

Toyota Kenshiki Forum 2023

Plenary session. 28-29/11/2023

[Embargo Mon 4th Dec @ 00:01]

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Matt Harrison

Chief Operating Officer

Toyota Motor Europe

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Good afternoon everybody, and a very warm welcome to you all.

Thank you for dedicating your precious time to join us here in Brussels for our 5th Kenshiki Forum.

It's a real pleasure to see so many familiar faces...

And as always, today we have some important insights to share with you regarding not just our current business performance and short-term outlook, but also our mid-term future product plans and strategic priorities for the European region.

Since we met last year, I think it's fair to say that the automotive industry continues to experience some turbulence, and is preparing to face a growing number of headwinds.

Turmoil in financial markets and levels of inflation that we have not seen for decades are certainly impacting consumer confidence and spending.

Nevertheless, customer expectations continue to be resilient when it comes to the environment, and our regulatory obligations remain at an unprecedented level.

Europe continues to be the fastest changing region in the world when it comes to ambitious mobility and environmental goals... and it's clear we're in a period of fundamental transformation.

In this rapidly evolving world, I can tell you that we at Toyota are determined to continue to meet the ever-changing needs of our customers... and to deliver on our environmental responsibilities and commitments.

Today we'll explain how we plan to successfully navigate all of these challenges.

To do that, I'm delighted to be joined by Simon Humphries, our Chief Branding Officer and board member of Toyota Motor Corporation. And also by Yoshihiro Nakata, President and CEO of Toyota Motor Europe.

Let me also introduce Takashi Watanabe, President of Lexus International. Watanabe san, thank you for supporting us today. Together we will give you an insight into our global thinking and the important role that Europe has to play in leading the way for global Toyota.

But, before we look forward, let me start by reflecting on our latest regional results and performance.

This time last year, I hesitated to give you a sales forecast for 2023 due to the very uncertain supply situation...
but I said that I did expect some volume growth.

Today I'm pleased to confirm that we expect to sell a total volume of 1.17 million Toyota and Lexus vehicles in 2023... which is almost 100 thousand vehicles higher than last year.

Lexus has made an important contribution to this result, thanks to a fully rejuvenated product line-up and an easing of global supply restrictions. And we have also benefited from the continued expansion of Toyota Professional, our light commercial vehicle range.

Looking forward to next year, although many of our competitors have seen demand rapidly erode, we have maintained a healthy order bank of over 300 thousand vehicles, which will support a strong start to sales in 2024.

And with new and important model launches ahead, we're very confident of continued sales growth despite what we expect to be a flat market.

Next year Lexus will again be a key contributor to our sales increase.
The new Lexus LM has captured the imagination of people looking for the ultimate in spacious luxury transport.

Order intake is actually around five times higher than we originally expected.

But the real growth driver will of course come with the first deliveries of the new Lexus LBX. Designed to appeal to a new target customer group for Lexus, this luxury urban crossover inherits a true Lexus DNA...
despite its compact dimensions.

We are delighted to read your initial feedback... and to see the early interest from new potential customers... both of which indicate that LBX will be a high conquest model and a new growth engine for the Lexus brand in Europe.

Turning to Toyota, we expect the new C-HR to have a big impact on our sales next year. With its distinctive and emotional styling... plus its extended hybrid and plug-in hybrid powertrain choices... it will further boost our product power.

And I'm delighted that it has been shortlisted as one of the finalists for Car of the Year 2024.

Your feedback from the world premiere and the recent dynamic press launch has given us great confidence that the new C-HR will play a key role in our continued European business growth.

Our product power will be further enhanced by the introduction of the new Yaris and the new Yaris Cross, with upgraded safety and multimedia systems, and a wider range of hybrid powertrain options.

And, of course, next year will also see the European launch of the all-new Toyota Landcruiser.

This iconic vehicle continues to raise the bar for off road capability... and set new standards for our legendary quality, durability and reliability.

Despite the emissions regulations here in Europe, enthusiasm and initial demand for this car is overwhelming.

And, with a 48 Volt hybrid option also available to order from next year, I don't think that situation will change any time soon.

