

# **FINANCIAL SUMMARY**

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

## **FY2008 Semi-Annual**

(April 1, 2007 through September 30, 2007)

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 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 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.

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This report contains summarized and condensed financial statements prepared in accordance with accounting principles generally accepted in the United States of America. Certain amounts from prior periods have been reclassified to conform to the current semi-annual report.

# 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 for FY2008 Semi-Annual

### (1) Financial Results

During this semi-annual period, the Japanese economy has continued to grow resulting from improved corporate revenues and personal consumption. Overseas, economic conditions have remained steady overall, because of the stable personal consumption in the United States despite moderate economic recovery due to the decrease in construction of houses, steady economic condition in Europe, and continued strong economic growth in Asian countries, especially in China.

Under these conditions, consolidated vehicle sales in Japan and overseas increased by 156 thousand units, or 3.8%, to 4,301 thousand units in FY2008 semi-annual compared with FY2007 semi-annual, marking a record high in semi-annual results. While vehicle sales in Japan in FY2008 semi-annual decreased by 67 thousand units, or 6.3%, to 1,006 thousand units compared with FY2007 semi-annual due to a downturn in the automotive market conditions, overseas vehicle sales increased by 223 thousand units, or 7.3%, to 3,295 thousand units in FY2008 semi-annual compared with FY2007 semi-annual because of sales expansion in every region where Toyota operates.

As for the results of operations, net revenues increased by 1,540.4 billion yen, or 13.4%, to 13,012.2 billion yen in FY2008 semi-annual compared with FY2007 semi-annual, and operating income increased by 178.7 billion yen, or 16.3%, to 1,272.1 billion yen in FY2008 semi-annual compared with FY2007 semi-annual. Among the factors contributing to the increase in operating income totaling 330.0 billion yen, were the effects of changes in exchange rates of 150.0 billion yen, marketing efforts of 130.0 billion yen and cost reduction efforts of 50.0 billion yen. On the other hand, factors resulting in the decrease in operating income primarily included an increase in expenses of 151.3 billion yen. Income before income taxes, minority interest and equity in earnings of affiliated companies increased by 196.1 billion yen, or 16.8%, to 1,362.2 billion yen in FY2008 semi-annual compared with FY2007 semi-annual. Net income increased by 165.2 billion yen, or 21.3%, to 942.4 billion yen in FY2008 semi-annual compared with FY2007 semi-annual.

### (2) Cash Flows

Cash flows from operating activities resulted in an increase in cash by 1,676.4 billion yen in FY2008 semi-annual period, mainly due to net income of 942.4 billion yen. Net cash provided by operating activities increased by 105.5 billion yen compared with an increase in cash by 1,570.9 billion yen in FY2007 semi-annual. Cash flows from investing activities resulted in a decrease in cash by 2,160.8 billion yen in FY2008 semi-annual, mainly due to the additions to finance receivables of 5,096.3 billion yen. Net cash used in investing activities in the FY2008 semi-annual increased by 439.7 billion yen compared with 1,721.1 billion yen of net cash used in investing activities in the FY2007 semi-annual. Cash flows from financing activities resulted in an increase in cash by 595.1 billion yen in FY2008 semi-annual, mainly due to the proceeds from issuance of long-term debt of 1,612.9 billion yen. Net cash provided by financing activities increased by 124.3 billion yen compared with FY2007 semi-annual. After consideration of the effect of changes in exchange rates, cash and cash equivalents increased by 111.3 billion yen, or 5.9%, to 2,011.6 billion yen at the end of FY2008 semi-annual period compared with the end of FY2007.

Regarding the consolidated cash flows by segment for FY2008 semi-annual period, in non-financial services business, net cash provided by operating activities was 1,216.3 billion yen, net cash used in investing activities was 924.8 billion yen and net cash used in financing activities was 292.6 billion yen. Meanwhile, in the financial services business, net cash provided by operating activities was 407.2 billion yen, net cash used in investing activities was 1,174.2 billion yen and net cash provided by financing activities was 878.9 billion yen.

## **2. Consolidated Financial Results for FY2008 Semi-Annual by Segment**

### **(1) Segment Operating Results**

#### **Automotive:**

Net revenues for the automotive operations increased by 1,455.4 billion yen, or 13.9%, to 11,939.6 billion yen in FY2008 semi-annual compared with FY2007 semi-annual, and operating income increased by 189.5 billion yen, or 19.1%, to 1,181.6 billion yen in FY2008 semi-annual compared with FY2007 semi-annual. The increase in operating income was mainly due to the effects of changes in exchange rates, increases in both production volume and vehicle units sold, and cost reduction efforts, partially offset by an increase in expenses.

#### **Financial services:**

Net revenues for the financial services operations increased by 185.9 billion yen, or 31.0%, to 785.3 billion yen in FY2008 semi-annual compared with FY2007 semi-annual, while operating income decreased by 2.1 billion yen, or 2.7%, to 77.8 billion yen in FY2008 semi-annual compared with FY2007 semi-annual. The decrease in operating income was mainly due to the recording of valuation losses on interest rate swaps stated at fair value by sales finance subsidiaries in accordance with the Statement of Financial Accounting Standards (FAS) No. 133 (as amended by several guidance including FAS No. 138), despite a steady increase in financing volumes.

#### **All other:**

Net revenues for all other businesses decreased by 28.2 billion yen, or 4.4%, to 614.0 billion yen in FY2008 semi-annual compared with FY2007 semi-annual, and operating income decreased by 10.9 billion yen, or 51.9%, to 10.1 billion yen in FY2008 semi-annual compared with FY2007 semi-annual.

## (2) Geographic Information

### Japan:

Net revenues in Japan increased by 306.5 billion yen, or 4.4%, to 7,316.8 billion yen in FY2008 semi-annual compared with FY2007 semi-annual, and operating income increased by 88.9 billion yen, or 13.0%, to 773.3 billion yen in FY2008 semi-annual compared with FY2007 semi-annual. The increase in operating income was mainly due to the effects of changes in exchange rates and cost reduction efforts, partially offset by an increase in expenses.

### North America:

Net revenues in North America increased by 565.3 billion yen, or 13.0%, to 4,909.9 billion yen in FY2008 semi-annual compared with FY2007 semi-annual, and operating income increased by 3.6 billion yen, or 1.4%, to 254.1 billion yen in FY2008 semi-annual compared with FY2007 semi-annual. The increase in operating income was mainly due to increases in both production volume and vehicle units sold and the effects of cost reduction efforts.

### Europe:

Net revenues in Europe increased by 338.0 billion yen, or 20.1%, to 2,020.6 billion yen in FY2008 semi-annual compared with FY2007 semi-annual, and operating income increased by 2.3 billion yen, or 3.5%, to 68.3 billion yen in FY2008 semi-annual compared with FY2007 semi-annual. The increase in operating income was mainly due to an increase in vehicle units sold.

### Asia:

Net revenues in Asia increased by 480.6 billion yen, or 46.9%, to 1,505.3 billion yen in FY2008 semi-annual compared with FY2007 semi-annual, and operating income increased by 55.4 billion yen, or 90.4%, to 116.7 billion yen in FY2008 semi-annual compared with FY2007 semi-annual. The increase in operating income was mainly due to increases in both production volumes and vehicle units sold.

