



All for Environment

The Less We Take The More We Get

Sustainability Report 2007

Toyota Motor Thailand Co., Ltd.



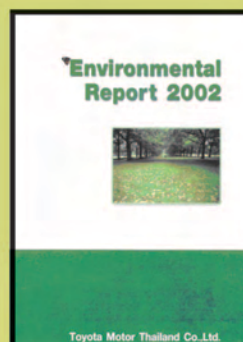
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Toyota Motor Thailand Co., Ltd. (TMT) is very pleased to publish the 2nd Sustainability Report which covers the 3 pillars of sustainability including environmental, social and economic performances of TMT during the fiscal year 2007 (April 2006-March 2007).

Environmental sustainability activities were conducted based on the environmental 5-year plan. In addition to large-scale projects such as Stop Global Warming Project and Ang Rue Nai Reforestation, we implemented White Road, Environmental road show to schools, environmental development for learning Health Garden for society and the environment and other activities by Toyota Foundation. For economic performance, we further develop our products to serve the customers' demands. In spite of the economic downturn, we could maintain our leadership in passenger cars, commercial vehicles and 1-ton pick up trucks. All of these led us to become the 1st rank in domestic sales volume.

Toyota Motor Thailand is trusted by Toyota Motor Corporation to become the production hub for Asia-Pacific region by establishing Toyota Motor Asia Pacific Engineering & Manufacturing Co., Ltd. (TMAP-EM) to support products and production development. And this year, Toyota Motor Thailand is very proud and honored to be a part in organizing the Royal Flora Expo which was held to celebrate the auspicious occasions of His Majesty the King on the 60th anniversary of accession to the throne and on the 80th birthday anniversary.





The year 2007 can be regarded as another significant step of Toyota Motor Thailand. The company has seen it as a year of opportunities to grow further towards sustainability. At the beginning of 2007, we have started the production at the new Ban Pho plant. Eventually, in FY2007, the company has achieved three records. First, annual production of 500,000 units, second our market share at 44%. Third, annual export volume of 190,000 units.

Looking on our performance in 2007, the company sincerely acknowledges that we owe this to our stakeholders and the society at large. As TMT has long been engaged our business operation with the well being of the society, we acknowledge that the contribution to the society is our corporate responsibilities, and without genuine insight and contribution to the society's development, our sustainability cannot be achieved. Therefore, in 2007, we have strengthened our social responsibilities with environmental issues at top in line with other social contribution activities. In short, we have put our best efforts to be a part of the growth of Thai society.

The one of our major challenges this year is the start of the new Ban Pho plant. Apart from its role as the base for export production, Ban Pho represents one of our efforts to realize the vision of a green factory. The plant is one of the most technologically advanced and eco-friendly plants. Ban Pho plant installed with the Solar Cell and Co-generator to reduce emission of carbon dioxide by 6,000 tons per year. Also, the plant incorporates environmentally friendly technologies such as water-based painting and water treatment system to eliminate VOC exhaust. All of this make Ban Pho plant a showcase of Toyota Environment Policy.

On the public level, Toyota together with the Thailand Environment Institute have conducted 'Stop! Global Warming' project for three consecutive years. I am very happy to see that each year more and more Thai youth become engaged in global warming-reducing activities.

Toyota is also committed to innovating products that feature safety and environmental friendliness. All of Toyota vehicles meet the European Safety Standard and Euro III emission standard. With regard to the energy policy, we focus on energy conserving product development in all product categories and support the utilization of alternative energy sources such as ethanol, CNG, bio-diesel, etc. Moreover, we will introduce E20 vehicles in 2008 and have a plan to develop 'Eco Car' with excellent fuel efficiency.

Together with our environmental concerns, Toyota Motor Thailand also continues its long-term social contribution activities. In 2007, we work closely with the government sector and other organizations in order to strengthen our support to the society. Also, we incorporate the Toyota Family members, dealers, suppliers, affiliates and employees, into our social contribution activities. The focus areas of our support are ; road safety under the White Road project, education and automotive technology transfer and Community relations and others.

For our employee relations, we have received the 'Excellent Labor Relation and Welfare Award' from the Ministry of Ministry of Labor and Social Welfare for three consecutive years. Our treatment to the employees is based on the concept 'respect for people'. We enhance the communication among employees in all level through activities like Internal Communication, Familiar Talk and Toyota Family day. Also, this year we newly established Communication Promotion Office as another channel for employees to communicate with the company's top management.

In addition, on February 2007, Toyota Motor Asia Pacific (Engineering & Manufacturing) Co., Ltd. was established. This will make Thailand become a regional support base for production for exports, pickup trucks in IMV project and spare parts as well as serving as a regional design and R&D center. Furthermore, it will become a support base for local and regional human resource development by Toyota and its partners such as suppliers through Automotive Human Resources Development Program (AHRDP) to upgrade the quality of our personnel working in the production line with diversified skills to be able to comply with world-class standards.

Toyota Motor Thailand always realizes that sustainable growth is a long-term commitment. On the company's performance, we will continue strengthening our foundation and never stop delivering innovations in all areas including environmental activities, safety, product development and human resource. For the society, we will ensure that the contribution from the company and Toyota group is a supportive part in the development of Thai society.

I would like to thank you everyone for your best efforts in 2007. I am most certain that it is only through our joined force that the envisioned sustainable growth and harmony with the society are made possible.

Mr. Mitsuhiro Sonoda
President

This year, Toyota Motor Thailand Co., Ltd. has started an operation of Ban Pho Plant which is regarded as the most advanced and environmentally friendly plant (Eco-plant). It is equipped with modern systems such as co-generator, servo robot and solar cell to ensure highest energy and resource efficiency and minimization of waste generation according to 5-year environmental action plan to achieve the zero emission target. In addition, at the end of 2007, Toyota Motor Corporation Japan has announced the Sustainable Plant Policy and selected Ban Pho Plant to be 1 of 5 model plants on this policy. Ban Pho Plant follows the policy by planting permanent forest in the plant area and establishing Environmental Learning Center to raise awareness among employees, stakeholders and communities in vicinity area. Implementation of activities will begin in 2008 and it will become an Eco-forest according to the above mentioned policy.

In addition to internal management to conserve the environment, we place our efforts in developing the most environmentally friendly products. Currently, all models of Toyota vehicles pass Euro III emission standard. We also develop our engines to accommodate alternative fuel such as bio-diesel and gasohol to provide an option for saving depleting natural resources.

At present, the world is paying attention to global warming issue. Toyota was among the first companies to give priority to this issue as evidenced by the campaigns and several activities for Thai society to become aware of environmental problems. These activities include the Mangrove Reforestation, Ang Rue Nai Reforestation, seminars on environmental topics, Stop Global Warming Project and providing cooperation in Bang Pu Learning Center Project. It can be confirmed that Toyota Motor Thailand is the leader in environmental conservation and the pioneer on this issue in Thailand.

It can be seen from all activities that Toyota Motor Thailand has ensured the environmental, social and economic development all together for the maximum benefits and satisfaction of our customers which lead to sustainability of Toyota Motor Thailand.



Mr. Yasuhiro Mishima
Executive Vice President

It has long been Toyota Motor Thailand's main policy to conserve the environment. We were the first company in automotive industry to be ISO 14001 certified since 1997. At present, environmental problems are the highest concerned issues around the world, especially the impacts from global warming. We have been launching campaigns externally and internally.

We set a 5-year environmental action plan with the targets of reducing energy, resources, and chemicals posing risks to operators. We implement Kaizen as a tool to achieve targets. In addition, we conduct research and development on alternative energy in cooperation with other government and private agencies to solve energy crisis. The research projects include biodiesel production from Jatropha.

In addition, we support part suppliers and service centers to obtain ISO 14001 certificate. Currently, more than 90% of part suppliers and service centers are certified. Moreover, we have implemented other activities including the 3rd Stop Global Warming project, Ang Rue Nai Reforestation project which followed the mangrove reforestation project and White Road project that has promoted road safety for the past 19 years.

This year, we are very proud of an official opening of Ban Pho Plant to manufacture vehicles for IMV project and it is a challenge for Ban Pho Plant to obtain ISO 14001 and OHSAS/TIS 18001 certification all together within 2007. In addition, Toyota Motor Thailand is trusted by Toyota Motor Corporation to become the production hub for Asia-Pacific region by establishing Toyota Motor Asia Pacific Engineering & Manufacturing Co., Ltd. (TMAP-EM) to support products and production development.

From the company's policy and internal and external activities, it can be observed that cooperation among employees will ensure our leadership in environmental conservation among automotive industry for the sustainability of Thai society and the environment.



Mr. Apichai Sidrattakul
Vice President

Toyota Guiding Principles

Toyota Motor Thailand Co., Ltd. (TMT) is committed to supporting sustainable development in society along with continuous industrial development as well as developing high quality products and services.

With our continuous efforts, TMT has adopted the procedure and management techniques under Toyota Guiding Principles which were first introduced by Toyota Motor Corporation, Japan in 1992 and revised in 1997. The Toyota Guiding Principles reflect the main concept of Toyota Motor Corporation that expects all affiliations and business partners to cooperate in sharing the basic principles and pay contributions to society along with business operation.

Vision, Principle, and Mission of Toyota Motor Thailand

Toyota Motor Thailand adopts visions of executives to formulate policies, principles and missions for the business operation. For the past 40 years, we have proved that these guiding principles have led us to success and become number one in automotive industry in terms of customer satisfaction in Thailand. We are committed to continuous improvement to deliver the best things to our stakeholders such as customers, colleagues, partners (dealers and suppliers), communities and shareholders and, at the same time, being responsible for communities and environment.

Toyota Guiding Principles

1. Honor the language and spirit of the law of every nation and undertake open and fair corporate activities to be good corporate citizen of the world
2. Respect the culture and customs of every nation and contribute to economic and social development through corporate activities in communities
3. Delicate ourselves to providing clean and safe products and to enhancing the quality of life everywhere through all our activities
4. Create and develop advanced technologies and provide outstanding products and services that fulfill the needs of customers worldwide
5. Foster a corporate culture that enhance individual creativity and teamwork value, while honoring mutual trust and respect between labor and management
6. Pursue growth in harmony with the global community through innovative management
7. Work with business partners in research and creation to achieve stable, long-term growth and mutual benefits, while keeping ourselves open to new partnerships



Corporate Philosophy

Vision

1. Be the leader of Toyota Asia Pacific and a core company of Toyota global network operations
 2. Be the most admired and respected company in Thailand
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Mission

1. To strengthen operation and encourage collaboration within the Asia Pacific Region
 2. Achieve dominant customer satisfaction and market share
 3. Ensure safety as the first priority in all corporate fundamental activities
 4. Create a better quality society through meaningful social contributions
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Corporate Principle

1. Employ continuous improvement by means of challenge and change
2. Respect people and their needs
3. Pursue excellence in customer satisfaction
4. Dedicate ourselves to the highest standards
5. Adopt a spirit of social responsibilities to our communities and the environment



Company Overview

Established on Oct 5, 1962, Toyota Motor Thailand Co., Ltd. has been continuously developing. Until now, current capital investment is about 7,520 million baht (US\$ 190 million). Toyota Motor Thailand has 9 affiliated companies including:

1. Toyota Auto Body Thailand Co., Ltd. (TABT)
2. Siam Toyota Industry Co., Ltd. (STM)
3. Thai Auto Work Co., Ltd. (TAW)
4. Toyota Body service Co., Ltd. (TBS)
5. Toyota Leasing (Thailand) Co., Ltd. (TLT)
6. Toyota Transport (Thailand) Co., Ltd. (TTT)
7. Toyota Automotive Technology Co., Ltd. (TAT)
8. Rachamongkol Rice Co., Ltd. (RRC)
9. Toyota Technical Center Asia Pacific Co., Ltd. (TTCAP)

Toyota products can be divided into 2 categories: Complete Built-Up (CBU) including Lexus, Crown, Selica, Land Cruiser, Prado, Hi-Ace Commuter, Ventury, Avanza, Innova and Complete Knock-Down (CKD) including Hilux Vigo, Fortuner, Soluna Vios, Collora Altis, Camry, Wish, Yaris, Dina (manufactured by Hino (Thailand) Co., Ltd.)

CKD automobiles are manufactured from 4 Toyota assembly plants including Samrong Plant Samut Prakarn Province, Gateway Plant Chachoengsao Province, Thai Auto Work and Ban Pho Plant Chachoengsao Province. Total annual production capacity is 580,000 units. In addition to manufacturing for domestic market, Toyota Motor Thailand exports automobiles and parts to more than 90 countries around the world.

Ban Pho Plant which was officially inaugurated on March 13, 2007 is the main plant that exports automobiles. This plant was designed and constructed under the concept of Eco Plant. It is the most advanced automobile manufacturing plant in the region in terms of safety, quality, cost effectiveness and environment.

