

# FY2017 Second Quarter Financial Results



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**Toyota Motor Corporation**  
**November 8, 2016**

## 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, but are not limited to: (i) changes in economic conditions, market demand, and the competitive environment affecting the automotive markets in Japan, North America, Europe, Asia 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 Russian ruble, the Canadian dollar and the British pound, and interest rates fluctuations; (iii) changes in funding environment in financial markets and increased competition in the financial services industry; (iv) Toyota's ability to market and distribute effectively; (v) Toyota's ability to realize production efficiencies and to implement capital expenditures at the levels and times planned by management; (vi) 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 vehicle safety including remedial measures such as recalls, trade, environmental protection, vehicle emissions and vehicle fuel economy, as well as changes in laws, regulations and government policies that affect Toyota's other operations, including the outcome of current and future litigation and other legal proceedings, government proceedings and investigations; (vii) political and economic instability in the markets in which Toyota operates; (viii) Toyota's ability to timely develop and achieve market acceptance of new products that meet customer demand; (ix) any damage to Toyota's brand image; (x) Toyota's reliance on various suppliers for the provision of supplies; (xi) increases in prices of raw materials; (xii) Toyota's reliance on various digital and information technologies; (xiii) fuel shortages or interruptions in electricity, 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; and (xiv) the impact of natural calamities including the negative effect on Toyota's vehicle production and sales.

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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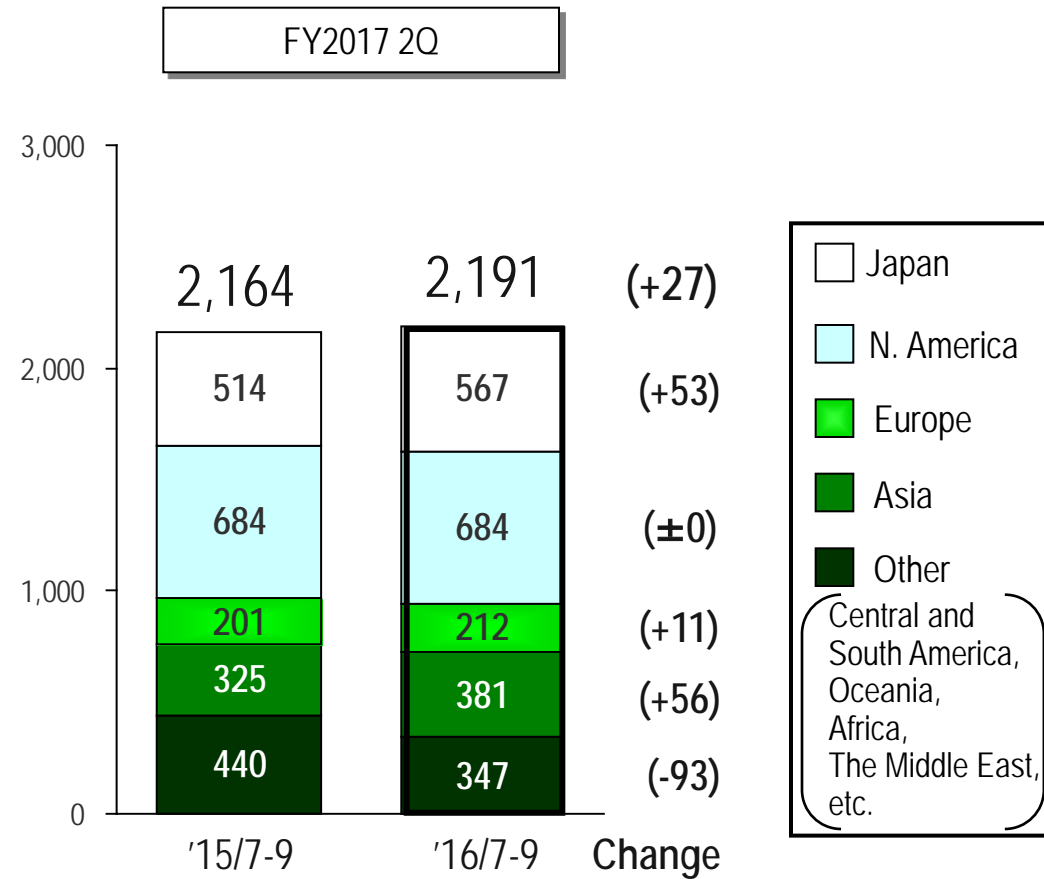
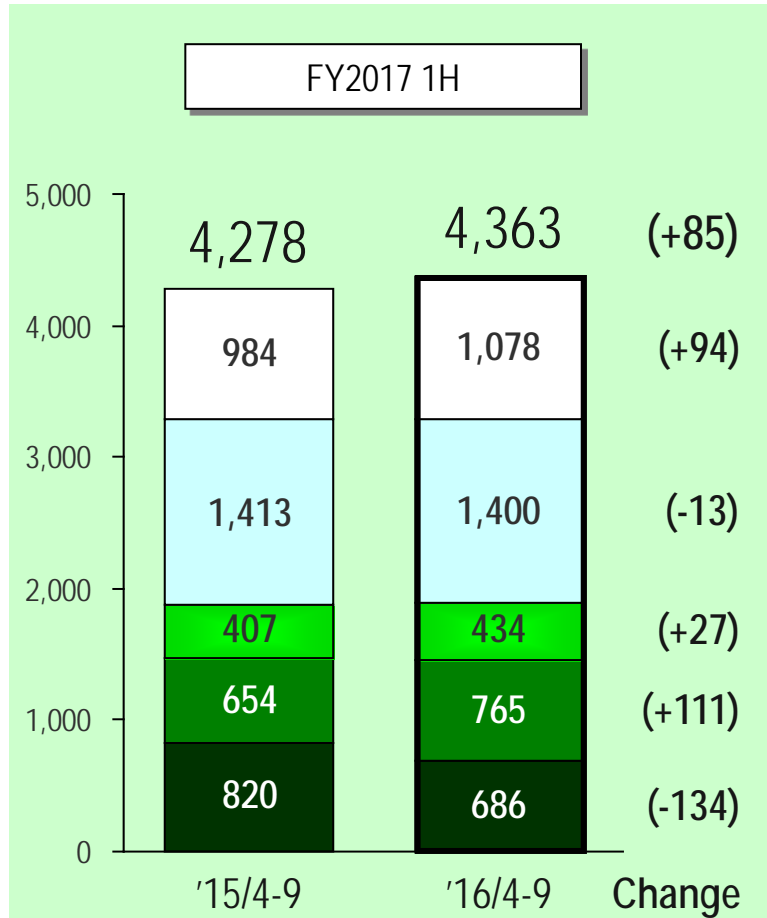
# FY2017 Second Quarter Financial Results

FY2017 Second Quarter Financial Performance  
(FY2017 First Half)

FY2017 Financial Forecasts

# Consolidated Vehicle Sales

(thousands of vehicles)



- Japan
- N. America
- Europe
- Asia
- Other  
 (Central and South America, Oceania, Africa, The Middle East, etc.)

Total retail vehicle sales in thousands

4,979	5,067	+88
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2,477	2,538	+61
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# Consolidated Financial Summary (FY2017 First Half)

(billions of yen)

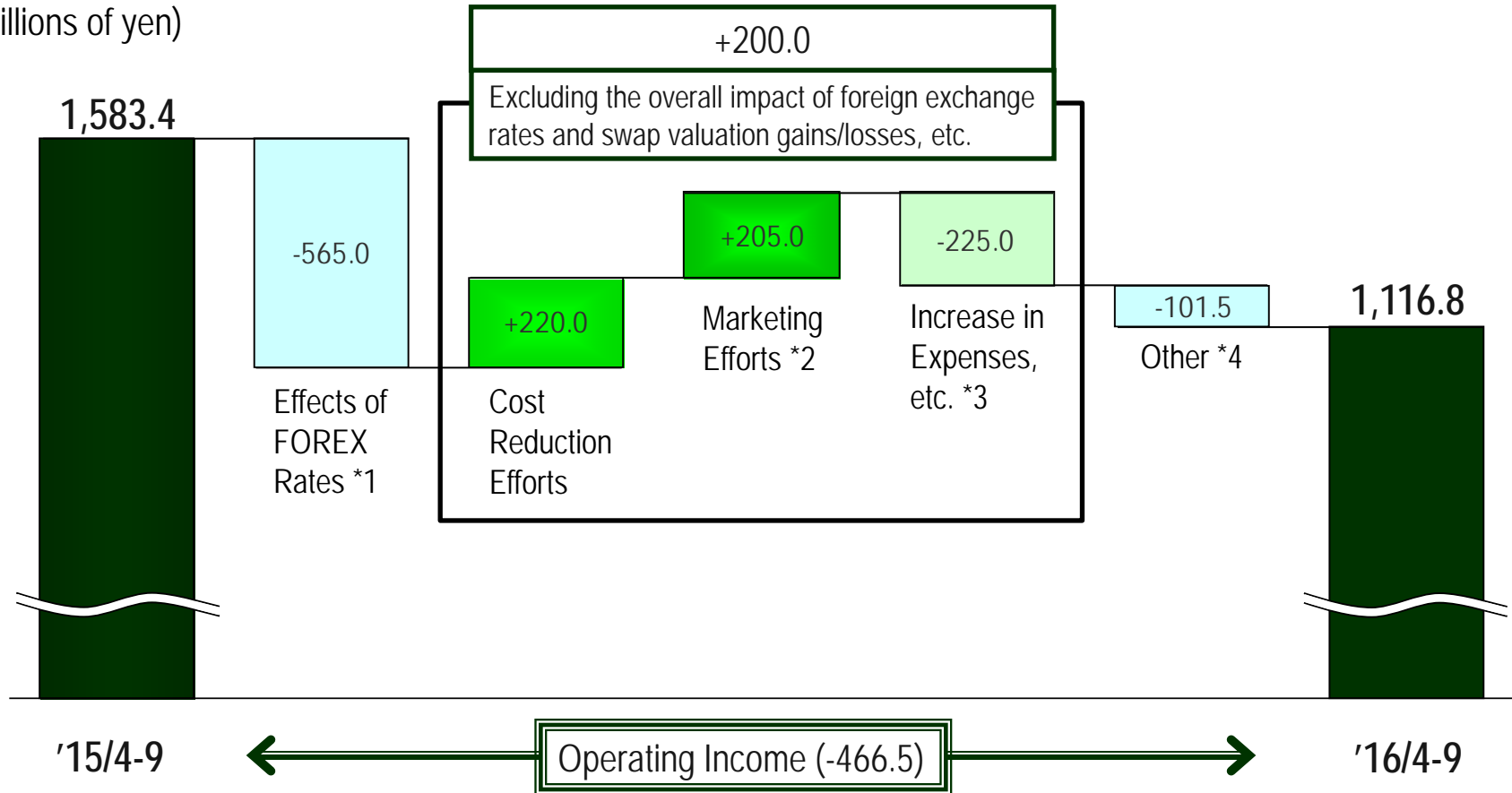
	FY2017 1H ( <sup>16</sup> /4-9)	FY2016 1H ( <sup>15</sup> /4-9)	Change	
<b>Net Revenues</b>	13,070.5	14,091.4	-1,020.9	-7.2%
<b>Operating Income</b>	1,116.8	1,583.4	-466.5	-29.5%
Operating margin	8.5%	11.2%	-	-
Income before income taxes and equity in earnings of affiliated companies	1,176.5	1,675.1	-498.6	-29.8%
<b>Net Income<sup>*1</sup></b>	946.1	1,258.1	-311.9	-24.8%
Net margin <sup>*1</sup>	7.2%	8.9%	-	-
Net income per share <sup>*2</sup> (diluted)	307.84 yen	397.75 yen	-89.91 yen	-
FOREX Rates	US\$ 105 yen	122 yen	-17 yen	-
	€ 118 yen	135 yen	-17 yen	-

