

# **FINANCIAL SUMMARY**

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

## **FY2001 Interim**

(Six Months Ended September 30, 2000)

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 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.

# OVERVIEW OF ASSOCIATED COMPANIES

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

Toyota Motor Corporation (TMC) and its associated companies (434 subsidiaries and 206 affiliates as of September 30, 2000) are engaged mainly in the automotive industry and also in the financial services and other business.

The following three business segments are same divisions as stated in 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 and related parts. Automobiles are manufactured mainly by TMC and Daihatsu Motor Co., Ltd., but a portion of manufacturing is consigned to such companies as Toyota Auto Body Co., Ltd.. Automobiles are also manufactured by Toyota Motor Manufacturing, Kentucky, Inc. and other companies overseas. Automobile parts are manufactured by TMC and such companies as Denso Corporation. These products are sold through Tokyo Toyo-Pet Motor Sales Co., Ltd. and other dealers and some sales to certain large customers are made directly by TMC in Japan. Overseas, sales are made through Toyota Motor Sales, U.S.A., Inc. and other distributors and dealers. In addition, Volkswagen and Audi vehicles are sold through TMC and some dealers in Japan.

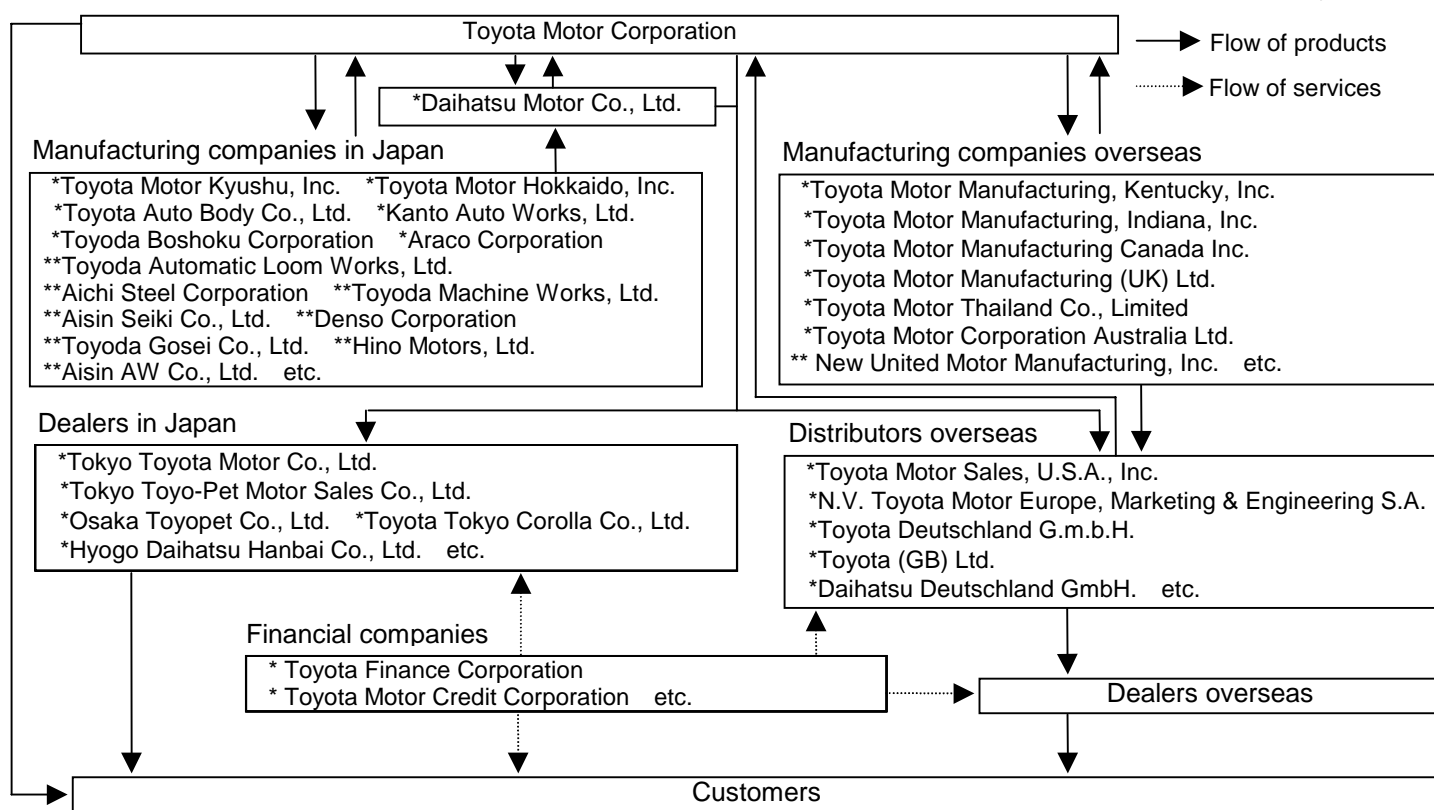
## Financial Services:

This business involves the provision of loans and lease to customers and the provision of loans to dealers. In Japan, Toyota Finance Corporation and overseas Toyota Motor Credit Corporation and others provide sales financing of TMC's products and the products of its affiliates.

## All other:

Other business includes manufacturing and sale of industrial vehicles such as forklifts and logistics system, the design, manufacturing and sale of housing, telecommunications and other business. Industrial vehicles are manufactured by Toyoda Automatic Loom Works, Ltd. and sold through dealers in Japan and distributors and dealers overseas. Housing is manufactured by TMC and sold through domestic housing dealers. In telecommunication business, IDO Corporation provides domestic telephone services. Toyota Tsusho Corporation engages in the purchase and sale as well as import and export of various products. IDO Corporation merged with KDD Corporation and DDI Corporation on October 1, 2000. As a result, on and after October 1, 2000, the new company was excluded from the associated companies.

\*:Consolidated subsidiaries, \*\*:Companies accounted for under the equity method



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, and Toyota Financial Services Corporation, which oversees the management of financial companies.

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## <Overview of Changes in Major Associated Companies>

For this interim period, the changes in our major associated companies are as described below.

(Changes in major associated companies)

New companies were established as follows:

Toyota Financial Services Corporation

Toyota Financial Services Americas Corporation

In July 2000, TMC established a subsidiary, Toyota Financial Services Corporation (TFS), to oversee the management of financial companies engaged mainly in providing sales financial services. The objectives for TFS are to streamline the decision-making process and enhance the planning and risk management functions by integrating management operations, and to strengthen competitiveness and profitability in financial business by raising the professional level of management.

Financial subsidiaries under TFS include Toyota Finance Corporation, Toyota Motor Credit Corporation and Toyota Financial Services Americas Corporation (established in August 2000).

## <Overview of Associated Companies>

Company name	Location	Capital stock or capital fund	Business segment	Percentage of voting rights owned (%)
(Consolidated subsidiaries)				
Tokyo Toyota Motor Co., Ltd.	Minato-ku, Tokyo	(Million yen) 7,537	Automotive	100.00
Tokyo Toyo-Pet Motor Sales Co., Ltd.	Minato-ku, Tokyo	(Million yen) 7,822	Automotive	89.66 (1.20)
Osaka Toyopet Co., Ltd.	Fukushima-ku, Osaka	(Million yen) 3,025	Automotive	100.00
Toyota Tokyo Corolla Co., Ltd.	Meguro-ku, Tokyo	(Million yen) 7,179	Automotive	100.00
Toyota Motor Kyushu, Inc.	Miyata-cho, Kurate-gun, Fukuoka	(Million yen) 45,000	Automotive	100.00
Daihatsu Motor Co., Ltd.	Ikeda, Osaka	(Million yen) 28,401	Automotive	51.24 (0.05)
Toyota Motor Hokkaido, Inc.	Tomakomai, Hokkaido	(Million yen) 27,500	Automotive	100.00
Toyota Auto Body Co., Ltd.	Kariya, Aichi	(Million yen) 8,871	Automotive	47.75 (0.65) [8.55]
Kanto Auto Works, Ltd.	Yokosuka, Kanagawa	(Million yen) 6,850	Automotive	49.81 (0.86) [1.74]
Toyoda Boshoku Corporation	Kariya, Aichi	(Million yen) 4,558	Automotive	42.60 (30.74) [10.78]
Araco Corporation	Toyota, Aichi	(Million yen) 3,188	Automotive	81.71 (6.67)

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

Company name	Location	Capital stock or capital fund	Business segment	Percentage of voting rights owned (%)
Toyota Financial Services Corporation	Nagoya, Aichi	(Million yen) 58,500	Financial services	100.00
Toyota Finance Corporation	Minato-ku, Tokyo	(Million yen) 3,000	Financial services	100.00 (100.00)
IDO Corporation	Chiyoda-ku, Tokyo	(Million yen) 68,740	All other	63.26 (0.02)
Towa Real Estate Co., Ltd.	Nagoya, Aichi	(Million yen) 23,750	All other	55.00 (6.00) [45.00]
Toyota Central Research and Development Laboratories, Inc.	Nagakute-cho, Aichi-gun, Aichi	(Million yen) 3,000	All other	63.00 (9.00)
Toyota Motor North America, Inc.	Torrance, California, U.S.A.	(Thousand US\$) 1,352,000	Automotive	100.00 (30.95)
Toyota Motor Sales, U.S.A., Inc.	Torrance, California, U.S.A.	(Thousand US\$) 365,000	Automotive	100.00 (100.00)
Toyota Motor Manufacturing, North America, Inc.	Erlangar, Kentucky, U.S.A.	(Thousand US\$) 1,958,949	Automotive	100.00 (100.00)
Toyota Motor Manufacturing, Kentucky, Inc.	Georgetown, Kentucky, U.S.A.	(Thousand US\$) 1,180,000	Automotive	100.00 (100.00)
Toyota Motor Manufacturing, Indiana, Inc.	Princeton, Indiana, U.S.A.	(Thousand US\$) 620,000	Automotive	100.00 (100.00)
Toyota Motor Manufacturing, West Virginia, Inc.	Charleston, West Virginia, U.S.A.	(Thousand US\$) 260,000	Automotive	100.00 (100.00)
TABC Holding, Inc.	Long Beach, California, U.S.A.	(Thousand US\$) 185,600	Automotive	100.00 (100.00)
Bodine Aluminum, Inc.	St. Louis, Missouri, U.S.A.	(Thousand US\$) 131,004	Automotive	100.00 (100.00)
Toyota Financial Services Americas Corporation	Torrance, California, U.S.A.	(Thousand US\$) 418,400	Financial services	100.00 (100.00)
Toyota Motor Credit Corporation	Torrance, California, U.S.A.	(Thousand US\$) 915,000	Financial services	100.00 (100.00)
Toyota Motor Manufacturing, Canada Inc.	Cambridge, Ontario, Canada	(Thousand Can\$) 680,000	Automotive	100.00
Toyota do Brasil LTDA	São paulo, Brazil	(Thousand real) 152,581	Automotive	99.99

