

Toyota in Europe



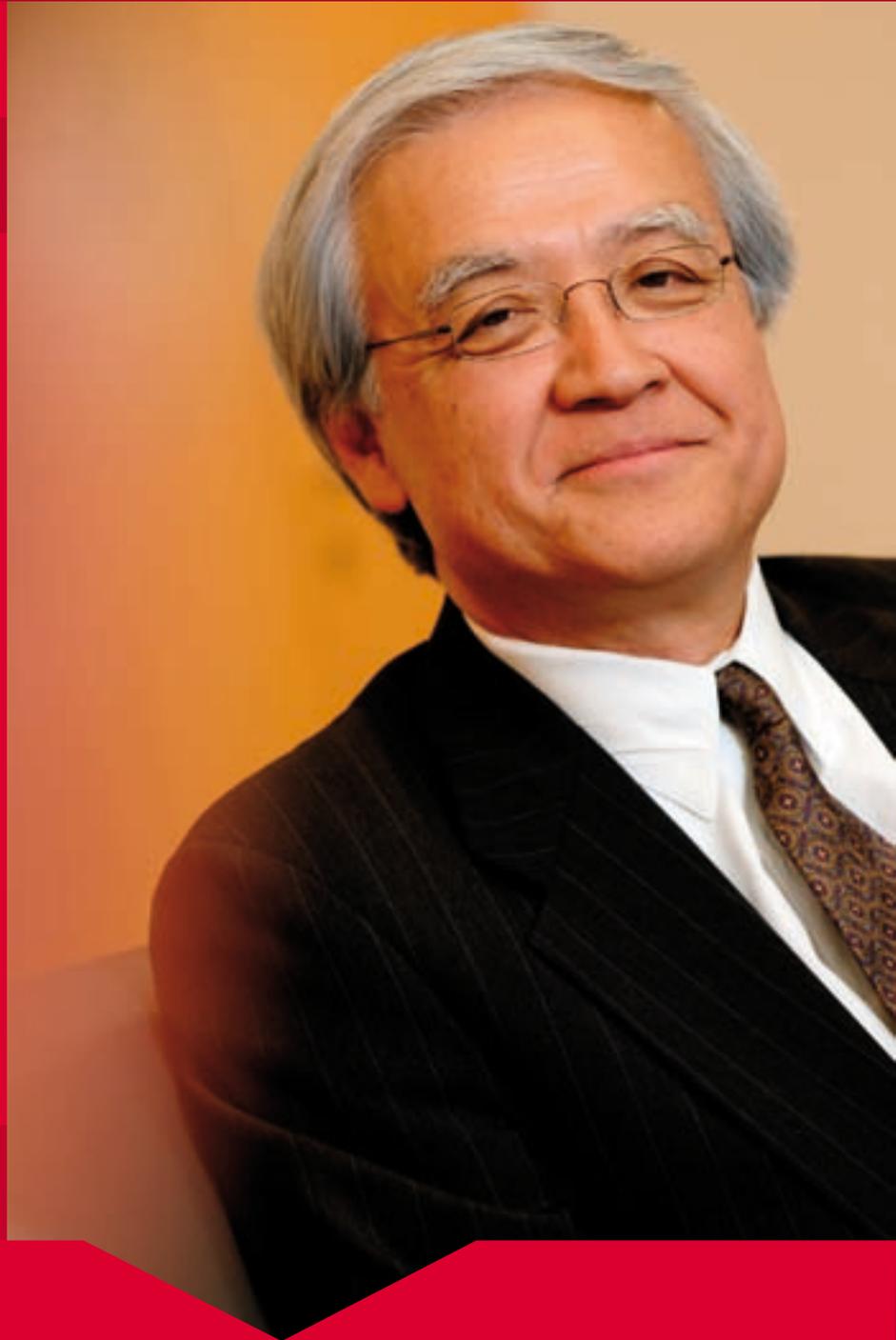
TOYOTA

改善

Kaizen

“Continuous improvement.
As no process can ever be declared perfect,
there is always room for improvement.”

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Foreword

Dear Reader,

Since the early 1960's, Toyota's presence in Europe has grown and changed, keeping pace with the changing vehicle tastes and requirements of the European public. Since 1992, when the first of our European production facilities was opened in the UK, Toyota has invested over €6 billion throughout Europe. We now employ over 55,000 people, have eight European manufacturing facilities, and a ninth set to become operational in Russia in 2007. But the construction of vehicle and engine assembly plants is only part of the story.

Over the past year, we also expanded our technical centre in Belgium, investing an additional €75 million to ensure that Toyota and Lexus vehicles continue to meet the high engineering and design standards of European customers. Another major investment was the new European Global Production Centre in the UK, established for the training of production staff and supervisors from all over Europe. Toyota also continues to invest heavily in the training of our engineering and management staff, as well as our retail and marketing teams. Programmes such as Toyota's Graduate Development Programme, the School for Retail Development and the Management Development Programme have been designed to ensure that all of our personnel are highly trained in their respective fields.

There is one reason, and one reason alone, why we continue to invest so heavily in our facilities and people, and that is our uncompromising commitment to quality. Quality matters to Toyota because Toyota puts the "customer first". That means we strive to ensure that our vehicles are the safest, most reliable, best performing and most enjoyable cars on the road. That in turn requires that our people be the best trained and motivated in the industry, and our facilities, equipment and processes, second to none.

As a responsible corporate citizen, our concern extends beyond products to our natural environment. That is why Toyota also continues to invest so heavily in research and development of new and environmentally friendly technologies, such as our ground-breaking hybrid technology. Our efforts in this area have become the hallmark of Toyota's business philosophy for the 21st century, making us the industry leader in environmental technologies. Of course, at Toyota we also continue to develop and expand our social contributions, devoting an increasing percentage of our resources to strengthening our interactions and engagement with the communities we serve. With steadily increasing direct and in-kind contributions in Europe, Toyota Motor Europe continues to fulfil its commitment to economic, environmental and social stewardship, doing its utmost to help create a prosperous European society in the 21st century.

Tadashi Arashima

*President & CEO
Toyota Motor Europe*

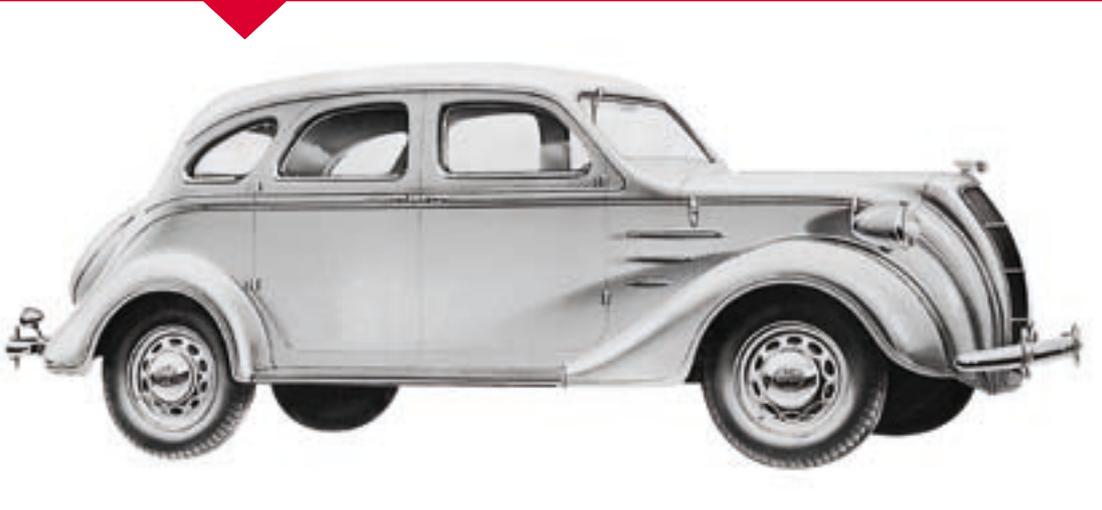
1 From Looms to Cars: Toyota's History

Toyota is one of the world's largest automobile manufacturers, selling over 8.8 million models in 2006⁽¹⁾ on all five continents. A Top 10 Fortune Global 500⁽²⁾ enterprise, Toyota ranks among the world's leading global corporations and is proud to be the most admired automaker⁽³⁾, an achievement the company believes stems from its dedication to customer satisfaction. Toyota has been shaped by a set of values and principles that have their roots in the company's formative years in Japan.

The Toyota story begins in the late 19th century, when Sakichi Toyoda invented Japan's first power loom, which was to revolutionize the country's textile industry. In January 1918, Sakichi founded the Toyoda Spinning & Weaving Company, and with the help of his son, Kiichiro Toyoda, he fulfilled his lifelong dream of building an automatic loom in 1924. Two years later, he established Toyoda Automatic Loom Works.



Automatic looms



Model AA (1936)

(1) Including Hino and Daihatsu (2) As published in the 2006 edition of Fortune magazine, (3) As published in the 2006 edition of Fortune magazine



Sakichi Toyoda was the inventor of automatic looms and founder of the Toyota Group. In 1937, Sakichi's son, Kiichiro, established Toyota Motor Corporation, which continues to thrive and grow today.



Mr. Kiichiro Toyoda

Like his father, Kiichiro was an innovator, and during his visits to Europe and the U.S. in the 1920s, he became deeply interested in the nascent automotive industry. Making the most of the £100,000 that Sakichi Toyoda received for selling the patent rights of his automatic loom, Kiichiro laid the foundations of Toyota Motor Corporation (TMC), which was established in 1937. From looms to cars, the Toyota experience has been shaped by extending the boundaries of manufacturing.

Opening to the world

Apart from TMC itself, one of Kiichiro Toyoda's greatest legacies is the famous Toyota Production System.

Driven by the need to make more with less while ensuring the best possible quality and reliability, Kiichiro invented and fine-tuned his "just-in-time" philosophy, which allowed the company to reduce in-process inventory and efficiently produce only precise quantities of pre-ordered items with a minimum of waste. This approach was to become a key factor in the company's development, along with its philosophy of

consistent respect for people and the environment. In due course, the Toyota Production System, with its emphasis on continuous improvement, the value of employee commitment and superior quality, would be recognized as a true benchmark in the eyes of the global automotive industry.



TOYOTA

Toyota Motor Corporation has been voted the global most admired motor vehicle company by Fortune 500 global executives in 2005 and 2006, ranking first in the industry for quality, social responsibility and globalness. The company was voted the 2nd most admired global company overall.



Toyopet Crown RS (1955)

Rising from the ashes of industrial upheaval in post-war Japan, Toyota has become the largest vehicle manufacturer in its home country, gaining more than 40% of the national market. By 1980 Toyota in Japan had rolled out its 30 millionth car, and by the turn of the century the figure had risen to 100 million.

Outside of Japan, Toyota first started making inroads into foreign markets in the late 1950's. The first Toyota Crown models arrived in the USA in 1957, and by 1965, with cars like the Toyota Corolla, the company had steadily built both a reputation for customer service and satisfaction and sales figures to rival those of domestic automakers. In 2004, annual Toyota car sales in the U.S. surpassed the 2 million mark, with 1.4 million vehicles and almost 1.3 million engines manufactured in the U.S.

On the other side of the Atlantic, the first official Toyota imports to Europe took place in Denmark in 1963, and since then, the corporation has continued to grow in Europe's sophisticated and complex market. In 2006, Toyota delivered its 15 millionth vehicle in Europe and achieved record sales results for the tenth year in a row. Toyota's continued expansion in Europe was marked by the recent start of construction of the company's ninth European manufacturing facility, located in St. Petersburg, Russia. The plant is set to become operational in December of 2007.



Toyota Crown (1957)



Toyota Corona

1918
 1933
 Mid 1930s
 1936
 1937
 1957
 Late 1950s
 Early 1960s
 1980
 1992
 1997
 1999
 2000
 2002
 2003
 2004
 2005
 2006

1918 Sakichi Toyoda founds Toyoda Spinning & Weaving Co.,

1933 Kiichiro Toyoda, Sakichi's son, creates automobile department.

Mid 1930s Toyota Production System: Kiichiro Toyoda implements "just-in-time" production, and coins term.

1936 Production of the Model AA begins.

1937 Establishment of Toyota Motor Co., Ltd. (TMC).

1957 First Toyota Crown models imported in the USA.

Late 1950s Toyota Production System: Taiichi Ohno develops the "pull" production system and implements "Kanban" – a concept that reduces production lead time and inventory.

Early 1960s First Toyotas sold in Europe.

1980 Toyota's historical domestic vehicle production reaches 30 million units.

1992 Toyota publishes first version of its Earth Charter, which sets guidelines for the development of environmentally friendly vehicles and production technologies.

1997 The Toyota Prius, the world's first mass-produced hybrid car, is launched.

1999 Toyota Yaris named European Car of the Year 2000. Toyota's historical domestic vehicle production reaches 100 million units.

2000 Toyota revises its Earth Charter, including goal of zero emissions and participation in creation of a recycling society.

2002 First Toyota Fuel Cell Hybrid Vehicle marketed in Japan and the USA.

2003 Second-generation Toyota Prius unveiled.

2004 Toyota Prius named European Car of the Year 2005 and North American Car of the Year.

2005 Toyota begins gasoline and diesel engine production in Poland. Toyota/PSA Peugeot-Citroën plant (TPCA) in Czech Republic begins production. Hybrid sales top 500,000 units worldwide. New Toyota Yaris awarded top safety rating of 5 stars in Euro NCAP safety test. Groundbreaking for new vehicle manufacturing plant in Russia (TMMR).

