TOYOTA MOTOR PHILIPPINES CORPORATION



2015 Sustainability Report

ABOUT THE REPORT

The objective of this report is to convey Toyota Motor Philippines Corporation's (TMP) initiatives to attain sustainable growth for the Company and the society alike, through manufacturing.

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

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

A section on each element is dedicated, comprised of a fundamental message, special features, and information about TMP's initiatives.

PERIOD COVERED:

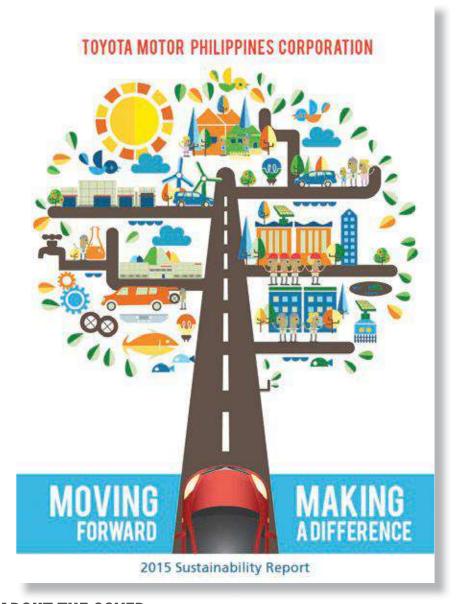
This report covers the past 5 years, the 2015 report's data will cover the period January 2010-December 2014.

For some company information on products and dealers, the status update as of April 2015 has been included.

Beginning this year, publication of the report will be annual, and will be available in both print and digital versions. The digital version will be available in 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

Our 2015 Sustainability Report's theme is "MOVING FORWARD, MAKING A DIFFERENCE."

Since 2009, Toyota has been through several major challenges such as the global financial crisis, product recalls, and natural disasters, to name a few.

The company has learned so much from these experiences, especially in terms of responding to society's expectations. These experiences also brought the company to deeply review its business operations and go back to its fundamental values.

Toyota now moves forward, guided by its vision grounded on its founding principle: To contribute to society through the manufacture of vehicles.

Our cover illustration best depicts Toyota's Global Vision Tree with the main elements — roots, fruit, and trunk — which will be discussed in detail on page 2.

Toyota commits to give added value to our various stakeholders. It is our mission to improve our value chain – our stockholders, suppliers, employees, dealers, customers, and communities – as represented on the branches. The leaves and other environmental elements characterize Toyota's thrust to contribute to conserving our natural resources. Furthermore, the trunk is also shown as a highway, symbolizing Toyota's efforts to create a better future for the society by achieving sustainable growth.









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MESSAGE FROM THE PRESIDENT

On behalf of Toyota Motor Philippines Corporation (TMP), I would like to thank our stakeholders, especially our loyal customers, for your steadfast support that enabled us to achieve so many milestones in the last five years.

TMP's performance in 2014, in particular, was truly a remarkable one. We breached the 100,000-unit sales mark, making us part of the 100K Club of Toyota distributors worldwide. We now rank third in Southeast Asia, after Indonesia and Thailand. We also fortified our leadership position by achieving our 13th consecutive Triple Crown. We set a new record market share of 39.4%. Moreover, the continued huge demand for our locally-produced vehicles, Vios and Innova, enabled us to expand our production operations.

Despite these achievements, however, we are well aware that such a robust increase in sales and production does not necessarily equate to sustainable growth. The past five years have been invaluable to us in terms of how we view our business and how we see our future as a company. Having learned from Global Toyota's challenging experiences during those years, we recognized the need to go back to basics and leverage our fundamentals in order to be truly competitive and to attain sustainability. We were brought back to the heart of Toyota's business: making "always better cars" to contribute to society.

Paramount to making "always better cars" is ensuring the highest quality in our products through stricter quality targets. Another is continuously seeking ways to improve our processes so that we mitigate the environmental impact of our business.

The Toyota Global Vision announced in 2011 states what kind of company Toyota wants to be – one that customers choose and are happy to have chosen. With this, we further challenge ourselves to achieve ever-higher levels of customer satisfaction, as measured by the smiles that our customers reward us with. In order to achieve this, we have reinforced our entire dealer network to be able to cater to our customers' needs better. More importantly, we also continued to invest on the training and development of our human resources, making each Team Member better prepared for the challenges ahead.

As we continue to move forward together, we remain committed to our vision of being a company that works as a team to provide the best products and services to our customers, bearing in mind that as we achieve sustainable growth in our business and that of our value chain, we also continue to contribute to creating a better Philippines.

Thank you for your continued support!



Toyota Global Vision

The 'Toyota Global Vision' announced in March 2011, is an 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 our 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".

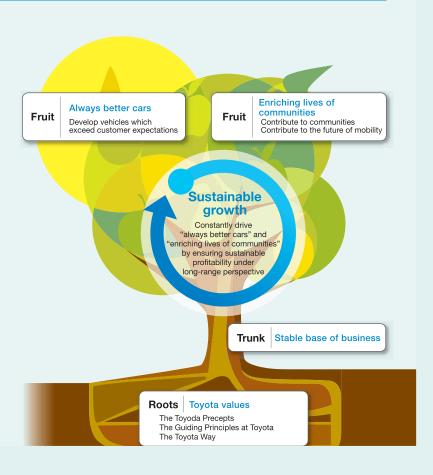
The roots of the tree are the shared values that have steered Toyota from the beginning and that have underlain our *monozukuri*. They are values expressed in the Toyoda Precepts, in the Guiding Principles at Toyota, and in the Toyota Way, which are the basis of our business.

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 creating of products that earn smiles from our customers, is the stable base of business.

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



AWARDS & RECOGNITION

Over the years, Toyota has established its leadership in the industry not just in terms of vehicle sales but also in other aspects of its operations, further solidifying Toyota's stance as a company that strives for excellence. In the face of challenges, we continued to reap numerous awards and recognitions covering areas such as Product, Safety, Quality, Productivity, Human Resources, Environment, and CSR. During the period, our Team Members also continued to win awards in international competitions, proving that the Filipino is a world-class worker. Their extraordinary achievements are a reflection of the skills and capability of the Toyota workforce and are a source of honor and pride for us.

PRODUCT

AUTO FOCUS PEOPLE'S CHOICE AWARDS & MEDIA CHOICE AWARDS (2014)

The Vios was hailed as the Automobile of the Year in the standard model category for the third time in a row at the Auto Focus People's Choice Awards. It was also awarded as the Best Subcompact Car. Other Toyota models were also recognized as the best in their respective segments, as follows: Altis – Best Compact Car; Camry – Best Midsize Sedan; 86 – Best Sports Car; Innova – Best MPV; Hilux – Best Pick-Up; Hi-Ace – Best Utility Van; Fortuner – Best Midsize SUV; LC200 – Best Luxury Large SUV; and Alphard – Best Luxury Van.

Moreover, the Lexus IS 350 was hailed as

the Automobile of the Year in the luxury model category. It was also awarded as the Best Luxury Compact Sedan. Other Lexus models that were also recognized as the best in their respective segments are: ES350 – Best Luxury Midsize Sedan; RX 350 – Best Luxury Compact SUV; and LS 460L – Best Luxury Large Sedan.

In the Media Choice Awards, the Toyota Land Cruiser 200 and the Lexus LS 460L were also awarded Best Value for Money in the Luxury Large SUV and Luxury Large Sedan categories, respectively.



(from left) Auto Focus People's Choice (AFPC) Awards Commitee Chairman Gerry Aquino, TMP Vice President for Marketing Services Sherwin Chualim and Autofocus Host & CEO Ray Butch Gamboa



(from left) AFPC Awards Committee Chairman Gerry Aquino, Lexus Manila President Daniel Isla and Autofocus Host & CEO Ray Butch Gamboa

SAFETY

DOLE SAFETY MILESTONE (SMILE) AWARD (2011)

TMP was conferred the Safety Milestone Recognition (SMile) Award by the Department of Labor and Employment Bureau of Working Conditions (DOLE-BWC) for having achieved more than two (2) million safe man-hours without lost-time accident and for having complied with all reporting requirements for labor standards. TMP is the first manufacturing company in the automotive industry to receive the SMile award.



DOLE-BWC Director IV Atty. Ma. Brenda Villafuerte (leftmost) confers the Safety Milestone Recognition (SMile) Award to TMP

DOLE SECRETARY'S AWARD OF DISTINCTION IN THE 8th "GAWAD KALIGTASAN AT KALUSUGAN" (2012)

TMP was conferred the Department of Labor and Employment (DOLE) Secretary's Award of Distinction in the 8th Gawad Kaligtasan at Kalusugan (GKK) to recognize its efforts in implementing effective Occupational Safety and Health (OSH) systems within their workplaces.



(from left) Safety Organization of the Philippines President Eros Zuńiga, DOLE Undersecretary Lourdes Trasmonte, DOLE Secretary Rosalinda Dimapilis-Baldoz, TMP First Vice President Lito Aligada, TMP First Vice President Alden Sapit and TMP Safety & Health Supervisor Ronald Alan Canicosa

MOST OUTSTANDING CORPORATION IN THE PRACTICE OF HEALTH AND SAFETY (2014)

TMP was awarded the Most Outstanding Corporation in the practice of Health and Safety by the Federation of Philippine Industries (FPI). TMP was recognized for its many Safety and Health practices and for achieving 2 million safe man-hours in its Santa Rosa plant.



TMP Assistant Vice President Joel Robles (third from right) received the award during FPI's 2014 Recognition Awards for Outstanding Sustainable Development Practices

OUALITY & PRODUCTIVITY

OUTSTANDING ACHIEVEMENT IN PRODUCTIVITY & QUALITY (2011)

TMP was conferred the "Outstanding Achievement in Productivity and Quality" award during the 2011 Kapatiran sa Industriya (KAPATID) Awards for its successful implementation of programs which consistently enhance its competence, promoting safety in line with productivity through its safety education and training center, and championing efficient production in its supply chain.



TMP Vice Chairman Alfred V. Ty, TMP Executive Vice President Kenji Kitamura, and TMP Senior Vice President Luis Marcelino receive the trophy from ECOP Chairman Miguel Varela, DOLE Secretary Rosalinda Dimapilis-Baldoz, and His Excellency Republic of the Philippines President Benigno S. Aquino III

EXCELLENT QUALITY COMPANY AWARD (2011)

The mother company, Toyota Motor Corporation (TMC) in Japan, awarded TMP the "Excellent Quality Company Award" for TMP's outstanding performance in quality vehicle production. For 2010 and 2011, TMP has been in TMC's top 5 manufacturing plants overseas in terms of Quality.

TMP Vice Chairman Alfred V. Ty (left) receives the award from Toyota Motor Asia Pacific (TMAP) President and Toyota Motor Corporation (TMC) Managing Officer Mitsuhiro Sonoda during the Team Toyota Asia Pacific Meeting held in Singapore



7th ASIA PACIFIC (ASPAC) SKILLS CONTEST

- 2011 Gold Medalist, Group Leader, Painting Category; Bronze medalist, Quality Control-Vehicle, Team Member Category
- 2012 Bronze Medalist, Group Leader, Welding Category

TMP Team Member Felix Macatangay received a bronze medal in the 7th Asia Pacific (ASPAC) Skills Contest at the Asia-Pacific Global Production Center (AP-GPC) in Bangkok, Thailand.

In 2011, Team Members Edgar Capunitan and Donald Abrematea received gold and bronze medals, respectively, in the same competition.



Felix Macatangay (leftmost), Toyota Kirloskar Motor (TKM) Deputy Managing Director Shigeru Tomonaga, and Toyota Motor Vietnam (TMV) representative Duong Trong Hien during the awarding ceremony



Team Members who won in the 2011 Asia Pacific Skill Contest: (from left) Gold medalist Edgar Capunitan and Bronze medalist Donald Abrematea

HUMAN RESOURCES

PMAP EMPLOYER OF THE YEAR (2011)

TMP was hailed as the 2011 Employer of the Year by the People Management Association of the Philippines (PMAP) for its unwavering commitment in ensuring that Human Resources is at the center of organizational transformation. In winning PMAP's Employer of the Year, TMP now has the distinction of being the first automotive company, as well as the first Japanese-affiliated company in the Philippines to win the award.



The TMP delegation, led by President Michinobu Sugata, receives the Employer of the Year trophy during the 48th PMAP Annual Conference held in Cagayan de Oro City

ASIAN HUMAN CAPITAL AWARD (AHCA) SPECIAL COMMENDATION PRIZE FOR PEOPLE PROGRAM (2012)

TMP received the Asian Human Capital Award (AHCA) Special Commendation Prize for its Human Resources Team Relations Program which transformed the culture within TMP to one that promotes open communication and transparency. TMP is the first automotive, as well as the first Japanese-affiliated company to win the award.



Singapore Acting Minister for Manpower Tan Chuan-Jin presented the award to TMP President Michinobu Sugata

ENVIRONMENT

DENR SEAL OF APPROVAL (2010)

The Department of Environment and Natural Resources (DENR) honored TMP with the DENR Seal of Approval under the Track 1 Category of the Philippine Environment Partnership Program (PEPP) for its strict compliance to environmental standards.





ECOSWITCH AWARD (2012)

TMP received the ECOSWITCH Award from the Green Philippines Islands of Sustainability (GPIoS) for successfully implementing environment-friendly measures in its operations.

(from left) Pollution Control Association of the Philippines Inc. (PCAPI) President Susan Benitez, TMP First Vice President for Government and Industry Affairs Atty. Rommel Gutierrez, TMP Environmental Group Supervisor Mark Marcelo, TMP Environmental Engineer Emelyn Ibabao, Senior Vice President for Manufacturing Luis Marcelino and GFA Consulting Group Team Leader Dr. Juergen Bischoff



GLOBAL ECO AWARD (2014)

TMP received the Global ECO Award for Best Performance in Waste Reduction. Bestowed by Toyota Motor Corporation (TMC), the mother company in Japan, TMP received the award for significantly reducing its waste generation per vehicle produced. The Global ECO Award is conferred by TMC to Toyota affiliates who have achieved the most improvement in their respective environmental performance in the last two years.



TMP President Michinobu Sugata (center) together with (from left) TMP Manufacturing Division First Vice President
Alden Sapit, Executive Vice President-designate Tomohiro Iwamoto, adviser and former Executive Vice President
Kenii Kitamura, and Senior Vice President Luis Marcelino

CORPORATE SOCIAL RESPONSIBILITY

MOST OUTSTANDING CORPORATION IN THE PRACTICE OF CORPORATE SOCIAL RESPONSIBILITY (2013)

TMP was recognized as the Most Outstanding Corporation in the Practice of Corporate Social Responsibility (CSR) by the Federation of Philippine Industries (FPI) in its 2013 Recognition Awards for Outstanding Sustainable Development Practices.



(from left) FPI President Commodore George Chua, Office of the President Environmental Protection Presidential Adviser Nereus Acosta, TMP Government and Industry Affairs First Vice President Atty. Rommel Gutierrez, TMP Foundation Assistant Vice President Ronald Gaspar, Earth Day Network Philippines President Roberto Guevara and FPI Chairman Jesus Lim Arranza



Our sustained success over the years as a market leader is attributable to the strong partnerships and linkages we have forged with our stakeholders and the loyalty of Toyota customers who have rewarded the Company with a smile for satisfying their expectations. The relationships we have built and the sense of purpose that have united us with our partners through the 25 years have indeed made our Company's existence meaningful and fulfilling.

On August 1, 2013, TMP celebrated its Silver Jubilee at a gathering with its stakeholders at the Makati Shangri-La Hotel. The Company held the celebration to thank its stakeholders for 25 years of successful partnership and for their steadfast support to Toyota's business in the Philippines through the years.

Since 1988, TMP has been an advocate of automotive manufacturing as a catalyst for national development. Through its local manufacturing operations, TMP has provided employment and sustained many small and medium-scale enterprises that significantly contribute to the economy.

TMP has also contributed to the nation's progress by serving society through its many corporate social responsibility (CSR) initiatives covering health, education, environment, and community service. Over the years, the Company has also embarked on several flagship projects which include the GT-Toyota Asian Cultural Center at the

University of the Philippines-Diliman, the Philippine Peñablanca Sustainable Reforestation Project in Cagayan Province, the Toyota-City of Santa Rosa-GK Village in Santa Rosa, Laguna, the Toyota Adopt-a-Forest Project in Los Baños, Laguna, and the Toyota Motor Philippines School of Technology (TMP Tech) in Santa Rosa, Laguna.

As a highlight of its Silver Jubilee, TMP reaffirmed its commitment as one of the Philippines' partners in nationbuilding. On this occasion, the company announced a donation of Php 25 Million to be appropriated to TMP Tech, a world-class technical school which aims to produce highly-skilled automotive technicians to serve Toyota's local and global network.

Today, TMP takes an active role in the development of a new Philippine auto policy that is expected to attract investments for both automanufacturers and parts makers. The Company is preparing for a strengthened role in the Asia Pacific, as the Philippines is

In photo during the ceremonial toast are (from left): TMP Senior Executive Vice President and TMPF President David Go, TMP President Michinobu Sugata, TMP Vice Chairman Alfred V. Ty, Mitsui & Co. Pte. Ltd. Chief Executive Officer Takashi Yamauchi, TMP Tech Vice Chairman of the Board of Advisers Edgardo Angara, TMP Tech Chairman of the Board of Advisers Washington Sycip, TMC Executive Vice President Yasumori Ihara, Senate President Franklin Drilon, TMP Chairman George S.K. Ty, Cabinet Secretary Rene Almendras, TMP Tech Member of the Board of Advisers Domingo Siazon, Jr., Philippine Economic Zone Authority Director General Lilia De Lima, People's Republic of China Consul General Shen Zicheng and Japan Consul General Keizo Takewaka

seen to become more competitive as an automotive manufacturing base upon its implementation.

TMP is also preparing all aspects of its operations as well as its entire value chain for the long-awaited surge in market growth in the Philippines. The Company is expanding its production capacity while strengthening its localization efforts together with its local suppliers in order to maximize the benefits of domestic production and contribute to Toyota's global sales. Keeping in mind its mission of consistently delivering high customer satisfaction, TMP is also fortifying its dealer network to reach its customers nationwide.

TMP now looks forward to the next 25 years of an even stronger partnership with its stakeholders and be rewarded with hundreds of thousands of smiles by the Filipino nation.



