Towards Achieving the Complete Elimination of Traffic Casualties and Developing Vehicles that Do Not Cause Accidents

In order for automobiles to continue developing as a means of transportation, it is important to minimize the negative effects of environmental impact, traffic accidents and traffic congestion. Toyota is working to further advance safety by developing safer vehicles via a comprehensive approach based on “Safety: Basic Concept,” which seeks to achieve a working harmony with society.

Initiatives Toward Improving Traffic Safety Viewing People, Vehicles and the Traffic Environment as an Integrated Whole

Achieving the ultimate goal of eliminating traffic accidents will require the manufacture of safer vehicles, educating people, and making proposals toward the creation of a safe traffic environment. In order to achieve this, Toyota is advancing initiatives for traffic safety by viewing people, vehicles and the traffic environment as an integrated whole.

In August 2006, Toyota announced its Integrated Safety Management Concept, an expression of the direction of Toyota’s technology development. Under this integrated management, information detected by various sensors, including information on the driver’s physical condition, the vehicle’s performance, and the traffic environment, is processed by an onboard computer which activates the active safety system to determine the optimal support at all stages of vehicle operation to give the driver in order to prevent a dangerous situation from occurring.

Active Safety

Navigation-linked Brake Assist System

Based on navigation map information*, this system uses display and sound to alert the driver to approaching stop signs. The system uses a rear-mounted camera to recognize markers painted on the road, compares them to map information, and accurately computes the distance to a stop line. If the driver fails to decelerate despite approaching the stop line, the system warns the driver and activates the Navigation-linked Brake Assist, which facilitates emergency braking. This system was installed in the new Crown.

Night View System with Pedestrian Detection Function

During nighttime driving, the Night View system displays the view of difficult-to-see pedestrians, obstacles, and the condition of the road ahead. The light from the vehicle’s high beam lamps is filtered and only near-infrared light is projected forward. The images captured by a near-infrared camera are then displayed on an LCD “fine graphic meter.” When a pedestrian is detected at a distance of between 40 and 100m ahead, the entire image as well as the position of the pedestrian are outlined in flashing yellow. This is the first near-infrared system in the world that incorporates a pedestrian-recognition function. The new system is installed in the new Crown Hybrid.

Even when a second pedestrian is detected, the first pedestrian continues to be displayed

Safety: Basic Concept

1) Contribution to an affluent mobile society
Toyoata always focuses on people and on striving toward a mobile society without any traffic casualties in which people are able to travel comfortably via vehicles.

2) Working together with society
As a member of our global society, Toyota strives to improve the traffic safety environment. We are safety conscious and want to work with various groups, such as local and national governments.

3) Development of safe vehicles
Taking accident analysis data into consideration, Toyota develops technologies for “Active safety” and “Passive safety” to lead the world, and protecting and assisting consumers.
Pre-crash Safety System

Advances in the Driver Monitoring System
The new Driver Monitoring System can now monitor the eyelids of the driver in addition to the direction of the driver’s face. If the system senses that a collision is imminent and also determines that the driver’s eyes have been closed longer than they would be due to blinking normally, the system regards this as a sign that the driver has failed to recognize the situation and issues an early warning. If the driver’s state does not improve even when the risk of collision has increased, the system activates a warning brake to physically alert the driver. If the system judges that a collision is unavoidable, it activates the Pre-crash Brake to reduce the collision speed and causes the Pre-crash Seatbelt System to retract the seatbelt to reduce collision injury. The system is installed in the new Crown.

Passive Safety

Omni-directional Compatibility
Omni-directional compatibility is a concept that promotes crash safety in a collision of two vehicles of different weights and heights. Adopting this concept, Toyota conducted frontal, side, and rear-end collision tests between a smaller test vehicle and a heavier two-ton class vehicle. Toyota has set up its own stringent goals and is working on developing body structures that will ensure safety for occupants of both cars involved in collisions, whatever the direction.

Pedestrian Protection
In order to help reduce injury to pedestrians during an accident, Toyota has adopted impact-absorbing structures in the hood, cowl, fenders, and bumpers.

Side Airbags and Curtain Shield Airbags to Become Standard Features
Side and curtain shield airbags are effective in ensuring occupant safety in a strong side-collision impact. During a side collision, the side airbag cushions the impact on the occupant’s chest, while a curtain shield airbag cushions the side of the head. Toyota is moving ahead with a plan to make side airbags and curtain shield airbags standard features in all of its vehicle series.

Vehicle-infrastructure Cooperative Systems that Support Safe Driving
Toyota is actively working on developing Vehicle-infrastructure Cooperative Systems that support safe driving and utilizes ITS technologies, as well as evolving the autonomous safety devices and systems installed in the vehicles themselves. In developing Vehicle-infrastructure Cooperative Systems that support safe driving, Toyota’s goal is to achieve a dream car that avoids traffic accidents, by grasping the types of information that cannot be captured by sensors installed on vehicles, and communicating the information between vehicles and sensors installed on the road, or among vehicles. Working with the Japanese government, Toyota has been testing this system on public roads and is taking steps toward commercialization.

Development of Driving Simulator
To develop technologies for reducing traffic accidents, it is essential to analyze driver behavior. However, using actual vehicles to analyze behavior such as sleeping-at-the-wheal, distracted driving, and drunk driving would be too dangerous. Therefore, to safely analyze such behavior, Toyota developed a state-of-the-art driving simulator and installed it in one corner of the Higashifugi Technical Center. To obtain accurate results, it is crucial to make the driver feel as though he or she is driving an actual vehicle, not a simulator. Therefore, Toyota’s simulator was made to replicate the feel of speed, acceleration and other sensations as realistically as possible. Utilizing this simulator, Toyota plans to develop technologies that are even more effective in preventing accidents.
Toward Achieving a Sustainable Society

Seeking to contribute to the enrichment of society and its sustainable development, Toyota has been engaged in various social contribution activities in order to be a good corporate citizen of the world.

Principles and Policies for Social Contribution

Under the Guiding Principles at Toyota, Toyota seeks to be a good corporate citizen of the world and to contribute to economic and social development through corporate activities in the communities it conducts business in. The explanation paper entitled Contribution Towards Sustainable Development, which interprets the Guiding Principles, explains how Toyota actively promotes and engages in social contribution activities that help strengthen communities and contribute to the enrichment of society. Based on these concepts, Toyota’s approach to social contribution activities, its activities and goals are expressed clearly in the principles and policies that are shared with all Toyota companies throughout the world.

