

Highlights of Consolidated Financial Results for FY 2001 Interim (Six months ended September 30, 2000)

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

(Billions of yen unless otherwise specified)

	FY 2000 Interim (Apr.1999 through Sep.1999)	FY 2001 Interim (Apr.2000 through Sep.2000)	% of change from previous interim	FY2001 Forecast (Apr.2000 through Mar. 2001)
Vehicle sales (ten thousand units)	250	265	5.8 %	553
Net sales	6,225.3	6,423.5	3.2 %	
Operating income <Operating income ratio>	362.5 <5.8%>	376.1 <5.9%>	3.7 %	
Ordinary income <Ordinary income ratio>	404.5 <6.5%>	393.9 <6.1%>	-2.6 %	
Income before income taxes and minority interest in consolidated subsidiaries <Income before income taxes and minority interest in consolidated subsidiaries ratio>	357.9 <5.8%>	312.6 <4.9%>	-12.7%	
Net income <Net income ratio>	201.6 <3.2%>	159.5 <2.5%>	-20.9%	
Factors contributing to increases and decreases in operating income		Operating income increased by 13.6 billion yen. (Increase) Marketing efforts 120.0 Cost reduction efforts 90.0 (Decrease) Effects of exchange rate fluctuations -180.0 Increase of R&D expenses, etc. -16.4		
Capital investment (excluding leased vehicles)	381.0	407.3		870.0
Depreciation expenses	344.1	347.3		660.0
R&D expenses	223.8	229.3		470.0
Performance evaluation		Increases in sales and decreases in ordinary income (Increases in operating income)		
The number of employees		214,976		

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 30.8 billion 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 11.7 billion yen and 92.9 billion yen, respectively. Transition obligation of 373.2 billion yen was resulted from the adoption of new standards. Out of this amount, 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 will be amortized as "Extraordinary losses" within FY2001 (26.9 billion yen was amortized in FY2001 interim). 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.

Highlights of Unconsolidated Financial Results for FY 2001 Interim

(Six months ended September 30, 2000)

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

(Billions of yen unless otherwise specified)

	FY 2000 Interim (Apr.1999 through Sep.1999)	FY 2001 Interim		FY2001 Forecast (Apr.2000 through Mar. 2001)		
		(Apr.2000 through Sep.2000)	% of change from previous interim	Revised Forecast	% of change from previous fiscal year	Initial Forecast
Domestic vehicle production (thousand units)	1,491(-0.9%)	1,637	9.8%	3,460	7.7%	3,380
Overseas vehicle production (thousand units)	809(10.5%)	874	8.0%	1,800	7.8%	1,750
Domestic vehicle sales (thousand units)	793(-1.1%)	835	5.3%	1,830	6.9%	1,830
Exports (thousand units)	749(3.8%)	866	15.7%	1,700	7.8%	1,650
Net sales	3,570.1(-5.1%)	3,708.7	3.9%	7,800.0	5.3%	7,600.0
<i>Domestic</i>	1,582.5(-3.8%)	1,682.3	6.3%			
<i>Export</i>	1,987.6(-6.2%)	2,026.4	2.0%			
Operating income	238.9	191.3	-19.9%	480.0	-2.4%	470.0
<Operating income ratio>	<6.7%>	<5.2%>		<6.2%>		
Ordinary income	288.3	226.7	-21.3%	570.0	5.2%	550.0
<Ordinary income ratio>	<8.1%>	<6.1%>		<7.3%>		
Income before income taxes	288.3	171.6	-40.5%	510.0	-5.9%	490.0
<Income before income taxes ratio>	<8.1%>	<4.6%>		<6.5%>		
Net income	173.6	104.3	-39.9%	300.0	-8.9%	290.0
<Net income ratio>	<4.9%>	<2.8%>		<3.8%>		
Factors contributing to increases and decreases in operating income		Operating income decreased by 47.6 billion yen. (Decrease) Effects of exchange rate fluctuations -170.0 Increase of R&D expenses, etc. -7.6 (Increase) Cost reduction efforts 70.0 Marketing efforts 60.0				
Exchange rate	¥117/US\$ ¥124/Euro	¥107/US\$ ¥99/Euro		¥106/US\$ ¥94/Euro (¥105/US\$, ¥90/Euro in the second half of FY2001)		¥105/US\$ ¥100/Euro
Capital investment	115.6	83.2		250.0		270.0
Depreciation expenses	141.7	136.8		270.0		280.0
R&D expenses	192.3	201.2		420.0		420.0
Interest-bearing debt	514.1	514.1				
Performance evaluation		Increases in sales and decreases in ordinary income				
The number of employees	68,790	65,907				

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 29.8 billion 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 10.9 billion yen and 66.1 billion yen, respectively. Transition obligation of 255.0 billion yen was resulted from the adoption of new standards. Out of this amount, 246.1 billion yen which is the amount of holding stocks that TMC contributed to retirement benefit trust is reported as "Extraordinary losses". 8.9 billion yen will be amortized as "Extraordinary losses" within FY2001 (4.4 billion yen was amortized in FY2001 interim). Gains on disposal of securities to establish retirement benefit trust in the amount of 195.4 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.