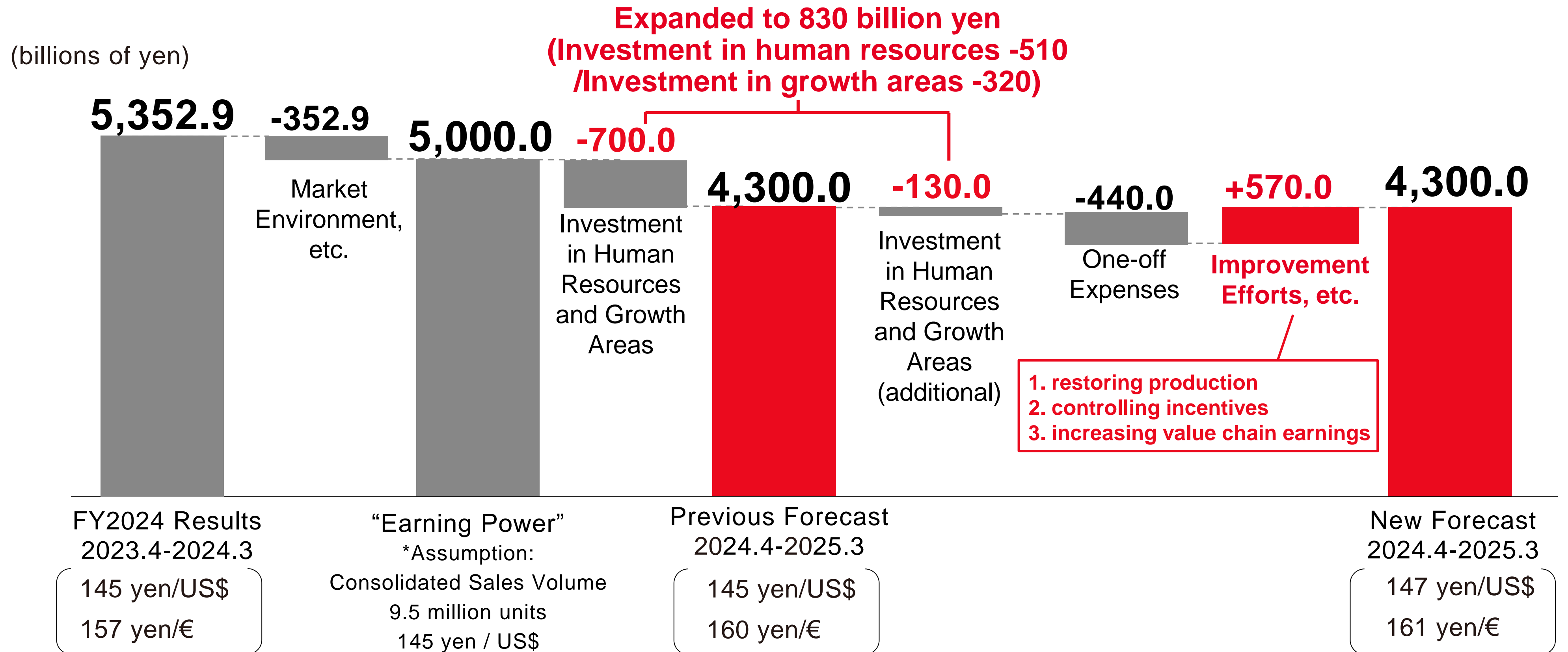


# Analysis of FY2025 Forecast: Consolidated Operating Income TOYOTA (vs. FY2024 Results)

- Aim to strengthen and accelerate investment in human resources and growth areas while maintaining our earning power.
- Recover from temporary negative factors through continuous improvement efforts.



