

Engineering a Customer-Centered and Trusted Supply Chain to Navigate Disruption and Sustain Operational Excellence

Chris Nielsen

Executive Vice President, Supply Chain

Chief Supply Chain Officer

Chief Quality Officer



Sales and Service
supply chain

○ Ports

◆ Distributor Facilities

◇ Rail Ramps

⋮ Dealerships

● Parts Distribution Centers



TOYOTA



NUMMI

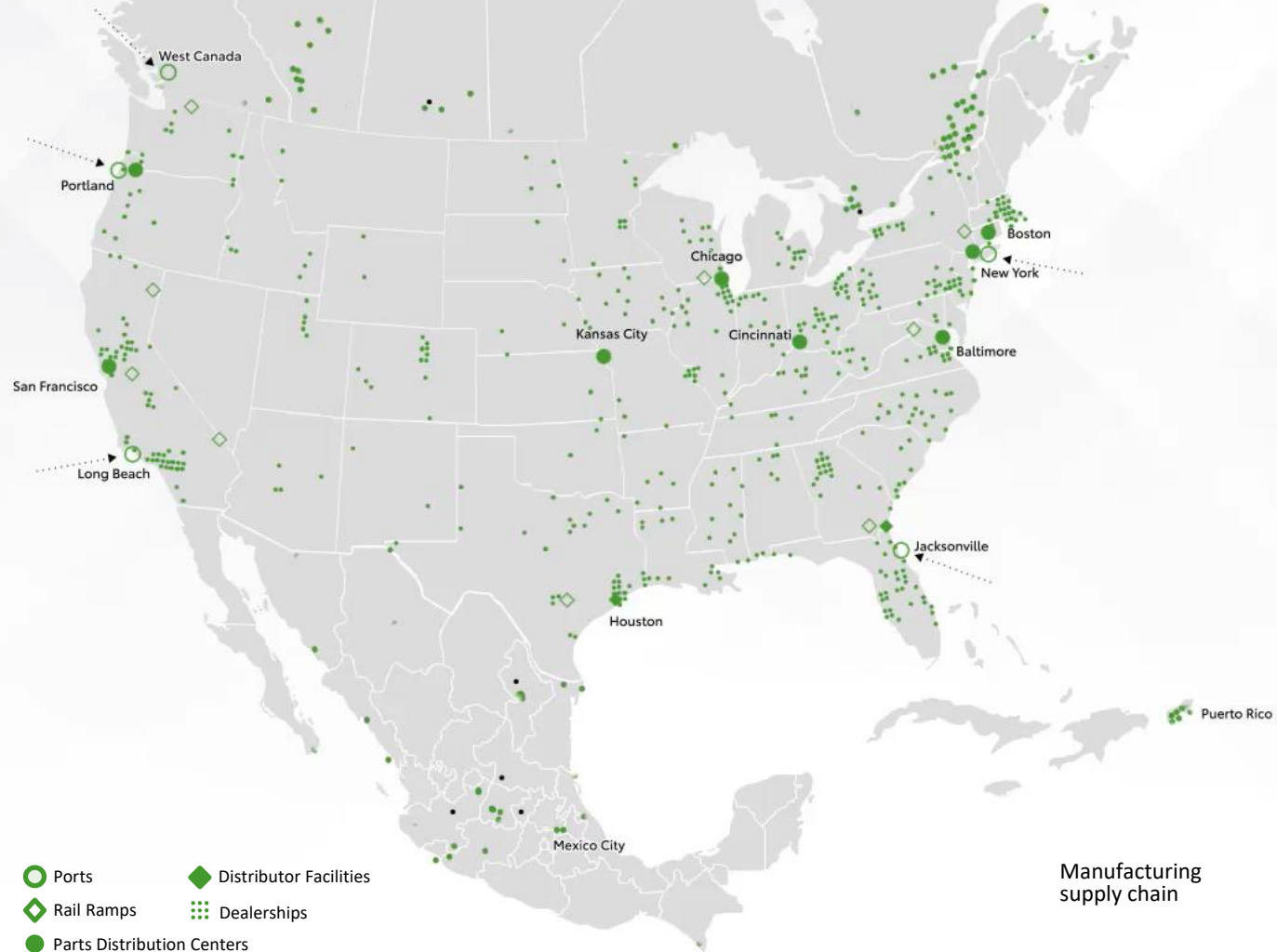
New United Motor Manufacturing Incorporated



