

# CSR Report 2007

[www.toyota-tsusho.com](http://www.toyota-tsusho.com)



## Profile

As the sole trading company of the Toyota Group, Toyota Tsusho Corporation has achieved steady growth centered on its automotive-related businesses, while Tomen Corporation enjoys a broad customer base with its diverse array of non-automotive related businesses.

The two companies merged operations on April 1, 2006 and form the new Toyota Tsusho Corporation.

Since its establishment in 1948, the Toyota Tsusho Group has expanded its businesses from a global perspective to provide products and services under the banner of "Creation of Added Value." Group companies worldwide are currently cooperating closely in undertaking operations encompassing production, processing, retail and services that respond to the conditions and needs of each region.

The Toyota Tsusho Group will fully utilize its global networks, expertise in international collaboration and the strengths cultivated within the Toyota Group to strive toward a new image—one of a trading company capable of contributing to the development of a sustainable society.

Editorial Policy/Corporate Profile	2
Message from Management	3
Toyota Tsusho Group Overview	5
<b>Special Feature Topics</b>	
Recycling Business	11
Electric Power Wholesale Business	13
Manure Composting Process Business	15
Senior Business	16
<b>Promotion of CSR Management</b>	
Corporate Governance and Compliance	17
Communication with Stakeholders	21
<b>Social Responsibility Report</b>	
Approach to Safety	23
Approach to Human Resources	29
Toyota Tsusho Group Social Contribution Activities	34
<b>Environmental Report</b>	
Approach to the Environment	37
Environmental Topics	43
Chronology of Toyota Tsusho Group's Activities	45

CSR Report Editorial Policy

While Toyota Tsusho Corporation (hereafter, "Toyota Tsusho") had been publishing environmental reports on its website since 2002, from 2005 this information has been incorporated into and published within the CSR Report.

- The purpose of this report is to describe and report to our stakeholders worldwide Toyota Tsusho's activities aimed at the sustainable development of a global society.
- Toyota Tsusho is a trading company, and human resources are one of the most important assets of the Company. Accordingly, this report focuses on the activities of our employees, giving examples of actions taken on-site, to facilitate understanding that the Corporate Philosophy and Vision of Toyota Tsusho serve as a basis for its CSR activities.
- Special feature topics report on the on-site recycling business at plants worldwide, electric power wholesale business, the manure composting process business and the seniors related businesses, which illustrate our relationships with the natural environment from a "sustainability" viewpoint.

Scope of the Report

Toyota Tsusho Corporation, Main Consolidated Subsidiaries and Affiliates

This report mainly describes the activities of the Toyota Tsusho Group during fiscal 2007 (April 1, 2006 - March 31, 2007). It also includes activities conducted individually by the parent company as well as those carried out in periods other than fiscal 2007.

Issued: October 2007 (Next issue planned in October 2008)  
Representative responsible for 2007 publication: President Junzo Shimizu

Guidelines

This report has been developed in accordance with the following guidelines.  
Japanese Ministry of the Environment's *Environmental Reporting Guidelines (FY2003 Version)*  
*Global Reporting Initiative (GRI) Sustainability Reporting Guidelines 2002*

Corporate Profile  
(As of March 31, 2007)

Company Name	Toyota Tsusho Corporation
Establishment	July 1, 1948
Paid-in Capital	¥64,936 million
Common Stock Issued	354,056,516 shares
Head Office	Century Toyota Bldg. 9-8, Meieki 4-chome, Nakamura-ku, Nagoya 450-8575, Japan
Tokyo Head Office	8-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo 100-8320
Branches & Sales Offices	Hokkaido, Tohoku, Niigata, Hamamatsu, Matsumoto, Mishima, Toyota, Kariya, Osaka, Hokuriku, Hiroshima, Kyushu, Fukuyama, Takamatsu
Bases	Domestic: 16 bases Overseas: 30 bases
Consolidated Companies	Domestic: 69 Overseas: 177
Number of Employees	2,985 (excluding seconded employees from Toyota Tsusho, and including seconded employees from other companies)



# Create "G'VALUE" with People of the World

President  
**Junzo Shimizu**

### Toward the Realization of VISION 2015

The year 2006 was a momentous period in which we marked the rebirth of the "New Toyota Tsusho." Moreover, this was also an extremely crucial year for laying the foundation for ensuring the success of the merger with Tomen to achieve growth in the coming years. On the occasion of our corporate rebirth, the Toyota Tsusho Group formulated a Corporate Philosophy, Behavioral Guidelines and "VISION 2015—LEAD THE NEXT," which is directed at realizing value creation. At the same time, we adopted "G'VALUE with you" as the Group's slogan to express our strong determination to resolutely undertake bold changes and achieve our mission.

Determined to be a company that provides value originating from its "functions" (i.e., its social role that creates new value) that are appreciated by our customers, we have revised our Corporate Philosophy to ensure that we become a "value creating company."

We believe that a person or company carrying out "value creation that contributes to the creation of a prosperous society" in a legal, reasonable and appropriate manner is representative of a "good corporate citizen." In accordance with this reasoning, on the occasion of our rebirth, each and every employee of the Toyota Tsusho Group, as a good corporate citizen, possesses a sense of pride as we work to ensure recognition from our stakeholders as well.

### CSR through Our Business Activities

The Toyota Tsusho Group does not regard corporate social responsibility (CSR) as a special initiative, but rather as an element of management itself for determining the ideal means of pursuing corporate activities. We have positioned the automotive field, our mainstay business, as the "first pillar" of the Group. Concurrently, we will strengthen our businesses in the

automotive field, while deploying our strengths derived from these businesses in non-automotive fields, where we aim to cultivate "second and third business pillars." We will strategically consider the growth of each business division and are beginning to make necessary investments to realize an earnings structure targeted under VISION 2015, whereby equal shares of earnings are generated from both the automotive and non-automotive fields. In making investments, we are promoting CSR-based management in our overall operations with a primary focus on achieving long-term sustainable growth.

Environment-related businesses are fields in which we can make the biggest contribution to building a sustainable society through our activities as a trading company. Accordingly, we are working to further promote initiatives such as our recycling businesses, reducing global warming, emphasizing environment-preserving products and conserving the natural environment. In addition, Toyota Tsusho remains committed to creating a



prosperous society by focusing on social contributions based on such themes as education, social welfare and sports and cultural support.

The vitality and energy of employees, who serve as the driving forces of our businesses, are crucial to advancing CSR-based management. We promote employee diversity as a means of creating a dynamic organization where people mutually recognize the value of differences regardless of their gender, nationality, age and culture. I believe that it is precisely because we have created workplaces in which employees can work with enthusiasm that each person is able to fully utilize their talents and perform their duties with even greater added value. Based on this rationale, we will continue to promote initiatives to ensure that our organizational environment provides employees with an unprecedented sense of autonomy and purpose in their work.

### Safety Assurance is the Basis of Trust

Toyota Tsusho has been promoting concerted safety management activities for 21 years. Despite strong efforts in this area, an accident occurred in 2006 at one of our affiliated companies overseas. The Toyota Tsusho Group regards this situation with utmost seriousness, and all employees from top management on down regard "safety" as their own personal issue and thus make united efforts to realize the complete elimination of occupational disasters and accidents.

To realize this objective, we have incorporated a safety management structure into each business division and set up "Zero Accident" Teams. This safety management organization consisting of 63 staff members has commenced such activities as establishing safety standards, monitoring the progress of work-site improvements and carrying out work-site safety activities, with the aim of promoting a thorough awareness of safety throughout the entire Toyota Tsusho Group.

For the Toyota Tsusho Group, which aims to be a trading company strongly grounded in manufacturing principles, safety assurance forms the basis of customer trust. The assurance of safety is also essential for us to fulfill our responsibilities as a company and for preventing any disruptions to the operations of customers in

our role as a trading company responsible for part of the supply chain for the Toyota Production System. Working in unison, all employees of the Toyota Tsusho Group will take to heart "activities focused on 'real source', 'real things' and 'reality'" as well as "activities with continuity, ingenuity and conviction" in working to raise capabilities at work sites and assure safety.

### Contributing to the Creation of a Sustainable Society

The world is currently witnessing dramatic advances on a number of fronts. At the same time, the Earth's environment, which is the foundation of human existence, is undergoing a host of changes that are reflected by natural disasters in regions worldwide, including successive major disasters in Japan, which are attributable to abnormal weather. People's lifestyles are predicated on environmental preservation and the stability of societies both at the local and global levels. Nonetheless, the balance between natural ecosystems and the tranquility of society is eroding.

Through its business activities, the Toyota Tsusho Group plays an integral part in the lives of people throughout the world. As such, we recognize that we have a tremendous responsibility and a major role in developing a sustainable society in the future.

I believe that Toyota Tsusho's mission is to help build a more prosperous society by responding to continually evolving needs and creating new business models while consistently providing unprecedented levels of added value to the market and society. I am confident that this approach will lead to an increase in value for all stakeholders.

In the future as well, all employees will impart their wisdom and knowledge and combine team strengths in working to realize our vision. Through the timely and appropriate disclosure of business results, we will strive to ensure transparency in management and provide honest and frank communication to forge unbreakable bonds of trust with our stakeholders. Concurrently, we will strive to mutually share our dreams and aspirations while working to become a company that is valued by society.

October 2007



**G VALUE**  
with you

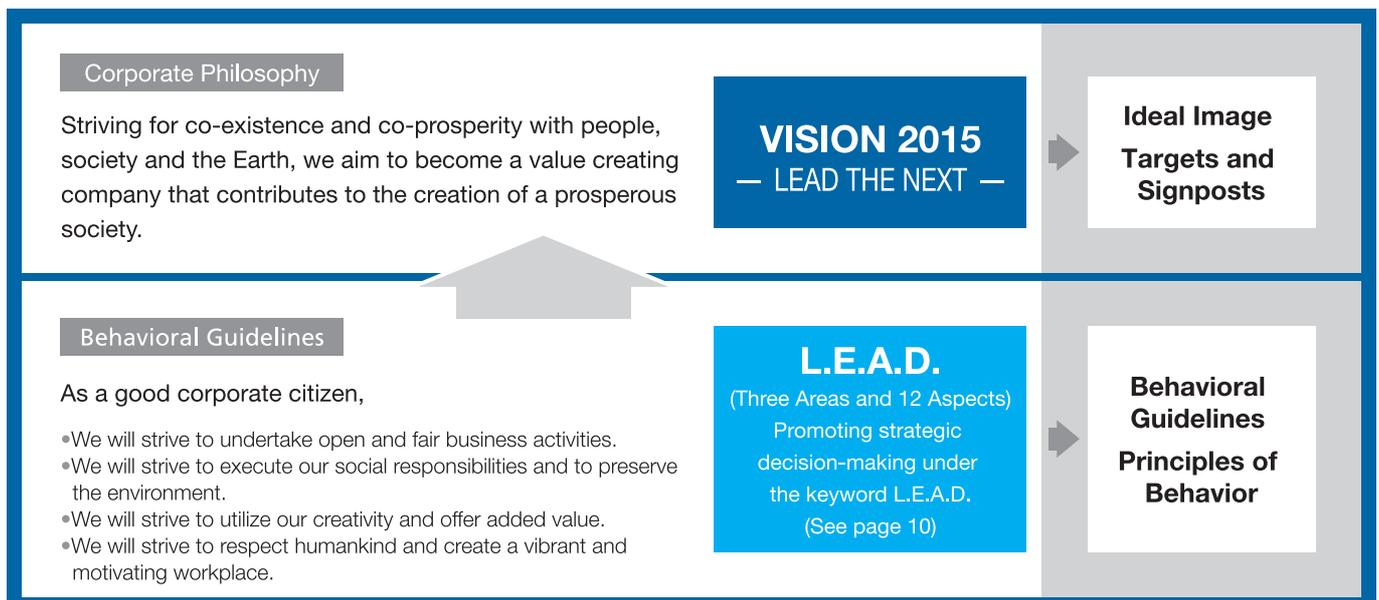
## Toyota Tsusho Group Philosophy Framework

The Toyota Tsusho Group upholds a Group philosophy framework consisting of four tiers that will help pave the way for a new era.

The reborn Toyota Tsusho Group pursues open and fair corporate activities as well as carries out activities to fulfill its social responsibilities and preserve the global environment based on its Corporate Philosophy of "Striving for co-existence and co-prosperity with people, society and the Earth, we aim to become a value creating company that contributes to the creation of a prosperous society." In tandem with this and in order to realize our basic management philosophy of "providing added value" through applying our creativity that will bring satisfaction to all of our stakeholders, including customers, shareholders, employees and local communities, the Toyota Tsusho Group has created "G'VALUE with you" as the Group's flagship message.

## CSR Policy

Toyota Tsusho's CSR policy realizes our Corporate Philosophy and Vision in accordance with our Behavioral Guidelines and L.E.A.D.



# Building Excellent, High-quality Relationships with Stakeholders

We regard the various Toyota Tsusho Group stakeholders as partners working together with us to create a bountiful society. Accordingly, we place high value on promoting two-way dialogue with stakeholders and are ever mindful of timely disclosure with regard to management and results, while striving to build excellent, high-quality relationships with stakeholders based on mutual bonds of trust.

## ■ Fundamental Philosophy

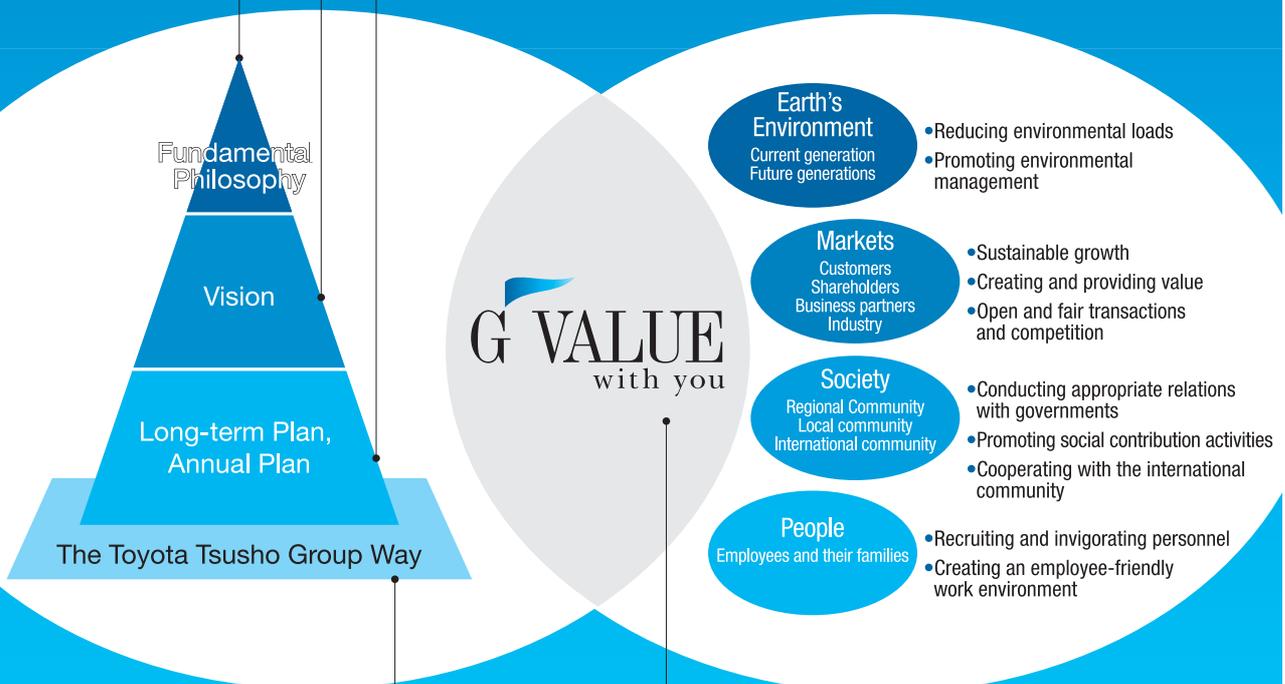
This is the permanent, unchanging, paramount concept that should be inherited and embraced by successive generations.

## ■ Vision

This clarifies the signposts to be followed and the targets to be reached after 10 years as we continue to pursue and realize our fundamental philosophy.

## ■ Long-term Plan, Annual Plan

These are guidelines for business activities that take into account changes in the management environment. These contain policies, specific action plans and numerical targets.



## ■ The Toyota Tsusho Group Way

This defines the values and principles of behavior that should be shared by all Toyota Tsusho Group executives and regular employees alike in working to attain our Vision and realize our fundamental philosophy.

## ■ Flagship Message

“G’VALUE with you” is the Toyota Tsusho Group’s slogan as it strives to realize its Corporate Philosophy.

- Three Core Requisites for Creating Value within the Toyota Tsusho Group

**G l o b a l** ... ~Expanding activities in the global arena

**G l o w i n g** ... ~Maintaining a healthy, glowing enthusiasm and passion

**G e n e r a t i n g** ... ~Continually generating new businesses

This message embodies the idea that new value is created when each employee finds his or her own “G” (goal or challenge) and combines these diverse individual strengths to produce the Toyota Tsusho Group’s “G’VALUE.” Together with all stakeholders (with you), we aim to create an even richer “G’VALUE” and collectively share the results of such value.