# Improvement Efforts 1: Recovery of Production Volume

■ Return to a global annual production pace of 10 million units in the second half

First Half (Japan)

Second Half (Japan)

(thousands of vehicles)

1,693

1,534

1,630

1,616

1,746

1,720

FY24 Results  
2023.4-9

FY25 Actual  
2024.4-9

Previous Forecast  
2024.4-9

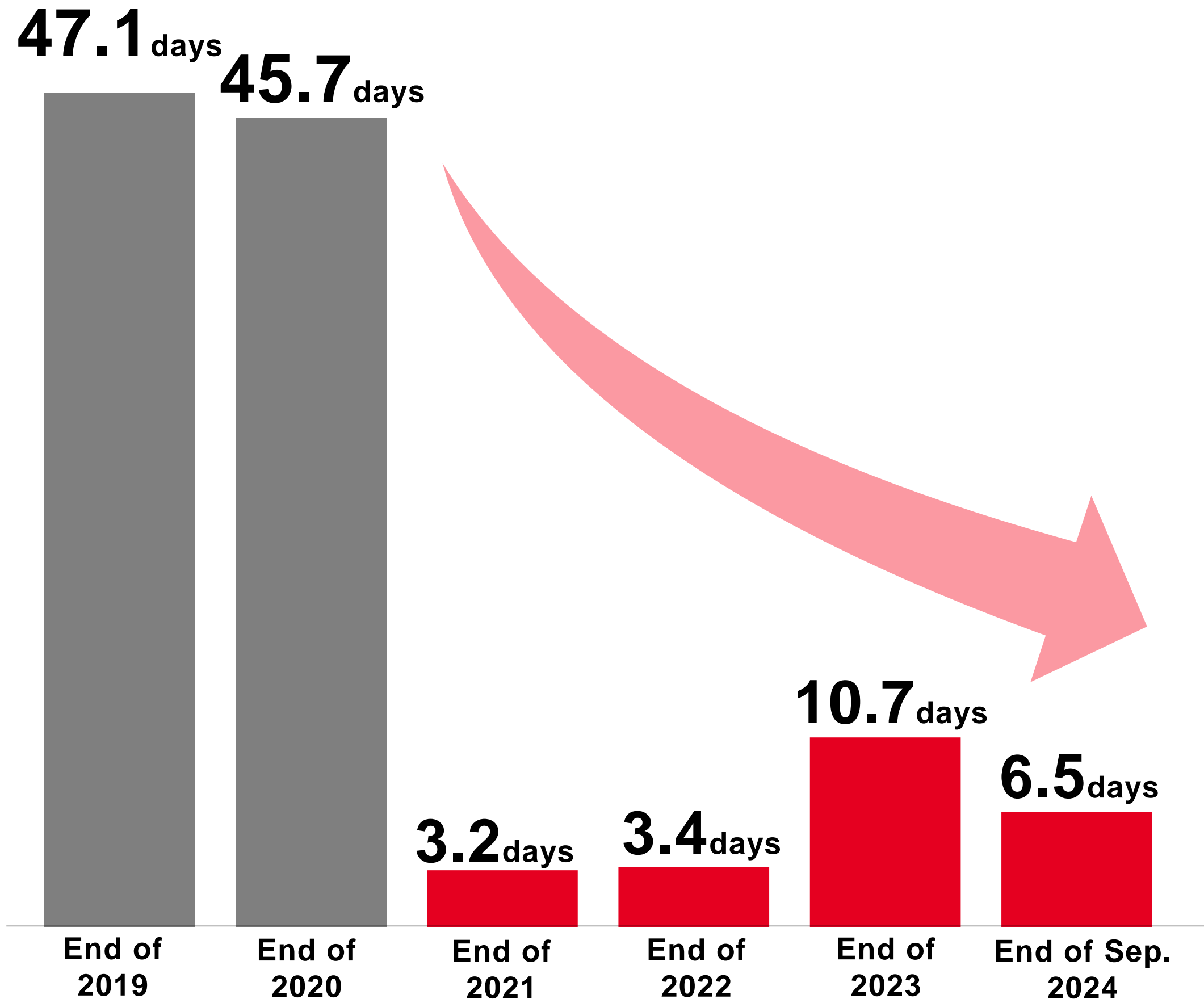
FY24 Results  
2023.10-2024.3

FY25 Forecast  
2024.10-2025.3

Previous Forecast  
2024.10-2025.3

# Improvement Efforts 2: Curbed Incentives

Passenger Car Inventory (U.S.)