The increasing customer demand for our widening portfolio of electrified models, hybrid, plug-in hybrid, battery electric and fuel cell electric, all of which increased this year is set to grow again next year.

In 2022, our electrified mix was 66%. That rose to 71% this year.

And next year we expect our electrified sales mix to exceed 75%.

But as I look forward in this fast-changing and uncertain world...

I am confident that we are well equipped to meet changing consumer needs and to successfully navigate the electrification transition... even in the world's first (and only) national Zero Emission Vehicle environment.

Of course, I'm talking about the UK, where ZEVs will have to make up at least 22% of all new vehicle sales already in 2024... and reach 80% of sales by 2030.

Today we offer 8 Zero Emission Vehicle models in Europe – which is perhaps a wider portfolio than many people are aware of.

With this line-up, we're also confident of maintaining our status as one of the leading players in Norway - where ZEVs already account for 75% of the market – or more than 90% in the case of the Premium segment.

At the same time our diverse powertrain line-up, something we refer to as 'multi-path', will also allow us to continue to perform strongly

in markets that are not so far along the path to zero-emissions mobility.

Our 8 ZEVs sit alongside more than 25 hybrid and plug-in hybrids in a wide portfolio of lower emissions solutions.

This allows customers to choose a Toyota or Lexus product to reduce their carbon impact today... irrespective of their local environment and infrastructure status.

Today our portfolio still includes some vehicles that are not electrified - but serve a specific mobility or accessibility purpose.

For instance, there's Aygo X...

A model that allows us to offer our customers a relatively low-cost of entry to mobility, with all the safety features that you expect from Toyota.

Our determination to maintain Aygo X in the accessible entry segment... a segment that many other brands have abandoned... demonstrates our 'mobility for all' and 'no-one left behind' philosophies.

In the future, we're planning to carefully evolve our model portfolio to continue to give all customers the opportunity to reduce their carbon footprint.

This is because of our long-held commitment to provide mobility for all... regardless of the customer's environment, financial status, physical capability or product need.

This important principle was again highlighted at the Japan Mobility Show last month where "mobility for all" provided an important backdrop to the diverse product concepts that we presented.

To tell us more about that, I'm delighted to welcome Simon Humphries, our Chief Branding Officer and TMC Board Member.

Simon Humphries

Chief Branding Officer – Head Of Design
Toyota Motor Corporation

Good afternoon everyone.

Kenshiki this year comes hot off the heels of the Japan Mobility Show.

I know that we saw some of you there and I hope that we surprised you with the variety of products we presented.

Very simply, our intention was to paint a picture of the future of mobility.

Not only for the 1.1 million visitors in Japan... But for the world.

Now when you put “mobility” and “future” in the same sentence, it’s easy to jump to a stereotypical ideal of high-tech dreams.

And don’t get me wrong, we dream as much as anyone!

We’re making “flying cars”. We’re making a Lunar Cruiser. We’re making robots that use elevators.

And that’s an important and awe-inspiring part of taking mobility to the next level.

But it’s not everything...

For us, what mobility comes down to is freedom.

And With freedom, comes opportunity.

At Toyota, we believe that everyone should have access to the opportunity that mobility provides...

Wherever in the world they live, whatever their situation.

And for many people around the world, the dream of future mobility is simply finding a way to get mobile.

The IMV 0 that we displayed in Tokyo is a revolution in simplicity...

A product designed not only for a low price point, but more importantly, as a canvas for opportunity.

The opportunity to define how you use the vehicle on your own terms.

The IMV 0 is fully functional, yet only 70% defined at point of sale the rest is user-defined.

Whether it's transporting goods. Or running a café.

Build your own car at your own pace, to your own budget and for your own unique needs...

A positive cycle not only for the customer, but also for the wider community.

This may sound idealistic, but what we want to sell is opportunity itself.

So, for many people in rising economies, the ability to define their own mobility is one new opportunity.

But for many others around the world, mobility is the opportunity for independence itself.

There are 1.3 billion people globally who experience serious disability.

And we believe we should try our best to help as many as possible live life to the full.

