

# FY2022 First Quarter Financial Results



Toyota Motor Corporation  
August 4, 2021

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

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.

## FY2022 First Quarter Summary

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- The first quarter results were the result of **maintaining stable sales and supply together with our suppliers and dealerships**, despite the semiconductor shortage and spread of COVID-19. This was based on improvements in the competitiveness of our products that were achieved through “Making Ever-better Cars” initiatives. We have also continued and improved upon the efficient ways of working during the COVID-19 crisis.
- **The forecast of consolidated financial result is unchanged** from the initial forecasts due to uncertainties in and after the second quarter. Going forward, **we will continue to accelerate our transformation into a Mobility Company** by both improving our earnings structure and aggressively investing in the future.

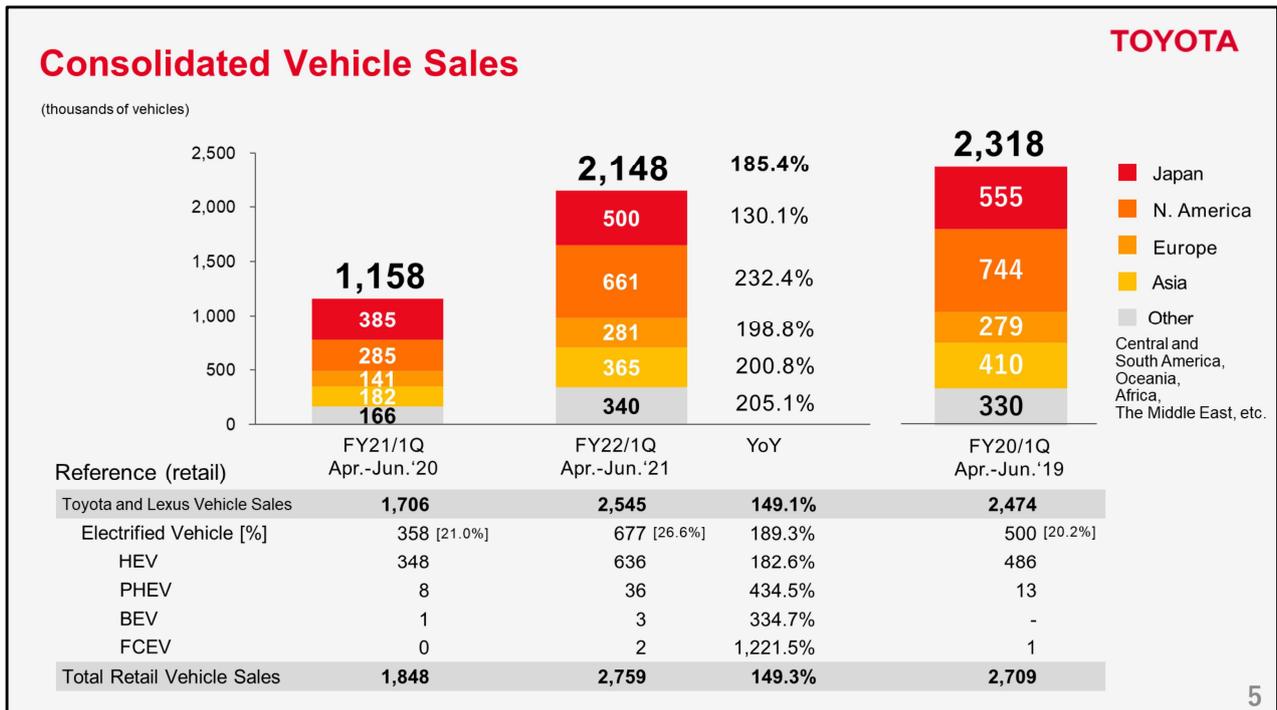
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I would like to explain the summary for the first quarter of this fiscal year.

The first quarter results were the result of maintaining stable sales and supply together with our suppliers and dealerships, despite the semiconductor shortage and spread of COVID-19. This was based on improvements in the competitiveness of our products that were achieved through “Making Ever-better Cars” initiatives. We have also continued and improved upon the efficient ways of working during the COVID-19 crisis.

