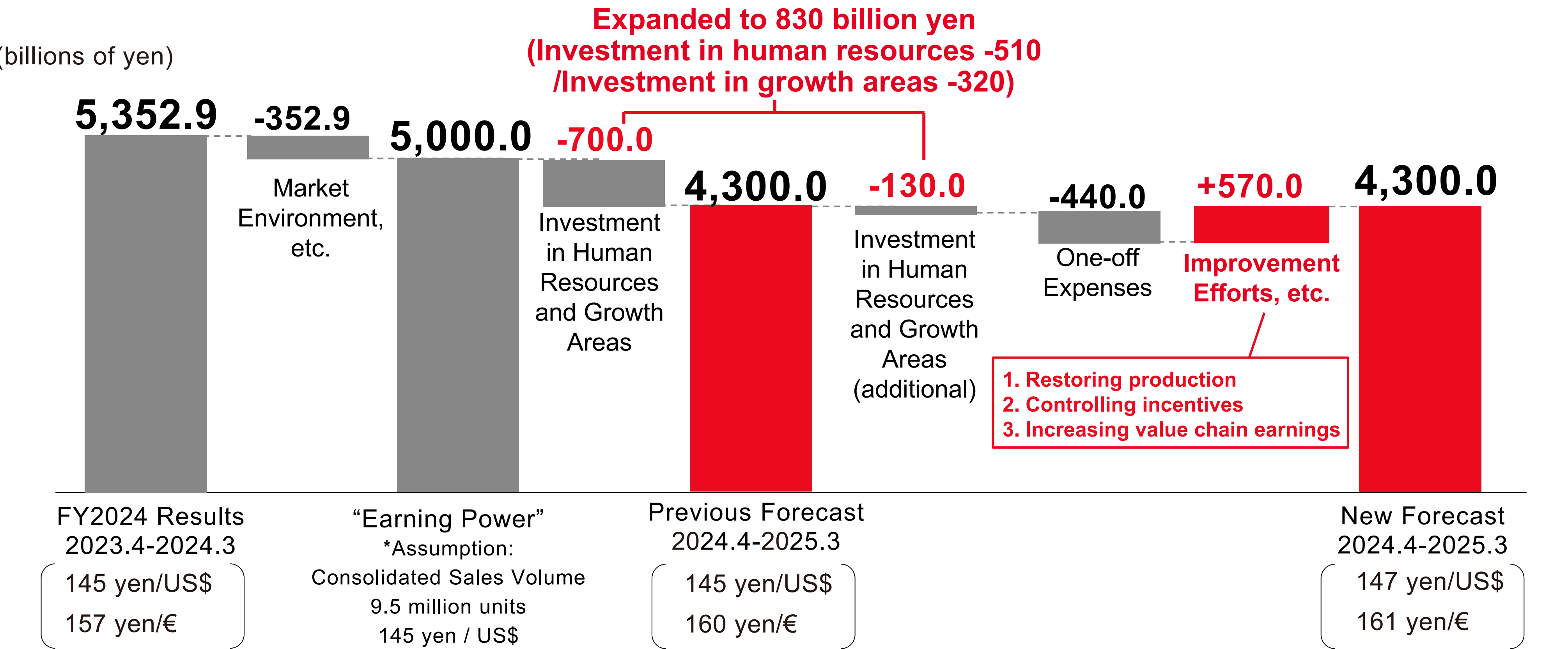


Analysis of FY2025 Forecast: Consolidated Operating Income TOYOTA (vs. FY2024 Results)

- 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.