\*1 Net Income attributable to Toyota Motor Corporation

\*2 Net Income attributable to common shareholders

# Analysis of Consolidated Operating Income (FY2017 First Half)

(billions of yen)



**\*1. Details by currency**

US\$	-320.0
€	-40.0
Other	-205.0

**\*2. Details**

Volume, Model Mix	+155.0
Financial Services	-20.0
Other	+70.0

**\*3. Details**

Labor Costs	-50.0	R&D Expenses	-5.0
Depreciation and CAPEX-related Expenses	-30.0	Expenses, etc.	-140.0

**\*4. Details**

Translational FOREX impact concerning overseas subsidiaries	-120.0
Valuation Gains/Losses from Swaps, etc.	+18.5

# Consolidated Financial Summary (FY2017 Second Quarter)

(billions of yen)

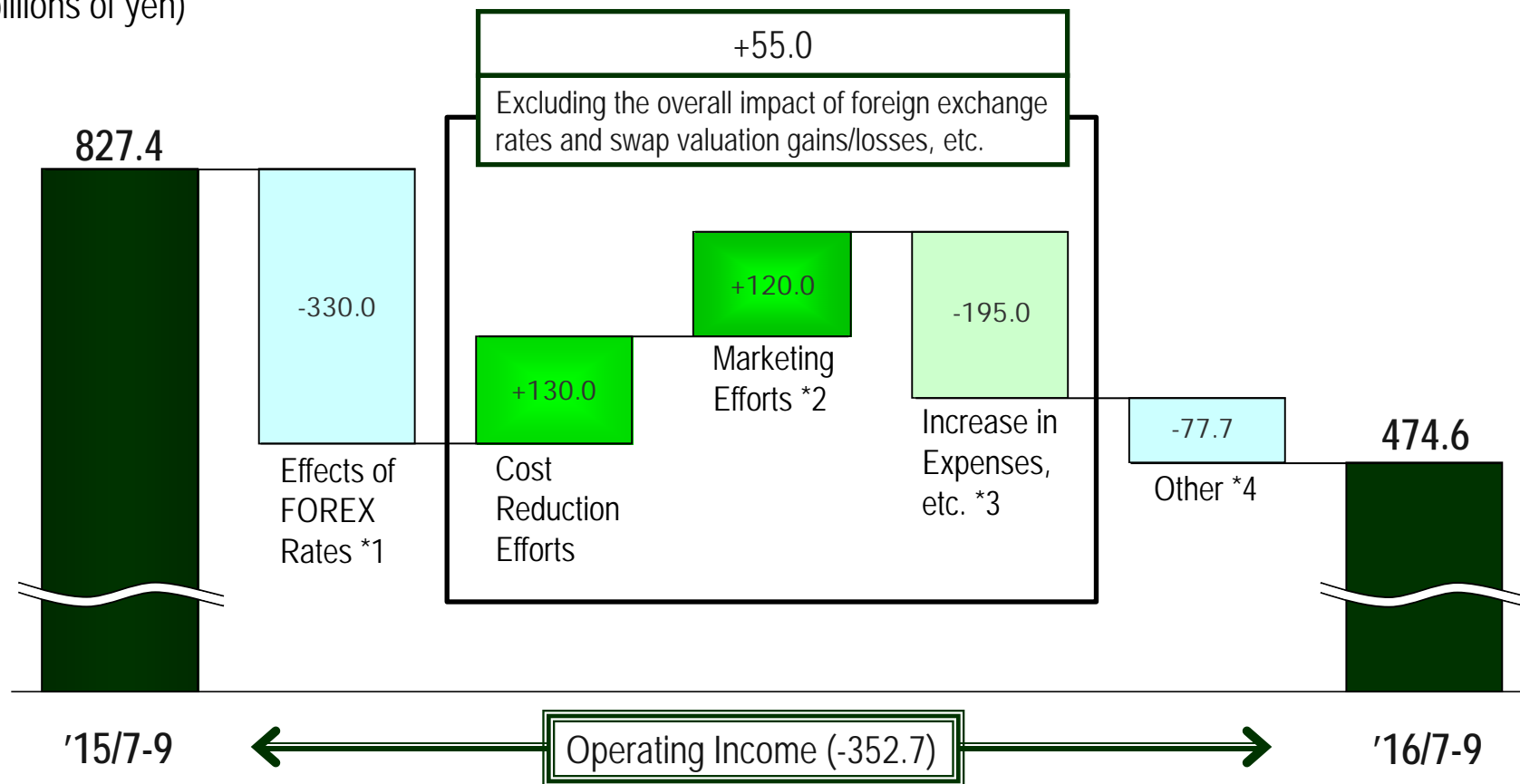
	FY2017 2Q ( <sup>'16/7-9</sup> )	FY2016 2Q ( <sup>'15/7-9</sup> )	Change	
<b>Net Revenues</b>	6,481.4	7,103.8	-622.4	-8.8%
<b>Operating Income</b>	474.6	827.4	-352.7	-42.6%
Operating margin	7.3%	11.6%	-	-
Income before income taxes and equity in earnings of affiliated companies	499.4	829.8	-330.4	-39.8%
<b>Net Income<sup>*1</sup></b>	393.7	611.7	-218.0	-35.6%
Net margin <sup>*1</sup>	6.1%	8.6%	-	-
Net income per share <sup>*2</sup> (diluted)	128.54 yen	192.51 yen	-63.97 yen	-
FOREX Rates	US\$ 102 yen	122 yen	-20 yen	-
	€ 114 yen	136 yen	-22 yen	-

\*1 Net Income attributable to Toyota Motor Corporation

\*2 Net Income attributable to common shareholders

# Analysis of Consolidated Operating Income (FY2017 Second Quarter)

(billions of yen)



**\*1. Details by currency**

US\$	-195.0
€	-25.0
Other	-110.0

**\*2. Details**

Volume, Model Mix	+85.0
Financial Services	-15.0
Other	+50.0

**\*3. Details**

Labor Costs	-20.0	R&D Expenses	+5.0
Depreciation and CAPEX-related Expenses	-10.0	Expenses, etc.	-170.0

**\*4. Details**

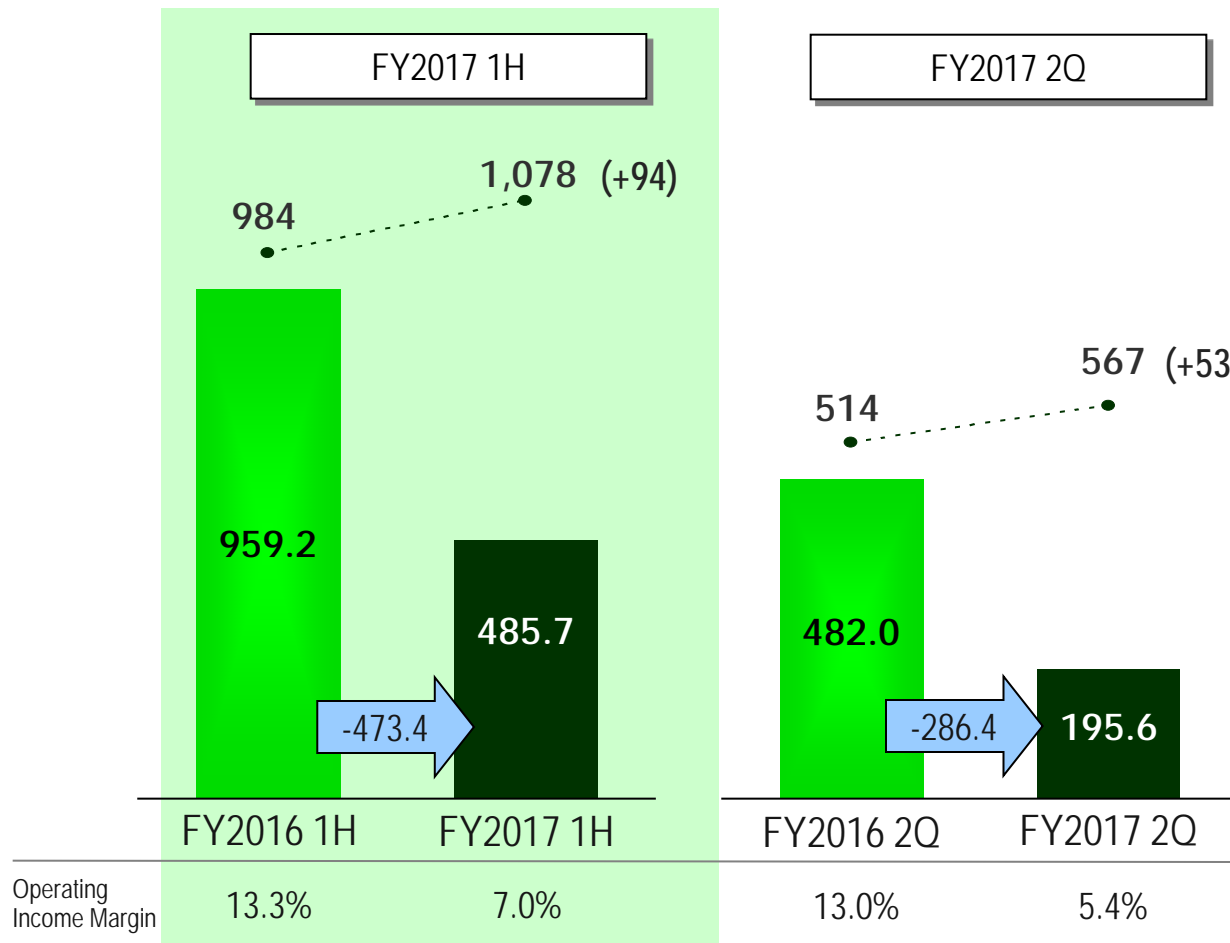
Translational FOREX impact concerning overseas subsidiaries	-60.0
Valuation Gains/Losses from Swaps, etc.	-17.7

# Geographic Operating Income : Japan

- Operating Income (billions of yen) \*
- Consolidated Vehicle Sales (thousands of vehicles)
- \* Excluding Valuation Gains/Losses from Interest Rate Swaps, etc.

