



Tokyo Stock Exchange

~ Improving Listed Company Corporate Governance ~

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New York Representative Office

● ● *Today's Topics*

- ◎ Tokyo Stock Exchange Overview
- ◎ TSE's Actions for Improvement of Corporate Governance of its Listed Companies
 - Corporate Governance Reports/
Corporate Governance Information Search System
 - White Paper of Corporate Governance 2007
 - Code of Corporate Conduct
 - Electronic Voting Platform for Foreign and Institutional Investors
- ◎ Recent Developments and Future Plans

TSE Overview

- ⊙ One of six stock exchanges in Japan.
- ⊙ 90%+ share of Japanese cash equity market.
- ⊙ Major derivatives market as well.
 - JGB Futures
 - TOPIX Futures
 - Individual stock options, etc.

● ● *TSE's Actions: Corp. Governance Reports*

- ◎ Corporate Governance Reports (March 2006)
 - Requires that listed companies prepare reports that provide an overview of their respective corporate governance situations.
 - TSE created standardized formats for these reports.
 - Basic policy, capital structure, business attributes, organizational structure...

● ● TSE's Actions: Corp. Governance Reports

◎ Corporate Governance Report of Toyota Motor Corporation (English translation)

www.toyota.co.jp/en/ir/library/cg/index.html

(Translation)

June 26, 2008
TOYOTA MOTOR CORPORATION
Katsuaki Watanabe
Telephone Number: 0565-28-2121
Code Number: 7203
<http://www.toyota.co.jp>

Corporate governance at Toyota Motor Corporation ("Toyota") is as follows:

I. Toyota's Basic Policy on Corporate Governance and Capital Structure, Business Attributes and Other Basic Information

1. Basic Policy

Toyota has positioned the stable long-term growth of corporate value as a top-priority management issue. We believe that in carrying this out, it is essential that we achieve long-term and stable growth by building positive relationships with all stakeholders, including shareholders and customers as well as business partners, local communities and employees, and by supplying products that will satisfy our customers. This position is reflected in the "Guiding Principles at Toyota", which is a statement of Toyota's fundamental business policies. To explain the Guiding Principles in greater detail, in January 2008, Toyota adopted and presented its statement, "Contribution towards Sustainable Development" as the guideline to the "Guiding Principles at Toyota". We are working to enhance corporate governance through a variety of measures designed to further increase our competitiveness as a global company.

2. Capital Structure

Percentage of Shares Held by Foreign Investors: Not less than 20% but less than 30%

[Description of Major Shareholders]

Name of Shareholders	Number of Shares Held (Shares)	Ownership Interest (%)
The Master Trust Bank of Japan, Ltd.	217,049,488	6.29
Japan Trustee Services Bank, Ltd.	216,780,488	6.29
Toyota Industries Corporation	200,195,022	6.61
Nippon Life Insurance Company	131,653,015	3.82
Hero and Company	121,480,633	3.62
Trust & Custody Services Bank, Ltd.	105,072,743	3.06
State Street Bank and Trust Company	97,450,013	2.83
Tokio Marine and Nichido Fire Insurance Co., Ltd.	83,821,267	2.43
Mitsui Sumitomo Insurance Co., Ltd.	65,166,920	1.89
Denso Corporation	58,878,704	1.70

TSE's Actions: Corporate Governance Information Search System

◎ Corporate Governance Information Search System (April 2007)

- Available online through TSE website.

www.tse.or.jp/tseHpFront/HPCGDS0701E.do?method=init&callJorEFlg=1

- Companies can be searched by various attributes.
 - Organization type, foreign shareholding percentage, number of outside directors, attributes of outside directors, relationship with outside directors, etc.

TSE's Actions: White Paper of Corporate Governance 2007

- ◎ White Paper of Corporate Governance 2007
 - Comprehensive analysis of the current corporate governance situation of listed companies compiled by TSE.

www.tse.or.jp/english/rules/cg/white_paper.pdf

● ● **TSE's Actions: Code of Corporate Conduct**

◎ Code of Corporate Conduct in Listing Regulations (Nov. 2007).

www.tse.or.jp/english/rules/kouhyou/index.html

- Requires listed companies to:
 - Set up organizational elements important for corporate governance
 - Board of directors, Board of auditors / Audit committee, Accounting auditors
 - Respect the following when they introduce takeover defense measures
 - Sufficient disclosure, transparency, effect on the secondary market, shareholders' rights, etc.

● ● *TSE's Actions: Electronic Voting Platform*

◎ Electronic Voting Platform for Foreign and Institutional Investors

- ICJ (Investor Communications Japan) :
A joint venture established by TSE, JASDA and Broadridge to operate an electronic voting platform.
www.icj-co.com/english/introduction.html
- Currently over 300 companies participate in the platform.

Recent Developments and Future Plans

Recent Developments

- TSE published opinion summaries received from investors in response to a TSE listed company corporate governance questionnaire. (August 2008)

www.tse.or.jp/english/rules/lis-improvements/index.html

Future Plans

- Consider additional clauses to Code of Corporate Conduct.
- Revise Principles of Corporate Governance.
 - Principles of Corporate Governance for Listed Companies (2004)

www.tse.or.jp/english/rules/cg/principles.pdf