Principles and Policies of Social Contribution Activities

<table>
<thead>
<tr>
<th>Purpose</th>
<th>We in the Toyota Group will undertake social contribution activities to contribute to sustainable social vitality.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stance</td>
<td>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 fostering future human resources.</td>
</tr>
<tr>
<td>Employee Participation</td>
<td>We will support independent social contribution activities that our employees undertake as members of the community.</td>
</tr>
<tr>
<td>Information Disclosure</td>
<td>We will disclose information about our social contribution activities.</td>
</tr>
<tr>
<td>Global Perspective</td>
<td>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.</td>
</tr>
</tbody>
</table>

Implementation Structures in Japan

In 1989, Toyota established the Corporate Citizenship Activity Committee chaired by the company president and comprised of relevant directors to act as the highest level decision-making body. It was renamed the CSR Committee in October 2007 after taking on several new functions previously carried out by other internal organizations. The Corporate Citizenship Division was organized in January 2006 as a specialized division to reinforce corporate social contribution activities and integrate corporate social contribution functions that had been performed by multiple divisions.

Implementation Structures in Japan

<table>
<thead>
<tr>
<th>CSR Committee</th>
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<tbody>
<tr>
<td>Corporate Citizenship Activity Committee</td>
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<tr>
<td>Corporate Citizenship Division</td>
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<tr>
<td>Corporate Public Relations Division</td>
</tr>
<tr>
<td>General Administration Division</td>
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<tr>
<td>Regional I&amp;O activities</td>
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<tr>
<td>Tokyo General Administration Division</td>
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<tr>
<td>JAMA-related affairs</td>
</tr>
<tr>
<td>CSR &amp; Environmental Affairs Division</td>
</tr>
<tr>
<td>Regional environmental preservation</td>
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</table>

Related organizations/cultural facilities/foundations

<table>
<thead>
<tr>
<th>Japan Group companies</th>
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</thead>
<tbody>
<tr>
<td>Cultural facilities: Toyota Kajiken Exhibition Hall</td>
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<tr>
<td>Saitama Toyota Memorial House</td>
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<tr>
<td>Related organizations: Amnill</td>
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<tr>
<td>NEXCO WEB</td>
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<tr>
<td>Toyota Kurayuik Commemorative Hall</td>
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<tr>
<td>Foundation</td>
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<td>Toyota Foundation</td>
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<tr>
<td>Toyota Technological Institute</td>
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Dealers

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<tr>
<th>Toyota Cheese Factory</th>
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<tbody>
<tr>
<td>Toyota Game Roadside</td>
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<tr>
<td>Toyota Volunteers</td>
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<tr>
<td>Toyota Automobile Museum</td>
</tr>
<tr>
<td>Toyota Commemorative Museum of Industry and Technology</td>
</tr>
</tbody>
</table>

Overseas Implementation Structures

As shown in the diagram below, Toyota has established a network linking its head office with bases in North America, Europe, China, and the rest of Asia, which it is continuing to enhance. Toyota reviews regional policies and action plans in close collaboration with regional holding companies.

U.S.: The meeting of Toyota U.S. Philanthropy Committee, which has its office based at TMA, is held three or four times a year to review budgets, policies and individual projects related to social contributions.

Europe: The meeting of the Toyota Fund for Europe, which has its office based at TME and is held twice annually, assesses projects submitted by affiliates and supports outstanding projects.

Asia: The team of Toyota Asia Pacific (TTAP), which has its office at TMAP, is held three times a year and is an opportunity for the senior management of affiliates to confirm the progress of initiatives in each country.

In addition, a Philanthropy Committee was set up in November 2007, projects by affiliates from each country have been inspected, and support for excellent projects has been provided.

China: TMC promotes programs that meet local needs by drawing on suggestions from relevant experts and other sources.

Overseas Implementation Structures

<table>
<thead>
<tr>
<th>U.S. Philanthropy Committee</th>
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<tbody>
<tr>
<td>TMA/TMS-TEMA (Top management of each company)</td>
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<tr>
<td>TMA (U.S.)</td>
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<tr>
<td>TMAP (Asia)</td>
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<tr>
<td>TMC (China)</td>
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<tr>
<td>TME (Europe)</td>
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</tbody>
</table>

Results of Social Contribution Activities

All Toyota affiliates conduct independent social contribution activities centered on three focus fields—the environment, traffic safety and education—with other fields added in accordance with local societal needs. In Japan, support of the arts and culture, and community care have been added to the three focus fields. Emphasis is also placed on employee volunteer activities, with programs promoted through utilization of Toyota’s expertise and resources.

FY2007 Activities by Field

Social contribution activities by TMC and major consolidated subsidiaries are as shown on the right.

1. On a consolidated basis, and major subsidiaries. Results for overseas affiliates have been calculated in Japanese yen based on the average exchange rate for FY2006.

2. Facilities whose operations and objectives cover more than one area have been included in “Other”.
Environmental Initiatives

In order to contribute to the sustainable development of society and the earth, Toyota is committed to proactively making social contributions in areas such as environmental education, support for environmental action, preservation of biological diversity, and afforestation. The principal activities are introduced here.

Anti-desertification Initiative in China

Since 2001, through a joint effort with the Chinese Academy of Sciences, the Hebei Province Forestry Bureau, and NPO Green Earth Center, Toyota has been carrying out an initiative to stop desertification in Fengning Man Autonomous County, Hebei Province, where significant desertification has occurred. Over the past seven years trees have been planted on 2,632 hectares of land since the afforestation activities began in April 2001. The second term of the initiative was completed by 2006. Not only have efforts been made to counter the causes of desertification, but also to balance the lives of local residents and environmental preservation. The third term, stretching from 2007 to 2010, will see 500 more hectares of land planted. Also, the 21st Century Greater Beijing Afforestation Center was opened in May 2008 as a base for information, personnel training and other afforestation-related activities in order to help ongoing activities take root locally.

