

Driving Growth

towards a
Sustainable Society ▶



2016 Sustainability Report
TOYOTA MOTOR PHILIPPINES CORPORATION

About the Report

This report showcases Toyota Motor Philippines Corporation's (TMP) accomplishments and initiatives in promoting sustainable growth not only for the company but also for the society, by providing better vehicles and service to its customers.

Aligned with the Toyota Global Vision announced in March 2011, the contents of the report are arranged according to the three elements of the Toyota Visionary Statement:

- Always Better Cars;
- Enriching Lives of Communities; and –
- Stable Base of Business.

This report also gives a brief overview on TMP's Manufacturing and Marketing operations, Environmental Performance, CSR activities, and Financial Performance.

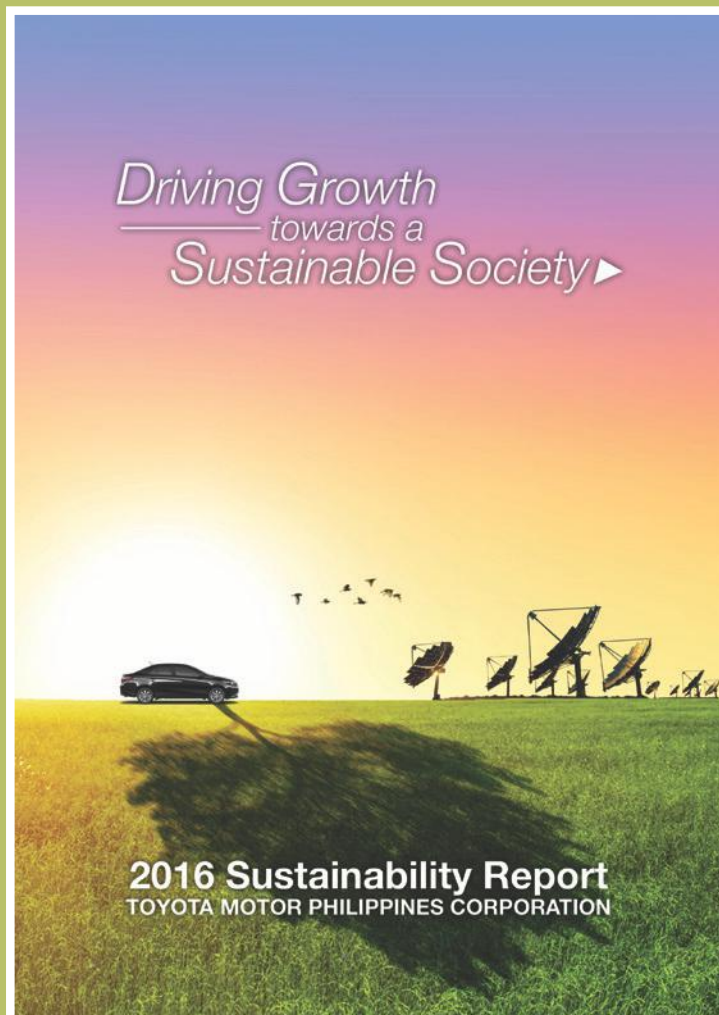
PERIOD COVERED

This report covers TMP's 2015 accomplishments and initiatives covering the period January – December 2015. For some company information on products and dealers, the status update as of July 2016 has been included.

The publication of the report is annual, and available in both print and digital versions. The digital version is available on TMP's website.

SCOPE OF REPORT

The report contains TMP's initiatives with mention of its dealers and suppliers, as well as Lexus dealership operations.



About the Cover

As the automotive market enters the age of rapid motorization in the country, TMP welcomes the challenges and opportunities that lie ahead, as it remains committed to "Driving Growth Towards a Sustainable Society" through its business operations.

The illustration depicts the dawn of a new era in the automotive industry. TMP, as represented by its best-selling locally-produced model - the Vios, starts early on its journey to lead the way in proactively contributing to the nation and to Toyota's global vision of a sustainable society for future generations.

The shadow is projected as a figure of a healthy tree, which means that TMP continuously manages and finds ways to minimize the toll of automotive production and motorization to the environment. Toyota's spirit of continuous improvement or Kaizen is ensured to be embedded in the total value chain, leaving lesser carbon footprint through operational processes and product innovations.

On the horizon, the destination is shown with solar dishes, representing a sustainable society where businesses promote resource conservation, innovative technologies, a stable economy, and sustainably productive communities. This is the kind of future that TMP envisions the country to have. With the support of all our stakeholders, we believe that Team Toyota Philippines can contribute to make this a reality.

TOYOTA MOTOR PHILIPPINES CORPORATION
2016 TMP Sustainability Report
"Driving Growth Towards a Sustainable Society"

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MESSAGE FROM THE PRESIDENT

Toyota Motor Philippines Corporation (TMP) remains truly grateful to all our stakeholders who have steadfastly given us strong support in our company initiatives, as well as to our customers who have put their trust on our brand, enabling us to achieve milestone after milestone.

The year 2015 has proven to be another record-breaking year for TMP. In sales, we have achieved an all-time high of 125,027 units and a market share of 38.9%, leading to the attainment of our 14th consecutive Triple Crown. In April 2015, TMP achieved its One Million Sales Milestone, making it the first Philippine Car Manufacturing Company to reach such an accomplishment. Moreover, in the area of production, we have recorded our highest output of 49,070 units.


Given the robust and continuously increasing market demand, we are now more conscious than ever to provide Always Better Cars and Always Better Service to our customers. This is why we have constantly sought ways to further improve our processes, doing Kaizen or Continuous Improvement in every area of our operations. As you will read in this report, we continued to provide improved versions of well-loved Toyota and Lexus vehicles, as well as strived to bring these vehicles closer to customers' homes by opening new dealer outlets nationwide. We launched the "Toyota Insure" and have also intensified improvements in after-sales service to further give our customers better ownership experience.

In our efforts to Enrich Lives of Communities, we continue to introduce improvements in our social and humanitarian programs in education, environment, health, and community development through our TMP Foundation. We were also able to hold the Toyota Classics, through which we were able to contribute to four (4) organizations that bring quality interventions to help less privileged communities in the country.

All these accomplishments will not be made possible without the concerted efforts of our best assets – our human resources in the total value chain – which make up our Stable Base of Business. This is why TMP continues to heavily invest in developing our people at every level of the organization through various programs.

As TMP remains steadfast in contributing to Toyota's Global Vision, we will continue to stay on course by aligning our operations according to the 3 elements of the Global Vision: Always Better Cars, Enriching Lives of Communities, and Stable Base of Business. Rest assured that TMP will continue to contribute to society through our business activities.

As we continue to move forward, we again ask you to join us in our journey. I firmly believe that, together, we can make a difference in enabling better mobility in the country and in uplifting Philippine society.


SATORU SUZUKI
President

Toyota Global Vision

The 'Toyota Global Vision' announced in March 2011, is in articulation of what kind of company we want to be — what kind of company we ought to be. It clarifies our value, "we want Toyota to be a company that customers choose and brings a smile to every customer who chooses it." The 'Toyota Global Vision' is a distillation of our resolve at Toyota for the future.

Rewarded with a smile

by exceeding your expectations

Toyota will lead the way to the future of mobility, enriching lives around the world with the safest and most responsible ways of moving people.

Through our commitment to quality, constant innovation and respect for the planet, we aim to exceed expectations and be rewarded with a smile.

We will meet challenging goals by engaging the talent and passion of people, who believe there is always a better way.

Backdrop and Progress

In the backdrop of this vision, there is our fall into the red after the Lehman Brothers collapse, as well as our reflection over a series of quality problems.

To unite all Toyota together to advance our efforts for the recovery of business performance, we came to realize the necessity of having a dream or a path that we should take that all people who work for Toyota could have in common, one that would define what kind of company we want to be — what kind of company we should be.

We also keenly felt the importance of making what kind of company we are and what kind of values we hold known to all customers. Based on our ideal for Toyota, the members of our team gathered to discuss and finalize the vision. This is a distillation of our resolve at Toyota.

Toyota Visionary Management

The image of a tree has been chosen to symbolize the Toyota Global vision — its "roots to fruits."

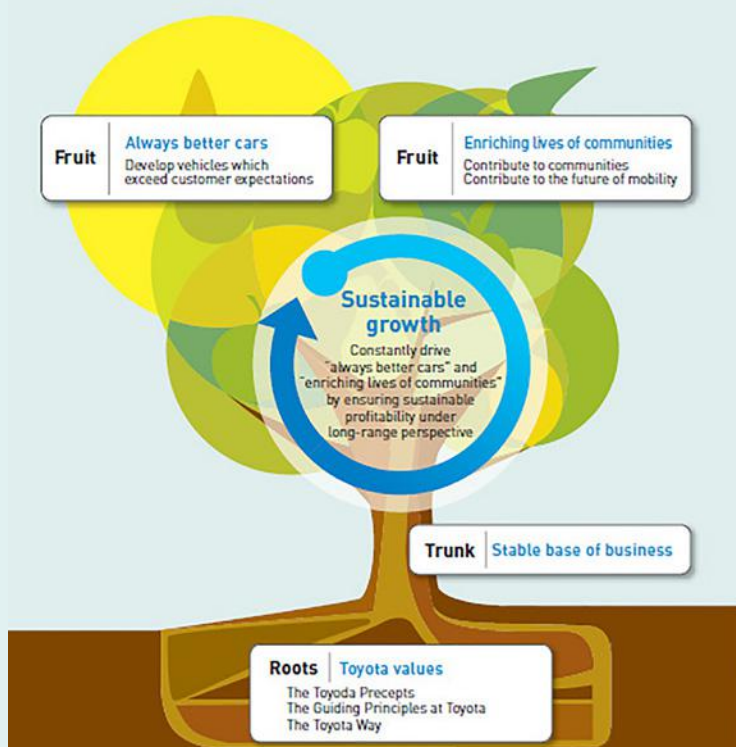
The roots of the tree are the shared values that have steered Toyota from the beginning and that have underlain our *monozukuri*. They are values expressed in the Toyota Precepts, in the Guiding Principles at Toyota, and in the Toyota Way, which are the bases of our business.

The "fruit" that Toyota provides for customers is creating "always better cars" and enriching lives in communities.

Through the efforts, we aim to become an admired and trusted company in the various regions where we conduct businesses.

The "trunk" of the tree, the underlying support for Toyota's creation of products that earn smiles from our customers, is the stable base of our business.

Toyota's business activities are based on the concept of ensuring sustainable growth by fostering the virtuous circle, **Always better cars → Enriching lives of communities → Stable base of business.**



The Business of Toyota



TMP Head Office & Manufacturing Plant, Santa Rosa City, Laguna

Corporate Profile

Toyota Motor Philippines Corporation (TMP) is the largest automotive company in the country, with the widest vehicle line-up of 21* Toyota models and 19* Lexus models.

To date, its sales distribution and service network is composed of 52* outlets nationwide, including Lexus Manila.

TMP was incorporated on August 3, 1988 and is a joint venture of the following business entities:

- 1) GT Capital Holdings, Inc. (51%)
- 2) Toyota Motor Corporation (34%)
- 3) Mitsui & Co. Ltd. (15%)

TMP's head office and manufacturing plant are located inside the 82-hectare Toyota Special Economic Zone in Santa Rosa City, Laguna, which is also home to a number of investors performing strategic roles in the manufacture and export of automotive products to ASEAN, Japan and other parts of the world. The company also has Marketing offices at the 28th and 31st floors in GT Tower International in Makati City.



GT Tower International, Makati City

TMP's manufacturing plant currently produces the Innova and Vios. It is capable of producing around 50,000* units per year on two-shift production operations.

TMP operates with ten (10) organizational units: Marketing, Manufacturing, Production Control & Logistics, General Administration, Comptrollership, Treasury, Purchasing, Corporate Affairs, Vehicle Logistics and Affiliate Operations Support & Audit.

The company has a 1,870*-strong workforce, composed of office and shopfloor Team Members.

*as of July 2016

OUR VISION

To be the No.1 automotive company where GREAT PEOPLE work as a TEAM to provide the BEST products and service to our CUSTOMERS

OUR MISSION

Driven by the will to serve, we hereby commit ourselves:

- To dominate our markets through dynamic selling and timely delivery of attractive products, with excellent customer service and continuous product improvement
- To produce vehicles and components of outstanding quality, using advanced technology, continuously improving methods and environment-friendly processes while maintaining safe working conditions
- To sustain Company profitability, stability, productivity, and growth by efficiently engaging in effective financial and resource management for the collective gain of the Toyota Family and the society we serve
- To sustain Team Members' morale and productivity by developing their full potential and total well-being, and by establishing mutual trust, mutual responsibility and harmony through open communication

OUR VALUES

WORK VALUES

- Competence
- Discipline
- 5S
- Genchi Genbutsu
- Kaizen
- Productivity
- Professionalism
- Quality
- Safety and Health
- Toyota Production System
 - Cost Efficiency
 - Job Rotation
 - Just-In-Time
 - Standardized Work

RELATIONAL VALUES

- Commitment
- God-centeredness
- Integrity
- Loyalty
- Malasakit
- Respect for Others
- Teamwork
- Transparency
- Trust
- Unity

Complete Product Line-Up

*as of July 2016

TOYOTA

PASSENGER CARS

Sub-Compact

Vios



Compact

Corolla Altis



Hatchback

Prius c



Medium

Camry



Low-Cost

Wigo



Prius



Yaris



Performance

86



COMMERCIAL VEHICLES

Multi-Purpose

Avanza



Sports Utility

Rav4



Utility Van

Alphard



Innova



Prado



Hiace



FJ Cruiser



Previa



Pick-Up

Hilux



Land Cruiser



High-side Hilux



Fortuner



Bus

Coaster



LEXUS

PASSENGER CARS

SEDAN

IS 350



LS 460



ES 350



LS 600h



PERFORMANCE

GS 450h



IS 350 F Sport



HATCHBACK

CT 200h



GS 350 F Sport



COUPE

RC 350



GS F



RC F



PERFORMANCE

RX 350 F Sport



NX 200t F Sport



COMMERCIAL VEHICLES

SUV

GX 460



LX 570



RX 350



RX 450h



NX 200t



NX 300h





Dealer Network

**as of July 2016*

NCR DEALERS

1. Toyota Abad Santos, Manila (TAS)
2. Toyota Alabang, Inc. (TAI)
3. Toyota Balintawak, Inc. (TBK)
4. Toyota Bicutan, Parañaque (TBP)
5. Toyota Commonwealth, Inc. (TCM)
6. Toyota Cubao, Inc. (TCI)
7. Toyota Fairview, Inc. (TFV)
8. Toyota Global City, Inc. (TGC)
9. Toyota Makati, Inc. (TMI)
10. Toyota Manila Bay Corp. (TMBC)
11. Toyota Marikina Service Station (TMSS)
12. Toyota North EDSA (TNE)
13. Toyota Otis, Inc. (TOT)
14. Toyota Pasig (TPG)
15. Toyota Pasong Tamo, Inc. (TPT)
16. Toyota Quezon Avenue (TQA)
17. Toyota Shaw, Inc. (TSI)
18. Lexus Manila, Inc. (LMI)

PROVINCIAL DEALERS

1. Toyota Bacolod City (TBD)
2. Toyota Bacoar, Cavite, Inc. (TBR)
3. Toyota Baguio City (TBG)
4. Toyota Bataan, Inc. (TBI)
5. Toyota Batangas City, Inc. (TBC)
6. Toyota Butuan City (TBT)
7. Toyota Cabanatuan City, Inc. (TCC)
8. Toyota Cagayan De Oro City, Inc. (TCO)
9. Toyota Calamba, Laguna, Inc. (TCL)
10. Toyota Camarines Sur, Inc. (TCS)
11. Toyota Cebu City, Inc. (TCB)
12. Toyota Dagupan City, Inc. (TDG)
13. Toyota Dasmariñas-Cavite (TDM)
14. Toyota Davao City, Inc. (TDC)
15. Toyota Dumaguete City (TDU)
16. Toyota General Santos, Inc. (TGS)
17. Toyota Iloilo (TIL)
18. Toyota Isabela, Inc. (TIS)
19. Toyota La Union (TLU)
20. Toyota Lipa, Batangas, Inc. (TLB)
21. Toyota Mandaue North, Cebu (TMD-N)
22. Toyota Mandaue South, Cebu (TMD-S)
23. Toyota Marilao, Bulacan, Inc. (TMR)
24. Toyota Plaridel, Bulacan (TPB)
25. Toyota Puerto Princesa City, Inc. (TPP)
26. Toyota Roxas City (TRC)
27. Toyota San Fernando, Pampanga, Inc. (TSF)
28. Toyota San Pablo, Laguna, Inc. (TSP)
29. Toyota Tacloban, Leyte, Inc. (TTL)
30. Toyota Tagbilaran City (TTB)
31. Toyota Tagum City (TTC)
32. Toyota Tarlac City (TTA)
33. Toyota Taytay Rizal, Inc. (TTR)
34. Toyota Zamboanga City (TZC)

Awards & Recognitions

TMP reaped new awards and recognitions in 2015:



Marketing and Manufacturing Top Management presented the awards to TMP Chairman George S.K. Ty.
(From left) TMP Senior Executive Vice President David Go, TMP Senior Vice President for Marketing Ariel Arias, TMP Executive Vice President for Marketing Yohei Murase, TMP Vice Chairman Alfred V. Ty, TMP Chairman George S.K. Ty, former TMP President Michinobu Sugata, TMP Executive Vice President for Manufacturing and Production Control & Logistics Tomohiro Iwamoto and TMP Senior Vice President for Manufacturing and Production Control & Logistics Luis Marcelino

SALES EXCELLENCE AND PRODUCTION QUALITY

TMP received two (2) regional awards from Toyota Motor Corporation (TMC) Japan during the Team Toyota Asia Pacific Meeting held in Bangkok, Thailand.

