

FINANCIAL SUMMARY

FY2005 First Quarter

(April 1, 2004 through June 30, 2004)

English translation from the original Japanese-language document

TOYOTA MOTOR CORPORATION

Note: This report contains summarized and condensed financial statements prepared in accordance with accounting principles generally accepted in the United States of America.

BUSINESS RESULTS

(All financial information has been prepared in accordance with accounting principles generally accepted in the United States of America)

1. Summary of Consolidated Financial Results of FY2005 First Quarter

Financial Results

Domestic vehicle sales decreased by 5 thousand units, or 0.9%, to 538 thousand units in FY2005 first quarter (three-month period from April 1, 2004 to June 30, 2004) compared with FY2004 first quarter, amidst the harsh conditions of a market downturn compared to the same period of the previous fiscal year. However, the market share of Toyota brand vehicles excluding minivehicles reached 46.1% in FY2005 first quarter, as a result of the active introduction of new models and the effect from the new Netz channel which began operations in May, and the share including minivehicles was 41.6% in FY2005 first quarter due to the preferable sales of Daihatsu and Hino brand vehicles, both figures exceeding those in FY2004 first quarter. Meanwhile, overseas vehicle sales increased by 202 thousand units, or 19.3%, to 1,253 thousand units in FY2005 first quarter compared with FY2004 first quarter, as a result of increased vehicle units sold in all regions, mainly due to the introduction of new products that met local customer needs worldwide. As a result, total vehicle sales in Japan and overseas increased by 197 thousand units, or 12.4%, to 1,791 thousand units in FY2005 first quarter compared with FY2004 first quarter.

Net revenues increased by 417.4 billion yen, or 10.2%, to 4,510.3 billion yen in FY2005 first quarter compared with FY2004 first quarter, and operating income increased by 107.9 billion yen, or 31.6%, to 448.6 billion yen in FY2005 first quarter compared with FY2004 first quarter. Among the factors contributing to the increase in operating income of 210.0 billion yen, marketing efforts accounted for 170.0 billion yen and cost reduction efforts for 40.0 billion yen. On the other hand, factors contributing to the decrease in operating income of 102.1 billion yen primarily included the effects of changes in exchange rates of 70.0 billion yen and increases in expenses of 32.1 billion yen. Income before income taxes, minority interest and equity in earnings of affiliated companies increased by 99.2 billion yen, or 26.7%, to 470.4 billion yen in FY2005 first quarter compared with FY2004 first quarter. Net income increased by 64.1 billion yen, or 28.8%, to 286.6 billion yen in FY2005 first quarter compared with FY2004 first quarter.

2. Consolidated Financial Results of FY2005 First Quarter by Segment

(1) Segment Operating Results

Automotive:

Net revenues for the automotive operations increased by 401.3 billion yen, or 10.6%, to 4,199.8 billion yen in FY2005 first quarter compared with FY2004 first quarter, and operating income increased by 69.9 billion yen, or 20.9%, to 403.8 billion yen in FY2005 first quarter compared with FY2004 first quarter. The increase in operating income was mainly due to substantial increases in both production volume and vehicle units sold as well as cost reduction efforts made by TMC and its subsidiaries.

Financial services:

Net revenues for the financial services operations decreased by 3.1 billion yen, or 1.7%, to 180.9 billion yen in FY2005 first quarter compared with FY2004 first quarter, while operating income increased by 35.6 billion yen, or 330.1%, to 46.2 billion yen in FY2005 first quarter compared with FY2004 first quarter. The increase in operating income was mainly due to solid performance as a result of an increase in financing volumes as well as the impact of interest rate swaps stated at fair value with changes recognized in income held by sales financing subsidiaries in the United States of America in accordance with the Statement of Financial Accounting Standards (FAS) No.133 as amended by several related pronouncements including FAS No.138.

All other:

Net revenues for all other businesses increased by 22.0 billion yen, or 11.9%, to 205.7 billion yen in FY2005 first quarter compared with FY2004 first quarter, and operating income increased by 4.3 billion yen to 1.5 billion yen in FY2005 first quarter compared with FY2004 first quarter. The increase in operating income was mainly due to steady production and favorable sales of the housing business.

(2) Geographic Information

Japan:

Net revenues in Japan increased by 143.4 billion yen, or 5.3%, to 2,857.6 billion yen in FY2005 first quarter compared with FY2004 first quarter, and operating income increased by 0.9 billion yen, or 0.3%, to 253.0 billion yen in FY2005 first quarter compared with FY2004 first quarter. The increase in operating income was mainly due to substantial increases in both local production volume and vehicle units exported as well as cost reduction efforts made by TMC and its subsidiaries, partially offset by the effects of changes in exchange rates.

