Profile

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 flexible thinking and making precise, well-tailored proposals.

Corporate Profile (As of March 31, 2008)

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: 67 Overseas: 188
Number of Employees: 2,986 (excluding seconded employees from Toyota Tsusho, and including seconded employees from other companies)

About the Cover of CSR Report 2008

The cover of this report expresses balanced business earnings (equal shares in automotive and non-automotive fields) as stated in the Toyota Tsusho Group’s medium-term management strategy, VISION 2015.
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 activities in the six business domains of the Toyota Tsusho Group, which illustrate our relationships with the natural environmental from a “sustainability” viewpoint.

Issued: September 2008 (Next issue planned in September 2009)
Representative responsible for 2008 publication: President Junzo Shimizu
Message from Management

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 strive for harmonious co-existence and co-prosperity with people, society and the Earth, through our business activities, with the aim of being an innovative trading company that contributes to the creation of a prosperous society.

Contributing to the Creation of a Sustainable Society

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 strive for harmonious co-existence and co-prosperity with people, society and the Earth, through our business activities, with the aim of being an innovative trading company that contributes to the creation of a prosperous society.

Sowing the Seeds of Success for VISION 2015

Two years have passed since Toyota Tsusho Corporation merged with Tomen Corporation on April 1, 2006, marking a fresh start as the “reborn Toyota Tsusho.”

We positioned this fiscal year as the time to quickly sow the seeds for future growth in order to realize our corporate vision, “VISION 2015—LEAD THE NEXT.” We are working to increase corporate value by further expanding business domains and generating fresh new business opportunities.

This corporate vision seeks to attain balanced business earnings, with automotive and non-automotive fields each accounting for an equal share. We are investing aggressively to make this a reality.

Toyota Tsusho is treading a path toward becoming a trading company strongly grounded in manufacturing principles that can bring satisfaction to both upstream and downstream customers. By heightening safety awareness, the bedrock of the Company, we aim to achieve the objectives of VISION 2015. Since our foundation in 1948, we have made unceasing efforts to carry on the dreams and aspirations of those who have come before us, brought change and driven growth for the Company. Going forward, we will continue striving to be a “value creating company.”

President
Junzo Shimizu
Creating a Culture of Safety
For Toyota Tsusho, safety assurance forms the basis of trust as we endeavor to provide added value to customers and continue to grow globally. While centered around the automotive industry, we are also vigorously pursuing expansion in non-automotive fields as well. On both fronts, we have positioned the creation of a culture of safety as a priority management issue. To realize zero accidents and zero danger in the workplace, we have to establish both the “basic principle of ensuring safety in advance” and the “basic principle of taking action based on proven results.”

For that reason, we are dedicated to human resources development, which is viewed as the starting point of safety. In 2006, we established “Zero Accident” Teams in each product division and conducted training on safety awareness to further permeate the importance of accident prevention. We are currently conducting ongoing programs directed toward improving the skills of employees so that they exert leadership in ensuring safety management in the workplace.

We will share the idea that “safety management is fundamental to a company’s continued existence” throughout the Toyota Tsusho Group, as well as establish a stance that safety management is an issue each one of us has to address.

Value Creation through Diverse Human Resources
The vitality and energy of employees serves as the driving force of our businesses. We promote employee diversity as a means to create an organization in which every person can display his or her capabilities regardless of gender, age, nationality and culture in order to generate new value.

We conduct business at 246 companies in 63 countries worldwide, with approximately 60% of operating income generated by overseas sites at present. A pressing task is to sow the seeds that will lead us to achieve our vision of bringing greater prosperity to the world.

It is essential to have skilled local staff well versed in the business situation in their country for that purpose. Our fundamental approach is to respect the different value systems of the world, formulate a global human resource strategy and nurture personnel capable of managing an international business.

In addition, we support employees in their quest to effectively realize a work-life balance so that we can build an environment in which each person can maximize his or her individuality. In May 2007, we broadly revised our regulations regarding child rearing and truly began to create an environment facilitating a harmonious balance between work and home life.

We will promote these programs vigorously as we move forward so that employees around the world can work cooperatively while staying true to the concept inherent in our corporate characteristics that places importance on “real source, real things and reality.” By doing so, we can build relationships that are founded in mutual trust.

Further Efforts to Ensure Environmental Preservation
Today, as debate about global warming and other issues heats up in the United Nations and various summits worldwide, companies must accelerate efforts to realize a sustainable society. Toyota Tsusho views tackling environmental issues as one of its most important management tasks. We are pushing ahead with company-wide efforts to realize both economic development and environmental preservation through our business activities. In particular, reducing carbon dioxide (CO2) is one of the key issues in all businesses group-wide, and we promote the recycling of metals, automobiles and household consumer electronics all over the world.

In addition to acquiring emission rights, we are engaged in businesses that involve offering equipment and products that preserve the environment, developing and selling clean energy, and working to build clean development mechanism (CDM) and other frameworks as global warming countermeasures. On top of maintaining relationships with all of our stakeholders, it is becoming increasingly important to actively disclose information concerning environmental initiatives and to respond to customer needs with pinpoint accuracy.

With the aim of continuing to be a company trusted by everyone, Toyota Tsusho will direct its efforts toward promoting environmental preservation in fulfilling our social responsibility.

September 2008
The Toyota Tsusho Group upholds a Group philosophy framework consisting of four tiers that will help pave the way for a new era.

The 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.

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

Global
~Expanding activities in the global arena

Glowing
~Maintaining a healthy, glowing enthusiasm and passion

Generating
~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.
CSR Policy

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

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.

Behavioral Guidelines

As a good corporate citizen,

- We will strive to undertake open and fair business activities.
- We will strive to execute our social responsibilities and to preserve the environment.
- We will strive to utilize our creativity and offer added value.
- We will strive to respect humankind and create a vibrant and motivating workplace.

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.” 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)

<table>
<thead>
<tr>
<th>Mainly Automotive</th>
<th>Mainly Non-automotive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metals</td>
<td></td>
</tr>
<tr>
<td>Machinery &amp; Electronics</td>
<td></td>
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<tr>
<td>Automotive</td>
<td></td>
</tr>
<tr>
<td>Energy &amp; Chemicals</td>
<td>Produce &amp; Foodstuffs</td>
</tr>
<tr>
<td>Consumer Products, Services &amp; Materials</td>
<td></td>
</tr>
</tbody>
</table>

L.E.A.D. (Three Areas and 12 Aspects)

<table>
<thead>
<tr>
<th>Functions</th>
<th>Linkage</th>
<th>Engineering</th>
<th>Added Value</th>
<th>Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constitution</td>
<td>Lean</td>
<td>Entrepreneurial</td>
<td>Agile</td>
<td>Dynamic</td>
</tr>
<tr>
<td>Responsibilities</td>
<td>Legality</td>
<td>Ethics</td>
<td>Accountability</td>
<td>Disclosure</td>
</tr>
</tbody>
</table>

Balance of Future Business Earnings

Automotive : Non-automotive = 50:50

2008

2015

Mainly Non-automotive

Mainly Automotive
**Toyota Tsusho Group Overview**

**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.

**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.
Main products and Services

### Consumer Products, Services & Materials Division
- **Condominium business**
- **Automotive interior parts and materials**
- **Packaging materials**
- **Paper and pulp**
- **Life and health insurance and property and casualty insurance**
- **Visible-light responsive photocatalysts**
- **Seniors related business products**
- **Sales and services for the above products**

### Energy & Chemicals Division
- **Gasoline station**
- **Network construction and operation**
- **PCs, PC peripheral products and various software**
- **Automotive parts for automobile production**
- **Industrial vehicle and construction machinery**
- **Intelligence Transport System (ITS) equipment**
- **Sales and services for the above products**

### Machinery & Electronics Division
- **Semiconductor products**
- **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**

### Metals Division
- **Special steel**
- **Manufacturing, processing, disposal and sales of the above products**
- **Ordinary and special steel products and steel construction materials**
- **Unwrought nonferrous and precious metals**
- **Rolled light metal products, copper and copper alloy products**
- **Scrap iron and scrap nonferrous metals**
- **Ferro-alloy products**
- **End-of-life vehicle (ELV) recycling and disposable catalyst**

### Energy & Chemicals Division
- **Petroleum products and LPG (liquefied petroleum gas)**
- **Coal**
- **Crude oil**
- **Petroleum and natural gas products**
- **Energy and electric power supply business**
- **Plants**
- **Petroleum chemicals**

### Automotive Division
- **Vehicles ready to be loaded onto a ship**
- **Passenger vehicles**
- **Commercial vehicles**
- **Light vehicles**
- **Two-wheeled vehicles**
- **Trucks and buses**
- **Automotive parts**
- **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
- **Condominiums and commercial buildings**
- **Construction materials, housing materials and furniture**
- **Textile raw materials**
- **Apparel**
- **Interior goods**
- **Sleepwear products**
- **Textile products, textile materials and jewelry**

### Machinery & Electronics Division
- **Network construction and operation**
- **PCs, PC peripheral products and various software**
- **Automotive parts for automobile production**
- **Industrial vehicle and construction machinery**
- **Intelligence Transport System (ITS) equipment**
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The greatest feature of Toyota Tsusho’s metals business is its ability to provide high-precision and high-quality operation functions to domestic and international manufacturing and processing companies. In the nonferrous field, we conduct our businesses in North America, Europe and Asia, supplying aluminum materials in melted form rather than the more common ingots in anticipation of growing demand for aluminum materials from auto manufacturers to reduce energy costs and environmental loads. We have developed an optimal supply that is structurally responsive to local conditions in respective regions and supports highly efficient production.