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

Company name	Location	Capital stock or capital fund	Business segment	Percentage of voting rights owned (%)
N.V. Toyota Motor Europe, Marketing & Engineering S.A.	Bruxelles, Belgium	(Thousand euro) 102,382	Automotive	100.00
Toyota Motor Europe Manufacturing	Bruxelles, Belgium	(Thousand euro) 773,720	Automotive	100.00
Toyota Motor Manufacturing France S.A.S.	Onnaing, France	(Thousand euro) 259,080	Automotive	100.00 (100.00)
Toyota Deutschland G.m.b.H.	Köln, Germany	(Thousand DM) 11,200	Automotive	100.00
Toyota (GB) Ltd.	Redhill, Surrey, U.K.	(Thousand STG £) 2,600	Automotive	100.00
Toyota Motor Manufacturing (UK) Ltd.	Burnaston, Derbyshire, U.K.	(Thousand STG £) 550,000	Automotive	100.00 (100.00)
Toyota Motor Thailand Co., Limited	Samut Prakan, Thailand	(Thousand baht) 4,520,000	Automotive	69.63
Toyota Motor Corporation Australia Ltd.	Port Melbourne, Victoria, Australia	(Thousand A\$) 481,100	Automotive	100.00
Toyota Finance Australia Limited	Milsons Point, New South Wales, Australia	(Thousand A\$) 120,000	Financial services	100.00 (100.00)
Toyota Kirloskar Motor Ltd.	Bangalore, Karnataka, India	(Thousand rupee) 7,000,000	Automotive	88.86
Other 396 companies				
(Affiliates accounted for under the equity method)				
Denso Corporation	Kariya, Aichi	(Million yen) 173,097	Automotive	25.15 (0.20)
Aisin Seiki Co., Ltd.	Kariya, Aichi	(Million yen) 41,140	Automotive	26.83 (2.31)
Toyoda Automatic Loom Works, Ltd.	Kariya, Aichi	(Million yen) 40,178	Automotive	27.69 (3.02)
Hino Motors, Ltd.	Hino, Tokyo	(Million yen) 39,573	Automotive	33.55 (0.14)
Aisin AW Co., Ltd.	Anjo, Aichi	(Million yen) 26,480	Automotive	41.16
Toyoda Gosei Co., Ltd.	Haruhi-cho, Nishikasugai-gun, Aichi	(Million yen) 25,037	Automotive	42.45 (0.60)
Aichi Steel Corporation	Tokai, Aichi	(Million yen) 25,016	Automotive	27.51 (2.80)

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Company name	Location	Capital stock or capital fund	Business segment	Percentage of voting rights owned (%)
Toyoda Machine Works, Ltd.	Kariya, Aichi	(Million yen) 24,805	Automotive	25.58 (0.60)
The Chiyoda Fire and Marine Insurance Company, Limited	Shibuya-ku, Tokyo	(Million yen) 42,664	Financial services	44.76 (0.04)
Toyota Tsusho Corporation	Nagoya, Aichi	(Million yen) 26,748	All other	24.18 (1.43)
New United Motor Manufacturing, Inc.	Fremont, California, U.S.A.	(Thousand US\$) 310,000	Automotive	50.00
Other 40 companies				

Note 1: Business segment describes the names of segments classified according to the business category .

Note 2: In the column for "Percentage of voting rights owned", figures in parentheses indicate the percentage of voting rights owned indirectly and they are part of the figure shown at the top of each row. Figures in brackets are shown to the companies practically controlled by TMC and / or its consolidated subsidiaries. These figures indicate the percentage of voting rights owned by persons that have close relationships with TMC and / or its consolidated subsidiaries , and they are not part of the figure shown at the top of each row.

Note 3: TABC, Inc. changed its name into TABC Holding, Inc. as of June 1, 2000.

Note 4: Consolidated subsidiaries listed on Stock Exchanges

Company name	Stock Exchanges on which the shares are listed
Daihatsu Motor Co., Ltd.	Tokyo, Nagoya, Osaka, Kyoto, Fukuoka and Sapporo
Toyota Auto Body Co., Ltd.	Tokyo and Nagoya
Kanto Auto Works, Ltd.	Tokyo and Nagoya
Toyoda Boshoku Corporation	Tokyo and Nagoya
Taiho Kogyo Co., Ltd.	Tokyo and Nagoya

# MANAGEMENT POLICY

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## 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 shareholders’ 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. The corporation’s basic approach is to continue paying stable dividends, while giving overall consideration to business results and dividends payout ratio etc., with the intent of responding to the expectations of our shareholders.

Reserves will be utilized for making our products more competitive, improving domestic and overseas production and sales structures, and developing new businesses to establish a stable, long-term management foundation, as well as repurchasing and retiring its shares in order to return profits to our shareholders.

## 3. TMC's medium and long-term management strategy

To further promote growth of its automobile business, TMC will assemble the joint forces of the entire group to enhance its competitiveness in the global market by developing advanced technology and product planning, and achieving greater efficiency in production and sales.

In technological development, the company aims to lead other automakers in the field of environmental technologies, such as reduced emissions, improved fuel efficiency, and higher vehicle recoverability rate. TMC will work hard to further spread the use of hybrid vehicles and develop fuel cell vehicles and other next-generation automobile with the aim of commercializing them as quickly as possible.

In product planning, the company will strive to provide products that precisely respond to the changes and the needs of domestic and overseas markets.

TMC will continue to promote cost reduction efforts such as the discontinuation and integration of vehicle line-ups, common use of vehicle platforms and reductions in component types and will also seek to further improve productivity.

In order to respond overall to the various customer needs, which are expected to expand from automobile to related areas, we intend to strategically develop our businesses including our financial services business and our information and telecommunication business as well.

Through these varied efforts, TMC will seek to improve profitability and increase shareholders’ value by practicing more effective management and by establishing a stable, long-term management foundation.



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#### **4.Measures for improvement of corporate management organizations**

In addition to general meetings of shareholders, meetings of the Board of Directors, meetings of the Board of Corporate Auditors and auditing of financial statements by certified public accountants and other actions required by law, TMC is taking various measures to ensure a higher level of corporate governance.

Specifically, the company established a “Committee of Ethics for Corporate Conduct”, comprised of executives of the senior managing director level and higher, to verify all corporate activities from the viewpoint of legal requirements and corporate ethics. TMC also adopted guidelines regarding the conduct of employees to codify the basic attitudinal approach expected of employees. Efforts are being made to ensure employees strictly follow these guidelines. In addition, every year TMC holds at least one meeting of the International Advisory Board, which is comprised of knowledgeable persons from foreign countries, to provide TMC with advice concerning management strategies in reference to Toyota’s globalization initiatives.

Also, TMC continues to disclose information on the fiscal condition of the company to shareholders, investors, and other stakeholders. The company will continue to ensure a high level of corporate accountability.

# BUSINESS RESULTS

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

## 1. Summary of Consolidated Financial Statements of FY2001 Interim

The Japanese economy for FY2001 interim showed a trend towards gradual recovery as seen in the continued recovery of capital investment in the private sector, in spite of sluggish consumer spending. Meanwhile, overseas, economic recovery continued in Asian countries while American and European economy remained strong overall.

Under these conditions, domestic vehicle sales increased by 54 thousand units, or 5.3%, to 1,067 thousand units in FY2001 interim compared with FY2000 interim, and Toyota's market share (including minivehicles) increased by 1.9% to 38.7% in FY2001 interim compared with FY2000 interim, as a result of the active introduction of new products and the strong sales efforts of domestic dealers. Excluding minivehicles, the market share increased by 1.9% to 43.1% in FY2001 interim compared with FY2000 interim. Meanwhile, overseas, vehicle sales increased by 91 thousand units, or 6.1%, to 1,587 thousand units in FY2001 interim compared with FY2000 interim. This was due to strong demand mainly in North America and Europe. As a result, consolidated vehicle sales in Japan and overseas increased by 145 thousand units, or 5.8%, to 2,654 thousand units in FY2001 interim compared with FY2000 interim.

Net sales increased by 198.2 billion yen, or 3.2%, to 6,423.5 billion yen in FY2001 interim compared with FY2000 interim, and operating income increased by 13.6 billion yen, or 3.7%, to 376.1 billion yen in FY2001 interim compared with FY2000 interim. Factors for the increase in operating income in the amount of 210.0 billion yen included marketing efforts in the amount of 120.0 billion yen and cost reduction efforts in the amount of 90.0 billion yen. On the other hand, factors for the decrease in operating income in the amount of 196.4 billion yen included the effects of exchange rate fluctuations in the amount of 180.0 billion yen and the increase of R&D expenses and other factors in the amount of 16.4 billion yen. Ordinary income decreased by 10.6 billion yen, or 2.6%, to 393.9 billion yen in FY2001 interim compared with FY2000 interim. Net income decreased by 42.1 billion yen, or 20.9%, to 159.5 billion yen in FY2001 interim compared with FY2000 interim. This decrease in net income was mainly due to the recognition of retirement benefit expenses caused by the amortization of the transition obligations resulting from the adoption of the accounting standards for retirement benefits within one year.

Regarding the consolidated cash flows for FY2001 interim, cash flows from operating activities were 615.1 billion yen mainly due to income before income taxes and minority interest in consolidated subsidiaries in the amount of 312.6 billion yen. Cash flows from investing activities resulted in the decrease in cash and cash equivalents in the amount of 573.5 billion yen mainly due to the payments for acquisition of property, plant and equipment in the amount of 456.3 billion yen. Cash flows from financing activities were 7.7 billion yen. After consideration of the effect of exchange rate changes on cash and cash equivalents, cash and cash equivalents increased by 51.1 billion yen, or 3.3%, to 1,610.8 billion yen at the end of FY2001 interim compared with the end of FY2000.

Regarding the consolidated cash flows for FY2001 interim by segment, in non-financial services business, cash flows from operating activities were 718.9 billion yen, cash flows from investing activities resulted in the decrease in cash and cash equivalents in the amount of 542.4 billion yen and cash flows from financing activities resulted in the decrease in cash and cash equivalents in the amount of 47.2 billion yen. Meanwhile, in the financial services business, cash flows from operating activities resulted in the decrease in cash and cash equivalents in the amount of 115.2 billion yen, cash flows from investing activities resulted in the decrease in cash and cash equivalents in the amount of 65.8 billion yen and cash flows from financing activities were 101.0 billion yen.

## 2. Consolidated financial results of FY2001 Interim by segment

### (1) Business Segment

#### Automotive:

Net sales of the automotive segment increased by 170.0 billion yen, or 3.1%, to 5,605.5 billion yen in FY2001 interim compared with FY2000 interim, and operating income increased by 19.5 billion yen, or 6.3%, to 327.9 billion yen in FY2001 interim compared with FY2000 interim. The increase in operating income was due to increased sales in Japan and North America as well as cost reduction efforts made by TMC and its subsidiaries, despite the appreciation of the yen against the U.S. dollar and the euro.

