

## **Today for Tomorrow**

Executive Vice-President Dr. Saito's Keynote Speech  
Barcelona Forum Symposium

Damas y caballeros, muy buenos días.  
Ladies and gentlemen, good morning.  
It's nice to see you all here in Barcelona

I am Akihiko Saito of Toyota Motor Corporation. I'm honored to speak here today on behalf of global industry. My presentation will focus on 3 themes:  
My vision of sustainable development,  
My vision of sustainable mobility,  
and Industry's challenge of creative technology.

Ecology is based on synergistic balance. So too, are the roles of governments and NGO's on one hand, and business on the other. Each has valuable contributions to make to Sustainable Development. The gift of business is our creative technology. Of course, here, too, we must have balance! On one hand, we must create products and services that bring both pleasure and performance. On the other hand, we must do so without robbing future generations of their ability to do the same.

The 20<sup>th</sup> century brought with it unprecedented growth. We have progressed from the industrial revolution to the space age! From wind-powered ships to jets that break the sound barrier! From isolated villages to cities of millions, whose skyscrapers touch the clouds! But today, we also live in a world of pollution, overcrowding, and overuse of the earth's limited resources.

By the 1960's and 70's, mankind was waking up to the growing environmental problems. However, attempts to combat these problems were localized and reactive.

The result is that today, we are faced with an increasingly global crisis. So what do we do about it? Today's responsible companies must focus on proactivity on predicting problems and taking corrective measures before the problems take hold. Prevention — not reaction — is the byword for the future!

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And no one can deny that the time to act is now! We can not — we will not — bequeath our problems to future generations. While remaining profitable — while serving the needs of our customers — we must use our creativity to ensure a better tomorrow. The earth's resources are limited. But man's creativity is not.

I consider it our challenge at Toyota to do our part in protecting the world for future generations, and at the same time, bringing fun, excitement, and mobility to the world of today. Our challenge is part of a global challenge. That is, Sustainable Development.

In 1987, the World Commission on Environment and Development, or "WCED," defined "sustainable development" as: "...forms of progress that meet the needs of the present without compromising the ability of future generations to meet their needs." Today, 17 years after the WCED report, the challenges to sustainable development persist. For example, the International Energy Agency predicts that by the year 2030 — just 26 years from now — energy demand will have increased by 66% over what it was in the year 2000. That, of course, will mean a critical increase in the burning of fossil fuels.

And these, as we know, contribute to air pollution and global warming. There is no easy solution — no "quick fix." There is no denying that the earth's ecological balance is in danger. Just as there is no denying that the earth's social balance is in danger. But there is also no denying that by working together — each through our own unique contributions — we can make a difference. Governments, NGO's, communities, and businesses must cooperate to address this unprecedented issue.

I believe that what humanity can envision, it can achieve. Together, we can ensure sustainable economic growth. Together, we can protect the earth's rich and wonderful resources. And together, we can eliminate poverty and create a world of peace and harmony. That, to me, is the meaning of sustainable development.

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It is this vision that unites over a hundred and sixty international businesses in an organization known as the “World Business Council for Sustainable Development,” or WBCSD. Our joint mission is to provide leadership as a catalyst for change, and to promote eco-efficiency, innovation, and corporate social responsibility.

Within the WBCSD are a number of important industry-specific projects. In one such project, Toyota and 11 other companies are working together to solve the problems associated with the transportation of people and of goods. We call this project, the “Sustainable Mobility Project.” Can you imagine what it would be like to live in a world without mobility? We in this room have used planes, trains, taxis, buses, subways, or our own vehicles to get here. And as we go through the day, we will see, hear, touch, smell, eat, wear, and use hundreds of products that were transported from perhaps continents away. Cities could not exist and global trade could not occur without mobility. And yet, mobility does not come without a price. By the year 2050 — just 46 years from now — the International Energy Agency predict that the amount of energy needed for the world’s traffic will be a staggering 240% greater than in the year 2000. 240% greater!! That will result in a significant negative impact on the environment — if the increase goes unchecked.

Addressing such problems before they take root will require large-scale and wide-ranging preventive efforts. To quote Dr. Shoichiro Toyoda, Honorary Chairman and Member of the Board of Toyota, and vice chairman of the WBCSD: “Sustainable Mobility is the only viable strategy to tie the corners of the World together, and technology is the rope, but without people putting their creative minds together across all sectors of society, we will never be able to tie the knot.”

