends Mascots to Elementary Schools Highly Praised by the Royal Government

Since 1998, Toyota Motor Thailand (TMT) has been carrying out the White Road Traffic Safety Campaign in collaboration with a local NGO in Thailand, the White Road Project in the hopes of making all roads in Thailand safe. The campaign opened two White Road Theme Parks, including one in Bangkok, to teach children about road safety. A total of more than 15 million children have already visited the parks. In 2015, TMT also started a traffic safety program called the Milky Way and the Gang featuring mascots that visit elementary schools throughout the country and distribute educational multimedia resources consisting of 10 animated episodes. In 2012, the year of its 50th anniversary, TMT established the goal of holding various events at a total of 50 locations in 2012 and 2013 to widely promote traffic safety.

Traffic Safety

As part of activities that aim to achieve zero casualties from traffic accidents, Toyota has continued promoting traffic safety education activities targeting a wide cross section of society, encompassing children to the elderly, since the 1940s.

Initiatives in Japan

Overseas Initiatives (Brazil)

Traffic Safety Campaign Held for 4th Year—Children Have Fun While Learning Traffic Rules

Every spring and autumn, Toyota carries out the Toyota Traffic Safety Campaign with the cooperation of Toyota dealers and other companies, which is timed to coincide with national traffic safety campaigns. During the campaign, traffic safety picture books and storytelling card sets are distributed under the campaign to children newly entering kindergarten and nursery schools nationwide. These educational materials help children learn how to cross streets correctly, while the picture books, that also have a part for parents, emphasize the advantages of using child restraint systems. These activities started in 1969 and have continued every year for more than 40 years. More than 128 million picture books and 3.3 million storytelling card sets have been published to date. Toyota also creates and donates a leaflet describing each year’s local themes. (The 2012 themes were “encouraging the use of reflective materials” and “turning vehicle headlights on earlier”).

Traffic safety picture books
Number donated in FY2012: approximately 2.44 million
Cumulative total donated to date: approximately 128.6 million
Traffic safety storytelling card sets
Number donated in FY2012: approximately 43,000
Cumulative total donated to date: approximately 1.37 million

Traffic Safety

“Toyomori” Project—Connecting People to Forests Developing Human Resources that Will Take Root and Thrive in Local Communities

Traffic safety storytelling card sets

Cumulative total donated to date: approximately 1.37 million

Rice planting in Toyomori White Road Theme Park

Cumulative total donated to date: approximately 1.37 million

White Road Theme Park

Traffic safety storytelling card sets

Cumulative total donated to date: approximately 1.37 million

White Road Theme Park

Traffic safety storytelling card sets

Cumulative total donated to date: approximately 1.37 million

White Road Theme Park
Initiatives in Japan

Workshop to Allow Children and Artists to Spend Creative Time Together

Toyota, Children Meet Artists (NPO), AIS Planning, and executive committees in each region have joined together to hold an educational program called the Toyota Children Meet Artists Program, which supports dancers and artists in visiting workshops held at schools. The program’s goal is to help foster abilities and sensitivities that will enable children to respect diverse ways of thinking by meeting and spending time with artists.

In FY2012, the Toyota Children Meet Artists Program held the “Workshop to Discover Sounds Heard in Daily Life” at the Children’s Center in Kanazawa. It also created short-term festival teams through its “Festival Just for Us” workshop at a school for children with disabilities in Kochi Prefecture, to encourage greater

Overseas Initiatives (United Kingdom)

Support for Science and Technology Education in the UK

Established in 2003 by Toyota Motor Manufacturing UK, the Toyota STEM Challenge is a national school-based competition aimed at 11-16-year-old Design & Technology, ICT and Science students. Developed in partnership with Rapid Electronics, a distributor of electronic components to schools, the Challenge invites students to design, build and race an environmentally friendly model vehicle made from recycled materials. The Challenge aims to encourage them to apply their knowledge and understanding from a wide range of curriculum subjects including Science, Technology, Engineering and Math. Designed to be fun and affordable, the Challenge reaches over 10,000 students each year, setting new, higher standards of excellence and innovation.

Other

In addition to the three aforementioned areas, Toyota is also taking various initiatives to address the societal needs of individual countries and regions. For example, in Japan, Toyota has added society and culture as an area for community contribution and is promoting programs that utilize the know-how and resources Toyota possesses in the maximum extent possible while also supporting employees’ volunteer activities.

Initiatives in Japan

Provisioning Quality Time to Enjoy World-class Music with Cooperation from the Vienna State Opera

In FY2012, seven concerts were held between April 3 and 11 in seven cities in Japan from Sapporo to Fukuoka featuring some 30 members of the world-famous Vienna Philharmonic Orchestra and Vienna State Opera who were brought together specifically for this event. The concerts were held with the aim of providing fans with an opportunity to enjoy first-rate music at affordable prices and to help nurture a richness of spirit through music.

Overseas Initiatives (The Philippines)

Working Together with NPOs and the Homeless to Build Houses

Toyota Motor Philippines (TMP), through its social and humanitarian arm, Toyota Motor Philippines Foundation (TMPF), recently partnered with the City Government of Santa Rosa and the Gawad Kalikin (OK) Community Development Foundation to begin a project that provides homes to the homeless.

In 2013, the plan is to build 160 housing units and a community meeting hall in an area measuring approximately 8,000 square meters. Eighty units have already been completed and preferentially allocated to qualified beneficiaries who are willing to render volunteer time to build houses. Before the hand-over of the housing units, TMP employees also volunteered to help with tasks such as painting of houses, further strengthening their bonds with the community.
Respect for Human Rights

The Guiding Principles at Toyota and the Toyota Code of Conduct (established in 1998; revised in 2006), which consolidates Toyota’s approach to putting these principles into practice, as well as the CSR Policy: Contribution towards Sustainable Development, which was drawn up in 2008, contain the concept of respecting and honoring the human rights and other rights of all the people involved in Toyota’s business.

Further, of the two pillars of the Toyota Way—“Continuous Improvement” and “Respect for People”—“Respect for People” refers to respect for all stakeholders as well as respect for the character and abilities of employees as individuals and for the organization as a whole by linking the personal growth of employees to company performance. Thus, putting the Toyota Way into practice means respecting human rights.

The Toyota Way is the moral foundation for sharing common values with all business units across the world. In addition, various measures are implemented so that employees can work with confidence, vigor, and enthusiasm. Efforts are also made to fully reflect and put into practice such concepts throughout Toyota’s global business activities, which includes subsidiaries and suppliers.

Toyota’s Basic Philosophy Regarding Human Rights

Toyota established in-house CSR Indices to confirm whether business is being executed in full accordance with the concept of respect for human rights, and follow-up is performed for the various functions each year. Toyota requests the implementation of voluntary inspection activities for consolidated compliance once a year at its subsidiaries in Japan, and once every two years at overseas subsidiaries. As a part of this initiative, starting in 2012, subsidiaries have been requested to propose and implement improvement measures addressing human rights and labor issues based on the result of the inspections. In 2012, requests to propose and implement improvement measures for subsidiaries were made to those subsidiaries where opportunities for improvement were identified from among Toyota’s 119 subsidiaries in Japan and 174 overseas subsidiaries.

