OH WHAT A FEELING!

TOYOTA

www.toyota.com.au

THE MARKET

The Australian automotive market has found a new plateau. At the beginning of the 1990s it averaged in the low to mid 600,000 deliveries a year. Going into the new century, sales for three years in succession have been in the high 700,000s. There is every reason to suggest the next decade will end in similar growth. Australia's four local motor manufacturers have strongly embraced the need to export as well as service the domestic market. In 2000, automotive exports reached \$4.2 billion—an all time high.

ACHIEVEMENTS

Toyota was market leader in Australia six years out of ten in the last decade. It delivered more than 1.25 million vehicles, 150,000 more than its nearest rival. There are now more Toyotas registered in Australia than any other make. Importantly, at the turn of the century, Toyota became the second largest domestic passenger vehicle brand for the first time. It is the clear leader in commercial vehicles for the

22nd successive year.

Toyota Australia was also Australia's top exporter. Its Altona plant in Victoria delivered almost 50,000 Camrys to 33 countries, earning more than \$1 billion in 2000 - an all time high.

Toyota Motor Corporation is now the world's top automaker in terms of market valuation.

A Fortune Magazine survey declared it the most admired automobile maker, an accolade shared by Toyota Australia which won a similar survey undertaken by Reader's Digest. Establishing manufacturing facilities in all continents around the world has been

the key to Toyota's development. The company's manufacturing is now shared equally by Japan, the United States, and by plants in the rest of the world including Australia. In 1990 Toyota built 690,000 vehicles in plants outside Japan. In 2000, it built 1.78 million vehicles offshore in 39 factories. Toyota became the first world manufacturer to introduce a production hybrid vehicle, the Prius. The car's name means "to go before", and it is leading a world movement towards eco-cars.

HISTORY

Toyota has always sought to meet market demand with vehicles purpose-built for specific tasks. In the 1950s construction magnate Sir Leslie Thiess secured early Toyota LandCruisers to use on Australia's Snowy Mountains Hydroelectric Scheme. The LandCruiser was markedly superior to other 4x4s, and it was its success on Australia's largest ever energy project that led to the formation of Toyota in Australia. In the 1980s Toyota introduced Twin Cam Multi-valve technology into world production. The eco-friendly cylinder head design was purpose-designed as an answer-in-part to global fuel crises. It was the forerunner of universal adoption of the technology by other car makers.

In the 1990s Toyota introduced anti-skid-braking (ABS) on a mass-production scale never before experienced. ABS is now fitted to more than 80 per cent of all Toyotas. High volume has resulted in low unit cost. The company recently introduced ABS on its Dyna range of trucks. Toyota began

and Toyota is leading its development. Two factory owned sites – Sydney City Toyota in Sydney and Brighton Toyota in Melbourne – provide modular innovations which can be adopted by the dealer network.

THE PRODUCT

In Australia Toyota is becoming increasingly a strong participant in the family car market. Its locally made Camry and Avalon models now make up 11 per cent of the large car segment. Toyota's quad cam V6 engine, fitted to both, is regarded as one of the best performing and most economical drivetrains available. Model diversity is the company's strength. Toyota has the broadest range of any manufacturer. Its four wheel drives - from RAV4 to LandCruiser 100 series - are clear leaders in the off road sector in Australia which accounts for almost 20 per cent of new vehicle deliveries. Toyota commercial vehicles - including HiLux and Hiace - account for around 30 per cent of all light commercial deliveries in Australia, more than

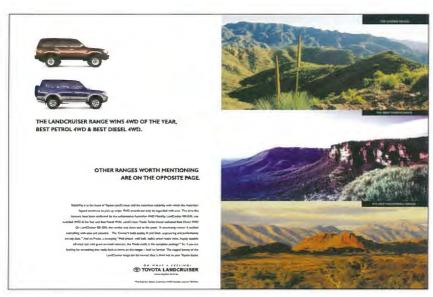
double the combined total of their nearest two competitors.

Internationally, chassis commonality is driving new efficiencies and providing customers with a wide range of body styles and applications. For example, the small car Echo is available globally in six configurations including the youth market Will series - a marketing thrust designed to attract a new generation. Custom vehicles are becoming an increasing part of Toyota's ability to offer its customers individual cars. In Japan its company Modelista is a specialised custom-builder. In Australia



manufacturing in Australia in 1962—its first factory outside Japan. Its high technology engine plant manufactures Twin Cam Multi-valve engines for domestic and export sales. And its environmentally friendly Altona plant, opened in 1995, has a capacity of more than 100,000 vehicles a year. It is Toyota's only plant to build more than one model on the one line. Toyota has some 234 dealers throughout Australia with 271 outlets. The hub and spoke concept of a central dealership with strategically placed service satellites provides customer benefit





T-CAM now offers a wide range of body kits.

