

FINANCIAL SUMMARY

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

FY2004

(April 1, 2003 through March 31, 2004)

English translation from the original Japanese-language document

TOYOTA MOTOR CORPORATION

Cautionary Statement with Respect to Forward-Looking Statements

This report contains forward-looking statements that reflect Toyota's plans and expectations. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause Toyota's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. These factors include: (i) changes in economic conditions affecting, and the competitive environment in, the automotive markets in Japan, North America, Europe and other markets in which Toyota operates; (ii) fluctuations in currency exchange rates, particularly with respect to the value of the Japanese yen, the U.S. dollar, the euro and the British pound; (iii) Toyota's ability to realize production efficiencies and to implement capital expenditures at the levels and times planned by management; (iv) changes in the laws, regulations and government policies affecting Toyota's automotive operations in the markets in which Toyota operates, particularly laws, regulations and policies relating to trade restrictions, environmental protection, vehicle emissions, vehicle fuel economy and vehicle safety, as well as changes in laws, regulations and government policies affecting Toyota's other operations, including the outcome of future litigation and other legal proceedings; (v) political instability in the markets in which Toyota operates; (vi) Toyota's ability to timely develop and achieve market acceptance of new products; and (vii) fuel shortages or interruptions in transportation systems, labor strikes, work stoppages or other interruptions to, or difficulties in, the employment of labor in the major markets where Toyota purchases materials, components and supplies for the production of its products or where its products are produced, distributed or sold. A discussion of these and other factors which may affect Toyota's actual results, performance, achievements or financial position is contained in the "Operating and Financial Review and Prospects" and "Information on the Company" sections and elsewhere in Toyota's annual report on Form 20-F, which is on file with the United States Securities and Exchange Commission.

This report contains summarized and condensed financial statements prepared in accordance with accounting principles generally accepted in the United States of America.

Effective from FY2004, Toyota prepares its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. The consolidated financial statements for FY2003 stated herein have also been prepared in accordance with accounting principles generally accepted in the United States of America.

OVERVIEW OF ASSOCIATED COMPANIES

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

Toyota Motor Corporation ("TMC") and its associated companies (554 consolidated subsidiaries and 228 affiliates as of March 31, 2004) are engaged mainly in the automotive industry and also in the financial services and other businesses.

The following three business segments are segmented on the basis as stated under the "Segment Information" according to the business category.

Automotive:

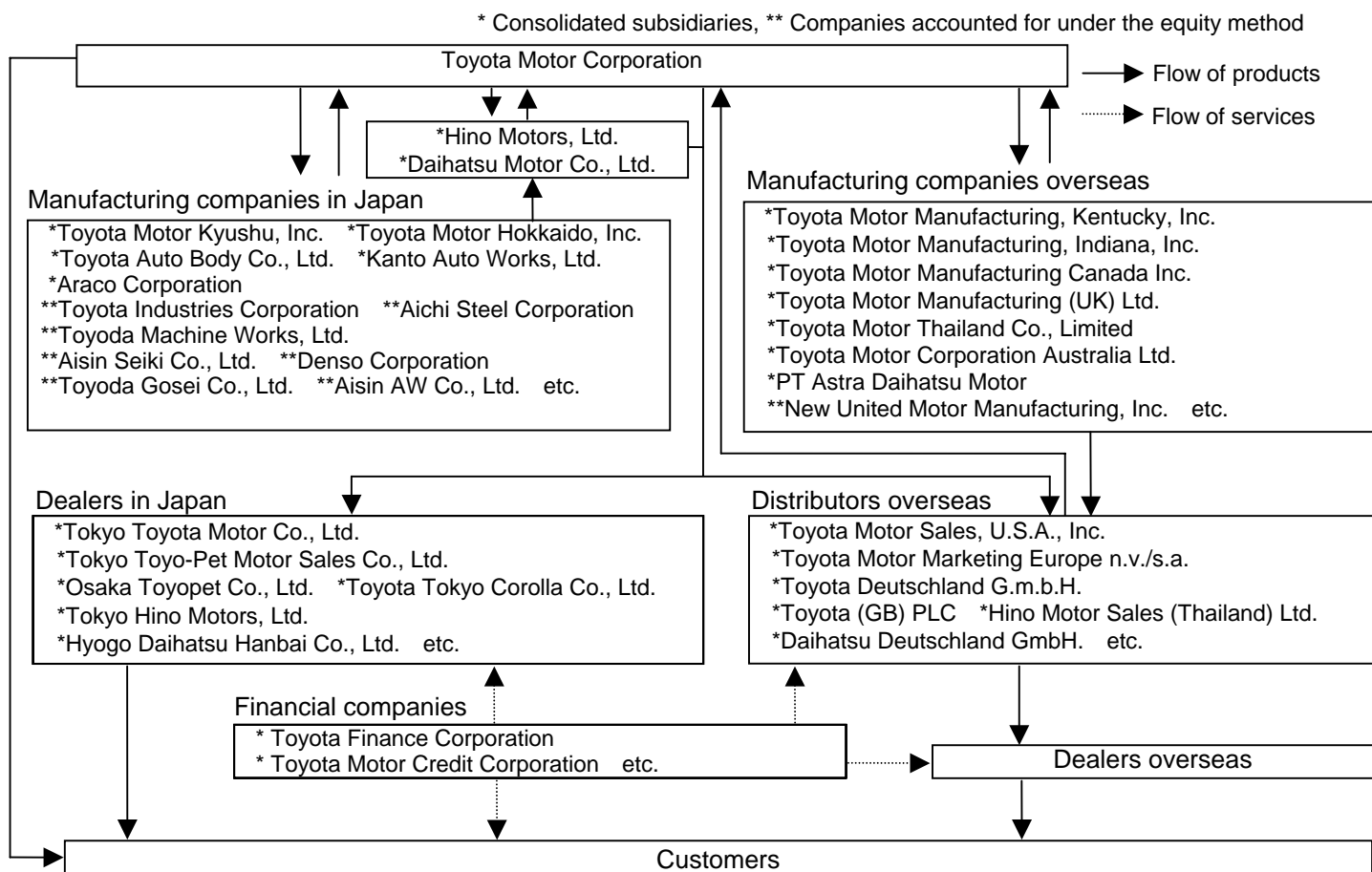
This business involves the design, manufacturing and sale of passenger cars, recreational vehicles, sport utility vehicles, minivans, trucks, buses and related parts. Automobiles are manufactured mainly by TMC, Hino Motors, Ltd., and Daihatsu Motor Co., Ltd., but a portion of manufacturing is consigned to Toyota Auto Body Co., Ltd. and others. Automobiles are also manufactured by Toyota Motor Manufacturing, Kentucky, Inc. and other overseas companies. Automobile parts are manufactured by TMC, Denso Corporation and others. These products are sold through Tokyo Toyo-Pet Motor Sales Co., Ltd. and other dealers and to certain large customers, directly by TMC. Overseas, sales are made through Toyota Motor Sales, U.S.A., Inc. and other distributors and dealers. In addition, Volkswagen vehicles are sold through TMC and some dealers in Japan.