The forecast of consolidated financial result is unchanged from the initial forecasts due to uncertainties in and after the second quarter. Going forward, we will continue to accelerate our transformation into a Mobility Company by both improving our earnings structure and aggressively investing in the future.

# **FY2022 First Quarter Financial Performance**



Let me discuss our financial results for the first quarter ended June 2021.

Consolidated vehicle sales was at 2 million 148 thousand units, which was 185.4% of such sales for the first quarter of the previous fiscal year.

Toyota and Lexus brand vehicle sales was at 2 million 545 thousand units, which was 149.1% of such sales for the first quarter of the previous fiscal year.

Sales volume recovered to a level close to that of 2019, the year before the COVID-19 outbreak, despite the severe business environment due to semiconductor shortage and spread of COVID-19 in emerging countries.

The ratio of electrified vehicles also increased steadily.

## Consolidated Financial Summary

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| (billions of yen)  | FY21/1Q<br>Apr.-Jun.'20 | FY22/1Q<br>Apr.-Jun.'21 | Change          | FY20/1Q<br>Apr.-Jun.'19 |
|--|-------------------------|-------------------------|-----------------|-------------------------|
| <b>Sales Revenues</b>  | <b>4,600.7</b>          | <b>7,935.5</b>          | <b>+3,334.7</b> | <b>7,721.2</b>          |
| <b>Operating Income</b>  | <b>13.9</b>             | <b>997.4</b>            | <b>+983.5</b>   | <b>740.6</b>            |
| Margin   | 0.3%                    | 12.6%                   |                 | 9.6%                    |
| <b>Other Income</b>  | <b>104.3</b>            | <b>259.7</b>            | <b>+155.4</b>   | <b>110.3</b>            |
| Share of Profit (Loss) of Investments<br>Accounted for Using the Equity Method | -12.5                   | 161.4 <sup>*1</sup>     | +174.0          | 104.7                   |
| <b>Income before Income Taxes</b>  | <b>118.2</b>            | <b>1,257.2</b>          | <b>+1,138.9</b> | <b>850.9</b>            |
| <b>Net Income Attributable to<br/>Toyota Motor Corporation</b>                 | <b>158.8</b>            | <b>897.8</b>            | <b>+738.9</b>   | <b>619.1</b>            |
| Margin   | 3.5%                    | 11.3%                   |                 | 8.0%                    |
| FOREX Rates  |                         |                         |                 |                         |
| US\$   | 108 yen                 | 110 yen                 | +2 yen          | 110 yen                 |
| €  | 119 yen                 | 132 yen                 | +13 yen         | 123 yen                 |

\*1 Regarding Japan: 120.3 (+177.4 year on year), China: 43.9 (+2.6 year on year), Other: -2.8 (-5.9 year on year)

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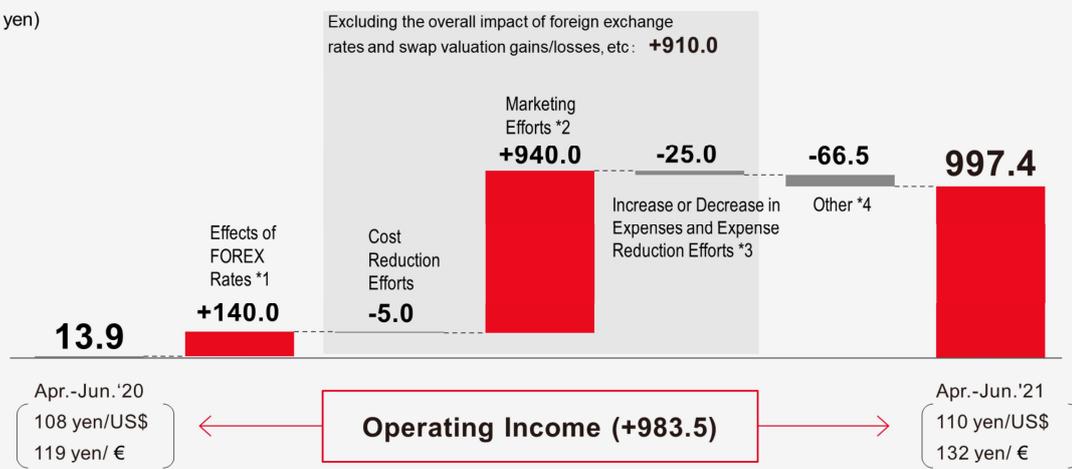
Consolidated financial results for the first quarter of this fiscal year were:

Sales revenues of 7 trillion 935.5 billion yen,  
Operating income of 997.4 billion yen,  
Income before income taxes of 1 trillion 257.2 billion yen and  
Net income of 897.8 billion yen.

