

Speech for Mr. Toyoda, President on the financial results announcement for the fiscal year to March 2013

In the fiscal year to March 2013, our consolidated operating income resulted in 1 trillion 320.8 billion yen due to increased vehicle sales in North America and Asia in particular and profit improvement activities across the Toyota group. At Toyota Motor Corporation on a stand alone basis, we returned to operating profit for the first time in five years since the fiscal year to March 2008.

I would like to express my sincere gratitude again to our suppliers and distributors for their tremendous support and above all to our customers for their loyalty to our vehicles.

In the years since my succession as the president in June 2009, we have encountered a number of challenges. For Toyota, this has been a period of perseverance, but also a period of learning through extraordinary and invaluable experiences.

When our company fell into losses after the Lehman Shock, we learned a particularly important lesson that a sharp decline, even after a rapid growth, does affect a number of stakeholders given the extensive value chain in the auto industry, and that sustainable growth is most important. We also realized clearly that the company's growth is not the same as expansion of sales volume.

The driver for sustainable growth is ultimately "always better cars." We have been launching new cars such as Crown and Avalon with which everyone involved in their development had "always better cars" as the first thing in mind.

We are also making progress in reforming manufacturing technologies and vehicle development processes which are represented by Toyota New Global Architecture (TNGA).

This convinces me that the cycle of our business which is led by "always better cars" as defined in the Toyota Global Vision is now gradually but steadily materializing.

With regard to the end-of-the year dividend, we plan to propose 60 yen per share to the annual general shareholders meeting this year.

This implies that our annual dividend per share will be 90 yen including the interim dividend of 30 yen.

Through sustainable growth, I would like to convince our shareholders that it is worth investing into Toyota and encourage them to hold our shares longer. We also would like to continue to pay dividend stably and sustainably as an important measure to reward our shareholders.

Before discussing the outlook for the current fiscal year to March 2014, I would like to elaborate my thoughts on sustainable growth.

Lately, the long-standing Yen appreciation has been finally corrected. Also, the world's new car demand is expected to grow going forward, driven by the recovery of the US market and the development of the emerging markets.

With the head-wind now behind us, some may think that it is the time to turn aggressive. However, I think that we are just about to start our sustainable growth.

I have mentioned earlier that Toyota has learned a lot through our concerted efforts to overcome various difficulties in the last four years.

However, have we really turned into a company which is able to be profitable and continue to grow no matter what happens to its business environment?

I am not sure yet, is my honest answer.

Certainly, Toyota's vehicle development has changed dramatically in the last four years thanks to the efforts of all those who are involved.

The company's profit structure has also become significantly stronger.

However, our business environment changes constantly. An unprecedented crisis even beyond the scale of the Lehman Shock may happen again. Has Toyota really become able to stay profitable and contribute to society? Has Toyota really learned lessons and been reborn? We would only know the answer when such events actually happen.

I would like to seriously examine and pursue "true competitiveness," namely competitiveness to enable sustainable growth, with everyone involved in Toyota, regardless of the current business environment.

By competitiveness, some may think of low labor costs, favorable foreign exchange rates and so forth. However, in my belief, the longer-term "true competitiveness" entails, to name a few, a capability to develop human resources, a culture to pursue quality and productivity, an ability to innovate and a marketing power including after sales. These and other relevant factors are not necessarily measurable or quantifiable. They also vary by country and region.

This is why we introduced the TNGA initiative and the new organizational structure with business units in April. These are our responses to the task of developing "true competitiveness."

For this fiscal year, all 330,000 members of global Toyota will continue to strive together towards sustainable growth. I would very much appreciate your continued support.

End