TOYOTA

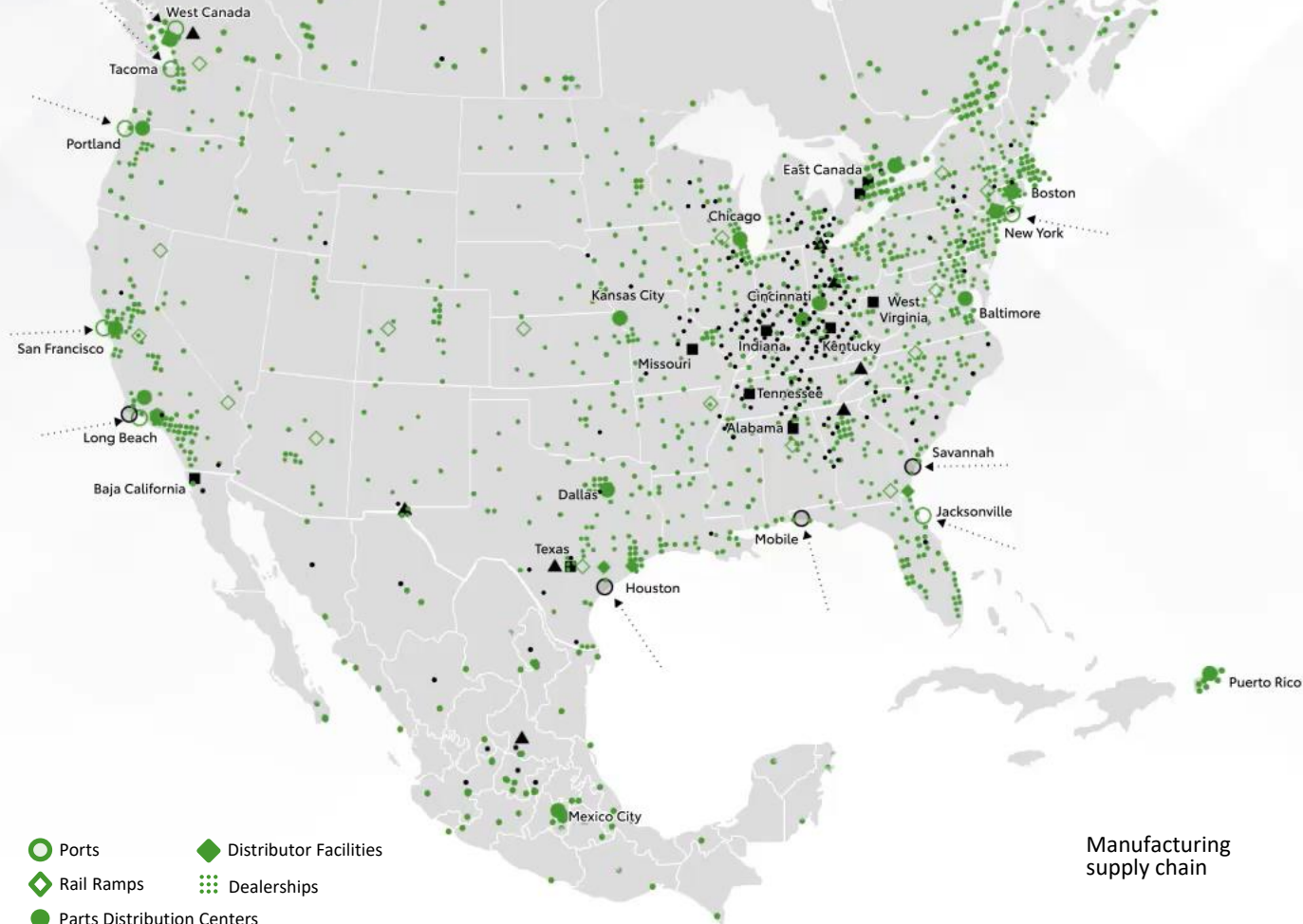
1956 - 1983

Build out of sales and service supply chain



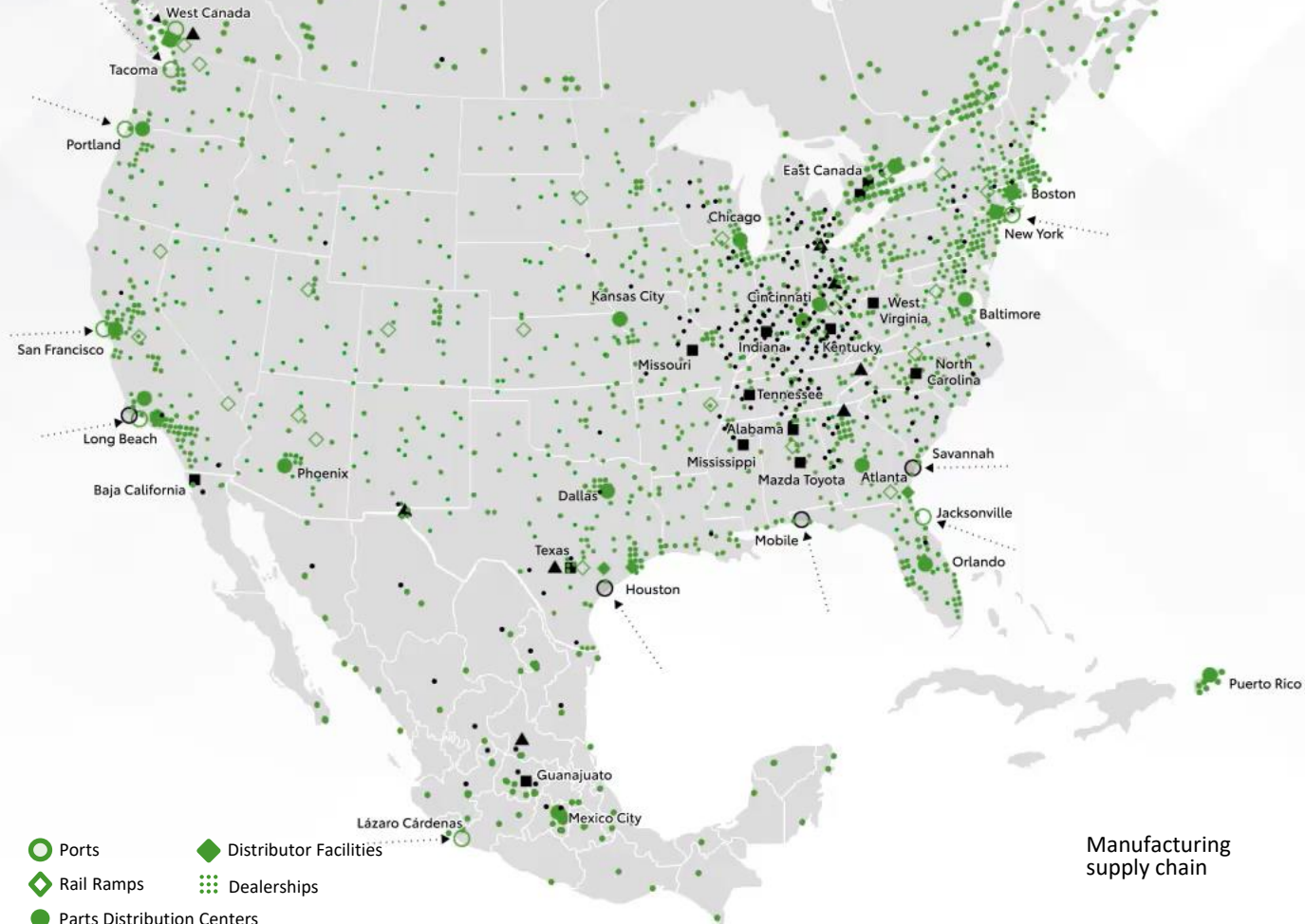
1984 - 2008

Manufacturing Supply chain



2009 - 2024

Expansion of the overall supply chain



2025

Supply chain



Sustainability is part of
our DNA

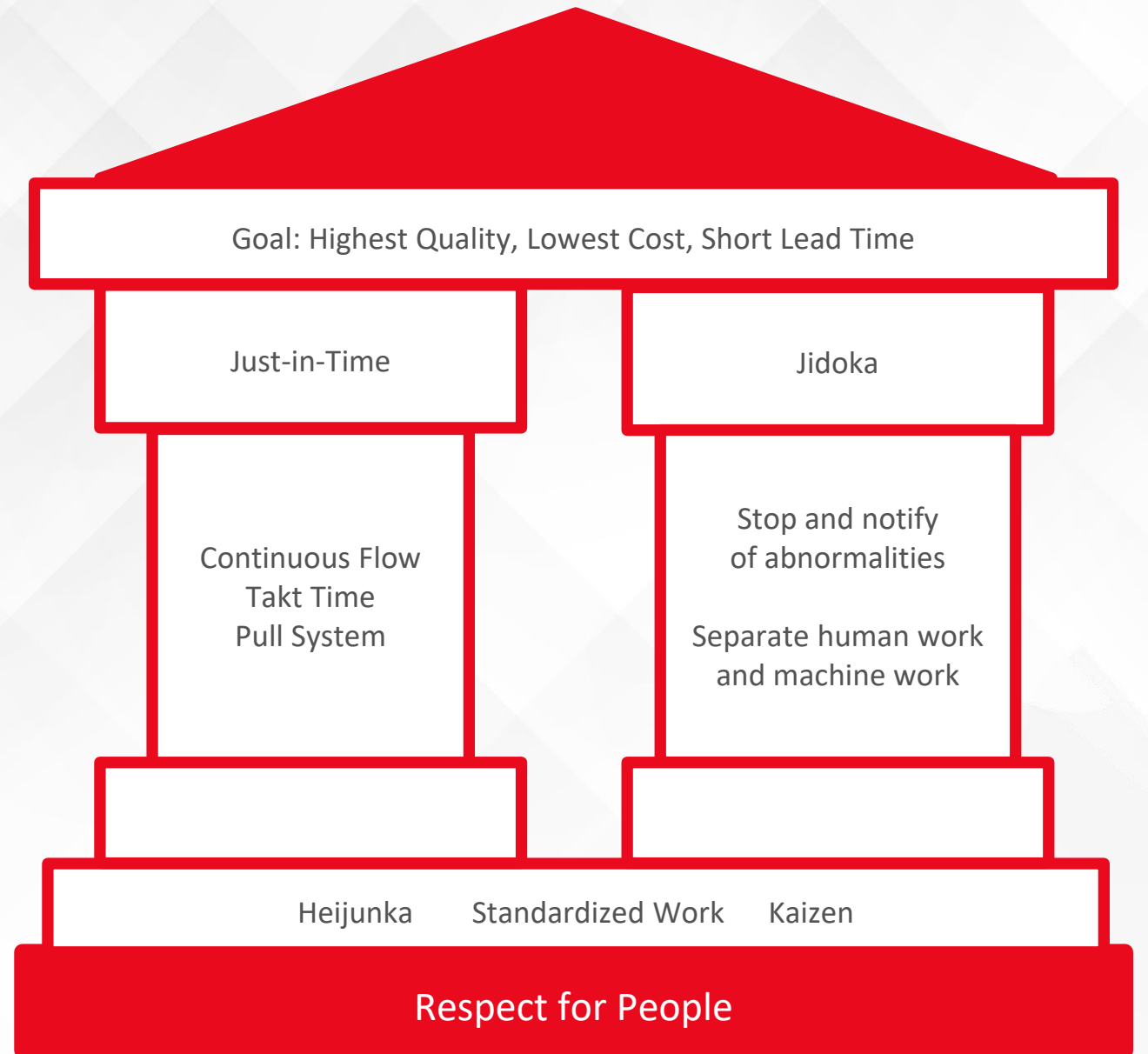


TPS

Toyota Production System

*An organization wide **culture**
of highly **engaged people**,
solving problems and **innovating**
to drive **performance***

Toyota Production System “House”



Strength of relationships



Supplier Satisfaction

2024 Tier 1 Supplier Working Relations Index® Study



Dealer Satisfaction

NADA Dealer Attitude Survey Summer 2024

Customer First



2024 JD Power Vehicle Dependability Study





COVID-19, Shock to the system

Wake-up call

Dealers



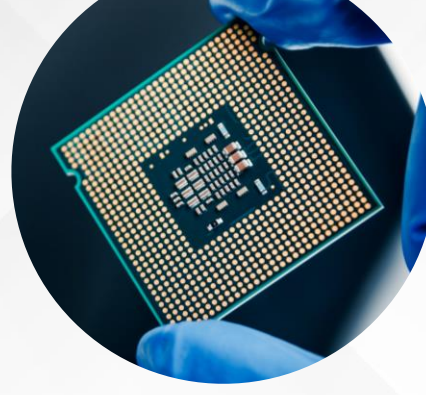
No visibility for new inventory

Customers



Order status unknown

Suppliers



Supply shortages

Team Members



Overburdened

TPS under assault

The New York Times

” How the world ran out of everything”

Forbes

” Toyota Production Malfunction: Is Just-in-Time Manufacturing Model Dead?”

