

PREPARED TESTIMONY OF
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PRESIDENT AND COO, TOYOTA MOTOR NORTH AMERICA (TMA) AND
CHAIRMAN AND CEO OF TOYOTA MOTOR SALES
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
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Chairman Towns, Ranking Member Issa, members of the Committee, thank you for inviting me to testify today. My name is Yoshimi Inaba, and I am the President and COO of Toyota Motor North America and Chairman and CEO of Toyota Motor Sales, U.S.A., Inc.

As you heard today from Toyota President Akio Toyoda, and as the Subcommittee on Oversight and Investigations heard yesterday from Jim Lentz, President and Chief Operating Officer of Toyota Motor Sales, U.S.A., Toyota is taking decisive steps to restore the trust of the tens of millions of Americans who purchase and drive our vehicles.

Our 172,000 team members and dealers across North America are making extraordinary efforts to complete our current recalls as quickly and conveniently as possible. We have rigorously tested our solutions and are confident that with these repairs, Toyota vehicles will remain among the safest on the road today. We are also going further, by installing advanced brake override systems in all of our new North American vehicles before the end of 2010 and in an expanded range of existing models as a customer confidence measure, and taking comprehensive steps to ensure strict quality control and increased responsiveness to our customers and regulators in the future.

As you have heard, Mr. Toyoda is leading a top to bottom review of our global quality control processes, and will seek input from independent safety experts to ensure that our processes meet or exceed industry standards. As head of Toyota's North American operations, I will be closely involved in this review. Working with our new Chief Quality Officer for North America, I also

will take responsibility for ensuring that we improve our dialogue with U.S. safety regulators and that we take prompt action on any issues we identify to ensure the safety of American drivers.

In inviting me to testify today, the Committee asked me to address several issues with regard to our recent recalls. Let me summarize my answers here:

Our recent recalls address five separate issues that we have identified with certain Toyota vehicles. In total, some 5.3 million vehicles across 14 models are affected by one or more of these recalls in the United States.

The biggest recalls are for solutions our engineers have developed with regard to two specific mechanical causes of unintended acceleration. One involves all-weather or inappropriate accessory floor mats that when loose or improperly fitted can entrap the accelerator pedal. The other concerns accelerator pedals that can, over time, grow “sticky” with wear in rare instances. The solutions we have developed for both these issues are effective and durable.

With respect to possible accelerator pedal entrapment by the floor mats, Toyota recently designed a vehicle-based change that directly addresses the problem and announced the solution to the public in November 2009 as part of the safety campaign announced on September 29, 2009. Owners of affected vehicles can, in the meantime, drive safely by ensuring that they use only properly secured, appropriate floor mats.

With respect to sticking accelerator pedals, Toyota announced a safety recall in the United States in January to address this issue. The sticking condition does not occur suddenly and if it does, the vehicle can be controlled with firm and steady application of the brakes. We are confident that vehicles whose drivers are not experiencing any issues with their accelerator pedal are safe to drive, and Toyota dealers are rapidly completing the repairs on our customers’ vehicles.

In both of these cases, Toyota thoroughly and carefully evaluated the technical aspects of these issues. However, we now understand that we must think more from a customer first perspective rather than a technical perspective in investigating complaints, and that we must communicate

faster, better and more effectively with our customers and our regulators. Our recent, smaller voluntary recalls of certain 2010 Prius and Lexus HS hybrids for a software update to the braking system, certain 2010 Camry cars to inspect a power steering hose, and certain 2010 Tacoma trucks to inspect the front drive shaft all illustrate this new approach.

Chairman Towns, Ranking Member Issa and members of the Committee, I assure you that nothing matters more to Toyota than the safety and reliability of the vehicles our customers drive. We are committed not only to fixing vehicles on the road and ensuring they are safe, but to making our new vehicles better and even more reliable through a redoubled focus on putting our customers first.

Thank you.