

Exceeding Expectations to Achieve Growth

Toyota Global Vision

Toyota has engaged in a variety of management reforms in response to the industry environment. Our new Global Vision clarifies the corporate image and values for which we aim. Our goal is to achieve future growth based on the lessons we have learned and our reflection on our experiences associated with the deterioration of the management environment caused by the Lehman shock and a series of quality issues. Henceforth, we will establish posts in each region of the world based on this vision and achieve continuous growth through a structure composed of regional entities that conduct our actual business.

Toyota Global Vision

Toyota will lead the way to the future of mobility, enriching lives around the world with the safest and most responsible ways of moving people.

Through our commitment to quality, constant innovation and respect for the planet, we aim to exceed expectations and be rewarded with a smile.

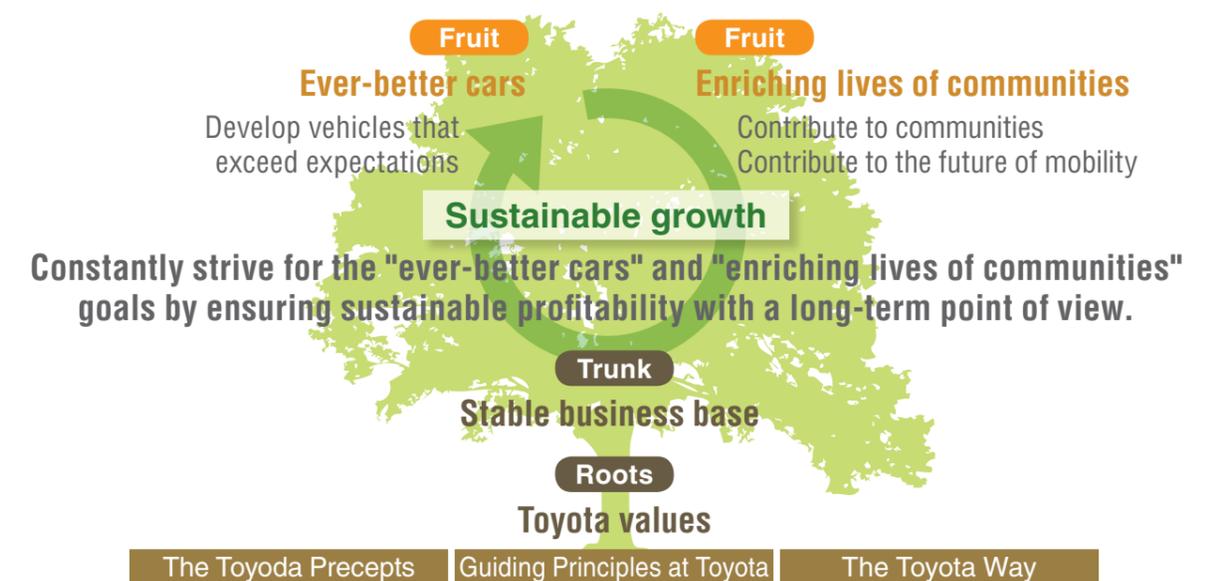
We will meet challenging goals by engaging the talent and passion of people, who believe there is always a better way.

Goals of Our Vision

Regional entities to drive further evolution of "Customer First" and "genchi genbutsu"

The Toyota Global Vision offers automobile manufacturing that exceeds customer expectations and a new mobility society based on the Toyota Precepts, the Toyota Guiding Principles and the Toyota Way, which have been the guiding aim of our spirit of manufacturing (*monozukuri*) throughout our 74-year history. By building a stable management foundation from revenues gained through coexistence and co-prosperity with society and our customers, as well as by contributing to the development of local communities, we can create a virtuous cycle for continuous growth.

This Global Vision calls for management at the head office to determine our overall direction and conduct regional support, whereas the regional entities around the world, which are closest to their customers, make independent decisions. What this means is realizing "Customer First" and "genchi genbutsu." This concept represents a change in the management structure aimed at rapid feedback from actual locations and using that feedback in decision making, while always being able to ensure that such decisions are acceptable to society.



Toyota's Visionary Management

Toyota's Visionary Management concept can be expressed using the metaphor of a tree. The roots of the tree are the shared values that underlie our spirit of *monozukuri*. The fruit of the tree is our contributions to "always making better cars" and "enriching the lives of communities." The trunk of the tree is a stable business foundation that supports products that please our customers. Henceforth, we will conduct our business so as to achieve continuous growth through a virtuous cycle comprising these three elements.