Financial Services:

This business involves the provision of loans and leases to customers and the provision of loans to dealers. Toyota Finance Corporation in Japan, Toyota Motor Credit Corporation and other overseas subsidiaries and affiliates provide sales financing for TMC's products and the products of its subsidiaries and affiliates.

All other:

Other business includes the design, manufacturing and sale of housing, telecommunications and other businesses. Housing is manufactured by TMC and sold through domestic housing dealers.



Other major companies include Toyota Motor North America, Inc., which deals with public relations and research activities in North America, Toyota Motor Manufacturing, North America, Inc., which controls manufacturing companies in North America, Toyota Motor Europe n.v./s.a., which deals with public relations activities in Europe, Toyota Motor Engineering & Manufacturing Europe n.v./s.a., which controls manufacturing companies in Europe, and Toyota Financial Services Corporation, which controls the management of financial companies.

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

<Overview of Changes in Major Associated Companies>

For FY2004, the change in our major associated companies is as follows:

(Change in major associated companies)

New consolidated subsidiaries:

Toyota Auto Body Co., Ltd.

Kanto Auto Works, Ltd.

Toyota Auto Body Co., Ltd. and Kanto Auto Works, Ltd. became consolidated subsidiaries from companies accounted for under the equity method on May 30, 2003 as a result of the acquisition of additional shares by TMC from third parties.

MANAGEMENT POLICY

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

1. Toyota's Basic Management Policy

Toyota Motor Corporation ("TMC") holds up the "Guiding Principles at Toyota Motor Corporation" as its basic management policy and believes that efforts to achieve the goals set forth in the principles will lead to an increase in shareholder value. The "Guiding Principles at Toyota Motor Corporation" are as follows:

- (1) Honor the language and spirit of the law of every nation and undertake open and fair corporate activities to be a good corporate citizen of the world.
- (2) Respect the culture and customs of every nation and contribute to economic and social development through corporate activities in the communities.
- (3) Dedicate ourselves to providing clean and safe products and to enhancing the quality of life everywhere through all our activities.
- (4) Create and develop advanced technologies and provide outstanding products and services that fulfill the needs of customers worldwide.
- (5) Foster a corporate culture that enhances individual creativity and teamwork value, while honoring mutual trust and respect between labor and management.
- (6) Pursue growth in harmony with the global community through innovative management.
- (7) Work with business partners in research and creation to achieve stable, long-term growth and mutual benefits, while keeping ourselves open to new partnerships.

2. Basic Policy on the Distribution of Profits

TMC positions the benefit of its shareholders as one of its priority management policies and promotes its business aggressively while improving and strengthening its corporate foundations. TMC's basic approach is to continue paying stable dividends, while giving overall consideration to business results, dividends payout ratio, etc. Further, with the intent of responding to the expectations of its shareholders, TMC plans to respond to changes in the business environment as well as improve capital efficiency through repurchase of its own shares.

TMC aims to use reserves to establish a stable, long-term management foundation for making its products more competitive, improving domestic and overseas production and sales structures, and developing new businesses.

3. Policy for the Granting of Stock Options and Other Incentive Plans

Currently, TMC maintains an incentive plan for granting stock options to our directors, managing officers and senior managers, etc. Together with this plan, TMC also maintains an incentive plan for the executives of its overseas subsidiaries and affiliated companies.

TMC believes that these incentive plans will heighten their willingness and motivation to improve business performance in the medium- and long-term, enhance international competitiveness and profitability, and contribute to increased shareholder value.

4. Basic Policy on Corporate Governance and Status of Policy Implementation

TMC has positioned the stable long-term growth of shareholder value as a top-priority management issue. We believe that in carrying this out, it is essential that we achieve long-term and stable growth by building positive relationships with all stakeholders including shareholders and customers as well as business partners, local communities and employees, and by supplying products that will satisfy our customers. To this end, we are working to enhance corporate governance through a variety of measures designed to further increase our competitiveness as a global company.

Specifically, TMC has introduced a new management system, as approved by the general shareholders' meeting in June 2003, which features a streamlined board of directors with a smaller headcount and a new position of managing officers. Under the new system, senior managing directors, not only participate in the company's overall management as board members, but also serve as a link between management and operations by acting as the top managers of particular operational divisions. By adopting a system that incorporates our emphasis on front-line operations, which has been one of the company's strengths, TMC believes that it will be able to implement management decisions quickly at the operational level, reflect ideas of front-line operations in the company's overall business strategies, and make decision close to front-line operations.

TMC also maintains a corporate auditor system based on the Japanese Commercial Code, which serves to audit and monitor the company's management. In order to ensure transparency in the company's activities, TMC has increased the number of outside corporate auditors, to four out of a total of seven, at last year's general shareholder's meeting. In addition, TMC has established a "Committee of Ethics for Corporate Conduct", consisting of directors at the executive vice president level and above as well as corporate auditors, to review all corporate activities from the viewpoint of legal compliance and corporate ethics. Further, each year TMC holds a meeting of the International Advisory Board, which is comprised of experts outside Japan, to provide TMC with advice concerning management strategies in connection with its globalization initiatives. TMC has also established a Compliance Hotline that allows employees to consult with an outside attorney concerning corporate ethics and compliance issues, and a dedicated task force to identify compliance risks in all departments. TMC will continue to promote the "Guiding Principles at Toyota Motor Corporation" and the "Code of Conduct for Toyota Employees" which is a guideline for employees' attitude and conduct and will work to advance corporate ethics through training and education at all levels and in all departments.

To enhance accountability, last year TMC began providing quarterly financial information to shareholders, investors and other stakeholders as part of its ongoing disclosure efforts, and this year we adopted accounting principles generally accepted in the United States of America for the preparation of consolidated financial statements to enhance the timeliness, transparency, and accessibility of the company's financial data. TMC also established a Disclosure Committee pursuant to the U.S. Sarbanes-Oxley Act to ensure the complete and fair disclosure of material information in annual report, etc.

TMC remains committed to achieving stable increases in shareholder value over the long-term by proposing and implementing management strategies based on these long-term perspectives.

5. TMC's Medium- and Long-term Management Strategy

To continue its growth over the long-term, the Toyota Group will make combined efforts to address the following issues.

An immediate issue is the steady implementation of key domestic and overseas projects. In Japan, we are promoting product deployment consistent with the branding of each sales channel and reinforcing our domestic sales structure including dealers through the creation of the new Netz dealer network and the introduction of the Lexus brand. Overseas, we are putting our full efforts into the efficient launch of the IMV Project, for manufacturing facilities mainly in the ASEAN region to supplement one another in the manufacture of key parts, in the production of pickup trucks and multi-purpose vehicles, and the joint-venture project with Peugeot Citroën Automobiles SA in the Czech Republic. In the rapidly growing Chinese market, where various auto manufacturers are quickly expanding their operations, TMC is building strong relationships with its local business partners and is developing a solid foundation for all aspects of business from development to procurement, production and sales.

Medium- to long-term strategies include, first, reinforcing our development of environmental technologies and developing and supplying products that anticipate customer needs. Next, in the pursuit of compatibility between growth and efficiency, is the maintenance of the world's highest levels of quality, and reinforcement of cost competitiveness as well as the efficient utilization of group resources to create a globally balanced business structure. Last, based on the idea that the source of corporate competitiveness is in the development of talents, we are promoting the development of human resources that can pass on Toyota's technologies and skills and that share Toyota's values with respect to manufacturing.