Now Toyota has long sponsored Olympic and Paralympic athletes.

One is Taiki Morii, 4-time Paralympic medallist in alpine skiing.

He obviously loves the excitement of skiing, but he also loves to drive.

So together we developed NEO Steer, which allows total control of the vehicle without use of the lower body, even on a track.

And in the words of Morii-san, allows him to do it in style.

We put these systems in place for everyone to experience at the Mobility Show and I think the results speak for themselves. Smiles on everyone's faces.

This is just one reminder that mobility is about so much more than four wheels and a powertrain.

It's about understanding people, their needs and their aspirations....
Because only then, can we anticipate the opportunities they seek.

And this will be even more relevant in the future.

People's lives around the world are changing at a rapid pace.

From what we wear, to what we eat...
From what we watch, to where we sleep...
From how we work, to how we learn...

Unlimited choice has become engrained in people's lives. Gone are the days of mass trends in design and fashion.

The expansion of choice has given people the flexibility to align their consumption, with their own unique values empowered and confident to live their lives in their own way.

So how do we mass produce unique choice?

Now we believe our "multi-pathway" approach is quite simply a start to answering this question.

A palette of opportunities for people all around the world.

But we are also acutely aware that BEV is an increasingly important ingredient in this mix.

And we believe that Lexus is the ideal brand to explore the full potential.

Lexus was born a disruptor.

Since its founding, Lexus has proved time and time again that it can disrupt the industry by anticipating customer desires.

It anticipated that the car ownership experience could be about more than a car.
It anticipated that the sedan was not the only answer to prestige mobility.
It anticipated that being environmentally conscious, could be part of the luxury experience...

This ability to push the boundaries at every available opportunity is crucial in answering the future customer's expectations for ever more choice.

And these future customers will be unwilling to compromise when it comes to emotional desires and functional needs.

They will expect specific solutions to their diverse lifestyles.
They will expect their digital lives to be seamlessly and intuitively built in.
They will expect ecological solutions, but also exhilaration.

In anticipation of this, the catalyst for a new direction...
The Lexus LF-ZC!
What do you think?

This is a car that we will bring to the road in 2026.

And to do so...we will push the boundaries in three key areas.

Firstly, we want to achieve the most efficient engineering without losing one ounce of emotion.

No compromises.

That begins with maximizing space and layout efficiency radically changing the distribution of space between human and machine. The driver moves forward. And the front of the vehicle is dramatically reduced in size, for incredible visibility.

All within a beautiful, sleek silhouette.

It's all about more from less...

More emotional design.

More space and flexibility.

More driver engagement.

More precision all-round.

All from a smaller, lighter, more aerodynamic structure.

Now Japan is famed for ingenuity in engineering.

And the key to achieving these breakthroughs is component minimalization and reduction, from battery height, to HVAC, to motors, to steer-by-wire.

Secondly, LF-ZC is a catalyst for digital and physical synergy.

The synergy of hardware with the all-new Arene Operating System creates a car that grows with the owner increasing the experiential value over time.

And we want everyone, including the driver, to engage in these new experiences enjoyably and safely.

In a fundamentally new approach, content will be displayed depending on the situation.

An intuitive and simpler user interface that anticipates your specific needs.

And together with software-enabled hardware, it will allow personalized driving experiences like no other.

And it doesn't end there...

The car is the greatest moving sensor there is.

It can see, touch, hear and smell, giving the potential for application makers to create breakthrough content such as digital interaction with the surrounding world... in real time.

Unique content, born from motion.

And thirdly, Diversity.

The BEV age has only just begun and it won't be long before the conversation moves past the fundamentals of battery range and charging time.

People are always looking for new ways to enjoy and express themselves.

And the desire for new lifestyle solutions will come to the forefront.

With adaptability built in from the outset, our next-generation modular architecture will allow us to push the boundaries in every segment going forward.

Not only in the Lexus brand, but also the Toyota line-up.

Let's take a look at the ultra-versatile FT-3e.

So, what do you think?

Creating platform versatility to answer those desires is critical, even if it's for pure exhilaration.