Wake-up call

Dealers



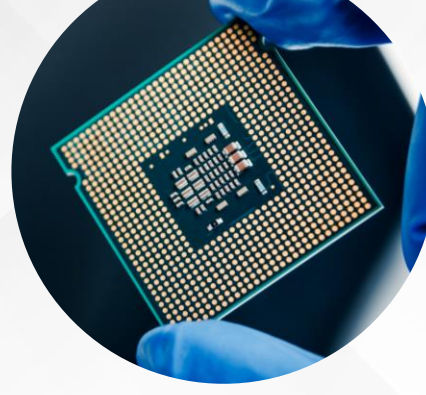
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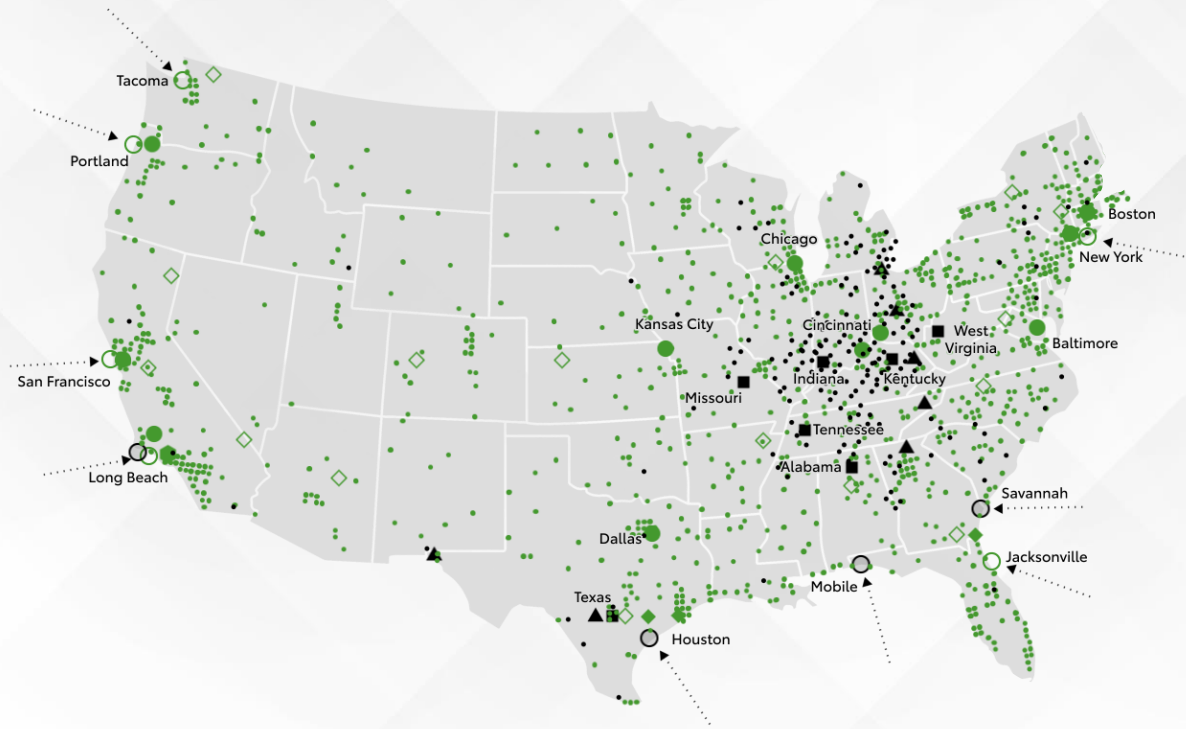
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Uncovering the source of our systemic challenges



Sales and Service supply chain

Manufacturing supply chain

2 supply chains



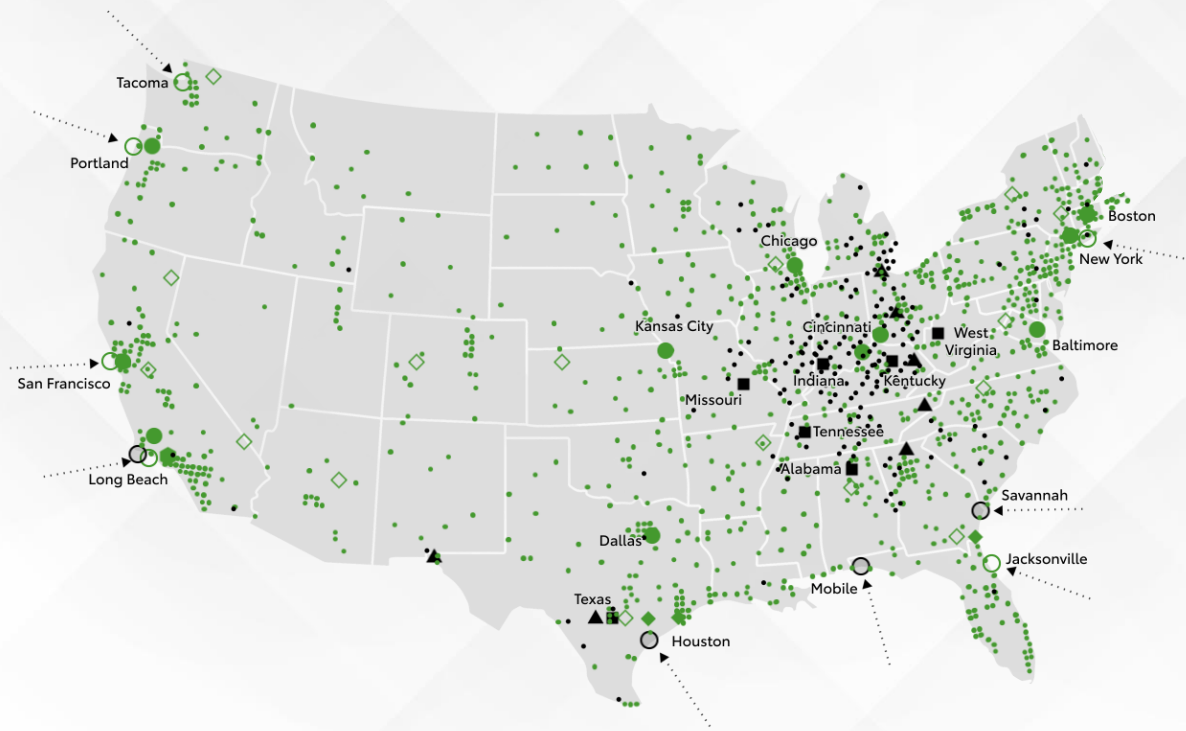
Vehicle Details: Model No. 1864, Serial No. EP18670, VIN: 1K4G4223, Current Dealer: 110-04787, Previous Pool: 0452, Label Group No. 01, Date of First Sale: 07/28/14, Range Indicator: NO SHNGE, No. of Retailers: 1, Part No. Ind.