## Business Characteristics to Realize Our Philosophy

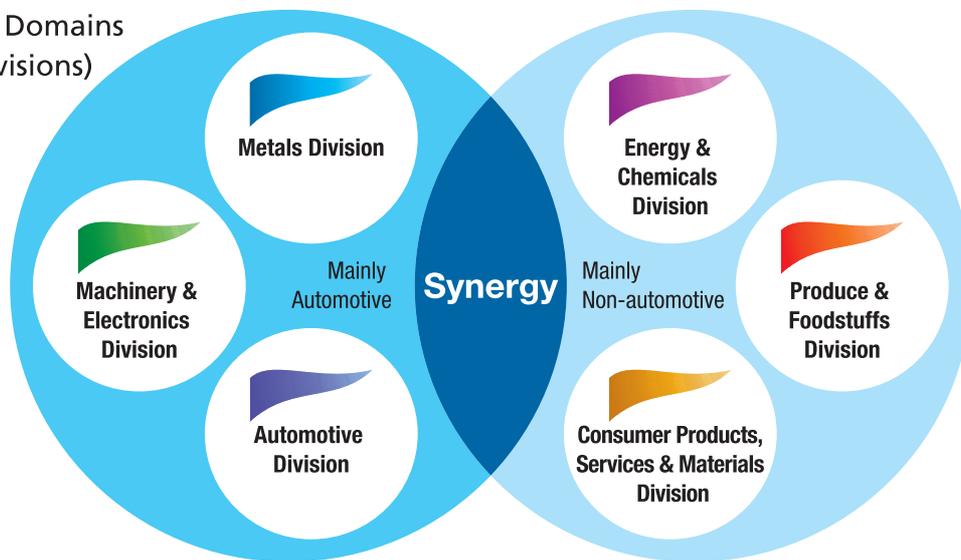
### Six Business Domains of the Toyota Tsusho Group

As a member of the Toyota Group, the Toyota Tsusho Group has positioned automotive-related businesses, which also encompass Metals and Machinery & Electronics and automobiles, as its core businesses. These businesses are part of a balanced business portfolio that spans a wide range of sectors such as Energy & Chemicals, Produce & Foodstuffs and Consumer Products, Services & Materials. This breadth and

scope of operations allows Toyota Tsusho to combine a lineup of products and services essential to achieving an affluent and comfortable society with functions that create unique value.

Toyota Tsusho fully leverages the Group's expertise and strengths accumulated over many years in each of these fields and generates synergies through close collaboration with other divisions to create new value.

#### ■ Six Business Domains (Product Divisions)



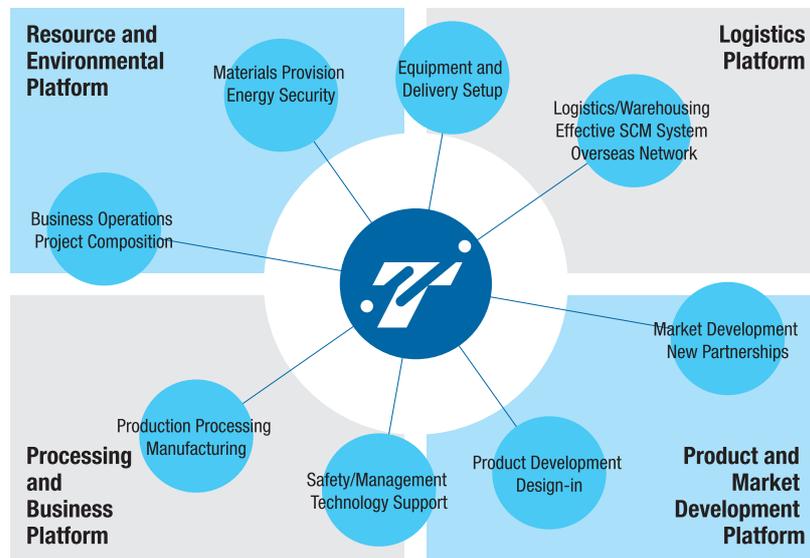
	Metals Division	Machinery & Electronics Division	Automotive Division
			
	Special steel	Semiconductor products	Vehicles ready to be loaded onto a ship
Main products and Services	<ul style="list-style-type: none"> <li>• Ordinary and special steel products and steel construction materials</li> <li>• Unwrought nonferrous and precious metals</li> <li>• Rolled light metal products, copper and copper alloy products</li> <li>• Scrap iron and scrap nonferrous metals</li> <li>• Ferro-alloy products, wrought iron</li> <li>• End-of-life vehicle (ELV) recycling and disposable catalyst</li> </ul>	<ul style="list-style-type: none"> <li>• Machine tools, industrial machinery and textile machinery</li> <li>• Testing and measuring instruments</li> <li>• Environmental equipment</li> <li>• Information and telecommunication equipment</li> <li>• Electronic devices and semiconductors</li> </ul>	<ul style="list-style-type: none"> <li>• Electronic equipment</li> <li>• Network construction and operation</li> <li>• PCs, PC peripheral products and various software</li> <li>• Automotive parts for overseas automobile production</li> <li>• Forklifts</li> <li>• Intelligence Transport System (ITS) equipment</li> </ul>
	Manufacturing, processing, disposal and sales of above the products	Sales and services for the above products	Sales and services for the above products

# Value Creation Business of the Toyota Tsusho Group

The trading company functions of the Toyota Tsusho Group involve more than moving products from one location to another. We have also organically united our four operational platforms to give our products

functions and added value that meet customer needs while concurrently creating new value. Toyota Tsusho has built a value-added chain by linking together all business segments.

## Four Business Platforms



### Energy & Chemicals Division



Gasoline stations

- Petroleum products and LPG (liquefied petroleum gas)
- Coal
- Crude oil
- Petroleum and natural gas products
- Energy and electric power supply business
- Plants
- Petroleum chemicals
- Organic chemicals
- Fine and inorganic chemicals
- Highly functional specialty chemicals
- Fat and oil products, synthetic resins and chemical additives
- Natural and synthetic rubbers

Processing, manufacturing and sales, and services for the above products

### Produce & Foodstuffs Division



Wheat and flour business

- Livestock feed
- Grains
- Processed foods
- Food ingredients
- Agriculture and livestock products
- Alcoholic beverages

Others

### Consumer Products, Services & Materials Division



Condominium business

- Condominiums and commercial buildings
- Construction materials, housing materials and furniture
- Textile raw materials
- Apparel
- Interior goods
- Sleepwear products
- Textile products, textile materials and jewelry
- Automotive interior parts and materials
- Packaging materials
- HiPaper and pulp
- Life and health insurance, property and casualty insurance
- Visible-light responsive photocatalysts
- Seniors related business products

Sales and services for the above products

## Medium-term Management Strategy

### VISION 2015 —LEAD THE NEXT—

The Toyota Tsusho Group has formulated “VISION 2015—LEAD THE NEXT,” which articulates our strategic intentions for 2015 as a “company that creates value.” Specifically, Toyota Tsusho aims to actively create next-generation businesses in six business domains and attain balanced business earnings, with automotive and non-automotive businesses each accounting for an equal share of earnings.

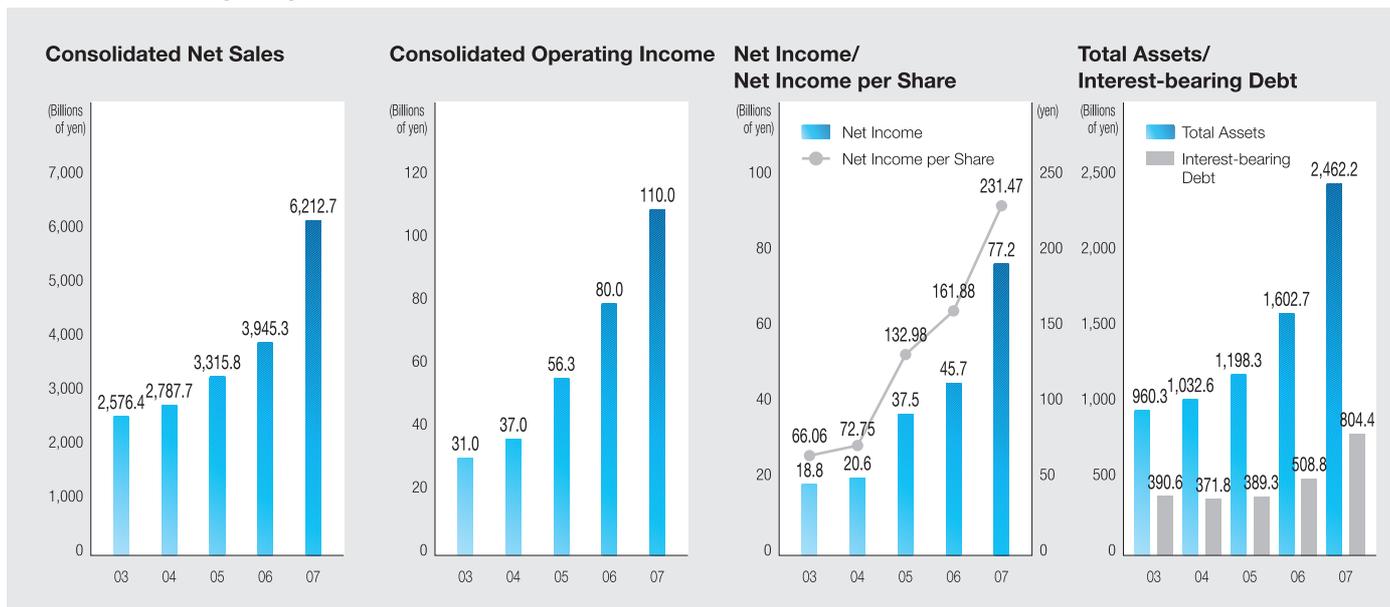
Toyota Tsusho will firmly seize opportunities for growth in the automotive sector as the “first pillar” of its business, while creating new functions and thoroughly bolstering the strengths that are unique to the Toyota Tsusho Group as we aim for further growth.

In non-automotive fields, we will create synergies with automotive businesses by laterally developing functions and expertise acquired in the automotive business and will establish and cultivate non-automotive businesses as our “second and third pillars.”

While implementing thorough risk management, we will actively allocate management resources to areas we determine warrant investment as we develop businesses that offer potential for growth. Toyota Tsusho aims to achieve its strategic goals through the 12 aspects of L.E.A.D. consisting of three areas: Functions, Constitution and Responsibilities.

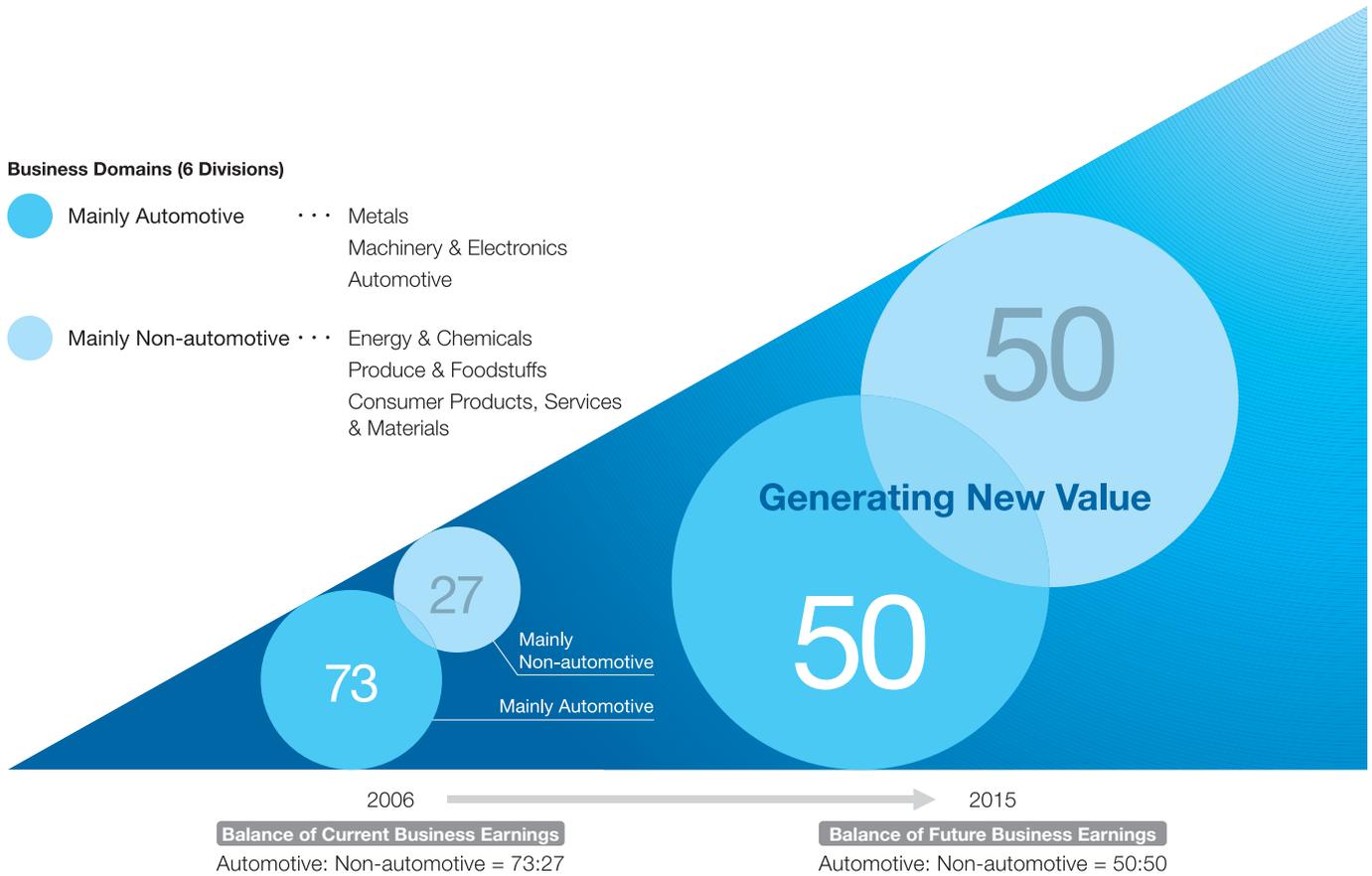
\*Business Domains (6 Divisions)  
Metals, Machinery & Electronics, Automotive, Energy & Chemicals, Produce & Foodstuffs, Consumer Products, Services & Materials

## Financial Highlights (As of March 31, 2007)



**Business Domains (6 Divisions)**

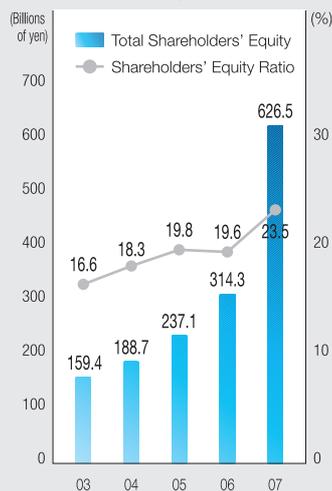
- **Mainly Automotive**
  - Metals
  - Machinery & Electronics
  - Automotive
- **Mainly Non-automotive**
  - Energy & Chemicals
  - Produce & Foodstuffs
  - Consumer Products, Services & Materials



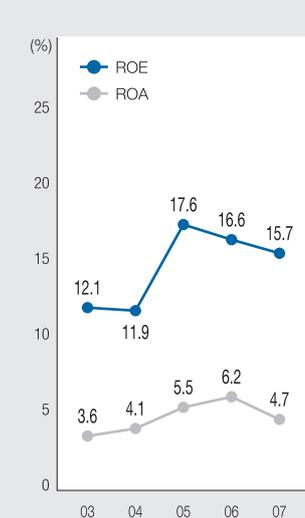
**L.E.A.D.**

	<b>L</b>	<b>E</b>	<b>A</b>	<b>D</b>
<b>Functions</b>	Linkage	Engineering	Added Value	Development
<b>Constitution</b>	Lean	Entrepreneurial	Agile	Dynamic
<b>Responsibilities</b>	Legality	Ethics	Accountability	Disclosure

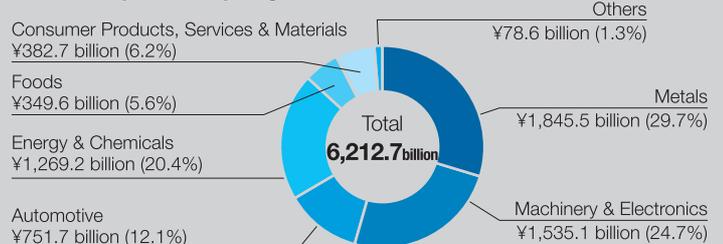
**Total Shareholders' Equity/Shareholders' Equity Ratio**



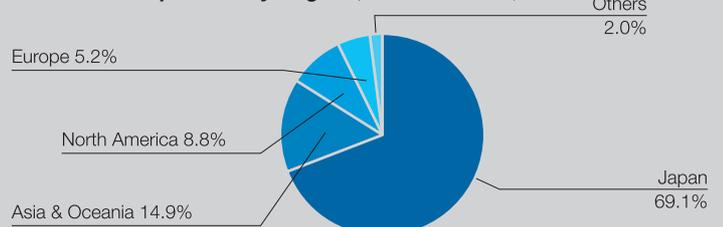
**ROE/ROA**



**Sales Composition by Segment (As of March 31, 2007)**



**Business Composition by Region (As of March 31, 2007)**



## ■ Recycling Business

# Carrying Out Our On-site Plant Recycling Business Worldwide

The Toyota Tsusho Group has built a nationwide collection network for carrying out its comprehensive end-of-life vehicle (ELV) recycling business. Overseas, along with processing and logistics businesses, we are also actively investing in business for recycling scrap iron at manufacturers' plants as we undertake efficient resource recycling businesses in Japan and overseas.

● Green Metals France S.A.S (France)



● Green Metal Czech s.r.o. (Czech Republic)



● Toyota Tsusho Africa Pty. Ltd. (South Africa)



● Tianjin Toyotsu Resource Management Co., Ltd.



● Guangzhou Guangqi Toyotsu Resource Management Co., Ltd.