That's right, every part of the company will benefit from this new platform, and that includes GR!

But more about that later...

In the meantime, I would like to hand over, to Nakata-san.

Yoshihiro Nakata

President and CEO
Toyota Motor Europe

Thank you Simon.

Good afternoon everybody. I believe the role and vision of Toyota globally is well understood.

At Toyota we believe we contribute a lot to the future of mobility and we will continue on this path by focusing on Electrification, Intelligence and Diversity.

As President Sato said recently, “the future is something that we all create together – let’s change the future of cars.”

In Europe we have the same vision.
And in key areas like the environment, we are leading the way.

For instance, here in Europe, we are going faster towards carbon neutrality than the global Toyota organisation.
Stakeholder expectations towards businesses have increased. And regulations are getting stricter.

But, most importantly and most powerfully, it’s consumer sentiment that is driving change.

This is happening globally.
But it’s happening faster here in Europe. You probably feel this yourself.

Let me ask you:
are you making more environmentally-conscious decisions compared to 5 years ago?

You are not alone.
87% of European consumers believe there is an urgent need to address climate change.

But, of course, the situation country by country is different.
That’s why Toyota’s approach is to be ‘the best in town’.

This means we aim to positively contribute to the environment of each region, country or city by providing the right solutions to meet local needs.

More than 50 countries means more than 50 solutions towards carbon neutrality.
This is why Toyota believes in the positive impact of a multi-path approach to carbon reduction.

Last year Toyota was certified by SBTi as meeting the 1.5 degrees standard for its global Scope 1 and 2 reduction targets.

This gives independent confirmation that we are on the right path to meet our global carbon neutrality commitment for 2050.

In Europe we announced last year that we expect to be fully carbon neutral here by 2040 – 10 years earlier than global Toyota.

There are several key steps in our journey.

The first step covers Scopes 1 and 2 where, by 2030, all of our owned facilities – including offices, R&D facilities, warehouses and manufacturing plants – will be carbon neutral.

The next steps relate to Scope 3.

By 2035 we will have a line-up with 100% CO₂ reduction.

And then by 2040, we will have achieved full carbon neutrality in logistics and value chain.

Last year we highlighted a number of examples of what we're doing to achieve carbon neutrality in our facilities.

This includes the use of 100% green electricity and biogas for heating.

We're also moving forward with Scope 3 carbon reduction.

For instance, here in Belgium we are just about to start using hydrogen fuel cell trucks on four of our key logistical routes – including across borders in to France, Germany and the Netherlands.

Not only does this approach reduce carbon emissions to zero but it also has the effect of stimulating the hydrogen refuelling infrastructure.

We believe the carbon reduction benefit of scaling this approach to the thousands of logistics routes across Europe could be huge.

Let me also highlight the average CO₂ emissions of our new cars.

Historically we have delivered the lowest corporate average fuel economy figures in Europe and have consistently beaten the EU targets thanks to widespread availability of our hybrid technology.

Now, as we move towards 2035, we are determined to remain ahead of the curve.

This is where the power of our multi-pathway approach to carbon reduction can be seen.

No matter which country or environment the customer is in, Toyota has the right technologies today, and tomorrow, to make sure they can choose a low emissions solution.

"Mobility For All" and "Leaving no-one Behind" are two fundamentals of who we are and what we have consistently aimed to achieve.

This philosophy highlights that Toyota's approach to carbon reduction is not just about tomorrow.

It's also about today.

And, perhaps more importantly for the environment, it was also about yesterday.

At this point, I believe it's important to say that, even though we will continue to offer multiple carbon reduction technologies, we will also steadily increase the number of zero-emissions vehicles we offer to customers.

By 2026 we will offer consumers the choice of around 15 ZEVs under the Toyota brand.

This, of course, includes the 6 dedicated battery EVs we previously confirmed for launch by 2026.

bZ4X was the first.

Following a number of kaizen actions, the bZ4X is now performing well in market.

It's key attributes of a confident drive, spacious packaging and improved range visibility are seen by an increasing number of customers as appealing.