**FY2017 1H Operating Income\***  
**485.7 billion yen**  
 (-473.4 billion yen year on year)

Declined due to the effect of FOREX rates and an increase in expenses, despite vehicle sales growth and cost reduction efforts.



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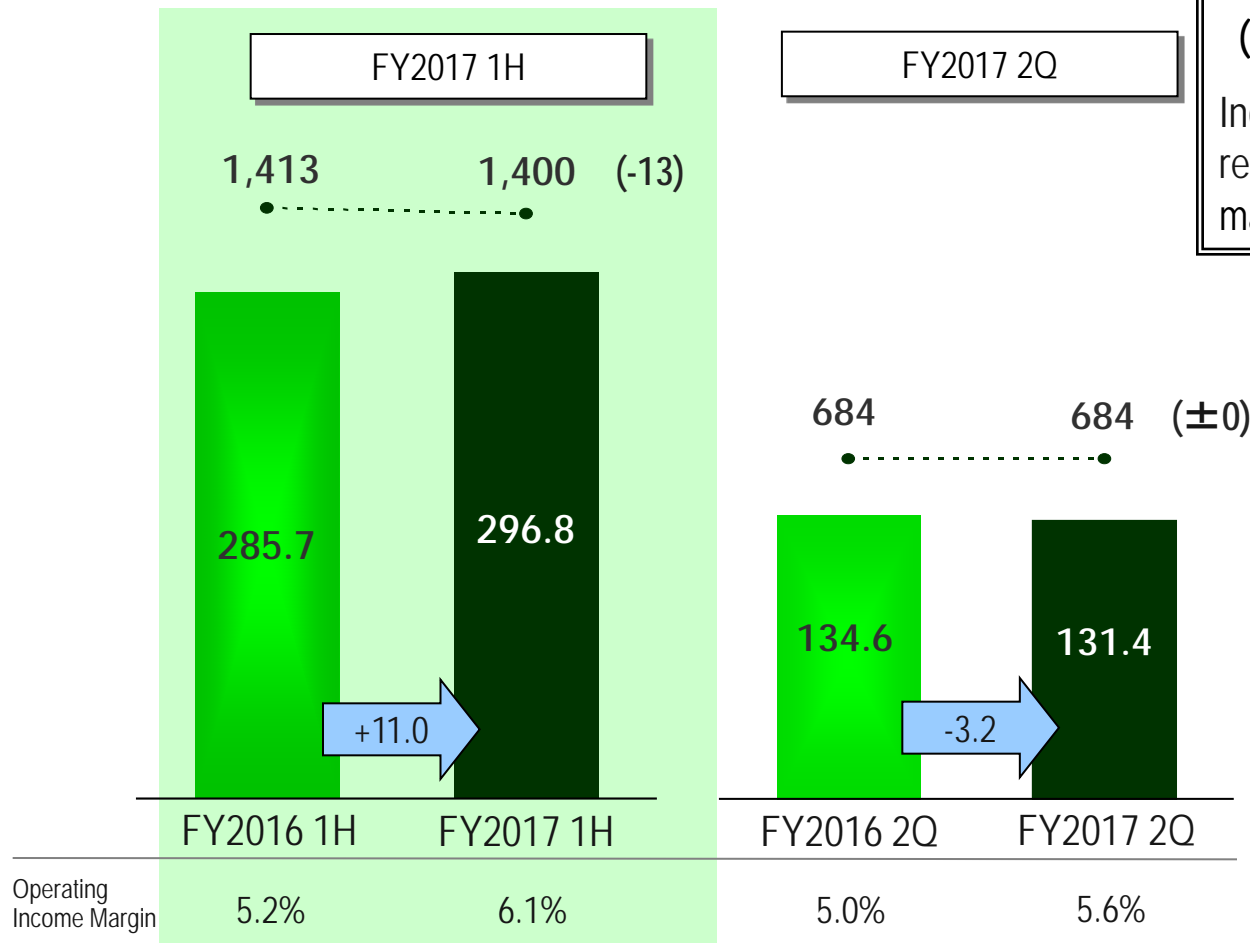
Operating Income Margin	FY2016 1H	FY2017 1H	FY2016 2Q	FY2017 2Q
	13.3%	7.0%	13.0%	5.4%
Operating Income including Valuation Gains/Losses from Interest Rate Swaps, etc. (billions of yen)	958.2	484.7	482.3	194.3

# Geographic Operating Income : North America

- Operating Income (billions of yen) \*
- Consolidated Vehicle Sales (thousands of vehicles)
- \* Excluding Valuation Gains/Losses from Interest Rate Swaps, etc.

**FY2017 1H Operating Income\***  
**296.8 billion yen**  
 (+11.0 billion yen year on year)

Increased mainly as a result of cost reduction efforts, despite increased marketing expenses.



	FY2016 1H	FY2017 1H	FY2016 2Q	FY2017 2Q
Operating Income including Valuation Gains/Losses from Interest Rate Swaps, etc. (billions of yen)	275.3	311.2	148.5	139.8

# Geographic Operating Income : Europe

- Operating Income (billions of yen) \*
- Consolidated Vehicle Sales (thousands of vehicles)
- \* Excluding Valuation Gains/Losses from Interest Rate Swaps, etc.

**FY2017 1H Operating Income\***  
**34.6 billion yen**  
 (+2.4 billion yen year on year)

Increased as a result of vehicle sales growth and other marketing efforts.