Inventory List: Model No. 1864, Serial No. EP18670, VIN: 1K4G4223, Current Dealer: 110-04787, Previous Pool: 0452, Label Group No. 01, Date of First Sale: 07/28/14, Range Indicator: NO SHNGE, No. of Retailers: 1, Part No. Ind.

Allocation Table: Model No. 1864, Serial No. EP18670, VIN: 1K4G4223, Current Dealer: 110-04787, Previous Pool: 0452, Label Group No. 01, Date of First Sale: 07/28/14, Range Indicator: NO SHNGE, No. of Retailers: 1, Part No. Ind.

Analog operations

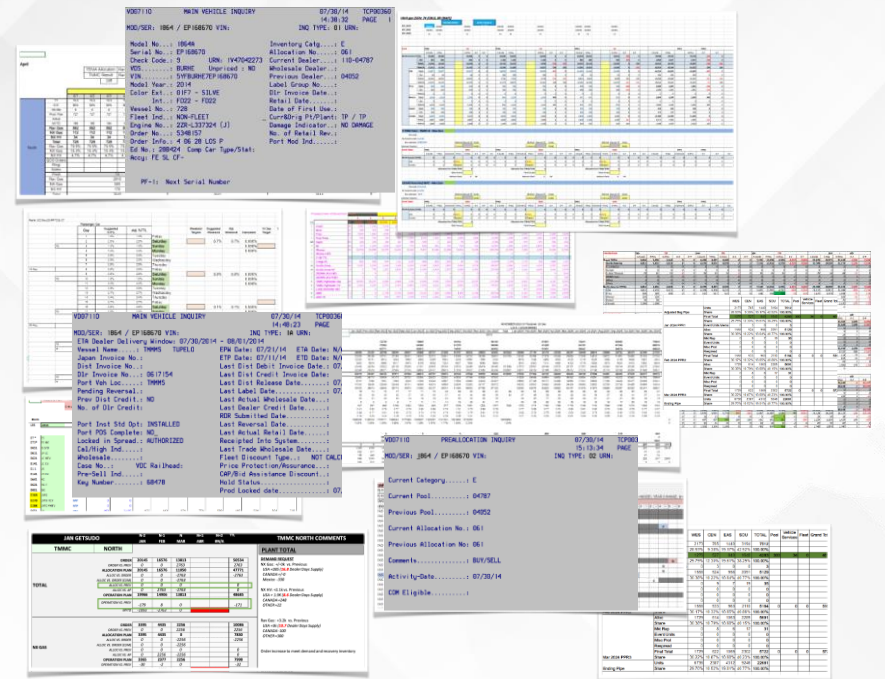
Uncovering the source of our systemic challenges