The result is that bZ4X is now beating its sales plan and, in Norway where EVs are dominating, it's number 3 in segment with a 15% share.

Now, turning to the '6 by 26' plan, let me give you an update.

Last year we showed you the Compact SUV. With a smaller footprint, it's clearly a vehicle intended for the important 'C' segment in Europe.

Then earlier this year we revealed the Sport Crossover Concept.

Now, for the first time, we'd like to give you the opportunity to see it in Europe.

Let's take a look...

Well, what do you think?

The Sport Crossover Concept features a sleek coupe style design, which makes it the perfect style hero for the BEV portfolio.

It's longer, wider and lower than the bZ4X, and is intended to appeal to those who prioritise style above functionality.

So now you have a pretty good idea of half of the planned dedicated EV portfolio.

Let's take the next step.

Thinking about the European market in particular, there is a big demand for more compact products.

And indeed, given our success in A, B and C segments in Europe, its natural our customers would be asking us to look at those areas.

Our response is a product that is even smaller than the Compact SUV Concept.

Let's take a look...

Here it is...

It has the kind of compact footprint and higher driving position that many customers in urban environments are looking for.

Stylish and versatile, this model gives a strong indication of what will be a key contributor to our BEV sales here in Europe.

We plan to reveal the production version of this car in the first half of next year.

Now you have an idea of 4 of the 6 dedicated BEV models we will launch in Europe.

Are you curious to know about the next two?

Well, let's just say we're looking to further expand the portfolio to cover a wider range of customers – and maybe you'll learn more about that in the deep dive!

As I mentioned earlier, by 2026 our ZEV portfolio will have grown to over 15 models.

And the resulting sales volume will have significantly increased compared to today.

By then, we anticipate that our BEV mix in Europe will be over 20%, and a total volume of more than 250 thousand vehicles.

We've always been clear that local production of BEVs would come when we're able to secure sustainable volume.

We believe we'll be able to make that step around this timeframe.

I know you'll want to know more about this topic... But, sorry, you'll have to wait a little longer for that information!

Turning to alternative zero emission technologies, we will continue to challenge by developing a

number of pathways, including hydrogen combustion, e-fuel and, of course, hydrogen fuel cell.

I believe it's important to confirm that we are not giving up on hydrogen fuel cell products like the Mirai or the newly launched Crown fuel cell EV.

On the contrary, we believe the growing infrastructure, stimulated by wider hydrogen use, will create an even more compelling reason to choose fuel cell technology for personal mobility in the future.

The European Commission has great confidence in this approach - leading to a 45 billion euro investment in hydrogen overall. And the EU's transport infrastructure fund has awarded 284 million euros – or around one third of its budget - for the installation of hydrogen refuelling stations.

Toyota would like to strongly contribute to establishing a hydrogen society in Europe.

Even though we have the technology, we cannot fully leverage the full potential on our own.

We need to collaborate together with like-minded partners to fully establish a hydrogen society.

Momentum is growing and we're receiving more and more enquiries about our technology and products.

Therefore, on a global level we have established the 'Hydrogen Factory' to operate together with the 'BEV Factory.'

To be clear, this doesn't mean we're looking to enter the business of making hydrogen.

But does point towards a co-ordinated approach to the commercialisation of hydrogen technology – spanning everything from development and production, through to sales and aftersales.

At the same time, our fuel cell development continues at pace and we're planning to launch our 3rd generation technology in 2026.

To respond to the increasing levels of activity we are formalising a dedicated business unit that we call 'Toyota Hydrogen Factory Europe'.

This unit will be responsible for producing a growing number of fuel cell systems, and support the increasing group of commercial partners.

Many of our systems will make their way into trucks, coaches, buses, marine applications, and stationary power systems.

And an increasing number will make their way into light duty vehicles such as passenger cars and pickup trucks.

Back in September we presented a prototype version of a hydrogen fuel cell Hilux.

Development is continuing very well and we're getting ready to demonstrate it to customers and you – the media – in the coming months.

Hilux, of course, is chosen by many customers who need a reliable vehicle to undertake their daily work.