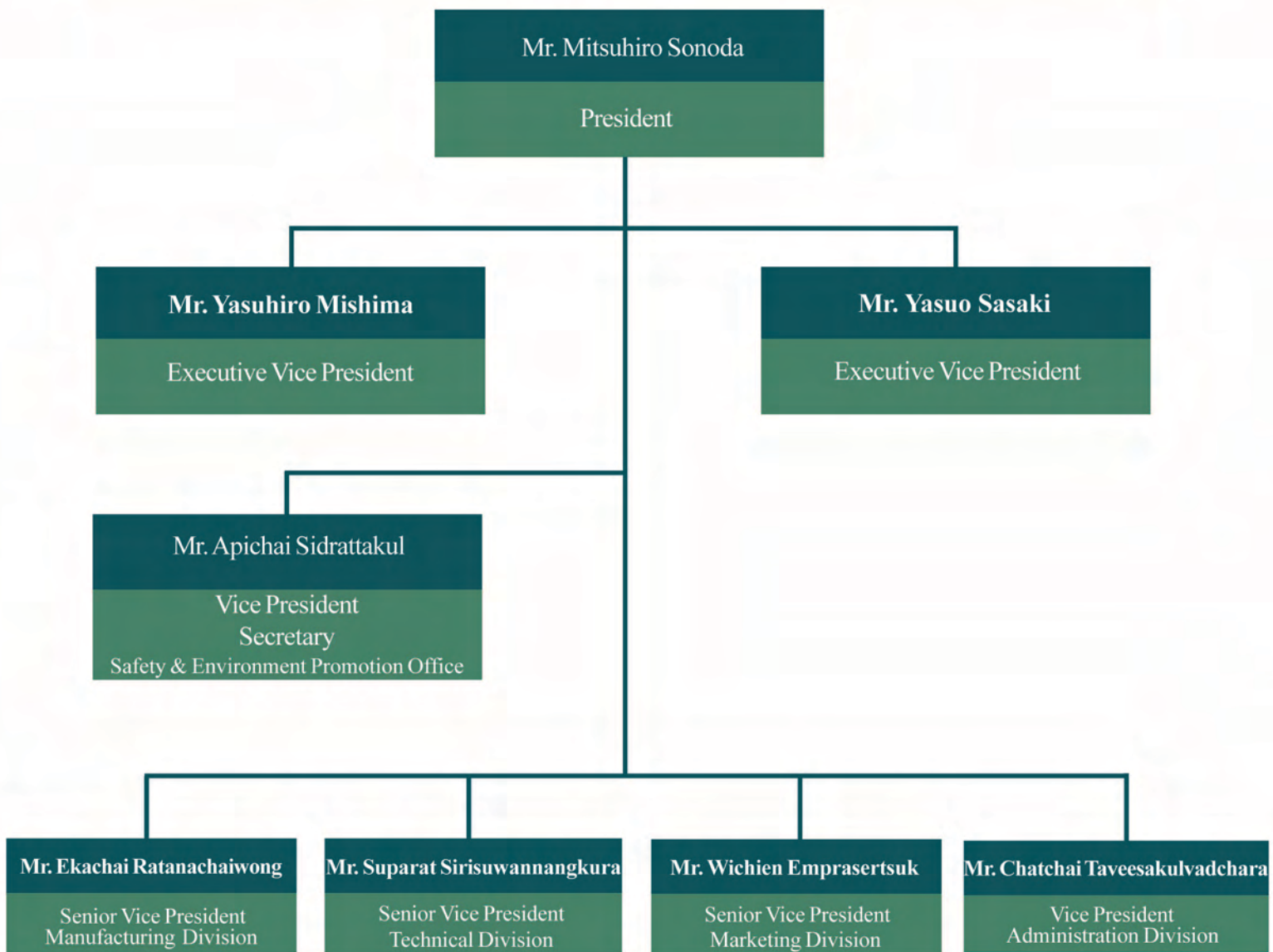
In addition to core business of car manufacturing, Toyota Motor Thailand has subsidiary companies including Toyota Body Service Co., Ltd. (TBS), the largest Toyota body repairing and painting service center in the South East Asian region, with 120 repair slots for servicing 12,000 cars per year, Toyota Leasing (Thailand) Co., Ltd. (TLT), joint venture between domestic and international financial institutions and affiliated companies, offering financial support for the dealers across the country to provide services to customers with installment plan basis. Toyota Transport (Thailand) Co., Ltd. (TTT), transportation of vehicles. These 3 companies perfectly support Toyota's main business.

Other affiliated businesses include Toyota Automotive Technology Co., Ltd. (TAT), operating private school (Toyota Automotive Technology School) for high vocational certificate in industrial techniques and Toyota Technical Center Asia Pacific Co., Ltd. (TTCAP) serving as a center to conduct research and develop automobiles for IMV (Innovative-International Multi Purpose Vehicle) project. These companies promote the development of basic knowledge to further develop future products.



Company Overview

Organization Structure of Toyota Motor Thailand's Environment Company-Wide Committee



Environment, Occupational Health and Safety Policy of Toyota Motor Thailand

Environmental Policy

1. Toyota Motor Thailand Co., Ltd. (TMT) will be strictly complied with laws and regulations relating to the company's operation and commit to achieving environmental goals and targets.
2. Toyota Motor Thailand Co., Ltd. (TMT) will be dedicated to continual improvement on environmental protection and pollution control by:
 - * Reducing environmental impacts caused by raw materials and production processes by evaluating their impacts before using new materials or implementing new processes.
 - * Reducing energy consumption and emission and waste to the environment.
3. Toyota Motor Thailand Co., Ltd. (TMT) commits to making the employees understand and aware of environmental issues to ensure effective environmental management.
4. Place emphasis on local community participation and enhance cooperation in environmental conservation activities.

Occupational Health and Safety Policy of Toyota Motor Thailand

Toyota Motor Thailand Co., Ltd. shall promote safety among employees, stakeholders, customers, and general public in our business operation. We shall attempt to prevent accidents, injuries, and illness from occupation with the cooperation from all employees. We are committed to continuous efforts in identifying and mitigating or controlling of risks involved in our business operation. In order to follow the mentioned policy, we shall:

1. Implement and develop occupational health and safety management system according to TIS 18001 and OHSAS18001 and to be complied with laws and regulations or other agreements that have been committed.
2. Improve and prevent hazards from machines, tools, fire, chemicals and hazards of moderate level and above as well as all levels of risks in the organization by setting annual occupational health and safety objectives and communicating to all stakeholders for implementation and continuous improvement.
3. Provide support in human resources, time, budgets and appropriate and adequate trainings
4. Announce to employees, contractors and operators that safety during business operation is everyone's responsibility as well as beyond work.
5. Review and evaluate performance to keep tracks of progress and to ensure compliance of safety policy.

Social and Environmental Awards Recognition 2006-2007

With the dedication and effort from executives and all employees of Toyota Motor Thailand Co., Ltd. to maintain high quality standard, increase efficiency, conserve the environment and continue our successes in every aspect, throughout the year 2006, Toyota Gateway Assembly Plant was bestowed “Industry Awards for Energy Management Category 2007” from the Industrial Promotion Department, Ministry of Industry. We are the first car manufacturer to earn this prestige award and our affiliated company, Thai Auto Works Co., Ltd., which assemble 4-wheel drive sport utility vehicle, Toyota Fortuner and double-cab Hilux Vigo won “Industry Awards for Quality Management Category 2007”

In addition to industrial awards, this year Toyota Motor Thailand Co., Ltd won other organization and labour related awards such as Thailand Corporate Excellence Awards 2006, labour relationship awards for 3 consecutive years, outstanding award for labour welfare 2006 and product oriented award such as Automotive Quality award 2006, etc.

Corporate & Employee Related Award

We have earned 7 “**Thailand Corporate Excellence Awards**” (out of 9 awards) which can be categorized into 3 excellences as follows:

1. Commitment to Innovation
2. Marketing Excellence
3. Commitment to Product Quality and / or Service Quality

Certificate awards can be categorized as follows:

1. Commitment to Social and/or Environmental Issues
2. Commitment to Energy Saving
3. Commitment to Human Resource Management
4. Overall Corporate Excellence

2004-2006 Outstanding award for relationship building from the Ministry of Labour

Outstanding award for labor welfare 2006, bestowed by the Ministry of Labour

TV commercial “Friend of Nature” has won the first runner up of the 6th outstanding TV commercial for consumers from the Office of Consumer Protection

Toyota was bestowed “Prime Minister’s Industry Awards” of the year 2006

Thai Auto Works Co., Ltd. won “**Thailand Energy Award 2007**” for energy conservation in Controlled Plant category and was selected as a Thai representative to enter “**ASEAN Energy Award 2007**” competition in Singapore. Recently, TAW, one of the affiliated companies won the first prize among ASEAN in this event.

Toyota Gateway Plant was trusted and regarded in energy management standard by the Department of Industrial Promotion, Ministry of Industry to bestow “**Outstanding Industry Award for Energy Management Category of 2007**”

Customers & Product Related Award

Toyota won J.D. Power Asia Pacific 2006 award from the survey of customer satisfaction in 2006 by asking 135 questions covering car operation in 9 aspects including driving and braking system, control, seats, ventilation and air-conditioning, audio system, exterior and interior design, engine, and transmission system.

- **Yaris** – Outstanding entry-level mid-sized saloon
- **Corolla Altis** – Outstanding mid-sized saloon (3 consecutive years)
- **Hilux Vigo – Standard type** – Outstanding 1 ton pickup truck for Industry Awards for Quality Management (2 consecutive years)
- **Hilux Vigo – pre-runnerd type** – Outstanding 1 ton cab-type pickup truck (2 consecutive years)
- **Hilux Vigo – double-cab type** – Outstanding 1 ton double cab pickup truck (2 consecutive years)



Toyota received “**Thailand Automotive Quality Award 2006**” (TAQA) at the Ministry of Industry. The awards include:

“**Sale Quality Award**” for commercial vehicle category

“**Product Quality Award**” for:

- **Corolla Altis** – small-sized passenger car
- **Camry** – large-sized passenger car
- **Wish** – multi-purpose vehicle



Toyota won 4 “**Car of the Year 2006**” award from Grand Prix International Co., Ltd.

- **Fortuner 3.0 V**
Best SUV: Diesel engine (2 consecutive years)
- **Hilux Vigo 3.0 G Extra cab 4 WD**
Best Pick-up: Cab 4WD (2 consecutive years)
- **Hilux Vigo D4D 3.0 G 2WD**
Best Fuel Efficiency: 3,000 cc (2 consecutive years)
- **Toyota**
Best Export





Mr. Suparat Sirisuwannangkura
Senior Vice President

Currently, everyone in the world is paying great attention to the global warming issue and trying to mitigate it. Without cooperation from everyone, there will be unavoidable adverse consequences to the world we live in.

We, therefore, are committed to acquiring state-of-the-art environmental technologies. At Toyota, we give our first priority to the factory which is considered as hardware. The third assembly plant was officially in operation on March 13, 2007 at Ban Pho District, Chachoengsao Province, with a capacity of 100,000 units/year. It utilizes the state-of-the-art technology to substantially conserve the environment including utilization of clean energy from nature, process water recycling, substitution of solvent-based paint with water-based paint, systematic waste management, etc. Overall, VOCs and CO₂ can be reduced several times lower than standards.

Automobiles, which are regarded as software, are developed under an environmentally friendly concept including energy efficiency (low fuel consumption, high performance), low exhaust emission, engine and fuel system development for compatibility with alternative fuels such as gasohol (E-10 and forthcoming E-20), Bio-diesel (B-5) or CNG (Compressed Natural Gas).

Moreover, restriction on the use of SoC (Substance of Concern) which means restriction on the amount of heavy metals in parts according to EU directives and an increase in the recycling contents are implemented.

Lastly, humanware which is a main driving force to protect the environment and reduce global warming must be trained and accumulate working experiences either in a factory or an office starting with implementation of 5Ss, energy conservation for lighting, using eco-friendly containers or packages and social contribution by introducing Stop Global Warming Project. In this project, in cooperation with Thailand Environment Institute, students under the Ministry of Education from all over the country are trained to understand about global warming issue and to conserve natural resources such as mangrove forests in a sustainable manner.

Over the past 10 years, Toyota Motor has been continuously implementing environmental management to improve working environment and reduce environmental impacts. Environmental committee is responsible for the implementation including monitoring of progress and brainstorming for the problem solving.

It is important, however, to encourage every individual in the company to be committed to improving and conserving surrounding environment of his own and to deliver useful information to all employees. To enhance efficiency, Toyota Motor Thailand Samrong plant, therefore, developed decentralized organizational structure to assign responsibilities for the operational level by establishing Shop Environmental Committee which comprises shop manager and operators in each area to identify environmental problems caused by company



Mr. Ekachai Ratanachaiwong
Senior Vice President

operations. We believe that better environmental quality can be achieved by everyone's cooperation and action. Shop Environmental Committee welcomes the requests and proposals for improvement from employees in that area which are backed up by

executives who follow up on the issues and visit the site of concerns to set the operation standard. This procedure will encourage every employee to be aware of common commitment to solving problems and conserving the surrounding environment.

In addition, we have formulated our environmental policy which was based on activities and environmental impacts specific to Samrong Plant in line with Toyota's Global Vision and policy given by the president. The first policy statement is to be obliged by the environment-related laws and regulations. The second statement is to make best efforts in continuous improvement for pollution reduction and prevention.

While global warming is becoming an issue closer to us than previously thought that has created tangible economic and social impacts, it had been under discussion for a long time without any serious concerns because it seemed too far.

Due to the fact that conserving and sustaining the good quality of the environment is a difficult and time-consuming task, Toyota Motor Thailand is committed and dedicated our human resources and technology as well as management support from every unit. This leads to the success and effectiveness of every project. It is our pride to adopt the main policy from our headquarter, ensuring compatibility with the governmental policy to achieve the leadership in environmental management nationally for automotive industry. The direction of our activities is based on the following visions:

1. Focusing on zero emission principle such as substitution to more environmentally friendly raw materials (water based), reduction of energy consumption with "Energy Saving Day" program and Idea Contest for continuous Kaizen development.
2. Focusing on Clean Technology to ensure that the pollution discharged from the factory is complied with legal standards by installing Membrane Bio Reactor (MBR) to support biological wastewater treatment and installing Wet Scrubber at battery-charging point to reduce acid vapor problem that may cause impacts on employees' health and the environment.

