

TOYOTA

Sustainability Data Book **2016**

TOYOTA MOTOR CORPORATION

Sustainability Data Book 2016

Editorial Policy

Sustainability Data Book (Former Sustainability Report) focuses on reporting the yearly activities of Toyota such as Toyota CSR management and individual initiatives. Information on CSR initiatives is divided into chapters, including Society, Environment, Social Contribution Activities and Governance.

We have also made available "Environmental Report 2016 – Toward Toyota Environmental Challenge 2050 (in PDF format)," and

"Toyota's Social Contribution Activities (in PDF format)," excerpted from the Sustainability Data Book 2016.

From this year Toyota also issues the "Annual Report: Sustainable Management Report 2016." It informs the stakeholders of how Toyota contributes to the sustainable development of society and the earth through our businesses based on mid- and long-term perspectives.

Annual Report Sustainable Management Report 2016
<http://www.toyota-global.com/sustainability/ar-smr/>

Securities Reports
<http://www.toyota.co.jp/jpn/investors/library/negotiable/>

SEC Filings
http://www.toyota-global.com/investors/ir_library/sec/

Financial Results
http://www.toyota-global.com/investors/financial_result/

Corporate Governance Reports (Updated as needed)
http://www.toyota-global.com/investors/ir_library/cg/

Sustainability Data Book 2016
<http://www.toyota-global.com/sustainability/report/sr/>

Environment
Environmental Report 2016
–Toward Toyota
Environmental Challenge 2050
<http://www.toyota-global.com/sustainability/report/er/>

Social Contribution
Toyota's Social
Contribution Activities
<http://www.toyota-global.com/sustainability/report/citizenship/>

* The Toyota Official Website lists our initiatives not included in the above annual report.

Sustainability <http://www.toyota-global.com/sustainability/>
Environment <http://www.toyota-global.com/sustainability/environment/>
Social Contribution Activities http://www.toyota-global.com/sustainability/social_contribution/

Period Covered

Fiscal Year 2015 (April 2015 to March 2016)

Some of the initiatives in Fiscal Year 2016 are also included

Scope of Report

Toyota Motor Corporation (TMC)'s own initiatives and examples of those of its domestic and overseas consolidated affiliates, etc.

Overseas Affiliates' Reports

Reports are being issued in a total of 16 countries and regions (including Japan) in which Toyota overseas consolidated affiliates and other companies operate.

The information disclosed globally by these reports will cover about 88 percent of Toyota vehicles sold worldwide.

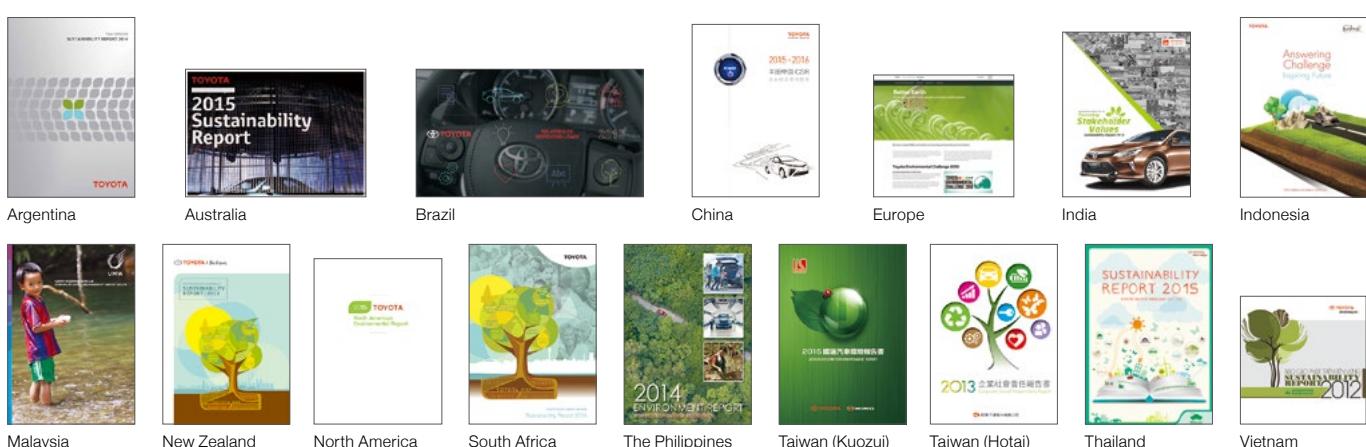
About the Icons on Environmental Initiatives and Social Contribution Activities

Icons used in graphs

- Denotes data confirmed through third-party assurance
- Denotes data for TMC only (unconsolidated)
- Denotes global data

Icons used in focus

- Focus Denotes activities in Japan
- Focus Denotes activities outside Japan



* Issued in the UMW Holding Report

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Corporate Principles

Toyota strives to be a good corporate citizen trusted by all stakeholders and to contribute to the creation of an affluent society through all its business operations.

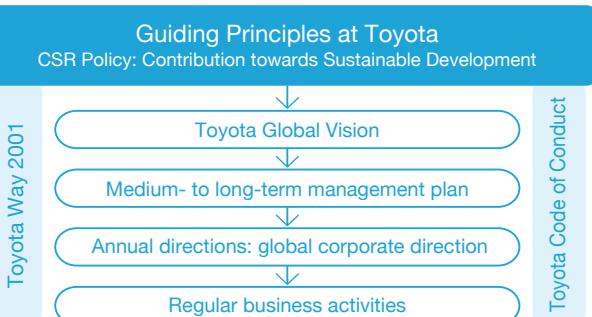
We would like to introduce the Corporate Principles which form the basis of our initiatives, values that enable the execution, and our mindset.

Basic philosophy and its implementation process

Guiding Principles at Toyota

Since its foundation to the present day, Toyota has handed down the “Five Main Principles of Toyoda” which embody the thinking of the founder of the Toyota Group, Sakichi Toyoda, and are the basis of the corporate management philosophy. These precepts went on to be revised and organized into the Guiding Principles at Toyota in 1992 in response to changes in society and business structure. The Guiding Principles clarify how Toyota is expected to be and indicates ways that it should make progress with firm conviction during times of change.

Toyota places high priority on contributing to the development of a sustainable society and the earth through all its business operations.



Practice of the Guiding Principles at Toyota

In March 2011, Toyota adopted “Toyota Global Vision,” which is based on the Guiding Principles at Toyota. In order to achieve this vision, a medium- to long-term management plan is drafted and Toyota works toward achieving the goals specified in the plan.

The Toyota Way 2001 and The Toyota Code of Conduct serve as an important guideline for the implementation of daily

business operations. The Toyota Way 2001 clarifies the values and business methods that all Toyota employees around the world should embrace, and the Toyota Code of Conduct details the basic attitudes and mindset necessary for people to adhere to rules and act in good faith in their work at the company and private life in society.

[Guiding Principles at Toyota]

Toyota adopted the Guiding Principles at Toyota in January 1992 (revised in April 1997) based on the recognition that strong policies are important for finding the way to proceed, especially when the environment surrounding us is drastically changing.

1. Honor the language and spirit of the law of every nation and undertake open and fair business activities to be a good corporate citizen of the world.
2. Respect the culture and customs of every nation and contribute to economic and social development through corporate activities in their respective communities.
3. Dedicate our business to providing clean and safe products and to enhancing the quality of life everywhere through all of our activities.
4. Create and develop advanced technologies and provide outstanding products and services that fulfill the needs of customers worldwide.
5. Foster a corporate culture that enhances both individual creativity and the value of teamwork, while honoring mutual trust and respect between labor and management.
6. Pursue growth through harmony with the global community via innovative management.
7. Work with business partners in research and manufacture to achieve stable, long-term growth and mutual benefits, while keeping ourselves open to new partnerships.

The Five Main Principles of Toyoda

The Five Main Principles of Toyoda have been at the core of Toyota's management from its foundation to the present day. The principles are a statement of the ideas of Sakichi Toyoda, the founder of the Toyota Group, and serve as the basis of the Guiding Principles at Toyota. The principles were not originally in a fixed form, but as of the size of affiliated companies increased, it became necessary to codify the principles to ensure that all employees were thoroughly familiar with them. Risaburo Toyoda and Kiichiro Toyoda, who were present during the founding period of Toyota, formulated the Five Main Principles of Toyoda as the legacy of Sakichi for dissemination to the world. The principles were introduced on October 30, 1935, the sixth anniversary of Sakichi's death.

- Always be faithful to your duties, thereby contributing to the company and to the overall good.
- Always be studious and creative, striving to stay ahead of the times.
- Always be practical and avoid frivolousness.
- Always strive to build a homelike atmosphere at work that is warm and friendly.
- Always have respect for spiritual matters, and remember to be grateful at all times.

CSR Policy

Toyota's CSR policy was an interpretation of the Guiding Principles at Toyota with a focus on relationships with stakeholders (established in January, 2005, revised in August, 2008). Toyota aims to become a company that is admired and trusted by society through ensuring that all employees recognize and act on our CSR Policy. We also share this policy with our consolidated subsidiaries,

make a point of putting it into practice together, and expect our business partners to embrace its spirit and act in accordance with it as well. In addition, we participated in the formulation of and observe the standards outlined in the Charter of Corporate Behavior of the Nippon Keidanren (Japan Business Foundation), an alliance of leading Japanese corporations.

Preamble of CSR Policy: Contribution towards Sustainable Development

We, Toyota Motor Corporation and our subsidiaries, take initiative 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.

CSR Policy: Contribution towards Sustainable Development Full Text Web <http://www.toyota-global.com/sustainability/csr/csr/>

Toyota Global Vision

The Toyota Global Vision -announced in March 2011- reflects lessons learned from financial losses as a result of the global economic crisis of 2008 and quality issues. It also articulates the kind of company that Toyota wants to be and the kind of values it should esteem, which should be embraced throughout Toyota.

It was announced as a clear statement to Toyota's customers and society as a whole. The Five Main Principles of Toyoda, the Guiding Principles at Toyota and the Toyota Way have played a role of the backbone values of all Toyota operations. We will strive to implement a positive cycle of making ever-better cars that

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.

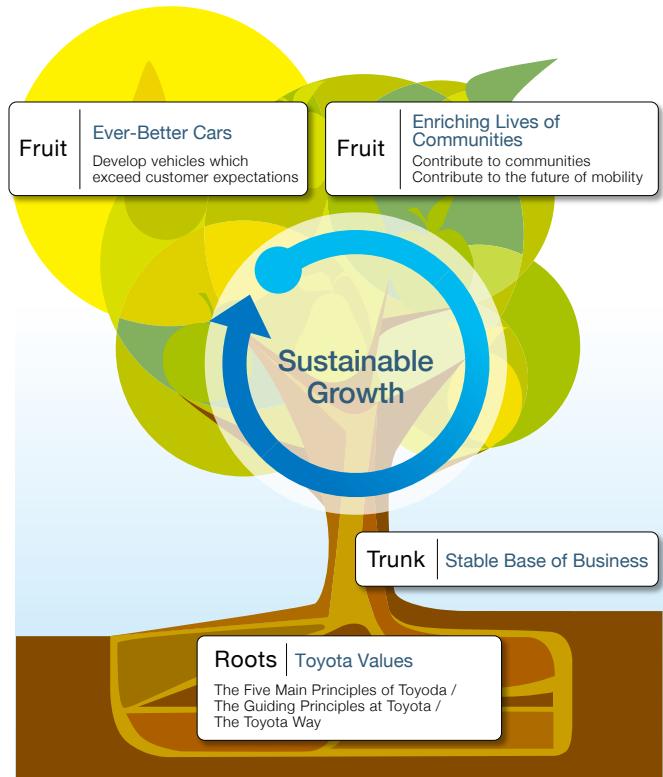
Through our commitment to quality, constant innovation and respect for the planet,

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.

exceed customer expectations, contributing to Enriching the Lives in communities, and being rewarded with the smile of customers and communities. This leads to a Stable Business Base. We aim to generate such virtuous cycles and achieve sustainable growth.



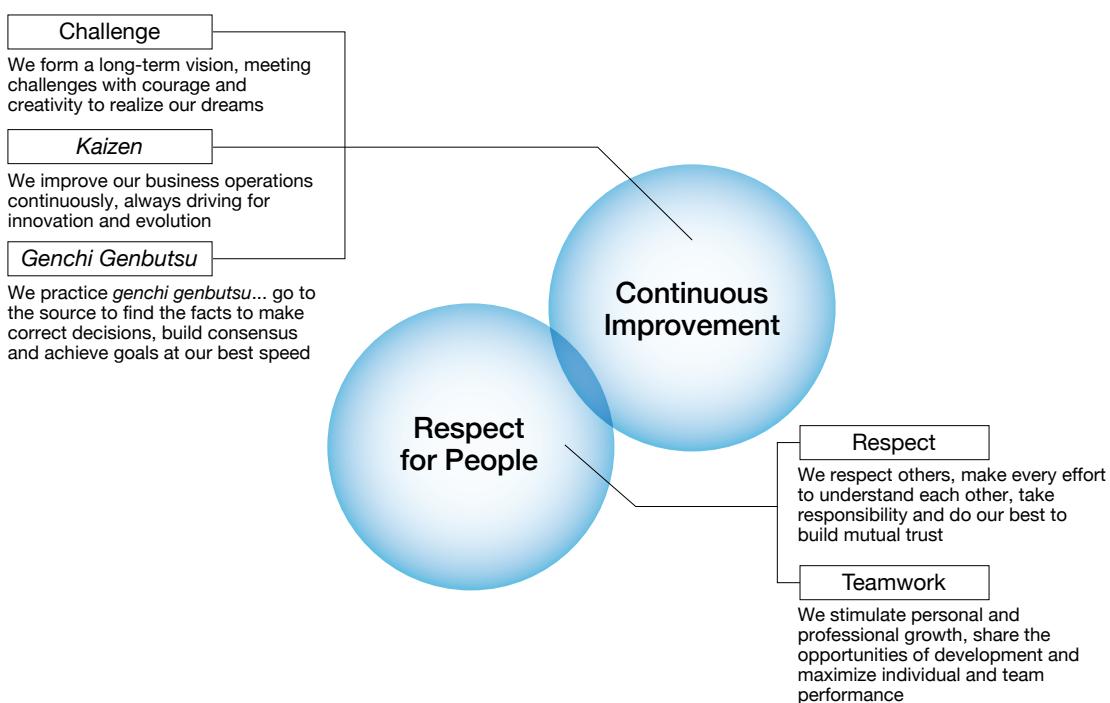
Toyota Global Vision Web http://www.toyota-global.com/company/vision_philosophy/toyota_global_vision_2020.html

Toyota Way 2001

The Toyota Way 2001 clarifies the values and business methods that all employees should embrace in order to carry out the Guiding Principles at Toyota throughout the company's global activities. With the rapid growth, diversification and globalization of Toyota, the values and business methods that had been passed on as implicit knowledge were identified and defined in April 2001.

The Toyota Way is supported by two main pillars: "Continuous

Improvement" and "Respect for People". "Continuous Improvement" means that we are never satisfied with where we are and consistently seek further knowledge to pursue higher value. "Respect for People" means that we respect all Toyota stakeholders and believe that the growth of each employee will connect to the success of our business.



Toyota Code of Conduct

The Toyota Code of Conduct organizes the basic attitudes necessary for people working at the company or otherwise, provides a basic code of conduct, and acts as a compass. It also details what is required of us and what we need to keep in

mind. Along with the Toyota Way, it is deemed essential that each employee carries out the Guiding Principles at Toyota and fulfills their social responsibilities.

Toyota Code of Conduct [Web](http://www.toyota-global.com/company/vision_philosophy/toyota_code_of_conduct.html) http://www.toyota-global.com/company/vision_philosophy/toyota_code_of_conduct.html

CSR Structure

Basic Philosophy regarding CSR

Since its foundation, Toyota has continuously strived to contribute to the sustainable development of society through the manufacture and provision of innovative and quality products and services that lead the times. Motor vehicles greatly expand the freedom of mobility, but impact society and the environment in various ways.

Always bearing this in mind, we listen carefully to our customers and the local community as we pursue a business that works towards harmony with people, society, and the global environment, as well as the realization of a sustainable society through *monoづくり* (manufacturing.)

For details, see Corporate Principles (CSR Policy: P4)

CSR Organization and Structures

We strive for sustainable growth by providing society with values such as "Safety and Peace of Mind," "Environmental Sustainability" and "*Waku-doki* (excitement and exhilaration that wows you)" through our business activities. Toyota established the Corporate Planning Meeting and the Corporate Governance Meeting to promote these activities from a long-term and company-wide perspective.

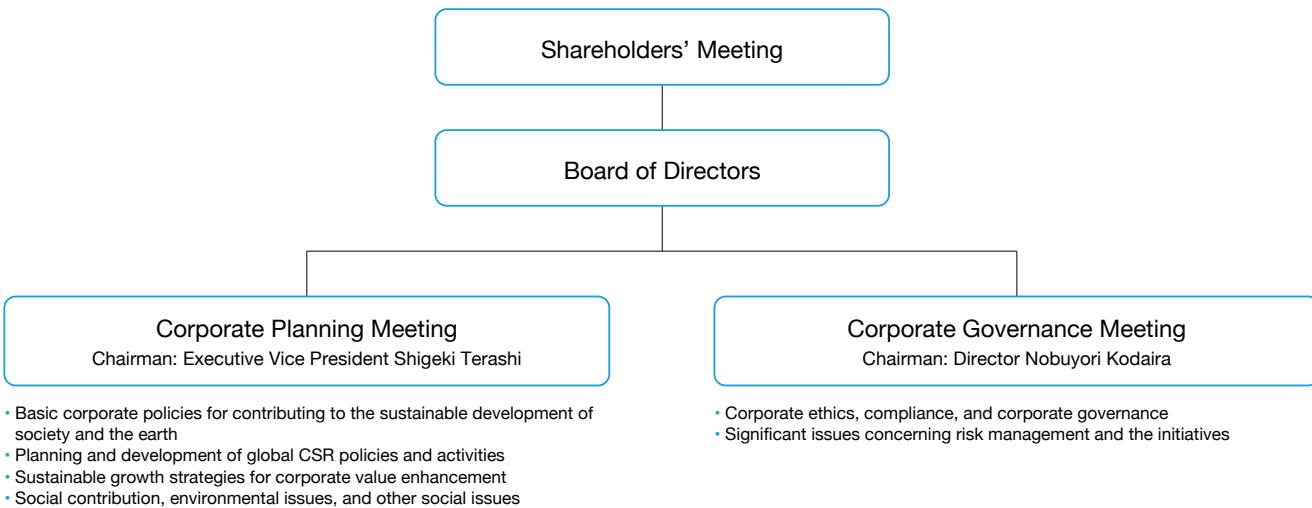
Corporate Planning Meeting and Corporate Governance Meeting

In October 2007, Toyota established the CSR (Corporate Social Responsibility) Committee to coordinate and promote CSR activities. Through the CSR Committee, we have ensured legal compliance, conducted social contribution activities and promoted initiatives for environmental issues.

Since April 2015, organizational changes have been made with the intention of incorporating CSR into management and raising corporate value. These changes were designed to bring CSR-specific discussions that previously took place in the CSR committee into more general management and business operation-

related discussions. Therefore, the functions of the CSR Committee have been transferred to the Corporate Planning Meeting and Corporate Governance Meeting. Under the oversight of General Shareholders' meetings and the Board of Directors, the Corporate Planning Meeting discusses growth and business strategies, taking into account a wide range of social issues. An optimal governance structure has been deliberated in the Corporate Governance Meeting, which serves as a supervising body over business implementation, to realize these growth and business strategies.

CSR Structure (Corporate Value Enhancement)



Goals to Realize Toyota Global Vision

In order to realize the Toyota Global Vision, Toyota has involved external and internal experts to set goals and have established the Toyota Visionary Management Indices to act as KPI to assess the progress being made towards achieving those goals. Each responsible division conducts self-evaluations and implements PDCA to strengthen CSR activities.

* For further details on "Actual Results for the Previous Fiscal Year and Major Initiatives for the Current Fiscal Year," see each section.

Global Vision for Those We Serve		Goals
Ever-Better Cars	1. Provide safe and reliable vehicles that inspire enthusiasm at affordable prices	Achieve the highest level of customer appraisal in terms of safety, quality and moving people
	2. Listen sincerely to customer voices and continue to reinvent ourselves through sufficient information disclosure and dialogue	Raise customer satisfaction concerning customer inquiries
Enriching Lives of Communities	3. Contribute for economic development of local communities with open stance to new suppliers and dealers and through sustainable growth based on mutually beneficial business relationships with dealers/distributors and suppliers	Suppliers: Promote local purchasing globally Dealers/distributors: Establish sales networks together to be rewarded with a smile
	4. Contribute to realizing a sustainable society through initiatives of the Toyota Environmental Challenge 2050	Progress steadily with the Sixth Toyota Environmental Action Plan (2016-2020)
	5. Be aware of responsibilities of developing and producing vehicles and contribute for realization of new mobility society free from traffic accidents and congestion	Engage in advanced/cutting-edge research for a new mobility society, and promote the practical application and popularization thereof
	6. As a good corporate citizen, respect the culture and customers of every nation and region and contribute to social development	Continue stable social contribution activities at an appropriate level as a good corporate citizen
	7. Create working environments for various employees to work proudly and with loyalty and confidence in fulfilling their potential, which realize their self-growth	Increase the ratio of employees who feel that their jobs are rewarding
	8. Ensure sustainable growth by fostering the virtuous circle Ever-Better Cars > Enriching Lives of Communities > Stable Base of Business	Establish a stable base of business
Stable Base of Business		

Society

Initiatives for Improving Traffic Safety

Announcement of the Mobility Teammate Concept

Driving demonstration with automated driving test vehicles



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Respect for Human Rights

Taking Measures to Respond to Conflict Minerals Issues

Received replies from over 6,000 Tier 1 suppliers regarding usage

p.34

Customer First and Quality First Measures

Tajimi Service Center

– a Global Learning Facility, Accumulation of Service Technology

Training about 3,100 staff members a year from all over the world



p.20

J-ReBORN

New initiative for Japan-based sales activities. Taking on a new challenge of developing car enthusiasts through concerted efforts between Toyota and dealers



p.42

Creating an Affluent Society

Establishing a Community of HSR (Human Support Robots)

Promoting technology development towards accelerating practical application of the Human Support Robot which supports independent home living for the elderly and people with disabilities



p.28

Employees

Initiative to Expand “Working at Home” Program

To create workplaces that embrace the telecommute system in conjunction with infrastructure improvement efforts to promote diversity and inclusion



p.56

Creating an Affluent Society

Entered into an agreement with the International Olympic Committee (IOC) to Join The Olympic Partner (TOP) Program

Also engaging in the Paralympics and Special Olympics



p.30

Stakeholder Engagement

Promoting Dialogue with Private Investors

Direct communication with investors regarding the aspirations of the top management and company initiatives: interactive and experience-oriented communication



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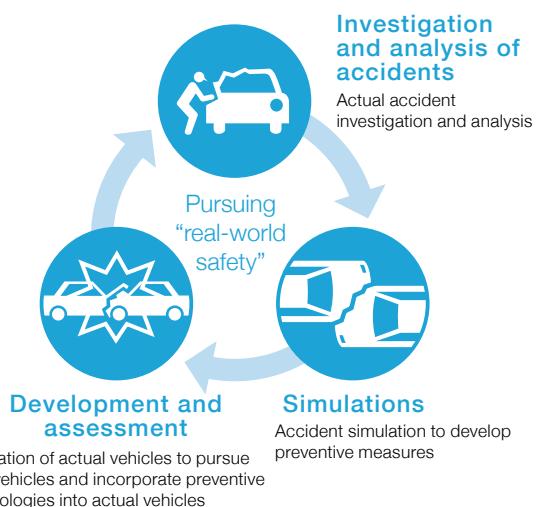
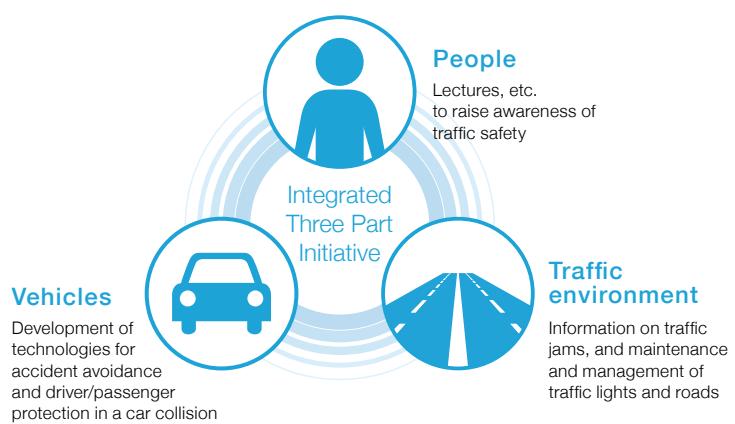
Initiatives for Improving Traffic Safety

Basic Philosophy regarding Traffic Safety

According to a World Health Organization (WHO) survey, 1.25 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 and Europe, it has been constantly increasing in emerging nations and regions 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 constantly and are predicted to become the fifth leading cause of death by 2030 unless countermeasures are implemented. In order to achieve Toyota's ultimate goal of Zero Casualties from Traffic Accidents, the development of safe vehicles

is of course important, but it is also essential to educate people, namely drivers and pedestrians and to ensure safe traffic infrastructure including traffic signals and roads.

Toward achieving a safe mobility society, 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 actual accidents and incorporating that knowledge into vehicle development. Toyota has also defined its Integrated Safety Management Concept as the basic philosophy behind technologies toward achieving the elimination of traffic casualties and is moving forward with developing such technologies.

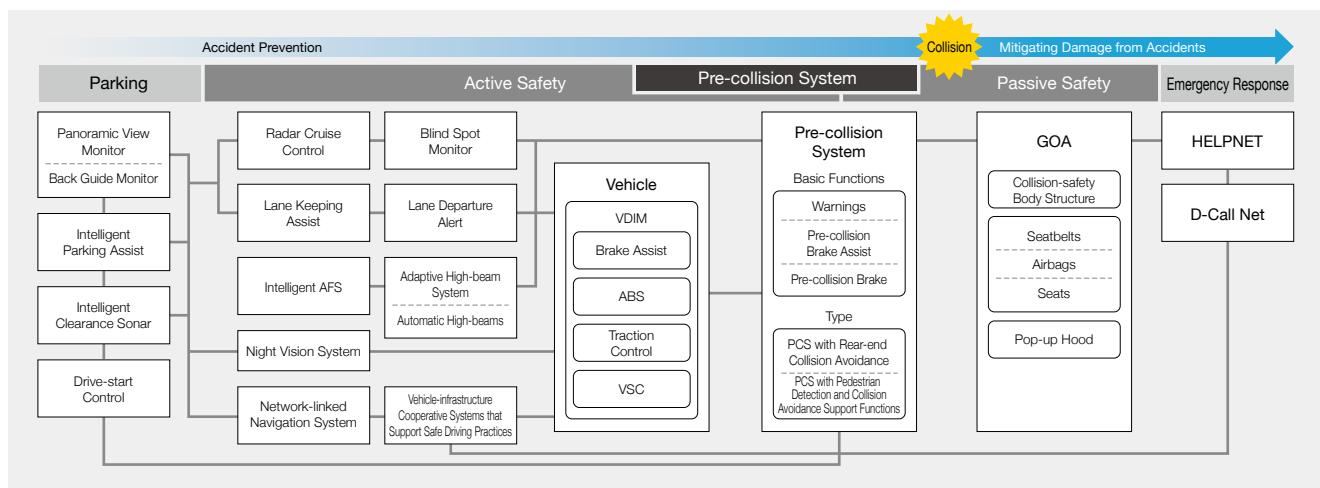


Integrated Safety Management Concept

Toyota's approach is to enhance the safety level through development of various safety systems that work together in a car rather than developing each separately. The scope of responses, which previously focused on the moments immediately before and after an accident, is widened to provide optimal driver support

during every stage of driving from parking to normal operation, the pre- and post-crash timeframe, and post-accident rescue. The Integrated Safety Management Concept seeks to create safer cars through these measures.

Integration of Individual Technologies and Systems



[Actual Results for the Previous Fiscal Year and Major Initiatives for the Current Fiscal Year]

	Major Initiatives during FY2015 (Actual Results)	Major Initiatives during FY2016
Safety	<ul style="list-style-type: none"> Developed safety systems that incorporated the Toyota New Global Architecture (TNGA) concept Safety systems promoted globally: Toyota Safety Sense Evolved Global Outstanding Assessment (GOA) was implemented in a new platform for Prius Promoted system development and started pilot operation of the D-Call Net by coupling active safety with passive safety Promoted research and development of advanced safety technology and automated driving technology Organized the concepts of automated driving craft and publicized Mobility Teammate Concept 	<ul style="list-style-type: none"> Develop technology scenario to reduce casualties from traffic accidents Proceed with research and development and raise the profile of advanced safety technology and automated driving technology Promote widespread use of safety systems and continue with research and development to expand the scope of system capabilities for preventing car accidents

Latest Statistics of Traffic Accidents and Toyota's Safety Technology

There were 4,117 traffic fatalities in Japan in 2015. Though the figure is declining year after year, fatalities of pedestrians and the elderly (65 years or older) increased in 2015 compared with the previous year (see Figures 1, 2 and 3), suggesting there still remains a serious challenge to overcome in our efforts for Zero Casualties from Traffic Accidents.

Traffic accidents could occur from various causes including the careless or improper operation of drivers, pedestrians dashing out in front of cars, and poor visibility during driving at night.

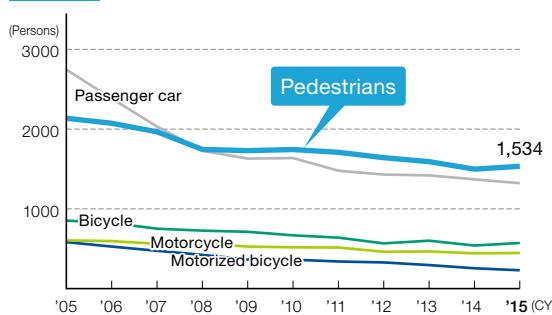
By providing optimum support to different driving conditions and aggregating individual systems, the Integrated Safety Management Concept aims to make cars safer.

In recent years, about half of all traffic accidents by elderly drivers occur at or near intersections (Figure 4), and half of the

accidents were caused by failure to confirm safety (Figure 5). Another emerging issue is accidents caused by senior drivers accidentally stepping on the accelerator instead of the brake in parking spaces. The abilities to recognize, judge and maneuver when driving tend to decline with age. In today's aging society, there is an increasing need for safety technology that works in tandem with drivers, enabling the cars to detect/warn of imminent danger and to stop automatically.

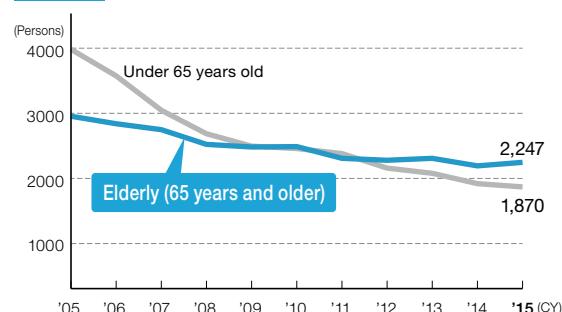
To realize a world in which every person can enjoy mobility safely, easily, and freely, Toyota is actively promoting the development of automated driving technology. Automated driving technology is expected to make a big difference in preventing accidents and mitigating casualties from traffic accidents, as it will make up for driver errors and make driving easier.

Figure 1 Number of Traffic Fatalities by Accident Type



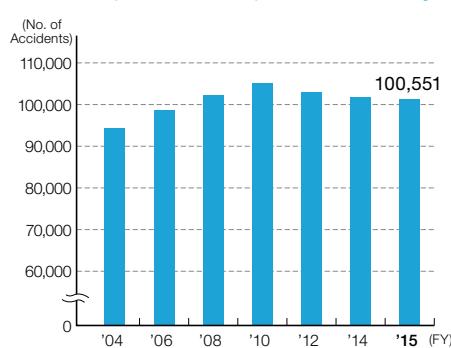
Source: 2016 Traffic accident statistics by the National Police Agency

Figure 2 Number of Traffic Fatalities of Elderly



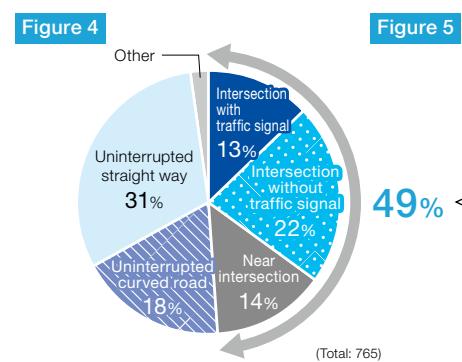
Source: 2016 Traffic accident statistics by the National Police Agency

Figure 3 Accidents in Which Elderly (65 and Older) Are the Primary Actor



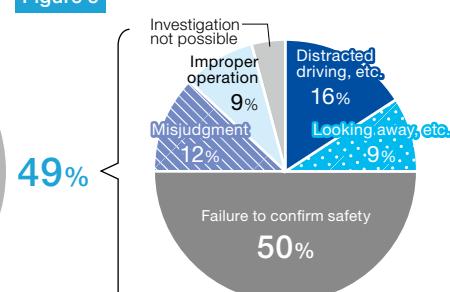
Source: National Police Agency Traffic Bureau, Traffic Accident Statistics, 2015

Breakdown of Traffic Fatalities by Site for Elderly Drivers (65 and Older) and the Causes of Intersection Traffic Accidents



Source: 2011 ITARDA accident data

Figure 5



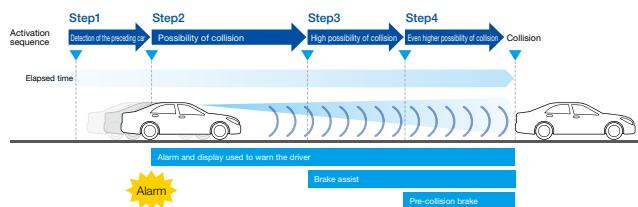
[Major Initiatives during FY2015]

Active Safety

Toyota is developing Active Safety Systems that can keep cars and people free from accidents. Several Active Safety functions that are quite effective in reducing accidents were put together into a package, which then was made commercially available in March, 2015. We intend to install the system package in nearly all passenger cars in US, European and Japanese markets by the end of 2017. Our goal is to have these safe cars penetrate into these markets.

• Pre-collision safety

The pre-collision system detects an impending collision and helps reduce damage by preparing for it.



• Next-generation LED Array AHS*

Improves visibility at night by illuminating a wider range, focusing light onto a distant spot and using advanced control of light distribution.

*AHS: Adaptive High beam System



Launch of Toyota Safety Sense, a Collision Avoidance Support Package

Toyota started implementing Toyota Safety Sense, a collision avoidance support package that was developed based on the Integrated Safety Management Concept. Designed from the analysis of actual accidents, it has achieved high performance in active safety by detecting danger with two types of sensors and

integrating multiple drive assistance systems. With its simple design, the package can be widely adopted not only in high end vehicles but mass-market models as well. It was first installed in the Corolla launched in March, 2015.

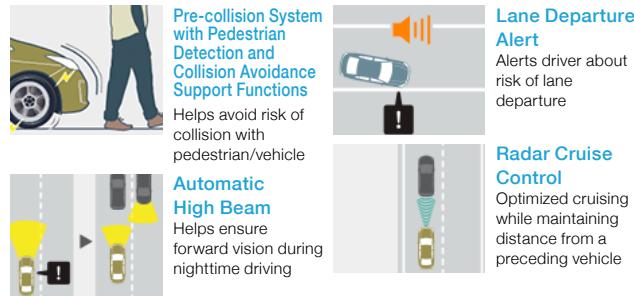
Toyota Safety Sense C

Single-lens camera+Laser radar



Toyota Safety Sense P

Single-lens camera+Millimeter-wave radar



New Models Equipped with ITS Connect, World's First* Telecommunication-based Cooperative Driving Support System

Launched in the autumn of 2015, ITS Connect features a cooperative driving support system which utilizes vehicle-to-infrastructure and vehicle-to-vehicle communication. The system acquires and alerts the driver of the information about the presence of cars and pedestrians that are in blind spots outside the field of vision of on-board sensors, and about traffic signals to help reduce accidents at accident-prone intersections.

Communicating Radar Cruise Control utilizes acceleration and deceleration data of a preceding vehicle which are collected via vehicle-to-vehicle communication to improve headway control. It

has been installed in the new models of Crown, Prius and LEXUS RX. The effects of accident reduction are expected to increase as it will be introduced to more models and infrastructure will improve.



While waiting to turn right at an intersection, drivers are warned by an audio and visual alert if they may be unaware of an oncoming car or pedestrians

* As of September 2015. According to Toyota research

Passive Safety

Toyota has developed GOA* Safety Assessment with a goal to achieve world-class collision safety performance. It is Toyota's own rigorous internal target which reflects actual accidents in the market place while also taking regulatory standards of different countries in the world and third-party evaluations into consideration.

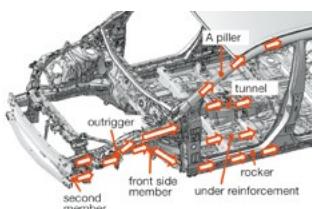
Since 1995, Toyota has been developing vehicles based on this

philosophy and its performance targets have continually evolved to maintain leadership in this field. Based on this GOA, Toyota has realized high performance in collision safety, protecting against a wide range of accidents.

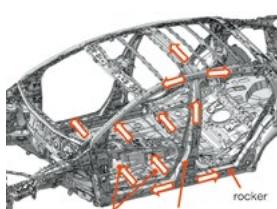
* GOA: Global Outstanding Assessment

Collision-Safety Body Which Absorbs and Disperses Accident Impact

The vehicle body offers high performance in passive safety with an impact-absorbing body and a high-strength cabin. The multi-load path structure which receives impact at two locations, absorbs and disperses the collision energy. Optimum positioning of hot stamped, ultra-high strength steel panels makes a robust framework possible. Even in an event of oblique shock, a safe space is secured to minimize damage. In December 2015, this framework was adopted in the new Prius model as the first car produced under the TNGA concept.



Load Distribution in Front Collision



Load Distribution in Side Collision

Released Version 5 of THUMS Virtual Human Body Model Updated with Virtual Muscles

THUMS* is a computer-aided virtual human body model to predict potential injury that could be inflicted upon the human body in a collision. Adopted by research and development institutions, dozens of car manufacturers and automotive component suppliers around the world, it drives the research of car safety technology not only at Toyota but around the world. In June 2015, Toyota released THUMS Version 5. In this virtual model series, human bone, brain and internal organs were modeled, and now muscle modeling is added in Version 5, enabling more accurate simulation of the postures and injury to the passenger before and after accident.

* THUMS: Total HUman Model for Safety

Simulates the conditions of the muscles before and after an accident, ranging from moments of bracing oneself for upcoming danger to the moments when a person is stunned



Braced State



Relaxed State

Focus

Cars equipped with Toyota Safety Sense and LEXUS Safety System+ and the Sienta earned the highest rank assessment in the JNCAP Active Safety Performance Assessment and in the New Overall Safety Performance Assessment, respectively

JNCAP (Japan New Car Assessment Program) offers vehicle safety information, published by the Ministry of Land, Infrastructure, Transport and Tourism and the National Agency for Automotive Safety and Victim's Aid. The information is intended to promote better vehicle safety. Its safety performance assessment has two categories, Active Safety and Passive Safety, and has given high ratings to Toyota vehicles in both categories.

Active Safety Performance Assessment

Evaluates advanced safety technology to prevent accidents from happening

New Overall Safety Performance Assessment

Evaluates overall safety performance for minimizing injury to passengers and pedestrians in the event of an accident

In May 2016, the 2015 JNCAP Award Ceremony was held and Toyota was awarded the highest rank of ASV+, with perfect or nearly perfect scores in Active Safety Performance Assessment, on 9 models equipped with Toyota Safety Sense and 3 LEXUS Models equipped with LEXUS Safety System+. Sienta was awarded with the Five Star Award, the highest rank in the New Overall Safety Performance Assessment.



ASV+

LEXUS LX, RX, GX
Prius, Land Cruiser, Avensis, Corolla (Axio, Fielder)
Auris, Noa, Voxy, Esquire, Aqua, Sienta, Vitz



the Five Star Award

Sienta

Emergency response

Every minute counts in emergency response for accidents or sudden illness. Since 2000, Toyota rolled out Helpnet service, an emergency reporting system utilizing G-Book information network (now migrating to T-Connect) and G-Link. Approximately 500,000

members have signed up since then. A switchboard operator is just a switch away to help identify the situation and connect to the police and the fire authorities.

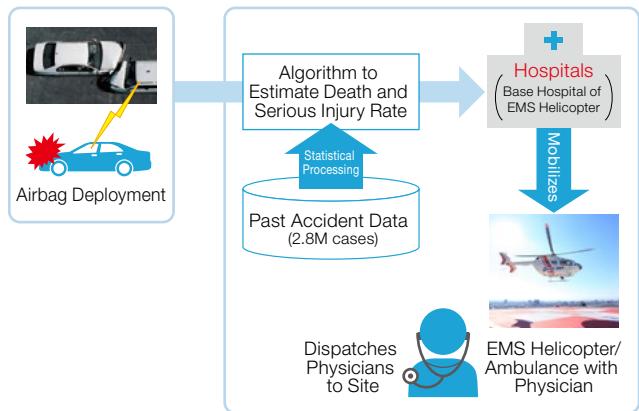
Pilot Operation of D-Call Net Started, in which an Emergency Medical Service Helicopter is Dispatched Immediately Upon Request

In November 2015, Toyota started pilot operation of D-Call Net, an automatic emergency reporting system in collaboration with HEM-Net (Emergency Medical Network of Helicopter and Hospital), a certified non-profit organization, Honda Motor Co., Ltd. and HELP NET (Japan Mayday Service Co., Ltd). At the outbreak of a traffic accident, information is sent from the car regarding the direction and severity of the collision and whether seat belts were fastened. That information prompts a decision whether to urgently dispatch an EMS Helicopter or an ambulance with physician. This service is expected to help save lives with a quick response, and thereby reduce fatalities from traffic accidents.



Emergency Response and Rescue Activities Using EMS Helicopters

Automatic Emergency reporting System “D-Call Net”



Full-scale Operation Targeted to Start in mid-2018

Parking Assist

About 30% of all traffic accidents are said to occur in parking lots*. Checking around the car for safety and repeated steering maneuvers tend to burden drivers, causing pedal misapplications operation which can lead to serious accidents. Toyota has developed technology to improve visibility and to assist driving maneuvers during parking operations in order to prevent accidents and minimize damage.

* Source: "Statistics of Parking Lot Accidents" (statistics from 6 Prefectures in Tohoku Region) from the General Insurance Association of Japan

Commercialized Intelligent Clearance Sonar (ICS)

Ultrasonic sensors warn the driver when obstacles are detected and if necessary, the system reduces the engine output and automatically applies the brakes to avoid collision accidents and minimize damages caused by accidental or improper pedal operation.



Brakes are also applied if deemed necessary

Panoramic View Monitor (PVM) Upgraded with the New See-through View Function

Panoramic View Monitor, which synthesizes images from cameras mounted on the four corners (front, back, right and left) of the vehicle to display images as though looking down on the vehicle from above, now has an additional See-through View Function in which images are displayed in such a way as if the vehicle's body and seats were transparent, allowing the driver to identify obstacles in blind spots. This feature is installed in the Alphard, Vellfire and LEXUS RX launched in 2015.



Conventional Moving View



New See-through View Function

Automated Driving

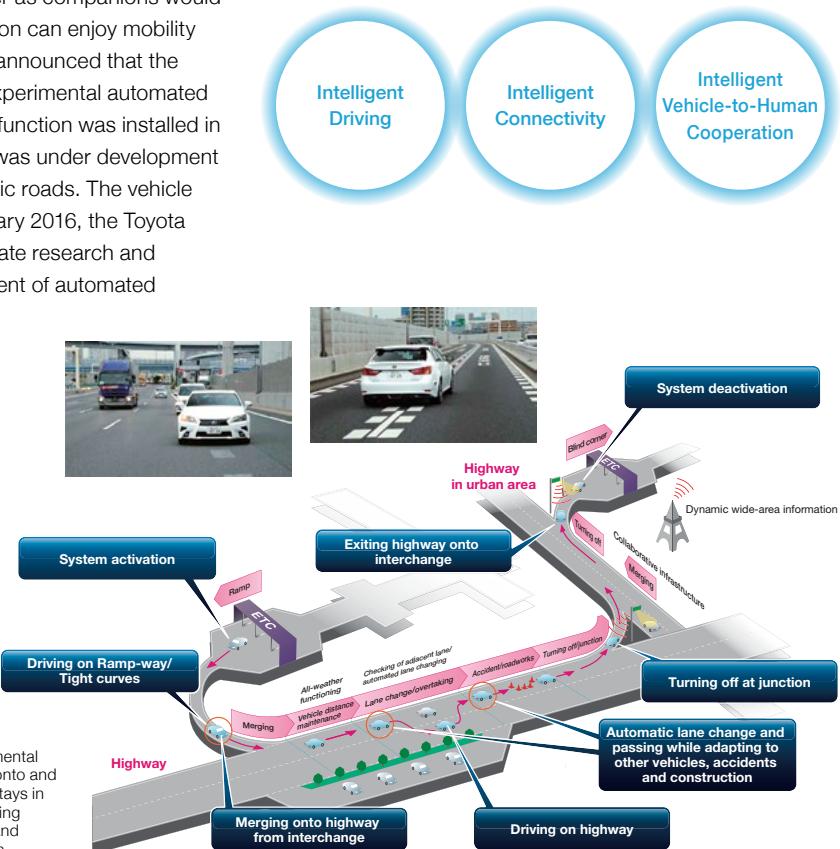
In October 2015, Toyota announced the concept for automated driving: the Mobility Teammate Concept. This is a unique philosophy of Toyota which seeks out a relationship between people and vehicles so they have the same objectives, stand by and support one another as companions would do, in order to realize a society in which every person can enjoy mobility safely, comfortably and freely. Additionally, Toyota announced that the Highway Teammate function was installed in our experimental automated driving vehicle. In May 2016, the Urban Teammate function was installed in the experimental automated driving vehicle which was under development with the goal to perform automated driving on public roads. The vehicle was unveiled at the G7 Ise-Shima Summit. In January 2016, the Toyota Research Institute (TRI) was established to accelerate research and development of AI technology, an integral component of automated driving.



MOBILITY TEAMMATE CONCEPT

Automated Driving Tech.

The Highway Teammate, an experimental automated driving vehicle, merges onto and exits from highways, changes and stays in the lane, and maintains headway using appropriate recognition, judgment and maneuvering with the built-in system.



For details, see Sustainable Management Report (Special Feature 1: P6)

Initiatives Targeting People

Traffic Safety Education Activities

Toyota has been conducting various traffic safety education activities continuously since the 1960s targeting a wide range of audiences including drivers and pedestrians. Activities have also been conducted by overseas affiliates.

For details, see Social Contribution Activities (Traffic Safety: p117)

Focus

Support for initiatives at Collaborative Safety Research Center (CSRC), U.S.

Toyota has invested a total of 85 million dollars in Collaborative Safety Research Center (CSRC) to support its initiatives, which was established at the Toyota Technical Center (TTC) campus in January, 2011. CSRC aims to carry out joint research with universities and research institutes in North America and share its results with society and industries, thereby to contribute to a safe motorized society.

During the first five-year phase from 2011, it has conducted research for developing preventive measures of inattentive driving, protections of vulnerable pedestrians including young children and the elderly, and developing test methods for the assessment of Pedestrian Automatic Emergency Braking (AEB). In the next second five-year phase starting in 2017 we will further step up our research on promising technologies including automated driving technologies and "Connected Vehicle" technologies.



Pedestrian mannequins were also developed for tests to assess the safety performance of the automatic brake, Pedestrian AEB.

Customer First and Quality First Measures

Basic Philosophy regarding Customer First and Quality First

Quality is the result of collaboration among development, design, procurement, production, sales, after-sales service and other areas. It is necessary to make efforts in all of these areas in order to provide the quality that will satisfy customers.

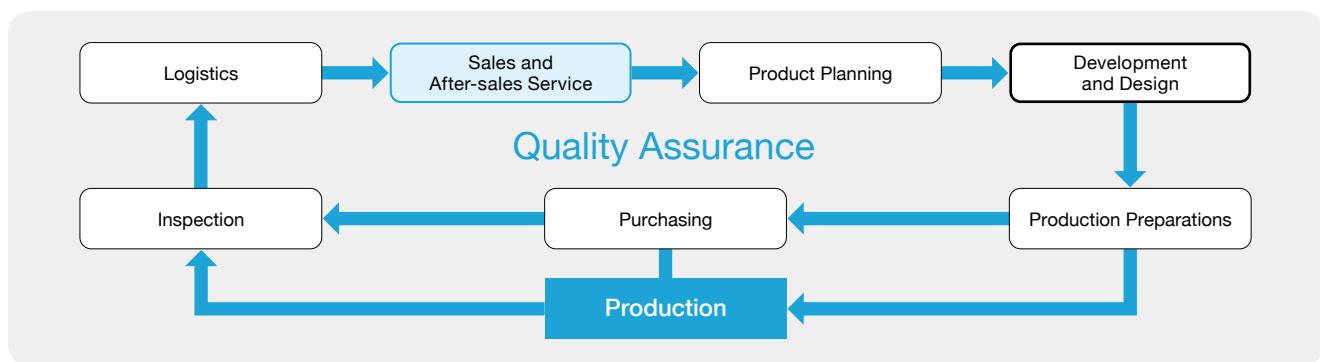
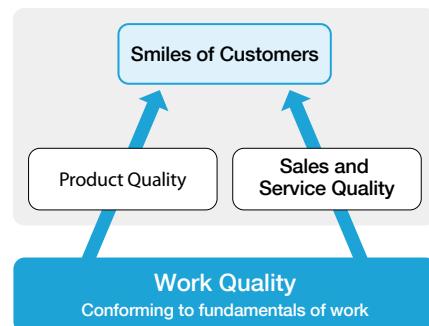
At Toyota, quality includes product quality, sales and service quality, and the quality of the work performed by each employee that serves as the foundation supporting the other aspects of quality. We believe that the combination of these three constitutes quality and it is only when all three aspects of quality are secured that we can provide products and services that can gain the trust of customers. The origins of quality lie in the spirit of audit and improvement, and Toyota's unchanging *monozukuri* (manufacturing) pursues ever higher quality through continuous improvement based on repeated implementation of PDCA.

Since the occurrence of recall issues in 2010, Toyota has determined February 24 as "Toyota Restart Day," and employees are making even greater efforts to rebuild Toyota as a quality leader that exceeds customer expectations.

Since Toyota's foundation, each employee has strived to

make improvements in his or her own work with a strong and constant awareness of issues and has sought to raise customer safety, security, and satisfaction through close collaboration with personnel in other fields so that we can put the principles of customer first and quality first into practice and continuously meet the expectations of customers and society.

Definition of Quality



Organization and Structure

Toyota's Quality Function Policy was implemented to rebuild Toyota as a Quality Leader that exceeds customers' expectations by recognizing work fundamentals, with employees making every effort to set up focused activities for the year. The fundamentals of implementation are function management and policy management. Function management refers to setting company-wide policy based on a function that assures quality and each division taking action in collaboration with other divisions.

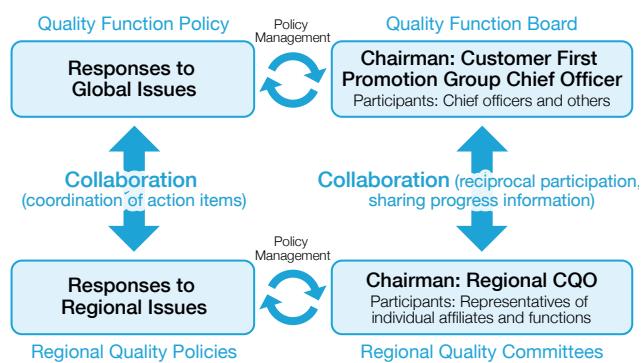
Policy management refers to the formulation and implementation of action plans for achieving targets in each division based on the company-wide policy. During the implementation phase, progress and results are reported through Quality Function Board and other forums and responses are carried out as needed.

In addition, in order to strengthen quality improvement activities led by the regions, Toyota has appointed Chief Quality Officers (CQOs) in Japan and other regions around the world to address regional issues and promote global collaboration.

In 2012 the Customer First Promotion Group (CF Promotion Group) was established to strengthen in-house systems for quality improvement in order to cater to customer's perspectives to be a Quality Leader. In 2016 the BR Quality Reform Office that identified

all-company problems was consolidated into the TQM Promotion Division that performs operational reform. This new body was reorganized as the Process Quality Innovation Division. We are putting more emphasis on monitoring and improving work quality—the foundation of our quality, and promoting initiatives that allows all of our employee's efforts to take root.

Global Implementation Structure of the Quality Conference (Basic Scheme)



Coping with Quality Troubles

In line with our Customer First Principle, Toyota is encouraging employees to work on their own initiative to improve product quality; at the same time, it provides prompt actions in preparation for an emergency.

When identifying a recall, quality failure is not only recognized based on legal compliance but is also considered from the customer's standpoint putting safety and security first.

When making a final decision, the regional representatives,

who are closest to the customers, take part in that decision so that regional customer feedback can be incorporated. Once decided, Toyota will not only contact individual customers through the dealers but also add information to its website to ensure prompt repair service.

We will continue to improve our products so that our customers can drive Toyota cars safely.

[Actual Results for the Previous Fiscal Year and Major Initiatives for the Current Fiscal Year]

	Major Initiatives during FY2015 (Actual Results)	Major Initiatives during FY2016
Quality	<p>Laid down foundational culture and structures to raise the sensitivity of individual employees and keep the fundamentals of work</p> <ul style="list-style-type: none"> Steadily implemented quality-related measures and reinforced overseas spread of quality education Spread regional quality activities centered on CQO to all regions 	<p>Develop globally both the work climate and the human resources to perform work fundamentals and think from the customer's standpoint</p> <ul style="list-style-type: none"> Prompt quality improvement further through reorganization (the introduction of the Company System) Continue to strengthen regional quality activities led by CQO Increase the number and quality of quality-learning facilities to develop human resources working from the customer's standpoint
Customer	<ul style="list-style-type: none"> Devised and implemented measures that encourage individuals to reflect customer feedback in their conduct (Implemented the Customer's Month) Customer feedback was incorporated into company-wide skill and position training Carried out activities (vehicle evaluation, etc.) from the customer's viewpoint through the Toyota Consumer Affairs Advisor Group (since 1991) 	<ul style="list-style-type: none"> Continue to promote existing activities Reorganize the system of proactive information release to customers

[Major Initiatives during FY2015]

Sharing Information on the Current Status of Quality Measures Globally through the Global CQO Meeting

In 2013 the Global Chief Quality Officer (CQO) Meetings started. Regional CQOs gathered to exchange and share the current needs of regional customers and the examples of quality improvement measures implemented in individual regions.

In May 2015, the 3rd Meeting was held with the attendance of seven regional CQOs from North America, Europe, Africa, China, Asia, the Middle East, East Asia, Oceania, and Latin America and related Toyota officers. The major theme of this meeting was to summarize and share the activities Toyota and individual regions have implemented proactively since the series of recall issues in 2010. Specifically, the Meeting agreed on a further strengthening

of the initiatives for customer safety and security that have been ongoing since the Special Committee for Global Quality was held in 2010, and a strengthening of the globally coordinated initiatives that have been implemented with higher sensitivity to the changing expectations of markets and customers.



In May 2015, CQOs from all the regions met at the Headquarters' Quality Audit Building.

Promotion of Awareness Activities and Creation of Structures to Maintain Focus on the Lessons Learned from the Series of Recall Issues.

February 24, the day of the U.S. Congressional hearings held to investigate the series of recall issues, is designated the "Toyota Restart Day." In connection, we promote awareness activities and creation of structures to maintain focus on the lessons learned from the recall issues.

On this day in 2016, in addition to a series of company-wide events including the reflections on the recall issues and the interviews with the staff in charge at the time, a range of independently organized events by organization and region was held. Among them, the North American executives were invited to a round-table discussion with the president Toyoda. We recalled

previous issues and discussed future initiatives to realize "One Toyota," the key words of the North American Region.

Reflection on the series of recall issues at these meetings will encourage all employees to review their work process. The improved work quality of individual employees will then lead to the promotion of the customer first corporate culture.



Discussion with the North American executives

Ongoing Quality Education Programs for Employees on Quality Month

Toyota designates every November as a Quality Month and undertakes initiatives aimed at nourishing a sense of ownership in quality so that they take action. In November 2015, we invited representatives from other companies that implement excellent activities to improve quality to offer us advice and new ways of thinking.

In addition, using a "Tsunagari Sheet (Network Sheet)" to visualize how individual business activities connect with the

customers, we discussed the initiatives based on the customer's viewpoint, and aimed our activities in accordance with the Customer First principle, etc. at each workplace.

The purpose of various initiatives on quality is to analyze duties from the customer's viewpoint and take action. Moreover, repeated cycles of review after reflection will lead to the improvement of work quality.

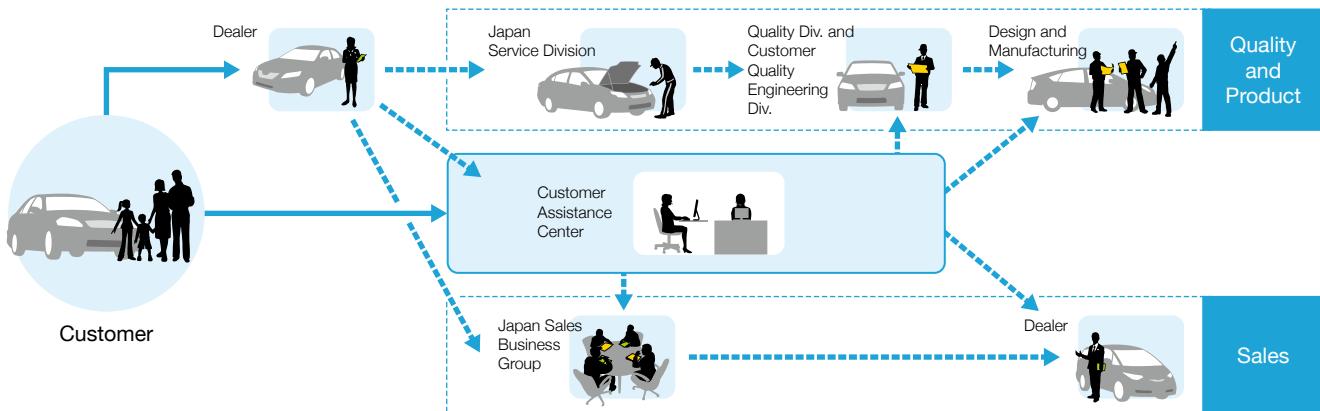
Applying Customer Feedback to the Creation of Better Products and Services

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 ever-better cars, Toyota makes rigorous use of customer opinions gleaned from dealers and the Customer Assistance Center.

System for Implementing Customer Feedback [Domestic Examples]



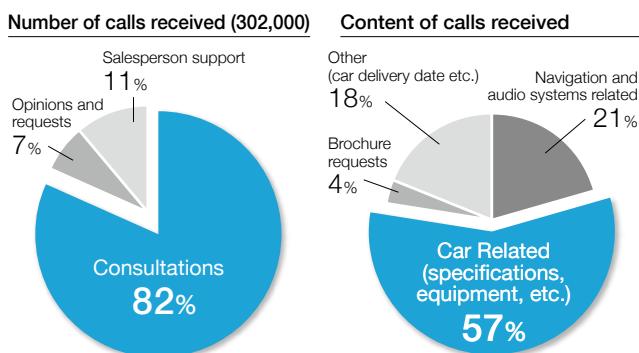
Toyota Customer Assistance Center and Lexus Information Desk

The Toyota Customer Assistance Center, and the Lexus Information Desk, 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 has been 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.

Number and Content of Calls Received by the Center and the Desk in FY2015



Customer Feedback from Each Country and Region

In order to offer products and services based on the Customer First principle, Toyota has established customer assistance centers not only in Japan, but also in the U.S., Europe, other Asian countries, and at each distributor around the world. Some customer feedback received at these centers is listed below.

Customer feedback delivered to Toyota

[Compliments]

U.S.A.

While we drove with Siena, the engine warning light suddenly turned on. So we went to the closest dealer. **They dealt with our problem without delay in spite of our sudden arrival.** Thereafter they communicated the progress of the repairs with us; so we were able to continue with our travel plans. Thank you for your wonderful support!

South Korea

I run a company and replaced our four sales cars with Prius. **Thanks to the low fuel consumption, we were able to reduce the fuel cost by 1,440,000 yen per year** with an average of about 4,200 km driving a month. I'm moved by Toyota's technological strength.

[Claims and Consultations]

Japan

There was much feedback: "**It's difficult to understand how to use a first-aid repair kit to fix a flat tire!**" and "**I do not understand how to start the engine if the smart key battery runs out!**" At the Customer Assistance Centers and dealers, it was difficult to explain how to fix the problems over the phone so we had to keep customers waiting for a long time.

Japan and U.S.A.

To repair my hybrid car, the whole inverter had to be replaced, which was very expensive. Is it possible to replace only the broken part with a new part?

Countermeasures

Countermeasures

[Initiatives for Improvement]

FAQ Movies were delivered on the Internet

In order to respond more quickly to feedback, in April 2016 the Toyota website started offering movies explaining how to cope with the troubles in the Inquiries & FAQ. We are trying to solve customer problems as quickly as possible.

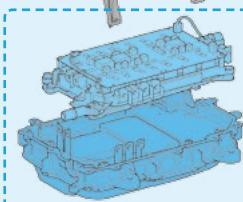
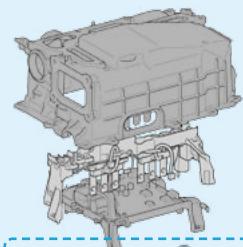


The movies are recently available on smart phones, so they are useful for solving problems when you are away from home.

[Initiatives for Improvement]

Promotion of the Initiatives for Overhaul and Reuse of HV Parts

In 2013 we started repairing HV parts by focusing on the specific parts requiring repair without replacing the whole HV component. Toyota has established an in-house working group to lower the cost of HV parts' repair. We are trying to establish the overhaul technology to break a large component into smaller parts for supply and replacement and a method to rebuild and reuse technology to supply inexpensive parts by gathering and reusing the damaged parts.



