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What Really Happened to Toyota?

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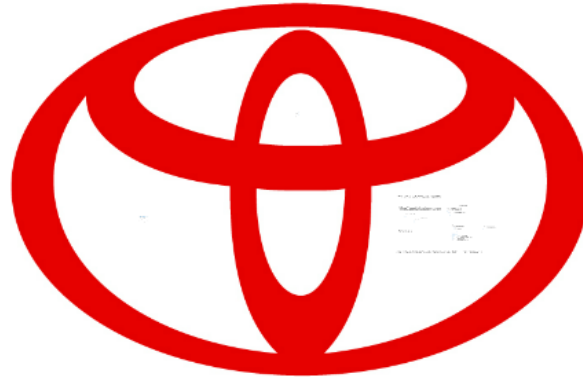
[ Questions? ]

## On the bright side...

Even though the Company is subject to eight safety investigations (and counting...)

- “Toyota reports fiscal-year earnings of \$2.3 billion; The automaker swings to a profit despite recalls, investigations and a record fine.” – Headline for the LA Times
- “Toyota and its CEO, Akio Toyoda also appear to be managing its crisis better than they did initially. Dealers have completed gas pedal repairs on 1.3 million of 2.3 million vehicles, said Toyota spokesman Brian Lyons.” – Chicago Tribune
- “Toyota's better results were impressive considering all of the external challenges it faced.” - B. Craig Hutson of Gimme Credit

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**TOYOTA**

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# Sard Verbinnen Recall Experience



BLAIR

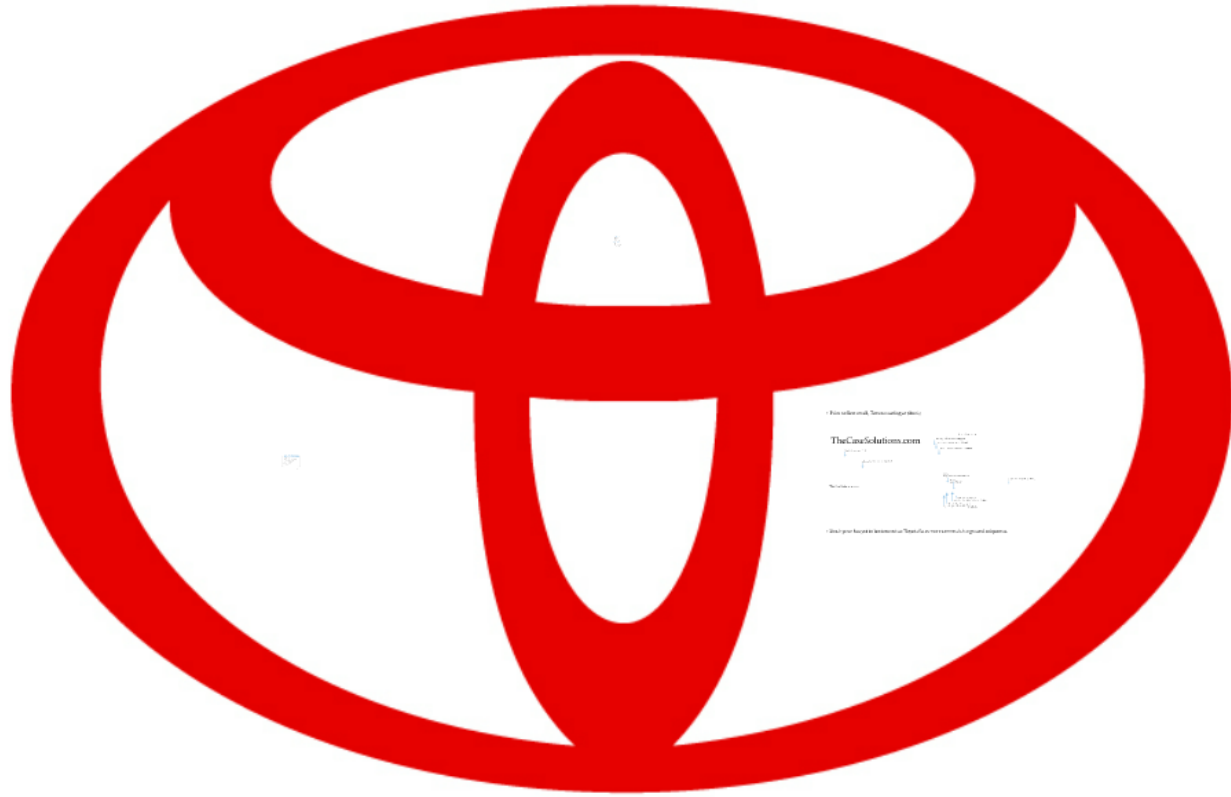
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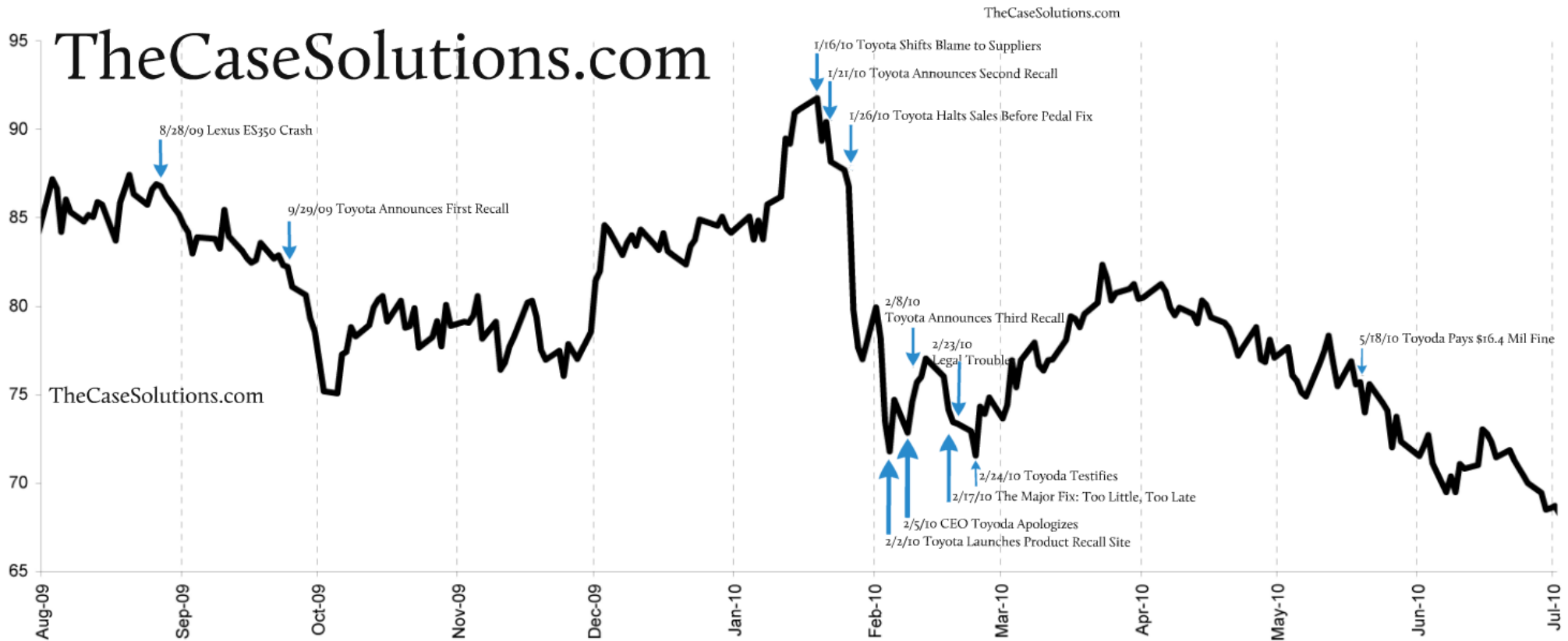