**Maintain lean operations,  
selling ever-better cars  
at the right price**



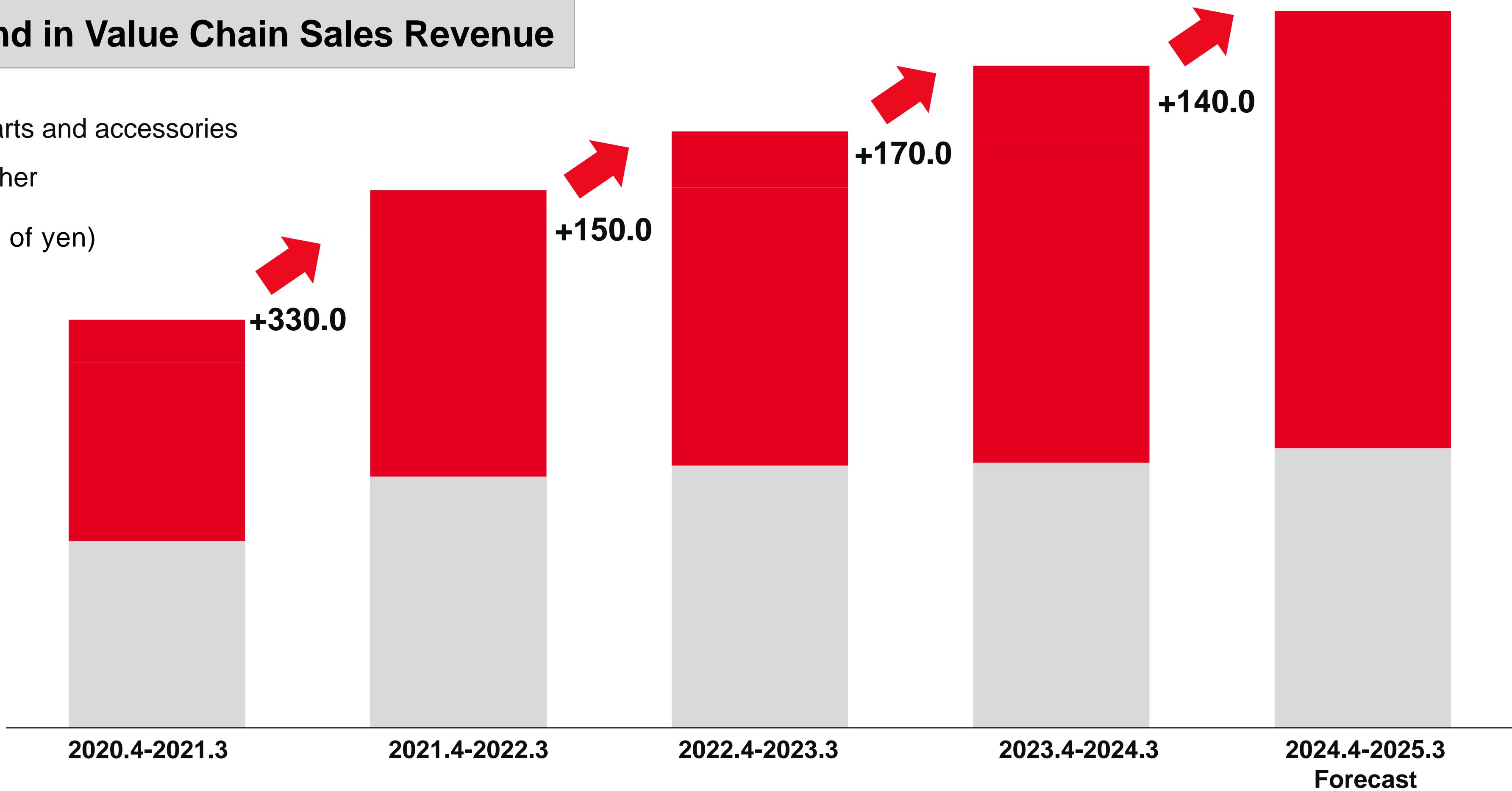
# Improvement Efforts 3: Expand Value Chain Sales Revenue

