

FY2021 Financial Results



bZ4X

Toyota Motor Corporation
May 12, 2021

Hello everyone, thank you for joining us today. I am Kenta Kon.

We would like to express our heartfelt appreciation to our customers around the world who chose us as well as our shareholders, dealers and suppliers who support us.

Cautionary Statement with Respect to Forward-Looking Statements and Caution concerning Insider Trading

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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 as well as the outbreak and spread of epidemics, including the negative effect on Toyota's vehicle production and sales.

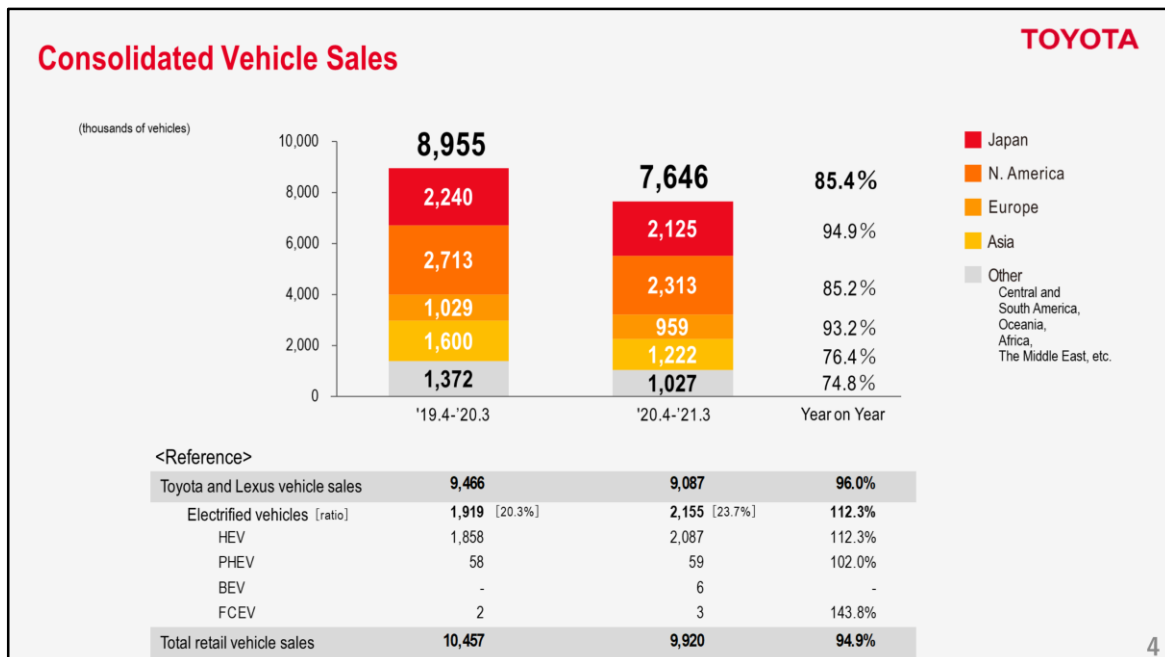
A discussion of these and other factors which may affect Toyota's actual results, performance, achievements or financial position is contained in Toyota's annual report on Form 20-F, which is on file with the United States Securities and Exchange Commission.

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.

FY2021 Financial Performance

Toyota Motor Corporation voluntarily adopted International Financial Reporting Standards (IFRS) from the first quarter of the fiscal year ending March 2021. Therefore, the contents from the next page are described based on IFRS.



Let me discuss our financial results for the fiscal year which ended in March 2021.

Consolidated vehicle sales was at 7 million 646 thousand units, which was 85.4% of such sales of the previous fiscal year.

Toyota and Lexus brand vehicle sales was at 9 million 87 thousand units, which was 96% of such sales of the previous fiscal year.

Due to the spread of COVID-19 in each region, sales volume declined significantly in the 1st half of the fiscal year, but in the 2nd half of the fiscal year, sales volume increased in many regions compared to the previous fiscal year.

In particular, sales of electrified vehicles was at 2 million 155 thousand units, which was 112.3% of the previous fiscal year.

Consolidated Financial Summary

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(billions of yen)

