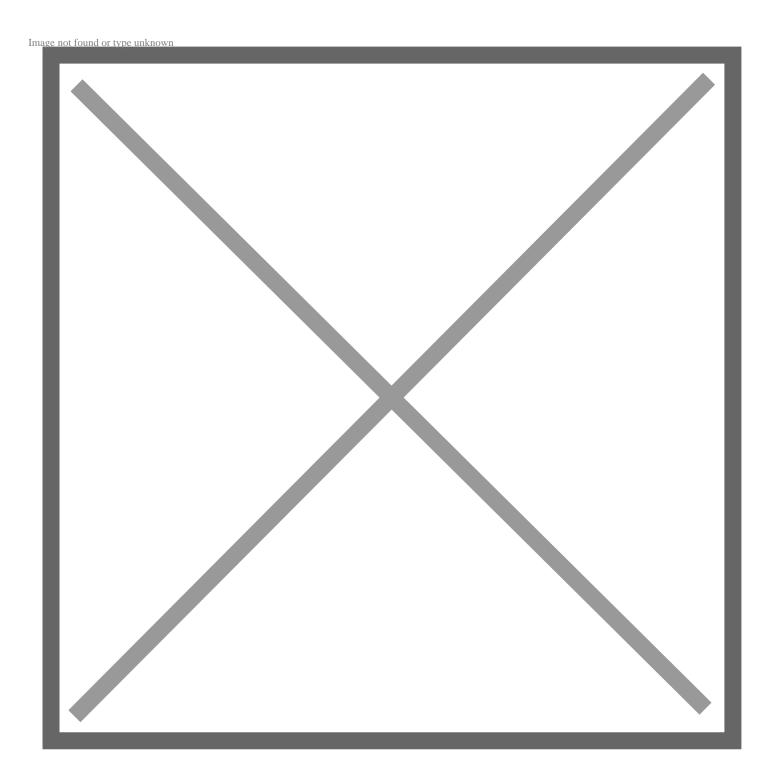
Toyota Year in Review: 2022 Highlights

January 13, 2023



Toyota Motor North America (TMNA) celebrated outstanding accomplishments throughout 2022 in innovation as well as sustainability, equity and philanthropy. Toyota not only fulfilled but exceeded its values of continuous improvement, mobility for all and respect for people and the planet through various memorable achievements

like its continued electric vehicle lineup expansion and strategic partnership developments.

Toyota has been <u>operating in the United States for 65 years</u>, and as it celebrated its decades of success in the U.S. market, the company also recognized its fifth anniversary of relocating its corporate North American headquarters to Plano, Texas. Here, it physically unified its manufacturing, finance, sales, marketing and corporate operations.

In the name of sustained growth, Toyota announced millions in financial investments in 2022 dedicated to improving and expanding its North American manufacturing capabilities. In addition to increasing Toyota's overall production capabilities — and creating hundreds of jobs — these investments will help Toyota continue to be a leader in working toward carbon neutrality.

Take a look back at Toyota's achievements in 2022 as the company prepares for what's to come.



Leading Electrification

Revealed at the 2022 Los Angeles Auto Show, the <u>all-new 2023 Toyota Prius</u> and <u>2023 Prius Prime</u> are the latest in a lineup that looks to move "Beyond Zero," a global effort to achieve carbon neutrality in Toyota products, manufacturing and beyond. <u>The 2023 Prius</u> is the first Toyota vehicle to wear a new badge with "Beyond Zero." The <u>Toyota bZ Compact SUV Concept</u>, a full battery-electric vehicle, also made its world premiere, giving a glimpse of what the future could be while extending the vision under the "Toyota bZ" brand umbrella.

<u>The all-new 2023 Toyota Crown</u> also debuted in 2022, bringing bold style to the top of the Toyota sedan lineup with a look that's entirely unique for its class. The Toyota Crown also brings the added confidence of standard AWD as well as the choice of two electrified Toyota powertrains, including the Hybrid MAX system.

Bringing electrified vehicles into the market isn't the only part of Toyota's commitment to sustainability — the mobility company is also helping advance electrification across multiple other forms of technology and transportation. This year at the largest ocean freight facility in North America, at the Port of Los Angeles, Toyota completed a pilot project to help demonstrate how its fuel cell electric powertrain technology can be scaled for use in heavy-duty trucks.

With a diverse approach to carbon neutrality, the company is also on a mission to create a sustainable, closed-loop battery ecosystem for its electrified powertrains. To help achieve this goal, <u>Toyota announced a collaboration with Redwood Materials</u> to explore a series of end-of-life battery solutions for used batteries from Toyota's electrified vehicles.