For suppliers, Toyota established and distributed the Toyota Supplier CSR Guidelines in 2009, and closely states Toyota’s expectations of its suppliers and Toyota’s policy of respect for human rights. In addition, Toyota used to request each company to perform self-inspections based on the guidelines. Toyota revised the Toyota Supplier CSR Guidelines at the end of 2012, confirmed conditions using a table of questions that was newly incorporated as a part of its efforts to enhance human rights and labor-related initiatives, and is now making requests for improvements as necessary and following-up to confirm that improvements are made.

Toyota will continue to listen to the views of stakeholders and further undertake various types of measures to reflect these views in management.

System for Respecting Human Rights

Measures to Address Changes in Social Demands

Toyota is responding to changes in circumstances such as heightened social demands concerning human rights by continuously enhancing and reviewing its corporate initiatives. For example, in conjunction with the reinforcement of the due diligence concept and the introduction and revision of international norms based on this approach, a Human Rights and Labor CSR Countermeasures Working Group was established in 2011 to incorporate various functions including corporate planning, overseas external affairs, audit, legal affairs, accounting, and human resources with the aim of researching various international norms and investigating measures that Toyota should take. Based on the Group’s work, proposals to reinforce and review various CSR measures relating to human rights and labor were made to the CSR Committee, which is now moving forward with the Proposals. The Working Group remains active in 2013, and the reinforcement of measures addressing subsidiaries and suppliers mentioned above is one result of the Group’s work.

Putting Respect for Human Rights into Practice: Toyota’s Policies and Approaches towards Conflict Minerals

Civilians in certain regions around the world are being subjected to massacres, plunder, abduction, conscription of child soldiers, and other inhumane conduct as a result of armed conflict, thereby giving rise to international condemnation. In the Democratic Republic of the Congo, which is located in central Africa, the unlawful mining and smuggling of the country’s abundant mineral resources is said to be a major source of funding for armed groups.

Toyota undertakes business with a strong awareness that violations of human rights, environmental degradation, unlawful mining, and other issues in these conflict regions as well as the issue of minerals that provide sources of funding to armed groups through such actions are major social issues concerning the supply chain.

As a global enterprise, Toyota adopted “Toyota’s Policies and Approaches towards Conflict Minerals,” which are to be implemented internally and by its consolidated subsidiaries.

Toyota’s Policies and Approaches towards Conflict Minerals

We—Toyota Motor Corporation and its subsidiaries promote obtainment of materials with full deliberation and care to avoid the procurement or usage of materials which are unlawful or which are obtained through unethical or otherwise unacceptable means.

We recognize that the issue of conflict minerals originated in the Democratic Republic of the Congo or adjoining countries is one of the significant social issues among supply chains.

We aim at procurement and usage that are free from conflict minerals originated in the Democratic Republic of the Congo or adjoining countries and relating to illegal conduct including human rights infringement. To realize such procurement and usage, we conduct inquiries tracing back through our supply chains and confirm if conflict minerals are used. We take appropriate steps to discontinue procurement of materials that can cause social problems or finance armed groups if usage is detected.

Based on mutually beneficial relationships, we ask our suppliers to understand our policies and approaches and to promote responsible material procurement.

Social Contribution Activities (North America)

Toyota Family Literacy Program Marks 20th Anniversary

Toyota believes basic literacy is essential for success in school and work.

Toyota Motor North America (TMA) has partnered with the National Center for Family Literacy (NCLF) to run the Toyota Family Literacy Program (TFLP) throughout North America, working to increase the literacy level of both parents and children. Focusing on the fact that children whose parents do not read or write English tend to have a lower literacy level, this program aims to break this cycle by providing a place where parents and children can learn together. The program initially targeted preschoolers and their parents, but is now focused on immigrant families. The program marked its 20th year in 2011. Cumulative number of families assisted by the program was more than 1 million families in 256 locations in 50 cities in 30 U.S. states.

For further information on Toyota’s social contribution activities, please see pp. 52-55.

From Program Participants

What does the program mean to me? Everything! The parenting skills I received empowered me to become a better mother. My son is currently in Grade 3, and my daughter, who is in Grade 6. The classes helped me develop parenting skills and taught me how to change the way I look at things.

Peyton Rhone
Stable Base of Business

Sharing the Toyota Way Globally

Since its foundation, Toyota has contributed to society through pursuing “conscientious monozukuri (manufacturing)” as its philosophy. Within this philosophy, beliefs and values for business original to Toyota have been created and techniques for management and implementation have been devised to be fostered as the source of Toyota’s competitive power. Business beliefs and values such as these handed down as tacit knowledge have been organized and compiled into the “Toyota Way 2001” so that they can be viewed and understood by all employees.

With “Continuous Improvement” and “Respect for People” as its pillars, the Toyota Way 2001 has five keywords: “Challenges,” “Kaizen,” “Genchi Genbutsu,” “Respect,” and “Teamwork.”

The Toyota Way is shared throughout Toyota globally, and putting it into practice will lead to the creation of a more stable base of business and contribute to the making of always better cars and enriching lives of communities.

KPI for a Stable Base of Business in FY2012

Employees

- Local employees comprising management of overseas affiliates: 60.1%
- Employees who feel their own growth: 74.8%
- Employment of people with disabilities (includes special-purpose subsidiaries): 2.08%
- Frequency rate of lost workday cases (unconsolidated): 0.07%

Corporate governance

- Outside corporate auditors: 3

Financial information

- Operating income (Operating income ratio): 1,320.8 billion yen (6.0%)
- Dividend per share: 90 yen
Monozukuri (Manufacturing) Is about Developing People

Continuing to Remain a Company that Respects People: Carrying on the Founding Philosophy of “Monozukuri Is about Developing People”

Toyota’s approach to human resource development is based on a philosophy of respecting people. Therefore, Toyota provides a diverse array of learning platforms from the viewpoint of not only educating its worldwide employees and helping industries grow, but also contributing to the development of truly skilled individuals that can create a sustainable society.

Diagrammatic Representation of Toyota’s Approach to Developing People

- Science and technology education
- Internal Human Resource development
- Development of truly skilled individuals not limited to the automotive industry
- Development of human resources who will contribute to society
- Educational assistance
- Toyota’s Basic Philosophy Regarding Developing People

Toyota’s Basic Philosophy Regarding Developing People

The Toyota Way, which spells out Toyota’s philosophy and sense of values shared among all of its people around the world, consists of two key principles: “Continuous Improvement” and “Respect for People.” Respect for diverse individuals while valuing teamwork that brings together their abilities has been the corporate spirit underlying Toyota’s culture of “Monozukuri Is about Developing People” since its founding.

At Toyota, where human resource development has been based on people development, a constantly evolving education system was created for all employees out of the “teaching and learning” education culture nurtured from on-the-job training.