Assistance Begins for Rainforest Restoration in the Philippines

In FY2007, a joint project was launched with the Department of Environment and Natural Resources in the Philippines, the Peñablanca Municipal Government, and Conservation International (CI), an environmental NGO, to plant 1,772 hectares of trees over a three-year period in Peñablanca (approx. 500km north of Manila) in the Province of Cagayan, which is located in the northern part of Luzon Island, the Philippines. Specifically, to counter deforestation resulting from fuel wood logging, a forest is being planted specifically for firewood, and mango and other fruit trees are being planted to improve the lives of the local residents. The knowledge and afforestation technology gained in China are being shared with the aim of creating a sustainable forest that can both improve the lives of local residents and restore the forest.

Launching an Initiative to Construct a Model Forest Restoration Program in Japan

In October 2007, 1,631 hectares of mountain forest in the town of Odai, Taki-gun in Mie Prefecture was acquired to initiate a program that encompasses forest improvements and restoration with the goal of maximizing the forest’s effect of revitalizing the earth’s environment through absorbing CO2 and other means. It will serve as a social contribution program and a touchstone for forest regeneration in Japan.

The Forest of Toyota

The Forest of Toyota project was established within Foresta Hills, on the outskirts of Toyota City in Aichi Prefecture, to revitalize satoyama (forests and wetlands near populated areas). As well as sharing the knowledge on reforestation acquired from this model forest with the public, Toyota contributes to environmental education through initiatives such as the Experience Nature program. FY2007 marked 10 years since the model forest was established. To celebrate, in November a commemorative ceremony and event were held to express gratitude for the efforts of all involved over the past years and to deepen communication with everyone who has supported the initiative. A total of 308 people took part in events such as the Parent and Child Forest Discovery event, which was first held in FY2006. In FY2007, 10,509 people (6,185 elementary students) visited the Forest of Toyota, bringing the total since its establishment to approximately 59,400 people.

Toyota Environmental Activities Grant Program

The Toyota Environmental Activities Grant Program was launched in commemoration of TMC’s receipt of the Global 500 Award* in 1999. Since FY2000, Toyota has been accepting applications to the Environmental Activities Grant Program to support projects involved in research and other activities centered on the theme “Environmental Technology and Human Resource Development Contributing to Environment Revitalization and Conservation.” Over 500 applications were received in FY2007. The program’s selection committee, consisting of a group of experts from Japan and elsewhere around the world, deliberated intensively and judged the entries on criteria such as appropriateness of the projects and continuity and future development. Twelve projects were selected under the category of “general grants,” such as the project “Building the sustainable Bio-Fuel Supply Chain for the Poor Farmers in Rajasthan, India,” and fifteen under the category of “small-scale grants” (projects that are confined to Japan), such as the Citizens’ Kushiro Marsh Nature Rehabilitation Project. Grants amounted to a total of approximately 160 million yen. In 2008, programs eligible for assistance will be narrowed down to the serious environmental issues of global warming and biodiversity.

Employees Discuss and Draw Up Fundamental Principles at the Toyota Shirakawa-Go Eco-Institute

The Toyota Shirakawa-Go Eco-Institute was opened in April 2005 as a facility that offers a place where as many people as possible can learn more about the environment. In FY2007, it welcomed 16,300 visitors. Three years have passed since it opened its doors, and to make its principles as a nature school clearer to stakeholders, including the facility instructors and visitors, the fundamental principles for the facility have been outlined. Institute employees discussed what to incorporate in these fundamental principles based on key phrases previously employed, such as “to create the foremost nature school in Japan,” and “to give an actual sense of the importance of harmoniously living with nature.” The final document is displayed in the school and written on cards that all employees carry with them. By drawing up the fundamental principles, the facility clarified its mission, and understanding of that mission has been newly integrated into school operations.

Information about the fundamental principles of the Shirakawa-Go Eco-Institute is publicized on its website.

Traffic Safety Initiatives

As one part of initiatives that aim to achieve zero traffic deaths and injuries, Toyota has been actively engaged in traffic safety activities since the 1960s, including safe-driving courses for drivers and traffic safety education for children.

**Toyota Traffic Safety Campaign Programs Conducted Together with Dealers**

Since 1969, Toyota has been conducting the Toyota Traffic Safety Campaign together with dealers every spring and autumn, coinciding with Japan’s Nationwide Traffic Safety Campaigns. In FY2007, the campaigns focused on preventing accidents that could occur if children suddenly run out into the street (spring), traffic safety for the elderly (spring and autumn), and the promotion of the use of rear-seat seatbelts (autumn). Approximately 1.5 million copies of an educational leaflet, created in line with the main themes, were distributed. Toyota also donated 2.65 million traffic safety picture books and 47,000 traffic safety storytelling cards to children entering kindergartens and nursery schools nationwide.

A total of some 115.9 million picture books and 1.15 million storytelling cards have been published to date.

**Toyota Driver Communication Adds a Program for Elderly Drivers**

Toyota has been conducting unique nationwide safe-driving courses called Toyota Driver Communication, which were begun in 1987 with the goal of reducing the number of accidents involving young drivers. Since 1987, over 25,500 people have taken the courses.

Toyota Safety Education Center “mobilitas,” located inside the Fuji Speedway in Shizuoka Prefecture, offers Toyota Driver Communication courses on a regular basis. “mobilitas” encompasses a total area of 130,000m²—the biggest facility of its kind in Japan—and is complete with a large flat course, a circuit with a 35-degree bank, a straight low-resistance course, and a winding low-resistance course. With instructors who train Toyota test drivers, students can safely experience the performance of vehicles at their limits through such exercises as high-speed emergency braking, and driving and braking on a low-resistance road surface.

In FY2007, 4,200 people took the courses. In addition, a program for elderly drivers was held in July 2007. New features were added to the regular program, such as using a camera mounted on the car to record students as they drive so that they can objectively review their own performance. This also allows instructors to be able to give even more detailed advice. One participant stated that, “I was really pleased with the practical and detailed course content that isn’t found in statutory courses.” In February 2008, a program only available in winter was implemented that offers hands-on experience for driving on snowy roads.

