

# Investor Conference

April 7, 2010  
TOYOTA MOTOR CORPORATION

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April 7, 2010  
TOYOTA MOTOR CORPORATION  
Akio Toyoda, President

# Toyota's Quality and Efforts

April 7, 2010

TOYOTA MOTOR CORPORATION

Shinichi Sasaki, Executive Vice President

I'm Shinichi Sasaki, Executive Vice President in charge of Quality.

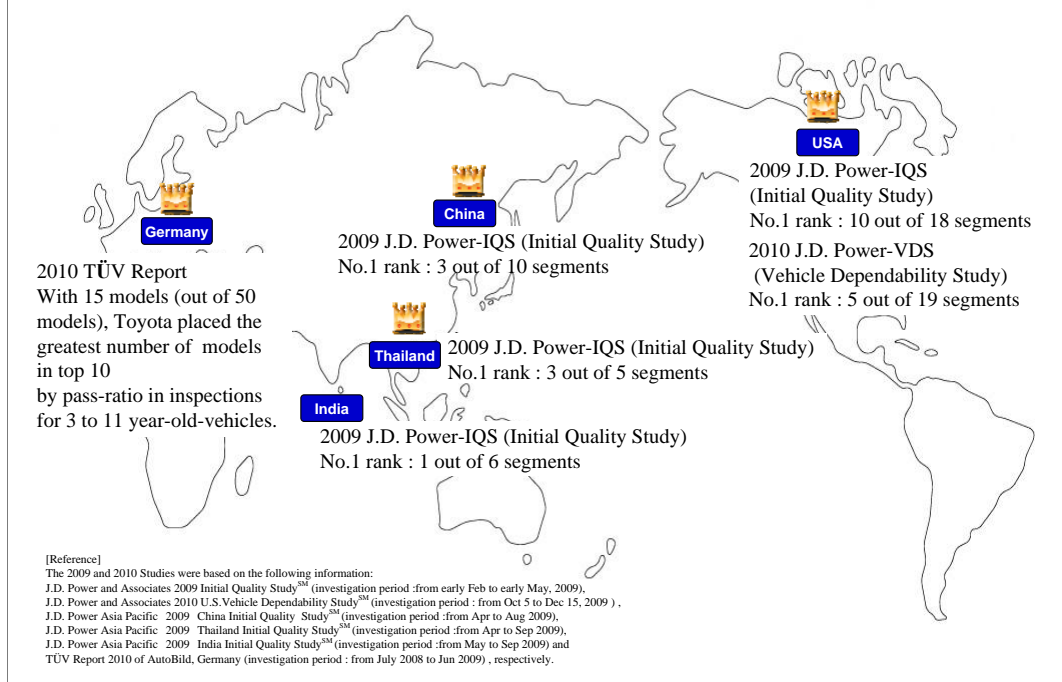
Before discussing our planned actions that Mr. Toyoda introduced a little while ago,

I would like to introduce some data released by third parties regarding the quality of Toyota vehicles.

### Precaution statement

This presentation includes data or information from third party reports which are the latest available reports, examined or gathered as of dates prior to Toyota's decision on safety measures such as the safety recall regarding sticking accelerator pedals. These data and information may not incorporate the impact of Toyota's decisions on safety measures such as recalls.

## Quality of Toyota vehicles (Evaluation by third parties)



Please look at the slide.

This world map shows the quality level of Toyota in each region.

In the IQS (Initial Quality Study) in each region by J.D. Power, Toyota ranked first for the number of first place rankings by segment. You can see that Toyota's quality is evaluated highly in the world.

I will explain the quality evaluation particularly in the US and Germany.

## Quality of Toyota Vehicles (Evaluation by third parties)

### 1. J.D. POWER- IQS (U.S.A.) (1) ( Initial Quality Study) [2008/2009 Results]

The questionnaire is conducted concerning problems occurred in 3 months after purchase.