By addressing these issues, we will seek increases in shareholder value and work to become a company that can successfully compete on a global scale and continue to grow in the 21st century as well as a global company trusted worldwide that contributes to the development of a prosperous society.

In addition, we reaffirm our commitment to corporate ethics including with strict compliance with laws and regulations, and will fulfill our corporate social responsibility in areas including safety, quality, and the environment in the pursuit, with sincerity and humility, of growth that is in harmony with society.

BUSINESS RESULTS AND FINANCIAL POSITION

(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 FY2004

(1) Financial Results

During FY2004, the domestic economy began to show signs of recovery, as supported by capital expenditures, exports and slight increases in consumer spending, despite the continued existence of severe employment conditions. Overseas, although the economy in Europe remained sluggish, especially in the Euro zone, there are signs of recovery, particularly in the United States of America and Asia.

Under these conditions, domestic vehicle sales increased by 86 thousand units, or 3.8%, to 2,303 thousand units in FY2004 compared with FY2003, primarily as a result of the active introduction of new products that met customer needs and the strong sales efforts of domestic dealers, amidst rapidly changing market conditions. Toyota's market share in Japan (excluding mini-vehicles) reached 42.9% in FY2004, exceeding a 40% market share for the sixth consecutive year. Toyota's market share in Japan (including mini-vehicles) was 39.6% in FY2004. Meanwhile, due to an extensive line-up that catered to regional needs, overseas vehicle sales increased in all regions by 520 thousand units, or 13.4%, to 4,416 thousand units in FY2004 compared with FY2003. Consequently, total vehicle sales in Japan and overseas increased by 606 thousand units, or 9.9%, to 6,719 thousand units in FY2004 compared with FY2003, marking a record high.

Net revenues increased by 1,793.2 billion yen, or 11.6%, to 17,294.7 billion yen in FY2004 compared with FY2003, and operating income increased by 395.2 billion yen, or 31.1%, to 1,666.8 billion yen in FY2004 compared with FY2003. Among the factors contributing to the increase in operating income of 657.0 billion yen, marketing efforts accounted for 320.0 billion yen, cost reduction efforts for 230.0 billion yen and effects of gains on transfer of the substitutional portion of the employee pension fund for 107.0 billion yen. On the other hand, factors contributing to the decrease in operating income primarily included the effects of changes in exchange rates of 140.0 billion yen and increases in labor costs and other expenses of 121.8 billion yen. Income before income taxes, minority interest and equity in earnings of affiliated companies increased by 539.1 billion yen, or 44.0%, to 1,765.7 billion yen in FY2004 compared with FY2003. Net income increased by 411.1 billion yen, or 54.8%, to 1,162.0 billion yen in FY2004 compared with FY2003.

Net sales, operating income, income before income taxes, minority interest and equity in earnings of affiliated companies and net income all reached record highs.

TMC and some of its affiliated companies in Japan applied for exemption from the payment of benefits related to future employee services with respect to the substitutional portion of the Employee Pension Fund and obtained approval from the Minister of Health, Labour, and Welfare. These companies also applied for approval for the separation of the remaining benefit obligation of the substitutional portion which relates to past employee services. After approval was obtained, TMC and its affiliated companies completed the transfer of the government-specified portion of plan assets relating to the substitutional portion in FY2004. In accordance with accounting principles generally accepted in the United States of America, gains or losses on the transfer were recognized in entirety upon completion of the transfer.

(2) Cash Flows

Cash flows from operating activities resulted in an increase in cash by 2,283.0 billion yen in FY2004, mainly due to net income of 1,162.0 billion yen. Net cash provided by operating activities increased by 198.0 billion yen from 2,085.0 billion yen in FY2003. Cash flows from investing activities resulted in a decrease in cash by 2,312.7 billion yen in FY2004, mainly due to the additions to finance receivables of 8,126.8 billion yen. Net cash used in investing activities decreased by 166.3 billion yen from 2,146.4 billion yen in FY2003. Cash flows from financing activities resulted in an increase in cash by 242.2 billion yen in FY2004. Net cash provided by financing activities increased by 204.6 billion yen from 37.6 billion yen in FY2003. After consideration of the effect of exchange rate changes, cash and cash equivalents increased by 137.7 billion yen, or 8.7%, to 1,729.7 billion yen at the end of FY2004 compared with the end of FY2003.

Regarding the consolidated cash flows by segment for FY2004, in non-financial services business, net cash provided by operating activities was 1,870.4 billion yen, net cash used in investing activities was 920.4 billion yen and net cash used in financing activities was 707.1 billion yen. Meanwhile, in the financial services business, net cash provided by operating activities was 346.0 billion yen, net cash used in investing activities was 1,431.4 billion yen and net cash provided by financing activities was 1,055.1 billion yen.

2. Consolidated Financial Results of FY2004 by Segment

(1) Segment Operating Results

Automotive:

Net revenues for the automotive operations increased by 1,662.3 billion yen, or 11.6%, to 15,973.8 billion yen in FY2004 compared with FY2003, and operating income increased by 272.1 billion yen, or 21.8%, to 1,519.0 billion yen in FY2004 compared with FY2003. The increase in operating income was mainly due to cost reduction efforts made by TMC and its subsidiaries and increases in vehicle units sold as well as effects of gains on transfer of the substitutional portion of the employee pension fund, partially offset by increases in labor costs and other expenses.

Financial services:

Net revenues for the financial services operations increased by 12.0 billion yen, or 1.6%, to 736.9 billion yen in FY2004 compared with FY2003, and operating income increased by 115.7 billion yen, or 381.4%, to 146.0 billion yen in FY2004 compared with FY2003. The increase in operating income was mainly due to solid performance as a result of an increase in financing volumes as well as the impact of interest rate swaps stated at fair value with changes recognized in income held by sales financing subsidiaries in the United States of America in accordance with the Statement of Financial Accounting Standards No.133 and No.138.

The valuation gains on interest rate swaps increased by 59.5 billion yen, to 19.3 billion yen in FY2004 compared with FY2003.

All other:

Net revenues for all other businesses increased by 101.0 billion yen, or 12.7%, to 896.2 billion yen in FY2004 compared with FY2003, and operating income increased by 10.7 billion yen, or 236.7%, to 15.2 billion yen in FY2004 compared with FY2003. The increase in operating income was mainly due to steady production and favorable sales of the housing business.

(2) Geographic Information

Japan:

Net revenues in Japan increased by 744.4 billion yen, or 6.9%, to 11,590.0 billion yen in FY2004 compared with FY2003, and operating income increased by 163.8 billion yen, or 17.4%, to 1,108.1 billion yen in FY2004 compared with FY2003. The increase in operating income was mainly due to cost reduction efforts made by TMC and its subsidiaries and increases in both local production volume and vehicle units sold, as well as effects of gains on transfer of the substitutional portion of the employee pension fund.

