Toyota's Management Strategy
Dynamic & Stable Growth
Innovation Into the Future

Toyota Motor Corporation
September 6, 2002
Fujio Cho
President
Toyota’s Performance
Toyota’s Performance

10 Years of Dynamic Growth

Operating Income

* Assigning fiscal 1993 as factor of 100

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY1993</td>
<td>100</td>
</tr>
<tr>
<td>FY1996</td>
<td>200</td>
</tr>
<tr>
<td>FY1999</td>
<td>300</td>
</tr>
<tr>
<td>FY2002</td>
<td>500</td>
</tr>
</tbody>
</table>

* Operating income x5
Cumulative net income reflects consolidated figures calculated in accordance with Japan GAAP.

* Cumulative net income reflects consolidated figures calculated in accordance with Japan GAAP.
Improved Management Efficiency

Operating Income

Net Sales, Total Assets, and Number of Employees

* Assigning fiscal 1993 as factor of 100

* Operating income
* Net sales
* Total assets
* Number of employees

FY1993 FY1996 FY1999 FY2002
Toyota’s Performance

2001 Global Sales
Sales in Approximately 160 Countries and Regions Around the World

Global Unit Sales in 2001
* Including Daihatsu and Hino
(Millions of units)

5.9

Proportion of 2001 Unit Sales by Region

Japan (33%)
North America (36%)
Europe, Asia and Others (31%)

Global Share
10%

Overseas
Domestic

3.6
2.3
### 2001 Domestic Sales

**Japan’s Market Leader (more than 40% market share)**

**Basis of Global Competitiveness :** Quality, Cost

<table>
<thead>
<tr>
<th>Year</th>
<th>Toyota (excluding minivehicles)</th>
<th>Toyota (including minivehicles)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>39.4%</td>
<td>36.5%</td>
</tr>
<tr>
<td>1999</td>
<td>41.7%</td>
<td>37.3%</td>
</tr>
<tr>
<td>2000</td>
<td>43.3%</td>
<td>38.9%</td>
</tr>
<tr>
<td>2001</td>
<td>42.2%</td>
<td>38.7%</td>
</tr>
<tr>
<td>2002/1-7</td>
<td>42.4%</td>
<td>38.2%</td>
</tr>
</tbody>
</table>

* Figures for 1998 and thereafter include Daihatsu;
* Figures for 2001 and thereafter include Hino

**2001 Market Share (excluding minivehicles)**

- **Toyota** (42.2%)
- **Nissan** (18.0%)
- **Honda** (14.0%)
- **Others** (25.8%)
Our Vision for the Future

2010 Global Vision
15% Global Market Share

Early in the 2010s

2001

10%

15%

TOYOTA
Brand Strategy

Improving Brand Value
Improving Brand Value

North American Strategy: Growth of Product Line-up

Sales Target 2 million units (2003-2004 Planned)

Small passenger vehicles
- Camry
- Corolla

Luxury vehicles
- Lexus LS430
- Lexus SC430

Large SUVs
- Tundra
- Sequoia

Crossover vehicles
- Highlander
- Lexus RX300

Youth-oriented vehicles
- bbX

Ranked first in 9 of 16 categories in the 2002 IQS survey by J.D. Power & Associates
Improving Brand Value

European Strategy: Growth of Product Line-up

Yaris: Unit sales
2001: 210,000 vehicles
First half of 2002: 120,000 vehicles

Corolla

Sales Target 800 thousand units + α (2005 Planned)

New Avensis (beginning of 2003)

Corolla

Diesel Engines

D-CAT (2003 launch)
Sales to Other Companies (from 2003)
## Global Cars

### Improving Brand Value

<table>
<thead>
<tr>
<th>Cars</th>
<th>Countries and regions in which vehicle is marketed (approximate numbers)</th>
<th>2001 production volume (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corolla</td>
<td>140</td>
<td>871</td>
</tr>
<tr>
<td>Camry</td>
<td>100</td>
<td>527</td>
</tr>
<tr>
<td>Yaris</td>
<td>140</td>
<td>373</td>
</tr>
<tr>
<td>Hilux</td>
<td>140</td>
<td>302</td>
</tr>
</tbody>
</table>