#### Financial services:

Net sales of the financial services segment decreased by 5.1 billion yen, or 1.9%, to 265.5 billion yen in FY2001 interim compared with FY2000 interim, and operating income decreased by 7.5 billion yen, or 32.5%, to 15.4 billion yen in FY2001 interim compared with FY2000 interim. The decrease in operating income was due to decreases in profit margins attributable to the rising interest rates in the U.S.A., investments made for business expansions and the adverse effect of yen conversion resulting from the appreciation of the yen.

#### All other:

Net sales of all other segment increased by 43.5 billion yen, or 7.0%, to 660.3 billion yen in FY2001 interim compared with FY2000 interim, and operating income decreased by 20.0 billion yen, or 75.2%, to 6.6 billion yen in FY2001 interim compared with FY2000 interim. The decrease in operating income was mainly due to increases in selling expenses related to the telecommunication business.

## (2) Geographical Segment

### Japan:

Net sales in Japan increased by 190.6 billion yen, or 4.1%, to 4,822.9 billion yen in FY2001 interim compared with FY2000 interim, and operating income decreased by 29.4 billion yen, or 10.1%, to 261.2 billion yen in FY2001 interim compared with FY2000 interim. The decrease in operating income was due to the appreciation of the yen against both the U.S. dollar and the euro, despite increases in the number of vehicles sold in Japan and exported to other countries as well as the cost reduction efforts made by TMC and its subsidiaries.

### North America:

Net sales in North America decreased by 1.5 billion yen, or 0.1%, to 2,328.8 billion yen in FY2001 interim compared with FY2000 interim, mainly due to the adverse effect of yen conversion resulting from the appreciation of the yen, and operating income increased by 34.2 billion yen, or 58.4%, to 92.7 billion yen in FY2001 interim compared with FY2000 interim. The increase in operating income was due to expansion in production at the Indiana and other plants, as well as increases in the number of vehicles sold, supported by a strong American economy.

### Europe:

Net sales in Europe decreased by 50.2 billion yen, or 8.4%, to 549.5 billion yen in FY2001 interim compared with FY2000 interim, and operating loss was 2.5 billion yen, a decrease in operating income of 3.4 billion yen in FY2001 interim compared with FY2000 interim. The decrease in operating income was due to the substantial depreciation of the euro and the start-up costs of the new French plant.

### Other:

Net sales in other regions increased by 36.5 billion yen, or 9.1%, to 436.9 billion yen in FY2001 interim compared with FY2000 interim, and operating income increased by 3.2 billion yen, or 94.4%, to 6.5 billion yen in FY2001 interim compared with FY2000 interim. The increase in operating income was due to the recovery in the number of vehicles sold in Asia.

### **3.Distribution of Profits for FY2001 interim**

TMC determines dividends based on its basic policy to continue paying stable dividends, while giving overall consideration to business results and dividends payout ratio etc. The FY2001 interim dividend is 11 yen per share. Accordingly, the dividends payout ratio for FY2001 interim is 39.4%.

In addition, TMC repurchased and retired 6 million shares in the amount of 26,383 million yen in order to return profits to its shareholders.

### **4.Others**

#### Litigation in the United States

On July 12, 1999, the United States Department of Justice, acting on behalf of the United States Environmental Protection Agency, filed a lawsuit against Toyota Motor Sales, U.S.A., Inc., a consolidated subsidiary of TMC (on November 22, 1999 TMC and Toyota Technical Center U.S.A., Inc. were added as defendants) for alleged defects in on-board diagnostic systems to detect gas vapor leaks installed in approximately 2.2 million units of 1996-1998 model year Toyota vehicles sold in the U.S.A. in violation of the U.S. Clean Air Act.

The Environmental Protection Agency and the Department of Justice are seeking the suspension of sales of 1996-1998 model year new Toyota vehicles that are not in compliance with the Clean Air Act and other applicable federal regulations, appropriate action to remedy the alleged violation of the Clean Air Act, and civil penalties of up to \$27,500 for each vehicle allegedly sold in violation of the Clean Air Act.

The lawsuit is in the early stages. Accordingly Toyota cannot predict the timetable on which this lawsuit will proceed. Toyota believes that it has valid defenses to this claim and intends to vigorously defend this lawsuit.

# CONSOLIDATED PRODUCTION AND SALES

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

## 1. Production

(Units)

		FY2001 interim (April 2000 through September 2000)	FY2000 interim (April 1999 through September 1999)	Increase (Decrease)	FY2000 (April 1999 through March 2000)
Vehicles (new)	Japan	1,961,999	1,804,140	157,859	3,863,760
	North America	398,808	376,395	22,413	781,304
	Europe	82,621	81,547	1,074	172,427
	Others	98,007	87,647	10,360	185,240
	Overseas total	579,436	545,589	33,847	1,138,971
	<b>Total</b>	<b>2,541,435</b>	<b>2,349,729</b>	<b>191,706</b>	<b>5,002,731</b>
Houses(Japan)		<b>1,646</b>	<b>1,622</b>	<b>24</b>	<b>3,290</b>

Note: The total production of vehicles (new) includes Daihatsu brand vehicles (including OEM production) of 324,862 units in FY 2001 interim, 312,868 units in FY 2000 interim and 651,130 units in FY 2000.

## 2. Sales (by destination)

(Units)

		FY2001 interim (April 2000 through September 2000)	FY2000 interim (April 1999 through September 1999)	Increase (Decrease)	FY2000 (April 1999 through March 2000)
Vehicles (new)	Japan	1,067,085	1,013,101	53,984	2,177,524
	North America	851,461	806,106	45,355	1,689,483
	Europe	368,471	332,905	35,566	633,879
	Others	367,458	357,344	10,114	681,888
	Overseas total	1,587,390	1,496,355	91,035	3,005,250
	<b>Total</b>	<b>2,654,475</b>	<b>2,509,456</b>	<b>145,019</b>	<b>5,182,774</b>
Industrial vehicles	Japan	13,067	12,091	976	25,621
	North America	13,909	11,831	2,078	23,267
	Europe	9,529	5,972	3,557	14,292
	Others	4,673	4,553	120	8,356
	Overseas total	28,111	22,356	5,755	45,915
	<b>Total</b>	<b>41,178</b>	<b>34,447</b>	<b>6,731</b>	<b>71,536</b>
Houses(Japan)		<b>1,687</b>	<b>1,612</b>	<b>75</b>	<b>3,297</b>

Note: The total sale of vehicles (new) includes Daihatsu brand vehicles of 277,915 units in FY 2001 interim, 281,109 units in FY 2000 interim and 583,677 units in FY 2000.

# BREAKDOWN OF CONSOLIDATED NET SALES

( 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.)

	FY2001 interim (April 2000 through September 2000)	FY2000 interim (April 1999 through September 1999)	Increase (Decrease)	FY2000 (April 1999 through March 2000)
Vehicles	4,786,526	4,642,033	144,493	9,637,576
Parts & components for overseas production	115,082	96,637	18,445	198,728
Parts	385,735	403,511	(17,776)	805,893
Others	312,708	291,923	20,785	629,074
<b>Total Automotive</b>	<b>5,600,052</b>	<b>5,434,106</b>	<b>165,946</b>	<b>11,271,273</b>
Financial services	258,892	259,845	(953)	522,879
Industrial equipment and logistics system	105,658	94,771	10,887	189,147
Housing	38,085	30,624	7,461	75,975
Telecommunications	258,180	240,097	18,083	508,327
Others	162,648	165,877	(3,229)	311,957
<b>Total</b>	<b>6,423,517</b>	<b>6,225,323</b>	<b>198,194</b>	<b>12,879,561</b>

Note: The amounts above are net sales to external customers.

# CONSOLIDATED 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.)

	FY2001 interim (April 2000 through September 2000)	FY2000 interim (April 1999 through September 1999)	Increase (Decrease)	FY2000 (April 1999 through March 2000)
<b>Net sales</b>	<b>6,423,517</b>	<b>6,225,323</b>	<b>198,194</b>	<b>12,879,561</b>
Cost of sales	4,980,195	4,780,626	199,569	9,912,417
Selling, general and administrative expenses	1,067,220	1,082,140	(14,920)	2,191,161
<b>Operating income</b>	<b>376,102</b>	<b>362,555</b>	<b>13,547</b>	<b>775,982</b>
Non-operating income	100,306	132,999	(32,693)	233,480
<i>Interest income</i>	28,398	31,242	(2,844)	58,340
<i>Dividend income</i>	8,224	11,228	(3,004)	14,902
<i>Equity in earnings of affiliates</i>	6,259	15,150	(8,891)	28,076
<i>Other non-operating income</i>	57,424	75,377	(17,953)	132,161
Non-operating expenses	82,481	91,015	(8,534)	212,404
<i>Interest expenses</i>	21,706	21,906	(200)	46,948
<i>Other non-operating expenses</i>	60,775	69,109	(8,334)	165,455
<b>Ordinary income</b>	<b>393,926</b>	<b>404,539</b>	<b>(10,613)</b>	<b>797,058</b>
Extraordinary gains	265,023	-	265,023	-
<i>Gains on disposal of securities to establish retirement benefit trust</i>	265,023	-	265,023	-
Extraordinary losses	346,272	46,556	299,716	46,556
<i>Provision for allowance for retirement and severance benefits</i>	-	46,556	(46,556)	46,556
<i>Retirement benefit expenses resulting from the adoption of the accounting standards for retirement benefits</i>	346,272	-	346,272	-
<b>Income before income taxes and minority interest in consolidated subsidiaries</b>	<b>312,677</b>	<b>357,982</b>	<b>(45,305)</b>	<b>750,501</b>
Income taxes - current	197,348	186,283	11,065	349,146
Income taxes - deferred	(54,166)	(44,055)	(10,111)	(22,255)
Minority interest in consolidated subsidiaries	9,903	14,097	(4,194)	16,812
<b>Net income</b>	<b>159,591</b>	<b>201,657</b>	<b>(42,066)</b>	<b>406,798</b>

Note1: Effective for FY2001 interim, 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 30,863 million yen.

Note2: Effective for FY2001 interim, 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 11,730 million yen and 92,980 million yen, respectively. Transition obligation of 373,254 million yen was resulted from the adoption of new standards. Out of this amount, 319,290 million yen which is the amount of holding stocks that TMC and certain subsidiaries contributed to retirement benefit trust is reported as "Extraordinary losses". 53,963 million yen will be amortized as "Extraordinary losses" within FY 2001 (26,981 million yen was amortized in FY2001 interim). Gains on disposal of securities to establish retirement benefit trust in the amount of 265,023 million yen are reported as "Extraordinary gains".



