

# FY2019 Third Quarter Financial Results



Supra  
(North American International  
Auto Show 2019 exhibition car)

**Toyota Motor Corporation**  
February 6, 2019

## Cautionary Statement with Respect to Forward-Looking Statements

This presentation 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, fluctuations in stock prices, 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 which 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.

# Caution concerning Insider Trading

Under Japanese securities laws and regulations (the "Regulations"), subject to certain exceptions, any person who receives certain material information relating to the business, etc. of Toyota which may be contained in this document is prohibited from trading in Toyota's shares or certain other transactions related to such shares (as set forth in the Regulations) until such material information is deemed to be made public. Under the Regulations, material information is deemed to be made public when (i) such material information is notified to a stock exchange and is disclosed by ways of electromagnetic means as prescribed by the ordinance of the Cabinet Office (posting on the TDnet (Timely Disclosure Network) information service ) or (ii) twelve (12) hours have elapsed since a listed company, such as Toyota, disclosed such material information to at least two (2) media sources as prescribed by the Regulations.

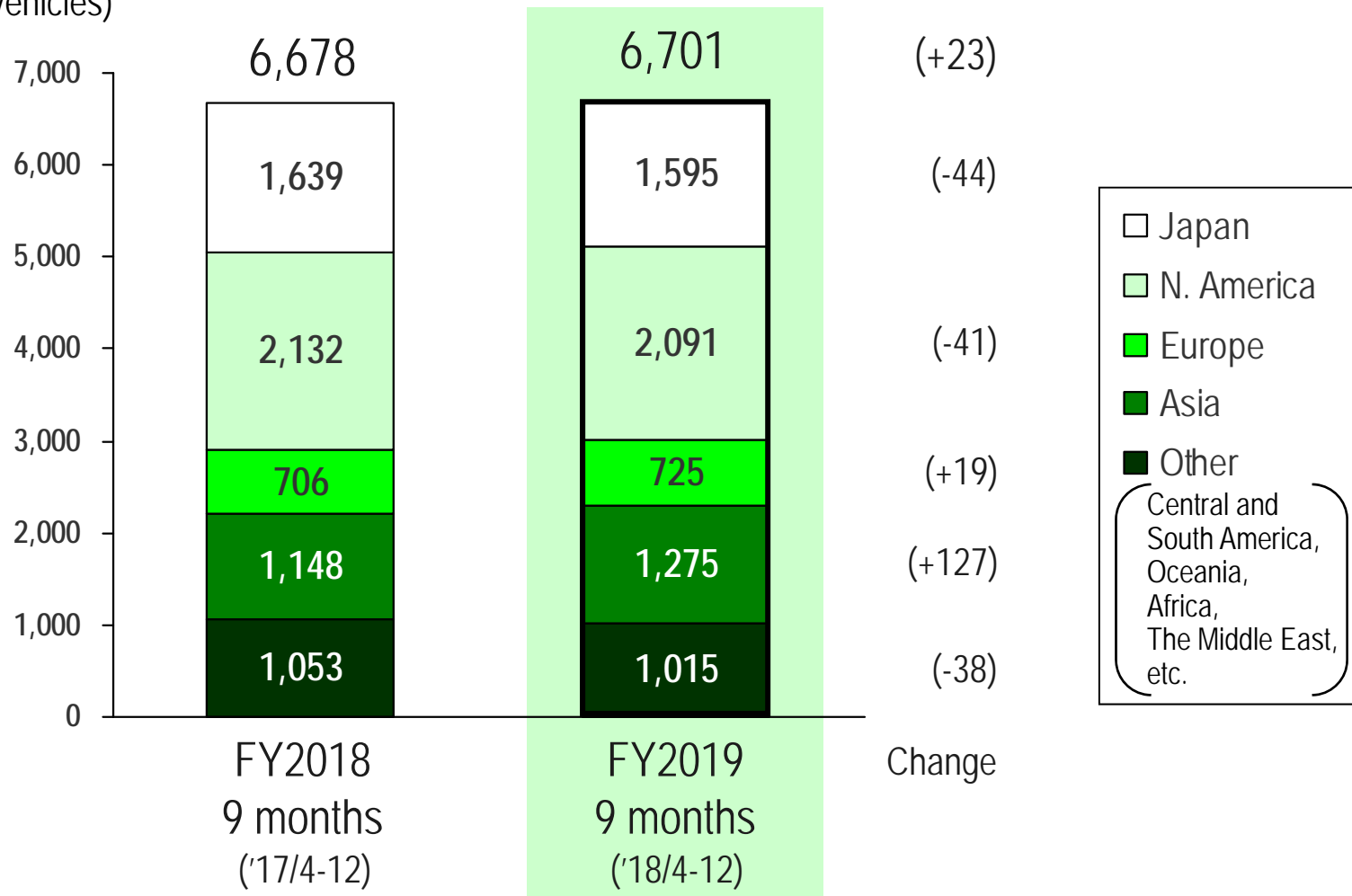
# FY2019 Third Quarter Financial Results

FY2019 Third Quarter Financial Performance

FY2019 Financial Forecasts

# Consolidated Vehicle Sales (FY2019 9 months)

(thousands of vehicles)



Total retail vehicle sales	7,847	8,000	+153
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# Consolidated Financial Summary (FY2019 9 months)

(billions of yen)		FY2019 9 months ( <sup>'18/4-12</sup> )	FY2018 9 months ( <sup>'17/4-12</sup> )	Change
<b>Net Revenues</b>		22,475.5	21,796.9	+678.5
<b>Operating Income</b>		1,937.9	1,770.1	+167.7
Margin		8.6%	8.1%	
Other Income		-212.1	232.9	-445.1
<b>Income before Income Taxes</b>		1,725.7	2,003.1	-277.3
Equity in Earnings of Affiliated Companies	*1	254.8	358.8	-103.9
<b>Net Income</b>		1,423.3	2,013.1	-589.8
Margin		6.3%	9.2%	
FOREX	US\$	111 yen	112 yen	-1 yen
Rates	€	129 yen	129 yen	±0 yen

\*1 Regarding Japan: 144.4 billion yen (-107.5 billion yen year on year), China: 84.7 billion yen (+7.7 billion yen year on year), Other: 25.7 billion yen (-4.2 billion yen year on year) [<sup>'18/4-12</sup>]

