

FINANCIAL SUMMARY

FY2006 First Quarter

(April 1, 2005 through June 30, 2005)

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 FY2006 First Quarter

Financial Results

Domestic vehicle sales increased by 12 thousand units, or 2.2%, to 550 thousand units in FY2006 first quarter (the three-month period from April 1, 2005 to June 30, 2005) compared with FY2005 first quarter (the three-month period from April 1, 2004 to June 30, 2004). This increase is mainly due to the preferable sales of the new Vitz, which was fully redesigned in February 2005, under circumstance where the overall market expanded than in FY2005 first quarter. As a result, the market share of Toyota brand vehicles excluding mini-vehicles was 45.0%. Including Daihatsu and Hino brand vehicles, Toyota's share including mini-vehicles was 41.1% and therefore, Toyota kept its high-level market shares. Meanwhile, overseas vehicle sales increased by 145 thousand units, or 11.6%, to 1,398 thousand units in FY2006 first quarter compared with FY2005 first quarter, due to increased vehicle units sold in all regions, particularly in North America. As a result, total vehicle sales in Japan and overseas increased by 157 thousand units, or 8.8%, to 1,948 thousand units in FY2006 first quarter compared with FY2005 first quarter.

Net revenues increased by 471.4 billion yen, or 10.5%, to 4,981.7 billion yen in FY2006 first quarter compared with FY2005 first quarter, while operating income decreased by 43.5 billion yen, or 9.7%, to 405.1 billion yen in FY2006 first quarter compared with FY2005 first quarter. Among the factors contributing to the increase in operating income totaling 60.0 billion yen, cost reduction efforts accounted for 30.0 billion yen and marketing efforts accounted for 30.0 billion yen. On the other hand, factors resulting in the decrease in operating income totaling 103.5 billion yen primarily included the effects of changes in exchange rates of 10.0 billion yen, a decrease in the gains recognized on transfer of the substitutional portion of the employee pension fund to the government of 6.7 billion yen, and an increase in R&D expenses and other expenses of 86.8 billion yen. Income before income taxes, minority interest and equity in earnings of affiliated companies decreased by 48.6 billion yen, or 10.3%, to 421.8 billion yen in FY2006 first quarter compared with FY2005 first quarter. Net income decreased by 19.8 billion yen, or 6.9 %, to 266.8 billion yen in FY2006 first quarter compared with FY2005 first quarter.

2. Consolidated Financial Results of FY2006 First Quarter by Segment

(1) Segment Operating Results

Automotive:

Net revenues for the automotive operations increased by 420.8 billion yen, or 10.0%, to 4,620.6 billion yen in FY2006 first quarter compared with FY2005 first quarter, while operating income decreased by 37.0 billion yen, or 9.1%, to 366.8 billion yen in FY2006 first quarter compared with FY2005 first quarter. The decrease in operating income was mainly due to an increase in R&D expenses, the effects of changes in exchange rates, and a decrease in the gains recognized on transfer of the substitutional portion of the employee pension fund to the government, partially offset by increases in both production volume and vehicle units sold and the effects of cost reduction efforts.

Financial services:

Net revenues for the financial services operations increased by 36.5 billion yen, or 20.2%, to 217.4 billion yen in FY2006 first quarter compared with FY2005 first quarter, while operating income decreased by 6.5 billion yen, or 13.9%, to 39.7 billion yen in FY2006 first quarter compared with FY2005 first quarter. The decrease in operating income was mainly due to the valuation losses on interest rate swaps stated at fair value 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, partially offset by solid performance as a result of an increase in financing volume.

All other:

Net revenues for all other businesses increased by 28.7 billion yen, or 14.0%, to 234.4 billion yen in FY2006 first quarter compared with FY2005 first quarter, and operating income was 1.5 billion yen in FY2006 first quarter, remaining the same level as FY2005 first quarter.

(2) Geographic Information

Japan:

Net revenues in Japan increased by 134.4 billion yen, or 4.7%, to 2,992.0 billion yen in FY2006 first quarter compared with FY2005 first quarter, while operating income decreased by 64.6 billion yen, or 25.5%, to 188.4 billion yen in FY2006 first quarter compared with FY2005 first quarter. The decrease in operating income was mainly due to an increase in R&D expenses, the effects of changes in exchange rates, and a decrease in the gains recognized on transfer of the substitutional portion of the employee pension fund to the government, partially offset by increases in both production volume and vehicle units sold and the effects of cost reduction efforts.