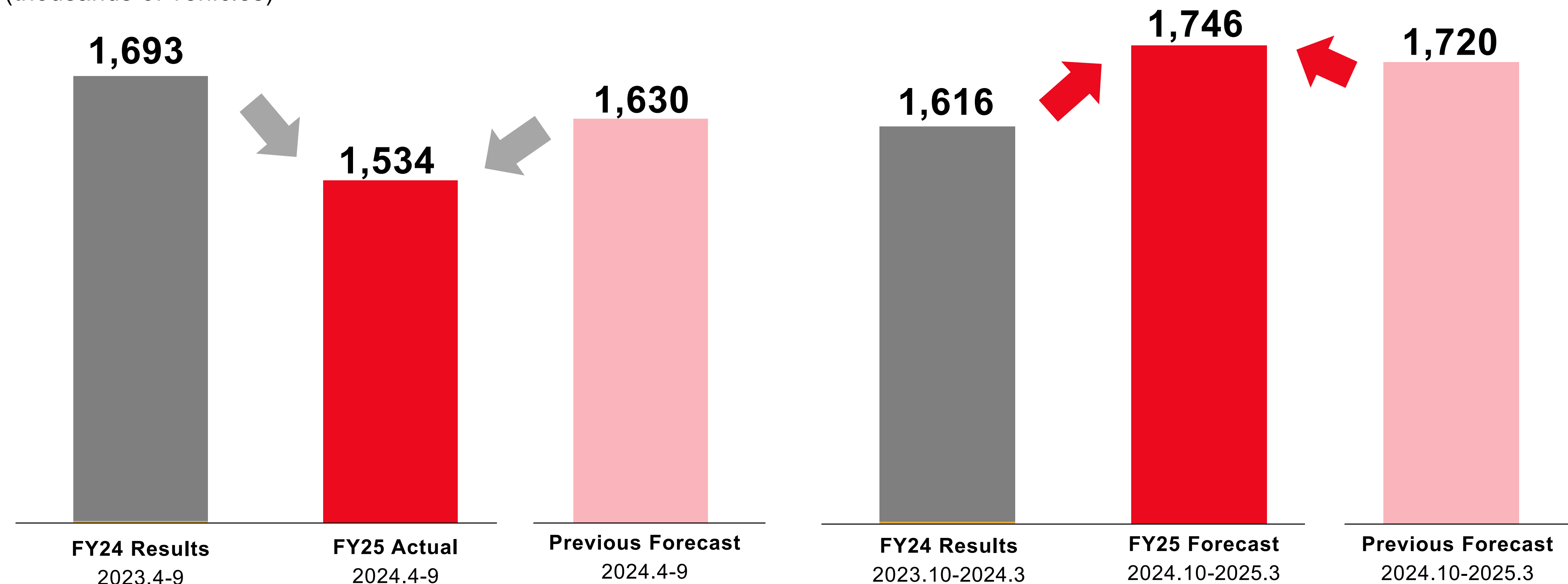
Improvement Efforts 1: Recovery of Production Volume

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

First Half (Japan)