North America:

Net revenues in North America decreased by 91.2 billion yen, or 1.5%, to 6,127.6 billion yen in FY2004 compared with FY2003, while operating income increased by 111.0 billion yen, or 39.6%, to 391.0 billion yen in FY2004 compared with FY2003. The increase in operating income was mainly due to cost reduction efforts made by local manufacturing affiliates and increases in both local production volume and vehicle units sold, as well as an increase in valuation gains on interest rate swaps, recorded by sales financing subsidiaries in the United States of America.

Europe:

Net revenues in Europe increased by 564.5 billion yen, or 35.3%, to 2,164.3 billion yen in FY2004 compared with FY2003, and operating income increased by 64.2 billion yen, or 772.6%, to 72.5 billion yen in FY2004 compared with FY2003. The increase in operating income was mainly due to cost reduction efforts made by local manufacturing affiliates and increases in local production volumes mainly in the United Kingdom, as well as a steady increase in the number of vehicle units sold.

Other Foreign Countries:

Net revenues in other markets increased by 815.1 billion yen, or 52.7%, to 2,361.9 billion yen in FY2004 compared with FY2003, and operating income increased by 51.3 billion yen, or 112.4 %, to 96.9 billion yen in FY2004 compared with FY2003. The increase in operating income was primarily due to increases in both local production volume and vehicle units sold mainly in Asia, as well as cost reduction efforts.

3. Distribution of Profits for FY2004

As for the dividends, in addition to the increase in interim dividends declared in November 2003 by 4 yen per share to 20 yen per share, TMC plans to increase the year-end dividends by 5 yen per share to 25 yen per share. As a result, on a full-year basis, the dividends will be 45 yen per share which is 9 yen higher than in the previous year, and the dividends payout ratio for FY2004 will be 26.0% per share.

On the other hand, during FY2004, TMC repurchased 121 million of its own shares in the aggregate of 398,878 million yen from retained earnings.

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)

		FY2004 (April 2003 through March 2004)	FY2003 (April 2002 through March 2003)	Increase (Decrease)
Vehicles (new)	Japan	4,283,943	4,162,291	121,652
	North America	1,034,323	882,951	151,372
	Europe	514,992	387,034	127,958
	Others	680,533	417,927	262,606
	Overseas total	2,229,848	1,687,912	541,936
	Total	6,513,791	5,850,203	663,588
Houses (Japan)		4,564	3,574	990

Note: The total production of vehicles (new) includes 662,818 units of Daihatsu brand vehicles (including OEM production) in FY2004 and 606,717 units in FY2003, and 87,071 units of Hino brand vehicles (including OEM production) in FY2004 and 57,856 units in FY2003.

2. Sales (by destination)

(Units)

		FY2004 (April 2003 through March 2004)	FY2003 (April 2002 through March 2003)	Increase (Decrease)
Vehicles (new)	Japan	2,303,078	2,217,770	85,308
	North America	2,102,681	1,981,912	120,769
	Europe	898,201	775,952	122,249
	Others	1,415,403	1,137,644	277,759
	Overseas total	4,416,285	3,895,508	520,777
	Total	6,719,363	6,113,278	606,085
Houses (Japan)		4,752	4,024	728

Note: The total sales of vehicles (new) includes 623,016 units of Daihatsu brand vehicles in FY2004 and 560,742 units in FY2003, and 87,304 units of Hino brand vehicles in FY2004 and 60,271 units in FY2003.

BREAKDOWN OF CONSOLIDATED NET REVENUES

(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)

		FY2004 (April 2003 through March 2004)	FY2003 (April 2002 through March 2003)	Increase (Decrease)
	Vehicles	13,830,174	12,258,744	1,571,430
	Parts & components for overseas production	236,467	205,297	31,170
	Parts	998,647	951,526	47,121
	Others	897,812	885,232	12,580
	Total Automotive	15,963,100	14,300,799	1,662,301
	Financial services	716,727	707,527	9,200
	Housing	121,142	94,407	26,735
	Telecommunications	50,222	47,425	2,797
	Others	443,569	351,395	92,174
	Total	17,294,760	15,501,553	1,793,207

Note: The amounts represent net revenues to external customers.

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)

	FY2004 (April 2003 through March 2004)	FY2003 (April 2002 through March 2003)	Increase (Decrease)
Net revenues :	17,294,760	15,501,553	1,793,207
Sales of products	16,578,033	14,793,973	1,784,060
Financing operations	716,727	707,580	9,147
Costs and expenses :	15,627,870	14,229,907	1,397,963
Cost of products sold	13,506,337	11,914,245	1,592,092
Cost of financing operations	364,177	423,885	(59,708)
Selling, general and administrative	1,757,356	1,891,777	(134,421)
Operating income	1,666,890	1,271,646	395,244
Other income (expense) :	98,903	(44,994)	143,897
Interest and dividend income	55,629	52,661	2,968
Interest expense	(20,706)	(30,467)	9,761
Foreign exchange gain, net	38,187	35,585	2,602
Other income (loss), net	25,793	(102,773)	128,566
Income before income taxes, minority interest and equity in earnings of affiliated companies	1,765,793	1,226,652	539,141
Provision for income taxes	681,304	517,014	164,290
Income before minority interest and equity in earnings of affiliated companies	1,084,489	709,638	374,851
Minority interest in consolidated subsidiaries	(42,686)	(11,531)	(31,155)
Equity in earnings of affiliated companies	120,295	52,835	67,460
Net income	1,162,098	750,942	411,156

(Yen)

Net income per share – basic	342.90	211.32	131.58
Net income per share – diluted	342.86	211.32	131.54

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)

	FY2004 (As of March 31, 2004)	FY2003 (As of March 31, 2003)	Increase (Decrease)
Assets			
Current assets :	8,848,453	8,622,233	226,220
Cash and cash equivalents	1,729,776	1,592,028	137,748
Time deposits	68,473	55,406	13,067
Marketable securities	448,457	605,483	(157,026)
Trade accounts and notes receivable, less allowance for doubtful accounts	1,531,651	1,475,797	55,854
Finance receivables, net	2,622,939	2,505,140	117,799
Other receivables	396,788	513,952	(117,164)
Inventories	1,083,326	1,025,838	57,488
Deferred income taxes	457,161	385,148	72,013
Prepaid expenses and other current assets	509,882	463,441	46,441
Noncurrent finance receivables, net	3,228,973	2,569,808	659,165
Investments and other assets :	4,608,155	3,757,054	851,101
Marketable securities and other securities investments	2,241,971	1,652,110	589,861
Affiliated companies	1,370,171	1,279,645	90,526
Employees receivables	35,857	21,270	14,587
Other	960,156	804,029	156,127
Property, plant and equipment :	5,354,647	5,203,879	150,768
Land	1,135,665	1,064,125	71,540
Buildings	2,801,993	2,521,208	280,785
Machinery and equipment	7,693,616	7,089,592	604,024
Vehicles and equipment on operating leases	1,493,780	1,601,060	(107,280)
Construction in progress	237,195	211,584	25,611
Less – Accumulated depreciation	(8,007,602)	(7,283,690)	(723,912)
Total assets	22,040,228	20,152,974	1,887,254

(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)