Toyota Tsusho has been engaged in aluminum melting and production since 1998, beginning in the United States, before expanding into Poland and Indonesia in 2004, and China and Japan (Miyako-gun, Fukuoka Prefecture and Tahara, Aichi Prefecture) in 2005-2006. Including a new company established in Tomakomai, Hokkaido, in April 2008, we have 13 bases spanning five countries.

Message

The term “resource recycling” is perfectly natural nowadays, but the actual situation in our consumer society shows numerous problems due to people’s tendency to prioritize consumption. Rather than merely contribute directly to a reduction of environmental loads through our businesses, we also aim to help create a better environment and a recycling-oriented society by overcoming each problem intrinsic in the recycling process as a base for a global network and inter-industry value chain.

Hideki Kondo
General Manager, Non-Ferrous Metals Dept.
The 13 sites across five countries have unique new functions that are a combination of our trading function as a trading company and our manufacturing function, an area of expertise of the Toyota Group. Personnel from the business side don work clothes and take directions on-site for hands-on experience of business operations that are evolving and firmly taking root. In addition, we are devoting ourselves to creating new functions that are sometimes born from bold ideas at work sites.

In accordance with the rising need to reduce environmental loads, including cutting CO₂ emissions—an issue that has been drawing attention in recent times—we seek to create a global network in a climate that promises growth in this business.

### Growth of Molten Aluminum Business

(As of July 2008)

1. **POLST**  
   Walbrzych, Poland  
   Poland Smelting Technologies ‘Polst’ Sp. Z o.o.

2. **CAST**  
   Changchun, China  
   Changchun Tong-Li Aluminum Smelting Technology Co., Ltd.

3. **TAST**  
   Tianjin, China  
   Tianjin Toyotsu Aluminum Smelting Technology Co., Ltd.

4. **GAST**  
   Guangzhou, China  
   Guangzhou Aluminum Smelting Technology Co., Ltd.

5. **G-FAST**  
   Guangzhou, China  
   Guangzhou Fenghong Aluminium Smelting Technology Co., Ltd.

6. **IST**  
   Surabaya, Indonesia  
   P.T. Indonesia Smelting Technology

7. **Q-ST**  
   Karita, Japan  
   Kyushu Smelting Technology Co., Ltd.

8. **T-ST**  
   Tahara, Aichi  
   T-ST Corporation

9. **MOST**  
   Tennessee, U.S.A.  
   MOST, Inc.

10. **KST**  
    Kentucky, U.S.A.  
    Kentucky Smelting Technology Inc.
Toyota Tsusho’s produce and foodstuffs business is engaged in two key areas: the grains sector, where we leverage our top position in the industry, and the foodstuffs sector. We also supply products in the retail sector through retail stores.

We established the Food Safety Promotion Section in response to increasing social responsibility related to food safety. We have strengthened efforts in our food safety management system and have accelerated our growth strategy for the produce and foodstuffs business.

Initiatives for the Stable Supply of Food Resources and Food Safety

Stable Supply of Food Resources

Japan relies on importing almost all of its grains such as wheat, corn and soybeans, as well as oilseed crops, with suppliers such as the United States and South America beginning to command an oligopolistic hold over the market. As demand has increased in China and Southeast Asian countries in step with economic growth, the production situation in supplier countries has given rise to soaring food material prices, whereby intense competition for such materials has become a distinct possibility. In addition, higher standards in terms of food safety and reliability down to the level of ingredients means that Japan’s reliance on mass imports of food is no longer acceptable.

In light of these changes in the environment, we are leveraging our global network built up over many years to create a stable supply system from the right location at the right time. This is being achieved by deploying personnel in key areas to gather and analyze information on production locations, such as the United States, Australia and South America. Moreover, in response to demands for food safety and reliability, we are promoting a system of traceability to provide a product history for various processes such as cultivation, production, processing, distribution and sales, including information on suppliers, as well as cultivation, production and processing procedures.
**Producing Vegetables Locally**

The importance of local production for local consumption is growing in Japan. Besides raising the low level of food self-sufficiency in Japan, this has important environmental significance in terms of reducing CO₂ emissions during transportation. Toyota Tsusho has started a production business for local vegetables at an agricultural production corporation in which wholly owned subsidiary Toyota Tsusho Foods Corporation has a stake. We plan to further expand this business going forward, with this as the first step.

**Food Safety Management**

We are working aggressively on the creation of a unique food safety management system. Led by the Food Safety Promotion Section and in collaboration with specialist outside organizations, we are implementing strict supplier selection, enhancing local supplier management standards and strengthening site and waterfront surveys. Our aim is to create the best food safety management system among trading companies.

**Environmentally Friendly Manure Composting Process System**

In the feed grain business, Toyota Tsusho works to address the problem of treating livestock waste.

As one solution to the livestock waste problem, the "resQ45" (rescue 45) manure composting process system was developed under a joint project by Menicon Co., Ltd., Toyota Motor Corporation and Toyota Tsusho. Combining a new enzymatic agent called Tokubetsu-Kyuko 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.

Through the effective use of livestock biomass, we are promoting the realization of a recycling-oriented society as well as preserving the planet’s environment.

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**Message**

**Commenced Business for Locally Produced Vegetables**

The Ministry of Agriculture, Forestry and Fisheries of Japan has stated a policy of expanding local production of vegetables as a key area of focus to boost food self-sufficiency. Toyota Tsusho Foods Corporation has started a business to produce vegetables in Japan as a means to provide “fresh and tasty” produce that is “safe and reliable” as well as for the “development of and contribution to local communities and society” in line with this policy. The challenge is to have dinner tables in Japan full of food made with local products.
Toyota Tsusho products and services support virtually every aspect of people’s daily lives from fields related to one’s living such as textile products, housing materials and condominium construction to automotive interior materials and emerging growth areas such as nursing care and insurance. This support is based on the keywords of “reassurance,” “safety” and “comfort.”

Developed and Launched GELANOTS ECO Functional Fabrics for the Realization of a Recycling-oriented Society and Environmental Protection

GELANOTS is a functional fabric used as an active sportswear material that Toyota Tsusho has been marketing for many years mainly targeting well-known brands in North America and Europe. It is predominantly used in outdoor wear, ski wear and snowboard wear, golf wear and clothing for marine sports. The Company has leveraged this know-how to create a more environmentally friendly product known as GELANOTS ECO in 2007 amid rising environmental awareness worldwide.

GELANOTS ECO is based on recyclable cloth that does not depend on oil resources and utilizes polyester fibers recycled from used PET bottles, film scraps and used clothes. Although the processing method does not use any solvents or fluorinated resins that place a burden on the environment, it realizes the same high level of water impermeability, water repellency and breathability as traditional highly advanced products. GELANOTS ECO ensures comfortable clothing even in harsh environments. Because less energy is used during the manufacturing process, CO2 emissions are cut by up to four tons per 10,000m compared with older film laminate products that used recycled polyester.

This product was designed based on needs identified from customers including sports brand goods with which Toyota Tsusho deals. Its production is outsourced to
Uniform Recycling System
Eco-oriented Value Chain

Renown Uniforms Corporation has created a new recycling system (recycling chain) for the uniform industry. Under conventional recycling systems, when an entity or organization changes uniforms, old uniforms are generally discarded as industrial waste. Even if they are recycled, the process is limited to making material. Furthermore, the processes of collecting the uniforms, recycling the materials (and the pellets), making original fabric and sewing are handled separately by different companies, which means it is difficult to take old uniforms and return them to the original customer in a recycled form such as an eco-bag. In response to this problem, Toyota Tsusho proposed an integrated recycling system for old uniforms, from recovery to return, to Circle K Sunkus Co., Ltd.

In the actual process, we took note of user opinions, provided support to manufacturers as required and concluded a contract with Ecolog Recycling Japan Co., Ltd. (Headquarters: Fukuyama City, Hiroshima). This enabled us to build close ties with the “Ecolog Recycling Network” run by this company and create an integrated recycling chain. We will distribute eco-bags made from the recycled material to Circle K Sunkus customers (planned for spring 2009) in accordance with the company’s wishes. This will not only complete the recycling chain but also take it one step further in providing the recycled goods to consumers. Toyota Tsusho will strive to do more than just meet customer needs in the uniform industry. By leveraging the strengths of both Toyota Tsusho, which aims to be a “value creating company,” and Renown Uniforms, which aims to be a “fashion-sensitive company,” we can develop a business that provides added value.

Message

Amid increasing environmental awareness worldwide, Toyota Tsusho completed development in 2007 of GELANOTS ECO, a more environmentally friendly material than GELANOTS, our unique sportswear material. The product has received critical acclaim from major outdoor clothing manufacturers in Europe and the United States. Strong sales are also expected in Japan. In addition, Renown Uniforms, an affiliate, has been highly praised by customers for its recycling value chain that goes beyond merely introducing recycled products to recover used items and use the materials to make recycled goods that are then returned to the same customer. Although the textile industry involves numerous companies and people in intermediary positions for processes, from upstream to downstream, the Consumer Products, Services & Materials Division believes in the importance of being eco-conscious throughout all stages by making improvements and increasing efficiency in production and logistics, including distribution, in parallel with product development.

Kazuo Koide
General Manager
Consumer Products, Services & Materials Division
Textile Products Dept.

a processing factory for synthetic materials in the Hokuriku region and utilizes materials such as recycled polyester procured from synthetic fabric makers in Japan.

