

Toyota Commits \$250 Million to Support NUMMI Transition

March 03, 2010

Will Enable NUMMI to Fund Bonuses for Team Members Who Continue to Produce Toyota Vehicles through April 1

March 3, 2010 – New York, NY – Toyota Motor North America, Inc. (TMA) today announced that Toyota has committed \$250 million to its contracted manufacturer New United Motor Manufacturing, Inc. (NUMMI) to fund transition support for NUMMI’s salaried and hourly team members. Toyota’s financial support is enabling NUMMI to offer bonuses to salaried and hourly team members who continue to produce quality vehicles for Toyota through April 1, 2010, when Toyota’s production contract with NUMMI will end. This funding is subject to ongoing negotiations between NUMMI and the United Auto Workers with respect to those hourly team members represented by the union.

“Although NUMMI is an independent company, Toyota has made a significant financial commitment to help ensure that production continues as smoothly as possible and that team members receive transition support. We hope that NUMMI and the United Auto Workers will reach an agreement soon, so that NUMMI’s UAW team members can benefit from the transition support that we have committed to funding,” said Jim Wiseman, Group Vice President, Toyota Motor North America.

“Toyota appreciates all federal, state and local efforts to help NUMMI team members, who have shown great dedication over many years,” said Mr. Wiseman. “The support we are providing to NUMMI underscores our commitment to do our part. It is unfortunate that neither GM – NUMMI’s other 50 percent shareholder and customer for 25 years – nor Motors Liquidation Company, its current shareholder, has indicated that it will do the same, despite the fact that NUMMI team members have produced more than one million vehicles for GM.”

Mr. Wiseman continued: “Toyota’s decision to end its production contract with NUMMI as of April 1 was difficult but necessary, given GM’s abandonment of NUMMI, which severely undermined the economic viability of the plant. Regrettably, our decision is final. Looking ahead, Toyota remains strongly committed to maintaining a substantial manufacturing presence in the U.S. and will continue to employ thousands of people in California.”

Timeline of Recent NUMMI Events

NUMMI, based in Fremont, California, was established in 1984 as an independent, 50-50 joint venture of Toyota Motor Corporation (TMC) and General Motors to produce cars on contract for both companies. In May 2009, GM abruptly announced its decision to end its production contract for the Pontiac Vibe at NUMMI, and this production ceased on August 17, 2009. In June 2009, as part of GM’s bankruptcy reorganization, GM’s 50 percent share in NUMMI was left among the assets to be liquidated of the Motors Liquidation Company (or “old GM”).

GM’s actions compelled Toyota to conduct an extensive review of its contracted manufacturing relationship with NUMMI as well as its capacity and production needs in light of current and anticipated market conditions.

Based on this careful and thorough review, Toyota determined that continuing contract manufacturing with NUMMI is not economically feasible, which resulted in Toyota’s decision in August 2009 to end its production contract with NUMMI on April 1, 2010.

Toyota's Investment in NUMMI and America

Rather than halting production orders from NUMMI abruptly last August, Toyota made a significant commitment to take production for seven additional months, enabling NUMMI to provide continued employment to team members, as well as career counseling and other services to help with their planning and transition.

Toyota also expects to continue using some of NUMMI's suppliers to support Toyota's wholly-owned U.S. plants, which will further mitigate the economic impact of the closure.

Despite the end of its production contract with NUMMI, Toyota's operations in the U.S. remain substantial and include manufacturing facilities in Alabama, California, Indiana, Kentucky, Missouri, Tennessee, Texas and West Virginia. Toyota will continue to provide an uninterrupted supply of vehicles to dealers and customers in North America.

About Toyota

Toyota (NYSE:TM) established operations in the United States in 1957 and currently operates 10 manufacturing plants. There are more than 1,500 Toyota, Lexus and Scion dealerships in the U.S. which sold more than 1.77 million vehicles in 2009. Toyota directly employs nearly 34,000 in the U.S. and its investment here is currently valued at more than \$18 billion, including sales and manufacturing operations, research and development, financial services and design. Toyota's annual purchasing of parts, materials, goods and services from U.S. suppliers totals more than \$20 billion.