- **Overall Marketing Award** - in recognition of its excellent customer service, record sales, and market share performance in 2014
- **Excellent Quality Company Award** - for being among the top 3 Asian distributors in quality vehicle production



TMP receives the Standard Automobile of the Year Award for Toyota Fortuner
(Photo courtesy of Sunshine Television)



Lexus Manila, Inc. receives the Luxury Automobile of the Year Award for Lexus NX200t
(Photo courtesy of Sunshine Television)

AUTO FOCUS PEOPLE'S CHOICE AWARDS

In November 2015, TMP dominated the Auto Focus People's Choice Awards (AFPCA). After gathering the public's votes from the 6-month poll on social networking site (80%) and in consideration of total unit sales (20%), Toyota Fortuner was hailed as the "Automobile of the Year" and the "Best Midsize SUV." Camry was also regarded as the AFPCA Hall of Fame Awardee for being the "Best Midsize Sedan" from 2007 to 2009 and from 2012 to 2015. Likewise, Lexus NX200t bagged the "Luxury Automobile of the Year" and "Best Luxury Compact SUV" Awards. Other Toyota and Lexus models were also recognized by consumers as the best in their respective segments.

Vehicle

Award

Altis	Best Compact Sedan
Innova	Best MPV
Alphard	Best Luxury Van and Best Engine Performance & Safety Features for Luxury Van
FJ Cruiser	Best Design for Midsize SUV
Hiace	Best Utility Van
LS 460	Best Luxury Large Sedan
ES 350	Best Luxury Midsize Sedan
IS 350	Best Luxury Compact Sedan
LX 570	Best Luxury Large SUV
GX 460	Best Luxury Midsize SUV
RCF	Best Luxury Sports Car

Always Better Cars

With the continuous growth of the automotive industry in the Philippines, retaining customers' trust remains to be Toyota's top priority.

As market demand rises, the challenge for Toyota to deliver excellent quality products and services is now tougher than ever. Nevertheless, this greater challenge fuels Toyota's mission to further drive this growth towards better customer satisfaction through ever better quality vehicles and services.



Further Improved Vehicles for Better Mobility

It has always been Toyota's mission to listen to the voice of customers. Toyota believes that it is in understanding their needs for mobility that we can produce vehicles that would cater to their respective lifestyles.

In 2015, Toyota Motor Philippines Corporation (TMP) introduced improved versions and full-model change of well-loved Toyota and Lexus vehicles to serve the growing demands of our customers.



Wider Network for Better Accessibility

With the growing demand for Toyota vehicles in the Philippines, TMP continues to expand its Dealer Network to reach its customers all over the country.

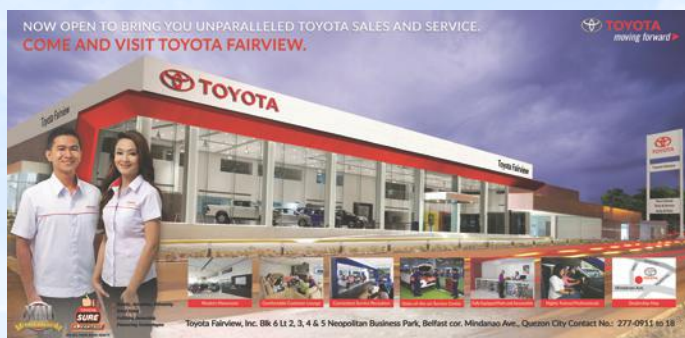
In 2015, four (4) new dealerships were inaugurated in the following key areas: Zamboanga City, Roxas City, Fairview, Quezon City, and Lipa, Batangas. At the end of 2015, Toyota has a total of 49 dealer outlets, including Lexus Manila.



Toyota Zamboanga City (February 20, 2015)



Toyota Roxas City (March 17, 2015)



Toyota Fairview (September 16, 2015)



Toyota Lipa, Batangas (December 15, 2015)

"Toyota Insure" for Better Protection

Toyota's service does not end with the customers' purchase of the vehicle. Giving customers more value for their money in terms of quality of product and after-sales service is one of Toyota's main goals.



Last January 29, 2015, TMP launched **Toyota Insure** – an exclusive insurance service program offered to customers who are buying a new vehicle and who are renewing their insurance policies. On top of insuring the vehicle itself, a Personal Accident Insurance is included in the coverage, allowing customers to have peace of mind with their insurance policies at competitive premium rates.

Toyota Insure started its partnership with 2 insurance companies – Malayan and Charter Ping-An. For further improvement, Toyota aims to grow its list of partners in the future.

Moving Forward Towards Better Customer Satisfaction

Toyota understands the needs of its customers for easy and hassle-free transactions. In 2015, the Company prioritized the enhancement of its facilities and the conduct of intensive training programs for sales and after-sales professionals in order to achieve better Customer Satisfaction. TMP's efforts in enhancing Customer Satisfaction were appreciated by customers as reflected in the 2015 J.D. Power Sales and Customer Satisfaction Index surveys, as Toyota showed improvements in both survey scores.



NO. 1 IN J.D. POWER SALES SATISFACTION INDEX (SSI) SURVEY

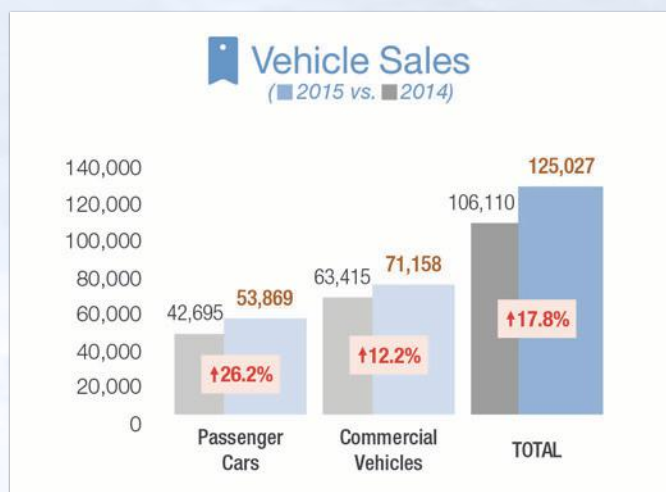
For its second consecutive year, TMP has taken the No. 1 spot in the J.D. Power Sales Satisfaction Index (SSI) Survey. In 2015, TMP garnered a total sales satisfaction score of 778 over a 1,000-point scale after assessing these six attributes that contribute to overall customer satisfaction with the new-vehicle purchase experience: sales initiation, delivery process, delivery timing, salesperson, dealer facility, and deal. Toyota got its highest scores in Dealer Facility and Salesperson.



NO. 2 IN J.D. POWER CUSTOMER SATISFACTION INDEX (CSI) SURVEY

After further enhancing its dealer facilities and after-sales service in 2015, TMP showed a huge improvement in Customer Satisfaction as shown in the 2015 J.D. Power Customer Satisfaction Index (CSI) Survey results. From No. 5 in 2014, TMP jumped to No. 2 with a total score of 844, which was a 16-point increase from its 2014 standing. The following attributes were measured: service quality, service advisor, vehicle pick-up, service initiation, and service facility. Through its continuous efforts, TMP significantly improved in all CSI attributes, especially in Service Advisor and Service Facility.

Marketing Performance Highlights



As shown in the graph, TMP's total vehicle sales increased by 17.8% in 2015. Both Passenger Cars and Commercial Vehicle sales contributed to this growth as both segments increased by 26.2% and 12.2%, respectively, in 2015.

2015 BEST-SELLING VEHICLES

Wigo	Best-selling Low-Cost Passenger Car
Vios	Best-selling Vehicle Best-selling Sub-Compact Passenger Car
Corolla Altis	Best-selling Compact Passenger Car
Camry	Best-selling Medium Passenger Car
Innova	Best-selling Multi-Purpose Vehicle
Fortuner	Best-selling Commercial Vehicle Best-selling Sport Utility Vehicle
Hilux	Best-selling Pick-up
Hiace	Best-selling Utility Van

Better After Sales Service

In 2015, TMP continued to expand its dealer network, as well as its after sales service facilities, in its commitment to reach more customers and provide worry-free vehicle ownership.

With the growing demand for Toyota vehicles, there has also been a rise in the number of units that requires servicing. Customer paid units serviced (CPUS) grew by 17% in 2015 from its 2014 level.

IMPROVED FACILITIES

Understanding the immense growth of the auto industry in recent years, TMP has been more aggressive in its service capacity improvements in 2015. This aims to accommodate more customers in the workshop and provide customers with an efficient, worry-free service in every visit.

Six (6) Toyota dealerships: Toyota Balintawak, Toyota Manila Bay, Toyota Marikina, Toyota North EDSA, Toyota Bicutan, Toyota Shaw and Toyota General Santos started improving their facilities through a series of workshop expansion, which are projected to open in 2016.

Toyota Makati underwent renovation from a two-level (with mezzanine) to a four-level building (plus rooftop) to increase its service and holding bays



TOYOTA EXPRESS MAINTENANCE SERVICE

In 2015, TMP has extensively promoted the **Toyota Express Maintenance (EM) Service**, a 1-hour complete periodic maintenance service in all Toyota dealers nationwide. This aims to provide customers with an easy and convenient option to avail guaranteed fast and quality service with no additional cost. Customer Awareness for the EM Service increased to 82% from 37% in the previous year.



TOYOTA AIR CARE SERVICE

Another innovative service that Toyota has developed to provide convenience to customers is the **Toyota Air Care Service**, the first and only fully-automated air conditioner maintenance service in the Philippines that sprays pressurized cleaning agent directly to an installed evaporator unit to remove light to heavy dirt, molds, mildew and other harmful build-ups in an hour or less. Air Care Service is available in 48 dealerships nationwide.

To further extend the convenience that Toyota offers to customers, an integrated Express Maintenance & Air Care Service in an hour had its pilot run at Toyota Dasmariñas, Cavite (TDM) in 2015. Toyota aims to roll-out this service to more dealerships in 2016.

To promote these services to a larger customer base, Toyota showcased Express Maintenance and Air Care during the second season of the Vios Cup.



TMP's entry, "Enhancing Customer Engagement through Toyota Air Care Service Kaizen," was awarded as the "Most Improved" Value Chain program during the 2015 Toyota Customer Service Kaizen Evolution (CSKE) Cup held in Khao Yai, Thailand. Now on its fourth cycle, CSKE was initiated by TMAP-MS with the objective of accelerating Kaizen activities in various functions and developing the next generation of leaders at distributors.

Toyota Motor Philippines Corporation Kaizen Leader Cher Del Norte receives the "Most Improved" Award from Toyota Motor Asia Pacific Senior Vice President Mahesh Sarkar



TOYOTA smile
Value Service Packages

Value service made more affordable.

20% savings on parts **15% savings on labor**

Ask your Toyota Service Advisor to enjoy this service.

"SMILE" SERVICE

TMP also strengthened its **SMILE Service** program in 2015. Because Toyota understands its customers' need for more affordable quality service, especially for out-of-warranty vehicles, the SMILE Service added new packages that offers 20% discount in car parts, 15% discount in labor and free four-wheel alignment. SMILE Service now has 8 menu packages available to nine (9) Toyota models: Innova, Fortuner, Hilux, Hiace, Avanza, Vios, Altis, Camry and Revo.

PREVIOUS PACKAGES					2015 ADDITIONAL PACKAGES	
TIMING BELT PACKAGE	CLUTCH PACKAGE	SHOCK ABSORBER PACKAGE	TIE ROD PACKAGE	BALL JOINT PACKAGE	STABILIZER PACKAGE	ENGINE SUPPORT PACKAGE

TOYOTA MOTORISTS ASSISTANCE CAMPAIGN (TMAC)

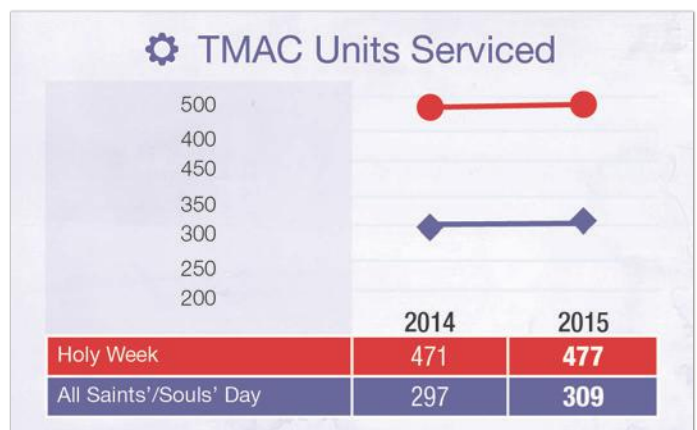
As part of Toyota's Corporate Social Responsibility (CSR), the Company offers free vehicle check-ups to motorists every Lenten season and during All Saints'/Souls' Day, through the **Toyota Motorists Assistance Campaign (TMAC)** program.

TMAC aims to provide free assistance to the motoring public in key destinations in Luzon during special seasons and promote Toyota's commitment to help every vehicle owner in ensuring safety during their long drives and vacations.

Toyota offers the following services to all motorists of any vehicle make:

- Vehicle Inspection and Advice
- Free Emergency Repair Assistance (labor only)
- Sale of key Toyota Genuine Parts and Chemicals (10% discount)

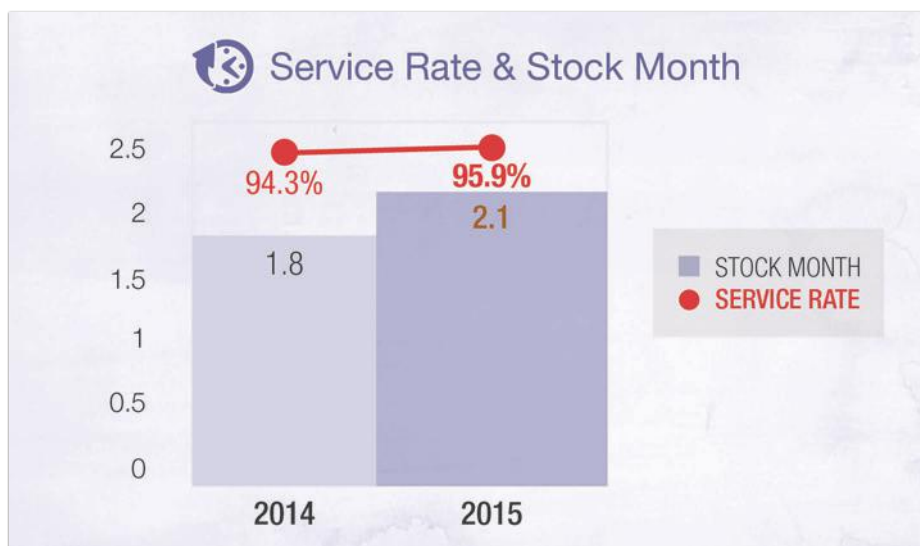
In 2015, Toyota partnered with Caltex, Denso, Yokohama Tires, Smart Q Systems Co. Inc., Emicor Inc., Bridgestone, 3M Philippines, Fujitsu Ten Corp. of the Philippines, Axalta Coating Systems and Wiin Corporation, OE Works Manufacturing, Three Bond Singapore Pte. Ltd., Motolite, Nippon Paint Phils. Inc., De Beer Car Refinish, and FedChem. TMAC was made available in eleven (11) traffic-heavy stations during the Holy Week and three (3) traffic-heavy stations during All Saints'/Souls' Day.