In addition, community relationship improvement project was included in the division-level policy. Hoshin Kanri, which is an educational support program for

The third statement is to ensure good understanding among employees to deliver highest effectiveness in environmental management. The last statement is to realize the significance of communications with local communities. Furthermore, we are committed to making employees' working environment better and livelier with resting corners like their second home.

Lastly, we truly hope that our company's good environmental practices will be implemented from members of Toyota's society which is filled with environmental conservation atmosphere. We hope that our practices will become a role model for ourselves and other companies to ultimately achieve better environment for the communities.



Mr. Surapong Tinnangwatana
Vice President

schools in impoverished areas, provides knowledge and awareness for environmental conservation and infrastructure for education. Mutual understanding on environmental conservation of the factory is promoted through site visits to see the cleaner production processes under the "Two Way Communication with Community" project. Moreover, Mangrove Reforestation project was continued for the second year to promote sustainable conservation of mangrove forest.

In addition to our commitment to research on minimization of environmental impacts by developing new technologies, we place importance on human resource development by providing trainings for our employees and our business partners to ensure goal achievement and sustainable development.

Thai Auto Works Co., Ltd. has been assigned to manufacture FORTUNER, sport utility vehicle, and D-Cab, double-cab pickup truck, since 2005. Our company is working very hard to achieve successes in the outputs, quality and continuous environmental quality improvement.

This report summarizes the environmental performances and other activities for the fiscal year 2006 (April 2005-March 2006) which covers the topics about highest energy and water efficiency, environmental impact mitigation and pollution prevention.

In 2007, our company was awarded “Thailand Energy Awards” and “ASEAN Energy Awards,” energy conservation and management competition which brought pride to Toyota group and encouraged us to achieve higher environmental targets. Our company has been implementing several environmental activities to achieve 2010 environmental targets of Toyota Motor Corporation within this year.



Mr. Suthi Chanwimaluang
Senior Vice President

I would like to express my gratitude to all employees for their efforts in achieving our goals through activity implementation.



Mr. Charnchai Suppayakorn
Vice President

Global warming has signaled the emerging dangers towards humanity. From the impacts observed around the world, we realize that it is everyone's duty to learn about the causes and take action to seriously solve the problem in order to survive this crisis.

As an automobile assembly business entity that also contributes to the global warming problem, it is an important duty of every person including executives and employees of Ban Pho Plant to jointly create livable society and befriend with surrounding communities, following the company's policy on making Ban Pho Plant a role model of eco-friendly plant.

For the main environmental programs of 2007 at Ban Pho Plant, in addition to ensuring the achievement of KPI targets as set in Annual Hoshin, employees must be encouraged to participate in other environmental activities such as energy conservation, reduction and segregation of waste and implementing environmental programs with communities by providing education and creative activities.

The next target is to make all employees aware that environmental problems can be alleviated by changing of their lifestyles from over consumption and generating too much waste, despite the unstoppable production expansion, to recycling society that maximizes the product life cycle which will eventually mitigate the environmental burden from waste.

Zero Emission

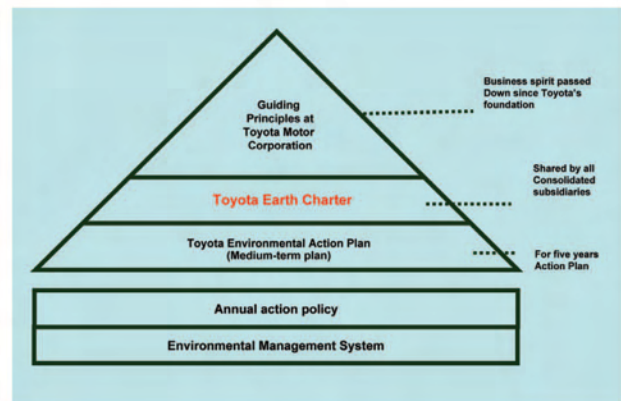
From the policy set by Toyota Motor Thailand that concerns global environment, guideline on environmental conservation was set in accordance with Toyota Earth Charter for affiliated companies to implement by using 5-year plan.

Guideline from Toyota Earth Charter, which aims to create a lively and sustainable society, consists of 4 components:

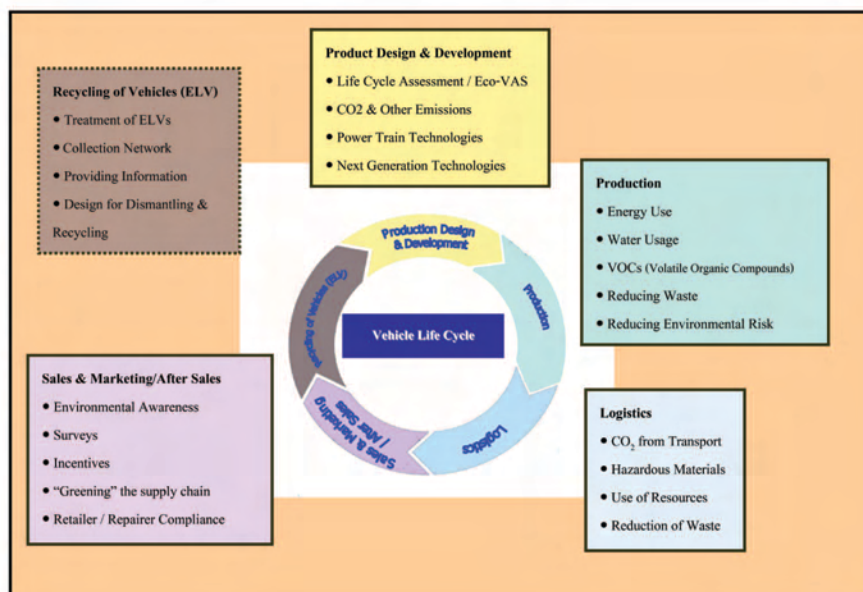
1. Support various activities to achieve Zero Emission or waste minimization target in all main business operations.
2. Acquire new technologies to minimize environmental impacts.
3. Set up a plan for the development of volunteers to participate in company activities to achieve environmental targets.
4. Cooperate with other agencies including government, municipality, Tambon administrations and business partners to conserve the environment

In order to achieve 5-year action plan targets, Toyota Motor Thailand has set the target to become the leader and the best company in environmental management in Thailand and therefore we develop guiding principles on the environment for the sustainability of Thai society.

The challenging guiding principle is zero emission in all aspects of operation including product design and development, production, logistics, sales and marketing/after sales. For the end-of-life automobile management, the company is preparing to follow the situation in Thailand.



To implement 5-year Environmental Plan for 2006-2007, Toyota Motor Thailand has allocated 112 million Baht for campaigning, protecting and mitigating environmental problems. In the theme of environmental performance, we focus on 6 major issues that can be implemented by using our human resources and their capacities. These activities include promotion of environmentally friendly products, energy conservation, waste reduction, water conservation, carbon dioxide emission reduction and VOCs reduction. These are based on Toyota Way principle that emphasizes continuous improvement. All employees worked together to brainstorm for activities to achieve the targets in the 5-year plan. In this report, main activities during 2006-2007 of each issue are published. Environmental data show several parameters that are taken into account for the environmental improvement.



Environmental Accounting

	Item	Description	Costs in Baht (Apr 05-Mar 06)			Costs in Baht (Apr 06-Mar 07)			Performance 06-07
			Samrong	Gateway	total	Samrong	Gateway	total	
Operation & Maintenance	Costs related to environmental measures	Waste treatment	4,463,518	2,454,912	6,918,430	6,181,496	2,569,382	8,750,860	27% increase
		Wastewater treatment	5,753,085	5,037,458	10,790,543	7,807,787	4,540,945	12,348,732	15% increase
		Monitoring (wastewater and air quality)	1,073,742	1,043,504	2,117,246	995,373	1,404,984	2,400,357	13% increase
	Environmental wages	Wages	-	-	8,784,000	-	-	9,486,720	8% increase
	Campaign and awareness building	Environmental report	-	-	340,527	-	-	471,000	38% increase
Investment		PR media	-	-	82,000			14,000,000	*
	Costs related to environmental measures	Air pollution prevention	-	60,000,000	60,000,000	404,500	0	404,500	99% decrease
		Wastewater pollution prevention	-	5,259,000	5,259,000	0	0	0	**
		Energy saving project	-	-	-	20,935,000	3,897,000	3,897,000	***
	Environment	Donation to environmental organization			10,387,490	-	-	37,037,000	257% increase
		Study and training			468,000			1,046,103	124% increase
		ISO certification	171,000	155,000	326,000	359,000	401,000	760,000	133% increase

* complied with environmental policy

** collecting data from the improvement project in fiscal year 2005-2006

*** complied with government regulations and Toyota Motor Corporation on energy saving

TMT Environmental Action Plan

Item	Action/Target (by end FY 2006)	Achievement (by end FY 2006)	Goals (5 year Action Plan)
Global Warming			
1. Management of CO ₂ emissions from TMT and affiliated Companies. To reduce CO ₂ Emissions by following TMC's Policy in 3 areas 1. Production 2. Logistics 3. After Sales	<u>Production: TMT</u> Ton CO₂ = 0.3332 Tons/unit Energy = 2.41 GJ/Unit <u>Samrong</u> Ton CO₂ = 0.265 Ton/Unit Energy = 2.20 GJ/Unit <u>Gateway</u> Ton CO₂ = 0.390 Ton/Unit Energy = 2.8 GJ/Unit <u>Logistic</u> Set a target in the end of Apr'07 <u>After Sales</u> Collecting data from all service centers	Ton CO₂ = 0.3058 Tons/unit Energy = 2.54 GJ/Unit Ton CO₂ = 0.256 Ton/Unit Energy = 2.18 GJ/Unit Ton CO₂ = 0.401 Ton/Unit Energy = 3.24 GJ/Unit Target was completely set. Data are input through the internet.	Ton CO₂ = 0.3060 Ton/Unit (by the end of 2010) Ton CO₂ = 0.29 Ton/Unit (by the end of 2010) Ton CO₂ = 0.35 Ton/Unit (by the end of 2010) 10% CO₂ reduction from 2006 among all vehicles in process 10% Energy consumption reduction from all dealer's service shops in year 2006
2. Promote the development of technologies to achieve the best fuel efficiency			Promote and Development of Green Energy to Public such as Gasohol E20, Hybrid, CNG, Bi-Fuel
2.1 To support social contribution activities in term of alternative fuels between TMC, TMAP-EM and other organization	Support Jatropa bio-diesel R&D project with Kasetsart University, Petroleum Authority of Thailand (PTT) and TMAP-EM	3 years project and cooperate with Kasetsart University, PTT and Public	
2.2 Promote development of clean energy vehicle - to expand customized design and conversion vehicle	1. HV Discussion 2. Technology Investigation 3. Sample unit launch 4. Customer feedback to TMC	Successfully promote and publicize clean energy vehicle CBU HV 2007 Prius	
3. Promote initiative to improve traffic flow via cooperation with government sector	1. Conduct follow-up meeting with government 2. Conduct Public ITS seminar at BITEC	Measures for traffic improvement were jointly developed with the government.	Initiative to improve traffic flows in cooperation with Government sector
Recycle of Resources			
<u>Reduce Wastes</u> <u>Production :</u> Promote the effective use of resources to further contribute to realization of a recycling based society	- Reduce waste by control at shop; - Increase recycling by promoting reutilization; - Reduce waste by using organic waste composting machine	Samrong Avg. = 7.57 kg/unit Gateway Avg. = 4.89 kg/unit	Samrong Avg. = 10.46 kg/unit Gateway Avg. = 4.92 kg/unit
<u>Logistics</u> 2006 : Grasp Situation (Part supply, service parts)	Target was set by April 2007	Target was completely set.	- Target is set for packaging and wrapping material - Implement reduction and kaizen activities
<u>After Sales</u> Focus on promotional media, it's will be recyclable at all	collect data and study	In Process	100% utilize recyclable material in dealer's promotional media
<u>Reduce water consumption</u> To control water consumption in process by focusing on m ³ /unit	Samrong Avg. = 3.03 m³/unit Gateway Avg. = 3.59 m³/unit	Samrong Avg. = 2.34 m³/unit Gateway Avg. = 3.35 m³/unit	Samrong Avg. = 2.90 m³/unit Gateway Avg. = 3.24 m³/unit

Environmental Performance

TMT Environmental Action Plan

Item	Action/Target (by end FY 2006)	Achievement (by end FY 2006)	Goals (5 year Action Plan)
Eliminate use of 4 SoCs			
Becoming leader in green product and environmental friendly	All Toyota products are SoC free	Develop SoC free for Camry, Vico, Altis, Yaris, and Vios	All products comply with SoC regulation volunteer to eliminate (in 2007)
Atmospheric quality : VOC emission			
To reduce air pollution, which emit into atmosphere for better atmospheric quality	Samrong = 53 gm/m ² Gateway = 50 gm/m ²	Samrong = 54.40 gm/m ² Gateway = 50.95 gm/m ²	Samrong = 50 gm/m ² Gateway = 55 gm/m ²
Strengthen Consolidated Environmental Management			
Global EMS Audit - To strengthen consolidated environmental management by following "No Major Non-Compliance Global EMS Audit"	No compliance so far	No major non-compliance	No.1 in Thailand and the Asia Pacific region
Further Promotion Environment at Business Sector			
1. Acquiring ISO 14001 certification for TMT's suppliers within FY2005	All suppliers certified ISO 14001	217 suppliers from 224 certified ISO 14001	All suppliers must be certified ISO 14001
2. Reduction of environmental impact in sales and after sales area by promoting ISO 14001 to dealers	201 service shops certified	216 out of 272 service centers were certified.	All dealers must be certified
Enhance environmental education			
To maintain and develop environmental, safety and health knowledge to employees	96% of planned courses were conducted	Completely conduct environmental, occupational health and safety training as planned	To maintain and develop environmental, health and safety training to all employees
Working in co-operation with Society			
To become the leading company in environmental concern	Promote/implement environmental, social contribution projects in nation-wide and local community	Projects have been done to support social contribution as per details: 1. Stop Global Warming Project (Year 2) 2. Health Garden for local communities 3. Mangrove reforestation at Bangpu 4. Nature Sustainable Learning Center (Bangpu Nature Education Center) 5. Environmental Seminars in 4 regions of Thailand 6. TVFC : All for Environment Theme	To be the most admired as the leading company in Thailand in theme of environment
Environmental Management			
Support environmental consciousness of Thai Society by marketing channels and PR	Sent internal news to employees	Send internal news by monthly	To be the most admired as the leading company in Thailand in theme of environment
Two-way communication	organized seminars by communicating with communities and government	1. Gateway Plant organized a two-way communication; 2. Preparing meetings for Samrong Plant and Thai Auto Works; 3. Preparing environmental seminars in Northern, Central, Southern and Northeastern regions.	To be accepted by local communities and government as a transparent and close tied company