Sales and Service supply chain

Manufacturing supply chain

2 supply chains



Analog operations

Regulatory complexity





Customer Centered and Trusted Supply Chain

Creating a unified single supply chain

From: **two** siloed supply chain



To: **one** seamless end-to-end fully integrated supply chain



Creating a unified single supply chain

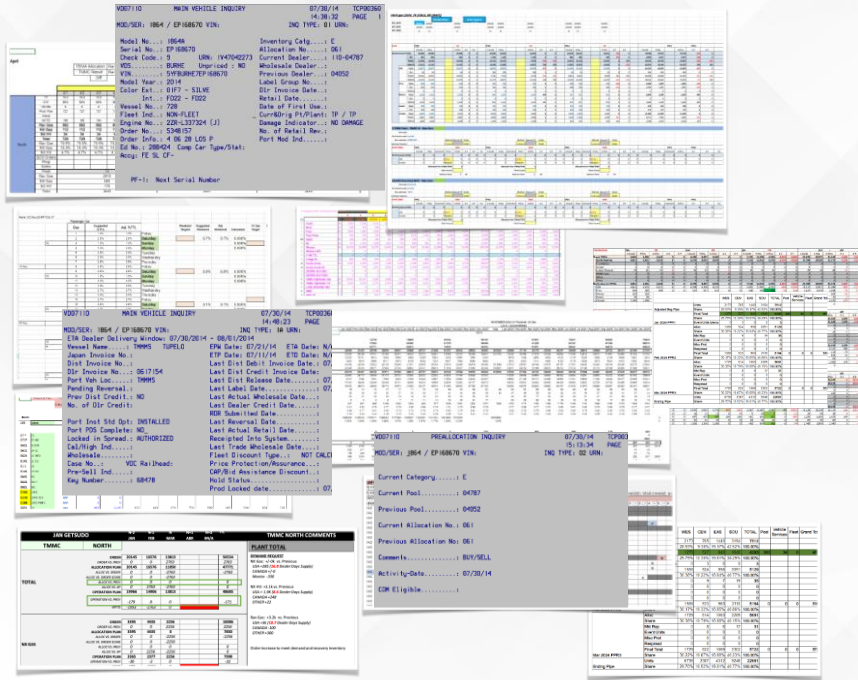
From: **two** siloed supply chain



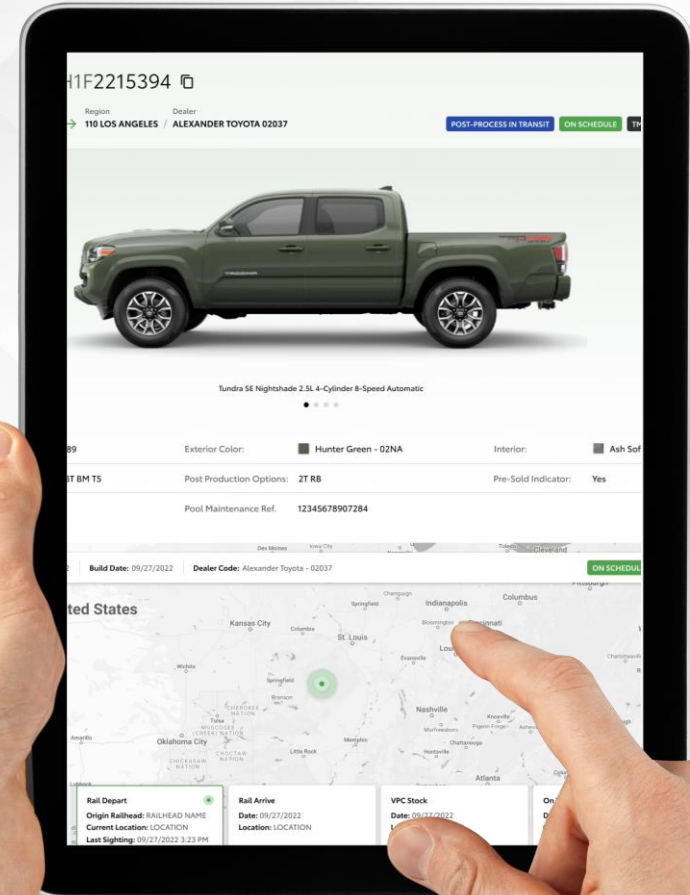
To: **one** seamless end-to-end fully integrated supply chain