Toyota’s philosophy of developing people as the basis of its contribution to society through monozukuri has gone far beyond employee education. It has transcended corporate boundaries and spread to various regions in Japan and overseas, where it has been realized in a broader sense in the form of educational assistance that supports people development. Toyota’s fundamentals for people development remain the same today, even in the current global business environment.

Development of Monozukuri Professionals

Toyot a Technical Skills Academy Developed in Step with Toyota’s History of Advancement

Naturally, it takes time for individuals to acquire the knowledge, technologies, and skills specific to the automotive industry and to Toyota. Therefore, Toyota’s basic approach to people development is to try to raise the level of the entire organization from the medium-to-long-term viewpoint in order to secure human resources that can raise the performance level for the organization as a whole.

The Toyota Technical Skills Academy, which has developed in step with Toyota’s history of advancement, is an intra-corporation academy established with the objective of training excellent technicians who will support Toyota’s monozukuri. So far, more than 17,000 students have graduated from the Academy and are demonstrating leadership in implementing Toyota’s monozukuri both in Japan and overseas. These graduates, who have been thoroughly steeped in the Toyota Way since their mid-teens represent the source of strength behind Toyota’s monozukuri and are the future successors of the Toyota tradition.

- Development of truly skilled individuals not limited to the automotive industry
- Development of human resources who will contribute to society
- Educational assistance
- Toyota’s Basic Philosophy Regarding Developing People

Enrichment of Society

Training School Teachers to Improve the Basic Scholastic Abilities of Children

In 1992, to improve the basic scholastic abilities of elementary and junior high school children, Toyota South Africa Motors (Pty.) Ltd. (TSAM), which manufactures the Corolla, Hilux and other vehicle models, began the Toyota Teach educational program. The program is aimed at teachers and provides training in teaching methods for English, Mathematics and Science, as well as in school governance and management.

The Toyota South Africa Foundation (TSAF), established in 1989 through a joint investment between TMC and TSAM, provides ongoing support to Africa. The foundation aims to raise the standard of living and improve social and economic inequality in the country through the provision of opportunities for better quality education. When investigating what type of work was needed to accomplish this goal, TSAF discovered that there were students, who despite getting into colleges and technical schools, had insufficient basic scholastic abilities to fully enjoy the benefits of higher education. Therefore, to effectively improve the basic scholastic abilities of elementary and junior high students, TSAF determined it would provide training aimed at teachers.

Training was first offered to elementary school teachers in Umliali and three other areas of South Africa where many TSAM employees live. Since 2005, the program has strengthened comprehensive training on school operational methods targeting school governing bodies, school management teams and educators in different learning areas.

Ten schools were selected as model schools in 2009, and training was offered to all teachers in those schools for three years. An external evaluator commented on the impact of the program, noting that some of the schools were able to turn around into well organized and well functioning organizations, and that teachers can now teach difficult topics with confidence. An overall improvement in English language and math skills was seen in seven schools, with student scoring higher grades in an annual national assessment test.
Employees

Toyota’s Basic Philosophy Regarding Employees

Stable Base of Business Supported by a Relationship Based on Mutual Trust and Respect

In order to accomplish a stable base of business, Toyota aims to realize management that shows respect for people and build stable labor-management relations based on mutual trust and mutual respect, as well as to have all employees exercise their abilities to think, be creative, and utilize their strengths to the maximum extent possible.

Toyota experienced labor disputes and personnel cuts during the management crisis of the 1950s. These difficult experiences led Toyota to create a company that would never again have to dismiss employees. After holding exhaustive discussions on the best course of action between labor and management, both parties came to a mutual understanding where employees would proactively cooperate to improve productivity, while the company would work to maintain and improve working conditions. Further, by sharing information and enhancing employee awareness in times of crises, Toyota also created a relationship of mutual trust and mutual respect based on which all employees execute their duties and responsibilities for the prosperity of the company.

The Four Principles Upon which the Relationship of Mutual Trust and Mutual Respect Is Based

First of all, Toyota believes that stability of employment, safety, and health are matters of the highest priority for employees to work with confidence, and to this end has developed a range of measures. In addition, Toyota has worked to promote continual improvements by enhancing two-way communication with employees, encouraging a sense of unity throughout the entire company and sharing information during times of crises. By respecting diverse values and thinking, Toyota has created opportunities for employees to demonstrate their creativity and has fostered teamwork. Efforts are also being made to develop human resources and create ample systems. Toyota believes that carrying out personnel and labor management that is based on these four principles makes it possible to maximize the entire company’s performance and create a stable base of business.

Sharing the Origin of the Toyota Way with All Employees

This ideology has been systematically organized as the Personnel and Labor Toyota Way, which is based on the Toyota Way, and is shared by all of Toyota’s global affiliates. Management and various other measures based on the ideology are being implemented around the world. Toyota is committed to enhancing customer satisfaction and contributing to society by strengthening the bonds between labor and management based on mutual trust and respect and by realizing management that shows respect for people.

Basic Employment Principles

Excerpts from the Guiding Principles at Toyota

1. Honor the language and spirit of the law of every nation and undertake open and fair corporate activities to be a good corporate citizen of the world.

2. Foster a culture that ensures individual creativity and teamwork value, while honing mutual trust and respect between labor and management.

Excerpt from the Toyota Code of Conduct

Chapter 1. Through our communication and dialogue with the company, we (people working for TOYOTA) strive to build and share fundamental value of “Mutual Trust and Mutual Responsibility.” TOYOTA (TOYOTA MOTOR CORPORATION and its subsidiaries) endeavors to improve the business achievements so that TOYOTA can continue to provide employment and fair and stable working conditions for each of us. Simultaneously, TOYOTA promotes a work environment in which each of us can work in a harmonious and dynamic manner.

Labor-management Relations based on Mutual Trust and Respect

The Joint Declaration of Labor and Management was concluded in 1962 based on lessons learned from bitter experiences during the 1950 labor dispute. This approach of “mutual trust and respect between labor and management” became the basis of labor-management relations, and in 2012, the 50th year since the signing of the declaration, Toyota once again vowed to further reinforce ties between labor and management.

Toyota has contributed to increasing employment opportunities worldwide through the construction of new plants, the Sorocaba Plant in Brazil and the Karawang No. 2 Plant in Indonesia.

In the 50th year since the Joint Declaration of Labor and Management

Joint Declaration of Labor and Management (excerpts)

• We will contribute to the development of the national economy through the prosperity of the automotive industry.

• The relationship between labor and management shall be based on mutual trust and respect.

• We will endeavor to maintain and enhance the company’s prosperity and labor conditions through the improvement of productivity.

We hereby swear to further reinforce ties between labor and management based on mutual trust and mutual respect like two wheels on a car, traveling down the same road, and, by exceeding expectations for customer satisfaction and social contributions, to pass on the spirit of the Joint Declaration of Labor and Management and Toyota’s monozukuri to the next generation.

