

# **FINANCIAL SUMMARY**

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

## **FY2008 First Quarter**

(April 1, 2007 through June 30, 2007)

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 for FY2008 First Quarter

### Financial Results

Consolidated vehicle sales in Japan and overseas increased by 71 thousand units, or 3.4%, to 2,162 thousand units in FY2008 first quarter (the three-month period from April 1, 2007 to June 30, 2007) compared with FY2007 first quarter (the three-month period from April 1, 2006 to June 30, 2006). Vehicle sales in Japan decreased by 43 thousand units, or 7.8%, to 500 thousand units in FY2008 first quarter compared with FY2007 first quarter, due to a downturn in market conditions. Meanwhile, overseas vehicle sales increased by 114 thousand units, or 7.3%, to 1,662 thousand units in FY2008 first quarter compared with FY2007 first quarter, because of sales expansion in every region where Toyota operates.

As for the results of operations, net revenues increased by 884.5 billion yen, or 15.7%, to 6,522.6 billion yen in FY2008 first quarter compared with FY2007 first quarter, and operating income increased by 163.0 billion yen, or 31.8%, to 675.4 billion yen in FY2008 first quarter compared with FY2007 first quarter. Among the factors contributing to the increase in operating income totaling 220.0 billion yen, were the effects of marketing efforts of 100.0 billion yen, changes in exchange rates of 100.0 billion yen, and cost reduction efforts of 20.0 billion yen. On the other hand, factors resulting in the decrease in operating income primarily included an increase in expenses of 57.0 billion yen. Income before income taxes, minority interest and equity in earnings of affiliated companies increased by 184.4 billion yen, or 33.2%, to 739.0 billion yen in FY2008 first quarter compared with FY2007 first quarter. Net income increased by 120.0 billion yen, or 32.3 %, to 491.5 billion yen in FY2008 first quarter compared with FY2007 first quarter.

## 2. Consolidated Financial Results for FY2008 First Quarter by Segment

### (1) Segment Operating Results

#### Automotive:

Net revenues for the automotive operations increased by 826.7 billion yen, or 15.9%, to 6,014.3 billion yen in FY2008 first quarter compared with FY2007 first quarter, and operating income increased by 162.7 billion yen, or 35.4%, to 622.1 billion yen in FY2008 first quarter compared with FY2007 first quarter. The increase in operating income was mainly due to increases in both production volume and vehicle units sold, the effects of changes in exchange rates and cost reduction efforts, partially offset by an increase in expenses.

#### Financial services:

Net revenues for the financial services operations increased by 94.0 billion yen, or 33.0%, to 378.6 billion yen in FY2008 first quarter compared with FY2007 first quarter, and operating income increased by 0.6 billion yen, or 1.3%, to 48.3 billion yen in FY2008 first quarter compared with FY2007 first quarter. The increase in operating income was mainly due to increases in financing volume.

#### All other:

Net revenues for all other businesses decreased by 2.0 billion yen, or 0.7%, to 293.0 billion yen in FY2008 first quarter compared with FY2007 first quarter, and operating income decreased by 1.1 billion yen, or 20.0%, to 4.1 billion yen in FY2008 first quarter compared with FY2007 first quarter.

### (2) Geographic Information

#### Japan:

Net revenues in Japan increased by 240.6 billion yen, or 7.0%, to 3,662.9 billion yen in FY2008 first quarter compared with FY2007 first quarter, and operating income increased by 103.6 billion yen, or 35.4%, to 396.6 billion yen in FY2008 first quarter compared with FY2007 first quarter. The increase in operating income was mainly due to an increase in production volume, the effects of changes in exchange rates and cost reduction efforts, partially offset by an increase in expenses.

#### North America:

Net revenues in North America increased by 329.3 billion yen, or 15.1%, to 2,510.9 billion yen in FY2008 first quarter compared with FY2007 first quarter, and operating income increased by 20.1 billion yen, or 14.3%, to 160.2 billion yen in FY2008 first quarter compared with FY2007 first quarter. The increase in operating income was mainly due to increases in both production volume and vehicle units sold, and the recording of valuation gains on interest rate swaps stated at fair value by a sales finance subsidiary in the United States of America in accordance with the Statement of Financial Accounting Standards (FAS) No.133 (as amended by several guidances including FAS No.138).

#### Europe:

Net revenues in Europe increased by 186.7 billion yen, or 22.4%, to 1,019.0 billion yen in FY2008 first quarter compared with FY2007 first quarter, and operating income increased by 2.0 billion yen, or 5.5%, to 38.5 billion yen in FY2008 first quarter compared with FY2007 first quarter. The increase in operating income was mainly due to an increase in vehicle units sold.

