

## **Toyota Motor Corporation to Merge Three Information Technology Subsidiaries and Create Comprehensive IT Solutions Company**

Toyota City, Japan, March 5, 2018—Toyota Motor Corporation (TMC) announces a mutual agreement to merge three of its information technology (IT) subsidiaries as of January 1, 2019. The three companies involved in the merger are Toyota Communication Systems Co., Ltd. (TCS), Toyota Digital Cruise, Inc. (TDC), and Toyota Caelum Inc. (TCI).

Each of the three companies has its own area of expertise in different fields of IT: TCS in the development of core systems, TDC in the introduction and operation of networks and infrastructure, and TCI in the development of design and manufacturing support systems. The companies all have a long history of providing valuable services to support TMC and Toyota Group companies.

The role of IT is becoming increasingly important as the automotive industry faces a once-in-a-century transformational period of sweeping changes, including vehicle electrification, the adoption of intelligent technologies, and the emergence of new competition. To survive this transformational period, TMC has been pursuing efforts toward organizational and work-style reform and recognizes the importance of strengthening collaboration across the Toyota Group through IT, as well as promoting the adoption of innovative work processes and providing services that encompass the entire group.

As we enter an era in which objects, people, and services are continuously being linked together through networks, this merger aims to consolidate the specialized skills that the three companies have built up to seamlessly combine applications, infrastructure, and networks into complete IT solutions that integrate all aspects of service provision, from the planning and proposal phase to the service development, introduction, and operation phases. Through the continuous creation and provision of such high productivity solutions, the objective of this merger is to strengthen the capabilities of Toyota globally and the entire Toyota Group.

The details of the merger are as follows:

## 1. Outline of merger

1) Date of merger (planned)

January 1, 2019

2) Type of merger

This merger is an absorption-type merger of TDC, TCI, and TCS, with the latter acting as the surviving corporation of the merger.

## 2. Outline of new company (planned)

1) Company name:

Toyota Systems Co., Ltd.

2) Location of head office:

Two head offices: Nagoya and Tokyo

3) Capital:

Currently under consideration

4) Equity participation/shareholding ratio:

Wholly owned subsidiary of Toyota Motor Corporation

5) Number of employees:

Approx. 2,500

6) Representative:

Currently under consideration

### Reference: Outline of the three merging companies

	Toyota Communication Systems Co., Ltd.	Toyota Digital Cruise, Inc.	Toyota Caelum Inc.
Date established	April 1990	April 1996	October 1993
Location:	Higashi-ku, Nagoya, Aichi Prefecture	Naka-ku, Nagoya, Aichi Prefecture	Higashi-ku, Nagoya, Aichi Prefecture
Representative	Tetsuya Oshima	Tetsuya Oshima	Hiroshi Kawazoe
Capital	1.0 billion yen	0.8 billion yen	0.7 billion yen
Net sales (fiscal year ended March 2017)	38.977 billion yen	22.9 billion yen	15.4 billion yen
Specialty business fields	System development, maintenance, and operation	Network introduction and operation, electronic data interchange (EDI) services	Development, maintenance, and operation of CAD sales and design support systems
Number of employees (as of January 2018)	1,337	622	289