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Toyota Announces First Half Fiscal Year 2010 Financial Results

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

TOYOTA MOTOR CORPORATION (TMC) today announced financial results for the six months ended September 30, 2009.

On a consolidated basis, the net revenues for the first half of the fiscal year totaled 8.378 trillion yen, a decrease of 31.3 percent compared to the same period last fiscal year. Operating income decreased from 582.0 billion yen to a loss of 136.9 billion yen, while income before income taxes and equity in earnings of affiliated companies was a loss of 63.0 billion yen. Net income* decreased from 493.4 billion yen to a loss of 56.0 billion yen.

* Net income attributable to Toyota Motor Corporation

Operating income, compared to the same period last fiscal year, decreased by 718.9 billion yen. Major factors contributing to the decline include 910.0 billion yen due to the effects of sales volume and mix and 320.0 billion yen due to the appreciation of the Japanese yen against the U.S. dollar and the euro that overrode the positive impact of our reduction in fixed costs and cost reduction efforts.

Commenting on the results, TMC Executive Vice President Yoichiro Ichimaru said, "The net revenues and profits declined for this period due to the decline in vehicles sales in each region, as well as the negative impact of the yen's appreciation. However, we continued to make improvements in our reduction in fixed costs and cost reduction efforts in the first half of fiscal year 2010. Progress with our Emergency Profit Improvement activities have been steadily bearing fruit. In addition, demand-stimulating measures by governments worldwide have contributed to our revised targets for the full fiscal year."

Consolidated vehicle sales for the first half totaled 3.13 million units, a decrease of 1.12 million units compared to the same period last fiscal year.

In Japan, operating income decreased by 579.4 billion yen, to a loss of 257.7 billion yen, mainly due to the appreciation of the yen against the U.S. dollar. However, monthly vehicle sales in the domestic market have been improving year on year since August.

In North America, operating income decreased by 7.4 billion yen to 26.9 billion yen including 14.9 billion yen of valuation gains on interest rate swaps. Operating income, excluding the impact of valuation gains on interest rate swaps, increased by 56.7 billion yen to 12.0 billion yen. The increase was due to improved earnings from the financial services segment.

In Europe, operating income decreased by 27.3 billion yen, to a loss of 18.6 billion yen.

Operating income in Asia decreased by 71.8 billion yen, to 65.4 billion yen.

In Central and South America, Oceania and Africa, operating income decreased by 38.5 billion yen to 40.6 billion yen.

In the financial services segment, operating income increased by 17.2 billion yen, to 124.4 billion yen compared to the same period last fiscal year including 16.9 billion yen of valuation gains on interest rate swaps. Excluding these valuation gains, operating income increased by 72.7 billion yen to 107.5 billion yen. The increase was due to improved lending margins as a result of a declining funding cost and decreased expenses relating to loan losses and residual losses mainly in North America.

TMC announced an interim cash dividend of 20 yen per share for the first half of the fiscal year, in consideration of the serious financial situation which resulted in a net loss for the period.

TMC again revised its consolidated vehicle sales for the full fiscal year ending March 31, 2010 from 6.60 million to 7.03 million units, an increase of 430 thousand units. This figure is a revision to the previous forecast announced in August 2009 and reflects the increase in sales due to the success of various governments' measures to stimulate demand this year, as well as sales of TMC's own hybrids and other environmentally-friendly vehicles.

TMC also revised its target for Emergency Profit Improvement activities from 900 billion yen to 1.250 trillion yen, reflecting the improved outlook for vehicle sales and the progress of variable and fixed cost improvements in excess of our previous plan.

As a result, consolidated net revenues were revised up to 18 trillion yen, operating income to a loss of 350 billion yen and net income to a loss of 200 billion yen.

Commenting on the amended forecasts for FY2010, Executive Vice President Ichimaru said, "We will continue to promote profit improvement activities across the company. However, the outlook for global vehicle demand still remains uncertain. We will therefore continue to carefully analyze the global market going forward in order to further improve our earnings prospects."

(Please see attached information for details on financial results. Further information is also available on the Internet at ***www.toyota.co.jp****)*