	FY2004 (As of March 31, 2004)	FY2003 (As of March 31, 2003)	Increase (Decrease)
Liabilities			
Current liabilities :	7,597,991	7,053,936	544,055
Short-term borrowings	2,189,024	1,855,648	333,376
Current portion of long-term debt	1,125,195	1,263,017	(137,822)
Accounts payable	1,709,344	1,531,552	177,792
Other payables	665,624	618,748	46,876
Accrued expenses	1,133,281	1,063,496	69,785
Income taxes payable	252,555	300,718	(48,163)
Other current liabilities	522,968	420,757	102,211
Long-term liabilities :	5,817,377	5,662,572	154,805
Long-term debt	4,247,266	4,137,528	109,738
Accrued pension and severance costs	725,569	1,052,687	(327,118)
Deferred income taxes	778,561	371,004	407,557
Other long-term liabilities	65,981	101,353	(35,372)
Total liabilities	13,415,368	12,716,508	698,860
Minority interest in consolidated subsidiaries	446,293	315,466	130,827
Shareholders' equity			
Common stock	397,050	397,050	–
Additional paid-in capital	495,179	493,790	1,389
Retained earnings	8,326,215	7,301,795	1,024,420
Accumulated other comprehensive loss	(204,592)	(604,272)	399,680
Treasury stock, at cost	(835,285)	(467,363)	(367,922)
Total shareholders' equity	8,178,567	7,121,000	1,057,567
Total liabilities and shareholders' equity	22,040,228	20,152,974	1,887,254

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

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

(1) FY2004 (April 2003 through March 2004)

(Amounts are rounded to the nearest million yen)

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost	Total
Balance at March 31, 2003	397,050	493,790	7,301,795	(604,272)	(467,363)	7,121,000
Issuance during the year		1,389				1,389
Comprehensive income:						
Net income			1,162,098			1,162,098
Other comprehensive income (loss)						
Foreign currency translation adjustments				(203,257)		(203,257)
Unrealized gains on securities, net of reclassification adjustments				329,672		329,672
Minimum pension liability adjustments				273,265		273,265
Total comprehensive income						1,561,778
Dividends paid			(137,678)			(137,678)
Purchase of common stock					(367,922)	(367,922)
Balance at March 31, 2004	397,050	495,179	8,326,215	(204,592)	(835,285)	8,178,567

(2) FY2003 (April 2002 through March 2003)

(Amounts are rounded to the nearest million yen)

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost	Total
Balance at March 31, 2002	397,050	490,538	6,804,722	(267,304)	(160,894)	7,264,112
Issuance during the year		3,252				3,252
Comprehensive income:						
Net income			750,942			750,942
Other comprehensive income (loss)						
Foreign currency translation adjustments				(139,285)		(139,285)
Unrealized losses on securities, net of reclassification adjustments				(26,495)		(26,495)
Minimum pension liability adjustments				(171,978)		(171,978)
Net gains on derivative instruments				790		790
Total comprehensive income						413,974
Dividends paid			(110,876)			(110,876)
Purchase and retirement of common stock			(142,993)		(306,469)	(449,462)
Balance at March 31, 2003	397,050	493,790	7,301,795	(604,272)	(467,363)	7,121,000

CONSOLIDATED STATEMENTS OF CASH FLOWS

(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)

	FY2004 (April 2003 through March 2004)	FY2003 (April 2002 through March 2003)
Cash flows from operating activities :		
Net income	1,162,098	750,942
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	969,904	870,636
Provision for doubtful accounts and credit losses	83,138	99,837
Pension and severance costs, less payments	(159,267)	55,637
Loss on disposal of fixed assets	39,742	46,492
Unrealized losses on available-for-sale securities, net	3,063	111,346
Deferred income taxes	120,828	(74,273)
Minority interest in consolidated subsidiaries	42,686	11,531
Equity in earnings of affiliated companies	(120,295)	(52,835)
Changes in operating assets and liabilities and other	141,126	265,734
Net cash provided by operating activities	2,283,023	2,085,047
Cash flows from investing activities :		
Additions to finance receivables	(8,126,880)	(6,481,200)
Collection of and proceeds from sales of finance receivables	6,878,953	5,825,456
Additions to fixed assets excluding equipment leased to others	(945,803)	(1,005,931)
Additions to equipment leased to others	(542,738)	(604,298)
Proceeds from sales of fixed assets excluding equipment leased to others	73,925	61,847
Proceeds from sales of equipment leased to others	288,681	286,538
Purchases of marketable securities and security investments	(1,336,467)	(1,113,998)
Proceeds from sales of and maturity of marketable securities and security investments	1,436,142	921,965
Increase in time deposits	(15,466)	(33,379)
Payment for additional investments in affiliated companies, net of cash acquired	(20,656)	(28,229)
Changes in investments and other assets and other	(2,475)	24,822
Net cash used in investing activities	(2,312,784)	(2,146,407)
Cash flows from financing activities :		
Purchase of common stock	(357,457)	(454,611)
Proceeds from issuance of long-term debt	1,636,570	1,686,564
Payments of long-term debt	(1,253,045)	(1,117,803)
Increase in short-term borrowings	353,833	30,327
Dividends paid	(137,678)	(110,876)
Other	–	4,074
Net cash provided by financing activities	242,223	37,675
Effect of exchange rate changes on cash and cash equivalents	(74,714)	(41,447)
Net increase (decrease) in cash and cash equivalents	137,748	(65,132)
Cash and cash equivalents at beginning of year	1,592,028	1,657,160
Cash and cash equivalents at end of year	1,729,776	1,592,028

Note: In the Consolidated Statements of Cash Flows, cash and cash equivalents include cash on hand, bank deposits that can be withdrawn at any time and short-term investments that can be converted into cash at any time and carry minimal risk of change in value.

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 and Assets

(1) FY2004 (April 2003 through March 2004)

(Amounts are rounded to the nearest million yen)

	Automotive	Financial Services	All Other	Intersegment Elimination and/or Unallocated Amount	Consolidated
Net revenues :					
(1) Sales to external customers	15,963,100	716,727	614,933	–	17,294,760
(2) Intersegment sales and transfers	10,726	20,125	281,311	(312,162)	–
Total	15,973,826	736,852	896,244	(312,162)	17,294,760
Operating expenses	14,454,872	590,854	880,997	(298,853)	15,627,870
Operating income	1,518,954	145,998	15,247	(13,309)	1,666,890
Assets	10,207,395	8,138,297	941,925	2,752,611	22,040,228
Investment in equity method investees	1,092,713	211,657	–	60,407	1,364,777
Depreciation expenses	772,829	175,533	21,542	–	969,904
Capital expenditure	1,020,608	432,222	43,212	(7,501)	1,488,541

(2) FY2003 (April 2002 through March 2003)

(Amounts are rounded to the nearest million yen)

	Automotive	Financial Services	All Other	Intersegment Elimination and/or Unallocated Amount	Consolidated
Net revenues :					
(1) Sales to external customers	14,300,799	707,527	493,227	–	15,501,553
(2) Intersegment sales and transfers	10,652	17,371	301,990	(330,013)	–
Total	14,311,451	724,898	795,217	(330,013)	15,501,553
Operating expenses	13,064,526	694,570	790,688	(319,877)	14,229,907
Operating income	1,246,925	30,328	4,529	(10,136)	1,271,646
Assets	9,392,749	7,392,486	722,604	2,645,135	20,152,974
Investment in equity method investees	1,054,234	161,820	–	56,493	1,272,547
Depreciation expenses	657,814	192,624	20,198	–	870,636
Capital expenditure	998,528	544,390	48,041	19,270	1,610,229

Note: Unallocated corporate assets included under "Intersegment Elimination and/or Unallocated Amount" for FY2004 and FY2003 are 3,270,973 million yen and 3,125,276 million yen, respectively, and consist primarily of funds such as cash and cash equivalents, marketable securities and portion security investments held by TMC.

