

## Safety and Health Management

**A forward-looking approach to safety and health management with the goal of continually improving the safety and comfort of the workplace**

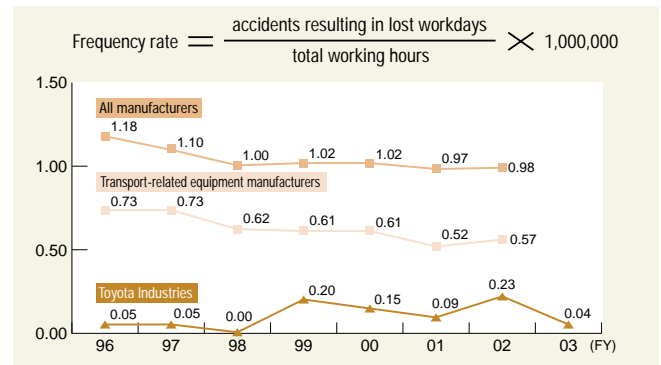
The safety and health of employees is given utmost priority and is viewed as having the power to affect the very foundations of the company. Toyota Industries promotes a fundamental philosophy of respect for humanity, which serves as the basis for its efforts to create a workplace environment that enables all of its employees to work in a secure, positive, and healthy atmosphere.

### Employee Safety and Health

Toyota Industries has adopted a policy of striving to improve its safety and health management standards through the promotion of an occupational safety and health management system, and closer collaboration with its subsidiaries and affiliates. The company's Safety and Health Committee, composed of management-level employees, is responsible for implementing company-wide activities aimed at preventing occupational accidents.

Safety and health activities are comprehensively implemented on a daily basis within the company, focusing on the key aspects of the people, materials, and management involved. The company's occupational accident rate has remained consistently below the industry average in this area. Toyota Industries is also involved in ongoing efforts to improve occupational safety and health management at its subsidiaries and affiliates.

### On-the-Job Accidents



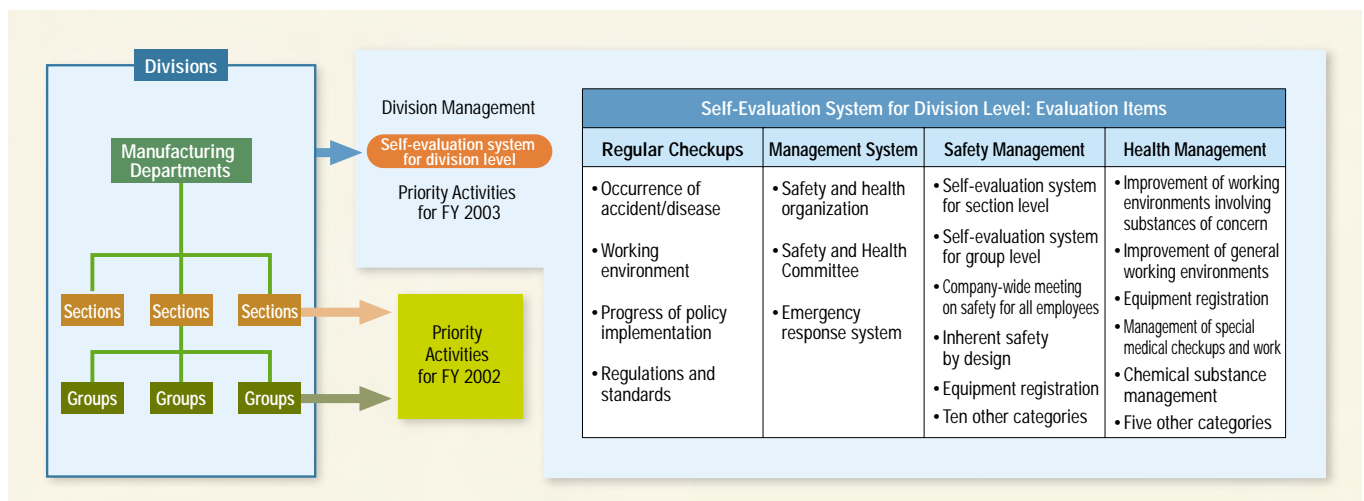
### Occupational Safety and Health Management System

Toyota Industries has taken a multilayered approach to identifying the various aspects of safety and health management within the company's workplaces, sections, and divisions, with an emphasis on the manufacturing activities of the company. Regular assessments of the company's activities are carried out in order to improve its existing occupational safety and health management system.

