

FINANCIAL SUMMARY

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

FY2003 First Quarter

(April 1, 2002 through June 30, 2002)

English translation from the original Japanese-language document

TOYOTA MOTOR CORPORATION

BUSINESS RESULTS

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

1. Summary of Consolidated Financial Results of FY2003 First Quarter

Financial Results

Domestic vehicle sales decreased by 44 thousand units, or 8.2%, to 494 thousand units in FY2003 first quarter (the three-month period from April 1, 2002 to June 30, 2002) compared with FY2002 first quarter due to the stagnant market. However, as a result of the active introduction of new products that met customer needs and the strong sales efforts of domestic dealers, Toyota's market share (excluding minivehicles) achieved 42.8% in FY2003 first quarter, continuing to exceed 40.0% as in the previous year. Including minivehicles, the market share was 37.7% in FY2003 first quarter. Meanwhile, overseas vehicle sales increased by 218 thousand units, or 27.6%, to 1,010 thousand units in FY2003 first quarter compared with FY2002 first quarter, 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 174 thousand units, or 13.1%, to 1,504 thousand units in FY2003 first quarter compared with FY2002 first quarter.

Net sales increased by 673.4 billion yen, or 20.1%, to 4,021.1 billion yen in FY2003 first quarter compared with FY2002 first quarter, and operating income increased by 103.2 billion yen, or 35.4%, to 394.5 billion yen in FY2003 first quarter compared with FY2002 first quarter. Among the factors contributing to the increase in operating income, cost reduction efforts accounted for 70.0 billion yen, the effect of changes in exchange rates accounted for 70.0 billion yen and the marketing activities accounted for 20.0 billion yen, for a total of 160.0 billion yen. The factors contributing to the decrease in operating income of 56.8 billion yen included increases in R&D expenses and depreciation expenses. Ordinary income increased by 152.4 billion yen, or 51.2%, to 449.9 billion yen in FY2003 first quarter compared with FY2002 first quarter. Net income increased by 190.0 billion yen, or 117.1%, to 352.3 billion yen in FY2003 first quarter compared with FY2002 first quarter.

In conjunction with enforcement of the Defined Benefit Enterprise Pension Plan Law, Toyota Motor Corporation ("TMC") and some of its domestic consolidated subsidiaries and domestic affiliates accounted for under the equity method received approval from the Minister of Health, Labor and Welfare, exempting them from future benefit payment obligation regarding the substituted portion of the employee pension fund.

TMC and these subsidiaries and affiliates applied the transitional treatment specified in paragraph 47-2 of the "Practical Guidelines of Accounting for Retirement Benefits (Interim Report)", and recognized an extinguishment of retirement benefit obligation with respect to such substituted portion as of the date of the approval.

As a result, TMC has recorded 187.7 billion yen impact on profit and loss during FY2003 first quarter. TMC has accounted for 24.0 billion yen (the amount corresponding to TMC's portion of the impact due to the extinguishment of retirement benefit obligation of these affiliates) as "equity in earnings of affiliates" in non-operating income and 163.7 billion yen (the impact of TMC and these subsidiaries) as "gains on return of substituted portion of employee pension fund" in extraordinary gain in its consolidated statements of income for FY2003 first quarter.

2. Consolidated Financial Results of FY2003 First Quarter by Segment

(1) Business Segment

Automotive:

Net sales for the automotive segment increased by 645.9 billion yen, or 21.0%, to 3,727.4 billion yen in FY2003 first quarter compared with FY2002 first quarter, and operating income increased by 119.6 billion yen, or 43.5%, to 394.6 billion yen in FY2003 first quarter compared with FY2002 first quarter. The increase in operating income was due to increases in vehicle units sold in North America and Asia as well as cost reduction efforts made by TMC and its subsidiaries, partially offset by increases in R&D expenses and depreciation expenses.

Financial services:

Net sales for the financial services segment increased by 20.8 billion yen, or 13.0%, to 180.2 billion yen in FY2003 first quarter compared with FY2002 first quarter, and operating income decreased by 13.9 billion yen, or 79.6%, to 3.5 billion yen in FY2003 first quarter compared with FY2002 first quarter. The decrease in operating income was mainly due to a 27.3 billion yen decrease in fair value of interest rate swaps as a result of a decline in interest rates in the United States, recorded as valuation losses by sales financing subsidiaries in the U.S. in accordance with the Statement of Financial Accounting Standards No.133 and No.138, despite solid performance in North America including an increase in profit from higher financing spreads.