GELANOTS ECO is exported to sewing factories contracted to produce sports brand goods, mainly in Southeast Asia, where it is used to make rain wear, ski wear and jackets that line storefroths around the world. Demand for this product is growing rapidly, particularly on the West Coast of the United States and in Scandinavian countries such as Norway and Sweden where environmental awareness is high.
Social Contribution Project in East Africa

TEAL* is located in Nairobi, the key economic area of East Africa and home to numerous international organizations and corporations. Streetlights in Nairobi, however, are extremely scarce compared with cities in other developing nations, which has led to a spate of traffic accidents and crimes such as robberies, muggings and carjackings. In response, TEAL has been quick to support projects to set up streetlights throughout the city. This has helped to curb the number of road accidents while acting as a deterrent to crime. It has also brought greater aesthetic appeal to Nairobi by giving it a more consistent feel. The project has gained the approval of numerous companies, and an increase in the number of participating organizations has meant expansion into parks and residential areas. TEAL will strengthen efforts to contribute to society and overall development in Kenya.

TEAL: Toyota East Africa Ltd. (Location: Republic of Kenya)

Contributing to Society in East Africa

We broadly perceive automotive dealers around the world in terms of regions, developing optimum business strategies for each as a whole. In the Africa region, we have established a general controlling company, developed marketing and sales strategies for the region and expanded our network of dealers that contribute to the creation of a prosperous society rooted in the local community.


Republic of Kenya

Nairobi

Message

The Automotive Division operates in over 140 countries and recognizes the importance of fulfilling its corporate social responsibility in each country or region. In accordance with this philosophy, the Automotive Division focuses on contributing to society as part of its CSR program. Based on organizational policy, the fundamental policy of this division is to promote sincere activities that contribute to local communities in order to help create a prosperous society. We will continue to strengthen social contribution activities at each location, beginning with TEAL, which is an important business unit for this division.

Sachio Yotsukura
General Manager
Africa Automotive Dept.
Initiatives in Solar Power Generation Business

Toyota Tsusho has a solar power generation business that works to resolve the problem of CO2 emissions, a cause of greenhouse gases and global warming.

By making effective use of solar power, a clean natural energy, we are promoting the realization of a recycling-oriented society as well as environmental preservation.

http://www.toyota-tsusho.com/english/business/machinery/

Solar Cell Mechanism

A solar cell is a device used to absorb light energy from the sun and convert it into electricity. Despite the use of the term cell, or battery, it does not store electricity, but rather generates electricity proportional to the intensity of solar radiation.

Since a solar cell generates electricity naturally depending on the amount of solar radiation, it has been gaining attention as a clean, natural energy for power generation that does not emit noise, gas or harmful substances.

Environmentally Friendly Solar Power Generation

Toyota Tsusho is engaged in the sale of solar power generation systems.

As one example, we installed a 13kW system on the side wall of a new parking garage for one of our customers (photo at right). This project received a grant from the New Energy Foundation (NEF), with one of the objectives being to study the results of power generation on the wall surface. Also, we use anti-glare solar cells in consideration of drivers on the expressway.

Message

Toyota Tsusho sells solar power generation systems aimed at spreading this new form of next-generation energy. Solar power energy can be tapped into anywhere on Earth, and compared with other types of energy, the systems are not time consuming to install. We expect the applications and objectives of this sustainable energy to increase every year, including use as an emergency power source in major disasters such as earthquakes.

These systems are being installed in public facilities such as airports, libraries, schools and municipal offices, and used widely on the rooftops of factories and office buildings. Seen as a key solution in terms of CO2 reduction, the use of solar power generation systems is sure to grow year-by-year in building complexes.

By switching to clean, sustainable energy, I hope life on Earth for our children and grandchildren can stay beautiful forever.

Hideki Akita
Machinery & Electronics Division
Machinery Dept.
Plant & Eco Group
Working to Promote the Use of DME as a Fuel

Dimethyl ether (DME) is a new fuel that can be supplied in stable amounts over the long term and can be produced from a diverse range of raw materials that include natural gas, coal and biomass. DME does not emit any particulate matter (PM) or sulfur oxide (SOx) during combustion, making this a clean energy source.

In China, where the demand for energy continues to grow, DME derived from coal is already being used as a supplement to liquefied petroleum gas (LPG). Additionally, with the steep rise in the price of crude oil, DME is drawing attention as a fuel that can be produced from small gas fields and low-grade coal all around the world.

Toyota Tsusho has continued to promote the use of DME since 2000. Construction of a DME production plant was completed in Niigata in July 2008 (established by nine companies including Mitsubishi Gas Chemical Company, Inc.). This marks the start of sales of DME as a fuel in Japan.

http://www.toyota-tsusho.com/english/business/energy/

Raw materials
- Natural gas / coal / low-grade coal / coalbed methane / oil-associated gas / biomass / waste, etc.

Applications
- LPG supplement for consumer use / boilers / industrial furnaces / diesel automobiles / chemical materials, etc.

In China, the demand for energy continues to grow, DME derived from coal is already being used as a supplement to liquefied petroleum gas (LPG). Additionally, with the steep rise in the price of crude oil, DME is drawing attention as a fuel that can be produced from small gas fields and low-grade coal all around the world.

Toyota Tsusho has continued to promote the use of DME since 2000. Construction of a DME production plant was completed in Niigata in July 2008 (established by nine companies including Mitsubishi Gas Chemical Company, Inc.). This marks the start of sales of DME as a fuel in Japan.

Message

Toyota Tsusho has initiated a landmark energy development project to develop and promote the use of DME that carries on the three KFS* distinct to our energy business, namely “environment,” “resources” and “innovation.”

Although we are faced with various obstacles, including the development of infrastructure for distribution, promoting the development of appropriate vehicles for transportation and further reducing production costs, we will continue with efforts aimed at commercialization so that we can help our customers increase their profit margins while also contributing to the social environment.

Osamu Moriyama
Energy Dept.

* KFS (Key Factor for Success): Indicates objectives, tasks and points that need to be considered to achieve goals.
Financial Highlights (As of March 31, 2008)

### Consolidated Net Sales

<table>
<thead>
<tr>
<th>Year</th>
<th>04</th>
<th>05</th>
<th>06</th>
<th>07</th>
<th>08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (Billions of yen)</td>
<td>2,787.7</td>
<td>3,315.8</td>
<td>3,945.3</td>
<td>6,212.7</td>
<td>7,000.3</td>
</tr>
</tbody>
</table>

### Consolidated Operating Income

<table>
<thead>
<tr>
<th>Year</th>
<th>04</th>
<th>05</th>
<th>06</th>
<th>07</th>
<th>08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income (Billions of yen)</td>
<td>37.0</td>
<td>56.3</td>
<td>80.0</td>
<td>110.0</td>
<td>131.6</td>
</tr>
</tbody>
</table>

### Net Income/Net Income per Share

<table>
<thead>
<tr>
<th>Year</th>
<th>04</th>
<th>05</th>
<th>06</th>
<th>07</th>
<th>08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income (Billions of yen)</td>
<td>72.75</td>
<td>132.98</td>
<td>137.5</td>
<td>161.88</td>
<td>231.47</td>
</tr>
</tbody>
</table>

### Total Assets/Interest-bearing Debt

<table>
<thead>
<tr>
<th>Year</th>
<th>04</th>
<th>05</th>
<th>06</th>
<th>07</th>
<th>08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets (Billions of yen)</td>
<td>1,032.6</td>
<td>1,198.3</td>
<td>1,602.7</td>
<td>2,462.2</td>
<td>2,603.2</td>
</tr>
</tbody>
</table>

### Total Shareholder's Equity/Shareholder's Equity Ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>04</th>
<th>05</th>
<th>06</th>
<th>07</th>
<th>08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity (Billions of yen)</td>
<td>188.7</td>
<td>237.1</td>
<td>314.3</td>
<td>626.5</td>
<td>639.7</td>
</tr>
</tbody>
</table>

### Sales Composition by Segment (As of March 31, 2008)

- Consumer Products, Services & Materials: ¥379.0 billion (5.4%)
- Produce & Foodstuffs: ¥335.4 billion (4.8%)
- Energy & Chemicals: ¥1,562.3 billion (22.3%)
- Automotive: ¥938.3 billion (13.4%)
- Machinery & Electronics: ¥1,581.9 billion (22.6%)
- Others: ¥94.1 billion (1.4%)
- Metals: ¥2,109.0 billion (30.1%)
- Total: ¥7,000.3 billion

### Business Composition by Region (As of March 31, 2008)

- Asia & Oceania: 15.3%
- Europe: 6.7%
- North America: 6.8%
- Japan: 69.2%
- Others: 2.0%
**Promotion of CSR Management**

**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 an 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 sales 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 functions.

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 the General Meeting of Shareholders in May 2006. In doing so, we have clarified duties of the directors and established a structure 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 strengthen 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.

Compliance System
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 Code of Ethics Guidelines to all management-level employees, has established the CSR Committee, which is chaired by the President (see page 21), 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 21). Internal audits are also conducted through the Internal Audit Department, which operates independently under the direct control of the President.

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.

Information Management System
Regarding information storage and management, Toyota Tsusho has drafted 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.

System for 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.

