

# Highlights of Consolidated Financial Results for FY2003 Semi-Annual (Six months ended September 30, 2002)

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

(Billions of yen unless otherwise specified)

	FY2002 semi-annual (Apr. 2001 through Sep. 2001)	FY2003 semi-annual (Apr. 2002 through Sep. 2002)	% of change from previous semi-annual	FY2003 Forecast (Apr. 2002 through Mar. 2003)
Vehicle sales (ten thousand units)	269	301	12.1%	620
Net sales	6,833.5	7,886.6	15.4%	
Operating income <Income ratio>	506.5 <7.4%>	730.8 <9.3%>	44.3%	
Ordinary income <Income ratio>	526.6 <7.7%>	794.0 <10.1%>	50.8%	
Income before income taxes and minority interest in consolidated subsidiaries <Income ratio>	526.6 <7.7%>	980.0 <12.4%>	86.1%	
Net income <Income ratio>	291.1 <4.3%>	553.7 <7.0%>	90.2%	
Factors contributing to increases and decreases in operating income		Operating income increased by 224.3 billion yen  (Increase) Cost reduction efforts           150.0 Effects of changes in exchange rates                   90.0 Marketing efforts               80.0  (Decrease) Increases in R&D expenses and labor costs, etc.                       - 95.7		
Capital investment (excluding leased vehicles)	381.5	479.8		980.0
Depreciation expenses	335.7	360.9		710.0
R&D expenses	251.0	294.0		680.0
Performance evaluation		Increases in sales and ordinary income [ Net sales, operating income, ordinary income, income before income taxes and minority interest in consolidated subsidiaries and net income all reached historic highs. ]		
Number of employees	239,767	253,842		

## **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.