

# **FINANCIAL SUMMARY**

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

## **FY2008 Third Quarter**

(October 1, 2007 through December 31, 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 Third Quarter

### Financial Results

Consolidated vehicle sales in Japan and overseas increased by 126 thousand units, or 5.8%, to 2,281 thousand units in FY2008 third quarter (the three-month period from October 1, 2007 to December 31, 2007) compared with FY2007 third quarter (the three-month period from October 1, 2006 to December 31, 2006). Despite that the market fell below the level of FY2007 third quarter, the same level of vehicle unit sales of 541 thousand units as FY2007 third quarter was achieved in Japan in FY2008 third quarter. Meanwhile, overseas vehicle sales increased by 126 thousand units, or 7.8%, to 1,740 thousand units in FY2008 third quarter compared with FY2007 third quarter, because of sales expansion in Europe, Asia and other regions.

As for the results of operations, net revenues increased by 563.4 billion yen, or 9.2%, to 6,709.9 billion yen in FY2008 third quarter compared with FY2007 third quarter, and operating income increased by 26.8 billion yen, or 4.7%, to 601.5 billion yen in FY2008 third quarter compared with FY2007 third quarter. Among the factors contributing to the increase in operating income totaling 140.0 billion yen were marketing efforts of 100.0 billion yen and cost reduction efforts of 40.0 billion yen. On the other hand, factors resulting in the decrease in operating income included the effect of exchange rate changes of 20.0 billion yen and the increase in expenses of 93.2 billion yen. Income before income taxes, minority interest and equity in earnings of affiliated companies increased by 36.8 billion yen, or 6.0%, to 652.7 billion yen in FY2008 third quarter compared with FY2007 third quarter. Net income increased by 31.9 billion yen, or 7.5%, to 458.6 billion yen in FY2008 third quarter compared with FY2007 third quarter.

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

### (1) Segment Operating Results

#### Automotive:

Net revenues for the automotive operations increased by 514.7 billion yen, or 9.1%, to 6,180.4 billion yen in FY2008 third quarter compared with FY2007 third quarter, and operating income increased by 43.7 billion yen, or 8.3%, to 567.8 billion yen in FY2008 third quarter compared with FY2007 third quarter. The increase in operating income was mainly due to increases in both production volume and vehicle units sold, as well as cost reduction efforts, partially offset by an increase in expenses.

#### Financial services:

Net revenues for the financial services operations increased by 57.4 billion yen, or 17.2%, to 391.7 billion yen in FY2008 third quarter compared with FY2007 third quarter, while operating income decreased by 20.4 billion yen, or 49.4%, to 20.9 billion yen in FY2008 third quarter compared with FY2007 third quarter. The decrease in operating income was mainly due to the recording of valuation losses on interest rate swaps stated at fair value by 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 guidance including FAS No.138), despite a steady increase in financing volume.

#### All other:

Net revenues for all other businesses increased by 23.1 billion yen, or 7.4%, to 333.6 billion yen in FY2008 third quarter compared with FY2007 third quarter, and operating income increased by 3.7 billion yen, or 45.2%, to 11.8 billion yen in FY2008 third quarter compared with FY2007 third quarter.

## (2) Geographic Information

### Japan:

Net revenues in Japan increased by 178.6 billion yen, or 4.7%, to 3,984.8 billion yen in FY2008 third quarter compared with FY2007 third quarter, and operating income increased by 5.9 billion yen, or 1.5%, to 389.4 billion yen in FY2008 third quarter compared with FY2007 third quarter. The increase in operating income was mainly due to increases in both production volume and vehicle exports, as well as cost reduction efforts, partially offset by an increase in expenses.

### North America:

Net revenues in North America decreased by 8.3 billion yen, or 0.3%, to 2,369.8 billion yen in FY2008 third quarter compared with FY2007 third quarter, and operating income decreased by 35.5 billion yen, or 35.8%, to 63.6 billion yen in FY2008 third quarter compared with FY2007 third quarter. The decrease in operating income was mainly due to the recording of valuation losses on interest rate swaps stated at fair value by sales finance subsidiary in the United States of America, in accordance with FAS No. 133 (as amended by several guidance including FAS No.138).

### Europe:

Net revenues in Europe increased by 99.4 billion yen, or 11.3%, to 983.1 billion yen in FY2008 third quarter compared with FY2007 third quarter, while operating income decreased by 0.8 billion yen, or 2.2%, to 34.0 billion yen in FY2008 third quarter compared with FY2007 third quarter.