2006 Toyota opens expanded R&D centre in Belgium and the European Global Production Centre in the UK.



Spinning & Weaving Co. (1918)



Corolla 1100 (1966)



Toyota Yaris named European Car of the Year 2000

2 Global Toyota

Toyota Motor Corporation is one of the world's leading automobile manufacturers, offering a full range of models from small passenger vehicles to trucks. Toyota's global annual sales, combined with those of Hino and Daihatsu, totalled 8.8 million units in 2006, generating almost €152.4 billion (¥21.04 trillion - ¥138/1€) in net revenues. Toyota has 52 manufacturing companies in 27 countries and regions excluding Japan, and markets vehicles in more than 170 countries, supported by a consolidated workforce of over 285,900 people.





Europe

Toyota has been operating in Europe since the early 1960s. In 2006, the company sold over 1,124,000 units in Europe. Based in Brussels, Belgium, Toyota Motor Europe NV/SA handles the wholesale marketing of Toyota and Lexus vehicles, parts & accessories, and manages Toyota's European manufacturing and engineering operations.



Toyota Motor Europe

2006 figures⁽¹⁾:

Total unit sales: 1,124,119 Regional market share: 5.8% Total employees (direct): approx. 22,000



South Africa Motors - Audton, Gauteng

Africa

Toyota's two principal manufacturing operations are located in Kenya and South Africa, where it has been market leader for more than 20 years.

2006 figures:

Total unit sales: 265,652

Oceania

With production based in Melbourne, Australia – where Toyota has been present for over four decades – Toyota also operates marketing organizations in New Zealand, Guam and Papua New Guinea.



Toyota Motor Corporation Australia

2006 figures:

Total unit sales: 250,333

(1) Toyota and Lexus brands. Companies listed are those with annual sales of 1,000 units, or more, in 2006.



Toyota Motor Corporation Australia - Melbourne, Australia



Toyota Motor Engineering & Manufacturing North America Michigan, USA

North America

Toyota Motor North America is a holding company for Toyota's North American sales and manufacturing operating units, and coordinates business activities for all of Toyota's North American companies. Its 14 manufacturing sites make cars, trucks, forklifts, catalytic converters, engines and wheels. Toyota is now one of the largest manufacturers in the North American region. In under a decade, Lexus has grown into the top-selling brand in the highly competitive American luxury car segment.

2006 figures:

Total unit sales: 2,542,524

Regional market share: 15.4% (only US)

Latin America & the Caribbean

In Latin America, Toyota manufactures vehicles in Argentina, Brazil, Colombia, Mexico and Venezuela. The company markets a broad range of products through an extensive marketing network covering 40 countries.

2006 figures:

Total unit sales: 339,388



Toyota do Brasil Ltda. - São Paulo

Middle East and Southwest Asia



Indus Motor Company - Karachi Pakistan

After launching manufacturing operations in 1982 in Bangladesh, Toyota now has 5 manufacturing sites in this region, located in India, Bangladesh and Pakistan. A total of 16 marketing organizations handle the sale of Toyota's products throughout the region.

2006 figures:

Total unit sales: 404,793



Toyota Motor Manufacturing Indonesia



Toyota Motor Thailand

Asia

Toyota operates in all of the larger Asian economies and has a total of 22 manufacturing operations in China, Indonesia, Malaysia, Thailand, the Philippines, Vietnam and Taiwan. A total of 14 sales organisations also operate in the region.

2006 figures:

Total unit sales: 1,106,732

Japan

Toyota's Global Headquarters (Toyota Motor Corporation, or TMC) is based in Japan (Toyota City, in the Aichi Prefecture). In addition to its 12 proprietary plants in Japan, Toyota has marketing, public relations in Tokyo, overseas operations offices in Nagoya, and runs an extensive R&D organization with technical, design and research centres in Toyota City, Tokyo (Hachioji City) and Shizuoka Pref. (Susono City), as well as a proving ground in Hokkaido (Shibetsu). Toyota is the clear market leader in Japan. TMC's subsidiaries include bus and truck manufacturer Hino Motors, and the compact vehicle manufacturer Daihatsu.

2006 figures:

Total unit sales: 2,368,000

National market share: 41.3% (incl. mini vehicles)

Total employees: approx. 65,800



Tokyo Head-Office



Toyota City Head-Office (TMC)

3

Toyota in Europe

Toyota first began selling cars in Europe under an official distributor agreement in 1963. Since then, the company has matured into the leading Japanese car manufacturer in this highly competitive market. Toyota has invested over €6 billion throughout Europe since 1990, and currently employs over 55,000 people, both directly and through retailer channels. Toyota's operations in Europe are supported by a network of 28 National Marketing and Sales Companies in 48 countries, a total of 3,000 sales outlets, and eight manufacturing plants, with a ninth under construction in Russia. As an important player in Europe, Toyota continues to grow, both geographically and in terms of market share – with the goal of putting its customers first.



Toyota's European Head Office



Toyota Europe Design Development (ED²)



ED²

Toyota has invested over €6 billion throughout Europe since 1990 with the aim of designing and manufacturing vehicles that address the needs of European customers.

Guided by a clear vision of a sustainable future, Toyota has developed a wide range of vehicles powered by excellent new petrol and diesel engines. The company is also an acknowledged leader in environmental technologies, such as hybrid (petrol/electric), clean diesel and fuel-cell drive systems.

An expanding network and family

Toyota believes in a policy of localization, adapting its vehicles to meet the specific needs of Europe's varied customers. This means the company's operations in Europe – be they manufacturing, research and development or marketing – are generally located within the continent to serve the local market.

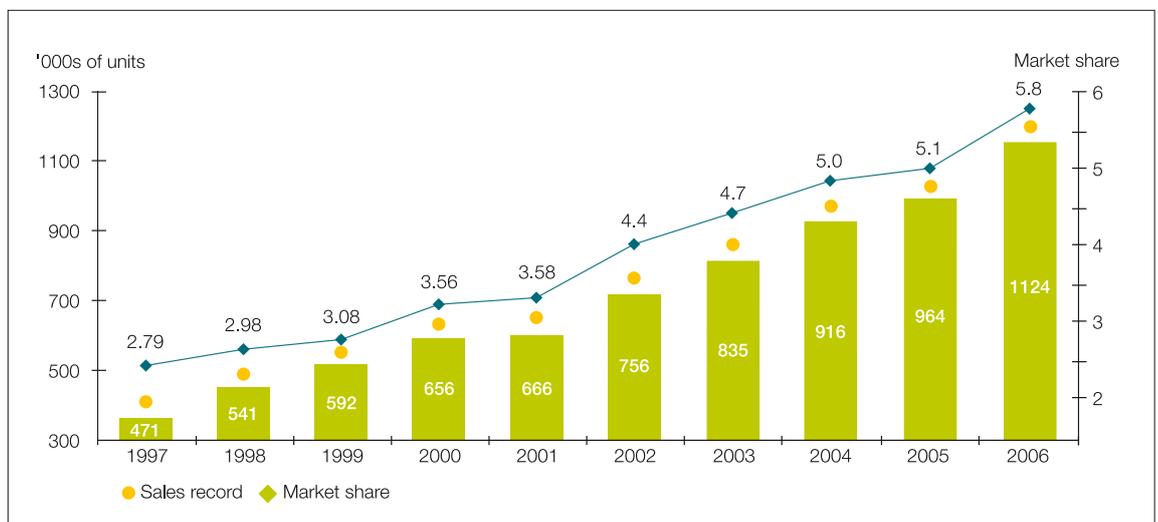
The first Toyota vehicles to be made in Europe were produced under licence in Portugal in 1971. In 1992, Toyota began full production of cars and engines in the U.K. A new Toyota facility in France began producing the Yaris in 2001. In April 2002, Toyota opened a new plant in Poland to build transmissions.

Also in 2002, Toyota Motor Manufacturing Turkey (TMMT), located in Adapazari, established itself as a major strategic manufacturing centre for Corolla vehicles, which are now exported to European countries and beyond. In 2004, TMMT started production of the Corolla Verso. Toyota's new diesel engine plant in Jelcz-Laskowice, Poland, began operations in 2005 as did the new vehicle manufacturing plant in Kolin,

Czech Republic, which is a joint venture between Toyota Motor Corporation and PSA Peugeot Citroën. Toyota's expansion in Europe continues with the start of construction of a new manufacturing plant in Russia in 2006. Set to become operational in December of 2007, the St. Petersburg plant will assemble the Camry and will have an annual capacity of 50,000 units. All of Toyota's best-selling European models – AYGO, Yaris, Auris, Avensis, and Corolla Verso - are now built in Europe.



Annual sales and market share in Europe



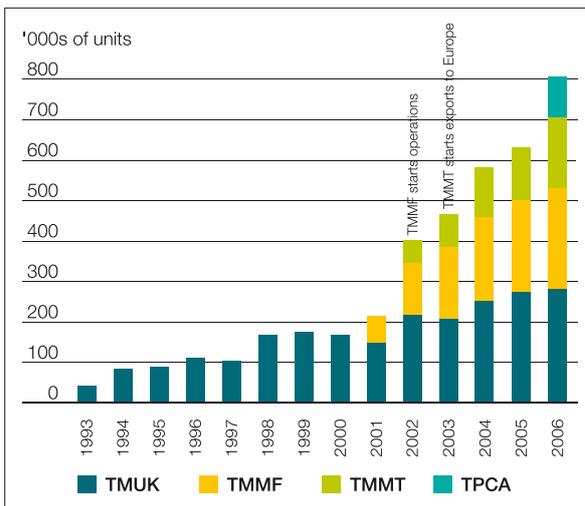
In 2006, Toyota built 808,463 vehicles, 863,507 engines and 568,212 transmissions. In 2007, Toyota will have nine manufacturing plants in seven countries.

Toyota's phenomenal growth in Europe has necessitated some organisational changes. A new holding company, Toyota Motor Europe (TME), was created in July 2002, to ensure better coordination between marketing, research and development, manufacturing, and external affairs activities in Europe. In October of 2005, Toyota Motor Marketing Europe (TMME), which oversaw marketing and sales activities, and Toyota Motor Engineering & Manufacturing Europe (TMEM), which supported the company's European manufacturing operations as well as research and development, were integrated into their holding company, becoming one legal entity: Toyota Motor Europe NV/SA. By joining forces, the three companies are intensifying coordination between production, sales, and technology departments in order to confront better intense regional competition.

Toyota's growth in Europe has also extended to the financial services industry. The company's 14 national sales finance companies employ a total of 750 people charged with providing high-quality financial services to customers seeking to purchase Toyota and Lexus vehicles. The effect of Toyota's presence in Europe is also felt through the economic activity of various member companies of the Toyota Group, for instance Toyota Industrial Equipment Europe (the European unit of Toyota Industries Corp.) which manufactures internal combustion and electric powered forklifts and has 2 factories and 20 distributors in 27 countries, and whose growth and expansion in Europe have kept pace with that of Toyota's.



ED²



2005 Production (Calendar Year)			2006 Production (Calendar Year)		
TMMT	Corolla Sedan + Wagon	61,098	TMMT	Corolla Sedan + Wagon	83,031
	Corolla Verso	96,805		Corolla Verso	93,657
	Total	157,903		Total	176,688
TMUK	Avensis	156,157	TMUK	Avensis	147,606
	Corolla Hatchback	108,212		Corolla Hatchback	134,270
	Total	264,369		Total	281,876
TMMF	Yaris	180,596	TMMF	Yaris	249,462
	Total	180,596		Total	249,462
	TPCA*	AYGO		35,514	TPCA*
Total		35,514	Total	100,437	
TOTAL		638,382	TOTAL	808,463	

Number of cars manufactured in Europe

* a joint venture between Toyota Motor Corporation and PSA Peugeot Citroën.

Of course, Toyota maintains relations with nearly 300 independent European suppliers as well. In total, the company spends over €5,1 billion annually with its European suppliers.

Designing for Europe

Toyota has always understood that Europeans want cars designed for Europe. With this in mind, in 2000, Toyota created its European Design and Development centre (ED²) in southern France, and initial results have proven highly successful. The Toyota Corolla, designed and built in Europe, was named Car of the Year 2002 by "What Car" magazine, an automotive consumer magazine in the UK. The Toyota Avensis was also crafted by the ED² team, and is the first European Toyota to be exported to Japan. Still other projects are on ED²'s drawing board.



ED²



Endo



ED²

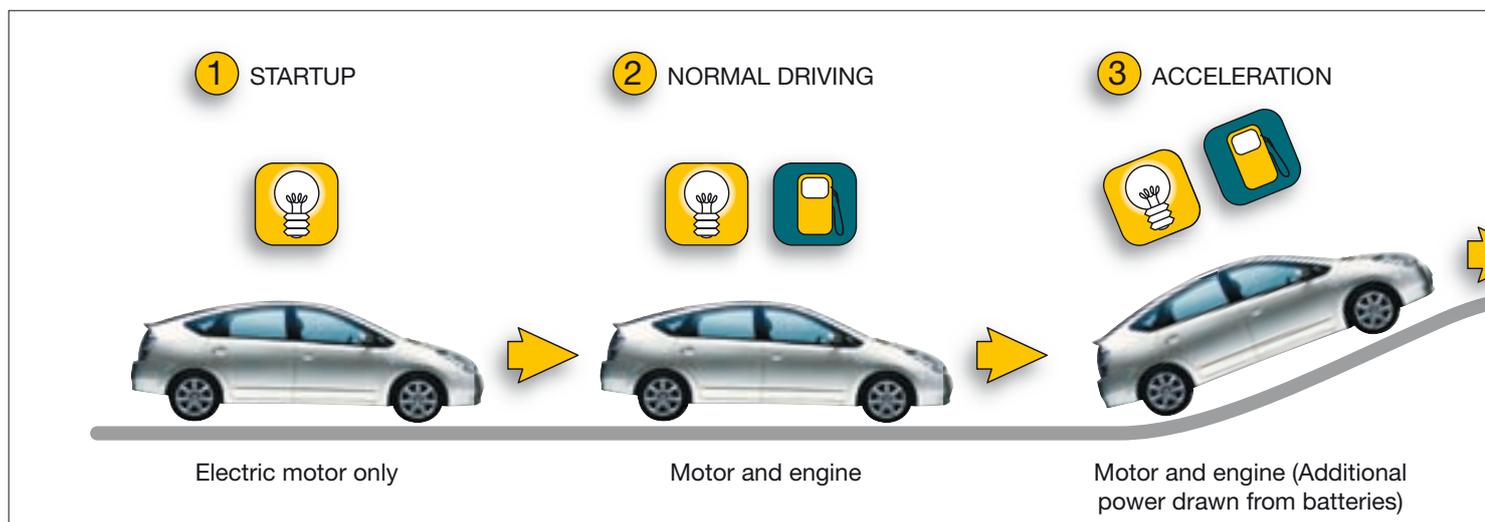
A new concept minicar, the Endo, was introduced at the Frankfurt Auto Show in 2005, designed for space efficiency, low emissions, and typical demands of the city driving-environment. The Endo follows a new “Vibrant Clarity” design concept, and signals a change for Toyota toward “more animated” models.