#### [1] Nameplate Ranking

Chart 1

Ranking		Nameplate	Score (Problems per 100)		
2008	2009		2008	2009	
3	1	Lexus	99	84	Improved 15 points
1	2	P	87	90	
10	3	G	113	91	
13	4	K	114	95	
7	5	H	110	99	
4	6	Toyota	104	101	Improved 3 points
4	6	D	104	101	
Overall Average			118	108	

[Reference] Chart 1: The 2008 and 2009 Studies were based on information of J.D. Power and Associates 2008 Initial Quality Study<sup>SM</sup> (investigation period : from early Feb to early Apr 2008) and J.D. Power and Associates 2009 Initial Quality Study<sup>SM</sup> (investigation period : from early Feb to early May 2009), respectively.

In the US IQS (Initial Quality Study) released last June,  
Lexus was ranked first and Toyota was ranked sixth in the nameplate ranking.

We are aiming to achieve 1-2 Ranking. (i.e. Lexus:ranked first, Toyota:ranked second )

The scores indicate that the level of quality improved from 2008 to 2009.



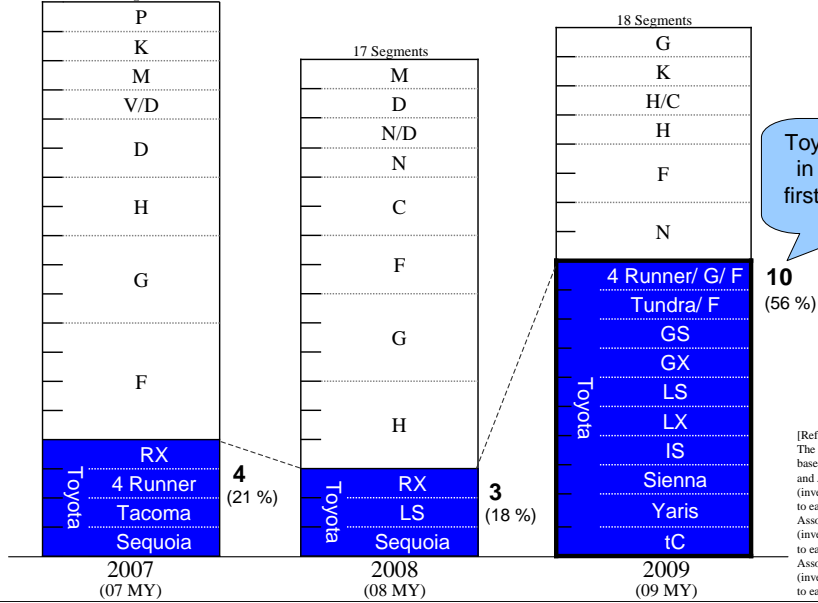
# Quality of Toyota Vehicles (Evaluation by third parties)

## 1. J.D. POWER- IQS (U.S.A.) (2) (Initial Quality Study) [2007 - 2009 Results]

The questionnaire is conducted concerning problems occurred in 3 months after purchase.

### [2] Model Ranking by Segment

Chart 2 19 Segments



Toyota ranked first in the number of first place rankings

[Reference] Chart 2:  
The 2007, 2008 and 2009 Studies were based on information of J.D. Power and Associates 2007 Initial Quality Study<sup>SM</sup> (investigation period : from early Feb to early Apr 2007), J.D. Power and Associates 2008 Initial Quality Study<sup>SM</sup> (investigation period : from early Feb to early Apr 2008) and J.D. Power and Associates 2009 Initial Quality Study<sup>SM</sup> (investigation period : from early Feb to early May 2009), respectively.

Furthermore, we ranked first in ten out of 18 segments in the IQS (Initial Quality Study) in 2009, ranking first in the number of first place rankings by segment.

## Quality of Toyota Vehicles (Evaluation by third parties)

### 2. J.D. POWER- VDS (U.S.A.) (1) (Vehicle Dependability Study) [2009/2010 Results]

The questionnaire is conducted concerning problems occurred in the preceding one year with three year-old vehicles.