### Asia:

Net revenues in Asia increased by 249.3 billion yen, or 44.4%, to 811.2 billion yen in FY2008 third quarter compared with FY2007 third quarter, and operating income increased by 36.2 billion yen, or 128.8%, to 64.3 billion yen in FY2008 third quarter compared with FY2007 third 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 130.1 billion yen, or 25.5%, to 641.2 billion yen in FY2008 third quarter compared with FY2007 third quarter, and operating income increased by 18.9 billion yen, or 60.9%, to 49.9 billion yen in FY2008 third quarter compared with FY2007 third 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 third quarter (October 2006 through December 2006)	FY2008 third quarter (October 2007 through December 2007)	Increase (Decrease)
Vehicles (new)	Japan	1,319,331	1,358,519	39,188
	North America	286,220	300,322	14,102
	Europe	182,624	182,684	60
	Asia	193,334	240,854	47,520
	Other	110,506	118,758	8,252
	Overseas total	772,684	842,618	69,934
	<b>Total</b>	<b>2,092,015</b>	<b>2,201,137</b>	<b>109,122</b>
Houses (Japan)		1,412	1,271	(141)

Note: The total production of vehicles (new) includes 220,556 units of Daihatsu brand vehicles (including OEM production) in FY2007 third quarter, and 215,629 units in FY2008 third quarter, and 22,511 units of Hino brand vehicles in FY2007 third quarter, and 28,388 units in FY2008 third quarter.

## 2. Sales (by destination)

(Units)

		FY2007 third quarter (October 2006 through December 2006)	FY2008 third quarter (October 2007 through December 2007)	Increase (Decrease)
Vehicles (new)	Japan	541,541	541,151	(390)
	North America	764,007	756,145	(7,862)
	Europe	306,046	308,263	2,217
	Asia	204,282	241,378	37,096
	Other	339,514	434,271	94,757
	Overseas total	1,613,849	1,740,057	126,208
	<b>Total</b>	<b>2,155,390</b>	<b>2,281,208</b>	<b>125,818</b>
Houses (Japan)		1,352	1,195	(157)

Note: The total sales of vehicles (new) include 182,509 units of Daihatsu brand vehicles in FY2007 third quarter, and 180,466 units in FY2008 third quarter, and 21,778 units of Hino brand vehicles in FY2007 third quarter, and 27,629 units in FY2008 third 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)

	FY2007 third quarter (October 2006 through December 2006)	FY2008 third quarter (October 2007 through December 2007)	Increase (Decrease)
<b>Net revenues :</b>	<b>6,146,584</b>	<b>6,709,983</b>	<b>563,399</b>
Sales of products	5,818,107	6,325,948	507,841
Financing operations	328,477	384,035	55,558
<b>Costs and expenses :</b>	<b>5,571,795</b>	<b>6,108,425</b>	<b>536,630</b>
Cost of products sold	4,716,117	5,181,582	465,465
Cost of financing operations	226,448	273,526	47,078
Selling, general and administrative	629,230	653,317	24,087
<b>Operating income</b>	<b>574,789</b>	<b>601,558</b>	<b>26,769</b>
<b>Other income (expense) :</b>	<b>41,153</b>	<b>51,130</b>	<b>9,977</b>
Interest and dividend income	38,687	50,775	12,088
Interest expense	(11,820)	(10,617)	1,203
Other income, net	14,286	10,972	(3,314)
<b>Income before income taxes, minority interest and equity in earnings of affiliated companies</b>	<b>615,942</b>	<b>652,688</b>	<b>36,746</b>
<b>Provision for income taxes</b>	<b>240,214</b>	<b>250,833</b>	<b>10,619</b>
<b>Income before minority interest and equity in earnings of affiliated companies</b>	<b>375,728</b>	<b>401,855</b>	<b>26,127</b>
<b>Minority interest in consolidated subsidiaries</b>	<b>(15,094)</b>	<b>(22,385)</b>	<b>(7,291)</b>
<b>Equity in earnings of affiliated companies</b>	<b>66,137</b>	<b>79,198</b>	<b>13,061</b>
<b>Net income</b>	<b>426,771</b>	<b>458,668</b>	<b>31,897</b>

(Yen)

Net income per share – Basic	133.21	144.47	11.26
Net income per share – Diluted	133.13	144.43	11.30