North America:

Net revenues in North America increased by 209.6 billion yen, or 12.9%, to 1,835.7 billion yen in FY2006 first quarter compared with FY2005 first quarter, and operating income increased by 8.0 billion yen, or 6.2%, to 137.8 billion yen in FY2006 first quarter compared with FY2005 first quarter. The increase in operating income was mainly due to solid performance as a result of increases in both local production volume and vehicle units sold, as well as cost reduction efforts, partially offset by the valuation losses on interest rate swaps stated at fair value by sales financing subsidiaries in the United States of America in accordance with FAS No.133 as amended by several related pronouncements including FAS No.138.

Europe:

Net revenues in Europe increased by 82.1 billion yen, or 13.9%, to 673.1 billion yen in FY2006 first quarter compared with FY2005 first quarter, while operating income decreased by 14.2 billion yen, or 45.8%, to 16.7 billion yen in FY2006 first quarter compared with FY2005 first quarter. The decrease in operating income was mainly due to increases in various expenses, partially offset by increases in both local production volume and vehicle units sold.

Asia:

Net revenues in Asia increased by 118.8 billion yen, or 30.6%, to 507.1 billion yen in FY2006 first quarter compared with FY2005 first quarter, and operating income increased by 15.4 billion yen, or 63.2%, to 39.8 billion yen in FY2006 first quarter compared with FY2005 first quarter. The increase in operating income was mainly due to substantial increases in both local production volume and vehicle units sold as a result of favorable sales of the IMV series vehicles.

Others:

Net revenues in other markets increased by 81.3 billion yen, or 28.8%, to 363.4 billion yen in FY2006 first quarter compared with FY2005 first quarter, and operating income increased by 3.7 billion yen, or 27.3%, to 17.0 billion yen in FY2006 first quarter compared with FY2005 first quarter. The increase in operating income was mainly due to increases in both local production volume and vehicle units sold primarily in Central and South America.

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)

		FY2006 first quarter (April 2005 through June 2005)	FY2005 first quarter (April 2004 through June 2004)	Increase (Decrease)
Vehicles (new)	Japan	1,123,328	1,076,607	46,721
	North America	319,691	297,084	22,607
	Europe	157,372	145,779	11,593
	Asia	204,766	149,639	55,127
	Others	86,938	74,893	12,045
	Overseas total	768,767	667,395	101,372
	Total	1,892,095	1,744,002	148,093
Houses (Japan)		1,036	929	107

Note: The total production of vehicles (new) includes 189,286 units of Daihatsu brand vehicles (including OEM production) in FY2006 first quarter and 174,362 units in FY2005 first quarter, and 23,322 units of Hino brand vehicles (including OEM production) in FY2006 first quarter and 22,589 units in FY2005 first quarter.

2. Sales (by destination)

(Units)

		FY2006 first quarter (April 2005 through June 2005)	FY2005 first quarter (April 2004 through June 2004)	Increase (Decrease)
Vehicles (new)	Japan	550,347	538,265	12,082
	North America	641,248	572,046	69,202
	Europe	256,143	247,816	8,327
	Asia	228,513	201,714	26,799
	Others	272,605	232,127	40,478
	Overseas total	1,398,509	1,253,703	144,806
	Total	1,948,856	1,791,968	156,888
Houses (Japan)		919	848	71

Note: The total sales of vehicles (new) include 174,116 units of Daihatsu brand vehicles in FY2006 first quarter and 161,610 units in FY2005 first quarter and 22,304 units of Hino brand vehicles in FY2006 first quarter and 21,655 units in FY2005 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)