### Other:

Net revenues in other regions increased by 160.4 billion yen, or 16.6%, to 1,128.9 billion yen in FY2008 semi-annual compared with FY2007 semi-annual, and operating income increased by 35.6 billion yen, or 98.8% to 71.7 billion yen in FY2008 semi-annual compared with FY2007 semi-annual. The increase in operating income was mainly due to increases in both production volumes and vehicle units sold.

### **3. Basic Policy on the Distribution of Profits and the Distribution of Profits for FY2008**

Toyota Motor Corporation (“TMC”) deems the benefit of its shareholders as one of its priority management policies and continuously strives to increase per-share earnings, through aggressively promoting its business while improving and strengthening its corporate foundations. With respect to the payment of dividends, TMC seeks to enhance the distribution of profits by striving to raise the consolidated dividend payout ratio, with the aim of gradually increasing it to 30%, and TMC is endeavoring towards the early attainment of this goal, while giving due consideration to factors such as annual operating results and new investment plans. Furthermore, TMC repurchases its own shares to improve capital efficiency and to respond appropriately to changes in the business environment.

TMC pays dividends twice per year — an interim dividend and a year-end dividend —, and in order to secure an opportunity to directly seek shareholders’ opinions, TMC treats payments of year-end dividends as a matter to be resolved at TMC’s ordinary general shareholders’ meeting, even though TMC’s articles of incorporation stipulate that retained earnings can be distributed as dividends pursuant to the resolution of the board of directors.

As TMC anticipates the continued growth of worldwide automotive markets, TMC will utilize its internal funds to invest in improvement of product performance and development of next-generation technologies to achieve future growth, to develop production and sales networks in both domestic and overseas markets for further expansion of its global business and to expand into new business areas while securing a solid management foundation.

TMC will increase interim dividends for FY2008 by 15 yen per share to 65 yen per share from the interim dividends for FY2007 declared in November 2006. As a result, the consolidated interim dividend payout ratio for FY2008 will be 22.0%.

Also, in accordance with the policy mentioned above, TMC repurchased 13 million of its treasury shares during FY2008 semi-annual at an aggregate cost of 99.4 billion yen (excluding fractional shares repurchased in accordance with shareholders’ requests to purchase).

#### 4. Forecast of Financial Results for FY2008

Although we expect overall growth of the world economy to continue, we face a variety of unstable elements in the future business environment, including concerns about the future of the American economy, movement in oil prices and changes in the pace of growth of the Chinese economy. The Japanese economy is experiencing a moderate expansion, but there are concerns that rapid fluctuations in exchange rates and continuing high prices for raw materials may have an adverse impact on corporate revenue, which is the driving force of the current economy. Also, in the automotive industry, emerging markets which are expected to continue to grow, competition among leading global and regional auto makers is becoming increasingly fierce. In addition, environmental regulations are being strengthened throughout the world and environmental awareness is on the rise, leading to intense global competition in the development of technologies and the introduction of new products.

Under these circumstances, current forecast of consolidated financial results for the fiscal year ending March 2008 is set forth below. This forecast assumes average exchange rates through the fiscal year of 115 yen per US\$1 and 159 yen per 1 euro.

##### Forecast of consolidated results for FY2008

Net revenues	25,500.0 billion yen	(an increase of 6.5% compared with FY2007)
Operating income	2,300.0 billion yen	(an increase of 2.7% compared with FY2007)
Income before income taxes, minority interest and equity in earnings of affiliated companies	2,450.0 billion yen	(an increase of 2.8% compared with FY2007)
Net income	1,700.0 billion yen	(an increase of 3.4% compared with FY2007)

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.

When using forecast of financial results, please refer to the Cautionary Statement with Respect to Forward-Looking Statements on the inside cover of this Financial Summary.

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

“Overview of Associated Companies” has been omitted, as there were no significant changes from the “Organizational Structure (Description of Business)” or the “Overview of Affiliated Companies” in the most recent Securities Report (filed on June 25, 2007).

“Management Policy” has been omitted, as there were no significant changes from the matters disclosed in the “Financial Summary” for the fiscal year ended March 31, 2007 (released on May 9, 2007).

The aforementioned information is available on the following Web sites.

Toyota Web site:

<http://www.toyota.co.jp>

Tokyo Stock Exchange Group, Inc. Web site (listed company search page):

<http://www.tse.or.jp/listing/compsearch/index.html> (Japanese only)



# 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

		FY2007 semi-annual (April 2006 through September 2006)	FY2008 semi-annual (April 2007 through September 2007)	Increase (Decrease)	(Units) FY2007 (April 2006 through March 2007)
Vehicles (new)	Japan	2,450,028	2,429,648	(20,380)	5,100,823
	North America	590,108	645,848	55,740	1,204,676
	Europe	349,389	341,176	(8,213)	709,263
	Asia	372,537	456,961	84,424	754,960
	Other	195,424	221,131	25,707	411,229
	Overseas total	1,507,458	1,665,116	157,658	3,080,128
	<b>Total</b>	<b>3,957,486</b>	<b>4,094,764</b>	<b>137,278</b>	<b>8,180,951</b>
Houses (Japan)	2,571	2,175	(396)	5,621	

Note: The total production of vehicles (new) includes 406,394 units of Daihatsu brand vehicles (including OEM production) in FY2007 semi-annual, 409,438 units in FY2008 semi-annual and 855,579 units in FY2007 results, and 52,299 units of Hino brand vehicles in FY2007 semi-annual, 53,804 units in FY2008 semi-annual and 99,511 units in FY2007 results.

## 2. Sales (by destination)

		FY2007 semi-annual (April 2006 through September 2006)	FY2008 semi-annual (April 2007 through September 2007)	Increase (Decrease)	(Units) FY2007 (April 2006 through March 2007)
Vehicles (new)	Japan	1,073,457	1,006,343	(67,114)	2,273,152
	North America	1,463,546	1,497,086	33,540	2,942,661
	Europe	589,240	634,691	45,451	1,223,628
	Asia	381,799	452,441	70,642	789,637
	Other	637,281	711,265	73,984	1,295,581
	Overseas total	3,071,866	3,295,483	223,617	6,251,507
	<b>Total</b>	<b>4,145,323</b>	<b>4,301,826</b>	<b>156,503</b>	<b>8,524,659</b>
Houses (Japan)	2,593	2,265	(328)	5,807	

Note: The total sales of vehicles (new) include 361,401 units of Daihatsu brand vehicles in FY2007 semi-annual, 371,826 units in FY2008 semi-annual and 771,296 units in FY2007 results, and 51,628 units of Hino brand vehicles in FY2007 semi-annual, 53,290 units in FY2008 semi-annual and 101,880 units in FY2007 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)

(Amounts are rounded to the nearest million yen)

	FY2007 semi-annual (April 2006 through September 2006)	FY2008 semi-annual (April 2007 through September 2007)	Increase (Decrease)
Vehicles	8,965,658	10,217,292	1,251,634
Parts & components for overseas production	177,648	185,107	7,459
Parts	704,954	878,582	173,628
Other	628,855	650,720	21,865
<b>Total Automotive</b>	<b>10,477,115</b>	<b>11,931,701</b>	<b>1,454,586</b>
Financial services	588,711	770,550	181,839
Housing	71,940	60,744	(11,196)
Telecommunications	25,376	27,276	1,900
Other	308,747	221,938	(86,809)
<b>Total</b>	<b>11,471,889</b>	<b>13,012,209</b>	<b>1,540,320</b>