Transformer unit

[Example: Aqua]

Regarding the power control unit, the inner transformer parts are now replaceable which leads to less expensive repair.

[Major Initiatives during FY2015]

Ongoing Customer First Staff Education

To coincide with the designation of May as Consumer's Month by the Japanese government, Toyota has declared it Customer's Month, and undertakes initiatives aimed at spreading awareness of the Customer First principle throughout the company.

One of our initiatives is "Customer Feedback Experience" to encourage employee's voluntary action. With the help of in-house intranet, feedback is now delivered to all employees online. At the Customer Feedback Exhibitions, examples of the customer feedback and the initiatives from the customer's viewpoint are introduced. In addition, guest lecturers from other corporations are invited to speak.

Throughout the year, the "Experience and Learn from Customer Feedback" sessions are held to observe and experience the function of the call center, Customer Assistance Center. The facility and vehicle evaluation from the customer's viewpoint is also held by a group of experts (Toyota Consumer Affairs Advisor Group).

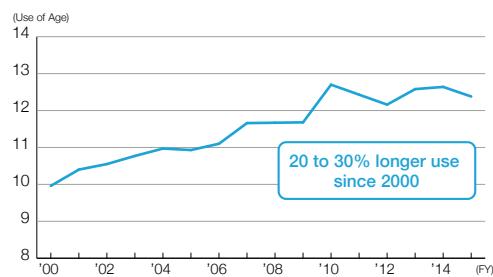


A customer feedback exhibition

Basic Philosophy regarding After-sales Service

Better service and better cars are, as it were, the two wheels of the cart. Customer car use requires regular check-ups, legal check-ups, and repair due to breakdown or accidents. After-sales service will continue supporting Toyota and Lexus brands during the customers' ownership. In particular the average age of car use has become extended - up to about 12 years in Japan; therefore, the role of the after-sales service has become more important. Toyota is trying to provide better services under the umbrella of the 3S Spirit (*Seikaku + Shinsetsu = Shirai*: Accuracy + Caring = Trust) so that our customers can enjoy a long use.

Average Use of Age of Passenger Cars (Japan)



Source: Website of Automobile Inspection & Registration Information Association

Organization and Structure

Currently in Japan the after-sales services are delivered by about 310 companies, about 5,000 dealers and parts distributors, totaling about 46,000 service staff members, while overseas there are about 170 companies, 10,000 dealers, or 134,000 service staff members. Toyota has set up education systems and facilities in individual regions. At the same time, by focusing on Tajimi Service Center, we are trying to improve the knowledge and skills of our global service staff.

In addition, Toyota has established a quick delivery system of

parts required by each country to make repair service, etc. faster. By utilizing the concept of the Toyota Production System on the dealer sides, more efficient parts inventory, shorter delivery time at car inspections, etc. have been realized.

Moreover, based on the idea that "after-service start at the stage of vehicle development," respective divisions such as service, development and sales work together to proceed with Easy-to-Repair Car Manufacturing, Quick-to-Know Handling Manuals, and Quick and Easy Repair Manuals, etc.

[Major Initiatives]

Global Learning Facility, Tajimi Service Center, Accumulation of Service Technology

In July 2013, the Tajimi Service Center, a learning center for service staff, was opened in Tajimi City, Gifu Prefecture. 187,000 m² of vast premises contains study centers and drive-evaluation courses of a variety of road conditions, welcoming about 3,100 service staff members a year from all over the world. The latest service technology compatible with the latest technology of Toyota cars has been accumulated here to improve members' knowledge and skills and to establish the center as a global learning base.



Initiative with Toyota National Dealers' Advisory Council to Listen to Customer's Feedback

The dealers offer services to the customers directly; therefore, the dealers and manufacturers are working together to promote activities for ever-better cars and ever-better services. In Japan the sectional meetings of Toyota National Dealers' Advisory Council and Toyota are discussing after-sales services. The

Technical Sectional Meeting discusses quality control issues and serviceability from the customer's viewpoint; while the Service Meeting discusses individual problems at the sites of the dealers, which are respectively utilized for improvement.

Creating an Affluent Society

Basic Philosophy regarding Creating an Affluent Society

To help realize a mobility society of the future and affluent lifestyles, Toyota is working on a wide variety of initiatives beyond just automotive manufacturing, including building environmentally friendly communities where people connect more freely, developing life-supporting robotics and sponsoring sport events such as the

2020 Tokyo Olympic and Paralympic Games. Through collaboration with governments, local communities, other corporations and the academic world, Toyota is committed to realizing a sustainable society for the greater happiness of all.

[Actual Results for the Previous Fiscal Year and Major Initiatives for the Current Fiscal Year]

	Major Initiatives during FY2015 (Actual Results)	Major Initiatives during FY2016
Smart Mobility Society	<p>(Connectivity Products and Services)</p> <ul style="list-style-type: none"> Promoted utilization of big data information, provided to businesses and local governments and verified usability Development and commercialization of next-generation traffic systems Expanded T-Connect services and functionality <p>(Future Mobility Society)</p> <ul style="list-style-type: none"> Managed measures for promoting further utilization in Ha:mo verifications in Toyota City, and improved systems to enhance ease of use Progressed steadily with verification tests of Ha:mo in Grenoble, France Progressed steadily with verification tests in the Tokyo area Started Ha:mo verification tests in collaboration with tourism services in Okinawa 	<p>(Connectivity Products and Services)</p> <ul style="list-style-type: none"> Promote vehicle connectivity by expanding the installation of the on-board Data Communication Module (DCM) Promote construction and operation of Toyota Big Data Center, and research and utilization of big data for realizing ever-better cars Expand T-Connect services/functions and smartphone navigation services Expand service and reinforce product appeal through cross-industry collaboration (sharing, communication platform, insurance, etc.) <p>(Future Mobility Society)</p> <ul style="list-style-type: none"> Utilize Ha:mo verification tests in Toyota City for tourism and revitalization strategies in the local community, and promote commercialization with further improvement in operation and systems Strengthen infrastructure and improve operations for the Ha:mo verification test in Grenoble, France Ensure smooth launch and full-scale operation of the verification tests in Tokyo Progress steadily with the Ha:mo verification test in Okinawa and develop the local operational structure
Assisted Mobility	<ul style="list-style-type: none"> Fully redesigned Sienta Launched User-Friendly Goods line (Sienta) 	<ul style="list-style-type: none"> Implement partial updates to Hiace and Regius Ace Redesign a wheelchair loading and unloading system (Porte, Spade)
Biotechnology & Afforestation	<ul style="list-style-type: none"> Conducted research and development and fostered new businesses, in the fields of biomass utilization, contribution to the agriculture and livestock industries, and greenification <p>(<i>Housaku Keikaku</i>: An agricultural IT management tool)</p> <ul style="list-style-type: none"> Promoted initiatives for second year of verifications in the Advanced Model Agricultural Business Formation Trials being conducted by the Ministry of Agriculture, Forestry and Fisheries Started joint project with JA Aichi Group 	<ul style="list-style-type: none"> Conduct research and development and foster new businesses in the fields of biomass utilization, contribution to the agriculture and livestock industries, and greenification <p>(<i>Housaku Keikaku</i>: An agricultural IT management tool)</p> <ul style="list-style-type: none"> Progress steadily in the final year of the Advanced Model Agricultural Business Formation Trials by the Ministry of Agriculture, Forestry and Fisheries Began Production Process Efficiency Improvement Project in Agricultural Firms with Ishikawa Prefecture, in addition to JA Aichi Group
Partner Robots	<p>(Rehabilitation Partner Robots)</p> <ul style="list-style-type: none"> Fully introduced for clinical research in 34 medical institutions <p>(Human Support Robot (HSR))</p> <ul style="list-style-type: none"> Established the HSR Development Community, lease of HSRs to member institutions, and promoted technological development by sharing research and development outcomes 	<p>(Rehabilitation Partner Robots)</p> <ul style="list-style-type: none"> Comply with the Pharmaceutical Affairs Law and improve quality and user-friendliness by incorporating feedback from clinical research <p>(Human Support Robot (HSR))</p> <ul style="list-style-type: none"> Steadily introduce and expand use of the HSR Development Platform in research labs Accelerate functional development in the research and development community and initiate social implementation to verify effectiveness

Smart Mobility Society

Basic Philosophy regarding the Smart Mobility Society

Toyota is aiming to help to realize a future smart mobility society where cutting-edge IoT technology is utilized to interconnect cars, people and communities, and everyone feels free, secure, comfortable and excited in all aspects of their lives from car transport to everyday activities.

Toyota is committed to enriching the lives of communities,

through initiatives in the four major areas: next-generation telematics that connect people, cooperative ITS that connects cars and road infrastructure, energy management that connects communities, and next-generation urban traffic systems that connect society.

Organization and Structure

The Connected Company and the Business Development Group have been undertaking initiatives to create a smart mobility society in collaboration with other related internal organizations. Conferences have been formed in the fields of Next-generation Telematics, Cooperative ITS, Energy Management, and Next-

generation Traffic Systems respectively. Decisions concerning planning and development of various products and services and their commercialization are made regarding individual topics at necessary conferences on all levels ranging from the operation level to the officer level.

[Major Initiatives during FY2015]

Connected with people

Next-generation Telematics

The vehicle will become a trusted partner through close communication with the driver

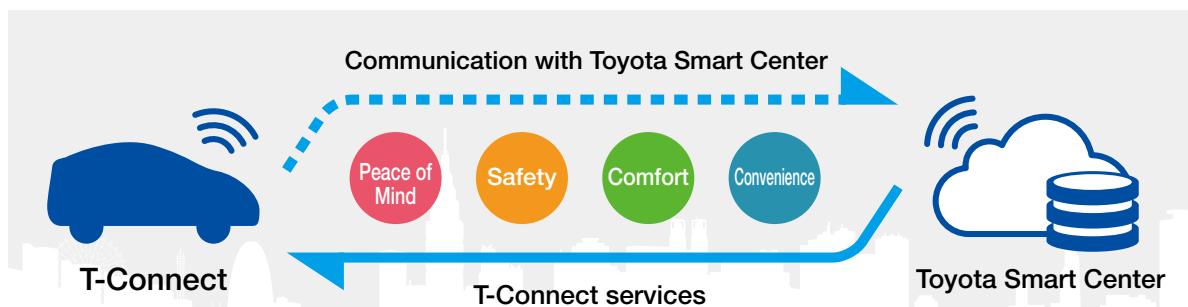
T-Connect Dramatically Enhances People-to-Car Connectivity

In August 2014, Toyota started T-Connect, a next-generation telematics service. Since the launch of G-Book in 2002, we have worked to enhance navigational functions as well as connectivity functions focusing on safety and security, including HELPNET

which has been provided via G-BOOK and our security services.

In addition to these services, T-Connect offers Agent, which is an advanced interactive interface, and Apps which is a service of downloading applications to be used in the navigation system.

Connection diagram between vehicle and Toyota Smart Center

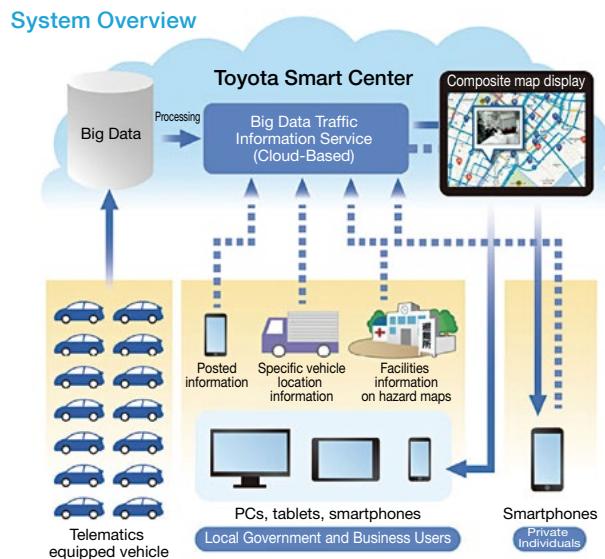


The Big Data Traffic Information Service Contributes to Traffic Flow Improvement and Disaster Measures

The Big Data Traffic Information Service collects data related to vehicle location, speed and traveling conditions from 4.7 million cars equipped with Toyota's Telematics services (G-Book, T-Connect, G-Link), accumulates them as big data, processes them into traffic information and statistical data and provides them to relevant parties.

Information such as T-probe traffic information* (Toyota's proprietary real time traffic information), Route History Maps and traffic volume maps, is provided to local governments and companies for the purpose of improving traffic flow, map information and implementing response measures for traffic in disasters.

* **T-probe traffic information:** Real-time traffic information includes vehicle location, driving speed and other information acquired through telematics services



Published Route History Maps in the Aftermath of Kumamoto Earthquake

In April 2016, an earthquake broke out in Kumamoto Prefecture with a seismic intensity of 6-7 causing serious damage, including houses collapsing, road cave-ins and upheavals.

To help local people drive safely, Toyota published a Route History Map on the web site immediately after the earthquake. Several days later, data on traffic congestion and restrictions was also uploaded and made available on the same page. Data on traffic congestion was compiled using Toyota's proprietary T-probe traffic information, and was used as real-time traffic data for local travel, rescue and recovery activities in the disaster stricken areas. Data on the route history was also offered to the Police Agency and ITS Japan.



Global Utilization of Big Data

In order to utilize big data globally, Toyota established Toyota Connected, Inc., together with the Microsoft Corporation in the US in April 2016. In the same month, initiatives for developing telematics car insurance services which utilize travel data were also launched in the US jointly with Aioi Nissay Dowa Insurance Co., Ltd.

Connected with
vehicles and
roads

Cooperative ITS

Toward the Realization of Toyota's Ultimate Goal:
Zero Casualties from Traffic Accidents

Overview

Toyota strives to realize its ultimate goal of a society of complete elimination of traffic casualties using the vehicle-to-vehicle and vehicle-to-infrastructure communication technology.

Progress

Adopted ITS Connect, Cooperative Driving Support Systems, in New Models

In the autumn of 2015, Toyota commercialized ITS Connect, cooperative driving support systems which use a dedicated ITS frequency and enhanced the effects of accident reduction.

For details, see Initiatives for Improving Traffic Safety (P12)

Connected with
the Community

Energy Management

**Optimizing Energy Use of the Entire Community.
Achieving Eco-friendly Lifestyles with a High Quality of Life**

Overview

We are making an effort to connect local communities including homes, convenience stores, and schools, with cars, transportation infrastructure and factories to maintain a good balance between electric power supply and demand, with the goal of optimizing energy consumption in communities and society as a whole. Toyota is also initiating programs to build a hydrogen-based society, one of the key solutions to a challenge of fossil fuel depletion.

Progress

F-Grid, Which Forms a Mutual Support Network of Energy Between the Local Community and Factories, is Entering a Commercialization Phase

Following the Great East Japan Earthquake, Toyota has been working to create new smart communities focusing on factories to solve energy problems and to support the Tohoku region.

F-grid is a system that comprehensively manages the energy inside an industrial park where factories are located with the aim of developing low-carbon, competitive infrastructure. The F-grid Center distributes and stores in an optimum balance the electricity and heat generated by a large-scale gas engine and solar panels for use by nearby participating companies. By making energy consumption visible and averaging out the consumption, energy

can be used stably and efficiently throughout the community. F-grid Ohira, Miyagi Limited Liability Partnership (LLP) , established in the North Sendai Central Industrial Park (Ohira Village, Kurokawa-gun, Miyagi Prefecture), is in charge of operations and management of the F-grid center, and started supplying power to seven companies sequentially beginning in April 2013. Since October 2015, F-Grid is able to perform emergency support functions during times of disasters and supply electric power to surrounding communities via the electric power company.

Started Initiatives for a Hydrogen-based Society at Kansai International Airport and Keihin Waterfront Area

To achieve a hydrogen-based society, Toyota is working on expanding the use of hydrogen and researching and developing a hydrogen supply chain. Kansai International Airport KIX Project and Keihin Project, which utilize CO₂-free hydrogen made using electric power generated by Hama Wing (a wind-power generation plant in Yokohama City) are examples of ongoing projects working in collaboration with future hydrogen users and many hydrogen related companies.

For details, see Hydrogen-based Society (P72)

Connected with
Society

Next-generation Traffic Systems

Building a Stress-free Traffic Environment Where Everyone Can Move around, Exactly as They Wish

Overview

To realize a society in which everyone can travel comfortably, Toyota is working on the commercialization of Ha:mo, a new transport system which optimally combines personal mobility with public transportation.

The vehicles used are ultra-compact EVs, which are environmentally friendly and have a small turning radius. Stations

are set up near access points to public transportation systems such as train stations to encourage a short, quick ride from trains or private automobiles. Ha:mo also offers new options for mobility, including utilization for a membership-based car sharing service or for mobility in tourist destinations, mountainous areas and remote islands where public transportation infrastructure is limited.

Progress

Low-carbon Society Verification Project (Toyota City, Aichi Prefecture)

Started as an ultra-compact EV sharing service which is suited for short distance, urban transportation. It is widely used by 2,600 individual members and 60 corporate members* as a day-to-day means for business and personal transportation. In preparation for commercialization, challenges such as building more stations and cost reduction were implemented.

* As of June 2016



The project was initiated by the Ministry of Economy, Trade and Industry in 2010 and was taken over solely by Toyota since March 2015

Personal Mobility Sharing Verification Project in Tokyo in Collaboration with Park24 Co., Ltd.

In April 2015, Toyota started verification tests of a service which combines Times Car PLUS (a car sharing service operated by Park 24 Co., Ltd) and the Ha:mo sharing system. To cater to distinctive needs of residents in the metropolitan area, we operate a one-way (park-and-go) service which gives greater flexibility in renting and returning.



The verification tests were proven to be useful in the metropolitan Tokyo and have been extended for another two years. The fleet of ultra-compact EVs increased from 30 to 100 cars.



Set up stations near street tram stations. Membership has grown steadily to 1,000

Ultra-compact EV Sharing Verification Project (Grenoble, France)

With its strict environmental regulations, Grenoble has a traffic vision to reduce vehicle usage even if the population continues to grow. Toyota began verification tests of the car sharing service in the city in October 2014. The project is supported by a group of partners who share a common vision for the future of urban mobility, including the government and the electric company.

Sharing Verification Project for the Condominium Residents in Collaboration with Mitsui Fudosan Co., Ltd. in Tokyo

Toyota started verification tests of a car sharing service in April 2016 in collaboration with Mitsui Fudosan Residential Co., Ltd., for the residents of six condominiums in the Tokyo Bay Area including Tsukuda, Odaiba and Toyosu. We propose a new mode of transportation to an area which is undergoing redevelopment.



Part of Wangan Action, a new concept for the waterfront lifestyle by Mitsui Fudosan Residential

Churamai Ha:mo Verification Project (Motobu Peninsula, Okinawa Prefecture)

In collaboration with Motobu Cho Tourist Association and Nakijinjion Tourist Association, verification tests for a tourist service using Ha:mo started in January 2016. The service offers a new attraction where ultra-compact EVs are provided to tourists so they can visit tourist spots using routes only ultra-compact vehicles can travel, with a goal to stimulate local tourism while minimizing environmental impact. In July, Nago City and le Village joined the program and new routes were added.



On-board tablet device in the vehicle is available for tourists to look up routes and tourist information via the "Recommended Route Information," a recently developed application

Assisted Mobility

Basic Philosophy regarding Assisted Mobility

As Japan enters into a period of a super-aging society, government policy is shifting towards home-based medical treatment and nursing care. As a result, there is growing need for assisted mobility that is easy to use at home. Hoping to help customers' happy lives, Toyota named the assisted mobility vehicle Welcab. Our goal is to make vehicles that are comfortable and safe as well as simple and easy-to-use, and that gives people with disabilities and the elderly the freedom of mobility and furthermore accommodates the needs and wants of caregivers.



Welfare
Well
Welcome
+
Cabin

Organization and Structure

Toyota is designing and developing Welcab incorporating the five key development points (See right) as well as addressing all market needs. Customers can try out the Welcab at Welcab Stations available at a dealer outlet (229 in Japan*) or Heartful Plaza (10 locations in Japan), an exhibition hall equipped with wheelchair-accessible bathrooms and parking spaces for assisted mobility options. Specialist staff including Welcab Consultants is on site to help customers choose a suitable vehicle.

* As of June 30, 2016

Five Key Development Points

1. Getting in and out of the car comfortably
2. Comfortable and smooth ride
3. Easy to operate for drivers and caregivers
4. Easy to communicate inside vehicle
5. Reasonable pricing



Welcab Stations



Toyota Heartful Plaza

[Major Initiatives during FY2015]

Promote Normalization as an Ordinary Car

Through consumer surveys on Welcab, we received a lot of customer feedback saying that they considered it but did not purchase Welcab because of the "high price", "there was no need anymore" or "didn't know how long such a vehicle would be necessary." To address these fears of customers keeping a car unnecessarily for too long, Toyota has explored ways to make the Welcab into an ordinary car in both cost and functionality. We made options available, such as an additional second row seat to be retrofitted into a wheelchair-adapted model or adding a forward-folding stowable slope, and we were able to reduce production costs using in-line production* for the first time in Japan.

* In-line production: Body mounting in the same production line as standard vehicles

Developed Welchair, a Wheelchair Optimized for the Welcab

Believing that a dedicated wheelchair was necessary to further enhance comfort during transport, Toyota developed Welchair. Its ride-comfort features include less transverse vibration, prevention of the body from sliding forward in the seat and easier seat belt fastening.

Fully Redesigned Sienta

To meet the diverse needs of customers, we launched a Wheelchair-adapted Model and Rotating and Tilting Front Passenger's Seat Model in 2015. Rotating and Tilting Front Passenger's Seat is the first specification that Toyota introduced. The rotation and (forward) tilting front passenger seat is user-friendly and makes standing up and sitting down easier.



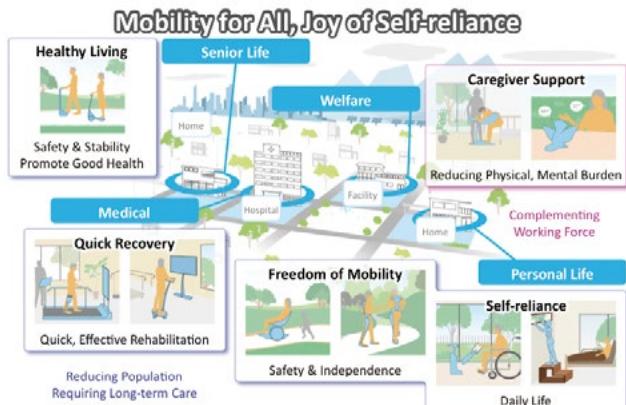
Developed Items in User-Friendly Goods Line for Going Out

Toyota developed a User-Friendly Goods* line for the elderly who are on moderate-to-minor nursing care requirement levels having some degree of physical difficulty but do not need heavy equipment (such as a slope) as in assisted mobility vehicles. These items have been available for the Sienta launched in 2015. New items will be added to the product portfolio which will be applied to a wider range of vehicle models.

* User-Friendly Goods: Options mounted at the dealership

Partner Robots

Basic Philosophy regarding Partner Robot Initiatives



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. In order to attain its vision "Mobility for all Joy of Self-reliance," Toyota will contribute to realizing a sustainable society for the greater happiness of all, by providing partner robots which support independence of the elderly and people with disabilities while reducing burden on caregivers.

[Major Initiatives during FY2015]

Expanded Verification Trials on Public Roads for Winglet, a Personal Mobility Vehicle

In addition to just promote how "Fun to Drive" of Winglet with which the driver shifts his or her body's center of gravity to drive, Toyota also offers the Winglet Pass program to teach vehicle operation and driving skills as well as important traffic rules and etiquette. Through these efforts, Toyota is building a system for people to drive the Winglet safely and comfortably in pedestrian areas.

Public road verification tests of electric personal assistive mobility devices, such as the Winglet, have been conducted in cities such as Tsukuba and Toyota taking advantage of the benefits of special zones. Now the tests have been expanded throughout Japan and run under the same conditions and requirements since July 2015. The one-year verification test on public roads (sidewalks) in Tokyo Waterfront City that started in March 2016, was designed



to let as many people as possible experience first-hand how fun and convenient it is to drive the Winglet, with the goal of building a new mobility society in which the vehicle blends into the community, invigorating local community and stimulating tourism.

Public road verification test in Toyota City

Full-scale Introduction of Rehabilitation Partner Robots to Medical Facilities

Toyota, in collaboration with Fujita Health University (Toyoake City, Aichi Prefecture), is developing partner robots which will be provided in the aging society that will accelerate going forward. Since December 2014, 23 Walk Training Assist robot sets and 21 Balance Training Assist robot sets, that provide rehabilitation aid to people with impaired walking or balance due to illness or injury, have been fully introduced in 34* medical institutions in Japan for clinical research purposes. As medical facilities utilize them for their research in rehabilitation, feedback from the clinical site continues to be collected, and the robot is in the final stage before practical application.

* As of June 2016



Walk Training Assist



Balance Training Assist

Comment from Joint Research Partner



Professor Eiichi Saito

Vice-President, Fujita Health University

Fujita Health University and Toyota Motor Corporation began joint research in rehabilitation robots in 2007. Walk Training Assist and Balance Training Assist partner robots were fully introduced for clinical study and are in the final stage of the commercialization process. These robots have been developed, with unconventional ideas leveraging workplace strength through the collaboration between our university, which has one of the largest Rehabilitation Departments in Japan, and Toyota, which excels in manufacturing and long-term research and development. We look to Toyota for workplace strength and technologies in order to commercialize many robots that will be truly useful in medical and nursing care for the upcoming super-aging society.

Establish a Community to Promote Technology Development Towards Accelerating Practical Application of the Human Support Robot (HSR)

HSR is the Human Support Robot which supports independent home living for the elderly and people with disabilities. To meet various needs and wants for assistance in everyday life, a platform with a high degree of integrity and a lot of excellent application software are needed. In the autumn of 2015, Toyota released a new robot model and established the HSR Developers' Community, which works in collaboration with a number of research institutes. Three research labs from 2015 and ten from 2016 joined the Community to develop software and know-how using HSRs loaned to them by Toyota and to share information on the product.



The HSR assists the lives of the elderly and people with disabilities. Using a tablet computer one can operate the robot to perform meticulous tasks such as picking up objects off the floor or retrieving objects from shelves.

HSR Hackathon 2015

Toyota held the HSR Hackathon (an event in which engineers concentrate on software development with unconventional viewpoints) under the theme of 'future life with robots'. A total of 38 engineers on eight teams participated in the event. Various ideas for making lives fuller and more fun were proposed and demonstrated using HSR.



Held at Mega Web, Toyota's Car Theme Park in Odaiba (Koto-Ward, Tokyo) between August 31st to September 2nd, 2015



The Grand Prix was won by NICT (National Institute of Information and Communications Technology and Doshisha University), who developed software to assist disadvantaged shoppers such as the elderly.

Participated in RoboCup Japan Open 2016 Aichi

RoboCup is a competitive event of autonomous mobile robots and was initially started as RoboCup Soccer. RoboCup @ Home is an attempt to apply that technology to everyday life, and contenders compete to demonstrate how well their robots collaborate with humans in domestic tasks, as such in the kitchen or the living room. Toyota offered HSRs to 2 University Teams who competed in RoboCup@Home for RoboCup Japan Open 2016 in Aichi*, and the teams did very well, winning 3rd and 4th places. Toyota is as an official RoboCup Japan (RCJ) partner, and is promoting research and widespread adoption of the technology.

* **Organizers:** Aichi Institute of Technology, RoboCup Japanese National Committee and RoboCupJunior Japan Association



The event was held for 3 days between March 25th and 27th, 2016, at the Aichi Institute of Technology (Toyota City)

Comment from Joint Research Partner



Professor Takayuki Nagai

University of Electro-Communications

We joined the HSR Community because we were excited at the prospect of being able to concentrate on software development by using HSR, a highly stable robot. Our research topic is a robot capable of thinking and working for itself, and HSR's capabilities are well proven at the RoboCup @Home. I believe the time has finally come for HSR to go out of the closed world of competition and be utilized in the real world as a truly practical robot.

BLAID, a Wearable Device Development Project, Helps Blind and Visually Impaired People

In 2011, TEMA* USA launched Project BLAID to fulfill the mobility needs of blind and visually impaired people. Taking advantage of the advanced image recognition technology and a social environment that encourages collaboration with visually impaired persons in North America, a wearable device has been developed that is worn across the neck and shoulders. Analyzing the images of surrounding areas obtained from the embedded camera, the device identifies doors, stairs, store signage, exits and toilets

to notify the user with a built-in speaker or vibration to help enhance the user's quality of life. From 2016, service monitoring will start using prototypes.

* TOYOTA MOTOR ENGINEERING & MANUFACTURING NORTH AMERICA



The device sits on the shoulders and provides assistance for the visually impaired when going out

Biotechnology and Afforestation

Basic Philosophy regarding Biotechnology and Afforestation Measures

To contribute to solving global problems such as global warming, energy issues and food shortages, Toyota believes in the need for businesses that contribute to the environment, in new fields in addition to the automotive business. For this purpose, in 1998 we

established an organizational structure to support research and development and commercialization of such businesses and have been carrying out initiatives in various fields under the three Visions below:

Vision

- Contribute to the global natural environment through new business by developing excellent biotechnologies and afforestation-related technologies
- Develop resource recycling-based businesses in response to problems such as food shortages; and air and water pollution
- Develop afforestation businesses that contribute to the environment in response to problems such as global warming and the destruction of forests

Research and Development and Business Fields

We are conducting research and development and working to create new business in the fields of biomass utilization, contribution to the agriculture and livestock industries and greenification and afforestation.

[Major Initiatives during FY2015]

Biomass Utilization

Development of Technology to Make Bio-Fuels from Biomass Resources

To examine the direction of the future automotive fuels, Toyota is developing technology to make bio-fuel from biomass resources, such as agricultural waste, and energy crops which do not compete with food and feed.



Fermentative production test of ethanol

Development of a System for Production and Procurement of Bio-Fuels Made From Napier Grass

Napier grass is a perennial grass which can be used as raw material for bio-fuel, and it grows profusely even over arid lands. Toyota cultivates this plant on Sumatra in Indonesia. Our goal is to establish a production and procurement system for inexpensive raw materials by growing Napier grass between trees on unused land or on land unsuitable for food cultivation.

Contribution to Agricultural and Livestock Production

Verification Trial of *Housaku Keikaku*, an Agricultural IT Management Tool to Support Rice Growers

Toyota developed *Housaku Keikaku*, an agricultural IT management tool, and began providing it to rice-growing agricultural corporations from 2014. The aim is to contribute to increases in agricultural productivity by applying the production control systems and process improvement expertise that Toyota has gained in automobile manufacturing. In February 2015, in collaboration with JA Group Aichi which aims to strengthen agricultural business management, 16 corporations introduced the tool. In 2016, expanding the introduction of the tool to more corporations, we will continue with the trials to further contribute to improving efficiency and quality of rice farming.

Housaku Keikaku utilizes a cloud computing service and can be easily operated from smartphones and tablet devices.



Loaded with functions which help boost efficiency and quality of farming, such as automatically generating daily work plans and using centralized management to monitor progress in farming activities.

Greenification

Greenification Business with the Goal of Easing of the Urban Heat-Island Effect

Toyota Roof Garden Co., Ltd. was established in 2001 as a distribution company to sell greenification products developed by Toyota. Currently, its main business activities are as follows:

- Special green construction of rooftops, walls, and parking areas and sale of materials
- Sale of easy-care slow-growth Zoysia Grass (TM9)
- Sale of irrigation system using year-round irrigation controllers



Example of a green walls

Olympic Games, Paralympic Games & Special Olympics

Basic Philosophy regarding Olympic Games, Paralympic Games & Special Olympics

Competing in sports brings about "Courage" and "Inspiration." The Olympic & Paralympic Games possess a "Power" that enriches people and society through various activities that are centered on sports.

Toyota believes strongly in the vision and philosophy that the Olympic & Paralympic Games strive to achieve, and entered into a contract as "The Olympic Partner (TOP)" with the International Olympic Committee (IOC) in March 2015. Toyota also concluded a contract as a "Worldwide Paralympic Partner" with the International Paralympic Committee (IPC) in November of the same year. As a partner of the Games, which provide sustainable mobility value through various activities, we would like to help "Achieve ever better, peaceful and equal world."

In addition, Toyota entered into an agreement as a "National Partner" with the Special Olympics Nippon Foundation (SON) in January 2016. We shall continue to provide support for SON activities and national tournaments.

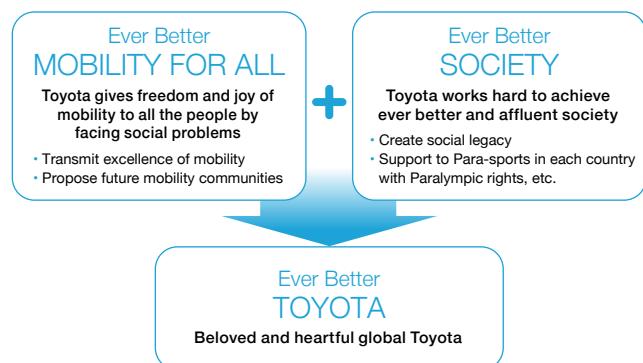


Became The Olympic Partner (TOP) for IOC

[Major Initiatives during FY2015]

Olympic & Paralympic Games initiative

The terms of the agreement as "The Olympic Partner (TOP)" for the IOC and as a "Worldwide Paralympic Partner" are valid until 2024, which include the 2020 Tokyo Games. Toyota has put forth three slogans that encapsulate the vision during this sponsorship: "Ever Better MOBILITY FOR ALL," "Ever Better SOCIETY" and "Ever Better TOYOTA." We will show off the advantages of mobility, for example, by providing Toyota vehicles for the Games, and we will work towards creating an affluent society through programs contributing social issues, supporting sports and other activities.



Special Olympics initiative

The Special Olympics (SO) is an international sports organization that provides sports training and holds competitions that gives people with intellectual disabilities opportunities to demonstrate their abilities. The affiliates of Toyota in the U.S. have been an active partner since 1986, and they became an official partner of the Special Olympics World Games in 2015. In addition, we have continued to develop activities in other regions, with other overseas

affiliates also providing different avenues of support, such as by providing vehicles and volunteers for the Games. In Japan, Toyota concluded an agreement with SON becoming a "National Partner" in January 2016. We will continue to show our support for national programs, events and competitions.

**For details, see Social Contribution Activities
(Supporting Employees' Volunteer Activities: P137)**

Comments from our partner



Special Olympics Nippon
President & CEO
Ms. Yuko Arimori

After 20 years since its inception, SON entered a new stage and began to develop "Unified Sports*," an initiative of using sports so that everyone can participate, and ultimately aiming to achieve a society of mutual respect.

Unified sports provide a venue to form teams made up of persons with and without intellectual disabilities in order to compete together. SON was able to form a partnership with TOYOTA, which believes in the power of sports, providing

support for sport activities both inside and outside the company. I am glad because the SO movement will most certainly continue to grow.

* **Unified sports:** Provides a venue for training and competitions forming teams with athletes who have intellectual disabilities and partnering them with unimpaired individuals of similar age and competition ability. We are trying to increase the number of opportunities for athletes and their partners to participate in sports.

Promoting various sports, from company teams to lessons for children

Toyota is working to help create affluent communities by adopting initiatives that promote various sports.

Since our founding in 1937, Toyota has focused particularly on company sports teams. The image of players competing, including the challenge, teamwork and never quitting, embodies the spirit that Toyota holds so dear. The image of coworkers working hard together helps raise the work ethic and liven up the workplace.



Track & Field Long Distance Team placed 1st at the 2016 New Year Ekiden Race



In the summer of 2015, Junichi Kawai (former member of Japan's Men Volleyball Team) was invited as the General Manager to start the beach volleyball team.

There are currently 35 athletic clubs and teams. Athletes are able to balance their activities with work, while often showing great achievement.

In addition, Toyota also supports sports in communities, such as lessons and clubs for children. Part of this support, which was started in August of 2015, also includes a "Give back program," that "gives back to all the people who have helped support us."



Taiki Morii was the men's overall champion in Para-alpine skiing (sitting) for the 2015-16 season.



Top athletes participated in special lessons at an elementary school in Toyota city – JFA Heart Project, "Dream Class for the MIRAI (Future)" to help lead children toward their future.

Respect for Human Rights

Basic Philosophy regarding Human Rights

The Guiding Principles at Toyota and the Toyota Code of Conduct, which consolidates Toyota's approach to putting these principles into practice, as well as the CSR Policy: Contribution towards Sustainable Development, contain the concept of respecting and honoring the human rights and other rights of all the people involved in Toyota's business.

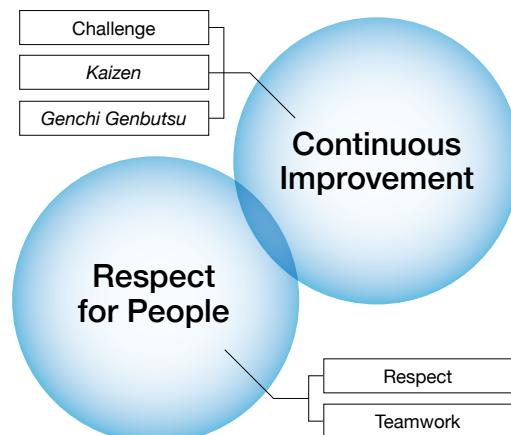
Furthermore, of the two pillars of the Toyota Way—"Continuous Improvement" and "Respect for People"—"Respect for People" refers to respect for all stakeholders as well as respect for the character and abilities of employees as individuals and facilitating

personal achievement 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 include subsidiaries and suppliers.



The Two Pillars and Five Keywords of the Toyota Way



Organization and Structure

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 Working Group was established in 2011 to incorporate various functions including corporate planning (current governance management), 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, we continuously reinforce and review various CSR measures relating to human rights and labor.

Since April 2015, an optimal governance structure has been deliberated in the Corporate Governance Meeting, which serves as a supervising body over business implementation, to realize growth and business strategies that have taken a wide range of social challenges into consideration. The Meeting discusses matters related to human rights and labor.

Organization for Respecting Human Rights



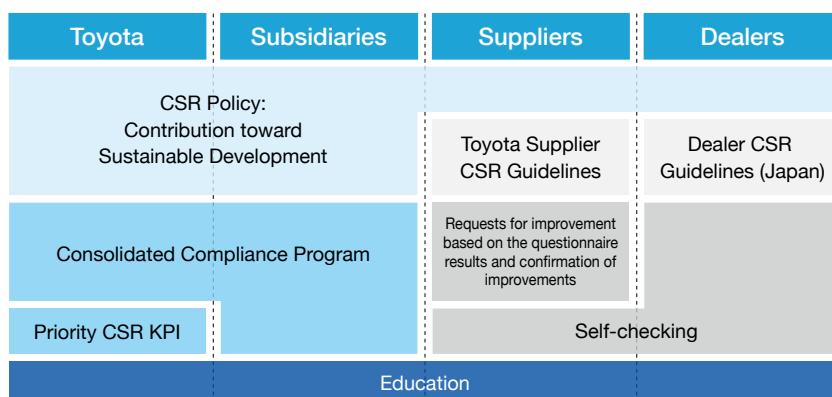
Human Rights Working Group

[Members]

Human Resources Div. Global Audit Dept. Accounting Div.
Legal Div. Purchasing Planning Div.
Overseas External Affairs Div.
Governance Management Dept.

Main Initiatives during FY2015

Toyota	Toyota established in-house priority CSR KPI to confirm whether business is being executed in line with the concept of respect for human rights, and follow-up is performed for the various functions each year.
Subsidiaries in Japan and Overseas	Toyota requests the implementation of self-checking for the Consolidated Compliance Program once a year at its subsidiaries in Japan and once every two years at overseas subsidiaries. As a part of this initiative, subsidiaries have been requested to propose and implement improvement measures addressing human rights and labor issues based on the results of self-checking. In 2015, self-checking were conducted at 195 subsidiaries in Japan and 216 overseas subsidiaries.
Suppliers	Toyota developed and rolled out the Supplier CSR Guidelines in 2009. They clearly describe Toyota's policies and approaches to human rights along with supplier expectations. The suppliers are requested to perform self-inspections in accordance with the guidelines. At the end of 2012 the Supplier CSR Guidelines were revised. Since then Toyota sends a newly developed questionnaire pertaining to human rights and labor that are deemed critical check items to suppliers every other year and then collects the results, which helps us confirm their practices, make improvement requests as needed and monitor their improvement activities. In 2015, self-inspections were conducted again in Japan and overseas.
Dealers	In Japan, the Toyota National Dealers' Advisory Council (TNDAC) which is comprised of Toyota dealers, voluntarily developed and issued the TNDAC CSR Guidelines in 2005. They include explicit statements about Toyota compliance policies and what is expected of the dealers. As a specific action for improvement, each dealer checks the items related to human rights and labor in the CSR Check List and executes a PDCA cycle and reports their activities of the year to the TNDAC.



Initiatives regarding Diversity & Inclusion (Toyota Motor North America, Inc.)

Focus

Toyota Motor North America, Inc.(TMNA) takes a proactive approach to leverage the diversity in order to respect the human rights of Toyota's stakeholders such as employees, business partners and local community residents, while improve its business results.

In 2002, the Toyota Diversity Advisory Board was established and now is chaired by Alexis Herman, former U.S. Secretary of Labor. The board provides the management of TMNA with proposals on diversity and inclusion policies, i.e. equal job opportunities for minorities and women, and on the relationship with minority-owned dealerships and suppliers.

As a specific initiative of the US affiliates, employees have created volunteer organizations under Business Partnering Groups based on shared characteristics including ethnic background, religious faith, LGBT, physical/mental challenges, veterans and women, etc. We take up input and insight from each group with the aim of leveraging them for their professional advancement and Toyota businesses.

Toyota recognizes that a supply chain with diversity makes business and economic sense. Business conducted with minority- and women-owned suppliers exceeds one billion dollars each year. We also hold an event/trade show, Toyota's Opportunity Exchange, every year to provide support to build/

strengthen relationships between Toyota's suppliers and Minority and Women Business Enterprises.

With respect to dealers and distributors, we promote the employment of minorities through programs, the Toyota Avenues for Advancement Program, which helps identify individuals that are currently working in a Toyota or Lexus dealership and then develops the right candidates who can ultimately be owners and managers of their own dealership in the future. As a result, the number of minority- and women-owned dealers increased 1.5 times in 2016 in comparison with that of 2002.

These initiatives help to bolster Toyota's standing in the United States. TMNA has earned a good reputation among numerous institutions that make assessments on diversity and human rights. A few examples include being named one of the top 50 companies for diversity by Diversity Inc. and getting a perfect score in the Corporate Equality Index for the Human Rights Campaign.



From TMNA's website, Diversity & Inclusion

Toyota's Approaches to Conflict Minerals Issues

Toyota is taking various measures to realize protection of human rights.

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 (DRC), 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.

Toyota has conducted a reasonable country of origin inquiry with due diligence for its products since May 2013. A report summing up the survey results for the period during January–December of 2015 was compiled in the 2015 Form SD and Conflict Minerals Report and submitted to the U.S. Securities and Exchange Commission on May 31, 2016.

We aim at procurement and usage that are free from conflict minerals originated in the DRC or an adjoining country and relating to illegal conduct including human rights infringement. For that purpose, Toyota will work together with parts suppliers, automotive industry organizations and other relevant organizations.

* 2015 Form SD and Conflict Minerals report

[Web](http://www.toyota-global.com/pages/contents/investors/ir_library/sec/pdf/form_sd_201605_final.pdf) http://www.toyota-global.com/pages/contents/investors/ir_library/sec/pdf/form_sd_201605_final.pdf

Toyota's Policy on Conflict Minerals

Toyota has adopted Policies and Approaches to Conflict Minerals Issues—a set of guidelines the company is supposed to refer to in tackling conflict minerals issues. Based on the guidelines, Toyota is dealing with the issues.

Meanwhile, the company revised the Toyota Supplier CSR Guidelines in 2012, asking its suppliers to engage in responsible material procurement.

Toyota's Policies and Approaches to Conflict Minerals Issues

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 DRC or an adjoining country 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 DRC or an adjoining country 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. And 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.

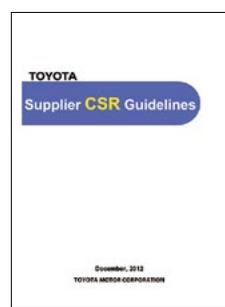
Excerpt from the Toyota Supplier CSR Guidelines ("Responsible Material Procurement")

We obtain 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 (such as conflicts minerals*). We expect suppliers to take appropriate steps to discontinue procurement of these materials if usage is detected.

* **Conflicts minerals:** Minerals originating from the DRC or an adjoining country that have directly or indirectly contributed to the financing of armed groups

[Toyota Supplier CSR Guidelines](http://www.toyota-global.com/sustainability/society/partners/supplier_csr_en.pdf)

[Web](http://www.toyota-global.com/sustainability/society/partners/supplier_csr_en.pdf) http://www.toyota-global.com/sustainability/society/partners/supplier_csr_en.pdf



Toyota Supplier
CSR Guidelines

Establishment of an In-house System, Industry-to-industry Collaboration, and Participation in Public-private Alliance for Responsible Minerals Trade (PPA)

In 2011, Toyota launched a cross sectional task force in charge of dealing with conflict minerals issues. The team, formally called the Conflict Minerals task force, consists of representatives from relevant departments such as corporate planning (current governance management), purchasing, accounting, public relations, external affairs, legal and material engineering within the company. The team has begun considering what actions are to be taken regarding conflict minerals.

Also in 2011, Toyota set up a working group on conflict minerals jointly with the JAPIA.^{*1} The move represented the domestic automotive industry-wide efforts to cope with issues associated with conflict minerals.

In 2012, Toyota and its parts suppliers belonging to the JAPIA joined hands in conducting a trial-based survey on conflict minerals used in their products, kicking off their preparations for launching full-fledged investigation into the issues.

In 2013, the Japan Conflict-free Sourcing Working Group was established by automakers and companies belonging to the JEITA.^{*2} Main activities undertaken by the Japan Conflict-free Sourcing Working Group include the investigation of identity regarding firms engaging in smelting in conflicted areas and making visits to organizations representing smelters.

The association has been also pressing for smelters to obtain a certificate confirming that minerals they use in their products are DRC conflict-free.

Toyota's efforts to work with other industry groups on the issue of conflict minerals are not limited to activities in Japan.

Toyota has been working globally to deal with the issue. For example, the company has participated in a working group set up by the AIAG,^{*3} a U.S. group tasked with setting code of conduct for the auto industry. Toyota has been also cooperating with the CFSI^{*4}

through activities of each working group.

Through AIAG, we supported and contributed to CFSI activities. Toyota Motor Engineering & Manufacturing North America, Inc., a U.S. subsidiary of Toyota, is Co-Leader of AIAG's Smelter Engagement Team and has contacted 104 smelters/refiners between April and December, 2015, performing smelters' survey and encouraging them to participate in the Conflict-Free Smelter Program (CFSF).

In addition, Toyota has participated in the Public-private Alliance for Responsible Minerals Trade (PPA^{*5}), a multi-sector initiative whose members include the U.S. government, industry organizations and citizen groups. The PPA encourages responsible minerals trade that is free from material procurement in certain areas marred by regional conflict, including the DRC or an adjoining country, and coordinates support to organizations engaged in the critical work to develop conflict-free supply chains.

Toyota agrees with the spirit of the PPA's efforts, and considers resolving issues that may hinder the trading of legitimate mineral resources in those countries. For this purpose, it refrains from requesting suppliers to not use any minerals in the area, regardless of their relation to human rights violations. Based on that awareness, it believes promoting initiatives industry-wide for use of materials that are free from conflict at smelters who are upstream in the supply chain is one way to resolve human right infringement issues and ultimately develop a more civil society.

As a result of the industry-wide cooperation outlined above, the number of conflict-free smelters and refiners worldwide has been increased to 206 as of November 2015.^{*6} Toyota has confirmed that 201 out of those 206 conflict-free smelters were named by our suppliers in response to our request for the 2015 survey.

^{*1} **JAPIA:** Japan Auto Parts Industries Association (<http://www.japia.or.jp/>)

^{*2} **JEITA:** Japan Electronics and Information Technology Industries Association (<http://www.jeita.or.jp/>)

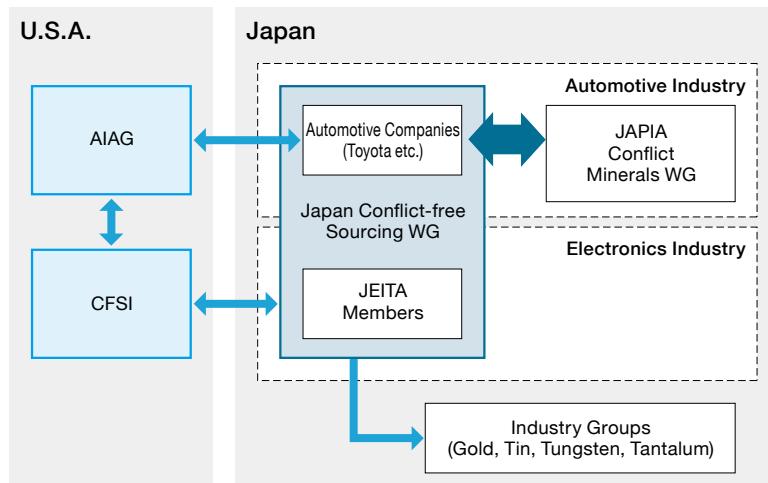
^{*3} **AIAG:** Automotive Industry Action Group (<https://www.aiag.org/>)

^{*4} **CFSI:** Conflict-Free Sourcing Initiative (<http://www.conflictfreesourcing.org/>)

^{*5} **PPA:** The Public-private Alliance for Responsible Minerals Trade (<http://www.resolv.org/site-ppa/>)

^{*6} Toyota started analysis of the survey results in November 2015

Overview of Industry-to-industry Collaboration



Reasonable Country of Origin Inquiry

1. Details of Surveys Implemented in 2015

In May 2013, Toyota launched a full-scale reasonable country of origin inquiry. Since then, the survey has been conducted globally, covering its subsidiaries operating both in Japan and abroad. In 2015, Toyota carried out the survey for all kinds of business undertaken by Toyota, including automobiles and marine transportation equipment. Tracing back through our supply chains globally, suppliers operating in Japan and overseas were asked to check if conflict minerals have made their way into the supply chains of their products.

We contacted suppliers that did not respond to our request by a specified date, and collected Conflict Mineral Reporting Templates (CMRTs) from more than 6,000 suppliers in total. We have reviewed suppliers' CMRTs and requested them to make corrections if there are errors and/or omissions in order to effectively improve our efforts associated with conflict minerals.

Before the survey began, Toyota held a briefing session for suppliers while formulating a manual detailing how to fill in the survey sheet and developing a tool used to compile survey results. Also, Toyota supported a briefing session co-sponsored by JAPIA and JEITA. Further, we have been collaborating with our suppliers via regular communications, made possible by our strong and close relationships. As we have been closely communicating with major Tier-1 suppliers, some of the feedback we received from them was integrated into conflict minerals survey-related materials, such as survey manuals, FAQs and other tools. Those materials

are provided to suppliers free of charge, with the aim to provide support on the survey.

In addition, Toyota has been doing its due diligence regarding identification of the origin of minerals being used by its suppliers, and their distribution and production processes in line with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-affected and High-risk Areas.

Based on the risks identified through the due diligence, the issue has been discussed in management, then the company designed and implemented a strategy to respond to such risk, which was documented as a risk management plan.

For domestic and overseas suppliers for Toyota brand and Lexus brand vehicles, we have identified priority suppliers for following up to mitigate the identified risk in accordance with the internally-developed criteria and procedures.

2. Results of Surveys Implemented in 2015

The 2015 survey results were incorporated into Form SD and Conflict Minerals Report which have been filed to the SEC.

Automobile supply chains are broad and complex, and as a result, in many instances the 2015 survey was not able to identify smelters/refiners and mines in upstream portions of the supply chain.

* 2015 Form SD and Conflict Minerals Report
[Web](http://www.toyota-global.com/pages/contents/investors_ir_library/sec/pdf/form_sd_201605_final.pdf) http://www.toyota-global.com/pages/contents/investors_ir_library/sec/pdf/form_sd_201605_final.pdf

Details of Survey Results

(i) Conflict minerals' country of origin	Because sufficient information to identify a portion of the smelters/refiners and the countries of origin of conflict minerals was not provided by its suppliers, Toyota was unable to determine if any of its products to be DRC* conflict-free.
(ii) Facilities used to process conflict minerals	<p>During the course of our due diligence on the source and chain of custody of the necessary conflict minerals, Toyota has collected information on some, but not all, of its smelters/refiners. Among those smelters/refiners, we found some of them processed minerals sourced in the DRC or an adjoining country. However, through our due diligence, we were unable to obtain sufficient information to determine whether those conflict minerals were from mines which financed or benefited any armed group.</p> <p>As for an In-house System for handling the inquiries on details of survey results, it is designed that all the inquiries we receive from outside parties are raised to the Conflict Minerals task force and discussed among the members of the team.</p>

Future Efforts

Toyota aims to become a company which does not use conflict minerals originating from the DRC or an adjoining country that were mined and sold under the control of armed forces to finance conflict and violation of human rights, as materials for their products. Toyota has pledged to become DRC conflict free in collaboration with suppliers. Toyota finds it necessary to establish the environment that enables implementation of survey and due diligence through gathering information on smelters and lobbying to organizations of smelters. For that environment to be created, Toyota will work with industry and other groups.

Future Effort Details

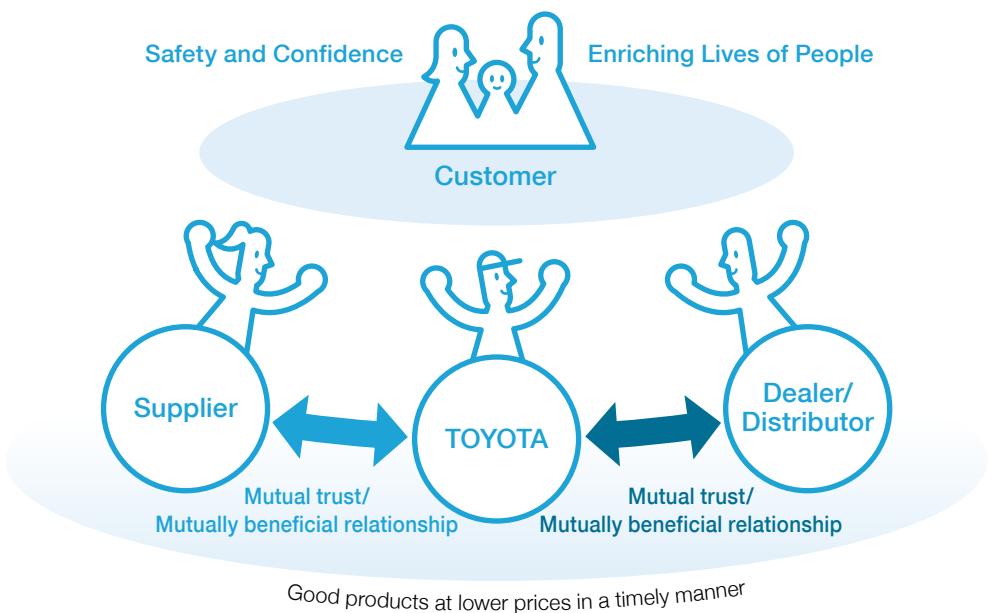
- Improve the reasonable country of origin inquiry (RCOI) survey and due diligence
- Improve the measures of the RCOI survey based on feedback from major Tier 1 suppliers
- Conduct awareness-raising activities for suppliers such as providing conflict minerals survey-related materials including guidance manuals, holding sessions on a regular basis in cooperation with JAPIA and continuing to communicate and exchange opinions with trade partners with direct business
- Encourage smelters/refiners to participate in the Conflict-free Smelter Program through the industry organizations such as AIAG and JAPIA
- Continue industry-wide cooperation such as contribution to CFSI through AIAG and participation in PPA
- Follow up with suppliers if there is room for improvement in terms of responsible material procurement, which is among those described in Toyota Supplier CSR Guidelines

Collaboration with Business Partners

Basic Philosophy regarding Business Partners

In order to contribute to society through *monozukuri* (manufacturing) and put into practice the principle of “Customer First,” it is necessary to undertake various activities in a spirit of shared principles, cooperation, and collaboration with our business partners such as suppliers and dealers.

Toyota pursues open and fair business activities, and engages in ongoing CSR initiatives while enhancing cooperation with business partners to raise quality in terms of safety and customer confidence, and works to further raise customer satisfaction.



Excerpt from “CSR Policy: Contribution towards Sustainable Development”

- We respect our business partners such as suppliers and dealers and work with them through long-term relationships to realize mutual growth based on mutual trust.
- Whenever we seek a new business partner, we are open to any and all candidates, regardless of nationality or size, and evaluate them based on their overall strengths.
- We maintain fair and free competition in accordance with the letter and spirit of each country's competition laws.

[Actual Results for the Previous Fiscal Year and Major Initiatives for the Current Fiscal Year]

	Major Initiatives during FY2015 (Actual Results)	Major Initiatives during FY2016
Suppliers	<ul style="list-style-type: none"> • Continued initiatives to promote CSR measures in the supply chain • Addressed issues concerning human rights in the supply chain including the issue of conflict minerals 	<ul style="list-style-type: none"> • Continue and reinforce the activities described to the left regarding the supply chain
Dealers	<ul style="list-style-type: none"> • Provided information to dealers through CSR website • Revised CSR checklist • Proposed and carried out social contribution activities from local perspectives • Developed J-ReBORN Plan 	<ul style="list-style-type: none"> • Continue CSR activities (noted on the left) working together with the dealers and promoted J-ReBORN Plan

Collaboration with Suppliers

Basic Philosophy regarding Purchasing

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 according to the spirit of mutual benefit based on mutual trust. With the recent globalization of business activities Toyota will cherish these ties—including those with new partners—and will promote the Customer First Policy together with them.

Toyota believes that the most important task in purchasing is to build close 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 contribute to local communities and global society.

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

Basic Policies at Toyota Purchasing

1. Fair Competition Based on an Open-door Policy

Toyota is open to any and all suppliers, regardless of nationality, size, or whether they have done business with us before. Our choice of suppliers is purely on the basis of business considerations. We evaluate the overall strengths of prospective suppliers, including their quality, technological capabilities, and reliability in delivering the required quantities on time. In addition, we consider their operational approach and systems for tackling ongoing reform and efforts addressing social responsibilities, such as environmental issues.

2. Mutual Benefit Based on Mutual Trust

We believe in developing mutually beneficial, long-term relationships based on mutual trust. To foster that trust, we pursue close and wide-ranging communication with suppliers.

3. Contributing to Local Economic Vitality through Localization: Good Corporate Citizenship

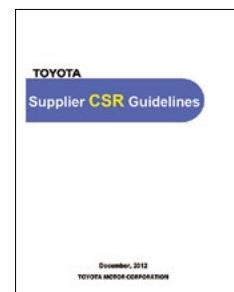
Toyota is vigorously promoting local production in response to demand for automobiles in each region worldwide. For local production, we actively procure from local suppliers, including parts, materials, tools, equipment and others materials. In this way, we aim to contribute to the local society and act as a good corporate citizen.

Implementation of the Toyota Supplier CSR Guidelines

At Toyota, we believe it is important to engage in coordination with suppliers, and 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) in order to enhance and strengthen the global scale of CSR initiatives.



Toyota Supplier CSR Guidelines

Toyota Supplier CSR Guidelines Web http://www.toyota-global.com/sustainability/society/partners/supplier_csr_en.pdf

[Major Initiatives]

Initiatives towards Respecting Human Rights in Supply Chains

Toyota developed the Toyota Supplier CSR Guidelines to its suppliers, clearly indicating its policy of respecting human rights and what it expects of its suppliers, and has expanded them. Furthermore, as part of efforts to strengthen its initiatives regarding human rights and labor issues, Toyota created a new questionnaire to assess the situation at each supplier. When necessary, Toyota asks the supplier to make improvements and follows up on improvement activities.

Approaches towards Conflict Minerals Issue

Based on its Policies and Approaches to Conflict Minerals Issues, Toyota strives to procure conflict-free raw materials that do not involve human rights infringements or other abuses. We conduct investigations that trace global supply chains and by taking measures to avoid use in cases where there are concerns that raw materials are being used as a source of funds for armed groups.

For details, see Respect for Human Rights (P34)

Support for the CSR Activities of Suppliers

Toyota asks its suppliers to practice CSR and sponsors the CSR Study Meetings every year in order to support their CSR activities.

Toyota is also working to propagate knowledge about CSR in general and to raise awareness about various issues such as "Why CSR needs to be promoted" and "Why the entire supply chain must also be included."

Main Initiatives during FY2015

[Japan]

CSR Study Meetings targeting 500 persons from 300 suppliers were conducted to address compliance (management of confidential information) and environmental issues. On the subject of managing confidential information, the meetings addressed recent trends in information security to promote a better understanding of this issue.

[Overseas]

Toyota participates in the supplier CSR education program of the Automotive Industry Action Group (AIAG)* to support its overseas suppliers in their activities to promote CSR. In the previous fiscal year, Toyota participated in the development of the Supplier Responsibility Training Project, an e-learning program that is a new training tool which enables suppliers to undergo training through the AIAG website, and will continue working to help raise awareness of CSR across its supply chains.

* AIAG (Automotive Industry Action Group) :

An organization which lays down the code of conduct in the U.S. automobile industry (<https://www.aiag.org/>)

Promoting Environmental Activities in Supply Chains

Toyota believes that it is important to work with the suppliers to carry out environmental activities and therefore established the Toyota Green Purchasing Guidelines.

In January 2016, Toyota published a revised edition based on the Toyota Environmental Challenge 2050. The main revisions include enhancing initiatives such as for greenhouse gases (GHG) and biodiversity, reinforcing lifecycle perspectives and strengthening the supply chain management.

For details, see Environmental Report 2016 (P8)

Corruption Prevention Measures in Supply Chains

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 preventive measures and working to prevent corruption by informing business partners of its anti-corruption stance.

Anti-Bribery Guidelines (For Business Partners)

Web <http://www.toyota-global.com/sustainability/csr/compliance/>



CSR Study Meeting

Suppliers' CSR Activities

Toyota suppliers also voluntarily engage in various activities to promote CSR.

CSR Lecture

Toyota's supplier associations, Kyohokai and Eihokai, jointly hold an annual CSR lecture with the aim of improving member companies' awareness and understanding of CSR and encouraging the implementation of CSR initiatives. In July 2015, a lecture entitled "Rising Expectations on Companies Working Toward Creating a Sustainable Society" was given and specific case studies were presented.



