

FINANCIAL SUMMARY

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

FY2004 Semi-Annual

(April 1, 2003 through September 30, 2003)

English translation from the original Japanese-language document

TOYOTA MOTOR CORPORATION

Cautionary Statement with Respect to Forward-Looking Statements

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

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

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

OVERVIEW OF ASSOCIATED COMPANIES

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

Toyota Motor Corporation ("TMC") and its associated companies (561 consolidated subsidiaries and 227 affiliates as of September 30, 2003) are engaged mainly in the automotive industry and also in the financial services and other businesses.

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

Automotive:

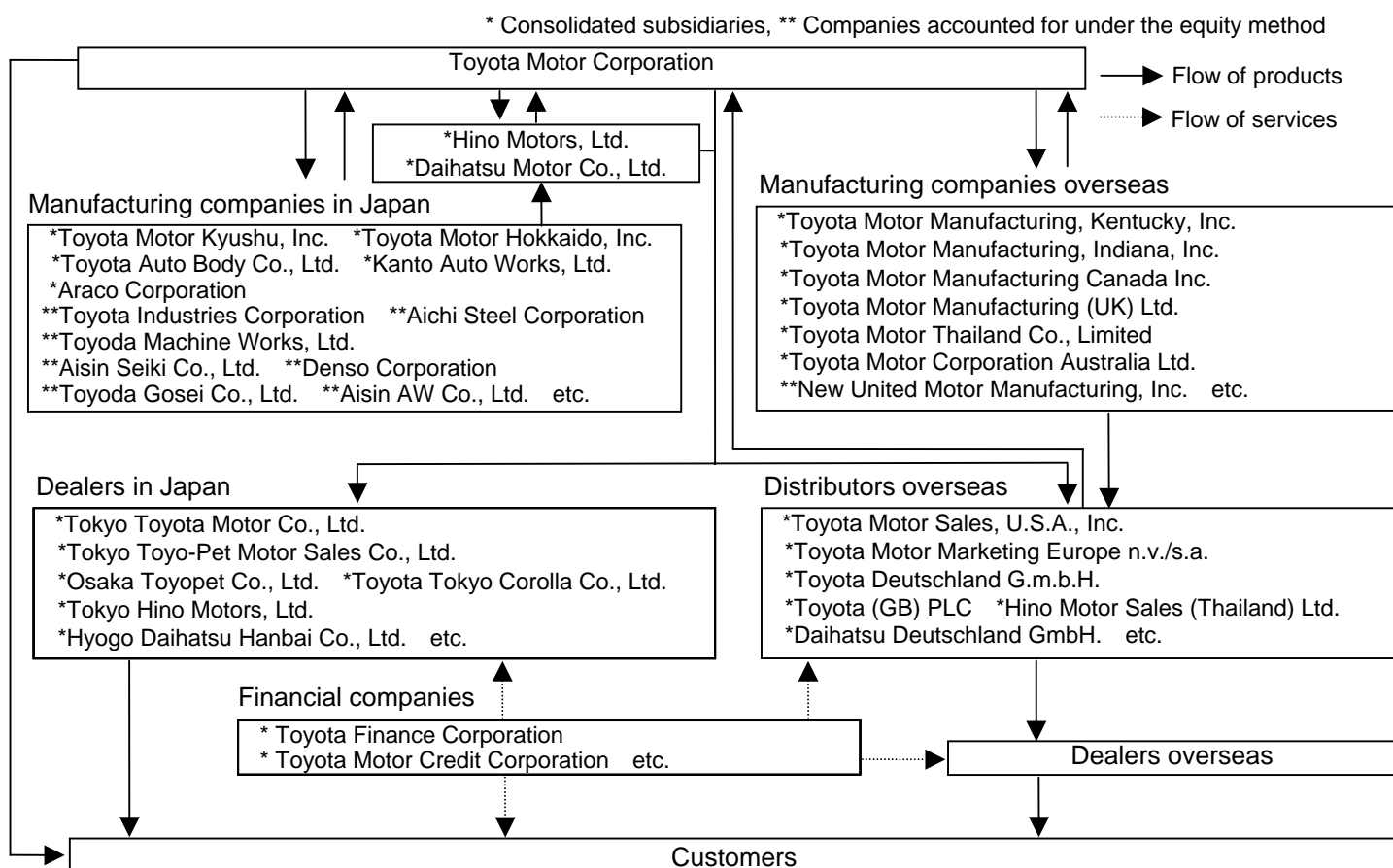
This business involves the design, manufacturing and sale of passenger cars, recreational vehicles, sport utility vehicles, minivans, trucks, buses and related parts. Automobiles are manufactured mainly by TMC, Hino Motors, Ltd., and Daihatsu Motor Co., Ltd., but a portion of manufacturing is consigned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

Financial Services:

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

All other:

Other business includes the design, manufacturing and sale of housing, telecommunications and other businesses. Housing is manufactured by TMC and sold through domestic housing dealers. In addition, Toyota Tsusho Corporation engages in the purchase and sale as well as import and export of various products.



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

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<Overview of Changes in Major Associated Companies>

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

(Change in major associated companies)

New consolidated subsidiaries:

Toyota Auto Body Co., Ltd.

Kanto Auto Works, Ltd.

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

MANAGEMENT POLICY

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

1. Toyota's Basic Management Policy

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

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

2. Basic Policy on the Distribution of Profits

TMC positions the benefit of its shareholders as one of its priority management policies and promotes its business aggressively while improving and strengthening its corporate foundations. TMC's basic approach is to continue paying stable dividends, while giving overall consideration to business results, dividends payout ratio, etc. Further, with the intent of responding to the expectations of its shareholders, TMC plans to implement a number of measures, including retiring shares, in order to return profits to its shareholders.

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

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

TMC is promoting management reforms by introducing a new management system intended to speed up the pace of decision making and operations as well as to enhance transparency of management. In addition, the entire group will cooperate to address the following issues in order to contribute to the creation of a more prosperous society in the new century and for our continuous growth in the future.

First, TMC is working to launch products that respond precisely to customer needs in a timely manner, thereby providing the fun and convenience of automobiles to ever greater numbers of customers. Next, TMC will promote the further use of hybrid vehicles and will continue its efforts to develop fuel cell vehicles to strengthen our responses to environmental issues. Also, TMC will work towards the realization of an automobile-based society in which people can live in ease, safety and comfort through the development of advanced technologies in a wide range of fields including information technology. Finally, TMC will work to create systems for the development, production, and sale of products that respond to needs in different regions to establish robust and efficient structures that are truly global. By addressing these issues, TMC will work to increase shareholder value and strive to become a leader in creating automobiles and an automobile-based society in the 21st century.