In FY 2003, the company conducted an assessment of its safety and health management systems at the division level, based on its ongoing efforts at the workplace and section level. Approximately 30 assessment categories were used to identify whether the company's safety and health management systems were performing properly. Although the assessment results showed that, on average, goals were being met, they also revealed that there were several areas in need of improvement, such as the existing working environment at the time of the assessment.

Toyota Industries is committed to further solidifying its multilayered occupational safety and health management system and implementing further enhancements, with the goal of fully establishing the safety and health management system for its office work by FY 2005.

### Occupational Safety and Health Management System



# Relationship with the Employee

## ■ Safety and Health Workshops

Toyota Industries conducts workshops aimed at preventing occupational accidents and improving the safety and health management of its manufacturing-related subsidiaries and affiliates in Japan. The company's workshops focused on the subject of regulatory compliance in FY 2002 and on the establishment of safety and health management systems in FY 2003. These workshops were designed to ease the way for safety and health assessments to be carried out in FY 2004.

## ■ Environmental, Safety, and Health Workshop for Overseas Manufacturing-Related Subsidiaries

During FY 2003, Toyota Industries held its first workshop for personnel from the health, safety, and environmental departments of its overseas manufacturing-related subsidiaries. The event was designed to provide the participants with a better understanding of the company's safety, health, and environmental activities and to promote further dialogue between those involved. Future workshops will be alternately hosted by the company's overseas manufacturing-related subsidiaries, with the aim of strengthening group-wide involvement in environment, safety, and health-related issues.



Workshop Participants

## ■ Environmental, Safety, and Health Workshop

Participants	Michigan Automotive Compressor, Inc.; Toyota Industrial Equipment Mfg., Inc.; TD Deutsche Klimakompressor GmbH; Toyota Industrial Equipment, S.A.; Kirloskar Toyoda Textile Machinery, Ltd.; ACTIS Manufacturing, Ltd. LLC
Agenda	<ul style="list-style-type: none"> <li>• Toyota Industries' environment, safety, and health activities</li> <li>• On-site observations of domestic plants</li> <li>• Case studies from Toyota Motor Corporation</li> </ul>

## Employee Health

Employee health is a high priority at Toyota Industries, with great emphasis placed on better equipping its employees and workplaces to cope with aging and stress and the associated risks. Efforts to promote employee health include programs aimed at preventing lifestyle-related illnesses and improving the mental health of employees.

## ■ Preventing Lifestyle-Related Illness

Toyota Industries organizes and sponsors a broad range of programs aimed at preventing lifestyle-related illness among employees. Employees are encouraged to participate in goal-oriented fitness programs, outdoor hiking events, and seminars on lower back pain prevention and other health issues. These company-sponsored programs give employees the opportunity to improve their health through lifestyle changes.

During FY 2003, Toyota Industries established an Employee Health Promotion Committee in collaboration with its health insurance society and the labor union. The company also established a major new campaign to promote employee health.



## ■ Promoting Mental Health

Toyota Industries' approach to mental health issues is focused on early detection and care. In accordance with strategies promoted by Japan's Ministry of Health, Labor and Welfare, the company uses a multi-pronged approach that combines self-care with support from line supervisors, industrial health professionals, and professionals outside the company.