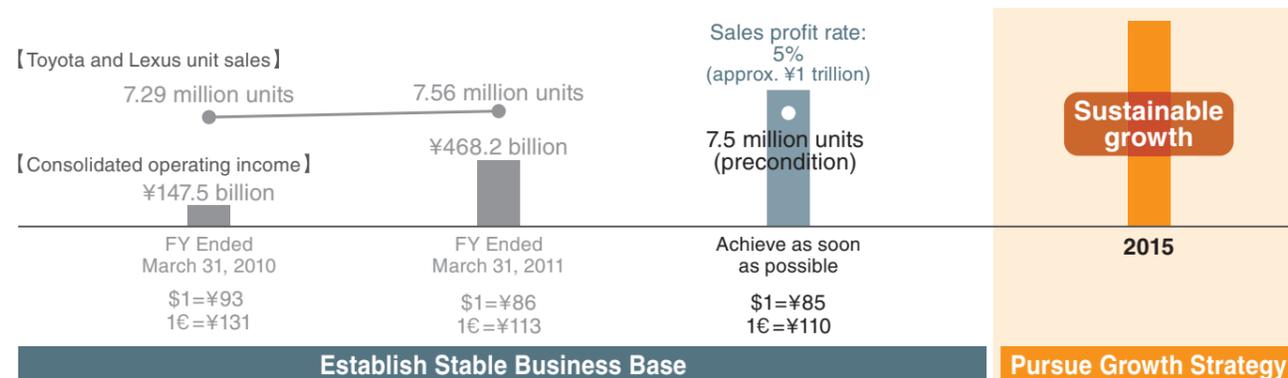
Ensuring the realization of Our Vision

Building a strong revenue base and altering the management structure

For the steady execution of a business strategy based on our regional entities, we will strengthen the three core functions of quality maximization, cost minimization and human resources development, while establishing a solid business foundation that balances quality and cost. The management structure has been altered so as to achieve early realization of these goals. Our efforts to transfer authority from the head office to regional entities and achieve efficient business management at the local level include reducing the number of directors, cutting away some layers of decision making, stationing Regional Chief Officers for localized decision making by overseas

affiliates, using external experts to gain feedback from outside the company and establishing the Executive General Manager position to promote local management.

As a result, even in a tough business environment in which we are contending with an exchange rate in the range of US\$1/¥85 and vehicle sales of 7.5 million units, we are building a firm management structure through which we can soon achieve a consolidated operating margin of 5%, operating income of around ¥1 trillion and a return to profitability in non-consolidated operating income.



Strategies and important efforts by region

Japan

In Japan, we are engaged in the highly technologically advanced and improved manufacturing that Japanese customers expect. This includes offering vehicles such as high-value-added hybrids and Lexus models, as well as three-row minivans and mini-vehicles, so as to provide products that will satisfy our customers.

North America

We are promoting further autonomy on the part of our North American entities by making that region our global center for models such as the Camry, as well as by aiming to build a consolidated structure in North America that covers everything from development through production and supply to other countries. Furthermore, we linked up in May of last year with Tesla Motors in an effort to create the future mobility society through joint efforts in advanced IT technologies and IT industry.

Europe

We are sharpening our technological abilities for success in this fiercely competitive market with its mature automotive culture. At the same time, we are focusing our global product planning efforts in the region. Our goal is to establish a powerful brand in Europe by building attractive cars and developing products optimized to satisfy the European customer.

China, emerging markets, Others

Our efforts in China and other emerging markets include improving our brand image and working to introduce environment-friendly vehicles and otherwise diversify mobility in these countries, especially China. In Asia and Oceania, we will continuously release products that meet the needs of emerging markets, such as international multipurpose vehicles (IMVs) and newly developed compact cars, moving forward with a supply strategy that is responsive to expanding markets within and outside the region. We will cultivate this region as a global base for efficient development and production through greater localization and improved productivity. Furthermore, in the Middle East, Africa and Latin America we will seek to provide the cars that customers in each region demand, that is, those that customers in each country will call "my car."