2002 1 million units (plan)
Motorsports

Current leader in manufacturer's championship

F1
Competed in races with cars developed completely in-house (from 2002)
Strategy for Optimal Global Production

Producing Where Demand Exists
Producing Where Demand Exists

Optimal Global Production

Production and Marketing Where Demand Exists
(24 overseas countries and regions, 40 companies worldwide)

North America: 8 companies
Europe: 4 companies
China: 6 companies
Asia: 11 companies (outside Japan)
Middle East: 4 companies
Africa: 2 companies
Central and South America: 4 companies
Oceania: 1 company
Producing Where Demand Exists

Expansion of Local Production in North America

Expansion of Local Production ➔ Stable Growth

Production volume (Thousands of units)

Exchange rate (yen/dollar)

Operating Income in North America (billions of yen)

2003 production capacity
From 1.25 million units to 1.45 million units
Proportion of local production = Local production volume / Local unit sales

Expansion of Local Production in Europe (1)

Expansion of Local Production and Procurement  ➔ Cost Reductions

France (TMMF): Increased capacity (150,000 vehicles ➔ 180,000 vehicles, 2003)
Turkey (TMMT): Corolla production, exports to Europe (February 2002)

2003 production capacity 500,000 units (including Turkey)
Producing Where Demand Exists

Expansion of Local Production in Europe (2)

Planned to Introduce Small Entry-Level Passenger Vehicle

Joint Production of New Concept Vehicle with PSA Peugeot-Citroën

Establishment of plant in Czech Rep. (TPCA)
(Production scheduled to begin in 2005)
100,000 Toyota branded vehicles (planned)

Expansion of Polish plant (TMMP) in 2004
Supply engines and transmissions to TPCA
Producing Where Demand Exists

Expansion of Production Network in Asia

Japan

Pakistan

India

Vietnam

Malaysia

Thailand

Taiwan

Philippines

Indonesia

Singapore

Japan
Major Leap Forward in Toyota’s China Operations

Operations in China at present

- Tianjin: Production of compact passenger vehicles (October 2002)
- Sichuan: Production of the Coaster (December 2000)

Expansion by cooperative relationship with FAW

- Medium/large-class luxury sedans: Production of 50,000 units / year (2005)
- SUV: Production of 10,000 to 20,000 units / year (2003)
- Minivehicles:* Production of 100,000 units / year (2003)

*Sold under the Daihatsu brand

By around 2010

Total production and sales of 300,000 to 400,000 units / year
Technology Strategy

Stricter Regulations as a Business Opportunity
Next-Generation Technological Competition as a Business Opportunity
The Oil Crisis and Emission Controls Triggered Growth

- Oil Crisis
- Emission Controls (NOx) and Fuel Consumption Regulations (CO2)

- United States: LEV, ZEV
  - Europe: 140g/km
  - Japan: Fuel economy guideline by 2010

- Toyota’s Opportunity
  - Hybrid
  - FCHV
  - New Diesel Catalyst (D-CAT)

- Toyota Group production volume (domestic and overseas)

- Global production volume


- 3.0 million units
- 4.0 million units
- 5.0 million units

- 38 times *
- 3.3 times *

* Assuming a production volume of 1 car in 1960
**Increased Sales of Hybrid Vehicles**

- **Year 2001**
  - Gas turbine HV (1969)
  - Prius

- **Units 100,000**
  - Total 100,000 vehicles

- **Units 50,000**
  - Estima Hybrid (4WD)

- **Crown Mild Hybrid**

**300,000 units/year by around 2005**

**Stricter Regulations as a Business Opportunity**
Stricter Regulations as a Business Opportunity

Performance of Toyota Prius

Fuel Consumption (km/l)*
*Measured by Japanese standard

Mid-range acceleration
80-110 km/h (Sec)