System Targeting the Elimination of Antisocial Forces
We are putting in place a system for opposing antisocial forces through collaboration with the National Center for the Elimination of Boryokudan and the Organized Crime Countermeasures Bureau of Police Headquarters. The Nagoya headquarters of Toyota Tsusho is also a member of the Aichi Corporate Defense Countermeasures Association, while the Tokyo headquarters belongs to the Special Anti-Violence Countermeasures Federation of the Metropolitan Police Department and the Osaka headquarters is a member of the Osaka Corporate Defense Countermeasures Federation. Through these channels, we are working to share information in addition to receiving guidance. The General Administration Department will assume the responsibility of responding resolutely to unlawful demands from antisocial forces via collaboration with the police, other relevant institutions and legal counsel.
Promotion of CSR Management

CSR Structure

The CSR Committee (chaired by the President) was inaugurated in January 2005 as the successor organization of the reorganized Corporate Ethics Committee. Currently, as the main organization considering and promoting CSR initiatives for the Toyota Tsusho Group, the committee convenes twice a year.

In these meetings, general managers of product divisions’ planning departments and corporate and operational departments report on the results of activities, issues and other matters to the committee members (management) and receive directives regarding future direction and measures to be pursued. While discussion has centered on matters relating to “Basic CSR” (bottom of the right diagram) such as compliance and workplace safety up to this point, matters of a “strategic” or “philanthropic” nature are being discussed in recent years to address the heightened expectations of society, along with efforts geared toward maximizing corporate value.

Establishing a Compliance Structure

We have instituted a PDCA (Plan-Do-Check-Action) program as a key measure for compliance, which is basic in executing CSR activities. We are also actively engaged in helping both domestic and overseas affiliates to establish systems with the goal of configuring a system not just for the parent company but also on a consolidated basis.

Compliance Program

We have produced and distributed Code of Ethics Guidelines as a guide on practical conduct for employees, as well as the handy pocket version, Our Roadmap.

We are also deploying a similar initiative laterally overseas and have produced a Chinese version of Code of Ethics Guidelines, as this is a strategically important location. Plans call for expanding this activity on a worldwide scale.

As characterized by our slogan “Bad News First,” we are working to establish a corporate culture based on systematically sharing information. 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.

We are developing a system of self-education using animation materials to illustrate the psychological aspect of the mechanisms leading to misconduct, with the fundamental goal of preventing the underlying causes of improprieties.

We are also making progress on achieving shared awareness throughout the Company by such efforts as conducting internal testing and education and training by employee rank.
Communication with Stakeholders

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/english/

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.

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, we hold informal get-togethers to achieve two-way communications and deepen mutual understanding between the mass media and management.
Approach to Safety

Targeting Zero Accidents and Disasters

Hiroshi Kawakami
Executive Vice President
Safety and Health Management General Supervisor

While the Company has revolved around the core automotive business as a trading company firmly grounded in manufacturing principles, Toyota Tsusho has also sought to actively expand the scope of its business to non-automotive fields. The Toyota Tsusho Group strives toward “creating a culture of safety” as our objective, positioning safety management as a priority issue in various manufacturing segments.

Last fiscal year we worked to reduce risk by conducting risk assessments for domestic companies and overseas businesses in the Group in an effort to mitigate on-site risks in manufacturing and distribution, and raise awareness of dangers.

We were also able to enlist the assistance of suppliers and cooperating companies in tackling safety procedures for construction at client sites and delivery.

We are working under the understanding that human resources development is a key issue as the starting point of safety. Last year marked the second year for the “Zero Accident” Teams in each product division. These teams implemented training on the importance of avoiding accidents and on safety awareness, as well as worked to improve the capabilities of team members to enable each of them to demonstrate sound leadership in the workplace. A Safety Management Improvement Committee was also established. This committee extends laterally throughout the Company and information is shared with “Zero Accident” Team members through the officers of each product division as committee members, who worked to improve awareness and manage safety.

We believe significant benefits will derive from the various product divisions setting their collective sights on safety management and acting in concert.

We will continue striving to improve safety awareness among employees, improve their abilities to manage risks, promote on-site safety education and safety activities, and create a “zero accident, zero disaster” workplace.

We ask for your guidance and support in these efforts.

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.

Toyota Tsusho Group’s Policies on Safety and Health

1. Recognizing that good communications are 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.
Initiatives Overseen by Top Management

“Zero Accident” Team members play the main role in conducting safety management for Group companies and the business operations for which they are responsible in each product division. Each division holds a Safety Convention overseen by top management and implements the PDCA cycle for safety declarations by Group company representatives and accident prevention.

Junzo Shimizu
Representative Director and President

Hiroshi Kawakami
Executive Vice President
(Safety and Health Management General Supervisor)

Tamio Shinozaki
Executive Officer
(Safety & Health Manager)

Toyota Tsusho Group OS&H Promotion Committee
Entity that promotes occupational safety and health, including domestic Group companies

Safety Management Improvement Committee
(Extends laterally and comprises division executives)

Safety Management Department

- Devising plans for monitoring safety
- Safety training
- Prevention of recurrence and follow-up guidance
- Plant safety diagnoses and safety patrols
- Measures and guidance to prevent accidents
- Administrative office for Occupational Safety and Health (OS&H) Promotion Committee
- Administrative office for Safety Management Improvement Committee

Division General Managers
(seven divisions)

Division Planning Departments

Sales Divisions...“Zero Accident” Teams (114 people as of July 2008)

Domestic Group Companies
Persons responsible for safety

Overseas Group Companies
Persons responsible for safety

Overseas Subsidiaries
Persons responsible for safety

“Zero Accident” Room
We conduct public exhibitions to display activities undertaken to monitor safety for accident prevention, with the goal of ensuring safety awareness throughout Toyota Tsusho.

OSH-NET
Sharing of information on accidents, etc., via an electronic bulletin board

Cases of accidents, measures to prevent recurrence and examples of initiatives
Construction monitor board, tools for maintaining safety such as safety belts and safety shoes
Initiatives Undertaken by the Toyota Tsusho Group
Occupational Safety and Health (OS&H) Promotion Committee

Activity Policies
• Conduct risk assessments based on the extensive involvement of top management in safety management.
• Give appropriate directives regarding work operations and conduct timely meetings to raise risk awareness.
• Ensure that all company employees are fully aware that “complete elimination of occupational disasters and accidents” shall be implemented by establishing a process for safety measures when taking extraordinary measures, based on the fact that work stoppage incidents occur during non-regular work activities.

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 Human Resources & General Administration Department
- General manager of Risk Management Department
- General managers of the related businesses
- General manager of Safety Management Department (Secretariat)

Activities Undertaken during Fiscal 2008
1. Conducted risk assessments.
   - The method for assessing risks was standardized and risk assessments were conducted for domestic and overseas manufacturing companies. Essential safety measures were implemented.
2. Ensured appropriate directives regarding work operations and conducted meetings to raise risk awareness.
   - Clearly determined who was responsible for work operations and who was responsible for supervising work operations, as well as implemented procedures for reporting, use of signals and confirming safety during work.
3. Established and implemented a process for safety measures when taking extraordinary measures.
   - Ensured that everyone has basic proficiency in the process of “stop, call, wait” when faced with irregular conditions.
   - Prepared a Work Operation Procedures Manual detailing the essential points of safety for foreseeable instances where taking extraordinary measures will be needed.
   - Appointed qualified personnel within the Company authorized to execute extraordinary measures.

Work Stoppage Rate
An accident occurred during non-regular work activities in fiscal 2008, thus the indicator remained roughly on a par with the previous fiscal year.
Safety and Health Cooperation Council Activities

- We have established safety and health cooperation councils with the support of our suppliers and subcontractors for construction performed at client sites and delivery, and are working to prevent accidents and disasters.
- The safety and health cooperation councils from the regions of Toyota, Kariya, Tokyo, Osaka and Hamamatsu hold Safety Conventions in spring, summer and winter, contributing to a greater awareness of accident prevention.
- The safety and health cooperation councils conduct safety patrols at construction sites during spring, summer and winter holidays, and offer guidance on safety.
- The delivery cooperation council works on safe driving and accident prevention via three seminars held each year.
- Executive Education is held once a year in an effort to improve safety awareness among top-level management.

Safety Education (Human Resources Development)

The management of on-site safety starts with “human resources development.” We train instructors for safety education internally and implement regular safety training not only for the Toyota Tsusho Group but for cooperating companies as well.

We are specifically working to improve knowledge of safety as a prerequisite for “Zero Accident” Team members of the various product divisions to take “training upon appointment as a safety manager.”

Safety education is also being conducted by the type of work operations,* to make it relevant to different types of work environments. In fiscal 2008, we created a safety education DVD using the actual site of a Group company as an example. We decided to distribute this DVD as educational material for business units worldwide.

“Zero Accident” Team members of the Metals Division and the Machinery & Electronics Division also took an experiential safety seminar at an external facility and experienced potential dangers first hand.

*Safety management for construction, manufacturing and delivery

Educational and Training Content and Targets

<table>
<thead>
<tr>
<th>New Employees</th>
<th>Mid-level Employees</th>
<th>Managers</th>
<th>Executives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education and training content</td>
<td>Training upon appointment as a safety manager</td>
<td>Education for persons responsible for safety and health</td>
<td>Supervisory foreman education</td>
</tr>
<tr>
<td>Education and training for new employees</td>
<td>Training for personnel posted overseas</td>
<td>Education for persons responsible for construction</td>
<td>Training for top-level executives</td>
</tr>
<tr>
<td>Education for persons responsible for work operations at high elevations</td>
<td>Education on prevention of electrical shock</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Securing certified instructors

- Instructors for “Training upon appointment as a safety manager” … 2
- RST trainers…………………………………………………………………………… 8
- Specialist instructors for all Toyota Tsusho personnel responsible for work operations …………………………….. 10

Overseas safety education

Guidance on the essentials of safety is provided to local staff at the time of conducting overseas plant safety diagnoses, and the safety principles of the Toyota Tsusho Group are shared.
Changes in Safety Promotional Activities and Future Initiatives

Toyota Tsusho has consistently engaged in accident and disaster prevention activities since the Safety Management Office was established in April 1980. We have been active in creating a culture of safety through the Environment & Safety Management Department, which was reorganized into the Safety Management Department in July 2007. We will continue to conduct risk assessments and take action to prevent accidents to build a workplace with “zero accidents” and “zero danger” in the future as well.

