

# FY2009 Second Quarter Financial Results

-prepared in accordance with U.S. GAAP-



**Toyota Motor Corporation**  
**November 6, 2008**

# Cautionary Statement with Respect to Forward-Looking Statements

This presentation 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 and market demand 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, the Australian dollar, the Canadian dollar 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 in the markets in which Toyota operates that affect Toyota's automotive operations, particularly laws, regulations and government policies relating to trade, environmental protection, vehicle emissions, vehicle fuel economy and vehicle safety, as well as changes in laws, regulations and government policies that affect 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 Toyota's annual report on Form 20-F, which is on file with the United States Securities and Exchange Commission.

# Caution concerning Insider Trading

Under Japanese securities laws and regulations (the "Regulations"), subject to certain exceptions, any person who receives certain material information relating to the business, etc., of Toyota which may be contained in this document is prohibited from trading in Toyota's shares or certain other transactions related to such shares (as set forth in the Regulations) until such material information is deemed to be made public. Under the Regulations, material information is deemed to be made public when (i) such material information is disclosed by ways of electromagnetic means as prescribed by the ordinance of the Cabinet Office (posting on the TDnet (Timely Disclosure Network) information service and ED-NET (Electronic Disclosure Network) information service ) or (ii) twelve (12) hours have elapsed since a listed company, such as Toyota, disclosed such material information to at least two (2) media sources as prescribed by the Regulations.

**Takahiko Ijichi**

**Senior Managing Director**

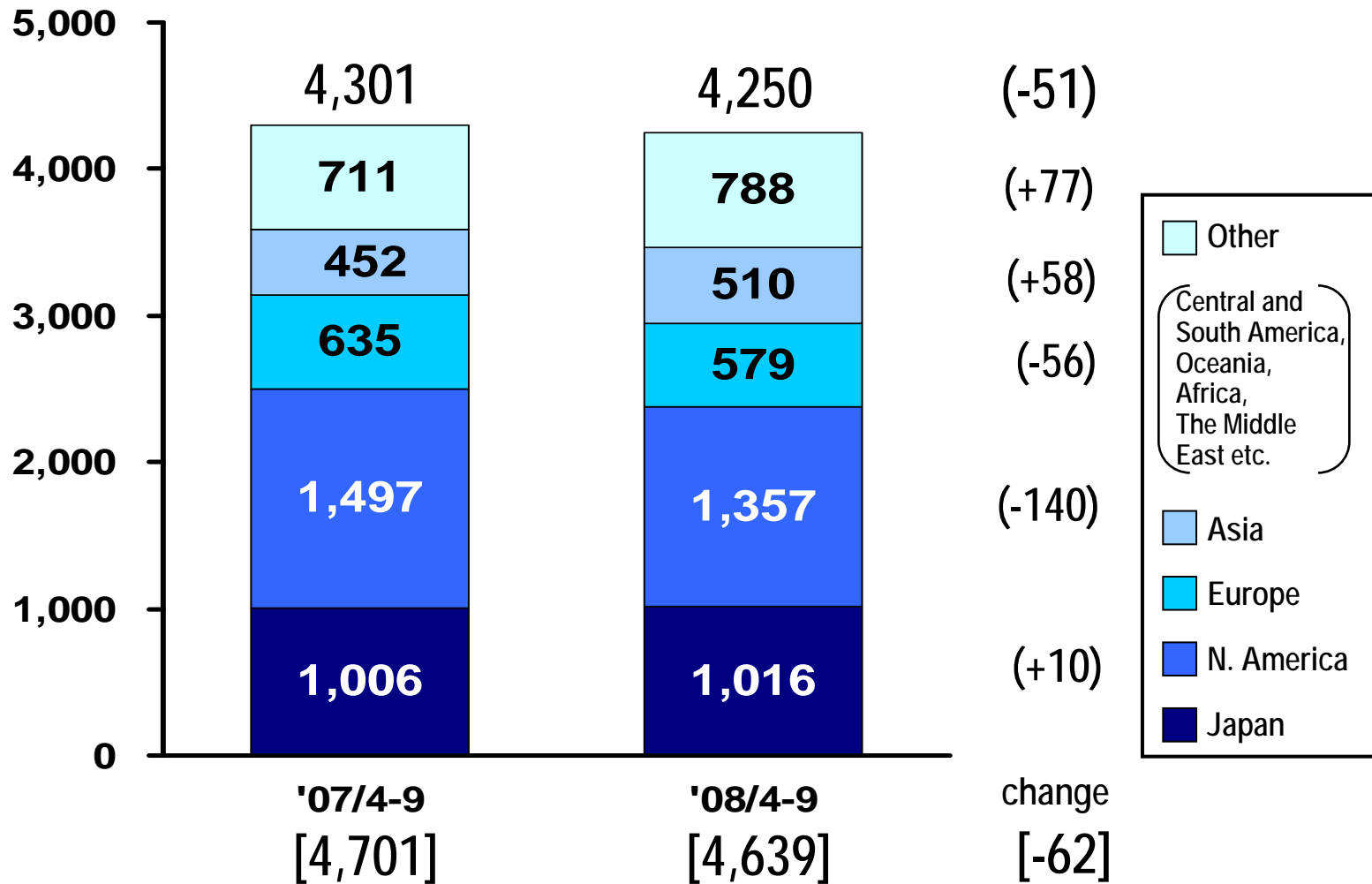
# **FY2009 First Half**

**-For the 6 months ended Sept.30, 2008-**

## **【Financial Results】**

# Consolidated Vehicle Sales

(thousands of vehicles)