# CONSOLIDATED 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.)

	FY2001 interim (As of September 30,2000)	FY2000 (As of March 31,2000)	Increase (Decrease)	FY2000 interim (As of September 30,1999)
<b>Assets</b>				
<b>Current assets</b>	<b>7,776,898</b>	<b>7,801,037</b>	<b>(24,139)</b>	<b>7,309,023</b>
Cash and deposits	930,011	1,016,260	(86,249)	941,069
Trade notes and accounts receivable	1,121,777	1,310,958	(189,181)	1,036,402
Marketable securities	1,125,852	1,136,052	(10,200)	1,320,185
Inventories	815,470	823,756	(8,286)	813,636
Installment credit from dealers	2,223,339	2,052,035	171,304	1,792,908
Short-term loans	882,847	789,343	93,504	709,463
Deferred income taxes	288,552	309,753	(21,201)	291,809
Other current assets	461,768	436,458	25,310	478,951
Less: allowance for doubtful accounts	(72,720)	(73,582)	862	(75,403)
<b>Fixed assets</b>	<b>8,876,745</b>	<b>8,440,637</b>	<b>436,108</b>	<b>8,619,820</b>
<b>Property, Plant and Equipment</b>	<b>4,858,578</b>	<b>4,867,824</b>	<b>(9,246)</b>	<b>4,892,719</b>
Buildings and structures	1,133,922	1,128,614	5,308	1,140,733
Machinery and equipment	1,245,862	1,250,887	(5,025)	1,268,869
Vehicles and delivery equipment	1,055,202	1,078,068	(22,866)	1,074,869
Land	881,867	875,178	6,689	865,822
Construction in progress	212,430	212,511	(81)	198,652
Other property, plant and equipment	329,293	322,564	6,729	343,770
<b>Intangible fixed assets</b>	<b>46,428</b>	<b>42,657</b>	<b>3,771</b>	<b>31,663</b>
<b>Investments and other assets</b>	<b>3,971,738</b>	<b>3,530,155</b>	<b>441,583</b>	<b>3,695,438</b>
Investments in securities	3,057,397	2,420,229	637,168	2,382,003
Long-term loans	621,433	567,003	54,430	653,170
Deferred income taxes	191,204	437,295	(246,091)	498,503
Other investments and other assets	112,517	123,754	(11,237)	180,227
Less: allowance for doubtful accounts	(10,815)	(18,127)	7,312	(18,467)
<b>Translation adjustments</b>	<b>-</b>	<b>227,379</b>	<b>(227,379)</b>	<b>149,270</b>
<b>Total assets</b>	<b>16,653,643</b>	<b>16,469,054</b>	<b>184,589</b>	<b>16,078,115</b>

( 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.)

	FY2001 interim (As of September 30,2000)	FY2000 (As of March 31,2000)	Increase (Decrease)	FY2000 interim (As of September 30,1999)
<b>Liabilities</b>				
<b>Current liabilities</b>	<b>5,524,981</b>	<b>5,498,762</b>	<b>26,219</b>	<b>5,213,036</b>
Trade notes and accounts payable	1,213,562	1,307,094	(93,532)	1,153,538
Current portion of bonds	556,653	577,872	(21,219)	626,541
Short-term borrowings	1,020,142	933,488	86,654	1,079,281
Accrued expenses and other accounts payable	1,304,951	1,253,309	51,642	1,102,504
Income taxes payable	169,286	117,115	52,171	187,635
Deferred income taxes	4,891	2,095	2,796	6,372
Other current liabilities	1,255,493	1,307,786	(52,293)	1,057,161
<b>Long-term liabilities</b>	<b>3,884,564</b>	<b>3,841,634</b>	<b>42,930</b>	<b>3,853,942</b>
Bonds	2,337,932	2,254,664	83,268	2,294,413
Convertible debentures	13,314	13,314	-	13,314
Long-term borrowings	615,638	588,395	27,243	583,192
Deferred income taxes	253,419	394,132	(140,713)	381,596
Allowance for retirement and severance benefits	-	589,196	(589,196)	579,294
Allowance for retirement benefits	646,963	-	646,963	-
Other long-term liabilities	17,296	1,931	15,365	2,132
<b>Total liabilities</b>	<b>9,409,545</b>	<b>9,340,397</b>	<b>69,148</b>	<b>9,066,978</b>
<b>Minority interest in consolidated subsidiaries</b>	<b>344,954</b>	<b>331,991</b>	<b>12,963</b>	<b>326,594</b>
<b>Shareholders' equity</b>				
<b>Common stock</b>	<b>397,020</b>	<b>397,020</b>	<b>-</b>	<b>397,020</b>
<b>Capital surplus</b>	<b>414,025</b>	<b>414,025</b>	<b>-</b>	<b>414,025</b>
<b>Retained earnings</b>	<b>6,097,377</b>	<b>6,014,125</b>	<b>83,252</b>	<b>5,904,117</b>
<b>Net unrealized gains on other securities</b>	<b>309,119</b>	<b>-</b>	<b>309,119</b>	<b>-</b>
<b>Translation adjustments</b>	<b>(288,463)</b>	<b>-</b>	<b>(288,463)</b>	<b>-</b>
<b>Less: treasury common stock</b>	<b>(3,251)</b>	<b>(3,460)</b>	<b>209</b>	<b>(2,714)</b>
<b>Less: common stock of the Parent held by consolidated subsidiaries</b>	<b>(26,684)</b>	<b>(25,044)</b>	<b>(1,640)</b>	<b>(27,906)</b>
<b>Total shareholders' equity</b>	<b>6,899,143</b>	<b>6,796,666</b>	<b>102,477</b>	<b>6,684,542</b>
<b>Total liabilities and shareholders' equity</b>	<b>16,653,643</b>	<b>16,469,054</b>	<b>184,589</b>	<b>16,078,115</b>

Note 1: Effective for FY2001 interim, the "Accounting Standards for Financial Instruments" has been applied and the "Other securities" is stated at fair value. As a result, "Total assets" increased by 564,957 million yen.

Note 2: Effective for FY2001 interim, the "Accounting Standards for Retirement Benefits" has been applied. As a result, both the amount reported as "Allowance for retirement and severance benefits" and the amount relating to the corporate pension plan reported as a part of "Accrued expenses and other accounts payable" in FY 2000 are reported as "Allowance for retirement benefits" in FY 2001 interim.

Note 3: Effective for FY2001 interim, the revised "Accounting Standards for Foreign Currency Transactions, etc." has been applied. As a result, "Translation adjustments" reported as a part of assets in FY2000 is reported as a part of both "Shareholders' equity" and "Minority interest in consolidated subsidiaries".

# CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

( 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.)

	FY2001 interim (April 2000 through September 2000)	FY2000 (April 1999 through March 2000)
<b>Retained earnings at beginning of period</b>	<b>6,014,125</b>	<b>5,753,360</b>
Retained earnings at beginning of period as reported in previous period	6,014,125	5,367,879
Cumulative effect of an adoption of tax effect accounting	-	385,481
<b>Increases in retained earnings</b>	<b>-</b>	<b>8,815</b>
Increase resulting from increase in affiliates accounted for under the equity method	-	5,288
Increase resulting from the re-evaluation of fixed assets of consolidated subsidiaries	-	3,526
<b>Decreases in retained earnings</b>	<b>76,339</b>	<b>154,848</b>
Dividends	47,979	87,958
Bonuses to directors and corporate auditors	1,975	1,791
Decrease resulting from increase in consolidated subsidiaries	-	19,642
Decrease resulting from share repurchase and retirement by the parent company	26,383	45,456
<b>Net income</b>	<b>159,591</b>	<b>406,798</b>
<b>Retained earnings at end of period</b>	<b>6,097,377</b>	<b>6,014,125</b>

# CONSOLIDATED STATEMENTS OF CASH FLOWS

( 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.)

	FY2001 interim (April 2000 through September 2000)	FY2000 (April 1999 through March 2000)
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interest in consolidated subsidiaries	312,677	750,501
Depreciation expenses	376,663	754,934
Losses on disposal of fixed assets	13,551	49,723
Increase in allowance for retirement and severance benefits	-	92,432
Increase in allowance for retirement benefits	145,786	-
Interest and dividend income	(36,622)	(73,243)
Interest expenses	21,706	46,948
Equity in earnings of affiliates	(6,259)	(28,076)
Decrease (Increase) in trade notes and accounts receivable	22,898	(572,383)
Increase in loans receivable of consolidated financial subsidiaries	(111,068)	(139,138)
Decrease (Increase) in inventories	5,121	(70,111)
Increase (Decrease) in trade notes and accounts payable	(93,489)	111,771
Others	87,177	(32,375)
Subtotal	738,142	890,983
Interest and dividends received	44,027	84,473
Interest paid	(22,033)	(46,455)
Income taxes paid	(145,014)	(381,469)
Cash flows from operating activities	615,122	547,533
<b>Cash flows from investing activities</b>		
Net decrease in time deposits	45,704	319,420
Payments for purchase of marketable securities and investments in securities	(625,279)	(1,199,525)
Proceeds from sales of marketable securities and investments in securities	143,046	448,756
Proceeds from redemption of marketable securities and investments in securities	370,536	527,870
Payments for acquisition of property, plant and equipment (excluding vehicles for lease)	(456,301)	(865,865)
Payments for acquisition of vehicles for lease	(177,227)	(434,416)
Proceeds from sales of property, plant and equipment (excluding vehicles for lease)	49,230	79,444
Proceeds from sales of vehicles for lease	133,987	382,983
Others	(57,292)	(73,546)
Cash flows from investing activities	(573,595)	(814,877)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	84,638	(95,146)
Net increase (decrease) in commercial papers	(105,784)	379,986
Proceeds from origination of long-term borrowings	299,525	236,428
Payments for repayment of long-term borrowings	(262,514)	(224,927)
Proceeds from issuance of bonds	295,519	851,764
Payments for redemption of bonds	(254,086)	(516,655)
Payments for repurchase of treasury stocks	(26,383)	(45,456)
Dividends paid	(47,979)	(87,958)
Others	24,814	27,405
Cash flows from financing activities	7,748	525,441
<b>Effect of exchange rate changes on cash and cash equivalents</b>	1,834	(65,373)
<b>Net increase in cash and cash equivalents</b>	51,109	192,724
<b>Cash and cash equivalents at beginning of period</b>	1,559,732	1,334,073
<b>Increase in cash and cash equivalents due to expansion in scope of consolidated subsidiaries</b>	-	32,934
<b>Cash and cash equivalents at end of period</b>	1,610,841	1,559,732

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, carry minimal risk of change in value and have a redemption period of three months or less.