■ Value chain revenue has increased by more than 100 billion yen each year

Trend in Value Chain Sales Revenue

- Parts and accessories
- Other

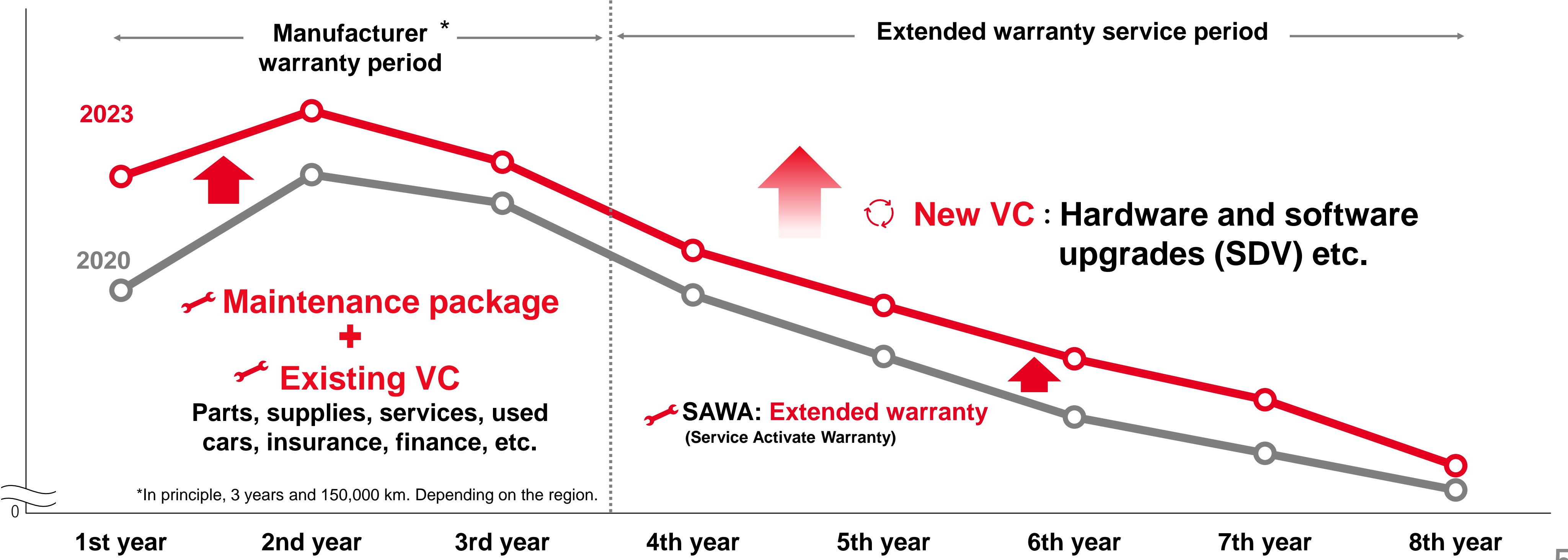
(billions of yen)



# Improvement Efforts 3: Expand Value Chain Revenue

- Through our value chain business that draw on the ownership of 100 million units, we aim to stabilize and expand our earnings base.
- > We plan to both grow our existing businesses as well as add new areas such as SDV

No. of Units Retained by Duration of Ownership (major market)