# Analysis of Consolidated Operating Income

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(billions of yen)



| *1 Details                      |        | *2 Details  |       | *3 Details         |        | *4 Details                                |       |
|---------------------------------|--------|---|-------|--------------------|--------|---|-------|
| Transactional (Imports/Exports) | +120.0 | Translational FOREX Impact Concerning Overseas Subsidiaries                                       | +30.0 | Volume, Model Mix  | +775.0 | Labor Cost                                | -5.0  |
| - US \$                         | +20.0  | Other   | -10.0 | Financial Services | +85.0  | Depreciation                              | -15.0 |
| - €                             | +20.0  | (Translational FOREX Impact of Fiscal Year-end Balance of Provisions in Foreign Currencies, etc.) |       | Other              | +80.0  | R&D Expenses                              | ±0.0  |
| - Other                         | +80.0  |   |       |                    |        | Expenses, etc.                            | -5.0  |
|                                 |        |   |       |                    |        | Valuation Gains / Losses from Swaps, etc. | -66.5 |

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

First, the effects of foreign exchange rates increased operating income by 140 billion yen.

Second, cost reduction efforts decreased operating income by 5 billion yen due to the impact of soaring material prices.

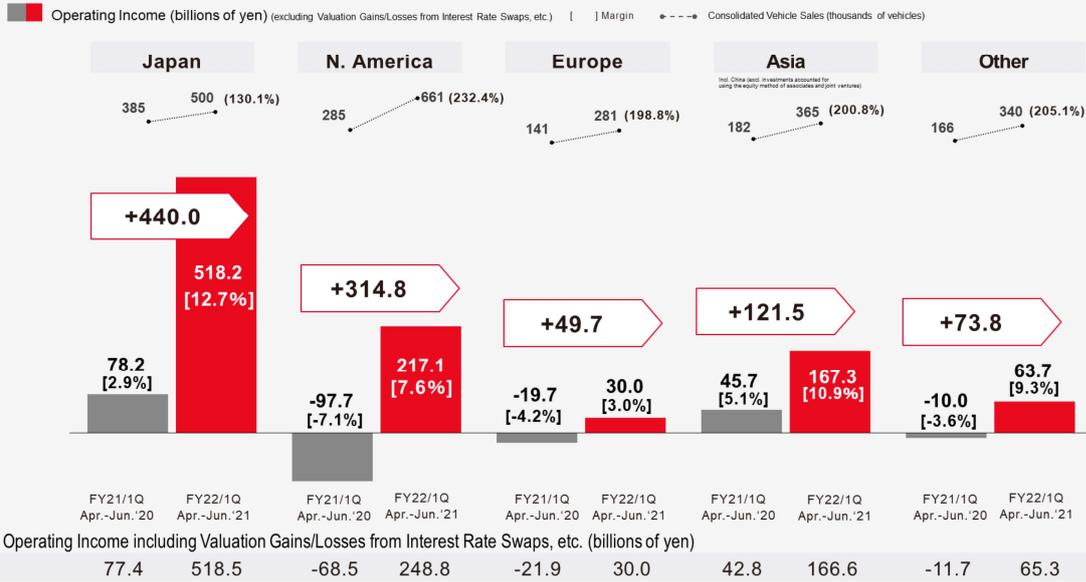
Third, marketing efforts increased operating income by 940 billion yen, largely due to the increase in sales volume and improved earnings in the financial services business.

Finally, an increase in expenses decreased operating income by 25 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 910 billion yen year on year.

# Geographic Operating Income

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Next I will explain operating income for each region.