1.5L A/T
2000 Prius

Fuel Consumption (km/l)*
*Measured by Japanese standard
### Toyota FCHV-4 (1)

**Independent In-house Development of Total System Including Fuel Cell Stacks**

<table>
<thead>
<tr>
<th>Feature</th>
<th>Specification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum speed</td>
<td>150km/h</td>
</tr>
<tr>
<td>Cruising range</td>
<td>250km</td>
</tr>
<tr>
<td>Fuel cell output</td>
<td>90kw</td>
</tr>
<tr>
<td>Fuel</td>
<td>Pure hydrogen</td>
</tr>
</tbody>
</table>
Stricter Regulations as a Business Opportunity

Toyota FCHV-4 (2)

Independent In-house Development of Total System Including Fuel Cell Stacks

- TOYOTA FC Stack
- Air compressor
- Power control unit
- Motor
- Secondary battery
- High-pressure hydrogen storage tank

[Diagram showing the components of the system]
IV

Stricter Regulations as a Business Opportunity

FCHV-4 Road Tests

Limited Marketing around the End of 2002

Japan

U.S.A.

TOYOTA
Construction of fuel cell vehicle

Why is it Called the FCHV?

Stricter Regulations as a Business Opportunity

Motor
Air compressor
High-pressure hydrogen storage tank
Fuel cell stack

Motor
Power control unit
Secondary battery
Air compressor
TOYOTA FC Stack
High-pressure hydrogen storage tank
The Overall Fuel Efficiency of FCHVs

Overall Efficiency “Well-to-Wheel” (%)

- Gasoline engine: 14%
- Gasoline HV: 26%
- High-pressure hydrogen: 22%
- FCV: 29%
- FCHV: 42%

Further improvement in efficiency

Calculations by Toyota
Stricter Regulations as a Business Opportunity

Toyota’s Environmental Technology Development

The Ultimate Eco-Car

Hybrid Technology

- CNG
- Diesel DI
- Lean Burn
- VVT-i
- D-4
- EV

Alternative energy

Diesel engine

Gasoline engine

EV & FCV

THS-M (Crown)
THS-C (Estima)
THS (Prius)
FCHV

THS-C

Toyota's Environmental Technology Development

The Ultimate Eco-Car

Hybrid Technology

- CNG
- Diesel DI
- Lean Burn
- VVT-i
- D-4
- EV

Alternative energy

Diesel engine

Gasoline engine

EV & FCV

THS-M (Crown)
THS-C (Estima)
THS (Prius)
FCHV

THS-C
Stricter Regulations as a Business Opportunity

Strategy to Encourage Hybrid Popularization and Reduce Costs

Toyota-Nissan Tie Up

- Agreement of ten years or longer
- Toyota to supply hybrid components (transaxle, battery, inverter)
- Nissan to install hybrid system in vehicles for U.S. in 2006
- 100,000 units expected within five year of launch
- Ongoing discussions of joint development of components
Global New Body Line

Innovative Welding Processes

- Highly flexible: (1 line for 8 models, small-lot to mass production)
- Investment reduction:
  - New facilities: 50% less
  - Model changes: 70% less (compared with former line)

Stricter Regulations as a Business Opportunity
V-Comm (virtual trial manufacturing)
Accelerates Production Preparation, Reduces Production Costs
Exchange of images, sound

Exchange of signal

V-Comm (2)

Global Expansion of TPS * via Digital Technology

* TPS: Toyota Production System
Innovation into the Future
Innovation into the Future

Motorization on a Global Scale

- Expansion of U.S. market
- Increase in population
- Rapid expansion in Eastern/Central Europe, Russia
- True growth in the Asian market
Innovation into the Future

Recycling and a “Zero-Waste” Society

Development of New Materials and Processing Technology

Development of environmentally-friendly biodegradable plastic from biomass (manufacture of automotive parts from high-yield sweet potatoes)

Final technical evaluation and commercialization slated for immediate future

(Indonesia)

Plant-Based Biodegradable Plastic (Bioplastic)
Automobiles are equipped with information terminals and transmission modules to enable real-time exchange of information.