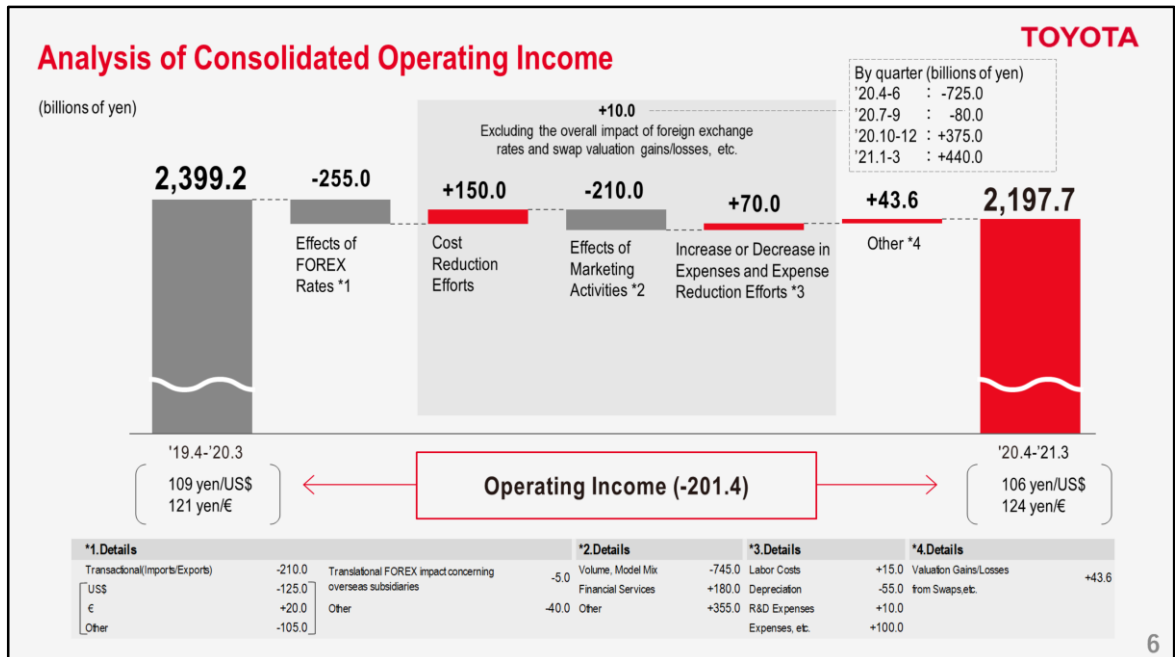
	FY2021 '20.4-'21.3	FY2020 '19.4-'20.3	Change
Sales Revenues	27,214.5	29,866.5	-2,651.9
Operating Income	2,197.7	2,399.2	-201.4
Margin	8.1%	8.0%	
Other Income	734.6	393.7	+340.8
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	351.0 *1	310.2	+40.7
Income before Income Taxes	2,932.3	2,792.9	+139.4
Net Income Attributable to Toyota Motor Corporation	2,245.2	2,036.1	+209.1
Margin	8.3%	6.8%	
FOREX Rates			
US\$	106yen	109yen	-3yen
€	124yen	121yen	+3yen

*1 Regarding Japan: 179.0 (+9.9 billion yen year on year), China: 170.4 (+59.8), Other: 1.4 (-29.0)

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Consolidated financial results for the fiscal year were:

Sales revenue of 27 trillion 214.5 billion yen,
 Operating income of 2 trillion 197.7 billion yen,
 Pre-tax income of 2 trillion 932.3 billion yen
 and
 Net income of 2 trillion 245.2 billion yen.



I would like to explain the factors which impacted operating income year on year.

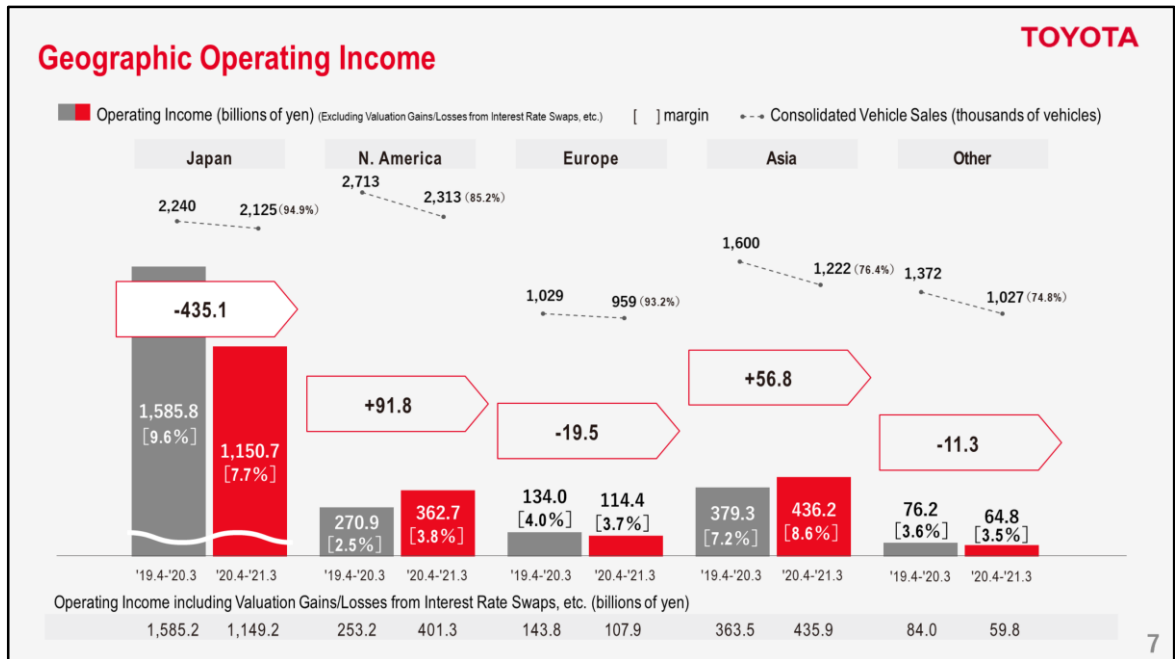
First, the effects of foreign exchange rates decreased operating income by 255 billion yen.

