2010 Year-End Progress Report: Major Changes Help Toyota Put Even More Focus on Its Customers

December 20, 2010

"I am taking the company back to basics … We are putting our customers, and the values on which our company was founded, front and center." – Akio Toyoda, President, Toyota Motor Corporation

Dec. 20, 2010 — Toyota has taken major steps to become an even more responsive, customer-focused organization – and to strengthen our leadership in automotive quality and safety.

Safe Cars Made Even Safer

- **Star Safety System** of five accident avoidance technologies standard across all new vehicles.
- **Smart Stop Technology** included on all new models for added customer confidence.
- **Enhanced Event Data Recorders** in all 2011 model year vehicles.

A Transformation in Global Quality Assurance

- **Special Committee for Global Quality**, led by President Akio Toyoda, examining all aspects of quality assurance.
- **Strengthened ability to monitor and evaluate customer concerns.**
- **New vehicle development cycle** expanded by four weeks to help ensure reliability and safety.
- **1,000 Toyota engineers** assigned to focus on component design and quality.

Swift, Decisive Action on Safety

- **North American operations have a greater voice in safety decisions** – with appropriate action taken whenever issues emerge.
- **Established SMART Teams** of highly trained engineers and field technicians who can be deployed to conduct onsite inspections anywhere in the U.S. help quickly investigate customer concerns.
- **Six additional Product Quality Field Offices** in process of being established throughout North America.

Fast and Thorough Response on Recalls

- **Nearly 200,000 employees, dealers and technicians across America** focused on making things right for customers.
- **Floor mat and sticky pedal recall remedies substantially complete.**

More Local Autonomy

- **Chief Quality Officer for North America** (Steve St. Angelo) – a new position with a direct line to Akio Toyoda.

- **Independent Quality Advisory Panel**, chaired by former U.S. Transportation Secretary Rodney Slater, reviewing and making policy recommendations.

- **More Americans now leading our plants** in the U.S.

Extraordinary Technical Scrutiny

- **Several thousand SMART Team evaluations** since April, none of which has found a single instance of unintended acceleration caused by failure in our vehicle electronics.

- **An unprecedented level of independent engineering review**, including NASA, the National Academy of Sciences and leading engineering firm Exponent.

Continued Economic and Community Impact

- **Ongoing focus on maintaining employment security – no layoffs** among full-time employees at Toyota's manufacturing plants, despite the economic downturn.

- **Significant new investments in our U.S. manufacturing operations**, including capital improvements and 1,000 new jobs at our San Antonio production facility plus the impending completion of a new, billion-dollar plant in Mississippi, which will directly employ nearly 2,000 people.

- **Continued investments in local education systems, environmental programs and community organizations** across the country.

Ongoing Support from Customers and Independent Experts

- **Toyota remains the best selling retail brand** in America – Camry the #1 selling car in the U.S.

- **Seventeen vehicles rated most reliable** by *Consumer Reports*, more than any other manufacturer.

- **Toyota has regained the number one spot as the most-considered automobile brand** among new-car shoppers, according to Kelley Blue Book, one of the most trusted resources for new and used vehicle buyers.

- **Toyota and Lexus dominated Kelley Blue Book's recently announced list of 2011 Top Ten Best Resale Values**, taking four of the ten top spots. No other automaker had more than two.

- **Six segment awards in the 2010 J.D. Power initial quality study**, more than any other manufacturer.

- **Eight Toyota vehicles named "top safety picks"** by the Insurance Institute for Highway Safety.