May 29, 2012

Aki Toyota, President, Toyota Motor Corporation

Mitsuyuki Tsuruoka, Chairperson, Toyota Motor Workers’ Union

Shifts in Number of Global Toyota Employees

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Newly Operating Plants

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<td>2011</td>
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Excerpt from the Toyota CSR Policy

Employees

We support equal employment opportunities, diversity and inclusion for our employees and do not discriminate against them.

Guiding Principles 5

Employees

We strive to provide fair working conditions and to maintain a safe and healthy working environment for all our employees.
Toyota’s Basic Philosophy Regarding Safety and Health

Ensuring employee safety and health is one of Toyota’s most important business activities and has a universal and timeless value.

Upon assuming the position of General Safety and Health Supervisor in 1957, Honorary Adviser Eiji Toyoda explained his basic stance on safety and health: “Safe work is ‘the gate’ to all work. Let us pass through this gate.”

With this basic philosophy always in mind, Toyota is striving to create a dynamic working environment that is conducive to the mental and physical well-being of its employees.

Promotion of 3-pronged Approach to Safety and Health

In FY2012, “building a culture that promotes interactive development of safety and health” was set as the foundation of Toyota’s global policy. As a result of basic rule observance and interdependent bottom-up initiatives involving the whole company that were implemented so that employees at every workplace realize the risks present and take independent preventive action with the aim of making safety and health a “custom and culture” at Toyota, the total number of accidents were reduced to half that in 2008.

Global Safety Measures

• Safety functions were established in management companies in each region (North America, Europe, China, and Oceania, etc.), a network linking the Head Office and management companies with subsidiaries was built, and safety measures are taken globally.

• Accident information is shared and follow-ups performed.

• Occupational safety and health management systems (OSHMS) are utilized.

• Plant safety systems and rules are adopted and implemented.

Building up Good Health

In FY2012, Toyota took measures to improve employees’ “health mindsets” and encourage employees to manage their own health. Toyota also engaged in health-screening-focused programs in the future.

Bolstering Mental Health Care

In FY2012, Toyota conducted Self-Care Training for new assistant managers and young employees to teach them techniques of identifying issues and dealing with stress on the job. Training on techniques for identifying issues and dealing with stress by young employees was added to entry-level technical training. For supervisors and managers, methods of improving communication skills with a focus on listening was added to Line Care Training with the aim of fostering caring for employees at the workplace and collaborating with other involved persons. In addition, emphasis was placed on “assertion” training for individuals who took the line management course four years earlier. Guidelines were adopted for industrial health personnel who perform health consultations, and efforts to standardize and systematize the details of consultations began in 2012.

Health Management of Overseas Personnel

In FY2012, we continued to provide health check-ups for overseas personnel and provided industrial physician advice by making use of health follow-up sheets. While industrial physicians routinely made rounds checking on medical conditions at local sites, medical information was also collected using the Internet for locally-based employees. Following up e-mails regarding self-health management were sent out. Tele-conferences were also routinely held with local points of contact and information exchanged.

Toyota is working to develop human resources by implementing an educational program based on OJT (on-the-job-training), which is crucial for the development and generational transfer of excellent personnel (manufacturing), with the five Toyota Way keywords as a fundamental basis.

Practice of the Toyota Way

So that the Toyota Way, which explains Toyota values and ways of thinking, can be understood and practiced by employees globally, we have organized and arranged job types and techniques into what we call “Global Contents.” These Global Contents are communicated to Toyota employees through courses and OJT both in Japan and overseas.

List of Global Contents

• Safety and Health in the Workplace (OJT)
• Toyota Way: Values and ways of thinking that should be followed by those working in Toyota
• Toyota’s Qualities: Characteristics of Toyota’s workers
• Toyota’s Education of Subordinates: Management systems for training subordinates through work daily work
• Policy management: Techniques for improving current conditions in order to create ideal working conditions
• Basic Skills: Minimum skills necessary for productive day-to-day work
• Production skills: Knowledge regarding recognizing irregularities and work planning

ICT Program for Self-reliance of Affiliates and Contribution to Local Communities

In order to promote self-reliance in overseas affiliates, the ICT (Intra Company Transfer) program temporarily transfers employees of overseas affiliates to Toyota Motor Corporation for human resource development through on-the-job training. Transferees learn skills and know-how throughout their training periods which range from six months to three years. As of May 1, 2013, a total of 451 transfers from 52 affiliates in 36 countries were working in Japan under the program.

Study-abroad Program for Job-offer Recipients

Fosters Development of Global Human Resources

The study-abroad program for job-offer recipients is designed to foster human resources with the skills and perspectives to work anywhere in the world by enabling job-offer recipients the opportunity to study overseas before they begin work. Beginning in late April, participants spend five months at the prestigious University of Pennsylvania in the United States studying English. They are immersed in an environment with a different culture and can use their communication skills while taking advanced courses and preparing to begin work in October. In FY2012, twelve new job-offer recipient were selected to participate in the program.

New Study Dispatch Program Created for Young Employees

A new Study Dispatch Program was created to accelerate the development and enhance the skills of young employees. The first participants will be dispatched in January 2014.

Employees in their fourth year or later with the company will be dispatched to an overseas subsidiary, overseas graduate program (including MBA programs), or a domestic affiliate to study for one to two years, acquire practical skills, gain understanding of different cultures, and improve their language skills in the workplace. Toyota already dispatches approximately 100 trainees to overseas subsidiaries each year, and with the creation of this new program, the number is expected to increase considerably.

Toyota’s Basic Philosophy Regarding Development of Human Resources

The foundation of human resource development at Toyota is on-the-job-training (OJT) but we also provide off-the-job-training opportunities for development through guidance by supervisors or superiors. For example, in a globally-shared training program, employees, following group training, spend approximately six months attempting problem-solving during actual work duties.
Toyota’s Basic Philosophy Regarding Diversity and Inclusion

For companies engaged in business around the world, it is important to promote a diverse range of human resources activities while raising the skills of each individual employee.

Toyota is establishing a corporate culture with abundant vitality by fostering human resources that include a diverse range of individuals.

Although the focus of respect for diversity varies in different countries and regions, Toyota strives to be a company with a working environment that promotes self-realization while respecting diversity of values and ideas among its employees.

Promoting Various Measures to Create a Workplace Full of Vigor and Enthusiasm

Toyota is currently working to establish various programs to help female workers balance work with childcare and to educate employees on effectively utilizing the programs while refining communication tools for these activities.

Recent Key Initiatives

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Use of Childcare and Nursing Care Leave Program

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Use of Flexible Working Hours System

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<tr>
<td>2012</td>
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Pregnancy, Childbirth and Care-related Benefits for Employees

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Promotion of Localization of Management at Overseas Affiliates

Toyota has been promoting the localization of management at overseas affiliates from a medium- to long-term perspective. The division of roles has been clearly defined—the head office determines “what has to be done” and overseas affiliates decide “how they will be done.”