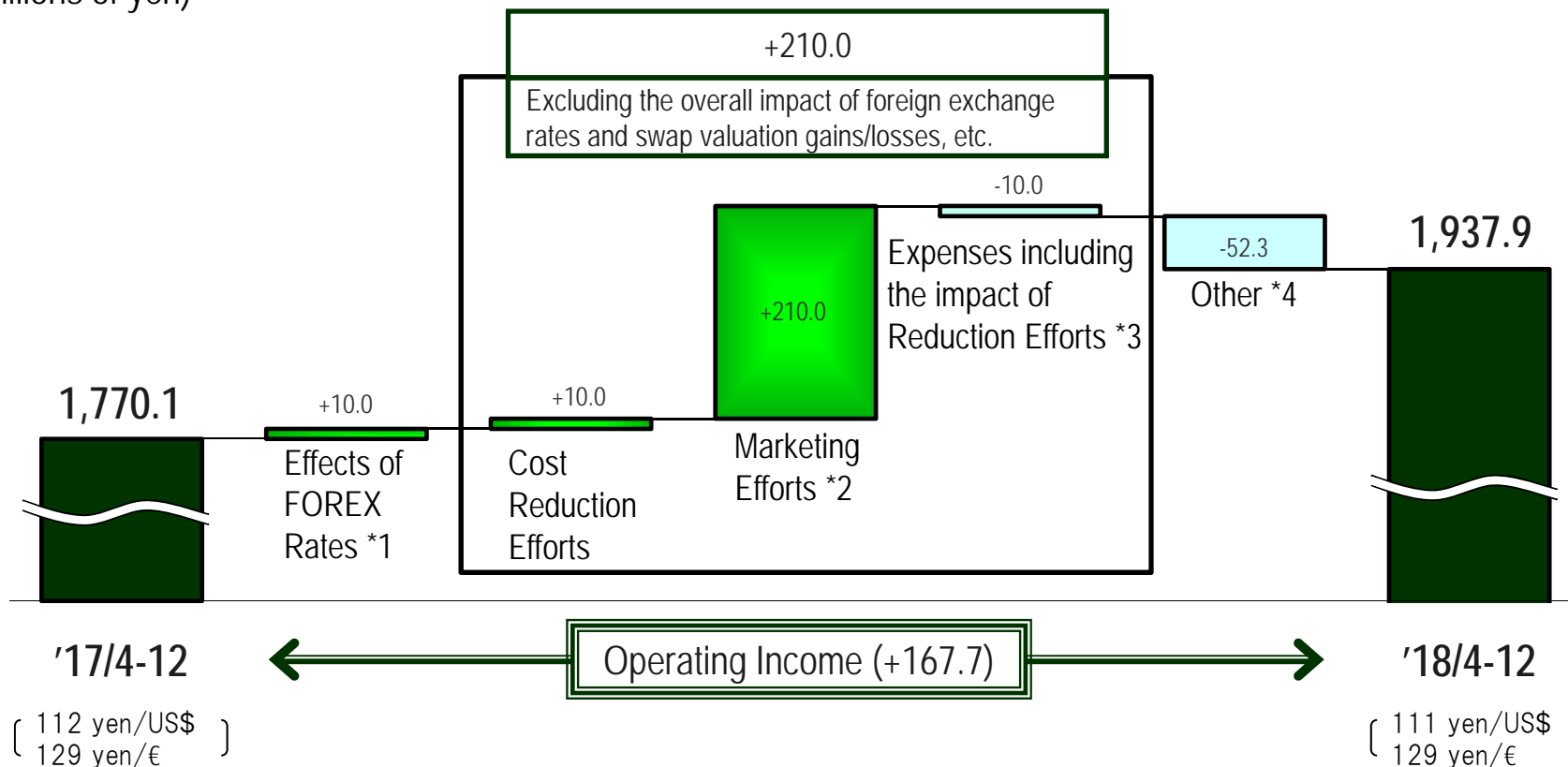
\*2 Net Income attributable to Toyota Motor Corporation

\*3 Effects of U.S. Tax reform: +291.9 billion yen [<sup>'17/4-12</sup>]

Effects of unrealized gains/losses on equity securities: -310.0 billion yen [<sup>'18/4-12</sup>]

# Analysis of Consolidated Operating Income (FY2019 9 months)

(billions of yen)

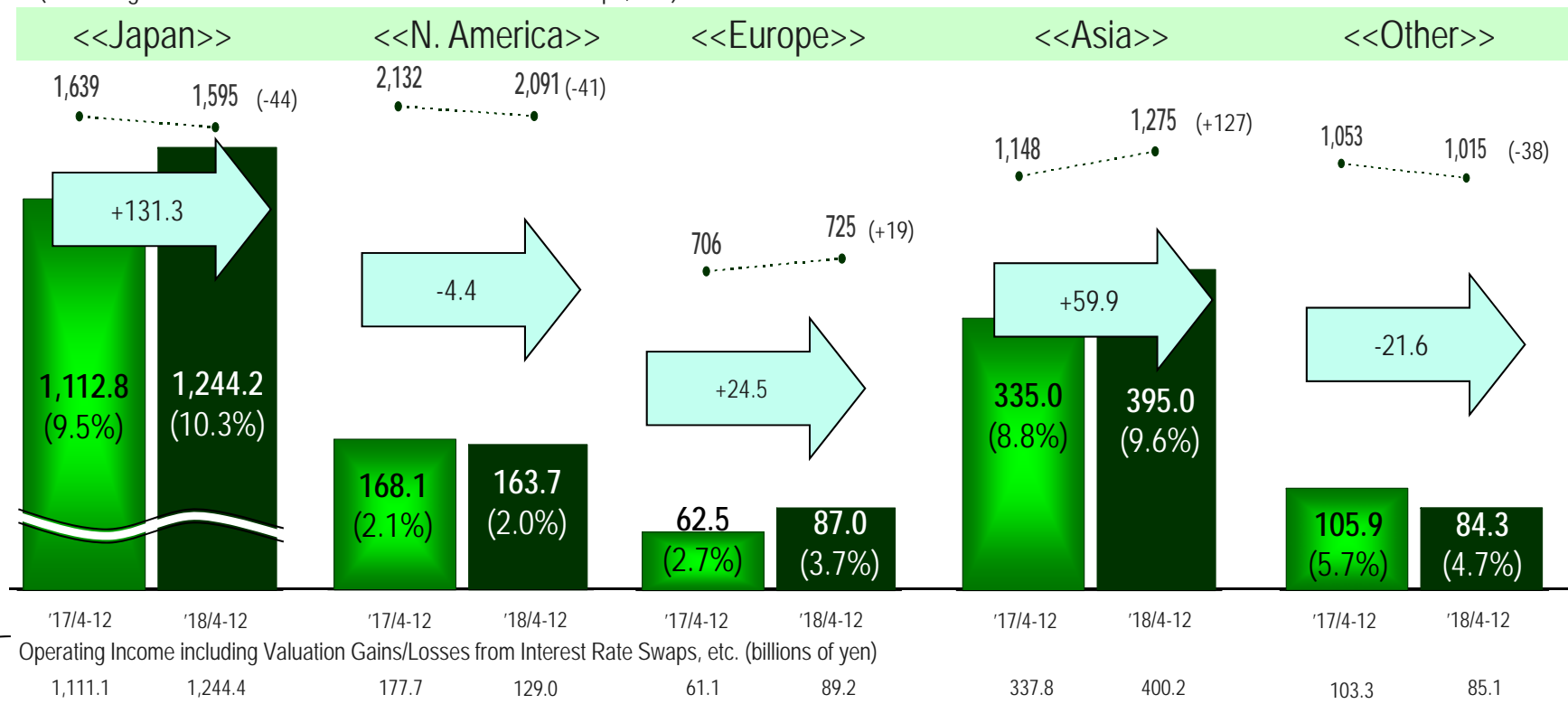


*1. Details		*2. Details		*3. Details		*4. Details	
Transactional (Imports & Exports)	-65.0	Translational FOREX impact concerning overseas subsidiaries	-15.0	Volume, Model Mix	+120.0	Labor Costs	-50.0
US\$	-15.0	Other	+90.0	Financial Services	+45.0	Depreciation	-15.0
€	+5.0	(Translational FOREX impact of fiscal year-end balance of provisions in foreign currencies, etc.)		Other	+45.0	R&D Expenses	+10.0
Other	-55.0			(Including sales costs, etc.)		Expenses, etc.	+45.0
						Valuation Gains/Losses from Swaps, etc.	-52.3

# Geographic Operating Income (FY2019 9 months)

■ Operating Income (billions of yen)  
(Excluding Valuation Gains/Losses from Interest Rate Swaps, etc.)