CORPORATE PROFILE

Santa Rosa Office Main Building at Santa Rosa City, Laguna

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 47 outlets* nationwide, including Lexus Manila.

TMP is a private corporation incorporated on August 3, 1988. It is a joint venture of the following business entities:

- A.) GT Capital Holdings, Inc. (51%)
- B.) Toyota Motor Corporation (34%)
- C.) Maximus Management Holdings (9%)
- D.) Mitsui & Company Limited (6%)

TMP's manufacturing plant and head office 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.

TMP's manufacturing plant currently produces the Innova and Vios. It is capable of producing 37,912* units per year on two-shift production operations.

TMP operates with eight* (8) main divisions: Marketing, Manufacturing, Production Control & Logistics, General Administration, Comptrollership, Treasury, Purchasing and Corporate Affairs.

The company has a 1,700*-strong workforce, composed of office and shopfloor Team Members.



COMPLETE PRODUCT LINE-UP

PASSENGER CARS

SUB-COMPACT

COMPACT

HATCHBACK

MEDIUM



Vios



Corolla Altis



Prius c



Camry

LOW-COST



Wigo



Prius



Yaris









Rav4



COMMERCIAL VEHICLES MULTI-PURPOSE VEHICLE

Avanza

UTILITY VAN



Alphard



Prado



Innova

PICK UP



Hiace



FJ Cruiser



LC200



Fortuner



High-side Pick-up





Coaster

LEXUS

PASSENGER CARS



CT200H



ES 350



RC F



GS 450H



GS 350



LS 460



IS F Sport



IS 350



LS 200H



RC 350



GS F Sport



CT F Sport

COMMERCIAL VEHICLES



GX460



LX570



RX350



RX450H



NX Turbo F Sport



NX 200 T



NX Hybrid

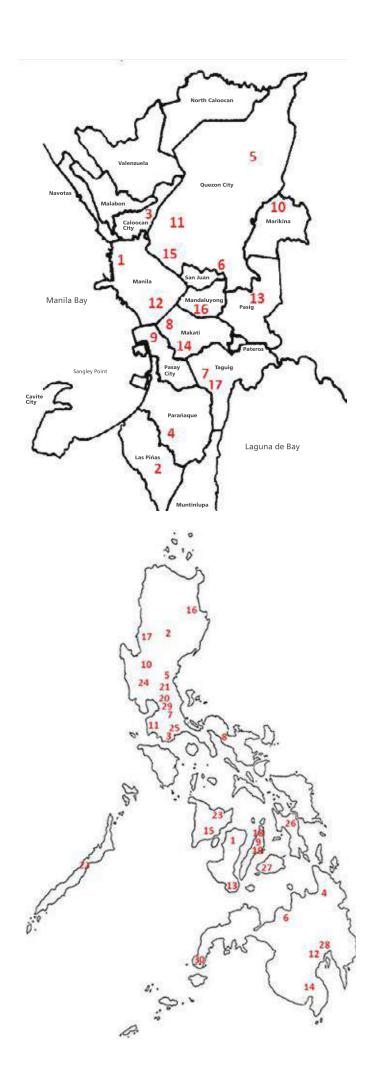
DEALER NETWORK

NCR DEALERS

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

PROVINCIAL DEALERS

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



ALWAYS BETTER CARS

At the heart of Toyota is the CUSTOMER.

Toyota produces vehicles that respond to the customers' specific needs for mobility. As embodied in the global Toyota slogan "Rewarded by a Smile by Exceeding Expectations", our objective is to make our customers happy.

We, at Toyota, will always endeavour to be a company that customers choose and are happy to have been chosen.

A Trusted Brand. A Bond of Trust.

In the Philippines, Toyota remains to be the top-selling automotive company as evidenced by its sales record. While numbers may say that Toyota has the most number of vehicles sold, we read the quantity as the size of our customer base that has put their trust on our brand.

More than the number of vehicles sold, we, at Toyota, bear with pride that we are trusted. Because of this, we make it our mission to make Toyota's business operations address the needs of our customers, as well as to become a positive influence to society.



Toyota recognizes that customers have varied needs when it comes to mobility. These may depend on status in life, family preference, financial capability, driving environment, plus a lot of other factors. The challenge for Toyota now is how to address these needs and even exceed their expectations.

A TOYOTA FOR EVERYONE

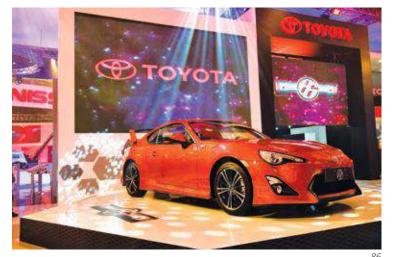
Toyota continuously endeavors to offer vehicles that cater to the different needs of customers. This means introducing new and exciting vehicles to serve what the market demands.

DIVERSIFIED PRODUCT LINE-UP

From 2010 to 2014, TMP launched several products that continued to excite the Philippine market.

NEW MODELS INTRODUCED					
2012	2013	2014			
86	FJ Cruiser	Hilux TRD			
Prius c		Wigo			

Aside from the locally-produced Vios and Innova models, TMP continues to improve its existing product line-up, as well as introduce new vehicles for discriminating tastes of new markets. For the environment-conscious, TMP offers the Prius and the Prius C models. For the sports savvy, the company introduced the 86 and the FJ Cruiser. Toyota also introduced the Wigo, an easy-to-own and easy-to-drive passenger car.





FJ Cruiser



Wigo

LOCAL BESTSELLERS

TMP proudly manufactures the country's bestsellers – the Vios and the Innova – in its Santa Rosa manufacturing facility. The two models have proven to be well loved by the Philippine market as these continue to dominate their respective market segments across the whole industry. In July 2013, the All New Vios was launched, making it a fitting prelude to TMP's 25th Anniversary celebration.



EXCITING PRODUCT LAUNCHES

TMP also injected more fun and excitement into the Toyota brand by coming up with unique product launch activities. Most of the product launches were lifestyle or motorsports-themed events. One of Toyota's biggest product launches during the period was the 86 Media and Public Launch, which was held at the Subic International Airport runway.







86 Launch at the Subic International Airport

In celebration of its 25th Anniversary in 2013, TMP held its exclusive "The World of Toyota" motorshow.

TMP's year-long celebration of its 25th Anniversary in 2013 culminated with the launch of the Vios Cup, the biggest motorsport event in the country. The first leg of the race was held on January 25, 2014 at the Clark International Speedway in Pampanga.



The World of Toyota Motorshow at the World Trade Center in Pasay City



Race 2 of the Vios Cup at the Clark International Speedway in Pampanga

With demand from flourishing cities now becoming more evident, TMP ensures that a Toyota dealer is closer to home so that it can serve its customers better.

BRINGING TOYOTA CLOSER TO HOME

To make Toyota more accessible to customers, TMP embarked on an aggressive dealer network expansion program. Beginning 2011, TMP successively opened new Toyota dealer outlets at prime market areas all over the country. In fact, seventeen (17) new dealerships were inaugurated during the period: 11 in Luzon, 4 in the Visayas, and 2 in Mindanao. By the end of 2014, Toyota had a total number of 45 dealerships, including Lexus Manila.



REGION	2	2010	2011			2012		2013		2014
LUZON										
NCR	15		16	 Abad Santos, Manila 	17	• Global City	17		17	
I + CAR	2		2		3	• La Union	3		3	
II							1	• Isabela	1	
Ш	2		2		2		4	Marilao, BulacanPlaridel, Bulacan	4	
IV	2		2		3	• San Pablo, Laguna	4	• Calamba, Laguna	6	Taytay, RizalPuertoPrincesa City
V							1	• Camarines Sur	1	
VISAYAS										
VI	2		2		2		2		2	
VII	2		2		2		4	Mandaue South, CebuDumaguete City	5	• Tagbilaran City
VIII							1	• Tacloban, Leyte	1	
MINDANAO										
IX										
X	1		1		1		2	Butuan City	2	
XI	1		1		1		2	• Tagum City	2	
XII	1		1		1		1		1	
Total New Dealers		0		1		3		10		3
TOTAL DEALERS* *including 1 Lexus		28		29		32		42		45



TOYOTA ABAD SANTOS, MANILA



TOYOTA GLOBAL CITY

January 19, 2012



TOYOTA LA UNION

January 30, 2012



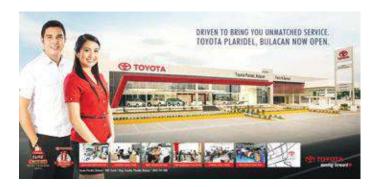
TOYOTA CALAMBA, LAGUNA

February 15, 2013



TOYOTA MARILAO, BULACAN

March 18, 2013



TOYOTA PLARIDEL, BULACAN

July 5, 2013



TOYOTA SAN PABLO, LAGUNA

February 15, 2012



TOYOTA MANDAUE SOUTH, CEBU

March 16, 2013



TOYOTA TACLOBAN, LEYTE

April 10, 2013



TOYOTA ISABELA

July 19, 2013





TOYOTA BUTUAN CITY

September 7, 2013



TOYOTA DUMAGUETE CITY

December 9, 2013



TOYOTA TAYTAY, RIZAL

June 6, 2014



TOYOTA TAGBILARAN CITY

November 21, 2014



TOYOTA CAMARINES SUR

November 13, 2013



TOYOTA TAGUM CITY

December 11, 2013



TOYOTA PUERTO PRINCESA CITY

June 10, 2014

In 2011, Toyota Motor Corporation (TMC) president Akio Toyoda announced the "Toyota Global Vision", giving his direction for Toyota to be a company that customers choose and are happy to have chosen. With this direction, "Rewarded by a Smile by Exceeding Expectations" became the global Toyota slogan. Aligned with this, TMP adopted a new Customer Satisfaction (CS) slogan: "We Serve the Extra Mile to Earn Our Customers' Smile."

UNPARALLELED EDGE: THE TOYOTA SURE ADVANTAGE

Toyota makes certain that a customer's experience goes way beyond the comfort and ease of driving his or her vehicle — it endeavors to provide the best vehicle ownership experience.

With "Customer First" in mind, Toyota makes it a point that customers are given due attention and the best service from its marketing professionals from the time they make an inquiry up to when they make an actual purchase. Likewise, Toyota ensures its customers worry-free ownership by implementing programs that make it easy for them to keep their vehicles in good condition. Moreover, Toyota ensures that its automotive technicians provide excellent service when customers visit Toyota also added the convenience of facilitating vehicle disposal at its dealerships when the time comes for customers to replace their vehicle. By delivering beyond customers' expectations, Toyota wishes to bring a smile to every customer's face.

A major campaign that TMP embarked on to provide the best purchase and ownership experience was the **Toyota Sure Advantage (TSA).**

The TSA focused on four (4) key strengths that have consistently made Toyota the most preferred car in the country:

- ► Quality, Durability and Reliability (QDR) Toyota guarantees that only products made with the highest standards are sold to customers.
- ► **Great Value** Toyota vehicles



are affordable and command a high resale value ensuring a sound investment for all customers.

- Worry-Free Ownership Personalized maintenance programs and the highest standards of customer care come with owning a Toyota.
- ➤ Pioneering Technologies Toyota strives to move forward with innovations that are sustainable, making life better for all.

Supporting programs such as the Toyota Sure Service were rolled out, developed to improve pre- and after-sales service at the showroom and repair workshop level. This included sales manual updates to improve product knowledge, periodic maintenance and repair protocols to improve after-sales service.

In 2012, TMP moved to the second phase of the TSA campaign. This phase was designed to strengthen sales and selling fundamentals, such as product knowledge and sales process, as well as customer awareness of the benefits of owning a Toyota, which includes lower cost of ownership, high resale value and outstanding service.

The Company also developed affordable packages through the Toyota Financial Services Philippines Corporation. These include an Easy-Own Payment Scheme for First-Time Buyers, as well as leasing.









Founded on the Toyota Sure Advantage (TSA) framework, Toyota continuously creates programs and services to better serve the growing market and make car ownership easy, convenient, and worry-free. By ensuring the high-quality and durability of parts, Toyota ensures lower cost of ownership and great value for money for our customers.

ENHANCING VEHICLE PURCHASE EXPERIENCE

Recognizing the urgency of enhancing Customer Satisfaction (CS), Toyota began to undertake initiatives to expand its dealer network, improve its facilities, enhance its vehicle delivery process, and train its frontliners.

NEW CAR RELEASE LOUNGE

To provide a more pleasant experience to customers, Toyota established a dedicated New Car Release Lounge in all of its dealerships. This facility is intended for customers with scheduled release of brand new vehicles, and ensures that they can wait comfortably while their vehicle documents are being processed. This area will be used by the dealer personnel to thoroughly explain the features of the vehicle.





Cozy and comfortable New Car Release Lounge



Thorough explanation of vehicle safety features

Afterwards, different department representatives, including the Service Manager, welcome the customers to the Toyota family. After-sales services are also introduced through a standard video material that encourages customers to have their vehicles serviced at the dealership.



Introduction to Service Manager



Explanation of after-sales services using a standard video material

The releasing ceremony is concluded with a photo opportunity with the customers and their new vehicle.



Releasing Ceremony

J.D. POWER SSI NO. 1

Through the implementation of improvement activities in 2014, Toyota ranked the highest in New Vehicle Sales Satisfaction in the Philippines, as measured by the J.D. Power Sales Satisfaction Index (SSI). The J.D. Power survey results showed that Toyota particularly showed good performance in the areas of delivery process, delivery timing, salesperson, paperwork, deal, and dealer facility.

Toyota strengthened its New Vehicle Delivery Process and strictly monitored dealer personnel's compliance to the Standard Operating Procedure (SOP). Toyota likewise anticipated the aftersales needs of customers through postsales follow-up activities. These include offering assistance prior to servicing, as well as obtaining customers' feedback regarding their purchase experience.



TRAINING OUR FRONTLINERS

Under the Toyota Sure Advantage program, the Company also educated its front liners on the Customer First principle. The sales process module was improved, highlighting the importance of satisfying customers in each touch point.

Enhancements of the dealers' standard operating procedures and backroom support structure for Marketing Professionals were also initiated.

ENHANCING AFTER-SALES EXPERIENCE

In line with its mission of providing excellent customer service, Toyota continues to find ways to improve its after-sales operations. These include Periodic Maintenance, General Job service, and Body & Paint service.

During the period, Toyota also enhanced its Maintenance Reminder System (MRS) which improved its database, Maintenance Forecasting System and Service Appointment SOPs.

EXPRESS MAINTENANCE

Toyota became first in the industry to offer complete 1-hour periodic maintenance through its **Express Maintenance (EM) Service**. Available in all Toyota dealerships nationwide, the EM Service offers fast and convenient service at no added cost. Customers simply have to call their preferred

dealer and set an appointment at least three days in advance, arrive at the appointment time, and then wait for an hour for the service to be completed. Three certified Toyota technicians work simultaneously on the vehicle using state-of-the-art tools and equipment to quarantee quality service. In one hour,



the vehicle has been serviced, washed and vacuumed.

AIR CARE SERVICE

In 2014, TMP launched the New Air Care Service, the first fully automated 1-hour Aircon Maintenance Service that is fast, affordable and effective.

TOYOTA SURE SERVICE

As part of the Toyota Sure Advantage campaign, Toyota introduced the **Toyota Sure Service (TSS)** which highlights "Worry-Free Ownership" and "Great Value".

The TSS is a discounted prepaid periodic maintenance package which covers up to 40,000-km. periodic maintenance services for selected models. Customers who avail of the TSS package are exclusively entitled to free parts and

service vouchers and a one-time discount on fuel, detailing, use of Toyota Genuine Fully-Synthetic Oil on periodic maintenance services, discounts on parts and labor, special price packages, protection from future price increase on all items included in the package, service convenience, and hassle-free periodic maintenance, among other perks.

The TSS is offered for the Vios, Altis, Fortuner, Hilux, and Innova.



TOYOTA MASTERCARD

In 2011, Toyota, in partnership with Metrobank Card Corporation, enhanced customers' driving experience through the **Toyota Mastercard**, the first complete motorist card in the country. Cardholders get exclusive privileges such as:

- discounts and perks at Toyota dealerships and partner merchandisers;
- fuel rebates; and -
- 24/7 roadside assistance.



PROMOTIONAL ACTIVITIES

On top of these programs, Toyota also implemented promotional activities. In 2013, Toyota carried out the **Toyota Service Rush**, a customer raffle to promote periodic maintenance to customers. In 2014, Toyota launched the **SMILE Service** program which offers huge savings on most underchassis parts through an enhanced discounted service menu package.





In 2014, Toyota Motor Philippines Corporation (TMP) revived motorsports in the country as it invited the public to experience *Waku-Doki*, or heart-racing fun, through the launch of the 2014 Vios Cup.

MEDIA/CELEBRITY EXHIBITION RACE

TMP held a Media/Celebrity Exhibition Race on January 25, 2014 to kick-off Season 1 of the Vios Cup. Some of the country's favorite celebrities and media personalities went wheel-to-wheel in 2014 at the Clark International Speedway in Pampanga. Aside from the race, the event also included activities for everyone, like go-karting, bungee runs and reverse bungees.

In the Media Class, Vince Pornelos of Autoindustriya.com emerged as the winner in both the first and second heats of the race. Model and host Phoemela Baranda also won both heats in the Celebrity Class, followed by sports host Jinno Rufino. Vince Pornelos emerged as the Overall Champion of the Media/Celebrity Exhibition Race.

SEASON 1, RACE 1

On May 24, 2014, TMP officially held Race 1 of Season 1 of the 2014 Vios Cup. With thirty (30) race-ready Vios cars lined up, the 2014 Vios Cup had the largest grid in the history of Philippine motorsports. Almost 8,000 spectators from all over the country once again converged under the summer heat at the Clark International Speedway in Pampanga to witness the race. Aside from the two race heats scheduled, TMP also organized a drifting exhibition by the Japanese "Drift King" Keiichi Tsuchiya.

Jason Choachuy, who raced for Toyota Balintawak, emerged as the winner in the first heat, while Allan Uy of Toyota Quezon Avenue was victorious on the second heat after scoring strategic points advantage in the 3-leg race series. Model and host Phoemela Baranda, won the Celebrity Division, while Chris Kho of TimeAttack Manila was the fastest in the Media Division.