#### Asia:

Net revenues in Asia increased by 235.5 billion yen, or 48.6%, to 720.1 billion yen in FY2008 first quarter compared with FY2007 first quarter, and operating income increased by 19.6 billion yen, or 65.2%, to 49.6 billion yen in FY2008 first quarter compared with FY2007 first quarter. The increase in operating income was mainly due to increases in both production volume and vehicle units sold.

#### Other:

Net revenues in other regions increased by 106.6 billion yen, or 23.5%, to 559.7 billion yen in FY2008 first quarter compared with FY2007 first quarter, and operating income increased by 22.7 billion yen, or 142.3%, to 38.6 billion yen in FY2008 first quarter compared with FY2007 first quarter. The increase in operating income was mainly due to increases in both production volume and vehicle units sold.

# 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)

		FY2007 first quarter (April 2006 through June 2006)	FY2008 first quarter (April 2007 through June 2007)	Increase (Decrease)
Vehicles (new)	Japan	1,231,097	1,239,648	8,551
	North America	313,451	340,192	26,741
	Europe	186,998	183,339	(3,659)
	Asia	184,284	219,496	35,212
	Other	84,659	107,628	22,969
	Overseas total	769,392	850,655	81,263
	<b>Total</b>	<b>2,000,489</b>	<b>2,090,303</b>	<b>89,814</b>
Houses (Japan)		1,125	880	(245)

Note: The total production of vehicles (new) includes 201,943 units in FY2007 first quarter and 211,885 units in FY2008 first quarter of Daihatsu brand vehicles (including OEM production), and 25,333 units in FY2007 first quarter and 25,915 units in FY2008 first quarter of Hino brand vehicles.

## 2. Sales (by destination)

(Units)

		FY2007 first quarter (April 2006 through June 2006)	FY2008 first quarter (April 2007 through June 2007)	Increase (Decrease)
Vehicles (new)	Japan	543,228	500,632	(42,596)
	North America	747,330	762,599	15,269
	Europe	307,382	332,521	25,139
	Asia	192,632	221,667	29,035
	Other	300,485	344,746	44,261
	Overseas total	1,547,829	1,661,533	113,704
	<b>Total</b>	<b>2,091,057</b>	<b>2,162,165</b>	<b>71,108</b>
Houses (Japan)		1,001	853	(148)

Note: The total sales of vehicles (new) include 177,873 units in FY2007 first quarter and 192,169 units in FY2008 first quarter of Daihatsu brand vehicles, and 23,585 units in FY2007 first quarter and 24,547 units in FY2008 first quarter of Hino brand vehicles.

# 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)

	FY2007 first quarter (April 2006 through June 2006)	FY2008 first quarter (April 2007 through June 2007)	Increase (Decrease)
<b>Net revenues :</b>	<b>5,638,112</b>	<b>6,522,637</b>	<b>884,525</b>
Sales of products	5,358,698	6,151,141	792,443
Financing operations	279,414	371,496	92,082
<b>Costs and expenses :</b>	<b>5,125,693</b>	<b>5,847,210</b>	<b>721,517</b>
Cost of products sold	4,356,552	4,991,092	634,540
Cost of financing operations	181,255	258,161	76,906
Selling, general and administrative	587,886	597,957	10,071
<b>Operating income</b>	<b>512,419</b>	<b>675,427</b>	<b>163,008</b>
<b>Other income (expense) :</b>	<b>42,229</b>	<b>63,613</b>	<b>21,384</b>
Interest and dividend income	31,714	40,417	8,703
Interest expense	(9,435)	(11,385)	(1,950)
Other, net	19,950	34,581	14,631
<b>Income before income taxes, minority interest and equity in earnings of affiliated companies</b>	<b>554,648</b>	<b>739,040</b>	<b>184,392</b>
<b>Provision for income taxes</b>	<b>230,395</b>	<b>304,135</b>	<b>73,740</b>
<b>Income before minority interest and equity in earnings of affiliated companies</b>	<b>324,253</b>	<b>434,905</b>	<b>110,652</b>
<b>Minority interest in consolidated subsidiaries</b>	<b>(8,988)</b>	<b>(25,211)</b>	<b>(16,223)</b>
<b>Equity in earnings of affiliated companies</b>	<b>56,239</b>	<b>81,847</b>	<b>25,608</b>
<b>Net income</b>	<b>371,504</b>	<b>491,541</b>	<b>120,037</b>

(Yen)

Net income per share – Basic	115.21	153.98	38.77
Net income per share – Diluted	115.16	153.89	38.73