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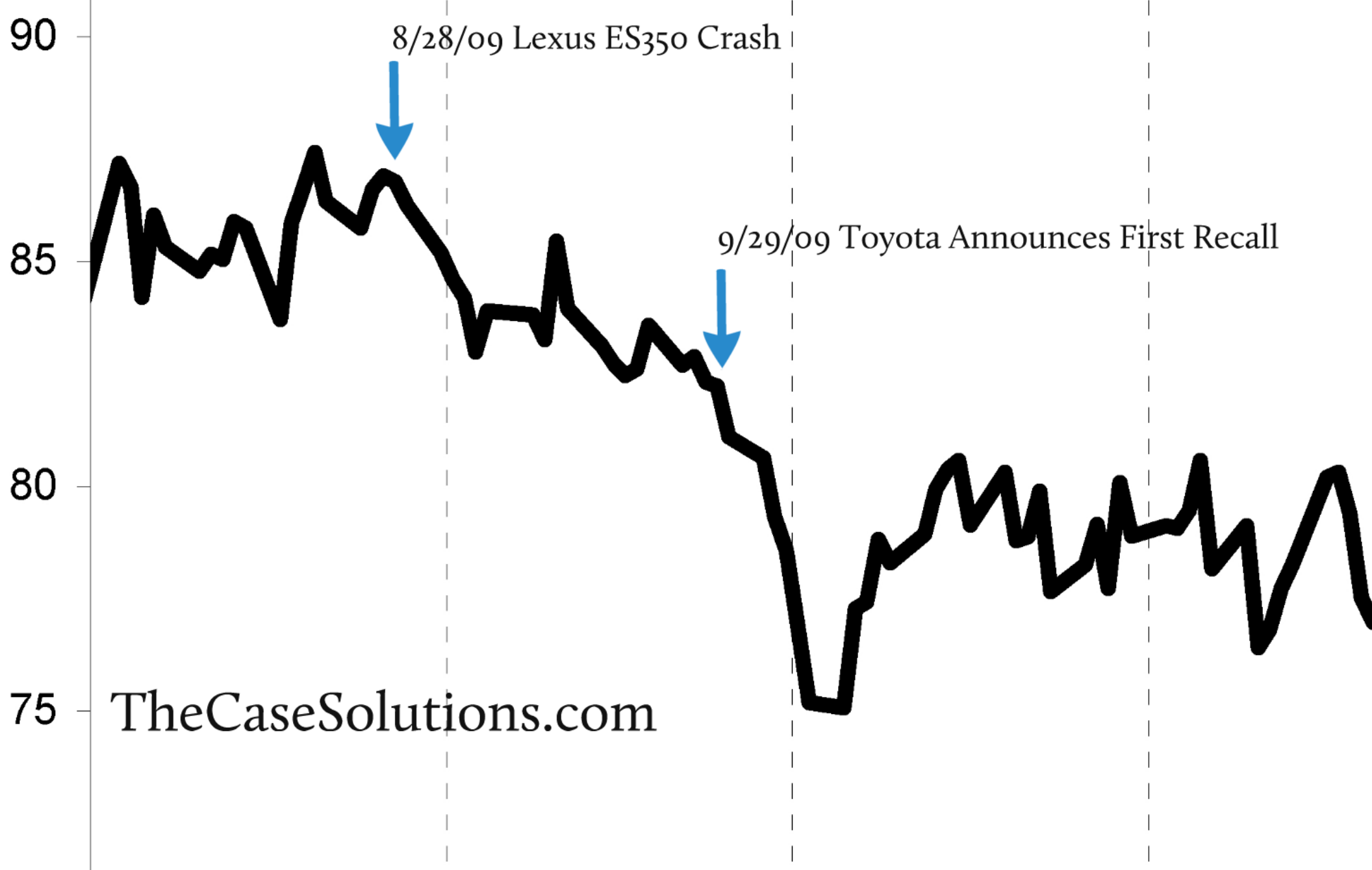
- Prior to first recall, Toyota trading at \$80.63