-●- Consolidated Vehicle Sales (thousands of vehicles)



Japan (+131.3 billion yen year on year)  
 N. America (-4.4 billion yen year on year)  
 Europe (+24.5 billion yen year on year)  
 Asia (+59.9 billion yen year on year)  
 Other (-21.6 billion yen year on year)

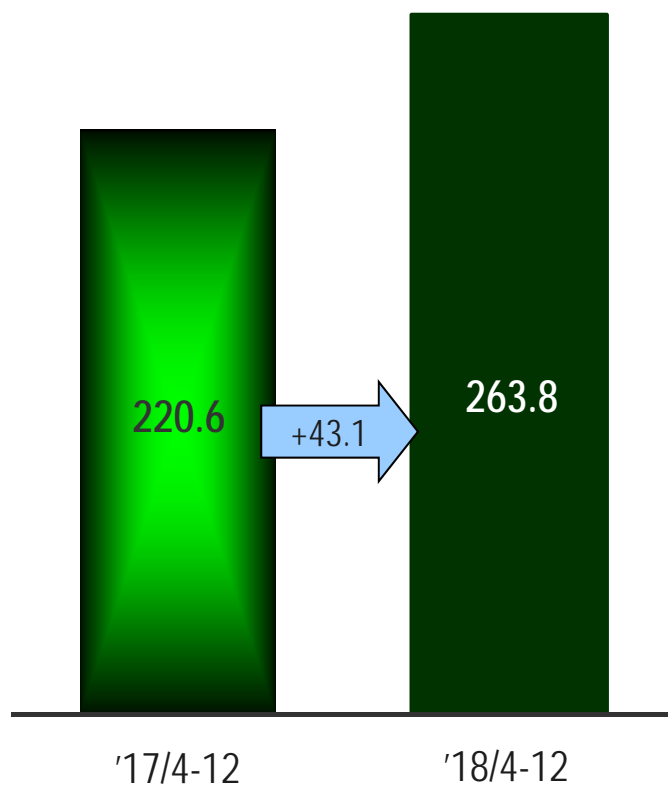
Increased mainly as a result of cost reduction and marketing efforts.  
 Decreased largely due to effects of the rise of raw material markets.  
 Increased mainly due to marketing efforts and reduction in expenses.  
 Increased mostly as a result of marketing efforts.  
 Decreased largely due to weak local currencies and effects of the rise of raw material markets.



# Financial Services Operating Income (FY2019 9 months)

■ Operating Income (billions of yen) \*

\* Excluding Valuation Gains/Losses from Interest Rate Swaps, etc.



## Operating Income\*

**263.8 billion yen (+43.1 billion yen year on year)**

Operating income increased, mainly due to an increase in the lending balance and a decrease in costs related to residual-value losses.

	'17/4-12	'18/4-12	Change
Operating Income	227.3	237.6	+10.2
Valuation Gains/Losses from Interest Rate Swaps, etc.	6.6	-26.2	-32.8
<b>Operating Income Excluding Valuation Gains/Losses from Interest Rate Swaps, etc.</b>	<b>220.6</b>	<b>263.8</b>	<b>+43.1</b>

# FY2019 Third Quarter Financial Results

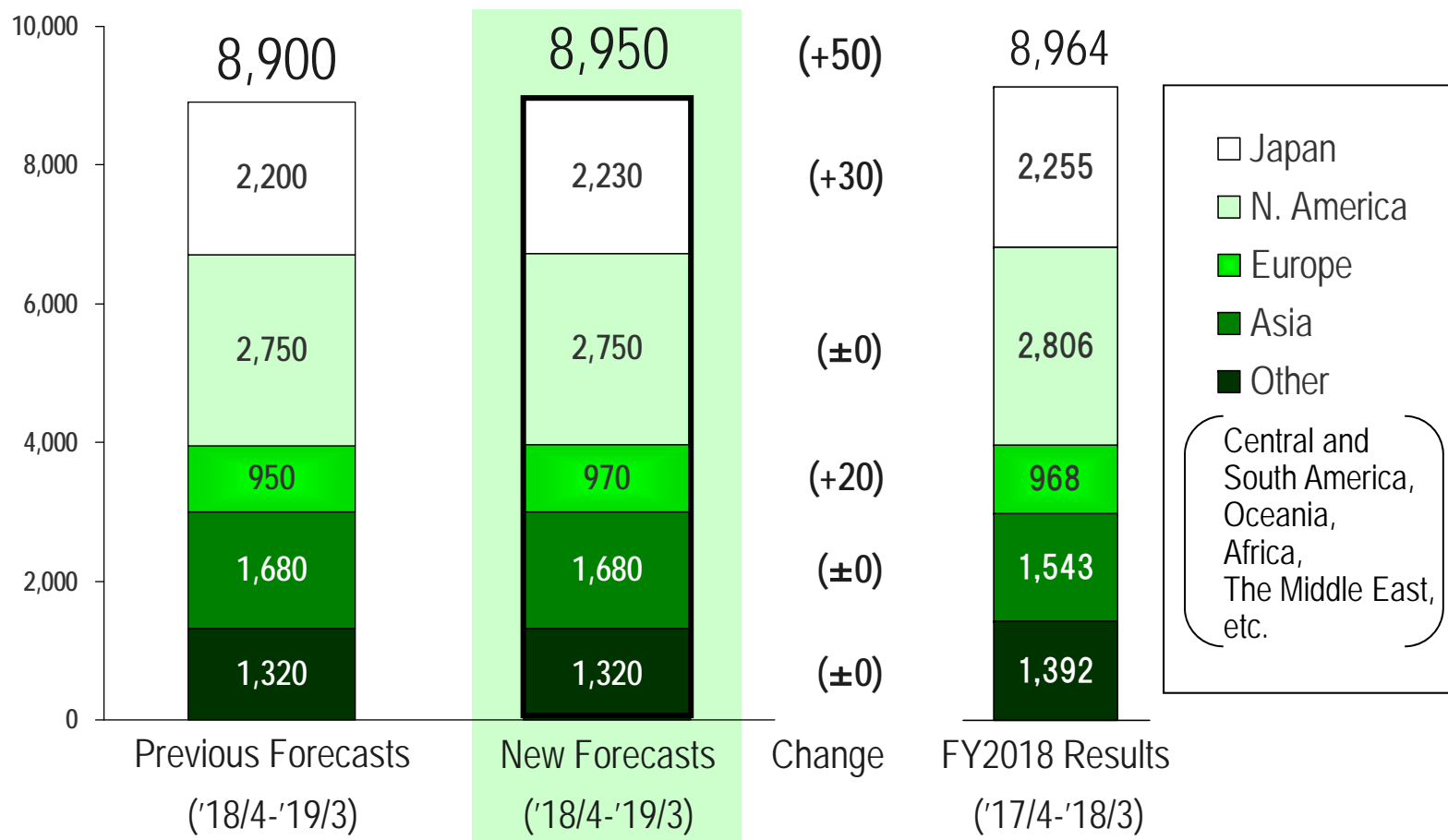
FY2019 Third Quarter Financial Performance



**FY2019 Financial Forecasts**

# FY2019 Forecasts: Consolidated Vehicle Sales

(thousands of vehicles)



Total retail vehicle sales	10,500	10,550	+50	10,441
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# FY2019 Forecasts: Consolidated Financial Summary

(billions of yen)

		New Forecasts ( <sup>'18/4-'19/3</sup> )	Previous Forecasts ( <sup>'18/4-'19/3</sup> )	Change	FY2018 Results ( <sup>'17/4-'18/3</sup> )
<b>Net Revenues</b>		<b>29,500.0</b>	<b>29,500.0</b>	<b>±0</b>	<b>29,379.5</b>
<b>Operating Income</b>		<b>2,400.0</b>	<b>2,400.0</b>	<b>±0</b>	<b>2,399.8</b>
Margin		8.1%	8.1%		8.2%
<b>Income before Income Taxes</b>		<b>2,200.0</b>	<b>2,720.0</b>	<b>-520.0</b>	<b>2,620.4</b>
Equity in Earnings of Affiliated Companies		370.0	460.0	-90.0	470.0
<b>Net Income</b>	<sup>*1,2</sup>	<b>1,870.0</b>	<b>2,300.0</b>	<b>-430.0</b>	<b>2,493.9</b>
Margin	<sup>*2</sup>	6.3%	7.8%		8.5%
<b>FOREX Rates</b>	<b>US\$</b> <sup>*3</sup>	<b>110 yen</b>	<b>110 yen</b>	<b>±0 yen</b>	<b>111 yen</b>
	<b>€</b> <sup>*3</sup>	<b>128 yen</b>	<b>130 yen</b>	<b>-2 yen</b>	<b>130 yen</b>