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)

(Amounts are rounded to the nearest million yen)

	FY2007 semi-annual (April 2006 through September 2006)	FY2008 semi-annual (April 2007 through September 2007)	Increase (Decrease)	FY2007 (April 2006 through March 2007)
<b>Net revenues :</b>	<b>11,471,889</b>	<b>13,012,209</b>	<b>1,540,320</b>	<b>23,948,091</b>
Sales of products	10,883,178	12,241,659	1,358,481	22,670,097
Financing operations	588,711	770,550	181,839	1,277,994
<b>Costs and expenses :</b>	<b>10,378,464</b>	<b>11,740,045</b>	<b>1,361,581</b>	<b>21,709,408</b>
Cost of products sold	8,823,752	10,006,694	1,182,942	18,356,255
Cost of financing operations	396,595	555,184	158,589	872,138
Selling, general and administrative	1,158,117	1,178,167	20,050	2,481,015
<b>Operating income</b>	<b>1,093,425</b>	<b>1,272,164</b>	<b>178,739</b>	<b>2,238,683</b>
<b>Other income (expense):</b>	<b>72,709</b>	<b>90,114</b>	<b>17,405</b>	<b>143,833</b>
Interest and dividend income	59,626	79,681	20,055	131,939
Interest expense	(20,963)	(24,384)	(3,421)	(49,326)
Foreign exchange gain, net	16,978	3,064	(13,914)	33,005
Other income, net	17,068	31,753	14,685	28,215
<b>Income before income taxes, minority interest and equity in earnings of affiliated companies</b>	<b>1,166,134</b>	<b>1,362,278</b>	<b>196,144</b>	<b>2,382,516</b>
<b>Provision for income taxes</b>	<b>456,422</b>	<b>523,933</b>	<b>67,511</b>	<b>898,312</b>
<b>Income before minority interest and equity in earnings of affiliated companies</b>	<b>709,712</b>	<b>838,345</b>	<b>128,633</b>	<b>1,484,204</b>
<b>Minority interest in consolidated subsidiaries</b>	<b>(21,987)</b>	<b>(41,039)</b>	<b>(19,052)</b>	<b>(49,687)</b>
<b>Equity in earnings of affiliated companies</b>	<b>89,491</b>	<b>145,104</b>	<b>55,613</b>	<b>209,515</b>
<b>Net income</b>	<b>777,216</b>	<b>942,410</b>	<b>165,194</b>	<b>1,644,032</b>

(Yen)

Net income per share – Basic	241.36	295.50	54.14	512.09
Net income per share – Diluted	241.25	295.34	54.09	511.80

# CONSOLIDATED BALANCE SHEETS

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

(Amounts are rounded to the nearest million yen)

	FY2007 (As of March 31, 2007)	FY2008 semi-annual (As of September 30, 2007)	Increase (Decrease)	FY2007 semi-annual (As of September 30, 2006)
<b>Assets</b>				
<b>Current assets :</b>	<b>11,784,123</b>	<b>12,424,350</b>	<b>640,227</b>	<b>10,902,579</b>
Cash and cash equivalents	1,900,379	2,011,629	111,250	1,906,381
Time deposits	26,709	131,732	105,023	19,853
Marketable securities	435,463	546,155	110,692	484,800
Trade accounts and notes receivable, less allowance for doubtful accounts	2,023,818	1,890,482	(133,336)	1,753,049
Finance receivables, net	4,036,363	4,242,137	205,774	3,577,884
Other receivables	486,170	494,949	8,779	413,020
Inventories	1,803,956	1,917,129	113,173	1,702,959
Deferred income taxes	551,503	584,416	32,913	531,004
Prepaid expenses and other current assets	519,762	605,721	85,959	513,629
<b>Noncurrent finance receivables, net</b>	<b>5,694,733</b>	<b>6,172,484</b>	<b>477,751</b>	<b>5,279,168</b>
<b>Investments and other assets :</b>	<b>7,035,404</b>	<b>7,069,708</b>	<b>34,304</b>	<b>6,238,311</b>
Marketable securities and other securities investments	3,829,852	3,758,916	(70,936)	3,406,173
Affiliated companies	2,058,177	2,156,126	97,949	1,902,341
Employees receivables	96,742	85,091	(11,651)	93,779
Other	1,050,633	1,069,575	18,942	836,018
<b>Property, plant and equipment :</b>	<b>8,060,519</b>	<b>8,224,139</b>	<b>163,620</b>	<b>7,627,789</b>
Land	1,233,137	1,247,902	14,765	1,231,978
Buildings	3,444,764	3,543,960	99,196	3,273,810
Machinery and equipment	9,184,751	9,455,427	270,676	8,678,981
Vehicles and equipment on operating leases	3,309,337	3,422,616	113,279	3,044,190
Construction in progress	349,465	318,425	(31,040)	513,726
Less – Accumulated depreciation	(9,460,935)	(9,764,191)	(303,256)	(9,114,896)
<b>Total assets</b>	<b>32,574,779</b>	<b>33,890,681</b>	<b>1,315,902</b>	<b>30,047,847</b>

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

(Amounts are rounded to the nearest million yen)

	FY2007 (As of March 31, 2007)	FY2008 semi-annual (As of September 30, 2007)	Increase (Decrease)	FY2007 semi-annual (As of September 30, 2006)
<b>Liabilities</b>				
<b>Current liabilities :</b>	<b>11,767,170</b>	<b>12,393,038</b>	<b>625,868</b>	<b>10,424,731</b>
Short-term borrowings	3,497,391	3,838,759	341,368	3,318,463
Current portion of long-term debt	2,368,116	2,868,192	500,076	1,887,088
Accounts payable	2,211,586	2,106,866	(104,720)	2,016,222
Other payables	807,481	721,095	(86,386)	629,345
Accrued expenses	1,668,337	1,681,739	13,402	1,493,048
Income taxes payable	421,196	314,095	(107,101)	332,743
Other current liabilities	793,063	862,292	69,229	747,822
<b>Long-term liabilities :</b>	<b>8,343,273</b>	<b>8,465,277</b>	<b>122,004</b>	<b>8,031,252</b>
Long-term debt	6,263,585	6,309,855	46,270	6,107,553
Accrued pension and severance costs	640,586	624,038	(16,548)	686,393
Deferred income taxes	1,312,400	1,339,185	26,785	1,137,378
Other long-term liabilities	126,702	192,199	65,497	99,928
<b>Total liabilities</b>	<b>20,110,443</b>	<b>20,858,315</b>	<b>747,872</b>	<b>18,455,983</b>
<b>Minority interest in consolidated subsidiaries</b>	<b>628,244</b>	<b>651,105</b>	<b>22,861</b>	<b>597,329</b>
<b>Shareholders' equity</b>				
<b>Common stock</b>	<b>397,050</b>	<b>397,050</b>	<b>–</b>	<b>397,050</b>
<b>Additional paid-in capital</b>	<b>497,593</b>	<b>499,194</b>	<b>1,601</b>	<b>496,808</b>
<b>Retained earnings</b>	<b>11,764,713</b>	<b>12,483,267</b>	<b>718,554</b>	<b>11,058,708</b>
<b>Accumulated other comprehensive income</b>	<b>701,390</b>	<b>624,677</b>	<b>(76,713)</b>	<b>431,973</b>
<b>Treasury stock, at cost</b>	<b>(1,524,654)</b>	<b>(1,622,927)</b>	<b>(98,273)</b>	<b>(1,390,004)</b>
<b>Total shareholders' equity</b>	<b>11,836,092</b>	<b>12,381,261</b>	<b>545,169</b>	<b>10,994,535</b>
<b>Total liabilities and shareholders' equity</b>	<b>32,574,779</b>	<b>33,890,681</b>	<b>1,315,902</b>	<b>30,047,847</b>