2. Consolidated Financial Statements as Classified into Non-Financial Services Business and Financial Services Business

(1) Consolidated Statements of Income as Classified into Non-Financial Services Business and Financial Services Business

(Amounts are rounded to the nearest million yen)

	FY2004 (April 2003 through March 2004)	FY2003 (April 2002 through March 2003)	Increase (Decrease)
(Non-financial services)			
Net revenues	16,586,814	14,803,475	1,783,339
Costs and expenses :	15,048,559	13,546,545	1,502,014
Cost of revenues	13,507,835	11,915,394	1,592,441
Selling, general and administrative	1,540,724	1,631,151	(90,427)
Operating income	1,538,255	1,256,930	281,325
Other income(expense), net	97,885	(48,563)	146,448
Income before income taxes, minority interest and equity in earnings of affiliated companies	1,636,140	1,208,367	427,773
Provision for income taxes	627,038	514,710	112,328
Income before minority interest and equity in earnings of affiliated companies	1,009,102	693,657	315,445
Minority interest in consolidated subsidiaries	(41,886)	(10,796)	(31,090)
Equity in earnings of affiliated companies	107,542	46,309	61,233
Net income	1,074,758	729,170	345,588
(Financial services)			
Net revenues	736,852	724,898	11,954
Costs and expenses :	590,854	694,570	(103,716)
Cost of revenues	365,750	425,691	(59,941)
Selling, general and administrative	225,104	268,879	(43,775)
Operating income	145,998	30,328	115,670
Other expenses, net	(16,438)	(11,444)	(4,994)
Income before income taxes, minority interest and equity in earnings of affiliated companies	129,560	18,884	110,676
Provision for income taxes	53,959	2,298	51,661
Income before minority interest and equity in earnings of affiliated companies	75,601	16,586	59,015
Minority interest in consolidated subsidiaries	(815)	(735)	(80)
Equity in earnings of affiliated companies	12,753	6,526	6,227
Net income	87,539	22,377	65,162
(Elimination)			
Elimination of net income	(199)	(605)	406
(Consolidated)			
Net income	1,162,098	750,942	411,156

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

(2) Consolidated Balance Sheets as Classified into Non-Financial Services Business and Financial Services Business

(Amounts are rounded to the nearest million yen)

	FY2004 (As of March 31, 2004)	FY2003 (As of March 31, 2003)	Increase (Decrease)
Assets			
(Non-financial services)			
Current assets:	6,125,239	5,989,408	135,831
Cash and cash equivalents	1,618,876	1,437,731	181,145
Time deposits	16,689	29,213	(12,524)
Marketable securities	444,543	602,634	(158,091)
Trade accounts and notes receivable, less allowance for doubtful accounts	1,555,606	1,496,432	59,174
Finance receivables, net	14,599	14,296	303
Inventories	1,083,326	1,025,838	57,488
Prepaid expenses and other current assets	1,391,600	1,383,264	8,336
Noncurrent finance receivables, net	7,960	14,463	(6,503)
Investments and other assets	4,246,665	3,423,676	822,989
Property, plant and equipment	4,398,163	4,100,077	298,086
Total	14,778,027	13,527,624	1,250,403
(Financial services)			
Current assets:	3,379,957	3,219,884	160,073
Cash and cash equivalents	110,900	154,297	(43,397)
Time deposits	51,784	26,193	25,591
Marketable securities	3,914	2,849	1,065
Finance receivables, net	2,608,340	2,490,844	117,496
Prepaid expenses and other current assets	605,019	545,701	59,318
Noncurrent finance receivables, net	3,221,013	2,555,345	665,668
Investments and other assets	580,843	513,455	67,388
Property, plant and equipment	956,484	1,103,802	(147,318)
Total	8,138,297	7,392,486	745,811
(Elimination)			
Elimination of assets	(876,096)	(767,136)	(108,960)
(Consolidated)			
Total assets	22,040,228	20,152,974	1,887,254

Note: Assets in the non-financial services include unallocated corporate assets.

(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)

	FY2004 (As of March 31, 2004)	FY2003 (As of March 31, 2003)	Increase (Decrease)
Liabilities (Non-financial services)			
Current liabilities:	4,774,129	4,646,017	128,112
Short-term borrowings	718,396	784,501	(66,105)
Current portion of long-term debt	62,634	134,636	(72,002)
Accounts payable	1,695,255	1,520,160	175,095
Accrued expenses	1,084,357	1,019,241	65,116
Income taxes payable	241,691	293,756	(52,065)
Other current liabilities	971,796	893,723	78,073
Long-term liabilities:	2,096,318	2,063,414	32,904
Long-term debt	771,791	789,509	(17,718)
Accrued pension and severance costs	724,369	1,051,500	(327,131)
Other long-term liabilities	600,158	222,405	377,753
Total	6,870,447	6,709,431	161,016
(Financial services)			
Current liabilities:	3,457,028	2,990,772	466,256
Short-term borrowings	2,029,258	1,542,514	486,744
Current portion of long-term debt	1,088,762	1,200,900	(112,138)
Accounts payable	15,287	11,893	3,394
Accrued expenses	53,031	51,388	1,643
Income taxes payable	10,864	6,962	3,902
Other current liabilities	259,826	177,115	82,711
Long-term liabilities:	3,971,941	3,783,950	187,991
Long-term debt	3,726,355	3,532,811	193,544
Accrued pension and severance costs	1,200	1,187	13
Other long-term liabilities	244,386	249,952	(5,566)
Total	7,428,969	6,774,722	654,247
(Elimination)			
Elimination of liabilities	(884,048)	(767,645)	(116,403)
(Consolidated)			
Total liabilities	13,415,368	12,716,508	698,860
(Consolidated)			
Minority interest in consolidated subsidiaries	446,293	315,466	130,827
Shareholders' equity (Consolidated)			
Common stock	397,050	397,050	—
Additional paid-in capital	495,179	493,790	1,389
Retained earnings	8,326,215	7,301,795	1,024,420
Accumulated other comprehensive loss	(204,592)	(604,272)	399,680
Treasury stock, at cost	(835,285)	(467,363)	(367,922)
Total shareholders' equity	8,178,567	7,121,000	1,057,567
(Consolidated)			
Total liabilities and shareholders' equity	22,040,228	20,152,974	1,887,254

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

(3) Consolidated Statements of Cash Flows as Classified into Non-Financial Services Business and Financial Services Business

(Amounts are rounded to the nearest million yen)