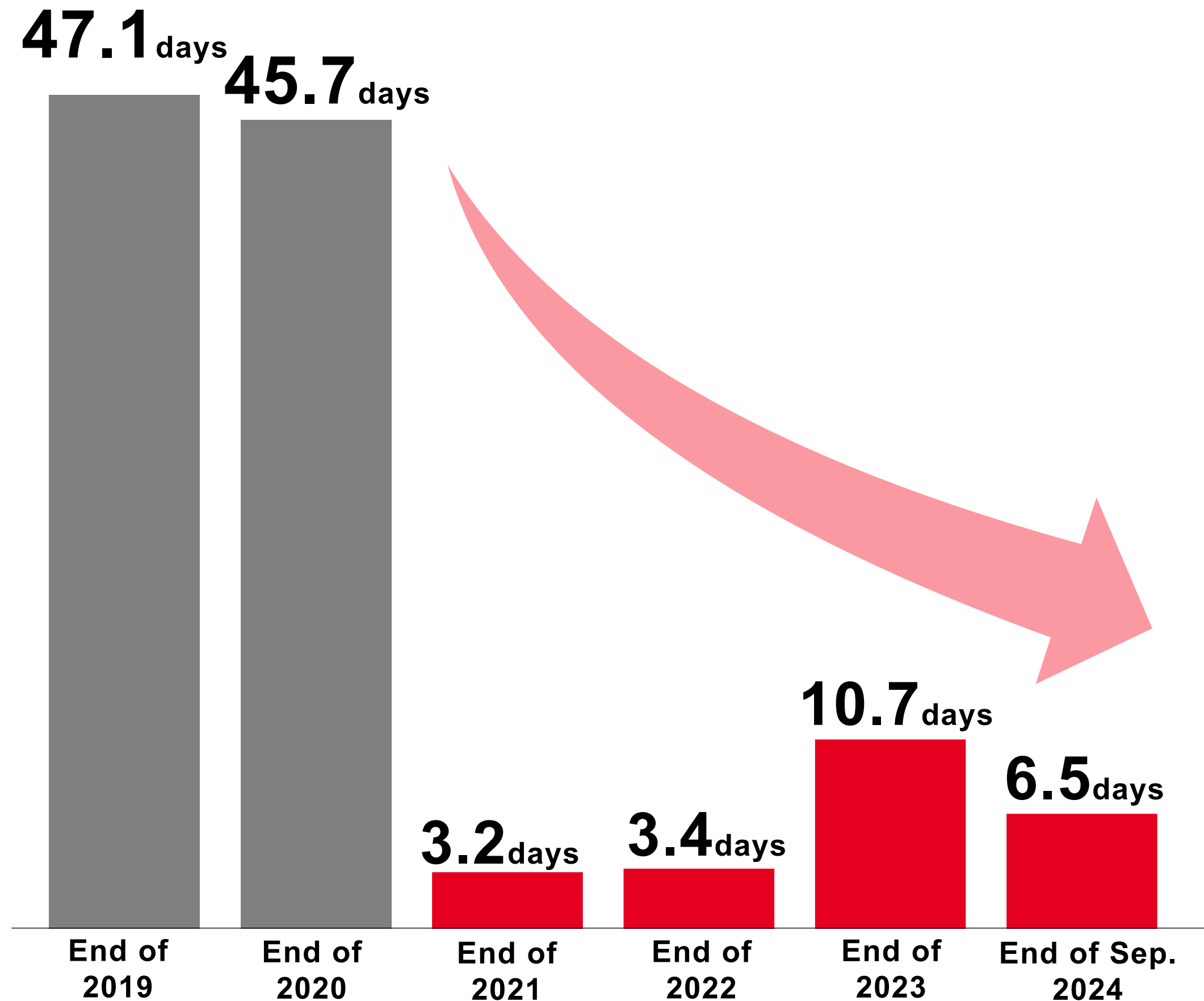
Second Half (Japan)

(thousands of vehicles)



Improvement Efforts 2: Curbed Incentives

Passenger Car Inventory (U.S.)