Activities for the achievement of 5-year action plan targets

Clean product

Regarding our environmental concerns, Toyota Motor Thailand Co., Ltd. has started manufacturing automobiles without using Substances of Environmental Concern (SoCs) including Lead (Pb), Mercury (Hg), Cadmium (Cd), and hexa-valent Chromium (Cr⁶⁺) in their parts. Therefore, we must ensure SoCs-free products including parts produced in Thailand to allow worldwide export. From this restriction, Toyota Motor Thailand has reduced the use of SoCs in all car models manufactured in Thailand by the end of 2007

In addition to SoCs ban, there is another initiative which is Bio-diesel production from Jatropha for diesel engines. This project is cooperated by 4 organizations including Toyota Motor Thailand Co., Ltd., Toyota Motor Asia-Pacific, Kasetsart University and PTT (Public) Co., Ltd. All of 4 organizations have signed a memorandum of understanding to jointly conduct the project on July 13, 2006. The objective of the project was to study the life cycle assessment of Bio-diesel produced from Jatropha covering the cultivation, harvesting, extraction and use stages and their environmental impacts.

Under this project, 5 working groups were set up including

1. study of plantation techniques, selection of species, yield maximization technique and entomology
 2. study the bio-diesel production process that is suitable for the communities and the automotive industry
 3. study effects on materials in touch with bio-diesel produced from Jatropha
 4. study the effects on engines from using bio-diesel
 5. study impacts on vehicles and the environment from using bio-diesel produced from Jatropha.
- The details are shown in pictures



MOU signing ceremony among 4 organizations cooperating in Bio-diesel production from Jatropha



TASK	Leader	2006	2007	2008	2009
 WG1: Jatropha and Biodiesel Production Method	KU				
 WG2: Biodiesel Formulation	PTT				
 WG3: Material Compatibility	PTT				
 WG4: Engine & Injection Evaluation	TMAP-EM				
 WG5: Vehicle Evaluation	PTT				
Summary of the Project Report					

Regarding Toyota Motor Thailand's 5-year Action Plan for environmental conservation, all employees give their hands to develop working area and their assigned tasks to achieve the targets. From several activities implemented last year, targets were achieved. This year there are also activities to help reduce environmental impacts as follows:

Activities for carbon dioxide reduction

One of the activities for carbon dioxide reduction from the production is to find the appropriate air ratio for the combustion in the boiler. In this activity, which was technically supported by TMC, the best air/fuel ratio for producing steam of about 3-5% is recommended. This activity helped reduce 1.9 kg of carbon dioxide/unit which is equivalent to 236,700 baht saving/year.

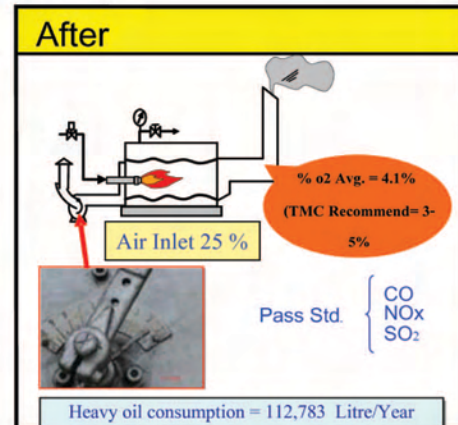
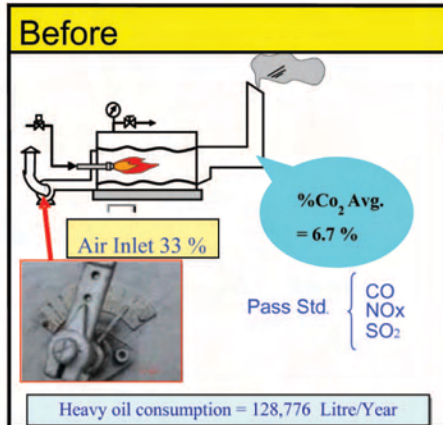
For logistics department, this is the first year that the 5-year target to reduce carbon dioxide includes logistics department activities after energy saving measures have been implemented for a while. In order to achieve the target, logistics department has implemented 2 main themes of activities for carbon dioxide reduction including:

Environmental Performance

Maximization of truck loading. Logistics department has replaced steel doors with canvas. This resulted in an increase of loading from 4 tons to 6 tons. In addition, a trailer was added to double the volume, resulting in an increase of loading from 25 m³ to 50 m³ as shown in the picture.

Standardization of pallet. Standardized pallet size can maximize the efficiency of stacking and loading. Pallet A and pallet B were designed to place on each other. Not only an increase in stacking, this design also speeds up the unloading time.

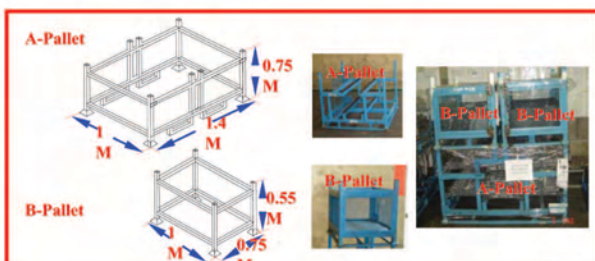
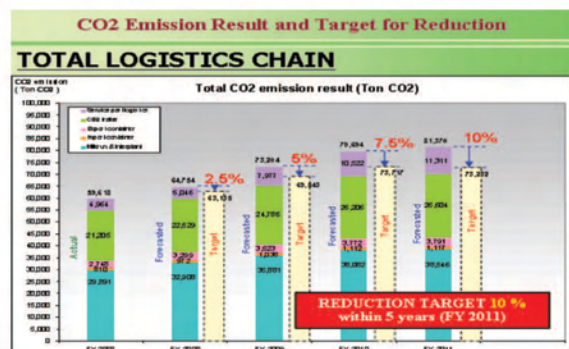
Activity to reduce carbon dioxide



Activity in Logistics



Increase truck capacity from 25 m³ to 50 m³



Type: Steel



Type: Canvas

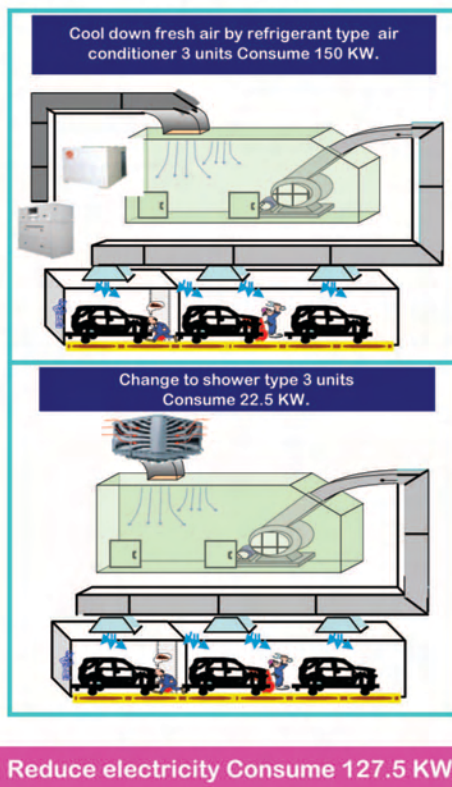
Increase weight capacity from 4 Tons to 6 Tons

Activities for Energy Saving

Due to the TMT Energy Reduction Contest, Toyota Motor Thailand Co., Ltd. has continuously reduce energy consumption and this year the winner of the contest is Steam Pressure Reduction in Boiler Project which will be discussed in TMT Energy Reduction Contest 2006 topic.

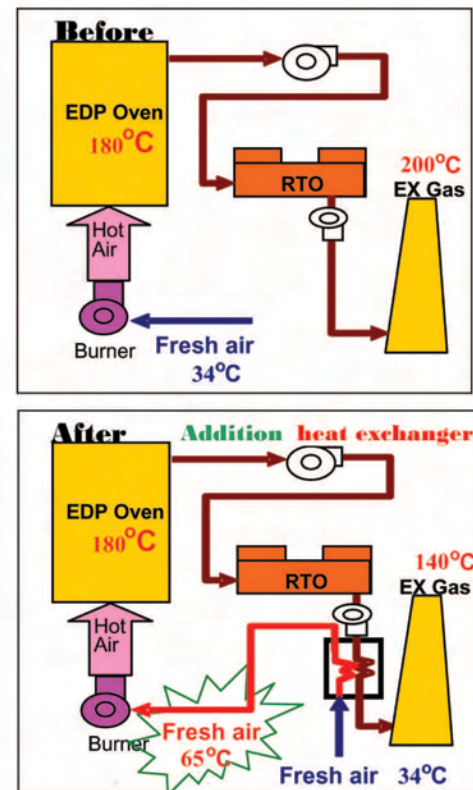
Outstanding activities for energy saving include replacement of air conditioning system from air cooling to shower type which reduced energy consumption from 150 kW down to 22.5 kW or reduction of 127.5 kW .

Change airconditioning system into shower type



Additionally, energy consumption of oven was reduced by pre-heating air before entering burner by exchanging with hot gas from stack before being released to the atmosphere. The temperature of air entering burner was increased from about 34 °C to 65 °C which reduce energy consumption of burner and help reduce the temperature of flue gas from stack. This project required an investment of about 3.5 million Baht, but it can save 1.7 million Baht annually. Therefore, the payback period is about 2 years. This activity could reduce energy consumption from 766.67 kW/unit to 675 kW/unit.

Energy consumption reduction of oven



TOYOTA Energy Reduction Contest

For the past year, TOYOTA Energy Reduction Contest 2006 was organized by adopting the policy from TOYOTA Motor Corporation (TMC). The winner from TOYOTA Motor Thailand will be given a chance to present his/her project in Japan with other 11 Toyota affiliated companies from other countries. The objective of this contest is to raise awareness among employees and support energy conservation as well as to be a pilot project "Global Environmental Award" of TMC.

Scope of this activity covers production process and transportation of goods. Target energy to be reduced includes fuel oil, oil, natural gas and electricity. There were totally 29 projects submitted by employees from Gateway Plant, Samrong Plant and Thai Auto Works.

This year winner is Mr. Seri Musa team from the predictive maintenance unit, Thai Auto Works. They proposed Steam Pressure Reduction in Boiler project which can reduce 1,152 kg/day or 4.80 kg of

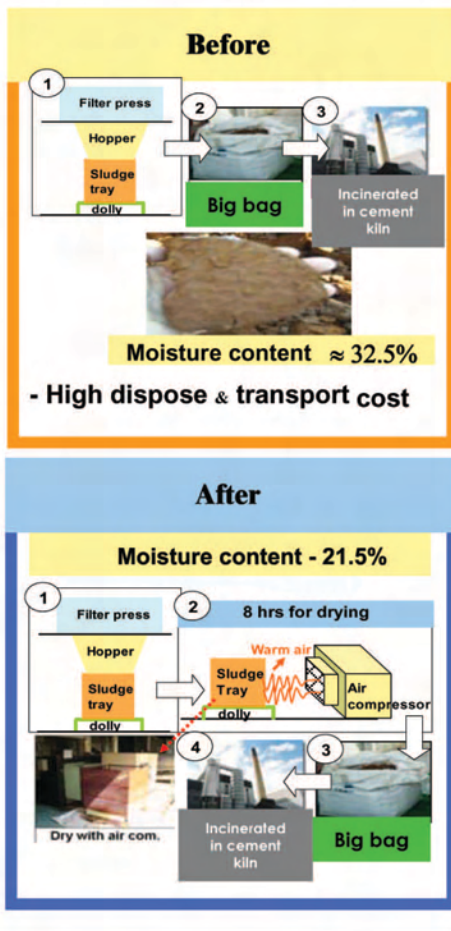


carbon dioxide/unit from using LPG. This can be achieved by modification of boiler which required virtually little time and no investment. This project was presented in Japan during October 20-25, 2006 along with other projects from 11 affiliated companies.

Activities for Waste Reduction

One of the most interesting last year activities for waste reduction is the reduction of sludge moisture from wastewater treatment. Usually after passing through filter press, sludge has a moisture content of 32.5% which makes the waste to be disposed of heavy. Therefore, sludge was dried in the area behind air compressor to utilize hot air for moisture reduction. It was found that moisture was reduced down to 21.5 % in 8 hours and 370 kg/day of waste was reduced without any investment in new equipment.