North America:

Net revenues in North America increased by 95.3 billion yen, or 6.2%, to 1,626.1 billion yen in FY2005 first quarter compared with FY2004 first quarter, and operating income increased by 65.2 billion yen, or 100.8%, to 129.8 billion yen in FY2005 first quarter compared with FY2004 first quarter. The increase in operating income was mainly due to substantial increases in both local production volume and vehicle units sold as well as cost reduction efforts made by local manufacturing affiliates and solid performance by sales financing subsidiaries.

Europe:

Net revenues in Europe increased by 61.1 billion yen, or 11.5%, to 591.0 billion yen in FY2005 first quarter compared with FY2004 first quarter, and operating income increased by 24.8 billion yen, or 398.8%, to 30.9 billion yen in FY2005 first quarter compared with FY2004 first quarter. The increase in operating income was mainly due to a steady increase in profits of local affiliates as a result of an increase in local production volume and favorable sales in countries including Turkey as well as cost reduction efforts made by local manufacturing affiliates.

Other Foreign Countries:

Net revenues in other markets increased by 121.7 billion yen, or 22.2%, to 670.4 billion yen in FY2005 first quarter compared with FY2004 first quarter, and operating income increased by 17.2 billion yen, or 84.2%, to 37.7 billion yen in FY2005 first quarter compared with FY2004 first quarter. The increase in operating income was primarily due to increases in both local production volume and vehicle units sold in all regions, mainly in Asia.

CONSOLIDATED PRODUCTION AND SALES

(All financial information has been prepared in accordance with accounting principles generally accepted in the United States of America)

1. Production

(Units)

		FY2005 first quarter (April 2004 through June 2004)	FY2004 first quarter (April 2003 through June 2003)	Increase (Decrease)
Vehicles (new)	Japan	1,076,607	1,006,434	70,173
	North America	297,084	249,051	48,033
	Europe	145,779	125,565	20,214
	Others	224,532	154,243	70,289
	Overseas total	667,395	528,859	138,536
	Total	1,744,002	1,535,293	208,709
Houses (Japan)		929	870	59

Note: The total production of vehicles (new) includes 174,362 units of Daihatsu brand vehicles (including OEM production) in FY2005 first quarter and 144,966 units in FY2004 first quarter, and 22,589 units of Hino brand vehicles (including OEM production) in FY2005 first quarter and 18,422 units in FY2004 first quarter .

2. Sales (by destination)

(Units)

		FY2005 first quarter (April 2004 through June 2004)	FY2004 first quarter (April 2003 through June 2003)	Increase (Decrease)
Vehicles (new)	Japan	538,265	543,357	(5,092)
	North America	572,046	508,679	63,367
	Europe	247,816	234,326	13,490
	Others	433,841	307,821	126,020
	Overseas total	1,253,703	1,050,826	202,877
	Total	1,791,968	1,594,183	197,785
Houses (Japan)		848	761	87

Note: The total sales of vehicles (new) includes 161,610 units of Daihatsu brand vehicles in FY2005 first quarter and 142,282 units in FY2004 first quarter and 21,655 units of Hino brand vehicles in FY2005 first quarter and 16,861 units in FY2004 first quarter.

CONSOLIDATED STATEMENTS OF INCOME

(All financial information has been prepared in accordance with accounting principles generally accepted in the United States of America)

(Amounts are rounded to the nearest million yen)

	FY2005 first quarter (April 2004 through June 2004)	FY2004 first quarter (April 2003 through June 2003)	Increase (Decrease)
Net revenues :	4,510,316	4,092,939	417,377
Sales of products	4,334,364	3,913,746	420,618
Financing operations	175,952	179,193	(3,241)
Costs and expenses :	4,061,696	3,752,167	309,529
Cost of products sold	3,463,780	3,139,303	324,477
Cost of financing operations	84,011	109,669	(25,658)
Selling, general and administrative	513,905	503,195	10,710
Operating income	448,620	340,772	107,848
Other income (expense) :	21,809	30,507	(8,698)
Interest and dividend income	16,999	13,558	3,441
Interest expense	(3,352)	(5,300)	1,948
Other income, net	8,162	22,249	(14,087)
Income before income taxes, minority interest and equity in earnings of affiliated companies	470,429	371,279	99,150
Provision for income taxes	202,307	156,673	45,634
Income before minority interest and equity in earnings of affiliated companies	268,122	214,606	53,516
Minority interest in consolidated subsidiaries	(16,298)	(13,189)	(3,109)
Equity in earnings of affiliated companies	34,793	21,168	13,625
Net income	286,617	222,585	64,032