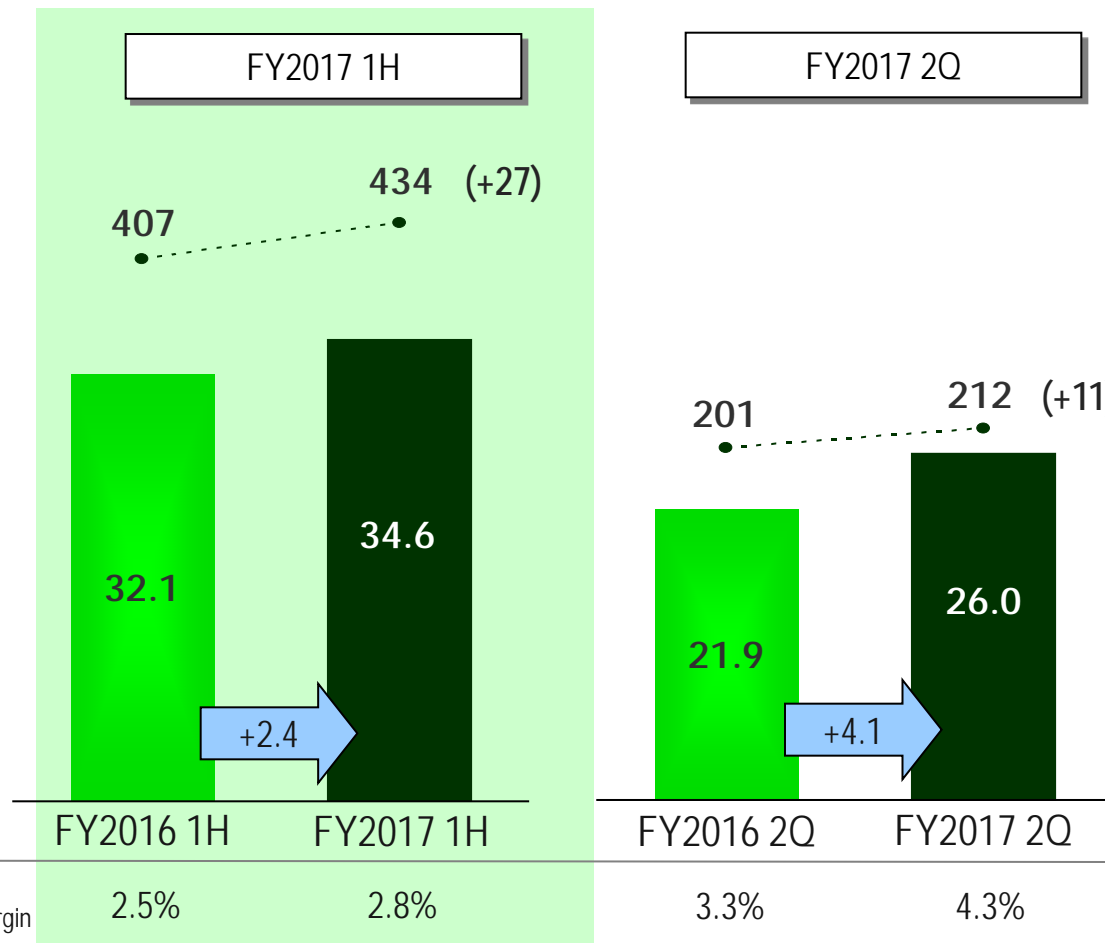
RAV4 HV



YARIS HV



AURIS HV



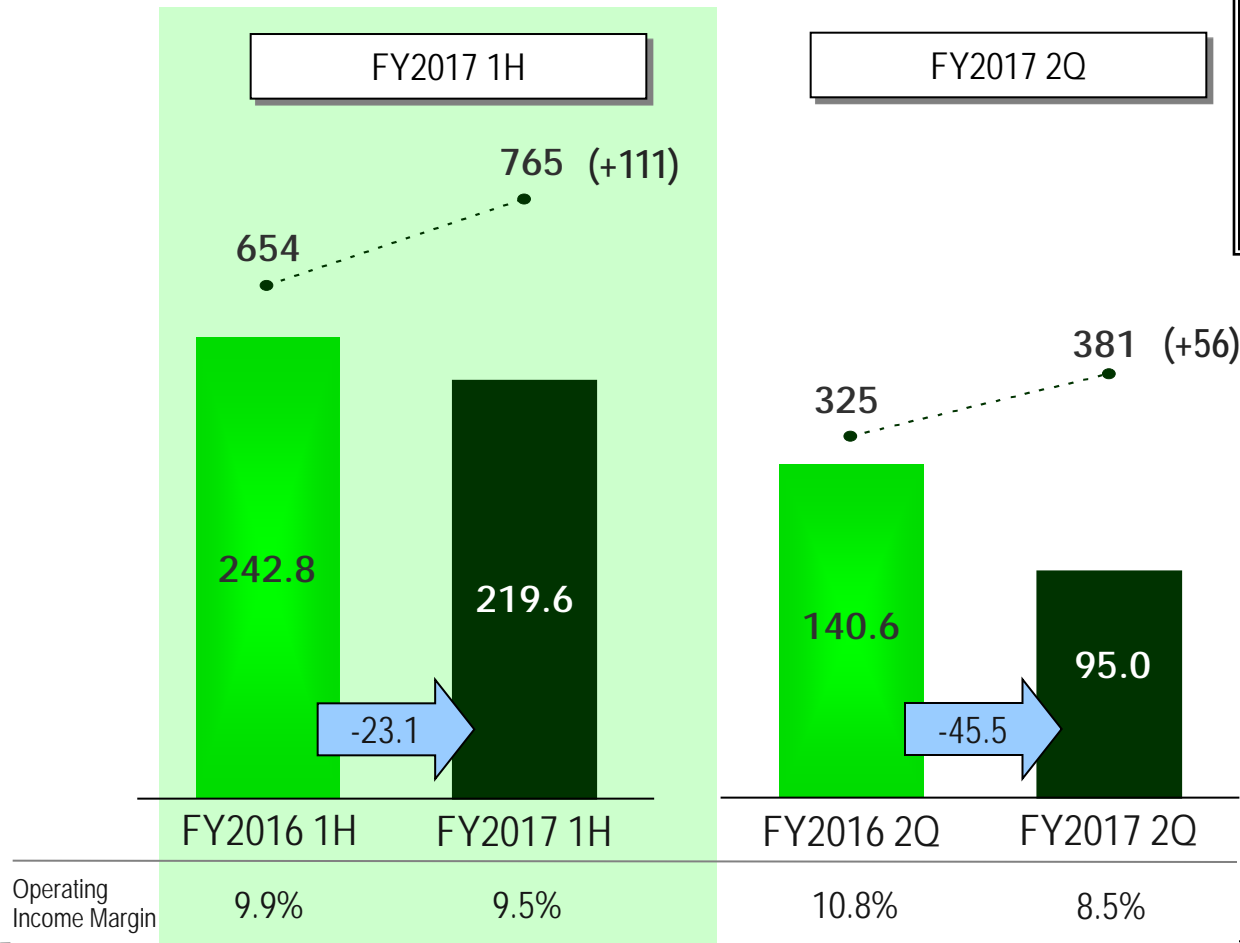
Period	FY2016 1H	FY2017 1H	FY2016 2Q	FY2017 2Q
Operating Income including Valuation Gains/Losses from Interest Rate Swaps, etc. (billions of yen)	30.2	34.5	22.3	25.5

# Geographic Operating Income : Asia

- Operating Income (billions of yen) \*
- Consolidated Vehicle Sales (thousands of vehicles)
- \* Excluding Valuation Gains/Losses from Interest Rate Swaps, etc.

**FY2017 1H Operating Income\***  
**219.6 billion yen**  
 (-23.1 billion yen year on year)

Declined due to increased expenses and decreased exports to the Middle East, despite marketing efforts.



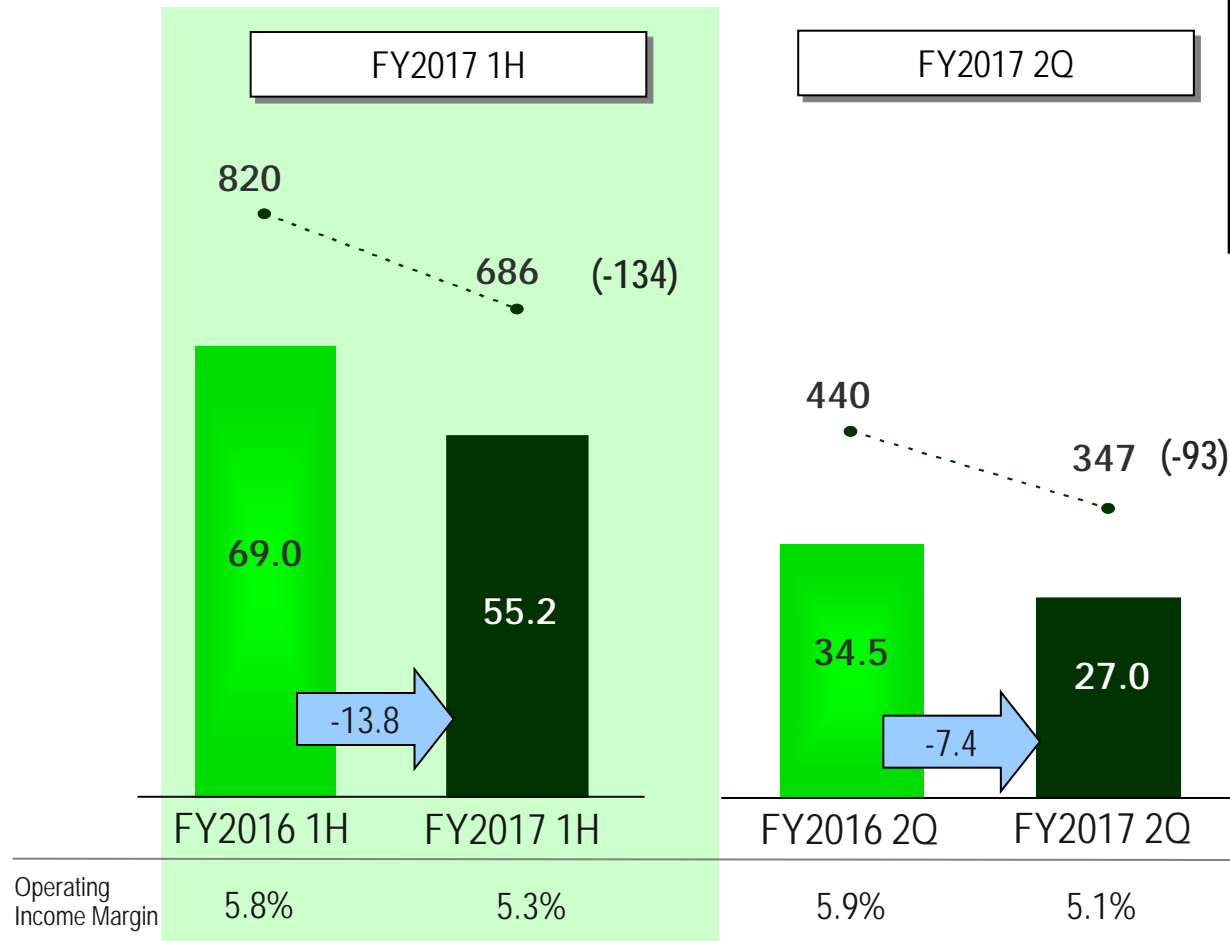
	FY2016 1H	FY2017 1H	FY2016 2Q	FY2017 2Q
Operating Income including Valuation Gains/Losses from Interest Rate Swaps, etc. (billions of yen)	244.1	222.7	144.0	95.3

# Geographic Operating Income : Central & South America, Oceania, Africa and The Middle East

- Operating Income (billions of yen) \*
- Consolidated Vehicle Sales (thousands of vehicles)
- \* Excluding Valuation Gains/Losses from Interest Rate Swaps, etc.

**FY2017 1H Operating Income\***  
**55.2 billion yen**  
 (-13.8 billion yen year on year)

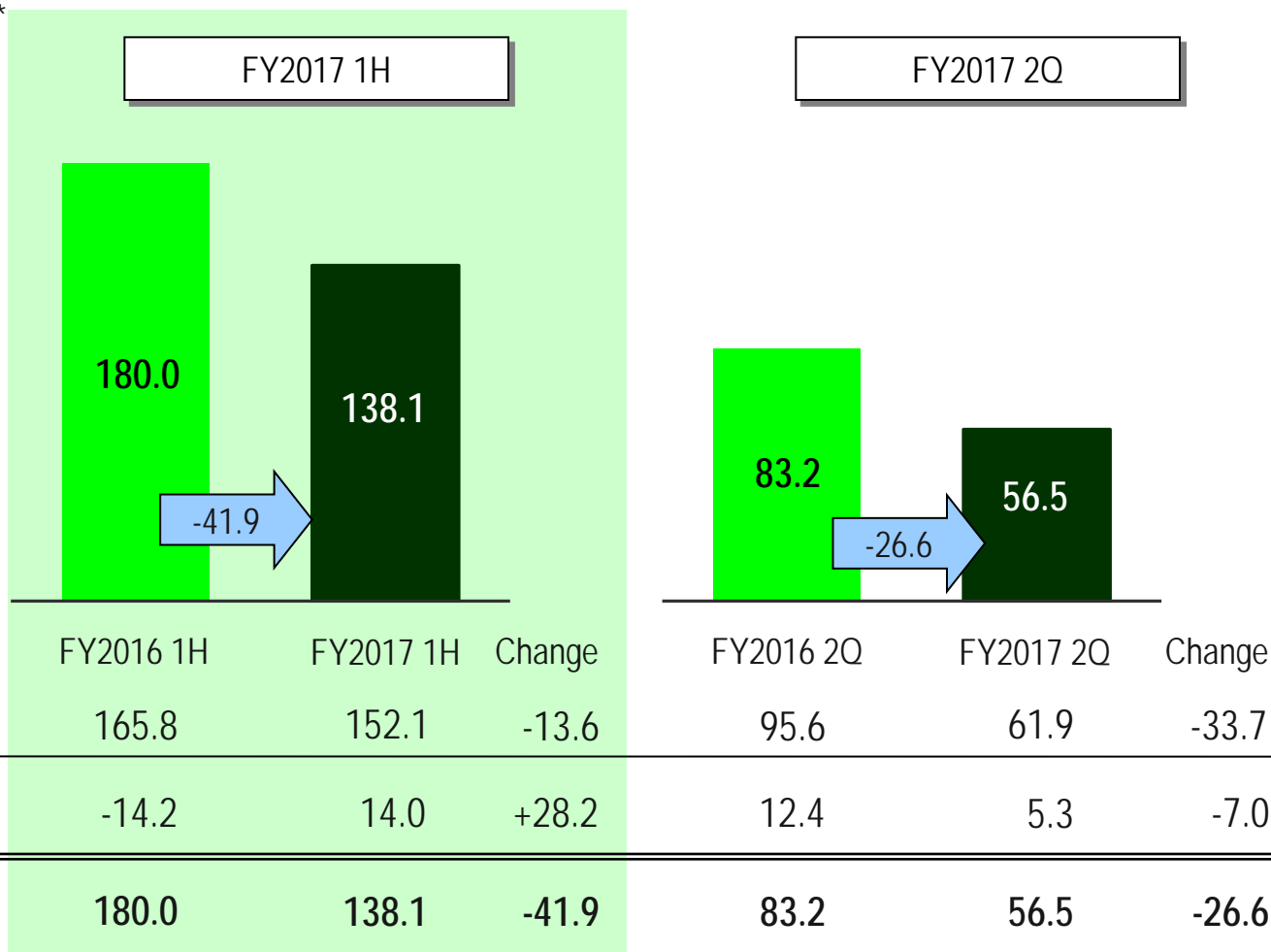
Decreased primarily because of the effect of FOREX rates and an increase in expenses.