Toyota has also understood that Europeans want built-in quality. The new Toyota Auris, launched across Europe in February 2007, provides an excellent example of Toyota’s strengths in this area. Eighteen months before the start of production at Toyota’s British and Turkish plants, key personnel were assembled to create the standardized processes that would lead to the most efficient production. Training of all personnel in the new processes commenced six months prior to production, to ensure complete familiarity of all personnel with work procedures. Periodic quality checks were also built right into the production process, such as testing of the strength of every weld in the Auris body at 15-minute intervals. Finally, a set of tests to ensure superior over-all quality for European driving conditions was devised for every vehicle coming off the production line. Thus, when Toyota designs for Europe, it designs for built-in quality at every step of the production process.

Cleaner production, cleaner cars

Toyota is committed to sustainable development and seeks to address the challenges of global warming and urban pollution by developing a number of innovative environmental technologies and vehicles.

Toyota marketed the world’s first mass-produced hybrid car, the Prius, which combines the power of a petrol engine with the clean, efficient energy of an electric motor. By the end of 2006, over 865,900 hybrid vehicles have been sold worldwide.



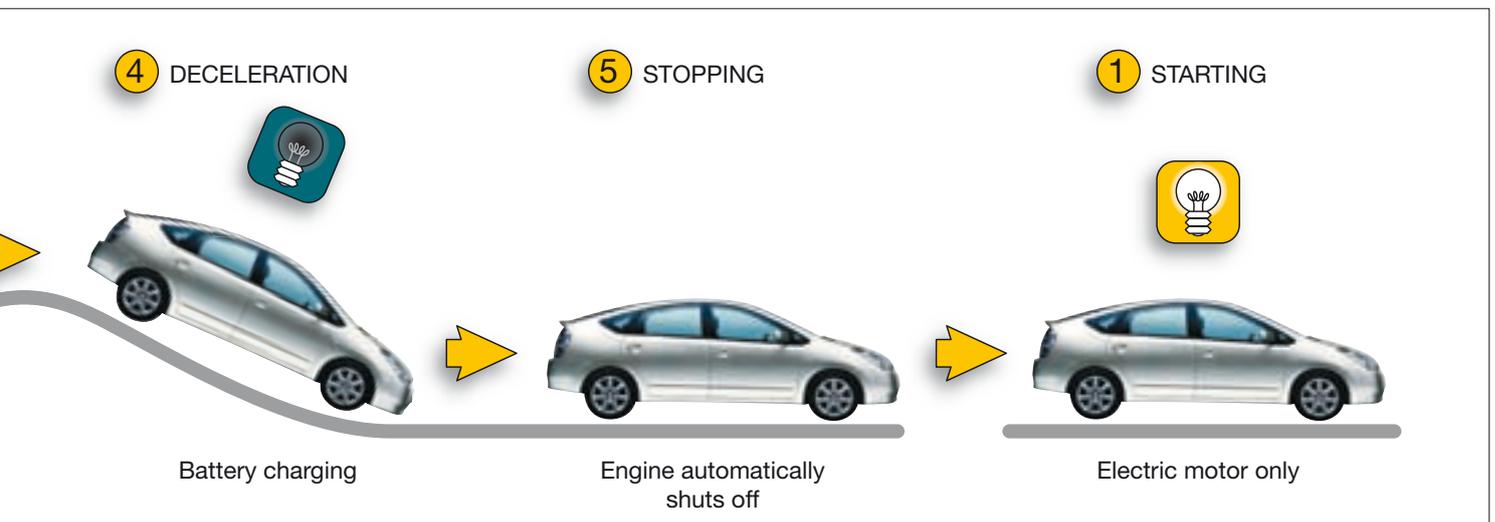
How does the hybrid work?



In early 2002, Toyota introduced the Toyota D-CAT (Diesel-Clean Advanced Technologies) concept, a revolutionary diesel emissions purification system. Its core assets are the DPNR (Diesel Particulate NOx Reduction) catalyst, which simultaneously reduces particulate matter and nitrogen oxide emissions, and Toyota's own high-pressure common rail diesel injection system.



The guiding principles behind all of the company's environmental activities can be found in the Toyota Earth Charter, which the company introduced in 1992 and revised in 2000 to incorporate its commitment to attaining "zero-emissions" throughout all areas of its business activity, and participating in the "creation of a recycling society" as a response to increasingly serious environmental issues. The Earth Charter applies an environmental perspective to all aspects of a vehicle's life cycle, from waste-free production processes to end-of-life recycling in line with European Union directives. The document also spells out a far-reaching programme of social commitment.





Formula 1 Grand Prix Racing

Toyota has engaged in motorsport for over 50 years with a two-pronged objective: to increase the number of Toyota fans by offering people around the world an exciting way to experience the “joy of automobiles”, and to enhance Toyota’s technical prowess. Both objectives have been met handily. In 2007, Toyota will roll out its new TF107 racecar, developed in response to changes in vehicle regulations, such as those concerning engine displacement. With Toyota’s seasoned drivers, German Ralf Schumacher and Italian Jarno Trulli, the team is aiming for Toyota’s first F1 victory.



Le Rendez-Vous Toyota

“Over the years Toyota has developed its own way of working. The so-called Toyota Way and the Toyota Production System (TPS) manufacturing methodology act as the double helix of Toyota’s corporate DNA. It is this DNA that also runs through the veins of our Formula 1 team in Cologne. Only through our unique approach can we be optimistic of one day challenging for the world championship.”

Tsutomu Tomita - Toyota Motorsport Chairman



Le Rendez-Vous Toyota

Early 1960s
 1963
 1970
 1971
 1987
 1989
 1990
 1992
 1997
 1998
 1999
 2000
 2001
 2002
 2003
 2004
 2005
 2006



Toyota imports its first vehicle to Europe.

Toyota signs first distributor agreement in Denmark.

Toyota Motor Corporation Brussels Office opens in Belgium.

Toyota plant in Portugal (Salvador Caetano) begins operations.

Toyota Technical Centre of Europe completed in Belgium.

Toyota Motor Europe Marketing & Engineering (TMME) established in Belgium.

Toyota plant established in Turkey. Toyota Training Centre completed in Belgium.

Toyota Motor Manufacturing UK (TMUK) opens engine and vehicle production plants.

Toyota launches the Prius, the world's first mass-produced hybrid passenger car.

Toyota Motor Europe Manufacturing (TMEM) established in Belgium to coordinate European manufacturing operations. Toyota Motor Manufacturing France (TMMF) established. Le Rendez-Vous Toyota created in Paris.

Toyota Yaris voted European Car of the Year 2000. Engine of the Year awards for Yaris and Prius.

ED² Design Centre established in southern France.

Toyota begins production of Yaris in France. Panasonic Toyota Racing unveils Formula 1 Team. Zeebrugge Vehicle Logistics Centre opens.

Toyota sets up Toyota Motor Europe (holding company) in Europe. Toyota Motor Manufacturing Poland (TMMP) begins transmission production in Poland. Toyota launches Toyota D-CAT (Diesel Clean Advanced Technologies) concept.

New Toyota Nordic Logistics Hub opens. Toyota unveils second-generation Prius hybrid vehicle.

Toyota increases total European production capacity. Production of Corolla Verso begins in Turkey. Second-generation Prius wins 2005 European Car of the Year award.

Toyota begins gasoline in Toyota Motor Manufacturing Poland (TMMP) and diesel engine production in Toyota Motor Industries Poland (TMIP). Toyota/PSA Peugeot-Citroën plant (TPCA) in Czech Republic officially opens. Groundbreaking for new vehicle manufacturing plant in Russia (TMMR).

Toyota Opens Expanded R&D Centre in Belgium. European Global Production Centre (E-GPC) opens in the UK. 1 millionth Yaris manufactured at Toyota's production facility in France TMMF.



Toyota Technical Centre



Toyota Prius



E-GPC



Toyota Technical Centre



Toyota Accessory and Service

Toyota's European Network

SUPPORTING FACILITIES / OTHER ACTIVITIES

Toyota's European Head Office – Brussels, Belgium

Housing key activities for Toyota and Lexus in Europe, the Head Office acts as the nerve centre for all European operations including the principal areas of engineering, manufacturing support and marketing and sales activities.

Total investment: €211 million Current employees: approx. 1,218

Toyota Technical Centre – Zaventem, Belgium

Established in 1987, this centre is home to Toyota Motor Europe's Research & Development (R&D), Purchasing and Production Engineering activities. Early in 2006, Toyota inaugurated the expanded technical centre, which by 2007 will have an additional 35,000 m² to house the expanded European design and engineering functions.

Total investment: €130 million Current employees: approx. 598

Toyota Training Centre – Zaventem, Belgium

This centre provides essential training to service instructors and engineers from all of Toyota's European distributors.

Total investment: €7,5 million Current employees: approx. 13

European Global Production Centre (E-GPC) – Derbyshire, UK

This facility is a hub for the teaching of best practices and training of production staff and supervisors from all over Europe.

Total investment: €14 million Current employees: approx. 20

Toyota Accessory and Service Centre – Brussels, Belgium

This centre houses after-sales, conversion and accessories activities. Functions include overall coordination of Toyota's after-sales service operations, investigation of technical matters in the field, car body and paint training, accessories development and planning, as well as vehicle conversion.

Total investment: €48 million Current employees: approx. 223

Toyota Motorsport GmbH – Cologne, Germany

Toyota's state-of-the-art Formula 1 motorsport facility, with over 650 employees from 30 countries, makes Toyota the most multinational team on the grid.

Current employees: over 650



Toyota's Head Office

Toyota Europe Design Development (ED²) – Nice, France

The ED² team concentrates on design concepts for the European market, including advanced design, design competition, production support for European models and design research information.

Total investment: €14.8 million
Current employees: approx. 40

Le Rendez-Vous Toyota Paris, France

Conceived by international designer Ora-İto, Le Rendez-Vous Toyota provides visitors with a preview of Toyota's vision of tomorrow. Situated in the heart of Paris, the European Brand Experience Centre translates Toyota's core values – Quality, Design and Innovation – into five multimedia visitor "experience zones" that communicate a novel experience of the Toyota brand. The showroom is also a venue for internal and public events.

Total investment: €5 million **Current employees: approx. 4**

MANUFACTURING CENTRES

Toyota Motor Manufacturing (UK) Ltd. – United Kingdom Vehicle plant – Burnaston, Derbyshire

The plant, with an annual production capacity of 285,000 vehicles, manufactures Auris and Avensis models for the European market. The Avensis is also exported to Japan. Over 2.2 million vehicles have been made since production at the plant began in 1992.

