

Responses to inquiries from shareholders posted on the dedicated website  
in advance of the 119th Ordinary General Shareholders' Meeting

Among the inquiries from shareholders posted on the dedicated website in advance of the 119th Ordinary General Shareholders' Meeting, we hereby respond to those that are of great interest to shareholders.

**Q1. What do you think of the current share price? What measures do you plan to take to increase the share price in the future (<Reference>Closing price on Tuesday, June 13, the day before the General Shareholders' Meeting: 2,173.5 yen)?**

A.

We are not satisfied with the current share price level. We understand that this is reflective of the severe view of the automotive industry, which is in the midst of a "once-in-a-century period of great change," and we will aggressively invest in the future so that people can have high expectations for the future. We would like to deepen the understanding of our shareholders and investors by carefully communicating with them about the present and future that Toyota is aiming for. Cars are made by all of us together, and we will continue our efforts to gain the support of all stakeholders, including our shareholders, who have increased in number to approximately one million, in the future.

**Q2. With regard to the development of hydrogen engine vehicles and fuel cell vehicles, what efforts are being made to promote the use of them, including the establishment of a hydrogen supply network?**

A.

In 2030, the hydrogen market will be overwhelmingly large in Europe, China, and North America, and the fuel cell market is expected to rapidly expand toward 2030, reaching an annual scale of 5 trillion yen. We are planning to promote external sales of fuel cells using MIRAI's hydrogen unit, and have already received offers to sell 100,000 units by 2030. The majority of these vehicles will be commercial vehicles. In order to respond to the rapid changes in the market, we will establish a new organization, the Hydrogen Factory, in July 2023, which will enable us to make immediate decisions on everything

from sales to development and production under a single leader.

The price of hydrogen is still very high. In order to spread the use of hydrogen, Toyota will continue to contribute by working with our partners on the "making" of "making," "transporting," and "using."

**Q3. I would like to know the roadmap for the development and diffusion of battery EVs. Toyota seems to be lagging behind in EVs. Is there a way for it to catch up?**

A.

Toyota is also preparing battery EVs based on a multi-pathway concept. The sole goal of electric vehicle diffusion is to achieve carbon neutrality. Looking around the world, energy situations differ in various countries and regions, and the required vehicles and their usage differ as well. With this in mind, we are aiming to popularize battery EVs, and are working to enhance our lineup and prepare batteries for global annual sales of 1.5 million units by 2026 and 3.5 million units by 2030. We have also set up an organization dedicated to battery EVs to deliver battery EVs that are becoming of a car manufacturer.

**Q4. I would like to see the company increase its dividends. What is your dividend policy going forward?**

A.

For the fiscal year ended March 31, 2023, we have increased the year-end dividend by 7 yen to 35 yen per share, and together with the interim dividend of 25 yen per share, we have increased the annual dividend by 8 yen to 60 yen per share. The dividend policy was previously based on a consolidated dividend payout ratio of 30%, but in order to meet the expectations of shareholders who hold our shares for a long time, we have revised the dividend policy to focus more on dividends and to implement stable and continuous dividend increases. We are committed to rewarding our approximately one million shareholders, many of whom are also Toyota car owners, with stable and continuous dividend increases, as a statement of our determination to achieve sustainable growth under the new management structure.

**Q5. How does Toyota view the scandals involving its affiliated companies and what measures is Toyota considering?**

A.

We would like to apologize to our customers, shareholders, and all other parties concerned for the inconvenience and concern the scandals have caused.

We recognize that this series of scandals is not an individual company issue, but one that should be addressed by the group as a whole.

We believe that top management must go to the front lines, listen to the true feelings of the employees, and work on this issue as if it were our last chance, with an unwavering spirit of not running away, not hiding, and not lying, and with a determination to eliminate the scandals. We are communicating with the president of each group company to (1) stop problems when they occur, investigate the causes until they are accurately identified, and implement countermeasures, and (2) create an open workplace and system that allows people to freely express their opinions. It may take time, but we will continue to improve our culture and climate to become a group where everyone can voice their concerns, help each other, and honestly say thank you, and we will do our best to regain the trust of our customers.

**Q6. With the increasing electrification of automobiles, how advanced is the development of all solid-state batteries and other in-vehicle batteries?**

A.

As Toyota moves forward with its efforts to introduce next-generation battery EVs in 2026, we will also evolve batteries using new technologies to meet customer expectations.

Liquid lithium-ion batteries, which are currently the mainstream, will enhance performance by improving the energy density of rectangular batteries, an area in which Toyota has many years of expertise. In addition, by adopting the bipolar structure that has been developed for hybrid vehicles for battery EVs, we will expand our product lineup to provide customers with a variety of options, from low-cost, popular batteries to batteries that pursue even higher performance.

In addition, all solid-state batteries, which are highly anticipated as innovative batteries, will finally enter the practical application phase with the

aim of being used in battery EVs. Our full lineup of competitive batteries will support the future evolution of Toyota's battery EVs.

**Q7. I would like to know about your thoughts and initiatives regarding the promotion of women to the executives.**

A.

We have long been considering the appointment of a wide range of women to our executives, regardless of gender, nationality, etc. We are comprehensively considering the appointment of the right persons to the right jobs, based on their past performance and experience. We believe it is very important for Toyota to make the company a place where women can play an active role in the future, so that we can continue to conduct our business in a sustainable manner. Among the Member of the Board of Directors and Audit & Supervisory Board Members proposed at the General Shareholders' Meeting, we have increased the number of non-Japanese Member of the Board of Directors and Audit & Supervisory Board Members as well as female Member of the Board of Directors and Audit & Supervisory Board Members by one each compared to last year, to four and two, respectively.

We are also increasing the number of women hired as candidates for future executives. We have greatly increased the number of women in administrative positions to between 40% and 50%, and engineers to nearly 20%. In the future, we will promote efforts to have women and foreigners in various positions, such as executives, chief officers, and general managers.

**Q8. Please tell us about the current status and future of Woven City.**

A.

It has been about five years since the conception of Woven City, and construction has progressed on schedule and is currently nearly 20% complete.

For us, we see Woven City as a test course in the transformation from cars to mobility. While many new technologies are being developed, it used to be possible to develop a car technology simply by having a prototype car and a test course.

However, as we aim to transform ourselves into a mobility company, what we must face in our demonstration experiments is not just the car itself, but how the car can be used in the future and how it can evolve to benefit society by connecting people, goods and information in a complex manner within the city and its infrastructure .

In addition, the solution technology that develops and utilizes technology using digital technology will become one of the values to be offered in the future.

We believe that Woven City will evolve as a business domain in this manner and bring about evolution in many areas. We will continue to nurture Woven City while providing specific details from time to time.