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## TOYOTA PRESENTATION

WRI

2001 SUSTAINABLE ENTERPRISE  
SUMMIT

DECEMBER 5, 2001

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## TOYOTA - WORLDWIDE

FY 2001 ending 3/31/01

- profits \$5.4 billion
- sales 5.5 million units
- production 5.3 million units
- employment 216 thousand

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## TOYOTA - WORLDWIDE

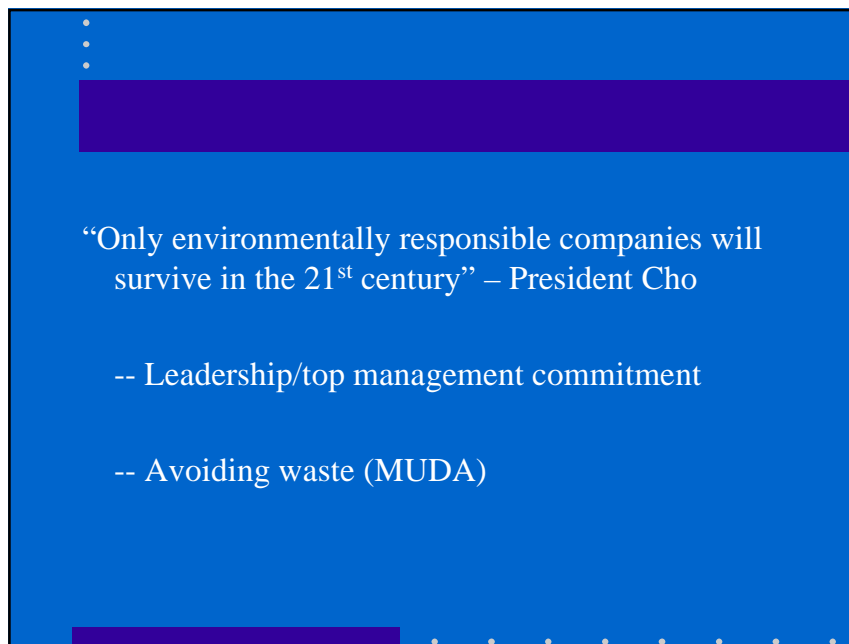
First Half FY 2002 ending 9/30/01

- profits                      \$2.4 billion
- sales                        2.6 million units
- production                2.5 million units

## TOYOTA – US (2000)

- US sales                    1.6 million units
- production\*                1 million units
- US employment            28 thousand
- US Manufacturing locations:
  - Kentucky – Assembly/Engines/Transmissions
  - Indiana – Truck Plant
  - Alabama – V8 Engine Plant
  - West Virginia – Engine/Transmissions
  - Missouri – Engine Blocks
  - California – Assembly Plant

\*expanding to 1.45 million (NA)

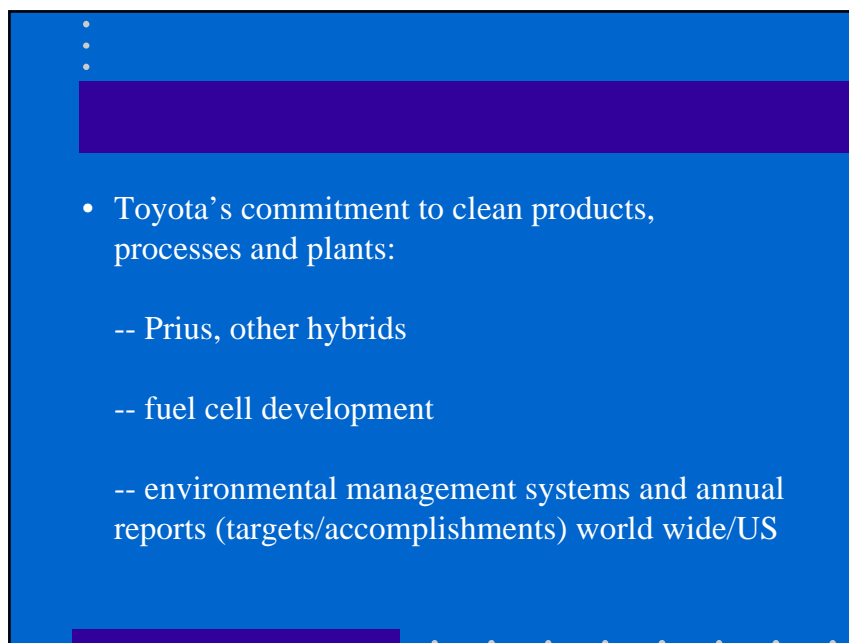


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“Only environmentally responsible companies will survive in the 21<sup>st</sup> century” – President Cho