#### [1] Nameplate Ranking

Chart 3

Ranking		Nameplate	Score (Problems per 100)	
2009	2010		2009	2010
11	1	P	148	110
8	2	F	144	114
3	3	Lexus	124	115
1	3	G	120	115
5	5	F	131	121
4	6	Toyota	127	128
Overall Average			167	155

Improved  
9 points

[Reference] Chart 3: The 2009 and 2010 Studies were based on information of J.D. Power and Associates 2009 U.S. Vehicle Dependability Study<sup>SM</sup> (investigation period : from early Oct to Dec 1st 2008) and J.D. Power and Associates 2010 U.S. Vehicle Dependability Study<sup>SM</sup> (investigation period : from Oct 5th to Dec 15th 2009), respectively.

This slide shows the result of VDS (Vehicle Dependability Study) for three-year-old vehicles that J. D. Power released this March.

Lexus ranked third and Toyota ranked sixth in the nameplate ranking.

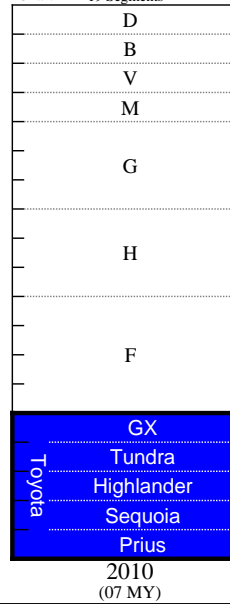
## Quality of Toyota Vehicles (Evaluation by third parties)

### 2. J.D. POWER- VDS (U.S.A.) (2) (Vehicle Dependability Study) [2010 Results]

The questionnaire is conducted concerning problems occurred in the preceding one year with three year-old vehicles.

#### [2] Model Ranking by Segment

Chart 4 19 Segments



Toyota ranked first in the number of first place rankings

[Reference] Chart 4: The 2010 Studies was based on information of J.D. Power and Associates 2010 U.S. Vehicle Dependability Study<sup>SM</sup> (investigation period : from Oct 5th, 2009 to Dec 15th, 2009)

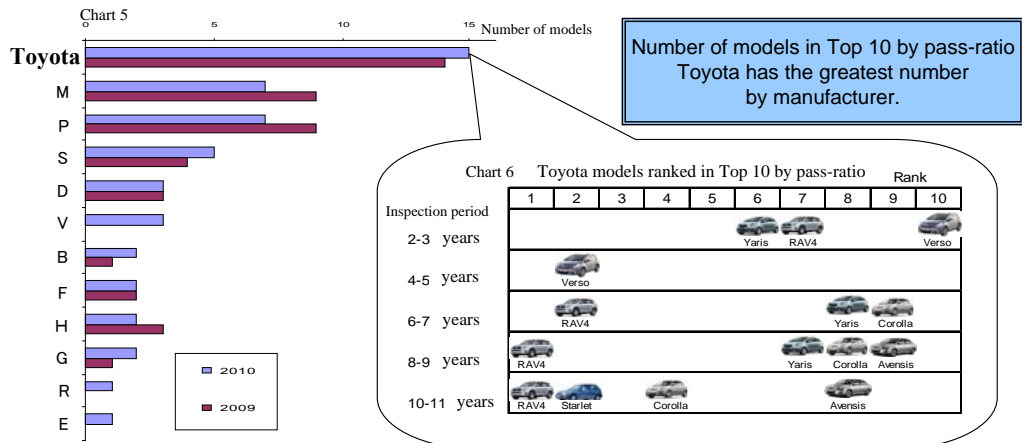
We ranked first in five segments in the VDS (Vehicle Dependability Study) in 2010, ranking first in the number of first place rankings by segment.

## Quality of Toyota Vehicles (Evaluation by third parties)

### 3. Germany TÜV Report [2010 Result]

Based on the inspection results of TÜV (Company for the periodical technical inspection on every vehicle registered), models are ranked by pass-ratio in each inspection period.

Number of the total models by maker ranked in **Top 10 by pass-ratio** in each inspection period.



