

# **FINANCIAL SUMMARY**

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

## **FY2003 Semi-Annual**

(Six months ended September 30, 2002)

English translation from the original Japanese-language document

**TOYOTA MOTOR CORPORATION**

## **Cautionary Statement with Respect to Forward-Looking Statements**

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

# OVERVIEW OF ASSOCIATED COMPANIES

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

Toyota Motor Corporation (TMC) and its associated companies (579 subsidiaries and 234 affiliates as of September 30, 2002) are engaged mainly in the automotive industry and also in the financial services and other business.

The following three business segments are the same divisions as stated in the "Segment Information" according to the business category.

## Automotive:

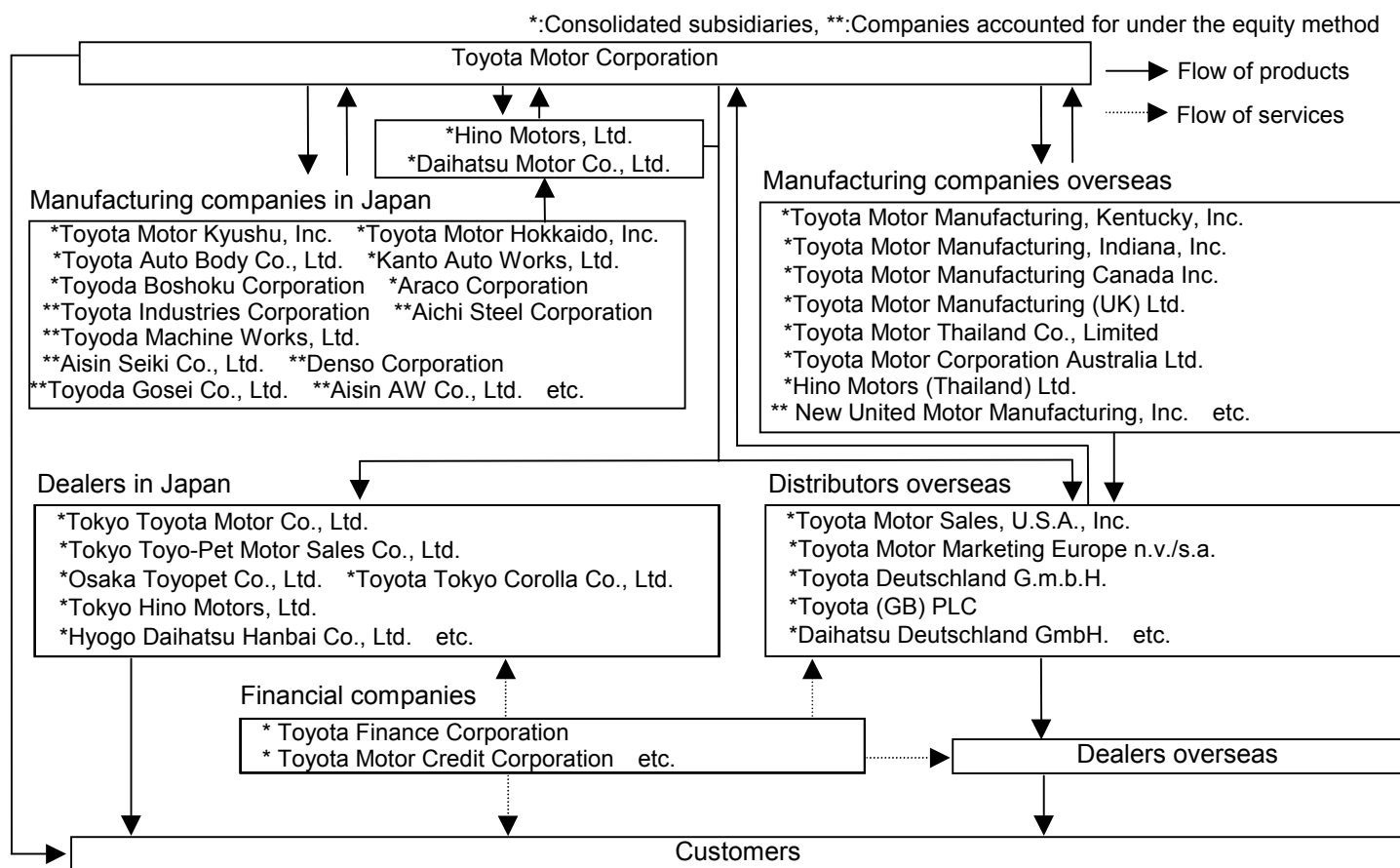
This business involves the design, manufacturing and sale of passenger cars, recreational vehicles, sport utility vehicles, minivans, trucks, buses and related parts. Automobiles are manufactured mainly by TMC, Hino Motors, Ltd., and Daihatsu Motor Co., Ltd., but a portion of manufacturing is consigned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

## Financial Services:

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

## All other:

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



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

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

Note1: Toyota Motor Europe Marketing & Engineering n.v./s.a. was renamed to Toyota Motor Marketing Europe n.v./s.a. on July 1, 2002.

Note2: Toyota Motor Europe Manufacturing n.v./s.a. was renamed to Toyota Motor Engineering & Manufacturing Europe n.v./s.a. on July 1, 2002.

### **<Overview of Changes in Major Associated Companies>**

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

(Change in major associated companies)

Newly established:

Toyota Motor Europe n.v./s.a.

TMC established a Europe-based holding company, Toyota Motor Europe n.v./s.a. (TME), in April 2002, with the objective of enhancing efficiency and accelerating decision-making in Toyota's European operations as well as strengthening corporate public relations activities in Europe.

# MANAGEMENT POLICY

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

## 1. Toyota's basic management policy

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

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

## 2. Basic Policy on the Distribution of Profits

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

Reserves will be utilized to establish a stable, long-term management foundation for making its products more competitive, improving domestic and overseas production and sales structures, and developing new businesses.

## 3. TMC's medium and long-term management strategy

TMC will seek to become a leading company of the world in the 21st century by utilizing the capabilities of the entire group to the greatest extent possible. First, TMC will implement sales strategies in Japan, North America, Europe, and Asia that match the unique characteristics of each region from a perspective of globalization and will establish the optimal production, procurement, and supply systems that organically link each of these regions. Secondly, with regard to utilization of information technology (IT), TMC will conduct vigorous research and development of cutting-edge information technologies to realize automobile multimedia systems and will promote the further utilization of information in every area including development, procurement, production and sales. Lastly, TMC will take steps to deal with environmental issues. TMC plans to play a leading role in developing environmental technologies indispensable for the 21st century, including further promotion of its highly regarded hybrid systems, and an early launch of fuel cell vehicles independently or, if feasible, through global alliances with other companies.

#### **4. Measures for improvement of corporate management organizations**

In addition to general meetings of shareholders, meetings of the Board of Directors, meetings of the Board of Corporate Auditors, independent accountants and other actions required by law, TMC is taking various measures to ensure a higher level of corporate governance.

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

Also, TMC continues to provide information on the company to shareholders, investors, and other stakeholders. TMC will continue to ensure a high level of corporate accountability.

#### **5. Policy for the granting of stock options and other incentive plans**

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

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

# BUSINESS RESULTS AND FINANCIAL POSITION

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

## 1. Summary of Consolidated Financial Results of FY2003 Semi-Annual

### (1) Financial Results

During FY2003 semi-annual, although the Japanese economy continued to experience severe employment conditions and consumer spending remained sluggish, there were some signs that a recovery was underway including indications that capital investments by the private sector had bottomed out and an increase in production resulting from increased exports. And in overseas, the slowdown in Europe was easing and Asian economies were on the path to recovery, but concerns about the future of the American economy were rising.

Under these conditions, due to the effects of prolonged market stagnation, domestic vehicle sales decreased by 53 thousand units, or 4.9%, to 1,024 thousand units in FY2003 semi-annual compared with FY2002 semi-annual, but Toyota's market share (excluding minivehicles) increased by 0.1% to 42.1% in FY2003 semi-annual compared with FY2002 semi-annual, as a result of the active introduction of new products that met customer needs and the strong sales efforts made by dealers in Japan. Including minivehicles, the market share was 37.6% in FY2003 semi-annual. Meanwhile, overseas vehicle sales increased by 379 thousand units, or 23.5%, to 1,994 thousand units in FY2003 semi-annual compared with FY2002 semi-annual, mainly due to continued strong sales in North America as well as the recovery of Asian economies. As a result, total vehicle sales in Japan and overseas increased by 326 thousand units, or 12.1%, to 3,018 thousand units in FY2003 semi-annual compared with FY2002 semi-annual.