## ■ Efforts to Promote Mental Health of Employees

Category	Description
Preventive measures	<ul style="list-style-type: none"> <li>• Created stress analysis tool, now available over corporate intranet</li> <li>• Established counseling desk for health issues</li> <li>• Publishes health news bulletin</li> <li>• Conducts health education for new employees and specific age groups</li> </ul>
Early detection and care	<ul style="list-style-type: none"> <li>• Conducts mental health education for line supervisors</li> <li>• Conducts training for newly promoted managers and supervisors</li> <li>• Provides counseling based on results of routine physicals and special overtime checkups</li> </ul>

## Spotlight

### Hekinan Plant Commended for Educational Video on Safety and Health

During FY 2003, the Hekinan Plant received an award of excellence from the Japan Industrial Safety and Health Association as part of a nationwide competition. The plant was commended for its safety and health-related educational video, which was created by the plant's manufacturing department to help educate newly assigned employees. The video was praised for its skillful presentation of past occupational accidents, occupational risks, and ethical issues in the workplace.



Japan Industrial Safety and Health Association Award Ceremony

## Creating a Better Workplace

### Establishing a healthy and livable workplace based on an atmosphere of mutual trust

Toyota Industries' basic philosophy is to nurture the inventiveness and other abilities of its employees and to seek to create a climate of cooperation, so that both the employees and the company can realize their full potential.

Furthermore, Toyota Industries has chosen the principles of mutual trust and respect for diversity as its guide for corporate and employee conduct.

#### — Basic Perspective —

##### Maintaining an Atmosphere of Mutual Trust

Toyota Industries seeks to maintain an atmosphere of mutual trust with its employees by ensuring jobs and making a sustained effort to improve labor conditions, while at the same time establishing a healthy and livable workplace environment. In return, the company expects that its employees will carry out their duties in a forthright manner in order to maintain their employer's trust.

##### Respect for Diversity

A respect for individual diversity is essential to a healthy and livable workplace. Toyota Industries and its employees pledge to respect the privacy of individuals and refrain from discrimination based on race, religion, gender, nationality, disability, or any other factor not directly related to an individual's work performance. Toyota Industries will not tolerate sexual harassment in the workplace, due to its illegal nature and its destructive effect on individuals, the workplace environment, and productivity.

##### Creating an Open Workplace Environment

Toyota Industries encourages its employees to come forward during workplace meetings and present any grievances they might have, so that the company can more readily respond. Furthermore, the company sponsors recreational activities to promote better communication and unity for a more open workplace environment.

Several consultation services have been created to enable the company to better address employee complaints and concerns. These consultation services address issues ranging from corporate ethics and spiritual and health matters to sexual harassment and the Equal Employment Opportunity Law.

## HR Development

### Developing professional employees able to realize their full potential

The company emphasizes the following goals in its HR activities:

1. To focus on each individual
2. To place emphasis on abilities and achievements
3. To create an open framework for its personnel system
4. To create a system where employees can grasp opportunities, take on challenges, and compete within a positive environment
5. To promote active thinking by employees and organizations

Toyota Industries seeks to develop employees that are able to grasp the company's ideals and realize their full potential in a variety of fields.

#### HR Development Management Cycle

Toyota Industries employs an HR development management cycle to guide its activities. The cycle is divided into three stages consisting of goal setting, regular assessment and guidance, and performance assessments through employee interviews.

At the beginning of each cycle, the company establishes goals and tasks for each individual. The goal-setting process is based on factors such as directives from the company president, policies and strategies at the division and department level, and issues at the working group level.