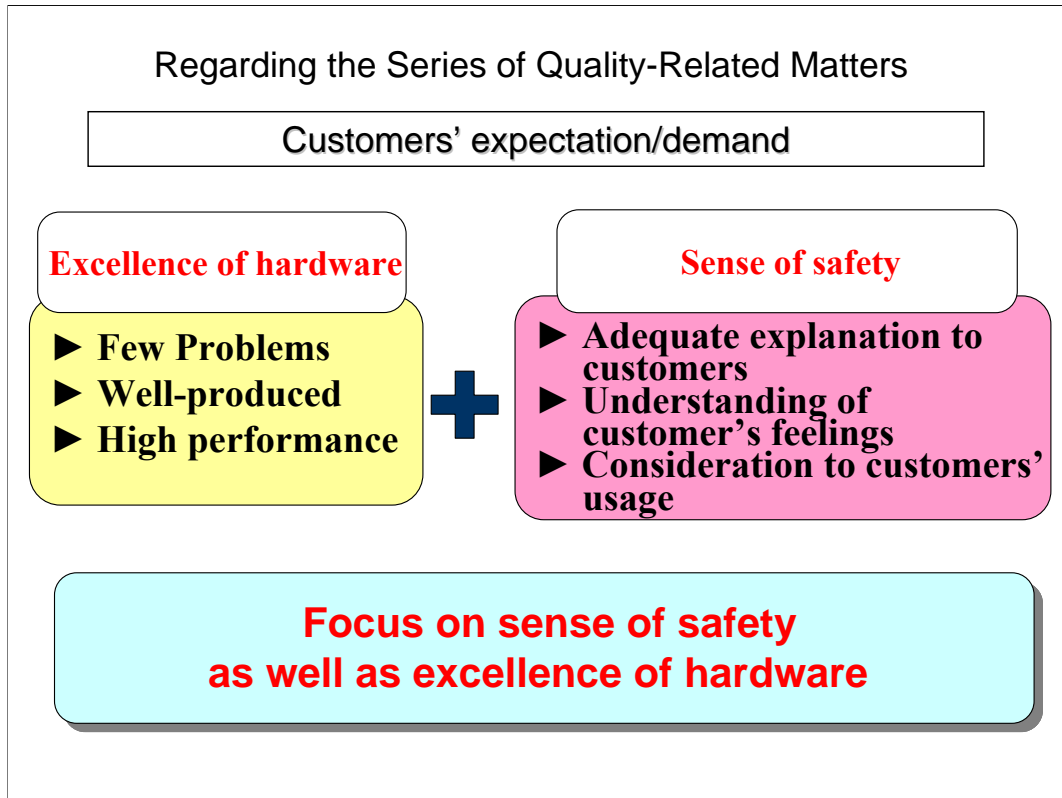
[Reference] Chart 5, 6 : The 2010 Reports was based on information of TÜV Report 2010 of AutoBild, Germany. (investigation period : from July 2008 to Jun 2009)

This slide shows the data that was disclosed based on the results of periodic vehicle inspection by TUV (Technical Inspection Association) in Germany.

Please look at chart 6.

Many Toyota models are ranked among the top 10 by pass-ratio in each inspection period.

The bar graph in chart 5 comparing the number of models in top 10 by manufacturer shows Toyota ranking first with 15 models.



As I explained until now, Toyota has received top quality regarding evaluations through its continuous efforts in manufacturing, but, from now on, we believe that we should further focus on areas such as sense of safety which is valued by customers as high quality.

## Toyota's Efforts (Special Committee for Global Quality)



150 people attended

Based on these, ahead of other companies, we established the Special Committee for Global Quality to strengthen our quality base from the viewpoint of present and future customers.

We held the first meeting of the Special Committee for Global Quality on March 30.