Second, cost reduction efforts increased operating income by 150 billion yen.

Third, the effects of marketing activities decreased operating income by 210 billion yen, largely due to the decrease in sales volume.

Finally, a reduction in expenses increased operating income by 70 billion yen. As a result, excluding the overall impact of foreign exchange rates, swap valuation gains and losses and other factors, operating income increased by 10 billion yen year on year.

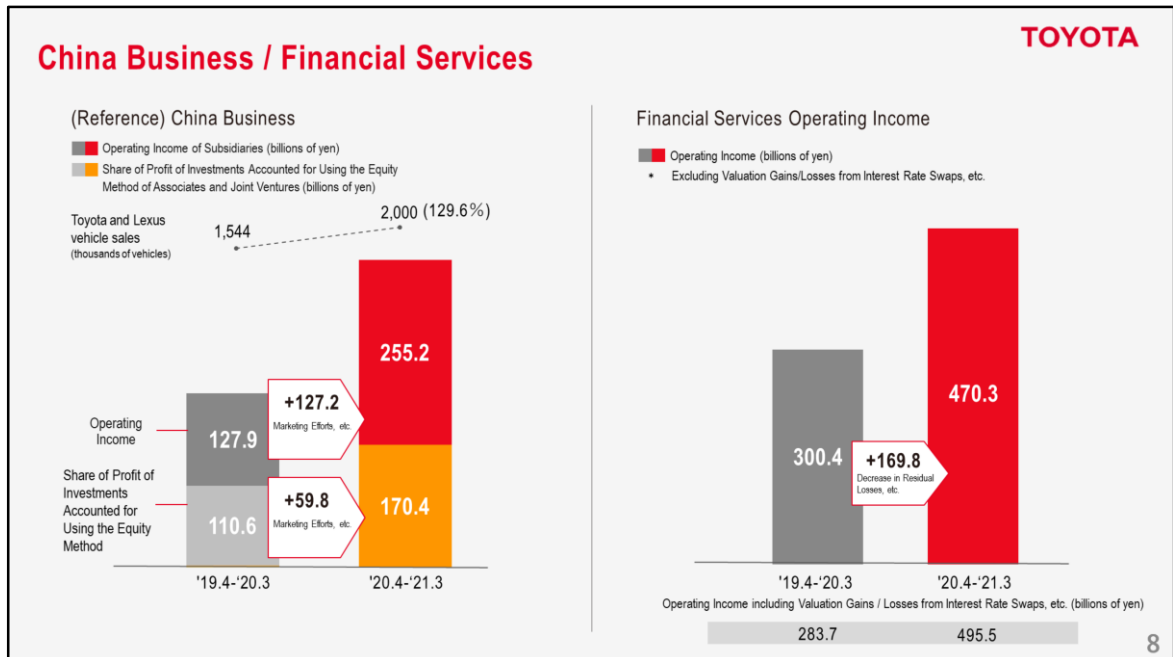
As shown in the top right of the slide, regarding the changes on a quarterly basis, although operating income significantly decreased in the 1st half of the fiscal year, it increased in the 2nd half of the fiscal year.



Next I will explain operating income for each region.

In Japan, Europe and other regions, operating income decreased year on year mainly due to the decrease in sales volume.

On the other hand, in North America and Asia, operating income increased year on year, thanks mainly to marketing efforts and cost reduction efforts.



Next, let me explain our consolidated subsidiaries and equity-method associates and joint ventures in China as well as our Financial Services business.

As for our China business, both operating income of consolidated subsidiaries and our share of profit of investments accounted for using the equity method of associates and joint ventures increased year on year, thanks largely to marketing efforts.

Regarding Financial Services, operating income excluding swap valuation gains and losses increased, thanks to the decrease in costs related to residual value loss and credit loss.