It will take the hard work and co-operation among governments, NGO’s, communities, businesses, and individuals in every region of the world, The Sustainable Mobility Project has identified 12 key areas for improvement. Among these, are transport-related conventional pollutants and greenhouse gas emissions. Two of the measures identified to combat these problems are: the use of innovative and varied fuel supplies, and technical innovations in vehicle design. At Toyota, we are dedicated to using the full potential of both these measures.

Our philosophy is one of Proactivity — a proactivity based on what we call “Zero-nize” and “Maxi-mize.” That means we are ultimately striving for Zero

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negative impacts on our environment, accidents, and traffic congestion. At the same time, we are striving for Maximum positive impacts on personal enrichment through comfort, fun and excitement. Speaking to you as an engineer, I can tell you that maintaining this balance is very difficult. But it is my vision and my passion!

For example, in the last few years here in Europe, we've seen a sharp increase in the number of diesel vehicles. Their power makes them fun and convenient to drive, which is in line with our philosophy of Maxi-mize. They are also fuel efficient, and manufacturers have made good strides in reducing CO<sub>2</sub> emissions. That puts them on the road toward Zero-nize — but they're not there yet. To achieve Zero-nize, we need to do a much better job in reducing non-CO<sub>2</sub> emissions related to diesel fuel —for example, “particulate matter,” or “PM”; also, the lesser known group of emissions called nitrogen oxides, or “NOx.”

At Toyota, we've been making progress in that area, and we have already surpassed the 2005 EU standards. You may have seen the new Avensis D-CAT, which / went on sale in Europe last year. The D-CAT contains this new technology. We're proud of the D-CAT. But as fuel and vehicle technologies advance, we continually revise our interim goals for Zero-nize and Maxi-mize. We must make even greater progress!

Turning to another technology available to us today, we've also been making significant progress in gasoline hybrid technology. In 1997, perhaps a decade or more before most people believed it was possible, Toyota introduced the Prius, the first mass-produced hybrid technology vehicle. That first-generation Prius was strong in Zero-nize, but it didn't yet deliver what we at Toyota expect from Maxi-mize. Last year, Toyota introduced the new-generation Prius, which incorporates a new technology that we call, “Hybrid Synergy Drive”. Finally!! A car that both environmentalists and car enthusiasts love!!

This innovative car significantly reduces both CO<sub>2</sub> and other exhaust emissions and delivers powerful driving performance. Is there anybody out there who hasn't yet had a chance to drive a Prius? We just happen to have several available. Please visit our exhibit under the huge solar panel, and sign-up for a fun driving experience!

We are proud of Toyota's contributions and the contributions of other automobile manufacturers. But we recognize that it will take more than the

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efforts of automobile manufacturers alone to achieve sustainable mobility. Sustainable mobility must be a collaborative effort.

All related sectors — automobile and other transport, fuel companies, transportation infrastructure, and clean-air researchers must all come together in proactive, innovative ways to keep us not just moving — but moving in the right direction — in the 21<sup>st</sup> Century.

The attitudes and actions of industry have definitely changed in the last decade. We have moved beyond the era of reaction to environmental problems. We have moved into the era of prevention of environmental problems. It's true that there is no easy solution — no “quick fix” for sustainable development. But we have made a start, and we have made a long-term commitment.

The earth's resources are limited. But man's creativity is not. On that positive note, I'd like to wrap up my presentation. In summary, I've shared with you 3 basic themes.

First, my vision of Sustainable Development — That is, a world of sustainable economic growth, respect for our environment, and social harmony. Second, my vision of Sustainable Mobility — That is, proactivity, with the ultimate goals of “Zero-nize” and “Maxi-mize”. Finally, industry's challenge of creative technology — That is, to use our creativity to make the world of today and the world of tomorrow a better place to live. I've also mentioned clean diesel and gasoline hybrid technology as specific examples of today's technology for a better tomorrow.

In closing, I'd like to extend an invitation to you. That is to share with Toyota, with Aichi Prefecture, and with all of Japan, the interwoven themes of nature's wisdom and mass global interaction. Come, please join us next year at the 2005 World EXPO.

Experience tomorrow's technology for the future we have yet to envision.

Omachi shite imasu.  
Estaremos esperándolos.  
We'll be waiting for you.