Reduction of sludge moisture

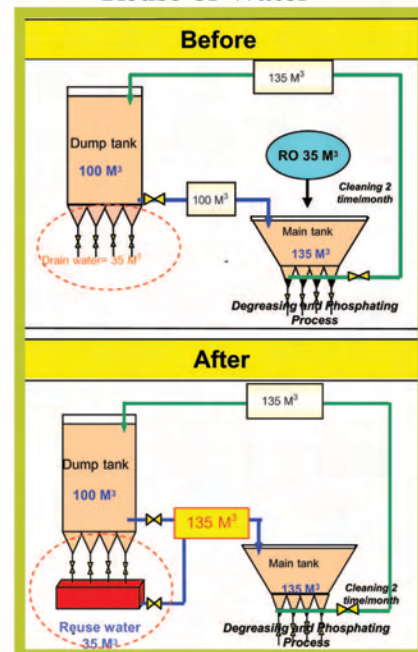


Activities for Water Reduction

This year, water consumption reduction activities include reuse of water in pre-treatment of parts before coating by ED system. In the past, cleaning of main tank required pumping of water to dump tank. After the cleaning is done, wastewater is pumped back to dump tank and partly discharged together with sludge. Then RO water and chemicals are added to ensure desired water quality.

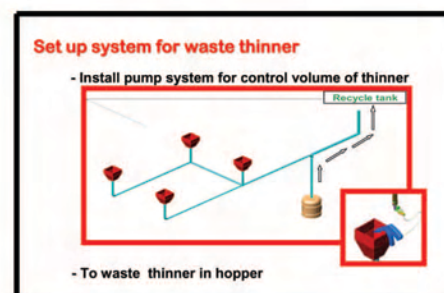
However, from the study, it was found that this part of water can be reclaimed. Filtration system was then installed to filter drained water and reuse it. From this activity, 0.0042 m³ of water/unit was reduced. In addition to water reduction, chemical additives used to treat water in the main tank were also reduced. This year 0.49 m³/Unit can be saved and resulted in water consumption of 2.68 m³/Unit.

Reuse of Water



Activities for VOCs reduction

This year the activities for VOCs consumption reduction include installation of receiving tray at the spray nozzle to collect thinner and pump it back for recycling and installation of pump to control thinner distribution. It was found that 0.8 g of VOCs consumption/m² could be reduced.



Environmental Performance

Environmental Performance Data

Energy Consumption

		FY2004 (Apr.05 - Mar.06)	FY2005 (Apr.06 - Mar.07)	Difference (FY2006 - FY2005)
Electricity Consumption (kWh)		185,614,290.00	171,043,120.00	-14,571,170.00
Energy Consumption	Gasoline (kl)	-	-	-
	Diesel (kl)	-	-	-
	Heavy oil (kl)	3,466.08	2,171.45	-1,294.63
	Kerosene (kl)	-	-	-
	Natural gas (m ³)	-	-	-
	LPG (m ³)	10,968.25	9,712.61	-1,255.64
Total Energy Consumption (kWh/Unit)		766.67	675	-91.67

Waste Generation

		FY2004 (Apr.05 - Mar.06)	FY2005 (Apr.06 - Mar.07)	Difference (FY2006 - FY2005)
Waste	Volume of incinerated waste (tons) <A>	2,630.22	2,541.99	-88.23
	Volume of landfill waste (tons) 	486.61	0	-486.61
	Volume of waste recycled (tons) <C>	73,584.24	73,216.48	-367.76
	Volume of waste generated (tons) <D = A + B + C>	76,701.07	75,758.47	-942.6
	Percentage of landfill waste (%) <B/D>	0.63	0	-0.63
	Total incinerated & landfill (kg/unit)	7.75	6.65	-1.1

Paper Consumption

	FY2004 (Apr.05 - Mar.06)	FY2005 (Apr.06 - Mar.07)	Difference (FY2006 - FY2005)
Paper consumption (Baht)	6,071,814.00	4,810,385.00	-1,261,429.00

Water Consumption

	FY2004 (Apr.05 - Mar.06)	FY2005 (Apr.06 - Mar.07)	Difference (FY2006 - FY2005)
Water consumption (m ³)	1,234,922.00	1,025,148.00	-209,774.00
Water consumption (m ³ /Unit)	3.07	2.68	-0.39

Environmental Performance Data

Water Quality

	FY2004 (Apr.05 - Mar.06)		FY2005 (Apr.06 - Mar.07)		Difference (FY2006 - FY2005)	
	S/R plant	Gateway plant	S/R plant	Gateway plant	S/R plant	Gateway plant
pH value	7.05	8.12	7.16	7.79	0.11	-0.33
Total Dissolved Solids, TDS (mg/l)	1,146.42	619.12	1,057.60	621.13	-88.82	2.01
Suspended Solids, SS (mg/l)	9.04	46.55	4.50	40.08	-4.54	-6.47
COD (Cr) (mg/l)	43.75	407.70	28.83	476.89	-14.92	69.19
BOD, (mg/l)	5.08	183.20	5.00	192.34	-0.08	9.14
Oil & Grease, (mg/l)	1.16	3.99	1.04	4.82	-0.12	0.83

Chemical Substance

	FY2004 (Apr.05 - Mar.06)		FY2005 (Apr.06 - Mar.07)		Difference (FY2006 - FY2005)	
	S/R plant	Gateway plant	S/R plant	Gateway plant	S/R plant	Gateway plant
Zinc, mg/l	0.18	0.17	0.10	0.12	-0.08	-0.05
Lead, mg/l	0.04	0.04	0.02	0.00	0.02	-0.04
Nickel, mg/l	0.67	0.19	0.58	0.14	-0.09	-0.05
Mercury, mg/l	0.001	0.001	0.001	0.000	0.000	-0.001
Copper, mg/l	0.04	0.03	0.02	0.00	-0.02	-0.03
Cyanide, mg/l	0.01	0.00	0.01	0.00	0.00	0.00
Chromium(III), mg/l	0.02	0.05	0.01	0.03	-0.01	-0.02
Chromium (VI), mg/l	0.01	0.00	0.01	0.04	0.00	0.04
VOCs, g/m ²	56.16		53.22		-2.94	
TSP, % with standard value	17.05	21.8	3.95	0.32	-13.10	-21.48
Pb: % with standard value	0.1	0.14	0.1	0.1	0.00	-0.04
CO: % with standard value	0.85	12.1	2.78	27.7	1.93	15.60
NO ₂ : % with standard value	10.25	16.2	7.9	0.14	-2.35	-16.06
SO ₂ : % with standard value	0.8	5.91	8.28	0.22	7.48	-5.69
Xylene: % with standard value	3.45	0.0005	1.36	0.0664	-2.09	0.07

It can be seen that 6 main activities that we have developed, along with cooperation from employees, have helped us to reach the targets. For other issues, cooperation from other organizations is required. They will be explained in Social Performance topic.



Mr. Chatchai Taveesakulvadchara
Vice President

Currently, countries around the world have been facing the global-warming-induced disasters. The United Nations Framework Convention on Climate Change (UNFCCC) and Intergovernmental Panel on Climate Change (IPCC) were, therefore, established to consider what can be done to reduce global warming, to cope with temperature increases and to assess information for the understanding of climate change, its potential impacts and options for adaptation and mitigation.

For Thailand, although the government has not come out with the tangible reaction and emission standard for greenhouse gases (e.g. methane, carbon dioxide, sulfur dioxide, etc), several international businesses and industries have encouraged public participation in tackling the problems through voluntary activities such as reforestation, energy conservation, etc.

Toyota Motor Thailand Co., Ltd. is well aware of the importance of this problem and implemented several programs such as energy consumption reduction in the factory, process improvement to minimize pollution, promotion of alternative fuel research and disseminate our environmental management programs to Toyota Network including suppliers and dealers.

Nevertheless, what we truly hope is to build awareness among all employees and the whole Thai society to better take care of the environment and to stop global warming by beginning with something that can easily be done in normal life such as saving electricity and fuel, planting trees, etc.



Mr. Pairoj Hiranruangrong
Vice President

Toyota Motor Thailand Co., Ltd. has adopted the policy from Toyota Motor Corporation on commitment to create and sustain better quality of the Thai society along with our company's growth. We give high priority to projects and activities conducted not only within TMT but also to those within our business partners. At present, Toyota dealers play an important role in social and environmental responsibility. 271 service centers, or 100% of service centers country wide, have been certified ISO 14001. Moreover, Dealer Environmental Risk Audit Program or DERAP is another program introduced to provide a guidance to our dealers to minimize environmental risks from their operations.

With our mission on safety as a fundamental program of our company, Completely Check Completely Find out (CCCF) program has encouraged dealers to monitor and identify possible hazards from their showrooms and service centers. Similarly, for the human resource development of our dealers, we introduced Dealer Human Resources Development Program to take care of 3 issues including recruitment system, employee royalty development through the study of salary and welfare and career advancement based on performance and knowledge.

I believe that with the dedication and whole hearted commitment to working together with highest standard between Toyota Motor Thailand and Toyota's dealers, customers' confidence and satisfaction can be created and will eventually give back to the sustainable development of the Thai society.

For the past year, Toyota Motor Thailand Co., Ltd. has encouraged stakeholders including customers, dealers and service centers, suppliers, employees, shareholders, and business partners to cooperate in environmental and social contributing development. This year, employee satisfaction index is at 67% which is in the best employer zone. We also place the importance of human resource development and sustainability together with local communities by increasing the proportion of Thai executives and local labors. This will directly result in our sustainability.

For employee aspect, we give priority in skill and knowledge development by establishing Toyota academy and AP-GPC to be especially responsible for this. We also promote off-the-job safety awareness by providing trainings on preventive car driving and motorcycle riding. For health aspect, we cooperate with No Belly Network and governmental organizations to implement pilot program on Model Organization on Health and we also established Toyota Fitness Center to accommodate company's expansion. From the above mentioned activities, it can be seen that we place great importance on employees' welfare.

Regarding social activities, this year we continue major activities from last year including Stop Global Warming Project, Ang Rue Nai reforestation and White Road Project to ensure livelihood of Thai society. Other activities implemented this year are Environmental development for learning project at Wat Sukkorn School, Health Garden for community and environment, environmental road show to schools and activities by Toyota Foundation that supports education, quality of life, environment and donation to other charity organizations. We emphasize on social development to sustainably grow together.

Stakeholders

Toyota Motor Thailand Co., Ltd. and affiliated companies support sustainable development in line with global society by holding Toyota Guiding Principles. We follow laws in Thailand and comply with regulations as well as operate our business with honesty to support sustainability. Interactions with stakeholders that will be elaborated next is considered important. We put our efforts to create and maintain good relationship with stakeholders through transparent and fair communications. Our stakeholders include:

Customer

We care for customers by keeping "Customer First" in mind. We develop and provide high quality, safe, outstanding and innovative products and services which serve customers' various demands for the better quality of life of people worldwide. We realize the significance of privacy; therefore, we protect personal information of our customers according to Thai laws.

Employees

We give precedence to employees and believe that business success is the result of individual creativity and good teamwork as well as urge for self improvement. We support equal career opportunities without discrimination and respect human rights. We do not tolerate any kind of child labor practices and encourage good labor union. In addition, we provide

clean and safe working environment for employees' health. We impregnate corporate culture and policy which help promote value of "Mutual Trust and Shared Responsibility" through PR media and direct communication for the success of employees and our company.

Business Partners

We cooperate with suppliers and dealers to create long-term relationship and to grow together under mutual trust. When new partners are required, we welcome them without discrimination of nationality or scale of their business. We evaluate them based on overall strength. The competition must be fair and transparent complying with Thai laws.



Shareholders

We dedicate to increase business profit while placing great importance in sustainable business growth for the benefits of our shareholders

Environment

We are committed to environmental responsibility in our business operation. We initiate the development and promotion of technologies that are able to harmonize the economic growth with environmental conservation. We create environmental awareness for the individual level and corporate level and expand it to others.

Society

We implement Respect Others principle by paying a respect to traditions and cultures as well as laws of Thailand. Moreover, we work hard to acquire safer and cleaner technologies to develop our products according to the changing demand of the society and

in accordance with sustainable development. We do not tolerate corruption among any types of business partners whether they are governmental or private or charity organizations. We maintain our integrity and fairness to public and private organizations.

Philanthropy

We are eager to promote and get involved in philanthropic activities that strengthen and enhance society.

Toyota Motor Thailand Co., Ltd. has continuously implemented several activities to serve the Toyota Guiding Principle. We have launched numerous projects for the support of sustainable development. We hope that all stakeholders share the same principle and follow the laws, regulations, and norms of the society.

Customers

We care for every voice of customer.

In addition to providing the best products to our customers, we are ready to offer after sales service to satisfy customers' needs. In order to fulfill customer satisfaction, long-term customer relationship has been developed through activities as follows:

1. Toyota Call Center

Toyota call center has been established to react immediately to customers' needs by providing related information, receiving comments, and coordinating to foster customer satisfaction. Toyota call center, as a one stop service, provides support from 7:00 to 19:00 daily and will be a 24-hour service in the future through 0-2386-2000 or 1800-238-444 (toll free, except Bangkok) and 0-2386-2021 (fax).

2. Customer Relationship Building (e-CRB)

The e-TOYOTACLUB website (<http://e-toyotaclub.com/th/>) provides automotive information as well as entertainment to Toyota members or general customers. Moreover, customer cars' history, registration information, car insurance, maintenance record, check-up and mileage check reminder, maintenance suggestion, news, and activities. Customers also register for SMS news on the website. The i-CROP is a record of maintenance for dealers in order to provide customers service appointment.

3. Customer Satisfaction Survey

Customer satisfaction survey on sales and service is monthly conducted in order to evaluate dealers throughout Thailand. In order to achieve quick response, the telephone interview is applied instead of mailing. In addition, the challenging goal of satisfaction values is set every year. The survey results will then be used for our improvement and strategic development to reach excellent customer satisfaction.



