

2011 Toyota/Microsoft News Conference - Akio Toyoda, Steve Ballmer

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Moderator Thilo Koslowski:

Good afternoon. I'm Thilo Koslowski, vice president and distinguished analyst of Gartner's Industry Advisory Service group responsible for automotive, Vehicle ICT and mobility.

The auto industry is quickly entering the era of the connected lifestyle and the automobile will become the ultimate "mobile device." I predict that by 2016 the majority of consumers will demand web-centric connectivity in their cars, which will lead to new customer experiences and address sustainability, digital convergence and new mobility trends. One key success factor for the realization of the connected car are technological innovations as a result of partnerships between the automotive and IT industries.

I am delighted to be here in Redmond today and to be able to introduce Mr. Akio Toyoda, President of Toyota Motor Corporation, and Mr. Steve Ballmer, CEO of Microsoft, who will discuss their long-term partnership and today's announcement of their global technology collaboration.

They will briefly describe today's announcement and what it means to their companies and the global automotive industry. And, after their remarks, they will welcome questions from the audience.

Akio Toyoda Remarks:

Thank you, Mr. Koslowski.

Before I discuss today's announcement, I would like to take a moment to express my gratitude to the people of the United States...the U.S. government...and the associates here at Microsoft... for their support of those affected by the earthquake and tsunami in Japan.

Our deepest sympathies go out to everyone affected by this disaster.

Toyota and its people are supporting the relief efforts in the affected regions and helping to ensure the safety of our team members...dealers...and suppliers... along with their families.

With everything going on in Japan, I debated whether or not to come here today. But I recently visited the most severely affected area and talked to some of its people. I came away believing...that in addition to supporting the recovery efforts... the best thing I can do for them...and Japan...is to provide hope and steady economic progress for the future.

So, I'm here today...with Microsoft...to build a better future.

This new partnership between Microsoft and Toyota is an important step in developing greater future mobility and energy management for consumers around the world.

It also fits perfectly with the Toyota Global Vision.

Last month, I outlined the new vision and the kind of company that I want Toyota to be as we move forward.

I want Toyota to be a company that delights its customers with better products at affordable prices...exciting and inspiring vehicles and services that exceed customer expectations and bring a smile to their faces. I believe creating these more efficient, more environment-advanced products will be OUR contribution to society.

In order to achieve this, it is important to develop a new link between vehicles and people and smart center energy management systems that add value to our products while conserving natural resources.

So, it is an honor for me to announce this partnership with Mr. Ballmer.

Our strong relationship with Microsoft spans more than a decade in the field of telematics and...something dear to me...the GAZOO mobile Internet project I directed in Japan.

With our mutual success in the past, I strongly believe this new partnership will be EVEN better.

Together, utilizing Windows Azure and Microsoft's vast information infrastructure, we will boost the value of automobiles by making them "information terminals" ...moving beyond today's GPS navigation and wireless safety communications, while at the same time enhancing driver and traffic safety.

For example, this new system will include advanced car-telematics like virtual operators with voice recognition ... management of vehicle charging to reduce stress on energy supply...and remote control of appliances, heating and lighting at home.

And with the introduction of Toyota plug-in hybrids and electric vehicles NEXT year...our cars will play a big role in the global expansion of what we call "smart centers" ... on-board systems capable of better managing overall energy consumption of cars... driving trips...and homes.

So...as we enter the "smart grid" era...I am confident... that through our partnership... we WILL improve our products' contribution to SUSTAINABLE mobility...in which we can meet the travel needs of our customers and support a good economy, while maintaining safety and preserving the environment.

In short, the guiding principle of this venture is...to build a better future for our customers...automobiles...and all of society.

As a result, I view this alliance as VITAL to Toyota's future...and we are open to pursuing similar partnerships in the future.

Thanks again to everyone at Microsoft... all of us at Toyota look forward to GREAT progress from our continuing partnership.

Thilo: Thank you. And now, Mr. Ballmer...

Steve Ballmer Remarks:

Thank you, Mr. Toyoda.

Before I share my thoughts on today's announcement I would like to pause and express my deep sympathy for the people of Japan who were impacted by the earthquake last month. Microsoft has committed both financial resources and technology support to help impacted customers, partners, NGOs and government organizations through the relief and recovery process.

I agree with Mr. Toyoda's statement that hope rests in steady progress toward the future. So, I am glad that we are able to join together today for this important announcement.

I'll start by saying that I'm excited about what the world's largest car manufacturer and the world's largest software manufacturer can accomplish together.

Toyota and Microsoft have partnered together for over a decade and today, we are announcing a 1 billion yen joint investment in Toyota Media Service Corporation. This investment is to build a global platform for next-generation applications that support in-car communications, GPS and information systems – commonly known as telematics. These applications will be built on Microsoft's Windows Azure cloud computing platform.

Starting in 2012, customers who purchase one of Toyota's electric or plug-in hybrid vehicles will be able to connect via the cloud to control and monitor their car from anywhere – safely and conveniently. For example, customers will be able to turn on the heat or AC in their car while their vehicle is plugged into the grid or dynamically monitor miles until the next charging station right from their GPS system. Or a customer could use a smart phone to check battery power or maintenance information remotely.

Additionally, customers can use these applications and services for power management as cars connect into the smart power grid. Imagine being able to tell a car to charge at the time of day when energy demand is low and therefore, the least expensive.

It's great to see another major enterprise customer like Toyota chose the Windows Azure platform to scale and reach new markets. By using Microsoft's cloud platform, Toyota will be able to deliver these new applications and services in the 170 countries where Toyota cars are sold. Historically, this type of service was limited to only major markets where the automotive maker could build and maintain a datacenter. Toyota will also have the benefit of paying for only the computing power it uses while being able to quickly scale to support spikes in demand or entry into new markets. We are excited to add Toyota to the growing list of customers using Windows Azure.

At Microsoft, we have a long standing partnership with the automotive industry to deliver more customer value – especially in the area of telematics. We have partnered on a variety of offerings including in-car infotainment systems built on Windows Embedded, in-car mapping services with Bing and TellMe, and many other consumer services.

This next step forward with Toyota is just one more way we are demonstrating our commitment to connect the devices and power the services that are important to consumers.

Thank you.

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