# 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) FY2007 semi-annual (April 2006 through September 2006)

(Amounts are rounded to the nearest million yen)

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost	Total shareholders' equity
Balances at March 31, 2006	397,050	495,250	10,459,788	437,316	(1,228,955)	10,560,449
Issuance during the period		1,558				1,558
<b>Comprehensive income:</b>						
Net income			777,216			777,216
Other comprehensive income (loss)						
Foreign currency translation adjustments				43,451		43,451
Unrealized losses on securities, net of reclassification adjustments				(49,080)		(49,080)
Minimum pension liability adjustments				286		286
<b>Total comprehensive income</b>						<b>771,873</b>
Dividends paid			(178,296)			(178,296)
Purchase and reissuance of common stock					(161,049)	(161,049)
Balances at September 30, 2006	397,050	496,808	11,058,708	431,973	(1,390,004)	10,994,535

(2) FY2008 semi-annual (April 2007 through September 2007)

(Amounts are rounded to the nearest million yen)

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income	Treasury stock, at cost	Total shareholders' equity
Balances at March 31, 2007	397,050	497,593	11,764,713	701,390	(1,524,654)	11,836,092
Issuance during the period		1,601				1,601
<b>Comprehensive income:</b>						
Net income			942,410			942,410
Other comprehensive income (loss)						
Foreign currency translation adjustments				24,563		24,563
Unrealized losses on securities, net of reclassification adjustments				(97,664)		(97,664)
Pension liability adjustments				(3,612)		(3,612)
<b>Total comprehensive income</b>						<b>865,697</b>
Dividends paid			(223,856)			(223,856)
Purchase and reissuance of common stock					(98,273)	(98,273)
Balances at September 30, 2007	397,050	499,194	12,483,267	624,677	(1,622,927)	12,381,261

# CONSOLIDATED STATEMENTS OF CASH FLOWS

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

(Amounts are rounded to the nearest million yen)

	FY2007 semi-annual (April 2006 through September 2006)	FY2008 semi-annual (April 2007 through September 2007)	FY2007 (April 2006 through March 2007)
<b>Cash flows from operating activities :</b>			
Net income	777,216	942,410	1,644,032
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation	655,959	754,314	1,382,594
Provision for doubtful accounts and credit losses	1,773	41,690	71,862
Pension and severance costs, less payments	(10,540)	(16,826)	(32,054)
Loss on disposal of fixed assets	19,007	23,864	50,472
Unrealized losses on available-for-sale securities, net	1,502	5,696	4,614
Deferred income taxes	47,701	69,262	132,308
Minority interest in consolidated subsidiaries	21,987	41,039	49,687
Equity in earnings of affiliated companies	(89,491)	(145,104)	(209,515)
Changes in operating assets and liabilities and other	145,879	(39,895)	144,173
<b>Net cash provided by operating activities</b>	<b>1,570,993</b>	<b>1,676,450</b>	<b>3,238,173</b>
<b>Cash flows from investing activities :</b>			
Additions to finance receivables	(3,314,835)	(5,096,374)	(7,343,474)
Collection of and proceeds from sales of finance receivables	2,782,273	4,384,140	6,236,582
Additions to fixed assets excluding equipment leased to others	(708,363)	(687,568)	(1,425,814)
Additions to equipment leased to others	(764,888)	(736,051)	(1,410,003)
Proceeds from sales of fixed assets excluding equipment leased to others	33,066	27,359	64,421
Proceeds from sales of equipment leased to others	217,215	197,656	359,923
Purchases of marketable securities and security investments	(373,788)	(666,807)	(1,068,205)
Proceeds from sales of and maturity of marketable securities and security investments	437,963	445,226	825,171
Payment for additional investments in affiliated companies, net of cash acquired	(1,481)	–	(1,651)
Changes in investments and other assets and other	(28,336)	(28,398)	(51,328)
<b>Net cash used in investing activities</b>	<b>(1,721,174)</b>	<b>(2,160,817)</b>	<b>(3,814,378)</b>
<b>Cash flows from financing activities :</b>			
Purchase of common stock	(160,987)	(98,252)	(295,699)
Proceeds from issuance of long-term debt	1,435,422	1,612,953	2,890,000
Payments of long-term debt	(857,903)	(1,048,897)	(1,726,823)
Increase in short-term borrowings	232,634	353,206	353,397
Dividends paid	(178,296)	(223,856)	(339,107)
<b>Net cash provided by financing activities</b>	<b>470,870</b>	<b>595,154</b>	<b>881,768</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>16,305</b>	<b>463</b>	<b>25,429</b>
<b>Net increase in cash and cash equivalents</b>	<b>336,994</b>	<b>111,250</b>	<b>330,992</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1,569,387</b>	<b>1,900,379</b>	<b>1,569,387</b>
<b>Cash and cash equivalents at end of period</b>	<b>1,906,381</b>	<b>2,011,629</b>	<b>1,900,379</b>

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 and carry minimal risk of change in value.

# 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

(1) FY2007 semi-annual (April 2006 through September 2006)

(Amounts are rounded to the nearest million yen)

	Automotive	Financial Services	All Other	Intersegment Elimination and/or Unallocated Amount	Consolidated
Net revenues :					
(1) Sales to external customers	10,477,115	588,711	406,063	–	11,471,889
(2) Intersegment sales and transfers	7,135	10,758	236,123	(254,016)	–
Total	10,484,250	599,469	642,186	(254,016)	11,471,889
Operating expenses	9,492,133	519,542	621,178	(254,389)	10,378,464
Operating income	992,117	79,927	21,008	373	1,093,425
Depreciation expenses	453,713	188,253	13,993	–	655,959
Capital expenditure	713,706	699,063	21,032	39,450	1,473,251

(2) FY2008 semi-annual (April 2007 through September 2007)

(Amounts are rounded to the nearest million yen)

	Automotive	Financial Services	All Other	Intersegment Elimination and/or Unallocated Amount	Consolidated
Net revenues :					
(1) Sales to external customers	11,931,701	770,550	309,958	–	13,012,209
(2) Intersegment sales and transfers	7,937	14,766	304,017	(326,720)	–
Total	11,939,638	785,316	613,975	(326,720)	13,012,209
Operating expenses	10,758,006	707,508	603,864	(329,333)	11,740,045
Operating income	1,181,632	77,808	10,111	2,613	1,272,164
Depreciation expenses	508,161	232,296	13,857	–	754,314
Capital expenditure	659,602	672,250	26,146	65,621	1,423,619