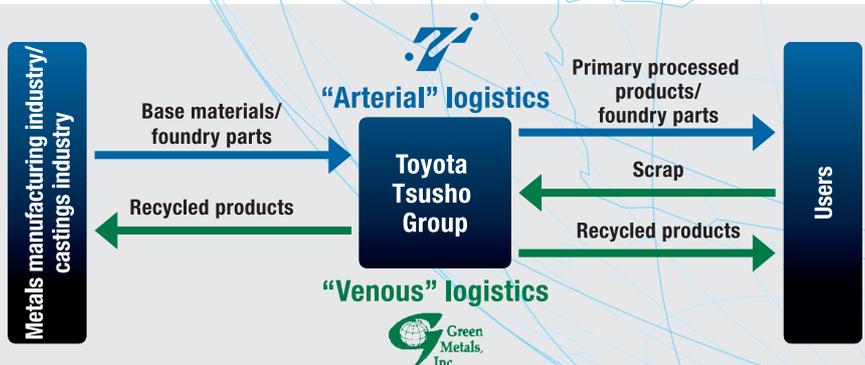
● Green Metals(Thailand)Co., Ltd. (Thailand)



### Business Vision

#### Functions

- Providing optimal business solutions
- Managing metal resources—costs, logistics, the environment, compliance



## On-site Recycling Business

### Green Metals Inc. (GMI)



Kentucky facility



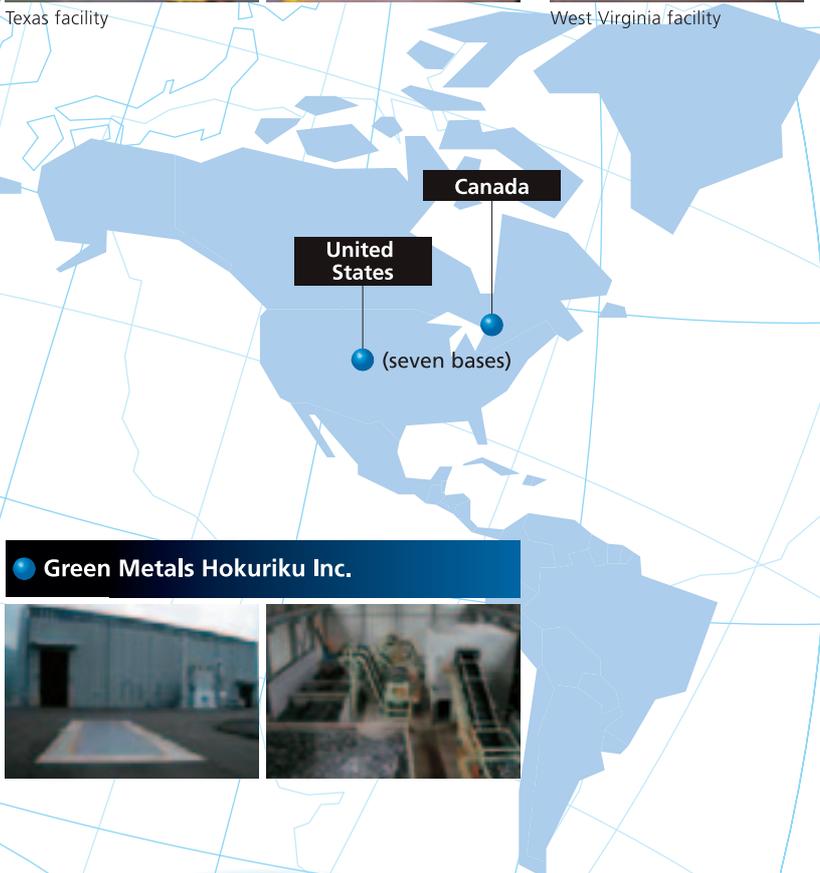
Indiana facility



Texas facility



West Virginia facility



### Green Metals Hokuriku Inc.



Total number of bases:  
15 locations

**T**oyota Tsusho carries out a business for recovering, processing and recycling metal scrap at facilities using iron, steel and aluminum, beginning with companies in the Toyota Group.

Previously used logistics processes for handling scrap generated at plants required tremendous amounts of time and effort, as scrap needed to be recovered, processed, loaded onto trucks, transported and unloaded. Toyota Tsusho makes proposals for improving this process, enabling customers to secure access to recycling sites near their plants as well as utilize optimal logistics routes. This enables highly cost-competitive logistics processing using minimal resources. We also offer customers processing logistics and related services.

We minimize environmental risk by adopting an environmentally conscious and totally internalized on-site iron scrap yard method in addition to installing oil seepage prevention mats and oil/water separation pits inside the plants. In addition to recycling iron scrap, Toyota Tsusho has also been recently carrying out processing treatment for such recycled paper as cardboard discarded after the delivery of automobile parts, as well as wood debris and waste plastics, as we make our utmost efforts to recycle the Earth's precious resources.

## Carrying Out Recycling Businesses Worldwide

**I**n 1999, Toyota Tsusho established Green Metals, Inc. in the U.S. state of Kentucky to engage in the on-site recycling business. Green Metals, Inc. commenced operation in 2000. Subsequently, Toyota Tsusho has achieved steady progress in developing an efficient recycling business in Japan and overseas. We currently operate recycling companies, including joint ventures, in the United States (seven facilities in Kentucky, Indiana, West Virginia, Alabama, Tennessee, Texas and California), the Czech Republic, France, South Africa, China (Tianjin and Guangzhou), Thailand and Japan (Hokuriku, Fukui Prefecture). A recycling facility currently under construction in Canada will become our 15th base. We will continue to actively invest in this business and plan to operate 30 bases after five years.

We will contribute to the promotion of a "recycling-oriented society" through our ELV recycling business. We are undertaking comprehensive recycling businesses globally that cover functions ranging from the effective use of metal resources to the management of industrial waste.

**Kiyoshi Yamakawa**  
General Manager  
Iron & Steel Raw Material Dept.



## Electric Power Wholesale Business

# Engaging in the Electric Power Business and Contributing to the Environment and Local Communities

In our IPP business (independent power producer) business (electric power wholesale business), Toyota Tsusho operates thermal-fired electric power plants at six locations in Japan, the Philippines, Pakistan and Indonesia. Additionally, we are participating in a project for operating a natural gas-fired power station that is currently under construction in Rachaburi, Thailand.



The power plants of Kohinoor Energy Limited (KEL) provide stable supplies of electricity in Pakistan, which suffers from power shortages. KEL produces electric power for 12,000 households daily.



Diagnostic clinics at three locations

## Undertaking the Electric Power Business and Contributing to Local Communities

Toyota Tsusho's electric power business transcends the scope of regular business activities as these operations also play a vital role in building solid relations with local communities. In 2004, for example, as one of its community contribution activities, Pakistan-based Kohinoor Energy Limited (KEL) established diagnostic clinics that provide free healthcare and medicine and serve over 100 patients daily. Also, in 2006 KEL opened an elementary school and furnishes uniforms and textbooks to students free of charge.

In 1986, Toyota Tsusho commenced its wind power generation business. Eurus Energy Holdings Corporation, in which Toyota Tsusho and Tokyo Electric Power Company, Inc. (TEPCO) hold equal shares, undertakes business in six countries in Europe, the United States and Asia. Also, Toyota Tsusho holds a 92% share in Vestech Japan Co., Ltd., the Japan-based subsidiary of Vestas Wind System A/S, the world's top wind power generation equipment manufacturer. In this manner, we are building an integrated value chain covering functions ranging from the sales of equipment to operation.



Diagnostic clinic offering services free of charge



This school began its first year of operation with 50 lower-grade elementary students, with plans to increase the number of students to 300 in the future.

**\*1. Cassava:**

A perennial shrub native to Latin America. It grows well in unhealthy land and acidic soils and is widely cultivated in Thailand. Cassava tolerates dry conditions. It is easy to propagate in tropical climates, needing only to have a stem planted in the soil, and grows into a large, fleshy and tuberous root 30-80 cm long. High-quality tapioca starch is made by mashing the root and allowing it to precipitate.



Wuxi Tianshun Environmental Technology Co., Ltd.



A refuse landfill site in Wuxi, Jiangsu Province, China



Biogas business in Thailand



A prime example of Toyota Tsusho's biomass-related business is Cassava Waste To Energy Co., Ltd., a Thai company in which we have invested together with TEPCO. Cassava\*1 is used as an ingredient in tapioca starch production and is widely cultivated in Thailand. The organic effluent created during the tapioca starch production process generates large amounts of methane.

Cassava Waste To Energy is currently constructing a facility to collect methane from organic effluent discharged by tapioca starch factories for use as a source of energy. The utilization of this methane as an energy source is also expected to yield a significant reduction in the amount of heavy crude oil used by the tapioca starch factory's boilers.

This project is expected to be approved as a CDM project. CDMs are frameworks for acquiring carbon credits for greenhouse gas reductions as stipulated under the Kyoto Protocol. During the six-year period from 2006 to 2012, Toyota Tsusho will purchase a total of 360,000 tons of carbon dioxide equivalent (CO<sub>2e</sub>). We will continue concerted efforts to promote these environment-related businesses.



High-quality tapioca starch can be obtained from cassava\*1.



Cassava Waste To Energy Co., Ltd. (Thailand)

## Participating in CDM Projects in Biomass Fields and Acquiring Emission Rights\*2

**T** Together with its wind power generation business, Toyota Tsusho is concentrating efforts on clean energy businesses that utilize biomass. Interest in biomass is expected to increase in tandem with the implementation of measures to reduce greenhouse gases and to realize a sustainable society. Toyota Tsusho is currently participating in a biogas power generation and associated CDM (clean development mechanism) project in Thailand. Meanwhile, in China, Toyota Tsusho is involved in a power generation project for recovering methane gas generated at a landfill processing facility of Wuxi City in Jiangsu Province. In April 2007, this project officially received approval from the United Nations as a CDM project and will acquire carbon credits for reductions in greenhouse gas emissions. In the future as well, we foresee even higher expectations for Toyota Tsusho, which has accumulated an abundance of experience in this field in regions worldwide, beginning with Asia.

**\*2. Emission rights:** Rights for trading emission quotas in advanced countries with the aim of achieving targets set for reductions in greenhouse gas emissions.



Eurus Energy Holdings Corporation's Nishime Wind Farm (Akita)



**Masato Nakatsu**  
General Manager  
Energy & Chemicals Planning Department

## Manure Composting Process Business

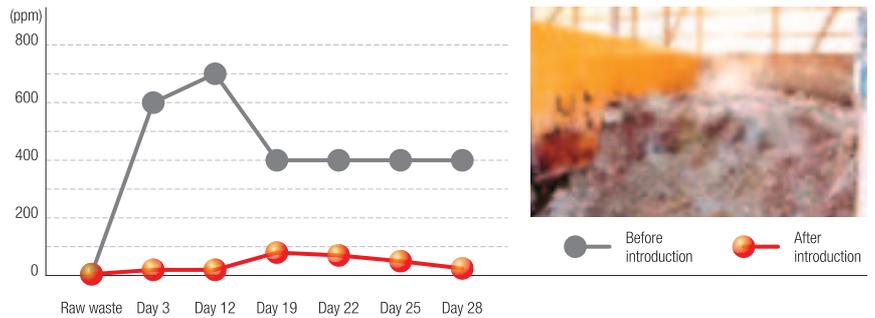
# Environment-friendly “resQ45” Manure Composting Process System

In the feed grain business, Toyota Tsusho has commenced initiatives for addressing the problem of treating livestock waste. Through the effective use of livestock biomass, we are promoting the realization of a recycling-oriented society as well as preserving the Earth’s environment.

### Volume Reduction of Compost



### Reduction of Ammonia Odors



● Before introduction ● After introduction



**B**y ensuring stable imports of safe feed ingredients, Toyota Tsusho has made valuable contributions to the advance of the domestic livestock industry. Recognizing that treating livestock waste represents the final stage of the feed ingredients business, we are directly addressing the problem of livestock waste, with efforts that include the effective use of this waste. As one solution to the livestock waste problem, the “resQ45” (Rescue 45) manure composting process system was developed under a joint project by Toyota Tsusho, Toyota Motor Corporation and Menicon Co., Ltd. Combining a new enzymatic agent called “Tokubetsu-Kyukoto” that promotes decomposition with a thermophilic bacteria called “Thermo Master”, the “resQ45” system supports the aerobic fermentation of livestock waste and lowers the burden on livestock producers by reducing the amount of time required to complete the composting process and reducing the volume of compost.

Also, thermophilic bacteria absorbs ammonia into a fungus form, thus enabling a significant reduction of ammonia odors emitted from compost and realizing reductions in nitrous oxide, one cause of greenhouse gases, and nitrate-nitrogen, a cause of soil pollution.

An environment-friendly manure composting process system

Enzymatic agent  
**“Tokubetsu-Kyuko”**

Thermophilic bacteria  
**“Thermo Master”**

The problem of treating livestock waste has been an ongoing burden for the nation’s livestock farmers. As a solution, in July 2006 Toyota Tsusho, together with Menicon and Toyota Motor, launched a business for the sale of the “resQ45” manure composting process system with the aim of effectively utilizing livestock biomass resources. This system has earned high acclaim for its readily visible effects, such as a significant reduction in odors, dramatic cuts in the time required to complete composting and the production of high-quality compost. A large number of customers across Japan have expressed their appreciation for introducing this system. In addition to Japan, we will also work to promote the greater use of this system overseas, as we strive to contribute to the building of a global recycling-oriented society through the effective use of resources.

**Susumu Maeda**  
Feed & Oilseeds Dept.



## Seniors Related Businesses

# Developing Our Seniors Related Businesses to Provide “Reassurance,” “Safety,” “Comfort” and “Enjoyment”

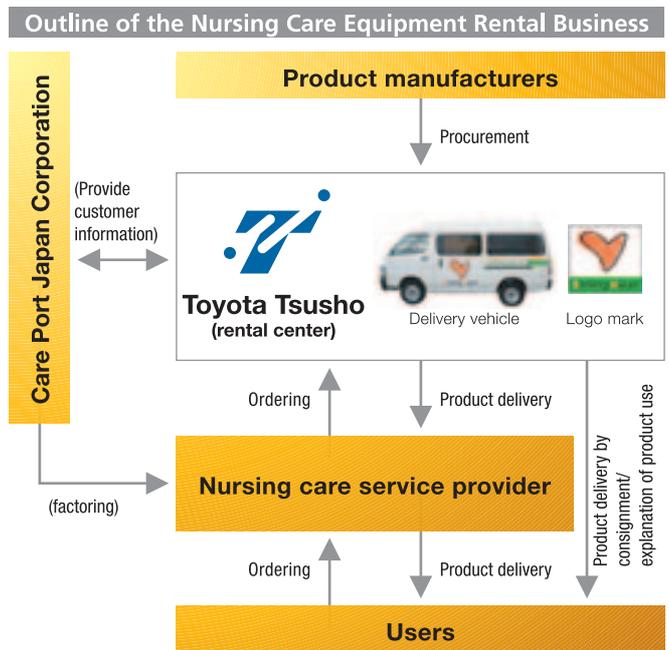
Toyota Tsusho engages in the nursing care business to help solve the wide variety of nursing care problems facing today’s rapidly aging society. Our environmentally conscious nursing care business encompasses the renting of nursing care equipment and the selling of nursing care products.

The chief features of Japan’s nursing care system are the utilization of the national social insurance system as a source of funding and the assurance of users’ rights to choose service providers. The nursing care system also permits the participation of various private-sector entities, including for-profit organizations and non-profit organizations, to provide nursing care services, while adopting the principle of competition with the overriding aim of ensuring high-levels of nursing care in terms of both quality and quantity.

In reality, however, nursing care is provided mainly by regionally based small- and medium-size entities, and few corporations with well-established management foundations provide such services. In view of this situation, Toyota Tsusho strives to support nursing care service providers by selling and renting nursing care equipment, thereby promoting the greater use of nursing care equipment that assists with home nursing care.

In our nursing care business, we have built a structure that integrates the functions of procuring, storing, disinfecting, transporting and assembling nursing care equipment and supply this equipment to nursing care providers throughout Japan. As of March 2007, Toyota Tsusho operated 12 equipment rental bases across Japan with the number of beds rented exceeding 10,000 beds.

Meanwhile, Care Port Japan Corporation, an affiliated company, is active in businesses that offer comprehensive support to nursing care providers. Care Port Japan provides factoring services for nursing care benefit claims as well as consigned services for handling invoicing and collecting the portions of nursing care benefit claims borne by individual patients.



Senior nursing goods catalog

In nursing care product sales, we carry out a business for the selling and collecting of adult-use disposable paper diapers, with an emphasis on taking an environmentally conscious approach. In carrying out this business, we collaborated with a manufacturing company in developing adult-use disposable paper diapers that utilize sepiolite, a natural deodorizing material, from the Republic of Turkey. We sell these diapers under the *Sawayaka Sepio* brand mainly through commercial routes, such as hospitals and other related facilities.

In our adult-use diaper business, we provide integrated services that include collecting used diapers via tie-ups with authorized medical waste collection companies, primarily those based in Aichi Prefecture, as well as transporting these diapers to affiliated incinerating facilities and preparing necessary manifests. By offering these integrated services, we aim to distinguish our services from those of competitors.

On a different front, we are also responding to the rapidly growing “active seniors” market in the run-up to the start of mass retirement of the baby boom generation of workers (known as the “2007 problem”). Specifically, we operate the “Erishina” mail order website that proposes various lifestyles to ensure that seniors can spend their post-retirement years with a sense of “reassurance,” “safety,” “comfort” and “enjoyment.” We also marked the full-scale launch of “Community Salon” to enable this generation of retirees to gather in a spirit of enjoyment and to provide health services that address their needs for “continually being healthy.”

Since the inception of the Senior Business Department in 2000, we have worked amid the rapid aging of society to create environments and offer products and services that enable so-called seniors to live with a sense of reassurance, safety and comfort.

The Consumer Products, Services & Materials Division will strive to be useful to people over 60, which we refer to collectively as the “Harvest Age.” We will strive to continually provide persons in this age category with proposals for new lifestyles that allow them to carefully build upon their lives to date as they approach their golden years.



**Akira Uehara**  
Senior Dept.

# Corporate Governance and Compliance

## Corporate Governance Structure

### Basic Stance on Corporate Governance

We endeavor to uphold the Toyota Tsusho Group's Corporate Philosophy, "Striving for co-existence and co-prosperity with people, society and the Earth, we aim to become a value creating company that contributes to the creation of a prosperous society." To realize this fundamental goal, the Company is actively pursuing increased management efficiency, transparency, thorough compliance and a healthy financial position. In addition, we are considering ways to further enhance public relations and investor relations activities in order to promote a broader understanding of the Toyota Tsusho Group.