Plan to launch in October.

**Car Multimedia**

**G-BOOK**

(Automobile information network service)
Innovation into the Future

Moving toward a Mature Global Society

Personnel Growth at Overseas Subsidiaries

(Thousands of persons)

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Personnel</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY1993</td>
<td>109 (16%)</td>
<td></td>
</tr>
<tr>
<td>FY1994</td>
<td>109 (16%)</td>
<td></td>
</tr>
<tr>
<td>FY1995</td>
<td>246 (27%)</td>
<td></td>
</tr>
<tr>
<td>FY1996</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY1997</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY1998</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY1999</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY2000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY2001</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY2002</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Establishment of the Toyota Institute

Training and opportunities for overseas personnel

Number of personnel on a consolidated basis ( )
Percentage of personnel at overseas subsidiaries

For example:

109 (16%) in FY1993
246 (27%) in FY1995
Toyota's Management Strategy
Dynamic & Stable Growth
Innovation Into the Future

Toyota Motor Corporation
September 6, 2002
Financial Strategy for Long-term Stable Growth

Toyota Motor Corporation
September 6, 2002
Overview of Fiscal 2002

Consolidated Business Performance

<table>
<thead>
<tr>
<th>(Billions of yen)</th>
<th>(Trillions of yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,500</td>
<td>15</td>
</tr>
<tr>
<td>1,000</td>
<td>10</td>
</tr>
<tr>
<td>500</td>
<td>5</td>
</tr>
<tr>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Sales</th>
<th>Operating Income</th>
<th>Net Income before taxes</th>
<th>Net Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,107</td>
<td>13.1</td>
<td>13.4</td>
<td>13.1</td>
</tr>
<tr>
<td>790</td>
<td>11.07</td>
<td>11.3</td>
<td>11.07</td>
</tr>
<tr>
<td>674</td>
<td>6.74</td>
<td>6.6</td>
<td>6.74</td>
</tr>
<tr>
<td>870</td>
<td>8.7</td>
<td>8.6</td>
<td>8.7</td>
</tr>
<tr>
<td>864</td>
<td>8.64</td>
<td>8.5</td>
<td>8.64</td>
</tr>
<tr>
<td>471</td>
<td>4.71</td>
<td>4.6</td>
<td>4.71</td>
</tr>
<tr>
<td>1,123</td>
<td>11.23</td>
<td>11.13</td>
<td>11.23</td>
</tr>
<tr>
<td>615</td>
<td>6.15</td>
<td>6.0</td>
<td>6.15</td>
</tr>
<tr>
<td>1,113</td>
<td>11.13</td>
<td>11.0</td>
<td>11.13</td>
</tr>
<tr>
<td>972</td>
<td>9.72</td>
<td>9.6</td>
<td>9.72</td>
</tr>
<tr>
<td>556</td>
<td>5.56</td>
<td>5.5</td>
<td>5.56</td>
</tr>
</tbody>
</table>

Overview of Fiscal 2002

Consolidated Business Performance

<table>
<thead>
<tr>
<th>FY2001</th>
<th>FY2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>(US-GAAP)</td>
<td>(US-GAAP)</td>
</tr>
<tr>
<td>13.1</td>
<td>15.1</td>
</tr>
<tr>
<td>11.07</td>
<td>11.23</td>
</tr>
<tr>
<td>6.74</td>
<td>6.15</td>
</tr>
<tr>
<td>8.7</td>
<td>8.64</td>
</tr>
<tr>
<td>8.64</td>
<td>6.15</td>
</tr>
<tr>
<td>4.71</td>
<td>4.71</td>
</tr>
<tr>
<td>11.07</td>
<td>11.13</td>
</tr>
<tr>
<td>11.3</td>
<td>11.0</td>
</tr>
<tr>
<td>6.6</td>
<td>6.74</td>
</tr>
<tr>
<td>8.64</td>
<td>6.64</td>
</tr>
<tr>
<td>4.71</td>
<td>4.71</td>
</tr>
</tbody>
</table>

