Sales activities for Enhancement of Competitiveness and Sustainable Growth

Nov.6th, 2018

Toyota Motor Corporation
Executive Vice President
Didier Leroy
1. Toyota’s Vision and enhancement of Sales Capability

Sustainable Society
- Encourage creativity & create new value
- Advance Toyota by “Challenging to the future”
- Current Toyota
- Toward “Tree-ring growth”

Sustainable growth
- Enhance true competitiveness
- Environment

Safety/Security

Excitement (Waku Doki)

Rewarded with a smile

Establish a solid foundation

Improve Productivity
Cost Kaizen
Enhance Sales Capability
Human development
...
2. Basic policies to enhance sales capability

◆ We must secure “Strength” (Profit) and “Presence” (Volume) and popularize new technologies

Increase the number of customers who choose Toyota by creating value

1) Swift Decision and Quick Action based on Genba Information
2) Train Staff by Exclusive Department
3) Reinforce Brand
4) Create Lifelong Customers

【CY18 sales target】

- 9.5mil units, 120k more than LY

【Progress on efforts】

- 100k units more than LY as of Sep.’18 (Jan-Sep.’18)
3. Increase the number of customers choosing Toyota

1) Swift Decision and Quick Action based on Genba Information

- Listen to the customers' voices
- Learn at the point of sale, service
- Executive leads
- Customer chooses Toyota
- Product improvement Marketing activities
2) Train Staff by Exclusive Department

- Train staff to have a better sense of the market

- Support activity for raising the level of sales operations with the aim to be Best in Town (Hospitality, O-mo-te-na-shi, etc.)

Regions draw know-how and experience from each other at global level

Delivery Ceremony

“How I want to treat Customer”

Visible Service Package
3. Increase the number of customers choosing Toyota

3) Reinforce Brand

Mobility for All

Environment

Ever Better Cars

Start Your Impossible

Electrification

GAZOO Racing
3. Increase the number of customers choosing Toyota

4) Create Lifelong Customers

① Reduce the total life time cost
② Provide high value (incl. improve value chain)

Initial cost
Discount
Resale value
(Less Incentive leads to high resale value etc.)
Discount
Resale value

① Life time cost
Make Cost lower
Customer's cost

② Value provided by Toyota
Value provided by Toyota
ever-better-car
Service (OMOTENASHI)
Quality etc.

Customer's benefit
Make Benefit bigger than cost
Ideal situation

Previous
Ideal situation
4. Example of Regional Activities: ① Japan [J-ReBORN Plan]

Regional Strategy instead of Nationwide, Multi-channel

New Mobility Services For Regional Societies

Connected Services Working with Local Governments

“Best-in-Town” Dealers at the heart of their communities
New direction starts from Tokyo after April 2019

- Tokyo area is very fast to adopt new trends
- Tokyo has both big city and rural area challenges as all areas in Japan

Integrate 4 directly owned companies
⇒ Toyota Mobility Tokyo, Inc.

All dealers, all models

New mobility services (e.g., car leasing, car sharing)

Operational Kaizen
4. Example of Regional Activities: China

- Local Motor Shows
- HEV Branding Events
- TNGA Test Drives
- Premier visit to Hokkaido

Sales structural reform (Capability reinforcement)

TNGA model introduction (Dec. 2017 Camry~)

15CY~ (thousand units)

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1,400 and over
5. Selling in the Toyota Way

**Best in Town**

- Share Toyota Way globally to make sales activities “Better Better Better”

**Genchi-Genbutsu**

- Executives go to the store and listen to customer’s voice

- Genchi Genbutsu: The Problem Solving Concept Which Drives Toyota Forward
ENHANCING SALES ACTIVITIES AND PROFIT IMPROVEMENT IN NORTH AMERICA

NOVEMBER 6, 2018

TOYOTA MOTOR NORTH AMERICA
CEO
JIM LENTZ
NORTH AMERICAN MARKET: TAILWINDS VS. HEADWINDS

TAILWINDS:
- Consumer Confidence
- Low unemployment rate
- Housing starts
- Wall Street/Stock Market
- Steady fuel prices

HEADWINDS:
- Trade
- Greenhouse gas emissions
- Rising interest rates
- Cyclical downturn
- Commodities pricing
- Incentives
- Used cars
ONE TOYOTA: PROFIT IMPROVEMENT

Transformational Profit Improvement Initiative (TPII)

- Revenue Management and Incentives
- Fixed Costs
- Critical Review
- Design & Spec
- Connected Technologies

MORE EFFICIENT | QUICKER RESPONSE | STRENGTHEN CAPABILITIES

SUSTAINABLE GROWTH

FY18

FY21/22

TPII
Over the next 3 years, all-new, redesigned or refreshed models in the Toyota and Lexus line-up.
FUTURE OF MOBILITY/SUSTAINABILITY

TOYOTA connected

CAR-SHARE SERVICE

PROJECT H₂ PORTAL

ELECTRIFICATION

BY 2020 MORE THAN 15% OF OUR U.S. LINE-UP WILL CONSIST OF HYBRID, PHEVs AND FCVs

MONETIZING DATA