TOYOTA PARTS SUPPLY IMPROVEMENT

To better serve the needs of our customers in terms of their vehicle maintenance and repair needs, TMP always finds ways to make the availability and delivery of parts supply to its dealers more efficient.

By engaging in proper inventory management, TMP is able to supply the parts needed by dealers. Looking at year-on-year performance on Parts Supply, 2015 data shows significant improvement. From the challenges that TMP experienced in 2014 due to the Manila Port congestion, TMP adjusted its parts ordering leadtime, as well as implemented extended work hours during weekdays and even weekends to ensure faster service to customers. As the congestion at the port eased, stock supply at TMP normalized, enabling improvement in service rate to dealers.



In the 4th quarter of 2015, TMP also launched the Global Toyota Parts System (GTOPAS), which aims to further improve operations efficiency. It is expected that the system will further improve stock management and delivery to dealers, ultimately leading to better service to our customers.

Toyota TRD Corner

In October 2014, TMP and Toyota Technocraft Co., Ltd., manufacturer of the Toyota Racing Development (TRD) vehicles and accessories, formalized the agreement on the exclusive distributorship of TRD products in the Philippines. Last 2015, the TRD Corner was established in selected dealerships with the goal to bring motorsports closer to our customers. This project aims to provide Toyota customers with a *waku doki* driving experience by offering a wide range of TRD products and merchandise in our local Toyota Dealer Network.

While Toyota Makati, Toyota Butuan, Toyota Cabanatuan, Toyota Isabela and Toyota Plaridel were selected as the pilot dealers, the TRD Corner will soon become available in all Toyota dealer outlets nationwide.



SPECIAL FEATURE



No.1
Passenger
Car Sales



No.1
Commercial
Vehicle Sales



No.1
Overall
Sales

TMP achieves new sales record, acquires 14th Consecutive Triple Crown

After breaching the 100,000-unit mark in 2014, TMP breaks another sales record in 2015.

Toyota achieved 17.8% growth in sales in 2015 by selling a total of 125,027 vehicles, securing its 14th consecutive Triple Crown – No. 1 in Passenger Car Sales, No. 1 in Commercial Vehicle Sales and No. 1 in Total Sales. The locally-produced Vios remained to be the best-selling car in the country with 33,173 unit sales. Likewise, the All-New Hilux, Altis, Camry, Wigo, Fortuner, Innova and Hi-Ace maintained leadership in their respective segments.

With the continuously growing demand for mobility and the more discriminating needs of our customers, TMP keeps on seeking ways and means to offer improved products, and deliver greater efficiency in our services, so we could ultimately give them the best Toyota experience.



TMP Achieves 1M Sales

In April 2015, TMP celebrated its 1 million cumulative sales mark, making TMP the first automotive manufacturer in the Philippines to sell more than a million vehicles in a span of 26 years, accounting for units sold since 1989.

The well-loved Toyota Tamaraw FX, Revo and Innova combined sales account for 268,065 units; while the Corolla and the Vios have contributed 213,325 and 157,347, respectively, to Toyota's 1M Sales. Out of the 1M vehicles sold, 615,899 units or 61.6% were locally-manufactured vehicles – proudly made by Filipinos in TMP's previous Bicutan assembly plant and the current Santa Rosa facility in Laguna.

During the milestone celebration in July 2015, TMP introduced the 1M sales special edition Vios and Innova. The special edition Vios was made available in Orange Metallic, Blue Mica Metallic and Jade Green Metallic colors; while the special edition Innova was offered in White Pearl, Gray Metallic and Jade Green Metallic. The 240 units of Vios and 120 units of Innova all sported the 1M milestone commemorative logo.

The milestone was celebrated to further affirm Toyota's commitment towards better customer satisfaction and contribution to nation-building.



1M Sales Special Edition Vios and Innova

SPECIAL FEATURE



2015 Toyota Vios Cup racers and aficionados together with TMP officers

Vios Cup Season 2

After the success of the first season of the Vios Cup in 2014, TMP continued to bring the *waku doki* excitement in the country through the second season of the Vios Cup.

From thirty-seven (37) competitive drivers in 2014, Vios Cup season 2 welcomed fifty-two (52) drivers to vie in the coveted race with new and exciting locations and fresh categories: Sporting Class, Promotional Class and Celebrity Class. TMP brought the new season of the Vios Cup to Pampanga, Cebu, Manila and Subic, drawing over 50,000 motorsports fans and enthusiasts to witness the waku-doki fun.

After the thrilling 4-leg race, independent racer Andres Calma took the top spot as the overall champion for Vios Cup Season 2. Calma brought home a brand-new Toyota Vios 1.5 G M/T as the grand prize. Allan Uy from Toyota Quezon Avenue got the second spot and took home a prize purse of PHP 400,000. Daniel Miranda from Toyota Balintawak took the third spot and got a prize purse of PHP 200,000.





Improving Manufacturing Operations

As Toyota practices the approach of Kaizen or Continuous Improvement in all aspects of its organization, growth and development has become an integral part of its daily business operations. With this, TMP is always giving high priority to increasing productivity, improving quality, and creating a safer environment when it comes to vehicle manufacturing.

PRODUCTION VOLUME

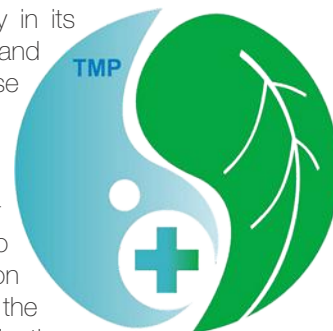
Since 1989, TMP has been manufacturing vehicles that serve the needs and fit the lifestyle of customers. Today, TMP still continues to serve the increasing customer demand as it remains the manufacturer of the country's best-selling models, Vios and Innova.

In 2015, TMP set a new production record of 49,070 vehicles – surpassing its own record in 2014 by 18% or more than 7,000 units. The remarkable success of the locally-produced Vios and Innova has pushed TMP to sustain its leading position in the automotive industry.

SAFETY AS NO. 1 PRIORITY

Given the increasing market demand, TMP ensures that Safety is given utmost priority in its manufacturing operations. TMP has been strengthening Team Members' safety knowledge and awareness by conducting safety seminars and establishing safety and emergency response teams in the production line.

In spite of this, TMP has not yet achieved its goal of having zero accident for a whole year. In 2015, TMP recorded six (6) minor accidents (non-lost work days or NLWD) and two (2) major accidents (lost work days or LWD) in its Santa Rosa Plant. Because of this, TMP targeted to raise Team Members' mindfulness when it comes to workplace safety by improving administration and engineering controls. Additional safety and machine protection devices were installed in the production line, and more intensive machine safety training courses were conducted for production Team Members. All of these efforts contribute to the continuous development of a safety mindset among TMP Team Members.



CARS WITH QUALITY

It has always been Toyota's pledge to produce vehicles with the highest quality. TMP has remained true to this commitment by ensuring that all cars produced in its manufacturing plant are superior not only in design, but also in quality and performance.

TMP's production volume has significantly increased in 2015. Consequently, the production line had to speed up to cope with the growing customer demand. This led to the fluctuation of shipping quality audit results last year. With this, TMP constantly implements countermeasures, which includes intensifying training programs and conducting customer viewpoint simulation, to ensure the quality and safety of all cars before they are delivered to customers.

PRODUCTION EFFICIENCY

In Toyota Production System, eliminating waste or *muda* is the key to achieving work efficiency. TMP has been constantly monitoring its production line efficiency by measuring how much of the actual working time of Team Members is used productively.

While TMP continues to take out non-value-adding activities in its manufacturing operations, its production line efficiency is affected by occasional power interruptions and machine breakdowns, which result in production line stops. Given this, TMP consistently implements strategies to increase productivity in the production line through preventive maintenance, team member development, visual management, and regular equipment inspection.

Manufacturing Performance Highlights

PRODUCTION VOLUME		
	2014	2015
No. of units produced	41,644	49,070
PRODUCTION SAFETY PERFORMANCE		
	2014	2015
Minor Accidents (NLWD)	4	6
Major Accidents (LWD)	0	2
PRODUCTION LINE EFFICIENCY		
	2014	2015
Efficiency Rate	96.5	96
QUALITY PERFORMANCE (Shipping Quality Audit)		
	2014	2015
Vios DPU Level	0.263	0.233
Innova DPU Level	0.295	0.317

Toyota Philippines Recognized for Production Quality Excellence

In recognition of its excellent quality performance in 2014, TMP received the Excellent Quality Company Award during the Team Toyota Asia Pacific Meeting on May 22, 2015 in Bangkok, Thailand. Together with this, TMP was given the Warranty Reduction and Zero Field Action Achievement awards.

It was TMP's second time to receive this award after achieving it the first time in 2011. The Excellent Quality Company Award is part of the Asia Production Quality Award, which was launched by Toyota Motor Asia Pacific in 2011 to challenge its affiliates to further improve the quality of their locally-produced vehicles.



(Left) Warranty Reduction Achievement Award; (center) Excellent Quality Company Award; (right) Zero Field Action Achievement Award

SPECIAL FEATURE



Environmental Policy and Advocacy

Toyota continues to be an advocate for a greener and a more sustainable environment. Through its many initiatives, Global Toyota aims to lessen the impact of its manufacturing operations to Mother Earth.

In the Philippines, the demand for locally-produced vehicles continues to increase, driving TMP to expand its manufacturing operations and produce more. TMP is aware that this leaves a heavy carbon footprint on the environment, making TMP work harder than ever in improving its operations to lessen the harmful effects to the environment.

Guided by the Toyota Global Environment Action Plan, TMP creates essential plans and programs in line with the following objectives:

- Contribute to a Low Carbon Society;
- Contribute to a Recycling-based Society; and –
- Environment Protection and Contribution to Harmony with Nature Society.

TMP Environmental Policy

1. TMP will strive to meet all regulatory, legislative and other requirements pertinent to environmental protection, and will set and comply with internal standards and aim to achieve the established environmental objectives.
2. TMP is committed to seek continuous improvement in environmental performance and develop ways to prevent pollution. These will be achieved by:
 - a. Minimizing energy and other resource consumption to reduce or eliminate emission to the environment and minimize quantity for disposal, as well as lessen waste contamination;
 - b. Minimizing environmental load of volatile organic compounds and prohibited chemical substances; and—
 - c. Minimizing environmental effect of new materials, work processes, and other plant manufacturing changes through prior assessment of its environmental impact and encourage Environment Management System (EMS) implementation at dealers and suppliers.
3. TMP shall promote and maintain environmental awareness to its Team Members and contractors, and continuously educate them of the best environmental management practices in their respective work assignments.
4. TMP shall cultivate community awareness by providing better environmental information and shall continue to support and participate in all environmental activities auxiliary to automotive manufacturing.

STRICT COMPLIANCE WITH GOVERNMENT REGULATIONS AND GLOBAL TOYOTA STANDARDS

Regulatory, Legislative and Other Requirements Pertinent to Environmental Protection

TMP ensures that it complies with all the necessary requirements to acquire government permits, licenses and certifications for its operations.

In 2015, TMP renewed the following permits and licenses:

Permit/Certificate	Certifying Organization
Permit to Operate	Department of Environment and Natural Resources (DENR IV-A)
Pollution Control Officers	Department of Environment and Natural Resources (DENR IV-A)
Discharge Permit	Laguna Lake Development Authority (LLDA)
Water Rights	National Water Resources Board (NWRB)
License to Possess Chemicals	Philippine National Police (PNP)
P-3 License	Philippine Drug Enforcement Agency (PDEA)

Likewise, TMP secured its ISO 14001 re-certification from AJA Registrars.



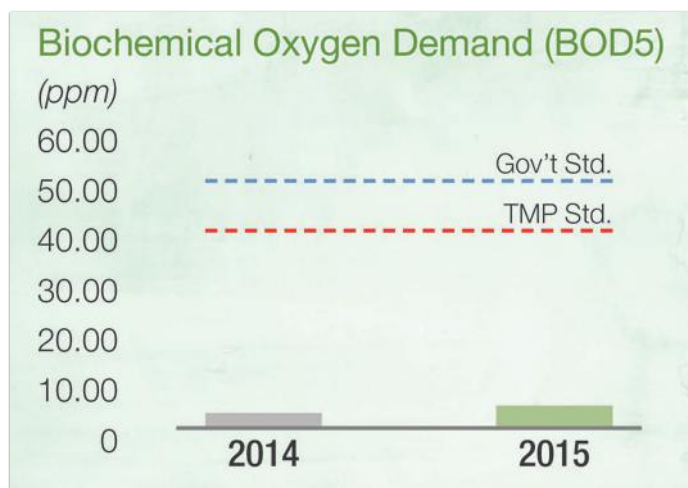
STANDARDS FOR WASTE WATER EFFLUENT

The Laguna Lake Development Authority (LLDA) closely monitors all the water discharges of TMP to ensure that contamination and pollution of the Laguna Lake is avoided. TMP's Waste Water Treatment Plant (WWTP) processes all water wastes to ensure compliance in: pH level, Biochemical Oxygen Demand (BOD5), Chemical Oxygen Demand (COD), Total Suspended Solids (TSS), Oil and Grease, and Heavy Metals.

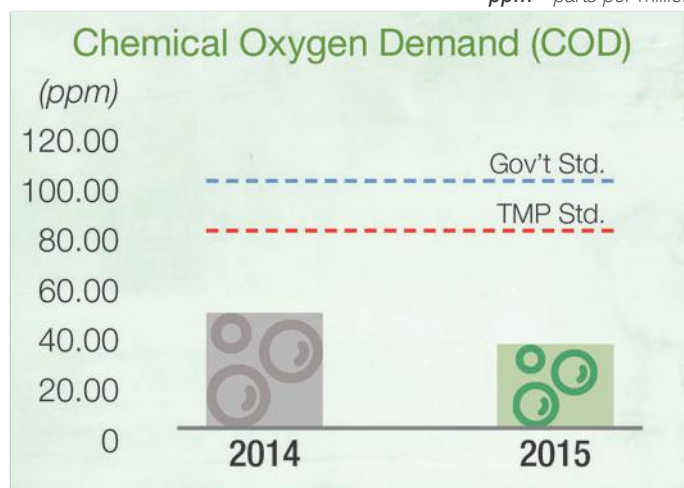
In 2015, there were no significant findings of contamination in TMP's waste water discharge. All parameters were within and in compliance with LLDA's and TMP's standards.