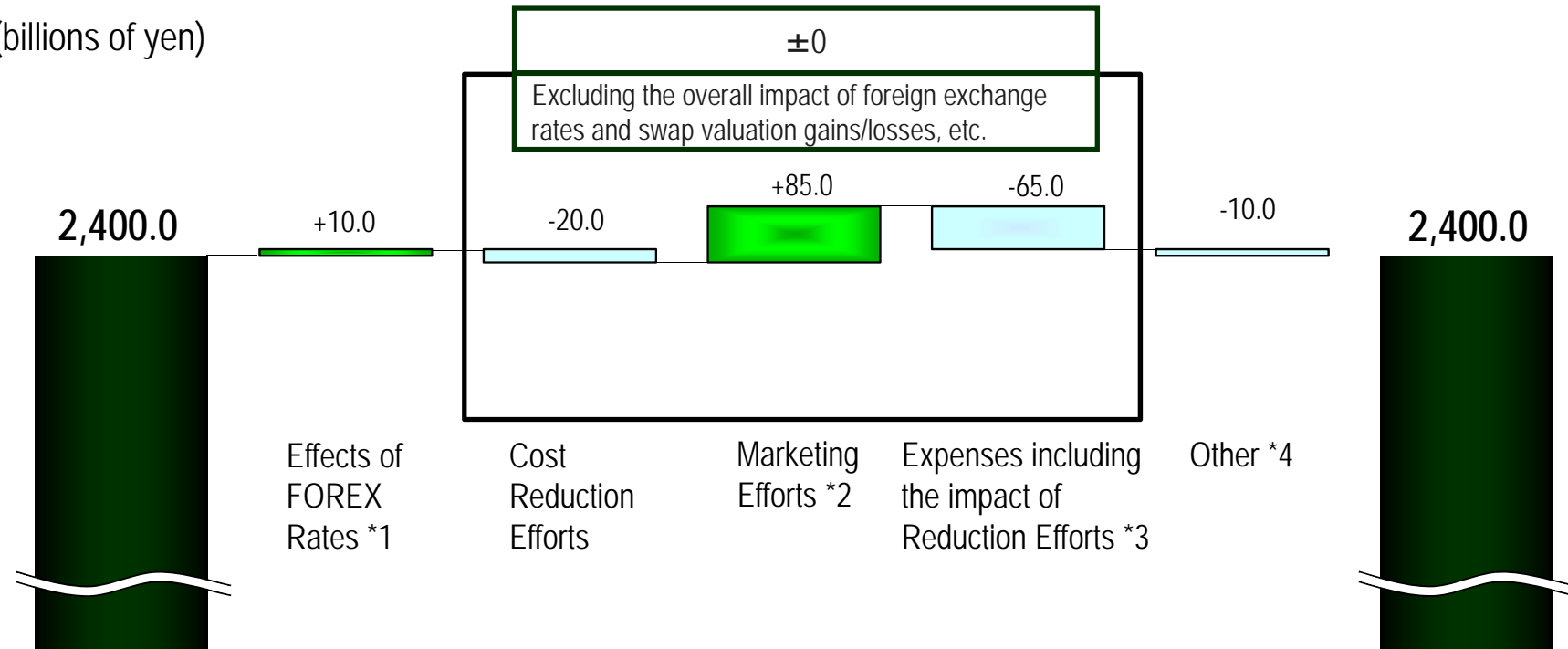
\*1 Net Income attributable to Toyota Motor Corporation

\*2 Effects of unrealized gains/losses on equity securities: -310.0 billion yen [New Forecasts]

\*3 FOREX Rate performance: 111 yen against the U.S. dollar and 129 yen against the Euro from April 2018 to December 2018  
FOREX Rate assumptions: 105 yen against the U.S. dollar and 125 yen against the Euro from January 2019 to March 2019

# Analysis of FY2019 Forecasts: Consolidated Operating Income **TOYOTA** (vs. Previous Forecasts)

(billions of yen)



FY2019 Previous Forecasts

{ 110 yen/US\$  
130 yen/€ }

Operating Income (±0)

FY2019 New Forecasts

{ 110 yen/US\$  
128 yen/€ }

## \*1. Details

Transactional (Imports & Exports)

-30.0

Translational FOREX impact concerning overseas subsidiaries -5.0

US\$

-15.0

€

-10.0

Other

-5.0

Other (Translational FOREX impact of fiscal year-end balance of provisions in foreign currencies, etc.) +45.0

## \*2. Details

Volume, Model Mix

+40.0

Financial Services

+25.0

Other (Including sales costs, etc.)

+20.0

## \*3. Details

Labor Costs

-20.0

Depreciation

±0

R&D Expenses

-10.0

Expenses, etc.

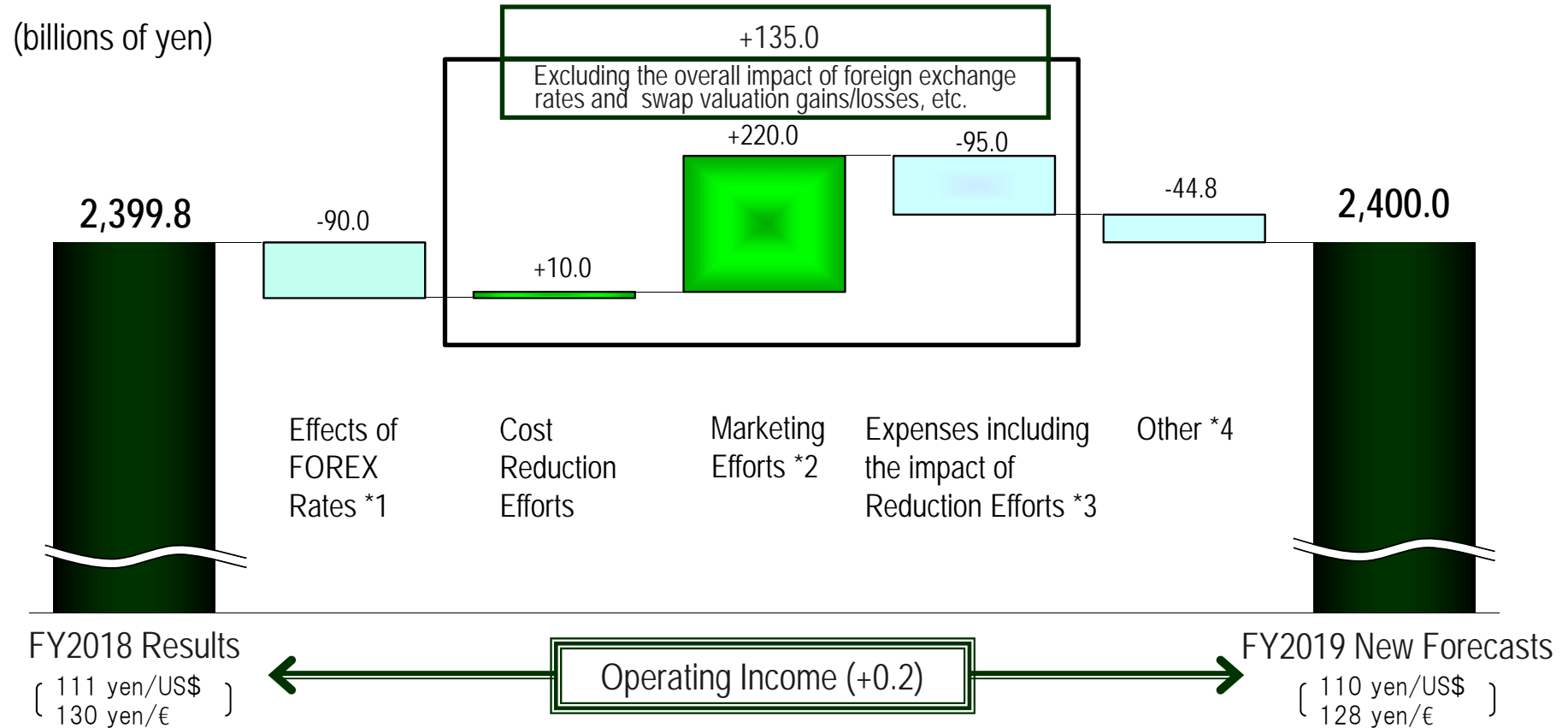
-35.0

## \*4. Details

Valuation Gains/Losses from Swaps, etc.