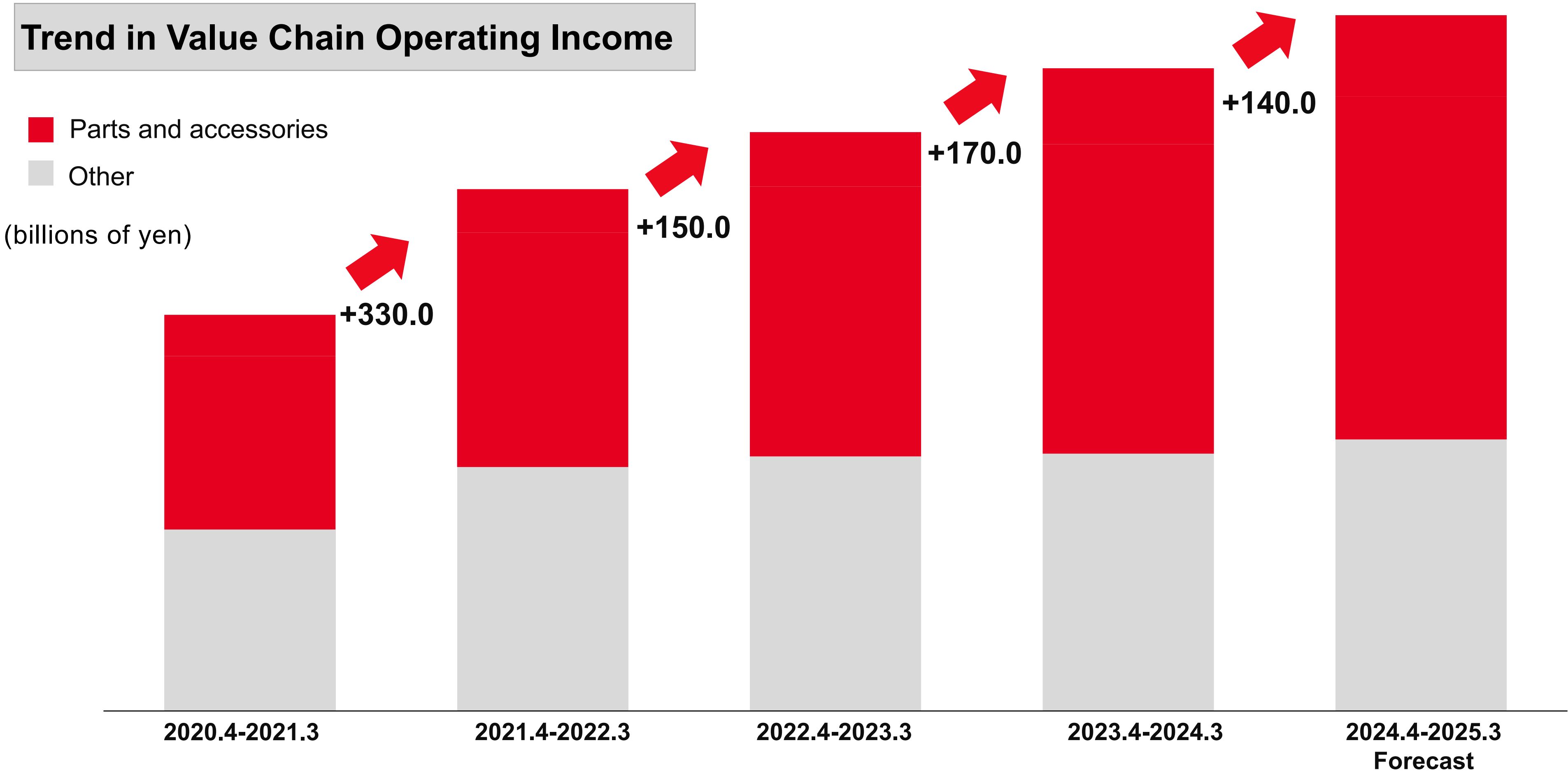


**Maintain lean operations,
selling ever-better cars
at the right price**



Improvement Efforts 3: Expand Value Chain Operating Income

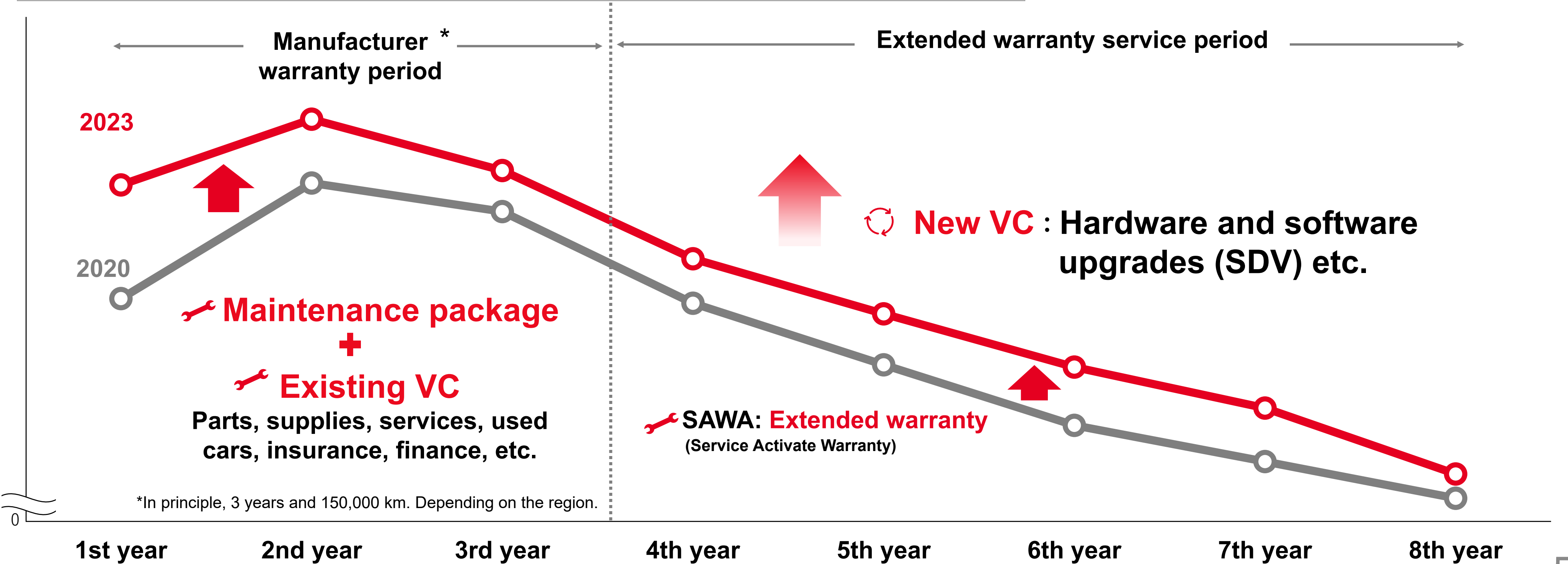
■ Value chain operating income has increased by more than 100 billion yen each year



Improvement Efforts 3: Expand Value Chain Operating Income

- Through our value chain business that draw on the ownership of 100 million units, we aim to stabilized 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)