## 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

(Amounts are rounded to the nearest million yen)

	FY2007 semi-annual (April 2006 through September 2006)	FY2008 semi-annual (April 2007 through September 2007)	Increase (Decrease)
(Non-financial services)			
<b>Net revenues</b>	<b>10,887,916</b>	<b>12,246,417</b>	<b>1,358,501</b>
<b>Costs and expenses :</b>	<b>9,870,553</b>	<b>11,048,605</b>	<b>1,178,052</b>
Cost of revenues	8,825,976	10,010,299	1,184,323
Selling, general and administrative	1,044,577	1,038,306	(6,271)
<b>Operating income</b>	<b>1,017,363</b>	<b>1,197,812</b>	<b>180,449</b>
<b>Other income, net</b>	<b>73,739</b>	<b>91,381</b>	<b>17,642</b>
<b>Income before income taxes, minority interest and equity in earnings of affiliated companies</b>	<b>1,091,102</b>	<b>1,289,193</b>	<b>198,091</b>
<b>Provision for income taxes</b>	<b>429,595</b>	<b>495,579</b>	<b>65,984</b>
<b>Income before minority interest and equity in earnings of affiliated companies</b>	<b>661,507</b>	<b>793,614</b>	<b>132,107</b>
<b>Minority interest in consolidated subsidiaries</b>	<b>(20,969)</b>	<b>(39,468)</b>	<b>(18,499)</b>
<b>Equity in earnings of affiliated companies</b>	<b>80,722</b>	<b>136,990</b>	<b>56,268</b>
<b>Net income</b>	<b>721,260</b>	<b>891,136</b>	<b>169,876</b>
(Financial services)			
<b>Net revenues</b>	<b>599,469</b>	<b>785,316</b>	<b>185,847</b>
<b>Costs and expenses :</b>	<b>519,542</b>	<b>707,508</b>	<b>187,966</b>
Cost of revenues	399,363	558,761	159,398
Selling, general and administrative	120,179	148,747	28,568
<b>Operating income</b>	<b>79,927</b>	<b>77,808</b>	<b>(2,119)</b>
<b>Other expense, net</b>	<b>(4,853)</b>	<b>(4,719)</b>	<b>134</b>
<b>Income before income taxes, minority interest and equity in earnings of affiliated companies</b>	<b>75,074</b>	<b>73,089</b>	<b>(1,985)</b>
<b>Provision for income taxes</b>	<b>26,844</b>	<b>28,355</b>	<b>1,511</b>
<b>Income before minority interest and equity in earnings of affiliated companies</b>	<b>48,230</b>	<b>44,734</b>	<b>(3,496)</b>
<b>Minority interest in consolidated subsidiaries</b>	<b>(1,018)</b>	<b>(1,571)</b>	<b>(553)</b>
<b>Equity in earnings of affiliated companies</b>	<b>8,769</b>	<b>8,114</b>	<b>(655)</b>
<b>Net income</b>	<b>55,981</b>	<b>51,277</b>	<b>(4,704)</b>
(Elimination)			
<b>Elimination of net income</b>	<b>(25)</b>	<b>(3)</b>	<b>22</b>
(Consolidated)			
<b>Net income</b>	<b>777,216</b>	<b>942,410</b>	<b>165,194</b>

(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

(Amounts are rounded to the nearest million yen)

	FY2007 (As of March 31, 2007)	FY2008 semi-annual (As of September 30, 2007)	Increase (Decrease)
<b>Assets</b>			
(Non-financial services)			
<b>Current assets :</b>	<b>7,614,395</b>	<b>7,865,995</b>	<b>251,600</b>
Cash and cash equivalents	1,714,722	1,720,645	5,923
Marketable securities	433,434	538,217	104,783
Trade accounts and notes receivable, less allowance for doubtful accounts	2,044,729	1,937,483	(107,246)
Inventories	1,803,956	1,917,129	113,173
Prepaid expenses and other current assets	1,617,554	1,752,521	134,967
<b>Investments and other assets</b>	<b>6,464,204</b>	<b>6,470,139</b>	<b>5,935</b>
<b>Property, plant and equipment</b>	<b>5,689,383</b>	<b>5,778,291</b>	<b>88,908</b>
<b>Total</b>	<b>19,767,982</b>	<b>20,114,425</b>	<b>346,443</b>
(Financial services)			
<b>Current assets :</b>	<b>4,966,089</b>	<b>5,386,032</b>	<b>419,943</b>
Cash and cash equivalents	185,657	290,984	105,327
Marketable securities	2,029	7,938	5,909
Finance receivables, net	4,036,363	4,242,137	205,774
Prepaid expenses and other current assets	742,040	844,973	102,933
<b>Noncurrent finance receivables, net</b>	<b>5,694,733</b>	<b>6,172,484</b>	<b>477,751</b>
<b>Investments and other assets</b>	<b>703,476</b>	<b>732,071</b>	<b>28,595</b>
<b>Property, plant and equipment</b>	<b>2,371,136</b>	<b>2,445,848</b>	<b>74,712</b>
<b>Total</b>	<b>13,735,434</b>	<b>14,736,435</b>	<b>1,001,001</b>
(Elimination)			
<b>Elimination of assets</b>	<b>(928,637)</b>	<b>(960,179)</b>	<b>(31,542)</b>
(Consolidated)			
<b>Total assets</b>	<b>32,574,779</b>	<b>33,890,681</b>	<b>1,315,902</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 the United States of America)

(Amounts are rounded to the nearest million yen)

	FY2007 (As of March 31, 2007)	FY2008 semi-annual (As of September 30, 2007)	Increase (Decrease)
<b>Liabilities</b> (Non-financial services)			
<b>Current liabilities :</b>	<b>6,390,381</b>	<b>6,298,844</b>	<b>(91,537)</b>
Short-term borrowings	726,822	800,191	73,369
Current portion of long-term debt	249,750	335,985	86,235
Accounts payable	2,212,598	2,107,100	(105,498)
Accrued expenses	1,537,918	1,519,814	(18,104)
Income taxes payable	404,388	307,809	(96,579)
Other current liabilities	1,258,905	1,227,945	(30,960)
<b>Long-term liabilities :</b>	<b>2,150,596</b>	<b>2,062,436</b>	<b>(88,160)</b>
Long-term debt	537,887	420,478	(117,409)
Accrued pension and severance costs	636,221	619,272	(16,949)
Other long-term liabilities	976,488	1,022,686	46,198
<b>Total</b>	<b>8,540,977</b>	<b>8,361,280</b>	<b>(179,697)</b>
(Financial services)			
<b>Current liabilities :</b>	<b>6,179,737</b>	<b>6,930,985</b>	<b>751,248</b>
Short-term borrowings	3,404,713	3,689,453	284,740
Current portion of long-term debt	2,189,367	2,580,708	391,341
Accounts payable	16,286	19,457	3,171
Accrued expenses	135,106	166,347	31,241
Income taxes payable	16,808	6,286	(10,522)
Other current liabilities	417,457	468,734	51,277
<b>Long-term liabilities :</b>	<b>6,318,861</b>	<b>6,526,719</b>	<b>207,858</b>
Long-term debt	5,851,882	6,013,255	161,373
Accrued pension and severance costs	4,365	4,766	401
Other long-term liabilities	462,614	508,698	46,084
<b>Total</b>	<b>12,498,598</b>	<b>13,457,704</b>	<b>959,106</b>
(Elimination)			
<b>Elimination of liabilities</b> (Consolidated)	<b>(929,132)</b>	<b>(960,669)</b>	<b>(31,537)</b>
<b>Total liabilities</b>	<b>20,110,443</b>	<b>20,858,315</b>	<b>747,872</b>
(Consolidated)			
<b>Minority interest in consolidated subsidiaries</b>	<b>628,244</b>	<b>651,105</b>	<b>22,861</b>
<b>Shareholders' equity</b> (Consolidated)			
<b>Common stock</b>	<b>397,050</b>	<b>397,050</b>	<b>–</b>
<b>Additional paid-in capital</b>	<b>497,593</b>	<b>499,194</b>	<b>1,601</b>
<b>Retained earnings</b>	<b>11,764,713</b>	<b>12,483,267</b>	<b>718,554</b>
<b>Accumulated other comprehensive income</b>	<b>701,390</b>	<b>624,677</b>	<b>(76,713)</b>
<b>Treasury stock, at cost</b>	<b>(1,524,654)</b>	<b>(1,622,927)</b>	<b>(98,273)</b>
<b>Total shareholders' equity</b>	<b>11,836,092</b>	<b>12,381,261</b>	<b>545,169</b>
(Consolidated)			
<b>Total liabilities and shareholders' equity</b>	<b>32,574,779</b>	<b>33,890,681</b>	<b>1,315,902</b>