CSR Lecture

CSR Workshop

Eihokai holds CSR workshops followed by CSR lectures and study meetings. In CSR workshops, the participants divide into sub-groups and exchange opinions on each theme. Through these activities, participants study the initiatives being taken by member companies in order to improve the level of CSR initiatives at all suppliers.



CSR Workshop

Volunteer Activities

As part of the initiative to promote CSR, Kyohokai and Eihokai jointly held volunteer-staffed goods collection drives (collecting unneeded cell phones, miswritten pre-paid postcards, unused postal stamps, etc.) to help people in the areas hit by the Great East Japan Earthquake. The proceeds from these collection drives were donated to the local government in the affected area (Iwate Prefecture).



Volunteer Welfare Council

Collaboration with Sales Networks

Basic Philosophy regarding Sales Networks

Dealers/distributors are the front line where Toyota's "Customer First" principle is directly observed. Toyota and its dealers/distributors always work as one to enhance customer satisfaction based on a strong relationship of trust, close two-way communication, and the shared value of Toyota products and services.

Basic Philosophy regarding Dealers in Japan

The Toyota domestic sales network comprises approximately 280 dealers, operating around 5,500 sales outlets including used car outlets. Under the Customer First policy, we have a "Customer First, Dealer Second, Manufacturer Third" concept. Toyota supports

the dealers to make concerted efforts of meeting customer expectations with a goal of raising their level of satisfaction. We believe, through these efforts, we can realize dealer success, which ultimately leads to Toyota's growth.

Organization and Structure

The Toyota National Dealers' Advisory Council (TNDAC) established the special CSR study group and created the TNDAC CSR Guidelines in 2005. In 2006, They adopted the Toyota Dealers CSR Declaration to promote unified CSR activities involving all Toyota dealers in Japan.

The TNDAC CSR Guidelines are based on the three pillars of Compliance, Environment, and Social Contribution. The guidelines promote activities that help dealers improve the satisfaction level of customers and stakeholders as well as encourage the entire Toyota Group to be proactive and engage in CSR initiatives in order to have a presence that is respected and liked by people in the global and

local communities.

Being on the frontline in contact with customers, each dealer establishes a basic CSR policy and engages in activities according to that policy. Using a self-auditing tool called the "CSR Checklist" made up of nearly 400 items, dealers are consistently going through the Plan-Do-Check-Act cycle and reporting their activity results to TNDAC each year.

Toyota is sharing its know-how, including the checklist system, auditing method, and textbook creation, to support the CSR activities of dealers.

[Major Initiatives during FY2015]

Overview of Toyota's Support Toward Toyota Dealers' Activities

The TNDAC adopted the Toyota Dealers CSR Declaration, and Toyota provides support for CSR activities that encourages dealers to voluntarily promote.

The CSR Support website was launched in 2006 to help share information. CSR and compliance related education and promotion

tools as well as a collection of past initiatives are created and distributed, and Toyota also shares information through seminars and lectures held by the TNDAC. In FY2015, the CSR Check List (created in 2006) was revised.

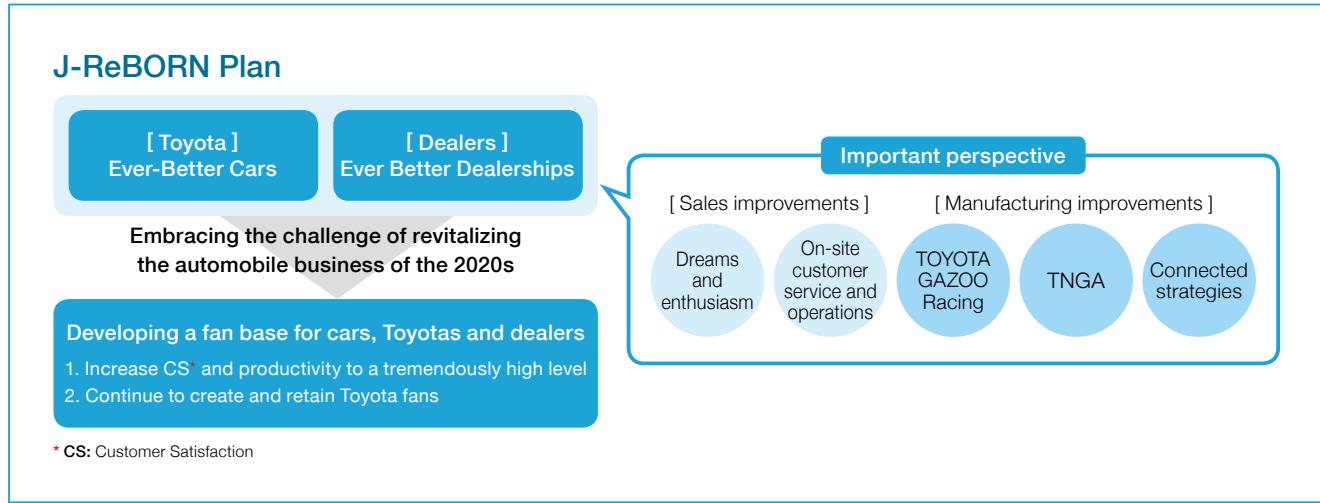
TNDAC's Major CSR Initiatives

Distribution of the CSR Checklist and the evaluation result feedback sheet	Operation of the Toyota Dealers Helpline Distribution of the Helpline Report Digest, various types of tools, and handouts	CSR workshop	CSR lecture
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J-ReBORN Plan Hopes to invigorate Japan with Dealers

To respond to changes in the Japanese automotive market due to depopulation, aging and a shrinking market, in FY2015 Toyota established the J-ReBORN Plan, a new domestic sales strategy scheduled to start from FY2016. The plan is rooted in the idea of using the dealer network to revitalize each region and Japan overall.

Toyota has coined the slogan “Ever Better Dealerships” and is working together with the dealers to promote activities that attract everyone including customers. Toyota is taking on the challenge to try and win back as many car fans as possible.



TOYOTA GAZOO Racing Increases Enjoyment for Car Enthusiasts and Fans through Motor Sports Activities

TOYOTA GAZOO Racing is motor sports activities, such as the FIA World Endurance Championship (WEC), the FIA World Rally Championship (WRC*) and the 24 Hours Nürburgring endurance race in Germany as a means our technology and skills for making cars as well as developing employee personnel. Sports cars such as the GRMN and G's were developed thanks to our experience in the 24 Hours Nürburgring endurance race, and hybrid technology used in WEC is also used in our hybrid car like the Prius. In addition to these world class races, Toyota is also involved with races in Japan such as the Japan Rally Championship, Super GT and Super Formula and aims to increase motor sport and car enthusiasts through these activities.

Toyota also hosts and cosponsors races all over Japan

including the 86/BRZ Race and TGR Rally Challenge where the visitors can actually participate, or *Waku-Doki* Driving where visitors can actually run the circuit in their own cars. These events are quite a popular venue for visitors to experience the thrill of racing and for car enthusiasts to get together.



Race car in 24 Hours Nürburgring endurance race in 2016. TOYOTA C-HR Racing (Car No.326)

* Planned to participate in the WRC from 2017.

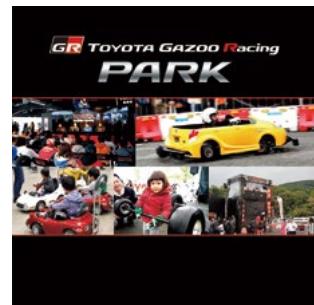
TOYOTA GAZOO Racing Park Offers Car Experience in Motor Sports Event

The TOYOTA GAZOO Racing Park is an event where visitors ranging from children to adults can experience the pleasure of cars.

Last year, the race event was held on the circuit track but also included 12 different venues in all with approximately 200,000 visitors. The event also featured activities that incorporated the different aspects of motor sports, offering visitors a chance to experience the pleasure and appeal of cars.

This year in addition to race tracks, more events will be held in commercial buildings in throughout Japan. Toyota plans to more than double the number of race events from 12 to 25 and hopefully

expand our fan base of car enthusiasts as well. Toyota will also continue to develop and roll out more new activities for children and women.



Lots of activities to enjoy for both kids and adults

The Toyota First Experience Program, a Traveling Classroom at Elementary Schools All over Japan

The Toyota First Experience Program aims to nurture future car fans by providing children of the "virtual era" with opportunities to gain real-life experience through all five senses and to experience the global environment and economy up close. This program works together with dealers to encourage activities that are rooted in the community and offers a "traveling classroom" that visits elementary schools in the area.

The classroom activities offer learning in a fun way using a hands-on experience for the students. The fourth grade activity covers the car mechanics that is linked with their science curriculum. The fifth grade activity is related more to the environment and economics and uses an actual car, model or game as part of their social class. In FY2015, the traveling classroom visited 426 schools all over Japan, providing activities for

20,803 students. Since starting in 2008, the program has provided class activities to approximately 120,000 children in 2,376 schools.

One fourth grader commented: "It is so cool that the engine is able to move a car that is so heavy!" A fifth grader also added: "It is pretty amazing that there are cars that only give off a little bit of CO₂ or don't give off any at all. I am excited to see what kind of eco-cars will be around in the future." These and other comments show that the program is creating an opportunity for children to become interested in cars.



Hands-on activity showing kids how heavy a car is

Let's Help Protect the Global Environment and Nature in Our Hometowns: Aqua Social FES!!

As part of the hybrid car "Aqua" branding campaign, the "Aqua Social FES!!" was started in 2012 as a global environmental protection and conservation program related to water. A wide variety of action programs have been developed in all 47 prefectures, from Hokkaido to Okinawa.

Toyota is in charge of the overall ASF planning, promotion and execution, and the specific action program development and operations are carried out by regional NPOs and local newspapers. Recently thanks to its activities, the ASF is creating a social ripple effect where, for example, local governmental bodies have budgeted for environmental restoration costs or local companies used the ASF as part of an instruction course for their employees. In addition, dealers are building a deeper connection with local residents by participating in activities and providing operations staff, who perform duties such as reception tasks and giving directions in parking lots. There are also cases of dealers who embrace the ASF philosophy and independently hold their own ASF activities.

In FY2015, Toyota used web media to focus on the "people" from ASF participating NPOs and organizations all over Japan, introducing day-to-day activities and their inspiration to join in these activities. A conference was also held to promote "Let's make Likes of tomorrow!" which invites representatives from said NPOs and organizations from all over Japan to think about the future of ASF.

Four years after starting, the ASF events were held 445 times with 45,608 participants, including a total of 5,343 dealer employees who also participated. In the results from the

questionnaire, there were a high number of participants who said that they can identify or were interested with the brand Aqua.

In 2016, the ASF was given the Minister of Economy, Trade and Industry Award in The Japan Water Prize [Honorary president: Prince Akishino, Chairman: Mamoru Mohri], a unique award given to all individuals and organizations who research water-environment issues in Japan.

They evaluated ASF since it does not just include conventional CSR activities, but Toyota came up with a new program to support local active organizations as promotional activities using advertising revenue, as well as since these activities were effectively preserving water resources all over Japan.

Examples of action programs

- Let's keep Nakatsu River clean forever for the salmon run (Iwate Prefecture)
- Let's protect life in the Yodo River like eels and freshwater clams! (Osaka Prefecture)
- Let's protect the surrounding mountains and rice paddies (Nagasaki Prefecture)



Group photo following an event

AQUA SOCIAL FES!! Web <http://aquafes.jp/>

Ties Between Dealers and Toyota Strengthened in Prius Cup (Fuel Efficiency Competition)

The Prius Cup is a circuit race where cars compete to see which team can achieve the best fuel efficiency. The competition was started in 2007 to strengthen ties between dealers and Toyota, and it even started to be held at branch locations. Since 2011, a national competition is now being held where the winning dealer teams in each area gather to compete.

In the race, each dealer team and the Toyota team compete using the technique of the service staff to see who can get the best fuel efficiency. In addition, the dealers and Toyota manufacturers collaborate together to put on this event, which helps visitors develop a better understanding of eco-driving and gives them a hands-on experience to feel the *Waku-doki* (excitement and exhilaration that wows you).

In FY2015, a competition was held at each branch location in the Kinki, Chubu and Kanto regions, completing the third round of regional competitions for the Prius Cup. At the Kanto regional race

competition held at Twin Ring Motegi, the mileage for the top team reached 49.1 km on 1 liter, giving participants a chance to polish up their eco-driving skills over the course of the competitions. Furthermore, there were more than 15,000 participants in the Prius Cup at the end of the third round of races. The event is expanding its base more and more using effective stipulations, such as the same drivers being unable to participate more than once, only new members can compete or making it mandatory to have female team members.



Racing vehicles taking off from the grid all together

Collaboration with Overseas Dealers and Distributors

Basic Philosophy regarding Overseas Dealers and Distributors

The overseas dealers and distributors are important Toyota partners that are crucial in achieving ever-better cars for customers worldwide. Toyota has approximately 170 distributors and around

10,000 dealers located overseas that are involved in activities rooted in the local community that help promote and create Toyota's fan base.

Organization and Structure

Toyota's sales operations are divided into 7 regions (excluding Japan) throughout the world: North America, Europe, Africa, China, Asia/the Middle East/North Africa, East Asia/Oceania and Latin America and the Caribbean, and the sales system provides the best cars and services according to the market characteristics of each region.

In addition, Toyota strives to ensure ever-better cars by listening to the customer feedback from our overseas distributors and dealers because the car usage conditions and environment as well as the required functions and services can vary greatly depending on the region and country.

In order to respond better and more appropriately to these different local needs, in 2013, Toyota set up the business units Toyota No.1, primarily in charge of developed nations (North America, Europe, Africa and Japan) and Toyota No.2, in charge of emerging nations (China, Asia/the Middle East/North Africa, East Asia/Oceania, Latin America & Caribbean), in order to oversee each regional headquarters. In developed nations with a mature car market, replacement demands must be pursued and products with advanced technology must be developed. On the other hand, issues in the emerging nations include the prompt introduction of products that match the exploding market needs and acquiring new customers. This two business unit system enables Toyota to make a concerted effort toward product planning and sales strategies as well as support for local promotion activities that are more carefully

geared to respond to these types of market characteristics. Under this system, Toyota cooperates with distributors by region and country to deliver ever-better cars that meet the needs of customers in each market. Since 1984, a Global Conference has been held every four years to bring together all the overseas distributors and dealers as well as the entire executive team of Toyota. At this conference, Toyota shares policies and strategies as well as expresses their appreciation for the hard work put in every day by the overseas distributors and dealers in order to improve customer satisfaction.



Environmental Initiatives Put into Practice in Collaboration with Overseas Dealers and Distributors

Toyota is working with domestic and overseas dealers and distributors to create measures such as developing personnel and creating stores that are environmentally-friendly and lowering potential environmental risks through promotion activities.

For details, see Environmental Management (Promote Environmental Activities in Cooperation with Business Partners (Dealers and Distributors): P101)

Employees

Basic Philosophy regarding Employees

Toyota's philosophy regarding its employees, who support its stable base of business, has been systematically organized as the Toyota Way in Human Resources Management.

The goal of the Toyota Way in Human Resources Management is the realization of management that shows respect for people, that is, to enable all employees to exercise their abilities to think, be creative, and utilize their strengths to the maximum extent possible by providing them with opportunities to achieve social contribution and self-actualization through their work.

For this goal to be achieved, "a relationship of mutual trust and

mutual responsibility between labor and management" is essential, in which the company gives the highest priority to ensuring stable employment for its employees and strives to improve labor conditions, while all employees execute their duties and responsibilities for the prosperity of the company.

This philosophy is shared by all Toyota affiliates around the world, and is reflected and implemented in management and various policies. Toyota believes that these initiatives will not only lead to the realization of management that shows respect for people, but also to customer satisfaction and social contribution.

Concept of the Toyota Way in Human Resources Management that Helps Build a Work Environment in which Employees Can Work in a Harmonious Manner

Toyota Way in Human Resources Management

Purpose Realization of management that shows respect for people

Principle Establishment of a relationship of mutual trust and mutual responsibility between labor and management

Building an environment in which employees can work with full confidence in the company

Building a framework that promotes constant and voluntary wisdom and improvement

Comprehensive human resources development

Nurturing teamwork that aims to ensure the fulfillment of individual roles and optimization of the whole

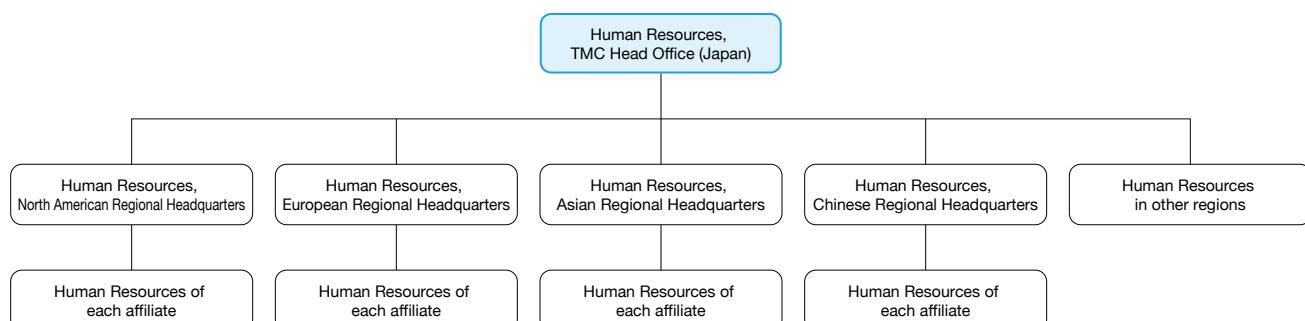
* A relationship of mutual trust and mutual responsibility between labor and management

Toyota experienced labor disputes and personnel cuts during the management crisis of the 1950's. These difficult experiences led Toyota to conclude the Joint Declaration of Labor and Management in 1962. Since then, both parties have worked to nurture a relationship in which employees proactively cooperate to improve productivity, while the company works to maintain and improve working conditions. Further, by sharing information and enhancing employee awareness in times of crisis, Toyota has also created "a relationship of mutual trust and mutual responsibility between labor and management," and management based on which employees and management execute their duties and responsibilities for the prosperity of the company. This concept is the foundation of Toyota's labor-management relations. Now, 50 years after the conclusion of the Joint Declaration of Labor and Management, Toyota is striving to further strengthen the labor-management bond.

Organization and Structure

Every year, Toyota brings all the personnel managers together from the main affiliates all over the world, including the Head Office. They hold discussions on how to build a work environment in which employees can trust the company, how to build a framework that promotes constant and voluntary improvement, how to develop

human resources and how to work on nurturing teamwork. The content of those discussions is used for each affiliate to make policy the following year in order to implement policy to realize Personnel and Labor Toyota Way consistently.



[Actual Results for the Previous Fiscal Year and Major Initiatives for the Current Fiscal Year]

	Major Initiatives during FY2015 (Actual Results)	Major Initiatives during FY2016
Safety and health	<ul style="list-style-type: none"> Established a culture that promotes interactive development of safety, and continue activities based on people, work, and workplace Expanded and reinforced protective instructions based on a pre-examination approach and data analysis Results: 27.2% over BMI standards ($\Delta 0.5\%$ compared to last year) Implemented and continued programs to enhance awareness of mental health and prevent problems Results: $\pm 0\%$ new sick leave, $\Delta 0.06\%$ recurring sick leave compared to last year 	<ul style="list-style-type: none"> Establish a culture that promotes interactive development of safety, and continue activities based on people, work, and workplace Reinforce pre-examination approach based on data analysis and expand health guidance Enhance awareness of mental health and promote programs to prevent problems
Human resources development	<ul style="list-style-type: none"> Established On-the-Job Training in order to reinforce a culture of teaching and learning Reinforced collaboration between training for executive candidates at overseas affiliates and individual human resources Set up global training exercises 	<ul style="list-style-type: none"> Plan and launch the Training of Newly Appointed Executives in the Toyota Group Create a program for early development of executive staff
Diversity	<ul style="list-style-type: none"> Developed and integrated programs to promote women's participation in the workplace Continued developing frameworks for employees to improve their skills and continue working after retirement until the age of 65 	<ul style="list-style-type: none"> Reinforce initiatives designed to accelerate programs that promote women's participation in the workplace Develop a framework for employees to improve their skills and continue working after retirement until the age of 65

[Major Initiatives]

Results of Employee Satisfaction Survey

By providing its employees with opportunities to achieve social contribution and self-actualization through work, Toyota aims to enable all employees to exercise their abilities to think, be creative, and utilize their strengths to the maximum extent possible. Toyota conducts an employee satisfaction survey every other year to provide an index for measuring the results of these efforts and utilizes the analysis results for planning and implementing measures that will enable employees to work without worry.

The survey conducted in FY2015 of shop floor employees indicated a 71.9 percent satisfaction rate. The reasons given were the same as in FY2013 (previous survey): "Pay level" being the most common reason, followed by "Human relations at the workplace."

Results of Employee Satisfaction Survey (Japan)



Results of 2014 Employee Satisfaction Survey (Administrative and Engineering Employees): Reasons for Affirmative Responses

Items	Most common reason	Second most common reason	Third most common reason
Satisfaction with company life	Work quality and level	Pay level (salary, bonus)	Human relations at the workplace

and "Work quality and level."

The employee satisfaction survey conducted in FY2014 of administrative and engineering employees indicated a 77.2 percent satisfaction rate. The most common reason given was the "work quality and level" followed by "pay level" and "human relations at the workplace."

According to the same survey conducted every other year overseas, in FY2014, there was an affirmative response rate of 76 percent (+2% from previous year) for administrative and engineering employees and 72 percent ($\pm 0\%$ from previous year) for shop floor employees.

Results of Employee Satisfaction Survey (Overseas)



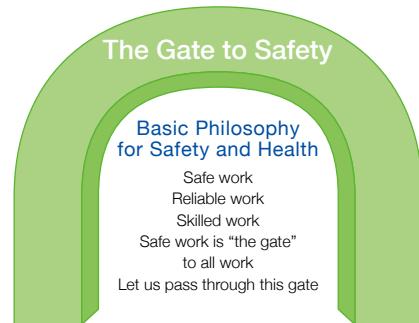
Results of 2014 Employee Satisfaction Survey (Shop Floor Employees): Reasons for Affirmative Responses

Items	Most common reason	Second most common reason	Third most common reason
Satisfaction with company life	Pay level (salary, bonus)	Human relations at the workplace	Work quality and level

Safety and Health

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, then Senior Managing Officer 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.



[Major Initiatives during FY2015]

Promotion of Three-pronged Approach to Safety and Health

In FY2015, "Building a culture that promotes interactive development of safety and health" remained part of the global corporate direction from the previous year. Toyota implemented initiatives to promote compliance with basic rules with executives and managers taking leadership roles and all personnel participating so that employees at every worksite are aware of the risks present and take preventive independent action as Toyota aims to make safety and health a custom and culture of the company. The global rate of lost-workday incidents decreased 0.14 from FY2014.

Three-pronged Approach to Safety



Developing people

Raising the ability of each employee to detect risks (education, OJT), activities undertaken with the participation of all employees

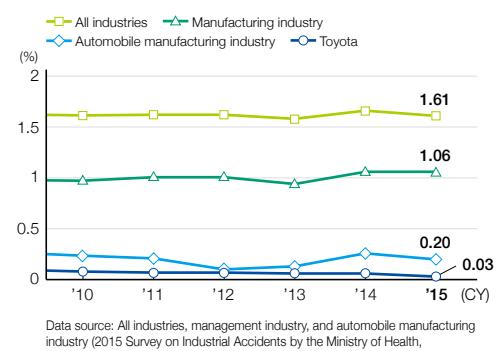
Risk management

Promotion of a safety management system

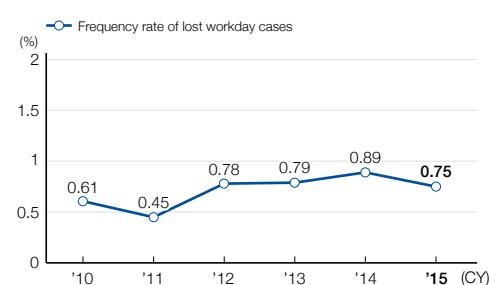
Environment and facility preparation

Provision of safe machines and a comfortable workplace environment

Frequency of Industrial Accidents (Frequency rate of lost workday cases: Japan)



Frequency of Industrial Accidents (Frequency rate of lost workday cases: Global)



Global Safety Measures

Toyota is promoting safety and health measures in overseas regions, primarily through regional headquarters. Toyota is currently working with each region to continue to develop the safety management system (OSHMS*) globally by creating a system that incorporates not only unique regional requirements but requirements that are shared throughout the world. Using this approach, weaknesses can also be identified through *genchi genbutsu* (on-site hands-on experience) in order to improve safety management.

Toyota also holds an annual global safety conference, attended by managers responsible for safety and health in each region. By studying measures for handling common issues and sharing information on unique activities and best practices in each region, the conference participants raise the level of safety and health activities.

* OSHMS: Occupational Safety and Health Management System

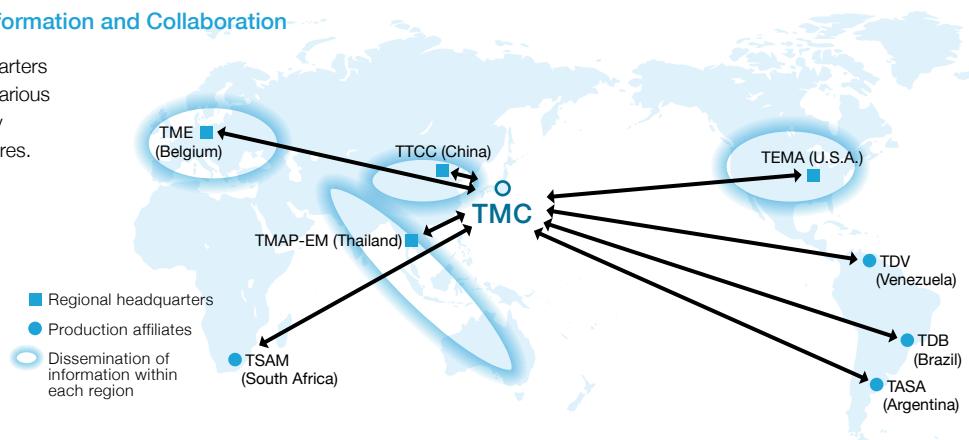


Global safety conference (held in Japan in 2015)



Structure for Sharing Global Information and Collaboration

By collaborating with regional headquarters and production affiliates and sharing various types of information, Toyota is globally improving its safety and health measures.



Genchi Genbutsu (On-site Hands-on Experience) at Overseas affiliates

Focus

Toyota's Head Office has worked together with the headquarters of each region and uses *genchi genbutsu* (on-site hands-on experience) to confirm the safety status of overseas affiliates based on the safety management system. Toyota promotes improvements in safety by using this system and method to clearly identify any issues. For example, we

confirm if measures are implemented based on accidents that have occurred at the sites of other affiliates, if they are effective to prevent the same problem from occurring, and if a system has been created to make the effort active and continuous. Furthermore, successful examples of effective measures and activities are introduced and used at the sites of other affiliates.



Checking equipment where an accident occurred in North America



Countermeasure to prevent falling off the roof in Malaysia



Safety line permanently installed on roof in Poland

Creating a Safe Work Environment for On-premise Suppliers (Construction, Contracting, Outsourcing, Delivery, etc.)

At Toyota, improvements to the work environment continue to be made by providing opportunities to communicate and tackling each issue in order to ensure outside workers can work safely on the premises. For example, when performing routine cleaning and inspection of equipment, improvements to the work environment

are made for problem areas, such as adding lights for dark work spaces or installing gripping to slippery footholds.

Going forward, we will continue to carry out improvements that address each issue confronting actual workers so that the improvements can be established globally.

Building Up Good Health (Japan)

In FY2015, Toyota set a target of building the foundations to establish a culture of health and implemented measures centered on developing healthy people and healthy worksites and health improvement programs based on medical examinations. To address the development of healthy people and healthy worksites, Toyota is committed to improving lifestyle habits for each and every person by using a "PDCA for Improving Health" worksheet at individual workplaces. The persons in charge also implemented support measures at individual workplaces, for example, promoting physical exercise and conducting lectures on diet and nutrition. Toyota also granted worksite awards to workplaces that worked actively to improve health and took other measures to invigorate health improvement programs and create a culture of health.

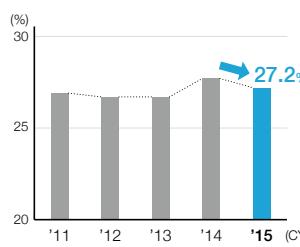
In terms of health improvement programs based on medical examinations, Toyota provides support for better lifestyle habits. This support focuses on health BIP²*1 programs (BMI^{*2} reduction in anti-smoking measures) which include lectures that provide health information to a wider range of subjects and campaigns that help

people lose weight and stop smoking. The BMI and the smoking rate were down when compared to FY2014, and going forward, Toyota will continue to implement these programs.

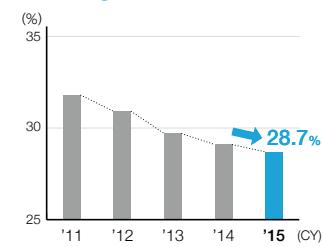
***1 BIP:** Lifestyle habit improvement campaign that uses BMI and smoking rate as two indices as part of the Behavior Change Innovation Program

***2 BMI:** The body mass index is a measure of body fat that is calculated based on the following formula: Weight (kg) / (Height (m) × Height (m)). The goal of Toyota's campaign for its employees is a BMI less than 24.2.

Percent of Employees with a BMI of 24.2 or More



Smoking Rate



Bolstering Mental Health Care (Japan)

In FY2015, Toyota conducted Self-care and Line Care Training with the aim of preventing mental health problems from occurring or recurring.

Self-care Training targets new and young employees and helps teach them how to identify warning signs and deal with stress. In Line Care Training, communications training is conducted with a focus on listening for supervisors who watch and directly supervise subordinates, in addition to psychological training for managers and newly appointed manager training in which they review case examples. Trainees receive advice on how to care for employees at workplaces and collaborate with industrial health personnel. Guidelines on health consultations were established for industrial health personnel and efforts to standardize and systematize the

details of consultations began in 2012. In addition, the support system for employees who take sick leave and return to work was revised in 2016, enhancing measures to help support employees return to work smoothly and assist them in day-to-day activities following their return.



Newly appointed manager training

Health Management of Overseas Personnel

In FY2015, we continued to provide health check-ups for personnel assigned overseas, with in-house physicians and nurses providing advice via email to follow up on their health. In-house physicians routinely made rounds to check on health-related conditions at

local sites, and healthcare information was provided to locally stationed staff via the Internet. Information is also shared and communicated regularly with local contact personnel.

Human Resource Development

Basic Philosophy regarding Human Resource Development

Toyota is committed to developing human resources in accordance with the philosophy that “*Monozukuri*” is about developing people.” In order to sustain growth, it is important to strive toward achieving people-centric *monozukuri* (manufacturing) and utilize people’s wisdom to make improvements day after day.

In order to support the globalization of business with the various cultures and customs that exist, all employees must share the same values to carry out policies such as ever-better cars and Customer First.

To ensure this, Toyota develops human resources for sustainable growth by implementing an educational program centered on the Toyota Way globally, which is based on OJT* that is crucial for the development and passing down the tradition of excellent *monozukuri* (manufacturing).

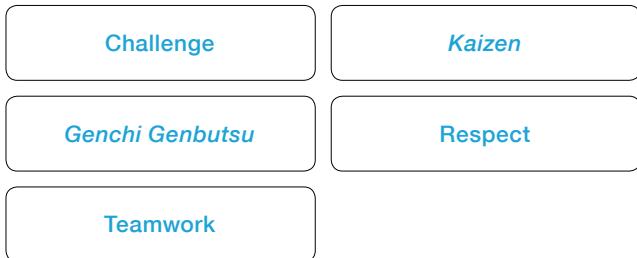
* OJT: On-the-job training

Practice of the Toyota Way

We have organized and arranged job types and techniques into what we call “Global Content” to share values and ways of thinking so that The Toyota Way can be understood and practiced by Toyota employees working all over the world.

This Global Content is practiced by Toyota employees through training and OJT both in Japan and overseas. Workers share the Global Content, which act as a common language, giving Toyota an advantage that unifies everyone and providing a platform to work more effectively.

Five Key Values for The Toyota Way



For details, see Toyota Way 2001 (P6)

List of Global Content

	Administrative and Engineering employees	Shop floor employees
Managers	Policy management Managing items to be implemented to accomplish workplace missions and create new value	Skills and roles of management and supervision <ul style="list-style-type: none"> Manager and supervisor skills for managing execution of standard operations Group and team operational knowledge, etc. for managing irregularities
General employees	Education of subordinates Systems for training subordinates through one's daily work	Problem solving Techniques for improving current conditions in order to realize ideal working conditions
	Ji kotei-kanketsu (built-in quality with ownership) How to work in order to continually produce the best output	Production skills <ul style="list-style-type: none"> Knowledge regarding recognizing irregularities and crucial points Trouble-shooting capability
Basic skills Minimum skills necessary for production line work		
Toyota Way Values and ways of thinking that should be held by those working for Toyota		

[Major Initiatives during FY2015]

Human Resource Development in the Workplace

In line with the Toyota Way, the foundation of human resource development at Toyota is on-the-job training (OJT) that emphasizes *genchi genbutsu*, and off-the-job training (OFF-JT*) opportunities for development are also created under the guidance of supervisors or superiors.

For example, Toyota provides a globally-shared training program, where employees first participate in group training to learn steps for problem solving and then apply them in actual work duties.

* OFF-JT: Off the-Job Training

Transfer Program to TMC Head Office from Overseas Affiliates

With the goal of promoting self-reliance in overseas affiliates, we have a program in place where employees temporarily transfer from overseas affiliates to the TMC (Toyota Motor Corporation) Head Office for human resource development using OJT. Transferees focus on learning skills, know-how and the Toyota Way throughout their training period, which ranges from six months to three years.

In addition, executives of affiliates serve as a general manager at the Head Office to learn about the decision-making process in Toyota and build a network with other employees.

As of May 2016, a total of 438 transferees from 59 affiliates in 30 countries were working in Japan under the program.

Comments from transferee



Susan Elkington General Manager, Production Control Division

"To inspire to always challenge oneself" is part of my mission as General Manager

I joined Toyota in 1998 as an Assembly Production Engineer at Toyota Motor Manufacturing Indiana (TMMI), USA. Beside Assembly, I worked as the General Manager of Weld and Press (vehicle bodies), the Vice President of Administration and the Vice President of Manufacturing. In 2014, I transferred to Toyota's Global Headquarters in Japan. There I worked in various departments in the Production Control Group and became the General Manager of the Production Control Division in April 2016. Over the three years, I have gained a deeper understanding of Toyota's operations in Japan and the Toyota Way. Through *genchi genbutsu* to the development area and to the manufacturing sites for the first vehicles developed under Toyota's Next Generation Architecture "TNGA", I could better understand the reasoning behind the new designs and the challenges in making them. For one model, an additional prototype phase was added, allowing designers to challenge themselves by allowing time to correct if the design was not perfect, thus producing an even better design.

As the General Manager of Production Control Division, and when I return to North America, I am able to share my technical learning but, more importantly, I am committed to inspiring team members to be proactive in taking on challenges and learn through failures and successes to grow individually and as a team.

Study Dispatch Program for Young Employees

The scale of existing activities to dispatch young employees to posts overseas has been expanded, and a Study Dispatch Program was started in 2014 to accelerate the development and enhance the skills of young employees.

Employees in their fourth year or later with the company are dispatched to overseas subsidiaries, overseas graduate programs

(including MBA programs), or domestic affiliates to study for one to two years, acquire practical skills, deepen understanding of different cultures, and improve their language skills in the workplace. 244 employees have been dispatched for the first time during FY2016.

Comments from transferee



Ms. Nagamatsu with the distribution outlet staff in Myanmar (Ms. Nagamatsu is fourth from the left)

Yui Nagamatsu, Marketing Planning Department, Customer First Planning Division (Joined in 2011)

- **Stationed at:** TMAP-MS / Singapore
- **Period:** January 2015 – January 2016

Toyota's Responsibilities and Challenges for Customers Worldwide are Infinite

I was assigned to the regional headquarters Singapore and was in charge of Myanmar where automotive manufacturers had emerged one after another due to an easing of regulations. I worked with all local staff and was involved with creating service operations for the distribution outlet in order to deliver a safe and reliable car experience for the customers in Myanmar.

I was unable to communicate my thoughts and expectations using Japanese style meetings and documentation and had a hard time in the beginning. However, I made a conscious effort to consider the perspective and background of local staff as well as the local customs and listened carefully to them. Communication gradually improved and I finally started completing my work tasks one by one.

Through the Study Dispatch Program, I realized again that Toyota has customers all over the world and really came to understand that our responsibilities are infinite and there are many tasks and challenges that remain.

QC Circle Activities in Approximately 50 Affiliates Covering 25 Countries are Crucial to Human Resource Development for the Shop Floor

Toyota is developing QC* Circle Activities as part of a system to develop human resources capable of carrying on its business activities on a global scale. The circles are formed primarily by employees in shop floor jobs, who actively engage in activities to identify and solve on-the-job problems. All employees come together and participate, going beyond titles and positions, and try to raise the energy level of people and organizations.

QC circle activities started in 1964, and as of March 2016, there are approximately 110,000 participants in 51 affiliates overseas with approximately 38,000 participants in Japan. We promote and use the name G-QC Circle Activities in Japan to specifically refer to 3 themes: “Don’t forget our Genten roots,” “Genchi Genbutsu” (“on-site hands-on experience”) and “Apply Globally.”

* QC: Quality Control

Creative Suggestion System Which Offers Continuous Improvements

The Creative Suggestion System offers employees a chance to make proposals to improve general operations, with the aim of creating a worker-friendly environment and strengthening the character of the company. The system is not just results-oriented but offers a valuable process which strives to “Motivate employees and improve capabilities (Human resource development)” and “Create a workplace to promote improvements (Liven up the

workplace).”

These activities started in 1951 and over 40 million proposals have been submitted to date, supporting Toyota’s *monozukuri* (manufacturing) for more than 50 years. As suggested by Sakichi Toyoda’s words “Pursuing originality and ingenuity,” the spirit of Toyota is all about “Creative suggestion” and can be described as a system that puts into practice the Toyota Way.

Examples
of Creative
Suggestion
System

Changing the Shape of the Blade on the Press and Making Deburring More Efficient on Cast Parts

Problem

Burrs that remain on the cut line of the cast part are removed with a press. However, there was a need to manually process it ahead of time because after a given thickness, the press would stop.

Kaizen (Improvement)

The improvement focused on the principle behind a can opener. Instead of the conventional circular cutter, a new blade was developed that applied pressure on points. The punching force increased and thick burrs were able to be processed.

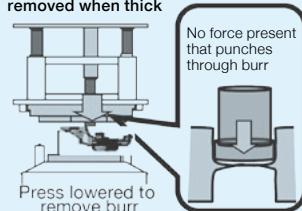
Reduced stoppage time of press

Before improvement:
34 hrs./month
After improvement: 0 hrs./month

Eliminated manual deburring work

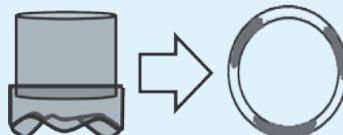
Before improvement:
37.3 hrs./month
After improvement: 0 hrs./month

Burrs* cannot be removed when thick

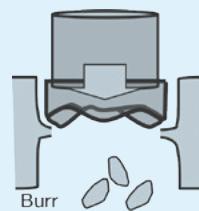


Recovery from press interruption
(34 hrs./month)

Changed cutter shape



Changed shape so blade hits at certain points like a can opener to punch through burr



Setting pressure: 3 MPa. Capable of removing burrs with a thickness of 0.7 mm and greater.

* Burr: Thin film of excess

Diversity and Inclusion

Basic Philosophy regarding Diversity and Inclusion

For companies engaged in business around the world, it is important to promote activities of a diverse range of human resources 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.



[Major Initiatives during FY2015]

Measures to Promote Women's Participation in the Workplace

Toyota has positioned the promotion of diversity in the workplace as an important management strategy and is undertaking measures to enable a diverse workforce to work with enthusiasm and a sense of purpose. With regard to promoting women's

participation in the workplace, Toyota takes measures to support a work-life balance such as developing work environments that enable women to continue working with confidence while performing childcare or nursing care for a family member.

Voluntary Action Plan for Promoting Women's Participation in the Workplace

Toyota has decided on the following plan to build an environment to promote women's participation in the workplace.

- | | |
|---------------------------------|--|
| 1. Implementation Period | From April 1, 2016 to March 31, 2018 |
| 2. Our Challenges | Issue #1: The number of female employees is not large enough, and the average length of service of female engineers is shorter than that of male engineers.
Issue #2: The proportion of women in managerial positions is low. |
| 3. Targets | 1) Employment rate of female graduates
Administrative: 40%, Engineering: 10%
2) Number of female managers
The number of women in managerial positions in 2014 to be increased three fold by 2020, and fivefold by 2030 |
| 4. Details of Actions | <div style="background-color: #e0f2ff; padding: 2px;">Action 1 Maintain a hiring rate for female graduates (Administrative: 40%, Engineering: 10%)</div> <div style="background-color: #e0f2ff; padding: 2px;">[Initiatives to continue]</div> <ul style="list-style-type: none"> • Carrying out the following actions to increase the female employment rate [from April 2015]
 Increase opportunities for applicants to meet a drivers range of female managers and specialists • Continue to participate in "Toyota Female Engineer Development Foundation" [from December 2014] <div style="background-color: #e0f2ff; padding: 2px;">Action 2 Support a balance between work and childcare, and create an atmosphere and environment to support an early return to work from maternity leave</div> <div style="background-color: #e0f2ff; padding: 2px;">[Initiatives to continue and expand]</div> <ul style="list-style-type: none"> < Support a balance between work and childcare > • Continue and expand support for childcare [from April 2007]
 (Expansion of usage for "working at home" program, provision of child care facilities) • Create a working atmosphere that supports women's participation in the workplace [from April 2016]
 (Produce and distribute hand-outs for supervisors and male employees) • Promote male employees' participation in child care [from October 2016] <ul style="list-style-type: none"> < Support for early return to work from maternity leave > • Raise awareness in women, their supervisors and spouses by holding pre-maternity leave seminars [from July 2015] • Promote usage of all-day "working at home" program and subsidy for child care cost [from April 2016] <div style="background-color: #e0f2ff; padding: 2px;">Action 3 Develop career awareness and systematic personnel training from an early stage</div> <div style="background-color: #e0f2ff; padding: 2px;">[Initiatives to continue and expand]</div> <ul style="list-style-type: none"> < Career awareness > • Promote initiatives to enhance female awareness [from June 2015]
 (Support the development of female networks in administrative and engineering through roundtable discussions, social network services, and introduce role models) < Systematic personnel training > • Prepare for personalized development plans that take into account the life events of each individual for women in administrative and engineering positions [from April 2009] • Enhance programs for managerial level employees [from April 2016] |

Overall Image of Initiatives to Promote Women's Participation in the Workplace (Administrative and Engineering Employees)

Changes	[Phase 1] Expansion of Programs	[Phase 2] Focus on Retention	[Phase 3] Shift to Promotion of Employment	
	2002 Established programs promoting the employment and retention of women	2007 Expanded programs to promote retention	2012 Shifted focus of development of working environment from supporting employees raising children to generating enthusiasm and motivation	2014 Expanded initiatives to promote women's participation in the workplace
Details	<ul style="list-style-type: none"> ▼ Introduced shortened working hours and "working partially at home" programs ▼ Expanded childcare leave (up to a maximum of two years) ▼ Established on-site day care centers 	<ul style="list-style-type: none"> ▼ Expanded shortened working hours and "working partially at home" programs (until children reach fourth grade of elementary school) ▼ Introduced child nursing care leave (until children reach fourth grade of elementary school) ▼ Introduced the Pro Career Come Back Program for reemployment of employees who left the company because of transfer of a spouse, etc. ▼ Opened the "Sodateke Net," a website for sharing information on maintaining a balance between work and childcare and on career development ▼ Held a social gathering with overseas female executives ▼ Prepared individualized career development plans for women in supervisory positions 	<ul style="list-style-type: none"> ▼ Shortened working hours program (with possible overtime) ▼ Introduced seminars on supporting the work-life balance for employees who return to work after childcare leave ▼ Introduced training for managerial employees 	<ul style="list-style-type: none"> ▼ Developing career awareness <ul style="list-style-type: none"> • Encouraged the preparation of career design sheets • Expanded the scope of female employees eligible for individualized career development plans • Supported the development of networks among women in administrative and engineering positions • Introduced pre-maternity leave seminars ▼ Support for a Rapid Return to Work from Childcare Leave <ul style="list-style-type: none"> • Introduced an all-day "working at home" program ▼ Established the Toyota Female Engineer Development Foundation
KPI	<p>Number of women in managerial positions (7) → (20) → (76) → (2015: 111)</p> <p>Separation rate of women in administrative and engineering positions (5.8%) → (4.2%) → (2.4%) → (1.2%)</p>			

Red: work-life balance support programs Blue: career support

Toyota Female Engineer Development Foundation Promotes Female Science and Engineering Students

Toyota Motor Corporation and nine group companies established the Toyota Female Engineer Development Foundation in December 2014 with the aim of contributing to the promotion of women's participation in the workplace in manufacturing businesses overall in Japan. The Foundation offers an educational development program to support career development and a scholarship program that provides financial support, in order to increase the number of female students interested in science and engineering and educate

them so that they can thrive in the manufacturing industry.

In FY2015, we welcomed 129 first year students in the program that were female engineering students from various universities throughout the country and offered a work internship and a Camp for the Future of Rikejo (Female Science/Engineering Students). In addition, female engineers provided visiting lectures classes at 24 schools through Aichi Prefecture as a career introductory course for high school students.

Toyota Female Engineer Development Foundation [Web](http://www.toyota-rikeijosei.or.jp) http://www.toyota-rikeijosei.or.jp

Focus

Held Camp for the Future of Rikejo (Female Science/Engineering Students)

After raising the funds, the first Camp for the Future of Rikejo (Female Science/Engineering Students) was held over 2 days on February 18-19, 2016. 125 female engineering students from universities throughout Japan gathered at the TMC Head Office. There were various activities, such as group sessions with students from other universities, panel discussions led by female engineers from participating Toyota Group companies, roundtable discussions and other gatherings, so that students could gain a better understanding and clearer vision of future careers in this field.



Roundtable discussion about topics such as the work practices of Rikejo (female science/engineering students)

Comments from Participants

For me, I did not expect to have such a good time touring the plant. Had I not participated in this camp, as an architectural student, I probably would not have had the chance to see how fun and interesting the machine systems are. It was interesting and I was able to learn about a lot of different things. (University A)

I had this square and bookish image of female engineers, but when I actually spoke with them, I was pleasantly surprised to find that "they are just a normal female like me." I was able to envision myself becoming an engineer. (University B)

I realized that "monozukuri" covers a broad range of fields and felt that there are so many options for me in engineering. (University C)

Focus

After going through the experience of looking after children, I learned how important it is to respect my partner and colleagues.

I got married during my third year in the company. At Toyota, an employee can be transferred within Japan or overseas, and my wife's place of employment also has transfers every 2 to 3 years. We started off preparing ourselves for the fact that "we must find our own style of a marriage." When I was 35 years old, my first son was born. As a rule we decided that "whoever had time to look at after our son or do chores, would do so, and that we should not worry if we could not do everything." With this approach, we tried to balance working and looking after our son, while also trying to be flexible and respect.

I learned a lot, especially when my wife was transferred and living and working away from us. At that time, I was working in the International Sales Department in the Tokyo Head Office and was in charge of Brazil and Argentina. Right then, there was a currency crisis in South America during that period. It was extremely hectic onsite, and my team members would stay and work late. However, I had to leave work early to go pick up my son. I would ask myself on a daily basis: "Is this right that I am the leader and going home early?"

But in the end, "if you can't do something, you simply can't do it." No matter how much I tried to make it work, if I got a call saying my son had a fever, I had to go pick him up and ask someone to take over my job, for example, even if it was an upcoming director's report. This is when my feelings began to change to a more "so-what" attitude and to "only do as much as you are capable of doing."

Thereafter, I started to work more efficiently. I embraced the feelings of "Sorry" and "Thank you" and began to divide up the work among my team members because I had a son to think about. This is when work started to go more smoothly little by little.

I was very thankful to the team members, and come to see the goodness in those people really became visible. From this experience, I was also able to learn the importance of respecting different values and perspectives, for example, when managing the situation of each of my subordinates.



Yu Asano
General Manager
of the Africa Division

Initiative to Expand “Working at Home Program” (Japan)

To promote diversity, Toyota will start developing an environment to include working at home program starting from October 2016.

The main details of this plan is to expand the scope of employees eligible to work from home by easing the qualifying conditions, and to reduce the time required to work in the office.

In order to set up the infrastructure required to achieve this, we also are looking at adding 2000 laptops.

Furthermore, we will try out *Ikubosu* program* with the goal of creating a workplace and culture so that supervisors support their subordinates who wish to work at home, eliminating any feelings of resistance and showing understanding.

* ***Ikubosu* program:** Trying out a practice where managerial positions have the option of working at home

Major Initiatives of Nursing Care Policy (Japan)

As social attitudes regarding nursing care are changing, Toyota has continued to expand and improve company measures on nursing care since 2009, in order to reduce employee anxiety and burdens regarding nursing care and to create an environment in which employees can devote themselves to work with a sense of assurance.

One example is holding nursing care lectures by outside experts such as licensed social welfare workers and nursing care workers since 2009 in order to enhance the provision of information.

In FY2015, such lectures were given seven times with approximately 290 employees and their family members attending.

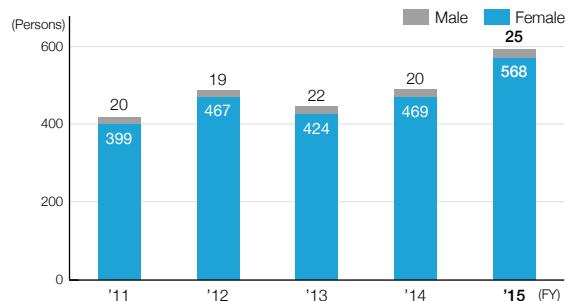


A nursing care lecture held in 2014

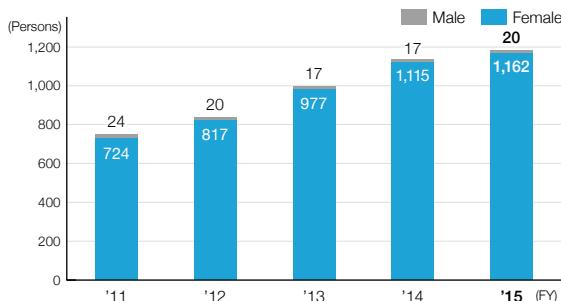
Major Initiatives in Nursing Care

Support for the Work-Life Balance	Provided Information	Nursing Care Services	Economic Support
<ul style="list-style-type: none"> Nursing care leave and shortened working hours Increase flexibility in working hours system <ul style="list-style-type: none"> (1) Change the units of time to apply systems such as shortened hours and so on (2) Change the working hour settings of the “working at home” program (3) Expand applicable periods for various work-life balance support programs (4) Establish a new nursing care leave program 	<ul style="list-style-type: none"> Create a consultation hotline regarding the Toyota Health Insurance Union Publish pamphlets on nursing care Hold nursing care lectures Hold hands-on nursing care seminars 	<ul style="list-style-type: none"> Introduce a nursing care savings program Form a partnership with a major nursing care service provider Expand nursing care service providers Introduce home care workers services 	<ul style="list-style-type: none"> Introduce nursing care insurance Create parent nursing care insurance Introduce a nursing care financing program

Use of Child Care and Nursing Care Leave (Japan)



Use of Flexible Working Hours System (Japan)



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 (including chief officers) live at the respective overseas location and create a management system that has close ties with the local community. Appointment of local human resources is also being actively promoted and of eight regional headquarters, three are currently headed by chief officers who are not Japanese. As of July 2016, the number of foreign executives at Toyota Motor Corporation was eight (of which one is an outside member of the Board of Directors).

Toyota will continue to actively foster and promote local personnel on the principle that this ensures the right resources will

be in the right places, driving forward the localization of decision-making, operation and management posts. This should facilitate the timely understanding of customer and employee needs in each region, enabling us to make appropriate business decisions.

North America Region

James E. Lentz, Senior Managing Officer

Europe Region

Johan van Zyl, Managing Officer

Latin America & Caribbean Region

Steve St. Angelo, Senior Managing Officer

Percentage of Local Employees Comprising Management at Overseas Affiliates

FY2011	FY2012	FY2013	FY2014	FY2015
54.0%	60.1%	64.7%	62.9%	62.6%

Job Placement Program for Over-60s (Japan)

Following the introduction of the Internal Re-employment Program for Retired Professionals in 1991, an Optional Re-employment Application System was launched in 2001 to outplace applicants to external affiliates and other sites, providing a framework for helping over-60s to continue working at either external or internal workplaces. Based on the revisions to the Law on Stabilization

of Employment of Older Persons in FY2006 and again in FY2013, programs were updated to their present state, in order to expand re-employment opportunities. In addition, starting from FY2016, the Advanced Skilled Partner System was set up to motivate employees to remain active until 65 so that they would actually retire when they reached 65 years old.

Employment of Fixed-term Contract Employees (Japan)

When hiring fixed-term contract employees, appropriate hiring and contract renewals are conducted with maximum efforts focused on maintaining stable employment and improving their work capacity. With the full-time staff appointment system, fixed-term contract employees who have worked for Toyota for at least one year and have a recommendation from their workplace get the chance to take an examination for regular employment. This leads to increased motivation and vitality.

Fixed-term contract employees are also given the opportunity to

re-try the examination in their third year. It is necessary to maintain strong technical skills in the workplace in order to achieve sustainable growth, and to this end, Toyota will continue actively working to hire fixed-term contract employees as full-time employees.

Number of full-time employees newly hired

FY2015 Hiring Results	FY2016 Hiring Plans
387 employees	500 employees

Employment of People with Disabilities (Japan)

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 2016, the number of people with disabilities employed was 1,201, accounting for 2.14 percent of the entire

workforce (including special-purpose subsidiaries) which is above the legal requirement of 2.0 percent. 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.

Toyota Loops Create a Working Environment Friendly to People with Disabilities

Toyota Loops Corporation began operation 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 mainly handles work that is outsourced such as Toyota's internal printing, mail services and enclosing catalogues. It also commissions work such as issuing visitor or employee identification cards, issuing asset number labels and performing shredder tasks, or data erasing of discarded PCs and nursing assistance at the Toyota Memorial Hospital.

Toyota Loops is also promoting initiatives for new work in order to employ more people with disabilities, and in April 2016, Toyota started full operation at the Hanamoto sub office, and the small cargo and transport trucking business was started at the Nagoya and Tokyo offices.

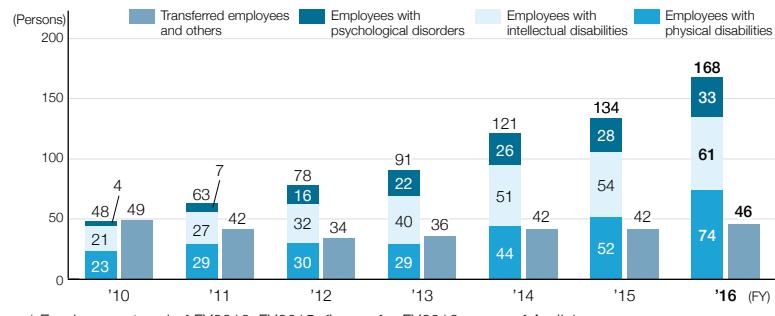
As of April 1, 2016, Toyota Loops currently employs 186 people with disabilities. There is also more support staff for this increase

in hiring, in order to eliminate or help reduce any anxiety that the employees have with health or work. We also strengthened the support system, for example, by setting up a support hotline, making in-house physicians available for consultation and offering counseling by a clinical psychologist or psychiatrist. In addition, we are working hard to create a working environment where each employee can work comfortably by actively exchanging information with social welfare organizations, governmental bodies, and local communities.

Ten people from Toyota Loops participated in the Abilympics in Aichi Prefecture (a national technical skills competition for persons with disabilities) held in December 2015. A total of 4 competitors won the gold: one person from the Product Packing Division, one from the Office Assist Division, one from the Computer Data Input Division and one from the Word Processing Division. In addition, 1 person won silver and 2 people won bronze, making this year the highest number of medal winners with seven people.



Number of Employees with Disabilities



Focus

Athletes from Toyota Loops to Compete in Special Olympics

The Special Olympics (SO) is an international sports organization that provides people with intellectual disabilities an opportunity to compete in various sports.

Toyota Loops is participating in this SO and is actively involved in improving the health of employees, promoting mental and physical well-being as well as improving their lifestyles.

In 2016, six athletes from Toyota Loops will compete in the Special Olympics in the following categories: track and field, swimming, tennis, basketball and bowling. They will continue to work hard every day until November when the regional competitions are held.



Athlete from Toyota Loops making a pledge of fair play at the Summer Block Competition for the Tokai and Hokushinetsu Block held in Kariya, Aichi Prefecture (3rd from left)

For details, see Creating an Affluent Society (Olympic Games, Paralympic Games & Special Olympics: P30)

Creating Happy Workplaces

Basic Philosophy regarding Creating Happy Workplaces

In order to strengthen its human resource 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.

[Major Initiatives during FY2015]

“We Love Toyota Campaign” and “Hure! Hure! Ekiden” Foster a Sense of Unity within Toyota

In order to deepen loyalty based on the notion of “All Toyota,” an internal campaign called We Love Toyota has been carried out since FY2009.

As a part of these activities, We Love Toyota seminars were held April and May 2015. Approximately 400 participants attended including corporate executives. Teamwork and ties between participants were deepened by forming teams consisting of

members who had never met before and discussing the joy of driving through the “Internal Prius Cup.”

Some 4,000 employees in 500 teams representing divisions and overseas affiliates competed in the 69th Toyota Relay Race Competition, held in December 2015. More than 30,000 people came and cheered on the competitors, enhancing the sense of unity within Toyota.



Participants at a We Love Toyota seminar conducted in April 2015



The 69th Hure! Hure! Ekiden, held in December 2015

Stakeholder Engagement

Basic Philosophy regarding Stakeholder Engagement

In the preamble of its CSR Policy, Toyota declares that it will engage in stakeholder-oriented management in order to contribute to sustainable development and strive to maintain and develop sound relationships with stakeholders through open and fair communications.

Specifically, Toyota's relevant divisions and offices all over the world act as the main contacts to hold dialogues with major stakeholders. They communicate Toyota's philosophy and also help deepen mutual understanding.

Implementation Status of Stakeholder Engagement

Stakeholder	Communication methods	Frequency	Description	Incorporation into corporate activities
Customers 	Based on our "Customer First" philosophy, we take measures to incorporate the comments and opinions of customers into better products and services	Toyota Customer Assistance Center	As needed	Responding to customer opinions using telephone and e-mail forms
		Official website, product website	As needed	Disseminating company information and business details, providing FAQ, etc.
		Information dissemination through various types of social media	As needed	Disseminating company information and business details
Employees 	Bilateral communications to build teamwork and foster a sense of unity based on a labor-management relationship founded on mutual trust and responsibility	Joint labor-management roundtable conferences/ Labor-management meetings	Several times a year	Discussions/negotiations, opinion exchanges and mutual understanding regarding labor-management issues
		Employee satisfaction survey	Once or twice every two years	Surveying employees satisfaction regarding workplace culture and company life
Business Partners 	Close communication to achieve a mutually beneficial relationship based on mutual trust	Conferences, seminars, and events with dealers	As needed	Sharing corporate policies
		General conference of suppliers	Once a year	Sharing purchasing policies
Shareholders 	Timely and appropriate disclosure of operating results and financial condition to shareholders and investors, and constructive dialogues toward sustained growth and corporate value enhancement	Shareholders' meeting	Once a year	Unconsolidated and consolidated financial statements, audit and supervisory board reports, and deliberation and decisions on resolutions
		Financial results announcement	Four times a year	Press and telephone conferences to explain Toyota's financial status and initiatives
		Face to face meeting	As needed	Meetings to explain Toyota's financial status, local projects, technologies, products, etc. and to exchange opinions with institutional and private investors
		Investor information website, etc.	As needed	Providing information on financial status, business details, etc. Website "T-ROAD," a collection of Presidents' messages is launched
Global Society/ Local Communities 	Dialogue with various stakeholders to build good relationships with local communities and to solve global social and environmental issues	Roundtable conferences with local residents	Several times a year	Introducing Toyota's activities to local leaders and exchanging opinions on a plant-by-plant basis
		Inviting local communities to Toyota's events and participating in local events	As needed	Social gatherings with local residents
		Participating in joint projects between public and private sectors	As needed	Cooperating in progressive initiatives such as verification tests
		Participating in economic and industry organizations	As needed	Participating in the planning and implementation phases of various organizations' policies
		Participating in collaborative activities with NGOs and NPOs	As needed	Social contribution activities throughout the world

Additionally, Toyota maintains communication with external experts in order to examine, for example, the direction of its sustainability-related initiatives.

Toyota will continue to further strengthen stakeholder

engagement through dialogue, to earnestly address society's expectations as well as the issues discovered through these dialogues, and to utilize them in our future initiatives.

Focus**Promoting dialogue with private investors**

We make an effort to promote more dialogue with private investors and shareholders, in order to assist them in making long-term investments. We present the aspirations of our top management and the corporate initiatives for sustainable growth directly to our investors, and in turn invite their input.

We held nine IR conferences for private investors in FY2015 and some two thousand people attended. Business presentations were given, the latest models including the MIRAI were on display and engineers provided technical presentations. It is our aim that the hands-on experience and interactive communications would help investors understand the Toyota businesses better and support us through long-term investments. We also set up a booth at two IR events organized by stock exchanges and others in an attempt to expand our communication opportunities.

As a means to deepen our communications, we have established "T-ROAD," which is a special website featuring a collection of the president's messages for shareholders and investors.