Operating Income Margin	FY2016 1H	FY2017 1H	FY2016 2Q	FY2017 2Q
	5.8%	5.3%	5.9%	5.1%
Operating Income including Valuation Gains/Losses from Interest Rate Swaps, etc. (billions of yen)	66.8	52.8	28.8	25.5

# Financial Services Operating Income

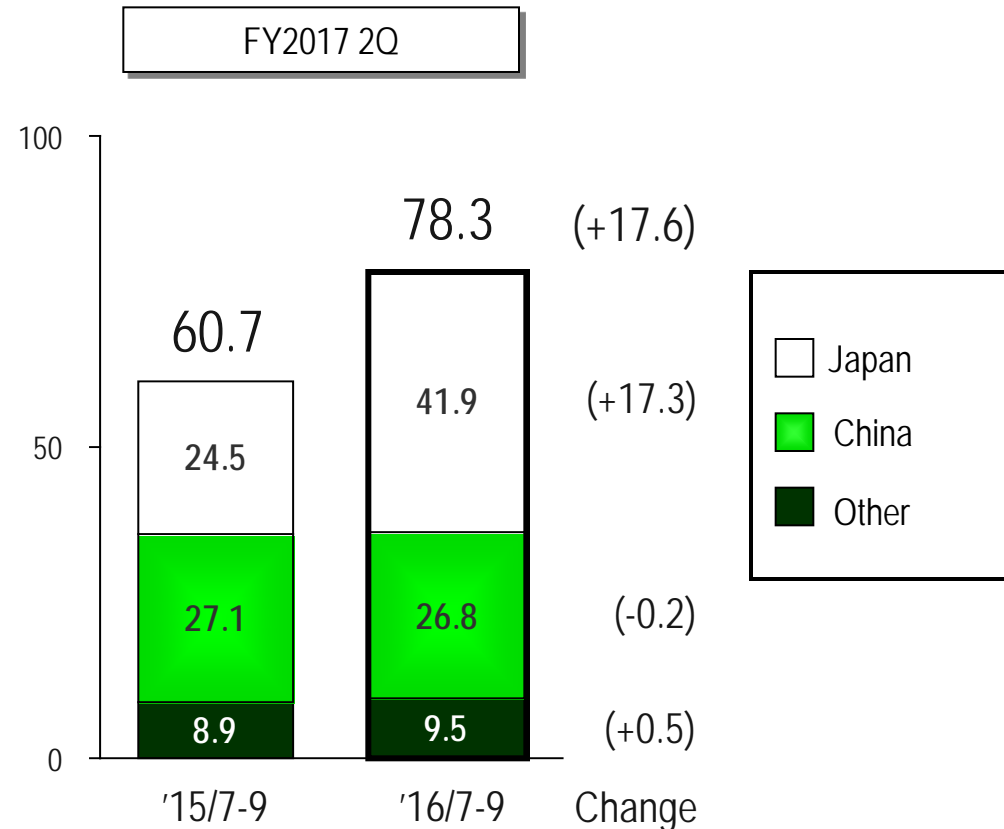
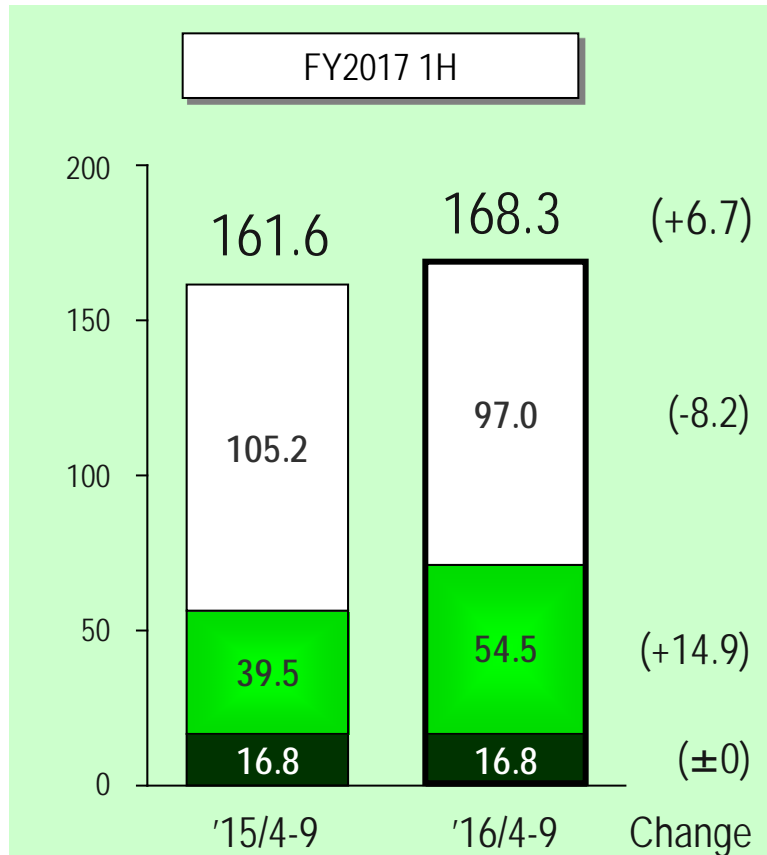
■ Operating Income (billions of yen)  
 \* Excluding Valuation Gains/Losses from Interest Rate Swaps, etc.



Declined due to increased costs related to loan and residual-value losses despite increased lending balance.

# Equity in Earnings of Affiliated Companies

(billions of yen)



Retail Sales Results in China (thousands of vehicles)

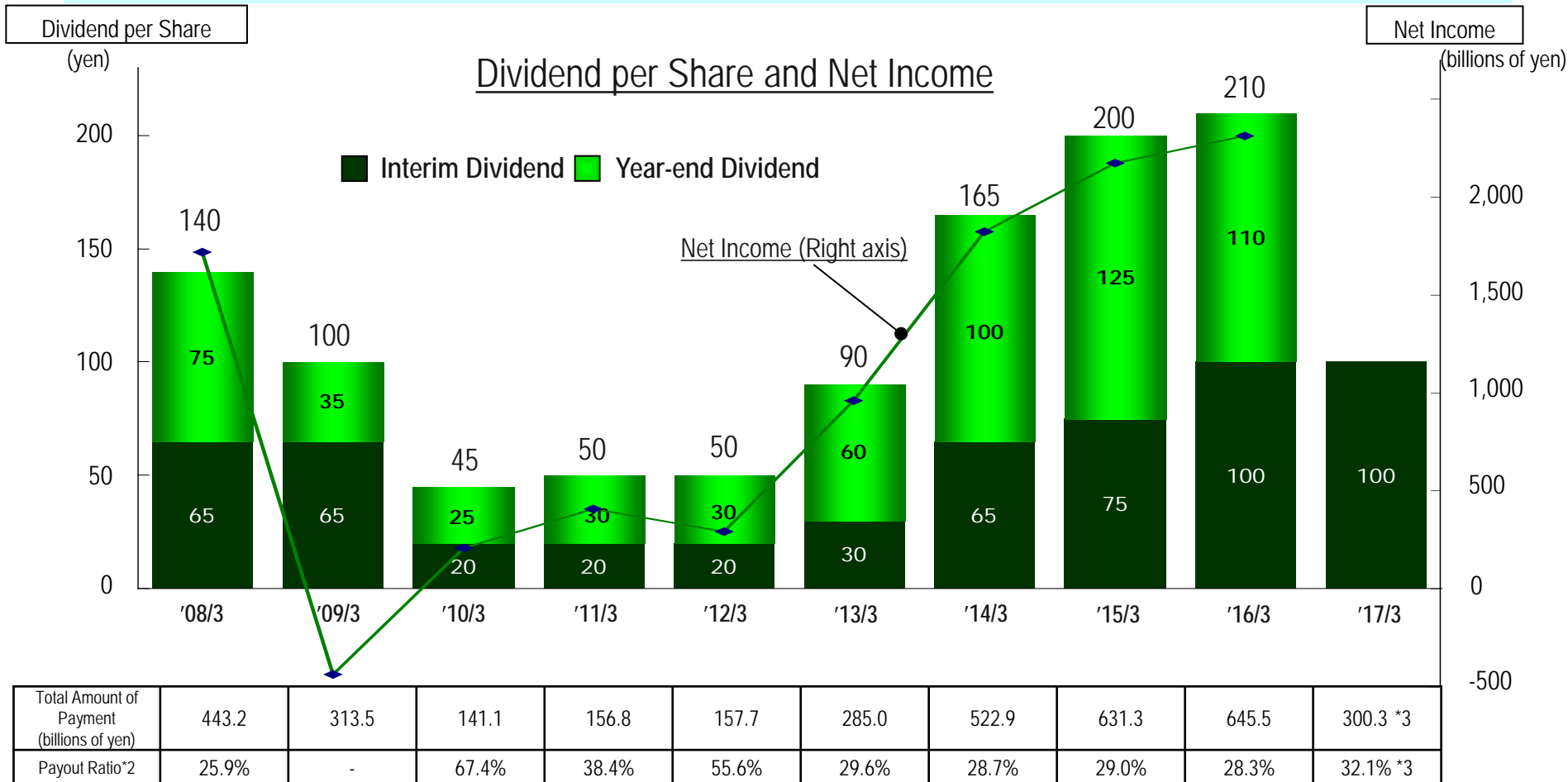
	'15/1-6	'16/1-6	Change
	513	592	+79

	'15/4-6	'16/4-6	Change
	285	301	+16

# Shareholder Return\*1

Interim Dividend : 100 yen per common share

(Total Amount of Payment : 300.3 billion yen, Payout Ratio\*2 : 32.1%)