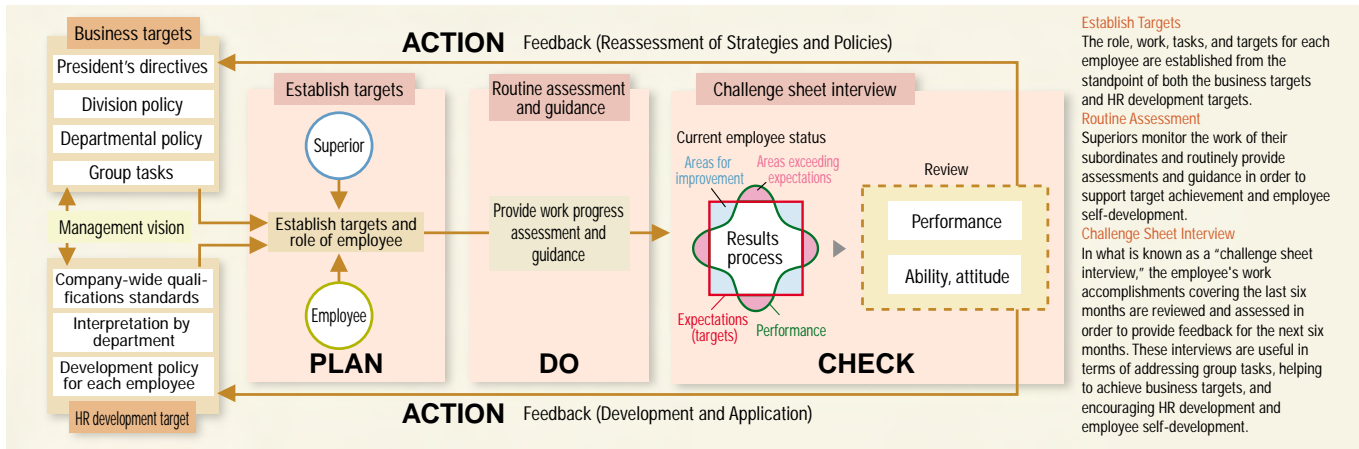
Next, the company conducts regular assessments and provides guidance through daily communication between employees and their superiors. In addition to focusing on performance, employees discuss their work processes and the progress of their work.

At the end of every cycle, an employee and his or her superior will sit down to review the work accomplished during the previous six months, using a "challenge sheet" to measure the level of goal achievement by the employee. During the interview, the employee's work processes, performance, and individual weaknesses and strengths are reviewed. This process is aimed at identifying tasks for the next six months and encouraging the growth and personal development of the employee.

This management cycle used by Toyota Industries serves a dual purpose for the company. Firstly, it enables the company to address the areas in need of improvement in its workplaces and business activities. Secondly, it promotes further development of the company's HR.

# Relationship with the Employee

## Management Cycle for HR Development



## Employee Education

Employee education at Toyota Industries is comprised of multilayered training for employees in technical positions, office and engineering positions, and specialized areas. In addition to in-house training programs, the company also makes use of outside training when needed. Multilayered training is based on the number of years employees have been with the company and their position within the company. This training is carefully matched to each employee level through a process of identifying the knowledge and skills needed at each stage of an employee's development. Specialized training is conducted by instructors from within and without the company who possess extensive knowledge in their respective fields, and is aimed at equipping employees with advanced expertise and skills in specialized fields. Toyota Industries has also established a program to support its employees in their efforts to acquire various work qualifications.

## Environmental Education and Awareness

Environmental education at Toyota Industries consists of general education for all employees and specialized training required by employees in specialized areas of work. Specialized training includes internal auditor training aimed at developing leaders to promote environmental activities within the company and training in the field of environmental design. Employees to be transferred

overseas also receive training aimed at strengthening the company's consolidated environmental management. In addition, Toyota Industries is involved in ongoing efforts to raise the environmental awareness of its employees through a wide range of activities. These activities include environmental lectures by specialists, employee screenings of films with environmental themes, and the inclusion of environmental articles in the company's in-house magazine distributed to employees.