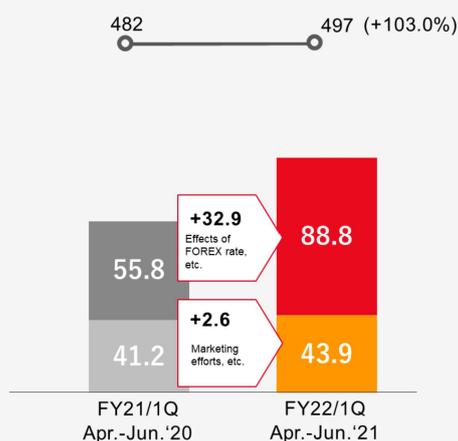
As shown, operating income increased year on year or returned to profitability in all regions, largely due to the increase in sales volume.

## China Business / Financial Services

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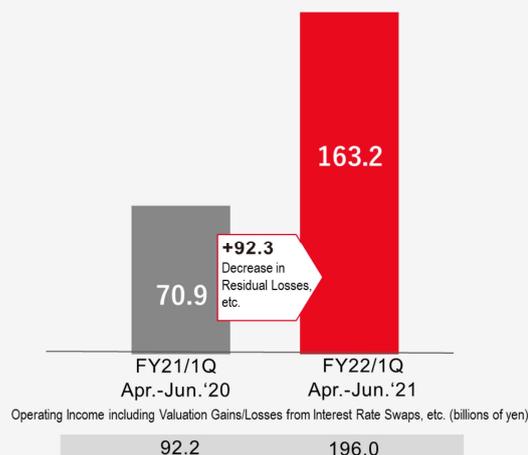
### (Ref.) China Business

- Operating Income of Subsidiaries (billions of yen)
- Share of Profit of Investments Accounted for Using the Equity Method of Associates and Joint Ventures (billions of yen)
- Toyota and Lexus Vehicle Retail Sales (thousands of vehicles)



### Financial Services

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



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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, operating income of consolidated subsidiaries increased year on year due to the impact of foreign exchange rate, and our share of profit of investments accounted for using the equity method increased year on year, thanks to the impact of marketing efforts.

Regarding Financial Services, operating income excluding swap valuation gains and losses for the fiscal year increased year on year. This was mainly due to the decrease in costs related to residual value loss and credit loss.

## (Reference) Analysis of Consolidated Operating Income (vs '19/4-6) **TOYOTA**

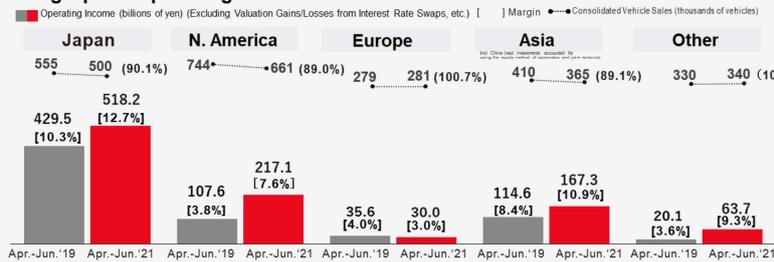
### Consolidated Operating Income



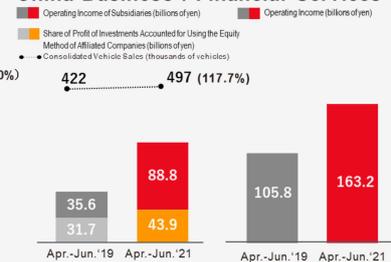
\*The analysis is a simple aggregate of the changes in the April-June 2019 and 2020 periods, and the April-June 2020 and 2021 periods.

| *1 Details                                |        |   |       |
|---|--------|---|-------|
| Transactional (Imports/Exports)           | +60.0  | Translational FOREX Impact  | +30.0 |
| - US \$                                   | +5.0   | Concerning Overseas Subsidiaries  |       |
| - €                                       | +15.0  | Other   | -25.0 |
| - Other                                   | +40.0  | (Translational FOREX impact of fiscal year-end balance of provisions in foreign currencies, etc.) |       |
| *2 Details                                |        | *3 Details  |       |
| Volume, Model Mix                         | -120.0 | Labor Cost  | +10.0 |
| Financial Services                        | +55.0  | Depreciation  | -35.0 |
| Other                                     | +195.0 | R&D Expenses  | +20.0 |
|   |        | Expenses, etc.  | +55.0 |
| *4 Details                                |        |   |       |
| Valuation Gains / Losses from Swaps, etc. | +6.8   |   |       |

### Geographic Operating Income



### China Business / Financial Services



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As a reference,

I would like to explain the factors that impacted operating income compared to the same period in 2019, the fiscal year before the COVID-19 outbreak.