## SIGNIFICANT ACCOUNTING POLICIES

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

1. Valuation of securities (including marketable securities independently invested in money trust):  
Securities are principally evaluated on the following basis  
Trading securities:  
    Stated at fair value (cost of sales is determined using the moving average method.)  
Other securities with fair value:  
    Stated at fair value based on market prices, etc. at end of the interim period.  
    (Both unrealized gains and losses are included in "Net unrealized gains on other securities", a component of shareholders' equity; cost of sales is determined using the moving average method.)  
Other securities not practicable to fair value:  
    Stated at cost determined using the moving average method
2. Derivative Transactions:  
    Principally stated at fair value
3. Valuation of inventories:  
TMC and domestic consolidated subsidiaries:  
    Inventories are principally stated at cost, as determined using the periodic average method or the specific identification method.  
Overseas consolidated subsidiaries:  
    Principally stated at the lower of cost or market value based on the following: the specific identification method, first-in-first-out method or last-in-first-out method
4. Depreciation of property, plant and equipment:  
TMC and domestic consolidated subsidiaries:  
    Principally computed using the declining balance method  
Overseas consolidated subsidiaries:  
    Principally computed using the straight line method
5. Amortization of intangible fixed assets:  
    Computed using the straight line method
6. Significant reserves:  
Allowance for doubtful accounts:  
TMC: To prepare for losses from bad debt, allowance for doubtful accounts is provided in an amount equivalent to the maximum limit deductible for tax purposes which is determined by the Corporation Tax Laws and an amount determined by considering the collectibility of receivable.  
Consolidated subsidiaries:  
    Principally computed based on the maximum limit deductible for tax purposes which is determined by the Corporation Tax Laws and the historical loss experience  
Allowance for employee bonus:  
    To provide for employee bonuses, some of the consolidated subsidiaries accrue part of the estimated bonus payments for the next half period which are attributed to the current interim period.  
Allowance for retirement benefits:  
    Principally to provide for the employees' retirement benefits, allowance for retirement benefits is stated at the net amount of estimated retirement benefit obligations less estimated plan assets at the end of the interim period.
7. Consumption taxes:  
    Computed based on the net-of-tax method

## NOTES TO CONSOLIDATED BALANCE SHEETS

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

1. Accumulated depreciation of property, plant and equipment	6,742,970 million yen
2. Leased assets (as a lessor) of 986,593 million yen are included in "Vehicles and delivery equipment"	
3. Assets pledged as collateral and secured liability	
Assets pledged as collateral	Notes receivable 1,124 million yen
	Buildings and structures 39,301 million yen
	Machinery and equipment 12,895 million yen
	Land 48,862 million yen
	Others 5,699 million yen
Secured liability	Short-term borrowings 43,470 million yen
	Long-term borrowings 27,839 million yen
4. Liabilities for guarantees	661,841 million yen
5. Trade notes receivable discounted	4,932 million yen
Trade notes receivable endorsed	16 million yen

## NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS

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

Reconciliation of cash and cash equivalents and accounts on the consolidated balance sheet at end of FY2001 interim.

Cash and deposits	930,011	million yen
Marketable securities	1,125,852	million yen
<u>Total</u>	<u>2,055,863</u>	<u>million yen</u>
Time deposits, bonds and others with original maturity exceeding a three-month period	( 445,021 )	million yen
<u>Cash and cash equivalents</u>	<u>1,610,841</u>	<u>million yen</u>

## NOTES FOR LEASE TRANSACTIONS

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

### 1. Finance leases in which the ownership of leased assets are not transferred to lessees (as a lessee):

-Amount equivalent to acquisition costs:	148,611 million yen	
-Amount equivalent to accumulated depreciation:	59,777 million yen	
-Amount equivalent to costs, less accumulated depreciation at end of period:	88,833 million yen	
-Amount equivalent to finance lease obligations at end of period:	92,857 million yen	(within a year: 23,294 million yen)
-Lease payments:	12,420 million yen	
-Amount equivalent to depreciation expenses:	11,277 million yen	
-Amount equivalent to interest expenses:	1,296 million yen	

The amount equivalent to depreciation expenses is computed based on the straight line method.

The amount equivalent to interest expenses, which is calculated by subtracting acquisition costs from total lease payments, is allocated over fiscal years based on the interest method.

### 2. Finance leases in which the ownership of leased assets are not transferred to lessees(as a lessor):

-Acquisition costs:	90,891 million yen	
-Accumulated depreciation:	43,077 million yen	
-Costs, less accumulated depreciation at end of period:	47,813 million yen	
-Finance lease obligations at end of period :	55,638 million yen	(within a year: 17,767 million yen)
-Lease premiums:	12,096 million yen	
-Depreciation expenses:	7,730 million yen	
-Amount equivalent to interest income:	1,356 million yen	

The amount equivalent to interest income, which is calculated by subtracting acquisition costs from total lease payments and estimated residual value, is allocated over fiscal years based on the interest method.

### 3. Non-cancelable operating lease transactions:

-Future lease payments (as a lessee):	30,476 million yen	(within a year: 6,815 million yen)
-Future rentals (as a lessor):	482,973 million yen	(within a year: 228,909 million yen)

# SEGMENT INFORMATION

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

## 1. Business Segment Information

### (1) FY2001 interim (April 2000 through September 2000)

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

	Automotive	Financial services	All other	Total	Elimination and/or unallocated assets	Consolidated
Net sales						
(1) Sales to external customers	5,600,052	258,892	564,572	6,423,517	-	6,423,517
(2) Inter-segment sales and transfers	5,495	6,660	95,742	107,899	(107,899)	-
Total	5,605,547	265,553	660,315	6,531,416	(107,899)	6,423,517
Operating expenses	5,277,593	250,071	653,712	6,181,377	(133,962)	6,047,415
Operating income	327,954	15,481	6,603	350,038	26,063	376,102
Assets	7,545,847	4,947,596	1,226,404	13,719,849	2,933,794	16,653,643
Depreciation expenses	315,839	27,244	33,579	376,663	-	376,663
Capital expenditure	349,069	150,359	85,171	584,599	-	584,599

### (2) FY2000 interim (April 1999 through September 1999)

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

	Automotive	Financial services	All other	Total	Elimination and/or unallocated assets	Consolidated
Net sales						
(1) Sales to external customers	5,434,106	259,845	531,370	6,225,323	-	6,225,323
(2) Inter-segment sales and transfers	1,488	10,851	85,513	97,853	(97,853)	-
Total	5,435,595	270,697	616,884	6,323,177	(97,853)	6,225,323
Operating expenses	5,127,181	247,758	590,229	5,965,169	(102,402)	5,862,767
Operating income	308,414	22,939	26,654	358,007	4,548	362,555
Assets	7,719,616	4,593,500	968,977	13,282,094	2,796,020	16,078,115
Depreciation expenses	314,967	30,747	31,576	377,291	-	377,291
Capital expenditure	338,457	194,768	62,050	595,275	-	595,275

### (3) FY2000 (April 1999 through March 2000)

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

	Automotive	Financial services	All other	Total	Elimination and/or unallocated assets	Consolidated
Net sales						
(1) Sales to external customers	11,271,273	522,879	1,085,407	12,879,561	-	12,879,561
(2) Inter-segment sales and transfers	8,399	5,834	204,770	219,003	(219,003)	-
Total	11,279,672	528,713	1,290,178	13,098,564	(219,003)	12,879,561
Operating expenses	10,598,188	492,517	1,258,192	12,348,898	(245,319)	12,103,578
Operating income	681,484	36,196	31,985	749,666	26,316	775,982
Assets	7,812,480	4,736,866	1,068,910	13,618,257	2,850,797	16,469,054
Depreciation expenses	630,405	57,820	66,709	754,934	-	754,934
Capital expenditure	785,681	362,442	157,621	1,305,745	-	1,305,745

Note 1: Unallocated corporate assets included under "Elimination and/or unallocated assets" for FY 2001 interim, FY 2000 interim and FY 2000 are 3,229,648 million yen, 3,010,552 million yen and 2,810,525 million yen, respectively, and consist primarily of funds such as cash and deposits, marketable securities and portion of investments in securities of TMC.

Note 2: Effective for FY2001 interim, the "Accounting Standards for Retirement Benefits" has been applied. As a result, operating expenses in "Automotive" and "Financial services" increased by 12,045 million yen and 8 million yen, respectively, and operating income decreased by the same amount in each segment. Operating expenses in "All other" decreased by 322 million yen and operating income increased by the same amount.

Note 3: Effective for FY2001 interim, the "Accounting Standards for Financial Instruments" has been applied and the "Other securities" is stated at fair value. As a result, assets in "Automotive", "Financial services", "All other" and "Elimination and / or unallocated assets" increased by 168,773 million yen, 39,535 million yen, 37,741 million yen and 318,907 million yen, respectively.

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

From FY2001 interim, in relation to Business Segment Information, we prepared the consolidated financial statements as classified into "Non-financial services business", in which "Automotive" and "All other" are regarded as one business, and "Financial services business".

## 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

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

	FY2001 interim (April 2000 through September 2000)	FY2000 interim (April 1999 through September 1999)	Increase (Decrease)
(Non-financial services)			
<b>Net sales</b>	<b>6,164,929</b>	<b>5,966,705</b>	<b>198,224</b>
Cost of sales	4,807,308	4,593,924	213,384
Selling, general and administrative expenses	1,016,141	1,033,688	(17,547)
<b>Operating income</b>	<b>341,478</b>	<b>339,092</b>	<b>2,386</b>
Non-operating income	102,601	133,913	(31,312)
Non-operating expenses	89,450	95,726	(6,276)
<b>Ordinary income</b>	<b>354,629</b>	<b>377,278</b>	<b>(22,649)</b>
Extraordinary gains	265,023	-	265,023
<i>Gains on disposal of securities to establish retirement benefit trust</i>	265,023	-	265,023
Extraordinary losses	346,256	46,556	299,700
<i>Provision for allowance for retirement and severance benefits</i>	-	46,556	(46,556)
<i>Retirement benefit expenses resulting from the adoption of the accounting standards for retirement benefits</i>	346,256	-	346,256
<b>Income before income taxes and minority interest in consolidated subsidiaries</b>	<b>273,396</b>	<b>330,721</b>	<b>(57,325)</b>
Income taxes	126,050	129,016	(2,966)
Minority interest in consolidated subsidiaries	9,267	14,022	(4,755)
<b>Net income</b>	<b>138,078</b>	<b>187,682</b>	<b>(49,604)</b>
(Financial services)			
<b>Net sales</b>	<b>265,553</b>	<b>270,697</b>	<b>(5,144)</b>
Cost of sales	195,871	199,370	(3,499)
Selling, general and administrative expenses	54,200	48,387	5,813
<b>Operating income</b>	<b>15,481</b>	<b>22,939</b>	<b>(7,458)</b>
Non-operating income	1,564	3,814	(2,250)
Non-operating expenses	1,708	3,115	(1,407)
<b>Ordinary income</b>	<b>15,336</b>	<b>23,637</b>	<b>(8,301)</b>
Extraordinary gains	-	-	-
<i>Gains on disposal of securities to establish retirement benefit trust</i>	-	-	-
Extraordinary losses	15	-	15
<i>Provision for allowance for retirement and severance benefits</i>	-	-	-
<i>Retirement benefit expenses resulting from the adoption of the accounting standards for retirement benefits</i>	15	-	15
<b>Income before income taxes and minority interest in consolidated subsidiaries</b>	<b>15,320</b>	<b>23,637</b>	<b>(8,317)</b>
Income taxes	7,276	11,075	(3,799)
Minority interest in consolidated subsidiaries	631	35	596
<b>Net income</b>	<b>7,412</b>	<b>12,526</b>	<b>(5,114)</b>
(Elimination)			
<b>Elimination of net income</b>	<b>14,100</b>	<b>1,448</b>	<b>12,652</b>
(Consolidated)			
<b>Net income</b>	<b>159,591</b>	<b>201,657</b>	<b>(42,066)</b>



