

Rewarded with a Smile by Exceeding Your Expectations



I would like to begin by offering thanks for the continued support and understanding of all of our stakeholders. In addition, on behalf of everyone at Toyota I would like to express my wishes for the restful peace of all those we lost to the Great East Japan Earthquake, and to offer our sincerest sympathies to all who have suffered through this great tragedy.

When I reflect on the past year, I am touched by the support offered by so many of our customers and stakeholders as we dealt with the ongoing effects of the global financial crisis, as well as product quality and safety issues. I offer my sincerest gratitude.

Learning from these experiences, I continued to ask myself, "What kind of company do we want Toyota to be? What kind of company should Toyota be?" I realized that Toyota should strive to be a company that people choose, and that people are happy to have chosen. [The Global Vision](#) we announced in March is strongly imbued with these ideas.

The Great East Japan Earthquake struck two days after we announced our Global Vision. Our employees entered the stricken areas in the immediate aftermath of the earthquake and began [providing support, working together with local residents to reconstruct and restore communities](#). Upon viewing the situation after the disaster, our support teams assessed the situation, quickly worked out what was best for the communities and immediately set about their tasks accordingly. This represents the very spirit of Toyota's "power of the workplace"—an asset built up and handed down through 70 years of Toyota history. Priority was given to rescuing and preserving life, then to the restoration of the communities, with restarting production only considered after the situation stabilized.

Thanks to these tremendous frontline efforts, [the work to get production back to normal](#) proceeded at a feverish pitch. After a short delay, we were able to announce our financial, production, and sales forecasts in June.

When we announced our Global Vision, we noted the need to quickly establish a revenue base that provides operating income of around ¥1 trillion, even with an exchange rate of ¥85 to the U.S. dollar and sales of 7.5 million units. With our breakeven point now more than 1 million vehicles lower compared to what it was at the time of our worst reported loss, we are now on pace to reach that income target despite the effects of the disaster. Compared with our past earnings of more than ¥2 trillion, this goal may seem insufficient. However, I believe that being able to make a steady profit while meeting all tax obligations—no matter the economic situation—is more meaningful than making a lot of money during the good times.

I believe that the shareholders who keep their shares even during a difficult business environment are the ones who understand and truly support Toyota. I want to meet the expectations of those shareholders, so the course I am charting is one that I strongly believe will lead to continuous growth.

Toyota will continue to work to be a company that exceeds the expectations of all our stakeholders and brings smiles to the faces of our customers. We ask for your continued support of our efforts.

July 2011

Akio Toyoda, President