In the future, TMC will continue to adopt a serious and modest attitude in order to become a corporation that earns the respect and support of people all over the world and to promote harmonious growth with our society.

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

TMC has positioned the stable long-term growth of shareholder value as a top-priority management issue.

In order to achieve this goal, TMC aims to build good relations with all stakeholders including shareholders, customers, business partners, local communities and employees, and improve corporate governance through a variety of means including statutory functions such as general meetings of shareholders, meetings of the board of directors, and meetings of corporate auditors and independent accountants.

Specifically, TMC established a "Committee of Ethics for Corporate Conduct", comprised of executives of the executive vice president level and higher, to evaluate all corporate activities from the viewpoint of legal requirements and corporate ethics. TMC also adopted guidelines to codify the basic attitude and conduct expected of employees. Efforts are being made to ensure employees strictly follow these guidelines. In addition, TMC has established a Disclosure Committee in response to the U.S. Sarbanes-Oxley Act to ensure transparency of TMC's disclosure procedures. Also, every year, TMC holds a meeting of the International Advisory Board, which is comprised of knowledgeable persons from foreign countries, to provide TMC with advice concerning management strategies in connection with Toyota's globalization initiatives.

TMC has provided financial information to shareholders, investors and other stakeholders by disclosing financial information on a quarterly basis. TMC will strive to continue to release its financial results early to ensure a high level of corporate accountability.

At the June 2003 general meetings of shareholders, TMC introduced a new management system that features a streamlined board of directors, the new positions of managing officers (non-board), and increasing the number of outside corporate auditors. TMC believes this will speed up the pace of decision making and operations and enhance management transparency even further.

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

Since 1997, TMC has implemented an incentive plan for granting stock options to the directors of TMC under the Commercial Code. Since 2001, TMC has expanded the scope of eligible stock option recipients to newly include senior managers in addition to directors. Together with this change, TMC has also decided to introduce a new incentive plan for the executives of its overseas subsidiaries and affiliated companies.

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

BUSINESS RESULTS AND FINANCIAL POSITION

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

1. Summary of Consolidated Financial Results of FY2004 Semi-Annual

(1) Financial Results

During this semi-annual period, the domestic economy showed signs of recovery, including increases in capital investment in private sector even as employment conditions remained difficult and consumer spending was flat. Overseas, although the economy in the Euro zone remained sluggish and the Asian economy experienced limited growth, signs of economic recovery appeared in the United States of America.

Despite the continuing market downturn, in FY2004 semi-annual results, domestic vehicle sales increased by 57 thousand units, or 5.6%, to 1,081 thousand units (six months period ended September 30, 2003) compared with FY2003 semi-annual results. As a result of the active introduction of new products that met customer needs and the strong sales efforts of domestic dealers, Toyota's market share excluding minivehicles increased by 0.4% to reach 42.5% in FY2004 semi-annual results compared with FY2003 semi-annual results. Meanwhile, overseas vehicle sales increased by 162 thousand units, or 8.4%, to 2,089 thousand units in FY2004 semi-annual results compared with FY2003 semi-annual results, mainly due to increased sales in all regions. Consequently, total vehicle sales in Japan and overseas increased by 219 thousand units, or 7.4%, to 3,170 thousand units in FY2004 semi-annual results compared with FY2003 semi-annual results. For this semi-annual period, TMC made new records for its semi-annual results for the fifth consecutive period.

Net revenues increased by 610.8 billion yen, or 8.0%, to 8,224.2 billion yen in FY2004 semi-annual results compared with FY2003 semi-annual results, and operating income increased by 82.7 billion yen, or 12.1%, to 767.7 billion yen in FY2004 semi-annual results compared with FY2003 semi-annual results. Among the factors contributing to the increase in operating income of 120.0 billion yen, cost reduction efforts accounted for 110.0 billion yen and marketing efforts for 10.0 billion yen. On the other hand, the factors contributing to the decrease in operating income of 37.3 billion yen mainly included increases in R&D expenses and labor costs. Income before income taxes, minority interest and equity in earnings of affiliated companies increased by 97.6 billion yen, or 13.7%, to 812.0 billion yen in FY2004 semi-annual results compared with FY2003 semi-annual results. Net income increased by 98.6 billion yen, or 23.2%, to 524.4 billion yen in FY2004 semi-annual results compared with FY2003 semi-annual results.

(2) Cash Flows

Cash flows from operating activities resulted in an increase in cash by 1,112.9 billion yen in FY2004 semi-annual period, mainly due to net income of 524.4 billion yen. Net cash provided by operating activities increased by 2.0 billion yen from 1,110.9 billion yen in FY2003 semi-annual results. Cash flows from investing activities resulted in a decrease in cash by 1,472.1 billion yen in FY2004 semi-annual results, mainly due to the additions to finance receivables of 4,182.3 billion yen. Net cash used in investing activities decreased by 333.1 billion yen from 1,139.0 billion yen in FY2003 semi-annual results. Cash flows from financing activities resulted in an increase in cash by 48.3 billion yen in FY2004 semi-annual results, mainly due to the proceeds from issuance of long-term debt of 700.1 billion yen. Net cash provided by financing activities decreased by 233.2 billion yen compared with FY2003 semi-annual results. After consideration of the effect of exchange rate changes, cash and cash equivalents decreased by 348.8 billion yen, or 21.9%, to 1,243.2 billion yen at the end of FY2004 semi-annual period compared with the end of FY2003.

Regarding the consolidated cash flows by segment for FY2004 semi-annual period, in non-financial services business, net cash provided by operating activities was 864.8 billion yen, net cash used in investing activities was 863.8 billion yen and net cash used in financing activities was 288.6 billion yen. Meanwhile, in the financial services business, net cash provided by operating activities was 146.2 billion yen, net cash used in investing activities was 644.0 billion yen and net cash provided by financing activities was 474.5 billion yen.

2. Consolidated Financial Results of FY2004 Semi-Annual by Segment

(1) Segment Operating Results

Automotive:

Net revenues for the automotive operations increased by 548.8 billion yen, or 7.8%, to 7,590.4 billion yen in FY2004 semi-annual results compared with FY2003 semi-annual results, and operating income increased by 16.7 billion yen, or 2.4%, to 702.6 billion yen in FY2004 semi-annual results compared with FY2003 semi-annual results. The increase in operating income was mainly due to cost reduction efforts made by TMC and its subsidiaries as well as increases in vehicle units sold in all regions including Japan, Europe and Asia, partially offset by increases in R&D expenses and labor costs.