SEASON 1. RACE 2

The 2014 Vios Cup resumed with Race 2 on July 26, 2014. Heavy rains did not stop thousands of spectators from all over the country from witnessing the racing competition at the Clark International Speedway.

Once again, Jason Choachuy, who represented Toyota Balintawak, emerged as the winner for both the first and second heats of the race—scoring huge strategic points



TMP President Michinobu Sugata and TMP Executive Vice President for Marketing Yohei Murase, along with the winners of the Vios Cup Race 2

advantage in the 3-leg race series. Carlos Castañeda of Toyota Alabang and Allan Uy of Toyota Quezon Avenue bagged the 2nd place, while Iñaki Araneta of Toyota Alabang and Luis Gono of Toyota North Edsa landed at 3rd place for heats 1 and 2 respectively. Local celebrity Sam YG won the Celebrity Division, while Paulo Subido of Top Gear Philippines won the Media Division.



The Vios Cup racers and TMP executives all geared-up for the Race 2 of the 2014 Vios Cup at the Clark International Speedway

SEASON 1, FINAL RACE

The 2014 Vios Cup concluded with an action-packed Final Race at McKinley West, Bonifacio Global City in Taguig on October 18-19, 2014, with thirty-seven (37) racers competing for the championship titles in their respective categories and over 20,000 motorsports fans witnessing the event. The 1.8-kilometer Automobile Association of the Philippines (AAP) and Toyota Racing Development (TRD) certified street circuit was built with double Armco and catch fencing, a first in the history of Philippine motorsports. Grids were split into two to level up the competition.

After two dramatic heats, the 15 year-old Luis Gono won the championship title and a brand new Toyota Vios 1.5 G M/T as the grand prize. Pauland Dumlao got the runner-up spot and a prize purse of PhP 400,000. Jason Choachuy finished at third place garnering a total prize purse of P200,000. Disc Jockey and TV celebrity Sam YG won in the Celebrity Category, while Paulo Subido emerged as the champion from the Media All-Stars Class.



Vios Cup race cars lined up for the 3rd and final leg of the 2014 Vios Cup



2014 Vios Cup overall winner Luis Gono (2nd from right) receives the brand new Toyota Vios 1.5 G M/T grand prize from TMP President Michinobu Sugata (control) in a communial turnover

Toyota wants its customers to enjoy Great Value through the affordability and high resale value of their vehicles. When the time comes for repurchasing a new vehicle, Toyota assists by offering a

GIVING ADDED VALUE TO OUR CUSTOMERS

In 2012, TMP launched its Used Car Business as an important element in enhancing its value chain. The company introduced the **Toyota Certified Used Vehicles (TCUV)** and **Lexus Certified Pre-owned Vehicles (LCPOV)** programs.

convenient vehicle trade-in experience.

These used-car programs provide customers with the added convenience of a one-stop shop for vehicle disposal and new vehicle purchase. These also allow customers to enjoy utmost value for money in purchasing preowned cars. Customers are always assured of high quality and reliable certified vehicles from dealers offering the certified used car program.

Toyota Certified and Lexus Certified used vehicles go through a rigorous inspection process. A 211-point inspection process is conducted to ensure a vehicle's quality and condition. Vehicles are examined with the advance technology by Toyota's and Lexus' certified assessors who have undergone extensive training under a Japanese expert. These vehicles are checked and conditioned by highly-trained dealer technicians. For customers' peace of mind, all certified vehicles also come with a one-year and 20,000 km limited warranty.

As of 2014, there are twenty-three (23) dealers, 22 Toyota and 1 Lexus, implementing the program.





TCUV OUTLETS								
RETAIL & SOURCING OUTLETS $^{\prime\prime}$	SOURCING OUTLETS ^{2/}							
1. Toyota Balintawak	1. Toyota North Edsa							
2. Toyota Bicutan Parañaque	2. Toyota Otis							
3. Toyota Iloilo City	3. Toyota Makati							
4. Toyota Alabang	4. Toyota Mandaue South, Cebu							
5. Toyota Pasong Tamo	5. Toyota Dasmariñas, Cavite							
6. Toyota Global City	6. Toyota Marilao, Bulacan							
7. Toyota Calamba								
8. Toyota Cebu								
9. Toyota Abad Santos, Manila								
10. Toyota Dagupan								
11. Toyota Quezon Avenue								
12. Toyota Batangas City								
13. Toyota Cagayan de Oro City								
14. Toyota San Pablo, Laguna								
15. Toyota Plaridel, Bulacan								

1/ Dealers with existing Toyota Certified Used Vehicle Program Facility

16. Toyota Manila Bay

2/ Dealers with capability to assess and purchase cars, but no Toyota Certified Used Vehicle Program Facility

MARKETING PERFORMANCE HIGHLIGHTS

Number of Units

	2010	2011	2012	2013	2014
Passenger Car	21,032	19,043	21,291	25,847	42,695
Commercial Vehicle	35,823	35,550	44,105	49,740	63,415
Total	56,855	54,593	65,396	75,587	106,110

MARKET SHARE

2010	2011	2012	2013	2014
33.4%	33.0%	35.8%	36.3%	39.4%

TRIPLE CROWN ACHIEVEMENT



2014 BEST-SELLING VEHICLES

Vios	Best-selling Vehicle Best-selling Sub-Compact Passenger Car
Camry	Best-selling Medium Passenger Car
Corolla Altis	Best-selling Compact Passenger Car
Wigo	Best-selling Low-Cost Passenger Car
Hiace	Best-selling Utility Van
Fortuner	Best-selling Commercial Vehicle Best-selling Sport Utility Vehicle
Innova	Best-selling Multipurpose Vehicle

JD POWER SALES SATISFACTION INDEX (SSI) RANKING

2010	2011	2012	2013	2014
5 th	4 th	4 th	2 nd	1 st

SPECIAL FEATURE

RECORD-BREAKING SALES AND 13TH CONSECUTIVE TRIPLE CROWN ACHIEVEMENT

2014 was a defining year for Toyota Motor Philippines Corporation (TMP) as it achieved record-breaking performance in its Sales and After-Sales operations.

For the first time in history, Toyota hit the 100,000-unit mark, recording total sales of 106,110 units and growing by 40% from 2013. With this achievement, Toyota joined the 100K Club of Toyota distributors around the world. Moreover, TMP is now No. 3 in Southeast Asia, after Indonesia and Thailand, in terms of sales volume. Among Toyota sales companies worldwide, TMP now ranks 16th, moving up from ranking 19th in 2013

Toyota also posted a record market share of 39.4%, surpassing its previous high of 38.4% in 2006.

TMP's remarkable sales performance in 2014 also enabled it to attain its 13th consecutive Triple Crown – No. 1 in Passenger Car Sales, No. 1 in Commercial

Vehicle Sales, and No. 1 in Total Sales. The Vios posted its highest sales of 25,837 units and remained as the best-selling car in the country in the last 12 years. The All-New Altis, New Innova, New Wigo, Fortuner, Camry and Hiace were also the best-selling vehicles in their respective segments.

Meanwhile, TMP's performance in its After Sales operations complemented its sales accomplishments. TMP achieved record-breaking performance with 737,000 units serviced at its dealer workshops. This was due to Toyota's new vehicle sales, dealer network expansion, and new products and services such as the Toyota Smile Value Service Packages and Express Maintenance Service, among others.





Toyota Motor Philippines Corporation (TMP) believes that maintaining local production is a means towards achieving business sustainability. Given this, TMP has consistently given high priority in ensuring that its manufacturing operation helps achieve business targets and becomes a catalyst in improving its value chain.

IMPROVING MANUFACTURING OPERATIONS

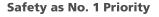


Production Volume

TMP's Santa Rosa manufacturing plant, which produces the Vios and Innova, continued to serve the increasing customer demand over the past 5 years.

From 2010 to 2014, the Vios and Innova remain to be the highest-selling models in the country.

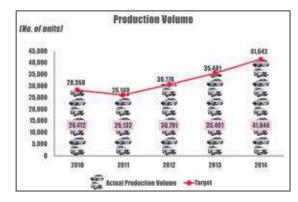
In 2014, TMP made history when it produced a record-breaking 41,644 vehicles or 18% more than the previous year, setting a new production milestone. This was significantly higher than the previous record made in 1996, with 36,849 vehicles at the company's then Bicutan plant.

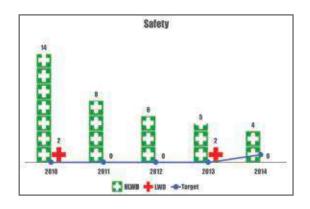


Even with the increase in production volume as a result of sustained market demand, TMP has put Safety as its No. 1 priority, with the objective of achieving a "ZERO ACCIDENT WORKPLACE".

Safety awareness has been strengthened in the production line over the years through reinforcement of Standard Operating Procedure (SOP) awareness, Top Management Safety Patrol Policy reiteration, safety training seminars, and various information campaigns. While TMP has not yet achieved Goal Zero for a straight full year, accident occurrences have steadily decreased over the years.

In 2014, there were 4 minor accidents (Non-Lost Work Days or NLWD) that happened in the line, but no major accident (Lost Work Days or LWD). Creating a safety mindset was made possible through a yearlong awareness campaign run by the TMP Central Safety and Health Committee.





Quality

Product Quality has always been at the forefront of our commitments. One of the ways by which we offer "Always Better Cars" is ensuring quality in the vehicles we produce.

For the past 5 years, TMP's quality targets have become stricter. While the numbers indicate non-achievement of targets, countermeasures are continuously being implemented and set in place. Going back to basics became TMP's mantra. Among the activities implemented to improve quality are through improvement of each shop's processes, skill refresher courses, regular review and discussion of audit findings.

Moving forward, TMP commits to continue seeking ways to further improve its quality performance.

DPU or Defect Per Unit – this is measured through quality audit of a "sample size" which is representative of a production batch; "Zero" DPU means no defect found in the sample size audited. All defects found are addressed before they go out the production line.



Production Line Efficiency

Over the years, TMP's production efficiency continues to improve. This was made possible through improvement in preventive maintenance protocol, visual management, and skills training enhancement of Team Members. These initiatives have resulted in less machine breakdowns which contributed to less line stops.

More enhancements in preventive maintenance are in the pipeline as these will be vital in averting stoppages or malfunctions that may result in costly production interruptions.



MANUFACTURING PERFORMANCE HIGHLIGHTS

PRODUCTION VOLUME									
	2010	2011	2012	2013	2014				
No. of units produced	28, 412	26,132	30,791	35,481	41,644				
	PRODUCTION SAFETY PERFORMANCE								
	2010	2011	2012	2013	2014				
Minor accidents (NLWD)	14	8	6	5	4				
Major accidents (LWD)	2	0	0	2	0				
		PRODUCTION L	INE EFFICIENCY						
	2010	2011	2012	2013	2014				
Efficiency Rate	94.9%	96.3%	96.2%	96.4%	96.5%				
	QUALITY PERFORMANCE (Shipping Quality Audit)								
	2010	2011	2012	2013	2014				
Vios DPU level	0.018	0.009	0.011	0.030	0.016				
Innova DPU level	0.024	0.021	0.013	0.047	0.052				



Toyota is committed to serving its customers with vehicles of unmatched quality, durability, reliability and value. Our customers' loyalty and trust in owning a Toyota vehicle fuel our passion to continuously provide these products. We also take pride in the global quality skills of the Filipino workers who make them.

On March 8, 2012, TMP celebrated the production of its five hundred thousandth vehicle at a ceremonial line-off at its plant in Santa Rosa, Laguna. The 500,000-unit milestone covers the manufacture of completely knocked-down (CKD) and semi knocked-down (SKD) units since TMP started production operations in 1989 up to March 2012.

During the event, the Company expressed gratitude to the Philippine government for its strong support to the domestic automotive industry and reaffirmed its commitment to nation-building through its economic contributions and its many advocacies. TMP also thanked its Team Members for their relentless pursuit of excellence in making Toyota vehicles.

Special guests during the event included Presidential Communications Operations Office Secretary Herminio Coloma, Jr., Toyota Motor Asia Pacific (TMAP) Chief Regional Officer for Asia Pacific Region Takahiro Iwase, Ambassador of Japan to the Philippines Toshinao Urabe, Santa Rosa Mayor Arlene Arcillas, TMP Chairman George S.K. Ty and TMP Vice Chairman Alfred V. Ty.

In gratitude to customers for their support to TMP's locally-made products, TMP launched the "Classic Toyota Hunt", a search for the Company's longest-running locally-manufactured vehicle. The contest, which ended in April 2012, brought in hundreds of entries of various Toyota cars that had unmodified engine and chassis but were still in good running condition. The vehicles' longevity is a testament to Toyota's commitment in manufacturing vehicles with outstanding quality.

During the culmination of the contest, TMP awarded a brand new Toyota Innova to Mr. Anthony Cheng Liong, owner of the 1989 Toyota Crown that emerged as the winner of the "Classic Toyota Hunt". Mr. Cheng Liong expressed, "For me, my 1989 Toyota Crown is a very reliable and sturdy vehicle. The quality of the engine of my 23-year old vehicle is still good. As for the parts, even though the car is already past two decades old, it is affordable and still widely available in the market."

Today, the country's best-selling models — the Innova and Vios — are

manufactured in TMP's world-class facility in Santa Rosa City, Laguna. Prior to these, the Company locally produced models such as the Corolla, Corona, Crown, Camry, Lite-Ace, Tamaraw FX, and Revo.



TMP President Michinobu Sugata (left) together with Classic Car Hunt winner Anthony Cheng Liong during the awarding ceremony

Since its introduction in 2003, the Vios has stood as a symbol of how Toyota vehicles are made, with our customers in mind. Built with the highest quality and known in its class for its fuel efficiency, the Vios has long been a favorite among Filipinos. With this new model, TMP provides added value and continues to bring smiles to our customers.

SPECIAL FEATURE

THE ALL NEW VIOS

On July 8, 2013, Toyota introduced the All New Vios at a ceremonial line-off at its manufacturing plant in Santa Rosa City, Laguna, where it is built with global Toyota quality by TMP Team Members.

The All New Vios is another big step for TMP to firm up its market leadership and Toyota's presence in the country. Coupled with the Vios' Quality, Durability and Reliability (QDR), this new model is expected to take the country by storm and to give customers a fun driving experience at an affordable price.

During the ceremony, Toyota and its entire supply chain thanked the Department of Trade and Industry, the Board of Investments, and the Philippine Economic Zone Authority for their support in bringing the project to its fruition. In his special message, Toyota Motor Corporation (TMC) Motomachi Plant executive general manager Yoshihiro Uozumi, commended TMP on this milestone



Leading the champagne-pouring ceremony are Philippine Economic Zone Authority Director General Lilia de Lima (leftmost) and TMP Vice Chairman Alfred V. Tv (rightmost)

and expressed gratitude to the Philippine Government for its strong support to the domestic automotive industry. Uozumi further urged the government to continue developing programs to encourage growth in the industry.

The All-New Vios has a tremendou significance to the local automotive industry. With its introduction comes the

announcement of Toyota's plans to further enhance the localization ratio of this model by utilizing TMP's press plant to localize the stamping of 17 part numbers by July 2014. This is seen to bring improved press technology into the country and, consequently, invigorate Philippine manufacturing, as it generates more investments, employment, and technology upgrades.



In photo during the ceremonial roll-off are: Left Side (from left): TMP Executive Vice President Kenji Kitamura, TMP Senior Executive Vice President David Go, Mitsui & Co., Inc. Integrated Transportation Systems Business Unit Operating Officer Kazuyuki Yagi, TMP President Michinobu Sugata, Toyota Motor Corporation Executive General Manager Yoshihiro Uozumi, and Philippine Economic Zone Authority Director General Lilia De Lima. Right Side (from left): TMP Vice Chairman Alfred V. Ty, Embassy of Japan in the Philippines Ambassador Toshinao Urabe, Department of Trade & Industry Rossicant Secretary Romulo Manlapig. Santa Rosa City Mayor Arlender Planning Group Deputy. Chief Engineer Takamoto Struyki, and TMP Executive Vice President Yokei Murase

ENVIRONMENTAL POLICY AND ADVOCACY

With the rapidly increasing demand for locally-produced vehicles, TMP's production operations consequently expanded, enabling the Company to contribute more to the Philippine economy.

However, TMP is well aware that this increase in production volume may come with a serious toll on the environment. After all, vehicle manufacturing is among the industries that leave a heavy carbon footprint. Thus, TMP continuously finds ways to improve its methods and adopt environment-friendly processes as it commits to manufacture "always better cars".

TMP's environmental objectives are aligned with the Toyota Global Environmental Action Plan with the following objectives:

- Contribute to a Low Carbon Society;
- Contribute to a Recycling-Based Society; and -
- Environmental Protection and Contribution to 'Harmony with Nature' Society.

Likewise, TMP ensures compliance with its Environmental Policy pertaining to regulatory and legislative requirements, continuous improvement in environmental performance and pollution prevention, and promoting environmental awareness within the company and the community.



TMP ENVIRONMENTAL POLICY

- 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:
 - reduce or eliminate emission to the environment and minimize quantity for disposal, as well as lessen waste contamination;
 - 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

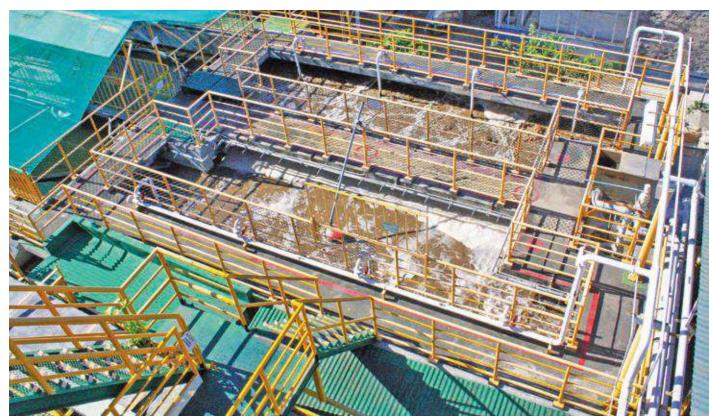
REGULATORY, LEGISLATIVE, AND OTHER REQUIREMENTS PERTINENT TO **ENVIRONMENTAL PROTECTION**

In compliance with all laws and Since 1998, TMP has been compliant regulatory requirements pertaining to environmental protection, TMP annually secures all necessary permits by an external organization every from the Department of Environment three years, a surveillance audit is and Natural Resources Environmental implemented annually. The latest Management Bureau (DENR-EMB). recertification was awarded in 2012. Likewise, as the company's main source of water is from underground, TMP also secures Water Rights from the National Water Resources Board (NWRB).

with ISO 14001 standards. While the company is audited and re-certified



STANDARDS FOR WASTE WATER EFFLUENT



TMP's Waste Water Treatment Plant

TMP complies with standards for waste water effluent and secures a discharge permit from the Laguna Lake Development Authority (LLDA). TMP's standard tolerance levels are 20% lower than levels set by the government in the following: pH level, Biochemical Oxygen Demand (BOD5), Chemical Oxygen

Demand (COD), Total Suspended Solids (TSS), Oil and Grease, and Heavy Metals.