Although consolidated sales volume decreased, excluding the impact of foreign exchange rates, swap valuation gains and losses and other factors, operating income increased by 185 billion yen year on year due to marketing efforts, such as those relating to the financial services business as well as reductions in selling expenses, in addition to efforts to reduce other expenses, confirming that the company strengthened its earnings structure through the COVID-19 crisis.

(Reference)

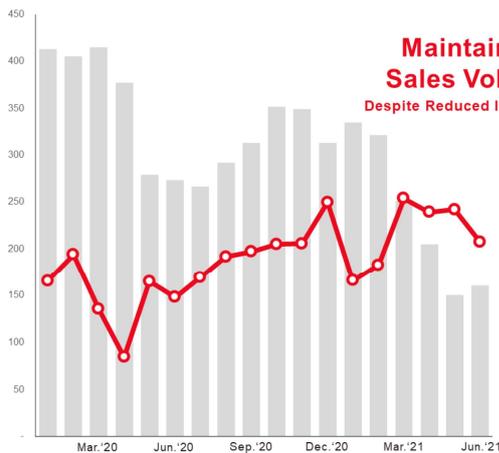
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## Sales Efforts under the Limited Inventory Condition (Example of the US Market)

### Toyota's Sales and Inventory

Inventory \*1 Vehicle Sales

(thousands of vehicles)

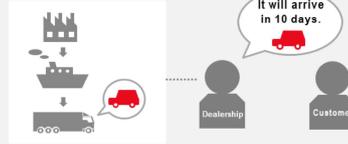


\*1 Source: Toyota Motor North America, Inc.  
Total local stock (excluding State of Hawaii)

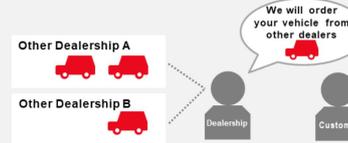


Sharing accurate demand and supply information with dealerships and strong relationships with them led to the solid sales performance

#### Example: Pre-orders from total pipeline



#### Example: Inventory trades from other dealerships



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I would like to explain the sales efforts under the limited inventory condition in the U.S. as a topic for this announcement.

In the U.S., vehicle inventory has remained quite low since the middle of 2020 due to rapid recovery in demand.

And it has further declined in 2021 due to a shortage of semiconductors, severe cold weather and other multiple factors.

However, Toyota's sales volume has been performing well so far under such challenging environments due to our competitiveness in products, efforts in supply chain, and sales operation.

In the U.S., it is common for dealerships to sell vehicles from their ground stock.

However, we are sharing accurate in-coming supply information and our dealerships can sell vehicles from the pipeline.

Our dealerships are also allowed to trade or transfer vehicles from other dealerships by themselves so that they can deliver them to our customers in time.

We have tried many KAIZEN (improvement) activities on our sales operation for many years, which have strengthened our relationships with dealers. And it enabled us to keep offering more options to our customers though our inventory has been limited.

# FY2022 Financial Forecasts

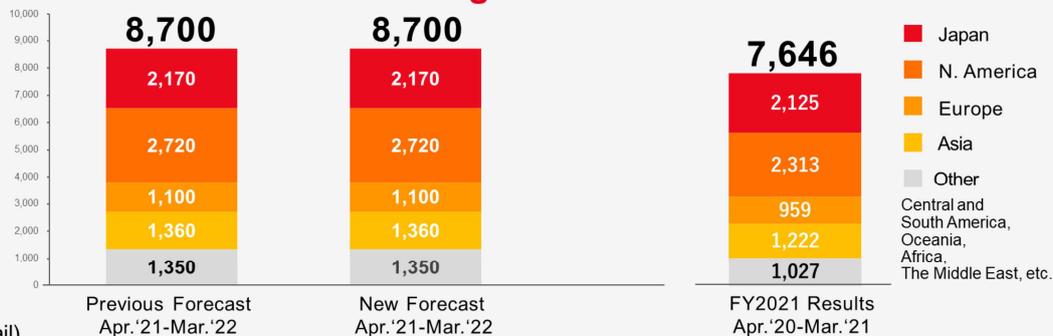
Now, let us move on to discuss the forecasts for the full fiscal year ending March 2022.