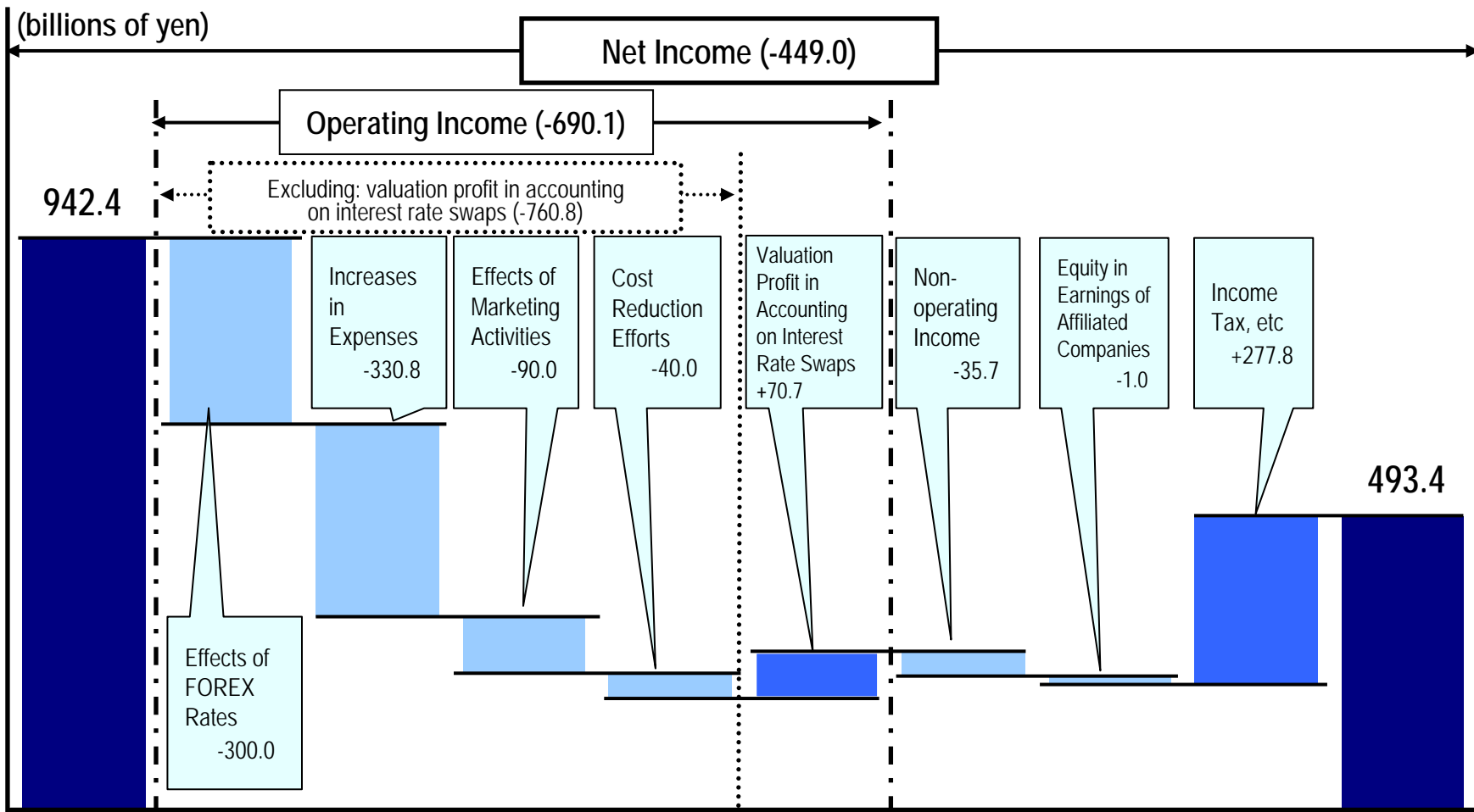
-Figures in square brackets show total retail vehicle sales in thousands

# Consolidated Financial Summary

(billions of yen)

	FY2009 First Half ('08/4-9)	FY2008 First Half ('07/4-9)	Change	
Net Revenues	12,190.4	13,012.2	-821.8	-6.3%
Operating Income	582.0	1,272.1	-690.1	-54.2%
Income before income taxes, minority interest and equity in earnings of affiliated companies	636.4	1,362.2	-725.8	-53.3%
Net Income	493.4	942.4	-449.0	-47.6%
FOREX Rates				
\$	106 yen	119 yen	-13 yen	
€	163 yen	162 yen	+ 1 yen	