Waste Water Effluent Parameters

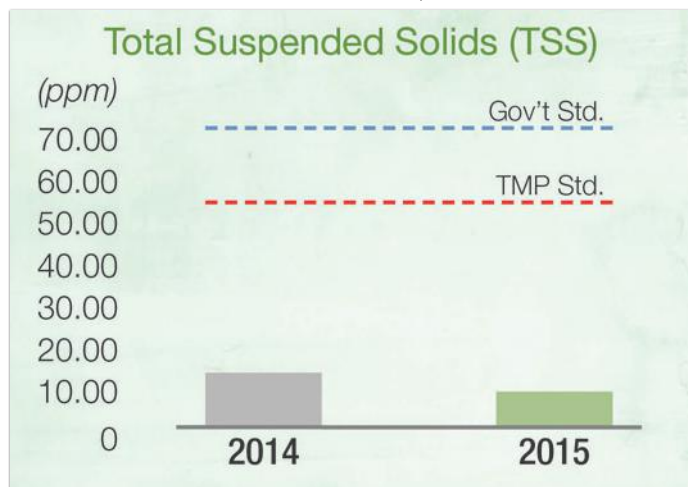
*ppm - parts per million



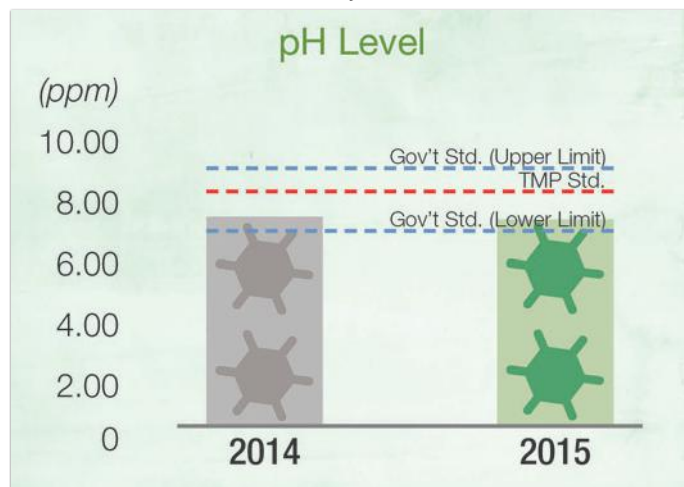
The amount of oxygen used by organisms while consuming organic matter in a waste water sample



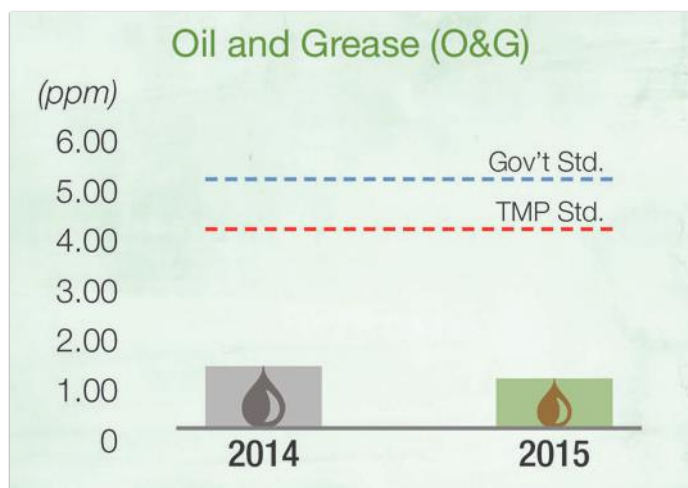
The quantity of organic pollutants in a waste water sample that can be chemically oxidized



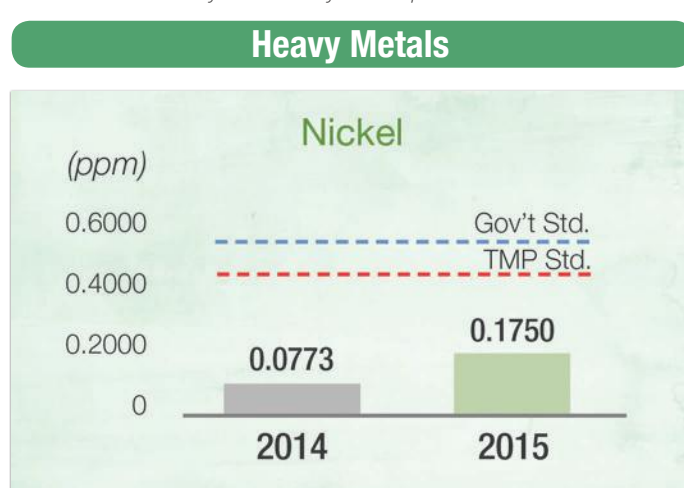
The sum of organic and inorganic concentrations in a waste water sample



The concentration of hydrogen ions in solution and indicates the level of acidity and alkalinity of an aqueous solution

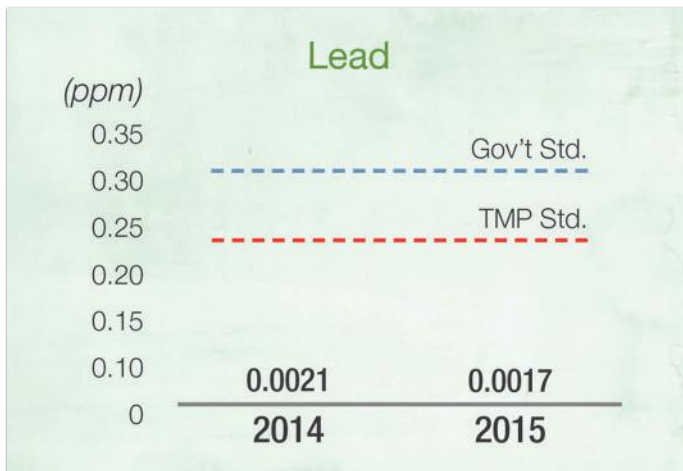


The amount of dissolved oil and grease in a waste water sample

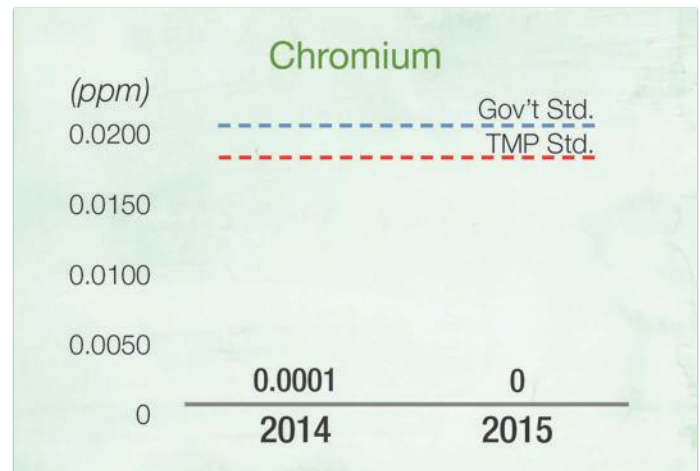


The concentration of nickel in a waste water sample

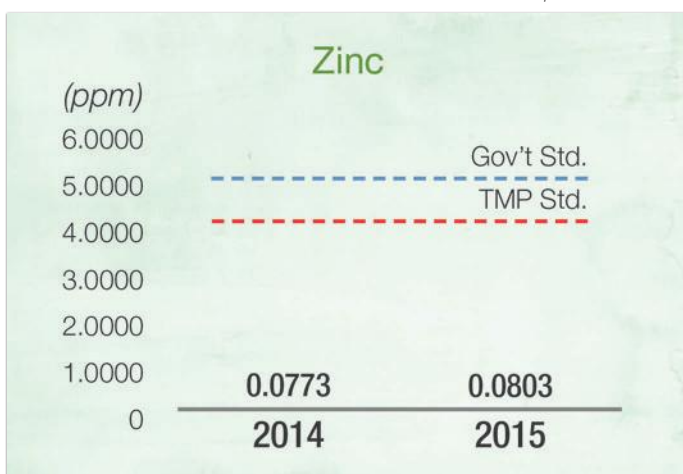
Heavy Metals (cont.)



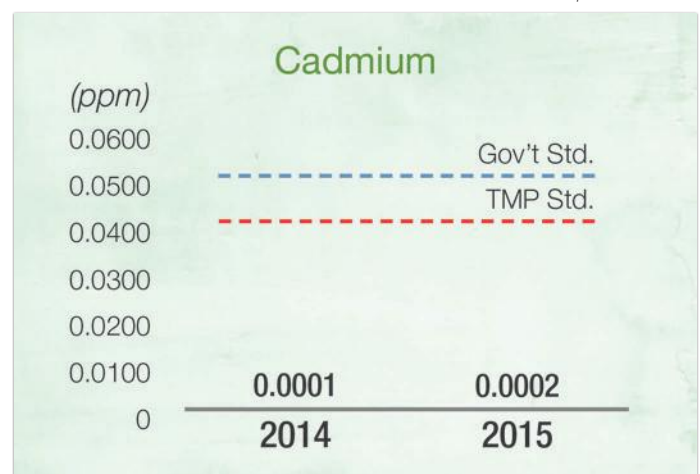
The concentration of lead in a waste water sample



The concentration of chromium in a waste water sample



The concentration of zinc in a waste water sample



The concentration of cadmium in a waste water sample

Standards for Air Emission

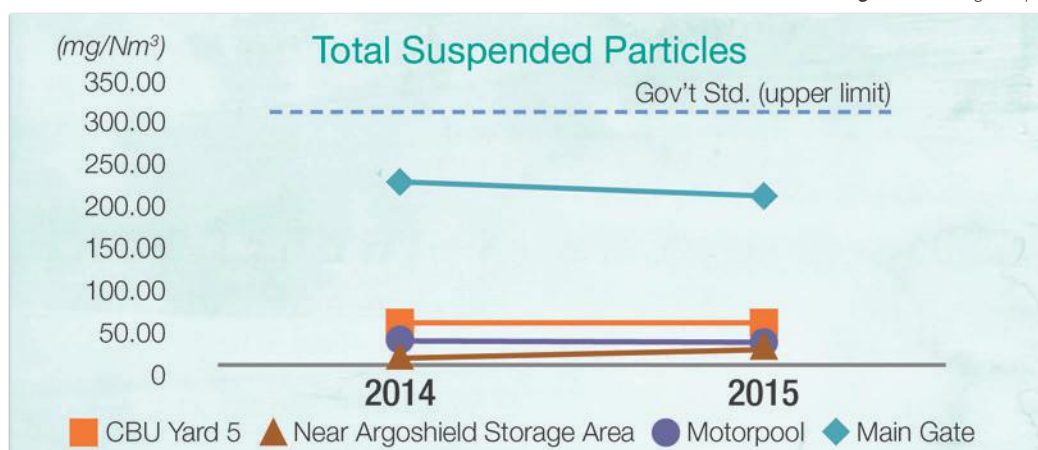
TMP monitors its air emissions according to the standards of the government and the US Environmental Protection Agency (USEPA).

TMP uses boilers, ovens and generator sets in its manufacturing operations, which are considered air pollution sources. TMP closely monitors and manages the emissions from these equipment to avoid air pollution.

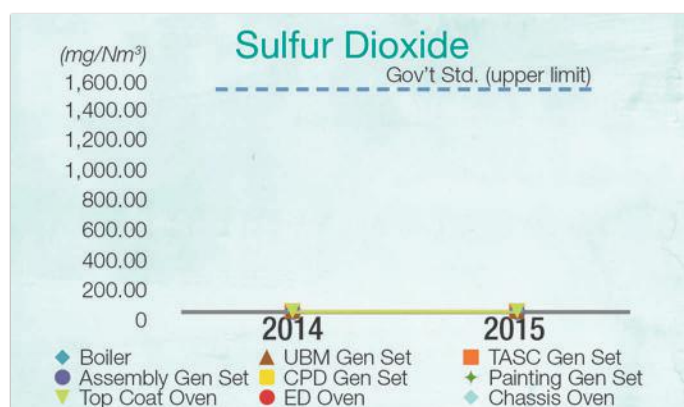
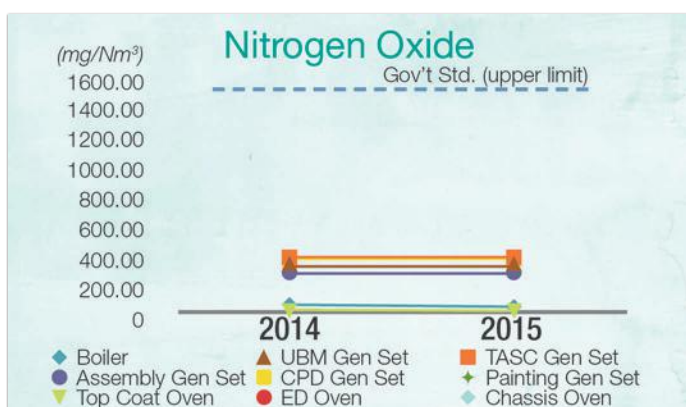
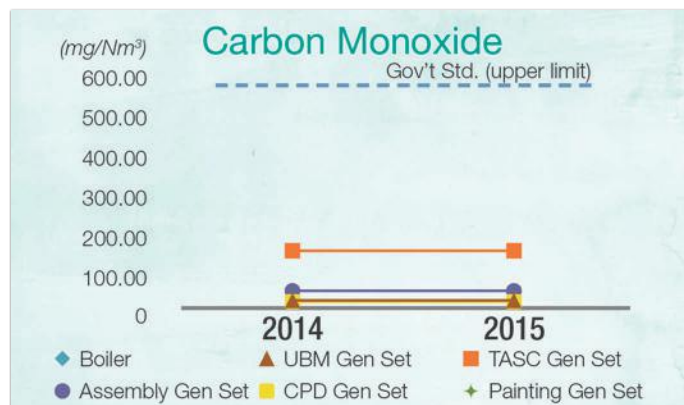
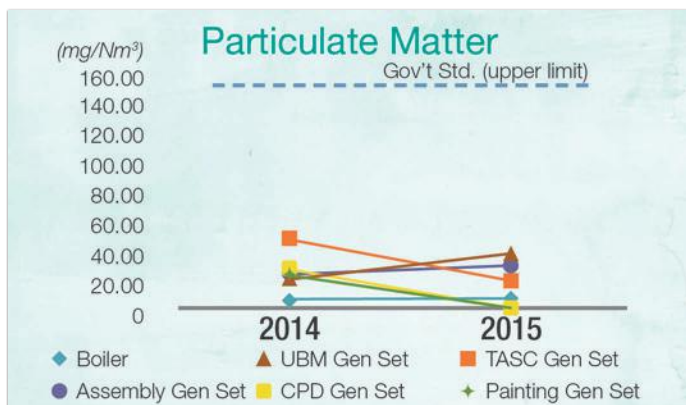
The DENR conducts sampling of ambient air, as well as emissions sampling at identified stationary sources. In 2015, there were no significant findings in relation to environmental compliance.

Ambient Air

*mg/Nm³ - milligram per normal cubic meter



Stationary Sources

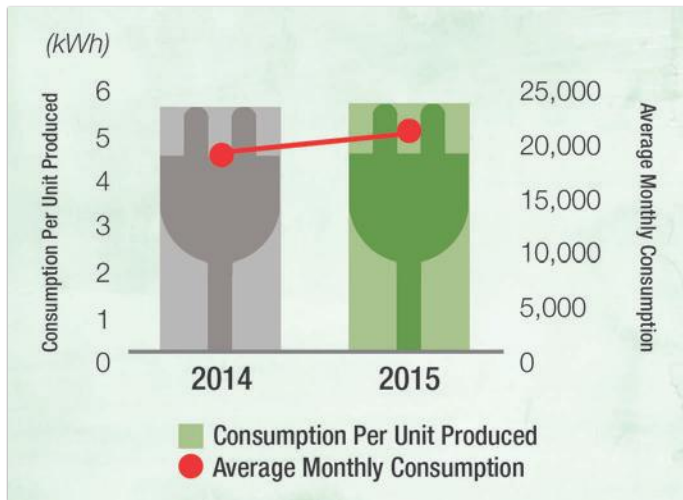


REDUCTION OF WASTE AND EMISSION BY MINIMIZING USE OF ENERGY AND RESOURCES

SUMMARY OF RESOURCE CONSUMPTION AND WASTE & EMISSION PERFORMANCE			
	2014	2015	VARIANCE %(+/-)
ENERGY			
Electricity (in kWh)			
Average Monthly Consumption	1,748,532.40	1,941,310.98	11%
Consumption Per Unit Produced	507.36	477.75	(6%)
LPG (in kg)			
Average Monthly Consumption	45,230.40	47,856.04	6%
Consumption Per Unit Produced	13.06	11.79	(10%)
Diesel (in L)			
Average Monthly Consumption	20,474.42	22,620.17	10%
Consumption Per Unit Produced	5.42	5.51	2%
WATER (in m³)			
Average Monthly Consumption	14,993.79	17,892.54	19%
Consumption Per Unit Produced	4.32	4.38	1%
WASTE (in kg)			
Average Monthly Generation	21,507.61	24,762.94	15%
Generation Per Unit Produced	6.20	6.06	(2%)
Hazardous Waste Average Monthly Generation	252,962.83	295,302.14	17%
Hazardous Waste Generation Per Unit Produced	6.07	6.02	(1%)
EMISSIONS			
VOC Emissions Per Unit Produced (in g/m ²)	52.87	50.55	(4%)
CO ₂ Emissions Per Unit Produced (in ton-CO ₂)	0.32	0.30	(6%)

Using Energy Efficiently

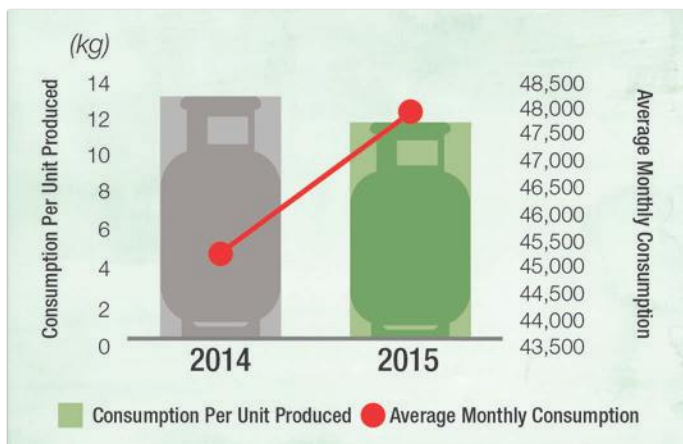
In 2015, the demand for locally-manufactured vehicles significantly grew. To accommodate this high demand, TMP extended its manufacturing hours, with overtime work. This resulted in a slight increase in the overall resource consumption. However, TMP still managed to find ways to decrease the energy consumption and emissions per unit produced through more efficient use of resources.