As such it forms a key part of our Toyota Professional fleet.

To tell us more about Toyota Professional, let me invite Matt back on stage...

Matt san...

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Matt Harisson

Chief Operating Officer
Toyota Motor Europe

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Thank you Nakata san.

Hilux is of course a brand icon for Toyota and it will continue to play a very important role for us, particularly with business users.

We're also honoured that it's the current holder of the 'Pickup Of The Year Award'

However, when we look at the wider commercial vehicle market, it is clear we need to serve a broader group of customers and must further expand our portfolio.

The solution we identified several years ago was to partner with Stellantis.

Our strategic partnership started with Proace in 2016...

We then added the Proace City in 2019 and then the Proace Electric in 2020.

And the Proace City Electric in 2021.

It's clearly a very successful alliance.

Last year we sold more than 119 thousand light commercial vehicles.

And this year we expect sales to increase to over 140 thousand, a growth of more than 20%..

In addition to offering highly competitive products, our clear advantage is our excellent retail network, where customer satisfaction will always be the number one priority.

Our medium-term ambition is to continue to grow our commercial vehicle business, with the objective of becoming a Top 6 player in 2025.

To try to realise this ambition we must further expand our vehicle range, as well as to offer an increased choice of electrified powertrains.

Today we are missing a model to compete in a key part of the market... the heavy duty or large van sector ...

which currently accounts for 31% of the commercial vehicle market.

But, I'm very pleased to announce that we now have a solution thanks to a further expansion of our partnership with Stellantis, I can present to you today a new addition to the Proace range...

The new Proace Max!

Proace Max really is quite large – which is one of the reasons that we had to display it outside!

It will be available in 3 lengths and 3 heights to ensure customers can choose the configuration that best suits their needs.

It will also come with the option of a low-emissions diesel engine... but it's the battery-electric version that will generate most attention.

Its 110 kilo-watt-hour battery pack gives a WLTP range of up to 420 kilometres, which is best in class.

The Proace Max Electric will also feature a best-in-class load-space volume of 17 cubic metres, a best in class payload of 1.5 tonnes and a best in class towing capacity of 2 tonnes.

It is a powerful addition to the Proace line-up... which now offers a full range of diesel and electric options to suit all customer needs and all operating environments.

The new Proace Max is introduced at a time when we are also making significant upgrades to the rest of the Proace range...

Our compact van, Proace City, will be upgraded to benefit from the latest safety and connected technology and an improved EV range of 330 kilometres, which is an increase of 50 kilometres.

And our medium sized van, Proace, will benefit from those same safety and connected technology features and an EV range that is increased by 20 kilometres to 350 kilometres.

But that's not all...

We're also widening the Hilux offer to fully refresh our light commercial vehicle portfolio.

Hilux will also receive an electrification boost... this time in the form of a hybrid 48-volt system. This new technology will provide more power and torque which will improve fuel efficiency by around 10%.

We will also make Hilux even more capable off-road, including a 700 millimetre wading depth thanks to well-placed and protected electrical systems.

With these key updates to Hilux, Proace City and Proace, plus the addition of Proace Max, we are confident of meeting our medium-term ambition of selling 180 thousand LCVs in 2025 and becoming one of the Top 6 LCV players in Europe.

BEV versions of Proace and Proace City will be extensively deployed at the forthcoming Olympics and Paralympic Games in Paris next summer.

They will form part of a passenger vehicle fleet of more than 2'650 electrified vehicles.

These vehicles have been chosen to meet a wide variety of mobility needs and, at the same time, will help reduce overall emissions by half compared to those of previous Games.

Let's take a look.

In addition, to the vehicle fleet we're providing 700 electric last-mile mobility solutions.

These include 250 C+WalkT and C+WalkS and 200 wheelchair e-pullers.

And these will be further complemented by 250 Accessible People Movers (or APMs).

You may remember the APM from Tokyo 2020... but it has been completely redesigned and redeveloped here in Europe to better meet local requirements.

Let's take a look...

The APMs will be used in and around the Athlete's Village and key sporting venues across the Paris region.