## FY2022 Forecasts: Consolidated Vehicle Sales

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(thousands of vehicles)

No change



Reference (retail)

|                                   | Previous Forecast<br>Apr. '21-Mar. '22 | New Forecast<br>Apr. '21-Mar. '22 | FY2021 Results<br>Apr. '20-Mar. '21 |
|-----------------------------------|--|-----------------------------------|-------------------------------------|
| Toyota and Lexus Vehicle Sales    | 9,600                                  | 9,600                             | 9,087                               |
| Electrified Vehicles [%]          | 2,800 [29.2%]                          | 2,800 [29.2%]                     | 2,155 [23.7%]                       |
| HEV                               | 2,670                                  | 2,670                             | 2,087                               |
| PHEV                              | 100                                    | 100                               | 59                                  |
| BEV                               | 20                                     | 20                                | 6                                   |
| FCEV                              | 10                                     | 10                                | 3                                   |
| <b>Total Retail Vehicle Sales</b> | <b>10,550</b>                          | <b>10,550</b>                     | <b>9,920</b>                        |

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The forecasts of consolidated vehicle sales and Toyota and Lexus brand vehicle sales remain unchanged from those announced in May.

## FY2022 Forecasts: Consolidated Financial Summary

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(billions of yen)

|  | Previous Forecast<br>Apr.'21-Mar.'22 | <b>No change</b><br>New Forecast<br>Apr.'21-Mar.'22 | Change | FY2021 Results<br>Apr.'20-Mar.'21 |
|--|--------------------------------------|---|--------|-----------------------------------|
| <b>Sales Revenues</b>  | <b>30,000.0</b>                      | <b>30,000.0</b>                                     | ±0     | <b>27,214.5</b>                   |
| <b>Operating Income</b>  | <b>2,500.0</b>                       | <b>2,500.0</b>                                      | ±0     | <b>2,197.7</b>                    |
| Margin   | 8.3%                                 | 8.3%  | -      | 8.1%                              |
| <b>Other Income</b>  | <b>610.0</b>                         | <b>610.0</b>  | ±0     | <b>734.6</b>                      |
| Share of Profit (Loss) of Investments<br>Accounted for Using the Equity Method | 430.0                                | 430.0   | ±0     | 351.0                             |
| <b>Income before Income Taxes</b>  | <b>3,110.0</b>                       | <b>3,110.0</b>                                      | ±0     | <b>2,932.3</b>                    |
| <b>Net Income Attributable to<br/>Toyota Motor Corporation</b>                 | <b>2,300.0</b>                       | <b>2,300.0</b>                                      | ±0     | <b>2,245.2</b>                    |
| Margin   | 7.7%                                 | 7.7%  | -      | 8.3%                              |
| FOREX Rates  |                                      |   |        |                                   |
| US \$  | 105 yen                              | 105 yen   | -      | 106 yen                           |
| €  | 125 yen                              | 125 yen   | -      | 124 yen                           |

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The forecast for consolidated financial results is also unchanged from the May forecast.

In the first quarter, we have seen the results of our improvement activities, despite the severe business environment.

We will continue these activities in the future, but the situation is still unpredictable due to the expansion of COVID-19 in emerging countries, semiconductor shortage, and soaring material prices.

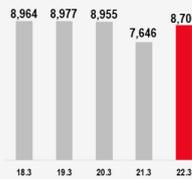
Going forward, we will continue to accelerate our transformation into a Mobility Company by both further improving our earnings structure and aggressively investing in the future.