	FY2006 first quarter (April 2005 through June 2005)	FY2005 first quarter (April 2004 through June 2004)	Increase (Decrease)
Net revenues :	4,981,785	4,510,316	471,469
Sales of products	4,768,971	4,334,364	434,607
Financing operations	212,814	175,952	36,862
Costs and expenses :	4,576,657	4,061,696	514,961
Cost of products sold	3,878,087	3,463,780	414,307
Cost of financing operations	127,985	84,011	43,974
Selling, general and administrative	570,585	513,905	56,680
Operating income	405,128	448,620	(43,492)
Other income (expense) :	16,732	21,809	(5,077)
Interest and dividend income	24,355	16,999	7,356
Interest expense	(4,129)	(3,352)	(777)
Other income, net	(3,494)	8,162	(11,656)
Income before income taxes, minority interest and equity in earnings of affiliated companies	421,860	470,429	(48,569)
Provision for income taxes	174,968	202,307	(27,339)
Income before minority interest and equity in earnings of affiliated companies	246,892	268,122	(21,230)
Minority interest in consolidated subsidiaries	(15,617)	(16,298)	681
Equity in earnings of affiliated companies	35,624	34,793	831
Net income	266,899	286,617	(19,718)

(Yen)

Net income per share – Basic	81.80	86.24	(4.44)
Net income per share – Diluted	81.79	86.22	(4.43)

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)

	FY2006 first quarter (As of June 30, 2005)	FY2005 (As of March 31, 2005)	Increase (Decrease)
Assets			
Current assets :	9,611,568	9,440,105	171,463
Cash and cash equivalents	1,672,492	1,483,753	188,739
Time deposits	58,633	63,609	(4,976)
Marketable securities	440,153	543,124	(102,971)
Trade accounts and notes receivable, less allowance for doubtful accounts	1,427,076	1,616,341	(189,265)
Finance receivables, net	3,147,413	3,010,135	137,278
Other receivables	460,490	438,676	21,814
Inventories	1,386,647	1,306,709	79,938
Deferred income taxes	476,332	475,764	568
Prepaid expenses and other current assets	542,332	501,994	40,338
Noncurrent finance receivables, net	4,211,376	3,976,941	234,435
Investments and other assets	5,256,035	5,122,371	133,664
Property, plant and equipment :	6,024,648	5,795,594	229,054
Land	1,194,004	1,182,768	11,236
Buildings	2,982,221	2,935,274	46,947
Machinery and equipment	7,881,611	7,897,509	(15,898)
Vehicles and equipment on operating leases	2,013,859	1,828,697	185,162
Construction in progress	267,469	214,781	52,688
Less – Accumulated depreciation	(8,314,516)	(8,263,435)	(51,081)
Total assets	25,103,627	24,335,011	768,616

(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)

	FY2006 first quarter (As of June 30, 2005)	FY2005 (As of March 31, 2005)	Increase (Decrease)
Liabilities			
Current liabilities :	8,695,138	8,227,206	467,932
Short-term borrowings	2,728,847	2,381,827	347,020
Current portion of long-term debt	1,253,859	1,150,920	102,939
Accounts payable	1,771,313	1,856,799	(85,486)
Other payables	679,932	693,041	(13,109)
Accrued expenses	1,411,294	1,289,373	121,921
Income taxes payable	219,415	292,835	(73,420)
Other current liabilities	630,478	562,411	68,067
Long-term liabilities :	6,727,566	6,557,926	169,640
Long-term debt	5,195,039	5,014,925	180,114
Accrued pension and severance costs	645,210	646,989	(1,779)
Deferred income taxes	822,102	811,670	10,432
Other long-term liabilities	65,215	84,342	(19,127)
Total liabilities	15,422,704	14,785,132	637,572
Minority interest in consolidated subsidiaries	513,323	504,929	8,394
Shareholders' equity			
Common stock	397,050	397,050	–
Additional paid-in capital	495,689	495,707	(18)
Retained earnings	9,468,351	9,332,176	136,175
Accumulated other comprehensive loss	(32,487)	(80,660)	48,173
Treasury stock, at cost	(1,161,003)	(1,099,323)	(61,680)
Total shareholders' equity	9,167,600	9,044,950	122,650
Total liabilities and shareholders' equity	25,103,627	24,335,011	768,616

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) FY2006 first quarter (April 2005 through June 2005)

(Amounts are rounded to the nearest million yen)