# Analysis of Consolidated Net Income



'07/4-9

'08/4-9

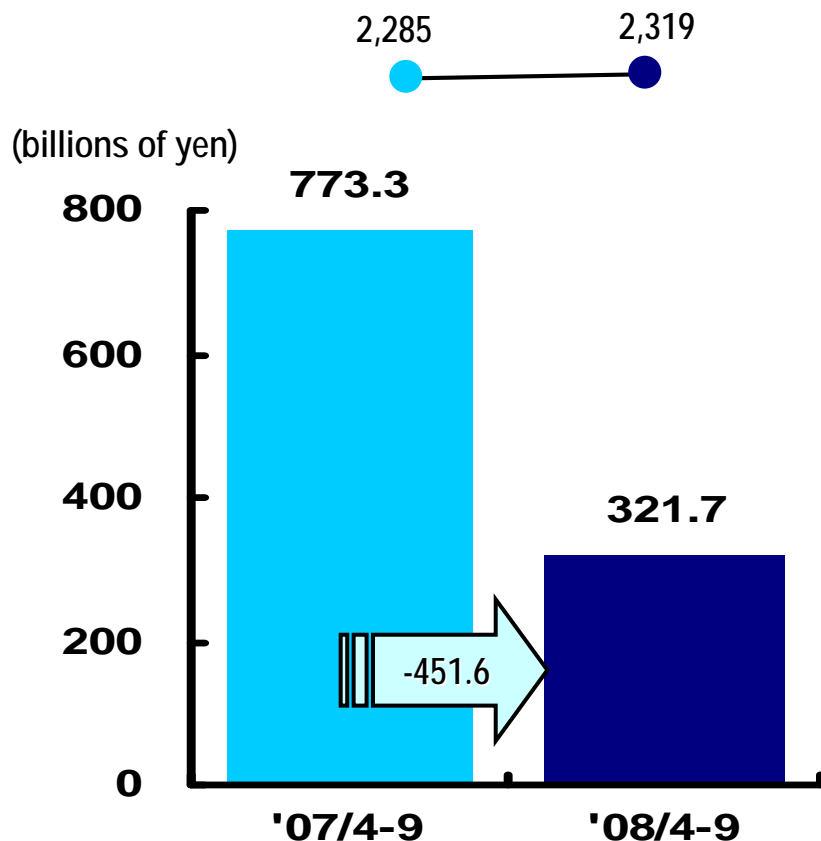
<Details of Increases in Expenses>

Labor Costs .....	-45.4	Depreciation and .....	-13.2
R&D Expenses .....	-31.4	CAPEX-related Costs	
		Others.....	-240.8



# Geographic Operating Income: Japan (FY2009 First Half)

<Consolidated Vehicle Sales+Exported Vehicles\* (thousands of vehicles)>



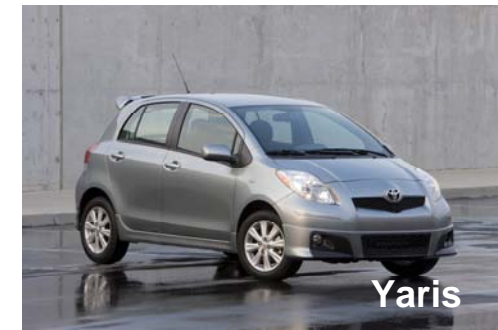
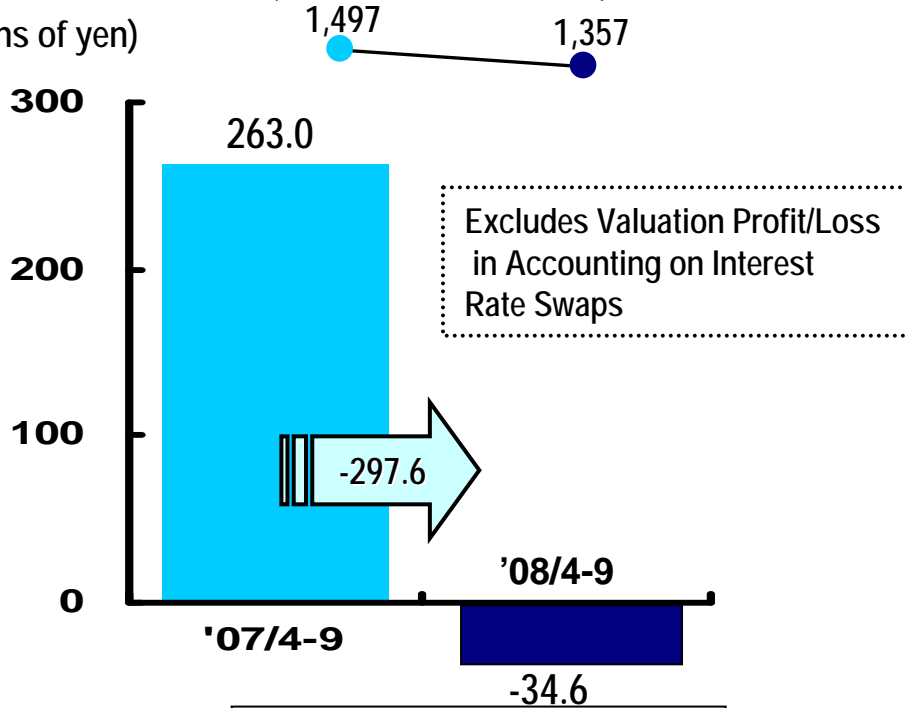
- Profit declined due to factors such as foreign exchange rates of the yen appreciating against the U.S. dollar
- New car sales in Japan and exports to Russia and the Middle East remained strong

\* Overseas shipment volume for Toyota only

# Geographic Operating Income: North America (FY2009 First Half) 10

<Consolidated Vehicle Sales (thousands of vehicles)>

(billions of yen)

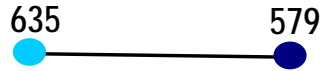


Valuation Profit/Loss in Accounting on Interest Rate Swaps	-8.9	68.9
Including Valuation Profit/Loss in Accounting on Interest Rate Swaps	254.1	34.3