**Toyota Safety School for Parents and Children**

Every year Toyota has been inviting children from kindergartens and nursery schools in and around Toyota City, as well as Oyama-cho in Shizuoka Prefecture, to traffic safety classes held at the Toyota Kaikan Exhibition Hall and Toyota Safety Education Center “mobilitas,” respectively. In FY2007, approximately 5,400 children from 117 kindergartens and nursery schools participated in safety classes held at the Toyota Kaikan Exhibition Hall, and about 400 children and parents participated at “mobilitas.”

Children made comments such as, “I’ll be more careful and pay attention to cars when I cross the street,” and parents said, “I realized the importance of using seatbelts in the backseat more than before.” The cumulative total attendance of children since 1975 is approximately 218,000 from some 2,674 kindergartens and nursery schools.

**Mobile Educational Events**

Toyota holds mobile events where people can learn about traffic safety through various hands-on experiences to spread traffic safety awareness in the local community. In FY2007, traffic safety events were held at major commercial facilities throughout the country with the cooperation of local governments, the Aeon Group, dealers, and other entities. At the events, not only were participants able to experience some of the activities offered through the Toyota Driver Communication courses, but they also learned proper use of child restraint systems, and experienced first-hand deterioration of physical abilities due to age and a simulation of walking while intoxicated.

Participant comments included, “We were able to reinforce as a family the danger of driving while intoxicated.”

In FY2007, approximately 12,000 people participated in mobile educational programs held by Toyota.
Education

Toyota cooperates with various segments of society while using its resources effectively to implement educational programs that will develop future leaders.

Scientific Jack-in-the-Box!
The Why/What Lecture Conducted 24 Times in Japan and Abroad

Toyota has been holding free science and engineering workshops for elementary and middle school students since 1996 to address the social issue of the declining interest in the sciences by youth. Employees who are members of the Toyota Engineering Society* serve as volunteer instructors of the workshops, which are held at science and other museums and Toyota and affiliates’ facilities in various sites throughout Japan.

Participants can gain an understanding of the importance of science and experience the fun of “making things” through 10 original programs developed by Toyota, including two-legged robots and electric power recovery vehicles. After learning the basic principles and structures, the children make the various devices themselves, enabling them to use their imagination and creativity. Surveys of participants have included responses such as “It was fun to learn about things that we aren’t taught at school.” In FY2007, 24 workshops were held—10 of which were at new locations, including one in Bangkok, Thailand (the first to be held overseas)—with a total of 1,800 participants. To date, some 248 workshops have been held with 20,500 children participating.

*Toyota Engineering Society: An internal organization designed to contribute to the development of various business technology fields, including the automotive manufacturing and sales business, by raising engineering skills and promoting friendship. Currently, there are approximately 31,000 members.

Toyota Youth Orchestra Camp

Since 1985, Toyota has conducted the Toyota Youth Orchestra Camp in collaboration with the Federation of Japan Amateur Orchestras to cultivate young talent through music. A cumulative total of more than 4,500 people have attended the camp to date. In its 10th term (2006–2007), 150 participants from around Japan attended a four-day camp in Kisarazu-shi, Chiba Prefecture. Many practice sessions took place under the guidance of leading professional musicians and directors, and on the last day of camp the Japan Youth Symphony Orchestra gave a special concert to show the fruits of their efforts.

The participants also planned and operated the camp, where they acquired performance techniques and also learned the pleasure of achieving a specific goal through mutual cooperation before returning to their hometowns to help promote local arts and cultural activities. Comments from the children who participated included, “I learned performance techniques, but I also want to use what I learned through the camp at activities in my hometown.”

While at camp, the participants also engaged in local contribution activities and held one-day training sessions, “Children’s Get-together with Musical Instruments,” for local children.

![Hovercrafts being made at The Why/What Lecture in Thailand](Image 316x541 to 521x695)

Toya Youth Orchestra Camp

![Children created a 25m-long giant scroll at a workshop held in Gunma](Image 318x240)

![Japan Youth Symphony Orchestra special concert at Ichikawa City Cultural Hall (March 29)](Image 46x246 to 231x385)

Toyota Children Meet Artists Program

The “Toyota Children Meet Artists” is a program aimed at fostering children’s values and rich aesthetic sense through interactions with artists. Conducted in cooperation with the NPO Artist’s Studio in a School (ASIAS) and other local NPOs, this educational program has been carried out throughout Japan since 2004. Dancers and contemporary artists visit schools, children’s centers, and hospitals where they create workshop-style classes employing integrated learning according to local characteristics or needs. By the end of FY2007, the workshops had been held on 24 occasions in seven regions nationwide with 3,385 children participating.

In FY2007, workshops were held in Hokkaido (Sapporo), Gunma, Aichi, and Oita prefectures. In Gunma, a picture book author drew a 1m x 25m picture together with children. In Aichi, students at an internationally diverse school gave presentations using their own native languages (English, Portuguese), and in Oita, junior high school students and an artist masquerading as Rainbow Man created a giant picture. In addition, contemporary artists in Sapporo used available classrooms to carry out two-week long “Artist in School” activities. With the cooperation of the PTA and local residents, a giant snow mountain was created in the schoolyard, and the final day included activities including a fireworks display. It proved to be a memorable workshop for the children.

![Hovercrafts being made at The Why/What Lecture in Thailand](Image 315x101 to 501x240)
**Culture and the Arts**

Toyota operates the Toyota Automobile Museum and the Toyota Commemorative Museum of Industry and Technology, two unique museums, with an emphasis on passing on the culture of making automobiles and *monozukuri* (making things). In addition, Toyota collaborates with NPOs and other organizations to actively support the arts and culture with the aim of enhancing cultural foundations.

**The Toyota Automobile Museum Welcomes 4.24 Million Visitors**

The Toyota Automobile Museum (Nagakute-cho, Aichi Prefecture) opened in 1989. It has a permanent display of over 140 Japanese and foreign classic cars, including Toyota’s first production car, the Toyoda Model AA.

In FY2007, 250,000 people visited the museum, bringing the total number of visitors to about 4.24 million. The history of automobile development over the past century is systematically displayed from the birth of the gasoline-powered car. Vehicles on display are carefully preserved in their original condition and well maintained so that they can be driven anytime. Visitors can ride in the vehicles at events such as the classic car festival. Accomplishments from arts and cultural activities are also presented through planned exhibitions. Four exhibits were held in FY2007, including the “Henry Ford and the Model T” exhibit.