Financial services:

Net revenues for the financial services operations increased by 20.7 billion yen, or 5.9%, to 371.5 billion yen in FY2004 semi-annual results compared with FY2003 semi-annual results, and operating income increased by 57.9 billion yen, or 1,521.1%, to 61.7 billion yen in FY2004 semi-annual results compared with FY2003 semi-annual results. The increase in operating income was mainly due to solid performance as a result of an increase in financing volumes as well as the impact of interest rate swaps stated at fair value with changes recognized in income held by sales financing subsidiaries in the United States of America in accordance with the Statement of Financial Accounting Standards (FAS) No.133 as amended by several related pronouncements including FAS No.138. The valuation gains on interest rate swaps increased by 50.0 billion yen, to 8.4 billion yen in FY2004 semi-annual results compared with FY2003 semi-annual results.

All other:

Net revenues for all other businesses increased by 43.0 billion yen, or 11.9%, to 403.7 billion yen in FY2004 semi-annual results compared with FY2003 semi-annual results, and operating income increased by 7.2 billion yen to 6.0 billion yen in FY2004 semi-annual results compared with FY2003 semi-annual results. The increase in operating income was mainly due to steady production and favorable sales of the housing business.

(2) Geographic Information

Japan:

Net revenues in Japan increased by 304.8 billion yen, or 5.9%, to 5,497.3 billion yen in FY2004 semi-annual results compared with FY2003 semi-annual results, and operating income increased by 49.9 billion yen, or 10.4%, to 529.7 billion yen in FY2004 semi-annual results compared with FY2003 semi-annual results. The increase in operating income was mainly due to an increase in vehicle units sold and cost reduction efforts made by TMC and its subsidiaries, partially offset by increases in labor costs and other expenses.

North America:

Net revenues in North America decreased by 182.4 billion yen, or 5.7%, to 3,014.1 billion yen in FY2004 semi-annual results compared with FY2003 semi-annual results, and operating income decreased by 18.2 billion yen, or 10.0%, to 163.6 billion yen in FY2004 semi-annual results compared with FY2003 semi-annual results. The decrease in operating income was mainly due to an increase in selling expenses at subsidiaries and the temporary effects of model shifts at the plants of manufacturing subsidiaries.

Europe:

Net revenues in Europe increased by 286.4 billion yen, or 38.4%, to 1,032.3 billion yen in FY2004 semi-annual results compared with FY2003 semi-annual results, and operating income increased by 17.4 billion yen, or 342.1%, to 22.5 billion yen in FY2004 semi-annual results compared with FY2003 semi-annual results. The increase in operating income was mainly due to increases in local production volumes in France, Turkey and the United Kingdom, as well as substantial increases in vehicle units sold.

Other Foreign Countries:

Net revenues in other markets increased by 361.4 billion yen, or 48.7%, to 1,102.8 billion yen in FY2004 semi-annual results compared with FY2003 semi-annual results, and operating income increased by 31.4 billion yen, or 142.7%, to 53.3 billion yen in FY2004 semi-annual results compared with FY2003 semi-annual results. The increase in operating income was primarily due to increases in local production volumes as well as vehicle units sold in Asia and Oceania.

3. Distribution of Profits for FY2004 Semi-Annual

The FY2004 interim dividend increased by 4 yen to 20 yen per share compared with the FY2003 interim dividend. Accordingly, the dividends payout ratio for FY2004 semi-annual results is 20.1%.

4. Others

(1) Litigation in the United States of America

On July 12, 1999, the U.S. Department of Justice, acting on behalf of the U.S. Environmental Protection Agency, filed a lawsuit against Toyota Motor Sales U.S.A., Inc. ("TMS"), a consolidated subsidiary of TMC (on November 22, 1999, TMC and Toyota Technical Center U.S.A., Inc., a consolidated subsidiary of TMC, were added as defendants) for alleged defects in the fuel evaporative emission leak monitors installed on approximately 2.2 million 1996 - 1998 model year vehicles sold by TMS in the United States of America in violation of the Clean Air Act.

On March 6, 2003, TMC (as representative for all the defendants) reached a settlement agreement with the federal government concerning this litigation, and the federal government filed the agreement with the court. A formal settlement of this matter was reached on July 1, 2003.

(2) Accounting Treatment regarding Transfer of the Substitutional Portion of the Employee Pension Fund to the Government

TMC and some of its affiliated companies in Japan applied for exemption from the payment of benefits related to future employee service, and obtained approval from the Minister of Health, Labour, and Welfare in FY2003.

From FY2004, it is expected that these companies will apply for approval for the separation of the remaining benefit obligation of the substitutional portion which relates to past employee services. After obtaining approval, the related government-specified portion of the plan assets will be transferred to the government. In FY2004, some companies are expected to transfer the assets. The gains or losses resulting from this transaction are recognized upon completion of the transfer under the accounting principles generally accepted in the United States of America.

CONSOLIDATED PRODUCTION AND SALES

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

1. Production

(Units)

		FY2004 semi-annual (April 2003 through September 2003)	FY2003 semi-annual (April 2002 through September 2002)	Increase (Decrease)	FY2003 (April 2002 through March 2003)
Vehicles (new)	Japan	2,022,621	1,973,545	49,076	4,162,291
	North America	488,537	458,484	30,053	882,951
	Europe	230,278	186,482	43,796	387,034
	Others	322,649	181,954	140,695	417,927
	Overseas total	1,041,464	826,920	214,544	1,687,912
	Total	3,064,085	2,800,465	263,620	5,850,203
Houses (Japan)		2,274	1,505	769	3,574

Note: The total production of vehicles (new) includes 307,393 units of Daihatsu brand vehicles (including OEM production) in FY2004 semi-annual results, 270,414 units in FY2003 semi-annual results and 606,717 units in FY2003 results, and 43,471 units of Hino brand vehicles (including OEM production) in FY2004 semi-annual results, 26,820 units in FY2003 semi-annual results and 57,856 units in FY2003 results.

2. Sales (by destination)

(Units)

		FY2004 semi-annual (April 2003 through September 2003)	FY2003 semi-annual (April 2002 through September 2002)	Increase (Decrease)	FY2003 (April 2002 through March 2003)
Vehicles (new)	Japan	1,081,866	1,024,295	57,571	2,217,770
	North America	1,005,079	1,004,296	783	1,981,912
	Europe	441,122	392,027	49,095	775,952
	Others	642,807	530,948	111,859	1,137,644
	Overseas total	2,089,008	1,927,271	161,737	3,895,508
	Total	3,170,874	2,951,566	219,308	6,113,278
Houses (Japan)		2,169	1,461	708	4,024

Note: The total sales of vehicles (new) includes 288,453 units of Daihatsu brand vehicles in FY2004 semi-annual results, 251,708 units in FY2003 semi-annual results and 560,742 units in FY2003 results, and 42,201 units of Hino brand vehicles in FY2004 semi-annual results, 28,033 units in FY2003 semi-annual results and 60,271 units in FY2003 results.