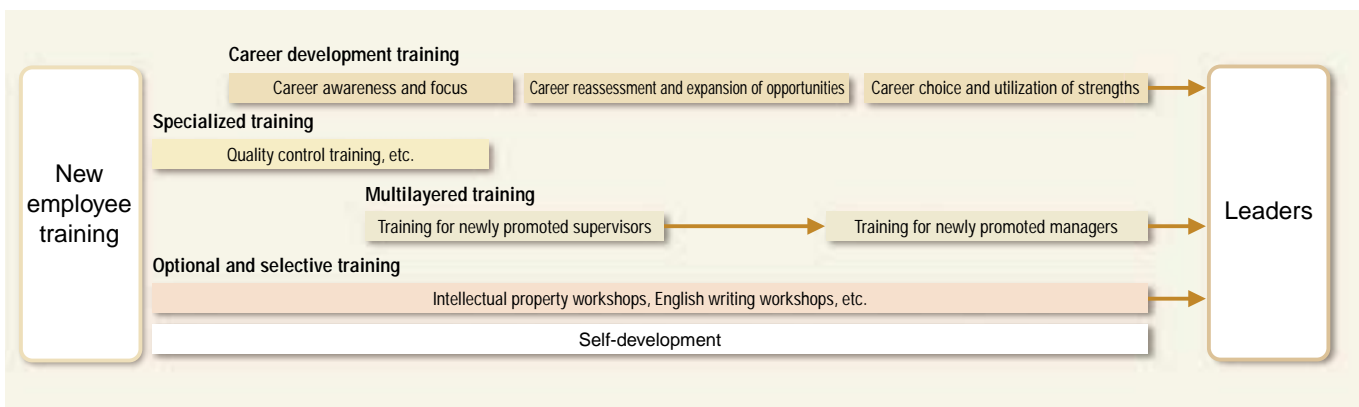
## Framework for Environmental Education

### FY 2003 Education

Program	Attendees	Number of Attendees
New employee education		262
Newly promoted supervisor training		377
Newly promoted manager training		112
Internal auditor training		172
Designer training		79



## Education for Employees in Office-based Engineering Positions





## Equal Opportunity

### Implementing strategies that support the work-related ambitions of its employees

Toyota Industries persistently endeavors to maintain a vibrant work environment for its employees by sponsoring programs to support a satisfying balance between family and work, and by promoting equal opportunity regardless of race, religion, gender, nationality, disability, age or any other factor not directly related to an individual's work performance.

#### Equal Working Opportunities for Women

Toyota Industries is taking steps to expand the diversity of employment opportunities available to women in order to maximize their full potential as employees. The company is regularly hiring women to technical positions and has eliminated hiring practices that limit employees to certain positions based on gender.

The company has created in-house guidelines that systematically address equal employment opportunity and issues such as complaints relating to sexual harassment. These guidelines can be accessed via the corporate intranet and help to ensure compliance within the workplace.

#### Supporting Balance between Family and Work

Declining birth rates, an aging society, and the increasing prevalence of nuclear families have placed an increasing burden on the company's employees. In many cases, employees are forced to balance their work and their domestic roles as caregivers of children or the elderly. Toyota Industries is actively involved in creating programs and encouraging a workplace culture that will enable its employees to balance their family and workplace commitments, without having to sacrifice one for the other. These programs are considered necessary to the growth of the company, should it wish to retain its knowledgeable and skilled workforce. In FY 2002, Toyota Industries was pronounced a "family-friendly" corporation by the Aichi Prefecture Labor Bureau.

#### Family-Work Balance Programs

Toyota Industries has created four major programs to meet the diverse needs of its employees: child care leave, leave of absences for emergency child care, reduced working hours, and access to child care facilities. The company's child care leave program enables employees to take a leave of absence of up to two years after the birth of a child. To date, there have been 333 cases of

employees taking advantage of this program, with most employees choosing to later return to the workplace. The company also provides five extra days of leave per year so that parents can care for preschoolers and infants in the event of illness. Furthermore, Toyota Industries operates a day care facility for children aged zero to two years for use by its employees.