IR conference for private investors (Tokyo)



Nagoya Stock Exchange IR Expo 2015 (Nagoya)



"T-ROAD"

T-ROAD [Web](http://www.toyota.co.jp/jpn/investors/t-road/?adid=ag400_sustainable) http://www.toyota.co.jp/jpn/investors/t-road/?adid=ag400_sustainable

Focus**Participation in WBCSD (World Business Council for Sustainable Development)**

WBCSD* is an organization with a membership of approximately 200 companies from a wide range of industries around the world. It researches and makes proposals from a global perspective with regard to economic growth, environmental preservation and social development in order to achieve sustainable development. Since its establishment in linkage with the Rio de Janeiro Earth Summit of 1992, it has been presenting proposals for an environmental management system, ISO 14000, and Eco-Efficiency, which aims to improve economic and environmental efficiency. The council endorses and supports the Sustainable Development Goals (SDGs) of the United Nations which came into effect in January, 2016. WBCSD is considered as a business leader that spearheads sustainable development initiatives.

Toyota is a founding member and is working on various projects. Since 2013, we have been engaged in the WBCSD Sustainable Mobility Project 2.0 (SMP 2.0), a 15-company collaborative project. We selected six model cities from around the world and are developing a road map for sustainable mobility with various stakeholders.

* **WBCSD:** World Business Council for Sustainable Development is based in Geneva



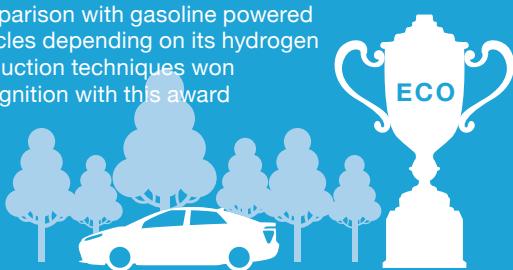
World Business Council for
Sustainable Development

For details, see Environmental Initiatives (Challenge 2 Life Cycle Zero CO₂ Emissions Challenge: P76)

Environmental Initiatives

Fuel Cell Vehicle, the MIRAI Won the Minister's Prize, the Ministry of Economy, Trade and Industry in the 12th Eco-Products Award

The realization of the mass-production of fuel cell vehicles and the outstanding environmental performance of reducing life-time CO₂ emissions by approximately 50 percent in comparison with gasoline powered vehicles depending on its hydrogen production techniques won recognition with this award



The Toyota Environmental Challenge 2050 was recognized and Received the First Prize of the Best Long-Term Goals Award in Corporate Category in the Low-Carbon Cup 2016

Toyota was recognized for its long-term vision of realizing a low-carbon society and its six specific challenges, and was chosen from among 256 corporate applicants

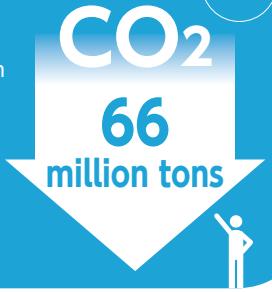


New Vehicle Zero CO₂ Emissions Challenge

CO₂ Emissions Reduction Effects of Toyota Hybrid Vehicles Approximately 66 million tons

Cumulative global sales of Toyota hybrid vehicles exceeded 8.9 million as of March 31, 2016. Reduced CO₂ emissions* by approximately 66 million tons in comparison with gasoline-powered vehicles in the same class.

* Toyota data in FY2015

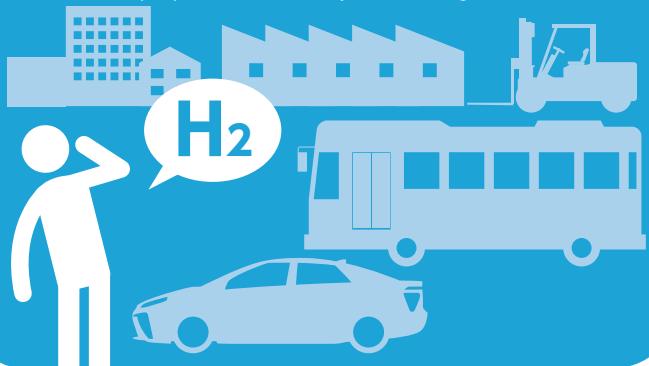


063 | Sustainability Data Book 2016 Environment

Building a Hydrogen-based Society

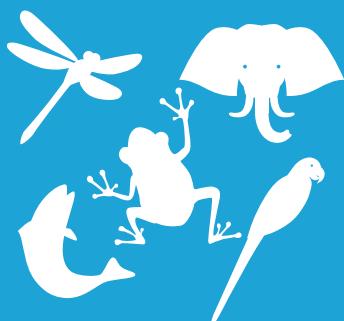
Regional Collaboration Projects toward Achieving a Hydrogen-based Society

Carrying out a variety of initiatives in cooperation with local communities, such as hydrogen use in plants, energy creation, and proposal of a mobility mode using fuel cell vehicles



Challenge of Establishing a Future Society in Harmony with Nature

The first phase of the Today for Tomorrow Project Cooperative Project Launched with IUCN



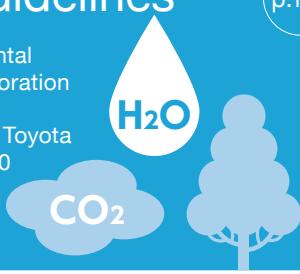
Entered into a partnership agreement with IUCN. Striving to augment the IUCN* Red List of Threatened Species

* IUCN: International Union for Conservation of Nature

Environmental Management

Revision of the Toyota Green Purchasing Guidelines

The guidelines for environmental activities conducted in collaboration with suppliers were revised in response to the launch of the Toyota Environmental Challenge 2050



New Vehicle Zero CO₂ Emissions Challenge

Basic Concept

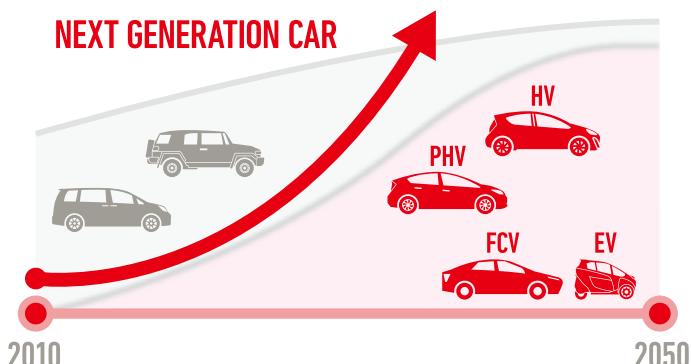
As if to demonstrate the fact of global warming, extreme weather patterns worldwide have been provoking successive disasters. If current conditions continue and increased measures are not taken to reduce greenhouse gases, it is estimated that by 2100 the world's average temperature will have risen by 3.7–4.8°C. It is further estimated that, to hold the temperature rise since before the Industrial Revolution to "below 2°C," we will not only have to reduce CO₂ emissions to zero, but will need to achieve an actual trend through absorption.*

While the world is trying to move toward "below 2°C" scenario, Toyota has, under the "New Vehicle Zero CO₂ Challenge," decided

* 5th Assessment Report of IPCC Working Group III (2014)



to challenge itself to reduce vehicle CO₂ emissions by 90 percent in comparison with 2010 levels, by 2050. To realize this, in addition to mileage improvement of engine-driven vehicles, Toyota will promote the development of next-generation vehicles with low or zero CO₂ emissions—hybrid vehicles (HVs), plug-in hybrid vehicles (PHVs), electric vehicles (EVs), and fuel cell vehicles (FCVs)—and further accelerate the spread of these vehicles. These eco-friendly vehicles can start making a contribution to society only when they come into widespread use. Toyota will also cooperate with relevant stakeholders to provide support necessary for building the infrastructure for widespread adoption of EVs and FCVs.



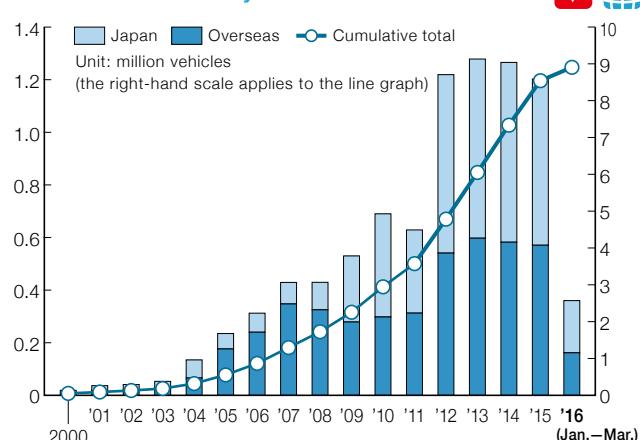
Promoting Development of Next-generation Vehicles with Electric Power and Widespread Use According to Their Features

Worldwide Sales of Toyota Hybrids Exceed 8.90 Million Units

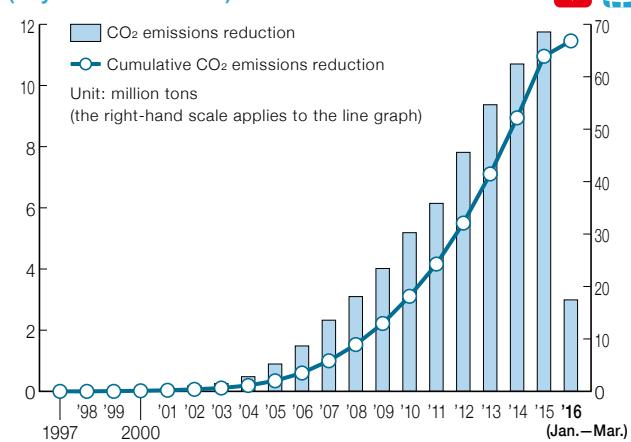
Toyota hybrid vehicles' cumulative global sales have reached 8.90 million units as of March 31, 2016 since the sales launch of the Prius—the world's first mass-produced hybrid passenger vehicle—in December 1997.

Toyota calculates that Toyota hybrid vehicles sold by March 31, 2016, have resulted in approximately 66 million fewer tons of CO₂ emissions than would have been emitted by gasoline-powered vehicles of similar size and driving performance, and have saved approximately 25 million kiloliters of gasoline than would have been used by gasoline-powered vehicles of similar class.

Cumulative Sales of Hybrid Vehicles



CO₂ Emissions Reduction Effects of Toyota Hybrid Vehicles (Toyota Calculations)



CO₂ emissions reduction effect: method of calculation

Difference in average annual fuel efficiency¹ × number of vehicles owned in the fiscal year² × average annual distance traveled³ × CO₂ emissions coefficient

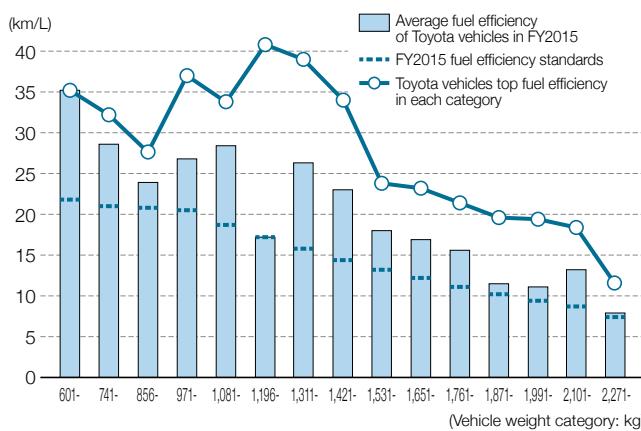
- 1 Difference in fuel efficiency between hybrid vehicles on the road in the fiscal year and corresponding gasoline-powered vehicle models. JC08 test cycle efficiency is converted into actual fuel efficiency.
- 2 Number of vehicles owned by customers as estimated by Toyota from the number of hybrid vehicles sold each year adjusted for average vehicle age.
- 3 According to 'Automobile Transportation Statistics' published by the Japanese Ministry of Land, Infrastructure, Transport and Tourism, the average annual distance traveled by passenger cars is 10,000 km.

Developing Technologies to Achieve the Leading Fuel Efficiency Performance

FY2015 Fuel Efficiency Standards Cleared by a Wide Margin Overall

- In FY2015, Toyota vehicles met the FY2015 fuel efficiency standards in 14 out of 15 vehicle weight categories, and exceeded the standards with all categories combined
- Four out of five new models and fully redesigned models launched in FY2015 met the FY2015 fuel efficiency standards
- Of the vehicles manufactured by Toyota in FY2015, 92 percent achieved the fuel efficiency standards for gasoline-powered passenger vehicles

Achievement of Fuel Efficiency Standards and Actual Fuel Efficiency of Toyota Vehicles in FY2015

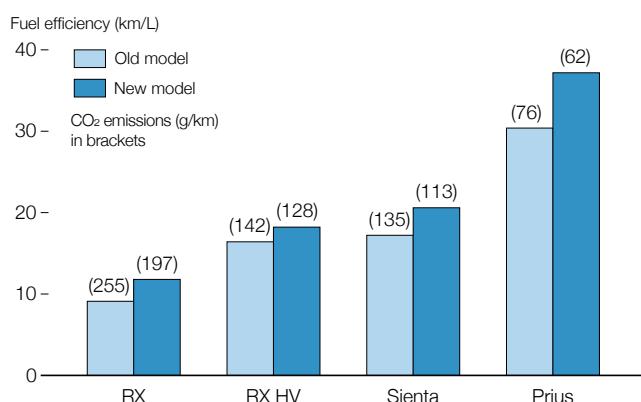


Achievement of FY2015 Fuel Efficiency Standards in FY2015

Weight category (vehicle weight: kg)	Fuel efficiency standards (km/L)	FY2015 average fuel efficiency (km/L)	New models and fully redesigned models that met the standards in FY2015
601-740	21.8	35.2	
741-855	21.0	28.6	
856-970	20.8	23.9	
971-1,080	20.5	26.8	Pixis MEGA
1,081-1,195	18.7	28.4	
1,196-1,310	17.2	17.2 ¹	Sienta, Prius
1,311-1,420	15.8	26.3	Sienta ² , Sienta HV, Prius
1,421-1,530	14.4	23.0	Prius
1,531-1,650	13.2	18.0	
1,651-1,760	12.2	16.9	
1,761-1,870	11.1	15.6	
1,871-1,990	10.2	11.5	RX (200t)
1,991-2,100	9.4	11.1	RX (200t, 450h)
2,101-2,270	8.7	13.2	RX (450h)
2,271-	7.4	7.9	

Note 1:  indicates a category that has achieved the fuel efficiency standards
Note 2: ⁽¹⁾ means that this average fuel efficiency did not meet the standards applicable to this weight category to the second decimal place. The increase in fuel consumption due to this shortfall was extremely small (0.1 percent or less) compared to the total fuel consumption reduction achieved in the weight categories that met the standards. For this reason, the standards were greatly exceeded when all categories were combined.
Note 3: The models indicated by ⁽²⁾ generally meet the standards, but certain types and specifications may not.
Note 4: Vehicles that achieved the efficiency standards before FY2014 are not included.
Note 5: All fuel efficiency values are averages for vehicles that have specification values under the Japanese Ministry of Land, Infrastructure, Transport and Tourism's JC08 test cycle.

Fuel Efficiency Comparison between Selected Old and New Models

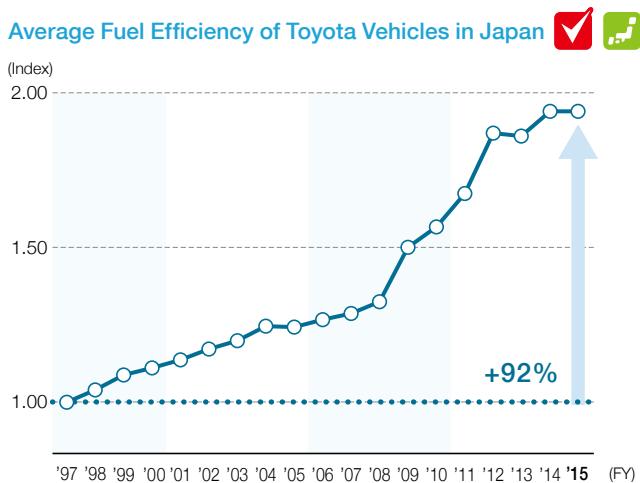


Note: All fuel efficiency values are specification values from the Japanese Ministry of Land, Infrastructure, Transport and Tourism's JC08 test cycle.

Increase in Average Fuel Efficiency

Toyota set “improve average fuel efficiency* in all regions by 25 percent compared to that of 2005 by FY2015” as a goal in the Fifth Toyota Environmental Action Plan, and has been increasing in its average fuel efficiency through steps such as introduction of more hybrid vehicles. However, the actual increase reached only 22 percent, remaining close to the FY2014 level of 23 percent. The rate of fuel efficiency improvement stalled in FY2015 because of the growth in sales of heavy vehicles in the U.S. market due to factors such as declining petroleum prices.

* Includes passenger vehicles in Japan, the United States, Europe, and China



Note: Change since introduction of hybrid vehicles in 1997

In order to reduce CO₂ emissions by continuously improving fuel efficiency, Toyota set a new goal in the Sixth Toyota Environmental Action Plan, announced in October 2015: “Aim to reduce the year 2020 average CO₂ emissions from new vehicles globally by over 22 percent from the 2010 level (approximately a 28 percent improvement in terms of fuel efficiency).”

Toward achieving this goal, Toyota will continue developing CO₂ emissions reduction (increase in fuel efficiency) technologies and deploying them in its various vehicles.

Average Fuel Efficiency of Toyota Vehicles in Japan, the United States, Europe, and China



Note: In the Fifth Toyota Environmental Action Plan, FY2005 was set as the base year for the fuel efficiency improvement goal.

Focus

**Making Better Cars and Embodying a New Sense of Value in Fourth-generation Prius**

Eighteen years have passed since the launch of the first-generation Prius, created as the world's first mass-produced hybrid vehicle. The Prius, which has pioneered the age of eco-friendly cars, has undergone a full redesign. The environmental performance traditionally found in its DNA has jumped even further and the greatly improved engine boasts 40 percent thermal efficiency, making it the most efficient gasoline engine in the world. All the technologies utilized have overcome major hurdles, helping the new Prius achieve the world's top fuel efficiency performance among gasoline-powered vehicles.



Toyota's New Approach to Making Cars Takes on the Challenge

Development of Hybrid System that Offers an Answer to Environmental Issues of the 21st Century

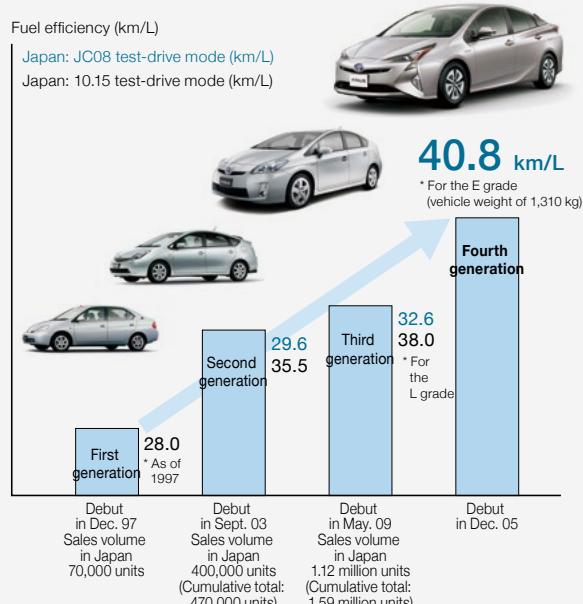
The project to develop the first-generation Prius began in 1993. Specific indexes toward making cars representing the 21st century were set in environmental performance, while CO₂ emissions reduction, energy conservation, and air pollution prevention were positioned as the three key issues during vehicle development. Toyota developed a hybrid system as the best means to achieve this concept.

Since the hybrid system does not require external charging like conventional electrical vehicles, it was well-suited to the existing infrastructure and achieved fuel efficiency roughly twice that of gasoline engines.

With the belief that "this vehicle is going to change the world," we named the vehicle "Prius," which means "prior to" in Latin. Many customers have resonated with and supported this belief.

Since then, the Prius has become an iconic hybrid vehicle that has contributed to the global environment as Toyota's flagship model.

Fuel efficiency and sales volume of the various generations of the Prius



Seamless Cooperation of the Evolution of the Environmental Performance that is Prius' DNA, and the Changes Brought about by TNGA

The fourth-generation Prius is the first model to advance its inherent environmental performance while simultaneously incorporating all the features of the Toyota New Global Architecture (TNGA*). Toyota's next-generation platform strategy. Thus, we proceeded to develop the new Prius with the goal of improving both the global and social environments.

In terms of the global environment, we focused on radically improving the Prius' environmental performance. For example, to further reduce environmental impact during operation, we set a high hurdle of 40 km/L for the fuel efficiency goal, which was achieved through the accumulation of detailed and steady technical development work.

In terms of the social environment, having set the goal of developing a safe vehicle that will help completely eliminate traffic accidents, we adopted a lower center of gravity with excellent stability and the Toyota Safety Sense P collision avoidance and mitigation package. We also added an external power sources, which are suitable for use following a disaster.

Eco-friendly Cars Contribute to the Environment when Widespread

Eco-friendly vehicles can only start contributing to the environment when they come into widespread use. Therefore, we want as many customers as possible to drive the Prius. The Prius has always played a pioneering role of contributing to the environment with its continued innovative features. For example, the first-generation Prius became the pioneer hybrid vehicle; the second generation was a pioneer in the hybrid vehicle popularization period; and the third generation was a pioneer in the era of broad market acceptance of hybrid vehicles. However, when we look at the car markets in various countries, it is true that hybrid vehicles are still perceived as special vehicles. Therefore, to bring hybrid vehicles, including the Prius, into even wider use, it is important to create vehicles that do not pale in comparison with any other vehicle so that customers include hybrid vehicles as a buying option.

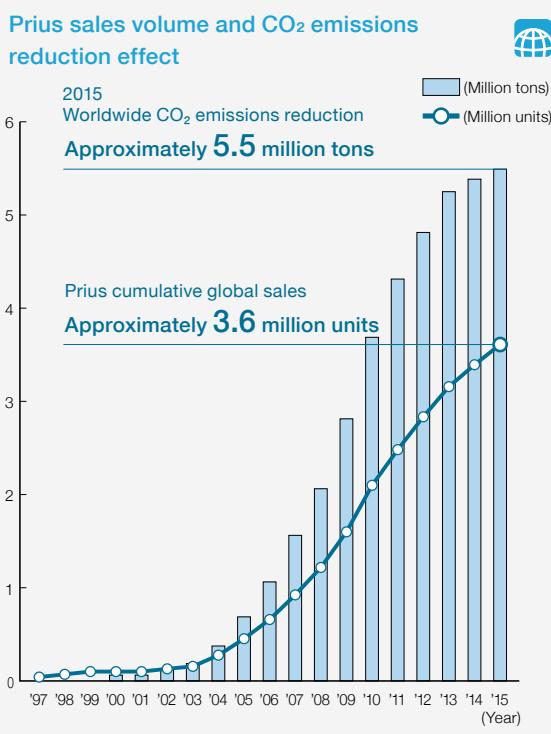
I believe we have succeeded in making the fourth-generation Prius a "better car" in all aspects, including environmental performance, styling, driving performance, and safety. We want prospective buyers to feel that the car they wanted most of all happened to be a hybrid vehicle.

Starting with the second-generation, the Prius has been manufactured at the Tsutsumi Plant, located in Toyota City. It is a model sustainable plant, through which Toyota emphasizes the role of nature in creating production sites that are in harmony with their natural surroundings. The plant is working to reduce energy consumption based on low-CO₂ production technologies and day-to-day *kaizen* activities, and also reduces CO₂ emissions by using electrical power generated by solar panels whose total area is equivalent to 60 tennis courts. This is a site of eco-friendly *monozukuri*, where eco-friendly cars are made at an eco-friendly plant by eco-friendly people.



Development leader of the fourth-generation Prius
Koji Toyoshima, Chief Engineer

* TNGA represents wide-reaching structural innovations, conceived with the goal of realizing Toyota's desire to "make ever-better cars." By reassessing car platforms from the ground up, Toyota hopes to create packages that are more stylish, have a lower center of gravity, and are easier to drive. As the first TNGA vehicle, the fourth-generation Prius was redesigned starting with its base structure.



In FY2015, the Prius helped reduce annual CO₂ emissions by approximately 5.5 million tons (calculated by Toyota as of the end of December 2015). This is equivalent to the volume of CO₂ absorbed by a forest having roughly three times the area of Tokyo (having 600 million trees).



Employees involved in Prius production at the Tsutsumi Plant

Focus



New PHV "Prius Prime" Unveiled at New York International Auto Show

The new "Prius Prime" was unveiled at the 2016 New York International Auto Show in March 2016. The Prius Prime is an ultra-efficient model with a plug-in hybrid powertrain, one of the most technologically advanced and best-equipped Prius models in the history.



The Prius Prime's 120 or above MPGe (miles per gallon equivalent) is expected to be the highest MPGe rating of any plug-in hybrid,* representing a substantial 26-percent increase over its predecessor.

The Prius Prime offers an estimated two times the electric range of the previous model—22 miles—meeting the daily commuter distance of over half of U.S. drivers, and can reach speeds of up to 84 mph without leaving EV mode. On a full 11.3-gallon tank of regular-grade gasoline and a full electric charge, the Prius Prime anticipates a class-leading estimated total driving range of over 600 miles.

The Prius Prime is powered by Toyota's Hybrid Synergy Drive powertrain, which seamlessly combines the output of the gasoline engine and electric motor through a planetary-type continuously variable transmission, and also can be plugged in at home to recharge its larger 8.8 kWh battery pack. In hybrid mode, it can run on the gasoline engine or electric motor alone or a combination of both. Even when not

running in EV mode, the Prius Prime will automatically rely more on its electric capability in situations where it is more efficient than running the gasoline engine.

In addition, the Prius Prime will feature a Toyota-first dual motor generator drive system, using both the electric motor and the generator for drive force, helping to boost acceleration performance. Regenerative braking recaptures electrical energy under deceleration and braking and stores it in the battery, which helps to reduce fuel consumption.

The Prius Prime's gasoline engine also plays a starring role in its efficiency. The 1.8-liter Atkinson-cycle, 4-cylinder engine—the same as in all 2016 Prius hybrid models—earns a groundbreaking thermal efficiency of more than 40 percent. Most modern automobile engines reach about 25–30 percent. Myriad details throughout the hybrid powertrain contribute to the efficiency, including its exhaust gas recirculation (EGR) system.

* Based on manufacturer's data (Prius Prime 120 MPGe) and fuel economy.gov plug-in hybrid segment, as of February 2016

Toward Building a Hydrogen-based Society

—Driving into the future, for the future—

Hydrogen is described as the ideal energy to address the challenges confronting humanity, such as environmental problems and dwindling natural resources. A clean society can be achieved if the use of CO₂-free hydrogen becomes more widely accepted and utilized. However, to establish the infrastructure necessary for a hydrogen-based society and enable an unfettered supply of hydrogen will require more

cooperation of society as a whole. Building an extensive hydrogen infrastructure will still take many years. But at Toyota, we thought we would make a start now.

For a future of greater flexibility coexisting with current energy sources. A future in which multiple energy sources support each other. A future that cares about the environment our children will live in 100, 200 years from now.

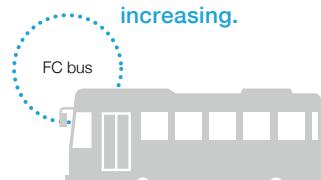
Need to Build a Hydrogen-based Society



Zero CO₂ Emissions

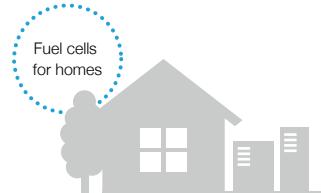
Using hydrogen results in zero CO₂ emissions. The chemical reaction H₂ + 1/2 O₂ → HO points the way to a brighter future.

The number of companies working on the utilization of hydrogen-based energy is also increasing.



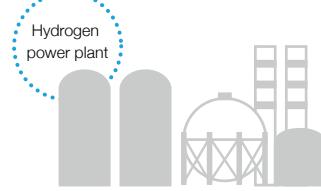
Can be Produced from a Wide Range of Primary Energy Sources

Because hydrogen can be produced from a wide range of primary energy sources, unlike fossil fuels, there is no need to worry about resources becoming depleted, meaning that a stable supply can be relied on.



Energy for Local Production and Local Use

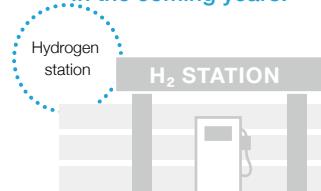
Through hydrolysis, electricity generated from renewable energy sources can be stored as hydrogen for power supply. The stored hydrogen can be used to supply power as needed. Establishing a system of this kind can also reduce energy risk on islands and in other remote areas.



Canceling out Fluctuations in Energy Supply from Renewable Sources

The amount of energy that can be generated by renewable sources fluctuates greatly under the influence of natural conditions. By converting the electricity generated to hydrogen, it can be stored and easily supplied to meet demand.

The number of hydrogen stations is expected to increase in the coming years.



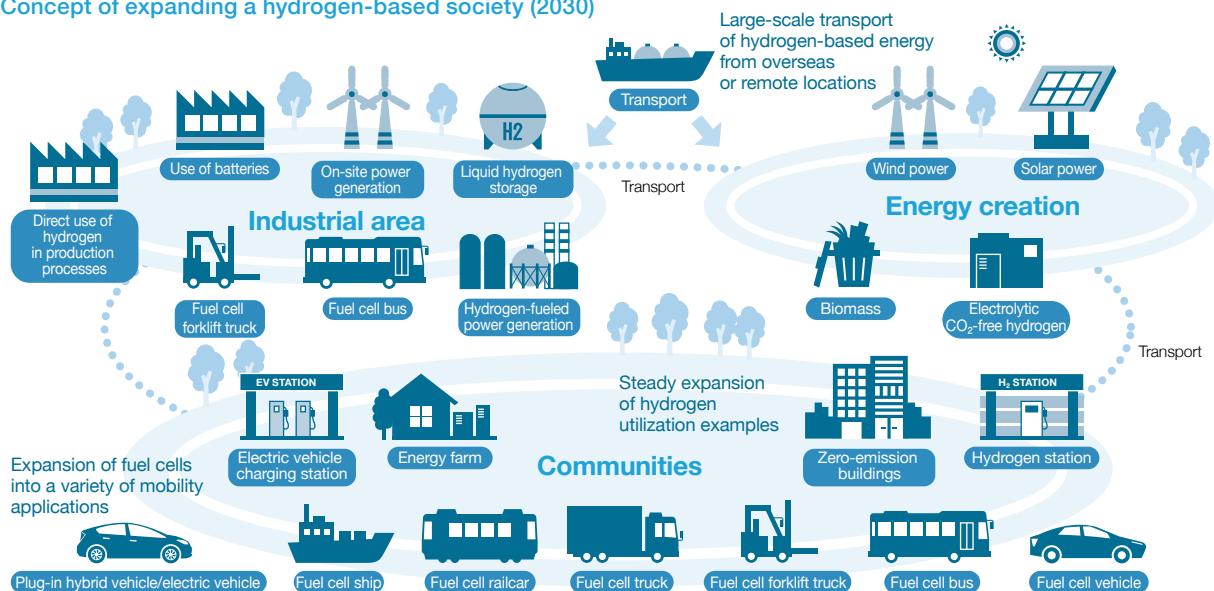
Toyota's Medium- to Long- term Roadmap toward Achieving a Hydrogen-based Society

Helped in part by the market launch of the MIRAI, the impetus for achieving a hydrogen-based society has been increasing. However, a wide variety of issues still remain, including establishment of the necessary infrastructure.

Based on the current situation, Toyota has created a template based on the knowledge obtained from verification experiments and is contributing to initiatives toward achieving a full-fledged hydrogen-based society, targeting the year 2030.

What We Want to Create is an Ever-Better Society The Next Challenge for Toyota

Concept of expanding a hydrogen-based society (2030)



Toyota's present mission

01

Aim to achieve a hydrogen-based society through the widespread use of fuel-cell vehicles

02

Working with nations, regions, and the energy industry, actively contributing to structure building and verification testing

Activity direction and steps

	2016	2020	2025	2030	2040-2050
Toyota's basic approach	<p>Actively signing up partners toward promoting expanded use of hydrogen</p> <p>Using a verification model to share an image of the future</p> <ul style="list-style-type: none"> The Tokyo Olympic and Paralympic Games FC mobility expansion Regional and industrial hydrogen utilization 	<p>Expansion of hydrogen utilization examples, leading to the future</p>	<p>Supporting economic autonomy</p> <ul style="list-style-type: none"> Achieving station infrastructure autonomy Reducing CO₂-free hydrogen costs 	<p>Widespread establishment of full-fledged hydrogen-based society</p>	

Regional Collaboration Projects Toyota is Involved in toward Achieving a Hydrogen-based Society (Japan)

In regions where Toyota's production sites are located, we are carrying out verification and showcasing activities that match regional characteristics, cooperating with regional communities and promoting team building toward achieving a hydrogen-based society.

Toyota's fuel cell vehicle sales goal for around 2020 is at least 30,000 units or more globally each year, including at least 10,000 MIRAI vehicles in Japan.



Aichi Prefecture Low-Carbon Hydrogen Supply Chain
Start of joint study by Aichi Prefecture, universities, and industries

(Aichi Prefecture)

Toyota's role

As an industry leader, Toyota will work with Aichi Prefecture to begin evaluating the possibilities for utilizing hydrogen together with Toyota Group companies in regions where they are engaged in *monozukuri* (manufacturing)

Energy creation
Fukushima Concept for a New Energy Society Conference
(established by the Ministry of Economy, Trade and Industry in March 2016)

(Fukushima Prefecture)

Toyota's role

Provide means of mobility such as fuel cell buses and fuel cell forklift trucks

Plants
Start of verification testing of hydrogen use to achieve zero CO₂ emissions in the MIRAI production line in 2020

(Aichi Prefecture)

Toyota's role

Carry out verification activities for future plants, including implementing hydrogen utilization technologies, with the aim of meeting the Plant Zero CO₂ Emissions Challenge in 2050

Community
The Tokyo Olympic and Paralympic Games Presenting models of the next-generation mobility society and a clean, hydrogen-based society to the world.

(Tokyo Metropolis)

Toyota's role

Providing support as a TOP partner of the IOC, as well as providing mobility means such as fuel cell vehicles and buses, and supporting the next-generation mobility society initiative



Fuel cell bus verification test in Tokyo in July 2015

Fuel cell buses will be introduced primarily in Tokyo before the end of FY2016. At least 100 buses will be readied for the 2020 Tokyo Olympic and Paralympic Games.

Plant
Locally-Produced, Locally-Consumed Green Hydrogen Network
Promotion of industry-government-academia collaboration, led by Fukuoka Prefecture

(Fukuoka Prefecture)

Toyota's role

Toyota Motor Kyushu will participate in the verification of hydrogen use in its plant, representing the industry model

Community
KIX project, Kansai International Airport Verification of Airport Model for Hydrogen Grid (Large-Scale, Centralized Model)

(Osaka Prefecture)

Toyota's role

Toyota Motor, Toyota Industries, and Toyota Tsusho will support the KIX Hydrogen Grid committee of Kansai International Airport, capitalizing on their knowledge of hydrogen and fuel cell technologies.

Energy creation
Keihin Project, Keihin Coastal Area Renewable Energy Verification of Supply Chain Connecting Hydrogen Manufacturing to Users (Small- to Medium-scale Concentrated Office Model)

(Kanagawa Prefecture)

Toyota's role

Toyota will represent businesses as a user of hydrogen.

In March 2016, two practical fuel cell forklift trucks were newly introduced into the International Cargo Area of Kansai International Airport, and are currently being tested and verified. A total of over 100 fuel cell forklift trucks would be introduced.

In March 2016, a verification project began in the Keihin Coastal Area. Supply chain verification is being carried out, in which CO₂-free hydrogen produced using renewable energy will power fuel cell forklift trucks in a variety of working environments, such as Central Wholesale Market, factories, and warehouses.

About 12 fuel cell forklift trucks will be introduced for verification purposes.



Fuel cell forklift truck

Note: Toyota's roles will vary since the purposes and activity details will vary depending on the project in each area.

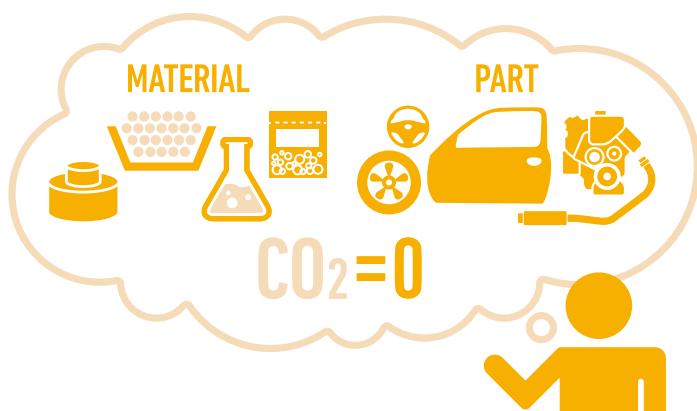
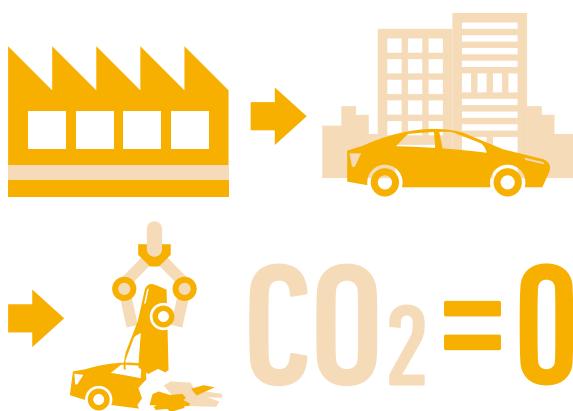
Life Cycle Zero CO₂ Emissions Challenge

Basic Concept

By Life Cycle Zero CO₂ Emissions Challenge, we mean efforts to completely eliminate CO₂ emissions not only while driving and in production, but also in the processes of materials production, disposal, and recycling of vehicles.

For instance, there are some next-generation vehicles that do achieve reduced CO₂ emissions when driven, but actually cause increased CO₂ emissions at the material and vehicle production stages. Because of this, we will further promote environmentally

friendly design such as by choosing appropriate materials. In this way, we are going to pursue “ever-better cars.” For example, we will develop and expand the use of materials with lower CO₂ emissions during production and will reduce the quantity of materials and number of parts used in a vehicle. We will also adopt more recycled materials and so on for vehicle production and enhance initiatives aimed at designing vehicles for easy disassembly.



Promoting Environmental Management in Product Development (Eco-VAS)

LCA of New Models and Fully Redesigned Models in Five Vehicle Series

Purpose

The Eco-Vehicle Assessment System (Eco-VAS) is a comprehensive environmental impact assessment system that allows systematic assessment of a vehicle's impact on the environment over the entire lifecycle from vehicle production and use to disposal stages. Toyota uses Eco-VAS to conduct lifecycle assessment (LCA) of a vehicle's total environmental impact from the materials manufacturing, vehicle manufacturing, driving and maintenance stages through to the disposal stage.

Since the system allows targets to be set from the initial stages of development to achieve steady improvements in environmental performance, Toyota's chief engineer sets targets and scenarios to achieve them in relation to environmental performance criteria in the planning and development stage, and then follows up at points throughout the development process to ensure that targets are steadily being met.

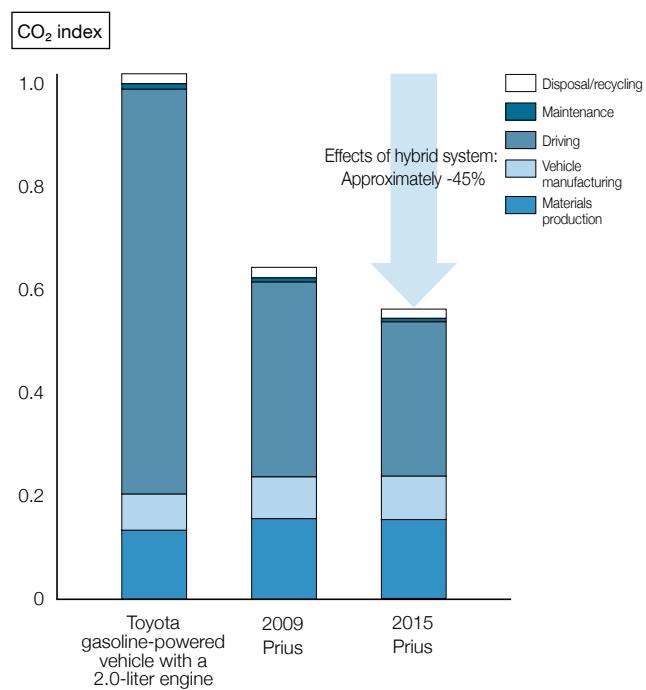
Progress in FY2015

Toyota conducted LCA on new models and fully redesigned models in five vehicle series (Sienta, Prius, Pixis Mega, Lexus LX, RX (200t, 450h).



The LCA that Toyota conducts on its passenger vehicles has been tested and certified by German third-party organization TÜV Rheinland based on ISO 14040/14044 standards.

LCA of the Prius



* Evaluations are based on the assumption that each vehicle travels 100,000 km over a 10-year period under the JC08 test cycle. LCA results are shown as an index.

Response to Scope 3

Scope 3 is a standard established to encourage corporations to visualize and account for indirect greenhouse gas emissions from the value chain that occur outside their own company and consolidated companies (purchased goods and services, transportation, business travel, employee commuting, use of sold products, etc.).

Comparison of the emission rates calculated according to this standard shows that the combined rate for Category 1 "Purchased goods and services" and Category 11 "Use of sold products" accounts for as much as 97 percent, while the rate for each other category is less than 1 percent.

Category 1 "Purchased goods and services" covers the manufacturing stage of the materials and parts that comprise automobiles, while Category 11 "Use of sold products" covers the driving stage of automobiles. Therefore, it is clear that parts weight reduction and material selection, as well as the development of fuel efficiency improvement and next-generation vehicle technologies are important measures that will lead to emissions reduction.

Details of the 15 Categories Specified in Scope 3 and Respective Share of Total Emissions

Category	Emission rate
1. Purchased goods and services	16.0%
2. Capital goods	0.9%
3. Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	0.2%
4. Upstream transportation and distribution	Less than 0.1%
5. Waste generated in operations	Less than 0.1%
6. Business travel	Less than 0.1%
7. Employee commuting	0.2%
8. Upstream leased assets	-
9. Downstream transportation and distribution	Less than 0.1%
10. Processing of sold products	0.3%
11. Use of sold products	81.2%
12. End-of-life treatment of sold products	0.9%
13. Downstream leased assets	-
14. Franchises	-
15. Investments	0.1%

Note 1: Category 14 is not applicable. Category 8 is included in Scope 1 and 2, and Category 13 is included in Category 11.

Note 2: Emission rates are determined based on the FY2014 calculated values

Pursuing Increased Transport Efficiency and Reducing CO₂ Emissions in Logistics Activities

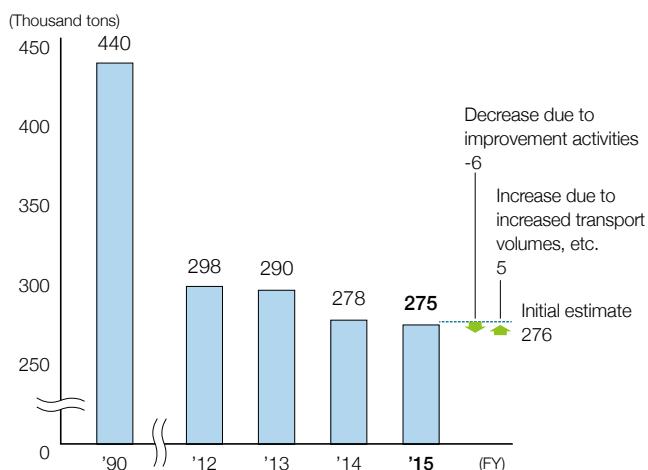
Continue to Conduct Activities to Reduce CO₂ Emissions

In FY2015, Toyota Motor Corporation (TMC) implemented various initiatives, including activities to increase the loading efficiency of trucks, modal shifts, and ongoing fuel-efficiency improvement activities with logistics partners. Through these activities, CO₂ emissions were reduced by 6,000 tons, but changes including an

increase in long-haul transportation resulted in total CO₂ emissions of 275,000 tons.

CO₂ emissions per ton-kilometer (the transport of one ton of goods over a distance of one kilometer) were 108.4 g-CO₂/tkm.

Trends in CO₂ Emissions from TMC Logistics Operations (Japan)

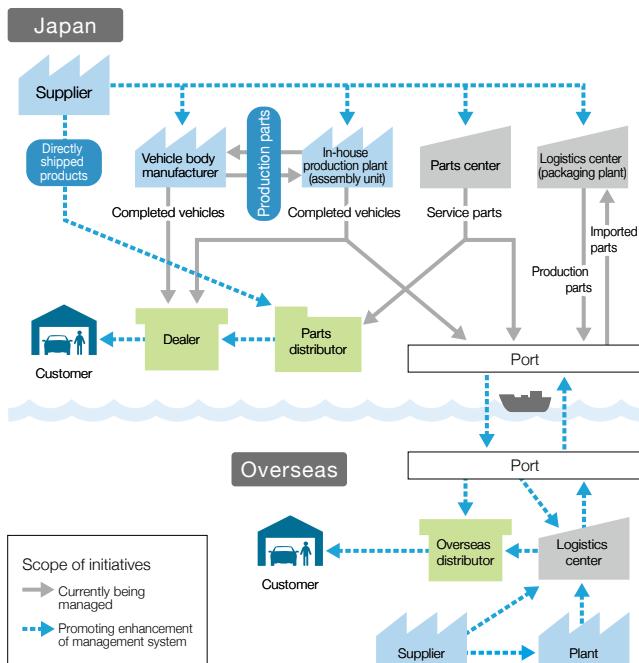


Note: The CO₂ conversion coefficient was calculated based on guidelines such as the "Guidelines on Disclosure of CO₂ Emissions from Transportation & Distribution (version 3.0)" issued by the Japanese Ministry of Economy, Trade and Industry and the Ministry of Land, Infrastructure, Transport and Tourism.

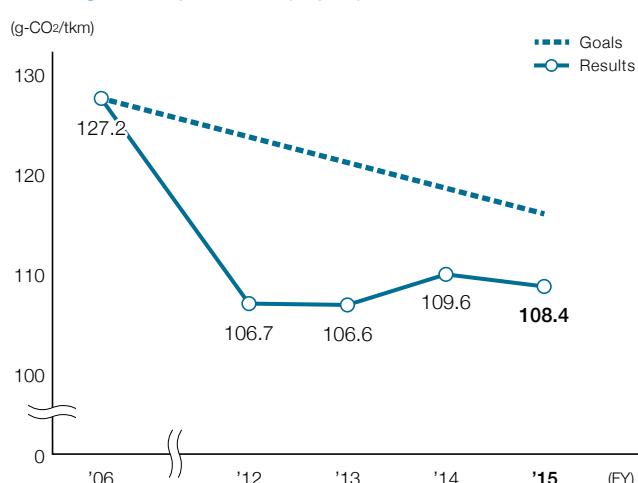
For more information on the conversion coefficient, please visit the webpage below:

Web <http://www.toyota-global.com/sustainability/environment/data/conversionfactor.pdf>

Scope of CO₂ Emissions Calculations from TMC Logistics Operations



Trends in CO₂ Emissions per Ton-kilometer from TMC Logistics Operations (Japan)



Results of Activities to Reduce CO₂ Emissions




Improvement item	Product	Details of activity	Reduction volume (thousand tons)
Reduction in total transport distance	Completed vehicles	Shortening shipping routes by changing vessel assignments, etc.	1.9
	Production parts	Changing packing style, reorganizing routes, etc.	3.8
	Service parts	Improving loading efficiency, reviewing routes, etc.	0.3
Total			6.0

Assessment of CO₂ Emissions and Implementation of Reduction Activities Worldwide

In FY2007, Toyota began assessing the CO₂ emissions from its overseas worksites. From FY2013, reduction targets are annually set for each country and region, and activities to reduce CO₂ emissions are being implemented based on the global guidelines.

Toyota will disclose the volume of CO₂ emissions from its

overseas worksites from FY2016. Toyota is currently working on investigating the methods to calculate CO₂ emissions in each country and region to improve the reporting accuracy. (Will be disclosed starting with the FY2017 report.)

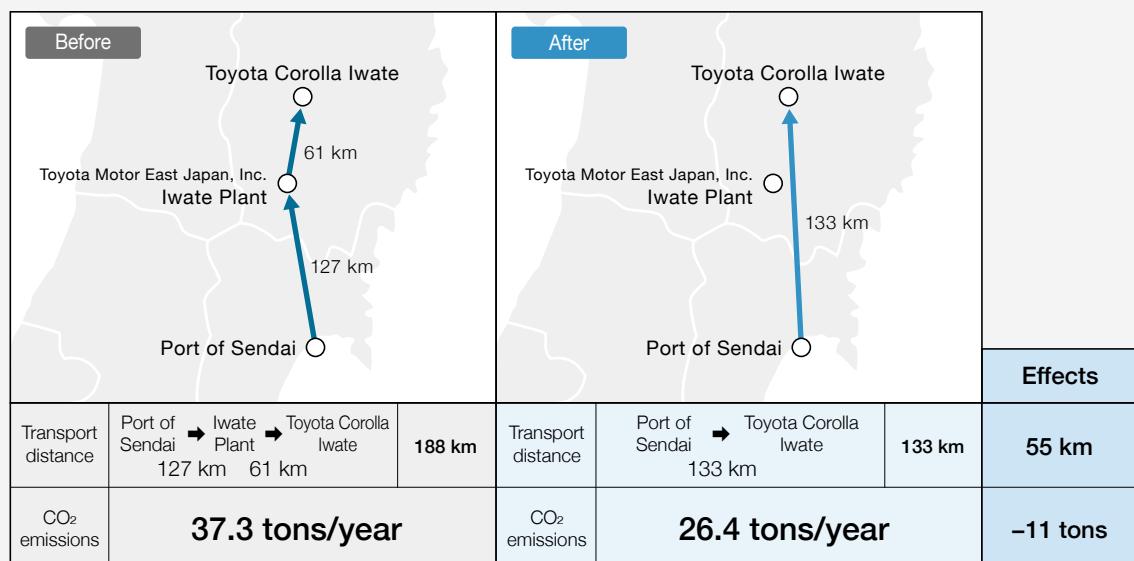
Focus



Shortening Transport Distance for Vehicles to Toyota Corolla Iwate Co., Ltd. by Eliminating Routing via the Iwate Plant

Because of their small shipment volume, vehicles bound for Toyota Corolla Iwate Co., Ltd., unloaded at the Port of Sendai, used to be transported to the Iwate Plant first, formed into lots, and then sent to Toyota Corolla Iwate.

In FY2015, vehicles unloaded at the Port of Sendai were sent directly to Toyota Corolla Iwate, not going through the Iwate Plant, since the number of vehicles bound for Toyota Corolla Iwate increased. This change shortened the transport distance by 55 km, from 188 km (Port of Sendai → Iwate Plant → Toyota Corolla Iwate) to 133 km (Port of Sendai → Toyota Corolla Iwate). This distance reduction succeeded in reducing annual CO₂ emissions by approximately 11 tons, from 37.3 tons to 26.4 tons.



Contributing to Local Communities through the Expansion of Local Grid Energy Management Technologies

Creating Sustainable, Regionally-integrated Towns and Industrial Areas: F-Grid Concept

Following the Great East Japan Earthquake, Toyota has been working to solve energy problems (security, environmental impact, economic efficiency) and to support the Tohoku region by creating new smart communities centered on factories.

In October 2015, F-Grid Ohira, Miyagi Limited Liability Partnership, began operating a regional emergency power supply system.

For details on the F-Grid concept, please see page 24.

Promoting an “Integrated Approach” to Reduce CO₂ Emissions in Road Transport Sectors

WBCSD-led Project to Mitigate Traffic Congestion in Bangkok, Thailand: Sathorn Model

In 2013, Toyota established the Sustainable Mobility Project within The World Business Council for Sustainable Development (WBCSD), and began demonstration projects in six cities.

Bangkok, where Toyota is a leading company, has received a grant from the Toyota Mobility Foundation. The objective of the initiative in Bangkok is to create a model solution for reducing traffic congestion by controlling traffic demand and improving the traffic flow, based on cooperation between industry, government, universities, and citizens.

In November 2015, a leadership forum was held, attended by executives from about 70 companies that are participating in the initiative, and efforts are underway to encourage the participation of more people. In June 2016, a full scale social experiment was implemented with 23 measures on Sathorn Road to verify the model.

In the future, a roadmap for expanding the model throughout Bangkok will be created and promoted in cooperation with the Thai government.

Measures verified in the social experiment

- Park & Ride: Park & Ride parking lots were opened at 15 locations, and were being used by 504 people/day as of June 2016
- Shuttle buses: Introduced in two schools; a corporate membership shuttle bus was also introduced on a trial basis
- Flex time: Introduced at 11 companies, covering 4,410 employees
- Development of an application that supports selection of optimum transportation mode: 3,308 application downloads
- Measures to mitigate traffic flow bottlenecks: 18 measures were verified (at the location where the measures were most effective, the traffic flow rate improved by 13 percent and the travel speed by 27 percent)

Verification testing for traffic flow management



Kiss & Go (Parents leaving quickly after dropping their children off)



Reversible lane (A lane in which the direction of traffic flow can be changed)

For details on the Toyota Mobility Foundation, see page 141.

Focus



Close Collaboration with Suppliers on Environmental Protection Activities

Kuozi Motors, Ltd., a manufacturing company in Taiwan, assesses its greenhouse gas emissions in line with ISO 14064-1 standards. The company has also recently acquired ISO 50001 certification and is working to improve its energy efficiency by visualizing its energy performance.

As for procurement, Kuozi Motors is promoting environmental protection activities in close collaboration with its suppliers. Major activities include holding yearly supplier meetings, setting KPIs and following up to achieve targets every month. The company is also promoting improvement activities toward the TTT30 (Team Taiwan Toyota Cost Reduction 30% during 5 years) initiative. In addition, through its Supplier Committee, the company is providing suppliers with guidance on CO₂ emissions reduction and sharing kaizen ideas and cases as well as best practices.

Besides the above, Kuozi Motors takes comprehensive procurement-related initiatives. For example, it has created a KPI form for use by its suppliers to simplify monitoring. It also participates in local government energy saving activities as part of providing guidance on CO₂ emissions reduction and invites all of its suppliers to meetings for learning new methods.



2015 supplier meeting

Plant Zero CO₂ Emissions Challenge

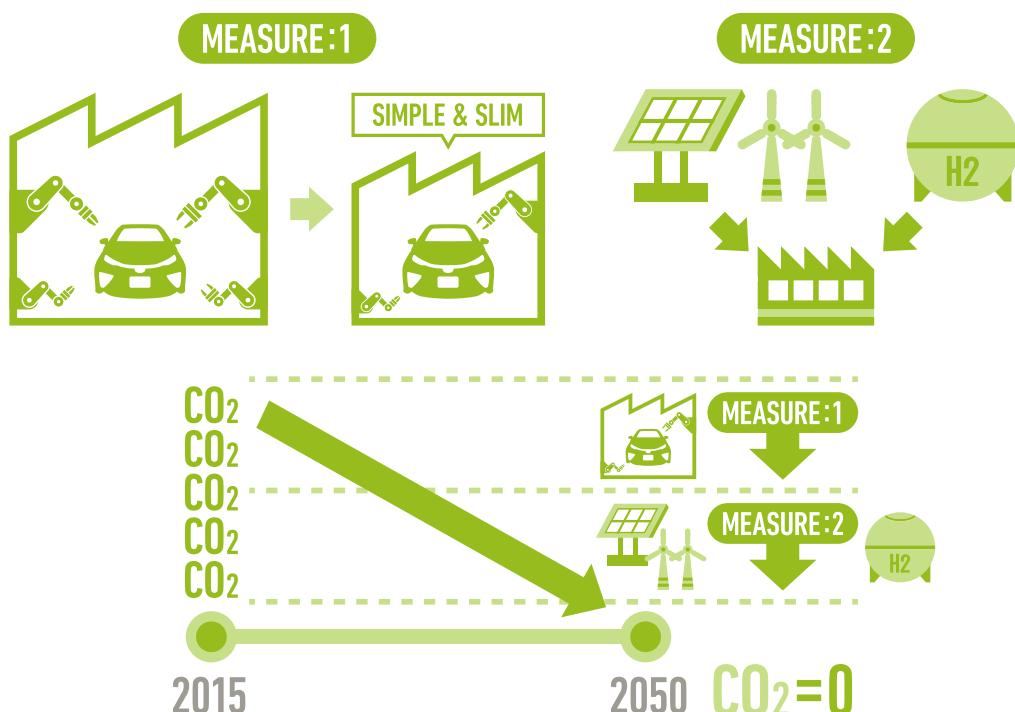
Basic Concept

Not only do vehicles emit CO₂ while traveling; CO₂ is also generated during their manufacture process. Reducing CO₂ to restrain climate change is therefore also a challenge for the plants that manufacture automobiles. The two main pillars of our strategy to achieve zero CO₂ emissions at our plants are improvement of manufacturing technology and switching to different forms of energy.

Taking first the manufacturing technology, we will carry out simplification and rationalization of the manufacturing process

to shorten it and reduce the time, thus cutting CO₂ emissions. Improved efficiency in energy use can also reduce CO₂ emissions. We will further reduce CO₂ emissions in all process types, for instance by introducing mechanisms that do not use energy.

Regarding the energy sources used, we will cut CO₂ emissions by adopting renewable energy sources such as solar and wind power, and by utilizing hydrogen energy.



CO₂ Emission Reduction in Production Activities

Continuing to Conduct Activities to Reduce CO₂ Emissions in Production Activities

Toyota Motor Corporation (TMC) has been working on reducing its CO₂ emissions, setting targets for both production sites and non-production sites such as offices.

In FY2015, the promotion of steamless process and the implementation of energy-saving activities resulted in annual CO₂ emissions of 1.15 million tons (a decrease of 45 from FY1990 level), and a figure of 0.408 tons for CO₂ emissions per unit produced (a decrease of 44 percent from FY2001).

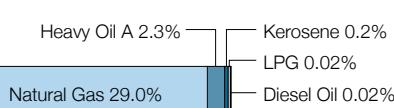
In order to achieve Toyota's global five-year plan targets, we

are promoting reduction of CO₂ emissions, with the adoption of innovative technologies at the launch of new plants and production lines. On the new production lines at STM (Thailand) and GTE (China), measures have been taken to simplify and rationalize, while ongoing initiatives to convert to steamless and airless processes are also in progress at existing plants. As a result, in FY2015 the annual CO₂ emissions were 7.57 million tons (a decrease of 2.8 percent from FY2014), and the CO₂ emissions per unit produced were 0.744 tons (a decrease of 1.2 percent from FY2014).

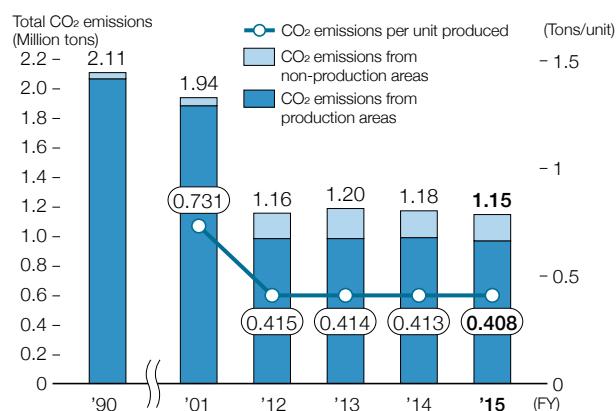
Calorific Energy Use Ratio at TMC



Electricity 68.5%



Trends in Total CO₂ Emissions (from Energy Sources) and CO₂ Emissions per Unit Produced at TMC



Note 1: For facilities in non-production areas for which FY1990 emissions data is not available, the oldest subsequent data available is used for the graph.

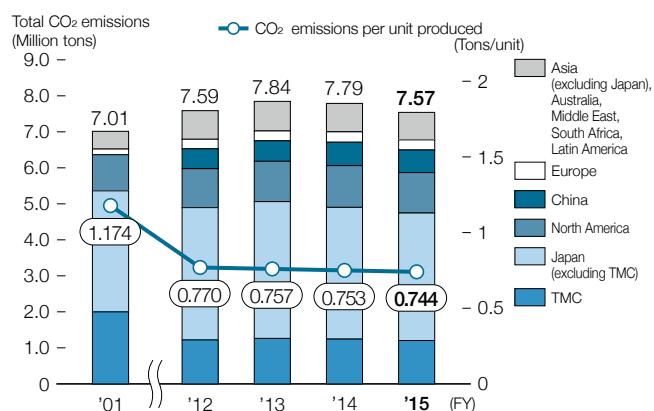
Note 2: Until FY2011, the total CO₂ emissions volume included emissions from production and non-production divisions (excluding the Toyota Biotechnology & Aforestation Laboratory and employee benefit facilities). Beginning in FY2012, the Laboratory was included as a non-production division.

Note 3: The CO₂ emissions were calculated using the Nippon Keidanren's FY1990 CO₂ conversion coefficient.

For more information on the conversion coefficient, please visit the webpage below:

Web <http://www.toyota-global.com/sustainability/environment/data/conversionfactor.pdf>

Trends in Global CO₂ Emissions (from Energy Sources) and CO₂ Emissions per Unit Produced (Stationary Sources such as Plants and Offices)



Note 1: TMC and 121 companies (consolidated subsidiaries and other companies in Japan and overseas)

Japan: Companies listed in Groups 1-5 on page 97 (including second-tier subsidiaries; excluding Toyota Tsusho)

Overseas: Production companies and production/sales companies listed on page 97

Note 2: Companies for which FY2001 emissions volumes could not be determined, the oldest subsequent data is used

Note 3: The CO₂ emissions were calculated using the Greenhouse Gas (GHG) Protocol CO₂ conversion coefficient.

Note 4: Errors appearing in previous figures have been corrected.

For more information on the conversion coefficient, please visit the webpage below:

Web <http://www.toyota-global.com/sustainability/environment/data/conversionfactor.pdf>

Promoting the Use of Renewable Energy

In March 2008, the Toyota Tsutsumi Plant installed a photovoltaic system rated at 2,000 kW (sufficient to provide power for some 500 households). During FY2015, the system generated 1,737 MWh of electricity.