Net sales increased by 1,053.1 billion yen, or 15.4%, to 7,886.6 billion yen in FY2003 semi-annual compared with FY2002 semi-annual, and operating income increased by 224.3 billion yen, or 44.3%, to 730.8 billion yen in FY2003 semi-annual compared with FY2002 semi-annual. Among the factors contributing to the increase in operating income, cost reduction efforts accounted for 150.0 billion yen, the effect of exchange rate fluctuations accounted for 90.0 billion yen and the marketing efforts accounted for 80.0 billion yen, for a total of 320.0 billion yen. On the other hand, the factors contributing to the decrease in operating income of 95.7 billion yen included increases in R&D expenses and labor costs. Ordinary income increased by 267.4 billion yen, or 50.8%, to 794.0 billion yen in FY2003 semi-annual compared with FY2002 semi-annual. Net income increased by 262.6 billion yen, or 90.2%, to 553.7 billion yen in FY2003 semi-annual compared with FY2002 semi-annual.

In conjunction with enforcement of the Defined Benefit Enterprise Pension Plan Law, TMC and some of its domestic consolidated subsidiaries and domestic affiliates accounted for under the equity method received approval from the Minister of Health, Labor and Welfare, for exemption from payment of future benefit regarding the substituted portion of the employee pension fund.

TMC and these subsidiaries and affiliates applied the transitional accounting treatment specified in paragraph 47-2 of the "Practical Guidelines of Accounting for Retirement Benefits (Interim Report)", and recognized an extinguishment of retirement benefit obligation with respect to such substituted portion as of the date of the approval.

As a result, TMC has recorded a 216.3 billion yen impact on profit during FY2003 semi-annual. TMC has accounted for 30.3 billion yen (representing TMC's portion of the impact recorded by these affiliates) as "Equity in earnings of affiliates" in non-operating income and 186.0 billion yen (the impact recorded by TMC and these subsidiaries) as "Gains on return of substituted portion of employee pension fund" in extraordinary gains.

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

## (2) Cash Flows

Cash flows from operating activities resulted in increase in cash by 532.0 billion yen in FY2003 semi-annual, mainly due to 980.0 billion yen of income before income taxes and minority interest in consolidated subsidiaries. Net cash provided by operating activities increased by 78.7 billion yen from 453.3 billion yen in FY2002 semi-annual. Cash flows from investing activities resulted in decrease in cash by 522.9 billion yen, principally attributable to 533.7 billion yen of payments for acquisition of property, plant, and equipment. Net Cash used in investing activities decreased by 210.3 billion yen from 312.6 billion yen in FY 2002 semi-annual. Net cash provided by financing activities increased by 9.6 billion yen to 237.1 billion yen compared with FY2002 semi-annual, mainly because of 840.9 billion yen of proceeds from issuance of bonds. In addition, considering the effect of exchange rate changes, cash and cash equivalents increased by 205.2 billion yen, or 12.2%, to 1,893.3 billion yen at the end of FY2003 semi-annual compared with the end of FY2002.

Regarding the consolidated cash flows by segment for FY2003 semi-annual, in non-financial services business, net cash provided by operating activities was 1,077.3 billion yen, net cash used in investing activities was 466.2 billion yen and net cash used in financing activities was 301.6 billion yen. Meanwhile, in the financial services business, net cash used in operating activities was 545.3 billion yen, net cash used in investing activities was 94.5 billion yen and net cash provided by financing activities was 576.6 billion yen.



## 2. Consolidated financial results of FY2003 semi-annual by segment

### (1) Business Segment

#### Automotive:

Net sales of the automotive segment increased by 999.2 billion yen, or 15.9%, to 7,282.3 billion yen in FY2003 semi-annual compared with FY2002 semi-annual, and operating income increased by 242.3 billion yen, or 49.2%, to 734.2 billion yen in FY2003 semi-annual compared with FY2002 semi-annual. The increase in operating income was mainly due to increases in vehicle units sold in North America and Asia as well as cost reduction efforts made by TMC and its subsidiaries, partially offset by increases in R&D expenses, labor costs and other expenses.

#### Financial services:

Net sales of the financial services segment increased by 34.6 billion yen, or 11.0%, to 350.1 billion yen in FY2003 semi-annual compared with FY2002 semi-annual, and operating income decreased by 17.2 billion yen, or 86.8%, to 2.6 billion yen in FY2003 semi-annual compared with FY2002 semi-annual. The decrease in operating income was mainly due to the decrease in fair value of interest rate swaps as a result of a decline in interest rates in the United States, recorded as valuation losses by sales financing subsidiaries in the United States in accordance with the Statement of Financial Accounting Standards No.133 and No.138, despite solid performance in North America including an increase in profit from higher financing margin. The valuation losses on interest rate swaps increased by 35.1 billion yen, to 41.6 billion yen in FY2003 semi-annual compared with FY2002 semi-annual.

#### All other:

In FY2003 semi-annual, net sales of all other operations increased by 8.7 billion yen, or 2.2%, to 397.0 billion yen compared with FY2002 semi-annual, and operating income was 2.5 billion yen, almost the same as for FY2002 semi-annual.

## (2) Geographical Segment

### Japan:

Net sales in Japan increased by 467.1 billion yen, or 9.5%, to 5,388.6 billion yen in FY2003 semi-annual compared with FY2002 semi-annual, and operating income increased by 123.4 billion yen, or 29.9%, to 535.8 billion yen in FY2003 semi-annual compared with FY2002 semi-annual. The increase in operating income was mainly due to cost reduction efforts made by TMC and its subsidiaries as well as increased vehicle units exported, partially offset by increases in R&D expenses and other expenses.

### North America:

Net sales in North America increased by 495.1 billion yen, or 18.2%, to 3,218.8 billion yen in FY2003 semi-annual compared with FY2002 semi-annual, and operating income increased by 74.2 billion yen, or 70.7%, to 179.1 billion yen in FY2003 semi-annual compared with FY2002 semi-annual. The increase in operating income was primarily attributable to local cost reduction efforts in addition to increases in both local production volume and vehicle units sold.

### Europe:

Net sales in Europe increased by 129.6 billion yen, or 21.0%, to 746.2 billion yen in FY2003 semi-annual compared with FY2002 semi-annual, and operating income increased by 10.6 billion yen to 5.4 billion yen in FY2003 semi-annual compared with FY2002 semi-annual. The increase in operating income was mainly due to increases in local production volume in France and the United Kingdom as well as increases in vehicle units sold.

### Other:

Net sales in other regions increased by 315.0 billion yen, or 61.9%, to 823.9 billion yen in FY2003 semi-annual compared with FY2002 semi-annual, and operating income increased by 21.0 billion yen, or 595.6%, to 24.5 billion yen in FY2003 semi-annual compared with FY2002 semi-annual. The increase in operating income was primarily due to increases in both local production volume and vehicle units sold mainly in Asia.

### 3. Distribution of Profits for FY2003 Semi-Annual

The FY2003 interim dividend increased by 3 yen to 16 yen per share compared with the FY2002 interim dividend. Accordingly, the dividend payout ratio for FY2003 semi-annual is 14.9%.

In addition, TMC retired 40 million shares in the amount of 142,992 million yen in order to return profits to its shareholders.

### 4. Others

#### (1) Litigation in the United States

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

The Environmental Protection Agency and the Department of Justice are seeking the payment of fines and an injunction of sales of new 1996-1998 model year vehicles that are not in compliance with applicable federal regulations. In addition, they are also seeking TMC to take appropriate measures to remedy the alleged non-compliance with the Clean Air Act and civil penalties of up to US\$27,500 per vehicle previously sold in violation of that Act.

The lawsuit is currently in the document production phase as part of discovery procedures, but the discovery deadline has been extended several times at the request of the U.S. government. TMC cannot predict the timetable on which this lawsuit will proceed. TMC believes that it is in possession of materials that refute the allegations of the U.S. government and intends to present a vigorous defense.

#### (2) Expected Accounting Treatment regarding Return of the Substituted Portion of the Employee Pension Fund to the Government under Accounting Principles Generally Accepted in the United States

As stated in "1. Summary of Consolidated Financial Results of FY2003 Semi-Annual, (1) Financial Results", TMC recorded in its semi-annual consolidated financial statements prepared in accordance with accounting principles generally accepted in Japan 216.3 billion yen of the impact from return of the substituted portion of the employee pension fund to the government, of which 30.3 billion yen was recorded as "Equity in earnings of affiliates" in non-operating income, and of which 186.0 billion yen was recorded as "Gains on return of substituted portion of employee pension fund" in extraordinary gains. However, because the accounting treatment in the United States would be different from the one in Japan, TMC does not expect to recognize it as gain in its semi-annual consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States for the six months period ended September 30, 2002.