**250,000 People Visit the Toyota Commemorative Museum of Industry and Technology**

The Toyota Commemorative Museum of Industry and Technology was established in 1994 by 13 Toyota group companies in Nagoya City, the birthplace of Toyota, for the purpose of conveying the philosophy underlying “making things” and the “spirit of being studious and creative.” Some 250,000 people visited the museum in FY2007, with the cumulative number of visitors since its opening reaching approximately 2,230,000 people. The museum features a wide range of displays, including looms and automobiles as well as valuable industrial legacies such as a 100-year-old Swiss steam engine.

In FY2007, the Toyota Collection, a collection of scientific and technological materials mainly from the Edo Period (1603-1867), were displayed, an automotive “Universal Design” exhibit was held, and summer vacation workshops for children and cultural seminars that allow participants to disassemble and reassemble actual engines were conducted.

**Support for Culture and the Arts**

**1,200 Toyota Community Concerts held to date**

Since 1981, Toyota and its Japanese sales companies have jointly held the Toyota Community Concerts to contribute to the promotion of local culture through music. In FY2007, 39 performances were held in 23 prefectures. To date, 1,229 concerts have been held at 137 cities and towns in 44 prefectures, with a total of 980,000 people having enjoyed the performances. Toyota is committed to continuing to offer many people a casual opportunity to enjoy live orchestra music.

**Toyota Master Players, Wien**

Toyota offers an opportunity to appreciate the world’s top musicians. Since 2000, Toyota has given people the luxurious experience of enjoying concerts performed by an orchestra of specially selected musicians from the Vienna Philharmonic Orchestra and members of the Vienna State Opera. In FY2007, seven concerts were held in five cities in Japan with audiences totaling 12,200 people.

In addition, programs targeting the next generation, the youth, were also implemented while the orchestra was on tour, including invitations to concerts and public rehearsals, concerts at schools and other facilities, and the open “masters classes.”

**Toyota Choreography Award**

In order to discover and foster choreographers who will be the driving force behind future dance productions and to honor contemporary and other forms of dance, Toyota, in cooperation with the Setagaya Public Theatre in Tokyo, has been presenting the Toyota Choreography Award since 2001. Winners are awarded the opportunity to present their work at the theatre in the following year with Toyota shouldering part of the cost of their production.

This award program has been held five times and 951 award applications have been received to date. In FY2007, previous winners put on gala performances in Kanazawa, Fukuoka, and Tokyo. At the same time, presentations such as performances choreographed for local dancers were also included in an attempt to expand activities to other regions.

**NetTAM kicks off new grant program**

Since 2004, Toyota has run NetTAM, a comprehensive information site on art management to train personnel who will be responsible for maintaining, or otherwise involved in, the arts. With a portion of it updated to offer both Japanese and English, in FY2007 the website was accessed by approximately 1.37 million people. In addition, a new grant program called the “Toyota Arts Environment Kaizen Project” was started with the aim of improving the program environment for art management. In July 2008, a public presentation competition will be held to choose three grant recipients.

**Details of NetTAM can be found at http://www.nettam.jp/en**
Community Care

Toyota is working toward creating a harmonious, self-sustaining society where a diverse range of people respect one another and work together, by assisting with local social contribution projects, supporting welfare services, encouraging self-reliance and other initiatives while utilizing both tangible and intangible resources, such as technology and know-how.

Toyota Lobby Concerts Offer Enjoyable Variety of Music

Since 1995, Toyota Lobby Concerts have been held on the 1st floor lobby of Toyota Motor Corporation’s Tokyo Head Office, for those in nursing-care facilities and local residents who have few opportunities to attend a concert. In FY2007, employee volunteers and local residents organized a summer concert featuring Ayako Sasaki (piano player, singer). Approximately 400 people came to the concert. In addition, in FY2007 concerts were held twice at the Toyota showroom in the Midland Square building in Nagoya. About 360 people enjoyed a flute ensemble and a novel performance featuring a saxophone and an erhu, a two-stringed bowed instrument from China.

Toyota Telephone Counseling Listens to Children; 450,000 Calls Fielded

Toyota set up a telephone counseling service for children on May 5, 1979, the International Year of the Child, for children from elementary school to high school to discuss anything on the minds, including friends, family, studies, the future, and romantic relationships. Children can call and speak freely about anything on the subject of physical or emotional concerns. They pay only the price of the call. FY2007 marked the 29th year since it was launched, and to date 450,000 calls have been received.

Volunteer Activities

2007 Toyota Cleanup Project

Since the year 2000, Toyota has worked with various organizations to hold clean-up activities along the Yahagi River in Toyota City. June 9, 2007 marked the eighth time the activity has been held and over 1,200 people participated, including organization members, residents, and 900 Toyota employees. The volunteers collected 247 bags of trash (1,280kg). Many of the participants made encouraging comments, such as “We need to create a clean city where it is no longer necessary to pick-up trash.”

Japan Volunteer Festival in Aichi & Nagoya 2007

Toyota collaborated in various ways at the Japan Volunteer Festival in Aichi & Nagoya 2007, held in September 2007 in Aichi Prefecture, such as participating in the planning committee. Over a two-day period, 56 employees played a part in activities at the Nishimikawa Block venue in Toyota City, such as helping with parking and venue guidance, presenting recreation club activities at the Toyota City Noh Theatre, Nohgakudo, and holding panel discussions at the concert hall.

Helping out at a sports festival for people with disabilities

A sports festival for people with disabilities was held in October 2007 to commemorate 20 years since the establishment of the Toyota City Disabled Association. For two days, 26 employees participated by helping to prepare the venue, aid the players, keep score, and clean up. “Everyone’s support made it a meaningful tournament,” commented one participant, happy for the assistance.

New Beginnings Seminar held for previous residents of children’s homes in Aichi Prefecture

Together with Mitsubishi Corporation, in February 2008 Toyota held the 2nd New Beginnings Seminar for previous residents of children’s homes in Aichi Prefecture. Eighteen employees split into teams for each facility and helped the previous residents as they toured the Toyota Commemorative Museum of Industry and Technology, with seminars on table manners and becoming a working member of society. Both previous residents and teachers expressed their gratitude and deep appreciation for this kind of seminar.