Approach to Safety Management in Business Investments

As the ordering party of construction of new facilities and expansion of existing facilities in Japan and overseas for which we bear managerial responsibility, we fulfill our duty to take safety into consideration and conduct pre-investigations at the planning stage. The aims are to create a safety management system and to ascertain whether measures to ensure safety have been taken, with the goal of promoting zero accidents and zero disasters during construction at sites.
Safety Management Initiatives at Domestic Group Companies

Plant Safety Diagnoses at Domestic Group Companies and Tours of “Model Business Sites”

Plant safety diagnoses are conducted every year. We conducted site tours of outstanding Group companies in production, distribution and other operational areas based on the results of these diagnoses in order to study outstanding examples of safety by going to actual sites.

Guidance on Safety Management at Overseas Business Bases

Overseas businesses are broadly divided into 10 business categories. Top management conducted site tours of a coil center and aluminum smelting business during the year. The Safety Management Department also carried out plant safety diagnoses and safety education for local staff. The results of the safety diagnoses have improved every year, showing definitive improvement in safety management.

Progress Report on Plant Safety Diagnoses

Plant safety diagnoses: The Safety Management Department conducts site inspection tours and specifies points for improvement. Good points are communicated to other plants, leading to the prevention of accidents.

<table>
<thead>
<tr>
<th>Main Businesses</th>
<th>Overseas (No. of companies)</th>
<th>Overseas (No. of locations)</th>
<th>Australia</th>
<th>Thailand</th>
<th>Guangzhou</th>
<th>Tianjin</th>
<th>Europe</th>
<th>North America</th>
<th>Indonesia</th>
<th>Brazil</th>
<th>India</th>
<th>South Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution warehouses</td>
<td>3 (1)</td>
<td>37 (22)</td>
<td>(1)</td>
<td>(2)</td>
<td>(1)</td>
<td>(3)</td>
<td>(5)</td>
<td>(2)</td>
<td>(1)</td>
<td>(1)</td>
<td>(2)</td>
<td></td>
</tr>
<tr>
<td>Coil centers, etc.</td>
<td>7 (2)</td>
<td>19 (19)</td>
<td>(3)</td>
<td>(1)</td>
<td>(3)</td>
<td>(3)</td>
<td>(3)</td>
<td>(1)</td>
<td>(1)</td>
<td>(1)</td>
<td>(1)</td>
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</tr>
<tr>
<td>Scrap Recycling</td>
<td>3 (3)</td>
<td>13 (10)</td>
<td>(4)</td>
<td>(1)</td>
<td>(3)</td>
<td>(2)</td>
<td>(1)</td>
<td>(1)</td>
<td>(1)</td>
<td>(1)</td>
<td>(1)</td>
<td></td>
</tr>
<tr>
<td>Aluminum smelting</td>
<td>3 (3)</td>
<td>10 (7)</td>
<td>(2)</td>
<td>(2)</td>
<td>(1)</td>
<td>(1)</td>
<td>(1)</td>
<td>(2)</td>
<td>(2)</td>
<td>(1)</td>
<td>(1)</td>
<td></td>
</tr>
<tr>
<td>Engineering</td>
<td>1 (1)</td>
<td>13 (8)</td>
<td>(2)</td>
<td>(2)</td>
<td>(1)</td>
<td>(1)</td>
<td>(1)</td>
<td>(1)</td>
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<tr>
<td>Vehicle maintenance</td>
<td>1 (1)</td>
<td>2 (1)</td>
<td>(1)</td>
<td>(1)</td>
<td>(1)</td>
<td>(1)</td>
<td>(1)</td>
<td>(1)</td>
<td>(1)</td>
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</tr>
<tr>
<td>Energy / chemicals</td>
<td>6 (6)</td>
<td>6 (2)</td>
<td>(2)</td>
<td>(2)</td>
<td>(1)</td>
<td>(1)</td>
<td>(1)</td>
<td>(1)</td>
<td>(1)</td>
<td>(1)</td>
<td>(1)</td>
<td></td>
</tr>
<tr>
<td>Grain silos, etc.</td>
<td>9 (9)</td>
<td>6 (2)</td>
<td>(1)</td>
<td>(1)</td>
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<tr>
<td>Textiles / materials</td>
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<td>5 (4)</td>
<td>(2)</td>
<td>(1)</td>
<td>(1)</td>
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<td>Total</td>
<td>38 (38)</td>
<td>117 (87)</td>
<td>(14)</td>
<td>(8)</td>
<td>(12)</td>
<td>(13)</td>
<td>(22)</td>
<td>(5)</td>
<td>(6)</td>
<td>(5)</td>
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</tbody>
</table>

Average Block Score of Benchmark Areas in Plant Safety Diagnoses

A 25.5-point improvement was realized in fiscal 2008 versus the previous fiscal year.

<table>
<thead>
<tr>
<th>Area</th>
<th>Tianjin</th>
<th>Guangzhou</th>
<th>Thailand</th>
<th>Indonesia</th>
<th>Australia</th>
<th>Europe</th>
<th>North America</th>
<th>Brazil</th>
<th>India</th>
<th>South Africa</th>
<th>(Regional block)</th>
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<td>77.3</td>
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<tr>
<td>FY2008</td>
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<td>75.0</td>
<td>83.2</td>
<td>77.3</td>
<td>84.0</td>
<td>80.6</td>
</tr>
</tbody>
</table>

Recipients of guidance on safety management overseas

North America: 22
Europe: 13
South Africa: 5
China (Guangzhou, Tianjin): 20
South America: 3
Thailand: 14
India: 1
Australia: 4
Indonesia: 5

Site inspection tour of overseas businesses by top management (China)
Educational training at Thai business entity

Figures in parentheses indicate the numbers of sites where the Safety Management Department conducted plant safety diagnoses.
Approach to Human Resources

Human resources 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 greater dissemination and improvement of the frameworks, systems and environments presently utilized.

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.

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.**
  The management environment is evolving at a breathtaking pace. We will work to strengthen our business functions and cultivate human resources capable of continually undertaking sincere business activities within this management environment.

- **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, disability 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, disability and religion. In fiscal 2008, we expanded the scope of this training to include affiliated companies.

Fostering a New Corporate Culture

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 Companies’ 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 both companies faced 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.

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 3,000 improvement proposals, which proved to be highly effective in helping reduce costs and cutting worker-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.

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.
Personnel Systems

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.

Challenge Rotation/Open Entry System
Toyota Tsusho has introduced job rotation under the Challenge Rotation/Open Entry System. 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 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.

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 who 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 of such education 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.

Cities where employees were sent for training in fiscal 2008
Moscow, Saint Petersburg (Russia), Beijing, Shanghai (China), Tours (France)

Koji Takechi  Tianjin Fengtian International Logistics Co., Ltd.

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.
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 received certification from the Aichi Labor Bureau of the Ministry of Health, Labour and Welfare under the Law for Measures to Support the Development of the Next Generation. This certification recognized the establishment of policies supporting work and child rearing simultaneously and ensuring that all employees are aware of it, as well as encouraging people to take yearly paid vacation.

Seminars by employee rank for administrative staff (formerly clerical staff) have been introduced as a means of supporting the advancement of female employees. Plans call for continuing to this initiative every year to aid employees in developing their career paths (held for three employee levels).

Employee rank-based seminar for administrative staff

We are also participating in the Chubu Diversity Net* seminar held for various industries and are working to create a network of female professionals that extends beyond our industry.

Chubu Diversity Net Joint Seminar for Various Industries

* Chubu Diversity Net
A volunteer organization established to encourage corporate cultures that recognize and respect diversity among human resources by sharing best practices and information relating to the promotion of diversity through an alliance of companies in the Chubu region. This began in 2007 and joint seminars for various industries are being held. Toyota Tsusho is an active participant as one of the lead companies.

The “Welcome to Toyotsu” company observation tour for employees’ families was once again held last year. We are promoting efforts to support a work-life balance through activities not only for Toyota Tsusho employees but also for their families and the employees and families of affiliated companies as well.

“Welcome to Toyotsu” (Tokyo)
Health Management

- **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.

- **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 uptrend 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.

Global Human Resources

The percentage of overseas business is increasing annually for Toyota Tsusho with the number of overseas employees now surpassing 15,000 on a consolidated basis. We are currently working to devise a global human resources strategy and to develop personnel tasked with the management of overseas business entities in response to this environment.

As a first step, we are working to share VISION 2015 and The Toyota Tsusho Group Way, the values of our company, based on a fundamental stance of respecting a diverse sense of values among our employees around the world, along with cultivating the awareness that each employee is a member of the Toyota Tsusho Group. We are working on unifying the components of key overseas businesses that form the base of the personnel system and are engaged in selective training of human resources and other tasks. Specifically, we conducted a selective training program entitled the Global Leadership Program last year for executive-level personnel, beginning the process of developing excellent management personnel, and are working to cultivate and secure top-notch human resources on a global basis. Seminars have also been conducted for headquarters employees on management development for doing business in different cultures, business management training, compliance and other topics in an effort to better address the increasing management of businesses overseas.

