

Environmental and Social Initiatives

[Environmental]

Environmental Management

- All goals specified in the Third Environmental Action Plan were achieved and initiatives begun toward achieving the Fourth Environmental Action Plan goals.
- Environment Committees were established in Europe in fiscal 2004, North America in fiscal 2005 and South America in fiscal 2007 to reinforce environmental activities by affiliates subject to consolidated environmental management.

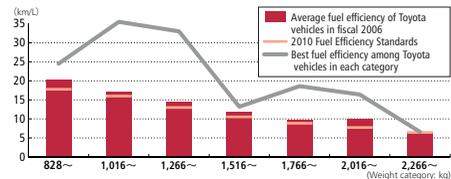


South American Environment Committee (set up in May 2006 in Brazil)

Development and Design

- Achieved the 2010 Fuel Efficiency Standards in all vehicle weight categories.
- The percentage of total production that meets the Ultra-Low-Emission Vehicle level reached 96%.
- In March 2006, the Lexus GS450h equipped with a newly developed dedicated hybrid system for rear-wheel-drive passenger vehicles was launched, widening the market base for hybrid vehicles.
- Worldwide sales of Toyota hybrid vehicles in fiscal 2006 were approximately 263,000 units, for a cumulative total exceeding 600,000 units.

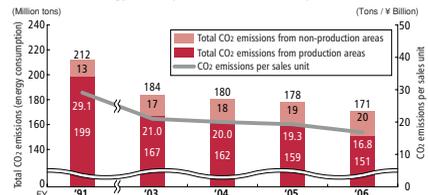
Actual Fuel Efficiency of Toyota Vehicles in FY 2006 and 2010 Fuel Efficiency Standards



Production and Logistics

- All goals, including that for reduction of CO₂ emissions, were almost achieved.
- Through energetic actions to reduce volatile organic compound (VOC) emissions, conversion to water-borne paints for the top coating (base coat) was completed on all lines in Japan.
- The Toyota Environmental Management System (TOYOTA-EMS) that incorporates the Toyota Way was defined and expanded to all affiliates worldwide.

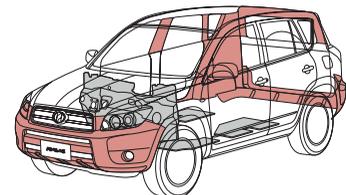
CO₂ Emissions (Energy Consumption) and CO₂ Emissions per Sales Unit



Recycling

- Steadily implemented measures to recycle / recover automobile shredder residue (ASR) and recover airbags and CFCs / HFCs from end-of-life vehicles toward the smooth operation of the Automobile Recycling Law.
- Steadily incorporated new designs for recycling into new models.
- Reduced the usage of four substances of concern at Toyota operations worldwide.
- Developed new practical dismantling technologies and marketed them widely.
- The number of vehicles in which Recycled Sound-Proofing Products (RSPP) was used exceeded the 10-million mark.
- Promoted the collection and recycling of batteries from end-of-life hybrid vehicles.

Easy-to-Recycle Materials Used in the New RAV4



TSOP = Toyota Super Olefin Polymer
RSPP = Recycled Sound-Proofing Products

[Social]

Relations with Customers

- “Customer First” (CF) activities were implemented to further enhance Toyota’s superiority with regard to quality.

Relations with Employees

- President Watanabe expressed his hope that labor and management can develop in mutually beneficial ways at a commemorative event to mark the 60th anniversary of the establishment of the Toyota Motor Worker’s Union.
- The Global Production Center (GPC) starts full-scale operation.
- Support systems for balancing work with childcare (and nursing care) were enhanced.
- The “Toyota Child Care Bubu Land,” an on-site childcare facility was created at the Shimoyama plant.
- The system for employment of persons 60 years and older was reviewed.



At the 60th anniversary commemorative event (January 2006)



Training at GPC



Toyota Child Care Bubu Land

Cooperation with Business Partners

- The “Toyota Green Purchasing Guidelines” were revised.
- Toyota dealers in Japan adopted the CSR Declaration.
- Activities were carried out by the Global Knowledge Center (GKC) to promote the establishment and improvement of sales and marketing methods at overseas dealers.



“Toyota Green Purchasing Guidelines”

Global Society / Local Communities

- World’s first pre-crash safety system (PCSS) with a driver monitoring system was developed and installed in vehicles.
- Construction of the TOYOTA Safety Education Center “mobilitas,” the largest such facility in Japan, was completed.
- TOYOTA Shirakawa-Go Eco-Institute was opened.
- Conducted volunteer activities at EXPO 2005 Aichi, Japan, including inviting children from areas affected by the Chuetsu Earthquake.
- Toyota Stakeholder Dialogue was held with “Corporate Social Responsibility (CSR) - Focusing in the Environment” as its theme.
- Cumulative number of visitors to Amlux hits 30-million mark.



A course in session at “mobilitas”



Junior high school children experience nature at the TOYOTA Shirakawa-Go Eco-Institute



The 30 millionth family to visit Amlux

For additional information, please refer to the Sustainability Report 2006:
<http://www.toyota.co.jp/SR/en06repo>