



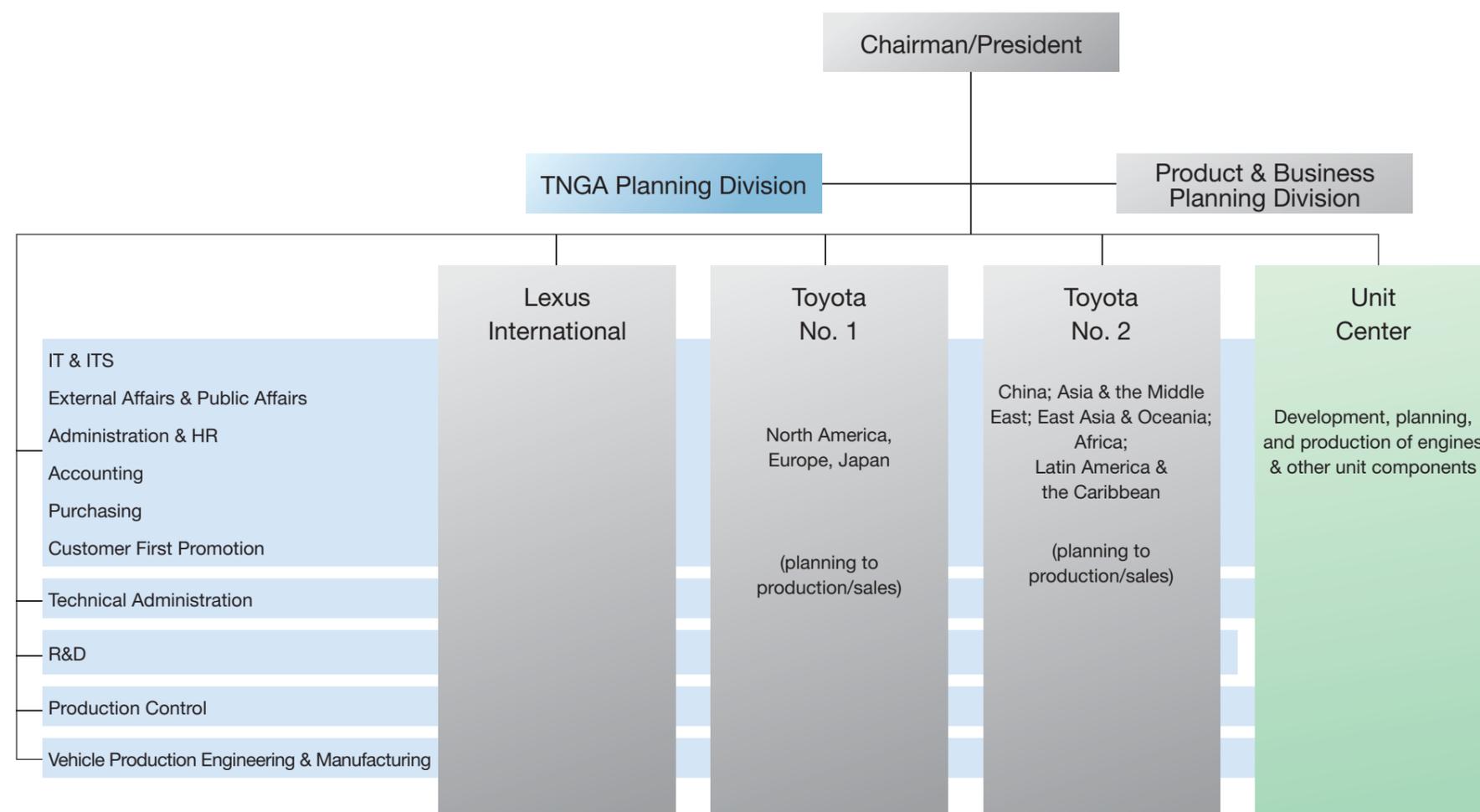
Launching a New Structure to Help Fulfill the Toyota Global Vision

In April 2013, Toyota optimized its organizational structure in an effort to better fulfill the Toyota Global Vision by manufacturing ever-better cars. Together with the four newly established units encompassing our automotive operations, the TNGA Planning Division will be responsible for driving medium- to long-term technology-based product strategies under TNGA, while the Product and Business Planning Division will focus on generating market-based product and business strategies.

Clarifying responsibility for operations and earnings while accelerating decision making

Toyota has split its automotive business into four units comprising Lexus International, which covers our Lexus brand; Toyota No. 1, which oversees operations in North America, Europe, and Japan; Toyota No. 2, which is responsible for business in China, Asia & the Middle East, East Asia & Oceania, Africa, and Latin America & the Caribbean; and the Unit Center, which covers all unit-related operations. This more agile and autonomous management structure will enable us to clarify responsibility for operations and earnings, and will allow managers in the field to make decisions more quickly based on *genchi genbutsu* (on-site, hands-on experience). Recognizing that innovation is required in order to establish Lexus as a Japanese global luxury brand, the president has taken the reins of the newly formed Lexus International unit.