BREAKDOWN OF CONSOLIDATED NET REVENUES

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

(Million yen)

	FY2004 semi-annual (April 2003 through September 2003)	FY2003 semi-annual (April 2002 through September 2002)	Increase (Decrease)
Vehicles	6,498,206	5,967,443	530,763
Parts & components for overseas production	113,086	113,156	(70)
Parts	496,080	494,855	1,225
Others	476,938	462,933	14,005
Total Automotive	7,584,310	7,038,387	545,923
Financial services	362,460	342,377	20,083
Housing	54,720	37,078	17,642
Telecommunications	22,875	22,807	68
Others	199,876	172,773	27,103
Total	8,224,241	7,613,422	610,819

Note: The amounts represent net revenues to external customers.

CONSOLIDATED STATEMENTS OF INCOME

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

(Million yen)

	FY2004 semi-annual (April 2003 through September 2003)	FY2003 semi-annual (April 2002 through September 2002)	Increase (Decrease)	FY2003 (April 2002 through March 2003)
Net revenues :	8,224,241	7,613,422	610,819	15,501,553
Sales of products	7,861,781	7,270,735	591,046	14,793,973
Financing operations	362,460	342,687	19,773	707,580
Costs and expenses :	7,456,472	6,928,399	528,073	14,229,907
Cost of products sold	6,274,364	5,792,840	481,524	11,914,245
Cost of financing operations	191,361	227,292	(35,931)	423,885
Selling, general and administrative	990,747	908,267	82,480	1,891,777
Operating income	767,769	685,023	82,746	1,271,646
Other income (expense)	44,244	29,438	14,806	(44,994)
Interest and dividend income	28,779	29,892	(1,113)	52,661
Interest expense	(12,210)	(15,464)	3,254	(30,467)
Foreign exchange gain, net	26,597	21,033	5,564	35,585
Other income (loss), net	1,078	(6,023)	7,101	(102,773)
Income before income taxes, minority interest and equity in earnings of affiliated companies	812,013	714,461	97,552	1,226,652
Provision for income taxes	309,931	296,920	13,011	517,014
Income before minority interest and equity in earnings of affiliated companies	502,082	417,541	84,541	709,638
Minority interest in consolidated subsidiaries	(18,615)	(9,528)	(9,087)	(11,531)
Equity in earnings of affiliated companies	40,993	17,787	23,206	52,835
Net income	524,460	425,800	98,660	750,942

(Yen)

Net income per share – basic	153.36	118.44	34.92	211.32
Net income per share – diluted	153.35	118.44	34.91	211.32

CONSOLIDATED BALANCE SHEETS

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

(Million yen)

	FY2004 semi-annual (As of September 30, 2003)	FY2003 (As of March 31, 2003)	Increase (Decrease)	FY2003 semi-annual (As of September 30, 2002)
Assets				
Current assets :	8,104,583	8,622,233	(517,650)	8,202,800
Cash and cash equivalents	1,243,211	1,592,028	(348,817)	1,870,153
Time deposits	43,086	55,406	(12,320)	32,324
Marketable securities	787,715	605,483	182,232	561,783
Trade accounts and notes receivable, less allowance for doubtful accounts	1,290,688	1,475,797	(185,109)	1,221,335
Finance receivables, net	2,242,227	2,505,140	(262,913)	2,187,518
Other receivables	471,139	513,952	(42,813)	518,999
Inventories	1,059,824	1,025,838	33,986	927,040
Deferred income taxes	400,218	385,148	15,070	441,378
Prepaid expenses and other current assets	566,475	463,441	103,034	442,270
Noncurrent finance receivables, net	3,026,614	2,569,808	456,806	2,708,898
Investments and other assets :	4,245,363	3,757,054	488,309	3,507,990
Marketable securities and other securities investments	2,269,829	1,652,110	617,719	1,555,701
Affiliated companies	1,245,596	1,279,645	(34,049)	1,314,640
Employees receivables	26,023	21,270	4,753	15,276
Others	703,915	804,029	(100,114)	622,373
Property, plant and equipment :	5,400,560	5,203,879	196,681	5,104,839
Land	1,134,538	1,064,125	70,413	1,045,286
Buildings	2,775,775	2,521,208	254,567	2,445,338
Machinery and equipment	7,652,074	7,089,592	562,482	7,014,789
Vehicles and equipment on operating leases	1,556,037	1,601,060	(45,023)	1,419,989
Construction in progress	195,355	211,584	(16,229)	240,200
Less – Accumulated depreciation	(7,913,219)	(7,283,690)	(629,529)	(7,060,763)
Total assets	20,777,120	20,152,974	624,146	19,524,527

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(Million yen)

	FY2004 semi-annual (As of September 30, 2003)	FY2003 (As of March 31, 2003)	Increase (Decrease)	FY2003 semi-annual (As of September 30, 2002)
Liabilities				
Current liabilities :	7,073,865	7,053,936	19,929	6,668,780
Short-term borrowings	1,999,453	1,855,648	143,805	1,878,992
Current portion of long-term debt	1,135,297	1,263,017	(127,720)	1,192,895
Accounts payable	1,563,774	1,531,552	32,222	1,377,863
Other payables	633,646	618,748	14,898	541,683
Accrued expenses	1,054,127	1,063,496	(9,369)	941,825
Income taxes payable	267,244	300,718	(33,474)	296,015
Other current liabilities	420,324	420,757	(433)	439,507
Long-term liabilities :	5,703,248	5,662,572	40,676	5,126,217
Long-term debt	4,108,804	4,137,528	(28,724)	3,798,192
Accrued pension and severance costs	1,112,900	1,052,687	60,213	727,057
Deferred income taxes	413,455	371,004	42,451	496,531
Other long-term liabilities	68,089	101,353	(33,264)	104,437
Total liabilities	12,777,113	12,716,508	60,605	11,794,997
Minority interest in consolidated subsidiaries	427,533	315,466	112,067	345,038
Shareholders' equity :				
Common stock	397,050	397,050	—	397,050
Additional paid-in capital	493,790	493,790	—	491,158
Retained earnings	7,756,473	7,301,795	454,678	7,033,122
Accumulated other comprehensive loss	(476,553)	(604,272)	127,719	(356,412)
Treasury stock, at cost	(598,286)	(467,363)	(130,923)	(180,426)
Total shareholders' equity	7,572,474	7,121,000	451,474	7,384,492
Total liabilities and shareholders' equity	20,777,120	20,152,974	624,146	19,524,527

