

**Financial Results Statement for FY2023:**  
**Prepared Remarks by President Koji Sato**

I am Koji Sato.

In the previous fiscal year, we were able to secure operating income of 2.7 trillion yen despite the severe business environment, including soaring materials prices.

Our new management team assumed the reins on April 1. However, the financial results figures for the previous fiscal year were based on the 14 years of former President Akio Toyoda's efforts, making me once again keenly aware that our change in management took place while Toyota was being managed at top speed.

As such, our new management team will be able to focus on strategic initiatives in growth areas based on this current foundation.

When Chairman Toyoda took office as president, he said: "Growth is about being able to continuously change ourselves in response to ever-changing needs of customers and society."

I believe that his 14 years as president embodied exactly that.

Now that he is chairman, he is in a position to support our new management team, and we will implement a new form of team management, with the chairman and president working simultaneously and according to an optimal division of roles at any given time.

Our team will take advantage of this environment to promote speedy management.

With that in mind, I would like to once again talk about our future management.

I believe that the growth Toyota should aim for going forward is growth that creates a future in which the automobile industry transforms itself into a mobility industry, through enhancing its added value as it works in cooperation with many other industries.

The foundation for this is carbon neutrality.

Toyota aims to reduce new-vehicle CO<sub>2</sub> emissions by more than 50% globally by 2035.

To achieve this, we will continue to provide regionally optimal solutions at an accelerated pace without wavering from our multi-pathway approach.

When it comes to battery electric vehicles, or BEVs, which are especially rapidly progressing, we have set a pace of selling 1.5 million units by 2026 as our "base volume," and we plan to launch 10 models ranging from luxury vehicles to compacts and commercial vehicles, mainly

in the United States and China.

Regarding battery supply, we will seek to speedily secure the necessary volume by increasing our in-house production capacity and collaborating with our partners.

Our new models scheduled for launch in 2026 will be built on three new platforms: the body and chassis, the electronic platform, and the software platform. They will all be renewed as we aim to achieve mobility by way of a new vehicle packaging with a rational structure that is unique to BEVs.

We will accelerate our efforts under the new dedicated organization "BEV Factory" and would like to present concept vehicles of such at the Japan Mobility Show this autumn.

At the same time as our BEV initiatives, we will also accelerate our efforts to realize a hydrogen society.

We will advance our projects in the commercial domain, especially in Europe and China, where hydrogen consumption is particularly high, centered on fuel cell electric vehicles.

Furthermore, we will focus on the use of hydrogen energy for personal mobility and on the cycle of producing, transporting, and using hydrogen, and we will conduct activities for the development of social infrastructure, including through social implementation in Thailand.

To actively promote these initiatives, we will also increase our immediate earning power. Especially in Asia and emerging markets which are expected to grow 30% or more by 2030, we will strengthen our earning base by focusing on hybrid electric vehicles to capture market growth.

To transform automobiles into a mobility industry, we will further increase our current approximately 3 trillion yen in R&D expenditures and capital investment, while increasing the ratio of future investment to achieve sustainable growth.

Thank you for your kind attention.

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