

FOCUS: Lexus Brand

Lexus began domestic operations and unveiled the new GS and SC vehicle series models in Japan in August 2005. It also unveiled the IS vehicle series, which began sales in September 2005. The Lexus brand was launched in North America in 1989, and operations were subsequently expanded to Europe and Asia. With the commencement of operations in Japan, Lexus will continue its pursuit of "the essence of luxury" and will seek to establish a global premium brand that can respond to a growing customer segment that places particular importance on "individuality" and a "sense of the best."



"DNA" of Lexus

- ▶ Uncompromising pursuit of such seemingly incompatible challenges as quietness and weight reduction
- ▶ Reassessing issues by going back to fundamentals

Philosophy of Lexus

"Providing superior excitement and comfort in the spirit of the pursuit of the essence of luxury"

The pursuit of "the essence of luxury" has been the core principle of the Lexus brand. "The essence of luxury" means providing the highest-quality products and an unparalleled purchasing and after-sales service experience, as well as superior excitement and comfort when driving in a Lexus vehicle. Lexus is a premium car that is the product of a fusion of typically Japanese characteristics such as "hospitality" with unrivalled technological capabilities that are based on a single-minded dedication to perfection and outstanding manufacturing skills.

Today's Lexus has inherited the pursuit of perfection cultivated in the development of the inaugural Lexus model—the LS 400

The relentless pursuit of perfection of the first-generation LS 400's development team enabled it to surmount numerous challenges. And, all Lexus models since then have been built with exactly the same tireless, uncompromising effort and commitment.

Product Development of Lexus

To give the Lexus brand consistency and unique appeal, Toyota is developing products based on its "I.D.E.A.L." concepts

In product development, Lexus employs its original design philosophy of "L-finesse,"¹ and all Lexus vehicles share the five development concepts that form the "I.D.E.A.L."² values.

In order to realize this, Lexus has adopted more than 500 unique product quality standards, known as Lexus MUSTs, regarding all development aspects, from quantitative performance to the actual experience of quality, in the pursuit of 1) the exceptional product strength becoming of a premium brand, 2) consistency within the Lexus brand and 3) individual appeal in each vehicle.

¹ L-finesse: created by combining "leading-edge" and "finesse" design concepts

² Created from the first letters of "impressive," "dynamic," "elegant," "advanced," and "lasting"





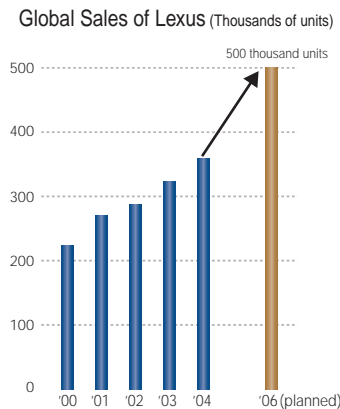
Sales and Services of Lexus

Personnel, dealer facilities, and hospitality—offering an unparalleled purchasing and after-sales service experience

To establish a truly global premium brand, Lexus is sparing no effort to provide not only the highest-quality products but also a purchasing and after-sales service experience that is second to none. Lexus dealers seek service quality that is recognized as first rate throughout all service industries. To achieve that goal, Lexus will unstintingly pursue superior hospitality, facilities and personnel.

Sales plan of Lexus vehicles

Sales and services in Japan are based on a dedicated Lexus dealer network of 143 dealers that was launched in August 2005. By year-end, that network will grow to approximately 150 domestic dealers. And, Lexus will continue enhancing its network, aiming to roll out 180 dealers. Plans call for annual domestic Lexus sales of between 50,000 and 60,000 vehicles for next year, with the introduction of a hybrid version of GS the GS 450h, and the Lexus flagship sedan, the LS. Moreover, taking bold steps to expand and strengthen the Lexus sales network in Europe—the home of premium car brands—Lexus aims to sell 500,000 vehicles worldwide in 2006.



Lexus dealerships offer the highest quality of products and an unparalleled purchasing and after-sales service experience.



GS The Grand Sedan, which seeks to provide not only exceptional driving performance but also new, premium value in every aspect.



SC The Sports Coupe, which pursues the epitome of beauty with "the jewel of Lexus" as its theme.



IS The Intelligent Sports Sedan, which focuses on "impressive and comfortable driving" and pursues the ideal package to achieve this.