# CONSOLIDATED PRODUCTION AND SALES

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

## 1. Production

(Units)

		FY2003 semi-annual (April 2002 through September 2002)	FY2002 semi-annual (April 2001 through September 2001)	Increase (Decrease)	FY2002 (April 2001 through March 2002)
Vehicles (new)	Japan	1,973,545	1,949,342	24,203	4,029,259
	North America	458,484	380,968	77,516	792,526
	Europe	186,482	107,853	78,629	308,914
	Others	249,254	112,930	136,324	273,517
	Overseas total	894,220	601,751	292,469	1,374,957
	Total	<b>2,867,765</b>	<b>2,551,093</b>	<b>316,672</b>	<b>5,404,216</b>
Houses (Japan)		<b>1,505</b>	<b>1,347</b>	<b>158</b>	<b>3,095</b>

Note: The total production of vehicles (new) includes Daihatsu brand vehicles (including OEM production) of 337,714 units in FY2003 semi-annual, 304,519 units in FY2002 semi-annual and 638,091 units in FY2002, and Hino brand vehicles (including OEM production) of 26,820 units in FY2003 semi-annual and 27,159 units in FY 2002 (produced in the latter half of FY2002). Annual production of Hino brand vehicles (including OEM production) during the period from April 2001 through March 2002 was 52,965 units.

## 2. Sales (by destination)

(Units)

		FY2003 semi-annual (April 2002 through September 2002)	FY2002 semi-annual (April 2001 through September 2001)	Increase (Decrease)	FY2002 (April 2001 through March 2002)
Vehicles (new)	Japan	1,024,151	1,077,465	(53,314)	2,217,002
	North America	1,004,241	859,704	144,537	1,780,133
	Europe	392,027	362,998	29,029	866,351
	Others	598,343	392,100	206,243	921,431
	Overseas total	1,994,611	1,614,802	379,809	3,567,915
	Total	<b>3,018,762</b>	<b>2,692,267</b>	<b>326,495</b>	<b>5,784,917</b>
Houses (Japan)		<b>1,462</b>	<b>1,522</b>	<b>(60)</b>	<b>3,685</b>

Note: The total sales of vehicles (new) includes Daihatsu brand vehicles of 318,817 units in FY2003 semi-annual, 272,621 units in FY2002 semi-annual and 573,543 units in FY2002, and Hino brand vehicles of 28,120 units in FY2003 semi-annual and 29,305 units in FY 2002 (sales for the latter half of FY2002). Annual sales of Hino brand vehicles during the period from April 2001 through March 2002 was 55,459 units.

# BREAKDOWN OF CONSOLIDATED NET SALES

( 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.)

		FY2003 semi-annual (April 2002 through September 2002)	FY2002 semi-annual (April 2001 through September 2001)	Increase (Decrease)	FY2002 (April 2001 through March 2002)
	Vehicles	6,135,735	5,376,491	759,244	11,858,751
	Parts & components for overseas production	113,357	108,991	4,366	194,531
	Parts	501,503	420,014	81,489	947,876
	Others	528,540	353,870	174,670	856,858
	<b>Total Automotive</b>	<b>7,279,136</b>	<b>6,259,368</b>	<b>1,019,768</b>	<b>13,858,017</b>
	Financial services	341,737	308,005	33,732	676,723
	Housing	37,119	38,664	(1,545)	83,570
	Telecommunications	35,711	35,473	238	63,185
	Others	192,976	192,049	927	424,801
	<b>Total</b>	<b>7,886,681</b>	<b>6,833,560</b>	<b>1,053,121</b>	<b>15,106,297</b>

Note: The amounts represent net sales to external customers.

# CONSOLIDATED 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.)

	FY2003 semi-annual (April 2002 through September 2002)	FY2002 semi-annual (April 2001 through September 2001)	Increase (Decrease)	FY2002 (April 2001 through March 2002)
<b>Net sales</b>	<b>7,886,681</b>	<b>6,833,560</b>	<b>1,053,121</b>	<b>15,106,297</b>
Cost of sales	5,933,485	5,231,678	701,807	11,518,782
Selling, general and administrative expenses	1,222,368	1,095,301	127,067	2,464,044
<b>Operating income</b>	<b>730,827</b>	<b>506,581</b>	<b>224,246</b>	<b>1,123,470</b>
Non-operating income	155,871	122,301	33,570	244,111
<i>Interest income</i>	23,072	27,546	(4,474)	46,958
<i>Dividend income</i>	6,466	7,161	(695)	8,691
<i>Equity in earnings of affiliates</i>	51,627	21,344	30,283	15,046
<i>Other non-operating income</i>	74,704	66,248	8,456	173,415
Non-operating expenses	92,671	102,232	(9,561)	254,057
<i>Interest expenses</i>	15,886	18,602	(2,716)	31,990
<i>Other non-operating expenses</i>	76,784	83,630	(6,846)	222,067
<b>Ordinary income</b>	<b>794,028</b>	<b>526,649</b>	<b>267,379</b>	<b>1,113,524</b>
Extraordinary gains	186,050	–	186,050	–
<i>Gains on return of substituted     portion of employee pension     fund</i>	186,050	–	186,050	–
<b>Income before income taxes and minority interest in consolidated subsidiaries</b>	<b>980,078</b>	<b>526,649</b>	<b>453,429</b>	<b>1,113,524</b>
Income taxes - current	334,162	266,806	67,356	591,327
Income taxes - deferred	59,338	(37,607)	96,945	(111,169)
Minority interest in consolidated subsidiaries	32,780	6,337	26,443	17,541
<b>Net income</b>	<b>553,797</b>	<b>291,114</b>	<b>262,683</b>	<b>615,824</b>

# CONSOLIDATED 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.)

	FY2003 semi-annual (As of September 30, 2002)	FY2002 (As of March 31, 2002)	Increase (Decrease)	FY2002 semi-annual (As of September 30, 2001)
<b>Assets</b>				
<b>Current assets</b>	<b>10,611,370</b>	<b>10,410,966</b>	<b>200,404</b>	<b>9,401,394</b>
Cash and deposits	1,042,984	707,233	335,751	1,124,697
Trade notes and accounts receivable	1,317,877	1,561,623	(243,746)	1,407,435
Marketable securities	1,447,001	1,605,460	(158,459)	1,264,925
Inventories	986,311	1,022,718	(36,407)	918,718
Installment credit from dealers	3,480,274	3,334,357	145,917	2,716,279
Short-term loans	1,260,688	1,192,054	68,634	1,135,084
Deferred income taxes	383,622	379,668	3,954	368,496
Other current assets	812,948	718,693	94,255	534,730
Less: allowance for doubtful accounts	(120,339)	(110,843)	(9,496)	(68,971)
<b>Fixed assets</b>	<b>9,345,567</b>	<b>9,477,970</b>	<b>(132,403)</b>	<b>8,895,347</b>
<b>Property, plant and equipment</b>	<b>5,407,249</b>	<b>5,437,777</b>	<b>(30,528)</b>	<b>5,050,695</b>
Buildings and structures	1,215,000	1,230,871	(15,871)	1,190,186
Machinery and equipment	1,174,074	1,179,305	(5,231)	1,106,401
Vehicles and delivery equipment	1,237,833	1,269,275	(31,442)	1,118,180
Land	1,078,622	1,070,869	7,753	1,055,608
Construction in progress	268,288	270,497	(2,209)	164,266
Other property, plant and equipment	433,430	416,958	16,472	416,051
<b>Intangible fixed assets</b>	<b>4,116</b>	<b>4,328</b>	<b>(212)</b>	<b>4,278</b>
<b>Investments and other assets</b>	<b>3,934,200</b>	<b>4,035,865</b>	<b>(101,665)</b>	<b>3,840,373</b>
Investments in securities	2,599,479	2,642,122	(42,643)	2,678,266
Long-term loans	727,049	796,349	(69,300)	691,425
Deferred income taxes	327,816	465,193	(137,377)	392,614
Other investments and other assets	299,042	159,450	139,592	102,533
Less: allowance for doubtful accounts	(19,187)	(27,251)	8,064	(24,465)
<b>Total assets</b>	<b>19,956,937</b>	<b>19,888,937</b>	<b>68,000</b>	<b>18,296,742</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.)

