

FINANCIAL SUMMARY

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

FY2006 Third Quarter

(October 1, 2005 through December 31, 2005)

English translation from the original Japanese-language document

TOYOTA MOTOR CORPORATION

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 Third Quarter

Financial Results

Total consolidated vehicle sales in Japan and overseas increased by 141 thousand units, or 7.6%, to 1,980 thousand units in FY2006 third quarter (the three-month period from October 1, 2005 to December 31, 2005) compared with FY2005 third quarter (the three-month period from October 1, 2004 to December 31, 2004). Vehicle sales in Japan in FY2006 third quarter reached 571 thousand units, continuing to maintain a high level, following the 573 thousand units in the same period of the previous year, due to the active introduction of new products that met customer needs and the strong sales efforts of domestic dealers. Meanwhile, overseas vehicle sales increased by 143 thousand units, or 11.3%, to 1,409 thousand units in FY2006 third quarter compared with FY2005 third quarter, because sales in North America, Asia and other regions steadily increased.

Net revenues increased by 689.3 billion yen, or 14.8%, to 5,333.3 billion yen in FY2006 third quarter compared with FY2005 third quarter, and operating income increased by 59.3 billion yen, or 14.0%, to 482.2 billion yen in FY2006 third quarter compared with FY2005 third quarter. Among the factors contributing to the increase in operating income totaling 220.0 billion yen, the effects of changes in exchange rates accounted for 130.0 billion yen, marketing efforts for 60.0 billion yen and cost reduction efforts for 30.0 billion yen. On the other hand, factors resulting in the decrease in operating income mainly included a decrease in the gains recognized on the transfer of the substitutional portion of the employee pension fund to the government of 28.5 billion yen and increases in expenses of 132.2 billion yen. Income before income taxes, minority interest and equity in earnings of affiliated companies increased by 192.8 billion yen, or 43.1%, to 639.9 billion yen in FY2006 third quarter compared with FY2005 third quarter. Net income increased by 101.0 billion yen, or 34.1%, to 397.5 billion yen in FY2006 third quarter compared with FY2005 third quarter.

2. Consolidated Financial Results of FY2006 Third Quarter by Segment

(1) Segment Operating Results

Automotive:

Net revenues for the automotive operations increased by 621.6 billion yen, or 14.5%, to 4,900.0 billion yen in FY2006 third quarter compared with FY2005 third quarter, and operating income increased by 71.8 billion yen, or 20.2%, to 427.3 billion yen in FY2006 third quarter compared with FY2005 third quarter. The increase in operating income was mainly due to the effects of changes in exchange rates, increases in both production volume and vehicle units sold and the effects of cost reduction efforts, partially offset by a decrease in the gains recognized on the transfer of the substitutional portion of the employee pension fund to the government and increases in expenses.

Financial services:

Net revenues for the financial services operations increased by 65.9 billion yen, or 33.6%, to 262.0 billion yen in FY2006 third quarter compared with FY2005 third quarter, while operating income decreased by 11.9 billion yen, or 20.2%, to 46.8 billion yen in FY2006 third quarter compared with FY2005 third quarter. The decrease in operating income was mainly because of the gain in FY2005 third quarter to record prior-year adjustments relating to accounting for loan origination costs in accordance with the Statement of Financial Accounting Standards ("FAS") No.91 by a sales finance subsidiary in the United States of America, as well as the valuation losses on interest rate swaps stated at fair value in accordance with FAS No. 133 as amended by several guidance including FAS No.138, despite a steady increase in financing volumes.

All other:

Net revenues for all other businesses increased by 46.6 billion yen, or 19.2%, to 289.9 billion yen in FY2006 third quarter compared with FY2005 third quarter, and operating income increased by 0.5 billion yen, or 4.9%, to 11.5 billion yen in FY2006 third quarter compared with FY2005 third quarter.

(2) Geographic Information

Japan:

Net revenues in Japan increased by 357.5 billion yen, or 11.8%, to 3,375.8 billion yen in FY2006 third quarter compared with FY2005 third quarter, and operating income increased by 43.8 billion yen, or 18.4%, to 281.1 billion yen in FY2006 third quarter compared with FY2005 third quarter. The increase in operating income was mainly due to the effects of changes in exchange rates and the effects of cost reduction efforts, partially offset by a decrease in the gains recognized on the transfer of the substitutional portion of the employee pension fund to the government and increases in expenses.