# (Reference) Transition of Financial Performance

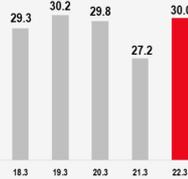
'18/3 - '19/3 : US GAAP  
'20/3 - '22/3 : IFRS

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**Consolidated Vehicle Sales**  
(thousands of vehicles)



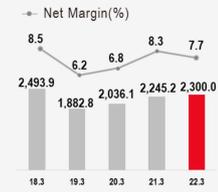
**Sales Revenues** (trillions of yen)



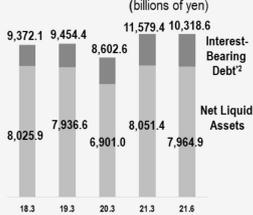
**Operating Income** (billions of yen)



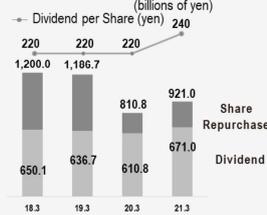
**Net Income Attributable to Toyota Motor Corporation**  
(billions of yen)



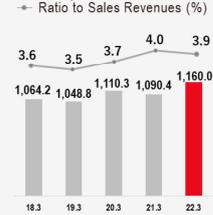
**Total Liquid Assets**\*1  
(billions of yen)



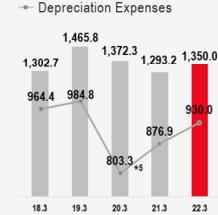
**Total Shareholder Return**\*3  
(billions of yen)



**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)

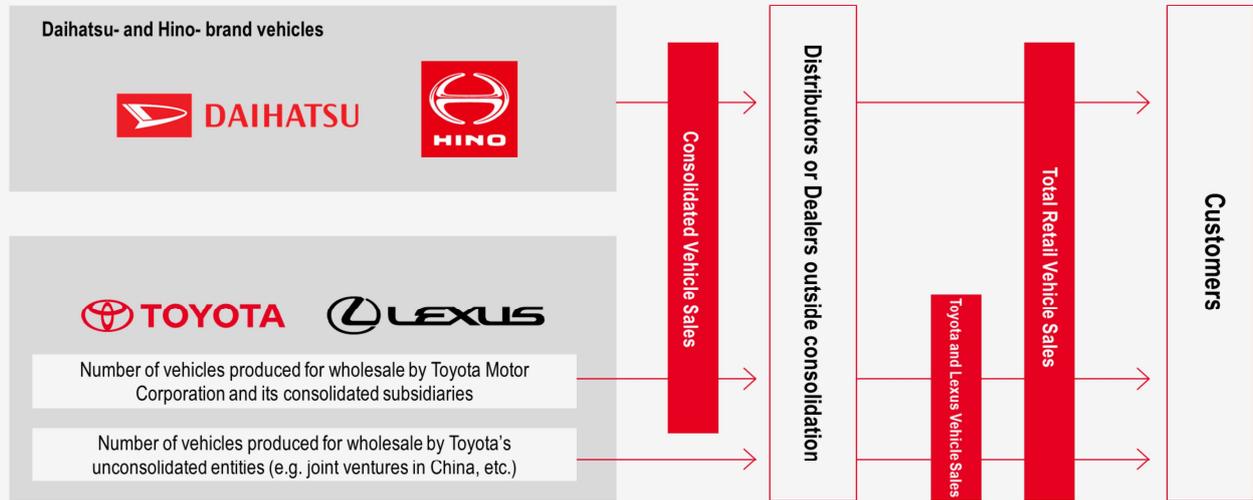
**No change**

|   |                            | Previous Forecast<br>Apr.'21-Mar.'22 | New Forecast<br>Apr.'21-Mar.'22 | Change | FY2021 Results<br>Apr.'20-Mar.'21 |
|---|----------------------------|--------------------------------------|---------------------------------|--------|-----------------------------------|
| Toyota & Lexus  | Vehicle Production<br>*1   | Japan                                | 3,200                           | ± 0    | 2,919                             |
|   |                            | Overseas                             | 6,100                           | ± 0    | 5,264                             |
|   |                            | Total                                | 9,300                           | ± 0    | 8,183                             |
|   | Retail Vehicle Sales<br>*2 | Japan                                | 1,540                           | ± 0    | 1,538                             |
|   |                            | Overseas                             | 8,060                           | ± 0    | 7,549                             |
|   |                            | Total                                | 9,600                           | ± 0    | 9,087                             |
| Total Retail Vehicle Sales*2<br>(Including Daihatsu- & Hino- brand) |                            | 10,550                               | 10,550                          | ± 0    | 9,920                             |

\*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.