Consolidated Business Performance for FY2001 and FY2002 in US-GAAP and Japan-GAAP.
Overview of 1Q of Fiscal 2003
Consolidated Business Performance

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income</td>
<td>3.3</td>
<td>4.0</td>
</tr>
<tr>
<td>Net Income before taxes</td>
<td>297</td>
<td>613</td>
</tr>
<tr>
<td>Net Income</td>
<td>291</td>
<td>394</td>
</tr>
<tr>
<td>Net Sales</td>
<td>162</td>
<td>352</td>
</tr>
</tbody>
</table>

Note: Based on standard for interim financial statement

This includes ¥187 billion gains due to return of substituted portion of employee pension fund.
Factor of Changes in Operating Income:
1Q of Fiscal 2003

Increase in operating income (¥103.2 billion)

- R&D expenses, Depreciation, etc. (-56.8)
- Marketing activities (+20.0)
- Cost reduction (+70.0)
- Forex rate change (+70.0)
- Change from previous year (+33.2)

After elimination of effect of foreign exchange

Apr.-Jun. 2001 (Japan-GAAP) 291.3
Apr.-Jun. 2002 (Japan-GAAP) 394.5

(Billions of yen)

Note: Based on standard for interim financial statement
Long-Term Financial Targets

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Operating Income Ratio</th>
<th>Unit Sales on Consolidated Basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2000</td>
<td>6.1%</td>
<td>4,695 (Thousands of units)</td>
</tr>
<tr>
<td>FY2001</td>
<td>6%</td>
<td>5,182</td>
</tr>
<tr>
<td>FY2002</td>
<td>6.5%</td>
<td>5,527</td>
</tr>
<tr>
<td>FY2003</td>
<td>7.4%</td>
<td>5,785</td>
</tr>
<tr>
<td>FY2003/1Q</td>
<td>9.8%</td>
<td>6,110 (Projection)</td>
</tr>
</tbody>
</table>

Target of operating income ratio: 9%

Target of ROE: 10%

Excluding effect due to return of substituted portion of employee pension fund:

FY1999: 5.8%
FY2000: 6.3%
FY2001: 6.8%
FY2002: 8.5%
FY2003/1Q: 12.7%
Continuing Efforts to Reduce Costs
Eliminate Waste

Results of cost reduction efforts
(Billions of yen)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>130</td>
<td>110</td>
<td>70</td>
<td>120</td>
<td>150</td>
<td>190</td>
<td>260</td>
<td></td>
</tr>
<tr>
<td>Quarter</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1Q</td>
</tr>
</tbody>
</table>

TOYOTA
CCC21 Initiative *
Using Global Benchmarking, Set Our Targets for the World’s Best
Cost and Performance for Components and Parts

CCC21 (About 170 items)

- Older models: Camry, Corolla, Starlet, Yaris (Vitz)
- New models: New Corolla, New Camry

Costs vs. Performance

- Nearly completed identifying means to achieve the targets (March 2002)

* Construction of Cost Competitiveness 21
Platform Integration

FR  11 platforms now in use

FF

Reduce to 6 platforms

(Production platforms for passenger vehicles)
Financial Business

Global Sales Finance Network

Existing bases 22
Planned 2002 bases 2

Future expansion to bases in 30 countries

(Billions of yen)

Operating income

Cash Flow Management

Efficient Use of Capital → Long-term Stable Growth & Increasing Shareholders’ Value

Image of Fiscal 2002 Consolidated Cash Flows

(Billions of yen)

- Net income: 615
- R&D: 592
- Depreciation: 699
- Capital investment: 940
- Total Cash Flow: 374

*Japan GAAP
Aiming at the Future Growth

Capital Investment and R&D

(Billions of yen)