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

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

(1) FY2004 semi-annual results (April 2003 through September 2003)

(Million yen)

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost	Total
Balance at March 31, 2003	397,050	493,790	7,301,795	(604,272)	(467,363)	7,121,000
Issuance during the period		-				-
Comprehensive income:						
Net income			524,460			524,460
Other comprehensive income (loss)						
Foreign currency translation adjustments				(112,479)		(112,479)
Unrealized gains (losses) on securities, net of reclassification adjustments				228,270		228,270
Minimum pension liability adjustments				11,928		11,928
Net gains (losses) on derivative instruments				-		-
Total comprehensive income						652,179
Dividends paid			(69,782)			(69,782)
Purchase and retirement of common stock					(130,923)	(130,923)
Balance at September 30, 2003	397,050	493,790	7,756,473	(476,553)	(598,286)	7,572,474

(2) FY2003 semi-annual results (April 2002 through September 2002)

(Million yen)

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost	Total
Balance at March 31, 2002	397,050	490,538	6,804,722	(267,304)	(160,894)	7,264,112
Issuance during the period		620				620
Comprehensive income:						
Net income			425,800			425,800
Other comprehensive income (loss)						
Foreign currency translation adjustments				(107,889)		(107,889)
Unrealized gains (losses) on securities, net of reclassification adjustments				10,182		10,182
Minimum pension liability adjustments				9,141		9,141
Net gains (losses) on derivative instruments				(542)		(542)
Total comprehensive income						336,692
Dividends paid			(54,108)			(54,108)
Purchase and retirement of common stock			(143,292)		(19,532)	(162,824)
Balance at September 30, 2002	397,050	491,158	7,033,122	(356,412)	(180,426)	7,384,492

CONSOLIDATED STATEMENTS OF CASH FLOWS

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

(Million yen)

	FY2004 semi-annual (April 2003 through September 2003)	FY2003 semi-annual (April 2002 through September 2002)	FY2003 (April 2002 through March 2003)
Cash flows from operating activities :			
Net income	524,460	425,800	750,942
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation	475,938	434,995	870,636
Provision for doubtful accounts and credit losses	38,418	19,709	99,837
Pension and severance costs, less payments	33,957	30,315	55,637
Loss on disposal of fixed assets	18,896	23,880	46,492
Unrealized losses on available-for-sale securities, net	2,697	23,853	111,346
Deferred income taxes	21,996	(24,067)	(74,273)
Minority interest in consolidated subsidiaries	18,615	9,528	11,531
Equity in earnings of affiliated companies	(40,993)	(17,787)	(52,835)
Changes in operating assets and liabilities	80,125	134,014	129,054
Others	(61,185)	50,698	136,680
Net cash provided by operating activities	1,112,924	1,110,938	2,085,047
Cash flows from investing activities :			
Additions to finance receivables	(4,182,349)	(2,474,800)	(6,481,200)
Collection of and proceeds from sales of finance receivables	3,727,776	1,938,368	5,825,456
Additions to fixed assets excluding equipment leased to others	(445,522)	(519,108)	(1,005,931)
Additions to equipment leased to others	(298,454)	(289,594)	(604,298)
Proceeds from sales of fixed assets excluding equipment leased to others	31,234	31,606	61,847
Proceeds from sales of equipment leased to others	133,073	125,919	286,538
Purchases of marketable securities and security investments	(1,137,863)	(521,364)	(1,113,998)
Proceeds from sales of and maturity of marketable securities and security investments	705,614	569,846	921,965
(Increase) decrease in time deposits	15,845	(12,085)	(33,379)
(Increase) decrease in investments and other assets	138	7,527	(30,481)
Payment for additional investments in affiliated companies, net of cash acquired	(18,876)	(16,016)	(28,229)
Others	(2,720)	20,652	55,303
Net cash used in investing activities	(1,472,104)	(1,139,049)	(2,146,407)
Cash flows from financing activities :			
Purchase of common stock	(120,229)	(142,090)	(454,611)
Proceeds from issuance of long-term debt	700,149	907,482	1,686,564
Payments of long-term debt	(622,709)	(561,651)	(1,117,803)
Increase in short-term borrowings	160,970	132,004	30,327
Dividends paid	(69,782)	(54,108)	(110,876)
Others	—	—	4,074
Net cash provided by financing activities	48,399	281,637	37,675
Effect of exchange rate changes on cash and cash equivalents	(38,036)	(40,533)	(41,447)
Net increase (decrease) in cash and cash equivalents	(348,817)	212,993	(65,132)
Cash and cash equivalents at beginning of period	1,592,028	1,657,160	1,657,160
Cash and cash equivalents at end of period	1,243,211	1,870,153	1,592,028

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

SEGMENT INFORMATION

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

1. Segment Operating Results and Assets

(1) FY2004 semi-annual results (April 2003 through September 2003)

(Million yen)

	Automotive	Financial Services	All Other	Intersegment Elimination and/or Unallocated Amount	Consolidated
Net revenues :					
(1) Sales to external customers	7,584,310	362,460	277,471	–	8,224,241
(2) Intersegment sales and transfers	6,126	9,000	126,208	(141,334)	–
Total	7,590,436	371,460	403,679	(141,334)	8,224,241
Operating expenses	6,887,802	309,779	397,632	(138,741)	7,456,472
Operating income	702,634	61,681	6,047	(2,593)	767,769
Assets	9,689,020	7,560,742	831,670	2,695,688	20,777,120
Investment in equity method investees	993,789	181,226	–	64,171	1,239,186
Depreciation expenses	368,242	97,493	10,203	–	475,938
Capital expenditure	459,390	238,155	20,371	26,060	743,976

(2) FY2003 semi-annual results (April 2002 through September 2002)

(Million yen)

	Automotive	Financial Services	All Other	Intersegment Elimination and/or Unallocated Amount	Consolidated
Net revenues :					
(1) Sales to external customers	7,038,387	342,377	232,658	–	7,613,422
(2) Intersegment sales and transfers	3,164	8,428	128,071	(139,663)	–
Total	7,041,551	350,805	360,729	(139,663)	7,613,422
Operating expenses	6,355,630	347,000	361,931	(136,162)	6,928,399
Operating income	685,921	3,805	(1,202)	(3,501)	685,023
Assets	8,898,489	7,046,464	685,126	2,894,448	19,524,527
Investment in equity method investees	1,070,612	170,428	3,355	63,298	1,307,693
Depreciation expenses	328,501	96,929	9,565	–	434,995
Capital expenditure	476,256	263,888	14,586	53,972	808,702

(3) FY2003 (April 2002 through March 2003)

(Million yen)

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

Note: Unallocated corporate assets included under "Intersegment Elimination and/or Unallocated Amount" for FY2004 semi-annual, FY2003 semi-annual and FY2003 are 3,217,341 million yen, 3,357,986 million yen and 3,125,276 million yen, respectively, and consist primarily of funds such as cash and cash equivalents, marketable securities and portion security investments held by TMC.