And I'm pleased to confirm that all 250 APMs for Paris 2024 will be built here in Europe through our partnership with Salvador Caetano in Portugal.

After the games, the fleet of APMs will then form part of our sustainable legacy for Paris... and we're working with the French government to plan their use in selected legacy venues,

such as health centres, retirement homes and sports arenas.

These last-mile mobility devices will primarily support those with mobility needs over shorter distances.

For longer-distance support we will be providing 150 wheelchair accessible electric Proace Versos.

After the games, these vehicles will also remain in the Paris region to provide specialised personal transport services.

The third sustainable legacy Toyota will leave behind are the 500 Mirai we'll be using during the Games.

Our plan is that they will be added to the already large fleet of over 1000 Mirai taxis in the Paris Region...

And talking about hydrogen fuel cell vehicles...

In total Toyota will bring 10 different hydrogen mobility applications to the Games.

In addition to the Mirai, Toyota hydrogen technology will be demonstrated in buses... trucks... coaches...

fork-lifts... and even the boats that will provide mobility on the River Seine.

All of this supports the ambition of the Paris Region to put hydrogen at the forefront of its strategy to ensure renewable energies account for 100% of Paris' energy consumption by 2050.

In many ways Paris will be a great example of the kind of hydrogen eco-system that Nakata san mentioned earlier.

It's clear that France has great confidence in hydrogen.

And so do we.

I know that many of you are also aware that our interest in hydrogen goes beyond fuel cells and into combustion.

But, before I get into that, let me take a moment to celebrate our outstanding motorsport successes this year.

I'm very proud that once again, Toyota Gazoo Racing has secured all titles in the FIA World Rally Raid, World Rally and the World Endurance Championship.

More impressively, this is the second year running that we have achieved a clean sweep of all titles in all championships that we entered.

Running for hours and even days on end, often covering thousands of kilometres in some of the most extreme conditions, these championships are chosen by us to help improve our cars and the people that develop those cars.

They also form the most challenging environments in which to pursue carbon neutrality. Our rally and endurance cars are already running on carbon neutral fuels, but we believe we must go further.

This is the reason why we unveiled our GR H2 WEC Concept earlier this year with the intention to compete at Le Mans in the new Hydrogen category.

Featuring hydrogen combustion technology, our new endurance racer is intended to deliver speed, efficiency and reliability with a healthy dose of the sound that Akio Toyoda refers to as 'a lullaby'.

We also expect this technology to have a positive impact on the World Rally series in the future... which is one of the reasons we continue to test and develop it in the GR Yaris and the GR Corolla... ...And we believe it could form a key part of future Rally Raid races... including the legendary Dakar rally.

In fact, Toyota is part of the HySE research association, along with Kawasaki, Suzuki, Yamaha and Honda, that plans to run its HySE-X1 prototype vehicle in the Dakar rally this coming January.

Who knows, maybe we'll even see a hydrogen Hilux entering Dakar in the not-too-distant future.

We also believe that hydrogen combustion may still have potential for use beyond racing.

Our development of hydrogen combustion started in 2017.

Since then, its progress has been highly visible with the GR Corolla competing in various motorsports events, notably in Super Taikyu where it has been driven by our Chairman and Master Driver Akio Toyoda.

This intense activity has delivered impressive advances in power, performance and efficiency.

In fact, we've now reached the point where we have enough confidence in the potential to have introduced a pilot programme in Australia earlier this month.

A prototype HiAce has been equipped with three underfloor tanks and a modified internal combustion engine with a selective catalyst reduction system to operate with almost zero CO2

and NOx emissions.

Initial usage trials will include the transportation of workers and the delivery of goods around the Melbourne area.

As you can understand, much of our learning from racing contributes to our enduring desire to make 'ever better cars' right across our portfolio.

And this, of course, includes our GR road cars.

I don't need to tell you how well the GR Supra, GR 86 and GR Yaris have been received by customers around the world.

But, how to keep these kinds of cars in the future?

Gazoo Racing are exploring multiple paths to secure both carbon neutrality and most importantly for cars like these, FUN! And I don't just mean rapid acceleration in a straight line...