## TM - Toyota Motor Corporation Closing Price



- Stock price has yet to bottom out as Toyota faces more criminal charges and subpoenas.

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# Toyota Shifts Blame to Supplier

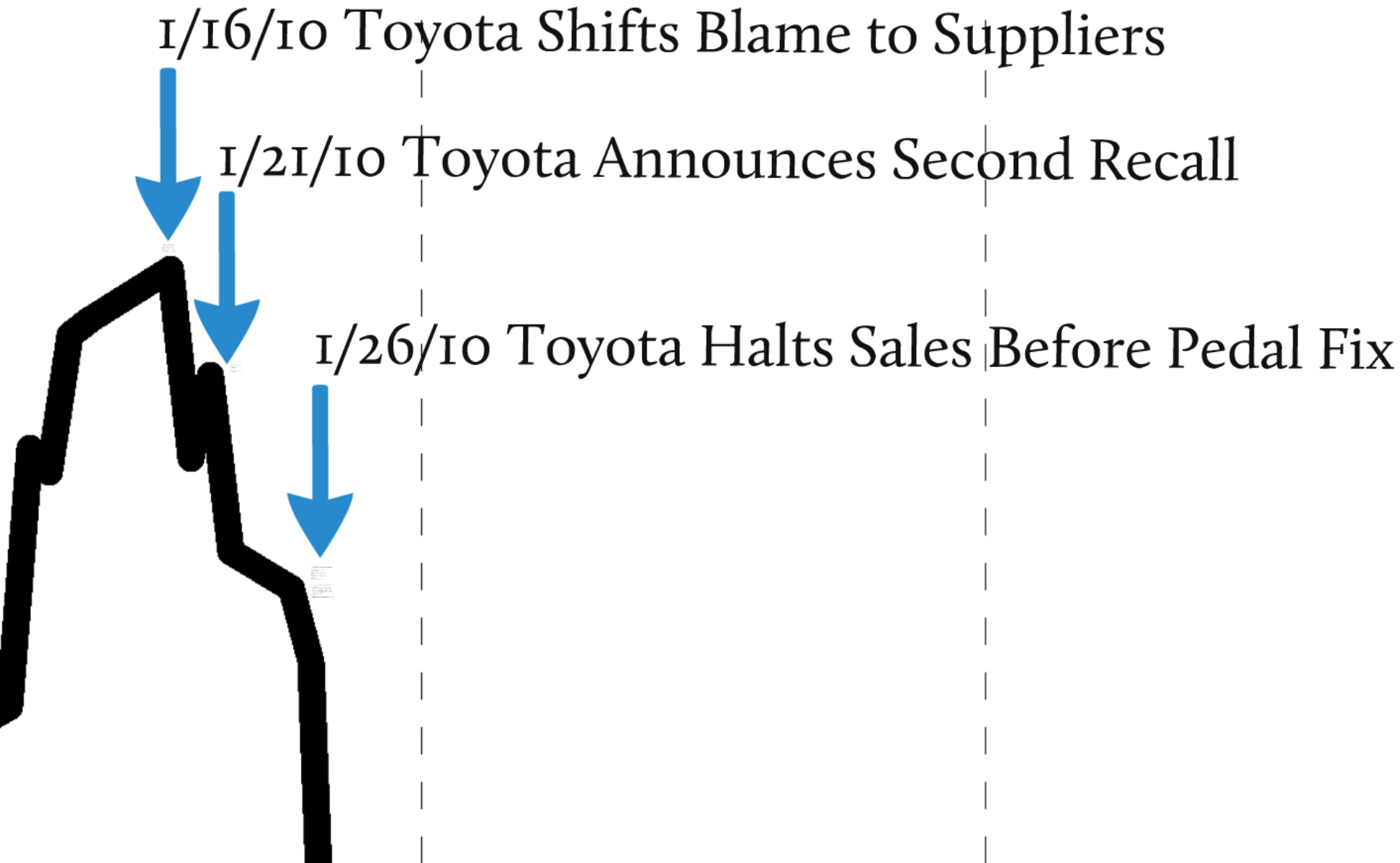
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December 2009 – January 2010