# 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 third quarter (As of December 31, 2007)	Increase (Decrease)
<b>Assets</b>			
<b>Current assets :</b>	<b>11,784,123</b>	<b>12,720,799</b>	<b>936,676</b>
Cash and cash equivalents	1,900,379	1,688,951	(211,428)
Time deposits	26,709	186,200	159,491
Marketable securities	435,463	708,169	272,706
Trade accounts and notes receivable, less allowance for doubtful accounts	2,023,818	1,849,447	(174,371)
Finance receivables, net	4,036,363	4,472,763	436,400
Other receivables	486,170	503,187	17,017
Inventories	1,803,956	2,014,097	210,141
Deferred income taxes	551,503	577,793	26,290
Prepaid expenses and other current assets	519,762	720,192	200,430
<b>Noncurrent finance receivables, net</b>	<b>5,694,733</b>	<b>6,347,782</b>	<b>653,049</b>
<b>Investments and other assets</b>	<b>7,035,404</b>	<b>7,043,059</b>	<b>7,655</b>
<b>Property, plant and equipment :</b>	<b>8,060,519</b>	<b>8,388,103</b>	<b>327,584</b>
Land	1,233,137	1,262,754	29,617
Buildings	3,444,764	3,578,401	133,637
Machinery and equipment	9,184,751	9,538,130	353,379
Vehicles and equipment on operating leases	3,309,337	3,551,284	241,947
Construction in progress	349,465	363,310	13,845
Less – Accumulated depreciation	(9,460,935)	(9,905,776)	(444,841)
<b>Total assets</b>	<b>32,574,779</b>	<b>34,499,743</b>	<b>1,924,964</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 third quarter (As of December 31, 2007)	Increase (Decrease)
<b>Liabilities</b>			
<b>Current liabilities :</b>	<b>11,767,170</b>	<b>12,948,434</b>	<b>1,181,264</b>
Short-term borrowings	3,497,391	4,321,773	824,382
Current portion of long-term debt	2,368,116	3,102,604	734,488
Accounts payable	2,211,586	2,020,379	(191,207)
Other payables	807,481	733,944	(73,537)
Accrued expenses	1,668,337	1,646,196	(22,141)
Income taxes payable	421,196	244,025	(177,171)
Other current liabilities	793,063	879,513	86,450
<b>Long-term liabilities :</b>	<b>8,343,273</b>	<b>8,378,065</b>	<b>34,792</b>
Long-term debt	6,263,585	6,207,059	(56,526)
Accrued pension and severance costs	640,586	617,617	(22,969)
Deferred income taxes	1,312,400	1,331,518	19,118
Other long-term liabilities	126,702	221,871	95,169
<b>Total liabilities</b>	<b>20,110,443</b>	<b>21,326,499</b>	<b>1,216,056</b>
<b>Minority interest in consolidated subsidiaries</b>	<b>628,244</b>	<b>675,908</b>	<b>47,664</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>500,172</b>	<b>2,579</b>
<b>Retained earnings</b>	<b>11,764,713</b>	<b>12,734,930</b>	<b>970,217</b>
<b>Accumulated other comprehensive income</b>	<b>701,390</b>	<b>579,400</b>	<b>(121,990)</b>
<b>Treasury stock, at cost</b>	<b>(1,524,654)</b>	<b>(1,714,216)</b>	<b>(189,562)</b>
<b>Total shareholders' equity</b>	<b>11,836,092</b>	<b>12,497,336</b>	<b>661,244</b>
<b>Total liabilities and shareholders' equity</b>	<b>32,574,779</b>	<b>34,499,743</b>	<b>1,924,964</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 third quarter (October 2006 through December 2006)

(Amounts are rounded to the nearest million yen)

	Automotive	Financial Services	All Other	Intersegment Elimination	Consolidated
Net revenues :					
(1) Sales to external customers	5,662,470	328,477	155,637	–	6,146,584
(2) Intersegment sales and transfers	3,262	5,848	154,908	(164,018)	–
Total	5,665,732	334,325	310,545	(164,018)	6,146,584
Operating expenses	5,141,572	292,971	302,418	(165,166)	5,571,795
Operating income	524,160	41,354	8,127	1,148	574,789

(2) FY2008 third quarter (October 2007 through December 2007)

	Automotive	Financial Services	All Other	Intersegment Elimination	Consolidated
Net revenues :					
(1) Sales to external customers	6,175,848	384,035	150,100	–	6,709,983
(2) Intersegment sales and transfers	4,635	7,675	183,545	(195,855)	–
Total	6,180,483	391,710	333,645	(195,855)	6,709,983
Operating expenses	5,612,612	370,786	321,842	(196,815)	6,108,425
Operating income	567,871	20,924	11,803	960	601,558