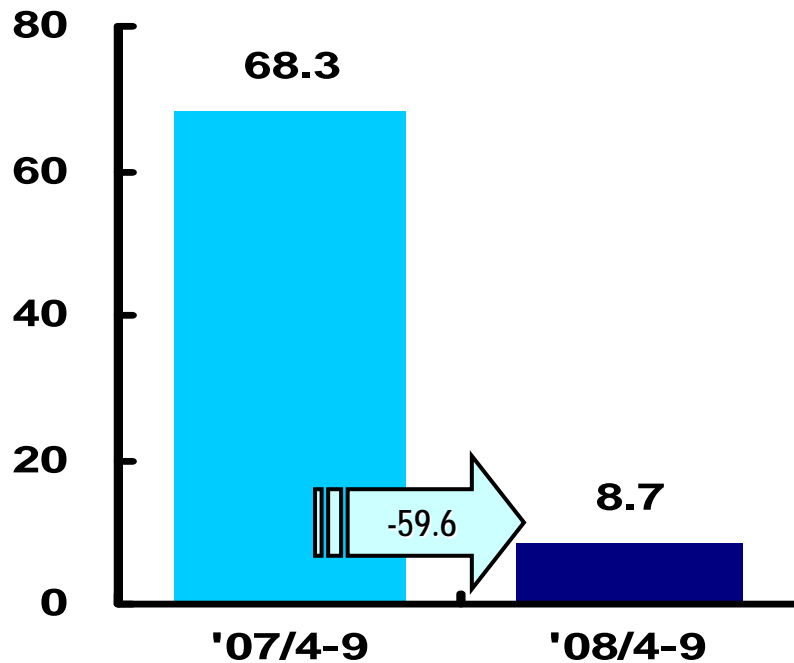
- Decrease in profit due to slowdown in the U.S. market and the market shift to compact cars
- Toyota's share in the U.S. market: 17%, a record high for the first half.

# Geographic Operating Income: Europe (FY2009 First Half)

<Consolidated Vehicle Sales (thousands of vehicles)>



(billions of yen)

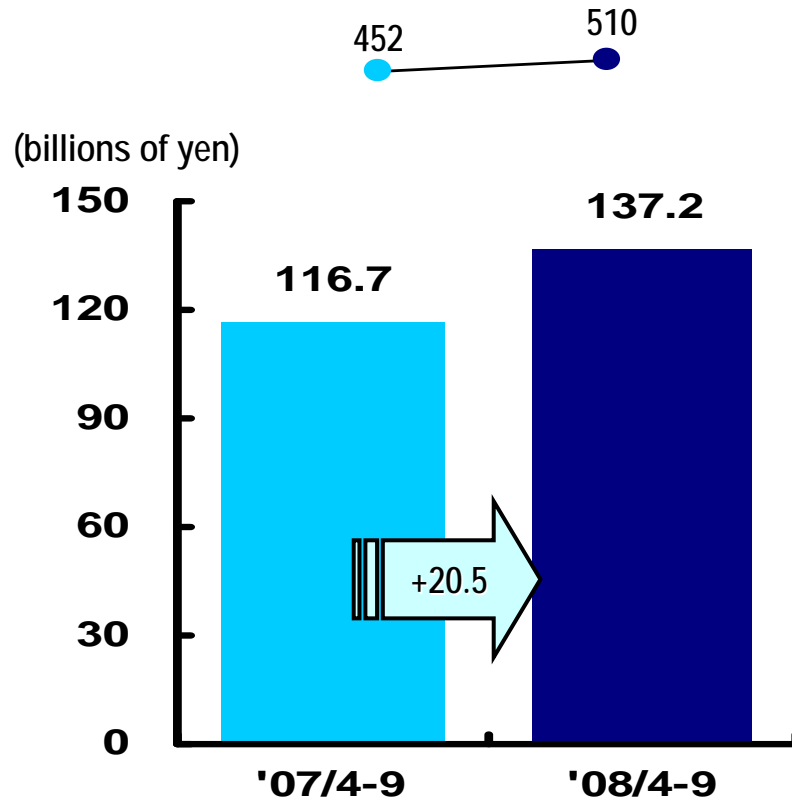


- Sales volume decreased due to slowdowns in Western European markets
- Sales in Eastern European markets such as Russia, remained strong

# Geographic Operating Income: Asia (FY2009 First Half)

12

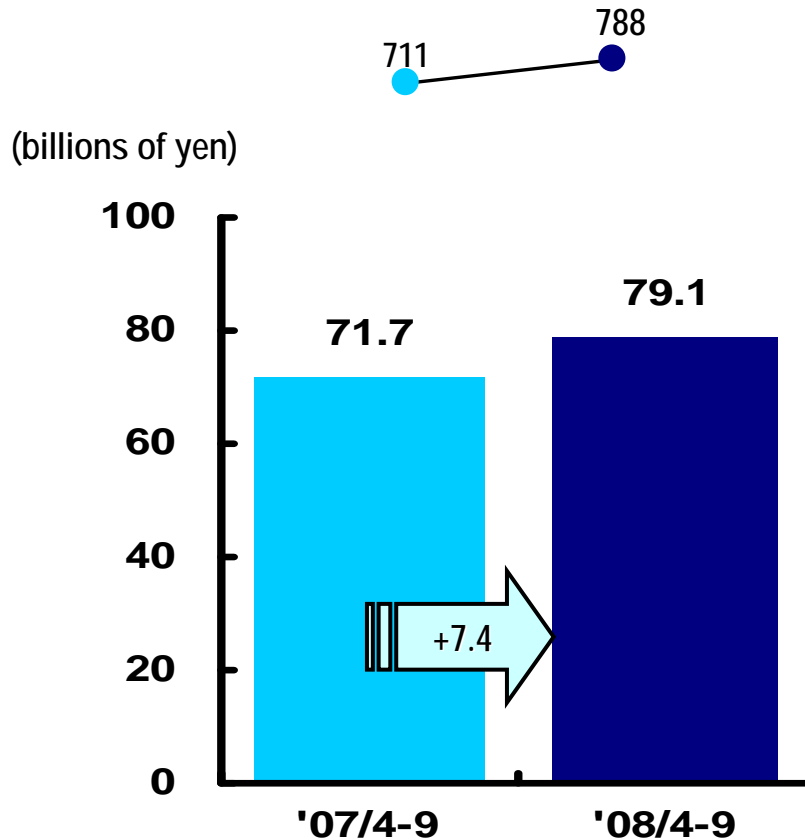
<Consolidated Vehicle Sales (thousands of vehicles)>