Current employees: approx. 4,170



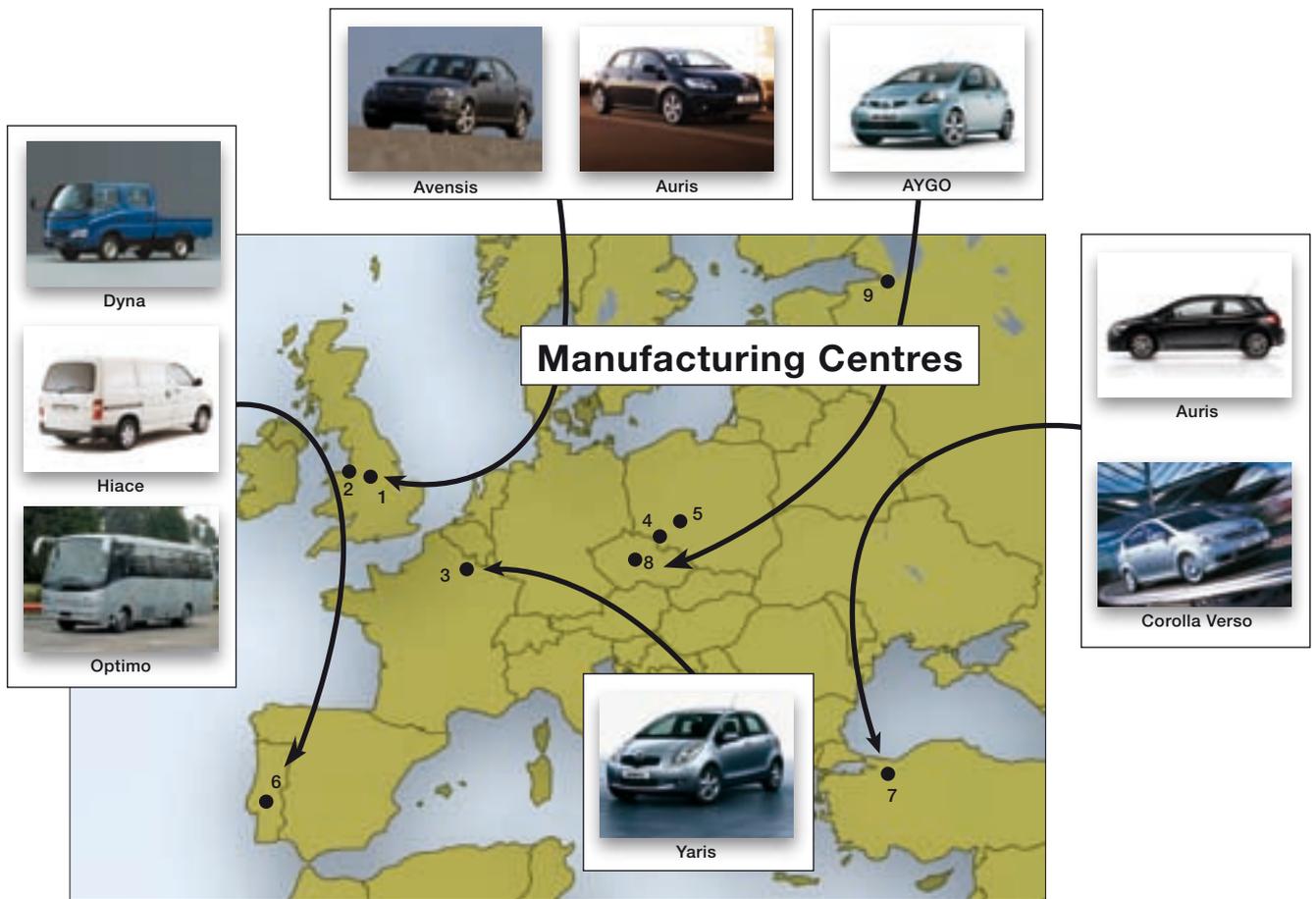
The new European Global Production Centre (E-GPC) in the UK is a major asset to quality control in Europe, providing production and maintenance skills training to employees across all of Toyota's European manufacturing operations.



Toyota Motor Manufacturing UK - Burnaston



Toyota Motor Manufacturing Poland



- 1 Toyota Motor Manufacturing UK (TMUK) (Vehicle Manufacturing)
- 2 Toyota Motor Manufacturing UK (TMUK) (Engine Manufacturing)
- 3 Toyota Motor Manufacturing France (TMMF)

- 4 Toyota Motor Manufacturing Poland (TMMP)
- 5 Toyota Motor Industries Poland (TMIP)
- 6 Toyota Caetano Portugal SA

- 7 Toyota Motor Manufacturing Turkey (TMMT)
- 8 Toyota Peugeot Citroën Automobile Czech (TPCA)
- 9 Toyota Motor Manufacturing Russia (TMMR)

Engine plant – Deeside, North Wales

This site manufactures 1.4-, 1.6- and 1.8-litre petrol engines fully assembled for Auris & Avensis models made at the Burnaston plant. It also produces parts for engine assembly at the French, Turkish and other plants around the world. Over 2.2 million engines have been produced since operations began in 1992.

Current employees: approx. 710

Total investment for both plants: €2,7 billion



Toyota Motor Manufacturing UK - Deeside



Quality, Design
and Innovation are the
core values of
the Toyota brand.

Toyota Motor Industries Poland

Toyota Motor Manufacturing France Valenciennes, France - Vehicle plant

This Yaris production plant began operations in January 2001. Production capacity has been increased to a maximum of 270,000 units per year. The Yaris is exported to over 25 countries throughout Europe. The engine assembly unit was created in April 2002, and is assembling 1.3-litre petrol and 1.4-litre diesel. The site produced its millionth car in December of 2006.



Total investment: €897 million Current employees: approx. 3,950

Toyota Motor Manufacturing France

Toyota Motor Manufacturing Poland Sp. z o.o. – Walbrzych, Poland, Transmission and engine plant

TMMP began producing transmissions in April 2002 and engines in 2005. The annual production capacity of TMMP is 330,000 engines and 600,000 transmissions.

Total investment: €540 million Current employees: approx. 2,020

Toyota Motor Industries Poland Sp. z o.o. Jelcz-Laskowice, Poland. Engine plant

Production began in early 2005. The plant's capacity is 180,000 2.0- and 2.2-litre diesel engines for export to the U.K. and Turkey.

Total investment: €200 million Employees at full production: approx. 1,000



Toyota Peugeot Citroën Automobile



Toyota Parts Centre Europe

Toyota Caetano Portugal SA – Ovar, Portugal

Dyna, Hiace and Optimo Toyota vehicles are produced under licence in Portugal in cooperation with Salvador Caetano I.M.V.T.

Total investment: €39.7 million Employees: approx. 325

Toyota Motor Manufacturing Turkey Adapazari, Turkey – Vehicle plant

In 2006, this plant produced over 170,000 Corolla Verso MPVs, sedans and station wagons for shipping to 36 countries, mainly in Europe. The new Auris will be produced here from early 2007.

**Total investment: over €850 million
Employees at full production: approx. 3,575**



Toyota Motor Manufacturing Turkey

Toyota Peugeot Citroën Automobile Czech Kolin, Czech Republic – Vehicle plant

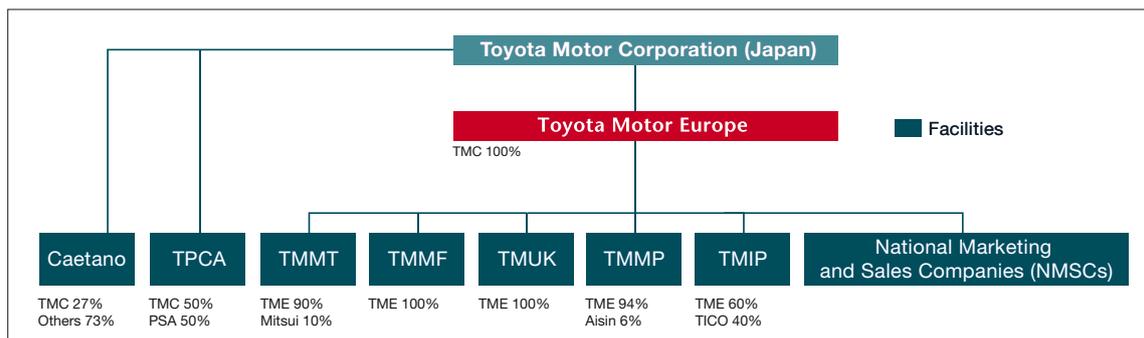
Toyota Motor Corporation and PSA Peugeot Citroën jointly developed and produce a small, entry-level passenger vehicle at this plant, to be marketed under the Toyota, Peugeot and Citroën brands. The new plant began operations in 2005 and has an annual production capacity of 300,000 units – 100,000 of them Toyota AYGOs.

**Total joint investment: approx. €1.3 billion (50/50 joint venture Toyota/PSA Peugeot Citroën)
Employees at full production: approx. 3,000**

Toyota Motor Manufacturing Russia St Petersburg, Russia – Vehicle Plant

Toyota Motor Manufacturing Russia will start production in December 2007 and will produce Camry (initial production volume 20,000).

Total Investment: €134 million Employees: approx. 100 (approx. 500 projected)





Toyota Parts Centre Europe



Toyota Parts Centre South of France

LOGISTICS CENTRES

1) Parts

Toyota Parts Centre Europe - Diest, Belgium

Toyota's 70,000m² European parts centre provides "just-in-time" service parts and accessories to the regional parts centres of Toyota Motor Europe (TME) and to the national depots of the European National Marketing and Sales companies that are not supplied by the regional parts centres, vehicle hubs, production and distribution centres in Japan, and to some 580 dealers in the Benelux, northern France (including Paris) and western Germany. In 2006, work was started to expand the surface to 100,000m².



Toyota Parts Centre Europe

Total investment: €73 million Current total employees: approx. 650

These regional parts centres are responsible for order processing, warehousing and distribution of service parts and accessories for customers and dealers in:

Toyota Parts Centre South of France (TPCSF) – Le Pouzin, France Central and Southern France, Corsica, Andorra and Northeast Spain

Toyota Parts Centre Denmark (TPCDK) – Middelfart, Denmark Denmark and South Sweden

Toyota Parts Centre Norway (TPCNO) – Drammen, Norway Norway and North Sweden

Toyota Parts Centre Austria (TPCAT) – Vienna, Austria Austria, Hungary, the Czech Republic, Slovakia, Slovenia, Croatia, Bosnia and Herzegovina, and Serbia

Toyota Parts Centre Finland (TPCFI) – Vantaa, Finland Finland, Estonia

Toyota Parts Centre Spain (TPCES) – Madrid, Spain Spain (except Barcelona area and Galicia)

Toyota Parts Centre Great Britain (TPCGB) – Lutterworth, Britain Britain and Northern Ireland

Toyota Parts Centre Deutschland (TPCDE) – Köln, Germany Germany (excluding western Germany)

Toyota Parts Centre Ireland (TPCIE) – Dublin, Ireland Ireland (except Northern Ireland)

Toyota Parts Centre Poland (TPCPL) – Warsaw, Poland Poland, Lithuania and Latvia

Toyota Parts Centre Portugal (TPCPT) – Porto, Portugal Portugal and the Galicia area of Spain

Toyota Parts Centre Greece (TPCEL) – Athens, Greece Greece, Romania, Bulgaria and FYROM⁽¹⁾

Toyota Parts Centre Czech Republic (TPCCZ) – Krupka, Czech Republic As of 1/7/07 Czech Republic and East Germany

Total combined investment: €18.4 million Current total employees: approx. 567

(1) Former Yugoslavian Republic of Macedonia



Valenciennes Vehicle Logistics Centre

2) Vehicles

Grimsby and Derby Vehicle Logistics Centre Grimsby and Derby, United Kingdom

These sites receive the Toyota Auris and Avensis models manufactured in the U.K. and transport them to their country of destination.

Total investment: €18 million **Current employees: 8 (+ 30 to 40 employees with logistics partners)**

Zeebrugge Vehicle Logistics Centre - Zeebrugge, Belgium

A major logistics hub for importing and exporting Toyota vehicles to and from Europe, the Zeebrugge vehicle centre also carries out storage, accessory mounting and pre-delivery inspections for all Toyota and Lexus vehicles destined for Belgium, the Netherlands and to Germany (except Yaris and AYGO for Germany). The Zeebrugge vehicle centre handled its millionth vehicle in March 2005.

Total investment: €11.5 million **Current employees: 7 employees (+ 160 to 180 employees with logistics partners)**



Zeebrugge Vehicle Logistics Centre

Valenciennes Vehicle Logistics Centre - Valenciennes, France

This car logistics centre is located next to the production facility (TMMF) and dispatches the Yaris models produced at the factory. It serves as a logistics hub for all TMMF vehicles destined for the European market. The logistics centre is also the storage, accessory mounting and pre-delivery inspection centre for all Toyota and Lexus models going to France and for the Yaris to Germany.

Total investment: €12.4 million **Current employees: 7 employees (+ 100 to 150 employees with logistics partners)**



Turkey Vehicle Logistics Centre

But also the following centres:

- Malmö Vehicle Logistics Centre - Malmö, Sweden** Current employees: 5 (+ 80 to 100 employees with logistics partners)
- Hanko Vehicle Logistics Centre - Hanko, Finland** Current employees: 1 (+ 60 to 100 employees with logistics partners)
- Adapazari Vehicle Logistics Centre - Adapazari, Turkey** Current employees: 4 (+ 60 to 70 employees with logistics partners)
- Kolin Vehicle Logistics Centre - Kolin, Czech Republic** Current employees: 6 (+/- 19 employees with logistics partners)
- Paldiski Vehicle Logistics Centre (TBA) - Paldiski, Estonia** Current employees: 0 (+/- 30 employees with logistics partners)

NMSCs

Toyota has a total of 28 National Marketing & Sales Companies NMSCs covering 48 countries.



- 1 Toyota Ireland
- 2 Toyota (GB) PLC
- 3 Toyota Belgium
- 4 Toyota France
- 5 Toyota Caetano Portugal SA
- 6 Toyota España
- 7 Toyota Deutschland GmbH
- 8 P. Samuelsson
- 9 Toyota Frey Austria
- 10 Toyota Norge
- 11 Toyota Danmark
- 12 Toyota Sweden
- 13 Toyota Auto Finland OY
- 14 Toyota Baltic (sub NMSC)
- 15 Toyota Motor Poland
- 16 Toyota Motor (RUSSIA)
- 17 Toyota Ukraine
- 18 Toyota Motor Hungary
- 19 Toyota Hellas
- 20 Toyota Balkans (sub NMSC)
- 21 Dickran Ouzounian & Co. Ltd.
- 22 Toyota Adria
- 23 Toyota Motor Italia
- 24 Toyota AG
- 25 Louwman & Parqui
- 26 Toyota Motor Czech
- 27 Toyotasa Toyota Sabanci
- 28 Union Motors Ltd. (Israel) (not shown)

4

The Toyota Production System

Hot-stamped ultra high-tensile steel

Bolt mounting

Toyota's approach to automobile production, with its inherent quality controls, revolutionized the industry. Its "just-in-time" supply-chain concept has become a model for manufacturers around the world, and not just for automakers. The Toyota Production System (TPS) calls for the end product to be "pulled" through the system, meaning that the right parts reach the assembly line at the right place, just as they are needed, and with no excess. This approach represented a radical departure from conventional manufacturing systems, which required large inventories in order to "push" as much product as possible through production lines, regardless of actual demand. The idea of TPS, to the contrary, is to produce only the products required in the precise quantities desired at a given point in time.