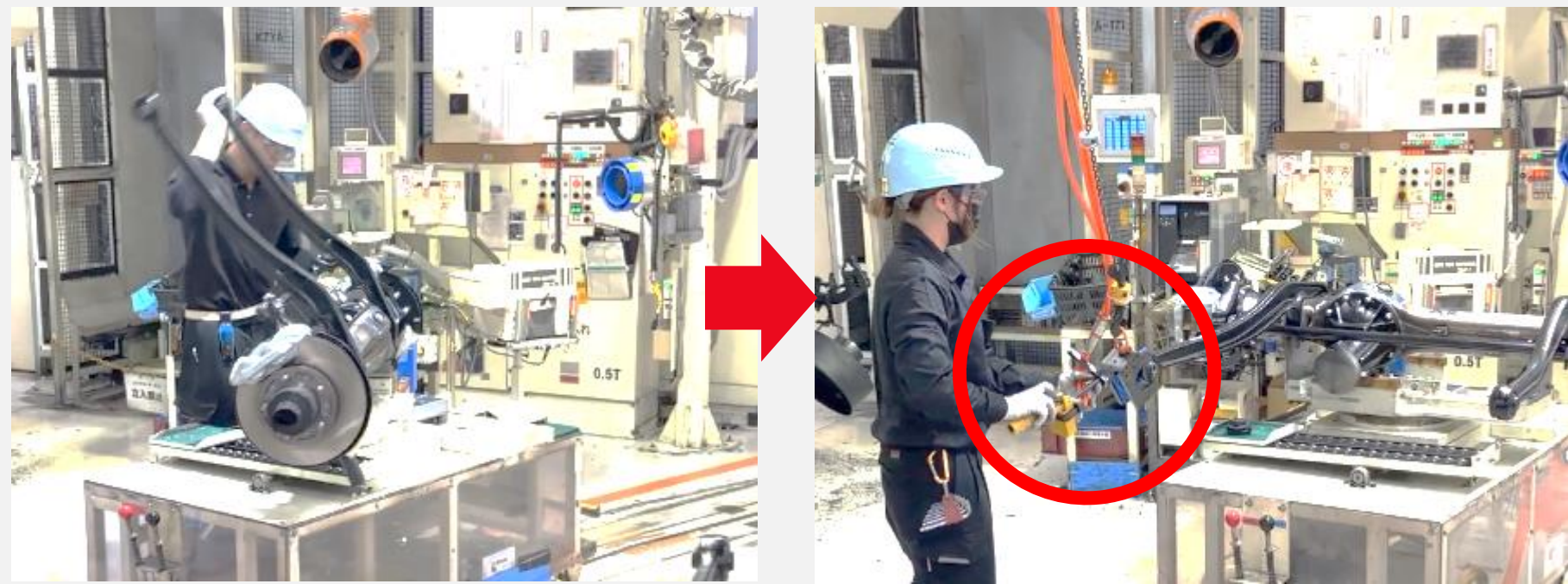




# Strengthening of Our Work Foundation: Shorten Lead Times Company-wide

## 1. Create environment open to all workers

Assist handling of heavy parts



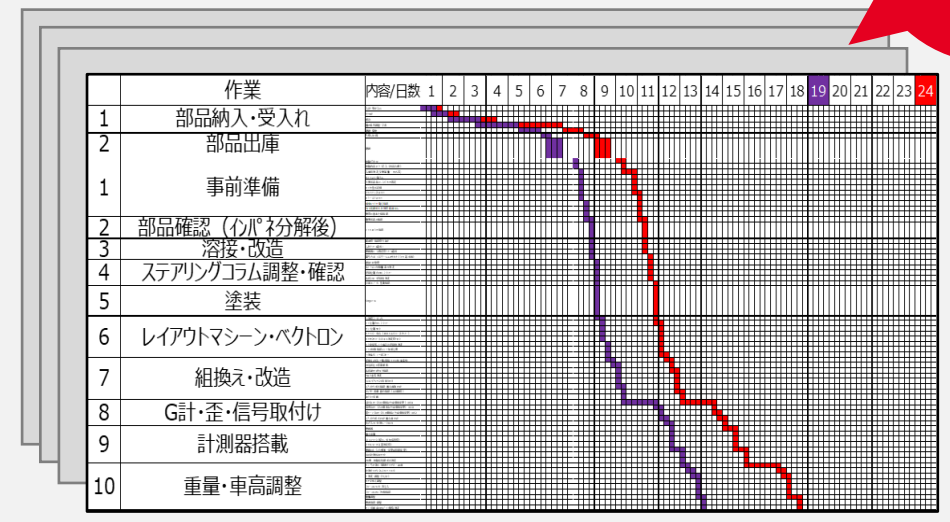
18kg part carried manually

Machines reduce workload

## 2. Improve the rate of value-added work

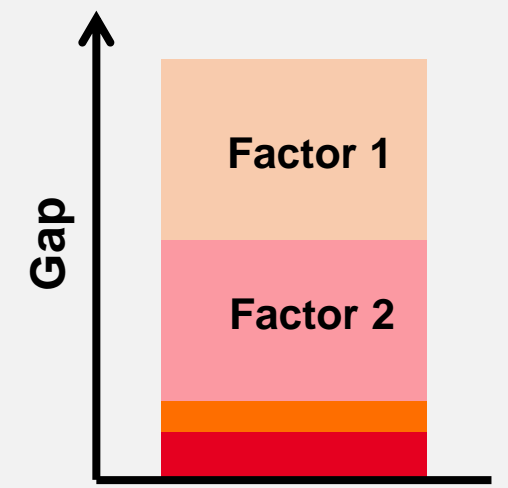
Identify impediments and pursue solutions

(1) Comparison of output level and actual results



Standard Work Combination Table

(2) Stratify gap factors



(3) Promoting measures

Creating opportunities for teaching and learning through collaborative activities