Supercharging human potential



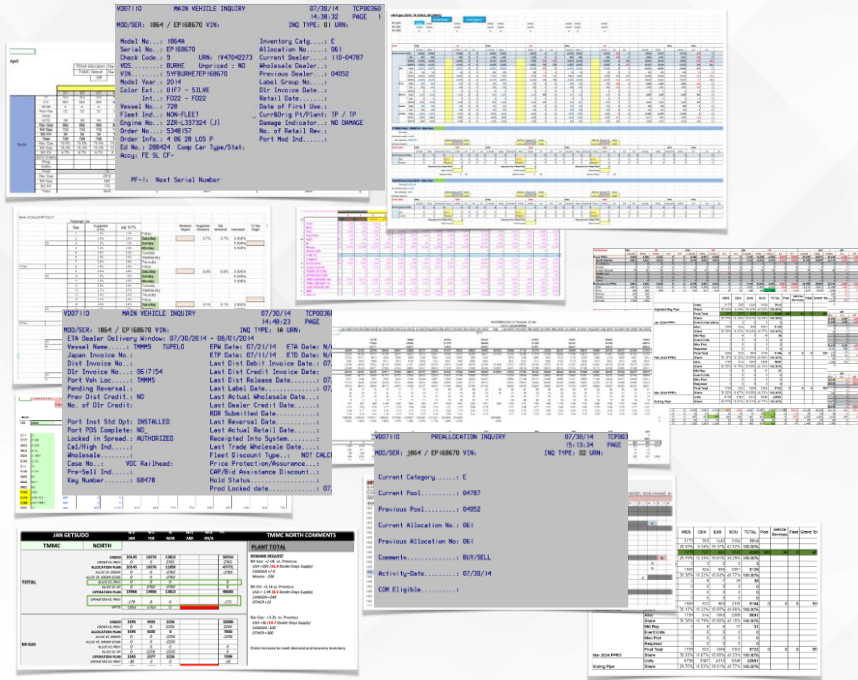
Analog operations



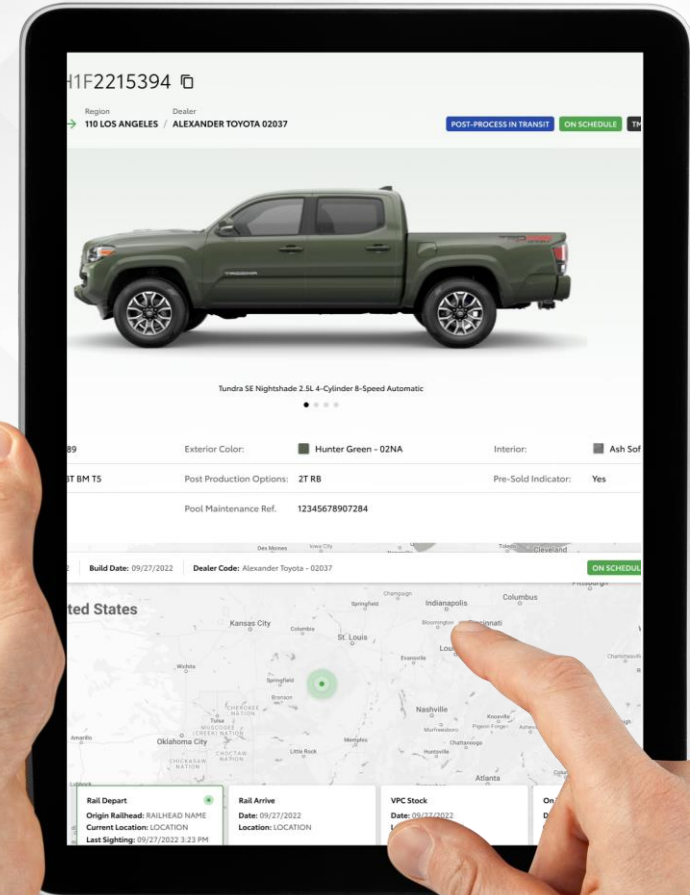
Digital operations



Supercharging human potential



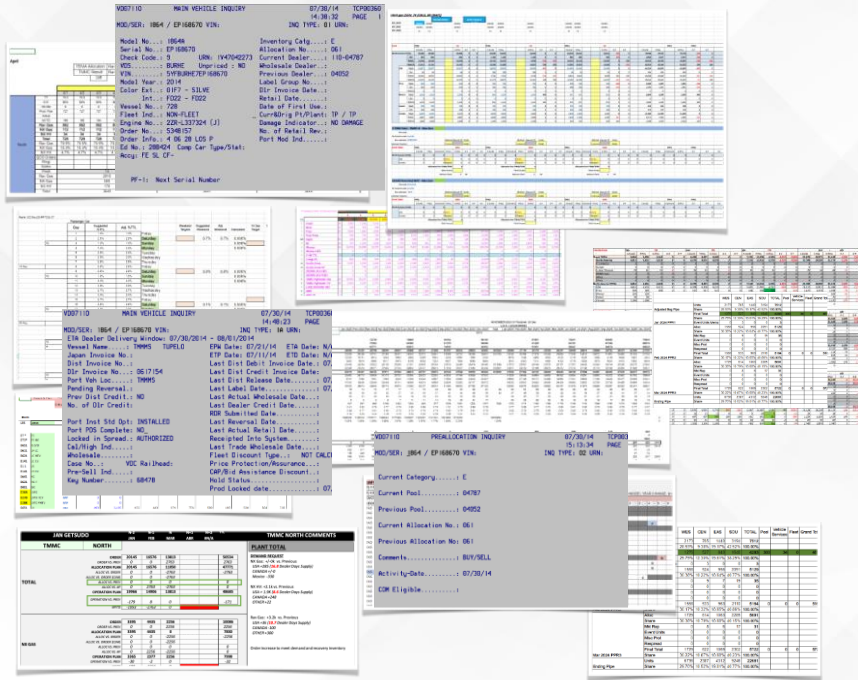
Analog operations



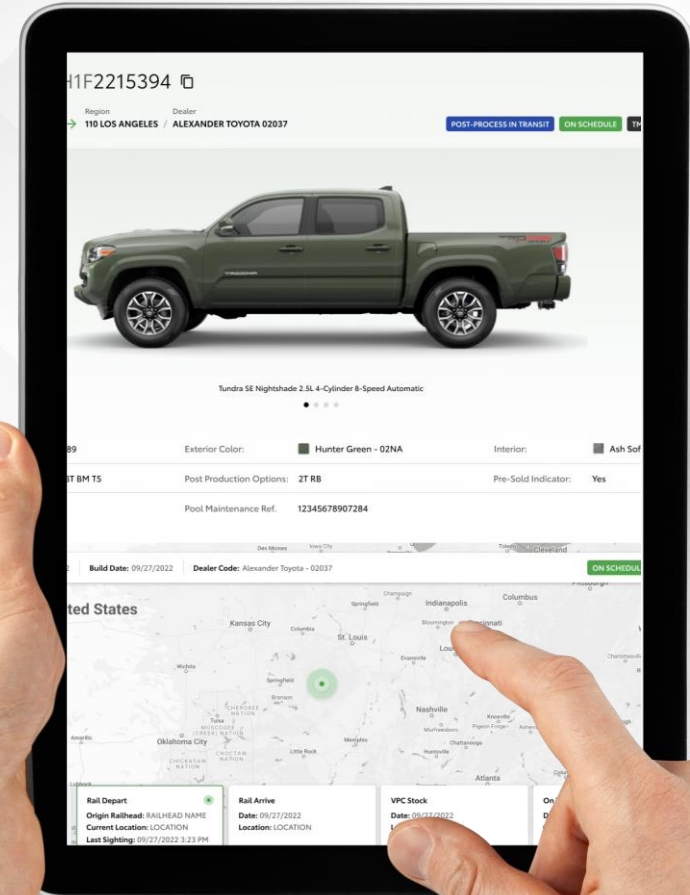
Digital operations



Supercharging human potential



Analog operations



Digital operations



Supercharging human potential

The collage consists of several overlapping windows and spreadsheets. At the top left, a window titled 'MAIN VEHICLE INQUIRY' shows fields for Model No., Serial No., VIN, and Dealer. Below it, another window shows 'MAIN VEHICLE INQUIRY' with fields for VIN, Dealer, and various status indicators. To the right, a large spreadsheet displays columns for VIN, Dealer, and other vehicle-related data. At the bottom left, a window titled 'MAIN VEHICLE INQUIRY' shows fields for VIN, Dealer, and various status indicators. To the right, another window shows 'PRE-ALLOCATION INQUIRY' with fields for VIN, Dealer, and various status indicators. At the bottom, a window titled 'MAIN NORTH COMMENTS' shows a table with columns for VIN, Dealer, and various status indicators.