- Increased sales of the Corolla, fully-remodeled at the beginning of this year
- Favorable sales of models such as the Avanza and the Innova, mainly in Indonesia

# Geographic Operating Income: Central and South America, Oceania, Africa (FY2009 First Half)<sup>13</sup>

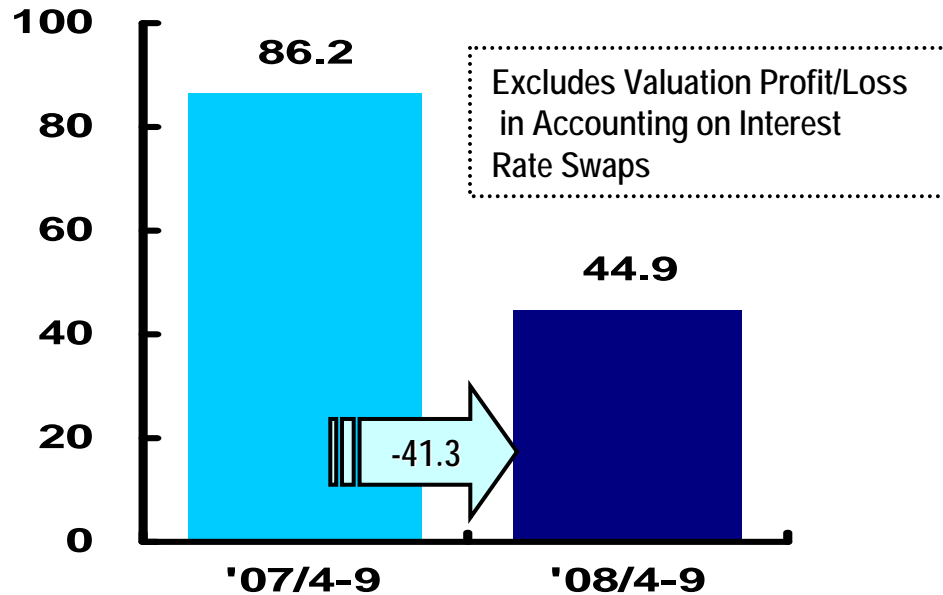
<Consolidated Vehicle Sales (thousands of vehicles)>



- Profit increased as a result of increased sales volume of the new Corolla in Brazil

# Business Segment: Financial Services (FY2009 First Half)

(billions of yen)



Valuation Profit/Loss in Accounting on Interest Rate Swaps	-8.4	62.3
Including Valuation Profit/Loss in Accounting on Interest Rate Swaps	77.8	107.2

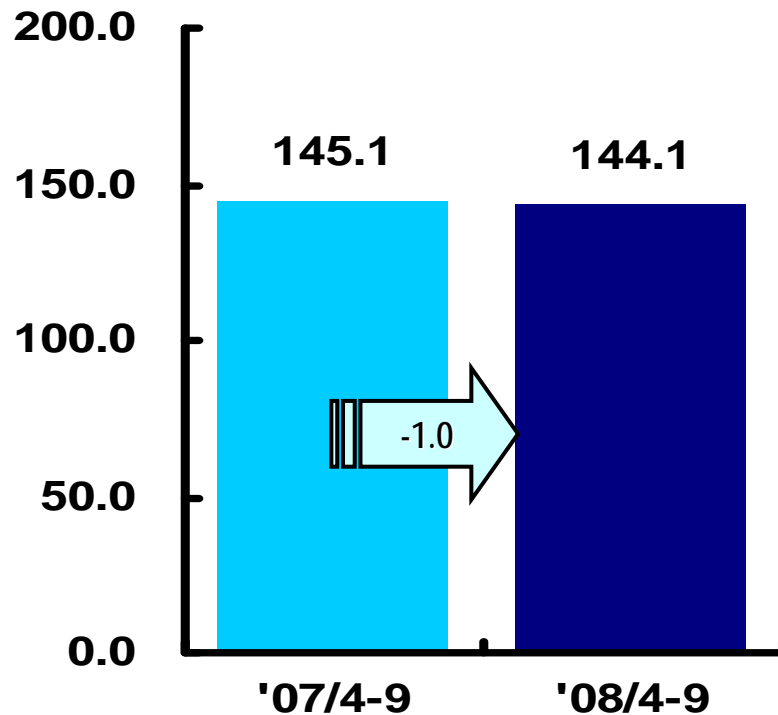


- Decline in income due to increased allocation to reserves for bad debts and residual value loss reserves
- Lending margins continued to expand

# Equity in Earnings of Affiliated Companies (FY2009 First Half)

15

(billions of yen)



- The same level of equity in earnings of affiliated companies maintained from the same period last year

