

October 5, 2005
Toyota Motor Corporation
Fuji Heavy Industries, Ltd.

**Toyota and Fuji Heavy Industries to Agree
on Business Collaboration
- Toyota to Purchase Shares of Fuji Heavy Industries -**

Tokyo - TOYOTA MOTOR CORPORATION (TMC) and FUJI HEAVY INDUSTRIES LTD. (FHI) announced today that they have signed a memorandum of understanding stating they will start studying the synergic effects of business collaboration. In the collaboration, the two companies seek to mutually utilize their management resources in the fields of research & development and production, and to supplement each other's technological development. The two companies plan to set up a joint steering committee and to aim for reaching an agreement on concrete collaboration programs as soon as possible.

TMC and FHI initiated business ties in 2003, when they announced that FHI would feature TMC's "G-BOOK" network information service as "Subaru G-BOOK" in Subaru-brand vehicles for the Japanese market. TMC and FHI have come to view that, while they respect each other's independency in management, each side could prosper further by strengthening their business relationship, as global competition intensifies.

In order to develop its relationship with FHI, TMC decided today to purchase FHI shares as follows:

Contents of share purchase:

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|---------------------------------------|--------------------------------------|
| - Party TMC will purchase from: | A General Motors Canadian subsidiary |
| - Number of shares TMC will purchase: | 68,000,000 shares |
| - Ratio of shares to be owned by TMC: | 8.7% of FHI's issued shares |
| - Planned shares settlement day: | October 12, 2005 |

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