

For immediate release
April 10, 2008
Toyota Motor Corporation
Daihatsu Motor Co., Ltd.
Fuji Heavy Industries Ltd.

Toyota, Daihatsu, FHI Deepen R&D and Product-supply Ties

Tokyo — TOYOTA MOTOR CORPORATION (TMC), DAIHATSU MOTOR CO., LTD. (Daihatsu) and FUJI HEAVY INDUSTRIES LTD. (FHI) announced today that they have agreed to expand their cooperative ties with new arrangements related to research and development and product supply.

Specifically, the three companies—aiming to strengthen their competitiveness by achieving mutual synergies through the apt application of each company's technological know-how—decided that:

- 1) TMC and FHI are to jointly develop a compact rear-wheel-drive sports car that will be marketed by both TMC and FHI.
- 2) TMC is to provide FHI with a compact car on an original-equipment-manufacturing (OEM) basis.
- 3) Daihatsu is to supply FHI with minivehicles and an FHI version of the Daihatsu "Coo" compact car on an OEM basis.

The compact rear-wheel sports car to be jointly developed by TMC and FHI is envisioned to offer a new "fun to drive" experience based on an all-new vehicle platform powered by an FHI core-technology horizontally-opposed engine. Market introduction is targeted for the end of 2011. Production is to take place at a new plant to be built at FHI's Gunma Manufacturing Division in Japan's Gunma Prefecture. TMC will consign production to FHI.

The compact car that TMC is to provide FHI on an OEM basis is aimed at letting FHI supplement its product lineup, with supply expected to start around the end of 2010.

The OEM supply of minivehicles for the Japanese market to FHI by Daihatsu is expected to allow FHI to focus its R&D and production resources on its main products. Such supply is planned to start in the second half of 2009. This arrangement is also expected to enable Daihatsu to improve its business efficiency, such as through increasing its cost competitiveness due to increased production volume.

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Also, so that FHI can further enhance its product lineup, from this October, Daihatsu is to supply FHI on an OEM basis 6,000 units annually of its “Coo” compact vehicle produced at Daihatsu’s Head (Ikeda) Plant in Osaka Prefecture.

Today’s announcement is the latest development in a business relationship that was established in October 2005 and in which TMC and FHI have applied their mutual management resources in R&D and production. This relationship has also already resulted in, among others, consigned production at Subaru of Indiana Automotive, Inc.—FHI’s North American production base in the United States—and OEM production by Daihatsu of an FHI compact car for the European market.

To further promote smooth business relations, TMC and FHI—while maintaining the management style and corporate identity of FHI—have reached a basic agreement on the transfer to TMC of 61 million FHI shares owned by FHI, pending approval by Japan’s Fair Trade Commission. Following this transfer, TMC would own 16.5% of FHI issued shares.

TMC, Daihatsu and FHI intend to continue conducting wide-ranging discussions toward strengthening one another’s long-term competitiveness and carrying out comprehensive cooperation for their growth worldwide.

Outline of transfer of FHI shares to TMC

Transfer timing	Following approval by Japan’s Fair Trade Commission
Transfer method	Disposal of treasury stock by allocation to third party
Number of shares involved	61 million shares
Transfer value	31.11 billion yen
Transfer price	510 yen per share
Method for calculating transfer price	Price set at 10% higher than the average closing price (raised to the nearest 10 yen) for FHI shares on the Tokyo Stock Exchange from December 11, 2007 to March 10, 2008.

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