# 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)

	FY2007 (As of March 31, 2007)	FY2008 first quarter (As of June 30, 2007)	Increase (Decrease)
<b>Assets</b>			
<b>Current assets :</b>	<b>11,784,123</b>	<b>12,453,663</b>	<b>669,540</b>
Cash and cash equivalents	1,900,379	1,891,404	(8,975)
Time deposits	26,709	135,349	108,640
Marketable securities	435,463	583,817	148,354
Trade accounts and notes receivable, less allowance for doubtful accounts	2,023,818	1,900,258	(123,560)
Finance receivables, net	4,036,363	4,344,555	308,192
Other receivables	486,170	479,081	(7,089)
Inventories	1,803,956	1,932,847	128,891
Deferred income taxes	551,503	610,193	58,690
Prepaid expenses and other current assets	519,762	576,159	56,397
<b>Noncurrent finance receivables, net</b>	<b>5,694,733</b>	<b>6,173,076</b>	<b>478,343</b>
<b>Investments and other assets</b>	<b>7,035,404</b>	<b>7,149,267</b>	<b>113,863</b>
<b>Property, plant and equipment :</b>	<b>8,060,519</b>	<b>8,408,728</b>	<b>348,209</b>
Land	1,233,137	1,252,743	19,606
Buildings	3,444,764	3,537,733	92,969
Machinery and equipment	9,184,751	9,476,188	291,437
Vehicles and equipment on operating leases	3,309,337	3,621,281	311,944
Construction in progress	349,465	343,214	(6,251)
Less – Accumulated depreciation	(9,460,935)	(9,822,431)	(361,496)
<b>Total assets</b>	<b>32,574,779</b>	<b>34,184,734</b>	<b>1,609,955</b>

(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)

	FY2007 (As of March 31, 2007)	FY2008 first quarter (As of June 30, 2007)	Increase (Decrease)
<b>Liabilities</b>			
<b>Current liabilities :</b>	<b>11,767,170</b>	<b>12,258,995</b>	<b>491,825</b>
Short-term borrowings	3,497,391	3,666,715	169,324
Current portion of long-term debt	2,368,116	2,652,841	284,725
Accounts payable	2,211,586	2,170,586	(41,000)
Other payables	807,481	742,218	(65,263)
Accrued expenses	1,668,337	1,786,769	118,432
Income taxes payable	421,196	297,756	(123,440)
Other current liabilities	793,063	942,110	149,047
<b>Long-term liabilities :</b>	<b>8,343,273</b>	<b>8,981,996</b>	<b>638,723</b>
Long-term debt	6,263,585	6,758,939	495,354
Accrued pension and severance costs	640,586	636,700	(3,886)
Deferred income taxes	1,312,400	1,392,002	79,602
Other long-term liabilities	126,702	194,355	67,653
<b>Total liabilities</b>	<b>20,110,443</b>	<b>21,240,991</b>	<b>1,130,548</b>
<b>Minority interest in consolidated subsidiaries</b>	<b>628,244</b>	<b>658,486</b>	<b>30,242</b>
<b>Shareholders' equity</b>			
<b>Common stock</b>	<b>397,050</b>	<b>397,050</b>	<b>—</b>
<b>Additional paid-in capital</b>	<b>497,593</b>	<b>498,045</b>	<b>452</b>
<b>Retained earnings</b>	<b>11,764,713</b>	<b>12,032,398</b>	<b>267,685</b>
<b>Accumulated other comprehensive income</b>	<b>701,390</b>	<b>945,319</b>	<b>243,929</b>
<b>Treasury stock, at cost</b>	<b>(1,524,654)</b>	<b>(1,587,555)</b>	<b>(62,901)</b>
<b>Total shareholders' equity</b>	<b>11,836,092</b>	<b>12,285,257</b>	<b>449,165</b>
<b>Total liabilities and shareholders' equity</b>	<b>32,574,779</b>	<b>34,184,734</b>	<b>1,609,955</b>

# 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) FY2007 first quarter (April 2006 through June 2006)

(Amounts are rounded to the nearest million yen)

	Automotive	Financial Services	All Other	Intersegment Elimination	Consolidated
Net revenues :					
(1) Sales to external customers	5,184,673	279,414	174,025	–	5,638,112
(2) Intersegment sales and transfers	3,002	5,235	120,954	(129,191)	–
Total	5,187,675	284,649	294,979	(129,191)	5,638,112
Operating expenses	4,728,203	236,969	289,759	(129,238)	5,125,693
Operating income	459,472	47,680	5,220	47	512,419

(2) FY2008 first quarter (April 2007 through June 2007)

(Amounts are rounded to the nearest million yen)

	Automotive	Financial Services	All Other	Intersegment Elimination	Consolidated
Net revenues :					
(1) Sales to external customers	6,010,651	371,496	140,490	–	6,522,637
(2) Intersegment sales and transfers	3,707	7,179	152,506	(163,392)	–
Total	6,014,358	378,675	292,996	(163,392)	6,522,637
Operating expenses	5,392,204	330,391	288,819	(164,204)	5,847,210
Operating income	622,154	48,284	4,177	812	675,427