	Automotive	Financial Services	All Other	Intersegment Elimination	Consolidated
Net revenues :					
(1) Sales to external customers	4,616,974	212,814	151,997	–	4,981,785
(2) Intersegment sales and transfers	3,667	4,650	82,415	(90,732)	–
Total	4,620,641	217,464	234,412	(90,732)	4,981,785
Operating expenses	4,253,750	177,705	232,953	(87,751)	4,576,657
Operating income	366,891	39,759	1,459	(2,981)	405,128

(2) 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

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

2. Geographic Information

(1) FY2006 first quarter (April 2005 through June 2005)

(Amounts are rounded to the nearest million yen)

	Japan	North America	Europe	Asia	Others	Intersegment Elimination	Consolidated
Net revenues :							
(1) Sales to external customers	1,747,969	1,791,770	641,724	464,659	335,663	–	4,981,785
(2) Intersegment sales and transfers	1,244,006	43,945	31,428	42,484	27,763	(1,389,626)	–
Total	2,991,975	1,835,715	673,152	507,143	363,426	(1,389,626)	4,981,785
Operating expenses	2,803,622	1,697,893	656,406	467,335	346,437	(1,395,036)	4,576,657
Operating income	188,353	137,822	16,746	39,808	16,989	5,410	405,128

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

(Amounts are rounded to the nearest million yen)

	Japan	North America	Europe	Asia	Others	Intersegment Elimination	Consolidated
Net revenues :							
(1) Sales to external customers	1,734,164	1,586,046	555,591	376,223	258,292	–	4,510,316
(2) Intersegment sales and transfers	1,123,441	40,049	35,462	12,127	23,794	(1,234,873)	–
Total	2,857,605	1,626,095	591,053	388,350	282,086	(1,234,873)	4,510,316
Operating expenses	2,604,654	1,496,296	560,132	363,960	268,745	(1,232,091)	4,061,696
Operating income	252,951	129,799	30,921	24,390	13,341	(2,782)	448,620

<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)

	FY2006 first quarter (April 2005 through June 2005)	FY2005 first quarter (April 2004 through June 2004)	Increase (Decrease)
Net sales	2,345,756	2,224,897	120,859
Operating income	143,326	207,608	(64,282)
Ordinary income	217,903	271,726	(53,823)
Extraordinary losses	–	24,996	(24,996)
Income before income taxes	217,903	246,729	(28,826)
Income taxes – current	79,800	95,100	(15,300)
Income taxes – deferred	(14,647)	(8,868)	(5,779)
Net income	152,750	160,497	(7,747)

UNCONSOLIDATED BALANCE SHEETS

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

	FY2006 first quarter (As of June 30,2005)	FY2005 (As of March 31,2005)	Increase (Decrease)
Assets			
Current assets	3,187,261	3,453,441	(266,180)
Cash, deposits and trade accounts receivable	1,063,560	1,149,011	(85,451)
Marketable securities	762,190	870,735	(108,545)
Others	1,361,510	1,433,694	(72,184)
Fixed assets	5,707,511	5,617,550	89,961
Property, plant and equipment	1,250,985	1,258,835	(7,850)
Buildings, machinery and equipment	679,500	685,683	(6,183)
Others	571,484	573,151	(1,667)
Investments and other assets	4,456,526	4,358,714	97,812
Investments in securities	1,871,460	1,817,556	53,904
Others	2,585,065	2,541,158	43,907
Total assets	8,894,773	9,070,991	(176,218)

	FY2006 first quarter (As of June 30,2005)	FY2005 (As of March 31,2005)	Increase (Decrease)
Liabilities			
Current liabilities	2,030,182	2,180,374	(150,192)
Long-term liabilities	829,704	832,806	(3,102)
Total liabilities	2,859,886	3,013,181	(153,295)
Shareholders' equity			
Common stock	397,049	397,049	–
Capital surplus	416,970	416,970	–
Retained earnings	6,115,877	6,094,528	21,349
Net unrealized gains on other securities	297,192	279,780	17,412
Less: treasury stock	(1,192,203)	(1,130,519)	(61,684)
Total shareholders' equity	6,034,886	6,057,810	(22,924)
Total liabilities and shareholders' equity	8,894,773	9,070,991	(176,218)