-10.0

# Analysis of FY2019 Forecasts: Consolidated Operating Income **TOYOTA** (vs. FY2018 Results)



*1. Details		*2. Details		*3. Details		*4. Details	
Transactional (Imports & Exports)	-170.0	Translational FOREX impact concerning overseas subsidiaries	-35.0	Volume, Model Mix	+85.0	Labor Costs	-60.0
US\$	-55.0	Other	+115.0	Financial Services	+45.0	Depreciation	-40.0
€	-10.0	Other (Translational FOREX impact of fiscal year-end balance of provisions in foreign currencies, etc.)		Other (Including sales costs, etc.)	+90.0	R&D Expenses	-35.0
Other	-105.0			Expenses, etc.	+40.0	Valuation Gains/Losses from Swaps, etc.	-44.8

# Enhancement of Competitiveness

## Activities for Enhancement of Competitiveness (Explain in the press conference)

February 2018	August 2018	November 2018	February 2019
Manufacturing (EVP, M. Kawai)	Development (EVP, M. Yoshida)	Sales Activities Business in North America (EVP, D. Leroy, Operating Officer, J. Lentz)	Connected/MaaS (EVP, S. Tomoyama)

## Activities for the Realization of a Future Society of Mobility

( ):month of announcement

Area	Press Release Contents
Electrification	Agreement with Panasonic to establish joint venture related to automotive prismatic batteries (January 2019)
Automated Driving	TRI rolls-out P4 automated driving test vehicle and introduces Toyota Guardian(TM) autonomy at CES (January 2019)
Connected /MaaS	Develop "Total-care Service" designed for Grab's vehicles (December 2018) "MONET", joint venture with SoftBank, starts operations (February 2019) "KINTO", a new company, starts services (February 2019)

# FY2019 Third Quarter Financial Results



TRI-P4  
(Consumer Electronics Show 2019  
exhibition car)

Toyota Motor Corporation  
February 6, 2019

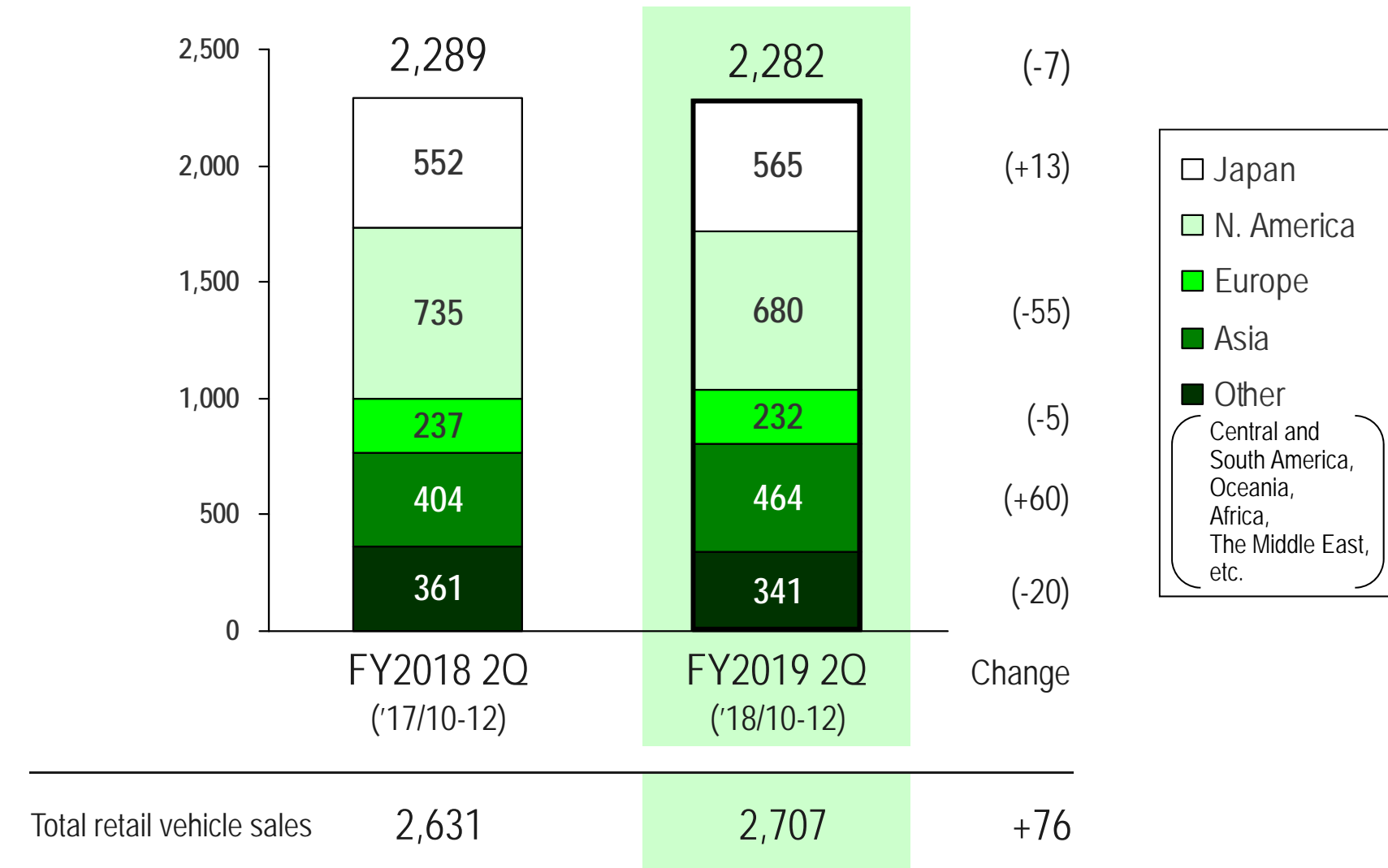


(Reference)



# Consolidated Vehicle Sales (FY2019 3Q)

(thousands of vehicles)



(Reference)

TOYOTA

## Consolidated Financial Summary (FY2019 3Q)

(billions of yen)		FY2019 3Q ( <sup>18</sup> /10-12)	FY2018 3Q ( <sup>17</sup> /10-12)	Change
<b>Net Revenues</b>		<b>7,801.5</b>	<b>7,605.7</b>	<b>+195.7</b>
<b>Operating Income</b>		<b>676.1</b>	<b>673.6</b>	<b>+2.4</b>
Margin		8.7%	8.9%	
Other Income		-499.1	77.2	-576.4
<b>Income before Income Taxes</b>		<b>176.9</b>	<b>750.9</b>	<b>-573.9</b>
Equity in Earnings of Affiliated Companies	*1	32.2	123.8	-91.5
<b>Net Income</b>		<b>180.9</b>	<b>941.8</b>	<b>-760.9</b>
Margin		2.3%	12.4%	
FOREX	US\$	113 yen	113 yen	±0 yen
Rates	€	129 yen	133 yen	-4 yen