In order to cultivate global human resources, the Human Resources & General Affairs Department is working on a framework that will enable response in English and Chinese at the headquarters, and has also stationed six employees overseas to develop global human resources in cooperation with local persons in charge of human resources in 24 principle countries.

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.
The Toyota Tsusho Group conducts business across 246 companies spanning 63 countries. We sow seeds for future success in the global market by promoting cooperation among global human resources well versed in the business circumstances of a particular region.

01. America
I want to spread the knowledge I gained in the United States throughout the Toyota Tsusho Group worldwide.
Toyota Tsusho America Inc. Tennessee Branch
Service Department
Mr. Cal Lovin

The biggest challenge for the Tennessee Electronics Group has been to manage our sales doubling in one year, the expansion of our electronics warehouse and implementing many Kaizen improvements to support this growth. Managing this increase would not have been possible without the continued support from Toyota Tsusho Group companies worldwide. My dream is to some day have the opportunity to contribute the knowledge I have learned in Toyota Tsusho America to other worldwide locations of Toyota Tsusho.

02. Thailand
I want to focus on guiding team members.
Toyota Tsusho (Thailand) Co., Ltd.
Chemical Department
Mr. Pairoj Siripornpiriya

I have always enjoyed working and am happy to study new things and undertake new and challenging jobs. My position forces me to improve in time management, customer satisfaction and patience. This year I was promoted to Assistant Manager, the first rung of the ladder to management. My challenge for this year shall be to concentrate on human resources development, one of the most important factors for teamwork and everyone’s future growth, by means of coaching techniques.

03. Africa
I will rapidly expand the volume of vehicle sales at our distributors.
Toyota Tsusho Africa Pty. Ltd.
Service Department
Mr. Dave Hutchinson

My first challenge was when I moved from Toyota Zimbabwe Distributor Operations to the TTAF Corporate Office in October 2006. From then on it has been Genchi Genbutsu (going and seeing actual sites) and getting to know each of the distributor service operations. The biggest challenge is the rapid growth of vehicle sales at most of the distributors. This has directly impacted the service operations, which in turn have highlighted the need for more efficient processes and, in some cases, the need to expand existing facilities.

04. Europe
I want to create a corporate culture that fuses the good points of Japanese and European cultures.
Toyota Tsusho Europe S.A.
Brussels Headquarters
Human Resources Department
Ms. Christine Lonneux

The most challenging and enriching aspect about working in a Japanese overseas company is the mix of two major cultures. A major thing I have learned is to keep on trying to understand each other. It is my challenge to function as a bridge between the Japanese side of our company and the European side. I would like to contribute to creating a blended business culture that combines the best of European and Japanese identities.

05. China
I will craft a workplace overflowing with dreams and aspirations.
Toyota Tsusho Corporation Beijing Office
Dealership Management Division
Ms. Zhai Chang

The aim of our department is to create the biggest sales dealer network for Toyota automobiles in China by 2010 in order to make a strong contribution to the Company. I want to grow as a person through work and aim to craft a workplace overflowing with dreams and aspirations because that’s where we spend over half of our day.
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 and in Japan.

■ Initiative to Collect PET Bottle Caps
We have placed collection boxes for PET bottle caps in our offices as an effort closely linked to environmental issues and are waging a campaign to collect them.

The collected caps are donated to the Ecocap Movement and are then sold for recycling, thereby contributing to the reduction of CO2. The Ecocap Movement also uses the money from the sales of caps to supply polio vaccine to children around the world.

International Exchange and Education

■ Supporting Efforts to Supply Picture Books to Children in Asia
Eighty of our employees volunteered to paste translated Cambodian text into Japanese picture books and donated 140 books to the Shanti Volunteer Association, the organizing body. These books were delivered to children in Cambodia and Laos.

This volunteer activity was highly praised among employees since the pasting of stickers with the translated text could be done at home together with their children.

Social Commitment

■ Support for Wheelchair Twin Basketball Tournament
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 sponsored the tournaments outlined below in fiscal 2008 to promote the advancement of sports for persons with serious disabilities and support their participation in society.

● 51st Iwata Tournament and 52nd Komaki Tournament for Tokai Wheelchair Twin Basketball
● Minister of Health, Labour & Welfare Competition: 21st Japan Wheelchair Twin Basketball Federation Tournament

* Besides co-sponsorship provided by the Company, four company employees volunteered to manage the tournament.

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 serious disabilities.
## Backing of Sports and Cultural Activities

### Basketball Clinic Held for Elementary and Junior High School Students
Our basketball club held nine basketball clinics for a total of 312 elementary and junior high school students. Most of these were held in Nagoya City and contributed greatly to improving regional exchange as well as the basketball skills of the children.

The team name for our basketball club is the Fighting Eagles. It is affiliated with and active in a top league (JBL 2).

### 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 2007
This event was held in September 2007 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.

## Activities in Local Communities

### Cleanup Activities by Employee Volunteers
Twenty employees from the Osaka Branch participated in the Big Clean up in May commemorating the 70th anniversary of the completion of Midosuji Avenue. A total of 38 employees participated in the Clean Osaka 2007 campaign in August sponsored by the city of Osaka in cleaning up the area surrounding the office.

A total of 80 employees participated in the regularly scheduled cleanup of the area surrounding the Kariya Branch.

Actually experiencing the collection of garbage has encouraged future efforts to engage in local community efforts to create beautiful towns.

### Promoting Traffic Safety Events
We joined the various companies of the Toyota Group in serving as street patrols to remind people of traffic safety on “Zero Accidents Day” each month during the nationwide traffic safety campaign in cooperation with the community and the government, with the goal of preventing traffic accidents.

## Emergency Support for Disasters

### Damage from the Earthquake on the Noto Peninsula
We donated funds to the Central Community Chest of Japan to aid in the local recovery of victims of the April 2007 disaster.

### Damage from the Chuetsu-oki Earthquake in Niigata
We donated funds to the disaster management headquarters in Niigata Prefecture to aid victims of the July 2007 disaster.

### Damage from the Cyclone in Bangladesh
We donated funds to Japan Platform to aid victims who sustained massive, serious damage from the direct impact of the cyclone along the coast of the Bay of Bengal in November 2007.
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 2008 are introduced as follows.

- **Presentation of Donation to the Japan Swimming Federation for the Disabled**
The International Paralympics is one of the activities of the Japan Swimming Federation for the Disabled (JFSD). An employee from our Company served as a volunteer translator for the International Paralympics Committee, and we presented a donation to aid in the management of the organization.

- **Mini Basketball**
  **Donation of Uniforms to the Nisshin Rocket Boys**
The Nisshin Rocket Boys is a mini basketball club, mainly for elementary school aged boys in Nisshin City. They are creating a team that can regularly answer in a strong voice, greet people and cheer others on. One of our employees serves as coach and we donated uniforms to aid in the development of the club.

- **Scene Voice Guide**
  **Donation Presented to the Club for Considering the Informational Environment of Visually Impaired People**
This volunteer activity entails explaining scenes depicted and the movements of the actors in movie scripts and scenes without sound for people who cannot see.

- **Donation Presented to NPO TopStone Football Club**
The TopStone Football Club, a non-profit organization (NPO), provides an opportunity for people anywhere from children to adults to develop their minds and bodies through soccer. The goals of the club are to improve soccer skills, increase the popularity of the sport, improve the physical strength of local citizens and contribute to a greater sense of unity. Employees from Toyota Tsusho take part in many ways, from participating as competitors to serving as coaches, and we donated funds to aid in the management of the organization.

- **Atsuko Kato**
  **Toyota Tsusho Labor Union**
It encourages me to participate when I hear from visually impaired people how happy they are to be able to understand the content and laugh at the scenes, the same as everyone else. I participate because I would like visually impaired people to be able to experience the “joys and sorrows” of the magical world of movies as well.

- **Yoshiyuki Murai**
  **Automotive Parts and Materials Dept.**
Members participate energetically in competitions to make up for their lack of experience and securing funds for the club is a big job. They finally managed to procure light-colored uniforms and wear the richly colored uniforms donated by Toyota Tsusho with pride at games away from home.

- **Masato Hashi**
  **Textile Products Dept.**
The JFSD is a competitive swimming club for persons with disabilities. The organization has won numerous medals at the Paralympics. They also travel overseas to the World Championships each year, in addition to the Paralympics. Part of the expenses for overseas travel and group lodging were paid for by donations under a matching gift system. We ask for your support in the future as well.

- **Takeshi Itou**
  **Human Resources & General Affairs Dept.**
As a soccer club team closely connected to the local community, the goal of this club is to create a good environment that will enable people to enjoy soccer from childhood through adulthood. The matching funds received were used to promote team activities, and put smiles on faces from children through adults, regardless of the generation.
Toyota Tsusho Group's Social Contribution Activities

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 2008 as well as the designated recipients of such assistance are as follows.

- **Used stamps**: 14,529 Japan Overseas Christian Medical Cooperative Service (JOCS)
- **Unusable Post Cards**: 208 Japan Hearing Dogs for Deaf People
- **Discarded calendars**: 1,616 Nippon Volunteer Network Active in Disaster, Inc.
- **Used books**: 566 Shanti Volunteer Association

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.

