

Highlights of Consolidated Financial Results for FY 2001 (April 2000 through March 2001)

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

(Billions of yen unless otherwise specified)

	FY 2000 (Apr. 1999 through Mar. 2000)	FY2001 (Apr. 2000 through Mar. 2001)	% of change from FY2000	FY2002 Forecast (Apr. 2001 through Mar. 2002)
Vehicle sales (ten thousand units)	518	552	6.6%	559
Net sales	12,879.5	13,424.4	4.2%	
Operating income <Income ratio>	775.9 <6.0%>	870.1 <6.5%>	12.1%	
Ordinary income <Income ratio>	797.0 <6.2%>	972.2 <7.2%>	22.0%	
Income before income taxes and minority interest in consolidated subsidiaries <Income ratio>	750.5 <5.8%>	864.1 <6.4%>	15.1%	
Net income <Income ratio>	406.7 <3.2%>	471.2 <3.5%>	15.9%	
Factors contributing to increases and decreases in operating income		Operating income increased by 94.2 billion yen (Increase) Marketing efforts 210.0 Cost reduction efforts 190.0 (Decrease) Effects of exchange rate fluctuations - 170.0 Increase of labor and R&D expenses, etc. - 135.8		
Capital investment (excluding leased vehicles)	871.3	860.8		790.0
Depreciation expenses	689.4	672.5		690.0
R&D expenses	453.3	479.9		510.0
Performance evaluation		Increases in sales and ordinary income Net sales, operating income, ordinary income, and net income all reached historic highs.		
The number of employees	210,709	215,648		

Note1: Effective for FY2001, the "Accounting Standards for Financial Instruments" has been applied and the "Other securities" is stated at fair value. As a result, "Ordinary income" and "Income before income taxes and minority interest in consolidated subsidiaries" increased by 1.3 billion yen.

Note2: Effective for FY2001, the revised "Accounting Standards for Foreign Currency Transactions, etc." has been applied. As a result, "Ordinary income" and "Income before income taxes and minority interest in consolidated subsidiaries" decreased by 0.2 billion yen.

Note3: Effective for FY2001, the "Accounting Standards for Retirement Benefits" has been applied. As a result, "Ordinary income" and "Income before income taxes and minority interest in consolidated subsidiaries" decreased by 19.6 billion yen and 127.7 billion yen, respectively. Out of the transition obligation which was resulted from the adoption of new standards, 319.2 billion yen which is the amount of holding stocks that TMC and certain subsidiaries contributed to retirement benefit trust is reported as "Extraordinary losses". 53.9 billion yen was amortized as "Extraordinary losses" in FY2001. Gains on disposal of securities to establish retirement benefit trust in the amount of 265.0 billion yen are reported as "Extraordinary gains".

Cautionary Statement with Respect to Forward-Looking Statements

This report contains forward-looking statements that reflect our plans and expectations. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our 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 the automotive markets in Japan, North America, Europe and other markets in which we operate; (ii) fluctuations in currency exchange rates, particularly with respect to the value of the Japanese yen, the United States dollar and the euro; (iii) our 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 our automotive operations, particularly laws, regulations and policies relating to the environmental protection, vehicle emissions, vehicle fuel economy and vehicle safety, as well as changes in laws, regulations and government policies affecting our other operations, including our telecommunications operations and the outcome of future litigation and other legal proceedings; (v) political instability in the markets in which we operate; (vi) our 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 we purchase materials, components and supplies for the production of our products or where our products are produced, distributed or sold. A discussion of these and other factors which may affect our actual results, performance, achievements or financial position is contained in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section and elsewhere in our annual report on Form 20-F, which is on file with the United States Securities and Exchange Commission.