Supporting Sustainability

In 2022, the company continued to follow its <u>7th Environmental Action Plan</u>, a five-year roadmap for Toyota in North America designed to help the company achieve incremental progress toward <u>Toyota's Environmental Challenge 2050</u>. The plan includes specific goals and targets in four key areas: carbon, water, materials and biodiversity. To provide more visibility into its activities across these key areas, the company launched an updated <u>North American Environmental Sustainability website</u> that features environmental videos and stories as well as an updated, streamlined annual report that now includes environmental metrics data. Some other changes

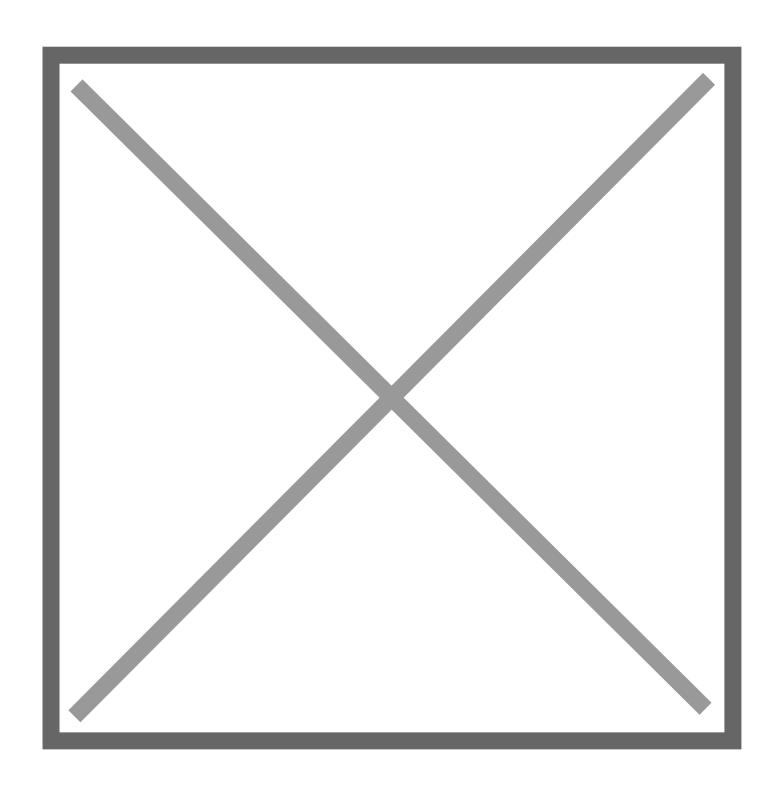
to the site include a list of global mid-term milestones and a Global Reporting Initiative (GRI) content index that maps the company's progress in relation to GRI standards. Some of the company's specific achievements in the four key focus areas of the environmental action plan are also highlighted throughout the website's content as well as summarized in the annual report.

One example of the action plan in motion was Toyota's commitment to <u>provide support to the National Environmental Education Foundation and Pollinator Partnership</u> to enhance 26,000 acres of pollinator habitat across North America over the next five years.

On the manufacturing front, Toyota also made <u>significant investments in sustainability and in the manufacturing of hybrid and electric vehicles</u>. Investments included \$383 million in upgrades for its Alabama, Kentucky, Missouri and Tennessee plants to increase their production of four-cylinder engines, including options for hybrid-electric vehicles. And Toyota invested an additional \$2.5 billion in Toyota North Carolina to allow for the production of batteries for both hybrid and all-electric vehicles in 2025, and employ 350 additional people in the process.

During 2022, Toyota also made progress in research and development. Toyota's Collaborative Safety Research Center announced nine new projects as part of its next phase of pioneering automotive safety research. In August, Toyota celebrated 50 years of R&D in Michigan. The organization there has operations that now include product development, engineering design, vehicle evaluation, prototype builds, powertrain, advanced research and purchasing.

Separately, Toyota Research Institute (TRI) and Northwestern University announced a collaboration project to help accelerate new materials discovery, design and development with the world's first nanomaterial "data factory." While the first application of the data factory was to discover new catalysts to make fuel cell vehicles more efficient, TRI and Northwestern believe this method of materials discovery will have wide-ranging applications in the future in areas such as clean hydrogen production, CO2 removal from air and high-efficiency solar cells.



Improving Continuously

Advancements in electrification weren't the only innovations Toyota announced this year. Toyota's <u>2022 new-product showcase</u> served as the stage for the mobility company's North American debuts and world premieres, which included the first-ever 2023 Corolla Cross Hybrid and the lineup expansion of the 2023 Corolla sedan, as well as special editions and unique packages across sports cars, sedans, SUVs and trucks.