Shareholder Return

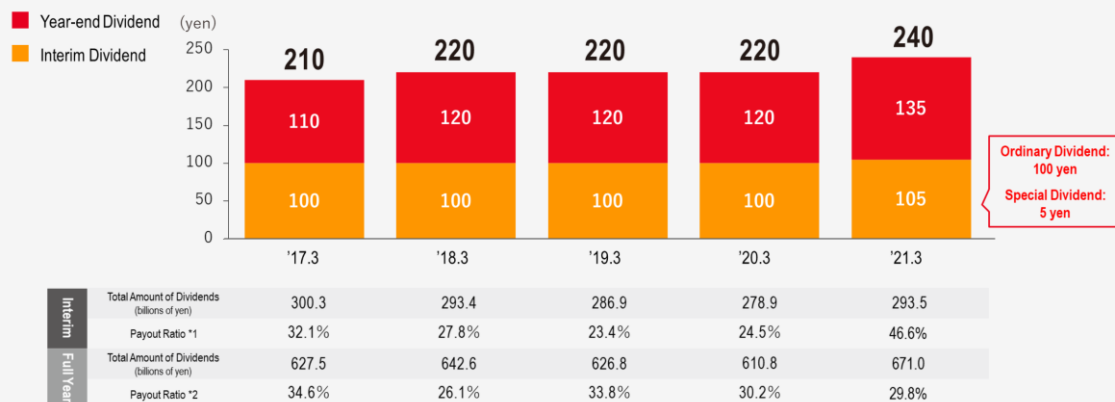
Next, I would like to explain our return to shareholders.

Shareholder Return : Dividends (Common Shares)

'17.3-'19.3 : US GAAP
'20.3-'21.3 : IFRS

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We will continue to aim to pay stable and sustainable dividends while maintaining and improving upon our consolidated dividend payout ratio benchmark of 30%.



*1 Interim Payout Ratio = (Interim dividend per common share) ÷ (Interim net income attributable to Toyota Motor Corporation per common share)
*2 Full Year Payout Ratio = (Full year dividend per common share) ÷ (Full year net income attributable to Toyota Motor Corporation per common share)

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We plan to make a year-end dividend of 135 yen per common share. Together with the interim dividend of 105 yen per common share, which included a special dividend of 5 yen, the annual dividend for the fiscal year will be 240 yen per common share, an increase of 20 yen per common share compared to the previous fiscal year, and the dividend pay-out ratio for the fiscal year will be 29.8%.

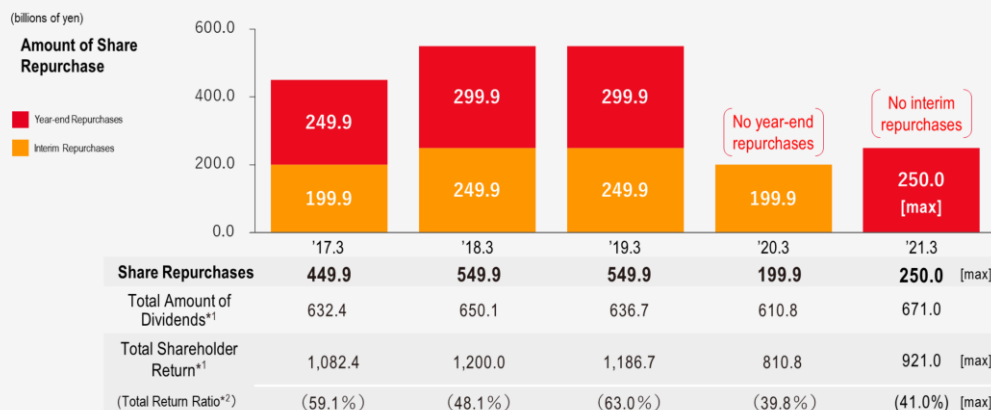
We will continue to aim to pay stable and sustainable dividends while maintaining and improving upon our consolidated dividend payout ratio benchmark of 30%.

Shareholder Return : Share Repurchases

'17.3-'19.3 : US GAAP
'20.3-'21.3 : IFRS

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We will continue to implement share repurchases in a flexible manner, taking into account various factors including investment in growth, dividend levels, liquidity, share price levels, and other factors.



*1 Including dividends on first series Model AA class shares (Excluding dividends on first series Model AA class shares from fiscal year ended March 2020 as a result of applying IFRS)
*2 Total Return Ratio = (Total Shareholder Return) ÷ (Full year net income attributable to Toyota Motor Corporation)

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As for share repurchases, we postponed them for the interim period of the fiscal year ended March 2021 due to the spread of COVID-19. With regard to the year-end shareholder return, we plan to buy back up to 250 billion yen.

We will continue to implement share repurchases in a flexible manner, taking into account various factors including investment in growth, dividend levels, liquidity, share price levels, and other factors.

Stock Split (Common Shares)

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Outline

- Split Ratio : Each share will be divided into 5 shares
- Record Date : September 30, 2021
- Effective Date : October 1, 2021

Purpose

- To reduce the minimum investment price, thereby creating an environment where it is easier to invest in Toyota's shares.

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We will split our common shares at the ratio of 5 shares for each share with the record date of September 30, 2021.