In principle, executives responsible for overseas operations are to take on new jobs and build strong personal relationships. To maintain balance in my busy life, I spend time relaxing with my husband on weekends and recharge. This increases my energy and enables me to engage in new projects with purpose and new sensibilities.

Female Employee Maintains Balance by Emphasizing Workplace Communications

Yuka Shinkai  Assistant Manager, Accounting Div.

I've worked in accounting since I joined the company, and now I perform budget management work. I've taken childcare leave twice and take advantage of programs that support work-life balance, such as working part of the time at home, which enables me to continue working while raising my two daughters. When I returned to work, I straightforwardly told my supervisor how I wanted to work, and I place particular importance on daily communications with other team members. I strive to maximize my output by using my time in the office efficiently.

FOCUS

Creating an Environment for the Sound Growth of Children Based on Cooperation and Mutual Support

Takahiko Yamashita  Project Manager, Planning & Management Div.

My twin boys were born in April 2008, and I immediately went on childcare leave. The work—which was doubled because we had twins—was harder than I expected, but seeing them grow every day was a valuable experience.

We received help from the boys’ grandparents, and everyone experienced the joy of watching them grow. Now, I take them to nursery school every morning. I efficiently use the limited time for my job, housework, and childcare, and with the cooperation and support from many people, we share a sense of accomplishment and fulfillment.

Overseas Officer’s Keys to Success Are Strong Personal Relationships, Continuous Learning, and Taking Time away from the Job to Recharge

Cheryl Hughes  Vice President, Toyota Motor Sales, U.S.A., Inc. (TMS)

After working in the automobile industry and in healthcare, I began working for TMS in 2000 and became vice president in 2008. I believe that it is important to continuously learn and improve and to respect the values of others while keeping one’s own values. To produce results in work and achieve personal growth, the most important things are to take on new jobs and build strong personal relationships. To maintain balance in my busy life, I spend time relaxing with my husband on weekends and recharge. This increases my energy and enables me to engage in new projects with purpose and new sensibilities.

Percentage of Local Employees Comprising Management at Overseas Affiliates

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<tbody>
<tr>
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Stable Base of Business

Employment of People with Disabilities

Toyota believes that people with disabilities deserve the chance to become socially self-reliant and makes it a rule to provide them with opportunities to work together with non-challenged individuals. A number of such people are engaged in a range of roles at various workplaces.

As of June 2013, the number of people with disabilities employed was 1,081, accounting for 2.08% of the entire workforce (including special-purpose subsidiaries) which is above the legal requirement of 2.0%. Efforts are under way to create an even more employee-friendly working environment, including hosting an internal sign language workshop, deploying counselors to provide all kinds of support, and spreading good workplace examples across the organization.

Respect for Diverse Religious Beliefs

PT Toyota Motor Manufacturing Indonesia (TMMIN), Toyota’s production subsidiary in Indonesia, takes measures to respect the diverse religious beliefs of its employees. TMMIN believes that this enables each employee to work to their full potential.

Toyota Loops Corporation began operations in April 2009 with 28 people with disabilities and received certification from the Minister of Health, Labour and Welfare as a special-purpose subsidiary of Toyota Motor Corporation in October of that year. Toyota Loops handles primarily Toyota’s internal printing and mail services, but employment has increased as additional services were outsourced to the company, includingvisiting or employee identification cards, consigned shredder operations, and issuing asset number labels. As of April 2013, Toyota Loops had 84 employees. As employment has increased, the company has worked to create working environments where all employees can work comfortably through measures such as increasing the number of support staff, providing regular counseling by a clinical psychologist, reinforcing other support programs, and actively exchanging information with social welfare organizations, governmental bodies, and the local community.

In November 2012, the women’s softball club won the championship for the third consecutive time, making Toyota the only company in Japan to hold the national title for three years in a row. As of April 2013, Toyota has 35 clubs consisting of those for advanced engineering employees: the Antelopes, the company’s women’s basketball club, the Taikyokusei, and the Taikyokusei Softball Club. These companies engage in a range of activities and competitions, and Toyota’s internal sign language workshops.

The results of the survey conducted in FY2013 on shop floor employees who answered that they were satisfied was 64.4%, an affirmative response rate of over 60% despite the impact of the earthquake disaster. The FY2012 survey conducted overseas had an affirmative response rate of 74% for administrative and engineering employees and 77% for shop floor employees. This employee satisfaction survey is conducted every other year and its analyzed results are used in planning and executing measures to improve workplace and work. Toyota is promoting widespread dissemination of good workplace examples across the organization.

Employee Satisfaction Survey

In order to strengthen its human resources base, which supports Toyota’s growth, the company has created a positive working environment in which employees can work with confidence, vigor and enthusiasm. Toyota strives to foster employees’ pride and loyalty to the company, workplace and colleagues by encouraging a culture of teamwork through communication and friendly competition.

Athletic Clubs Provide Exciting Discussion Topics

To be Rewarded with the Smiles of Employees

In order to develop employee interest in the company’s operations and products based on the notion of “All Toyota,” and to deepen loyalty to the company, the Japan government and Toyota Motor Corporation called WE LOVE TOYOTA initiative. The most common reason given for “satisfaction with company life” was “work quality and level” while young employees in particular gave “experience a sense of personal growth” as the most common reason for “feeling that one’s job is rewarding.”

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The employees satisfaction survey conducted in FY2012 on administrative and engineering employees revealed an affirmative response rate of over 70% regarding “satisfaction with company life” and “feeling that one’s job is rewarding.”

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Corporate Governance/Risk Management/Compliance

Corporate Governance

Toyota’s Basic Philosophy Regarding Corporate Governance

Toyota has positioned the stable long-term growth of corporate value as a top-priority management issue. Toyota believes that in carrying this out, it is essential to achieve long-term and stable growth by building positive relationships with all stakeholders, including shareholders and customers as well as business partners, local communities and employees, and by supplying products that will satisfy customers.

Toyota has a range of long-standing in-house committees and councils responsible for monitoring and discussing management and corporate activities from the viewpoints of various stakeholders. This is in order to make prompt decisions for developing global strategy, speed up operation, and ensure heightened transparency and the fulfillment of social obligations.

In addition, Toyota has a unique corporate culture that places emphasis on problem solving and preventative measures, as well as an approach for building in quality through manufacturing processes, which enhances the quality of everyday operations and consequently strengthens corporate governance.

Systems for Ensuring Appropriate Management

In March 2011, Toyota announced the “Toyota Global Vision” and commenced “Visionary Management.”

In April 2011, Toyota reduced the decision-making layers and at the general meeting of shareholders in June 2011, reduced the size of the Board of Directors, in order to swiftly communicate the views of customers and information from operations on-ground to management and facilitate rapid management decision-making.

In April 2013, Toyota made organizational changes with the aim of further increasing the speed of decision-making by clarifying responsibilities for operations and earnings. The automotive business was divided into four units and an Executive Vice President was put in charge of the operations of each unit in order to realize organizational change that supports operations and earnings responsibility.