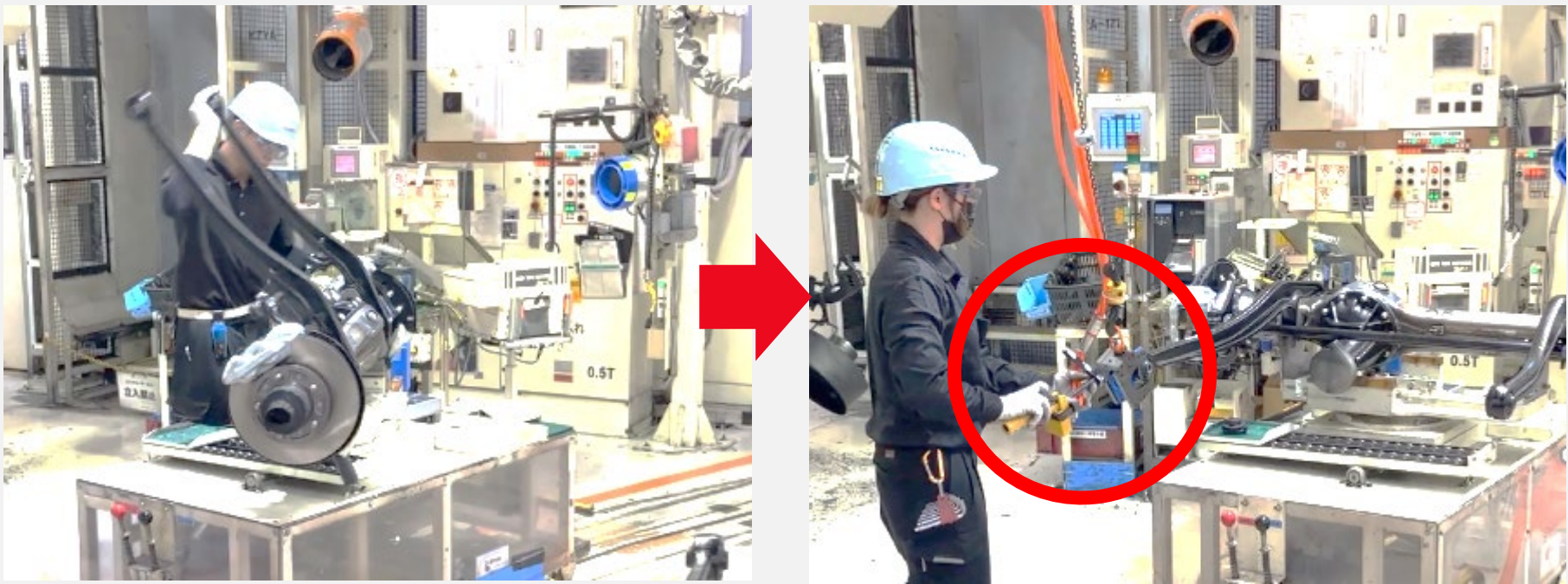


Strengthening of Our Work Foundation: Shorten Lead Times Company-wide

TOYOTA

1. Create environment open to all workers

Assist handling of heavy parts



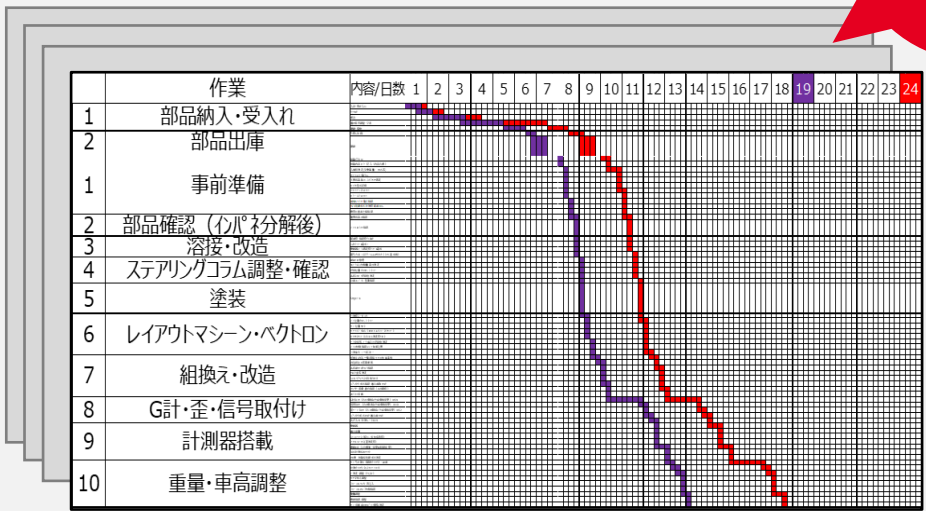
18kg part carried manually

Machines reduce workload

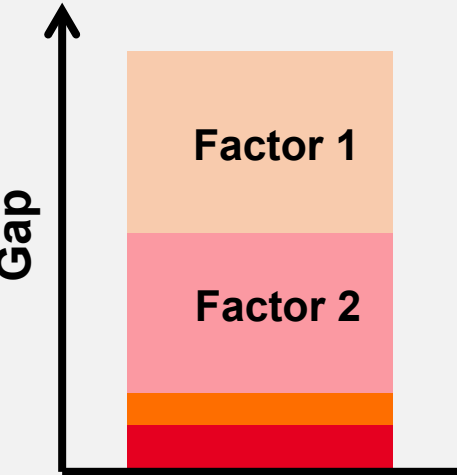
2. Improve the rate of value-added work

Identify impediments and pursue solutions

(1) Comparison of output level and actual results



(2) Stratify gap factors



(3) Promoting measures

Creating opportunities for teaching and learning through collaborative activities