All other:

Net sales for all other operations decreased by 17.0 billion yen, or 8.9%, to 173.9 billion yen in FY2003 first quarter compared with FY2002 first quarter, and operating income decreased by 2.4 billion yen, or 91.1%, to 0.2 billion yen in FY2003 first quarter compared with FY2002 first quarter.

(2) Geographical Segment

Japan:

Net sales in Japan increased by 242.3 billion yen, or 10.0%, to 2,668.9 billion yen in FY2003 first quarter compared with FY2002 first quarter, and operating income increased by 48.0 billion yen, or 21.0%, to 276.2 billion yen in FY2003 first quarter compared with FY2002 first quarter. The increase in operating income was due to the cost reduction efforts made by TMC and its subsidiaries partially offset by increases in R&D expenses and depreciation expenses as well as the depreciation of the yen against the U.S. dollar and other currencies.

North America:

Net sales in North America increased by 314.0 billion yen, or 22.7%, to 1,697.4 billion yen in FY2003 first quarter compared with FY2002 first quarter, and operating income increased by 43.1 billion yen, or 67.5%, to 107.0 billion yen in FY2003 first quarter compared with FY2002 first quarter. The increase in operating income was due to local cost reduction efforts in addition to increases in both local production volume and vehicle units sold.

Europe:

Net sales in Europe increased by 124.4 billion yen, or 43.9%, to 407.5 billion yen in FY2003 first quarter compared with FY2002 first quarter, and operating income increased by 2.9 billion yen, or 1,030.0%, to 3.2 billion yen in FY2003 first quarter compared with FY2002 first quarter. The increase in operating income was mainly due to increases in local production volume in France and the U.K. as well as increases in vehicle units sold.

Other:

Net sales in other regions increased by 188.0 billion yen, or 81.0%, to 419.9 billion yen in FY2003 first quarter compared with FY2002 first quarter, and operating income increased by 7.3 billion yen, or 240.5%, to 10.4 billion yen in FY2003 first quarter compared with FY2002 first quarter. The increase in operating income was primarily due to increases in vehicle units sold mainly in Asia.

CONSOLIDATED SALES

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

Sales (by destination)

(Units)

		FY2003 first quarter (April 2002 through June 2002)	FY2002 first quarter (April 2001 through June 2001)	Increase (Decrease)
Vehicles (new)	Japan	494,343	538,499	(44,156)
	North America	511,353	422,271	89,082
	Europe	209,787	182,372	27,415
	Others	289,315	187,238	102,077
	Overseas total	1,010,455	791,881	218,574
	Total	1,504,798	1,330,380	174,418
Houses(Japan)		601	669	(68)

Note: The total sales of vehicles (new) includes Daihatsu brand vehicles of 158,106 units in FY2003 first quarter, and 140,053 units in FY2002 first quarter, and Hino brand vehicles of 12,347 units in FY2003 first quarter.

CONSOLIDATED STATEMENTS OF INCOME

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

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

	FY2003 first quarter (April 2002 through June 2002)	FY2002 first quarter (April 2001 through June 2001)	Increase (Decrease)
Net sales	4,021,134	3,347,740	673,394
Cost of sales	3,040,673	2,534,758	505,915
Selling, general and administrative expenses	585,942	521,623	64,319
Operating income	394,518	291,357	103,161
Non-operating income	80,126	68,501	11,625
<i>Interest income</i>	<i>10,848</i>	<i>15,451</i>	<i>(4,603)</i>
<i>Dividend income</i>	<i>6,532</i>	<i>7,814</i>	<i>(1,282)</i>
<i>Equity in earnings of affiliates</i>	<i>33,662</i>	<i>12,794</i>	<i>20,868</i>
<i>Other non-operating income</i>	<i>29,082</i>	<i>32,441</i>	<i>(3,359)</i>
Non-operating expenses	24,709	62,271	(37,562)
<i>Interest expenses</i>	<i>6,333</i>	<i>12,217</i>	<i>(5,884)</i>
<i>Other non-operating expenses</i>	<i>18,376</i>	<i>50,053</i>	<i>(31,677)</i>
Ordinary income	449,936	297,588	152,348
Extraordinary gains	163,702	-	163,702
<i>Gains on return of substituted portion of employee pension fund</i>	<i>163,702</i>	<i>-</i>	<i>163,702</i>
Income before income taxes and minority interest in consolidated subsidiaries	613,638	297,588	316,050
Income taxes	251,851	130,819	121,032
Minority interest in consolidated subsidiaries	9,414	4,435	4,979
Net income	352,372	162,333	190,039

