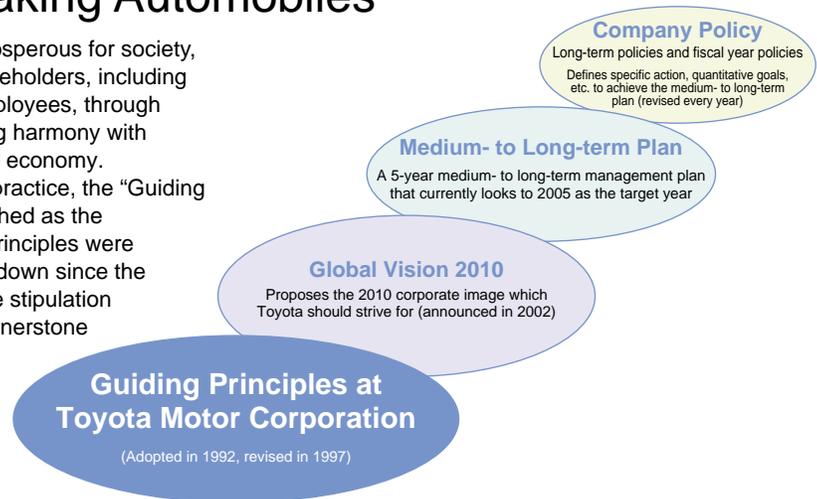


Business Principles

Creating a Prosperous Society Together by Making Things and Making Automobiles

Toyota hopes that the 21st century will be truly prosperous for society, and aims to grow as a company together with its stakeholders, including customers, shareholders, business partners, and employees, through making things and making automobiles, while seeking harmony with people, society, the global environment and the world economy.

In order to put these management principles into practice, the “Guiding Principles at Toyota Motor Corporation” were established as the fundamental management policy (see p. 5). These principles were adopted in 1992 to codify the business spirit handed down since the company’s foundation, and revised in 1997 to add the stipulation of legal compliance. Each of the seven items is a cornerstone of Toyota’s business activities.



Contribute to the Realization of a Prosperous Society in the New Century through Global Vision 2010

With 2010 as the turning point, in April 2002 Toyota adopted the Global Vision 2010 which proposes the corporate image for which Toyota should strive (see p. 5). Centered on the basic theme of “Innovation into the Future — A Passion to Create a Better Society,” and with a view toward what society is expected to be like in the medium to long term, the Vision sets the course for the multi-faceted roles to be played by Toyota vis-à-vis society, people and the Earth.

The fundamental thinking for Global Vision 2010 has three elements: 1) To step beyond “harmonious growth” and demonstrate our responsibilities as a world leader; 2) To benefit society through *monozukuri* (manufacture of value-added products) and “technological innovation”; and 3) To share prosperity with our employees.

In order for each employee to realize the image that Toyota is striving to achieve in the future, without complacency, it is important to undertake a paradigm change from the following three perspectives: (1) Technology development / Product development; (2) Management; and (3) Profit structures.

In June 2003, Toyota introduced a new management system that features, among other enhancements, a streamlined board of directors and the new position of non-board managing officer, aimed at speeding up operations by making the decision-making structure less vertical. At the same time, the system hopes to strengthen corporate auditing efforts by increasing the number of outside corporate auditors. With global competition growing evermore severe, Toyota is striving to achieve the objectives outlined in Global Vision 2010 by boosting its competitiveness.

The Spirit of the Toyoda Precepts Passed on since Toyota’s Foundation

The Toyoda Precepts, passed on from the time of Toyota’s foundation up to the present day, have acted as the core of Toyota management. The precepts capture the thinking of the founder of the Toyota Group, Sakichi Toyoda, and have become the basis of the Guiding Principles at Toyota Motor Corporation.

Initially this did not have a definite shape. However, with the growth of the scope of the company, the need arose for the principles to be codified so that they could be propagated among employees. Risaburo Toyoda and Kiichiro Toyoda, in the pioneer days of the company, gathered together the teachings of Sakichi Toyoda and published them in the form of the Toyoda Precepts on October 30, 1935, the fifth anniversary of his death. From that time, the precepts have played the role of a spiritual support for employees as the principles of the company. And this spirit of the Toyoda Precepts can still be felt today.

The Toyoda Precepts

1. Be contributive to the development and welfare of the country by working together, regardless of position, in faithfully fulfilling your duties.
2. Be ahead of the times through endless creativity, inquisitiveness and pursuit of improvement.
3. Be practical and avoid frivolity.
4. Be kind and generous; strive to create a warm, homelike atmosphere.
5. Be reverent, and show gratitude for things great and small in thought and deed.

Guiding Principles at Toyota Motor Corporation

(Adopted January 1992, revised April 1997)

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

Global Vision 2010

Innovation into the Future

A Passion to Create a Better Society

To contribute to society through the manufacturing of automobiles.
We must now move forward with renewed passion and even higher aspirations,
to create a more prosperous society in this new century.

A New Corporate Image for Toyota to Pursue

●The Arrival of a Revitalized, Recycling-Based Society●

- Global movement toward a "Revitalized Society."
- Shifting from an age of mass production and mass consumption to a "Recycling-based society."
Reduction, Reuse and Recycling of Resources

●The Coming Age of ITS and the Ubiquitous Network* Society●

- Advanced communication technology and automobile IT technologies
→Dramatic improvement in information services accessible while driving
→Improved driving safety, coordinated with the traffic structure

What Society is Expected to be Like from 2020 to Around 2030

Kind to the Earth

Toyota will strive to become a leader and driving force in global regeneration by implementing the most advanced environmental technologies

Comfort of Life

Toyota is striving to become a leader in creating automobiles and an automobile-based society in which people can live in ease, safety and comfort

New Corporate Image for Toyota to Pursue

Excitement for the World

Toyota will promote the appeal of cars throughout the world and strengthen the Toyota brand image

Respect for all People

Toyota aims to be a truly global company that earns the respect and support of people all over the world

●The Promoting of Motorization on a Global Scale●

- People all over the world will benefit from the car's mobility

●The Advent of a Mature Society●

- Society will move toward greater respect for people from other nations and cultures
- In international companies, people from different nations and ethnic groups will work together

The Paradigm Change to Attain Our Vision

1. Technology Development / Product Development

- (1) Technology Development
- (2) Product Development

Paradigm Change

We must adopt a new corporate structure paradigm and improved business practices

2. Management

- (1) Transnational management
- (2) Group strategic management
- (3) Changing the way we work

3. Profit Structures

- (1) Create a balanced global structure
- (2) Focus on stakeholders and efficient use of capital

*Ubiquitous Networks:

An environment under which the advance of information and telecommunications allows anyone to access all kinds of information anytime from any location