They also can subscribe to SmileYou.net, a volunteer site managed by the various companies of the Toyota Group in which we work to provide information on a wide range of volunteer activities to employees.

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**Donation to the Ayameike Little Dandies Youth Sports Club for Rubber-Ball Baseball**

The goal of the Ayameike Little Dandies Youth Sports Club, a rubber-ball baseball team active in Ikoma City, Nara Prefecture, is to raise healthy youth through the medium of baseball. An employee of Toyota Tsusho coaches the team, and we donated a new storage locker since the existing one for baseball equipment was worn out.

**Isao Shirai** Osaka Produce & Foodstuffs Dept.

The Ayameike Little Dandies is a youth sports club run by local volunteers, fathers and older brothers and consists mainly of students from Ayameike Elementary School in the city of Nara. This year marked the 30th anniversary of the club, whose members are extremely grateful for the locker donated for storing baseball equipment.

We will pursue our dreams, true to our motto of “if you try you can do it. Aim to win. Go Little Dandies!”

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**Donation of Musical Instruments to the Bunchaka Band (Norte Theatre Company)**

The Bunchaka Band of the Norte Theatre Company visits nursing homes as local volunteers to sing and perform short skits. They concentrate on the Tama District of Tokyo, apart from their regular theatre troupe activities. One of our employees participates as a member of this group and we donated musical instruments to better outfit the group for performances.

**Chisato Takita** Toyota Tsusho Foods Corporation

This marks the eighth year of the Bunchaka Band’s existence. We visit nursing homes to entertain residents with singing and skits. We have been using our instruments for eight years, all the while repairing keyboards that would not emit sound and drums with loose skins. The gift of funds for repairing instruments and buying new ones has given this band a new lease on life, and the band members feel proud to perform. We would like to continue to travel around to nursing homes with our new instruments. Thank you very much.

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**Donation Presented to the ERIKO Michelin Band**

The ERIKO Michelin Band is a volunteer organization consisting of a singer, base player and guitarist who go to nursing homes and give live performances. An employee of Toyota Tsusho is the vocalist, and we donated funds to support the activities of the group.

**Eriko Niimi** Global Project Planning Dept.

The ERIKO Michelin Band is a volunteer band dedicated to performances at nursing homes and other facilities. We bring all of our own equipment when we visit facilities, from sound equipment to musical instruments. We received this gift as a donation for our activities. It is a volunteer activity that is warmly welcomed by the facilities since we stage this in a participatory fashion with all of the senior citizens singing along, laughing and moving their bodies.

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**Donation of Funds to the Caring for the Future Foundation of Japan (CFF Japan)**

The mission of CFF Japan includes building children’s homes where disadvantaged children in various Asian countries can live safely, providing the funds for managing these homes and functioning as an operational camp.

One of our employees is active as a member of CFF Malaysia, and we donated funds to support the activities of CFF Japan.

**Misato Ieda** Industrial Chemicals Dept.

There are many children on the Island of Borneo in Malaysia who cannot go to school or do not have enough food, and who have little hope for the future due to problems such as being immigrants, impoverished and discriminated against. We used the donated funds to build and operate the Children’s Home, an orphanage for such children, and thank you from the bottom of our hearts.

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**Donation of Musical Instruments to the Bunchaka Band (Norte Theatre Company)**

The Bunchaka Band of the Norte Theatre Company visits nursing homes as local volunteers to sing and perform short skits. They concentrate on the Tama District of Tokyo, apart from their regular theatre troupe activities. One of our employees participates as a member of this group and we donated musical instruments to better outfit the group for performances.

**Eriko Niimi** Global Project Planning Dept.

The ERIKO Michelin Band is a volunteer band dedicated to performances at nursing homes and other facilities. We bring all of our own equipment when we visit facilities, from sound equipment to musical instruments. We received this gift as a donation for our activities. It is a volunteer activity that is warmly welcomed by the facilities since we stage this in a participatory fashion with all of the senior citizens singing along, laughing and moving their bodies.

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**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.

They also can subscribe to SmileYou.net, a volunteer site managed by the various companies of the Toyota Group in which we work to provide information on a wide range of volunteer activities to employees.
Approach to the Environment

Toyota Tsusho Group’s Environmental Policy

1. 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.

2. We comply with all environmental requirements, including environmental laws and regulations and industry guidelines.

3. 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.

4. We enhance environmental awareness among directors and employees by providing environmental training and promoting a thorough understanding of our environmental policy.

5. Each member of Toyota Tsusho strives to exist in harmony with local communities and the different countries in which we operate through an awareness of environmental conservation based on the Toyota Tsusho Group’s Environmental Policy. We work enthusiastically to preserve the environment and prevent damage over the course of our business activities, and aim to create a recycling-oriented society where people are conscious of the environmental impact of their actions. An apt example concerns our efforts worldwide to promote recycling of items such as metals, automobiles, home appliances and paper. In addition to acquiring emission rights, Group companies all over the world are engaged in businesses that involve offering equipment and products that preserve the environment, developing and selling clean energy, and working to build clean development mechanism (CDM) and other frameworks as global warming countermeasures.

Also, from the perspective of consolidated environmental 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 systems in our business operations by making use of various organizations throughout the Toyota Tsusho Group. As of the end of March 2008, 66 companies in Japan and 111 overseas within the Toyota Tsusho Group had obtained ISO 14001 certification based on our Environmental Policy. This not only includes companies involved in manufacturing around the world but also 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 environmental management activities, the Toyota Tsusho Group will work in unison to realize a recycling-oriented, low-carbon society. To this end, we will strive to nurture personnel who can act autonomously and creatively to undertake businesses that will conserve the environment and prevent its destruction. We will also cooperate with customers, suppliers, subcontractors and members of local communities as a good and trusted partner on a daily basis to maintain a healthy environment for our irreplaceable planet.

Contributing to the Creation of a Recycling-oriented Society

Hiroshi Kawakami
Executive Vice President
Environmental Management General Supervisor

Each member of Toyota Tsusho strives to exist in harmony with local communities and the different countries in which we operate through an awareness of environmental conservation based on the Toyota Tsusho Group’s Environmental Policy. We work enthusiastically to conserve energy, recycle resources and eliminate environmental pollution, while placing a high priority on not disturbing the global environment in conducting business.
Environmental Management Promotion Structure

We have created an environmental management system with the Conference on the Global Environment as the chief medium promoting environmental management.

Environmental Risk Management in Toyota Tsusho Group Companies

- **Environmental Management Pursuant to Investment and Leasing Guidelines**
  Toyota Tsusho has created a checklist of policies concerning environmental considerations, reduction of environmental load and pollution prevention for the investment/leasing projects that it manages (including land purchase and lease). This will enable us to keep track of environmental performance from the planning stage through to the start of operations, comply with all environmental laws and regulations, and realize zero environment-related complaints. (Implementation in fiscal 2009)

- **Emergency Response Plan**
  Toyota Tsusho aims to eliminate environmental accidents, abnormalities, complaints and “Hiyari-Hatto” (risk incidents). In the event of an environmental accident, we have established a system to report the emergency within 24 hours. Even for minor environmental incidents, we refrain from making judgment at the departmental or Group company level and first contact the Global Environment Group of Global Environment & Production Kaizen Department, which works to identify the cause, prevent recurrence, formulate preventative measures and implement these measures across the organization.
Approach to the Environment

Environmental Preservation Activities

Activities Related to Energy-saving Laws
Reducing CO₂ is viewed as one of the most important issues in all businesses throughout the Toyota Tsusho Group. In particular, companies that are subject to energy-saving laws make precise assessments of emissions, analyze the causes of those emissions and work to reduce amounts in line with set targets.

1) Plants Designated for Class I Energy Management
- Toyota Steel Center Co., Ltd. (Head office)
- Kyushu Smelting Technology Co., Ltd.

2) Plants Designated for Class II Energy Management
- T-ST Corporation
- Daiichisekken Co., Ltd. (Head Office)
- Daitho Kasei Co., Ltd.
- Toyota Metal Co., Ltd.
- Tohoku Grain Terminals Co., Ltd.

3) Specified shippers: Working to increase transportation efficiency
- Toyota Tsusho Corporation
- Toyota Steel Center Co., Ltd.
Activities to Reduce Environmental Loads in the Office

Toyota Tsusho declared its participation in the “Team Minus 6%” campaign to help Japan reach its Kyoto Protocol objectives. Efforts include encouraging cool summer and warm winter dress codes, environmentally friendly driving and a program for every employee to reduce 1kg worth of household CO2 emissions every day.

Also, as a member of the Japan Foreign Trade Council, Inc. (JFTC), we take part in a voluntary action plan to help achieve Kyoto Protocol objectives by reducing greenhouse gases.

Global Environmental Management

The Toyota Tsusho Group views tackling environmental issues as one of its critical management objectives. Based on the perspective that sustainable development cannot be expected by companies that do not consider the environmental impact of their actions, the Group is pushing ahead as a whole with a plan to both drive economic advancement and ensure environmental preservation through its business activities.

As one measure, in 1999 we introduced the ISO 14001 certification system, an international qualification for environmental management, and expanded the scope of activities to include not only domestic but also overseas Group companies. In principle, each company uses the same manual and employs the same certification authority for multiple sites. This ensures a uniform level of management and that the policies of the head office are widely known. As of the end of March 2008, 66 companies in Japan and 111 overseas within the Toyota Tsusho Group had obtained ISO 14001 certification. We will continue strengthening our environmental management system, and implementing measures for environmental risk management and to reduce CO2 emissions.