\*1 Regarding Japan: -4.0 billion yen (-95.0 billion yen year on year), China: 26.6 billion yen (+3.6 billion yen year on year), Other: 9.6 billion yen (-0.2 billion yen year on year) [<sup>18</sup>/10-12]

\*2 Net Income attributable to Toyota Motor Corporation

\*3 Effects of U.S. Tax reform: +291.9 billion yen [<sup>17</sup>/10-12]

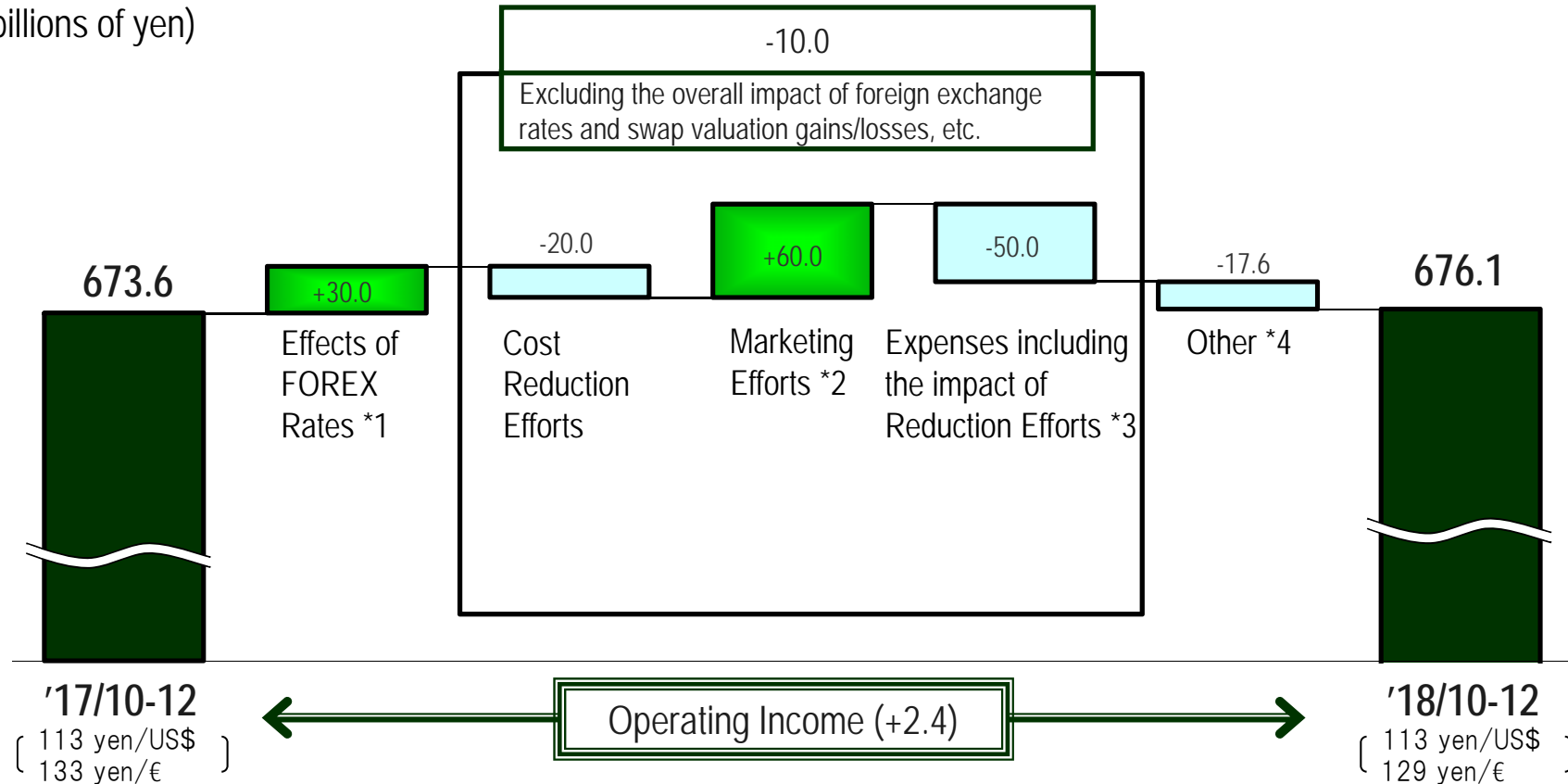
Effects of unrealized gains/losses on equity securities: -395.4 billion yen [<sup>18</sup>/10-12]

(Reference)

**TOYOTA**

# Analysis of Consolidated Operating Income (FY2019 3Q)

(billions of yen)



**\*1. Details**

Transactional (Imports & Exports)	-20.0	Translational FOREX impact concerning overseas subsidiaries	-10.0
US\$	±0	Other (Translational FOREX impact of fiscal year-end balance of provisions in foreign currencies, etc.)	+60.0
€	-5.0		
Other	-15.0		

**\*2. Details**

Volume, Model Mix	-10.0
Financial Services	+15.0
Other (Including sales costs, etc.)	+55.0

**\*3. Details**

Labor Costs	-25.0
Depreciation	-5.0
R&D Expenses	-15.0
Expenses, etc.	-5.0

**\*4. Details**

Valuation Gains/Losses from Swaps, etc.	-17.6
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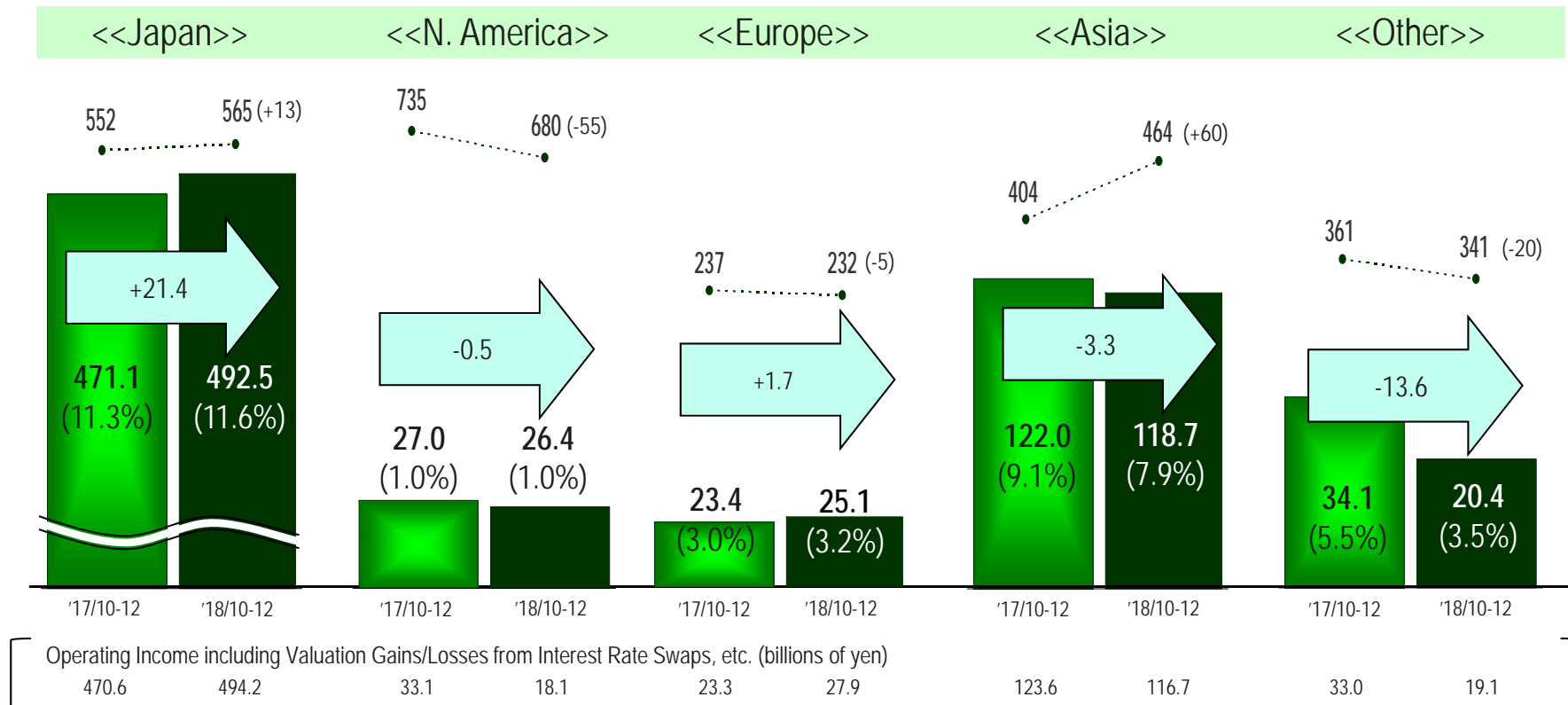
(Reference)