Promoting management led by regional entities

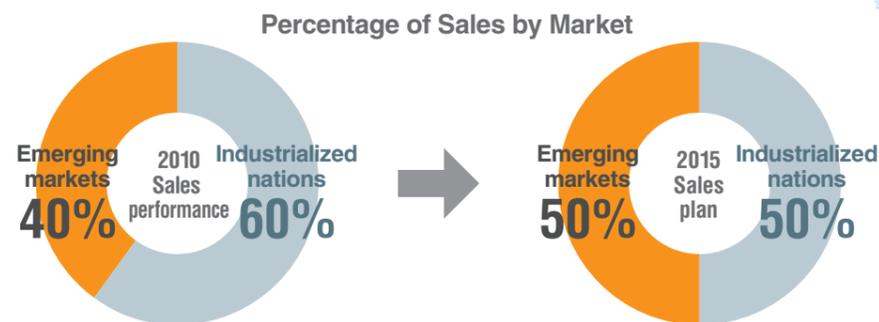
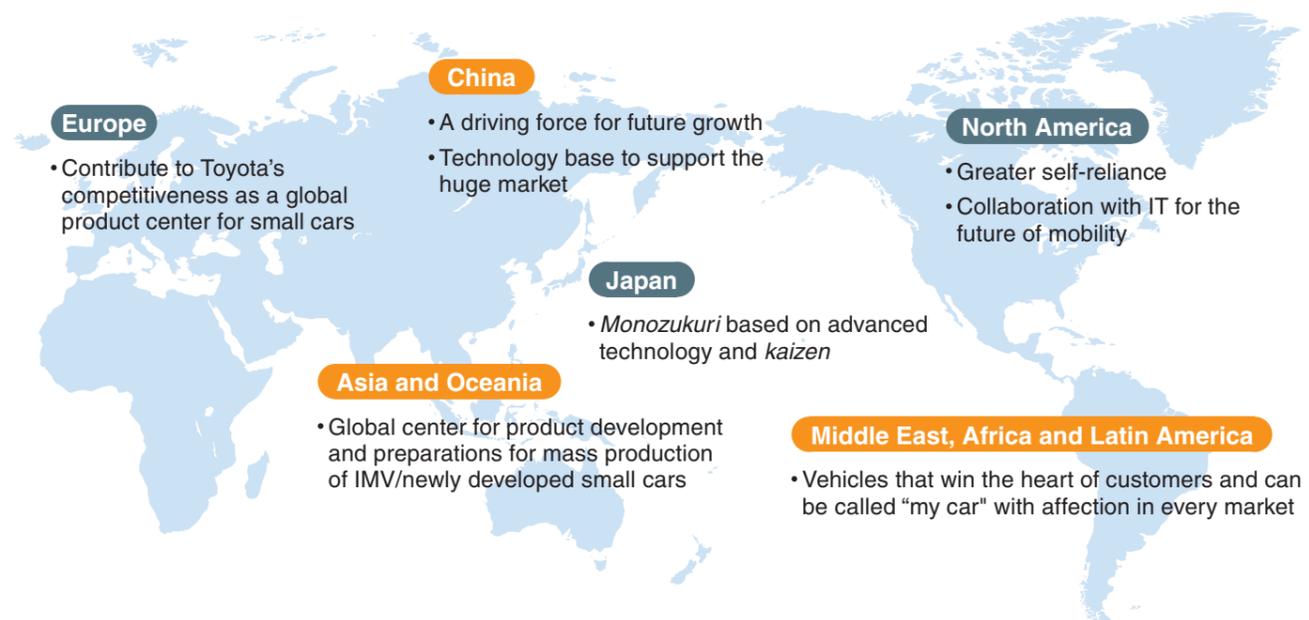


To achieve a 50/50 sales ratio between Japan/Europe/United States and the emerging markets by leveraging the Toyota product appeal, thereby exceeding expectations

Making Cars that Customers in Each Region Demand

Until now, Toyota has pursued the production of what we considered "good cars," based on our principles of "Customer First," "*genchi genbutsu*" and "Good quality at an affordable price." Our new vision calls for us to build "better cars" that impress our customers by exceeding their expectations. This means fusing the needs of customers around the world, the values of society and Toyota's advanced technologies.

Delivering such cars with the right timing means expanding production capacity in emerging markets in accordance with the expansion of these markets and revising model production in developed markets to correspond to changes in their market structures. We also must make efforts to optimize and rebuild our production structure to make it flexible, efficient and resistant to foreign exchange rate fluctuations.