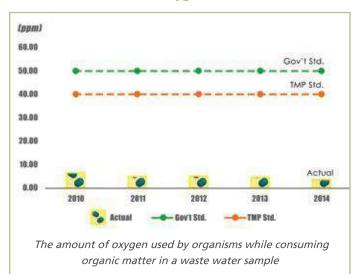
TMP's Waste Water Treatment Plant (WWTP) is designed with a 3-treatment (physical, chemical, biological) to ensure that the effluent regulatory requirements are met. The

WWTP has its own laboratory capable of conducting daily analysis of the main water parameters. For the period of 2010-2014, TMP's waste water discharge was within both internal and government effluent standards.

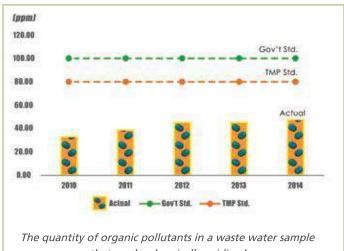
UENT PARAMET

*ppm - parts per million

Biochemical Oxygen Demand (B0D5)

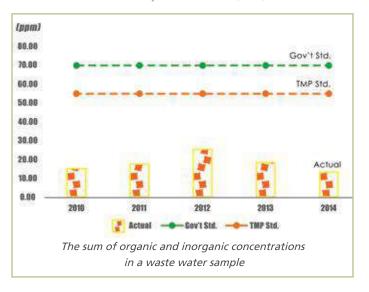


Chemical Oxygen Demand (COD)



that can be chemically oxidized

Total Suspended Solids (TSS)



pH Level



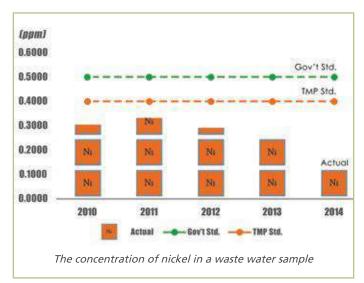
The concentration of hydrogen ions in solution and indicates the level of acidity and alkalinity of an aqueous solution

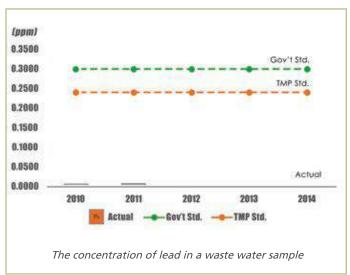
Oil and Grease (O&G)



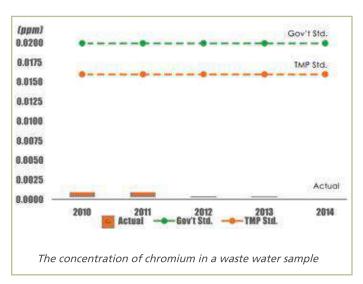
HEAVY METALS

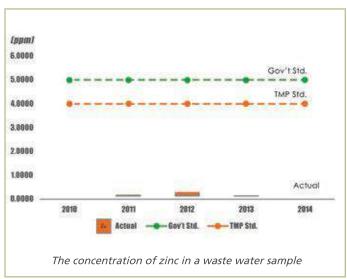






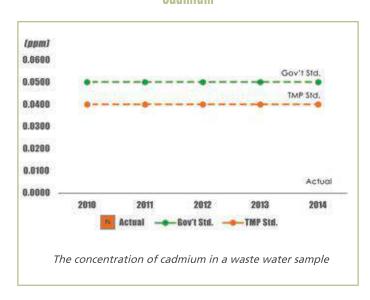
Chromium





Zinc

Cadmium



STANDARDS FOR AIR EMISSION

TMP utilizes manufacturing equipment that are considered to be air pollution source (APS) facilities. These include stationary sources comprised of fuel-fired equipment such as boilers, ovens, and generator sets.

In compliance with standards for air emission, TMP secures permits to operate these equipment. On an annual basis, TMP facilitates a third party air emission testing of its stationary sources as well as its ambient air quality to verify the compliance of these facilities with the standards of the Clean Air Act.

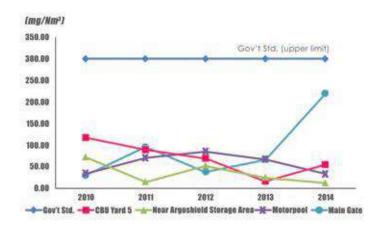
The methodology of sampling and analysis is based on standards set by the Department of Environment & Natural Resources (DENR) and the United States Environmental Protection Agency (USEPA).

There were no significant findings recorded in relation to environmental compliance during the period of 2010-2014.

AMBIENT AIR

*mg/Nm³ - milligram per normal cubic meter

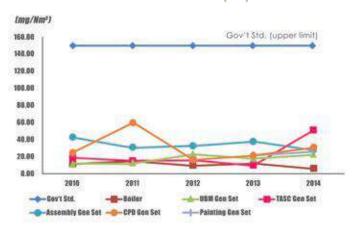
TOTAL SUSPENDED PARTICULATES (TSP)



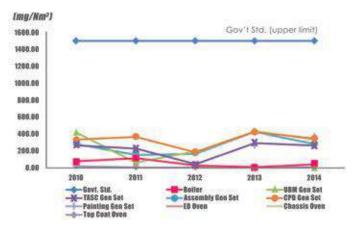
STATIONARY SOURCES

*mg/Nm³ - milligram per normal cubic meter

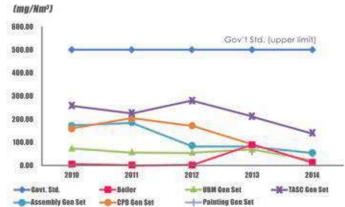
PARTICULATE MATTER (PM)



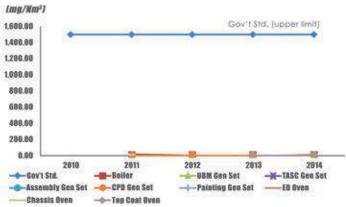
NITROGEN DIOXIDE (NO,)



CARBON DIOXIDE (CO,)



SULFUR DIOXIDE (SO,)



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

In its commitment to continuously improve its environmental performance and develop ways to prevent pollution, TMP ensures that all water discharges, air emissions, and waste resulting from its operations will not have harmful effects to the environment.

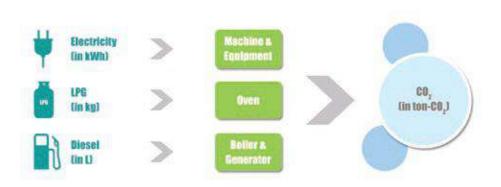
These objectives are achieved through:

- Efficient use of energy and other resources;
- 2) Minimization of the environmental load of organic compounds and prohibited chemical substances; and-
- Continuous search for the best environmental technology and practices which can be introduced in the plant's operations.

	2010	2011	2012	2013	2014	'14 vs. '10
NERGY						
Electricity (in Kwh)						
Average Monthly Consumption	1,571,887,33	1,442,022.61	1,631,705.47	1,735,681.95	1,759,833.90	12%
Consumption Per Unit Produced	669.28	660.79	635.94	587.59	508.78	(24%)
LPG (in Kg)	- 22	- 0				
Average Monthly Consumption	46,378.09	36,531.10	40,199.08	43,119.98	45,230.40	(2%)
Consumption Per Unit Produced	19.58	16.78	15.67	14.60	13.06	(33%)
Diesel (in L)				- Williams		
Average Monthly Consumption	18,110.15	16,008.10	16,450.44	16,972.04	20,474.42	13%
Consumption Per Unit Produced	7.65	7.35	6.41	5.75	5.42	(29%)
/ATER (in m³)						
Average Monthly Consumption	13,843,19	11,985.33	12,730.43	15,114.61	15,338,96	11%
Consumption Per Unit Produced	5.84	5.50	4.96	5.12	4,42	(24%)
/ASTE (in Kg)	10000					
Average Monthly Generation	107,810,82	120,523,64	152,743.61	148,710.76	187,706.11	74%
Generation Per unit Produced	45.52	55.35	59.53	50.34	54.08	19%
Hazardous Waste Average Monthly Generation	24,570.62	21,581.88	18,873.22	16,787.77	21,080.24	(14%)
Hazardous Waste Generation Per unit Produced	10.37	9,91	7.36	5.68	6.07	(41%)
MISSIONS	- 2000	22,1150			17.00	000 (0000 E
VOC Emissions Per Unit Produced (in g/m²)	56.47	56.35	53,70	51.74	52.87	(6%)
CO ₂ Emissions Per Unit Produced (in ton-CO ₂)	0.43	0.40	0.40	0.37	0.32	(26%)

USING ENERGY EFFICIENTLY

TMP minimizes the consumption of energy and other resources in its manufacturing operations through the introduction of new technology and the elimination of waste. TMP's three (3) main energy sources are electricity, liquefied petroleum gas (LPG), and diesel. These energy sources generate heat, as well as greenhouse gases such as carbon dioxide (CO₂), which goes to the atmosphere.



ENERGY ABC ACTIVITY

In 2014, TMP introduced the Energy ABC Activity which aims to reduce energy consumption of its machines in the manufacturing line by ensuring that only necessary machines are in operation at a given time. Under this concept, machines are classified into three types based on their ideal energy requirement:

Type A: Machines that need energy during production time

Type B: Machines that need energy during both production and non-production time (i.e., breaktime and shift change)

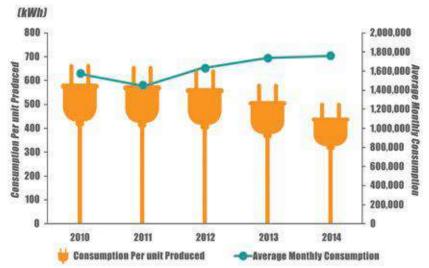
Type C: Machines that need energy all the time, even on holidays. By classifying each machine accordingly, only Type C machines are allowed to run non-stop, whereas Type A and Type B machines are only turned on as necessary. This activity eliminated the wasteful consumption of energy and thus contributed to a reduction in TMP's total energy requirement.

ELECTRICITY CONSUMPTION

Ninety-one percent (91%) of electricity consumption is related to production operations while the remaining nine percent (9%) accounts for office consumption, administrative services, and warehouse requirements. In production, the Painting Shop has the highest electricity consumption at 39%.

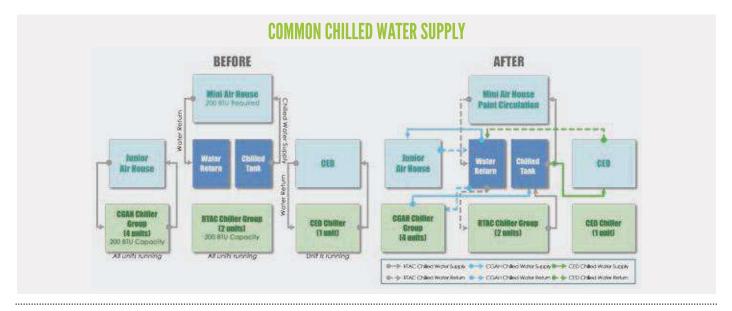
As of 2014, TMP's electricity consumption per unit produced has decreased by 24% from its 2010 level. This is equivalent to a reduction of 85.05 kg. CO₃ emission per unit.

Within the Paint Shop, the Chiller Power Supply has the second highest power consumption. In 2014, TMP introduced the **Common Chilled Water Supply** concept, wherein the three independent chiller groups were connected to form a network, optimizing their capacity, and consequently reducing the total electricity needed. An average of 200kW demand is saved per chiller. This activity is on top of



other developments introduced during the period, such as the improvement in compressor efficiency, introduction of inverters, and shift to LED lighting.

Source of conversion factor: CO₂ Emissions from Fuel Combustion, 2007 edition, IEA, Paris, France

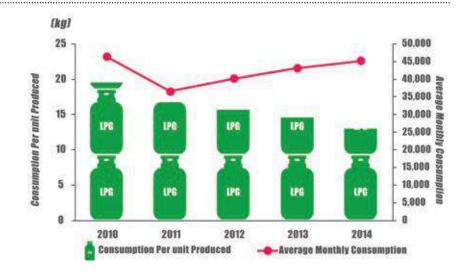


LPG CONSUMPTION

LPG fuels the ovens that bake and dry the car bodies after paint application. LPG as a fuel source for ovens generates lower emission levels.

As of 2014, TMP's LPG consumption per unit produced has decreased by 33% from its 2010 level. This is equivalent to a reduction of 18.43 kg. CO_2 emission per unit.

During the period of 2010-2014, major improvement activities that contributed to the reduction of LPG consumption are the introduction of the **Autoflame System**, **Ovenless Sealer**, and **3-Wet Painting System**.



DIESEL CONSUMPTION

TMP uses diesel for its boilers that generate the steam supplied primarily to the Painting Shop. It is also used to fuel four (4) generator sets in the plant that serve as back-up power source during power supply interruption.

As of 2014, TMP's diesel consumption per unit produced decreased by 29% from its 2010 level. This is equivalent to a reduction of 5.97 kg. CO₂ emission per unit.

In 2014, TMP introduced the *economizer* and *deaerator* which contributed to the decrease in diesel consumption per unit. The **economizer** is a heat exchanger placed on a boiler's exhaust, heating up the water passing through the coils inside it. This pre-heats the feed water (i.e., water going inside the boiler), reducing the energy needed by the boiler to raise the water's temperature to boiling point to produce steam.



Source of conversion factor: 2006 IPCC Guidelines for National Greenhouse Gas Inventories provided by

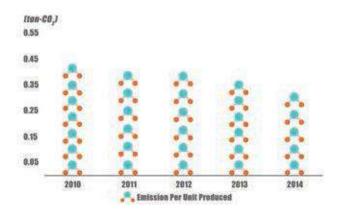
Toyota Motor Asia Pacific-Engineering & Manufacturing

On the other hand, the **deaerator** is a tank wherein feed water is sprayed with a mixture of steam and water to remove the total dissolved solids (TDS), which is responsible for the occurrence of corrosion inside the boiler. This activity ensures that the boiler is in good condition, resulting in efficient performance and lesser diesel requirement.

Another major improvement activity introduced during the period that contributed to the reduction of diesel consumption is the **Automatic Blowdown System**, which prevents immediate scaling on boiler tubes and improves the efficiency of heating the feed water.

REDUCING CO₂ EMISSIONS

As a result of the improvement activities to reduce electricity, LPG and diesel consumption, TMP's CO₂ emission per unit produced declined by 26% from its 2010 level.

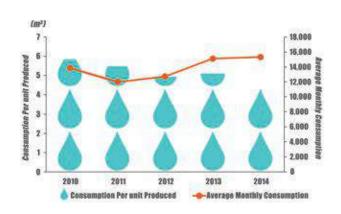


.....

USING LESS WATER

In 2014, TMP's water consumption per unit produced decreased by 24% from its 2010 level.

During the period 2010-2014, a major activity that contributed to the reduction of water consumption is the introduction of Biochemical Treatment in the painting sludge pool. Its effectiveness resulted in generation of less waste water and correspondingly, a decrease in water volume necessary for replenishment. TMP also practices water recycling, wherein approximately 10% of the total water discharge is being reused to water the plants and refill the lagoon.



REDUCING WASTE

In TMP, waste is classified into three (3) types: general, recyclable, and hazardous. TMP's main goal in waste management is to reduce the volume of general and treated hazardous wastes, most of which goes to landfills. General wastes are those that are non-hazardous but cannot be recycled. These include sludge, used oil, expired chemicals,

and other items included and classified as such under Republic Act 6969. TMP continues to develop processes using new technologies to be able to treat and reduce its hazardous wastes.

During the period 2010 to 2014, TMP significantly reduced its hazardous waste generation per unit produced.

This was made possible through TMP's environmental efforts, which include vermicomposting activity to convert biological sludge into soil conditioners, establishment of a solar sludge-drying facility to reduce sludge moisture, and the use of an alternative chemical to reduce paint sludge.

Transparent acrylic plastic roof and wall - for faster solar heat transfer

Open vent - to ensure continuous air circulation

Sliding door - for forklift entry

Black painted wall at the bottom - for heat absorption

Sump and canal - to drain excess water



The solar sludge-drying facility uses zero electricity for drying and exhaust.

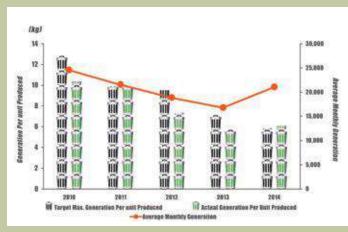




Vermicomposting beds showing earthworms that convert the wastes into soil conditioner



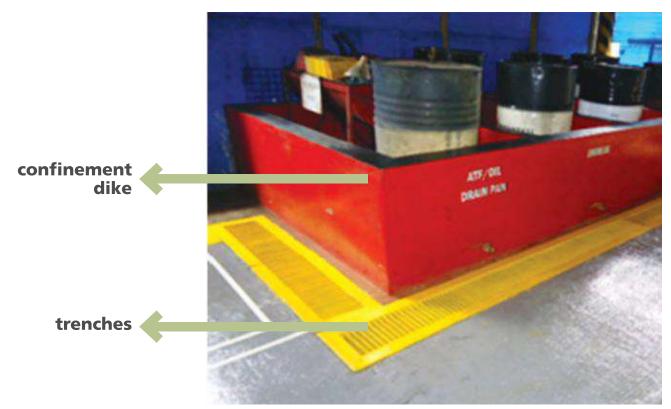
TMP also utilizes the bulb-eater, equipment designed to capture the mercury vapor content of busted fluorescent lamps. The Bulb Eater's 3-stage filtration system can capture 99.99% of airborne particles, including mercury vapor.