	FY2003 semi-annual (As of September 30, 2002)	FY2002 (As of March 31, 2002)	Increase (Decrease)	FY2002 semi-annual (As of September 30, 2001)
<b>Liabilities</b>				
<b>Current liabilities</b>	<b>7,165,451</b>	<b>7,183,071</b>	<b>(17,620)</b>	<b>6,264,913</b>
Trade notes and accounts payable	1,420,607	1,483,170	(62,563)	1,340,797
Current portion of bonds	1,008,708	1,020,930	(12,222)	849,363
Short-term borrowings	1,042,581	1,104,365	(61,784)	1,136,140
Commercial papers	1,102,701	952,553	150,148	616,901
Accrued expenses and other accounts payable	1,410,512	1,433,216	(22,704)	1,255,818
Income taxes payable	309,352	339,304	(29,952)	256,947
Deferred income taxes	1,391	1,769	(378)	695
Other current liabilities	869,596	847,761	21,835	808,248
<b>Long-term liabilities</b>	<b>4,808,334</b>	<b>4,916,572</b>	<b>(108,238)</b>	<b>4,530,482</b>
Bonds	3,231,027	3,132,372	98,655	2,874,677
Convertible debentures	—	13,308	(13,308)	13,308
Long-term borrowings	467,989	481,007	(13,018)	529,334
Deferred income taxes	338,381	398,273	(59,892)	350,149
Allowance for retirement benefits	674,750	769,714	(94,964)	745,004
Other long-term liabilities	96,184	121,897	(25,713)	18,008
<b>Total liabilities</b>	<b>11,973,785</b>	<b>12,099,644</b>	<b>(125,859)</b>	<b>10,795,395</b>
<b>Minority interest in consolidated subsidiaries</b>	<b>472,094</b>	<b>464,220</b>	<b>7,874</b>	<b>456,828</b>
<b>Shareholders' equity</b>				
<b>Common stock</b>	<b>397,049</b>	<b>397,049</b>	<b>—</b>	<b>397,049</b>
<b>Capital reserve</b>	<b>—</b>	<b>415,150</b>	<b>(415,150)</b>	<b>415,150</b>
<b>Capital surplus</b>	<b>415,769</b>	<b>—</b>	<b>415,769</b>	<b>—</b>
<b>Consolidated earned surplus</b>	<b>—</b>	<b>6,527,956</b>	<b>(6,527,956)</b>	<b>6,253,584</b>
<b>Retained earnings</b>	<b>6,884,863</b>	<b>—</b>	<b>6,884,863</b>	<b>—</b>
<b>Net unrealized gains on other securities</b>	<b>151,609</b>	<b>152,809</b>	<b>(1,200)</b>	<b>168,926</b>
<b>Translation adjustments</b>	<b>(83,968)</b>	<b>22,855</b>	<b>(106,823)</b>	<b>(151,885)</b>
<b>Less: treasury stock</b>	<b>(254,265)</b>	<b>(157,766)</b>	<b>(96,499)</b>	<b>(4,270)</b>
<b>Less: common stock of the Parent held by consolidated subsidiaries</b>	<b>—</b>	<b>(32,983)</b>	<b>32,983</b>	<b>(34,038)</b>
<b>Total shareholders' equity</b>	<b>7,511,057</b>	<b>7,325,072</b>	<b>185,985</b>	<b>7,044,517</b>
<b>Total liabilities and shareholders' equity</b>	<b>19,956,937</b>	<b>19,888,937</b>	<b>68,000</b>	<b>18,296,742</b>

Note: The "Accounting Standard for Treasury Stock and Reversal of Legal Reserves" has been applied during FY2003 semi-annual.



# CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

( 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.)

	FY2003 semi- annual (April 2002 through September 2002)	FY2002 semi- annual (April 2001 through September 2001)	Increase (Decrease)	FY2002 (April 2001 through March 2002)
<b>Consolidated earned surplus at beginning of period</b>	-	<b>6,162,656</b>	<b>(6,162,656)</b>	<b>6,162,656</b>
<b>Decreases in consolidated earned surplus</b>	-	<b>200,186</b>	<b>(200,186)</b>	<b>250,524</b>
Dividends	-	50,905	(50,905)	98,638
Bonuses to directors and corporate auditors	-	2,096	(2,096)	2,050
Decrease resulting from increase in consolidated subsidiaries	-	16,817	(16,817)	16,742
Decrease resulting from decrease in consolidated subsidiaries	-	1,148	(1,148)	3,874
Decrease resulting from share retirement by the parent company	-	129,218	(129,218)	129,218
<b>Net income</b>	-	<b>291,114</b>	<b>(291,114)</b>	<b>615,824</b>
<b>Consolidated earned surplus at end of period</b>	-	<b>6,253,584</b>	<b>(6,253,584)</b>	<b>6,527,956</b>
<b>(Capital surplus)</b>				
<b>Capital surplus at beginning of period</b>	<b>415,150</b>	-	<b>415,150</b>	-
Capital reserve at beginning of period	415,150	-	415,150	-
<b>Increase in capital surplus</b>	<b>619</b>	-	<b>619</b>	-
Gain on disposal of treasury stock	619	-	619	-
<b>Capital surplus at end of period</b>	<b>415,769</b>	-	<b>415,769</b>	-
<b>(Retained earnings)</b>				
<b>Retained earnings at beginning of period</b>	<b>6,527,956</b>	-	<b>6,527,956</b>	-
Consolidated earned surplus at beginning of period	6,527,956	-	6,527,956	-
<b>Increases in retained earnings</b>	<b>555,567</b>	-	<b>555,567</b>	-
Net income	553,797	-	553,797	-
Increase resulting from decrease in consolidated subsidiaries	1,496	-	1,496	-
Increase resulting from increase in affiliates accounted for under the equity method	272	-	272	-
<b>Decreases in retained earnings</b>	<b>198,660</b>	-	<b>198,660</b>	-
Dividends	53,342	-	53,342	-
Bonuses to directors and corporate auditors	2,316	-	2,316	-
Decrease resulting from increase in consolidated subsidiaries	9	-	9	-
Decrease resulting from share retirement by the parent company	142,992	-	142,992	-
<b>Retained earnings at end of period</b>	<b>6,884,863</b>	-	<b>6,884,863</b>	-

# CONSOLIDATED STATEMENTS OF CASH FLOWS

( 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.)

	FY2003 semi-annual (April 2002 through September 2002)	FY2002 semi-annual (April 2001 through September 2001)	FY2002 (April 2001 through March 2002)
<b>Cash flows from operating activities</b>			
Income before income taxes and minority interest in consolidated subsidiaries	980,078	526,649	1,113,524
Depreciation expenses	416,044	382,075	803,607
Losses on disposal of fixed assets	25,820	14,906	52,637
Increase (Decrease) in allowance for retirement benefits	(181,472)	38,908	131,187
Interest and dividend income	(29,539)	(34,707)	(55,649)
Interest expenses	15,886	18,602	31,990
Equity in earnings of affiliates	(51,627)	(21,344)	(15,046)
Increase in trade notes and accounts receivable	(143,035)	(68,923)	(583,422)
Increase in loans receivable of consolidated financial subsidiaries	(98,704)	(58,889)	(91,321)
Decrease in inventories	7,805	67,788	11,512
Increase (Decrease) in trade notes and accounts payable	(45,766)	(113,443)	14,686
Others	(4,133)	(40,935)	(174,576)
Subtotal	891,355	710,687	1,239,130
Interest and dividends received	38,860	43,310	68,454
Interest paid	(15,574)	(18,860)	(31,475)
Income taxes paid	(382,641)	(281,813)	(516,959)
Cash flows from operating activities	532,001	453,325	759,149
<b>Cash flows from investing activities</b>			
Net decrease (increase) in time deposits	(11,248)	25,458	34,828
Payments for purchase of marketable securities and investments in securities	(483,502)	(203,139)	(667,893)
Proceeds from sales of marketable securities and investments in securities	107,632	82,373	159,139
Proceeds from redemption of marketable securities and investments in securities	462,247	300,377	604,080
Payments for acquisition of property, plant and equipment (excluding vehicles for lease)	(533,773)	(461,419)	(961,402)
Payments for acquisition of vehicles for lease	(256,877)	(287,774)	(566,690)
Proceeds from sales of property, plant and equipment (excluding vehicles for lease)	31,605	32,050	65,119
Proceeds from sales of vehicles for lease	126,598	234,186	408,422
Others	34,403	(34,770)	(29,635)
Cash flows from investing activities	(522,914)	(312,656)	(954,031)
<b>Cash flows from financing activities</b>			
Net increase (decrease) in short-term borrowings	(72,158)	90,571	26,112
Net increase (decrease) in commercial papers	207,884	(176,912)	78,331
Proceeds from origination of long-term borrowings	49,762	111,612	261,823
Payments for repayment of long-term borrowings	(63,047)	(102,795)	(293,559)
Proceeds from issuance of bonds	840,917	734,130	1,493,896
Payments for redemption of bonds	(498,603)	(244,134)	(830,294)
Payments for purchase of treasury stock	(169,213)	(129,218)	(282,849)
Dividends paid	(53,342)	(50,905)	(98,638)
Others	(5,089)	(4,818)	(6,816)
Cash flows from financing activities	237,111	227,530	348,005
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(40,937)</b>	<b>(10,741)</b>	<b>32,375</b>
<b>Net increase in cash and cash equivalents</b>	<b>205,261</b>	<b>357,457</b>	<b>185,499</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1,688,126</b>	<b>1,507,280</b>	<b>1,507,280</b>
<b>Decrease in cash and cash equivalents due to change in scope of consolidated subsidiaries</b>	<b>-</b>	<b>(4,654)</b>	<b>(4,654)</b>
<b>Cash and cash equivalents at end of period</b>	<b>1,893,387</b>	<b>1,860,083</b>	<b>1,688,126</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, carry minimal risk of change in value and have a redemption period of three months or less.