- National Highway Traffic and Safety Administration (“NHTSA”) meets with Toyota in Japan to explain recall process and reminds Company of its obligation to the public to address defects more quickly and thoroughly.
- NHTSA engineers examine crash site of a Toyota vehicle; no floor mats found in car and driver had previously complained of “sticky pedals.”

## Toyota and Media Response

- Toyota informs NHTSA that accelerator pedals made by supplier CTS Corp may have a dangerous "sticking" defect.
- "This is the sixth time in the past six years that NHTSA has undertaken such an exhaustive review of allegations of unintended acceleration on Toyota and Lexus vehicles and the sixth time the agency has found no vehicle-based cause for the unwanted acceleration allegations." - Toyota
- Two days later, NHTSA said Toyota's statement was “misleading and inaccurate,” and that the matter wasn't resolved. - The Wall Street Journal





# Toyota Announces Second Recall

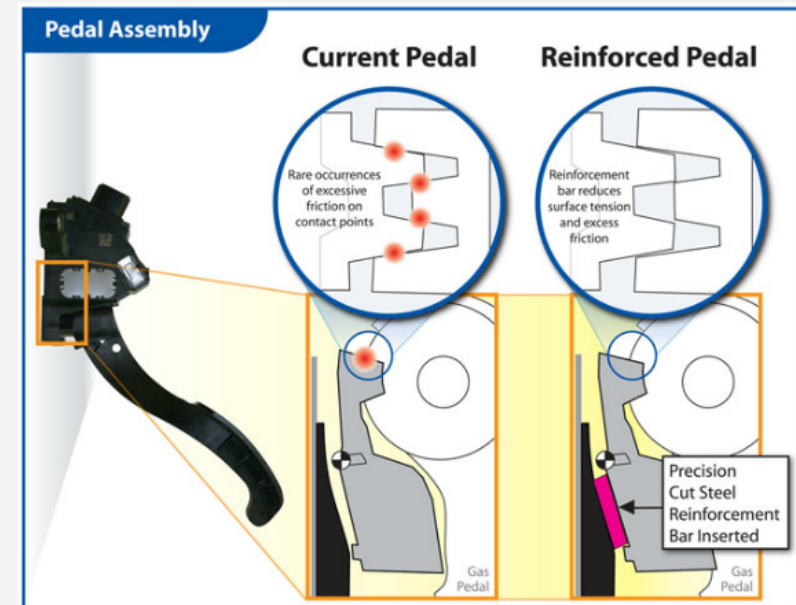
January 21, 2010

Press Release: Toyota Files Voluntary Safety Recall on Select Toyota Division Vehicles for Sticking Accelerator Pedals.

- Affects another 2.3 million U.S. vehicles (with CTS pedals installed).
- “Toyota will continue to investigate incidents of unwanted acceleration and take appropriate measures to address any trends that are identified.”
- No solution posed.

## Media Response

- “Toyota Faces Fallout Over Recall” –WSJ
- Grilled by press for not having a solution for the problem; Company’s credibility called into question.



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