(Yen)

Net income per share – Basic	86.24	64.83	21.41
Net income per share – Diluted	86.22	64.83	21.39

CONSOLIDATED BALANCE SHEETS

(All financial information has been prepared in accordance with accounting principles generally accepted in the United States of America)

(Amounts are rounded to the nearest million yen)

	FY2005 first quarter (As of June 30, 2004)	FY2004 (As of March 31, 2004)	Increase (Decrease)
Assets			
Current assets :	9,060,256	8,848,453	211,803
Cash and cash equivalents	1,701,853	1,729,776	(27,923)
Time deposits	68,644	68,473	171
Marketable securities	626,884	448,457	178,427
Trade accounts and notes receivable, less allowance for doubtful accounts	1,383,492	1,531,651	(148,159)
Finance receivables, net	2,776,834	2,622,939	153,895
Other receivables	452,498	396,788	55,710
Inventories	1,124,779	1,083,326	41,453
Deferred income taxes	449,564	457,161	(7,597)
Prepaid expenses and other current assets	475,708	509,882	(34,174)
Noncurrent finance receivables, net	3,500,013	3,228,973	271,040
Investments and other assets	4,600,864	4,608,155	(7,291)
Property, plant and equipment :	5,444,319	5,354,647	89,672
Land	1,159,727	1,135,665	24,062
Buildings	2,832,508	2,801,993	30,515
Machinery and equipment	7,738,055	7,693,616	44,439
Vehicles and equipment on operating leases	1,575,709	1,493,780	81,929
Construction in progress	259,130	237,195	21,935
Less – Accumulated depreciation	(8,120,810)	(8,007,602)	(113,208)
Total assets	22,605,452	22,040,228	565,224

(All financial information has been prepared in accordance with accounting principles generally accepted in the United States of America)

(Amounts are rounded to the nearest million yen)

	FY2005 first quarter (As of June 30, 2004)	FY2004 (As of March 31, 2004)	Increase (Decrease)
Liabilities			
Current liabilities :	7,704,672	7,597,991	106,681
Short-term borrowings	2,204,577	2,189,024	15,553
Current portion of long-term debt	1,183,958	1,125,195	58,763
Accounts payable	1,618,389	1,709,344	(90,955)
Other payables	665,870	665,624	246
Accrued expenses	1,238,263	1,133,281	104,982
Income taxes payable	220,448	252,555	(32,107)
Other current liabilities	573,167	522,968	50,199
Long-term liabilities :	6,094,753	5,817,377	277,376
Long-term debt	4,489,208	4,247,266	241,942
Accrued pension and severance costs	726,359	725,569	790
Deferred income taxes	794,780	778,561	16,219
Other long-term liabilities	84,406	65,981	18,425
Total liabilities	13,799,425	13,415,368	384,057
Minority interest in consolidated subsidiaries	456,109	446,293	9,816
Shareholders' equity			
Common stock	397,050	397,050	–
Additional paid-in capital	495,886	495,179	707
Retained earnings	8,529,583	8,326,215	203,368
Accumulated other comprehensive loss	(155,026)	(204,592)	49,566
Treasury stock, at cost	(917,575)	(835,285)	(82,290)
Total shareholders' equity	8,349,918	8,178,567	171,351
Total liabilities and shareholders' equity	22,605,452	22,040,228	565,224

SEGMENT INFORMATION

(All financial information has been prepared in accordance with accounting principles generally accepted in the United States of America)

1. Segment Operating Results

(1) FY2005 first quarter (April 2004 through June 2004)

(Amounts are rounded to the nearest million yen)

	Automotive	Financial Services	All Other	Intersegment Elimination	Consolidated
Net revenues :					
(1) Sales to external customers	4,196,549	175,952	137,815	–	4,510,316
(2) Intersegment sales and transfers	3,273	4,941	67,830	(76,044)	–
Total	4,199,822	180,893	205,645	(76,044)	4,510,316
Operating expenses	3,796,020	134,717	204,195	(73,236)	4,061,696
Operating income	403,802	46,176	1,450	(2,808)	448,620

