

**PREPARED TESTIMONY OF
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PRESIDENT AND COO, TOYOTA MOTOR NORTH AMERICA (TMA) AND
CHAIRMAN AND CEO OF TOYOTA MOTOR SALES
SENATE COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION
MARCH 2, 2010**

Chairman Rockefeller, Ranking Member Hutchison, 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.

In my testimony, I will address the decisive steps Toyota is taking – now and for the future – to restore the trust of the tens of millions of Americans who purchase and drive our vehicles. For 50 years, Toyota has provided Americans with cars and trucks that are safe and reliable. For the past 25 years, we have built many of those vehicles here in the United States. Our 200,000 Toyota team members at plants, dealerships and suppliers in this country are united in their determination to provide even safer, high quality vehicles in the future. I am honored to be joined here today by several members of the Toyota family in the United States. Their dedication to our values has helped establish Toyota's record for quality and dependability. And, we are redoubling our commitment to always put our customers – and their safety – first.

In recent months, we have not lived up to the high standards our customers and the public have come to expect from Toyota, despite all of our good faith efforts. It is clear to us that we did not listen as carefully as we should – or respond as quickly as we must – to our customers' concerns. As our President Akio Toyoda told members of Congress last week, we sincerely regret that our shortcomings have resulted in the issues associated with our recent recalls.

I can assure you that we have learned from this experience. Here are the actions that we are taking:

First, Toyota engineers have developed effective and durable solutions for the vehicles we have recalled. Our U.S. dealers have repaired more than one million vehicles to date and continue to make extraordinary efforts to complete these recalls quickly and conveniently. They are literally working around the clock. To make the process as trouble-free as possible for customers, Toyota last week extended additional, complimentary services to owners concerned about driving their vehicle before the repair is completed.

Second, we are making fundamental changes in the way our company operates in order to ensure that Toyota sets an even higher standard for vehicle safety and reliability, responsiveness to customers and transparency with regulators.

At a global level, we have established a Special Committee for Global Quality, led by Toyota's President. It will thoroughly review our operations and make changes to ensure problems of this magnitude do not happen again. In the interest of openness, we are assembling a blue ribbon panel of distinguished, independent experts to confirm that the enhanced quality

controls we are putting into place conform to best industry practices. I am pleased to say that former Transportation Secretary Rodney Slater will help lead this panel . We are also putting a system in place to better share important quality and safety information across our global operations and to work more closely and transparently with government agencies, including NHTSA in the United States.

At a regional level, we will ensure that our customers' voices will be heard and acted upon in a timely manner. In the United States, we will investigate consumer complaints more aggressively by deploying "SWAT teams" of technicians to make on-site inspections of unintended acceleration reports as quickly as possible. We are establishing the new position of Regional Product Safety Executive, and our North American operations will have more autonomy and decision-making power with regard to recall and other safety issues. In addition, we will establish a new Automotive Center of Quality Excellence in the U.S., where a team of our top engineers will focus on strengthening our quality control throughout the region.

At the customer level, we are taking significant steps to bolster confidence in the safety and reliability of our vehicles. Toyota will be one of the first full-line automakers to make brake-override systems standard on all our new models sold in North America, including hybrids which have a system that achieves a similar result. We also are installing brake override on seven existing models. This advanced system automatically cuts engine power when the accelerator and brake pedals are both depressed. In addition, we have commissioned a comprehensive, independent evaluation of our electronic throttle control system by a world-class engineering and scientific consulting firm. In our own extensive testing, we have never found a defect that has caused unintended acceleration. We are confident in the system but we recognize that the public seeks additional reassurance and we will make the findings of this independent analysis public.

Chairman Rockefeller, Ranking Member Hutchison, Members of the Committee, Toyota continues to produce many of the best vehicles in the world. We are proud of our heritage and deeply appreciate the loyalty of Toyota drivers, so many of whom continue to tell us how much they love our cars.

In renewing our commitment to customer safety as our top priority, we will revitalize the simple principle that has guided Toyota since 1937 – to build the highest quality, safest and most reliable automobiles in the world.

Thank you.