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

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

(Million yen)

	FY2004 semi-annual (April 2003 through September 2003)	FY2003 semi-annual (April 2002 through September 2002)	Increase (Decrease)
(Non-financial services)			
Net revenues	7,867,021	7,269,669	597,352
Costs and expenses :	7,156,401	6,583,294	573,107
Cost of revenues	6,275,627	5,792,839	482,788
Selling, general and administrative	880,774	790,455	90,319
Operating income	710,620	686,375	24,245
Other income, net :	44,272	30,377	13,895
Income before income taxes, minority interest and equity in earnings of affiliated companies	754,892	716,752	38,140
Provision for income taxes	285,959	300,891	(14,932)
Income before minority interest and equity in earnings of affiliated companies	468,933	415,861	53,072
Minority interest in consolidated subsidiaries	(18,150)	(9,002)	(9,148)
Equity in earnings of affiliated companies	37,413	16,942	20,471
Net income	488,196	423,801	64,395
(Financial services)			
Net revenues	371,460	350,805	20,655
Costs and expenses :	309,779	347,000	(37,221)
Cost of revenues	192,157	228,771	(36,614)
Selling, general and administrative	117,622	118,229	(607)
Operating income	61,681	3,805	57,876
Other expense, net :	(4,689)	(5,490)	801
Income before income taxes, minority interest and equity in earnings of affiliated companies	56,992	(1,685)	58,677
Provision for income taxes	23,840	(3,725)	27,565
Income before minority interest and equity in earnings of affiliated companies	33,152	2,040	31,112
Minority interest in consolidated subsidiaries	(465)	(538)	73
Equity in earnings of affiliated companies	3,580	845	2,735
Net income	36,267	2,347	33,920
(Elimination)			
Elimination of net income	(3)	(348)	345
(Consolidated)			
Net income	524,460	425,800	98,660

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

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

(Million yen)

	FY2004 semi-annual (As of September 30, 2003)	FY2003 (As of March 31, 2002)	Increase (Decrease)
Assets			
(Non-financial services)			
Current assets	5,805,841	5,989,408	(183,567)
Cash and cash equivalents	1,119,422	1,437,731	(318,309)
Time deposits	17,014	29,213	(12,199)
Marketable securities	780,942	602,634	178,308
Trade accounts and notes receivable, less allowance for doubtful accounts	1,318,935	1,496,432	(177,497)
Finance receivables, net	14,678	14,296	382
Inventories	1,059,824	1,025,838	33,986
Prepaid expenses and other current assets	1,495,026	1,383,264	111,762
Noncurrent finance receivables, net	13,319	14,463	(1,144)
Investments and other assets	3,915,763	3,423,676	492,087
Property, plant and equipment	4,383,157	4,100,077	283,080
Total	14,118,080	13,527,624	590,456
(Financial services)			
Current assets	2,984,594	3,219,884	(235,290)
Cash and cash equivalents	123,789	154,297	(30,508)
Time deposits	26,072	26,193	(121)
Marketable securities	6,773	2,849	3,924
Finance receivables, net	2,227,549	2,490,844	(263,295)
Prepaid expenses and other current assets	600,411	545,701	54,710
Noncurrent finance receivables, net	3,013,295	2,555,345	457,950
Investments and other assets	545,450	513,455	31,995
Property, plant and equipment	1,017,403	1,103,802	(86,399)
Total	7,560,742	7,392,486	168,256
(Elimination)			
Elimination of assets	(901,702)	(767,136)	(134,566)
(Consolidated)			
Total assets	20,777,120	20,152,974	624,146

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

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

(Million yen)

	FY2004 semi-annual (As of September 30, 2003)	FY2003 (As of March 31, 2003)	Increase (Decrease)
Liabilities (Non-financial services)			
Current liabilities	4,627,384	4,646,017	(18,633)
Short-term borrowings	822,072	784,501	37,571
Current portion of long-term debt	69,438	134,636	(65,198)
Accounts payable	1,552,185	1,520,160	32,025
Accrued expenses	1,008,779	1,019,241	(10,462)
Income taxes payable	260,128	293,756	(33,628)
Other current liabilities	914,782	893,723	21,059
Long-term liabilities	2,155,388	2,063,414	91,974
Long-term debt	774,022	789,509	(15,487)
Accrued pension and severance costs	1,111,749	1,051,500	60,249
Other long-term liabilities	269,617	222,405	47,212
Total	6,782,772	6,709,431	73,341
(Financial services)			
Current liabilities	3,152,559	2,990,772	161,787
Short-term borrowings	1,783,862	1,542,514	241,348
Current portion of long-term debt	1,129,859	1,200,900	(71,041)
Accounts payable	12,083	11,893	190
Accrued expenses	49,302	51,388	(2,086)
Income taxes payable	7,116	6,962	154
Other current liabilities	170,337	177,115	(6,778)
Long-term liabilities	3,744,122	3,783,950	(39,828)
Long-term debt	3,531,045	3,532,811	(1,766)
Accrued pension and severance costs	1,151	1,187	(36)
Other long-term liabilities	211,926	249,952	(38,026)
Total	6,896,681	6,774,722	121,959
(Elimination)			
Elimination of liabilities	(902,340)	(767,645)	(134,695)
(Consolidated)			
Total liabilities	12,777,113	12,716,508	60,605
(Consolidated)			
Minority interest in consolidated subsidiaries	427,533	315,466	112,067
Shareholders' equity (Consolidated)			
Common stock	397,050	397,050	—
Additional paid-in capital	493,790	493,790	—
Retained earnings	7,756,473	7,301,795	454,678
Accumulated other comprehensive loss	(476,553)	(604,272)	127,719
Treasury stock, at cost	(598,286)	(467,363)	(130,923)
Total shareholders' equity	7,572,474	7,121,000	451,474
(Consolidated)			
Total liabilities and shareholders' equity	20,777,120	20,152,974	624,146

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

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

(Million yen)