Focus



Kamigo Plant: Reducing CO₂ Emissions from Engine Manufacturing for Vehicles for Japanese and Overseas Markets

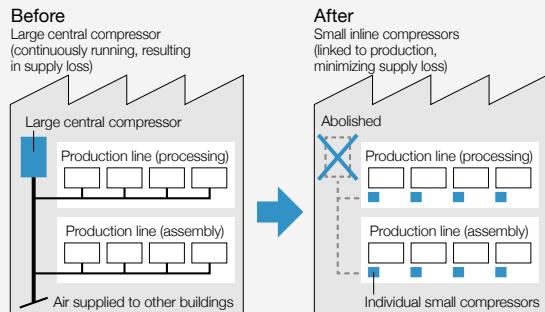
The air and steam for production used to be centrally controlled at the utility plant and supplied to the individual production lines. This resulted in air and steam supply loss during non-production periods, such as breaks of operation and holidays.

Therefore, for air, the large central compressor was abolished and small compressors were installed next to equipment that needed air. This change made it possible to supply the needed air for production with minimum supply loss.

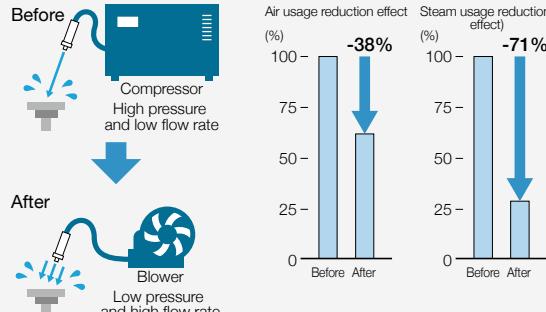
Air usage was further reduced by installing individual blowers by optimizing the shapes and positions of the air nozzles used for cleaning chips off machined engine parts.

As for steam, the use of hot air curtains installed at the entrance/exit of each building was stopped; instead, air-shielding sheets were installed and the shutter opening/closing timings were adjusted. These measures prevented temperature dropping inside buildings, and greatly reduced steam usage. Through these activities, annual CO₂ emissions were reduced by approximately 4,500 tons.

Conversion to inline air compressors



Conversion to blower



Eco-factory Activities Implemented at Five Plants

Toyota continues with eco-factory activities for plants being newly constructed and being enhanced in capacity to ensure that its factories set the highest worldwide standards for environmental consideration and sustainability. Activities include on-site verification of environmental solutions incorporated into each phase, namely planning, engineering, trial production and full-scale operation and, should a failure be discovered, the problem is corrected and environmental measures are effectively incorporated.

Progress in FY2015

Eco-factory activities were continued at a total of five plants in Thailand and China.

Eco-factory Activities

	Indonesia	Thailand	Brazil	China			
	TMMIN new engine plant	STM Plant No.2	TDB new engine plant	TFTM new plant	GTMC Plant No.3	TMCAP	GTE
Planning stage							
Audits of facility specifications							
On-site audit							
Compliance and risk evaluation	2016		2016				
Performance evaluation (CO ₂ , VOC, etc.)	2017		2017			2016	

■ : Capability enhancement projects (from FY2013) ■ : Implementation completed in FY2015

■ : Implementation completed by FY2014

Numbers indicate planned year of implementation

Focus



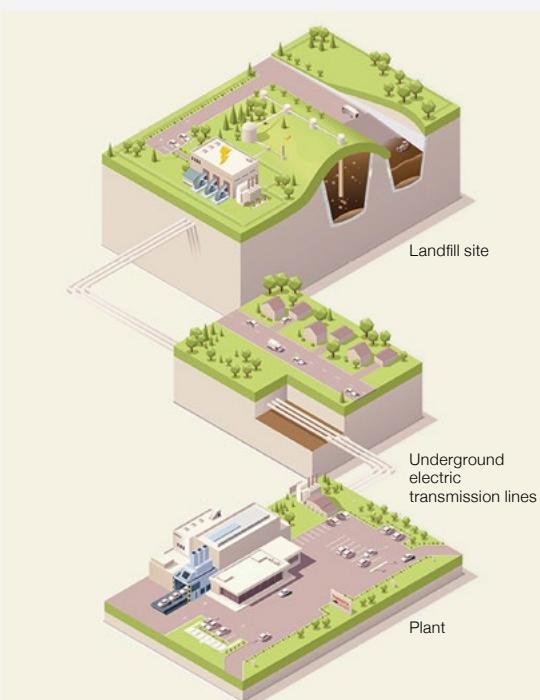
Utilizing Green Electricity Generated at Landfills for Production

As organic materials are broken down by microorganisms, methane gas is created. The methane produced at landfills is called landfill gas, and it is recognized as an organically-derived biofuel.

Toyota Motor Manufacturing Kentucky (TMMK, located in Georgetown, Kentucky), which manufactures models such as the Avalon and the Camry, is utilizing electricity produced by landfill gas generated at a local landfill. This project is a collaboration between TMMK and Waste Services of the Bluegrass, a company that provides waste transporting and disposal services in Kentucky, marking the first such business-to-business model in the region for converting landfill gas into usable energy.

The project began in 2010. TMMK installed underground electric transmission lines as it is located approximately 6.5 miles from the landfill, and it also installed the generator at the landfill site. The system then went online in November 2015. Toyota estimates that the system will generate one megawatt of electricity per hour, enough to power approximately 800 households at the average rate of consumption in the U.S., or to produce 10,000 vehicles. The system can eventually be scaled up to 10 megawatts of electricity per hour. It will also contribute to reducing landfill greenhouse gas emissions by as much as 90 percent.

Power generation system using landfill gas



Comment by Kevin Butt, General Manager for Environment Strategies

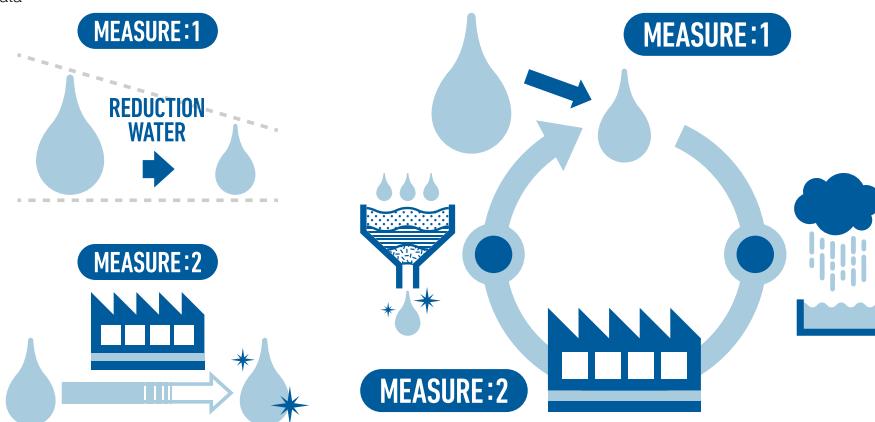
"The landfill gas generator represents the kind of thinking our company is asking of us to reduce our carbon footprint over the next 35 years. It's a small step, but a significant one."

Challenge of Minimizing and Optimizing Water Usage

Basic Concept

According to forecasts, the world's population will climb to 9.1 billion by 2050, demand for water will increase by 55 percent from current levels, and as a result, the percentage of the total population suffering water shortages will reach 40 percent*. In automobile manufacturing, water is used in painting and other processes. Therefore, even a small reduction of its impact on the water environment is important. Our two measures to achieve this are comprehensive reduction of the amount of water used and comprehensive water purification and returning it to the earth.

* According to Toyota data



So far, Toyota has implemented rainwater collection to reduce the amount of water used by production plants, filtering to increase the water recycling rate, re-use of wastewater through recycling, and returning water to the community at a higher quality than found in the local water environment. The local water environment differs greatly depending on region. Going forward, we intend to roll out a range of measures globally to deal with the water environment, taking local needs into account.

Reduce Water Consumption in Production Activities

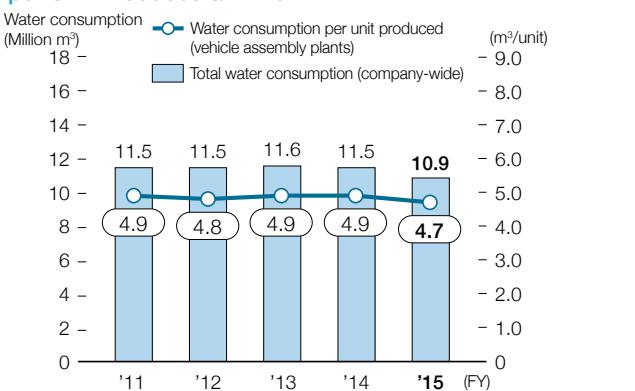
Continuing to Conduct Activities Aimed at Reducing Water Consumption

TMC continued activities to reduce water consumption in FY2015, such as reducing steam usage in production processes. As a result, total water consumption was 10.9 million m³ (a decrease of 5.1 percent from FY2014). Water consumption per unit produced was 4.7 m³, a decrease of 4.2 percent from FY2014.

On the global level, Toyota is engaging in steady water conservation

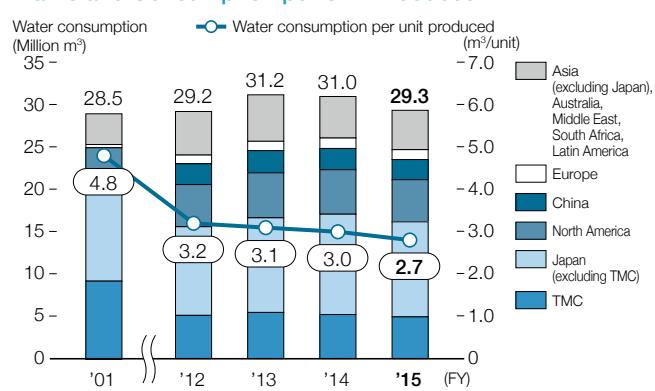
activities in response to the situation with the water environment in each country and region. As a result of initiatives including promotion of water recycling particularly in regions with scarce water resources, total water consumption in FY2015 was 29.3 million m³ (a decrease of 5.4 percent from FY2014) and water consumption per vehicle unit produced was 2.7 m³ (a decrease of 9.0 percent from FY2014).

Total Water Consumption and Consumption per Unit Produced at TMC



Note 1: The total water consumption includes both production and non-production divisions (excluding employee benefit facilities)
Note 2: Water consumption per unit produced indicates the consumption per unit produced at vehicle assembly plants
Note 3: Errors appearing in previous figures have been corrected

Global Water Consumption at Vehicle Assembly Plants and Consumption per Unit Produced



Note 1: TMC's assembly plants and 37 companies (consolidated subsidiaries and other companies in Japan and overseas)
Note 2: Companies added to the scope of calculation in FY2013

Focus

Utilizing Wastewater to Create a Variety of Waterfront Environments – New Life Brought about by Improved Water Quality –

For many years, Toyota's plants in Japan have been working on completely treating plant wastewater (through settling of suspended solids, filtration, decomposition of organic substances by bacteria, etc.) to return to natural rivers as discharge water.

Since 2015, the Environmental Center* at the Crown-producing Motomachi Plant has been working on building a biotope utilizing treated wastewater. The Center has raised the local native seedlings, and employees and their family members have planted several thousand seedlings in the vicinity over the past five years. Dragonfly nymphs and butterfly larvae have been observed in the biotope. This is great news because it proves that the discharged water quality has been embraced by the ecosystem in the area. It is said that the types of dragonflies that inhabit a body of water vary depending on the water quality and flow speed. The grown planted trees provide hiding places for dragonflies and spawning grounds for butterflies. Although the Motomachi Plant is located in the urban area of Toyota City, *Atrocalopteryx atrata*, an indicator species for clean flowing water, has already been observed in the forest and we hope that many nymphs will be raised there in the future.



Wastewater treatment facility



Biotope at the Environmental Center



Atrocalopteryx atrata that has been observed inside the area with planted trees

* The Environmental Center is a facility that powers the Motomachi Plant utilizing energy obtained from combustible waste generated at Toyota plants. Many initiatives related to a low-carbon society, resource recycling, and harmony with nature are being tested inside the Center.

Focus

Groundwater Purification System Installed to Help Improve Residents' Health and Living Environment

In India, many people are drinking water from sources other than municipal waterworks (primarily groundwater). According to a WHO survey, 21 percent of all communicable diseases reported in India are suspected to be caused by water, and therefore installing sanitation equipment to produce safe drinking water has become a basic requirement for regional development.

Therefore, Toyota Kirloskar Motor (TKM), a production affiliate in India, has since 2014 been promoting installation of groundwater purification systems to address regional issues and support the creation of healthy communities. So far, a total of 10 such systems have been installed throughout India, including Bidadi where TKM is located. Based on six filtration processes using reverse osmosis membranes* and other technology combined with ultraviolet light irradiation, these systems purify groundwater into water that satisfies IS 10500 (Indian standard related to drinking water). As a result, residents are able to purchase clean water at a price that is one-tenth of the market price and a sustainable structure has been built that uses the revenue from sales of the water

to cover the operating expenses of the purification systems. Approximately 85,000 people are currently benefiting from these systems.



Opening ceremony for a water purification system

* Reverse osmosis (RO) membrane: a membrane designed to allow water through while blocking non-water material such as impurities and microparticles.

Challenge of Establishing a Recycling-based Society and Systems

Basic Concept

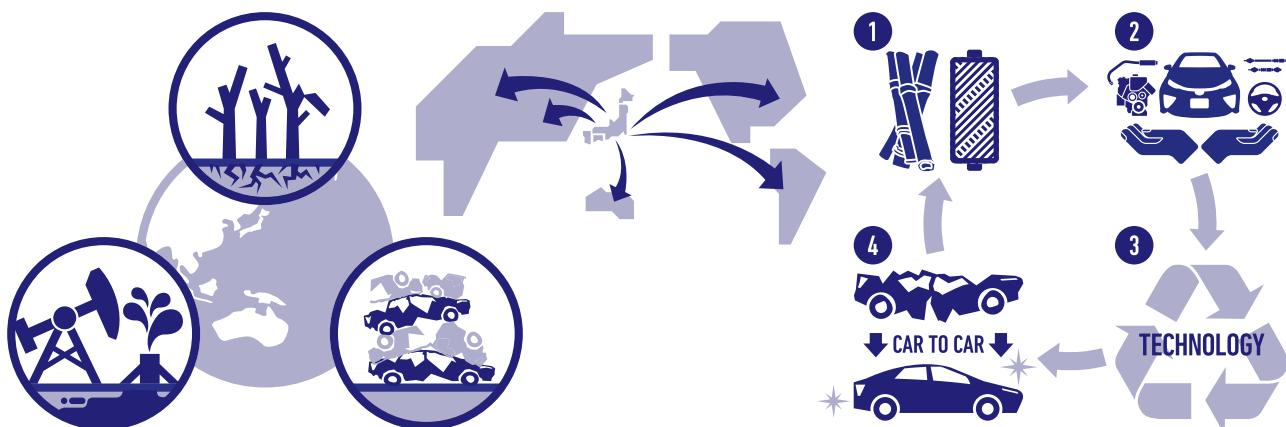
With the worldwide increase in population and the pressure for economic growth and convenient lifestyles, the consumption of resources is accelerating. If present trends continue, large-scale exploitation of natural resources will deplete, and appropriate disposal will be unable to keep pace with the increasing amounts of waste generated by mass consumption, resulting in environmental pollution.

To prevent environmental destruction caused by end-of-life vehicles, Toyota is launching the Toyota Global 100 Dismantlers Project, which aims to establish automobile dismantling facilities around the world and develop a scheme that optimizes collection

and processing of resources from end-of-life vehicles in an environment-friendly way.

In order to improve resource efficiency toward an ideal resource-recycling based society (circular economy), initiatives are needed in four key areas: (1) utilizing eco-friendly materials, (2) making use of parts for longer, (3) developing recycling technologies, and (4) manufacturing vehicles from end-of-life vehicles.

Toyota aims to establish the ultimate recycling-based society and will promote the Toyota Global Car-to-Car Recycle Project globally, turning end-of-life vehicles back into useful resources for the production of vehicles.



Reduce Consumption of Dwindling Natural Resources through Use of Renewable Resources and Recycled Materials

Development and Utilization of Plant-derived Ecological Plastic

Toyota has developed the plant-derived Ecological Plastic* for automotive applications for the first time in the world. Toyota promotes the development of new technologies and practical applications to further expand the use of Ecological Plastic in vehicle parts.

* This type of plastic is derived from plants that absorb CO₂ while growing. Its usage eliminates the CO₂ emitted during petroleum resource drilling and helps reduce the usage of petroleum resources.

Focus



Pioneering Use of Biosynthetic Rubber in Engine and Drive System Hoses

Toyota became the world's first automaker to use biohydron rubber,* a biosynthetic rubber jointly developed with Zeon Corporation and Sumitomo Riko Co., Ltd., in vacuum sensing hoses (engine and drive system hoses).

Biohydron rubber is manufactured using plant-derived bio-materials instead of epichlorohydrin, a commonly-used epoxy compound. The first vehicles to use the new vacuum sensing hoses will be produced in May 2016, with usage

expected to be rolled out to all Toyota vehicles manufactured in Japan by the end of the year. In the future, Toyota plans to expand the use of biohydron to other high-performance rubber components, such as brake hoses and fuel line hoses.

* Since plants absorb CO₂ from the atmosphere during their lifespan, such bio-materials achieve an estimated 20 percent reduction in material lifecycle carbon emissions compared to conventional petroleum-based hydron rubber.



Oil palm raw material



Bioepichlorohydrin



Biohydron rubber (polymer)



Vacuum sensing hoses

As biodiesel fuel is produced by chemical processing on oil palm, the raw material of palm oil, bio glycerin is generated as a by-product. The bio glycerin can be used to manufacture bio epichlorohydrin. (Roundtable on Sustainable Biomaterials certification as a plant-derived raw material has been confirmed.)

Achieve Industry-leading Levels in Easy-to-dismantle Design for Effective Resource Recycling

Incorporating Initiatives to Improve Vehicle Dismantlability into Designs

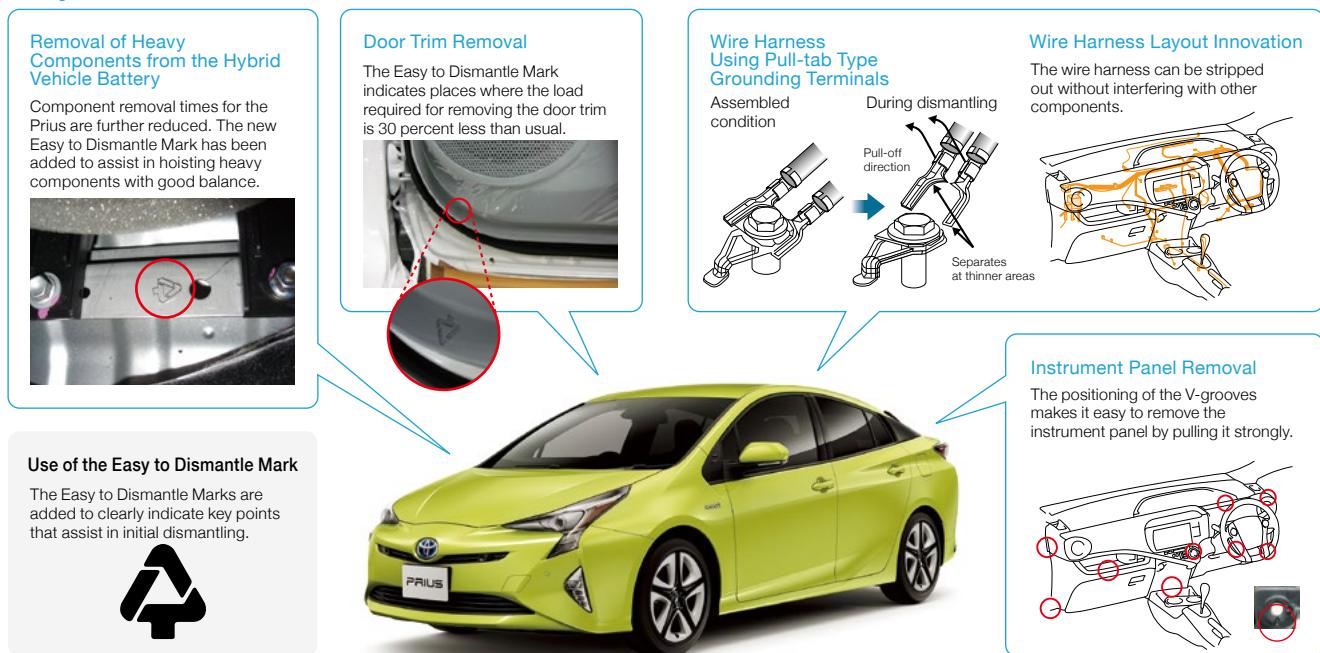
To promote resource recycling for end-of-life vehicles, Toyota has developed structural designs that make it easy to dismantle and separate parts, based on surveys of actual conditions at dismantling companies, and has actively adopted these designs for new models.

In December 2015, Toyota launched the fourth-generation Prius, the first model to incorporate the Toyota New Global Architecture (TNGA), an innovative, integrated development program for powertrain components and vehicle platforms, under

the banner, "Building Ever-better Cars." To achieve superior driving stability and a comfortable ride with little vibration or sway, the new TNGA-based Prius adopted a low center of gravity package and lowered the hood 100 mm compared to the previous generation, resulting in a smaller engine room. However, it still maintains the same level of operational ease for wire harness removal as the previous generation models.

The new Prius was also designed with further improvement in dismantlability.

Easy-to-dismantle Vehicle Structure



Overseas Rollout of Original Recycling System for End-of-life Vehicle Resources

Steady Progress in Recycling at Dealers and Parts Distributors

Toyota dealers and parts distributors throughout Japan promote recycling as much as possible throughout the use stage of vehicles, including collecting and recycling damaged and removed parts such as bumpers and lead wheel balance weights.

Toyota also promotes activities to reduce resource usage, such as selling rebuilt and used parts, and using tanker trucks to reduce drums for transporting oil.

Collection and Recycling of Damaged and Removed Parts in FY2015

Bumpers	809,000 units (collection rate of 69.4%)
Lead wheel balance weights	28.8 tons
Amount of oil delivered using tanker trucks (bulk supply system)	63.4% of the volume sold by parts distributors

Building a System for Recycling Fuel Cell-specific Parts

To properly dispose of the hydrogen tanks used in the MIRAI, commercially launched in December 2014, Toyota has distributed the Manual for Proper Disposal, Collection and Recycling to vehicle dismantlers. Furthermore, Toyota instructs dismantlers on all the necessary technical steps from removing the hydrogen gas to

pulverizing gas containers.

The FC stack installed in the MIRAI uses rare metals such as platinum. Therefore, in conjunction with the launch of the MIRAI, Toyota has established the world's first FC stack collection/recycling framework.

Focus**Start of Recycling of MIRAI Hydrogen Tanks in Europe**

Leasing of the MIRAI has also begun in Europe. Therefore, it is imperative to properly dispose end-of-life hydrogen tanks. Toward commercialization of a recycling operation, Toyota conducted a pilot program in Europe, and the program recently reached the point of ensuring proper recycling of end-of-life hydrogen tanks, resulting in Toyota's decision to sign a subcontracted recycling agreement with a local company. From now on, the hydrogen tanks from the MIRAI that reach their end of life in Europe will be locally recycled. For example, carbon-fiber-reinforced plastic (CFRP) will be

removed from these tanks and reused as a recycled material.



CFRP hydrogen tank



Pyrolysis process

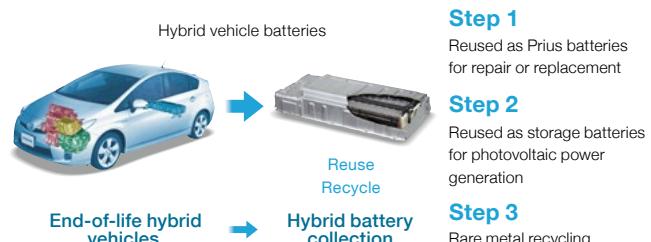
Promoting the Recycling of End-of-life Batteries

Since launching the Prius, the world's first mass-produced hybrid passenger vehicle released in December 1997, Toyota has built its own recovery network to collect end-of-life hybrid vehicle (HV) batteries to be recycled. As of March 31, 2016, Toyota has collected approximately 55,300 end-of-life HV batteries and is recycling all of them.

HV batteries contain precious resources such as nickel, cobalt, and rare earth elements. Toyota is developing the world's first vehicle-to-vehicle recycling technologies to enable these precious resources to be reused in new batteries.

Because 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 these HV batteries. The batteries are reused as replacement batteries or as stationary storage 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 use renewable energy in an environmentally conscious manner. When these reused batteries finally reach the end of their own use cycle, their metal parts are recycled into new batteries again.

**Recovery of Neodymium and Dysprosium from HV Motors**

The magnets used in HV motors contain neodymium and dysprosium, two types of rare-earth elements. Toyota is working on the research and development of a motor that uses as little rare-earth elements as possible. Toyota has also launched a vehicle-to-vehicle recycling system for extracting neodymium and dysprosium from end-of-life HV motors to be reprocessed back into new magnets, in collaboration with magnet manufacturers. In FY2012 and FY2013, Toyota affiliates, Toyota Metal Co., Ltd. and Toyotsu Recycle Corporation, received support from the New Energy and Industrial Technology Development Organization to conduct

a verification project for separating magnets from motors. They have now installed appropriate equipment and developed related recycling technologies. Since February 2012, a total of 20 tons of magnets have been collected.

In FY2015, Toyota worked with Sanwayuka Industry Corporation to start a new recycling route for reusing recovered neodymium and dysprosium as additives to catalysts. This development adds a new route to the magnet-to-magnet recycling route, diversifying the recycling possibilities.

Vehicle-to-vehicle Recycling of Copper Resources in Wiring Harnesses

Copper is used in power transmission and other wiring, but roughly only 40 years' worth of mineable copper resources are said to remain worldwide. Meanwhile, demand for wiring in emerging countries is increasing, and large amounts of copper are used in the motors of hybrid and other next-generation vehicles, which are expected to become increasingly popular going forward. For these reasons, recycling the copper used in wiring harnesses has become a critical issue for the automotive industry.

Toyota has therefore collaborated with Yazaki Corporation,

Toyota Tsusho Corporation and seven of Toyota Tsusho's dismantling partners in the Chubu region of Japan to develop vehicle-to-vehicle recycling technologies. Trial production involving small amounts of recycled copper began at Toyota's Honsha Plant in 2013. The prospect of being able to stably produce copper became evident in 2014, meaning that the copper recycling technology had been fully developed.

Since April 2013, a cumulative total of 127 tons of wire harnesses have been collected.

Focus**Promotion of Resource Recycling in Collaboration with Dismantlers**

Toyota has collaborated with Toyota Tsusho Corporation and seven of Toyota Tsusho's dismantling partners in the Chubu region of Japan to establish the Resource Recycling Research Meeting. Since 2010, this research meeting has conducted research on ways to effectively utilize resources recovered from end-of-life vehicles, such as wire harnesses and plastic parts.

**Seven Dismantling Companies in the Chubu Region of Japan (in Random Order)**

Company name	Location
New Iwata Corporation	Ichinomiya City, Aichi Prefecture
Johoku Jidosya Kogyo Co., Ltd.	Kasugai City, Aichi Prefecture
Auto Recycle Sanri	Toyota City, Aichi Prefecture
Morita Sharyo Corporation	Handa City, Aichi Prefecture
Yamauchi Shouten Co., Ltd.	Inazawa City, Aichi Prefecture
Kobayashi-shouten Inc.	Tsu City, Mie Prefecture
Marudai Sangyo Corporation	Ina City, Nagano Prefecture

Tungsten Recycling

Additionally, in an effort to recycle rare metals used in products other than vehicles, Toyota collaborated with Sumitomo Electric Industries, Ltd. in 2010 to establish a business venture involving a system for recycling tungsten, which is used in cemented carbide tools, etc. One hundred percent of the tungsten used in Japan is imported and

80 percent of cutting tips of cemented carbide tools use tungsten. By sorting and collecting end-of-life cemented carbide tools generated at Toyota plants, the venture recycles and re-uses 100 percent of the tungsten they contain. By the end of March 2016, approximately 129 tons of tungsten had been recycled.

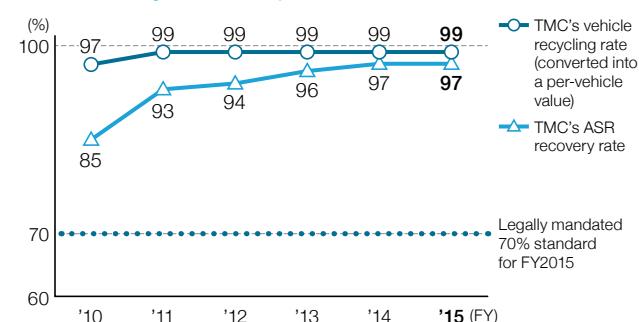
Contribute Worldwide through End-of-life Vehicle Treatment and Recycling Technology Developed in Japan**Ensuring Compliance with the End-of-life Vehicle Recycling Law in Japan**

Toyota has been steadily working with dismantling and recycling companies to ensure compliance with the Japanese end-of-life vehicle (ELV) Recycling Law that came into effect in January 2005. Toyota collects and treats CFCs and HFCs, and also recycles and recovers airbags and automobile shredder residue (ASR¹) from end-of-life vehicles.

In FY2015, the ASR recovery rate was 97 percent and the vehicle recycling rate² reached 99 percent.

¹ Residue after vehicles are shredded

² Calculated by adding to the percentage recycled and recovered up to the dismantling and shredding processes (approximately 83%, quoted from the April 2003 joint council report) the remaining ASR rate of 17% × ASR recovery rate of 97%

TMC's Vehicle Recycling Rate² and ASR Recovery Rate in Japan**Compliance with End-of-life Vehicle Recycling Laws Overseas**

In China, the Sales/Recycling Working Group, under the Toyota China Environment Committee, is working closely with local affiliates to promote compliance activities with local automobile recycling laws through measures such as ascertaining regulatory trends and surveying local infrastructure conditions. In February 2014, a plant was opened in Beijing with 32 percent investment by Toyota Tsusho Group as the first base for the Toyota Global 100 Dismantlers Project.

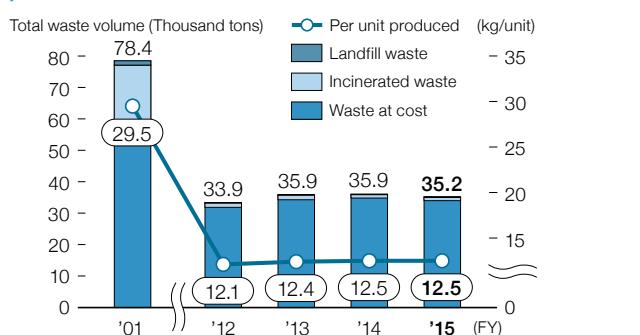
This plant aims to become a model dismantling plant for end-of-life vehicles in China. Approximately 20,000 vehicles were dismantled at the plant in FY2015. In the future, similar plants are being considered for other areas of China in step with progress in the establishment of applicable laws in Chinese society, such as the enforcement of automobile recycling laws.

Reduce Waste and Use Resources Efficiently in Production Activities

Continuing to Conduct Activities Aimed at Reducing Waste Volume

In FY2015, Toyota Motor Corporation (TMC) continued implementing waste reduction measures such as reducing industrial dust and sludge volume. The total waste volume was 35,200 tons (a decrease of 2.0 percent from FY2014), and the waste volume per unit produced was 12.5 kg (a decrease of 0.1 percent from FY2014).

Total Waste Volume and Waste Volume per Unit Produced at TMC



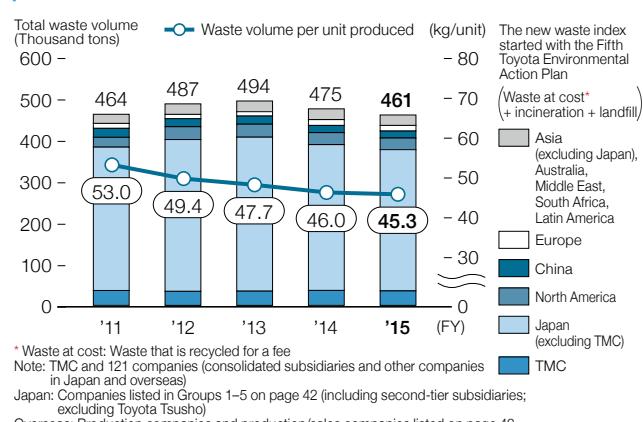
Note 1: The total waste volume includes both production and non-production divisions (excluding employee benefit facilities)

Note 2: The total waste volume in production divisions covers the waste generated as a result of production activities

Note 3: Waste at cost = Waste that is recycled for a fee

On the global level, Toyota is engaging in ongoing waste reduction activities, in coordination with diligent cost cutting. As a result, in FY2015, the total volume of waste was 461,000 tons (a decrease of 3.1 percent from FY2014) and waste volume per unit produced was 45.3 kg (a decrease of 1.4 percent from FY2014).

Global Waste Volumes and Waste Volume per Unit Produced



Reduce Packaging Materials and Use Resources Efficiently in Logistics Activities

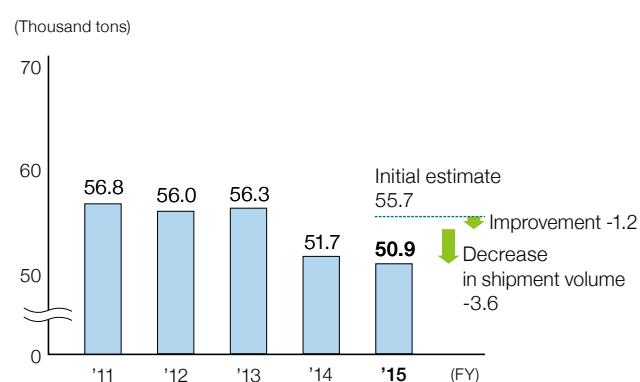
Continuing to Conduct Activities Aimed at Reducing Use of Packaging and Wrapping Material

In order to reduce the use of packaging and wrapping materials, Toyota Motor Corporation (TMC) continued implementing measures such as simplifying wrapping specifications and expanding the use of returnable shipping containers. As a result of these measures, usage decreased by 1,200 tons. Together with the impact of a decrease in shipment volume and other factors, total usage was reduced to 50,900 tons. Usage of packaging and wrapping material

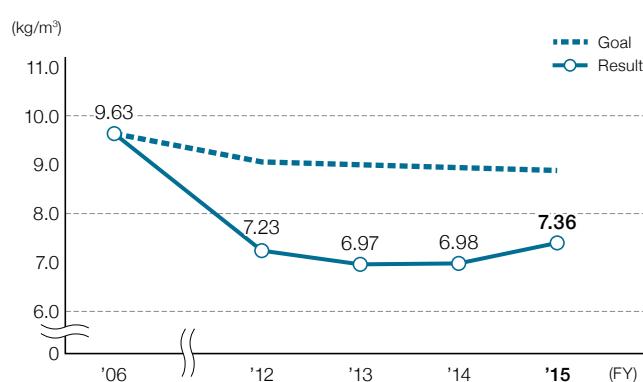
per shipment unit was 7.36 kg/m³.

In FY2008, TMC began implementing measures to determine the usage volume of packaging and wrapping material at affiliates worldwide. Assessments for all regions, excluding North America, have almost been completed. Because it has been difficult to assess the usage at suppliers in North America, TMC is currently adjusting the assessment method.

TMC (Japan) Usage of Packaging and Wrapping Materials



TMC (Japan) Usage of Packaging and Wrapping Materials per Shipment Unit



Results of Activities to Reduce Usage of Packaging and Wrapping Material



Improvement	Products	Main details of activity	Reduction volume (thousand tons)
Simplification of specifications	Service parts	Changing packaging specifications, reuse etc.	0.1
		Increasing lean specifications for wrapping	0.3
	Production parts	Improvement of parts quantity per box, simplification of packaging specifications	0.3
Use of returnable containers	Service parts	Expanding the use of returnable containers (increasing the number of applicable items)	0.5
	Production parts	Expanding the use of returnable containers (increasing the number of applicable items)	0.03
Total			1.2

Focus



Activities to Test Recycling of Bumper Covers and Scrap Parts for Waste Reduction

Toyota's North American Parts Operation (NAPO) is working to reduce waste by recycling damaged bumper covers and scrap parts.

Working with business partner Boles Parts Supply (BPS), the program uses a methodology called "National Scrap Program" devised in 2014 to process various kinds of parts that previously could not be reused into plastic pellets of various sizes that can be reused.

The program was first verified at Toyota's two largest parts centers in Ontario, California and Hebron, Kentucky. In the first 15 months, the program recycled over 40,000 pounds of cloth and foam, two materials that in the past

were incinerated or sent to landfills.

The program was then expanded to six parts distribution centers in Cincinnati, Los Angeles, San Francisco, and Portland. This move resulted in the recycling of over 88,000 pounds of parts, accounting for 92 percent of previously non-reusable parts.

BPS has so far succeeded in recycling more than 14 types of waste generated by Toyota. The recycled pellets are also sold to fabric makers and other vendors who manufacture car bumpers, and become part of the materials used to create new vehicle parts.

Juliana Dee, manager of the program at NAPO, states,

Damaged bumper covers are recycled into plastic pellets.



"We've been enormously pleased with the success of this program. Thanks to our partner BPS, we are giving a second life to things that used to be trash and making a real improvement in our recycling rate. . . It means fewer raw materials are used and less waste is being disposed—a real win-win for the environment."

NAPO confirmed that its overall recycling rate in FY2015 had improved by 3 percent over the previous year and that the parts center in Ontario in particular had improved its recycling rate by an amazing 11 percent.

Toyota is currently reviewing the program for potential rollout to remaining parts distribution centers by the end of FY2017.



BPS President
Jerry Boles

"Toyota is such an outstanding client, and these guys are truly focused on environmental performance. . . We are very proud of this success."

Challenge of Establishing a Future Society in Harmony with Nature

Basic Concept

If humans and nature are to coexist into the future, we need to conserve forests and other rich natural systems in all regions. However, deforestation is progressing around the world, and forest equivalent to 14 percent of Japan's land area is lost each year.*

The Toyota Group companies have engaged in planting trees at plants, environmental conservation activities in their surrounding areas, and environmental education in order to "enrich the lives of communities" in each region. Going forward, we will promote such activities at group, regional, and organizational levels using the insights we have gathered so far.

* Toyota data



Three Connecting Projects Expand Activities to Communities, the World, and the Future

Ahead of COP 10*, Toyota created the Toyota Biodiversity Guidelines (a voluntary policy initiative) in March 2008. These guidelines consist of Toyota's basic philosophy on biodiversity-related initiatives and the following three action items: (1) Contribution through technology; (2) Collaboration and cooperation with society; and (3) Information disclosure. Toyota has been carrying out a variety of activities in accordance with these guidelines.

In conjunction with the recent announcement of the Toyota Environmental Challenge 2050, we have shared these guidelines with the Toyota Group companies and have launched three "connecting" projects.

* COP 10: 10th Meeting of the Conference of the Parties to the Convention on Biological Diversity

- **Toyota Green Wave Project: Connecting Communities**
- **Toyota Today for Tomorrow Project: Connecting with the World**
- **Toyota ESD Project: Connecting to the Future**

Basic Concept of the Initiatives

Cognizant of the importance of biodiversity and based on the Guiding Principles at Toyota, we are addressing biodiversity issues in areas such as the automobile and housing businesses, new businesses, and contributing to resolving social issues with the aim of realizing enhanced quality of the environment and prosperous societies, and achieving sustainable development.

Contribution through Technology

Toyota is pursuing the possibilities of biotechnology, afforestation technology, and environmental technology with the aim of balancing biodiversity and corporate activities.

Collaboration and Cooperation with Society

Toyota seeks to build collaborative and cooperative relationships with a wide range of organizations involved with biodiversity throughout society including governmental bodies, international organizations, and non-profit organizations.

Information Disclosure

Toyota voluntarily discloses its initiatives relating to biodiversity by synchronizing corporate activities and the outcome of such initiatives with the aims of sharing information broadly with society and thereby contributing to the development of a sustainable society.

Promote Expansion of Nature Conservation Activities Connecting Communities

Toyota Green Wave Project: Connecting Communities

The Toyota Group companies have planted trees at plants and undertaken environmental conservation activities in their surrounding areas in order to "enrich the lives of communities" in each region. The Toyota Green Wave Project is an initiative to connect these diverse activities. The All-Toyota Harmony with Nature Working Group was launched by the Toyota Group companies with a view to promoting this project. This working group has started concrete activities including planning and implementing activities that promote harmony with nature in each community, developing new evaluation tools, and raising social awareness through the dissemination of information.



Tree Planting by TMEC in China (May 2016)



© NPO Omotehama Network



Preserving loggerhead turtle spawning beaches in Aichi Prefecture (April 2016)



Bamboo thinning in the Yahagi River in Aichi Prefecture (April 2016)

Focus



All-Toyota Harmony with Nature Working Group First "Connecting" Activity: Tree-planting at Millennium Hope Hills

The All-Toyota Harmony with Nature Working Group participated in the 4th Millennium Hope Hills Tree Planting Festival in Iwanuma City, Miyagi Prefecture on May 28, 2016. This project intends to create an evacuation site and minimize risk of disaster by building a 10 km green embankment on a shore that was damaged by the Great East Japan Earthquake.

A total of 175 people—72 from 20 supporting companies and 103 from Donguri-Mongori, an NPO funded by the Toyota Environmental Activities Grant Program—participated in the project. Some 2,500 seedlings of Tohoku tree varieties raised in Aichi were planted. The know-how developed through tree-planting activities at plants of individual Toyota Group companies was used for this first connecting activity. Tohoku-based companies including Toyota Motor East Japan, Inc. also participated, connecting activities in Tohoku and Aichi together. Going forward, we will expand such activities even further.



All-Toyota Green Wave Project Booklet Released

In June 2016, Toyota released a booklet to raise employees' environmental awareness and distributed it internally in conjunction with Environmental Month. The booklet presents information on the significance of the Green Wave Project, the importance of biodiversity, and examples of activities by Toyota Group companies, raising employees' awareness of participation in such activities and promoting the importance of cross-functional cooperation.



[Web](http://www.toyota-global.com/sustainability/environment/challenge6/green_wave/) http://www.toyota-global.com/sustainability/environment/challenge6/green_wave/

Tree Planting at Plants: Promoting Sustainable Plant Activities

Since 2007, Toyota has been pursuing sustainable plant activities, positioning the Prius-producing Tsutsumi Plant as a model plant, to bring the concept of sustainability into *monozukuri*. With the concept of “plant development that fully utilizes natural resources while operating in harmony with nature,” efforts are underway towards reducing energy consumption, changing energy sources, enhancing communication with local communities, and preserving biodiversity.

As part of those efforts, the number of trees planted by some 50,000 employees, family members, and local residents in regions around the world has come to 850,000 trees in 2015. As these forests grow, indigenous organisms are returning back and diverse organisms are propagating in the forests, creating habitats rich in nature and living organisms.

In FY2015, 440 trees were planted at the Teiho Plant, bringing the total to 3,600. At the Motomachi Environmental Center, 130 employees planted 1,850 trees, bringing the total to 15,478. We also conducted tree-planting activities at TMEC in China.

Seedlings such as ring-cup oak and Japanese chinquapin are raised by employees from acorns (seeds) for three years until they reach a size suitable for planting. Some 30,000 of the seedlings have been provided for afforestation activities at 12 plants in Japan.



An employee growing seedlings



Teiho Plant (left: photo from 2014 before tree planting; right: photo taken in 2015 after tree planting)



Tree-planting activity at the Motomachi Environmental Center in May 2016

TOYOTA Mie Miyagawa Mountain Forest Project Builds Healthy Forests and Uses Timber Resources

In 2007, Toyota acquired 1,702 hectares of forest land in Odai-cho, Taki-gun, Mie Prefecture. The forestry restoration program was launched to maximize the diverse functions of the forest. In addition, automobile manufacturing expertise was introduced to the forest site and information management. We have also worked on data-based forest management, low-cost maintenance and improvement of worker safety. In FY2015, timber from the forest was used for renovation of Toyota facilities (the Toyota Kaikan Exhibition Hall and Toyota Automobile Museum).

Toyota also launched environmental education programs in FY2014 to make more people understand the association with forests. In FY2015, we started tree planting for timber production

and a hands-on course on traditional wooden housing building techniques for high school students in cooperation with local high schools and residents.



The restored forests



Wood materials used at the Toyota Kaikan Exhibition Hall

Boost Grant for Environmental Activities Connecting to the World

Toyota Today for Tomorrow Project: Connecting to the World

Toyota has conducted cooperative activities with domestic and overseas environmental NGOs including the Toyota Environmental Activities Grant Program and afforestation programs in China and the Philippines. The long-standing grant program will be conducted

in the future in collaboration with a variety of global organizations to support projects that can provide significant impetus to society, create new value, take the initiative in launching projects that promote global environmental activities, and lead society as a whole.

First Stage of the Today for Tomorrow Project: Cooperative Project Launched with IUCN

In May 2016, Toyota signed a new partnership agreement with the International Union for Conservation of Nature (IUCN), the first such agreement with a private business. Toyota and the IUCN announced a strengthening of the IUCN Red List of Threatened Species, a global shared database maintained by the IUCN, and collaborative measures to raise awareness regarding the importance of biodiversity. In 2016, subsidies of approximately 1.2 million U.S. dollars will be provided.



For details on projects with international organizations, see the Environmental Report 2016 (page 8).

Toyota Environmental Activities Grant Program

Outline and Purpose of Program

The Toyota Environmental Activities Grant Program was inaugurated in 1999, commemorating Toyota's receipt of the prestigious Global 500 Award, to further demonstrate Toyota's responsibility for the environment and sustainable development. Upon the occasion of receipt of this award, in FY2000, Toyota launched a grant program that supports the environmental activities of NPOs and other groups with the aim of solving issues in environmental fields and supporting the development of the next generation of human resources.

Examples of Grant Recipient Projects

Guinea | The Green Corridors to Connect Two Forested Habitats of Wild Chimpanzees by Planting Trees

The Green Corridors

The Bossou chimpanzees in the Republic of Guinea have been faced extreme difficulty interchanging with other groups of chimpanzees due to fragmentation of the forests where they live. This project is to plant saplings in the savanna between Bossou and the Mount Nimba Strict Nature Reserve, a UNESCO world heritage site, to create an environment that allows the chimpanzees to travel back and forth and preserve this endangered species.

In FY2015, some 7,000 saplings were planted to connect to the green corridor created the previous year, bringing the total number of trees planted to 22,000, and a wildlife survey was conducted. The chimpanzee population plunged dramatically during the spread of the Ebola virus, and the community is aging. As a result, these

Grants Provided to Date

Over the 16 years since the Grant Program was established, it has provided support to 304 projects in 53 countries and regions worldwide

Country/ region of implementation	Asia (excluding Japan), Pacific	North America, Latin America	Africa	Europe	Japan	Total
FY2015	5	1	3	1	16	26
Cumulative total*	98	20	28	10	148	304

* FY2000 - FY2015 (Grant topics: biodiversity, global climate change)

chimpanzees' risk of extinction has become even higher. International teams which had been suspended were revived and educational activities were conducted through a variety of symposia in Guinea. We will also accelerate the tree-planting activities in the Green Corridor Project.



Wild chimpanzees in Bossou, Guinea

Japan | Yatsushiro Illustrated Encyclopedia for Children and Nature, Created Jointly by Youths, Governmental Agencies, Academics, and the Private Sector

Jisedainotameni Ganbarokai

To protect the critical wetlands at the mouth of the Kuma River in Yatsushiro City, Kumamoto Prefecture, where numerous critically endangered organisms live, a project team made up of youths, governmental agencies, academics, and the private sector was created with high school students from the city playing a central role. They are undertaking to develop the human resources that will be essential for environmental preservation. As one of these measures, they created the Yatsushiro Illustrated Encyclopedia for Children and Nature, prepared by conducting numerous interviews with distinguished local persons.

By comparing and organizing lifestyles in the past and present, the project team was able to enhance its own knowledge and awareness. Efforts will be made to raise local awareness of the natural environment through study sessions using the Illustrated

Encyclopedia and a children's card game tournament using rare species picture cards created by high school students on their own.



The Yatsushiro Illustrated Encyclopedia for Children and Nature, prepared by conducting interviews with distinguished local persons



Rare species card game tournament

Boost Contribution to Environmental Education Connecting to the Future

Toyota ESD Project: Connecting to the Future

Human resources development is crucial for expanding environmental conservation activities to the future. Consequently, the Toyota Education for Sustainable Development (ESD) Project promotes sustainable human resource development that matches the community.

In Japan, taking the 10th anniversary of establishment of the Toyota Shirakawa-Go Eco-Institute, we focus on the children's camp program. Conservation activities as well as environmental

education programs for local junior high school students are conducted at the new Toyota R&D Center.

Overseas, we launched the Toyota Biodiversity and Sustainability Learning Center at the Toyota Ban Pho Plant in Thailand, and the center is developing environmental educational programs. We further proceed with other environmental educational programs involving human resources and utilizing the Toyota Group plants.

Toyota Shirakawa-Go Eco-Institute Widely Promotes Locally-Rooted Environmental Education Programs that Value Nature's Wisdom

The Toyota Shirakawa-Go Eco-Institute, located in the World Heritage site Shirakawa-Go, was opened in April 2005 with the goal of promoting environmental education. In FY2015, the number of visitors reached a record high of 16,959 including many visitors from overseas, bringing the total number to 172,000.

On June 14, 2015, a commemorative ceremony was held to mark the 10th anniversary of the Institute's opening. The ceremony was attended by guests from Shirakawa Village and representatives from Toyota and other organizations. Toshiyuki Yamada, who was appointed as the new director of the Institute in April 2015, spoke of the institute's journey over the last 10 years and the direction for its future activities, with the key theme of "shared education" that leads to "harmonious coexistence."

The Institute's programs including the children's camp were highly acclaimed, and the institute received an honorable mention for the FY2015 Promoting Youth Activities award, sponsored by the Ministry of Education, Culture, Sports, Science and Technology. Consequently, it is undertaking programs that create opportunities

to consider environment and harmonious coexistence, grow and learn together through "shared education," and enable individuals to "think and act independently."



Camp for building thatched house

Fossil excavation camp



Orientation in the snow field



Hands-on activities in the forests



Tenth anniversary commemorative ceremony

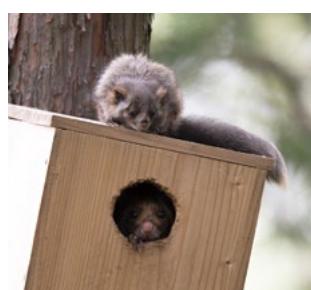
Forest of Toyota: Contributing to Develop a Sustainable Society through Forestry Activities

The 45-hectare company-owned forest in Toyota City was developed based on the satoyama model of biodiverse landscapes where humans interact with nature. It is offered as a site for environmental learning targeting a wide segment of society with a focus on local schoolchildren.

In FY2015, a new symposium on flying squirrels, which live in the area, was conducted. The symposium became an opportunity for mutual learning by the individuals who attended from around the country through the lectures by experts, fieldwork, and other programs. In recognition of these long-standing activities, Toyota received the Green Society Award in the presence of Their Imperial Highnesses Prince and Princess Akishino in October.



A hands-on learning program for elementary school children using persimmon



Flying squirrels use a nest box

For information on Forest of Toyota, see page 111.

Focus



Protecting the Monarch Butterfly, an Indicator Species for Grassland Ecosystems, at All Sites in North America

Most flowering plants depend on pollinators for seed production. There are a variety of pollinators, moving pollen from the male to the female part of a flower to fertilize the plant, ranging from bees to birds, bats and butterflies. In addition to flowers, a number of food crops rely on pollination. However, as the number of pollinators, including honeybees, has declined globally, protecting them has become an urgent issue also from the viewpoint of preserving biodiversity.

The monarch butterfly (*Danaus plexippus*) is a pollinator that migrates between the southern and northern parts of North America and is known as an indicator species for grassland biodiversity. Unfortunately, the monarch population in North America has declined by as much as 90 percent over the past two decades and the monarch is facing the risk of extinction. This is why Toyota has decided to create pollinator gardens in the 21,000 acres of land it owns in North America.

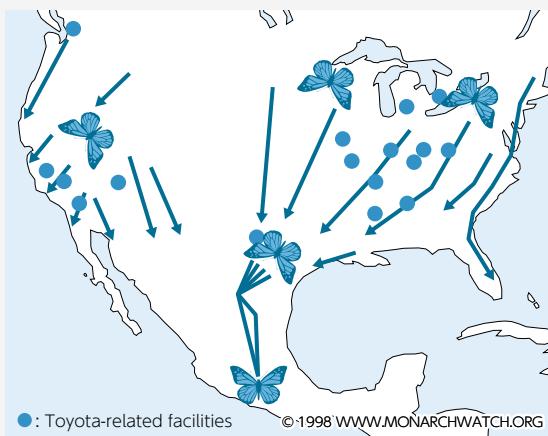
The monarch migrates from Canada in the north, through the U.S., to Mexico in the south. Studying the monarch's

migration and overwintering patterns, we have been planting wildflowers and milkweed inside many of our North American plant sites and in the surrounding communities to provide waystations along the migration pathway. Wildflowers provide nectar to the adults while milkweed serves as food and shelter for monarch larvae.

Monarch butterflies have already been observed at all Toyota plant sites, indicating the waystations are helping the monarch butterflies during their migration. Toyota Motor Manufacturing Kentucky (TMMK) distributes milkweed seeds to elementary schools in the surrounding communities and teaches the students how to observe the monarch, with the hope of expanding its habitat.

These activities have been officially recognized as excellent initiatives for ecosystem protection by both the federal and state governments, and have received the "Wildlife at Work" certification from the Wildlife Habitat Council, an NPO.

Toyota's North American Facilities and the Monarch's Migration Pathways



Monarch butterfly



Monarch butterfly perched on an employee's hand



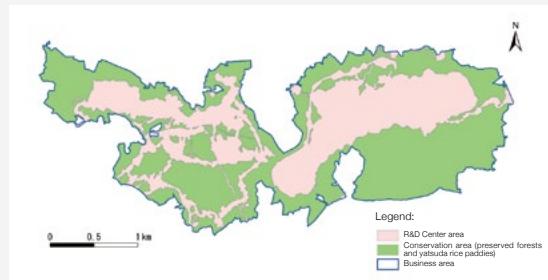
TMMMS's pollinator garden

Focus



Initiatives at the New Toyota R&D Center Promoting Harmony with the Natural Environment and Local Communities

In order to develop sustainable next-generation mobility, Toyota is proceeding with plans to construct a new research and development facility in Toyota City and Okazaki City. In pursuing this project, Toyota set out to build a technical center that operates in harmony with both the natural environment and local communities. About 60 percent of the total project site will be preserved as areas for the regeneration of forest and restoration of *yatsuda* rice paddies, and their management. Toyota is also actively sharing information that includes the status of these initiatives and the knowledge gained through them.



Site map of the new R&D Center

Progress in FY2015 (1): Wild Bird Conservation Activities—Mandarin Ducks Use Nest Boxes

Nest boxes for breeding were installed in planned conservation areas to promote wild bird conservation. The numbers of some species are declining in the wild, possibly because of the lack of tree hollows that birds can use for breeding. A conservation area was created with the aim of maintaining mature trees that can be expected to form hollows, but it will take many years until these trees grow enough to develop natural hollows.

In FY2012, we established a joint program with a conservation group, selecting four species of endangered birds in the area (*Mandarin Duck* (*Aix galericulata*)), *Ural Owl* (*Strix uralensis*), *Oriental Dollarbird* (*Eurystomus orientalis*) and *Eurasian Treecreeper* (*Certhia familiaris*)) as the targets of our conservation efforts using nest boxes to replace tree hollows. In FY2014, two pairs of *Ural owls* began using nest boxes. In FY2015, *Mandarin ducks*, which have rarely been observed breeding in Aichi Prefecture, began using the nest boxes and safe fledging was confirmed.



A Mandarin duck using a nest box

Target species for conservation and reasons for their selection



Mandarin Duck

Despite the dwindling nesting habitat in the region, some individuals have been confirmed to inhabit the area surrounding the R&D Center site.



Oriental Dollarbird

Although the number of breeding occurrences in the region has been extremely small, some individuals have been confirmed to inhabit the R&D Center site.



Ural Owl

Despite the dwindling nesting habitat in the region, some individuals have been confirmed to inhabit the R&D Center site.



Eurasian Treecreeper

Although the number of breeding occurrences has been extremely small in the region, some individuals have been confirmed to inhabit the R&D Center site.

Progress in FY2015 (2): Frogs Join Series of Informational Pamphlets, Bringing Total to Five

Toyota prepares pamphlets about key species symbolizing the *satoyama* environment in the planned project area, distributes these at events, and makes them available on the Toyota global site. In FY2015, Toyota issued a new pamphlet on various species of frog. In addition to the known characteristics of frogs seen in and around the planned project site, the pamphlet uses photos, drawings, and easy-to-understand text in order to convey new information about the frogs' annual lifecycle gathered through surveys of their calls and so on.

At the same time, we updated the content of the four pamphlets previously released and shown below. The pamphlet on the Japanese Night Heron *Gorsachius goisagi* was listed as a reference work in the Japanese Night Heron Preservation Procedure announced by the Ministry of the Environment in June 2016.



A female Black-spotted Pond Frog
Ministry of the Environment Red List: NT
(near-threatened species)

Environmental Management

Basic Concept

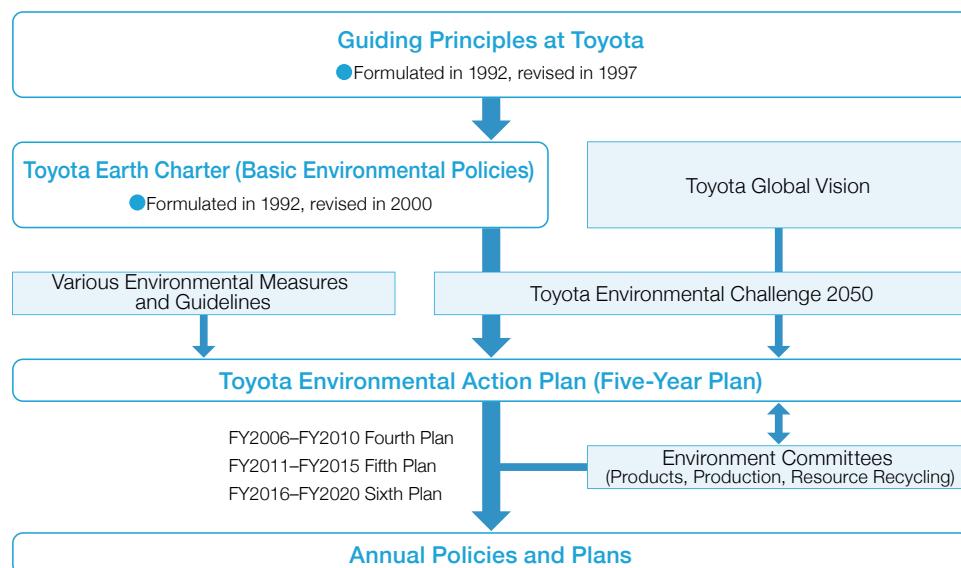
Toyota's philosophy and policies on the environment are based on the Guiding Principles at Toyota, which were established in 1992 and revised in 1997. Policies for environmental initiatives were formulated as the Toyota Earth Charter in 1992 and then revised in 2000. This Charter is shared among 559 Toyota consolidated affiliates around the world.

The Toyota Global Vision announced in 2011 stresses the

importance of "respect for the planet."

Based on its philosophy and policies, in FY2015 Toyota formulated the Toyota Environmental Challenge 2050, its first long-term vision for environmental initiatives. In FY2016, Toyota will begin the Sixth Toyota Environmental Action Plan (2016–2020) and take steps to grow sustainably together with society toward the year 2050.

Toyota Environmental Action Plan System



Toyota Earth Charter

I. Basic Policy

1. Contribution toward a prosperous 21st century society

Contribute toward a prosperous 21st century society. Aim for growth that is in harmony with the environment and set as a challenge the achievement of zero emissions throughout all areas of business activities.

2. Pursuit of environmental technologies

Pursue all possible environmental technologies, developing and establishing new technologies to enable the environment and economy to coexist harmoniously.

3. Voluntary actions

Develop a voluntary improvement plan, based on thorough preventive measures and compliance with laws, which addresses environmental issues on the global, national and regional scales and promotes continuous implementation.

4. Working in cooperation with society

Build close and cooperative relationships with a wide spectrum of individuals and organizations involved in environmental preservation, including governments, local municipalities, related companies and industries.

II. Action Guidelines

1. Always be concerned about the environment

- Take on the challenge of achieving zero emissions at all stages, i.e., production, utilization and disposal.
- (1) Develop and provide products with top-level environmental performance
- (2) Pursue production activities that do not generate waste
- (3) Implement thorough preventive measures
- (4) Promote businesses that contribute toward environmental improvement

2. Business partners are partners in creating a better environment

Cooperate with associated companies.

3. As a member of society

- Actively participate in social actions.
- (1) Participate in the creation of a recycling-based society
- (2) Support government environmental policies
- (3) Contribute also to non-profit activities

4. Toward better understanding

Actively disclose information and promote environmental awareness.

III. Organization in Charge

Promotion by the Corporate Planning Meeting which consists of top management

The Fifth Toyota Environmental Action Plan

The Fifth Toyota Environmental Action Plan defines the action plan and goals for the five-year period starting in FY2011.

In developing the plan, Toyota streamlined actions from two points of view: environmental risks and business opportunities (such as the spread of eco-cars) in corporate operations.

Environmental activities to be implemented for 2020–2030 were

categorized according to three priority themes: “contribution to a low-carbon society,” “contribution to a recycling-based society,” and “environmental protection and contribution to a society in harmony with nature.” Initiatives and specific items to be implemented in each area of corporate activities were formulated in order to further promote and strengthen environmental management.

For details of the Fifth Toyota Environmental Action Plan, see Environmental Report 2016, page 4.

The Sixth Toyota Environmental Action Plan

The Sixth Toyota Environmental Action Plan defines the activities to be implemented over FY2016–2020 in order to meet the six challenges outlined in the Toyota Environmental Challenge 2050.

In formulating the plan, environmental activities were categorized according to the three priority themes in the Fifth Plan: “contribution to a low-carbon society,” “contribution to a recycling-based society,” and “environmental protection and contribution to

a society in harmony with nature.” Embracing these three themes, Toyota will contribute to the sustainable development of society and the planet by ensuring harmony with the global environment in its *monozukuri* (manufacturing), *kurumazukuri* (car-making) and delivery of products and services.