## SIGNIFICANT ACCOUNTING POLICIES

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

1. Valuation of securities:
  - Securities are principally evaluated on the following basis
  - Other securities with fair value:
    - Stated at fair value based on market prices, etc. at end of the semi-annual period  
(Both unrealized gains and losses are included in “Net unrealized gains on other securities”, a component of shareholders’ equity; cost of sales is determined using the moving average method.)
  - Other securities not practicable to fair value:
    - Stated at cost determined using the moving average method
2. Valuation of derivatives:
  - Principally stated at fair value
3. Valuation of money trusts for trading purposes:
  - Stated at fair value
4. Valuation of inventories:
  - TMC and domestic consolidated subsidiaries:
    - Principally stated at cost, as determined using the periodic average method or the specific identification method
  - Overseas consolidated subsidiaries:
    - Principally stated at the lower of cost or market value based on the following: the specific identification method, first-in-first-out method or last-in-first-out method
5. Depreciation of property, plant and equipment:
  - TMC and domestic consolidated subsidiaries:
    - Principally computed using the declining balance method
  - Overseas consolidated subsidiaries:
    - Principally computed using the straight-line method
6. Amortization of intangible fixed assets:
  - Computed using the straight-line method
7. Significant reserves:
  - Allowance for doubtful accounts:
    - TMC: To prepare for losses from bad debt, allowance for doubtful accounts is provided in an amount equivalent to the maximum limit deductible for tax purposes which is determined by the Corporation Tax Laws or an amount determined by considering the collectibility of receivable
  - Consolidated subsidiaries:
    - Principally computed based on the maximum limit deductible for tax purposes which is determined by the Corporation Tax Laws or the historical loss experience
  - Allowance for employee bonus:
    - To provide for employee bonuses, some of the consolidated subsidiaries accrue part of the estimated bonus payments attributable to the current semi-annual period
  - Allowance for retirement benefits:
    - Principally to provide for the retirement benefits for employees, including those already retired, allowance for retirement benefits is stated based on estimated retirement benefit obligations and estimated pension assets at the end of semi-annual period
8. Consumption taxes:
  - Computed based on the net-of-tax method

## NOTES TO CONSOLIDATED BALANCE SHEETS

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

1. Accumulated depreciation of property, plant and equipment	7,770,939 million yen	
2. Leased assets (as a lessor) of 1,109,561 million yen are included in “Vehicles and delivery equipment”		
3. Assets pledged as collateral and secured liability		
Assets pledged as collateral	Notes receivable	42,874 million yen
	Installment credit from dealers	94,699 million yen
	Buildings and structures	68,954 million yen
	Machinery and equipment	18,167 million yen
	Land	103,622 million yen
	Others	22,285 million yen
Secured liability	Short-term borrowings	147,280 million yen
	Long-term borrowings	76,378 million yen
	Bonds	94,699 million yen
4. Liabilities for guarantees	823,367 million yen	
5. Trade notes receivable discounted	12,014 million yen	
Trade notes receivable endorsed	55 million yen	

## NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS

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

Reconciliation of cash and cash equivalents and accounts on the consolidated balance sheet at end of FY2003 semi-annual.

Cash and deposits	1,042,984	million yen
Marketable securities	1,447,001	million yen
Total	2,489,986	million yen
Time deposits, bonds and others with original maturity exceeding a three-month period	( 596,599 )	million yen
Cash and cash equivalents	1,893,387	million yen

# SEGMENT INFORMATION

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

## 1. Business Segment Information

(1) FY2003 Semi-Annual (April 2002 through September 2002)

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

	Automotive	Financial services	All other	Total	Elimination and/or unallocated assets	Consolidated
Net sales						
(1) Sales to external customers	7,279,136	341,737	265,807	7,886,681	–	7,886,681
(2) Inter-segment sales and transfers	3,173	8,444	131,226	142,844	(142,844)	–
Total	7,282,310	350,182	397,034	8,029,526	(142,844)	7,886,681
Operating expenses	6,548,048	347,568	394,463	7,290,080	(134,226)	7,155,853
Operating income	734,261	2,614	2,570	739,446	(8,618)	730,827
Assets	9,073,001	7,198,614	809,616	17,081,232	2,875,704	19,956,937
Depreciation expenses	353,238	53,364	9,441	416,044	–	416,044
Capital expenditure	495,270	224,332	17,730	737,333	–	737,333

(2) FY2002 Semi-Annual (April 2001 through September 2001)

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

	Automotive	Financial services	All other	Total	Elimination and/or unallocated assets	Consolidated
Net sales						
(1) Sales to external customers	6,259,368	308,005	266,187	6,833,560	–	6,833,560
(2) Inter-segment sales and transfers	23,766	7,576	122,184	153,526	(153,526)	–
Total	6,283,134	315,581	388,371	6,987,087	(153,526)	6,833,560
Operating expenses	5,791,163	295,707	385,816	6,472,686	(145,707)	6,326,979
Operating income	491,971	19,873	2,555	514,400	(7,819)	506,581
Assets	8,968,180	5,965,004	697,863	15,631,048	2,665,693	18,296,742
Depreciation expenses	320,051	52,751	9,272	382,075	–	382,075
Capital expenditure	422,730	229,055	18,405	670,190	–	670,190

(3) FY2002 (April 2001 through March 2002)

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

	Automotive	Financial services	All other	Total	Elimination and/or unallocated assets	Consolidated
Net sales						
(1) Sales to external customers	13,858,017	676,723	571,557	15,106,297	–	15,106,297
(2) Inter-segment sales and transfers	51,908	16,662	247,912	316,483	(316,483)	–
Total	13,909,926	693,385	819,470	15,422,781	(316,483)	15,106,297
Operating expenses	12,831,828	624,727	820,367	14,276,922	(294,095)	13,982,827
Operating income	1,078,097	68,657	(896)	1,145,858	(22,387)	1,123,470
Assets	9,458,096	7,069,278	778,650	17,306,025	2,582,911	19,888,937
Depreciation expenses	681,049	102,098	20,460	803,607	–	803,607
Capital expenditure	989,445	478,589	40,736	1,508,771	–	1,508,771

Note: Unallocated corporate assets included under "Elimination and/or unallocated assets" for FY2003 semi-annual, FY2002 semi-annual and FY2002 are 3,354,735 million yen, 3,011,167 million yen and 3,016,176 million yen, respectively, and consist primarily of funds such as cash and deposits, marketable securities and portion of investments in securities held by TMC.