<table>
<thead>
<tr>
<th>Year</th>
<th>Capital Investment</th>
<th>R&amp;D Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY1999</td>
<td>973</td>
<td>487</td>
</tr>
<tr>
<td>FY2000</td>
<td>871</td>
<td>453</td>
</tr>
<tr>
<td>FY2001</td>
<td>860</td>
<td>479</td>
</tr>
<tr>
<td>FY2002</td>
<td>940</td>
<td>592</td>
</tr>
<tr>
<td>FY2003/1Q</td>
<td>980 (projection)</td>
<td>650 (projection)</td>
</tr>
</tbody>
</table>

FY1999 FY2000 FY2001 FY2002 FY2003/1Q

Capital investment  R&D expenses

TOYOTA
Maintaining Sufficient Level of Liquidity

(Billions of yen)

<table>
<thead>
<tr>
<th>Year</th>
<th>Shareholders’ equity ratio (consolidated)</th>
<th>Net funds (consolidated, excluding financial business)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY1998</td>
<td>43.5</td>
<td>1,168</td>
</tr>
<tr>
<td>FY1999</td>
<td>41.9</td>
<td>1,159</td>
</tr>
<tr>
<td>FY2000</td>
<td>41.3</td>
<td>1,109</td>
</tr>
<tr>
<td>FY2001</td>
<td>40.6</td>
<td>1,363</td>
</tr>
<tr>
<td>FY2002</td>
<td>36.8</td>
<td>1,210</td>
</tr>
</tbody>
</table>

(%)
Asset Allocation

(Trillions of yen)

End of FY1997

Operating Assets

- North America: 3.4
- Japan: 5.8
- Asia and Others: 0.6
- Europe: 0.5

Non-operating Assets: 2.4

End of FY2002

Operating Assets

- North America: 6.5
- Japan: 9.2
- Europe: 1.2
- Asia and Others: 1.0

Non-operating Assets: 1.9

19.8

17.9

12.7
Long-Term Stable Growth in Share Value

Total Market Value of Toyota Shares in Tokyo Stock Exchange Market Cap
Rise from 1.4% in 1991 to 4.4% in 2002

\[
\% = \frac{\text{Market value of Toyota Shares}}{\text{Aggregate market value of TSE}}
\]

*Calculated at the end of each fiscal year, assigning fiscal 1991 as factor of 100
Shareholder’s Return

Dividends Payout: Increasing Steadily (¥14.5 per share to ¥28 per share)
Accumulative Value of Shares Canceled: ¥922 Billion

*(Annual dividends + Shares canceled) / Net income (On non-consolidated, Japan GAAP basis)*

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Annual Dividends</th>
<th>Shares Canceled</th>
<th>Return Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY1995</td>
<td>¥14.5</td>
<td>¥19</td>
<td>120%</td>
</tr>
<tr>
<td>FY1996</td>
<td>¥22</td>
<td>¥23</td>
<td>100%</td>
</tr>
<tr>
<td>FY1997</td>
<td>¥23</td>
<td>¥23</td>
<td>80%</td>
</tr>
<tr>
<td>FY1998</td>
<td>¥23</td>
<td>¥24</td>
<td>60%</td>
</tr>
<tr>
<td>FY1999</td>
<td>¥24</td>
<td>¥25</td>
<td>40%</td>
</tr>
<tr>
<td>FY2000</td>
<td>¥25</td>
<td>¥28/Share</td>
<td>20%</td>
</tr>
</tbody>
</table>

Note: 1. Figures for FY95 only reflect 9-months result to reflect the change in fiscal year-end.
Note: 2. Amount of shares canceled decreased in FY2000 due to various legal constraints relating to Toyota’s listing on NYSE and LSE.
Note: 3. Figure of shares canceled in FY2002 includes ¥143 billion of shares repurchased during FY2002, and canceled during FY2003.
Share Repurchase

Authorized Amount of Repurchase

Up to ¥600 billion
Up to 170 million shares

(Between Annual General Shareholders’ Meetings 2002 and 2003)
Update on Current Toyota’s Share Ownership