(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

(Amounts are rounded to the nearest million yen)

	FY2007 semi-annual (April 2006 through September 2006)	FY2008 semi-annual (April 2007 through September 2007)
(Non-financial services)		
<b>Cash flows from operating activities :</b>		
Net income	721,260	891,136
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	467,706	522,018
Pension and severance costs, less payments	(11,975)	(17,153)
Loss on disposal of fixed assets	17,990	23,551
Unrealized losses on available-for-sale securities, net	1,502	5,696
Deferred income taxes	11,552	54,881
Minority interest in consolidated subsidiaries	20,969	39,468
Equity in earnings of affiliated companies	(80,722)	(136,990)
Changes in operating assets and liabilities and other	64,182	(166,210)
Net cash provided by operating activities	1,212,464	1,216,397
<b>Cash flows from investing activities :</b>		
Additions to fixed assets excluding equipment leased to others	(703,926)	(683,627)
Additions to equipment leased to others	(70,262)	(67,742)
Proceeds from sales of fixed assets excluding equipment leased to others	29,641	23,578
Proceeds from sales of equipment leased to others	52,178	36,608
Purchases of marketable securities and security investments	(338,326)	(558,255)
Proceeds from sales of and maturity of marketable securities and security investments	406,282	356,419
Payment for additional investments in affiliated companies, net of cash acquired	(1,481)	-
Changes in investments and other assets and other	(64,212)	(31,824)
Net cash used in investing activities	(690,106)	(924,843)
<b>Cash flows from financing activities :</b>		
Purchase of common stock	(160,987)	(98,252)
Proceeds from issuance of long-term debt	7,369	6,157
Payments of long-term debt	(38,025)	(45,421)
Increase in short-term borrowings	40,035	68,707
Dividends paid	(178,296)	(223,856)
Net cash used in financing activities	(329,904)	(292,665)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>11,602</b>	<b>7,034</b>
<b>Net increase in cash and cash equivalents</b>	<b>204,056</b>	<b>5,923</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1,418,022</b>	<b>1,714,722</b>
<b>Cash and cash equivalents at end of period</b>	<b>1,622,078</b>	<b>1,720,645</b>

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

(Amounts are rounded to the nearest million yen)

	FY2007 semi-annual (April 2006 through September 2006)	FY2008 semi-annual (April 2007 through September 2007)
(Financial services)		
<b>Cash flows from operating activities :</b>		
Net income	55,981	51,277
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	188,253	232,296
Deferred income taxes	36,166	14,382
Minority interest in consolidated subsidiaries	1,018	1,571
Equity in earnings of affiliated companies	(8,769)	(8,114)
Changes in operating assets and liabilities and other	8,423	115,841
Net cash provided by operating activities	281,072	407,253
<b>Cash flows from investing activities :</b>		
Additions to finance receivables	(6,415,457)	(8,352,539)
Collection of and proceeds from sales of finance receivables	5,963,923	7,704,089
Additions to fixed assets excluding equipment leased to others	(4,437)	(3,941)
Additions to equipment leased to others	(694,626)	(668,309)
Proceeds from sales of fixed assets excluding equipment leased to others	3,425	3,781
Proceeds from sales of equipment leased to others	165,037	161,048
Purchases of marketable securities and security investments	(35,462)	(108,552)
Proceeds from sales of and maturity of marketable securities and security investments	31,681	88,807
Changes in investments and other assets and other	7,145	1,344
Net cash used in investing activities	(978,771)	(1,174,272)
<b>Cash flows from financing activities :</b>		
Proceeds from issuance of long-term debt	1,428,183	1,614,045
Payments of long-term debt	(827,008)	(1,035,526)
Increase in short-term borrowings	234,247	300,398
Net cash provided by financing activities	835,422	878,917
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>4,703</b>	<b>(6,571)</b>
<b>Net increase in cash and cash equivalents</b>	<b>142,426</b>	<b>105,327</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>151,365</b>	<b>185,657</b>
<b>Cash and cash equivalents at end of period</b>	<b>293,791</b>	<b>290,984</b>

(Consolidated)		
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>16,305</b>	<b>463</b>
<b>Net increase in cash and cash equivalents</b>	<b>336,994</b>	<b>111,250</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1,569,387</b>	<b>1,900,379</b>
<b>Cash and cash equivalents at end of period</b>	<b>1,906,381</b>	<b>2,011,629</b>

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 and carry minimal risk of change in value.

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

### 3. Geographic Information

(1) FY2007 semi-annual (April 2006 through September 2006)

(Amounts are rounded to the nearest million yen)

	Japan	North America	Europe	Asia	Other	Intersegment Elimination	Consolidated
Net revenues :							
(1) Sales to external customers	3,837,248	4,241,265	1,605,637	915,286	872,453	–	11,471,889
(2) Intersegment sales and transfers	3,173,016	103,321	77,026	109,438	96,061	(3,558,862)	–
Total	7,010,264	4,344,586	1,682,663	1,024,724	968,514	(3,558,862)	11,471,889
Operating expenses	6,325,868	4,094,070	1,616,637	963,418	932,441	(3,553,970)	10,378,464
Operating income	684,396	250,516	66,026	61,306	36,073	(4,892)	1,093,425

(2) FY2008 semi-annual (April 2007 through September 2007)

(Amounts are rounded to the nearest million yen)

	Japan	North America	Europe	Asia	Other	Intersegment Elimination	Consolidated
Net revenues :							
(1) Sales to external customers	3,909,716	4,816,838	1,949,511	1,339,203	996,941	–	13,012,209
(2) Intersegment sales and transfers	3,407,116	93,076	71,133	166,112	131,940	(3,869,377)	–
Total	7,316,832	4,909,914	2,020,644	1,505,315	1,128,881	(3,869,377)	13,012,209
Operating expenses	6,543,467	4,655,813	1,952,338	1,388,559	1,057,175	(3,857,307)	11,740,045
Operating income	773,365	254,101	68,306	116,756	71,706	(12,070)	1,272,164