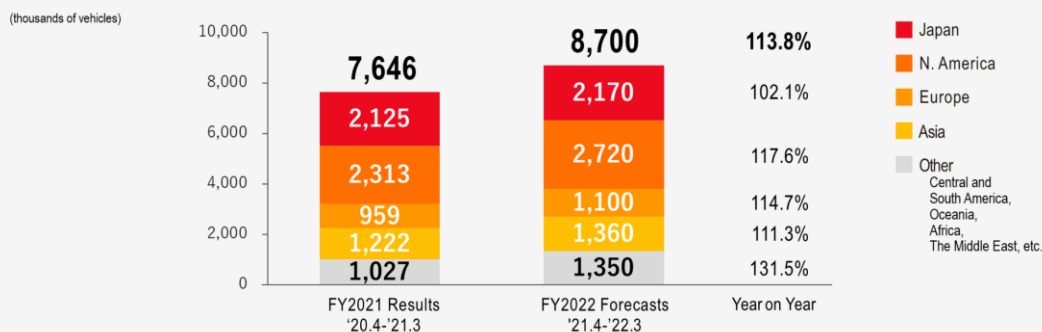
The purpose of the stock split is to reduce the minimum investment price, thereby creating an environment where it is easier to invest in our shares.

FY2022 Financial Forecasts

Now, let us move on to discuss the forecasts for the fiscal year ending March 2022.

FY2022 Forecasts: Consolidated Vehicle Sales

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<Reference>

Toyota and Lexus vehicle sales	9,087	9,600	105.6%
Electrified vehicles [ratio]	2,155 [23.7%]	2,800 [29.2%]	129.9%
HEV	2,087	2,670	128.0%
PHEV	59	100	168.2%
BEV	6	20	349.6%
FCEV	3	10	301.2%
Total retail vehicle sales	9,920	10,550	106.4%

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Consolidated vehicle sales for the fiscal year ending March 2022 are expected to be 8 million 700 thousand units, which is 113.8% of such sales of the previous fiscal year. Vehicle sales are expected to increase in each region.

Toyota and Lexus brand vehicle sales are expected to be 9 million 600 thousand units, which is 105.6% of such sales of the previous fiscal year.

As for electrified vehicles, we will continue to further enhance our product lineup to meet customer needs in each region and expect to sell 2 million 800 thousand units, which is 129.9% compared to the previous fiscal year. We anticipate that the ratio of electrified vehicles will increase up to 29.2%.

Toward carbon-neutrality, we are working to develop a full line of products that meet the needs of each region, and that can be chosen by customers in those regions.

FY2022 Forecasts: Consolidated Financial Summary

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(billions of yen)

	FY2022 Forecasts '21.4-'22.3	FY2021 Results '20.4-'21.3	Change
Sales Revenues	30,000.0	27,214.5	+2,785.5
Operating Income	2,500.0	2,197.7	+302.3
Margin	8.3%	8.1%	
Other Income	610.0	734.6	-124.6
<small>Share of Profit (Loss) of Investments Accounted for Using the Equity Method</small>	<small>430.0</small>	<small>351.0</small>	<small>+79.0</small>
Income before Income Taxes	3,110.0	2,932.3	+177.7
Net Income Attributable to Toyota Motor Corporation	2,300.0	2,245.2	+54.8
Margin	7.7%	8.3%	
FOREX Rates			
US\$	105yen	106yen	-1yen
€	125yen	124yen	+1yen

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Next, let me explain the full-year consolidated financial performance.

We have assumed the foreign exchange rates to be 105 yen per U.S. dollar and 125 yen per euro.

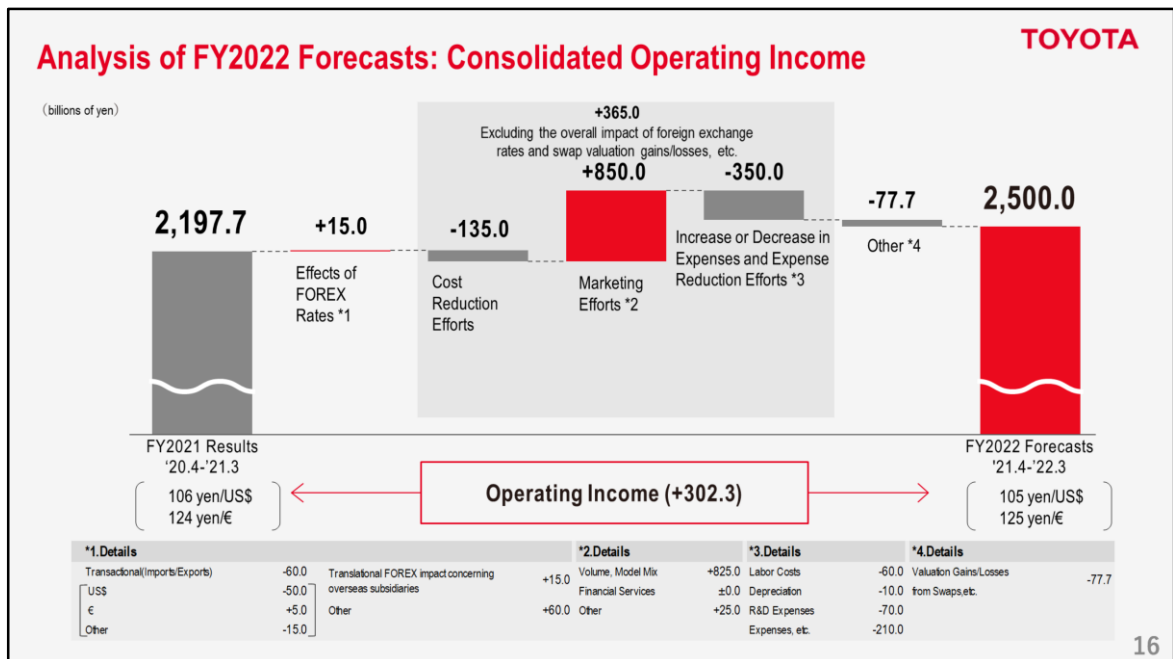
Based on this, our forecasts of consolidated financial performance are:

Net revenue of 30 trillion yen

Operating income of 2 trillion 500 billion yen

Pre-tax income of 3 trillion 110 billion yen
and

Net income of 2 trillion 300 billion yen.



I would like to explain the factors which will impact operating income year on year.

Firstly, we anticipate that cost reduction efforts will decrease operating income by 135 billion yen, largely due to the significant negative impact of increased prices of materials, despite the planned improvement of around 300 billion yen on a gross basis.

Secondly, we anticipate that marketing efforts will increase operating income by 850 billion yen, mainly due to an increase in sales volume.

Thirdly, we anticipate that an increase in expenses will decrease operating income by 350 billion yen. This is because we are investing more resources than ever in carbon neutrality and digitalization.

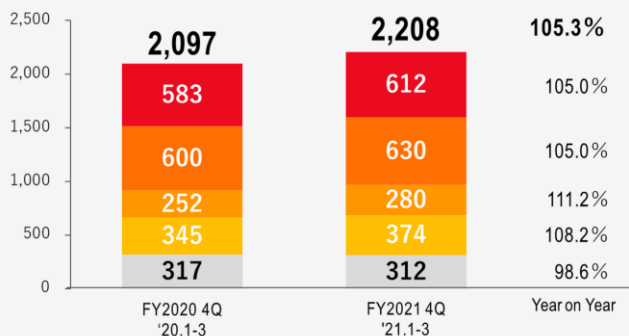
As a result, excluding the overall impact of foreign exchange rates, swap valuation gains and losses and other factors, operating income is expected to increase by 365 billion yen.

We will further improve our earnings structure, which we have been strengthening through the transformation of the way we work, and actively invest in the future to accelerate our efforts to transform into a mobility company.

This concludes my presentation. Thank you for your attention.

(Reference) Consolidated Vehicle Sales (FY2021 4Q)

(thousands of vehicles)



<Reference>

Toyota and Lexus vehicle sales	2,065	2,460	119.1%
Electrified vehicles [ratio]	443 [19.1%]	639 [23.6%]	144.1%
HEV	433	614	141.7%
PHEV	10	21	212.2%
BEV	-	2	-
FCEV	0	2	489.4%
Total retail vehicle sales	2,317	2,708	116.9%

(Reference) Consolidated Financial Summary (FY2021 4Q)

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(billions of yen)

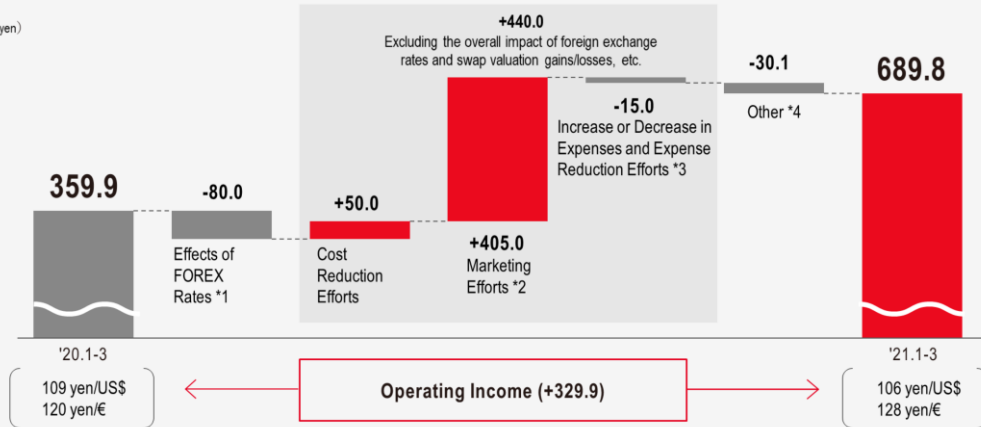
	FY2021 4Q 21.1-3	FY2020 4Q 20.1-3	Change
Sales Revenues	7,689.3	6,899.3	+789.9
Operating Income	689.8	359.9	+329.9
Margin	9.0%	5.2%	
Other Income	372.5	39.2	+333.2
<small>Share of Profit (Loss) of Investments Accounted for Using the Equity Method</small>	<small>149.5 *1</small>	<small>34.5</small>	<small>+115.0</small>
Income before Income Taxes	1,062.3	399.1	+663.1
Net Income Attributable to Toyota Motor Corporation	777.1	327.3	+449.8
Margin	10.1%	4.7%	
FOREX Rates			
US\$	106yen	109yen	-3yen
€	128yen	120yen	+8yen

