

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

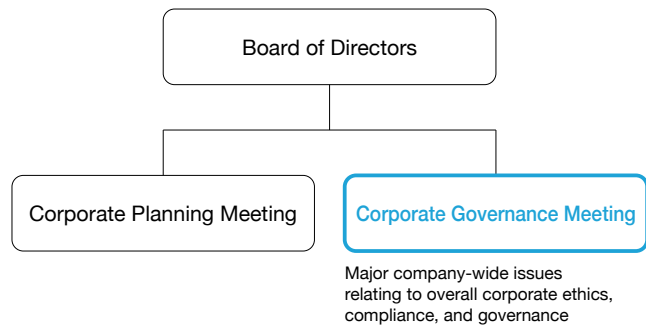
The Toyota Code of Conduct (adopted in 1998 and revised in March 2006) organizes fundamental concepts and sets forth concrete guidelines for all Toyota personnel so that we can put the Guiding Principles at Toyota into practice and carry out our social responsibilities. A booklet containing a copy of 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

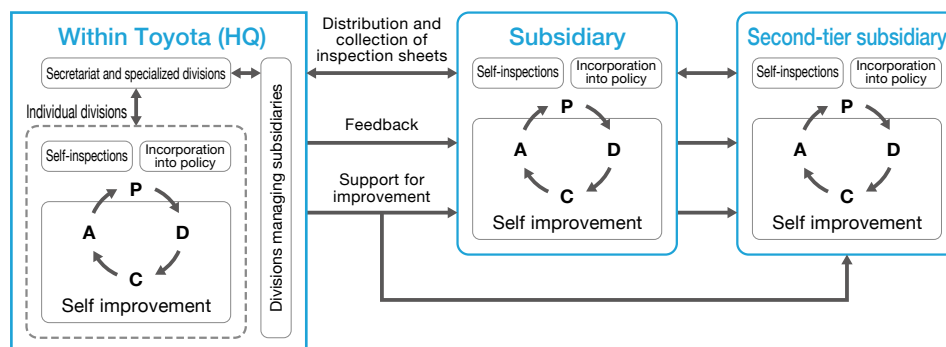
In FY2008, Toyota started checking activities to enhance its compliance structure. In FY2009, Toyota also started the checking of subsidiaries in addition to internal checking. These activities are being implemented annually with improvements. The results of the activities were reported to the Corporate 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
- Act against Unjustifiable Premiums and Misleading Representations
- Intellectual Property (trademarks)
- Confidentiality Control
- Labor
- Antimonopoly Law
- Insider Trading Regulations
- Product Liability Act
- Anti-bribery
- Export Operations Management
- Subcontracting Law
- Copyright
- Act on the Protection of Personal Information
- Taxation
- Safety and Health, Etc.

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