New Structure



President Toyoda and six executive vice presidents (from left: Ihara, Kato, Ozawa, Kodaira, Maekawa, Sudo)

Launching a New Structure to Help Fulfill the Toyota Global Vision

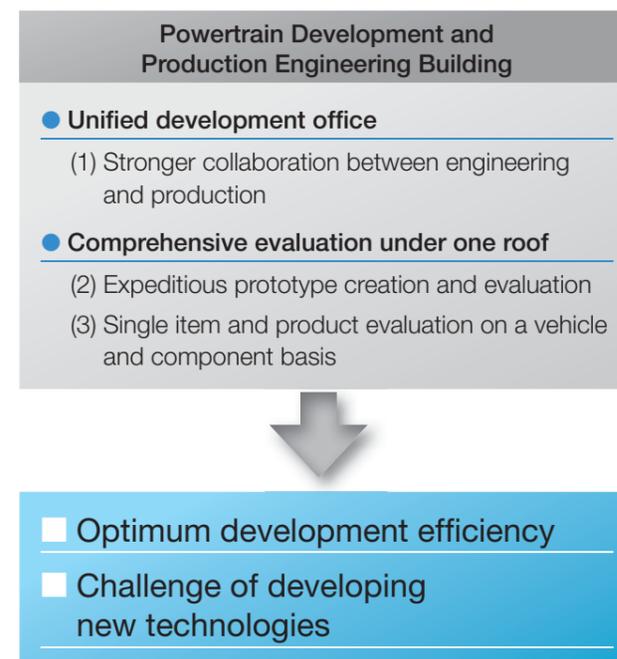
Ensuring that each unit pursues the most appropriate business model

Under the new management structure, each business unit will optimize its own business model and aim for steady improvement, an approach that is expected to contribute to across-the-board growth. Toyota has thus put in place a structure that is capable of continuously making ever-better cars and maintaining outstanding quality and profitability while further expanding vehicle sales.

In addition to the ongoing development of the Lexus business as a in-house company, the Toyota business has been split into two business units and executive vice presidents appointed to assume responsibility for operations and earnings. Just as the Lexus business has its own business model, the Toyota brand maintains two clearly distinct models covering operations in developed and emerging markets. For the developed markets in which Toyota No. 1 operates, success rests on our ability to capture replacement demand amid a market that is projected to remain stagnant in terms of scale. With this in mind, every effort will be channeled toward securing qualitative growth by expanding sales of ever-better cars that incorporate advanced technologies in such fields as the environment and safety. Meanwhile, the emerging markets in which Toyota No. 2 operates are experiencing rapid growth. In these markets it is essential to capture new customers by introducing well-timed products that fit market needs. Essentially, both Toyota No. 1 and Toyota No. 2 must work to understand the particular stage of development of their respective markets, and must expand these markets by introducing ever-better cars. They will also need to harness their accumulated know-how to address the concerns that come with expansion.

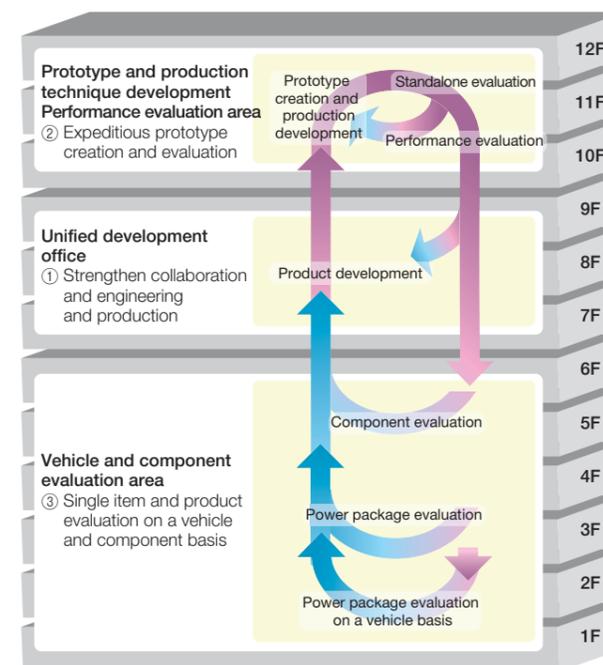
Adopting a horizontal structure, regional headquarters have been established within Toyota No. 1 and Toyota No. 2 to ensure that the unique markets of each region are handled in an attentive and appropriate manner. With

Transforming the way we work



regard to annual vehicle sales, goals have been set for the Lexus, Toyota No. 1, and Toyota No. 2 units at approximately 500,000 units, 4,000,000 units, and 3,000,000 units, respectively.

With the aim of bringing products to market in a responsive and timely manner, the Unit Center has been charged with developing globally competitive "unit" components, and its purview encompasses all operations from components planning to the development of production technologies and functions. To secure the comprehensive structure these operations entail, all related component departments, including factories, have been consolidated under the Unit Center with an executive vice president appointed to oversee operations as head of the Unit Center. While Toyota's principal products, its cars, are universally recognized as central to its



(Dimensions: 108m x 89m x 58m; total floor space: 101,228m²)



Powertrain Development and Production Engineering Building

business and management, it is possible that components will play an even more significant role. Looking ahead, it is quite possible that the fate of manufacturing companies will depend more on the competitiveness of their components than that of their finished products.

In keeping with the above, Toyota has constructed a new facility to facilitate the development of powertrains, which are expected to play an increasingly central role in the manufacture of ever-better cars. The facility, which went online in February 2013, will enable us to produce ever-better powertrains, and will play a vital role in transforming the way we work and supporting the future of the company.

In overall terms, there two overarching goals for transforming the way we work. The first is to create an environment in which powertrain research and development staff can

engage in face-to-face discussions with the staff responsible for production technologies and the development of production methods. The second is to create a system that can evaluate all stages of development, from fundamental technologies to finished vehicles and components, under one roof.

To ensure that Toyota maintains a genuine competitive advantage, we will position TNGA at the heart of our endeavors as we engage in a comprehensive review of the way we work. By making decisions in a timely manner and optimizing our business development strategies to suit markets, we will strive to make ever-better cars that meet local needs the world over. The overarching goal of the Toyota Global Vision is achieving sustainable growth, and this will remain our focus as we look to the future.