*1 Regarding Japan: 91.9 (+88.1 billion yen year on year), China: 56.5 (+34.8), Other: 1.0 (-8.0)

(Reference) Analysis of Consolidated Operating Income (FY2021 4Q)

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(billions of yen)

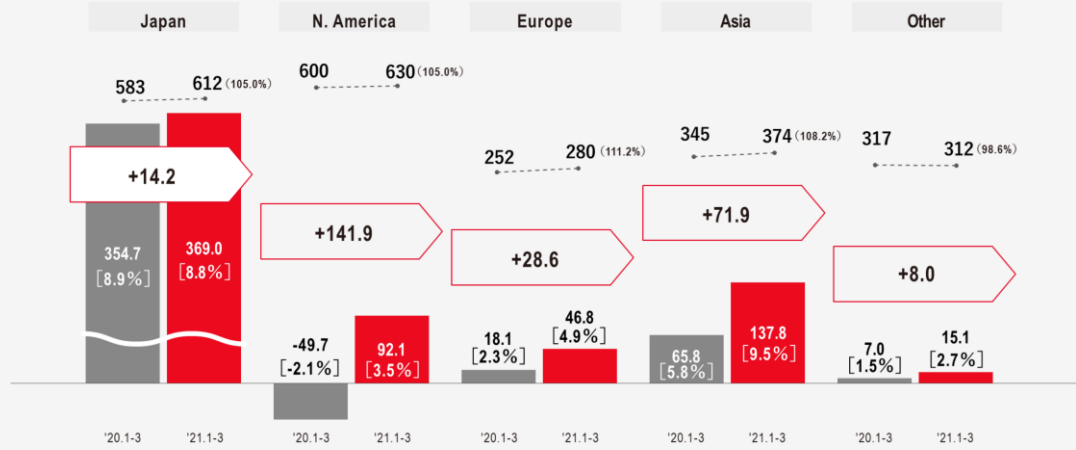


*1.Details		*2.Details		*3.Details		*4.Details	
Transaccional(Imports/Exports)	-30.0	Translational FOREX impact concerning overseas subsidiaries	+10.0	Volume, Model Mix	+140.0	Labor Costs	+20.0
US\$	-35.0			Financial Services	+120.0	Depreciation	-15.0
€	+10.0	Other	-60.0	Other	+145.0	R&D Expenses	-30.0
Other	-5.0					Expenses, etc.	+10.0
						Valuation Gains/Losses from Swaps, etc.	-30.1

(Reference) Geographic Operating Income (FY2021 4Q)

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■ Operating Income (billions of yen) (Excluding Valuation Gains/Losses from Interest Rate Swaps, etc.) [] margin ← Consolidated Vehicle Sales (thousands of vehicles)



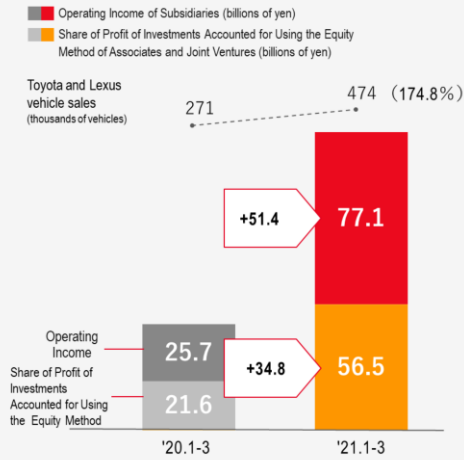
Operating Income including Valuation Gains/Losses from Interest Rate Swaps, etc. (billions of yen)

355.4	368.3	-70.7	69.6	24.2	45.3	62.2	144.3	14.1	16.4
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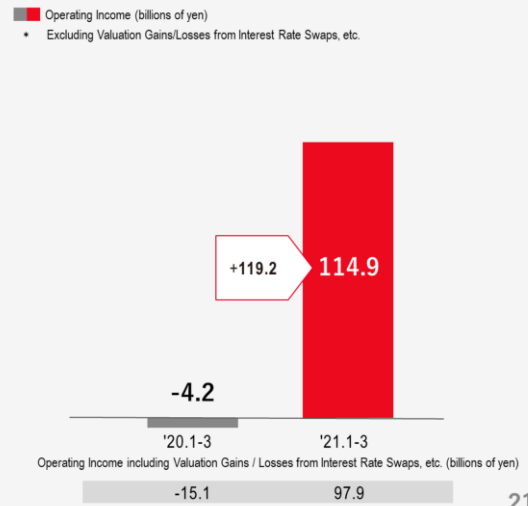
(Reference) China Business / Financial Services (FY2021 4Q)