1. Electricity Consumption

TMP's continuing efforts to decrease its electricity consumption is evident in 2015. Consumption per unit produced significantly decreased by 6% compared to its 2014 level, while the average monthly electricity consumption increased by 11% due to extended production hours.

TMP continues to lower its electricity consumption through its existing activities such as the use of Common Chilled Water Pump, optimization of air blow usage at Top coat booth entrance, scheduled use of blowers, reduction of power consumption during non-production days, and improved lighting management during production.



2. LPG Consumption

Due to higher production volume, the average LPG consumption in 2015 increased by 6%. Nevertheless, the consumption per unit produced decreased by 10% compared to its 2014 level.

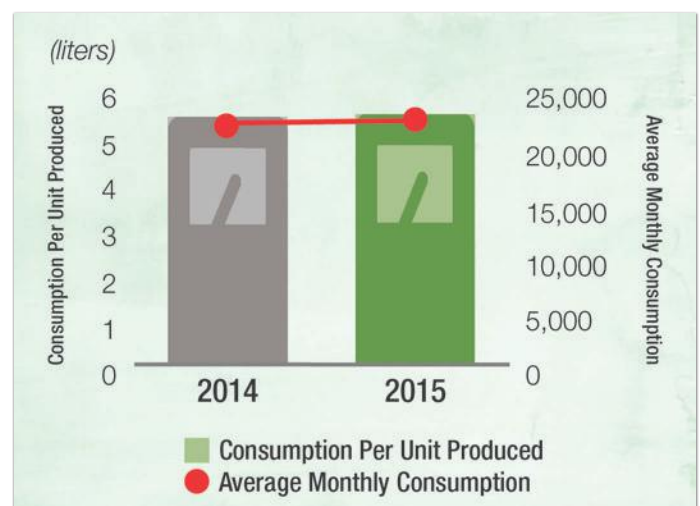
3. Diesel Consumption

TMP's diesel consumption slightly increased in 2015. This is attributed to the high consumption of diesel during the first quarter of 2015 caused by low ambient temperature.

Given this, TMP still continues its efforts to lower its diesel consumption by:

1. Changing washer tank temperature from 27°C to 25°C – this results in reduced steam supply to the washer tank.
2. Reducing Boiler Supply pressure from 45/50 to 40/50 – this balances the supply and demand to reduce waste in supply side.
3. Reducing hot water tank temperature from 60°C to 55°C – this lowers steam supply to hot water tank.

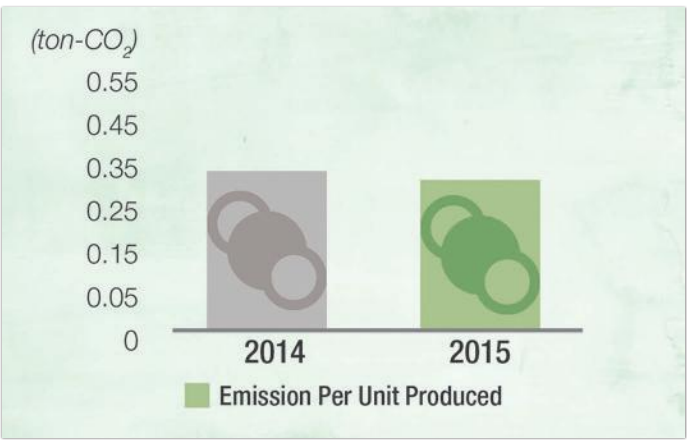
Since diesel is used by boilers that produce steam to regulate the temperature and humidity inside the painting spray booth, a change in ambient temperature could mean more or less steam is needed, consequently increasing or decreasing the boiler's diesel consumption.





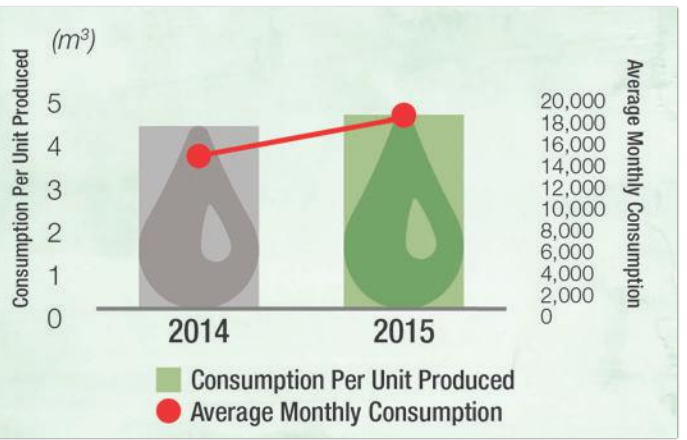
Reducing CO₂ Emissions

TMP continuously improves its processes to lessen its CO₂ emission. From its 2014 level, TMP's CO₂ emission per unit produced decreased by almost 6% in 2015.



Using Less Water

TMP's average monthly water usage in 2015 increased by 19% from its 2014 level, while TMP's water consumption per unit produced increased by 1% in 2015 compared to its 2014 level.



Reducing Waste

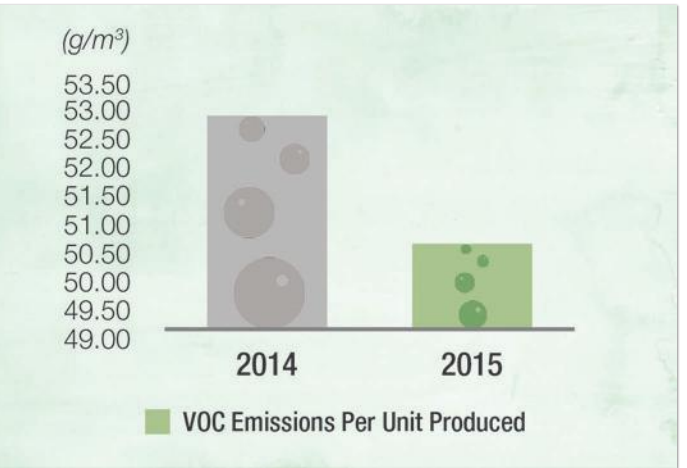
TMP's 2015 average monthly waste generation increased by 15%. However, waste generation per unit produced decreased by 2% from its 2014 level. This is mainly attributed to the improvement in material resource efficiency through various usage reductions in manufacturing supplies and optimization of material use.

In 2015, TMP's average monthly hazardous waste generation increased by 19%. On the other hand, TMP managed to decrease its hazardous waste generation per unit produced by 1%.



Minimizing the Environmental Load of Volatile Organic Compounds and Prohibited Chemical Substances

TMP significantly decreased its Volatile Organic Compounds (VOCs) emission by 4% compared to its 2014 level. This was made possible through reduction of paint and thinner consumption, which are the main sources of VOCs. TMP's manufacturing plant also improved efficiency of manual primer spray painting from 85% to 95%.



PROMOTION OF ENVIRONMENTAL AWARENESS

Environment Month Photo Contest winning photo taken by Roderick Benjamin Villanueva with an Eco Tip: "We do not inherit the earth from our ancestors; we borrow it from our children. Let us save Mother Earth by planting trees with all family members today for our children tomorrow."

Team Members

TMP continues to raise awareness on environmental issues to its Team Members during Global Toyota's celebration of the Environment Month in June.

TMP Team Members joined the celebration of the Environment Month by participating in the 3K Eco-Run inside the 82-hectare Toyota Special Economic Zone (TSEZ) in Santa Rosa City, Laguna. After the Eco-Run, all the participants proceeded to a tree-planting activity inside the 11-hectare Toyota Forest within TSEZ. Likewise, a photo contest among Team Members was held to promote care for the environment.



TMP Team Members during the 2015 Eco-Run



A TMP Team Member donating plastic bottles during the 2015 Environment Month Celebration



TMP Team Members during a tree-planting activity at the 11-hectare Toyota Forest inside the TSEZ



Suppliers

As part of the 2015 Environment Month celebration, TMP held an Environment Seminar and Best Practice Benchmarking among its suppliers. Participating suppliers were able to tour around TMP's Waste Water Treatment Plant and the Toyota Manufacturing Eco Center. During their visit, TMP showcased the Bulb Eater, which is designed to capture mercury vapor

content of busted fluorescent lamps.

Aside from this, TMP regularly conducts benchmarking activities among suppliers for best practice sharing. Last 2015, two (2) Management Benchmarking activities were held at Enkei Philippines and Yokohama Tire Philippines.



Supplier visit at the TMP Manufacturing Eco Center during the 2015 Suppliers Benchmarking Activity



Supplier visit at Enkei Philippines showcasing CO₂ Management

Dealers

TMP held the 9th Dealer Environment, Safety and Health (DESH) Conference with the theme "Towards Greener and Safer Global Mobility." Forty-three (43) Toyota Dealers participated in the DESH Conference which focused on providing better services by improving environmental performance, as well as enhancing safety and health practices in their respective operations. Twenty-eight (28) Toyota Dealers were given the Toyota DESH Excellence Award for achieving 100% compliance with the Dealer Environmental Management System (DEMS) and Dealer Safety Management System (DSMS) in the previous year.



Toyota DESH Excellence Awardees were recognized for achieving 100% compliance with the Dealer Environmental Management System (DEMS) and Dealer Safety Management System (DSMS) during the 2015 DESH Conference

Following TMP's direction, Toyota Dasmarinas – Cavite (TDM) acquired the ISO Certification from AJA Registrars in 2015, making it the first automotive dealership in the Philippines to be ISO 14001-certified.



Awarding of ISO 14001 Certification to Toyota Dasmarinas - Cavite

Community

In 2015, sixty (60) students from Pulong Sta. Cruz National High School joined the annual Toyota Barangay Eco Science Tour (Toyota BEST). The students were taken on a tour of TMP's eco-friendly facilities such as the Toyota Forest, Waste Water Treatment Plant and the Toyota Manufacturing Eco Center to raise awareness about the Company's efforts in taking care of the environment.

To promote environmental consciousness among the youth, TMP also held the annual On-the-Spot Poster Making Contest among 10 participating high schools in Santa Rosa, Laguna with the theme, "Sustainable Consumption and Production."



Toyota BEST participants from Pulong Sta. Cruz National High School





Aplaya National High School's winning artwork in the On-the-Spot Poster Making Contest






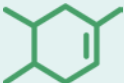


Participants of the 2015 TMP Environment Month On-the-Spot Poster Making Contest

Environmental Performance Highlights

(as of December 31, 2015)

 Regulatory & Legislative Compliance	0 non-compliance	
	46/46 Compliant Dealers in the Toyota Dealer Environment Risk Assessment Program (DERAP)	
 Certification	TMP acquired ISO 14001 re-certification in 2015	
	58/60 Suppliers are ISO 14001-certified	
	1 ISO 14001-certified Dealer (Toyota Dasmariñas, Cavite)	
	1 Pollution Control Officer in TMP 45 Pollution Control Officers in Dealers	

Achievement of Main Environment Performance Indicators (per unit produced)		
 CO2 Emissions	vs. 2014 level	
	6% decrease	
 Water Consumption	1% increase	
 VOC Emissions	4% decrease	
 Waste Generation	2% decrease	
 Hazardous Waste Generation	1% decrease	
 Elimination of Substances of Concern (SOCs)	TMP	100%
	Export Parts Suppliers	100%



Enriching Lives of Communities

It has always been Toyota's resolve, that wherever we are in the world, our business operations should always have a positive impact to the economy and the society. We take it as our responsibility to provide people with better mobility in the generations to come, as well as provide opportunities for growth and progress in communities we are in.

We shall always keep in mind that as our operations grow, the responsibility to give back becomes more evident and imperative. Together with our various stakeholders, we shall endeavour to achieve a better world and a better future for the Filipino people.

Contribution to the Economy

Ever since the start of its operations in 1989, Toyota has continuously believed in the skills and potential of the Filipino. Through investments in local production operations and technology transfer, we have helped generate employment opportunities and expand both local parts and parts exports industries. As a result, the growth from TMP's investments contributes more to the Philippine economy through the duties and taxes paid and further development of Toyota's auto and exports parts industries locally and globally.

Summary of Economic Contributions	
Toyota Group Investments	Approximately PHP 50 Billion (1989-2015)
Employment (TMP, Toyota Suppliers & Dealer Network)	Over 50,000 Employees (as of December 2015)
Government Revenues	PHP 204 Billion (1989-2015)
Procurement from Local Suppliers	Approximately PHP 149 Billion (1989-2015)
Toyota Parts Exports	Approximately US\$ 11.8 Billion (since 1997)
Total Vehicle Sales	1,088,212 units (1989-2015)
Total Vehicle Production	644,335 units (1989-2015)

Toyota's manufacturing operations and gains have made a significant impact in driving the growth of the Philippine economy. With over PHP 50 Billion in investments, TMP has helped employ over 50,000 individuals from its manufacturing plant, head office and supplier and dealer network. In addition, TMP conscientiously fulfils its obligation to the government through payment of duties and taxes. In recognition of TMP's contributions, the Bureau of Customs bestowed two awards in 2015: the Highest Revenue Contributing Importer award and

Exporter with the Second Highest Value of Export award.

On a wider scale, TMP's operations has helped expand the business of auto and export parts manufacturers. There are fourteen (14) Toyota Parts Exports Suppliers that manufacture and export automotive products to ASEAN, Japan, and other parts of the world. As of 2015, Toyota's parts exports has reached approximately US\$12 Billion.

Flagship Projects

TOYOTA ADOPT-A-FOREST PROJECT

As part of TMP's Corporate Social Responsibility (CSR) activities, Toyota Motor Philippines Foundation (TMPF) launched the Adopt-A-Forest Project in partnership with the University of the Philippines Los Baños Foundation, Inc. (UPLBFI) in 2012. Together with Toyota Motor Asia Pacific Pte. Ltd. (TMAP), Toyota's regional headquarters in Asia Pacific, TMP funded the program with total donation amounting to PHP 1.3 Million.

With this project, Toyota aims to achieve the following objectives:

- Develop a Toyota Environment Education Theater (TEET)
- Develop a Toyota Palm Garden (TPG)
- Reforest a 10-hectare land inside Makiling Botanic Gardens (MBG)
- Create field guides / pamphlets about the different species inside the MBG for information dissemination purposes
- Organize a national conference on native palm conservation and propagation

In 2015, two of these objectives were accomplished.

Toyota Environment Education Theater

In October 2015, Toyota inaugurated the Toyota Environment Education Theater (TEET), a 300-sqm facility inside the Makiling Botanic Garden's (MBG) Nature Conservation Education and Ecotourism Center. The TEET serves as a function area for the promotion of environment conservation. TMPF also helped equip the facility by providing audio-visual equipment.



TMP officers and volunteers with UPLBFI officers during the TEET Inauguration Ceremony

Toyota Palm Garden

Also located inside MBG is the 3.5-hectare Toyota Palm Garden (TPG). It is the first Palm Conservatory in the Philippines, which serves as a living showcase of the country's endemic and endangered palm species. In 2015, volunteers from Toyota planted 100 palm seedlings inside the TPG.



TMP officers with UPLBFI officers during the inauguration of the Toyota Palm Garden

Tree-planting at the 10-hectare Toyota-Adopted Forest Block

On top of the Toyota Environment Education Theater and Toyota Palm Garden inaugurations, a tree-planting activity was also held at the 10-hectare Toyota-Adopted Forest Block inside MBG. During the activity, Toyota and UPLB volunteers were able to plant 560 dipterocarp trees from four (4) native species: Lauan, Apitong, Yakal and Tanguile.



Toyota Motor Philippines School of Technology

Since its establishment in 2013, Toyota Motor Philippines School of Technology (TMP Tech) has been consistently creating better opportunities for the youth by developing their full potential to become highly-competent automotive professionals. After two years of operations, the school has already started producing results and making significant milestones. Guided by the vision of its founders, Dr. Shoichiro Toyoda and Dr. George S.K. Ty, TMP Tech continues to realize its positive impact in the lives of its students, as well as in the local and global Toyota dealer network.



With flying colors. (From left) The Excellence Awardees - John Clifford Asis, Joel Lawrence Matito, Carmelyn Ewican & Melvin Lunar

THE PIONEER GRADUATES JOIN THE DEALER NETWORK

On August 28, 2015, TMP Tech held its first commencement exercises for its 2-year Toyota General Job Automotive Servicing Course. There were 110 new Toyota after-sales professionals who were soon employed by the local Toyota dealer outlets. These graduates have been equipped with TMP Tech's advanced, fast-track curriculum which is optimally combined with Toyota-specific courses, TESDA-required competencies, and an intensive on-the-job training (OJT) at local Toyota dealerships.