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

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

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

	FY2001 interim (As of September 30,2000)	FY2000 (As of March 31,2000)	Increase (Decrease)
<b>Assets</b>			
(Non-financial services)			
<b>Current assets</b>	<b>4,764,083</b>	<b>4,843,340</b>	<b>(79,257)</b>
Cash and deposits	883,479	887,448	(3,969)
Trade notes and accounts receivable	1,105,704	1,291,228	(185,524)
Marketable securities	1,109,831	1,118,332	(8,501)
Inventories	812,508	820,500	(7,992)
Other current assets, etc.	852,558	725,830	126,728
<b>Fixed assets</b>	<b>7,436,732</b>	<b>7,035,550</b>	<b>401,182</b>
<b>Property, Plant and Equipment</b>	<b>3,955,918</b>	<b>3,954,111</b>	<b>1,807</b>
<b>Intangible fixed assets</b>	<b>43,517</b>	<b>39,581</b>	<b>3,936</b>
<b>Investments and other assets</b>	<b>3,437,296</b>	<b>3,041,856</b>	<b>395,440</b>
Investments in securities	2,849,360	2,299,543	549,817
Long-term loans	297,764	290,866	6,898
Other investments and other assets, etc.	290,171	451,445	(161,274)
<b>Translation adjustments</b>	<b>-</b>	<b>227,379</b>	<b>(227,379)</b>
<b>Total</b>	<b>12,200,815</b>	<b>12,106,269</b>	<b>94,546</b>
(Financial services)			
<b>Current assets</b>	<b>3,343,604</b>	<b>3,194,145</b>	<b>149,459</b>
Cash and deposits	46,531	128,812	(82,281)
Trade notes and accounts receivable	25,200	25,922	(722)
Marketable securities	16,020	17,720	(1,700)
Inventories	2,962	3,255	(293)
Installment credit from dealers	2,136,377	1,958,869	177,508
Other current assets, etc.	1,116,512	1,059,566	56,946
<b>Fixed assets</b>	<b>1,603,992</b>	<b>1,542,720</b>	<b>61,272</b>
<b>Property, Plant and Equipment</b>	<b>902,663</b>	<b>913,712</b>	<b>(11,049)</b>
<b>Intangible fixed assets</b>	<b>2,910</b>	<b>3,075</b>	<b>(165)</b>
<b>Investments and other assets</b>	<b>698,417</b>	<b>625,932</b>	<b>72,485</b>
Investments in securities	208,036	158,068	49,968
Long-term loans	487,655	463,142	24,513
Other investments and other assets, etc.	2,726	4,721	(1,995)
<b>Total</b>	<b>4,947,596</b>	<b>4,736,866</b>	<b>210,730</b>
(Elimination)			
<b>Elimination of assets</b>	<b>(494,768)</b>	<b>(374,081)</b>	<b>(120,687)</b>
(Consolidated)			
<b>Total assets</b>	<b>16,653,643</b>	<b>16,469,054</b>	<b>184,589</b>

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 Japan)

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

	FY2001 interim (As of September 30,2000)	FY2000 (As of March 31,2000)	Increase (Decrease)
<b>Liabilities</b>			
(Non-financial services)			
<b>Current liabilities</b>	<b>3,656,049</b>	<b>3,675,694</b>	<b>(19,645)</b>
Trade notes and accounts payable	1,175,062	1,271,550	(96,488)
Short-term borrowings	826,499	842,270	(15,771)
Accrued expenses and other accounts payable	1,064,961	1,069,437	(4,476)
Income taxes payable	165,451	106,059	59,392
Other current liabilities, etc.	424,074	386,377	37,697
<b>Long-term liabilities</b>	<b>1,692,836</b>	<b>1,530,980</b>	<b>161,856</b>
Bonds and convertible debentures	527,864	527,964	(100)
Long-term borrowings	435,343	426,658	8,685
Other long-term liabilities, etc.	729,628	576,358	153,270
<b>Total</b>	<b>5,348,885</b>	<b>5,206,674</b>	<b>142,211</b>
(Financial services)			
<b>Current liabilities</b>	<b>2,199,827</b>	<b>2,080,864</b>	<b>118,963</b>
Trade notes and accounts payable	40,176	37,740	2,436
Current portion of bonds	556,653	577,868	(21,215)
Short-term borrowings	503,798	339,205	164,593
Accrued expenses and other accounts payable	249,984	196,738	53,246
Income taxes payable	3,834	11,056	(7,222)
Other current liabilities, etc.	845,381	918,254	(72,873)
<b>Long-term liabilities</b>	<b>2,357,409</b>	<b>2,436,622</b>	<b>(79,213)</b>
Bonds	1,823,382	1,740,014	83,368
Long-term borrowings	345,976	359,001	(13,025)
Other long-term liabilities, etc.	188,050	337,606	(149,556)
<b>Total</b>	<b>4,557,237</b>	<b>4,517,487</b>	<b>39,750</b>
(Elimination)			
<b>Elimination of liabilities</b>	<b>(496,578)</b>	<b>(383,765)</b>	<b>(112,813)</b>
(Consolidated)			
<b>Total liabilities</b>	<b>9,409,545</b>	<b>9,340,397</b>	<b>69,148</b>
(Consolidated)			
<b>Minority interest in consolidated subsidiaries</b>	<b>344,954</b>	<b>331,991</b>	<b>12,963</b>
<b>Shareholders' equity</b>			
(Consolidated)			
<b>Common stock</b>	<b>397,020</b>	<b>397,020</b>	<b>-</b>
<b>Capital surplus</b>	<b>414,025</b>	<b>414,025</b>	<b>-</b>
<b>Retained earnings</b>	<b>6,097,377</b>	<b>6,014,125</b>	<b>83,252</b>
<b>Net unrealized gains on other securities</b>	<b>309,119</b>	<b>-</b>	<b>309,119</b>
<b>Translation adjustments</b>	<b>(288,463)</b>	<b>-</b>	<b>(288,463)</b>
<b>Less: treasury common stock</b>	<b>(3,251)</b>	<b>(3,460)</b>	<b>209</b>
<b>Less: common stock of the Parent held by consolidated subsidiaries</b>	<b>(26,684)</b>	<b>(25,044)</b>	<b>(1,640)</b>
<b>Total shareholders' equity</b>	<b>6,899,143</b>	<b>6,796,666</b>	<b>102,477</b>
(Consolidated)			
<b>Total liabilities and shareholders' equity</b>	<b>16,653,643</b>	<b>16,469,054</b>	<b>184,589</b>

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

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

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

	FY2001 interim (April 2000 through September 2000)
(Non-financial services)	
<b>Cash flows from operating activities</b>	
Income before income taxes and minority interest in consolidated subsidiaries	273,396
Depreciation expenses	349,418
Losses on disposal of fixed assets	13,034
Increase in allowance for retirement benefits	145,552
Interest and dividend income	(38,829)
Interest expenses	26,453
Equity in earnings of affiliates	(7,223)
Decrease in trade notes and accounts receivable	167,618
Decrease in inventories	5,361
Decrease in trade notes and accounts payable	(96,000)
Others	(133)
Subtotal	838,648
Interest and dividends received	46,337
Interest paid	(26,781)
Income taxes paid	(139,301)
Cash flows from operating activities	718,902
<b>Cash flows from investing activities</b>	
Net decrease in time deposits	42,447
Payments for purchase of marketable securities and investments in securities	(517,106)
Proceeds from sales of marketable securities and investments in securities	97,605
Proceeds from redemption of marketable securities and investments in securities	353,095
Payments for acquisition of property, plant and equipment (excluding vehicles for lease)	(433,097)
Payments for acquisition of vehicles for lease	(50,072)
Proceeds from sales of property, plant and equipment (excluding vehicles for lease)	49,060
Proceeds from sales of vehicles for lease	2,237
Others	(86,648)
Cash flows from investing activities	(542,479)
<b>Cash flows from financing activities</b>	
Net decrease in short-term borrowings	(16,953)
Proceeds from origination of long-term borrowings	193,021
Payments for repayment of long-term borrowings	(174,423)
Payments for repurchase of treasury stocks	(26,383)
Dividends paid	(47,979)
Others	25,515
Cash flows from financing activities	(47,203)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>3,059</b>
<b>Net increase in cash and cash equivalents</b>	<b>132,279</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1,429,012</b>
<b>Cash and cash equivalents at end of period</b>	<b>1,561,292</b>

( 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.)

	FY2001 interim (April 2000 through September 2000)
(Financial services)	
<b>Cash flows from operating activities</b>	
Income before income taxes and minority interest in consolidated subsidiaries	15,320
Depreciation expenses	27,244
Equity in losses of affiliates	964
Increase in trade notes and accounts receivable	(148,676)
Increase in loans receivable of consolidated financial subsidiaries	(111,068)
Others	104,792
Subtotal	(111,422)
Interest and dividends received	1,957
Interest paid	(99)
Income taxes paid	(5,712)
Cash flows from operating activities	(115,277)
<b>Cash flows from investing activities</b>	
Net decrease in time deposits	3,256
Payments for purchase of marketable securities and investments in securities	(108,172)
Proceeds from sales of marketable securities and investments in securities	45,440
Proceeds from redemption of marketable securities and investments in securities	17,441
Payments for acquisition of property, plant and equipment (excluding vehicles for lease)	(23,203)
Payments for acquisition of vehicles for lease	(127,155)
Proceeds from sales of property, plant and equipment (excluding vehicles for lease)	170
Proceeds from sales of vehicles for lease	131,750
Others	(5,395)
Cash flows from investing activities	(65,867)
<b>Cash flows from financing activities</b>	
Net increase in short-term borrowings	147,099
Net decrease in commercial papers	(97,158)
Proceeds from origination of long-term borrowings	92,722
Payments for repayment of long-term borrowings	(85,647)
Proceeds from issuance of bonds	295,623
Payments for redemption of bonds	(254,086)
Others	2,534
Cash flows from financing activities	101,086
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(1,113)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(81,170)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>130,720</b>
<b>Cash and cash equivalents at end of period</b>	<b>49,549</b>

(Consolidated)	
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>1,834</b>
<b>Net increase in cash and cash equivalents</b>	<b>51,109</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1,559,732</b>
<b>Cash and cash equivalents at end of period</b>	<b>1,610,841</b>

Note: In the Consolidated Statement 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, carry minimal risk of change in value and have a redemption period of three months or less.