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

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

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

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

	FY2003 semi-annual (April 2002 through September 2002)	FY2002 semi-annual (April 2001 through September 2001)	Increase (Decrease)
(Non-financial services)			
<b>Net sales</b>	<b>7,543,567</b>	<b>6,545,434</b>	<b>998,133</b>
Cost of sales	5,697,351	5,025,563	671,788
Selling, general and administrative expenses	1,107,360	1,021,963	85,397
<b>Operating income</b>	<b>738,855</b>	<b>497,906</b>	<b>240,949</b>
Non-operating income	153,290	119,859	33,431
Non-operating expenses	95,605	102,767	(7,162)
<b>Ordinary income</b>	<b>796,540</b>	<b>514,999</b>	<b>281,541</b>
Extraordinary gains	186,050	–	186,050
<i>Gains on return of substituted portion of employee pension fund</i>	<i>186,050</i>	<i>–</i>	<i>186,050</i>
<b>Income before income taxes and minority interest in consolidated subsidiaries</b>	<b>982,591</b>	<b>514,999</b>	<b>467,592</b>
Income taxes	395,175	224,848	170,327
Minority interest in consolidated subsidiaries	32,519	6,069	26,450
<b>Net income</b>	<b>554,895</b>	<b>284,081</b>	<b>270,814</b>
(Financial services)			
<b>Net sales</b>	<b>350,182</b>	<b>315,581</b>	<b>34,601</b>
Cost of sales	232,141	218,888	13,253
Selling, general and administrative expenses	115,426	76,818	38,608
<b>Operating income</b>	<b>2,614</b>	<b>19,873</b>	<b>(17,259)</b>
Non-operating income	5,522	4,181	1,341
Non-operating expenses	4,543	4,573	(30)
<b>Ordinary income</b>	<b>3,592</b>	<b>19,481</b>	<b>(15,889)</b>
<b>Income before income taxes and minority interest in consolidated subsidiaries</b>	<b>3,592</b>	<b>19,481</b>	<b>(15,889)</b>
Income taxes	594	7,425	(6,831)
Minority interest in consolidated subsidiaries	272	267	5
<b>Net income</b>	<b>2,725</b>	<b>11,789</b>	<b>(9,064)</b>
(Elimination)			
<b>Elimination of net income</b>	<b>(3,823)</b>	<b>(4,756)</b>	<b>933</b>
(Consolidated)			
<b>Net income</b>	<b>553,797</b>	<b>291,114</b>	<b>262,683</b>

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

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

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

	FY2003 semi-annual (As of September 30,2002)	FY2002 (As of March 31,2002)	Increase (Decrease)
<b>Assets</b>			
(Non-financial services)			
<b>Current assets</b>	<b>5,913,043</b>	<b>5,857,335</b>	<b>55,708</b>
Cash and deposits	947,523	549,398	398,125
Trade notes and accounts receivable	1,337,361	1,572,060	(234,699)
Marketable securities	1,440,996	1,601,256	(160,260)
Inventories	986,311	1,022,718	(36,407)
Other current assets, etc.	1,200,850	1,111,902	88,948
<b>Fixed assets</b>	<b>7,591,927</b>	<b>7,663,886</b>	<b>(71,959)</b>
<b>Property, plant and equipment</b>	<b>4,354,678</b>	<b>4,353,811</b>	<b>867</b>
<b>Investments and other assets</b>	<b>3,237,249</b>	<b>3,310,074</b>	<b>(72,825)</b>
Investments in securities	2,381,021	2,389,376	(8,355)
Long-term loans	374,268	399,349	(25,081)
Other investments and other assets, etc.	481,959	521,349	(39,390)
<b>Total</b>	<b>13,504,971</b>	<b>13,521,221</b>	<b>(16,250)</b>
(Financial services)			
<b>Current assets</b>	<b>5,227,220</b>	<b>5,011,868</b>	<b>215,352</b>
Cash and deposits	95,460	157,835	(62,375)
Marketable securities	6,814	4,204	2,610
Installment credit from dealers	3,362,829	3,214,276	148,553
Other current assets, etc.	1,762,115	1,635,551	126,564
<b>Fixed assets</b>	<b>1,971,393</b>	<b>2,057,410</b>	<b>(86,017)</b>
<b>Property, plant and equipment</b>	<b>1,052,571</b>	<b>1,083,966</b>	<b>(31,395)</b>
<b>Intangible fixed assets</b>	<b>4,116</b>	<b>4,328</b>	<b>(212)</b>
<b>Investments and other assets</b>	<b>914,705</b>	<b>969,115</b>	<b>(54,410)</b>
Investments in securities	218,457	252,746	(34,289)
Long-term loans	570,747	640,907	(70,160)
Other investments and other assets, etc.	125,500	75,461	50,039
<b>Total</b>	<b>7,198,614</b>	<b>7,069,278</b>	<b>129,336</b>
(Elimination)			
<b>Elimination of assets</b>	<b>(746,648)</b>	<b>(701,563)</b>	<b>(45,085)</b>
(Consolidated)			
<b>Total assets</b>	<b>19,956,937</b>	<b>19,888,937</b>	<b>68,000</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 Japan )

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

	FY2003 semi-annual (As of September 30,2002)	FY2002 (As of March 31,2002)	Increase (Decrease)
<b>Liabilities</b> (Non-financial services)			
<b>Current liabilities</b>	<b>4,414,239</b>	<b>4,583,985</b>	<b>(169,746)</b>
Trade notes and accounts payable	1,413,256	1,475,934	(62,678)
Current portion of bonds	69,899	154,150	(84,251)
Short-term borrowings	866,630	922,792	(56,162)
Accrued expenses and other accounts payable	1,294,760	1,305,518	(10,758)
Income taxes payable	306,821	333,171	(26,350)
Other current liabilities, etc.	462,871	392,418	70,453
<b>Long-term liabilities</b>	<b>1,548,859</b>	<b>1,620,829</b>	<b>(71,970)</b>
Bonds and convertible debentures	500,400	413,808	86,592
Long-term borrowings	236,640	255,928	(19,288)
Other long-term liabilities, etc.	811,818	951,092	(139,274)
<b>Total</b>	<b>5,963,099</b>	<b>6,204,815</b>	<b>(241,716)</b>
(Financial services)			
<b>Current liabilities</b>	<b>3,273,597</b>	<b>3,049,099</b>	<b>224,498</b>
Current portion of bonds	939,619	866,780	72,839
Short-term borrowings	664,435	605,697	58,738
Commercial papers	1,077,307	923,989	153,318
Accrued expenses and other accounts payable	139,106	151,310	(12,204)
Income taxes payable	2,530	6,133	(3,603)
Other current liabilities, etc.	450,598	495,187	(44,589)
<b>Long-term liabilities</b>	<b>3,484,220</b>	<b>3,548,381</b>	<b>(64,161)</b>
Bonds	2,730,627	2,731,872	(1,245)
Long-term borrowings	456,094	477,716	(21,622)
Other long-term liabilities, etc.	297,498	338,792	(41,294)
<b>Total</b>	<b>6,757,817</b>	<b>6,597,481</b>	<b>160,336</b>
(Elimination)			
<b>Elimination of liabilities</b>	<b>(747,130)</b>	<b>(702,652)</b>	<b>(44,478)</b>
(Consolidated)			
<b>Total liabilities</b>	<b>11,973,785</b>	<b>12,099,644</b>	<b>(125,859)</b>
(Consolidated)			
<b>Minority interest in consolidated subsidiaries</b>	<b>472,094</b>	<b>464,220</b>	<b>7,874</b>
<b>Shareholders' equity</b> (Consolidated)			
<b>Common stock</b>	<b>397,049</b>	<b>397,049</b>	<b>-</b>
<b>Capital reserve</b>	<b>-</b>	<b>415,150</b>	<b>(415,150)</b>
<b>Capital surplus</b>	<b>415,769</b>	<b>-</b>	<b>415,769</b>
<b>Consolidated earned surplus</b>	<b>-</b>	<b>6,527,956</b>	<b>(6,527,956)</b>
<b>Retained earnings</b>	<b>6,884,863</b>	<b>-</b>	<b>6,884,863</b>
<b>Net unrealized gains on other securities</b>	<b>151,609</b>	<b>152,809</b>	<b>(1,200)</b>
<b>Translation adjustments</b>	<b>(83,968)</b>	<b>22,855</b>	<b>(106,823)</b>
<b>Less: treasury stock</b>	<b>(254,265)</b>	<b>(157,766)</b>	<b>(96,499)</b>
<b>Less: common stock of the Parent held by consolidated subsidiaries</b>	<b>-</b>	<b>(32,983)</b>	<b>32,983</b>
<b>Total shareholders' equity</b>	<b>7,511,057</b>	<b>7,325,072</b>	<b>185,985</b>
(Consolidated)			
<b>Total liabilities and shareholders' equity</b>	<b>19,956,937</b>	<b>19,888,937</b>	<b>68,000</b>