Also in the name of continuous improvement, Toyota returned to the Specialty Equipment Market Association (SEMA) Show this year with a new, expanded display space. The company showcased the most vehicles ever (13 special builds!), symbolizing its continued and growing commitment to on- and off-road performance and adventure. Toyota also announced the world debut of Trailhunter, a new grade that will soon be available on Toyota trucks and SUVs outfitted with overland-ready components, reinforcements and functionality straight from the factory.

Toyota's 2022 SEMA display sent a powerful message about the company's devotion to consumers searching for excitement — whether that's travel, spirited track days or off-the-beaten path exploration, where the journey is as important as the destination.

Some of Toyota's newest innovations are designed to give drivers additional peace of mind when the unexpected occurs. This year, customers of select Toyota models <u>received an extended trial period of Safety Connect</u>, a suite of available services that help drivers stay secure while on the road. Services include 24-hour emergency assistance, 24-hour enhanced roadside assistance, automatic collision notification and stolen-vehicle locator.

<u>Initially announced in 2021</u>, this year even more customers were able to experience the latest-generation Toyota Audio Multimedia and Lexus Interface in-dash infotainment systems. The all-new touchscreen-based systems are now available across more 2023 models, including the Toyota Corolla family, all-electric bZ4X, RAV4 and Sequoia as well as Lexus ES, LS, RX and UX. The systems leverage Google Cloud's Speech-to-Text service for the in-vehicle Voice Assistant. In October, Toyota announced an <u>expanded Google Cloud partnership</u> designed to bring together Toyota and Lexus next-generation audio multimedia systems and Google Cloud's AI-based speech services in future vehicles.

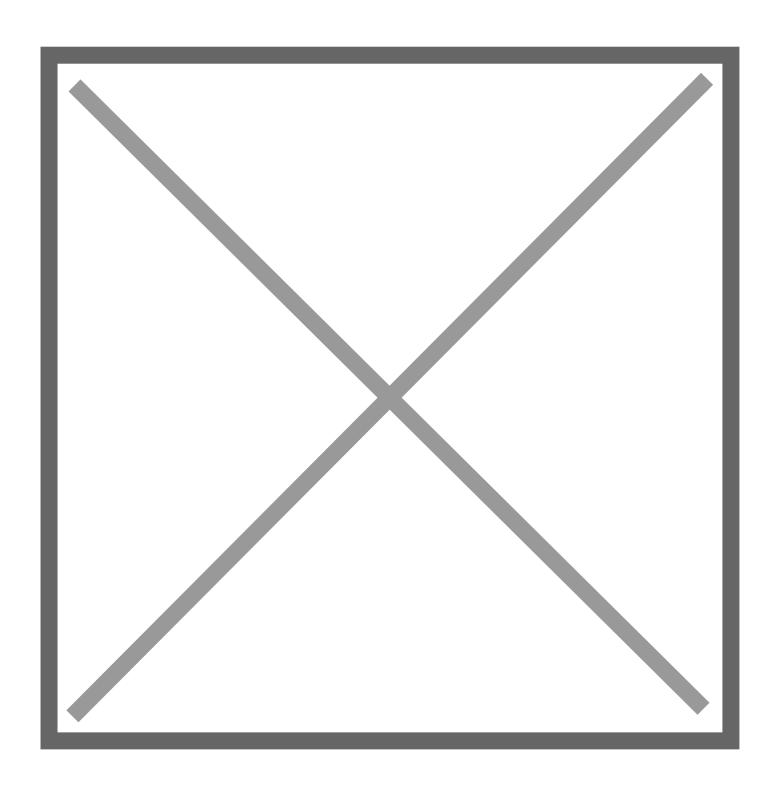


Celebrating Communities

In 2022, as part of its commitment to creating limitless possibilities for all, Toyota served its communities by giving time, knowledge and resources to support local organizations. Driving Possibilities, one key program, is a \$110 million education and community-focused program developed by the Toyota USA Foundation. It will leverage the more than 60 years of active support Toyota has offered in communities across the U.S. with a comprehensive strategy to collaborate with academia, local and national nonprofits, and the community.

During the back-to-school season, more than 450 Toyota dealerships came together with the Kids In Need Foundation for the inaugural Big Summer Giveback to make sure students were prepared for school. Also, Toyota boosted workforce readiness and exposure to STEAM (science, technology, engineering, the arts and mathematics) education in the North Carolina Triad this year, with donations totaling \$1 million to expand education opportunities for students.