End of Sept. 1999

- Held in trust accounts: 11%
- Banks: 34%
- Life and non-life insurance companies: 17%
- Corporations, etc.: 21%
- Foreign investors: 10%
- Individual investors: 7%

End of Mar. 2002

- Held in trust accounts: 22%
- Banks: 19%
- Life and non-life insurance companies: 14%
- Corporations, etc.: 19%
- Foreign investors: 16%
- Individual investors: 9%

1% treasury stock

44% down

55% Financial institutions

Held in trust accounts

11%

62%

34%
1) Disclosure for a better transparency

Disclose financial statements in accordance with both Japan & US GAAP

2) Conservative accounting

Implementation of rigorous standards (for valuation of marketable securities and inventories)

No impaired assets remain on balance sheet
## Changing in Japan’s Accounting Standards

### Adopted these changes to our accounting system in advance

<table>
<thead>
<tr>
<th>Principal changes</th>
<th>Systemic changes</th>
<th>Implemented by Toyota</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Interim consolidated results</td>
<td>00/9 -</td>
<td>98/9 -</td>
</tr>
<tr>
<td>2) <strong>Strengthened consolidated accounting</strong></td>
<td>00/3 -</td>
<td>99/9 -</td>
</tr>
<tr>
<td>(introduction of criteria for actual corporate control*)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3) Tax effect accounting</td>
<td>00/3 -</td>
<td>99/9 -</td>
</tr>
<tr>
<td>4) Accounting for retirement benefits</td>
<td>00/9 -</td>
<td>00/9 -</td>
</tr>
<tr>
<td>5) Accounting for financial instruments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial instruments</td>
<td>00/9 -</td>
<td>00/9 -</td>
</tr>
<tr>
<td>Cross-holding of shares, etc.</td>
<td>01/9 -</td>
<td>00/9 -</td>
</tr>
</tbody>
</table>

*SPE (disqualified): Application of actual control criteria (no 3% rule)*
Japanese standards for financial statements:

ChuoAoyama

- Rules for calculating financial statements set forth in the Commercial Code
- Rules for preparing financial statements set forth in the Securities and Exchange Act

U.S. standards for financial statements:
PricewaterhouseCoopers
Corporate Governance under the Commercial Code of Japan

Shareholders’ Meeting

Approval of directors’ remuneration, bonuses, pensions, stock options

Election

Board of Directors

Directors

Approve transactions which may involve conflicts of interest.

Accounting Auditors

Accounting Audit

Representative Directors

Election

Monitoring

Execution

Board of Corporate Auditors

Auditors

Outside Auditors

Strengthen authority for corporate auditors

TOYOTA
Basic Statement of Toyota Style Governance

Shareholders

Employees

Management
Efficient Operation

Creditors

Community

Suppliers

Dealers

Customers

Toyota Way

Focus on Shareholders

Harmonious Growth

CS No.1

Long-term Stable Growth

Toyota Way

Customers

Management
Efficient Operation

Community

Suppliers

Dealers

Employees

Creditors

Shareholders
Prompt Decision Making and Intensive Risk Management

Higher Transparency Reviewed by “Many People”

- Shareholders’ Meeting
- Decision-making (EVP and above)
- Execution (Senior managing director and below)

- NYSE, LSE Listing (SEC Disclosure)
- International Advisory Board
- Labor-Management Council/Forum
- Internal Audit
- Corporate Ethics Committee
- Social Contribution Committee
- Stock Option Committee

Internal insider-trading regulations:
- 24-hour rules, Rules for trading Toyota shares

Internal Audit

Toyota Way
Cautionary Statement with Respect to Forward-Looking Statements

This presentation contains forward-looking statements that reflect Toyota’s plans and expectations. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause Toyota’s actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. These factors include: (i) changes in economic conditions 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.
Financial Strategy for Long-term Stable Growth

Toyota Motor Corporation
September 6, 2002