Focus on flexibility

By basing production on demand rather than simply on capacity, Toyota manages to keep inventories, both of parts and of finished goods, to a strict minimum. But this is only one of the more obvious advantages of Toyota's unconventional approach. By focusing on smaller production lots and producing only what customers require when they require it, Toyota has developed a flexibility and responsiveness that continues to set the standard for the industry. With its attention to continuous improvement (*Kaizen*), Toyota has attained die-changeover and machine-set times that are a fraction of its competitors'. Thus its capacity for reacting quickly to new market trends makes TPS an ideal system in today's rapidly changing global business environment.



Toyota Motor Manufacturing UK - Vehicle Production



Empowering people

While much of Toyota's success can be traced to its ground-breaking production techniques, none of this would be possible without its people. Toyota managers regularly go to the shop floor to speak with team members and find out what improvements can be made.

Achieving a successful TPS also requires a strong commitment to training. Toyota offers all of its employees the opportunity to master new skills and exercise initiative. For suppliers, participating in TPS should lead to dramatic improvements in productivity and quality. They in turn become more competitive enterprises, capable of winning more business from Toyota, as well as other manufacturers.

The Toyota Production System is now widely accepted as a proven approach to more resource-effective, environmentally responsible production. The end result is a product of higher quality and lower cost, a combination that has allowed Toyota to increase its market share even in times of economic retrenchment.

Of course, as the Toyota dictum puts it, "No process can ever be declared perfect", which is why, for all of its hard-earned reputation for quality, durability and reliability, the company remains committed to fostering a culture of "continuous improvement" (*Kaizen*).

The Toyota Production System empowers team members to improve processes, eliminate unnecessary waste and build quality into every vehicle.





Toyota continues
to dominate the top
rankings for reliability
and manufacturing
excellence.



Toyota is a beacon of quality in the automotive industry. In October of 2006, Consumer Reports magazine published its list of the 47 most reliable car models on the market today, based on surveys evaluating around 1.3 million vehicles. Toyota models made up close to half of the list (21 out of 47 models). And in third-party quality surveys, Toyota continues to dominate the top rankings for reliability and manufacturing excellence, as it has since the early 1990s. For the fifth consecutive year, Toyota was ranked first in overall customer satisfaction in the 2006 German J.D. Power & Associates survey and scored highest in 4 of 7 individual segments. Similarly, in 2005, Toyota vehicles topped the rankings in three out of six individual award categories in the first J.D. Power survey of customer satisfaction to be conducted in France, repeating this feat in the subsequent 2006 survey. For the sixth consecutive year, the Lexus brand was ranked first in the 2006 J.D. Power & Associates survey in the U.K., Toyota's largest market in Europe. Its 25-point increase over its prize-winning 2005 performance also garnered for the brand the "most improved nameplate" award. As in 2005, the Toyota brand ranked fourth overall for customer satisfaction in the J.D. Power UK survey.

All of which goes to prove that Toyota's reputation for quality, durability, and reliability is not the simple result of marketing wizardry. Toyota vehicles continue to earn this reputation, consistently, year after year.

*Toyota Motor
Manufacturing UK*



5

Customer First



Customer input right from the start

The “Customer First” concept originated in the Toyota Production System. Production engineers understood that no matter how good the final product might be, it would be worthless if it didn’t meet customers’ demands and satisfy their needs. The challenge for Toyota was to put customers’ needs first by allowing buyer demands to shape the end product. Thus, the true spirit of “Customer first” for Toyota means putting the customer in the driver’s seat before the car has even been designed! Today, this same spirit can be found throughout all of Toyota’s operations – including manufacturing and customer service.





Complete Customer Satisfaction means delivering beyond expectations, listening to customers, constantly seeking to do things better, and going the extra distance to ensure that owners feel positive about their Toyota vehicle at every stage of the customer experience.

Complete Customer Satisfaction

In any competitive business, customer satisfaction is a top priority. But for Toyota, it is merely the point of departure. Toyota's goal is to turn customer satisfaction into "Complete Customer Satisfaction" (CCS), which means delivering beyond expectations, listening to customers, constantly seeking to do things better, and going the extra distance to ensure that owners feel positive about their Toyota vehicle at every stage of the customer experience.

The secret to any successful relationship is mutual trust and loyalty. Toyota's secret is that it spares no effort to earn this trust with each and every customer. From design and production to sales and after-sales service, every aspect of the customer experience receives the same high level of consideration.

At the heart of Toyota's approach lies an uncompromising commitment to quality. Here, too, the principle of "Kaizen", or continuous improvement, inspires an ongoing drive for excellence that allows customers to feel confident their vehicle will continue to conform to Toyota's highest standards of quality, safety, performance and driving pleasure.

How does Complete Customer Satisfaction relate to loyalty? Toyota's studies have shown that only highly satisfied customers are likely to be loyal. In fact, the loyalty benefit is 1.5 times higher when customers are completely satisfied as opposed to just fairly satisfied.



And how does loyalty benefit the company? Not only do completely satisfied customers continue to buy Toyota vehicles, but they also become Toyota brand advocates. Personal recommendations are crucial in attracting new customers to the Toyota brand, and thereby to increasing Toyota's market share. Completely satisfied customers are almost five times more likely to recommend their cars to others.

The Toyota Retail System

The Toyota Retail System (TRS) sets out to define the Toyota Way in Retailing. Like the Toyota Production System (TPS), TRS is built on the principles of the Toyota Way and applies the Toyota problem solving methodology – Plan Do Check Act - to the retail environment. Like TPS leads to efficiency in manufacturing, while reaching the highest quality standards, TRS aims to achieve efficiency in retailing, while at the same time delivering the best purchase and ownership experience to our customers.

An analysis of the hot alerts or customer complaints shows that 2/3rd of sales dissatisfaction is NOT product related, but relates to behaviours and processes. So, focusing on retailer processes and behaviours will improve customer satisfaction. Continuously improving these sales processes and behaviours is at the heart of TRS.

TRA (Toyota Retail Academy) have developed a training curriculum which supports the TRS roll out.

Increasing Brand Awareness

Independent research has clearly shown that Toyota customers are among the most satisfied in the world. But growth in sales and market share depends on reaching new customers who are unfamiliar with the brand and its reputation for quality, durability and reliability. Research conducted by Toyota revealed that while the company's flagship trademark was widely recognized, its styling had become outmoded. So the decision was taken to restyle the logo, keeping it recognisable while giving it a connotation of greater quality.



Once the new logo had been developed and adequately tested, Toyota Motor Europe decided to implement the European Retailer Brand Signage Programme to enhance the perception of Toyota as a superior quality brand. A pan-European rollout commenced in April of 2005, with completion across the 3,000+ retailer network set for the end of 2008. Impressive new retail signage prominently featuring the re-styled logo will help to strengthen the Toyota visual identity, increase brand awareness and recognition, and bring new customers into Toyota retail centres.

Local presence / Lifelong commitment

Another aspect of Toyota's success in Europe can be traced to its localization efforts. Europe is a mix of highly diverse markets, so a proactive, localized approach is essential. For Toyota, this involves things like collecting information on customer specifics in different regions, locating production plants closer to the customer base wherever possible, and investing in actions suited to the diversity of Toyota's European customer constituencies.

In the service arena, however, Toyota goes farther than maintaining a local presence. A proactive approach to customer service requires "getting personal". With its Toyota Personalized Service Experience initiative, Toyota seeks to provide that "little bit extra" to each individual customer that can make all the difference. It might be a simple gesture of appreciation, or an after-service car wash, or some practical advice on specific customer interests. Toyota believes that even the little things matter a lot when dealing with valued customers whose loyalty is the company's lifeblood.

The bottom line is, Toyota aims to keep its customers for life. It is therefore essential to look beyond the value of individual transactions and cultivate lifetime loyalty by delivering products and services of the highest quality. To this end, Toyota and its members will continue to provide the best possible levels of care to its most important asset: the company's customers.

The combined effect of these efforts is a truly customized ownership experience that contributes significantly to Toyota's stated objective of generating "Complete Customer Satisfaction".

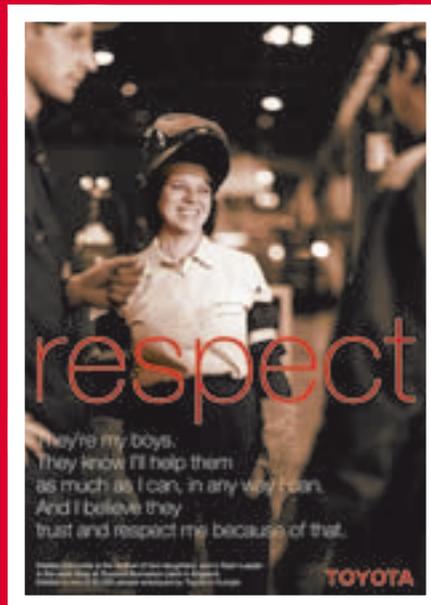
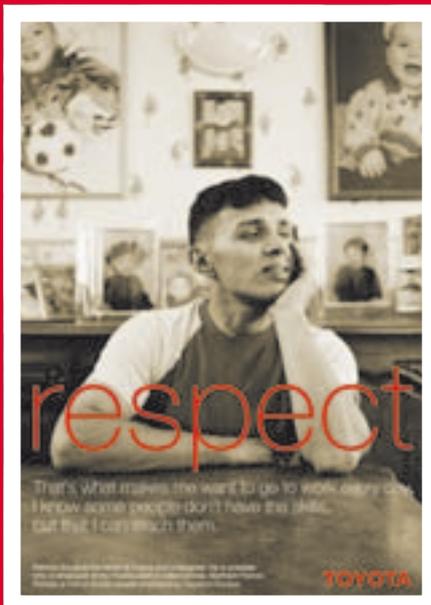
Tangible results

Third-party surveys like J.D. Power's aren't the only indication that Toyota's commitment to quality is perceived and appreciated. Fiscal Year 2006 results show that in a flat general market, Toyota's sales in Europe have continued to climb steadily. Despite stiff competition, Toyota once again posted record sales in Europe for the 10th year in a row, achieving an annual sales growth of 13% and a market share of 5.8%.

6

Sustainability: Economic, Environmental and Social Stewardship

Ever since the founding of Toyota Motor Corporation in 1937, the company has endeavoured to play an active role in the creation of a prosperous society. Toyota seeks to grow as a company in symbiosis with its stakeholders, including customers, employees, shareholders, business partners and society at large. To realise this ambition, Toyota management conducts its business operations with the utmost honesty and integrity. Its business culture, company values and principles often set a higher standard than mere compliance with local, national and international laws and regulations. The company is committed to conducting business in a fair way, based on sound ethical guidelines and principles.



*Economic & Social Contribution
Advertising Campaign 2006*



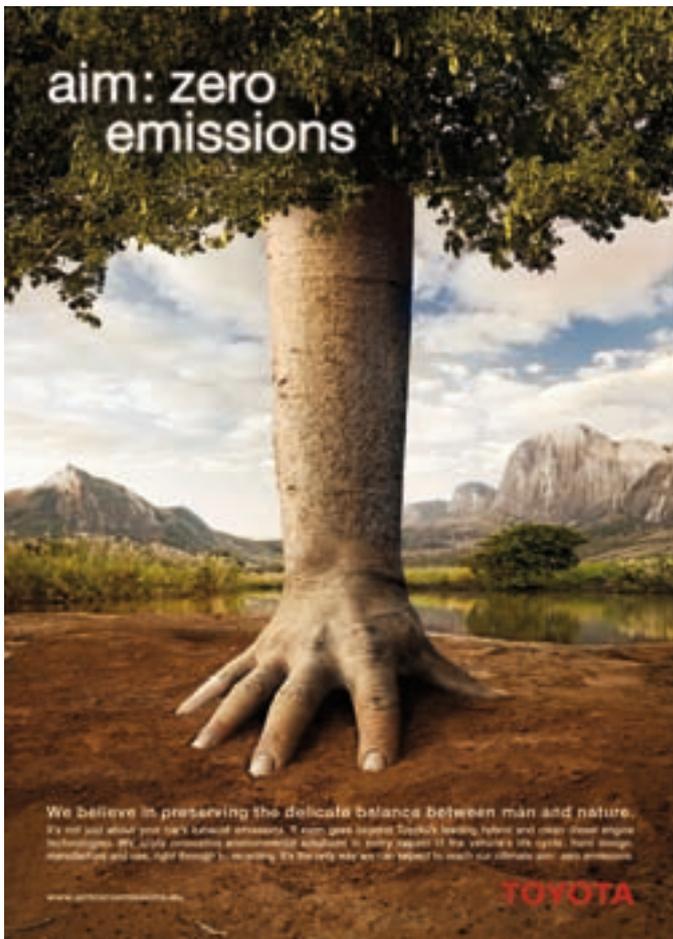
Toyota also places great importance on sustainable development. While Toyota's manufacturing and marketing activities already make a contribution to the economic development of Europe by providing jobs and affordable mobility, Toyota is working simultaneously to enhance its economic, environmental and social performance to achieve this important objective.

As an automobile manufacturer, Toyota has to address societal challenges related to our activities – such as the use of natural resources, greenhouse gas emissions, climate change, noise, road congestion and road safety. Toyota considers transparency to be fundamental to this approach, and therefore regularly publishes reports on its environmental and social performance in Europe, as it does elsewhere around the globe. Toyota's proactive approach towards sustainable development has clear implications for its internal business practices as well as its social contributions. In both areas, environment and road safety are key focal points.