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

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

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

	FY2003 semi-annual (April 2002 through September 2002)	FY2002 semi-annual (April 2001 through September 2001)
(Non-financial services)		
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interest in consolidated subsidiaries	982,591	514,999
Depreciation expenses	362,679	329,323
Losses on disposal of fixed assets	25,680	14,463
Increase (Decrease) in allowance for retirement benefits	(182,293)	38,652
Interest and dividend income	(30,473)	(34,710)
Interest expenses	21,710	23,574
Equity in earnings of affiliates	(46,873)	(19,694)
Decrease in trade notes and accounts receivable	247,847	256,909
Decrease in inventories	7,805	69,132
Decrease in trade notes and accounts payable	(46,458)	(105,816)
Others	95,493	(49,592)
Subtotal	1,437,710	1,037,241
Interest and dividends received	38,029	41,884
Interest paid	(21,398)	(24,237)
Income taxes paid	(376,974)	(277,191)
Cash flows from operating activities	1,077,366	777,698
<b>Cash flows from investing activities</b>		
Net decrease in time deposits	663	30,855
Payments for purchase of marketable securities and investments in securities	(388,605)	(87,265)
Proceeds from sales of marketable securities and investments in securities	77,796	31,841
Proceeds from redemption of marketable securities and investments in securities	386,119	206,291
Payments for acquisition of property, plant and equipment (excluding vehicles for lease)	(509,178)	(433,959)
Payments for acquisition of vehicles for lease	(57,793)	(87,000)
Proceeds from sales of property, plant and equipment (excluding vehicles for lease)	25,434	26,103
Proceeds from sales of vehicles for lease	19,839	63,769
Others	(20,566)	(27,291)
Cash flows from investing activities	(466,291)	(276,656)
<b>Cash flows from financing activities</b>		
Net decrease in short-term borrowings	(61,792)	(38,140)
Proceeds from origination of long-term borrowings	8,675	50,462
Payments for repayment of long-term borrowings	(33,992)	(58,317)
Payments for purchase of treasury stock	(169,213)	(129,218)
Dividends paid	(53,342)	(50,905)
Others	7,973	(18,639)
Cash flows from financing activities	(301,690)	(244,758)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(32,659)</b>	<b>(6,992)</b>
<b>Net increase in cash and cash equivalents</b>	<b>276,725</b>	<b>249,290</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1,541,940</b>	<b>1,453,148</b>
<b>Decrease in cash and cash equivalents due to change in scope of consolidated subsidiaries</b>	<b>-</b>	<b>(4,654)</b>
<b>Cash and cash equivalents at end of period</b>	<b>1,818,666</b>	<b>1,697,784</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.)

	FY2003 semi-annual (April 2002 through September 2002)	FY2002 semi-annual (April 2001 through September 2001)
(Financial services)		
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interest in consolidated subsidiaries	3,592	19,481
Depreciation expenses	53,364	52,751
Equity in earnings of affiliates	(4,754)	(1,650)
Increase in trade notes and accounts receivable	(400,729)	(324,913)
Increase in loans receivable of consolidated financial subsidiaries	(98,704)	(58,889)
Others	(94,232)	(6,661)
Subtotal	(541,463)	(319,882)
Interest and dividends received	1,766	1,234
Income taxes paid	(5,666)	(4,622)
Cash flows from operating activities	(545,364)	(323,269)
<b>Cash flows from investing activities</b>		
Net increase in time deposits	(11,911)	(5,396)
Payments for purchase of marketable securities and investments in securities	(95,707)	(115,873)
Proceeds from sales of marketable securities and investments in securities	29,836	50,531
Proceeds from redemption of marketable securities and investments in securities	76,127	94,086
Payments for acquisition of property, plant and equipment (excluding vehicles for lease)	(24,594)	(27,459)
Payments for acquisition of vehicles for lease	(199,084)	(200,774)
Proceeds from sales of property, plant and equipment (excluding vehicles for lease)	6,171	5,947
Proceeds from sales of vehicles for lease	106,758	170,417
Others	17,900	(8,216)
Cash flows from investing activities	(94,502)	(36,737)
<b>Cash flows from financing activities</b>		
Net increase in short-term borrowings	29,242	125,140
Net increase (decrease) in commercial papers	210,671	(175,091)
Proceeds from origination of long-term borrowings	47,942	124,416
Payments for repayment of long-term borrowings	(38,451)	(104,538)
Proceeds from issuance of bonds	691,727	734,130
Payments for redemption of bonds	(364,453)	(244,134)
Others	-	12,000
Cash flows from financing activities	576,679	471,923
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(8,277)</b>	<b>(3,749)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(71,464)</b>	<b>108,166</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>146,185</b>	<b>54,132</b>
<b>Cash and cash equivalents at end of period</b>	<b>74,721</b>	<b>162,299</b>
(Consolidated)		
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(40,937)</b>	<b>(10,741)</b>
<b>Net increase in cash and cash equivalents</b>	<b>205,261</b>	<b>357,457</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1,688,126</b>	<b>1,507,280</b>
<b>Decrease in cash and cash equivalents due to change in scope of consolidated subsidiaries</b>	<b>-</b>	<b>(4,654)</b>
<b>Cash and cash equivalents at end of period</b>	<b>1,893,387</b>	<b>1,860,083</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, carry minimal risk of change in value and have a redemption period of three months or less.

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

### 3. Geographical Segment Information

#### (1) FY2003 Semi-Annual (April 2002 through September 2002)

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

	Japan	North America	Europe	Other	Total	Elimination and/or unallocated assets	Consolidated
Net sales							
(1) Sales to external customers	3,300,299	3,091,451	714,199	780,731	7,886,681	–	7,886,681
(2) Inter-segment sales and transfers	2,088,302	127,371	32,043	43,169	2,290,887	(2,290,887)	–
Total	5,388,602	3,218,822	746,243	823,901	10,177,568	(2,290,887)	7,886,681
Operating expenses	4,852,733	3,039,678	740,825	799,339	9,432,577	(2,276,723)	7,155,853
Operating income	535,868	179,144	5,417	24,561	744,991	(14,163)	730,827
Assets	8,928,115	6,457,512	1,301,488	967,875	17,654,992	2,301,945	19,956,937

#### (2) FY2002 Semi-Annual (April 2001 through September 2001)

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

	Japan	North America	Europe	Other	Total	Elimination and/or unallocated assets	Consolidated
Net sales							
(1) Sales to external customers	3,132,091	2,642,610	598,600	460,258	6,833,560	–	6,833,560
(2) Inter-segment sales and transfers	1,789,492	81,157	18,054	48,690	1,937,395	(1,937,395)	–
Total	4,921,583	2,723,768	616,655	508,948	8,770,956	(1,937,395)	6,833,560
Operating expenses	4,509,117	2,618,816	621,872	505,417	8,255,223	(1,928,244)	6,326,979
Operating income	412,466	104,951	(5,217)	3,531	515,732	(9,150)	506,581
Assets	8,907,241	5,551,040	973,730	800,994	16,233,007	2,063,734	18,296,742

#### (3) FY2002 (April 2001 through March 2002)

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

	Japan	North America	Europe	Other	Total	Elimination and/or unallocated assets	Consolidated
Net sales							
(1) Sales to external customers	6,698,686	5,587,784	1,537,324	1,282,502	15,106,297	–	15,106,297
(2) Inter-segment sales and transfers	3,835,050	244,552	57,137	117,923	4,254,664	(4,254,664)	–
Total	10,533,737	5,832,337	1,594,461	1,400,426	19,360,962	(4,254,664)	15,106,297
Operating expenses	9,663,410	5,566,687	1,606,867	1,380,671	18,217,637	(4,234,810)	13,982,827
Operating income	870,326	265,649	(12,405)	19,754	1,143,324	(19,853)	1,123,470
Assets	9,253,687	6,534,782	1,215,021	960,048	17,963,539	1,925,397	19,888,937

Note: Unallocated corporate assets included under "Elimination and/or unallocated assets" for FY2003 semi-annual, FY2002 semi-annual and FY2002 are 3,354,735 million yen, 3,011,167 million yen and 3,016,176 million yen, respectively, and consist primarily of funds such as cash and deposits, marketable securities and portion of investments in securities held by TMC.