Promotion Structure and Framework

Since April 2015, Toyota has been considering growth and business strategies that take a variety of social issues into account at the Corporate Planning Meeting.

Environmental actions are discussed alongside business strategies in this meeting.

Through the following three committees—the Environmental Product Design Assessment Committee, the Production Environment Committee, and the Resource Recycling Committee—issues and response policies in all areas are investigated, and company-wide initiatives are promoted in liaison with all relevant divisions.

Organization Framework (As of June 30, 2016)

Toyota Environmental Action Plan (Five-Year Plan)



Promote Strengthening of Consolidated Environmental Management

Promotion Structure for Global Environmental Management

Toyota positions the environment as a key management issue and has formed and promoted activities through a promotion structure for global environment management. From the standpoint of “more Toyota people should take the initiative in concern for the environment,” the scope of our programs covers not only

consolidated subsidiaries, but also voluntarily participating non-consolidated affiliate companies and production companies for a total of 559 firms. These companies cover almost 100 percent of the total production volume and approximately 90 percent of the total sales volume.

Promotion Structure for Global Environmental Management



Scope of Companies Subject to Consolidated EMS

Toyota's consolidated environmental management system (EMS) covers a total of 559 companies. This includes not only all financially consolidated subsidiaries, but also major production companies, overseas distributors and other companies not subject to consolidated accounting.

Specifically, companies subject to consolidated EMS fall into the following four major categories:

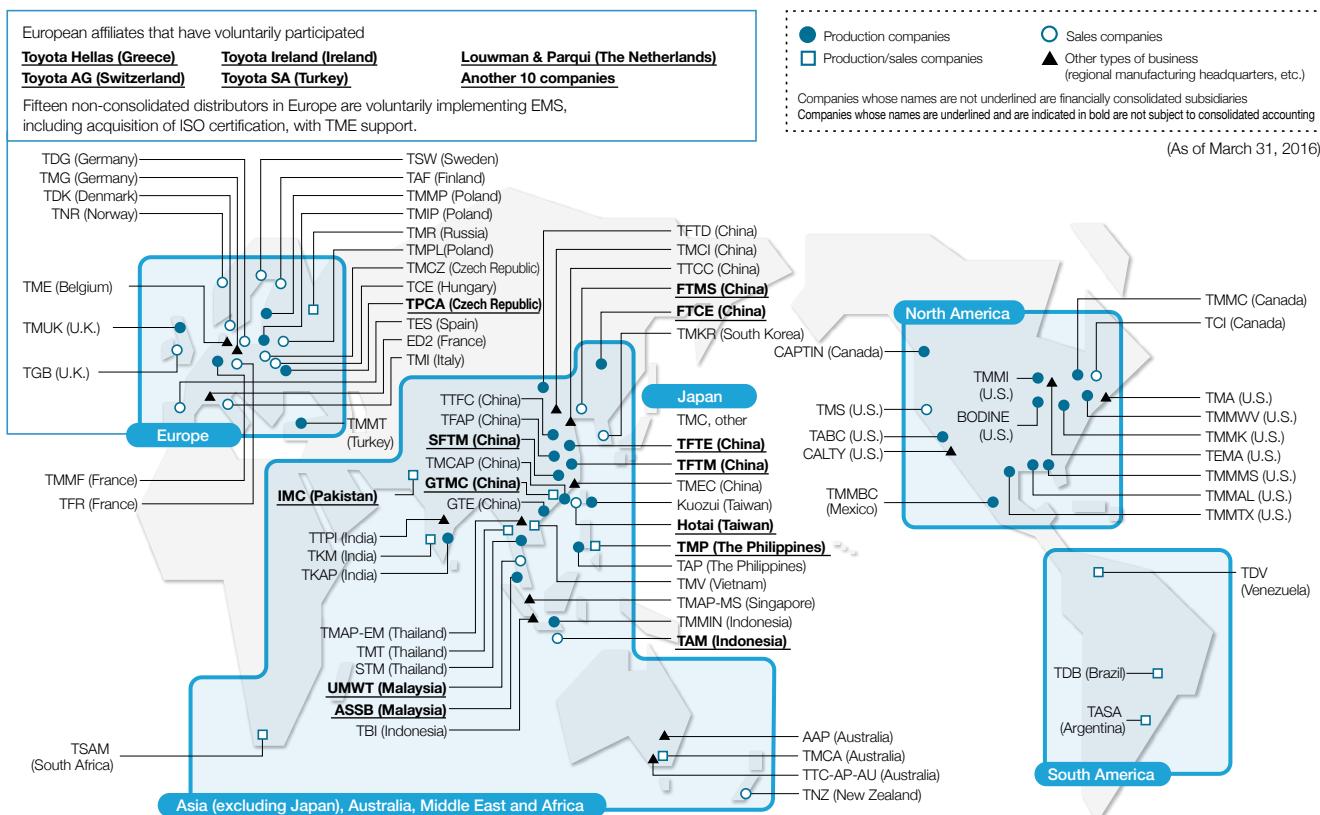
- (1) 163 subsidiaries which are financially consolidated and under the direct control of Toyota Motor Corporation (TMC);
- (2) 51 major production companies and overseas distributors that are not subject to consolidated accounting;
- (3) One organization from other types of businesses; and
- (4) 344 subsidiaries that are financially consolidated and under the indirect control of TMC (managed via consolidated subsidiaries).

Details of Actions

1. Jointly adopt the Toyota Earth Charter and draft individual environmental policies
2. In production, set quantitative goals and follow up on those goals
3. In sales, develop environmental management systems, and carry out environmental communication and other initiatives
4. Implement top level environmental responses based on actual conditions in each country and region

* TMC's requirements to companies not subject to consolidated accounting may vary according to region and the nature of business

Main Companies Subject to Consolidated EMS



Main Companies Subject to Consolidated Environmental Management System (EMS) in Japan (Alphabetical order)

(As of March 31, 2016)

Production Companies					Logistics Companies	Sales Companies
Group 1	Group 2	Group 3	Group 4	Group 5	<ul style="list-style-type: none"> Consolidated subsidiaries Automotive production companies and others • Consolidated secondary companies 	<ul style="list-style-type: none"> Consolidated subsidiaries Finished vehicle distribution Parts distribution
Daihatsu Motor Co., Ltd. Gifu Auto Body Co., Ltd. Hino Motors, Ltd. Toyota Auto Body Co., Ltd. Toyota Motor East Japan, Inc. Toyota Motor Hokkaido, Inc. Toyota Motor Kyushu, Inc.	Aisin Steel Corporation Aisan Industry Co., Ltd. Aisin Al Co., Ltd. Aisin AW Co., Ltd. Aisin Seiki Co., Ltd. Aisin Takaoka Co., Ltd. Denso Corporation JTEKT Corporation Tokai Rika Co., Ltd. Toyoda Gosei Co., Ltd. Toyota Boshoku Corporation Toyota Industries Corporation Toyota Tsusho Corporation	Cataler Corporation Central Motor Wheel Co., Ltd. Kyoho Machine Works, Ltd. Primearth EV Energy Co., Ltd. Toyota Home Co., Ltd. Yutaka Seimitsu Kogyo, Ltd.	Admatechs Co., Ltd. Japan Chemical Industries Co., Ltd. Shintec Hozumi Co., Ltd. Toyota Turbine and Systems Inc.	Chuo Pack Industry Co., Ltd. Chuo Spring Co., Ltd. Fine Sinter Co., Ltd. FTS Co., Ltd. Koto Manufacturing Co., Ltd. Kyowa Leather Cloth Co., Ltd. Taiho Kogyo Co., Ltd. Toyoada Iron Works Co., Ltd. Trinity Industrial Corporation Tsuda Industries Co., Ltd.	<ul style="list-style-type: none"> Consolidated subsidiaries • Consolidated parts manufacturers • Body manufacturers, etc. 	<ul style="list-style-type: none"> Consolidated subsidiaries • Various other products • Production companies
All-Toyota Production Environment Conference Members	All-Toyota Production Environment Meeting Members				Aichi Rikun Co., Ltd. Tobishima Logistics Service, Inc. Toyofuji Shipping Co., Ltd. Toyota Transportation Co., Ltd.	<ul style="list-style-type: none"> Tokyo Toyopet Motor Sales Co., Ltd. Toyota Tokyo Parts Distributor Co., Ltd. Toyota Tokyo Rental & Leasing Co., Ltd. Total 31 companies
						Other Businesses
						<ul style="list-style-type: none"> TACTI Corporation Toyota Central R&D Labs., Inc. Toyota Enterprises Inc. Toyota Modelista International Corporation Toyota Technocraft Co., Ltd. and others Total 45 companies
						* Including one company not subject to consolidated accounting
						All-Toyota Logistics Environment Conference Members

Action Policies and Results of Major Affiliates Implementing Consolidated Environmental Management in FY2015

		FY2015 Action Policies and Activity Results		
		Action Policy	Goals	Activity Results
Overall		<ul style="list-style-type: none"> Promote environmental management through strengthened cooperation with each region 	<ul style="list-style-type: none"> Achieve goals in all areas Plan direction of future environmental strategy 	<ul style="list-style-type: none"> Strengthened consolidated environmental management Carried out environmental meetings in Japan and overseas Created global environmental awards Promoted activities under the Fifth Toyota Environmental Action Plan Established goals for each area (Sixth Toyota Environmental Action Plan)
Production (84 companies)	Japan (40 companies)	<ul style="list-style-type: none"> All companies to implement initiatives toward achieving FY2015 goals Strengthen activities to prevent recurrence of non-compliance and complaints 	<ul style="list-style-type: none"> Achieve goals in Japan and in all regions Zero non-compliance and complaints 	<ul style="list-style-type: none"> All companies implemented systematic measures and almost all goals were achieved Proactive preventive measures were implemented, but there were cases of minor non-compliance (1 instance² of non-compliance; 0 complaints)
	Overseas (44 companies ¹)			
Sales (78 companies)	Japan (31 companies)	<ul style="list-style-type: none"> Provide support to the Toyota National Dealers' Advisory Council for acquisition of third-party certification of its environmental management system 	<ul style="list-style-type: none"> Increase the number of dealers that acquire EMS³ certification 	<ul style="list-style-type: none"> Provided support for the acquisition of EMS certification;
	Overseas (47 companies ¹)	<ul style="list-style-type: none"> Overseas dealers to promote environmental risk audits through DERAP⁴ 	<ul style="list-style-type: none"> Achieve goals Percentage of dealers: 80% or more 	<ul style="list-style-type: none"> Achieved goals Percentage of dealers: 89%

The 65 other Toyota Group companies in Japan and overseas are implementing individual activities on their own initiative

¹ Includes the 12 production/sales companies
² 1 in Japan (excluding TMC) and 0 overseas

³ Environmental Management System
⁴ Dealer Environmental Risk Audit Program

Global ECO. Award

Background and Purpose

The Global ECO. Award began in 2006 for the purpose of promoting improvement activities of overseas affiliates and encouraging *yokoten* (sharing) of the best improvement practices among affiliates worldwide. The process originally consisted of each affiliate selecting their best improvement practices for recognition by TMC.

In 2011, to increase interest in the activities related to the award, the process was changed to screening the chosen teams in each region to select those with excellent practices, and then having those teams present their practices in Japan for selection of the final winners. At the same time, the Award for Affiliates with the Best Performance was established to recognize the affiliates with the greatest outcomes from the improvement activities.

Initiatives in FY2015

In FY2015, the fourth year for the Award, five finalists out of 13 teams selected from 6 regions around the world were invited to give their presentations in Japan. The Toyota Motor Manufacturing Indonesia (TMMIN) team won the Platinum Award with its presentation on a project to reduce waste by separating dust from casting sand. The presentations made by the other four teams that won the Gold Award also served as examples of excellent achievements in resolving the very important issues each affiliate encountered.

At the award ceremony, Tatsuro Takami, who was the Managing Officer and Executive in charge of the Environmental Affairs Division, expressed his respect and encouragement to the teams, commenting: "Given that environmental issues are becoming more and more serious, meeting the challenges outlined in the new Toyota Environmental Challenge 2050 is becoming extremely important in order for Toyota to continue being a leading environmental company in the world. In order to meet these challenges, I urge you continue working on initiatives as *kaizen* leaders while supporting the growth of your junior colleagues."

Award Categories

Category	Award for On-site Kaizen Activity	Award for Affiliates with the Best Performance
Area	<ul style="list-style-type: none"> Production/Production Affiliate (Plant) Logistics/Administration, Production and Logistics Affiliate 	<ul style="list-style-type: none"> Production/Production Affiliate (Plant)

On-site Kaizen Award Recipients

Platinum Award	TMMIN (Indonesia)
Gold Award	TMMC (Canada), STM (Thailand) TFTM (China), TDB (Brazil)

Affiliate Award Recipients

Platinum Award	TMUK (U.K.), TMMK (U.S.) TMCA (Australia), FTCE (China)
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Managing Officer Takami (center) with TMMIN members, winners of the Platinum Award

Status of ISO 14001 Certification

Production companies and production/sales companies both in Japan and overseas have been working to renew their ISO 14001 certification and striving daily to maintain and improve their environmental management systems.

One of our newly established production companies overseas has recently been certified.

Number of ISO Certified Toyota Group Companies in Japan and Overseas

	Production companies	Production/sales companies	Sales companies/other businesses
Japan	39	-	10
Overseas	33	12	19

Reduce Vehicle Exhaust Emissions to Improve Urban Air Quality in Each Country and Region

Vehicles that Meet Japanese LEV Emission Standards

In FY2015, almost 100 percent of Toyota vehicles produced were certified as meeting the Ultra-Low Emission Vehicle (U-LEV) or higher standards by the Japanese Ministry of Land, Infrastructure, Transport and Tourism.

FY2015 Vehicles that Meet Japanese LEV Emissions Standards

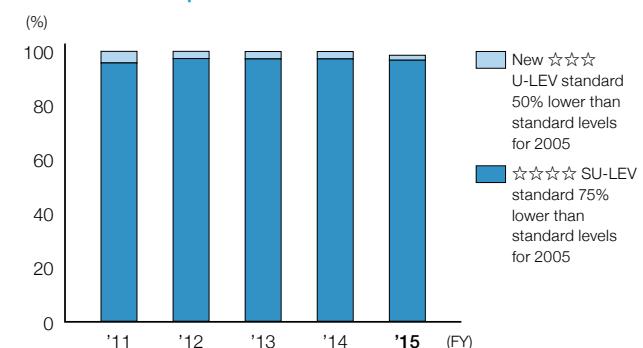
Low-emissions level	★★★★ SU-LEV	★★★ U-LEV
Vehicle series	No. of models	No. of models
Lexus LX570	1	0
Lexus RX200t	2	0
Lexus RX450h	2	0
Sienta	4	0
Pixis MEGA	2	0
Prius	3	0
Total	14	0

Percentage of Total Production in FY2015 that Qualifies as LEVs Based on 2005 Exhaust Emissions Standards



Classification	Reduction level	Percentage of total production
New ★★★ U-LEV standard	50% lower than standard levels for 2005	1.8%
★★★★★ SU-LEV standard	75% lower than standard levels for 2005	96.8%

Low-emission Vehicles as a Percentage of Total Production in Japan



Reduce VOC Emissions in Production Activities

Reduction of VOC Emissions in Body Painting Processes

Purpose of Activities

Volatile Organic Compounds (VOCs) are one of the causes of photochemical oxidation, the cause of photochemical smog. Toyota Motor Corporation (TMC) is promoting initiatives to reduce VOCs emitted in the painting process.

Progress in FY2015

TMC has continued its efforts to limit the use of cleaning solvent and to recover a larger percentage of solvents, while also actively switching to water-borne paints. As a result, it has reduced total VOC emissions from TMC body paint lines to 16 g/m².

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



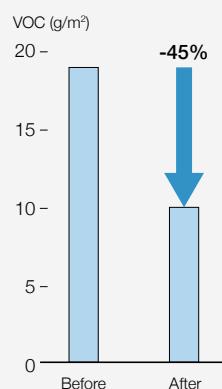
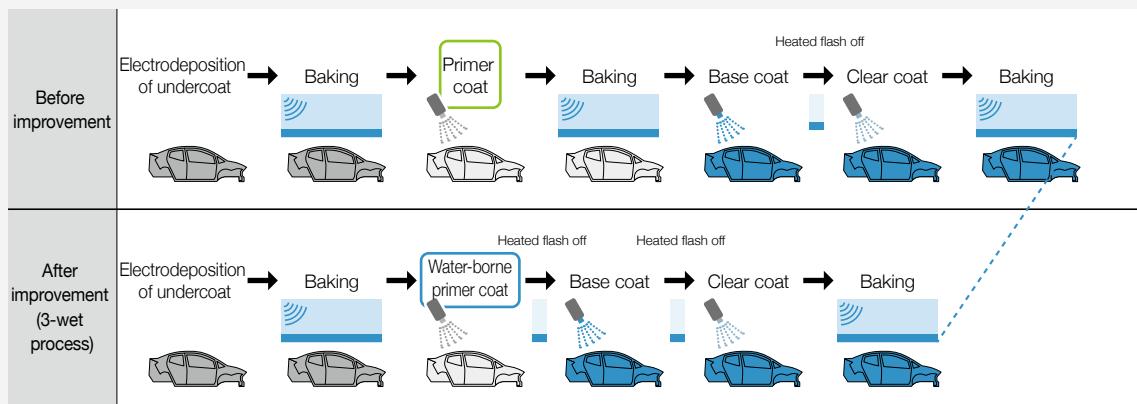
Focus**VOC Emissions Reduction Activities at the Tsutsumi Plant**

Because the painting process uses solvent-borne paints, it discharges a lot of VOC. Therefore, the Tsutsumi Plant is working daily to reduce emissions by taking steps such as recovering the solvent used for cleaning between paint color changes.

Its Painting Line No.1, which produces the Prius, became Toyota's first existing line to adopt the waterborne 3-wet painting method while maintaining production. Toyota has been introducing this painting method into its new plants since 2007.

In the conventional automobile body painting process, after a rust-prevention undercoat is electrodeposited and baked in an oven, a primer coat primarily for protecting the electrodeposited coat is applied and then baked. Afterwards, a base coat for applying colors and a clear coat for producing gloss are applied and then baked, completing the painting process.

Adoption of the waterborne 3-wet painting method changed the primer coat to a waterborne type and eliminated the baking step after the primer coat. These changes have reduced the volume of VOC discharged from the painting process by 45 percent and are also helping reduce energy usage by shortening the process.

VOC-reducing effect**Process comparison****Promote Environmental Activities in Cooperation with Business Partners (Suppliers)****Revision of the Toyota Green Purchasing Guidelines**

Toyota compiled the Toyota Green Purchasing Guidelines with an aim to address environmental issues that suppliers consider based on the Toyota Environmental Challenge 2050, and rolled this out to its suppliers. In the revision made in January 2016, the content of the Guidelines was greatly expanded based on the challenge.

For details on the Green Purchasing Guidelines, see the Environmental Report 2016 (page 8).

Raising Environmental Awareness through the CSR Study Meeting

Toyota organizes the CSR Study Meeting every year to support CSR promotion activities by suppliers. In FY2015, we provided our suppliers with a wide variety of information on climate change, water environment, biodiversity, metal resources, and stakeholder trends to raise environmental awareness.

For details on support for CSR activities by suppliers, see page 39.

Assessing Risks and Opportunities Related to Climate Change and the Water Environment in the Supply Chain

As part of its efforts to assess the environment-related risks and capitalize on opportunities in its supply chain, Toyota participated in the CDP Supply Chain Program in FY2015 to survey how its suppliers are addressing climate change and the water environment. We will gradually increase the number of targeted suppliers.

Ensuring Compliance with REACH and Other Global Regulations on Chemical Substances

Following the World Summit on Sustainable Development, held in Johannesburg in 2002, and adoption of the Strategic Approach to International Chemicals Management (SAICM) in 2006, the number of chemical substance management regulations was increased globally. The goal of this change is to minimize serious adverse effects on human health and the environment from the manufacture and use of chemical substances by 2020.

The international trend in the regulations on chemical substances has been moving from hazard management, which focuses on the toxicity of individual substances, to risk management, which takes into account their adverse effects on humans, plants, and animals. Thus, it is necessary to also consider the situation in

which the chemical substances are being used. There are now various regulations on chemical substances, such as the Chemical Substances Control Law in Japan; the ELV Directive¹ and REACH Regulation² in Europe; and independent regulations in North America and Asia.

These regulations require corporations to collect information on the chemical substance content of their products and manage their supply chains. Toyota has built and is operating a chemical substance management framework in cooperation with its suppliers. In January 2016, Toyota revised its Toyota Green Purchasing Guidelines and is promoting chemical substance control in its supply chain.

¹ European directive on end-of-life vehicles

² European regulation on registration, evaluation, authorization and restriction of chemicals

Promote Environmental Activities in Cooperation with Business Partners (Dealers and Distributors)

Promoting Environmental Initiatives at Dealers

At CSR workshops held by the Toyota National Dealers' Advisory Council (TNDAC), all Toyota dealers have worked together to promote voluntary activities based on the Toyota Dealer CSR Guidelines set forth in 2005. To further promote these initiatives, they called for increased acquisition of third-party certification of environmental management systems to accelerate the development of human resources and the creation of environment-friendly dealerships, and to bolster the level of trust from customers.

Shizuoka Toyota Co., Ltd. has been working to reduce its electricity usage and to sell environment-friendly products. In September 2015, the company acquired certification under the "Eco-Action 21 (EA21)" guidelines issued by the Ministry of Environment. At the award ceremony, the company president Hideki Kawashima mentioned the effects of their initiative, "Our employees have become more aware of environment than before." The event was also covered by several newspapers.



Award ceremony for Shizuoka Toyota

Increase the Number of Certified Overseas Dealers

Toyota continues the Dealer Environmental Risk Audit Program (DERAP) to reduce environmental risks at overseas dealer service shops. These audits aim to establish a framework to deal with five fundamental environmental requirements including the proper management of waste and treatment of wastewater.

In FY2015, 70 distributors and 3,692 dealers from 66 countries worldwide participated in the program, representing an increase of

10 distributors and 228 dealers from FY2014. Eighty-nine percent of these participating dealers satisfied the five requirements. However, from the global perspective, there are still many Toyota distributors and dealers who have not yet participated in the program. Toyota will continue to encourage their participation and will also support the activities of the participating companies.

Legal Compliance Activities

Achieving Zero Non-compliance and Complaints

In FY2015, Toyota was able to achieve zero non-compliance incidents and complaints two years in a row.

The main activity toward this achievement was the creation of the Collection of Focal Points for Facilities and Management toward Complete Elimination of Wastewater Non-compliance, based on the non-compliance incidents and near misses* that had occurred in the past 10 years at Toyota and Toyota Group companies. Following "For the Facilities and Management" created



Collection of Focal Points toward Complete Elimination of Wastewater Non-compliance – For the Operations

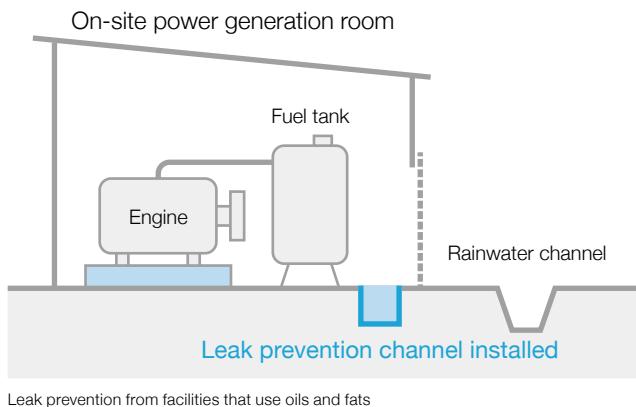
in FY2014, we created "For the Operations" in FY2015 and applied it to prevention activities in educational platforms.

For those non-compliance near misses that were considered serious and needed to be shared through *yokoten* (sharing) with other affiliates, we investigated the root causes, and developed and promoted recurrence prevention measures through the Company-wide Environmental Secretariat Meeting. At the remote

facilities that are not easy to be observed daily, such as employee dormitories, company-owned employee housing, and recreational facilities, we systematically implemented the risk-reduction measures that we had been working on since FY2014, such as leak prevention from facilities that use oils and fats.

The detailed operating status of these measures is checked on-site through environmental audits, and the PDCA cycle is used to make improvements.

* Non-compliance near misses: Cases that pose high potential risks even though they did not result in incidents



Leak prevention from facilities that use oils and fats

Reporting and Storing Electrical Devices Containing PCBs

Since FY2005, Toyota has been using outside subcontractors to process electrical devices containing polychlorinated biphenyl (PCB). To date, 5,243 transformers and condensers have already been processed. The remaining four units will be handled on an outsourcing basis in FY2016 and beyond.

Groundwater-related Measures

In 1997, Toyota completed the implementation of measures to prevent outflow of groundwater at six production plants.

Toyota is continuing groundwater remediation using pump and aeration treatment without exceeding the standards. The levels of trichloroethylene are reported to the government and also to local councils in the surrounding communities.

Trichloroethylene Levels



Environmental standards: 0.01
Unit: mg/L

Plant	Levels of Groundwater before Remediation
Honsha	Less than 0.002-1.32
Motomachi	Less than 0.002-0.16
Kamigo	Less than 0.002-0.12
Takaoka	Less than 0.002-0.45
Miyoshi	Less than 0.002-0.11
Tsutsumi	Less than 0.002-0.54

Note 1: Measurements are taken at all Toyota Motor Corporation plants

Note 2: Has not been detected in plants other than those listed

Note 3: The level has a range since each plant includes multiple measurement points

Further Strengthen Global Employee Education and Awareness Activities

Raising Environmental Awareness with Global Environment Month

In line with the Japanese government's designation of the month of June as the Environment Month, Toyota also designated the month of June as "Toyota Environment Month" in 1973, and began to carry out a variety of environment-related employee education and awareness-raising activities. In 1991, Toyota changed the name to "Global Environment Month" and expanded its activities globally. Toyota ensures that all employees are aware of Environment Month by displaying a common poster at all global sites, as well as making event-related notifications and posting the Toyota President's message on monitors at various locations throughout company sites and on the Intranet.

As one example, Toyota held an environment lecture, inviting outside speakers. Toyota is also working to raise the environmental awareness of its employees, for example by collaborating with the Ministry of Environment in carrying out the Light-Down Campaign. In addition to Toyota, Toyota Group companies, dealers, and overseas affiliates also participate in the Environment Month activities. Many of them organize unique events, such

as environment-related photo contests and quizzes, and enthusiastically carry out other creative activities.

Starting in FY2015, Toyota enhanced its environmental education for newly hired employees. In addition to conventional classroom learning, these employees also participate in group discussions to help them think about environmental issues as their own problems. Time is also allocated to allow each employee to talk about the environment-related dreams and ambitions they want to realize.



Toyota Motor Corporation Australia (TMCA), a manufacturing affiliate, participating in National Tree Day, a tree-planting event organized by local NPO "Planet Ark"



Group presentation by newly hired employees during environmental education

Enhance Active Disclosure of Environmental Information and Communication

Information Disclosure by Overseas Affiliates

Toyota's overseas consolidated subsidiaries actively disseminate and disclose their environmental information through their environmental reports and websites to ensure excellent communication with their wide range of stakeholders.



Argentina



Australia



Brazil



China



Europe



India



Indonesia



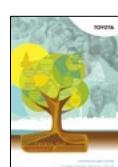
Malaysia
Issued in the UMW Holding Report



New Zealand



North America



South Africa



The Philippines



Taiwan (Kuozui)



Taiwan (Hotai)



Thailand



Vietnam

Environmental Information Available Online



Environmental Initiatives website



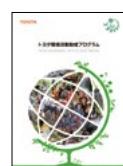
All Toyota Green Wave Project



Automobiles and Recycling



Toyota's Afforestation Initiative



Toyota Environmental Activities Grant Program

Web [http://www.toyota-global.com/
sustainability/environment/](http://www.toyota-global.com/sustainability/environment/)

Appendix

Status of Major Environmental Data for FY2015

Area	Item	Key indicator (unit)	FY1990	FY1995	FY1998	FY2001	FY2013	FY2014	FY2015	Related pages
Product	Exhaust gases 	Percentage of total production that achieves emission levels 50% lower than 2005 gasoline standards	-	-	-	-	2.4%	2.4%	1.8%	99
		Percentage of total production that achieves emission levels 75% lower than 2005 gasoline standards	-	-	-	-	97.2%	97.4%	96.8%	
	Clean-energy vehicles	Number of units sold [units]	-	-	-	-	718,541	646,258	639,766	
		Electric vehicles [units]	-	-	-	-	0	0	0	
		Hybrid vehicles [units]	-	-	-	-	718,497	646,250	639,766	
		CNG vehicles [units]	-	-	-	-	44	8	0	
	Average fuel efficiency by weight category [km/L] (gasoline-powered passenger vehicles) 	JC08 test-drive mode	601–740 kg	-	-	-	32.4	34.8	35.2	65
			741–855 kg				27.7	28.5	28.6	
			856–970 kg				20.9	24.1	23.9	
			971–1,080 kg				26.9	29.2	26.8	
			1,081–1,195 kg				25.1	26.6	28.4	
			1,196–1,310 kg				17.2	17.4	17.2	
			1,311–1,420 kg				25.9	25.9	26.3	
			1,421–1,530 kg				21.4	21.9	23.0	
			1,531–1,650 kg				16.0	18.4	18.0	
			1,651–1,760 kg				18.0	17.2	16.9	
			1,761–1,870 kg				12.8	15.6	15.6	
			1,871–1,990 kg				10.7	10.9	11.5	
			1,991–2,100 kg				9.8	9.9	11.1	
			2,101–2,270 kg				12.5	11.8	13.2	
			2,271 kg—				7.9	7.8	7.9	
Production	CO ₂ (Note 1) 	Total emissions volume [calculated in CO ₂ equivalent in million tons]	2.11 (Note 3)	-	-	-	1.20	1.18	1.15	78
		Emissions volume per unit produced [calculated in CO ₂ equivalent in tons/unit]	-	-	-	0.731	0.414	0.413	0.408	
	Substances of concern 	VOC emissions volume per body area [g/m ²]	-	-	64	-	19	18	16	99
	Waste (Note 2) 	Volume of waste per unit produced [kg/unit]	-	-	-	29.5	12.4	12.5	12.5	86
Recycling	Recycling rate 	Vehicle recycling/recovery rate [%]	-	-	-	-	99	99	99	85

Note 1: Since non-production bases were also brought under the scope of the reduction goals in FY2005, figures include company-wide emissions from FY1990

Note 2: Zero landfill waste was achieved in FY2000 and has been maintained ever since

Note 3: Total figure for the period from January to December 1990

For information on indices other than the environmental data listed above, please visit the webpage below:

 <http://www.toyota-global.com/sustainability/environment/data/>

Global CO₂ Emissions Calculated by Latest Emission Factor (FY2015)

By region		CO ₂ emissions
Toyota Motor Corporation (TMC)	(Million tons)	1.55
Japan (excluding TMC)	(Million tons)	4.30
North America	(Million tons)	0.97
China	(Million tons)	0.67
Europe	(Million tons)	0.27
Asia (excluding Japan), Australia, Middle East, South Africa, Latin America	(Million tons)	0.72
Total emissions	(Million tons)	8.48
CO ₂ emissions per unit produced	(Tons/unit)	0.834



Note 1: TMC and 121 companies (consolidated subsidiaries and other companies in Japan and overseas)

Japan: Companies listed in Groups 1–5 on page 97 (including sub-subsidiaries, excluding Toyota Tsusho)

Overseas: Production companies and production/sales companies listed on page 97

Note 2: The CO₂ emissions were calculated using the Greenhouse Gas (GHG) Protocol CO₂ conversion coefficient.

- Emissions from electric power were calculated using the 2013 conversion coefficient from the IEA's CO₂ Emissions from Fuel Combustion (2015 edition).

- For items other than electric power, the conversion coefficients used were those quoted in IPCC 2006, 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Prepared by the National Greenhouse Gas Inventories Programme, Eggleston H.S., Buendia L., Miwa K., Ngara T. and Tanabe K. (eds). Published: IGES, Japan.

- For natural gas, steam, hot water, cold water, and coke-oven gas, the conversion coefficients used were those quoted in the Japanese Act on Promotion of Global Warming Countermeasures.

Social Contribution Activities

Major Topics during FY2015

Great East Japan Earthquake Recovery Support

Kokoro Hakobu Project

Continuous support for disaster-stricken areas in three ways; through "the Automobile Industry," "Social Contribution," and "New Business." A summary of five years of activities with a focus on "Social Contribution"



p.109

Environment

The Forest of Toyota

Receives the Green Society Award



TMC's afforestation efforts seen in the Forest of Toyota, a facility for environmental studies, were highly appraised and won the award

p.111

Traffic Safety

Toyota Safe-driving program

Instructor Training (Vietnam)

TMV conducted safe-driving instructor training in conjunction with the Vietnam Traffic Police and eight people were trained to be instructors



p.120

Education

"Dream Class for the MIRAI (Future)" Started in Toyota City (Japan)

Athletes from Toyota athletics clubs and employee volunteers helped run a class in which children were able to learn about the wonders of having dreams.

This industry-academia-government collaboration between the Japan Football Association, Toyota City in Aichi Prefecture, Chukyo University and Toyota was the first of its kind in Japan



p.127

Social and Culture

Support Activities Leveraging the Toyota Production System (USA, Australia, Brazil, Japan)

p.133

Disclosure of the Toyota Production System (TPS) to various corporations and organizations in different countries. Support of on-site operation improvements in various industries^③ including manufacturing, medical, and welfare services



Volunteer

Support for the Special Olympics (USA, Japan)

p.137

Toyota supported game organization efforts by sending employee volunteers to the World Summer Games in Los Angeles and the Nippon National Winter Games in Niigata



Foundation

Toyota Mobility Foundation (Japan, USA.)

p.141

The foundation was set up to realize an affluent, mobile society, and to resolve mobility inequality, and undertakes initiatives in both Japan and the US



Social Contribution Activities

Basic Concept regarding Social Contribution Activities

Toyota's Social Contributions are Its Founding Principle. In Addition to Contributing to Society Through Automobile Manufacturing, We Take Actions in a Variety of Areas to Enrich the Lives of Communities.

Based on Toyota's origins, which can be traced back to the founding principle of contributing to society by making automobiles, we have been striving to contribute to the advancement of society.

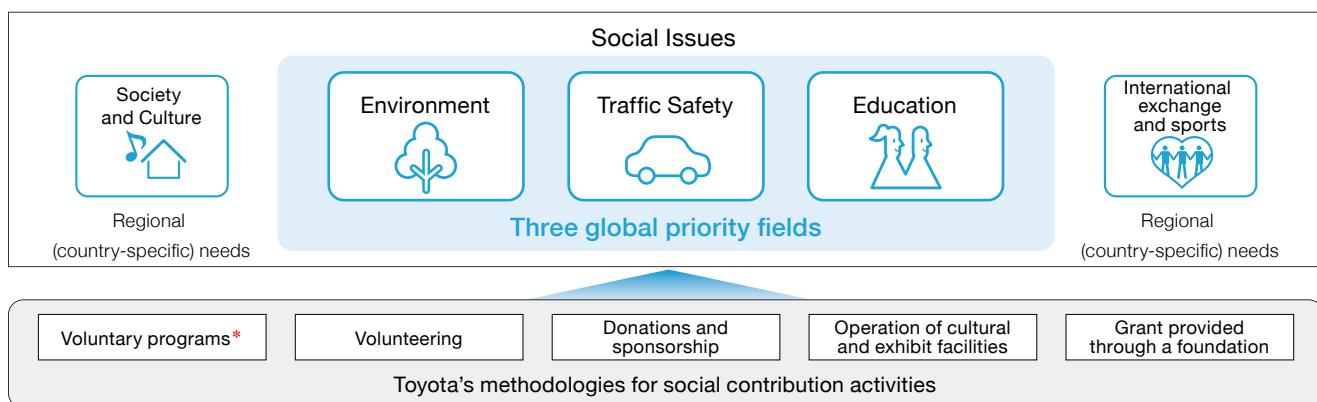
The Corporate Citizenship Activity Committee was established in 1989 under the leadership of the president, the CSR Principles were adopted in 1995, and the Corporate Citizenship Division was established in 2006. In this way, Toyota has established systems for the steady implementation of CSR programs and is undertaking collaboration on a global scale.

We set the environment, traffic safety, and education as the three global priority fields for our initiatives, in addition to making

social contributions through our main business. To these, we have added fields such as society and culture according to the social needs of each country or region, undertaking active measures while utilizing our resources including technology and expertise. Also, emphasis has been placed on support for volunteering and sustaining automotive and manufacturing cultures.

The Toyota Global Vision announced in March 2011 that it positioned enriching the lives of communities as one of the main objectives of Toyota's business, in addition to making ever-better cars. We are taking steps to solve local issues in order to enrich the lives of communities and with a sense of gratitude toward the people in them.

Social Contribution Activity Fields



* Social contribution activities that are planned, developed, and implemented by a company on its own depending on the situation

The Guiding Principles at Toyota and the Basic Principles and Policies of Social Contribution Activities

Excerpts from the Guiding Principles at Toyota (established in 1992)

1. Honor the language and spirit of the law of every nation and undertake open and fair business activities to be a good corporate citizen of the world
2. Respect the culture and customs of every nation and contribute to economic and social development through corporate activities in their respective communities

Principles and Policies of Social Contribution Activities (established in 1995)

Purpose	We in the Toyota Group will undertake social contribution activities to contribute to sustainable social vitality
Stance	We will maximize the benefits of our social contribution activities by working with partners; by using our resources effectively; and by concentrating on initiatives that address real social needs, including the need for fostering human resources
Employee participation	We will support independent social contribution activities that our employees undertake as members of the community
Information disclosure	We will disclose information about our social contribution activities, aiming to promote the development and improvement of societies
Global perspective	We will adopt a global perspective on social contribution activities while adapting our activities to needs and circumstances in each nation and region where we operate

Focus



All Started with Sakichi Toyoda's Hope for People's Happiness

Toyota has a long history of social contribution activities that can be traced back to Sakichi Toyoda. In 1925, Sakichi Toyoda, the father of Toyota Motor Corporation's founder, Kiichiro Toyoda, pledged one million yen (at the time) to the Imperial Institute of Invention and Innovation to encourage battery-related inventions because he wanted to support inventions that would enrich people's lives.

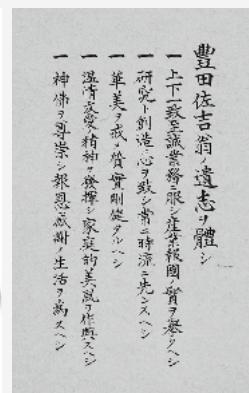
The impetus for his pledge was the first around-the-world flight successfully completed by a Douglas aircraft of the United States Army Air Service in 1924. Sakichi was said to be dreaming of inventing large-capacity batteries for mobile applications that would power automobiles and aircraft.

In the end, the invention of such batteries proved to be extremely difficult and none have yet been completed. Still, the progress that has since been made in this field has had a tremendous impact on industries and people's lives. Toyota's long history of social contribution activities can be traced back to Sakichi, who held a hope for people's happiness. After Sakichi's death, this spirit was handed down to Kiichiro and others who started the automotive industry in Japan,

through the concepts of contributing to the development and welfare of the country and feelings of gratitude, and was later incorporated into the Five Main Principles of Toyoda, the Guiding Principles at Toyota, and the Toyota Global Vision. These precepts have been handed down to the present.



Sakichi Toyoda



The Five Main Principles of Toyoda

Organization and Structure

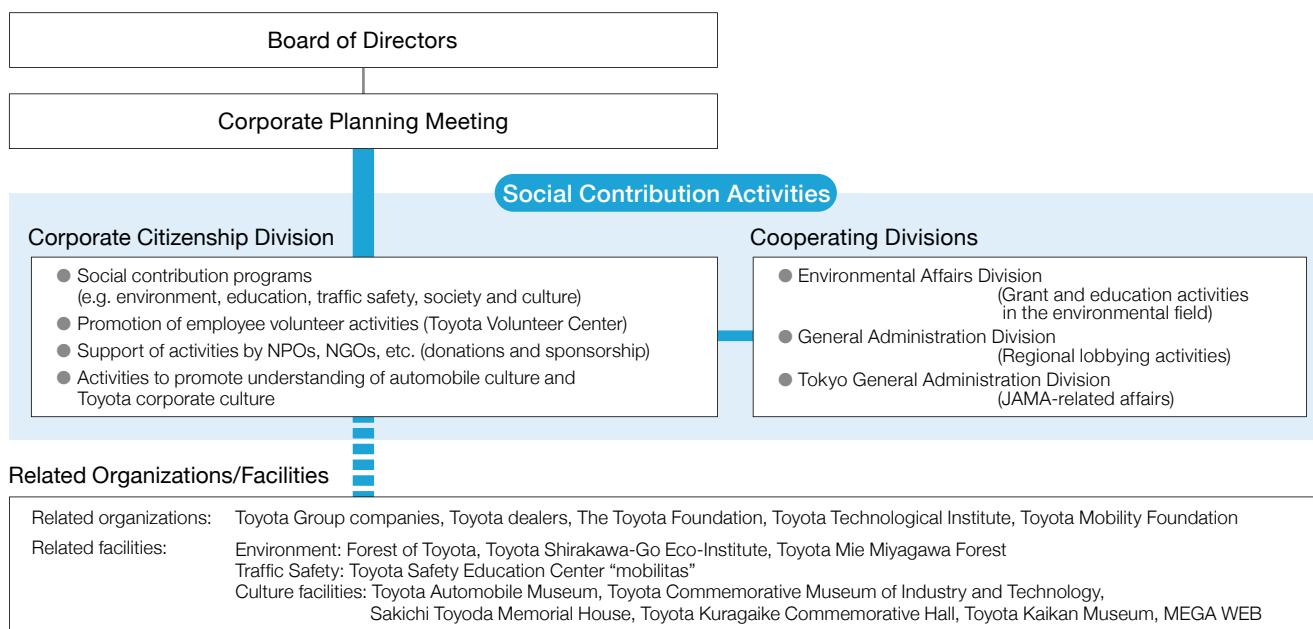
Implementation Structure Centered on Corporate Citizenship Division

The Corporate Citizenship Division, a specialized division for corporate social contribution activities, plays a lead role in deploying activities.

Since April 2015, Corporate Planning Meeting has been held to

discuss growth and business strategies , taking into account a wide range of social issues. Business strategies and initiatives related to social contribution activities are discussed at the Meeting.

Implementation Structure



Overseas: Implementation Structure Centered on Toyota Regional Headquarters

Toyota and Toyota regional headquarters in North America, Europe, Asia and China have formed a network to strengthen their promotional efforts. The regional headquarters conduct promotional activities within their regions while maintaining close communications with Toyota.

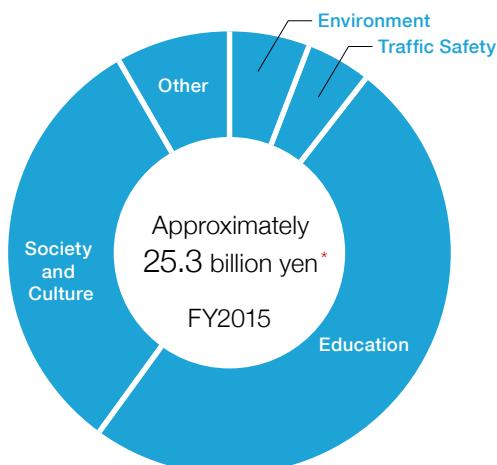
Overseas Implementation Structure

United States	The Philanthropy Executive Council under North American Executive Committee is responsible for leading philanthropy strategy and ongoing decision making as needed
Europe	The Toyota Fund for Europe Board, held on average twice a year, is responsible for setting direction on social contribution activities, as well as for selection and approval of projects proposed to Toyota Motor Europe
Asia	Regional social contribution meetings are led by Toyota Motor Asia Pacific to consider the deployment and direction of activities within the region
China	Toyota Motor (China) Investment promotes activities in China based on local needs and in collaboration with related affiliates

Actual Results for the Previous Fiscal Year and Major Initiatives for the Current Fiscal Year

	Major Initiatives during FY2015 (result)	Major Initiatives during FY2016
Social Contribution	<ul style="list-style-type: none"> Promoted activities in fields including environment, traffic safety, education, society and culture Dream Class for the MIRAI (Future) in Toyota City was held in 51 classrooms at 22 elementary schools in Toyota City, Aichi Prefecture. Twenty athletes from Toyota Motor's athletics clubs participated Held the Safety Driving Instructor Training Program jointly with Vietnam Traffic Police, resulting in the training of eight safety driving instructors 	<ul style="list-style-type: none"> Promote activities in fields including environment, traffic safety, education development, society and culture Support and aid of the Special Olympics Nippon through employee volunteers and the participation of athletes from Toyota Motor athletics clubs Enhance cooperation aimed at expansion of activities which leverage Toyota's global expertise
Great East Japan Earthquake Restoration Support	<ul style="list-style-type: none"> In Iwate Prefecture, employee volunteer relief activities were held six times by 16 Toyota Group companies, with a total participation of 149 employees The Fukushima Recovery through Music Festival was held at the Toyota Community Concert in Fukushima Kooriyama with the participation of Kenichiro Kobayashi, a conductor from Fukushima Prefecture 	<ul style="list-style-type: none"> Continue restoration support activities, such as holding voluntary programs in disaster-struck areas and dispatching employee volunteers

FY2015 Expenditure for Social Contribution Activities



* Toyota and major subsidiaries on a consolidated basis.

Results for overseas affiliates are converted to Japanese yen based on the average exchange rate for FY2015.

Kokoro Hakobu Project



Great East Japan Earthquake Recovery Support Project

TMC launched the Kokoro Hakobu Project in June 2011 to send the Tohoku region not only human and material resources, but also emotional support, and has undertaken recovery programs based on three pillars: the automobile industry, social contribution, and new business.

Here, we present social contribution activities continuously undertaken by Toyota under this project that utilize Toyota's expertise and resources. Recovery is still underway even five years after the earthquake. Our thoughts are still with the people of the affected regions, and we remain committed to carrying out this project.

Three Pillars of Tohoku Region Recovery Support



Provision of funds

* Donation of proceeds from ticket sales for volunteer programs and fund-raising at related facilities are ongoing
* Donated 100 million yen each to living and education funds for earthquake orphans in Miyagi, Iwate and Fukushima prefectures

Toyota Motor Corporation: **300 million yen** Donations from executives and employees: **55 million yen** Overseas affiliates: **780 million yen**

Provision of vehicles

Provided rental cars soon after the disaster: **68**

Loaned or transferred commercial-use cars: **192**

Provided vehicles for the disabled free of charge: **2**

Installed external power supply systems in local government Prius free of charge: **40**
* Verified the feasibility of an on-demand bus system

Made company-owned houses and dormitories available for use

160 company-owned houses and **320** dormitory rooms

Relief supply

11-ton trucks filled with food, drinking water, daily necessities and medical/pharmaceutical supplies: **87**

Tanker trucks for fuel and drinking water: **7**

Focus



A portion of Income from Mecenat Activities is Donated for Child Development

A portion of the ticket sale proceeds for the public performance of the Toyota Master Players, Wien program is donated to three prefectures in Tohoku (Iwate, Miyagi, and Fukushima). In 2015, some of the money was donated to the Fukushima Cherry Forest Project. The objective was to instill courage and good cheer in children from Fukushima Prefecture by having cherry blossoms from Fukushima bloom throughout the country. In addition, the many children throughout Japan who saw the cherry blossoms gained the impression that Fukushima is a beautiful and calming place with abundant nature. This led to the development of ties by many towns with Fukushima and Tohoku. In addition, the Toyopet Fureai Green Campaign that Toyota conducts in collaboration with nationwide Toyopet dealers with the aim of creating green cities and towns was in agreement with objectives of the Fukushima Cherry Forest Project, and starting in 2015, Fukushima cherry trees were planted nationwide under this project. We have made a first step towards completing Fukushima's recovery.



Toyota Master Players, Wien



Fukushima cherry trees take root in Ehime (Ehime Toyopet)

Volunteer Activities

(As of March 2016)

Disaster recovery support activities
by employee volunteers from
16 Toyota Group companies

43 times

Total number
of participants

796 persons

* Activity region: Iwate Prefecture (Ofunato City, Rikuzentakata City, Sumita-cho)

Activity description

2011–2012	With transportation means and lodging facilities not yet restored, volunteers traveled from Aichi Prefecture or Tokyo on company-owned buses to Iwate. Activities were coordinated by local disaster volunteer centers, and volunteers assisted in tasks such as removing debris and cleaning mud out of ditches.
2013–2015	The volunteers have assisted with grass mowing and other day-to-day activities in temporary housing areas, and supported restored local festivals, workshops for children, and other events, forging stronger bonds with local residents and promoting interpersonal exchange.

* Planned activities for FY2016 (planned recovery activities will be conducted eight times with a total of about 190 participants)



Maintaining fish-farming equipment at a fishing port (2011)



Helping at an apple farm (2015)



Toyota Master Players, Wien 2014 Fureai Concert
(Fumon Temple)



Children singing songs they wrote at the March 11 Memorial Ceremony © Masahi Asada



In-company Market Day held in conjunction with a Toyota Lobby Concert

Support through Culturally Proactive Programs

(As of March 2016)

Utilizing its existing programs, Toyota quickly began working with many collaborators to provide emotional support to the people in the affected region, and these activities are still continuing.

Overview of the programs

Program	Number of times held	Number of participants/ attendees
Toyota Master Players, Wien	16	13,405
Toyota Community Concerts	44	26,624
Toyota Lobby Concert	9	3,218
Toyota Children Meet Artists Program	13	7,650
Scientific Jack-in-the-Box! The Why/What Lecture	17	462
Total	99	51,359

* Also held special open classes of the Toyota First Experience Program.

Support from In-company Market Day

We provide dishes prepared using ingredients harvested in the affected areas at employee cafeterias, and regularly hold in-company Market Days to sell goods made or harvested in the affected areas. Exchanges with people in the affected prefectures have led to an appreciation of the products as well as the attractions unique to each area.

Focus



Support Provided to 2016 Land of Hope Iwate National Sports Festival and Land of Hope Iwate National Sports Festival for People with Disabilities, a Symbol of Recovery

Toyota provided support to these events with the people of Iwate based on a resonance with the idea of invigorating the region through the power of sports five years on from the disaster. A publicity event held in Tokyo, a baseball clinic for elementary school students by Koji Uehara of the Red Sox, Sports Ego Classrooms at elementary schools in disaster-afflicted areas, and a rugby match between Toyota Verblitz and Kamaishi Seawaves were held among other events to raise the expectations for the National Sports Festival. Support was also provided on an operational front, with employee volunteers sent to assist during the festivals.



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Environment

Basic Concept regarding Environmental Measures

In the area of the environment, Toyota actively provides environmental education, supports environmental programs, and undertakes reforestation. As forests are the basis of a sustainable society, Toyota carries out continuous ownership and preservation of its forests under appropriate management. Furthermore, Toyota has implemented environmental activities in Japan and overseas with an emphasis on collaboration with society and regions, and our employees have undertaken independent regional environmental preservation through volunteer activities.

Activity Cases

Forest of Toyota: Helping to Realize a Sustainable Society through Forestry Activities

Japan | Toyota Motor Corporation

Overview

Based on the *satoyama* model of forests in the space between cities and nature that are used by people, Toyota has rejuvenated the forest it owns near the urban area of Toyota City, Aichi Prefecture, and is using it as a field for environmental education. The 45-hectare forest opened to the public in 1997 includes an area that allows visitors to become familiar with nature by observing living creatures, as well as an area for the conservation of rare flora and fauna. Dedicated interpreters who possess rich knowledge and experience are always on duty, planning and carrying out hands-on learning programs targeting local elementary school children, in addition to a variety of events that enable participants to use their five senses to experience nature.

Achievements

Number of participating children per year:
Approximately 6,500
Cumulative number of visitors: Approximately 150,000
Received the Third Green Society Award in 2015



Nature program targeting local elementary school children

Topics

Creating Forest Habitat for Flying Squirrels

The Japanese giant flying squirrel is endemic to Japan, but destruction of *satoyama* environments has caused the population to decline nationwide. Because flying squirrels can nest in human-installed nest boxes as well as natural tree hollows, they are relatively easy to observe.

In the Forest of Toyota, we have continued to take various actions to help flying squirrels, such as conducting ecological surveys of the flying squirrels inhabiting the forest, creating forests for the purpose of conservation and observation, and holding observation tours for the general public. In a new effort in January 2015, we held a symposium

on flying squirrels. Through expert lectures and field work, the symposium provided a precious mutual learning opportunity for us and approximately 50 interested people gathered from around the country.



Flying squirrels use a nest box

Toyota Shirakawa-Go Eco-Institute: Valuing Nature's Wisdom, Expanding Environmental Programs Rooted in the Community

Japan | Toyota Motor Corporation

Overview

In collaboration with Shirakawa Village and environmental NPOs, the Toyota Shirakawa-Go Eco-Institute opened in 2005 in the world heritage site of Shirakawa-Go, with the aim of providing opportunities for many people to gain a deeper understanding of the environment. With the focus on promoting harmonious coexistence with nature and local communities, the institute is enhancing and widely promoting locally-based environmental programs. Under the slogan, "Trail walking for adults. Kids grow stronger in the forest," visitors learn the importance of nature through seasonal hands-on environmental education programs that both adults and children can enjoy.

Achievements

In 2015, a commemorative ceremony was held to mark the 10th anniversary of its opening.
In March 2016, the Institute received an honorable mention for the FY2015 Youth Activities sponsored by the Japanese Ministry of Education, Culture, Sports, Science and Technology. Cumulative number of visitors: approximately 170,000



An honorable mention received for the Children's Camp



Presentation of a letter for a Prius to be donated at the 10th Anniversary Ceremony

Please see page 92 for more information about the Forest of Toyota and the Toyota Shirakawa-Go Eco-Institute.

Web <https://toyota.eco-inst.jp/wp-content/themes/Avada-Child-Theme/Avada-Child-Theme/pdf/english.pdf>

"Toyomori" Human Development Program: Project to Restore the Relationship between Cities and Rural Areas

Japan Toyota Motor Corporation

Overview

"Toyomori" is a local community development project that was started through the joint efforts of Toyota City, the NPO Support Center for Sustainable Regional Design, and Toyota Motor Corporation. The project began the "Toyomori Nariwai Juku" human resource development course in 2009, focused on rural areas of Japan. Participants carry out fieldwork and coursework to learn about forestry resources, food, agriculture, as well as arts and culture, searching for sustainable lifestyles that suit them. In May 2016, 30 sixth-term students selected through public applications entered the program and began a year of activities. Among the participants who have completed the course work, some have moved from cities to rural areas, and others live in cities but commute to rural areas to participate in local activities. The combination of these activities has become a force that supports rural areas.

Achievements

In November 2013, the program won the Selection Committee Chairman's Prize of the Alright! Nippon Awards.

In April 2014, the program was selected as a corporate category finalist of the Second Nikkei Social Initiative Award.

Cumulative number of people who have completed course work in the Toyomori project: 117



Fieldwork in the Toyomori project



Group discussion in the Toyomori project

Toyota Mie Miyagawa Forest Project: Creating Healthy Forests and Using Lumber Resources

Japan Toyota Motor Corporation

Overview

Large numbers of cedar and cypress trees were planted in forests during the post-war period. Due to the decline of the domestic forestry industry, however, many forests were abandoned without maintenance, and now are overgrown. Toyota acquired 1,702 hectares of mountainous forest in Odai Town, Taki District, Mie Prefecture, in 2007 and began restoring the forest. The Toyota Mie Miyagawa Forest was also excessively dense, so work began with an emphasis on thinning. The aim was to create a forest with public functions such as water-source conservation. Furthermore, to make timber production more efficient, we are taking various steps including maintenance cost reduction and forest management based on accurate resource data. Utilizing the now well-maintained forest, we offer hands-on learning programs. We also utilize the lumber produced from this forest in the Toyota Kaikan Museum for display stands.

* FSC: A nonprofit international membership organization that operates the Forest Certification System, established by environmental groups, forestry companies, groups of native peoples, etc.

Achievements

Toyota Mie Miyagawa Forest obtained Forest Stewardship Council® (FSC)* certification in 2010.

Toyota has joined with a local NPO to hold hands-on programs called "Wooday" since 2014.

In 2015, Toyota offered a forest work study to the students of Subaru Gakuen High School in Mie Prefecture.



Hiking, logging observation, and log cutting experience (students from Subaru Gakuen High School)



Use of lumber at the Toyota Kaikan Museum

Please see page 90 for more information about the Toyota Mie Miyagawa Forest.

Toyota Environmental Activities Grant Program: Supporting Practical Activities Related to Global Warming Countermeasures and Biodiversity Conservation

Japan Toyota Motor Corporation

Overview

The United Nations Environment Programme (UNEP) has created the Global 500 Award to recognize and honor individuals and organizations that have demonstrated their contribution to protect or improve the environment toward the goal of sustainable development. Toyota received a Global 500 Award in 1999, in recognition of the effect of the world's first mass-produced, mass-marketed hybrid vehicle, the Toyota Prius, as well as the implementation of our Environmental Management System and our active disclosure of environmental information. After receiving the award, Toyota began to solicit environmental activity proposals from non-profit organizations and other groups in FY2000. Toyota provides subsidies for selected project proposals that contribute to the development of the next generation of human resources, who will be responsible for environmental preservation in the future, and offer practical solutions to environmental issues.

Achievements

Total number of projects supported: 304 (in 53 countries and regions worldwide)



Wild chimpanzees in Bossou



Tree planting using hexatubes (seedling protectors)

Conserving chimpanzee populations by reforesting the savannah between Bossou and the Nimba Mountains (Grant recipient: Green Corridor)

Please see page 89 for more information about the Toyota Environmental Activities Grant Program.

Aqua Social FES (ASF): Global Environmental Protection and Preservation Public Initiatives with a Focus on Water

Japan

Toyota Marketing Japan (TMJ), Toyota dealers throughout Japan, and local newspapers

Overview

Since 2012, Toyota has been undertaking water-themed initiatives toward regional environmental protection and preservation throughout Japan, with the participation of the general public. A variety of activities, such as beach and river clean-ups, releasing juvenile fish, growing rice in satoyama without the use of agricultural chemicals, and planting broadleaf trees are planned and carried out in each area through collaboration among TMJ, regional Toyota dealers, NPOs, and local newspapers. A growing number of voluntary activities are also being held in collaboration with companies and dealers, using universities as operational headquarters. Furthermore, the social ripple effects generated by ASF can be clearly seen. For example, some local universities have certified the ASF as a program eligible for academic credit, while some prefectural governments are budgeting for environmental restoration expenses in response to ASF activities.

Achievements

Total number of times ASF was held: 445 (in 47 prefectures)

Total number of participants: 45,608 (average age of 26.1 years)



Clean-up of beaches, seawalls, and surrounding areas in Okinawa



Let's make a beach where fish can live in front of Aomori Station!

Please see page 44 for more information about Aqua Social FES.

Toyopet Fureai Green Campaign: Initiative to Create Lush Green Towns, Carried Out Jointly with Toyopet Dealers Nationwide

Japan

Toyopet dealers throughout Japan, Toyota Motor Corporation

Overview

With the goal of building lush green towns, and sponsored by the National Land Afforestation Promotion Organization, the Toyopet Fureai Green Campaign has been held every year since 1976 as a regionally rooted social contribution activity, and marked its 40th year in 2015. A variety of afforestation activities are carried out annually, based on the wishes of local governments and communities. For example, Toyopet dealers throughout Japan have donated three types of seedlings to each local government, including the Fukushima cherry (a Somei-Yoshino cherry tree produced in Fukushima Prefecture), as well as unique environment-enhancing plants developed by Toyota to possess a high level of air-cleaning ability. Additionally, through cooperation from Japan Inter Culture, Miss International Japan attends the presentation and tree-planting ceremonies held throughout Japan.

Achievements

Total number of trees planted: Approximately 400,000



Hybrid Green Project, in which a number of seedlings equaling the number of hybrid vehicles purchased are donated to the local government (Ehime Toyopet)



Tree planting with four children representing the Tamamura-cho No. 3 Preschool (Gunma Toyopet)

Focus



Environmental Learning at the New Toyota R&D Center: Surveying Wasps with Local Junior High School Students

Japan

Toyota Motor Corporation

At the site of its new R&D facility being constructed in a hilly and mountainous area on the boundary between Toyota City and Okazaki City in Aichi Prefecture, Toyota is rejuvenating the satoyama environment, which had been deserted and left to ruin. We are also surveying the flora and fauna there in order to protect them.

In FY2015, wasps were surveyed with local junior high school students. Wasps (*vespula* genera) are important prey for the crested honey buzzard, a rare bird of prey. Wasp pupae and larvae (locally called hebo) are also familiar to the people in the region who have traditionally harvested and eaten them. Using PET bottle traps as well as traditional hebo-catching methods, we were able to survey the wasp's ecology, recognizing anew the importance of nature in the region and the culture that has been nurtured there.



Junior high school students gingerly approaching wasps that have landed on set bait

Please see page 94 for more information about initiatives at the new Toyota R&D Center.

Toyota Costa dos Corais (Coral Coast) Project: Contributing to Conservation of Coastal Ecosystem

Brazil

Toyota do Brasil (TDB)

Overview

Costa dos Corais, the second largest protected area in the world at 413,000 hectares, was established in 1997 by the Brazilian government. However, preservation activities in the area have been insufficient and the ecosystem of the area is at risk.

In 2009, TDB formed the Toyota do Brasil Foundation (TBF), and since 2011, TBF has invested in the project to support the effective protection of the flora and fauna existing in this unique ecosystem. In 2014, TBF has started support activities to protect the manatee, the most endangered aquatic mammal in Brazil. In addition, the project promotes scholarships for students in the region, encourages scientific research and knowledge cultivation by local universities and invests in the empowerment of local communities towards the development of economic activities compatible with environmental conservation and preservation activities.

Achievements

In March 2016, the first manatee puppy was born in the natural environment from a female reintroduced in 2009 by the Manatee Program.



Manatees that have been returned to their natural habitat

Web <http://www.fundacaotoyotadobrasil.org.br/>

Stop Global Warming: Supporting Municipalities and School Students in Their Activities to Help Prevent Global Warming

Thailand

Toyota Motor Thailand (TMT)

Overview

Since 2005, TMT has worked with the environmental NGO, Thailand Environment Institute (TEI) to promote awareness of global warming and support sustainable global warming prevention activities. One related effort called "Stop Global Warming" is a contest targeting municipalities and school students. Local residents and school students who participate learn about the mechanisms behind global warming and its impact, as well as actions that can help mitigate it, such as trash reduction and recycling, energy conservation, tree planting, smart use of transportation and water conservation. They also implement measures they design by themselves.