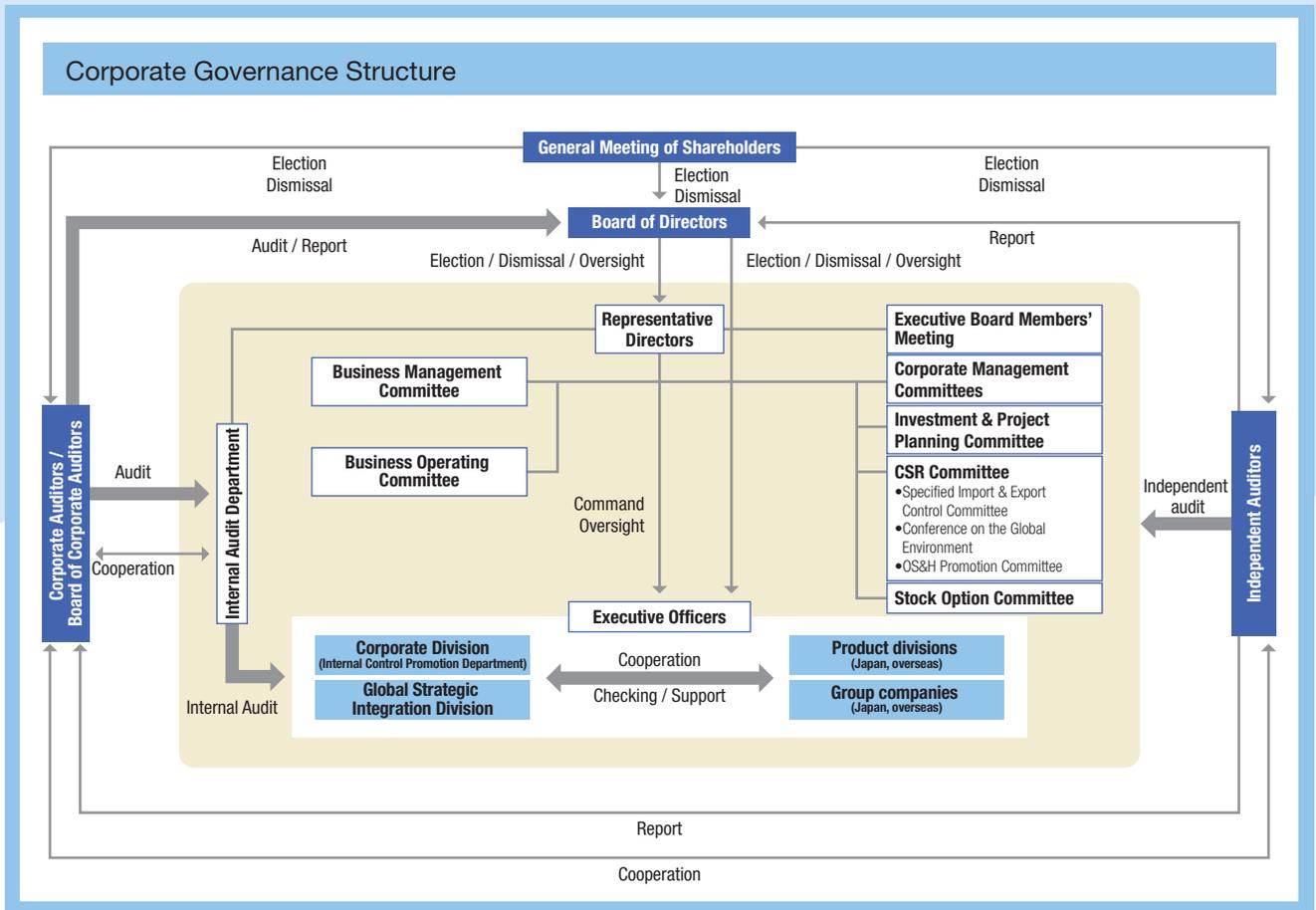
### Corporate Governance Structure

Toyota Tsusho has adopted a Corporate Auditor System for its corporate governance system. The auditing of the execution of duties of directors is carried out by five corporate auditors. Three outside auditors are employed to perform audits from a third-party perspective. The corporate auditors are responsible for monitoring the fairness of accounting methods and results of audits by an independent auditor, exchanging information and ideas regarding crucial accounting topics, improving quality and efficiency in auditing by promoting cooperation with the independent auditing firm, as well as enhancing corporate governance.

Toyota Tsusho promotes consolidated management through a divisional framework comprising a total of eight divisions, including six product divisions, the Corporate Division and the Global Strategic Integration Division. The chief division officers are elected by the Board of Directors and are responsible for keeping abreast of both overall company management as well as the execution of duties associated with their divisions, along with promptly communicating and sharing pertinent information through such forums as the Business Management Committee.

From April 2006, Toyota Tsusho has introduced an Executive Officer System and streamlined its Board of Directors in order to raise management efficiency and strengthen internal controls, as well as accelerate decision-making by putting the Board of Directors in charge of overall company management and executive officers in charge of division management, respectively, with the latter serving as Deputy Chief Division Officers. By separating overall company management (directors) from the execution of duties (executive officers), Toyota Tsusho is aiming to clarify authority and responsibilities and strengthen supervisory function.

In addition, Toyota Tsusho has established a company-wide lateral meeting structure wherein directors and executive officers examine measures for addressing management issues, consulting with the Board of Directors as necessary.



## Internal Control System

Based on its fundamental philosophy, the Toyota Tsusho Group passed the Basic Policies on Establishing Internal Control Systems at a meeting of the Board of Directors in May 2006. In doing so, we have clarified duties of the directors and established a system that enables us to confirm the status of our systems for ensuring the Company conducts appropriate business operations in a timely and proper manner. At the same time, we revise these basic policies in accordance with changes in the management environment.

In tandem with developing a structure that ensures the Group's business operations are carried out in an appropriate manner, this policy aims to develop a structure that passes on and further strengthens the Toyota Tsusho Group Way, which represents daily principles of behavior, values and beliefs unique to the Toyota Tsusho Group, along with promoting value creation from the customer's point of view and fulfilling the Group's social mission.

### Building a Compliance Structure

A variety of measures are implemented to ensure that directors and employees carry out their duties in accordance with laws and regulations and the articles of incorporation. For example, Toyota Tsusho distributes both a full and portable version of the Behavioral Guidelines to all management-level employees, has established the CSR Committee, which is chaired by the president (see page 19), as well as promotes information sharing and checks and balances among the divisions through such forums as the Business Management Committee and Business Operating Committee. In terms of assessment and monitoring, Toyota Tsusho assesses, manages and checks activities in the operational process and has also established the Internal Control Department to build a system that can ensure reliability in financial reporting and an internal reporting system (see page 20). Internal audits are also conducted through the Internal Audit Department, which operates independently under the direct control of the President.

### Building a Risk Management System

In order to manage exposure to loss, measures include establishing administrative rules for managing various risks and conducting training and distributing manuals. In terms of Toyota Tsusho's business activities, the Company develops guidelines and maintains administrative rules as well as works to understand and manage risks that require special caution such as investment and financing, credit, market, occupational safety and health and environmental risks. In other areas, Toyota Tsusho is building a suitable management structure within relevant departments to deal with information security, crisis management and other issues. The Company also works to identify and understand company-wide issues related to risk via the Risk Management Committee.

### Building an Information Management System

Regarding information storage and management, Toyota Tsusho has established the "Document Regulations" and "Handling Protocols for Management and Storage of Documents" along with other measures such as designating departments in charge of storage and the storage period.

### Ensuring the Propriety of Group Company Business Operations

In order to ensure operations within the Toyota Tsusho Group are conducted appropriately, measures are undertaken to fully disseminate Group policies and mutually share information via a group-wide lateral meeting structure. Additionally, while avoiding undue interference with the execution of operations of subsidiaries, Toyota Tsusho follows and maintains control over important matters pertaining to the financial status and essential operational issues of its subsidiaries. In accordance with the systems of subsidiaries, we also dispatch directors and corporate auditors as necessary to conduct oversight and auditing of business operations. Furthermore, internal audits are conducted by Toyota Tsusho's Internal Audit Department.

## Corporate Governance and Compliance

### Toyota Tsusho's Approach to CSR

Amid the rapidly advancing globalization of economies, the importance of CSR for companies is increasing. As this trend unfolds, Toyota Tsusho is actively considering how it can contribute to a sustainable society and planet.

Toyota Tsusho regards the fulfillment of CSR as encompassing all areas of corporate management rather than merely being a special endeavor. In other words, keeping in mind our relationships with stakeholders worldwide and based on compliance with laws in Japan

and overseas, we carry out earnest business activities focused on "strengthening our functions, protecting the environment and co-existing with society." We believe that this is the best way that we can make a positive contribution globally.

In line with this rationale, we formulated our Corporate Philosophy and Vision and aim to realize our stated goals in accordance with our Behavioral Guidelines.

### CSR Structure

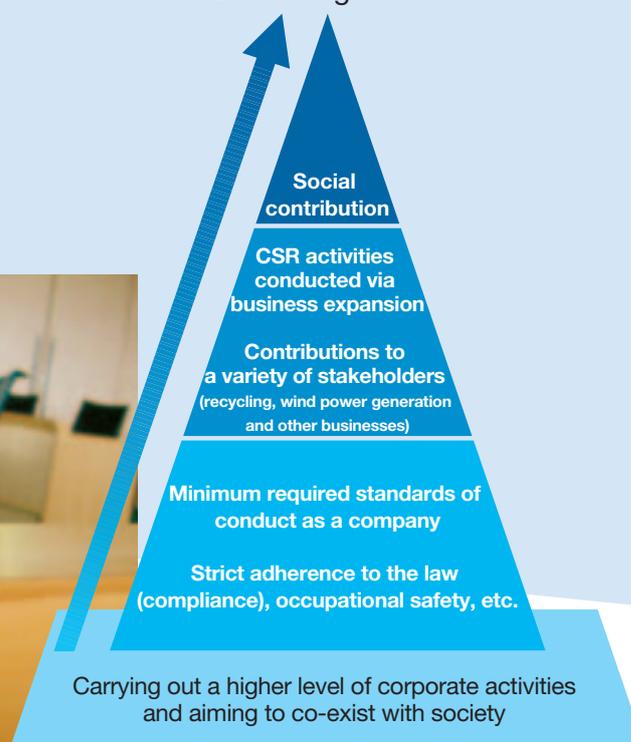
We have been pursuing measures with an emphasis on compliance through the Corporate Ethics Committee, which was established in 1997. To handle CSR-related matters more effectively, we reorganized and renamed the committee as the CSR Committee in January 2005. Chaired by the President, the CSR Committee takes the central initiative for promoting CSR and organizes committee meetings twice a year. In these meetings, general managers of

product division planning departments and corporate and operational departments report to participating directors on various matters that include results of business activities, issues and future measures, and in turn, receive guidance on future direction and measures to be pursued. Since fiscal 2006, the committee has implemented initiatives with a particular emphasis on the two areas of occupational safety and compliance.

#### Major Responsibilities of CSR Committee

- |                               |                          |
|-------------------------------|--------------------------|
| 1. Corporate Governance       | 6. Human Rights          |
| 2. Internal Control           | 7. Mental Healthcare     |
| 3. <b>Compliance</b>          | 8. RM                    |
| 4. Environmental Management   | 9. Social Contribution   |
| 5. <b>OS&amp;H Management</b> | 10. Information Security |

#### Further Enhancing CSR Activities



# Improvement of Compliance Structure

As a means of realizing a smooth PDCA (Plan-Do-Check-Action) cycle, we are implementing the following compliance program. The Risk Management Department supports PDCA activities in terms of compliance. Additionally, rather than being limited merely to the

parent company, compliance is also positioned as a critical issue for both domestic and overseas affiliates, and accordingly, we support the efforts of the entire Group to raise the level of compliance.

## Compliance Program

### Behavioral Guidelines

In accordance with our Behavioral Guidelines, we carry out compliance based on the keywords "L.E.A.D. as Responsibilities." To provide specific standards of conduct for our employees, we have developed and distributed the *Code of Ethics Guidelines* and a handy publication called *Our Roadmap* that incorporates various incidents that are actually likely to occur and provides help in making a decision in instances where an employee may be unsure of what to do. From this fiscal year, as a means of developing compliance on a worldwide level, we have begun preparing the *Code of Ethics Guidelines* for our local staff in China.



Local staff project team in China



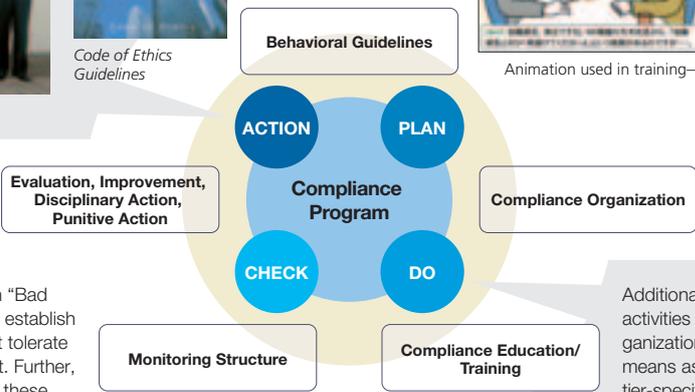
Code of Ethics Guidelines

### Compliance Education/Training

With the aim of preventing the underlying causes of improprieties, we explain the psychological mechanism that leads to misconduct and develop countermeasures such as training utilizing animations to ensure that compliance becomes firmly rooted throughout the Company.



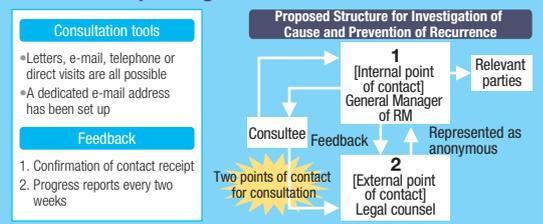
Animation used in training—"General Manager Kato's Mistake"



As characterized by our slogan "Bad News First," we are working to establish a corporate culture that will not tolerate the concealment of misconduct. Further, as a framework to supplement these efforts, we have set up the "Will Do" hotline to quickly identify and respond to problems by providing internal and external consultation services that are separate from normal reporting channels.

Additionally, we conduct educational activities regarding our corporate organization and regulations through such means as new employee training and tier-specific training. Further, we promote a shared awareness of compliance among all employees via such measures as verifying one's understanding of compliance as a prerequisite for advancement.

### "Will Do" Reporting Structure



### Monitoring Structure



New employee training



Internal training booklet

### Compliance Education/Training

# Communication with Stakeholders



The Toyota Tsusho Group offers a wide array of communication tools for various stakeholders in order to enable them to correctly understand the ideal image of the Toyota Tsusho Group.

## Annual Report

Toyota Tsusho publishes Japanese and English versions of its Annual Report primarily focusing on investors in Japan and overseas, in which we introduce general information related to business operations, including management strategy and financial statements. These reports are also available on our website.



Annual Report

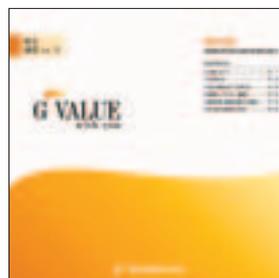
## Communication with Shareholders

We consider the General Meeting of Shareholders as an important venue to communicate with our shareholders. To allow as many shareholders as possible to attend the meeting, we make a concerted effort to avoid holding this meeting on days when there is a large concentration of other shareholder meetings.

In the general meeting, we are also conscious of providing easy-to-understand explanations by presenting business reports using on-screen presentations. For those shareholders and general stakeholders who are unable to attend the meeting, we provide live and on-demand viewing of the meetings through our website. Additionally, we are making efforts to communicate with as many shareholders as possible using various tools such as publishing Shareholder Reports twice a year.



Video streaming of General Meeting of Shareholders



Shareholder Report



Fly the Flag! IR report

## Newsletters (Domestic and Overseas)

Toyota Tsusho publishes newsletters for domestic and overseas employees with the aim of accurately conveying the Toyota Tsusho Group's management information and developing opportunities to expand communication among employees.



Toyota News newsletter (domestic)



Global Family newsletter (overseas)

## Information Disclosure on Toyota Tsusho Website

A wide range of information including Toyota Tsusho's basic corporate information, business activities, financial information and employment opportunities are available on its website. In addition to the disclosure of information from the Company, we are also establishing a point of contact via the website as a communication tool for requesting materials or receiving inquiries from all of our stakeholders.

<http://www.toyota-tsusho.com> ▶



Website

## Press Conferences and Get-togethers

Once a year, a regularly scheduled press conference is held so that the President can brief members of the press on the Company's management plans and other issues. Additionally, twice a year, we hold informal get-togethers to achieve two-way communications and deepen mutual understanding between the Japanese mass media and management.



## Participation in Corporate Events

In October 2006, we participated in the "Messe Nagoya 2006 Eco-Industrial Trade Fair" held at Port Messe Nagoya in Nagoya. At this environmental trade fair, Toyota Tsusho used panel displays, videos and exhibits to introduce its environment-related businesses. In addition to introducing our environmental policy, we presented a description of our business separated into the areas of "new energy," "new materials and products" and the "3Rs (reduce, reuse and recycle)."



# Approach to Safety

## The Assurance of Safety is Fundamental to a Company's Continued Existence

As a trading company firmly grounded in manufacturing principles, Toyota Tsusho has production bases through Group companies that are situated at the front lines of business. Our business activities also encompass work carried out at customers' sites and for materials and components delivered to our customers.

Against this background, around 20 years ago Toyota Tsusho set up a department responsible for handling safety management, and during these past two decades we have earnestly accumulated an abundance of know-how and crucial experience in occupational safety management. We have placed particular priority on safety management for work undertaken at customers' sites and for materials and parts delivered to customers. Moreover, we have worked in unison with Group companies in promoting safety management along with growth in our manufacturing businesses and the development of our operations globally.

Although in fiscal 2006 we proactively promoted the local implementation of safety management training and plant safety diagnosis at our overseas Group companies, we were unable to carry out activities in our overseas operations that met our expectations in terms of safety. We regard this situation with the utmost seriousness and have promptly implemented a review of safety management led by top management.

Specifically, we have placed top priority on establishing an organizational structure and creating a culture of safety as a trading company firmly grounded in manufacturing principles. We have also made efforts to foster a thorough awareness of top management's resolute intentions that permeates all the way to the employees of Group companies at the front lines of business. We also have commenced various reforms, which include establishing "Zero Accident" Teams in each product division and carrying out activities closely aligned with work sites, while also implementing safety patrols led by top management based on the watchwords "real source," "real things" and "reality."

To avoid safety management that is implemented from behind the desk, we place emphasis on safety management taking an on-site approach and promote management and education and training as close to work sites as possible. All employees consider "safety" as their own personal issue, recognizing that the assurance of safety is fundamental to a company's continued existence. In collaboration with customers, suppliers and cooperating companies, we will work in unison to establish safe and satisfying work environments as well as to create safe and reliable business activities that aim for "the complete elimination of occupational disasters and accidents."