Volunteers continue a program to secure furniture at the homes of elderly persons living alone

Since May 2003, employee volunteers have visited the homes of elderly people aged 65 years and older who live alone in Toyota City in order to secure their furniture to prevent it from falling over. Over 100 homes have been visited, making the pleased recipients of the volunteer service feel safer. Currently, Toyota is expanding the volunteer activity through cooperative efforts with the Toyota City Welfare and Child Committee.
**Examples of Overseas Initiatives**

**Planting Trees along Riverbanks as part of “Water Forests” Project**

Spain
Toyota España (TES)

TES has been supporting environmental improvements in the watersheds of two large rivers that drain the Iberian Peninsula: the Tajo and Guadiana. The Tajo is the longest river on the Iberian Peninsula, which flows a total of 1,038km, starting in the Albarracin Mountains of eastern Spain and passing through Spain and Portugal before flowing into the Atlantic Ocean at Lisbon. The Guadiana is a 22km long river which starts in central Spain and flows west to the Portuguese border, then turns south before flowing into the Atlantic. Numerous dams dot the river and form part of the local water network, contributing to agriculture, electricity and daily life. Both of these rivers, however, are subject to the same depredations of pollution and excessive water use. Severe environmental degradation has occurred along their entire lengths. In order to improve the situation, TES started a project in 2006 called “Water Forests” with WWF/Adena, the Spanish branch of the WWF, and a large Spanish media group, Grupo Recoretos. The core activity of the project is planting trees along the riverbanks to prevent or reduce the erosion of the soil and the pollution of the water. They also help protect the underground aquifers and help maintain the integrity of the rivers.

At a Tajo tributary, the Algodor, the numbers of Mediterranean-forest species of trees have declined alarmingly. TES employees, Prius customers and other volunteers, working under the supervision of WWF/Adena experts, have planted native species and undertaken other environmental improvements at four sites along the river. The proliferation of invasive species, notably eucalyptus trees, has driven out native species in recent decades, especially along the Guadiana River. Guadiana Hydrographic Confederation, a consortium of private and public sector interests established in 1980, is cutting down stands of eucalyptus and planting multiple species of native trees and shrubs in their place. Water Forests supports the work by the confederation through the labor of employee volunteers and through financial donations.

Fifty TES volunteers and their families had participated in the activities by the end of 2007. The newly planted areas total a significant 20 hectares.

**Working with NGO to Protect Maui’s Dolphin**

New Zealand
Toyota New Zealand (TNZ)

Wild places define New Zealand and many New Zealanders have a strong bond with nature. Many wildlife species are unique to New Zealand as a result of 80 million years of isolated evolution. However, many of these endemic species are under pressure from human activities and foreign species introduced to the country by early settlers. TNZ has been working with the conservation organization WWF-New Zealand for 25 years in an effort to help protect New Zealand’s biodiversity for future generations.

An important part of this long-standing partnership has been WWF’s work to protect the critically endangered Maui’s Dolphin. The Maui’s Dolphin is the world’s rarest dolphin and is found only off the northwest coast of New Zealand’s North Island. It is listed as an endangered species by the international conservation organization IUCN, and only about 100 dolphins remain at present. Reasons for their decline in numbers include entanglement and drowning in set nets and drift nets, trawl fishing, boat strikes, as well as pollution. In order to protect the dolphins, WWF has been pressuring the government to completely ban the use of set nets and ban trawling in the shallow waters where the dolphins live, and its proposals have led to the establishment of four new marine mammal sanctuaries.

In addition to providing funding for the project and loaning hybrid vehicles, TNZ has provided a toll free number for Maui’s Dolphin sightings using TNZ’s call center for more than seven years. The system makes it easy for the public to report sightings of the dolphin to the WWF. Chris Howe, Executive Director for WWF-New Zealand, says “These sightings are incredibly valuable in supporting WWF’s calls for more protection for the dolphins as they make clear the extent of the range and movements of the Maui’s Dolphin.”
Aiming to Eliminate Traffic Accidents through Road Safety Education for Children

Malaysia
UMW Toyota Motor Sdn Bhd (UMWT)

The rapid growth in vehicle ownership in Malaysia has occasioned a troubling increase in traffic accidents. In 2007, over 300,000 traffic accidents were recorded, unfortunately resulting in over 6,000 fatalities. Especially disturbing are the numerous traffic fatalities involving children, which appear to be partly the result of insufficient traffic safety education. The Malaysian government is taking proactive steps, targeting a reduction in traffic fatalities by 2010. UMWT, the local distributor of Toyota vehicles in Malaysia, is equally concerned about this situation and in 2006, following the lead by the government, started a 5-year Road Safety Program with the purpose of raising children’s awareness on traffic safety.

In its first year, a two-part road safety program was conducted, comprising of a drawing contest in which the company solicited submissions from elementary school children and chose regional winners, and a traffic-safety event which was held at a shopping center in Kuala Lumpur, along with safety-oriented games and awards presentations. In the program’s second year, a “Make Our Roads Safe Again” quiz contest was organized to teach proper observance of road signs, attracting over 40,000 entries. Earlier the same year, a Traffic Warden program in support of the government’s initiative to train and station traffic wardens at various elementary schools was initiated. UMWT supplied uniforms, whistles and stop signs for the wardens. Wardens trained under this program have been stationed at 1,000 schools nationwide.

In 2008, the third year of the Road Safety Program, the government is aiming to extend its scope to all of Malaysia’s 7,616 elementary schools. UMWT will be supplying uniforms, whistles and stop signs for 2,000 wardens. Furthermore, an online club — the Traffic Heroes Club — has been set up to target elementary school children nationwide in an effort to teach them road safety rules in line with their school syllabus.

Fun Way to Teach Road Safety to Children

Pakistan
Indus Motor Company (IMC)

Road safety is now considered to be the biggest social concern in Pakistan, where the number of vehicles has been increasing by 10% per year. The motor vehicle crash fatality rate in Karachi has been estimated at 11.3 per 10,000 vehicles, compared to 1.4 in Tokyo. In Karachi alone there have been 53,748 injuries and 1,336 fatalities between January 2006 and March 2008, and more than half of the accidents involved children.