4. Dealers' Service Standards

Service standards, which are Dealer Evaluation Program (DEP), Dealer Sales Evaluation (DSE), Toyota Excellent Customer Relations (TECR), and Toyota Excellent Dealer After Sales Services (TEDAS), have been applied in over 300 Toyota service centers with specific evaluation organization which closely provides consultation and suggestion.

5. Training and Contest on Sales Skill and Customer Service for Dealers' Employees

As human resources of Toyota's dealers is important; therefore, Toyota Training Center has been established to provide training programs to sales, technicians, etc. Moreover, the Sales Skill and Customer Service Competition is held annually in order to seek for representatives to participate in Toyota international competition.

Response to Customer Complaint

Toyota dealers anticipate excellent customer satisfaction. The Complaint Handling Team and Support Team from various related departments are willing to response quickly. Additionally, managements, dealers, and related departments will be reported in order to solve the problems and provide preventive measures. To deal with customer complaint, KPI and target of solving time consumption is set: 5 days for normal problem and 1.5 days for severe problem. Furthermore, CR-Web Dealer which is a communication channel between Toyota and dealers is used to response quickly to customer complaint.

Satisfy Customers beyond Their Expectations

Continuous increase in Toyota service centers to provide customer satisfaction represents Toyota's principle. Strategic sales and service, improved to focus on quality and speed leading to the highest efficiency, is not only satisfying customers' needs, but also creating appreciation and loyalty to Toyota according to the principle from the president "Going the extra distance for customer satisfaction".



After Sales Service

In customer acceptance perspective, only products with good quality cannot fully create value. Systematic after sales service is a main stimulator in both current and future customer buying decision which can determine current business direction.

Quality improvement is not the only Toyota concern to ensure customer satisfaction; therefore, after sales service through over 300 Toyota service centers throughout Thailand has been developed. Over decades, Toyota dealers with Toyota Motor Thailand contribute social responsibility through environmental friendly processes.

According to strong environmental concern, Toyota service centers operate under environmental policy and strategies through the following activities:

1. ISO 14001

Since 2004, Toyota Motor Thailand has supported dealers in environmental management in accordance with ISO 14001. In order to achieve continual improvement, pollution monitoring and prevention is taken with the efficient evaluation audited by professional consultants and third-party organizations.

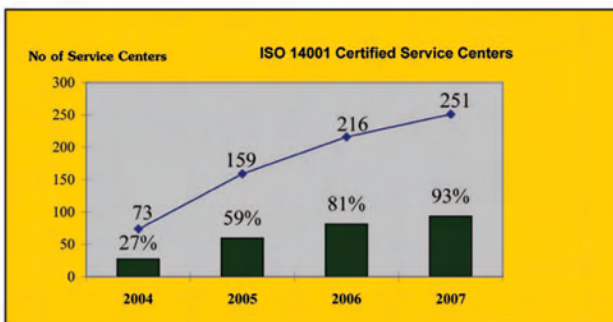
From the extended operation to dealers, 251 out of total 268 service centers, approximately 93% has been certified ISO 14001 in 2007 representing that Toyota Motor Thailand is the only automotive company which has the greatest certified ISO 14001 dealers in Thailand.



Proper Fuel Storage



Waste Storage Center

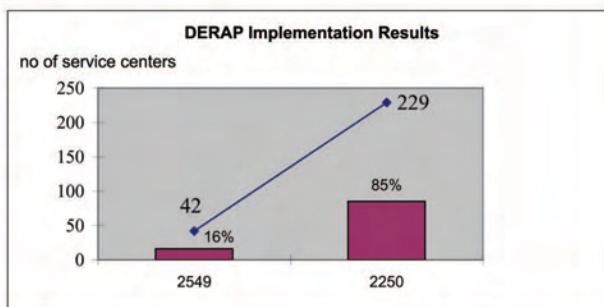


Steps for ISO 14001 certification



2. Dealer Environmental Risk Audit Program (DERAP)

DERAP was initiated by Toyota Motor Corporation (TMC) Japan that recommends Toyota service centers globally to apply it in their operation for controlling and minimizing environmental risks in the area. 5 basic requirements are described as follows:



In 2006, there are 42 Toyota service centers in Thailand that passed the audit and were certified by TMC. Within 2007, 229 service centers are expected to be certified.

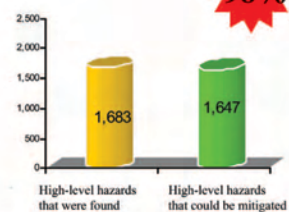
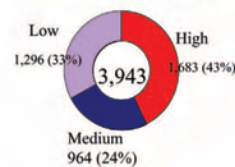
3. Dealership Safety Working Management Program

Due to our mission on making safety a priority issue, Toyota Motor Thailand pledges to follow this guiding principle. We implement **Completely Check Completely Find out (CCCCF)** program to maintain safety, monitor, search, mitigate and prevent risks by following the procedures:



In 2006, country-wide dealers identified hazard within their own service centers and successfully mitigated and prevented 98% severe level hazard from happening.

Hazards in Service Centers



This year is a Safety Promotion year. Individuals are encouraged to wear quality personal protective equipment during operation and ensure safety in workplace area by finding out risks and totally eradicating any risks.

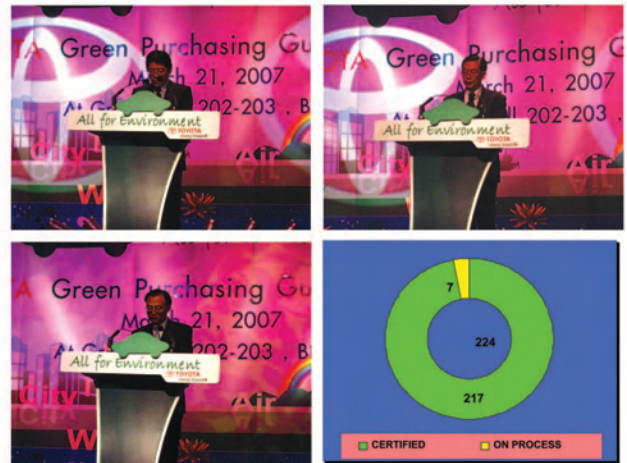


Examples of personal protective equipment

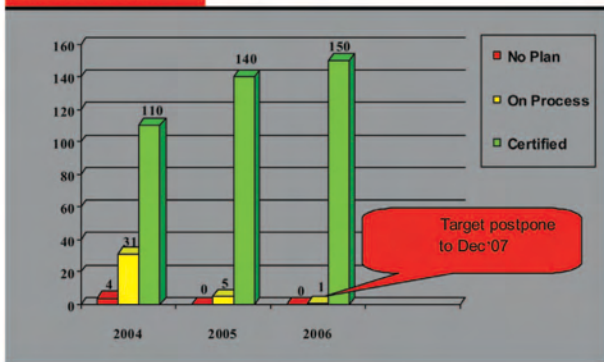
With the common goal of environmental conservation and safety among employees and workplace, morals of employees are lifted and fames can be brought to Toyota service centers that will play a good role in Thai society.

Suppliers

In 2006, Toyota Motor Thailand's purchasing department operated under the supplier development policy in environmental management by which 150 suppliers has been supported to be ISO 14001 certified and only last supplier would be ISO 14001 certified within 2007. In 2007, further scope of supplier development policy has been extended by adding STM's suppliers and affiliated companies as well as contractors, cleaning services, security guard service, and distributors. Only 7 companies are in the process of certification.



Conclusion of 2006



Toyota Green Purchasing Guidelines 2007, representing environmental responsibility, was published. Toyota Green Purchasing Guidelines 2007 Suppliers Meeting was held to inform suppliers the purchasing policy and ask for cooperation from over 300 companies currently dealing with Toyota Motor Thailand.



Not only is environment a Toyota Motor Thailand's concern, but also safety. Therefore, Completely Check Completely Fine out (CCCFF) has been activated since 2006. 140 suppliers joining the program can be categorized into 4 groups which will be considered for the next purchase.

1st Audit Result 2007



By supporting supplier, contractor, and distributor improvement, excellent environmental protection and safety in products and working conditions will lead to competitive advantage of Toyota Motor Thailand in automotive market.



Employee Satisfaction Index

Employee Satisfaction Survey

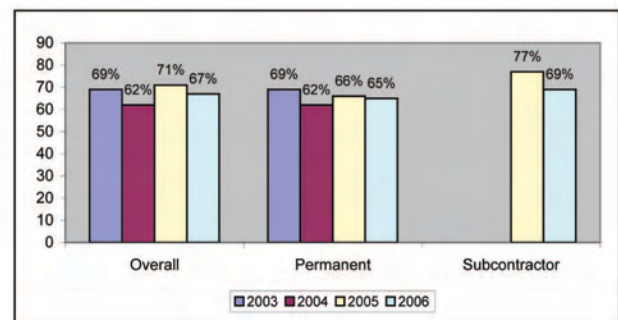
The employee satisfaction survey was conducted by an external consultant. The 6-Likert Scale survey consisting of 3 question categories;

1. general information,
2. close-end
3. open-end questions,

It was applied to 11,553 respondents or 90% from permanent employees and subcontractors of all affiliated companies.

In 2006, the employee satisfaction index showed 67% which was grouped into the Best Employer Zone and higher than Global High Performing Company. It was also shown successful human resources policy according to the pride of employees' performance, the opportunity of self improvement, manager support, and internal and external customer complaint management. Moreover, the survey revealed employees' feeling on Toyota Motor Thailand's safety concern.

Toyota Motor Thailand apply the survey result for improving employee satisfaction by setting People Issues in each level of the action plan. Toyota Motor Thailand's managements will brainstorm for future organization improvement and organization direction.



Employment

1. Management

Promotion and development of Thai management is important to TMT throughout 44 years in business. According to the business expansion, a number of Thai managers are increasing continuously. Presently, there are 60 positions of Assistant Manager up to Senior Vice President, while number of Japanese Coordinators and Advisors is decreasing in accordance with the self-reliance policy of the parent company.

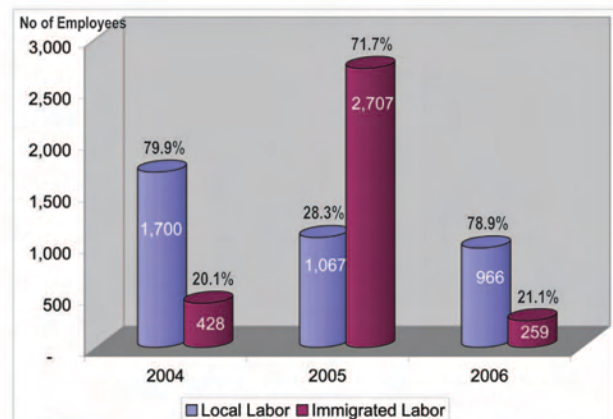
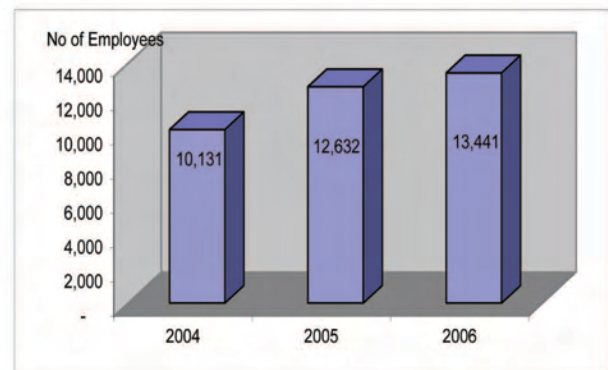
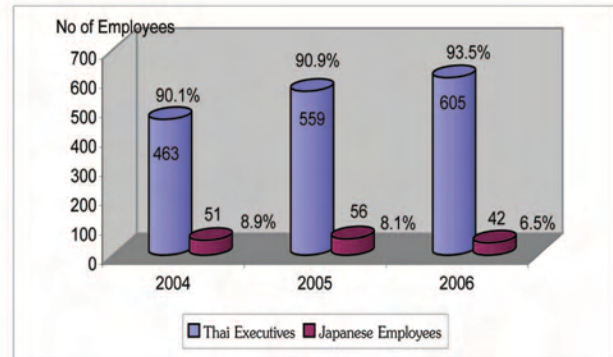
2. Employment from Business Expansion and Investment

This year the production for export is operated at Ban Pho Plant, Chachoengsao Province. The increase in approximately 1,000 positions such as engineers, technicians, officers, and operators leads to total of 13,441 employees. In 2007, TMT plan to employ more than 500 positions to serve the increase in production from the rising in domestic and international customer's needs.

3. Local Employment

Besides Equal Employment Policy, local employment is important to Toyota Motor Thailand. The employment of workers in Samut Prakarn Province and vicinity areas as the production capacity at Samrong Plant increases is an example. Similarly, workers in Chachoengsao Province and vicinity areas are employed this year according to the operation at Ban Pho Plant.

Toyota Motor Thailand realizes that human resources are a valuable asset. Therefore, continuous training and skill development as well as career path development have been initiated together with standardized performance appraisal, competency appraisal, promotion, and rotation in order to develop career progress and security for all employees.



Toyota Academy Thailand (TA)

Toyota Academy Thailand, TA, is a main human resources management of Toyota Motor Thailand. In order to develop competitive advantage, TA also provides management development for affiliated companies, suppliers, and dealers.

Mission of TA

The mission of TA is to be a human resources development center for Toyota Motor Thailand and upgrade the running of Toyota Motor Thailand business and its network in globalization by excellent human resources management. TA serves not only internal employee development, but also business networks development with the participation from managements of affiliated companies, distributors, and dealers.

Employee Development and Toyo Networks

Human resources management of Toyota Motor Thailand focuses on employee's core competency. Designed trainings cover all competency levels; management, operation, and office.