As of 2014, TMP's hazardous waste generation per unit decreased by 41% from its 2010 level. Total hazardous waste generation also decreased by 14%.

Successful Reduction of Hazardous Waste

PREVENTING CONTAMINATION



Confinement Dike and Trenches at the Forklift Maintenance Area

In order to minimize environmental risks, TMP takes measures to prevent the soil and underground water contamination. Contamination-prevention activities include management of all underground tanks, (specifically gasoline tanks) by means of mass balance control. Secondly, dikes of toxic chemical tanks are sealed with epoxy-based paint to prevent leakage. The respective locations and condition of process equipment are regularly checked and inspected. Five (5) monitoring wells are also installed at the incoming and outgoing streamline of the TMP land area to keep track of the underground water quality. These are located

at the boundary line of TMP and areas with high possibility of contamination such as the underground fuel tanks. Groundwater sampling is conducted to check any presence of groundwater contaminants. This activity also determines the underground water level and flow direction inside TMP.

In 2014, as part of its improvement activities, TMP constructed a Trench and Confinement Dike at the forklift maintenance area. The trench serves as a catch basin for contaminated water (oil or grease) during the preventive maintenance of forklifts, tow trucks and club cars. A submersible pump was

also installed to collect the contaminated water at the sump pit. The confinement dike ensures the containment of any large spills or leaks. It can accommodate large volumes of oil and lubricant spills. This activity resulted in the elimination of water contamination in ground and storm canals.

TMP also re-launched the Chemical Management Committee, which is responsible for implementing additional regulations on chemical management and control of new chemicals.

MINIMIZING THE ENVIRONMENTAL LOAD OF VOLATILE ORGANIC COMPOUNDS AND PROHIBITED CHEMICAL SUBSTANCES

TMP endeavors to also reduce potential sources of Volatile Organic Compounds (VOC), organic chemicals which readily vaporize at room temperature and normal atmospheric condition. These are contained in materials like paints and thinner used in the car body painting process.

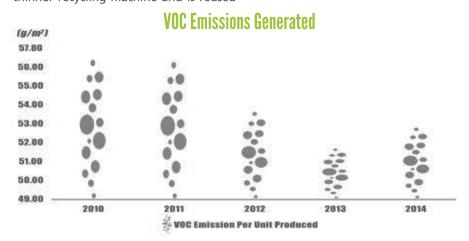
TMP introduced a series of VOC-reduction activities which include:

- 3-Wet Painting Process, which eliminates the baking of primer application and consequently reduces oven usage;
- replacement of obsolete robot parts to improve painting efficiency; and-
- 3. improvement of the air supply and exhaust of the spray booth, which

of paint particles. TMP also utilizes a thinner recovery system, which collects waste thinner from the painting process. Collected thinner is then subjected to a thinner recycling machine and is reused

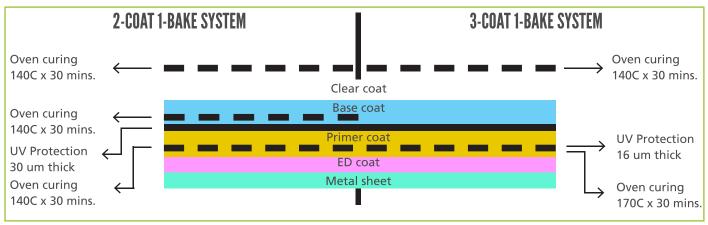
translates to a higher transfer efficiency for cleaning painting robot parts and of paint particles. TMP also utilizes a washing spray suits.

In 2014, VOC emissions per unit produced decreased by 6% from its 2010 level.





2011: Painting Robot Renewal



PROMOTION OF ENVIRONMENTAL AWARENESS

TO TEAM MEMBERS AND CONTRACTORS

Toyota encourages its workforce to take an active part in contributing to its advocacy on caring for the environment. Toyota affiliates worldwide celebrate Environment Month in June, engaging in activities that promote environmental awareness.

TMP actively participates in this celebration through a month-long line-up of activities for its Team Members, as well as for its suppliers, dealers, and the community. One of the activities is film showing during lunch breaks to educate Team Members on current environmental issues and keep them abreast on best environmental practices. Special events are also held during the celebration.

In 2014, TMP inaugurated its very own Green Home model. A green home is a house designed to be environment-friendly by utilizing different ways and means to use energy and resources efficiently. TMP's Green Home is made of fifty-one percent (51%) recycled materials. The furniture and fixtures inside the house were fabricated from the Toyota manufacturing plant's scrap materials, such as metal and wooden pallets used for packaging, tubes, wire rollers, plastics, pipes, excess tiles, and crushed glass. The Green Home features environmentfriendly solutions, such as natural and LED lighting, natural ventilation, green roof, and rainwater harvesting.

Other activities held during the period are, as follows:









Green Home Dining Room

Aside from the celebration of the Environment Month, Team Members are also encouraged to participate in environment-related CSR programs, such as tree-planting activities, lakeshore, and coastal clean-ups, and fund-raising activities that benefit various environmental causes.

ACTIVITY 2013 TMP held the "Green Market Day," a bazaar which promoted recycling, while enabling Team Members to profit from having such a business opportunity. 2012 Team Members showcased their ingenuity during the "Green Home Designs" contest, wherein participants created home furniture and fixtures using recycled scrap materials from TMP's manufacturing plant. 2011 Inauguration of the Toyota Manufacturing Eco Center (TMEC), which represents a microcosm of the environmental initiatives that TMP implements inside its facilities in Santa Rosa, Laguna. 2010 "Tilapia Festival," a cooking

contest using tilapia from TMP's

Waste Water Treatment Plant, to

showcase that TMP's discharge

water is clean and safe.



TMP Team Member volunteers and their families planted one hundred (100) indigenous trees at the Makiling Botanic Gardens (MBG) at the University of the Philippines Los Baños (UPLB) as part of Toyota's Adopt-a-Forest Project in partnership with UPLB Foundation.

On top of these activities, a "Lineside Kaizen" competition is also held on the shopfloor to encourage Team Members to initiate improvement activities to reduce energy and water consumption, waste generation, and environmental risk in their respective work areas.

TMP also ensures that Team Members in charge of monitoring the company's environmental performance attend environment education workshops and seminars to equip them in managing



TMP Team Members at the SILAKBO (SIkad-LAKad-TakBO), a fund raising activity for the Save Silang-Santa Rosa River Foundation, Inc. (S3R2), a nonprofit organization devoted to the protection and rehabilitation of the Santa Rosa Watershed

environmental issues.

For contractors, TMP conducts an EMS Orientation prior to commissioning work. During the orientation, Team Members from the Plant Administration Department discuss TMP's Environmental Policy with contractors, including general rules on environmental management, guidelines on waste segregation and disposal, and practices on monitoring and reducing power and water consumption.



TO SUPPLIERS AND DEALERS

Representatives from various suppliers and TMP during a benchmarking activity at Yokohama Tire Philippines in Clark, Pampanga

Toyota's efforts in minimizing the environmental impact of its business extend to its value chain. On top of its own initiatives, TMP encourages the implementation of an Environmental Management System (EMS) at its dealers and suppliers.

TO SUPPLIERS

All suppliers are required to comply with environmental laws and regulations, as well as undertake environmental initiatives requested by TMP.

In order to ensure proper environmental management, TMP requires all of its suppliers to abide by Toyota's Green Purchasing Guidelines. Under this, suppliers are obligated to acquire and maintain ISO 14001 certification. They are also required to ensure

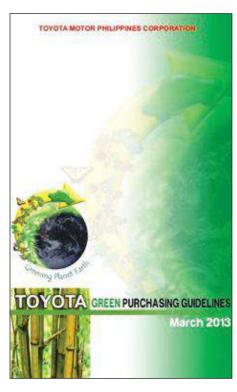
the environmental compliance of all products and raw materials delivered to TMP. This includes the elimination of Substances of Concern (SoCs) in all parts and components. Moreover, suppliers are encouraged to continuously enhance their respective environmental performance and introduce initiatives that reduce CO₂ emission, VOC emission, water consumption, solid waste generation, and pollution discharge. Suppliers are also enjoined to take

measures in their logistics operations to reduce ${\rm CO_2}$ emission and packaging materials.

Environmental initiatives are to be shared with fellow suppliers through benchmarking activities. Likewise, all suppliers are highly encouraged to have environmental and social activities to strengthen relationship with communities.



Suppliers' best environmental practices are shared with other suppliers through an exhibit during the annual Supplier Conference



TMP's 2013 Green Purchasing Guidelines

TO DEALERS

TMP strictly implements programs that promote and uphold environmental awareness to its dealers. TMP regularly monitors dealers' performance and conducts quarterly audits to ensure that facilities are well maintained and the best environmental practices are in place. Quarterly trainings for dealers' Pollution Control Officers (PCOs) are conducted to continuously upgrade their knowledge and capabilities and to keep them abreast of new developments and practices, as well as updates on regulatory and legal requirements.

Beginning 2010, TMP carried out the Dealer Environment Management System (DEMS), anchored on Toyota's Dealer Environment Risk Assessment Program (DERAP), and aligned with ISO 14001 requirements. This ensures that the entire dealer network is compliant with the highest environmental management standards. By having controls in place, the DEMS helps dealers achieve their environmental goals, such as reducing the environmental impact of their operations and increasing operational efficiency.

TMP also holds an annual Dealer Environment, Safety, and Health (DESH) Conference, which



Pollution Control Officers of the Toyota Dealer Network during the 2014 DESH Conference

is attended by representatives of the entire dealer network. During the conference, TMP reports on Toyota's overall performance for the past year and shares its latest direction and targets. It is also used as a venue for sharing best practices and for recognizing outstanding dealers. The DESH framework is aligned with Toyota's global direction, with phases of development, as follows: Compliance, Awareness, Practice, Standardization, and Upgrading.

Moving forward, TMP aspires to ensure that all new dealerships are fully EMS compliant prior to opening, making use of Toyota's best

practices as soon as their operations begin.

Dealers also implement their own environmental initiatives. All dealers have a waste water treatment facility (WWTF) or sewerage treatment plant (STP), as well as an air pollution control facility at their paint booths. Most dealers have also started investing in various environment-friendly facilities and equipment such as green walls, inverter type air-conditioners, LED lighting system, and solar panels.

TOYOTA MARILAO, BULACAN



Solar panels to harness energy for use in daily operations



Green Wall

TO THE COMMUNITY

As Toyota continuously improves its environmental practices, it also strives to inspire and lead towards further ecological advancement.

TOYOTA BARANGAY ECO-SCIENCE TOUR

Toyota engages its community in Santa Rosa City, Laguna by conducting comprehensive public information programs on the environment. Among these is the Toyota Barangay Eco-Science Tour (Toyota BEST) through which TMP shares to the community how the Company mitigates the environmental impact of its operations through its many initiatives.

In 2014, TMP conducted the Toyota BEST for its adopted school, Pulong Sta. Cruz Elementary School (PSCES). More than fifty (50) Grade 6 students participated. They were taken on a tour of Toyota's environment-friendly facilities at the 82-hectare Toyota Special Economic Zone in Santa Rosa, Laguna. The students visited Toyota's Wastewater Treatment Plant, Manufacturing Eco Center, Green Home, and the 11-hectare Toyota Forest.



YEAR	TOYOTA BEST PARTICIPANTS
2014	Pulong Sta. Cruz Elementary School (PSCES) Grade 6 Students
2013	-
2012	Brgy. Don Jose, Santa Rosa officials
2011	Brgy. Pulong Santa Cruz, Santa Rosa officials; PSCES faculty members; Santa Rosa City Community Environment and Natural Resources Office (CENRO) officers.
2010	PSCES Parent-Teacher Association (PTA) officers



ON-THE-SPOT POSTER-MAKING CONTEST

TMP also organizes an annual On-The-Spot Poster-Making Contest participated in by various high schools in Santa Rosa City. The contest tackles various environmental issues, while also showcasing the artistic talents of the students. Winning participants receive certificates and cash prizes.

2014 On-the-Spot Poster-Making Contest Winners:

1st Place: Jasper John S. Marquez and Damil M. Agdeppa (center), Pulong Sta. Cruz National

2nd Place: Melchor C. Abalos and Laurence C. Arambulo (left), Balibago National High School

3rd Place: Richard T. Garcia and Jubilee A. Monterde (right) Sto. Domingo National High School

YEAR	THEME	PARTICIPATING High Schools
2014	"Sustainable Home for a Sustainable Future"	12
2013	"Think. Eat. Save"	11
2012	"Conserve Water, Be A Self-Starter"	12
2011	"Toyota Leading the Industry in Protecting the Environment"	9
2010	"Do Your Share: Reduce, Reuse, Recycle"	9

ENVIRONMENT AND SAFETY

TMP's environmental initiatives contribute to the achievement of the company's Safety objectives. For instance, TMP's Chemical Management System ensures that Team Members are not exposed to

substances that may have detrimental effects to their health. Also, the company-wide conversion from fluorescent to LED lighting reduced the exposure of Team Members to mercury, which is a neurotoxin. The recycling

activity of utilizing used air filters to insulate pipes at the Waste Water Treatment Plant and Painting Line prevented Team Members from having accidental contact with hot objects.

AWARDS & RECOGNITION



DENR SEAL OF APPROVAL

The Department of Environment and Natural Resources (DENR) honored TMP with the DENR Seal of Approval under the Track 1 Category of the Philippine Environment Partnership Program (PEPP) for its strict compliance with environmental standards.



LAGUNA LAKE DEVELOPMENT **AUTHORITY BLUE RATING** (2013)

TMP received the Blue Rating Award from the Laguna Lake Development Authority (LLDA) for complying with effluent standards and environmental regulation measures in its operations.



TMP received the ECOSWITCH Award from the Green Philippines Islands of Sustainability (GPIoS) for successfully implementing environment-friendly measures in its operations.



GLOBAL ECO AWARD (2014)

TMP received the Global Eco Award for Best Performance in Waste Reduction. Bestowed by Toyota Motor Corporation (TMC), the mother company in Japan, TMP received the award for significantly reducing its waste generation per vehicle produced. The Global ECO Award is conferred by TMC to Toyota affiliates who have achieved the most improvement in their respective environmental performance in the last two years.

NMENTAL PERFORMANCE HIGHLIGH

(AS OF DECEMBER 31, 2014)

REGULATORY	0 non-compliar	nce and complaint						
& LEGISLATIVE COMPLIANCE	43 Toyota Dealer Environment Risk Assessment Program (DERAP)-compliant dealers							
	ISO 14001: 2004 Certified (last Certification done in 2012)							
Certification	4 Pollution Control Officers	at TMP, certified by DENR-EMB						
Certification	36 active Pollution Control Officers at dealers na	ationwide (including Lexus), certified by DENR-EMB						
	46 ISO-com	oliant suppliers						
	Achievement of Main Environment Performance Indicators (per unit produced)							
	vs. 2013 level	vs. 2010 level						
CO ₂ Emissions	13% decrease	26% decrease						
Water Consumption	14% decrease	24% decrease						
VOC Emissions	2% increase ^{1/}	6% decrease						
Waste Generation	7% increase ^{2/}	19% increase ^{3/}						
Hazardous Waste Generation	7% increase ^{4/}	41% decrease						
Elimination of Substances of Concern (SOCs)	100%							

1/ Big increase in production volume resulted to more frequent color change and, consequently, more frequent washing of painting robot spray guns using thinners and other chemicals that generate VOC.

2/ & 3/ Increase in completely built-up units (CBUs) resulted to increase in packaging waste, but these were mostly recyclable. 4/ Increase was due to the removal of accumulated hardened sludge from waste water tanks during tank capacity improvement.

ENRICHING LIVES OF COMMUNITIES



Aside from contributing to the economy, we also strive to assist in the country's further development through our Corporate Social Responsibility (CSR) initiatives, which we have been conscientiously integrating in the way we run our business.

As articulated in our Global Vision, we aim to contribute to "enriching lives of communities". Through our partnerships with various stakeholders, we strive to continue achieving this objective.

We are mindful that our operations should contribute to the development of the Toyota Network, the local auto industry, and the society, for the benefit of the Filipino people.

Since 1989, we have been contributing to the Philippine economy through our local production operations, generating employment throughout our value chain, infusing investments, technology transfer, and contributing to government revenues through payment of duties and taxes. We also support the auto parts manufacturing industry by strengthening the local supplier base in order to achieve higher localization and increase parts exports not only to the ASEAN, but also to other Toyota production bases worldwide.

CONTRIBUTION TO THE ECONOMY

Summary of Economic Contributions						
Toyota Group Investments	Over PhP 36 Billion (1989-2014)					
Government Revenue	Over 174 Billion (1989-2014)					
Employment (Toyota Supplier & Dealer Hetwork)	Over 48,000 Employees (as of December 2014)					
Local Parts Purchased	Approximately PhP 134 Billion (1989-2014)					
Toyota Group Parts Exports	Approximately US \$11 Billion (since1997)					
Toyota Vehicle Sales	963.185 units (1989-2014)					
Toyota Vehicle Production	601,563 units (1989-2014)					

Through its manufacturing operations in the Philippines, Toyota's business has provided over 48,000 jobs spanning its manufacturing plant, head office, as well as its supplier and dealer network. It has also brought in over Php 36 Billion in investments and has paid over Php over 174 Billion in duties and taxes to the government since the start

of its operations. TMP is among the Large Taxpayers in the country and was a recipient of the 2013 and 2014 Billionaire's Club Award conferred by the Bureau of Internal Revenue (BIR).

Toyota's operations in the Philippines has allowed expansion of auto parts manufacturers, even allowing exports to supply Toyota's global demand. Currently, the Toyota Group is composed of thirteen (13) Parts Export Suppliers, performing strategic roles in the manufacture and export of automotive products to ASEAN, Japan, and other parts of the world. Since 1997, the Toyota Group's parts exports has reached approximately US\$ 11 Billion.

TOYOTA INITIATIVES IN THE LOCAL PARTS INDUSTRY

Taking an active role in helping the local automotive industry remain globally competitive, TMP implements various initiatives to support the local parts industry. Toyota further develops the productivity of small and medium enterprises (SMEs) in the industry. Since 2005, TMP has been involved in programs where big companies mentor small companies, such as

in the Employers Confederation of the Philippines (ECOP) Institute for Productivity and Competitiveness' Big Enterprise, Small Enterprise (EBESE) scheme in cooperation with the Department of Science and Technology (DOST) and the Department of Trade and Industry (DTI). This involves a mentoring process, cascading supplier development in the areas of cost, quality, and deliverability from one level (or "tier") to the next. By the end of 2014, the EBESE-Toyota Automotive Cluster Development Program has benefited 98 suppliers, even down to

the third-tier.