Aiming for zero emissions

The freedom of mobility afforded by the invention of the automobile has led to unprecedented social and economic development over the past century. But today, these benefits must be weighed against the potential risks to the earth's environment. For the automobile to remain a positive force for progress, the automotive industry must make the environment a priority management issue. Toyota believes that only in this way can automakers successfully meet the challenges of the future.

Toyota's concern
for quality products
encompasses its
concern for the quality
of the environment. For
a reputable automaker
today, anything less
would be short-sighted
and self-defeating.



Corporate Advertising Campaign 2006

Toyota's product and technology development principle is "Today for Tomorrow". Today's responsible companies must focus on being proactive in predicting problems and taking corrective measures before these problems take hold. "Today for Tomorrow" refers to the need to structure current actions around future needs.

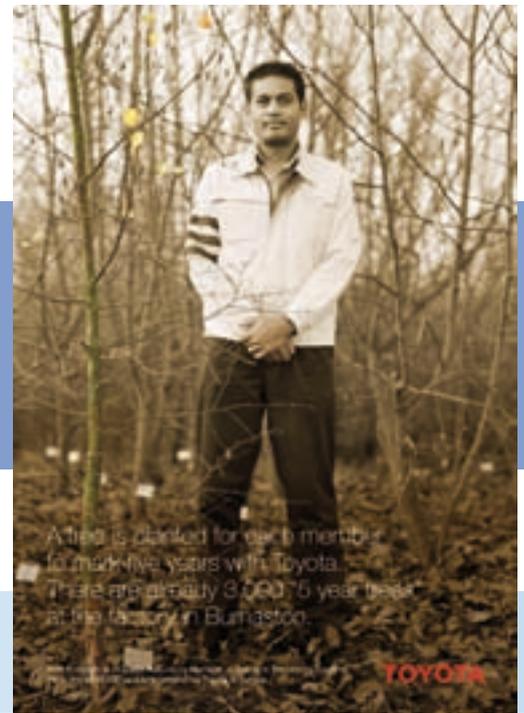
Toyota is striving for zero negative impacts on our environment, zero accidents and zero traffic congestion, while at the same time seeking to maximize positive driving aspects such as comfort, fun and excitement. Toyota Hybrid Synergy Drive® vehicles like the Prius and an increasing number of Lexus Hybrid Drive vehicles embody this ambition, as hybrid technology significantly reduces CO₂ and other exhaust emissions, while at the same time delivering exciting and comfortable driving performance and pleasure.

For Toyota, minimising environmental impact throughout the vehicle's life cycle has been a top priority at every level of the company. Thanks to its extensive R&D efforts, Toyota has taken a leading role in developing and marketing new technologies and designs that reduce the environmental burden of its automobiles. These efforts have become the hallmark of Toyota's business philosophy for the 21st century, an approach based on a comprehensive vision of *sustainable mobility*.

Toyota's "aim of Zero Emissions" perfectly dovetails with this vision. To achieve lower emissions and greener vehicles, it is essential to implement emissions reduction targets and measure progress. To that end, Toyota has developed its Ecological Vehicle Assessment System, or Eco-VAS. This is a comprehensive approach to assessing a vehicle's whole life cycle – from its initial design and manufacturing to its use on the road and eventual disposal or recycling – in terms of its impact on the environment. Toyota introduced Eco-VAS in 2005, and the system is now widely in place.



Educational partnership sustainable development



*Economic and Social Contribution
Advertising Campaign 2006*

Toyota's strategy of developing and marketing cleaner and greener vehicles involves the simultaneous exploration of a wide variety of technological solutions. This is a reflection of the broadly varying driving conditions, fuels, vehicle infrastructures and legislation present in various regions. The evidence suggests that no single vehicle technology will match all the requirements of sustainable mobility over time. Toyota is therefore investing in a number of technologies in parallel. This includes hybrid, clean diesel, fuel cell (where hydrogen is used to generate electricity) and alternative fuels. Each technology forms a step forward towards the ultimate eco-car with zero exhaust emissions and total recyclability. While pursuing this aim, it is important to meet the real needs of society today and tomorrow. Toyota's aim, therefore, is to deploy the appropriate engine technology to provide its customers always with the right car for the right place at the right time.

Green, clean and lean manufacturing

In order to minimize the environmental impacts of its business activities, Toyota has introduced a consolidated and integrated Environmental Management System (EMS) based on the ISO 14001 standard governing all aspects of its manufacturing and logistics operations. All Toyota's European plants have achieved zero waste-to-landfill. Total energy use per manufactured car has been reduced by 37% over the past five years. Water usage has dropped during the same period by 34%. Volatile organic compound (VOC) emissions per square meter of painted surface have been cut by 21%. Such results stem from a clear, company-wide commitment to reducing all emissions over the full life cycle of Toyota vehicles. All existing Toyota manufacturing plants in Europe are currently ISO 14001-certified, with plants currently under construction set to earn certification by 2008.

Recycling

In line with its strong environmental stance, Toyota supports recycling at every stage of the vehicle life cycle, from vehicle development to production, use and disposal. The Toyota Recycling Vision sets specific targets for improving vehicle recovery rates, increasing the use of recyclable resources, recycled materials and used parts, and reducing and banning the use of substances of environmental concern (SOCs). Toyota is on track to achieve a 95% vehicle re-use and recovery target by 2015 – as set forth in EU Directive 2000/53/EC on End-of-Life Vehicles.



Lexus GS pre-crash safety test



Signature of the Road Safety Charter by Mr. Arashima

Safety: a shared responsibility

The European Union has established a strategic objective of reducing the number of road fatalities by 50% by 2010. In 2005, 41,600 people died in such accidents across the EU 25 member countries, some 1.9 million people were injured, and the economic cost of traffic accidents was estimated at €200 billion. All stakeholders have a responsibility to improve this situation and Toyota Motor Europe, by addressing the safety of vehicle occupants, pedestrians, their education and the development of the traffic infrastructure, is strongly committed to supporting this objective.

In 2006, TME signed the European Road Safety Charter. In doing so, the company has agreed to undertake a series of initiatives, both within the company and more generally in civil society as a whole, to help improve road safety.

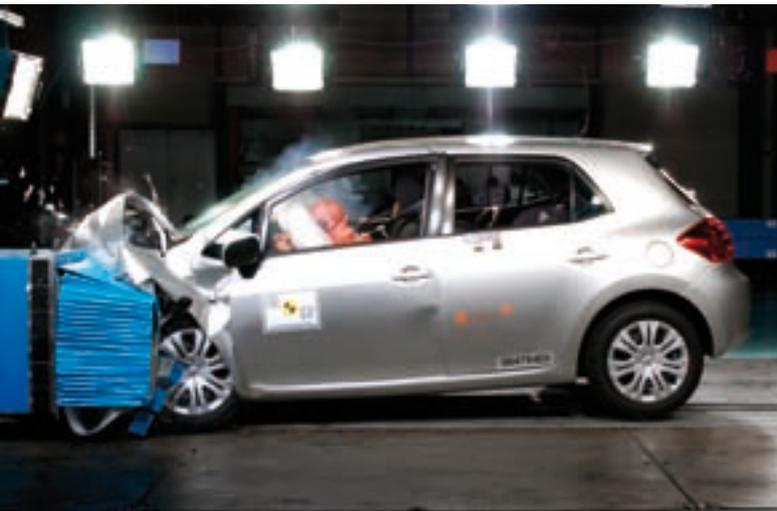


Internally, TME is :

- Implementing training courses to instruct national sales company technicians on how to best promote active and passive safety with customers across all brand products;
- Introducing safety-related principles in its Code of Conduct, requiring formal commitment by all direct employees.

With respect to civil society, among other actions, TME is:

- Promoting a programme known as TOP 25, a pan-European awareness campaign about the dangers of driving under the influence of alcohol and drugs.
- Supporting a model communication campaign developed by the UK's Royal College of Art to define and communicate road safety issues to older drivers and pedestrians.
- Delivering a road safety education programme for children and drivers in Turkey by distributing education kits, building a traffic park and offering driving lessons through Toyota retailers.
- Supporting the European Transport Safety Council's research and communication Performance Indicators Programme (PIN) to assess EU Member States' road safety performance, and also promoting high-level debates to initiate discussion of key road safety themes in relevant Member States.



Knee airbag

The Toyota Auris gets a 5-star safety rating

Toyota Motor Europe is doing even more in this important area, however, through its involvement in several other programs and projects to increase road safety. TME supports the European Road Assessment Program (EuroRAP) which aims to provide independent, consistent safety ratings of roads across Europe, and Sicher im Auto ("Safe In The Car"), a program conducted by the German Automobile Association (ADAC) and entirely sponsored by Toyota Motor Europe. The company is also involved in the EU-supported research project APROSYS, which is dedicated to the development and introduction of critical technologies that improve passive safety for all European road users.

Even more fundamental is Toyota's commitment to offering the best possible protection to its customers. The best evidence of this is the fact that 5 Toyota and 2 Lexus models have achieved the top rating of 5 Stars for occupant protection from Euro NCAP⁽¹⁾, the most important consumer testing program in Europe. All other tested models in the Toyota and Lexus range have at least 4 stars.



	Year	Occupant protection	Child protection	Pedestrian protection
Lexus IS 220d	2006	★★★★★	★★★★	★★
Lexus GS 300	2005	★★★★★	★★★★	★★
Toyota AYGO	2005	★★★★	★★★★	★★
Toyota Yaris	2005	★★★★★	★★★★	★★
Toyota Auris	2005	★★★★★	★★★★	★★★
Toyota Corolla Verso	2004	★★★★★	★★★★	★★
Toyota Prius	2004	★★★★★	★★★★	★★
Toyota Avensis	2003	★★★★★	-	★
Toyota RAV4	2006	★★★★	★★★★	★★★

Toyota also has the highest number of cars to have obtained the current highest rating of 4 Stars for Child Safety.

⁽¹⁾ Established in 1997, the European New Car Assessment Programme has rapidly become a catalyst for encouraging significant passive safety improvements to new car design. It is now backed by five European Governments, the European Commission and motoring and consumer organizations in every E.U. member state.



Toyota Technology Challenge - TMUK

Social contributions and partnerships

Strong corporate citizenship also involves creating synergies between business and society. The Toyota Fund for Europe (TFfE) is a Europe-wide fund that aims to support projects in three areas directly linked to our core business: environmental awareness, technical education and road safety. Not simply limited to financial contributions, the TFfE encourages the development of cooperative partnerships between non-governmental organisations (NGOs) and Toyota companies throughout Europe. In this way, Toyota not only contributes to a wide variety of educational, social and environmental programmes designed to improve quality of life but also engages stakeholders in an open dialogue.

In 2005, TME and its affiliated companies donated funds and in-kind contributions totalling €6.2 million, €1 million of which was contributed directly by the Toyota Fund for Europe. A 50% increase in the Fund's contributions was already budgeted for 2006. In accordance with its Guiding Principles, Toyota has funded, participated in, promoted, and collaborated on projects with a vast array of stakeholders, such as local communities and citizens, national and international non-governmental organisations (NGO's), international associations and federations, voluntary industry associations and federations, public authorities at all levels, educational institutions and the media.



Schools for Sustainable Development Czech Republic 2005

In partnership with Groundwork UK and the Environmental Partnership for Sustainable Development, Toyota supports the "Schools for Sustainable Development – Community Action Programme" in the UK, Poland and the Czech Republic. The programme aims to promote local community environmental actions by giving schools the opportunity to make improvements in their neighbourhoods. Through this programme, thousands of children took the initiative to make a real change in their environment through collaborative projects involving teachers, parents, local governments and Toyota members.



TMMT Traffic Safety Project



European Red Cross Road Safety Campaign

Toyota has been supporting the European Red Cross Road Safety Campaign since 2003, with the aim of reducing the number of injuries and fatalities from traffic accidents through teaching first aid skills and raising road safety awareness. In 2005, the third campaign featured a 15-week road tour with four Toyota Corolla Versos, sponsoring more than 200 events in 24 countries. Over ten national marketing and sales companies as well as member retailers cooperated with

national Red Cross societies on local actions and events. In 2007, Toyota will continue its cooperation with the Red Cross, participating in the first Global United Nations Road Safety Week in the month of April.

T-TEP

In 2006, together with the Toyota Technical Educational Programme (T-TEP), the TFE started a new project aimed at improving the quality, results and overall attractiveness of automotive education programmes for young students.

T-TEP, which fosters excellence in automotive mechanics education, currently supports more than 220 automotive schools in 23 European countries. In this project, T-TEP, in partnership with Euroskills, will bring its expertise to bear on designing and organising an international automotive competition. The first phase of the project will include a pilot competition among five teams from European T-TEP schools, to take place in Rotterdam's Ahoy stadium in March of 2007. In 2008, the TFE plans to support a broader competition open to the best automotive schools in Europe. These competitions will be true trials of excellence in technical automotive skills.



7 The Vehicle Line-up

Toyota is present in virtually all segments of Europe's passenger car vehicle market, offering an extensive range of innovative, high-quality Toyota and Lexus vehicles and engines. All are designed and produced to satisfy the varied demands of Toyota's customers, while delivering superior quality and reliability.

Throughout Europe, requirements for mobility are highly diverse and continue to evolve rapidly. To respond to the needs of this fast-moving and highly competitive market, Toyota applies its fundamental philosophy of continuous improvement to create cars that offer the performance and features that drivers want, while providing innovative solutions to such critical issues as safety, fuel efficiency and the environment.