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

### 3. Geographical Segment Information

#### (1) FY2001 interim (April 2000 through September 2000)

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

	Japan	North America	Europe	Other	Total	Elimination and/or unallocated assets	Consolidated
Net sales							
(1) Sales to external customers	3,231,275	2,254,174	538,311	399,755	6,423,517	-	6,423,517
(2) Inter-segment sales and transfers	1,591,723	74,717	11,194	37,166	1,714,802	(1,714,802)	-
Total	4,822,999	2,328,891	549,506	436,921	8,138,319	(1,714,802)	6,423,517
Operating expenses	4,561,701	2,236,187	552,099	430,373	7,780,362	(1,732,947)	6,047,415
Operating income	261,297	92,704	(2,592)	6,548	357,957	18,144	376,102
Assets	8,002,184	4,716,689	948,347	690,396	14,357,617	2,296,026	16,653,643

#### (2) FY2000 interim (April 1999 through September 1999)

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

	Japan	North America	Europe	Other	Total	Elimination and/or unallocated assets	Consolidated
Net sales							
(1) Sales to external customers	3,004,353	2,262,338	587,600	371,031	6,225,323	-	6,225,323
(2) Inter-segment sales and transfers	1,628,039	67,975	12,175	29,435	1,737,626	(1,737,626)	-
Total	4,632,392	2,330,314	599,775	400,467	7,962,949	(1,737,626)	6,225,323
Operating expenses	4,341,731	2,271,794	598,900	397,097	7,609,524	(1,746,756)	5,862,767
Operating income	290,661	58,519	875	3,369	353,425	9,130	362,555
Assets	7,904,788	4,227,349	991,910	735,292	13,859,341	2,218,774	16,078,115

#### (3) FY2000 (April 1999 through March 2000)

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

	Japan	North America	Europe	Other	Total	Elimination and/or unallocated assets	Consolidated
Net sales							
(1) Sales to external customers	6,495,414	4,526,653	1,090,312	767,181	12,879,561	-	12,879,561
(2) Inter-segment sales and transfers	3,113,031	141,168	14,564	63,254	3,332,018	(3,332,018)	-
Total	9,608,445	4,667,821	1,104,877	830,435	16,211,579	(3,332,018)	12,879,561
Operating expenses	9,020,094	4,503,777	1,113,657	825,397	15,462,926	(3,359,347)	12,103,578
Operating income	588,350	164,043	(8,779)	5,037	748,652	27,329	775,982
Assets	8,329,144	4,272,890	849,366	618,700	14,070,101	2,398,953	16,469,054

Note 1: Unallocated corporate assets included under "Elimination and/or unallocated assets" for FY 2001 interim, FY 2000 interim and FY 2000 are 3,229,648 million yen, 3,010,552 million yen and 2,810,525 million yen, respectively, and consist primarily of funds such as cash and deposits, marketable securities and portion of investments in securities of TMC.

Note 2: Effective for FY2001 interim, the "Accounting Standards for Retirement Benefits" has been applied. As a result, operating expenses of "Japan" increased by 11,730 million yen and operating income decreased by the same amount.

Note 3: Effective for FY2001 interim, the "Accounting Standards for Financial Instruments" has been applied and the "Other securities" is stated at fair value. As a result, assets of "Japan" and "Elimination and / or unallocated assets" increased by 246,050 million yen and 318,907 million yen, respectively.

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

#### 4. Overseas Sales

(1) FY2001 interim (April 2000 through September 2000)

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

	North America	Europe	Other	Total
Overseas sales	2,349,921	566,004	788,916	3,704,843
Consolidated sales	-	-	-	6,423,517
Ratio of overseas sales to consolidated sales	% 36.6	% 8.8	% 12.3	% 57.7

(2) FY2000 interim (April 1999 through September 1999)

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

	North America	Europe	Other	Total
Overseas sales	2,335,597	621,371	706,730	3,663,699
Consolidated sales	-	-	-	6,225,323
Ratio of overseas sales to consolidated sales	% 37.5	% 10.0	% 11.4	% 58.9

(3) FY2000 (April 1999 through March 2000)

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

	North America	Europe	Other	Total
Overseas sales	4,776,868	1,166,638	1,432,006	7,375,512
Consolidated sales	-	-	-	12,879,561
Ratio of overseas sales to consolidated sales	% 37.1	% 9.1	% 11.1	% 57.3

# MARKETABLE SECURITIES (FY2001 INTERIM)

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

## 1. Held-to-Maturity debt securities with fair value

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

	FY2001 interim (As of September 30, 2000)		
	Carrying amount	Fair value	Difference
Government and municipal bonds, etc.	-	-	-
Corporate bonds	-	-	-
Other bonds	-	-	-
Total	-	-	-

## 2. Other securities with fair value

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

	FY2001 interim (As of September 30, 2000)		
	Cost	Carrying amount	Difference
Stocks	350,696	759,805	409,109
Bonds			
Government and municipal bonds, etc.	1,006,635	1,009,748	3,113
Corporate bonds	830,981	856,093	25,112
Other bonds	-	-	-
Other	174,087	177,131	3,044
Total	2,362,401	2,802,778	440,377

## 3. Major contents and carrying amount of securities not practicable to fair value

(1) Held-to-Maturity debt securities	Million yen
Government and municipal bonds, etc.	-
Corporate bonds	-
Other bonds	-

(2) Other securities	Million yen
Unlisted stocks (excluding stocks traded over the counter)	81,844
Unlisted bonds	
Government and municipal bonds, etc.	402
Corporate bonds	3,148
Other unlisted securities	204,637

# FAIR VALUE AND OTHER INFORMATION OF SECURITIES (FY 2000)

( 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.)

	FY2000 (As of March 31, 2000)		
	Carrying amount	Fair value	Unrealized gain or (loss)
<b>1) Items in current assets</b>			
Stocks	3,930	105,631	101,701
Bonds	62,423	62,550	127
Others	-	-	-
Subtotal	66,353	168,181	101,828
<b>2) Items in fixed assets</b>			
Stocks	1,123,532	2,413,647	1,290,115
Bonds	759,238	810,285	51,047
Others	6,303	7,924	1,621
Subtotal	1,889,074	3,231,857	1,342,783
Total	1,955,427	3,400,039	1,444,612

Note 1: Fair values are based on the following prices.

- (1) Listed securities: mainly closing prices on the Tokyo Stock Exchange
- (2) Securities traded over the counter: mainly final prices published by the Japan Securities Dealers Association.
- (3) Securities with quotation prices (excluding securities falling into category (1) and (2)): mainly standard quotation prices of over-the-counter trading of standard bonds announced by the Japan Securities Dealers Association
- (4) Beneficiary certificates of unlisted securities investment trust: standard prices
- (5) Bonds other than the above (excluding those that are difficult to determine fair value): mainly prices after adjustment (interest rate or differences in the remaining period of redemption) made on the standard quotation price of over-the-counter trading of standard bonds announced by the Japan Securities Dealers Association

Note 2: Carrying amount of securities excluded from above disclosure

Current assets	Unlisted securities	6,232 million yen
	(excluding securities traded over the counter)	
	Bonds	798,715 million yen
	Commercial papers	219,036 million yen
Fixed assets	Beneficiary certificates of securities investment trust	45,714 million yen
	Unlisted securities	231,163 million yen
	(excluding securities traded over the counter)	
	Bonds	293,081 million yen
	Commercial papers	199 million yen
	Beneficiary certificates of securities investment trust	6,710 million yen



# CONTRACT AND OTHER AMOUNTS, FAIR VALUE AND UNREALIZED GAIN OR LOSS ON DERIVATIVE TRANSACTIONS

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

## 1. Currency Related

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

	Nature of transaction	FY2001 interim (As of September 30, 2000)			FY2000 (As of March 31, 2000)			
		Contract and other amounts	Fair value	Unrealized gain or (loss)	Contract and other amounts		Fair value	Unrealized gain or (loss)
						Over 1 year		
Non-market transactions	<b>Forward exchange contracts</b>							
	Sales contracts							
	U.S. dollars	-	-	-	311,715	-	307,086	4,629
	Euro	-	-	-	58,426	-	52,408	6,018
	Other currencies	-	-	-	27,849	-	27,669	180
	<b>Option transactions</b>							
	Put option held							
	U.S. dollars	-	-	-	165,300	-	3,952	(253)
		<->			<4,205>			
	Euro	-	-	-	39,767	-	1,500	417
		<->			<1,083>			
	Other currencies	-	-	-	12,538	-	397	38
		<->			<359>			
	Other option transactions							
	U.S. dollars	-	-	-	3,184	-	3	3
	<->			<0>				
Euro	-	-	-	31,663	-	568	568	
	<->			<0>				
Other currencies	-	-	-	11,378	-	198	198	
	<->			<0>				
<b>Swap transactions</b>								
U.S. dollars receiver, euro payer	24,242	(335)	(335)	-	-	-	-	
Other currencies	37,830	5,816	5,816	-	-	-	-	
<b>Total</b>		-	-	5,480	-	-	-	11,801

Note 1: From FY2001 interim, those derivative transactions to which hedge accounting is applicable are excluded from above disclosure.

Note 2: Certain derivative transactions such as those assigned to foreign assets and liabilities in accordance with "Accounting Standards for Foreign Currency Transactions, etc." are excluded from above disclosure.

Note 3: Fair value of forward exchange contract is calculated based on the forward exchange rate at the balance sheet date.

Note 4: Fair value for option transactions is calculated based on prices quoted by financial institutions.

Note 5: Among the option transactions, other option transactions are the range - forward transactions which will be exercised at the maximum or the minimum rate in the range at a specified future date, and no option premium related to those transactions was incurred.

Note 6: < > indicates the option contract premiums carried on the consolidated balance sheet.

## 2. Interest Related

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

	Nature of transaction	FY2001 interim (As of September 30, 2000)			FY2000 (As of March 31, 2000)			
		Contract and other amounts	Fair value	Unrealized gain or (loss)	Contract and other amounts		Fair value	Unrealized gain or (loss)
						Over 1 year		
Non-market transactions	<b>Option transactions</b>							
	Cap option held	-	-	-	899,387	595,705	9,468	4,942
		<->			<4,526>			
	Cap option written	-	-	-	84,920	-	308	42
		<->			<350>			
	Floor option held	-	-	-	2,000	-	0	(1)
		<->			<1>			
	Floor option written	-	-	-	13,272	-	24	(19)
		<->			<5>			
	<b>Swap transactions</b>							
Fixed rate receiver, floating rate payer	210,000	1,408	1,408	1,824,932	1,500,413	1,009	1,009	
Floating rate receiver, fixed rate payer	155,159	(754)	(754)	1,655,597	520,393	(968)	(968)	
Floating rate receiver, floating rate payer	-	-	-	2,000	2,000	(34)	(34)	
<b>Total</b>		-	-	653	-	-	-	4,969

Note 1: From FY2001 interim, those derivative transactions to which hedge accounting is applicable are excluded from above disclosure.

Note 2: Fair value of option transactions and swap transactions is calculated based on prices quoted by financial institutions.

Note 3: < > indicates the option contract premiums carried on the consolidated balance sheet.

