Expanding Initiatives Under the Banner of “Achieving Sustainability”

Toyota Motor Corporation will celebrate the 70th anniversary of its establishment in November of this year. I would like to take this opportunity to express my sincere thanks to our various stakeholders around the world, including customers and business partners, for their longstanding support. I do not believe, however, that Toyota’s continued existence is guaranteed. Corporations are not permanent entities, and only those businesses that can accurately anticipate changes in the business environment and respond appropriately will survive.

One of the greatest changes in the business environment in recent years is the heightened expectations towards corporate social responsibility resulting from global environmental issues. Awareness is rising concerning such issues as global warming, resource depletion, and atmospheric pollution, and there are strong demands for businesses to develop harmonious relationships with society and the global environment. As such, achieving harmony with society and the environment is also a top priority for automakers, leading the various automakers to become engaged in fierce competition with a focus on the development of environmental technologies.

Since its foundation, Toyota has conducted business with “contributing to the development of a prosperous society through the manufacture of automobiles” as a guiding principle. When I became president two years ago, I called on all employees to work with me in returning to our origins and asking earnestly whether Toyota is truly contributing to society and whether we are doing everything we should be doing. On the occasion of Toyota’s 70th anniversary, we will reinforce our measures designed to return to our core principle, which is to “repay the earth and society through technological innovation (and contribute to enhancing the quality of life everywhere).”

The main concept of these measures is achieving sustainability in three areas—research and development, production, and social contribution.

First, based on the conviction that the automobile has no future without responses to environmental, energy, and safety issues, we will enhance our measures regarding technology development to achieve a motorized society that is in harmony with the environment, that is, to achieve “sustainable mobility.”

Next, in the area of production, Toyota has begun a “sustainable plant initiative” aiming to create plants that both make use of nature yet exist in harmony with the natural environment.

Third, in order to contribute to a prosperous society, we will implement social contribution activities to develop the skills of personnel and create systems that will firmly take root in society, based on the concept of “activities contributing to sustainable development of people and society.”

For future success as a company, and to be able to contribute to a prosperous society, we must realize stable and sustainable growth over the long-term. I have consistently impressed upon everyone at Toyota that without quality improvement there cannot be growth. Contributing to society and the global environment through manufacturing requires strengthening our overall performance levels, including the development of human resources that support initiatives in the areas of quality, production cost, safety, and the environment. We will continue to solidify our position while reinforcing our foundation for long-term, stable growth.

We will undertake these activities while asking ourselves and honestly answering whether Toyota is truly contributing positively to society and the global environment. As always, in this matter I look forward to your continued support.

August 2007

Katsuaki Watanabe
President, Toyota Motor Corporation
Chairman, Toyota Environment Committee
Major Initiatives in FY2006

The Sustainability Report 2007 describes the main activities carried out by Toyota in FY2006 in the areas of the environment and corporate social responsibility (CSR). Concerning our corporate principles, the report sets forth the fundamental concepts that guide our CSR activities and corporate governance.

With regard to environmental aspects, we started implementation of the Fourth Toyota Environmental Action Plan, which adopts as its main themes energy and global warming, recycling of resources, substances of concern, and atmospheric quality.

With respect to social activities, we are conducting Customer First (CF) activities with a focus on quality, implementing human resource development, strengthening respect for diversity among employees, carrying out CSR activities in collaboration with business partners, and undertaking safety measures based on the Integrated Safety Management Concept. Our social contribution activities focus on the areas of the environment, traffic safety and education.

By issuing the “Sustainability Report 2007—Towards a New Future for People, Society, and the Planet,” we hope to increase understanding of Toyota’s activities while expressing our desire to achieve harmony with society and the global environment.

I look forward to receiving your honest comments and opinions.

August 2007

Mitsuo Kinoshita
Executive Vice President
Member of the Board in charge of
CSR & Environmental Affairs