CONSOLIDATED BALANCE SHEETS

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

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

	FY2003 first quarter (As of June 30, 2002)	FY2002 (As of March 31, 2002)	Increase (Decrease)
Assets			
Current assets	10,129,362	10,410,966	(281,604)
Cash and deposits	959,407	707,233	252,174
Trade notes and accounts receivable	1,292,182	1,561,623	(269,441)
Marketable securities	1,534,357	1,605,460	(71,103)
Inventories	960,431	1,022,718	(62,287)
Installment credit from dealers	3,067,414	3,334,357	(266,943)
Short-term loans	1,270,502	1,192,054	78,448
Deferred income taxes	357,414	379,668	(22,254)
Other current assets	797,640	718,693	78,947
Less: allowance for doubtful accounts	(109,988)	(110,843)	855
Fixed assets	9,284,484	9,477,970	(193,486)
Property, plant and equipment	5,251,765	5,437,777	(186,012)
Buildings and structures	1,202,323	1,230,871	(28,548)
Machinery and equipment	1,104,401	1,179,305	(74,904)
Vehicles and delivery equipment	1,180,138	1,269,275	(89,137)
Land	1,064,502	1,070,869	(6,367)
Construction in progress	271,309	270,497	812
Other property, plant and equipment	429,088	416,958	12,130
Intangible fixed assets	4,285	4,328	(43)
Investments and other assets	4,028,433	4,035,865	(7,432)
Investments in securities	2,617,734	2,642,122	(24,388)
Long-term loans	740,085	796,349	(56,264)
Deferred income taxes	410,363	465,193	(54,830)
Other investments and other assets	277,487	159,450	118,037
Less: allowance for doubtful accounts	(17,236)	(27,251)	10,015
Total assets	19,413,846	19,888,937	(475,091)

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

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

	FY2003 First Quarter (As of June 30, 2002)	FY2002 (As of March 31, 2002)	Increase (Decrease)
Liabilities			
Current liabilities	6,995,770	7,183,071	(187,301)
Trade notes and accounts payable	1,378,803	1,483,170	(104,367)
Current portion of bonds	1,067,596	1,020,930	46,666
Short-term borrowings	1,132,115	1,104,365	27,750
Accrued expenses and other accounts payable	1,525,251	1,433,216	92,035
Income taxes payable	195,388	339,304	(143,916)
Deferred income taxes	1,842	1,769	73
Other current liabilities	1,694,772	1,800,314	(105,542)
Long-term liabilities	4,570,869	4,916,572	(345,703)
Bonds	2,909,706	3,132,372	(222,666)
Convertible debentures	13,308	13,308	-
Long-term borrowings	471,262	481,007	(9,745)
Deferred income taxes	400,266	398,273	1,993
Allowance for retirement benefits	715,825	769,714	(53,889)
Other long-term liabilities	60,499	121,897	(61,398)
Total liabilities	11,566,639	12,099,644	(533,005)
Minority interest in consolidated subsidiaries	448,190	464,220	(16,030)
Shareholders' equity			
Common stock	397,049	397,049	-
Capital reserve	-	415,150	(415,150)
Capital surplus	415,150	-	415,150
Consolidated earned surplus	-	6,527,956	(6,527,956)
Retained earnings	6,681,516	-	6,681,516
Net unrealized gains on other securities	148,517	152,809	(4,292)
Translation adjustments	(144,233)	22,855	(167,088)
Less: treasury stock	(98,984)	(157,766)	58,782
Less: common stock of the Parent held by consolidated subsidiaries	-	(32,983)	32,983
Total shareholders' equity	7,399,015	7,325,072	73,943
Total liabilities and shareholders' equity	19,413,846	19,888,937	(475,091)

Note: The "Accounting Standard for Treasury Stock and Reversal of Legal Reserves" has been applied commencing with FY2003 first quarter.