	FY2004 semi-annual (April 2003 through September 2003)	FY2003 semi-annual (April 2002 through September 2002)
(Non-financial services)		
Cash flows from operating activities :		
Net income	488,196	423,801
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	378,445	338,066
Pension and severance costs, less payments	34,000	30,154
Loss on disposal of fixed assets	18,423	23,740
Unrealized losses on available-for-sale securities, net	2,697	23,853
Deferred income taxes	6,831	(35,867)
Minority interest in consolidated subsidiaries	18,150	9,002
Equity in earnings of affiliated companies	(37,413)	(16,942)
Changes in operating assets and liabilities	21,737	96,578
Others	(66,198)	113,912
Net cash provided by operating activities	864,868	1,006,297
Cash flows from investing activities		
Additions to fixed assets excluding equipment leased to others	(433,924)	(493,827)
Additions to equipment leased to others	(71,897)	(50,987)
Proceeds from sales of fixed assets excluding equipment leased to others	25,888	25,435
Proceeds from sales of equipment leased to others	24,840	19,579
Purchases of marketable securities and security investments	(968,766)	(427,791)
Proceeds from sales of and maturity of marketable securities and security investments	582,102	463,882
(Increase) decrease in time deposits	15,856	(173)
(Increase) decrease in investments and other assets	(15,431)	39,225
Payment for additional investments in affiliated companies, net of cash acquired	(18,876)	(16,016)
Others	(3,595)	8,259
Net cash used in investing activities	(863,803)	(432,414)
Cash flows from financing activities		
Purchase of common stock	(120,229)	(142,090)
Proceeds from issuance of long-term debt	32,088	164,337
Payments of long-term debt	(111,290)	(168,142)
Decrease in short-term borrowings	(4,387)	(57,167)
Dividends paid	(69,782)	(54,108)
Others	(15,000)	-
Net cash used in financing activities	(288,600)	(257,170)
Effect of exchange rate changes on cash and cash equivalents	(30,774)	(32,255)
Net increase (decrease) in cash and cash equivalents	(318,309)	284,458
Cash and cash equivalents at beginning of period	1,437,731	1,510,974
Cash and cash equivalents at end of period	1,119,422	1,795,432

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

(Million yen)

	FY2004 semi-annual (April 2003 through September 2003)	FY2003 semi-annual (April 2002 through September 2002)
(Financial services)		
Cash flows from operating activities		
Net income	36,267	2,347
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	97,493	96,929
Deferred income taxes	15,033	12,046
Minority interest in consolidated subsidiaries	465	538
Equity in earnings of affiliated companies	(3,580)	(845)
Changes in operating assets and liabilities	(43,735)	(79,197)
Others	44,259	9,806
Net cash provided by operating activities	146,202	41,624
Cash flows from investing activities		
Additions to finance receivables	(4,182,349)	(2,474,800)
Collection of and proceeds from sales of finance receivables	3,727,776	1,938,368
Additions to fixed assets excluding equipment leased to others	(11,598)	(25,281)
Additions to equipment leased to others	(226,557)	(238,607)
Proceeds from sales of fixed assets excluding equipment leased to others	5,346	6,171
Proceeds from sales of equipment leased to others	108,233	106,340
Purchases of marketable securities and security investments	(169,097)	(93,573)
Proceeds from sales of and maturity of marketable securities and security investments	123,512	105,964
Increase in time deposits	(11)	(11,912)
Others	(19,270)	5,874
Net cash used in investing activities	(644,015)	(681,456)
Cash flows from financing activities		
Proceeds from issuance of long-term debt	706,040	750,810
Payments of long-term debt	(546,392)	(402,905)
Increase in short-term borrowings	299,919	228,740
Others	15,000	-
Net cash provided by financing activities	474,567	576,645
Effect of exchange rate changes on cash and cash equivalents	(7,262)	(8,278)
Net increase (decrease) in cash and cash equivalents	(30,508)	(71,465)
Cash and cash equivalents at beginning of period	154,297	146,186
Cash and cash equivalents at end of period	123,789	74,721
(Consolidated)		
Effect of exchange rate changes on cash and cash equivalents	(38,036)	(40,533)
Net increase (decrease) in cash and cash equivalents	(348,817)	212,993
Cash and cash equivalents at beginning of period	1,592,028	1,657,160
Cash and cash equivalents at end of period	1,243,211	1,870,153

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.

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

3. Geographic Information

(1) FY2004 semi-annual results (April 2003 through September 2003)

(Million yen)

	Japan	North America	Europe	Other Foreign Countries	Intersegment Elimination and/or Unallocated Amount	Consolidated
Net revenues :						
(1) Sales to external customers	3,325,570	2,896,155	977,630	1,024,886	–	8,224,241
(2) Intersegment sales and transfers	2,171,720	117,912	54,645	77,931	(2,422,208)	–
Total	5,497,290	3,014,067	1,032,275	1,102,817	(2,422,208)	8,224,241
Operating expenses	4,967,548	2,850,451	1,009,801	1,049,524	(2,420,852)	7,456,472
Operating income	529,742	163,616	22,474	53,293	(1,356)	767,769
Assets	9,796,611	6,037,536	1,616,800	1,309,265	2,016,908	20,777,120

(2) FY2003 semi-annual results (April 2002 through September 2002)

(Million yen)

	Japan	North America	Europe	Other Foreign Countries	Intersegment Elimination and/or Unallocated Amount	Consolidated
Net revenues :						
(1) Sales to external customers	3,131,544	3,069,254	713,832	698,792	–	7,613,422
(2) Intersegment sales and transfers	2,060,909	127,292	32,043	42,654	(2,262,898)	–
Total	5,192,453	3,196,546	745,875	741,446	(2,262,898)	7,613,422
Operating expenses	4,712,670	3,014,753	740,792	719,491	(2,259,307)	6,928,399
Operating income	479,783	181,793	5,083	21,955	(3,591)	685,023
Assets	8,902,408	6,138,933	1,279,026	854,299	2,349,861	19,524,527

(3) FY2003 (April 2002 through March 2003)

(Million yen)

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

Note: Unallocated corporate assets included under "Intersegment Elimination and/or Unallocated Amount" for FY2004 semi-annual, FY2003 semi-annual and FY2003 are 3,217,341 million yen, 3,357,986 million yen and 3,125,276 million yen, respectively, and consist primarily of funds such as cash and cash equivalents, marketable securities and portion of security investments held by TMC.