Achievements

Total number of participating organizations: 596
210 Local Administration nationwide
266 Schools nationwide participated
120 Communities nationwide participated
Total number of projects: 2,902
Reduction in greenhouse gas emissions: More than 16,000 tons in CO₂ equivalent
TMT established global warming learning centers in three locations.



Students promoting activities in their school



Six organizations were awarded prizes for their excellent activities.

Web <http://www.toyota-sgw.net/>

Helping Prevent Desertification for 15 Years

China

Toyota Motor (China) Investment (TMCI), Toyota Motor Corporation (TMC)

Overview

China is facing the serious issue of desertification caused by overgrazing of livestock and other factors. Toyota has been conducting an initiative to stop desertification in Xiaobazi Township, Fengning Manchu Autonomous County, Hebei Province, since 2001 in collaboration with partners such as the Chinese Academy of Sciences. The initiative carries out countermeasures that address the causes of desertification and conducts tree planting to improve the lives of local residents. The initiative has also created a model of sustainable afforestation through related searches and trial and error efforts such as creating mechanisms for sustaining activities by residents even after support has ended. In 2011, management of the program was transferred to TMCI, which has been implementing new measures such as tree planting by employee volunteers in collaboration with local affiliates.

Achievements

Cumulative number of trees planted: Approximately 5 million
Cumulative land area planted: More than 3,500 hectares



Xiaobazi Township in 2000 before the start of the project



Xiaobazi Township in 2015

Web http://www.toyota-global.com/sustainability/social_contribution/environment/overseas/greendam/

Toyota China Youth Environmental Protection Aid Program: Backing Environmental Preservation Projects by Young People

China

Toyota Motor (China) Investment (TMCI), Toyota Motor Corporation (TMC)

Overview

TMC launched the Toyota China Youth Environmental Protection Aid Program with the Central Committee of the Communist Youth League of China and the All-China Youth Federation in 2005. Management of the program was transferred to TMCI in 2008. Proposals for environmental preservation activities are solicited from youth throughout China, and following a screening, support is provided to the selected proposals. The program provides financial support to outstanding ideas and a forum for interaction with other project participants. In addition, exceptional groups and individuals are invited to attend training in Japan. The Power of Seeds Environmental Preservation Program, which facilitates participation by the general public, was launched in 2013. Ideas that lead to environmental preservation are collected on a website.

Achievements

Cumulative subsidies granted: 31.4 million renminbi
Cumulative number of participants: More than 50 million
Cumulative number of projects receiving subsidies: 91
Cumulative number of organizations and individuals receiving commendations: 125



Appealing to pedestrians to comply with traffic signals in order to reduce emissions by mitigating traffic congestion



Winners are invited to attend tours of environmental preservation facilities and other programs (training in Japan in 2015)

[Web](http://www.toyota-global.com/sustainability/social_contribution/environment/overseas/env_youth/) http://www.toyota-global.com/sustainability/social_contribution/environment/overseas/env_youth/

Smart Eco-drive Project: Support for Eco-drive and Traffic Safety Campaign by University Students

South Korea

Toyota Motor Korea (TMKR)

Overview

In cooperation with the city of Seoul and the Korea Transportation Safety Authority, TMKR began the Smart Eco-drive campaign targeting university students to encourage eco-driving and traffic safety in 2015. Teams of university students who recently got their driver's licenses get to learn about environmental issues, safe driving manners, eco-driving techniques, and participate in the Toyota Driver's Communication (TDC), a hands-on experience that simulates drunk driving, the field of view of children, and elderly people. Then the teams plan and implement their own eco-driving and traffic safety campaigns.

Achievements

Number of participants in FY2015: 20 teams
Number of people communicated with directly by students: 13,167 people
Online publicity: 36,884 views



Five teams out of twenty were commended for outstanding activities



Students learning in an eco-driving

“Toyota Eco Youth” Project: Sustainable Environment Education Improvement Project Implemented by Junior and Senior High School Students and Local Communities

Malaysia, Indonesia

UMW Toyota Motor (UMWT), Toyota Motor Manufacturing Indonesia (TMMIN), Toyota-Astra Motor (TAM)

Overview

In 2001, UMWT started the Toyota Eco Youth project, targeting secondary schools in the surrounding area. In 2002, the project was expanded to the entire country. UMWT provides students the opportunity to gain environment-related knowledge and learn about Toyota's problem-solving methodology. The students work on environment improvement projects, such as electricity conservation and wastewater treatment within school grounds, and excellent schools are publicly recognized. In 2011, schools were required to work with their surrounding communities to solve environmental issues in their neighborhood. TMMIN and TAM started an Indonesian version of the program targeting senior high schools in 2005. Both the Malaysian and Indonesian governments have recognized the high educational value of these activities and are actively providing support.

Achievements

Malaysia (2001 to present): Total number of participants: About 2,267 people (students and teachers) from 209 schools
Indonesia (2005 to present): Total number of participants: About 52,000 people (students and teachers) from 1,100 schools



Malaysia: Participants giving an explanation of the recycling center



Indonesia: A student explaining about bricks made from wastes from religious ceremonies

[Web](http://www.toyotaecoyouth.com.my/) Malaysia: <http://www.toyotaecoyouth.com.my/> [Indonesia: <http://www.ecoyouthtoyota.id>](http://www.ecoyouthtoyota.id)

"The Great Plant Hunt" Biodiversity Education Programme

10 countries (Belgium, Germany, Italy, Spain, Denmark, Slovenia, Latvia, Turkey, Ireland, Poland)

Toyota Motor Europe (TME)

Overview

This program was jointly developed in November 2015 by TME and the Foundation of Environmental Education (FEE) through its partnership. The aim of the program is to focus on biodiversity with a particular emphasis on plants and their associated species. Already, many schools have been involved. Plants are an important part of many life cycles, supporting insects, birds, and mammals by providing food and habitats for nesting and shelter. The program includes educational aspects based on the FEE Educational Principles, and practical activities based on resources developed by the Royal Botanic Gardens, Kew.

Achievements

Primary schools initially involved in the programme: 308

Total number of teachers involved: Over 3,000

Total number of students involved: Over 34,000



Pictures drawn by students who have studied biodiversity around their school (Ireland)

Environmental Conservation at Office Sites and in the Areas Surrounding Them

Belgium

Toyota Motor Europe (TME)

Overview

From 2008 to 2013, a volunteer initiative called "Greenways Project" was conducted to collect trash and plant trees along 9 km of public roads from TME's Headquarters in Brussels to its Technical Center located in the suburbs.

From 2014, TME has also been carrying out initial research at the headquarters and technical center as part of initiatives to protect and promote biodiversity.

From 2015, "insect hotels" were set up at the sites and a biodiversity photography contest was held among TME employees.

Achievements

Volunteer activities: Around 800 TME employees and their family members have participated, collecting 6,650 liters of trash and planting 6,500 trees.

Biodiversity initiative: In 2014, a total of 200 species of plants, invertebrates, fungi, birds, and mammals were found at the sites. In 2015, insects were found living in the insect hotels.



The most popular picture in the biodiversity photography contest

[Web](http://www.ecoschools.global/the-great-plant-hunt/learn-more) <http://www.ecoschools.global/the-great-plant-hunt/learn-more>

Annual National Mayor's Challenge for Water Conservation: Toyota, Wyland Foundation Partner for Fifth Year to Increase Water Use Awareness

United States

Toyota Motor North America (TMNA)

Overview

TMNA has been supporting the Wyland Foundation's Annual National Mayor's Challenge for Water Conservation for five years. Residents who wish to participate in the challenge go to a website and pledge which actions they will take for water resource conservation, CO₂ emissions reduction, and so on. They can immediately discover the impact that each action will have over one year, leading to increasing environmental awareness. April, when Earth Day falls, is designated as a challenge month, and cities compete with each other on the basis of the percentage of residents who pledge. The participants of the city with the highest participation rate are entered into a prize draw to win environment-related prizes, with the grand prize being the new 2016 Toyota Prius.

Achievements

45,000 residents in all 50 U.S. states made 404,000 pledges to save a projected 1.9 billion gallons of water over the next year.



The major points at the City of Ventura (one of the 2016 winners) on a map

[Web](http://www.wylandfoundation.org/p/mayors) <http://www.wylandfoundation.org/p/mayors>, <http://www.mywaterpledge.com>

Traffic Safety

Basic Concept regarding Traffic Safety Measures

Toyota is addressing traffic safety through integration of people, cars, and the traffic environment with the aim of completely eliminating traffic casualties. As a part of these efforts, Toyota has been conducting educational activities since the 1960s, targeting people such as drivers and pedestrians, to raise awareness of traffic safety and has been continuously implementing various programs for a wide range of people. Such programs are also being implemented at overseas affiliates in recent years.

Activity Cases

Toyota Traffic Safety Campaign: Carrying Out Traffic Safety Activities in Spring and Autumn Together with Toyota Dealers and affiliated companies

Japan Toyota Motor Corporation, Toyota dealers and affiliated companies

Overview

Since 1969, Toyota has conducted the Toyota Traffic Safety Campaign every spring and autumn, cooperating with its dealers and affiliated companies and acting in concert with Japan's National Traffic Safety Campaigns. Toyota donates traffic safety picture books and story cards for children entering kindergartens and nursery schools nationwide. These educational materials show children the danger of running into the street, which is one of the major causes of traffic accidents involving young children, and help them learn to cross the street correctly. More recently, in response to the higher rates of road accidents during the late afternoon and early evening, Toyota is encouraging drivers to turn on their headlights early and pedestrians to wear reflectors so they can be more quickly noticed by drivers.



Traffic safety educational materials (picture books and story cards)

Achievements

Number of copies of traffic safety picture books issued in FY2015:
Approximately 2.55 million; Cumulative total: Approximately 133.69 million
Number of sets of traffic safety story cards issued in FY2015:
Approximately 48,000; Cumulative total: Approximately 1.47 million



Children with the mascot character "Cuccu" (Toyota Osaka Parts Distributor Co., Ltd.)

Topics

Certificate of Appreciation Received from the Japan Traffic Safety Association

In January 2016, at the 56th Central Convention of the Citizens Movement for Traffic Safety attended by Prince and Princess Akishino, Chairman Takashi Imai of the Japan Traffic Safety Association presented a certificate of appreciation to Toyota President Akio Toyoda. The certificate recognized Toyota's many years of work promoting traffic safety in a

variety of fields, including the production and distribution of traffic safety picture books and story cards designed to help prevent road accidents involving young children. This was the sixth certificate of appreciation received by Toyota, placing it at the highest position among all Japanese corporations in terms of the number of certificates received.



Certificate of appreciation presentation ceremony at the 56th Central Convention of the Citizens Movement for Traffic Safety



Chairman Imai presenting a certificate of appreciation to President Toyoda

Hands-on Traffic Safety Events: Pikkari Reflective Screen and Visual Field Learning Board

Japan

Toyota Motor Corporation

Overview

Aiming to provide traffic-safety educational programs that will take root in communities, Toyota collaborates with local government organizations, private companies, and Toyota dealers nationwide to present hands-on traffic safety events. These events offer hands-on programs using various tools, including the Pikkari Reflective Screen, which allows participants to clearly see the effectiveness of reflective materials and the differences in visibility of different colors, and the Visual Field Learning Board, which underlines the importance of looking both ways when using a crosswalk or driving. Having people of all ages try these tools is improving the traffic safety awareness of the general public.

Achievements

Number of times events were held in FY2015: 6

Cumulative number of times events were held: 81

Number of program participants in FY2015: 4,471

Cumulative number of program participants: Approximately 49,200



Pikkari Reflective Screen



Visual Field Learning Board

Topics

Small Presents Full of Children's Affection

On the Respect for the Aged Day in the autumn of 2015, Toyota held an event for children to craft reflective key chains as gifts for their grandparents at a venue called Tressa Yokohama. The main theme of this program was to improve traffic safety for the elderly during the late afternoon and early evening. To reduce the number of accidents involving elderly pedestrians, the program encouraged drivers to turn on their headlights early and pedestrians to wear reflectors.

At the venue, hands-on events were held to help participants learn about the effectiveness of reflective materials and the blind spots of bicyclists. Many children attended the main event of the program, which was the workshop for crafting reflective key chains.

Upon hearing an explanation about reflective materials and their effectiveness in preventing traffic accidents, the children quickly set out to craft reflective key chains with their own design. Grandparents who received the presents with personal hand-written messages were all smiles.



Kurapika Box for learning about using reflective materials for greater traffic safety



Children presenting their handmade reflective key chains with hearts full of gratitude.
Thrilled grandparents receiving the presents.

Toyota Safety School: Locally Established Traffic Safety Class for Young Children

Japan

Toyota Motor Corporation

Overview

The Toyota Safety School, which takes place every year at the Toyota Kaikan Museum and the Toyota Safety Education Center "mobilitas," invites children to attend from kindergartens and preschools located in Toyota City, Aichi Prefecture, and Toyota facilities in Shizuoka Prefecture. At the Toyota Kaikan Museum, participating children enjoy learning about traffic-safety rules through performances, traffic safety skits, quizzes and other events. At "mobilitas," a dedicated traffic safety facility, full-sized vehicles are used to re-create actual traffic environments to help educate children, along with their guardians, in positive habits such as how to cross at the crossing and the dangers of running into the street. These programs, which are designed to help children think about and develop the ability to notice dangers around them, have become well established as regular traffic safety promotion activities in the region.

Achievements

Cumulative total number of schools participated: 3,652

Cumulative number of participants: 259,135



Instruction from Anzen (Safety) Man
(Toyota Kaikan Museum)



How to cross the street ("mobilitas")

Toyota Driver Communication: Safe Driving Seminars Aimed at Raising Traffic Safety Awareness

Japan

Toyota Motor Corporation

Overview

Toyota has its own safe-driving program, which is conducted for drivers among the general public and at companies. The program, which includes actual driving, helps drivers to learn correct driving postures, how a vehicle moves, and how to use safety equipment. The drivers are also instructed about being more aware of their surroundings from a safety viewpoint.

The program was launched in 1987 with the goal of reducing the number of traffic accidents involving young drivers. Since then, both the target age groups and the venues have been extended, with programs now being held year-round at five sites, including Toyota Safety Education Center "mobilitas" (located at Fuji Speedway).

Achievements

Number of program participants in FY2015: Approximately 13,000

Cumulative number of program participants: Approximately 100,000

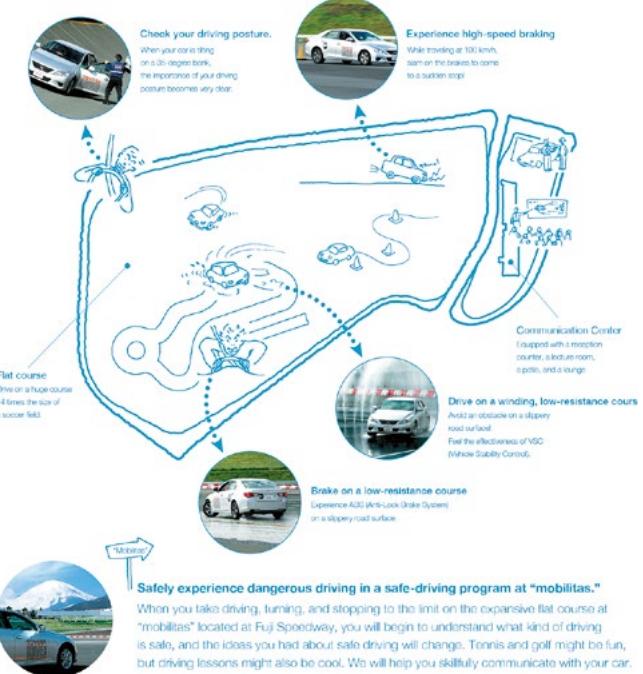


Toyota Safety Education Center "mobilitas"



The "mobilitas" program allows drivers to experience "dangerous" situations in a safe environment

Let's try these once.



Topics

Tenth anniversary of the Toyota Safety Education Center "mobilitas"

The Center, which opened in April 2005 at Fuji Speedway, features a variety of facilities for practicing a wide variety of safe driving techniques, including a 100,000-m² flat course, the largest of its kind in Japan, a 35-degree bank, and low-resistance courses (slippery road surfaces). The "mobilitas" marked its 10th anniversary in 2015.

Focus



Exciting Traffic Safety Club: Learning Traffic Safety Rules in Fun Shows Featuring Superheroes

Japan

Toyota Motor Hokkaido, Inc.

With the goal of raising the level of traffic safety awareness in the region, Toyota Motor Hokkaido has been holding the Toyota Hokkaido Exciting Traffic Safety Club, a traffic safety class, since FY2014 at kindergartens in Tomakomai City where the company is headquartered. The program uses a show format featuring two superheroes, Tomamoru Rider, the original mascot of the program, and Tomachop, the official mascot of Tomakomai City. The program teaches children in a fun way about the danger of running into the street and the meaning of traffic signals. At the end of the program, all the children practice correctly using a crosswalk.



Tomamoru Rider teaching children how to safely use a crosswalk

White Road Campaign: Nationwide Rollout of Traffic Safety Education Program for Children

Thailand | Toyota Motor Thailand (TMT)

Overview

TMT has promoted a traffic safety campaign called the White Road Project (implies "safe road" in Thai) since 1988. As part of this campaign, TMT has so far opened White Road Theme Parks where children can enjoy learning about traffic safety, a traffic safety education program that sends mascots to elementary schools nationwide, and a traffic safety campaign targeted at younger generations and new drivers in collaboration with Toyota dealers. TMT's activities are conducted with the cooperation of Thailand's Ministry of Education, Royal Thai Police, Ministry of Transport, and other organizations. Its long standing initiatives have been acclaimed by the Thai government.

Achievements

Total number of participating children: 2.469 million
Participation in FY2015: 199,230 people



At White Road Theme Park



Children having fun while learning about traffic safety



Traffic safety explanation for students



Dealer training

Web <http://www.toyota.co.th>

Toyota Safety Driving Training Program: Vietnam's First Safety Driving Instructors

Vietnam | Toyota Motor Vietnam, Co., Ltd. (TMV)

Overview

TMV and the Traffic Police of the Vietnamese Ministry of Public Security jointly conducted the Toyota Safety Driving Training Program to train instructors. In March 2016, a graduation ceremony was held for Vietnam's first eight safety driving instructors.

Advisors were sent from Toyota Motor Corporation to Vietnam and trained instructor candidates selected from Vietnam Traffic Police and TMV employees for an 18-month training period in order to develop their safe driving skills and safety mindset. Candidates who did not have their own cars used commercial vehicles for daily practices and gained the skills to achieve the targets. The instructors are expected to hold driving seminars and other programs to help reduce traffic accidents in Vietnam in the future.

Achievements

Total number of program held: 5 (August 2014—March 2016)



Graduation ceremony for safety driving instructors



Eight safety driving instructors

Traffic Safety Educational Activities through Hands-on Events, Social Media and Other Channels

China Toyota Motor (China) Investment (TMCI)

Overview

The rapid increase in car ownership in China has resulted in congestion, frequent traffic accidents, and other issues, especially in major cities. The need has therefore arisen for an improvement in traffic safety awareness and traffic etiquette among drivers and pedestrians. TMCI has responded since 2005 by organizing hands-on traffic safety events in Beijing, Shanghai, and other major cities. To bring its campaign to the attention of a larger audience, since 2014 TMCI has been creating stories, comic strips, and animated films illustrating simple lessons in traffic safety and traffic etiquette, which it posts on newly-created social networking sites and video-sharing websites. For children, the comic strips are issued in booklet form.

Achievements

Cumulative number of participants: Approximately 30,000

Cumulative number of views of animations: Approximately 240,000

Cumulative number of social network accesses: Approximately 70,000



A participant wearing "drunk goggles," which simulate intoxication

Children reading picture books

Support for Traffic Safety Activities by Toyota Community Foundation

Australia Toyota Motor Corporation Australia (TMCA)

Overview

The Toyota Community Foundation (TCF) was established in 2011 by TMCA to consolidate its social contribution activities. As part of its grant activities to support traffic safety, it has been a major partner of the non-profit organization Road Safety Education (RSE). Active since 2001, RSE works to contribute to the advancement of a safe traffic environment and the reduction of traffic accident casualties through initiatives such as practical and highly efficient workshops for teenagers. The workshop emphasizes that new drivers should have the right attitude and behavior in order to drive safely.

Achievements

Every year more than 50,000 high school students take part in a one-day hands-on experience program.



The one-day experience program



Students checking for tire wear

Web <http://www.rse.org.au/>

Driving Schools Opened in Collaboration with Dealers

India Toyota Kirloskar Motor (TKM)

Overview

TKM is collaborating with dealers to open a series of Toyota Driving Schools in India to promote compliance with traffic regulations, traffic safety, and eco-driving. The schools offer two programs designed to enable participants to drive with confidence in a safe and enjoyable manner. The Start Program helps beginners get accustomed to driving, while the Smart Program allows experienced drivers to refine their skills. A unique feature of this program is that overall evaluation and feedback are provided at each stage of the training.

Achievements

Our plan is to establish 50 driving schools across India by 2020.

We have launched four driving schools in India as of May 2016 (Kochi, Lucknow, Hyderabad, Chennai).

As of May 2016, 487 students were registered and 344 students had completed the course.



Simulator using a real car



Toyota Driving School logo

Safe Driving Education for Airport Taxi Drivers

India

Toyota Kirloskar Motor (TKM)

Overview

Every year in January, India holds a Road Safety Week in which a wide variety of educational activities take place nationwide. As part of this program, TKM held training sessions on providing basic safety driving training for airport taxi drivers. Health checkups and eye tests were also offered. Drivers requiring further testing were referred to hospitals and those found to have eyesight problems were issued eyeglasses free of charge.

Achievements

2015: Number of drivers receiving health checkups: 1,280

Number of drivers receiving free eyeglasses: 306

Number of drivers referred to hospitals: 4

Cumulative totals (Jan 2015 & Jan 2016)

Number of drivers receiving health checkups: 2,580

Number of drivers receiving free eyeglasses: 631;

Number of drivers referred to hospitals: 8



Taxi drivers taking blood tests



Eye tests in progress

Web <http://www.toyotabharat.com>

Traffic Safety Education for Children

Cambodia

Toyota (Cambodia) Co., Ltd. (TCAM)

Overview

Traffic accidents have become a hot concern in Cambodia. Seeing such tragedies, TCAM carefully considered how to help reduce the number of traffic accidents. In August and September 2014, TCAM organized a traffic safety program at the biggest shopping mall in the city, providing children with lectures from traffic safety specialists, animated films, an explanation of road signs from the traffic police, and games. In October 2015, TCAM continued carrying out this activity to spread more awareness to schoolchildren in Siem Reap and Battambang provinces. The main content of the program in these provinces mostly consisted of playing games to find out how to act on the road after the lecture.

Achievements

Number of events held in FY2014: 2;

Cumulative participants: 120

Number of events held in FY2015: 2;

Cumulative participants: 330



Children enjoying traffic games at a shopping mall



Students practicing traffic safety at school in Battambang

Activities to Raise Children's Traffic Safety Awareness

Turkey

Toyota Motor Manufacturing Turkey (TMMT)

Overview

To raise children's traffic safety awareness through early childhood education, TMMT has participated since 2005 in the National Traffic Safety Week event in Sakarya Province, where TMMT is headquartered.

A children's painting contest with a traffic safety theme has been helping raise children's traffic safety awareness and nurturing their creativity. Actively conducted by employee volunteers, TMMT has also been holding a Traffic Safety School since 2010, using animated films to teach second graders about traffic rules and proper seatbelt use. The class also includes a hands-on program where students experienced nighttime visibility.

Achievements

Total number of participants: More than 7,000



Children learning how to cross roads



Children learning road signs through games

TeenDrive365: Promoting Traffic Safety Education for Teens

United States | Toyota Motor North America (TMNA)

Overview

Automobile crashes are the leading cause of death for teenagers in the United States. The first year a teenager gets their driver's license is the most dangerous. Based on these facts, TMNA created TeenDrive365, a driving safety initiative that encourages teenagers to learn safe driving with the help of their families. TD365.com provides various resources and tools to spark discussion between teenagers and their parents. The Video Challenge encourages teenagers to create a video to promote safe driving. Viewers can learn the dangers that can occur during driving, and acquire the knowledge and skills necessary to avoid crashes.

Achievements

Number of video contest participants: Over 1,500
Number of website viewers: 432,049



Safe Driving Video Contests

Web <http://www.toyota.com/teendrive365/index.html>

Toyota and You Kids: Road Safety Education for Kids

Argentina | Toyota Argentina S.A. (TASA)

Overview

TASA has been conducting road safety activities as part of its CSR initiatives to support the development of local communities. "Toyota and You Kids" is a program for children aged five to nine years old to support their education in road safety. They can learn road signs and traffic signals through fun games, listen to instructive talks aimed at children, and play in a road safety theme park. The knowledge acquired through the program with their families is used in the children's everyday actions.

TASA will support the development of local communities through this program.

Achievements

Participants in 8th program: 1,360 schoolchildren in Baradero
Participants in 9th program: 1,050 children in Zárate
Participants in 10th program: 960 children in Campana
Cumulative participants: 11,500 children.

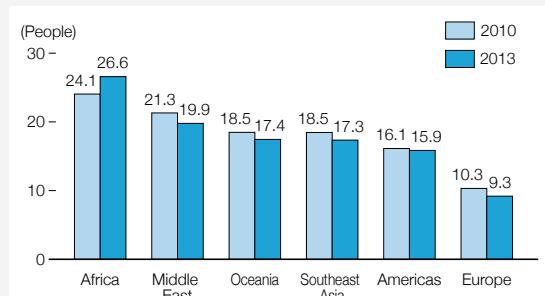


Kids learning road safety while playing at the theme park

Focus**Traffic Safety Education in Africa Where Issues Are Becoming Critical**

According to a 2013 World Health Organization (WHO) report, the number of traffic accident fatalities has been rising in Africa even as the numbers have been declining in other regions of the world. There are so many traffic accident fatalities in Africa that they account for one-fourth of the global total, and measures are being taken in African countries to reduce accidents.

Toyota began supporting the Global Road Safety Partnership (GRSP) in 2004, and since then has continuously worked to address key traffic issues including ensuring the safety of pedestrians in emerging nations, encouraging seatbelt use, and traffic safety education for children. Local Toyota distributors also conduct a variety of educational programs such as traffic safety campaigns in collaboration with regional governments, police and other organizations.

Fatalities per 100,000 People by Region

- The GRSP, established by the World Bank in 1999, is the most authoritative NGO addressing traffic safety issues in developing countries. It acts as a central pillar for promoting the United Nations Decade of Action for Road Safety 2011–2020.
- The GRSP has an annual budget of more than 7 million US dollars and is active in 36 emerging nations with a focus on building partnerships with a variety of organizations in the traffic safety sector.
- The GRSP has 31 members including international organizations (WHO, Asian Development Bank), civil society members (FIA foundation, Bloomberg Philanthropies), and companies (Shell, Nestlé).

Case Study 1: Safe Way Right Way Campaign in Uganda

Toyota Uganda Limited has been working to reduce traffic accidents on Uganda's highways as a member of the Safe Way Right Way Campaign steering committee.

In 2014, Toyota Uganda donated four speed monitoring laser cameras necessary for the traffic safety campaign to the Ministry of Works and Transport. The minister stated that the cameras were "extremely effective." A school zone campaign has also been launched in eastern Uganda. Toyota Uganda currently plans to set strategic targets for reducing the expected number of traffic accidents and to conduct a traffic safety campaign over the next three years.



A briefing at the speed control campaign opening ceremony

Case Study 2: Traffic Safety Partnership in Zambia

To support local traffic safety programs, Toyota Zambia Ltd. donates funds to the Global Road Safety Partnership Zambia (GRSPZ) through the Road Transport and Safety Agency. The funds were used to print traffic safety kits including a Traffic Safety Partnership Guide for Schools, Traffic Safety Toolkit for Members of Parliament, Traffic Safety Guide for Citizens, and Driver's Handbook.



Presentation ceremony for Toyota Zambia's donation to the GRSPZ

Case Study 3: Traffic Safety Campaign in Malawi

Toyota Malawi conducted a traffic safety campaign at Nansengwe Primary School in Blantyre District in collaboration with the South Malawi Police and the Malawi National Road Safety Council, which is under the authority of the National Roads Authority, in March 2014.

The traffic safety campaign, which was intended to raise awareness of traffic safety through a radio program, brought attention to the Road Traffic Law, the use of vehicles suitable for operation on roads, attentiveness by drivers, as well as giving heads-up to pedestrians and children going to and from school on roads. The campaign was conducted for three months.

Toyota Malawi also donated road crossing kits, megaphones, PCs, and other items to Nansengwe Primary School and built a pedestrian crossing.



A traffic safety kit donated to the Nansengwe Primary School

Education

Basic Concept regarding Education and Human Resource Development Programs

In the area of education and human resource development, Toyota provides support in occupational and educational areas and implements programs worldwide. These programs are designed to instill sensitivity and convey the importance of *monozukuri* to promote the development of the human resources who will become the leaders of tomorrow in accordance with our principle that “*Monozukuri* is about Developing People.”

Activity Cases

Scientific Jack-in-the-Box! Why/What Lectures: Spurring Interest in Science and Technology and Foster Dreams

Japan | Toyota Motor Corporation

Overview

Toyota has been addressing the problem of youth moving away from the sciences by holding a scientific workshop program for children every year since 1996. Interested members of the Toyota Engineering Society* serve as instructors of free lectures held at science and other museums and Toyota related facilities nationwide. The lecture curricula are all original Toyota programs designed from specialized fields such as vehicle aerodynamics and electric power recovery vehicles. The programs aim to elicit children's creative thinking as well as develop their interest in “making things.”

* A voluntary organization created to enhance the technical skills and talents of members, promote friendship and contribute to the development of technological fields in various business areas. There are approximately 30,000 members.

Achievements

So far, over 400 of these lectures have been held in 45 prefectures in Japan and some 30,500 children have participated.



Vehicle aerodynamics program



Electric power recovery vehicles program

Web http://www.toyota-global.com/sustainability/social_contribution/education/domestic/lecture/

Program for Hearing Impaired Children: Gaining Understanding of Cars and *Monozukuri* through Interaction with Employees

Japan | Toyota Motor Corporation

Overview

As a part of its community contribution activities undertaken for more than 40 years, Toyota cooperates with dealers to invite students of schools for the hearing impaired in Aichi, Mie, Gifu, and Shizuoka Prefectures to tour the Toyota Kaikan Museum and a plant. In this program, the students experience design first-hand and engage in other activities to deepen their understanding of cars and *monozukuri*. The program includes an explanation of work by Toyota employees who graduated from schools for the hearing impaired and the opportunity to make coloring sketches using the tools that designers use in their work. The aim of creating these opportunities is to foster interest in cars and dreams for the future.

Achievements

Number of students participating in FY2015: 80
Cumulative number of times program has been held: 43
Cumulative number of participants: Approximately 3,900



Students color sketches under the guidance of a designer

Career Experience Program: Nurturing Children's Dreams and Goals

Japan | Toyota Motor Corporation

Overview

As part of its career education initiatives, Toyota started holding these programs at the Toyota Kaikan Museum from 2014 with the aim of helping children consider the meaning of work. A variety of programs in which students can experience part of Toyota employees' work, such as development of the fuel cells mounted on the MIRAI, casting and other production technologies, and tours of exhibition areas have been developed. Employees take the role of instructors and convey to the students what is important about performing their work. At the conclusion of the program, the children receive their wages in virtual currency and eagerly spend it at a special shop operated by elementary school students, who also participate in the program.

Achievements

Number of students participating in FY2015: 84
Cumulative number of times program has been held: 3
Cumulative number of participants: 190



Tour of exhibit area



Fuel cell development

The Toyota First Experience Program: A Traveling Classroom Held at Elementary Schools in Cooperation with Nationwide Toyota Dealers

Japan

Toyota Motor Corporation, Toyota dealers nationwide

Overview

The Toyota First Experience Program is a traveling classroom held in collaboration with dealers in various regions of Japan that stimulates all five senses and promotes feelings of *Waku-doki* (excitement and exhilaration that wows you) in children through up-close experiences with cars. Targeting fourth and fifth graders, the program provides a fun, hands-on learning experience as part of science or social study classes. Actual vehicles are used to teach students about the workings of cars and their relationship to the environment and the economy. Each real hands-on experience is intended to create a deep impression on the children as one of their first experiences with cars.

Achievements

Number of schools where the class was held in FY2015: 426

Cumulative number of schools where class has been held: 2,376

Number of participants in FY2015: 20,803

Cumulative number of participants: approximately 120,000



Game-based learning about cars and the environment



A lesson on the structure of a car using an actual vehicle

Please see page 43 for more information about the Toyota First Experience Program.

Toyota Children Meet Artists Program: Workshop-style Classes that Enhance Sensitivity and Cultivate Dreams

Japan

Toyota Motor Corporation

Overview

This program was conducted over the 12 years from January 2004 to March 2016 throughout Japan in collaboration with NPOs in various regions with the objective of instilling sensitivity in and fostering the dreams of children who will lead the next generation, through interactions with artists. Dancers and contemporary artists visited schools, children's halls, hospitals, and other facilities and worked with teachers to create workshop-style classes that emphasized the learning process through hands-on activities during music, physical education, and integrated studies times.

The children learned about the thinking of others and came to recognize differences in values. In addition, the expression by the children stimulated the creativity of the artists.

Achievements

More than 87 workshops were held in 15 locations nationwide

Cumulative number of participants:

More than 8,000



Drawing Pictures with Dots and Lines: A workshop held at the Fukushima Prefectural Ishikawa School for Disabled Children

[Web](http://www.toyota-global.com/sustainability/social_contribution/education/domestic/artist/) http://www.toyota-global.com/sustainability/social_contribution/education/domestic/artist/

Automobile Technical Training Course for Brazilians in Japan—Supporting Employment after Returning to Brazil

Japan

Toyota Motor Corporation

Overview

This course was created at the Toyota Technical College Nagoya in 1999 as a part of Toyota's social contribution programs. It was created in response to Fernando Guimarães Reis in 1998, then the Brazilian Ambassador to Japan, who requested cooperation with the education of the children of Brazilian citizens living in Japan. The course is taught in Portuguese by Brazilian instructors and is tailored to local automotive conditions in Brazil. Many of the students who completed the program have returned to Brazil, where they use the knowledge and skills they acquired to contribute to the development of the automobile industry in their home country.

Achievements

Cumulative number of graduating students: 308



Students attending the course

Toyota Technological Institute: Cultivating International Industrial Leaders

Japan

Toyota Motor Corporation

Overview

Toyota Technological Institute (TTI) was established in 1981 with a founding philosophy of "Always be studious and creative, striving to stay ahead of the times" as stated in the precepts of Toyota founder Sakichi Toyoda. TTI trains highly creative engineers proficient in practical development skills through small-group instruction (one instructor to about 10 students) and a curriculum rich in experiments and hands-on training, maintaining a 100 percent student employment rate. In 2003, TTI collaborated with the University of Chicago to open the postgraduate-level Toyota Technological Institute at Chicago (TTI-C), which conducts research exchange in the field of information science and high-quality international education. In 2011, the institute started planning renewal of its campus with a target completion date of 2019.

Achievements

Cumulative number of general students who have gained employment: 864*
Cumulative number of adult students who have graduated: 1,471*

* In both cases, the total number of bachelor's and master's degrees



Toyota Technical Institute



Toyota Technological Institute at Chicago

Web <http://www.toyota-ti.ac.jp/english/>

Dream Class for the MIRAI (Future) in Toyota City: Athletes Communicate to Children the Importance of Teamwork and Having Dreams

Japan

Japan Football Association (JFA), Toyota City, Chukyo University, Toyota Motor Corporation

Overview

In FY2015, Toyota became a sponsor of the "Dream Class for the MIRAI (Future) in Toyota City," a part of the JFA Kokoro Project implemented jointly by the Japan Football Association and more than 130 local governments nationwide. Athletes belonging to Toyota Motor's sports teams along with athletes from the JFA and Chukyo University visit elementary schools as "dream teachers." They first conduct gymnasium-based activities such as playing games that set goals for all class members. Then, they give a lesson using a Dream Curve* to convey how wonderful it is to have a dream as well as the importance of effort and teamwork. Young Toyota employees are also sent to the schools to support the lessons as volunteers.

* A chart showing the ups and downs dream teachers faced in pursuing their dreams, how they overcame difficulties, and what they learned

Achievements

Lessons held in 51 classes at 22 elementary schools in Toyota City
20 Toyota athletes (from six athletics clubs) and 100 Toyota employees participated as volunteers.



The First Dream Class for the MIRAI (Future) in Toyota City



A class communicating the importance of having a dream

Focus



Hands-on Work Experience Event "Work and Apprenticeship Workshop" for Children

Japan

Tokyo Toyopet Motor Sales Co., Ltd.

In September 2015, Tokyo Toyopet held a hands-on work experience event for children called the "Work and Apprenticeship Workshop," in collaboration with the Yume Rakuza Project, which supports the development of dreams by the children who will lead the next generation. Tokyo Toyopet is the first car dealer to hold such a hands-on event. A hands-on vehicle maintenance class was held at the company's Shinonome Training Center, its training facility. The 30 participating children donned the same uniforms as engineers and experienced work such as removal and installation of a tire, lightbulb replacement, and bolt tightening while receiving instruction.



A girl listens attentively to an explanation by an engineer

Toyota Study Assistance Fund: Providing High-achieving Students with Wide-ranging Support

China

Toyota Motor (China) Investment (TMCI), Toyota Motor Corporation (TMC)

Overview

Toyota, TMCI, and the China Soong Ching Ling Foundation (CSCLF) jointly established the Toyota Study Assistance Fund in 2006 to support high-achieving Chinese students who face financial hurdles to entering university or pursuing graduate degrees. In addition to financial support, a summer camp program designed to enhance the student's autonomy and skills, support for student job-search activities, and other educational programs are provided and students are invited to travel to Japan to expand their perspectives. The program began with 20 universities (10 students from each university) and was expanded to 26 universities in 2014. To provide networking opportunities, an online community that includes students, graduates, CSCLF and Toyota was also established.

Achievements

Cumulative number of recipients: Approximately 2,600 planned (2006–2017)



The 2015 summer camp program



Exchange between Chinese and Japanese students during a trip to Japan in 2015

Web http://www.toyota-global.com/sustainability/social_contribution/education/overseas/edu_fund.html

Toyota Family Learning Program: Contributing to the Development of U.S. Society

United States

Toyota Motor North America (TMNA)

Overview

Since 1991, TMNA has committed to promote the Toyota Family Learning Program in partnership with the National Center for Families Learning (NCFL) across the United States. TMNA provides funding for the first three years of the program at each location. Based on this funding, cities and communities build their own local funding collaborations to sustain operation of their programs on a long-term basis. The basic tenet of the program is, in addition to helping the entire family learn English together, to address important societal issues, such as safety, environmental protection, finance, current education systems, traffic, and health that families learn together and take part in the community activities.

Achievements

Program locations: Over 280 locations in 56 cities in 31 states

Donations: Over 46 million dollars



Toyota Family Learning Program

Web <http://www.familieslearning.org/our-solutions/ncfl-toyota-partnership.html>

Toyota Teach: Supporting Enhanced Primary Education

South Africa

Toyota South Africa Motors (TSAM), Toyota South Africa Foundation (TSAF)

Overview

TSAM and TSAF are working to promote improved academic achievement among elementary school children in areas where the educational environment is poor, by helping improve and assist teachers' understanding of the curriculum policies. One of the aims of the program is to stay abreast of the latest trends and advances in education. Since 2005, the program has strengthened training on overall school operation, focusing on areas such as governance and human relations. In 2009, a whole school approach was implemented and the Toyota Teach Primary School Project operates in 10 schools in a four year cycle.

Achievements

Support provided to: About 418 schools, 1,818 teachers, and 220,317 pupils



Trainer visits a school to give guidance to measures of issues and check progress



Teachers attending a curriculum workshop

Society and Culture

Basic Concept regarding Social and Cultural Programs

In Japan, “society and culture” have been added to Toyota’s priority areas for global social contribution activities. Programs that make maximum use of Toyota’s know-how and resources are undertaken primarily in these two areas. In the area of culture, Toyota supports music, theater, and other programs with an emphasis on promoting local culture, supporting youth, and expanding perspectives. In the area of society, Toyota supports mecenat programs, social welfare, and independent lifestyles in order to promote communication and the pursuit of mutual benefit with local communities to create a society where diverse people respect and support each other.

Activity Cases

Support of Amateur Orchestras

Toyota Community Concerts, Toyota Youth Orchestra Camp, and the Toyota Music Library have supported the foundations of amateur orchestras in numerous regions throughout Japan for more than 30 years.

Membership in the Federation of Japan Amateur Orchestras Corp. has grown from 23 in the 1980s to 140 orchestras currently. The orchestras visit and hold concerts at social service facilities, hospitals, and remote islands which are difficult for professional orchestras to access, and their musicians have grown to become indispensable leaders of local culture.



Topics

Toyota Community Concert in Fukushima: Koriyama Expresses Recovery of Fukushima Through Music

The Toyota Community Concert in Fukushima Koriyama was held on November 8, 2015, some four years and eight months after the Great East Japan Earthquake. On this day, members of four amateur orchestras in Fukushima Prefecture including the Koriyama Civic Orchestra joined together with the heartfelt belief that music has the power to inspire and the desire to hold the concert to support Fukushima’s recovery. They were joined by a choir of high school students, and a total of 270 residents gave the performance of their dreams under the direction of Ken-ichiro Kobayashi, a renowned conductor who was born in Fukushima and is nicknamed “Koba-Ken of the flame.” The piece they selected to perform was Mahler’s Symphony No. 2, the Resurrection Symphony.

On the day of the performance, the venue was sold out despite some rain. The emotionally moving concert concluded with thunderous applause, a standing ovation, and loud cheering.

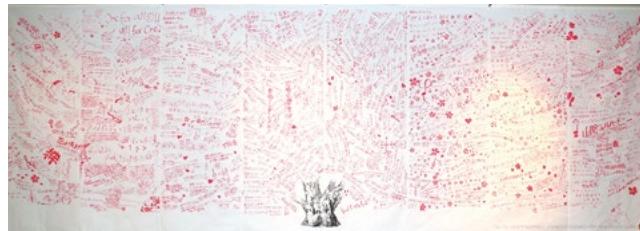
The day before the concert, a banner depicting cherry blossoms in full bloom sent by members of orchestras from throughout Japan was displayed in JR Koriyama Station. The banner was covered in messages expressing wishes for a successful performance and for the recovery of the Tohoku region.



The orchestra and choir of 270 residents came together for the performance



President Akio Toyoda writes a message on the banner



The banner depicts cherry blossoms in full bloom

Toyota Community Concerts: Local Concerts Promote Regional Culture Through Music

Japan

Toyota Motor Corporation, domestic sales companies

Overview

Toyota Community Concerts have been held since 1981 in collaboration with the Federation of Japan Amateur Orchestras Corp. to support concerts by amateur orchestras in various communities all over Japan with the aim of contributing to the promotion of regional culture through music. The performances are varied and include popular works and masterpieces of classical music as well as selections from opera, musicals, film scores, and anime songs. The concerts are enjoyed by all, from classical music aficionados to first time concert-goers.

Achievements

Cumulative number of performances: 1,550

Cumulative attendance: Approximately 1,256,000



A local mascot also appeared in the Toyota Community Concert in Iwanai (Hokkaido)



A five-year-old boy participates in a hands-on conducting workshop at the Senkawa no Mori Special Care Retirement Home

Web http://www.toyota-global.com/sustainability/social_contribution/society_and_culture/domestic/tcc/

Toyota Youth Orchestra Camp: Supporting Future Leaders of Local Culture

Japan

Toyota Motor Corporation

Overview

The Toyota Youth Orchestra Camp is a four-day music camp conducted each year since 1985 in collaboration with the Federation of Japan Amateur Orchestras Corp. to foster youth through music. Leading professional musicians are invited to serve as instructors, and participating youth who gather from around Japan are taught performance skills under the motto "operations through our own efforts." A feature of the camp is that the participants bring the experiences they gain back to their home communities and make use of them in their local orchestra activities. The camp is organized in two-year units, and at the end of the second year, the participants give performances to show the results. In 2015, 70 years after the end of the Second World War, the camp and performance were held for the first time in Okinawa.

Achievements

Cumulative number of participants: More than 5,500

Toyota received the Award Granted by the Commissioner for Cultural Affairs at the 2014 Mecenat Awards sponsored by the Association for Corporate Support of the Arts, Japan.



Masahiko Enkoji (Resident Conductor, Nagoya Philharmonic Orchestra) training students



Participants concentrate intently

Web http://www.toyota-global.com/sustainability/social_contribution/society_and_culture/domestic/tyoc/

Toyota Music Library

Japan

Toyota Motor Corporation

Overview

The Toyota Music Library, which lends sheet music, was established in 1986. The sheet music, which is essential to orchestra activities, is loaned free of charge for up to six months, and the music for multiple pieces can be simultaneously borrowed. All functions from searching the library to requesting sheet music can be performed online. The library is used by a wide range of groups from junior and senior high schools and universities to community orchestras.

Achievements

In 2016, 30 years after its establishment, the library updated its special-purpose website.



Sheet music available for loan



The website of the Toyota Music Library

Toyota Master Players, Wien: Providing Quality Time to Enjoy World-class Music

Japan

Toyota Motor Corporation

Overview

These concerts feature some 30 members of the world famous Vienna Philharmonic Orchestra and Vienna State Opera with the aim of providing fans with first-rate music at affordable prices, and to help nurture a rich spirit through music.

To further the appeal of the concerts, especially with younger people, several new programs were started in 2007. They include Welcome Seat (free invitations), open rehearsals, Fureai Concerts (concerts held at elementary schools) and more.

Achievements

Since the first concert in 2000, the program has been conducted 13 times.

Cumulative number of concerts: 95

Cumulative attendance: Approximately 160,000



Scene from the concert
© Ayumi Kakamu



Scene from a Fureai Concert
© Ayumi Kakamu

[Web](http://www.toyota-global.com/sustainability/social_contribution/society_and_culture/domestic/tomas/) http://www.toyota-global.com/sustainability/social_contribution/society_and_culture/domestic/tomas/

Toyota Lobby Concert: Concert at the Tokyo Head Office Building to Bring Good Music to Our Neighbors

Japan

Toyota Motor Corporation

Overview

Toyota holds concerts at its Tokyo Head Office building and invites local residents and people from nearby social service facilities. A diverse range of music is featured with the assistance of artists who share the concert's objectives. The events are managed mainly by employee volunteers working closely with the community.

Attendees are asked to bring used postage stamps and PET bottle caps, which the Toyota Volunteer Center collects to help fund education for children in Laos and Thailand and provide medical supplies to emerging countries.

Achievements

Held twice annually since 1995. Cumulative number of performances: 40

Cumulative number of participating artists: 194

Cumulative attendance: 15,000



Japanese drumming troupe Bonten performs at that 39th Lobby Concert



Shakuhachi bamboo flute player Masaki Nakamura at that 39th Lobby Concert

Percussionist Sayaka Nojiri

[Web](http://www.toyota-global.com/sustainability/social_contribution/society_and_culture/domestic/tlc/) http://www.toyota-global.com/sustainability/social_contribution/society_and_culture/domestic/tlc/

Toyota Choreography Award: Discovering and Nurturing the Next Generation of Choreographers

Japan

Toyota Motor Corporation

Overview

The Toyota Choreography Award was established in 2001 in collaboration with the Setagaya Public Theater. The award helps choreographers take their creations to the next level by focusing on highly creative next-generation dance that transcends genres and careers. The winner of the "Next-generation Choreography Award" is given the opportunity to present their work at the Setagaya Public Theatre in Tokyo and a residency program in Kanazawa (space for rehearsals and lodging while creating a new work is provided). In addition, Toyota has provided the gymnasium at the Head Office in Tokyo as a rehearsal room free of charge since 1999 in response to comments that it can be difficult for choreographers to secure workspaces.

Achievements

The event has been held nine times to date, and a total of 64 groups (73 people) have been selected as finalists.

This program was recognized for its originality and won the 2003 Mecenat Award sponsored by the Association for Corporate Support of the Arts, Japan.



2014
Mikiko Kawamura, winner of the Choreographer of the Next Generation Grand Prize and the Audience Award in 2014
© bozzo

[Web http://www.toyota-global.com/sustainability/social_contribution/society_and_culture/domestic/tca/](http://www.toyota-global.com/sustainability/social_contribution/society_and_culture/domestic/tca/)

Net TAM: An Arts Management Information Site that Supports People Involved in the Arts

Japan

Toyota Motor Corporation

Overview

Net TAM, a comprehensive arts management information site, was established in 2004 in collaboration with the Association for Corporate Support of the Arts, Japan to support the development of the foundations of arts and culture throughout Japan and foster human resources involved in the arts and culture. The site receives approximately 430,000 page views each month from its diverse user base ranging from future art students to those at the forefront of the arts. Net TAM provides a wide range of useful information, including an archive of Toyota Arts Management programs which were held over the eight-year period from 1996, as well as columns, job listings, collections of web links, lists of reference works, and bulletin boards. Those who are directly involved in the arts can pass on information about the arts from a variety of perspectives.

Achievements

In 2013, Toyota's activities to support people involved in the arts were commended, and this program received the Prize of the Mecenat Awards.

The site was completely overhauled in 2014, 10 years after its initial establishment.



The Net TAM site

[Web http://www.nettam.jp/en/](http://www.nettam.jp/en/)

Focus



Toyota Motor Kyushu TPS Improvement Study Meeting Enhances *Monozukuri* (Manufacturing) of Local Companies

Japan

Toyota Motor Kyushu, Inc.

Industry, academia, and government in Fukuoka Prefecture collaborate with the aim of creating advanced production sites that integrate all processes from development to production. As a part of those efforts, Toyota Motor Kyushu held the Toyota Motor Kyushu TPS Improvement Study Meeting taught by experts. At the study meeting, active support was provided for using improvement methods based on the Toyota Production System (TPS) to identify various issues, reduce waste, and raise *monozukuri* (manufacturing) through *genchi genbutsu* (on-site hands-on experiences). In response to requests from participating companies, individual support is being provided for implementation.



A study session

Sharing the Toyota Production System (TPS) to Help Others Do More with Less and Maximize Impact

United States

Toyota Production System Support Center (TSSC)

Overview

In 1992, TSSC was founded in Lexington, Kentucky, to "contribute to society by sharing TPS and help strengthen manufacturing in North America." Not limited to Toyota suppliers, TSSC shares TPS knowhow with North American manufacturers, nonprofit organizations, and government entities that have a true desire to learn and adapt TPS as a way to improve their operations and better serve customers. In April 2011, TSSC became a not-for-profit corporation, and it is actively making efforts to support more public service and nonprofit organizations.

In healthcare, TSSC has helped reduce wait times at emergency rooms as well as inventory in stock rooms. It has also expanded its support of nonprofit organizations in areas such as hunger relief, disaster recovery, education, social services and the arts.

Achievements

Number of companies and organizations supported by TSSC: Over 314 companies and organizations

(e.g.) Food Bank For New York City reduced wait time: 1.5 hours to 18 minutes

Number of workshop participants: More than 4,300 people



Food Bank For New York City

- Before: Seats went unfilled while multiple people waited outside the soup kitchen.
- After: All seats filled thanks to the one by one seating approach and support of a volunteer "point person."

[Web](http://www.tssc.com/) <http://www.tssc.com/>

Application of the Toyota Production System (TPS) to Improve Small and Medium-sized Enterprises and Nonprofit Organizations

Australia

Toyota Production System Support Center Australia (TSSC-AU)

Overview

Following the decision to close its plant at the end of 2017, Toyota Motor Corporation Australia (TMCA) has been looking for ways to contribute to the local community outside its main business. Thus, TMCA established TSSC-AU, modeled after TSSC activities in the United States. TSSC-AU members, who had previously been supporting Toyota suppliers as part of the TMCA Procurement Department, have now successfully shortened the time required for filling prescription drugs at pharmacies and the wait time for cancer patients at treatment centers. Although the Center has just been established, its members are very motivated, hoping to utilize the knowhow they have accumulated through 50 years of manufacturing for the betterment of the community.

Achievements

Reduced patient waiting times in a cancer treatment center by up to 56 percent.

Reduced time required for filling prescription medication by up to 85 percent.



TMCA members share TPS concepts with Northern Health Senior Executives in the plant



TMCA and St Vincent's Hospital members working together to solve problems in the hospital pharmacy

Contributing to saving lives: Sharing Toyota Production System (TPS) to Improve Hospital Operation

Brazil

Toyota do Brasil (TDB)

Overview

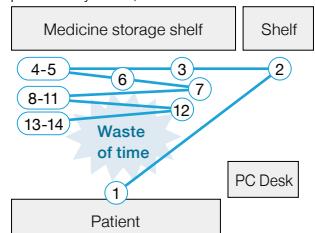
With request for support from the city of São Paulo, which has many Japanese communities, TDB started the operation improvement of Santa Cruz Hospital with the hospital staff in 2015. After investigating the layout and flow of processes in the emergency room, they noticed many issues that could be improved, such as staff wasting time going back and forth to the same place while preparing medication. They decided to change the layout, putting higher demand medication in the immediate vicinity, which led to improvements in patient waiting times. The hospital intends to apply the TPS they have learned to other services such as orthopedic attendance in order to continue the improvement of operations. Improving the hospital allows them to save more lives.

Achievements

Reduced patient waiting time: 20 percent decrease compared to before application of TPS

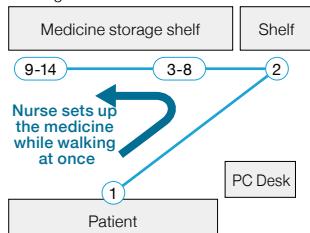
Before

The nurse set up a variety of medicines while going back and forth at the same place many times, and much waste occurs.



After

The sequence position of medicine to be changed per work order in order to reduce wasting time.



Supporting Free Surgery Project

Venezuela

Toyota de Venezuela (TDV), local Toyota dealer associations, Toyota Services de Venezuela (here after collectively "Toyota")

Overview

A project in Venezuela called "Rotaplast" provides free surgeries to people suffering from cleft lip and palate anomalies. Surgeons from all over the world come to Venezuela and perform surgeries at a hospital in Cumaná, the capital of the state of Sucre where the TDV plant is located.

Although many volunteers also take part in the project, inviting surgeons from all over the world requires financial support. Since 2010, Toyota has been assisting the program's activities through financial support and the participation of employee volunteers. In the future, TDV plans to strengthen its collaboration with the Toyota affiliates, the local Rotary Club, and the city government in supporting the program.

Achievements

Patients in 2015: 248 patients came to the hospital, 95 patients required surgery and a total of 100 surgeries were performed

Number of Toyota volunteers: 415 volunteers



Volunteer communicating with patient



Smiling patient with employee volunteers

Web <http://rotaplast.org/all/missions/2015-cumana/>

MEDICAL & DENTAL OUTREACH PROGRAM: Providing Annual Medical and Dental Service in Impoverished Areas

Philippines

Toyota Motor Philippines Foundation (TMPF)

Overview

In cooperation with medical hospitals, dental associations, pharmaceutical companies, and local governments, TMPF began a project in 1992 providing annual medical and dental care to local residents who would otherwise have no access to healthcare. TMPF finances the project and TMPF partner institutions provide free medical and dental services and free medicine. Around 250 volunteers, made up of Toyota employees and scholars; doctors and nurses; dentists, and pharmaceutical staff actively participate in the project. Three diagnostic vans offered by TMPF provide vital services such as X-rays, mammograms and various laboratory tests. Minor surgeries are sometimes performed on patients, while those with acute illnesses are referred to area hospitals.

Achievements

Total number of patients examined since 1992: More than 101,000.



A baby having blood taken by volunteer doctor



Volunteer dentist removing a boy's tooth

Web <http://www.toyota.com.ph/toyota-motors-philippines-car-brand.php>

Natural Disaster Relief in Japan and Overseas

Japan and Overseas

Toyota Motor Corporation

Overview

When a major disaster occurs, TMC undertakes recovery activities with protecting human life and recovery of the affected area as its highest priorities. Toyota accurately assesses the damage in the affected region and responds as quickly as possible, providing vehicles to support disaster relief efforts and making donations to relief organizations such as the Japan Red Cross, Central Community Chest of Japan and Japan Platform.

Activities in FY2014–2015

Earthquake in Yunnan Province, China in August 2014:

Total of 8 million renminbi
(Total from TMC, TMCI, Guangzhou Automobile Group Co., Ltd. and China FAW Group Corporation)

Damage from torrential rain in western Japan in August 2014:

10 million yen

Damage from Cyclone Pam in Vanuatu in March 2015: 3 million yen

Earthquake in Nepal in April 2015: Total of 10 million yen
(Total from TMC and Toyota Tsusho Corporation)

Supporting Employees' Volunteer Activities

Basic Concepts regarding Support for Volunteerism

Toyota supports employees' participation in volunteer activities undertaken on their own initiative and seeks to establish communities where people support one another. In Japan, Toyota works with relevant parties to plan and conduct programs that address various issues surrounding communities in four key fields: environment, disaster relief, social welfare, and sports. Toyota also internally disseminates volunteer information from outside organizations.

Activity Cases

Toyota Volunteer Center: Supporting Volunteer Activities that Provide Opportunities for Employees to Address Community Issues

Japan Toyota Motor Corporation

Overview

The Toyota Volunteer Center was established within the company in 1993, and works with all plants and offices to support volunteer activities targeting employees (including their family members and retirees). The center encourages the many employees who say, "I am interested in volunteering, but have no chance to get involved," to participate in its original programs and other activities held by local organizations. It also issues a newsletter that provides a broad overview of employee volunteer activities.

Achievements

Approximately 20,000 Toyota employees participate in volunteer activities every year. The center incorporates volunteer experiences into training, targeting new hires and young employees.



Volunteers cleaning wheelchairs at a hospital

"Table For Two" Program to Support School Lunches in Africa

Japan Toyota Motor Corporation

Overview

In a move to support hunger relief efforts in Africa and promote healthy eating among employees at the same time, Toyota began assisting the "Table For Two" program run by the authorized NPO "Table For Two International" in June 2011. Each time an employee orders a reduced-calorie lunch in one of the company cafeterias on Wednesdays, a total of 20 yen (10 yen from the employee and 10 yen from the company) is donated to provide one school lunch to a child in Africa. This program provides a casual opportunity for employees to take part in a social contribution activity and helps boost their volunteer-related awareness.

Achievements

Introduction of the program into the cafeterias of all plants and offices was completed in May 2015. The total donation in FY2015 amounted to approximately 3.4 million yen (equivalent to approximately 170,000 school lunches). The cumulative total donation since FY2011 amounts to approximately 12.26 million yen.



Having meals at a company cafeteria to help provide school lunches to children in Africa

[Web](http://usa.tablefor2.org/home) <http://usa.tablefor2.org/home>

Volunteering to Preserve Loggerhead Turtle Spawning Beach: Employees Nurturing a Precious Ecosystem

Japan Toyota Motor Corporation

Overview

Omotehama beach on the Atsumi Peninsula in Aichi Prefecture is known as a haven for spawning loggerhead turtles, but has suffered increasing erosion due to factors such as a decrease in the amount of earth and sand deposited by the Tenryu River. Its ecosystem is now in jeopardy. Once a year since 2011, employees from the Tahara Plant located close to the beach and the Head Office have turned out with their families to work in cooperation with Omotehama Network, a local NPO, and Akabane Juku, building hedges out of bamboo to serve as windbreaks and reduce erosion. They also clean the beach in preparation for the loggerhead turtles' arrival for spawning, beginning in May.

Achievements

Between FY2011 and FY2015, 611 people from the Head Office and the Tahara Plant participated. In April 2016, 164 participants worked on the project.



Using bamboo sticks to prevent sand from blowing away, re-creating a beach suitable for loggerhead turtle spawning

Thinning of Planted Forests by Volunteers: Initiative to Develop Rich and Beautiful Forests

Japan

Toyota Motor Corporation

Overview

Committed to conserving local forests, volunteers first gathered in Asuke Town, Toyota City, Aichi Prefecture, in 2000 to begin forest maintenance activities such as cutting underbrush and pruning. Since then, their activities have expanded. In 2008, the internal volunteer circle "Forest Keepers" was established and made an agreement with Toyota City to work on forestry activities in city-owned forests. Thinning operations that keep forests in a healthy condition also immerse the participants in nature and contribute to their health and well-being. Another initiative, a woodcraft workshop utilizing timber from forest thinning, has been conducted for local residents.

Achievements

In FY2015, a total of 511 people participated in 71 volunteer events, thinning 634 trees in planted forests.

Since 2008, a cumulative total of 3,976 people have participated in 390 volunteer events, thinning 5,943 trees in planted forests.



Thinning trees to create a healthy forest,
giving utmost attention to safety



Children who attended the woodcraft workshop

Promoting Community Contribution through Volunteer Activities with "Team Toyota"

United States

Toyota Motor North America (TMNA)

Overview

Since the establishment of the first Toyota manufacturing facilities more than 30 years ago, TMNA has promoted volunteer activities among team members and their families and friends. Executives also participate in volunteer activities, making the company-wide volunteer initiative to contribute to local communities.

TMNA's volunteer recognition program includes the Team Member Donation Program from which each team member can designate Toyota funding to charitable organizations of their choice, based on the number of volunteer hours performed by the team member during the year. Another recognition program acknowledges "top volunteers" each year. Team members who have had a special impact on the local community are selected as "Community Star (volunteers of the year)." The company honors these volunteers through donations directly to the organizations for which these team members volunteer.

Achievements

A result of TEMA* (2015)

Team Toyota Volunteer Program: More than 400 team members volunteered for a total of 10,000 hours

Donation by company: 57,000 dollars to local charitable organizations designated by TEMA team members

Top Volunteers: 18,000 dollars awarded to local agencies

* TEMA: Toyota Motor Engineering and Manufacturing North America



Volunteers planting vegetation



TEMA Volunteer of the Year, Terence Proctor, Information Systems Manager

Volunteer Activities at "Anna House" Homeless Support Center

South Korea

Toyota Motor Korea (TMKR), Lexus dealers

Overview

Since 2005, employees of TMKR have been participating in volunteer programs at Anna House, a facility in suburban Seoul that assists homeless people. Volunteering activities are done once or twice on a monthly basis, mainly dealing with providing free meals to approximately 450 homeless people who visit Anna House on a daily basis. Dealers in other regions are also participating in similar volunteer activities at local facilities. Homelessness support organizations praise the enthusiasm of the volunteers from Toyota.