Additionally, in June 2013, three Outside Directors were appointed in order to further reflect the opinions of those from outside the company in management’s decision-making process. Toyota believes that the Outside Directors will advise the company in the management decision-making process based on their broad experiences and insight in their respective fields of expertise.

Toyota has adopted an auditor system to monitor management. Four of Toyota’s seven corporate auditors are appointed in order to further reflect the opinions of those from outside the company in management’s decision-making process. Toyota believes that the Outside Directors will advise the company in the management decision-making process based on their broad experiences and insight in their respective fields of expertise.

In accordance with the Basic Approach to Internal Controls, Toyota is promoting initiatives centered on the construction of framework and systems for conducting business.

Basic Approach to Internal Controls

Toyota implements an internal control system based on the basic policies regarding measures related to internal control systems established in May 2006, and works to reinforce that system as necessary by, for example, reviewing the system when changes are made to systems for conducting business.

For further information on Toyota’s Basic Approach to Internal Controls, please see the web page below:


Risk Management

Toyota’s Basic Philosophy Regarding Risk Management

In response to the series of quality-related issues that occurred in 2009, Toyota has been reinforcing its risk management systems. A Risk Management Committee was established under the CSR Committee in June 2010, and the appointing of risk managers and other measures were taken globally to prevent and reduce all risks that may occur in business activities.

Implementation Systems

Appointment of Risk Management Personnel

Toyota appointed a Global Chief Risk Management Officer (CRO) to head global risk management and established systems under the Global CRO to monitor risks on a daily basis. This makes it possible to respond immediately in the event that a risk occurs. Regional CROs are appointed under the Global CRO to oversee individual regions, and each region has its own risk management system. In addition, Chief Officers and functional secretaries are responsible for managing risks within the company according to functions, and they coordinate and support regional risk management relating to their specific functions.

Actions of the Risk Management Committee

The Risk Management Committee meets twice annually to identify all risks that may impede business activities and take action to prevent these risks. The Committee is chaired by the Global CRO, and its members include regional CROs and all Senior Managing Officers and Chief Officers. The Committee works to manage and prevent risks by reporting on major risks in each region, confirming all current risks, and reporting on the status of measures addressing immediate and serious risks.

Compliance

Toyota’s Basic Philosophy Regarding Compliance

The Guiding Principles at Toyota state that Toyota will “honor the language and spirit of the law of every nation and undertake open and fair corporate activities to be a good corporate citizen of the world.” It is in this process that Toyota seeks to maintain compliance. In accordance with the Basic Approach to Internal Controls, Toyota is promoting initiatives centered on the construction of framework such as that for adopting and implementing the Code of Conduct and human resource development through education and other means. Toyota has also established consultation hotlines so no issues are overlooked and detailed responses can be made.

Checking Activities to Enhance Compliance

In FY2009, Toyota started checking activities to enhance its compliance structure. In FY2009, Toyota also started the checking of subsidiaries in addition to internal checking. These activities are being implemented annually, with improvements incorporated on an ongoing basis. The results of the activities were reported to the CSR Committee, and Toyota continues to push ahead with improvements based on the results.

Education and Training to Ensure Thorough Compliance

To ensure that awareness of compliance issues extends from senior managers to all other employees, Toyota conducts education and training programs for directors, newly-appointed departmental general managers and newly-recruited employees in addition to company-wide e-learning programs. Toyota also conducts seminars on business compliance regarding topics such as copyright, security control and products liability law as well as on-demand seminars on various topics conducted by lecturers who visit individual divisions as needed.

Corruption Prevention Measures

In response to the global expansion of its business and rising societal demands, Toyota adopted the Anti-Bribery Guidelines in 2012 to completely eliminate corruption. Toyota is strengthening its preventative measures and working to prevent corruption by raising awareness and spreading the anti-corruption message through internal training and education and informing business partners of its anti-corruption stance.

The Compliance Hotline and Other Hotlines

Toyota has established a number of hotlines for swift and appropriate resolution of issues related to compliance, gender harassment, working conditions, and mental and physical health. The Compliance Hotline in the chart below allows employees to have consultations concerning compliance-related issues and has been set up at an outside law firm (subcontractor). Upon request, the content of consultations is conveyed anonymously to a secretariat within Toyota and the details are investigated with scrupulous care to ensure that the identity of the employee having the consultation is not revealed. If the results of the investigation indicate a compliance-related issue, a response is immediately implemented.

Content and No. of Consultations with the Compliance Hotline
Business Continuity Management at Toyota

Background of Business Continuity Management (BCM) at Toyota

Even though Toyota was not directly affected by the past large-scale disasters such as the Great East Japan Earthquake and the Thailand floods, it was temporally unable to fulfill its mission of delivering always better cars and services to its customers. Furthermore, Toyota Group’s main functions are concentrated in areas that are likely to be hit by a Nankai Trough earthquake and the risk that Toyota would suffer damage in that event is rising. Damage to Toyota and various Group companies could severely impact production and other activities. Given this scenario, it is essential to assume that Toyota itself would suffer and to make preparations to enable early recovery with limited resources. For all these reasons, Toyota is reassessing its business continuity plan (BCP).

The major premise of Toyota’s BCP is to work on recovery after disaster in the following priority order:

1. Humanitarian aid (lifeline, first relief)
2. Early recovery of the affected areas
3. Restoration of Toyota’s operations and production

Humanitarian Aid

Immediately following the Great East Japan Earthquake, Toyota sent 60 employees and later a total of 140 employees to its production sites in the disaster-affected areas, where they engaged in various activities such as restoring facilities and distributing disaster-relief supplies. Employee volunteers of Toyota Group and Toyota-related companies are continuing to assist with restoration efforts for the people in the areas hardest hit by the disaster.

In 2011 and 2012, a total of 360 employees from 15 Toyota and Toyota-related companies implemented activities such as wreckage removal in the Kesen region of Iwate Prefecture. These activities are continuing this year as well.

In addition to this type of human support, Toyota also provided material support. Eighty-seven 11-ton trucks filled with relief supplies from the Toyota Group and Toyota-related companies were gathered at two local production sites and distributed. To help Japan’s disaster-related companies and organizations in these efforts, Toyota also agreed to sign a cooperative disaster relief agreement designed to help build a disaster-resistant community through the utilization of plant facilities.

Overview of the Cooperative Disaster Relief Agreement

On December 13, 2012, Miyagi Prefecture, Ohira Village, Toyota Motor Corporation (TMC), and Toyota Motor East Japan signed a cooperative disaster relief agreement designed to help build a disaster-resistant community through the utilization of plant facilities.

Vehicles that Excel and Prove Useful in Disasters

After experiencing the Great East Japan Earthquake, Toyota worked to address the issue of “energy, information, and transport network fragmentation” when disasters occur, and developed hybrid and plug-in hybrid vehicles installed with external power supply systems.

In addition to providing good fuel efficiency and environmental performance during normal times, during disasters, these cars can be driven on gasoline or electricity, and also have a power supply function that allows electricity to be drawn from the automobile.