# 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.)

	FY2001 interim (April 2000 through September 2000)	FY2000 interim (April 1999 through September 1999)	Increase (Decrease)	FY2000 (April 1999 through March 2000)
<b>Ordinary profits and losses</b>				
<b>Operating revenue and expenses</b>				
<b>Operating revenue</b>	<b>3,708,745</b>	<b>3,570,117</b>	<b>138,628</b>	<b>7,408,010</b>
Net sales	3,708,745	3,570,117	138,628	7,408,010
<b>Operating expenses</b>	<b>3,517,392</b>	<b>3,331,160</b>	<b>186,232</b>	<b>6,916,066</b>
Cost of sales	3,142,885	2,935,517	207,368	6,130,423
Selling, general and administrative expenses	374,507	395,643	(21,136)	785,642
<b>Operating income</b>	<b>191,352</b>	<b>238,956</b>	<b>(47,604)</b>	<b>491,943</b>
<b>Non-operating income and expenses</b>				
<b>Non-operating income</b>	<b>75,961</b>	<b>93,573</b>	<b>(17,612)</b>	<b>152,333</b>
Interest and discounts earned	14,228	18,614	(4,386)	33,930
Dividends received	24,361	23,192	1,169	43,487
Other non-operating income	37,372	51,766	(14,394)	74,915
<b>Non-operating expenses</b>	<b>40,516</b>	<b>44,229</b>	<b>(3,713)</b>	<b>102,452</b>
Interest and discounts expenses	5,331	5,384	(53)	10,816
Other non-operating expenses	35,184	38,844	(3,660)	91,636
<b>Ordinary income</b>	<b>226,798</b>	<b>288,301</b>	<b>(61,503)</b>	<b>541,824</b>
<b>Extraordinary gains and losses</b>				
<b>Extraordinary gains</b>	<b>195,420</b>	-	<b>195,420</b>	-
Gains on disposal of securities to establish retirement benefit trust	195,420	-	195,420	-
<b>Extraordinary losses</b>	<b>250,604</b>	-	<b>250,604</b>	-
Retirement benefit expenses resulting from the adoption of the accounting standards for retirement benefits	250,604	-	250,604	-
<b>Income before income taxes</b>	<b>171,614</b>	<b>288,301</b>	<b>(116,687)</b>	<b>541,824</b>
Income taxes - current	118,300	141,300	(23,000)	209,200
Income taxes - deferred	(51,084)	(26,614)	(24,470)	3,356
<b>Net income</b>	<b>104,398</b>	<b>173,616</b>	<b>(69,218)</b>	<b>329,268</b>
Unappropriated retained earnings brought forward	91,210	72,426	18,784	72,426
Adjustment for prior years by adopting tax effect accounting	-	381,815	(381,815)	381,815
Reversal of reserve for losses on overseas investments because of an adoption of tax effect accounting	-	189	(189)	189
Reversal of reserve for special depreciation because of an adoption of tax effect accounting	-	115	(115)	115
Reversal of reserve for reduction of acquisition cost of fixed assets because of an adoption of tax effect accounting	-	3,816	(3,816)	3,816
Retirement of shares	26,383	-	26,383	45,456
Interim cash dividends	-	-	-	41,358
<b>Unappropriated retained earnings at end of period</b>	<b>169,225</b>	<b>631,979</b>	<b>(462,754)</b>	<b>700,817</b>

Note1: Effective for FY2001 interim, 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" increased by 29,872 million yen.

Note2: Effective for FY2001 interim, the "Accounting Standards for Retirement Benefits" has been applied. As a result, "Ordinary income" and "Income before income taxes" decreased by 10,916 million yen and 66,100 million yen, respectively. Transition obligation of 255,075 million yen was resulted from the adoption of new standards. Out of this amount, 246,134 million yen which is the amount of holding stocks that TMC contributed to retirement benefit trust is reported as "Extraordinary losses". 8,941 million yen will be amortized as "Extraordinary losses" within FY2001 (4,470 million yen was amortized in FY2001 interim). Gains on disposal of securities to establish retirement benefit trust in the amount of 195,420 million yen are reported as "Extraordinary gains".

# 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.)

	FY2001 interim (As of September 30, 2000)	FY2000 (As of March 31, 2000)	Increase (Decrease)	FY2000 interim (As of September 30, 1999)
<b>Assets</b>				
<b>Current assets</b>	<b>2,848,747</b>	<b>3,000,196</b>	<b>(151,449)</b>	<b>2,881,564</b>
Cash and deposits	604,883	585,030	19,853	532,063
Trade notes receivable	1,198	1,467	(269)	792
Trade accounts receivable	743,584	905,196	(161,612)	662,646
Marketable securities	858,268	850,987	7,281	1,058,181
Finished goods	92,266	137,213	(44,947)	123,204
Raw materials	11,973	7,935	4,038	8,455
Work in process	86,161	74,411	11,750	60,180
Supplies	6,200	5,666	534	6,031
Short-term loans	96,031	71,531	24,500	92,876
Deferred income taxes	144,440	132,418	12,022	144,133
Other current assets	214,151	244,236	(30,085)	210,232
Less : allowance for doubtful accounts	(10,414)	(15,900)	5,486	(17,233)
<b>Fixed assets</b>	<b>5,093,836</b>	<b>4,775,079</b>	<b>318,757</b>	<b>4,750,678</b>
<b>Property, plant and equipment</b>	<b>1,285,615</b>	<b>1,349,395</b>	<b>(63,780)</b>	<b>1,341,720</b>
Buildings	360,326	373,775	(13,449)	378,458
Structures	43,810	45,677	(1,867)	46,359
Machinery and equipment	362,341	377,991	(15,650)	377,803
Vehicle and delivery equipment	8,436	8,170	266	8,051
Tools, furniture and fixtures	71,584	78,459	(6,875)	75,379
Land	411,842	409,002	2,840	410,864
Construction in progress	27,273	56,317	(29,044)	44,803
<b>Investments and other assets</b>	<b>3,808,220</b>	<b>3,425,684</b>	<b>382,536</b>	<b>3,408,958</b>
Investments in securities	2,338,250	1,854,895	483,355	1,834,210
Investments in subsidiaries	1,004,729	994,645	10,084	948,167
Long-term loans	295,957	313,624	(17,667)	296,476
Deferred income taxes	139,936	246,040	(106,104)	264,296
Other investments	32,632	19,877	12,755	69,142
Less : allowance for doubtful accounts	(3,286)	(3,400)	114	(3,334)
<b>Total assets</b>	<b>7,942,584</b>	<b>7,775,276</b>	<b>167,308</b>	<b>7,632,243</b>

(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.)

	FY2001 interim (As of September 30, 2000)	FY2000 (As of March 31, 2000)	Increase (Decrease)	FY2000 interim (As of September 30, 1999)
<b>Liabilities</b>				
<b>Current liabilities</b>	<b>1,323,502</b>	<b>1,435,886</b>	<b>(112,384)</b>	<b>1,365,238</b>
Trade notes payable	1,387	1,278	109	1,093
Trade accounts payable	648,330	756,431	(108,101)	692,583
Accrued liabilities	218,721	261,343	(42,622)	165,415
Income taxes payable	103,728	59,020	44,708	130,203
Accrued expenses	300,594	315,390	(14,796)	336,304
Deposits received	35,285	34,285	1,000	33,779
Other current liabilities	15,454	8,136	7,318	5,858
<b>Long-term liabilities</b>	<b>885,696</b>	<b>841,281</b>	<b>44,415</b>	<b>837,735</b>
Bonds	514,150	514,150	-	514,150
Allowance for retirement and severance benefits	-	325,199	(325,199)	321,453
Allowance for retirement benefits	356,320	-	356,320	-
Other long-term liabilities	15,225	1,931	13,294	2,132
<b>Total liabilities</b>	<b>2,209,198</b>	<b>2,277,168</b>	<b>(67,970)</b>	<b>2,202,973</b>
<b>Shareholders' equity</b>				
<b>Common stock</b>	<b>397,020</b>	<b>397,020</b>	-	<b>397,020</b>
<b>Statutory reserve</b>	<b>513,479</b>	<b>513,479</b>	-	<b>513,479</b>
Capital surplus	414,025	414,025	-	414,025
Legal reserve	99,454	99,454	-	99,454
<b>Retained earnings</b>	<b>4,616,388</b>	<b>4,587,607</b>	<b>28,781</b>	<b>4,518,769</b>
Reserve for losses on overseas investments	190	270	(80)	270
Reserve for special depreciation	619	164	455	164
Reserve for reduction of acquisition cost of fixed assets	5,427	5,429	(2)	5,429
General reserve	4,440,926	3,880,926	560,000	3,880,926
Unappropriated retained earnings at end of period	169,225	700,817	(531,592)	631,979
<i>(Included net income for the period)</i>	<i>(104,398)</i>	<i>(329,268)</i>	<i>(224,870)</i>	<i>(173,616)</i>
<b>Net unrealized gains on other securities</b>	<b>206,496</b>	-	<b>206,496</b>	-
<b>Total shareholders' equity</b>	<b>5,733,385</b>	<b>5,498,108</b>	<b>235,277</b>	<b>5,429,269</b>
<b>Total liabilities and shareholders' equity</b>	<b>7,942,584</b>	<b>7,775,276</b>	<b>167,308</b>	<b>7,632,243</b>

Note1: "Marketable securities" includes treasury stock in amount of 134 million yen.

Note2: In accordance with the provisions of the Japan's Commercial Code, subsidiaries refer to companies with an equity ownership of more than 50%.

Note3: "Other investments" includes treasury stock of 3,116 million yen based on the stock option plan.

Note4: Effective for FY2001 interim, the "Accounting Standards for Financial Instruments" has been applied and the "Other securities" is stated at fair value. As a result, "Total assets" increased by 398,619 million yen.

Note5: Effective for FY2001 interim, the "Accounting Standards for Retirement Benefits" has been applied. As a result, both the amount reported as "Allowance for retirement and severance benefits" and the amount relating to the corporate pension plan reported as a part of "Accrued expenses" in FY2000 are reported as "Allowance for retirement benefits" in FY2001 interim.

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

## Prospects for FY 2001 unconsolidated business results

Prospects for FY 2001 unconsolidated business results are as follows:

	The figure in parentheses indicate FY2000 results.	
Sales target	Thousand units	Thousand units
Vehicles	3,530 (	3,288 )
Domestic	1,830 (	1,711 )
Exports	1,700 (	1,577 )
Industrial vehicles	43 (	40 )
	Units	Units
Houses	3,600 (	3,253 )
Production target of vehicles	Thousand units	Thousand units
Domestic	3,460 (	3,212 )
Overseas	1,800 (	1,669 )
The goal for Net sales, Ordinary income and Net income	Billion yen	Billion yen
Net sales	7,800 (	7,408.0 )
Ordinary income	570 (	541.8 )
Net income	300 (	329.2 )
Exchange rates as premise	Yen/U.S. dollar	Yen/U.S. dollar
	106 (	111 )
<The second half of FY2001> (October 1, 2000 through March 31, 2001)	< 105 >	
	Yen/Euro	Yen/Euro
	94 (	115 )
<The second half of FY2001> (October 1, 2000 through March 31, 2001)	< 90 >	