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(Reference) China Business



Financial Services Operating Income

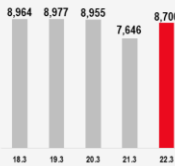


(Reference) Transition of Financial Performance

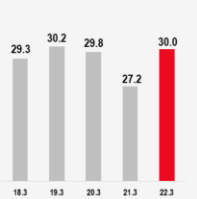
*18.3-'19.3 : US GAAP
*20.3-'22.3 : IFRS

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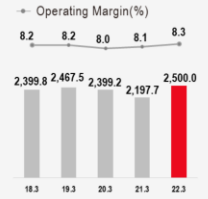
Consolidated Vehicle Sales
(thousands of vehicles)



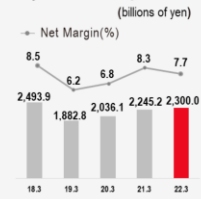
Sales Revenues (trillions of yen)



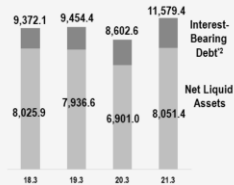
Operating Income (billions of yen)



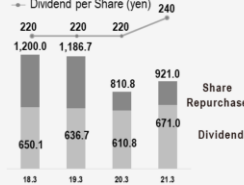
Net Income Attributable to Toyota Motor Corporation
(billions of yen)



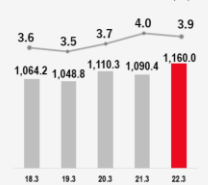
Total Liquid Assets*¹
(billions of yen)



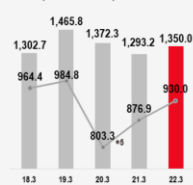
Total Shareholder Return*³
(billions of yen)



R&D Expenses*⁴ (billions of yen)



Capital Expenditures (billions of yen)



*1 Cash and cash equivalents, time deposits, public and corporate bonds and its investment in monetary trust funds, excluding in each case those relating to financial services. *2 Not including lease liabilities

*3 Including dividends on first series Model AA class shares (Excluding dividends on first series Model AA class shares from fiscal year ended March 2020 as a result of applying IFRS)

*4 R&D activity related expenditures incurred during the reporting period *5 Change in depreciation method from 20/3

■ Forecast

(Reference) FY2022 Forecasts: Vehicle Production and Retail Sales

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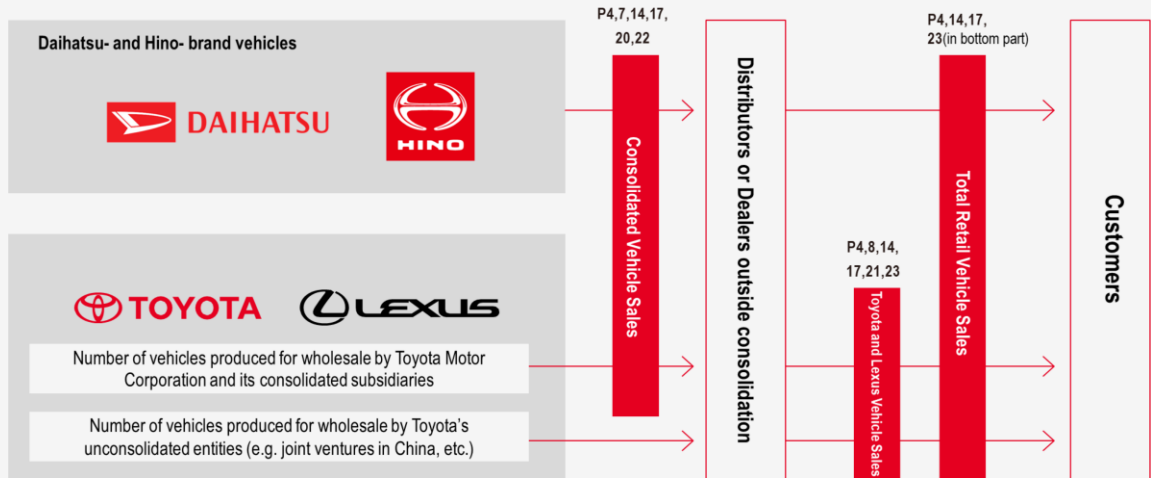
(thousands of vehicles)

			FY2022 Forecasts '21.4 - '22.3	FY2021 Results '20.4 - '21.3	Change
Toyota & Lexus	Vehicle Production *1	Japan	3,200	2,919	+281
		Overseas	6,100	5,264	+836
		Total	9,300	8,183	+1,117
	Retail Vehicle Sales *2	Japan	1,540	1,538	+2
		Overseas	8,060	7,549	+511
		Total	9,600	9,087	+513
Total Retail Vehicle Sales*2 (Including Daihatsu- & Hino- brand)			10,550	9,920	+630

*1 Including vehicle production by Toyota's unconsolidated entities

*2 Including vehicle sales by Toyota's unconsolidated entities

(Reference) Definitions of Consolidated and Retail Vehicle Sales



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