# Geographic Operating Income (FY2019 3Q)

■ Operating Income (billions of yen)  
(Excluding Valuation Gains/Losses from Interest Rate Swaps, etc.)

-●- Consolidated Vehicle Sales (thousands of vehicles)



(Reference)

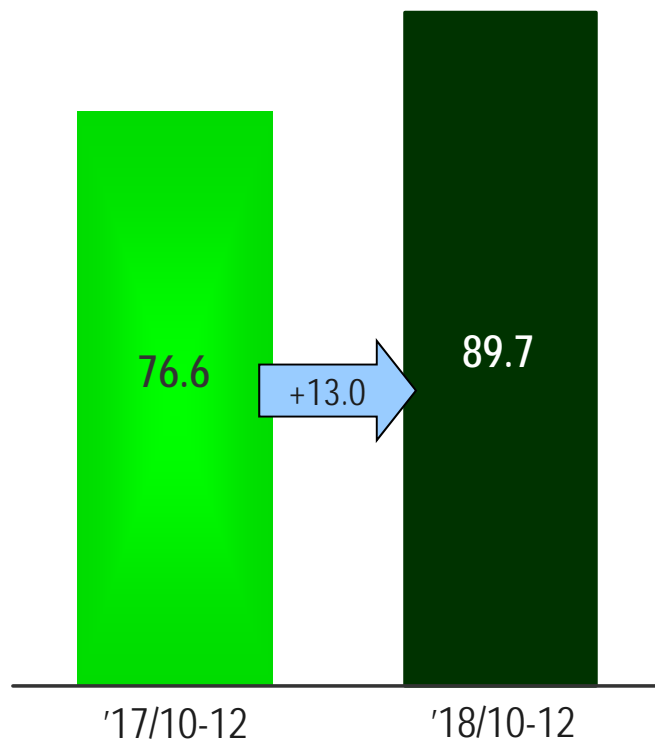
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## Financial Services Operating Income (FY2019 3Q)

■ Operating Income (billions of yen) \*

\* Excluding Valuation Gains/Losses from Interest Rate Swaps, etc.

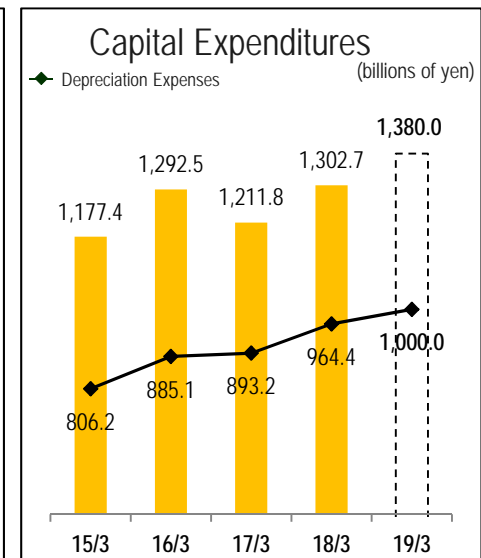
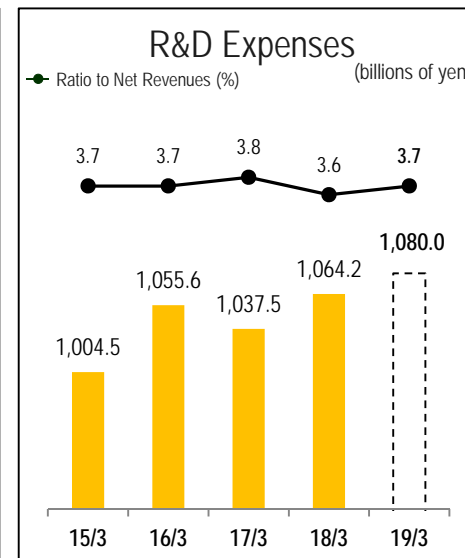
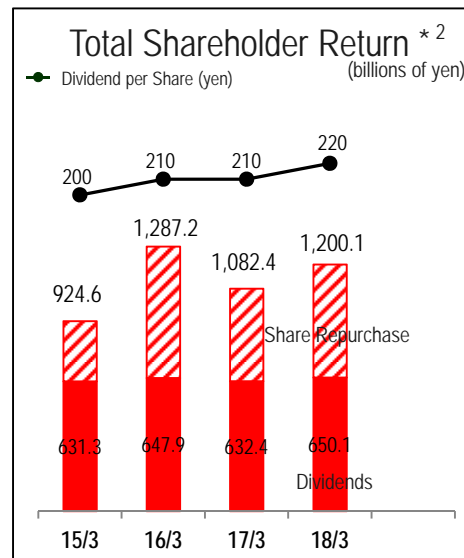
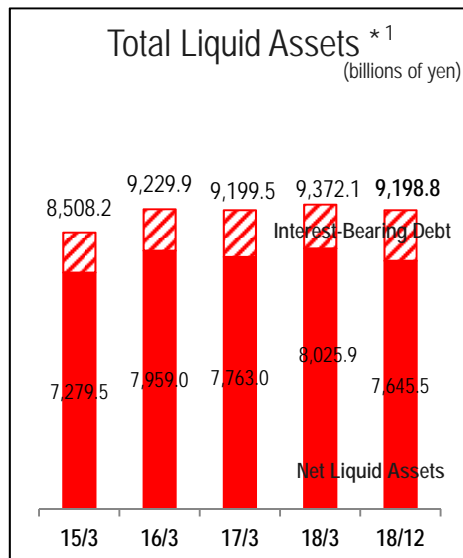
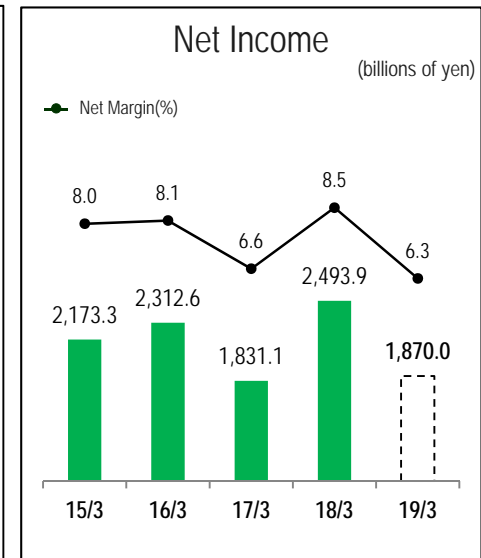
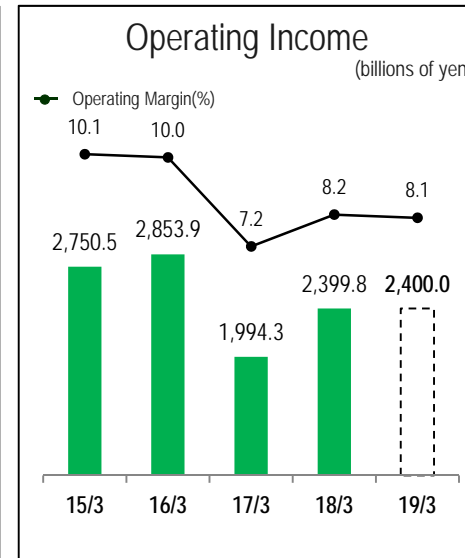
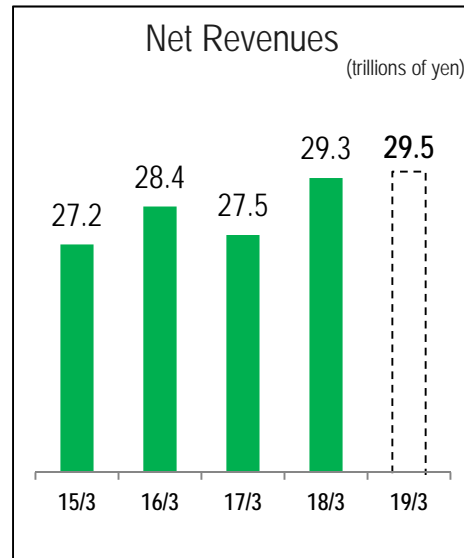
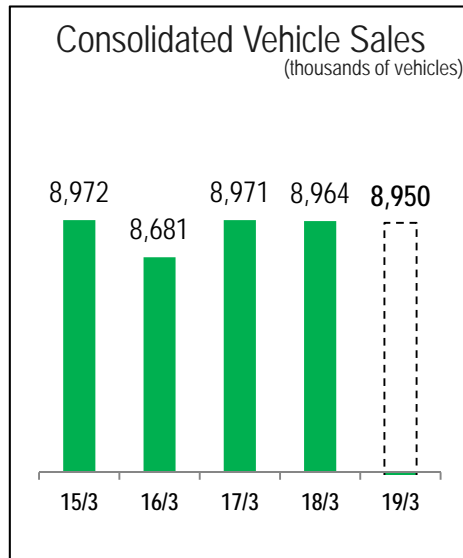
Operating Income\*  
89.7 billion yen (+13.0 billion yen year on year)