In January 2007, IMC launched the “Toyota Road Safety Campaign at Schools” with the WWF conservation organization to convey the importance of road safety to children. IMC targeted the school children because, in addition to having a strong influence on their parents, they will be driving on even more congested roads of tomorrow. The campaign comprises of distribution of road safety brochures, presentations on road safety and traffic signs, quizzes, and the signing of a special "Oath Form" whereby the children promise to abide by traffic rules.

IMC also introduced “Toyota Road Safety Concerts at Schools” to teach children about the issues in an enjoyable manner in partnership with Family Education Services Foundation, an NGO dedicated to children’s education. The campaign conveys the road safety message in a fun way via concerts. In the skits, props are used by clowns to emphasize the importance of road safety and show practical ways to obey traffic rules and regulations.

By the beginning of 2008, IMC has visited over 150 schools in Karachi. More than 30,000 children have benefited from the program. Miraal Mavalala of the Mama Parsi High School says, “I enjoyed the acts of the clowns, who taught us the importance of road safety in an enjoyable manner.” Given the overwhelming response from the children and parents, IMC is looking to expand the program to other schools in Karachi, and after that, to other cities in Pakistan.
Examples of Overseas Initiatives

Applying Toyota Way to School Education
USA
Toyota Motor Manufacturing Kentucky (TMMK)

“Let’s make a model of a bridge using toothpicks.” Junior high school students are divided into small groups and consider the best design for a bridge. “What looks strong is not necessarily so in reality,” students learn by experience. This is how they learn in the “Quest for Useful Employment Skills for Tomorrow” program, or QUEST, which was developed by adopting Toyota Way concepts. Underlying the development of QUEST is a concern for school education in the area. TMMK, which has always put a lot of effort into the training and education of employees, has eagerly supported school education at local elementary, junior high, and high schools since its foundation in 1988. It felt the need to enrich and improve school education where would-be employees were taught. During this period TMMK felt the necessity for effective educational programs. The development of effective programs had been a long time concern for the local education committees and school administrators. Upon receiving suggestions from TMMK, they decided to collaborate to improve school education. What made school administrators interested most was the concepts of problem solving and improvement activities by small groups. TMMK and school administrators established a committee and spent three years in developing QUEST. In 1999, they started introducing the program into school education. In the same year, 23 elementary, junior high and high school teachers were trained. As the program produced higher results than expected, more and more teachers began participating in the training program. The number of teachers attending the training grew from 100 in 2000 to 130 in 2001. In circumstances where public schools in Kentucky set targets for improving the average academic ability of students, schools around TMMK have been making steady improvements.

Learning by experience: students making a bridge model using toothpicks

Supporting Economically Disadvantaged Students to Go onto the Next Stage of Education
China
Toyota Motor (China) Investment (TMC)

As part of its social contribution activities in human resources development, TMC established the Toyota Study Assistance Fund together with China’s Soong Ching Ling Foundation, a pioneer philanthropic organization in China, in March 2006. The Fund provides scholarships to distinguished but economically disadvantaged students in 20 universities in the mid-west part of China. The Fund furnishes RMB 5,000 to each student annually, totaling RMB 20 million (approx. 300 million yen), and accepts 10 new students a year at each university, or a total of 1,000 students over the five years to 2010. In China, following its economic development and reform of the educational system, the number of students who go on to university is increasing. However, there are many who have to give up on going to university or on furthering their education due to financial reasons. TMC decided to establish the above Fund to help solve this problem. The Fund provides financial support with peripheral assistance such as advice on improving study skills or personal development, and also includes a tour of a Toyota dealer, a study trip to Japan, seminars on job hunting, and leadership training throughout the year.

Scholarship recipients have commented: “The Fund provides more than just material support. It also offers emotional encouragement” and “The amount of assistance is more than other scholarships. It allows students to face life and hardships with confidence.”

Scholarship recipients for 2007 at Wuhan University
Supporting Employee Volunteer Activities

USA
Toyota Engineering and Manufacturing North America (TEMA)

TEMA, established in Kentucky in 1996 as the umbrella company for Toyota manufacturing operations in the United States, has been actively promoting employee volunteer activities for more than 10 years. Team members have access to a tracking program where they can view upcoming events and log their volunteer hours. TEMA annually recognizes employees who spend many volunteer hours in the community in which they live and work; one prestigious award is the TEMA Volunteer of the Year award. Employees chosen for this annual recognition receive funding for the organizations of their choice.

Toyota Motor Manufacturing Kentucky (TMMK), Toyota’s largest production platform in the United States, and TEMA are sharing the tradition of honoring employees who volunteer their time. TMMK began their employee recognition program for employees and their families in 1993.

Volunteer activities range from yard and repair work for elderly homeowners to coaching a Special Olympics Basketball team (for disabled young people), to preserving national parks. “To serve the community and make a difference in the lives of others” is how one employee at TEMA describes her main goal in doing volunteer work.

Carrying Out Tree-planting Activities in Collaboration with the Local Community

Indonesia
Toyota Motor Manufacturing Indonesia (TMMIN) / Toyota-Astra Motor (TAM)

In January 2008, TMMIN together with Karawang International Industrial City (KIIC) started environmental conservation activities in the industrial area in Telaga Village. It was a concrete way for TMMIN to display its commitment to both conservation efforts aimed at helping prevent global warming and environmental education at the local level.

Stephen Indrawan, head of the TMMIN General Affairs Division, together with junior high students from five villages in the area surrounding KIIC, kicked off the event by planting Ulin (Borneo ironwood) trees. A total of some 2,000 Ulin saplings were distributed to the five villages for planting. The tree-planting effort is being carried out with the cooperation of 15 companies that have a keen interest in CSR activities, while Bogor Agricultural Institute is playing an advisory role.