We ask for your guidance and support.



**Nobuhiko Sahara**  
Executive Vice President  
Safety and Health Management  
General Supervisor

## Toyota Tsusho Group's Policies on Safety and Health

### Principle

The Toyota Tsusho Group recognizes that from the perspective of corporate ethics, the safety and health of employees represents the foundation of all its business activities as a company. With this in mind, we undertake safety- and health-related activities that are intricately woven into our business activities to ensure a safe and comfortable working environment for our employees.

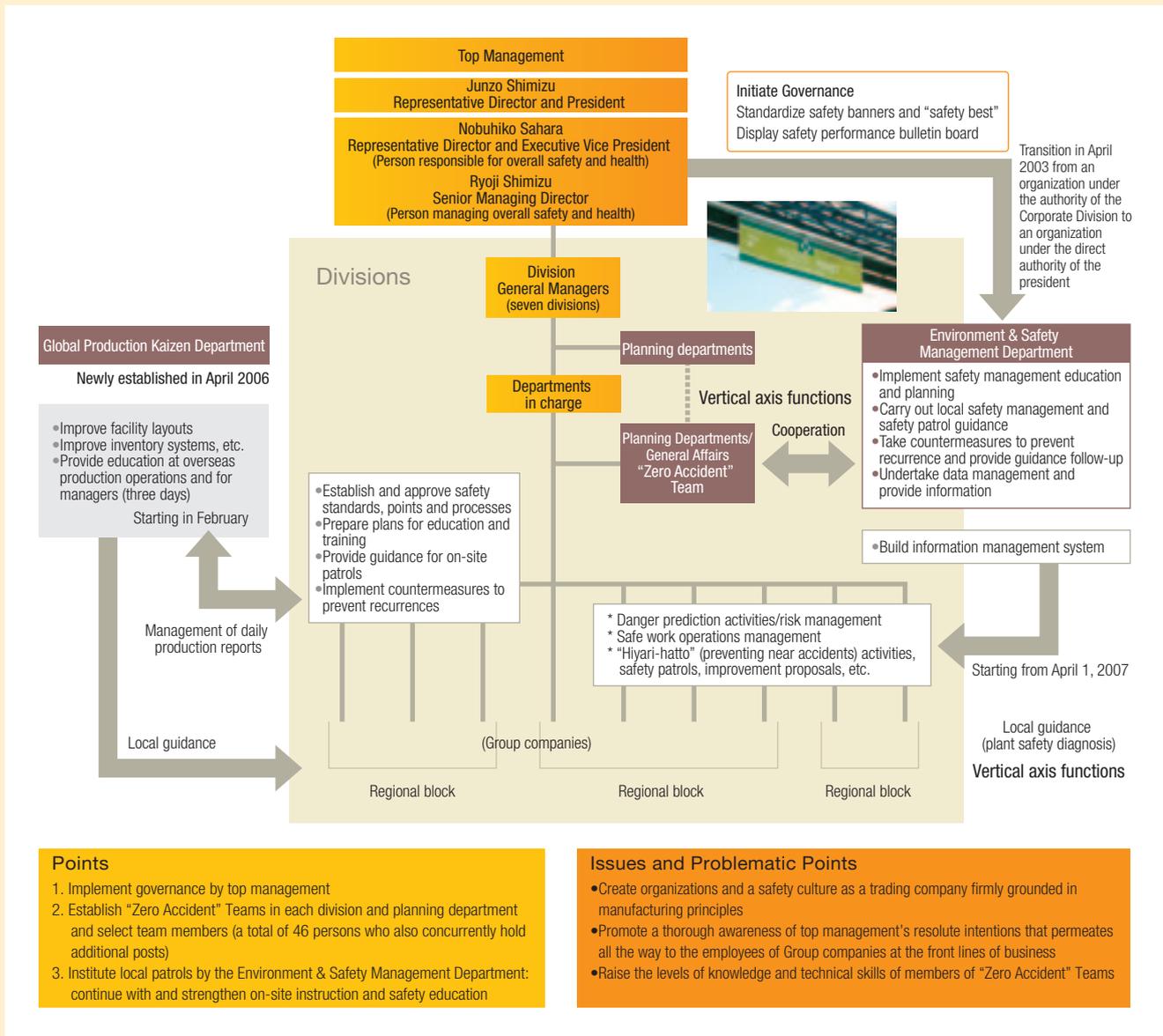
### Policies

- 1 Recognizing that good communication is paramount for ensuring safety and health, top management places a high premium on dialogue with employees.
- 2 While strictly adhering to relevant safety and health laws and the internal workplace business rules and procedures of our customers, we have established our own essential autonomous standards, as we work to raise the level of our safety and health management.
- 3 We utilize occupational safety and health management systems and work to continually improve and maintain these systems as we aim to raise safety and health levels.
- 4 To promote safety and health activities at all companies throughout the Toyota Tsusho Group, we will establish the necessary organizations and structures and clarify the locations of responsibilities.
- 5 To progress with the creation of comfortable and healthy workplaces, we will provide all employees with sufficient and necessary education for ensuring their safety and health.

(Notices, organizations and positions are as of August 30, 2006)

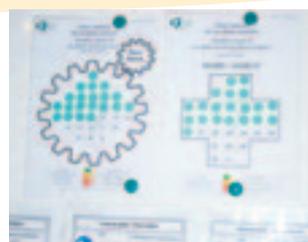
## Launching Initiatives Overseen by Top Management

Toyota Tsusho has established "Zero Accident" Teams in each division at overseas and domestic Group companies and is promoting safety activities.



## Initiatives at Operational Bases and Work Sites

The members of top management of domestic and overseas Group companies recognize the crucial importance of assuring safety and have pledged themselves to strive for "the complete elimination of disasters and accidents and safety assurance." Utilizing their "motivating force and leadership to bring everyone together," top management is working to provide education and guidance that fosters self-awareness among all employees that "assuring safety" is a top-priority issue while carrying out work-site safety patrols and making efforts to prevent occupational disasters and accidents. Additionally, the Environment & Safety Management Department visits work sites and institutes plant safety diagnosis\* as well as makes efforts to strengthen areas needing improvement.



Safety results management (France: March 2007)



KYM training: (Japan: October 2006)

\* Number of bases where plant safety diagnosis has been completed:  
Domestic: 31 bases Overseas: 69 bases (As of the end of July 2007)

## Approach to Safety

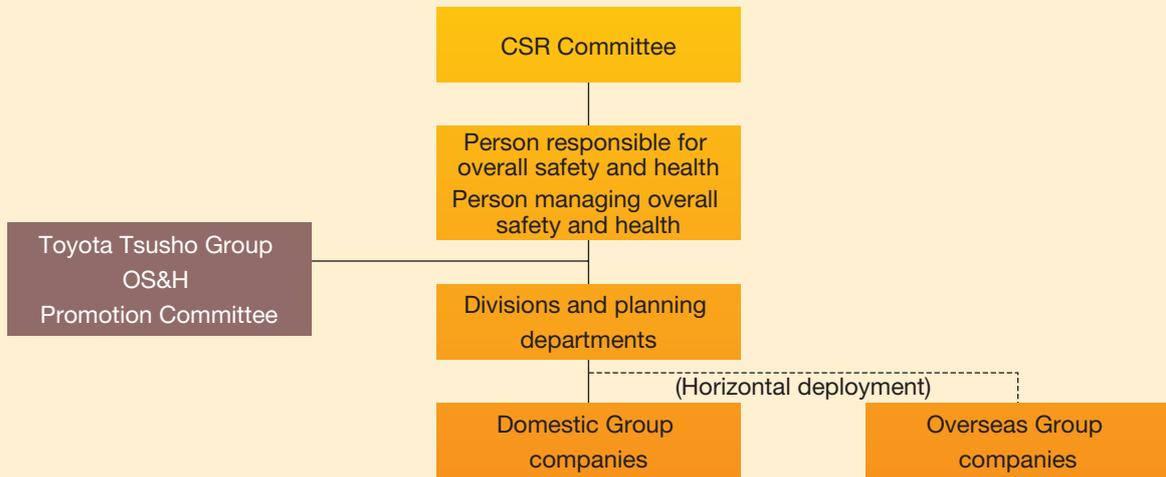
### Activities by the Toyota Tsusho Group Occupational Safety and Health (OS&H) Promotion Committee (Japan)

To prevent occupational disasters and accidents and to ensure the safety and health of workers at workplaces, as part of the CSR Committee's activities, the Toyota Tsusho Group OS&H Promotion Committee convenes in an effort to prevent the occurrence of occupational disasters and accidents.

#### Members

- Person responsible for overall safety and health (vice president)
- Person managing overall safety and health (officer in charge of the Safety Management Department)
- Persons managing safety and health (representative directors of Group companies)
- Division general managers
- General managers of planning departments of each division
- General manager of the Human Resources & General Affairs Department, general manager of Risk Management Department, general managers of related businesses
- Secretariat (General manager of Safety Management Department)

### Structure for Safety Initiatives



The holding of a general meeting of the Toyota Tsusho Group OS&H Promotion Committee (August 2006)



#### Initiatives undertaken during the fiscal year

- Lockout system introduced
- Safety fundamentals reinforced in forklift operation
- Safety management of external work operations reinforced

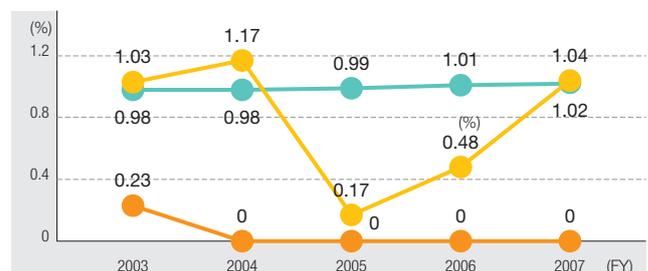
### Work Stoppage Rate (Domestic Group Companies)

In fiscal 2007, there was an increase in work stoppage incidents occurring during maintenance work and work irregularities. In the future, as we strive to totally eliminate all accidents, we will implement thorough safety management in our non-regular work activities as well as in regular work activities.

- Toyota Tsusho
- Domestic/manufacturing industry average
- Toyota Group companies (covers 61 companies)

\* Work stoppage rate = number of work stoppage incidents/total working hours x million working hours

Reference  
Ministry of Health, Labour and Welfare: Labor Statistics (2006)  
All industries: 1.90 Manufacturing industries: 1.02



## Initiatives through Activities of the Toyota Tsusho Group Safety and Health Cooperation Council (Japan)

In aiming to realize the complete elimination of occupational disasters and accidents during work carried out at the workplaces of our customers and when delivering products to customers, with the cooperation of related suppliers, we have organized the Safety and Health Cooperation Council according to geographic regions and regularly provide necessary education and training for on-site supervisors (covering such topics as electrical shocks and elevated workplaces) as well as hold Safety Conventions, as we promote our safety activities.

Especially at Safety Conventions and prior to holiday periods in spring, summer and winter, we make special requests for considering safety and the environment in carrying out work activities, as all related parties reconfirm their awareness of "the importance of safety." We also use safety patrols and provide guidance for work carried out at the workplaces of our customers and when delivering products.

### Safety and Health Cooperation Councils in each region: Toyota, Kariya, Tokyo, Osaka

■ Education for persons in charge of work operations at work-sites (covers such topics as electrical shocks, elevated workplaces)

Number of people receiving education: 1,003 people newly received education in addition to 419 qualification renewals:

■ Safety patrols

A total of 4,236 safety patrols were implemented (includes 489 cases involving citations and guidance)

■ ABC monitoring and individual guidance for principal suppliers

Implemented at 39 companies



Toyota Tsusho Safety and Health Cooperation Council (Toyota) general meeting (April 2006)

## Approach to Human Resource Development (Safety Education)

Keeping in mind that safety assurance begins with the development of people, we are cultivating our own safety education specialist. Utilizing our own staff of in-house instructors, we provide "our own internal safety education and training" tailored to our own particular needs to raise the skill levels of our employees.

To ensure safety and implement environmental management for work carried out at the workplaces of our customers and for delivering products, we are implementing an educational system encompassing related suppliers and cooperating companies that includes education for on-site supervisors. This educational system is

targeted mainly at member companies of the Toyota Tsusho Safety and Health Cooperation Council.

### ■ Securing human resources for education

Instructors for "Training upon appointment as a safety manager"	1 instructor
RST trainer (instructors for on-site supervisors and persons responsible for safety)	10 instructors
Specialist instructors for all Toyota Tsusho personnel in charge of work operations	10 instructors

## Education System

Raising skill levels	For manufacturing businesses	Number of persons receiving education	For work carried out at the workplaces of our customers and for delivering products to customers	Number of persons receiving education
	<ul style="list-style-type: none"> <li>Statutory "training upon appointment as safety manager"</li> <li>Overseas safety management training</li> <li>Education for personnel in new management posts at overseas production operations</li> <li>Training prior to new overseas posting</li> <li>Statutory "supervisory foreman education"</li> <li>Education for new employees</li> </ul>	<ul style="list-style-type: none"> <li>75</li> <li>114 (158)</li> <li>21</li> <li>(Once per year)</li> <li>11 (123)</li> <li>(Once per year)</li> </ul>	<ul style="list-style-type: none"> <li>Education for safety management in execution of overseas projects</li> <li>Statutory "education for persons in charge of safety and health"</li> <li>Education for persons responsible for work operations (covering elevated work places, electrical shocks)</li> <li>Education for persons in charge of work operations (qualification renewals)</li> </ul>	<ul style="list-style-type: none"> <li>0 (26)</li> <li>43 (242)</li> <li>1,003</li> <li>419</li> </ul>

Figures in parentheses are for the cumulative number of persons receiving training courses.



Overseas safety management training: Guangzhou, China (June 2006)



Overseas safety management training: United States (September 2006)



Training upon appointment as safety manager: Japan (February 2007)



Overseas safety management training: France (March 2007)

## Approach to Safety

### Approach to Safety Management in Business Investments

For construction at business sites, including construction of new facilities and the expansion of existing facilities, we incorporate safety design into facility layouts and other areas of the project at the planning stage. Also, when undertaking construction work, we have established a structure for on-site management and safety management and adhere to guidelines requiring that a daily safety

implementation cycle be implemented. We also operate a safety framework whereby business plans for constructing new facilities or strengthening and increasing existing facilities cannot be executed unless adequate preparations and arrangements for safety have been made.



Construction site for expansion of facilities: Guangzhou, China



Construction site for expansion of facilities: Japan



Safety bulletin board at construction site: Japan

### Safety and Health Management at Toyota Tsusho Group Overseas Operational Bases



Promoting effective governance under the "ANZEN FIRST" banner



Logistics warehouse where 5S activities are firmly established



Safety inspection tour by top management



Carrying out plant safety diagnosis



Blanking business site where 5S activities are thoroughly implemented



Physical safety countermeasures are implemented at this aluminum smelting business site



Safety Handbook used in Thailand

## Approach to Transmitting and Sharing Safety Information

We have commenced initiatives for sharing information through OSH-NET, the Toyota Tsusho Group's intranet safety management site. OSH-NET allows users to view the latest information on safety and health, including internal notices on safety, information on related laws and ordinances, basic safety rules, actual cases of occupational disasters and accidents and various data on safety performance. Specifically, OSH-NET consists of the following content.

1. Information (safety notices, etc.) from the Environment & Safety Management Department
2. Materials on safety and health management (data, training textbooks, etc.)
3. Standard forms
4. Toyota Tsusho Group's accident incident report and preventive countermeasures
5. Monthly reports
6. Links to related sites (Ministry of Health, Labour and Welfare, Japan Industrial Safety and Health Association, etc.)



## Promoting an Awareness of Safety Activities through "Zero Accident Corner"

For the visualization of our safety initiatives, we have set up the "Zero Accident Corner" at our headquarters in Nagoya. To raise awareness of safety among all executives and regular employees, we have opened our "Zero Accident Corner" to these employees, who are free to visit whenever they want. This corner displays a variety of safety information that promotes safety-related learning.

### Content of displays at "Zero Accident Corner"

1. Toyota Tsusho Group's examples of serious accidents
2. Toyota Tsusho Group's safety management promotion structure and the current status of safety management
3. Internal safety education system and related textbooks
4. Plant safety diagnostic reports from domestic and overseas companies
5. Safety management for work carried out in Japan and overseas, etc.

### "Zero Accident Corner" at our Nagoya Headquarters

The "Zero Accident Corner" has become a venue where employees can learn about management methods for safety assurance by observing the displayed materials and textbooks.



# Approach to Human Resources



Human resource related initiatives have always formed an integral part of our CSR activities. We believe we must further develop these initiatives in connection with the realization of our Corporate Philosophy. Anticipating the ongoing diversification in the composition of our employees, we will continue to strive for the greater dissemination and improvement of the frameworks, systems and environments utilized to the present.

## Fulfilling Our Social Responsibilities to Employees

Toyota Tsusho believes that the essence of its social responsibility is the attainment of its Corporate Philosophy and its principles concerning employees. Taking an employee perspective, we are implementing various measures to create dynamic and rewarding work environments that allow each employee to work with vitality.

### Principles concerning Employees

We aim to realize our management strategies without being constrained by past experiences or preconceptions and based on the watchwords “real source,” “real things” and “reality.” Accordingly, from the perspective of overall optimization, the Toyota Tsusho Group will employ, cultivate and advance employees who can cooperate and lead the way to an even better future.

### Key Points for Promoting CSR from an Employee Perspective

#### POINT . 1 Build environments that allow employees to work with vitality.

To enable a company and its employees to realize continuous growth, it is essential to create workplace environments and systems that make employees' work rewarding and fulfilling. With this in mind, we are devising a number of measures to build such environments and systems.

#### POINT . 2 Create frameworks for promoting constant and autonomous reforms and improvements.

We regard a company's responsibility as enabling employees to act voluntarily with an unceasing desire for pursuing reforms and improvements and self-initiative. Toyota Tsusho is building systems and frameworks that promote such actions.

#### POINT . 3 Cultivate human resources capable of responding flexibly, quickly and sincerely to changes in the environment.

We regard a company's responsibility as enabling employees to act voluntarily with an unceasing desire for pursuing reforms and improvements and self-initiative. Toyota Tsusho is building systems and frameworks that promote such actions.