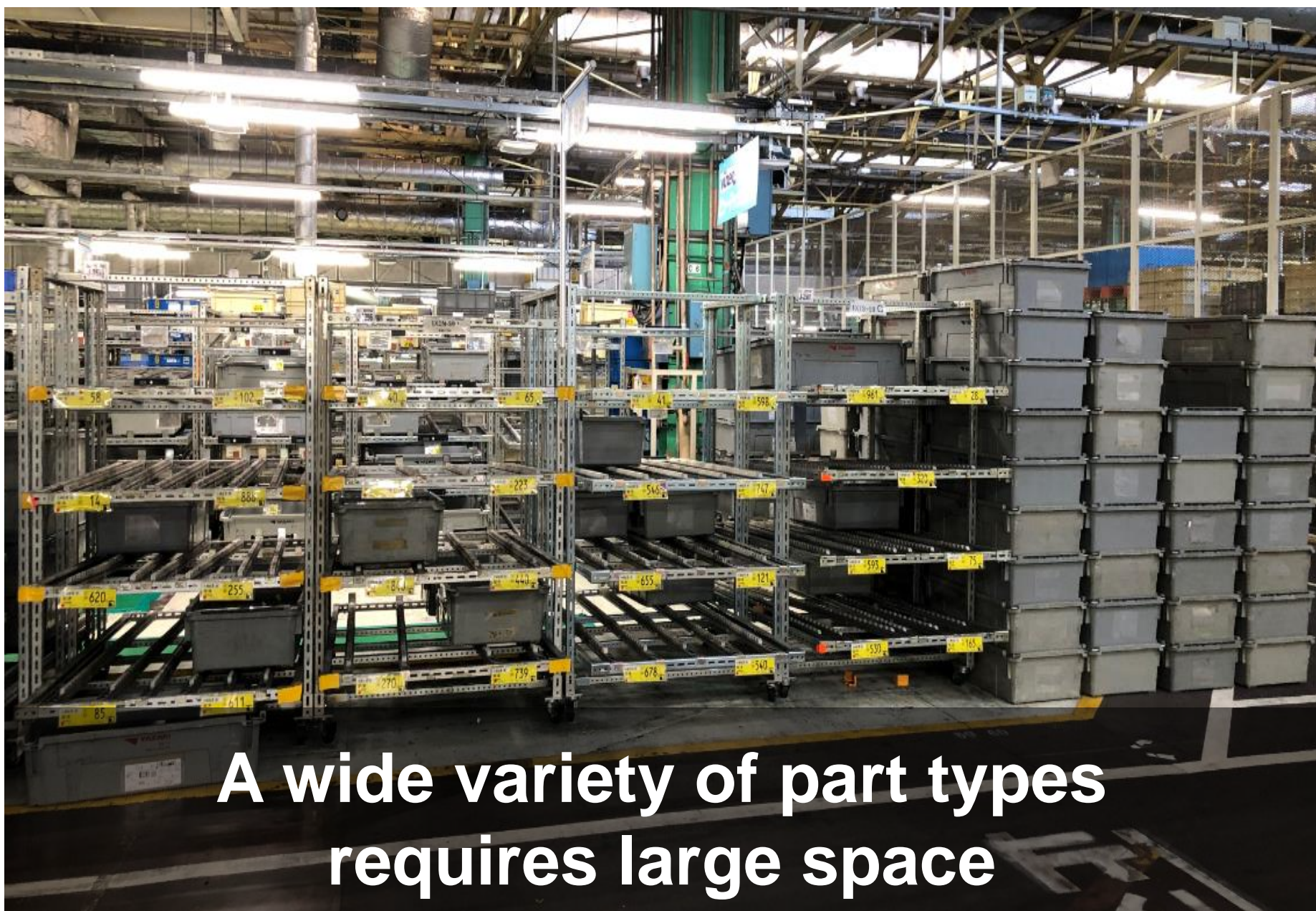
Discuss countermeasures in an intensive, face-to-face meeting

To respond swiftly and flexibly to our diverse global customers with a full-lineup and multi-pathway, we will enhance our foundation through the participation of all employees



# AREA35 (Activities to Improve the Rate of Value Added-work Through Integrated Efforts by Development, Production, and Sales)

■ Optimizing specifications and parts variety to create a driving force for further growth

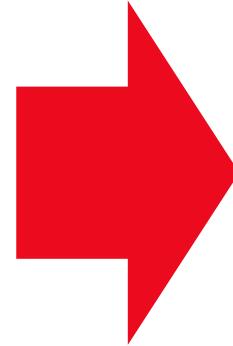


A wide variety of part types requires large space

No. of types of parts      max. **-80%** \*30 select parts

Space                      avg. **-35%** \*10 plant average

**Respond smartly and efficiently**



(Effects for 10 factories)

Production capacity:  
**+80k units/year in Japan**

Development efficiency:  
equivalent to 3 full model change projects

**Initiatives will be expanded globally**

**We will expand the effects globally together with our suppliers**

# Production Readiness Responding to Actual Demand

TOYOTA

No. of EV Unit Sales in 2026



**Flexibly revise plans in response to actual demand.**

**The customer choose the products.**

**Shortening lead times company-wide allows for last-minute investment decisions.**



# In-house Technology Development and Flexible Supply System **TOYOTA**

## In-house development of all types of batteries



## Integrated development of vehicle/battery



Developing batteries in a timely manner tailored to the vehicles we want to become a reality



PHEV



BEV



**Standardizing batteries for BEVs and PHEVs,  
and establishing a flexible supply system**



# Expansion of Battery Supply System

- TOYOTA BATTERY will be responsible for mass production of the batteries





# Cycle of Growing Together

Growing Together with Our Stakeholders From Now on

