Continuing to Hone Competitiveness in Ever-Better Car-Making

August 2, 2019

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- Be mindful of what must not change -

Continuing to hone competitiveness in the “real world” of car-making
Toyota’s Ever-Better Car-Making

Features:
- Produce/Sell 10 million vehicles globally
- Full lineup (Passenger • Commercial • Electrified • Sport)

⇒ “Customer first” policy, continuing to hone competitiveness

TNGA

Smart sharing
(utilize volume of 10 million vehicles)

Overall optimization for base structure

In-house company system

Car-making based on customer’s perspective

- ZEV
- Emerging-Market Compact Car
- Compact
- Mid-size
- Commercial
- Lexus
- Gazoo Racing
- Vehicle Development Center
Results of TNGA & In-house Company System

Launch of 15 Models/About 3 million units (30% of total)

2015
- Prius/Prius PHV
- C-HR
- Camry
- Crown

Customer Voice
- Attractive styling / Fun-to-drive
- Fuel efficiency / Fully equipped

2020
- Lexus
  - LC
  - LS
  - UX
  - ES
- Medium size
- Large size
- Compact size
- Sport
- RAV4
- Corolla Sport
- Avalon
- Century
- JPN Taxi
- Supra
- Hiace
- Camry
- Crown
- Prius/Prius PHV
The New RAV4
Results of Introducing TNGA

**Improvements in competitiveness and product, but sales price still high** \( \Rightarrow \) **Promote TPS, cost reduction**

- Development Human Resources: Former 25%, TNGA 25%
- Investment: Former 10% \((\frac{6}{9})\), TNGA
- Vehicle Cost: Former 10%, TNGA 10%

**Grouping Development**

**Equipment Commonization for Different Vehicles**

**Design Quality Improvement**

Environmental, Safety, etc.
Changing Environmental Aspects in Vehicle Development

In recent years, environmental changes are rapidly picking up pace

⇒ Need to accelerate more to hone competitiveness

Changing trends in customer demands

Comparison of vehicle models in U.S. market

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<thead>
<tr>
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<th>2008</th>
<th>2018</th>
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<tbody>
<tr>
<td>Sedan</td>
<td>50%</td>
<td>31%</td>
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<tr>
<td>SUV</td>
<td>50%</td>
<td>69%</td>
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Environmental regulations

Toyota’s pace of introducing electrified vehicles

- Current pace
- Original pace (Announced in 2017)
- Electrified vehicles
- Pull ahead 5 years
- Over 5.5 million electrified veh. by 2030

Evolution of Multimedia

- Large display
- Smartphone linkage

Evolution of CASE

- Vehicle
- Expand business area
- Mobility service
Future Activities (Further enhancement of competitiveness)

- Accelerate attractive “best fit” car-making across regions
- Support transformation into a mobility company

Enhance in-house company system
- Seamless development/Speed up (Vehicle Development Center)
- Differentiation based on customer perspective

Evolution of TNGA
- Smart sharing across regions/models
- Flexible production structure

“Creating friends”
- Home & Away/Alliance
- Competition & Coordination (Safety/Environment)

Shift resources (people, goods, money) & HR development toward future CASE development
Conclusion

Providing Attractive and Affordable Cars Through Ever-Better Car-Making

The 12th Generation Corolla Sedan & Wagon will be launched this Sep.

18 new models will be launched by the end of 2021

We hope you look forward to our future activities.