Achievements

Cumulative number of meals provided:

Approximately 76,000

Cumulative number of TMKR volunteers: 2,835



Employees participating in volunteer activities
Hand-made kimchi is donated to Anna House

Focus

Volunteer Support for the Special Olympics

Toyota supports the Special Olympics by dispatching employee volunteers and through other means.

2015 Special Olympics World Summer Games (Los Angeles)

Overview of event

Event period	July 25–August 2, 2015
Number of participants	543,500 participants from 165 countries and regions
Number of events	25 (Japanese athletes participated in 11 events)

Overview of Event and Details of Support

More than 8,000 athletes from 165 countries participated in the 2015 Special Olympics World Games held in the United States, the birthplace of the Special Olympics. Fierce competition unfolded with the support of many volunteers.

As an official sponsor, Toyota donated five million dollars, provided 400 vehicles, and supported the event through various other means. Participating employee volunteers supported the games through various means including working at the reception desk, providing logistical support at events, and serving as drivers between event venues.



Employee Volunteers **700** persons

2016 Special Olympics Nippon National Winter Games in Niigata

Overview of event

Event period	February 12–14, 2016
Number of participants	24,610
Number of events	7

Overview of Event and Details of Support

The Niigata Games were also held as the trials for selecting the Japanese athletes who will compete in the World Games to be held in Austria in 2017. More than 600 athletes from around Japan and numerous volunteers and athlete family members worked together to support the athletes.

Toyota entered into a national partner agreement with Special Olympics Nippon in January 2016 and provided comprehensive support to the Niigata Games.

Toyota dispatched employee volunteers (including members of company sports clubs) to assist with operations and leadership at competitions and other events. PR activities and support tours were also held at sales branches in Niigata to further raise excitement for the Games.



Employee volunteers and supporters **112**

Comment from an Employee Volunteer at the Niigata Games

Keita Kinoshita, Design Quality Innovation Division

I thought it would be much more difficult to have direct contact with individuals with mental disabilities, but I was amazed at the sense of communication that was achieved simply by high-fiving the athletes who had completed an intense competition. The athletes that I met again at the award ceremony hugged me and their families spoke to me, and I was unexpectedly moved to tears.



Guiding an athlete to the winners' podium (Keita Kinoshita is second from the left)

Please see page 30 and 59 for more information about the Special Olympics.

Cultural and Exhibit Facilities

Basic Concepts regarding Cultural and Exhibit Facilities

The ideas of contributing to society through manufacturing and leading the times through research and creativity represent the passion of our predecessors and have been passed on to the Toyota of today. To create an enriching future for people and cars, Toyota puts considerable effort into preserving its founding spirit and concepts in the form of an automotive and manufacturing culture.

Activity Cases

Toyota Kuragaike Commemorative Hall: Introducing the History of Toyota and the Dreams of the People who Supported its Founding

Japan Toyota Motor Corporation

Established: September 1974

Overview

Photos, videos, dioramas, and actual vehicles are used to introduce the path Toyota's founder, Kiichiro Toyoda, and his colleagues took in overcoming countless obstacles in their quest to realize their great dream of establishing a full-fledged automotive industry in Japan. Kiichiro's former residence, built in 1933, was relocated and restored on the hall grounds, reminding visitors of earlier times. The adjoining Kuragaike Art Salon hold exhibits mostly of an artwork owned by Toyota.



250 Ikeda-cho Minami, Toyota City, Aichi Prefecture

[Web](http://www.toyota.co.jp/en/about_toyota/facility/kuragaike/) http://www.toyota.co.jp/en/about_toyota/facility/kuragaike/

Toyota Kaikan Museum: Displaying Toyota's Vision and State-of-the-Art Technologies, and Providing a Reception Point for Plant Tours

Japan Toyota Motor Corporation

Established: November 1977

Overview

The Museum shows today's Toyota, displaying state-of-the-art environmental and safety technologies, as well as automobile manufacturing under the Toyota Production System aimed at high quality. The Museum also provides the reception point for plant tours, which are conducted in both Japanese and English and thus are very popular with visitors from overseas. The Museum also receives fifth graders on field trips, and provides a plant tour and holds a traffic safety school for kindergarteners as part of Toyota's social contribution activities.



1 Toyota-cho, Toyota City, Aichi Prefecture

[Web](http://www.toyota.co.jp/en/about_toyota/facility/toyota_kaikan/) http://www.toyota.co.jp/en/about_toyota/facility/toyota_kaikan/

Sakichi Toyoda Memorial House: Exhibiting the Life Story of Sakichi Toyoda, Founder of the Toyota Group and Major Contributor to the Development of Japanese Industry, at His Birthplace

Japan

Sakichi Toyoda Memorial House Preservation Society
(comprised of 21 companies including Toyota Motor Corporation)

Established: October 1988

Overview

The site includes the main house, the barn where Sakichi carried out his research, and the home where he was born (restored in 1990). Displays include Sakichi's first invention, the Toyoda Wooden Hand Loom, as well as the Type G Toyoda Automatic Loom, patent certificates, and other precious items. Additionally, a movie depicting Sakichi's life helps visitors intimately feel and experience his ambitions and passion.



113-2 Yamaguchi, Kosai City, Shizuoka Prefecture

[Web](http://www.toyota-global.com/company/profile/facilities/sakichi_toyoda_memorial_house.html) http://www.toyota-global.com/company/profile/facilities/sakichi_toyoda_memorial_house.html

Toyota Automobile Museum: Learning the History of Automobiles through Classic Cars from around the World

Japan

Toyota Motor Corporation

Established: April 1989

Overview

The Museum displays 160 classic cars from around the world that contributed to the development of the automotive industry, showing how closely interlinked the global and Japanese automotive industries have been as they advanced. The museum gives great importance to maintaining and preserving these cars and features original vehicles preserved in working condition. Visitors can see the cars being driven in demonstration drives held each spring and autumn. There are three vehicles visitors can actually ride in. In addition, classes are held twice a year that allow participants to actually drive a Ford Model T. The museum not only holds original exhibits, but also hosts the classic car

festivals, programs targeted at schools, and other various events to help people become familiar with the history and culture of automobiles.



41-100 Yokomichi, Nagakute City, Aichi Prefecture

Web <http://www.toyota.co.jp/Museum/english/>

Toyota Commemorative Museum of Industry and Technology

Exhibits and Demonstrations to Introduce the History of Toyota, which Used the Textile Machinery Business as a Springboard to Enter the World Stage of Car Manufacturing

Japan

17 Toyota Group companies

Established: June 1994

Overview

The Toyota Commemorative Museum of Industry and Technology was established in a building that dates back to the origins of the Toyota Group, located on the site of the former Toyoda Spinning & Weaving Co., Ltd. The creation of the museum preserved the red brick building, whose architecture is historically significant, as a historical heritage site for the entire Toyota Group. Its aim is to broadly convey the value of the spirit of being studious and creative as well as the importance of *monozukuri*. The museum introduces textile machinery and the history of automotive technology as well as the history of the Toyota Group, with demonstrations using real machines and video presentations.

In 2014, the exhibit area for the Initial Period of Toyota's Automobile Business in the Automobile Pavilion was remodeled.



4-1-35, Noritake Shinmachi, Nishi-ku, Nagoya City, Aichi Prefect

Web <http://www.tcmiit.org/english/>

MEGA WEB: Car Theme Park in Tokyo's Waterfront District Enabling Visitors to Look, Ride, and Feel Cars

Japan

Toyota Motor Corporation

Established: March 1999

Overview

MEGA WEB features three theme pavilions: the Toyota City Showcase, a display area with information on Toyota's global environmental, safety and other technologies, motorsports as well as Toyota vehicles from Japan and overseas; the History Garage, a display of historical vehicles from Japan, America, and Europe; and the Ride Studio, an indoor driving course where even children can experience the joy of driving while learning traffic rules. In addition, MEGA WEB includes the Ride One, a course that allows participants to test drive any of Toyota's passenger vehicles. Through those attractions, including hands-on events, MEGA WEB communicates information on car culture.



1-3-12 Aomi, Koto-ku, Tokyo

Web <http://www.megaweb.gr.jp/about/english.html>

Foundations

The Toyota Foundation: Globally Supporting NGO/NPO Activities

Japan and Overseas | Toyota Foundation

Overview

The Toyota Foundation was established in 1974 to support research and programs that seek solutions to problems in various fields according to the specific needs of the times from a global perspective. The foundation currently conducts a variety of support programs. Its domestic programs aim at utilizing local resources to create jobs and develop new leaders in order to invigorate local communities in Japan. Its international programs focus on policy suggestions and measures related to issues such as aging populations and cultural diversification, common to Southeast Asian and East Asian countries including Japan.

Topics

Toyota NPO Kaiketsu "Solution" College lecture course held

In May 2016, the foundation held an ongoing lecture course titled Toyota NPO Kaiketsu "Solution" College (a total of six lectures) that provided a broad array of NPOs with an opportunity to acquire problem-solving techniques from Toyota's organizational management.

In the Toyota NPO Kaiketsu "Solution" College, participants learn Toyota's problem-solving philosophy and methodology. All new employees learn this when they join TMC. Toyota's problem-solving techniques can be applied not only to production sites, but to all kinds of organizations and businesses. The foundation developed the lecture course because it believed these techniques would also be applicable to NPOs. We hope that the lecture course will help people from a wide array of NPOs gain abilities to solve the problems they face in their operations, empowering them to develop powerful solutions for regional and societal issues.

Achievements

Cumulative total number of grants provided: Approximately 7,900 grants totaling about 17.9 billion yen



FY2015 International Grant Program, Grant Awarding Ceremony



Group discussion at the International Conference on Asian Nonprofit Sectors (ICANS)



Kick-off symposium in March 2016 (Tokyo Head Office)

Upper left: Masaki Kimura (CEO, Aichi Community Foundation)

Lower left: Setsu Mori (Editor-in-Chief of Alterna magazine)

Upper right: Takeo Furuya (Project General Manager, Business Quality Improvement Division, Toyota Motor Corporation)

Lower right: Keita Yamamoto (COO, PublCo, Inc.)

[Web](http://www.toyotafound.or.jp/english/index.html) <http://www.toyotafound.or.jp/english/index.html>

Toyota Female Engineer Development Foundation: Supporting High School and Female College Students Majoring in Science and Engineering Pursue Engineering Careers

Japan | Toyota Female Engineer Development Foundation (established by Toyota Motor Corporation and nine group companies)

Overview

In the Toyota Group, there are many women working as engineers who create entirely new things. The Toyota Female Engineer Development Foundation was established in 2014, with the hope of creating opportunities for aspiring female students to discover their future careers by meeting these predecessors and hearing their stories. Its goal is to increase the number of women who want to study science and engineering and support female students who can go on to become active in the world of manufacturing. The foundation creates opportunities for high school students to come into contact with the world of engineering through various kinds of seminars and events. Female students entering science and engineering universities are supported with mentoring and scholarships.

Achievements

Project to introduce careers in science and engineering (targeted at high school students)

Conducted on-demand classes targeting approximately 5,000 students (male and female) at 24 schools in Aichi Prefecture.

Scholarship support project (targeting female college students majoring in science and engineering)

Provided scholarships to 129 students at 36 universities nationwide.



On-demand class conducted at a high school by female engineers from the Toyota Group



Female college students majoring in science and engineering attending the FY2015 scholarship support project called "Camp for the Future of Female Science and Engineering Students"

Toyota Mobility Foundation: To Enable More People to Go More Places

Japan and Overseas

Toyota Mobility Foundation (TMF)

Overview

The Toyota Mobility Foundation was established in August 2014 to realize a prosperous mobility society while eliminating disparities in mobility. We partner with a variety of non-profit organizations, research institutions, and others to address mobility issues around in the world.

Achievements

Number of grants issued in FY2014: Two grants totaling about 740 million yen

Number of grants issued in FY2015: Two grants totaling about 580 million yen

Topics 1

Grant Projects Start in Japan! –Providing the Freedom of Mobility in Mountainous Areas–

Populations in mountainous areas of Japan have been declining and aging, making it difficult for residents to go shopping, visit medical clinics, or commute to school. Concerns that these mobility restrictions may negatively impact their health and increase the financial burden of nursing costs are emerging. To address these issues, Toyota Mobility Foundation began providing grants to Mimasaka City, Okayama Prefecture, for four years and Toyota City, Aichi Prefecture, for three

years, with the goal of building new mobility systems in mountainous areas through the introduction of a variety of mobility means, such as ultra-compact EVs.

The foundation's hope is that these projects will bring freedom of mobility to the people of mountainous areas facing the issue of aging populations and will become a mobility model for community revitalization.

Case 1: Ueyama District of Mimasaka City, Okayama Prefecture

Project name	Ueyama Mobility Project
Grantees	Minna no Shuraku Kenkyujo (Research institute for sustainable rural villages) (NPO) and Aida Ueyama Tanadadan (NPO)
Project Period	About 4 years starting in January 2016
Project Budget	220 million yen

Words of Appreciation from Grant Recipient



Ms. Masayo Ino
Chairperson of Aida Ueyama Tanadadan (NPO)

We hope to utilize the grant from TMF to create new frameworks and business models, and communicate what we learn to other areas facing similar issues, in order to solve long-term issues such as inconveniences in daily mobility and inefficiency in farm work.

Case 2: Asuke District of Toyota City, Aichi Prefecture

Project name	Asuke Mobility Project
Grantees	Nagoya University
Project Period	About 3 years starting in April 2016
Project Budget	360 million yen



Members of grantee NPO and residents of Ueyama District of Mimasaka City



"COMS" The super-compact electric vehicle

Topics 2

Next Generation Mobility Challenge (United States)

We carried out a new challenge called Next Generation Mobility Challenge, to leverage and inspire millennials, who were born between the middle of the 1980s and the early 2000s and are well versed in the Internet and other technologies, to address critical mobility issues throughout the United States. In the final selection held in May 2016, the first prize was won by a team that proposed an app that would help visually impaired people navigate their surroundings. The winning team received internships at the Partner Robot Group of Toyota Motor Engineering & Manufacturing North America (TEMA). TMF will continue activities engaging in young people to develop innovative solutions for mobility issues.



A team participating in the Next Generation Mobility Challenge

Web <http://toyotamobilityfoundation.org/en/>

Corporate Governance

Basic Philosophy regarding Corporate Governance

Toyota has positioned the sustainable growth and the stable long-term growth of corporate value as priority management issues. It believes that in carrying this out, it is essential that it both builds positive relationships with all stakeholders, including shareholders and customers as well as business partners, local communities and employees, as well as continues to supply products that will satisfy its customers. This position is reflected in the "Guiding Principles at Toyota," which is a statement of Toyota's fundamental business policies. Also, Toyota adopted and presented the CSR Policy

"Contribution towards Sustainable Development," an interpretation of the "Guiding Principles at Toyota" that organizes the relationships with its stakeholders. Toyota will work to enhance corporate governance through a variety of measures. Toyota is implementing each principle of the Corporate Governance Code adopted in June 2015 and the details of the measures for implementation are deliberated at the Corporate Governance Meeting then reported to the Board of Directors.

Organization and Structure

In March 2011, Toyota announced the "Toyota Global Vision" and commenced "Visionary Management." This is based on Toyota's values that have guided Toyota since its founding, such as "The Toyoda Precepts," the "Guiding Principles at Toyota" and the

"Toyota Way," which aim to exceed customer expectations by manufacturing ever-better cars and enriching the lives of societies, and to be rewarded with a smile that ultimately leads to the stable base of business.

Execution of Duties and Supervision

In April 2011, as a management structure towards "fulfillment of the Toyota Global Vision," Toyota has reduced the Board of Directors and decision-making layers, and has endeavored 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 so that each of the four units* is responsible for its own operations and earnings. In April 2015, with the aim of enhancing operational oversight and further increasing the speed of decision-making and execution of operations, the responsibility for executive vice presidents was changed to making decisions regarding management from a medium to long-term perspective and supervising execution of operations, with executives at senior managing officer level and below now responsible for execution of operations, such as business units, regional operations and key functions.

Moreover, in April 2016, Toyota made organizational changes with the aim of further promoting its overarching goal of manufacturing ever-better cars and the continued development of a talented workforce to serve such goal, and delegated substantial power to the new nine business units*, including the seven product-based in-house companies that will be responsible for short- to

mid-term product strategy and development. By implementing a streamlined operation from planning through manufacturing, Toyota intends to promote quicker decision-making.

Under the Board of Directors, the "Corporate Planning Committee" considers growth strategies that weave in Toyota's contributions to various social issues and Toyota promotes on a company-wide basis CSR and enhancement of corporate value as part of business operations. As part of management of operations, the "Corporate Governance Committee" deliberates the corporate governance structure that executes such strategies.

Furthermore, Toyota has an "International Advisory Board" consisting of advisors from each region overseas, and, as appropriate, receives advice on a wide range of management issues from a global perspective. In addition, Toyota deliberates on and monitors management and corporate activities based on views of various stakeholders through a wide variety of bodies for deliberations, including the "Labor-Management Council, the Joint Labor-Management Round Table Conference."

*1 Lexus International, Toyota No.1, Toyota No.2, Unit Center

*2 Advanced R&D and Engineering Company, Toyota Compact Car Company, Mid-size Vehicle Company, CV Company, Lexus International Co., Power Train Company, Connected Company, Toyota No.1, Toyota No.2

System regarding Members of the Board of Directors

With respect to the system regarding members of the Board of Directors, Toyota has comprehensively considered and appointed the right person for the right position to make appropriate and prompt decision-making. Toyota believes that it is important to elect individuals that comprehend and engage in the manufacturing of ever-better cars and problem solving based on the actual situation on-site (*genchi genbutsu*) that Toyota emphasizes, and contribute to decision-making aimed at sustainable growth into the future. Members of Toyota's "Executive Appointment Meeting," which is comprised of the Chairman, President, Executive Vice President in charge of Human Resources and an Outside Director, discuss recommendations to the Board of Directors concerning appointment of Members of the Board of Directors.

At the 109th Ordinary General Shareholders' Meeting held in June 2013, three Outside Members of the Board of Directors were appointed in order to further reflect the opinions of those

from outside the company in management's decision-making process, and all of them are registered as independent officer with the relevant financial instruments exchanges. Toyota considers the appointment of Outside Members of the Board of Directors as independent officer in accordance with requirements for Outside Members of the Board of Directors set forth in the Companies Act and independence standards established by the relevant financial instruments exchanges. Toyota's Outside Members of the Board of Directors advise it in its management decision-making process based on their broad experiences and insight in their respective fields of expertise, independently from management structure.

Furthermore, Toyota appointed the first foreign executive vice president in FY2015. At the senior managing officer level and below, officers from group companies and foreign officers have been appointed. Toyota has built a diverse management structure with the right person for the right position.

System regarding Audit & Supervisory Board Members

Toyota has adopted an Audit & Supervisory Board system. Six Audit & Supervisory Board Members (including three Outside Audit & Supervisory Board Members) play a role in Toyota's corporate governance efforts by undertaking audits in accordance with the audit policies and plans determined by the Audit & Supervisory Board. In appointing Audit & Supervisory Board Members, Toyota has appointed individuals who have broad experiences and insight in their respective fields of expertise and can advise management from a fair and neutral perspective, as well as audit the execution of business. Members of Toyota's "Executive Appointment Meeting," which is comprised of the Chairman, President, Executive Vice

President in charge of Human Resources and an Outside Director, discuss recommendations concerning appointment of Audit & Supervisory Board Members to the Audit & Supervisory Board.

Toyota has appointed three Outside Audit & Supervisory Board Members, all of whom are registered as independent officers with the relevant financial instruments exchanges. Toyota considers the appointment of Outside Audit & Supervisory Board Members in accordance with requirements for Outside Audit & Supervisory Board Members set forth in the Companies Act and independence standards established by the relevant financial instruments exchanges.

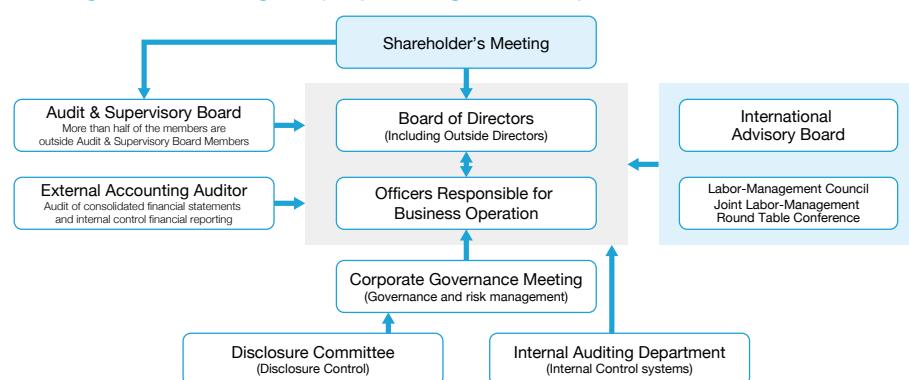
Remuneration for Members of the Board of Directors and Audit & Supervisory Board Members

Remuneration for Members of the Board of Directors consists of fixed basic payment and variable bonus. Toyota's remuneration structure ensures a link with company performance, reflecting job responsibilities and performance of individuals. Level of remuneration is also considered based on the remuneration level in countries of origin. Bonus is determined based on consolidated operating income of each year, comprehensively taking into account dividends, level of bonus for employees, trends of other companies, mid- to long-term business performance and amounts paid in the past. With respect to remuneration for Outside Members of the Board of Directors, bonus will not be paid in light of their role of monitoring and supervising management from an independent position. Members of Toyota's "Executive Remuneration Meeting,"

which is comprised of the Chairman, President, Executive Vice President in charge of Human Resources and an Outside Director, discuss recommendations to the Board of Directors concerning remuneration for Members of the Board of Directors.

Remuneration for Audit & Supervisory Board Members consists only of fixed basic payment and bonus is not paid. By making the compensation structure less susceptible to business performance, independence from management is ensured. Remuneration for Audit & Supervisory Board Members is determined upon consultation among Audit & Supervisory Board Members within the scope of remuneration determined by the resolution at the Ordinary General Shareholders' Meeting.

Corporate Governance Organizational Diagram (Emphasizing frontline operations + multidirectional monitoring)



[Actual Results for the Previous Fiscal Year and Major Initiatives for the Current Fiscal Year]

	Major Initiatives during FY2015 (Actual Results)	Major Initiatives during FY2016
Corporate Governance	<ul style="list-style-type: none"> • In Executives' meetings and policy management, strengthening of a structure for more effective supervision of business execution by the Board of Directors, and more effective business execution by presidents and managing officers • Established management structures in conjunction with the revision of the Companies Act (May) • Implemented information disclosure in conjunction with the introduction of the Corporate Governance Code (June) • Promoted to management positions of human resources from Toyota Group companies and overseas affiliates, with the right person for the right position 	<ul style="list-style-type: none"> • Transformation into a company system for speedy decision-making by consolidating accountability and authority for presidents • Augmentation of a system to enable the Board of Directors to make decisions and supervise operations effectively • Comprehensive and coherent communication regarding financial and non-financial information through the issuance of the Sustainable Management Report (Annual Report) and more productive dialogue with stakeholders

Basic Policy regarding the System to Secure the Appropriateness of Business

Basic understanding of system to ensure appropriateness of business operations

Toyota, together with its subsidiaries, has created and maintained a sound corporate climate based on the "Guiding Principles at Toyota" and the "Toyota Code of Conduct." Toyota integrates the principles of problem identification and continuous improvement into its business operation process and makes continuous efforts to train employees who will put these principles into practice.

System to ensure the appropriateness of business operations and outline of implementation status of such systems

Toyota has endeavored to establish a system for ensuring the appropriateness of business operations as a corporate group and the proper implementation of that system in accordance with the "Basic Policies on Establishing Internal Controls." Each business year, Toyota inspects the establishment and implementation of internal controls to confirm that the organizational units responsible for implementing internal controls are functioning autonomously and are enhancing internal controls as necessary, and findings from the inspection are reviewed at Corporate Governance Meetings and the Board of Directors' meetings.

Accordingly, Toyota has developed its basic policy regarding the items as stipulated in the Companies Act. For further information on the 2016 Corporate Governance Report " IV Basic Approach to Internal Control System and its Development ", please visit the webpage:

Corporate Governance [Web](http://www.toyota-global.com/investors/ir_library/cg/) http://www.toyota-global.com/investors/ir_library/cg/

Risk Management

Basic Philosophy regarding Risk Management

In response to the series of recall issues in 2010, Toyota has been reinforcing its risk management systems. A Risk Management Meeting (now renamed Corporate Governance Meeting) was established in June 2010 and risk managers were appointed as part of global measures in each section to take preventive action across the range of risk occurring in business activities.

Organization and Structure

Appointment of Risk Management Personnel

Toyota appointed a Global Chief Risk Management Officer (CRO) to head global risk management and established a structure under the Global CRO to monitor risks on a daily basis. This makes it possible to respond immediately in the event of an emergency.

Regional CROs are appointed under the Global CRO to oversee individual regions, and each region has its own risk management structure. In the in-house Head Office, the chief officers and the

risk managers in each department and division are appointed to be responsible for managing risks according to function, while in each company the respective presidents and risk managers are appointed to be responsible for managing risks according to products to cooperate with and support each Regional Head Office.

Promotion by Corporate Governance Meeting

Since April 2015, an optimal governance structure has been deliberated in the Corporate Governance Meeting, which serves as a supervising body over business implementation, to realize growth and business strategies that have taken a wide range of social challenges into consideration. The Meeting discusses matters related to risk management.

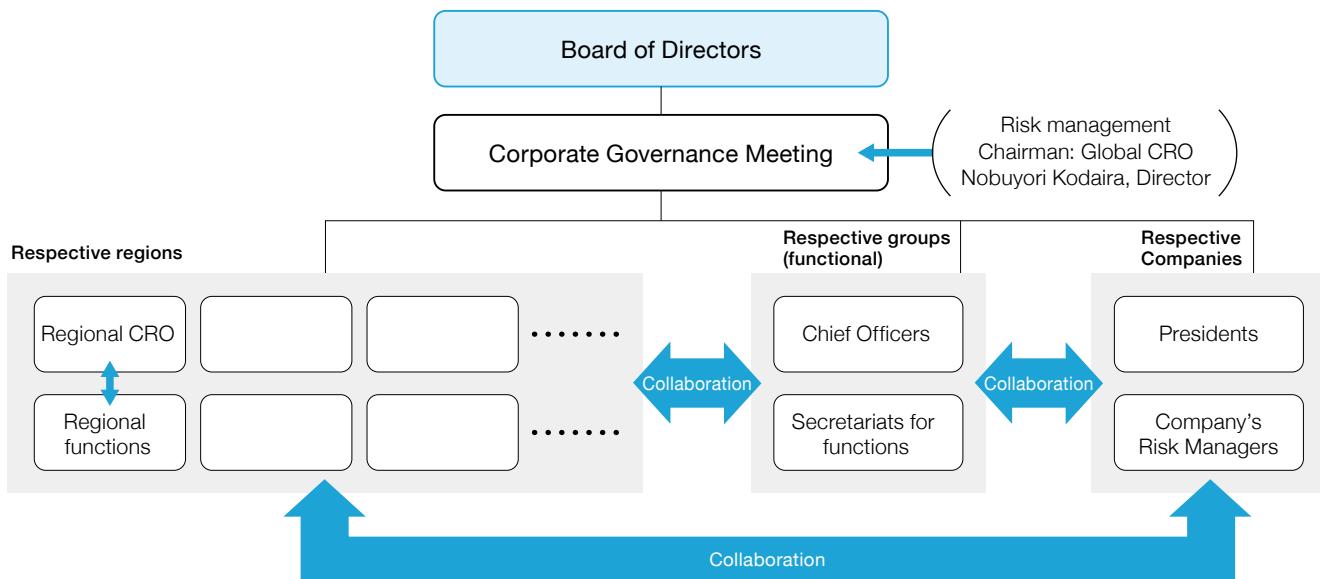
Two of the five yearly meetings of the Corporate Governance Meeting are attended by the CRO of each region, all Chief Officers and all Company Presidents. This enables the meeting to comprehensively identify risks to business activities and initiate preventive action. At the meeting, improvements and reinforcements to the risk management system of each region are

confirmed and serious risks are reported along with all current risk items. Reports are also made on the status of initiatives against imminent serious risks and other risks with global implications.

In particular, we are focusing on information security and Business Continuity Management (BCM) where businesses are recently exposed to increased risk.

Risks that could affect Toyota's business operations are listed in the Form 20-F. These risks include items relating to industry and business risks, financial market and economic risks, event risks in relation to politics, regulations, legal proceeding, disasters, etc. that could impact the decision of investors.

Form 20-F [Web](http://www.toyota-global.com/investors/ir_library/sec/) http://www.toyota-global.com/investors/ir_library/sec/



Initiatives for Information Security

Basic Philosophy regarding Information Security

With cyber-attacks becoming more sophisticated and complicated, the information and information systems of the company and the network of control systems regarding the plant facilities and automobiles could become attack targets, which has increased the importance of information security for Toyota.

Toyota will ensure safety and security of our customers from cyber-attack. From the viewpoints of governance and risk management, regarding it as our social responsibility to protect our customers' personal information, Toyota is taking a range of measures to maintain information security.

Information Security Policy

In June 2016, Toyota and its consolidated subsidiaries established the Information Security Policy in order to clarify the basic policy and initiatives of information security and work cooperatively to address information security.

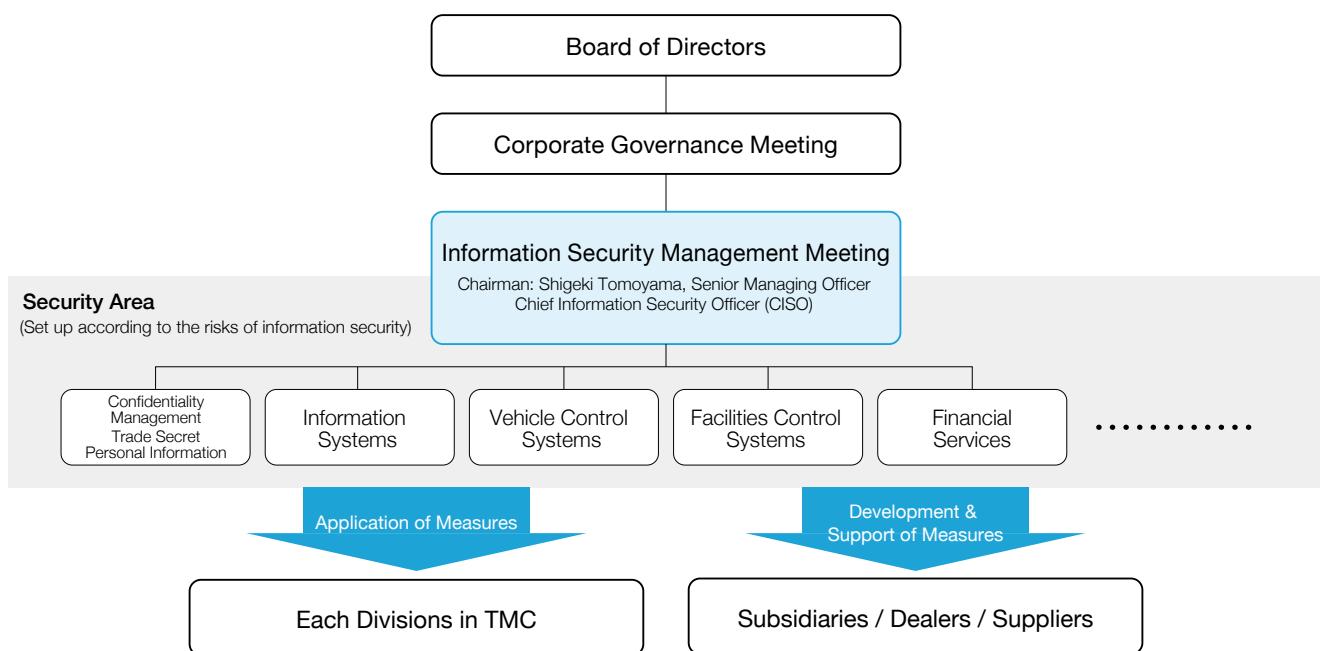
Toyota's basic approach to information security

1. Compliance
2. Maintenance of stable business infrastructure
3. Providing safe products and services
4. Contribution to the establishment of safe Cyberspace
5. Information Security Management

Information Security Policy [Web](http://www.toyota-global.com/sustainability/csr/risk-management/pdf/information-security-policy_en.pdf) http://www.toyota-global.com/sustainability/csr/risk-management/pdf/information-security-policy_en.pdf

Organization and Structure

Under the overall control of the Chief Information Security Officer, security officers are respectively assigned in the individual security fields to promote information security activities. Details of activities in each security field and overall common challenges have been shared and discussed at the Information Security Promotion Meeting to improve information security throughout Toyota.



Initiatives for Information Management

Toyota has established the All Toyota Security Guidelines (ATSG) covering Toyota, its subsidiaries and affiliates that seek to prevent in-house information leaks, unauthorized access from outside, etc. and is trying to ensure complete information security.

The ATSG establishes measures in organizational, personnel, technological, and physical management and also stipulates a

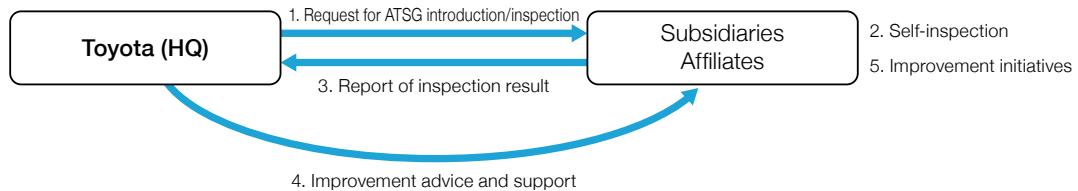
response system for the event of an information leak occurring. We work to ensure information security from multiple approaches.

Under the ATSG, an annual inspection of the status of information security initiatives at each company is conducted to maintain and continuously improve information security.

All Toyota Security Guidelines (ATSG)



Structure for ATSG Implementation at Subsidiaries and Affiliates



Business Continuity Management at Toyota

Basic Philosophy and Background regarding Business Continuity Management

Although Toyota was not directly affected by large-scale disasters such as the Great East Japan Earthquake and the Thailand floods, our production operations were brought to a halt for a long period of time which caused inconvenience to customers both in sales and services.

We have deep concerns about the possibility of a Nankai Trough earthquake these days, as the Toyota Group Companies' main functions are concentrated in the Nankai Trough areas, and it is expected that a large scale earthquake would severely impact the production of our products and operations.

To be prepared for such incidents, the Business Continuity Plan (BCP^{*2}) was established to facilitate early recovery of business operations with limited resources. In order to contribute to enriching lives of communities, Toyota will work on disaster recovery according to the Basic Guidelines on the right.

Toyota's Basic Guidelines Priorities following a disaster



After the Kumamoto Earthquake which occurred in April 2016, we provided supporters based on the BCP.

*1 BCM: Business Continuity Management

*2 BCP: Business Continuity Plan

Humanitarian Aid and Early Recovery of Disaster-affected Areas (Communities)

To improve the feasibility of the Basic Guidelines, which give priority to regional recovery following a disaster, and to help build disaster-resilient communities, Toyota has concluded disaster support agreements with local governments (October 2013: Toyota City; February 2014: Miyoshi City; March 2015: Tahara City; August 2015: Susono City).

Humanitarian support and regional recovery assistance are to be provided under mutual cooperation with local governments. Toyota is preparing relevant implementation structures, etc. by incorporating necessary provisions in its business continuity plan (BCP).

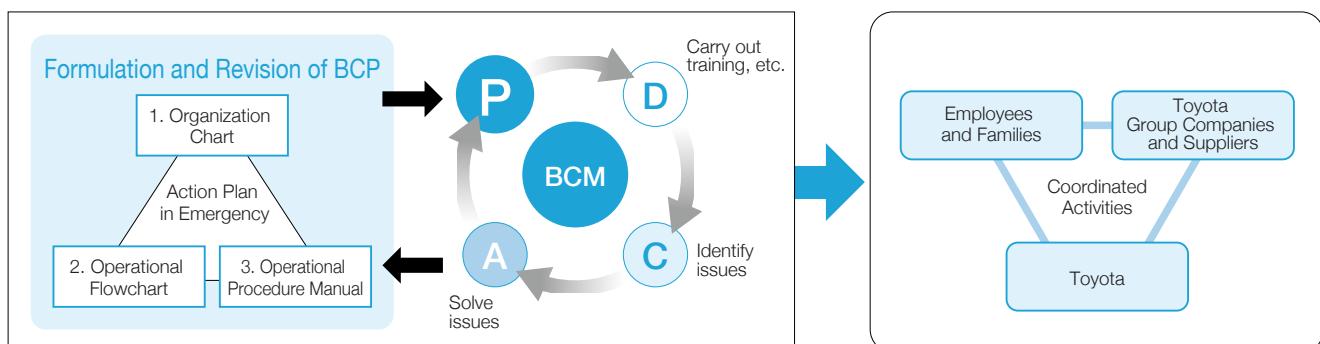
Details of recovery support:

- (1) Rescue and relief in the wake of the disaster
- (2) Provision of temporary evacuation facilities to accommodate local people affected by the disaster
- (3) Provision of the designated shelter facilities
- (4) Provision of food, drinking water, and daily necessities for distribution through local governments
- (5) Cargo handling assistance at municipal relief supply facilities
- (6) Provision of land necessary for restoration of local infrastructure (water supply and drainage, roads, etc.)
- (7) Employee participation in local recovery activities

Business Continuity Management (BCM) at Toyota

Each division and function at Toyota has formulated a recovery-oriented BCP (organization chart, operational flowchart, and operational procedure manual). Using this in training and exercises, the PDCA cycle is implemented and continuous improvement is undertaken to constantly raise the practical effectiveness of the plan. These activities are identified as the Business Continuity Management (BCM), which are delivered through coordination

among employees and their families, Toyota Group companies and suppliers, and Toyota. Through this process of formulation and review of the BCP, we aim to develop human resources with the ability to respond to an incident and to build, as a routine task, a system of risk-resilient organizational structures, workplaces, and individuals.



Focus**Building a Disaster-resilient Supply Chain Together with Suppliers**

Toyota has provided recovery support in accordance with the following priorities: (1) Humanitarian aid; (2) Recovery of the disaster-affected area; (3) Restoration of Toyota's operations and production. Since the Great East Japan Earthquake, with the aim of prompt initial action and early recovery, we have united with suppliers in each country and region to build a disaster-resilient supply chain by sharing supply chain information and setting up measures of preparedness.

In sharing supply chain information in Japan, we receive highly confidential information from suppliers to build up a database known as the RESCUE* system based on the concept of protecting Japanese monozukuri (manufacturing). Under strict compliance with its duty of confidentiality, Toyota conducts regular training with suppliers that could be usefully applied in the event of a disaster. It was also utilized after the occurrence of the Kumamoto Earthquake in April 2016. Moreover, this system has been standardized and shared with other companies along with case studies of its application through the Japan Automobile Manufacturers Association, helping thus to lay the foundations of a disaster-resilient supply chain.

Toyota is implementing equivalent initiatives with suppliers in each country and region overseas.

* RESCUE: REinforce Supply Chain Under Emergency

RESCUE system storing supply chain information

Compliance

Basic Philosophy regarding Compliance

The Guiding Principles at Toyota states 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 citizen of the world." It is through this process that Toyota seeks to fulfill the responsibilities expected of it, which leads to compliance. In accordance with its Basic Approach to Internal Controls, Toyota is promoting initiatives

centered on the construction of frameworks such as those for adopting and implementing the Code of Conduct and human resource development through education and other means. Toyota has also established consultation hotlines to ensure that no issue is overlooked and detailed responses can be made.

Toyota Code of Conduct

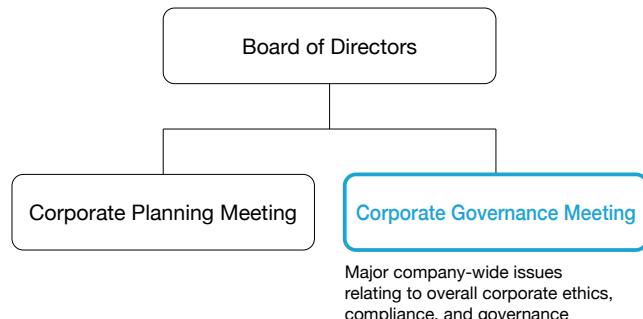
The Toyota Code of Conduct (adopted in 1998 and revised in March 2006) organizes fundamental concepts and sets forth concrete guidelines for all Toyota personnel so that we can put the Guiding Principles at Toyota into practice and carry out our social responsibilities. A booklet containing a copy of the Toyota Code of Conduct is distributed to all employees to put into practice at work and in society.

Toyota Code of Conduct [Web](http://www.toyota-global.com/company/vision_philosophy/toyota_code_of_conduct.html) http://www.toyota-global.com/company/vision_philosophy/toyota_code_of_conduct.html

Organization and Structure

Since April 2015, an optimal governance structure has been deliberated in the Corporate Governance Meeting, which serves as a supervising body over business implementation, to realize growth and business strategies that have taken a wide range of social challenges into consideration. The Meeting discusses matters related to compliance.

Organizational Diagram



Checking Activities to Enhance Compliance

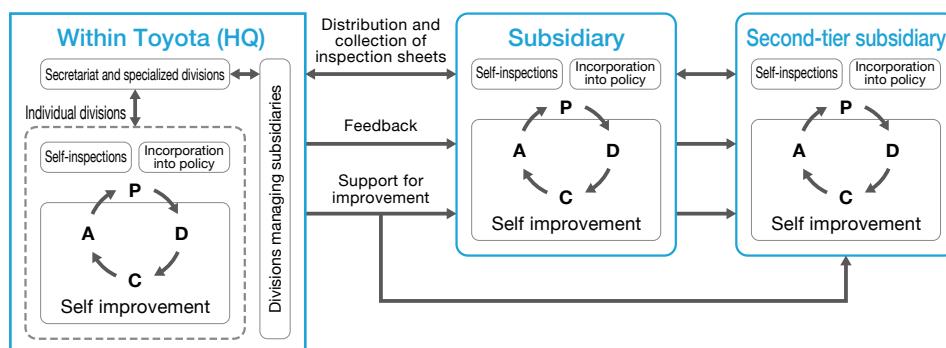
In FY2008, Toyota started checking activities to enhance its compliance structure. In FY2009, Toyota also started the checking of subsidiaries in addition to internal checking. These activities are being implemented annually with improvements. The results of the activities were reported to the Corporate Governance Meeting, and Toyota continues to push ahead with improvements based on the

results.

By incorporating areas that need improvement into action plans for each fiscal year, we are able to undertake continuous measures without interruption.

We also make visits to subsidiaries and take action to determine actual conditions and provide suitable support.

Activity Diagram



Education and Training to Ensure Thorough Compliance

To ensure that awareness of compliance issues extends throughout the company, 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.

In addition to standard legal areas including labor law,

antimonopoly law, and subcontracting law, we conduct business compliance seminars on copyrights, confidentiality controls, product liability, and other topics. Approximately 1,700 persons attended these seminars in FY2015. Toyota also conducts on-demand seminars at individual divisions on a wide range of topics based on the specific needs of each division.

Main Past Educational Themes

- Contracts
- Antimonopoly Law
- Copyright
- Act against Unjustifiable Premiums and Misleading Representations
- Insider Trading Regulations
- Act on the Protection of Personal Information
- Intellectual Property (trademarks)
- Product Liability Act
- Taxation
- Confidentiality Control
- Anti-bribery
- Export Operations Management
- Safety and Health, Etc.
- Labor
- Subcontracting Law

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 preventive 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. Furthermore, Toyota has been incorporating anti-bribery into its checking activities since 2013, and has been promoting improvement activities towards reinforcing its anti-bribery systems at Toyota as well as its subsidiaries.

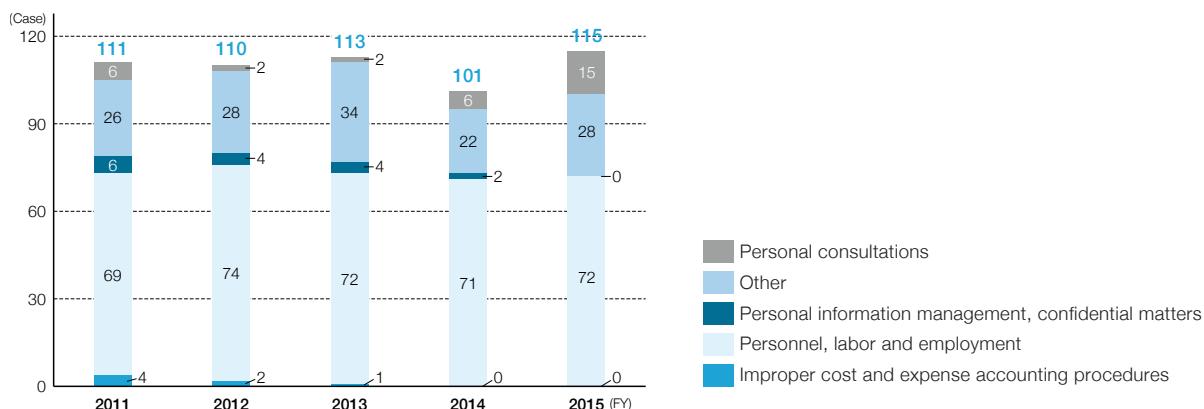
Anti-Bribery Guidelines (For Business Partners) [Web](http://www.toyota-global.com/sustainability/csr/compliance/) <http://www.toyota-global.com/sustainability/csr/compliance/>

The Compliance Hotline

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 allows employees to have consultations concerning these 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



CSR Achievement Data

CSR activity results for the past three years are listed in the table below.

Data List (fiscal year-end)

 : KPI Strategic Focus

Area	Items		Unit	FY2013	FY2014	FY2015
Ever-Better Cars	Overall	Vehicle sales (consolidated) ^①	Thousand vehicles	9,116	8,972	8,681
		Those sold in Japan	Thousand vehicles	2,365	2,154	2,059
		Research and development expenses	Billion yen	910.5	1,004.5	1,055.6
		No. of Welcab sold (Japan)	Vehicles	16,452	16,810	15,869
		Market share of Welcab (Japan)	%	67.0	66.9	68.0
	Quality	No. of Welcab models (Japan)	Models	28	28	25
		J.D. Power (US) Initial Quality Study (IQS) ranking No. 1	Segments	2	1	3
		Good Design Award (Japan)	—	i-Road (Gold Prize, Best 100)	Harrier, Voxy/Noah	MIRAI (Gold Prize), Alphard/Vellfire, Hiace/ Regiusace (Long Life Design Award)
		No. of calls to customer call centers (Japan)	Thousand calls	362	306	302
	Safety	Call response rate at customer call centers (Japan)	%	93.9	92.4	92.8
		No. of models with NCAP 5-star safety rating ^②	Models	Japan (collision)	3	5
		Japan (prevention: ASV+)		-	7	12
		U.S.A.		12	14	12
		Europe		10	11	4
		China		9	10	3
		U.S. IIHS Top Safety Pick models ^③	TSP	2	4	0
		U.S. IIHS Top Safety Pick models ^③	TSP+	-	8	12
		No. of vehicles with units capable of providing and gathering traffic information (Japan)	Thousand vehicles	No. of shipped vehicles fitted with VIICS (cumulative)	11,300	12,220
		No. of vehicles registered as G-BOOK, T-Connect, G-Link users (cumulative)		3,820	4,200	4,700
Enriching lives of communities	Environment	Annual sales of hybrid vehicles (worldwide) ^④	Thousand vehicles	1,279	1,266	1,204
		Cumulative sales of hybrid vehicles (worldwide) ^④	Thousand vehicles	6,073	7,339	8,543
		Cumulative CO ₂ emissions reduction effect of hybrid vehicles (worldwide)	Million tons	41	54	66
		Passenger car average fuel consumption (Japan, U.S.A., Europe)	Index with 1997-1 base value	1.42	1.45	1.41
		New Vehicle Zero CO ₂ Emissions Challenge	CO ₂ emissions from TMC logistics operations in Japan (unconsolidated)	Million tons	0.295	0.278
		Life Cycle Zero CO ₂ Emissions Challenge	Global CO ₂ emissions (from energy sources) ^⑤	Million tons	7.84	7.79
		Plant Zero CO ₂ Emissions Challenge	CO ₂ emissions per unit produced ^⑤	Tons/vehicle	0.76	0.75
		Challenge of Minimizing and Optimizing Water Usage	Water consumption at vehicle assembly plants ^⑤	Million m ³	31.2	31.0
	Environmental Management	Challenge of Establishing a Recycling-based Society and Systems	Water consumption at vehicle assembly plants per unit produced ^⑤	m ³ /vehicle	3.1	3.0
		Total waste volume at TMC (unconsolidated)	Total waste volume at TMC (unconsolidated)	Thousand tons	35.9	35.9
		Waste volume per unit produced at TMC (unconsolidated)	Waste volume per unit produced at TMC (unconsolidated)	kg/vehicle	12.4	12.5
		Recycling/recovery rate (unconsolidated)	ASR	%	96	97
		Recycling/recovery rate (unconsolidated)	Airbag	%	94	94
		Vehicle recycling/recovery rate (unconsolidated)	Vehicle recycling/recovery rate (unconsolidated)	%	99	99
		Total production that qualifies as U-LEVs based on 2005 Exhaust Emissions Standards (Japan)			2.4	2.4
		Total production that qualifies as SU-LEVs based on 2005 Exhaust Emissions Standards (Japan)			97.2	97.4
		VOC emissions from TMC vehicle body painting processes (average for all lines) (unconsolidated)		g/m ²	19.0	18.0
		No. of violations of environmental laws and regulations (unconsolidated)	No. of violations	1	0	0
	Dealers / Distributors and Suppliers	No. of parts suppliers (worldwide total)	Companies	2,949	3,148	3,435
		No. of parts suppliers (overseas total)		2,505	2,682	3,006
		No. of non-Japanese parts suppliers		1,296	1,321	1,436
		No. of dealers (total outside Japan)	Dealerships	8,948	9,395	10,058
		No. of countries/regions sold to	—	176	178	178
	Social Contribution Activities	Total expenses for social contribution activities ^⑤	Billion yen	22.3	21.6	25.3
		No. of Toyota Community Concert participants (Japan)	No. of visitors	38,100	37,400	41,800
		No. of Why/What Lecture participants (Japan)	No. of visitors	1,084	1,138	1,339
		No. of visitors to the Forest of Toyota (Japan)	No. of visitors	12,807	13,035	11,790
		Number of distribution of traffic safety educational materials (picture books)	Million parts	2.54	2.55	2.55
		Toyota Environmental Activities Grant Programs	No. of programs (cumulative)	257	278	304

*1 Including Daihatsu and Hino

*2 Assessment methods for NCAP (Japan) changed in 2014

*3 Assessment methods for US IIHS Top Safety Pick changed in 2013

*4 No. of hybrid vehicles sold is number of vehicles sold each year, not each fiscal year

*5 Toyota and consolidated subsidiaries in Japan and overseas (consolidated base differs by item)

Area	Items	Unit	FY2013	FY2014	FY2015
Employees	No. of foreign executives at TMC (unconsolidated)	Persons	7	7	8
	Local employees comprising management at overseas affiliates	%	64.7	62.9	62.6
	Non-Japanese CEOs/COOs in major overseas subsidiaries	%	46	58	53
	Female managers (unconsolidated)	% Assistant manager or higher	2.6	3.3	3.7
			1.1	1.2	1.4
	Employment ratio of people with disabilities (including unconsolidated and one special-purpose subsidiaries) ¹⁶	%	2.12	2.14	2.14
	Employment of people with disabilities (including unconsolidated and one special-purpose subsidiaries) ¹⁶	Persons	1,107	1,116	1,201
	No. of employees using the childcare and nursing care leave program (unconsolidated)	Persons	446	489	620
	Male		22	20	43
	Female		424	469	577
	No. of employees using the flexible working hours system (unconsolidated)		994	1,132	1,363
	Male	Persons	17	17	41
	Female		977	1,115	1,322
	Frequency rate of lost workday cases (unconsolidated)	—	0.06	0.06	0.03
	Excessive BMI rate (unconsolidated)	%	26.7	27.7	27.2
	Smoking rate (unconsolidated)	%	29.7	29.1	28.7
	Full-time employees (unconsolidated)	Persons	68,223	67,905	72,779
	Male		60,831	60,474	64,583
	Female		7,392	7,431	8,196
	Average age (unconsolidated)		38.7	39.2	38.7
	Male	Years	39.4	39.6	39.3
	Female		32.8	33.5	34.0
	Average years of service (unconsolidated)	Years	17.6	17.8	17.3
	Male		18.3	18.5	17.9
	Female		11.8	12.5	12.6
	Newly hired employees (unconsolidated)	Persons	1,193	1,489	2,185
	Male		1,071	1,289	1,970
	Female		122	200	215
	Administrative		89	127	103
	Male		65	63	61
	Female		24	64	42
	Engineering		530	540	514
	Male		498	485	466
	Female		32	55	48
	Shop floor		574	822	1,568
	Male	Persons	508	741	1,443
	Female		66	81	125
	Re-employed retirees (unconsolidated)		817	884	903
	Employees who feel their own growth (unconsolidated)	%	76.5	77.2	78.4
	Employees who feel their own growth (overseas)		-	74	-
	Employees who are satisfied with company life (unconsolidated) Administrative and engineering		-	77.2	-
	Employees who are satisfied with company life (unconsolidated) Shop floor		69.2	-	71.9
	Employees who are satisfied with company life (overseas) Administrative and engineering		-	76	-
	Employees who are satisfied with company life (overseas) Shop floor		-	72	-
Financial information (Consolidated)	Net revenues	Billion yen	25,691.9	27,234.5	28,403.1
	Japan		14,297.4	14,403.8	14,759.4
	North America		8,117.0	9,677.5	11,051.9
	Europe		2,724.9	2,848.2	2,661.3
	Asia		4,877.6	4,981.2	5,003.8
	Other		2,336.6	2,449.2	2,210.2
	Operating income (Operating income ratio: %)	Billion yen	2,292.1 (8.9)	2,750.5 (10.1)	2,853.9 (10.0)
	Japan		1,510.1	1,571.4	1,677.5
	North America		326.0	584.5	528.8
	Europe		58.2	81.1	72.4
	Asia		395.7	421.7	449.1
	Other		42.5	111.5	108.9
	Net income	Billion yen	1,823.1	2,173.3	2,312.6
	Shareholders' equity		14,469.1	16,788.1	16,746.9
	Total assets		41,437.4	47,729.8	47,427.5
	Net assets		15,219.0	17,647.3	18,088.1
	ROE	%	13.7	13.9	13.8
	Dividend per share	Yen	165	200	210
	Capital expenditures	Billion yen	1,000.7	1,177.4	1,292.5
	Vehicle production	Thousand vehicles	9,032	8,929	8,576
Global Expansion	No. of plants and manufacturing companies	Plant and Manufacturing companies	16	16	16
	Japan		11	11	11
	North America		9	10	9
	Europe		23	24	24
	Asia		9	9	9
	Other	Distributors	5	5	5
	North America		30	29	29
	Europe		16	16	16
	Asia		117	117	117
	Other				
Governance (unconsolidated)	Outside Directors	Persons	3	3	3
	No. of consultations made to the Compliance Hotline	Consultations	113	101	115
CSR Evaluation	FTSE4Good Index (listed)		○	○	○
	DJSI Asia Pacific (listed)		○	○	○

¹⁶ No. of people with disabilities employed and their employment ratio are current as of June each year

ISO 26000 Comparison

Initiatives described in the report are defined as below according to ISO 26000's seven core subjects and issues.

Core Subjects in ISO 26000	Issues	Toyota's Efforts		Page
Organizational Governance	1 Organizational Governance	Society	Corporate Principles	p.3 - 6
			CSR Structure	p.7 - 8
			Corporate Governance	p.142 - 144
			Risk Management	p.145 - 149
			Compliance	p.150 - 151
Human Rights	2 Due diligence 3 Human rights risk situations 4 Avoidance of complicity 5 Resolving grievances 6 Discrimination and vulnerable groups 7 Civil and political rights 8 Economic, social and cultural rights 9 Fundamental principles and rights at work	Society	Respect for Human Rights	p.32 - 36
			Collaboration with Business Partners	p.37 - 45
			Employees	p.46 - 60
			Compliance	p.150 - 151
Labor Practices	10 Employment and employment relationships 11 Conditions of work and social protection 12 Social dialogue 13 Health and safety at work 14 Human development and training in the workplace	Society	Employees	p.46 - 60
The Environment	15 Prevention of pollution 16 Sustainable resource use 17 Climate change mitigation and adaptation 18 Protection of the environment, biodiversity and restoration of natural habitats	Environmental Initiatives	New Vehicle Zero CO ₂ Emissions Challenge	p.64 - 72
			Life Cycle Zero CO ₂ Emissions Challenge	p.73 - 76
			Plant Zero CO ₂ Emissions Challenge	p.77 - 79
			Challenge of Minimizing and Optimizing Water Usage	p.80 - 81
			Challenge of Establishing a Recycling-based Society and Systems	p.82 - 87
			Challenge of Establishing a Future Society in Harmony with Nature	p.88 - 94
Fair Operating Practices	19 Anti-corruption 20 Responsible political involvement 21 Fair competition 22 Promoting social responsibility in the value chain 23 Respect for property rights	Society	Collaboration with Business Partners	p.37 - 45
			Compliance	p.150 - 151
Consumer Issues	24 Fair marketing, factual and unbiased information and fair contractual practices 25 Protecting consumers' health and safety 26 Sustainable consumption 27 Consumer service, support, and complaint and dispute resolution 28 Consumer data protection and privacy 29 Access to essential services 30 Education and awareness	Society	Initiatives for Improving Traffic Safety	p.10 - 15
			Customer First and Quality First Measures	p.16 - 20
			Collaboration with Business Partners	p.37 - 45
			Compliance	p.150 - 151
		Environmental Initiatives	New Vehicle Zero CO ₂ Emissions Challenge	p.64 - 72
			Life Cycle Zero CO ₂ Emissions Challenge	p.73 - 76
			Plant Zero CO ₂ Emissions Challenge	p.77 - 79
			Challenge of Establishing a Recycling-based Society and Systems	p.82 - 87
			Environment	p.111 - 116
Community Involvement and Development	31 Community involvement 32 Education and culture 33 Employment creation and skills development 34 Technology development and access 35 Wealth and income creation 36 Health 37 Social investment	Society	Traffic Safety	p.117 - 124
			Education	p.125 - 128
			Social and Culture	p.129 - 134
		Social Contribution Activities	Initiatives for Improving Traffic Safety	p.10 - 15
			Creating an Affluent Society	p.21 - 31
		Social Contribution Activities	Environment	p.111 - 116
			Traffic Safety	p.117 - 124
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			Supporting Employees' Volunteer Activities	p.135 - 137
		Foundation	Foundation	p.140 - 141

CSR Policy Comparison with ISO 26000 Issues

CSR Policy: Contribution towards Sustainable Development		ISO 26000 Ref. No.
Preamble	We, TOYOTA MOTOR CORPORATION and our subsidiaries, take initiative 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 important, 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.	1 2 4 22 23 24
Customers	• Based on our philosophy of "Customer First," we develop and provide innovative, safe and outstanding high quality products and services that meet a wide variety of customers' demands to enrich the lives of people around the world. (Guiding Principles 3 and 4)	25, 27 29, 30
	• We will endeavor to protect the personal information of customers and everyone else we are engaged in business with, in accordance with the letter and spirit of each country's privacy laws. (Guiding Principles 1)	24, 28
Employees	• We respect our employees and believe that the success of our business is led by each individual's creativity and good teamwork. We stimulate personal growth for our employees. (Guiding Principles 5)	14
	• We support equal employment opportunities, diversity and inclusion for our employees and do not discriminate against them. (Guiding Principles 5)	5, 6, 10
	• We strive to provide fair working conditions and to maintain a safe and healthy working environment for all our employees. (Guiding Principles 5)	11, 13
	• We respect and honor the human rights of people involved in our business and, in particular, do not use or tolerate any form of forced or child labor. (Guiding Principles 5)	3, 4, 9
	• Through communication and dialogue with our employees, we build and share the value "Mutual Trust and Mutual Responsibility" and work together for the success of our employees and the company. We recognize our employees' right to freely associate, or not to associate, complying with the laws of the countries in which we operate. (Guiding Principles 5)	5, 7 8, 12
	• Management takes a leadership role in fostering a corporate culture, and implementing policies, that promote ethical behavior. (Guiding Principles 1 and 5)	19, 20
Business Partners	• We respect our business partners such as suppliers and dealers and work with them through long-term relationships to realize mutual growth based on mutual trust. (Guiding Principles 7)	21
	• Whenever we seek a new business partner, we are open to any and all candidates, regardless of nationality or size, and evaluate them based on their overall strengths. (Guiding Principles 7)	37
	• We maintain fair and free competition in accordance with the letter and spirit of each country's competition laws. (Guiding Principles 1 and 7)	21
Shareholders	• We strive to raise corporate value while achieving a stable and long-term growth for the benefit of our shareholders. (Guiding Principles 6)	—
	• We provide our shareholders and investors with timely and fair disclosure of our operating results and financial condition. (Guiding Principles 1 and 6)	1
Global Society/Local Communities	Environment • We aim for growth that is in harmony with the environment by seeking to minimize the environmental impact of our business operations, such as by working to reduce the effect of our vehicles and operations on climate change and biodiversity. We strive to develop, establish and promote technologies enabling the environment and economy to coexist harmoniously, and to build close and cooperative relationships with a wide spectrum of individuals and organizations involved in environmental preservation. (Guiding Principles 3)	15, 16 17, 18
	Community • We implement our philosophy of "respect for people" by honoring the culture, customs, history and laws of each country. (Guiding Principles 2)	2, 7, 8
	• We constantly search for safer, cleaner and superior technologies that satisfy the evolving needs of society for sustainable mobility. (Guiding Principles 3 and 4)	26, 34
	• We do not tolerate bribery of or by any business partner, government agency or public authority and maintain honest and fair relationships with government agencies and public authorities. (Guiding Principles 1)	19, 20
Social Contribution	• Wherever we do business, we actively promote and engage, both individually and with partners, in social contribution activities that help strengthen communities and contribute to the enrichment of society. (Guiding Principles 2)	31, 32 33, 35 36, 37

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