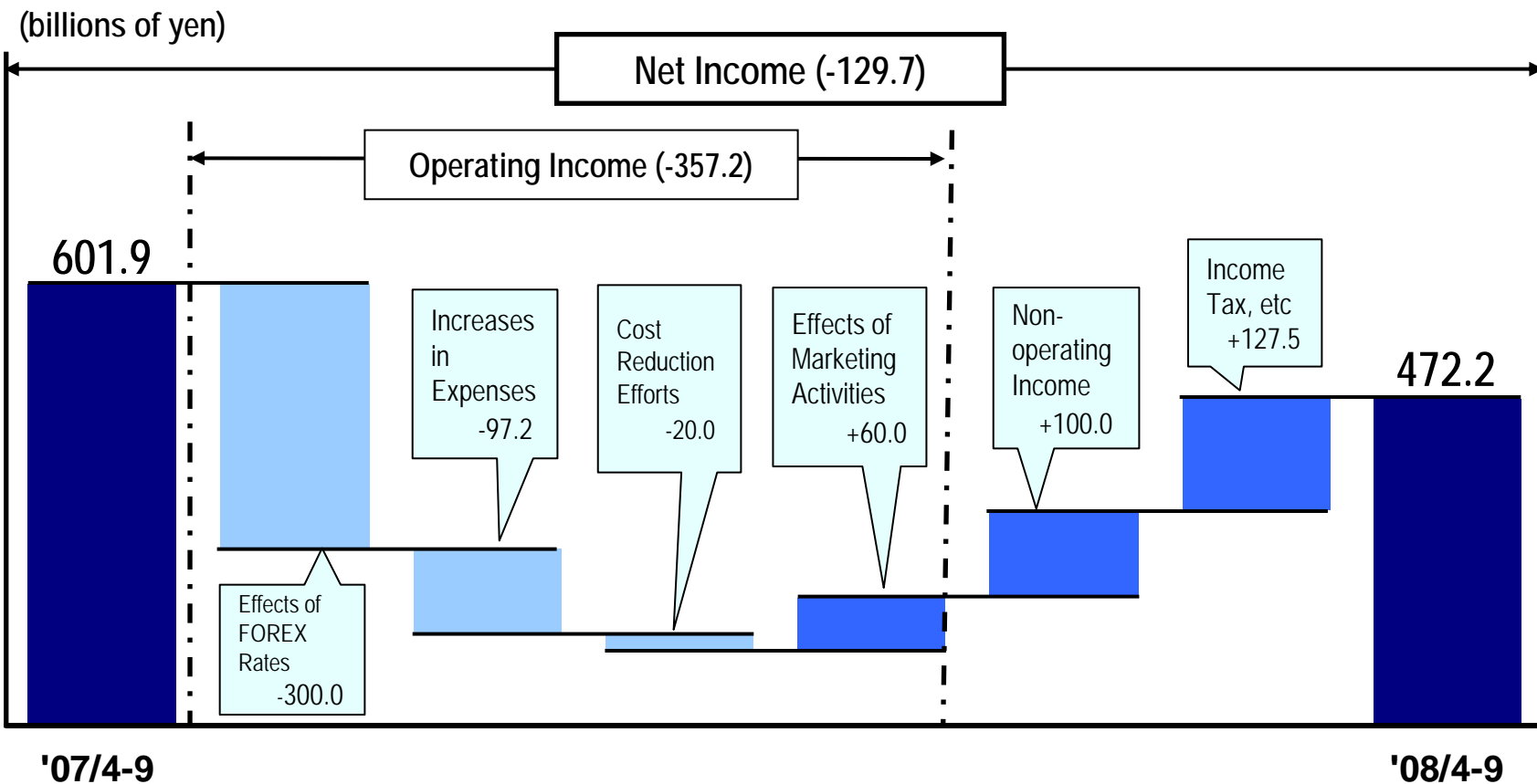
# Unconsolidated Financial Summary (Japan GAAP) 16

(billions of yen)

	FY2009 First Half('08/4-9)	FY2008 First Half('07/4-9)	Change	
Net Sales	5,649.2	5,737.1	-87.9	-1.5%
Operating Income	252.5	609.7	-357.2	-58.6%
Ordinary Income	595.2	852.4	-257.2	-30.2%
Net Income	472.2	601.9	-129.7	-21.5%