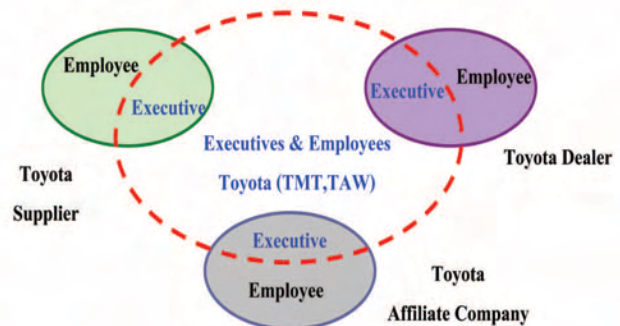
1. Training Roadmap

All employees have training roadmap, which is set as a core course, as a guideline for their career path.

Besides the core course, elective course, which can be conducted through e-learning (self-development) or external trainings can be obtained according to specific job characteristics.

2. Skill Development System

Skill Development System (SDS) is applied to the operation. The operation has to pass the fundamental safety skill training and shop floor training with practice. Moreover, Visual Manual (VM) provides understanding in operation and original Japanese standards (translated into Thai). Through SDS, a system for working life plan development, employees' skills will be developed accordingly by which employees can take the examination for higher level (from C to A).



Moreover, the contest of production skill for operation and management teams from shops (within the plant, among the plants, and among companies in Asia Pacific Region) will be held from October, 2008. Besides, training roadmap and skill level will be a factor for promotion consideration.

Employee Development Success

Since 2004, when TA was established, more than 24,000 of employees and 800 of managements and dealers have participated in the training provided by TA, and over 100 programs provided every year are internal trainings.

The employee development success is not only achieving targeted trainings, but also maintaining and developing quality to accomplish the higher standards. Toyota Motor Thailand with affiliated companies and academic institutes intend to develop the course and trainer quality, for example, Global Content and trainer development which were developed by Toyota Institute (TI) in Japan, and management development which was developed by cooperation with Chulalongkorn University, Thammasat University, and National Institute of Development Administration (NIDA).

Furthermore, Asia Pacific Global Production (Training) Center (AP-GPC) which was established in 2006 supports IMV project success through the development of employee skill.

Asia Pacific Global Production (Training) Center (AP-GPC)



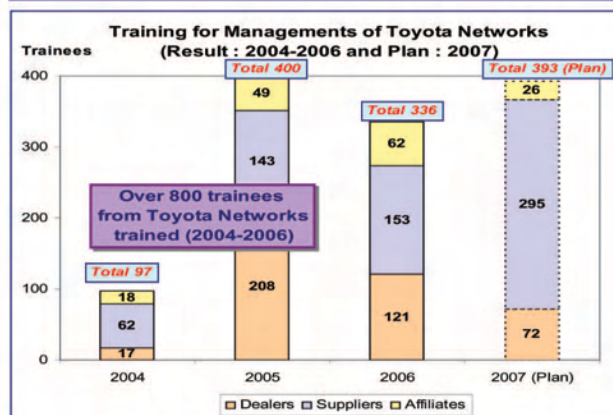
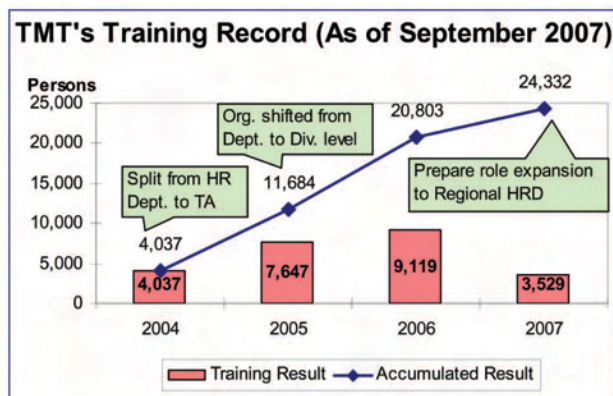
The 4th production training center outside Japan, Asia Pacific Global Production (Training) Center (AP-GPC) has been established for operation development to achieve the quality and global standards. Last year, two trainings provided by AP-GPC were basic operation and trouble shooting training in which total of 2,681 trainees attended (see graph for more details). Besides internal training, programs for external observers are also provided by AP-GPC.

Safety Dojo Training

Safety Dojo was established to develop safety concern for TMT's operational employees in order to achieve safety policy, "Zero Accident". Currently, Safety Dojo provides safety concern development to the international employees in Asia Pacific Region such as India, Indonesia, and Malaysia. Safety concern will be held on the first day of the Trainer's training (FST3) which includes both in-class training and practicing at Safety Dojo.

Trouble Shooting Training Course

Basic education of equipment troubleshooting is provided in order to reinforce machinery operation for operational employees especially maintenance. At AP-GPC, furthermore, models such as Pneumatic simulation and HUB conveyor are used for practicing.



Safety Promotion Activities

Toyota Motor Thailand follows the principle of Toyota Way which is regarded as a building block DNA of Toyota. One of the main pillars of Toyota Way is mutual respect by promoting safety among employees. It is seriously implemented by including in the policy from executives that states "Safety comes first and safety is everyone's responsibility." We, therefore, give high priority to the promotion of safety among employees and expanding our concerns to other stakeholders such as affiliated companies, parts suppliers, contractors and dealers.

We are dedicated to create and promote active safety continuously to search, identify, mitigate and control risks involving our business operation. In 2006, several activities were introduced to promote safety including:

1. Safety and Environment Promotion Month

During the whole month of June 2006, activities were launched to allow participation of all employees. The main objectives were to raise awareness of employees, to provide opportunities to all employees to check and identify hazards in their work areas and propose solutions, and to tighten relationship among employees, supervisors and executives.

2. Expansion of Completely Check Completely Find Out activity to part suppliers, contractors, affiliated companies and dealers.



Toyota Motor Thailand Co., Ltd. has provided training course on “Basic Principles of Motor Cycle Riding Safety and Defensive Driving (car)” to employees for the second year.

In addition to knowledge dissemination through training, road safety activities were promoted internally through E-mail and computer desktop as well as distribution of printed documents, especially during long holidays.



Basic Principles of motor cycle riding safety



Communication of road safety messages through employees' emails



Promotional wallpaper on employees' screen desktop



Defensive Driving (car)



Pocket-sized emergency card distributed to all employees

White Road Project

Started in 1988, White Road Project was initiated to create and build traffic awareness for road users and youths in safety and driving ethics. This project is cooperation among governmental authorities such as Highways Police Division, Department of Highways, Department of Land Transport, and Ministry of Education. Activities under White Road Project conducted during 2007 are as follows:

Shortcut and detour map for the North and Northeast of Thailand during festive holidays was produced to reduce accidents which are causes of traffic congestions, under cooperation of Toyota Motor Thailand and Highways Police Division. The maps are distributed to road users and interested public around the country. In addition, Toyota Motor Thailand, Traffic Police Division, JS 100 Radio Station, Traffic Pro FM 91.0 MHz, and Ruam Duay Chuay Kan Radio Program helped promote the map and distribute them.

Toyota Motor Thailand and Traffic Police from Royal Initiative Project held “Car Checking before Going,” another alternative for reducing road traffic accidents, for road users who would travel during festivals.

During New Year and Song Kran festivals, the film advertisement, under “The Great Gift” concept was made to create safety awareness for those traveling back home during long hoilidays. Moreover, the stickers under White Road Project were distributed from 4 points in Bangkok in cooperation with Highways Police Division.



“Milky Way School Visit” is another activity with the objective of promoting traffic regulations and building traffic awareness to youths as it is believed to be the beginning of road traffic accidents reduction and building discipline on rules of the road. 25,458 students from 50 private primary schools in Bangkok, Samut Prakarn, and Chachoengsao have participated in the activity.

This year, an activity under White Road Project is Risk Alert Post Installation (162 points throughout the country) in cooperation with Toyota Motor Thailand and Highways Police Division. The post not only reminds road users of careful driving, but also reduces road traffic accidents.

Safety driving is promoted through various activities by Toyota Motor Thailand in order to promote disciplinary driving which would sustaniably lower traffic problems in Thailand.



Health Promotion Activities

Toyota Motor Thailand participates in “Healthy Organization Model” and “No Belly Network” with 7 other members; Department of Health of the Ministry of Public Health, Thai Military, Ang Thong Province, I.C.C. International Public Company Limited, MCOT Public Company Limited, the Siam Cement Group, and Thai Health Promotion Foundation. The objective of the corporation is to campaign in reduction the risk of metabolic syndrome by developing the understanding of human resources which will lead to behavior modification and healthy model.

To be the member of the activity benefits not only metabolic syndrome employees, but also organization in reducing the impact on performance, safety, medical care cost, and absenteeism rate. Moreover, the metabolic syndrome is a Toyota Motor Thailand’s major concern which employee awareness and behavior modification are important. Therefore, pilot projects such as “New Year, No Belly” and “Role Model, Weight Control” are initiated and the sustainable weight controlling plan for overweight employees will be continued.



Toyota Fitness Center

In order to promote employees’ health, Toyota Motor Thailand intends to be an organization which promotes employees’ health. Therefore, Toyota Fitness Center was established in 2006 in order to be a recreational area for Toyota Motor Thailand’s employees in both good health and quality of life.



2006 Toyota Motor Thailand's Social Contribution

3rd Stop Global Warming Project

The 3rd Stop Global Warming Project is cooperation of TMT and Thailand Environmental Institute (TEI) in order to campaign on energy conservation and reduce greenhouse gas emission which is the cause of global warming. As an urban population is the main energy consumer; therefore, the environmental management in an urban area is challenging. Several measures should be taken in order to deal with the global warming including building public conscientiousness and activating public cooperation in natural resource conservation. According to the sustainable development concept, the climate would be sustained for our next generation.

Public Education focuses on “Stop Global Warming” through local communities in each region of Thailand. Working teams have been appointed and Core Working Team Seminars were held in order to

educate locals and build public conscientiousness in global warming. The problem solving is expected to be applied for each local community. Furthermore, Stop Global Warming Youth Camp was held to develop the core working team for local global warming.

The objective of the project is to reduce energy consumption and release of greenhouse gases through 4 main activities; electricity saving, waste reduction, green area increasing, and energy consumption reduction with the cooperation of the “Core Team” from municipalities, schools, teachers, and students. During past 2 years, by cooperation with 70 schools and 60 municipalities in 45 provinces throughout the country, more than 2,300 tones of greenhouse gases have been reduced.

In the 3rd year, 30 municipalities and schools have been selected to join the project and will gradually expand the project to cover 76 provinces of Thailand.



Environmental development for learning at Wat Sukkhakorn

This project is one of Toyota Motor Thailand's social contributions organized at Wat Sukkhakorn, Samut Prakarn Province. In order to develop skill, students will experience hands-on experiments related to the environment. Students and community experience were developed sustainably through science garden, pesticide-free vegetable garden, nature observation center, herbal garden, sufficiency economy area, and environmental improvement in school.



Health Garden for Society and Environment

Each of two health gardens has been provided to Ban Pho National Housing Authority and Plang Yao Hospital for environmental improvement and healthy promotion to community around Toyota Motor Thailand's plants (Ban Pho Plant and Gateway Plant). Exercise is not only a fundamental of healthy, and a key to relationship within a family, but also drug abuse avoider. TMT also gave medical equipment to Plang Yao Hospital.



Environmental Education in Schools

This project provided environmental protection occurring in the current world businesses. In order to build public conscientiousness to students and public, several organizations such as Chevron, and DTAC including environmental organizations such as WWF and WildAid campaigned in environmental friendly technologies and environmental conservation. In the exhibition, TMT provided information on Biodiesel from Jatropha, pollution control in TMT, and environmental friendly plants. Moreover, Toyota Prius Hybrid, which highlighted energy conservation, received highly public interest.



3rd Mangrove Forest Plantation and Nature Observation Center of the Royal Thai Army (Bang Poo) 2007-2009

Since the project has been initiated in 2004, over 30 rais of mangrove forest has been developed with approximately 20,000 mangroves. This year 22 rais of mangrove forest will be further developed which will contains 50,000 mangroves totally. The objective of the mangrove forest plantation is to breakwater, protect the shore, increase green area around the shore, and breed and nurse marine animals. Additionally, returning sea crabs to the nature will maintain ecological balance.

Furthermore, Nature Observation Center of the Royal Thai Army (Bang Poo) in Honour of the Seventy-second Birthday Anniversary of Her Majesty Queen Sirikit which was developed under cooperation of Toyota Motor Thailand, the Quartermaster Royal Thai Army, and WWF (Thailand) for public education especially youth. The program provides sustainable knowledge in consistency with Ministry of Education's curricular. The total budget of 9 million Baht from 2007 to 2009 will be supported to operate the center such as building a bird watching tower, developing nature trails, developing water circulation, building mangrove forest and the Gulf of Thailand information center, creating nature learning exhibitions, developing basic nature learning manual, and providing activities (mangrove forest conservation and wetland development).



Forest Plantation

Toyota Motor Thailand supported 3 million Baht for 1,000 rais of forest plantation in Animal and Wildlife Reserve Protection Area of Khao Ang Reu Nai including maintenance for sustainable forest and buffer zone. The objective of the forest plantation is to promote learning to live with the forest and the environmental conservation. The Animal and Wildlife Reserve Protection Area of Khao Ang Reu Nai, consisting of the forest edges of 5 provinces; Chachoengsao, Srachaew, Chonburi, Rayong, and Chantaburi, is the largest lowland forest in Thailand. However, the protection area has been encroached continuously affecting ecological balance in the near future.