The line-up of products is as broad as the markets they serve, but all models share one thing: a common identity based on Toyota's commitment to superior quality, design, driving pleasure and innovation. This commitment is what ensures all Toyota vehicles correspond to the highest expectations of environmental and safety regulatory agencies, automotive professionals and everyday drivers.





From family sedans, and urban mini-compacts to SUVs, Toyota has put together an extensive range of innovative vehicles for every type of driver.



The success of Toyota's approach can be seen in the many awards its products have received. Toyota's pioneering hybrid model, the Prius, has for three years running received the International Engine of the Year award. In 2004 and 2005, it was named the most eco-friendly car in Europe by the German automobile club, ADAC, after previously racking up back-to-back Best Eco-Friendly Engine wins in 1999 and 2000. The Prius has been awarded top honours by IDEA (the Industrial Design Excellence Awards) and in 2005 was named the European Car of the Year. Toyota's groundbreaking Yaris model, with its 1.0-litre and 1.3-litre VVT-i engines, was voted Car of the Year 2000. And the Toyota Avensis garnered the top safety rating of five stars in the stringent Euro NCAP safety test and in 2005 was voted the best diesel car by ADAC. Not to be outdone, newcomer AYGO received a 4-star safety rating from Euro NCAP for adult occupant safety.



Toyota AYGO

Toyota AYGO – Convenient and dynamic urban mobility

Designed to attract customers younger than the average Toyota driver, the Toyota AYGO offers an engaging driving experience in the urban environment. Challenging the notion that smaller cars are only about fuel economy, the AYGO focuses instead on the enjoyment such a compact car can provide. Available in three variations, AYGO, AYGO+ and Sport, all come with a generous range of equipment as standard and can be enhanced with a wide choice of options. Toyota has nonetheless remained mindful of younger car owners' financial constraints: the AYGO is one of the most fuel-efficient cars in its segment, requires one of the lowest cumulative maintenance times in its class, and even benefits from a variety of special schemes developed by Toyota Financial Services to provide first-time buyers with more financing options.



The Toyota Yaris is
Toyota's best selling
car in Europe.

Toyota Auris

Toyota Yaris – Compact and safe

The Yaris was one of the first Toyota models to be designed, developed and built in Europe. In addition to being named European "Car of the Year 2000", it has also been named as the best small car in the J.D. Power Car Customer Satisfaction Study in Germany for four out of the last five years, won awards as "Best in class" at the ADAC's "Gelber Engel" quality award, "Best cost of ownership for a petrol car" in Denmark in 2001, and "Eco Car of the Year" award in Finland in 2003.

The Toyota Yaris features a clever "tall-but-compact" design that blends modern European styling and compact exterior dimensions with an intelligent use of interior space. This makes it an ideal choice for family use. And with a broad array of interior and exterior features and options, the Yaris is both fun to drive and eco-friendly. The Toyota Yaris also excels in passive and active safety features, earning the top five-star rating in 2005 from the European New Car Assessment Programme (Euro NCAP), making the Toyota Yaris one of the safest cars in its class. It has also been rated as among the safest cars of any size by Euro NCAP, which ranked it third in its list of the ten all-time safest cars on the road.

2007 will see the release of the new Yaris TS model, with unique exterior and interior styling, enhanced engine flexibility, and improved fuel economy.



Toyota Auris – Distinctive design, engaging driving pleasure

The new Toyota Auris captures the imagination of the European car-buying public. With a muscular shape and bold dynamic lines, the Auris has been designed around the driver – from the inside out - and combines stunning performance with top-of-its-class fuel efficiency. Other compelling features are a roomy and comfortable interior, high residual value, and state-of-the-art passive safety technology (including standard driver knee-airbag – a first in its class) that has earned the Auris yet another top five-star safety rating from the Euro NCAP.

Toyota Auris



Toyota Corolla Verso

Toyota Corolla Verso – Practical and stylish

A late addition to the compact MPV segment, this seven-seater breaks with the usual boxy MPV design to bring a fresh and dynamic style created by Toyota's European design studio, ED². Its innovative seat folding system (Toyota Easy Flat-7) allows each of the rear seats to fold down with just a simple operation, making a totally flat cargo floor. The Corolla Verso achieved a best-in-class five-star performance rating under the Euro NCAP crash test protocol, also winning 4 stars – the highest rating awarded thus far – in the area of child safety.



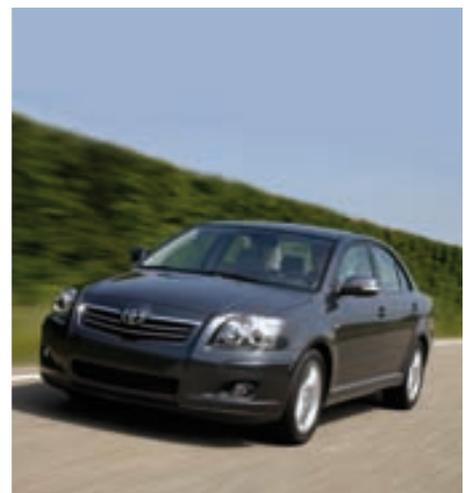
Toyota Corolla

Toyota Corolla – the world's best-selling car

Now in its tenth generation, the all-new Toyota Corolla is becoming a class above reflecting the aim to set new standards in its class, designed to appeal to European customers seeking both a classic sedan configuration and striking, dynamic styling. With a strong focus on driving dynamics and improved stability, the Corolla also delivers interior space and comfort, responsive handling and precise steering control. Available with up to 9 airbags, Toyota is anticipating that, like its predecessors, this new Corolla will achieve a top-class Euro NCAP rating.

Toyota Avensis – Superior quality-driven performance

The Avensis is a key model in Toyota's European line-up. Originally designed at Toyota's European design centre in the South of France and built at one of the company's UK manufacturing plants, the Avensis was one of the first Toyota models to be sold exclusively in Europe, subsequently becoming the first European model to be exported to Japan. Key features of the new 2007 model Avensis include a refreshed interior and exterior design, a premium quality package with an enhanced instrument panel and equipment levels, a fully competitive diesel range and complete petrol engine line-up, enhanced suspension for ride comfort, and improved aerodynamic performance. Of course, the new Avensis also features the advanced safety technologies that have earned the model the highest five-star safety rating available from Euro NCAP.



Toyota Avensis



Hybrid Synergy Drive®

Toyota Prius – Economy, ecology and power to spare

Named European Car of the Year 2005, the Toyota Prius represents the cutting edge in the industry's quest for a cleaner, greener car of the future. The world's first mass-produced hybrid passenger car, the Prius has already sold over 640,000 units worldwide, with the 50,000th European Prius sold in 2006. The secret to its success: Toyota's unique Hybrid Synergy Drive® System, which seamlessly combines an electric motor and petrol engine to provide excellent fuel economy, ultra-low fuel emissions and all the performance, comfort and driving pleasure of a conventionally powered car.



One of the best things about the Prius is its convenience. There is no need to manually recharge the battery for the electric motor. And when it comes to fuel economy and emissions, the new Prius goes straight to the head of the class. Toyota's hybrid system offers overall fuel consumption of 4.3 litres/100 km and emissions of just 104g CO₂ /km. That represents a reduction in CO₂ output equivalent to one tonne per year for an average driver, compared to a similarly sized conventional vehicle.



But all the technology in the world would mean nothing were the design to fail to meet the performance levels that customers have come to expect from Toyota. Here, too, the Toyota Prius is a winner: the torque-heavy Prius does 0-100 km/h in less than 11 seconds.

As one would expect with such a revolutionary design, the Prius continues to rack up awards. In 2004, it was voted North American Car of the Year. For three years running, it has received the International Engine of the Year award. In 2004 and 2005, it was named the most eco-friendly car in Europe by the German automobile club, ADAC, after previously racking up back-to-back Best Eco-Friendly Engine wins in 1999 and 2000. The Prius has been awarded top honours by IDEA (the Industrial Design Excellence Awards) and in 2005 was named the European Car of the Year.

Toyota Prius





Toyota RAV4

Europe's Favourite SUVs

Toyota RAV4 – Recreation redefined

The RAV4 remains Europe's top-selling SUV. More refined, more dynamic and more advanced than ever before, the all-new third-generation Toyota RAV4 continues to challenge expectations and conventions. The introduction of the Integrated Active Drive System delivers a sharper driving experience, enhanced overall control and a new level of confidence.

Designed for modern life, with its highly evolved aerodynamic body shape as well as its clever fusion of innovative technology, advanced performance and new levels of comfort, the RAV4 completely redefines the SUV driving experience.



Toyota RAV4



Toyota Land Cruiser

Toyota Land Cruiser Premium all-road appeal

The Land Cruiser is the latest in a long and illustrious line of uncompromising and innovative vehicles. On- and off-road, its driving credentials are impeccable. It is a tough 4x4 packed with state-of-the-art driving technology and premium levels of interior comfort and refinement that make it both pleasurable and exhilarating to drive. Embodying all the rugged characteristics and off-road reliability that have made the range famous, it adds a new dimension of greater on-road driving pleasure, perceived quality and additional comfort. It is a worthy successor to previous generations, with more than 500,000 units sold since its European launch in the early 1960s.



Toyota Hilux



Toyota Hilux

Utility value

Toyota Hilux – A true work and leisure vehicle

The Toyota Hilux 4WD pick-up has been developed to survive the most extreme conditions found around the globe. Famed for its off-road capabilities, durability and reliability, it has long been the vehicle of choice for the toughest driving conditions and offers endless possibilities where the only limit is your imagination.

In the 2007 model, however, a powerful new range of diesel engines and styling enhancements are set to boost the popularity of the latest generation. With a modern look and a commanding presence, driving performance has been improved with the all-new chassis and suspension, better brakes and a modern drive train. The new package of noise and vibration measures has also brought refinement approximating passenger car levels. With its bold and aggressive styling, the Hilux will take you wherever you want to go.

Toyota Hiace - Value & Volume

Now in its fourth generation, the Toyota Hiace is a flexible, high-quality commercial vehicle that delivers excellent performance in its medium-size segment. Designed as a user-friendly workhorse, this high-volume transporter can be loaded with over a metric tonne of cargo, and offers excellent value for money. The Hiace is proof of Toyota's ability to manufacture versatile commercial vehicles, and is also available as a well-equipped minibus that carries up to nine people.



Toyota Hiace

D-CAT: Clean Power

The 177 DIN hp 2.2-litre D-4D inaugurates Toyota's revolutionary new concept for diesel engines – Clean Power. Thanks to the Toyota Diesel Clean Advanced Technology (D-CAT), this Clean Power engine has the smallest combined NOx and PM emissions among all diesel engines on the market without sacrificing performance and comfort: the unit leads its segment in levels of power and torque, while delivering the lowest noise, vibration and harshness (NVH) and, on average, 20% lower fuel consumption among engines of equivalent power.



Lexus IS



Lexus IS Airbags



Lexus

The Lexus IS – Setting new standards

Setting new class standards in driving dynamics, on-board luxury and ergonomic excellence, the Lexus IS sedan made its world debut at the 2005 Geneva Motor Show. Building on the success of the first IS, the latest model range offers an exclusive, highly sophisticated experience within the D-premium segment.

The IS also marks the introduction of the first ever Lexus diesel engine. The all aluminium, 2.2-litre power plant fulfils the most exacting standards of Lexus performance and refinement, combining exceptionally quiet, ultra-smooth operating characteristics with class-leading torque (400 Nm between 2000 and 2600 rpm) and power (177 DIN hp).

The new sports sedan also features the highest content of safety equipment in the segment, including: Vehicle Dynamics Integrated Management system (VDIM), the most evolved stability control system on the market; Pre-Crash Safety system (PCS), which detects an imminent impact and immediately activates seatbelt pretensioners and the Brake Assist System; and an Adaptive Cruise Control (ACC), that adapts the vehicle's speed when detecting another vehicle in front at a lower speed. The Lexus IS also features the segments only front knee airbags and the world's first front-passenger twin-chamber airbag. This combination earned the Lexus IS a five-star safety rating from Euro NCAP for adult occupant protection.



Lexus GS

The Lexus GS – Dynamic elegance

The Lexus GS is the first production vehicle to hail from the new L-finesse design philosophy. It integrates elegant, seamless coachwork with a luxurious and ergonomic cabin design. From its precision engineering to its interior fit and finish, everything on the Lexus GS reflects an unparalleled quest for excellence. When it comes to safety on the road, the new GS has few peers. The Pre-Crash Safety system (PCS) provides pre-emptive activation of pre-crash seatbelts and pre-crash brake assist. Other sophisticated safety technologies include Adaptive Cruise Control, with automatic vehicle-to-vehicle distance control, and an Intelligent Adaptive Front-lighting System (I-AFS). The GS' Vehicle Dynamics Integrated Management system (VDIM) is coupled with Variable Gear Ratio Steering (VGRS) to adjust steering ratio depending on vehicle speed. The GS is the only car in the segment to offer front knee airbags.



Lexus LS



The new Lexus LS – In pursuit of perfection

Fusing the most advanced technology and craftsmanship with deep design artistry, the new LS 460 redefines the premium sedan. A new car from the ground up, it achieves revolutionary advances in performance, driving dynamics, design and quality. Engine, transmission and suspension are completely new, and our new flagship has a totally new multi-link air suspension system, networked with intelligent vehicle dynamics and variable steering to create a ride that is astonishingly agile and refined. And nowhere is our pursuit of perfection more critical than in the area of safety. In the LS 460 we have pioneered revolutionary new safety systems, harnessing advanced technologies to anticipate dangers on the road and protect you from them, with some of the most advanced preventive safety and driver assist systems available: Advanced Obstacle Detection, Emergency Steering Assist, Driver Monitoring, Rear Pre-Crash Safety system and Lane Keeping Assist with Lane Departure Warning.