In June, Mazda Toyota Manufacturing (MTM) hosted a <u>Community Appreciation Event</u>, which included a ceremony with local and notable guests. A total of \$180,000 was awarded to 10 local nonprofits as part of the inaugural Mazda Toyota Manufacturing Grant Fund.



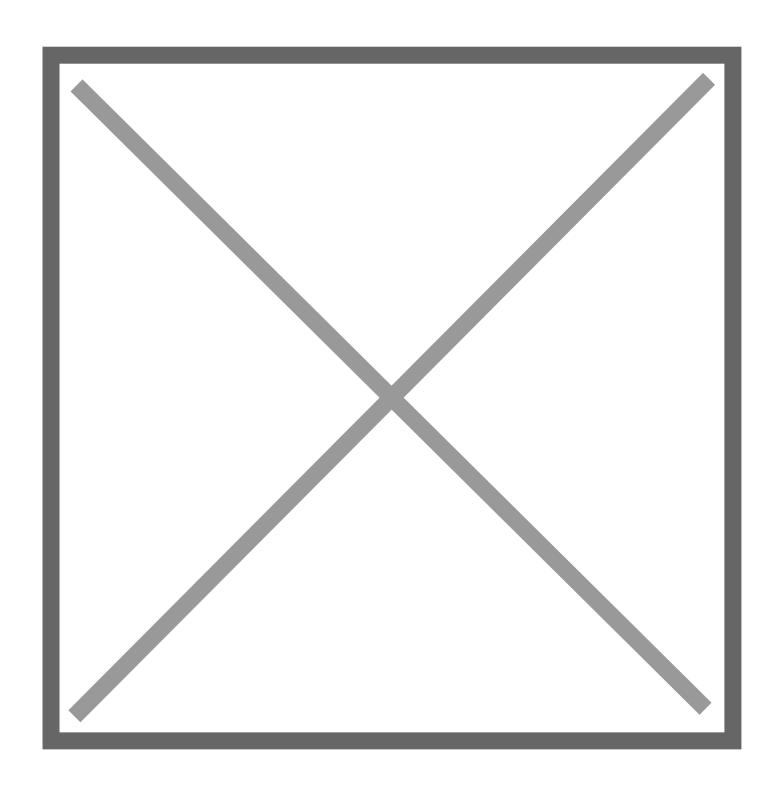
Producing and Manufacturing Greatness

Toyota's U.S. plants assemble half of the vehicles the company sells in the U.S. — and it all started when Toyota announced its first manufacturing investment in North America in Long Beach, California. This year, its Long Beach operation, TABC, Inc., celebrated 50 years of paving the way for Toyota to become the gold standard in advanced manufacturing. As part of the anniversary celebration, Toyota officials announced \$200,000 in community investments, to be split among seven partner organizations.

Advancing the company's commitment to the production of electric vehicles, Toyota <u>announced an additional</u> \$90 million investment to increase hybrid transaxle and engine capacity at Toyota West Virginia (TMMWV) and Toyota Tennessee (TMMTN).

Further supporting Toyota's all-electric future, the company announced that it will be <u>boosting engineering</u> <u>support</u> across its North American operations as plans to advance electrified vehicle production kick into high gear. Specifically, the company announced the addition of 220 new positions to Toyota's Production Engineering Division, a group within Toyota's North American operations that serves as the go-between for design and manufacturing. The additional support will increase Toyota's capacity to use innovative engineering technology to design and build manufacturing plants, equipment and processes across its operations.

Toyota Texas was also highlighted in the year's news around electrified vehicles as it celebrated the start of the assembly of the all-new, all-hybrid Toyota Sequoia — electrified with passion and power. The Sequoia starts a new chapter of advanced manufacturing at Toyota Texas, where the team incorporated new techniques such as innovative laser welding technology and a modified production process to stamp the largest sheet of metal in Toyota history.