#### POINT . 4 Promote teamwork with an eye toward overall optimization as an organization.

While maintaining respect for individuals, we also recognize the limitations of acting individually and are thus determined to create an organization that enables overall optimization. To do so, we believe it is essential to have a corporate culture that fosters mutual respect and ensures sufficient vertical, horizontal and diagonal communication. We are currently creating a framework for nurturing such a corporate culture.

## Human Rights

In implementing various personnel measures, Toyota Tsusho places emphasis on incorporating the perspective of human rights and thus focuses closely on preventing hiring and evaluation discrimination based on nationality, gender, age, disabilities and religion. Also, to prevent sexual harassment and harassment due to the abuse of power, we implement thorough employee education and have established necessary systems and frameworks.

In April 2006, we established the Diversity Promotion Office within the Human Resources & General Affairs Department as we strive to establish an organization that allows everybody to fully utilize their capabilities while also carrying out a variety of activities to raise employee awareness of human rights.

As we undertake our business activities globally, we are expanding our operational bases in various regions worldwide, thus making it ever more essential to carry out our business activities that respect the cultures and lifestyles of people from different countries.

### Sexual Harassment and Human Rights Seminars

We provide employee training not only to maintain working environments where sexual harassment and power harassment are not tolerated but also to reconfirm an awareness of the importance of mutual respect and to avoid discrimination based on nationality, gender, age, disabilities and religion. In fiscal 2007, we expanded the scope of this training to include affiliated companies.



## Fostering a New Corporate Culture

### 1. Integration

In April 2006, Toyota Tsusho and Tomen merged their operations. On this occasion, to ensure true "integration" characterized by mutual understanding of different corporate cultures and business processes, we launched company-wide projects (consisting of members of the Human Resources and Corporate Planning departments) and planned and implemented various types of measures. Several of these measures are detailed below.

#### Presentation Meetings for Both Company's Business Models (eight times)

Based on actual performance results, these presentation meetings explained the respective business models announced by both companies prior to the merger. These meetings enabled a shared understanding of issues that face both companies as well as their respective strengths and methods of doing business.

#### Implementation of Extensive, Rank-based Training

This training aimed at promoting smooth integration between the two companies not only by creating "forums for getting acquainted" and "forums for discussion" but also by providing opportunities for considering the future of the new Toyota Tsusho. A total of 750 people from various levels within the Company participated in this training.

#### Lecture Presentation Based on the Theme "Teamwork"

We held a lecture on "Team Power," one aspect of "The Toyota Tsusho Group Way," featuring invited guest Seiji Hirao, coach of Japan's national rugby team. The lecture was attended by 500 people from the Tokyo, Nagoya and Osaka regions. At the presentation, Mr. Hirao explained various practical examples of teamwork that were put into practice in rugby, while also explaining the approaches and thinking essential for teamwork.

### 2. Improvement Proposal and Commendation System

For daily office work, we revamped our existing systems and implemented sweeping measures for promoting activities aimed at making improvements to problematic issues that were identified by taking a fresh viewpoint, while also mutually learning about the good points of Toyota Tsusho's and Tomen's ways of carrying out business. As a result of these initiatives, we gathered over 1,300 improvement proposals, which proved to be highly effective in helping reduce costs and cutting man-hours for regular office work. These improvement proposals also provided encouragement to other departments, which led to more dynamic communications. We will continue to push forward with improvement activities and work to ensure that these activities permeate the Company as part of our corporate culture.

While continuing with our performance-based evaluation system, every year we also present commendations to organizations and individuals in Japan and overseas in recognition of their efforts to realize our corporate vision. At the presentation ceremony, the award recipients are honored for their achievements on behalf of all executives and employees. These commendations are presented for achievements covering a wide range of areas not only for executing business duties but also for obtaining various qualifications and for social contributions.

### 3. Overall Optimization

We emphasize "overall optimization" in all personnel-related systems from hiring to staff rotation and assignment, employee performance evaluation and education systems, and as a result, the concept of "overall optimization" is spreading throughout the Company as part of our corporate culture. Since Toyota Tsusho exists as an organization, rather than focusing on individual performance, "overall optimization" is thus based on empirical rules such as the ability to effectively make steady achievements via mutual cooperation among multiple organizations and individuals to offer stakeholders even higher added value. We believe this stance emphasizing "overall optimization" will continue to be shared as one of Toyota Tsusho's basic values in the future as well.

## Approach to Human Resources

### Personnel Systems

#### 1. Features of Our Personnel Systems

Toyota Tsusho compensates employees based on their performance without bias to gender, age and nationality. From April 2006, we introduced new personnel systems, centering on our highly transparent and well-received Evaluation System, our skills-based Classification System suited to flexible job transfer assignments and human resources development, and our Compensation System that recognizes the level of employee contributions. These new types of systems play a key role in helping us realize our management philosophy and Vision and raise employee motivation.

#### 2. Challenge Rotation/Open Entry System

Toyota Tsusho has introduced job rotation systems under various titles. Challenge Rotation is a job-posting system covering employees who have been handling the same job for five years or longer. Challenge Rotation involves the presentation of a specific plan for an employee's desired job posting, and these employees are given

preference over regular applications for desired job rotations. Open Entry is a so-called internal open recruitment scheme whereby applications for desired positions are maintained with strict confidentiality until a job rotation is confirmed. This system enables departments to meet their personnel needs, while employees can find a position of their choice. Both the Challenge Rotation and Open Entry systems are implemented from the perspective of utilizing and cultivating human resources within the framework of overall optimization.

#### 3. Hiring

Toyota Tsusho's hiring activities avoid discrimination based on gender, age, nationality or disability, along with focusing on fairly determining whether or not an individual's abilities, skills, motivation and aptitude are consistent with the position Toyota Tsusho seeks to fill. We strive to conduct hiring activities that avoid discrimination and prejudice and conduct human rights training for those in charge of hiring.

### Human Resources Development

#### Basic Stance on Human Resources Development

Toyota Tsusho implements a diverse range of training programs with the aim of cultivating human resources capable of exemplifying the keywords of The Toyota Tsusho Group Way: "real places, real things, reality," "commercial spirit," and "team power." Through these training programs, we raise the skill levels of individual employees and simultaneously focus on cultivating personnel that can share information and cooperate from the perspective of overall optimization.

Main training programs include the Innovation Leader Cultivation School, which nurtures an entrepreneurial spirit for the creation of new businesses and a mindset for strategic business and management, as well as our rank-based group training that strives to foster a shared awareness of problems from the perspective of overall optimization. For younger employees, we have established Practical Knowledge Courses and implemented an array of training programs for studying business skills and various frameworks. At the same time, to further support employee self-education, we implement a host of other measures in response to employee needs, including providing subsidies to cover course fees for correspondence courses and for outside schools.

Additionally, we provide this training and self-education support to employees at Toyota Tsusho's affiliated companies as part of efforts to raise the quality of human resources training throughout the entire Toyota Tsusho Group.

#### Overseas Foreign Language Study

Toyota Tsusho provides education to cultivate employees capable of anticipating needs arising from businesses activities. A prime example is the Overseas Foreign Language Study System. Following one year of language study at an overseas university or language education institution, participating employees undergo approximately three months of practical training under the guidance of a representative stationed at the local overseas office or subsidiary. Thus, this system

functions as a program that not only offers language study opportunities but also enables participants to experience local customs and cultures. It serves as a highly effective system for cultivating staff who will be posted overseas and also plays an important part in promoting career development and rotations for individual employees.

#### Voice

*Convinced that communicating directly in the Chinese language is essential for Toyota Tsusho's future business amid rapid development in China, I took it upon myself to apply to the Overseas Foreign Language Study System to polish my language skills. For approximately one year from 2002, I was an exchange student at Tianjin University, where learning Chinese was my primary objective. However, my interactions with the Chinese people in places where Japanese was not understood also helped me learn more about the country's culture and customs—knowledge that I feel is a huge asset for me today.*

*In my current assignment at Tianjin Fengtian International Logistics Co., Ltd., a company in which Toyota Tsusho has invested, I can say that the experience of studying abroad has enabled me to share the Company's vision with over 300 local Chinese staff while also promoting the Company's business activities. In addition to the Chinese language, I respect the culture, style and customs of China as well as its people. I believe my experience is closely interrelated with my job, which entails shipping locally produced Toyota vehicles to hundreds of dealers across the vast country.*

#### Koji Takechi

Tianjin Fengtian International Logistics Co., Ltd.



## Creating Value through Diverse Human Resources

### Promotion of Diversity

Established in April 2006, the Diversity Promotion Office operates according to the concept of promoting diversity that "aims for the creation of new value through an organization where everybody is empowered regardless of gender or age." The office's activities center around providing support for promoting increased roles for women, supporting greater participation in the workplace by people with disabilities and assisting employees in achieving a balance

between the demands of work and home. In fiscal 2007, we revised our child-care leave system as a measure for supporting a balance between work and home life and published a pamphlet to further deepen and spread an awareness of diversity. We also held "lectures by female managers" and presented "Welcome to Toyotsu" company observation tours for families of employees. We carry out such activities not only for Toyota Tsusho employees but also for affiliated company employees and their families.

### Principal Activities

#### ■ (a) Initiatives to Support a Balance between Work and Home

##### Child-care Leave System

Female employees can take child-care leave until their child reaches two years of age and can also utilize a child-care flextime system until the end of the fiscal year in which the child enters the first-year of elementary school. Also, although child-care leave had previously been taken without pay, revisions to this system made in May 2006 now enable a maximum of 10 days of paid vacation to be utilized. Further, it is now possible to take child-care leave even if a spouse is unemployed, and steps are being taken for a measure to promote the taking of child-care leave by male employees as well.

##### Career Bridge System (Reemployment Support System)

In July 2007, we introduced the Career Bridge System (reemployment support system) for allowing employees to return to their jobs after an extended absence. This system functions as a "bridge" linking the point in time when an employee is forced to retire due to their spouse's job transfer to the time an employee reenters the Company. This system is positioned to offer mutual benefits to both employees and the Company by allowing employees to choose the way they work, giving consideration to the balance between work and home life, while permitting the Company to retain excellent human resources.

#### ■ (b) Diversity Promotion Pamphlet



#### ■ (c) "Welcome to Toyotsu" Company Observation Tour for Employees' Families



## Approach to Human Resources

### Health Management

#### 1. Countermeasures against Overtime Work over Long Periods

To ensure that employees can work with a sense of well-being, Toyota Tsusho makes efforts to promote the health management of its employees. In keeping with these efforts, we introduced a work monitoring system for ascertaining the working hours of all employees. Under this system, we require employees working overly long hours to meet with an industrial physician and also provide these employees with information and advice on health management and maintenance.

#### 2. Regular Health Examinations and Mental Health Measures

We provide annual health examinations for all employees, check-ups for adult diseases for employees aged 30 and above, and health checks for employees posted overseas prior to their departure and upon their return. Toyota Tsusho also actively collaborates and interacts with employee labor unions for this type of employee health management. To help combat the recent increase in incidences of mental illness, we utilize IT in implementing stress checks of all employees to ascertain the degree of their workplace stress. We also offer employees information such as mental health improvement measures and have set up consultation counters.

### Ties with Personnel at Overseas Bases

The creation of business overseas and an expansion of Toyota Tsusho's functions have been accompanied by an increase in the number of employees dispatched from Japan to locations abroad. Concurrently, the appointment of local staff at overseas subsidiaries to executive and management-level positions has been progressing. We support the establishment of human resource systems for overseas-based subsidiaries and business entities together with the cultivation of local staff based on the aforementioned Principles Concerning Employees as well as The Toyota Tsusho Group Way.

From the previous fiscal year, we have invited management candidates from overseas staff to Japan for training to gain an understanding of The Toyota Tsusho Group Way. By doing this, we promote the development of human resources capable of playing active roles globally.



Global Leadership Program training



### Crisis Management

Toyota Tsusho undertakes various initiatives aimed at protecting the health and safety of employees and their families in Japan and overseas. Of particular note, prior to their departure we hold seminars for employees and family members who will be dispatched overseas where living environments differ from country to country. Through such seminars, we strive to foster a deeper employee awareness of the importance of health management that encompasses mental health and their own personal safety. Following

the departure of employees to overseas destinations, we work to promote mutual information exchange and ascertain local circumstances by providing information on safety and health and medical care. Moreover, Toyota Tsusho has established a structure enabling rapid response to emergency situations by setting up a crisis management headquarters to respond to contingencies as well as by forming affiliations with emergency medical service companies.

# Toyota Tsusho Group's Social Contribution Activities



Amid a growing emphasis on CSR, Toyota Tsusho focuses not only on improving its business results but also places high value on fulfilling its environment- and community-related responsibilities on a global scale. Toyota Tsusho adheres to the guiding principle of contributing to society as a respected corporate citizen. Accordingly, Toyota Tsusho interacts directly with local communities while actively participating in an array of activities to find solutions to issues facing society and promoting initiatives aimed at ensuring people's happiness and well-being. Moreover, we promote activities in which people can see our "corporate face" by encouraging employee participation in volunteer activities and by making personal contributions.

## Protecting the Global Environment

### Support for the Keidanren Nature Conservation Fund

To support preservation of the natural environment on a global scale, in the fiscal year under review as well, Toyota Tsusho worked in partnership with the Keidanren Nature Conservation Fund in regard to nature preservation projects conducted by various nongovernmental organizations (NGOs) in the Asia Pacific region.

## International Exchange and Education

### Toyota Tsusho International Scholarship Foundation

In 1988, Toyota Tsusho established the Toyota Tsusho International Scholarship Foundation to provide support that enables overseas students with a passion for learning to study in Japan. Since its establishment, this foundation has provided scholarships to 108 foreign students from China and other countries around the world. All of these students have graduated from universities and are playing active roles in their home countries. In helping exchange students realize their dreams, scholarships currently are provided to 14 foreign students.

Toyota Tsusho will continue to promote international exchange through its support for foreign students.



Toyota Tsusho International Scholarship Foundation secretariat and foreign students

## Social Commitment

### Support for the Tokai Wheelchair Twin Basketball 49th Toyohashi Tournament and the 50th Kanazawa Tournament

Tokai Wheelchair Twin Basketball, a group competition for persons with physical disabilities, plays an extremely valuable role in helping people confined to their homes or facilities to reintegrate into society and maintain their physical and mental strength. Toyota Tsusho continues to promote the advancement of sports for people with physical disabilities and supports their participation in society.



#### Voice

**Shiro Matsuo**

Human Resources & General Affairs Dept.

*This tournament was held successfully thanks to support from all volunteer staff. I would like to continue actively supporting the spread of wheelchair twin basketball as a sport that allows the participation of those with disabilities.*



## Toyota Tsusho Group's Social Contribution Activities

### Backing Sports and Cultural Activities

#### Co-sponsoring the 7th Toyota International Youth Football Championship

Toyota Tsusho supported the 7th Toyota International Youth Football Championship held at Toyota Stadium in August 2006. The tournament featured six Under-16 (U-16) professional teams from four countries, including Japan, as well as a selected team from Aichi Prefecture. As an international tournament at the youth level, this tournament provided young athletes with a venue to develop their football techniques.

#### Co-sponsoring Performances of the Nagoya Philharmonic Orchestra

We have been co-sponsoring the Nagoya Philharmonic Orchestra since 1979 in line with our commitment to invigorate and promote the spread of artistic culture in regional communities. This fiscal year we sponsored the following concerts.

- In October 2006, eight Toyota Group companies, including Toyota Tsusho, supported the Nagoya Philharmonic Orchestra Concert held in Kariya city. Students from various facilities and schools for persons with disabilities fully enjoyed the beauty of music at this concert.
- In January 2007, we supported the Nagoya Philharmonic Orchestra Hamamatsu Concert 2007 held in Hamamatsu city.



Nagoya Philharmonic Orchestra Concert

#### Co-sponsoring the Nippon Domannaka Festival

Managed primarily by university students, the Nippon Domannaka Festival is held every August as one of Nagoya's symbolic festivals. Toyota Tsusho co-sponsored this festival in line with efforts to promote local culture.

#### Co-sponsoring the Aichi International Women's Film Festival 2006

This event was held in September 2006 as the sole international film festival in the Chubu region. The festival featured films by women directors that focused on themes about the ways of life of women. Toyota Tsusho co-sponsored this festival in contributing to the realization of a society in which men and women equally participate through the cultural medium of images, as well as in supporting a distinctive film festival aimed at international exchange.

### Emergency Support for Disasters

#### Java Indonesia Earthquake

On May 27, 2006, Toyota Tsusho donated funds to the Japanese Red Cross Society for reconstruction assistance to victims of a major earthquake that struck Java in Indonesia. Our overseas bases also donated funds.

### Environmental Beautification

#### Clean Osaka 2006

Responding to calls for participation in the Clean Osaka 2006 campaign sponsored mainly by the city of Osaka, 30 employees from the Osaka Branch joined clean-up activities in the area surrounding that office. By actually participating in refuse collection activities, employees have come to realize the importance of town beautification activities of local communities.



## Support for Employee Volunteer Activities

We provide various types of support in an effort to spread and firmly establish the voluntary participation of employees in social activities.

### Matching Gift System

Under its Matching Gift System, Toyota Tsusho contributes a fixed amount of funds or materials to a volunteer activity undertaken by an employee or to an organization with which the employee is involved, based on the stipulation that the Company recognizes the activity or organization. Primary examples of matching gifts provided in fiscal 2007 are introduced as follows.

#### Donation of Rubber Softballs to Nissin Depo Youth Baseball Club

The Nissin Depo Youth Baseball Club is comprised of first- to sixth-year elementary school students who love to play baseball and who have adopted the motto "spirit of teamwork and appreciation." Toyota Tsusho employees participate as coaches, and the Company has donated rubber softballs that are useful for practice.

Energetic children give it their all as they chase after white balls that arch across a blue sky. On both hot days and cold days, these children show their true love for their favorite game and happily play using the softballs provided by Toyota Tsusho. The team's managers, coaches and parents have also expressed their appreciation.



• Yuji Kani  
Automobile Service Dept.

#### Donations Presented to the Nagoya Rikujo Club

Parents and supporters operate the Nagoya Rikujo (Track & Field) Club with the objective of providing opportunities to children who wish to compete in track and field competitions. Toyota Tsusho employees serve as coaches to instruct children, and we donate funds to support the club's development.