North America:

Net revenues in North America increased by 431.3 billion yen, or 27.0%, to 2,027.0 billion yen in FY2006 third quarter compared with FY2005 third quarter, and operating income was 127.8 billion yen in FY2006 third quarter, remaining at the same level as in FY2005 third quarter. This 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 and the gain on prior-year adjustments recorded in FY2005 third quarter relating to accounting for loan origination costs by a sales financing subsidiary in the United States of America.

Europe:

Net revenues in Europe increased by 34.8 billion yen, or 5.5%, to 666.6 billion yen in FY2006 third quarter compared with FY2005 third quarter, and operating income was 26.6 billion yen in FY2006 third quarter, remaining at the same level as in FY2005 third quarter.

Asia:

Net revenues in Asia increased by 103.3 billion yen, or 26.0%, to 501.0 billion yen in FY2006 third quarter compared with FY2005 third quarter, and operating income increased by 13.5 billion yen, or 53.8%, to 38.6 billion yen in FY2006 third quarter compared with FY2005 third quarter. The increase in operating income was mainly due to substantial increases in both local production volume and vehicle units sold, which resulted from the favorable sales of IMV series vehicles.

Others:

Net revenues in other markets increased by 118.2 billion yen, or 39.6%, to 416.4 billion yen in FY2006 third quarter compared with FY2005 third quarter, and operating income increased by 6.3 billion yen, or 74.4%, to 14.7 billion yen in FY2006 third quarter compared with FY2005 third quarter. The increase in operating income was primarily due to increases in local production volumes and vehicle units sold, mainly IMV series vehicles.

3. Other

Toyota received common shares of the Mitsubishi UFJ Financial Group, Inc. because of the merger between Mitsubishi Tokyo Financial Group, Inc., and UFJ Holdings, Inc. on October 1, 2005 in exchange for shares of UFJ Holdings Inc., which Toyota had held. As a result of this transaction, in accordance with accounting principles generally accepted in the United States of America, Toyota has recorded a gain of 143.3 billion yen, which is a difference between acquisition costs of prior-merger shares and the fair market value of post-merger shares, as "Other income, net" in the third quarter of the FY2006.

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 third quarter (October 2005 through December 2005)	FY2005 third quarter (October 2004 through December 2004)	Increase (Decrease)
Vehicles (new)	Japan	1,177,166	1,115,453	61,713
	North America	284,848	271,223	13,625
	Europe	147,104	155,625	(8,521)
	Asia	216,727	189,607	27,120
	Others	88,720	73,952	14,768
	Overseas total	737,399	690,407	46,992
	Total	1,914,565	1,805,860	108,705
Houses (Japan)		1,347	1,414	(67)

Note: The total production of vehicles (new) includes 197,130 units of Daihatsu brand vehicles (including OEM production) in FY2006 third quarter, and 185,727 units in FY2005 third quarter, and 25,056 units of Hino brand vehicles in FY2006 third quarter, and 23,560 units in FY2005 third quarter.

2. Sales (by destination)

(Units)

		FY2006 third quarter (October 2005 through December 2005)	FY2005 third quarter (October 2004 through December 2004)	Increase (Decrease)
Vehicles (new)	Japan	571,162	573,115	(1,953)
	North America	642,765	576,113	66,652
	Europe	245,960	249,275	(3,315)
	Asia	217,026	194,744	22,282
	Others	303,179	246,248	56,931
	Overseas total	1,408,930	1,266,380	142,550
	Total	1,980,092	1,839,495	140,597
Houses (Japan)		1,307	1,443	(136)

Note: The total sales of vehicles (new) includes 165,845 units of Daihatsu brand vehicles in FY2006 third quarter, and 168,067 units in FY2005 third quarter, and 24,803 units of Hino brand vehicles in FY2006 third quarter, and 22,821 units in FY2005 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)