(2) FY2004 first quarter (April 2003 through June 2003)

(Amounts are rounded to the nearest million yen)

	Automotive	Financial Services	All Other	Intersegment Elimination	Consolidated
Net revenues :					
(1) Sales to external customers	3,795,958	179,193	117,788	–	4,092,939
(2) Intersegment sales and transfers	2,638	4,876	65,963	(73,477)	–
Total	3,798,596	184,069	183,751	(73,477)	4,092,939
Operating expenses	3,464,597	173,407	186,559	(72,396)	3,752,167
Operating income	333,999	10,662	(2,808)	(1,081)	340,772

2. Geographic Information

(1) FY2005 first quarter (April 2004 through June 2004)

(Amounts are rounded to the nearest million yen)

	Japan	North America	Europe	Other Foreign Countries	Intersegment Elimination	Consolidated
Net revenues :						
(1) Sales to external customers	1,734,164	1,586,046	555,591	634,515	–	4,510,316
(2) Intersegment sales and transfers	1,123,441	40,049	35,462	35,921	(1,234,873)	–
Total	2,857,605	1,626,095	591,053	670,436	(1,234,873)	4,510,316
Operating expenses	2,604,654	1,496,296	560,132	632,705	(1,232,091)	4,061,696
Operating income	252,951	129,799	30,921	37,731	(2,782)	448,620

(2) FY2004 first quarter (April 2003 through June 2003)

(Amounts are rounded to the nearest million yen)

	Japan	North America	Europe	Other Foreign Countries	Intersegment Elimination	Consolidated
Net revenues :						
(1) Sales to external customers	1,611,508	1,465,356	503,885	512,190	–	4,092,939
(2) Intersegment sales and transfers	1,102,790	65,475	26,100	36,601	(1,230,966)	–
Total	2,714,298	1,530,831	529,985	548,791	(1,230,966)	4,092,939
Operating expenses	2,462,188	1,466,179	523,787	528,309	(1,228,296)	3,752,167
Operating income	252,110	64,652	6,198	20,482	(2,670)	340,772

<REFERENCE>

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

UNCONSOLIDATED STATEMENTS OF INCOME

(Million yen; amounts less than one million yen are omitted)

	FY2005 first quarter (April 2004 through June 2004)	FY2004 first quarter (April 2003 through June 2003)	Increase (Decrease)
Net sales	2,224,897	2,151,390	73,507
Operating income	207,608	215,555	(7,947)
Ordinary income	271,726	264,501	7,225
Extraordinary losses	24,996	–	24,996
Income before income taxes	246,729	264,501	(17,772)
Income taxes – current	95,100	95,200	(100)
Income taxes – deferred	(8,868)	(1,800)	(7,068)
Net income	160,497	171,101	(10,604)

UNCONSOLIDATED BALANCE SHEETS

(Million yen; amounts less than one million yen are omitted)

	FY2005 first quarter (As of June 30,2004)	FY2004 (As of March 31,2004)	Increase (Decrease)
Assets			
Current assets	3,309,870	3,358,189	(48,319)
Cash, deposits and trade accounts receivable	972,060	1,124,770	(152,710)
Marketable securities	1,122,869	995,893	126,976
Others	1,214,941	1,237,524	(22,583)
Fixed assets	5,368,080	5,458,975	(90,895)
Property, plant and equipment	1,228,027	1,260,728	(32,701)
Buildings, machinery and equipment	668,552	683,993	(15,441)
Others	559,474	576,734	(17,260)
Investments and other assets	4,140,052	4,198,247	(58,195)
Investments in securities	2,083,560	2,160,160	(76,600)
Others	2,056,492	2,038,087	18,405
Total assets	8,677,950	8,817,164	(139,214)

	FY2005 first quarter (As of June 30,2004)	FY2004 (As of March 31,2004)	Increase (Decrease)
Liabilities			
Current liabilities	1,841,598	1,970,407	(128,809)
Long-term liabilities	849,541	862,081	(12,540)
Total liabilities	2,691,139	2,832,489	(141,350)
Shareholders' equity			
Common stock	397,049	397,049	–
Capital surplus	416,973	416,970	3
Retained earnings	5,807,930	5,731,342	76,588
Net unrealized gains on other securities	312,795	305,725	7,070
Less: treasury stock	(947,937)	(866,413)	(81,524)
Total shareholders' equity	5,986,811	5,984,675	2,136
Total liabilities and shareholders' equity	8,677,950	8,817,164	(139,214)