Aside from this, Toyota also monitors safety activities of its suppliers through regular safety audits. The company also conducts technology transfer to suppliers related to production systems, quality, and cost improvement, as well as mutual sharing of improvement activities through actual presentation of problem-solving activities during Supplier Quality Control Circle (QCC) competitions.

	2005-2008	2009-2010	2011	2012-2014	TOTAL
1st Tier	22	1	3		26
2nd Tier	46	7	7	5	65
3rd Tier	3	1	2	1	7
		TOTAL			98



Toyota's approach to social development has become more holistic and socially relevant over the years. We have undertaken landmark projects that would largely benefit various sectors of the Philippine society.

GT-TOYOTA ASIAN CULTURAL CENTER (GT-TACC)

Seeing the major role that the ASEAN region will play in the future, TMP made a Php 100-Million donation to the University of the Philippines (UP) Asian Center in Diliman, Quezon City for the construction of the 1-hectare GT-Toyota Asian Cultural Center (GT-TACC), which houses the GT-Toyota Hall of

Wisdom and the GT-Toyota Asian Center Auditorium in the university's main campus in Diliman, Quezon City. The GT-Toyota Hall of Wisdom houses a museum and library. The museum showcases four major halls and provides exhibit space for the Asian Center's collection of Philippine ethnographic materials. The Hall of Wisdom also provides offices and meeting rooms for research, extension, and conference activities. The GT-Toyota Asian Center Auditorium, on the other

hand, is a 500-seat hall for international conferences and other similar events.

The donation was made during TMP's 20th Anniversary and UP's Centennial Year. Inaugurated in December 2009, the GT-TACC has become a scholarly and intellectual hub for various workshops and fora related to the region's changing socio-political landscape.

ROAD TRAFFIC SAFETY

For Toyota, vehicle safety remains its top priority as it continuously strives to develop not only attractive and comfortable automobiles, but more importantly, safe and reliable vehicles. However, as road safety does not solely rely on the quality of vehicles on the road, the company is also very passionate about creating a holistic program that would address the inter-related components of Road Traffic Safety (RTS) – vehicles, people, and traffic environment.

The RTS project included the establishment of the UP Traffic Safety Model Zone inside the Diliman campus in 2008 to promote road safety to motorists and pedestrians, aiming at long-run nationwide application. Continuous education on road traffic safety is also made possible through the Toyota Training Room inside the U.P. National Center for Transportation Studies (UP-NCTS).



The Road Traffic Safety project culminated in December 2012 through a Unity Forum with the Metro Manila local government units (LGUs) as part of the AAP-Toyota Driving Under the Influence (DUI) Project. The forum aimed to promote the standardization of all LGUs' ordinances pertaining to

DUI, including alcohol level limits, procedures for apprehensions and adjudications, and reporting violations. During the event, Toyota also donated Road Traffic Safety educational DVDs for public utility vehicle drivers to the Land Transportation Franchising and Regulatory Board (LTFRB).



Volunteers from Toyota Motor Corporation (TMC) in Japan, Toyota Motor Philippines Corporation (TMP), Toyota Makati, Inc. (TMI), Toyota Bicutan-Parañaque (TBP), Toyota San Fernando (TSF), Toyota Autoparts Philippines, Inc. (TAP), Lexus Manila, Inc. (LMI), and Toyota Financial Services Philippines (TFSPH) during the annual tree-planting activity in Peñablanca, Cagayan

PHILIPPINE PEÑABLANCA SUSTAINABLE REFORESTATION PROJECT

The Philippine Peńablanca Sustainable Reforestation Project (PPSRP) was a joint undertaking of the Toyota Group, non-government organization Conservation International (CI) Philippines, the Peñablanca local government, and the Department of Environment & Natural Resources (DENR). Funded by Toyota Motor Corporation (Japan), the US\$3.0 Million project aimed to efficiently promote sustainable reforestation efforts in the area, as well as improve the quality of life of local residents by involving them in the project so they could have a steady source of income. They were taught to plant and cultivate mango trees. Ten percent of the proceeds from mango sales were put aside in a Reforestation Fund to ensure that reforestation activities would be continued by the residents. For their personal needs, certain trees have been designated for firewood, and rice hulls have been used to supplement firewood as fuel for cooking. Likewise, locals were taught to plant ten (10) species of indigenous trees to restore the forests and prevent flooding in the lowlands. TMP also donated a Hilux unit to be used by the project implementers as a service vehicle.

From 2007 to 2012, the Toyota Group had been regularly sending volunteers

to Peñablanca to plant trees at the project site. TMP Team Members, as well as volunteers from Toyota Motor Corporation (TMC) in Japan and employees from TMP's affiliated companies like Toyota Makati, Inc. (TMI), Toyota Bicutan-Parañaque (TBP), Toyota San Fernando (TSF), Toyota Autoparts Philippines, Inc. (TAP), Lexus Manila, Inc. (LMI), and Toyota Financial Services Philippines (TFSPH) joined the annual activity.

In 2013, the reforestation of 2,500 hectares of land under the project was completed. The 6-year project was formally closed in July through a handover ceremony held at Hotel Roma in Tuguegarao City, Cagayan. During the ceremony, the management and responsibilities of the project were officially turned over to the local stakeholders.

The PPSRP was awarded the Gold level—the highest level achievable—by the Climate Community and Biodiversity (CCB) Standards for its exceptional biodiversity benefits. Meeting the CCB criteria means that the project will not only restore and protect the forests, but also reduce greenhouse gases, preserve biodiversity, and improve the livelihood of local people while also helping to conserve critically endangered species.



(From left) TMP First Vice President Lito Aligada, TMPF President David Go, TMP President Michinobu Sugata, UPLB Chancellor Victor Cruz, UPLBFI Executive Director Cecilio Arboleda, and Makiling Center for Mountain Ecosystems (MCME) Director Nathaniel Bantayan during the Memorandum of Agreement Signing Ceremony

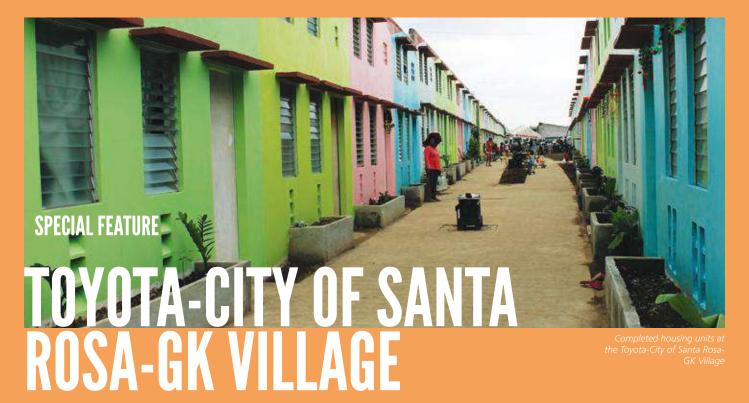
TOYOTA ADOPT-A-FOREST PROJECT

Continuing its advocacy for environment conservation and enhancement, TMP, through TMPF, forged a collaborative partnership with the University of the Philippines Los Baños Foundation, Inc. (UPLBFI) in August 2012 for the implementation of the Toyota Adopt-A-Forest Project. Together with its regional affiliate, Toyota Motor Asia Pacific Pte. Ltd. (TMAP), Toyota provided funding with total project cost amounting to Php 1.3 Million.

The project includes the reforestation of ten (10) hectares inside the Makiling Botanic Gardens (MBG), creation of a 3-hectare Toyota Palmetum Garden, construction of a nursery and propagation of palm tree seedlings, and refurbishment of an existing 300-sq.m. room to be developed into a Toyota Environment Education Theater.

In May 2013, volunteers consisting of TMP Team Members and their families planted one hundred (100) indigenous trees inside MBG as part of the project.





Toyota Motor Philippines Corporation (TMP) continues to partner with the government and the private sector to contribute to poverty alleviation and nation building through community development. This is Toyota's way of giving back to the society, which has given the company so many opportunities for business growth.

In partnership with the City Government of Santa Rosa and Gawad Kalinga (GK) Development Foundation, TMP through Toyota Motor Philippines Foundation (TMPF) constructed the Toyota-City of Santa Rosa-GK Village for deserving beneficiaries

Toyota donated a total of Php 23 Million for the construction of 160 socialized housing units and a multi-purpose hall inside the village. The City Government of Santa Rosa donated the land for the Project Site. The total land area covers 8,000 sq. m. Out of this land, around 5,000 sq. m. have been allocated for housing and around 3,000 sq. m. for the development of a common area, where



Children at the Toyota-City of Santa Rosa-GK Village

a park, school, community center, and multi-purpose hall will be constructed. As the lead coordinator for the project, GK implements the housing program and community-building, enabling them to contribute to the social development of Santa Rosa, Laguna.

The housing units were officially turned over to beneficiaries in December 2013.

<u>Project milestones</u>



February 7, 2012: Memorandum of Agreement (MOA) Signing Ceremony



February 8, 2012: Groundbreaking Ceremony

PROJECT MILESTONES



June 20, 2012: Ceremonial Build among Partners



December 3, 2012: Partners' Day (Ceremonial Painting of finished houses)



January 18, 2013: Volunteers' Day (Actual Painting of finished houses by Toyota volunteers)



February 8, 2013: Phase 1 & 2 Turnover Ceremony (Turnover of completed housing units to beneficiaries)



March 23-27, 2013: House Build during the GK Bayani Challenge



December 17, 2013: Final Turnover Ceremony (Turnover of completed housing units to beneficiaries)



TMP aims to contribute to the Philippines and global Toyota by becoming the best source of highly-skilled automotive professionals in the world. In establishing its very own technical school, TMP aims to produce highly-skilled Filipino workers to ensure the availability of technicians to serve the local dealer network, as well as supply skilled manpower to meet global demand. Geared towards nation-building, TMP aims to provide the Filipino youth with quality education and a better future.



TMP Tech Founders TMP Chairman Dr. George S.K. Ty and TMC Honorary Chairman Dr. Shoichiro Toyoda

On August 2, 2013, TMP formally inaugurated the Toyota Motor Philippines School of Technology (TMP Tech) at the Toyota Special Economic Zone (TSEZ) in Santa Rosa City, Laguna. Founded by Toyota Motor Corporation (TMC) Honorary Chairman Dr. Shoichiro Toyoda and TMP Chairman Dr. George S.K. Ty, TMP Tech stands as a concrete example of Toyota's unwavering efforts to further contribute to the betterment of Philippine society.

Through TMP Tech, which started operations in September 2013, TMP is leveraging its technical, financial, and human resources in order to catalyze national development. The establishment of the school is, likewise, a significant step towards TMP's grand dream to make the Philippines a Human Resource

As a world-class technical institution, TMP Tech provides state-of-the-art facilities, highly-trained instructors and up-to-date equipment with a high equipment-to-student ratio to ensure thorough hands-on training and conducive learning environment. TMP Tech's advanced and fast-track curriculum offers a 2-year regular Automotive Servicing Course – General Job Program certified by the Technical Education and Skills Development Authority (TESDA). After completing the program, a TMP Tech graduate is equipped with Toyota Pro-Technician skills. TMP Tech has also partnered with TESDA for

an Industry Immersion Program for the continuous upgrade of technical education in the country

The school's strong academe-industry linkage program allows holistic development of its students, thereby producing highly-skilled graduates, ensuring a stable supply of after-sales technicians for the continually expanding local Toyota Dealer Network



TMP Tech students during

Another program of TMP Tech is the Specialized Toyota Automotive Training Program (STATP) for Abdul Latif Jameel Imports and Distribution Co. Ltd. (ALJID), allowing for deployment of graduates to Toyota dealerships in the Kingdom of Saudi Arabia. Likewise, a partnership with Chisholm Institute, a Registered Training Organization (RTO) in Australia, will also align the school's curriculum with the Australian technical vocational education training (TVET) system, in order for graduates to be eligible for employment in Commonwealth countries.

TMP Tech also aims to extend equal educational opportunity to financially-challenged but deserving students



1st Batch of Diagnosis Technicians trained in TMP Tech under the STATP to be employed by ALJID in KSA

through various scholarship grants. The school has signed agreements with Toyota-affiliated institutions such as Toyota Motor Philippines Foundation (TMPF), GT-Metro Foundation and Toyota Dealers Association and has been accepting sponsorships from private individuals to provide a better future for the Filipino youth.

TMP Tech continuously makes its mark in the global arena, with Toyota Motor Corporation (Japan) VIPs, Toyota's global affiliates and foreign TVET organizations visiting.



TMP Vice Chairman Alfred V. Ty and visiting TMC President Akio Toyoda (right) on July 3, 2013



TMC Chairman Takeshi Uchiyamada (2nd from left) visits TMP Tech September 14, 2014



TMC Honorary Chairman Dr. Shoichiro Toyoda (2nd row, center) is welcomed by the TMP Tech faculty and students on December 19, 2014

Several Toyota regional conferences have also been held in the school, including the 2014 Asia Pacific Social Contribution Meeting where TMP showcased TMP Tech itself as the company's best CSR program in the country.



4th Asian Technical Service Conference June 24, 2014



2014 Asia Pacific Social Contribution Meeting June 25, 2014



Toyota Motor Philippines Foundation (TMPF), TMP's socio-civic arm that carries out our various corporate social responsibility (CSR) initiatives, continues to strengthen its programs categorized under four pillars: Health, Education, Environment and Community Service.

TOYOTA MOTOR PHILIPPINES FOUNDATION

HEALTH

continues to share responsibility in bringing medical assistance to the communities where it belongs. Through TMPF, it provides its host communities with quality healthcare services through the regular Medical and Dental Outreach Program (MDOP). Together with its partners, TMPF provides free consultation, laboratory services, and medicine. Consultation services include Pediatrics, General Medicine, Urgent Care, ENT/Ophthalmology, OB-Gyne, Surgery, and Dermatology. Ancillary services like chest x-ray, complete blood count, random blood sugar, urinalysis, electrocardiogram, and pelvic ultrasound are also made available. Dental services which include tooth extraction and oral prophylaxis are also available. In 2014, mammography service for women was also added.

The MDOP has, so far, provided healthcare support to over 100,000 constituents of the cities of Santa Rosa and Parañaque since the program started in 1992.



Toyota donates medical equipment to Santa Rosa Community Hospital

To further support public healthcare services, TMPF also donates medical equipment such as nebulizer, defibrillator, ECG machine, cardiac monitors, suction machine, wheelchairs and stretchers to the Santa Rosa Community Hospital.

The medical missions and donation of medical equipment are part of Toyota's commitment to assist in the development of communities where it operates, particularly in helping the less fortunate obtain quality medical attention.

EDUCATION

Toyota Technical Education Program (T-TEP)

The Toyota Technical Education Program (T-TEP) is a global program of Toyota Motor Corporation (TMC) in Japan. Under T-TEP, TMC provides hi-tech automotive training packages to all partner institutions, while TMP and TMPF provide additional training materials, support activities, and

training for instructors and select graduates. As of 2014, there are six (6) T-TEP partner schools in the country – three (3) in Metro Manila, one (1) in Southern Luzon, one (1) in the Visayas, and one (1) in Mindanao.

These are: Don Bosco Technical Institute (DBTI) Makati, Guzman College of Science & Technology (GCST), Technological University of the Philippines (TUP), Toyota Motor Philippines School of Technology (TMP Tech), College of Technological Sciences-Cebu (CTS-Cebu), and University of Mindanao (UM). The T-TEP plays a significant role in the Toyota Human Resources Development System by promoting recruitment, training, and certification to produce the best Toyota after-sales technicians.



(From left) TMPF Assistant Vice President Ronald Gaspar, TMP Tech Technical Director Loreto San Pedro, Jacobo Z. Gonzales Memorial School of Arts and Trades (IZGMSAT) vocational school Administrator Benito Reyes, Technical Education and Skills Development Authority - Laguna Provincial Director Pascual Arriola, TMPF President David Go, TMPF Treasurer Blesilda Rodriguez and TMP First Vice President for Corporate Affairs Cristina Arevalo during the donation of two engine training simulators to IZGMSAT last August 18, 2014.

Automotive Education Program

To complement, enhance and expand the concept of the T-TEP program, TMPF, with the strong support of TMP Customer Service Operations (TMP-CSO) established the TMPF Automotive Education Program (AEP). A component of this program is Market-driven Scholarship, a unique grant that sends poor but deserving students to TMPF partner-schools to study automotiverelated courses. After graduation, the Toyota dealership where the scholar had his on-the-job training has the first option to hire him. Currently, TMPF has 24 partner schools. As of 2014, it has supported a total of 690 scholars.

With the objective to further strengthen the basic knowledge and further hone the skills of automotive students, TMPF donates engine training simulators and other automotive related equipment primarily to partner schools and to other community partners where Toyota and its dealerships operate. TMPF also supplements its partner schools' tools



The fifteen (15) Toyota scholars that graduated from Don Bosco Technical Institute (DBTI) - Makati in October 2013 together with (front row, from left) DBTI Scholarship Coordinator Armando Marquez, DBTI Assistant Technical Director for Pastoral Affairs Fr. Rey Ranjo, DBTI Technical Director Fr. Dindo Vitug, DBTI Rector Fr. Paul Bicomong, SM Foundation Director for Education Linda Atayde, TMPF Assistant Vice President Ronald Gaspar, and DBTI Mobilization Officer Bro. Elmer Rodriquez

inventory through the donation of basic automotive tools and signage.

To continuously update the knowledge of technical instructors in partner schools, TMPF also provides Instructors' Training. Special courses are created in cooperation with TMP's Customer Service Operations (CSO) Training Section in order to share new teaching methodologies and update instructors on developments in Toyota Engine Technologies.

Adopt-a-School Program

In response to the Department of Education's call for the private sector's support to education, Toyota takes care of its adopted school, Pulong Sta. Cruz Elementary School (PSCES), in Santa Rosa City, Laguna, through the various programs implemented by TMPF. TMPF assists in the repair and construction of school facilities, promotes aptitude and skills development of students and school personnel, and conducts seminars on health, nutrition, environmental awareness, and road safety.