Toyota Thailand Foundation (TTF)

Toyota Thailand Foundation is an organization established by Toyota Motor Thailand to promote and support all levels of education, quality of lives of Thai people and the environment as well as to cooperate with other charity-oriented organizations. This year marks the 15th anniversary of the foundation. The activities implemented include:



(million Baht)	2003	2004	2005	2006	2007
Endowment by TMT	50				
Spending classified by objectives					
▪ Education support	10.26	9.40	9.00	19.25	20.95
- Primary –secondary school level	8.00	7.20	7.50	16.00	16.45
- University level	2.26	2.20	1.50	3.25	4.50
▪ Quality of life	3.50	4.50	3.50	5.25	5.80
▪ Environment	0.50	1.50	1.00	0.00	0.00
▪ Support other charity-oriented organizations	2.00	0.00	0.00	1.50	0.00
Total Spending	16.26	15.40	13.50	26.00	26.75

1. Support all levels of education

It is the 4th year of constructing Border Patrol Police School buildings project. This year the 5th school building at Border Patrol Police School in Ban Mong Kua, Umphang District, Tak Province was constructed.

Scholarship donation project in the northern region which is now under the management of Mae Fah Loung University faculty and volunteer teachers in the area aims to provide education to the scholarship recipients until graduation of university level.

In addition, scholarships for nurse students project has been launched since 1995. The fund was set up to provide loans without interest for nurse students in remote areas in the northern 8 provinces to have educational opportunities. The graduates are guaranteed job availability by cooperating with the Ministry of Public Health to provide career opportunities in local medical centers.

The second hand book project aims to encourage the public to donate used books for children and youth. It was cooperated by several organizations including Ministry of Education, Bangkok Metropolitan Administration, Toyota Dealer Club and schools in BMA district



2. Promote quality of lives of society

TTF, in cooperation with Public Health Faculty, Khon Kaen University, have introduced the agriculture for lunch in school campaign for 65 schools through school cooperatives. Activities are implemented under “Quality Lunch for Everyone and Everyday” concept and 15,000 Baht per year are allocated through the cooperative.

TTF and Thai Red Cross support the operation costs for harelip children to help them live their normal lives. Each year, TTF allocates about 1,500,000 Baht for the operation of 300 children. Since 2002, TTF has supported over 1,000 children.

TTF Award was set up in 1995 with the objectives to promote high quality researches and academic works by supporting in publishing valuable papers or books and bestowing awards for outstanding works in 4 categories including Social Science, Anthropology, Environment and Science.



In addition, TTF has supported historical, arts and cultures studies as well as studies of neighboring countries. TTF has cooperated with Social Science and Anthropology Textbook Foundation in organizing seminars, trainings and publishing books. This year's theme is Ayudhaya Studies.

3. Support other charity-oriented organizations

Since 1996, TTF and Dr. Sam Pringpuangkaew Foundation have supported scholarships for orphans who lost their parents due to AIDS. The project was conducted in 6 upper Northern provinces. At present, there are about 1,354 children under our care.

Ban Tawan Mai Project has been in operation since 1996, in cooperation of Drugs Protection and Prevention Foundation. This project provides a shelter for children and youths who were drug addicts and provides physical and mental rehabilitation to bring back their quality of lives. These children are also provided scholarships for higher education.



Over the past several years, Toyota Motor Thailand has been committed to not only highest quality products, maximum customer satisfaction and being the first rank in sales, but also being the leader in environmental management.

At present, environmental problems pose significant and widespread impacts on the whole world. Global Warming is becoming the most important problem that mostly caused by industrial and transportation sectors which release green house gases such as carbon dioxide, methane, nitrous oxide and CFCs to the atmosphere.

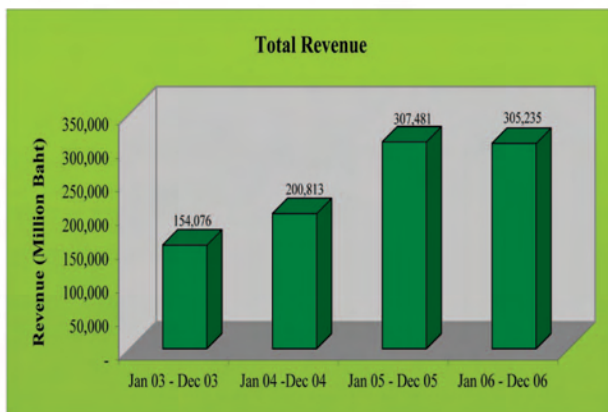
Toyota Motor Thailand which is a part of automotive industry, is aware of the significance of these problems. Therefore, activities and projects have been implemented to alleviate global warming. These activities which include energy saving and utilization of more environmentally friendly source of energy, etc, have been extended to dealers and all stakeholders to be more concerned with environmental problems. Stop Global Warming Project was therefore introduced to educate youth and general public on climate change and global warming and encourage them to cooperate in prevention and mitigation global warming problem.

It can be seen that Toyota Motor Thailand does not focus only on sales volume, but also give priority to environmental management to partly contribute to the Thai society for the sustainable development.

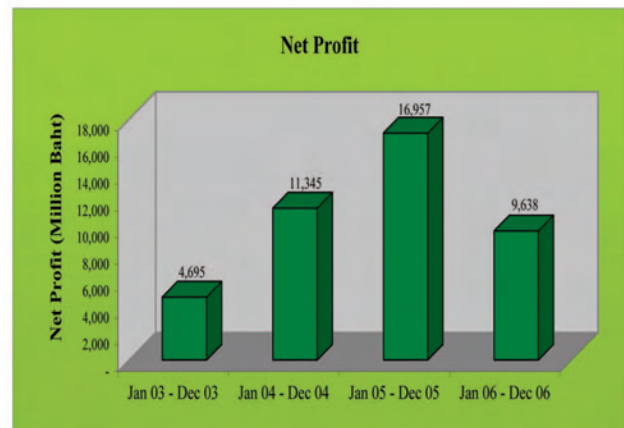


Mr. Wichien Emprasertsuk
Senior Vice President

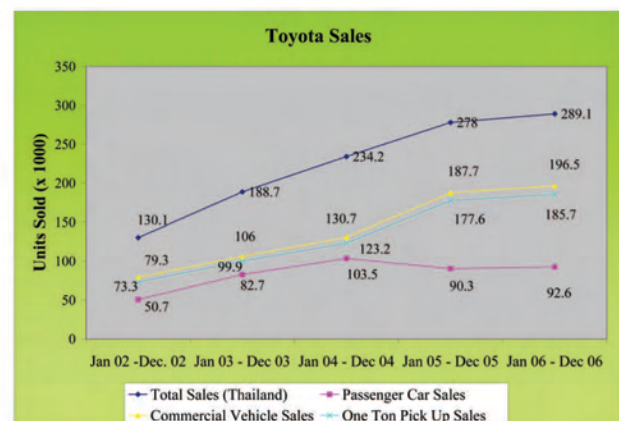
In fiscal year 2007, Toyota Motor Thailand had similar total sale volume as the previous year. However, due to the strengthening of Thai Baht, our revenues and profits were down. With the total sale volume of more than 400,000 vehicles, an increase of 600 units or 0.1% increase, the total revenue earned was more than 300 billion Baht or 0.7% drop. This resulted in the net profit of more than 9 billion Baht or 40% reduction. This year is regarded as another successful year for Toyota Motor Thailand as the 4th consecutive year of sale increase and with the market share of 42.4%, ranking No.1 in overall, passenger car, commercial car nad 1-ton pick up truck market.



For 1-ton pick up truck market, Hilux Vigo and Fortuner ranked No.1 in this market with more than 40% market share and 4.5% growth. Especially in pick up truck market, excluding modified truck, Toyota has ranked No. 1 for the first time in 9 years with Hilux Vigo sales of more than 160,000 units with 39.3% market share.



Last year, results of export market showed that Toyota still ranked No.1 in exporting market with the total number of 196,000 completely built units which can translate into 86,000 million Baht and 30% growth with 38% market share. Moreover, Toyota has exported 22,202 containers of spare parts valuing 33,600 million Baht. Total export value exceeded 120,000 million Baht which is equivalent to 35.7% of Thai automotive industry export.



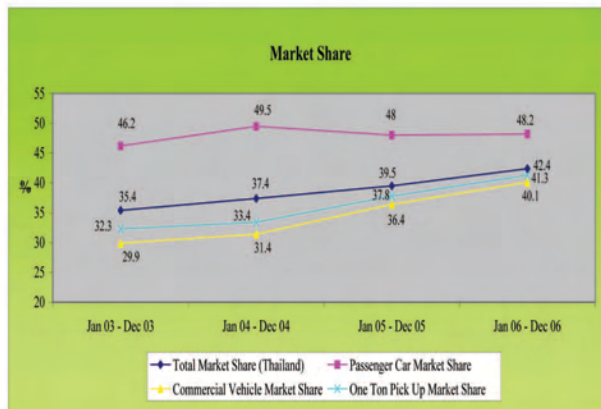
Sales Record of Toyota Motor Thailand in 2006

Sales volume (domestic)	No. 1 Toyota 289,108 units	4% growth, 42.4% market share
Passenger car	No. 1 Toyota 92,566 units	2.5% growth, 48.2% market share
Commercial	No. 1 Toyota 196,542 units	4.7% growth, 40.1% market share
1-ton pick up truck*	No. 1 Toyota 185,709 units	4.5% growth, 41.3% market share
1-ton pick up truck**	No. 1 Toyota 166,358 units	14.9% growth, 39.3% market share

* including modified pick up

** excluding modified pick up

In 2007, Toyota Motor Thailand set the sales target at 295,000 units equivalent to 2% growth compared with 2006 result and expected to have a market share of more than 42%. This year, we started the operation of Ban Pho Plant in January to serve the need of export market. Initially, the production capacity is about 100,000 units. The export target was set at 193,000 units or 77,000 million Baht and 39,400 million Baht for spare parts. Totally, export value is expected to reach 116,400 million Baht. We aim to be one of the leading production bases around the world in terms of safety, quality and cost management to develop Thai automotive industry to offer the highest satisfaction for Toyota customers and support a number of social contributing activities for the benefits of Thai society.



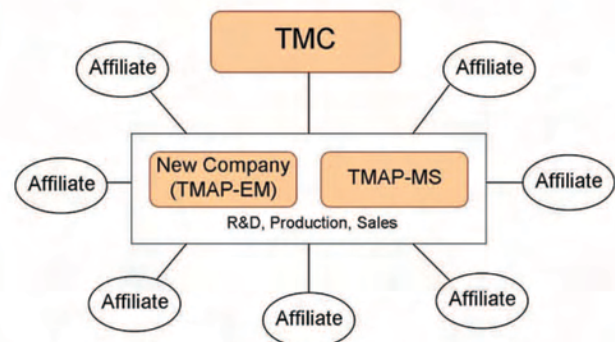
Motor	Engine	Emission Standard
CAMRY 	2GR-FE	EURO 3
	2AZ-FE	EURO 3
	1AZ-FE	EURO 3
WISH 	1AZ-FE	EURO 3
COROLLA 	1ZZ-FE	EURO 3
	3ZZ-FE	EURO 3
YARIS 	1NZ-FE	EURO 3
VIOS 	1NZ-FE	EURO 3
FORTUNER 	1KD-FTV	EURO 3
	2TR-FE	EURO 3
HILUX VIGO 	2KD-FTV	EURO 3
	1KD-FTV	EURO 3
	2TR-FE	EURO 3

Toyota Motor Asia Pacific Engineering & Manufacturing Co., Ltd. : TMAP-EM

Toyota Motor Asia Pacific Engineering & Manufacturing Co.,Ltd. : TMAP-EM Reporting to Toyota Motor Corporation (TMC), TMAP-EM was established on April 1, 2007 for production development in Asian countries; Thailand, Indonesia, Malaysia, the Philippines, and Vietnam, and non-Asian countries; Australia, India, Pakistan, and Taiwan. The major roles of TMAP-EM can be categorized into 3 groups as follows:

1. Supply auto parts to Toyota Motor Thailand (TMT) and Siam Toyota Manufacturing Company Limited (STM). Also supply part and service part to TMT's affiliated companies in Asia-Pacific.
2. Provide technical assistance to TMT's affiliated companies in Asia-Pacific such as production preparing for new products, supplier searching, pricing, reducing cost, construction controlling in increasing regional production capacity, distributing production information center, and training organization.
3. Research and development new products in the region, reinforce R&D team, develop compatible parts, improve car accessories for each country.

It can be seen that Thailand is a potential regional center as supported by Toyota Motor Corporation, and the office and training center which will be finished in 2008 will begin the operation of TMAP-EM.



Toyota Pavillion at Royal Flora Ratchapruck 2006

It is a highest honor of Toyota Motor Thailand to be a part of organizers in the Royal Flora Ratchapruck 2006. Following the Royal Initiated Projects, three projects which were energy alternative plants: biodiesel from jatropha and palm, Rachamongkol Rice Mill, mangrove forest plantation for the King were shown on the area of 1,600 square meters with the main building in the following:

1. Showing video room for His Majesty the King with 180 degrees panoramic screen
2. Exhibition on the Royal Initiated Projects supported by Toyota Motor Thailand such as jatropha plantation plot from biodiesel research and botanical information on palm oil and jatropha
3. Exhibition on the King's rice plot, Rachamongkol Rice Mill, rice quality inspection, tasting jasmine rice from the Rachamongkol Rice Mill
4. Ecological information on mangrove forest, various plants, Bang Poo mangrove forest, simulation of natural mangrove which the voice of water absorption can be heard from attaching ear to the mangrove picture

Toyota Motor Thailand is appreciated to be a co-organizer to welcome all visitors of the Royal Flora Ratchapruck 2006 and to be in a historical of Thailand's most valuable expo.



Company Outline

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