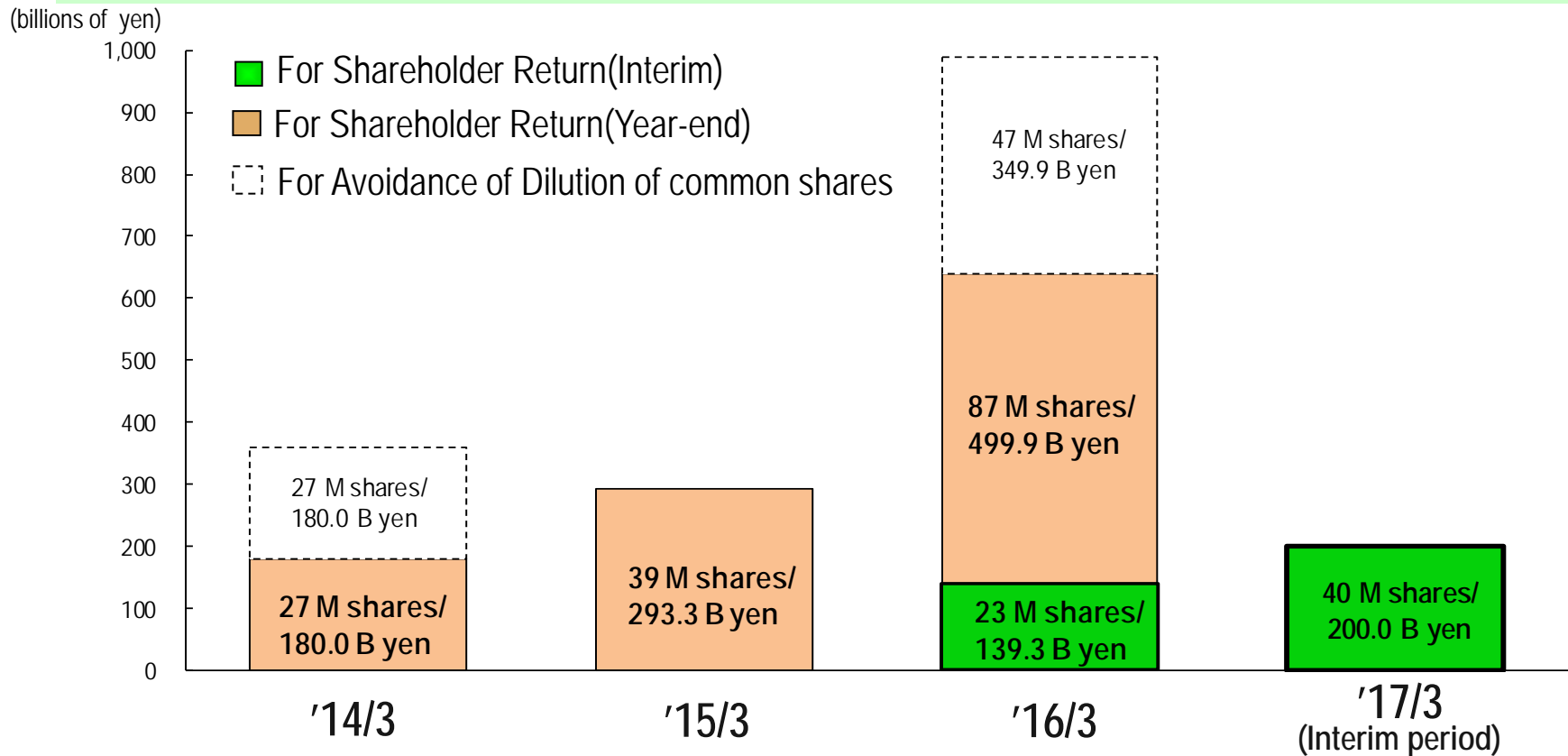
\*1 Dividends on common shares.

\*2 Payout Ratio = (dividend per common share) ÷ (net income attributable to Toyota Motor Corporation per common share)

\*3 Both figures are for the interim period.

# Shareholder Return

Share Repurchase (max) : 200.0 billion yen/40 million shares  
 (Repurchase Program to be implemented from November 15, 2016 to February 14, 2017)



Share Repurchase *	27 million shares / 180.0 billion yen	39 million shares / 293.3 billion yen	110 million shares / 639.3 billion yen	40 million shares / 200.0 billion yen (max)
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\* Excluding share repurchase made to avoid dilution of common shares.

# Shareholder Return

		FY2017	FY2016 (Actual)
Interim period	Dividends on Common Shares	300.3 billion yen (100 yen per share)	311.3 billion yen (100 yen per share)
	Dividends on First Series Model AA Class Shares	2.4 billion yen (52.5 yen per share)	1.2 billion yen (26 yen per share)
	Total Amount of Dividends	302.8 billion yen	312.6 billion yen
	Share Repurchase	200.0 billion yen (max)	139.3 billion yen
	<b>Total Shareholder Return</b>	<b>502.8 billion yen (max)</b>	<b>451.9 billion yen</b>
	Net Income	946.1 billion yen	1,258.1 billion yen
	<b>Total Return Ratio*</b>	<b>53.1% (max)</b>	<b>35.9%</b>

Full-year	<b>Total Shareholder Return</b>	Not yet determined	<b>1,287.2 billion yen</b>
	<b>Total Return Ratio*</b>		<b>55.6%</b>

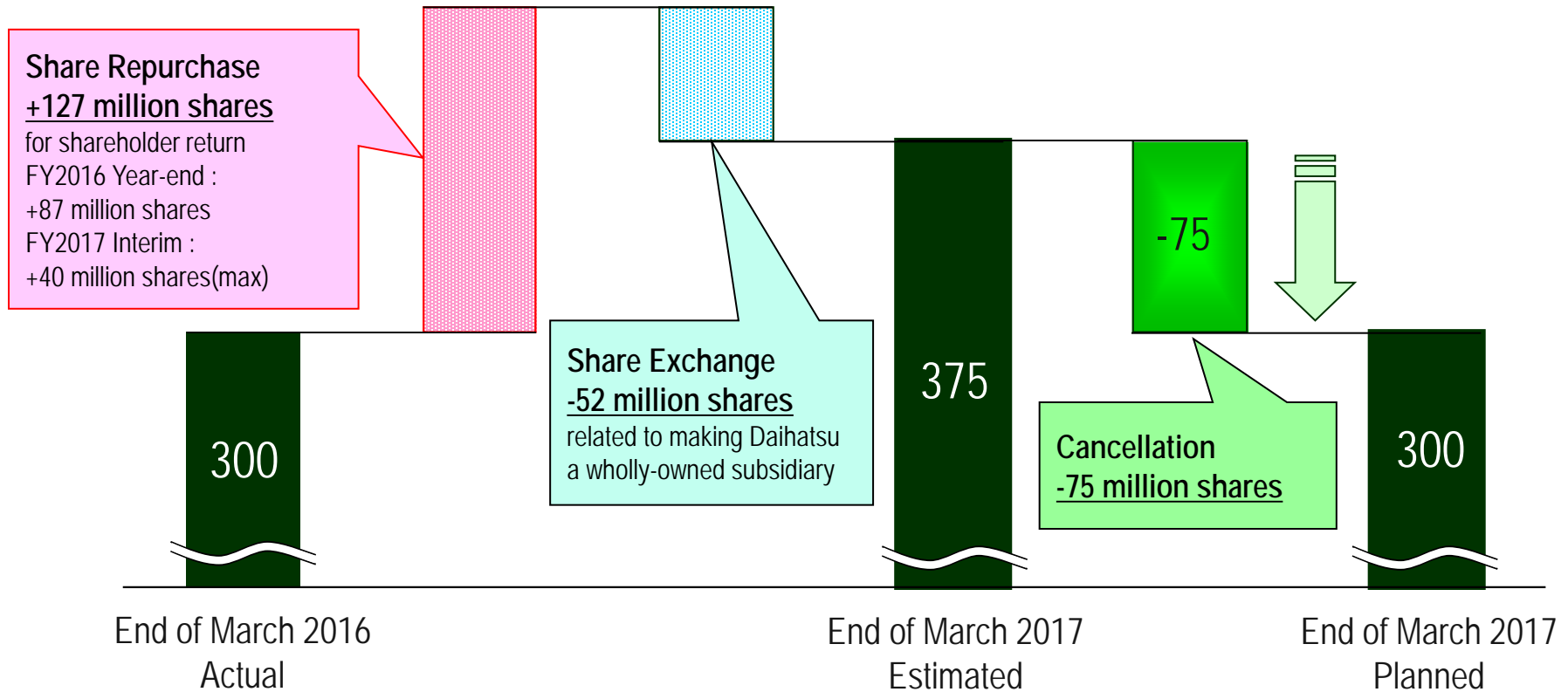
\* Total Return Ratio = {(dividends on both common shares and the first series Model AA class shares) + (share repurchase for shareholder return)} ÷ (net income attributable to Toyota Motor Corporation)

# Shareholder Return

Cancellation of treasury stock : 75 million shares  
(expected to take place on November 30, 2016)

(millions of shares)

Balance of Treasury Stock



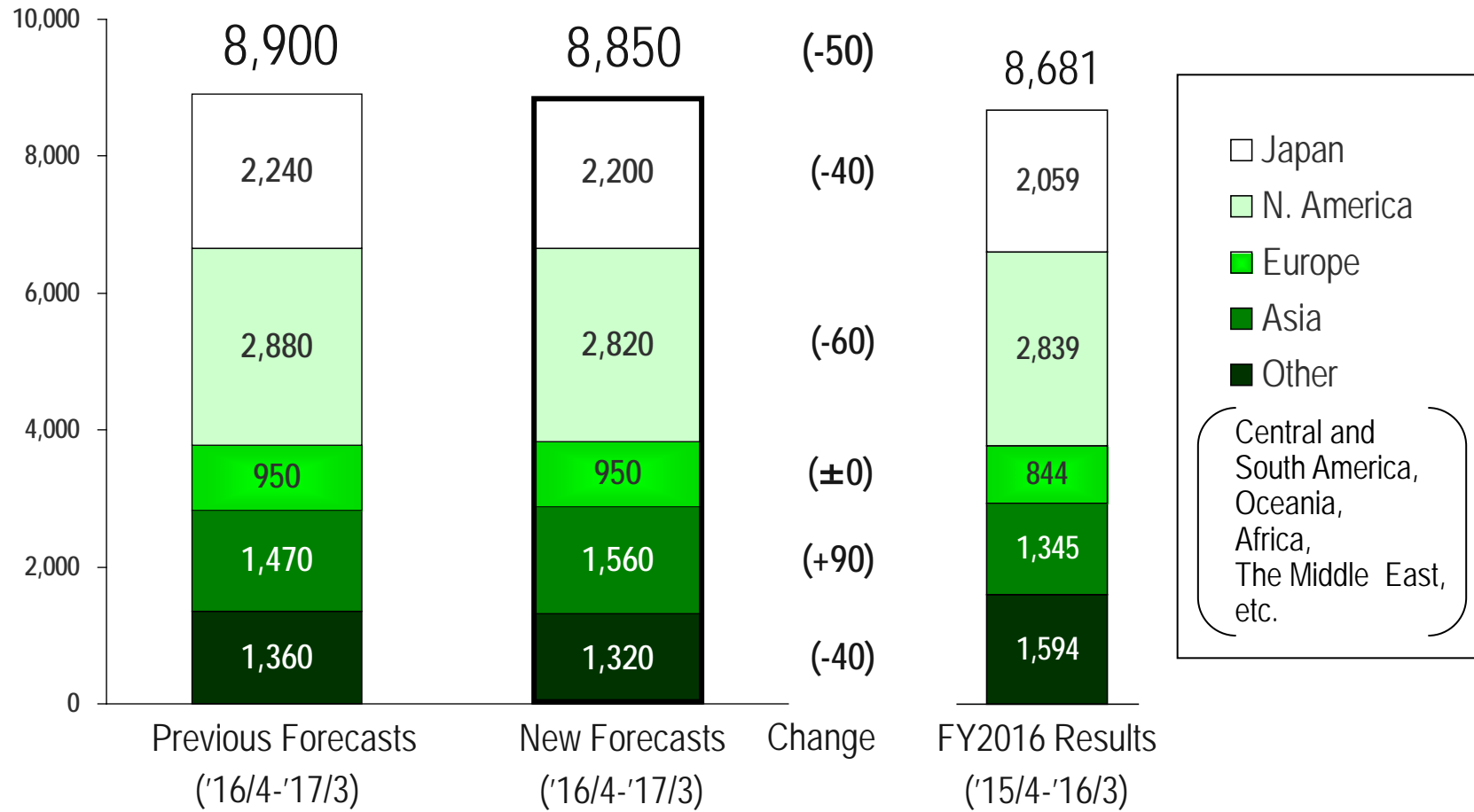
# FY2017 Second Quarter Financial Results