TMPF supports the physical well-being of PSCES teachers by sponsoring a supplemental Annual Physical Exam (APE) which 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) are also available. Since the APE sponsorship started

in 2004, a total of 490 teachers have availed of the various services during the activity. Aside from this, TMPF also provides training programs to continuously upgrade the knowledge of the teachers.

In 2013, TMPF, together with NGO Kabisig ng Kalahi and with the support of Mead Johnson Nutrition, launched the "Pasiglahin ang Estudyanteng Pinoy" (PEP) Feeding Program in PSCES to its students through the provision of educational materials, other tools and resources, as well as by helping those who need nutritional assistance to improve their health and academic performance. Since 2011, 180 students have benefited from the feeding program.

To promote educational excellence among students, TMPF conducts activities such as the annual "Quest for the Best" Quiz Bee Competition for Grades 3-6 students and

"Lakbay Aral" Educational Tour for selected students. Since their inception, a total of 168 students have participated in "Quest for the Best," while 300 students have joined the "Lakbay Aral" Educational Tour.

TMPF also supports PSCES through the repair and construction of its facilities. This includes the repair of the school's stage and restrooms, and the refurbishment of the "Toyota Knowledge Room," where the students can get supplemental learning through media resources. TMPF also participates in the annual "Brigada Eskwela", a nationwide program by the Department of Education (DepEd) to prepare public elementary schools before school opening. Toyota volunteers take part in the two-week activity to perform minor repairs, maintenance work, and cleanup in classrooms and the premises of PSCES. Toyota also donates cleaning, painting, and repair materials for this activity.



Feeding Program





"Quest for the Best" Quiz Bee Contest



Annual "Brigada Eskwela"



ENVIRONMENT

advocacy on environment. include activities These such tree-planting, as donation of tree seedlings to communities, lakeshore clean-up, and coastal cleanup, among others.

The 11-hectare Toyota Forest, which surrounds the TMP plant at the Toyota Special Economic Zone (TSEZ), has its own tree nursery where TMPF sources seedlings that it donates regularly to local government institutions and other private organizations. Serving its community, Toyota conducts comprehensive public information programs environment on preservation to surrounding communities in Santa Rosa.

Together with its partner schools and organizations, TMPF conducts tree-planting activities. In 2009, TMPF supported one of its partner schools, the Mariano Marcos State University (MMSU), together with Barangay Quiling Sur, Batac, Ilocos Norte, to rehabilitate the Riparian Zone of Quiaoit River in Ilocos Norte. The project aimed

Toyota implements many to prevent soil erosion along the programs that support its riverbanks of the Quiaoit River, an important water source for the barangay and the rice fields nearby. The rehabilitation project included the creation of a tree nursery to propagate indigenous hardwood and fruit-bearing trees for planting. Today, the nursery produces tree seedlings to be planted along the 3-km Quiaoit Riverbanks.

> Toyota does its part in taking care of the Laguna river system. Through TMPF, Toyota participates in environment activities of the City Government of Santa Rosa, Laguna. Toyota team members take part in the annual SILAKBO ("Sikad-Lakad-Takbo para sa Kalikasan") fun run to help raise funds for the Save the Silang-Santa Rosa River Foundation, Inc. (S3R2), which Toyota actively supports as a member. Likewise, Toyota's team members and TMPF scholars participate in the clean-up along Laguna de Bay's lakeshore in Santa Rosa.

TMPF also participates in the annual International Coastal Clean-up organized by the Department of Environment and Natural Resources (DENR).

COMMUNITY SERVICE

Calamity Assistance & Relief Operations

Through TMPF, Toyota provides community service to the city of Santa Rosa and the province of Laguna by providing calamity assistance. In 2012 and 2013, Toyota contributed a total of Php 2 Million for relief operations and rehabilitation projects in the City of Santa Rosa and the Province of Laguna in the aftermath of monsoon-related flooding.



TMPF President David Go. TMP President Michinobu Sugata, and Santa Rosa City Mayor Arlene Arcillas during the donation handover ceremony

CSR PERFORMANCE HIGHLIGHTS

FLAGSHIP PROJECTS

Road Traffic Safety

- Donated **25 sets** (9 DVDs per set) of Road Traffic Safety educational DVDs in 2012 for distribution to public utility vehicle drivers by the Land Transportation Franchising & Regulatory Board (LTFRB)

Philippine Peñablanca Sustainable Reforestation Project
• Completed the reforestation in 2013 of **2,500 hectares** of land for the entire project

REFORESTED AREA (in hectares)								
	PHASE 1 PHASE 2 Sept. 2007 to Jul. 2010 Aug. 2010 to Jul. 201							
Indigenous species	1,212	588						
Agroforestry	560	140						
Subtotal	1,772 728							
TOTAL	2,500							

Toyota-City of Santa Rosa-GK Village

- Php 23 Million total donation for the development of Toyota-City of Santa Rosa-GK Village

Adopt-A-Forest Project

the University of the Philippines Los Baños Foundation, Inc. (UPLBFI) in 2012 for the implementation of the **Php 1.3 Million** Toyota Adopt-A-Forest Project which aims to reforest ten (10) hectares inside the Makiling Botanic Gardens (MBG), create a 3-hectare Toyota Palmetum Garden, Toyota Environment Education Theater

HEALTH

Medical and Dental Outreach Program

- •100,263 patients served since 1992

EDUCATION

- 6 Toyota Technical Education Program (T-TEP) Partner Schools
- •20 Automotive Education Program (AEP) Partner Schools

- 738 Graduated Scholars since 1990
 107 Current Scholars^{1/2}
 13 Technical-Vocational Instructors from partner schools who *1 continuing scholars + new scholars as of Dec. 31, 2014

ENVIRONMENT

- 4 International Coastal Clean-up activities participated in during the period 2010 2014
 3 Lakeshore Clean-up activities conducted during the period

COMMUNITY SERVICE

- Php 6 Million total donation for calamity assistance:
 2012: Php 1 Million for rehabilitation projects in the aftermath of the flood caused by monsoon rains
 - •2013: Php 1 Million for rehabilitation projects in the
 - Php 4 Million for rehabilitation projects in the aftermath of Typhoon Yolanda (Typhoon Haiyan)

TEAM MEMBER VOLUNTEERISM

Number of Volunteers								
2010 2011 2012 2013 2014								
Medical Dental Outreach Program (MDOP)	20	67	64	49	32			
SILAKBO ("Sikad-LakadTakbo Para Sa Kalikasan")	25	47	24	30	30			
International Coastal Clean-Up	14	13	_	14	4			
Adopt-a-Forest Tree-planting activity	_	_	_	32	_			
PPSRP Tree-planting activity	78	66	58	_	_			



ONE TOYOTA: GIVING HOPE, MOVING FORWARD

Toyota and its affiliates are one with the Philippines in rebuilding calamity-stricken communities. In the aftermath of Typhoon Yolanda that struck the country in November 2013, Team Toyota once again contributed to the nation's efforts to alleviate the situation of affected Filipinos.

"One Toyota: Giving Hope, Moving Forward" was organized to consolidate the efforts of the Toyota Team in responding to the needs of people devastated by the super typhoon. Playing an active role in the One Toyota movement was the Tulungan Network of Toyota Employees (T-NOTES), a volunteer organization composed of TMP Team Members. The group initiated a company-wide donation drive to gather cash and relief goods for the typhoon survivors. Donation boxes were set up at key areas inside the company premises, while a voluntary salary deduction scheme was also facilitated by TMP so that Team Members can conveniently give monetary donations. Simultaneously, T-NOTES spearheaded One Toyota's participation in the relief goods repacking activities at The Feast Alabang and at the National Resource Operations Center (NROC) in Pasay City.

For its part, TMP donated three (3) brand new Hilux pick-up trucks through Toyota Tacloban, Leyte (TTL). The vehicles were used for the distribution of relief goods in the affected areas.

In December, TMP president Michinobu Sugata and other TMP executives also visited the Toyota Tacloban, Leyte (TTL) dealership to distribute gift baskets to TTL Team Members to remind them to celebrate Christmas despite the

To express solidarity with the survivors of the devastating calamity, TMP, as requested by its Labor Management Council (LMC), decided to have a simple yet meaningful luncheon instead of



(From left) TTL President Jimmy Yaokasin and TMP President Michinobu Sugata together with TTL Team Members during the gift-giving activity



TMP donated three (3) brand new Hilux pick-up trucks for relief operations in Tacloban City, Leyte

having its annual grand Corporate Christmas Party. This initiative generated Php 700,000 in savings, which in turn was used by the company for the mobilization of relief operations.

On top of these efforts, TMP, Toyota Motor Corporation (TMC) in Japan, and Toyota Financial Services Philippines Corporation (TFSPH) contributed a total of Php 10 Million to be used in ongoing relief and rehabilitation efforts.

SUMMARY OF TYPHOON YOLANDA DONATIONS

- Toyota Group initially donated Php 10
- Toyota Motor Corporation
- Toyota Motor Philippines
- Toyota Financial Services Philippines,

- TMC gave additional donations.
 - Individual Team Members Php 5.1 Million
 - Company Php 5.1 Million
 Workers' Union Php 2.2 Million
- TMP's additional assistance includes:
 - Donation of Php 2.7 Million & 3
 Hilux units to Toyota Tacloban
 - TMP Team Members gathered Php 1
 Million worth of donation
 - TMP Team Members volunteered in relief operations



MUSIC THAT TRULY MOVES LIVES

Since 1990, Toyota has been promoting classical music while supporting various charities across Asia through the Toyota Classics. In the Philippines, the most recent Toyota Classics concerts supported the Toyota-City of Santa Rosa-GK Village in Santa Rosa City, Laguna and the construction of schools in areas heavily damaged by Typhoon Yolanda (Haiyan) in Samar and Leyte.

On November 6, 2014, TMP staged the 25th Toyota Classics with the theme "Music That Moves Lives". Led by violinist Vasko Vassilev and pianist Pamela Tan-Nicholson, the concert featured the Covent Garden Soloists Orchestra from London's world-renowned Royal Opera House. Dubbed "Cinema Concertos," the Toyota Classics concert blended classical orchestra with the glamour of the silver screen, presenting diverse musical genres from classic western movie themes to a medley of the most loved songs from *The Phantom of the Opera*. Local talents Bituin Escalante and Dondi Ong performed center stage for *The Phantom of the Opera* repertoire

This is the highest grossing concert so far for the Manila leg of the Toyota Classics, with ticket proceeds reaching Php 1.5



Million. During the intermission, TMP Vice Chairman Alfred V. Ty announced TMP's commitment to support the rehabilitation of areas badly hit by Typhoon Yolanda through the donation of Php 2 Million to Plan International, a humanitarian organization involved in building schools in those areas. The Php 2 million donation will be utilized to equip classrooms with blackboards,

top of this donation, another Php 1 million was donated to Gawad Kalinga Development Foundation (GK) to add to the funds for the construction of a multi-purpose hall inside the Toyota-City of Santa Rosa-GK Viillage, Santa Rosa





In 2010 and 2012, the Toyota Classics proceeds were donated to the Toyota-City of Santa Rosa-GK Village Project in Santa Rosa City. Laguna.

STABLE BASE OF BUSINESS

Vital to our business is the application of the Toyota Way which sums up the intrinsic philosophy, beliefs and values of Toyota as a company.

By developing our people in accordance with the Toyota Way, we empower them to continuously make improvements and adapt to change. As our Team Members carry out their respective responsibilities based on Toyota's shared global values, they are able to participate in making "always better cars", contribute to enriching lives of communities through these cars and, consequently, support a profitable business that thrives amidst an ever-changing business environment. This, in turn, leads back to reinvestment in the making of always better cars.

Guided by the Toyota Way's two pillars — Respect for People and Continuous Improvement — we strive to create a stable base of business to sustain this "virtuous cycle" in order to realize sustainable growth.

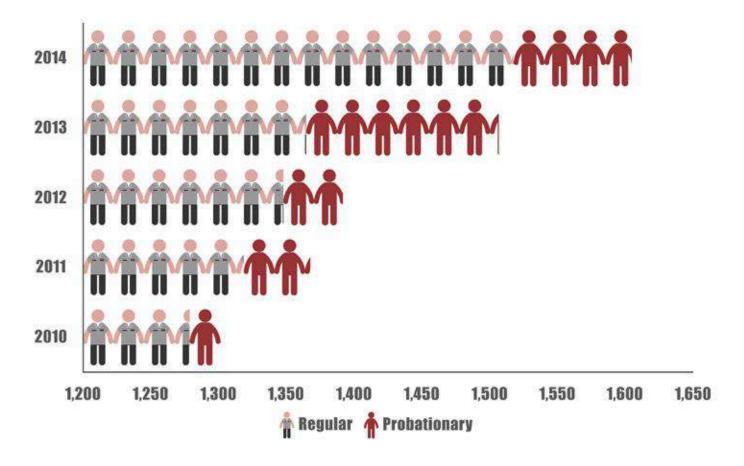


In TMP, we refer to our employees as Team Members and we consider them as our greatest asset. Thus, we ensure that each individual's basic needs are met, including further personal and professional development. This ethic has produced a well-trained, highly motivated, and empowered workforce that serves as the key factor in ensuring Toyota's world-class product quality and in providing total customer satisfaction.

THE TOYOTA TEAM

With the steady growth of our business in the country, we have managed to increase our manpower over the last five years. At the end of 2014, TMP has a total of 1,605 Team Members, composed of regular and probationary Team Members.

BY EMPLOYMENT TYPE



	2010	2011	2012	2013	2014
Regular	1,279	1,319	1,348	1,365	1,518
Probationary	23	49	44	142	87
Total	1,302	1,368	1,392	1,507	1,605

BY LOCATION

Team Members are assigned at either the Main Office in Santa Rosa City, Laguna or at the Marketing Office in GT Tower, Makati City. Majority of Team Members are assigned at the Santa Rosa office, as this is where the manufacturing plant is located. Some Team Members are also assigned at Toyota's offices in Japan, Thailand and Singapore as part of our Intra-Company Transferee (ICT) Program. This is part of TMP's developmental program for its Team Members.

As of end-2014, Manufacturing shop floor-assigned Team Members account for 55% of total employment with an 880-strong workforce. On top of this, there are also around 156 cooperative workers and 343 On-the-Job Trainees assigned to the shopfloor.

BY GENDER

Due to the nature of TMP's car manufacturing business, 83% of the Team Members are male. It is noteworthy that female members account for 23% of the management team as of 2014. We are also proud to say that there are no recorded incidents or acts of gender discrimination in the Company.

BY AGE AND TENURE

Team Members have an average age of 36 and average tenure of 13 years.

	2010	2011	2012	2013	2014
SANTA ROSA	1,237	1,296	1,294	1,429	1,499
Mfg - Shopfloor	766	814	766	857	880
Mfg - Office	129	133	172	165	184
Non -Mfg	342	349	356	407	435
GT TOWER	57	63	85	71	101
OFFSHORE		9	13	7	5
Japan	0	1	1	0	0
Thailand	6	7	9	4	4
Singapore	2	1	3	3	1
Total	1,302	1,368	1,392	1,507	1,605

DEVELOPING OUR TEAM MEMBERS

TMP'S TRAINING ROADMAP

Toyota aims to hire, develop and keep the best people. Thus, it continues to shape a corporate environment that nurtures and brings out the best in every Team Member. The Company continually invests in employee training and education to provide a platform for employees to find personal fulfillment and job satisfaction.

Toyota's thrust for continuous improvement includes empowering its workforce to constantly look for better and more efficient ways to do things at work. Team Members are, likewise, encouraged to maximize development opportunities to ensure continuous improvement of skills.

TMP's Training Roadmap is designed

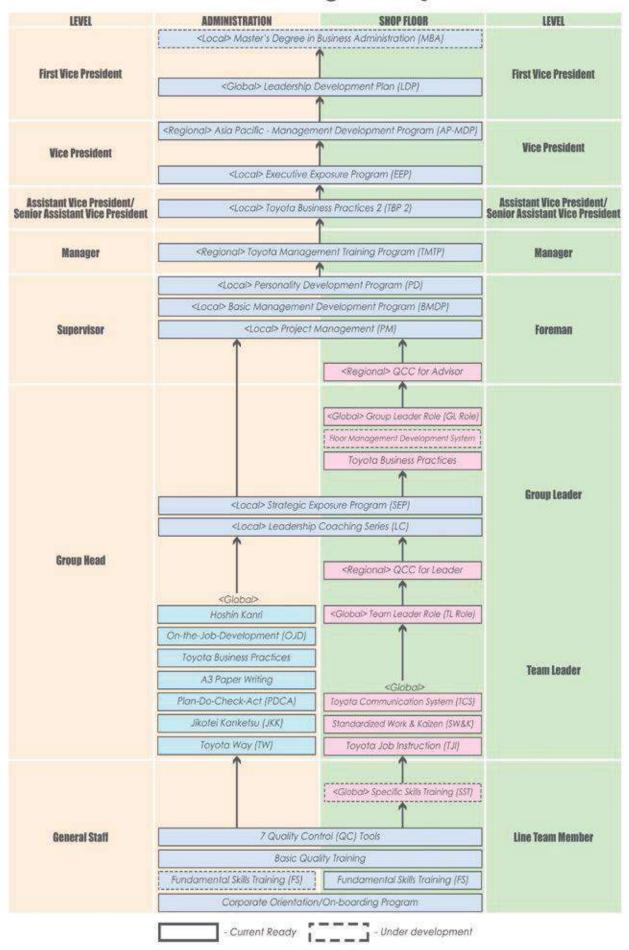
to support the defined job functions in TMP: Manager, Supervisor, Group Leader, Team Leader, Staff, and Line Team Member. It provides the framework for the overall training and development of every TMP Team Member. This outlines the Team Member's basic roles, skills needed, and the appropriate training programs that aim to develop the required skills. Team Members receive local, regional, and global training in accordance with their career movement.

TMP recognizes that developing leadership within its ranks is a long journey. Thus, the training curriculum is periodically re-assessed and improved to reflect new skill development and function requirements. In 2014, TMP

devoted a total of 932 hours for the conduct of in-house training programs. On top of these, Team Members also attend special training programs and public seminars as required by their job function.

In addition to training programs, Job Rotation is also implemented at every level of the organization for faster talent development. This practice aims to widen Team Members' work and functional perspective as well as allow faster learning among leaders about the Company's business processes and major areas of operations. Opportunities for job rotation range from internal rotation or transfer, to regional or global assignment.