	FY2004 (April 2003 through March 2004)	FY2003 (April 2002 through March 2003)
(Non-financial services)		
Cash flows from operating activities :		
Net income	1,074,758	729,170
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	794,371	678,012
Provision for doubtful accounts and credit losses	13,356	2,989
Pension and severance costs, less payments	(159,291)	55,068
Loss on disposal of fixed assets	38,708	46,205
Unrealized losses on available-for-sale securities, net	3,063	111,346
Deferred income taxes	82,918	(85,056)
Minority interest in consolidated subsidiaries	41,886	10,796
Equity in earnings of affiliated companies	(107,542)	(46,309)
Changes in operating assets and liabilities and other	88,212	206,810
Net cash provided by operating activities	1,870,439	1,709,031
Cash flows from investing activities:		
Additions to fixed assets excluding equipment leased to others	(923,105)	(955,488)
Additions to equipment leased to others	(133,214)	(110,351)
Proceeds from sales of fixed assets excluding equipment leased to others	63,211	50,702
Proceeds from sales of equipment leased to others	78,393	64,773
Purchases of marketable securities and security investments	(1,077,317)	(868,227)
Proceeds from sales of and maturity of marketable securities and security investments	1,108,265	727,462
(Increase) decrease in time deposits	11,087	(21,119)
Payment for additional investments in affiliated companies, net of cash acquired	(20,656)	(28,229)
Changes in investments and other assets and other	(27,138)	86,618
Net cash used in investing activities	(920,474)	(1,053,859)
Cash flows from financing activities:		
Purchase of common stock	(357,457)	(454,611)
Proceeds from issuance of long-term debt	48,373	174,657
Payments of long-term debt	(140,384)	(224,261)
Decrease in short-term borrowings	(105,051)	(83,907)
Dividends paid	(137,678)	(110,846)
Other	(15,000)	4,074
Net cash used in financing activities	(707,197)	(694,894)
Effect of exchange rate changes on cash and cash equivalents	(61,623)	(33,521)
Net increase (decrease) in cash and cash equivalents	181,145	(73,243)
Cash and cash equivalents at beginning of year	1,437,731	1,510,974
Cash and cash equivalents at end of year	1,618,876	1,437,731

(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)

	FY2004 (April 2003 through March 2004)	FY2003 (April 2002 through March 2003)
(Financial services)		
Cash flows from operating activities:		
Net income	87,539	22,377
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	175,533	192,624
Provision for doubtful accounts and credit losses	69,782	96,248
Pension and severance costs, less payments	24	569
Loss on disposal of fixed assets	1,034	287
Deferred income taxes	37,603	10,777
Minority interest in consolidated subsidiaries	815	735
Equity in earnings of affiliated companies	(12,753)	(6,526)
Changes in operating assets and liabilities and other	(13,546)	(50,572)
Net cash provided by operating activities	346,031	266,519
Cash flows from investing activities:		
Additions to finance receivables	(8,126,880)	(6,481,200)
Collection of and proceeds from sales of finance receivables	6,878,953	5,825,456
Additions to fixed assets excluding equipment leased to others	(22,698)	(50,443)
Additions to equipment leased to others	(409,524)	(493,947)
Proceeds from sales of fixed assets excluding equipment leased to others	10,714	11,145
Proceeds from sales of equipment leased to others	210,288	221,765
Purchases of marketable securities and security investments	(259,150)	(245,771)
Proceeds from sales of and maturity of marketable securities and security investments	327,877	194,503
Increase in time deposits	(26,553)	(12,260)
Changes in investments and other assets and other	(14,501)	(1,535)
Net cash used in investing activities	(1,431,474)	(1,032,287)
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	1,682,550	1,528,429
Payments of long-term debt	(1,187,219)	(913,207)
Increase in short-term borrowings	544,806	166,613
Dividends paid	-	(30)
Other	15,000	-
Net cash provided by financing activities	1,055,137	781,805
Effect of exchange rate changes on cash and cash equivalents	(13,091)	(7,926)
Net increase (decrease) in cash and cash equivalents	(43,397)	8,111
Cash and cash equivalents at beginning of year	154,297	146,186
Cash and cash equivalents at end of year	110,900	154,297
(Consolidated)		
Effect of exchange rate changes on cash and cash equivalents	(74,714)	(41,447)
Net increase (decrease) in cash and cash equivalents	137,748	(65,132)
Cash and cash equivalents at beginning of year	1,592,028	1,657,160
Cash and cash equivalents at end of year	1,729,776	1,592,028

Note: In the Consolidated Statements of Cash Flows, cash and cash equivalents include cash on hand, bank deposits that can be withdrawn at any time and short-term investments that can be converted into cash at any time and carry minimal risk of change in value.

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

3. Geographic Information

(1) FY2004 (April 2003 through March 2004)

(Amounts are rounded to the nearest million yen)

	Japan	North America	Europe	Other Foreign Countries	Intersegment Elimination and/or Unallocated Amount	Consolidated
Net revenues :						
(1) Sales to external customers	7,167,704	5,910,422	2,018,969	2,197,665	–	17,294,760
(2) Intersegment sales and transfers	4,422,283	217,217	145,372	164,218	(4,949,090)	–
Total	11,589,987	6,127,639	2,164,341	2,361,883	(4,949,090)	17,294,760
Operating expenses	10,481,860	5,736,662	2,091,866	2,264,970	(4,947,488)	15,627,870
Operating income	1,108,127	390,977	72,475	96,913	(1,602)	1,666,890
Assets	10,210,904	6,674,694	1,842,947	1,567,276	1,744,407	22,040,228

(2) FY2003 (April 2002 through March 2003)

(Amounts are rounded to the nearest million yen)

	Japan	North America	Europe	Other Foreign Countries	Intersegment Elimination and/or Unallocated Amount	Consolidated
Net revenues :						
(1) Sales to external customers	6,621,054	5,929,803	1,514,683	1,436,013	–	15,501,553
(2) Intersegment sales and transfers	4,224,573	289,036	85,138	110,731	(4,709,478)	–
Total	10,845,627	6,218,839	1,599,821	1,546,744	(4,709,478)	15,501,553
Operating expenses	9,901,337	5,938,851	1,591,516	1,501,118	(4,702,915)	14,229,907
Operating income	944,290	279,988	8,305	45,626	(6,563)	1,271,646
Assets	9,272,330	6,217,941	1,516,360	1,072,887	2,073,456	20,152,974

Note: Unallocated corporate assets included under "Intersegment Elimination and/or Unallocated Amount" for FY2004 and FY2003 are 3,270,973 million yen, 3,125,276 million yen, respectively, and consist primarily of funds such as cash and cash equivalents, marketable securities and portion of security investments held by TMC.