	FY2006 third quarter (October 2005 through December 2005)	FY2005 third quarter (October 2004 through December 2004)	Increase (Decrease)
Net revenues :	5,333,387	4,644,062	689,325
Sales of products	5,076,632	4,452,224	624,408
Financing operations	256,755	191,838	64,917
Costs and expenses :	4,851,176	4,221,162	630,014
Cost of products sold	4,132,935	3,687,929	445,006
Cost of financing operations	159,311	86,994	72,317
Selling, general and administrative	558,930	446,239	112,691
Operating income	482,211	422,900	59,311
Other income (expense) :	157,763	24,288	133,475
Interest and dividend income	22,616	18,324	4,292
Interest expense	(5,100)	(4,540)	(560)
Other income, net	140,247	10,504	129,743
Income before income taxes, minority interest and equity in earnings of affiliated companies	639,974	447,188	192,786
Provision for income taxes	259,286	173,004	86,282
Income before minority interest and equity in earnings of affiliated companies	380,688	274,184	106,504
Minority interest in consolidated subsidiaries	(28,984)	(16,912)	(12,072)
Equity in earnings of affiliated companies	45,870	39,261	6,609
Net income	397,574	296,533	101,041

(Yen)

Net income per share – Basic	122.22	90.35	31.87
Net income per share – Diluted	122.17	90.33	31.84

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 third quarter (As of December 31, 2005)	FY2005 (As of March 31, 2005)	Increase (Decrease)
Assets			
Current assets :	10,121,906	9,440,105	681,801
Cash and cash equivalents	1,462,157	1,483,753	(21,596)
Time deposits	53,694	63,609	(9,915)
Marketable securities	627,727	543,124	84,603
Trade accounts and notes receivable, less allowance for doubtful accounts	1,503,323	1,616,341	(113,018)
Finance receivables, net	3,412,257	3,010,135	402,122
Other receivables	455,630	438,676	16,954
Inventories	1,549,685	1,306,709	242,976
Deferred income taxes	495,895	475,764	20,131
Prepaid expenses and other current assets	561,538	501,994	59,544
Noncurrent finance receivables, net	4,809,418	3,976,941	832,477
Investments and other assets	5,874,754	5,122,371	752,383
Property, plant and equipment :	6,739,121	5,795,594	943,527
Land	1,206,934	1,182,768	24,166
Buildings	3,107,071	2,935,274	171,797
Machinery and equipment	8,295,485	7,897,509	397,976
Vehicles and equipment on operating leases	2,454,429	1,828,697	625,732
Construction in progress	347,570	214,781	132,789
Less – Accumulated depreciation	(8,672,368)	(8,263,435)	(408,933)
Total assets	27,545,199	24,335,011	3,210,188

(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 third quarter (As of December 31, 2005)	FY2005 (As of March 31, 2005)	Increase (Decrease)
Liabilities			
Current liabilities :	9,458,244	8,227,206	1,231,038
Short-term borrowings	2,976,732	2,381,827	594,905
Current portion of long-term debt	1,738,202	1,150,920	587,282
Accounts payable	1,767,237	1,856,799	(89,562)
Other payables	692,359	693,041	(682)
Accrued expenses	1,375,469	1,289,373	86,096
Income taxes payable	227,631	292,835	(65,204)
Other current liabilities	680,614	562,411	118,203
Long-term liabilities :	7,336,029	6,557,926	778,103
Long-term debt	5,554,373	5,014,925	539,448
Accrued pension and severance costs	675,483	646,989	28,494
Deferred income taxes	1,025,222	811,670	213,552
Other long-term liabilities	80,951	84,342	(3,391)
Total liabilities	16,794,273	14,785,132	2,009,141
Minority interest in consolidated subsidiaries	556,428	504,929	51,499
Shareholders' equity			
Common stock	397,050	397,050	–
Additional paid-in capital	495,420	495,707	(287)
Retained earnings	10,055,702	9,332,176	723,526
Accumulated other comprehensive income (loss)	404,160	(80,660)	484,820
Treasury stock, at cost	(1,157,834)	(1,099,323)	(58,511)
Total shareholders' equity	10,194,498	9,044,950	1,149,548
Total liabilities and shareholders' equity	27,545,199	24,335,011	3,210,188

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 third quarter (October 2005 through December 2005)

(Amounts are rounded to the nearest million yen)