Achieve equal weightings in unit sales between industrialized nations and emerging markets

Strengthening our production and sales structures

Growing sales in emerging markets for a well-balanced revenue structure

We are optimizing our global production structure to meet the needs and scale of each region. Our manufacturing in Japan continues to employ leading-edge technologies in making high-value-added products, so as to uphold its core role in our *monozukuri*. We are increasing capacity at existing European and U.S. plants by working to optimize available production facilities. Furthermore, in the emerging markets, we are looking into the timing and scale of investment for capacity expansion.

In terms of our sales strategy, we are developing sales for an environment-friendly vehicles society

that is being increasingly demanded not only in Japan, the United States and Europe but also in the emerging markets. We are also working to strengthen the sales of locally produced IMVs and compact cars in the emerging markets. Through such efforts, we will realize a balanced business structure, transitioning from the current sales ratio of 60% Japan/Europe/United States versus 40% emerging markets to 50/50 by 2015.



Strengthening our product appeal

Expand our lineup of environment-friendly cars and globally develop Japanese premium brands

We aim to create a structure for autonomous participation in car making by local entities and broadly improve styling and feel (good quality that can be felt by the customer by seeing, touching and using).

Expand our environment-friendly car lineup

We will introduce about 10 new hybrid models by 2015. These will include compact hybrids that with fuel economy rated at 40 km/l or higher, which will create true product appeal that exceeds expectations. We are also developing all types of next-generation environment-friendly cars, including plug-in hybrids (PHVs), electric vehicles (EVs) and fuel cell vehicles



(FCVs), creating a structure that can meet the needs of the market. We are proceeding to develop highly efficient gasoline engines as well, with improved fuel economy.

Develop the Lexus brand globally

As Japan's truly global premium brand, Lexus, which embodies Toyota's originality through its drivability, design and technology, is now more customer-friendly with the adoption of next-generation IT equipment, including telematics. Lexus is the brand for high added value and strong innovation from Japan. We are working to deliver our full lineup worldwide, including in emerging markets.



Toyota Global Vision

Contributing to the urban development of the future and leading the way to the future of the automotive industry

Realizing the Future Mobility Society

Our new Global Vision promises our customers that we will contribute to enriching the lives of communities along with better vehicles. Our goal is to be accepted as a good corporate citizen by membership in such "better communities" through our contributions to creating comfortable, livable towns. These include offering comfortable, low-carbon automobiles and new lifestyles through the early practical application of personal robots for mobility support and healthcare, as well as the popularization of hybrids and other next-generation environment-friendly cars, and safe motoring through the integration of vehicles with infrastructure.



Amenable, low-carbon mobility

New lifestyles

Toyota will lead its industry in tackling technological advances that will spawn next-generation mobility.



Infrastructure for safer mobility



Preserving environmental quality



Development of next-generation automotive technologies

Toyota's approach to environmental technology development

Toyota's three major environmental technology development themes are energy source diversity, CO₂ emission (global warming prevention) reduction and air pollution prevention. Based on this approach, we are working to improve the fuel economy of cars using conventional engines, which make up the majority of our sales. We have also made hybrid (HV) technology our core technology in next-generation environment-friendly cars development because it includes the component technologies used in the development of all types of environment-friendly cars.

The popularization of environment-friendly cars is our primary environmental contribution. Customers make different decisions about what kind of environment-friendly cars they want, so we are developing all types of next-generation environment-friendly cars, including PHVs, EVs and FCVs, so that the customer can decide which is most suitable in terms of use, performance, price and other factors.



New business strategy

Contributing to building next-generation environment-friendly "smart communities" using smart grids

Toyota sees the next major step in realizing a low-carbon society as the use of new smart power grids, for which IT is used to control power supplies to make them stable and achieve energy conservation. The Toyota smart grid ties in the recharging of next-generation environment-friendly cars (PHV and EV) batteries with "smart houses" under development by Toyota Housing (houses equipped with solar power generators and storage batteries, as well as control functions for efficient electricity consumption). We aim to create a grand next-generation environmental city of "smart communities" by gradually popularizing this concept.

Last year, we developed the Toyota Smart Center, a system that links vehicles, homes and information, and enables integrated control of energy data and information, with trials of the system conducted beginning this September over smart grids in Toyota City. Toyota will continue to conduct trials and tie-ins with other industries, with the goal of marketing the system. Our goal is to offer new products and services corresponding to the economic and social conditions of each region.



► Additional details available at [Click HERE](#)