FY2017 Second Quarter Financial Performance  
(FY2017 First Half)

**FY2017 Financial Forecasts**

# FY2017 Forecasts: Consolidated Vehicle Sales

(thousands of vehicles)



- Japan
- N. America
- Europe
- Asia
- Other

(Central and South America, Oceania, Africa, The Middle East, etc.)

Total retail vehicle sales in thousands	10,150	10,100	-50	10,094
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# FY2017 Forecasts: Consolidated Financial Summary

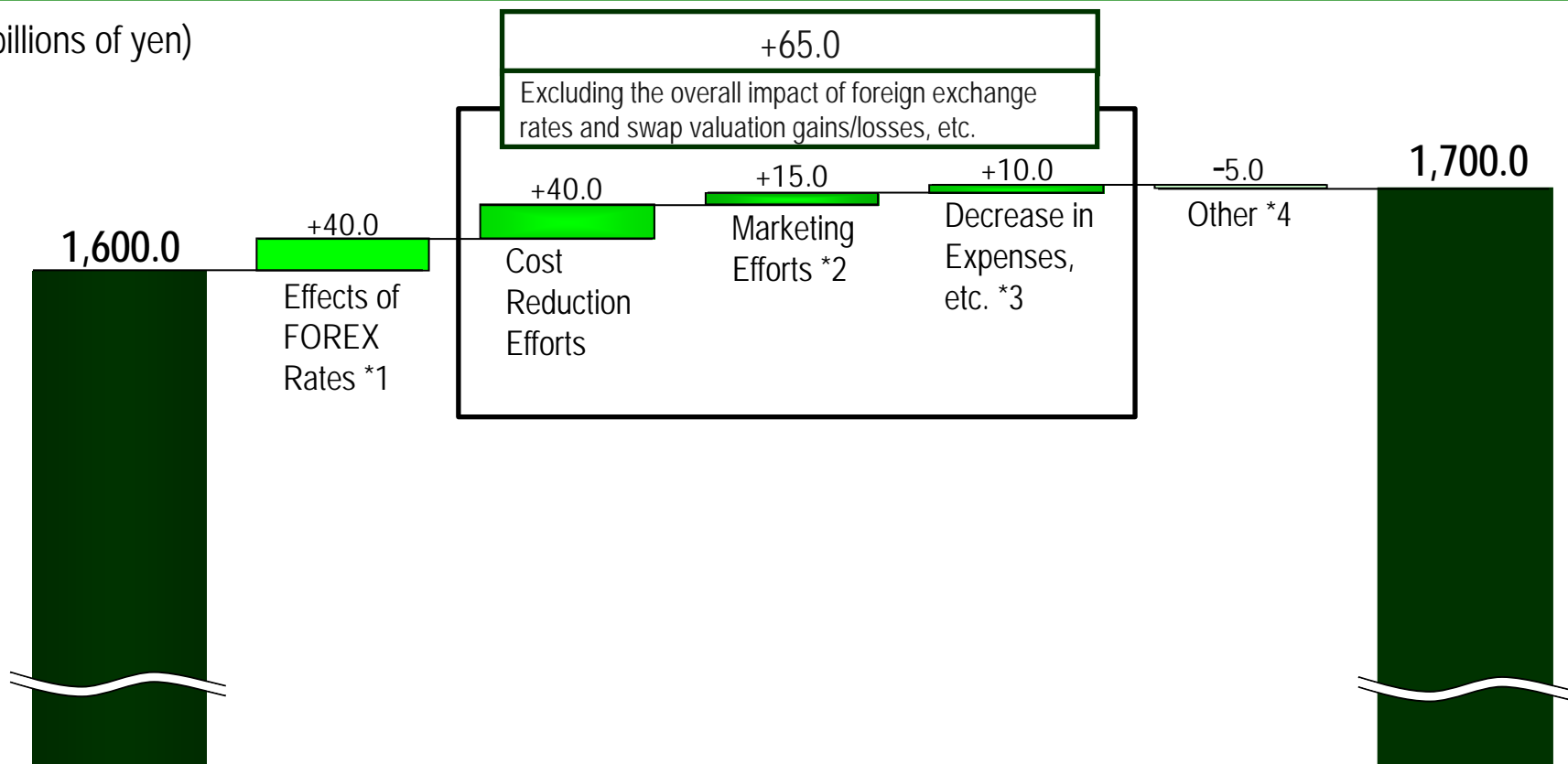
(billions of yen)		New Forecasts ( <sup>'16/4</sup> - <sup>'17/3</sup> )	Previous Forecasts ( <sup>'16/4</sup> - <sup>'17/3</sup> )	Change	FY2016 Results ( <sup>'15/4</sup> - <sup>'16/3</sup> )
<b>Net Revenues</b>		26,000.0	26,000.0	±0	28,403.1
<b>Operating Income</b>		1,700.0	1,600.0	+100.0	2,853.9
Operating margin		6.5%	6.2%	-	10.0%
Income before income taxes and equity in earnings of affiliated companies		1,900.0	1,780.0	+120.0	2,983.3
Equity in earnings of affiliated companies		300.0	290.0	+10.0	329.0
<b>Net Income</b> <sup>*1</sup>		1,550.0	1,450.0	+100.0	2,312.6
Net margin <sup>*1</sup>		6.0%	5.6%	-	8.1%
FOREX	US\$	103 yen <sup>*2</sup>	102 yen	+1 yen	120 yen
Rates	€	114 yen <sup>*2</sup>	113 yen	+1 yen	133 yen

\*1 Net Income attributable to Toyota Motor Corporation

\*2 FOREX Rate assumptions from October 2016 to March 2017: 100 yen against the U.S. dollar and 110 yen against the euro

# Analysis of FY2017 Forecasts: Consolidated Operating Income **TOYOTA** (vs. Previous Forecasts)

(billions of yen)



Previous Forecasts ('16/4-'17/3)

Operating Income(+100.0)

New Forecasts ('16/4-'17/3)

**\*1. Details by currency**

US\$	+35.0
€	+5.0
Other	±0

**\*2. Details**

Volume, Model Mix	-30.0
Financial Services	±0
Other	+45.0

**\*3. Details**

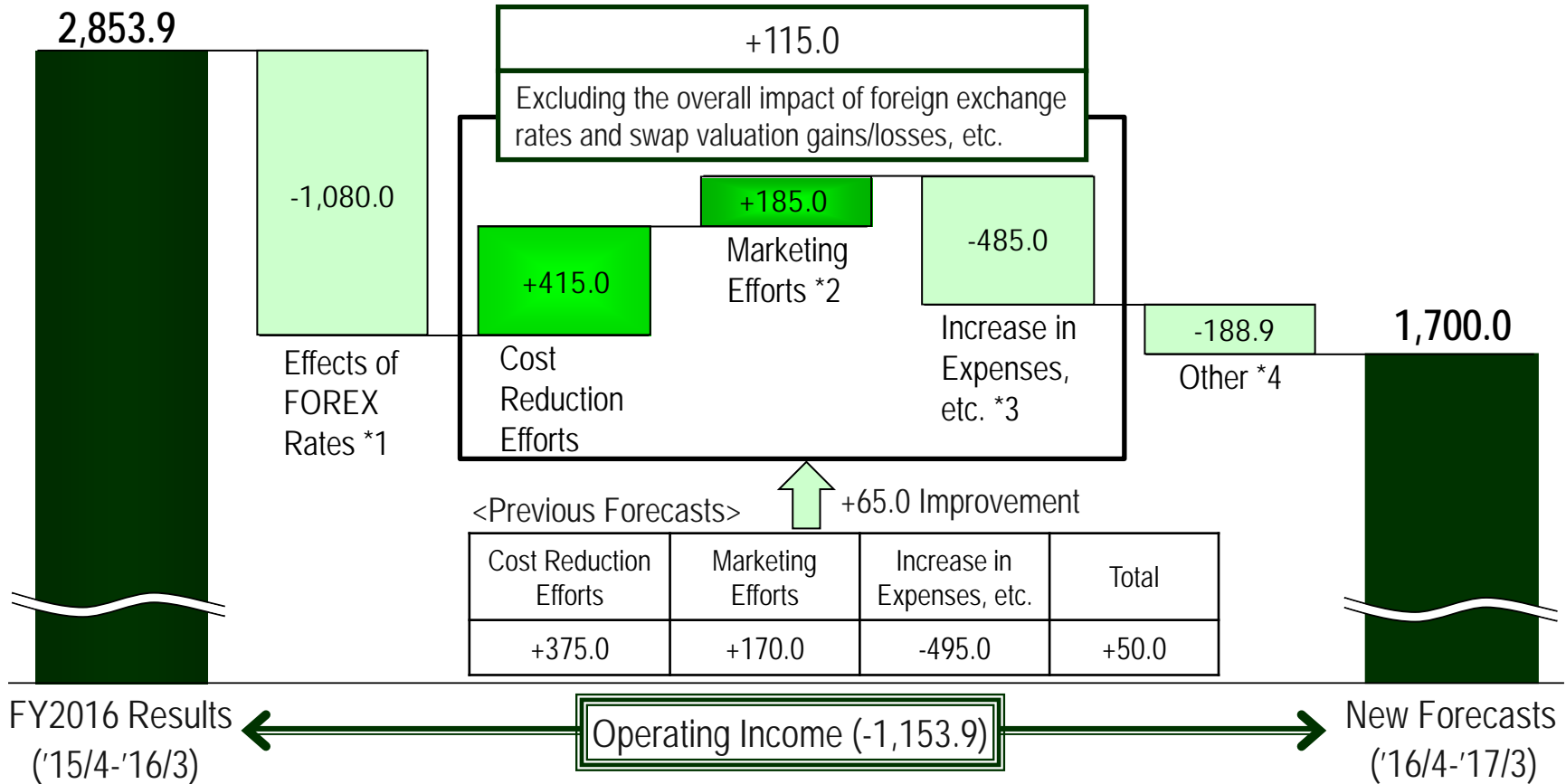
Depreciation and CAPEX-related Expenses	+10.0	Labor Costs	±0
R&D Expenses	±0	Expenses, etc.	±0

