

To Whom It May Concern

May 16, 2001
Toyota Motor Corporation
(Toyota Jidosha Kabushiki Kaisha)
1 Toyota-cho, Toyota City, Aichi Prefecture

Expansion of Incentive Plan's Scope

Since August 1997, Toyota Motor Corporation ("TMC") has introduced the incentive plan by granting stock options to the directors of TMC under the Commercial Code. We have now expanded the scope of recipients who are eligible for being granted the stock options and have decided to newly include the senior managers in addition to the directors. In connection with this change, we have also decided to introduce a new incentive plan for the executives of TMC's overseas subsidiaries and affiliated companies.

I. Outline of stock option (for more details, please see the attachment) under the Commercial Code

1. Details

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| (1) Method | Granting of the stock options by way of repurchase of its shares in accordance with Article 210-2 of the Commercial Code. |
| (2) Recipients | 58 Directors and 432 employees of TMC among those who are qualified for the position of a senior general manager or senior grade 1 |
| (3) Number of shares to be granted | Each Director will be granted a maximum of 15,000 shares and a minimum of 5,000 shares.
Each employee will be granted 2,000 shares. |
| (4) Exercise price | The closing price on the Tokyo Stock Exchange on the date of grant of options multiplied by 1.025. |
| (5) Date of grant of options | August 1, 2001 |
| (6) Exercise period of options | Four years from the day of grant of options. |

2. Reason for Introduction
To make Directors and Employees interested in and determined to improve TMC's performance and enhance TMC's international competitiveness.

(Note) The above resolution shall be conditional upon the agenda "Acquisition of treasury shares for award to Toyota Directors and Employees" being approved at the 97th Ordinary General Shareholders' Meeting scheduled to be held on June 27, 2001 (Wednesday).

II. Outline of incentive plan to be applied to the local executive of TMC's overseas subsidiaries and affiliated companies

1. Details of the incentive plan

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| (1) Method | To use the warrant securities detached from the warrant bond (scheduled) |
| (2) Recipients | Approximately 50 persons among the directors, executive officers and executive staffs of TMC's overseas subsidiaries and affiliated companies (excluding, those who are the recipients of the stock options provided in I. above). |
| (3) Number of new shares which can be acquired by the exercise of warrants | 2000 shares per person |

The "exercise price", "date of grant of warrants" and "exercise period" are scheduled to be handled in accordance with the above stock option plan.

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| 2. Reason for Introduction | To make local executives of TMC's overseas subsidiaries and affiliated companies interested in and determined to improve TMC's performance and enhance TMC's international competitiveness. |
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(Note) Details are scheduled to be decided at the meeting of the Board of Directors of TMC to be held in the future.

Notice Concerning Repurchase of Shares for Stock Option Plan

The Board of Directors of Toyota Motor Corporation ("TMC") resolved to repurchase its shares as described below at its meeting held on May 16, 2001.

Repurchase of shares in accordance with Article 210-2 (Transfer of its shares to Directors or Employees) of the Commercial Code.

1. Details of Repurchase

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| (1) Type of shares to be repurchased | Par value shares of common stock of TMC |
| (2) Aggregate number of shares to be repurchased | Up to 1,500,000 shares |
| (3) Aggregate purchase price of shares | Up to JPY 7,500,000,000 |

2. Details of Transfer

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| (1) Recipients | <p>All of the 58 directors and 432 employees among those who are qualified for the position of a senior general manager or senior grade 1 (note) at the time of conclusion of the 97th Ordinary General Shareholders' Meeting scheduled to be held on June 27, 2001 (Wednesday) (however, it shall be subject to his/her holding of the position of the director of TMC or qualification for the position of a senior general manager or senior grade 1).</p> <p>(Note) Senior general manager: the highest rank for employee.
Senior grade 1: the second highest rank for employee.</p> |
| (2) Number of shares to be transferred | <p>A maximum of 1,500,000 shares in total will be granted to those recipients provided for in (1) above.</p> <p>A maximum number and a minimum number of shares for which option is granted to one Director are 15,000 and 5,000, respectively.</p> <p>The number of shares for which option is granted to one employee is 2,000 shares.</p> |