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

4. Overseas Sales

(1) FY2004 semi-annual results (April 2003 through September 2003)

(Million yen)

	North America	Europe	Other	Total
Overseas sales	3,013,321	944,563	1,601,666	5,559,550
Consolidated sales	–	–	–	8,224,241
Ratio of overseas sales to consolidated sales	% 36.6	% 11.5	% 19.5	% 67.6

(2) FY2003 semi-annual results (April 2002 through September 2002)

(Million yen)

	North America	Europe	Other	Total
Overseas sales	3,194,639	717,015	1,274,020	5,185,674
Consolidated sales	–	–	–	7,613,422
Ratio of overseas sales to consolidated sales	% 42.0	% 9.4	% 16.7	% 68.1

(3) FY2003 (April 2002 through March 2003)

(Million yen)

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

UNCONSOLIDATED STATEMENTS OF INCOME

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

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

	FY2004 semi-annual (April 2003 through September 2003)	FY2003 semi-annual (April 2002 through September 2002)	Increase (Decrease)	FY2003 (April 2002 through March 2003)
Net sales	4,302,173	4,204,777	97,396	8,739,310
Cost of sales	3,393,804	3,276,590	117,214	6,932,356
Selling, general and administrative expenses	449,185	456,847	(7,662)	945,630
Operating income	459,184	471,339	(12,155)	861,323
Non-operating income	106,079	79,881	26,198	167,814
Interest income	10,053	10,672	(619)	20,482
Dividend income	44,009	35,236	8,773	45,240
Other non-operating income	52,016	33,972	18,044	102,090
Non-operating expenses	54,674	69,470	(14,796)	136,460
Interest expenses	5,514	5,356	158	11,023
Other non-operating expenses	49,160	64,113	(14,953)	125,437
Ordinary income	510,589	481,750	28,839	892,676
Extraordinary gains	–	162,457	(162,457)	162,457
Gains on return of substitutional portion of employee pension fund	–	162,457	(162,457)	162,457
Income before income taxes	510,589	644,208	(133,619)	1,055,134
Income taxes – current	174,700	238,200	(63,500)	432,000
Income taxes – deferred	(2,163)	23,789	(25,952)	(10,925)
Net income	338,052	382,218	(44,166)	634,059
Unappropriated retained earnings brought forward	470,341	306,006	164,335	306,006
Retirement of shares	–	142,992	(142,992)	142,992
Interim cash dividends	–	–	–	56,801
Unappropriated retained earnings at end of period	808,393	545,233	263,160	740,272

UNCONSOLIDATED BALANCE SHEETS

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

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

	FY2004 semi-annual (As of September 30, 2003)	FY2003 (As of March 31, 2003)	Increase (Decrease)	FY2003 semi-annual (As of September 30, 2002)
Assets				
Current assets	3,270,863	3,620,881	(350,018)	3,538,809
Cash and deposits	95,407	113,802	(18,395)	697,828
Trade accounts receivable	869,956	919,468	(49,512)	730,718
Marketable securities	1,053,485	1,373,742	(320,257)	1,025,272
Finished goods	104,723	140,516	(35,793)	132,343
Raw materials	12,188	13,807	(1,619)	13,060
Work in process	69,697	64,881	4,816	62,736
Supplies	7,649	7,599	50	6,564
Short-term loans	375,560	321,986	53,574	241,698
Deferred income taxes	237,439	250,469	(13,030)	235,126
Others	450,555	423,307	27,248	399,560
Less: allowance for doubtful accounts	(5,800)	(8,700)	2,900	(6,100)
Fixed assets	5,395,347	4,971,941	423,406	4,945,282
Property, plant and equipment	1,250,797	1,269,042	(18,245)	1,247,897
Buildings	351,515	341,722	9,793	345,767
Structures	40,365	40,908	(543)	40,953
Machinery and equipment	321,015	336,077	(15,062)	353,392
Vehicle and delivery equipment	10,433	10,528	(95)	9,525
Tools, furniture and fixtures	77,400	81,750	(4,350)	78,388
Land	394,803	400,863	(6,060)	400,250
Construction in progress	55,263	57,190	(1,927)	19,619
Investments and other assets	4,144,549	3,702,899	441,650	3,697,384
Investments in securities	2,138,155	1,720,649	417,506	1,764,662
Investments in subsidiaries	1,353,739	1,242,883	110,856	1,200,646
Long-term loans	368,424	340,999	27,425	380,461
Deferred income taxes	204,532	298,167	(93,635)	244,678
Others	93,497	111,398	(17,901)	117,935
Less: allowance for doubtful accounts	(13,800)	(11,200)	(2,600)	(11,000)
Total assets	8,666,210	8,592,823	73,387	8,484,092

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

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

	FY2004 semi-annual (As of September 30, 2003)	FY2003 (As of March 31, 2003)	Increase (Decrease)	FY2003 semi-annual (As of September 30, 2002)
Liabilities				
Current liabilities	1,856,276	2,040,821	(184,545)	1,775,776
Trade notes payable	1,024	967	57	928
Trade accounts payable	755,094	765,041	(9,947)	716,985
Current portion of bonds	–	50,000	(50,000)	50,000
Other payables	308,885	374,758	(65,873)	278,517
Income taxes payable	171,463	221,320	(49,857)	238,917
Accrued expenses	375,777	401,121	(25,344)	361,263
Deposits received	194,330	184,763	9,567	98,596
Allowance for EXPO 2005 Aichi	1,548	644	904	–
Others	48,153	42,205	5,948	30,567
Long-term liabilities	836,358	848,679	(12,321)	868,107
Bonds	500,600	500,600	–	500,600
Allowance for retirement benefits	293,269	293,039	230	292,653
Others	42,489	55,039	(12,550)	74,853
Total liabilities	2,692,635	2,889,501	(196,866)	2,643,883
Shareholders' equity				
Common stock	397,049	397,049	–	397,049
Capital surplus	416,970	416,970	–	415,150
Capital reserve	416,970	416,970	–	415,150
Retained earnings	5,555,909	5,287,601	286,308	5,092,561
Legal reserve	99,454	99,454	–	99,454
Reserve for losses on overseas investments	254	396	(142)	396
Reserve for special depreciation	1,498	1,547	(49)	1,547
Reserve for reduction of acquisition cost of fixed assets	5,382	5,004	378	5,004
General reserve	4,640,926	4,440,926	200,000	4,440,926
Unappropriated retained earnings at end of period	808,393	740,272	68,121	545,233
Net unrealized gains on other securities	232,829	69,019	163,810	113,789
Less: treasury stock	(629,185)	(467,320)	(161,865)	(178,342)
Total shareholders' equity	5,973,575	5,703,321	270,254	5,840,208
Total liabilities and shareholders' equity	8,666,210	8,592,823	73,387	8,484,092

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