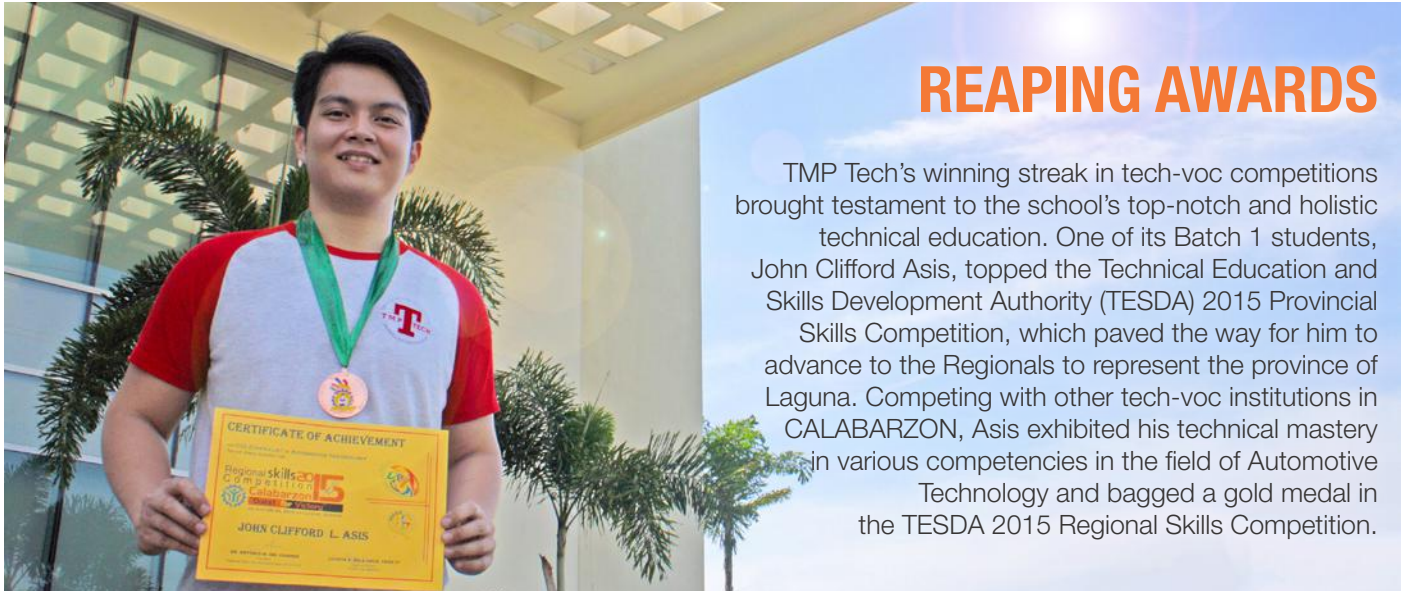
DIAGNOSIS TECHNICIANS OFF TO SAUDI

TMP Tech's 24-month Specialized Toyota Automotive Training Program (STATP) continues to serve Toyota's partner distributor in the Kingdom of Saudi Arabia, Abdul Latif Jameel Imports & Distribution, Co., Ltd. (ALJID), by deploying highly-skilled diagnosis technicians in its extensive dealer network. In June 2015, the 26 STATP Batch 2 graduates joined ALJID after finishing the program.

From an 18-month "Pro-Tech" training initially named as Specialized Automotive Training Program (SATP) and administered by TMP since 2010, ALJID required to upgrade it in 2013 to a 24-month "Diagnosis Technician" program under TMP Tech, making the graduates more competent to join the global Toyota workforce.



Twenty six (26) new diagnosis technicians of the STATP Batch 2 are now gainfully employed in Saudi Arabia



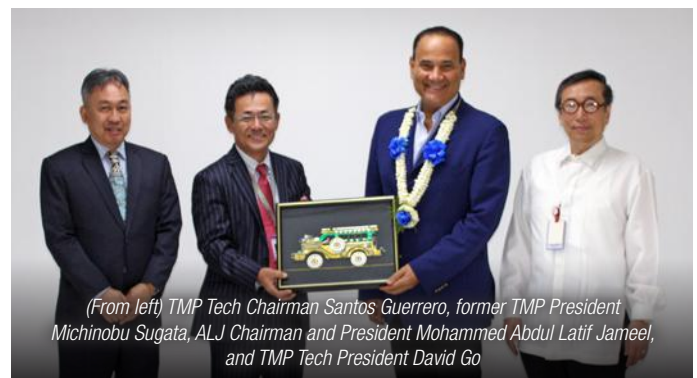
BENCHMARKING ACTIVITIES & COURTESY VISITS

As TMP Tech continuously promotes the development of technical education in the country, various local and international organizations, as well as affiliates from the global Toyota network, have started to notice and recognize the school's significant contributions to the national and global scene.

Last February 2015, TMP Tech hosted a benchmarking activity with the tech-voc policymakers from the National Training Board of the Royal Government of Cambodia. The activity aimed at strengthening the institutional capability of Cambodia's TVET officials and trainers to plan and manage TVET in their country. TESDA recommended TMP Tech for the visit as a center of excellence for employment and human resource development.



In further strengthening relationships among TMP, TMP Tech and ALJID, the chairman and president himself, Mohammed Abdul Latif Jameel paid a visit last May 2015 to discuss future employment plans for TMP Tech's STATP graduates. Recognizing the rapid growth of automotive market in Saudi Arabia and the increasing demand for highly-competent Toyota technicians, the Saudi billionaire-philanthropist shared his mission of creating more opportunities in the Middle East for Filipinos.



His Excellency Kazuhide Ishikawa, Ambassador Extraordinary and Plenipotentiary of Japan to the Republic of the Philippines, was hosted by TMP Tech last July 2015 during his courtesy visit. The school was honored to present to the ambassador how Japan's Toyota technology, values and philosophies are implemented in its local operations.



The school was also privileged to welcome several officers from Toyota Motor Corporation (Japan). TMP Tech showcased how the global Toyota technology and practices are implemented in a local setting, and how it equips young Filipinos to become productive citizens.



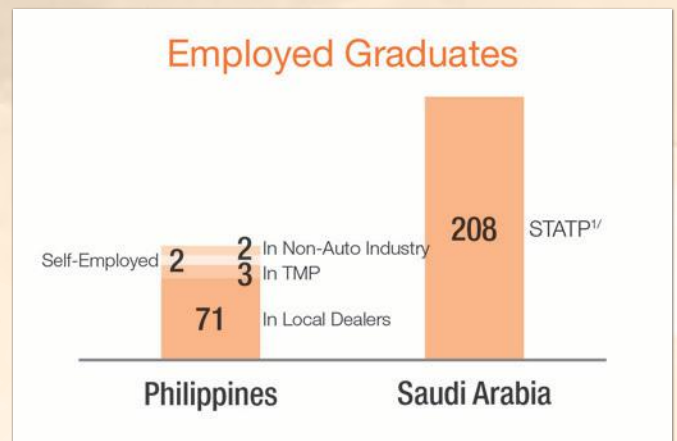
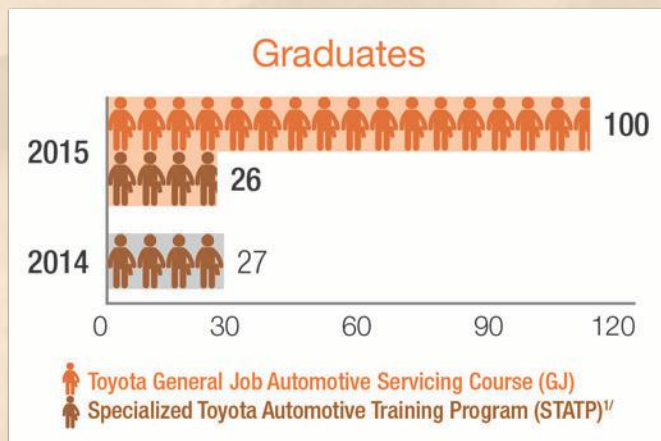
(Rightmost) Toyota Motor Corporation (TMC) Executive Vice President Seiichi Sudo



TMC Executive Vice President Mitsuhiro Kato (rightmost) is welcomed by TMP Tech officers

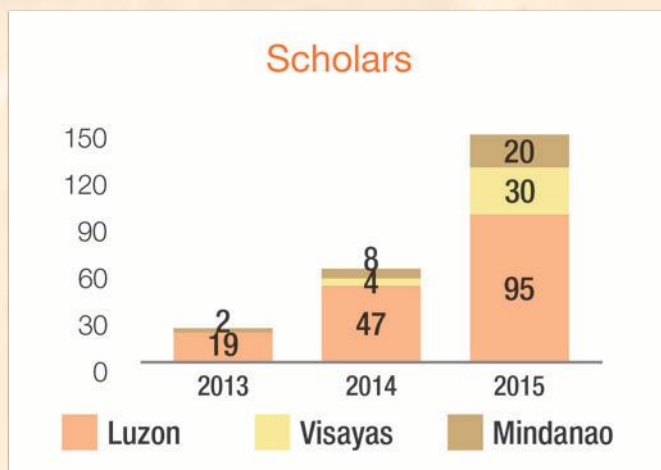
TMP TECH HIGHLIGHTS

In its two-year operations, TMP Tech has already produced a total of 163 graduates: 110 from the 2-year General Job Course and 53 from the STATP.



^{1/}TMP Tech's 24-month "Diagnosis Technician" training which transitioned in 2013 from TMP's 18-month "Pro-Tech" SATP (2010-2013)

As of end of December 2015, 128 of all the 2015 graduates are already gainfully employed. Those working in the Philippines were either hired by Toyota Motor Philippines Corporation, or Toyota's local dealerships, while there are a few who are either self-employed or have chosen a career in non-automotive industry. For STATP graduates, they have been dispatched to Saudi Arabia and are now employed in ALJID's extensive dealer network.



Moreover, a total of 145 students have been assisted by the school since 2013 through various scholarships and financial aid.

With its mission to help the financially-challenged but deserving students, TMP Tech continues to increase its scholarships, especially in the provinces. Through the school's existing partnership with the Toyota Dealers Association, more scholarships are made available as each dealer targets to sponsor at least one scholar per year.

Other partners of TMP Tech in providing scholarships include Toyota Motor Philippines Foundation, GT Foundation and some private institutions and individuals.

Toyota Motor Philippines Foundation

Toyota Motor Philippines Foundation (TMPF) is TMP's social and humanitarian arm, which implements various corporate social responsibility (CSR) initiatives categorized under four pillars: Health, Education, Environment and Community Service.

HEALTH

Through the years, Toyota has been consistent in supporting the health and well-being of its nearby communities. As one of its contributions to the society, TMPF holds the annual Medical and Dental Outreach Program (MDOP), which offers free consultation, laboratory services and medicines.

In October 2015, TMPF held its 51st MDOP at Barangay Malitlit, Santa Rosa City, Laguna which catered to over a thousand resident beneficiaries who availed of free medical services. To date, more than 101,000 constituents from the cities of Santa Rosa and Parañaque have benefited from the MDOP since its inception in 1992.

Services Provided in MDOP		
Consultation Clinics	1. Pediatrics	5. OB-Gyne
	2. General Medicine	6. Surgery
	3. Urgent Care	7. Dermatology
	4. ENT/Ophthalmology	
Laboratory	1. Chest X-ray	5. Electrocardiogram
	2. Complete Blood Count	6. Pelvic ultrasound
	3. Random Blood Sugar	7. Mammography
	4. Urinalysis	
Dental	1. Tooth extraction	
	2. Oral prophylaxis	
Pharmacy	1. Medical supplements	
	2. Prescription medicines	



Toyota turns over a dialysis machine to the Santa Rosa Community Hospital

To further support the citizens of Santa Rosa City in their health needs, TMPF assists in equipping the Santa Rosa Community Hospital through Medical Equipment Donations. In May 2015, TMPF turned over a dialysis machine to the Santa Rosa Community Hospital. This donation is on top of the medical equipment previously donated like nebulizers, defibrillator, Electrocardiogram (ECG) machine, cardiac monitors, suction machine, wheelchairs and stretchers.

EDUCATION

Through its programs, TMP also acknowledges the importance of education and aims to provide scholarships and financial assistance to those who are qualified and deserving.

Toyota Technical Education Program (T-TEP)

The Toyota Technical Education Program (T-TEP) is a global initiative of Toyota Motor Corporation (TMC) in Japan, which was launched in 1990. The T-TEP aims to share the most recent information on Toyota technology by providing training packages to its partner institutions.

Through TMPF, Toyota continues to support its six (6) partner schools for T-TEP by providing materials, engine simulators, and training for instructors.

Area	T-TEP Partner Schools
Luzon	1. Don Bosco Technical Institute 2. Guzman College of Science & Technology 3. Technological University of the Philippines - Manila 4. Toyota Motor Philippines School of Technology
Visayas	5. College of Technological Sciences - Cebu
Mindanao	6. University of Mindanao



Automotive Education Program

In its effort to reach and help more students nationwide, TMPF established the Automotive Education Program (AEP), in partnership with TMP's Customer Service Operations. Scholars under the AEP are provided with the opportunity to study automotive-related courses in TMPF's 20 partner schools and work in Toyota dealerships after graduation. At the end of 2015, the program has already supported a total of 754 scholars.

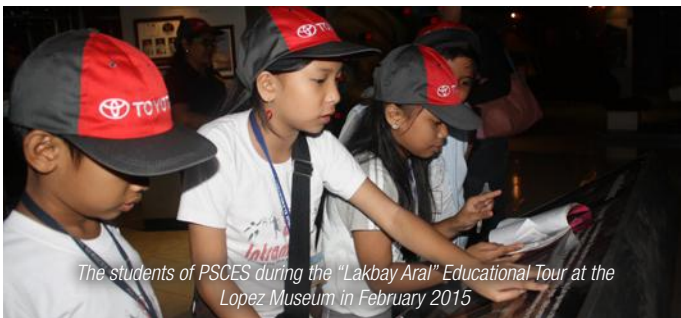
Last December 2015, TMPF donated two (2) Engine Training Simulators (4E Toyota Corolla gas engine and 2L Toyota Revo diesel engine) to the Lingayen Technological Institute (LTI). Through this donation, TMPF enables the students to improve their skills in automotive technology.

Aside from the donation of engine training simulators, basic automotive tools and other automotive-related equipment, TMPF also facilitates training and immersion at TMP of instructors of its partner schools to keep them updated on the latest Toyota technology.

Automotive Education Program Partner Schools	
LUZON	
1. Aurora Technological Institute	9. Lingayen Technological Institute
2. Batangas State University	10. Mariano Marcos State University
3. Don Bosco College - Canlubang	11. Nueva Ecija University of Science and Technology
4. Don Bosco Technical Institute of Makati	12. Technological University of the Philippines - Manila
5. Don Honorio Ventura College of Arts and Trades	13. Toyota Motor Philippines School of Technology
6. Guzman College of Science and Technology	14. University of Makati
7. Laguna State Polytechnic University	15. Xavier University
8. Laguna University	
VISAYAS	
1. Aklan State University	3. Technological University of the Philippines Visayas
2. College of Technological Sciences - Cebu	4. Western Visayas College of Technology
MINDANAO	
1. University of Mindanao	

Adopt-a-School Program

Since 1998, TMPF has been continuously supporting the holistic development of its adopted school, the Pulong Sta. Cruz Elementary School (PSCES). This includes the repair and construction of school facilities, conducting aptitude and skills development of students and school personnel, and providing seminars on health, nutrition, environmental awareness and road safety.



The students of PSCES during the "Lakbay Aral" Educational Tour at the Lopez Museum in February 2015



Winners of the "Quest for the Best" Quiz Bee contest

Academic Activities

Part of TMP's annual programs for its adopted school are the "Lakbay Aral" Educational Tour, which provides Grades 4 to 6 students with additional knowledge through exposure and experiential learning. During the 2015 Lakbay Aral Tour, PSCES students and staff were able to explore educational sites like the Philippine Science Centrum, the Lopez Museum and the Ark Avilon Zoo in Pasig City.

The "Quest for the Best" Quiz Bee is held to promote academic excellence among students. The Winners of the Quiz Bee are given cash prizes and plaques of recognition.

As of 2015, a total of 345 students have joined the "Lakbay Aral" Educational Tour, while 196 students have participated in the "Quest for the Best" Quiz Bee.

