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B4Ukraine 

June 27, 2025

Dear Mr. Sato and the Toyota Leadership Team,

We write to you as [B4Ukraine](#), a coalition of Ukrainian and international civil society organizations committed to curbing the financial support that fuels Russia's brutal invasion of Ukraine. Given the turbulent and uncertain political situation and discussions about the potential return of foreign businesses to Russia, we are reaching out to urge your company not to re-enter the Russian market.

Businesses must not return to the Russian market until:

- Ukraine's sovereignty and complete territorial integrity are restored, as recognized by international law.
- Reparations are paid in full for all damages caused by Russian aggression, covering infrastructure, economic losses, and human suffering.
- Accountability is imposed for violations of international law, including the crime of aggression, war crimes, and crimes against humanity.

As is outlined below, this is not only a matter of principle but also a strategic and financial judgment based on a plethora of risks related to Russia. The circumstances that led to the withdrawal of firms from Russia have not changed. The war against Ukraine continues, and the economic, legal, and reputational risks of doing business in Russia remain high.

We commended Toyota for its [decision to leave](#) the Russian market following the full-scale invasion of Ukraine. However, in March 2025, Russian media outlets reported that Toyota may be exploring a return to the Russian market. Reportedly, Toyota executives held a [closed-door meeting](#) with Russian dealers which marks the first such engagement since the company's exit from the country following the full-scale invasion of Ukraine. These reports suggested that the company might be considering reestablishing its presence. One [report cites](#): *"At the meeting, they apologized for leaving, stopping supplies and fighting imports - they said they didn't want to, but they were forced to. And they promised: as soon as the situation improves, they will be the first to stand on the doorstep."*

Further reports by Kommersant noted that Toyota's Russian subsidiary [resumed car sales](#) in Russia. Following this, the Toyota Tsusho Corporation, part of the Toyota Group, formally [denied](#) these claims in statements reported by Oreanda News, saying it is not resuming the sale of new vehicles in Russia. Additionally, other Russian sources state that [no official steps](#) have been taken by Toyota toward resuming direct operations.

Despite these denials, the media coverage and growing dealer speculation have generated concern and confusion about Toyota's long-term intentions in the region.

We are concerned about the possibility of Toyota re-entering the Russian market and would like to understand the company's commitment to staying out of Russia in the current context.

Given the ongoing Russian aggression against Ukraine, we strongly urge Toyota to publicly reaffirm its stance on this issue to alleviate concerns and provide clarity on its position.

The wide range of risks associated with returning to and operating in Russia, including financial, legal, reputational, operational, and human rights risks, are outlined in greater detail below. We would welcome the opportunity to discuss these concerns directly and confidentially with your team. To that end, we invite you to a private meeting to explore these issues further, provide additional information, and address any questions you may have. If you would like to discuss these matters with representatives of Ukrainian and wider civil society, please confirm your availability by **July 11, 2025**, so that we can arrange a suitable time. Please note that following this date, this letter and any responses received will be published on the **B4Ukraine** website.

Sincerely,

The B4Ukraine Coalition

The Risks of Re-Engaging with the Russian Market

Recent speculation about the potential lifting of sanctions, particularly in the United States, has created uncertainty. However, it is clear that the broader sanctions regime remains intact. The United States has for now maintained its restrictions, while the European Union recently approved its [17th package](#) of sanctions. Even if some policymakers consider relaxing their stance, the reality remains that the EU, UK, Japan, Canada, and numerous other governments and organisations have imposed sanctions on Russia, making it the most sanctioned country in the world, due to its crime of aggression against its sovereign neighbour.

It has been three years since Russia invaded Ukraine, committing the crime of aggression and breaching the UN Charter. Russia is violating international humanitarian and human rights law, committing over 150,000 documented war crimes. In recognition of the severity of abuses, in March 2023 the International Criminal Court issued an arrest warrant for Vladimir Putin to answer charges of war crimes.

At the same time, economic and regulatory conditions in Russia are no longer conducive to stable business operations. Companies re-entering the market would be navigating a landscape of restricted [supply chains, financial barriers, and legal uncertainties](#). Since 2022, Russia has pursued a deliberate strategy of seizing foreign-owned assets, whether through formal expropriations or regulatory coercion. According to a study conducted by the London School of Economics, [over 500 Western firms](#) have seen their assets expropriated under various pretexts, including companies in industries ranging from brewing and consumer goods (e.g., [Danone, Carlsberg](#)) to energy (e.g., [Uniper, Fortum](#)). The scope of legislation and Russian domestic case law showing the readiness for expropriation has skyrocketed since the start of the full-scale invasion. Businesses looking to re-enter must expect that their assets would meet a similar fate.

These patterns show a blatant disregard for property rights, investor and shareholder rights, and are a general indicator of an authoritarian government. Accordingly, any western business seeking re-entry faces the [risk of Kremlin](#) decrees that introduce new fees, taxes, and price controls; limit the repatriation of profits and dividends; restrict asset sales and management decisions; and expropriate private businesses.

Russia's [macroeconomic](#) environment further devalues the case for re-engagement. Interest rates have soared to 2%, labour shortages are worsening, and consumer purchasing power has significantly declined. The country's middle class is shrinking, and the infrastructure that once supported international trade and investment has deteriorated.

Meanwhile, Russia's own officials have stated that returning businesses should [not expect to be treated on equal footing](#) with local firms. As Vladimir Putin confirmed, those seeking re-entry would be [disadvantaged](#) to ensure the competitiveness of local businesses. Many Western brands have already been [replaced](#) by domestic or Chinese alternatives, making it difficult, if not impossible, for companies to regain their former market position. Rebuilding operations in such a climate would require substantial financial investment with little certainty of return, naturally concerning investors. Russian policy is confirmed to be favourable towards domestic production and market share.

The Russian legislative framework continues to pose a high risk of business complicity in the war. Under [Federal Law No. 31-FZ](#) businesses, including international companies that are operating on a full or limited scale in Russia, are required to conduct military registration of the staff if at least one of the employees is eligible for military service. They must also assist with delivering the military summons to their employees, ensure the delivery of equipment to assembly points or military units, and provide information, buildings, communications, land plots, transport, and other material means

of support to the war effort.

Beyond financial and legal exposure, reputational risks remain high. Any company that chooses to return to Russia will be seen as disregarding the human cost of the war in Ukraine. Some Russian officials have even suggested that businesses seeking to re-enter should [contribute financially to the Russian military or establish operations in occupied Ukrainian territories](#). These decisions would directly associate a company's name with a government engaged in an ongoing conflict, one that has been widely condemned for violations of international law. Moreover, they could render the company complicit in violations of international law.

For all these reasons, we strongly urge your company not only to remain outside the Russian market but to take an active role in discouraging others from returning. We ask that you publicly **affirm your commitment to staying out of Russia**, engage with your peers, and use your influence to advocate for continued economic pressure until meaningful conditions for peace and accountability are met.

With so many alternative markets offering greater stability and growth potential, the case for returning to Russia is weak. The financial, legal, and reputational risks outweigh any potential short-term benefits. More importantly, to re-enter the Russian market under current conditions would be to ignore the principles that led to withdrawal in the first place and contradict all principles of ethical business conduct and a business' responsibility to [respect human rights](#).

We hope that your company will make the right decision by refraining from operating in Russia and by using its influence to encourage others in the industry to follow suit.