

Financial Results for the Fiscal Year Ended March 2015

Prepared Remarks by President Akio Toyoda

For the fiscal year ended March 2015, our consolidated operating income reached 2 trillion 750.5 billion yen, primarily as a result of group-wide cost reduction efforts and depreciation of the yen.

I would like to express our sincere gratitude to all those involved, including our dealers and suppliers, and above all, to our customers around the world for choosing our cars.

I believe that our financial results are the outcome of continuous efforts made by individuals within our company, including those at production lines who are painstakingly seeking to make the most of every last second and every last yen, striving to improve productivity, and those at product development who are working tirelessly to translate their visions for ever-better cars from conceptual drawings to reality. They, also, have our sincere thanks.

With regard to the year-end dividend, we plan to propose 125 yen per share at the annual general meeting of shareholders later this year. Including the interim dividend of 75 yen, the full year dividend will be 200 yen.

We also plan to repurchase up to 300 billion yen of our common stock.

To ensure that our shareholders feel rewarded, we intend to continue paying dividends stably and sustainably, while flexibly considering share buybacks.

We also are focused on competitive and sustainable growth. Growth of our products, transformation of our facilities and of our people and investment in innovative technologies that make life greener, safer and easier for everyone.

Over recent years, we have been pursuing the development of the foundations for sustainable growth through the introduction of Toyota New Global Architecture (TNGA) to radically change our vehicle manufacturing and business units.

Last year, we began to take further initiatives to integrate the resources of the Toyota Group beyond the boundaries of companies and organizations by establishing a new North American headquarters and reorganizing our diesel engine businesses.

On February 24, the fifth anniversary of when I attended the U.S. congressional hearing, we were able to take the first step towards innovation for the next 100 years with an event celebrating the line-off of the Mirai, our new fuel cell vehicle.

When I think about Toyota going forward, there are still many things that we must do.

After the losses we incurred after the global financial crisis and recall issues, we learned that competitiveness must be improved on a number of fronts if we wish to grow sustainably.

While some aspects of competitiveness required for a company such as marketing effectiveness and cost reduction can be directly linked with vehicle sales and earnings, other are not necessarily visible in short term results -- such as the ability to develop attractive products, the ability to maintain and improve quality and, most important, the ability to invest in our people so they can take ownership for their work and feel a greater sense of fulfillment.

The appreciation and support of our customers, investors, and the local communities we are involved in are also of the utmost importance.

I believe that "true competitiveness" is competitiveness that embraces all these aspects. Only through true competitiveness can sustainable growth be attained.

Now, how is Toyota faring on the way toward true competitiveness?

While we are beginning to see some promising signs, there is still much left to be done. The point is to establish the continuous cycle of freeing up resources for innovation by rationalizing investment, improving productivity, reducing costs, and investing such resources into the development of

ever-better cars and strengthening our team of talented people. We must maintain this cycle without fail and create vibrant and robust *genbas*, or workplaces, that are always evolving.

In this context, the current fiscal year will be an important turning point for Toyota. Will Toyota take a solid step on a new path toward sustainable growth? Or will we go back to where we were despite our efforts made so far?

After a three year pause on new plant development, Toyota recently announced the construction of a new plant in Mexico and a new production line in China. These new facilities will be among the first to utilize from the ground up the innovative production technologies developed during our three year pause. In this way, we intend to create plants instantly renowned for their competitiveness.

At our existing plants, we plan to promote new initiatives, measures and efforts beyond what have been done before, and to invest with clear intentions in order to support not only quantitative but qualitative growth.

In April, we revamped our executive structure with the aim of being able to reflect the efforts of the front lines—the engines of our growth—immediately in the management of our company.

To that end, business units, regions and functions are now led by presidents and chief officers closer to the front lines, while leaders who are non-Japanese, from technical backgrounds, or from group companies, have been newly appointed to executive positions.

Leaders from diverse backgrounds will work closely with teams on the front lines. They will be able to make swift decisions based on *genchi genbutsu*, or hands-on knowledge of the situation on the ground. They will also introduce new values and ideas to Toyota. They will be agents of change.

As a result, I believe that if each individual at Toyota continues to rise to new challenges, we will be empowered, as an organization, to grow each and every day.

Let me reiterate that we are entering an important phase that will call into question our two main drivers in achieving sustainable growth: building ever-better cars and strengthening our team.

We will start launching TNGA vehicles from the second half of this year and by 2020, TNGA vehicles will account for roughly half of our global new car sales.

Our new competitive production facilities will come online from around 2018 to 2019, and our initiatives to smartly build attractive cars will finally be implemented.

We are also accelerating investment in new growth areas to support the smart mobility societies of the future, such as the development of the next-generation environmental technologies, commercialization of advanced driving-support technologies utilizing advanced IT and social infrastructure technologies, and the continued development of our robotics business.

It is my true belief that to ensure our competitiveness and success for the many years ahead, we must focus on sustainable growth – growth of our products, transformation of our facilities and of our people and investment in innovative technologies that make life greener, safer and easier for everyone.

We are doing this through our Toyota New Global Architecture, our recent restructuring of our business units, our expanded leadership teams, and our dedication to help change the world through mobility – mobility *inside* the car, like automated driving and fuel cell solutions – and mobility *outside* the car through robotics.

I will remain united with our leaders on the front lines and work with them to promote measures to help build true competitiveness so that Toyota can grow sustainably.

Thank you for your continued understanding and support.