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

## 2. Geographic Information

(1) FY2007 first quarter (April 2006 through June 2006)

(Amounts are rounded to the nearest million yen)

	Japan	North America	Europe	Asia	Other	Intersegment Elimination	Consolidated
Net revenues :							
(1) Sales to external customers	1,869,462	2,131,391	793,196	431,819	412,244	–	5,638,112
(2) Intersegment sales and transfers	1,552,825	50,209	39,103	52,807	40,861	(1,735,805)	–
Total	3,422,287	2,181,600	832,299	484,626	453,105	(1,735,805)	5,638,112
Operating expenses	3,129,316	2,041,471	795,785	454,601	437,180	(1,732,660)	5,125,693
Operating income	292,971	140,129	36,514	30,025	15,925	(3,145)	512,419

(2) FY2008 first quarter (April 2007 through June 2007)

(Amounts are rounded to the nearest million yen)

	Japan	North America	Europe	Asia	Other	Intersegment Elimination	Consolidated
Net revenues :							
(1) Sales to external customers	1,934,420	2,462,421	988,340	639,089	498,367	–	6,522,637
(2) Intersegment sales and transfers	1,728,457	48,532	30,669	80,988	61,332	(1,949,978)	–
Total	3,662,877	2,510,953	1,019,009	720,077	559,699	(1,949,978)	6,522,637
Operating expenses	3,266,257	2,350,757	980,479	670,483	521,119	(1,941,885)	5,847,210
Operating income	396,620	160,196	38,530	49,594	38,580	(8,093)	675,427

# <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)

	FY2007 first quarter (April 2006 through June 2006)	FY2008 first quarter (April 2007 through June 2007)	Increase (Decrease)
<b>Net sales</b>	<b>2,698,591</b>	<b>2,908,888</b>	<b>210,297</b>
<b>Gross profit</b>	<b>526,183</b>	<b>604,839</b>	<b>78,656</b>
<b>Operating income</b>	<b>246,594</b>	<b>324,664</b>	<b>78,070</b>
<b>Ordinary income</b>	<b>399,983</b>	<b>511,004</b>	<b>111,021</b>
<b>Income before income taxes</b>	<b>399,983</b>	<b>511,004</b>	<b>111,021</b>
Income taxes – current	134,100	175,300	41,200
Income taxes – deferred	(11,785)	(25,882)	(14,097)
<b>Net income</b>	<b>277,668</b>	<b>361,586</b>	<b>83,918</b>

## UNCONSOLIDATED BALANCE SHEETS

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

	FY2007 (As of March 31, 2007)	FY2008 first quarter (As of June 30, 2007)	Increase (Decrease)
<b>Assets</b>			
<b>Current assets</b>	<b>4,116,670</b>	<b>3,893,102</b>	<b>(223,568)</b>
Cash, deposits and trade accounts receivable	1,436,954	1,508,609	71,655
Marketable securities	1,011,348	741,026	(270,322)
Others	1,668,368	1,643,466	(24,902)
<b>Fixed assets</b>	<b>6,544,498</b>	<b>6,590,318</b>	<b>45,820</b>
<b>Property, plant and equipment</b>	<b>1,358,160</b>	<b>1,329,550</b>	<b>(28,610)</b>
Buildings, machinery and equipment	745,076	732,240	(12,836)
Others	613,083	597,310	(15,773)
<b>Investments and other assets</b>	<b>5,186,338</b>	<b>5,260,768</b>	<b>74,430</b>
Investments in securities	2,595,932	2,655,693	59,761
Others	2,590,405	2,605,074	14,669
<b>Total</b>	<b>10,661,169</b>	<b>10,483,420</b>	<b>(177,749)</b>

	FY2007 (As of March 31, 2007)	FY2008 first quarter (As of June 30, 2007)	Increase (Decrease)
<b>Liabilities</b>			
<b>Current liabilities</b>	<b>2,730,572</b>	<b>2,484,277</b>	<b>(246,295)</b>
<b>Long-term liabilities</b>	<b>779,993</b>	<b>759,969</b>	<b>(20,024)</b>
<b>Total liabilities</b>	<b>3,510,565</b>	<b>3,244,247</b>	<b>(266,318)</b>
<b>Net assets</b>			
<b>Shareholders' equity</b>	<b>6,593,724</b>	<b>6,668,567</b>	<b>74,843</b>
<b>Valuation and translation adjustments</b>	<b>555,708</b>	<b>568,994</b>	<b>13,286</b>
<b>Stock acquisition rights</b>	<b>1,171</b>	<b>1,610</b>	<b>439</b>
<b>Total net assets</b>	<b>7,150,603</b>	<b>7,239,173</b>	<b>88,570</b>
<b>Total</b>	<b>10,661,169</b>	<b>10,483,420</b>	<b>(177,749)</b>