	'17/10-12	'18/10-12	Change
Operating Income	82.6	82.6	±0
Valuation Gains/Losses from Interest Rate Swaps, etc.	6.0	-7.0	-13.0
<b>Operating Income Excluding Valuation Gains/Losses from Interest Rate Swaps, etc.</b>	<b>76.6</b>	<b>89.7</b>	<b>+13.0</b>

# (Reference) Transition of Financial Performance

Forecast



\*1 Cash and cash equivalents, time deposits, marketable debt securities and its investment in monetary trust funds, excluding in each case those relating to financial services

\*2 Including dividends on first series Model AA class shares

(Reference)

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## FY2019 Forecasts: Vehicle Production and Retail Sales

(thousands of vehicles)

			New Forecasts ( <sup>'18/4-'19/3</sup> )	Previous Forecasts ( <sup>'18/4-'19/3</sup> )	Change
T o y o t a & L e x u s	Vehicle Production <sup>*1</sup>	Japan	3,200	3,200	±0
		Overseas	5,700	5,700	±0
		Total	8,900	8,900	±0
	Retail Vehicle Sales <sup>*2</sup>	Japan	1,540	1,540	±0
		Overseas	7,960	7,960	±0
		Total	9,500	9,500	±0
	Exports		1,940	1,940	±0
Total Retail Vehicle Sales <sup>*2</sup> (Including Daihatsu- & Hino- brand)			10,550	10,500	+50

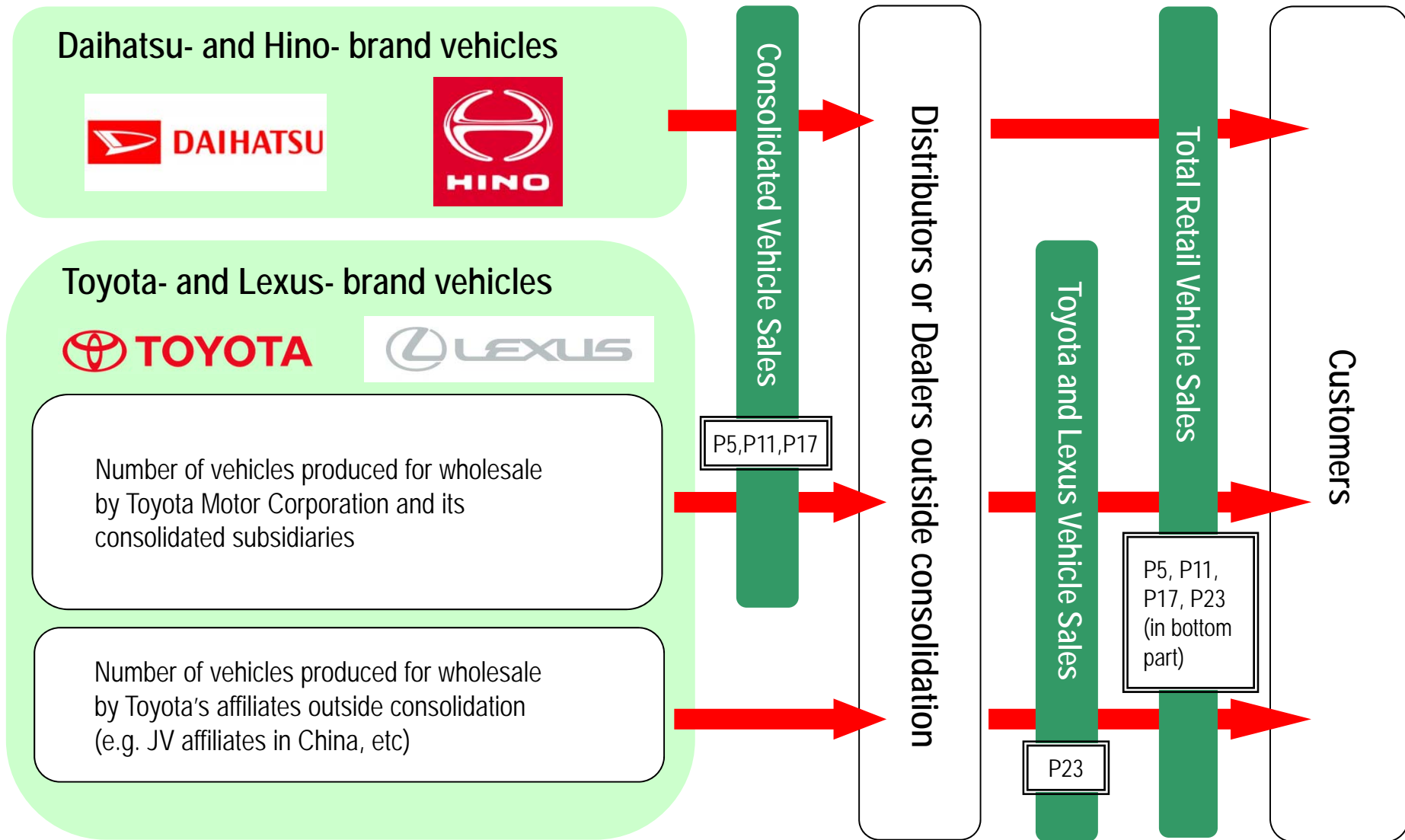
\*1 Including vehicle production by Toyota's affiliates outside consolidation

\*2 Including vehicle sales by Toyota's affiliates outside consolidation

(Reference)

## Definitions of Consolidated and Retail Vehicle Sales

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\*There is a limited number of exceptional cases where sales are made other than in accordance with the flowchart above.