Health and Wellness Activities

With the aim to help improve the academic performance and health of malnourished PSCES students, TMPF launched the "Pasiglahin ang Estudyanteng Pinoy" (PEP) Feeding Program together with Kabisig ng Kalahi* and Mead Johnson Nutrition in 2013. Selected students from Grades 1 to 3 were chosen to be part of the program.

Supporting TMPF in this program is the Tulungan Network of Toyota Employees (T-NOTES). Established in 2006, T-NOTES is TMP's volunteer group, which was primarily created to provide financial assistance and moral support to Team Members in need. T-NOTES eventually extended its efforts to support the community by providing assistance related to education, nutrition and health.

In 2015, T-NOTES sponsored selected PSCES students from Grades 4 to 6 under the PEP Program. While all selected students from Grades 1 to 6 are being fed on a regular basis, their health improvement is also tracked through weight and Body Mass Index (BMI) monitoring. To date, 270 students have already benefited from the feeding program.

TMPF also sponsors the supplemental Annual Physical Examination (APE) of PSCES faculty and staff. Apart from the APE Services provided by the Department of Education (DepEd), TMP's APE covers a comprehensive physical examination and hearing acuity test, laboratory tests like urinalysis, complete blood count, kidney and liver function tests, Hepatitis B screening, and electrocardiogram (ECG). Annually, around 60 teachers benefit from this service.

*Kabisig ng Kalahi is a non-government organization that promotes the importance of good nutrition to students through feeding programs.



PSCES students during the PEP Feeding Program



2015 Annual Physical Examination (APE) for PSCES teachers

Other Developmental Activities

Through the Department of Education's annual "Brigada Eskwela" program, TMPF participates in the repair and maintenance of the school's facilities by donating painting, cleaning and repair materials. Aside from volunteers from TMP and TMPF, there are also faculty and students of TMP Tech who also help in the refurbishment of the school's facilities prior to the opening of classes every year.

To further enhance instruction of PSCES teachers, 57 portable voice amplifier units were donated in January 2015.



TMP Tech volunteers during the 2015 "Brigada Eskwela" at Pulong Sta. Cruz Elementary School



TMPF Assistant Vice President Ronald Gaspar (front left) turns over portable voice amplifiers to PSCES Principal Dr. Nella Tabuyo (front right)

ENVIRONMENT

On top of having advocacies in Health and Education, Toyota also helps in the preservation of the environment. TMP continues to maintain its 11-hectare forest inside the Toyota Special Economic Zone (TSEZ), which also serves as a source of seedlings for donation to local government institutions and private organizations.

Moreover, TMPF actively joins the annual International Coastal Clean-up drive organized by the Department of Environment and Natural Resources (DENR). In September 2015, over 30 volunteers from TMP and TMP Tech participated in the event at the Manila Bay area.



TMP and TMP Tech volunteers during the 2015 International Coastal Clean-up drive at the Manila Bay area

2015 CSR Performance Highlights

FLAGSHIP PROJECTS

Toyota-City of Santa Rosa-GK Village

Previous Donations	2015 Donations	Total Donations
PHP 23 Million	PHP 1 Million	PHP 24 Million

160 housing units; construction of multi-purpose hall

Adopt-a-Forest Project

1) Inaugurated the Toyota Environment Education Theater

A refurbished 300-sqm orientation room inside the Makiling Botanic Gardens (MBG) Nature Conservation Education and Ecotourism Center.

2) Inaugurated the Toyota Palm Garden

The 3.5-hectare Toyota Palm Garden (TPG) is the first Palm Conservatory in the Philippines.

HEALTH

Medical and Dental Outreach Program

101,441 patients served since 1992

EDUCATION

6 Toyota Technical Education Program (T-TEP) Partner Schools

20 Automotive Education Program (AEP) Partner Schools

789 Graduated TMPF Scholars since 1990

110 Current TMPF AEP Scholars^{1/}

^{1/}continuing scholars + new scholars as of December 2015

ENVIRONMENT

2 Tree-planting activities conducted in 2015

1 International Coastal Clean-up activity in 2015

2015 Toyota Classics: Music for a Cause

SPECIAL FEATURE

Using music as an instrument for positive change, Toyota continues to support charities in Asia through the Toyota Classics.

TMP organized the 26th Toyota Classics on October 16, 2015. The Hungarian award-winning Budapest Operetta and Musical Theatre performed classical pieces from both Hungarian and western musicals. Various song interpretations were delivered by the musical group with its soloists Szilvi Szendy, Dávid Szabó, Anita Lukács and Zsolt Vadász.

Filipino talents Menchu Lauchengco-Yulo and Robert Seña also performed with the orchestra. They serenaded the audience with excerpts from the *Phantom of the Opera* and *West Side Story*.

Because of strong support from classical music enthusiasts, ticket sales in 2015 was at its highest. TMP doubled the sales proceeds enabling the company to support four (4) beneficiaries: Gawad Kalinga Development Foundation, Plan International, Philippine Red Cross and International Care Ministries.

In photo (from left) are TMP Executive Vice President for Marketing Yohei Murase, former TMP President Michinobu Sugata, Toyota Motor Corporation Executive Vice President Seichi Sudo, Gawad Kalinga Development Foundation Executive Director Jose Luis Oquiena, Plan International Philippines Country Director Dennis O'Brien, Philippine Red Cross Blood Services Director Dra. Monina Nalupta, International Care Ministries Chief Advancement Officer Carolina Roa, TMP Vice Chairman Alfred V. Ty, TMP Foundation President Dr. David Go



Most recent Toyota Classics concerts have significantly contributed to the completion of the Toyota GK Village Multi-purpose Hall and equipped typhoon-damaged schools in Leyte with furniture and fixtures like armchairs, tables, fans and blackboards.



TMP constructed this Multi-purpose Hall inside the Toyota-City of Santa Rosa-GK Village in Santa Rosa, Laguna using the proceeds of Toyota Classics



TMP rehabilitated and equipped classrooms of Cabarasan Daku Elementary School in Palo, Leyte with furnitures and equipment



Stable Base of Business

The business of Toyota is founded on our shared values as expressed in the Toyoda Precepts, The Guiding Principles at Toyota, and the Toyota Way. These help us ensure that our Team Members' journey will enable them to further grow with the organization.

Likewise, as our Team Members practice our shared Toyota values in their line of work, they consequently contribute in the further improvement of systems and processes to produce quality vehicles. This practice then creates added value to the Company for the mid- to long-term. Hence, as we make “always better cars,” we have more opportunities to enrich the lives of more communities, which further strengthen trust between Toyota and our various stakeholders. This earned trust eventually leads to loyalty and more support for the Company in many different ways, making Toyota much stronger so that we could sustain providing ever better products and services, as well as helping improve more lives.

TMP Team Members during the 2015 Corporate Summer Outing at Bosay Resort, Antipolo, Rizal



Behind The Wheel

Behind the success of a company is a great team working together towards a common goal. It takes world-class talents to produce the best cars and provide excellent service to our customers. Here in TMP, our Team Members make sure that we always move forward. In return, the Company provides them with venues and opportunities for development that will offer them both personal and professional satisfaction.

MANPOWER STRENGTH

At the end of 2015, TMP has over 1,700 Team Members – which includes regular and probationary members. TMP's population continues to grow as the Company's business operations expand.

AREAS OF ASSIGNMENT

Since TMP's plant consolidation in 2003, Team Members have been stationed either at TMP's headquarters in Santa Rosa, Laguna or at GT Tower International in Makati City. The plant relocation from Bicutan, Parañaque to Santa Rosa had allowed TMP to expand its business operations. Likewise, the transfer of TMP's Marketing Vehicle Sales Operations to Makati strengthened TMP's operations in strategically reaching nationwide dealers.

More than 90% of its Team Member population is based in Santa Rosa Plant, while 7% is composed of those in Makati office. TMP has also been sending Team Members to different Toyota affiliates overseas through the Intra-Company Transferee (ICT)* Program, with assignment ranging from one year to three years. As of end-2015, there are 10 TMP Team Members who are on ICT assignment in Thailand, Singapore and Japan.

**ICT is a program designed by Toyota to train and develop its Team Members through project-based personnel exchange program among Toyota affiliates.*

EMPLOYEE PROFILE AND ORGANIZATIONAL TENURE

Given the nature of a vehicle manufacturing business, a major portion of TMP's Team Member population is made up of production-assigned members who are mostly male. As TMP's business continues to expand due to the increasing market demand, additional human resource is needed to handle its support operations. Thus, the number of non-manufacturing members steadily grows, as well.

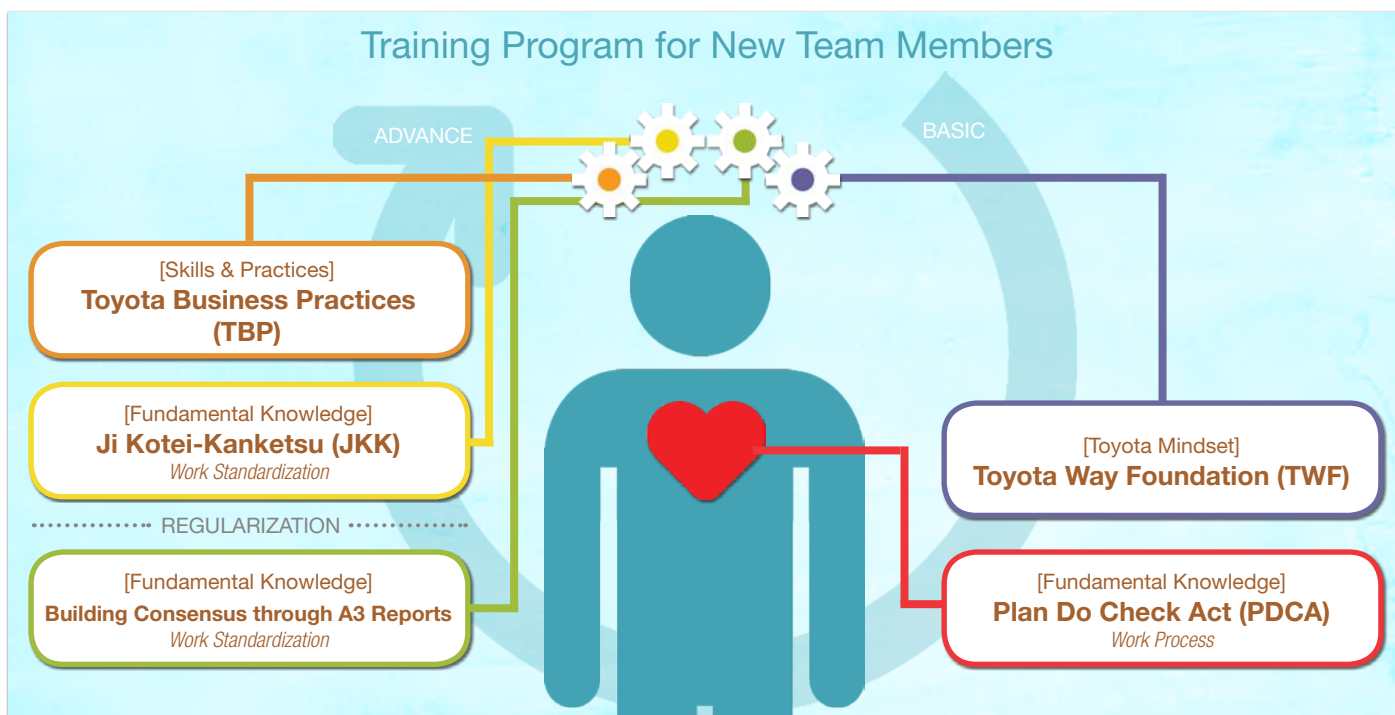
Team Members have an average age of 35 and an average tenure of 12 years. These numbers are getting lower particularly as the number of younger newly-hired members join the organization and as senior officers and Team Members retire.

Team Member Development

Like any dynamic organization, TMP is committed to developing its future leaders to secure its long-term future and provide a stable base for the Company's business. By cultivating new talents, TMP ensures that its members continuously grow both as part of the organization and as individuals. The Company invests in providing all Team Members with training and seminars that are not only required by their job function, but also enable them to attain personal fulfillment.

DEVELOPING A TOYOTA MINDSET

TMP's training roadmap is anchored on the mission of ensuring that every Team Member knows, understands, and applies the Toyota principles at work. Upon joining TMP, Team Members are introduced to the Toyota Way – the mindset that all Toyota Members should follow in doing business. In addition to Toyota Way, all Team Members undergo training courses on common global training curriculum that expose them to Toyota work values and practices observed by all Toyota members worldwide.



DEVELOPING THE FUTURE LEADERS

Part of TMP's effort to secure the Company's future is preparing high-potential Team Members in assuming future leadership roles. And because these Team Members will soon fill key management positions, Toyota develops them by equipping them with skills and competencies essential to realize their full potential as Toyota leaders. TMP has designed leadership advancement programs and a succession management system that provide a strong foundation for the Company's future leaders.

Every year, TMP sends selected Team Members from the ranks, who are specialists in their fields, to different Toyota offices across Asia under the Intra-Company Transfer (ICT) program. ICT is a project-based personnel exchange program among Toyota affiliates that aims to make use of global human resources to support overseas affiliates in achieving self-reliance through development of local staff. The ICT Program allows the participants to benchmark best practices in other Toyota affiliates,

which they eventually cascade to other Team Members and apply in their local operations when they return home from their assignments.

In 2013, TMP also launched the **Executive Development Program (EDP)** designed to prepare identified divisional successors for future executive assignments. The EDP focuses on the career development of TMP's current crop of leaders by deploying them in several programs that hone their leadership skills and broaden their knowledge and experience in their respective operations. Leaders who are in the EDP undergo development through ICT assignment, inter-company rotation, mentoring, and management and function training. There are already eight (8) identified leaders under EDP as of end-2015.

A year after EDP was launched, Toyota Motor Corporation (TMC) introduced the **Global Career Development Program (GCDP)** to all its affiliates. The GCDP is an online development tool created to promote and enhance leadership development

by providing opportunities for discussion between superiors and subordinates on grasping career aspirations of future Global Toyota executives. Conducted annually by Toyota regional offices, the GCDP captures the participants' profiles and aspirations, which are used as input in regional and global Toyota succession planning. As GCDP is a career-planning tool for Toyota executives, all senior-level TMP executives participate in GCDP. By the end of 2015, TMP already has 12 GCDP participants.

In 2015, TMP kicked off the **Leadership Advancement Program (LeAd)** to offer a fast-track development scheme for selected high-potential and high-performing Team Members from the ranks. Here, superiors apply one-on-one coaching and mentoring to prepare their subordinates for immediate deployment in leadership positions. As of end-2015, there are eight (8) Team Members participating in the pilot run of the LeAd Program.

Recognizing Team Members' Excellence

SPECIAL FEATURE

2015 MOST OUTSTANDING LEADERS & TEAM MEMBERS (MOLT) AWARDS

To recognize Team Members who have exhibited excellence in performance, attitude, and character, TMP launched the search for the Most Outstanding Leaders and Team Members (MOLT) in May 2006. This program provides Team Members with good role models who are worthy of emulation. Likewise, the MOLT Awards aims to inspire Team Members to make themselves stand out at all times by working with quality and efficiency, and leading by example.

The MOLT nominees go through a rigorous screening process, where final judging is conducted by senior-level officers. Evaluation is based on the following criteria: *Quality of Work, Attendance, Kaizen, Safety, Peer Recommendation, Extraordinary Accomplishments, and Leadership (for leaders)*. Each MOLT awardee receives a trophy, cash prizes, and recreational gift packages.



Former TMP President Michinobu Sugata (center) joins the 2015 MOLT awardees: (from left) Adrian Dacoco from Welding Section, Manufacturing Division (Rank & File – Direct Production category); Donald Abrematea from Quality Inspection Section, Manufacturing Division (Rank & File – Indirect Production category); Manuel Luis Ulanday from Area Operations Section, Marketing Division (Rank & File – Office Assigned category); Angelo Bermil from Welding Section, Manufacturing Division (Team Leader category); Elijah Sue Marcial from Area Operations Section, Vehicle Sales Operations of Marketing Division (Manager category); Marvin Gardiner from Planning and Sales Promotion Section, Customer Service Operations of Marketing Division (Supervisor category); Rommel Ramos from Area Operations Section, Customer Service Operations of Marketing Division (Group Head category); and, Felix Macatangay from Welding Section, Manufacturing Division (Group Leader category)

Creating a Safer and Healthier Workplace

Toyota believes that part of cultivating world-class talents is providing the Team Members with a safe and healthy workplace. For Team Members to become effective and efficient, they need to be in a conducive work environment that encourages productivity and growth.