Furthermore, employees from both TMMIN and TAM, as well as their families, were provided with 2,500 mango seeds in February 2007 so that they could plant the seeds and cultivate mango trees, thereby enhancing the area’s greenery and raising their own level of environmental awareness. Plans call for this effort to be spread beyond the company’s employees to include members of the local community. Already, in the nearby community of Karawang, a total of 1,800 mango and rambutan trees have been planted. The fruit from such trees can be sold, thereby improving the lives of the people in the local community. TMMIN and TAM are also supporting efforts that include the planting of endangered tropical plants and the reclamation of wasteland and coastal areas.
Being a Good Corporate Citizen

Toyota creates venues and opportunities for communication to deepen dialogue with many stakeholders and also introduces its vision, corporate activities, and environmental initiatives in order for more customers to understand its activities. Toyota continues to communicate with customers and the public through various facilities and websites, and integrate opinions into corporate activities.

World Business Council for Sustainable Development
Headquartered in Geneva, the World Business Council for Sustainable Development (WBCSD) is a coalition of 200 international companies united by a shared commitment to sustainable development. Honorary Chairman Shoichiro Toyoda serves as Vice Chairman of the organization.

The WBCSD has established four focus areas: ‘Energy and Climate,’ ‘Development,’ ‘Business Role’ and ‘Ecosystems;’ and makes policy proposals thereunder.

In the focus area of Development, TMC leads the “Mobility for Development” workstream and has carried out a case study on four cities (Dar es Salaam, Tanzania; Bangalore, India; Shanghai, China; São Paulo, Brazil) that included stakeholder dialogue.

In September 2007, a stakeholder dialogue was held in the industrial city of Bangalore in southern India. Karnataka state administrative officials, local NGOs, local corporations, including TKM (Toyota Kirloskar Motor Private Ltd.), and international experts on urban transport discussed “mobility challenge in Bangalore,” “addressing the mobility divide in the city,” and “use of technology towards sustainable mobility—an effective road to the future.” The entire project will be compiled and reported on at the WBCSD Council Meeting to be held in Johannesburg in November 2008. In February 2008, Toyota also participated in the focus area of “Energy and Climate,” and took part in a seminar called, “Keidanren-WBCSD Joint Seminar: Business Contribution to Low Carbon Economy” at the WBCSD Executive Committee meeting held in Tokyo.

Classic Car Festival held in MEGA WEB
On December 2, 2007, the Toyota Automobile Museum Classic Car Festival was held for the first time at MEGA WEB in Odaiba, Tokyo. A classic car event is held every spring at the Toyota Automobile Museum in Nagakute-cho, Aichi Prefecture, but to commemorate Toyota’s 70th anniversary it was held in Tokyo for the first time. The festival featured 66 cars—48 passenger cars, ten cars from the museum’s collection, and eight cars from MEGA WEB’s collection. A variety of events were carried out, including a car parade on public roads, demonstration drives, and the chance to ride in a classic car.

“Harmony for Tomorrow,” a caring message for the future
“Harmony for Tomorrow” is a corporate campaign featuring TV commercials and a web magazine created under the concept of offering ideas that individuals can carry out to preserve the environment and make the world a better place. The TV personality Kazuyoshi Morita (AKA “Tamori”) serves as chief editor of reports shown on TV commercials and published on the web magazine that showcase Toyota’s social contribution activities and environmental initiatives under the themes of eco-driving, afforestation, traffic safety, and future technology. Through this program, a message has been sent out to increase the contributions that Toyota and customers make to the earth.
The Seventh Toyota Stakeholder Dialogue

Toyota believes that it is important to meet and discuss issues with its wide range of stakeholders, and since 2001 has hosted the Toyota Stakeholder Dialogue every year. The seventh such dialogue was held on February 22 and 23, 2008, at the Toyota Commemorative Museum of Industry and Technology (Nagoya City), where Toyota’s brand of manufacturing began. Thirteen people, including representatives from NGOs, corporations and local government as well as CSR specialists, joined a dialogue coordinated by the Japan Research Institute, Limited, for a sum total of 25 attendees, including employees from TMC, with discussions held under the theme of “Business Activities and CSR at Toyota, a Corporation Moving Toward Globalization.” In particular, opinions previously expressed by participants were reflected on, and Toyota’s CSR activities were specifically discussed in order to make the most of two-way communication. Furthermore, in order to receive in-house feedback on the outcome of the dialogue, employees from the Global External Affairs Division, Public Affairs Division, Human Resources Division, Legal Division, and Customer Relations Division also participated, in addition to managing officer and the CSR & Environmental Affairs Division. The proceedings followed the above topics and were divided into four sessions, “CSR in developing countries,” “CSR in quality and customer relations,” “Social contribution activities and CSR,” and “Communication in CSR.” Each expert raised issues, and discussions were held from various angles on issues involving Toyota’s CSR. Many participants expressed the necessity of further improvements to communication activities with the public. Through this dialogue, participants gained a greater understanding of Toyota’s CSR activities.

This sustainability report provides details on the Toyota Biodiversity Guidelines, a compilation of policies concerning biodiversity, and efforts to promote employment of people with disabilities. These are initiatives that reflect opinions that have been expressed in previous stakeholder dialogues.

Example of Overseas Initiatives

PR Promoting Sustainability in Three Areas
India
Toyota Kirloskar Motor (TKM)

With the development of motorization in India, its automobile market has rapidly expanded to sales of more than two million vehicles per year. In turn, this has led to a worsening of air and water pollution. Meanwhile, environmental awareness among Indian consumers is on the rise. According to a Jan-Feb. 2008 survey of consumers in 14 countries (including Japan, the US, the UK, Germany, Australia, Brazil and China), which was conducted by the National Geographic Society, consumers in India showed the highest level of environmental awareness. Against this general backdrop, TKM (established in 1997) has been promoting environmental activities such as reducing energy and water consumption and other environmental performance improvements at production plants, support for dealers in gaining ISO 14001 certification, and the publishing of an environmental report for the first time by an Indian automaker. In order to show its commitment to the environment in India, TKM has been developing a “sustainability in three areas” advertising campaign in tandem with TMC and employs the same logos as those in Japan. The campaign conveys the message “Open Up Tomorrow, Today,” which reflects the abundant hope within Indian society today for the future. Placement of the new advertisements was made to coincide with the visit of TMC President Katsuaki Watanabe to India in January 2008. In order to make the initiatives geared towards achieving “sustainability in three areas” more concrete, methods are being considered that include awarding prizes to outstanding dealers, supporting environmental NGOs, and distributing picture books on the topics of traffic safety and the environment.