RECENT DEVELOPMENTS

Toyota is committed to environmental change and development on a scale never before achieved. Its hybrid Prius, a petrolelectric vehicle - is now on sale in Australia. Plans are for more than 300,000 Toyota hybrids to be delivered globally by 2004. The company is expanding to become a total mobility services provider. It has embraced ITS - Intelligent Transport Systems. In Japan it will have 1200

automatic toll booths in place by 2002, easing traffic congestion, with the potential to save up to \$AUD283 million in lost petrol and productivity. A new time share electric car - the E-Com - allows consumers complete urban mobility on a per trip basis. There will soon be E-Com depots across Japan. In Australia Toyota continues to refine power trains to maximise fuel use and minimise environmental concern. The new TurboDiesel LandCruiser sets new standards. And the launch of intelligent variable valve timing on petrol engines vastly extends the twin-cam concept. Space efficiency is becoming a major issue. The ninth generation Toyota Corolla-the world's most popular car - properly addresses the issue of big inside, small outside. The latest Corolla will be released to the Australian market in December 2001.

PROMOTION

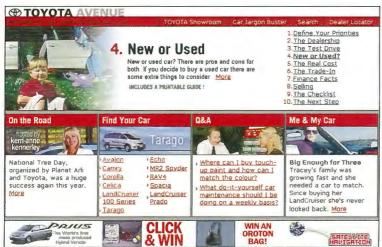
Successful promotion over the past two decades has led Toyota to claim the Number One brand awareness of any automotive company. Recent surveys have been particularly positive. According

to one survey, Toyota has the Number One advertising awareness in automotive the market (which is different from brand awareness) and "Oh What Feeling!", its slogan, is regarded as the most appealing from any automotive advertiser. Toyota is regarded as Number One in overall brand health technical

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assessment of the brand's ability to sustain its credibility. The result of this exceptional report card is of direct benefit to consumers. A reader poll undertaken by Reader's Digest magazine voted Toyota Australia's most trusted automotive brand.

Toyota no longer promotes. It communicates. Its investment in National Tree Day, an Australian initiative of Planet Ark, provided the company with substantial recognition while simultaneously promoting a worthy environmental cause. Toyota was the first auto company to begin web marketing. Its Australian Internet site toyota.com.au has many subsets including a site for women toyotaavenue.com.au which specifically addresses the needs of female customers. The launch of hybrid Prius led to the formation of a site prius. toyota.com.au which permitted the majority of the purchase transaction to occur online. As Prius is built to order customers are also able to specify their own car with a virtual direct link to the factory. Customers can now book their cars in for service on the net, and at one dealership they can watch their car being serviced on webcam.



BRAND VALUES

"Good thinking, good products" is a Toyota goal encapsulated in its Australian anthem "Oh What a Feeling!" The consistency of that message will guide the company to a new era of support for communities and the environment. "When Toyota founder Kiichiro Toyoda was dreaming of manufacturing automobiles in 1929, the US was already making five million cars a



year," Toyota world president Fujio Cho said. "Now the starting line for environmental technology is at the same point. Toyota will position the environment as its core management issue." Toyota intends to increasingly take the lead in developing technologies and products which are environmentally friendly and sustainable. In doing so its brand values, so long steeped in the excellence of its manufacturing, will be significantly enhanced.

THINGS YOU DIDN'T KNOW ABOUT TOYOTA

- O Forty-three per cent of all vehicles (excluding mini-vehicles) sold in Japan each year are Toyotas. That means 1.77 million cars a year—more than twice total deliveries of all vehicles in Australia.
- O Toyota is in partnership with tertiary education colleges to teach pre-school leavers to become mechanical engineers using the Toyota Training System. In its first year the T-3 program allowed 60 high school seniors to study for the Higher School Certificate and simultaneously obtain trade certification. It is estimated that more than 2500 students will take part in the program by 2005.
- O Toyota has built eleven million
 HiLuxes, four million Celicas and one
 million RAV4s all of them celebrating
 their anniversaries in 2001. Corolla is
 the world's top selling car. Twenty-nine
 million have now been produced.
- O The Forest of Toyota, a project to develop fast growing eucalypts through selective breeding, (not genetic modification), is based in Australia. A former engine dynamometer laboratory is now a biochamber breeding Tasmanian Blue Gum trees. A 3.5 hectare plantation in Western Australia now has more than 500 trees planted. The tallest, after a little more than a year, is approaching four metres.
- O Toyota's World Earth Charter which targets zero emissions also calls for the elimination of Muri, Muda, Mura that's excess, waste and imbalance. A recent survey in Japan of companies thought to be conducting environmentally considerate activities rated Toyota first three and half times ahead of all other rated companies.