Lexus Hybrid Drive

Lexus Hybrid Drive is the fruition of fifteen years of intensive research and development and has already resulted in 3 breakthrough Lexus models: The RX 400h SUV, the GS 450h performance sedan and the LS 600h luxury flagship sedan. All three hybrids deliver class-leading levels of fuel economy, low emissions, quietness and breathtakingly smooth performance.

Lexus RX 400h

Featuring a 3.3-litre petrol V6 with front and rear electric motors, the Lexus RX 400h provides a maximum output of 200kw/272 DIN hp and seamless acceleration from zero to 100 kph in just 7.6 seconds. Even with all that power, the Lexus RX 400h manages to cut combined CO₂ emissions to just 192g/km, proving that high driving performance and superior fuel efficiency can be achieved in the same vehicle. The RX 400h takes SUV driving to a new and different dimension.



Lexus RX 400h



Lexus GS 450h



Lexus Hybrid Drive

Lexus GS 450h

This breakthrough hybrid sedan offers outstanding performance, thanks to the combination of a 3.5-litre V6 direct-injection petrol engine and a high-output electric motor. These two power sources work together in an intelligent and seamless partnership to produce acceleration that is both extraordinarily fast and effortlessly smooth. The system produces an output of over 354 DIN hp, rivalling that of a conventional V8 engine, but with the economy of a 2.0-litre petrol engine. Expanding horizons yet again, the new GS 450h brings four mutually contradictory objectives into perfect harmony: fuel economy, low emissions, quietness and breathtaking performance.

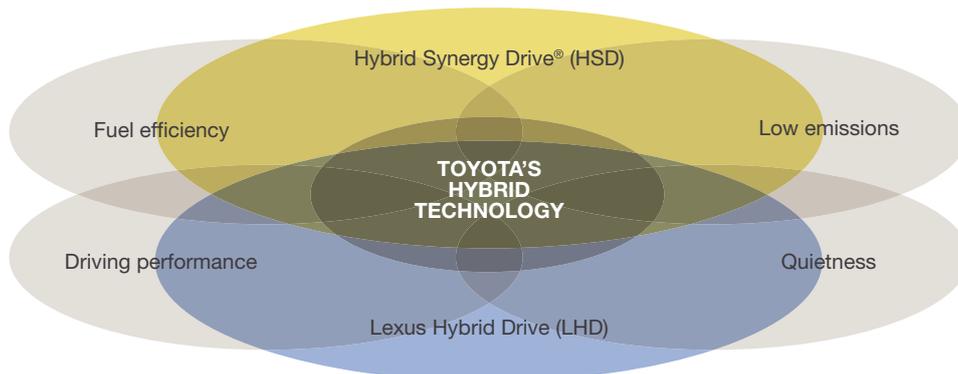


Lexus LS 600h

LS 600h

Scheduled to arrive in Europe in mid 2007, the all-wheel drive LS 600h will be the world's first vehicle to feature a full hybrid V8 powertrain. The Lexus Hybrid Drive system in the LS 600h builds upon technology developed in the RX 400h and GS 450h to combine an all-new five-litre V8 petrol engine with large, high-output electric motors and a newly designed large-capacity battery pack. This advanced combination will provide the LS 600h with a peak combined output rating of more than 435 DIN hp.

Environmental performance without sacrifice



Lexus GS 450h



8 Motorsport & Formula One

For an automaker, competitive motorsport represents one of the most visible ways to develop and test the new designs and technologies that eventually make their way into consumer vehicles. For nearly half a century, Toyota has built an increasingly strong presence in international motor racing. This passion can be traced back to 1957, when Toyota's Toyopet Crown first competed in the Australian Rally. So in 2007, Toyota will be celebrating 50 years of involvement in motorsport.

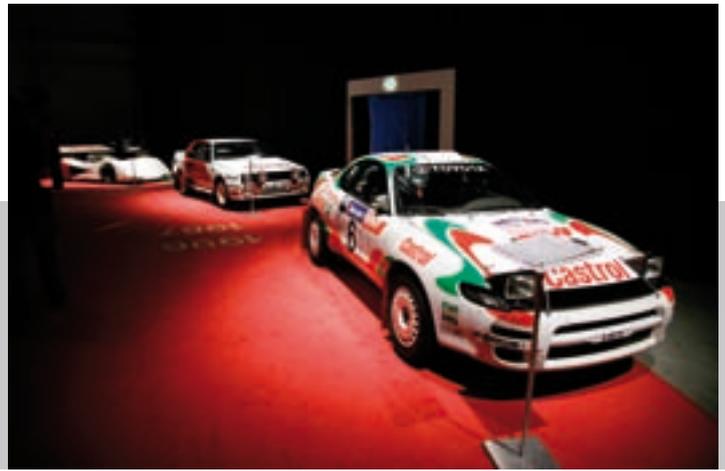
Since those early days, Toyota has garnered its share of titles and wins in competitions around the world. Toyota was one of the first automakers to recognize the importance of Formula 3, dominating the European series in 1976 and 1977. The company also backs several single-brand championships, such as the renowned Toyota Atlantic Championship in North America and the Yaris Cup in Europe.



*Jarno Trulli & Ralf Schumacher
Race drivers and the Toyota TF107*



Toyota TF 107



Celica ST185

Today, Toyota maintains a regular racing presence in Japan, mainly in the GT category (champion in 2006 team/drivers), while in the U.S., Toyota (Lexus brand) dominated the Grand American Roles Series with 7 wins last year, including the famous Daytona 24-Hour race (finished 1 – 2). This year Toyota will compete in one of the most popular series in the world, the NASCAR Nextel Cup in the US – with 3 teams and six cars. On the international level, Toyota will undertake its sixth season in Formula 1.

Among Toyota's international successes are two IMSA GTP titles in the U.S. (1992-1993), with a historical total of 26 victories, including major classics as the Sebring 12-hour race and the Daytona 24 as well as double Driver-Manufacturer titles in the CART international championship, with Cristiano da Matta.

At the Indy 500, one of the world's most prestigious events, Toyota has encountered significant success. Before a crowd of 400,000 spectators, Toyota took a double in 2003 with Team Penske – Gil de Ferran's victory, followed by Helio Castroneves'. Toyota placed six of its drivers in the top 10, four of which were in the top five, clinching the title at the end of the season.

The rally is where Toyota has truly shined, with three world Manufacturer titles (1993-94-99), four world Driver titles – with Carlos Sainz (1990 and 1992), Juha Kankkunen (1993) and Didier Auriol (1994) – two European titles, with Armin Schwarz (1996) and Henrik Lundgaard (2000), one Asia-Pacific title (1990, Carlos Sainz) and four Middle-East titles with M. Bin Sulayem (1986-87-88-90). In all, Toyota has garnered 43 rally wins for the world championship.

With the construction of its first dedicated Formula 1 laboratory in Germany in 2000, Toyota prepared for its greatest challenge yet. Not content simply to acquire or supply an engine to an existing team as others have done, Toyota decided to set its sights on the top ranks of motorsport. Starting from scratch, it put together its own team and built an entirely new car, chassis, transmission and engine, bringing it into the prestigious company of automakers like Ferrari.



Toyota 2000GT

With its first point scored at its very first competition (the 2001 Australian Grand Prix), the Toyota team has already made a name for itself. So far, Panasonic Toyota Racing has achieved 2 pole positions, 6 podiums, 1 fastest lap, it has led 37 laps and scored 145 points. But the company knows that it takes more than a few years to grab the lead in Formula 1.

In its sixth season of Formula 1 racing, Toyota aims to accumulate points steadily. In 2007, Toyota will roll out its new TF107 racecar, developed in response to changes in vehicle regulations, such as those concerning engine displacement. With Toyota's vastly experienced drivers, German Ralf Schumacher and Italian Jarno Trulli, the team is aiming for Toyota's first F1 victory.

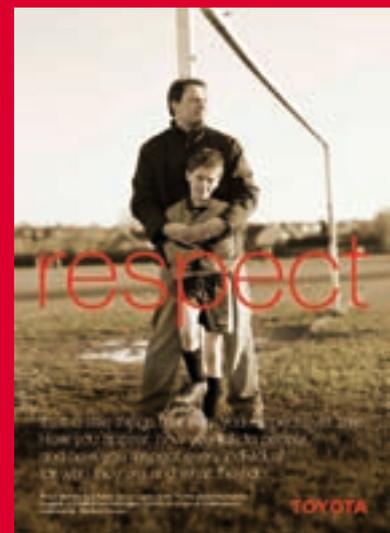
9

The Toyota Work Experience

While Toyota is a very large global company, Toyota employees (who are called “members” in-house) often think of themselves as an extended family. Perhaps one reason for this is because Toyota’s corporate values are the very same values that forge healthy families: mutual respect, attention, dialogue, high expectations, commitment and concern for each individual family member. Toyota’s commitment to continuous improvement (Kaizen) creates an environment where the detection of errors is not a cause for blame and punishment, but rather an opportunity for improvement and growth - and not just in the manufacturing sector, but throughout the company. The Toyota emphasis on teamwork also helps to cultivate an atmosphere of mutual trust – yet another hallmark of healthy families.

A Diverse Workforce

Like any healthy family, Toyota in Europe seeks not just to accommodate, but to actively foster diversity among its many members. While a majority of Toyota’s people are recruited locally, the forces of globalisation have led the company to create a remarkably multicultural environment with, for example, around 50 nationalities in our Head Office in Brussels alone. Toyota believes that an effective workplace is one that allows people of different ages, genders, ethnic groups and cultural backgrounds to work together as a team, with each individual reaching their full potential.



*Economic and Social Contribution
Advertising Campaign 2006*



Continuous Training

In order to help its members develop their many talents, Toyota invests heavily in the training of its workforce at all levels and in all areas of its operations, from management and engineering to production and sales and marketing.

Management Training

Started in the year 2000, Toyota's Graduate Development Programme was established to recruit and develop the talents of young graduates emerging from Europe's universities in the engineering and management fields. In 2006, 86 graduates were selected from 60 different universities to participate in a 19-month focused on-the-job and in-classroom training course, including two months on a production line, a six-week cross-

divisional placement, and training in problem solving methodologies, Toyota values, etc. The programme helps to meet Toyota's objective of ensuring a stable influx of talented young specialists and engineers who will learn, understand and can apply Toyota philosophy and business practices. It also supports Toyota's initiatives in community relations and social responsibility by developing closer ties with educational institutions in Europe.

Training of Production Staff

In 2006, Toyota officially opened the European Global Production Centre (E-GPC) in Derbyshire (UK), to serve as a hub for the teaching of best practices and training of production staff and supervisors from all over Europe. Participants at E-GPC use specially developed workstations, simulated production environments and the latest maintenance technology to refine their skills. The courses also contribute to improved safety and greater efficiency. Participants spend about two weeks on average at the centre before taking their new knowledge and skills back to their respective plants to pass on to other team members.

"I want Toyota to be a company that has large ambitions and works to achieve them...It is the ability of Toyota's employees to share in those ambitions and work as a team to achieve them that drives the company's development forward."

Katsuaki Watanabe, President



Retailer Training – The Toyota Retail System

Toyota also has multiple training programs for its retailers. The School for Retail Development assembles and disseminates product knowledge as well as providing skills and behavioural training in an effort to effectively transmit the Toyota Way values to Retailers. “Train-the-trainer” (T3) programmes and other supporting materials have been designed to assist Toyota Motor Europe’s 28 NMSCs to deliver industry-leading training solutions to their retail networks. As discussed previously, the newly developed Toyota Retail System (TRS) has been rolled out across Europe in an effort to apply key lessons learned from the Toyota Production System (TPS) to the retail environment. The principle outcome of the *Kaizen* process with its emphasis on teamwork is that each individual member knows that their ideas and input are valued and taken seriously. With its emphasis on member training and development, Toyota personnel know that their efforts will be rewarded and their career paths within the company varied and interesting.

Forum for Dialogue

For over a century, Europe has had a unique heritage and tradition of social dialogue. Collective agreements, information, and consultations have been formalized in local and regional legislation in a way that is unique to the European Union. Toyota’s relationship with its employees is founded on this heritage. At the European level, in 1995 Toyota was among the first to set up a European Work’s Council, the Toyota European Forum. At the annual meeting of the Toyota European Forum in December, employee representatives were updated on all of the company’s activities in Europe. Various presentations were given followed by Q&A sessions focusing on Toyota’s objective of superior quality and cost competitiveness, which the company views as the very foundation for sustainable growth.

Concern for a Safe Work Environment

Toyota is also committed to providing fair working conditions and to maintaining a safe and healthy working environment for all our employees. In Europe, Toyota has laid the foundations for a Pan-European Safety & Health framework, developing and introducing common policy/guidelines, standards and organisation. In 2006, A pan-European safety and health campaign was conducted with the aim of raising employees’ safety awareness. And with respect to safety training, Toyota in Europe is continuously improving and adapting to new Health and Safety requirements, which requires on-going training of the company’s employees, but also training of the trainers to keep their knowledge of safety requirements up to date.

In short, Toyota knows that for a company to be a good corporate citizen in the wider society, it must start by respecting and valuing its own corporate members. Respect for Toyota members and recognition of the worth of their contributions is inherent in the Toyota Way. Yet Toyota’s respect for the enormously valuable “raw material” that its labour force constitutes runs deeper still. By investing annually in the training and talent development of its personnel, the company ensures that all members will come to share in the company’s large ambitions, becoming an essential force for Toyota’s progress in the new millennium.

現地現物

Genchi Genbutsu

“Going to the source to find the facts to make correct decisions, build consensus and achieve goals.”

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