- Leadership/top management commitment
- Avoiding waste (MUDA)

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- Toyota’s commitment to clean products, processes and plants:
  - Prius, other hybrids
  - fuel cell development
  - environmental management systems and annual reports (targets/accomplishments) world wide/US

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## Prius Offers

- Extremely low emissions
  - California rated-SULEV
- High mileage (52 city/45 hwy mpg)
- 4-door, 5-passenger sedan
- Long warranty (8-year/100K-mile warranty on HV battery/components)
- Recharges battery while driving, no plug needed
- Toyota heritage of QDR

VALUE

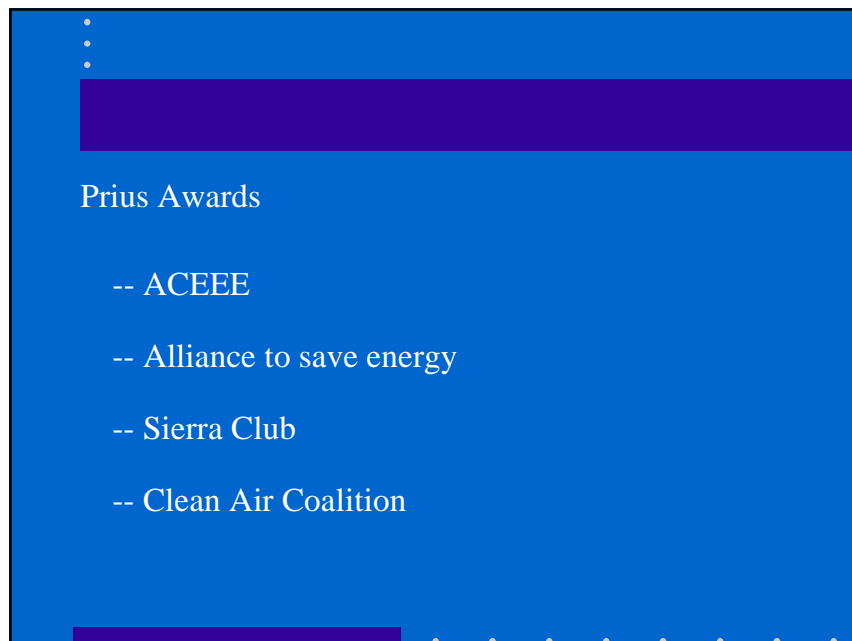


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### Prius Data

- 18,500 sales since 7/2000 launch
- 14,300 sales year to date 2001
- production sold out through February 2002
- price: \$19,995
- US production now 1500 per month (March)

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### Prius Awards

- ACEEE
- Alliance to save energy
- Sierra Club
- Clean Air Coalition

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## What can be done to build market demand?

- Consumers need to be made aware of hybrid vehicles' importance and benefits
  - Hybrids need to overcome consumer perceptions based on earlier AFV/EV introductions (inconvenience, limited range, higher cost, etc.)
- This is a long process involving 3rd largest purchase for consumer, after house and child's education.

- Time needed to build awareness and for technology to prove itself. ICE vehicles have been around for 100 years.
- Not many choices currently. More options for consumers will increase appeal.
- Big risk for automakers at introduction.
  - Consumers have to pay a premium.

- Most consumers not willing to pay premium for environmentally-friendly vehicle. Purchase incentives needed to make hybrids more attractive:
  - Non-monetary: HOV lane use by single occupant and special parking
  - Monetary: state tax credits or exemptions, cash rebates (Prius sales have been picking up in states that have passed hybrid-friendly legislation)
- Consumers need to be reassured that this technology is dependable and is supported by automakers in the long-term.

## Future Vehicles

- Hybrids will play greater role in ZEV issues and are viable, intermediate step towards development of even cleaner technologies
- Based on market acceptance of hybrids, Toyota will evaluate offering other body styles with THS
  - Toyota Estima hybrid van will be offered in Japan

Toyota as Clean Vehicle Leader

- 5 vehicles (Prius, Camry, RAV4, Tacoma, Highlander) placed in top 10 list of ACEEE "Greener Choices 2001"
- EPA identifies 6 Toyota vehicles as "most fuel efficient in class" (Prius, Echo, Avalon, RAV4, RAV4-EV, Tacoma)