In its commitment to ensuring that safety and health is prioritized at all times, TMP sees to it that it complies with legal requirements and industry standards.

TAKING CARE OF TEAM MEMBERS' HEALTH AND WELLNESS

A healthy body means a healthy mind. That is why, through the Industrial Health Services (IHS), TMP implements health and wellness programs to make sure that Team Members maintain work-life balance. The IHS team – composed of occupational health doctors, nurses, and dentists – conducts an Annual Physical Examination (APE) to monitor Team Members' health condition and to assure that they are fit to work.

Every year, the IHS also organizes seminars and lectures that cover topics, including matters concerning back pain, migraine, stroke, hypertension, and diabetes. The IHS invites medical practitioners from partner institutions and agencies to discuss medical interventions available, as well as lifestyle

changes appropriate for Team Members.

Moreover, TMP also offers fitness programs for all Team Members such as Zumba, Aero-boxing and weight training classes, which Team Members can attend after office hours. Weekly nutritional counseling is also available at the Company's medical clinic to provide Team Members with proper dietary information.



Male Team Members join the Aero-boxing class after office hours



A Team Member measures his Body Mass Index during a nutritional counselling session with the Company Nutritionist

TMP WELLNESS AND LEARNING CENTER

To further strengthen occupational safety and health programs in TMP, the TMP Wellness and Learning Center (TWLC) was inaugurated in 2015. The building houses an expanded medical and dental clinic and the extension of TMP's Manufacturing Training Center – offering bigger and improved health, emergency, and training facilities.

Built in 2015, the TMP Wellness and Learning Center (TWLC) houses the Company medical clinic, Safety Dojo, the Incident Command Center, a fire truck bay, and Safety and Manufacturing training facilities

NEW MEDICAL CLINIC

The clinic now has a bigger space and additional rooms to accommodate more Team Members. Clinic cubicles are divided by antibacterial curtains, which allow easier operations while maintaining patient privacy.

Additional rooms in the clinic include a lactation room, which accommodates the needs of nursing female Team Members, and a nutritional counseling office where Team Members can visit to seek dietary advice from a certified nutritionist.



NEW MEDICAL FACILITIES. (Top) TMP's Medical Clinic reception area; (bottom, left) new clinical beds; (bottom, right) TMP's clinic nurse performs an Electrocardiogram (ECG) test to a Team Member

NEW FIRE TRUCK BAY

To respond more efficiently in emergency situations, TMP's fire truck bay was positioned at a more accessible location at the first level of the TWLC. Since the bay is located right beside TMP's medical clinic, it also serves as a garage for the company emergency vehicle. The facility's new strategic location allows TMP's Emergency Response Team to quickly respond to critical situations.



TMP's Emergency Response Team prepares to respond during a simulated firefighting activity

Equipping Team Members to be Ready in Emergencies

SPECIAL FEATURE

With Safety as its highest priority, TMP has been consistently educating Team Members on how to properly respond to emergency situations. TMP's Safety and Health Section advocates the development of a proactive safety culture at work by conducting activities that improve Team Members' accident and risk management competencies.

FIRE & EVACUATION DRILLS

TMP regularly conducts fire and evacuation drills to ensure that Team Members know exactly what to do when the alarm sounds off. TMP conducted fire and evacuation drills twice in 2015 – in the months of May and December. Both drills were participated in by Team Members, suppliers, and contractors. Also part of TMP's Safety Awareness Campaign was the distribution of Safety Reminder cards that aims to build and strengthen a safety mindset among Team Members.



FIRE & EVACUATION DRILL. (left) Team Members assemble at the evacuation area inside TMP; (right) Members of the Emergency Response Team board an "injured" patient into the ambulance during a simulation activity



TMP's Safety Reminder Card, which was distributed to all Team Members as part of TMP's Safety Awareness Campaign

In March 2015, during the National Fire Prevention Month celebration, TMP held its second company-wide Firefighting Competition at its Santa Rosa Plant in Laguna. As part of the Company's drive to equip all Team Members with proper knowledge on standard operating procedures during crisis situations, the firefighting competition was opened to Team Members of all divisions in TMP. Prior to the event, each division was requested to identify their participants using the criteria set by the Safety and Health Section. There were 16 teams, each composed of five members, who underwent basic firefighting orientation before competing in the three firefighting categories: *straight hose layout with wye connector*, *fire extinguisher showdown*, and *bucket relay*. The winners were awarded with certificates and portable firefighting equipment.

FIREFIGHTING COMPETITION

Starting 2014, TMP's Safety and Health Section, in partnership with the Bureau of Fire Protection, organizes firefighting activities to raise Team Members' awareness of fire hazards and firefighting procedures. TMP believes that conducting these activities empowers Team Members to help the Company in saving lives and properties in case of fire incidents.



Team Members participate in firefighting competitions held at the TMP-Santa Rosa Plant

FIRST AID & BASIC LIFE SUPPORT TRAINING

Since 2005, TMP has been conducting regular First Aid and Basic Life Support training programs in compliance with the standards of the Occupational Safety and Health Center Philippines (under the Department of Labor and Employment), and to prepare Team Members in handling incidents and providing preliminary treatment in case of injuries. This training is administered in partnership with the Philippine Red Cross, and is participated in by Team Members who are physically fit to perform the tasks of a first aider. TMP conducted two first aid training sessions in 2015 – in August and in October – where 48 Team Members received certification from the Philippine Red Cross.

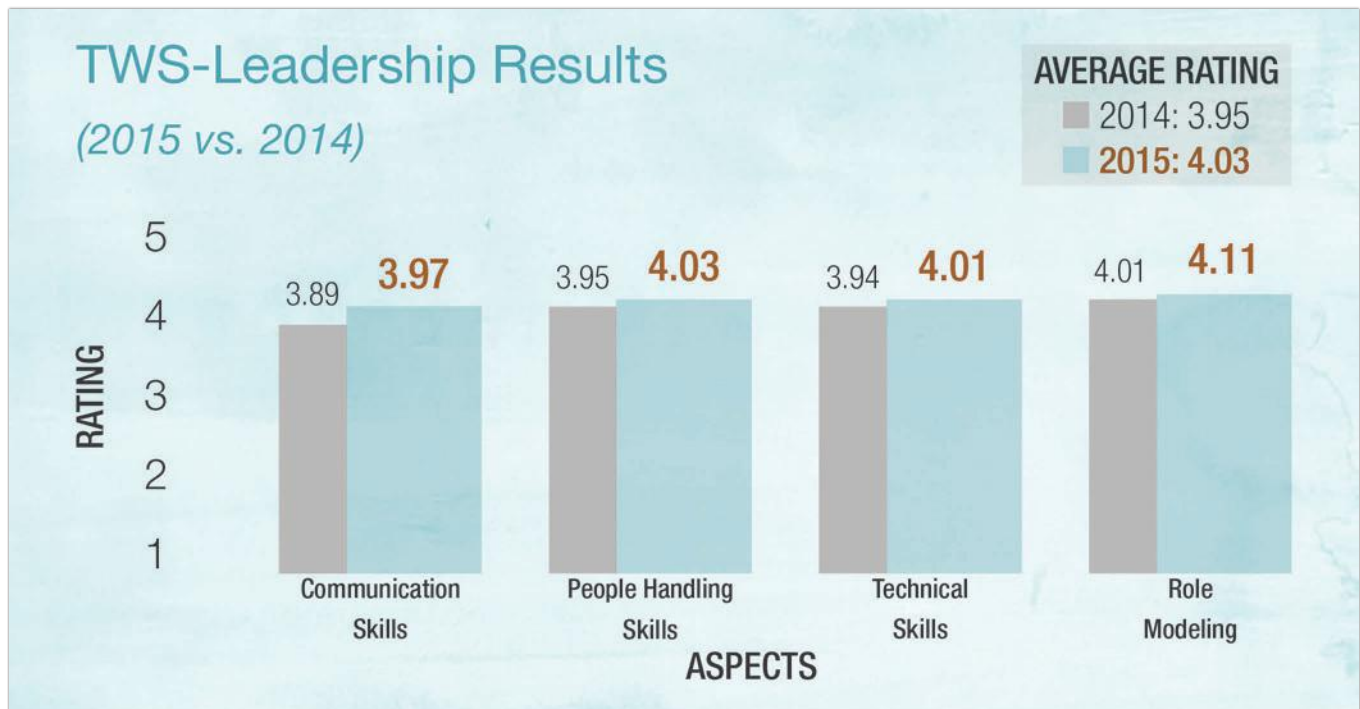


Team Members undergo First Aid and Basic Life Support training sponsored by TMP in partnership with the Philippine Red Cross

HR Performance Highlight

SPECIAL FEATURE

2015 TMP WORKPLACE SURVEY (TWS) ON LEADERSHIP



Making TMP the Best Place to Work

The TMP Workplace Survey (TWS) is an assessment survey administered biennially to grasp Team Members' morale and evaluate the condition of working relationships and overall work environment in TMP. TWS covers seven (7) aspects, which include: *Employee Satisfaction*, *Group Performance*, *Sense of Ownership*, *Relationship*, *VMV (Vision, Mission and Values)*, *Leadership*, and *Quality of Life*. Every two years, about 95% of Team Members participate in the TWS where they rate each aspect using the scale of 1 (lowest) to 5 (highest). Survey results are reported to Team Members and top management so countermeasures and improvements can be made.

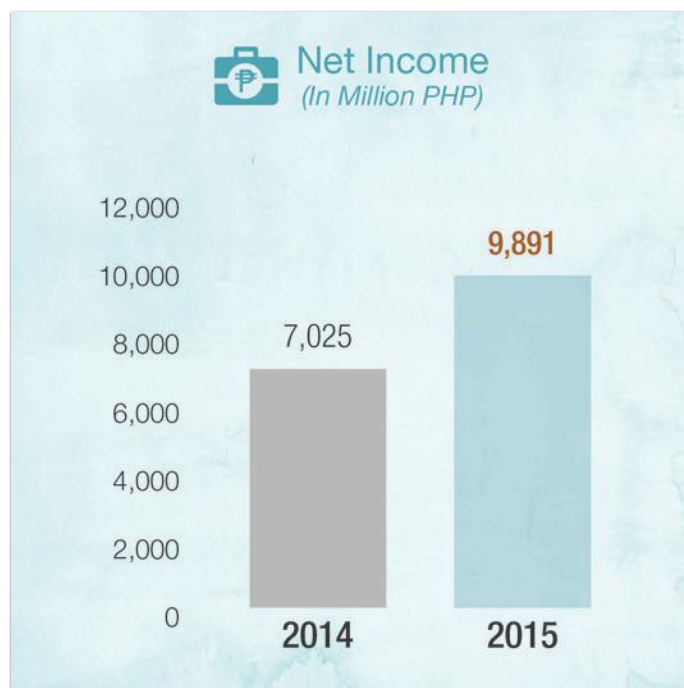
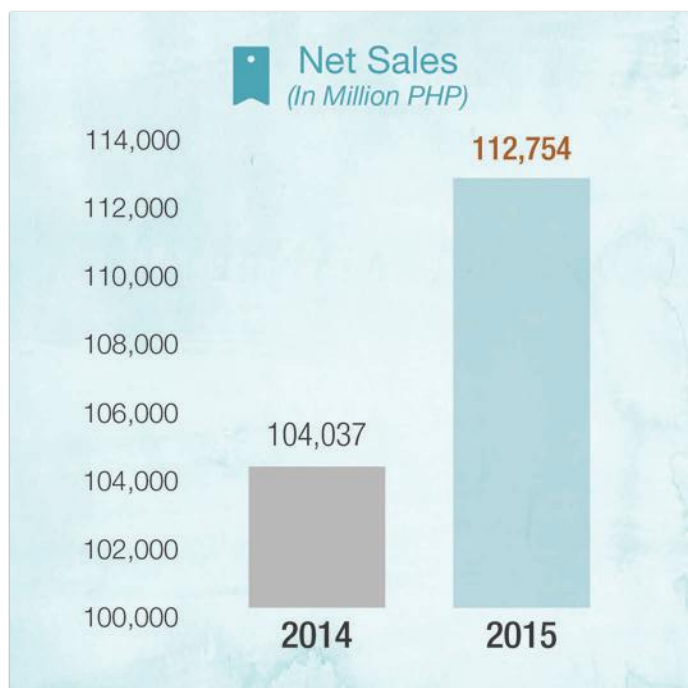
In 2015, the TWS on Leadership aspect was made an annual activity as TMP focused on further improving team member-leader relationships in the workplace. Here, Team Members rate their superiors based on the following aspects: *Communication Skills*, *People Handling Skills*, *Technical Skills*, and *Role Modeling*. The results of the most recent TWS-Leadership survey conducted in 2015 show that all these aspects have improved – contributing to an overall average rating of 4.03, which is slightly higher than the 2014 average rating of 3.95.

Since its launch in 2002, the TWS has been true to its objective of "Making TMP the Best Place to Work" as it continuously paves the way for the implementation of more effective HR programs that lead to better working relationships, enhanced company services and happier Team Members.

Further Enhancing Financial Strength & Cost Competitiveness

With the continued trust that customers and business partners give Toyota Motor Philippines Corporation (TMP), the Company only grows stronger and more determined to demonstrate its relentless commitment to provide shared growth and long-term value to all its stakeholders.

With continued increase in sales volume in 2015, TMP has again strengthened its financial performance with record-breaking Net Sales of over PHP 112 Billion, surpassing 2014 performance with 8% growth; as well as Net Income reaching PHP 9.9 billion, posting 41% growth from previous year.



FINANCIAL PERFORMANCE HIGHLIGHTS

(In Thousand Pesos)	2014 (Audited)	2015 (Audited)	Variance % (+/-)
Net Sales	104,037,363	112,754,297	8%
Cost of Goods Sold	(90,421,602)	(95,883,263)	6%
Total Expenses	(4,184,854)	(3,600,288)	(14%)
Interest and Other Income-net	257,130	201,644	(22%)
Income before income tax	9,688,037	13,472,390	39%
Provision for income tax	(2,662,662)	(3,581,662)	35%
Net Income	7,025,375	9,890,728	41%

Total Assets	23,278,371	28,506,674	22%
Total Liabilities	12,539,177	14,864,561	19%
Stockholders' Equity	10,739,194	13,642,113	27%

Enhancing Cost Competitiveness

ALL NEW INNOVA PARTS LOCALIZATION

TMP takes pride in its locally-produced vehicles – the Vios and Innova. In 2015, TMP embarked on the preparation for the introduction of the All New Innova for 2016. As part of the Company's continuing efforts to improve cost competitiveness, further parts localization for this new model became a priority.

For the All New Innova, the number of local parts will total to 489 by October 2016. Among the high-value additional localization are big parts such as: headlining (Toyota Boshoku Philippines Corporation); quarter trim, back

door trim, garnish (Manly Plastics, Inc.); body shell parts (Technol Eight Philippines Corporation and Valerie Products Manufacturing, Inc.). Further localization of auto parts gives opportunities to local auto parts makers to improve and diversify their product line-up.

As the All New Innova is enrolled under the provisions of the 2014 Investment Priorities Plan of the Department of Trade and Industry's Board of Investments (DTI-BOI), TMP gets Income Tax Holiday incentives from the Government, further improving cost competitiveness of this model.

Some High-Value Localized Parts



Headlining



Quarter Trim



Body Shell Press Part

CONTINUOUS SUPPLIER DEVELOPMENT



Top Management of TMP and the Toyota Suppliers Club (TSC) during the 2015 Supplier Conference & TSC General Assembly

In order for TMP to further realize cost-competitiveness, the Company always engages the support of its supplier network.

For this reason, TMP regularly conducts learning opportunities for members of the Toyota Suppliers Club (TSC) to better prepare them to face challenges of a rapidly-growing market and to timely grasp opportunities resulting from ASEAN integration.

Among TMP's priorities for supplier development is the understanding and practice of the Toyota Production System* (TPS). TMP has started equipping suppliers in the knowledge of TPS, enabling participant-companies to achieve improvements in their respective operations. The number of participating suppliers grew from 21 suppliers in 2014, to 23 in 2015. Applying what they have learned, the TPS-participating suppliers have shown marked improvement in leadtime reduction and productivity.

In 2015, with TMP's support, TSC carried out various activities that have further equipped member-companies in the areas of safety, quality, and human resource management. Likewise, sports, social and outreach events were held to strengthen camaraderie among members.

**Toyota Production System (TPS) - a production system which is steeped in the philosophy of "the complete elimination of all waste" permeating all aspects of production in pursuit of the most efficient methods.*

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