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

#### 4. Overseas Sales

(1) FY2007 semi-annual (April 2006 through September 2006)

(Amounts are rounded to the nearest million yen)

	North America	Europe	Asia	Other	Total
Overseas sales	4,347,221	1,579,817	1,013,224	1,616,709	8,556,971
Consolidated sales	–	–	–	–	11,471,889
Ratio of overseas sales to consolidated sales	% 37.9	% 13.8	% 8.8	% 14.1	% 74.6

(2) FY2008 semi-annual (April 2007 through September 2007)

(Amounts are rounded to the nearest million yen)

	North America	Europe	Asia	Other	Total
Overseas sales	4,997,523	1,900,711	1,449,529	1,759,570	10,107,333
Consolidated sales	–	–	–	–	13,012,209
Ratio of overseas sales to consolidated sales	% 38.4	% 14.6	% 11.2	% 13.5	% 77.7

# 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)

	FY2007 semi-annual (April 2006 through September 2006)	FY2008 semi-annual (April 2007 through September 2007)	Increase (Decrease)	FY2007 (April 2006 through March 2007)
<b>Net sales</b>	<b>5,470,326</b>	<b>5,737,166</b>	<b>266,840</b>	<b>11,571,834</b>
Cost of sales	4,366,940	4,559,138	192,198	9,233,135
<b>Gross profit</b>	<b>1,103,386</b>	<b>1,178,028</b>	<b>74,642</b>	<b>2,338,698</b>
Selling, general and administrative expenses	532,370	568,234	35,864	1,187,776
<b>Operating income</b>	<b>571,015</b>	<b>609,794</b>	<b>38,779</b>	<b>1,150,921</b>
<b>Non-operating income</b>	<b>244,798</b>	<b>290,674</b>	<b>45,876</b>	<b>473,937</b>
Interest income	11,356	29,420	18,064	34,045
Dividend income	169,205	201,845	32,640	311,830
Others	64,235	59,408	(4,827)	128,061
<b>Non-operating expenses</b>	<b>37,535</b>	<b>48,064</b>	<b>10,529</b>	<b>69,665</b>
Interest expenses	5,477	6,018	541	11,159
Others	32,058	42,045	9,987	58,505
<b>Ordinary income</b>	<b>778,277</b>	<b>852,404</b>	<b>74,127</b>	<b>1,555,193</b>
<b>Income before income taxes</b>	<b>778,277</b>	<b>852,404</b>	<b>74,127</b>	<b>1,555,193</b>
Income taxes – current	236,800	226,700	(10,100)	474,600
Income taxes – deferred	15,626	23,756	8,130	20,483
<b>Net income</b>	<b>525,851</b>	<b>601,947</b>	<b>76,096</b>	<b>1,060,109</b>



# 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)

	FY2007 (As of March 31, 2007)	FY2008 semi-annual (As of September 30, 2007)	Increase (Decrease)	FY2007 semi-annual (As of September 30, 2006)
<b>Assets</b>				
<b>Current assets</b>	<b>4,116,670</b>	<b>4,025,106</b>	<b>(91,564)</b>	<b>3,767,462</b>
Cash and deposits	182,855	122,912	(59,943)	192,042
Trade accounts receivable	1,254,098	1,098,875	(155,223)	1,084,671
Marketable securities	1,011,348	1,155,823	144,475	880,653
Finished goods	126,793	148,496	21,703	118,929
Raw materials	46,001	44,092	(1,909)	42,114
Work in process	97,592	105,142	7,550	86,902
Supplies	8,113	10,776	2,663	8,753
Short-term loans	541,452	522,233	(19,219)	565,653
Deferred tax assets	292,732	273,178	(19,554)	270,170
Others	568,682	552,275	(16,407)	524,169
Less: allowance for doubtful accounts	(13,000)	(8,700)	4,300	(6,600)
<b>Fixed assets</b>	<b>6,544,498</b>	<b>6,486,347</b>	<b>(58,151)</b>	<b>6,104,622</b>
<b>Property, plant and equipment</b>	<b>1,358,160</b>	<b>1,343,274</b>	<b>(14,886)</b>	<b>1,271,289</b>
Buildings	414,044	412,670	(1,374)	388,447
Structures	41,316	45,145	3,829	39,044
Machinery and equipment	331,032	341,620	10,588	310,897
Vehicle and delivery equipment	21,092	19,575	(1,517)	15,541
Tools, furniture and fixtures	92,957	92,594	(363)	81,137
Land	385,450	389,809	4,359	386,348
Construction in progress	72,266	41,858	(30,408)	49,872
<b>Investments and other assets</b>	<b>5,186,338</b>	<b>5,143,073</b>	<b>(43,265)</b>	<b>4,833,333</b>
Investments in securities	2,595,932	2,562,474	(33,458)	2,299,218
Investments in subsidiaries and affiliates	1,974,239	1,975,992	1,753	1,949,615
Long-term loans	473,766	446,200	(27,566)	466,530
Others	164,099	180,305	16,206	148,469
Less: allowance for doubtful accounts	(21,700)	(21,900)	(200)	(30,500)
<b>Total</b>	<b>10,661,169</b>	<b>10,511,453</b>	<b>(149,716)</b>	<b>9,872,085</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)

	FY2007 (As of March 31, 2007)	FY2008 semi-annual (As of September 30, 2007)	Increase (Decrease)	FY2007 semi-annual (As of September 30, 2006)
<b>Liabilities</b>				
<b>Current liabilities</b>	<b>2,730,572</b>	<b>2,529,078</b>	<b>(201,494)</b>	<b>2,183,988</b>
Trade notes payable	1,227	1,180	(47)	1,170
Trade accounts payable	1,035,441	997,488	(37,953)	944,043
Current portion of bonds	150,000	250,000	100,000	–
Other payables	467,229	348,438	(118,791)	314,537
Income taxes payable	283,960	215,401	(68,559)	222,945
Accrued expenses	549,152	489,803	(59,349)	449,046
Deposits received	224,038	212,599	(11,439)	221,742
Others	19,523	14,166	(5,357)	30,503
<b>Long-term liabilities</b>	<b>779,993</b>	<b>629,633</b>	<b>(150,360)</b>	<b>843,834</b>
Bonds	350,000	250,000	(100,000)	500,000
Allowance for retirement benefits	283,032	280,805	(2,227)	286,799
Deferred tax liabilities	103,593	55,279	(48,314)	31,971
Others	43,367	43,548	181	25,062
<b>Total liabilities</b>	<b>3,510,565</b>	<b>3,158,712</b>	<b>(351,853)</b>	<b>3,027,822</b>
<b>Net assets</b>				
<b>Shareholders' equity</b>	<b>6,593,724</b>	<b>6,873,701</b>	<b>279,977</b>	<b>6,354,788</b>
<b>Common stock</b>	<b>397,049</b>	<b>397,049</b>	<b>–</b>	<b>397,049</b>
<b>Capital surplus</b>	<b>417,378</b>	<b>417,515</b>	<b>137</b>	<b>417,179</b>
Capital reserve	416,970	416,970	–	416,970
Other capital surplus	407	544	137	208
<b>Retained earnings</b>	<b>7,335,143</b>	<b>7,713,235</b>	<b>378,092</b>	<b>6,961,695</b>
Legal reserve	99,454	99,454	–	99,454
Other retained earnings				
Reserve for losses on overseas investments	117	94	(23)	140
Reserve for special depreciation	3,228	2,882	(346)	3,405
Reserve for reduction of acquisition cost of fixed assets	7,554	8,452	898	7,496
General reserve	5,740,926	6,340,926	600,000	5,740,926
Retained earnings carried forward	1,483,862	1,261,425	(222,437)	1,110,271
<b>Less: treasury stock</b>	<b>(1,555,847)</b>	<b>(1,654,099)</b>	<b>(98,252)</b>	<b>(1,421,136)</b>
<b>Valuation and translation adjustments</b>	<b>555,708</b>	<b>476,670</b>	<b>(79,038)</b>	<b>489,182</b>
<b>Net unrealized gains on other securities</b>	<b>554,947</b>	<b>475,833</b>	<b>(79,114)</b>	<b>488,167</b>
<b>Deferred hedge gains or losses</b>	<b>760</b>	<b>837</b>	<b>77</b>	<b>1,014</b>
<b>Stock acquisition rights</b>	<b>1,171</b>	<b>2,369</b>	<b>1,198</b>	<b>292</b>
<b>Total net assets</b>	<b>7,150,603</b>	<b>7,352,741</b>	<b>202,138</b>	<b>6,844,262</b>
<b>Total</b>	<b>10,661,169</b>	<b>10,511,453</b>	<b>(149,716)</b>	<b>9,872,085</b>

# UNCONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

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

FY2007 semi-annual (April 2006 through September 2006)

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

	Shareholders' equity											Treasury stock	Total shareholders' equity
	Common stock	Capital surplus			Legal reserve	Retained earnings					Total retained earnings		
		Capital reserve	Other capital surplus	Total capital surplus		Other retained earnings							
						Reserve for losses on overseas investments	Reserve for special depreciation	Reserve for reduction of acquisition cost of fixed assets	General reserve	Retained earnings carried forward			
<b>Balance as of March 31, 2006</b>	397,049	416,970	-	416,970	99,454	197	3,196	6,586	5,340,926	1,164,506	6,614,868	(1,260,148)	6,168,740
<b>Changes during the current half</b>													
Reversal of reserve for losses on overseas investments						(56)				56			
Appropriation to reserve for special depreciation							830			(830)			
Reversal of reserve for special depreciation							(621)			621			
Appropriation to reserve for reduction of acquisition cost of fixed assets								934		(934)			
Reversal of reserve for reduction of acquisition cost of fixed assets								(24)		24			
Appropriation to general reserve									400,000	(400,000)			
Dividends paid										(178,296)	(178,296)		(178,296)
Bonuses to directors and corporate auditors										(727)	(727)		(727)
Net income										525,851	525,851		525,851
Purchase of treasury stock												(162,744)	(162,744)
Disposal of treasury stock			208	208								1,757	1,965
Net changes of items other than shareholders' equity													
<b>Total changes during the current half</b>	-	-	208	208	-	(56)	209	909	400,000	(54,235)	346,826	(160,987)	186,047
<b>Balance as of September 30, 2006</b>	397,049	416,970	208	417,179	99,454	140	3,405	7,496	5,740,926	1,110,271	6,961,695	(1,421,136)	6,354,788

	Valuation and translation adjustments			Stock acquisition rights	Total net assets
	Net unrealized gains on other securities	Deferred hedge gains or losses	Total valuation and translation adjustments		
<b>Balance as of March 31, 2006</b>	518,155	-	518,155	-	6,686,895
<b>Changes during the current half</b>					
Reversal of reserve for losses on overseas investments					
Appropriation to reserve for special depreciation					
Reversal of reserve for special depreciation					
Appropriation to reserve for reduction of acquisition cost of fixed assets					
Reversal of reserve for reduction of acquisition cost of fixed assets					
Appropriation to general reserve					
Dividends paid					(178,296)
Bonuses to directors and corporate auditors					(727)
Net income					525,851
Purchase of treasury stock					(162,744)
Disposal of treasury stock					1,965
Net changes of items other than shareholders' equity	(29,987)	1,014	(28,973)	292	(28,680)
<b>Total changes during the current half</b>	(29,987)	1,014	(28,973)	292	157,367
<b>Balance as of September 30, 2006</b>	488,167	1,014	489,182	292	6,844,262

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

FY2008 semi-annual (April 2007 through September 2007)

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

	Shareholders' equity												
	Common stock	Capital surplus			Legal reserve	Retained earnings						Treasury stock	Total shareholders' equity
		Capital reserve	Other capital surplus	Total capital surplus		Other retained earnings					Total retained earnings		
						Reserve for losses on overseas investments	Reserve for special depreciation	Reserve for reduction of acquisition cost of fixed assets	General reserve	Retained earnings carried forward			
<b>Balance as of March 31, 2007</b>	397,049	416,970	407	417,378	99,454	117	3,228	7,554	5,740,926	1,483,862	7,335,143	(1,555,847)	6,593,724
<b>Changes during the current half</b>													
Reversal of reserve for losses on overseas investments						(23)				23			
Appropriation to reserve for special depreciation							292			(292)			
Reversal of reserve for special depreciation							(638)			638			
Appropriation to reserve for reduction of acquisition cost of fixed assets								913		(913)			
Reversal of reserve for reduction of acquisition cost of fixed assets								(15)		15			
Appropriation to general reserve									600,000	(600,000)			
Dividends paid										(223,855)	(223,855)		(223,855)
Net income										601,947	601,947		601,947
Purchase of treasury stock												(99,847)	(99,847)
Disposal of treasury stock			137	137								1,595	1,732
Net changes of items other than shareholders' equity													
<b>Total changes during the current half</b>	-	-	137	137	-	(23)	(346)	898	600,000	(222,437)	378,092	(98,252)	279,977
<b>Balance as of September 30, 2007</b>	397,049	416,970	544	417,515	99,454	94	2,882	8,452	6,340,926	1,261,425	7,713,235	(1,654,099)	6,873,701

	Valuation and translation adjustments			Stock acquisition rights	Total net assets
	Net unrealized gains on other securities	Deferred hedge gains or losses	Total valuation and translation adjustments		
<b>Balance as of March 31, 2007</b>	554,947	760	555,708	1,171	7,150,603
<b>Changes during the current half</b>					
Reversal of reserve for losses on overseas investments					
Appropriation to reserve for special depreciation					
Reversal of reserve for special depreciation					
Appropriation to reserve for reduction of acquisition cost of fixed assets					
Reversal of reserve for reduction of acquisition cost of fixed assets					
Appropriation to general reserve					
Dividends paid					(223,855)
Net income					601,947
Purchase of treasury stock					(99,847)
Disposal of treasury stock					1,732
Net changes of items other than shareholders' equity	(79,114)	77	(79,038)	1,198	(77,839)
<b>Total changes during the current half</b>	(79,114)	77	(79,038)	1,198	202,138
<b>Balance as of September 30, 2007</b>	475,833	837	476,670	2,369	7,352,741