Funds donated by Toyota Tsusho are presented to elementary and middle schools aspiring to join Nagoya Rikujo Club competitions. The club expressed both surprise and appreciation that a corporation noticed this type of parent-administered club activity, clearly showing that Toyota Tsusho is not only concerned with profits but also a company highly involved in society.



• Kiyoshi Kano  
Consumer Products, Services & Materials Planning Dept.

#### Donation Presented to 39th Toyota Boy Scout Troop

The 39th Toyota Boy Scout troop, consisting of students from second-year elementary school to university, undertake character-building activities such as hiking, camping, and volunteer work with emphasis on their local communities. Toyotsu Engineering & Manufacturing Co., Ltd. employees act as leaders and responsible members of the organization to support Boy Scout activities in addition to donating funds to assist in these socially sound activities.

The 39th Toyota Boy Scout troop has a total of 130 scouts and leaders and is thus one of the most prominent troops in the Toyota area. The troop utilized a recently received matching gift to upgrade equipment used for various activities, participate in the World Scout Jamboree and overseas Jamborees (10 participants in the fiscal year under review) and for other meaningful purposes. The troop is extremely appreciative of the company's support.



• Akio Nakagawa  
Toyotsu Engineering & Manufacturing Co., Ltd.

## Volunteer Collection Activities

We promote volunteer activities for collecting unusable post cards, used stamps, used books, and other items. To allow employees to easily participate in these activities, we have set up dedicated collection boxes internally. Results of collections in fiscal 2007 as well as the designated recipients of such assistance are as follows.

Used stamps	2,313	Japan Overseas Christian Medical Cooperative Service (JOCS)
Unusable Post Cards	257	Japan Hearing Dogs for Deaf People
Used books	364	Shanti Volunteer Association
Discarded calendars	1,387	Nippon Volunteer Network Active in Disaster, Inc.

The items collected are used for health maintenance activities and the delivery of picture books in support of underprivileged children in Asian countries.

### Introducing and Providing Information on Volunteering

Toyota Tsusho introduces and provides information on volunteering to employees through an intranet site. We also coordinate efforts with volunteer organizations to raise the awareness of volunteering so that each and every employee can contribute to the local community.



# Approach to the Environment



Toyota Tsusho Group is cognizant that environmental initiatives are essential for realizing a co-existence and co-prosperity with people, society and the Earth. Based on this recognition, individual employees take an autonomous and proactive approach to environmental issues in line with our Environmental Policy.

## Toyota Tsusho Group's Environmental Policy

- 1 As a responsible corporate citizen, we work to reduce impact on the environment, conserve energy, recycle resources and eliminate environmental pollution, while placing a high priority on not disturbing the global environment in conducting business.
- 2 We promote environment-related businesses, such as the efficient use of waste and the preservation of natural resources, and contribute to the realization of a recycling-oriented economy and society in collaboration with our affiliates and business partners.
- 3 We comply with all environmental requirements, including environmental laws and regulations and industry guidelines.
- 4 We participate in activities to reduce impact on the environment by establishing an environmental management system and continue to improve these activities through periodic review and the application of creative ideas.
- 5 We enhance environmental awareness among directors and employees by providing environmental training and promoting a thorough understanding of our environmental policy

\* We disclose this Environmental Policy externally as requested.

## Promoting Environmental Improvement Activities as the New Toyota Tsusho

In April 2006, Toyota Tsusho and Tomen integrated their business operations and environmental management systems, and the Company has subsequently continued promoting its environmental improvement activities.

Based on our Environmental Policy, each member of the Toyota Tsusho organization possesses an awareness of environmental conservation and works to maintain harmony with the local and international communities. As a company, we take an active approach to business activities aimed at conserving and preventing environmental degradation and undertake activities that enable us to contribute to the creation of a recycling-oriented society that considers the Earth's environment.

Regarding global warming countermeasures in particular, we offer products that protect the environment, develop and sell clean energy, and work to build CDM and other frameworks. Also, from the perspective of consolidated management, while keeping in mind that our business activities inevitably have some aspects that exert an impact on the environment, we provide guidance at each work site for the utilization of environmental management in our business operations by making use of various organizations throughout the Toyota Tsusho Group.

As an example of our environmental initiatives, from 2005 we began actively obtaining ISO 14001 certification not only at companies involved in manufacturing but also at our overseas automobile dealers. By obtaining this certification, we have improved our management capabilities and achieved improvements not only in areas related to the environment but also in our corporate management.

In the future as well, through environment management system-related activities, the Toyota Tsusho Group will work in unison to continually maintain and improve environmental conservation activities. Additionally, will work to cultivate human resources that can act autonomously and utilize their creativity to undertake businesses that will conserve and prevent damage to the environment. Cooperating with customers, suppliers, subcontractors and members of local communities, we make daily efforts to maintain a healthy environment for our irreplaceable Earth.

I ask for your support and guidance.

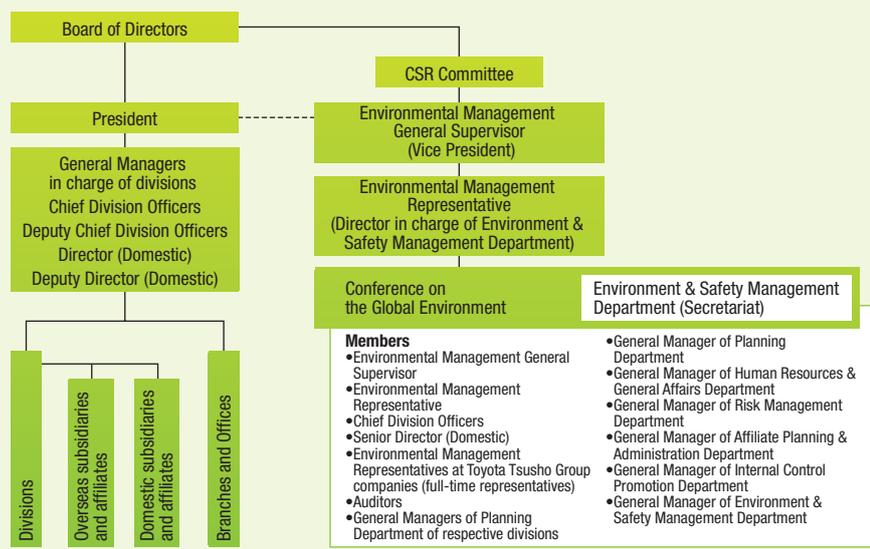


**Nobuhiko Sahara**

Executive Vice President  
Environmental Management  
General Supervisor

## Environmental Management Promotion Structure

The Toyota Tsusho Group works through its Conference on the Global Environment to establish and confirm the direction of its environmental management. In fiscal 2006, this conference was convened twice to report on the current status and future direction of environmental management following management integration to ensure that the new Toyota Tsusho Group can achieve ongoing development.



Conference on the Global Environment (February 2006) linked via video conferencing to Nagoya, Tokyo and Osaka branches

Each department, branch and office assigns primary and secondary environmental leaders. Additionally, each Group company assigns primary and secondary environmental leaders as well as internal auditors to work under the persons in charge of environmental management.

## Environmental Goals and Targets

<b>Business Process Improvements</b> Reduce inventories Reduce overtime work Develop organization of subcontractors that gives consideration to the environment Reduce copy-use paper Recycle packaging materials Standardize business processes	<b>Development and Sale of Environment-friendly Products</b> Take measures to reduce weight of vehicle components Sell chrome-free steel sheet Sell high-quality electromagnetic steel sheets Sell Re-box Sell magnesium base metals and die-casts Propose increased use of aluminum products Take measures to promote lead-free products Install equipment to conserve and reduce the use of water Sell industrial vehicles with minimal environmental load Expand PC recycling business Sell dedicated short range communication (DSRC) parking lot systems*1 Sell used looms Sell new-model air-jet looms (low vibration, energy efficient) Sell recycled lubricating oil Expand sales of CFC-free foaming agents for refrigerators Reuse and recycle plastic scrap Expand sales of used diaper processing machines Propose new materials, new technologies Expand housing renovation business Sell used components
<b>Reduce Environmental Risks</b> Conduct environmental education for department personnel Discontinue deoxidizing in urban areas Raise safety management awareness Instruct sales offices on safety Promote environmental conservation at work sites and instruct on safety measures	<b>Global Warming Countermeasures</b> Expand new energy business (GTL*2, DME, ethanol) Develop and promote CDM/Joint Implementation (JI) Project Expand sales of aluminum melting, promote production projects Recycle PET materials Turn off car engines when idling on company premises Conserve electricity and use energy efficiently Promote expansion of the bio-diesel fuel business Sell software in response to the revised Law Concerning the Rational Use of Energy (consigner responsibilities) Respond to the revised Law Concerning the Rational Use of Energy (consigner responsibilities)
<b>Environmental Preservation</b> Instruct employees on separation of waste Publicize garbage collection methods among residents Use recycled paper (business cards, envelopes) Assure safety of cleaning detergents Sell paper honeycomb pallets Promote returnable containers Develop market for polylactic acid	

\*1: DSRC parking lot system: parking lots that automatically open and close for vehicles mounted with electronic toll collection (ETC) devices.  
 \*2: GTL (gas to liquid): conversion of natural gas to liquid products and fuels

## Compliance with Environmental Related Laws

The way in which companies view compliance is being questioned. In each of our organizations, we have clarified the applicable environment-related laws and matters demanded of business partners and the industry and are implementing assessments of the current state of compliance.

## Approach to the Environment

### Initiatives at Business Offices

In fiscal 2007, the Paperless Committee was renamed the Office Energy Efficiency Committee and is now working toward making environmental improvements, starting with countermeasures to combat global warming.

The Office Energy Efficiency Committee implements such energy

conservation measures as turning off lights during lunch breaks, conserving electricity for copy machines, printers and PCs, as well as adjusting office temperatures when employees leave at the end of the workday. Moreover, the Committee is also calling for separation of waste, and this practice is now firmly established.

#### Volume of Waste Materials and Resource Conversion Rate

	FY2004	FY2005	FY2006	FY2007
Waste material emissions (t)	150	177	150	172
Converted to resources (t)	113	133	106	131
Final disposal (t)	38	44	43	41
Resource conversion rate (%)	75	75	71	76

Office covered: Nagoya Head Office

We strive to reduce waste and raise our resource conversion rate

#### CO<sub>2</sub> Emissions

	FY2004	FY2005	FY2006	FY2007
Energy consumption (thousand kWh)	5,240	5,589	5,891	8,945
CO <sub>2</sub> emissions (t-CO <sub>2</sub> )	2,000	2,133	2,249	3,414

CO<sub>2</sub> emissions coefficient: 0.3817kg-CO<sub>2</sub>/kWh

Offices covered: Head offices (Nagoya, Tokyo);

branches (Osaka, Toyota, Kariya, Hokkaido, Tohoku, Niigata, Hokuriku,

Hiroshima, Kyushu);

sales offices (Matsumoto, Mishima);

sub-branches (Hino);

office (Miyata)

FY2007 includes Tomen figures

### Environmental Awareness Month

June is the national campaign month designated to promote environmental activities. The Toyota Tsusho Group participated in the "Toyota Global Environment Month" as well as displayed "Think & Act" posters and introduced the catch phrase "Let's start from what we can do" aimed at prompting employees to consider what global

warming countermeasures they can implement.

Focusing on areas closely related to people's daily activities, we use electronic bulletin boards and other means to ask employees to cooperate in conserving electricity, separating waste and participating in eco-drives.

### Environmental Management for Investment and Financing Guidelines

In making business investments, we are proceeding with numerous projects both in Japan and overseas. For new plant construction as well as major renovation and expansion projects, we consider environmental issues from the planning stage through to operations, and we strive to realize zero malfunctions and complaints, minimize operational risk and raise performance in environment-related areas.

#### Environmental Impact Checks

In ascertaining the environmental impacts of our business, we conduct checks in eight categories, including areas related to laws and ordinances, local communities, construction and products, to verify the existence of any problems.

#### Soil Contamination Countermeasures

From the perspective of preventing oil contamination, we conduct soil contamination checks based on land survey guidelines.

## Environmental Education

In October 2006, we held an internal auditors seminar attended by 171 internal auditors from Group companies. Further, we held a seminar for group-wide discussion on "the operation of an effective environmental management system" targeted at the primary and secondary environmental leaders in various departments at Toyota Tsusho and Group companies. (A total of 333 people attended this training in April 2007.)

Discussions focused mainly on what should be our appropriate management stance and included such principal training themes as adherence to laws and regulations, compliance and necessary measures for achieving targets. These discussions fostered a deeper understanding of Toyota Tsusho Group environmental management systems.



Internal auditors training (October 2006)

Internal auditors training (April 2007)

## External Communication

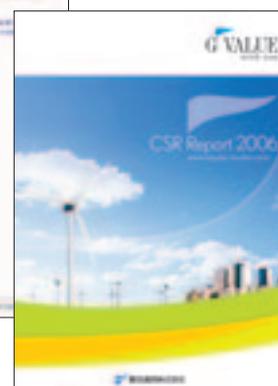
We reply to numerous questionnaires and survey requests from business partners, government authorities, newspapers, universities, research institutes and other parties regarding our environmental efforts. We also disclose the achievements of our management systems via our homepage and the publication of CSR reports.

■ **Environment-related participating bodies:**

- Global Environment Committee of Japan Foreign Trade Council, Inc.
- Environment Policy Committee (EPOC)



Homepage



CSR Report

## Approach to the Environment

## Progress Made in Single Registration to ISO 14001

The Toyota Tsusho Group is progressing with acquiring ISO 14001 under a single global registration. We are also unifying our environmental management systems for the entire Group. By undertaking integrated actions using the *Toyota Tsusho Group Environmental Management Manual*, we aim to share our Environmental Policy and raise the effectiveness of activities. In fiscal 2007, three domestic companies and six overseas companies newly acquired certification under the single registration of the Toyota Tsusho Group. As of the end of the fiscal year ended March 2007, the single registration encompassed 101 companies in total (including Toyota Tsusho, the parent company).

## Number of Companies that Have Acquired ISO 14001 Certification

(as of the end of March 2007)

	Single Registration Basis		Independent Basis
		Group Companies	Group Companies
Domestic		59	7
Overseas		41	15
<b>Total</b>		<b>100</b>	<b>22</b>

## Toyota Tsusho Group Companies that Have Acquired Single Registration to ISO 14001

## Domestic

Toyotsu Tekkou Hambai Co., Ltd. Toyotsu Material Corporation Ecoline Corporation Toyotsu Syscom Corporation Toyotsu S.K. Co., Ltd. Vestech Japan Co., Ltd. Toyotsu Plachem Co., Ltd. Toyotsu Sekiyu Hanbai Co., Ltd. Toyotsu Energy Corporation Toyomac, Ltd. TOYOTSU-living Co., Ltd. Toyotsu Insurance Management Co., Ltd. Toyotsu Family Life Corporation Care Port Japan Corporation Toyotsu Business Service Corporation Toyotsu Office Service Co., Ltd. Sunfeed Co., Ltd. Toyotsu Logistics Service Co., Ltd. Toyota Steel Center Co., Ltd. Oriental Steel Co., Ltd. Pro Steel Co., Ltd.	Kanto Coil Center Co., Ltd. Aichi Kokan Kogyo Co., Ltd. Toyota Metal Co., Ltd. Toyotsu Hitetsu Center Corporation Toyotsu Recycle Corporation Toyotsu Engineering & Manufacturing Co., Ltd. Toyotsu New Pack Co., Ltd. Tomen Techno Solutions Inc. Hot-Line International Transport Ltd. Tomen Plastics Corp. Tomen Chemical Co., Ltd. Eurus Energy Corporation Tomuki Corporation Ene Vision Corporation Toyotsu Auto Service Co., Ltd. Toyotsu Electronics Corporation	Vestech Service Co., Ltd. Vestech Japan Co., Ltd. Tohoku Grain Terminals Co., Ltd. Tohoku Godo Warehouse Co., Ltd. Kanto Grain Terminals Co., Ltd. Toyo Grain Terminals Co., Ltd. Higashi-Nada Tomen Silo Co., Ltd. Toyo Cotton (Japan) Co. Toyo Tateami Kaisha, Ltd. Toyotsu Lumber Corporation Renown Uniforms Corporation Daiichi Sekken Co., Ltd. Sanko Corporation Ogawatec Corporation Tomen Hotline Co., Ltd. O'Neill Far East Corporation Tomen Foods Co., Ltd. Toyotsu Human Resources Corporation Toyotsu Business Service Corporation
<p style="text-align: center;"><b>Companies acquiring certification in fiscal 2007</b></p>		
	Green Metals Hokuriku Co., Ltd. Kyushu Smelting Technology Co., Ltd. DICO Co., Ltd.	

