

For immediate release
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Toyota Motor Corporation
Fuji Heavy Industries Ltd.

Fuji Heavy Industries' U.S. Plant to Build Toyota Camry FHI to Develop Toyota Vehicles; Subaru Hybrids to Use Toyota System

Tokyo—TOYOTA MOTOR CORPORATION (TMC) and FUJI HEAVY INDUSTRIES LTD. (FHI) announced today that the Toyota Camry is to be built at Subaru of Indiana Automotive, Inc. (SIA), FHI's North American production base. The two companies also announced that FHI will develop Toyota vehicles and that they will further consider the development of an FHI hybrid vehicle based on the Toyota Hybrid System.

Under this arrangement, SIA, which currently produces the Subaru Legacy, Outback, Baja and Tribeca on its two production lines, is to produce the Camry for the North American market with a production capacity of 100,000 units a year starting around the spring of 2007. The hitherto Subaru production will be consolidated onto one line; the other line, following modifications that will introduce Toyota production technology and the Toyota Production System, will be used to produce the Camry. Along with allowing SIA to achieve an annual production capacity of about 240,000 vehicles, the new arrangement is expected to create about 1,000 additional jobs at SIA once full Camry production is in place. In joint preparation, the dispatch to TMC of about 10 FHI production engineers started on Feb. 1

Concerning Toyota vehicle development by FHI, both companies intend to promptly decide on a project that is expected to involve about 100 FHI engineers. To discuss development requests from TMC and mid-to-long-term joint product development, as well as with a view toward mutually advancing the technological development capabilities of both companies, the dispatch to TMC of about 20 FHI vehicle engineers started on Feb. 1

As for the development of an FHI hybrid vehicle based on the Toyota Hybrid System, the two companies agreed that—toward the early realization of an FHI hybrid vehicle—they would consider from now a detailed framework, including the provision of Toyota hybrid technology, personnel exchanges and other issues.

Furthermore, both companies recognized the need to continue discussion on a comprehensive business cooperation framework, made possible through even stronger ties and geared toward advancing their long-term mutual competitiveness.

Today's announcement is the result of a memorandum of understanding signed by FHI and TMC last October stating they would begin looking into the synergic effects of the shared use of their management resources for research and development and in the field of production, as well into the synergic effects of supplementing each other's technological development.

Outline of production of Toyota vehicles at SIA

Product lineup	Camry for North America
Production capacity	Approx. 100,000 units/year (SIA as a whole is to produce 240,000 units/year)
New investment	Approx. 230 million U.S. dollars
New employment	Approx. 1,000 (at full production)
Start of production	Around the spring of 2007

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