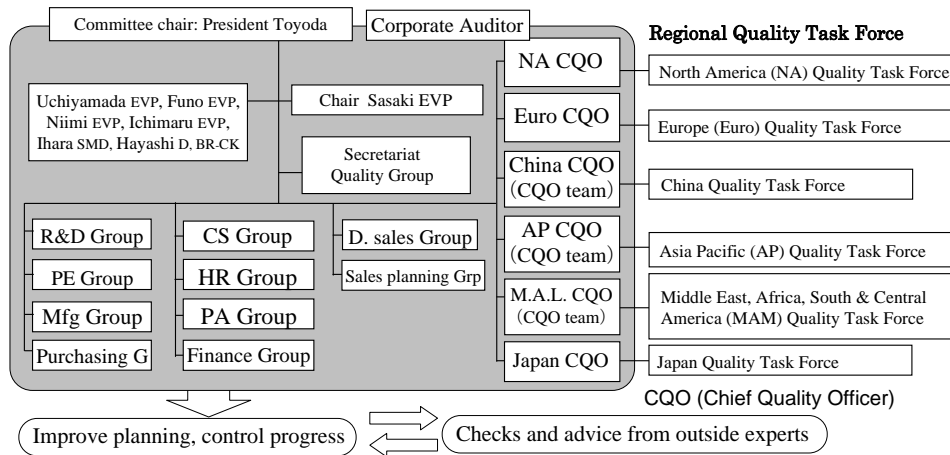
150 people including those from overseas attended and decided on concrete policies.

## Toyota's Efforts (Special Committee for Global Quality)

### 1. Purpose of Establishing the Special Committee

**Strengthen quality assurance system by reflecting on all process from a customer point of view**

R&D, Purchasing (Supplier), Production, Engineering/Manufacturing, Sales, Service



The key point in establishing the Special Committee for Global Quality is to strengthen Toyota's quality system by having all of us review operations including development, purchasing, production engineering, manufacturing, sales operation and service from customers' point of view.

This chart is the organizational chart of the Special Committee for Global Quality.

The Chief Quality Officer of each region and the Regional Product Safety Executives will swiftly share voices of customers globally.

In addition, we decided that the Regional Product Safety Executives in each region will take part in consideration of safety measures such as recalls.

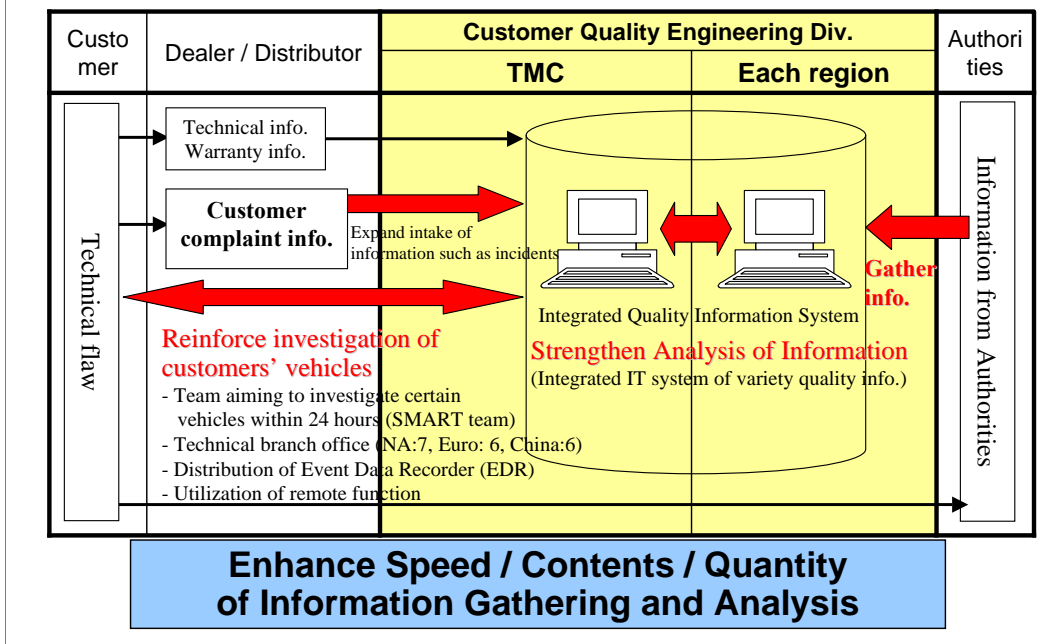
We think that because of this re-examination, it would be possible to make better vehicles and decide on safety measures appropriately and swiftly both regionally and globally.