Toyota has made it possible to install two electrical outlets (AC 100 V, 1,500 W) inside the Prius and the Prius PHV. Moreover, Toyota installed connectors in the Prius PHV that allow power to be supplied to the outside even with the vehicle doors and windows closed.

Early Recovery of the Affected Areas

To ensure that Toyota can continue delivering always better cars and services to customers all over the world even when affected by a disaster that limits its resources, Toyota is reassessing its existing disaster preparedness plan. Toyota plans to expand its activity scope to achieve the following three objectives: (1) Recovery from the customer’s viewpoint, (2) Preparing towards normal times to enable autonomous recovery, and (3) Involvement of the entire supply chain including “All Toyota” and all suppliers.

To enable recovery from the customer’s viewpoint, Toyota has defined production resumption goals for high-priority vehicle models and strives to be prepared at all times, in order to minimize impact on customers. To maintain preparedness during normal times, Toyota aims to fortify its production facilities while making them easy to repair should they be damaged. Finally, the supply chain required for purchasing the extremely large number of parts and materials utilized in car manufacturing has become a huge network and restoring production means restoring the entire supply chain. Thus, Toyota shares its restoration goals with the entire supply chain in order to achieve the quickest possible recovery in the event of a disaster.

Toyota is also in the process of surveying the entire supply chain to build a database that will give a visual representation of the entire situation to allow assessment of the impact a disaster-damaged parts or material plant would have on the entire supply chain.

Restoration of Company Operations and Production

To enable Toyota to continue delivering always better cars and services to customers all over the world even when affected by a disaster that limits its resources, Toyota is reassessing its existing disaster preparedness plan. Toyota plans to expand its activity scope to achieve the following three objectives: (1) Recovery from the customer’s viewpoint, (2) Preparing towards normal times to enable autonomous recovery, and (3) Involvement of the entire supply chain including “All Toyota” and all suppliers.

To enable recovery from the customer’s viewpoint, Toyota has defined production resumption goals for high-priority vehicle models and strives to be prepared at all times, in order to minimize impact on customers. To maintain preparedness during normal times, Toyota aims to fortify its production facilities while making them easy to repair should they be damaged. Finally, the supply chain required for purchasing the extremely large number of parts and materials utilized in car manufacturing has become a huge network and restoring production means restoring the entire supply chain. Thus, Toyota shares its restoration goals with the entire supply chain in order to achieve the quickest possible recovery in the event of a disaster.

Toyota is also in the process of surveying the entire supply chain to build a database that will give a visual representation of the entire situation to allow assessment of the impact a disaster-damaged parts or material plant would have on the entire supply chain.
Financial Information

Aiming to Achieve Sustainable Growth by Maintaining and Building on a Strong Earnings Base

The three key priorities of Toyota’s financial strategy are growth, efficiency and stability. We believe that the balanced pursuit of these three priorities over the medium-to-long-term will allow us to achieve steady and sustainable growth, as well as increase corporate value.

Based on the Toyota Global Vision, we have been aiming to establish a cycle of developing always better cars that delight our customers and benefit society while fulfilling our duty to increase sales and consequently profits that are then reinvested in developing even better cars. To support this cycle, all 330,000 global Toyota employees will work together to maintain and build on a strong earnings base, towards becoming a company that realizes sustainable growth.

Three Key Priorities of Our Financial Strategy

The focus of growth in automotive markets worldwide is likely to shift toward emerging markets and such fuel-efficient options as hybrid and compact vehicles. Toyota plans to invest efficiently and actively in those areas to respond to those changes and to ensure long-term sustainable growth. For example, we will prioritize the investment of management resources in the development of next-generation environmental technologies, such as fuel cells. We will also increase sales in emerging markets by strengthening locally-produced models and building an optimized supply structure to realize a "50:50 sales ratio," with half of our sales coming from developed markets such as Japan, the United States, and Europe and the other half from emerging markets.

Toyota will continue its push forward with the Toyota New Global Architecture (TNGA), an initiative to overhaul the way we work with the goal of facilitating the timely launch of appealing products globally. Under TNGA, we are improving development efficiency and making always better cars by standardizing parts and components through grouped development. We will strive to further improve our earnings structure through efficient investment that emphasizes the areas in which we want to advance, including eco-cars and emerging markets.

To ensure a solid financial base, we secure sufficient liquidity and stable shareholders’ equity. This allows us to maintain capital expenditure and R&D investment at levels conducive to future growth, including the development of next-generation technologies and the establishment of global production and sales structures, as well as to maintain capital at a level sufficient for operations, even when business conditions are difficult due to such factors as steep increases in raw materials prices or volatility in foreign exchange rates. In order to maintain sufficient capital reserves, we will continue to pursue improvements in capital efficiency and cash flow.

Summary of Business Results for FY2013

On a consolidated basis for the fiscal year ended March 31, 2013, vehicle sales increased 1.519 million units to 8.871 million units compared with the previous fiscal year. Net revenues expanded 3,480.5 billion yen to 22,064.1 billion yen, operating income grew 965.2 billion yen to 1,320.8 billion yen, and net income rose 678.6 billion yen to 962.1 billion yen. In addition to increased vehicle sales, operating income also increased by 965.2 billion yen to 1,320.8 billion yen, compared with the previous fiscal year. Net revenues expanded 3,480.5 billion yen to 22,064.1 billion yen, operating income grew 965.2 billion yen to 1,320.8 billion yen, and net income rose 678.6 billion yen to 962.1 billion yen. In addition to increased vehicle sales, operating income also increased by 965.2 billion yen to 1,320.8 billion yen, compared with the previous fiscal year.

Performance Data (consolidated basis)

For further information please see the webpage below:

http://www.toyota-global.com/investorrel/investors/pdf/2013
<table>
<thead>
<tr>
<th>Area</th>
<th>Fiscal year-end</th>
<th>Unit</th>
<th>FY2010</th>
<th>FY2011</th>
<th>FY2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Number of Vehicles</strong></td>
<td>Million</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vehicle sales (Japan, consolidated)</td>
<td>Thousand vehicles</td>
<td>9,130</td>
<td>8,811</td>
<td>7,227</td>
<td></td>
</tr>
<tr>
<td>No. of Vehicles sold (Japan)</td>
<td>Vehicles</td>
<td>16,855</td>
<td>16,867</td>
<td>17,752</td>
<td></td>
</tr>
<tr>
<td>Market share of Worldwide (Japan)</td>
<td>%</td>
<td>17.6</td>
<td>18.5</td>
<td>21.0</td>
<td></td>
</tr>
<tr>
<td>No. of Worldwide models (Japan)</td>
<td>Models</td>
<td>29</td>
<td>35</td>
<td>39</td>
<td></td>
</tr>
<tr>
<td><strong>Quality</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ISO 9001:2008 Certification</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>No. of models that acquired NCAP 5-star safety rating</em></td>
<td>Thousand vehicles</td>
<td>0.370</td>
<td>0.310</td>
<td>0.190</td>
<td></td>
</tr>
<tr>
<td><strong>Safety</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total number of employees using the flexible working care leave program</td>
<td>Thousands</td>
<td>1,054</td>
<td>1,022</td>
<td>1,056</td>
<td></td>
</tr>
<tr>
<td><strong>Environment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global CO₂ emissions (from energy sources) (consolidated 2) (average for all lines)</td>
<td>Million m³/vehicle</td>
<td>2,100</td>
<td>2,071</td>
<td>2,059</td>
<td></td>
</tr>
<tr>
<td>No. of non-Japanese parts suppliers (cumulative)</td>
<td>Thousand</td>
<td>6,891</td>
<td>7,307</td>
<td>7,619</td>
<td></td>
</tr>
<tr>
<td><strong>Contribution to a harmonious society</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. of non-Japanese parts suppliers (cumulative)</td>
<td>Thousand</td>
<td>6,891</td>
<td>7,307</td>
<td>7,619</td>
<td></td>
</tr>
<tr>
<td><strong>Corporate Governance</strong></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>No. of re-employed retirees</td>
<td>Persons</td>
<td>762</td>
<td>778</td>
<td>679</td>
<td></td>
</tr>
<tr>
<td><strong>CSR Evaluation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total operating income (operating income ratio, % of net income)</td>
<td>Billion yen</td>
<td>3,996</td>
<td>3,355</td>
<td>3,170</td>
<td></td>
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<tr>
<td><strong>Global Operations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. of countries sold to</td>
<td>Countries</td>
<td>172</td>
<td>176</td>
<td>176</td>
<td></td>
</tr>
<tr>
<td><strong>Global Bases of Business</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. of foreign sales at Toyota Motor Corporation</td>
<td>Persons</td>
<td>5</td>
<td>5</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>No. of employees at the international training and dual-career trainee program (consolidated)</td>
<td>Persons</td>
<td>1,029</td>
<td>1,075</td>
<td>1,081</td>
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<tr>
<td>No. of employees using the Toyota welfare system (consolidated)</td>
<td>Persons</td>
<td>180</td>
<td>145</td>
<td>120</td>
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</tr>
</tbody>
</table>

1. No. of hybrid vehicles sold is in number of vehicles sold each year, not each fiscal year.
2. Toyota and consolidated subsidiaries in Japan and overseas (consolidated base differs by item).
3. No. of people with disabilities employed and their employment ratio are as of June each year.
4. The employee satisfaction survey is conducted every second year on administrative/engineering and shop floor employees.
5. The number of distributors is as of July.
6. Outside Directors were appointed at the Ordinary General Shareholders’ Meeting held in June 2013.
ISO 26000 Comparison

Toyota participated in the development of international standards regarding CSR—ISO 26000: Guidance on social responsibility—since its review stage as a member of the Japan committee representing the business sector. We organized specific actions described in the report according to seven core subjects stated in the standards and made the ISO 26000 Comparison for your reference. We hope this will make the report more useful and easier for readers to understand. Toyota works continually to enhance its CSR initiatives. Thank you for your understanding.

Core Subjects and Issues in ISO 26000

ISO 26000 Comparison

Organizational governance

- 1: Organizational governance

<table>
<thead>
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Human Rights

- 24: Human rights

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Risk management

- 21: Risk management

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Environment

- 15: Environment

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Health

- 16: Health

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Sustainable resource use

- 20: Sustainable resource use

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Sustainable Society

- 21: Sustainable Society

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Development of business relationships

- 22: Development of business relationships

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Fair operating practices

- 23: Fair operating practices

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Corporate citizenship

- 24: Corporate citizenship

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ISO/Social Responsibility Standards (ISO 26000) Working Group


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ISO 26000 Comparison

CSR POLICY Comparison

CSR POLICY Comparison

- 26: CSR POLICY Comparison

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ISO 26000 Comparison

Third-party Opinion

Eiichiro Adachi
Counselor, The Japan Research Institute (JRI)

I have had the opportunity to review Toyota Motor Corporation’s Sustainability Report for the third consecutive year. I note that the president’s message at the beginning of the report states, “We will examine social issues in collaboration with the people who live in those communities and work to carry out what Toyota can do to achieve growth of society and the planet.” I understand this to mean that Toyota is committed both to achieving the sustainable growth of the company and contributing to the realization of a sustainable society.

In the section titled “Chairman’s Dialogue,” Chairman Uchijamada made a reference to a corporate culture within Toyota where it was believed that “If people simply look at our cars, they’ll understand, so all we need to do is to continue making cars to the best of our ability,” but the statement that “when awareness inside the company is different from that in society in general, external personnel can point this out to us” and the references to “we should convey more critical information and become an even more transparent company” indicate to me that positive changes have taken place in Toyota.

The method of reporting based on the three elements espoused in the Toyota Global Vision—always better cars, enriching the lives of communities, and a stable base of business—is unique and not seen in other companies, and I feel that the content has become more refined than in the past.

With regard to always better cars, it is commendable that customer feedback is the first issue addressed. The Report notes that 1.2 million people die in traffic accidents each year worldwide, making traffic accidents the eighth leading cause of death, and I noted with deep interest the description of the specific measures that Toyota is taking to achieve its ultimate goal of completely eliminating traffic casualties.

In the area of enriching the lives of communities, I focused on the reports regarding Toyota’s new initiatives for collaboration with local communities in Tohoku, which is Toyota’s third car manufacturing hub in Japan. I gained a solid understanding of Toyota’s efforts in collaboration with the local community concerning monozukuri (manufacturing), human resource development, and infrastructure development. This style of management can serve as a model for other companies, in particular small and medium-sized companies, and I hope that Toyota will continue to improve and enhance the efforts it is making.

In the area of always better cars, the Report notes the “evolving needs of society for sustainable mobility. (Guiding Principles 3 and 4)” and the emphasis on “harmoniously, and to build close and cooperative relationships with a wide spectrum of stakeholders, including those who are working to reduce the environmental impact of our business operations, such as by working to reduce the effect of CO2 emissions.” I feel that the content has become more refined than in the past.

Thank you very much for your valuable comments concerning the Sustainability Report. This year’s report retains from last year a structure aimed to reflect the Toyota Visionary Management that Toyota is currently carrying out. Mr. Adachi points out an issue regarding examples of how emphasizing human resource development contributes to competitiveness. Determining what is true competitiveness involves a process of trial and error, but clearly one crucial element is people. Since its foundation, Toyota has understood the importance of human resource development based on the idea that monozukuri is about people. I would like to present even more detailed information concerning these initiatives in future reports. With respect to some more aggressive statements about the better future society that Toyota has in mind, as a member of the mobility society and of local communities, we will strive to convey better and more comprehensible messages. We will also consider Mr. Adachi’s other opinions and comments when we carry out Toyota Visionary Management as we work towards becoming a company that can be expected to contribute to the sustainable growth of society and the planet.

Response to the Third-party Opinion

Shinya Kotera
Managing Director, Corporate Planning Div.

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