Activities as a Member of Toyota’s Production Environment Committees

As a member of the All-Toyota Production Environment Conference and the All-Toyota Production Environment Meeting, Toyota Tsusho implements policies and tackles challenges outlined by these committees concerning key items of environmental preservation.

Environmental Awareness Month

The Toyota Tsusho Group conducted the following activities to increase environmental awareness in June, which has been designated as the month to promote environmental activities, based on the catchphrase “Think & Act.”

- Distributed posters related to environmental awareness month throughout Toyota Tsusho and every Group company
- Developed a list of initiatives for the month and promoted their execution across-the-board
- Encouraged environmentally friendly driving, etc.
ISO 14001 Certification at Toyota Tsusho Group Companies

Flow of ISO 14001 Activities in Toyota Tsusho Group

1. ISO seminars
   - [1] Held: 10 times in Nagoya, Tokyo and Osaka between April 19~25 and October 1~5 in 2007
   - [2] Content: 1) Promoted zero environmental abnormalities and complaints
               2) Examined revisions to laws
               3) Discussed activities to reduce CO₂
               4) Discussed internal audit guidelines
   - [3] Number of participants
     
     | Toyota Tsusho | Group companies | Total |
     |---------------|-----------------|-------|
     | 190           | 448             | 638   |

2. Internal audits
   - [1] Conducted: May 7 to June 22 and October 15 to November 22 in 2007
   - [2] Key content: Expanded laterally to include items specified in latest audit review of own department
   - [3] Scope of internal audit

     | Toyota Tsusho | Group companies |
     |---------------|----------------|
     | 82 sites      | 59 sites       |

3. Third-party audits
   - [1] Conducted: July 9~13 and December 8~14 in 2007 (Total 41 people/day)
   - [2] Key content: Confirmation of legal compliance procedures
   - [3] Departments subject to review

     | Toyota Tsusho | Group companies |
     |---------------|----------------|
     | 45 sites      | 54 sites       |

4. Conference on the Global Environment
                  2) Report on results of review
                  3) Announcement of cases of improvement (legal compliance, CO₂ reduction)
Environmental Topics

Providing Waste Disposal and Resource Recycling Management Services

In April 2008, Toyota Tsusho started operation of the Waste Disposal and Resource Recycling System created in conjunction with IBM Japan. This system enables the integrated management of the processing status of industrial waste and is provided as an ASP service* by Ecomanage Network Corporation, a newly established affiliate of Toyota Tsusho. Introducing the system provided by this ASP has numerous benefits, including a digital manifest that eliminates the need for paper, a yearly report to the government pursuant to legal requirements and a significant increase in efficiency in administrative tasks regarding waste and emissions in daily operations within the Company. It is possible to expand management to consolidated Group companies as well. In support of these administrative tasks, Toyota Tsusho also provides consulting services and training related to businesses’ waste management.

*An ASP (application service provider) provides the services of a company to customers over the Internet.

Amid an economic climate characterized by resource inflation, industrial waste is in the spotlight for its value as an urban mine and as a terrestrial resource. However, in particular, illegal dumping of industrial waste continues to cause social problems; with legislation in this domain getting more stringent every year. Rather than rest on our laurels with the introduction of the Waste Disposal and Resource Recycling System, we continue working to create businesses that further take the environment into consideration based on the key concept of “resource recycling” from the perspective of total optimization. This is how we can contribute to environmental preservation as a trading company.

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.

Hideki Akita  Machinery & Electronics Division, Machinery Dept., Plant & Eco Group

In 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.
Initiatives for Recycling-oriented Products to Reduce Environmental Loads (Materials, Boards)

Tomen Plastics Corporation blends reprocessed resin from food containers and other materials and recycled resin from containers and packaging with scrap wood from construction to make recycled wood (synthetic wood) as a replacement for natural wood and recycled boards (REF boards) as a replacement for various types of boards. In addition to selling the products, Tomen Plastics collects the natural wood from old benches in housing complexes of the Urban Renaissance Agency (UR), converts it into REF boards and delivers it as the base sheet for floorboards in such areas. The synthetic wood is also widely used for such purposes as benches when they are replaced at parks and stations. A long useful life without decay makes these benches extremely environmentally friendly, and accordingly, this initiative is gaining attention from diverse quarters.

Tomen Plastics makes effective use of reprocessed resin (including recycled plastics in containers and packaging) and scrap timber, the main materials in synthetic wood, focusing on multiple commercial ideas that are kind to the environment. As some of the strongest industrial fields remaining in Japan, the company is concentrating on the housing construction and building materials fields under a long-term strategy.

Eco-friendly Synthetic Wood for Use in UR Housing Complexes

At Tomen Plastics, we believe that the synthetic timber (recycled wood, recycled boards) trade is an industrial field that will remain in Japan for years to come. In particular, REF boards were employed as the panels for chairs used by reporters at the G8 Hokkaido Toyako Summit held in July 2008. With the added bonus of being environmentally friendly (CO2 emissions are reduced by over 20% compared with conventional plywood), these products are drawing major attention.

Going forward, we aim to continue contributing to society and environmental preservation through eco-friendly manufacturing.

Efforts in BDF (Bio Diesel Fuel) Business

Toyota Tsusho is focusing on BDF as an environmentally friendly, recycling-oriented business. We developed a high-efficiency, high-quality BDF production process in conjunction with Toyota Chemical Engineering Co., Ltd., OHTA Oil Mill Co., Ltd. and FEM. BDF is a light oil alternate fuel made from vegetable oil and fat. Based on the “carbon neutral” concept whereby plants absorb CO2 in the growth process, the amount of CO2 emissions during use is zero. The key characteristics of the newly developed process are as follows: (1) since the method does not use water, the system can be set up in places without associated infrastructure; (2) it does not discharge water or emit any other waste, and it is a reusable, environmentally friendly system; and (3) the equipment is simple and energy-saving. Using these new technologies, we seek to contribute to the environment and economic vitalization in countries that produce raw materials for BDF, primarily Asia and Central and South America. We will examine a business model centered on local production for local consumption that will bear fruit and bring joy to the people of those countries.

The effective use of bio resources leads to greater abundance for a country. However, it is not possible to consider consuming these resources in the same large-scale, intensive manner as oil. It is critical to commercialize bio resources while striking a careful balance between economic efficiency, business potential, environmental friendliness and the need for food. In addition to the BDF business, we will pursue a balance between contributing to the environment and starting new business by securing unique technologies aimed at increasing the energy efficiency of untapped natural resources, such as agricultural residue, and developing new materials.
Establishment of Social Contribution Committee

In May 2007, Toyota Tsusho established teams to examine the direction of social contribution activities. Throughout the year, the teams reviewed our social contribution activities to identify those most befitting the Company.

After continued discussions over the course of around a year, activities were placed under the key themes of people (education), society (welfare) and the Earth (environment) in light of the Toyota Tsusho Group’s Corporate Philosophy. These efforts led to investigation into the inauguration of a Social Contribution Committee with the objective of further advancing the “creation of a prosperous society.” The committee was officially established in June 2008, and the first meeting convened.

In terms of policy, the committee selects those activities that are deemed to make the most valuable contribution to society and strike a balance between the following three approaches: “by company,” “by employee” and “by business activity.” Executive officers help to promote and support substantive and efficient activities while the Company as a whole executes activities in an autonomous manner aimed at realizing the “creation of a prosperous society” and fulfilling our social responsibility.

Our policy concerning social contribution activities for fiscal 2009, the first year since the establishment of the Social Contribution Committee, is outlined as follows:

(1) As the year to sow the seeds for the future, we will first build up results and experience through concrete action.
(2) We will identify and continue with unique social contribution activities closely linked to the local community surrounding sites overseas.
(3) We will make a legitimate contribution to society in diverse areas worldwide as a global enterprise.

Vigorous efforts will be made to put this policy into action.

Opinions on and Impressions of CSR Report 2007 Based on Questionnaire (12 Respondents)

**Respondent Perspectives**

(Multiple Responses Possible)

- Customer: 2
- Shareholder/investor: 2
- CSR manager of company/organization: 2
- NPO/NGO: 2
- Student: 1
- Surveying/analytical institute: 1
- Reporting agency: 1
- Other: 4

**Items of Interest in Report**

(Multiple Responses Possible)

- Editorial Policy/Corporate Profile: 4
- Message from Management: 3
- Toyota Tsusho Group Overview: 8
- Special Feature (1) Recycling Business: 5
- Special Feature (2) Electric Power Wholesale Business: 4
- Special Feature (3) Manure Composting Process Business: 9
- Special Feature (4) Seniors Related Business: 1
- Corporate Governance and Compliance: 3
- Communication with Stakeholders: 2
- Approach to Safety: 5
- Approach to Human Resources: 5
- Environmental Topics: 6
- Chronicity of Toyota Tsusho Group’s Activities: 3

(Total: 12 respondents)

**Main Opinions and Suggestions**

(Content that Should be Improved or Enhanced)

- Better to include figures on global warming such as values related to reductions in greenhouse gases
- Better to enhance “visibility” (particularly in environmental reporting)
- Lacks opinions from and discussions with local people (particularly ordinary citizens)

(Ideas and Expectations for Toyota Tsusho’s Activities)

- Expect activities as a global enterprise representing Japan
- Expect further promotion of risk management and G’VALUE
- Well-presented and easy-to-understand explanation of environmental initiatives, particularly regarding recycling and electric power wholesale businesses
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