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

4. Overseas Sales

(1) FY2004 (April 2003 through March 2004)

(Amounts are rounded to the nearest million yen)

	North America	Europe	Other	Total
Overseas sales	6,108,723	2,037,344	3,355,148	11,501,215
Consolidated sales	–	–	–	17,294,760
Ratio of overseas sales to consolidated sales	% 35.3	% 11.8	% 19.4	% 66.5

(2) FY2003 (April 2002 through March 2003)

(Amounts are rounded to the nearest million yen)

	North America	Europe	Other	Total
Overseas sales	6,200,075	1,556,261	2,568,229	10,324,565
Consolidated sales	–	–	–	15,501,553
Ratio of overseas sales to consolidated sales	% 40.0	% 10.0	% 16.6	% 66.6

UNCONSOLIDATED 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)

	FY2004 (April 2003 through March 2004)	FY2003 (April 2002 through March 2003)	Increase (Decrease)
Net sales	8,963,712	8,739,310	224,402
Cost of sales	7,186,182	6,932,356	253,826
Selling, general and administrative expenses	943,738	945,630	(1,892)
Operating income	833,791	861,323	(27,532)
Non-operating income	180,108	167,814	12,294
Interest income	16,492	20,482	(3,990)
Dividend income	57,867	45,240	12,627
Other non-operating income	105,748	102,090	3,658
Non-operating expenses	98,170	136,460	(38,290)
Interest expenses	10,847	11,023	(176)
Other non-operating expenses	87,323	125,437	(38,114)
Ordinary income	915,728	892,676	23,052
Extraordinary gains	–	162,457	(162,457)
Gains on return of substitutional portion of employee pension fund	–	162,457	(162,457)
Extraordinary losses	23,231	–	23,231
Losses on returned assets of substitutional portion of employee pension fund	23,231	–	23,231
Income before income taxes	892,496	1,055,134	(162,638)
Income taxes – current	300,300	432,000	(131,700)
Income taxes – deferred	10,726	(10,925)	21,651
Net income	581,470	634,059	(52,589)
Unappropriated retained earnings brought forward	470,341	306,006	164,335
Retirement of shares	–	142,992	(142,992)
Interim cash dividends	67,984	56,801	11,183
Unappropriated retained earnings at end of year	983,826	740,272	243,554

Note: In conjunction with the enforcement of the Defined Benefit Enterprise Pension Plan Law, TMC received approval on April 1, 2002 from the Minister of Health, Labour and Welfare for an exemption from payment of future benefits regarding the Substitutional Portion of the Employee Pension Fund. TMC applied the transitional accounting 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 and assets (Plan Assets) with respect to such Substitutional Portion as of the date of the approval. On September 1, 2003, TMC also received approval from the Minister of Health, Labour and Welfare for the return of past benefits regarding Substitutional Portion of Employee Pension Fund, and completed the return of the Plan Assets to the government during the year ended March 31, 2004. TMC reported 23,231 million yen of loss, as an extraordinary loss, incurred in managing Plan Assets during the period between the date of approval for an exemption from the payment of the future benefits and the date of the return.

PROPOSED APPROPRIATION OF UNCONSOLIDATED RETAINED EARNINGS

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

(Million yen except 'Per share' amounts; amounts less than one million yen are omitted)

	FY2004	FY2003
Unappropriated retained earnings at end of year	983,826	740,272
Reversal of reserve for losses on overseas investments	2	141
Reversal of reserve for special depreciation	–	49
Total	983,829	740,463
The proposed appropriation is as follows:		
Cash dividends	83,261	69,032
	< ¥25 per share >	< ¥20 per share >
Bonuses to directors	598	660
Bonuses to corporate auditors	50	51
Reserve for special depreciation	959	–
Reserve for reduction of acquisition cost of fixed assets	1,092	378
General reserve	400,000	200,000
Unappropriated retained earnings to be carried forward	497,867	470,341

Note: An interim dividend of ¥20 per share was paid on November 26, 2003, to shareholders (including the beneficial shareholders notified by Japanese Securities Depository Center) or registered pledgees of record as of September 30, 2003. Total interim dividends paid were in amount of 67,984 million yen.

UNCONSOLIDATED 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)

	FY2004 (As of March 31,2004)	FY2003 (As of March 31,2003)	Increase (Decrease)
Assets			
Current assets	3,358,189	3,620,881	(262,692)
Cash and deposits	87,052	113,802	(26,750)
Trade accounts receivable	1,037,717	919,468	118,249
Marketable securities	995,893	1,373,742	(377,849)
Finished goods	113,465	140,516	(27,051)
Raw materials	13,615	13,807	(192)
Work in process	70,877	64,881	5,996
Supplies	7,639	7,599	40
Short-term loans	354,616	321,986	32,630
Deferred income taxes	244,726	250,469	(5,743)
Others	437,584	423,307	14,277
Less: allowance for doubtful accounts	(5,000)	(8,700)	3,700
Fixed assets	5,458,975	4,971,941	487,034
Property, plant and equipment	1,260,728	1,269,042	(8,314)
Buildings	360,374	341,722	18,652
Structures	40,770	40,908	(138)
Machinery and equipment	323,619	336,077	(12,458)
Vehicle and delivery equipment	10,973	10,528	445
Tools, furniture and fixtures	84,473	81,750	2,723
Land	394,616	400,863	(6,247)
Construction in progress	45,899	57,190	(11,291)
Investments and other assets	4,198,247	3,702,899	495,348
Investments in securities	2,160,160	1,720,649	439,511
Investments in subsidiaries	1,367,445	1,242,883	124,562
Long-term loans	388,914	340,999	47,915
Deferred income taxes	135,922	298,167	(162,245)
Others	166,404	111,398	55,006
Less: allowance for doubtful accounts	(20,600)	(11,200)	(9,400)
Total assets	8,817,164	8,592,823	224,341

(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)

	FY2004 (As of March 31,2004)	FY2003 (As of March 31,2003)	Increase (Decrease)
Liabilities			
Current liabilities	1,970,407	2,040,821	(70,414)
Trade notes payable	932	967	(35)
Trade accounts payable	837,241	765,041	72,200
Current portion of bonds	—	50,000	(50,000)
Other payables	378,831	374,758	4,073
Income taxes payable	127,807	221,320	(93,513)
Accrued expenses	409,709	401,121	8,588
Deposits received	197,750	184,763	12,987
Allowance for EXPO 2005 Aichi	2,548	644	1,904
Others	15,585	42,205	(26,620)
Long-term liabilities	862,081	848,679	13,402
Bonds	500,600	500,600	—
Allowance for retirement benefits	292,493	293,039	(546)
Others	68,988	55,039	13,949
Total liabilities	2,832,489	2,889,501	(57,012)
Shareholders' equity			
Common stock	397,049	397,049	—
Capital surplus	416,970	416,970	—
Capital reserve	416,970	416,970	—
Retained earnings	5,731,342	5,287,601	443,741
Legal reserve	99,454	99,454	—
Reserve for losses on overseas investments	254	396	(142)
Reserve for special depreciation	1,498	1,547	(49)
Reserve for reduction of acquisition cost of fixed assets	5,382	5,004	378
General reserve	4,640,926	4,440,926	200,000
Unappropriated retained earnings at end of year	983,826	740,272	243,554
Net unrealized gains on other securities	305,725	69,019	236,706
Less: treasury stock	(866,413)	(467,320)	(399,093)
Total shareholders' equity	5,984,675	5,703,321	281,354
Total liabilities and shareholders' equity	8,817,164	8,592,823	224,341

Note: The scope of subsidiaries is determined in accordance with the provisions of the Japan's Commercial Code.