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

## 2. Geographic Information

(1) FY2007 third quarter (October 2006 through December 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	2,035,097	2,322,290	833,212	502,480	453,505	–	6,146,584
(2) Intersegment sales and transfers	1,771,120	55,863	50,476	59,438	57,621	(1,994,518)	–
Total	3,806,217	2,378,153	883,688	561,918	511,126	(1,994,518)	6,146,584
Operating expenses	3,422,693	2,278,976	848,858	533,812	480,090	(1,992,634)	5,571,795
Operating income	383,524	99,177	34,830	28,106	31,036	(1,884)	574,789

(2) FY2008 third quarter (October 2007 through December 2007)

	Japan	North America	Europe	Asia	Other	Intersegment Elimination	Consolidated
Net revenues :							
(1) Sales to external customers	2,150,167	2,331,625	923,007	722,900	582,284	–	6,709,983
(2) Intersegment sales and transfers	1,834,560	38,211	60,141	88,381	58,961	(2,080,254)	–
Total	3,984,727	2,369,836	983,148	811,281	641,245	(2,080,254)	6,709,983
Operating expenses	3,595,373	2,306,196	949,070	746,985	591,314	(2,080,513)	6,108,425
Operating income	389,354	63,640	34,078	64,296	49,931	259	601,558

# <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 third quarter (October 2006 through December 2006)	FY2008 third quarter (October 2007 through December 2007)	Increase (Decrease)
<b>Net sales</b>	<b>3,036,115</b>	<b>3,238,456</b>	<b>202,341</b>
<b>Gross profit</b>	<b>627,038</b>	<b>627,395</b>	<b>357</b>
<b>Operating income</b>	<b>320,460</b>	<b>299,010</b>	<b>(21,450)</b>
<b>Ordinary income</b>	<b>483,043</b>	<b>498,776</b>	<b>15,733</b>
<b>Income before income taxes</b>	<b>483,043</b>	<b>498,776</b>	<b>15,733</b>
Income taxes – current	155,400	146,200	(9,200)
Income taxes – deferred	(6,236)	(22,553)	(16,317)
<b>Net income</b>	<b>333,879</b>	<b>375,129</b>	<b>41,250</b>

## UNCONSOLIDATED BALANCE SHEETS

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

	FY2007 (As of March 31,2007)	FY2008 third quarter (As of December 31,2007)	Increase (Decrease)
<b>Assets</b>			
<b>Current assets</b>	<b>4,116,670</b>	<b>3,848,969</b>	<b>(267,701)</b>
Cash, deposits and trade accounts receivable	1,436,954	1,207,019	(229,935)
Marketable securities	1,011,348	941,050	(70,298)
Others	1,668,368	1,700,899	32,531
<b>Fixed assets</b>	<b>6,544,498</b>	<b>6,537,549</b>	<b>(6,949)</b>
<b>Property, plant and equipment</b>	<b>1,358,160</b>	<b>1,366,620</b>	<b>8,460</b>
Buildings, machinery and equipment	745,076	753,882	8,806
Others	613,083	612,737	(346)
<b>Investments and other assets</b>	<b>5,186,338</b>	<b>5,170,928</b>	<b>(15,410)</b>
Investments in securities	2,595,932	2,535,196	(60,736)
Others	2,590,405	2,635,732	45,327
<b>Total</b>	<b>10,661,169</b>	<b>10,386,518</b>	<b>(274,651)</b>

	FY2007 (As of March 31,2007)	FY2008 third quarter (As of December 31,2007)	Increase (Decrease)
<b>Liabilities</b>			
<b>Current liabilities</b>	<b>2,730,572</b>	<b>2,376,688</b>	<b>(353,884)</b>
<b>Long-term liabilities</b>	<b>779,993</b>	<b>592,645</b>	<b>(187,348)</b>
<b>Total liabilities</b>	<b>3,510,565</b>	<b>2,969,333</b>	<b>(541,232)</b>
<b>Net assets</b>			
<b>Shareholders' equity</b>	<b>6,593,724</b>	<b>6,950,600</b>	<b>356,876</b>
<b>Valuation and translation adjustments</b>	<b>555,708</b>	<b>463,307</b>	<b>(92,401)</b>
<b>Stock acquisition rights</b>	<b>1,171</b>	<b>3,276</b>	<b>2,105</b>
<b>Total net assets</b>	<b>7,150,603</b>	<b>7,417,184</b>	<b>266,581</b>
<b>Total</b>	<b>10,661,169</b>	<b>10,386,518</b>	<b>(274,651)</b>