These cars need to engage enthusiasts, and they need to stimulate all the senses.

E-fuel, as seen in our Supra GT4 racer, could be one pathway forward.

Another way could be hydrogen combustion, as I just mentioned.

But what about battery electric?

Could we make an engaging, stimulating and fun GR product powered solely by batteries?

Let me invite Simon back on stage to answer that question.

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Simon Humphries

Chief Branding Officer – Head Of design
Toyota Motor Corporation

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Thank you Matt.

Earlier on I hinted at the extent of our new BEV architecture's versatility.

You know... both our Chairman, Akio Toyoda, and our President, Koji Sato... They're car guys.

They totally get it when customers tell them how and why they love their cars.

And one thing I can tell you for sure is that Akio-san believes that the car should never become a commodity.

This is as true in Europe, as it is anywhere. After all, this is the epicentre of motorsport.

And we have hundreds of GR engineers here, working to bring that exhilaration to the mobility era.

So, from the outset, we made absolutely sure that this new architecture had the potential to create a jaw-dropping sports car.

A true car-lover's BEV... the FT-Se.

What do you think?

As Matt mentioned earlier, every GR product has to stimulate all the senses.

It can't just be fun in a straight line. It needs to make you smile in the corners too.

And it should reward people who are prepared to hone their skills and take more control.

Mastering quick manual shifting, with smooth clutch action, has always felt good.

Why shouldn't it be the case with an EV?

Download your favourite engine sound and driving dynamics.

And you could truly create your own unique experiences...

All the while emitting only smiles.

And these new experiences are only possible from a software-defined vehicle.

Our new BEV architecture is the gateway.

They say good things come in threes.

Three great concepts and three key breakthroughs that make them possible...

Number one: component minimization for packaging optimization.

Number two: physical and digital synergy for the creation of content from motion...

And thirdly, adaptable architecture for maximum portfolio versatility.

The future of mobility has never been more exciting.

Not just because the cars are inspiring, and fun to drive. But because, as Toyota, we will never forget where we came from and what our purpose is.

Toyota always has been, and always will be, dedicated to 'Mobility For All'.

Thank you.

Matt Harrison

Chief Operating Officer
Toyota Motor Europe

Thank you Simon. And thank you also to Nakata san.

Today we've shared with you an overview of our strategies... and our way of thinking.

In closing, let me very briefly summarise some of those key messages.

As Simon just mentioned, "Mobility For All" is a mindset at Toyota, a guiding principle of our business...

And it is closely connected to our focus on the Environment.

Today we have explained the power of our multi-pathway approach to carbon reduction... and how it provides solutions to customers who cannot yet ...because of barriers like range requirement, affordability, or an immature infrastructure... choose a zero emissions vehicle.

You have also heard how our Environmental agenda goes beyond the traditional passenger car and light duty vehicle segments.

And that our technology is already positively impacting wider transport and mobility sectors, such as trucks and buses, where hydrogen can play an increasingly important role in carbon reduction.

I hope you therefore feel our determination and our commitment to ensure all of our European operations are carbon neutral by 2040... ten years ahead of global Toyota.

We passionately believe that mobility for all also means providing freedom and opportunity to move for people with disability. And at the forthcoming Paris Games next summer we'll deploy a large number of mobility solutions to ensure that all athletes and guests have the freedom and opportunity to move.

Finally, you can see that we are well-equipped for a zero emissions future.

Just look at the fantastic products behind me.

The technology beneath the surface... Leading-edge platforms, advanced batteries and innovative software will all enhance the experience for our customers.

But we will also ensure that our vehicle designs continue to emotionally engage and attract

customers.

Personally, I can't wait to drive them all – but maybe especially the orange one!

I believe Toyota in Europe has never been stronger. Our brand strength has reached record levels.

And our product power, including powertrain choice, is higher than ever before.

But we're not complacent. We have our eyes wide open and we do not underestimate the significant challenges that lie ahead of us.

And on our transformational journey, we will remain committed to providing mobility for all and ensuring that no-one is left behind.

Thank you for your attention.