## Overseas

Toyota Tsusho Korea Corporation	Korea	Toyota Tsusho Metals Ltd.	U.K.
Chen Tai Fong Co., Ltd.	Taiwan	Toyota Tsusho U.K. Ltd.	U.K.
Toyota Tsusho Philippines Corporation	Philippines	Stirchley Tech Service *	U.K.
Toyota Tsusho (Singapore) Pte. Ltd.	Singapore	Toyota Tsusho Assembly Systems (U.K.) Ltd. *	U.K.
TT Network Integration Asia Pte. Ltd.	Singapore	N.V. Toyota Tsusho Europe S.A.	Belgium
Toyota Tsusho (Malaysia) Sdn. Bhd.	Malaysia	Toyota Tsusho Praha spol.s.r.o.	Czech
TT Network Integration Thailand Co., Ltd.	Thailand	Toyota Tsusho Logistics Czech	Czech
TOYOTA LIBRA CO., LTD	Thailand	Toyota Tsusho Africa Pty. Ltd.	South Africa
TT Techno-Park Co., Ltd.	Thailand	Toyota Tsusho (H.K.) Corporation Limited	China
TTK LOGISTIS (THAILAND) Co., Ltd.	Thailand	Toyota Tsusho (Shanghai) Co., Ltd.	China
Toyota Transport (Thailand) Co., Ltd.	Thailand	Toyota Tsusho (Guangzhou) Co., Ltd.	China
TT Assembly (Thailand) Co., Ltd.	Thailand	Toyota Tsusho (Tianjin) Co., Ltd.	China
Industrial Tech Services, Inc.	U.S.A.	Toyota Tsusho (Dalian) Co., Ltd.	China
Toyota Tsusho America, Inc.	U.S.A.		
Green Metals Inc. *	U.S.A.	<b>Companies acquiring certification in fiscal 2007</b>	
Millennium Steel Service, LLC *	U.S.A.	Toyota Adria d.o.o	Slovenia
Wingard Quality Supply, LLC *	U.S.A.	Toyota Croatia d.o.o	Croatia
Maple Automotive Corporation *	Canada	Toyota Srbija I Crna Gora d.o.o	Serbia
Toyota Tsusho Canada Inc. *	Canada	JV Business Car Co., Ltd.	Russia
Toyota Tsusho Mexico S.A. *	Mexico	Toyota Tsusho Vostok Auto Co., Ltd.	Russia
Toyota Tsusho Argentina S.A.	Argentina	Too Toyota Tsusho Kazakhstan Auto, LLK	Kazakhstan
TTC Auto Argentina S.A.	Argentina		

\* Local subsidiary

## Companies Obtaining Certification Independently

Domestic			
Toyota Chemical Engineering Co., Ltd. Towa Sewing Co., Ltd. Tastamura Textile AI Co., Ltd.	TOMEN ELECTRONICS CORPORATION TOMEN DEVICES CORPORATION Daitoh Kasei Co., Ltd.*	PPL Co., Ltd.	
Overseas			
Ark, Inc. *	U.S.A.	Toyota Tsusho (Thailand) Co., Ltd.	Thailand
Most, Inc. *	U.S.A.	TT Techno-Park Co., Ltd. *	Thailand
Comercio de Veiculos Toyota Tsusho Ltd.	Brazil	TTK LOGISTIS (THAILAND) Co., Ltd. *	Thailand
P.T. Toyota Tsusho Indonesia	Indonesia	TT Assembly (Thailand) Co., Ltd. *	Thailand
Toyota Lakozy Auto Private Ltd.	India	Toyota TC Hanoi Car Service Corporation	Vietnam
Steel & Logistics Centre Private Ltd.	India	Toyota Tsusho Euroleasing Hungary KFT	Hungary
Tomen (Singapore) Electronics Pte. Ltd.	Singapore	Toyota Tsusho (Australasia) Pty. Ltd.	Australia
Tomen Electronics (Hong Kong) Ltd.	Hong Kong		

\* Local subsidiary

## Internal Audit

In October and November 2006, the Environment & Safety Management Department carried out an internal audit to check the progress of improvements that utilize management systems and the status of management implementation. Through internal audits in each department, we strive to promote a thorough understanding of environmental management systems and realize effective activities throughout the new Toyota Tsusho Group.

### ■ Toyota Tsusho

	Cases
Education	34
PDCA Management	22
Maintenance Management	16
Goal Setting	12
Implementation Procedures	7
Process Improvement	5

### ■ Group Companies

	Cases
Procedures	28
Conformity	16
PDCA	11
Consciousness of Full Participation	6
Corrective Measures	5
Activity Goals	3

## Third-party Audits

After acquiring certification in 2000, we underwent a second audit in December of 2006 to renew this certification. The audit organization provided us with the following assessments.

- The vitality of the overall organization is being raised by utilizing visualization panels in plants and sharing the achievements of employees' own activities.
- During internal audits, stringent and high quality recommendations are made from a manager's perspective, and key personnel for auditing are being nurtured.
- Some departments are taking the initiative in promoting their initiatives and are making achievements that contribute to the organization.

### ■ Audit for Renewal of Certification

(December 2006)

Standard Required Items	Items Cited
Environmental Aspects	1
Maintenance Management	2
Emergency Preparations	4
Evaluation of Compliance	2
Internal Audits	2
<b>Total</b>	<b>11</b>

This was new Toyota Tsusho's first audit to renew certification following the management integration and thus a record number of sites were covered. The number of citations received from the audit organization is indicated to the right. Most of these are minor citations.

# Environmental Topics

## Environment and Energy Conservation Solutions Business for Plants

In Japan and overseas, Toyota Tsusho is actively involved in business that helps customers reduce energy consumption at their plants as well as lower the environmental impact of their plants.

We are focusing especially on cogeneration systems, which help reduce total usage of electricity and heat energy. In 2002, we established Ene Vision Corporation to offer an unprecedented value chain in this field, with services ranging from consulting prior to introduction to installation and operational maintenance. Ene Vision currently provides services to more than 60 client companies.

In addition to energy conservation businesses carried out to the present, we will also take an active approach to reusable energy, as exemplified by solar power, while responding to issues related to water shortages, a problem that has been gaining attention in recent years.



### Voice

*In the coming generations, companies in both manufacturing and non-manufacturing industries will be expected to take an active approach to a host of environmental issues, beginning with the prevention of global warming. Utilizing our strengths as a trading company, we will continually gather the latest information from a global perspective while making contributions that help customers realize improvements in environment-related areas. A real source of motivation for me will be seeing the achievements of my own job leading to the preservation of the Earth's environment.*



**Masashi Ikuta**  
Machinery Dept.  
Environmental Business Group

## Promoting the Diffusion of Bagasse Pulp

As part of efforts to encourage the efficient use of resources, in 2006 Tomen Chemical Co., Ltd. began undertaking initiatives to promote the use of bagasse pulp and bagasse paper, which utilize bagasse, an agricultural byproduct consisting of the fibrous residue from sugarcane remaining after the extraction of sugar juice. As one new initiative in 2007, we began importing and selling bagasse pulp mold food containers from Thailand.

By utilizing biomass as a material, bagasse pulp mold food containers help conserve petroleum resources. These containers are also carbon-neutral and thus do not cause an increase carbon dioxide even when incinerated. Moreover, these containers can be recycled and are also biodegradable. Although bagasse is still not highly recognized, there is a steadily growing number of initiatives aimed at promoting environment-related applications in all areas of society. By promoting the widespread use of bagasse, the Company is working to continue lowering consumption of petroleum and wood resources and to reduce the burden on the environment.



Source: Non-Wood Based Paper Promotion Council

### Voice

*To further spur the use of bagasse pulp, in 2007 we started importing and selling bagasse pulp mold food containers. In undertaking environmental initiatives, we never consider that "a task is now completed," but rather believe that each individual must steadily make ongoing efforts to do everything possible to preserve the environment. In the future, we will work to cultivate and expand markets for bagasse pulp molded food containers and bagasse paper, which utilizes bagasse pulp, as we strive to contribute to environmental conservation.*

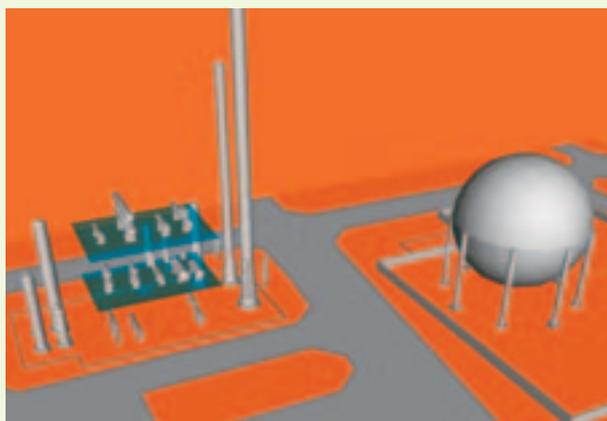


**Yoshitaka Oshima**  
Tomen Chemical Co., Ltd.

## Working to Promote the Greater Use of DME

Dimethyl ether (DME) is a synthetic fuel that can be produced from a diverse range of raw materials that include not only natural gas but also coal, biomass and oil residue. Superior in terms of handling properties, the same as liquid petroleum gas (LPG), DME emits no particulate matter (PM) and sulfur oxide (SOx) during combustion and also easily reduces nitrogen oxide (NOx), making this a clean energy source. Because of its high cetane rating, there are also hopes that DME will be used as an alternative diesel fuel for vehicles.

Since 2000, Toyota Tsusho has engaged in the promotion of DME and is now proactively engaging in activities to promote the greater use of DME both in Japan and overseas. As part of these efforts, in 2006 Toyota Tsusho participated in the establishment of Fuel DME Production Co., Ltd. (set up by nine companies, beginning with Mitsubishi Gas Chemical Company, Inc.) as Japan's first company for promoting the use of DME as a fuel. Plans call for the new company to begin full-scale sales of DME in 2008.



Niigata DME Plant (artist's rendering)

### Voice

*As clearly evidenced by history, promoting the spread of new energy is no easy matter. With crude oil prices continuing to soar, making efforts to diversify energy sources is an unavoidable task for Japan, which depends on imports for the bulk of its energy. By promoting DME, one type of clean energy, we will strive to contribute to a green society to the greatest extent possible.*



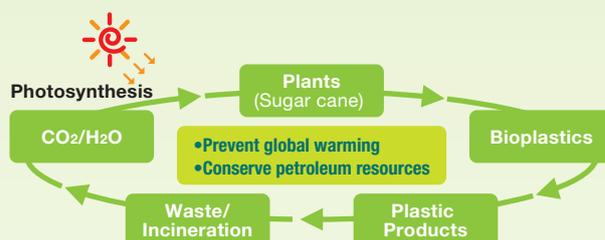
**Atsushi Kubo**

Energy Dept.  
Gas Business Group

## Contributing to Society through Bioplastics

Plastic is a valuable and indispensable material that benefits people in all areas of their lives. For example, the use of plastic enhances food hygiene and preservation and also enables fuel savings as a result of weight savings in automobiles. Nonetheless, plastic is manufactured using petroleum, and thus the use of plastic requires the consumption of a limited resource. Moreover, the incineration of used plastic products results in CO<sub>2</sub> emissions, leading to global warming. To address these problems, we are focusing on plastics that use plant resources, which can be produced repeatedly, as raw materials (bioplastics). We have begun supplying bioplastics for use in automobiles, household consumer electronics, agricultural industries and as food wrapping materials.

Through photosynthesis, plants absorb carbon dioxide in the air, synthesize carbohydrate substances and release oxygen. Since absorbed carbon dioxide is one of its raw materials, bioplastics do not increase global CO<sub>2</sub> emissions and can be perpetually consumed and produced. As we tackle an array of social issues, including those related to the environment, we will work toward the production, sales and diffusion of bioplastics, which have a minimal environmental load, as we contribute to society.



### Voice

*Despite soaring crude oil prices in recent years, demand for crude oil is expected to grow globally. Also, as global warming progresses, natural disasters are increasing. I believe we can help solve these problems by utilizing such plants as sugarcane, which can be cultivated on a yearly basis. A real source of motivation for me is visualizing how this approach will allow us to pass on a healthy Earth to our children.*



**Shinichi Sato**

Business Development Dept.  
Bio-Business Office

# Chronology of Toyota Tsusho's Activities

## Environment-Related Activities

1970	July	Toyota Metal Scrap Co., Ltd. (presently Toyota Metal Co., Ltd.) established.
1973	May	Toyota Chemical Engineering Co., Ltd. established.
1985	November	First Toyotsu Safety and Health Cooperation Council convened.
1992	October	Toyota Metal Co., Ltd. receives Minister of International Trade and Industry Award as a meritorious company in recycling.
1994	March	Toyotsu Recycle Co., Ltd. established.
1999	July December	Environmental Policy formulated. First Conference on the Global Environment convened.
2000	June October December	Vestech Japan Co., Ltd. established as a joint venture sales agent in the wind power business. Toyota Tsusho commissioned by NEDO to carry out energy reduction survey business targeting two steel companies in Liaoning Province, China. ISO 14001 certification obtained.
2001	June September October November	Safety Management Office is reorganized and becomes the Environmental Safety Promotion Office. Entered the emissions rights trading business by participating in the business of Natsource Japan Co., Ltd., a CO <sub>2</sub> emissions rights trading company. Wind Tech Minami Towada Corporation established to engage in the wind power business. Wind Tech Yokohama Corporation established to engage in the wind power business. Name of Environmental Safety Promotion Office changed to Environmental Safety Promotion Department. Toyota Tsusho and Toyota Automatic Loomworks, Ltd. jointly establish Eco Technology Inc. (U.S.) to manufacture and sell recycled soundproofing materials.
2002	March April May September October November December	Ecoline Corporation established. Ene Vision Corporation established to engage in the sale and maintenance of cogeneration systems. Participation in cost-sharing for demonstration testing and development of a 100 ton/day plant for DME fuel, a new type of energy (by 2006); participation as a trader in an emission rights market in the United Kingdom, the world's first such market. Wind Alpha Co., Ltd. established to engage in the maintenance of wind power facilities. ESP Japan Co., Ltd. established with a joint investment by Toyota Tsusho, Environmental Systems ProductsHoldings Inc. and Wellstone Co, Ltd. mainly to engage in businesses for measuring vehicle exhaust gas emissions and selling related devices. Toyota Tsusho commissioned by NEDO to engage in cogeneration surveys in China; EC trading site for cogeneration facilities launched as the industry's first such EC site. Wind Tech Bonotsu Corporation established to engage in wind power business. Involved in CDM project in Brazil, the first such Japanese government-certified CDM project.
2003	January June October November December	Nagoya head office moved to current location (environmentally conscious building). Participation in wind power pilot business in Tokyo; J-Wind TOKYO established jointly with J-POWER / Electric Power Development Co., Ltd. Toyota Tsusho, together with Futaba Industrial Co., Ltd. and TYK Corporation commenced development and sales of a DPF for purifying diesel engine exhaust emissions. Company for engaging in aluminum melting and ingot recycling business established in Indonesia. Toyota Tsusho commissioned by NEDO to engage in solar energy surveys in Tonga. Toyota Tsusho commissioned by GEC to engage in gas recovery and power generation surveys at landfill sites in Brazil. MOU for emissions rights trading concluded with Russia's unified power company (Unified Energy System). Company established in Poland to engage in aluminum melting and ingot recycling business. J-Wind TAHARA established jointly with J-POWER / Electric Power Development Co., Ltd. Investigation completed for renewal of ISO 14001 certification.
2004	January April June July August October	Toyotsu Recycle Co., Ltd. becomes wholly owned subsidiary. Toyota Tsusho and Toyotsu Recycle advance into the ASR business along with the implementation of the Automobile Recycling Law. Toyota Chemical Engineering's Environmental Report 2003 earned an award for environmental reports for small and medium-sized companies at the Seventh Environmental Reports Awards co-sponsored by Toyo Keizai Inc. and Green Reporting Forum. Toyota Tsusho commissioned by GEC to engage in surveys on modifications at the Khabarovsk power plant in Russia. Changchun Tong-Li Aluminium Smelting Technology Co., Ltd. established in Changchun, China, to engage in melting of aluminium and the production of recycled ingots. Guangzhou Aluminium Smelting Technology Co., Ltd. established in Guangzhou, China, to engage in melting of aluminium and the production of recycled ingots. Green Metals Hokuriku Co., Ltd. established. Development and sales of visible-light responsive photocatalyst for textiles commenced.
2005	March April June July October	Supply of wind power electricity to 2005 World Exposition, Aichi, Japan commenced. Kyushu Smelting Technology, Co., Ltd. established. Participated in "Team Minus 6%." Supply of GTL fuel to shuttle buses at Aichi Exposition, an international exposition, commenced. CSR Report 2005 published.
2006	January February June October	Toyota Chemical Engineering's Environmental Report 2005 earned the Encouragement Prize in the Environmental Report category at the Environmental Communication Grand Awards held by the Earth and People's Environment Forum. Investment made to carry out the biogas generation business (CDM) with Tokyo Electric Power Company, Inc. in Thailand. New system for biomass developed together with Toyota Motor Corporation and Menicon Co., Ltd. Toyotsu Paper Resource established as a comprehensive paper recycling business.
2007	February	Joint venture production company established to promote the widespread use of dimethyl ether (DME) as a next-generation clean energy.

## Social Contribution Activities

1973~		Christmas tree presented to Seien Tenshi En in Midori-ku, Nagoya. Presently donating shortcakes.
1979~		Co-sponsoring of the Nagoya Philharmonic Orchestra.
1988~		Establishment and support for Toyota Tsusho International Scholarship Foundation. Commencement of traffic safety promotion activities around area of Toyota Tsusho head office.
1993~		Support for the Nagoya Grampus Eight soccer team.
1997~		Donation made to Foundation for the Arts, Nagoya (Nagoya/Boston Museum of Fine Arts).
2002~		Staff of Toyoda and Kariya branches engage in clean-up activities of surrounding area of these branches
2003~		Provide support for 2005 World Exposition (Aichi Exposition).
2004	August October November	Employees donate uniforms to Mongolia. P.T. Toyota Tsusho Indonesia provided scholarships to elementary school students from impoverished families. Funds donated to the Niigata-Chuetsu Earthquake. "In-house Business Startups" lecture given by Chairman Eizo Takeyama (then chairman) at course on business startups at Meijo University. Staff of Toyota Tsusho provide lectures on "Trends in the Wind Power Business" at a seminar held by the Graduate School of Engineering at Nagoya University.
2005	January July September November	Funds donated for victims of the Indian Ocean Tsunami/Sumatra Earthquake. Co-sponsored Children's Environmental Summit 2005. Contributed relief funds for damage from Hurricane Katrina in the United States. Contributed relief funds for damage from the northern Pakistan Earthquake. Participated in clean-up activities for Clean Osaka 2005.
2006	March June	Contributed relief funds for damage from a large-scale landslide on the Philippine island of Leyte. Contributed relief funds for damage from the Java Indonesia Earthquake.



CSR Report 2007  
www.toyota-tsusho.com

**Head Office**

9-8, Meieki 4-chome, Century Toyota Building,  
Nakamura-ku, Nagoya 450-8575, Japan

**For inquiries:**

Corporate Communications Office  
Tel: +81-52-584-5011

This report is also available via our website.

<http://www.toyota-tsusho.com>



**TOYOTA TSUSHO CORPORATION**  
9-8, Meieki 4-chome, Century Toyota Building, Nakamura-ku, Nagoya 450-8575, Japan



This report is printed using bagasse paper, a non-wood paper made from sugarcane fiber, as well as eco-friendly soy ink and a waterless printing method that does not generate harmful waste liquid.

Issued October 2007 / Printed in Japan