TMP's Training Roadmap



REGIONAL & GLOBAL TALENT DEVELOPMENT

TMP Team Members also gain exposure in Toyota's regional and global operations through the Company's participation in overseas training programs.

Launched in 1991, the **Intra-Company Transferee** (ICT) **Program** was developed by Toyota Motor Corporation (TMC) in Japan for the optimum utilization of global human resources in order to support overseas affiliates in achieving self-reliance through local staff development. ICTs also gain an enriching experience through exposure to different cultures, environment, and people.

TMP dispatches 1% of its population annually to participate in the ICT program. These ICTs specialize in production engineering, quality, production planning and control, purchasing, sales and product planning, parts promotions planning, information technology, corporate planning, customer service and human resources.

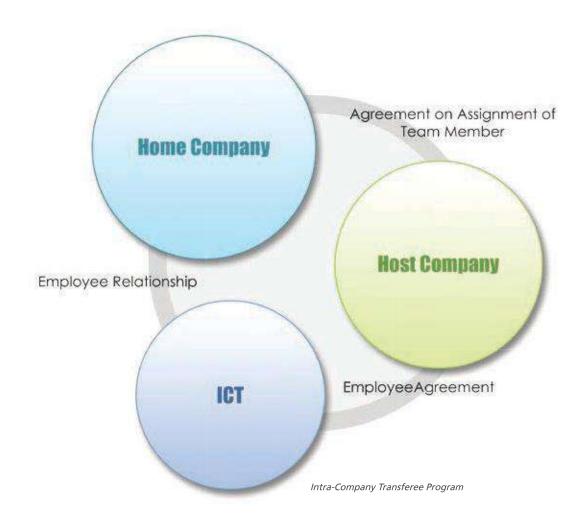
Team Members assigned in Japan

support production operations. Recently, majority of the ICTs are deployed to Singapore and Thailand where Toyota's Asia Pacific regional operations are based. Team Members assigned in Thailand support engineering and manufacturing operations, while those in Singapore support marketing and sales operations. As ICTs, regular employment status and seniority of Team Members are retained in TMP.

In preparing the next generation of leaders, TMP introduced the ICT program for executives in 2012. Under this, TMP executives are sent to regional affiliates for regional talent development and to strengthen the Company's succession management system.

As of end 2014, there are five (5) TMP Team Members on ICT assignment. To date, TMP has dispatched around 140 Team Members on ICT assignment, mostly to Japan.

Aside from the ICT program, TMP also participates in other short-term regional programs. Among these are the Asia Pacific - Management **Development Program (AP-MDP)** and the Leadership Development Program (LDP). Held in Thailand, the AP-MDP program aims to develop the management and leadership skills of key management members in the Asia Pacific Region. On the other hand, the LDP, held in Thailand and Japan, aims to develop managerial perspective, especially in regional, mid-term, and cross-functional thinking; deepening the understanding of the Toyota Way.



Human life is above everything else. This is why, in Toyota, the well-being of our workforce is our topmost priority. Based on Toyota's philosophy of Respect for People, the Company continuously strives to create a safe and healthful work environment. The Company aims to instill a safety mindset and develop a strong safety culture among its Team Members.

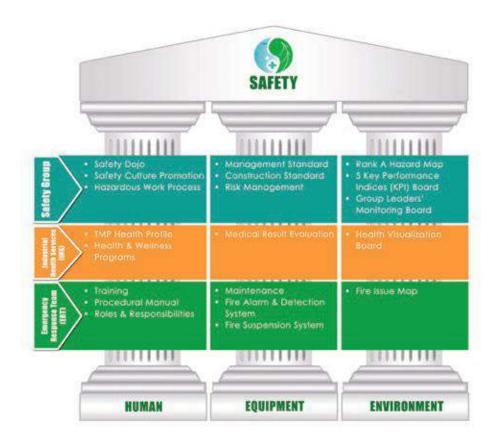
PROMOTING A SAFE AND HEALTHFUL WORK ENVIRONMENT

In fulfilling its commitment to protect Team Members and other resources from accidental loss, Toyota maintains and develops a safe and healthful work environment as indicated by industry standards, and complies with legal requirements. The TMP Central Safety

and Health (TCESH) Committee, formed in 2008, covers all of Toyota's business operations at the manufacturing plant, head offices, dealerships, and suppliers. The committee represents the Company's total workforce in all levels of the organization from top

management, labor leaders and rankand-file Team Members.

Toyota's safety and health management system is based on three pillars: Human Safety, Equipment Safety and Workplace Environment.



Human Safety aims to equip Team Members and business partners with the fundamental knowledge about safety and health by educating them about practices to observe whether they are inside or outside the workplace.

Toyota promotes the "Stop and Point Confirmation Rule" or "Yoshi-Yoshi Rule," to ensure first that all safety and health precautions are taken into consideration before proceeding to the next step of an activity.

A basic application of the "Stop and Point Confirmation Rule" or "Yoshi-Yoshi Rule" is checking both sides of the traffic lane before crossing the street. An individual is required to point with his/her finger and audibly say "Yoshi" (which means "Check") upon confirming that there is no hazard as he/she looks at each direction. This activity aims to instill a safety mindset and develop a strong safety culture.



MOVING FORWARD, MAKING A DIFFERENCE

Equipment Safety focuses on two major activities: Machine Safety and Construction Safety. Toyota annually conducts a machine safety audit to identify and address all machine-related hazards based on the standards. In coordination with Toyota Motor Asia Pacific - Engineering & Manufacturing (TMAP-EM), TMP also implements an accreditation process for its internal machine safety auditors. The Company also implements a work permit system to ensure that all safety and health precautionary

measures are taken into full consideration by all project owners and contractors before conducting construction and preventive maintenance activities inside the Toyota plant.

Pursuant to the provisions of the Occupational Safety and Health Standards of the Philippines, and as required by TMAP-EM's Risk Management Activities, TMP ensures that the **Workplace Environment** is compliant with standards to prevent

work environment hazards that may potentially arise from the dynamic changes in the workplace, and ensure that there are countermeasures in place. Toyota conducts its own annual internal audit based on the Toyota Motor Corporation Engineering and Manufacturing Standards (TEMS). A Work Environment Measurement (WEM) is also conducted annually by an accredited service provider of the Department of Labor and Employment - Bureau of Working Conditions (DOLE-BWC).

INCIDENT ^{1/}	2010	2011	2012	2013	2014
Minor Injuries 2/	17	11	9	6	6
Disabling Injuries 3/	2	1	1	2	2
Fatality	0	0	0	0	0
Near Miss	0	1	2	5	8
Vehicular Accident		8		0	0
Major Fire	0	0	0	0	0
Minor Fire	0	2	1	4	1
Chemical Spill	0	1	0	0	0
TOTAL	19	24	13	17	17

- 1/ Incident count includes regular TMP Team Members, seasonal workers (temporary line workers and on-the-job trainees) and contractors
- 2/ Minor injuries = Non-Loss Work Days (NLWD)
- 3/ Disabling injuries = Loss Work Days (LWD)

For 2010-2014, no fatalities have been recorded. However, the Company has noted that most safety-related incidents happened to seasonal workers (temporary line workers and trainees) and contractors. Thus, the Company started to implement an aggressive safety education program for them.

TMP's Safety and Health Section also closely monitors and evaluates the compliance of all seasonal workers and contractors. In order to ensure that safety and health practices and policies are implemented to their full extent, a safety leader is assigned for every ten (10) workers per project.

To cater to the various health and wellness needs of Team Members, TMP maintains an Industrial Health Services (IHS), which is composed of occupational health doctors, nurses and dentists. The Company also has an emergency vehicle on stand-by in case a Team Member with medical condition needs to be further managed in a hospital. Likewise, the Company signed an agreement with a tertiary hospital within the five (5) kilometer distance from its plant in Santa Rosa City, Laguna.

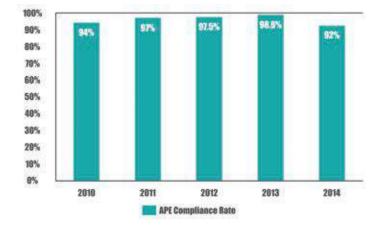
Moreover, TMP continues to partner with one of the leading healthcare providers in the country. Through this, TMP conducts an Annual Physical Examination (APE) to properly monitor the health condition of Team Members and ensure that they are fit and healthy to work. Based on APE results, the IHS then formulates health and wellness programs for Team Members. These, together with nutrition counseling by accredited nutrition and fitness consultants, have contributed significantly in addressing health problems.

The IHS also monitors the health condition of temporary workers, contractors and other business partners by requiring a medical examination before working in TMP, as well as an APE if they will work for over a year in the Company. Temporary workers can also avail of free medical consultation at the TMP clinic.

The Company also facilitates various voluntary vaccination programs such as for flu and cervical cancer. Health awareness programs about pulmonary tuberculosis, cancer (breast, cervical and prostate), HIV-AIDS and lifestyle diseases are also organized by the IHS to educate Team Members and their immediate families. This approach ensures that awareness of health, fitness and wellness is a shared responsibility between TMP and the Team Members' family.

On top of these, the Company also hired the services of fitness instructors who facilitate gym exercises and other fitness activities specifically designed to promote a healthy lifestyle among Team Members.

These various health and wellness programs are constantly evolving to suit Team Members' needs. Furthermore, TMP also observes "best practices sharing" and "accident information sharing" with other Toyota affiliates in the Asia Pacific region. These activities have successfully helped TMP in auditing its processes and business operations.



Toyota believes that it will be able to achieve its immediate and long-term goals only if the Company merits the full support, commitment, dedication, trust and loyalty of its Team Members. Thus, the Company always strives to maintain mutual trust, mutual understanding and industrial peace.

ENSURING A HARMONIOUS WORKPLACE THROUGH SOUND LABOR PRACTICES

It is the basic policy of TMP to adopt a wholesome and productive work atmosphere and maintain harmonious relationship among Team Members. Thus, each Team Member is guided by the Company's Code of Conduct. Through the fair and consistent application of its rules and regulations, TMP endeavors to protect the safety and welfare of its Team Members and the continued success of the Company.

Likewise, communication plays a vital part in ensuring a harmonious environment at work. TMP's Team Relations Section under its Human Resources Department enables Team Members to consult regarding work or even personal matters. The section has various programs and facilities through which Team Members can air out their feelings and sentiments. The section also relays important information and news about the Company and thoroughly explains reasons for HR-related decisions to Team Members, as necessary.

Moreover, each Team Member has the opportunity to be heard and represented by internal labor organizations. There are two certified labor unions in TMP — the Toyota Motor Philippines Corporation Supervisory Unions or TMPCSU (supervisory union) and Toyota Motor Philippines Corporation Labor Organization or TMPCLO (rank-and-file union). Or, the Team Members can go to the TMP — Labor-Management Council, the umbrella organization, where management representatives and labor leaders work together as partners to bring about the best

possible working environment for Team Members.

As the people responsible for securing long-term employment and promoting the welfare of Team Members, the labor leaders are always informed, consulted and involved in implementing new Company programs. They actively take part in spearheading activities and share in the responsibility of ensuring that every project is a success.

As developed through the years, the management's relationship with the unions is guided by mutual respect and mutual responsibility, as evidenced by peaceful conclusions of Collective Bargaining Agreement negotiations.

HR PERFORMANCE HIGHLIGHTS:

CORPORATE SATISFACTION INDEX

In its effort to measure satisfaction of Team Members, the Company conceptualized and designed the TMP Workplace Survey (TWS) in 2002. It is an assessment survey, administered once every two years, that grasps Team Members' morale and regularly assesses the condition of working relationships and overall human relations environment in TMP. The Company's ultimate objective is to use the feedback coming from the survey "To make TMP the best place to work". The survey covers seven aspects:

- 1. Employee Satisfaction
- 2. Group Performance and Dynamics
- 3. Sense of Ownership
- 4. Relationship
- 5. Vision, Mission and Values
- 6. Leadership
- 7. Quality of Life

together with feedback sessions conducted among Team Members and Supervisors, Top Management and concerned groups are made aware of the different issues that contribute to Team Members' dissatisfaction and how these issues can be resolved. Because of these actions, the corporate satisfaction level of Team Members in TMP gradually improved over the years.

The latest survey done in 2014 shows a rating



of 4.15, a slight decline from 4.20 in 2012 (on a scale of 1 to 5, with 5 being the highest), but still on the agreeable level.

Moreover, in the recent Toyota Global Morale Survey done in 2014, TMP is one of the few Toyota affiliates worldwide with the highest workplace satisfaction rating. In fact, TMP ranked the highest among Asia Pacific affiliates, with a rating of 4.1 (on a scale of 1 to 5, with 5 being the highest).



Through the Workplace Survey results,

Toyota Motor Philippines Corporation (TMP) owes its stability and growth to its many stakeholders, who have been working hand-in-hand with the Company all these years. TMP's business operation in the country has allowed us to build and nurture mutually-beneficial partnerships. As we continue to build a stronger relationship with our stakeholders, we are confident that TMP will continue to gain positive growth and long-term value. As TMP grows, the Company shall continuously aim to develop "always better cars" that will earn more customer smiles and benefit the society.

IMPROVING FINANCIAL PERFORMANCE & COST COMPETITIVENESS

Toyota Motor Philippines Corporation (TMP) continues to strengthen its position as the country's automotive industry leader as it attains historic milestones in sales, market share, and production output.

TMP has, likewise, shown a consistent sound financial performance from 2010 to 2014, with just a slight dip in 2011 when global Toyota experienced a supply disruption in parts and completely built up units (CBU) brought about by the Great Eastern earthquake in Japan and the flooding in Thailand.

In 2014, TMP attained its record-breaking financial performance with net sales surpassing Php100 billion, as well as net income reaching more than Php 7 billion.



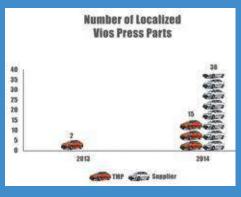
SPECIAL FEATURE

ENHANCING COST COMPETITIVENESS THROUGH VIOS PRESS PARTS LOCALIZATION

TMP continues to implement cost reduction programs company-wide to improve the Company's cost structure and improve competitiveness.

One major project embarked upon by the Company that significantly contributed to cost competitiveness was the localization of press parts for the All New Vios. In 2013, two (2) press part numbers were localized. Then, in July 2014, there were fifteen (15) part numbers and five (5) parts from TMP's supplier, Technol Eight Philippines, which started localization. These increased TMP's press machine utilization of the 2A and 1A lines to 80% and 130%, respectively. As TMP strengthens its localization efforts, it maximizes the benefits of domestic production.

Likewise, the Income Tax Holiday (ITH) incentive obtained from the Government further improved the cost competitiveness of TMP for the All New Vios.





ENHANCING COST COMPETITIVENESS THROUGH SUPPLIER DEVELOPMENT

TMP has always considered its suppliers as a critical aspect of its business operations. In fact, they are considered as "extensions" of TMP's own production plant. This is the reason why TMP shares its successful strategies and production system with suppliers through the Toyota Suppliers Club (TSC) to help them improve competitiveness.

The TSC was established in 2000 with fifty (50) member-companies. In 2014, the number of TSC members grew to ninety two (92) suppliers with thirty five thousand (35,000) employees. Current TSC activities are focused on improving efficiency and productivity throughout the TMP value stream. These include, among others, the following: Toyota Production System (TPS) activities;

Kaizen and Quality Control (QC) tools seminars; Cost and quality seminars; Safety seminars; and, learning sessions on human resource management and industrial relations.

Moreover, TMP played an active role in the Employers' Confederation of the Philippines (ECOP) Big Enterprise-Small Enterprise (EBESE), in close collaboration with the Department of Trade and Industry (DTI) and the Department of Science & Technology (DOST), where 98 auto parts suppliers have benefited from the EBESE – Toyota Cluster Development Program. Around seventy percent (70%) of these suppliers are Tier 2 and Tier 3 suppliers of the Toyota Group export suppliers. Supplier participants have reported significant

improvements on quality, productivity, efficiency, cost savings and waste reduction. Overall, the program has led to better supplier cooperation and strengthened local procurement.

As TMP's suppliers display significant improvement, Toyota Motor Corporation (TMC) also recognizes their efforts in increasing productivity and quality in their respective manufacturing plants during the annual Toyota Global Suppliers Convention held in Japan. TMP takes pride in the achievements of its suppliers, which are testament to the global quality of Filipino companies. TSC suppliers who have gained recognition include:

In 2012

Autocarpets, Inc. (ACI) received the Regional Contribution Award from TMC. As TMP's supplier of floor carpets and other interior parts, ACI is a consistent TMP awardee in quality performance for achieving zero-defect in delivered goods.



In 2014

B4 Manufacturing Company, TMP's supplier for interior parts, was also conferred the Regional Contribution Award for sustained efforts in the implementation of the Toyota Production System (TPS).



Mr. Eddie Jose, president of Sanoh Fulton (Phils.), Inc., was presented the Overseas Suppliers Association Special Recognition Award for his outstanding contributions during his 12-year tenure as Toyota Suppliers Club chairman. He was the very first recipient of the said award.



FINANCIAL PERFORMANCE HIGHLIGHTS

(In Thousand Pesos)	2010 (Audited)	2011 (Audited)	2012 (Audited)	2013 (Audited)	2014 (Audited)
Net Sales	58,537,068	55,005,200	71,009,760	79,005,379	104,037,363
Cost of Goods Sold	(51,929,696)	(49,432,847)	(63,469,057)	(69,549,166)	(90,421,602)
Total Expenses	(3,114,285)	(2,897,218)	(3,705,726)	(4,077,293)	(4,184,854)
Interest and Other Income net	404,498	273,753	381,086	210,154	257,130
Income before income tax	3,897,585	2,948,888	4,216,063	5,589,074	9,688,037
Provision for income tax	(787,092)	(770,717)	(1,231,961)	(1,554,490)	(2,662,662)
Net Income	3,110,493	2,178,171	2,984,102	4,034,584	7,025,375
AT YEAR-END					
Total Assets	17,790,693	16,072,557	19,117,011	21,519,920	23,292,621
Total Liabilities	9,946,016	9,294,703	11,780,171	13,175,113	12,553,427
Stockholders' Equity	7,844,677	6,777,854	7,336,840	8,344,807	10,739,194

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