	Automotive	Financial Services	All Other	Intersegment Elimination	Consolidated
Net revenues :					
(1) Sales to external customers	4,894,457	256,755	182,175	–	5,333,387
(2) Intersegment sales and transfers	5,596	5,316	107,748	(118,660)	–
Total	4,900,053	262,071	289,923	(118,660)	5,333,387
Operating expenses	4,472,756	215,219	278,367	(115,166)	4,851,176
Operating income	427,297	46,852	11,556	(3,494)	482,211

(2) FY2005 third quarter (October 2004 through December 2004)

(Amounts are rounded to the nearest million yen)

	Automotive	Financial Services	All Other	Intersegment Elimination	Consolidated
Net revenues :					
(1) Sales to external customers	4,274,698	191,838	177,526	–	4,644,062
(2) Intersegment sales and transfers	3,777	4,308	65,775	(73,860)	–
Total	4,278,475	196,146	243,301	(73,860)	4,644,062
Operating expenses	3,922,922	137,435	232,285	(71,480)	4,221,162
Operating income	355,553	58,711	11,016	(2,380)	422,900

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

2. Geographic Information

(1) FY2006 third quarter (October 2005 through December 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	1,929,814	1,968,713	630,269	445,578	359,013	–	5,333,387
(2) Intersegment sales and transfers	1,446,028	58,287	36,356	55,480	57,384	(1,653,535)	–
Total	3,375,842	2,027,000	666,625	501,058	416,397	(1,653,535)	5,333,387
Operating expenses	3,094,729	1,899,165	639,968	462,470	401,726	(1,646,882)	4,851,176
Operating income	281,113	127,835	26,657	38,588	14,671	(6,653)	482,211

(2) FY2005 third quarter (October 2004 through December 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	1,846,872	1,557,782	588,804	377,916	272,688	–	4,644,062
(2) Intersegment sales and transfers	1,171,448	37,971	43,038	19,786	25,535	(1,297,778)	–
Total	3,018,320	1,595,753	631,842	397,702	298,223	(1,297,778)	4,644,062
Operating expenses	2,780,960	1,467,980	605,282	372,609	289,813	(1,295,482)	4,221,162
Operating income	237,360	127,773	26,560	25,093	8,410	(2,296)	422,900

<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 third quarter (October 2005 through December 2005)	FY2005 third quarter (October 2004 through December 2004)	Increase (Decrease)
Net sales	2,661,819	2,333,378	328,441
Operating income	233,268	145,299	87,969
Ordinary income	352,364	252,694	99,670
Income before income taxes	352,364	252,694	99,670
Income taxes – current	110,700	83,200	27,500
Income taxes – deferred	(3,405)	13,734	(17,139)
Net income	245,069	155,760	89,309

UNCONSOLIDATED BALANCE SHEETS

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

	FY2006 third quarter (As of December 31,2005)	FY2005 (As of March 31,2005)	Increase (Decrease)
Assets			
Current assets	3,249,499	3,453,441	(203,942)
Cash, deposits and trade accounts receivable	1,120,687	1,149,011	(28,324)
Marketable securities	814,611	870,735	(56,124)
Others	1,314,200	1,433,694	(119,494)
Fixed assets	6,008,235	5,617,550	390,685
Property, plant and equipment	1,264,536	1,258,835	5,701
Buildings, machinery and equipment	685,889	685,683	206
Others	578,647	573,151	5,496
Investments and other assets	4,743,699	4,358,714	384,985
Investments in securities	2,255,307	1,817,556	437,751
Others	2,488,392	2,541,158	(52,766)
Total assets	9,257,735	9,070,991	186,744

	FY2006 third quarter (As of December 31,2005)	FY2005 (As of March 31,2005)	Increase (Decrease)
Liabilities			
Current liabilities	1,918,339	2,180,374	(262,035)
Long-term liabilities	835,471	832,806	2,665
Total liabilities	2,753,811	3,013,181	(259,370)
Shareholders' equity			
Common stock	397,049	397,049	–
Capital surplus	416,970	416,970	–
Retained earnings	6,377,728	6,094,528	283,200
Net unrealized gains on other securities	501,107	279,780	221,327
Less: treasury stock	(1,188,933)	(1,130,519)	(58,414)
Total shareholders' equity	6,503,923	6,057,810	446,113
Total liabilities and shareholders' equity	9,257,735	9,070,991	186,744