Analog operations



The tablet displays a digital interface for a Toyota vehicle. At the top, the VIN '1F2215394' is shown. Below it, the region '110 LOS ANGELES' and dealer 'ALEXANDER TOYOTA 02037' are listed. A green Toyota Tundra pickup truck is shown in profile. Below the truck, the model 'Tundra SE Nightshade 2.5L 4-Cylinder 8-Speed Automatic' is displayed. The exterior color is 'Hunter Green - 02NA' and the interior is 'Ash Soft'. The build date is '09/27/2022' and the dealer code is 'Alexander Toyota - 02037'. A map of the United States is shown with a green dot indicating the location. At the bottom, there are sections for 'Rail Depart' and 'Rail Arrive' with details like 'Origin Railroad: RAILHEAD NAME', 'Date: 09/27/2022', and 'Current Location: LOCATION'.

Digital operations



Customer centered and trusted supply chain

Dealers



Greater transparency and accuracy

Customers



Seamless fulfillment

Suppliers



Greater accuracy and real-time updates

Team Members



More empowered and enabled

TPS powered by technology

Not a tool of the past,
TPS is the foundation of the future we're building

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Looking Forward

Continue to face new challenges



Affordability Pressure

Rising costs across the auto industry impacting customer access and expectations



Structural Shifts

Broader global factors reshaping supply networks and capacity



Inflationary Factors

Persistent input cost pressure driving volatility and trade-offs

Opportunity:

Continue to build supply chain capabilities that protect affordability, strengthen resilience, and keep the customer at the center – creating the supply chain that will define our future.

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Continue to face new challenges



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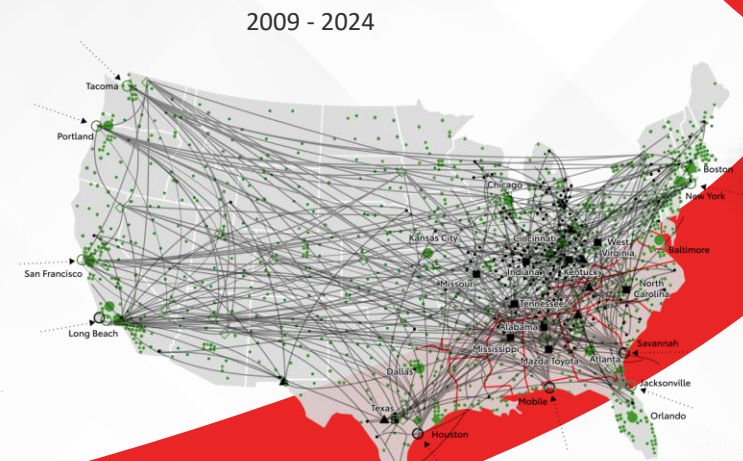
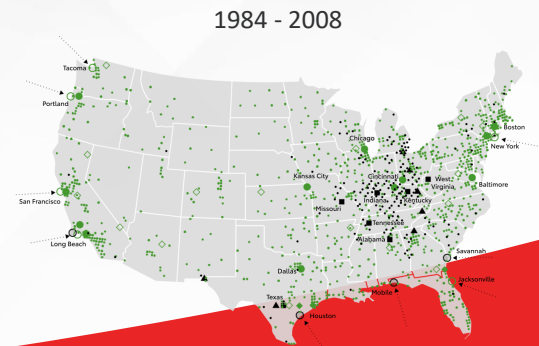
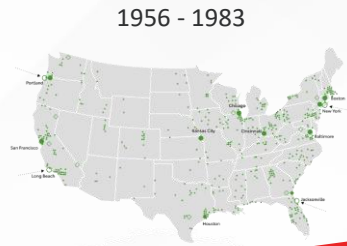
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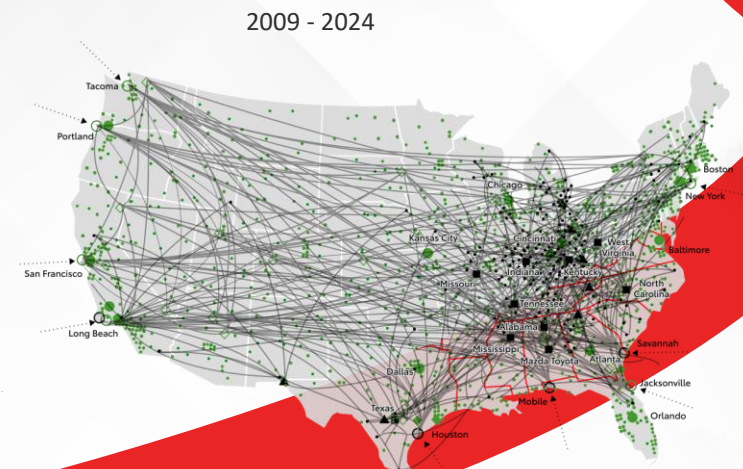
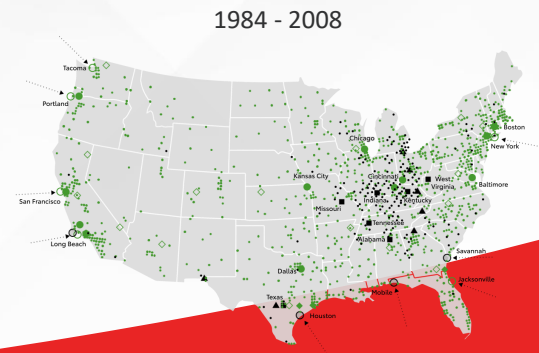
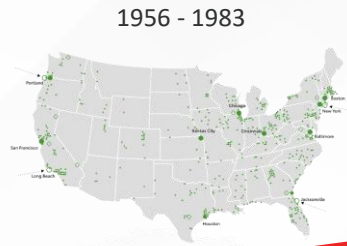
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Creating the supply chain that will define our future



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TOYOTA
SUPPLY CHAIN