# Analysis of Unconsolidated Net Income



<Details of Increases in Expenses>

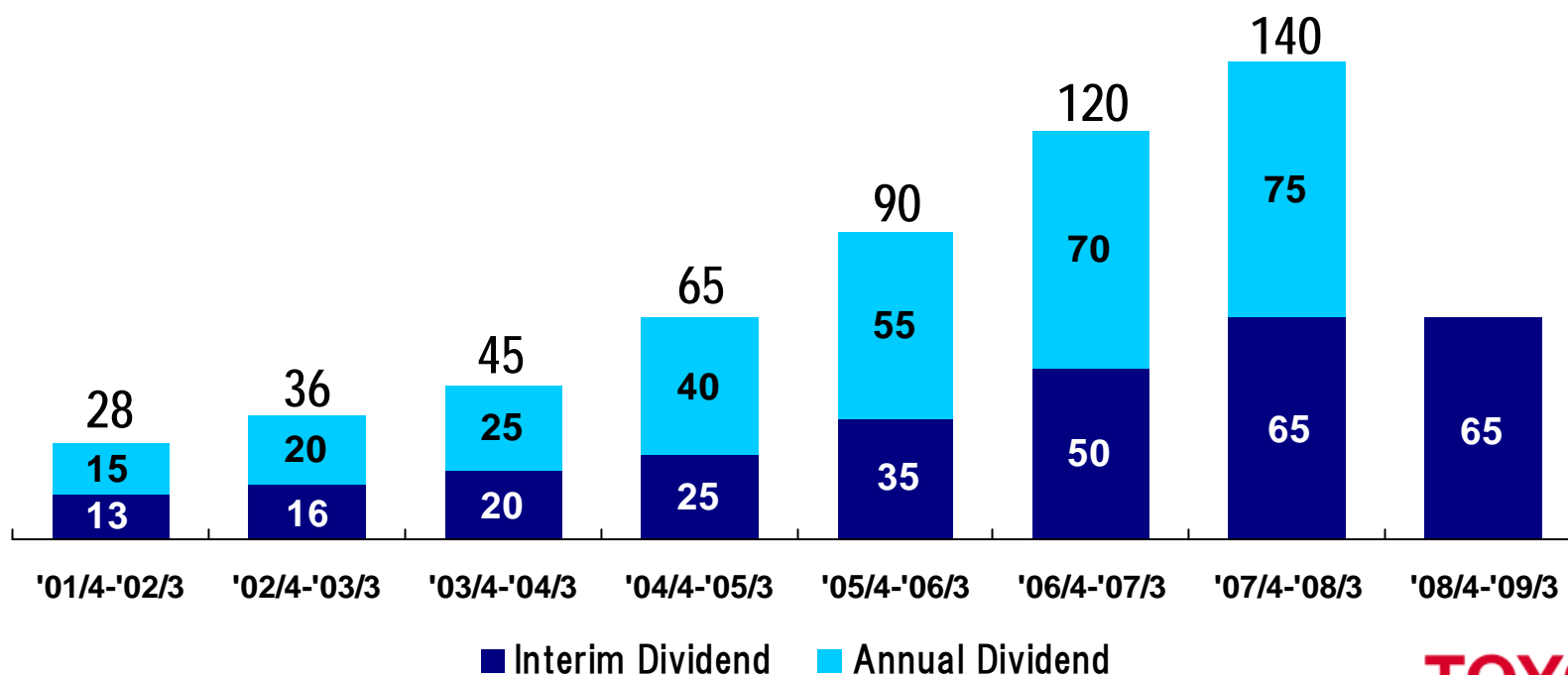
R&D Expenses .....	-29.7	Others .....	-61.5
Labor Costs .....	-14.1		
Depreciation and CAPEX-related Costs .....	+ 8.1		

# Shareholder Return ( Interim Dividend)

## Interim Dividend: 65 yen per share

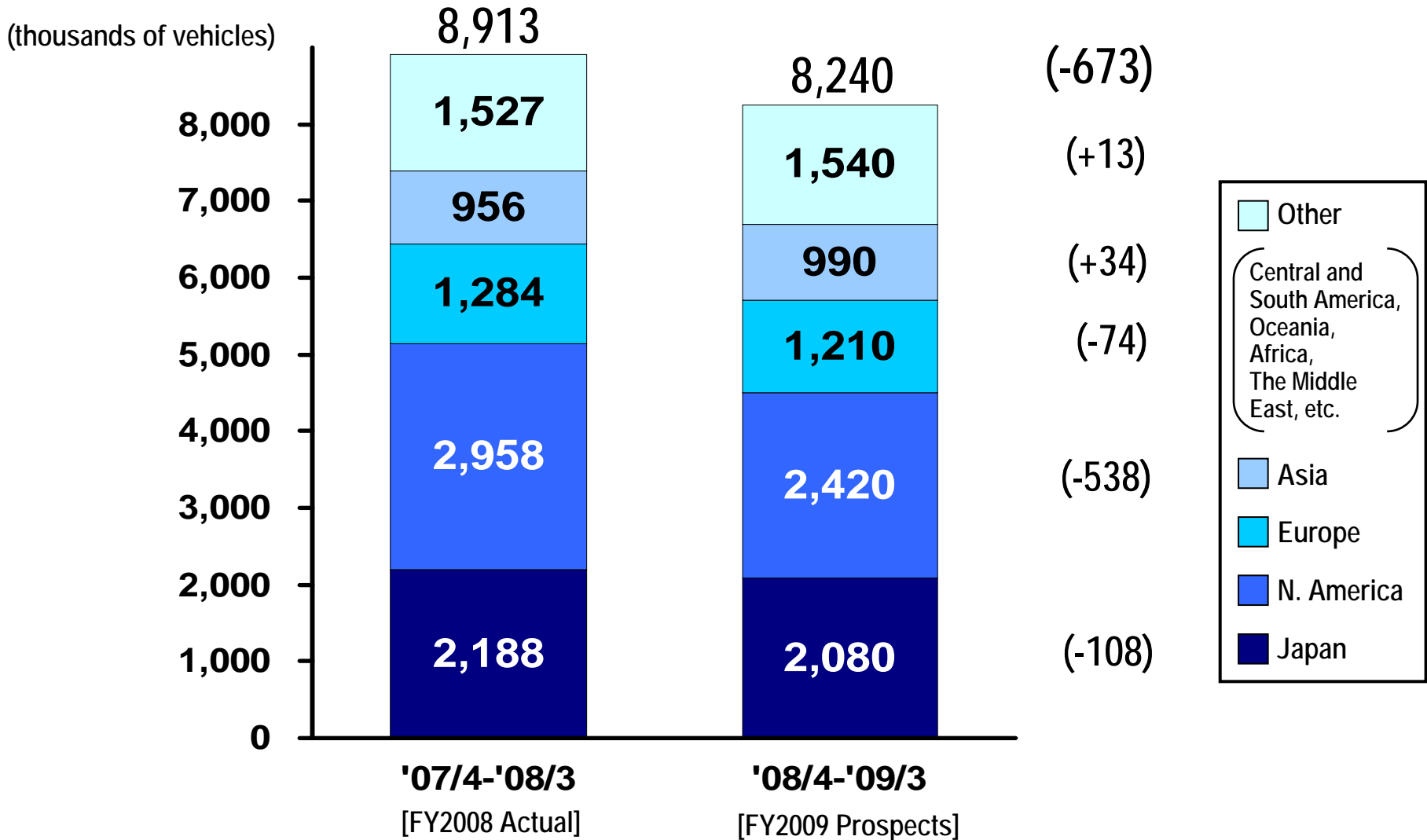
Total Amount of Payout : 203.7 billion yen