**\*4. Details**

Valuation Gains/Losses from Swaps, etc.	-5.0
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# Analysis of FY2017 Forecasts: Consolidated Operating Income **TOYOTA** (vs. FY2016 Results)

(billions of yen)



**\*1. Details by currency**

US\$	-715.0
€	-75.0
Other	-290.0

**\*2. Details**

Volume, Model Mix	+135.0
Financial Services	-20.0
Other	+70.0

**\*3. Details**

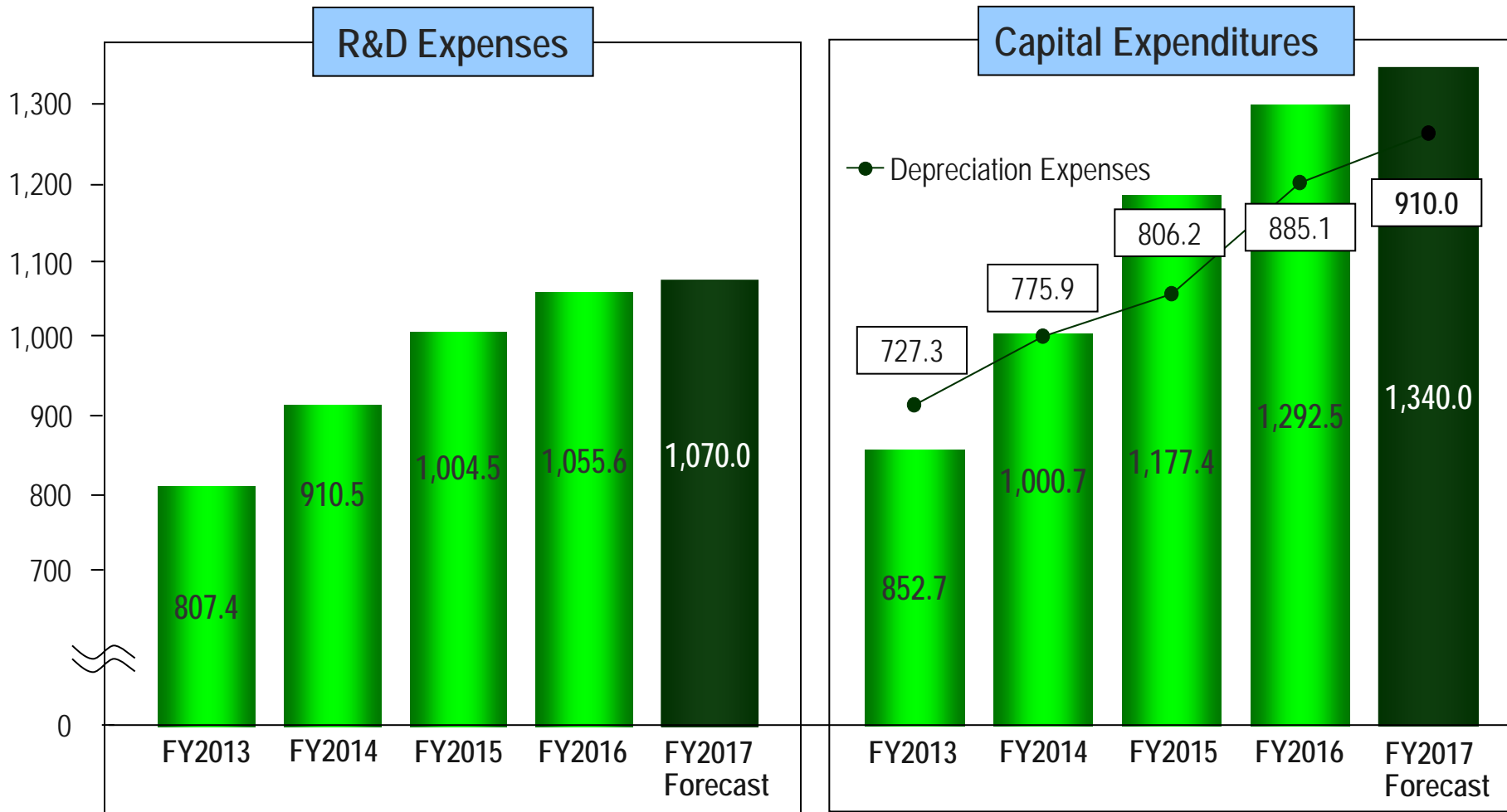
Labor Costs	-115.0	R&D Expenses	-15.0
Depreciation and CAPEX-related Expenses	-80.0	Expenses, etc.	-275.0

**\*4. Details**

Translational FOREX impact concerning overseas subsidiaries	-180.0
Valuation Gains/Losses from Swaps, etc.	-8.9

# FY2017 Consolidated Forecasts: R&D, CAPEX, Depreciation

(billions of yen)



Change from Previous Forecasts:

R&D Expenses ±0 billion yen

Capital Expenditures ±0 billion yen

Depreciation Expenses -10.0 billion yen

# FY2017 Second Quarter Financial Results



Toyota Motor Corporation  
November 8, 2016

HIGHLANDER

(Reference)

TOYOTA

## FY2017 Forecasts: Vehicle Production and Retail Sales

(thousands of vehicles)

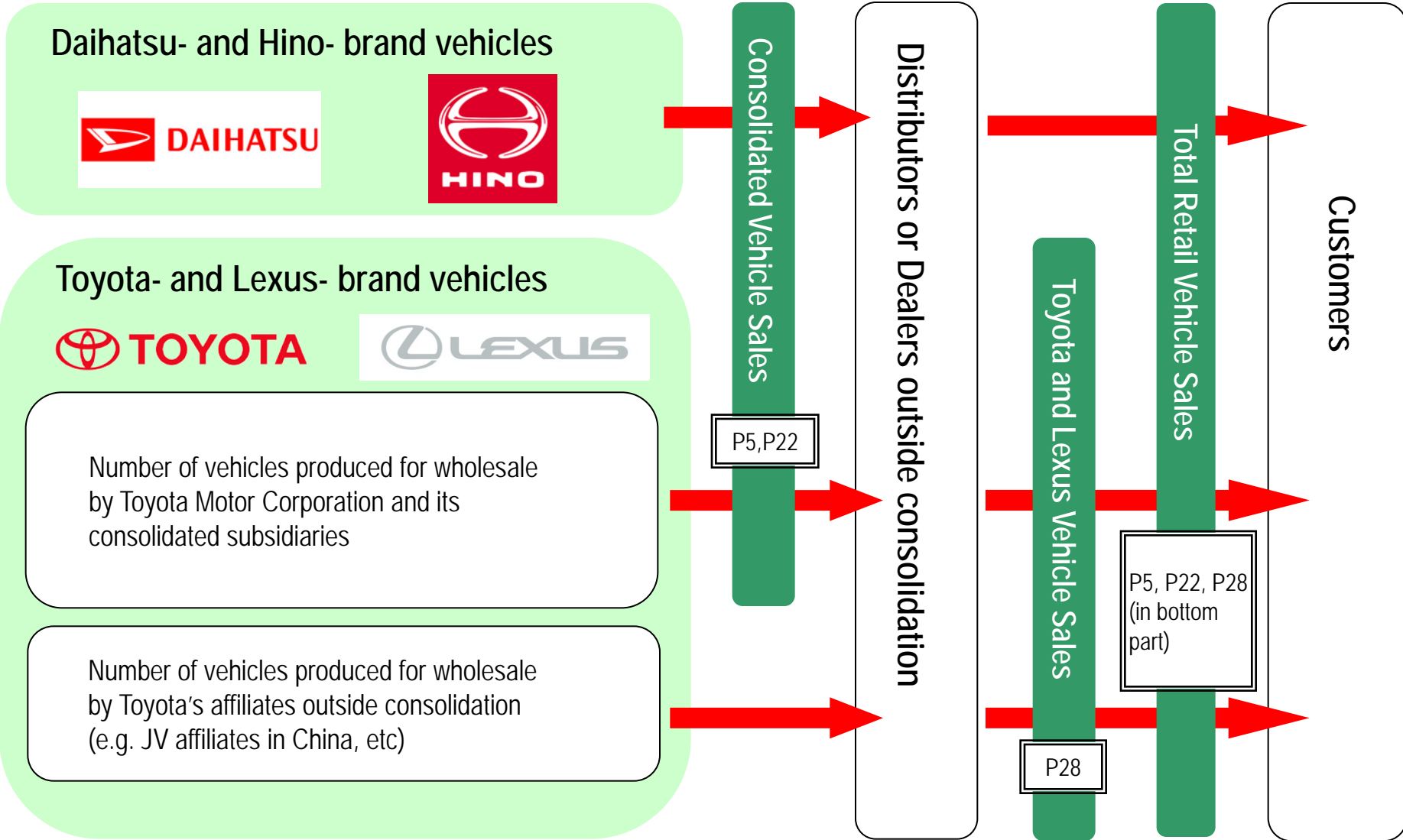
		New Forecasts ('16/4-'17/3)	Previous Forecasts ('16/4-'17/3)	Change	
T o y o t a & L e x u s	Vehicle Production <sup>*1</sup>	Japan	3,200	3,250	-50
		Overseas	5,850	5,800	+50
		Total	9,050	9,050	±0
	Retail Vehicle Sales <sup>*2</sup>	Japan	1,600	1,600	±0
		Overseas	7,600	7,600	±0
		Total	9,200	9,200	±0
	Exports		1,750	1,800	-50
Total Retail Vehicle Sales <sup>*2</sup> (Including Daihatsu- & Hino- brand)		10,100	10,150	-50	

\*1 Including vehicle production by Toyota's affiliates outside consolidation

\*2 Including vehicle sales by Toyota's affiliates outside consolidation

(Reference)

# Definitions of Consolidated and Retail Vehicle Sales



\*There are a limited number of exceptional cases where sales are made other than in accordance with the flowchart above.