#### Parent Assistance Programs and Benefits

Program/Benefit	Description
Child care leave	Up to two years' leave of absence from date of childbirth
Emergency child care leave	Up to five days of leave per year to attend to an ill preschooler or infant
Overtime restrictions	Period: minimum, one month; not to exceed one year Number of hours: not to exceed 24 hours in any month or 150 hours annually (No limit on applying for exemption)
Graveyard shift exemption	Period: minimum, one month; not to exceed one year (No limit on applying for exemption)
Reduced working hours	Flex-time work schedule until child reaches three years of age Exemption from overtime and weekend work
Employer-owned day care facility	Access to day care facility operated by Sun Staff, Inc. (subsidiary)

#### Case Study A Employee Access to Day Care Facility

Toyota Industries operates the Aizuma day care facility through its subsidiary Sun Staff, Inc. The day care facility operates in accordance with the company's days and hours of operation, unlike most other day care facilities. For example, the facility is open from 7:15 AM to match the company's working hours and is open on national holidays that overlap with Toyota Industries' operating schedule.



Company-Owned Day Care Facility

## Relationship with the Employee

### ■ Building a Better Workplace Culture

Toyota Industries believes a proper balance can be achieved between family and work through the cooperation and mutual trust of employees and their workplaces. This process requires the building of a workplace culture that understands the importance of this balance. The company's main strategies to achieve a balanced workplace culture include efforts to achieve widespread recognition of in-house programs and raise awareness among managers. Furthermore, the company reviews how its employees work and promotes communication that extends to the families of employees.

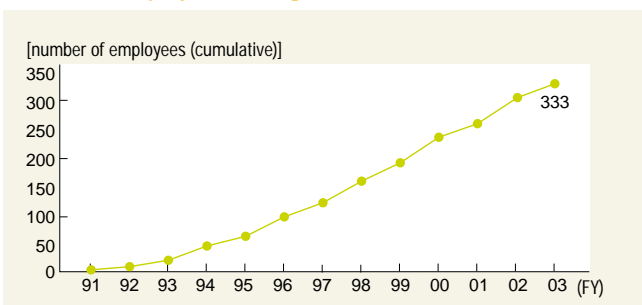
### ■ Case Study B Child Care Leave

When an employee requests child care leave, the company arranges an interview involving the employee, the employee's supervisor, and a member of the Human Resources Department. A booklet is used to discuss the details of child care leave, and information on how to contact the employee during the period of leave is confirmed. This process is aimed at deepening awareness of child care leave issues among managers while alleviating the concerns of employees who are about to take child care leave.

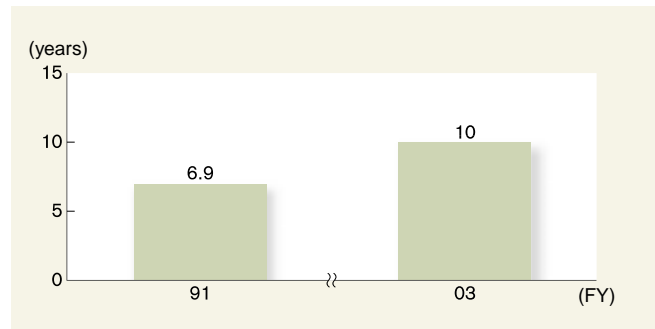


Explaining the Details of Child Care Leave

### ■ Trend in Employees Taking Child Care Leave



### ■ Average Continuous Years of Employment by Female Employees



### ■ Employing Individuals with Disabilities

Toyota Industries employs individuals with disabilities to fill a broad range of positions for the company every year.

At the end of March 2004, the company had in its employ 116 individuals with disabilities, which accounted for 1.93% of its workforce. This figure exceeds the 1.8% legal requirement in Japan for hiring persons with disabilities. The company's employees include participants of international Deaflympics and Abilympics competitions. Toyota Industries is involved in various activities to expand workplace support systems for employees with disabilities.

### ■ Working After Retirement

Toyota Industries has created a Super Career Program in which the company rehires its retiring employees in order to build a stronger workplace and utilize the considerable experience and technical abilities they possess. Former employees selected through this program are hired for a period of three years to work as skilled technical workers and serve as mentors for less experienced employees. The company has also created a program in which retired employees can sign up with its subsidiary Sun Staff, Inc., a staffing agency that dispatches workers to perform duties at Toyota Industries and other firms.