Consolidated Payout Ratio: 41.4% (change: +19.4%)



**FY2009**  
**【 Forecasts for FY2009 】**

# FY2009 Forecasts: Consolidated Vehicle Sales



\*Figures in parenthesis represent year-on-year change

# FY2009 Consolidated Forecasts

21

(billions of yen)

	FY2009 (‘08/4-‘09/3)	FY2008 (‘07/4-‘08/3)	Change	
Net Revenues	23,000.0	26,289.2	-3,289.2	-12.5%
Operating Income	600.0	2,270.3	-1,670.3	-73.6%
Income before income taxes, minority interest and equity in earnings of affiliated companies	640.0	2,437.2	-1,797.2	-73.7%
Net Income	550.0	1,717.8	-1,167.8	-68.0%
FOREX Rates \$	103 yen*	114 yen	-11 yen	
FOREX Rates €	146 yen*	162 yen	-16 yen	

\*FOREX rates assumptions for the second half: ¥ / \$=100, ¥ / €=130

**TOYOTA**

# Analysis of FY2009 Consolidated Forecasts: Operating Income

22

(billions of yen)

	Operating Income
FY2008 Actual Results ( '07/4 - '08/3)	2,270.3
Effects of FOREX Rates	- 690.0
Effects of Marketing Activities	-610.0
Cost Reduction Efforts	-60.0
Increases in Expenses	-310.3
<b>Total</b>	<b>-1,670.3</b>
FY2009 Consolidated Forecasts('08/4 - '09/3)	600.0

# FY2009 Consolidated Forecasts :CAPEX, Depreciation, R&D

23

(billions of yen)

	Capital Expenditures		Depreciation Expenses		R&D Expenses	
<b>Consolidated</b>	<b>1,400.0</b>	<b>(-80.2)</b>	<b>1,100.0</b>	<b>(+57.6)</b>	<b>920.0</b>	<b>(-38.8)</b>
<b>Japan</b>	<b>820.0</b>	<b>(-43.1)</b>	<b>690.0</b>	<b>(+76.9)</b>		
<b>N. America</b>	<b>320.0</b>	<b>(-14.3)</b>	<b>210.0</b>	<b>(+6.5)</b>		
<b>Europe</b>	<b>140.0</b>	<b>(+24.1)</b>	<b>100.0</b>	<b>(-1.0)</b>		
<b>Asia</b>	<b>60.0</b>	<b>(-48.4)</b>	<b>60.0</b>	<b>(-21.2)</b>		
<b>Others</b>	<b>60.0</b>	<b>(+1.5)</b>	<b>40.0</b>	<b>(-3.6)</b>		

Figures in parenthesis represent year-on-year change

# FY2009 Unconsolidated Forecasts(Japan GAAP)

24

(billions of yen)

	FY2009 (‘08/4-‘09/3)	FY2008 (‘07/4-‘08/3)	Change	
Net Sales	10,600.0	12,079.2	-1,479.2	-12.2%
Operating Income	140.0	1,108.6	-968.6	-87.4%
Ordinary Income	600.0	1,580.6	-980.6	-62.0%
Net Income	510.0	1,138.1	-628.1	-55.2%

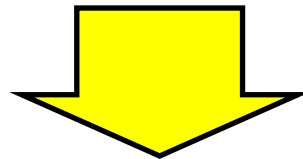


# FY2009 Toyota's Operations Forecasts

	FY2009 ( <i>'08/4-'09/3</i> )	FY2008 ( <i>'07/4-'08/3</i> )
	(thousands of vehicles)	(thousands of vehicles)
Automotive Production	3,850	4,264
Japan		
Overseas	4,070	4,424
<b>Total</b>	<b>7,920</b>	<b>8,688</b>
Sales (Japan)	1,470	1,595
Exports	2,450	2,708
Sales (Overseas)	6,580	6,923
Housing Sales	4,800 Units	4,622 Units

1. Secure profits for FY2009 and FY2010  
(⇒To reduce total costs and maximize revenues)  
Commencement of activities by the newly-established  
“ Emergency Profit Improvement Committee”
2. Thorough review of production capabilities by  
reexamining aspects such as the timing and  
scale of new projects

1. Measures in response to the current crisis
2. Strategies for mid-to-long term growth
  - (1) Accelerate our hybrid vehicle strategy
  - (2) Reinforce cost reduction for compact models
3. Solid balance sheet



Toyota will respond appropriately to the changes in current market conditions, while taking steady actions for future growth

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