

# TMC Announces First Quarter Financial Results

(All consolidated financial information has been prepared in accordance with U.S. generally accepted accounting principles)

Toyota City, Japan, August 3, 2018—Toyota Motor Corporation (TMC) today announces its financial results for the first quarter ended June 30, 2018.

Consolidated vehicle sales for the first quarter totaled 2,236,131 units, an increase of 21,020 units compared to the same period last fiscal year. On a consolidated basis, net revenues for the period totaled 7.3627 trillion yen, an increase of 4.5 percent. Operating income increased from 574.2 billion yen to 682.6 billion yen, while income before income taxes<sup>1</sup> was 813.8 billion yen. Net income<sup>2</sup> increased from 613.0 billion yen to 657.3 billion yen.

Operating income increased by 108.3 billion yen. Major factors contributing to the increase included a decrease in expenses of 60 billion yen and an increase of 45 billion yen in marketing activities.

Commenting on the results, TMC Senior Managing Officer [Masayoshi Shirayanagi](#) said: “As for the fixed cost reduction activities, we are steadily making progress toward achieving our challenge-level target, which we are determined to achieve by the end of this fiscal year through further efforts across regions.”

In Japan, vehicle sales totaled 510,339 units, a decrease of 33,884 units. Operating income, excluding the impact of valuation gains/losses from interest rate swaps, increased by 76.2 billion yen to 396.1 billion yen.

In North America, vehicle sales totaled 746,135 units, an increase of 22,516 units. Operating income, excluding the impact of valuation gains/losses from interest rate swaps, decreased by 10.4 billion yen to 78.3 billion yen.

In Europe, vehicle sales totaled 252,639 units, an increase of 12,295 units, while operating income, excluding the impact of valuation gains/losses from interest rate swaps, increased by 2.6 billion yen to 23.1 billion yen.

In Asia, vehicle sales totaled 394,229 units, an increase of 31,575 units, while operating income, excluding the impact of valuation gains/losses from interest rate swaps, increased by 39.3 billion yen to 142.2 billion yen.

In other regions (including Central and South America, Oceania, Africa, and the Middle East), vehicle sales totaled 332,789 units, a decrease of 11,482 units, while operating income, excluding the impact of valuation gains/losses from interest rate swaps, increased by 1.5 billion yen to 41.0 billion yen.

Financial services operating income decreased by 1.7 billion yen to 73.5 billion yen, including a loss of 8.7 billion yen in valuation gains/losses from interest rate swaps. Excluding valuation gains/losses, operating income increased by 7.1 billion yen to 82.2 billion yen.

For the fiscal year ending March 31, 2019, TMC revised its consolidated vehicle sales forecast from 8.95 million units to 8.9 million units, in consideration of the latest sales trends worldwide.

TMC maintains the consolidated financial forecasts for the fiscal year. Based on an exchange rate assumption of 106 yen to the U.S. dollar and 126 yen to the euro, TMC now forecasts consolidated net revenue of 29.0 trillion yen, operating income of 2.30 trillion yen, income before income taxes of 2.45 trillion yen, and net income of 2.12 trillion yen.

<sup>1</sup>Income before income taxes and equity in earnings of affiliated companies

<sup>2</sup>Net income attributable to Toyota Motor Corporation

*(Please see the attached information for details on financial results. Further information is also available at [www.toyota-global.com](http://www.toyota-global.com))*

#### **Cautionary Statement with Respect to Forward-Looking Statements**

This release contains forward-looking statements that reflect Toyota's plans and expectations. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause Toyota's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. These factors include, but are not limited to: (i) changes in economic conditions, market demand, and the competitive environment affecting the automotive markets in Japan, North America, Europe, Asia and other markets in which Toyota operates; (ii) fluctuations in currency exchange rates, particularly with respect to the value of the Japanese yen, the U.S. dollar, the euro, the Australian dollar, the Russian ruble, the Canadian dollar and the British pound, and interest rates fluctuations; (iii) changes in funding environment in financial markets and increased competition in the financial services industry; (iv) Toyota's ability to market and distribute effectively; (v) Toyota's ability to realize production efficiencies and to implement capital expenditures at the levels and times planned by management; (vi) changes in the laws, regulations and government policies in the markets in which Toyota operates that affect Toyota's automotive operations, particularly laws, regulations and government policies relating to vehicle safety including remedial measures such as recalls, trade, environmental protection, vehicle emissions and vehicle fuel economy, as well as changes in laws, regulations and government policies that affect Toyota's other operations, including the outcome of current and future litigation and other legal proceedings, government proceedings and investigations; (vii) political and economic instability in the markets in which Toyota operates; (viii) Toyota's ability to timely develop and achieve market acceptance of new products that meet customer demand; (ix) any damage to Toyota's brand image; (x) Toyota's reliance on various suppliers for the provision of supplies; (xi) increases in prices of raw materials; (xii) Toyota's reliance on various digital and information technologies; (xiii) fuel shortages or interruptions in electricity, transportation systems, labor strikes, work stoppages or other interruptions to, or difficulties in, the employment of labor in the major markets where Toyota purchases materials, components and supplies for the production of its products or where its products are produced, distributed or sold; and (xiv) the impact of natural calamities including the negative effect on Toyota's vehicle production and sales.

A discussion of these and other factors that may affect Toyota's actual results, performance, achievements or financial position is contained in Toyota's annual report on Form 20-F, which is on file with the United States Securities and Exchange Commission.