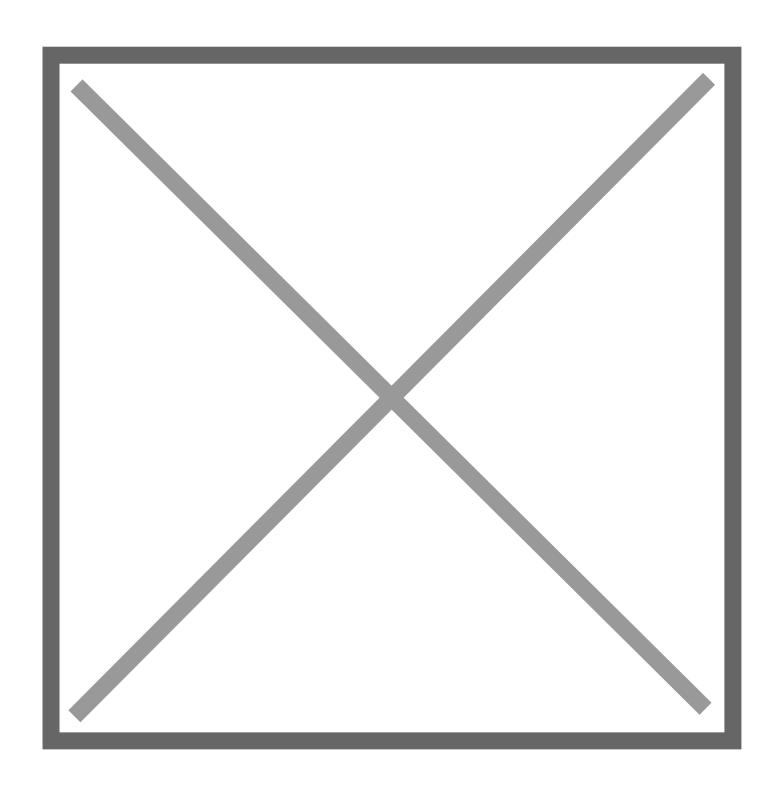
Providing Mobility for All

As Toyota transitions from an automobile company to a mobility company, it remains committed to universal, inclusive and accessible mobility solutions. As part of this commitment, Toyota launched a program offering monetary support to eligible U.S. Paralympic athletes. To date, more than 430 U.S. Paralympic athletes and hopefuls have received direct support from the <u>Toyota U.S. Paralympic fund</u> — which has collected over \$5 million in contributions. In addition, more than 200 U.S. Paralympians have accepted a sponsorship to join the growing Team Toyota family.

As part of Toyota's ongoing commitment to the Paralympic Movement, Toyota Racing Development USA announced that it lent its engineering and technology expertise to <u>develop the first-ever Toyota Sit-Ski</u>. Originally developed for use by U.S. Paralympic Alpine Skiing, the revolutionary monoski has been tested and used in competition by Team USA Paralympians at competitions around the world.

Further highlighting the Paralympics, Toyota returned to the Big Game with a 60-second ad that shared an inspiring message of determination and the power of sport. The ad, "Brothers," featured two real-life brothers: Brian McKeever (Global Team Toyota Athlete and Canada's most-decorated Winter Paralympian) and Robin McKeever (Olympian, cross-country skiing/Paralympic guide and coach, Para Nordic Skiing).

At Toyota, embodying the phrase "Mobility for All" means deeply integrating diversity and inclusion into the fabric of the company. Every employee is celebrated for their unique perspective and background, and female employees are no exception. Toyota has put <u>a number of programs</u> in place to ensure that women at the company feel supported and heard. The automotive industry is just one example of how <u>the professional strides of women</u> in male-dominated fields continue to make a tremendous impact on the world.



Celebrating Anniversaries

In addition to <u>Toyota turning 65</u> this year, 2022 marked quite a few milestones for additional groups. TABC, Inc., Toyota's operation in Long Beach, California, <u>celebrated 50 years</u> of paving the way for Toyota to become the gold standard in advanced manufacturing. But TABC, Inc. wasn't the only facility that marked half a century. In 2022, Toyota <u>celebrated 50 years in Michigan</u>, and Toyota Motor North America Research & Development recognized 45 years as an official entity.

Toyota Motor Credit Corporation (the parent company of the Toyota Financial Services and Lexus Financial Services brands) <u>celebrated 40 years</u> of growth and success. Established in 1982, the tiny operation has grown into one of the largest financial institutions in the U.S. Toyota Certified Used Vehicles (TCUV) also reached a major milestone this year. The <u>TCUV program was started 25 years ago</u> to bring the quality Toyota is known for to the certified pre-owned industry. The program also sold its 7 millionth certified vehicle.

Finally, it's been five years since TMNA opened the doors to its Plano headquarters, and One Toyota is making good on its promise to lead the future of mobility by <u>serving the North Texas community</u> it now calls home through youth development, volunteerism, job creation and more.



Last But Not Least

This year the Toyota Newsroom introduced its latest communication tool, the <u>Newsroom Connection newsletter</u>. As the pulse of the Toyota and Lexus newsrooms, Newsroom Connection is a curation of the best stories in a unique monthly newsletter delivered straight to your inbox.