SEGMENT INFORMATION

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

1. Business Segment Information

(1) FY2003 first quarter (April 2002 through June 2002)

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

	Automotive	Financial services	All other	Total	Elimination and/or unallocated assets	Consolidated
Net sales						
(1) Sales to external customers	3,724,263	179,852	117,018	4,021,134	-	4,021,134
(2) Inter-segment sales and transfers	3,147	344	56,905	60,397	(60,397)	-
Total	3,727,410	180,196	173,924	4,081,532	(60,397)	4,021,134
Operating expenses	3,332,803	176,658	173,696	3,683,157	(56,542)	3,626,615
Operating income	394,607	3,538	228	398,374	(3,855)	394,518

(2) FY2002 first quarter (April 2001 through June 2001)

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

	Automotive	Financial services	All other	Total	Elimination and/or unallocated assets	Consolidated
Net sales						
(1) Sales to external customers	3,059,935	159,403	128,401	3,347,740	-	3,347,740
(2) Inter-segment sales and transfers	21,584	19	62,502	84,106	(84,106)	-
Total	3,081,520	159,422	190,903	3,431,846	(84,106)	3,347,740
Operating expenses	2,806,568	142,058	188,332	3,136,959	(80,577)	3,056,382
Operating income	274,951	17,364	2,570	294,886	(3,529)	291,357

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2. Geographical Segment Information

(1) FY2003 first quarter (April 2002 through June 2002)

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

	Japan	North America	Europe	Other	Total	Elimination and/or unallocated assets	Consolidated
Net sales							
(1) Sales to external customers	1,589,923	1,638,049	389,389	403,772	4,021,134	-	4,021,134
(2) Inter-segment sales and transfers	1,078,994	59,394	18,134	16,091	1,172,615	(1,172,615)	-
Total	2,668,917	1,697,444	407,524	419,863	5,193,749	(1,172,615)	4,021,134
Operating expenses	2,392,732	1,590,482	404,280	409,491	4,796,986	(1,170,370)	3,626,615
Operating income	276,184	106,962	3,243	10,372	396,763	(2,244)	394,518

(2) FY2002 first quarter (April 2001 through June 2001)

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

	Japan	North America	Europe	Other	Total	Elimination and/or unallocated assets	Consolidated
Net sales							
(1) Sales to external customers	1,532,186	1,338,615	269,238	207,699	3,347,740	-	3,347,740
(2) Inter-segment sales and transfers	894,460	44,836	13,886	24,216	977,399	(977,399)	-
Total	2,426,647	1,383,451	283,125	231,915	4,325,139	(977,399)	3,347,740
Operating expenses	2,198,449	1,319,588	282,838	228,868	4,029,745	(973,362)	3,056,382
Operating income	228,198	63,862	287	3,046	295,394	(4,037)	291,357

<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.)

	FY2003 first quarter (April 2002 through June 2002)	FY2002 first quarter (April 2001 through June 2001)	Increase (Decrease)
Net sales	2,081,548	1,982,795	98,753
Operating income	244,288	196,507	47,781
Ordinary income	285,536	243,738	41,798
Extraordinary gains	162,457	—	162,457
Income before income taxes	447,994	243,738	204,256
Income taxes – current	126,100	110,100	16,000
Income taxes – deferred	58,800	(9,500)	68,300
Net income	263,094	143,138	119,956

UNCONSOLIDATED BALANCE SHEETS

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

	FY2003 first quarter (As of June 30,2002)	FY2002 (As of March 31,2002)	Increase (Decrease)
Assets			
Current assets	3,482,855	3,431,039	51,816
Cash, deposits and trade accounts receivable	1,378,506	1,260,192	118,314
Marketable securities	1,087,888	1,190,085	(102,197)
Others	1,016,459	980,761	35,698
Fixed assets	5,091,514	5,036,891	54,623
Property, plant and equipment	1,258,820	1,275,101	(16,281)
Buildings, machinery and equipment	690,470	691,649	(1,179)
Others	568,350	583,452	(15,102)
Investments and other assets	3,832,693	3,761,789	70,904
Investments in securities	1,840,672	1,832,686	7,986
Others	1,992,021	1,929,103	62,918
Total assets	8,574,369	8,467,930	106,439

	FY2003 first quarter (As of June 30,2002)	FY2002 (As of March 31,2002)	Increase (Decrease)
Liabilities			
Current liabilities	1,907,835	1,961,602	(53,767)
Long-term liabilities	788,965	844,169	(55,204)
Total liabilities	2,696,800	2,805,772	(108,972)
Shareholders' equity			
Common stock	397,049	397,049	—
Capital surplus	415,150	415,150	—
Retained earnings	4,973,436	4,908,068	65,368
<Included net income for the period>	< 263,094 >	< 470,239 >	< (207,145) >
Net unrealized gains on other securities	106,762	99,656	7,106
Less: treasury stock	(14,831)	(157,766)	142,935
Total shareholders' equity	5,877,568	5,662,158	215,410
Total liabilities and shareholders' equity	8,574,369	8,467,930	106,439