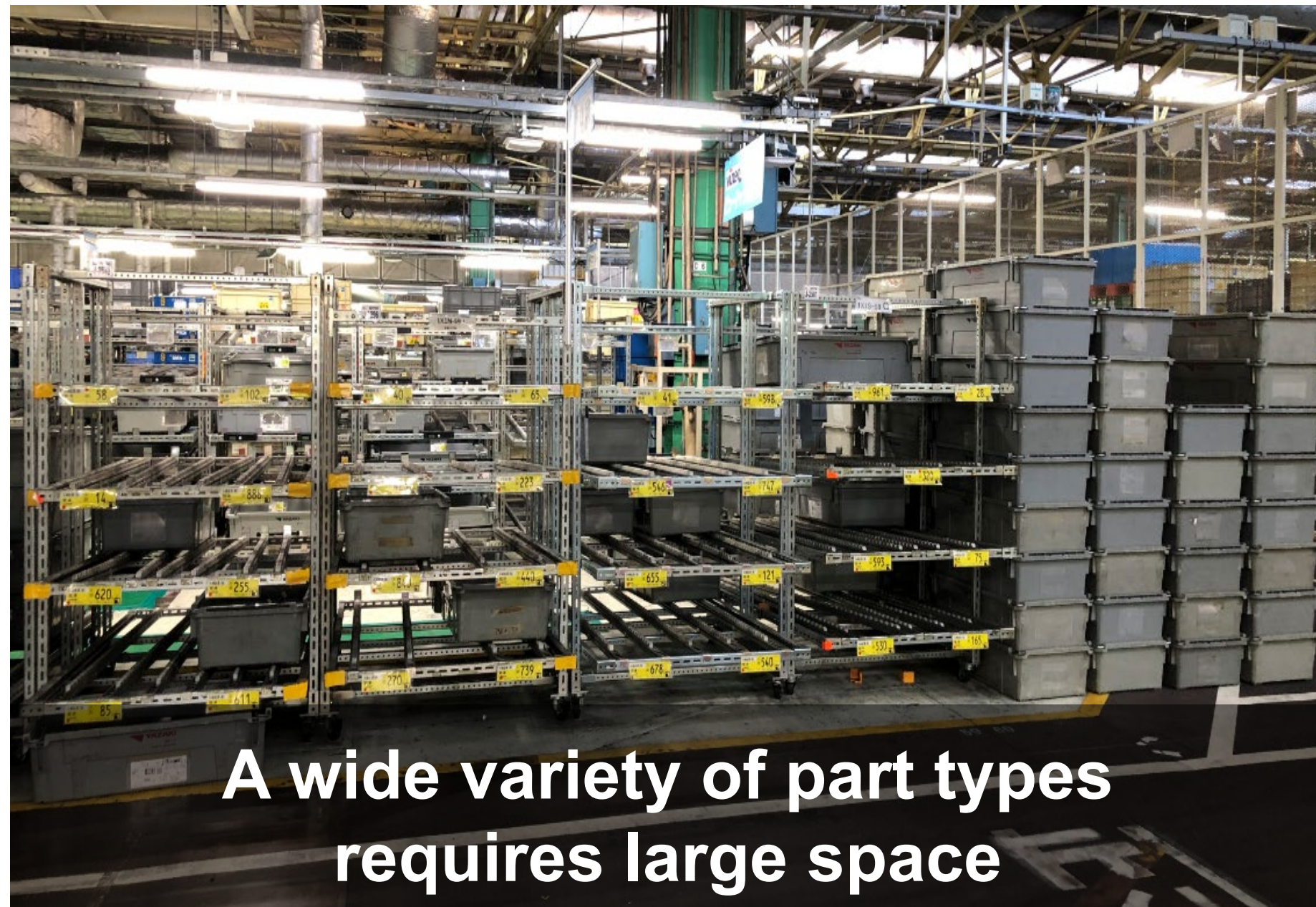


Discuss countermeasures in an intensive, face-to-face meeting

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



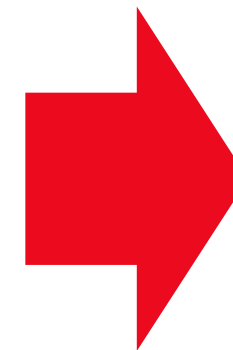
No. of types
of parts

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



Ternary

LFP

All-solid-state

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