In order to secure visibility of these activities, we are going to release the evaluation result of the policy determinations of the Special Committee for Global Quality by four outside professionals and experts by around June 2010 in addition to asking outside experts in each region to evaluate regional quality committees.

## Toyota's Efforts (Special Committee for Global Quality)

### 2. Early Detection and Early Resolution

based on Reinforced, Information Gathering and Genchi-Genbutsu



The next chart is a flow chart of the information gathering and analysis going forward as considered by the Special Committee for Global Quality.

We will endeavour to make better vehicles by taking into consideration customer feedback.

In particular, we intend to reinforce the activity of identifying customers' vehicles through "Genchi Genbutsu".

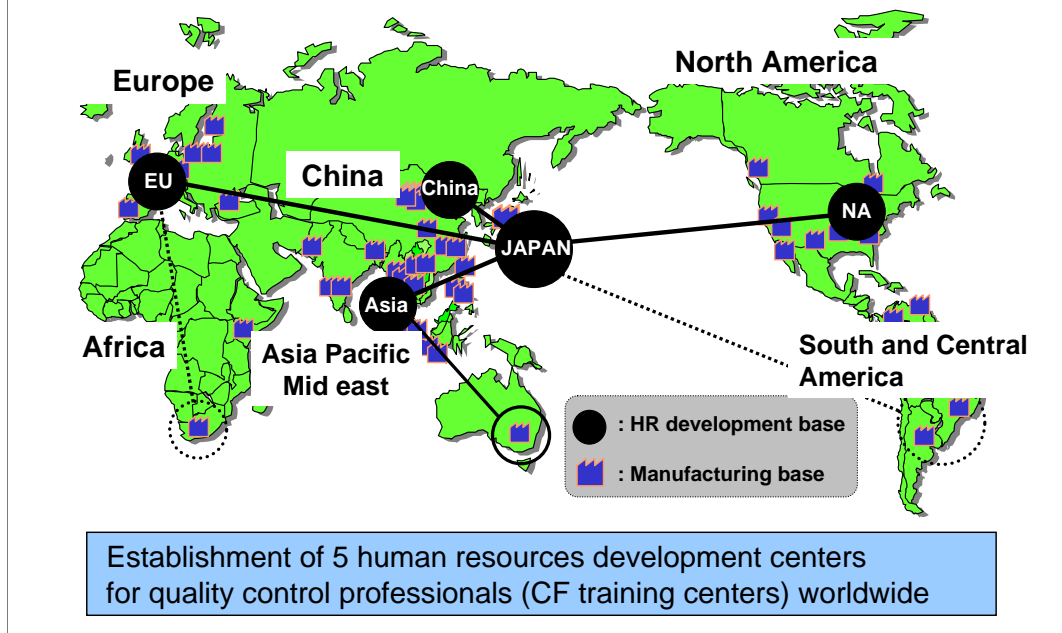
Specifically, we intend to strengthen the team activity of actual vehicle checks by "SMART engineers" in the US and reinforce engineering branch offices.

We will pursue reinforcement of IT through establishment of integrated quality information system, among others, in order to further utilize this information.



## Toyota's Efforts (Special Committee for Global Quality)

### 3. Cultivation of Quality Control Professionals



In addition, Toyota has a corporate culture based on the philosophy of “Making products is training people”.

We decided to establish “Customer first training centers” in five locations, in North America, Europe, Asia, China, and Japan to share what we have learned through the quality-related matters such as the recent recalls and to pass it onto the next generation.

At the “Customer first training centers,” we decided to reensure that “Toyota Way” for quality is followed in each region and to train quality control professionals with high technical knowledge and leaders of the next generation.

I plan to further strengthen our quality base by carrying out these efforts.

This will conclude my presentation. I would like to thank you all for your attention.

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