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

#### 4. Overseas Sales

##### (1) FY2003 Semi-Annual (April 2002 through September 2002)

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

	North America	Europe	Other	Total
Overseas sales	3,216,881	717,383	1,328,687	5,262,952
Consolidated sales	–	–	–	7,886,681
Ratio of overseas sales to consolidated sales	% 40.8	% 9.1	% 16.8	% 66.7

##### (2) FY2002 Semi-Annual (April 2001 through September 2001)

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

	North America	Europe	Other	Total
Overseas sales	2,713,208	616,333	895,050	4,224,592
Consolidated sales	–	–	–	6,833,560
Ratio of overseas sales to consolidated sales	% 39.7	% 9.0	% 13.1	% 61.8

##### (3) FY2002 (April 2001 through March 2002)

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

	North America	Europe	Other	Total
Overseas sales	5,796,721	1,572,732	2,168,685	9,538,139
Consolidated sales	–	–	–	15,106,297
Ratio of overseas sales to consolidated sales	% 38.4	% 10.4	% 14.3	% 63.1

# 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.)

	FY2003 semi-annual (April 2002 through September 2002)	FY2002 semi-annual (April 2001 through September 2001)	Increase (Decrease)	FY2002 (April 2001 through March 2002)
<b>Ordinary profits and losses</b>				
<b>Operating revenue and expenses</b>				
<b>Operating revenue</b>	<b>4,204,777</b>	<b>4,011,942</b>	<b>192,835</b>	<b>8,284,968</b>
Net sales	4,204,777	4,011,942	192,835	8,284,968
<b>Operating expenses</b>	<b>3,733,437</b>	<b>3,657,725</b>	<b>75,712</b>	<b>7,536,043</b>
Cost of sales	3,276,590	3,226,379	50,211	6,618,526
Selling, general and administrative expenses	456,847	431,346	25,501	917,517
<b>Operating income</b>	<b>471,339</b>	<b>354,216</b>	<b>117,123</b>	<b>748,924</b>
<b>Non-operating income and expenses</b>				
<b>Non-operating income</b>	<b>79,881</b>	<b>84,727</b>	<b>(4,846)</b>	<b>174,212</b>
Interest income	10,672	12,512	(1,840)	23,069
Dividend income	35,236	25,980	9,256	34,488
Other non-operating income	33,972	46,235	(12,263)	116,654
<b>Non-operating expenses</b>	<b>69,470</b>	<b>91,832</b>	<b>(22,362)</b>	<b>154,215</b>
Interest expenses	5,356	5,310	46	10,669
Other non-operating expenses	64,113	86,521	(22,408)	143,546
<b>Ordinary income</b>	<b>481,750</b>	<b>347,112</b>	<b>134,638</b>	<b>768,920</b>
<b>Extraordinary gains and losses</b>				
<b>Extraordinary gains</b>	<b>162,457</b>	<b>–</b>	<b>162,457</b>	<b>–</b>
Gains on return of substituted portion of employee pension fund	162,457	–	162,457	–
<b>Income before income taxes</b>	<b>644,208</b>	<b>347,112</b>	<b>297,096</b>	<b>768,920</b>
Income taxes – current	238,200	200,200	38,000	418,800
Income taxes – deferred	23,789	(56,685)	80,474	(120,118)
<b>Net income</b>	<b>382,218</b>	<b>203,598</b>	<b>178,620</b>	<b>470,239</b>
Unappropriated retained earnings brought forward	306,006	66,919	239,087	66,919
Retirement of shares	142,992	129,218	13,774	129,218
Interim cash dividends	–	–	–	47,434
<b>Unappropriated retained earnings at end of period</b>	<b>545,233</b>	<b>141,299</b>	<b>403,934</b>	<b>360,506</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.)

	FY2003 semi-annual (As of September 30,2002)	FY2002 (As of March 31,2002)	Increase (Decrease)	FY2002 semi-annual (As of September 30,2001)
<b>Assets</b>				
<b>Current assets</b>	<b>3,538,809</b>	<b>3,431,039</b>	<b>107,770</b>	<b>3,118,153</b>
Cash and deposits	697,828	265,802	432,026	619,666
Trade notes receivable	—	—	—	4
Trade accounts receivable	730,718	994,390	(263,672)	782,500
Marketable securities	1,025,272	1,190,085	(164,813)	885,950
Finished goods	132,343	107,794	24,549	108,735
Raw materials	13,060	14,843	(1,783)	13,389
Work in process	62,736	66,987	(4,251)	64,934
Supplies	6,564	6,323	241	6,537
Short-term loans	241,698	182,204	59,494	107,967
Deferred income taxes	235,126	216,084	19,042	179,914
Other current assets	399,560	395,623	3,937	356,053
Less : allowance for doubtful accounts	(6,100)	(9,100)	3,000	(7,500)
<b>Fixed assets</b>	<b>4,945,282</b>	<b>5,036,891</b>	<b>(91,609)</b>	<b>4,905,425</b>
<b>Property, plant and equipment</b>	<b>1,247,897</b>	<b>1,275,101</b>	<b>(27,204)</b>	<b>1,233,588</b>
Buildings	345,767	350,141	(4,374)	350,353
Structures	40,953	42,360	(1,407)	42,043
Machinery and equipment	353,392	341,507	11,885	346,344
Vehicle and delivery equipment	9,525	9,398	127	8,390
Tools, furniture and fixtures	78,388	79,848	(1,460)	73,774
Land	400,250	400,484	(234)	396,425
Construction in progress	19,619	51,360	(31,741)	16,256
<b>Investments and other assets</b>	<b>3,697,384</b>	<b>3,761,789</b>	<b>(64,405)</b>	<b>3,671,837</b>
Investments in securities	1,764,662	1,832,686	(68,024)	1,921,941
Investments in subsidiaries	1,200,646	1,223,747	(23,101)	1,148,503
Long-term loans	380,461	389,309	(8,848)	311,844
Deferred income taxes	244,678	297,445	(52,767)	262,120
Other investments	117,935	25,600	92,335	30,027
Less : allowance for doubtful accounts	(11,000)	(7,000)	(4,000)	(2,600)
<b>Total assets</b>	<b>8,484,092</b>	<b>8,467,930</b>	<b>16,162</b>	<b>8,023,579</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.)

	FY2003 semi-annual (As of September 30,2002)	FY2002 (As of March 31,2002)	Increase (Decrease)	FY2002 semi-annual (As of September 30,2001)
<b>Liabilities</b>				
<b>Current liabilities</b>	<b>1,775,776</b>	<b>1,961,602</b>	<b>(185,826)</b>	<b>1,619,939</b>
Trade notes payable	928	1,202	(274)	791
Trade accounts payable	716,985	731,445	(14,460)	658,773
Current portion of bonds	50,000	114,150	(64,150)	114,150
Accrued liabilities	278,517	348,720	(70,203)	273,343
Income taxes payable	238,917	262,336	(23,419)	193,906
Accrued expenses	361,263	352,215	9,048	327,415
Deposits received	98,596	118,809	(20,213)	35,032
Other current liabilities	30,567	32,723	(2,156)	16,527
<b>Long-term liabilities</b>	<b>868,107</b>	<b>844,169</b>	<b>23,938</b>	<b>791,453</b>
Bonds	500,600	400,600	100,000	400,600
Allowance for retirement benefits	292,653	391,458	(98,805)	380,243
Other long-term liabilities	74,853	52,111	22,742	10,610
<b>Total liabilities</b>	<b>2,643,883</b>	<b>2,805,772</b>	<b>(161,889)</b>	<b>2,411,392</b>
<b>Shareholders' equity</b>				
<b>Common stock</b>	<b>397,049</b>	<b>397,049</b>	<b>-</b>	<b>397,049</b>
<b>Capital surplus</b>	<b>415,150</b>	<b>415,150</b>	<b>-</b>	<b>415,150</b>
Capital reserve	415,150	415,150	-	415,150
<b>Retained earnings</b>	<b>5,092,561</b>	<b>4,908,068</b>	<b>184,493</b>	<b>4,688,861</b>
Legal reserve	99,454	99,454	-	99,454
Reserve for losses on overseas investments	396	397	(1)	397
Reserve for special depreciation	1,547	1,396	151	1,396
Reserve for reduction of acquisition cost of fixed assets	5,004	5,386	(382)	5,386
General reserve	4,440,926	4,440,926	-	4,440,926
Unappropriated retained earnings at end of period	545,233	360,506	184,727	141,299
<Included net income for the period>	<382,218>	<470,239 >	<(88,021)>	<203,598 >
<b>Net unrealized gains on other securities</b>	<b>113,789</b>	<b>99,656</b>	<b>14,133</b>	<b>111,124</b>
<b>Less: treasury stock</b>	<b>(178,342)</b>	<b>(157,766)</b>	<b>(20,576)</b>	<b>-</b>
<b>Total shareholders' equity</b>	<b>5,840,208</b>	<b>5,662,158</b>	<b>178,050</b>	<b>5,612,186</b>
<b>Total liabilities and shareholders' equity</b>	<b>8,484,092</b>	<b>8,467,930</b>	<b>16,162</b>	<b>8,023,579</b>

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